

# Preface

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

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 2009. Information has also been obtained from the Government of Rajasthan, 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.

The Reports containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.



# Executive Summary

## Background

In May 2005, Rajasthan Government responded to the Twelfth Finance Commission's recommendation by legislating its "Fiscal Responsibilities and Budget Management Act (FRBM)." It sets out a reform agenda through fiscal correction path in the medium term with the long-term goal of securing growth stability for its economy. The State Government's commitment to carry forward these reforms is largely reflected in certain policy initiatives announced in the budgets subsequently. While the benefits of FRBM legislation have been realised to a great extent already, in terms of reduction in major deficit indicators etc, the State Government's resolve to implement VAT, introduction of New Pension Scheme, ceilings on Government guarantees and a host of other institutional and sectoral reform measures will go a long way in building up the much needed 'fiscal space' for improving the quality of public expenditure and to promote fiscal stability.

The State Government has done well in establishing an institutional mechanism on fiscal transparency and accountability as evident from the year-on-year presentation of outcome budgets. These outcome indicators tend to serve the limited purpose of measuring the department-wise performance against the targets. They do not, however, give the 'big picture' of the status of financial management including debt position, off-budget liabilities and cash management etc. for the benefit of the State Legislature and other stakeholders.

The Comptroller and Auditor General's civil audit reports step in to fill this gap. C&AG's reports have been commenting upon the Government's finances for over three years since the FRBM legislation and have published three reports already. Since these comments formed part of the civil audit report, it was felt that the audit findings on State finances remained camouflaged in the large body of audit findings on compliance and performance audits. The obvious fallout of this well-intentioned but all-inclusive reporting was that the financial management portion of these findings did not receive proper attention. In recognition of the need to bring State finances to center stage once again, a stand-alone report on State Government finances is considered an appropriate audit response to this challenge. Accordingly, from the report year 2009 onwards, C&AG has decided to bring out a separate volume titled "Report on State Finances."

## The report

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

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

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

**Chapter 3** is an inventory of Rajasthan 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. Appendix 4.1 at the end gives a glossary of selected terms related to State economy, as used in this report.

## **Audit findings and recommendations**

**Return to fiscal correction:** Rajasthan Government's early gains in achieving deficit targets, suffered a setback in the current year due to the slump in the economy, impacting its revenue receipts. The Sixth Pay Commission award also put pressure on the committed expenditure. Given the robustness of the economy, the State can still achieve the FRBM targets with a concerted effort through better tax compliance, reductions in tax-collection costs, focusing on regaining revenue arrears ( para 1.3.3) and by pruning unproductive expenditure. The State also needs to ensure that the Government of India releases all grants due to it by timely fulfillment of all conditionalities / pre-requisites (para 1.4.4).

**Greater priority to capital expenditure:** The State may consider reprioritising its outlays, in view of the fact that its capital expenditure-aggregate expenditure ratio is lower than the average for all the States (table 1.8).

**Adequate thrust to development and social sector expenditure:** The per capita development expenditure in Rajasthan is much lower than the national average even though the state is spending adequate amounts compared to the rest of the country (table 1.8). This calls for a serious introspection on whether the capacity of the State to utilize expenditure for developmental and social outcomes can be improved by better design of schemes, reducing administration costs, timely implementation, closer monitoring etc. Cost and time overruns of incomplete projects (para 1.6.2) are inevitable by-products of weak control systems. The State can work towards further improvements in this area so that people derive envisaged benefits in the quickest possible time. Outcome budgeting should be able to mitigate this weakness.

## **Review of Government investments:**

The average return on Rajasthan Government's investments in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.2 to 0.5 per cent in the past three years, whereas its average interest outgo was in the range of 7.7 to 8.3 per cent (para 1.6.3). This is obviously an unsustainable proposition. The State Government should therefore hasten to seek better value for money in investments. Otherwise high-cost borrowed funds invested in projects with low financial return will continue to strain the economy. Projects which are justified on account of low financial but high socio-economic return may be identified and prioritized with full justification for the high-cost borrowings. Time has come to revisit the working of State-owned public sector undertakings, incurring huge losses (para 1.6.4) and work out either a revival strategy (for those that are strategic in nature and can be made viable) or close down (if they are not likely to be viable given current market conditions).

**Prudent cash management:** The cost of holding surplus cash balances is reported high. In 2008-09, interest received on investment of cash balances in RBI's Treasury Bills and Auction Bills was only 3.8 per cent while the Government borrowed on an average rate at 7.7 per cent (Para 1.6.6 refers). Proper debt management through advanced planning could minimise the need to hold large cash surpluses. Ways and Means facility of RBI can also be judiciously resorted to as long as the state does not avail of overdraft facility.

**Debt sustainability:** The Government of Rajasthan should endeavor to achieve the debt-GSDP ratio as specified in Fiscal Reform legislation that the total outstanding debt (excluding public account and risk-weighted outstanding guarantees) do not exceed twice the estimated receipts in its Consolidated Fund. Borrowed funds should be used as far as possible only to fund capital expenditure and revenue expenditure should be met from revenue receipts. Efforts should be made to return to the state of primary surpluses and zero revenue deficit at the earliest possible opportunity. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and a clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

**Oversight of funds transferred directly from the GoI to the State implementing agencies:** Funds flowing directly to the implementing agencies through off-budget routing inhibits FRBM requirements of transparency and therefore bypass accountability. There is no single agency monitoring its use and there is no readily available data on the amounts spent in any particular year on major flagship and other important schemes. A system has to be urgently put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Principal Accountant General (A&E).

**Financial management and budgetary control:** Slow pace of programme implementation in the State left an overall saving of Rs 2933 crore offset by excess of Rs 444 crore; this requires regularisation under Article 205 of the Constitution of India (para 2.2.5). 'Irrigation' and 'Education' sectors posted large savings persistently for the last five years (para 2.2.2). There were also instances of inadequate provision of funds and unnecessary/ excessive re-appropriations. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management. In many cases, the anticipated savings were either not surrendered or surrendered on the last two days of the year leaving no scope for utilizing these funds for other development purposes. Detailed bills were not submitted for large amount of advances drawn on abstract contingent bills. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/ surrender orders should be avoided.

**Financial reporting:** State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delays in furnishing utilization certificates against the loans and grants from various grantee institutions. Delays also figured in submission of annual accounts by some autonomous bodies and departmental undertakings. There were instances of losses and misappropriations, mostly due to improper maintenance of cash book and store accounts (para 3.5). Departmental enquiries in such cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases in future.

# Finances of the State Government

This chapter provides a broad perspective of the finances of the Government of Rajasthan during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The analysis has been made based on State Finance Accounts and the information obtained from State Government. The structure of Government Accounts and the layout of Finance Accounts are shown in **Box 1.1** (page 2).

## 1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of State Government's fiscal transactions during the current year (2008-09) vis-à-vis the previous year while *Appendix 1.3* provides details of receipts and disbursements as well as overall fiscal position during the current year.

**Table 1.1: Summary of fiscal operations**

(Rupees in crore)

Receipts			Disbursements				
	2007-08	2008-09		2007-08	2008-09		
Section A	Total	Total	Section A	Total	Non-Plan	Plan	Total
<b>Revenue Receipts</b>	<b>30,780.62</b>	<b>33,468.85</b>	<b>Revenue expenditure</b>	<b>29,127.64</b>	<b>28,524.99</b>	<b>5,770.61</b>	<b>34,295.60</b>
Tax Revenue	13,274.73	14,943.50	General services	10,922.27	12,840.06	109.83	12,949.89
Non-tax Revenue	4,053.93	3,888.46	Social services	10,200.02	11,375.92	2,676.95	14,052.87
Share of Union Taxes/ Duties	8,527.60	8,998.72	Economic services	7,988.80	4,282.89	2,983.83	7,266.72
Grants from Government of India	4,924.36	5,638.17	Grants-in-aid and Contributions	16.55	26.12	-	26.12
<b>Section B</b>			<b>Section B</b>				
Miscellaneous Capital Receipts	1.16	4.21	Capital Outlay	6,555.55	(-) 195.85 <sup>1</sup>	6,095.80	5,899.95
Recoveries of Loans and Advances	1,780.73	89.23	Loans and Advances disbursed	287.69	16.36	323.70	340.06
Public Debt Receipts <sup>2</sup>	5,063.34	7,477.87	Repayment of Public Debt <sup>2</sup>	1,845.81	-	-	2,432.64
Contingency Fund	-	165.00	Contingency Fund	-	-	-	165.00
Public Account Receipts	77,596.56	93,579.84	Public Account disbursements	74,734.69	-	-	91,779.22
Opening Cash Balance	2,622.36	5,293.39	Closing Cash Balance	5,293.39	-	-	5,165.92
<b>Total</b>	<b>1,17,844.77</b>	<b>1,40,078.39</b>	<b>Total</b>	<b>1,17,844.77</b>	<b>-</b>	<b>-</b>	<b>1,40,078.39</b>

<sup>1</sup> Minus figure is due to transfer of Rs 212 crore from Rajasthan State Investment Fund (see page 3).

<sup>2</sup> Excluding net transactions under ways and means advances and overdraft

**Box 1.1**

**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.

**Layout of Finance Accounts**

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

Following are the significant changes during 2008-09 over the previous year:

- Revenue receipts grew by Rs 2,688 crore (nine per cent) over the previous year. The increase was mainly contributed by tax revenue (Rs 1,668 crore), State's share of Union taxes and duties (Rs 471 crore) and grants-in-aid from Government of India (Rs 714 crore) partly offset by a decline of Rs 165 crore in Non-tax revenue. *The revenue receipts at Rs 33,469 crore were higher than the assessment made by the State Government in its Fiscal Correction Path (FCP) (Rs 28,682 crore) and Medium Term Fiscal Policy Statement (MTFPS) (Rs 32,986 crore) for the year 2008-09.* The fiscal targets of the FRBM Act, 2005 of the State and outcome indicators of the States own FCP are at **Box 1.2** (page 4) and **Appendix 1.1**.
- Revenue expenditure increased by Rs 5,168 crore over the previous year. The increase was mainly under General Education (Rs 2,213 crore), Pensions and Other Retirement Benefits (Rs 758 crore), Medical and Public Health (Rs 504 crore), Police (Rs 478 crore), Water Supply and Sanitation (Rs 361 crore), Other Rural Development Programmes (Rs 315 crore), Rural Employment (Rs 311 crore), Interest Payments (Rs 281 crore), Roads and Bridges (Rs 218 crore), Urban Development (Rs 167 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Rs 136 crore), Crop Husbandry (Rs 134 crore), Forestry and Wild Life (Rs 111 crore), Nutrition (Rs 111 crore) and Relief on account of Natural Calamities (Rs 110 crore) partly offset by a decline of Rs 1,681 crore in Power. *The revenue expenditure exceeded the assessment made by the State Government both in its FCP and MTFPS for the year 2008-09 by Rs 5,614 crore and Rs 2,493 crore respectively.*
- Capital expenditure decreased by Rs 655 crore over the previous year. The decrease was mainly under Rajasthan State Investment Fund (Rs 1,112 crore) partly offset by increase in Rural Water Supply (Rs 173 crore) and Power Projects (Rs 273 crore). During 2007-08, the State Government had transferred Rs 900 crore from the Consolidated Fund of the State (Capital outlay on Other Fiscal Services) to Rajasthan State Investment Fund (Public Account of the State), whereas during 2008-09 the State Government transferred Rs 212 crore from the Rajasthan State Investment Fund to Consolidated Fund of the State (Capital outlay on Other Fiscal Services) to meet the liabilities arising due to Sixth Pay Commission. *During 2008-09 no expenditure was incurred under the Head Capital outlay on Other Fiscal Services.*
- The recovery of loans and advances decreased by Rs 1,692 crore over the previous year. The main reason for this was that Rs 1,666 crore of outstanding loan against erstwhile Rajasthan State Electricity Board (RSEB) was shown as recovery of loan and then converted into subsidy by State Government in 2007-08, thus inflating the figures of recovery of loans and advances in that year.
- Public Debt receipts increased by Rs 2,415 crore and repayment of Public Debt increased by Rs 587 crore over the previous year. *Thus, net receipts increased during the year by Rs 1,828 crore.*
- Public Account receipts and disbursements increased by Rs 15,984 crore and Rs 17,044 crore respectively over the previous year. *Thus, net receipt decreased during the year by Rs 1,060 crore.*
- Cash balance of the State decreased by Rs 127 crore over the previous year.

**Box 1.2**

**Fiscal Responsibility and Budget Management (FRBM) Act, 2005**

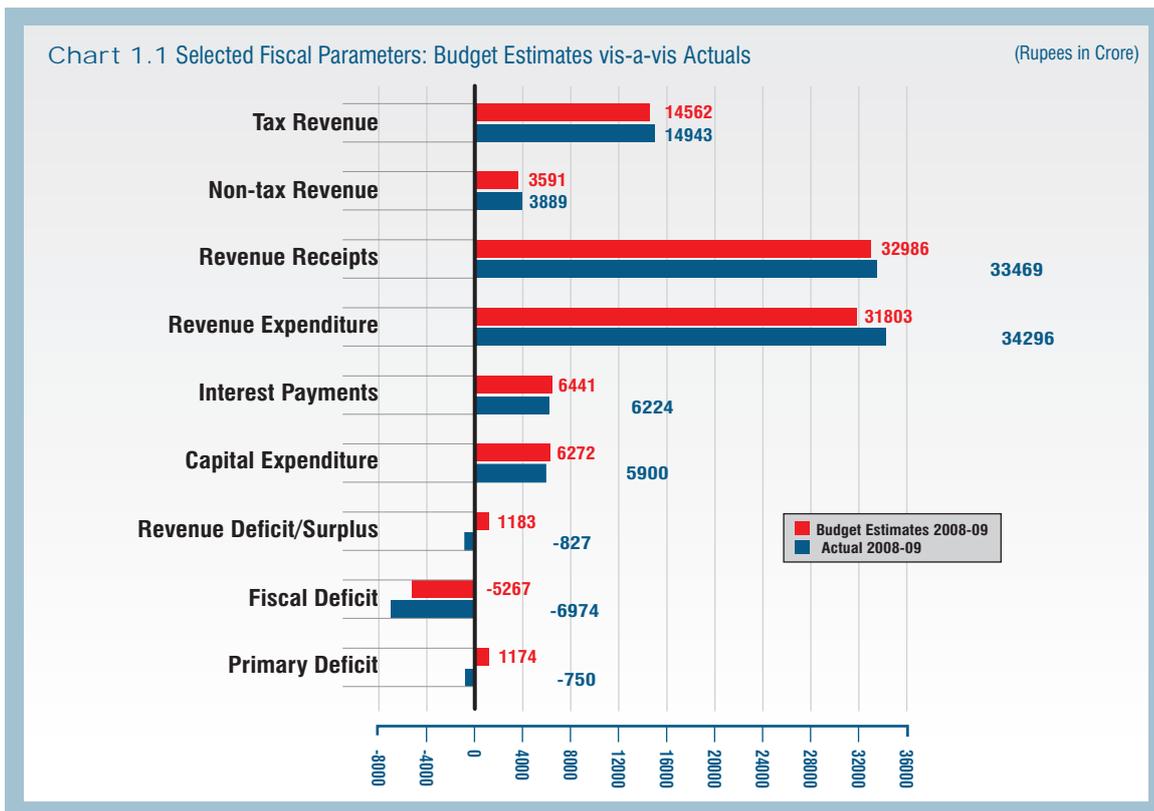
The State Government has enacted the Rajasthan Fiscal Responsibility and Budget Management (FRBM) Act, 2005 to ensure prudence in fiscal management and to maintain fiscal stability in the State. To improve the fiscal position and to bring fiscal stability, the Act envisages progressive elimination of revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability. To ensure fiscal prudence the Act also provides for greater fiscal transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and matters connected therewith or thereto. To give effect to the fiscal management principles as laid down in the Act, and/or the rules framed thereunder prescribed the following fiscal targets for the State Government:

- reduce revenue deficit to zero within a period of four financial years beginning 1st day of April 2005 and ending on the 31st day of March 2009 by following a path of average annual reduction of three per cent in the ratio of revenue deficit to revenue receipts;
- reduce fiscal deficit to three per cent of the estimated GSDP by following a path of minimum average annual reduction of 0.4 per cent in the ratio of fiscal deficit to GSDP; (Considering the overall slowdown in the economy, the GoI had allowed the States to increase their fiscal deficit to as much as to 3.5 per cent of their GSDP).
- ensure that total outstanding debt, excluding public account and risk weighted outstanding guarantees in a year shall not exceed twice the estimated receipts in the Consolidated Fund of the State at the close of the financial year;
- require to bring out annual statement giving prospects for the State economy and related fiscal strategy.

The State Government has developed its own Fiscal Correction Path (FCP) indicating the milestones of outcome indicators with target dates of implementation during the period from 2004-05 to 2009-10 keeping in view the fiscal targets laid down in the FRBM Act and/or the rules made thereunder.

Outcome indicators of the State's FCP are at **Appendix 1.1**.

The actual revenue receipts during the year increased by 1.46 per cent over the budget estimates while actual revenue expenditure increased by 7.84 per cent. Resultantly, the estimated revenue surplus turned into revenue deficit. The capital expenditure and interest payments decreased by 5.93 per cent and 3.37 per cent respectively over the budget estimates. The budgeted and actual figures under revenue receipts and expenditure are given in **Chart 1.1** and **Appendix-1.5**.



As may be observed from **Chart 1.1** (also see **Appendix 1.5**) there was considerable variation between budget estimates and actuals in the case of several key parameters. *Despite the year of general economic slowdown, it was heartening to note that revenue receipts actually had a marginal positive variation over budget estimates, mainly due to better than expected performance in Sales Tax, State Excise, Taxes on Immovable property and interest receipts.* Revenue expenditure showed a considerable positive variation of 7.84 per cent over budget estimate and almost all categories of revenue expenditure (with the exception of interest payments, other Rural Development Programme and Power) exceeded budget estimates. As a result, the targeted revenue surplus of Rs 1,183 crore was not achieved. Instead, a revenue deficit of Rs 827 crore was observed. Similarly, the estimated fiscal deficit<sup>3</sup> widened from the budget estimate of Rs 5,627 crore to the actual figure of Rs 6,974 crore. The estimated primary surplus could not be achieved and there was a primary deficit instead. Asset creation was not given as much priority as intended in the budget estimates as seen from a 5.93 per cent shortfall in Capital expenditure over the budget estimates.

## 1.2 Resources of the State

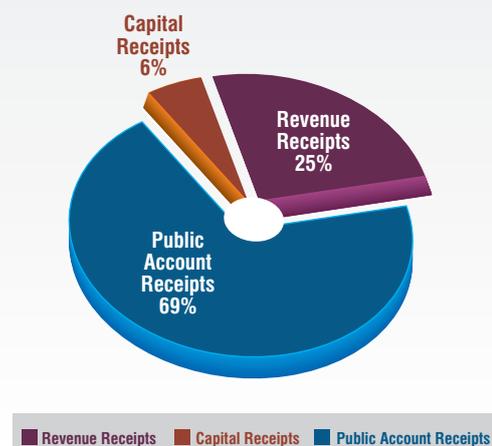
### 1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the State Government's resource base. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from Public Account. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2003-09. **Chart 1.3** depicts the composition of resources of the State during the current year.

**Chart 1.2 Trends in receipts**  
(Rupees in Crore)



**Chart 1.3 Composition of Receipts during 2008-09**  
(Rupees in Crore)



**Note:** Contingency Fund Receipts were only Rs 165 crore and 0.12 per cent of total receipt during 2008-09

<sup>3</sup> See glossary at page 85

Chart 1.2 shows that the total receipts of the State Government for the year 2008-09 were Rs 1,34,785 crore. Of these, the revenue receipts were Rs 33,469 crore, constituting 25 per cent of the total receipts. The balance came from capital receipts, borrowings and Public Account receipts. During 2004-05 to 2008-09 the average revenue receipts were Rs 25,689 crore, constituting 26 per cent of the average total receipts (Rs 97,316 crore).

The total receipts of the State increased by 110 per cent from Rs 64,072 crore in 2003-04 to Rs 1,34,785 crore in 2008-09. Public Debt receipts (Rs 7,478 crore) constitute nearly 99 per cent of the Capital receipts. Major share of the Public Debt (Rs 7,152 crore: 96 per cent) was from Internal Debt.

Deposits and Advances (Rs 81,808 crore) constitute about 87 per cent of the total receipts under Public Account. Major share of the Deposits and Advances (Rs 64,377 crore: 79 per cent) were in the form of working funds of five companies formed after the dismantling of RSEB and channelized through the 'Minor Head 107– State Electricity Boards Working Funds'. Similarly, 87 per cent (Rs 5,732 crore) of the remittances have come from Public Works Remittances.

### 1.2.2 Funds transferred to State implementing agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State implementing agencies<sup>4</sup> for the implementation of various schemes/programmes in social and economic sectors recognized as critical for the development of Rajasthan. As these funds are not routed through the State budget/State treasury system, annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/parameters derived from them are underestimated. To present a holistic picture on availability of aggregate resources, all the implementing agencies/departments were requested to furnish the details of funds received by them directly from Gol. The information obtained is presented in Table 1.2. It was observed that the funds transferred directly to State implementing agencies (Central Share) increased by 123 per cent during the current year (Rs 10,704.40 crore) over previous year (Rs 4,803.85 crore). The increase was mainly under National Rural Employment Guarantee Scheme (NREGS): Rs 5,466.40 crore, National Rural Health Mission: Rs 147.88 crore, Pradhan Mantri Gram Sadak Yojana: Rs 129.75 crore and Desert Development Programme (Comb): Rs 113.67 crore.

**Table 1.2: Funds transferred by Gol directly to State implementing agencies**

		(Rupees in crore)	
Programme/ Scheme (Centre: State Share)	Implementing Agency/ Department in the State	2007-08	2008-09
Members of Parliament Local Area Development Scheme (MPLAD) (100 per cent)	District Rural Development Agency (DRDA)	77.00	63.00
National Rural Employment Guarantee Scheme (NREGS) (90:10)	DRDA	1,061.00	6,527.40
Indira Awas Yojana (IAY) (75:25)	DRDA	88.89	126.35
Swarnjayanti Gram Swarojgar Yojana (SGSY) (75:25)	DRDA	50.73	60.88
Desert Development Programme (DDP) (75:25)	DRDA	94.31	99.34
DDP (Comb.)	DRDA	3.86	117.53
Drought Prone Area Programme (75:25)	DRDA	13.96	18.17
Integrated Wasteland Development Programme (91.67: 8.33)	DRDA	47.32	45.27
DRDA (ADM) (75:25)	DRDA	14.29	16.51
Border Area Development Programme (BADP) (100 per cent)	DRDA	76.59	88.49
Sampoorna Gramin Rojgar Yojana (SGRY) (75:25)	DRDA	117.08	–
Sarva Shiksha Abhiyan (SSA) (65:35)	Education Department	933.04	1,021.73

<sup>4</sup> State implementing agency may be any Organization/Institution including Non-Governmental Organization which is authorized by the State Government to receive the funds from the Gol for implementing specific programmes in the State, e.g. DRDA for NREGS and Rajasthan State Health Society Mission for National Rural Health Mission etc.

(Rupees in crore)

Programme/ Scheme (Centre: State Share)	Implementing Agency/ Department in the State	2007-08	2008-09
National Rural Health Mission (NRHM) (85:15)	Rajasthan State Health Society	456.11	603.99
Pradhan Mantri Gram Sarak Yojana (PMGSY) (100 percent)	Transport Department	1,641.57	1,771.32
National Food Security Mission (100 per cent)	Agriculture Department	23.59	39.33
Agriculture Technology Management Agency Projects (ATMAP) (90:10)	Agriculture Department	11.53	5.75
National Horticulture Mission (NHM) (85:15)	Horticulture Department	56.73	40.98
Micro Irrigation Scheme (MIS) (80:20)	Horticulture Department	23.41	23.59
National Bamboo Mission (NBM) (100 percent)	Horticulture Department	0.93	2.70
Adult Education (50:50)	Education Department	11.91	30.57
Regional Science Center (50:50)	Science and Technology Department	–	1.50
<b>Total</b>		<b>4,803.85</b>	<b>10,704.40</b>

The Gol directly transferred Rs 10,704 crore to State implementing agencies during 2008-09. Out of Rs 7,163 crore (67 per cent) transferred to the DRDAs, Rs 6,527 crore was for National Rural Employment Guarantee Scheme only. *Direct transfers from the Gol 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, it will be difficult to monitor the end use of these direct transfers.*

### 1.3 Revenue Receipts

The revenue receipts consist of State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from Gol. The trends and composition of revenue receipts over the period 2004-09 are presented in *Appendix 1.2* and also depicted in *Charts 1.4* and *1.5* respectively.

Chart 1.4 Trends in Revenue Receipts  
(Rupees in Crore)

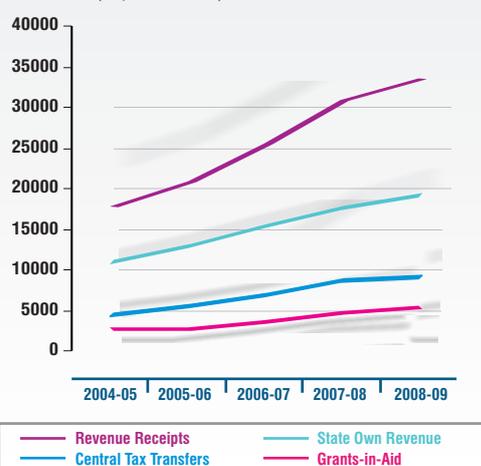
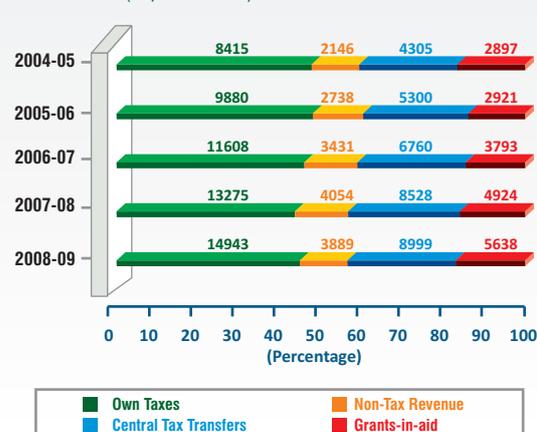


Chart 1.5 The Composition of  
Revenue Receipts during 2004 -09  
(Rupees in Crore)



The revenue receipts have shown a progressive increase over the period 2004-09 with only marginal changes in its composition i.e. the share of own taxes, non-tax revenue and Central transfers in revenue exhibited relative stability during the period 2004-09 with marginal inter-year variations.

The trends in revenue receipts relative to Gross State Domestic Product (GSDP) are as follows:

**Table 1.3: Trends in Revenue Receipts relative to GSDP**

	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Revenue Receipts (RR)</b> (Rupees in crore)	<b>17,763</b>	<b>20,839</b>	<b>25,592</b>	<b>30,781</b>	<b>33,469</b>
Rate of growth <sup>5</sup> of RR (per cent)	15.2	17.3	22.8	20.3	8.7
RR/GSDP (per cent)	15.1	16.2	17.2	18.1	17.4
<b>Buoyancy Ratios<sup>6</sup></b>					
Revenue Buoyancy w.r.t GSDP	3.0	1.8	1.5	1.4	0.7
State's Own Tax Buoyancy w.r.t GSDP	3.2	1.8	1.1	1.0	1.0
Revenue Buoyancy with reference to State's own taxes	0.9	1.0	1.3	1.4	0.7

**Source of GSDP:** Directorate of Economic and Statistics, Government of Rajasthan.

The increase of nine per cent in revenue receipts during 2008-09 was on account of increase in State's own taxes (12.6 *per cent*), Central tax transfers (5.5 *per cent*) and Grant-in-aid (14.5 *per cent*) which was counterbalanced by decrease in non-tax revenue (4.1 *per cent*).

The Central tax transfers increased by Rs 471 crore over the previous year and constituted 26 per cent of revenue receipts. The increase was mainly under Corporation Tax (Rs 244 crore), Customs (Rs 108 crore) and Service Tax (Rs 121 crore).

The Grants-in-aid from Gol increased (Rs 714 crore) from Rs 4,924 crore in 2007-08 to Rs 5,638 crore in 2008-09. The increase was under Grants for State/Union Territory Plan Schemes (Rs 309 crore), Non-Plan Grants (Rs 221 crore) and Grants for Centrally Sponsored Plan Schemes (Rs 184 crore). The Grant for State Plan Schemes increased mainly due to more receipt of Block Grant (Rs 313 crore) and Grant to Centrally Sponsored Schemes increased mainly due to more receipt of grants for Rural Water Supply Schemes Programmes (Rs 93 crore) and Welfare of Scheduled Castes for Education (Rs 89 crore). As per the recommendations of Twelfth Finance Commission (TFC), the Gol released Rs 228.44 crore during the current year under Non-Plan for specific purposes viz. roads and bridges (Rs 79.165 crore against Rs 158.33 crore recommended by TFC), maintenance of buildings (Rs 53.27 crore), education (Rs 10 crore against Rs 20 crore recommended by TFC), historical monuments maintenance (Rs 12.50 crore), maintenance of Forests (Rs 5 crore) and Indira Gandhi Nahar Project (Rs 68.50 crore).

