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**OFFICE OF THE ACCOUNTANT GENERAL (A&E),  
RAJASTHAN, JAIPUR-302005**



**MANUAL OF THE REPORT SECTION**

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT**

The first edition of this Manual was published in May 1957, subsequently revised in May 1967, October 1983, March 1990 and April 2003. This is the Sixth edition of Manual of the Report (AAD) Section.

## **PREFACE TO THE SIXTH EDITION**

This Manual has been updated in accordance with the best practices and directions issued by the CAG of India upto September 2006. The orders issued by the Headquarters Office from time to time have been incorporated while giving a final shape to this edition.

The Manual has been updated in view of Voucher Level Computerrization of the State Accounts and also cross linked with the Procedural Manual of Report Section. The VLC program had been introduced in 2001-02. The various Statements of the Finance Accounts, Detailed Appropriation Accounts, Report on Monthly Expenditure, Controlling Officer-wise monthly expenditure and some other useful reports are now generated through VLC system.

This Manual outlines the procedure to be followed in the preparation of the Finance Accounts, the Appropriation Accounts and Accounts At a Glance of the Government of Rajasthan. It also provides information for Combined Finance and Revenue Accounts.

**Accountant General  
(Accounts & Entitlements)**

Dated : 05.01.2007

## TABLE OF CONTENTS

<b>CHAPTER</b>	<b>SUBJECT</b>	<b>PARAGRAPHS</b>
1.	Constitution and work of the Section	1.1 to 1.7
2.	Appropriation Audit	2.1 to 2.14
3.	State Appropriation Accounts and Finance Accounts	3.1 to 3.17
4.	Accounts at a glance	4.1 to 4.8
5.	Important Rulings and orders	5.1 to 5.8
	Appendix	I to XXI

## **CHAPTER-1**

### **CONSTITUTION AND WORK OF THE SECTION**

#### **1.1 General Function and Organisation**

Appropriation Audit Section is under the direct charge of the Accountant General. The Branch Officer of the section is responsible for the proper working and efficient management of the section.

(Office Order No.34 dated 3<sup>rd</sup> July, 1985)

#### **1.2. Functions of Appropriation Audit Section**

The Appropriation Audit Section is responsible for:-

- (i) The scrutiny of all orders on appropriation, re-appropriation and surrenders;
- (ii) The watching of progress of reconciliation of departmental figures with receipt and expenditure figures booked in the accounts and seeing that suitable and adequate arrangements exists in all departments of Government for the control over the receipt and expenditure;
- (iii) Capturing data relating to finance account, appropriation account, original demand for grants, supplementary grants, re-appropriation etc. and processing the data and generation of reports like finance accounts, monthly appropriation accounts and detailed appropriation accounts at the close of the year.

- (iv) The entire work of Appropriation Audit on behalf of State legislature and Executive Government and maintenance of Grant-cum-Appropriation Audit Registers;
- (v) The preparation of Grant-wise report of expenditure (Monthly Appropriation Accounts) and forwarding the same to the Finance Department as well as Pr.A.G.(Civil Audit) Rajasthan;
- (vi) Preparation of Grant-wise annual Detailed Appropriation Accounts which contains expenditure against the final grant under the subhead/group head level.
- (vii) Issue of warning slips to all Controlling Officers/Heads of Departments in respect of uncovered/excess expenditure shown during the month to set right misclassification, if any, or to provide additional funds.
- (viii) Issue of letters to concern Controlling Officers on final saving/excess and uncovered expenditure for confirmation of the facts and figures and furnishing comments on the same for incorporation in the Annual Appropriation Accounts.
- (ix) The compilation of the Appropriation Accounts and the Finance Accounts of the State Govt. and all other work connected therewith including arrangements for their printing;

- (x) The compilation of 'Accounts At a Glance' on the basis of the Finance Accounts and Appropriation Accounts of the year including arrangements of its printing.
- (xi) The supply of material to the Comptroller and Auditor General of India for the compilation of Combined Finance and Revenue Accounts;
- (xii) Assistance to the office of the Principal Accountant General (Civil Audit) in examination of the detailed notes on Excesses requiring regularisation under Article-205 of the Constitution of India, submitted by various authorities of the State Government and the Public Accounts Committee of the State Assembly;
- (xiii) Seeing that the relevant rules and instructions contained in the Manual of Standing Orders (Technical) in regard to the matters enumerated above are duly observed.

**1.3.** Besides, the duties mentioned in the Manual of General Procedure, the Senior Accountants/Accountants and Section Officer/ Assistant Accounts Officer of Appropriation Audit Section will be responsible for the following duties: -

**I- Duties of Senior Accountants and Accountants**

- (1) Maintenance of separate Guard Files/ Circular files relating to instructions for compilation of Appropriation Accounts,

Finance Accounts, Grantwise report of expenditure, Combined Finance and Revenue Accounts and Accounts At a Glance respectively;

- (2) Maintenance of files of important orders;
- (3) Maintenance and updating of books supplied to the section;
- (4) preparation of monthly and quarterly arrear report and submission of other periodical returns/registers.
- (5) Maintenance of Consolidated Register of reconciliation of revenue and expenditure figures respectively;
- (6) Maintenance of Grant Control Register;
- (7) Maintenance of Grant-cum-Audit Registers ;
- (8) Scrutiny of Budget Estimates, Supplementary Grants, Re-appropriation orders and Surrenders orders ;
- (9) Maintenance of Reconciliation Registers ;
- (10) Maintenance of Key Registers;
- (11) Conducting Appropriation Audit as per prescribed schedule;
- (12) Correspondence relating to Appropriation Audit and other related matters;
- (13) Preparation and issuance of statements of Grants and Appropriation;

- (14) Printing of Appropriation Accounts, Finance Accounts and Accounts At A Glance of the State Government.
- (15) Preparation of Grant-wise report of expenditure (Monthly Appropriation Accounts).
- (16) Monthly Controlling Officer-wise report of expenditure alongwith correspondence.
- (17) Preparation of brief Appropriation Accounts;
- (18) Compilation for submission to Headquarters Office of material for Combined Finance and Revenue Account and information for booklet showing at one place sector wise/major head wise budget provision and its utilisation;
- (19) Processing of material for Appropriation Accounts, Finance Accounts, etc. and preparation of these accounts of the State Government;
- (20) Other matters assigned to them under the orders of the Branch Officer/Accountant General.

## **II. Duties of Section Officer/Assistant Accounts Officer**

The Section Officer/Assistant Accounts Officer is responsible for the proper management of work to be done under his charge.

It should be ensured by him that duties entrusted to the Sr.Accountants/Accountants of the section are performed by them in such a way that work of the section going on smoothly and efficiently.

He should also ensure timely submission of various returns to higher authorities and to other offices by maintaining calendar of return himself. All important matters cases should be dealt with by him.

#### **1.4. Main Control Records to be kept in the section**

**1.4.1.** The various control records to be maintained in the section are mentioned in the subsequent chapters of this manual. Mention may here be made of the following other important records/returns.

#### **1.4.2. Calendar of Returns**

A Calendar of Returns should be maintained in the section as prescribed in paragraph 26 of the Comptroller and Auditor General's Manual of Standing Orders (Administrative). A list of returns/reports due from the Appropriation Audit Section to outside authorities and to officers/sections in this office and of returns due from other sections and outside authorities, whose submission/receipt is watched through the calendar of returns is given in **Appendix-I** to this manual.

The Calendar of Returns should be submitted to the Branch Officer on every Tuesday.

#### **1.4.3. Report regarding status of work**

The provisions contained in the Manual of General Procedure should be observed in preparing and submitting the monthly and quarterly arrear reports.

#### **1.4.4. Guard Files**

Separate guard files should be maintained in the section in which instructions relating to various aspects of preparation of Appropriation Accounts , Finance Accounts and Accounts At A Glance respectively should be kept.

Every Guard file should contain an index indicating reference to page numbers at which various instructions are filed and there should be cross referencing of instructions on any particular matter.

Guard file shall be put up to Section Officer/Assistant Accounts Officer and Branch Officer on 10<sup>th</sup> of April, July, October and January each year.

#### **1.4.5. Key Registers**

With a view to keep record of work each member of the section shall maintain a Key Register as per instructions contained in the manual of General Procedure.

The Key Register shall be put up to Section Officer/Asstt.Accounts Officer/Branch Officer on 15<sup>th</sup> of April, July, October and January each year for review.

#### **1.4.6. Manual Correction Register**

Instructions and decisions of a permanent nature relating to the manual will be incorporated in the Manual with full references to the number and date of the letter, the case, etc. Section Officer/Asstt.Accounts Officer will be responsible for keeping the Manual upto date. The draft correction slip will be got approved from the Accountant General. A register of correction will be maintained in the section which should be placed duly approved typed copies of the correction slips. The correction slip will be incorporated periodically.

#### **1.5 Preservation of records**

The period of preservation of various records is indicated in Annexure to Chapter X of CAG's Manual (Administration) Vol.I.

Headquarters office has issued certain instructions regarding inclusion of comments on non-reconciliation of expenditure in the Audit Report and Preservation of records relating thereto. In this regard the guidelines as circulated vide Office Order No.TM/86-C/3 dated 6.2.1986 are contained in **Appendix II**, to this Manual.

(Authority: CAG's circular letter No.46-TA-I/81/1377/23-81 dated 5.11.1981 and No.19-Audit-II/85/753-Audit-II/120-85 dated 25.5.1985)

#### **1.6. Maintenance of files correspondence, etc.**

The General instructions regarding the maintenance of files and conducting correspondence as contained in Manual of General Procedure

should be followed. The correspondence and notes of the section should be tagged in files on cases opened under relevant file headings. A list of standard files headings approved for the section is given in **Appendix-III-A** to this manual.

#### 1.7 **Voucher Level Computerisation**

Voucher Level Computerisation has been introduced from 2001-02 accounts. The provisions regarding the main functions and distribution of work enumerated in the existing Manual of the A.A.D. section will continue to remain as such even after switching over to computerised compilation of accounts. However, the work of preparation of monthly appropriation accounts and detailed appropriation accounts at the close of the year, which hitherto was being done manually, is to be done exclusively on the computers. Report modules are contained in the Manual of Voucher Level Computerisation. The duties and responsibilities of the Section Officer/Asstt. Accounts Officer and the A.A.G./Sr.A.O./A.O. are detailed in **Appendix-III-B**.

## CHAPTER-2

### APPROPRIATION AUDIT

#### **2.1. General**

**2.1.1. (a)** Article 204 (3) of the Constitution prescribes that, subject to the provisions of Articles 205 and 206 *ibid*, no money shall be withdrawn from the Consolidated Fund of the State except under an Appropriation Act passed by the State Legislature specifying :-

- (i) the grants made by the State Legislature; and
  - (ii) the sums required to meet expenditure charged on the Consolidated Fund of the State (Details of expenditure charged on the Consolidated Fund of the State Government are given in **Appendix IV** to this manual).
- (b)** Article 206 gives power to the State Legislative Assembly: -
- (i) to make any grant in advance (vote on account) in respect of the estimated expenditure for any part of the financial year pending completion of the procedure prescribed in Articles 203 and 204;
  - (ii) to make a grant for meeting an unexpected demand upon the resources of the State (vote of credit) when an account of the magnitude or the indefinite character of the service the demand cannot be stated with the details ordinarily given in an annual financial statement and;

- (iii) to make an exceptional grant which forms no part of the current service of any financial year.

The State Legislature has power to authorises by law the withdrawal of money from the Consolidated Fund of the State for the purpose for which the said grants are made.

- (c) The supplementary demand, additional or excess grants is provided through Supplementary Appropriation Act under Article 205.

When unforeseen expenditure or a new service not covered by the Appropriation Act has to be incurred, money can be drawn from the Contingency Fund of the State as provided for under Article 267(2) of the Constitution.

**2.1.2.** Under article 149 of the Constitution read with section 13 (a) of the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act, 1971, the Comptroller and Auditor General of India is required to see that no expenditure is incurred from the Consolidated Fund of the State unless there be provision of funds authorised by competent authority fixing the limits within which expenditure can be incurred. This examination or audit of expenditure against provision of funds is technically known as appropriation audit. The appropriation audit comprises: -

- (i) Audit of expenditure against grant or appropriation and
- (ii) Audit of expenditure on each of the sub-heads/ group heads fixed as units of appropriation, under a grant or appropriation, against the allotment thereof.

## **2.2. Detailed Procedure of Audit**

### **2.2.1. Audit of expenditure against grants and appropriation**

This involves a responsibility to Legislature and consists of seeing that the expenditure incurred falls within the scope and ambit of grant or appropriation as sanctioned by law and that it is within the amount of the grant or appropriation. Any expenditure not so covered is to be booked as un-authorized unless regularised by a Supplementary Appropriation Act passed under Article 205 of the Constitution. The instructions contained in para 3.1 to 3.7 of the Manual of Standing Orders (A&E). Vol.I should be borne in mind in this connection.

### **2.2.2. Audit of expenditure on sub heads/group heads of a grant/appropriation against allotment therefore.**

This involves a responsibility to the Executive, i.e. the Finance Department, and consists in seeing that the total expenditure on each of the sub heads/group heads fixed as units of appropriation under a grant or appropriation does not exceed the allotment therefore as modified by orders of re-appropriation passed by the competent authority from time to time. This is carried out in two stages as indicated below:-

- (i) Sanction audit, i.e. audit of orders of re-appropriation and surrender which are to be enforced in audit; and
- (ii) Audit of expenditure against such allotments.

**2.3. Audit of orders of appropriation, re-appropriation and surrenders.**

**2.3.1.** As soon as the detailed estimates and grants are finally settled by the Legislature, the Finance Department will communicate to all heads of departments and other controlling officers in such form as may be convenient, the allotment placed at their disposal for expenditure during the budget year under the various major and minor heads of account and will draw special attention to the amounts omitted or reduced by the Legislature. Copies of the letters communicating the grants are forwarded to the Administrative Departments concerned as also to this office. On receipt of Budget documents from the State Government, the original allotment by sub heads/group heads under each grant/appropriation should be fed in VLC to generate Grant-cum-Appropriation Audit Register and the total grant/appropriation as shown in the books of Demand/State Budget and the Appropriation Acts agreed with the total of the Grant. The entries so fed in VLC by the Accountants/Sr. Accountants should be authorized by the Section Officer/Asstt.Accounts Officer after verification with the State Budget and Appropriation Acts.

The same procedure should be followed when supplementary grants and appropriation are communicated by the Finance Department (the procedure to be followed in the case of late assent to a Supplementary Appropriation Act has been prescribed in the Comptroller and Auditor

General's letter No.434-Rep/112-52 dated 8.5.1953 reproduced in **Appendix V** to this manual.

**2.3.2.** Order of re-appropriation, surrenders etc. should on receipt be carefully scrutinised with reference to the instructions contained in para 3.9 and 3.13 of the Manual of Standing Orders (A&E) Vol.I and financial powers of various authorities (Rule 8 of the Compilation of the Delegation of Financial Powers Rules and Chapter XXIII of the Budget Manual of the Government of Rajasthan). The orders are thereafter noted over the initials of the Section Officer/Asstt.Accounts Officer and fed in VLC against the sub-heads or group-heads concerned. It should be seen that reasons necessitating the additions or reductions within a grant or appropriation are indicated by the competent authority in the orders sanctioning re-appropriation. Cases of non-compliance should be pointed out to the Finance Department and sanctioning authorities concerned. If in any case the explanations are found to be inadequate or incomplete, prompt enquiries should be made to elicit the requisite information.

**NOTE (1)** In the case of Public Works Department expenditure, appropriation audit may be conducted in respect of all works or items of expenditure, the allotments for which, whether individually or by groups, are provided separately for each division, as laid down in para 3.10 of MSO (A&E) Vol.I.

**NOTE (2)** The Finance Department of State Govt. has agreed to furnish in advance (by the 25<sup>th</sup> November and 1<sup>st</sup> February or every year) copies of statement of excesses and savings in the grants placed at the disposal of various controlling officers (copy of the Finance Department circular letter No.f.4 (166)F(B)/64 dated the 5<sup>th</sup> January 1966 reproduced in **Appendix VI** to this manual). These statements which are not to be considered as final orders for surrender/ re-appropriation provide an opportunity to the section for initiating action to call for any additional information that may be necessary for the proper appreciation of the re-appropriations/surrenders.

**2.3.3.** The following points should be specially borne in mind in scrutinising the sanctions: -

- (i) Any allotment or re-appropriation within a grant or appropriation of a year can be authorised at any time before, but not after the expiry of the financial year.
- (ii) No re-appropriation is permissible either from one grant or appropriation to another.
- (iii) No re-appropriation of funds is permissible to meet an item of expenditure on a 'New Service' or a 'New Instrument of Service' either voted or charged, not contemplated in the budget of the year unless it is included in a Supplementary

Appropriation Act or met by an advance from Contingency Fund pending authorisation by a supplementary grant.

- (iv) No re-appropriation is permissible from a 'Voted' to 'Charged' head or vice versa.
- (v) No re-appropriation is permissible between 'Revenue' and 'Capital'.
- (vi) No re-appropriation is permissible to increase the expenditure on an item, the provision for which has been specifically reduced by a vote of the Assembly.
- (vii) That an authority making allotments under a Grant or Appropriation does not allot amounts in excess of those available under the grant or appropriation.
- (viii) That the amount re-appropriated is available under the unit from which it is allotted.
- (ix) That the order is issued by the competent authority.

**2.4. Provision of funds by re-appropriation/supplementary grant for purposes of financial control: -**

**2.4.1.** (a) In all cases where additions made by re-appropriations to the grants under certain minor heads to meet expenditure sanctioned during the year, are found to be less than the ultimate savings effected under such minor heads, the re-appropriations as sanctioned apparently are to be

scrutinised with a view to seeing that there is no evidence of inadequate financial control. It is, however, clear that the re-appropriations made in the earlier part of the year do not necessarily involve inadequate financial control and should not, as a matter of course, receive adverse comments through re-appropriations should ordinarily not be made in earlier part of the year when the information available is not always adequate for making re-appropriation and should be postponed to such time when a more reliable forecast is possible. Re-appropriations made in the latter part of the year, when a more reliable forecast is possible should, however, be commented upon. If, therefore, reference is drawn to re-appropriations which seem to be unnecessary the date of re-appropriations should invariably be noted in the reference for an adequate appreciation of the situation.

**2.4.2.** A question was raised as to whether after a grant had been voted by the Legislature, it was within the competence of the Government to vary the provisions between the various sub-heads comprising the grant, keeping in view the provisions of Article 204 (3) of the Constitution. The Comptroller and Auditor General of India has held that the detailed estimates drawn up in Parts II and III of the Demands for Grants are merely for the information of Parliament/Legislature who do not vote separately for the expenditure for the component sums under the various sub-heads and that parts II and III have, therefore, no constitutional significance. Except in

the case of 'New Service' or 'New Instrument of Service' there is no restriction on the power of the Executive Government in the matter of administering the funds available within a grant, according to the requirement of the Administration. It was, therefore, decided that there is no constitutional invalidity in the procedure of re-appropriation of funds among sub-heads within a grant by the appropriate financial authority.

(CAG's letter No.1167/AC/110.58 dated 25.8.1958).

**2.4.3.** Similarly additional provision may also be made during the year by supplementary grant/appropriation. In such cases also it should be examined whether the nature of the expenditure was such as could be foreseen and necessary funds provided at the time of framing the original budget estimates. The adequacy of otherwise of the funds thus provided should also be scrutinised with reference to the circumstances of each case and the date(s) on which the supplementary grant was obtained.

**2.5. Detailed Procedure for conducting Appropriation Audit.**

**2.5.1.** As such the register in form MSO (A&E)-I 94 (Para 4 & 6 of Procedural Manual of Report Module) for each Grant Appropriation is generated from the computer upto sub/group heads alongwith supplementary grants, re-appropriation or surrenders and progress of expenditure month by month.

**2.5.2.** The second stage of appropriation audit is the audit of expenditure against allotments vide para 3.12 (ii) of Manual of Standing Orders (A&E) Vol.I.

Wherever lump sum provisions are made in the budget, immediate action should be taken to address the Government to intimate the distribution by sub/group heads or units of appropriation. The recoveries and deductions adjusted in the accounts as reductions of expenditure should be entered on a separate page in the register and actual recoveries noted against those entries every month to facilitate agreement of the postings in the Appropriation Audit Registers with the account figures. After posting the figures against the sub/group heads concerned the expenditure for the Major Head or Grant as a whole, should be struck, in the register and necessary agreement effected with the booked figures after taking note of the recoveries adjusted in the accounts as reduction of expenditure but excluded from the Demands for Grants.

(CAG's letter No.603-AC/23-50/Part-I dated 8.9.50 and CAG's letter No.1891-Admn.I/150-63 dated 6.8.1963).

**2.5.3.** The Appropriation Audit Register are generated alongwith the progress of expenditure against the grant as a whole as well as against the modified appropriations should be scrutinised and the register submitted to

the Branch Officer for review (vide para 3.14 and 3.15 of the MSO (A&E) Vol.I).

**2.5.4.** All funds found surplus to requirements are surrendered by the controlling officers to the Finance Department; these funds withdrawn from the sub/group heads concerned should be taken to head surrenders or withdrawals within grant or appropriation under each grant or appropriation, separately for 'Voted' and 'Charged'.

**2.5.5.** Appropriation audit should be conducted quarterly during the first six months of a financial year and thereafter every month in accordance with the provisions contained in para 3.8 to 3.15 of the Manual of Standing Orders (A&E) Vol.I.

(CAG's letter No.1891-Admn.I/150-63 dated the 6<sup>th</sup> August 1963).

**2.6. Results of appropriation audit :-**

**2.6.1.** Warning Slips (Para 6 of Procedural Manual of Report Module): - When the monthly postings in the Grant-cum-Appropriation Audit Register are completed and proved, the progress of expenditure against the grant/appropriation as a whole as well as against the modified allotment under each sub/group head of grant/appropriation should be scrutinised and warning slips in form No.Sy.266 should be issued to the controlling officers when excesses/uncovered are noticed or where it is anticipated that excesses are likely to occur. If from a re-appropriation order,

subsequently received, it is found that the allotment has been sufficiently enhanced to cover the excess, no warning slip need be issued even though there may be an actual excess in the month in which the audit is being conducted. The counter foils of the warning slips with necessary particulars recorded thereon, will be a sufficient record of objections issued and no objection book need be maintained for the record of objections raised for an excess over grant/appropriation.

Expenditure in excess of the amount of the grant or appropriation as well as expenditure not falling within the scope or intention of any grant or appropriation as specified in the schedule to an Appropriation Act, unless regularised by a supplementary schedule to the Appropriation Act as laid down in Article 205 of the Constitution, should be treated as unauthorised expenditure within the meaning of Article 204 (3) *ibid*.

**NOTE:-** It has been ruled by the Comptroller and Auditor General that, if there is an appropriation or re-appropriation of funds to a sub-head to which a particular new item of expenditure is to be debited than it is not necessary for audit to call for a definite additional appropriation or re-appropriation to cover the particular new item unless it is a new service not provided for in the budget in which case, it should be provided for in a Supplementary Appropriation Act. If, however, there is no appropriation or re-appropriation

under the sub/group head, audit should call for the necessary provision of funds and holds the item under objection until funds are provided. For watching these rare cases it is not necessary to maintain a special register.

(CAG's letter No.1074-Admn.32-AC/50 dated 14.6.1950).

**2.6.2.** Special warning should be issued when it appears that expenditure on any item, the provision for which has been reduced by the Legislature is likely to exceed the reduced grants/appropriation.

**2.6.3.** In cases State Legislature has made a specific stipulation that the funds obtained for a certain purpose should not be diverted to other purposes diversion of such funds by re-appropriation for meeting excesses within the grant causes by other reasons without a token vote should be mentioned in the Audit Report.

(CAG's U.O. Endorsement No.258-Rep/70-49/(iii) dated the 17<sup>th</sup> April, 1952).

**2.6.4.** Investigations of unspent or un-utilised appropriation under sub/group heads of appropriation and check of re-appropriations in accordance with the rules on the subject should also be undertaken.

**2.7. Completion of Appropriation audit :-**

**2.7.1.** A certificate to the effect that the postings in the Grant-cum-Appropriation Audit Register have been proved with the Consolidated Abstracts and that audit for the months under review has been conducted and

warning slips issued, where necessary , should be recorded by the Section Officer/Asstt.Accounts Officer on each of the Grant-cum-Appropriation Audit Register.

**2.7.2.** The Grant-cum-Appropriation Audit Register with the inspection memo should be submitted to the Branch Officer incharge for review by the 10<sup>th</sup> of the second following month to which the expenditure as entered in the Register relates.

**2.8. Vote on account-scope of Appropriation Audit :-**

It is unlawful to withdraw from the Consolidated Fund any sum in excess of what is provided in the Vote on Account Act unless (a) such an excess has been previously replenished from the Contingency Fund or (b) a final vote for the year and necessary appropriation has been granted by the Legislature before the occurrence of any such excess. It is not possible for Audit to prevent any such excess, over either the 'Vote on Account' or the final vote until and unless accounts have been separated from Audit and system of Exchequer control similar to that prevailing in the UK is introduced. The variation from the final votes will, however, be brought to the notice of Government and the Legislature. If the Vote on Account is definitely stated to cover a definite period of the financial year, the actual expenditure incurred within that period can be audited against the vote but the expenditure will not include any adjustments made in subsequent months

by book transfers. This ex-post-fact examination of the expenditure against the Vote on Account will serve no useful purpose so long as the Exchequer Control itself is not introduced. These matters should be brought to the notice of Legislature in Audit Report.

(CAG's letter No.386-Admn.II/207-52 dated the 20<sup>th</sup> March, 1953).

**2.9            Appropriation audit of expenditure incurred out of advances sanctioned from the Contingency Fund.**

**2.9.1.**        Unforeseen expenditure not covered by an Appropriation Act passed in accordance with the provisions of Article 204 of the Constitution has to be incurred by obtaining an advance from the Contingency Fund as provided under Article 267(2) *ibid* (Contingency Fund Act of the Rajasthan Government and rules framed by the Government regulating the transactions connected with the said fund are reproduced in **appendices VII and VIII** to this manual).

**2.9.2.**        Sanctions to advances out of the Contingency Fund are in the first instance received in Book Section for certification of availability of funds and thereafter copies thereof are forwarded to the sections concerned for scrutiny and further action. Copies of the sanctions as and when received in Appropriation Audit Section are noted in the Grant-cum-Appropriation Audit Register of the Contingency Fund treating the amount of advance sanctioned as the amount of allotment in that Register.

**2.9.3.** During Appropriation Audit it should be ensured that the actual expenditure out of advances from the Contingency Fund does not exceed the sanctioned amount. The recoument of advances to the Contingency Fund and the transfer of the actual expenditure to the Consolidated Fund by obtaining Supplementary Grant in the very next session of the Assembly. The same will be shown in the Appropriation Audit Register by minus entries ,thus reducing the progressive figures of the allotment and actual expenditure to nil.

**2.10. Preparation of Report on Expenditure (Monthly Appropriation Accounts) (Para 4 of Procedural Manual of Report Module): -**

**2.10.1.** In the chapter 3 of Manual of Standing Orders (A&E) Vol.I it has been mentioned that the responsibility of watching progress of expenditure against Grant or Appropriation devolves on the executive and the executive is ultimately responsible for keeping the expenditure with the Grant or Appropriation. Accountant General is responsible for watching that the total expenditure under a Grant or Appropriation does not exceed the amount of that Grant or Appropriation and the total expenditure on each of the sub heads/group heads fixed as units of appropriation under a Grant or Appropriation does not exceed the allotment as modified by orders of re-appropriation passed by competent authority from time to time. Keeping in

view the provisions, the Headquarters office has directed to prepare grantwise Report on Expenditure (Monthly Appropriation Accounts) should be prepared. It has also prescribed the following procedure to watch the expenditure made by the Government: -

- (a) Monthly demand wise figures (upto sub/group head) may be taken out which would give trend of expenditure. This would be on the lines of the final Appropriation Accounts.
- (b) The expenditure may be analysed to identify the areas with unusual features which would justify special attention, such analysis should be at least demand wise if not DDO wise.
- (c) This account will be sent to State Finance Secretary and Pr.A.G.(Civil Audit) demi-officially and report of same will be sent to Pr.Director (A&E):-
- (d) If there is no unusual features to report the same will be brought to the notice of Pr.Accountant General (Civil Audit) and P.D. (AEC);
- (e) The Report is to be prepared and submitted to State Government within 15 days after the submission of the Monthly Civil Accounts ;  
  
(CAG's letter No.78-103-AC-I/SP-II/14-97 dated 18-2-1997).

- (f) The information on the excluded accounts and the status of reconciliation will also be furnished to the state government alongwith the Report;  
(CAG's letter No.199-AC-I/SP-II/3-99 dated 19-4-1999).
- (g) The position regarding AC/DC bill will be enclosed with the Report;  
(CAG's letter No.83-AC-I/SP-III/18-97 KW dated 3-3-1999).
- (h) The Central Office has revised the name of Monthly Appropriation Accounts as " Report on Expenditure" of Grant No.----- for the month of ----- ,Government of Rajasthan.  
(CAG's letter No.638-AC-I/SP-II/10-2001-10-01 dated 3-10-2001).
- (i) The format of grantwise Report on Expenditure is given in Appendix IX to this manual.

## **2.11 Preparation of DDO/CO-wise Statement**

The voucher level computerization has facility for generating DDO-wise and CO-wise detailed statements of receipts and payments from the overall Consolidate/Consolidated Abstract of the accounting sections with the help of mandatory field of DDO in system. As regard the generating of CO-wise statements, it is only possible when the linking of Controlling

Officer-wise master with overall consolidate abstract are made in the system. The Controlling Officer-wise master is prepared by AAD Section in consultation with Finance Department.

**2.11.1 Generation of DDO-wise statements of receipts and expenditure will be as follows: -**

- a) In Voucher Level Computerisation the field of DDO will be mandatory.
- b) The accounting sections i.e. CA, Works, Forest etc. will generate and tally the totals of DDO-wise statements of receipt and payment with the Consolidated Abstract of concerned Major Head (Please see Procedural Manual of VLC for CA/Works/Forest for more details).
- c) The DDO-wise figures of “E-Public Debt” and “F-Loans and Advances” will be generated by the DD Section and CTS respectively. These sections will generate DDO-wise statements of receipt and expenditure and tally before authorization.
- d) The complete DDO-wise statements of receipt and expenditure after authorization by the concerned accounting section will be generated by the Book-I Section for furnishing to the State Government after despatch of

Monthly Civil Accounts through suitable electronic media i.e. floppy, CD etc. viz. by the 5<sup>th</sup> of the month following the sending of the Monthly Civil Accounts.

**2.11.2 Generating of Controller Officer-wise statements of receipt and expenditure (Para 6 of Procedural Manual of Report Module) will be as follows: -**

- a) AAD Section will prepare and update Controlling Officer Master every year.
- b) Generating of CO-wise statement of expenditure with two additional columns i.e. “Budget Estimates” and “Excess/Saving” against the budget allocation to reflect the comprehensive position of funds, uncovered expenditure etc. for financial management and monitoring of the respective Controlling Officer.
- c) The CO-wise statement of receipt and expenditure will be furnished to concerned Controlling Officer after duly tallying with overall consolidate.
- d) AAD section will furnish the statement to the Controlling Officers by 5<sup>th</sup> of every next month after despatching of Monthly Civil Accounts.
- e) The format of receipt and expenditure statement are given in **Appendix-X & XI** respectively to this Manual.

## **2.12            Reconciliation of expenditure figures:**

**2.12.1.**        According to the instruction contained in para 3.7 of the Manual of Standing Orders (A&E) Volume I, this office is responsible to see that suitable and adequate arrangement exist in all departments for effective control over expenditure. The detailed procedure for exercising this control is laid down by the Government of Rajasthan in Chapter IX of the Budget Manual Volume I. Revised memorandum with prescribed forms issued with Government of Rajasthan, Finance Department Circular No.F.36(33) F.1/53, dated the 20th January, 1954 is reproduced in **Appendix XII** to the Manual. The list of controlling authorities is given in Budget Manual Volume II of the State Government

**2.12.2.**        The State Government have time and again emphasised the importance of reconciliation and copies of relevant orders are reproduced in **Appendix XIII A & XIII B** to this manual. The following drill has been prescribed in this connection:-

- (a)            By controlling authorities stationed outside Jaipur: -
  - (i)            expenditure during the first four months viz. April to July is reconciled in the first week of September, expenditure during the next three months viz. August to October is reconciled in the first week of December and reconciliation for November and December is required to be done in the first week of February.

(ii) In respect of expenditure incurred in the remaining three months viz. January, February and March, reconciliation is done monthly i.e. expenditure of January will be reconciled in the first week of March, February expenditure in the first week of April and March expenditure on the dates intimated by AAD Section each year.

(b) By controlling authorities stationed at Jaipur: -

Reconciliation is required to be done every month in the first week of second succeeding month i.e. expenditure of April is to be reconciled in the first week of June and so on.

The date for reconciliation of expenditure booked in March (Preliminary), Accounts will be intimated to State Government and all controlling authorities well in advance by Appropriation Audit Section every year.

(FD Circular No.F.4(B) F1(1) Budget/91 dated 4-9-1991)

The controlling officers/ Heads of Departments and Finance Department of the State Government may also be apprised of the time schedule for reconciling the figures by the State Govt. representatives, intimating interalia that if the reconciliation is not carried out by the prescribed date(s) the figures booked by the Accountant General would be treated as final and those authorities alone would be responsible for variation, if any, arising out of non-reconciliation of figures in the accounts.

The accounts for March (Preliminary) and March (Supplementary) may accordingly be closed on due dates and action initiated to compile the Annual Accounts of the year. If, however, departmental representatives turn up subsequently for reconciliation, they may be provided all facilities. The discrepancies pointed out by them may be examined critically. If these discrepancies are pointed out before the closing of the Annual Accounts of the year and if these have any consequences on overall excess/savings under the grants/units of Appropriation which are likely to be commented upon, corrections may be carried out by incorporating belated journal entries. Other discrepancies may be corrected by keeping a note of error. All such cases should be put up to the Accountant General and his orders obtained.

