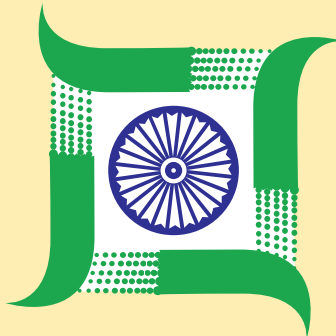




सत्यमेव जयते

Accounts at a Glance for the year 2013-14



झारखण्ड सरकार

Government of Jharkhand

ACCOUNTS AT A GLANCE

for the year 2013-14

GOVERNMENT OF JHARKHAND

PREFACE

The Annual Accounts of the State Government are prepared and examined under the directions of the Comptroller and Auditor General of India (C&AG of India) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State. The Annual Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditures against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Accountant General (Accounts and Entitlements) prepares the State Finance Accounts and the Appropriation Accounts.

'Accounts at a Glance' provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

We look forward to suggestions that would help us in improving the publication.

PLACE : RANCHI

DATE : 10.02.2015



(Manoj Sahay)

Accountant General (A&E)

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 recognized 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

Professional Excellence

Objectivity

Transparency

Integrity

Positive Approach

Reliability

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OVERVIEW

1.1. Introduction

The monthly accounts of the State Government are compiled and consolidated from the accounts submitted by the District Treasuries, Public Works and Forest Divisions, to the Accountant General (Accounts and Entitlements). Besides, the Finance Accounts and the Appropriation Accounts are prepared annually by the Accountant General under the directions of the Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

1.2. Structure of Accounts

1.2.1. Government Accounts are kept in three parts :

Part I CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part II CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part III PUBLIC ACCOUNT	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.

1.3. Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

The Finance Accounts depict the receipts 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. The 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, Summarized 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 Summarized Statements (Part-I), Detailed Statements (Part-II) and Appendices (Part-III).

Receipts and Disbursements of the Government of Jharkhand as depicted in the Finance Accounts 2013-2014 are given below.

(₹ in crore)

Receipts (Total : ₹28,416)	Revenue (Total : ₹26,137)	Tax Revenue	18,319
		Non Tax Revenue	3,753
		Grants-in-Aid	4065
	Capital (Total : ₹2,279)	Recovery of Loans and Advances	23
		Borrowings and other Liabilities	2,256

Disbursements (Total : ₹28,416)	Revenue	23,472
	Capital	4,722
	Loans and Advance	222

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

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 ₹2,602 crore (₹2,622 crore last year). **This exclude an amount of ₹ 186 crore and ₹ 234 crore respectively for the financial year 2013-14 and 2012-13 released to Central Bodies located in the State as well as various other organizations outside the per view of the Government of Jharkhand.** 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

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts ‘Charged’ on the Consolidated Fund or ‘Voted’ by the State Legislature. There are 05 Charged Appropriations, 54 Voted Grants and 01 Voted and Charged mixed Grant.

The Appropriation Act, 2013-2014, had provided for gross expenditure of ₹ 43,122 crore and provision of ₹ 312 crore was made under reduction of expenditure (recoveries). Against this, the actual gross expenditure was ₹ 30,686 crore and reduction of expenditure was ₹ 222 crore, resulting in net savings of ₹ 12436 crore (29%) and an over-estimation of ₹90 crore (29%) on reduction of expenditure. The gross expenditure included ₹ 667 crore drawn on Abstract Contingent (AC) Bills, out of which ₹ 560 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2013-14, ₹ 2,614 crore was transferred from the Consolidated Fund to Deposits of Local Funds accounts under the Public Account, which are maintained by designated Administrators for specific purposes. The balances at credit of each local fund shall be verified at the end of the year by the Treasury Officer in communication with the Accountant General’s books is the balance acknowledged by the Government, and the Treasury Officer is required to follow it and not the local accounts as his standard.

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 (₹ 0.45 crore w.e.f. 15 November, 2000), maintained with the RBI. During 2013-14, the Government of Jharkhand obtained only 08 days normal WMA and did not resort to OD facilities.

1.4.2. Fund flow statement

The State had a Revenue Surplus of ₹ 2666 crore and a Fiscal Deficit of ₹ 2,256 crore representing 1 per cent and 1 per cent respectively, of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 8 per cent of total expenditure. This deficit was met from Public debt (₹ 4,703 crore), increase in Public Account (₹ 85 crore) and net of opening and closing cash balance (₹ 484.71 crore). Around 50

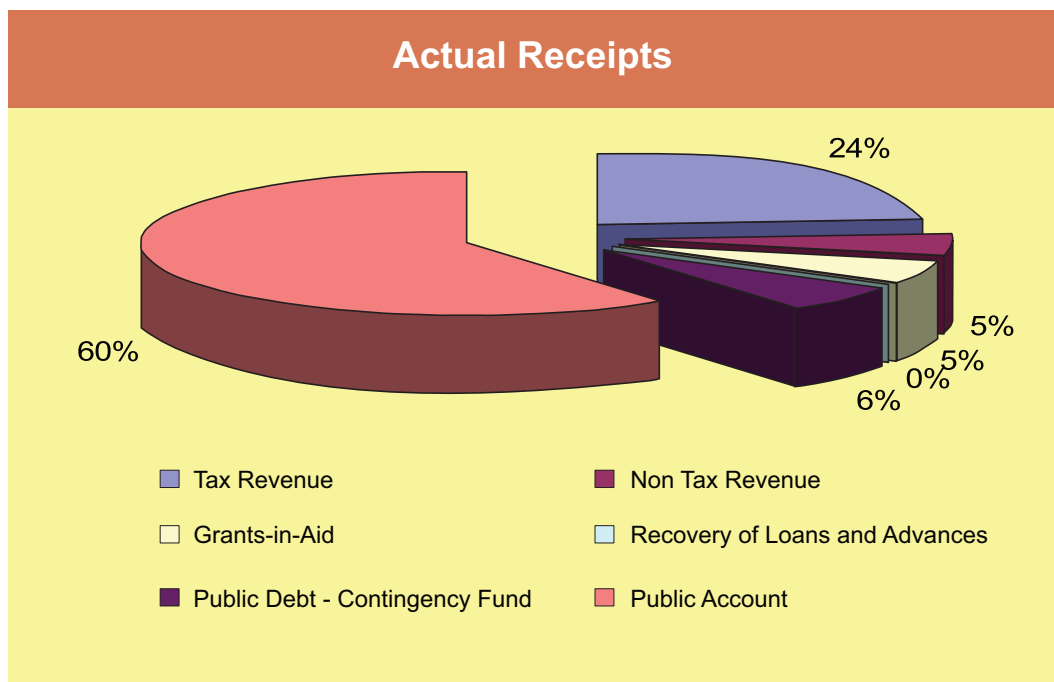
per cent of the Revenue Receipts (₹ 26,137 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 6,934 crore), Interest Payments (₹ 2,614 crore) and Pensions (₹ 3,484 crore).

