

Immediate Release



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PRESS BRIEF



**FINANCE ACCOUNTS
AND
APPROPRIATION ACCOUNTS
2018-19**



GOVERNMENT OF WEST BENGAL



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Press Brief

Immediate Release



**Finance Accounts and Appropriation Accounts for the year 2018-19,
Government of West Bengal**

The Finance Accounts and Appropriation Accounts for the year 2018-19, relating to the Government of West Bengal, prepared under Article 151(2) of the Constitution of India, were presented to the West Bengal Legislature on 25.03.2022.

Finance Accounts contain two Volumes.

Volume I contains the Certificate of the Comptroller and Auditor General of India, the Guide to the Finance Accounts, 13 statements which give summarized information on the financial position and transactions of the State Government for the current financial year, Notes to Accounts and Annexure to the Notes to Accounts.

Volume II contains two parts - nine detailed statements in Part I and 12 Appendices in Part II.

Appropriation Accounts contain 73 Grants and an Appendix.



Receipts and Disbursements

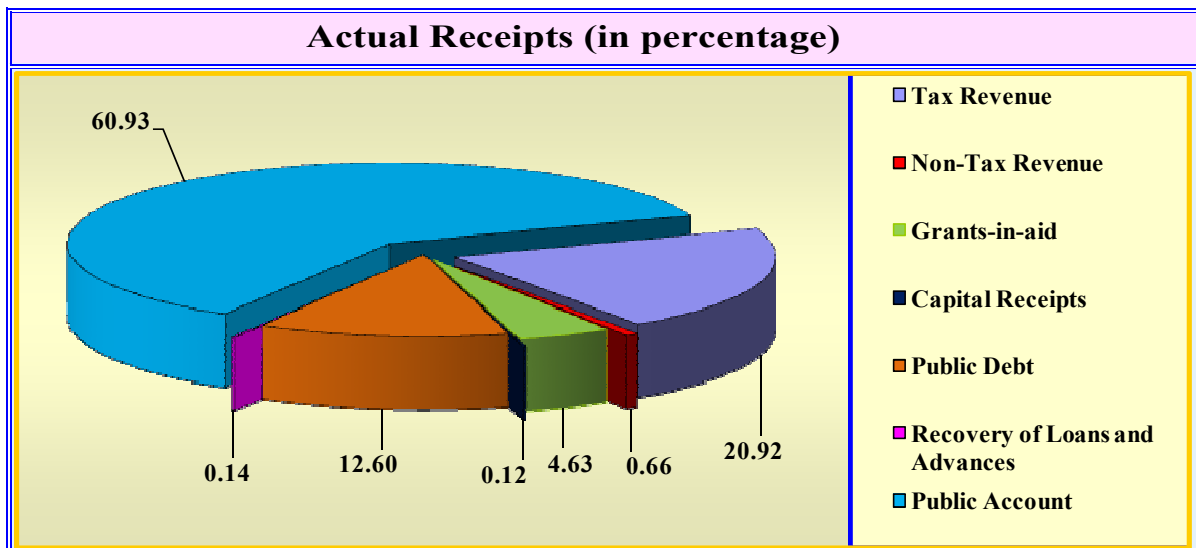
Receipts and disbursements of the State Government for 2018-19 are detailed below:

(₹ in Crore)

Receipts and disbursements in the year 2018-19			
Receipts (Total:1,80,956)	Revenue (Total:1,45,975)	Tax Revenue	1,16,508
		(a) States Own Tax	60,732
		(b) Share of Net Proceeds	55,776
		Non-Tax Revenue	3,657
	Grants-in-aid	25,810	
	Capital (Total: 34,981)	Capital Receipts	692
		Recovery of Loans and Advances	804
Borrowing and other Liabilities (*)		33,485	
Disbursements (Total: 1,80,956)	Revenue	1,56,374	
	Capital	23,717	
	Loans and Advances	865	