A list of those departments whose representation do not turn up for reconciliation during the course of the year may be sent to the Heads of Departments/State Govt. in the Administrative and the Finance Departments. In cases where the delay in reconciliation of figures is persistent and/or the departmental representation do not turn up for reconciliation at all, suitable comment might be incorporated in the CAG's report.

(CAG's circular No.13-AC.II/1987 received with letter No.268-AC.II/62-86 dated 30.3.1987)

**2.12.3.** With a view to tightening over the work of reconciliation it has been decided that the Accounting Sections should permit reconciliation only if the departmental representative present a memo from Appropriation Audit Section. After completion of reconciliation work the Section Officer/ Assistant Accounts Officer of Accounting section will directly receive the discrepancy memos from the representatives duly verified and direct them to obtain a certificate of completion of reconciliation work from AAD Section.

The adjustments of discrepancies will be carried out, wherever necessary, by the respective accounting sections at the earliest opportunity and in no case after a fortnight from the date of receipt of discrepancy memos. The advice of adjustments should be issued to the controlling authorities and copy endorsed to Appropriation Audit Section.

(Office order No.TM.I/63-C/116 dated 8.7.63).

**2.12.4.** A monthly return in the following proforma showing the action taken on the discrepancy memos is to be submitted by all accounting sections on 10<sup>th</sup> of each month.

1. Opening balance
2. Number of memos action upon
3. Number of memos acted upon
4. Balance
5. Reasons

(Office order No.TM.I/63-C/7 dated 4/6.3.63 and TM/97-C4 dated 17/3/97).

**2.12.5.** To keep a watch over the progress of reconciliation a register will be maintained by each Sr.Accountant/Accountant of the Appropriation Audit Section; and register will be submitted to the Branch Officer on the 5<sup>th</sup> of every month. A consolidated report on the progress of reconciliation will also be submitted to the Accountant General on the 5<sup>th</sup> of every month; the names of defaulters are reported to the Finance Department quarterly during the first nine months of a financial year and thereafter monthly till the accounts are finally closed.

A report on the action taken by the Accounting Sections on the discrepancy memos handed over by the departmental reconciliation parties is also submitted to the Senior Deputy Accountant General/Dy.Accountant General (Accounts) on the 15<sup>th</sup> of every month.

**2.12.6.** As per Headquarters instructions to ensure regular reconciliation of accounts figures, the Finance Department has issued Standing Orders that Contingent bills of those Controlling Officers who fail to complete reconciliation of expenditure, incurred upto September, by December should be stopped from the month of January. A list of those Departmental Controlling Officers who do not reconcile their figures upto September accounts by December will be sent to Finance Department immediately.

(CAG's letter No.188-AC-I/SP-III/18-97 dated 24-2-98 and FD letter No.F.4(31) F-1(1) Budget/97 dated 31-5-1997)

**2.12.7.** The Headquarter Office has also decided to strengthen the present system of reconciliation. The State Govt. should furnish a list of officers with their specimen signatures in the month of May every year who would reconcile their figures with the figures of Accountant General. The present system of deputing a clerk by the departmental heads should be discouraged to ensure authenticity. Reconciliation team should be headed by at least the Jr. Accountant/Accountant.

The Finance Department has issued standing orders in this regard to all the Controlling Officers/Heads of Department.

(CAG's letter No.82-AC-I/SP-III/18-97 dated 4-3-99 and FD letter No.F.4(88)/FD-1(1)/B/99 dated 3-8-99).

**2.12.8.** The Comptroller and Auditor General has decided that even after the accounts of a year have been closed and comments have been included in the Audit Report about the extent to which departmental reconciliation of audit figures had not been completed, it would be essential that the Accountant General should pursue with the State Government the question of completing the reconciliation of the outstanding items. In case the departments fail to do so, the position regarding the reconciliation for the earlier year also should be prominently indicated in subsequent Audit Reports.

(CAG's letter No.4900-TA.I/440-65 dated the 17<sup>th</sup> December 1965).

**2.13. Preparation of statements of Grants and Appropriation.**

**2.13.1.** As soon as March (Supplementary) Accounts are closed and after including all annual adjustments in the accounts, statements of Grants and Appropriation showing the original grants or appropriation, the supplementary grants or appropriations, the modifications by re-appropriations, withdrawals or surrenders sanctioned during the year under each sub/group head as also the actuals for the year should be supplied to the controlling officers concerned for acceptance of the figures of expenditure and for supply of explanations for variations between the original/total grant or appropriation and the actual expenditure. Specimen of forwarding letter is given in **Appendix XIV** to this manual. Express reminders followed by demi-official reminders with copies to administrative departments concerned should be issued if acceptance and explanations are not received within a fortnight. As a last report the matter should be brought to the notice of the Finance Secretary demi-officially. As and when any belated adjustments are carried out, making any changes in the Appropriation Accounts already sent, controlling officers should immediately be apprised of the changes.

**2.14. Belated adjustments:**

**2.14.1.** Even after March (Supplementary) Accounts, adjustments might crop up affecting Appropriation and Finance Accounts. Such late

adjustments should be carried out only after consulting Book and Appropriation Audit Section.

## CHAPTER –3

### STATE APPROPRIATION ACCOUNTS AND FINANCE ACCOUNTS

#### I-APPROPRIATION ACCOUNTS

#### **3.1.       General**

**3.1.1.**       Articles 149 and 151 of the Constitution of India, and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 prescribe that the Comptroller and Auditor General, shall prepare and present both Appropriation Accounts (in the case of accounts compiled by him) and Finance Accounts.

Both these accounts are documents of considerable importance and should receive very careful attention. Adequate measure should be taken to ensure the accuracy of the information which they contain.

The Appropriation Accounts are classified statements of grants and expenditure for the year to exhibit the excess or saving as the case may be, over the final grant or appropriation. The Appropriation Accounts were prepared for the year prior to 1960-61 by sub-heads treated as units of appropriation as prescribed by the Finance Department; the Accounts for 1960-61 were prepared with the consultation of the State Government and Public Accounts Committee by group-heads with a view to eliminating unimportant matters and enhancing the usefulness of the publication.

**3.1.2** The following is the standardized text of the certificate of the Comptroller of Auditor General of India to be recorded in the Appropriation Accounts:

The Appropriation Accounts have been prepared and examined under my direction in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. On the basis of the information and explanations that my officers required and have obtained, I certify that these accounts are correct, subject to the observations in my Reports on the accounts of the Government of Rajasthan being presented separately for the year ended.....

**3.1.3.** The total expenditure of Government is spread over numerous sub/group heads but variations worthy of notice by Legislature occur in only a few of them. No particular purpose is served by repeating in the Appropriation Accounts figures of grants and appropriations in respect of a large number of sub/group heads in which variations are small and call for no comments. The Appropriation Accounts should be so designed that the Legislature and the Public Accounts Committee, can without wasting their time on petty and irrelevant details judge for themselves whether Government's control over expenditure has been adequate; whether money intended for one purpose has been diverted to another; whether there has been undue and unjustified savings; and whether there has been excess

expenditure on object on which Legislature wanted economy. It was, therefore, further suggested by the Comptroller and Auditor General that the Appropriation Accounts from the year 1961-62 should exhibit the total Grant/Appropriation, actual expenditure and draw attention by way of suitable explanatory notes under each grant, to important cases of defective budgeting and control giving relevant particulars about the sub-heads in which these have occurred. The suggestion was concurred by the Central/State Public Accounts Committee and has been given effect to from the Appropriation Accounts of the Central /State Governments for the year 1961-62. For purpose of illustration, the Appropriation Accounts of the Central/State Governments for the year 1961-62 should be referred to. Expenditure is required to be booked under the sub-heads as per budget provision and cases of irregular expenditure, unnecessary and excessive re-appropriations etc. will be examined and continued to be reported in the Appropriation Accounts.

(CAG's letter No.1258-Rep/94-60 dated the 16<sup>th</sup> May 1961 and No.1715-Rep/137-62 dated the 18<sup>th</sup> August 1962).

### **3.2. Preparation of Appropriation Accounts-**

#### **3.2.1. Form of Appropriation Accounts**

The Appropriation Accounts, as at present prepared, include-

- a) A consolidated statement showing the total amount of funds (original and supplementary) provided by the Legislature under

each voted grant and charged appropriation and the actual expenditure incurred against each and saving or excess thereof.

The Audit certificate of the Comptroller & Auditor General of India is recorded below the statement.

- b) Appropriation Accounts of each grant/appropriation, additional funds provided during the year by supplementary grants/appropriation, total grant/appropriation actual expenditure saving or excess in the grant/appropriation as a whole and the amount surrendered during the year.

This is followed by 'Notes and Comments' which will bring to the notice of the Legislature, (giving relevant particulars of the group heads) excesses over grants/ appropriation requiring regularisation, expenditure booked against the grant/appropriation but not really debit to it, expenditure incurred on a new service without specific authority of the Legislature, unjustified or excessive provision of funds leading to large saving and lapses and also cases of defective control over expenditure, e.g. excessive, irregular, or unjustified re-appropriations or surrenders within the grant/appropriation (vide para 1.2 of MSO (A&E) Vol.II).

Test of Introductory para on Appropriation Accounts is given in

**Appendix-XV.**

### **3.2.2. Confirmation of final grant/appropriation :**

. For this purpose a circular letter should be issued in the first week of May each year to all heads of departments, and Controlling Officers requesting them to depute their departmental representatives for reconciliation of final grant/appropriation recorded in this office in respect of grants/appropriations controlled by them.

**NOTE:** - In order to avoid delay in the finalisation of Appropriation Accounts due to failure on the part of the Executive to supply essential information and to reconcile the departmental figures of expenditure with the accounts compiled by this office, the Comptroller and Auditor General has directed that the Appropriation Accounts should be finalised on the basis of such facts as are available with this office without waiting further after the specified target date for replies from the administration and that this office should not carry the responsibilities for delay on the part of the administration.

(CAG's office order No.560-Rep/62-65 date the 18<sup>th</sup> April 1956 and letterNo.1621-Rep/242-56 dated the 23<sup>rd</sup> October 1956).

The instructions contained in para 2.11.2 of this manual may also be followed in this regard.

### **3.2.3. (a) Posting of form of Appropriation Accounts :-**

**Appendix II of MSO (A&E) Vol.II (Para 4 and 6 of Procedural Manual of Report Module).** The original grant/appropriation,

supplementary grant/appropriation and re-appropriation should be noted in col.1 against each head and the resultant final grant/appropriation noted in Col.2 surrenders or withdrawals, if any, within the grant/appropriation should be noted in the Appropriation Accounts as the last head. The total grant/appropriation should then be worked out and agreed with the final grant/appropriation as shown in the Grant-cum-Appropriation Audit Register. The grant portion of Detailed Appropriation Accounts (Column 1 & 2) should be furnished to Pr.A.G. (Civil Audit) for first stage scrutiny of Appropriation Accounts.

(b) Column 3- Actual expenditure will be posted when the accounts for the year are closed and figures to the end of March supplementary and Journal entries, if any, worked out and posted in the Grant-cum-Appropriation Audit Register. The accounts will be completed thereafter by working out the variations and posting them in column 4.

**NOTE: -** Expenditure met from advance from the Contingency Fund is not included in the body of the Appropriation Accounts. A suitable note should be given below the Appropriation Accounts of the Grant/Appropriation concerned indicating expenditure met from the Contingency Fund against advances not reimbursed to the fund during the year.

(c) The following points should be borne in mind while preparing and checking the Appropriation Accounts-

- (i) that the nomenclature of the heads of accounts together with the distinguishing letters and numbers as given in budget estimates has been correctly adopted ;
- (ii) that the original and supplementary grants or appropriations have been correctly posted;
- (iii) that the totals of actuals in column 3 by minor heads agree with those in the working sheets, and in respect of Public Works and Irrigation Grants with the relevant figures in the Finance Schedules as well;
- (iv) that surrenders or withdrawals within the grant or appropriation agree with the figures shown in the Grant-cum-Appropriation Audit Register;
- (v) that the details workup to the total;
- (vi) that the Controlling Officers have accepted the final grants and actuals of expenditure; if not, the matter has been taken up with the Controlling Officers concerned;
- (vii) that instances of defective control over expenditure, i.e. whether re-appropriations sanctioned by an authority have resulted in

enhancing savings or excesses as compared with original appropriation, have been commented upon separately; and

(viii) that all items of expenditure on “new service” which were sanctioned during the year under report for which funds were not provided either in the budget or by means of supplementary grants have been commented.

**3.2.4.** The provision against “Deduct” heads in a grant that is intended for more allocation of expenditure within the same grant should not be excluded from the body of the Demands for grants; details of the budget allotment and actual recoveries are consequently to be treated as distinct sub-heads of appropriation in the Appropriation Accounts for the grant.

(CAG’s letter No.510-Rep./18-52/II, dated 18<sup>th</sup> May, 1963).

**3.2.5.** **Summary of Appropriation Accounts:-** Para 6 of Procedural Manual of Report Module, after all the Appropriation Accounts have been prepared, ‘Summary of Appropriation Accounts’ should be prepared in the prescribed form. The figures should be checked with those in the Appropriation Accounts and in the statements prepared for inclusion in the State Finance Accounts. The excess of expenditure over the grant or savings should be shown by adopting the term ‘Excess’ or ‘Saving’ only.

(CAG’s letter No.94-Rep(s)/6-87 dated 27.1.87).

Below the summary, the total actual recoveries against all grants/appropriation will be given so as to effect agreement with the figures shown in Statement No.10 of Part-II-A of the Finance Accounts. Details of actual recoveries by grants/appropriations will be appended as an Appendix to the Appropriation Accounts.

A sub-para regarding the expenditure met from Contingency Fund should be given in the following form below the summary-

“The expenditure shown in the summary of Appropriation Accounts does not include an amount of Rs.-----met by advances from the Contingency Fund which were not recouped to the fund during before the close of the year. The details of this expenditure are as follows:-

Major Head	Amount of advance sanctioned Rs.	Date of sanction	Expenditure from the advance Rs.	Date of recoupment of advance in the subsequent year.
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**3.2.6.** The following is the standardised text of the certificate to be recorded over Comptroller and Auditor General’s signatures in the Appropriation Accounts.

The Appropriation Accounts have been prepared and examined under my direction in accordance with the requirements of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act,1971. On the basis of the information and explanations that my officers required

and have obtained, I certify that these accounts are correct, subject to the observations in my Report on the accounts of the Government of \_\_\_\_\_ being presented separately for the year ended 31<sup>st</sup> March.

(Authority :CAG's General Circular No.2/99 and letter No.60 AC-I/SP-II/96-98 dated 12-2-1999).

**3.3. Framing of explanations for variations: -**

**3.3.1. Selection and drafting of comments: -**

- (a) Explanations for variations are framed keeping in view the instructions contained in Appendix III to the Comptroller and Auditor General's Manual of Standing Orders (A&E) Vol.II on receipt of replies from the heads of departments and controlling officers to whom the Appropriation Accounts are furnished as laid down in para 2.13 of this manual.
- (b) Comments regarding the grant as a whole e.g. excesses requiring regularisation or large saving (a comparison being made with the position in previous years); total amount surrendered with the grant being considerably in excess of or smaller than the amount of savings available for surrender.
- (c) Comments relating to group heads presented under conventional headings e.g. cases of 'New Service', unnecessary advances from Contingency Fund, also non-drawal of advances

from the fund where excess expenditure could have been foreseen or for expenditure on a New Service, excessive provision of funds, either at the budget stage or by supplementary grant or re-appropriation. Special attention may be drawn to schemes remaining unexecuted although substantial budget provision was made; in such case, it may be indicated whether there was hold up in execution even though budget provision had been made after the scheme had been considered and sanctioned.

Attention may also be drawn to cases of important scheme/work where the budget provision in the preceding 2 or 3 years as well remained un-utilised to a substantial extent.

**3.3.2. Procedure for obtaining explanations from controlling officers:**

The following procedure should be observed with a view to early finalisation of the Notes and comments.

- a) As the notes and comments incorporated in the Appropriation Accounts arise mainly as the result of scrutiny of (i) reappropriation orders, surrenders orders and supplementary grants; and (ii) reasons for the final savings and excesses, the following action should be taken to avoid any delay in the

finalisation of Appropriation Accounts owing to delay in the receipt of explanations for variations from the Controlling Officers.

- (i) Re-appropriation orders, surrender orders and supplementary grants- these should be carefully scrutinised as and when received and further information, such as, particulars of the schemes not implemented and the reasons therefore or the particulars of the schemes, works etc. for which additional funds were obtained and the reasons for their non-inclusion in the original budget may be called for, without waiting for the closing of the accounts, in all important cases likely to merit mention in the notes and comments included in the Appropriation Accounts. Comments regarding surrenders and re-appropriation of funds may thus be drafted and sent to the Controlling Officers and heads of departments for their comments without waiting for the closing of the accounts.

**Note:-** The detailed probe into the re-appropriation/surrender orders for ascertaining reasons for abnormal variations in Appropriation Accounts, with reference to departmental files at various levels, will be conducted by the Accountant General (Audit) as contemplated in Headquarters Office

letter No.1290-Rep(s)/59-84 (KW) dated 27.9.84 read with letter No.212-Rep/(s)59-84(KW) dt.25.2.85.

- ii) Reasons for final excesses and savings - Important cases of variations between the final grants and actual expenditure may be picked up soon after the March Supplementary accounts are closed. The Controlling Officers may be asked to explain the variations; in order to secure from the Controlling Officers as complete information as possible, it will be helpful if the break-up by units of appropriation of the final savings or excesses under the heads is invariably furnished to the departments, pointing out specifically the particular schemes, works, programmes etc. under which the saving or excess is appreciable. The idea is that an analysis of the final variation should be done in order to pin-point the actual item which mainly contributed to it.

**3.3.3.** The following points should be borne in mind while drafting explanations for variations (Para 4 & 6 of Procedural Manual of Report Module): -

**(i) A. Overall savings in a Grant/Appropriation.**

I- If a grant/appropriation has an overall saving of less than 2 percent of the total provision made there under, no notes or comments on

savings are necessary under individual sub-heads. For this purpose Revenue (Voted), Revenue (Charged), Capital (Voted) and Capital (Charged) should be treated as separate grant/appropriation.

Even in cases where the overall saving is 2 percent or more under a grant/appropriation no explanation is necessary for saving in respect of the sub/group head where the saving/excess is 10 percent of the provision made there under or less.

Even if the saving/excess under a sub/group head is more than 10 percent of the provision made thereunder, no explanation need be given in the Appropriation Accounts:

- (i) If the total provision under 'Revenue-Voted' below a grant is;
  - (a) more than Rs.30 crore and the saving/excess under a sub/group head is less than Rs.40 lakh.
  - (b) between Rs.10 crore and Rs.30 crore and the saving/excess under a sub/group head is less than Rs.20 lakh.
  - (c) less than Rs.10 crore and the saving/excess under a sub-head/group is less than Rs.10 lakh.
- (ii) If the total provision under 'Capital-Voted' below a grant is;
  - (a) more than Rs.20 crore and the saving/excess under a sub/group head is less than Rs.40 lakh.

- (b) between Rs.10 crore and Rs.20 crore and the saving/excess under a sub/group head is less than Rs.20 lakh.
- (c) less than Rs.10 crore and the saving/excess under a sub/group head is less than Rs.10 lakh.
- (iii) In respect of 'Revenue-Charged' and 'Capital-Charged' if the saving/excess under a sub/group head is less than Rs.5 lakh.

**(ii) B. Overall excesses in a Grant/Appropriation.**

If under a grant/appropriation, expenditure incurred is more than the provision made thereunder, the excess required regularisation. However, in the Appropriation Accounts, explanation to the excess/saving under sub-heads need be given only as stated below:-

I- If the excess under sub-heads exceeds 10 percent of the provision made thereunder and the excess is more than Rs.2 lakh. In the following cases, even if the excess is less than 10 percent of the provision, explanation may be given in the Appropriation Accounts: -

- (a) If the total provision under 'Revenue-Voted' below a grant is :
  - (i) More than Rs.30 crore and the excess under a sub/group head is more than Rs.20 lakh.

- (ii) Between Rs.10 crore and Rs.30 crore and the excess under a sub/group head is more than Rs.10 lakh.
  - (iii) Less than Rs.10 crore and the excess under a sub/group head is more than Rs.5 lakh.
  - (b) If the total provision under 'Capital-Voted' below a grant is :
    - (i) more than Rs.20 crore and excess under a sub/group head is more than Rs.20 lakh.
    - (ii) between Rs.10 crore and Rs.20 crore and the excess under a sub/group head is more than Rs.10 lakh.
    - (iii) less than Rs.10 crore and the excess under a sub/group head is more than Rs.5 lakh.
  - (c) In respect of 'Revenue Charged and Capital charged, if the excess under a sub-head is more than Rs.5 lakh.
- II. Where there is overall saving under the grant or appropriation, the explanation to the savings under the sub/group heads, may be given according to the above stated provisions.

Of course, it will be open to the Accountant General to include in the Appropriation Accounts all such cases of variations which he considers important enough to be brought to the notice of the Legislature irrespective of the limits mentioned above.

(Para 5 of XXI Report of Rajasthan State PAC (1984-85) presented to State Vidhan Sabha on 18<sup>th</sup> October 1984 and CAG's letter No.1712/Rep(s) 200-

84 dated 17<sup>th</sup> December, 1984 and Report/PAC/13/Vol.IX/TR-II-83 dated 10.6.99)

(ii) Savings arising from temporary postponement of expenditure should be distinguished from the results of economy, retrenchment of deliberate abandonment of projected schemes. If a service or work for which provision was made in the budget is deliberately abandoned in order to make funds available for purpose in respect of which no such provision had been made, the fact may be mentioned.

(iii) If a lump sum deduction for probable savings had been made in the budget, comments should be made if the savings actually realised were substantially less or were considerably in excess of anticipations.

(iv) All cases of excesses over Grant/Appropriation should be critically examined to see that the excesses are not due to misclassifications in accounts remaining unrectified. Reasons for the excesses should also be carefully analysed with a view to bringing out whether the nature of expenditure was such as could have been foreseen and covered by provision of funds either by taking a vote of the Legislature or by an advance from the Contingency Fund. A careful study of the detailed Appropriation Accounts of the Grant is necessary to locate the main heads, the additional expenditure under which really led to the grant voted by the Legislature (i.e. original plus supplementary) being exceeded.

In certain cases, it might happen that the additional expenditure (which was not contemplated at the time of making the budget provision) occurred under one head (“A”) and this excess was covered by re-appropriation of funds from one or more of the heads (“B” and “C”) but the expenditure under “B” and “C” might flow and excess if the amounts re-appropriated there from had been excessive. In such cases, the explanation should bring out that the excess was really due to additional expenditure incurred under head “A” to cover which adequate provision of funds had not been made.

(v) The notes and comments must be arranged under the sections “Revenue” and “Capital”. Under each of these the comments for the voted grants and charged appropriations wherever required, must come separately. Different serial numbers for notes and comments under each section (Revenue or Capital) must be given.

(vi) Excess/Savings mentioned under a grant/appropriation must be properly balanced keeping in view the overall saving/excess.

In cases where the percentage of excess/saving on the original provision is large, it might be seen whether large excesses/savings had occurred under the same heads in the earlier years also, compared with the original provisions for these years.

Attention may be drawn to cases of abnormally large increase in expenditure on staff when the expenditure on a scheme has not progressed to a substantial extent.

(vii) It should not normally be necessary to include in the Appropriation Accounts/Comments in cases where the variations do not exceed the prescribed limit. It is not the intention that all cases where the variations exceed the prescribed limit should be mentioned. A judicious selection should be made to keep in view all instances of variations so that if such instances are numerous a higher monetary limit could be adopted so as to lay emphasis on significant variations.

(viii) For obtaining wanting explanations, special efforts should be made right from the beginning and at all appropriate levels, even through parties and special messengers, as may be necessary, so that proper reasons are incorporated even in the first draft of the accounts sent to the Office of the Accountant General (Audit). General explanations like less/more requirement/ expenditure or based on trend of actual and so on should be avoided and reasons should be specific.

(ix) Minus expenditure, minus balances against stock, miscellaneous work advances and workshop suspense, plus balances against purchases and all similar typical features must be examined in depth with a

view to effecting reconciliation and where it is not possible to reconcile them they should be explained suitably through footnotes.

(x) Saving/Excess must be seen in the background of original plus supplementary provisions, if any and not after taking into account re-appropriations.

(xi) The heads to be listed (when furnishing explanations to the office of the Accountant General (Audit) must follow the budgetary arrangement. Where, however, the bulk of the variations is under one or more heads, these heads should first be mentioned in a separate note with the heads arranged in the order of the size of the variations. This note should be followed by another note where the significant cases of variations are listed in the budgetary order (Refer item A-III(iii) of the note circulated with CAG's letter No.826-Rep/102-70 dated 25.4.1970).

(xii) Reasons for variations under a head must be arranged in descending order of amounts.

xiii) Comments regarding supplementary grant being unnecessary etc. must be recorded after properly verifying that no amount was required by way of token provisions for recoupment of advances from the Contingency Fund.

(xiv) Explanations below the heads should be so drafted as to draw attention to the main factors e.g. scheme which remained unexecuted, the

circumstances in which savings could not be surrendered or excesses were left uncovered, etc. Where necessary, a remark should be added that an explanation for the saving/excess which occurred under the provision for .....(here state the name of schemes or other units in which the provision was not utilised or proved inadequate) and the circumstances under which it was left unsurrendered/un-covered by a further provision of funds has not been furnished by the controlling officers.

(xv) Each important case of defective budgeting or control should be analysed as far as possible and the defect brought out in the explanations below the respective heads themselves. For example, instead of a mere statement that this is a case of over budgeting, a more explanatory remark should be given e.g. the provision which was made for such and such purpose/scheme was not utilised owing to non-receipt of sanctions, stores, etc., and the allotment thus rendered surplus was not surrendered before the close of the year etc.

Similar remarks should be made where the whole or a substantial portion of the additional provision made by supplementary grants or reappropriation was not utilised. The dates on which additional funds were provided by supplementary grants and appropriations, should be given in important cases to show that even at a late stage in the year the requirements had not been properly assessed.

(xvi) Reasons for saving/excess given under various heads should be brief, cogent and specific, vague explanations like ‘mainly due to restrictive sanction’, ‘additional funds were provided to meet additional expenditure,’ etc. which are not informative should be avoided. Long explanations for comparatively less amounts of saving/excess should also be avoided.

(xvii) The comment against the head “surrenders or withdrawals within the grant or appropriation” should be in one of the following forms as may be relevant: -

(1) “Against the amount of Rs. \_\_\_\_\_ surrendered in the voted/charged section, the actual saving came up to only Rs. \_\_\_\_\_”.

(2) “The surrender of Rs. \_\_\_\_\_ was not justified since the actual expenditure exceeded the final grant by Rs. \_\_\_\_\_”, variations involving relatively small amounts or a small percentage of the total should not be commented upon.

(CAG’s U.O. No.238-Rep/335-61-III dated the 1<sup>st</sup> Feb., 1962).

(xviii) Explanations in respect of those heads of Grants/Appropriations such as Interest on debt and other obligations, etc., the budget for which are de-facto framed by and expenditure controlled through, this office, should be

initially framed by this office, wherever possible and sent to government for information.

(xix) If there are a number of cases where explanations for variations have not been furnished, a note in the following form should be inserted below the grants concerned.

“Explanations for variations have not been furnished by the Controlling Officers in case of \_\_\_\_\_ heads (out of \_\_\_\_\_).”

(xx) Explanatory notes, etc. on items such as Suspense Accounts Deposit Accounts, Depreciation Reserves and Funds, expenditure met from advances from the Contingency Fund which were not subsequently reimbursed to the fund will be included under the respective grants. The names of sections responsible for supply of the material for reviews, paragraphs are given in **Appendix-XV-A**. The date for furnishing the data are prescribed each year by Appropriation Audit Section.

(C.A.G's letter No.2010-Rep./137-62-IV dated the 9<sup>th</sup> October, 1962).

The explanatory notes on Deposit Accounts, Depreciation Reserve Funds etc. should be made sufficiently explanatory to indicate: -

a) Relation of the deposit accounts or the fund to the grant under which the note appears.

b) Purpose for which the fund has been constituted, procedure followed in budgeting and accounting of transactions pertaining to the fund.

c) Amount of expenditure (which has been included in the expenditure booked against the provision made under the grant) met out of fund during the year and the closing balance at the credit of the fund.

(C.A.G's letter No.1482-Rep/156-64 dated the 20<sup>th</sup> August, 1964).

(xxi) The explanations for variations framed in the manner indicated above should be forwarded to the Controlling Officer/Heads of Departments concerned for acceptance and furnishing explanations for variations wherever they are wanting. On receipt of the reply from the Controlling Officer/Heads of Departments the explanations already framed should be reviewed in the light of comments furnished and the final explanations submitted to the Accountant General for approval.

(xxii) In important cases of unnecessary or excessive provision of funds by supplementary grants or re-appropriations, the dates on which the additional funds were provided may be given to bring out the stage at which such provision was made without proper assessment of the requirements.

(xxiii) Where there is an excess under a grant/appropriation as a whole (i.e., the excess requires regularisation) all the group heads under which excesses over the provision have occurred, may be analysed and the particular sub-heads or scheme in respect of which the provision (original

plus supplementary) proved inadequate, brought out. Sub-heads where the amount of excess involved is trivial, need not be separately mentioned.

(xxiv) Cases of provision of large funds by reappropriation should be examined with a view to ascertaining how far funds for large increase in expenditure under any item are, year after year, provided for by reappropriation instead of making provision of funds in Budget Estimates.

**Note:-**In **Appendix XVI** have been reproduced the common points noticed by CAG's office during the course of examination of the draft Appropriation Accounts for 1981-82, which maybe taken care of while drafting the notes and comments initially and in checking by the supervisory staff and officers.

(Auth:- CAG of India general circular No.4/83 forwarded vide No.425-37-83 dated 10.3.1983)

#### **3.3.4. Subsidiary information in the Appropriation Accounts.**

The instructions in this regard as contained in Appendix III of MSO (A&E) Vol.II may be observed.

#### **3.4. Treatment of items wrongly included in an Appropriation**

##### **Act passed by State Legislature:**

If for some items of expenditure not to be met from the Consolidated Fund, a demand is voted and consequential provision made in the Appropriation Act under a mis-apprehension, the obvious thing to do is not to utilise the demand and the provision made in the Appropriation Act

will lapse. There is no need in such cases to amend the Appropriation Act to delete this item.

The Appropriation Act only authorises the withdrawal of the sums specified from the Consolidated Fund, but the executive is not bound to withdraw all of it and any amendment to deduct or omit a specified item would be meaningless.

Once an item is voted or charged and included in the Appropriation Act, even though wrongly, the provisions of Section 10(i) of the C.A.G's (D.P.C.S.) Act, 1971 come into operation and an Appropriation Account, therefore, becomes necessary though it will not show any expenditure against the grant or appropriation.

(CAG's letter No.179-AC/15-5/dated 10<sup>th</sup> March, 1952)

Discrepancy between figures shown in the Schedule of Appropriation Act and the Budget Estimates - A copy of the CAG's letter dated 26.9.70 intimating as to how to deal with cases of discrepancy between the figures shown in the schedule to the Appropriation Act and the Budget Estimates of the Government is given in **Appendix XVII**.

**II – FINANCE ACCOUNTS (Para 7 of Procedural Manual of Report  
Module)**

**3.5.        General: -**

**3.5.1**        In addition to the general principals contained in Chapter II of the Comptroller and Auditor General’s Manual of Standing Orders (A&E) Vol.II, the latest procedure laid down for drafting of Finance Accounts issued by the Comptroller and Auditor General of India as modified from time to time, should be strictly followed in compiling the Finance Accounts of the Govt. of Rajasthan.

**3.5.2**        The accounts of the Government are kept in 3 parts; each part consists of several statements. A brief description of each Part, Sections, Head of Accounts and Coding Pattern is given in **Appendix-XVIII A**. The names of sections responsible for the preparation of the statements are indicated in the **Appendix-XVIII-B** to this manual.

**3.5.3**        The following is the standardised text of the certificate of the Comptroller and Auditor General of India to be recorded in the Finance Accounts: -

“This compilation containing the Finance Accounts of the Government of \_\_\_\_\_ for the year \_\_\_\_\_ presents the accounts of the receipts and outgoings of the Government for the year, together with the financial results disclosed by the revenue and capital

accounts, the accounts of the public debt and the liabilities and assets as worked out from the balances recorded in the accounts. The Appropriation Accounts of the Government for the year for Grants and Charged Appropriations, presented separately, supplement this compilation.

These accounts have been prepared and examined under my direction in accordance with the requirements of and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. According to the best of my information, as a result of audit of these accounts, the accounts now presented read with the observations in this compilation are correct statements of the receipts and outgoings of the Government of \_\_\_\_\_ for the year \_\_\_\_\_. Points of interest arising out of the study of these accounts as well as test audit conducted during the year or earlier years are contained in my Report being presented separately for the year ended 31<sup>st</sup> March, \_\_\_\_\_ Government of \_\_\_\_\_".

(Auth:-CAG's General Circular no.2/99 and letter No.AC-I/SP-II/96-98 dated 12-2-99).

### **3.6 Preparation of statements, etc. by other sections:-**

**3.6.1** To avoid duplication and consequent delay, the sections should prepare the statements in the same form in which they are included in the Finance Accounts.

**3.7. Instructions for the preparation of statements:-**

**3.7.1** The sections will keep in view the following points while preparing the statements: -

- (i) Abbreviations are not used in the nomenclature of the accounting heads which should be a verbatim reproduction of those found in the list of Major and Minor Heads of Accounts, etc.
- (ii) The actuals for the years which should be agreed with the relevant figures in the Consolidated Abstracts, should be shown in round units of rupees, the rounding off being generally made by neglecting fractions of a rupee not exceeding 50 paise and by addition one to the last unit in rupees when the fraction exceeds 50 paise. The major heads totals should be first rounded off so as to work up to the grand total and then the minor heads totals under each major head rounded separately so as to work up to the total of the major head concerned. In this process it may sometimes be necessary to neglect even such a large fraction as 99 paise and to take as one rupee a small fraction as one paise.
- (iii) Minus entries under all heads other than 'Deduct' heads should be explained by means of suitable footnotes. Similarly

explanations for plus entries under 'Deduct' heads' should be given.

