

# **ACCOUNTS AT A GLANCE**

**for the year 2012-13**

**Government of Bihar**

# *P*REFACE

I am happy to present our annual publication, the ‘**Accounts at a Glance**’ of the Government of Bihar. The purpose of this publication is to distil and make more accessible the voluminous information that is available in the annual Finance and Appropriation Accounts prepared by my office under the directions of the Comptroller and Auditor General of India and placed before the Legislature in accordance with Article 149 of the Constitution of India.

The annual accounts of the State consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

‘Accounts at a Glance’ provides a broad overview of Governmental activities, as reflected in Finance Accounts and Appropriation Accounts. The information is presented through brief explanations, Statements, Graphs and time series analysis for providing accounting information to the stakeholders-the Legislature, the Executives and the Public. A combined reading of the Finance Accounts and Appropriation Accounts, the Report on State Finances and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facets of the finances of the Government of Bihar.

We look forward to comments and suggestions for improving this publication.



**Sanjay Kumar**

Accountant General (A&E)

Bihar, Patna

Place : Patna

Date : 31/01/2014

## Our Vision, Mission and Core Values

The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognised for independent, credible, balanced and timely reporting on public finance and governance.

Our mission enunciates our current role and describes what we are doing today

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders – the Legislature, the Executive and the Public – that public funds are being used efficiently and for the intended purposes.

Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

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# C *HAPTER I*

## OVERVIEW

### 1.1 Introduction

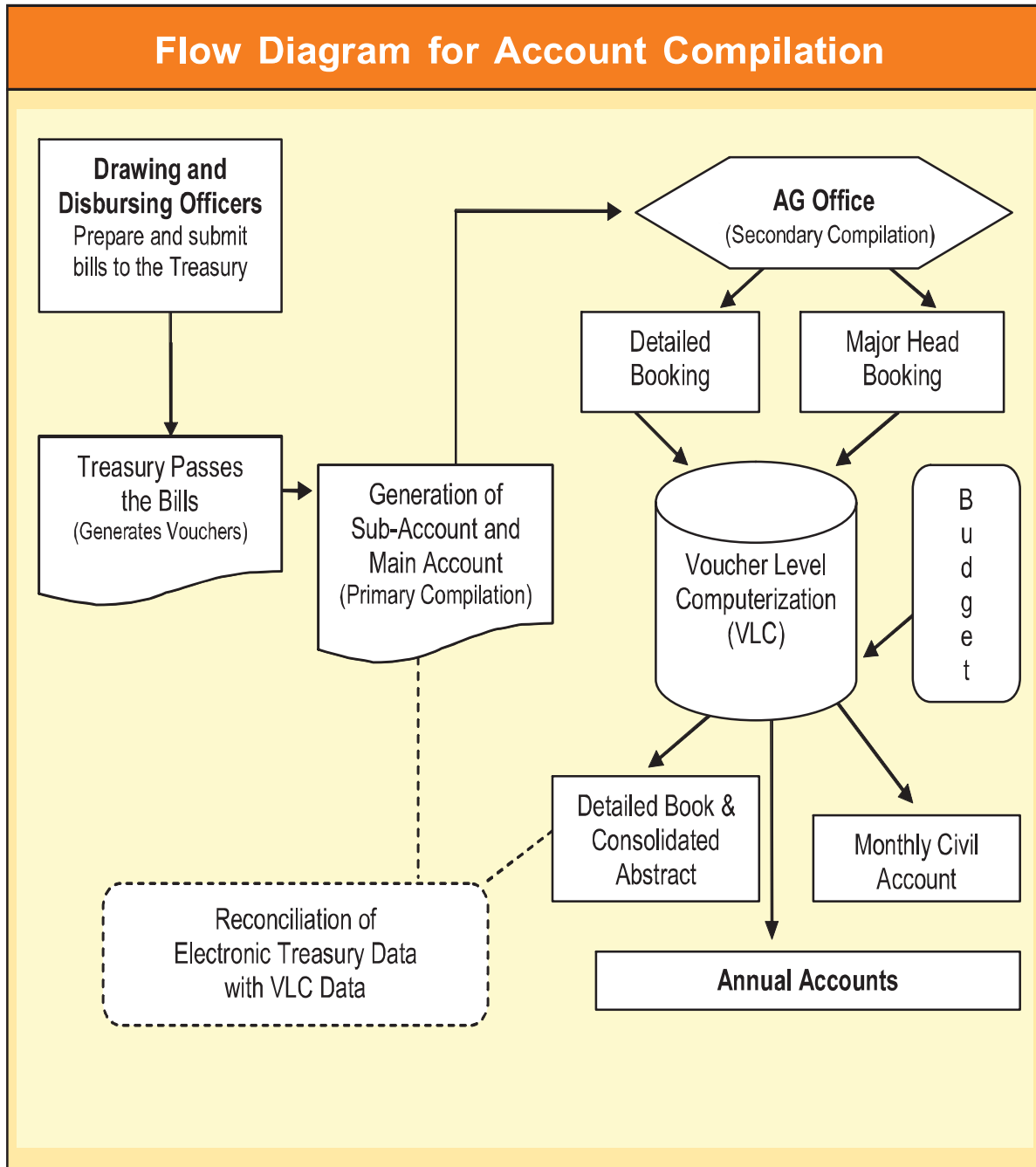
The Accountant General (Accounts and Entitlements), Bihar compiles the accounts of receipts and expenditure of the Government of Bihar. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such compilation, the Accountant General (A&E) prepares, annually the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Accountant General (Audit), Bihar and certification by the Comptroller and Auditor General of India.

### 1.2 Structure of Accounts

#### *1.2.1 Government Accounts are Kept in three parts :*

<b>Part 1 CONSOLIDATED FUND</b>	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
<b>Part 2 CONTINGENCY FUND</b>	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
<b>Part 3 PUBLIC ACCOUNT</b>	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

## 1.2.2 Compilation of Accounts



## 1.3 Finance Accounts and Appropriation Accounts

### 1.3.1 Finance Accounts

The Finance Accounts depict the receipt and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. Finance Accounts have been prepared in two volumes to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of overall receipts and disbursements and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarised statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and disbursements of the Government of Bihar as depicted in the Finance Accounts 2012-13 are given below :

(₹ in Crore)

<b>Receipts</b> (Total : 66,137)	<b>Revenue</b> (Total : 59,567)	Tax Revenue	48,154
		Non Tax Revenue	1,135
		Grants-in-aid	10,278
	<b>Capital</b> (Total : 6,570)	Recovery of Loans and Advances	25
Borrowings and other Liabilities*		6,545	
<b>Disbursements</b> (Total : 66,137)	Revenue	54,466	
	Capital	9,585	
	Loans and Advances	2,086	

\* 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

Apart from revenue and capital receipts by the State, the Union Government transfers substantial funds directly to State Implementing Agencies / NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 8,314 crore (₹ 8,958 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume-II of the Finance Accounts.

### *1.3.2 Appropriation Accounts*

Under the Constitution, no expenditure can be incurred by the Govt. except with the authorisation of the Legislature. Barring certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “voted”. The budget of the Bihar Govt. has 51 Grants/ Appropriations. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriations authorised by the Legislature through the Appropriation Act of each year.

The Appropriation Act, 2012-13, had provided for gross expenditure of ₹ 93,614 crore and reduction of expenditure (recoveries) of ₹ 0.20 lakh. Against this, the actual gross expenditure was ₹ 70,469 crore and reduction of expenditure was ₹ 1,263 crore, resulting in net savings of ₹ 23,145 crore (24.72%) and an under-estimation of ₹ 1,263 crore on reduction of expenditure. The gross expenditure includes ₹ 1,692 crore drawn on Abstract Contingent (AC) Bills, out of which ₹ 954 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

Government is authorised to open P.D. Accounts in order to deposit money by transferring funds from the consolidated fund for discharging liabilities of the Government arising out of special enactments. Rule 344 of Bihar Treasury Code 2011 envisages that the deposit administrator shall review all Personal Deposit Accounts at the end of the each financial year. Money lying unspent after two consecutive financial years (including the financial year in which the money was withdrawn) should not be spent any further and balance should be transferred as reduction of expenditure to the concerned service head.

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Note :- The figure of direct transfer of funds are taken from the ‘Central Plan Scheme Monitoring System (CPSMS)’ portal of the Controller General of Accounts.



During 2012-13, only 28 out of 61 treasuries have furnished the information in respect of P.D. Accounts. On the basis of information received from 28 treasuries and previous records of this office, the status of P.D. Accounts as on 31/03/2013 is as under :-

(₹ in Crore)

Particulars	No. of PD Accounts	Amount
As on 01/04/2012	07	0.17
Opened during the year	25	804.07
Closed during the year	*	*
As on 31/03/2013	32	804.24

\* Details are not available.

## 1.4 Sources and Application of Funds

### 1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 1.73 crore) maintained with the RBI. The larger the amount and more the number of times such Ways and Means Advances are taken or drawals are made, the more it reflects the adverse position of the cash balance of the State Government. During the financial year 2012-13, the Government of Bihar had maintained the minimum balance without taking any advance.

### 1.4.2 Funds flow statement

The State had a Revenue Surplus of ₹ 5,101 crore and a Fiscal Deficit of ₹ 6,545 crore representing 2% and 2% of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 10% of total expenditure. This deficit was met from Public Debt (₹ 6,484 crore), increase in Public Account (₹ 342 crore) and net of opening and closing cash balance (-₹ 281 crore). A sum of ₹ 26,350 crore which was 44% of the revenue receipts (₹ 59,567 crore) of the State Government was spent on committed expenditure like salaries (₹ 13,558 crore), interest payments (₹ 4,428 crore) and pensions (₹ 8,364 crore).

Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Survey of the Planning and Development Department, Government of Bihar.

