

Accounts at a Glance

2016-17

Government of West Bengal

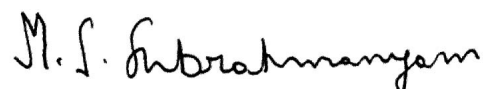
PREFACE

This is the nineteenth issue of our annual publication ‘**Accounts at a Glance**’ in respect of Government of West Bengal.

The Annual Accounts of the State Government are prepared by the Accountant General (Accounts and Entitlement), West Bengal on behalf of the Comptroller and Auditor General of India (C&AG) 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 consist of Finance Accounts and Appropriation Accounts. Finance Accounts are summarised 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 **Accounts at a Glance** provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts and gives an insight into the financial position of the State. The information is presented through brief explanations, statements and graphs. It has been our endeavour to rely on the figures in the certified Finance Accounts and Appropriation Accounts, and in case of difference the figures depicted in the Finance and Appropriation Accounts may be treated as correct.

We look forward to suggestions that would help us improve this publication.



(M. S. SUBRAHMANYAM)
ACCOUNTANT GENERAL (A&E)
WEST BENGAL

KOLKATA
Dated: 29 January 2018

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CHAPTER – I

OVERVIEW

1.1. Introduction

The Accountant General (Accounts and Entitlement), West Bengal compiles the accounts of receipts and disbursements of the Government of West Bengal. This compilation is based on the initial accounts rendered by the State Treasuries, Pay and Accounts Offices (PAOs) located in Kolkata and New Delhi, intimations (known as Clearance Memos) of the Reserve Bank of India, information on Inter State Settlement Suspense Accounts (known as Inward/ Outward Settlement Accounts). From 1 April 2015, Government of West Bengal has done away with the Letter of Credit (LOC) system and submission of accounts by Works and Forest Divisions. Based on these, the Accountant General (A&E) furnishes the Monthly Civil Accounts to the Finance Department. At the end of the year, after audit by the Principal Accountant General (General & Social Sector Audit), West Bengal and certification by the Comptroller and Auditor General of India, the Accountant General (A&E) submits the Finance Accounts and the Appropriation Accounts of the Government of West Bengal to the Governor, Finance Department and State Legislature.

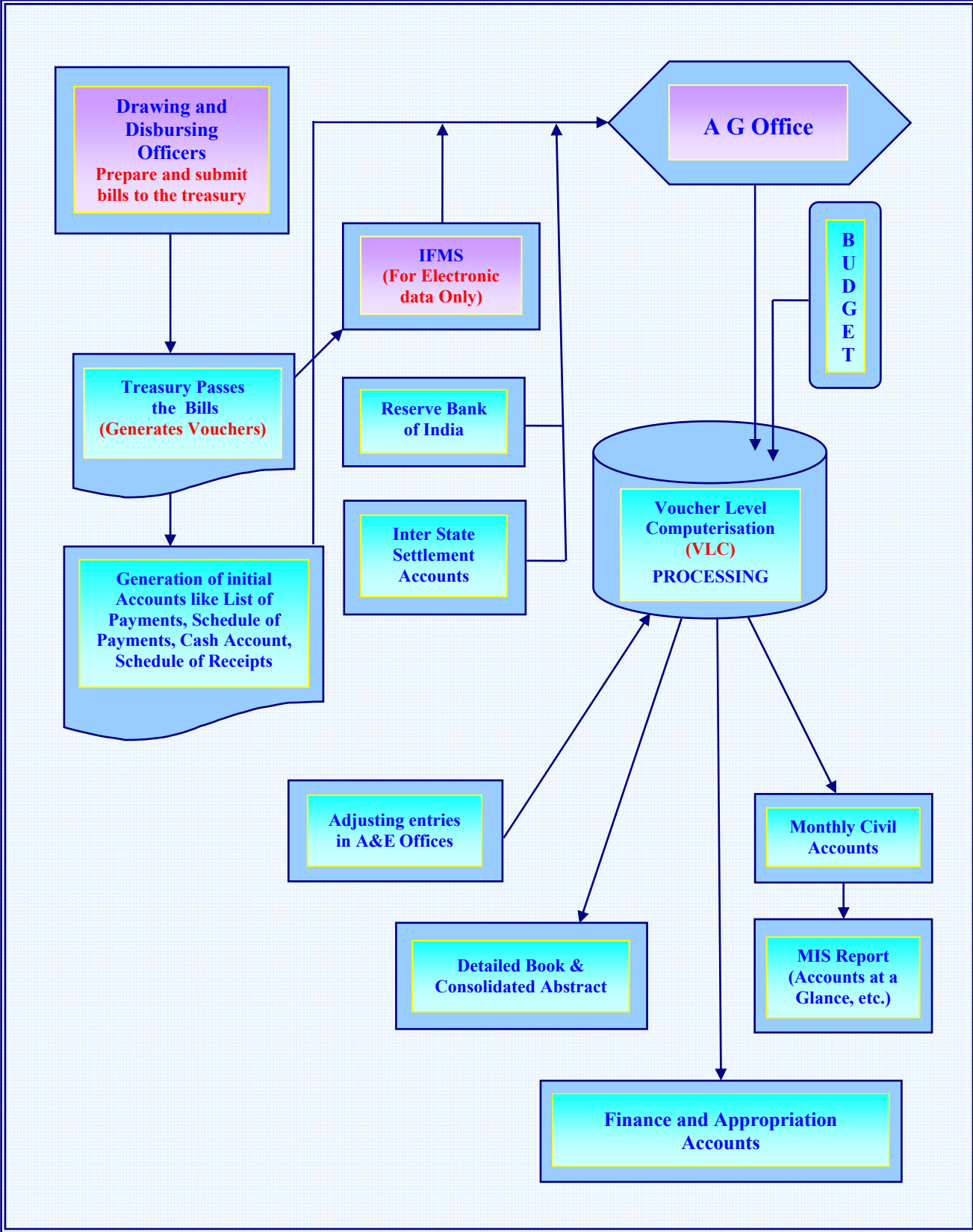
1.2. Structure of Accounts

1.2.1. Government Accounts are kept in three parts:

Part I Consolidated Fund	Comprises all Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part II Contingency Fund	The Contingency Fund is in the nature of imprest, 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	All public moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. It Comprises 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 accounts.

Compilation of Accounts

Flow Diagram for Accounts Compilation



1.3. Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

The Finance Accounts prepared in two volumes depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital accounts, accounts of Public Debt and Liabilities and Assets as worked out from the balances as recorded in the accounts. Volume-I of the Finance Accounts contains the Certificate of the Comptroller and Auditor General of India, Guide to the Finance Accounts, 13 Statements which give summarised information of the financial position and transactions of the State Government for the current Financial Year and “Notes to Accounts” containing summary of significant accounting policies, quality of accounts and other items. Volume-II contains nine detailed statements (Part - I) and 12 appendices (Part - II).

Receipts and disbursements of the State Government as depicted in the Finance Accounts for 2016-17 are detailed below:

(₹ in Crore)

Receipts (Total : 1,46,451)	Revenue (Total : 1,17,832)	Tax Revenue	90,091
		Non Tax Revenue	2,950
		Grants-in-Aid	24,791
	Capital (Total : 28,619)	Capital Receipts	0
		Recovery of Loans and Advances	3,233
		Borrowings and other Liabilities (*)	25,386

Disbursements (Total : 1,46,451)	Revenue	1,33,918
	Capital	11,336
	Loans and Advances	1,197

(*) **Borrowings and other Liabilities : Net (Receipt - Disbursements) of Public Debt excluding temporary loans (net under Minor Head “107-Loans from SBI and other Banks” below Major Head “6003”) + Net of Contingency Fund + Net (Receipt - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.**

This year, the Government of India directly released ₹5,396.80 crore (₹2,858.72 crore last year) to State Implementing Agencies and NGOs for implementation of various schemes and programmes. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. Such direct transfers of Central Scheme Funds are now exhibited in Appendix VI of Volume-II of the Finance Accounts.

1.3.2. Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government 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 West Bengal Government has 66 Voted Grants and 01 Charged Appropriation in the current year.

The gross Budget provision for Expenditure (charged and voted) for 2016-17 was ₹2,11,172.21 crore and reduction of expenditure (recoveries) of ₹3,833.51 crore. Against this, the actual gross expenditure was ₹1,60,756.52 crore and reduction of expenditure was ₹2,001.31 crore, resulting in net savings of ₹50,415.69 Crore (31 per cent) in respect of expenditure and net saving of ₹1,832.20 Crore (48 per cent) on reduction of expenditure. The gross expenditure includes ₹324.64 crore drawn on Abstract Contingent (AC) Bills (no. of AC Bills 1,652), which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

During 2016-17, ₹1,933.15 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records.

1.4. Sources and Application of Funds

1.4.1. Ways and Means Advances and Overdraft

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) and Overdraft (OD) facilities to enable State Governments to tide over temporary shortfalls in their Cash Balances. OD facilities are provided when there is a shortfall in the agreed minimum cash balance (₹2.48 crore) maintained with the RBI. During 2016-17, the Government of West Bengal resorted to Special Ways and Means Advances for three days only.

1.4.2. Funds flow statement

The State had a Revenue Deficit of ₹16,086 crore and a Fiscal Deficit of ₹25,386 crore representing 1.29 per cent and 2.03 per cent of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 17 per cent of total expenditure. This deficit was met solely from Public Debt (₹31,639.84 crore). Around 45 per cent of the Revenue Receipts (₹1,17,832.45 crore) of the State Government was spent on committed expenditure like Salaries (₹13,026.42 crore), Interest payment (₹26,052.85 crore) and Pensions (₹13,944.81 crore).