**NOTE:-** While reviewing the statements in Appropriation Audit Section, it should specifically be seen that valid reasons for minus expenditure under all heads and plus expenditure under deduct heads have been given in the footnotes.

(CAG's circular No.200-Comp/51-68 dated 12.2.1970).

(iv) The figures entered in Statements No.10,12,13 and 16 should not include expenditure met out of the Contingency Fund and not recouped during that year. The amount of such expenditure may, however, be mentioned suitably by way of footnotes at the appropriate places.

(CAG's letter No.1886-Rep/197-65 dated the 9.10.1963).

(v) Whenever balances outstanding at the end of the previous year have been carried forward the same should invariably be checked with the printed Finance Accounts of that year. Any change in the opening balance should be suitably explained by means of a footnote.

(vi) Important changes in classification and accounting procedure introduced during the year may be explained by way of footnotes at the appropriate places.

(CAG's letter No.117-Rep/12-38 dated 28<sup>th</sup> March, 1958).

**3.8. Submission of statements and other material to Appropriation Audit Section:-**

**3.8.1** The dates on which the statements are to be furnished by the various sections to Appropriation Audit Section, are prescribed in the circular issued annually by the section for furnishing the material for Finance Accounts.

**3.8.2** The statements and other material prepared by the sections should be absolutely accurate and complete. The material duly approved by the Group Officer with the certificate of checks should be furnished to the Appropriation Audit Section by the due dates positively; Appropriation Audit Section should bring all cases of delay in the receipt of material in the notice of the Accountant General.

The Branch Officers and Group Officers are required to keep a close watch over the progress of the work in the sections under their charge and to report to the Accountant General serious cases of delay, etc.

**3.8.3** The statements prepared by other sections are checked and processed in the Appropriation Audit Section before inclusion in the Finance Accounts.

**3.9. Responsibility for the accuracy of Statements, etc.**

**3.9.1** The Section Officer/Asstt.Accounts Officer of the Section concerned will be personally responsible for the accuracy of the statements

and other material compiled in his section and their submission to the Appropriation Audit Section by the prescribed date.

**3.9.2** The submission of the statements and other material to the Appropriation Audit Section by the due dates should be watched through the Sectional Calendar of Returns.

**3.10** **Submission of working sheets to Appropriation Audit Section.**

**3.10.1.** Book section will transmit all the working sheets to Appropriation Audit Section by the prescribed dates to enable the later to check the statements received from different sections; the working sheets should be completed in all respects and certified on the lines indicated in the manual of Book Section, by the section nominated in this behalf by the Accountant General. Once the working sheets are handed over to Appropriation Audit Section, no changes in the figures therein should be made without informing the later.

**3.11** **Compilation of Finance Accounts:-**

**3.11.1** The checking of the various statements and other material should be taken up as soon as these are generated from computer and received in case of Statement No.3, 6 & 14 from concerned Sections. It should be seen that the same have been prepared in accordance with the instructions issued by the CAG of India. The Head of accounts upto minor

head should be as per the list of major and minor heads alongwith corrections, if any, issued in this regard. The Finance Accounts is prepared in two parts i.e. Part-I Summarized Statements and Part-II Detailed Accounts and other Statements.

### **3.11.2 Summary of Transactions**

The comparative figures of two years i.e. preceding and current year's total Receipts and Outgoing under various Sections, Sub-Sections and Major Heads alongwith it is also disclosed the financial results of the State Government i.e. Revenue Surplus/Deficit, etc.

**3.11.3** Explanation for large and important variations between the actuals for two (current and preceding) years under all heads of account (revenue and expenditure) are called for from the Controlling Officers/Finance Deptt. in the last week of June and included in the Explanatory Notes below Statement No.1 Summary of Transactions.

**3.11.4** Taxation changes during the year: - A paragraph bringing out fresh taxes/increase in the rates of existing taxes levied during the year is included in the Explanatory Notes below Statements No.1- Summary of Transactions; the paragraphs brings out the details of taxes levied, estimated yield and actual realisation. Information on these points will be collected by the Appropriation Audit Section from the Finance Department. Apart from

this, the Section may consult the budget speech for requisite information regarding change in taxation.

**3.11.5** Receipts from the Government of India: -A paragraph bringing out the receipts from Government of India which forms part of revenue receipts of the State Government is included in the Explanatory Notes below Statement No.1.

**3.11.6 Capital Outlay – Progressive Capital to the end of.....**  
**(Statement No.2):** - The Capital expenditure upto preceding and current year alongwith expenditure incurred during the year is given in the Statement. The position of (i) pending Proforma Accounts alongwith the financial results, as disclosed in the proforma accounts of schemes which are declared commercial by the State Government, (ii) the details of total investments made during the year, (iii) return on investments etc and (iv) the comparative position of total investments in last three years is included in the Explanatory Notes below Statement No.2.

**3.11.7. Financial results of Irrigation works:- (Statement No.3)**

Financial results of irrigation works of which Capital and Revenue Accounts are kept, bring out the financial results of those Irrigation Canals/Schemes which have been opened for service and their Capital and Revenue Accounts are being maintained. Accordingly, those Irrigation

Canals/Schemes which are still under construction should be excluded from the statement.

(C.A.G's letter No.4382-Rep/454-59 dated 30.12.1959).

. In the Explanatory Notes below the statements, paragraphs are included on the following points: -

(a) Classification of Irrigation Canals/Schemes into 'Productive' and 'Unproductive' works, test of productivity and details of works coming under each category.

(CAG's letter No.2027-Rep/340-62 dated 12.10.1962).

(b) Arrears in the assessment and collection of water rates together with Canalwise/Schemewise and yearwise analysis of outstanding revenue.

(CAG's letter No.1075-Admn.II/52-57 date the 20.5.57 and CAG's letter No.2027-Rep/340-62 dated 12.9.1962).

### **3.11.8. Financial results of Electricity Schemes :-**

. The financial results of electricity schemes the administration of which has been transferred to the five Government Companies are not included in the State Finance Accounts; the financial results of other schemes administered by Government may be included in the Finance Accounts as and when the schemes are opened for service and their Capital and Revenue Accounts are maintained.

**3.11.9 Debt position –(Statement No.4):** A consolidated statements of borrowings, other obligations and expenditure incurred in servicing the debt and other obligations is given in this statement.

The Explanatory Notes below the statements of borrowings give information on the following points: -

- (a) Purpose for which the borrowings have been made from various sources like Public, Central Government, Statutory Corporations like Life Insurance Corporation, etc., and Government servants.
- (b) Amortisation arrangements for repayment of debt.
- (c) Delay, if any, in the repayment of debt.
- (d) Extent to which repayment of loans has been effected from revenues or from borrowed funds.
- (e) How for loans raised during a year were realised (a) in cash (b) by conversion of earlier loans falling due for repayment.
- (f) Exhibition of burden of interest charges on revenue: -

In the case of adjustment on account of interest from commercial departments, while credit is taken to the receipt head 0049 Interest/ Receipts a debit is given to the service head pertaining to the commercial department concerned. Thus, so

far as the Revenue Accounts as a whole is concerned the burden of expenditure on interest remains unaffected.

The burden of interest charges on revenue is exhibited in the manner indicated below: -

- (i) Interest paid by Government: -
  - (a) On Public Debt and Small Savings, Provident Funds, etc.
  - (b) On other obligations.
- (ii) Deduct
  - (a) Interest received on loans and advances given by Government.
  - (b) Interest realised on investment of cash balances.
- (iii) Net amount of interest charges.
- (iv) Percentage of gross interest item (i) to total revenue receipts.
- (v) Percentage of net interest item (iii) to total revenue receipts.

There were in addition certain other receipts and adjustments totalling Rs. \_\_\_\_\_ such as interest received from commercial departments. If these receipts are also taken into account, the net burden of interest on the revenues will be Rs. \_\_\_\_\_ working out to \_\_\_\_\_ percent of the revenue.

Government also received during the year a sum of Rs. \_\_\_\_\_ by way of dividends on investments in various commercial

under-takings, etc. These investments were made mainly out of borrowed funds.

(CAG's letter Nos.2438-Rep./269-59 dated 10.7.1959-1830-Rep/197-63 dated 5.10.1963, 1358-Rep/255-65 dated 27.6.1966 and 1601 Rep./100-66 dated 29.7.1966).

**3.11.10. Loans and Advances by the State Government (Statement No.5): -**

The sector-wise details of amount outstanding at the commencement and at the end of the year together with the amounts advanced and repaid during the year are given in Statement No.5. Information may also be given separately regarding the extent of recoveries in arrears both principal and interest, in respect of categories of loans, the detailed accounts of which are maintained by (a) the Departmental Officers and (b) by the Accounts Office.

**3.11.11. Guarantees given by Government for repayment of loans raised by Statutory Corporations, Government Companies, Local Bodies and Other Institutions (Statement No.6): -**

The statement will be preceded by a brief preamble indicating the nature of guarantees given by Government and a factual mention as to whether or not any law has been passed by the Legislature of the State under the provisions of Article 293 of the Constitution, laying down the limits

within which Government may give guarantees on the security of the Consolidated Fund of the State.

. The guarantees falling under broad categories like Statutory Corporation/Boards, Government Companies, Co-operative Societies, Joint Stock Companies etc. be given by totals under each category. A further analysis within these categories may also be attempted according to the nature of the guarantees given e.g. under Government Companies, guarantees may be (a) for payments for supplies received from abroad and (b) for cash credit facilities extended by Banks to such companies. Details of guarantees given to Joint Stock Companies other than Government Companies, may , however, be given in respect of each company.

Short descriptive notes, e.g. the nature of the guarantee given, any unusual features regarding such guarantees, conditions attached by Government while giving guarantees and how far they have been implemented, guarantees invoked during the year, should be added in the statement, where necessary.

(CAG's letter No.1930-Rep/197-63 dated 5.10.1963).

**3.11.12. Cash balances and Investments of cash balances (Statement No.7):-**

. Explanatory notes may be given elucidating the technical terms or other points requiring clarification. The amount, period and rate of

interest paid in respect of the ways and means advances and Treasury Bills should be mentioned as also the amount of interest realised on Cash Balances Investments.

(CAG's letter No.1830-Rep./197-63 dated 5.10.63).

**3.11.13. Summary of balances under Consolidated Fund, Contingency Fund and Public Account(Statement No.8):-**

The extent of delay in conveying acceptance of balances relating to Debt, Deposit and Remittance heads by the departmental officers is brought out in the Explanatory Notes below the statement in the manner indicated below: -

(a) Information regarding the number of acceptances awaited, the earliest year from which they are awaited and the money value of such acceptances is exhibited in the proforma given below: -

Head of A/c	No.of acceptance awaited	Year from which acceptances are awaited	Amount outstanding in respect of these items as on the 31 <sup>st</sup> March _____ (in lakhs rupees)
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(b) the broadsheet figures that is reported to the departmental officers for acceptance should form the basis for exhibition of figures.

(c) the earliest year for which the acceptance is due should be indicated in each case for when the acceptance of the

departmental officers in respect of the latest balances is received, the outstanding acceptance in respect of that item relating to earlier years would have been treated as settled.

(CAG's letter No.2352-Rep/169-66 dated 25.10.1966).

- (d) In this statement the sectors which are actually operated upon in the accounts and shown in Statements No.11 and 12 (for Revenue Receipts, Revenue Expenditure and Capital Expenditure) and in Statement No.16 (for inter-state-settlement and suspense and miscellaneous) should alone be indicated.

**3.11.14. Statement of Revenue and Expenditure under different heads expressed as a percentage of Total Revenue/Total Expenditure-Statement No.9: -**

The statement brings out the (i) percentage which the revenue/expenditure under a particular head bears to the total revenue/expenditure (ii) the percentage of total expenditure met by a particular source of income and (iii) the percentage of revenue consumed by or utilised on a particular service.

Major headwise details for Tax Revenue, Sectorwise details for Non-Tax Revenue and Grants-in-aid and Contribution in lump (Receipt side) are included in this statement. Similarly Major Head wise details for Fiscal

Services (Expenditure side) and sector wise details for the rest items are included in the statement. Figures are taken from Statement No.1.

(CAG's circular No.3080-Rep/252-75 dated 6.11.1975).

. Expenditure on Capital Account which has no relation to the revenue is not included in the statement.

(CAG's letter No.268-Rep/20/Ref/49 dated 18.7.1950 and 538-Rep/100-50 dated 21.11.1950).

**3.11.15. Statement showing the distribution between charged and voted expenditure (Statement No.10): -**

The statement exhibits charged and voted expenditure distinctly under Revenue Account, Capital Account and disbursements under Public Debt, Loans and Advances and Inter State Settlement.

**3.11.16. Detailed Account of Revenue by Minor Heads (Statement No.11): -**

. Details of revenue under each major heads by minor heads will be given in this statement. The totals of major heads and also the total amount under each sub-sector/sector should be shown. The total of revenue receipt under all the major heads may be given at the end of the statement.

**3.11.17. Detailed Account of Expenditure by Minor Heads (Statement No.12): -**

(a) The statement will contain details of expenditure under each major head by minor heads. But in respect of capital heads only major headwise totals will be given with a footnote for "details by minor heads

please see Statement No.13.” The Non-plan/Plan/Centrally Sponsored Schemes/Voted/Charged expenditure are to be exhibited in the order in which they occur in Budget documents.

(b) Footnote on number of pensioners should be included under relevant major head of expenditure as well as under the relevant head of Social Security in Statement No.12

(CAG’s DO Letter No.246-AC-I/SP-II/60-05 dated 2.8.2006).

**3.11.18. (a) Detailed statement of Capital expenditure during and to the end of the year (Statement No.13): -**

Details of individual works/schemes are given in the Statement only if they constitute separate minor head under a major head or where the sanctioned estimates/actual progressive expenditure of the works schemes exceed Rs.1 crore. The expenditure on other works/schemes are shown in lump (as is done in the Combined Finance and Revenue Accounts in the case of Irrigation Works).

Expenditure from the Consolidated Fund and Contingency Fund are not exhibited separately in the statement; expenditure met from the Contingency Fund but not recouped during the year is, however, indicated by means of a suitable footnote.

(CAG’s letter No.2011-Rep/363-61 dated 18.9.61 and 1487-Rep/188-64 dt.20.8.64 read with General circular No.3/99 and letter No.124-AC-I/SP-II/159-92 dated 16 March 1999).

**(b) Statement of Commitment - list of incomplete capital works (Annexure to Statement No.13).**

A list of incomplete capital works under Irrigation, Public

Works, PHED etc. may be detailed in the proforma given below:

Name of Project	Cost of work + sanction order No.	Date of commencement	Target date of completion.	Revised costs (if any)	Expenditure upto date	Remarks
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(CAG's letter No.1-DG(Audit)/27-97 dated March 10, 1997).

**3.11.19. Details of Investments of Government in Statutory Co-operations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies, etc (Statement No.14): -**

- (a) In this statement the investments of Govt. in the shares, debentures etc. to be detailed in view of Statutory Corporation, Government Companies, other Joint Stock Companies,. Co-operative Banks and Societies, etc. are exhibited.
- (b) The following points should be kept in view while compiling the statements:-
  - i) The difference in the figures of amount invested and that calculated with reference to the number of shares and face value of shares should be suitably explained.

- ii) In cases in which the concerns are running at loss, the year from which the concerns were running at loss and the total cumulative loss may be indicated.
- iii) Position of dividend/interest received on investments.
- iv) The difference between the figure of total investment shown in the statement and that of progressive capital outlay shown in Statement No.13 may be explained through footnotes.  
(CAG's letter No.1487-Rep./188-64 dated 20.8.64).
- v) Investment in co-operative societies are exhibited category wise only (societies falling under a category are grouped together and exhibited in one place). The remarks column should indicated against each category (i) the number of societies which have incurred loss during the year and the total number of loss, (ii) period from which the societies have generally been incurring losses, (ii) number of societies which have gone into liquidation etc.

(CAG's letter Nos.1027-Rep/161-61 dated 17.4.61 and 2011-Rep./363-61 dated 18.9.61).

If the dividend paid during the year under review actually pertained to the earlier year or the dividend declared during the year has not yet been paid to Government, the fact may be mentioned in the 'Remarks'

column of the statement. The 'Remarks' column may also contain the financial results as per the Accounts of the Institution.

**3.11.20. Statement showing capital and other expenditure (other than on Revenue Account) to end of the year and the principal sources from which funds were provided for the expenditure (Statement No.15):-**

The pattern to be adopted for 'Capital and Other Expenditure' and 'Loans and Advances' is given in Finance Accounts for 1974-75.

(CAG's DO No.1987-Rep./252-75 dated 20<sup>th</sup> September, 1975).

**3.11.21 Detailed statement of Receipts, Disbursements and Balances under heads of accounts relating to Debt, Contingency Fund and Public Account (Statement No.16):-**

- (a) In this statement figures may be given by Minor Heads except in the case of Public Debt, Small Savings, PF etc. and Loans and Advances in respect of which the Minor Head wise details are given in Statement No's. 17 and 18.
- (b) Minus expenditure should be explained suitably.
- (c) Difference between the case balance according to books of Government and that reported by bank, indicating the factors responsible for such difference may also be mentioned in a suitable footnote.

**3.11.22 (a) Detailed statement of debt and other interest bearing obligations of Government (Statement No.17):-**

Since each denomination of loan is not treated as a minor head under the list of Major and Minor Heads of Account, the total figures of all such loans under the minor heads have to be shown in this statement. An annexure to Statement No.17 may be added to give details of the individual loans in support of the total figures under minor heads exhibited in Statement No.17.

(b) Details of Internal Debt of the State Government (Annexure to Statement No.17 should also be given).

**3.11.23 Detailed statement of Loans and Advances made by Government (Statement No.18):-**

- (a) In this statement, the details of loans and advances by the State Govt. are shown Minor/Minor/Sub head-wise:
- (b) Minus expenditure should be explained suitably.
- (c) The amount of interest received and credited to revenue shown in the statement should be tallied with figures shown under "0049 Interest Receipts" in Statement No.11.
- (d) If loans outstanding from an institution is specifically mentioned in the Statement under more than one Major Head, suitable footnotes may be added.

- (e) At the end of this statement detailed of loans advanced during the year for "Plan" and "CCS" (including Central Plan) purposes may be mentioned in the form below: -

**Major Head of Account**                      **Amount Rs.**

**3.11.24 Statement showing the details of earmarked balances (Statement No.19):**

This is prepared on the basis of authorised major and minor heads and the figures should agree with those in statement No.16.

(CAG's DO No.1987-Rep/252-75 dated 20.9.75).

**3.11.25 Appendix-I** – Comparative details of last three years Investment of Government in Statutory Corporations, Government Companies, Other Joint Stock Companies and Co-operative Banks etc.

**3.11.26 Appndnix-II** – Details/information awaited from Departmental/Treasury Officers in connection with reconciliation of balances.

**3.11.27 Appendix-III** - Detailed account of acceptance of balance awaited.

**3.11.28 Annexure-IV** – Details of Grant-in-aid given by the State Government to the local bodies in the format shown in **Appendix-XIX-A** to this Manual.

(CAG Letter No.157-AC-I/SP-II/07-203 dated 19.4.2005)

**3.11.29 Appendix-V** – Details of expenditure booked under the object head “Salary” to be given in the format shown in **Appendix-XIX-B** to this Manual Grant-in-aid to Institutions for salary purpose is not to be taken.

(CAG’s DO Letter No.246-AC-I/SP-II/60-05 dated 2.8.2006)

**3.11.30 Appendix-VI** – Details of subsidies given by the State Government in the format shown in **Appendix-XIX-C** to this Manual.

(CAG’s DO Letter No.246-AC-I/SP-II/60-05 dated 2.8.2006)

**3.11.31 Exhibition of cash balance:-**The cash balance of Government, opening and closing, will be exhibited in the Finance Accounts as a single balance for all the three parts viz. Consolidated Fund, Contingency Fund and Public Account, till it is split up.

(CAG’ letter No.129-Rep/52-51 dated 29.2.52).

**3.11.32 The Contingency Fund is only an account head and not a Reserve Fund.It is not, therefore, necessary to include it in the statement of earmarked balances.**

**3.11.33 Procedure for exhibition in the Finance Accounts of Loans notified for discharge during the course of a financial year: -**

Though loans notified for discharge during the course of a financial year cases to bear interest from the due date of discharge, yet such loans should be retained under minor head ‘Market Loans bearing interest’ during the year of discharge and all claims paid during the year of discharge

and all claims paid during the year should be adjusted against the same minor head. In order to show the balances correctly in the Finance Accounts of the year, only the unclaimed balances left, after making all payments during the year, should be transferred to the minor head “Market Loans not bearing interest” by proforma corrections’ in the closing balances of the minor heads as at the end of the year, with suitable footnotes there against in the Finance Accounts elucidating the split up of the balances.

(CAG’s circular letter No.120-AC/197-69 dated 5.2.70).

**3.12. Certain important instructions issued by the Comptroller and Auditor General of India for finalisation/submission of draft Finance Accounts.**

**3.12.1.** (i) In Statement No.1 alphabets and numerals of Sector and Major Heads of Accounts may invariably be given.

(ii) Sometimes it is stated that the information about new/additional taxation measures is not available for incorporation in Statement No.1 (and Chapter-I of the Audit Report). This information should be collected well in time (from the budget documents or from the State Government) before taking up compilation of the Accounts.

(iii) Summarised statements in Part-I of the Accounts are based on detailed accounts which are exhibited in Part-II. It has been noticed that in some cases footnotes qualifying figures in the detailed accounts and other

statements are not re-produced in the summarised statements. The summarised statements should be compact and self-contained and the figures contained therein should be the same as in the Detailed Accounts and other statements duly qualified by footnotes where necessary.

(iv) Footnotes explaining expenditure met out of the Contingency Fund should also be given in Statement No.17 and 18 (besides Statements No.12 and 16).

(v) In order to facilitate scrutiny by the office of the Accountant General (Audit) office notes explaining reasons for differences between corresponding figures in the various detailed accounts and other statements should be given in the margin or on the facing page.

(vi) A key note explaining the working of the figures shown in Statement No.15 except those which are individually and specifically in the connected statements should be given as an office note on the facing page in Statement No.15 to facilitate scrutiny and minimise back referencing.

(vii) In a number of cases the amount of dividend shown in Statement No.14 differs from corresponding figures in Statement No.11 and the reasons for difference are stated to be under investigation. This investigation should be taken up in advance of compilation of the accounts so that the discrepancy, if any, is settled by the time the Finance Accounts are ready.

(CAG's letter No.780-Rep/176-71 dated 12.5.71)

(viii) Figures in Finance and Appropriation Accounts should be depicted as under: -

A	Finance Accounts	(a)	Statement No.8,10,11,12, 13,14,16,17,18 & 19	In thousands of Rupees
		b	Statement No.1 to 7, 9 & 15	In lakhs/crores of Rupees
B	Appropriation Accounts	a	Summary of Appropriation Accounts	In thousands of Rupees
		b	Reconciliation between Finance and Appropriation Accounts	In thousands of Rupees
		c	Grant-wise appropriation details	In thousands of Rupees
		d	Notes and comments	In lakh of Rupees

All the figures, independent of them being in thousands, lakhs or crores should have commas in the following format: -

9999, 99, 99, 99

(CAG Letter No.286-AC/MIS/287-2003 KW dated 10.6.2004)

c) The rounding of the figures in thousands would also be valid for the Appendices relating to “details of expenditure met from advances from Contingency Fund which were not recouped to the Fund before the close of the year” and “details of recoveries which have been adjusted in the Accounts in reduction of expenditure” in the Appropriation Accounts.

d) Figures in Appendices in the Finance Accounts which were shown in Rupees earlier should be depicted in thousand of Rupees. For the appendices which had been shown in lakhs or crores of the Rupees may be continued to be shown as usual.

e) In case of summary of Appropriation Accounts, the details of excess expenditure in all the Grants should be shown in brackets in Actual Rupees for the purpose of regularization of Excess expenditure.

(CAG's Letter No.395-AC/MIS/287/2003 dated 21.7.2004)

(ix) As per rules prescribed, the expenditure on 'Grant-in-aid' to local bodies is to be classified as Revenue expenditure.

(CAG Letter No.1053-Rep.(S)/AR/2004-05/F.Acctts./05 dated Sept.2005 received on 30.10.2005)

### **3.13 Correction to the Accounts after transmission to Accountant General (Audit):-**

**3.13.1** Ordinarily no corrections to the Accounts are allowed after their transmission to the Principal Accountant General (Civil Audit). However, corrections deemed absolutely essential are to be carried out after obtaining necessary order of the Accountant General (A&E) and the same should be communicated to the Principal Accountant General (Civil Audit) for correcting the copies already sent to him.

### **3.14 Submission of material for the Combined Finance and Revenue Accounts:-**

**3.14.1** In order to make available fiscal data on Union and States at quickest pace to various stakeholders, it has been decided by the CAG vide his Office letter No.4-AC-III/CFR/ROB/407-99-QW dated 4.1.2006 to have a separate overview on Combined Finance and Revenue Account based on provisional figures from the year 2004-05 onwards and this work is to be taken up as and when March (S) figures would be available with A&E offices immediately after closure of March (Sy.) Accounts for any year. The final overview along with the CFR Accounts Vol-I, II & III is taken up for preparation after final figures are available from State Finance Accounts of various States. Model copy of the overview was circulated to Accountant General (A&E) vide CAG's Office letter *ibid*. To facilitate the completion of Combined Finance and Revenue Accounts by the CAG, the Tables, annexures, statements etc., as shown in **Appendix-XX** to this Manual, are to be sent to AG(A&E), Punjab who has been entrusted the work of preparation of Combined Finance and Revenue accounts for the year 2005-06.

**SECTION-III : CHECKING, PRINTING AND FINAL SUBMISSION  
OF ACCOUNTS**

**3.15.           Checking and finalisation of the accounts and clearance for their printing.**

**3.15.1**       The accounts should be thoroughly checked by the AAO/SO and AO/Sr.AO incharge of the compilation of annual accounts. The Group Officers should monitor the process closely under A.G's guidance.

(CAG's DO No.12-AC-MIS/212-2005 dated 19.1.2006)

**3.15.2**       The Finance Accounts in the first instance are checked by the Internal Audit Section (ITS)with a view to ensuring that the figures of actual shown therein agree with the figures of actualize exhibited in the relevant Appropriation Accounts and working sheets.

**3.15.3**       The Internal Audit Section is required to conduct the quality checks of Finance and Appropriation Accounts. It is also essential that the balances under Suspense and Remittance heads including the adverse balances are cleared and rectificatory action is taken before the accounts are finally closed.

(Para 5 of Deputy CAG's DO Letter No.82-AC-MIS/212-2004 dated 10.2.2004)

**3.15.4**       This check should be completed well in time so that the accounts are sent to the Principal Accountant General (Civil Audit) by due

date for independent and through check and for a formal and specific clearance for final printing.

**3.15.5** The ultimate responsibility of examination and finalisation of State Finance Accounts and Appropriation Accounts has been delegated to the respective Principal Accountants General (Civil Audit) pursuant to the decision taken in the workshop on Accounts and Audit held in August, 1986 and the post-facto check by the Headquarters office has been dispensed with.

**3.15.6** The time schedule as fixed by the CAG of India from time to time for the finalisation of the material for inclusion in these accounts by the concerned Accountant General (A&E) and the completion of their check by the respective Principal Accountant General (Civil Audit) is prescribed, which should be adhered to meticulously.

- |       |   |                               |
|-------|---|-------------------------------|
| (i)   | Transmission of Finance Accounts by Accountant General (A&E) duly checked by ITA to Principal Accountant General (Civil Audit). | Date as fixed by Hqrs. Office |
| (ii)  | Transmission of the Appropriation Accounts by Accountant General(A&E) to Prncipal Accountant General (Civil Audit)              | Date as fixed by Hqrs. Office |
| (iii) | Return of the Finance Accounts duly checked by the Principal Accountant General (Civil Audit) to Accountant General (A&E).      | Date as fixed by Hqrs. Office |
| (iv)  | Return of the Appropriation Accounts duly checked by the Principal Accountant General (Civil Audit).                            | Date as fixed by Hqrs. Office |

The observations/comments of the Principal Accountant General (Civil Audit) will be attended to and settled by the Accountant General (A&E) within one week of the return of the checked copies of the Finance Accounts and Appropriation Accounts. These accounts should be certified by Principal Accountant General (Civil Audit) on.

- |     |                        |                                  |
|-----|------------------------|----------------------------------|
| (1) | Finance Accounts       | Date as fixed by<br>Hqrs. Office |
| (2) | Appropriation Accounts | Date as fixed by<br>Hqrs. Office |

The printed copies of Finance Accounts and Appropriation Accounts should be submitted latest by 20 Sept. every year (or as fixed by Headquarter office) for the signature of the C.A.G. of India.

(CAG's General circular NO.2 and letter No.223 AC-MIS/212-2002 dated 11-4-2002)

The Accountant General (A&E) shall also furnish the following information after the close the accounts of a financial year to enable Headquarter's Office to keep a watch over the progress in their preparation, finalisation and printing.

- (i) Date of preparation of Finance Accounts and Appropriation Accounts.
- (ii) Date of handing over these accounts duly checked by ITA wing to the Audit Office for check.

- (iii) Fortnightly progress report (as on first and fifteenth of a month) about printing of the accounts in the proforma given in Annexure 'A' to this chapter as per Headquarters office circular letter No.878 AC-II/10-90 dated 17-9-90 General Circular No.23-AC-II/1990.

### **3.16. Printing of Accounts:**

**3.16.1 Introductory Paras** The Finance Accounts and Appropriation Accounts and Accounts At a Glance will be printed in separate compilation with introductory paras as given in **Appendix XV** to this Manual.

#### **3.16.2. Size of the publications:**

The Finance Accounts, Appropriation Accounts and accounts at a glance should be printed in RA-IV size (Appreciation size 21.5 cms. x 30.5 cms). As regards selection of colours, Accountant General may select a suitable colour.

(CAG's letter No.1530-Rep(s)/136-87 dated 22<sup>nd</sup> September 1987).

#### **3.16.3. Embossing facsimile signatures of the Comptroller and Auditor General of India.**

(i) The facsimile signatures of the Comptroller and Auditor General of India should be embossed in the Accounts. The name of the Comptroller and Auditor General of India should be got printed within

brackets just below the place meant for his signatures leaving sufficient space for his signatures.

(CAG's letter No.2465-Rep/134-67-III dt.30.11.68 and No.147-Rep/350-66 dated 28.1.1967).

(ii) The space between the certificate and the name of the Comptroller and Auditor General should be one and half (1 1/2) inch.

(CAG's letter No.926-Rep(c)/73-90 dated 15-5-90).

(iii) The designation of the Comptroller and Auditor General of India in the Hindi version should be as under: -

**भारत के नियंत्रक महालेखा-परीक्षक**

(CAG's letter No.926-Rep.(C)/73-90 dated 15-5-90).

(iv) The words "New Delhi" along side Comptroller and Auditor General's signatures should be in the same line as the words in brackets mentioning his name.

(CAG's endorsement No.694-695/Rep/350-75 dated 7<sup>th</sup> July 1975-Original letter containing list of corrections is in the file NO.AAI/6-1/74-75).

#### **3.16.4. Printing of copyright symbol of the Accounts:**

The following symbol will be printed on the back page of the copies of the accounts: -

COMPTROLLER AND AUDITOR GENERAL OF INDIA

20\_\_\_\_\_.

(CAG's letter No.931-Admn.II/7462 dated 27<sup>th</sup> June, 1962 and Government letter No.F.,5(67)F(B)/62 dated 24<sup>th</sup> September 1962)

**3.16.5. Timely Printing:**

(i) Duly formatted print of Finance Accounts, Appropriation Accounts and Accounts At a Glance should be supplied to press for offset printing of these books.

(ii) If there is delay in printing of Finance Accounts, Appropriation Account and Accounts At a Glance, the same may be got printed at a private press after observing the codal requirements and sounding the State Government on reimbursement of expenditure on printing. In case, the expenditure needs to be met out of this office budget allotment, pending reimbursement decision of the State Government, provision for the same could be included in the requirement of funds furnished to AC(N) with detailed report of the action taken up by this office with the State Government.

(CAG's letter No.732-AC-MIS.213-2000 dated 18-12-2000).

(iii) Whenever delays in printing are anticipated, the Accountant General may keep the Governor's Secretary and the Chief Secretary informed about the delays. This may also be reported to Headquarters office for considering issue of a letter by the Comptroller and Auditor General to the Finance Minister and/or the Governor of the State.

(Additional Dy.CAG's DO Letter No.792-Rep/294-78 dated 23<sup>rd</sup> August 1978 and DO Letter No.1272-Rep/62-81 dated 28<sup>th</sup> August 1981).

(iv) Printing charges of these books will be borne by the State Government.

**3.17. Submission of printed copies to Comptroller and Auditor General.**

**3.17.1** Twenty printed copies (including four copies for the signatures of the Comptroller and Auditor General of India) of each account are required to be submitted to the Headquarter office by the date as fixed by the CAG of India.

**3.17.2** One additional copy of the Finance Accounts and Appropriation Accounts without bearing fascimile signatures of the Comptroller and Auditor General of India is also required to be sent to the Headquarters office for onward transmission to the Secretary to the Governor of the State. On these copies the word 'S/d' will be subscribed over the signature space of the Comptroller and Auditor General by the Headquarters office along with the date on which the Comptroller and Auditor General of India has signed these Accounts and will be sent to the Secretary to the Governor with a covering letter signed by Additional Dy.Comptroller and Auditor General (Report-States)

(CAG's letter No.1345-Rep(c)/87-88 dated 4<sup>th</sup> August 1988).

