



सत्यमेव जयते

ACCOUNTS AT A GLANCE 2018-19



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Bihar

ACCOUNTS AT A GLANCE

for the year 2018-19

Government of Bihar

P R E F A C E

I am happy to bring out the annual publication, the ‘**Accounts at a Glance**’ of the Government of Bihar.

Article 149 of the Constitution of India mandates that Comptroller and Auditor General of India shall perform such duties and exercise such power in relation to the accounts of the State as prescribed by any law made by Parliament. Article 10 of the CAG’s(Duties, Powers and Conditions of service) 1971 prescribes that CAG is responsible for compiling the accounts of the State from the initial accounts rendered to the accounts offices by treasuries, offices and departments responsible for keeping those accounts.

In discharging the entrusted responsibility, the annual accounts of the State of Bihar has been prepared into (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts consists of three divisions containing summary of transactions took place under Consolidated Fund, Contingency Fund and Public Account of the State. The Appropriation Accounts record expenditure incurred against provisions approved by State Legislature under each of the Grant 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 comprehend more effectively the various facts of the finances of the Government of Bihar.

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



Praveen Kumar Singh

Pr. Accountant General (A&E)

Bihar, Patna

Place: Patna

Date: 10 August 2020

Our Vision, Mission and Core Values

Vision: 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.

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

Mission: 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 for the intended purposes.

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

Our core values :

(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



TABLE OF CONTENTS

Chapter I	Overview	Page
1.1	Introduction	7
1.2	Structure of Accounts	7
1.3	Finance Accounts and Appropriation Accounts	9
1.4	Sources and Application of Funds	11
1.5	Highlights of Accounts	14
1.6	What the Deficits and Surpluses indicate	15
Chapter II	Receipts	
2.1	Introduction	18
2.2	Revenue Receipts	18
2.3	Trend of Receipts	20
2.4	Performance of State's own Tax Revenue Collection	21
2.5	Efficiency of Tax Collection	22
2.6	Trend in State's share of Union taxes over the past five years	23
2.7	Grants-in-aid	24
2.8	Public Debt	24
Chapter III	Expenditure	
3.1	Introduction	26
3.2	Revenue Expenditure	26
3.3	Capital Expenditure	27
Chapter IV	Establishment & Committed and Scheme expenditure	
4.1	Distribution of Expenditure (2018-19)	29
4.2	Scheme Expenditure	29
4.3	Establishment & Committed Expenditure	30
4.4	Committed Expenditure	31
Chapter V	Appropriation Accounts	
5.1	Summary of Appropriation Accounts for 2018-19	32
5.2	Trend of Savings/Excess during the past five years	32
5.3	Significant Savings	33

Chapter VI Assets and Liabilities		
6.1	Assets	36
6.2	Debt and Liabilities	36
6.3	Guarantees	37
Chapter VII Other Items		
7.1	Balances under Internal Debt	38
7.2	Loans and Advances by the State Government	38
7.3	Financial Assistance to Local Bodies and Others	38
7.4	Cash Balance and investment of Cash Balance	39
7.5	Submission of Accounts by Accounts rendering Units	39
7.6	Investments	40
7.7	Status of Temporary Advance and Imprest	40
7.8	Unadjusted Abstract Contingent (AC) Bills	41
7.9	Utilisation Certificates for Grants-in-aid	42
7.10	Personal Deposits Accounts	43
7.11	Reconciliation of Accounts	44
7.12	Rush of Expenditure	45
7.13	Suspense Accounts Balances	46
7.14	Commitments on accounts of Incomplete Capital Works	47
7.15	Compliance of Indian Government Accounting Standards (IGASS)	47

OVERVIEW

1.1 Introduction

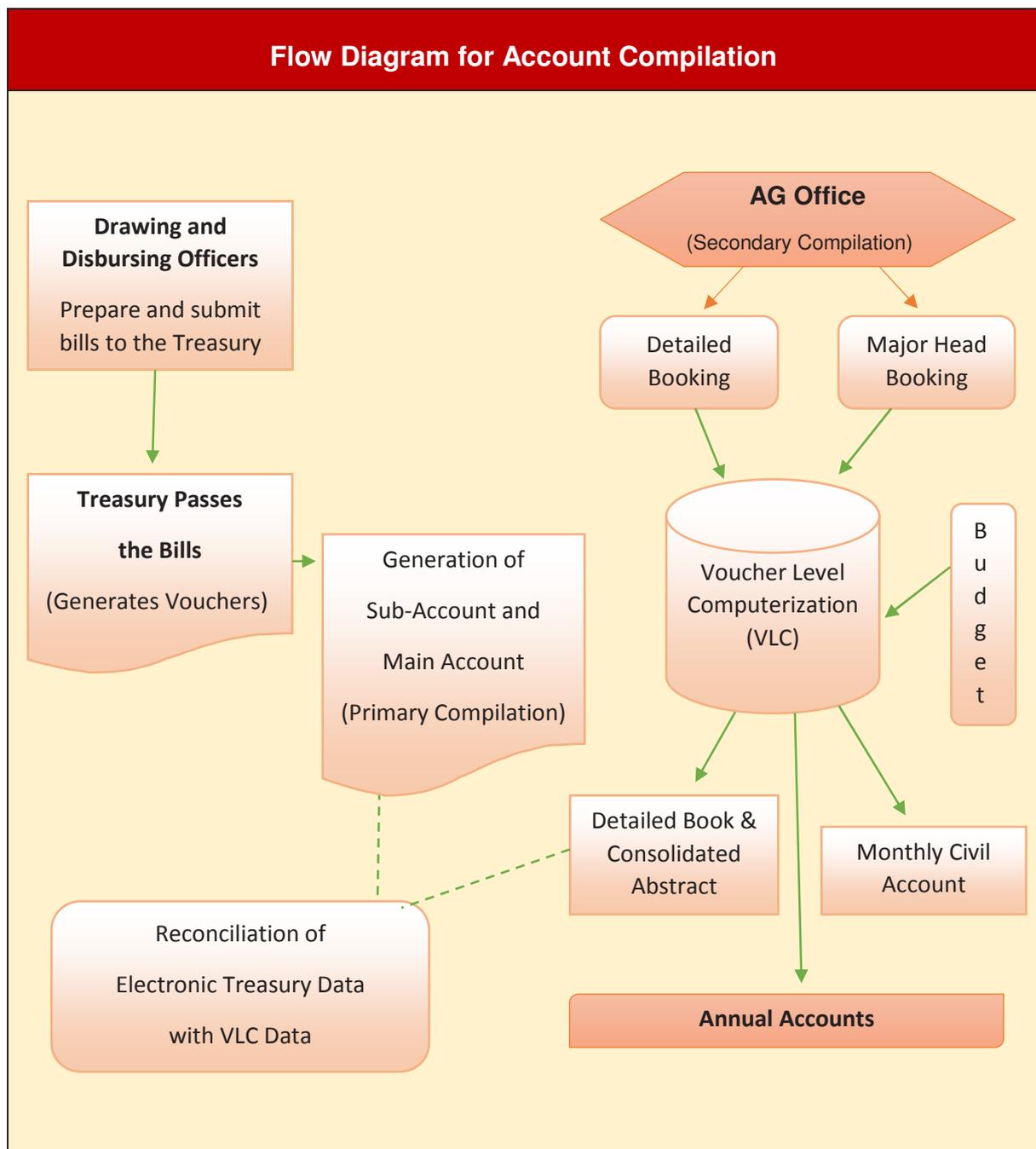
The Pr. Accountant General (Accounts and Entitlement), Bihar collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Bihar. The compilation is done from the initial accounts rendered by the Treasuries, Public Works & Forest Divisions, accounts rendered by the other states/accounting offices through their monthly accounts and advices of the Reserve Bank of India. Every month a Monthly Civil Account is presented by the office of the Pr. Accountant General (A&E) to the Government of Bihar. The year long compilation activity culminates into preparation of the annual Finance Accounts and Appropriation Accounts. They are subjected to audit by the Pr. Accountant General (Audit), Bihar and certification by the Comptroller and Auditor General of India after which they are placed before Legislature.

