

**Immediate Release**



**PRESS BRIEF**



**FINANCE ACCOUNTS  
AND  
APPROPRIATION ACCOUNTS  
2019-20**



**GOVERNMENT OF WEST BENGAL**



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**Press Brief**

**Immediate Release**



**Finance Accounts and Appropriation Accounts for the year 2019-20,  
Government of West Bengal**

The Finance Accounts and Appropriation Accounts for the year 2019-20, 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 56 Grants and an Appendix.



## Receipts and Disbursements

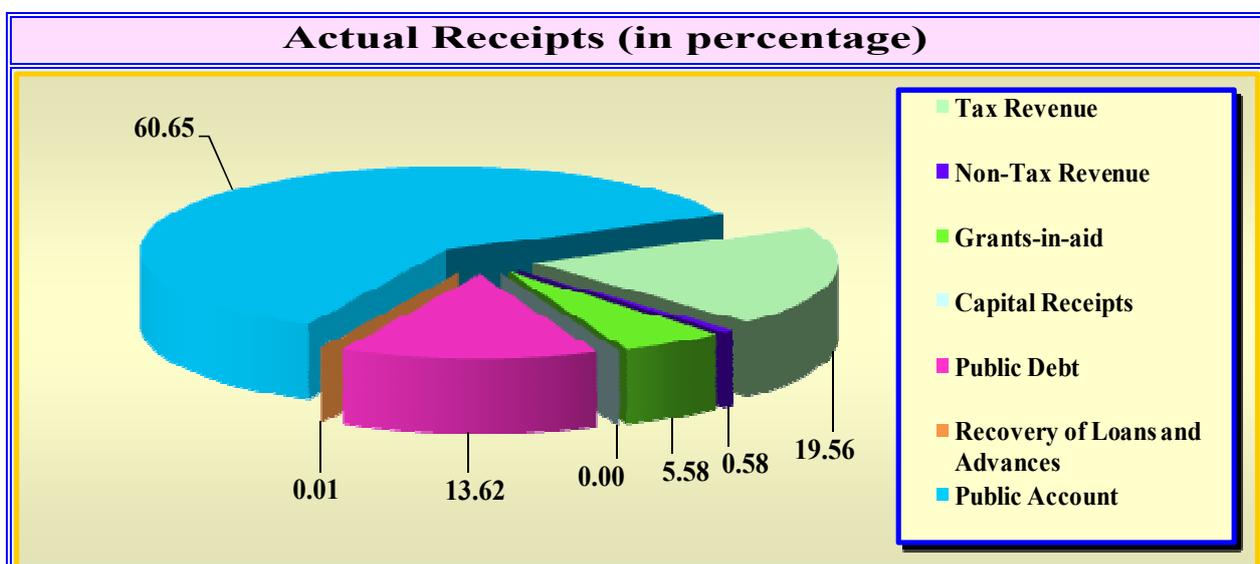
Receipts and disbursements of the State Government for 2019-20 are detailed below:

(₹ in Crore)

<b>Receipts and disbursements in the year 2019-20</b>			
<b>Receipts</b> (Total: 1,79,812)	<b>Revenue</b> (Total: 1,42,914)	<b>Tax Revenue</b>	<b>1,08,718</b>
		<b>(a) States Own Tax</b>	<b>60,669</b>
		<b>(b) Share of Net Proceeds</b>	<b>48,048</b>
		<b>Non-Tax Revenue</b>	<b>3,213</b>
		<b>Grants-in-aid</b>	<b>30,984</b>
	<b>Capital</b> (Total: 36,898)	<b>Capital Receipts</b>	<b>0</b>
		<b>Recovery of Loans and Advances</b>	<b>67</b>
<b>Borrowing and other Liabilities (*)</b>		<b>36,831</b>	
<b>Disbursements</b> (Total: 1,79,812)	<b>Revenue</b>		<b>1,62,575</b>
	<b>Capital</b>		<b>15,971</b>
	<b>Loans and Advances</b>		<b>1,266</b>