**3.17.3. Before submission, all the copies are compared with reference to the office copies and mistakes corrected neatly by hand.**

3.17.4. The Finance Accounts and Appropriation Accounts are to be prepared both in English and Hindi and both the versions are signed by the Comptroller and Auditor General of India. In order to reduce the time lag between the date of finalisation of the Accounts and their printing, the work of translation of the draft account into Hindi may be taken up simultaneously with the transmission of the copies to the Principal Accountant General (Civil Audit) for checking. Changes to the extent necessary in Hindi text of the Accounts may be made when the copies of the draft accounts, as finalised by the Principal Accountant General (Civil Audit) are received by the Accountant General (A&E). While forwarding the Hindi version of the Accounts for Comptroller and Auditor General of India signatures, following certificate may be recorded by the Accountant General (A&E): -

“I have gone through the accounts prepared both in Hindi and English and certify that this (Hindi) text is identical with the English text.”

(CAG’s letter No.1414-Tech.Admn.II/372-71 dt.24.8.72 read with CAG’s letter No.1377-AC.I/217-86 dated 17.12.86 and No.878-Rep(s)/19-87 dated 6<sup>th</sup> November, 1989)

**3.17.5. Certificates regarding preparation of Accounts:**

Certificates to be given in respect of preparation of Finance Accounts and Appropriation Accounts by Accountant General (A&E) and Audit certificate to be given by Principal Accountant General (Civil Audit) in respect of Finance Accounts and Appropriation Accounts as prescribed vide Annexures I,II and III respectively to the Comptroller and Auditor General's letter No.1290-Rep(s)/59-84(KW) dated 27<sup>th</sup> September 1984, are given below. These certificates should be sent while forwarding the printed copies of the Accounts to Headquarters. The Accountant General (A&E)/Audit, while furnishing these certificates, will specifically mention the fact of compliance of the instructions regarding check of the accounts laid down, in Comptroller and Auditor General's letter No.1377-AC.I/217-86 dated 17<sup>th</sup> December, 1986.

**(i) Certificate to be given in respect of preparation of the Finance Accounts and Appropriation Accounts by Accountant General (Accounts):**

The accounts of the Government of \_\_\_\_\_ for the year \_\_\_\_\_ forwarded herewith have been prepared by me in accordance with the requirement of Article 149 of the Constitution of India read with the provision of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. I have obtained all the

information and explanations wherever necessary, subject to the observations in this compilation, I certify, to the best of my knowledge and belief that these accounts are correct statements of receipts and disbursements of the Government of \_\_\_\_\_ for \_\_\_\_\_.

ACCOUNTANT GENERAL(A&E).

(ii) **Audit certificate to be furnished by Principal Accountant General (Civil Audit) in respect of Finance Accounts of State Government.**

I certify that the accounts compiled by Accountant General (Accounts and Entitlement) for incorporation in the Finance Accounts of the Government of \_\_\_\_\_ for the year \_\_\_\_\_ have been examined and audited by me in accordance with Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

I certify that subject to the observations in the Report of the Comptroller and Auditor General of India and in the Finance Accounts, I am satisfied that the balances whether in cash or investments, under each head under "Debt, Deposit and Remittances" have been duly verified and found to agree with those shown in the separate registers or other records maintained in the Accounts Offices and that the debits and credits to the various Reserve Funds and Deposit Accounts were for amounts authorised by relevant Acts

or Rules of the funds and that there were no diversions for purposes other than those for which the funds were constituted or the grants were made.

I have obtained all the information and explanations necessary and according to the best of my information and on the basis of certificates I have obtained from other Audit Officers, to the extent they are responsible for the audit of these accounts and as a result of test audit carried out under my direction and on a consideration of the explanations given to me, I certify that, to the best of my knowledge and belief, the accounts are correct subject to the observations made therein and in the report of the Comptroller and Auditor General of India for the year \_\_\_\_\_(Civil), Government of \_\_\_\_\_. Checks on behalf of Headquarters office have been applied on the lines indicated in the Headquarters Office Circular letter No.1377-AC-I/217-86 dated 17-12-1986 while scrutinizing the Finance Accounts for the year \_\_\_\_\_.

PR. ACCOUNTANT GENERAL(CIVIL AUDIT)

(iii) **Audit certificate to be given by Principal Accountant General (Civil Audit) in respect of Appropriation Accounts of State Governments.**

The Appropriation Accounts of Government of \_\_\_\_\_ for the year \_\_\_\_\_ have been examined by me.

On the basis of the information and explanations that my officers required and have obtained, and according to the best of my information as a result of test audit of the accounts, I certify, in pursuance of provisions of Articles 149 and 151 of the Constitution of India and Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act,1971, that these accounts are correct subject to observations in the Report of the Comptroller and Auditor General of India on the Accounts of the Government of \_\_\_\_\_(Civil) for \_\_\_\_\_.

Checks on behalf of Headquarters office have been applied on the lines indicated in the Headquarters Office Circular letter No.1377-AC/I/217-86 dated 17-12-1986 while scrutinizing the Appropriation Accounts for the year \_\_\_\_\_.

PR. ACCOUNTANT GENERAL(CIVIL AUDIT)

**3.17.6. Submission of the Finance Accounts and Appropriation**

**Accounts:**

- (a) Prior 1997-98 the printed copies of the Finance Accounts and Appropriation Accounts were submitted to Headquarters alongwith the Audit Report (Civil) for signatures/Counter signatures of the Comptroller and Auditor General of India. These documents were also submitted to the State Legislature

simultaneously. But due to delay in finalisation of Audit Report, the Central Office has delink the presentation of the Finance Accounts and Appropriation Accounts to the Legislature from Civil Report from 1997-98 and now these accounts books will be submitted to Central Office separately for signature of Comptroller & Auditor General of India.

(CAG's General circular No.2/99 and letter No.60-AC-I/SP-II/96-98 dated 12-2-99)

- (b) The packets of signed copies of Finance Accounts and Appropriation Accounts returned from Central Office should be handed over to Finance Secretary and Secretary to the Hon'ble Governor of Rajasthan for presentation in the earliest session.
- (c) The press note on the transmission of Annual Accounts to the State Government for presentation in the State Legislature would be issued by the A.G. (A&E).
- (d) Immediately after presentation of annual accounts in the State Legislature the date should be intimated to Headquarters Office.  
(CAG's U.O.No.334-AC-MIS/224-99 dated 7-7-2000).

**3.17.7. Format of press note.**

Under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 the CAG of India

prepares each year, Finance Accounts of the State Government showing that year's receipts and disbursements for the State. Alongwith this, the CAG also compiles Appropriation Accounts for the State Government showing the excess or savings under each grant or appropriation as passed by the Legislature. Both these accounts are submitted to the State Government for being laid before the State Legislature.

Accordingly, the Finance Accounts and Appropriation Accounts of the Government of Rajasthan for the year \_\_\_\_\_ have been forwarded to the State Government on \_\_\_\_\_ for laying in the State Legislature.

Accountant General (A&E)

(CAG's letter No.227-Rep(s)/Misc.-98 dated 18-3-99).

**ANNEXURE-A**

**(Referred to in paragraph 3.15.3)**

**Fortnightly progress report indicating position of printing of the annual accounts.**

**Finance Accounts (due date as fixed by Headquarters office every year)**

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Years	State/Union Territory	Finalisation by A.G. (A&E)	Sent to A.G. (Audit)	Receipt from A.G. (Audit)	Sent to press	Submission to Hqrs.
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**Appropriation Accounts (Due date as fixed by Headquarters office every year)**

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Years	State/Union Territory	Finalisation by A.G. (A&E)	Sent to A.G. (Audit)	Receipt from A.G. (Audit)	Sent to press	Submission to Hqrs.
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N.B.(1) Similar position to be given for documents in Hindi.

(2) Reasons for delay at various stages to be explained in suitable notes indicating also the corrective measures taken.

## CHAPTER – 4

### ACCOUNTS AT A GLANCE

- 4.3. As per instructions of Headquarters an annual publication “Accounts at a Glance, is to be prepared and issued by the Accountant General (A&E) based on the Finance and Appropriation Accounts of the year. The skeleton model draft has been prepared by the Headquarters and approved by the CAG of India.
- 4.3. The publication should be issued under the signature of the Accountant General who prepared the annual accounts (Finance Accounts and Appropriation Accounts) and got printed in the same manner and for the same number of copies and be circulated immediately after the annual accounts are placed before the State Legislature. It should be circulated in the same manner as the “ Brochure on Important Audit Findings”.
- 4.3. Size of the publication, font size and spacing should be the same as that of brochure for Audit Reports. The critical styles need to be created are given below:

<b>Name of the style</b>	<b>Formatting features</b>	<b>To be applied for</b>
Chapter heading	14 both with auto shape etc.	Chapter
Para heading 1	13. bold-left aligned , space before 36 pt.etc.	Title/caption of the paragraph/review.



## **CHAPTER-5**

### **IMPORTANT RULINGS AND ORDERS**

#### **5.1. Procedure for meeting unforeseen expenditure when the Legislature is not in session.**

When unforeseen expenditure not covered by an Appropriation Act passed in accordance with the provisions of Articles 204 and 205 of the Constitution has to be incurred by a Government, money can be drawn upon from the Contingency Fund of the State as provided for under Article-267(2) *ibid*. When, however the Contingency Fund itself has been exhausted, and when it is not possible to summon the Legislature for obtaining a supplementary grant or appropriation, money can be made available to the Government for meeting unforeseen expenditure by the issue, by the Head of the State, of an Ordinance under Article-213 of the Constitution for purpose of increasing the amount of the Contingency Fund. An ordinance cannot however, be issued for the purpose of a supplementary grant or appropriation.

(CAG's letter No.1633-Rep/117-55/dated 30.11.1955).

#### **5.2. Exhibition of transactions of the Contingency Fund in the Finance and Appropriation Accounts.**

The question of exhibiting in the Finance and Appropriation Accounts, any expenditure as having been met from the Contingency Fund

will arise only when any such expenditure is not recouped to the Contingency Fund before the end of the financial year during which it is incurred. In view of the fact that Government accounts are kept on cash basis and for each financial year, the expenditure financed from the Contingency Fund but not recouped during the same financial year, will have to be treated as expenditure of the year in which it is actually incurred and not of the year in which it is eventually recouped. The position will, therefore, be reflected in the Finance & Appropriation Accounts accordingly.

Notes regarding the expenditure incurred from the Contingency Fund and not recouped to the fund before the close of the year may be given below the respective Appropriation Accounts and various statements in Finance Accounts. But such un-recouped expenditure from the Contingency Fund will not constitute an excess over the vote and as such no formal objections can be taken against it as the position is covered by the provisions of the Constitution. This, however, will not preclude audit comments on any avoidable delay in recouping the expenditure met out of the Contingency Fund by obtaining a Supplementary Vote. Further, audit comments will also be legitimate in respect of expenditure met out of the Contingency Fund, which is not in accordance with the rules of the fund, both in cases where the

expenditure has been recouped during the year and in cases where it has not been so recouped.

**5.3. Vote on Account.**

The regular Appropriation Act of the State for the year should be inclusive of the amounts already voted by the Legislature as a “Vote on Account” so that the total grant for the year may be available at a glance; the Legislature will be asked to vote only for the amounts excluding those already voted on account. The regular Appropriation Act should not, for the above reason, be treated as a Supplementary Act.

(C.A.G.’S endst No.623-Rep/ 88-52 dated 4.8.1952)

**5.4. Supply of copies of the Appropriation Accounts and Finance Accounts to the Government of Rajasthan:**

The number of copies of Appropriation Accounts and Finance Accounts to be supplied to State Government depends on their requirements. At present 500 copies of each of the documents are sent to Finance Department in terms of Finance Department letter No.F.8(2) FD.I(I) Budget/81 dated 1.4.1981.

**5.5. Supply of copies of the Appropriation Accounts and Finance Accounts of the Government of Rajasthan to other offices**

Copies of the Finance and Appropriation Accounts of the Government of Rajasthan may be supplied to other Audit Officers in India

on an exchange basis as indicated in Appendix XVI as soon as these are formally submitted by the Comptroller and Auditor General to the Governor. While sending copies it should be stipulated that they should be treated as confidential until their presentation to the Legislature.

There is no objection to the supply of the Finance Accounts and Appropriation Accounts to the Finance Commission even if they are not laid before the Legislature. Stipulation mentioned in para 47 of MSO (T) Vol.II should, however, be made while supplying these publications to the commission.

(CAG's DO letter No.780-TA.I/61-77 dated 10.8.1978).

**5.6. Demi-Official letters issued under signatures of the Accountant General.**

A spare copy of all the demi-official letters issued under the signatures of the Accountant General may be sent to the Secretary to the Accountant General for record and follow up action.

(AG's Sectt./45/OM /Gos/79/290 dated 25.7.1979).

**5.7. Errata in the Finance and Appropriation Accounts: -**

The Comptroller and Auditor General has taken a very serious view of long errata in Accounts as it apparently reflects lack of care in reading the proofs at the various stages. The very fact the reports are combed in detail after printing resulting in long errata , no doubt, how that there is a conscious effort on the part of the Accountant General to present the reports

without error. It however, raises the question as to why such a combing is not done at an earlier stage so that the reports can be printed without errata slip or limit the slips to only very serious errors detected at a later stage.

Utmost care, is therefore, to be taken in reading the proofs at the various stages so that only the mistakes as a result of printer's are left for inclusion in the errata.

In the event of the transfer of the Accountant General, these contents of headquarters letter may be brought to the notice of this successor.

(CAG's letter No.1212-Rep(c)/143-86 dated 21<sup>st</sup> August, 1986).

**5.8. Accountant General (A&E) not to attend Public Accounts Committee meetings.**

Since the Finance Accounts and Appropriation Accounts are checked by the Accountant General (Audit) in all cases, he is equally responsible for the material included in the Comptroller and Auditor General's Report in relation to the Accounts of the State. He should, therefore, be in a position to brief the members of the Public Accounts Committee suitably and it may not be necessary for the Accountant General (A&E) to be present in the sittings of the Public Accounts Committee to assist the committee whenever relating to accounts are discussed.

(CAG's letter No.163-AC.I/217-86 dated 27<sup>th</sup> Feb.,1987).

**APPENDIX-I**  
**(Referred to in paragraph 1.4.2)**  
**CALENDAR OF RETURNS**

S.No.	Name of Return	To whom due	When due	Authority
1.	2.	3.	4.	5.

**SECTION-I**

**Returns of permanent and recurring nature due to authorities outside this office.**

**1. Yearly.**

1.	Draft Finance Account of the State Government (Raj.) for the preceeding year.	Pr.AG (Civil Audit) Raj., Jaipur	July or as intimated by Hqrs. office	CAG's letter No. 223 AC-MIS / 212-2002 dated 11-4-2002.
2.	Draft Appropriation Accounts of the State Government (Raj.) for the preceding year.	- do -	July - or as intimated by Hqrs. office	do -
3.	Printed copies of the Finance Accounts and Appropriation Accounts.	CAG of India	September or as intimated by Hqrs. office	CAG's letter No. 223 AC MIS / 212-2002 dated 11-4-2002.

**FORTNIGHTLY**

Status Report on finalization of Finance and Appropriation Accounts.	CAG of India	Weekly Report on every Friday till submission of signatory copy to Hqrs. office	12-AC-MIS/ 212-2005 dt. 19.1.2006 -
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## SECTION-II

### Returns due to Branch Officer and other section of this office.

#### YEARLY

- |    |  |   |                          |  |
|----|--|---|--------------------------|--|
| 1. | Authorization entries feeded with Budget figures   | B.O.  | 31 <sup>st</sup> May     | para 2.3 of AAD Manual                       |
| 2. | Register of Books  | GD<br>(Library)                             | 1 <sup>st</sup> January  | GD.III/Lib/Reg.of books dated 14.2.1972.     |
| 3. | Annual indent of forms.  | GD.II                                       | 20 <sup>th</sup> October | GD.II/F.1/70-71/1014 dt.4.9.70.              |
| 4. | Cases of defective budgeting   | Report<br>Section<br>Pr.AG<br>(Civil Audit) | 30 <sup>th</sup> June    | Report A/1404/4/88-89/170(1) 94 dated 8.3.94 |
| 5. | Changes in destination of grants   | - do -                                      | -do-                     | - do -                                       |
| 6. | Material for draft para regarding raising considerable amount during last five years by the state owned corporation/ companies which are used by the State govt. to augment their cash balances. | - do -                                      | -do-                     | - do -                                       |

7.	Details of destruction of records regarding the reconciliation of expenditure by the departmental authorities after audit para's are discussed by PAC. CAG's letter No.753/Audit-I/120-85/ dt.25.5.85 and O/o No.TM.86/c/3 dated 6.2.86.	Report Section Pr.AG(Civil Audit)	-do-	CAG/753/Audit- II/120-85 dt. 25.3.1985
8.	Absence of departmental reconciliation.	Report Section Pr.AG (Civil Audit)	30 <sup>th</sup> June	Report A/17011/ (i)/94/ dated 8.3.1999
9.	Target of finalisation of Appropriation Accounts & Finance Accounts	AG	31 <sup>st</sup> March	AG(A&E)/Sectt./ CC/PP/92/ Vol.IV/ dated 19.10.1992
10.	Staff position on leave	Admn.II	30 <sup>th</sup> June	Admn.II/3-F-1/ 1-29/Annual verification.

**HALF YEARLY**

1.	Test check and physical verification of key registers.	SO/AAO (Part V of Key Register).	1 <sup>st</sup> July and January	TM/63-C/246 dated 28.12.1963
2.	Target & Achievement	TM	5 <sup>th</sup> April 5 <sup>th</sup> October	

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1.	2.	3.	4.	5.
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**QUARTERLY**

1.	Quarterly Arrear Report.	TM	3rd April July October January.	TM.XIII/(2)/ 55-56/3783 dt. 10.9.1955.
2.	Key Register	B.O.	15 <sup>th</sup> April July October January	TM/64-C/240 dt.5.10.1964.
3.	Quarterly report of Hindi	Rajbhasha Cell.	5 <sup>th</sup> April July October January	78-79 dated 18.9.78.
4.	Maintenance of Guard files, circular files etc.	B.O.	10 <sup>th</sup> April July October January	TM/71-C/122/Dt. 30.12.1971.
5.	Statement showing the position of Civil/Suits/Writ, petitions/ applications filed by serving retired state Government employees and other persons not belonging to IA & AD.	TM	1 <sup>st</sup> April July October January	TM/86-C/19 dated 25.9.86.

6.	Revision Report (AAD) Manual	TM	20 <sup>th</sup> March June September December	TM/Manual/upto date/05-06/TR-III/ 533 dt. 27.3.2006.
7.	Status Report of reconciliation to Central Office	CAG	10 <sup>th</sup> April July October January	CAG letter No. .327-AC-I/SP-III/ 4-2001 dt.5.8.03

**MONTHLY**

1.	Monthly Arrear Report	A.G.	5 <sup>th</sup>	TM./M.III/128 dated 11.7.1960.
2.	Consolidated Reconciliation Register.	A.G.	5 <sup>th</sup>	Para 2.10.5 of AAD Manual.
3.	Closing of attendance register.	B.O.	5 <sup>th</sup>	147 dated 19.1.54 TAC/F.171/58-59/ 561 dated 27.9.58.
4.	Reconciliation Register	B.O.	5 <sup>th</sup>	AO's order dated 22.12.1952 and para 2.10.5 of AAD Manual.
5.	Indent of Stationery	GD	5 <sup>th</sup>	TAC/F/38-59/56/ 4146 dt.30.9.56.

6-	हिंदी में कार्य करने हेतु प्रगति प्रतिवेदन	राजभाषा कक्ष	5 <sup>th</sup>	हिंदी कक्ष/78-83/ 14 दिनांक 4.8.83
7.	Register of Books	B.O.	10 <sup>th</sup>	TM/63-C/217 dt. 19.11.1963.
8.	Appropriation Audit Register.		10 <sup>th</sup>	CAG's letter No. 1891-Admn.I/150 dated 6.8.63.
Upto June,	10/8	BO with a		
Sept.	10/11	certificate		
Nov.	10/01	that necessary		
Dec.,	10/02	warning slips		
Jan.,	10/03	(to be recorded		
Feb.	10/04	at the last page		
March	10/05	of the Audit Register).		
9.	Register of Statistics	BO	20 <sup>th</sup>	359-TM/II(s) Sta- tis/55-56/5247 dt. 25.11.1955.
10.	Despatch Register Report	B.O.	26 <sup>th</sup>	TM/63-C/34 dt. 25.03.1963.
11.	Register of regular leave to the staff.	B.O.	Last day of month.	Admn.II/76-77/ 415 dt.24.7.1976.

12.	Report in case pay is withheld for absence without proper sanction of leave.	Admn.II-	On the day (or next day) on which pay is disbursed.	DO No.32 Sr.DAG (Admn.)CC-4/125/84 dt. 3.7.1985.
13.	DI Report	ITAS	When it required.	ITAS/K-2534/DI/2000-TRI/101 dated 15.6.2001

### **FORTNIGHTLY**

1.	Progress Report of Finance Accounts and Appropriation Accounts.	TM	5 <sup>th</sup> and 20 <sup>th</sup> of each year.	TM/11-75>Returns Accounts/Progress 89-90 VII dated 25.10.96.
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### **WEEKLY**

<b>I</b>	Inward Diaries	B.O.	8 <sup>th</sup> 15 <sup>th</sup> 23 <sup>rd</sup> and Last day of month	TM/86-C/11 dt. 18.7.1986.
1.	General			
2.	Hindi			
3.	Inter-sectional.			
<b>II</b>	Calendar of Returns	B.O.	- do -	- do -

### **BY-WEEKLY**

1.	Diary of CAG's letters and Urgent letters.	B.O.	Wednesday and Friday.	Para 12.70 of revised GD Manual.
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## APPENDIX-II

### (Referred to in paragraph 1.5)

Consequent upon the restructuring and setting up of separate office of the Accountant General (Accounts and Entitlement) and Principal Accountant General (Civil Audit), following instructions are issued in partial modification of this office order No.TM/82-C/32 dated 7.10.1982 for compliance by the section on the basis of the decision taken by the Central Office vide their letter No.753-Audit-II/120-85 dated 25.5.85.

- (i) AAD Section will furnish, to Principal Accountant General (Civil Audit) every year necessary material relating to non-reconciliation of expenditure etc. for in-corporation in the Audit Report. After inclusion of the para in the Audit Report on non-completion of the reconciliation further progress, if any, in completion of reconciliation by any controlling officer mentioned in the draft para, finalised by the Principal Accountant General (Civil Audit), would be notified by the AAD Section to CA/DD Section concerned so that the latter may take note of this for purposes of non weeding of connected records.
- (ii) Report section of Pr.A.G. (Civil Audit) would intimate from time to time to the A.A.D. Section about the Controlling

Officers whose examination on the para has been completed by the PAC together with the observations of PAC, if any, as a result of examination and AAD would intimate this to sections concerned for compliance.

- (iii) After audit paras relating to non-reconciliation of expenditure and the Appropriation Accounts have been discussed by the Public Accounts Committee and the period prescribed for preservation of records has expired, the CA Sections and DD Sections will take up the matter with the State Government seeking their concurrence for the destruction of records, which may be specified in detail.

The following points are thus, noteworthy:-

- a) These instructions imply that till the paras relating to the Appropriation Accounts and non-reconciliation of expenditure appearing in the Audit Report of a particular year are discussed in the P.A.C., the connected records should not be weeded out, even if the prescribed period of their retention expires. While sending the records of record room, the sections should, therefore, specifically note down the words "Reconciliation not conducted" in red ink on the top of bundle, in addition to the category of record, date of destruction etc.

b) The Incharge Record Room, while noting the particulars in the index register, will also note these words viz. "Reconciliation not conducted". This will serve as a sort of caution to them that even though the record has become due for destruction, yet since reconciliation has not been conducted, it is not to be weeded out until the C.A. and DD Sections concerned confirm that reconciliation has since been conducted and concurrence of the State Government for their destruction obtained (Even after such confirmation of Vouchers under objection have to be retained). The Incharge Record Room will watch this fact from the Index Register and also from the lists which are prepared by him from the Index Registers and send them to the sections for obtaining their approval. The CA, DD Sections on receipt of the lists from the Record Room will ascertain the latest position of reconciliation in writing from AAD Section by personal contact and either give their concurrence for destruction or record that reconciliation has not been done. The Incharge Records will take action accordingly.

(c) A.A.D. Section will send necessary details of records destroyed with concurrence of the State Government without finalisation of reconciliation to the Principal Accountant General (Civil Audit).

(d) At the time of discussion of the paras relating to non-reconciliation of expenditure, the consequences in regard to the retention of records by Accountant General (A&E) for indefinitely long periods, scarcity

of accommodation and extra cost of storage involved etc. will be brought to the notice of the P.A.C. by the Principal Accountant General (Civil Audit).

(e) Every endeavor should be made by Principal Accountant General (Civil Audit) to persuade the P.A.C. to make specific recommendations as to the indefinite delay in the conduct of reconciliation by the departmental authorities and resultant difficulties experienced by Accounts Officer in preserving the relevant vouchers and documents for indefinitely long period.

(f) After examination by the P.A.C. and after receipt of concurrence of the Government for destruction of the records, the fact of destruction should be intimated by the concerned section to the AAD Section to enable the letter to make a mention about this while sending the information to Pr.A.G.(Civil Audit) Report Section.

(g) After the destruction of the records with the concurrence of the State Government without finalisation of reconciliation, section concerned may intimate the position to A.A.D. for onward transmission to Report Section of Pr.Accountant General (Civil Audit) to enable the latter to prepare a suitable para to be included in the Audit Report indicating the month and year for which records have been destroyed, so that the matter again comes to the notice of the P.A.C. and the State Legislature. A.A.D. Section would furnish the information in this regard to Report Section,

Pr.A.G. (Civil Audit) for finalising the audit para relating to non-reconciliation of expenditure and Appropriation Accounts.

(CAG's circular letter No.46-TA.I/81/1377/23-81 dated 5.11.81 and Circular No.19-Audit-II/85/753-Audit.II/120-85 dated 25th May, 1985 circulated vide office order No.TM/C-82/32 dated 7.10.82 and TM/C-86/3 dated 6.2.1986).

**APPENDIX- III-(A)**  
**(Referred to in paragraph 1.6)**  
**CASE REGISTER OF FILES OF THE SECTION**

<b>S.No.</b>	<b>Subject to case</b>
AAD	1. Budget Estimates, Appropriation/Re-appropriation orders, etc. correspondence thereon with the Controlling Officers of the Govt. of Rajasthan.
AAD	2 Reconciliation of Receipt and Expenditure
AAD	3 Appropriation Accounts correspondence with Controlling Officers of the Government of Rajasthan.
AAD	4 Result of Appropriation Audit- correspondence thereon.
AAD	5 Submission of State Appropriation Accounts to Accountant General (Audit) for finalisation and clearance for printing.
AAD	6 Submission of State Finance Accounts to Principal Accountant General (Civil Audit) for finalisation and clearance for printing.
AAD	7 Combined Finance and Revenue Accounts-Collection of material and its submission to the Comptroller and Auditor General.
AAD	8. Instructions to sections for the preparation of Finance Accounts, Appropriation Accounts and Combined Finance and Revenue Account.
AAD	9 Instructions of Comptroller and Auditor General for the compilation of Finance Accounts and combined Finance and Revenue Account.
AAD	10 Instructions of Comptroller and Auditor General for the compilation of Appropriation Accounts.
AAD	11 Instructions of CAG of India for preparation of Accounts at a Glance and its printing.
AAD	12 Instruction of Government regarding Finance and Appropriation Accounts and correspondence thereon.
AAD	13. Correspondence regarding Monthly Appropriation Accounts with C.A.G. , State Govt. and Pr. A.G. (Civil Audit).
AAD	14. Guard Files.

**APPENDIX-III-(B)**

**(Referred to in paragraph 1.7)**

**Duties and responsibilities of Section Officer/Asstt. Accounts Officer  
and Asstt. Accountant General/Sr. Accounts Officer/Accounts Officer  
under Voucher Level Computerisation**

**A) Duties and responsibilities of Section Officer/Asstt. Accounts Officer**

The Section Officer/Asstt. Accounts Officer holds the supervisory charge of the section. He is to monitor the progress of data entry relating to appropriation account. Demand for grants and re-appropriation orders etc.

He is responsible for the smooth running of various processes.

He is to review the analysis of the expenditure booked against various units of appropriation prepared by the Clerks/Accountants/Sr. Accountants.

He is to watch the issuance of warning slips to Chief Controlling Officers/Controller Officers/Drawing & Disbursing Officers, to explain the reason for variations.

He is to see that the comments selected for inclusion in the Annual Appropriation Accounts are as per the required percentage and variation of amounts.

(Authority : Provisions contained in Procedural Manual of Voucher Level Computerisation)

**B) Duties & responsibilities of Asstt. Accountant General/Sr. Accounts Officer/Accounts Officer**

The Assistant Accountant General/Sr. Accounts Officer/Accounts Officer is overall incharge of the section. In addition to the duties/responsibilities already being performed by him, he is to supervise the preparation of monthly appropriation accounts and annual detailed appropriation accounts and finance account through computer. The checks to be exercised by him/her as under: -

- i) To supervise the working of data entry relating to appropriation account, demand for Grants, re-appropriation orders and processing of data, generation of monthly appropriation accounts and detailed appropriation accounts at the close of the year.
- ii) To monitor the timely running of various processes by the staff for generation of monthly and annual appropriation account and finance account on due dates.
- iii) To authenticate the various reports relating to AAD Section generated through the computers.
- iv) To ensure that reports etc. generated through computers are maintained and preserved as per existing codal provisions.

- v) To monitor the timely running of processes by the staff for generate of various statements of the Finance Accounts on due date.

(Authority : Provision contained in Procedural Manual of Voucher Level Computerisation)

**APPENDIX-IV**  
**(Referred to in paragraph 2.1.1.(a)(ii))**

**Details of expenditure charged on the Consolidated Fund of the State**

Article of the Constitution	Nature of Expenditure
202(3)	(a) The emoluments and allowances of the Governor and other expenditure relating to his office  (b) The salaries and allowances of the Speaker and the Dy. Speaker of the Legislative Assembly and also of the Chairman and Dy.Chairman of the Legislative Council  (c) Debt charges for which the State is liable including interest sinking fund charges and redemption charges and other expenditure relating to the raising of loans and the service and redemption of debt.  (d) Expenditure in respect of the salaries and allowances of Judges of the High Court.  (e) Any sums required to satisfy and judgement decree or award of any court of Arbitral Tribunals.
NOTE:	Amounts paid under decree of a Labour Tribunal should be treated as "Voted".  (f) Any other expenditure declared by the Constitution, or by the Legislature of the State by law, to be so charged.
229(3)	Administrative expenses of High Court including all salaries, allowances and pensions payable to or in respect of officers and servants of the court.
290	Contribution towards expenses of any court or commission of pension partly payable from the consolidated fund of India if charged, thereupon.
322	Expenses of the Public Service Commission, including salaries, allowances and pensions payable to or in respect of the members of staff of the commission.

**APPENDIX-V**  
**(Referred to in paragraph 2.3.1)**

No.434-Rep/112-52

Office of the Comptroller and  
Auditor General of India,  
New Delhi.

8th May 1953.

To,

All Accountants General, etc. of Part A, B and C States, Accountant General, Central Revenues, Accountant General, Food, Rehabilitation and Supply, Accountant General, Posts and Telegraphs Director of Railway Audit, Director of Audit Defense Services, Auditor, Indian Accounts in U.K. and Audit Officer of Indian Accounts, Washington.

**Sub:-**Late assent to a Supplementary Appropriation Act.

Sir,

In a certain State a Supplementary Demand for 1951-52 presented in March, 1952, was voted by the Legislature of the State before the close of the year, but the corresponding Supplementary Appropriation Act was assented to by the Head of the State only on Ist April, 1952. The question arose accordingly whether this act should be treated as a valid Supplementary Appropriation Act under Article 205(1) (a) and 200 of the constitution for the purpose of the Appropriation Accounts of 1951-52. Notwithstanding the fact that this act specifically stated that it related to the expenditure of the year 1951-52, it has been held by the Comptroller and Auditor General, that act should be deemed as invalid. The reasons are as follows:-

The Supplementary Appropriation Act of 1952 which was passed by the Legislature before Ist April, 1952 was intended to be a supplementary vote and appropriation within the year. It should have been assented to before the close of the year. Since it was not assented to before the year 1951-52 was over, it cannot be treated as

authorising a supplementary grant and appropriation. The bill, is therefore, of no value at all and should not be taken into account for the purpose of the Appropriation Accounts for 1951-52. The position, therefore, is that :

- (1) the full excesses have occurred ; and
- (2) they cannot also be treated as caused to the extent of the Supplementary Appropriation Act in question.

Yours faithfully,

Sd/-

V.D. DANTYAGI  
Addl.Dy.Comptroller & Auditor General.

**APPENDIX-VI**

**(Referred to in Note 2 below paragraph 2.3.2)**

No.F.4(166) F.(B) 64.

Government of Rajasthan,  
Finance (Expenditure) Department  
Budget Section  
Dated Jaipur, the 5th January, 1966.

**CIRCULAR**

**Sub:-Statements of Excesses and Savings.**

The controlling authorities are required to submit statements of excesses and savings in the grants placed under their control to the Finance Department in the second half of the financial year in form GA.25 and 26 laid down in paragraphs 104 and 105 of the Budget Manual volume I (Fifth Edition) by 25th November and 15th January according to paragraph 105 of the Budget Manual Vol.I (Fifth Edition). These statements may please be sent early and copies thereof be also endorsed to the Accountant General, Rajasthan, Jaipur for information.

**APPENDIX-VII**  
**(Referred to in paragraph 2.9.1)**

**Law and Judicial (A) Department.**

**NOTIFICATION**

No.F.4(37)/L.J.A/56

Jaipur ,December 15, 1956.

The following act of the Rajasthan State Legislature received the assent of the Governor on the 14th Day of December, 1956, and is published for general information:-

The Rajasthan Contingency Fund Act, 1956. (Act No.40 of 1956)

(Received the Assent of the Governor on the 14th Day a December, 1956).

An act to provide for the establishment and maintenance of a Contingency Fund for the State of Rajasthan.

