

Immediate Release



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PRESS BRIEF



**FINANCE ACCOUNTS
AND
APPROPRIATION ACCOUNTS
2020-21**



GOVERNMENT OF BIHAR



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Press Brief

Immediate Release



**Finance Accounts and Appropriation Accounts for the year 2020-21,
Government of Bihar**

The Finance Accounts and Appropriation Accounts for the year 2020-21, relating to the Government of Bihar, prepared under Article 151(2) of the Constitution of India, were presented to the Bihar Legislature on 30 March 2022.

Finance Accounts Contains 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 13 Appendices in Part II.

Appropriation Accounts contain 51 Grants and an Appendix.

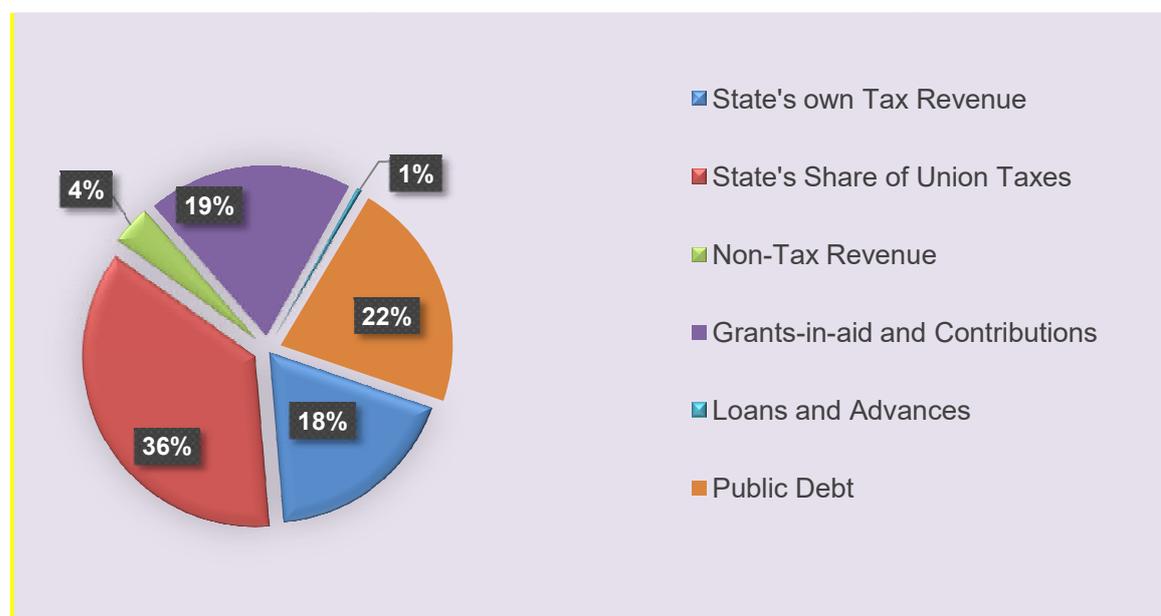
Receipts and Disbursements

Receipts and disbursements of the State Government for 2020-21 are detailed below:

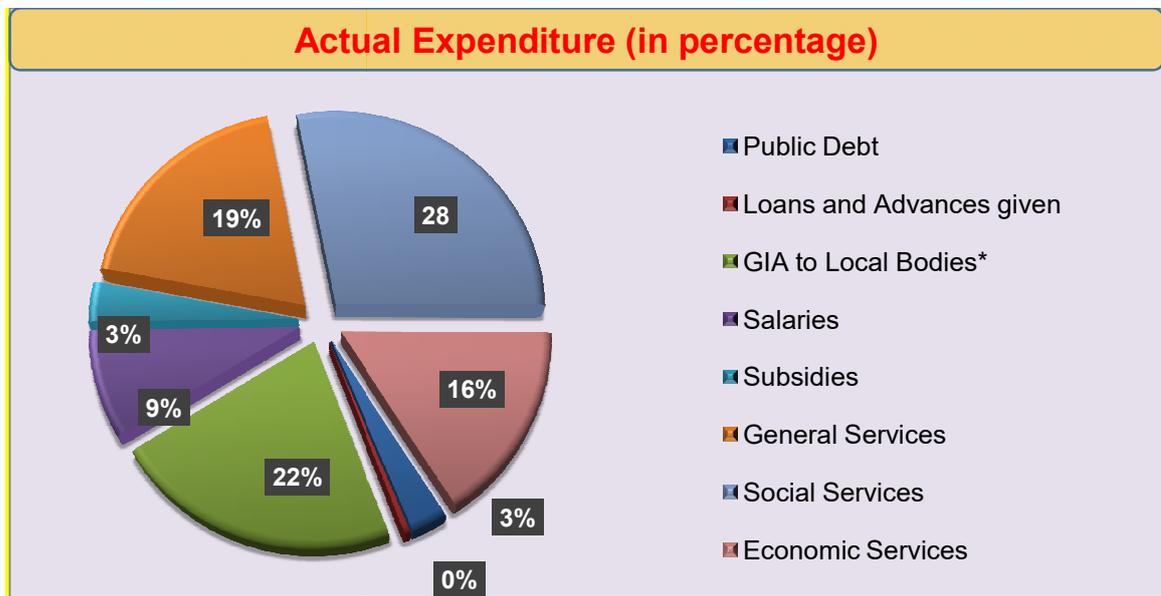
(₹ in crore)