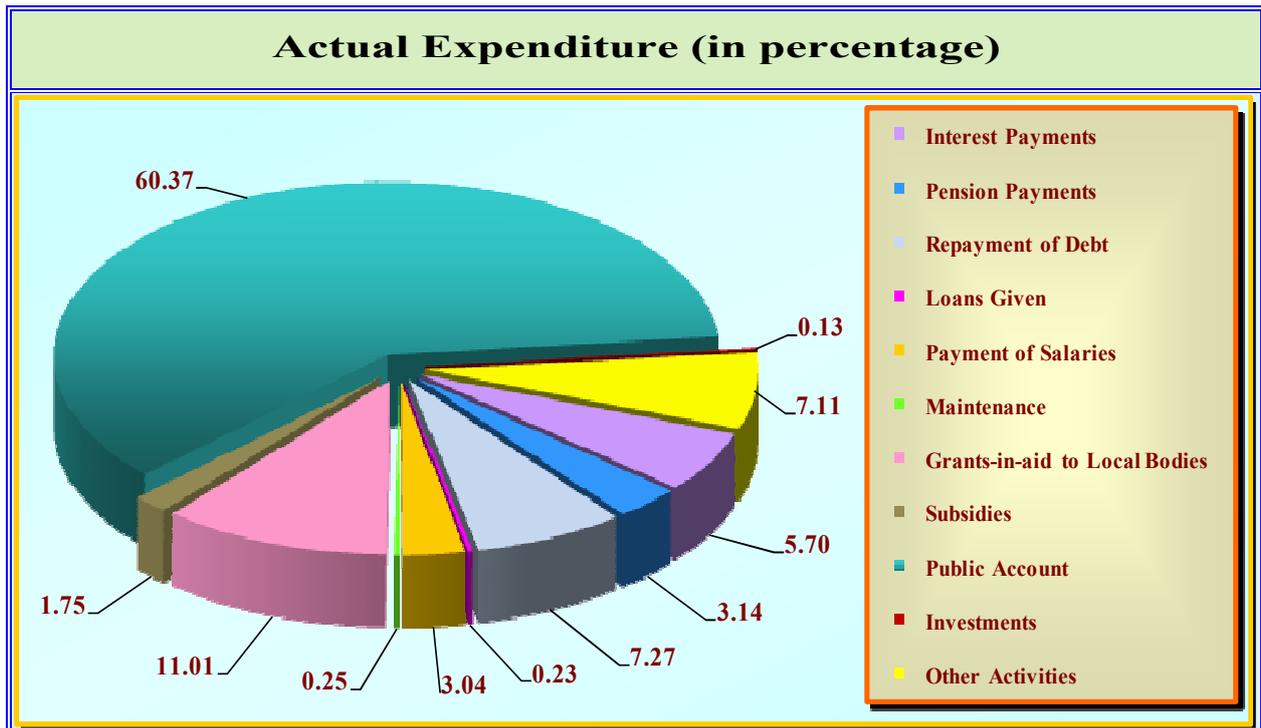
(\*) Borrowings and other Liabilities: Net (Receipts - Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

## Where each rupee of receipt came from





**Where each rupee of expenditure went**



**Revenue Receipt Components**

(₹ in Crore)

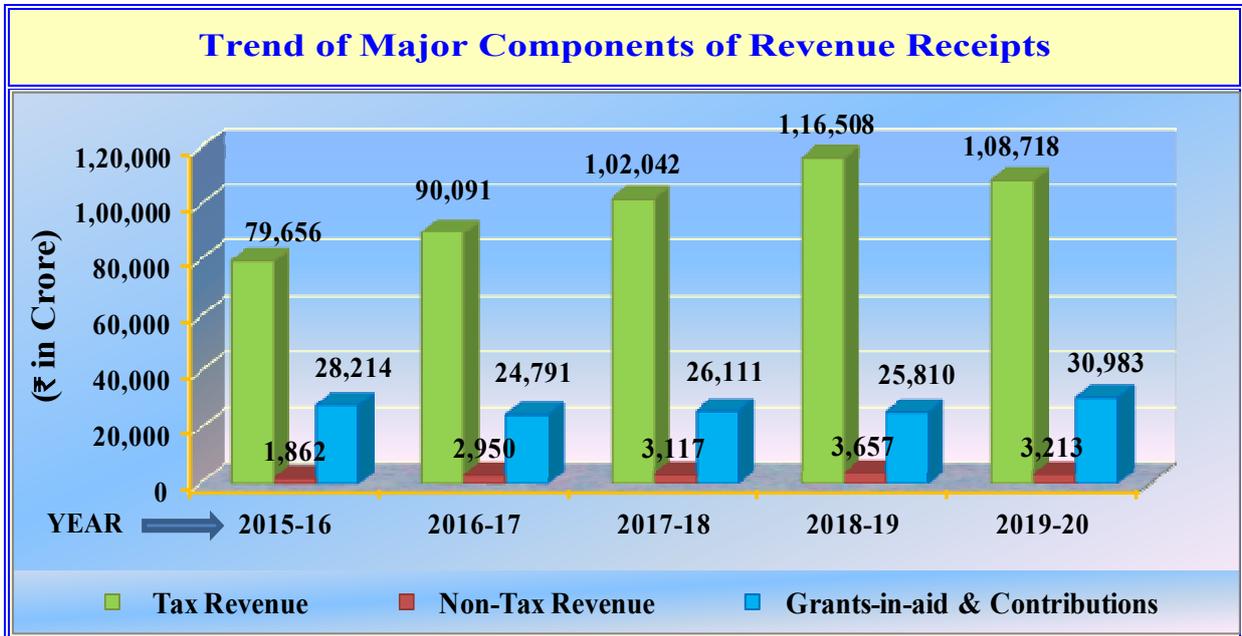
Components	Actuals
<b>A. Tax Revenue</b>	<b>1,08,718</b>
Goods and Services Tax	40,942
Taxes on Income & Expenditure	29,809
Taxes on Property and Capital Transactions	8,755
Taxes on Commodities & Services	29,212
<b>B. Non-Tax Revenue</b>	<b>3,213</b>
Interest Receipts, Dividends and Profits	403
General Services	1,905
Social Services	367
Economic Services	538
<b>C. Grants-in-aid &amp; Contributions</b>	<b>30,983</b>
<b>Total – Revenue Receipts</b>	<b>1,42,914</b>