Sources and Application of Funds

(₹ in crore)

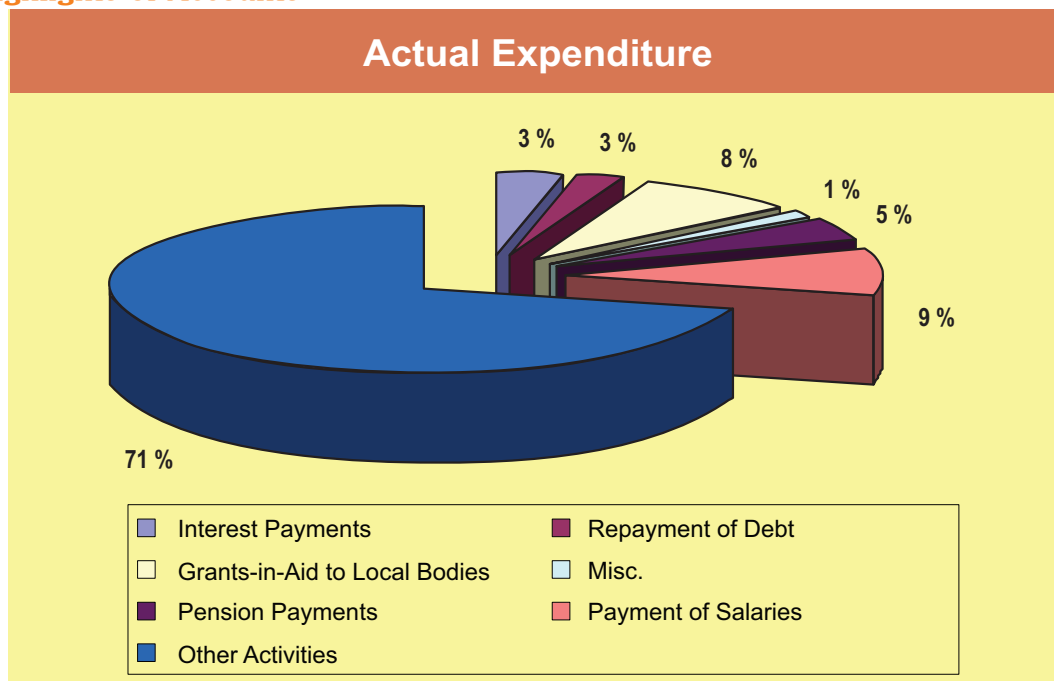
PARTICULARS		AMOUNT
SOURCES	Opening Cash Balance as on 01.04.2013	(-) 56
	Revenue Receipts	26,137
	Recovery of Loans & Advances	23
	Public Debt	4,703
	Inter State Settlement	....
	Small Savings Provident Fund & Others	760
	Reserves & Sinking Funds	293
	Deposits Received	7,084
	Civil Advances Repaid	119
	Suspense Account	32,202
	Remittances	6,077
	Contingency Fund	....
	TOTAL	77,342
APPLICATION	Revenue Expenditure	23,472
	Capital Expenditure	4,722
	Loans Given	222
	Repayment of Public Debt	1,997
	Inter State Settlement	50
	Small Savings Provident Fund & Others	752
	Reserves & Sinking Funds	21
	Deposits Spent	7,346
	Civil Advances Given	112
	Suspense Account	32,300
	Remittances	5,920
	Closing Cash Balance as on 31.03.2014	428
TOTAL	77,342	

1.4.3. Where the Rupee came from



1.4.4. Where the Rupee went

1.5. Highlights of Accounts



¹Except where indicated otherwise, GSDP figure of ₹ 1,72,773 crore adopted as the figure was provided by Headquarters office by e-mail dated 06.08.2014 regarding fiscal priority of the state.

Sl. No.	Sources	B.E 2013-14	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP(\$ 172773 crore
1.	Tax Revenue (@)	19,505	18,319	94	11
2.	Non-Tax Revenue	4,167	3,753	90	2
3.	Grants-in-Aid & Contributions	9,927	4,065	41	2
4.	Revenue Receipts(1+2+3)	33,599	26,137	78	15
5.	Recovery of Loans and Advances	50	23	46	....
6.	Borrowings & other Liabilities(A)	5,900	2,256	38	1
7.	Capital Receipts(5+6)	5,950	2,279	38	1
8.	Total Receipts(4+7)	39,549	28,416	72	16
9.	Non-Plan Expenditure(*)	18,588	17,230	93	10
10.	NPE on Revenue Account	18,509	17,184	93	10
11.	NPE on interest Payments out of 10	2,475	2,614	106	2
12.	NPE on Capital Account^	79	46	58	....
13.	Plan Expenditure(*)	18,368	11,186	61	6
14.	PE on Revenue Account	11,926	6,288	53	4
15.	PE on Capital Account	6,442	4,898	76	3
16.	Total Expenditure (9+13)	36,956	28,416	77	16
17.	Revenue Expenditure (10+14)	30,435	23,472	77	14
18.	Capital Expenditure (12+15) (#)	6,521	4,944	76	3
19.	Revenue Surplus (4-17)	3,164	2,665	84	2
20.	Fiscal Deficit (4+5-16)	3,307	2,256	68	1

(@) includes State's share of Union Taxes of ₹ 8,939 crore.

(\$) GSDP figure of ₹ 1,72,773 crore adopted as the figure was provided by Headquarters office by e-mail dated 06.08.2014 regarding fiscal priority of the state.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 4,723 crore) and Loans and Advances disbursed (₹ 222 crore).

(*) Expenditure includes ₹ 30 crore under Non-Plan and ₹ 192 crore under Plan which pertains to Loans and Advances.

(A) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Inter State Settlement + Net of Contingency fund + Net (Receipts-Disbursements of Public Account + Net of Opening and Closing cash Balance.

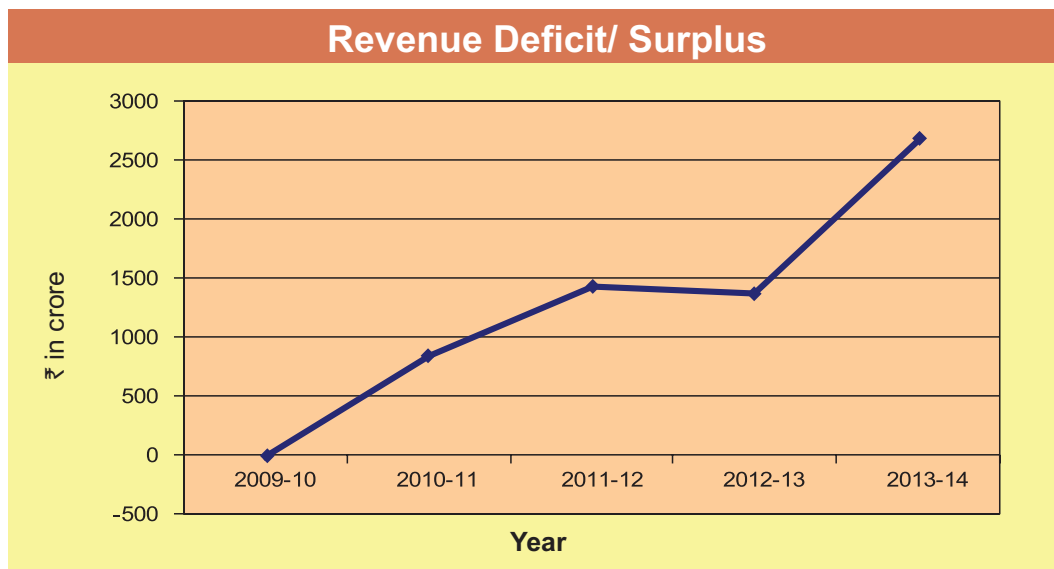
(^) Non Plan Capital Expenditure includes ₹ 50 crore of Inter State Settlement for adjustment of pension liability between Bihar and Jharkhand.

1.6. What do the Deficits and Surpluses indicate?

Deficit	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.
Revenue Deficit / Surplus	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 Receipts.
Fiscal Deficit / Surplus	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.

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. To encourage the State Governments to achieve this goal, Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which, successful State Governments would receive relief on repayment of principal and/or interest.

The State Government has been successful in achieving the Revenue Surplus target as early as in 2006-2007 and maintaining it thereafter¹. There is however, a difference of opinion between the State Government and Government of India on the calculation of the percentage of Fiscal Deficit to GSDP. While, according to the State Government estimation, the ratio of Fiscal Deficit² to GSDP ranged between 2.24 per cent (provisional figures) and 2.13 per cent (quick estimate) in 2012-2013 and 1.75 per cent (budget estimates) in 2013-2014³.