Whereas it is expedient to provide for the establishment and maintenance of Contingency Fund for the State of Rajasthan in pursuance of clause (2) of Article 267 of the Constitution of India;

Be it enacted by the Rajasthan State Legislature in the Seventh Year of the Republic of India as follows: -

1. Short Title: - The act may be called the Rajasthan Contingency Fund Act , 1956.
2. Interpretation: -
  - (1) In this act, unless the subject or context otherwise require:
    - (a) "appointed day" means the first day of November 1956, and
    - (b) "State" means the new State of Rajasthan as formed by section 10 of the State Reorganisation Act, 1956 (Central Act, 37 of 1956).

- (2) The provisions of the Rajasthan General clauses Act,1955 , (Rajasthan Act,8 of 1955) in force in the pre reorganisation State of Rajasthan shall as far as may be apply mutatis mutandis to this act.
3. Establishment of the State Contingency Fund, the Custody thereof and withdrawals there from :-
- (1) With effect from the appointed day there shall be established for the state a Contingency Fund in the nature of an imprest entitled the Contingency Fund of the State of Rajasthan, into which shall be paid from and out of the Consolidated Fund of that State a sum of (\*) thirty five crores of rupees.
- (2) The said Contingency Fund shall be held on behalf of the Governor by the Secretary to the State Government in the Finance Department and no advance shall be made out of that fund except for the purposes of meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature under appropriations made by law.
4. **Power to make rules:-** For the purposes of this Act the State Government may make rules regulating all matters connected with or ancillary to the custody of and the payment of moneys into and withdrawals of money from the Contingency Fund of the State.
- (\*) Act No.40 of 1956- One crore of rupees.  
Act No.5 of 1973- Three crores of rupees.  
Act No.38 of 1976- Six crores of rupees.  
Act No.10 of 1979- Ten crores of rupees.  
Act No.11 of 1984- Twenty five crores of rupees.  
Act No.4 of 1988- Thirty five crores of rupees.

5. **Repeal and Savings:-**(1) The State Contingency Fund Ordinance, 1956 (Rajasthan Ordinance 8 of 1956) is hereby repealed.

(2) Such repeal shall not effect the rules and orders made under the Contingency Fund of Rajasthan Act, 1951 (Rajasthan -Act-III of 1951) in force in the pre-organisation State of Rajasthan and such rules, and orders as in force immediately before the appointed day shall, until rules are made under this act, continue to be in force and be deemed to have been made under this act.

## APPENDIX-VIII

### (Referred to in paragraph 2.9.1.)

Copy of Notification No.F.2(1)/F(B)/56 dated 14th February, 1957 from Government of Rajasthan, Finance 'B' Department.

In exercise of the power conferred by Section-4 of the Rajasthan Contingency Fund Act,1956(Act No.40 of 1956) the Rajasthan Government hereby makes the following rules,namely:-

Rajasthan Contingency Fund Rules.

1. These rules may be called the Rajasthan Contingency Fund Rules,1957.
2. The Rajasthan Contingency Fund Rules made by the pre-organisation State of Rajasthan are hereby repealed.
3. All application for advances from the Contingency Fund shall be made to the Secretary to the Govt. of Rajasthan in the Finance Department. The application shall give:
  - (i) Brief particulars of the additional expenditure involved.
  - (ii) The circumstances in which provision could not be included in the budget.
  - (iii) Why its postponement is not possible.
  - (iv) The amount required to be advanced from the Contingency Fund with full cost of the proposal for the year or part of the year as the case may be alongwith list of drawing officers and the treasuries from which the amount is to be drawn.
  - (v) The grant or appropriation under which the supplementary provision will eventually have to be obtained, and

- (vi) Particulars of saving when expenditure on a new service can be met by re-appropriation Funds within the grant
4. (i) Advance from the Contingency Fund shall be made for the purposes of meeting unforeseen expenditure including expenditure on new service not contemplated in the annual financial statement
- (ii) Token advance shall not be made out of the Rajasthan Contingency Fund.
5. A copy of the order sanctioning the advance, which shall specify the amount the grant or appropriation to which it relates and give brief particulars by sub-heads and units of appropriation of the expenditure for meeting which it is made, shall be forwarded by the Finance Department to the Accountant General, Rajasthan.
6. Supplementary estimates for all expenditure so financed shall be presented to the State Legislature, at the first session meeting immediately after the advance is sanctioned. If in exceptional circumstances to be recorded in writing, the supplementary estimates when they cannot be presented to the State Legislature in the ensuing session may be so presented at a subsequent session. As soon as the State Legislature has authorised additional expenditure by including it in any Supplementary Act, the advance made from the Contingency Fund shall be resumed to the Contingency Fund.

**Note:-(1)** While presenting to Legislature estimates for expenditure Financed from the Contingency Fund a note to the following effect shall be appended to such estimates. "A sum of Rs.----- has been advanced from the

Contingency Fund in \_\_\_\_\_ and an equivalent amount is required to enable repayment to be made to that fund".

**Note:-(2)** If the expenditure on new service not contemplated in the annual financial statement can be met, wholly or partly from the savings available within the authorised appropriation, the note appended to the estimates submitted shall be in the following forms: -

"The expenditure is on a new service. A sum of Rs.\_\_\_\_\_has been advanced from the Contingency Fund in \_\_\_\_\_ and an equivalent amount is required to enable repayment to be made to that fund.

The amount \_\_\_\_\_viz.\_\_\_\_\_can a part of that amount be found by re-appropriation of savings within the grant and a token vote only is now required a vote is required for the balance viz. Rs.\_\_\_\_\_only.

7. If, after the orders sanctioning an advance from the Contingency Fund have been issued in accordance with Rule-5 and before action is taken in accordance with Rules 6, it is found that the advance sanctioned will remain wholly or partly unutilised, an application shall be made to the sanctioning authority for cancelling or modifying the sanction as the case may be.

8. All advances sanctioned from the Contingency Fund to meet expenditure in excess of the provision for the service included in an Appropriation (Vote on account) Act shall be resumed to the Contingency Fund as soon as the Appropriation Act in respect of the expenditure on the service for

the whole year, including the excess met from the advances from the Contingency Fund has been passed.

9. A copy of the order resuming the advance, which shall give a reference to the number and date of the order in which the original advance was made and to the Supplementary Appropriation Act referred to in Rule 6 shall be forwarded by the Finance Department to the Accountant General.
10. An account of the transactions of the fund shall be maintained by the Finance Department in form 'A' annexed to the rules.
11. Actual expenditure incurred against the advances from the Contingency Fund shall be recorded in the account relating to the Contingency Fund in the same detail as it would have been shown if it had been paid out of the Consolidated Fund.

**ANNEXURE TO**

**APPENDIX-VIII**

**FORM 'A'**

**(See paragraph to the appendix)**

**Contingency Fund of Rajasthan**

S.No.	Date of transaction	Number and name of grant or appropriation.	Number and date of the Application for advance	Number and date of the order making the advance	Amount advanced	Supplementary Appropriation Act providing for the additional expenditure.	Amount of advance resumed	Balance after each transaction.	Initials or officer-in-charge	Remarks
1	2	3	4	5	6	7	8	9	10	11

NOTE:- The balance should be struck after each transaction.

NOTE:- The amount of the advances should be entered in black ink when as and in red ink when resumed.

## APPENDIX-IX

[Referred to in Paragraph 2.10.1 (i)]

**Report on expenditure of Grant No.....**

**for the month of .....20.....**

**Government of .....**

No.	Major Head Minor Head Sub-Head	Total Grant or Appropriation (Rupees in lakh)				Available (+)/over spent(-) balance amount at the beginning of the month (Rupees in lakh) (Col.7 of previous month))	Actual Expenditure for the current month (Rupees in lakh)	Progressive Expenditure upto the current month (Rupees in lakh)	Available Balance (+) over spent amount (-) (Rupees in lakh) (Col.3- Col.6)	%age of progressive expenditure (Col.6) to total grant of appropriation (Col.3)
		O (a)	S (b)	R (c)	T (a+b+c)	4	5	6	7	8
		Voted								
		Charged								

\*Except for the month of April in respect of which figures of column number 3 to be adopted.

Signature of SO/AAO

Signature of Branch Officer

**Note :**

- 2) .....treasury, .....PWD and .....forest accounts have been excluded in this monthly account due to their belated/non-receipt from the accounts rendering units. The transactions through these accounts are not included in the booked expenditure.
- 3) Reconciliation of expenditure by the departmental officers has not been done/has been done.

**APPENDIX-X**

[Referred to in Paragraph 2.11.2(e)]

**Controlling Officer-wise Monthly Receipts**

<b>Controlling Officer Code</b>	<b>Department</b>		
<b>Grant No.</b>			
<b>Major Head</b>			
<b>Sub-Major head</b>			
<b>Minor Head</b>			
<b>Sub-Head</b>			
<b>Group Head</b>	Monthly Receipts	Progressive Receipts	

## APPENDIX-XI

[Referred to in Paragraph 2.11.2(e)]

### Controlling Officer-wise Monthly Expenditure with Budget Provisions

<b>Controlling Officer Code</b>	<b>Department</b>								
	<b>Grant No.</b>								
	<b>Major Head</b>								
	<b>Sub-Major head</b>								
	<b>Minor Head</b>								
<b>Sub-Head</b>									
<b>Group Head</b>	Voted/ Charged	Non Plan/ Plan/CSS	Original Budget	Supplementary Budget	Reappropriation and Surrender	Total Budget	Monthly Expenditure	Progressive Expenditure	Excess(+) Saving(-)

## **Annexure-XII**

**(Referred to Paragraph 2.12.1)**

Copy of the Finance (B) Department Circular No.F.36(33) F.1/53, dated the 20th January, 1954.

### **Sub: -Control of Expenditure**

No.F.36(33)F.1/53:- The Memorandum issued with this Department Circular No.F.15(7)/B-52 dated the 15th Dec., 1952 on the above subject has been brought up-to-date in-incorporating minor amendments both in the memorandum and the forms appended thereto with a view to clarifying procedural details and omitting certain portions which are now covered by the orders issued in Finance Department Circular No.F.8(23)/I/53, dated 5th November, 1953. A copy of the revised memorandum with the prescribed forms is forwarded herewith for guidance.

2. It is requested that the revised memorandum and the forms should be studied carefully and taken into use forthwith.

### **PROCEDURE REGARDING CONTROL OF EXPENDITURE**

I. The authority administering a grant is responsible for watching the progress of expenditure on public services under its control and for keeping the expenditure within the grant. To ensure that this control over such expenditure is effective and real and that the Controlling Officer is in a position, from month to month, to estimate the likelihood of savings and excesses over grants and Appropriation, the following procedure should be observed by all concerned.

II. (1) Each controlling authority will be responsible for controlling expenditure against the various grants placed at his disposal. He may exercise this control through intermediate Controlling Officers, if any, and the disbursing officers subordinates to him.

(2) Control over expenditure must be exercised with reference to the grant as it stands from time to time. It is the duty of the controlling authority to distribute the grant as voted by the Assembly or of non-voted appropriation, among the various disbursing officers subordinate to him, so far as this has been done by the Finance Department. In so doing, he must take into account lump sum cuts made by the sanctioning authority. He must, similarly, distribute any increases or reductions subsequently made in or to the grant or any of part of it by the competent authority whether the alteration is due to a supplementary grant, to a lump reduction or to a re-appropriation. When making such distributions, he must invariably communicate to the office concerned the complete accounts classification of each item distributed including the major, minor and detailed heads of account and the primary unit. Such distribution is , however, not essential in the case of provision for pay of officers and of establishments and allowances drawn with pay. In making a distribution, it is open to the controlling authority to keep a portion of the grant as an undistributed reserve in his own hands.

(3) The following procedure must be followed by every disbursing officer in submitting claims for money:-

- (i) He must attach to each bill a slip in Form I which will be returned by the Treasury Officer, with the cash, or cheque after noting thereon the voucher number assigned to the bill at the treasury and the date of payment.
- (ii) He must enter on each bill the complete accounts classification of the proposed expenditure from major head down to detailed head of account and state whether the charge is voted or charged. When a single bill included charges falling under two or more detailed heads, the charges must be distributed accurately over the respective heads.

(iii) Except in the case of bills for the pay of officers or of establishments and for allowances drawn with pay he must enter on each bill the progressive total of expenditure up-to-date under the sub-heads to which the bill relates, including the amount of the bill on which the entry is made.

(4) Expenditure on fixed charges such as the pay of officers and establishments and allowances drawn with pay is not, as a rule, liable to large variations. Moreover, the provision for such expenditure is frequently not distributed among disbursing officers. It is, therefore, unnecessary to obtain returns and consolidate departmentally the figures of expenditure through the forms and registers prescribed in sub-para (5) below. The figures of such expenditure communicated monthly by the Accountant General to the Controlling Officers should be used for the control of expenditure of this kind.

(5) In order to enable all concerned to watch expenditure against those portions of grants which are particularly liable to fluctuation, the following procedure must be followed in respect of all bills other than those for pay of officers or of establishment and for allowances drawn with pay: -

(i) Every disbursing officer and in respect of the expenditure from portions of the grant retained in his own hands every Controlling Officer must maintain separate registers in Form 2 and Form 2-A for each minor or sub-head of account with which he is concerned. In this form the necessary particulars of the charges drawn on each bill under the appropriate primary unit/sub-unit, and of invoices accepted for debit by book adjustment, must be entered.

(ii) On the third day of each month, a copy of the entries in the register in Form 2 for the preceding month should be sent to the head of the department or other

Controlling Officer, accompanied by a copy of the entries in Form-2-A for the month and all the slips in form I in respect of the bills for fluctuating charges paid during the month. If there are no entries for the month in the registers in form 2 and form 2-A 'nil' statement must invariably be sent.

(iii) In order to watch the receipt of the return prescribed in the foregoing sub-clause, the controlling authority must maintain a broadsheet in Form 3 in which a serial number will be allotted to each individual disbursing officer. This broadsheet must be carefully watched and reminders sent if any returns are not received by the 7th of the month since the accuracy of the controlling officers accounts will depend upon the receipt of complete returns. The serial number allotted to each disbursing officer must also be communicated to the Accountant General.

(iv) On receipt of the returns from disbursing officers, the Controlling Officer must carefully examine them and must satisfy himself on the following points. If he finds defects in any of these respects, he must take immediately steps to rectify them:-

- a) that the accounts classification has been properly given;
- b) that progressive expenditure and the available balances has been duly worked out;
- c) that expenditure up-to-date is within the grant;
- d) that the returns have been signed by the disbursing officers and
- e) that all relevant slips in form I have been attached. Slips in Form-I will also be necessary in those cases in which the bills drawn during the month and, therefore, entered in the register in form 2 have actually been encashed in the

next or subsequent months. The receipt of these slips in future months should, therefore , be watched by him.

(v) When all returns for a particular month have been received and found to be in order, the controlling officer must prepare a statement in Form 4, in which he will incorporate:-

- a) the totals of the figures supplied by disbursing officers;
- b) the totals taken from his own registers in forms 2 and 2-A.

The Accountant General will intimate to the Controlling Officer all book debits against the grant under his control, including the debits for articles supplied etc. by other departments and for which invoices have been accepted by the disbursing officers. The debits should be noted in his office in the appropriate portion of form 2-A or Form 4, as the case may be, and enquiries should be made by him in all cases in which the intimation of outstanding book debits from the Accountant General is not received after 3 months of the month of acceptance of the invoice.

(vi) On receipt of all form 2 and 2-A the Controlling Authority must compile the monthly account of expenditure in Form 4 and prepare these from an account in Form 5 showing the complete expenditure from the grant at his disposal up to the end of the preceding month. The figures of expenditure on pay of officers and establishments and allowances drawn with pay will be communicated to him by the Accountant General and these should also be entered in this account.

(vii) The fluctuating charges shown in Form 5 should be reconciled each month. For this purpose the Controlling Authority should send his representative to the office of the Accountant General on such dates as the latter may fix, together with form 5 and other subsidiary

accounts and connected correspondence, if any. The reconciliation need not be very close its extent should be determined by the following considerations: -

- a) that the account figures finally published will be those maintained by the Accountant General, and
- b) that the main object of the reconciliation is to ensure that the departmental accounts are sufficiently accurate to render possible an efficient departmental control of expenditure.

(viii) The difference between the figures in Form 5 and the Accountant General's books noticed during reconciliation may be due to: -

- a) omissions of entries in the registers in form 2 and 2-A.
- b) delays in the encashment of bills ,
- c) non-adjustment by book transfer in the Accountant General's office of the value of invoices already accepted , and
- d) errors in compilation in Accountant General's office of the value of invoices already accepted.

. The omissions under (a) should be rectified during the reconciliation of the monthly figures, but the differences due to (b), (c) and (d) have necessarily to continue for settlement during the reconciliation of the figures of the month in which the related encashments or books transfers take place. It is, therefore, necessary that the reconciliation should cover not only the transactions of the month, but also the progressive figures of expenditure for the year. For this purpose a systematic record of the differences of each month to be settled in later months should be maintained and progress of clearance of these items should be watched.

(6) Under the procedure prescribed in these rules a controlling authority should be in a position, from month to month, to estimate the likelihood of savings or excesses and to regularise them. The processes involved should received the personal attention of the controlling authorities and on no account be left to be conducted entirely by subordinates.

III. The Accountant General will warn the controlling authority concerned immediately on the first appearance of any excessive proportionate outlay under any grant or under any primary unit of appropriation. It must be clearly understood, however, that the authority administering a grant and not the Accountant General is ultimately responsible for the control of expenditure against the grant.

IV. All anticipated saving should be surrendered to Government immediately they are foreseen without waiting till the end of the year, unless they are required to meet excess under some other unit or units which are definitely foreseen at the time. No savings should be held in reserve for possible future excesses.

V. It is contrary to the interest of the state that money should be spend hastily or in an ill-considered manner merely because it is available or that the lapse of a grant should be avoided . Any grants that cannot be profitably utilised should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items of expenditure which might wait till next year. A rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity.

VI. Expenditure for which no provision has been made in the original budget estimate of the current financial year should rarely, if ever, be incurred.

VII. It may, however, be found that an excess is like owing to either (1) an unforeseen emergency , (2) under-estimating or insufficient allowance for factors leading to the growth of

expenditure. Action should be taken in all such cases for re-appropriation of funds or for obtaining additional funds as provided for in Finance Department Circulars No.F.8 (2)/F/I-53 dated 5th November, 1953 and No.F.4(2)B-52/2905 dated 15th July, 1952 respectively.

Finance (B) Department Circular No.F.14 (102) F.(B)/ 55 dated the 13th September, 1955.

**Sub:- Reconciliation of expenditure during 1955-56 and monthly expenditure statements.**

To facilitate reconciliation of figures of expenditure booked in the Departmental books with those booked in the books of the Accountant General in the early states of new financial set up, the Accountant General was supplying monthly statements of expenditure and allowing reconciliation in respect of all the heads up to the Financial year 1954-55 under special arrangements of Finance Department. As the departmental officers are now expected to have become familiar with the maintenance of departmental accounts it has been decided that with effect from the accounts for 1955-56 (beginning from April 1955) the procedure laid down in the Budget manual as well as in para II-5 (VI and VII) of Finance Department Circular No.F.36(33)F.1/53 dated 20th January, 1954, be followed by all concerned, accordingly the Accountant General will not :-

- (1) Communicate to the departments the figures of expenditure on account of :-
  - a) Pay of officers
  - b) Pay of establishment
  - c) Allowances drawn with pay booked against the detailed head 'Other Allowances' instead of expenditure figures under all heads.

(2) Conduct reconciliation mainly for the expenditure on fluctuating charges i.e. Travelling Allowance and Contingencies etc. with the departmental representative who should go to the Accountant General's office fully equipped with the Departmental Accounts records on the dates already settled.

Discrepancies, if any, noticed under the head 'Pay of Officers' etc. can however, be looked into the course of reconciliation at quarterly intervals.

It may, however, be pointed out that since the control over expenditure against allotment depends mainly upon the proper maintenance of departmental accounts and regular reconciliation of expenditure figures all the controlling authorities are requested to see that the above revised procedure is strictly followed and the reconciliation is not allowed to fall in arrears.

**APPENDIX-XIII-A**  
**(Referred to in Paragraph 2.12.2)**

राजस्थान सरकार

वित्त (आय-व्ययक) विभाग

क्रमांक :एफ 4(13)वित्त-(1)आ.व्य./91

जयपुर, दिनांक 4.9.91

समस्त विभागाध्यक्ष,

(जिला कलेक्टरों सहित)

विषय :- वर्ष 1991-92 के व्यय एवं प्राप्तियों का महालेखाकार, राजस्थान, जयपुर के कार्यालय में दर्ज आंकड़ों से अंक मिलान ।

महोदय,

उपरोक्त विषयान्तर्गत आपका ध्यान इस विभाग के समसंख्यक पत्र दिनांक 17.5.91 की ओर आकर्षित कराते हुए यह अपेक्षा की गई थी कि अंक-मिलान कार्य महालेखाकार, राजस्थान, जयपुर की पुस्तिकाओं में अंकित आंकड़ों से समय-समय पर उनके द्वारा संधारित लेखों के आधार पर सम्पन्न किया जावे, किंतु मेरे यह ध्यान में लाया गया है कि पर्याप्त समयोपरांत एवं माह जून, 91 तक के लेखे तैयार हो जाने के उपरांत भी विभागों द्वारा यह कार्य प्रारम्भ ही नहीं किया गया है, जबकि यह एक महत्वपूर्ण प्रकरण है । माह जुलाई, 91 के लेखे महालेखाकार कार्यालय में तत्परता से तैयार किए जा रहे हैं । अतः जैसे-जैसे यह लेखे तैयार होते रहें हैं, उनका अंक मिलान कार्य

पूर्ण करने की ओर विभाग को सजग रहने हेतु आपके स्तर पर आवश्यक प्रबन्ध और उचित निर्देश भी अपेक्षित है । कृपया इस संबंध में समुचित व्यवस्था करने का कष्ट करें ।

अंक मिलान कार्य की समीक्षा के संबंध में दिनांक 7.8.91 को महालेखाकार (लेखा व हक), राजस्थान, जयपुर के साथ एक बैठक आयोजित की गई थी । स्थिति का जायजा लेने के पश्चात् इस कार्य को गति देने के उद्देश्य से अंक मिलान कार्य हेतु निम्न प्रकार से एक समयसारिणी (DRILL) का निर्धारण किया जा रहा है । अब इसके अनुसार अंक मिलान का कार्य सम्पन्न कराते हुए महालेखाकार कार्यालय से अंक मिलान कार्य की पूर्णता के संबंध में प्रमाण पत्र प्राप्त किया जाना भी अपेक्षित है, जिसकी प्रतिलिपि इस विभाग को अनिवार्य रूप से भिजवाई जावे । साथ ही इस कार्य की प्रगति की समीक्षा वर्ष में दो बार अर्थात् माह सितम्बर और माह फरवरी में आपके स्तर पर की जाकर वस्तुस्थिति से वित्त (आय-व्यय) विभाग को अवगत कराया जावे । अंक मिलान कार्य में रही शिथिलता के बारे में भारत के नियंत्रक महालेखापरीक्षक की रिपोर्ट में स्थिति दर्शाई जाती है और उसके लिए उत्तरदायी अधिकारी के प्रति आवश्यक कार्यवाही हेतु जन लेखा समिति गम्भीरता से विचार करती है । अतः इस कार्य को यथोचित महत्व दिया जाना आवश्यक है।

#### निर्धारित समय-सारिणी

1. जयपुर में स्थित नियंत्रणाकारी/  
विभागाध्यक्ष

अंक मिलान सम्पन्न किये जाने हेतु  
समयावधि

(i) माह अप्रैल के लेखों का अंक  
मिलान

(i) माह जून के प्रथम सप्ताह में तथा  
इसी क्रमानुसार आगे के महीनों का  
अंक मिलान उसके बाद आने वाले  
महीने के बाद के महीने के प्रथम  
सप्ताह में । यह कार्यक्रम फरवरी  
माह के लेखों तक के लिए  
निर्धारित है ।

(ii) माह मार्च के लेखों का अंक  
मिलान

(ii) आईटम संख्या 2(vi) में अंकित  
कार्यक्रमानुसार ।

2. जयपुर के बाहर स्थित  
नियंत्रणाधिकारी/विभागाध्यक्ष

(i) माह अप्रैल से माह जुलाई तक  
के लेखों का अंक मिलान

माह सितम्बर के प्रथम सप्ताह में ।

(ii) माह अगस्त से अक्टूबर तक के  
लेखों का अंक मिलान

माह दिसम्बर के प्रथम सप्ताह में ।

- (iii) माह नवम्बर एवं दिसम्बर तक के लेखों का अंक मिलान
- (iv) माह जनवरी के लेखों का अंक मिलान
- (v) माह फरवरी के लेखों का अंक मिलान
- (vi) माह मार्च के लेखों का अंक मिलान

माह फरवरी के प्रथम सप्ताह में ।

माह मार्च के प्रथम सप्ताह में ।

माह अप्रैल के प्रथम सप्ताह में ।

महालेखाकार, राजस्थान, जयपुर के कार्यालय के द्वारा सूचित दिनांकों को ।

भवदीय,

ह./-

(के.एस. रस्तोगी)

वित्त आयुक्त एवं सचिव



1. समस्त शासन सचिव
2. महालेखाकार (लेखा एवं हक.), राजस्थान, जयपुर।
3. सचिव, राजस्थान सचिवालय, राजस्थान, जयपुर।
4. सचिव, राजस्थान लोक सेवा आयोग, अजमेर।
5. सचिव, राजस्थान विधान सभा, जयपुर।
6. सचिव, लोकायुक्त सचिवालय, राजस्थान, जयपुर।
7. समस्त विशि-ट शासन सचिव।
8. पंजीयक राजस्थान उच्च न्यायालय, जोधपुर/जयपुर ।
9. पंजीकृत, राजस्थान सिविल सेवा अपील अधिकरण, जयपुर।
10. निदेशक, को-न एवं लेखा, राजस्थान, जयपुर।
11. समस्त को-नाधिकारी, राजस्थान ।
12. वरिष्ठ लेखाधिकारी, वित्त (मार्गोपाय) विभाग, राजस्थान, जयपुर।
13. उप शासन सचिव, वित्त (राजस्व एवं अंकेक्षण) विभाग, राजस्थान, जयपुर।

**ÉÊxÉnä¶ÉBÉE**

**APPENDIX-XIV**

**(Referred to in paragraph 2.13.1)**

**OFFICE OF THE ACCOUNTANT GENERAL (A&E) RAJASTHAN, JAIPUR**

No.AAD.3 \_\_\_\_\_ 6-6

The \_\_\_\_\_ 20 \_\_\_\_\_

Shri \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Sub: -Appropriation Accounts for \_\_\_\_\_ relating to Grant No. \_\_\_\_\_

Sir,

I enclose the Appropriation Accounts for the year \_\_\_\_\_ in respect of Grant No. \_\_\_\_\_ which is controlled by you. It is requested that the figures of final grant, actual expenditure, etc., may please be confirmed urgently and reasons for the variation between final grant and actual expenditure furnished at an early date but in any case not later than 2 weeks of receipt of this letter. In case any figure does not tally with your office records, it should invariably be pointed out whether the reconciliation was done, if so when, and whether the discrepancies were pointed out to this office alongwith requisite particulars.

Information on the following points should invariably accompany your reply: -

- (i) Brief explanations of the causes of variation (excess and savings) as worked out in column 4 of the statement appended. General terms should not be used. It is for example, no adequate explanation of a saving in the

purchase of stores to state that "fewer stores were purchased", the reasons for the smaller purchases may please be given.

- (ii) Separate explanations for each sub-head should be given.
- (iii) If the variation in column 4 is due to more than one cause the amount attributable to each cause may please be stated.
- (iv) In cases where the departmental figures differ with those indicated by the office, the variation in column 4 may be explained on the basis of departmental figures and the difference between the departmental figures and Accountant General's figures should be explained separately.
- (v) In explaining uncovered variations or savings between the final grant or appropriation and the actual expenditure the reasons why it was not possible (1) to obtain additional provision either by Supplementary Grant/ Appropriation or Re-appropriation within the grant (2) or to surrender unwanted funds, may be stated.
- (vi) If the variation is due to non-adjustment of certain expenditure the reasons for non-adjustment, should be stated i.e. whether it was due to delay in receipt of debits or bills etc. or some other cause.
- (vii) Where provision has been made for the plan schemes but same could not be utilised the details of each scheme and the reasons which accounted for the savings may please be intimated.

It has been observed in the past that the reasons are not furnished in time or the information furnished is incomplete thus delaying the finalisation of the

appropriation accounts. It is, therefore, requested that keeping in view the urgency the importance of the matter, the drill prescribed above may please be adhered to.

Kindly acknowledge receipt.

Encl: Statement.

Yours faithfully,

Sr.Accounts Officer/Accounts Officer.

## **APPENDIX-XV**

**(Referred to in paragraph 3.2.1)**

### **Text of Introductory paras**

#### **Appropriation Accounts:**

### **INTRODUCTORY**

This compilation containing the Appropriation Accounts of the Government of Rajasthan for the year \_\_\_\_\_ presents the accounts of sums expended in the year ended the 31st March \_\_\_\_\_ compared with the sums specified in the schedules appended to the Appropriation Acts passed under Articles 204 and 205 of the Constitution of India.

In these accounts: -

- "O" stands for original grant or Appropriation,
- "S" stands for supplementary grant or Appropriation,
- "R" stands for re-appropriations, withdrawals or surrenders sanctioned by a competent authority.

Charged appropriations and expenditure are shown in italics.

**APPENDIX-XV-A**

**[Referred to in paragraph 3.3.3(xx)]**

**Names of sections responsible for supply of material for reviews, paras etc.**

- |            |  |                |
|------------|--|----------------|
| 1.         | Reviews of expenditure on establishment and tools and plant in respect of work major heads (Important variations to be investigated in consultation with the heads of the departments and suitable comments made in the review). | WAC            |
| 2.         | Analysis of the suspense transactions on the lines indicated in TR No.AAD.95(D) dated 22.2.65 alongwith the statements of transactions explaining reasons for adverse balance , if any, and action taken for rectification.      | WAC &<br>CA-IV |
| 3.         | Para on expenditure met from Reserve Funds, Deposits accounts etc.   |                |
| <b>(a)</b> | <b><u>Deposits of Depreciation Reserve Fund.</u></b>   |                |
|            | 1. Water Works   | WAC            |
|            | 2. Rajasthan Ground Water Department   | CA-V           |
| <b>(b)</b> | <b>RESERVE FUNDS</b>   |                |
|            | 1. Calamity Relief Fund  | DD             |
|            | 2. Mandi Development Fund  | WAC            |
|            | 3. National Contingency Calamity Fund  | DD             |
|            | <b>OTHER FUNDS</b>   |                |
| 1.         | Subventions from Central Road Fund   | WAC            |

## APPENDIX-XVI

### (Referred to in note below paragraph 3.3.3 (XXIV))

#### Sample mistakes noticed during scrutiny of draft Appropriation Accounts for 1981-82.

1. In a grant/appropriation having overall saving the variations (both savings as well as counter balancing items of excesses) of less than Rs.5 lakhs or less than 10 percent of the provision were commented upto which, keeping in view other significant items of variations, had to be deleted e.g. in a case where significant saving had already been explained, it was not necessary to include a case of saving of Rs.25 lakhs as provision was more than Rs.1000 lakhs. Similarly it was not necessary to comment on a savings of Rs.15 lakhs out of the provision of Rs.100 lakhs.

2. (a) Cases were listed as saving or excess although such cases did not fall in that category e.g. following cases were mentioned as of saving although there was no original or supplementary provision :-

		<b>Provision</b>	<b>Expenditure</b> <i>(In lakhs of rupees)</i>	<b>Saving</b>
(i)	R 70.00	70.00	Nil	(-) 70.00
(ii)	R 42.50	42.50	Nil	(-) 42.50

These were cases where provision of funds by re-appropriation proved unnecessary in view of ultimate saving.

(b) The following items were shown under saving:

		<b>Provision</b>	<b>Expenditure</b> <i>(In lakhs of rupees)</i>	<b>Saving</b>
(i)	O 170.70   R 62.41	233.11	169.97	(-) 63.14

(ii)	O 12.00		46.42	10.25	(-) 36.17
	R 34.42				

There is no such of net saving under the above items, it being Rs.0.73 lakh in the first case and Rs.1.75 lakhs under the second.

The comment should have been that "augmentation of provision by Rs.62.41 lakhs (or Rs.34.42 lakhs) proved unnecessary under \_\_\_\_\_"

3. Minus sign in column-1 (against amount shown as appropriated or plus/minus signs in the last column) were not correctly mentioned as indicated below:-

(i) **Minus sign not given:-**

		<u>Total Grant</u>	<u>Expenditure</u>	<u>Excess</u>	
			(In lakhs of rupees)		
a)	O 286.50		244.79	257.37	+ 12.56
	R -41.71				
b)	O 65.00		64.87	78.93	+ 14.06
	R -0.13				

Minus sign should have appeared against the figures of Rs.41.71 lakhs and Rs.0.13 lakh.

(ii) **Plus sign given instead of minus sign.**

		Provision	Expenditure	Excess	
			(In lakhs of rupees)		
.					
O	1657.25				
S	74.50		2066.67	1998.52	+ 68.15
R	334.92				

Instead of "+68.15", the figure should have been "-68.15".

4. Months of supplementary grants were mentioned as August 1981 and Feb.,1982 although these should have been, based on the assent of the Governor, September 1981 and March 1982.

5. (a) Regarding amounts surrendered where these are much less than the overall saving, since final saving determined after adjustments/corrections carried out in March (Final), March (Supplementary) etc. accounts, a direct comment on saving e.g. that Rs.40 lakhs out of the saving of Rs.55 lakhs remained unsurrendered is not on proper

lines. It should rather be mentioned that while surrendering of Rs.15 lakhs (in March \_\_\_\_\_) further saving of Rs.40 lakhs could not be anticipated or else that Rs.15 lakhs were surrendered in March \_\_\_\_\_; the saving ultimately worked out to Rs.55 lakhs.

(b) Month of surrender (where certain amount has been shown as surrendered) is sometimes not given.