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

Part 1 CONSOLIDATED FUND	All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) from the Consolidated Fund. All expenditure and disbursement of the Government, including release of loans and repayments of loans taken (and interest thereon) are met from this fund.
Part 2 CONTINGENCY FUND	The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Bihar is ₹ 350 crore.
Part 3 PUBLIC ACCOUNT	In Public Accounts the transactions relating to Debt (Other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded. Debts and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are required to be cleared eventually by booking to 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 receipts and disbursement 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 are 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, comments on quality of accounts and other items. Volume II contains detailed statements (part-I) and appendices (part-II).

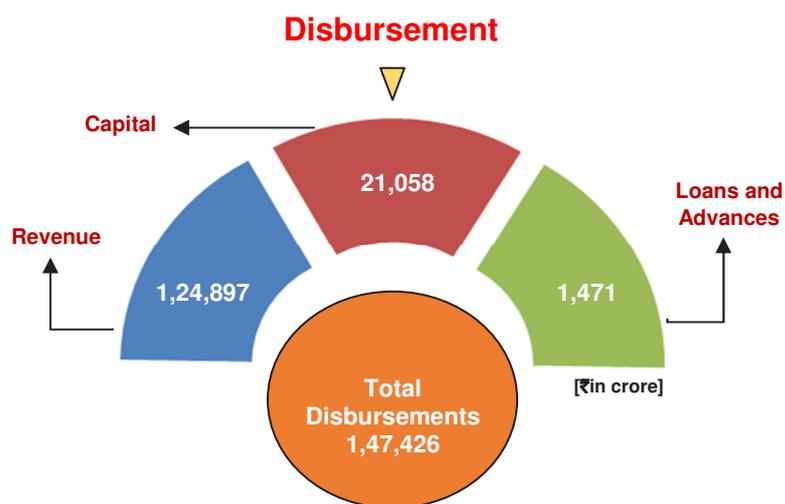
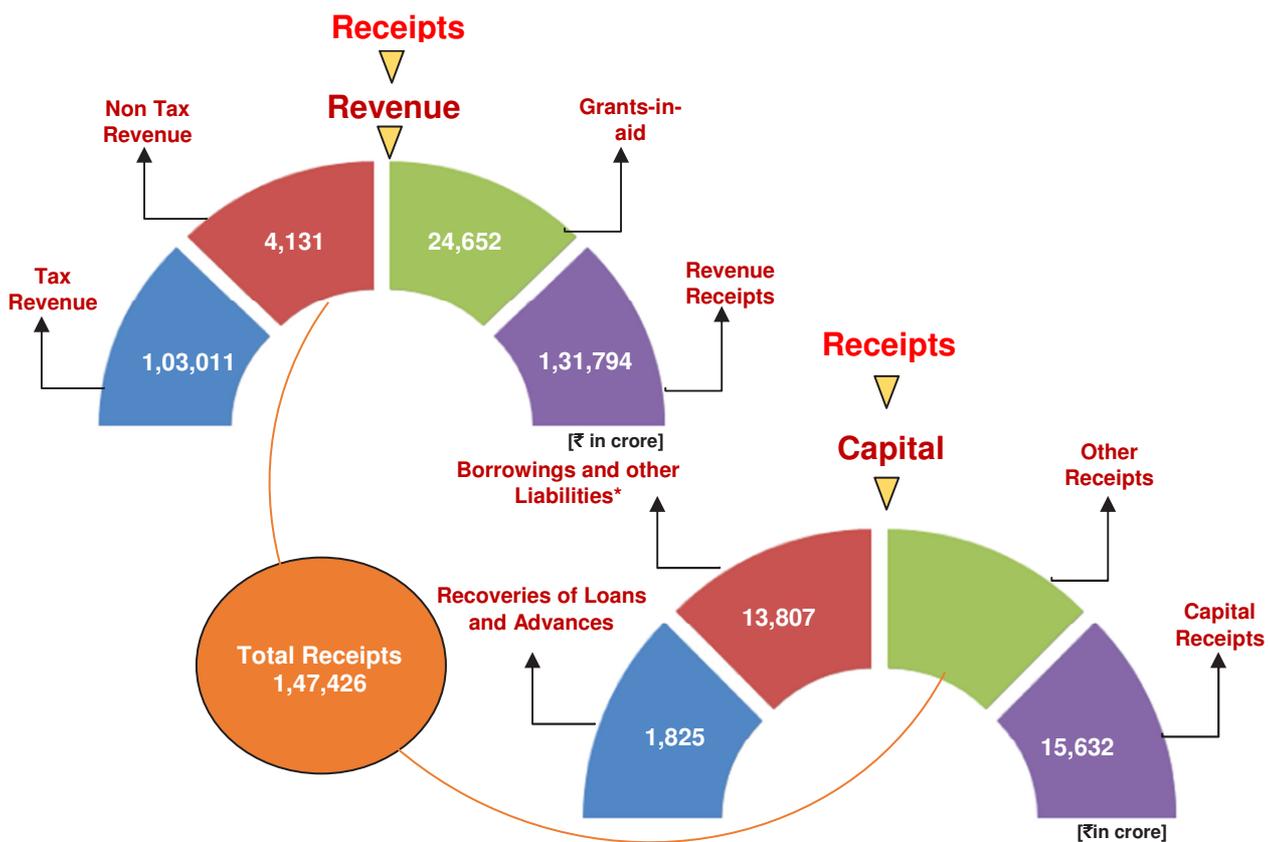
The Union Government transfers substantial funds directly to State Implementing Agencies/ NGOs for implementation of various schemes and programmes. During the year 2018-19, the Government of India (GoI) released ₹5,679 crore directly (₹7,953 crore last year) to the implementing agencies in Bihar. Since these funds are not routed through the State Budget, these are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VI of Volume II of the Finance Accounts.