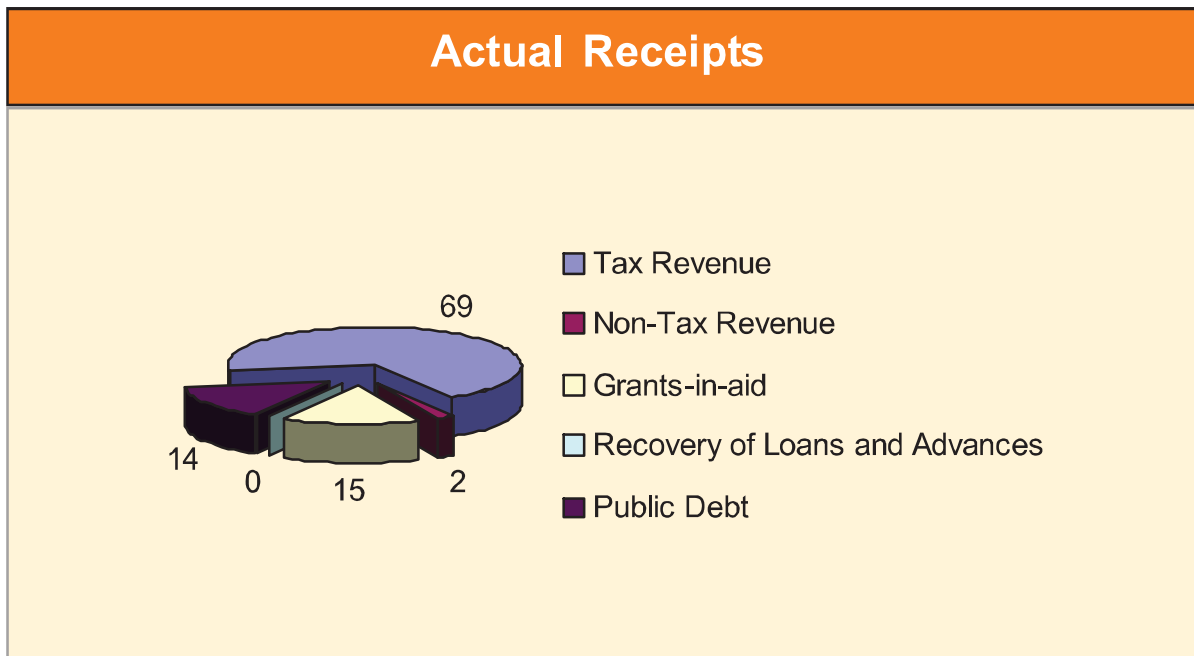
## Sources and Application of Funds

(₹ in Crore)

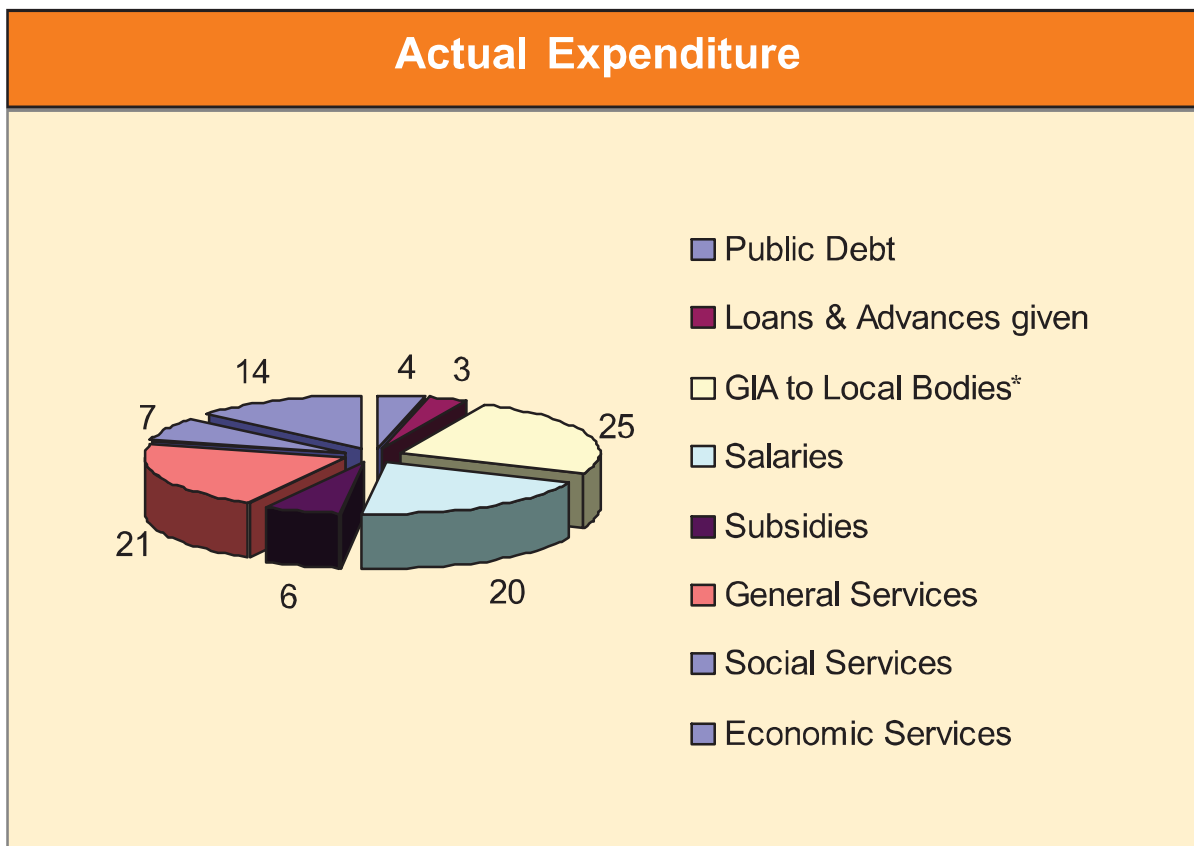
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01/04/2012	(-) 93
	Revenue Receipts	59,567
	Recovery of Loans & Advances	25
	Public Debt	9,554
	Small Savings, Provident Fund & Others	1,296
<b>SOURCES</b>	Reserves & Sinking Funds	799
	Deposits Received	15,346
	Civil Advances Repaid	169
	Suspense Account	83,703
	Remittances	8,927
	Contingency Fund	-
	<b>TOTAL</b>	<b>1,79,293</b>

	Revenue Expenditure	54,466
	Capital Expenditure	9,585
	Loans Given	2,086
	Repayment of Public Debt	3,070
	Small Savings, Provident Fund and Others	1,512
<b>APPLICATION</b>	Reserves & Sinking Funds	523
	Deposits Spent	13,199
	Civil Advances Given	117
	Suspense Account	85,639
	Remittances	8,908
	Closing Cash Balance as on 31/03/2013	188
	<b>TOTAL</b>	<b>1,79,293</b>

### 1.4.3 Where the Rupee came from



### 1.4.4 Where the Rupee went



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

## 1.5 Highlights of Accounts

(₹ in Crore)

	B.E. 2012-13	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP (\$)
	(₹ in Crore)			
1. Tax Revenue (@)	48.822	48.154	99	16
2. Non-Tax Revenue	3.142	1.135	36	--
3. Grant-in-aid and Contributions	16,084	10,278	64	3
4. Revenue Receipts (1+2+3)	68.048	59,567	87	20
5. Other Receipts	--	--	--	--
6. Recovery of Loans and Advances	15	25	167	--
7. Borrowings and other Liabilities (A)	7,569	6,545	86	2
8. Capital Receipts (5+6+7)	7.584	6.570	87	2
9. Total Receipts (4+8)	75.632	66.137	87	22
10. Non-Plan Expenditure (*)	42.268	37.756	89	13
11. NPE on Revenue Account	42.079	37.574	89	13
12. NPE on Interest Payments out of 11	5.186	4.428	85	2
13. NPE on Capital Account	189	182	96	--
14. Plan Expenditure (*)	33.364	28.381	85	10
15. PE on Revenue Account	18,880	16,892	89	6
16. PE on Capital Account	14,484	11,489	79	4
17. Total Expenditure (10+14)	75,632	66,137	87	22
18. Revenue Expenditure (11+15)	60.959	54.466	89	19
19. Capital Expenditure (13+16) (#)	14.673	11.671	80	4
20. Revenue Surplus (4-18)	7.089	5.101	72	2
21. Fiscal Deficit (4+5+6-17)	7.569	6.545	86	2

(@) Includes State's share of Union Taxes of ₹ 31.900 crore.

(\$) GSDP figure of ₹ 2.94,388 crore adopted from the Economic Survey published by Planning Department, Government of Bihar.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 9,585 crore), Loans and Advances disbursed (₹ 2,086 crore).

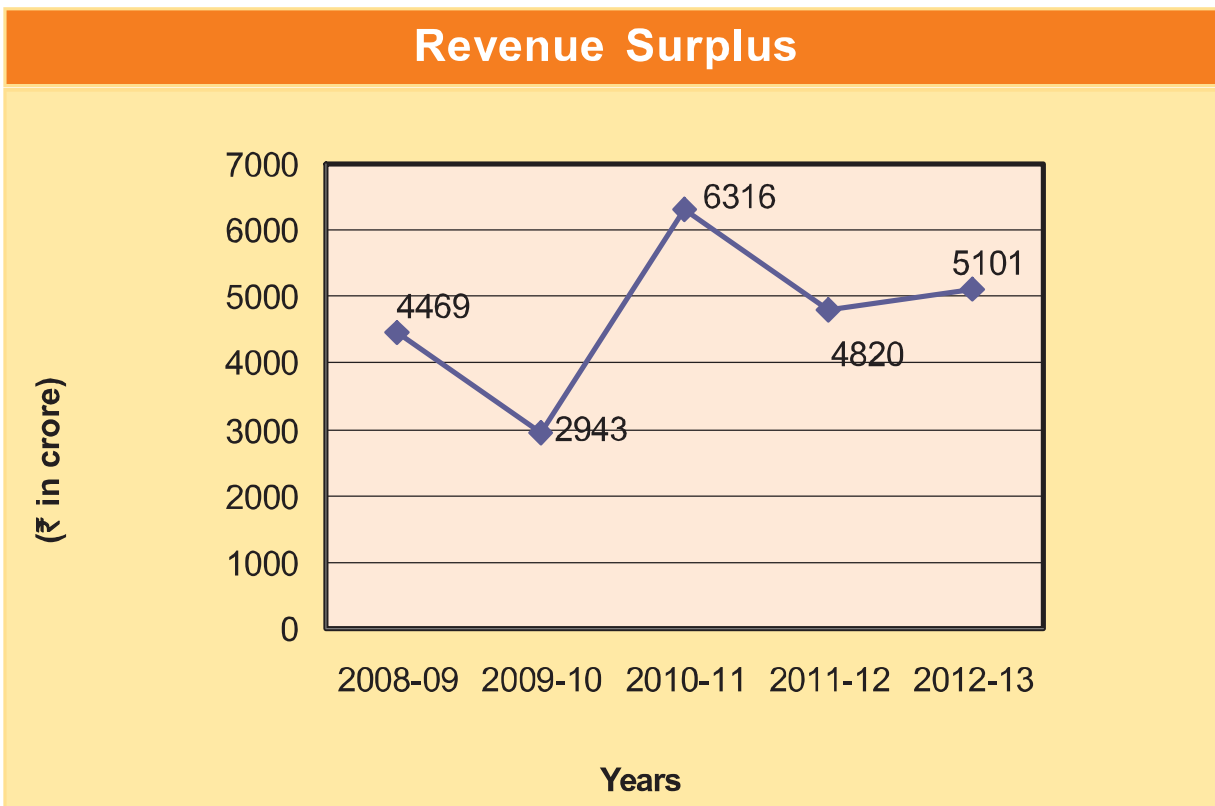
(\*) Expenditure includes ₹ 89 crore under Non-Plan and ₹ 1,997 crore under Plan which pertains to Loans and Advances.