Thus, the State Government was put to a revenue loss of Rs 89.165 crore (Roads and bridges Rs 79.165 crore and Education Rs 10 crore) due to non-release of second installment from Gol on account of non-fulfillment of TFC conditions<sup>7</sup> after release of the first installment by State Government.

<sup>5</sup> See glossary at page 85

<sup>6</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, for 2008-09, revenue buoyancy at 0.7 implies that revenue receipts tend to increase by 0.7 percentage points, if the GSDP increases by one per cent. (also see glossary at page 85)

<sup>7</sup> For release of the second installment the conditions were (a) 2008-09 BE under NPPE of the relevant head should not be less than the projected "total NPPE" for 2008-09 and (b) 2006-07 (Actuals) under NPPE of the relevant head should not be less than the total of projected "normal expenditure" for 2006-07 plus the actual release of "grant" for 2006-07.

### 1.3.1 State's Own Resources

The gross collection in respect of major taxes and duties as well as the components of non-tax receipts, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years from 2004-05 to 2008-09 are presented in *Appendix 1.2*.

The tax revenue increased by 12.6 *per cent* during the current year (Rs 14,943 crore) over the previous year (Rs 13,275 crore). The revenue through Sales Tax not only contributed a major share of tax revenue (60 *per cent*) but also increased by 15 *per cent* over the previous year. The State Excise, Stamps and Registration Fees and Taxes on Vehicles remained other major contributors in the State's tax revenue. The State excise increased by Rs 365 crore over the previous year mainly due to more receipt from sale of foreign liquor and spirits while the Stamps and Registration Fees decreased by Rs 187 crore over the previous year mainly due to decrease in duty on impressing of documents.

The non-tax revenue which constituted 11.6 *per cent* of total revenue receipts decreased by Rs 165 crore during 2008-09 recording a negative growth rate of 4.1 *per cent* over previous year. The decrease was mainly under Sinking Fund by Rs 350 crore<sup>8</sup>. This was partly offset by an increase of Rs 84 crore in interest receipts due to book adjustment from Departmentally delivered Irrigation Projects and interest received on investment on cash balances, Rs 31 crore in Dividends and Profit due to more dividend from Rajasthan State Mines and Minerals Limited and Rajasthan State Industrial Development and Investment Corporation Limited, Jaipur and Rs 49 crore in Non-ferrous Mining and Metallurgical Industries.

The State's Own Resources (Rs 18,832 crore) constituted 46 *per cent* of the total receipts (Rs 41,040 crore) under Consolidated Fund of the State.

The actual receipts under State's tax and non-tax revenue vis-à-vis assessment made by the TFC and the State Government in FCP and MTFPS are as follows:

	Assessments made by TFC	Assessments made by State Government in		(Rupees in crore)
		FCP	MTFPS	Actual
State's Tax Revenue	14,621	14,146	14,562	14,943
State's Own Non-Tax Revenue	2,482	2,932	3,591	3,889

The tax revenue as well as the non-tax revenue receipts in 2008-09 exceeded normative assessments made by TFC by 2.2 *per cent* and by 56.7 *per cent* respectively. Actual realization also exceeded the assessments made by the State Government in its FCP as well as MTFPS for 2008-09.

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

The information about evasion of taxes/duties; written off or waivers and refunds as reported by the sales tax/excise and/or other revenue departments during the current year are indicated below:

#### *Evasion of tax*

According to information furnished by the Government departments, 33,040 cases of evasion of taxes were detected and 12,692 were pending investigation/ assessment as on 31 March 2009 under Non-ferrous mining and metallurgical industries (7,637 cases), Stamp duty and registration fees (4,927 cases) and Taxes on sales, trade etc. (128 cases). *Steps need to be taken to dispose of these cases expeditiously. Due to non-finalisation of these cases, Government was deprived of the revenue receipt involved in these cases.*

<sup>8</sup> During 2007-08, as per order of the Governor of Rajasthan, the State Government had wound up the Sinking Fund and transferred the amount of Rs 350 crore under Public Account to Consolidated Fund of the State as receipts from Miscellaneous General Services.

### Write off and waiver of revenue

In 2008-09, demands for Rs 6.07 crore in 801 cases were written off/waived/remitted as reported by the Department of Commercial taxes (Rs 1.58 crore in 440 cases) and Department of Registration and Stamps (Rs 4.49 crore in 361 cases). *Thus, due to lack of timely action for recovery, demands had to be written off/waived resulting in loss of revenue.*

### Refunds

According to information received from various departments, 1,248 refunds involving Rs 28.25 crore were pending as of 31 March 2009. The refunds of Rs 26.74 crore (94.7 per cent) in 587 cases pertained to the Commercial Taxes Department. Delay in utilisation of refunds would lead to extra financial burden of interest.

### 1.3.3 Revenue Arrears

Information regarding arrears of revenue was called for from the concerned departments. The revenue arrears as on 31 March 2009 in respect of some principal heads of revenue amounted to Rs 4752 crore of which Rs 1022 crore were outstanding for more than five years. The arrears increased by 60 per cent from Rs 2,978 crore in 2004-05 to Rs 4,752 crore at the end of 2008-09. The increase was Rs 728 crore during 2008-09 over the previous year. The outstanding arrears of revenue as mentioned in Table 1.4:

**Table 1.4: Arrears of Revenue**

(Rupees in crore)

Heads of Revenue	Outstanding arrears of revenue as on 31 March 2009			Remarks
	Up to five years	More than five years	Total	
Taxes on sales, trade etc.	3,002.49	680.64	3,683.13	Rs 302.12 crore were stayed by the Judicial authorities.
State excise	27.89	194.28	222.17	Rs 88.92 crore were stayed by the High Court/ Judicial authorities.
Taxes on vehicles	26.68	16.29	42.97	Rs 1.90 crore were stayed by the Court/Government.
Taxes on passenger and goods	-	1.90	1.90	Stage at which the recovery was pending was not intimated by the Transport Department.
Stamp duty and registration fee	87.84	29.81	117.65	Rs 51.31 crore were stayed by the High Court and other Judicial authorities.
Land revenue	70.77	12.97	83.74	Rs 3.28 crore were stayed by the Government and Rs 22.39 crore stayed by the High Court and other Judicial authorities.
Non-ferrous mining and metallurgical industries	65.25	37.92	103.17	Rs 60.32 crore were stayed by the High Court and other Judicial authorities and recovery of Rs 1.43 crore was stayed by the Government.
Miscellaneous general services- sale of land	90.55	30.08	120.63	Stage at which the recovery was pending was not intimated by the Colonisation Department.
Major and medium irrigation <sup>9</sup>	63.43	16.56	79.99	-
Police	15.90	1.61	17.51	-
Taxes on immovable property other than agriculture land	278.97	Nil	278.97	Rs 101.47 crore were stayed by High Court and other Judicial authorities.
<b>Total</b>	<b>3,729.77</b>	<b>1,022.06</b>	<b>4,751.83</b>	

<sup>9</sup> This information pertains to Board of Revenue, Rajasthan, Ajmer (Rs 4.66 crore), Chief Engineer Indira Gandhi Nahar Project, Bikaner (Rs 7.72 crore), Commissioner CAD, Chambal, Kota (Rs 13.63 crore), Chief Engineer, Irrigation Department, Jaipur (Rs 31.38 crore) and Chief Engineer, Mahi Bajaj Sagar, Banswara (Rs 22.60 crore).

Thus, 77.5 per cent of the total outstanding arrears of revenue as on 31 March 2009 were under the revenue head "Taxes on sales, trade etc". Out of Rs 4,752 crore, demands for only Rs 633 crore were stayed by the High court/Judicial authorities/ Government. *If the remaining arrear of revenue were collected by the State Government during the year the revenue and primary deficit<sup>10</sup> would have turned into surplus.*

## 1.4 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is therefore important to ensure that the ongoing fiscal correction and consolidation process<sup>11</sup> at the State level is not at the cost of expenditure, especially expenditure directed towards development and social sectors.

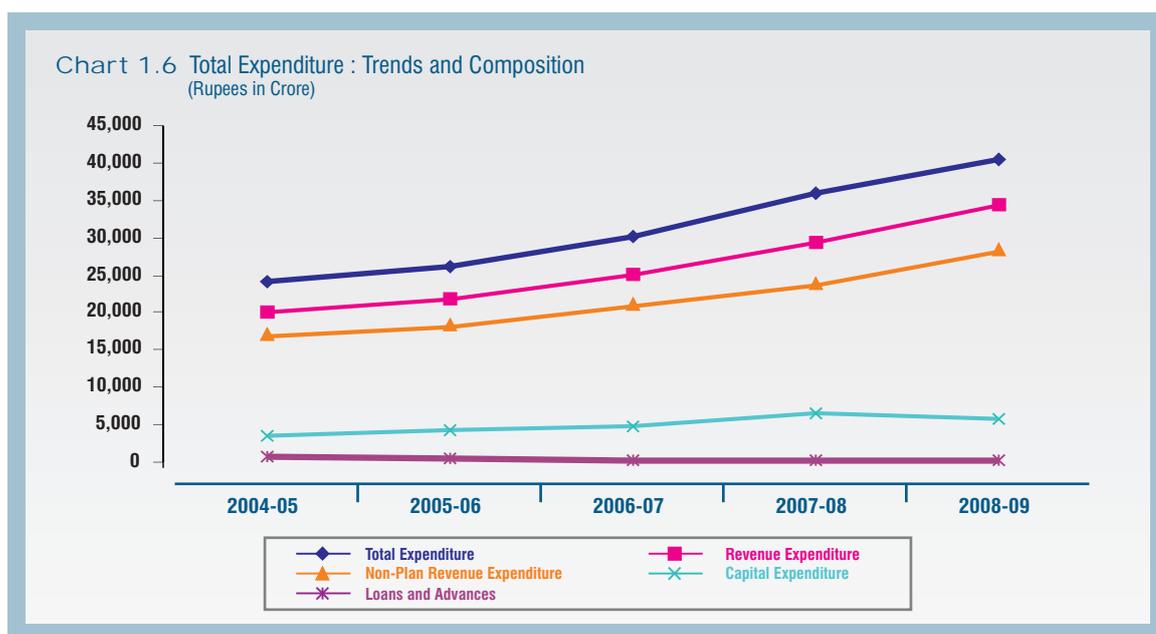
### 1.4.1 Growth and Composition of Expenditure

The total expenditure and its compositions during the year 2004-05 to 2008-09 are presented here:

**Table 1.5: Total expenditure and its composition**

	(Rupees in crore)				
	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Total Expenditure</b>	<b>24,034</b>	<b>26,228</b>	<b>30,076</b>	<b>35,971</b>	<b>40,536</b>
Revenue Expenditure	19,906	21,499	24,954	29,128	34,296
Non-plan Revenue Expenditure	17,164	18,368	21,154	23,994	28,525
Capital Expenditure	3,488	4,295	4,809	6,555	5,900
Loans and Advances	640	434	313	288	340

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

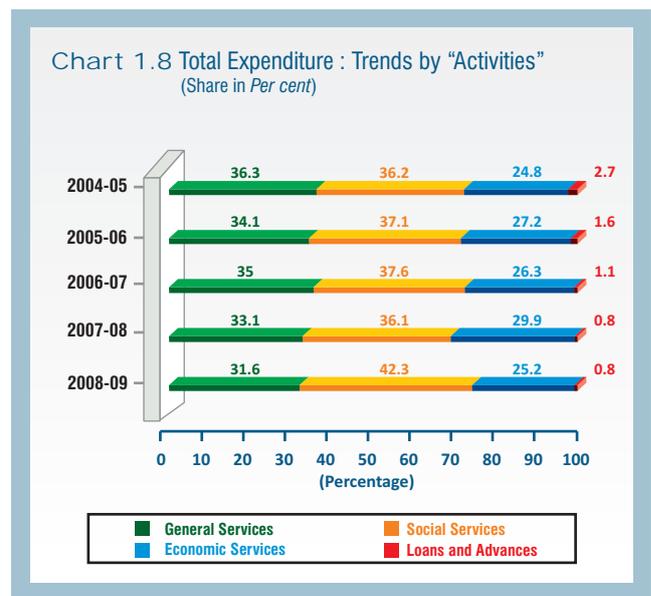
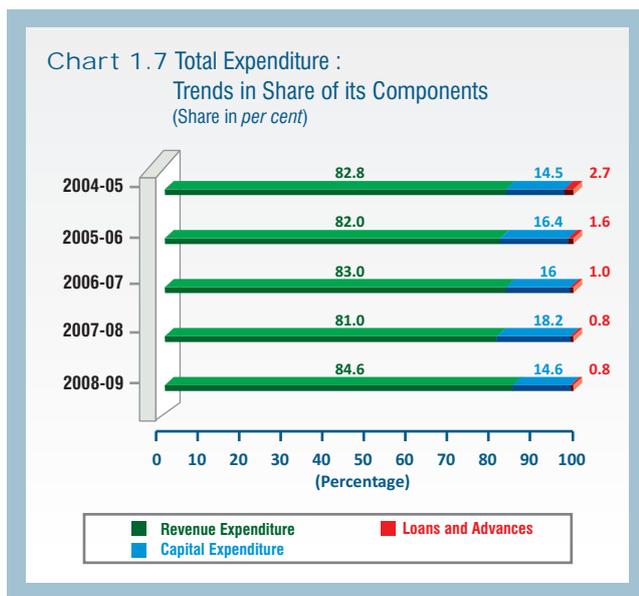


<sup>10</sup> See glossary at page 85.

<sup>11</sup> The Twelfth Finance Commission had recommended that all States should restructure their finances through fiscal consolidation (reduction of deficit and debt) and adopt a fiscal correction path by setting clear targets through a fiscal reform legislation.

The total expenditure of the State has increased by 69 per cent from Rs 24,034 crore in 2004-05 to Rs 40,536 crore in 2008-09. The total expenditure during the current year has increased by Rs 4,565 crore over the previous year. While the revenue expenditure increased by Rs 5,168 crore (18 per cent) and repayment of loans and advances increased by Rs 52 crore, a decrease of Rs 655 crore (10 per cent) was reported in capital expenditure during the current year relative to the previous year.

Similarly, the Non-Plan Revenue Expenditure (NPRE) increased by 19 per cent during the year relative to the projections of four per cent made by the State Government in MTFPS for 2008-09. The capital expenditure at Rs 5,900 crore exceeded the Assessments made by State Government in FCP (Rs 4,944 crore) but it was six per cent lower than that projected in MTFPS (Rs 6,272 crore).



The movement of relative share of these components of total expenditure indicated that while the share of general services in total expenditure declined from 36 per cent in 2004-05 to 32 per cent in 2008-09, the relative share of social services and economic services increased from 36 per cent and 24.8 per cent in 2004-05 to 42 per cent and 25.2 per cent in 2008-09 respectively. Expenditure considered as non-developmental on general services, accounted for 31.6 per cent in 2008-09 as against 33.1 per cent in 2007-08. On the other hand, developmental expenditure i.e., expenditure on social and economic services together accounted for 67.5 per cent in 2008-09 as against 66 per cent in 2007-08.

The NPRE and Plan Revenue Expenditure (PRE) have shown consistent increase over the period 2004-09. The PRE increased by 12 per cent (Rs 637 crore) over the previous year but was below the projected increase of 26.2 per cent in MTFPS for 2008-09.

The increase in PRE by Rs 637 crore over previous year was mainly due to increased expenditure on National Rural Employment Guarantee Scheme under Rural Employment (Rs 300 crore), Non-formal education (Rs 193 crore), and Special Nutrition Programmes under Nutrition (Rs 87 crore).

The increase in NPRE during the current year was mainly due to assistance to Gram Panchayats under Other Rural Development Programmes (Rs 223 crore), Pensions and other Retirement Benefits (Rs 758 crore), assistance to Local Bodies for Primary Education (Rs 376 crore), Government Primary Schools (Rs 570 crore), Government Secondary Schools (Rs 766 crore), Interest Payments (Rs 281 crore), Medical and Public Health (Rs 451 crore), Rural Water Supply Programmes (Rs 208 crore), Forestry and Wild Life (Rs 109 crore), repairs and restoration of damaged roads and bridges under Relief on account of Natural Calamities (Rs 106 crore) and Strategic and Border Roads under Roads and Bridges (Rs 106 crore).

The actual non-plan revenue expenditure vis-à-vis assessments made by TFC and State Government are given below:

(Rupees in crore)

	Assessments made by TFC	Assessments made by State Government in FCP	MTFPS	Actual
Non-Plan Revenue Expenditure	21,499	24,267	25,517	28,525

The actual NPRE exceeded the normative assessment made by TFC by Rs 7,026 crore (33 per cent) and the assessment made by the State Government both in its FCP and MTFPS for the year 2008-09 by Rs 4,258 crore and Rs 3,008 crore respectively.

## 1.4.2 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. Table 1.6 and Chart 1.9 present the trends in the expenditure on these components during 2004-09.

Table 1.6: Components of Committed Expenditure

(Rupees in crore)

	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actuals
Salaries & Wages, Of which	6,150 (34.6)	6,892 (33.1)	7,374 (28.8)	8,072 (26.2)	9,096	11,703 <sup>§</sup> (35.0)
Non-Plan Head	5,767	6,398	6,863	7,579	9,096	11,053
Plan Head*	383	494	511	493	N.A.	650
Interest Payments	5,172 (29.1)	5,210 (25.0)	5,702 (22.3)	5,943 (19.3)	6,441	6,224 (18.6)
Expenditure on Pensions	1,626 (9.2)	1,651 (7.9)	2,116 (8.3)	2,564 (8.3)	3,001	3,322 (9.9)
Subsidies	1,199 (6.7)	1,155 (5.5)	1,254 (4.9)	3,105 (10.1)	3,932	1,435 (4.3)
Total committed expenditure	14,147 (79.6)	14,908 (71.5)	16,446 (64.3)	19,684 (63.9)	22,470	22,684 (67.8)
Other Components, i.e. other than committed expenditure	5,759 (32.4)	6,591 (31.6)	8,508 (33.2)	9,444 (30.7)	9,333	11,612 (34.7)
<b>Total Revenue Expenditure</b>	<b>19,906</b>	<b>21,499</b>	<b>24,954</b>	<b>29,128</b>	<b>31,803</b>	<b>34,296</b>
<b>Revenue Receipts</b>	<b>17,763</b>	<b>20,839</b>	<b>25,592</b>	<b>30,781</b>	-	<b>33,469</b>

Figures in the parentheses indicate percentage to Revenue Receipts

§ Salaries: Rs 11,269 crore (Finance Account) + Wages Rs 434 crore (VLC data of PAG-A&E)

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

Source: Finance Accounts



Expenditure on salaries increased by 45 *per cent* (Rs 3,631 crore) over the previous year. The increase was mainly due to implementation of award of Sixth Pay Commission. The expenditure on salary and wages at 47 *per cent* of revenue expenditure net of interest and pension payments is higher than the norm of 35 *per cent* recommended by the TFC. The salary expenditure at Rs 11,703 crore is also 37 *per cent* higher than the assessment made by the State Government in its FCP (Rs 8,215 crore) and 24 *per cent* higher than MTFPS (Rs 9,096 crore) for the year 2008-09.

The pension payments recorded a growth of 30 *per cent* over the previous year. The increase in expenditure under pension was due to implementation of award of Sixth Pay Commission and increase in number of pensioners by 11,935 over the previous years. The comparative analysis of actual pension payments and the assessment/projection made by TFC and the State Government shows that actual pension payment exceeded the normative assessment made by TFC by Rs 1,345 crore and the assessment made by the State Government both in its FCP and MTFPS for the year 2008-09 by Rs 508 crore and Rs 321 crore respectively.

The interest payments (Rs 6,224 crore) made during the year remained lower than the projections made in TFC (Rs 6,469 crore), MTFPS (Rs 6,441 crore) and assessment made by State Government in FCP (Rs 6,718 crore) for the year 2008-09.

The subsidy to Power Sector (Rs 1,383 crore) during the year 2008-09 was Rs 339 crore (32 *per cent*) higher than the assessment made by the State Government in FCP for 2008-09 (Rs 1,044 crore).

The ratio of salaries, interest payments, pensions and subsidies to revenue receipts of the State during the current year was 68 *per cent*, an increase of four percentage points over the previous year.

### 1.4.3 Financial assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to Local Bodies and others during the current year relative to the previous years is as follows:

**Table 1.7: Financial Assistance to Local Bodies etc.**

Financial Assistance to Institutions	2004-05	2005-06	2006-07	2007-08	(Rupees in crore)	
					2008-09	
					BE	Actuals
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	201.14	214.26	209.23	202.27	233.76	234.99
Municipal Corporations and Municipalities	615.20	678.20	720.21	793.82	932.41	932.41
Zila Parishads and Other Panchayati Raj Institutions	1,885.82	2,112.38	2,050.78	2,651.43	3,000.03	2,993.02 <sup>12</sup>
Development Agencies	68.82	4.88	48.41	49.72	53.10	52.96
Hospitals and Other Charitable Institutions	34.05	193.97	86.50	135.63	96.17	96.23
Other Institutions	1,522.30	1,806.80	2,738.66	1,402.86 <sup>13</sup>	2,176.06	2,178.99 <sup>14</sup>
<b>Total</b>	<b>4,327.33</b>	<b>5,010.49</b>	<b>5,853.79</b>	<b>5,235.73</b>	<b>6,491.53</b>	<b>6,488.60</b>
Assistance as per percentage of RE	22	23	23	18	20	19

**Source:** Finance Accounts and vouchers compiled by PAG (A & E).

Financial Assistance to Local Bodies and other Institutions increased by Rs 1,252.87 crore recording a growth rate of 24 *per cent* over the previous year and constituted 18 to 23 *per cent* of revenue expenditure during the period 2004-09. During 2008-09, the Financial Assistance was given by the Government mainly to Primary Education: Rs 1,482 crore (23 *per cent*), Urban Development: Rs 932 crore (14 *per cent*), Other Rural Development: Rs 1,285 crore (20 *per cent*) and National Rural Employment Guarantee Scheme: Rs 440 crore (seven *per cent*).

<sup>12</sup> Includes General Education: Rs 1,568.17 crore and Other Rural Development: Rs 1,285.21 crore.

<sup>13</sup> Includes General Education: Rs 568 crore, Relief on account of Natural Calamities: Rs 189 crore, Crop Husbandry: Rs 184 crore and Taxes on Sales, Trade etc. Rs 100 crore

<sup>14</sup> Includes General Education: Rs 760.43 crore, Rural Employment: Rs 446.74 crore, Relief on account of Natural Calamities: Rs 278.55 crore and Crop Husbandry: Rs 258.52 crore.

### 1.4.4 Loss of Grants-in-aid due to non-fulfillment of NPRE levels

Government of India, Ministry of Finance issued orders during July 2005 for grant-in-aid of Rs 1,471.41 crore to be utilised during 2005-10 as recommended by the TFC. The State Government had constituted (August 2005) a High Level Committee headed by the Chief Secretary to ensure proper utilisation of grant-in-aid.

A review of records (July 2009) of Roads and Bridges Department revealed that the TFC has recommended a grant of Rs 633.32 crore<sup>15</sup> for the period 2006-10 in two installments each year for maintenance of Roads and Bridges under Major Head-3054. The second installment would be released subject to conditions<sup>16</sup> laid down in the guidelines of TFC. As the actual NPRE for the year 2006-07 (Rs.343.23 crore) was less (Rs 5.53 crore) than the total projected expenditure (normal expenditure and grant actually released) of Rs.348.76 crore, the Gol did not release the second installment of Rs 79.165 crore for the period 2008-09.

On being pointed out (July 2009) Government intimated (August 2009) that the matter was reported (January 2009) to the Gol for release of second installment after detection of shortfall in expenditure (Rs 5.53 crore). The Gol has intimated (January 2009) to the State Government that as per guidelines of the TFC the year wise level of NPRE was to be maintained/achieved during each year of its award period and in case there was any shortfall, it rendered State Government ineligible for the second installment. Thus the State Government was put to a revenue loss of Rs 79.165 crore due to non-release of second installment from Gol.

## 1.5 Quality of Expenditure

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

### 1.5.1 Adequacy of Public Expenditure

**Table 1.8: Fiscal Priority and Fiscal Capacity of the State in 2005-06 and 2008-09**

Fiscal Priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE
All States/National Average* (Ratio) 2005-06	19.5	61.4	30.4	14.1
Rajasthan's Average (Ratio) 2005-06	21.4	65.9	37.1	16.4
All States/National Average* (Ratio) 2008-09	19.2	67.7	33.9	16.9
Rajasthan Average (Ratio)* 2008-09	21.1	68.3	42.3	14.6
Fiscal Capacity of the State	DE#	SSE	CE	
All States Average per capita expenditure 2005-06 (Amount in Rs)	3,010	1,490	692	
Rajasthan's per capita expenditure (Amount in Rs) in 2005-06	2,802	1,577	696	
Adjusted per capita** Expenditure (Amount in Rs) in 2005-06	NR	NR	NR	
All States' Average per capita expenditure 2008-09 (Amount in Rs)	5,030	2,520	1,254	
Rajasthan's per capita Expenditure (Amount in Rs) in 2008-09	4,262	2,637	908	
Adjusted per capita** Expenditure (Amount in Rs) in 2008-09	NR	NR	1,052	

\* As per cent to GSDP

\*\* Calculated as per the methodology explained in the Box 1.3 (page 16)

AE: Aggregate Expenditure DE: Development Expenditure (see glossary at page 85) SSE: Social Sector Expenditure

CE: Capital Expenditure.

Population of Rajasthan: 6.17 crore in 2005-06 and 6.49 crore in 2008-09.

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

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

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

Population = Average of Projected population for 2005 and 2006.

NR : No adjustment required as there is adequate fiscal priority for this category of expenditure.

Note: Data for Arunachal Pradesh has not been included in All States' average

<sup>15</sup> Rs 158.33 crore each year.

<sup>16</sup> Also see foot note No. 7 at page no. 8.

As shown in Table 1.8, the State Government gave adequate fiscal priority to all categories of expenditure in the beginning of TFC award period 2005-06. The State's average expenditure in terms of AE, DE, SSE and CE was well above the national average. In 2008-09, however, there was adequate priority for all categories of expenditure compared to the national average except in the case of Capital expenditure, where the CE/AE ratio was less than the national average, indicating low fiscal priority to CE.

In 2005-06, the per capita expenditure of DE and CE in the State were Rs 2,802 and Rs 696 compared to the national per capita expenditure in these categories of Rs 3,010 and Rs 692 respectively. This means that even though the State had spent an adequate amount under these heads, the absorptive capacity<sup>17</sup> in Rajasthan is low and there is a need to improve systems so that there is greater benefit to the people. *In 2005-06 and 2008-09, in the case of SSE, the per capita expenditure was higher than the national average which indicates that these schemes were effectively implemented in Rajasthan.*

In 2008-09, as the per capita expenditure of DE and CE was lower than the national averages (Rs 4,262 and Rs 908 against the national per capita expenditure of Rs 5,030 and Rs 1,254 respectively).

Since the priority given to CE in 2008-09 was lower than the national average, an effort was made to adjust the CE using the methodology explained in Box 1.3. Even after this adjustment, the per capita CE was only Rs 1,052 which was still lower than the national average. This indicated that there is a great need to improve the effectiveness of capital expenditure programmes/schemes so that the benefits are realized by the people. One way to achieve this is by timely completion of projects so that the money spent is actually translated into a capital asset that can benefit the people.

**Box 1.3**

**Methodology Adopted for the Assessment of Fiscal Position**

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

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

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

$$AE/GSDP = x$$

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

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

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

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

$$DE/AE = y$$

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

where y is the national average of DE-AE ratio

Substituting (1) in (2), we get

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

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

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

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

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

Substituting (3) in (4), we get

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

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

<sup>17</sup> Absorptive capacity refers to the State's ability to implement a developmental scheme in such a way that with given resources, there is maximum benefit to the people. This is usually achieved when the design of schemes are well planned with a careful risk mitigation strategy in place, low administrative costs, operation, maintenance, monitoring and control mechanisms are in place etc., so that it is possible to effectively achieve targeted outcomes.