**Trend of Receipts**

(₹ in Crore)

Components	2015-16	2016-17	2017-18	2018-19	2019-20
Tax Revenue	79,656 (8)	90,091 (7)	1,02,042 (10)	1,16,508 (10)	1,08,718 (9)
Non-Tax Revenue	1,862 (0)	2,950 (0)	3,117 (0)	3,657 (0)	3,213 (0)
Grants-in-aid and Contributions	28,214 (3)	24,791 (2)	26,111 (2)	25,810 (2)	30,983 (2)
Total Revenue Receipts	1,09,732 (11)	1,17,832 (9)	1,31,270 (12)	1,45,975 (12)	1,42,914 (11)
GSDP	10,39,923	12,51,067	10,56,153	11,77,586	12,53,832

Note: Figures in parentheses represent percentage to GSDP.

**Trend of Revenue Receipts****Revenue Expenditure**

Revenue Expenditure of ₹1,62,575 crore for 2019-20 was 90 per cent of budget estimates of ₹1,81,536 crore. The shortfall/excess of expenditure against budget estimates under Revenue section during the past five years is given in next page:



(₹ in Crore)

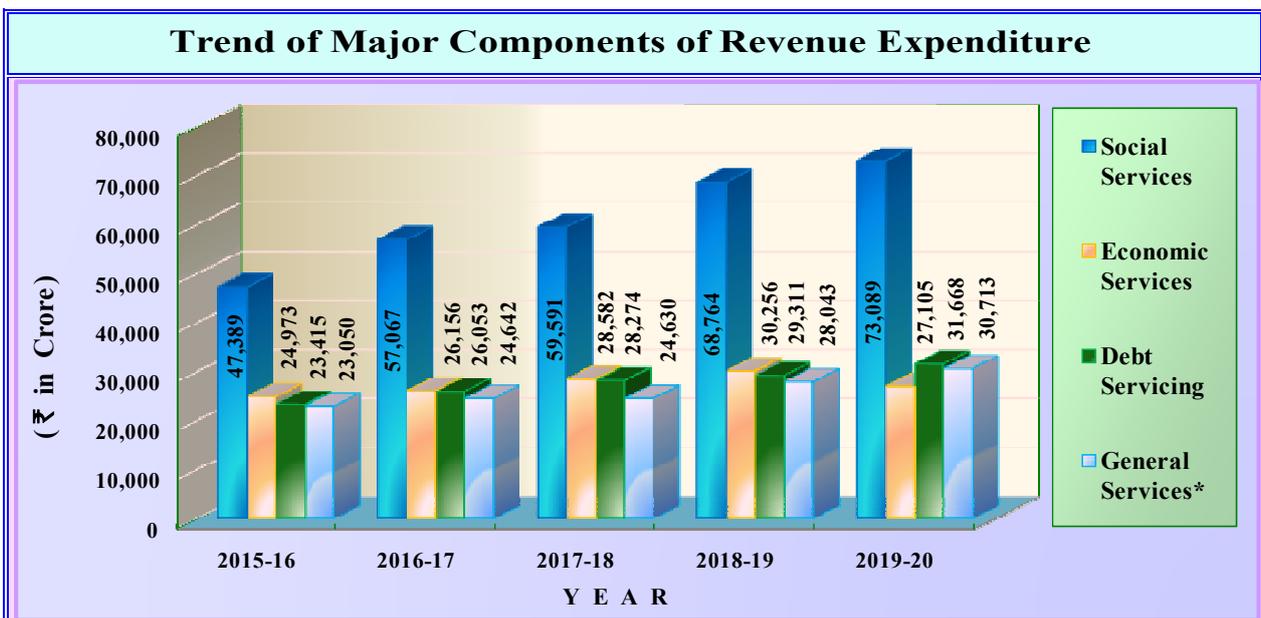
Description	2015-16	2016-17	2017-18	2018-19	2019-20
Budget Estimates	1,13,100	1,29,531	1,42,644	1,61,703	1,81,536
Actuals	1,18,827	1,33,918	1,41,077	1,56,374	1,62,575
Gap	(-) 5,727	(-) 4,387	1,567	5,329	18,961
Percentage of gap over BE	(-) 5	(-) 3	1	3	10