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2018-19.

	Budget Estimate	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP (*)
	(₹ in crore)			
1. Tax Revenue (including Central Share)	1,07,174	1,03,011	96	18
2. Non-Tax Revenue	4,446	4,131	93	1
3. Grant-in-aid and Contributions	46,431	24,652	53	4
4. Revenue Receipts (1+2+3)	1,58,051	1,31,794	83	24
5. Recovery of Loans and Advances	409	1,825	446	0
6. Other Receipts	-	-	-	-
7. Borrowings and other Liabilities	11,204	13,807	123	2
8. Capital Receipts (5+6+7)	11,613	15,632	135	3
9. Total Receipts (4+8)	1,69,664	1,47,426	87	26
10. Revenue Expenditure	1,36,740	1,24,897	91	22
11. Expenditure on Interest Payments (out of Revenue Expenditure)	10,763	10,071	94	2
12. Capital Expenditure	32,417	21,058	65	4
13. Loans and Advances Disbursed	507	1471	290	0
14. Total Expenditure (10+12+13)	1,69,664	1,47,426	87	26
15. Revenue Surplus (4-10)	21,311	6,897	32	1
16. Fiscal Deficit (4+5-14)	11,204	13,807	123	2

* GSDP of 2018-19 was ₹5,57,490 crore.

Receipts and disbursement in year 2018-19



* 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

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 Bihar Government has 51 Grants/Appropriations. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure conforms with the appropriations authorised by the Legislature through the Appropriation Act of each year.

The Appropriation Act, 2018-19, had provided for gross expenditure of ₹2,09,490 crore and reduction of expenditure (recoveries) of ₹0.01 lakh. Against this, the actual gross expenditure was ₹1,60,317 crore and reduction of expenditure was ₹5,662 crore, resulting in net savings of ₹49,172 crore (23.47 per cent) and an under-estimation of ₹5,662 crore on reduction of expenditure. The gross expenditure includes ₹632 crore drawn on Abstract Contingent (AC) Bills, out of which ₹586 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

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 2018-19, the Government of Bihar had maintained the minimum balance without taking any advance.

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India when the limit of minimum cash balance falls below i.e. ₹1.73 crore, even after taking Ways and Means Advances (WMA) which is required to be maintained with the Reserve Bank of India. During the financial year 2018-19, the Government of Bihar had maintained the minimum balance without taking any advance.

1.4.3 Funds flow statement

The State had a Revenue Surplus of ₹6,897 crore and a Fiscal Deficit of ₹13,807 crore representing 1.24 per cent and 2.48 per cent of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 9.37 per cent of total expenditure. This deficit was met from Public Debt (₹11,438 crore), surplus in Public Account ₹2,479 crore and net of opening and closing cash balance ₹110.22 crore. A sum of ₹46,067 crore which was 35 per cent of the revenue receipts (₹1,31,794 crore) of the State Government was spent on committed expenditure like salaries (₹19,968 crore), interest payments (₹10,071 crore) and pension (₹16,028 crore).

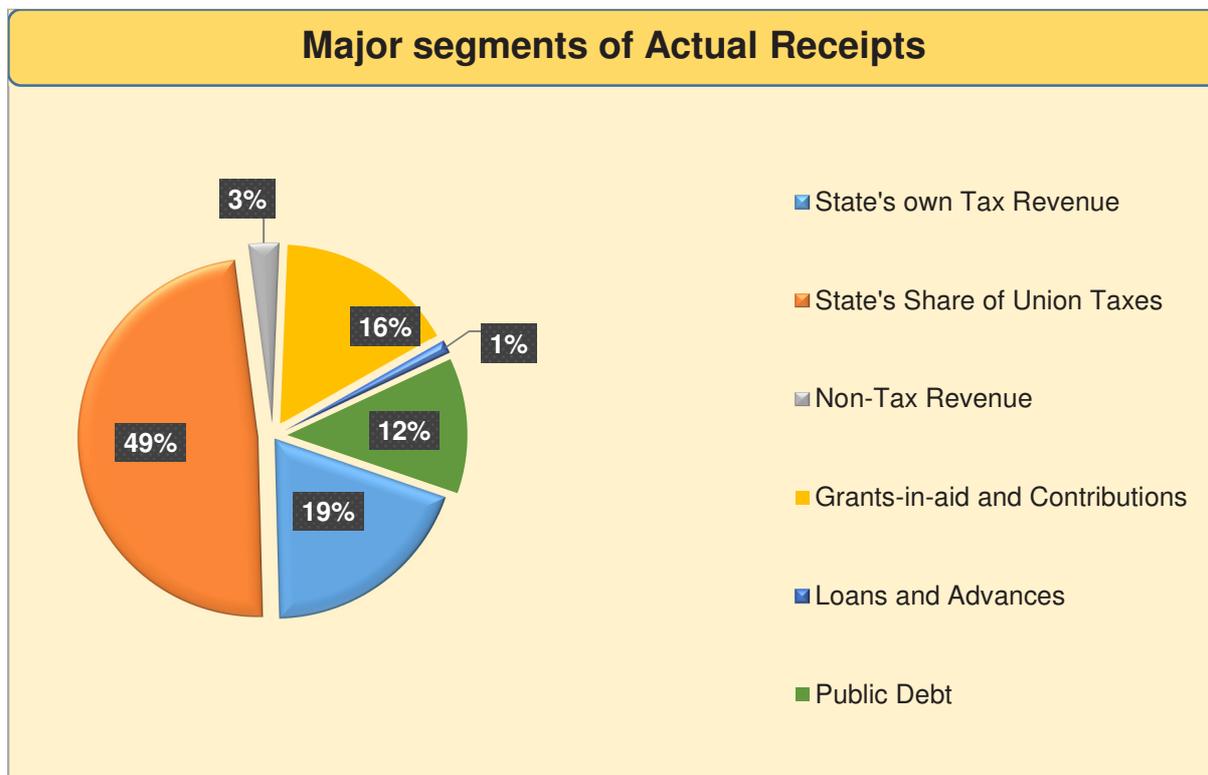
Sources and Application of Funds

(₹ in crore)