¹ Except where indicated otherwise, Gross State Domestic Product (GSDP) figure for 2016-17 used in this publication is adopted from the Economic Review published by Government of West Bengal, as the same is not available from the website of the Ministry of Statistics and Programme Implementation.

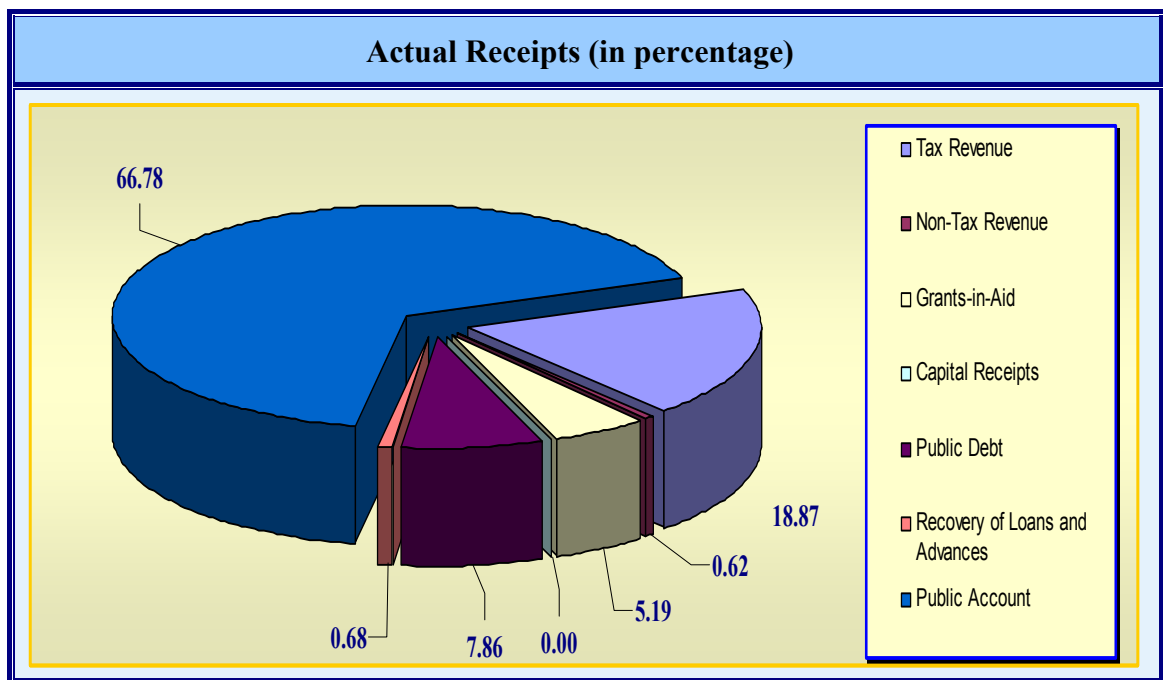
Sources and Application of Funds

(₹ in Crore)

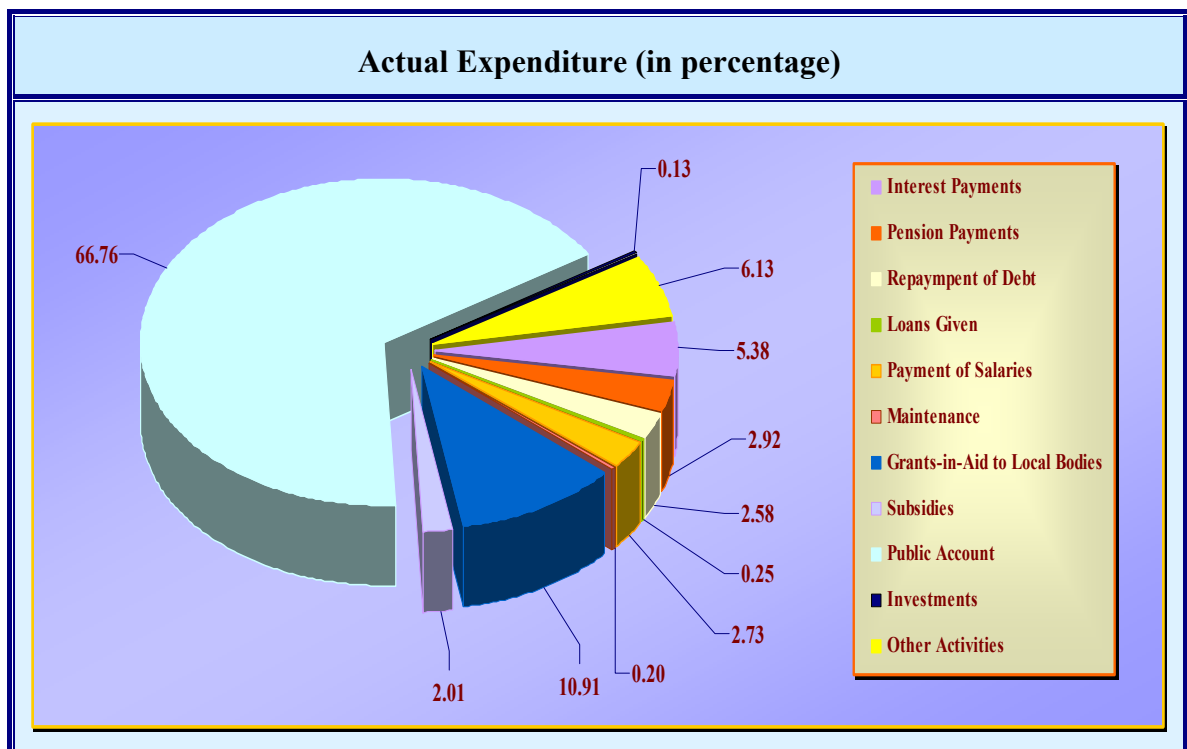
	PARTICULARS	AMOUNT
SOURCES	Opening Cash Balance as on 1.4.2016	206
	Revenue Receipts	1,17,832
	Capital Receipts	0
	Recovery of Loans & Advances	3,233
	Public Debt	37,524
	Small Savings Provident Fund & Others	3,268
	Reserves & Sinking Funds	3,831
	Deposits Received	60,273
	Civil Advances Repaid	0
	Suspense Account	2,51,453
	Remittances	1
	Contingency Fund	0
	TOTAL	4,77,621
APPLICATION	Revenue Expenditure	1,33,918
	Capital Expenditure	11,336
	Loans Given	1,197
	Repayment of Public Debt	12,304
	Small Savings, Provident Fund & Others	2,411
	Reserves & Sinking Funds	2,755
	Deposits Spent	55,785
	Civil Advances Given	0
	Suspense Account	2,57,875
	Remittances	24
	Closing Cash Balance as on 31.03.2017	16
	TOTAL	4,77,621

Note: The Suspense Accounts include ₹1,54,886 crore invested in Treasury Bills which is shown on the 'Application' side, and ₹1,49,193 crore worth of Treasury Bills sold through the RBI which is shown on the 'Sources' side.

1.4.3. Where each rupee of receipt came from



1.4.4. Where each rupee of expenditure went



1.5. Highlights of Accounts

Sl. No.	Components	Budget Estimate 2016-17	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP ¹
		(₹ in Crore)			
1.	Tax Revenue ²	92,635	90,091	97	7
2.	Non-Tax Revenue	2,688	2,950	110	0
3.	Grants-in-Aid & Contributions	34,208	24,791	72	2
4.	Revenue Receipts (1 + 2 + 3)	1,29,531	1,17,832	91	9
5.	Capital Receipts [#]	0	0	*	0
6.	Recovery of Loans and Advances	486	3,233	665	0
7.	Borrowings & Other Liabilities ³	19,355	25,386	131	2
8.	Total Capital Receipts (5 + 6 + 7)	19,841	28,619	144	2
9.	Total Receipts (4 + 8)	1,49,372	1,46,451	98	12
10.	Non-Plan Expenditure ⁴	91,839	97,361	106	8
11.	NPE on Revenue Account	91,186	97,064	106	8
12.	NPE on Interest Payments out of 11	26,197	25,703	98	2
13.	NPE on Capital Accounts	653	297	46	0
14.	Plan Expenditure ⁴	57,533	49,090	85	4
15.	PE on Revenue Account	38,345	36,854	96	3
16.	PE on Capital Account	19,188	12,236	64	1
17.	Total Expenditure (10 + 14)	1,49,372	1,46,451	98	12
18.	Revenue Expenditure (11 + 15)	1,29,531	1,33,918	103	11
19.	Total Capital Expenditure (13 + 16) ⁵	19,841	12,533	63	1
20.	Revenue Deficit (4-18)	0	16,086	*	1
21.	Fiscal Deficit (4 + 5 + 6 - 17)	19,355	25,386	131	2

¹ GSDP figure of West Bengal for 2016-17 is not available from the Ministry of Statistics and Programme Implementation. The advance figure of GSDP of West Bengal for 2016-17 was ₹12,51,067.42 crore as per Economic Review published by Government of West Bengal.

² Includes State's Share of net proceeds of Taxes of ₹44,625 crore.

³ Borrowings and other Liabilities: Net (Receipts - Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipt - Disbursements) of Public Account + Net of Opening and Closing Balance.

⁴ Expenditure includes ₹299 crore under Non-Plan and ₹898 crore under Plan which pertains to Loans and Advances.

⁵ Expenditure on Capital Account includes Capital Expenditure (₹11,336 crore) and Loans and Advances disbursed (₹1,197 crore).

[#] The information regarding State Governments right to receive such amount as State's own Capital Receipt was not made available to this office.