(c) There is also a discrepancy between the month mentioned at the top portion of the grant and in the month indicated in the relevant comment e.g. while the amount was shown as surrendered in December 1982, the anticipated saving was stated as surrendered on the last day of the financial year.

6. Derivations of figures is not correctly done as shown below: -

(i)	<b>Provision</b>	<b>Expenditure</b>	<b>Saving</b>
			<i>( In lakhs of rupees)</i>
	30.82	6.65	(-) 24.18

The figure in last column should have been '-24.17' or the expenditure figure should have been Rs.6.64 lakhs.

	<b>Provision</b>	<b>Expenditure</b>	<b>Excess</b>
			<i>(In lakhs of rupees)</i>
(ii) O 48.70 R - 33.50	15.20	16.81	+ 1.62

Excess have been Rs.+ 1.61 lakhs. Alternatively the figure of expenditure should were read Rs.16.82 lakhs.

(iii) Overall saving of Rs.1,74,73,935 was taken as Rs.175.74 lakhs instead of Rs.175.74.

(iv) Excess was shown as Rs.25.95 lakhs although the amount provided by re-appropriation (Rs.5.13 lakhs) and final excess (Rs.17.82 lakhs) worked out Rs.22.95 lakhs.

7. Following items were shown as withdrawal of provision proving excessive:-

	<b>Provision</b>	<b>Expenditure</b> <i>(In lakhs of rupees)</i>	<b>Excess</b>
(i) O 80.00	5.48	5.52	+ 0.04
R -74.52			
(ii) O 30.00	..	0.54	+ 0.54
R -30.00			
(iii) O 18.00	3.34	3.78	+ 0.44
R - 14.66			

Bulk of the withdrawal being justified, there being only small final excess, the cases were more of savings in provision rather than of excessive withdrawal.

8. Following item was mentioned as withdrawal of funds although there was no withdrawal as such: -

	<b>Provision</b>	<b>Expenditure</b> <i>(In lakhs of rupees)</i>	<b>Saving</b>
O 43.45	61.77	32.27	- 29.50
R 18.32			

Funds were in fact augmented by Rs.18.32 lakhs which proved unnecessary in view of the final saving of Rs.29.50 lakhs.

9. In a major grant of Medical Department involving large overall saving of Rs.4.83 crores (out of provision of Rs.106.55 crores) , no comments were included. Significant variations have to be explained in such cases adopting higher than the prescribed limits of Rs.5 lakhs of 10% of the provision.

10. The expenditure in the grant was shown as including Rs.1283.10 lakhs under suspense although the total debits under 'Suspense' were only for Rs.1283.09 lakhs as per sub-division wise details given.

11. In a case where against the overall saving of Rs.12.71 lakhs, saving of Rs.11.73 lakhs in one head was commented upon, it was not correct to say in another note that the saving was partly counter balanced by excess under another head. In such a case the note for excess should simply say that significant excess over the provision occurred under :\_\_\_\_\_".

12. Provision was shown as wholly unutilised under the following :-

		<b>Provision</b>	<b>Expenditure</b> <i>(In lakhs of rupees)</i>	<b>Excess</b>
(i)	O 25.00	..	0.26	+ 0.26
	R -25.00			
(ii)	O 10.00	..	0.30	+ 0.30
	R - 10.00			
(iii)	O 8.00	..	0.36	+ 0.36
	R -8.00			

There being some expenditure against the provision, the provision could not be considered as having remained wholly unutilised.

13. In a schedule to an Appropriation Act although separate provision was shown for revenue expenditure on the one hand and Capital ( including loans) expenditure on the other ; the details of provision, actual expenditure and resultant excess/saving were lumped together and notes and comments were also similarly prepared. This being incorrect, the appropriation accounts of the grants needed recasting so as to show the two components separately. The notes/comments were also accordingly to be revised.

14. Many a times the heads of accounts are mentioned wrongly vide the following instances: -

	<b><u>Head as mentioned</u></b>		<b><u>Correct Head</u></b>
(i)	4202-Capital Outlay on Education	(i)	4202-Capital Outlay on Education, Art and Culture.
(ii)	5465- Investment in Industrial Financial Corporation.	(ii)	5465 Investment in Industrial Financial Institutions.
(iii)	2211- Family Planning.	(v)	2211- Family Welfare
(iv)	2041-Taxes on Motor Vehicles.	(vi)	2041- Taxes on vehicles.

15. In a case where although there was large saving of Rs.5 crores, a small supplementary grant of Rs.1.57 lakhs was shown as excessive. There should either have been no comment on the Supplementary Grant (amount being too small) or , at best, the supplementary grant could have been stated as unnecessary.

16. Even the CAG's certificate sometimes contains mistakes e.g. instead of 'Article 149 and 151 the narration given was article 149 and 151.

(Aurhtority:- CAG's of India General Circular No.4/83 forwarded vide No.425/37-83 dated 10.3.83).

**APPENDIX-XVII**

**(Referred to in paragraph 3.4)**

Copy of C.A.G's letter No.1697-Rep/69-70 dated 26.9.70 addressed to All State Accountants General.

**Sub:-**Budget Estimates 1969-70 and Appropriation Act 1969 of the Government of Madhya Pradesh Discrepancy between.

Sir,

A case about discrepancy between the figures shown in the schedule to the Appropriation act and the Budget Estimates of the Government of Madhya Pradesh viz-a-viz preparation of Appropriation Account is brought to your notice for information.

2. Under a certain grant, the State Governments had obtained a vote on account for Rs.6,83,34,000 in March 1969 (being the requirement for four months from April to July, 1969) based on the estimated annual expenditure of Rs.20,50,03,000 . When the regular budget was later presented to the Legislature in June 1969, the requirement for the year was estimated at Rs.6,51,53,000 only, which was less than the amount obtained on the vote on account, the Appropriation Act, however, included a provision of Rs.6,83,34,100/- (i.e. vote-on-account of Rs.6,83,34,000 plus token vote of Rs.100). But in the Budget Estimates details for Rs.6,51,53,000 only were given.

Normally there should not be a discrepancy between the figures included in the Budget and that in the Appropriation Act. The case was examined in detail any view of the Ministry of Finance (Department of Economic Affairs) were sought on the following points shown in column 2 below: the Ministry in consultation with the Ministry of Law advised us on those points as in column 3.

S.No.	Question	Reply
1.	In cases of this nature where at the time of presenting the final budget estimates for the year, the requirement for the entire year is found to be less than the amount for which a vote on account had earlier been obtained, what should be the amount that should have been shown in the Budget Estimates presented to the Legislature and for which sub-head-wise details are furnished ?	If in any particular year, after obtaining the vote on account, it is found by the Govt. that they would not require the amount in respect of which a vote on account has been granted, the correct course would be to present a revised Budget Estimate or a Supplementary Budget Estimate showing only the amount that is actually required.
2.	What is the amount for which the motion for Demand for Grants should be placed before the Assembly and the amount that should be included in the Appropriation Bill?	When a Demand is made in respect of this grant, it should be for the amount which is actually intended to be spent. The appropriation Act should also show this amount. It should, however, be made clear in the motion as well as in the Act that this amount is in supersession of the earlier amount shown in the Appropriation (Vote on Account) Act. The Legislature would have the power to modify its earlier enactment either expressly or by necessary implication.
3.	If this process results in a discrepancy between the Demands for Grants placed before the Assembly and the amount in the final Appropriation Act whether such a discrepancy can be accepted as constitutionally permissible ?	There would be no constitutional objection if the Appropriation Act is passed for a lesser amount than that for which a Demand was made so long as it actually corresponds to the Demand which was actually granted by the House.
4.	If the amount in the final Appropriation Act is less than the vote on account figure, what is the figure with reference to which the Appropriation Accounts should be prepared at the end of the financial year ? (our view in this concrete case, is that sub-head-wise Appropriation Accounts should be prepared with reference to the	In view of the presumption in favour of the validity of Legislature and the fact that normally it is not for any other person or authority to decide whether there was any break in the rules of procedure of the House, the Appropriation Accounts would have to be prepared with regard to the amounts actually granted by the

budget details for Rs.6.52 crores and that there should be a suitable note explaining the matter).

Legislature as shown in the Appropriation Act. If the Appropriation modifies expressly or by necessary implication any earlier enactments, such as the Vote on Account that too would have to be taken into consideration.

The case was further examined and it was decided that the Appropriation Accounts of the Grant in question should be prepared with reference to the amount in the Appropriation Act and that Sub-head-wise Appropriation Accounts of the Grant would be prepared with reference to the amount shown in the Budget Estimates and a suitable note should be added to explain the factual position.

## APPENDIX-XVIII-A

(Referred to in paragraph 3.5.2)

### Finance Accounts:

#### INTRODUCTORY

1. The accounts of Government are kept in the following three parts:-

Part I	Consolidated Fund
Part II	Contingency Fund
Part III	Public Account

In part I namely consolidated fund, there are two main divisions.

- (1) Revenue:- Consisting of sections for and 'Receipt Heads (Revenue Account)' and 'Expenditure Heads (Revenue Account)'.
- (2) Capital, Public Debt, Loans etc:- Consisting of sections for 'Receipt heads (Capital Account)', 'Expenditure heads (Capital Accounts) and Public Debt, Loans and Advances'.

The Revenue division deals with the proceeds of taxation and other receipts classed as revenue and the expenditure met there from, the net result of which represents the revenue surplus or deficit for the year.

In capital division, the section 'Receipt Heads (Capital Account)' deals with receipts of Capital nature which cannot be applied as a set-off to Capital Expenditure.

The section "Expenditure heads (Capital Accounts)" deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a material and permanent character. It also includes receipts of a Capital nature intended to be applied as a set-off against expenditure.

The section 'Public Debt, Loans and Advances etc, comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances' made (and their recoveries) by Government. This section also includes certain special types of heads for transactions relating to Appropriation to the 'Contingency Fund' and 'Inter-State Settlement'.

In part-II namely Contingency Fund, of the accounts, the transactions connected with the Contingency Fund establishment under Article 267 of the Constitution of India are recorded.

In part III, namely Public Account of the accounts, the transactions relating to 'Debt' (Other than those includes in part-I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' are recorded. The transactions under 'Debt', 'Deposits', and 'Advances', in this part are those in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amount paid, together with the repayment of the farmer (Debt and Deposits) and the recoveries of the latter (Advances). The transactions relating to 'Remittances' and 'Suspense' in this part embrace all merely adjusting heads under which appear such transactions as remittances of cash between treasuries and currency chests, transfers between different accounting circles, etc. The initials debits or credits to these heads will be cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

## **2. Sectors and Heads of Account:**

Within each of the sections in part-I mentioned above, the transactions are grouped into sectors such as 'Tax Revenue', 'Non-Tax Revenue', and 'Grants-in-aid' and contributions for the receipt heads (revenue account) and 'General Services', 'Social

Services', 'Economic Services,' and 'Grants-in-aid and Contributions' for expenditure heads. Specific functions for services (such as Education, Sports, Arts and Culture, Health and Family Welfare, Water Supply and Sanitation, Housing and Urban Development, etc. in respect of Social Services) are grouped in sectors for expenditure heads. In Part-III (Public Account) also, the transactions are grouped into sectors, such as 'Small Savings', 'Provident Funds etc. The sectors are sub-divided into major heads of account. In some cases, the sectors are, in addition, sub-divided into sub-sectors before their division into major heads of account.

The major heads are divided into sub-major heads in some cases and minor heads, with a number of subordinate heads, generally known as sub-heads. The sub-heads are further divided into detailed heads. Under each of these heads, the expenditure is shown distributed between charged and voted. Sometimes major heads are also divided into sub-major heads before their further division into minor heads. Apart from the sectoral and sub-sectoral classification the Major Heads, Sub-Major Heads, Minor Heads, Sub-Heads, Detailed Heads and object heads together constitute a six-tier arrangement of the classification structure of the Government Accounts. The Major, minor and Sub-Heads prescribed for the classification of expenditure in the general account are not necessarily identical with the grants sub-heads and other units of allotments which are adopted by the Government for demands for grants presented to the Parliament or Legislatures but in general a certain degree of correlation is maintained between the demands for grants and the Finance Accounts.

The Major heads of accounts, falling within the sectors for expenditure heads, generally correspond to functions of Government, while the minor heads,

subordinate to them ,identify the programmes undertaken to achieve the objectives of the function represented by the major head. The sub-head represents the scheme, the detailed head sub-scheme and object head the object level of classification.

### **3. Coding Pattern**

#### **Major Heads**

From 1st April 1987 a four digit code has been allotted to the major heads, the first digit indicating whether the major head is a Receipt head or Revenue Expenditure head or Capital Expenditure head or a Loan head.

The first digit of code for Revenue Receipt head is either '0' or '1'. Adding 2 of this first digit code of the Revenue Receipt head will give the number allotted to corresponding Revenue Expenditure head, adding another 2, the Capital Expenditure head, and another 2, the Loan Head of Account. For example, for Crop Husbandry Code 0401 represents the Receipt Head, 2401 the Revenue Expenditure head 4401 Capital Outlay head and 6401 Loan head.

Such a pattern is , however, not relevant for those departments which are not operating Capital/Loan heads accounts e.g. Department of Supply. In a few cases, where receipt and expenditure are not heavy, certain functions have been combined under a single major head, the functions themselves forming sub-major heads under the major that head.

#### **Sub-Major Heads**

A two digit code has been allotted, the code starting from 01 under each major head. Where no sub-major head exists it is allotted a code. The nomenclature

'General' has been allotted code '80' so that even after further sub-major heads are introduced the code for 'general' will continue to remain the last one.

### **Minor Heads**

Those have been allotted a three digit code, the codes starting from '001' under each sub-major/minor head (where there is no sub-major head) codes from '001' to '100' and few codes '750' to '900' have been reserved for certain standard minor heads. The coding pattern for minor heads has been designed in such a way that in respect of certain minor heads having a common nomenclature under many major/sub-major heads, the same three digit code is adopted as far as possible.

Under this scheme of codification, the receipt major heads (revenue account) are assigned the block numbers from 0020 to 1606, expenditure major heads (revenue account) from 2011 to 3606, expenditure major heads (capital account) from 4046 to 5475, major heads , under 'Public Debt, from 6001 to 6004 and heads under 'Loans and Advances', 'Inter-State settlement' and 'Transfer to Contingency Fund' from 6075 to 7999. The code number 4000 has been assigned to for capital receipt major head. The only major head 'Contingency Fund' in Part-II 'Contingency Fund' has been assigned the code number 8000. The major heads in the Public Account are assigned the code numbers from 8001 to 8999.

4. The transactions included in these accounts represent mainly the actual case receipts and disbursements during the financial year April to March as distinguished from amounts due to or from Government during the same period. The cash basis system is , however, not entirely suitable for recording the transactions and presenting the true state of affairs of Government Commercial undertakings run on commercial principles.

The detailed accounts of this class of undertakings are, therefore, maintained outside the regular accounts in proper commercial form and are subject to test check by the Indian Audit and Accounts Department.

5. The figures of actual shown in these accounts are net, after taking into account the recoveries, although the demands for grants presented to Legislature and the Appropriation Accounts are for gross expenditure and exclude credits and recoveries which are otherwise taken as reduction of expenditure.

(C.A.G's letter No.1469-Rep(s)/98-88 dated 22nd December 1988 and No.278-Rep(s)/98-88 dated 28th March, 1989).

**APPENDIX –XVIII-B**

(Referred to in paragraph 3.5.2)

**STATEMENT INDICATING MATERIAL TO BE FURNISHED BY VARIOUS  
SECTIONS FOR THE COMPILATION OF THE FINANCE ACCOUNTS ON  
(STATE)**

S.No.	Particulars	Name of Section
<b>I- MATERIAL FOR FINANCE ACCOUNTS (STATE)</b>		
1.	Financial results of working of the major schemes for which proforma accounts are maintained.	T.M. after collecting material from Commercial Audit Wing
2.	Financial results of Irrigation works etc.,	WAC
3.	Information about outstanding revenue of irrigation schemes declared commercial/non-Commercial. Yearwise breakup of outstanding amounts should be given.	WAC
4.	Statement showing internal debt raised in the year	D.D.
5.	Statement showing the amounts of ways and means advances received during the year from the Government of India for plan schemes. Amounts adjusted as loan and grants should be shown separately.	Book-II consultation with DD
6.	Statement showing recoveries of Loans and Advances by the State Government, the detailed accounts of which are maintained by the departmental officers/accounts officers (yearwise breakup of the arrears should be given).	DD
7.	Statement of guarantees given by Government for repayment of loans etc., raised by Statutory Corporation, Government Companies, Local bodies and other Institutions. When guarantees have been invoked during the year, specific mention of such cases should be made with audit comments alongwith cases where the State Government was called upon to honour the guarantee but payment for any reasons was not made by it. Amount of arrears of guarantee fee duly reconciled with	T.M.

S.No.	Particulars	Name of Section
	<p>account figures should be indicated in the statement specifically under a separate column with suitable footnote. It should also be ensured that figures relating to guarantees tally with those mentioned in the Audit Report (Commercial) and a reconciliation statement thereof should be sent alongwith the material.</p>	
8.	<p>Cash balances and investments of cash balances together with full explanation for difference, if any, between the Reserve Bank Deposits as per accounts and the advice from R.B.I.</p>	Book-I and Book-II
9. (a)	<p>Statement showing details under various debt, deposits etc., heads in respect of which acceptances of balances to the end of previous year are awaited in respect of considerable amounts (yearwise breakup to be given).</p>	DD after collecting information from other sections.
(b)	<p>Particulars of details/information awaited from T.Os, Departmental Authorities in connection differences for reconciliation of balances.</p>	
10.	<p>Statement showing distribution of expenditure between charged and voted.</p>	Book-I
11.	<p>Detailed Account of Revenue by minor heads. Minus figures under receipts and plus figures under deduct heads should be suitably explained by a footnote.</p>	
12.	<p>Detailed Account of expenditure by minor heads. Minor figures under expenditure and plus figures under deduct heads, if any, should be explained suitably by a footnote.</p>	

S.No.	Particulars	Name of Section
13.	Statement showing schemewise (Scheme/ investments more than Rs.1 crore figures of Capital expenditure during and to end of the year. Schemes costing Rs.1 crore and less under major heads as mentioned against section concerned should be shown in lump under respective minor heads.	<u>Major Head</u> 4047 4059 4070 4202 4210 4211 4215
	Note(1):- Detailed of proforma corrections to the closing balances as on 31st March of previous year carried out during the current year should be explained in details by way of footnotes.	4216 4217 4220 4225 4235 4250
	Note(2):- Each scheme should be shown minor headwise. For opening balances under various minor heads/schemes, concerned sections should contact AAD section in case of any difficulty and obtain these balances from that section.	I 4401 4403 4404 4405 4406 4408
	Note(3):- The amounts so far invested in the debentures which stand classified under the capital heads of accounts, and included in the progressive capital outlay are required to be transferred to the appropriate loan heads vide correction slip No.230 dated 31.08.81 to the list of Major and Minor heads. This should be kept in view while preparing the statement.	4425 4435 4515 4575 4701 4702 4705 4711 4801 4851 4852 4853 4857 4858 4860 4885 5054 5425 5475
14.	Statement showing details of investments of Government in Statutory Corporations, Govt. Companies, other Joint Stock Companies, Co-operative Banks and Societies etc.	T.M. in consultation with concerned C.A. Sections

S.No.	Particulars	Name of Section
.	<p>Note1: - It should be ensured that figures relating to investments in respect of Government Companies and Corporation, etc. tally with those mentioned in Audit Report (Commercial) and a reconciliation statement thereof should be sent alongwith the material.</p> <p>Note 2:- The figures of investment and dividends should be only reconciled with account figures. A reconciliation statement with certificate to the effect that the figures agree with the booked figures should also be recorded on the statement. T.M. Section should, therefore, conduct a special review itself and take steps to correct all working details so that the statement complete in all respects is sent on due date. Instructions contained in the endorsement No.TM.F.1(I) 68-69/144 dated 11.11.1968 should also be kept in view. The investment in debentures need not be exhibited in statement No.14 of the Finance Accounts as per Central Office General Circular No.57-AC/1982 No.794-AC/2181 dated 5.1.1983. This should be kept in view while preparing the statement.</p>	
15.	<p>Statement of receipts disbursements and balances under heads of account relating to debt., contingency fund and Public Account indicating the items of unreconciled differences under various minor heads.</p> <p>Note 1: - The details in respect of amount booked under 8680-Miscellaneous Government Account should also be given in the proforma prescribed by I.T.A.S. vide their letter dated 3.7.1982.</p> <p>Note: 2: -The details of heads under which difference existed should be noted in the statement in consultation with the concerned section. Reasons for minus figures should invariably be given wherever they appear.</p>	Book-I

<b>S.No.</b>	<b>Particulars</b>	<b>Name of Section</b>
16	Annexure to statement No.17 . For recording certificate refer note 1 below item No.17	DD and Book-I
17.	Detailed statement of loans and advances made by Government. Reasons for minus figures should invariably be given wherever they appear.	Book-I/DD
18.	Statement showing the investments of Government in Statutory Corporations, Government Companies, other Joint Stock Companies and other Co-operative Banks.	T.M.
19.	Statement showing particulars of details/information awaited from forest Departmental/Treasury Officers in connection with reconciliation of balances.	DD WAC Forest

**APPENDIX-XIX-A**

**(Referred to in Para 3.11.28)**

**Appendix-IV**

**(Referred to Statement No.12 of Finance Accounts)**

**(DETAILS OF GRANTS-IN-AID GIVEN BY THE STATE GOVERNMENT TO THE LOCAL BODIES)**

*(In lakh of Rupees)*

<b>Heads &amp; Description</b>	<b>Actuals for the year</b>			<b>Recipient Agency (Municipal Councils/Corporation and Panchayat as applicable)</b>	<b>Amount received during the year for</b>			<b>Total Details of Assets</b>
	<b>Plan (including CSS)</b>	<b>Non Plan</b>	<b>Total</b>		<b>Revenue Expenditure</b>	<b>Capital Expenditure</b>	<b>Amount</b>	

**(Authority CAG's letter No.157-AC-I/SP-II/7-2003 dated 19.4.2005)**

**APPENDIX-XIX-B**

**(Referred to in Paragraph 3.11.29)**

**Appendix-V**

**(Referred in Statement No.12 of Finance Accounts)**

**Expenditure on salaries,\* organized by major heads,  
during the year 2005-06**

(Figures in italics represent charged expenditure)

Actuals for the year 2005-06

Head 1	Non-Plan 2	CSS 3	Plan 4	Total 5
				(In thousands of rupees)

Expenditure Heads (Revenue Account)

A. General Services

(a) Organs of State

2011 – State Legislature

2012 – Governor

2013 – Council of Ministers

2014 – Administration of Justice

2015 – Elections

Total (a) Organs of State

And so on

(CAG's letter No.246-AC-I/SP-II/60-05 dated 2.8.2006)

**APPENDIX-XIX-C**  
**(Referred to in Paragraph 3.11.30)**

**Appendix-VI**  
**(Referred in Statement No.12 of Finance Accounts)**  
**Figures represent expenditure booked in the accounts under the**  
**object head salary**  
**Expenditure on subsidies\* disbursed during the year 2005-06**  
**(Figures in italics represent charged expenditure)**  
**Actuals for the year 2005-06**

Head	Non-Plan	CSS	Plan	Total
1	2	3	4	5

(In thousands of rupees)

Expenditure Heads (Revenue Account)

A. General Services  
(a) Organs of State  
2011 – State Legislature  
02 – State Legislature  
XXX – Name of minor head  
YY - Subsidy  
2012 – Governor  
03 - Governor  
XXX – Name of minor head  
YY - Subsidy  
2013 – Council of Ministers  
XXX – Name of minor head  
YY - Subsidy  
2014 – Administration of Justice  
XXX – Name of minor head  
YY - Subsidy  
2015 – Elections  
XXX – Name of minor head  
YY - Subsidy

Total (a) Organs of State

And so on

\* The figures represent expenditure as booked under subsidy head in the accounts rendered by the State Government.

(CAG's letter No.246-AC-I/SP-II/60-05 dated 2.8.2006)

## **APPENDIX-XX**

**(Referred to in para 3.14.1)**

### **Material for Combined Finance and Revenue Account for 2005-06**

**Table 1**  
**Assets and Liabilities and the Statement of Balances**  
**(position as on 31<sup>st</sup> March 2006)**

(Rs. in crore)

	States		States
Capital Expenditure			
General Services	8,63.30	Internal Debt	4,01,30.62
Social Services	1,15,03.66	External Debt	..
Economic Services	2,14,20.36	Loans from C G	79,31.12
Total	3,37,87.32	Small Savings, Provident Funds etc.	1,30,58.50
Loans and Advances		Reserve Fund	8,79.36
General Services		Others(Deposits & Advances)	42,95.26
Social Services	1,00.99	Total Liabilities (Available Funds)	6,62,94.86
Economic Services	40,29.96	Contingency Fund	35.00
Governments Servants	3,01.27		
Total	44,32.22	Other Receipts	12.13
Cash Balances	(-),2,62.40	Cumulative Resource Gap (Revenue Deficit)	2,65,79.90
Investments	18,04.95		
Total Assets	3,97,62.09	Resource Use	3,97,62.09

**Table 2****Summary of the Receipts, Disbursements, Deficit and Debt in 2005-06**

(Rs. in crore)

	Receipts	Derived Parameters		Disbursement
	States	States		States
Revenue Receipts	2,08,39.19	Revenue Deficit	Revenue Expenditure	2,14,99.20
Misc. Capital Receipts	0.81	6,60.01	Capital Expenditure	42,94.49
Recovery of Loans	2,37.60	Fiscal Deficit	Loans and Advances	4,34.18
Total Non-Debt Receipts	2,10,77.60	51,50.27	Total Expenditure	2,62,27.87
Public Debt	54,95.30		Public Debt	9,92.48
Transfer to contingency		Deficit in CFS	Transfer to contingency	
Inter State Settlement				
Total Consolidated Fund	2,65,72.90		Total Consolidated Fund	2,72,20.35
Appropriation Receipts		Contingency Fund	Expenditure	
Small savings, Provident Fund and Others	24,70.61		Small Savings, Provident Fund and Others	10,93.56
Reserves and Sinking Fund	5,89.59		Reserve and Sinking Fund	6,26.03
Deposit	4,29,13.88		Deposit	4,24,84.96
Civil Advances	37.37		Civil Advances	37.48
Suspense account	3,75,35.84	Public Account Surplus	Suspense account	3,84,38.89
Remittances	31,39.92		Remittances	31,53.08
Total Public Account		Changes in Cash Balances	Total Public Account	
Opening Cash Balances	4,68.14		Closing Cash Balances	2,62.40
Public Account Surplus	(Demand Side)		Deficit in (CFS+contingency) + Increase in Cash Balance	
Incremental Liabilities	(Demand Side)		Surplus of (Debt+Small Savings+RF+Deposits)	
Incremental Liabilities	(Demand Side)		FD + Increase in Cash + Net Disbursement of (Advances + suspense + Remittances)	

**Table 3****Revenue Receipts and its composition**

(Rs. in crore)

Revenue Receipts	2,08,39.19
Tax Revenue	98,80.23
Non-Tax Revenue	27,37.67
Share of net Proceeds assigned to State	53,00.08
Grants in Aid	29,21.21

**Table 4**  
**Components of Revenue Receipts relative to GDP (Market Prices)**  
 (percent)

Revenue Receipts	17.04
Tax Revenue	8.08
Non-Tax Revenue	2.24
Share of net Proceeds assigned to State	4.33
Grants in Aid	2.39

**Table 5**  
**Receipts from Major Taxes and their Shares Relative to GDP**

	Receipts (Rs. in crore)	Percent of GDP
Total Tax Revenue	1,51,80.31	12.41
Income & Expenditure taxes	24,94.86	2.04
Corporation Tax	14,63.36	1.20
Income Tax	10,31.56	0.84
Property Transactions Taxes	11,19.46	0.92
Land Revenue	84.30	0.07
Stamp Duty & Registration	10,31.79	0.84
Commodities & Service Taxes	1,15,65.99	9.46
Customs Duties	10,33.27	0.84
Excise Duties	13,78.90	1.13
Service Tax	3,90.86	0.32
Tax on Sales, Trade etc.	55,93.64	4.57
State Excise	15,21.81	1.24
Taxes on Motor Vehicles	9,08.18	0.74
Goods & Passengers Tax	2,36.71	0.19
Electricity Duty	4,71.35	0.39
Others	31.27	0.03

**Table 6**  
**Non Tax Receipts of the Union and the States**  
 (Rs. in crore)

Fiscal Services	..
Financial Intermediation	10,12.78
General Services	4,85.29
Social Services	2,33.87
Economic Services	10,05.73
Total NTR	27,37.67

**Table 7**  
Composition of Revenue Expenditure

(Rs. in crore)

Organs of State	2,11.00
Fiscal Services	4,04.05
Financial Intermediation	52,10.20
Administrative Services	13,30.20
Miscellaneous General Services	14.24
Pensions	16,50.63
Defence	
<b>Total General Services</b>	<b>88,20.32</b>
Social Services	79,94.39
Economic Services	46,82.92
Grant in aid	1.57
<b>Total</b>	<b>2,14,99.20</b>

**Table 8**  
Developmental Expenditure

(Rs. in crore)

Social Services	
Revenue Expenditure	79,94.39
Capital Expenditure	17,38.66
Loans and Advances	8.96
Revenue Expenditure on Social Services as per cent to Total Expenditure	30.48
Economic Services	
Revenue Expenditure	46,82.92
Capital Expenditure	24,40.68
Loans and Advances	4,25.19
Revenue Expenditure on Economic Services as per cent to Total Expenditure	17.85
<b>Total Developmental Expenditure</b>	<b>1,72,90.80</b>
Revenue Expenditure as per cent to Total Developmental Expenditure	73.32

**Table 9****Function Based Revenue Expenditure on Social Services – Basic Parameters**

	Revenue Expenditure (in crore)	Per Capita Expenditure (Rs.)	Expenditure as percent of GDP	Expenditure as percent to Revenue Expenditure
Education, Art and Culture	46,51.99	7,51.53	3.80	21.64
Medical and Public Health	9,79.57	1,58.25	0.80	4.56
Family Welfare	1,57.00	25.36	0.13	0.73
Water Supply & Sanitation	9,07.09	1,46.54	0.74	4.22
Housing	28.53	4.61	0.02	0.13
Urban Development	1,35.86	21.95	0.11	0.63
Information & Broadcasting	11.90	1.92	0.01	0.06
Labour	46.89	7.58	0.04	0.22
Social Security and Welfare	2,11.47	34.16	0.17	0.98
Natural Calamities	4,22.87	68.32	0.35	1.97
Others*	4,41.22	71.28	0.36	2.05
<b>Total Social Services</b>	<b>79,94.39</b>	<b>1291.50</b>	<b>6.54</b>	<b>37.18</b>

\* It includes expenditure on Welfare of SC, ST and OBC (Rs. 1,72.87 crore) and Nutrition (Rs. 2,55.91 crore), Other Social Services (Rs. 5.97 crore) and Secretariat Social Services (Rs. 6.48 crore)

**Table 10****Function Based Revenue Expenditure on Economic Services – Basic Parameters**

	Revenue Expenditure (in crore)	Per Capita Expenditure (Rs.)	Expenditure as percent to GDP	Expenditure as percent to Revenue Expenditure
Agriculture & Allied Services	8,50.87	1,37.46	0.70	3.96
Food Storage & Ware Housing	..	..	..	..
Rural Development	9,31.25	1,50.44	0.76	4.33
Special Area Programmes	..	..	..	..
Irrigation & Flood Control	9,27.86	1,49.90	0.76	4.32
Energy	11,99.84	1,93.84	0.98	5.58
Industry	90.15	14.56	0.07	0.42
Transport	5,06.78	81.87	0.41	2.36
Communication	..	..	..	..
Scientific Research	4.95	0.80	0.004	0.02
Others	1,71.22	27.66	0.14	0.80
<b>Total Economic Services</b>	<b>46,82.92</b>	<b>7,56.53</b>	<b>3.83</b>	<b>21.78</b>

## Table 11

### Recovery of user charges from select Social and Economic Services

(percent)

Education, Art and Culture	0.53
Medical and Public Health	1.70
Family Welfare	0.21
Social Services	2.93
Economic Services	21.48

## Total and Per Capita Assets, Ratio of Assets to Liabilities and Revenue Receipt

	Total Assets (Rs. In crore)	Per Capita Assets (Rupees)	Per Capita Assets Index (percent)	Ratio of Assets/ Liabilities	Ratio of assets to revenue receipt (Ratio)
Rajasthan	39772	6425	*	59.95	1.91

\* Copy of basis / formula may please be supplied.

## Parameters of Fiscal Imbalances

GSDP - 122308

	Revenue Deficit (Rs. in crore)	Fiscal Deficit (Rs. in crore)	Incremental Debt (Rs. in crore)	RD/ GSDP (percent)	FD/ GSDP (percent)	RD/ Revenue Receipt (percent)	RD/ FD (percent)	Incremental Debt/ RR (percent)
Rajasthan	660	5150	4503	0.54	4.21	3.17	12.82	21.61

## Parameters of Revenue Receipt

**Population – 6,19,16,900 (6.19 crore)**

	Revenue Receipt (Rs. in crore)	RR/ GSDP Ratio (percent)	Per Capita RR (Rupees)	Per Capita RR Index (percent)	Own Resources/ RR Ratio (percent)
Rajasthan	20839	17.04	3367	*	60.55

\* Copy of basis / formula may please be supplied.