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

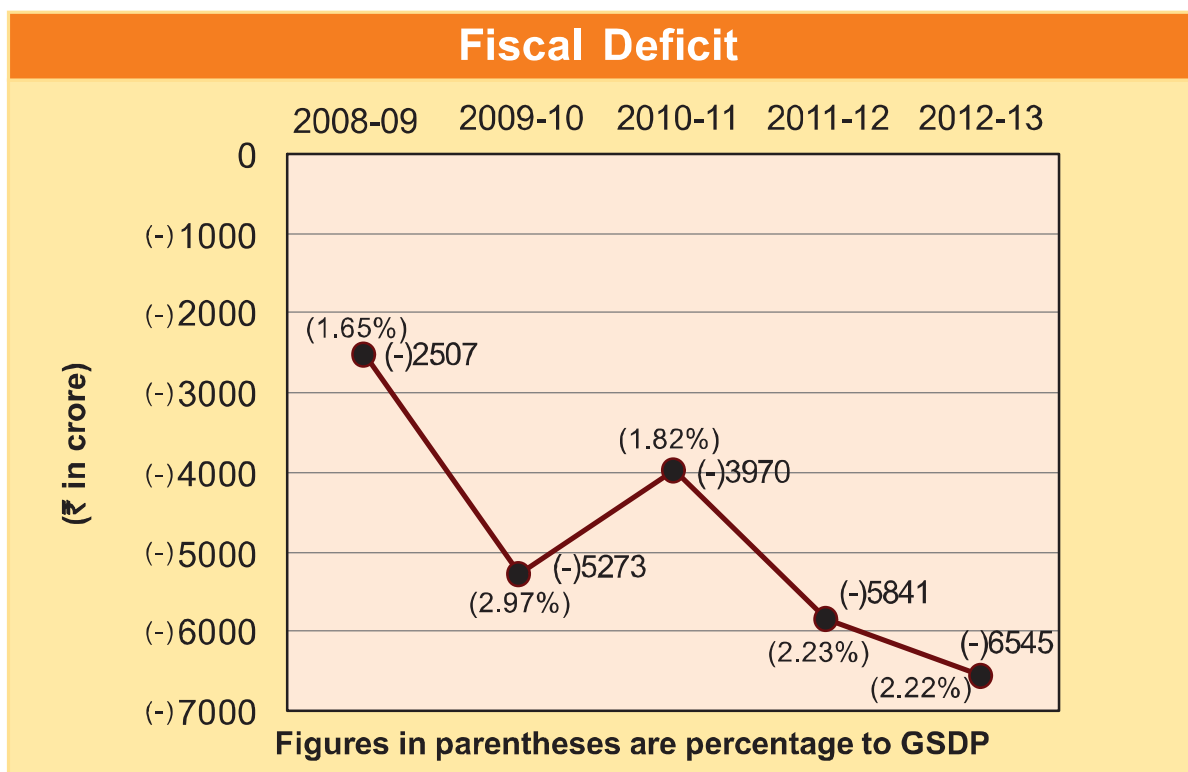
## 1.6 What do the Deficits and Surpluses indicate

<b>Deficit</b>	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
<b>Revenue Deficit / Surplus</b>	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipt.
<b>Fiscal Deficit / Surplus</b>	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

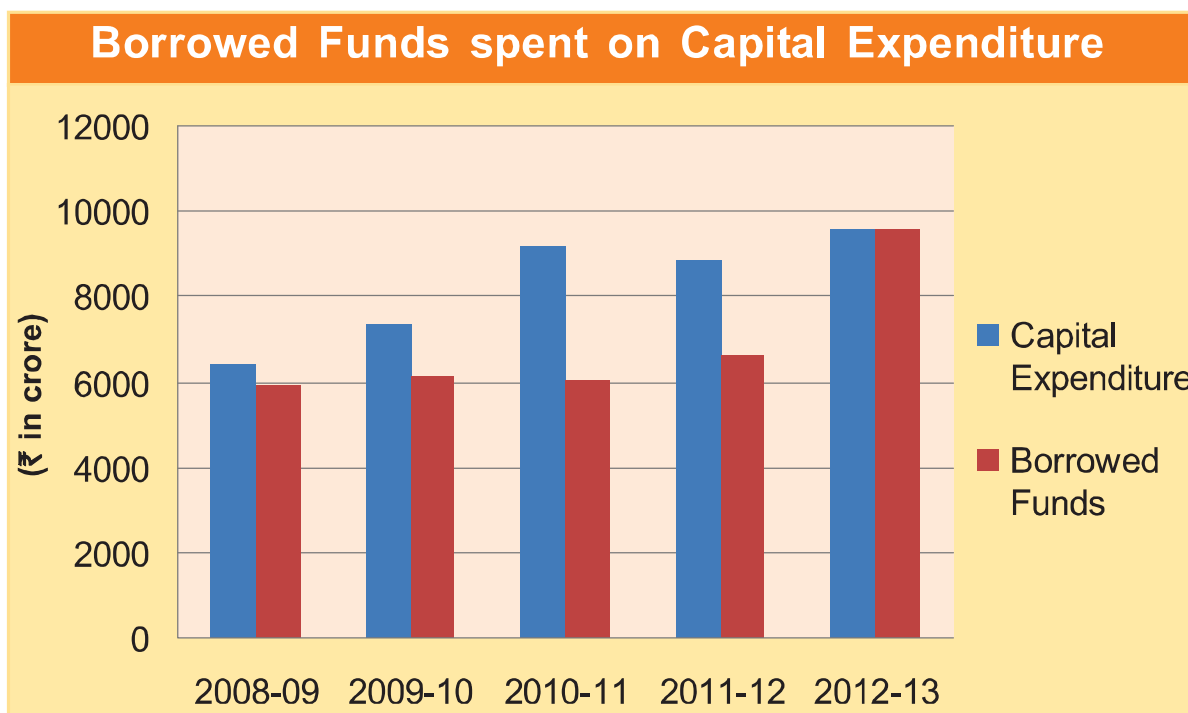
### 1.6.1 Trend of Revenue Deficit / Surplus



### 1.6.2 Trend of Fiscal Deficit



### 1.6.3 Proportion of borrowed funds spent on Capital Expenditure.



It is desirable to utilise borrowed funds fully for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government has financed its Capital Expenditure (₹ 9,585 crore) from borrowings of the current year (₹ 9,554 crore) and revenue surplus (₹ 5,101 crore) on Capital Expenditure during the year 2012-13.

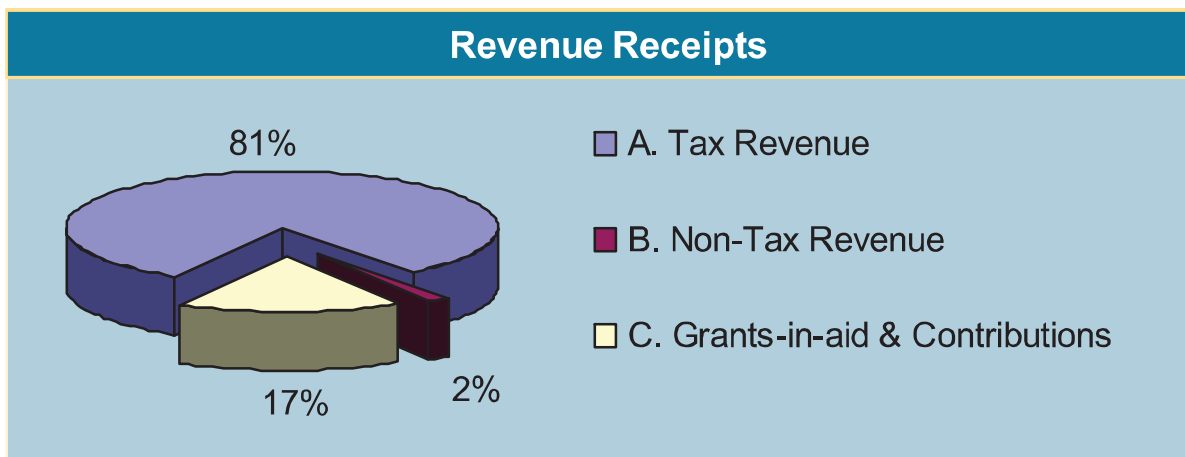
### RECEIPTS

#### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2012-13 were ₹ 66,137 crore.

#### 2.2 Revenue Receipts

<b>Tax Revenue</b>	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
<b>Non-Tax Revenue</b>	Includes interest receipts, dividends, profits etc.
<b>Grants-in-aid</b>	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid. Material & Equipment' received from Foreign Governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous Bodies etc.



## Revenue Receipt Components (2012-13)

(₹ in crore)

Components	Actuals
<b>A. Tax Revenue</b>	<b>48,154</b>
Taxes on Income and Expenditure	18,356
Taxes on Property and Capital Transactions	2,398
Taxes on Commodities and Services	27,400
<b>B. Non-Tax Revenue</b>	<b>11,35</b>
Interest Receipts, Dividends and Profits	170
General Services	229
Social Services	59
Economic Services	677
<b>C. Grants-in-aid and Contributions</b>	<b>10,278</b>
<b>Total - Revenue Receipts</b>	<b>59,567</b>