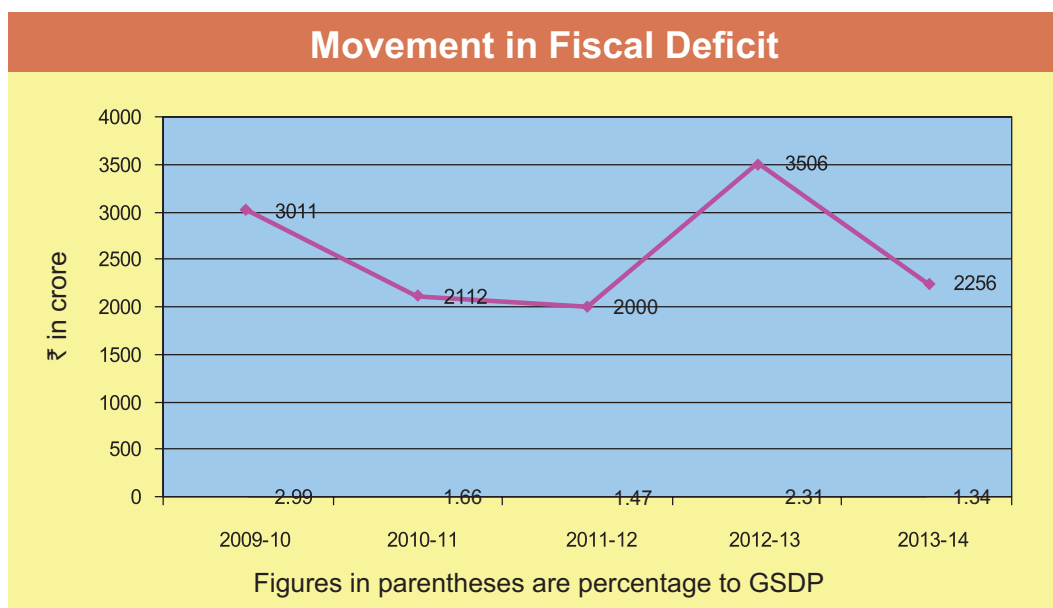


¹ The Revenue Surplus was ₹ 1,370 crore in 2012-2013 and ₹ 2,666 crore in 2013-2014.

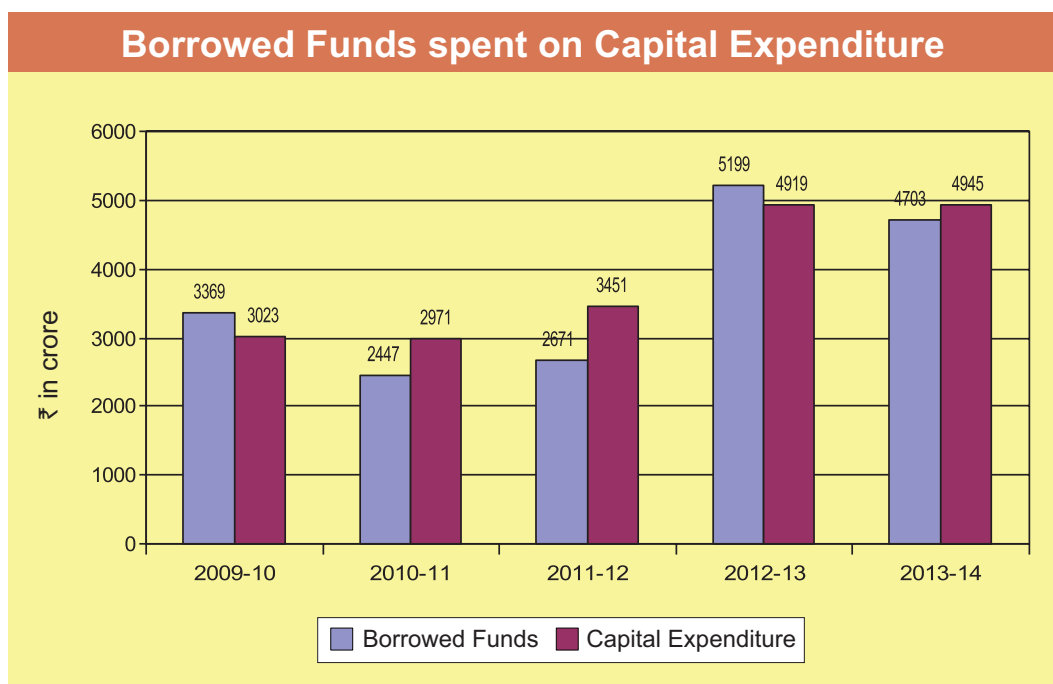
² The Fiscal Deficit was ₹ 3,506 crore in 2012-2013 and ₹ 2,256 crore in 2013-2014.

³ GSDP figure of ₹ 1,72,773 crore adopted as available on the website of the Ministry of Statistics and Programme Implementation and communicated by Headquarters office by e-mail dated 06.08.2014 regarding fiscal priority of the state.

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 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 has financed its Capital expenditure from borrowings of the current year (₹ 4,703 crore) and Revenue Surplus (₹ 2,666 crore) on Capital expenditure during the year 2013-2014.

RECEIPTS

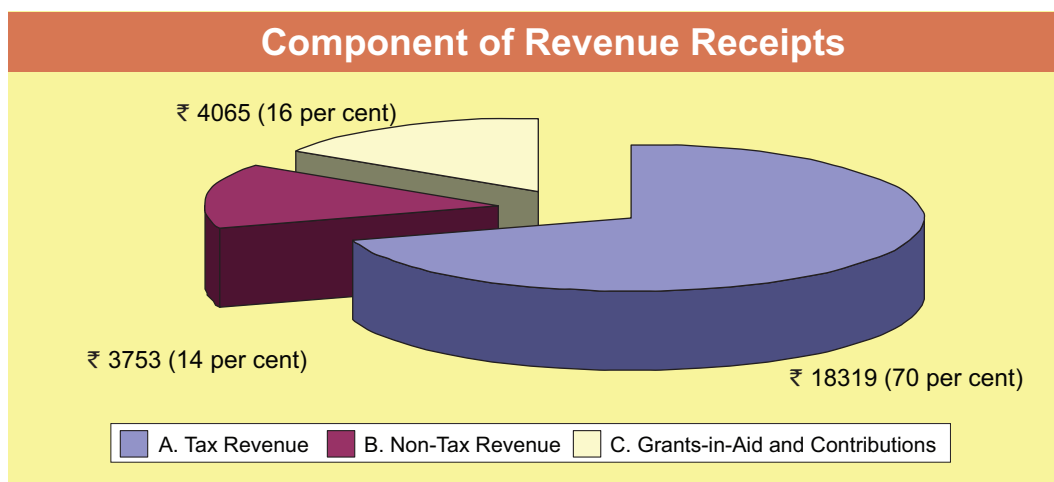
2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2013-2014 were ₹ 28,416 crore.

2.2. Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes Interest receipts, Dividends, Profits etc.
Grants-in-Aid	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.

(₹ in crore)



Revenue Receipt Components (2013-2014)

(₹ in crore)

Components		Actual
A.	Tax Revenue	18,319
	Taxes on Income & Expenditure	5,036
	Taxes on Property & Capital Transactions	741
	Taxes on Commodities & Services	12,542
B.	Non-Tax Revenue	3,753
	Interest Receipts, Dividends and Profits	88

Components		Actual
	General Services	94
	Social Services	120
	Economic Services	3,451
C.	Grants-in-Aid & Contributions	4,065
	Total – Revenue Receipts	26,137