## 1.5.2 Efficiency of Expenditure Use

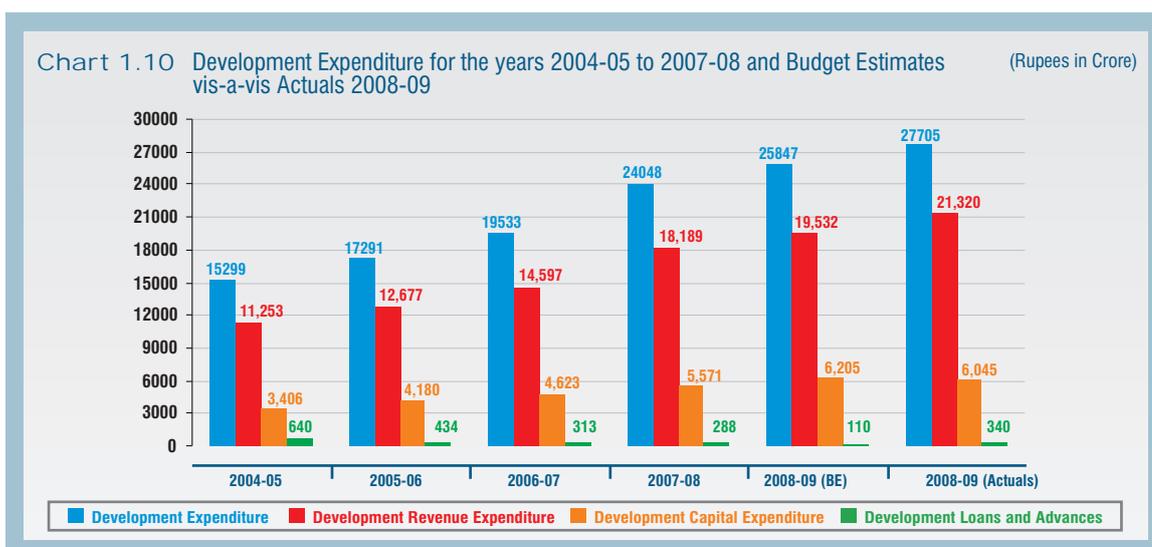
In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods<sup>18</sup>. Apart from improving the allocation towards development expenditure<sup>19</sup>, 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 1.9 presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis budgeted and the previous years, Table 1.10 provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

**Table 1.9: Development Expenditure**

Components of Development Expenditure	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actuals
<b>Development Expenditure (a to c)</b>	<b>15,299 (63.7)</b>	<b>17,291 (65.9)</b>	<b>19,533 (64.9)</b>	<b>24,048 (66.9)</b>	<b>25,847 (67.7)</b>	<b>27,705 (68.3)</b>
a. Development Revenue Expenditure	11,253 (46.8)	12,677 (48.3)	14,597 (48.5)	18,189 (50.6)	19,532 (51.2)	21,320 (52.6)
b. Development Capital Expenditure	3,406 (14.2)	4,180 (15.9)	4,623 (15.4)	5,571 (15.5)	6,205 (16.2)	6,045 (14.9)
c. Development Loans and Advances	640 (2.7)	434 (1.7)	313 (1.0)	288 (0.8)	110 (0.3)	340 (0.8)

Figures in parentheses indicate percentage to aggregate expenditure

The development expenditure increased by 15 *per cent* over the previous year. Expenditure on Social Sector increased by 32 *per cent* from Rs 13,000 crore in 2007-08 to Rs 17,141 crore in 2008-09 while Economic Sector decreased by five *per cent* from Rs 10,760 crore in 2007-08 to Rs 10,224 crore in 2008-09. Recognising the need to improve education and health service, TFC recommended that the Non-Plan Salary expenditure under education and health and family welfare should increase by five to six *per cent* while non-salary expenditure under Non-Plan heads should increase by 30 *per cent* per annum during the award period. However, trend in expenditure (taking under both Plan and Non-Plan heads) revealed that the salary and wages component under education increased by 47 *per cent* and 33 *per cent* respectively over 2007-08 while under health and family welfare sector these components increased by 48 *per cent* and 23 *per cent* respectively.



<sup>18</sup> 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 subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

<sup>19</sup> The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.

**Table 1.10: Efficiency of Expenditure Use in Selected Social and Economic Services**

(In percent)

Social/Economic Infrastructure	2007-08			2008-09		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S & W	O&M *		S&W	O&M *
<b>Social Services (SS)</b>						
General Education	0.61	62.84	— <sup>20</sup>	0.21	65.17	— <sup>20</sup>
Health and Family Welfare	6.30	76.14	0.10	1.17	79.28	0.08
Water Supply, Sanitation, Housing and Urban Development	58.62	29.19	2.26	55.73	32.41	1.87
<b>Total (SS)</b>	<b>21.54</b>	<b>51.34</b>	<b>0.40</b>	<b>18.02</b>	<b>54.79</b>	<b>0.32</b>
<b>Economic Services (ES)</b>						
Agriculture and Allied Activities	8.24	50.53	1.97	8.79	56.64	1.30
Irrigation and Flood Control	45.52	16.84	4.57	42.49	19.12	4.92
Power & Energy	25.76	—	—	49.12	—	—
Transport	35.04	8.51	1.91	25.76	9.02	13.43
<b>Total (ES)</b>	<b>25.75</b>	<b>10.29</b>	<b>1.02</b>	<b>28.92</b>	<b>16.32</b>	<b>2.67</b>
<b>Total (SS + ES)</b>	<b>23.45</b>	<b>33.31</b>	<b>0.67</b>	<b>22.09</b>	<b>41.68</b>	<b>1.12</b>

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&amp;W: Salaries and Wages; O&amp;M: Operations &amp; Maintenance.

\* As per Finance Accounts it represents actual expenditure booked under Detailed Head-21-Maintenance and Repairs.

The ratio of salary & wage component to revenue expenditure of Social Sector and Economic Sector increased by 3.45 and 6.03 percentage points respectively over the previous year. During 2008-09, as per Finance Accounts the State Government booked only Rs 277 crore under Detailed Head-21-Maintenance and Repairs to maintain its public assets. The total corpus of assets, being maintained with Rs 277 crore, is rather large and the limited allocation of funds may not suffice to keep assets in a good state of repair.

## ▶ 1.6 Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit at low levels and also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return 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 an analysis of investments and other capital expenditure undertaken by the Government during the current year vis-à-vis previous years.

### 1.6.1 Financial results of completed Irrigation Works

The financial results of six completed major and 11 medium irrigation projects with a capital outlay of Rs 4,399 crore at the end of March 2009 showed that revenue realised (Rs 50 crore) from these projects during 2008-09 was only 1.1 *per cent* of the capital expenditure which was not sufficient to cover the direct working expenses. After meeting the working and maintenance expenditure (Rs 117 crore) and interest charges (Rs 422 crore), the projects suffered a net loss of Rs 489 crore.

Indira Gandhi Nahar Project (IGNP) is the largest irrigation project under execution in Rajasthan and various stages of it have been completed over the years. At the end of March 2009, the capital expenditure on IGNP was Rs 3,449.99 crore. During 2008-09, the revenue realised from IGNP was Rs 18.77 crore comprising just 0.5 *per cent* of the capital expenditure. This revenue was negligible (4.8 *per cent*) even with reference to total working and maintenance expenditure (Rs 56.94 crore) incurred and the interest charges of Rs 333.69 crore relating to 2008-09.

<sup>20</sup> 2007-08: 0.003 per cent and 2008-09: 0.002 *per cent* only.

## 1.6.2 Incomplete Projects

The department-wise information pertaining to incomplete projects as on 31 March 2009 is as follows:

**Table 1.11: Department-wise Profile of Incomplete Projects**

Department	Total no. of Incomplete Projects	Original sanctioned cost of all incomplete projects	Original estimated cost of 75 projects which were revised		Revised cost of 75 incomplete projects	Cost Over run of 75 projects which were revised	Cumulative actual exp. of all incomplete projects as on 31.3.2009
			No.	Amount			
			Irrigation Works/Projects	200			
Public Works Department/ Project	190	671.34	4	7.99	12.96	4.97	289.36
Bisalpur Drinking Water Cum Irrigation Project	2	2.74	2	2.74	3.31	0.57	2.91
Public Health Engineering Department	187	5,030.61	13	243.75	782.96	539.21	2,348.00
<b>Total</b>	<b>579</b>	<b>7,310.50</b>	<b>75</b>	<b>1,177.85</b>	<b>3,705.43</b>	<b>2,527.58</b>	<b>4,758.71</b>

Source: Finance Accounts 2008-09.

According to information received from the State Government, as of 31 March 2009, there were 579 incomplete projects (total cost more than Rs 1 crore of each project) in which Rs 4,759 crore were blocked. Of these, 495 projects involving Rs 1,379 crore remained incomplete for less than five years, 84 projects involving an amount of Rs 3,380 crore remained incomplete for periods ranging from five to 21 years. The revised cost of 75 incomplete projects increased by 215 *per cent* from Rs 1,178 crore (initial budgeted cost) to Rs 3,705 crore (total revised cost). Out of the total cost overrun of Rs 2,528 crore, Rs 1,983 crore pertained to Irrigation Works/Projects, of which Narmada Jalore Project alone increased by 322 *per cent* from Rs 468 crore to Rs 1975 crore.

## 1.6.3 Investment and returns

As of 31 March 2009, Government had invested Rs 7,930 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 1.12). The average return on this investment was 0.2 to 0.5 *per cent* in the last three years while the Government paid an average interest rate of 7.7 to 8.3 *per cent* on its borrowings during 2007-2009.

**Table 1.12: Return on Investment**

Investment/Return/Cost of Borrowings	2004-05	2005-06	2006-07	2007-08	2008-09
Investment at the end of the year (Rs in crore)	4,092.60	4,770.43	5,485.26	6,575.97	7,929.63
Return (Rs in crore)	37.19	22.57	9.62	12.67	43.39
Return ( <i>per cent</i> )	0.9	0.5	0.2	0.2	0.5
Average rate <sup>21</sup> of interest on Govt borrowing ( <i>per cent</i> )	9.1	8.2	8.3	8.0	7.7
Difference between interest rate and return ( <i>per cent</i> )	8.2	7.7	8.1	7.8	7.2

Source: Finance Accounts.

The investment of State Government included Rs 7,197 crore in 33 Government Companies, of which only six companies declared dividend aggregating to Rs 41.09 crore against an investment of Rs 293 crore. During 2008-09, the State Government has invested Rs 1,353.66 crore in Government Companies, Rural Banks and Co-operative Banks and Societies. The sectors/companies where major investments were made during 2008-09 were (i) Co-operative Banks and Societies (Rs 9.18 crore), (ii) Rajasthan *Rajya Vidyut Utpadan Nigam* Limited (Rs 706 crore), (iii) Jaipur *Vidyut Vitran Nigam* Limited (Rs 235 crore), (iv) Rajasthan *Rajya Vidyut Prasaran Nigam* Limited (Rs 165 crore), (v) Ajmer *Vidyut Vitran*

<sup>21</sup> see glossary at page 85 for method of calculation.

Nigam Limited (Rs 120 crore) and (vi) Jodhpur Vidyut Vitran Nigam Limited (Rs 110 crore). As on 31 March 2009, five power companies in which Government had invested Rs 6,823.09 crore (86 per cent of total investment) showed nil Profit/Loss in their accounts and no dividend paid to Government. These companies were not showing any accumulated losses in their accounts. The State Government had invested Rs 311.60 crore in two statutory corporation, two rural banks, 11 government companies and seven joint stock companies and their accumulated losses amounted to Rs 1,966.21 crore as per accounts furnished by these companies up to 2008-09.

### 1.6.4 Departmental Commercial Undertakings

Activities of quasi-commercial nature are also performed by the departmental undertakings of certain Government departments. The department-wise position of the investment made by the Government up to the year for which *pro forma* accounts are finalised, net profits/loss as well as return on capital invested in these undertakings are given in **Appendices 1.6** and **3.4**. It is observed that:

- An amount of Rs 6,910.36 crore had been invested by the State Government in 12 undertakings at the end of financial year up to which their accounts were finalised. The accumulated losses of these departmental undertakings were Rs 5510.25 crore as against the total investment of Rs 6,910.36 crore.
- Of the total 12 undertakings, only three undertakings<sup>22</sup> (25 per cent) could earn net profit during the current year amounting to Rs 18.29 crore and accumulated profit of Rs 177.64 crore up to the year of accounts finalized against the capital invested<sup>23</sup>. Though one undertaking<sup>24</sup> incurred loss of Rs 0.04 crore during the year, it has accumulated profit of Rs 2.56 crore up to the year end.
- Of all the loss making undertakings, seven undertakings<sup>25</sup> were incurring losses continuously for more than five years and one undertaking<sup>26</sup> had turned into a non-performing one during the current year.

Detailed analysis of *pro forma* accounts of Rajasthan Water Supply and Sewerage Management Board (RWSSMB) for the year 2007-08 revealed the following:

- Despite continuously being pointed out in the Reports of the Comptroller and Auditor General of India (Civil) from the year ended 31 March 2007, RWSSMB, Jaipur did not maintain essential Ledgers/Reports<sup>27</sup>. The year-wise break up of sundry debtors of Rs 176.71 crore was also not available. In the absence of Fixed Assets Schedules and their physical verification, the existence of fixed assets valuing Rs 1,380.63 crore could not be verified in audit.
- The revenue of RWSSMB from sale of water was insufficient even to recover the bare direct costs of water production and distribution i.e. cost of raw water, chemicals and electricity charges. The realization from sale of water (Rs 152.39 crore) was 53 per cent of these costs (Rs 287.13 crore). Besides, the other direct costs like salaries, wages, repair and maintenance of pumps, pipelines and civil works, interest on loan, rent, rates and taxes, indirect charges etc. also remained unrecovered.

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

<sup>22</sup> Departmental Trading of Forest Coupes (Rs 15.70 crore); Patta Tendu Scheme (Rs 2.56 crore) and Government Salt Works, Deedwana (Rs 0.03 crore).

<sup>23</sup> Capital investment of the Government is Nil as the remittances from the undertakings were more than the amount invested by the Government.

<sup>24</sup> Sodium Sulphate Works, Didwana.

<sup>25</sup> Jail Manufacture, Ajmer (Rs 1.09 crore), Alwar (Rs 0.40 crore), Bikaner (Rs 0.88 crore), Jaipur (Rs 1.57 crore), Jodhpur (Rs 1.28 crore), Kota (Rs 0.29 crore) and Rajasthan Water Supply and Sewerage Management Board, Jaipur (Rs 5503.99 crore).

<sup>26</sup> Jail Manufacture, Udaipur.

<sup>27</sup> Material at site account, Works Abstract, Journal vouchers, General Ledgers, Subsidiary Ledgers, Trial Balance and Docket vouchers.

### 1.6.5 Loans and advances by State Government

In addition to investments in co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. Table 1.13 presents the outstanding loans and advances as on 31 March 2009, interest receipts vis-à-vis interest payments during the last three years.

**Table 1.13: Average interest received on loans advanced by Government**

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2006-07	2007-08	2008-09 (Rupees in crore)	
			BE	ACTUAL
Opening Balance	4,432	4,231	2,725	2,738
Amount advanced during the year	313	288	110	340
Amount repaid during the year	514	1,781	97	89
<b>Closing Balance</b>	<b>4,231</b>	<b>2,738</b>	<b>2,738</b>	<b>2,989</b>
<i>Of which</i> , outstanding balance for which terms and conditions have been settled	N.A.	N.A.	N.A.	N.A.
Net addition	(-) 201	(-)1493	13	251
Interest Receipts	128	140	-	124
Interest receipts as <i>per cent</i> to outstanding Loans and advances	3.0	4.0	-	4.3
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	8.3	8.0	-	7.7
Difference between interest payments and interest receipts ( <i>per cent</i> )	(-) 5.3	(-) 4.0	-	(-) 3.4

During the current year major portion of loan was advanced to Jaipur Vidyut Vitran Nigam Limited (Rs 90 crore), Ajmer Vidyut Vitran Nigam Limited (Rs 90 crore), Jodhpur Vidyut Vitran Nigam Limited (Rs 70 crore), Rajasthan Pensioner Medical Fund for Indoor Medical facility Scheme to Pensioners (Rs 10 crore), Rajasthan Agriculture Marketing Board (Rs 55 crore) and Macro Co-operative Development Project (Rs 9 crore).

During 2008-09, the recovery of loans and advances substantially decreased by Rs 1,692 crore. During 2007-08 higher recoveries were due to adjustment of outstanding loan amount of Rs 1,666 crore against erstwhile Rajasthan State Electricity Board (RSEB) as subsidies by Government. Out of total outstanding loans and advances of Rs 2,989 crore, the loans and advances of Rs 2,359 crore (79 *per cent*) were given to Power Projects. During 2008-09, only 3.25 *per cent* (Rs 89 crore) loan was repaid by institutions/organizations (Rajasthan Rajya Vidyut Prasaran Nigam Limited: Rs 42 crore, Jaipur Vidyut Vitran Nigam Limited: Rs 11 crore, Jodhpur Vidyut Vitran Nigam Limited: Rs 9 crore, Ajmer Vidyut Vitran Nigam Limited: Rs 9 crore and Debentures of Special Schemes of ARC Rs 8 crore). More than Rs 89 crore of loans was not repaid by the institutions (Appendix 1.7) since last six or above years.

### 1.6.6 Cash balances and Investment of Cash balances

Table 1.14 depicts the cash balances and investments made by the State Government out of cash balances during the year.

**Table 1.14: Cash balances and Investment of Cash balances**

(Rupees in crore)

Particulars	As on 1 <sup>st</sup> April 2008	As on 31 <sup>st</sup> March 2009	Increase/ Decrease (-)
Cash in Treasuries	0.51	0.05	(-) 0.46
Deposits with Reserve Bank	(-) 912.41	(-) 362.94	549.47
Remittances in Transit-Local	0.34	(-) 3.98	(-) 4.32
Cash with the departmental Officers, Viz., Divisional Officers of the Public Works and Forest Departments	4.14	2.10	(-) 2.04
Permanent advance for contingent expenditure with departmental officers	12.74	12.76	0.02
<b>Investments from Cash balances (a to e)</b>	5,839.60	5,268.21	(-) 571.39
a. Gov Treasury Bills	5,839.43	5,268.04	(-) 571.39
b. Gov Securities	0.01	0.01	-
c. Securities of the State Government	0.03	0.03	-
d. Sterling Securities	0.05	0.05	-
e. Short-term deposit with banks and other accounts	0.08	0.08	-
<b>Funds-wise Break-up of Investment from Earmarked balances (a to c)</b>	348.47	249.72	(-) 98.75
a. Guarantee Redemption Fund Investment account	98.75	-	(-) 98.75
b. Government of India Securities	172.08	172.08	-
c. Pay back of RSD Loans	77.64	77.64	-
<b>Total Cash Balance</b>	<b>5,293.39</b>	<b>5,165.92</b>	<b>(-) 127.47</b>
<i>Interest realised</i>	<i>177.24</i>	<i>209.91</i>	<i>32.67</i>

Source: Finance Accounts 2008-09

The interest received against Investment on Cash Balance was 3.8 per cent during 2008-09 while Government paid interest at 7.7 per cent on its borrowings during the year.

The State Government's cash balances at the end of the current year amounted to Rs 5,166 crore. It decreased by Rs 127 crore over the previous year. It was observed that Rs 5,268 crore were invested in Government of India Securities, which earned an interest of Rs 210 crore during the year. Further, Rs 250 crore was invested in earmarked funds. However, deposits with Reserve Bank of India were (-) Rs 362.94 crore as on 31 March 2009.

The efficiency of handling the cash balances by the State can also be assessed by monitoring the trends in monthly daily average of cash balances held by the State to meet its normal banking transactions. Table 1.15 presents the trends in monthly average daily cash balances and the investments in Auction Treasury Bills for the last three years (2006-09).

**Table 1.15: Trends in Monthly Average Daily Cash Balances and the Investments in Auction Treasury Bills**

(Rupees in crore)

Month	Monthly Average Daily Cash Balances			Investment in 14 days Treasury Bills			Investment in Auction Treasury Bills		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
April	2.98	14.56	3.56	3,609.26	2,166.91	4,036.00	Nil	Nil	884.58
May	2.89	2.35	2.49	2,493.05	2,100.71	4,994.01	Nil	Nil	245.50
June	2.34	2.35	2.35	2,118.49	3,163.97	4,543.85	Nil	Nil	1,274.97
July	2.35	2.34	2.35	1,715.96	3,518.28	4,122.42	1,371.83	1,075.14	978.18
August	2.34	3.04	3.49	2,121.54	3,112.05	3,071.43	246.05	687.32	1,027.49
September	2.35	2.37	11.28	2,389.69	1,919.20	3,967.69	Nil	98.28	Nil
October	2.37	2.35	6.35	1,114.43	3,394.11	4,683.40	872.64	491.41	Nil
November	2.35	2.34	2.35	1,996.12	3,067.30	4,712.85	Nil	540.00	Nil
December	2.35	2.34	2.34	2,437.90	2,510.06	6,803.74	Nil	785.44	Nil
January	2.34	2.58	2.35	2,301.12	5,364.36	6,458.34	836.14	295.31	Nil
February	3.97	2.34	2.67	2,057.09	3,877.87	6,625.39	Nil	1,522.42	Nil
March	2.34	17.36	5.49	5,164.74	6,542.00	11,922.47	2,105.05	589.24	Nil

State Government has maintained a minimum cash balance of Rs 2.34 crore as per agreement with the Reserve Bank of India during the last three years as exhibited in the **Table 1.15**.

Government of India Treasury Bills amounting to Rs 70,568 crore were purchased and Rs 71,140 crore rediscounted during 2008-09. Resultantly, investment from cash balance decreased by Rs 572 crore over the previous year.

## ▶ 1.7 Assets and Liabilities

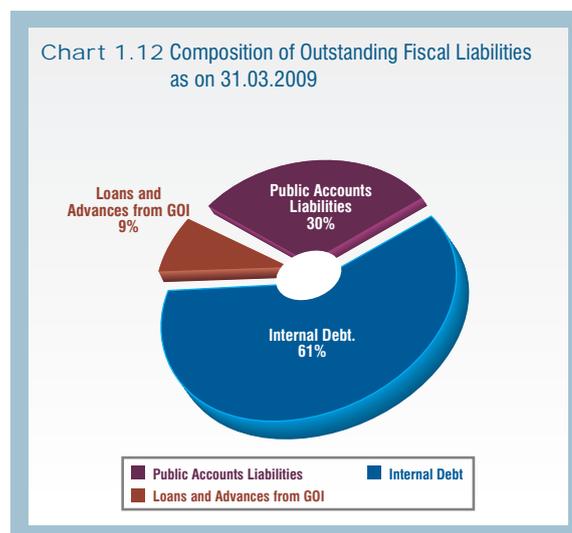
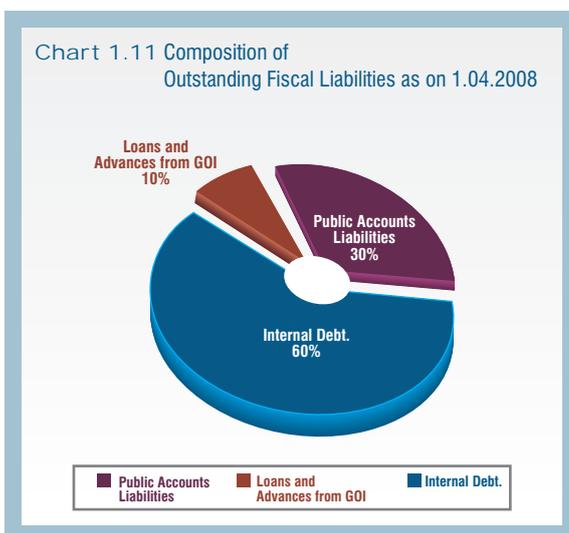
### 1.7.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and the assets as on 31 March 2009, compared with the corresponding position on 31 March 2008. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

According to Rajasthan Fiscal Responsibility and Budget Management (FRBM) Act, 2005, the total liability means the explicit liabilities under Consolidated Fund of the State and the Public Account of the State including General Provident Fund.

### 1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.2**. However the composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Chart 1.11** and **1.12**.



The growth rate of fiscal liability was nine per cent during 2008-09 over previous year. The Consolidated Fund Liability (Rs 58,766 crore) comprised of market loan (Rs 24,499 crore), loans from Government of India (Rs 7,617 crore) and other loans (Rs 26,650 crore). The Public Account liabilities (Rs 25,257 crore) comprise of Small Saving, Provident Fund (Rs 16,827 crore), interest bearing obligations (Rs 2,386 crore) and non-interest bearing obligations like deposits and other earmarked funds (Rs 6,044 crore). The ratio of fiscal liabilities to GSDP was 44 per cent in 2008-09 and was higher than the norms of 30 per cent recommended by the TFC for the terminal year (2009-10). These liabilities stood at 2.5 times the revenue receipts and 4.5 times the States own resources at the end of 2008-09.

### 1.7.3 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. According to FRBM Act, State Government shall ensure that the total outstanding debt, excluding Public Account, and risk weighted outstanding guarantees in a year shall not exceed twice the estimated receipts in the Consolidated Fund of the State at the close of the Financial Year. The Government set up a Guarantee Redemption Fund in 1999-2000 and as on 31 March 2009 there were Rs 146.73 crore under this Fund. During the year the Government received Rs 25.08 crore as guarantee commission. However, accumulated amount to the extent of Rs 11 crore could not be transferred to Guarantee Redemption Fund up to 2008-09.

As per Statement 6 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is as follows.

**Table 1.16: Guarantees given by the Government of Rajasthan**

(Rupees in crore)

Guarantees	2006-07	2007-08	2008-09
Maximum amount guaranteed	27,402	37,029	46,080
Outstanding amount of guarantees	14,709	19,770	27,765
Percentage of maximum amount guaranteed to total revenue receipts	107.1	120.3	137.7

The outstanding guarantees increased by 40 *per cent* from Rs 19,770 crore in 2007-08 to Rs 27,765 crore in 2008-09. The outstanding guarantees of Rs 27,765 crore are given mainly to seven Government Companies (Rs 25,863 crore: 93 *per cent*) for repayment of loans/overdraft, amount raised by issue of bonds/debentures and payment of interest thereon. The outstanding guarantees were 83 *per cent* of the revenue receipts of the Government, which were well within the ceiling limit prescribed by the FRBM Act. No guarantee was invoked during the year 2008-09.

It is pertinent to note that if the liabilities arising out of the outstanding guarantees are added to the fiscal liabilities of the State Government at the close of the current year, the ratio of total liabilities to GSDP would increase to 58 *per cent* from 44 *per cent*.

### 1.7.4 Off-Budget Borrowings

The borrowings of a State are governed under Article 293 of the Constitution of India. In addition to the fiscal liabilities of the State, the State guaranteed loans are availed of by Government companies/corporations. These companies/ corporations borrow funds from the market/financial institutions for implementation of various State plan programmes projected outside the State budget. Although the State Government projects that funds for these programmes would be met out of the resources mobilized by these companies/corporations outside the State budget, in reality the borrowings of many of these concerns ultimately turn out to be the liabilities of the State Government termed as 'off-budget borrowings'. Though off-budget borrowings are not permissible under Article 293 (3), the State continues to undertake such off-budget borrowings, as shown below:

**Table 1.17: Borrowings by the Public Sector Undertakings for fulfillment of State Plans**

(Rupees in crore)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Outstanding Balance as on 31.03.2009
Power Utilities	359.69	337.12	605.12	877.26	3,796.94 <sup>28</sup>	4,123.60 <sup>28</sup>	9,806.77 <sup>29</sup>
Rajasthan State Road Transport Corporation	62.29	74.31	95.43	68.98	59.43	141.59	210.24
Rajasthan State Road Development and Construction Corporation Limited	1.93	31.75	15.80	6.67	–	–	20.05
Rajasthan State Agriculture Marketing Board	–	–	–	–	40.00	55.00	95.00
Public Health Engineering Department	–	–	–	–	–	–	60.31
Rajasthan Housing Board	8.57	9.31	0.40	–	–	–	27.37
<b>Total</b>	<b>432.48</b>	<b>452.49</b>	<b>716.75</b>	<b>952.91</b>	<b>3,896.37</b>	<b>4,320.19</b>	<b>10,219.74</b>

Source: Finance Department.

The Finance Department intimated (July 2009), that State Government does not use the borrowings of Public Sector Undertakings for meeting State's budgeted plan expenditure and also that its debt servicing is not made through Consolidated Fund of the State. Hence, the State Government treated these as the borrowings of Public Sector Undertaking only and not off-budget borrowings of the State Government. Funds borrowed by Government companies could become a contingent liability for the Government if the companies are unable to repay. There is often a pressure on the State Government to step in even though there may be no legal requirement to do so. Hence, it is imperative that borrowings of State owned companies are managed prudently.

## ▶ 1.8 Debt Sustainability

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the debt sustainability of the State Government in terms of debt stabilization; sufficiency of non-debt receipts; net availability of borrowed funds; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.18** and **1.19** analyses the debt sustainability of the State according to these indicators for the period of three years beginning 2006-07.

**Table 1.18: Debt Sustainability: Indicators and Trends**

(Rupees in crore)

Indicators of Debt Sustainability	2006-07	2007-08	2008-09
Debt Stabilization (Quantum Spread + Primary Deficit) <sup>30</sup>	6,646	6,946	3,338
Sufficiency of Non-debt Receipts (Resource Gap)	1,180	562	(-) 3,566
Net Availability of Borrowed Funds	(-) 1,022	108	661
Burden of Interest Payments (IP/RR per cent)	22	19	19

<sup>28</sup> The figures of borrowings are provisional.