Receipts (Total : 1,58,815)	Revenue (Total: 1,28,168)	State's own Tax Revenue	30,342
		State's Share of Union Taxes	59,861
		Non Tax Revenue	6,201
		Grants-in-aid and Contributions	31,764
	Capital (Total : 30,647)	Recovery of Loans and Advances	820
		Borrowings and other Liabilities*	29,827
Disbursements (Total : 1,58,815)	Revenue		1,39,493
	Capital		18,208
	Loans and Advances		1,114

Where each rupee of receipt came from



Where each rupee of expenditure went



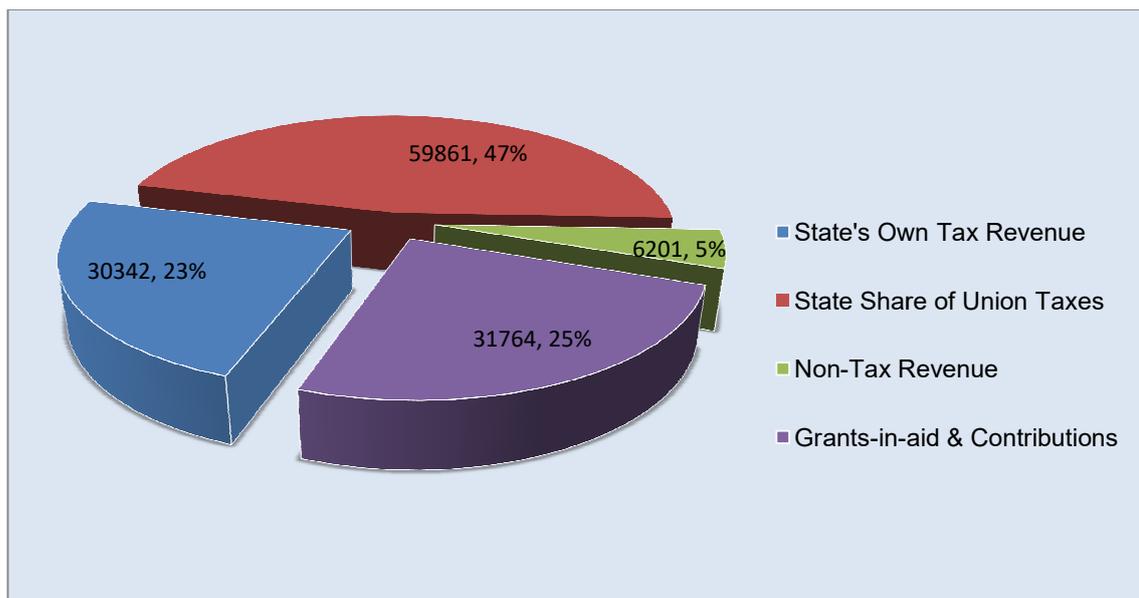
* Includes also expenditure made on Mid Day Meal Scheme, Cycle Scheme, Uniform Scheme and Sarva Siksha Abhiyan etc.