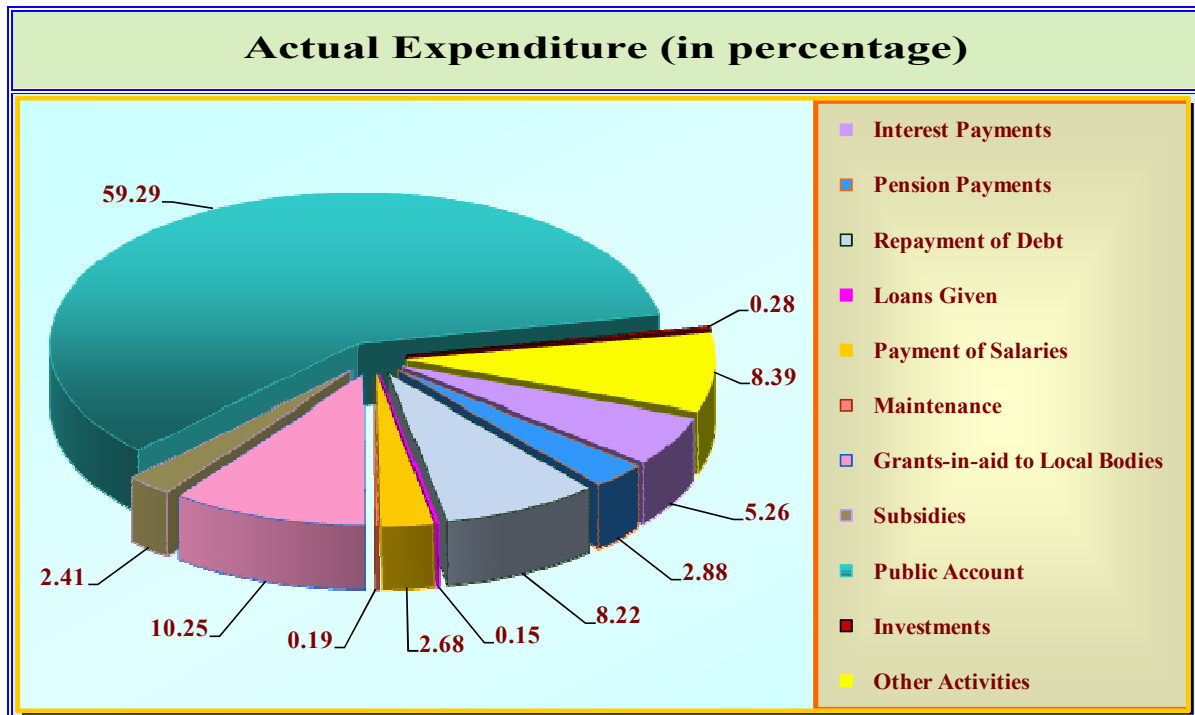
(*) Borrowings and other Liabilities: Net (Receipts - Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

Where each rupee of receipt came from





Where each rupee of expenditure went



Revenue Receipt Components

(₹ in Crore)

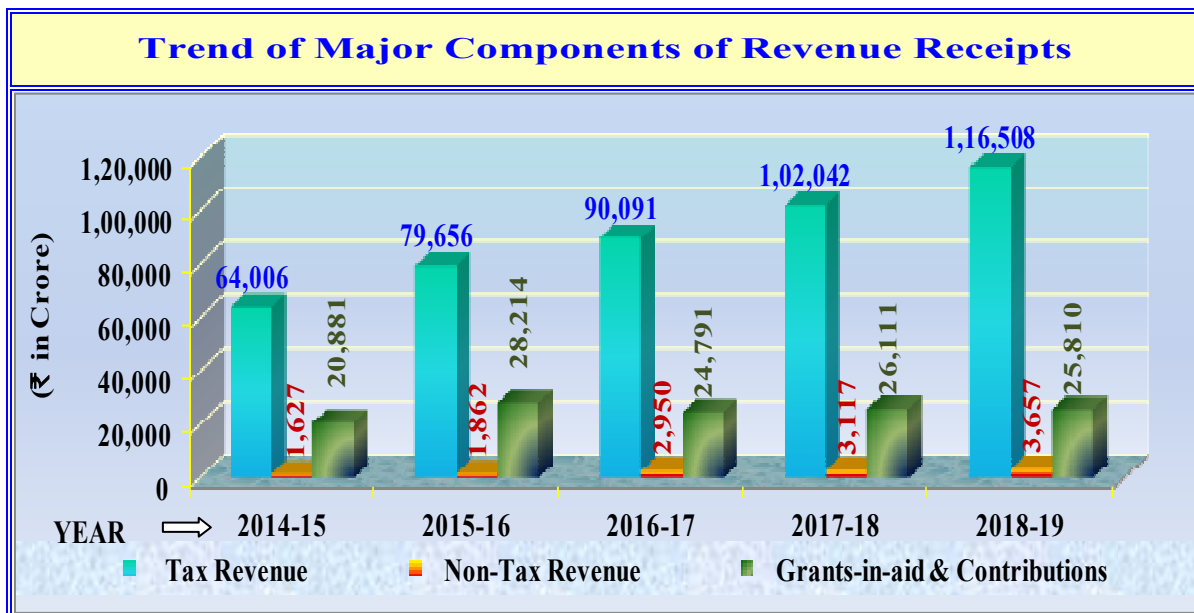
Components	Actuals
A. Tax Revenue	1,16,508
Goods and Services Tax	41,932
Taxes on Income & Expenditure	34,345
Taxes on Property and Capital Transactions	8,474
Taxes on Commodities & Services	31,757
B. Non-Tax Revenue	3,657
Interest Receipts, Dividends and Profits	853
General Services	1,739
Social Services	395
Economic Services	670
C. Grants-in-aid & Contributions	25,810
Total – Revenue Receipts	1,45,975