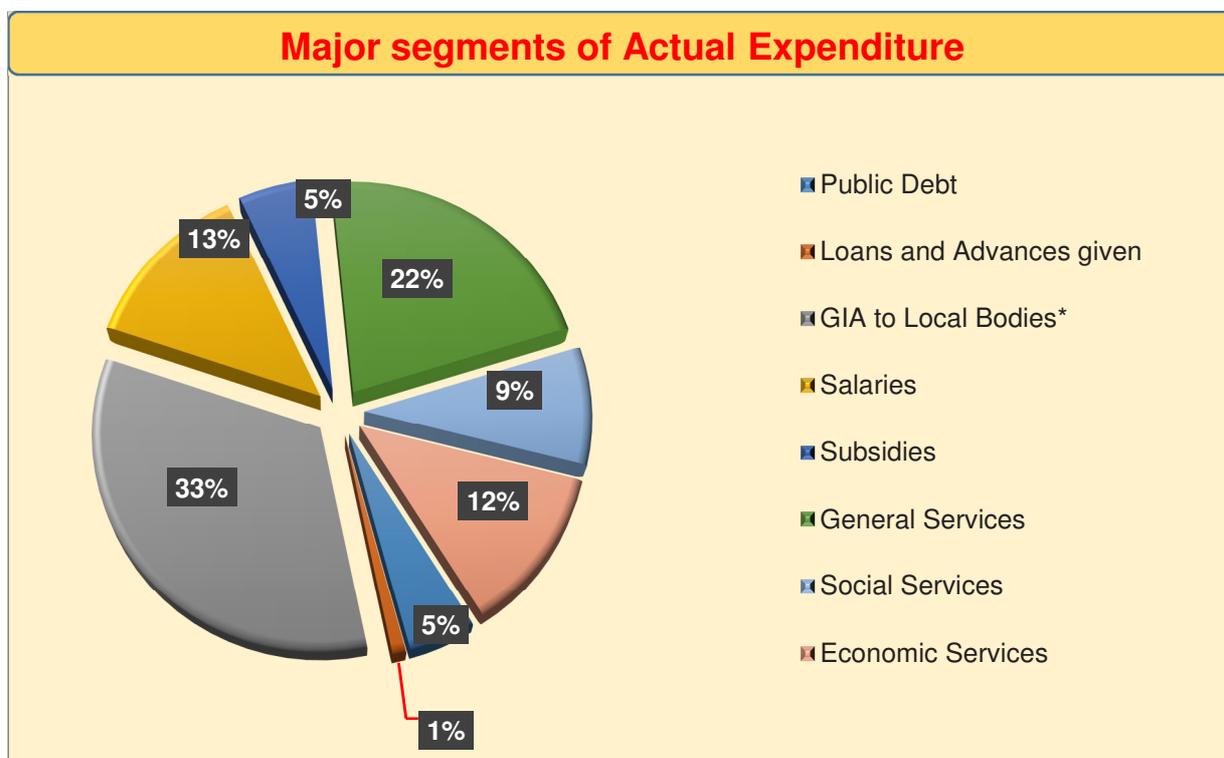
	Particulars	Amount
SOURCES	Opening Reserve Bank Cash Balance as on 1 April 2018	47
	Revenue Receipts	1,31,794
	Recovery of Loans & Advances	1,825
	Public Debt	18,668
	Small Savings, Provident Fund & Others	2,291
	Reserves & Sinking Funds	2,215
	Deposits Received	50,632
	Civil Advances Repaid	264
	Suspense Account	5,18,922
	Remittances	11,698
	Contingency Fund	0
	Total	7,38,356

APPLICATION	Revenue Expenditure	1,24,897
	Capital Expenditure	21,058
	Loans Given	1,471
	Repayment of Public Debt	7,230
	Small Savings, Provident Fund and Others	2,014
	Reserves & Sinking Funds	2,215
	Deposits Spent	50,203
	Civil Advances Given	361
	Suspense Account	5,17,129
	Remittances	11,621
	Closing Reserve Bank Cash Balance as on 31 March 2019	157
	Total	7,38,356

1.4.4 Where the Rupee came from



1.4.5 Where the Rupee went



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

1.5 Financial highlights of year 2018-19

	Budget Estimate (B.E.) 2018-19	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP (\$)
	(₹ in Crore)			
1. State's own Tax Revenue	31,002	29,408	95	5
2. State's Share of Union Taxes	76,172	73,603	97	13
3. Non-Tax Revenue	4,446	4,131	93	1
4. Grant-in-aid and Contributions	46,431	24,652	53	5
5. Revenue Receipts (1+2+3+4)	1,58,051	1,31,794	83	24
6. Other Receipts	-	-	-	-
7. Recovery of Loans and Advances	409	1,825	446	0
8. Borrowings and other Liabilities (A)	11,204	13,807	123	3
9. Capital Receipts (6+7+8)	11,613	15,632	135	3
10. Total Receipts (5+9)	1,69,664	1,47,426	87	26
11. Establishment & Committed Expenditure (*)	91,597	77,654	73	12
12. Revenue Account	77,003	77,532	101	14
13. Interest Payments out of 12	10,765	10,071	94	2
14. Capital Account	343	122	36	0
15. Scheme Expenditure (*)	1,10,998	69,772	63	13
16. Revenue Account	59,737	47,365	79	7
17. Capital Account	32,581	22,407	69	6
18. Total Expenditure (11+15)	2,02,595	1,47,426	73	26
19. Revenue Expenditure (12+16)	1,36,740	1,24,897	91	22
20. Capital Expenditure (14+17) (#)	32,924	22,529	68	4
21. Revenue Surplus (5-19) (@)	21,311	6,897	32	1
22. Fiscal Deficit (5+6+7-18) (@)	11,204	13,807	123	3

(\$) Gross State Domestic Product (GSDP) figure of ₹5,57,490 crore adopted from the information received from Planning and Development Department (Directorate of Economics and Statistics) of the Government of Bihar.