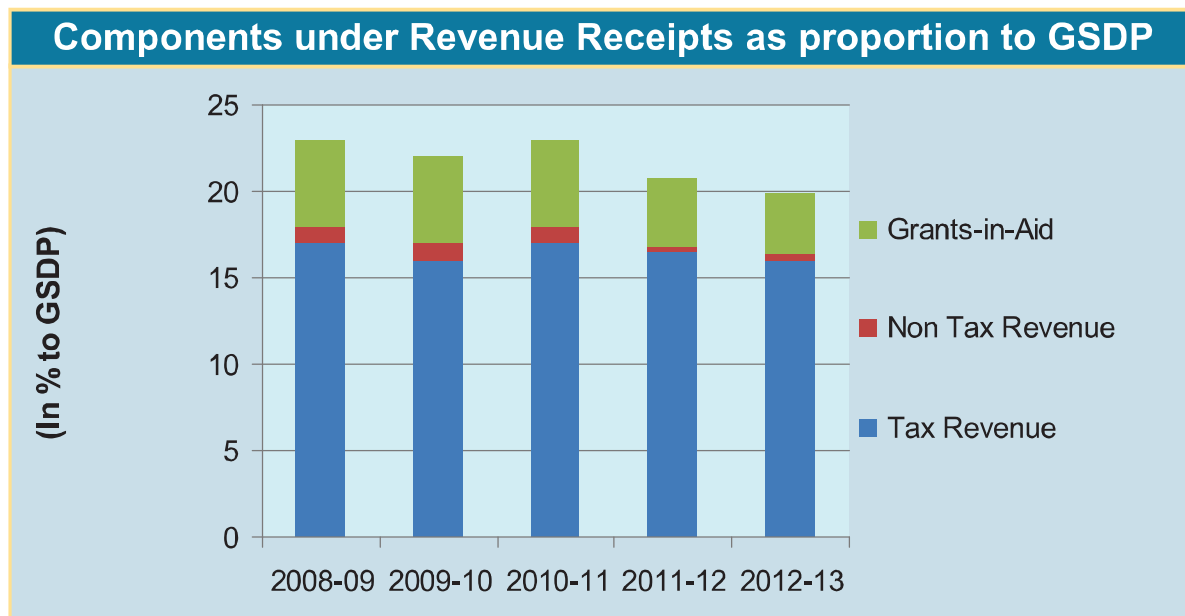
## 2.3 Trend of Receipts

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Tax Revenue</b>	23,865 (17)	26,292 (16)	33,848 (17)	40,547 (16.45)	48,154 (16.00)
<b>Non-Tax Revenue</b>	1,153 (1)	1,671 (1)	985 (1)	890 (0.40)	1,135 (0.40)
<b>Grants-in-aid</b>	7,962 (5)	7,564 (5)	9,699 (5)	9,883 (4)	10,278 (3.50)
<b>Total Revenue</b>	32,981	35,527	44,532	51,320	59,567
<b>Receipts</b>	(23)	(22)	(23)	(21)	(20)
<b>GSDP</b>	1,42,279	1,64,547	1,98,135	2,46,487	2,94,388

Note : Figures in parentheses represent percentage to GSDP.

Though the GSDP increased by 12% between 2011-12 and 2012-13, growth in revenue collection was 16%. Tax revenue and Non-tax revenue increased by 19% and 28% respectively in 2012-13 with comparison to 2011-12. The increase in non-tax revenues was mainly on account of significant collections under 'Police' (₹ 25 crore), 'Non-ferrous Mining and Metallurgical Industries' (₹ 511 crore), 'Medical and Public Health' (₹ 41 crore) and 'Industries' (₹ 28 crore). Further collection under 'Interest Receipts' and 'Roads and Bridges' were only ₹ 167 crore and ₹ 33 crore respectively in 2012-13 against ₹ 574 crore and ₹ 60 crore in 2011-12. The State's own revenue under certain tax components, like 'Taxes on Sales, Trade etc.' (₹ 8,671 crore), 'State Excise' (₹ 2,430 crore) and 'Taxes on Goods and Passengers' (₹ 1,932 crore) showed an increasing growth.

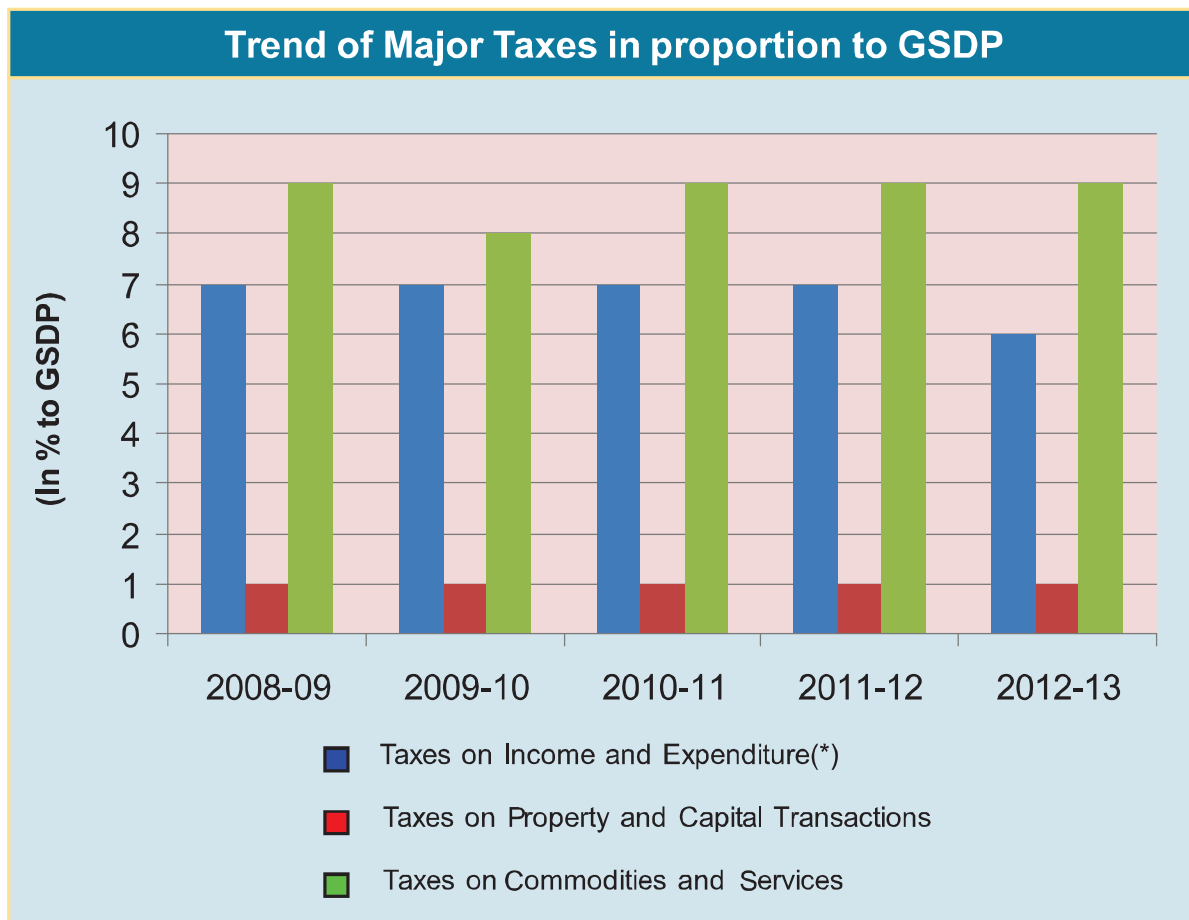


## Sector-wise Tax Revenue

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Taxes on Income and Expenditure	9,445	11,664	14,325	16,610	18,356
Taxes on Property and Capital Transactions	823	1,139	1,257	1,690	2,398
Taxes on Commodities and Services	13,597	13,489	18,266	22,247	27,400
Total Tax Revenue	23,865	26,292	33,848	40,547	48,154

The increase in total tax revenue is mainly attributed to higher collection under 'Taxes on Income other than Corporation tax' (₹6,860 crore), 'Stamps and Registration Fees' (₹2,173 crore), 'State Excise' (₹2,430 crore), 'Taxes on Sales, Trade etc.' (₹8,671 crore), 'Taxes on Goods and Passengers' (₹1,932 crore) and 'Service Tax' (₹4,658 crore).



(\*) Primarily net proceeds of Central share to the State

## 2.4 Performance of State's own tax revenue collection

(₹ in Crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
2008 - 09	23,865	17.692	6.173	4.34%
2009 - 10	26,292	18.203	8.089	4.92%
2010 - 11	33,848	23.978	9.870	4.98%
2011 - 12	40,547	27.935	12,612	5.12%
2012 - 13	48,154	31.901	16,253	5.52%

The proportion of the State's Own Tax Revenue to GSDP is perceptibly lower than the target of 6.26% recommended by the 13<sup>th</sup> Finance Commission.

## 2.5 Efficiency of Tax Collection

### A. Taxes on Property and Capital Transactions

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	823	1,139	1,257	1,690	2,398
Expenditure on Collection	232	358	356	417	440
Efficiency of Tax Collection	28%	31%	28%	25%	18%

### B. Taxes on Commodities and Services

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	13,597	13,489	18,266	22,247	27,400
Expenditure on Collection	78	103	112	130	147
Efficiency of Tax Collection	1%	1%	1%	1%	1%

Taxes on Commodities and Services form a major chunk of tax revenue. Tax collection efficiency of taxes on Commodities and Services is satisfactory. However, the collection efficiency of Taxes on Property and Capital Transactions can be improved.

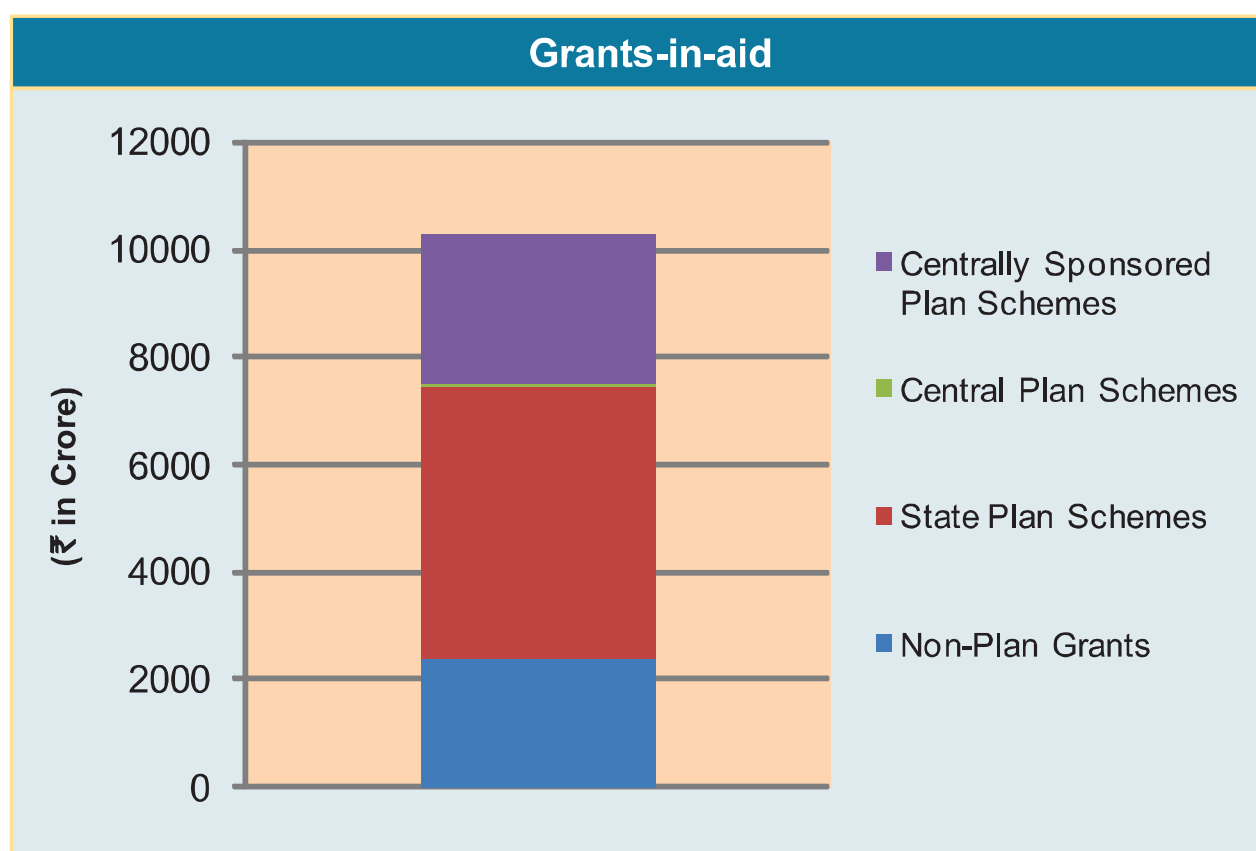
## 2.6 Trend in State's Share of Union Taxes over the past five years