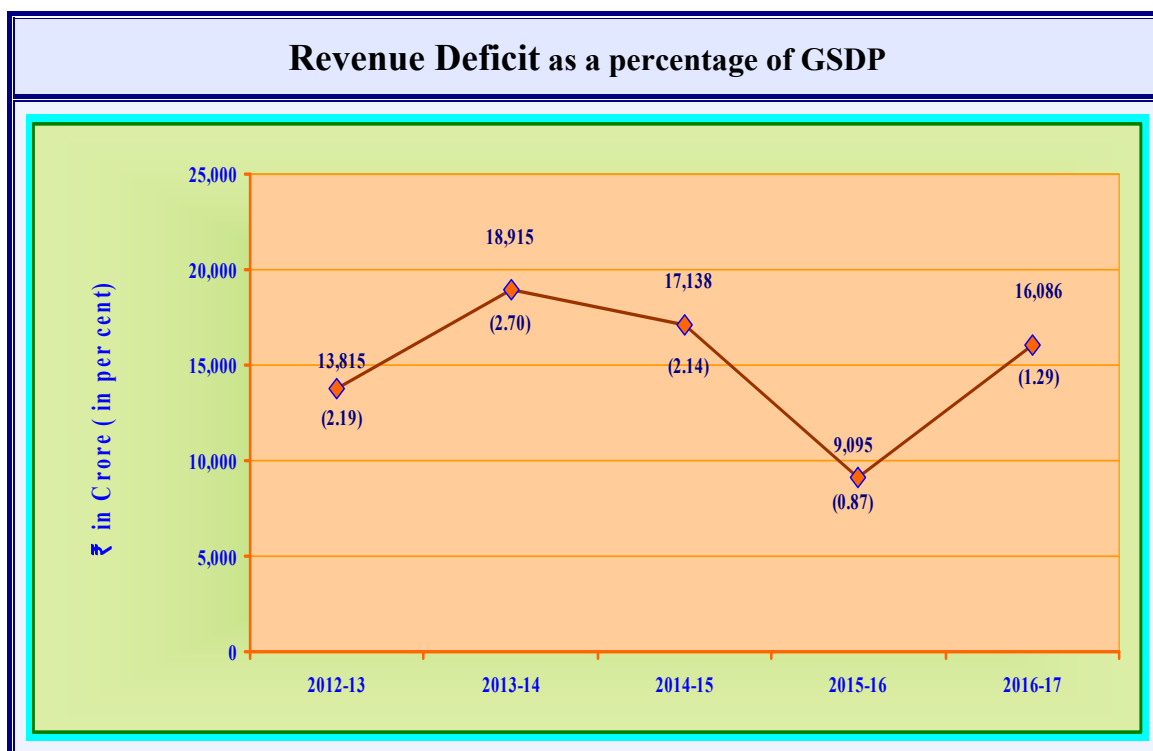
* Denotes figure more than four digit / infinite.

1.6. What the Deficits and Surpluses indicate

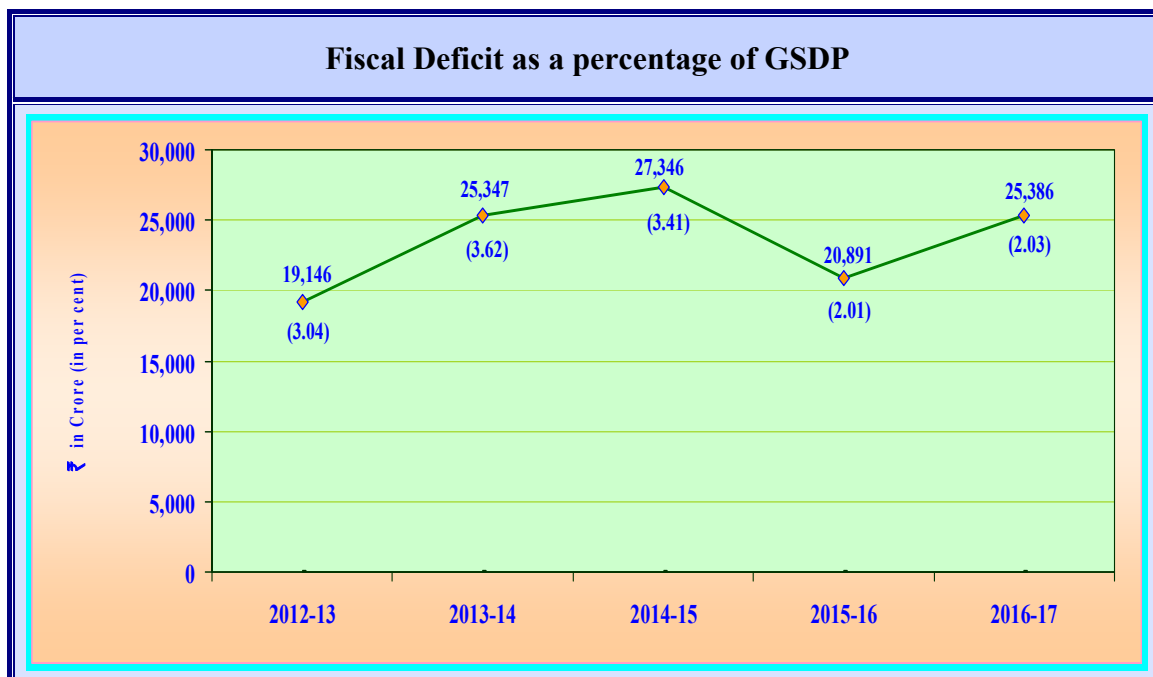
Deficit	Refers to the Gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure 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.

Fiscal Deficits, Revenue Deficits and Public Debt are the main fiscal indicators for evaluating the fiscal position of a Government. It appears that the Revenue Deficit of the Government of West Bengal as on 31 March 2017 is ₹16,086 crore.

1.6.1. Trend of Revenue Deficit / GSDP



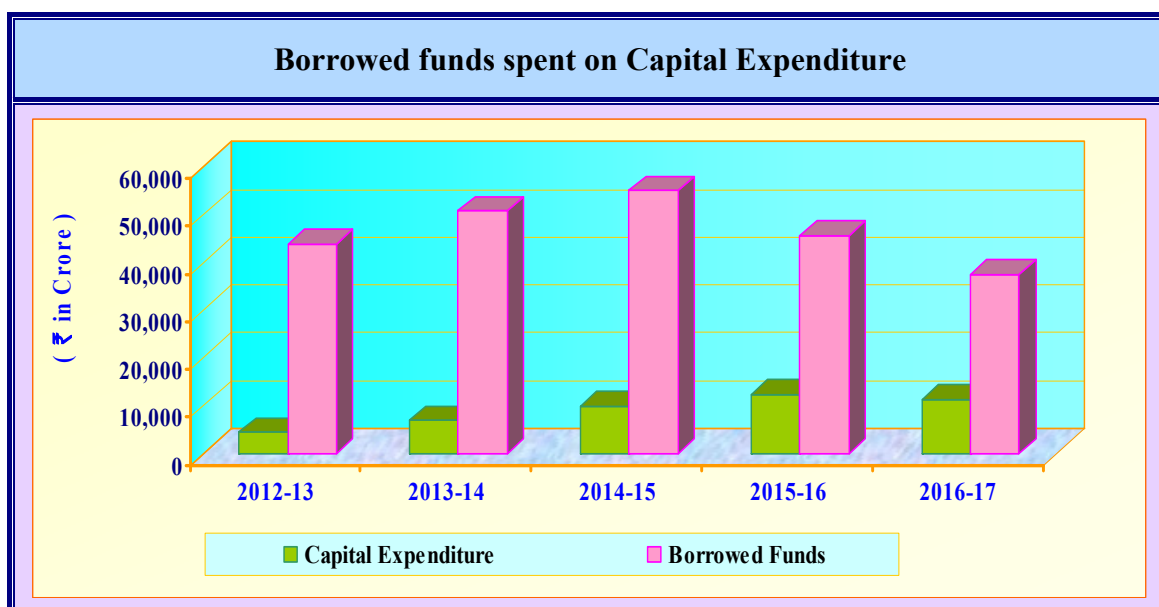
1.6.2. Trend of Fiscal Deficit / GSDP



1.6.3. Proportion of borrowed funds spent on Capital Expenditure

(₹ in Crore)

Year	Capital Expenditure	Borrowed Funds
2012-13	4,547	43,984
2013-14	6,927	50,950
2014-15	9,879	55,193
2015-16	12,420	45,747
2016-17	11,336	37,524



It is desirable to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 30 per cent of the borrowings of the current year (₹37,524 crore) on Capital Expenditure (₹11,336 crore). Seventy per cent of the Public Debt (₹26,188 crore) was utilised on to repay the principal and interest on Public Debt of previous years, to meet periodic shortfalls of Revenues against Expenditure in the current year, to maintain a positive Cash Balance at the end of the year and to invest in Treasury Bills.