(#) Expenditure on Capital Account includes Capital Expenditure (₹21,058 crore), Loans and Advances disbursed (₹1,471 crore).

(*) Includes ₹63 crore under Establishment and Committed Expenditure and ₹1,407 crore under Scheme Expenditure 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.

(@) Calculation of Revenue Surplus and Fiscal Deficit includes expenditure under UDAY.

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 Receipt.
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.

1.6 Fiscal Responsibility and Budget Management Act, 2006

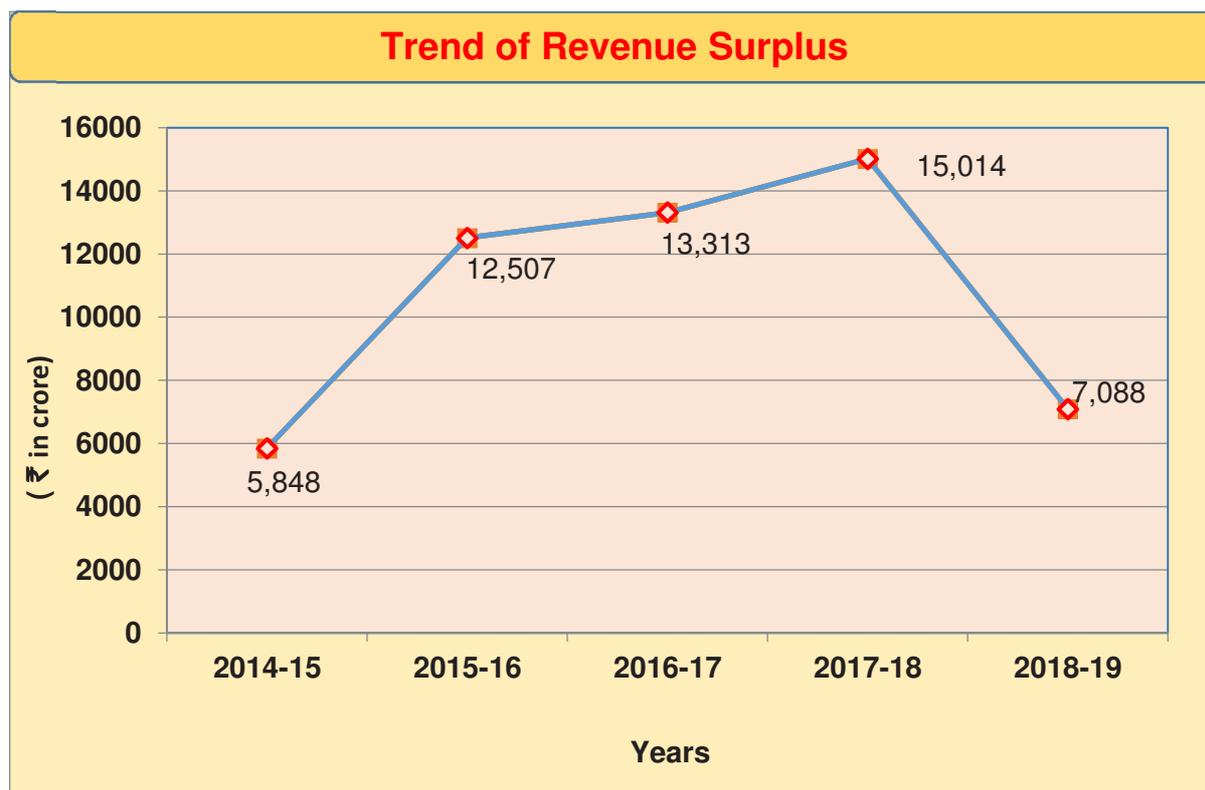
Targets fixed by the State Government in the BFRBM Act, 2006, read with the Bihar Fiscal Responsibility and Budget Management (Amendment) Act 2016, the ceilings fixed by the 14th Finance Commission, and the achievements as per the accounts of 2018-19 are given below:

Sl. No.	Targets	Achievements
1	Attain Revenue Surplus in 2007-08 and maintain surplus thereafter.	The State Government achieved Revenue Surplus since year 2007-08. The Revenue Surplus (without UDAY) for the year 2018-19 stood at ₹ 7,088.01 crore (1.27 per cent of GSDP). However, It would be ₹ 6,896.65 crore (1.24 per cent of GSDP) if expenditure under UDAY is included.
2	Bring the Fiscal Deficit / Gross State Domestic Product (GSDP)* ratio to 3.00 per cent in 2011-12 and maintain this upto 2018-19.	The Fiscal Deficit (₹ 13,615.40 crore) was 2.44 per cent of GSDP during 2018-19 (without UDAY). However, It would be (₹ 13,806.76 crore) 2.48 per cent of GSDP during 2018-19 if expenditure under UDAY is included.
3	Bring Debt as per cent of Gross State Domestic Product (GSDP) in the financial year 2018-19 to 25.25 per cent.	Debt and outstanding liability (₹ 1,66,589.54 crore) (without UDAY) was 29.88 per cent of Gross State Domestic Product (GSDP) estimate during 2018-19. However, It would be (₹ 1,68,921.32 crore) 30.30 per cent of GSDP if borrowings under UDAY is considered.
4	Raise total Tax Revenue Collection as per cent of Gross State Domestic Product (GSDP) in the financial year 2018-19 to 20.78 per cent.	The total Tax Revenue Collection (₹ 1,03,011.27 crore) was 18.48 per cent of Gross State Domestic Product (GSDP) estimate during 2018-19.