(₹ in Crore)

Major Head Discription	2008-09	2009-10	2010-11	2011-12	2012-13
Corporation Tax	5,802	7,491	9,372	10,996	11,459
Taxes on Income other than Corporation Tax	3,643	4,173	4,953	5,585	6,860
Taxes on Wealth	5	17	19	42	20
Customs	3,382	2,548	4,193	4,844	5,301
Union Excise Duties	2,950	2,052	3,050	3,134	3,603
Service Tax	1,911	1,922	2,391	3,334	4,658
Other Taxes and Duties on Commodities and Services	(-) 1	-	-	-	-
<b>State Share of Union Taxes</b>	<b>17,692</b>	<b>18,203</b>	<b>23,978</b>	<b>27,935</b>	<b>31,901</b>
<b>Total Tax Revenue</b>	<b>23,865</b>	<b>26,292</b>	<b>33,848</b>	<b>40,547</b>	<b>48,154</b>
<b>% of Union Taxes to Total Tax Revenue</b>	<b>74</b>	<b>69</b>	<b>71</b>	<b>69</b>	<b>66</b>

## 2.7 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2012-13 under Grants-in-aid were ₹ 10,278 crore as shown below :-



The share of non-plan grants in total grants-in-aid decreased from 26% during 2011-12 to 23% in 2012-13, while, the share of grants for plan schemes inclined from 74% in 2011-12 to 77% in 2012-13. As against a budget estimate of ₹ 14,246 crore of Union Share in Plan Schemes, the State Government has actually received ₹ 7,866 crore of Grants-in-aid (55% of BE).

## 2.8 Public Debt

### Trend of Public Debt over the past five years

(₹ in Crore)

Description	2008-09	2009-10	2010-11	2011-12	2012-13
Internal Debt	4,524	4,201	3,526	3,344	6,461
Central Loans	(-) 279	(-) 50	316	361	23
Total Public Debt	4,245	4,151	3,842	3,705	6,484

Note : Negative figures indicate that repayment is in excess of receipts.

In 2012-13, eight loans totalling ₹ 7,100 crore at interest rates varying from 8.62% to 9.16% and redeemable in the years 2022-2023 were raised at par.

Against the total internal debt of ₹ 9,046 crore of the State Government in 2012-13 plus the central loan component of ₹ 508 crore received during this period, capital expenditure was ₹ 9,585 crore (100%), indicating that the total of the public debt was used for creation of capital assets and developmental purposes.

# C

## CHAPTER III

### EXPENDITURE

#### 3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the organisation. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

<b>General Services</b>	Includes Justice, Police, Jail, PWD, Pension etc.
<b>Social Services</b>	Includes Education, Health & Family Welfare. Water Supply, Welfare of SC & ST etc.
<b>Economic Services</b>	Includes Agriculture. Rural Development. Irrigation. Co-operation, Energy, Industries, Transport etc.

#### 3.2 Revenue Expenditure

Revenue Expenditure were 19 per cent of the GSDP. Revenue Expenditure of ₹ 54,466 crore for 2012-13 fell short of budget estimates by ₹ 6,493 crore due to less disbursement of ₹ 1,988 crore under Plan Expenditure and ₹ 4,505 crore under Non-Plan Expenditure. This shortfall is to be viewed in the light of the ₹ 8,481 crore (12%) shortfall compared to BE in Revenue Receipts and the need of the State to maintain a revenue surplus in terms of the Bihar FRBM Act, 2006.

The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below:

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Budget Estimates</b>	28,938	35,715	40,678	49,934	60,959
<b>Actuals</b>	28,512	32,584	38,216	46,500	54,466
<b>Gap</b>	426	3,131	2,462	3,434	6,493
<b>% of gap over BE</b>	1	9	6	7	11

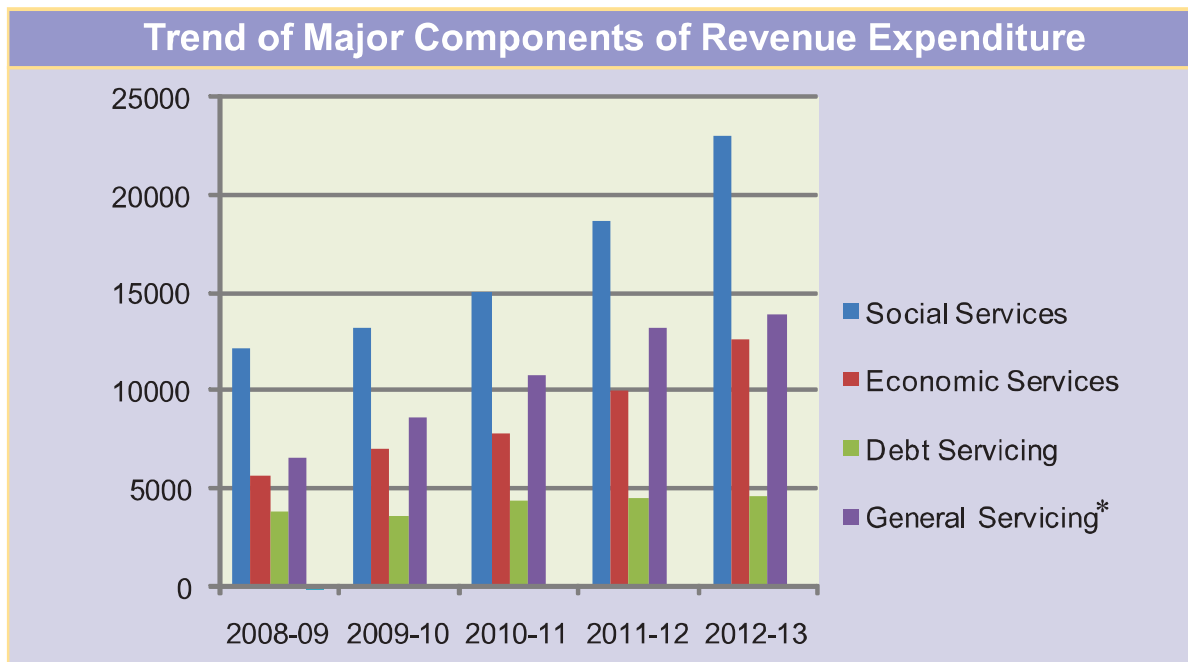
### 3.2.1 Sectoral distribution of Revenue Expenditure (2012-13)

<b>Components</b>	<b>Amount (₹ in crore)</b>	<b>Percentage</b>
A. Fiscal Services	590	1
(i) Collection of Taxes on Property and Capital transactions	440	-
(ii) Collection of Taxes on Commodities and Services	147	-
(iii) Other Fiscal Services	3	-
B. Organs of State	711	1
C. Interest Payments and Servicing of debt	4,683	9
D. Administrative Services	4,289	8
E. Pension and Miscellaneous General Services	8,372	15
F. Social Services	23,107	43
G. Economic Services	12,710	23
H. Grants-in-aid and Contributions	4	-
<b>Total - Expenditure (Revenue Account)</b>	<b>54,466</b>	<b>100</b>



### 3.2.2 Major components of Revenue Expenditure (2008-13)

(₹ in crore)



### 3.3 Capital Expenditure

Capital disbursements for 2012-13 were ₹ 11,671 crore which was 4% of GSDP. It was less than Budget Estimates by ₹ 3,002 crore (less disbursement of ₹ 2,995 crore under Plan Expenditure and ₹ 7 crore under Non Plan Expenditure).

#### 3.3.1 Sectoral distribution of Capital Expenditure

During 2012-13, the Government spent ₹ 983 crore on various Projects (₹ 737 crore on Major Irrigation, ₹ 79 crore on Medium Irrigation and ₹ 167 crore on Minor Irrigation), ₹ 957 crore on Flood Control Projects and ₹ 174 crore on Power Projects. Apart from above, the Government invested ₹ 20 crore in various Corporations / Companies / Societies.