CHAPTER II

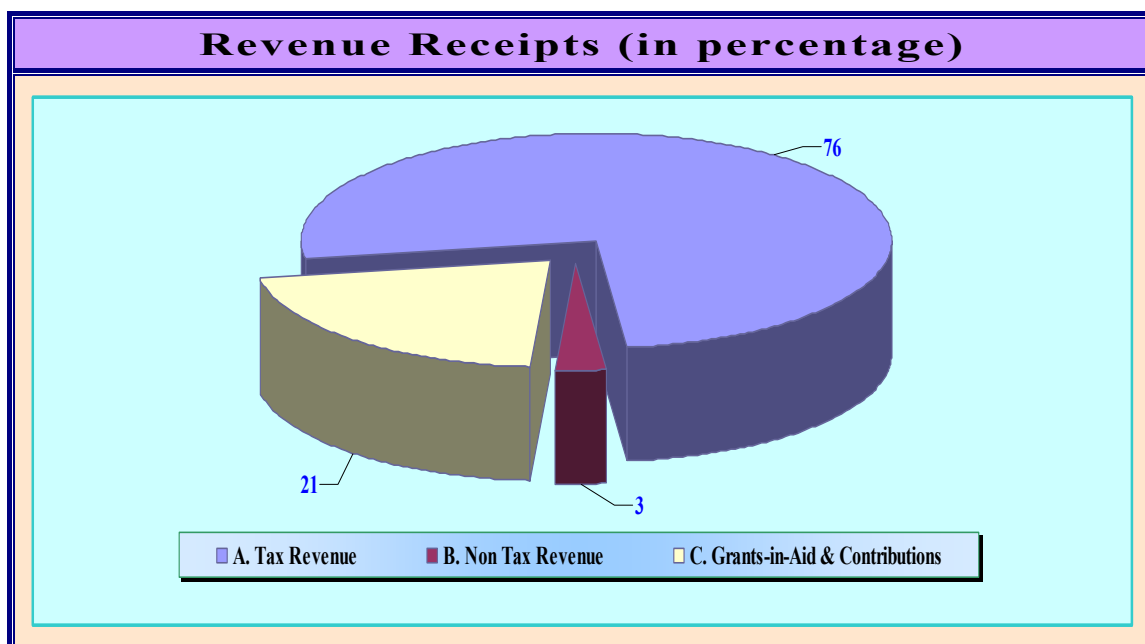
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts of the Government of West Bengal during 2016-17 were ₹1,46,451 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, Materials & Equipment' received from foreign Government and channelised through the Union Government. In turn, the State Government also gives Grants-in-Aid to institutions like Panchayati Raj Institutions, Autonomous Bodies, etc.



Revenue Receipt Components

(₹ in Crore)

Components	Actuals
A. Tax Revenue	90,091
Taxes on Income & Expenditure	24,778
Taxes on Property & Capital Transactions	6,984
Taxes on Commodities & Services	58,329
B. Non-Tax Revenue	2,950
Interest Receipts, Dividends and Profits	1,202
General Services	577
Social Services	380
Economic Services	791
C. Grants-in-Aid & Contributions	24,791
Total – Revenue Receipts	1,17,832

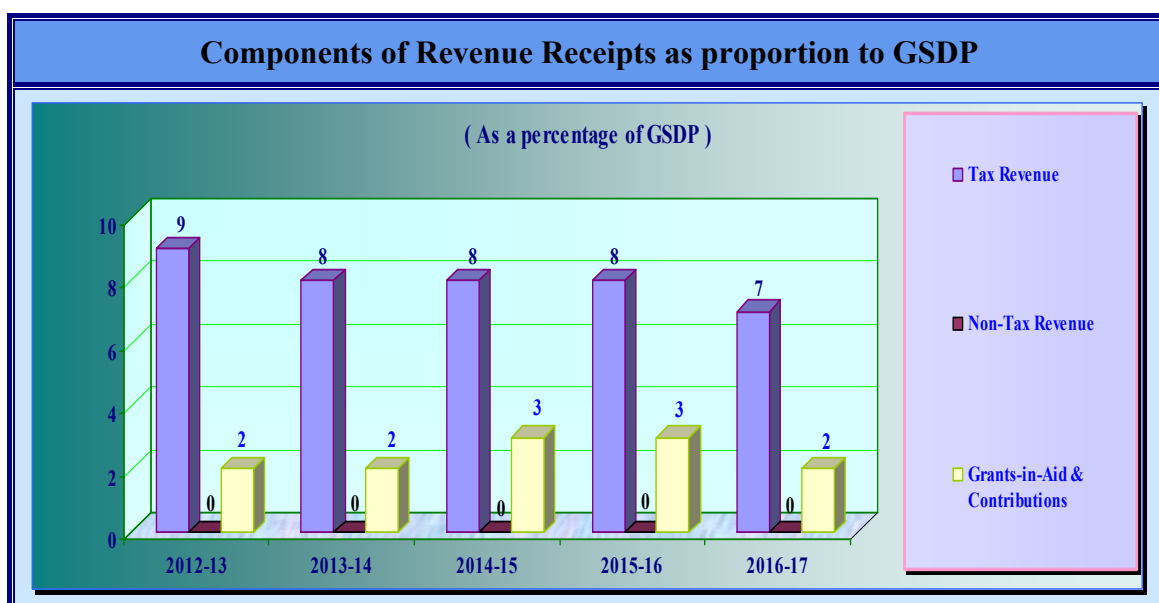
2.3. Trend of Receipts

(₹ in Crore)

Components	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Revenue	54,035 (9)	59,006 (8)	64,006 (8)	79,656 (8)	90,091 (7)
Non-Tax Revenue	1,918 (0)	2,023 (0)	1,627 (0)	1,862 (0)	2,950 (0)
Grants-in-Aid and Contributions	12,343 (2)	11,853 (2)	20,881 (3)	28,214 (3)	24,791 (2)
Total Revenue Receipts	68,296 (11)	72,882 (10)	86,514 (11)	1,09,732 (11)	1,17,832 (9)
GSDP	6,30,384	7,00,117	8,00,868	10,39,923	12,51,067

Note : Figures in parentheses represent percentage to GSDP.

While the GSDP increased by 20 per cent between 2015-16 and 2016-17, the growth in revenue collection was 7 per cent. While tax revenue increased by 13 per cent, non-tax revenues increased by 58 per cent. The State's own Tax revenue increased by 7 per cent between 2015-16 (₹42,492 crore) and 2016-17 (₹45,466 crore), while share of Union taxes increased by 20 per cent.

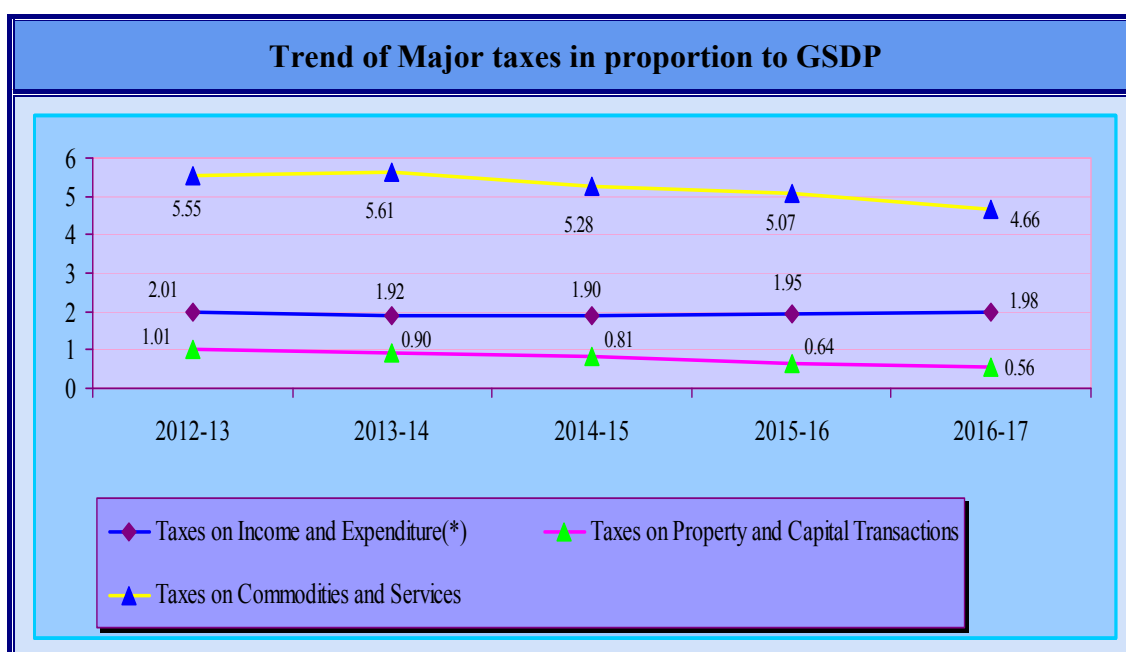


Sector-wise Tax Revenue

(₹ in Crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Taxes on Income and Expenditure	12,650	13,409	15,196	20,325	24,778
Taxes on Property and Capital Transactions	6,394	6,328	6,495	6,634	6,984
Taxes on Commodities and Services	34,991	39,269	42,315	52,697	58,329
Total Tax Revenue	54,035	59,006	64,006	79,656	90,091

The increase in total Tax Revenues is mainly attributable to higher collections under 'Taxes on Sales, Trade, etc.' (₹27,982.69 crore), 'Corporation Tax' (₹14,313.96 crore), 'Taxes on Income other than Corporation Tax' (₹9,948.25 crore), 'Service Tax' (₹7,141.62 crore) 'Customs' (₹6,157.31 crore), 'Union Excise Duties' (₹7,031.13 crore), 'State Excise' (₹5,226.16 crore), 'Land Revenue' (₹2,568.66 crore), 'Taxes on Vehicles' (₹1,869.85 crore), 'Taxes on Wealth' (₹32.76 crore), 'Taxes on Goods and Passengers' (₹934.32 crore), etc.



(*) Primary net proceeds of Central share to the State

2.4. Performance of State's Own Tax Revenue Collection

(₹ in Crore)

Year	Tax Revenue	State's share of Union Taxes	State's Own Tax Revenue	Percentage to GSDP
2012-13	54,035	21,226	32,809	5.20
2013-14	59,006	23,175	35,831	5.12
2014-15	64,006	24,594	39,412	4.92
2015-16	79,656	37,164	42,492	4.09
2016-17	90,091	44,625	45,466	3.63

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in Crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	6,394	6,328	6,495	6,634	6,984
Expenditure on Collection	682	711	699	681	705
Efficiency of Tax Collection (in per cent)	11	11	11	10	10

B. Taxes on Commodities and Services

(₹ in Crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	34,991	39,269	42,315	52,697	58,330
Expenditure on Collection	300	1,283	1,153	1,150	1,280
Efficiency of Tax Collection (in per cent)	1	3	3	2	2

Taxes on Commodities and Services form a major chunk of Tax Revenue. However, Tax collection efficiency on 'Taxes on Property and Capital Transactions' may be improved.