## Parameters of Tax Receipts and Tax- GSDP Ratio

	Tax Revenue (Rs. in crore)	Tax GSDP Ratio (percent)	Property Tax (percent to GSDP)	Commodity Taxes (percent to GSDP)	Sales Tax (percent to GSDP)	Motor Vehicle Tax (percent to GSDP)
Rajasthan	9880	8.08	0.91	9.46	4.57	0.74

## Expenditure on Pension Payments

	Expenditure on Pensions (Rs. in crore)	Expenditure on Pensions as percent to Revenue Receipts
Rajasthan	1650.63	7.92

## Parameters of Expenditure

	Total Expenditure (Rs. in crore)	Revenue Expenditure/ TE (percent)	Committed Exp.	Development Expenditure	Others
			(as percent to Revenue Expenditure net of grants in aid)		
Rajasthan	26228	81.97	31.91	58.97	9.12

## Parameters of Recovery of User Charges

	Education	Medical & Public Health	Family Welfare	Social Services	Economic Services
	(Revenue Receipts as percent to Revenue Expenditure)				
Rajasthan	0.53	1.70	0.21	2.93	21.48

Receipts  
Govt of Rajasthan

**Statement-E-I**

GSDP    2003-04    100094  
          2004-05    108734  
          2005-06    122308

(Rounded to crores of Rupees)

Year	Revenue Receipts	As% of GSDP	Tax Receipts	As% of GSDP	Non-Tax Receipts	As% of GSDP	Share of net proceeds assigned to State & GIA	As% of GSDP
			State own Receipts					
2003-04	1,54,24	15.41	72,46	7.24	20,72	2.07	61,06	6.10
2004-05	1,77,64	16.34	84,15	7.74	21,46	1.97	72,03	6.62
2005-06	2,08,39	17.04	98,80	8.08	27,38	2.24	82,21	6.72

Explanation:-

- i) Tax revenue is the amount of total tax revenue shown in the Finance Account, reduced by the only share of income tax received from Union Government.
- ii) State's own receipt is the amount of total revenue receipts reduced by share of Income Tax and Union excise duties and Grants-in-aid received from Union Government and share of excise duties credited under minor head "901" in r/o Major heads 0020,0024,0028,0032,0037,0038,0044 and 0045 because of deletion of Major Head 1603-"States Share of Union Excise Duties" w.e.f. 1.4.2000 on the implementation of the recommendations of XI Finance Commission.
- iii) State GSDP figures have been taken from Economic Survey Report of State Publication.

## Expenditure

### Government of Rajasthan

#### Statement-E-II

GSDP	2003-04	100094
	2004-05	108734
	2005-06	122308

(Rounded to crores of Rupees)

	Revenue Expenditure	As% age of GSDP	Capital Expenditure	As% age of GSDP	Plan Expenditure	As% age of GSDP	Non Plan Expenditure	As% age of GSDP
2003-04	1,88,48	18.83	41,06	4.10	62,11	6.20	1,67,43	16.73
2004-05	1,99,06	18.31	41,28	3.80	67,63	6.22	1,72,71	15.88
2005-06	2,14,99	17.57	47,29	3.87	77,68	6.35	1,84,60	15.09

#### Explanation:-

- Capital expenditure excludes expenditure on Public debt but includes Loans & Advances.
- Total Plan expenditure (C.S.S. included) represents the total of plan expenditure under Revenue, Capital and F-loans & Advances.
- Total non-plan expenditure represents the total of non-plan expenditure under Revenue, Capital and F-Loans & Advances

Figures under F-Loans and Advances pertaining to Plan and Non-Plan are detailed below:-

Year	Plan	Non Plan
	(Rs. in crore)	
2003-04	8,63.41	61.95
2004-05	6,00.55	39.17
2005-06	4,03.02	31.16

## Plan/Non Plan Expenditure

### Government of Rajasthan

Statement –E-III

GSDP      2003-04      100094  
               2004-05      108734  
               2005-06      122308

Population    2003-04      5,91,79,600 = (5.92 crore)  
                   2004-05      6,04,71,400 = (6.05 crore)  
                   2005-06      6,19,16,900 = (6.19 crore)

(Rounded to crores of Rupees)

Year	Total Expenditure (Rs. Crore)		As % of GSDP		Capital Expenditure		As % of GSDP		Revenue Expenditure (Rs. Crore)		As % of GSDP		Per Capita Total Expenditure*		Per Capita Capital Expenditure*		Per Capita Revenue Expenditure*	
	P	NP	P	NP	P	NP	P	NP	P	NP	P	NP	P	NP	P	NP	P	NP
2003-04	6211	16743	6.20	16.73	3980	126	3.97	0.13	2231	16617	2.23	16.60	1049	2828	672	21	377	2807
2004-05	6763	17271	6.22	15.88	4021	107	3.69	0.10	2742	17164	2.52	15.79	1118	2855	665	18	453	2837
2005-06	7768	18460	6.35	15.09	4636	93	3.79	0.08	3131	18368	2.56	15.02	1255	2982	749	15	506	2967

\* Per Capita Expenditure is in Rupees (rounded)

## Deficits

### Government of Rajasthan

Statement –E-IV

GSDP	2003-04	100094
	2004-05	108734
	2005-06	122308

(Rounded to crores of Rupees)

Year	Revenue Deficit	As% of GSDP	Fiscal Deficit	As% of GSDP	Primary Deficit*	As% of GSDP
2003-04	34,24	3.42	73,67	7.36	25,90	2.59
2004-05	21,43	1.97	61,46	5.65	9,74	0.90
2005-06	6,60	0.54	51,50	4.21	..@	..

\* Primary deficit =Fiscal Deficit- Interest Payments

@ Payment of interest is more than the Fiscal Deficit.

## Outstanding Debt

### Government of Rajasthan

Statement –E-V

GSDP	2003-04	100094
	2004-05	108734
	2005-06	122308

(Rounded to crores of Rupees)

Year	Public Debt	As% of GSDP	Other Debt (Public A/c)			Other debt as % of GSDP
			Small Saving & Provident Fund	Other Obligations	Total	
2003-04	38449 (5875)*	38.41 (5.87)*	10516 (947)*	4148 (490)*	14664 (1437)*	14.65 (1.44)*
2004-05	43559 (5110)*	40.06 (4.70)	11681 (1165)*	3894 (- 254)*	15575 (911)	14.33 (0.84)
2005-06	48062 (4503)*	39.30 (3.68)	13058 (1377)	3370 (-524)	16428 (853)	13.43 (0.70)

Explanation:-

- (i) Public Debt includes Loans & Advances from Central Government.
- (ii) Other obligations include the J-Reserve Funds, K-Deposits & Advances, L-Suspense & Misc. and M-Remittances.
  - Figures shown in brackets are the figures during the year of respective years in case of other debts.

## Per Capita indicators

### Government of Rajasthan

Statement E-VI

Population	2003-04	5,91,79,600 = (5.92 crore)
	2004-05	6,04,71,400 = (6.05 crore)
	2005-06	6,19,16,900 = (6.19 crore)

(Rounded to crores of Rupees)

Year	Revenue receipts	Per Capita*	Own Revenue (for States only)	Per Capita*	Revenue Expenditure	Per Capita*	Capital Expenditure	Per Capita*	Public Debt (Net)	Per Capita*	GSDP	Per Capita*
2003-04	15424	2605	9318	1574	18848	3184	4106	694	38449	6495	100094	16908
2004-05	17764	2936	10561	1746	19906	3290	4128	682	43559	7200	108734	17973
2005-06	20839	3367	12618	2038	21499	3473	4729	764	48062	7764	122308	19759

\* Per Capita is in rupees rounded.

Explanation:-

- i) Total Revenue Receipts divided by the population (rounded to crores) of the State, rounded to nearest rupees, gives the per capita revenue receipts of the Concerned State, Similarly figures for other indicators are calculated.
- ii) Population projected figures are as on July from State Economic and Statistical Department, Jaipur (Rajasthan).

## Account of the Contingency Fund for the year 2005-06

Name of Government	Balance as on 1.4.02	Appropriation from the Consolidate Fund or any other reserve fund during the fund	Advances remained unrecouped at the end of previous year	Advances from the fund during the year	Recomponent of the fund during the year			Advances remaining unrecouped to the end of year			Balance as on 31.3.03 Col No. 2+3-5+8
					Of Adv. In Col. No. 4	Of Adv. In Col. No.5	Total Reouped Col (6+7)	Of Adv. In Col. (4-6)	Of Adv. In Col. (5-7)	Total Unrecouped Col (9+10)	
1	2	3	4	5	6	7	8	9	10	11	12
Government of Rajasthan	35,00,00,000	Nil	Nil	70,47,471	Nil	70,47,471	70,47,471	Nil	Nil	Nil	35,00,00,000

**New Proforma on Suspense Balances**  
**Balances under Suspense/Remittance Heads as on 31<sup>st</sup> March**

**Appendix-'F'**

(In thousand of Rupees)

Heads of Account	2003-04	2004-05	2005-06
8658-101 P.A.O.	Dr 9,42,80	Dr 6,23,05	Dr 6,14,32
8658-102 Suspense Account Civil	Dr 7,83,93	Dr 6,87,55	Dr 6,19,89
8658-107 Cash Settlement Suspense Account	Dr 1,97,49	Dr 2,66,95	Dr 2,04,52
8658-111 Departmental Adjusting Account	Nil	Nil	Nil
8658-109 Reserve Bank (Headquarter)	Nil	Nil	Dr 7,94
8658-110 Reserve Bank (CAO)	Dr 4,29,04	Dr 16,58,42	Dr 30,59,86
8782-102 P.W. Remittances	Dr 23,47,45	Dr 13,62,47	Dr 25,97,29
8782-103 Forest Remittance	Cr 38,44	Cr 65,15	Cr 7,68
RBI Remittances	Nil	Nil	Nil

## APPENDIX-XXI

(Referred to in Chapter –4)

### ACCOUNTS AT A GLANCE

#### CHAPTER-I

#### OVERVIEW

The monthly accounts of the State Government are compiled and consolidated from the accounts submitted by the District Treasuries, Public Works Divisions and Forest Divisions to the Accountant General (Accounts and Entitlements). The Finance Accounts and the Appropriation Accounts are prepared annually by the Accountant General under the directions of the Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The accounts of Government are kept in the following three parts:

**Part I      Consolidated Fund**

**Part II     Contingency Fund**

**Part III    Public Account**

**Part I:**      There are two main divisions under the Consolidated Fund:

The Revenue division (Revenue Account) deals with the proceeds of taxation and other receipts classed as revenue. The Revenue expenditure is generally identified with expenditure on establishment, maintenance and services. The net result of the receipt and expenditure represents the revenue surplus or deficit as the case may be for the concerned year.

In the Capital division, the section 'Receipt Heads (Capital Account)' deals with receipts of a capital nature which cannot be applied as a set off to capital expenditure. The section 'Expenditure Heads (Capital Account)' deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a material and permanent character. It also includes receipts of a capital nature intended to be applied as a set off to capital expenditure. The section 'Public Debt, Loans and Advances, etc.' comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances' made (and their recoveries) by Government.

**Part II:**      In the Contingency Fund, the transactions connected with Contingency Fund established under Article 267 of the Constitution of India are recorded.

**Part III:**     In the Public Account, the transactions relating to 'Debt' (other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' are recorded.

**The Annual Accounts of the Government of Rajasthan for the year 2005-06 have recently been presented to the State Legislature.** The Audit Reports of the Comptroller and Auditor General of India for the year 2005-06 are being presented separately.

## **FINANCE ACCOUNTS**

- ❖ The Finance Accounts present the accounts of receipts and outgoings of the Government for the year together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debts and the liabilities and assets as worked out from the balances recorded in the accounts.
- ❖ During 2005-06, the total receipts amounted to Rs. 2,62,27.87 crore comprising of Revenue Receipts (Rs. 1,51,80.31 crore Tax Revenue, Rs. 27,37.67 crore Non-Tax Revenue and Rs. 29,21.21 crore Grants-in-aid and Contributions) and Capital Receipt (Miscellaneous Capital Receipt Rs. 0.81 crore, recovery of loans and advances Rs. 2,37.60 crore and borrowings and other liabilities Rs. 51,50.27 crore).
- ❖ Disbursements during the year were Rs. 2,62,27.87 crore – Rs. 2,14,99.20 crore (81.97%) on Revenue account and Rs. 47,28.67 crore (18.03%) on Capital account.

## **APPROPRIATION ACCOUNTS**

- ❖ The Appropriation Accounts bring out the expenditure of the State Government against amounts voted and charged by the State Legislature and supplement the Finance Accounts. These comprise of accounts of 4 *charged* Appropriations and 51 voted Grants.
- ❖ The Appropriation Act, 2005-06, had projected a gross expenditure of Rs. 3,36,78.95 crore including the Supplementary Grants totaling Rs. 7,43.36 crore voted by the State Legislature during the year. An amount of Rs. 13,22.45 crore was projected as recoveries i.e. reduction of expenditure.
- ❖ The Appropriation Accounts 2005-06 show disbursements aggregating Rs. 2,85,03.22 crore against the aggregate Budget provision of Rs. 3,36,78.95 crore resulting in savings of Rs. 51,75.73 crore against Grants and Appropriations. Out of this, Rs. 42,23.08 crore (81.59%) was mainly under the grants controlled by the departments of Finance (Rs. 31,18.36 crore), Education (Rs. 3,23.93 crore), Public Health and Engineering Department (Rs. 2,82.44 crore), Urban Development (Rs. 2,22.19 crore), Medical and Public Health (Rs. 1,17.17 crore) and Irrigation (Rs. 1,59.00 crore).
- ❖ Recoveries in reduction of expenditure amounted to Rs. 12,82.86 crore reflecting decrease of Rs. 39.59 crore vis-à-vis the Budget estimates.

## CHAPTER II

### HIGHLIGHTS OF ACCOUNTS

Sl. No.		Budget Estimates 2005-06	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP <sup>@</sup>
		(Rupees in crore)			
1.	Tax Revenue*	1,49,28.98	1,51,80.31	101.68	12.41
2.	Non-Tax Revenue	24,61.57	27,37.67	111.22	2.24
3.	Grants-in-aid and Contributions	31,47.78	29,21.21	92.80	2.39
4.	Revenue Receipts (1+2+3)	2,05,38.33	2,08,39.19	101.46	17.04
5.	Recoveries of Loans and Advances	1,06.43	2,37.60	223.25	0.19
6.	Other Receipts	..	0.81	..	..
7.	Borrowings and Other Liabilities	69,66.61	51,50.27	73.93	4.21
8.	Capital Receipts (5+6+7)	70,73.04	53,88.68	76.19	4.40
9.	Total Receipts (4+8)	2,76,11.37	2,62,27.87	94.99	21.44
10.	Non-Plan Expenditure (NPE)	1,83,39.91	1,84,60.24	100.66	15.09
11.	NPE on Revenue Account	1,82,70.97	1,83,67.67	100.53	15.02
12.	NPE on Interest Payments out of 11	53,19.27	52,10.20	97.95	4.26
13.	NPE on Capital Account	68.94	92.57	134.28	0.08
14.	Plan Expenditure (PE)	92,71.46	77,67.63	83.78	6.35
15.	PE on Revenue Account	37,90.36	31,31.53	82.62	2.56
16.	PE on Capital Account	54,81.10	46,36.10	84.58	3.79
17.	Total Expenditure (10+14)	2,76,11.37	2,62,27.87	94.99	21.44
18.	Expenditure on Revenue Account (11+15)	2,20,61.33	2,14,99.20	97.45	17.58
19.	Expenditure on Capital Account** (13+16)	55,50.04	47,28.67	85.20	3.87
20.	Revenue Deficit*** (18-4)	15,23.00	6,60.01	43.34	0.54
21.	Fiscal Deficit*** [17-(4+5+6)=7]	69,66.61	51,50.27	73.93	4.21

### RECEIPTS AND DISBURSEMENTS

Total receipts during the year (excluding Borrowings and Other Liabilities Rs. 51,50.27 crore) were Rs. 2,10,77.60 crore, against which total revenue and capital disbursements was Rs. 2,62,27.87 crore. The resulting deficit of Rs. 51,50.27 crore is less than by Rs. 18,16.34 crore in comparison to Budget Estimates (Rs. 69,66.61 crore), which is summarized as under:

(Rupees in crore)			
<b>Total Receipts</b>	2,62,27.87	<b>Total Disbursements</b>	2,62,27.87
Revenue Receipts	2,08,39.19	Revenue Disbursements	2,14,99.20
Capital Receipts	53,88.68	Capital Disbursements	47,28.67

@ Broadly, sum of the products of all goods and services rendered by the State in monetary terms during a year before making any provision for Consumption of Fixed Capital (C.F.C.) is known as Gross State Domestic Product.

\* Includes share of net proceeds assigned to States received from Government of India.

\*\* Expenditure on Capital Account includes capital expenditure (Rs. 42,94.49 crore) and Loans and Advances disbursed (Rs. 4,34.18 crore).

\*\*\* The revenue deficit is the excess of revenue expenditure over revenue receipts. The Fiscal Deficit may be defined as the excess of revenue and capital expenditure (including loans and advance disbursed) over the revenue receipts, recoveries of loans and advances and other receipts.

## RECEIPTS

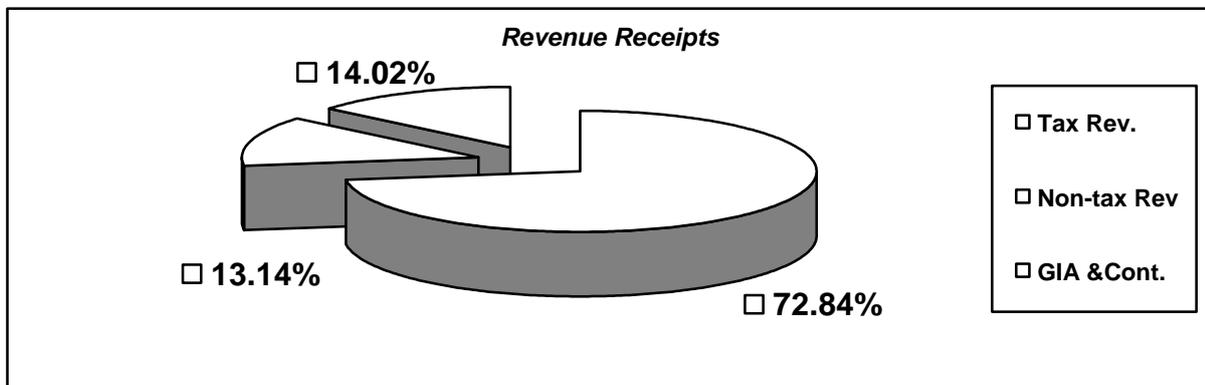
### Revenue Receipts

Gross Tax Revenue of Rs. 1,51,80.31 crore and Non-Tax Revenue of Rs. 27,37.67 crore formed 12.41 % and 2.24 % respectively of the Gross State Domestic Product (GSDP). Major contributors to revenue were **State Excise, Taxes on Sales, Trades, etc., Stamp and Registration Fees and share of net proceeds of all shareable Union Taxes and Duties.**

Net tax receipts during the year were more than the Budget estimates by Rs. 2,51.33 crore.

The share of various tax, non-tax revenue and grants-in-aid and contributions to total revenue receipts is given below:-

Components	Actuals	Percentage to total Revenue Receipts
	(Rupees in crore)	
<b><u>A. Tax Revenue</u></b>	<b>1,51,80.31</b>	<b>72.84</b>
Taxes on Income and Expenditure*	24,94.86	11.97
Taxes on Property and Capital Transactions	11,19.46	5.37
Taxes on Commodities and Services*	1,15,65.99	55.50
<b><u>B. Non-tax Revenue</u></b>	<b>27,37.67</b>	<b>13.14</b>
Interest Receipts, Dividends and Profits	10,12.78	4.86
General Services	4,85.29	2.33
Social Services	2,33.87	1.12
Economic Services	10,05.73	4.83
<b><u>C. Grants-in-aid and Contributions</u></b>	<b>29,21.21</b>	<b>14.02</b>
<b>TOTAL-REVENUE RECEIPTS</b>	<b>2,08,39.19</b>	<b>100.00</b>



### Capital Receipts

Compared to the Budget estimates, there was an overall decrease of Rs. 16,84.36 crore in Capital Receipts. This was mainly due to **non requirement of ways and means advances from the Central Government.**

\* Includes Share of net proceeds assigned to States received from Government of India.

## DISBURSEMENTS

### Revenue Disbursements

Revenue Disbursements (net) were 17.58 % of GSDP. It was less than the Budget estimated by Rs. 5,62.13 crore i.e. excess Rs. 96.70 crore under Non-Plan and less Rs. 6,58.83 crore under Plan.

### Capital Disbursements

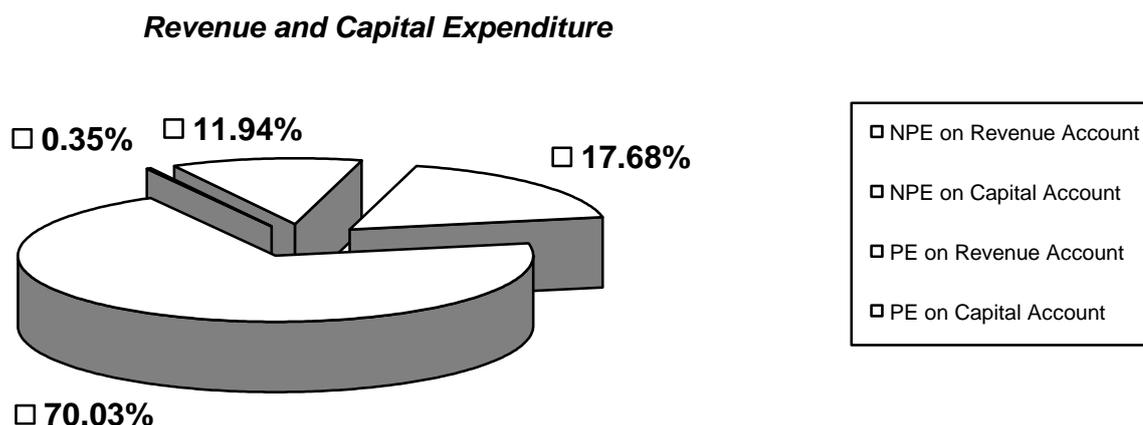
Capital Disbursements were 3.87% of the GSDP. It was less than the Budget estimated by Rs. 8,21.37 crore i.e. excess under Non-Plan Rs. 23.63 crore and less disbursement under Plan Rs. 8,45.00 crore.

### Plan Disbursements

During the year 2005-06, Plan Disbursements were Rs. 77,67.63 crore of which Rs. 65,66.62 crore were under Plan and Rs. 12,01.01 crore were under Centrally Sponsored Schemes including Central Plan Schemes.

### Non-Plan Disbursements

Non-plan Disbursements during 2005-06 were Rs. 1,84,60.24 crore consisting of Rs. 1,83,67.67 crore under Revenue and Rs. 92.57 crore under Capital.



### Trends in Government Plan and Non-plan expenditure

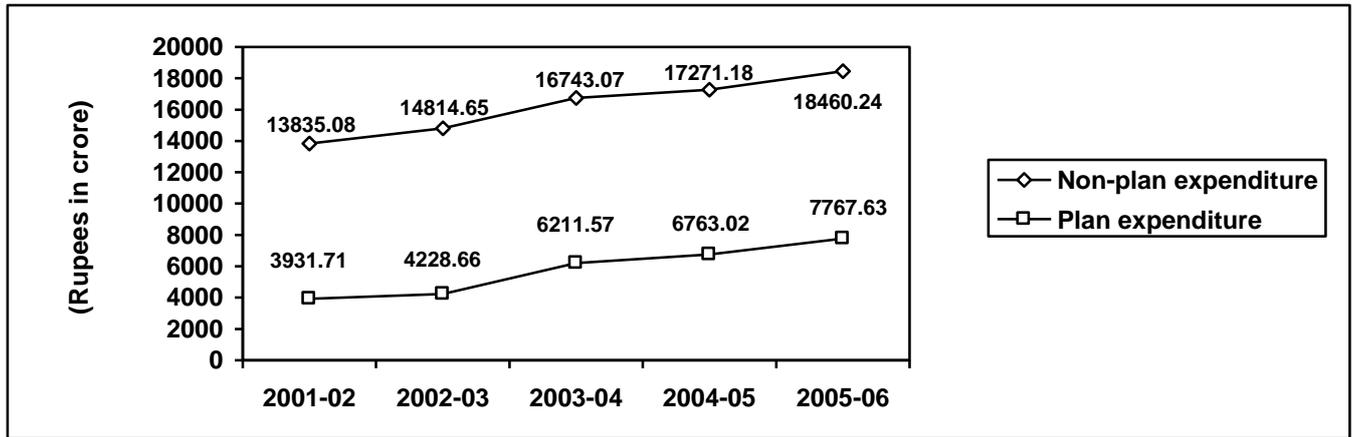
Trends in Government Plan and Non-plan expenditure from 2001-02 to 2005-06 (5 years period) is given below :-

(Rupees in crore)

Year	Non-plan Expenditure	Plan Expenditure	Total Expenditure
2001-02	1,38,35.08	39,31.71	1,77,66.79
2002-03	1,48,14.65	42,28.66	1,90,43.31
2003-04	1,67,43.07	62,11.57	2,29,54.64

2004-05	1,72,71.18	67,63.02	2,40,34.20
2005-06	1,84,60.24	77,67.63	2,62,27.87

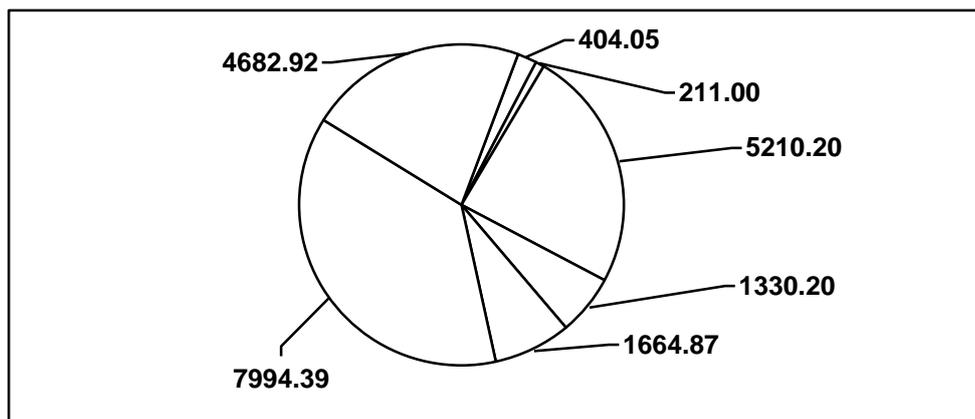
The above is reflected in the form of graph below: -



The sectoral distribution of revenue expenditure and its percentage to total revenue expenditure is given below: -

Components	Amount	Percentage to Total
	(Rupees in crore)	Revenue Expenditure
<b>A. Fiscal Services</b>	4,04.05	1.88
(i) Collection of Taxes on Income and Expenditure	..	..
(ii) Collection of Taxes on Property and Capital transaction	2,22.98	1.04
(iii) Collection of Taxes on Commodities and Services	1,30.12	0.60
(iv) Other Fiscal Services	50.95	0.24
<b>B. Organs of State</b>	2,11.00	0.98
<b>C. Interest Payments and Servicing of debt</b>	52,10.20	24.24
<b>D. Administrative Services</b>	13,30.20	6.19
<b>E. Pension and Miscellaneous General Services</b>	16,64.87	7.74
<b>F. Social Services</b>	79,94.39	37.18
<b>G. Economic Services</b>	46,82.92	21.78
<b>H. Grants-in-aid and Contributions</b>	1.57	0.01
<b>TOTAL EXPENDITURE (REVENUE ACCOUNT)</b>	2,14,99.20	100.00

The above is reflected in the form of a pie-chart below: -



Note: H not shown in above chart.

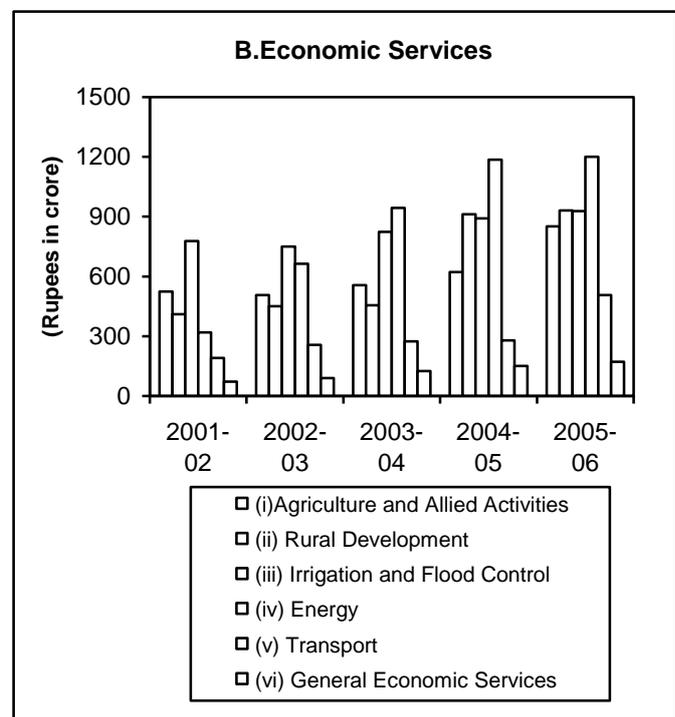
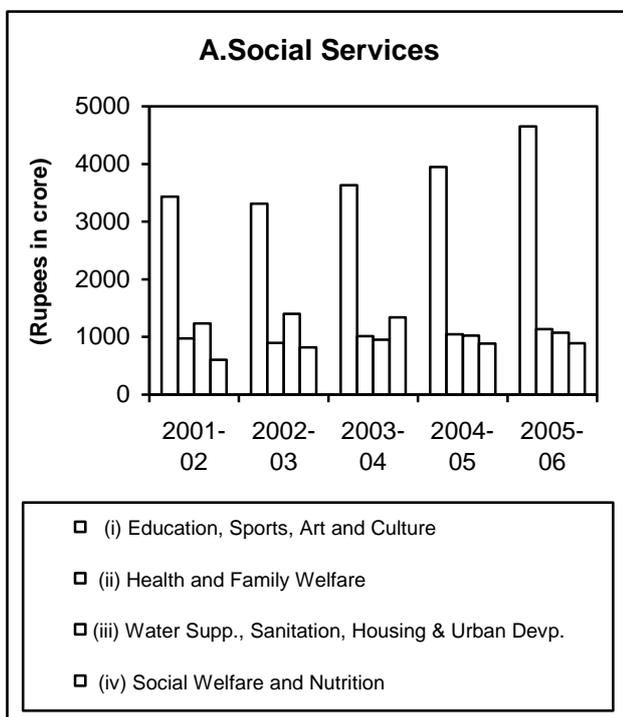
### TREND OF EXPENDITURE

The trend of expenditure under some important sectors between 2001-02 and 2005-06 is brought out below:-

(Rupees in crore)															
Sector	2001-02 Actuals	% to B.E.	% to R.E.	2002-03 Actuals	% to B.E.	% to R.E.	2003-04 Actuals	% to B.E.	% to R.E.	2004-05 Actuals	% to B.E.	% to R.E.	2005-06 Actuals	% to B.E.	% to R.E.
<b>A. Social Services</b>															
(i) Education, Sports, Art and Culture	3430.98	97	99	3310.54	89	94	3634.88	90	97	3950.09	95	97	4651.99	93	99
(ii) Health and Family Welfare	973.21	98	98	898.98	88	93	1013.89	92	102	1048.95	93	95	1136.56	90	95
(iii) Water Supply, Sanitation, Housing and Urban Development	1232.50	95	99	1399.17	95	97	951.89	70	98	1023.04	112	102	1071.48	108	109
(iv) Social Welfare and Nutrition	603.89	115	109	821.90	118	116	1341.20	217	99	884.24	128	127	890.25	89	98
<b>B. Economic Services</b>															
(i) Agriculture and Allied Activities	524.08	92	96	506.79	78	94	555.81	91	94	622.21	94	96	850.87	99	94
(ii) Rural Development	410.37	119	98	450.39	91	88	455.60	70	71	911.72	139	99	931.25	99	96
(iii) Irrigation and Flood Control	777.17	97	100	750.22	95	97	823.75	100	98	891.40	100	100	927.86	101	98
(iv) Energy	318.70	101	97	662.83	114	97	943.60	117	103	1185.58	93	95	1199.84	111	120
(v) Transport	191.48	92	192	256.45	241	166	273.48	168	92	278.75	113	103	506.78	121	108
(vi) General Economic Services	71.68	76	90	89.35	77	94	125.02	109	95	150.59	74	66	171.22	62	97

Note:- Percentage of BE/RE rounded off.

The above is also depicted in the form of Graphs below:-



## **DEBTS AND LIABILITIES**

Outstanding Public Debt at the end of 2005-06 was Rs. 4,80,61.74 crore comprising internal debt of Rs. 4,01,30.62 crore and loans & advances from Central Government of Rs. 79,31.12 crore. In addition, other liabilities accounted under Public Account was Rs. 52,86.51 crore.

The State also acts as a banker and trustee in respect of deposits like Small Savings collections, Provident Funds and Deposits. There was an overall increase of Rs. 13,77.06 crore in respect of such liabilities of the State Government during 2005-06.

Interest payments on debt and other liabilities totaling Rs. 52,10.20 crore constituted 24.23 % of revenue expenditure of Rs. 2,14,99.20 crore. Interest payments on public debts were Rs. 35,08.16 crore (Internal debt Rs. 1,84.65 crore, loans and advances raised by State Government Rs. 12,87.74 crore, special securities i.e. National Small Savings Fund to the Central Government by State Government Rs. 20,23.70 crore and Rs. 12.07 crore on other liabilities). Expenditure on account of interest payments increased by Rs. 38.19 crore during 2005-06.

The Internal debt of Rs. 51,15.92 crore (besides Rs. 1,90,28.59 crore transferred from “6004- Loans & Advances from the Central Government” to “6003- Internal Debt of the State Government” as it pertains to Special Securities to N.S.S.F.) raised during 2005-06 was mainly used for (i) discharge of debt obligations Rs. 6,29.24 crore and (ii) payments of interest Rs. 35,08.16 crore.

## **INVESTMENTS AND RETURNS**

Total investments as share capital in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies, etc. stood at Rs. 47,70.43 crore at the end of 2005-06. Dividends received during the year was Rs. 22.57 crore (i.e. 0.47%) on investments. While investments in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies, etc. increased by Rs. 6,77.83 crore, corresponding dividend income decreased by Rs. 14.62 crore.