(₹ in crore)

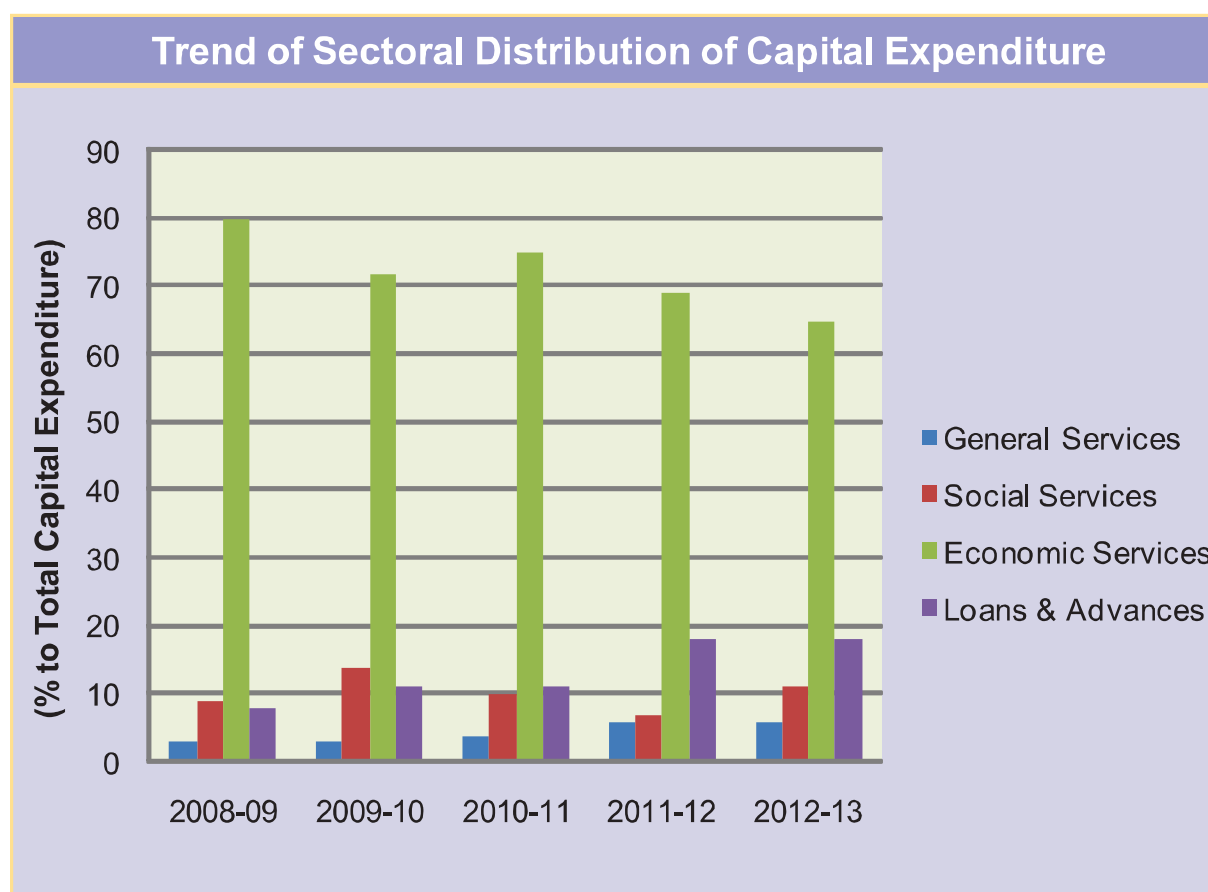
Sl. No.	Sector	Amount	Percentage
1.	<b>General Services</b> - Police, Land Revenue etc.	717	6
2.	<b>Social Services</b> - Education, Health & Family Welfare Water Supply, Welfare of SC/ST etc.	1,331	11
3.	<b>Economic Services</b> - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	7,537	65
4.	Loans and Advances Disbursed	2,086	18
	<b>Total</b>	<b>11,671</b>	<b>100</b>

\* General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payment) and includes MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions).

### 3.3.2 Sectoral distribution of capital expenditure over the past 5 years

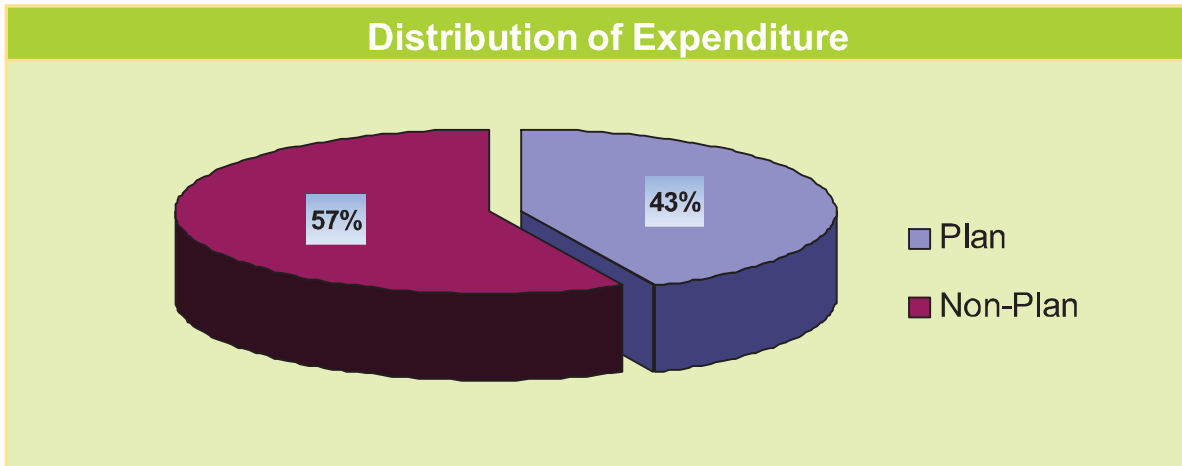
(₹ in crore)

Sl. No.	Sector	2008-09	2009-10	2010-11	2011-12	2012-13
1.	General Services	206	274	396	608	717
2.	Social Services	640	1,123	1,072	807	1,331
3.	Economic Services	5,590	5,935	7,728	7,437	7,537
4.	Loans and Advances	551	897	1,102	1,906	2,086
	<b>Total</b>	<b>6,987</b>	<b>8,229</b>	<b>10,298</b>	<b>10,759</b>	<b>11,671</b>



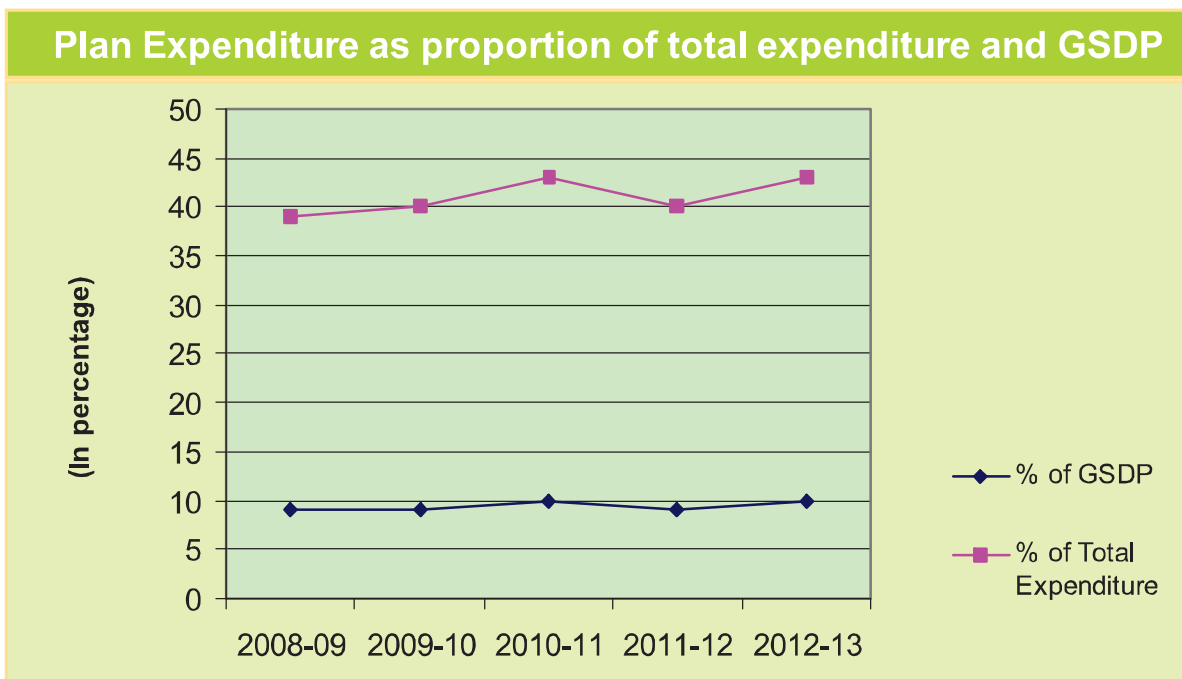
## PLAN & NON PLAN EXPENDITURE

### 4.1 Distribution of expenditure (2012-13)



### 4.2 Plan Expenditure

Plan expenditure (both revenue and capital) during 2012-13 was ₹ 28,381 crore, constituting 43% of total disbursements of ₹ 66,137 crore. This comprised, ₹ 23,377 crore under State Plans, ₹ 2,707 crore under Centrally Sponsored/ Central Plan Schemes and ₹ 1,997 crore under Loans and Advances.



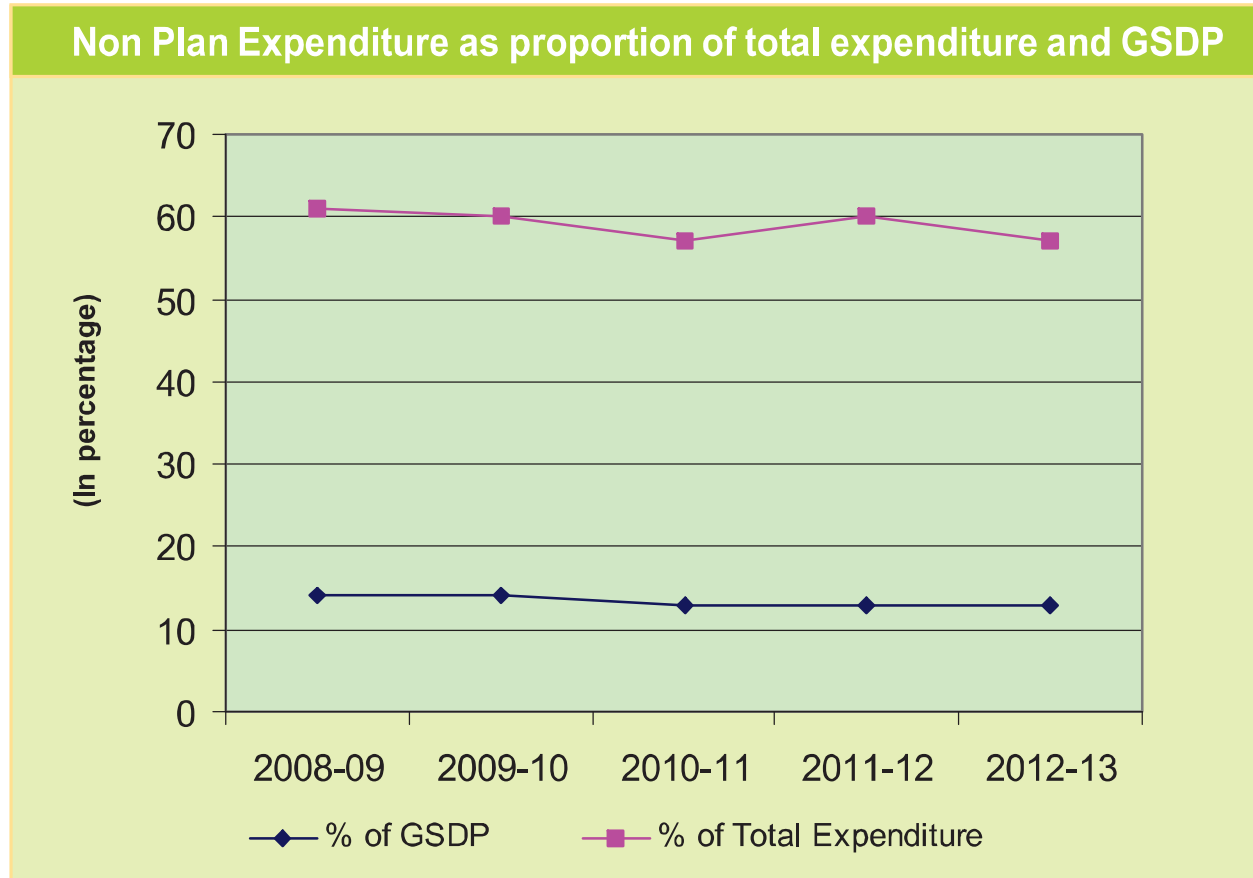
## 4.2.1 Plan expenditure under Capital Account