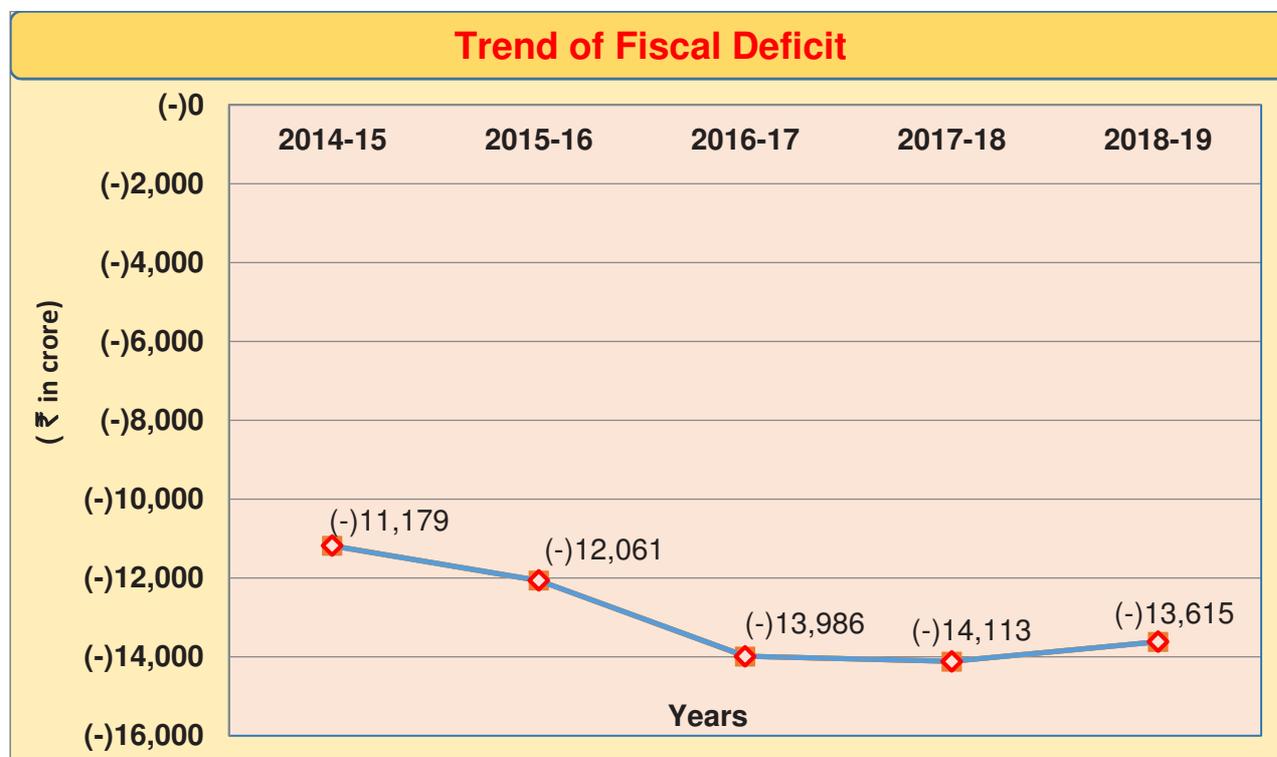
*Source: Planning and Development Department (Economic and Statistics Directorate), Bihar letter No.स०आ०(वि०)-04/2016/1040/पटना dated 13.08.2019. GSDP figures for Bihar assumed as ₹ 5,57,490 crore for the year 2018-19 adopted in NTA for FRBM target achievement calculation.

The State Government has however, not yet framed rules under the BFRBM Act.

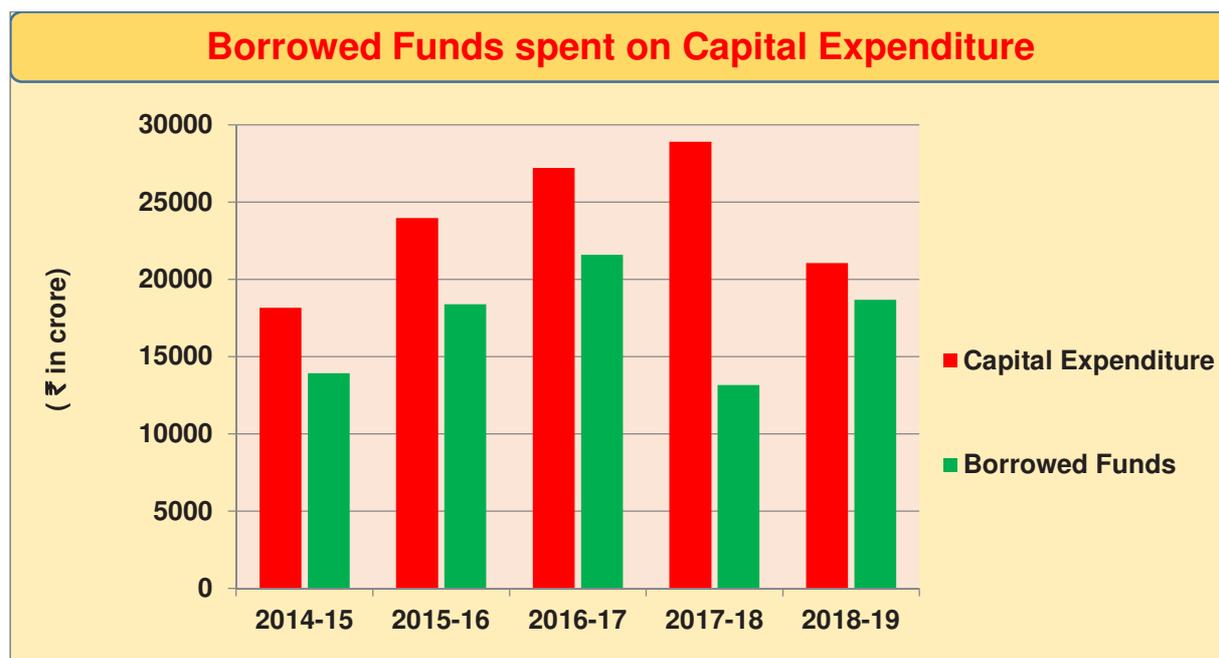
1.6.1 Trend of Revenue Deficit / Surplus (Excluding UDAY)



1.6.2 Trend of Fiscal Deficit (Excluding UDAY)



1.6.3 Proportion of borrowed funds spent on Capital Expenditure



It is desirable that the Capital expenditures are fully financed by borrowed funds, and revenue receipts are used for the repayment of principal and interest. The State Government has financed its Capital Expenditure (₹21,058 crore) from borrowing of the current year (₹18,668 crore) and revenue surplus (₹6,897 crore) during the year 2018-19.