### Major components of Revenue Expenditure

Components	2015-16	2016-17	2017-18	2018-19	2019-20
Social Services	47,389	57,067	59,591	68,764	73,089
Economic Services	24,973	26,156	28,582	30,256	27,105
Debt Servicing	23,415	26,053	28,274	29,311	31,668
General Services *	23,050	24,642	24,630	28,043	30,713

\* 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 ₹19,661 crore constituting 1.57 per cent of GSDP during 2019-20. The Fiscal Deficit during 2019-20 was ₹36,831 crore constituting 2.94 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.

*(Statement-2, page 4 and Para 3(xi) of Notes to Accounts, Page 61-62 of Finance Accounts, Vol-I).*

### Public Debt

Public debt and other liabilities of the Government increased from 34.18 per cent of GSDP at the end of 2017-18 to 34.57 per cent of GSDP at the end of 2019-20. The Public Debt to GSDP ratio was within the FRBM target of 34.30 per cent during 2019-20.

*(Para 3(xi) of Notes to Accounts, Page 62 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 ₹18,154 crore at the end of 2019-20. As against this, the dividend/ interest received during the year were only ₹81.97 crore (0.45 per cent) on investment. During 2019-20, investments increased by ₹727 crore (net) and income from dividends increased by ₹34.51 crore. Major investments during 2019-20 were made in Government Companies (₹697 crore).

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

### Shortfall in Guarantee Commission

The State Government received only ₹4 crore as Guarantee commission during 2019-20. There was a shortfall of ₹52 crore in collection of guarantee commission.

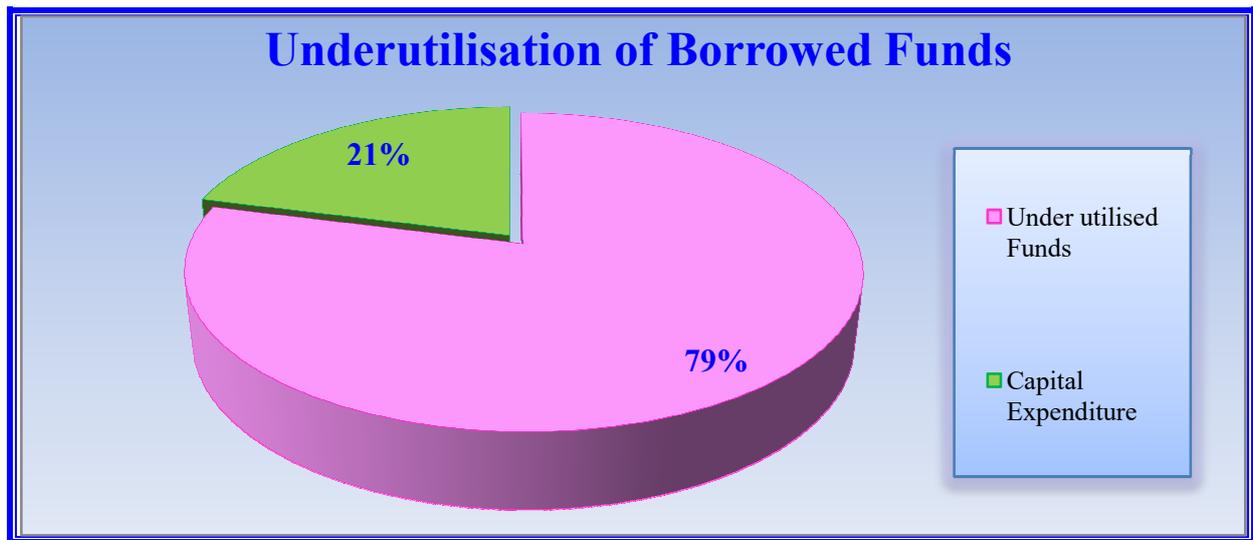
*(Para 3(ii)(A) of NTA, Page 55 of Finance Accounts, Vol-I).*