2.3. Trend of Receipts

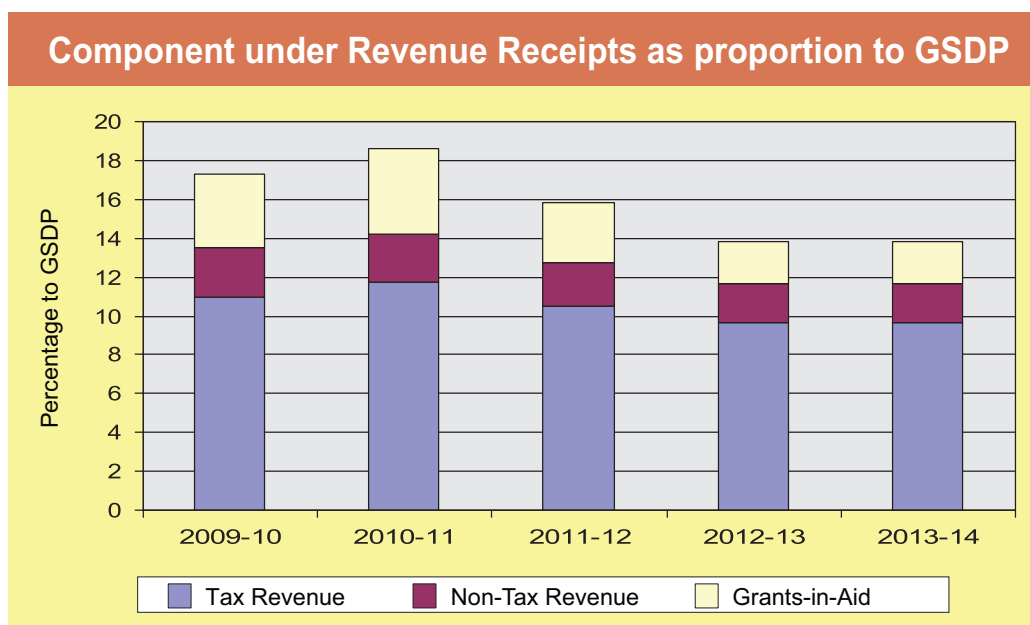
(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Tax Revenues	10,048 (10)	11,871 (11)	14,124 (11)	16,412 (10)	18,319 (10)
Non-Tax Revenues	2,254 (2)	2,803 (3)	3,038 (2)	3,536 (2)	3,753 (2)
Grants-in-Aid	2,817 (3)	4,107 (4)	5,257 (4)	4,822 (3)	4,065 (2)
Total Revenue Receipts	15,118 (15)	18,781 (17)	22,419 (16)	24,770 (16)	26,137 (14)
GSDP	1,00,621*	1,25,824 (P)	1,40,558 (Q)	1,56,781 (A)	1,89,208 (A)

* GSDP figure of ₹ 1,72,773 crore adopted as the figure was provided by Headquarters office by e-mail dated 06.08.2014 regarding fiscal priority of the state.

Note : figures in parentheses represent percentage to GSDP in approaching round figure.

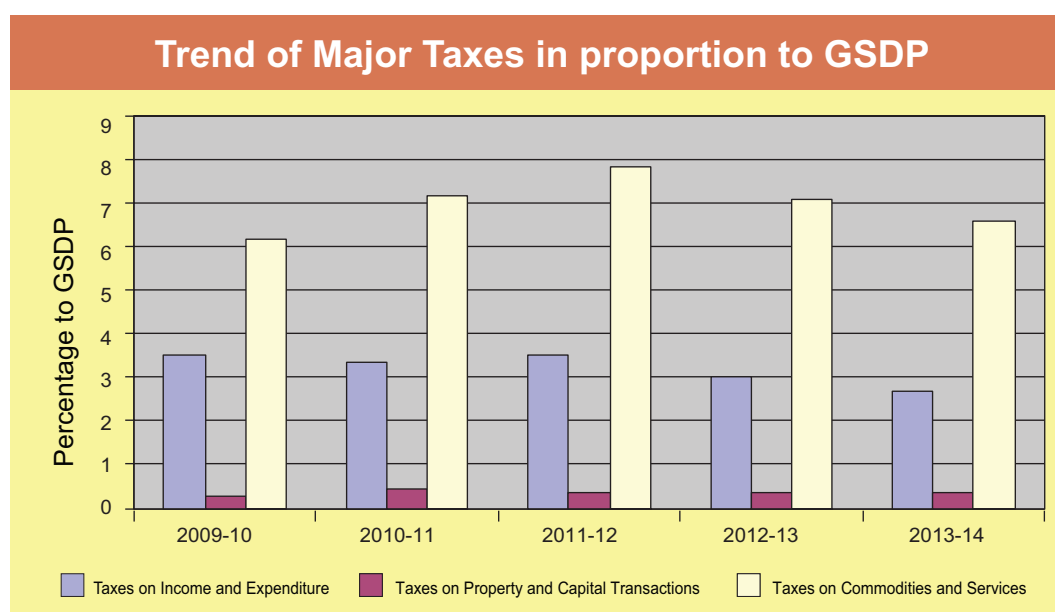
During 2013-14, growth in revenue collection was 6 per cent in respect of 2012-13, while GSDP growth was 21 per cent between 2012-2013 and 2013-2014. Tax Revenues increased by 12 per cent and Non-tax Revenue was also increased by 6 per cent. Significant collection was made under Non-ferrous Mining and Metallurgical Industries (₹ 3,230 crore), Interest Receipts Dividends and Profits (₹ 88 crore), Social Security and Welfare (₹ 5 crore) and Water Supply and Sanitation (₹14 crore). The State's Own Revenue under certain Tax components like Taxes on Sales, Trade etc. (₹ 7,305 crore), State Excise (₹ 628 crore), Stamps and Registration Fees (₹ 503 crore), Taxes on Vehicles (₹ 495 crore) and Stamps – Non Judicial (₹ 321 crore) showed a high trend.



Sector-wise Tax Revenue

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Taxes on Income and Expenditure	3,555	3,677	4,256	4,745	5,036
Taxes on Property and Capital Transactions	285	464	465	594	741
Taxes on Commodities and Services	6,208	7,730	9,403	11,073	12,542
Total Tax Revenues	10,048	11,871	14,124	16,412	18,319



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	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2009-2010	10,048	5,548	4,500	4.61
2010-2011	11,871	6,154	5,717	5.27
2011-2012	14,124	7,170	6,954	5.52
2012-2013	16,412	8,188	8,224	5.25
2013-2014	18,319	8,939	9,380	4.96

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	285	464	465	594	741
Expenditure on Collection	161	157	171	182	190
Efficiency of Tax Collection (In per cent)	57	34	37	31	26

B. Taxes on Commodities and Services

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	6,208	7,730	9,403	11,073	12,542
Expenditure on Collection	50	59	72	63	72
Efficiency of Tax Collection (In per cent)	0.8	0.8	0.8	0.6	0.6

Taxes on Commodities and Services form a major chunk of Tax Revenue. Tax collection marginally needs to be improved.

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

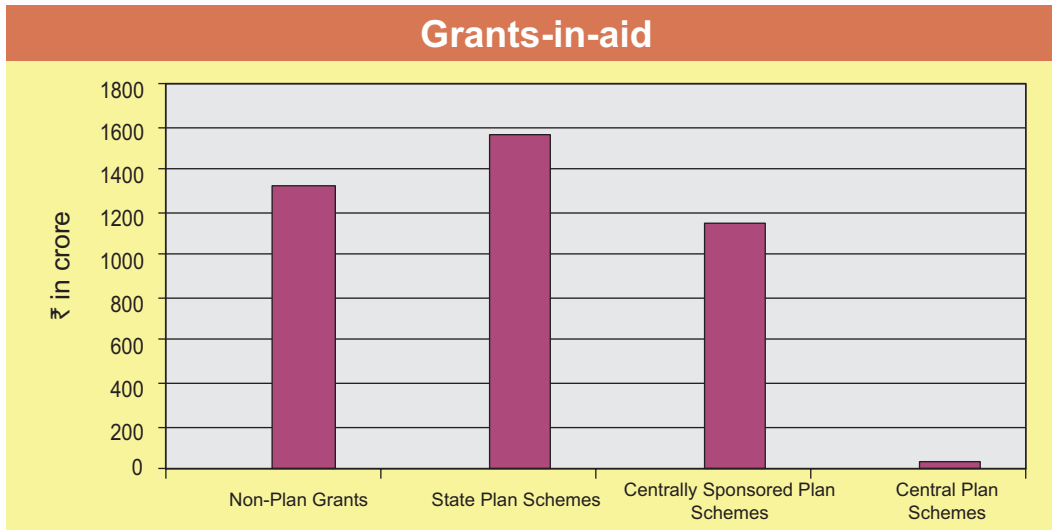
(₹ in crore)

Major Head description	2009-10	2010-11	2011-12	2012-13	2013-14
Corporation Tax	2,283	2,406	2,822	2,941	3,006
Taxes on Income other than Corporation Tax	1,272	1,271	1,434	1,761	1,980
Taxes on Wealth	5	5	11	5	8
Customs	776	1,076	1,243	1,361	1,459
Union Excise Duties	625	783	804	925	1,030
Service Tax	586	614	856	1,196	1,456
Other Taxes and Duties on Commodities and Services	...	...	...	...	...
State Share of Union Taxes	5,547	6,155	7,170	8,189	8,939
Total Tax Revenue	10,048	11,871	14,124	16,412	18,319
Percentage of Union Taxes to Total Tax Revenue	55	52	51	50	49

The decline in the State's share of Union excise duties is mainly due to lowering of tax rates on specific items by the Government of India from time to time.