2.6. Trend in State's Share of Union Taxes & Duties

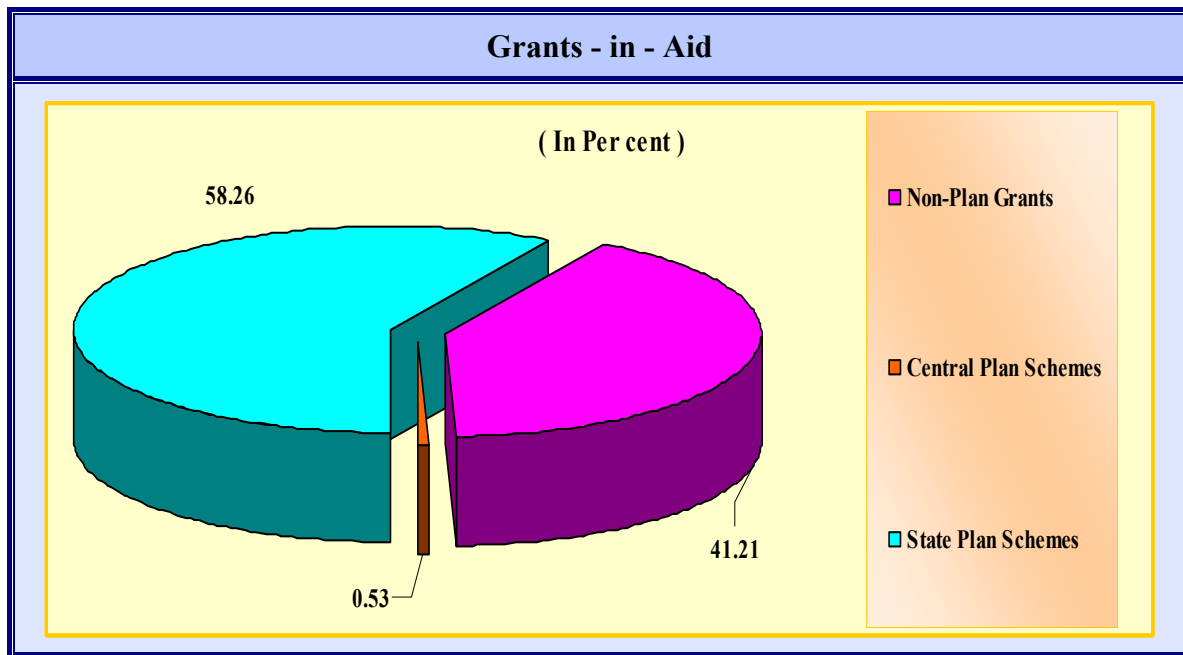
(₹ in Crore)

Major Head description	2012-13	2013-14	2014-15	2015-16	2016-17
Corporation Tax	7,624	7,794	8,588	11,702	14,314
Taxes on Income other than Corporation Tax	4,565	5,132	6,133	8,129	9,948
Taxes on Wealth	13	21	23	3	33
Customs	3,527	3,781	3,978	5,951	6,157
Union Excise Duties	2,397	2,671	2,246	4,958	7,031
Service Tax	3,100	3,776	3,626	6,394	7,142
State's Share of Union Taxes	21,226	23,175	24,594	37,164	44,625
Total Tax Revenue	54,035	59,006	64,006	79,656	90,091
Per cent of State's Share of Union Taxes & Duties to Total Tax Revenue	39	39	38	47	50

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 accounted for under the Major Head “1601-Grants-in-Aid from Central Government”.

The share of non-plan grants in total Grants-in-Aid decreased from 42 per cent to 41 per cent during 2015-16 and 2016-17. The share of Grants for Plan Schemes decreased over previous year when compared to budget estimates. The State received only ₹14,574 crore (43 per cent of the budget estimate of total grants of ₹34,208 crore) against ₹16,461 crore (51 per cent) received last year. Total receipts during 2016-17 under Grants-in-Aid were ₹24,791 crore and sector wise breakup is shown in next view:



2.8. Public Debt

Trend of Public Debt (net) over the past five years

(₹ in Crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Internal Debt	17,292	18,072	22,832	25,726	25,676
Central Loans	857	59	680	(-)158	(-)456
Total Public Debt	18,149	18,131	23,512	25,568	25,220

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

In 2016-17, 18 loans at par totalling ₹34,431 crore at interest rates varying from 6.88 per cent to 8.09 per cent and redeemable in the year 2026-27 were raised from the open market. In addition, the State Government raised ₹2,574 crore from financial institutions (including other adjustments). Thus, the internal debt totalled ₹37,005 crore. During 2016-17 Government of West Bengal also received ₹519 crore from Government of India as loans and advances.

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.

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 ₹1,33,918 crore for 2016-17 was 103 per cent of budget estimates of ₹1,29,531 crore.

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

(₹ in Crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Budget Estimates	83,719	91,892	1,05,978	1,13,100	1,29,531
Actuals	82,111	91,797	1,03,652	1,18,827	1,33,918
Gap	1,608	95	2,326	(-) 5,727	(-)4,387
Percentage of gap over BE	2	*	2	(-) 5	(-)3

(*) Less than 1 per cent.

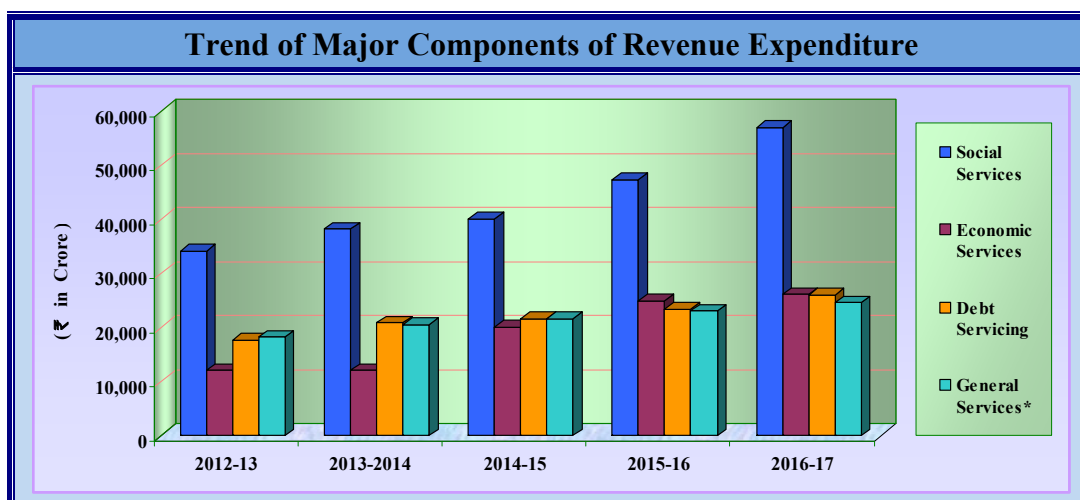
3.2.1. Sectoral Distribution of Revenue Expenditure

Components	Amount	Percentage
	(₹ in Crore)	
A. Fiscal Services	1,999	1.49
(i) Collection of Taxes on Property and Capital transactions	705	0.53
(ii) Collection of Taxes on Commodities and Services	1,280	0.96
(iii) Other Fiscal Services	14	0.01
B. Organs of State	876	0.65
C. Interest Payments and Servicing of Debt	26,053	19.46
D. Administrative Services	7,101	5.30
E. Pensions and Miscellaneous General Services	14,102	10.53
F. Social Services	57,067	42.61
G. Economic Services	26,156	19.53
H. Grants-in-Aid and Contributions	564	0.42
Total Expenditure (Revenue Account)	1,33,918	100.00

3.2.2. Major components of Revenue Expenditure

(₹ in Crore)

Components	2012-13	2013-14	2014-15	2015-16	2016-17
Social Services	34,212	38,262	40,156	47,389	57,067
Economic Services	12,043	12,083	20,157	24,973	26,156
Debt Servicing	17,621	20,857	21,688	23,415	26,053
General Services*	18,236	20,595	21,651	23,050	24,642



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

Though Revenue Expenditure on all services has a trend of steady increase, expenditure on Debt Servicing covers on an average 20 per cent of total Revenue Expenditure during last five years.

3.3. Capital Expenditure

Capital disbursements for 2016-17 amounting to ₹12,533 crore (including Loans and Advances) at 1.00 per cent of GSDP were less than Budget Estimates by ₹7,308 crore mainly due to less disbursement under Non-plan and Plan Expenditure. Over the last five years, Capital Expenditure has declined with respect to its budget. This can be viewed from the following table:

(₹ in Crore)

Sl. No.	Components	2012-13	2013-14	2014-15	2015-16	2016-17
1.	Budget (B.E.)	8,997	10,087	15,598	16,380	19,841
2.	Actual Expenditure (#)	4,547	6,927	9,879	12,420	11,336
3.	Percentage of Actual Expenditure to B.E.	51	69	63	76	57
4.	Growth in Capital Expenditure (in percentage)	65	52	43	26	(-)9
5.	GSDP (*)	6,30,384	7,00,117	8,00,868	10,39,923	12,51,067
6.	Growth in GSDP (in percentage)	15	11	14	30	20

(#) Does not include expenditure on Loans and Advances.