## 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 21 per cent of the borrowings (₹75,699 crore) of the current year on Capital Expenditure (₹15,971 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 ₹5,240 crore in 160 PD accounts as on 31 March, 2020. During 2019-20, an amount of ₹1,789 crore was transferred from the Consolidated Fund of the State to PD accounts, of which, ₹768 crore (42.93 per cent) was transferred in March 2020.

(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 9,714 Detailed Contingent (DC) bills amounting to ₹3,077 crore was outstanding as on 31 March, 2020. Major defaulting Departments which have not submitted DC bills are Disaster Management and Civil defense (₹1,250 crore), Home and Hill Affairs (₹560 crore), Agriculture (₹533 crore). and Panchayats and rural Development (₹267 crore).

*(Para 2 (iv) of Notes to Accounts, Pages 49- 50 of Finance Accounts, Vol-I).*

### **Unnecessary Supplementary Grants**

During 2019-20, out of total supplementary grants of ₹33,037 crore (13.78 per cent of original budget), an amount of ₹23,376 crore proved to be unnecessary in 35 grants, where there were significant savings at the end of the year even against original allocations.

*(Extract from Appropriation Accounts, 2019-2020).*

### **Pending Utilisation Certificates**

As on 31 March, 2020, as many as 4,02,964 Utilization Certificates (UCs) amounting to ₹2,25,712 Crore were pending for submission. The Major departments where UCs were pending are Panchayat and Rural Development (₹76,893 crore), School Education (₹32,541 crore), Urban Development and Municipal Affairs (₹30,288 crore), Health and Family Welfare (₹12,436 crore), Women and child Development and Social Welfare (₹11,705 crore), Power and Non-Conventional Energy Sources (₹7,700 crore), Agriculture (₹7,000 crore) and Minority Affairs and Madrasah Education (₹5,852 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, Pages 50-51 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 2019-20, the State GST collection was ₹27,308 crore compared to ₹27,067 crore in 2018-19, registering an increase of ₹241 crore (0.89 per cent).

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

### **Rush of Expenditure**

During this year an amount of ₹23,314 crore constituting 15.21 per cent of total Revenue and Capital expenditure (₹1,53,316 crore) was expended in March 2020 from the treasuries, of which, an amount of ₹2,488 crore (10.67 per cent of total expenditure during March 2020) was expended on the last working day of March 2020.

*(Para 7.10 of Accounts at a Glance, Page 43).*

### **Short Contribution to Consolidated Sinking Fund**

During the year, the State Government was not contributed any amount against the required amount of ₹1,967 crore (0.5 per cent of the total outstanding liabilities of the Government of West Bengal as on 31 March, 2019 i.e., ₹3,93,300 crore). Thus, there was short contribution of entire amount of ₹1,967 crore to the Sinking Fund during 2019-20.

*(Para 3 (v)(A)(a) of Notes to Accounts, Page 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 2019-20 is highlighted below:

<b>Head of Accounts</b>		<b>Debit (₹)</b>	<b>Credit (₹)</b>
8658-Suspense	101-PAO Suspense	188 crore	6 crore
	102-Suspense (civil)	1,261 crore	1,338 crore
	110-CAORB Suspense	545 crore	279 crore

*(Para 3 (vi) of Notes to Accounts, Page 60 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 2019-20, only 100 *per cent* (₹2,19,403 crore) of the total expenditure and 100 *per cent* (₹2,18,680 crore) of the total receipts of the State Government were reconciled.

During the year, 100 *per cent* of total receipts through E-treasury were also reconciled.

*(Para 2 (viii) 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 2019-20, Government of West Bengal incorrectly budgeted and booked expenditure of ₹416 crore under Capital section instead of Revenue section which has been determined from the purpose of expenditure.

*(Para 2 (i) of Notes to Accounts, Page 48 of Finance Accounts, Vol-I).*

## **Direct release of Central Scheme Funds**

During the year, the Government of India directly released ₹11,677 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 (ix) of Notes to Accounts, Page 61 of Finance Accounts, Vol-I).*

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