<sup>29</sup> The bifurcation of repayment made in respect of Renewable Energy Corporation (REC) loans under Plan and Non-Plan is not available. Hence the total repayment figures have been taken in to account and the closing balance is inclusive of both.

<sup>30</sup> see glossary at page 85.

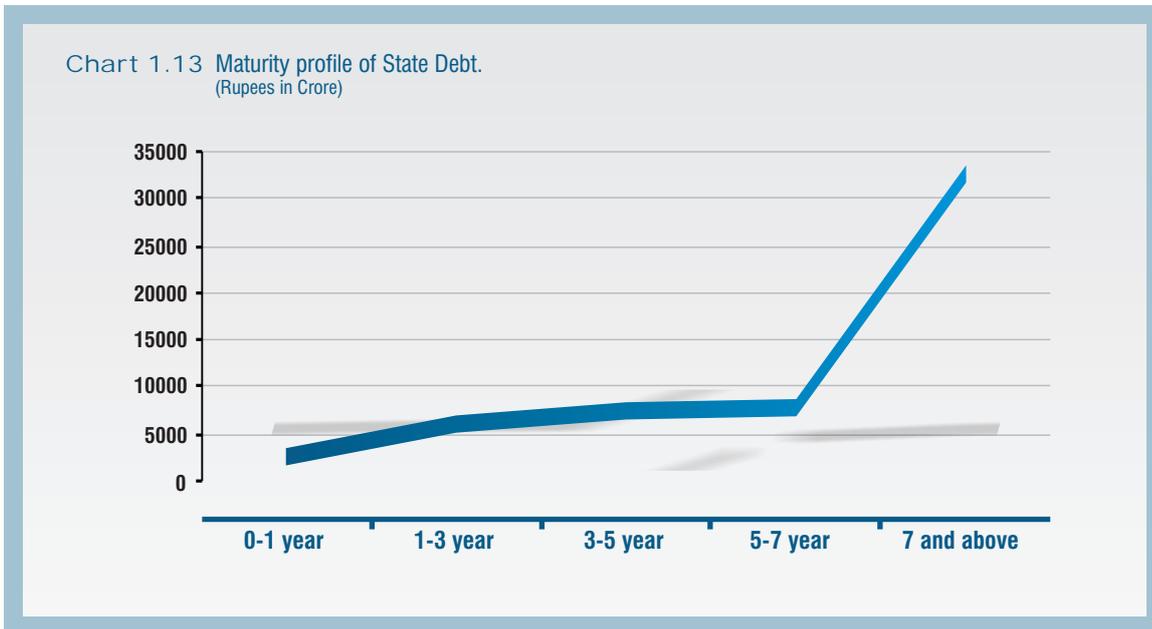
The sum of Quantum Spread and Primary deficit was positive during 2006-09 resulting in declining trend in debt-GSDP ratio. These trends indicate that the State is moving towards debt stabilization, which, if continued would eventually improve the debt sustainability position of the State. However, the non-debt receipts (Resource Gap) indicated declining trend over the period. During 2008-09, the non-debt receipts increased by Rs 999 crore while the total expenditure increased by Rs 4,565 crore. The net fund available from borrowing after providing for the interest and repayment increased from Rs 108 crore in 2007-08 to Rs 661 crore in 2008-09. During the current year the available borrowed fund increased by Rs 17,107 crore while the Government repayment increased by Rs 16,554 crore. The ratio of interest payments to revenue receipts decreased from 19.3 per cent in 2007-08 to 18.6 per cent in 2008-09.

**Table 1.19: Maturity Profile of State Debt**

(Rupees in crore)

Maturity Profile	Amount	Percent
0-1 year	2,570.66	4.37
1-3 Years	5,824.81	9.91
3-5 Years	7,414.30	12.62
5-7 Years	7,780.07	13.24
7 and above	32,436.54	55.20
Information not furnished by the State Government	2,739.84	4.66
<b>Total</b>	<b>58,766.22</b>	<b>100</b>

Source: Finance Accounts.



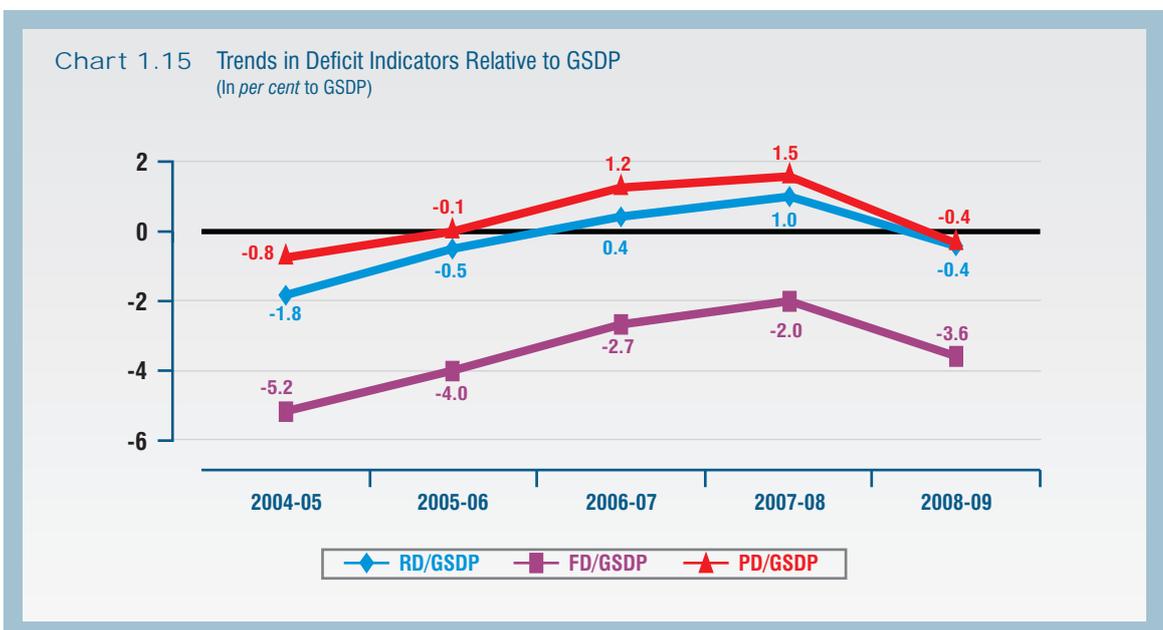
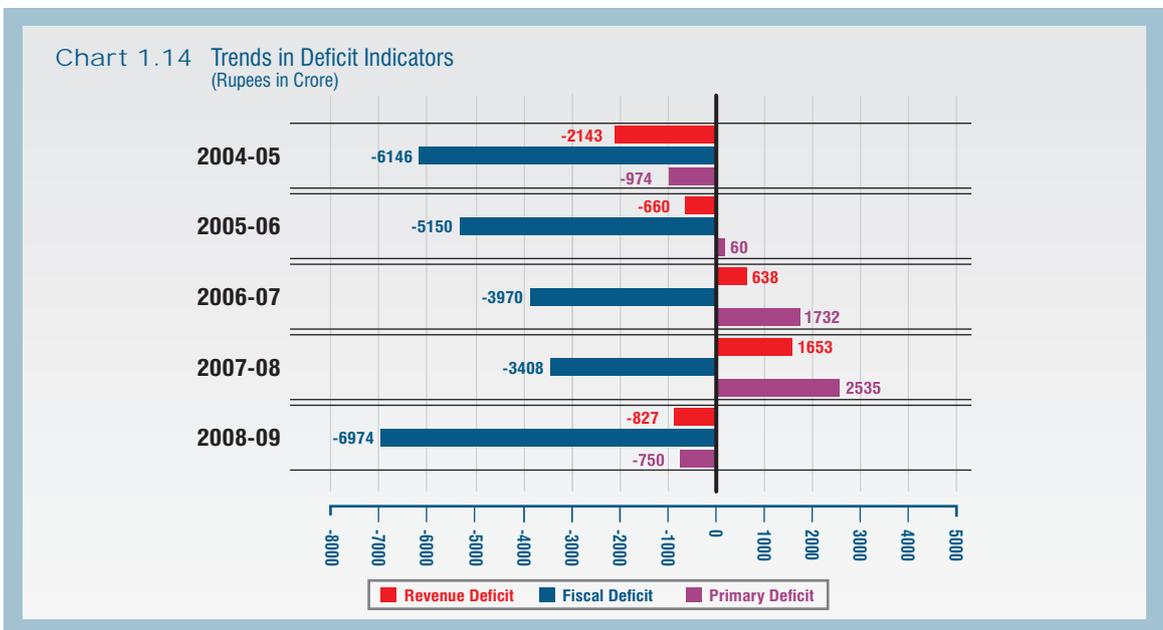
As per data shown in Table 1.19, the maturity profile of 4.66 per cent of the debt stock is not clearly defined. There will be a bunching of repayments in around 3-5 years time as well as 5-7 years time. A well thought out debt repayment strategy will ensure that no additional borrowings which mature in these critical years is undertaken.

## 1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the way in which the deficit is financed and the resources are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under FRBM Act/Rules for the financial year 2008-09.

### 1.9.1 Trends in Deficits

Charts 1.14 and 1.15 present the trends in deficit indicators over the period 2004-09.



From a revenue surplus position in 2006-07 and 2007-08, the State had a revenue deficit of Rs 827 crore in 2008-09. Further, the net loans and advances were positive in the current year compared to the negative position in previous years. Consequently, the fiscal deficit deteriorated from Rs 3408 crore in 2007-08 to Rs 6974 crore in 2008-09, indicating an increase of 105 *per cent*. Fiscal deficit as a percentage of GSDP increased from 2 *per cent* in 2007-08 to 3.6 *per cent* in 2008-09 (against a revised FRBM Act target of 3.5 *per cent*).

### 1.9.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the Table 1.20.

**Table 1.20: Components of Fiscal Deficit and its Financing Pattern**

(Rupees in crore)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Decomposition of Fiscal Deficit</b>					
<b>Fiscal Deficit (1 to 3)</b>	<b>6,146</b>	<b>5,150</b>	<b>3,970</b>	<b>3,408</b>	<b>6,974</b>
1. Revenue Deficit / surplus (-)	2,143	660	(-) 638	(-) 1,653	827
2. Net Capital Expenditure	3,488	4,294	4,809	6,554	5,896
3. Net Loans and Advances	515	196	(-) 201	(-) 1,493	251
<b>Financing Pattern of Fiscal Deficit*</b>					
1. Market Borrowings	2,076	643	1,065	3,233	5,196
2. Loans from Gol	2,992	(-) 19,012 <sup>31</sup>	(-) 295	46	(-) 66
3. Special Securities Issued to National Small Saving Funds	-	22,681	1,745	(-) 223	(-) 434
4. Ways and Means	-	-	59	(-) 59	-
5. Loans from Financial Institutions	42	191	(-) 132	220	350
6. Small Savings, Provident Fund etc	1,166	1,377	1,245	1,119	1,405
7. Deposits and Advances	163	429	592	557	347
8. Suspense and Miscellaneous	(-) 12	(-) 19	51	2	39
9. Remittances	10	(-) 13	(-) <sup>32</sup>	(-) 14	21
10. Reserve Fund	335	(-) 37	710	1,198	(-) 11
11. Increase (-)/ Decrease (+) in Cash Balance	(-) 626	(-) 1,090	(-) 1,070	(-) 2,671	127
12. Overall Deficit (1 to 12)	6,146 (5.2)	5,150 (4.0)	3,970 (2.7)	3,408 (2.0)	6,974 (3.6)

Figures in brackets indicate the per cent to GSDP. \*All these figures are net of disbursements/outflows during the year

During 2008-09, the fiscal deficit of Rs 6,974 crore was mainly met out from market borrowing Rs 5,196 crore and Small Savings, Provident Fund etc. Rs 1,405 crore. The net market borrowing and the small saving, provident fund etc, increased by 61 *per cent* and 26 *per cent* respectively over the previous year; thus increasing the interest burden in future.

### 1.9.3 Quality of Deficit/Surplus

The ratio of RD to FD and the composition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) did not have adequate asset backup. The bifurcation of the primary deficit (Table-1.21) indicated the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

<sup>31</sup> minus figure is due to transfer of Rs 19,029 crore from loans and advances from Gol to Special Securities to NSSF as per TFC recommendation.

<sup>32</sup> only Rs 0.29 crore.

**Table 1.21: Primary deficit/Surplus – Bifurcation of factors**

(Rupees in crore)							
Year	Non-debt receipts (NDR)	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	NDR vis-à-vis Primary Revenue Expenditure	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2004-05	17,888	14,734	3,488	640	18,862	(+) 3,154	(-) 974
2005-06	21,078	16,289	4,295	434	21,018	(+) 4,789	(+) 60
2006-07	26,106	19,252	4,809	313	24,374	(+) 6,854	(+) 1,732
2007-08	32,563	23,185	6,555	288	30,028	(+) 9,378	(+) 2,535
2008-09	33,562	28,072	5,900	340	34,312	(+) 5,490	(-) 750

From 2005-06 onwards, the non-debt receipts was higher than the primary expenditure resulting in a primary surplus. In the current year however, the non-debt receipts fell short of the primary expenditure. If this trend continues, debt sustainability will be in serious jeopardy as ideally incremental non-debt receipts every year should cover not only primary expenditure but also incremental interest burden.

#### 1.9.4 State's Own Revenue and Deficit Correction

It is worthwhile to observe the extent to which the deficit correction is achieved by the State on account of improvement in its own resources which is an indicator of the durability of the correction in deficit indicators. Table 1.22 presents the change in revenue receipts of the State and the correction of the deficit during the last three years.

**Table 1.22: Change in revenue receipts and correction of deficit**

Parameters	2006-07	2007-08	2008-09	
			BE	ACTUAL
<b>Revenue Receipts (a to d)</b>	17.2	18.1	18.7	17.4
a. State's Own Tax Revenue	7.8	7.8	8.3	7.8
b. State's Own Non- tax Revenue	2.3	2.4	2.0	2.0
c. State's Share in Central Taxes and Duties	4.5	5.0	5.6	4.7
d. Grants-in-Aid	2.6	2.9	2.8	2.9
<b>Revenue Expenditure</b>	16.8	17.1	18.1	17.8
<b>Revenue Deficit (-)/Surplus (+)</b>	(+) 0.4	(+) 1.0	0.6	(-) 0.4
<b>Fiscal Deficit (-)/Surplus (+)</b>	(-) 2.7	(-) 2.0	(-) 3.0	(-) 3.6

Rajasthan was one of the first few States in the country to enact FRBM Legislature (see Box 1.2 at page 4 and Appendix 1.1). In recent years, the state had exceeded targets as far as reducing revenue deficit to 'zero' by 2009-10 was concerned by achieving continued revenue surplus in 2006-07 and 2007-08. In the current year, however, the excess of revenue expenditure over revenue receipts (as explained in para 1.1 and chart 1.1) led to a slippage and as against revenue surplus of 0.6 per cent of GSDP envisaged in the budget there was a revenue deficit of 0.4 per cent of GSDP. Achieving the target of zero revenue deficit by 2009-10 would require pruning down of unproductive expenditure and improved revenue buoyancy. The fiscal deficit which was targeted to be 3 per cent of GSDP in the BE also slipped to 3.6 per cent of GSDP. In the light of overall slow down in the economy, the GoI had allowed States to increase their fiscal deficit to as much as 3.5 per cent of their GSDP and available amendments were to be made to the State FRBM Acts.

## ▶ 1.10 Conclusions and Recommendations

During the current year the revenue account decreased by Rs 2,480 crore as the growth of revenue receipts was 9 *per cent* while growth of revenue expenditure was 18 *per cent* over the previous year. The tax revenue and non-tax revenue receipts exceeded normative assessments made by TFC by 2.2 *per cent* and by 56.7 *per cent* respectively.

The non-plan revenue expenditure (NPRE) increased by 19 *per cent* over the previous year. The NPRE exceeded the normative assessment made by TFC, assessment made by Government in its FCP and MTFPS by 32.7 *per cent*, 17.5 *per cent* and 11.8 *per cent* respectively. The PRE decreased by 14.2 percentage points of the projected Budget estimates (26.2 *per cent*) but increase by 12 *per cent* over the previous year.

The capital expenditure decreased by 10 *per cent* over the previous year and was six *per cent* lower than projected in MTFPS.

The Gol directly transferred Rs 10,704 crore to the State Implementing Agencies during the year and it increased by Rs 5,900 crore (123 *per cent*) over the previous year.

The ratio of revenue deficit to revenue receipts and fiscal deficit to GSDP in 2008-09 exceeded normative assessment made by TFC by 2.47 and 0.6 percentage points respectively.

The expenditure on salary and wages at 47 *per cent* of revenue expenditure net of interest and pension payments is higher than the norm of 35 *per cent* recommended by TFC. Pension payments exceeded the normative assessment made by TFC by 68 *per cent*. The ratio of salaries, interest payments, pensions and subsidies to revenue receipts an increase of four percentage points over the previous year.

The ratio of fiscal liabilities to GSDP at 44 *per cent* was higher than the norms of 30 *per cent* recommended by the TFC for terminal year (2009-10).

As of 31 March 2009, there were 579 incomplete projects in which Rs 4,759 crore were blocked.

Though the development expenditure and the expenditure on social Sector increased over the previous year, the per capita development expenditure was lower than the national average, and therefore, need higher fiscal priority.

During 2008-09, only 3.25 *per cent* of loan were repaid by institutions/ organizations, and Rs 89 crore of loans was not repaid for the last six or more years.

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

**Return to fiscal correction:** Rajasthan is one of the earliest of States to have passed the Fiscal Responsibility and Budget Management Act. Although there was a slippage in 2008-09 in achieving the deficit targets, this could be attributed largely to the slump in the economy (which impacted revenue receipts) as well as the Sixth Pay Commission Award (which increased committed expenditure). However, the State has the reasonable prospect of achieving the targets set out in the FRBM Act of 2005 provided an effort is made to increase tax compliance, reduce tax administration costs, make efforts to collect revenue arrears (para 1.3.3) and prune unproductive expenditure so that deficits are contained to the levels envisaged in the Act. Ensuring that the Government of India releases all grants due to the State by timely action on all conditionalities, that are pre-requisites to the release will also increase the total receipts of the State (Para 1.4.4).

**Greater priority to capital expenditure:** The State may consider enhancing the priority it gives to capital expenditure as a proportion of Aggregate Expenditure as this ratio is lower for Rajasthan than the All States Average (Table 1.8).

**Enhancing fiscal capacity:** As indicated in Table 1.8, the per capita development expenditure in Rajasthan is much lower than the national average even though the State is spending adequate amounts compared to the rest of the country. Further analysis may be required by the State Government to see whether the capacity of the State to utilize expenditure for developmental and social outcomes can be improved by better design of schemes, reducing administration costs, timely implementation, careful monitoring etc. Cost and time overruns of incomplete projects (para 1.6.2) will have to be reduced so that people of Rajasthan benefit from these sunk costs.

**Review of Government investments:** The average return on Rajasthan Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.2 to 0.5 *per cent* in the past three years while the Government paid an average interest of 7.7 to 8.3 *per cent* on this investment (Para 1.6.3). It would be advisable for the State Government to ensure better value for money in investments, otherwise high cost borrowed funds will continue to be invested in projects with low financial return. Projects which are justified on account of low financial but high socio-economic return may be identified and prioritized with full justification on why high cost borrowings should be channeled there. It would also be prudent to review the working of State public sector undertakings which are incurring huge losses (Para 1.6.4) and work out either a revival strategy (for those that are strategic in nature and can be made viable) or closed down (if they are not likely to be viable given current market conditions).

**Prudent cash management:** The cost of holding surplus cash balances is high. In 2008-09, the interest received on investment of cash balances in RBI Investment in Treasury Bills and Auction Treasury Bills was only 3.8 *per cent* while the Government borrowed on an average at 7.7 *per cent* (Para 1.6.6). Proper debt management through advance planning could reduce the need for the State government to hold large cash surpluses. Ways and Means facility of RBI can also be judiciously resorted to as long as the State does not avail of overdraft facility.

**Debt sustainability:** The Government of Rajasthan should ideally keep the debt-GSDP ratio stable by ensuring that the FRBM principle that total outstanding debt (excluding public account and risk weighted outstanding guarantees) should not exceed twice the estimated receipts in the Consolidated Fund of the State at the close of the financial year is followed. Borrowed funds should be used as far as possible only to fund capital expenditure and revenue expenditure should be met from revenue receipts. Efforts should be made to return to the state of primary surpluses and zero revenue deficit as soon as possible. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and a clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

**Oversight of funds transferred directly from the Gol to the State implementing agencies:** As long as these funds remain outside the State budget, there is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies but are funded directly by the Gol. A system has to be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Principal Accountant General.

# Financial Management and Budgetary Control

This Chapter outlines the Rajasthan Government's financial accountability and budgetary practices through audit of Appropriation Accounts. Audit of appropriations seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

## Box 2.1

### Appropriation Accounts

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

## ► 2.1 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2008-2009 against 55 grants/appropriations was as given in Table 2.1:

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

(Rupees in crore)						
	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
Voted	i. Revenue	26,316.30	3,789.40	30,105.70	28,951.50	(-) 1,154.20
	ii. Capital	7,145.26	488.44	7,633.70	6,658.97	(-) 974.73
	iii. Loans & Advances	109.97	270.96	380.93	340.06	(-) 40.87
<b>Total Voted</b>		<b>33,571.53</b>	<b>4,548.80</b>	<b>38,120.33</b>	<b>35,950.53</b>	<b>(-) 2,169.80</b>
Charged	iv. Revenue	6,484.24	15.53	6,499.77	6,282.48	(-) 217.29
	v. Capital	0.01	0.12	0.13	0.13	-
	vi. Loans & Advances	2,534.28	-	2,534.28	2,432.64	(-) 101.64
<b>Total Charged</b>		<b>9,018.53</b>	<b>15.65</b>	<b>9,034.18</b>	<b>8,715.25</b>	<b>(-) 318.93</b>
<b>Appropriation to Contingency Fund</b>		<b>165.00</b>	<b>-</b>	<b>165.00</b>	<b>165.00</b>	<b>-</b>
<b>Grand Total</b>		<b>42,755.06</b>	<b>4,564.45</b>	<b>47,319.51</b>	<b>44,830.78</b>	<b>(-) 2,488.73</b>

The overall saving of Rs 2488.73 crore was the result of saving of Rs 2932.76 crore in 46 grants and 3 appropriations under Revenue Section, 31 grants and one appropriation under Capital Section, offset by excess of Rs 444.03 crore in 11 grants under Revenue Section and 3 grants under Capital Section.

The saving/excess (Detailed Appropriation Accounts) was intimated (6-05-2009, 18-06-2009 and 15-07-2009) to the Controlling Officers requesting them to explain the significant variations. Reminders were issued regularly to each department by the Principal Accountant General (Accounts and Entitlement) throughout the year 2008-09 to furnish reasons for excesses/savings. Out of 710 sub-heads, explanations for variation were not received (August 2009) in respect of 190 sub-heads (Saving: 87 sub-heads and Excess: 103 sub-heads).

## 2.2 Financial accountability and Budget management

### 2.2.1 Appropriation *vis-à-vis* Allocative Priorities

The outcome of the appropriation audit reveals that in 12 cases, savings exceeded Rs 10 crore in each case or by more than 20 per cent of total provision (Appendix 2.1). Against the total savings of Rs 2,488.73 crore, savings of Rs 2,431.83 crore (97.7 per cent)<sup>1</sup> occurred in 12 cases relating to nine grants and two appropriations as indicated in Table 2.2.

**Table 2.2: List of Grants/Appropriation with savings of Rs 50 crore and above**

No. and Name of the Grant/Appropriation	Original	Supplementary	Total	Actual expenditure	(Rupees in crore)
					Savings
<b>Revenue-Voted</b>					
1. 15-Pensions and other Retirement Benefits	3,000.01	810.00	3,810.01	3,327.78	482.23
2. 30-Tribal Area Development	1,045.43	34.00	1,079.43	888.06	191.37
3. 33-Social Security and Welfare	902.55	258.17	1,160.72	1,108.07	52.65
4. 34-Relief from Natural Calamities	965.32	128.07	1,093.39	1,021.16	72.23
5. 41-Community Development	1,425.09	340.00	1,765.09	1,306.53	458.56
6. 48-Power	1,469.90	-	1,469.90	1,382.68	87.22
<b>Capital-Voted</b>					
7. 27-Drinking Water Scheme	2,651.88	69.00	2,720.88	2,498.05	222.83
8. 33-Social Security and Welfare	50.64	63.53	114.17	34.36	79.81
9. 35-Miscellaneous Community and Economic Services	42.77	A	42.77	(-) 194.05 <sup>2</sup>	236.82
10. 46-Irrigation	1,057.52	A	1,057.52	827.33	230.19
11. Interest Payment	6,440.52	A	6,440.52	6,224.25	216.27
<b>Capital-Charged</b>					
12. Public Debt	2,534.28	A	2,534.28	2,432.63	101.65
<b>Total</b>	<b>21,585.91</b>	<b>1,702.77</b>	<b>23,288.68</b>	<b>20,856.85</b>	<b>2,431.83</b>

A: Negligible amount

Source: Appropriation Accounts

The saving of Rs 482.23 crore against total allocation of Rs 3,810.01 crore in "Pensions and other Retirement Benefits" was due to non-drawal of commuted value of pensions by the pensioners because of less cases received for revision/finalisation under Sixth Pay Commission from the pensioners.

<sup>1</sup> exceeding Rs 50 crore in each case.

<sup>2</sup> see footnote 1 at page 1 (also see page 3).

The saving in "Tribal Area Development" were mainly under the programme Upgradation of schools under success plan (saving: entire provision of Rs 10 crore), Financial Strengthening Scheme (saving: Rs 55.17 crore out of provision of Rs 68 crore) and Central assistance under Backward District Development Fund (saving: Rs 141.30 crore against provision of Rs 206.45 crore) due to reduction in annual plan outlay.

The saving of Rs 468.89 crore against total allotment of Rs 600 crore in Financial Strengthening Scheme under "Community Development" was due to stay order imposed by Rajasthan High Court on *Bhamashah Financial Strengthening and Woman Samridhi Yojana* and code of conduct imposed by Election Commission due to Assembly/Parliament Elections.

The saving of Rs 169.80 crore against total allotment of Rs 472 crore in Rural Water Supply under "Drinking Water Scheme" was mainly due to slow progress of works by the concerned department and consequent less receipt of funds from Government of India.

The saving in "Irrigation" was mainly due to non-sanction of rehabilitation work in Restoration of minor irrigation schemes (saving: Rs 96.04 crore against provision of Rs 99.56 crore), execution of less works under Rajasthan Water Sector Restructuring Project (saving of Rs 20.99 crore out of Rs 72.41 crore) and reduction in annual plan outlay (saving of Rs 46.24 crore against allotment of Rs 96.07 crore).

The saving of Rs 191.26 crore under "Interest Payments" was mainly due to non-raising of new market loans during the year. However, a lump sum provision was estimated in anticipation of payment of interest on various new bonds expected to be raised by the State Government during the year.

The saving of Rs 100 crore against total provision of Rs 100 crore under "Public Debt" was due to non-requirement of ways and means advances during the year.

Besides, under 'Social Security and Welfare' Government obtained supplementary provision of Rs 67.77 crore in July 2008 in anticipation of implementation of *Devnarain Yojana*; but the entire provision was surrendered on 31 March 2009 due to non-implementation of *Devnarain Yojana*.

## 2.2.2 Persistent savings

In two cases, there were persistent savings of more than Rs 1 crore in each case and also by 10 per cent or more of the total grant (Table 2.3) during the last five years.

**Table 2.3: List of Grants indicating persistent savings during 2004-09**

(Rupees in crore)

No. and Name of the Grant	Amount of savings				
	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Capital-Voted</b>					
24-Education, Art and Culture	13.35	10.27	19.97	12.78	21.69
46-Irrigation	92.62	131.18	249.24	172.54	230.19

The persistent savings ranged from Rs 10.27 crore to Rs 21.69 crore of the total budget during 2004-09 in Grant No. 24. The main reason for saving of Rs 11.10 crore in 2007-08 against total estimation of Rs 30 crore was short execution of construction works of additional class rooms, water tank, toilets and ramp in secondary school through NABARD RIDF-XI. In the same scheme during the year 2008-09 the saving of Rs 23.45 crore (partly offset by excess in other schemes) against the allotment of Rs 30 crore was again due to short execution of construction works.

In Grant No. 46, the persistent savings ranged from Rs 92.62 crore to Rs 249.24 crore of the total budgets during 2004-09. The main reason for saving was slow progress of works under Rajasthan Water Sector Restructuring Project (savings of Rs 96.86 crore out of Rs 162.14 crore) because of cases pending in court/arbitration and under Restoration of Minor Irrigation Schemes (savings of Rs 16.98 crore against total allotment of Rs 17.01 crore) due to non-receipt of sanction of loan for restoration of minor irrigation works. Besides, in the year 2008-09 saving was due to non-sanction of rehabilitation work in Restoration of minor irrigation schemes (savings of Rs 96.04 crore against allotted funds of Rs 99.56 crore), execution of lesser number of works under Rajasthan Water Sector Restructuring Project (savings of Rs 20.99 crore out of Rs 72.41 crore) and reduction in annual plan outlay (savings of Rs 46.24 crore against allotment of Rs 96.07 crore).