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 2013-2014 under Grants-in-Aid were ₹ 4,065 crore as shown below :



The share of Non-Plan Grants in total Grants-in-Aid increased from 30 per cent during 2011-12 to 31 per cent in 2012-13 and further increased to 32 per cent in 2013-14. The share of Grants for Plan Schemes decreased from 71 per cent in 2011-12 to 69 per cent in 2012-13 and further decreased to 68 per cent in 2013-14. As against a Budget Estimate of ₹ 9,927 crore of Union Share, the State Government has actually spent ₹ 4,065 crore of Grants-in-Aid (41 per cent of BE).

2.8. Public Debt

Trend of Public Debt over the past 5 years

(₹ in crore)

Description	2009-10	2010-11	2011-12	2012-13	2013-14
Internal Debt	3,379	2,315	2,639	4,960	4,597
Central Loans	(-) 10	132	32	239	106
Total Public Debt	3,369	2,447	2,671	5,199	4,703

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

In 2013-14, the State Government raised three Jharkhand Government Stock amounting to ₹ 800 crore and four numbers of State Development Loans amounting to ₹ 2150 crore in total. Details are given below :

(₹ in crore)

Sl. No.	Description of Debt	Amount	Rate of Interest	Redeemable in the Year
1.	JGS	300	8.55	2023
2.	JGS	300	9.15	2023
3.	JGS	200	9.75	2023
4.	JSDL	500	9.36	2024
5.	JSDL	450	9.69	2024
6.	JSDL	700	9.67	2024
7.	JSDL	500	9.69	2024

Against the total Internal Debt of ₹ 4,597 crore of the State Government in 2013-14 plus the Central loan component of ₹ 106 crore received during this period, Capital expenditure was ₹ 4,995 crore.

JGS - Jharkhand Government Stock

JSDL - Jharkhand State Development Loans

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 organization. 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.

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

3.2. Revenue Expenditure

Revenue Expenditure of ₹ 23,472 crore for 2013-14, which is less than the Budget Estimates by ₹ 6,964 crore due to less disbursement of ₹ 1,326 crore under Non-Plan Expenditure and ₹ 5,638 crore under Plan Expenditure. The shortfall / excess of expenditure against budget estimates under Revenue Section during the past five years is given below :

(₹ in crore)

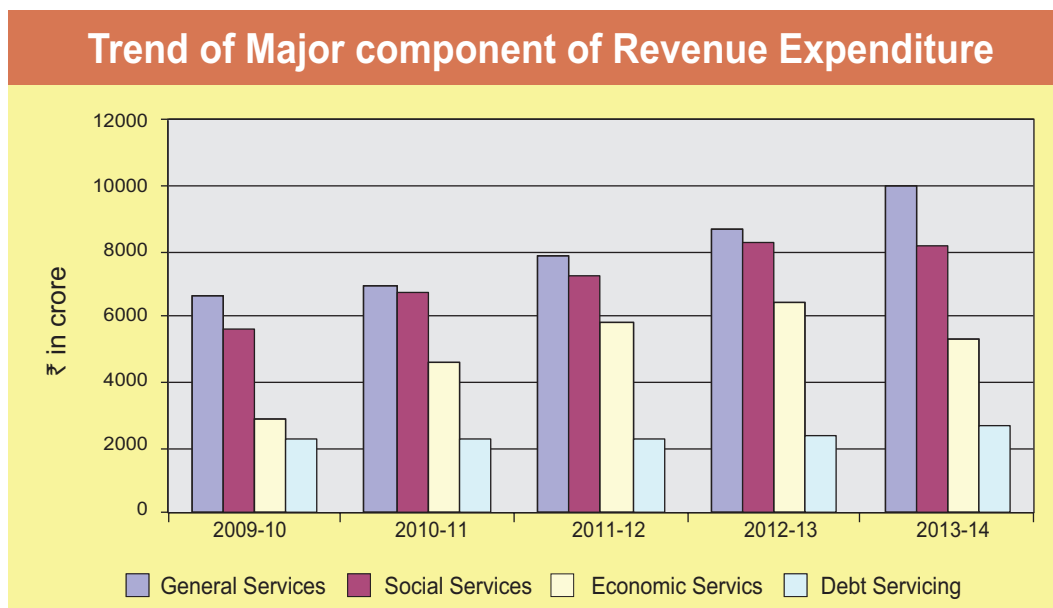
	2009-10	2010-11	2011-12	2012-13	2013-14
Budget Estimates	22,183	16,551	24,038	27,800	30,435
Actuals	18,151	17,945	20,991	23,400	23,472
Gap (-) Saving/(+) Excess	(-) 4,032	(+) 1,394	(-) 3,047	(-) 4,400	(-) 6,964
Percentage of gap over BE	(-) 18	(+) 8	(-) 13	(-) 16	(-) 23

3.2.1 Sectoral distribution of Revenue Expenditure (2013-14)

(₹ in crore)

Components		Amount	Percentage
A.	Fiscal Services		
	(i) Collection of Taxes on Property and Capital Transactions	190	0.81
	(ii) Collection of Taxes on Commodities and Services	72	0.31
	(iii) Other Fiscal Services	2	...
B.	Organs of State	324	1.38
C.	Interest Payments and Servicing of debt	2,615	11.14
D.	Administrative Services	3,273	13.95
E.	Pensions and Miscellaneous General Services	3,484	14.84
F.	Social Services	8,215	35.00
G.	Economic Services	5,297	22.57
H.	Grants-in-Aid and Contributions	...	...
Total Expenditure (Revenue Account)		23,472	100.00

3.2.2. Major components of Revenue Expenditure (2009-2014)



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

3.3. Capital Expenditure

Capital disbursements for 2013-14 at 3 per cent of GSDP were less than Budget Estimates by ₹ 1,576 crore (less disbursement of ₹ 1,543 crore under Plan Expenditure and ₹ 33 crore under Non-Plan Expenditure).

3.3.1. Sectoral distribution of Capital Expenditure

During 2013-14, the Government spent ₹ 166 crore under Medical and Public Health, ₹ 168 crore on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes and ₹ 1,877 crore on Roads and Bridges.