CHAPTER II

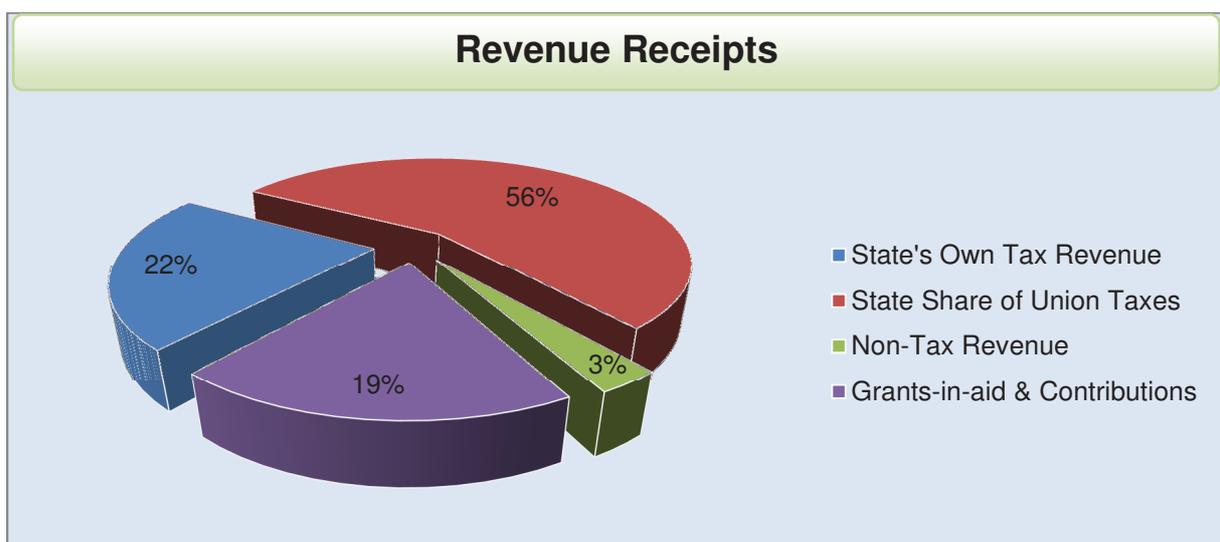
RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts according to the nature of receipts. Total Receipts for 2018-19 were ₹1,47,426 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	Central Assistance to the State Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from Foreign Governments and channelised through the Union Government.



Revenue Receipt Components (2018-19)

(*₹ in crore*)

Components	Actuals
A. Tax Revenue	1,03,011
State's own Tax Revenue	29,408
Goods and Services Tax	15,288
Taxes on Income and Expenditure	125
Taxes on Property and Capital Transactions	4,665
Taxes on Commodities and Services	9,330
State's share of Union Taxes	73,603
Goods and Services Tax	19,617
Taxes on Income and Expenditure	44,448
Taxes on Property and Capital Transactions	9
Taxes on Commodities and Services	9,529
B. Non-Tax Revenue	4,131
Interest Receipts, Dividends and Profits	1,386
General Services	714
Social Services	117
Economic Services	1,914
C. Grants-in-aid and Contributions	24,652
Total - Revenue Receipts	1,31,794

2.3 Trend of Revenue Receipts

(₹ in crore)

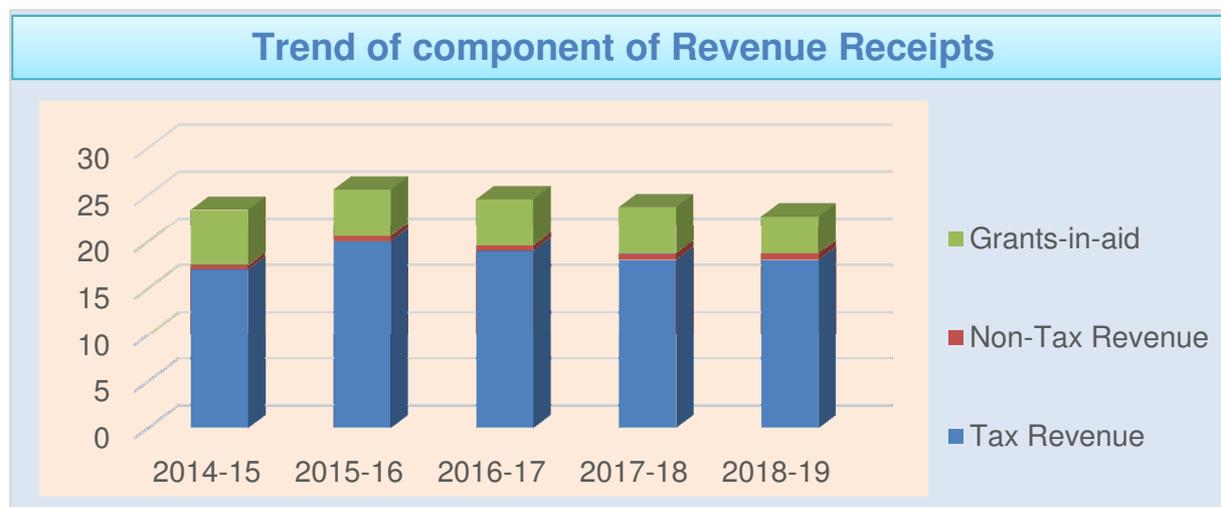
	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenue	57,713 (17)	74,372 (20)	82,623 (19)	88,220 (18)	1,03,011 (18)
Non-Tax Revenue	1,558 (0.45)	2,186 (0.59)	2,403 (0.56)	3,507 (0.72)	4,131 (0.74)
Grants-in-aid	19,146 (6)	19,565 (5)	20,559 (5)	25,720 (5)	24,652 (4)
Total Revenue Receipts	78,417 (23)	96,123 (26)	1,05,585 (25)	1,17,447 (24)	1,31,794 (24)
GSDP	3,42,951	3,69,469	4,25,888	4,87,628	5,57,490

Note: Figures in parentheses represent percentage to GSDP.

Though the GSDP increased by 14% between 2017-18 and 2018-19, Revenue collection increased by 12%, Tax revenue increased by 17% and Non-Tax revenue increased by 18% in 2018-19 with comparison to 2017-18. The increase in Non-tax revenues was mainly on account of significant collections under:

- 'Interest Receipts' (₹1,372 crore),
- 'Non-ferrous Mining and Metallurgical Industries (₹1,561 crore),
- 'Contributions and Recoveries towards Other retirement benefits' (₹559 crore), and
- 'Public Service Commission' (₹34 crore).