### 2.2.3 Excess expenditure

In six cases, the programme delivery departments breached expenditure limits set by the Legislature through grants. Such excesses however small are irregular and they require retrospective Legislative sanction through appropriate vote. In these six cases, excess expenditure was Rs 1 crore or more in each case or by more than 10 per cent of the total provisions and the total expenditure exceeded the approved provisions by Rs 201.28 crore (details in **Appendix 2.2**).

Of the above cases, excess expenditure has been observed consistently for the last five years under the Head 2215 'Water Supply and Sanitation' (**Table 2.4**).

**Table 2.4: List of Grants indicating persistent excess expenditure during 2004-09**

(Rupees in crore)

No. and Name of the Grant	Amount of Excess expenditure				
	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Revenue-Voted</b>					
<b>27-Drinking Water Scheme</b>					
2215-Water Supply and Sanitation	15.46	18.42	2.08	8.62	58.54
01-Water Supply	(5.04)	(5.6)	(0.6)	(2.2)	(13.1)
102-Rural Water Supply Programmes					
01-Other Rural Water Supply Schemes.					

Source: Appropriation Accounts

The department intimated that excess expenditure was due to excess payment of electric charges and increased digging of tubewells / hand pumps in rural areas. Inadequate provision of funds and consequent excess expenditure indicates weak budgeting and expenditure controls.

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

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to Rs 19.92 crore for the years 2006-2008 was yet to be regularized as detailed in **Appendix 2.3**. The year-wise amount of excess expenditure pending regularization for grants/appropriations is summarized in **Table 2.5**.

**Table 2.5: Excess over provisions relating to previous years requiring regularization**

(Rupees in crore)

Year	Number of Appropriation/grant	Amount of excess over provision	Status of Regularization
2006-07	3/3	0.42	Not regularized by the State Legislature.
2007-08	4/4	19.50	
<b>Total</b>	<b>7/7</b>	<b>19.92</b>	

## 2.2.5 Excess over provisions during 2008-09 requiring regularization

Table 2.6 contains the summary of total excess in 13 grants amounting to Rs 444 crore over authorization from the Consolidated Fund of State during 2008-09 and requires regularization under Article 205 of the Constitution.

**Table 2.6: Excess over provisions requiring regularization during 2008-09**

(Rupees in crore)

S.No.	Number and title of grant/appropriation	Total grant/ appropriation	Expenditure	Excess
<b>Voted Grants – Revenue</b>				
1.	9 Forest	3,03.60	3,09.43	5.83
2.	16 Police	15,41.26	15,77.68	36.42
3.	19 Public Works	2,99.19	3,08.66	9.47
4.	20 Housing	31.64	31.79	0.15
5.	21 Roads and Bridges	7,78.79	8,84.36	1,05.57
6.	24 Education, Art and Culture	70,83.90	72,55.55	1,71.65
7.	26 Medical and Public Health and Sanitation	19,55.63	19,64.38	8.75
8.	27 Drinking Water Scheme	13,15.18	14,06.53	91.35
<b>Voted Grants – Capital</b>				
9.	11 Miscellaneous Social Services	6.92	7.96	1.04
10.	21 Roads and Bridges	6,19.68	6,33.37	13.69
<b>Total Voted</b>		<b>1,39,35.79</b>	<b>1,43,79.71</b>	<b>443.92</b>
<b>Charged Grants - Revenue</b>				
11.	16 Police	0.53	0.59	0.06
12.	21 Roads and Bridges	0.08	0.08	– <sup>3</sup>
13.	23 Labour and Employment	– <sup>4</sup>	0.01	0.01
14.	27 Drinking Water Scheme	0.20	0.23	0.03
15.	37 Agriculture	0.02	0.02	– <sup>5</sup>
16.	43 Minerals	0.01	0.01	– <sup>6</sup>
<b>Voted Grants – Capital</b>				
17.	45 Loans to Government Servants	– <sup>7</sup>	0.01	0.01
<b>Total Charged</b>		<b>0.84</b>	<b>0.95</b>	<b>0.11</b>
<b>Grand Total</b>		<b>1,39,36.63</b>	<b>1,43,80.66</b>	<b>4,44.03</b>

Source: Appropriation Accounts

The excess in “Police” and “Education, Art and Culture” was mainly due to payment of arrears and increased pay and allowances as per the recommendations of Sixth Pay Commission. The excess in Revenue and Capital section of “Roads and Bridges” was mainly due to excess expenditure incurred directly by the Border Road Development Board on roads at international border areas.

## 2.2.6 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating Rs 527.82 crore obtained in seven cases, Rs 1 crore 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 2.4. In eight cases, supplementary provision of Rs 1,450.17 crore proved insufficient by more than Rs 1 crore in each leaving an aggregate uncovered excess expenditure of Rs 338.19 crore (Appendix 2.5).

<sup>3</sup> Only Rs 184

<sup>4</sup> Only Rs 3,000

<sup>5</sup> Only Rs 597

<sup>6</sup> Only Rs 384

<sup>7</sup> Only Rs 9,000

Supplementary provisions of Rs 34 crore and Rs 340 crore obtained in Grant Numbers 30 and 41 respectively for payment of incentives and honorarium to families/State employees/Service Providers etc. under *Bhamashah Yojana* for Financial Strengthening Scheme were unnecessary as the actual expenditure was even less than the original budget/supplementary provisions.

Supplementary provisions of Rs 667.98 crore and Rs 125.34 crore in Grant Number 24 and Grant Number 27 respectively were proved inadequate due to incorrect assessment of arrears on account of recommendations of Sixth Pay Commission.

### 2.2.7 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. Injudicious re-appropriation proved excessive or insufficient resulted in savings of Rs 502.13 crore in 145 sub-heads and excess of Rs 530.46 crore in 135 sub-heads. The re-appropriation and final excess/saving was more than Rs 1 crore in 39 sub-heads as detailed in **Appendix 2.6**.

In Grant No. 15, under Pensions to State employees (Rs 462 crore) and Family Pensions (Rs 110 crore), funds were augmented through re-appropriation to meet expenditure on pension cases as per recommendations of Sixth Pay Commission. The re-appropriation was unnecessary due to receipt of less pension cases for revision/finalisation under Sixth Pay Commission.

In Grant No. 21 under Maintenance and Restoration of Strategic and Border Roads, withdrawal of Rs 30.16 crore through re-appropriation proved excessive as the final expenditure exceeded the reduced provision (Rs 102.16 crore) due to excess expenditure incurred directly on roads by the Border Road Development Board according to sanctions issued by the Government of India.

In Grant No. 24, additional funds of Rs 25.24 crore provided through re-appropriation for payment of arrears of sixth pay commission recommendations to Government Secondary Boys Schools proved insufficient as the final expenditure exceeded the augmented provision by Rs 167.72 crore. This indicates incorrect estimation of arrears.

In Grant No. 27, additional funds of Rs 1.28 crore provided in Other Rural Water Supply Schemes through re-appropriation proved insufficient as the final expenditure exceeded the augmented head by Rs 58.54 crore because of increase in consumption and increase in rates of water and power.

### 2.2.8 Unexplained re-appropriations

According to Paragraph 189 of State Budget Manual, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement and vague expressions such as 'based on actual requirements', 'based on trend of expenditure', etc., should be avoided. However, a scrutiny of re-appropriation orders issued by the Finance Department revealed that in respect of 716 items out of 1142 items (62.7 per cent), reasons given for additional provision/withdrawal of provision in re-appropriation orders were of general nature like 'actual requirement', 'based on latest assessment' and 'restriction of expenditure. Besides, in 829 heads of 26 grants no reasons for additional provision/withdrawal of provision were mentioned. *This also goes against the principle of transparency stipulated in Section 4 of Fiscal Responsibility and Budget Management Act.*

### 2.2.9 Substantial surrenders

Substantial surrenders (the cases where more than 50 per cent of total provision and Rs 10 crore or more was surrendered) were made in respect of 63 sub-heads on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to Rs 3,650.14 crore in these 63 schemes, Rs 2,841.24 crore (77.8 per cent) were surrendered, which included cent per cent surrender in 28 schemes (Rs 1,030.91 crore). The details of selected such cases audited/verified by the Audit are given in **Appendix 2.7**. Reasons for major savings/surrenders have been discussed in para 2.2.1.

### 2.2.10 Surrender in excess of actual saving

In six cases, the amount surrendered (Rs 50 lakh or more in each case) was in excess of actual savings indicating lack of inadequate budgetary control in these departments. As against savings of Rs 317.18 crore, the amount surrendered was Rs 330.05 crore resulting in excess surrender of Rs 12.87 crore. Details are given in **Appendix 2.8**. Department did not furnish any reason/explanation regarding surrender in excess of actual savings.

### 2.2.11 Anticipated savings not surrendered

As per para 138 of State Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated.

Out of total savings of Rs 1,774.24 crore under 10 other grants/appropriations (savings of Rs 1 crore and above were indicated in each grant/appropriation) amount aggregated Rs 736.78 crore (41.5 per cent of total savings) were not surrendered, details of which are given in **Appendix 2.9**. Besides, in 26 cases, (surrender of funds in excess of Rs 10 crore in each case), Rs 2,093.88 crore were surrendered on the last two working days of March 2009 (**Appendix 2.10**) indicating weak financial control and as a result these funds could not be utilized for other development purposes. Departments did not furnish any reason/explanation regarding surrender of savings in excess of Rs 10 crore on the last two working days of financial year.

### 2.2.12 Rush of expenditure

According to para 139 of State Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 10 sub-heads listed in **Appendix 2.11**, expenditure exceeding Rs 10 crore and also more than 50 per cent of the total expenditure for the year was incurred in March 2009. **Table 2.7** also presents the major heads where more than 50 per cent expenditure was incurred either during the last quarter or during the last month of the financial year.

**Table 2.7: Cases of rush of expenditure towards the end of the financial year 2008-09**

Major Head	Total expenditure during the year	(Rupees in crore)			
		Expenditure during last quarter of the year		Expenditure during March 2009	
		Amount	Percentage of Total Expenditure	Amount	Percentage of Total Expenditure
1. 2075-Miscellaneous General Services	17.95	17.60	98.1	17.56	97.8
2. 3451-Secretariat-Economic Services	236.65	223.90	94.6	220.92	93.4
3. 3475-Other General Economic Services	18.51	16.59	89.6	16.17	87.4
4. 3604-Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	25.72	15.81	61.5	13.03	50.7
5. 4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	113.42	88.92	78.4	58.41	51.5
6. 4406-Capital outlay on forestry and Wild Life	29.11	19.04	65.4	15.38	52.8
7. 4425-Capital Outlay on Co-operation	13.14	13.11	99.8	13.10	99.7
8. 5452-Capital Outlay on Tourism	13.64	7.34	53.8	6.87	50.4
9. 6004-Loans and Advances from the Central Government	392.01	337.23	86.0	319.34	81.5
10. 6425-Loans for Co-operation	18.73	14.39	92.8	12.76	68.1
<b>Total</b>	<b>878.88</b>	<b>753.93</b>		<b>693.54</b>	

Source: Monthly Report on Expenditure

The Uniform flow of expenditure is a primary objective of budgetary control. As this was not maintained during the year there was strong evidence of weak financial management in the above departments.

## 2.3 Non-reconciliation of Departmental figures

### 2.3.1 Pendency in submission of Detailed Countersigned Contingent (DCC) Bills against Abstract Contingent (AC) Bills

As per rule, 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. Out of Rs 1978 crore drawn on AC bills up to 31 March 2009, total amount of DCC bills received up to 31 August 2009 was Rs 1889 crore leading to an outstanding balance of Rs 89 crore. Year wise details are given in Table 2.8.

**Table 2.8: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

Year	AC bills		DCC bills		DCC bills as percentage of AC bills	Outstanding AC bills	
	Number	Amount	Number	Amount		Number	Amount
Upto 2003-04	5907	608.95	5812	606.74	99.6	95	2.21
2004-05	4817	178.36	4799	169.62	95.1	18	8.74
2005-06	4564	200.11	4513	197.80	98.8	51	2.31
2006-07	6068	456.78	6016	452.91	99.2	52	3.87
2007-08	3679	236.62	3551	227.79	96.3	128	8.83
2008-09	3102	297.18	2379	234.10	78.7	723	63.08
<b>Total</b>	<b>28137</b>	<b>1978.00</b>	<b>27070</b>	<b>1888.96</b>	<b>95.5</b>	<b>1067</b>	<b>89.04</b>

Source: Vouchers compiled by PAG (A & E)

According to the records of Accountant General (A & E), 80.2 per cent (Rs 71.38 crore) of the outstanding AC bills were in Departments of Election (Rs 2.35 crore), General Administration (Rs 2.37 crore), Police (Rs 5.90 crore), Primary and Secondary Education (Rs 0.88 crore), Relief (Rs 7.54 crore), Revenue (Rs 40.00 crore) and Revenue Board (Rs 12.33 crore). Delay in submission is fraught with the risk of serious financial indiscipline/misappropriation. The department-wise pendency of DCC bills for the years up to 2008-09 is detailed in Appendix 2.12.

## 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 authorization by the Legislature, would be undesirable. Advances from Rajasthan 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 its corpus is Rs 200 crore.

Scrutiny of seven sanctions aggregating Rs 49.59 crore issued by the State Government during 2008-09 for grant of advance from the Contingency Fund revealed the following irregularities:

- An advance of Rs 2 crore was sanctioned (September 2008) to Ground Water Department, Rajasthan for Artificial Recharge to Ground water through dug wells scheme on the ground that grant was received by State Government from Government of India through NABARD on 29 August 2008 for implementation of the scheme so the provision could not be included in budget estimates/ supplementary provisions prior to 29 August 2008. It was noticed that an amount of Rs 0.12 crore (6 per cent) only was spent. This indicated that funds were sanctioned from Contingency Fund of the State without urgent requirement.

- An advance of Rs 26 crore was sanctioned (November 2008) to Water Resources Department for *Rashtriya Krishi Vikas Yojana* on the plea that projects of Water Resources Department were not approved by State Level Screening Committee (SLSC) at the time of budget statement of expenditure. It was noticed that out of the sanctioned amount of Rs 26 crore, only Rs 17.59 crore were spent. This indicates that there was no emergent need for resorting to drawal of advance from Contingency Fund.

## ▶ 2.5 Personal Deposit Accounts

Personal Deposit (PD) Accounts is created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. There were 1638 PD accounts in 38 District Treasuries and one Pay and Accounts Offices in operation. Of these, 40 PD accounts were not closed as of March 2009 and the balance of Rs 0.30 crore with these accounts was not transferred back to the respective service Heads. These 40 accounts were not operated since last five years.

## ▶ 2.6 Conclusions and Recommendation

During 2008-09, expenditure of Rs 44,830.78 crore was incurred against the total grants and appropriations of Rs 47,319.51 crore, resulting in a saving of Rs 2,488.73 crore. The overall savings was the net result of saving of Rs 2,932.76 crore offset by excess of Rs 444.03 crore, This excess requires regularization under Article 205 of the constitution of India. In 26 cases, surrender of funds amounting to Rs 2,093.88 crore in excess of Rs 10 crore was made on the last working day of the financial year, while in 10 grants/appropriations savings of more than Rs one crore and above amounting to Rs 736.78 crore were not surrendered. In 6 cases, Rs 12.87 crore surrendered in excess of savings. In 39 cases, augmentation/reduction of provision by re-appropriation proved either in excess of requirement or insufficient or unnecessary as the final expenditure of the re-appropriated sub-heads resulted in savings/excess by more than Rs 1 crore.

Budgetary controls should be strengthened in all the Government departments, particularly in the three departments where savings/excesses persisted for last five years. Issuance of Re-appropriation/surrender orders at the end of the year should be avoided.

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

### ▶ 3.1 Delay in furnishing Utilisation Certificates

General Financial and Accounts Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Principal Accountant General within 12 months from the date of their sanction unless specified otherwise. However, of the 15,122 UCs due in respect of grants and loans aggregating Rs 2,877.37 crore paid during 1994-95 to 2007-08, 685 UCs (4.5 per cent) for an aggregate amount of Rs 27.10 crore were in arrears. The department-wise break-up of outstanding UCs is given in **Appendix 3.1**. The age-wise position of delays in submission of UCs is summarised in the following table:

**Table 3.1: Age-wise arrears of Utilization Certificates**

Range of Delay in Number of Years	Total grants paid		Utilization Certificates Outstanding as on 31 march 2009	
	Number	Amount	Number	Amount
0 - 1	235	39.30	199	11.70
1 - 3	1,474	85.74	269	8.11
3 - 5	1,424	84.50	161	6.69
5 - 7	1,919	117.04	33	0.35
7 - 9	3,058	130.55	10	0.07
9 & above	7,012	2,420.24	13	0.18
<b>Total</b>	<b>15,122</b>	<b>2,877.37</b>	<b>685</b>	<b>27.10</b>

Out of 685 UCs worth Rs 27.10 crore pending as on March 2009, 430 UCs (63 per cent) involving Rs 14.80 crore (55 per cent) were pending for period ranging from one to five years and 56 UCs involving Rs 0.60 crore were pending for more than five years. Pendency of UCs mainly pertained to Science and Technology Department (288 UCs: Rs 1.69 crore), Social Welfare Department (351 UCs: Rs 4.07 crore), Industries Department (15 UCs: Rs 14.53 crore) and Family Welfare Department (one UC: Rs 4.86 crore).

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

### 3.2 Non-submission/delay in submission of accounts

In order to identify the institutions which attract Audit under Section 14 of the Comptroller and Auditor General's (Duties, Power and Condition 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 of assistance granted and the total expenditure of the institutions. The accounts of 83 bodies/authorities received during year 2007-08, attracted audit by CAG of India. The 31 bodies/ authorities, audit of which was due, were audited up to 2009-10 (September 2009).

The 211 annual accounts in respect of 108 autonomous bodies/ authorities due up to 2007-08 had not been received as of 30 September 2009 by the Principal Accountant General (Civil Audit), Rajasthan. The details of these accounts are given in **Appendix 3.2** and their age wise pendency is as follows:

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

Delays in number of years	No. of the Bodies/ Authorities	Grants Received during preceeding year (Rs in lakh)
0-1 year	Nil	Nil
1-3 Years	86	28,303.42
3-5 Years	20	6,976.04
5-7 Years	02	383.63
7 and above	Nil	Nil
<b>Total</b>	<b>108</b>	<b>35,663.09</b>

The table disclosed that delay in submission of accounts of 86 (80 per cent) Autonomous Bodies/authorities ranged between one to three years. Further, two cases were more than five years old pertaining to a Senior Secondary School and a *Swacha Jal & Samudayik Swasthya* Project which were sanctioned grant of Rs 20.74 lakh and Rs 362.89 lakh respectively.

### 3.3 Delay in submission of accounts/Audit Reports of Autonomous Bodies

Three<sup>1</sup> autonomous bodies have been set up by the State Government in the field of legal aid, human rights and development of *Khadi* respectively. These bodies are audited by the CAG. The audit of accounts of Rajasthan Khadi & Village Industries Board in the State has been entrusted to the Comptroller and Auditor General of India while the audit of other two bodies has been entrusted to CAG as per provisions in their Acts. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report and its placement in the Legislature are indicated in **Appendix 3.3**. The frequency wise distribution of autonomous bodies according to the delays in submission of accounts to Audit and placement of Separate Audit Report in the Legislature after the entrustment of Audit to CAG is given below:

**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	Reason for the delay	Delays in submission of SARs in Legislature (in years)
0-1	—	—	Not intimated by Government
1-6	2	Not intimated by the Autonomous Bodies	Not intimated by Government
6-12	—	—	Not intimated by Government
12-18	1	Not intimated by the Autonomous Bodies	Not intimated by Government
18-24	—	—	Not intimated by Government
24 & above	1	Not intimated by the Autonomous Bodies	Not intimated by Government

<sup>1</sup> Rajasthan State Legal Services Authority, Jaipur; Rajasthan State Human Right Commission, Jaipur and Rajasthan Khadi & Village Industries Board, Jaipur.

### ▶ 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 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 expose the system 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 2008-09, there were 12 such undertakings out of which two had not prepared accounts for 2007-08. The department-wise position as on 30 September 2009 of arrears in preparation of *pro forma* accounts and investment made by the Government are given in **Appendix 3.4**.

### ▶ 3.5 Misappropriations, losses, defalcations etc.

Rule 20 of General Financial and Accounts Rules Part-I provides that any loss of public money, departmental revenue or receipts, stamps, stores or other property held by or on behalf of Government caused by misappropriation, fraudulent drawal/payment or otherwise discovered in a treasury, any other office/ department shall be reported immediately by the officer concerned to the next higher authority as well as to the Principal Accountant General.

State Government reported 1,029 cases of misappropriation (340) and loss/theft (689) of Government money amounting Rs 39.53 crore during the year. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6**. The age-profile of pending cases and the number of cases pending in each category-theft and misappropriation/ loss as emerged from these appendices are summarized in the following table:

**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 (Rs in lakh)	Nature of the cases	Number of Cases	Amount involved (Rs in lakh)
0-5	376	2,191.58	Theft/Loss of material	689	834.10
5-10	238	856.97			
10-15	225	569.75	Misappropriation	340	3,118.89
15-20	105	196.29			
20-25	54	88.09	<b>Total</b>	<b>1,029</b>	<b>3,952.99</b>
25 & above	31	50.31	Cases of losses Written off during the year	20	13.55
<b>Total</b>	<b>1,029</b>	<b>3,952.99</b>	<b>Total Pending cases</b>	<b>1,029</b>	<b>3,952.99</b>

A further analysis indicates that the reasons for which the cases were outstanding could be classified in the categories listed in the following table:

**Table 3.5: Reasons for outstanding cases of Misappropriations, losses, defalcations etc.**

Reasons for the Delay/ Outstanding Pending Cases	Number of Cases	Amount (Rs in lakh)
Awaiting departmental and criminal investigation	-	-
Departmental action initiated but not finalized	197	921.67
Criminal proceedings finalized but execution of certificate cases for the recovery of the amount pending	-	-
Awaiting orders for recovery or write off	734	2,663.31
Pending in the courts of law	98	368.01
<b>Total</b>	<b>1,029</b>	<b>3,952.99</b>

### ▶ 3.6 Conclusions and Recommendation

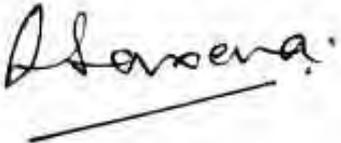
Out of 685 UCs for Rs 27.10 crore pending as on March 2009, 430 UCs (63 *per cent*) involving Rs 14.80 crore were pending for period ranging from one to five years and 56 UCs were pending for more than five years. In the absence of the certificate it could not be ascertained whether the recipients had utilised the grants for the purposes for which these were given. Annual accounts (211 numbers) in respect of 108 autonomous bodies/ authorities due up to 2007-08 had not been received by the Pr. Accountant General (Civil Audit), Rajasthan as of 30 September 2009.

Analysis of the pending misappropriation cases revealed that the cases related mainly to forgery in cash books, bungling in stocks kept in stores, improper maintenance of cash books and non-depositing of Government money in Treasury/Bank. Theft/loss cases were related to the theft of cash, stores, stock, vehicles and parts of vehicles, machinery and equipment etc. Out of 1029 pending cases, 734 cases amounting to Rs 2663.31 lakh were pending due to orders for recovery/write-off and other cases were pending for want of departmental investigation, decision of court and write-off sanction.

#### Recommendation

Departmental enquiries in all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases.

JAIPUR

  
(SUMAN SAXENA)  
Principal Accountant General (Civil Audit)  
Rajasthan

Countersigned

NEW DELHI

  
(VINOD RAI)  
Comptroller and Auditor General of India

(Rupees in crore)

	Base Year 2003-04 Actuals	2004-05 Pre- Actuals	2005-06 Latest Estimates	2006-07 Estimates	2007-08 Estimates	2008-09 Estimates	2009-10 Estimates
<b>A. STATE REVENUE ACCOUNT:</b>							
1. Own Tax Revenue	7,246.19	8,414.82	9,598.83	10,923.47	12,430.91	<b>14,146.37</b>	16,098.57
2. Own Non-tax Revenue	2,071.64	2,146.15	2,461.57	2,609.26	2,765.82	<b>2,931.77</b>	3,107.68
3. Own Tax + Non-tax Revenue(1+2)	9,317.83	10,560.97	12,060.40	13,532.73	15,196.73	<b>17,078.14</b>	19,206.25
4. Share in Central Taxes & Duties	3,602.21	4,305.61	5,330.15	5,872.21	6,738.05	<b>7,748.73</b>	8,930.46
5. (a) Plan Grants	924.20	1,018.88	1,023.84	1,075.03	1,128.78	<b>1,185.22</b>	1,244.48
(b) CSS, CPS Grants	830.66	948.13	1,431.41	1,502.98	1,578.13	<b>1,657.04</b>	1,739.89
6. Non-Plan Grants	748.95	930.00	657.13	978.92	995.28	<b>1,012.47</b>	1,031.51
7. Total Central Transfer (4 to 6)	6,106.02	7,202.62	8,442.53	9,429.14	10,440.24	<b>11,603.46</b>	12,946.34
8. Total Revenue Receipts (3+7)	15,423.85	17,763.59	20,502.93	22,961.88	25,636.97	<b>28,681.60</b>	32,152.59
9. (a) Plan Expenditure	1,698.15	2,236.95	3,063.28	3,308.34	3,308.34	<b>3,573.01</b>	3,858.85
(b) CSS, CPS Exp	533.02	505.28	727.08	763.43	801.61	<b>841.69</b>	883.77
10. Non-Plan Expenditure	16,617.12	17,163.95	18,279.78	19,924.96	22,263.21	<b>24,266.90</b>	26,450.92
11. Salary Expenditure	5,516.44	5,797.55	6,897.35	7,311.19	7,749.86	<b>8,214.85</b>	8,707.75
12. Pension	1,841.96	1,626.06	1,619.12	2,325.45	2,558.00	<b>2,813.79</b>	3,095.17
13. Interest Payments	4,777.15	5,172.00	5,187.25	5,654.10	6,162.97	<b>6,717.64</b>	7,322.23
14. Subsidies – General*	2,042.15	2,616.39	3,260.53	3,456.16	3,663.53	<b>3,883.34</b>	4,116.34
15. Subsidies - Power	943.14	1,185.29	1,080.72	978.00	1,011.00	<b>1,044.00</b>	1,083.00
16. Total Revenue Expenditure (9+10)	18,848.29	19,906.18	22,070.14	23,996.74	26,373.15	<b>28,681.59</b>	31,193.54
17. Salary + Interest + Pensions (11+12+13)	12,135.55	12,595.61	13,703.72	15,290.74	16,470.83	<b>17,746.29</b>	19,125.15
18. as % of Revenue Receipts (17/8)	78.68	70.91	66.84	66.59	64.25	<b>61.87</b>	59.48
19. Revenue Surplus/Deficit (8-16)	- 3424.44	- 2,142.59	- 1,567.21	- 1,034.86	- 736.18	<b>0.01</b>	959.05
<b>B. CONSOLIDATED REVENUE ACCOUNT:</b>							
1. Power Sector loss/profit net of actual subsidy transfer	-	- 963.79	- 760.00	- 227.00	270.00	<b>487.00</b>	1,107.00
2. Increase in debtors during the year in power utility accounts (Increase(-))	-	- 199.16	- 67.00	- 92.00	- 115.00	<b>- 123.00</b>	- 220.00
3. Interest payment on off budget borrowings and SPV borrowings made by PSU/SPUs outside budget.	-	-	-	-	-	<b>-</b>	-
4. Total (1 to 3)	-	- 1,162.95	- 827.00	- 319.00	- 155.00	<b>- 364.00</b>	- 887.00
<b>5. Consolidated Revenue Deficit (A19 + B4)</b>	<b>- 3,424.44</b>	<b>- 3,505.54</b>	<b>- 2,394.21</b>	<b>- 1,353.86</b>	<b>- 581.18</b>	<b>364.01</b>	<b>1 846.05</b>
<b>C. CONSOLIDATED DEBT:</b>							
1. Outstanding debt and liability	53,361.21	60,134.40	66,280.38	72,426.36	78,572.34	<b>83,853.42</b>	89,810.48
2. Total Outstanding guarantee of which (a) guarantee on account of off budgeted borrowing and SPV borrowing	12,454.72	12,703.05	13,336.51	14,003.34	14,703.51	<b>15,438.69</b>	16,210.62
<b>D. CAPITAL ACCOUNT:</b>							
1. Capital Outlay	3,180.99	3,488.30	4,296.08	4,811.10	5,091.52	<b>4,943.58</b>	6,558.34
2. Disbursement of Loans and Advances	925.36	639.72	389.12	408.58	429.00	<b>450.46</b>	472.98
3. Recovery of Loans and Advances	158.98	124.63	106.43	108.56	110.73	<b>112.94</b>	115.20
4. Other Capital Receipts	4.68	-	-	-	-	<b>-</b>	-
<b>E. GROSS FISCAL DEFICIT (GFD)</b>							
<b>GSDP at current prices</b>	<b>1,04,483</b>	<b>1,08,734</b>	<b>1,22,652</b>	<b>1,38,351</b>	<b>1,56,060</b>	<b>1,76,036</b>	<b>1,98,569</b>
Actual/Assumed Nominal Growth Rate (%)	-	4.07%	12.80 %	12.80 %	12.80 %	<b>12.80 %</b>	12.80 %

\* Subsidies include Grant-in-aid to various institutions i.e. aided educational institutions, Local Bodies etc.