(₹ in crore)

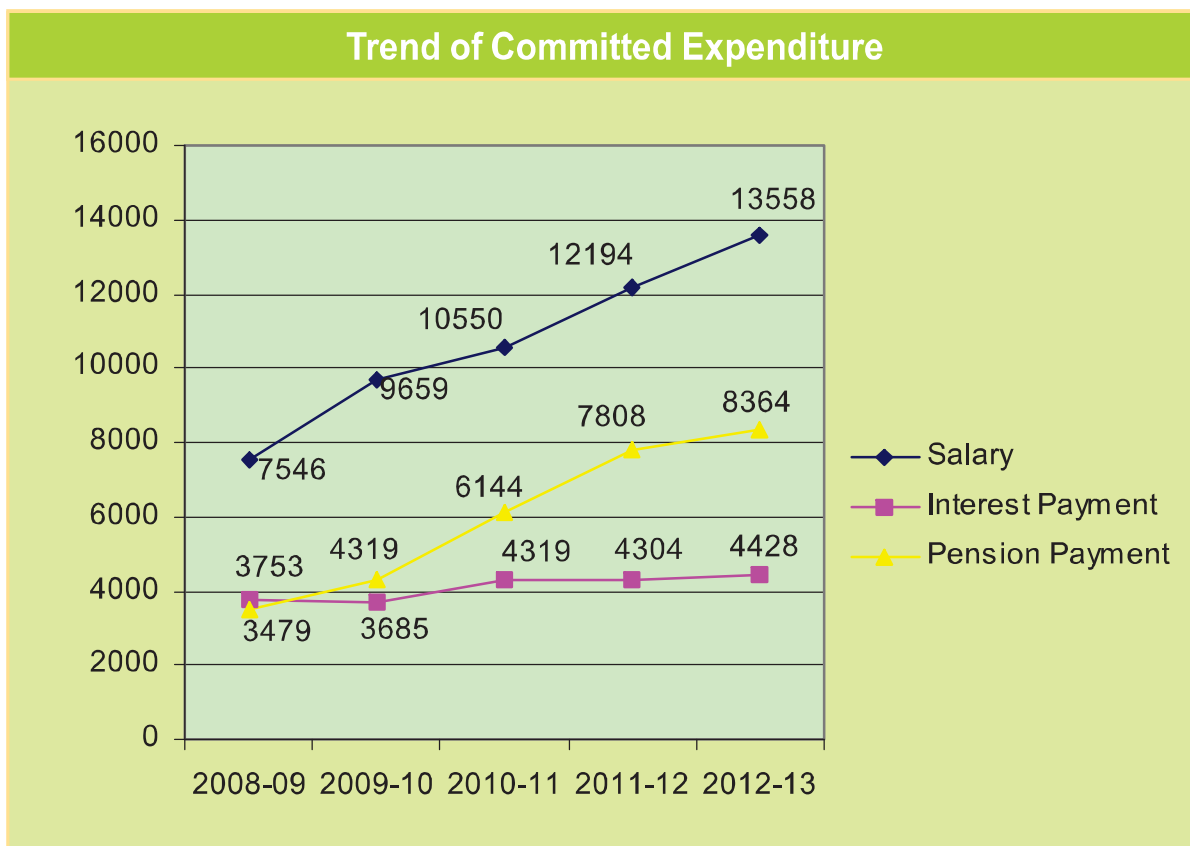
	2008-09	2009-10	2010-11	2011-12	2012-13
Total Capital Expenditure	6.987	8.229	10.298	10.759	11.671
Capital Expenditure (Plan)	6,533	7.755	10,010	10,521	11,489
Per cent of Capital Expenditure (Plan) to Total Capital Expenditure	94	94	97	98	98

## 4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2012-13, representing 57 per cent of total disbursements, was ₹ 37,756 crore (₹ 37,574 crore under Revenue and ₹ 182 crore under Capital).



## 4.4 Committed Expenditure



(₹ in crore)

Component	2008-09	2009-10	2010-11	2011-12	2012-13
Committed expenditure	14,778	17,663	21,013	24,306	26,350
Revenue expenditure	28,512	32,584	38,216	46,500	54,466
Revenue receipts	32,981	35,527	44,532	51,320	59,567
Per cent of committed expenditure to Revenue Receipts	45	50	47	47	44
Per cent of committed expenditure to Revenue expenditure	52	54	55	52	48

Disbursement of larger amount on committed expenditure leaves the Government with lesser flexibility for developmental spending.

# C HAPTER V

## APPROPRIATION ACCOUNTS

### 5.1 Summary of Appropriation Accounts for 2012-13

(₹ in Crore)

Sl. No.	Nature of expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual expenditure	Saving (-) Excesses (+)
1	<b>Revenue</b>						
	<b>Voted</b>	55,713	7,660	9,214	63,373	50,691	(-) 12,682
	<b>Charged</b>	5,615	9	65	5,624	4,991	(-) 633
2	<b>Capital</b>						
	<b>Voted</b>	13,412	2,730	6,004	16,142	9,631	(-) 6,511
	<b>Charged</b>						
3	<b>Public</b>						
	<b>Debt</b>	3,054	29	9	3,083	3,070	(-) 13
	<b>Charged</b>						
4	<b>Loans and</b>						
	<b>Advances</b>	1,261	4,131	1,055	5,392	2,086	(-) 3,306
	<b>Voted</b>						
	<b>Total</b>	<b>79,055</b>	<b>14,559</b>	<b>16,347</b>	<b>93,614</b>	<b>70,469</b>	<b>(-) 23,145</b>

### 5.2 Trend of Savings / Excess during the past five years

(₹ in Crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2008-09	(-) 7,228	(-) 3,795	(-) 1	(-) 289	(-) 11,313
2009-10	(-) 7,216	(-) 3,327	(+) 98	(-) 101	(-) 10,546
2010-11	(-) 9,584	4,703	(-) 88	(-) 99	(-) 14,474
2011-12	(-)10,835	(-) 3,834	(-) 5	(-) 922	(-) 15,596
2012-13	(-)13,315	(-) 6,511	(-) 13	(-)3,306	(-) 23,145

### 5.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes / programmes.

Some grants with persistent and significant savings are given below :

(% of savings to total allocation)

Grant	Nomenclature	2008-09	2009-10	2010-11	2011-12	2012-13
1	Agriculture	29%	18%	20%	28%	29%
20	Health	27%	16%	23%	22%	22%
23	Industries	26%	8%	60%	33%	13%
48	Urban Development & Housing	35%	37%	72%	52%	24%
49	Water Resource	47%	45%	49%	20%	25%

During 2012-13, supplementary grants totalling ₹ 14,559 crore (21% of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations.

A few instances are given below :

(₹ in Crore)

Grant	Name of Department	Section	Original	Supplementary	Actual Expenditure
3.	Building Construction	Revenue	317.00	5.00	252.00
		Capital	669.00	372.00	319.00
8.	Art, Culture & Youth	Revenue	73.00	10.00	60.00
10.	Energy	Capital	2,056.00	797.00	1,257.00
12.	Finance	Revenue	375.00	25.00	220.00
		Capital	22.00	2,250.00	17.00
16.	Panchayati Raj	Revenue	2,906.00	370.00	2,591.00
17.	Commercial Taxes	Revenue	87.00	50.00	78.00
20.	Health	Revenue	2,553.00	6.00	1,989.00
21.	Education	Revenue	14,814.00	1,948.00	13,978.00
22.	Home	Revenue	3,996.00	19.00	36.00
		Capital	513.00	102.00	327.00
23.	Industries	Revenue	488.00	38.00	457.00
30.	Minorities Welfare	Revenue	149.00	2.00	57.00
		Capital	436.00	15.00	114.00
32.	Legislature	Revenue	106.00	6.00	100.00
33.	General Administration	Revenue	374.00	13.00	277.00
35.	Planning and Development	Revenue	817.00	2.00	151.00
		Capital	1,220.00	325.00	386.00
36.	Public Health Engineering	Revenue	334.00	55.00	329.00
		Capital	366.00	158.00	258.00
39.	Disaster Management	Revenue	819.00	12.00	346.00
40.	Revenue and Land Reforms	Revenue	447.00	38.00	412.00
		Capital	44.00	4.00	17.00
41.	Road Construction	Revenue	664.00	0.00	555.00
		Capital	3,811.00	526.00	3,291.00
42.	Rural Development	Revenue	1,741.00	134.00	1,453.00
44.	Scheduled Castes and Scheduled Tribe Welfare	Revenue	1,002.00	170.00	921.00
45.	Sugar Industries	Revenue	115.00	4.00	82.00
48.	Urban Development & Housing	Revenue	1,552.00	117.00	1,264.00
49.	Water Resources	Revenue	807.00	2.00	665.00
		Capital	2,150.00	298.00	1,776.00
51.	Social Welfare	Revenue	3,353.00	465.00	2,927.00
		Capital	227.00	7.00	0.00



# C

## HAPTER VI

### ASSETS AND LIABILITIES

#### 6.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition / purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 941 crore at the end of 2012-13. However, dividends received during the year were ₹ 2.55 crore (i.e., 0.27%) on investment. During 2012-13, investments increased by ₹ 20 crore, while dividend income increased by ₹ 1.15 crore.

Cash Balance with RBI stood at ₹ 341 crore on 31<sup>st</sup> March 2012 and increased to ₹ 2,263 crore at the end of March, 2013.