Revenue Receipt Components

(₹ in crore)

Components	Actual
A. Tax Revenue	90,203
State's own Tax Revenue	30,342
Goods and Service Tax	16,050
Taxes on Income and Expenditure	126
Taxes on Property and Capital Transactions	4,508
Taxes on Commodities and Services	9,658
State's share of Union Taxes	59,861
Goods and Service Tax	17,789
Taxes on Income and Expenditure	36,579
Taxes on Property and Capital Transactions	0
Taxes on Commodities and Services	5,493
B. Non-Tax Revenue	6,201
Interest Receipts, Dividends and Profits	3,844
General Services	309
Social Services	79
Economic Services	1,969
C. Grants-in-aid and Contributions	31,764
Total - Revenue Receipts	1,28,168

Revenue Receipts (in percentage)



Trend of Receipts

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Tax Revenue	82,623 (19)	88,220 (18)	1,03,011 (18)	93,564 (15)	90,203 (15)
Non-Tax Revenue	2,403 (0.56)	3,507 (0.72)	4,131 (0.74)	3,700 (0.60)	6,201 (1)
Grants-in-aid	20,559 (5)	25,720 (5)	24,652 (4)	26,969 (4)	31,764 (5)
Total Revenue Receipts	1,05,585 (25)	1,17,447 (24)	1,31,794 (24)	1,24,233 (20)	1,28,168 (21)
GSDP	4,25,888	4,87,628	5,57,490	6,11,804	6,18,628

Note: Figures in parentheses represent percentage to GSDP.

Revenue Expenditure

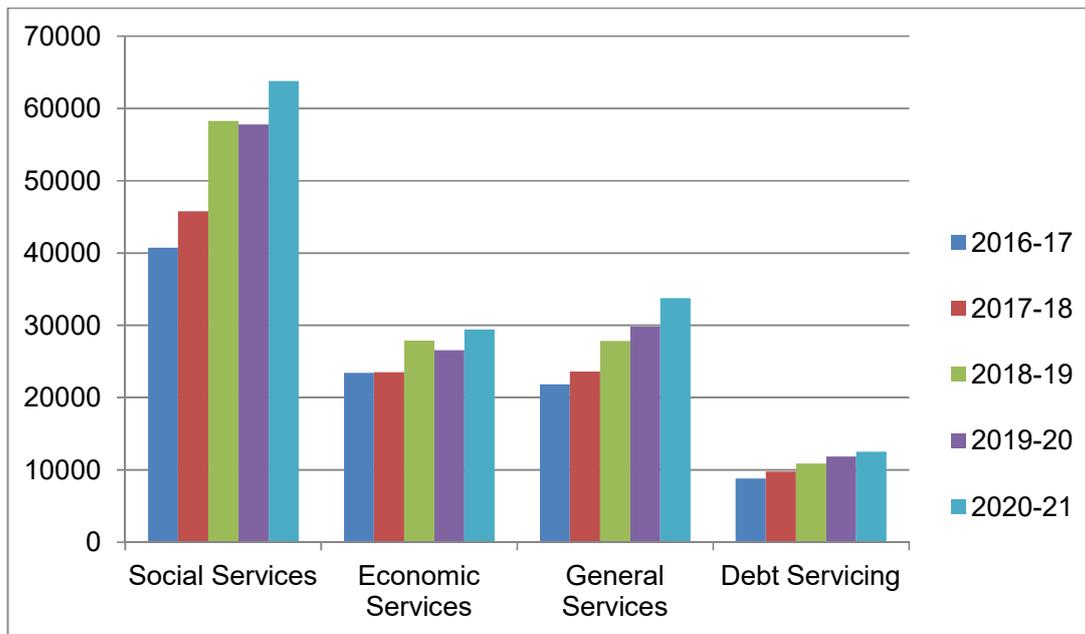
Revenue Expenditure of ₹1,39,493 crore for 2020-21 fell short of budget estimates by ₹25,258 crore.