# Appendix 1.2

## Time series data on the State Government finances

(Refer paragraphs 1.3, 1.3.1 and 1.7.2; pages 7, 9 and 23)

(Rupees in crore)

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>17,763</b>	<b>20,839</b>	<b>25,592</b>	<b>30,781</b>	<b>33,469</b>
<b>(i) Tax Revenue</b>	8,415(47)	9,880(48)	11,608(45)	13,275(43)	14,943(45)
Taxes on Agricultural Income	-	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Taxes on Sales, Trade, etc	4,798(57)	5,594(57)	6,721(58)	7,751(58)	8,904(60)
State Excise	1,276(15)	1,522(15)	1,591(14)	1,805(14)	2,170(14)
Taxes on Vehicles	817(10)	908(9)	1,024(9)	1,164(9)	1,214(8)
Stamps and Registration fees	818(10)	1,032(11)	1,294(11)	1,544(12)	1,357(9)
Land Revenue	69(1)	84(1)	117(1)	155(1)	163(1)
Taxes on Goods and Passengers	144(2)	237(2)	247(2)	161(1)	190(1)
Other Taxes	493(5)	503(5)	614(5)	695(5)	945(7)
<b>(ii) Non Tax Revenue</b>	2,146(12)	2,738(13)	3,431(13)	4,054(13)	3,889(12)
<b>(iii) State's share of Union taxes and duties</b>	4,305(24)	5,300(25)	6,760(27)	8,528(28)	8,999(26)
<b>(iv) Grants in aid from Government of India</b>	2,897(17)	2,921(14)	3,793(15)	4,924(16)	5,638(17)
<b>2. Miscellaneous Capital Receipts</b>	-	1	-	1	4
<b>3. Recoveries of Loans and Advances</b>	125	238	514	1,781	89
<b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>	<b>17,888</b>	<b>21,078</b>	<b>26,106</b>	<b>32,563</b>	<b>33,562</b>
<b>5. Public Debt Receipts</b>	<b>9,982</b>	<b>5,495</b>	<b>4,222</b>	<b>5,063</b>	<b>7,478</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3,460(35)	24,144(-)	3,822(91)	4,635(92)	7,152(96)
Net transactions under Ways and Means Advances and Overdrafts	-	-	59(1)	-	-
Loans and Advances from Government of India	6,522(65)	(-18,649(-) <sup>2</sup>	341(8)	428(8)	326(4)
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>27,870</b>	<b>26,573</b>	<b>30,328</b>	<b>37,626</b>	<b>41,040</b>
<b>7. Contingency Fund Receipts</b>	-	-	-	-	165
<b>8. Public Account Receipts</b>	<b>44,156</b>	<b>49,189</b>	<b>58,457</b>	<b>77,596</b>	<b>93,580</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>72,026</b>	<b>75,762</b>	<b>88,785</b>	<b>1,15,222</b>	<b>1,34,785</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>19,906</b>	<b>21,499</b>	<b>24,954</b>	<b>29,128</b>	<b>34,296</b>
Plan	2,742(14)	3,131(15)	3,800(15)	5,134(18)	5,771(17)
Non Plan	17,164(86)	18,368(85)	21,154(85)	23,994(82)	28,525(83)
General Services (including interest payments)	8,652(43)	8,820(41)	10,349(41)	10,922(37)	12,950(38)
Social Services	7,148(36)	7,994(37)	8,934(36)	10,200(35)	14,053(41)
Economic Services	4,105(21)	4,683(22)	5,663(23)	7,989(28)	7,267(21)
Grants-in-aid and contributions	1(-)	2(-)	8(-)	17(-)	26
<b>11. Capital Expenditure</b>	<b>3,488</b>	<b>4,295</b>	<b>4,809</b>	<b>6,555</b>	<b>5,900</b>
Plan	3,420(98)	4,233(99)	4,667(97)	5,611(86)	6,096
Non Plan	68(2)	62(1)	142(3)	944(14)	(-) 196 <sup>3</sup>
General Services	82(2)	115(3)	186(4)	984(15)	(-) 145
Social Services	1,548(45)	1,739(40)	2,379(49)	2,800(43)	3,088
Economic Services	1,858(53)	2,441(57)	2,244(47)	2,771(42)	2,957
<b>12. Disbursement of Loans and Advances</b>	<b>640</b>	<b>434</b>	<b>313</b>	<b>288</b>	<b>340</b>
<b>13. Total (10+11+12)</b>	<b>24,034</b>	<b>26,228</b>	<b>30,076</b>	<b>35,971</b>	<b>40,536</b>
<b>14. Repayments of Public Debt</b>	<b>4,873</b>	<b>992</b>	<b>1,780</b>	<b>1,846</b>	<b>2,433</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,342(28)	629(63)	1,144(64)	1,406(76)	2,041(84)
Net transactions under Ways and Means Advances and Overdraft	-	-	-	59(3)	-
Loans and Advances from Government of India	3,531(72)	363(37)	636(36)	381(21)	392(16)
<b>15. Appropriation to Contingency Fund</b>	-	-	-	-	165
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>28,907</b>	<b>27,220</b>	<b>31,856</b>	<b>37,817</b>	<b>43,134</b>
<b>17. Contingency Fund disbursements</b>	-	-	-	-	-
<b>18. Public Account disbursements</b>	<b>42,494</b>	<b>47,452</b>	<b>55,859</b>	<b>74,735</b>	<b>91,779</b>
<b>19. Total disbursement by the State (16+17+18)</b>	<b>71,401</b>	<b>74,672</b>	<b>87,715</b>	<b>1,12,552</b>	<b>1,34,913</b>

<sup>1</sup> 2005-06: Rs 0.13 lakh, 2006-07: Rs 0.13 lakh, 2007-08: Rs 0.72 lakh and 2008-09 Rs 0.06 lakh.

<sup>2</sup> Minus figure is due to transfer of Rs 19,028.59 crore to Internal Debt.

<sup>3</sup> see footnote 1 at page 1 (also see page 3).

## Appendix - 1.2

(Rupees in crore)

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
<b>Part C. Deficits</b>					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(-) 2,143	(-) 660	(+) 638	(+) 1,653	(-) 827
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-) 6,146	(-) 5,150	(-)3,970	(-) 3,408	(-) 6,974
22. Primary Deficit (21 +23)	(-) 974	(+) 60	(+)1,732	(+) 2,535	(-) 750
<b>Part D. Other data</b>					
23. Interest Payments (included in revenue expenditure)	5,172	5,210	5,702	5,943	6,224
24. Financial Assistance to local bodies etc.,	4,324	5,010	5,854	5,236	6,489
25. Ways & Means Advances/Overdraft availed (days)	89	-	1	-	-
Ways and Means Advances availed (days)	89	-	1	-	-
Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways and Means Advances/ Overdraft	1	-	-	-	-
27 Gross State Domestic Product (GSDP) <sup>®</sup>	1,17,274	1,28,621	1,48,849 <sup>α</sup>	1,69,919 <sup>®</sup>	1,91,990*
Growth rate of GSDP	5.1	9.7	15.7	14.2	13.0
28 Outstanding Fiscal liabilities (year end)	60,134	66,407	71,146	77,138	84,023
29. Outstanding guarantees (year end) (including interest)	12,703	13,171	14,709	19,770	27,765
30. Maximum amount guaranteed (year end)	20,457	21,342	27,402	37,029	46,080
31. Number of incomplete projects	373	472	445	616	579
32. Capital blocked in incomplete projects	2,877	3,449	2,777	3,276	4,759
33. Arrears of revenues	2,978(28)	2,985(24)	3,323(22)	4,024(23)	4,752(25)
<b>Part E: Fiscal Health Indicators</b>					
<b>I Resource Mobilization</b>					
Own Tax revenue/GSDP	7.2	7.7	7.8	7.8	7.8
Own Non-Tax Revenue/GSDP	1.8	2.1	2.3	2.4	2.0
Central Transfers/GSDP	6.1	6.4	7.1	7.9	7.6
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	20.5	20.4	20.2	21.2	21.1
Total Expenditure/Revenue Receipts	135.3	125.9	117.5	116.9	121.1
Revenue Expenditure/Total Expenditure	82.8	82.0	83.0	81.0	84.6
Revenue Expenditure on Social Services/Total Expenditure	29.7	30.5	29.7	28.4	34.7
Revenue Expenditure on Economic Services/Total Expenditure	17.1	17.5	18.8	22.2	17.9
Capital Expenditure/Total Expenditure	14.5	16.4	16.0	18.2	14.6
Capital Expenditure on Social and Economic Services/Total Expenditure.	14.2	15.9	15.4	15.5	14.9
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	(-) 1.8	(-) 0.5	0.4	1.0	(-) 0.4
Fiscal deficit/GSDP	(-) 5.2	(-) 4.0	(-) 2.7	(-) 2.0	(-) 3.6
Primary Deficit (surplus) /GSDP	(-) 0.8	0.1	1.2	1.5	(-) 0.4
Revenue Deficit/Fiscal Deficit	34.9	12.8	-	-	11.9
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	51.3	51.6	47.8	45.4	43.8
Fiscal Liabilities/RR	338.5	318.7	278.0	250.6	251.4
Primary deficit vis-à-vis quantum spread	(-) 3,108	962	6,646	6,946	3,338
Debt Redemption (Principal +Interest)/ Debt Receipts	96.9	97.9	101.7	99.9	99.3
<b>V Other Fiscal Health Indicators</b>					
Return on Investment	0.9	0.5	0.2	0.2	0.5
Balance from Current Revenue (Rs in crore)	(-) 1,368	405	2,204	2,914	578
Financial Assets/Liabilities	0.57	0.60	0.64	0.69	0.70

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

**@ Source:** Directorate of Economics and Statistics, Government of Rajasthan.

<sup>α</sup> Provisional estimates

<sup>®</sup> Quick estimate

\* Advance estimates

# Appendix 1.3

## Abstract of Receipts and Disbursements in 2008-09

(Refer paragraph 1.1; page 1 )

(Rupees in crore)

2007-08	Receipts	2008-09	2007-08	Disbursements	Non-Plan	Plan	Total	2008-09
<b>SECTION-A: REVENUE</b>								
<b>30,780.62</b>	<b>I. Revenues Receipts</b>	<b>33,468.85</b>		<b>I. Revenue Expenditure</b>				
13,274.73	Tax revenue	14,943.50	<b>10,922.27</b>	<b>General Services</b>	<b>12,840.06</b>	<b>109.83</b>	<b>12,949.89</b>	
			<b>10,200.02</b>	<b>Social Services</b>	<b>11,375.92</b>	<b>2,676.95</b>	<b>14,052.87</b>	
4,053.93	Non-tax revenue	3,888.46	5,423.15	Education, Sports, Art and Culture	6,810.46	842.38	7,652.84	
			1,429.47	Health and Family Welfare	1,452.54	574.47	2,027.01	
8,527.60	State's share of Union Taxes and Duties	8,998.72	1,746.48	Water Supply, Sanitation, Housing and Urban Development	2,055.29	224.62	2,279.91	
			23.04	Information and Broadcasting	40.86	-	40.86	
1,050.68	Non-Plan grants	1,271.78	313.93	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	60.27	390.11	450.38	
1,768.61	Grants for State Plan Schemes	2,077.63	60.42	Labour and Labour Welfare	74.02	19.88	93.90	
			1,188.40	Social Welfare and Nutrition	862.23	623.16	1,485.39	
			15.13	Others	20.25	2.33	22.58	
2,105.07	Grants for Central and Centrally Sponsored Plan Schemes	2,288.76	<b>7,988.80</b>	<b>Economic Services</b>	<b>4,282.89</b>	<b>2,983.83</b>	<b>7,266.72</b>	
			945.62	Agriculture and Allied Activities	837.21	449.72	1,286.93	
			1,435.46	Rural Development	628.89	1,462.11	2,091.00	
			0.19	Special Areas Programmes	-	0.24	0.24	
			1,051.38	Irrigation and Flood Control	1,132.36	24.33	1,156.69	
			3,063.81	Energy	982.67	400.86	1,383.53	
			103.98	Industry and Minerals	98.73	23.63	122.36	
			658.45	Transport	520.84	355.02	875.86	
			6.12	Science, Technology and Environment	3.96	3.25	7.21	
			723.79	General Economic Services	78.23	264.67	342.90	
			<b>16.55</b>	<b>Grants-in-aid and Contributions</b>	<b>26.12</b>	<b>-</b>	<b>26.12</b>	
			<b>29,127.64</b>	<b>Total</b>	<b>28,524.99</b>	<b>5,770.61</b>	<b>34,295.60</b>	<b>34,295.60</b>
-	<b>II. Revenues deficit carried over to Section - B</b>	-	<b>826.75</b>	<b>1,652.98</b>	<b>II. Revenue Surplus Carried over to Section - B</b>	-	-	-
<b>30,780.62</b>	<b>Total</b>	-	<b>34,295.60</b>	<b>30,780.62</b>	<b>Total</b>	-	-	<b>34,295.60</b>

## Appendix - 1.3

(Rupees in crore)

2007-08	Receipts		2008-09	2007-08	Disbursements	Non-Plan	Plan	Total	2008-09
<b>SECTION – B : OTHERS</b>									
2,622.36	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	–	5,293.39	–	III. Opening Overdraft from Reserve Bank of India	–	–	–	–
1.16	IV. Miscellaneous Capital Receipts	–	4.21	–	IV. Capital Outlay				
				984.47	General Services	(-) 211.86 <sup>4</sup>	66.96	(-) 144.90	
				2,800.31	Social Services	15.90	3,072.35	3,088.25	
				71.29	Education, Sports, Art and Culture	-	56.49	56.49	
				95.68	Health and Family Welfare	-	24.09	24.09	
				2,475.26	Water Supply, Sanitation, Housing and Urban Development	15.90	2,854.18	2,870.08	
				0.07	Information and Broadcasting	-	0.20	0.20	
				113.51	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	117.28	117.28	
				26.66	Social Welfare and Nutrition	-	11.22	11.22	
				17.84	Others	-	8.89	8.89	
				2,770.77	Economic Services	0.11	2,956.49	2,956.60	
				85.44	Agriculture and Allied Activities	-	124.33	124.33	
				230.33	Rural Development	-	181.36	181.36	
				91.53	Special Areas Programmes	-	106.14	106.14	
				878.06	Irrigation and Flood Control	-	854.47	854.47	
				1,063.00	Energy	-	1,336.00	1,336.00	
				21.62	Industry and Minerals	-	14.95	14.95	
				354.56	Transport	-	304.18	304.18	
				0.13	Science, Technology and Environment	-	3.25	3.25	
				46.10	General Economic Services	0.11	31.81	31.92	
				6,555.55	<b>Total</b>	<b>(-) 195.85</b>	<b>6,095.80</b>	<b>5,899.95</b>	<b>5,899.95</b>

<sup>4</sup> see footnote 1 at page 1 (also see page 3)

## Appendix - 1.3

(Rupees in crore)

2007-08	Receipts		2008-09	2007-08	Disbursements		Non-Plan	Plan	Total	2008-09
<b>1,780.73</b>	<b>V. Recoveries of Loans and Advances</b>		<b>89.23</b>	<b>287.69</b>	<b>V. Loans and Advances disbursed</b>		-	-		<b>340.06</b>
1,730.31	From Power Projects	70.60		170.95	For Power projects				250.00	
3.34	From Government Servants	2.30		-	To Government Servants				0.01	
47.08	From Others	16.33		116.74	To Others				90.05	
<b>1,652.98</b>	<b>VI. Revenue surplus brought down</b>	-	-	-	<b>VI. Revenue deficit brought down</b>		-	-	-	<b>826.75</b>
<b>5,063.34</b>	<b>VII. Public Debt Receipts</b>		<b>7,477.87</b>	<b>1,845.81</b>	<b>VII. Repayment of Public Debt</b>		-	-		<b>2,432.64</b>
-	External debt	-		-	External debt				-	
4,635.78	Internal debt other than Ways and Means Advances and Overdraft	7,151.97		1,405.35	Internal debt other than Ways and Means Advances and Overdraft				2,040.63	
-	Net transaction under Ways and Means Advances	-		59.21	Net transaction under Ways and Means Advances				-	
-	Net transactions under overdraft	-		-	Net transactions under overdraft				-	
427.56	Loans and Advances from Central Government	325.90		381.25	Repayment of Loans and Advances to Central Government				392.01	
-	<b>VIII. Appropriation to Contingency Fund</b>	-	<b>165.00</b>	-	<b>VIII. Appropriation to Contingency Fund</b>		-	-	-	<b>165.00</b>
-	<b>IX. Amount Transferred to Contingency Fund</b>	-	-	-	<b>IX. Expenditure from Contingency Fund</b>		-	-	-	-
<b>77,596.56</b>	<b>X. Public Account Receipts</b>		<b>93,579.84</b>	<b>74,734.69</b>	<b>X. Public Account disbursements</b>		-	-		<b>91,779.22</b>
2,843.55	Small Savings, Provident Funds etc.	3,105.32		1,725.13	Small Savings, Provident Funds etc.				1,700.10	
2,148.13	Reserve Funds	1,945.15		950.10	Reserve Funds				1,956.06	
159.16	Suspense and Miscellaneous	150.20		156.84	Suspense and Miscellaneous				111.22	
5,166.54	Remittances	6,570.99		5,180.55	Remittances				6,550.03	
67,279.18	Deposits and Advances	81,808.18		66,722.07	Deposits and Advances				81,461.81	
-	<b>XI. Closing Overdraft from Reserve Bank of India</b>	-	-	<b>5,293.39</b>	<b>Cash Balance at end</b>		-	-		<b>5,165.92</b>
				0.85	Cash in Treasuries & Local Remittances				(-) 3.93	
				(-) 912.41	Deposits with Reserve Bank				(-) 362.94	
				16.88	Departmental Cash Balance including permanent Advances				14.86	
				5,839.60	Cash Balance Investment				5,268.21	
				348.47	Earmarked Investment Funds				249.72	
<b>88,717.13</b>	<b>Total</b>	<b>-</b>	<b>1,06,609.54</b>	<b>88,717.13</b>	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,06,609.54</b>

# Appendix 1.4

## Summarised financial position of Government of Rajasthan as on 31 March 2009

(Refer paragraph 1.7.1; page 23)

(Rupees in crore)

As on 31.03.2008	Liabilities		As on 31.03.2009
<b>46,038.12</b>	<b>Internal Debt -</b>		<b>51,149.46</b>
19,303.35	Market Loans bearing interest	24,499.02	
0.88	Market Loans not bearing interest	0.56	
613.61	Loans from Life Insurance Corporation of India	428.48	
24,202.94	Special Securities issued to National Small Saving Fund of the Central Government	23,768.90	
1,917.34	Loans from other Institutions	2,452.50	
-	Ways and Means Advances	-	
-	Overdrafts from Reserve Bank of India	-	
<b>7,682.87</b>	<b>Loans and Advances from Central Government -</b>		<b>7,616.76</b>
5.40	Pre 1984-85 Loans	5.40	
85.41	Non-Plan Loans	79.10	
7,405.77	Loans for State Plan Schemes	7,359.05	
0.75	Loans for Central Plan Schemes	0.73	
185.54	Loans for Centrally Sponsored Plan Schemes	172.48	
<b>35.00</b>	<b>Contingency Fund</b>		<b>200.00</b>
<b>15,422.01</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>16,827.23</b>
<b>5,556.25</b>	<b>Deposits</b>		<b>5,902.87</b>
<b>2,787.10</b>	<b>Reserve Funds</b>		<b>2,776.19</b>
-	<b>Suspense and Miscellaneous Balances</b>		<b>19.11</b>
<b>77,521.35</b>	<b>Total</b>		<b>84,491.62</b>
As on 31.03.2008	Assets		As on 31.03.2009
<b>45,151.08</b>	<b>Gross Capital Outlay on Fixed Assets -</b>		<b>51,046.82<sup>5</sup></b>
6,575.97	Investments in shares of Companies, Corporations, etc.	7,929.63	
38,575.11	Other Capital Outlay	43,117.19	
<b>2,737.92</b>	<b>Loans and Advances -</b>		<b>2,988.75</b>
2,179.73	Loans for Power Projects	2,359.13 <sup>6</sup>	
553.91	Other Development Loans	627.63	
4.28	Loans to Government servants and Miscellaneous loans	1.99	
<b>348.47</b>	<b>Reserve Fund Investments</b>		<b>249.72</b>
<b>1.45</b>	<b>Advances</b>		<b>1.70</b>
<b>41.23</b>	<b>Remittance Balances</b>		<b>20.27</b>
<b>19.87</b>	<b>Suspense and Miscellaneous Balances</b>		<b>-</b>
<b>4,944.92</b>	<b>Cash -</b>		<b>4,916.20</b>
0.85	Cash in Treasuries and Local Remittances	(-) 3.93	
(-) 912.41	Deposits with Reserve Bank	(-) 362.94	
4.14	Departmental Cash Balance	2.10	
12.74	Permanent Advances	12.76	
5,839.60	Cash Balance Investments	5,268.21	
<b>24,276.41</b>	<b>Deficit on Government Account -</b>		<b>25,268.16</b>
-	(i) Revenue Deficit of the Current Year	826.75	
-	(ii) Appropriation to the Contingency Fund	165.00	
25,929.39	(iii) Accumulated deficit at the beginning of the year	24,276.41	
1,652.98	Less Revenue Surplus of the current year	-	
-	Miscellaneous Deficit	-	
<b>77,521.35</b>	<b>Total</b>		<b>84,491.62</b>

### 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 1.4, 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. There was a difference of Rs 5.02 crore (Net credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". A net difference to the extent of Rs 5.02 crore (Net debit) had been reconciled (July 2009).

<sup>5</sup> Capital receipts of current year has been shown as "Nil" due to proforma reduction of Rs 4.21 crore (Capital disinvestments) from Gross Capital Expenditure to end of the year.

<sup>6</sup> Includes Rs 0.04 crore booked under major head 6853 (Industry and Minerals Sector).

# Appendix 1.5

## Actuals vis-à-vis Budget Estimates – 2008-09

(Refer paragraph 1.1; page 5)

(Rupees in crore)

	Budget estimates	Actuals	Increase/ Decrease (-)	Increase/ Decrease (-) (In %)
1	2	3	4 (3-2)	5
<b>Revenue Receipts</b>	<b>32,986</b>	<b>33,469</b>	<b>483</b>	<b>1.46</b>
<b>Of which</b>				
Taxes on Sales, Trade etc.	8,500	8,905	405	4.76
State Excise	1,910	2,170	260	13.61
Taxes on Immovable Property other than Agricultural land	67	228	161	240.30
Taxes on vehicles	1,153	1,214	61	5.29
Stamps and Registration Fees	1,725	1,357	(-) 368	(-) 21.33
Taxes on Goods and Passengers	300	190	(-) 190	(-) 36.67
Land Revenue	212	163	(-) 49	(-) 23.11
Interest Receipts	1,006	1,196	190	18.89
Miscellaneous General Services	453	580	127	28.04
Non-ferrous Mining and Metallurgical Industries	1,400	1,276	(-) 124	(-) 8.86
<b>Revenue Expenditure</b>	<b>31,803</b>	<b>34,296</b>	<b>2,493</b>	<b>7.84</b>
General Education	6,640	7,522	882	13.28
Water Supply and Sanitation	945	1,304	359	37.99
Pension and Other Retirement Benefits	3,001	3,322	321	10.70
Police	1,216	1,536	320	26.32
Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	308	450	142	46.10
Medical and Public Health	1,559	1,683	124	7.95
Social Security and Welfare	406	509	103	25.37
Roads and Bridges	761	864	103	13.53
Secretariat- Economic Services	156	237	81	51.92
Forestry and Wild Life	235	312	77	32.77
Rural Employment	462	535	73	18.80
Urban Development	888	944	56	6.31
Family Welfare	289	344	55	19.03
District Administration	170	220	50	29.41
Administration of Justice	240	288	48	20.00
Interest Payments	6,441	6,224	(-) 217	(-) 3.37
Other Rural Development Programmes	1,828	1,468	(-) 360	(-) 19.69
Power	1,470	1,383	(-) 87	(-) 5.92
<b>Capital expenditure</b>	<b>6,272</b>	<b>5900</b>	<b>(-) 372</b>	<b>(-) 5.93</b>
<b>Revenue surplus (+)/ deficits (-)</b>	<b>(+) 1,183</b>	<b>(-) 827</b>	<b>2,010</b>	
<b>Fiscal Deficits (-)</b>	<b>(-) 5,267</b>	<b>(-) 6,974</b>	<b>1,707</b>	
<b>Primary surplus (+)/ deficits (-)</b>	<b>(+) 1,174</b>	<b>(-) 750</b>	<b>1,924</b>	

# Appendix 1.6

## Summarized Financial Statement of Departmentally Managed Commercially/Quasi-commercially Undertakings

(Refer paragraph 1.6.4; page 20)

(Rupees in lakh)

Name of the Undertaking	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 (7 + 8)	Percentage Return on capital
1	2	3	4	5	6	7	8	9	10
Jail Manufacture, Ajmer	2006-07	3.07	2.59	0.29	8.31	(-)8.86	1.96	(-)6.90	(-)35.28
Jail Manufacture, Alwar	2007-08	0.16	0.09	0.002	13.94	(-)1.99	0.24	(-)1.75	(-)65.04
Jail Manufacture, Bikaner	2007-08	8.88	0.61	0.56	2.04	(-)6.04	0.82	(-)5.22	(-)63.33
Jail Manufacture, Jaipur	2007-08	7.56	7.74	0.82	20.40	(-)11.37	15.01	(+)3.64	(+)2.18
Jail Manufacture, Jodhpur	2007-08	8.82	4.29	0.46	15.52	(-)10.46	3.66	(-)6.80	(-)16.74
Jail Manufacture, Kota	2007-08	1.49	0.78	0.08	4.94	(-)2.08	NA	(-)2.08	-
Jail Manufacture, Udaipur	2007-08	9.97	4.23	0.46	10.53	(-)11.32	3.47	(-)7.85	(-)20.37
Departmental Trading of Forest Coupes	2007-08	96.02	37.15	4.51	2100.11	(+)1569.66	- <sup>7</sup>	(+)1569.66	-
Patta Tendu Scheme	2006-07	5508.11	9.09	0.72	374.69	(+) 256.55	- <sup>7</sup>	(+)256.55	-
Sodium sulphate Works, Deedwana	2007-08	10.61	4.96	0.26	1.00	(-)4.31	- <sup>7</sup>	(-)4.31	-
Government Salt Works, Deedwana	2007-08	66.75	18.57	0.97	- <sup>8</sup>	(+)2.86	- <sup>7</sup>	(+)2.86	-
Rajasthan Water Supply and Sewerage Management Board, Jaipur	2007-08	658202.11	128103.27	4823.65	15238.51	(-)53461.52	10152.24	(-)43309.28	(-)80.20
<b>Total</b>		<b>663923.55</b>	<b>128193.37</b>	<b>4832.78</b>	<b>17789.99</b>	<b>(-) 51688.88</b>	<b>10177.40</b>	<b>(-) 41511.48</b>	<b>-</b>

**Note 1:** The figures of turnover net profit/loss and interest on capital have been given for current year only.

**Note 2:** For calculating return on capital, the capital has been considered on which the interest on capital has been worked out.

<sup>7</sup> Capital investment of the Government is Nil as the remittances from the undertakings were more than the amount invested by the Government.

<sup>8</sup> The sales of goods are nil, however, the department earned income from royalty and other sources.