**Trend of Receipts**

(₹ in Crore)

Components	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenue	64,006 (8)	79,656 (8)	90,091 (7)	1,02,042 (10)	1,16,508 (10)
Non-Tax Revenue	1,627 (0)	1,862 (0)	2,950 (0)	3,117 (0)	3,657 (0)
Grants-in-aid and Contributions	20,881 (3)	28,214 (3)	24,791 (2)	26,111 (2)	25,810 (2)
Total Revenue Receipts	86,514 (11)	1,09,732 (11)	1,17,832 (9)	1,31,270 (12)	1,45,975 (12)
GSDP	8,00,868	10,39,923	12,51,067	10,56,153	11,77,586

Note: Figures in parentheses represent percentage to GSDP.

Trend of Revenue Receipts**Revenue Expenditure**

Revenue Expenditure of ₹1,56,374 crore for 2018-19 was 97 per cent of budget estimates of ₹1,61,703 crore. The shortfall/excess of expenditure against budget estimates under Revenue section during the past five years is given in next page:



(₹ in Crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Budget Estimates	1,05,978	1,13,100	1,29,531	1,42,644	1,61,703
Actuals	1,03,652	1,18,827	1,33,918	1,41,077	1,56,374
Gap	2,326	(-) 5,727	(-)4,387	1,567	5,329
Percentage of gap over BE	2	(-) 5	(-)3	1	3