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Budget Estimates	1,09,941	1,22,603	1,36,740	1,55,230	1,64,751
Actuals	94,765	1,02,624	1,24,897	1,26,017	1,39,493
Gap	15,176	19,979	11,843	29,213	25,258
% of gap over BE	16	16	9	19	15

Trend of Revenue Expenditure

Trend of Major Components of Revenue Expenditure



Highlights of Accounts:

Direct transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budget)

- (i) As per PFMS portal of CGA, ₹16,440.70 crore was directly received by the implementing agencies in the State during 2020-21. The total amount transferred by the Central Government to the State during the year 2020-21 was ₹31,797.45 crore (including amount transferred through RBI and other sources.)
- (ii) Out of total amount of ₹16,440.70 crore, ₹16,438.95 crore being the Central Assistance/Share was transferred to the intermediaries (i.e. NGOs. Societies etc.) and ₹1.75 crore directly to the beneficiaries.

The direct transfer of fund to the implementing agencies has increased by 61.66 *per cent* as compared to 2019-20 (from ₹10,170.12 crore in 2019-20 to ₹16,440.70 crore in 2020-21). Details are in **Appendix-VI** of Finance Accounts-Vol-II.

(Para 2(xxi) of Notes to Accounts, Page 43 of Finance Accounts, Vol-I)

Unadjusted Abstract Contingent (AC) Bills

Financial rules (Rule 177 of Bihar Treasury Code 2011) envisage that no moneys should be drawn from government treasury unless it is required for immediate disbursement. In emergent circumstances, Drawing and Disbursing Officers (DDOs) are authorised to draw sums of money through Abstract Contingent (AC) bills by debiting Service Heads. In terms of the Bihar Treasury Code, 2011, DDOs are required to present Detailed Countersigned Contingent (DC) bills containing vouchers in support of final expenditure within six months from the date of completion of the purpose for which the advance was drawn, and in no case, beyond the period of 180 days from the date of drawal of such advance, unless otherwise permitted by the Administrative Department with the concurrence of the Finance Department. Delayed submission or prolonged non-submission of supporting DC bills renders expenditure through AC Bills opaque and the expenditure shown in the Finance Accounts cannot be vouched as correct or final.

Out of 6,308 AC bills amounting to ₹4,834.28 crore drawn during the year 2020-21, 1,833 AC bills amounting to ₹429.32 crore (8.88 per cent) were drawn in March 2021. DC Bills in respect of a total of 26,504 AC bills amounting to ₹13,459.71 crore as on 31 March 2021 were not received. Details of unadjusted AC bills as on 31 March 2021 pending submission of DC bills are given below:

Year	No. of unadjusted AC Bills	Amount (₹ in crore)
Upto 2018-19	14,507	4,394.37
2019-20	5,689	4,231.06
2020-21	6,308	4,834.28
Total	26,504	13,459.71

(Para 2(vii) of Notes to Accounts, Page 38&39 of Finance Accounts, Vol-I)

Utilisation Certificates for Grants-in-aid

In terms of Rule 342 of the Bihar Financial Rules as amended by the Finance Department vide Resolution No. M.04-15/2009-9736/F(2) dated 19 October 2011, Utilisation Certificates (UCs) in respect of Grants-in-Aid received by the grantee should be furnished by the grantee to the authority that sanctioned it, within 18 months from the date of receipt of grant or before applying for a further grant on the same object, whichever is earlier. To the extent of non-submission of UCs, there is no assurance that the amount shown in Finance Accounts had reached the beneficiaries and thus the expenditure cannot be vouched as correct or final.

During the year 2020-21, ₹34,409.97 crore pertaining to outstanding UCs for the period upto 31 March 2021 was cleared. The position of outstanding UCs as on 31 March 2021 is given below:

Year*	Number of UCs Outstanding	Amount (₹ in crore)
Upto 2018-19	2,633	49,853.07
2019-20	645	26,922.62
2020-21	608	15,911.62
Total	3,886	92,687.31

* The year mentioned above relates to "Due year" i.e. after 18 months of actual drawal.

Major defaulting departments that had not submitted UCs are Panchayati Raj Department (₹26,922.39 crore, 29.05 per cent), Education Department (₹19,212.69 crore, 20.73 per cent), Social Welfare Department (₹10,941.87 crore, 11.81 per cent), Urban Development and Housing Department (₹10,022.99 crore, 10.81 per cent), Rural Development Department (₹4,635.73 crore, 5.00 per cent).