## **LOANS AND ADVANCES BY THE STATE GOVERNMENT**

Total loans and advances made by the State Government at the end of 2005-06 was Rs. 44,32.22 crore. During the year 2005-06, the State Government had paid loans and advances amounting to Rs. 4,34.18 crore and recovered outstanding loans amounting to Rs. 2,37.60 crore. Based on 92 out of 210 statements received from the Departmental Officers maintaining the detailed accounts, recovery of principal amount aggregating Rs. 85.48 crore and interest on loan amounting to Rs. 80.35 crore was in arrears at the end of 31st March 2006.

## **FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS**

Assistance given to local bodies etc. during 2005-06 was Rs. 50,10.49 crore. It increased from Rs. 25,91.19 crore in 2001-02 to Rs. 50,10.49 crore in 2005-06 which was 93.36 percent increase in the last five years. During 2005-06 the major portion (i.e. 42.16%) of the total grant was consumed by the Zila Parishad and Panchayati Raj institutions.

## **COMMITMENTS ON ACCOUNT OF INCOMPLETE CAPITAL WORKS**

During the year 2005-06, a total expenditure of Rs. 34,48.77 crore was incurred by the State on various projects taken up by the Irrigation Department, Public Works Department and Public Health and Engineering Department.

## **APPROPRIATION ACCOUNTS**

The Appropriation Accounts of the Government of Rajasthan for the year 2005-06 presents the accounts of sums expended in the year ended 31<sup>st</sup> March 2006 compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Articles 204 and 205 of the Constitution of India.

The Appropriation Accounts show that in the year 2005-06, there was actual expenditure of Rs. 2,85,03.22 crore comprising Rs. 2,21,92.39 crore Revenue Expenditure, Rs. 48,84.17 crore Capital Expenditure, Rs. 9,92.48 crore repayment of Debt and Rs. 4,34.18 crore Loans and Advances by the State

Government. There were savings/excesses under Revenue/Capital/Public Debt/Loans and Advances with reference to total grants allocated by the State Legislature as detailed below:

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Total	Actual expenditure	Excess (+) / Savings(-) (Net)
		(Rupees in crore)				
1.	<b>Revenue</b> Voted <i>Charged</i>	1,75,39.70 53,46.81	5,65.04 6.84	1,81,04.74 53,53.65	1,69,47.96 52,44.43	(-) 11,56.78 (-) 1,09.22
2.	<b>Capital</b> Voted <i>Charged</i>	56,58.15 0.04	1,38.61 0.32	57,96.76 0.36	48,83.93 0.24	(-) 9,12.83 (-) 0.12
3.	<b>Public Debt</b> <i>Charged</i>	40,01.77	..*	40,01.77	9,92.48	(-) 30,09.29
4.	<b>Loans and Advances</b> Voted	3,89.12	32.55	4,21.67	4,34.18	(+) 12.51
	<b>Total</b>	<b>3,29,35.59</b>	<b>7,43.36</b>	<b>3,36,78.95</b>	<b>2,85,03.22</b>	<b>51,75.73</b>

\*only Rs 1,000

Details of persistent savings under a few selected grants are given below (there was no case of excess during the years):

**REVENUE (VOTED)**

Year	Grant No.	Major Head	Total allocation of Grant	Total allocation under the Major Head	Actual expenditure under the Major Head	Saving under the Major Head	Percentage of Savings to total grant
			(Rupees in lakh)				
2001-2002	003	3451- Secretariat-Economic Services	93,08.50	52,73.57	23,27.42	29,46.15	31.65
	014	2040- Taxes on Sales, Trade etc.	52,56.46	52,56.46	46,92.86	5,63.60	10.72
2002-2003	003	3451- Secretariat-Economic Services	97,42.59	59,57.50	42,67.50	16,90.00	17.35
	014	2040- Taxes on Sales, Trade etc.	54,60.95	54,60.95	47,27.85	7,33.10	13.42
2003-2004	003	3451- Secretariat-Economic Services	1,16,04.44	72,63.25	71,79.32	83.93	0.72
	014	2040- Taxes on Sales, Trade etc.	58,17.06	58,17.06	53,24.55	4,92.51	8.47
2004-2005	003	3451- Secretariat-Economic Services	2,08,49.06	1,62,92.83	95,58.54	67,34.29	32.30
	014	2040- Taxes on Sales, Trade etc.	67,89.10	67,89.10	60,70.11	7,18.99	10.59
2005-2006	003	3451- Secretariat-Economic Services	2,40,72.23	1,94,22.83	93,88.76	1,00,34.07	41.68

Year	Grant No.	Major Head	Total allocation of Grant	Total allocation under the Major Head	Actual expenditure under the Major Head	Saving under the Major Head	Percentage of Savings to total grant
			(Rupees in lakh)				
	014	2040- Taxes on Sales, Trade etc.	1,07,58.40	1,07,58.40	73,24.00	34,34.40	31.92

**CAPITAL (VOTED)**

Year	Grant No.	Major Head	Total allocation of Grant	Total allocation under the Major Head	Actual expenditure under the Major Head	Saving under the Major Head	Percentage of Savings to total grant
			(Rupees in lakh)				
2001-2002	020	4216- Capital Outlay on Housing	62,28.93	59,47.33	57,61.91	1,85.42	2.98
	024	4202- Capital Outlay on Education, Sports, Art and Culture	34,15.82	34,15.82	22,01.54	12,14.28	35.55
2002-2003	020	4216- Capital Outlay on Housing	61,34.26	58,85.28	49,46.60	9,38.68	15.30
	024	4202- Capital Outlay on Education, Sports, Art and Culture	27,91.69	27,91.69	15,46.39	12,45.30	44.61
2003-2004	020	4216- Capital Outlay on Housing	56,58.80	54,09.74	47,55.89	6,53.85	11.55
	024	4202- Capital Outlay on Education, Sports, Art and Culture	36,30.61	36,30.61	19,31.67	16,98.94	46.79
2004-2005	020	4216- Capital Outlay on Housing	25,45.12	23,36.02	17,05.85	6,30.17	24.76
	024	4202- Capital Outlay on Education, Sports, Art and Culture	36,84.22	36,84.22	23,49.08	13,35.14	36.24
2005-2006	020	4216- Capital Outlay on Housing	25,54.64	23,45.54	15,29.56	8,15.98	31.94
	024	4202- Capital Outlay on Education, Sports, Art and Culture	31,54.04	31,54.04	21,27.24	10,26.80	32.55

**RUSH OF EXPENDITURE**

The financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under certain selected Heads of Account during March 2006 ranged between 75.00% and 100% of the total expenditure during the year indicating a tendency to utilise the budget at

the close of the financial year. The flow of expenditure during the four quarters of 2005-06 in the above mentioned Heads was as below :

Head of Account	Description	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total	During March	Percentage of 3/2006 w.r.t. total expenditure of 2005-06
		(Rupees in crore)						
2075	Miscellaneous General Services	0.02	0.03	0.10	14.09	14.24	14.07	98.81
3055	Road Transport	..	..	..	10.62	10.62	10.62	100.00
4236	Capital outlay on Nutrition	..	..	..	10.35	10.35	10.28	99.32

4250	Capital outlay on Other Social Services	0.10	..	0.08	7.06	7.24	6.39	88.26
4403	Capital Outlay on Animal Husbandry	..	..	..	0.16	0.16	0.16	100.00
4405	Capital Outlay on Fisheries	..	..	..	0.20	0.20	0.16	80.00
5475	Capital Outlay on Other General Economic Services	0.24	0.22	2.92	35.50	38.88	30.92	79.53
6245	Loans for Relief on account of Natural Calamity	..	- 0.26	0.26	1.06	1.06	0.88	83.02
6851	Loans for Village and Small Industries	..	..	..	9.27	9.27	9.27	100.00
6860	Loans for Consumer Industries	..	0.01	0.11	10.01	10.13	10.01	98.82

## RECONCILIATION OF ACCOUNTS

Accuracy and reliability of accounts depend amongst other things on timely reconciliation of the departmental figures with the accounts figures.

Before the annual accounts are finalised, the all Heads of Departments except one reconcile the departmental accounts figures with those booked in accounts compiled by the Accountant General.

The reconciliation of accounts figures is to be done as per the scheduled prescribed by the State Government as well as the reconciliation has to completed in two phases i.e. (i) upto September'2005 Accounts by December'2005 and (ii) for remaining months had to be completed upto date prescribed by this offices 5<sup>th</sup> June 2006. All controlling officers completed reconciliation except Member, State Transport Appellate Tribunal, Jaipur (head 2041).

However, following Controlling Officers had completed reconciliation only once in a year after closing of March 2006 Accounts.

Name of Controlling Officer	Head	Remarks
Director, Local Bodies Department, Jaipur	2216, 3475, 4217, 6217	Once in a year
Secretary, Education (Group-6) Department, Jaipur	2202	
Director, Archeological and Museum, Jaipur	2205	
Director, Medical and Public Health, Jaipur	2210	
Principal, M.M.M. Ayurveda Medical College, Udaipur	2210	
Principal, Medical College, Kota	2210	
Director, Home (Prosecution) Department, Jaipur	2014	
Director General, Anti Corruption Bureau, Jaipur	2055	
Secretary, Lokayukt, Jaipur	2070	

## SUBMISSION OF ACCOUNTS BY TREASURIES

During the year 2005-06, 456 accounts were received from the treasuries .Out of this, twenty seven accounts were not received on due dates. The delay in this regard ranged between one to nine days.

## CHAPTER III

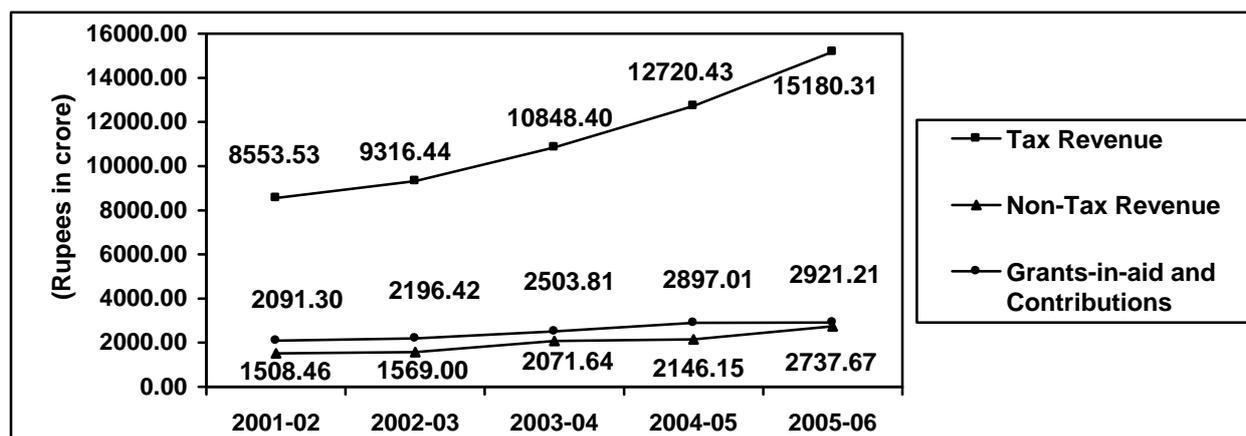
### TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE

Trends in Government Revenue Receipts and Revenue Expenditure from 2001-02 to 2005-06 is given below:

#### Revenue Receipts

Year	Tax Revenue	Non-Tax Revenue	Grants-in-aid and Contributions	Gross Revenue Receipts	GSDP**	Percentage of Gross Revenue Receipts to GSDP
	(Rupees in crore)					
2001-02	85,53.53	15,08.46	20,91.30	1,21,53.29	88077	13.80
2002-03	93,16.44	15,69.00	21,96.42	1,30,81.86	84405	15.50
2003-04	1,08,48.40	20,71.64	25,03.81	1,54,23.85	105009	14.69
2004-05	1,27,20.43	21,46.15	28,97.01	1,77,63.59	110446	16.08
2005-06	1,51,80.31	27,37.67	29,21.21	2,08,39.19	122308	17.04

The sector-wise comparative position of Revenue receipts is reflected in the form of Graph as below:-



#### Revenue Expenditure

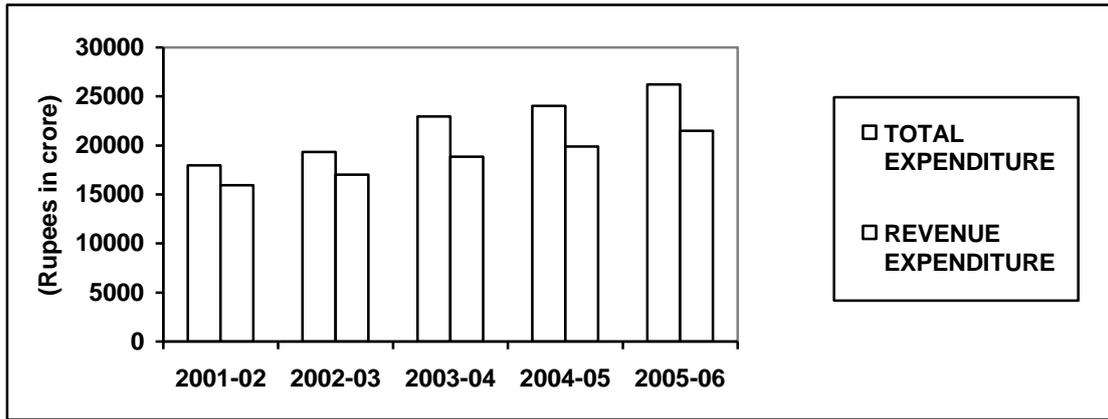
Year	Revenue Expenditure	Total Expenditure*	GSDP**	Percentage increase compared to the previous year			Percentage of Government Expenditure to GSDP
				Revenue Expenditure	Total Expenditure	GSDP	
2001-02	1,59,48.98	1,79,70.88	88077	6.08	6.72	11.08	20.40
2002-03	1,70,15.78	1,93,21.11	84405	6.69	7.51	(-) 4.17	22.89
2003-04	1,88,48.29	2,29,54.64	105009	10.77	18.81	24.41	21.86
2004-05	1,99,06.19	2,40,34.20	110446	5.61	4.70	5.18	21.76
2005-06	2,14,99.20	2,62,27.87	122308	8.00	9.13	10.74	21.44

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\* Including Loans and Advances given by the State Government.

\*\* Source: Economic Review- 2005-06. Changes in figures due to adoption of revised GSDP figures.

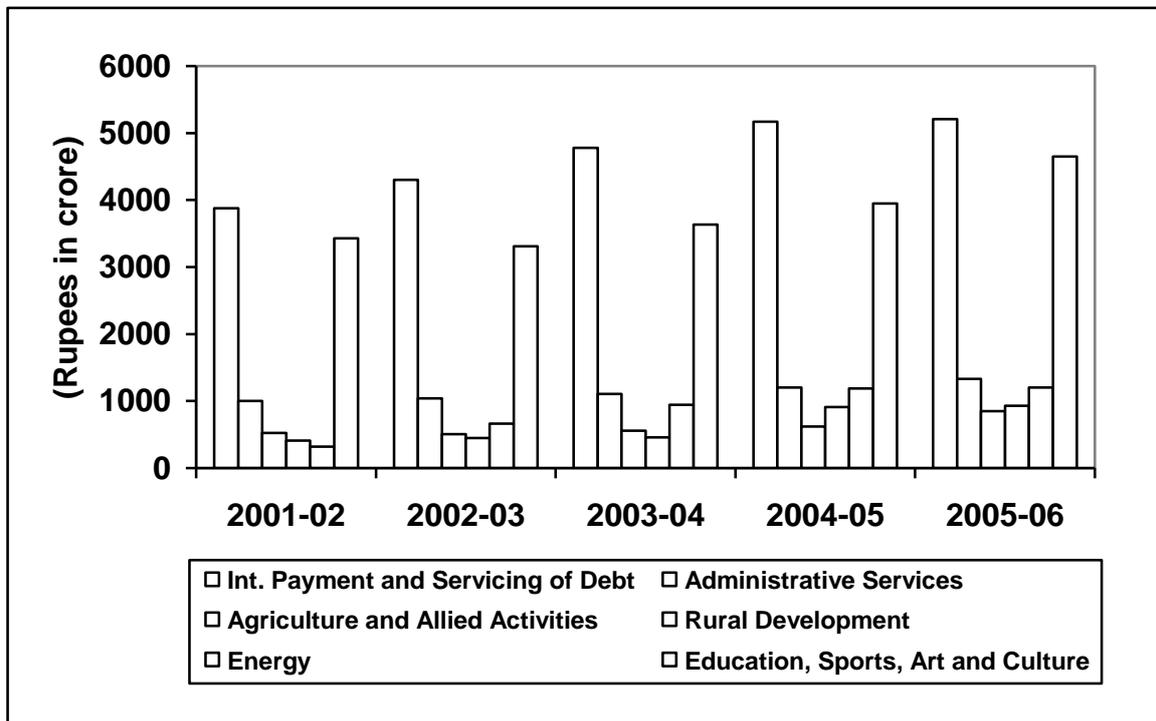
The position of Revenue expenditure in comparison to total expenditure is reflected in the form of Graph as below:-



The total expenditure of the State during the year 2005-06 increased by Rs. 82,56.99 crore (45.95%) in comparison to 2001-02. Growth in major areas of Revenue expenditure is shown in the following table:-

Areas of Expenditure	2001-02	2002-03	2003-04	2004-05	2005-06	Percentage increase in 2005-06 over last year
	(Rupees in crore)					
Interest Payment and Servicing of Debt	38,77.99	43,00.14	47,77.15	51,72.00	52,10.20	0.74
Administrative Services	9,99.76	10,38.42	11,07.54	12,00.78	13,30.20	10.78
Agriculture and Allied Activities	5,24.08	5,06.79	5,55.81	6,22.21	8,50.87	36.75
Rural Development	4,10.37	4,50.39	4,55.60	9,11.72	9,31.25	2.14
Energy	3,18.70	6,62.83	9,43.60	11,85.58	11,99.84	1.20
Education, Sports, Art and Culture	34,30.98	33,10.54	36,34.88	39,50.09	46,51.99	17.77

The sector-wise comparative position of Revenue expenditure is reflected in the form of graph below :-

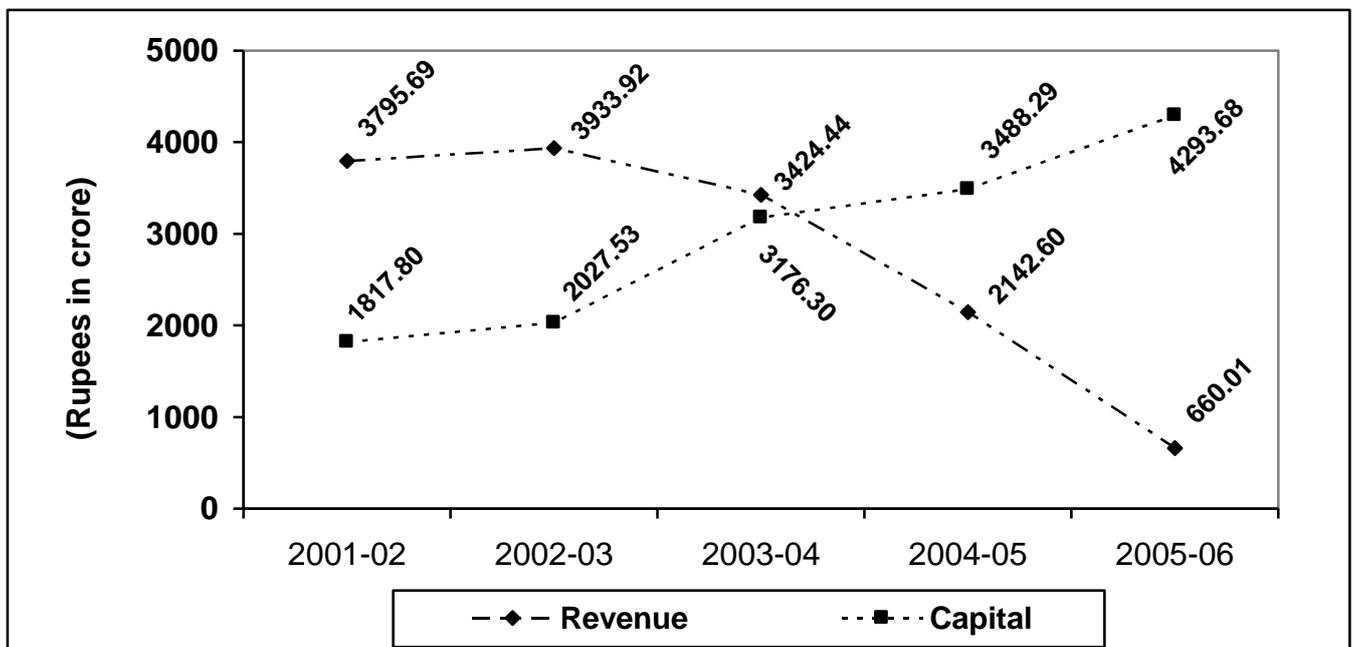


*Government Account*

Under the system of book-keeping followed in Government accounts, the amount booked under revenue, capital and other transactions of Government the balances of which are not carried forward from year to year in the accounts are closed to a single head called "Government Account". The balance under this head represents the cumulative result of all such transactions so that after adding thereto the balances under Public Debt, Loans and Advances, Small Savings, Provident Funds, Reserve Funds, Deposits and Advances, Suspense and Miscellaneous (Other than Miscellaneous Government Account), Remittances and Contingency Fund, etc., the closing cash balance at the end of the year may be worked out and proved. The Government Accounts for 2005-06 given below will show how the net amount at debit of Government Account at the end of the year has been arrived at:-

Year	Revenue Heads			Capital Heads			Deficit for the year (Total 4+7)	Cumulative deficit at the end of the year
	Receipts	Disbursements	Deficit	Misc. Capital Receipts	Disbursements	Deficit		
	(Rupees in crore)							
1.	2.	3.	4.	5.	6.	7.	8.	9.
2001-02	12153.29	15948.98	3795.69	..	1817.80	1817.80	5613.49	37210.63
2002-03	13081.86	17015.78	3933.92	..	2027.53	2027.53	5961.45	43172.08
2003-04	15423.85	18848.29	3424.44	4.68	3180.98	3176.30	6600.74	49772.82
2004-05	17763.59	19906.19	2142.60	..	3488.29	3488.29	5630.89	55403.71
2005-06	20839.19	21499.20	660.01	0.81	4294.49	4293.68	4953.69	60357.40

The position of **Deficit** is also depicted in the form of Graph below :-

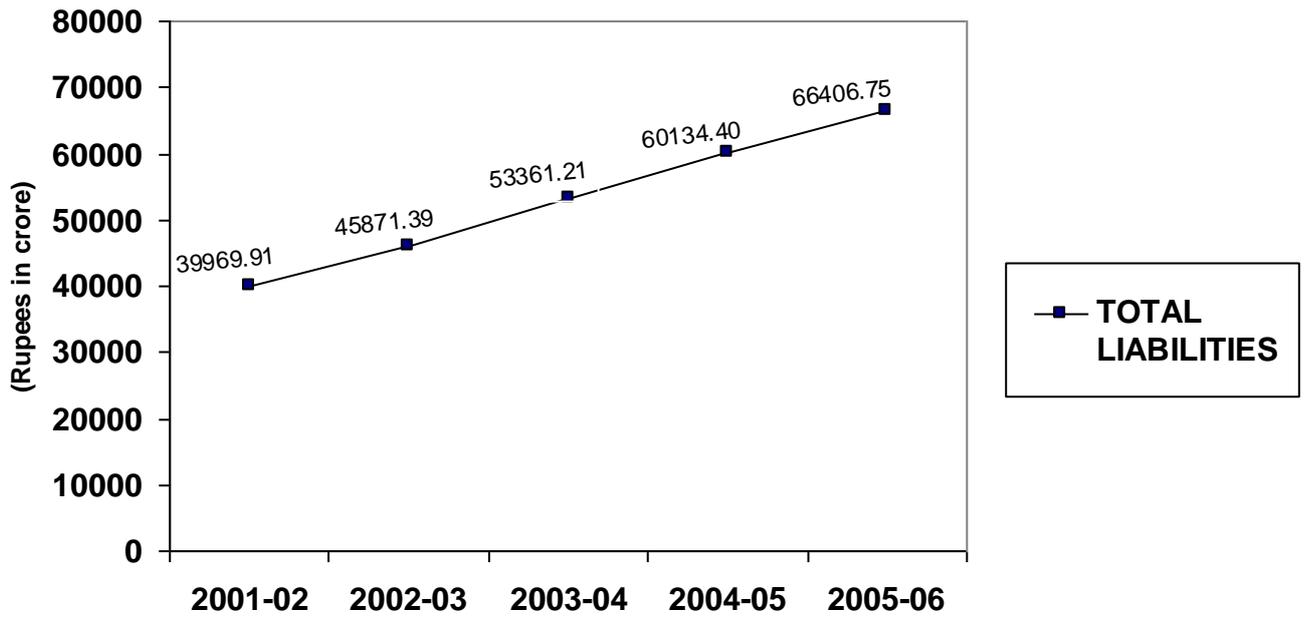


## LIABILITIES

Liabilities of the State Government increased by Rs. 2,64,36.83 crore (66.14%) from Rs. 3,99,69.91 crore in 2001-02 to Rs. 6,64,06.74 crore in 2005-06. Public debt comprising of internal debt of the State Government and loans & advances from the Central Government increased by Rs. 2,01,18.20 crore (72%) from Rs. 2,79,43.54 crore in 2001-02 to Rs. 4,80,61.74 crore at the end of the current year. As required under article 293 of the Constitution of India, the State Legislature has passed “The Rajasthan Fiscal Responsibilities and Budget Management Act, 2005” laying down the limits to ensure that total outstanding debt, excluding public account, and risk weighted outstanding guarantees in a year shall not exceed twice of the estimated receipts in the Consolidated Fund of the State at the close of the financial year. However, the total of the debt and guarantee outstanding to the extent of Rs. 6,12,32.98 crore against the double of the estimated receipt under consolidated fund amounting to Rs 5,45,56.95 crore as on 31<sup>th</sup> March 2006 was excessive. Details of the Public Debt and total liabilities of the State Government are as under:-

Year	Internal Debt	Loans and Advances from Central Government	Total Public Debt	State Provident fund	Insurance and Pension Fund	Other Obligations	Total Liabilities	GSDP	% of total liability to GSDP
	(Rupees in crore)								
2001-02	10292.32	17651.22	27943.54	6372.71	2257.34	3396.32	39969.91	88077	45.38
2002-03	11877.13	20696.86	32573.99	7015.16	2553.28	3728.96	45871.39	84405	54.35
2003-04	14496.95	23952.13	38449.08	7678.35	2837.30	4396.48	53361.21	105009	50.82
2004-05	16615.35	26943.58	43558.93	8495.45	3185.99	4894.03	60134.40	110446	54.45
2005-06	40130.62	7931.12	48061.74	9416.56	3641.94	5286.51	66406.75	122308	54.29

### Liabilities of the State Government



## STATE PROVIDENT FUND

The details of transactions from the State Provident Fund are shown in the following table:-

Year	Opening Balance	Receipts	Payments	Net accretion for the year	Closing Balance	Interest charged on balance of P.F
	(Rupees in crore)					
2001-02	57,06.09	13,71.13	7,04.51	6,66.62	63,72.71	5,82.54
2002-03	63,72.71	13,60.83	7,18.38	6,42.45	70,15.16	6,12.12
2003-04	70,15.16	15,63.71	9,00.52	6,63.19	76,78.35	6,09.34
2004-05	76,78.35	15,09.89	6,92.79	8,17.10	84,95.45	6,78.97
2005-06	84,95.45	16,86.69	7,65.58	9,21.11	94,16.56	7,48.50

## GUARANTEES

The position of guarantees by the State Government for the payment of loans, capital and payment of interest thereon raised by statutory corporations, government companies, local bodies and other institutions is given below:-

At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding	
		Principal	Interest
(Rupees in crore)			
2001-02	1,91,17.34	1,27,38.69	173.75
2002-03	2,18,86.68	1,48,43.26	124.27
2003-04	2,45,84.95	1,71,29.70	109.18
2004-05	2,04,56.86	1,27,03.05	..*
2005-06	2,13,41.80	1,31,71.24	..*

**Outstanding guarantees increased from Rs. 1,27,38.69 crore in 2001-02 to Rs. 1,31,71.24 crore in 2005-06. An amount of Rs. 14.24 crore received towards guarantee commission during 2005-06. But Rs. 14.04 crore were transferred to State Security Redemption Fund and Rs. 0.20 crore could not be transferred to fund. Rs. 92.33 crore were at credit balance of State Security Redemption fund as on**

**31<sup>st</sup> March 2006.**

The guarantee given to M/s Jaipur Udyog Ltd., Sawai Madhopur for Rs. 2.74 crore and interest @ 16.5% P.A. was invoked on 30th June 1988. The State Government has paid to the bank a sum of Rs. 2.96 crore on 31.3.1995. The Company is under liquidation and the case is sub-judice.

The guarantee given to M/s Jaipur Spinning and Weaving Mills Ltd. Jaipur was invoked on 23rd February 1984. As per the Court orders amount of Rs. 5.05 crore was deposited with debt recovery Tribunal by the State Government . The case has been filed in Jaipur District Court in April 2003 to recover the amount from guarantor.

- 
- \* Finance Department has intimated that interest amount is to be shown in outstanding guarantees only in default cases and not on accrual basis.

Against the Guarantee of Rs. 3.85 crore in favour of M/s Mewar Textile Mills Ltd. Bhilwara, the State Government has sanctioned a loan of Rs. 3.72 crore on 28th January 2002 to honour the guarantee from which a sum of Rs. 2.07 crore had been accepted by four Financial Institutions. The Bank of Rajasthan Ltd, Oriental Bank of Commerce and Union Bank of India. did not accept the amount and approached to the Court of Law. As per the court orders, concurrence was accorded by the Finance Department for payment of an amount of Rs. 15.60 lakh to the Union Bank of India during 2004-05. No repayment is received against the said loan.

Against the Guarantee of Rs. 1.80 crore and interest given in favour of Rajasthan State Handloom Development Corporations the State Government has sanctioned a loan of Rs. 1.08 crore to the corporation to honour the guarantee by paying the said amount. No repayment is received against the said loan.

#### WAYS AND MEANS ADVANCES

The State Government, in order to maintain and sustain its liquidity position, takes Special Ways and Means Advances and Normal Ways and Means Advances from the Reserve Bank of India and thereafter draws upon overdraft whenever there is shortfall in the agreed minimum cash balance in its account with the Reserve Bank of India. The State Government is required to maintain a minimum cash balance of Rs. 2.34 crore on all days with the Reserve Bank of India. The larger the amount and greater the number of times such ways and means advances are taken or drawals made, the more it reflects on the adverse position of the cash balance of the State Government:-

	2001-02	2002-03	2003-04	2004-05	2005-06
(i) Number of days on which minimum balance was maintained	197	215	272	365	365
(a) Without obtaining any advance	56	9	59	276	365
(b) By obtaining special Ways and Means Advance/ Normal Ways and Means Advances	140	205	212	89	..
(c) No. of days on which there was short-fall in minimum balance even after taking the above advances, but no overdraft was taken	1	1	1	..	..
(ii) Number of days on which overdraft was taken	168	150	93	..	..

## GENERAL CASH BALANCES

The closing cash balance according to the Reserve Bank of India was Rs. 2,16.30 crore (debit) against the general cash balance of Rs. 2,63.02 crore (credit) reflected in the State Government accounts. The difference of Rs. 0.26 crore (debit) was under reconciliation (May 2006).

Under Cash Balance Investment Account, transactions connected with temporary investment of cash balance e.g. Short term loans or other Government securities are taken into account. Investments held in the Cash Balance Investment Account as on 31st March 2006 were Rs. 18,04.95 crore.

Other cash balances comprising cash with departmental officers (Rs. 0.63 crore) and Permanent Advances with departmental officers (Rs. 9.59 crore) was Rs. 10.22 crore as on 31<sup>st</sup> March 2006. There was no investment of earmarked funds.

The cash balances increased from Rs. (-) 4,68.15 crore at the beginning of the year 2005-06 to Rs.(-) 2,62.40 crore at its end the details of sources and application of funds being as follows :-

(Rupees in crore)

SOURCES			APPLICATION				
S.No	Items	Amount	S.No	Items	Amount		
1.	Opening cash balance	(-)4,68.15*	1.	Revenue expenditure	Non-plan 1,83,67.67	Plan 31,31.53	Total 2,14,99.20
2.	State's share of Union taxes	53,00.08	2.	Capital expenditure	Non-plan 61.40	Plan 42,33.09	Total 42,94.49
3.	State's own revenue collection	1,26,17.90	3.	Loans and advances repaid	To Central Govt. 3,63.24	To Others (Internal Debt) 6,29.24	Total 9,92.48
4.	Central grants / assistance other than loans	29,21.21	4.	Loans and advances given	4,34.18		
5.	Miscellaneous receipts	0.81	5.	Net effect of adjustment of suspense and remittance balances and increase/decrease of reserve funds	9,16.21		
6.	Receipts from internal debt & small savings, deposits and advances (Net) (Other than Central loans)	2,59,13.93	6.	Closing cash balance*	(-) 2,62.40		
7.	Receipts from Central loans	(-)1,86,49.22					
8.	Recoveries from Borrowers	2,37.60					
9.	Net contribution from Contingency Fund	..					
10.	Net effect of adjustment of suspense and remittance balances and increase / decrease of reserve funds	..					

## CONTINGENCY FUND

Contingency Fund of the State is designed to meet contingencies. The following details will indicate the extent of use of this Fund during the year:-

	2001-02	2002-03	2003-04	2004-05	2005-06
	(Rupees in crore)				
Number of withdrawals from Contingency Fund	6	4	3	5	7
Total withdrawals from Contingency Fund	14.35	11.06	1.95	10.23	0.70
Withdrawals from Contingency Fund as a percentage to Budget provision	41.00%	31.60%	5.57%	29.22%	2%

Note: Corpus under Rajasthan Contingency Fund was Rs. 35.00 crore from 2001-02 to 2005-06.

\* Exclude departmental balances, permanent cash imprest and cash balance investment account.