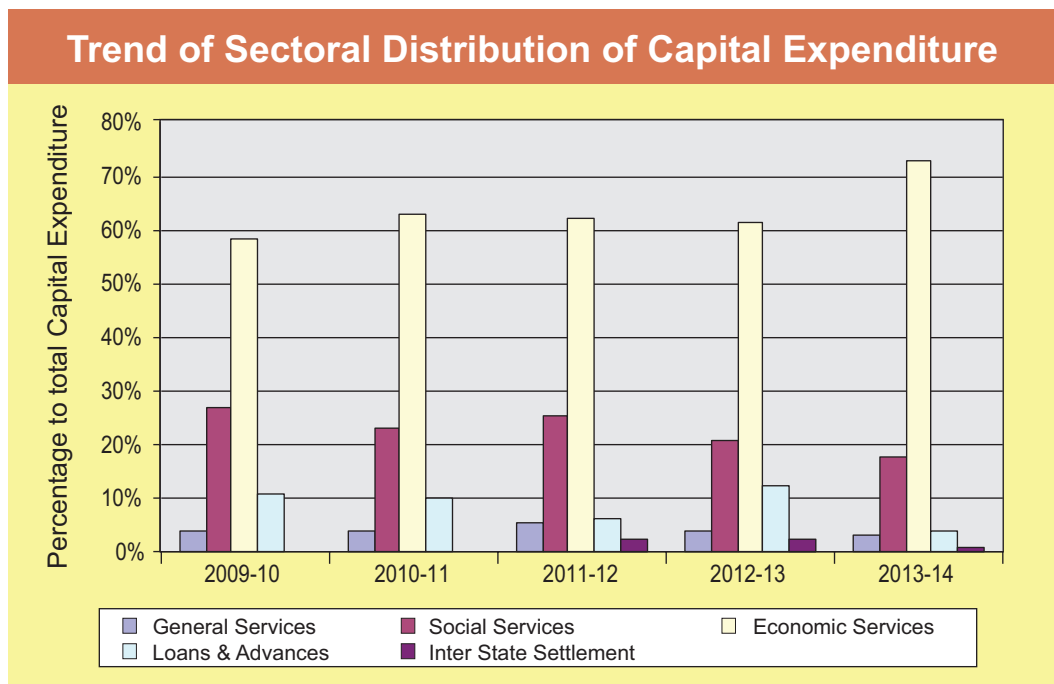
(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1.	General Services – Police, Land Revenue etc.	168	3
2.	Social Services – Education, Health & Medical Education, Family Welfare, Water Supply, Welfare of SC/ST etc.	924	19
3.	Economic Services – Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.,	3,631	73
4.	Loans and Advances Disbursed	222	4
5.	Inter State Settlement	50	1
Total		4,995	100

3.3.2. Sectoral distribution of Capital Expenditure over the past 5 years

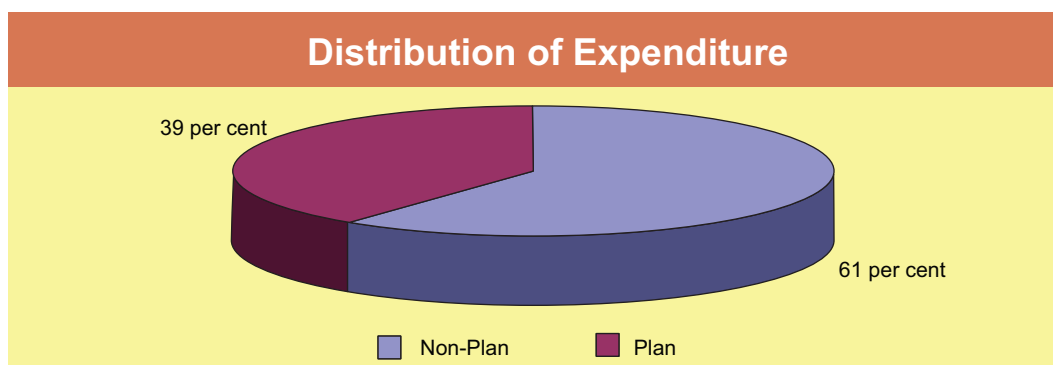
(₹ in crore)

Sl. No.	Sector	2009-10	2010-11	2011-12	2012-13	2013-14
1.	General Services	113	120	156	176	168
2.	Social Services	825	682	866	1,030	924
3.	Economic Services	1,766	1,862	2,137	3,012	3,631
4.	Loans and Advances	319	307	217	601	222
5.	Inter State Settlement	0	0	75	100	50
	Total	3,023	2,971	3,451	4,919	4,995



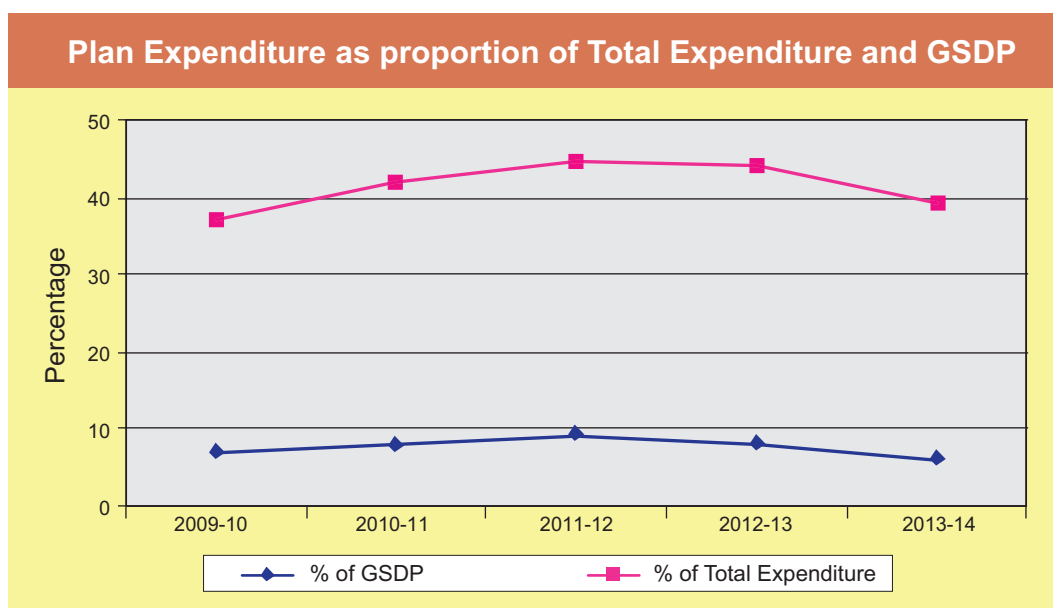
PLAN & NON-PLAN EXPENDITURE

4.1. Distribution of Expenditure (2013-2014)



4.2. Plan Expenditure

During 2013-2014, Plan Expenditure, representing 37 per cent of total disbursements, was ₹ 11,186 crore (₹ 9,761 crore under State Plan, ₹ 1,008 crore under Centrally Sponsored Plan Schemes, ₹ 225 crore under Central Plan Schemes and ₹ 192 crore under Loans and Advances).



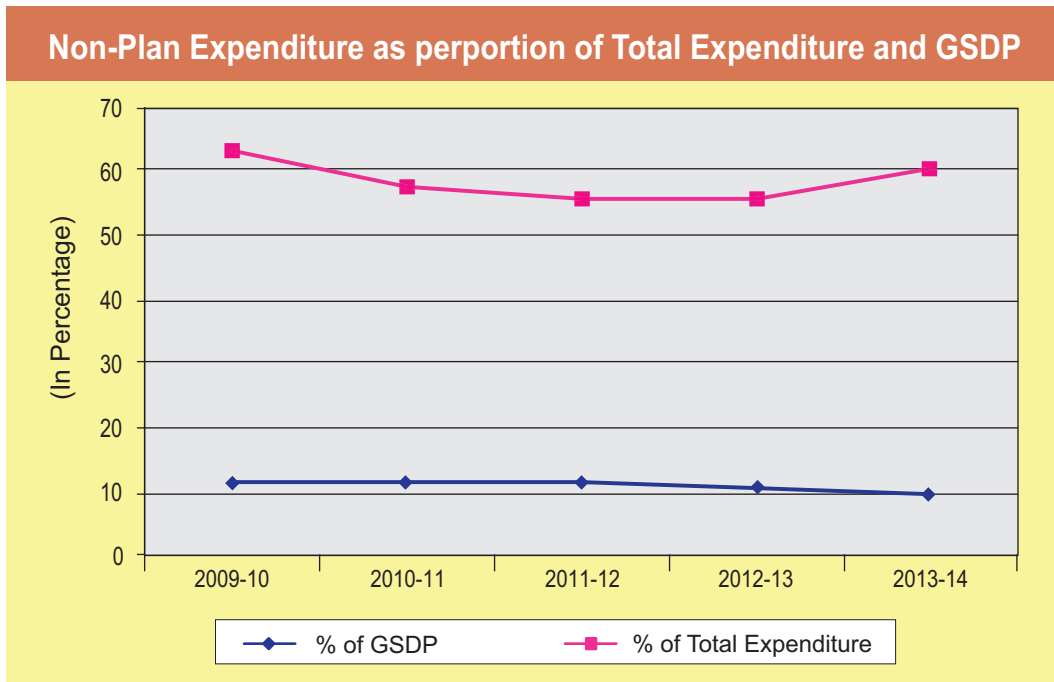
4.2.1. Plan Expenditure under Capital Account