(Para 2(viii) of Notes to Accounts, Page 39 of Finance Accounts, Vol-I)

Transfer of Funds to Personal Deposit (PD) Accounts

PD accounts enable designated Drawing Officers to incur expenditure for specific purposes pertaining to a scheme; by debiting the service heads in the Consolidated Fund of the State and crediting the Personal Deposits under the Major Head 8443-Civil Deposits and the Minor Head-106-Personal Deposits. Administrators of PD accounts are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Consolidated Fund. However, no treasury office/Administrator had furnished information regarding refund of the unspent balance to the Consolidated Fund as reduction of expenditure under the concerned service head.

During 2020-21 an amount of ₹913.48 crore was transferred from the Consolidated Fund of the State to these PD Accounts and an amount of ₹147.51 crore was credited through challans. This includes ₹623.87 crore (58.80 per cent of the total credit) transferred in March 2021 from the Consolidated Fund of the State out of which, ₹10.85 crore was transferred on the last working day of March 2021.

In terms of Rule 353 of Bihar Treasury Code, 2011, the Administrator of Personal Deposit Account shall make necessary verification and reconciliation of the balances with the Treasury and shall furnish a certificate to the Treasury Officer on or before 30 April every year. The Treasury officer shall verify the said certificate with treasury record and send a report of verification of such balances to the Pr. Accountant General (A&E) as early as possible.

The Pr. Accountant General (A&E) has received the Annual closing balance certificates of seven PD Accounts only.

Details of PD accounts as on 31.03.2021 are given below:

(₹ in crore)

Opening Balance as on April -2020		Addition during the year 2020-21		Closed/Withdrawal during the year 2020-21		Closing Balance as on 31 March 2021	
Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount
158 ¹	3,312.94	90	1,061.65	0	563.26 ²	252 ³	3,811.33 ⁴

Note-

1. Number of administrator is same as number of PD Accounts. Out of 158, two PD accounts appeared as new in CFMS and not available in Pre CFMS database. One PD Account was closed in the year 2017 as per record of AG office but the same appeared in CFMS.
2. Total withdrawals from PD Accounts during the year. No information about closure of PD account received in 2020-21.
3. Out of 252 PD accounts, 2 PD Accounts have been migrated in CFMS during the year. 2 New PD Accounts appeared in this year of which one was closed in the year 2017 as per record of AG office and one PD Accounts appeared as new in CFMS but not available in Pre CFMS data base. Besides these, 10 PD Accounts, in which an amount of ₹1.54 crore is lying are yet to be migrated from CTMIS to CFMS which have not been included in O.B and C.B.
4. Difference of ₹9.18 crore with Statement-21 is under reconciliation.

The Finance Department, Government of Bihar vide its notification No. 2916 dated 03/06/2020, amended Rule 349 of the Bihar Treasury Code 2011, by increasing the period of money lying unspent from “Three Subsequent Financial Years” to “Five Subsequent Financial Years”; and treated all PD/PL accounts opened prior to 01/04/2019 as opened on 01/04/2019 as a default under CFMS System. Thus, the inoperative and lapsed PD accounts shall be determined accordingly.

(Para 2(vi) of Notes to Accounts, Page 37& 38 of Finance Accounts, Vol-I)

Reconciliation of Receipts and Expenditure between CCOs and Pr. Accountant General (A&E):

All Controlling Officers are required to reconcile receipts and expenditure of the Government with the figures accounted for by the Pr. Accountant General (A&E), Bihar. During the year, receipts amounting to ₹1,02,515.00 crore (79.98 per cent of total receipts) and expenditure amounting to ₹16,818.00 crore (10.66 per cent of total expenditure) were reconciled by the State Government.

(Para 2(iii) of Notes to Accounts, Page 36 of Finance Accounts, Vol-I)

Apportionment of pension liabilities and other retirement benefits

In terms of the Eighth Schedule under Section 53 of the Bihar Reorganisation Act, 2000, pension liabilities of the employees of the successor States of Bihar and

Jharkhand from 15 November 2000 (date of bifurcation of the States of Bihar and Jharkhand) upto 31 March 2001 and every subsequent financial year, shall be apportioned between the successor States in the ratio of the number of employees. However, as per decision taken in the meeting chaired by the Secretary, Home Affairs, Government of India with the Chief Secretaries of Government of Bihar and Government of Jharkhand on 18 June 2018, pension liabilities between the successor States shall be apportioned on the basis of population ratio i.e. 645.30:218.44.