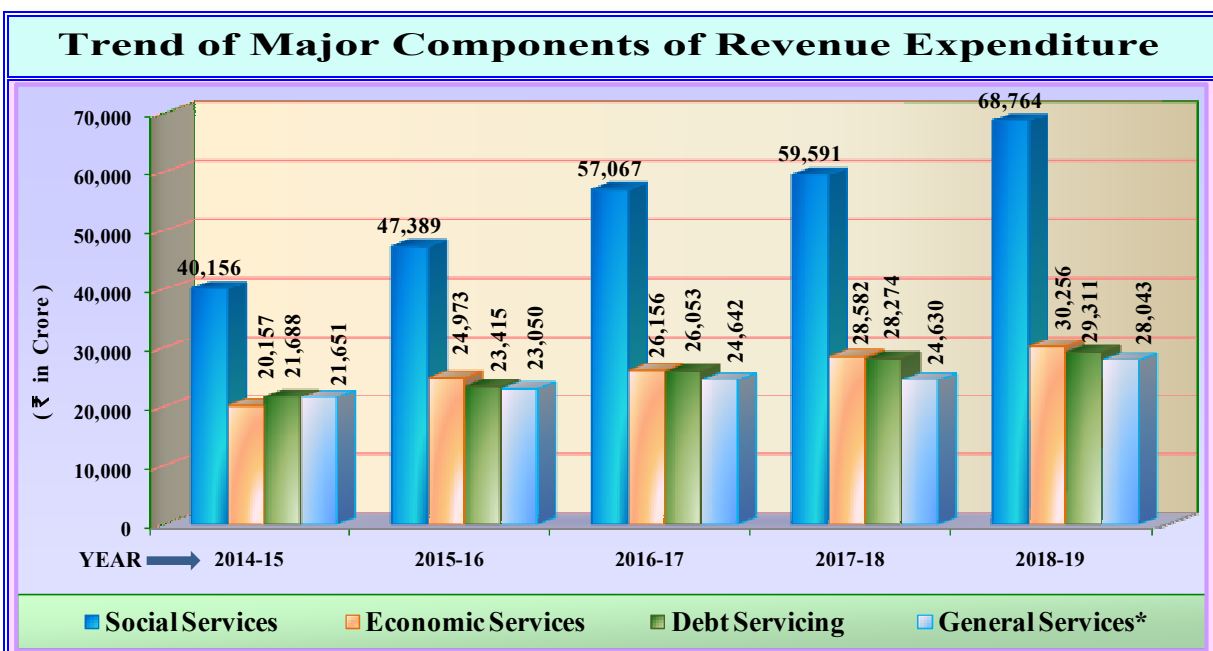
Major components of Revenue Expenditure

(₹ in Crore)

Components	2014-15	2015-16	2016-17	2017-18	2018-19
Social Services	40,156	47,389	57,067	59,591	68,764
Economic Services	20,157	24,973	26,156	28,582	30,256
Debt Servicing	21,688	23,415	26,053	28,274	29,311
General Services *	21,651	23,050	24,642	24,630	28,043

* General Services excludes Major Head 2048 (Appropriation for reduction or avoidance of Debt), Major Head 2049 (Interest Payments) and includes Major Head 3604 (Compensation and Assignment to Local Bodies and Panchayati Raj Institutions).

Trend of Revenue Expenditure





Highlights of Accounts:

Revenue Deficit and Fiscal Deficit

Revenue Deficit is the difference between revenue expenditure and revenue receipts, which indicates the increase in liabilities without corresponding increase in assets of that Government. Fiscal deficit is the excess of total disbursements, from the Consolidated Fund of the State, excluding repayment of debt, over total receipts into the Fund (excluding the debt receipts), during a financial year. There was a Revenue Deficit of ₹10,399 crore constituting 0.88 *per cent* of GSDP during 2018-19. The Fiscal Deficit during 2018-19 was ₹33,486 crore constituting 2.84 *per cent* of GSDP. The State Government could not achieve the FRBM target of being revenue neutral or attaining revenue surplus during the last three years.

(Para 3(xiii) of Notes to Accounts, Page 60 of Finance Accounts, Vol-I).

Public Debt

Public debt and other liabilities of the Government increased from 26.99 *per cent* of GSDP at the end of 2016-17 to 33.40 *per cent* of GSDP at the end of 2018-19. The Public Debt to GSDP ratio was within the FRBM target of 37.63 *per cent* during 2018-19.

(Para 3(xiii) of Notes to Accounts, Page 60 of Finance Accounts, Vol-I).

Investments of the Government

Total investments as share capital in Government companies, statutory corporations, co-operative banks and societies etc., stood at ₹17,427 crore at the end of 2018-19. As against this, the dividend/interest received during the year were only ₹47.46 crore (0.27 *per cent*) on investment. During 2018-19, investments increased by ₹1,543 crore (net) and income from dividends increased by ₹10.86 crore. Major investments during 2018-19 were made in Government Companies (₹4,082 crore).

(Statement-8, Page 38 of Finance Accounts, Vol-I).

Shortfall in Guarantee Commission

The State Government received only ₹171 crore as Guarantee commission during 2018-19. There was an excess of ₹71 crore in collection of guarantee commission.