# Appendix 1.7

## Statement showing the details of loans not repaid by the Institutions/Organisations

(Refer paragraph 1.6.5; page 21)

(Rupees in lakh)

S. No.	Head	Name of Institutions/Organisations	Opening Balance as on 01.04.2003	Advance during 2003-09	Repaid during 2003-09	Closing Balance as on 31.03.2009
1	6215-01-192 (01)	Loans to Municipalities- Direct Loans	306.70	-	-	306.70
2	6215-01-192 (02)	Loans to Municipalities Guaranteed Loans from Life Insurance Corporation	3,459.99	-	-	3,459.99
3	6215-02-192	Loans to Municipalities/ Municipal Council	2.53	-	-	2.53
4	6216-800(01)	Industrial Housing Scheme	2.26	-	-	2.26
5	6217-60-800 (02)	Loans to Urban Improvement Trust	0.10	-	-	0.10
6	6235-02-800 (01)	Loans to Persons affected by Riots	6.34	-	-	6.34
7	6235-02-800 (02)	Loans and Advances to Political Sufferers of Rajasthan	0.03	-	-	0.03
8	6235-60-800 (02)[01]	Rehabilitation of Jagirdars	1.52	-	-	1.52
9	6235-60-800 (02)[03]	Loans to Repatriates from Burma	3.06	-	-	3.06
10	6235-60-800 (02)[04]	Taccavi Advance to Unemployed Swarankars	49.79	-	-	49.79
11	6245-01-800 (04)	Loans to Gosewa Sangh for fodder etc. Through the agency of Animal Husbandry Department	11.82	-	-	11.82
12	6245-01-800 (05)	Loans to Municipalities/ Urban Improvement Trusts	4.04	-	-	4.04
13	6250-60-800 (02)	Loan to Rajasthan Medical Graduates Self Employment Promotion Society	0.17	-	-	0.17
14	6250-60-800(03)	Loan to Bharat Sewak Samaj	1.40	-	-	1.40
15	6250-60-800 (04)	Loan to Rajasthan Board of Muslim Waqfs	2.32	-	-	2.32
16	6250-60-800 (05)	Loans to Forest Labour Co-operative Societies Through the Chief Conservator of Forests	0.42	-	-	0.42
17	6401-103 (02)	Loan to Rajasthan State Agro Industries Corporation Limited	1,587.53	21.02	-	1,608.55
18	6401-103 (03)	Loans to Rajasthan State Seed Corporation	64.38	-	0.02	64.36
19	6401-107 (01)	Loan for aerial spraying operations	15.72	-	-	15.72
20	6401-107 (02)	Agriculture Engineering	6.00	-	-	6.00
21	6401-119(02) [01]	Fruit Development	2.94	-	-	2.94
22	6401-195 (02)	Loan to Panchayati Raj Institutions for wells, boundaries, channel etc.	6.57	-	-	6.57
23	6401-195 (03)	Loan to Farming Co-operative Societies located in other areas	0.29	-	-	0.29
24	6402-102 (02) [03]	Ravine Reclamation	1.03	-	-	1.03
25	6403-102 (02)	Intensive Cattle Development Scheme	4.07	-	(-) 3.60	7.67
26	6403-103	Poultry Development	0.01	-	-	0.01
27	6403-104 (01)	Loan to Sheep Farmers	0.02	-	-	0.02
28	6403-107 (01)	Loan to Rajasthan Water Resources Development Corporation for Fodder Development through the Ground Water Department	9.35	-	3.60	5.75
29	6403-800 (01)	Loan to Panchayati Raj Institution	3.09	-	-	3.09
30	6404-190(01)	Loan to Dugdh Utpadak Sahakari Sangh	309.71	-	-	309.71
31	6404-190(02)	Employment Promotion Programme- Establishment of Dairy Unit	0.18	-	-	0.18

## Appendix - 1.7

(Rupees in lakh)

S. No.	Head	Name of Institutions/Organisations	Opening Balance as on 01.04.2003	Advance during 2003-09	Repaid during 2003-09	Closing Balance as on 31.03.2009
32	6404-190(03)	Loan to Rajasthan Dairy Development Corporation	11.30	-	-	11.30
33	6405-800(01)	Loan to Fish Farmers Development Agency Through the Director, Animal Husbandry Department	0.33	-	-	0.33
34	6408-02-800(01)	Loan to Rajasthan Rajya Sahari Kraya Vikraya Sangh Ltd.	156.32	-	-	156.32
35	6408-02-800(04)	Loan for purchases of Transport Vehicles	0.62	-	-	0.62
36	6425-107 (06)	Loan for payment of interest loan for establishment of Rajasthan State Co-operative Renewal Fund	315.00	75.00	-	390.00
37	6425-107(07)	Loan for establishment of Rajasthan State Co-operative Enforcement Fund	161.18	-	-	161.18
38	6425-108(02)	Loan to Rickshaw Pullers Co-operative Societies	0.01	-	-	0.01
39	6425-796(01)	Loan for Purchases of Transport Vehicles	0.27	-	(-) 0.03	0.30
40	6515-103(03)	Loan to Panchayati Raj Institutions for shadow and pre-extensions blocks	36.73	-	-	36.73
41	6515-103(04)	Loan to Panchayati Raj Institutions- Pilot Projects for rural man-power	40.43	-	-	40.43
42	6705-800(01)	Soil Conservation	9.47	-	-	9.47
43	6705-800(02)	Loan to Migrated under World Food Programme No. 2600	1.00	-	-	1.00
44	6705-800(03)	Rajasthan Land Development Corporation	1,453.93	-	-	1,453.93
45	6851-103(01)	Loan for Development of Hand-loom Industries Through the Director, Industries Department	0.01	-	-	0.01
46	6851-103(02)	Loan to small fabricators for modernising their equipments	0.05	-	-	0.05
47	6851-103(03)	Loan to Rajasthan Handloom Project Board for Margin Money	10.62	-	-	10.62
48	6851-103(05)	Loan for Margin Money to Rajasthan Handloom Development Corporation under Advance Plan Scheme	6.45	-	-	6.45
49	6851-103(06)	Loan for Margin Money to Rajasthan State Weaving Co-operative Union under Advance Plan Scheme	4.32	-	-	4.32
50	6851-109(02)	Loan under special package Scheme by Government of India for Scheduled Castes and Scheduled Tribes Handloom Weavers	20.75	-	-	20.75
51	6851-200(01)	Loan for Development of Village Industries Through Development Department	0.02	-	(-) 0.01	0.03
52	6851-200(04)	Interest free loan in lieu of Sales Tax	0.35	-	-	0.35
53	6853-60-190 (02)	Loan to Rajasthan State Electricity Board	4.06	-	-	4.06
54	6860-01-800 (01)	Loan to Mewar Textile Limited	503.49	36.94	(-) 20.52	560.95
55	6860-60(02) [01]	Loan to M/s Hi-Tech Precision Glass Company Limited, Dholpur	11.08	-	-	11.08
56	6885-60(01) [01]	Through Secretary, Industries Department	134.42	-	-	134.42
57	7075-01-800 (01)	Loan to Contractors to Strategic Roads	0.82	-	-	0.82
58	7475-103(01)	Loan to Consumer Co-operative Stores	0.98	-	-	0.98
59	7475-103(05)	Loan to College and University Co-operative Stores	0.07	-	-	0.07
60	7615-200	Miscellaneous Loans	32.48	-	-	32.48
<b>Grand Total</b>			<b>8,779.94</b>	<b>132.96</b>	<b>(-) 20.54</b>	<b>8,933.44</b>

# Appendix 2.1

## Statement of various grants/appropriations where saving was more than Rs 10 crore each or more than 20 per cent of the total provision (Refer paragraph 2.2.1 ; page 34)

(Rupees in crore)

S.No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
<b>Revenue-Voted</b>					
1	14	Sales Tax	233.43	47.07	20.2
2	36	Co-Operation	85.74	24.35	28.4
3	41	Community Development	1765.09	458.56	26.0
<b>Capital-Voted</b>					
4	3	Secretariat	10.00	10.00	100.0
5	9	Forest	62.21	35.17	56.5
6	22	Area Development	157.71	32.30	20.5
7	24	Education, Art and Culture	62.15	21.69	34.9
8	33	Social Security and Welfare	114.17	79.81	69.9
9	35	Miscellaneous Community and Economic Services	42.77	236.82 <sup>9</sup>	553.7
10	36	Co-Operation	75.64	42.98	56.8
11	37	Agriculture	143.06	41.03	28.7
12	46	Irrigation	1057.52	230.19	21.8
<b>Total</b>			<b>3,809.49</b>	<b>1,259.97</b>	

<sup>9</sup> see footnote 1 at page 1 (also see page 3)

# Appendix 2.2

## Statement of various grants/appropriations where excess expenditure was more than Rs 1 crore each or more than 10 per cent of the total provision (Refer paragraph 2.2.3; page 36)

(Rupees in crore)

S. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess	Percentage of Excess expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	21-Roads and Bridges	3054-Roads and Bridges 02-Strategic and Border Roads 337-Road Works 01-Through the Border Road Development Board 01-Maintenance and Restoration	14.84	117.00	102.16	688.4
2.	21-Roads and Bridges	3054-Roads and Bridges 80-General 001-Direction and Administration 01-Proportionate expenditure exhibited under Major head "2059 Public Works" 01-Establishment	53.85	60.39	6.54	12.1
3.	27-Drinking Water Scheme	2215-Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply (09) Jodhpur Lift Canal	47.66	52.83	5.17	10.8
4.	27-Drinking Water Scheme	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 01-Other Rural Water Supply Schemes	447.29	505.83	58.54	13.1
<b>Capital-Voted</b>						
1.	21-Roads and Bridges	5054-Capital Outlay on Roads and Bridges 02-Strategic and Border Roads 337-Road Works 03-Through Border Road Development Board	38.19	53.04	14.85	38.9
2.	27-Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 03-Other Rural Water Supply Programmes 01- Other Rural Water Supply Schemes	129.36	143.38	14.02	10.8
<b>TOTAL</b>			<b>731.19</b>	<b>932.47</b>	<b>201.28</b>	

# Appendix 2.3

## Excess over provision of previous years requiring regularisation

(Refer paragraph 2.2.4; page 36)

(Rupees in crore)

Year	Number of grants/ appropriations	Grant/ appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2006-07	3	17	0.39	Examined by PAC
		31	A	Not Examined by PAC
		45	B	Not Examined by PAC
	3	4	C	Not Examined by PAC
		13	0.02	Not Examined by PAC
		43	0.01	Not Examined by PAC
		17	0.19	Examined by PAC
2007-08	4	22	0.02	Not Examined by PAC
		27	8.72	Not Examined by PAC
		33	10.34	Not Examined by PAC
		13	0.01	Not Examined by PAC
	4	21	0.12	Not Examined by PAC
		38	0.06	Not Examined by PAC
		46 (Revenue)	0.01	Not Examined by PAC
		46 (Capital)	0.03	Not Examined by PAC
<b>TOTAL</b>	<b>7/7</b>		<b>19.92</b>	

A Only Rs.11,913

B Only Rs.1,871

C Only Rs.22,934

# Appendix 2.4

## Cases where supplementary provision (Rupees one crore or more in each case) proved unnecessary (Refer paragraph 2.2.6; page 37)

(Rupees in crore)

S.No.	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
<b>A Revenue (Voted)</b>					
1	30-Tribal Area Development	1,045.43	888.06	157.37	34.00
2	32-Civil Supplies	47.65	46.29	1.36	2.55
3	36-Co-operation	80.74	61.39	19.35	5.00
4	41-Community Development	1,425.09	1,306.53	118.56	340.00
<b>Total Revenue</b>		<b>2,598.91</b>	<b>2,302.27</b>	<b>296.64</b>	<b>381.55</b>
<b>B Capital (Voted)</b>					
5	19-Public Works	87.27	83.85	3.42	13.74
6	27-Drinking Water Scheme	2,651.88	2,498.05	153.83	69.00
7	33-Social Security and Welfare	50.64	34.36	16.28	63.53
<b>Total Capital</b>		<b>2,789.79</b>	<b>2,616.26</b>	<b>173.53</b>	<b>146.27</b>
<b>Grand Total</b>		<b>5,388.70</b>	<b>4,918.53</b>	<b>470.17</b>	<b>527.82</b>

# Appendix 2.5

## Statement of various grants/appropriation where supplementary provision proved insufficient by more than Rs 1 crore each (Refer paragraph 2.2.6; page 37)

(Rupees in crore)

S. No.	Grant Number	Name of the Grants and Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
<b>Revenue-Voted</b>							
1	9	Forest	234.37	69.23	303.60	309.43	5.83
2	16	Police	1,247.11	294.15	1,541.26	1,577.68	36.42
3	19	Public Works	257.98	41.21	299.19	308.65	9.46
4	24	Education, Art and Culture	6,415.92	667.98	7,083.90	7,255.55	171.65
5	26	Medical and Public Health and Sanitation	1,742.27	213.36	1,955.63	1,964.38	8.75
6	27	Drinking Water Scheme	1,189.84	125.34	1,315.18	1,406.53	91.35
<b>Capital-Voted</b>							
7	11	Miscellaneous Social Services	6.22	0.70	6.92	7.96	1.04
8	21	Roads and Bridges	581.49	38.20	619.69	633.38	13.69
<b>Total</b>			<b>11,675.20</b>	<b>1,450.17</b>	<b>13,125.37</b>	<b>13,463.56</b>	<b>338.19</b>

# Appendix 2.6

## Excess/Unnecessary/Insufficient re-appropriation of funds

(Refer: paragraph 2.2.7; page 38)

(Rupees in crore)

S. No.	Grant Number	Description	Head of Account	Re-appropriation	Final Excess (+)/ Saving (-)
1.	15	Pensions and other Retirement Benefits	2071-Pensions and other Retirement Benefits 01-Civil 101-Superannuation and Retirement Allowances 01-Pensions to State Employees	(+) 462.00	(-) 329.88
2.	15	Pensions and other Retirement Benefits	2071-Pensions and other Retirement Benefits 01-Civil 105-Family Pensions	(+) 110.00	(-) 80.82
3.	16	Police	2055-Police 104-Special Police 01-Sepoy Unit	(+) 6.08	(-) 1.70
4.	22	Area Development	4575-Capital Outlay on Other Special Areas Programmes 06-Border Area Development (Central Assistance) 800-Other expenditure 01-For Zila Parishads (Rural Development Cell)	(+) 27.83	(-) 1.17
5.	27	Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Schemes 01-General	(+) 34.82	(-) 5.44
6.	27	Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 01-General Urban Water Supply Schemes 02-Other Urban Water Supply Schemes	(+) 3.06	(-) 3.20
7.	27	Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 05-Water Supply Schemes with the assistance from KFW Germany (Through Chief Engineer, Project Management Cell, Churu) 01-Construction Works	(+) 1.28	(-) 1.03
8.	29	Urban Plan and Regional Development	4217-Capital Outlay on Urban Development 03-Integrated Development of Small and Medium Towns 800-Other expenditure 02-Urban Roads and drainage etc. 07-For various Urban Bodies	(+) 25.63	(-) 3.84
9.	34	Relief from Natural Calamities	2245-Relief on account of Natural Calamities 02-Floods, Cyclones etc. 192-Assistance to Municipalities/Municipal Councils	(+) 37.34	(-) 1.16
10.	11	Miscellaneous Social Services	4250-Capital Outlay on Other Social Services 800-Other expenditure 01-Facilities to Pilgrims 01-Through the Religious Town Development Committee	(-) 2.55	(+) 1.04
11.	19	Public Works	2059-Public Works 80-General 053-Maintenance and Repairs 04-Through the Registrar, Revenue Board	(-) 7.87	(+) 1.32
12.	21	Roads and Bridges	3054-Roads and Bridges 02-Strategic and Border Roads 337-Road Works 01-Through the Border Road Development Board 01-Maintenance and Restoration	(-) 30.16	(+) 102.16
13.	21	Roads and Bridges	3054-Roads and Bridges 80-General 001-Direction and Administration 01-Proportionate expenditure exhibited under Major head "2059 Public Works" 01-Establishment	(-) 1.93	(+) 6.54

## Appendix - 2.6

(Rupees in crore)

S. No.	Grant Number	Description	Head of Account	Re-appropriation	Final Excess (+)/ Saving (-)
14.	24	Education, Art and Culture	2202-General Education 01-Elementary Education 101-Government Primary Schools 01-Upper Primary Schools for Boys	(-) 13.46	(+) 3.28
15.	26	Medical and Public Health and Sanitation	2210-Medical and Public Health 03-Rural Health Services-Allopathy 103-Primary Health Centres 01-Primary Health Centre	(-) 11.82	(+) 2.57
16.	26	Medical and Public Health and Sanitation	2211-Family Welfare 200-Other Services and Supplies 01-Conventional Contraceptives	(-) 11.24	(+) 1.44
17.	27	Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 01-General Urban Water Supply Schemes 12-Water Supply to Jaipur from Bisalpur Project	(-) 68.83	(+) 2.21
18.	27	Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 05-Dewas Project 03-Through the Tourism Department	(-) 7.14	(+) 7.14
19.	27	Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 18-Fluoride Control Project, Kekri Sarwar Phase II	(-) 1.44	(+) 1.35
20.	37	Agriculture	2401-Crop Husbandry 800-Other expenditure 27-National Agriculture Development Project (SCA) 04-Through Dairy Development	(-) 4.54	(+) 4.54
21.	9	Forest	2406-Forestry and Wild Life 01-Forestry 001-Direction and Administration 02-Subordinate and expert staff	(+) 3.17	(+) 6.37
22.	16	Police	2055-Police 101-Criminal Investigation and Vigilance 01-Criminal Branch	(+) 1.63	(+) 2.14
23.	21	Roads and Bridges	5054-Capital Outlay on Roads and Bridges 02-Strategic and Border Roads 337-Road Works 03-Through Border Road Development Board	(+) 23.19	(+) 14.85
24.	21	Roads and Bridges	5054-Capital Outlay on Roads and Bridges 04-District and Other Roads 800-Other expenditure 02-Other Rural Construction Programme 01-Rural Roads	(+) 4.57	(+) 1.68
25.	24	Education, Art and Culture	2202-General Education 02-Secondary Education 109-Government Secondary Schools 01-Boys School	(+) 25.24	(+) 167.72
26.	26	Medical and Public Health and Sanitation	2210-Medical and Public Health 01-Urban Health Services-Allopathy 110-Hospitals and Dispensaries 03-Other Hospitals and Dispensaries 01-General Hospital	(+) 10.50	(+) 4.13
27.	26	Medical and Public Health and Sanitation	2210-Medical and Public Health 03-Rural Health Services-Allopathy 104-Community Health Centres 01-Community Health Centre	(+) 7.76	(+) 3.01

## Appendix - 2.6

(Rupees in crore)

S. No.	Grant Number	Description	Head of Account	Re-appropriation	Final Excess (+)/ Saving (-)
28.	26	Medical and Public Health and Sanitation	2211-Family Welfare 101-Rural Family Welfare Services 02-Rural Sub-Centre	(+) 15.00	(+) 3.25
29.	27	Drinking Water Scheme	2215-Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply Programmes 07-Water Supply Scheme, Jaipur	(+) 1.41	(+) 3.09
30.	27	Drinking Water Scheme	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programmes 01-Other Rural Water Supply Schemes	(+) 1.28	(+) 58.54
31.	27	Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 03-Other Rural Water Supply Programmes 01-Other Rural Water Supply Schemes	(+) 20.80	(+) 14.02
32.	27	Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 08-Summer Season Contingency	(+) 7.31	(+) 2.47
33.	15	Pensions and other Retirement Benefits	2071-Pensions and Other Retirement Benefits 01-Civil 102-Commuted value of Pensions	(-) 218.00	(-) 6.30
34.	15	Pensions and other Retirement Benefits	2071-Pensions and Other Retirement Benefits 01-Civil 104-Gratuities 01-Gratuity to State employees	(-) 353.00	(-) 7.55
35.	15	Pensions and other Retirement Benefits	2071-Pensions and Other Retirement Benefits 01-Civil 115-Leave Encashment Benefits	(-) 36.00	(-) 9.86
36.	27	Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 02-Desertation	(-) 21.54	(-) 1.24
37.	27	Drinking Water Scheme	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply 01-Accelerated Rural Water Supply Scheme 99-Maintenance Percentage charges (O & M) transferred from Major Head 2215-Water Supply and Sanitation-01-102 for Rural Water Supply Schemes	(-) 111.01	(-) 8.34
38.	28	Special Programmes for Rural Development	4515-Capital Outlay on Other Rural Development Programmes 101-Panchayati Raj 06-Drought Prone Area Development Programme (State Share) 01-For Zila Parishad (Rural Development Cell)	(-) 1.03	(-) 1.48
39.	41	Community Development	2515-Other Rural Development Programmes 198-Assistance to Gram Panchayats 06-National Nutritious Assistance Programme under Mid day meal Assistance (for the students of Elementary Schools of Gram Panchayat) 02-Functional/Activities	(-) 34.57	(-) 5.72

# Appendix 2.7

## Results of review of substantial surrenders made during the year

(Refer paragraph 2.2.9 ; page 38)

S. No.	Number and title of Grant	Name of the scheme (Head of Account)	Total Provision (Rupees in crore)	Amount of Surrender (Rupees in crore)	Percentage of Surrender
1.	Interest payment	2049-01-101(01)[99]	191.26	191.26	100.0
2.	Public Debt	6003-106(02)[04]	18.44	18.44	100.0
3.		6003-110	100.00	100.00	100.0
4.	03-Secretariat	3451-102(04)[01]	40.00	40.00	100.0
5.		5475-800(09)[01]	10.00	10.00	100.0
6.	08-Revenue	2029-103(04)[02]	10.76	10.61	98.6
7.	09-Forest	4406-01-800[02]	50.00	34.20	68.4
8.	14-Sales Tax	2040-800(02)[03]	25.00	25.00	100.0
9.	15-Pension and other retirement benefit	2071-01-104(01)	688.00	353.00	51.3
10.	21-Roads and Bridges	3054-02-337(01)[01]	45.00	30.16	67.0
11.		5054-04-800(11)[08]	38.45	19.37	50.4
12.	22-Area Development	4705-103(03)[02]	22.94	16.09	70.1
13.		4705-105(04)	27.10	16.98	62.7
14.		4705-106(01)[02]	16.00	14.73	92.1
15.	24-Education, Art and Culture	2202-01-102(06)	10.00	10.00	100.0
16.		2202-02-109(06)	87.00	87.00	100.0
17.		2202-02-110(04)[01]	15.00	15.00	100.0
18.		4202-01-202(09)	30.00	23.45	78.2
19.	26-Medical and Public Health Sanitation	2210-01-110(05)[02]	50.00	32.00	64.0
20.		2210-06-101(14)[01]	150.97	87.92	58.2
21.		2211-103(03)	14.00	14.00	100.0
22.		2211-200(01)	14.00	11.25	80.4
23.	27-Drinking Water Scheme	4215-01-101(01)[44]	15.00	10.00	66.7
24.		4215-01-101(01)[55]	13.00	10.79	83.0
25.		4215-01-101(05)[01]	10.00	10.00	100.0
26.		4215-01-102(01)[38]	10.00	10.00	100.0
27.		4215-01-102(01)[99]	182.56	111.01	60.8
28.		4215-01-102(32)	15.00	11.61	77.4
29.	29-Urban Plan and Regional Development	2217-80-192(01)	17.53	17.53	100.0
30.		2217-80-800(05)[01]	10.00	10.00	100.0
31.		4217-60-050(03)	100.00	70.79	70.8
32.	30-Tribal Area Development	2202-02-796(03)	10.00	10.00	100.0
33.		2211-800(01)	45.00	45.00	100.0
34.		2515-102(01)[02]	34.00	34.00	100.0
35.		2515-102(01)[05]	26.00	13.17	50.6
36.		2515-196(06)[02]	206.45	141.30	68.4
37.	33-Social Security and Welfare	4225-03-800(04)[01]	13.68	13.68	100.0
38.		4236-02-800(01)	26.00	26.00	100.0
39.	34-Relief from National Calamities	2245-01-104(02)	30.00	23.27	77.6
40.		2245-01-800(01)[08]	213.99	186.77	87.3
41.	35-Miscellaneous Community and Economic Services	5475-800(05)	40.25	28.98	72.0
42.	36-Co-operation	2425-800(02)	25.00	19.50	78.0

## Appendix - 2.7

S. No.	Number and title of Grant	Name of the scheme (Head of Account)	Total Provision (Rupees in crore)	Amount of Surrender (Rupees in crore)	Percentage of Surrender
43.		6425-108(04)	22.92	14.01	61.1
44.		6425-108(07)	27.27	23.52	86.2
45.	37-Agriculture	2401-110(02)	22.30	18.94	84.9
46.		2401-800(26)[01]	37.80	37.80	100.0
47.		2401-800(26)[02]	29.40	29.40	100.0
48.		2401-800(26)[03]	37.80	37.80	100.0
49.		4401-800(03)[04]	48.34	30.75	63.6
50.	39-Animal Husbandry and Medical	2403-001(01)[09]	15.00	14.97	99.8
51.	41-Community Development	2515-102(01)[01]	340.00	339.80	99.9
52.		2515-102(01)[07]	48.00	48.00	100.0
53.		2515-102(01)[13]	25.60	25.57	99.9
54.		2515-198(15)[02]	32.00	16.00	50.0
55.	46-Irrigation	4700-04-001(04)[02]	31.40	15.73	50.0
56.		4701-72-001(01)[01]	16.87	12.33	73.1
57.		4702-800(06)[02]	11.06	10.16	91.9
58.	48-Power	2801-80-800(29)[01]	36.00	36.00	100.0
59.		2801-80-800(29)[02]	28.00	28.00	100.0
60.		2801-80-800(29)[03]	36.00	36.00	100.0
61.	50-Rural Employment	2505-02-800(01)[03]	16.00	11.60	72.5
62.		2505-102(02)[01]	40.00	40.00	100.0
63.	51-Special Organisational Scheme for Welfare of Scheduled Castes	2515-102(01)[03]	51.00	51.00	100.0
<b>Total</b>			<b>3,650.14</b>	<b>2,841.24</b>	

# Appendix 2.8

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

(Refer paragraph 2.2.10; page 39)

(Rupees in crore)

S. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
<b>Revenue – Voted</b>					
1.	30-Tribal Area Development	1,079.43	191.37	193.80	2.43
2.	33-Social Security and Welfare	1,160.72	52.65	54.07	1.42
3.	37-Agriculture	615.98	42.52	47.71	5.19
4.	39-Animal Husbandry and Medical	228.58	4.26	5.17	0.91
<b>Capital – Voted</b>					
5.	24-Education, Art and Culture	62.15	21.69	23.17	1.48
6.	30-Tribal Area Development	224.29	4.69	6.13	1.44
<b>Total</b>		<b>3,371.15</b>	<b>317.18</b>	<b>330.05</b>	<b>12.87</b>

# Appendix 2.9

## Details of saving of Rs 1 crore and above not surrendered

(Refer paragraph 2.2.11; page 39)

(Rupees in crore)

S. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1	2	3	4	5
<b>Revenue – Voted</b>				
1.	6-Administration of Justice	6.78	3.37	3.41
2.	15-Pensions and other Retirement Benefits	482.23	47.41	434.82
3.	34-Relief from Natural Calamities	72.23	66.92	5.31
4.	41-Community Development	458.56	452.90	5.66
5.	46-Irrigation	9.95	3.44	6.51
<b>Capital- Voted</b>				
6.	22-Area Development	32.30	30.97	1.33
7.	27-Drinking Water Scheme	222.83	170.34	52.49
8.	28-Special Programme for Rural Development	16.56	15.08	1.48
9.	29-Urban Plan and Regional Development	5.79	1.98	3.81
10.	35-Miscellaneous Community and Economic Services	236.82	24.80	212.02
11.	46-Irrigation	230.19	220.25	9.94
<b>Total</b>		<b>1,774.24</b>	<b>1,037.46</b>	<b>736.78</b>

# Appendix 2.10

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

(Refer paragraph 2.2.11; page 39)

(Rupees in crore)

S.No.	Grant No	Major Head	Amount of Surrender	Percentage of Total Provision
(1)	(2)	(3)	(4)	(5)
1.	Interest Payments	2049	215.97	3.3
2.	Public Debt	6003, 6004	101.67	4.0
3.	3	5475	10.00	100.0
4.	9	4406	35.16	56.5
5.	14	2040	47.30	20.3
6.	15	2071	47.41	1.2
7.	17	2056	10.16	15.5
8.	19	4055, 4059, 4202, 4210, 4211, 4215, 4220, 4225, 4235, 4250, 4403, 4515, 4700, 4701, 4853, 5425	16.76	16.6
9.	22	4575, 4705	30.97	19.6
10.	24	4202	23.17	37.3
11.	27	4215	170.34	6.3
12.	28	4515	15.08	12.9
13.	30	2029, 2052, 2202, 2204, 2205, 2210, 2211, 2217, 2220, 2225, 2230, 2235, 2236, 2401, 2402, 2403, 2405, 2406, 2415, 2425, 2501, 2505, 2515, 2700, 2702, 2802, 2851, 2852, 2853, 3425, 3435, 3452, 3475	193.80	17.9
14.	33	2225, 2230, 2235, 2236	54.07	4.7
15.		4225, 4235, 4236, 6225, 6235	79.17	69.3
16.	34	2245	66.92	6.1
17.	35	4047, 5465, 5475	24.80	58.0
18.	36	2408, 2425	24.30	28.3
19.		4408, 4425, 6408, 6425	42.98	56.8
20.	37	2401, 2415, 2435	47.71	7.7
21.		4401, 4415, 6401	40.57	28.4
22.	41	2515	452.90	25.7
23.	46	4700, 4701, 4702, 4711	220.25	20.8
24.	48	2801	87.23	5.9
25.	50	2505, 2515	13.77	4.0
26.	51	2029, 2052, 2202, 2205, 2210, 2225, 2230, 2235, 2236, 2401, 2402, 2403, 2405, 2406, 2501, 2505, 2515, 2802, 2851, 2852, 3475	21.42	4.3
<b>Total</b>			<b>2,093.88</b>	