(₹ in crore)

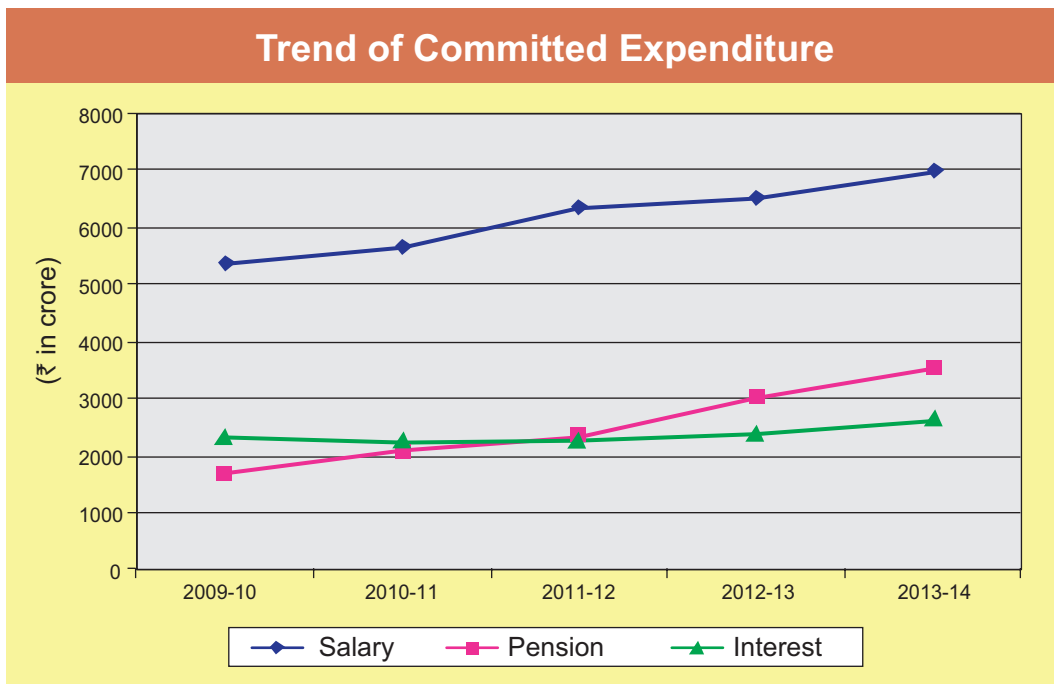
	2009-10	2010-11	2011-12	2012-13	2013-14
Total Capital Expenditure	3,023	2,971	3,451	4,919	4,945
Total Expenditure (Plan)	2,974	2,792	3,297	4,694	4,899
Percentage of Capital Expenditure (Plan) to Total Capital Expenditure	98	94	96	95	99

4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2013-2014, representing 56 Per cent of total disbursements, was ₹ 17,230 crore, (₹ 17,184 crore under Revenue and ₹ 46 crore under Capital).



4.4. Committed Expenditure



(₹ in crore)

Component	2009-10	2010-11	2011-12	2012-13	2013-14
Committed Expenditure	9,330	9,951	10,916	11,912	13,033
Revenue Expenditure	15,128	17,945	20,991	23,400	23,471
Revenue Receipt	15,118	18,781	22,419	24,770	26,137
Percentage of Committed Expenditure to Revenue Receipts	62	53	49	48	50
Percentage of Committed Expenditure to Revenue Expenditure	62	55	52	51	56

The trend on Committed Expenditure leaves the Government with lesser flexibility for developmental spending.

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2013-2014

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excess (+)
1.	Revenue Voted	27,900	2,114	...	30,014	20,823	(-) 9,191
	Charged	2,535	4	...	2,539	2,670	(+) 131
2.	Capital Voted	6,467	1,447	...	7,914	4,924	(-) 2,990
	Charged	.....	.....	...	.....	.....	.....
3.	Public Debt Charged	1,809	6	...	1,815	1,997	(+) 182
4.	Loans and Advances Voted	838	2	...	840	272	(-) 568
Total		39,549	3,573	...	43,122	30,686	12,436

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

(₹ in crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2009-10	(-) 4,656	(-) 1,507	(+) 117	(-) 390	(-) 6,436
2010-11	(-) 2,018	(-) 1,741	(-) 245	(-) 107	(-) 4,111
2011-12	(-) 5,178	(-) 4,838	(+) 220	(-) 242	(-) 10,038
2012-13	(-) 5,488	(-) 2,761	(+) 556	(-) 269	(-) 7,962
2013-14	(-) 9,060	(-) 2,990	(+) 182	(-) 568	(-) 12,436

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 :

Grant	Nomenclature	2009-10	2010-11	2011-12	2012-13	2013-14
		(in per cent)				
1	Agriculture and Sugarcane Development Department	44	39	34	37	58
10	Energy Department	45	37	56	14	43
20	Health, Medical Education and Family Welfare Department	45	25	32	38	22
29	Mines and Geology Department	26	23	32	25	33
43	Science and Technology Department	59	41	51	43	56

During 2013-14, Supplementary Grants/Appropriations totaling ₹ 3,573 crore (12 per cent 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	Nomenclature	Section	Original	Supplementary	Actual Expenditure
1	Agriculture and Sugarcane Development Department	Revenue	940	43	416
2	Animal Husbandry Department	Revenue	159	3	127
20	Health, Medical Education and Family Welfare Department	Revenue	1,133	5	967
23	Industries Department	Revenue	291	1	171
26	Labour, Employment and Training Department	Revenue	996	22	710
36	Drinking Water and Sanitation Department	Revenue	215	...	202
40	Revenue and Land Reforms Department	Revenue	397	...	272
41	Road Construction Department	Capital	1,776	450	1,877
43	Science and Technology Department	Revenue	72	1	55
		Capital	170	...	53
48	Urban Development Department	Revenue	1,287	108	494
51	Welfare Department	Revenue	811	65	628
52	Art, Culture, Sports and Youth Affairs Department	Revenue	79	6	49
56	Panchayati Raj and N.R.E.P. (Special Division) Department	Revenue	1,672	666	870
58	Secondary Education	Revenue	741	59	583
60	Social Welfare, Women and Child Development Department	Revenue	1,234	2	841

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.

During 2013-2014, Government invested ₹ 44 crore, and interest received ₹ 18 crore.

Cash Balance with RBI stood at ₹ (-) 56.50 crore on 31st March 2013 and increased to ₹ 428.20 crore at the end of March, 2014.

6.2. Debt and Liabilities

Outstanding Public Debt at the end of 2013-2014 was ₹ 30,032 crore comprising Internal Debt of ₹ 27,940 crore and Loans and Advances from Central Government of ₹ 2,092 crore. In addition, other Liabilities accounted under Public Account was ₹ 7,562 crore.

The State also acts as a banker and trustee in respect of deposits like Small Savings Collections, Provident Funds and Deposits. There was an overall increase of ₹ 2,725 crore in respect of such liabilities of the State Government during 2013-2014.

Interest payments on debt and other liabilities totaling ₹ 2,614 crore constituted 11 per cent of Revenue Expenditure of ₹ 23,472 crore. Interest payments on Internal Debts were ₹ 2,229 crore (₹ 353 crore on Other Internal Debt, ₹ 948 crore on Market Loans raised by State Government, ₹ 926 crore on Special Securities issued to National Small Savings Fund of Central Government by State Government and ₹ 2 crore on Other Liabilities). Expenditure on account of Interest Payments increased by ₹ 223 crore during 2013-2014.

The Internal Debt of ₹ 4,597 crore raised during 2013-2014 was mainly used for discharge of debt obligations ₹ 1,858 crore and payment of interest ₹ 2,229 crore.