Government of Bihar has received an amount of ₹1,493.95 crore out of total receivable amount of ₹1,804.47 crore upto 31 March 2018 from the Government of Jharkhand which includes total receivable amount of ₹1,507.74 crore up to 31 March 2017 and claim raised for ₹296.73 crore for the year 2017-18 through Government of Jharkhand 12 March 2019. Government of Bihar has not raised any demand on Government of Jharkhand for the pension liabilities for 2018-19 ,2019-20 and 2020-21 as the final figures of expenditure are still under finalisation in both the States. Therefore, the figures under the Major Head “0071” are understated to that extent.

(Para 2(viii) of Notes to Accounts, Page 44 of Finance Accounts, Vol-I)

Guarantee Redemption Fund

As per the recommendations of the Twelfth Finance Commission, State Governments are required to constitute a Guarantee Redemption Fund to be utilised for meeting the payment of obligations arising out of the guarantees issued by the Government. The Fund will be operated outside the State Government account and administered by the RBI. Under the guidelines, the State Government is required to make minimum annual contribution of 0.5 *per cent* of outstanding guarantee at the beginning of year.

The State Government has not created Guarantee Redemption Fund as recommended by the Twelfth Finance Commission as on 31 March 2021.

Outstanding guarantees as on 31 March 2021 was ₹16,407.71 crore (Principal ₹16,080.08 crore and Interest ₹327.63 crore).

(Para 4 (B) (b) of Notes to Accounts, Page 48 of Finance Accounts, Vol-I)

Consolidated Sinking Fund

The Government of Bihar set up the Consolidated Sinking Fund for amortisation of loans in 2008-09. According to the guidelines of the Fund, States may contribute a minimum of 0.5 *per cent* of their outstanding liabilities (Internal debt + Public account) as at the end of the previous year to the Consolidated Sinking Fund. Due to current Covid-19 epidemic State Government vide notification No-WM-112/2016-845 dated-16.12.2020 decided not to contribute in Consolidated Sinking Fund during 2020-21. The opening balance of ₹ 5,740.12 crore was invested in RBI. Details of the Fund are as follows.

(₹ in crore)

Opening balance as on 01 April 2020	Additions to the Fund (Contribution and interest)		Payments out of the Fund	Total balance in the Fund	Amount invested by RBI during the year	Closing balance as on 31 March 2021
	Required contribution (0.5 <i>per cent</i> of the outstanding liabilities as on 31 March 2020)	Interest added during the year				
5,740.12	966.91	256.11	Nil	5,996.23	Nil	5,996.23

(Para 4(B) of Notes to Accounts, Page 48 of Finance Accounts, Vol-I)

Advance from Contingency Fund

In exercise of the powers conferred by Section 4 of the Bihar Contingency Fund Act, 1950, the State Government made the Bihar Contingency Fund Rules, 1953 for regulating all matters connected with or ancillary to the custody of, payment of money into, and the withdrawal of money from, the Contingency Fund

of the State of Bihar. The corpus of the Bihar Contingency Fund is ₹350 crore. However, in terms of the Bihar Contingency Fund (Amendment) Act, 2015, the State Government increased the corpus from ₹350 crore to ₹8,470.45 crore (₹350 crore + ₹8,120.45 crore) on temporary basis for the period 1 April 2020 to 30 March 2021 and amount of ₹8,120.45 crore has been credited under Major Head 8000. After 30 March 2021, the same amount had been debited under Major Head 8000 and the Contingency fund of the State of Bihar has a corpus ₹350 crore as on 31 March 2021.

In terms of prescribed accounting procedure, advances from the Contingency Fund are to be recouped during the year by debiting the concerned service Major Head. Government of Bihar deviated from the prescribed procedure and booked the expenditure directly to the concerned Service Major Heads, at the outset. The State Government sanctioned ₹5,825.42 crore from Contingency Fund and recouped this amount through Supplementary Budget.

Consequently, since there are no budget available under these Major Heads at that stage, there is excess of expenditure over the budget against these heads, which gets regularised only at the time of recoupment. Further, since the booking is not routed through Major Head 8000 as required, the Pr. Accountant General (A&E) is unable to link the withdrawal and recoupment to the Contingency Fund. .

(Para 3 of Notes to Accounts, Page 45 of Finance Accounts, Vol-I)