## Rush of Expenditure at the end of the year

(Refer paragraph 2.2.12; page 39)

(Rupees in crore)

S. No.	Grant Number and Name	Head of account Scheme/ Service	Expenditure incurred during Jan-March 2009	Expenditure incurred in March 2009	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2009	March 2009
1.	9-Forest	4406-Capital outlay on Forestry and Wild Life 01-forestry 800-Other expenditure 02-Different Projects for Forests/Camps	12.83	12.83	15.80	81.2	81.2
2.	10-Miscellaneous General Services	2075- Miscellaneous General Services 797-Transfer to Reserve Funds/Deposit Accounts 01-Transfer to Head 8235-117 Guarantee Redemption Fund	17.49	17.49	32.91	53.1	53.1
3.	34-Relief from Natural Calamities	2245-Relief on account of Natural Calamities 01-Drought 800-Other expenditure 01-Expenditure on Relief Works	25.19	23.94	40.17	62.7	59.6
4.	37-Agriculture	2401-Crop Husbandry 800-Other expenditure 25-Crop compensation	60.77	58.72	89.54	67.9	65.6
5.		4401-Capital outlay on Crop Husbandry 800-Other expenditure 03-Agriculture Development Project (S.C.A.)	35.21	27.44	41.34	85.2	66.4
6.	48-Power	2801-Power 80-General 800-Other expenditure 12-Grant for interest to Rajasthan Vidyut Utpadan Nigam Ltd.	18.99	18.99	18.99	100.0	100.0
7.	Interest Payment	2049-Interet Payments 03-Interest on Small Savings, Provident Funds etc. 104-Interest on State Provident Funds 02-Interest on Contributory Provident Funds	57.20	57.20	107.79	53.1	53.1
8.		2049-Interet Payments 03-Interest on Small Savings, Provident Funds etc. 117-Interest on Defined Contribution Pension Scheme 01-For Government Employees	21.59	21.59	40.36	53.5	53.5
9.		2049-Interet Payments 60-Interest on other obligations 101-Interest on Deposits 04-Interest on deposits of State Industrial and Mineral Development Corporation Limited	13.58	13.58	22.70	59.8	59.8
10.	Public Debt.	6003-Internal Debt of the State Government 108-Loans from National Co-operative Development Corporation	10.68	10.68	18.83	56.7	56.7
<b>Total</b>			<b>273.53</b>	<b>262.46</b>	<b>428.43</b>		

# Appendix 2.12

## Pending Detailed Contingent bills for the years up to 2008-09

(Refer paragraph 2.3.1; page 40)

(Rupees in crore)

S.No.	Department	Number of AC bills	Amount
1.	Animal Husbandry	33	0.13
2.	Anti Corruption	6	0.01
3.	Achieves and Museum	2	0.39
4.	Ayurved	7	2.83
5.	Ayurved College	2	0.01
6.	Civil Defence and Home Guard	8	0.10
7.	Sales Tax	1	A
8.	Divisional Commissioner	3	0.03
9.	Election	100	2.35
10.	Fisheries	1	0.01
11.	Food and Civil Supplies	30	0.52
12.	General Administration	66	2.37
13.	Governor	3	0.01
14.	Government Press	1	B
15.	Ground Water	2	C
16.	Harish Chandra Mathur Rajasthan State Institute of Public Administration	1	0.01
17.	Industries	3	0.06
18.	Irrigation	6	0.56
19.	Jail	16	0.18
20.	Judicial	8	0.06
21.	Medical and Health Services	13	0.40
22.	Medical College	9	1.05
23.	Mines and Geology	9	0.94
24.	National Cadet Core	14	0.27
25.	Public Health Engineering	4	0.02
26.	Public Works	6	0.73
27.	Police	148	5.90
28.	Primary and Secondary Education	68	0.88
29.	Printing and Stationery	1	D
30.	Rajasthan State Motor Garage	5	0.26
31.	Rajasthan Public Service Commission	1	0.01
32.	Relief	38	7.54
33.	Revenue	375	40.01
34.	Revenue Board	37	12.33
35.	Science and Technology	13	0.03
36.	Social Welfare	2	0.07
37.	State Insurance and General Provident Fund	3	0.03
38.	Tourism	4	0.34
39.	Rajasathan Armed Constabulary	3	0.02
40.	Prosecution	2	E
41.	Employees State Insurance Hospital	2	F
42.	Circuit House (Dak Bungalow)	1	0.03
43.	Criminal Investigation Department (Crime Branch)	5	8.37
44.	Local Fund Audit	2	0.13
45.	Technical Education	1	G
46.	Economics and Statistics	2	0.05
<b>Total</b>		<b>1067</b>	<b>89.04</b>

A: Rs 12,390; B: Rs 12,928; C: Rs 16,000; D: Rs 15,000; E: Rs 9,402; F: Rs 20,899 and G: Rs 880.

# Appendix 3.1

## Utilisation Certificates outstanding as on 31 March 2009

(Refer paragraph: 3.1; page 43)

(Rupees in lakh)

S. No.	Department	Year of payment of grant	Total Grants paid		Utilisation certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
1.	Environment	1997-98	30	27.56	29	27.03	1	0.53
		1998-99	25	26.20	21	24.39	4	1.81
		2003-04	3	10.27	2	7.49	1	2.78
		<b>Total</b>	<b>58</b>	<b>64.03</b>	<b>52</b>	<b>58.91</b>	<b>6</b>	<b>5.12</b>
2.	Science and Technology	1998-99	135	40.46	133	40.04	2	0.42
		2002-03	83	25.78	70	21.64	13	4.14
		2003-04	31	11.69	17	8.77	14	2.92
		2004-05	48	4.80	28	2.29	20	2.51
		2005-06	117	31.40	21	7.16	96	24.24
		2006-07	49	18.01	11	3.71	38	14.30
		2007-08	105	120.34	0	0	105	120.34
		<b>Total</b>	<b>568</b>	<b>252.48</b>	<b>280</b>	<b>83.61</b>	<b>288</b>	<b>168.87</b>
3.	Animal Husbandry	1994-95	10	17.72	9	15.86	1	1.86
		2002-03	13	85.92	12	79.99	1	5.93
		2003-04	17	167.31	16	67.31	1	100.00
		2004-05	15	105.52	14	82.65	1	22.87
<b>Total</b>	<b>55</b>	<b>376.47</b>	<b>51</b>	<b>245.81</b>	<b>4</b>	<b>130.66</b>		
4.	Industries (2851)	2005-06	25	2413.21	24	2304.21	1	109.00
		2007-08	25	2154.42	21	2060.48	4	93.94
		<b>Total</b>	<b>50</b>	<b>4567.63</b>	<b>45</b>	<b>4364.69</b>	<b>5</b>	<b>202.94</b>
5.	Industries (2852)	2003-04	19	1258.34	18	1148.34	1	110.00
		2004-05	14	696.07	13	413.07	1	283.00
		2005-06	15	690.29	12	340.29	3	350.00
		2006-07	15	550.56	13	363.35	2	187.21
		2007-08	16	1013.80	13	693.58	3	320.22
<b>Total</b>	<b>79</b>	<b>4209.06</b>	<b>69</b>	<b>2958.63</b>	<b>10</b>	<b>1250.43</b>		
6.	Social Welfare (2235)	1995-96	47	30.41	44	23.10	3	7.31
		1996-97	140	103.81	139	99.19	1	4.62
		1997-98	232	89.94	231	88.42	1	1.52
		1999-00	256	220.23	255	218.28	1	1.95
		2000-01	260	208.46	251	203.06	9	5.40
		2001-02	361	439.98	355	435.73	6	4.25
		2002-03	335	368.88	322	348.08	13	20.80
		2003-04	276	391.83	265	347.52	11	44.31
		2004-05	316	328.87	253	276.09	63	52.78
		2005-06	225	215.11	154	154.52	71	60.59
		2006-07	101	99.54	53	56.68	48	42.86
		<b>Total</b>	<b>2549</b>	<b>2497.06</b>	<b>2322</b>	<b>2250.67</b>	<b>227</b>	<b>246.39</b>
		7.	Social Welfare (2225)	2004-05	308	235.46	260	188.18
2007-08	76			113.31	0	0	76	113.31
<b>Total</b>	<b>384</b>			<b>348.77</b>	<b>260</b>	<b>188.18</b>	<b>124</b>	<b>160.59</b>

## Appendix - 3.1

(Rupees in lakh)

S. No.	Department	Year of payment of grant	Total Grants paid		Utilisation certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
8.	Co-operative	2005-06	21	64.02	18	42.65	3	21.37
		2006-07	8	5.48	3	4.48	5	1.00
		2007-08	9	7.50	2	6.10	7	1.40
		<b>Total</b>	<b>38</b>	<b>77.00</b>	<b>23</b>	<b>53.23</b>	<b>15</b>	<b>23.77</b>
9.	Tourism	2006-07	1	0.38	0	0	1	0.38
		<b>Total</b>	<b>1</b>	<b>0.38</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0.38</b>
10.	Medical	2007-08	3	34.32	0	0	3	34.32
		<b>Total</b>	<b>3</b>	<b>34.32</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>34.32</b>
11.	Family Welfare	2007-08	1	486.00	0	0	1	486.00
		<b>Total</b>	<b>1</b>	<b>486.00</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>486.00</b>
12.	Public Health Engineering	2006-07	1	0.23	0	0	1	0.23
		<b>Total</b>	<b>1</b>	<b>0.23</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0.23</b>
<b>Grand Total</b>			<b>3787</b>	<b>12913.43</b>	<b>3102</b>	<b>10203.73</b>	<b>685</b>	<b>2709.70</b>

# Appendix 3.2

## Statement showing names of bodies and authorities, the accounts of which had not been received

(Refer Paragraph: 3.2; page 44)

S. No.	Department	Year for which accounts had not been received	Grant received during preceeding year (Rupees in lakh)
<b>Higher Education</b>			
1.	Maharshi Dayanand Saraswati University Ajmer	2006-07, 2007-08	421.20
2.	Rajasthan Agricultural University, Bikaner	2007-08	6264.35
3.	Bikaner University, Bikaner	2007-08	180.00
4.	Jagadguru Ramanandacharya Sanskrit University, Jaipur	2005-06, 2006-07, 2007-08	128.73
5.	Rajasthan Ayurved University, Jodhpur	2006-07, 2007-08	200.00
6.	Vardhman Mahavir Open University, Udaipur	2007-08	400.00
7.	Kota University, Kota	2005-06, 2006-07, 2007-08	150.00
8.	B.J.S. Rampuria Jain College, Bikaner	2006-07, 2007-08	59.87
9.	Guru Nanak Khalsa College, Sriganganagar	2005-06, 2006-07, 2007-08	98.13
10.	Gyan Jyoti P.G. College, Srikanpur, Sriganganagar	2004-05, 2005-06, 2006-07, 2007-08	46.64
11.	Vinodni P.G. College, Khetri, Jhunjhunu	2007-08	79.12
12.	Seth Gyarsi Ram Bansidhar Poddar College, Navalgarh, Jhunjhunu	2006-07, 2007-08	36.67
13.	Khandelwal Vaish P.G. Girls College, Jaipur	2006-07, 2007-08	46.18
14.	Rajasthan Sanskrit Academy Jaipur	2006-07, 2007-08	26.45
15.	Shri Sat Sai College for woman Jaipur	2007-08	81.45
16.	Lal Bahadur Shastri College Jaipur	2004-05, 2005-06, 2006-07, 2007-08	91.44
17.	Shri Agarsen P.G. Shiksha College, Jamdoli, Jaipur	2007-08	18.21
18.	Lachoo Memorial Science College, Jodhpur	2006-07, 2007-08	36.40
19.	Mahila College, Jodhpur	2006-07, 2007-08	51.90
20.	Shri Jain Terapanth College, Ranawas, Pali	2006-07, 2007-08	27.36
21.	Vijay Singh Pathik Sharmjeevi College, Ajmer	2007-08	42.10
22.	Rajasthan Hindi Granth Academy, Jaipur	2007-08	78.50
23.	Vidhya Bhawan Society, Udaipur	2007-08	56.61
24.	Mahesh Shikshan Sansthan, Jodhpur	2006-07, 2007-08	136.59
25.	Harubai Uppadhaya Woman College, Hatundi, Ajmer	2007-08	28.46
26.	Adarsh Degree College, Ajmer	2006-07, 2007-08	17.04
27.	Churu Balika College, Churu	2007-08	15.50
28.	Kamladevi Gauridutt Mittal Civil College, Churu	2006-07, 2007-08	13.58
29.	Meena Girls College, Sangariya, Hanumangarh	2006-07, 2007-08	23.56
30.	Kanodiya P.G. Sharda College, Mukandgarh, Jhunjhunu	2006-07, 2007-08	24.34
31.	Shri Veer Balika College, Jaipur	2007-08	55.54
32.	S.S. Jain Subodh College, Jaipur	2006-07, 2007-08	67.28
33.	Vedic Kanya College, Jaipur	2005-06, 2006-07, 2007-08	71.08
<b>Total</b>			<b>9074.28</b>
<b>Secondary Education</b>			
1.	Shri Guru Nanak Sr. Higher Secondary, School, Sriganganagar	2007-08	46.97
2.	K.D. Jain Sr. Hr. Sec. School, Kishangarh, Ajmer	2006-07, 2007-08	119.26
3.	Adarsh Sr. Sec. School, Ajmer	2006-07, 2007-08	40.47
4.	Saini Sr. Sec. School, Manu Marg, Alwar	2002-03 to 2007-08	20.74
5.	Shri Jamna Das Madhavji Hr. Sec. School, Khadgadi, Bharatpur	2006-07, 2007-08	24.07
6.	Gyan Jyoti Sr. Sec. School, Shrikanpura, Sriganganagar	2005-06, 2006-07, 2007-08	42.54

## Appendix - 3.2

S. No.	Department	Year for which accounts had not been received	Grant received during preceeding year (Rupees in lakh)
<b>Secondary Education</b>			
7.	Shri Guru Nanak Girls Sr. Secondary, School, Sriganganagar	2006-07, 2007-08	60.96
8.	Vedic Balika Sr. Sec. School, Jaipur	2007-08	11.70
9.	S.P.R. Saharia Sr. Sec. School, Kaladera, Jaipur	2006-07, 2007-08	52.99
10.	Chopasani Sr. Sec. School, Jodhpur	2006-07, 2007-08	690.21
11.	Seth G.R. Chamariya Sr. Sec. School, Fatehpur Shekhawati, Sikar	2006-07, 2007-08	36.04
12.	Shri Manna Narayan Sr. Sec. School, Dabok, Udaipur	2007-08	33.17
13.	Bhopal Novels Sansthan, Udaipur	2005-06, 2006-07, 2007-08	30.55
14.	Mahila Mandal Balika Sr. Sec. School, Udaipur	2006-07, 2007-08	37.47
15.	Nav Bharat Sr. Sec. School, Udaipur	2006-07, 2007-08	22.14
16.	Sainik School, Chittorgarh	2007-08	39.20
17.	Savitri Sr. Sec. School, Ajmer	2007-08	57.13
18.	Raghu Sr. Sec. School, Churu	2007-08	31.91
19.	Shri Dalnia Sr. Sec. School, Chirawa	2006-07, 2007-08	30.01
20.	Rajasthan Brij Bhasa Academy, Jaipur	2006-07, 2007-08	6.09
21.	M.L.V. Mahila Hr. Sec. School, Bhilwara	2006-07, 2007-08	69.80
22.	D.A.V. Sr. Sec. School, Ajmer	2006-07, 2007-08	45.19
23.	Saraswati Balika Hr. Sec. School, Ajmer	2007-08	56.15
24.	Veer Balika Sr. Sec. School, Jaipur	2007-08	30.34
25.	Shri Maheshwari Sr. Sec. School, Jaipur	2007-08	59.66
26.	S.S. Jain Subodh Sr. Sec. School, Jaipur	2007-08	51.01
27.	Adarsh Vidya Mandir Sr. Sec. School, Jaipur	2007-08	25.99
28.	Bal Mandir School, Bhawani Ganj Mandi, Kota	2006-07, 2007-08	21.59
29.	Bal School, Kota	2006-07, 2007-08	3.94
<b>Total</b>			<b>1797.29</b>
<b>Technical Education</b>			
1.	M.L.V. Textile & Engineering College, Bhilwara	2007-08	137.50
2.	Engineering College, Bikaner	2007-08	32.07
3.	Engineering College, Ajmer	2005-06, 2006-07, 2007-08	101.38
4.	Birla Institute Pilani, Jhunjhunu	2005-06, 2006-07, 2007-08	307.04
5.	L.N.M. Institute of Information Technology, Jaipur	2006-07, 2007-08	500.00
6.	Engineering College, Kota	2006-07, 2007-08	578.00
<b>Total</b>			<b>1655.99</b>
<b>Adult Education</b>			
1.	Zila Shaksharta Samiti, Alwar	2006-07, 2007-08	130.16
2.	Zila Shaksharta Samiti, Bharatpur	2007-08	73.09
3.	Zila Shaksharta Samiti, Bikaner	2006-07, 2007-08	135.60
4.	Jan Shikshan Sansthan, Bikaner	2006-07, 2007-08	14.98
5.	Zila Shaksharta Samiti, Dungarpur	2006-07, 2007-08	28.45
6.	Jan Shikshan Sansthan, Jaipur	2007-08	30.00
7.	Zila Shaksharta Samiti, Sikar	2006-07, 2007-08	170.51
8.	Zila Shaksharta Samiti, Sirohi	2006-07, 2007-08	14.27
9.	Zila Shaksharta Satarkta Shiksha Adhikari, Karauli	2006-07, 2007-08	100.00
10.	Rajasthan Shikshan Parishad, Jaipur	2007-08	3.78
<b>Total</b>			<b>700.84</b>

## Appendix - 3.2

S. No.	Department	Year for which accounts had not been received	Grant received during preceeding year (Rupees in lakh)
<b>Sports</b>			
1.	Rajasthan State Sports Council, Jaipur	2007-08	650.49
2.	Gymnastic Federation of India, Jodhpur	2004-05, 2005-06, 2006-07, 2007-08	18.98
<b>Total</b>			<b>669.47</b>
<b>Industries</b>			
1.	Entrepreneurship & Management Development Institute, Jaipur	2006-07, 2007-08	200.00
2.	Bureau of Investment Promotion, Jaipur	2007-08	539.00
3.	Vidhya Bhawan Rural Institute, Udaipur	2007-08	112.73
<b>Total</b>			<b>851.73</b>
<b>Art &amp; Culture</b>			
1.	Jawahar Kala Kendra, Jaipur	2007-08	161.10
2.	Rajasthan Lalit Kala Academy, Jaipur	2007-08	23.61
3.	Indian Institute of Craft & Design Jaipur	2007-08	187.00
4.	Rajasthan Sangeet Natak Academy, Jodhpur	2006-07, 2007-08	113.72
<b>Total</b>			<b>485.43</b>
<b>Primary Education</b>			
1.	Rajasthan Council of Primary Education, Jaipur	2005-06, 2006-07, 2007-08	3419.00
<b>Total</b>			<b>3419.00</b>
<b>Social Justice &amp; Empowerment</b>			
1.	Child Labour Project Society, Alwar	2006-07, 2007-08	58.79
2.	Mahila & Bal Vikas Pariyojana, Bharatpur	2005-06, 2006-07, 2007-08	34.27
3.	Jaipur Child Labour Project Society, Jaipur	2005-06, 2006-07, 2007-08	44.45
4.	Rajasthan Rajya Kalyan Salahkar Board, Jaipur	2006-07, 2007-08	163.52
5.	Child Labour Project Society, Jodhpur	2004-05, 2005-06, 2006-07, 2007-08	34.98
6.	Child Labour Project Society, Udaipur	2007-08	113.13
<b>Total</b>			<b>449.14</b>
<b>Health</b>			
1.	Rajathan Health Society Jaipur	2006-07, 2007-08	10921.82
2.	Rajasthan State T.B. Society, Jaipur	2004-05, 2005-06, 2006-07, 2007-08	24.88
3.	Opium De Addiction Treatment & Training Research Institute, Jodhpur	2005-06, 2006-07, 2007-08	106.30
4.	Swacha Jal & Samudayik Swasthya Project, Udaipur	2002-03 to 2007-08	362.89
5.	Bhagwan Mahavir Viklang Sahayata Samiti, Jaipur	2006-07, 2007-08	510.54
<b>Total</b>			<b>11926.43</b>
<b>Agriculture</b>			
1.	Rajasthan Krashi Seva Nivrat Adhikari Society, Jaipur	2005-06, 2006-07, 2007-08	88.28
2.	Maharana Pratap Krashi & Prodhogiki University, Udaipur	2005-06, 2006-07, 2007-08	2130.00
3.	Horticulture Development Society, Jaipur	2006-07, 2007-08	2259.57
<b>Total</b>			<b>4477.85</b>

## Appendix - 3.2

S. No.	Department	Year for which accounts had not been received	Grant received during preceeding year (Rupees in lakh)
<b>Animal Husbandry</b>			
1.	Cattle & Buffalo Breeding (NPC & BB), Jaipur	2006-07, 2007-08	76.00
2.	Fish Farmer Development Agency, Bhilwara	2007-08	0.05
<b>Total</b>			<b>76.05</b>
<b>Environment</b>			
1.	Rajasthan State Pollution Control Board, Jaipur	2007-08	No Grant
<b>Total</b>			<b>No Grant</b>
<b>Co-operative</b>			
1.	Rajasthan Rajya Sahakari Upbhogta Sangh Ltd., Jaipur	2005-06, 2006-07, 2007-08	7.37
<b>Total</b>			<b>7.37</b>
<b>Ministry of Airlines</b>			
1.	Rajasthan Udyan School, Sanganer, Jaipur	2007-08	20.00
<b>Total</b>			<b>20.00</b>
<b>Woman &amp; Child Development</b>			
1.	Zila Mahila Vikas Abhikaran, Jodhpur	2006-07, 2007-08	52.22
<b>Total</b>			<b>52.22</b>
<b>Grand Total : 108 Departments</b>		<b>Annual Accounts : 211</b>	<b>35,663.09</b>

# Appendix 3.3

## Statement showing performance of the autonomous bodies

(Refer Paragraph: 3.3; page 44)

S. No.	Name of Body	Period of entrustment	Year up to which accounts were received	Period up to which Separate Audit Report issued	Placement of SAR in the Legislature	Delay in submission of accounts	Period of Delay
1.	Rajasthan <i>Khadi</i> & Village Industries Board, Jaipur.	2001-02 to 2006-07	2001-02 to 2004-05	2001-02 DAR issued. 2002-03 DAR issued.	SAR yet to be issued.	2005-06* 2006-07	38 months 27 months
2.	Rajasthan State Human Rights Commission, Jaipur	Regular Audit	2006-07	2006-07	Information awaited from Department of Home, Rajasthan, Jaipur.	2007-08 2008-09	15 months 03 months
3.	Rajasthan State Legal Services Authority, Jaipur.	Regular Audit	2007-08	2007-08	Information awaited from Department of Law, Rajasthan, Jaipur.	2008-09	03 months

\* Accounts were received in September 2009.

# Appendix 3.4

## Statement of finalisation of accounts and the Government investment in departmentally managed commercial and quasi-commercial undertakings (Refer paragraphs: 1.6.4 and 3.4 pages 20 and 45)

S. No.	Name of Undertakings	Accounts finalised upto	Investment as per the last accounts <sup>10</sup> finalized (Rs in crore)	Remarks/reasons for delay in preparation of accounts
1.	Jail Manufacture, Ajmer	2006-07	1.28	-
2.	Jail Manufacture, Alwar	2007-08	0.41	-
3.	Jail Manufacture, Bikaner	2007-08	0.95	-
4.	Jail Manufacture, Jaipur	2007-08	1.90	-
5.	Jail Manufacture, Jodhpur	2007-08	1.66	-
6.	Jail Manufacture, Kota	2007-08	0.33	-
7.	Jail Manufacture, Udaipur	2007-08	1.05	-
8.	Departmental Trading of Forest Coupes	2007-08	Nil <sup>11</sup>	-
9.	Patta Tendu Scheme	2006-07	Nil <sup>11</sup>	-
10.	Sodium sulphate Works, Deedwana	2007-08 <sup>12</sup>	Nil <sup>11</sup>	-
11.	Government Salt Works, Deedwana	2007-08 <sup>12</sup>	Nil <sup>11</sup>	-
12.	Rajasthan Water Supply and Sewerage Management Board, Jaipur	2007-08	6,902.78	-
<b>Total</b>			<b>6,910.36</b>	<b>-</b>

<sup>10</sup> Investment represents balance of fixed capital account and current account of the Government on the last day of the financial year upto which accounts had been finalised.

<sup>11</sup> Capital investment of the Government is Nil as the remittances from the undertakings were more than the amount invested by the Government.

<sup>12</sup> Pro forma Accounts of Sodium Sulphate Works, Deedwana and Government Salt Works, Deedwana for 2008-09 have been received.

# Appendix 3.5

Department wise/age wise pending cases of misappropriation, defalcation, etc. (cases where Final action was pending at the end of June 2009)  
(Refer paragraph: 3.5; page 45)

S. No.	Name of the Department	Upto 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years and more	Total No. of cases
1.	Revenue	34	17	12	3	1	4	71
2.	Education	77	30	28	17	12	6	170
3.	Medical	22	18	16	4	7	3	70
4.	Public Works	2	6	25	8	4	6	51
5.	Irrigation	9	7	4	0	3	1	24
6.	Ground Water	18	9	5	3	2	0	37
7.	Command Area Development, Indira Gandhi Nahar Pariyojana	2	4	6	2	1	0	15
8.	Indira Gandhi Nahar Pariyojana	20	6	8	2	1	0	37
9.	Forest	5	6	4	1	1	0	17
10.	Public Health Engineering	88	98	93	53	17	3	352
11.	Others	99	37	24	12	5	8	185
<b>Total</b>		<b>376</b>	<b>238</b>	<b>225</b>	<b>105</b>	<b>54</b>	<b>31</b>	<b>1029</b>

# Appendix 3.6

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

(Refer Paragraph: 3.5; page 45)

S. No.	Name of Department	Cases of theft/loss of Government Material		Misappropriation		Total	
		No. of cases	Amount (Rs in lakh)	No. of cases	Amount (Rs in lakh)	No. of cases	Amount (Rs in lakh)
1.	Revenue	30	75.07	41	290.56	71	365.63
2.	Education	97	103.57	73	215.04	170	318.61
3.	Medical	32	42.08	38	286.97	70	329.05
4.	Public Works	19	6.89	32	218.98	51	225.87
5.	Irrigation	13	8.09	11	92.66	24	100.75
6.	Ground Water	35	52.22	2	3.52	37	55.74
7.	Command Area Development, Indira Gandhi Nahar	13	18.51	2	1.04	15	19.55
8.	Indira Gandhi Nahar	33	98.08	4	46.01	37	144.09
9.	Forest	13	15.35	4	78.75	17	94.10
10.	Public Health Engineering	324	231.42	28	184.16	352	415.58
11.	Others	80	182.82	105	1701.20	185	1884.02
<b>Total</b>		<b>689</b>	<b>834.10</b>	<b>340</b>	<b>3118.89</b>	<b>1029</b>	<b>3952.99</b>

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate
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

Terms	Description
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.
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.
Debt stabilization	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 stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
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.
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
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 grants and charged appropriation vis-à-vis 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.
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.

## Appendix - 4.1

Terms	Description
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, e.g. State Implementation Society for Sarva Siksha Aviyan and State Health Mission for National Rural Health Mission, etc.
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such 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.
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 CFI 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.).
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case.
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its 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. As per the terms of the Guarantee Redemption Fund, the State Government was required to contribute an amount equal to atleast 1/5th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees during the year
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Ministry, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Ministry 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.
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.
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.
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinize.

<b>AC Bill</b>	Abstract Contingency Bill
<b>AE</b>	Aggregate Expenditure
<b>BE</b>	Budget Estimates
<b>CAG</b>	Comptroller and Auditor General of India
<b>CE</b>	Capital Expenditure
<b>DCC Bill</b>	Detailed Countersigned Contingency Bill
<b>DCRF</b>	Debt Consolidation and Relief Facility
<b>DE</b>	Development Expenditure
<b>FCP</b>	Fiscal Correction Path
<b>GOI</b>	Government of India
<b>GSDP</b>	Gross State Domestic Product
<b>FRBM</b>	Fiscal Responsibility and Budget Management Act, 2005
<b>IP</b>	Interest Payment
<b>MTFPS</b>	Medium Term Fiscal Policy Statement
<b>O&amp;M</b>	Operation and Maintenance
<b>PAC</b>	Public Accounts Committee
<b>RE</b>	Revenue Expenditure
<b>RR</b>	Revenue Receipts
<b>S&amp;W</b>	Salaries and Wages
<b>SAR</b>	Separate Audit Report
<b>SSE</b>	Social Sector Expenditure
<b>TE</b>	Total Expenditure
<b>TFC</b>	Twelfth Finance Commission
<b>UC</b>	Utilisation Certificate
<b>VAT</b>	Value Added Tax