(*) GSDP figure used in this publication is adopted from the Economic Review published by Government of West Bengal.

3.3.1. Sectoral Distribution of Capital Expenditure

Expenditure on Economic Services constitutes the major chunk of Capital Expenditure. During 2016-17, the Government spent ₹2,022 crore on Transport, ₹1,615 crore on Irrigation and Flood Control, ₹766 crore on Special Areas Programme and ₹608 crore on Agriculture and Allied Activities. In Social Services, the Government spent ₹1,242 crore on Health and Family Welfare and ₹2,241 crore on Water Supply, Sanitation, Housing and Urban Development.

3.3.2. Comparative Sectoral distribution of Capital and Revenue Expenditure over the past five years

(₹ in Crore)

Sl. No.	Sector	2012-13	2013-14	2014-15	2015-16	2016-17
1.	General Services (Capital)	162	307	420	705	854
	General Services (Revenue)	35,325	40,834	42,712	45,689	50,131
2.	Social Services (Capital)	1,515	2,700	4,224	4,628	4,438
	Social Services (Revenue)	34,212	38,262	40,156	47,389	57,067
3.	Economic Services (Capital)	2,870	3,919	5,235	7,087	6,045
	Economic Services (Revenue)	12,043	12,083	20,157	24,973	26,156

Note: 1. Capital Expenditure does not include Loans and Advances.

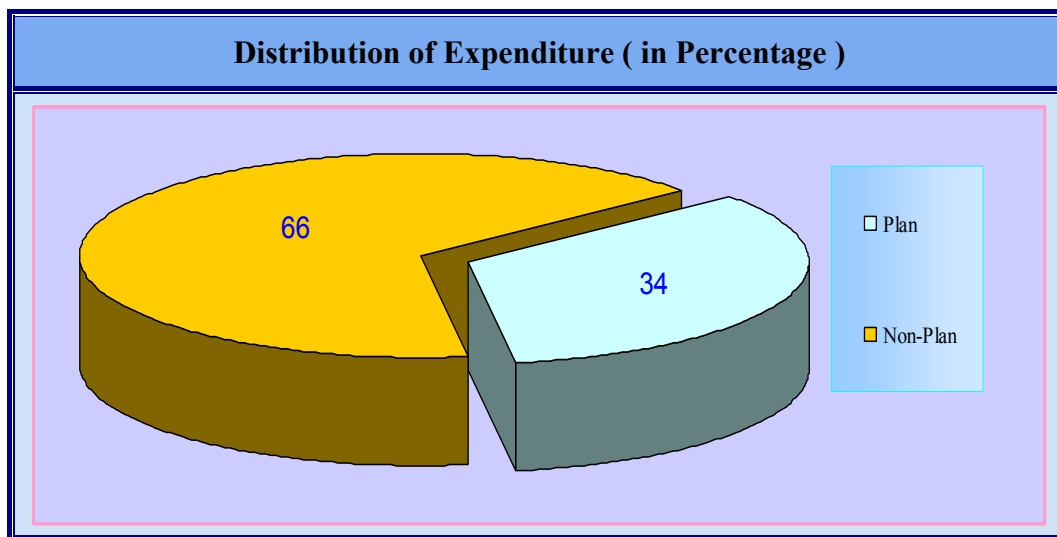
2. Revenue Expenditure does not include expenditure on Grants-in-Aid.

CHAPTER – IV

PLAN & NON-PLAN EXPENDITURE

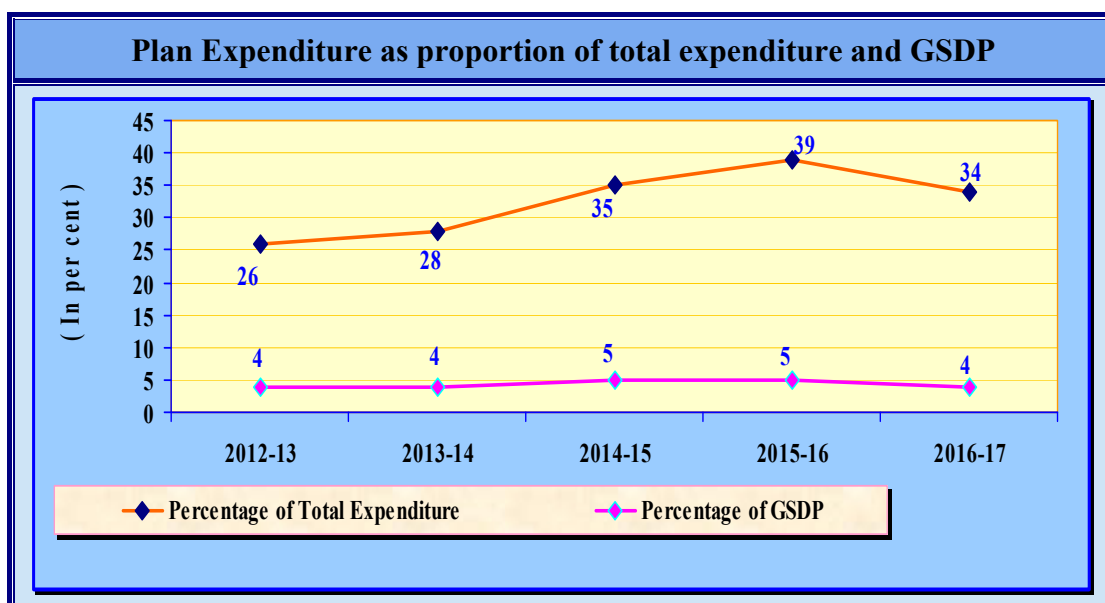
4.1. Distribution of Expenditure

The total expenditure during the year was ₹1,46,451 crore representing Plan expenditure of ₹49,088 crore and Non-Plan expenditure of ₹97,363 crore.



4.2. Plan Expenditure

During 2016-17, Plan Expenditure, representing 34 per cent of total disbursements, was ₹49,088 crore (₹48,127 crore under State Plan, ₹49 crore under Centrally Sponsored, ₹14 crore under Central Sector New Schemes and ₹898 crore on Loans and Advances).



4.2.1. Plan Expenditure under Capital Account

(₹ in Crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Total Capital Expenditure	5,611	7,590	10,384	13,281	12,533
Capital Expenditure (Plan)	4,547	7,362	10,120	13,106	12,234
Percentage of Capital Expenditure (Plan) to Total Capital Expenditure	81	97	97	99	98

Note: Capital Expenditure includes Loans and Advances.

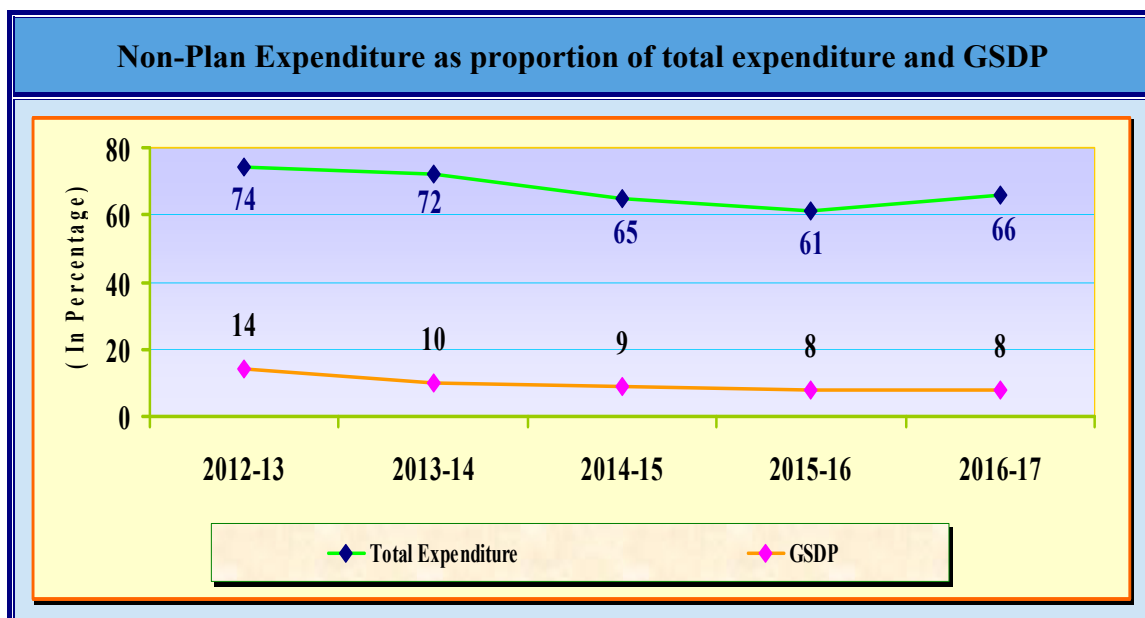
4.2.2. Plan Expenditure on Loans and Advances

Significant disbursements of Loans and Advances were as under:

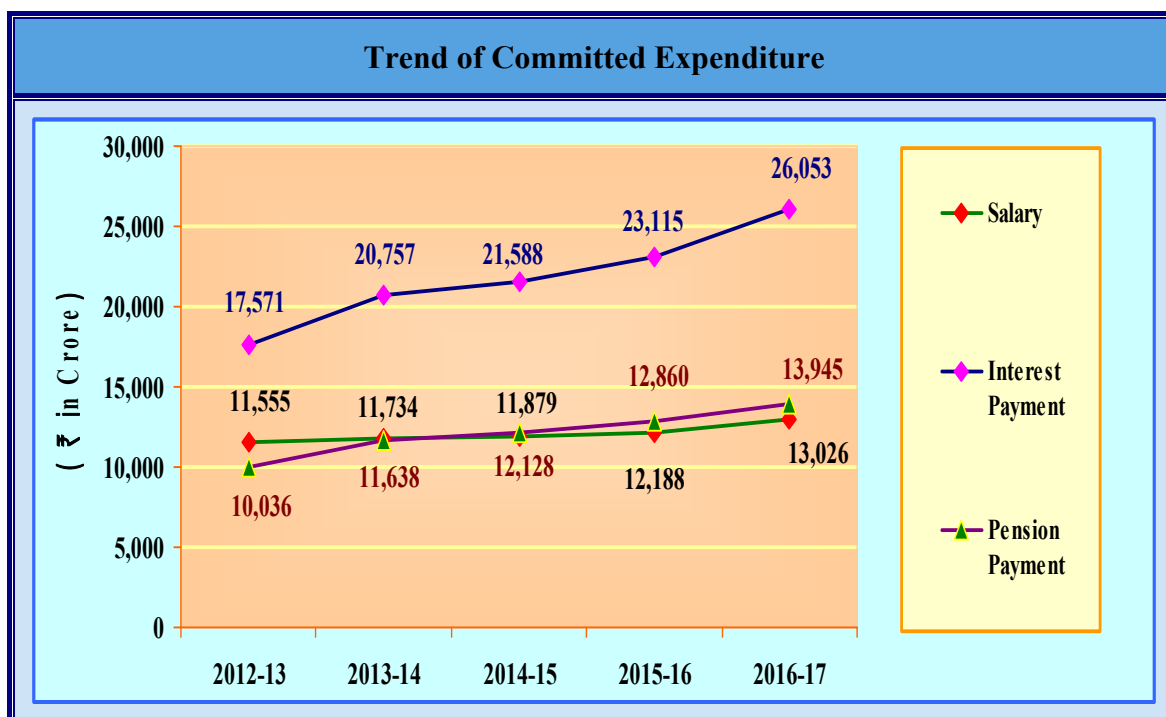
Description	Amount (₹ in Crore)	Details
MH – 6217 – Loans for Urban Development	81.57	Loans to Kolkata Municipal Corporation for Kolkata Environmental Improvement Programme (KEIP).
MH – 6405 - Loans for Fisheries	13.34	Loans to Primary/ Central Fishermen's Co-operative Societies to Avail NCDC Assistance ₹12.16 crore; Primary/ Central Fishermen's Co-operative (NCDC) [FI] ₹1.18 crore.
MH – 6425 – Loans for Co-operation	221.02	Loans to Establishment of Cold Storage [CO] ₹0.43 crore; Establishment of Storage Godowns [CO] ₹0.59 crore; Development of Apex Agricultural Marketing Society [CO] ₹100.00 crore; Development of Apex Consumer Co-operatives ₹120.00 crore.
MH – 6801 – Loans for Power Projects	365.90	Loans to WBSEDCL on account of OECF Purulia Plant (State Share) ₹111.21 crore; WBPDCCL for meeting Shortfall in Cash Flow [PO] ₹250.00 crore; World Bank Project Loan to WBPDCCL (EAP) [PO] ₹4.69 crore.
MH – 6859 -Loans for Telecommunication & Electronic Industries	5.00	Loans to WB Electronics Industries Development Corporation Limited.
MH – 6860 – Loans for Consumer Industries	18.00	Loans to WB Co-operative Spinning Mills Limited.
MH – 6875 – Loans for other Industries	0.65	Loans to Basumati Corporation.
MH – 7055 – Loans for Road Transport	172.53	Loans for Development of CTC Limited ₹45.00 crore; CSTC Limited ₹39.83 crore; NBSTC Limited ₹33.74 crore; SBSTC Limited ₹38.96 crore; WBSTC Limited ₹15.00.
MH – 7056 - Loans for Inland water Transport	20.00	Loans for development of WBSTC Limited ₹20.00 crore.
MH – 7075 – Loans for Other Transport Services	0.03	Loans for Construction of Second Bridge over Hooghly River.

4.3. Non-Plan Expenditure

During 2016-17, Non-Plan Expenditure representing 66 per cent of total disbursements, was ₹97,363 crore, (₹97,064 crore under Revenue and ₹299 crore under Capital).



4.4. Committed Expenditure



The trend of Committed Expenditure to Revenue Expenditure over the past five years is given below :

(₹ in Crore)

Component	2012-13	2013-14	2014-15	2015-16	2016-17
Committed Expenditure	40,162	44,129	45,595	48,163	53,024
Revenue Expenditure	82,111	91,797	1,03,652	1,18,827	1,33,918
Percentage of Committed Expenditure to Revenue Receipts	59	61	53	44	45
Percentage of Committed Expenditure to Revenue Expenditure	49	48	44	41	40

The major disbursement on Committed Expenditure leaves the Government with lesser funds for developmental spending.

CHAPTER -V

APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of West Bengal for the year 2016-17 present the Accounts of sums expended in the year ended 31 March 2017 compared with the sums specified in the Schedules appended to the Appropriation Act passed under Articles 204 and 205 of the Constitution of India.

5.1. Summary of Appropriation Accounts

(₹ in Crore)

Sl. No.	Nature of Expenditure	Original Grant	Supplementary Grant	Surrender (by way of Re-appropriation)	Total	Actual Expenditure	Savings(-) Excess(+)
1.	Revenue Voted	1,05,507	1,23,07	--	1,17,814	1,08,823	(-)8,991
	Charged	26,767	1,610		28,377	26,203	(-)2,174
2.	Capital Voted	20,257	16,01	--	21,858	12,224	(-)9,634
	Charged	23	1		24	6	(-)18
3.	Public Debt Voted	--	--	--	--	--	--
	Charged	40,672	975		41,647	12,304	(-)29,343
4.	Loans and Advances Voted	652	800	--	1,452	1,197	(-)255
	Charged	--	--		--	--	--
Total		1,93,878	17,294	--	2,11,172	1,60,757	(-)50,415

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

(₹ in Crore)

Year	Savings (-) / Excess (+)				
	Revenue	Capital	Public Debt	Loans & Advances	Total
2012-13	(-) 9,324	(-) 4,435	(-) 1,555	(-) 424	(-) 15,738
2013-14	(-) 7,154	(-) 5,233	(-) 7,121	(-) 248	(-) 19,756
2014-15	(-) 10,714	(-) 7,177	(-) 7,251	(-) 147	(-) 25,289
2015-16	(-) 10,388	(-) 7,050	(-) 19,080	(+) 6	(-) 36,512
2016-17	(-) 11,165	(-) 9,652	(-) 29,343	(-) 255	(-) 50,415

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:

(In percentage)

Grant No.	Name of Grant	2013-14	2014-15	2015-16	2016-17
02	Governor's Secretariat	22	31	22	32
10	Consumer Affairs	17	23	11	22
16	Environment	54	19	22	34
28	Housing	19	10	14	19
32	Irrigation and Waterways	61	43	46	46
38	Minority Affairs and Madrasah Education	16	16	39	49
55	Water Resources Investigation & Development	38	31	30	25
61	Chief Minister's Office	14	29	34	07

During 2016-17, out of total Supplementary Grants of ₹17,294 crore, an amount of ₹5,481 crore proved to be unnecessary in 35 grants 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 Grant	Original	Supplementary	Actual Expenditure
5	Agriculture	2,303	198	1,665
11	Micro and Small Scale Enterprises and Textiles	960	30	610
20	Fisheries	375	85	287
25	Public Works	5,021	235	4,450
32	Irrigation and Waterways	2,977	206	1,721
51	Technical Education & Training	931	133	702
62	North Bengal Development	576	28	423

CHAPTER –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 on future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investment as share capital in different institutions of the State Government stood at ₹14,014.90 crore at the end of 2016-17. However, dividends received during the year were ₹1.12 crore (0.01 per cent) on investment. During 2016-17, investment increased by ₹624.65 crore, while dividend income decreased by ₹10.77 crore.

Cash Balance with RBI stood at ₹205.45 crore on 31 March 2016 and decreased to ₹15.50 crore at the end of March 2017.

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:

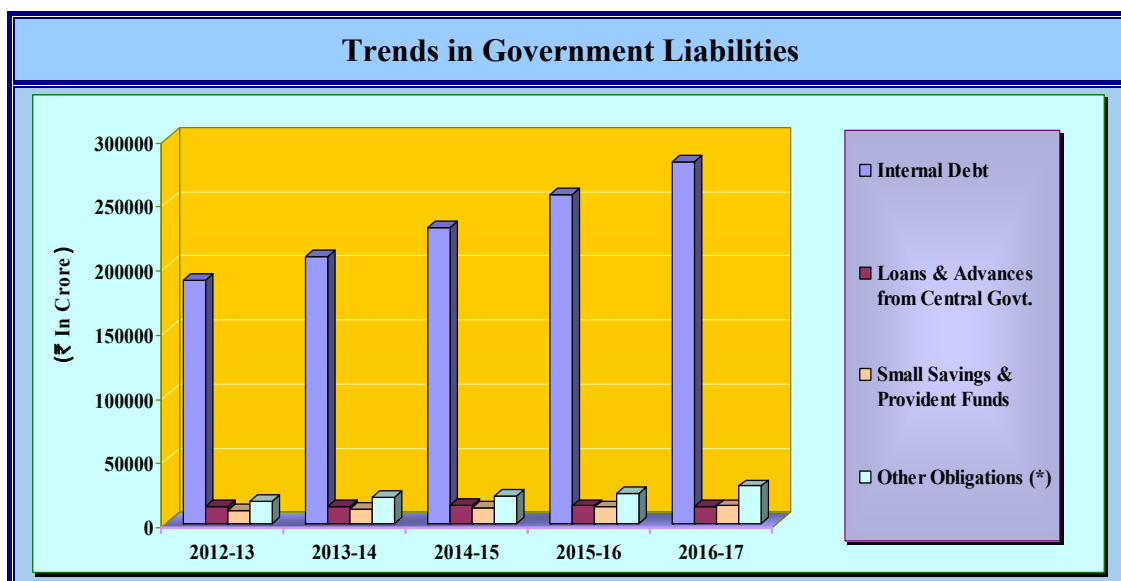
(₹ in Crore)

Year	Public Debt	Percentage to GSDP	Public Account (*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2012-13	2,02,848	32	26,901	4	2,29,749	36
2013-14	2,20,978	32	30,989	4	2,51,967	36
2014-15	2,44,490	31	33,060	4	2,77,550	35
2015-16	2,70,059	26	35,984	3	3,06,043	29
2016-17	2,95,278	24	42,404	3	3,37,682	27

(*) Excludes suspense and remittance balances.