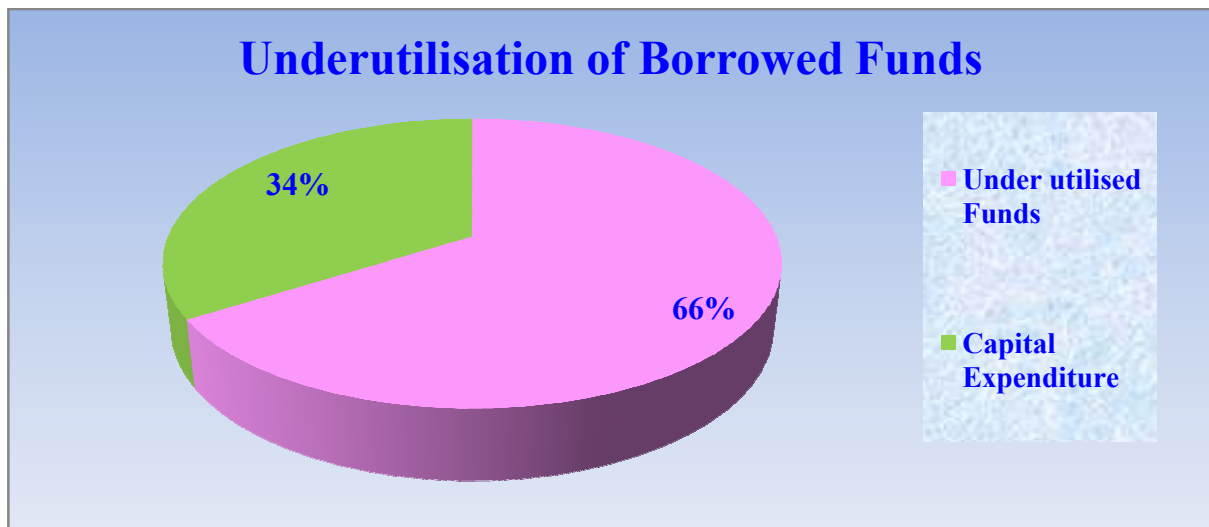
(Para 3(ii) of NTA, Page 54-55 of Finance Accounts, Vol-I).



Underutilization of Borrowed funds

It is desirable to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 34 per cent of the borrowings (₹70,197 crore) of the current year on Capital Expenditure (₹23,717 crore).

(Statement – 2, Page 4 of Finance Accounts, Vol-I).



Transfer to Personal Deposit (PD) Accounts

The purpose of PD accounts is to enable the designated drawing officers to incur expenditure pertaining to a scheme, for which funds are placed at their disposal, by transfer from the Consolidated Fund of the State. There was a total balance of ₹5,466 crore in 159 PD accounts as on 31 March, 2019. During 2018-19, an amount of ₹1,165 crore was transferred from the Consolidated Fund of the State to PD accounts, of which, ₹435 crore (37.34 per cent) was transferred in March 2019.

(Para 2(vi) of Notes to Accounts, Pages 51-52 of Finance Accounts, Vol-I).

Unadjusted Abstract Contingent Bills

In emergent circumstances, Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money through Abstract Contingent (AC) bills by debiting Service Heads. In terms of the West Bengal Treasury Rules (WBTR), 2005, DDOs are required to present Detailed Contingent (DC) bills containing vouchers in support of final expenditure within one month from the date of completion of the purpose for which the advance was



drawn, and in no case, beyond the period of sixty days from the date of drawal of such advance. Delayed submission or prolonged non-submission of supporting DC bills renders the expenditure under AC Bills opaque. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be vouched as correct or final. A total of 9,527 Detailed Contingent (DC) bills amounting to ₹2,172 crore was outstanding as on 31 March, 2019. Major defaulting Departments which have not submitted DC bills are Disaster Management and Civil Defense (₹827 crore), Home and Hill Affairs (₹535 crore), Panchayats and Rural Development (₹287 crore), Women & Child Development and Social Welfare (₹67 crore), Health and Family Welfare (₹52 crore), Agriculture (₹37 crore), Youth Service & Sports (₹31 crore), and Land and Land Reforms and Refugee Relief & Rehabilitation (₹27 crore).

(Para 2 (iv) of Notes to Accounts, Page 50 of Finance Accounts, Vol-I).

Unnecessary Supplementary Grants

During 2018-19, out of total supplementary grants of ₹22,222 crore (7.70 per cent of original budget), an amount of ₹5,272 crore proved to be unnecessary in 23 grants, where there were significant savings at the end of the year even against original allocations.

(Extract from Appropriation Accounts, 2018-2019).