6.3 Investments and Returns

Total Investments as Share-Capital in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies etc. stood at ₹ 226 crore at the end of 2013-2014. Dividends received during the year was ₹ 18 crore (i.e. 8 per cent) of investments while investments in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies etc. increased by ₹ 44 crore.

6.4 Guarantees

The Guarantees given by the composite State of Bihar upto 14.11.2000 has not been allocated between the successor States, Bihar and Jharkhand so far (October 2014). A sum of ₹ 157 crore was outstanding at the beginning of the year 2013-14. Therefore, the outstanding amount at the end of the year 2013-14 is ₹ 157 crore. Detailed information regarding outstanding guarantee of ₹ 157 crore has not been intimated by the State Government.

During the year 2013-14 no Guarantee has been given by the State Government However, a sum of ₹ 157 crore was outstanding at the end of the year 2013-14. The State Government has not created a Guarantee Redemption Fund. Under the guidelines, the State Government is required to make a minimum annual contribution of 0.5 percent of outstanding Guarantee at the beginning of the year Consequently, no contribution (estimated at ₹ 0.79 crore, which is 0.5 percent of outstanding Guarantee of ₹ 157 crore as on 1 April 2013) was made. This has resulted in overstatement of Revenue Surplus to the extent of a minimum of ₹ 0.79 crore.

OTHER ITEMS

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 ₹ 27,940 crore as on March 2014.

7.2. Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2013-14 was ₹ 7,946 crore. Of this, Loans and Advances to Government Corporations / Companies, Non-Government Institutes and Local Bodies amounted to ₹ 7,389 crore. Recovery of Principal aggregating to ₹ 361 crore and Interest amounting to ₹ 798 crore is in arrears at the end of 31st March 2014.

7.3. Financial Assistance to Local Bodies and others

During the year, Grants-in-Aid to Local Bodies etc., decreased from ₹ 6,950 crore in 2012-13 to ₹ 6,422 crore in 2013-14. Grants to Zilla Parishads, Panchayat Samitees and Municipalities (₹ 993 crore) represented 15 percent of total grants given during the year.

Details of Grants-in-aid for past 3 years are as under :

(₹ in crore)

Year	Zilla Parishads	Municipalities	Panchayat Samitis	Others	Total
2011-12	491	25	69	3,945	4,530
2012-13	2,430	331	649	3,540	6,950
2013-14	421	88	484	5,429	6,422

7.4. Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1st April 2013	As on 31st March 2014	Net increase (+) / decrease (-)
Cash Balances	(-) 57	428	485
Investments from cash balance (GOI Treasury Bills)	747	852	105
Interest realized	71	67	(-) 4

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 (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many departments is in arrears. In 2013-14, only 41.09 per cent (₹ 12,516.04 crore) of the total expenditure of ₹ 30,463.22 crore of the State Government was reconciled. Similarly, out of total Receipts of ₹ 30,863.02 crore, only 58.55 per cent (₹ 18,070.99 crore) was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO) of different departments is given below :

Particulars	Total No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	180	29	77	74
Receipts	100	17	11	72
Total	280	46	88	146

Some chronic defaulters in reconciliation are listed below :-

Sl. No.	Name of the Department / Chief Controlling Officer	Year / Years pending
1.	Secretary, Agriculture	2011-12, 2012-13, 2013-14
2.	Finance Commissioner	2011-12, 2012-13, 2013-14
3.	Secretary, P.H.E.D.	2011-12, 2012-13, 2013-14
4.	Director, Health Services	2011-12, 2012-13, 2013-14
5.	Secretary, Urban Development	2011-12, 2012-13, 2013-14
6.	Addl. Secretary, Home Section IV Village Police Commissioner, North C.N. Division, Hazaribagh Commissioner, South C.N. Division, Ranchi	2011-12, 2012-13, 2013-14
7.	I.G.(Prison), Home Department	2011-12, 2012-13, 2013-14
8.	Dy. Secretary, Higher Education Department Dy. Secretary, Primary and Adult Education	2011-12, 2012-13, 2013-14
9.	Secretary, Energy Department	2011-12, 2012-13, 2013-14
10.	Commissioner of Labour	2011-12, 2012-13, 2013-14
11.	Secretary, Welfare Department	2011-12, 2012-13, 2013-14
12.	Under Secretary, Health and Family Welfare	2011-12, 2012-13, 2013-14
13.	Director Employment & Training	2011-12, 2012-13, 2013-14
14.	Dy. Secretary, Rural Department	2011-12, 2012-13, 2013-14
15.	Dy. Secretary, Art Culture and Youth	2011-12, 2012-13, 2013-14
16.	Secretary, Law	2011-12, 2012-13, 2013-14
17.	Commissioner of Commercial Tax	2011-12, 2012-13, 2013-14
18.	Director, Panchayati Raj	2011-12, 2012-13, 2013-14
19.	Secretary, Food & Nutrition Department	2011-12, 2012-13, 2013-14
20.	Director, Directorate of Social Security	2011-12, 2012-13, 2013-14

7.6. Submission of Accounts by Treasuries

The rendition of initial accounts by the Treasuries is satisfactory. However, submission of accounts by the Public Works and Forest Departments should improve.

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

The Drawing and Disbursing Officers are authorized to draw sums of money by preparing Abstract Contingency Bill by debiting Service Heads and they are required to present Detailed Contingency Bill along with sub-vouchers in support of charges in all cases within a specified period. Presently 17,778 DC bills amounting to ₹ 5,162 crore from the year 2000-01 to 2013-14 (position as on 30.06.2014) have not been received in this office. Drawal of money in AC Bill reflects disbursement and does not represent actual expenditure made.

7.8. Commitments on Account of Incomplete Capital Works

A total expenditure of ₹ 194.14 crore was incurred during the year 2013-2014 by the State Government on various incomplete projects.

7.9. Rush of Expenditure

The financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under certain selected Heads of Account during March 2014 ranged between 50 percent to 100 per cent of the total expenditure during the year indicating a tendency to utilize the budget at the close of the financial year. The flow of expenditure during the four quarters of 2013-2014 in the below mentioned Heads was as under :

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March	Percentage of 3/2014 w.r.t. Total expenditure of 2013-2014
		(₹ in crore)						
2205	Art and Culture	0.61	0.68	1.00	24.93	27.22	24.10	88.53
2217	Urban Development	3.31	107.83	72.92	213.55	397.61	202.24	50.86
2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	24.25	72.62	52.02	475.96	624.85	390.30	62.46
2401	Crop Husbandry	14.42	17.11	35.10	208.52	275.15	168.51	61.24
2501	Special Programme for Rural Development	1.15	2.36	10.89	37.47	51.87	35.73	68.89

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March	Percentage of 3/2014 w.r.t. Total expenditure of 2013-2014
		(₹ in crore)						
2515	Other Rural Development Programmes	108.47	191.59	141.98	685.93	1,127.97	626.53	55.54
2705	Command Area Development	0.00	0.00	0.19	0.50	0.69	0.69	100.00
2810	New and Renewable Energy	0.00	0.00	0.00	11.87	11.87	11.87	100.00
2852	Industries	1.19	3.56	8.92	44.82	58.48	42.65	72.93
3055	Road Transport	1.58	1.52	0.98	11.33	15.41	11.00	71.43
4055	Capital Outlay on Police	2.01	21.57	3.89	45.23	72.70	41.40	56.95
4202	Capital Outlay on Education, Sports, Art and Culture	9.80	5.62	16.61	113.18	145.21	109.69	75.54
4216	Capital Outlay on Housing	0.35	3.08	3.49	14.00	20.92	11.43	54.66
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	0.85	7.49	159.69	168.03	83.98	49.98
4401	Capital Outlay on Crop Husbandry	0.00	0.00	0.00	10.00	10.00	10.00	100.00
4405	Capital Outlay on Fisheries	0.00	0.00	0.32	3.44	3.76	3.42	90.96
5055	Capital Outlay on Road Transport	0.00	0.10	0.8	7.21	8.11	5.14	63.38

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