#### 6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

Details of the Public Debt and total liabilities of the State Government are as under :

(₹ in Crore)

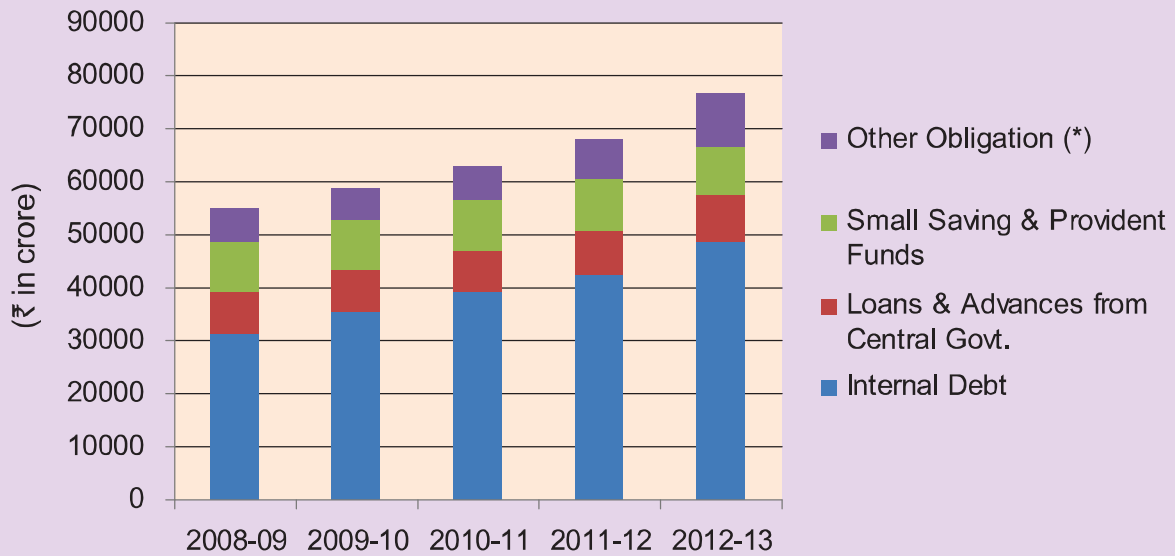
Year	Public Debt	% to GSDP	Public Accounts (*)	% to GSDP	Total Liabilities	% to GSDP
2008-09	39.291	28	15.686	11	54.977	39
2009-10	43.443	27	15,247	9	58,690	36
2010-11	47.285	24	15,573	8	62,858	32
2011-12	50.990	21	16.822	7	67.812	28
2012-13	57.474	20	19.029	6	76.503	26

(\*) Excludes suspense and remittance balances.

Note : Figures are progressive balances to end of the year.

There is a net increase of ₹ 8,691 crore (13%) in Public Debt and Other liabilities as compared to 2011-12.

## Trends in Government Liabilities



(\*) Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

### 6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies, etc., is given below:

(₹ in Crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of the year	
		Principal	Interest
2008-09	1,548	704	80
2009-10	1,548	899	80
2010-11	1,549	588	44
2011-12	2,049	1,092	103
2012-13	2,046	1,089	112

#### 7.1 Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. The balances under Internal Debt is ₹ 48,825 crore as on 31<sup>st</sup> March 2013.

#### 7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2012-13 was ₹ 20,587 crore. Of this, Loans and Advances to Government Corporations/ Companies, Non-Government Institutes and Local Bodies amounted to ₹ 18,453 crore. Recovery ₹ 2,578 crore of Principal and ₹ 2,145 crore of Interest is in arrears at the end of 31<sup>st</sup> March 2013. During 2012-13 only ₹ 25 crore has been received towards repayment of Loans and Advances, out of which, ₹ 13 crore relates to repayment of loans to Government servants. Effective steps to recover the outstanding loans would help the Government's fiscal position.

#### 7.3 Financial assistance to local bodies and others

During the past five years, Grants-in-aid to local bodies etc., increased from ₹ 6,042 crore in 2008-09 to ₹ 17,454 crore in 2012-13. Grants to Zila Parishads, Municipalities/ Corporation and Panchayat Samitees including Gram Panchayat (₹ 3,135 crore) represented 18 per cent of total grants given during the year.

Details of Grants-in-aid for the past 5 years are as under :

(₹ in Crore)

Year	Zilla Parishads	Corporation/ Municipalities/ Councils	Panchayat Samitees incl. Gram Panchayat	Others	Total
2008-09	62	460	614	4,906	6,042
2009-10	951	267	331	5,360	6,909
2010-11	231	150	1,284	6,759	8,424
2011-12	677	557	1,858	11,352*	14,444
2012-13	441	540	2,154	14,319*	17,454

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

## 7.4 Cash Balance and investment of Cash Balance

(₹ in Crore)

Component	As on 1st April 2012	As on 31st March 2013	Net increase (+) / decrease (-)
Cash Balances	(-) 93	188	281
Investments from cash balance (GOI Treasury Bills)	434	2,074	1,640
Other Cash Balances			
i) Departmental Balance	206	183	(-) 23
ii) Permanent Cash Imprest	286	338	52
Investment from earmarked fund balances	677	931	254
(a) Sinking Fund	677	931	254
(b) Guarantee Redemption Fund	—	—	—
(c) Other Funds	—	—	—
* Interest realised	237	128	(-) 109

(\*) This reflects only interest realised on investment of Cash Balances.

State Government had a positive closing cash balance at the end of 2012-13, despite utilising its cash balances and earmarked fund balances towards investments. Interest receipt on these investments was decreased by 49%.

## 7.5 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 (A&E). This exercise is to be conducted by respective controlling officers of the Departments. The reconciliation has been completed, only for an amount of ₹ 10,763 crore of expenditure against the total expenditure of ₹ 64,051 crore i.e., 17% of the total expenditure and for ₹ 42,719 crore of receipt against the total receipt of ₹ 59,567 crore i.e. 72% of the total receipts during the year 2012-13.

Following are the list of some of the Major Departments that did not carry out the reconciliation of both receipt and expenditure figures at all or carried out reconciliation to very insignificant amount.

SI. No.	Receipt Head	Expenditure Head	Department
1.	0055	2055	Home Department
2.	0202	2202	Education Department
3.	0210	2210	Health Department
4.	0405	2405	Animal and Fisheries Resource Department
5.	0403	2403	Animal and Fisheries Resource Department
6.	0059	2059	Building Construction Department
7.	0425	2425	Co-operative Department
8.	0851	2851	Village and Small Industries
9.	0852	2852	Industries Department
10.	0211	2211	Health & Family Welfare Department
11.	0216	2216	Building Construction Department
12.	0406	2406	Environment and Forest Department
13.	0515	2515	Panchayati Raj Department
14.	0701	2701	Water Resources Department
15.	1054	3054	Road Construction Department

## 7.6 Submission of accounts by Treasuries

The accounts of the State Government compiled in Accountant General's office are mainly based on the initial accounts rendered by Treasuries, Public Works and Forest Divisions. The prescribed due date of its submission are 5<sup>th</sup> of the following month in the case of Treasury Accounts and 10<sup>th</sup> of the following month in case of Forest and Public Works Accounts. The average delay in submission of monthly accounts by Treasuries, Public Works and Forest Divisions are 05 days, 11 days and 24 days respectively.

The non-submission of accounts in time leads to exclusion of the treasury in monthly accounts submitted to the State Government. As a result, the accounts figures do not reflect the actual expenditure or receipt of the month which may adversely affect the decisions, if taken on the basis of incomplete accounts.

## 7.7 Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

The Drawing and Disbursing Officers are authorized to draw sums of money through AC bills by debiting Service Major Heads (booking final expenditure) against which they are required to present Detailed Contingency Bills (vouchers in support of final expenditure) in all these cases by 25<sup>th</sup> of the following month. After making amendment in Bihar Treasury Code (BTC) vide Finance Department's notification No. 6633 dated 13/ 10/2006 for submission of Detailed Contingency Bills, it has been ruled that DC Bill should be presented to the Accountant General (A&E) Bihar, Patna latest by 25<sup>th</sup> of sixth month from the drawl of the AC Bill.

As on 30/06/2013, the position of DC Bills to be received in the office of the Accountant General (A&E) is shown below:

(₹ in crore)

Year	AC Bills Drawn		DC Bills Received		Outstanding DC Bills	
	Number	Amount	Number	Amount	Number	Amount
Upto						
2010-11	83,528	25,279.19	78,180	22,520.61	5,348	2,758.58
2011-12	8,626	4,974.42	4,088	4,080.01	4,538	894.41
2012-13	1,863	1,692.49	463	738.86	1,400	953.63
<b>Total</b>	<b>94,017</b>	<b>31,946.10</b>	<b>82,731</b>	<b>27,339.48</b>	<b>11,286</b>	<b>4,606.62</b>

## 7.8. Rush of Expenditure

The financial rules stipulated 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. It is observed however, that certain departments indulged in this practice to the tune of 50% and 100% of total expenditure incurred in March, as follows :

(₹ in crore)

Head of Account	Description	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	During March 2013	% of 3/2013 w.r.t. total expenditure of the department for 2012-13
2217	Urban Development	12.78	84.22	121.38	918.82	1137.2	579.01	50.92
4406	Capital Outlay on Forestry and Wild Life	0	0.03	2.52	2.65	5.2	2.65	50.97
3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	0	0	1.10	2.61	3.71	1.97	52.94
2515	Other Rural Development Programmes	169.52	480.16	494.32	1890.24	3034.23	1713.56	56.47
4070	Capital Outlay on other Administrative Services	0.61	1.58	21.87	161.78	185.85	111.41	59.95
2501	Special Programmes for Rural Development	0.02	0.02	6.02	116.78	123.15	74.9	60.82
3452	Tourism	1.67	3.15	1.19	19.15	25.16	15.45	61.41
2851	Village and Small Industries	5.46	2.43	9.24	45.86	62.99	39.38	62.52
4216	Capital outlay on Housing	0.007	0.70	3.27	18.02	22.07	13.85	62.77
2404	Dairy Development	10.4	27.84	5.68	118.6	162.52	107.93	66.41
4408	Capital Outlay on Food Storage and Warehousing	0	0	0	34.72	34.72	24.3	69.98
4047	Capital outlay on other Fiscal Services	(-)2.83	0.92	2.59	11.97	12.65	9.24	73.01
2810	Non-Conventional Sources of Energy	0	0.30	0	6.25	6.55	5.59	85.299
4225	Capital Outlay on Welfare of SC.ST and OBC	0.07	0.28	0.35	3.09	3.79	3.42	90.42
5053	Capital Outlay on Civil Aviation	0	2.06	0	24.69	26.75	24.69	92.31
4202	Capital Outlay on Education, Sports, Art and Culture	(-)1.53	(-)0.14	9.25	356.86	364.44	340.88	93.54
2705	Command Area Development	0.11	0.11	0	51.83	52.04	51.65	99.23
4217	Capital Outlay on Urban Development	0	0	0	2.00	2.00	2.00	100.00