Pending Utilisation Certificates

As on 31 March, 2019, as many as 3,56,657 Utilization Certificates (UCs) amounting to ₹2,00,772 crore were pending for submission. The Major departments where UCs were pending are Panchayat and Rural Development (₹69,116 crore), School Education (₹29,323 crore), Urban Development and Municipal Affairs (₹28,006 crore), Health and Family Welfare (₹9,550 crore) Power and Non-Conventional Energy Sources (₹7,681 crore), Women and Child Development and Social Welfare (₹6,785 crore) and Agriculture (₹6,542 crore), Minority Affairs and Madrasah Education (₹5,374 crore). To the extent of non-submission of UCs, the expenditure cannot be ensured to have reached the beneficiaries' end and thus cannot be vouched as correct or final.

(Para 2 (v) of Notes to Accounts, Page 51 of Finance Accounts, Vol-I).



Goods and Services Tax

Goods and Services Tax (GST) was introduced with effect from 1 July 2017. E-treasury, the State accounting authority for GST gets Challan Identification Number (CIN) data (paid challan details) in respect of State Goods and Service Tax from two sources, Goods and Services Tax Network (GSTN) and RBI. The challan wise details received from GSTN, contain minor head wise details, whereas those received from RBI depicts Major Heads.

During the year 2018-19, the State GST collection was ₹27,067 crore compared to ₹14,964 crore in 2017-18, registering an increase of ₹12,103 crore (80.88 per cent).

(Statement-3, Page 12 of Finance Accounts, Vol-I).

Rush of Expenditure

During this year an amount of ₹24,315 crore constituting 13.50 per cent of total Revenue and Capital expenditure (₹1,80,091 crore) was expended in March 2019 from the treasuries, of which, an amount of ₹4,825 crore (19.84 per cent of total expenditure during March 2019) was expended on the last working day of March 2019.

(Para 3 (viii) of Notes to Accounts, Page 59 of Finance Accounts, Vol-I).

Short Contribution to Consolidated Sinking Fund

During the year, the State Government contributed ₹400 crore against the required amount of ₹1,805 crore (0.5 per cent of the total outstanding liabilities of the Government of West Bengal as on 31 March, 2018 i.e., ₹3,60,961 crore). Thus, there was short contribution of ₹1,405 crore to the Sinking Fund during 2018-19.

(Para 3 (vi)(A)(a) of Notes to Accounts, Page 56-57 of Finance Accounts, Vol-I).

Suspense and Remittance balances

The Finance Accounts depicts the net balances under Suspense and Remittance Heads. The position of gross debit and gross credit under major Suspense Heads at the end of 2018-19 is highlighted below:

Head of Accounts		Debit (₹)	Credit (₹)
8658-Suspense	101-PAO Suspense	168 crore	4 crore
	102-Suspense (civil)	1,104 crore	1,103 crore
	110-CAORB Suspense	527 crore	279 crore

(Para 3 (vii) of Notes to Accounts, Page 58 and 82 of Finance Accounts, Vol-I).



Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts and Entitlement). This exercise is to be conducted by respective Controlling Officers. In 2018-19, only 88 *per cent* (₹1,99,582 crore) of the total expenditure and 77 *per cent* (₹1,67,715 crore) of the total receipts of the State Government were reconciled.

(Para 2 (ix) of Notes to Accounts, Page 53 of Finance Accounts, Vol-I).

Improper classification between Revenue and Capital

Revenue Expenditure is recurring in nature and is expected to be met from revenue receipts. Capital Expenditure is defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. Expenditure on Grants-in-Aid is recorded as revenue expenditure in the books of the grantor, and as revenue receipt in the books of the recipient. Further, as per the Indian Government Accounting Standard (IGAS) 2, expenditure on Grants-in-Aid is to be classified as Revenue expenditure regardless of end utilization. During 2018-19, Government of West Bengal incorrectly budgeted and booked expenditure of ₹3,107 crore under Capital section instead of Revenue section and ₹2 crore under Revenue section instead of Capital section which has been determined from the object head of the expenditure.

(Para 2 (i) of Notes to Accounts, Page 49 of Finance Accounts, Vol-I).

Direct release of Central Scheme Funds

During the year, the Government of India directly released ₹5,800 crore to State Implementing Agencies and NGOs for implementation of various schemes and programmes. Since these funds are not routed through State Budget, they are not reflected in the accounts of the State Government.

(Para 3 (xi) of Notes to Accounts, Page 59 of Finance Accounts, Vol-I).

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