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

During last five years, Public Debt increased by 46 per cent.



(*) 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 re-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 as on 31 March 2017	
		Principal	Interest
2012-13	18,981	8,821	25
2013-14	14,818	4,550	96
2014-15	15,184	9,322	64
2015-16	14,625	8,788	69
2016-17	15,613	7,801	16

The Government of West Bengal has included a disclosure in the Fiscal Responsibility and Budget Management document that Guarantee Redemption Fund has been constituted vide notification bearing No. 1240-FB dated 02.01.2015 and minimum contribution of ₹100.00 crore has been made to the Fund in 2016-17.

CHAPTER –VII
OTHER ITEMS

7.1. Internal Debt

During 2016-17, Loans amounting to ₹1,303.82 crore were taken from Financial Institutions.

7.2. Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2016-17 were ₹12,963 crore. Of this, Loans and Advances to Government Corporations / Companies, Non-Government Institutions and Local Bodies amounted to ₹12,953 crore. During the year, ₹833 crore was received as interest.

7.3. Financial Assistance to Local Bodies and Others

Expenditure on Grants-in-Aid to Local Bodies etc. represents 39 per cent of total Revenue Expenditure.

Details of Grants-in-Aid for the past four years are as under:

(₹ in Crore)

Year	Zilla Parishads	Municipalities	Panchayat Samities	Others	Total
2013-14	312	2,808	5,360	24,686	33,166
2014-15	2,100	3,959	10,674	27,147	43,880
2015-16	3,118	3,561	12,035	30,746	49,460
2016-17	3,223	3,825	11,124	34,503	52,675

Note: Figures based on expenditure under the Object Head “31-Grants-in-Aid” across Major Heads and under the Major Head “3604- Compensation and Assignments to Local Bodies and Panchayati Raj Institutions”.

7.4. Cash Balance and Investment of Cash Balance

(₹ in Crore)

Component	As on 1 April 2016	As on 31 March 2017	Net increase (+) /decrease(-)
Cash Balance	206	16	(-)190
Investments from cash balance (GOI Treasury Bills)	6,853	12,546	5,693
Investments from Earmarked Funds	8,782	9,928	1,146
(a) Sinking Fund	8,535	9,554	1,019
(b) Guarantee Redemption Fund	96	213	117
(c) Other Funds	151	161	10
Interest realised	105	274	169

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 Controlling Officers. The reconciliation of accounts of many departments is in arrears. In 2016-17, only 80 per cent (₹1,26,831 crore) of the total expenditure and 91 per cent (₹1,43,743 crore) of the total receipts of the State Government were reconciled.

7.6. Submission of Accounts by Treasuries

There are 88 District Treasuries in the State (including PAOs and one e-Treasury). From 1 April 2015, Government of West Bengal has done away with the Letter of Credit (LOC) system and submission of accounts by Works and Forest Divisions. During the year, average delay in submission of monthly accounts by the treasuries was three days. However, there was no exclusion of accounts at the end of the year.

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

The Drawing and Disbursing Officers are authorised to draw sums of money by preparing Abstract Contingent Bills by debiting Service Heads and as per Rule 4.138 of West Bengal Treasury Rules (WBTR) 2005 they are required to present Detailed

Contingent Bills (vouchers in support of final expenditure). In all such cases DC Bills are to be presented within one month from the date of completion of the purpose for which advance was drawn and in no case beyond the period of sixty days from the date of drawal of such advance unless permitted by the Administrative Department with the concurrence of the Finance Department. As on 31 March 2017, DC Bills in respect of a total of 11,005 AC Bills amounting to ₹2,357 crore were not received as given below:

Year	No. of unadjusted AC Bills	Amount (₹ in Crore)
Upto 2014-15	8,053	1,120
2015-16	1,300	912
2016-17	1,652	325
Total	11,005	2,357

7.8. Utilisation Certificates (UCs) for Grants-in-Aid not received

In terms of Subsidiary Rules 330A of the West Bengal Treasury Rules (WBTR), Utilization Certificates (UCs) in respect of a Grants-in-Aid received by the grantee should be furnished by the grantee to the authority which sanctioned it, within one year 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, the expenditure shown in Finance Accounts cannot be ensured to have reached beneficiaries' end and thus cannot be vouched as correct or final.

Out of outstanding items of ₹ 85,212.29 crore, at the beginning of the year, ₹635.31 crore was cleared during 2016-17. The position of outstanding UCs was as under:

Year	Number of UCs awaited	Amount (₹ in Crore)
Upto 2014-15	1,93,151	57,960.93
2015-16	18,423	26,616.05
2016-17 (*)	34,910	37,430.58
Total	2,46,484	1,22,007.56

(*) Grants-in-Aid given during 2016-17 has been considered as due for submission of UCs. Grants-in-aid bills in 308 cases amounting to ₹ 45.73 crore were drawn in AC bill forms during the year, causing difficulties in monitoring the utilisation of Grants-in-Aid so released.

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.

Details of expenditure during 2016-17 are analysed below:

(₹ in Crore)

Type of Expenditure	Expenditure During the Year	During March 2017		Expenditure during last working day of March 2017
		Expenditure	Percentage of total Expenditure	
Total Expenditure (excluding Pay vouchers)	1,19,559.99	23,909.88	20.00	2,799.68
Total Transfer Credit (including all deposit heads)	18,783.15	5,032.16	26.79	911.63
Amount of Transfer Credit to PD Accounts through Treasury vouchers (included in total Transfer Credit)	1,933.15	896.10	46.35	185.43
Amount of AC Bills drawn	4,98.28	150.77	30.26	30.41

Significant expenditure in March, especially the last working day in March, indicates that the expenditure was primarily for the purpose of exhausting the budget and reveals inadequate budgetary control.

7.10. Commitments on account of Incomplete Capital Works

Intimation collected from Chief Engineers of various State Government Departments reveals that an expenditure of ₹1,497.98 crore was incurred upto 31 March 2017 on Incomplete Capital Projects / Works.

7.11. Personal Deposit (PD) Accounts

The purpose of PD accounts is to enable designated Drawing Officers to incur expenditure pertaining to a scheme, for which funds are placed at their disposal, by transfer from the Consolidated Fund of the State. 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.

In terms of the Rule 6.08(5) of the West Bengal Treasury Rules, 2005, 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 15 May every year. The Treasury officer shall verify the said certificate with treasury record and send a report of verification of such balances to the Accountant General (A&E) by 31 May every year. However, in 8 out of 88 Treasuries, the Administrators of Personal Deposit Accounts had not reconciled and verified their balances with the treasury figures and the annual verification certificate was also not furnished by them to the Treasury Officer for onward transmission to the Accountant General (A&E) office.

In addition, every Treasury in District Headquarters has PD accounts that are operated by the Land Acquisition Collectors, Rent Controllers, Jailors and District Magistrates which are permanent in nature.

Details of such permanent and non-permanent PD accounts are given below:

(₹ in crore)

Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
150	4,769.43	3	3,158.10	0	2,786.83	153	5,140.70

Though, in terms of the West Bengal Treasury Rules, 2005, PD accounts remaining inoperative for two years are required to be closed, 159 inoperative schemes under PD accounts of 28 operators amounting to ₹39.20 crore are yet to be closed at the end of 2016-17.

During 2016-17, an amount of ₹1,933.15 crore was transferred from the Consolidated Fund of the State to these PD Accounts while the remaining amount of ₹1,224.95 crore was credited through challans (T.R.Form-7). In March 2017, ₹896.10 crore was transferred from the Consolidated Fund to the PD Accounts constituting 28.37 per cent of the total yearly transfer, of which, ₹185.43 crore was transferred on the last working day of March 2017.

7.12. Ujwal DISCOM Assurance Yojana (UDAY):

The State Government has not taken over any debt of Electricity Distribution Companies (DISCOMs) under Ujwal DISCOM Assurance Yojana (UDAY) in West Bengal.

7.13. Demonetisation

Consequent upon demonetisation of ₹500/- and ₹1000/- notes by the Government of India with effect from 9 November 2016, notes of those denominations which may have been held by the DDOs in cash as advance drawal against allotment or any schemes, fees etc. need to be deposited to bank followed by withdrawal of legal tender money in place of such demonetised notes and accounted for under the head "8658 - Suspense Account - 00 - 102 - Suspense Account - Civil - 040 -Remittance of Specified Bank Notes - ₹500/ and ₹1000/ since Demonetised - 20 -Receipt / Adjustment". The credit balance under this head indicates demonetised cash deposited but legal tender cash not withdrawn.

During 2016-17, an amount of ₹20.00 crore was deposited and an amount of ₹11.75 crore was withdrawn leaving a credit balance of ₹8.25 crore under the above head. Hence, the State Cash balance was overstated to that extent.

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