Further collection under 'Education, Sports, Art and Culture' and Medical and Public Health were ₹19 crore and ₹67 crore respectively in 2018-19 against ₹21 crore and ₹55 crore in 2017-18. The State's own revenue under 'Stamps and Registration Fees (₹4,189 crore) and 'Taxes on Vehicles (₹2,086 crore) showed a increasing growth.

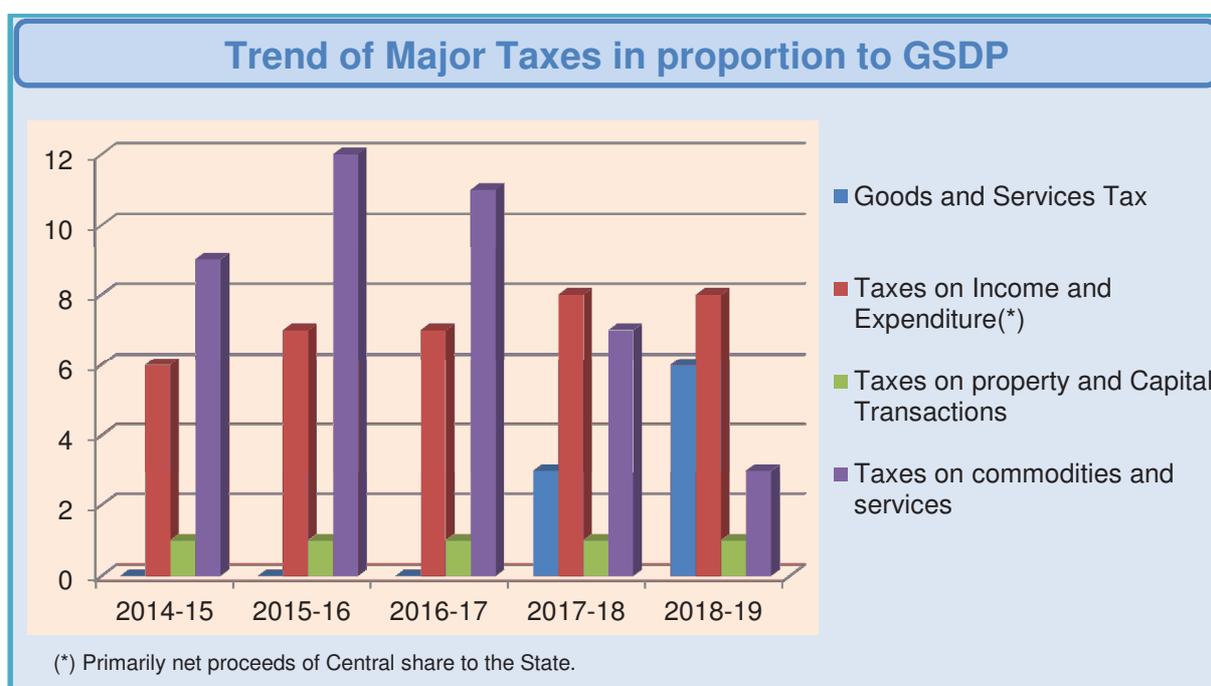


Sector-wise Tax Revenue

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Goods and Services Tax	0	0	0	14,244	34,905
Taxes on Income and Expenditure	22,180	26,085	32,097	36,857	44,573
Taxes on Property and Capital Transactions	3,011	4,108	3,996	4,503	4,675
Taxes on Commodities and Services	32,522	44,179	46,530	32,616	18,688
Total Tax Revenue	57,713	74,372	82,623	88,220	1,03,011

The increase in total tax revenue is mainly attributed to higher collection under 'Goods and Services Tax' (₹34,905 crore), 'Corporation Tax' (₹25,597 crore), 'Taxes on Income other than Corporation Tax' (₹18,851 crore) and 'Taxes on Vehicles' (₹2,086 crore).



2.4 State's own Tax and State's Share of Union Taxes

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
2014 - 15	57,713	36,963	20,750	6.05%
2015 - 16	74,372	48,923	25,449	6.89%
2016 - 17	82,623	55,881	23,742	5.57%
2017 - 18	88,220	65,083	23,137	4.74%
2018 - 19	1,03,011	73,603	29,408	5.27%

The proportion of the State's own Tax Revenue to GSDP is perceptibly lower than the target of 6.40 *per cent* recommended by the 14th Finance Commission. While the percentage of "State share of Union taxes" to GSDP has increased from 10.78% in 2014-15 to 13.20% in 2018-19, the percentage of "State's own tax revenue" to GSDP has declined to 5.27% from 6.05% during the same period.

2.4.1 Trend in State's own Tax collection over the past five years

(₹ in crore)

Taxes	2014-15	2015-16	2016-17	2017-18	2018-19
Taxes on Sales, Trade etc.	8,607	10,603	11,873	8,298	6,584
State Goods and Services Tax	0	0	0	6,747	15,288
Stamps and Registration Fees	2,699	3,409	2,982	3,726	4,189
Taxes on Goods and Passengers	4,451	6,087	6,246	1,645	399
Taxes on Vehicles	964	1,081	1,257	1,599	2,086
Land Revenue	277	695	971	778	477
Other Taxes on Income and Expenditure	55	65	79	87	125
State Excise	3,217	3,142	29	(-3)	(-10)
Others	480	367	305	260	270
Total State's own Taxes	20,750	25,449	23,742	23,137	29,408

2.5 Efficiency of Tax Collection

A. Goods and Services Tax

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Collection	0	0	0	14,244	34,905
Expenditure on Collection	0	0	0	72	114
Efficiency of Tax Collection	0	0	0	0.5%	0.32%

B. Taxes on Property and Capital Transactions

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Collection	3,011	4,108	3,996	4,503	4,675
Expenditure on Collection	511	486	477	564	583
Efficiency of Tax Collection	17%	12%	12%	13%	12%

C. Taxes on Commodities and Services

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Collection	32,522	44,179	46,530	32,615	18,726
Expenditure on Collection	185	180	256	289	269
Efficiency of Tax Collection	0.57%	0.41%	0.55%	0.89%	1.43%

Taxes on Commodities and Services form a major chunk of tax revenue. Tax collection efficiency of taxes on Commodities and Services has appreciably improved

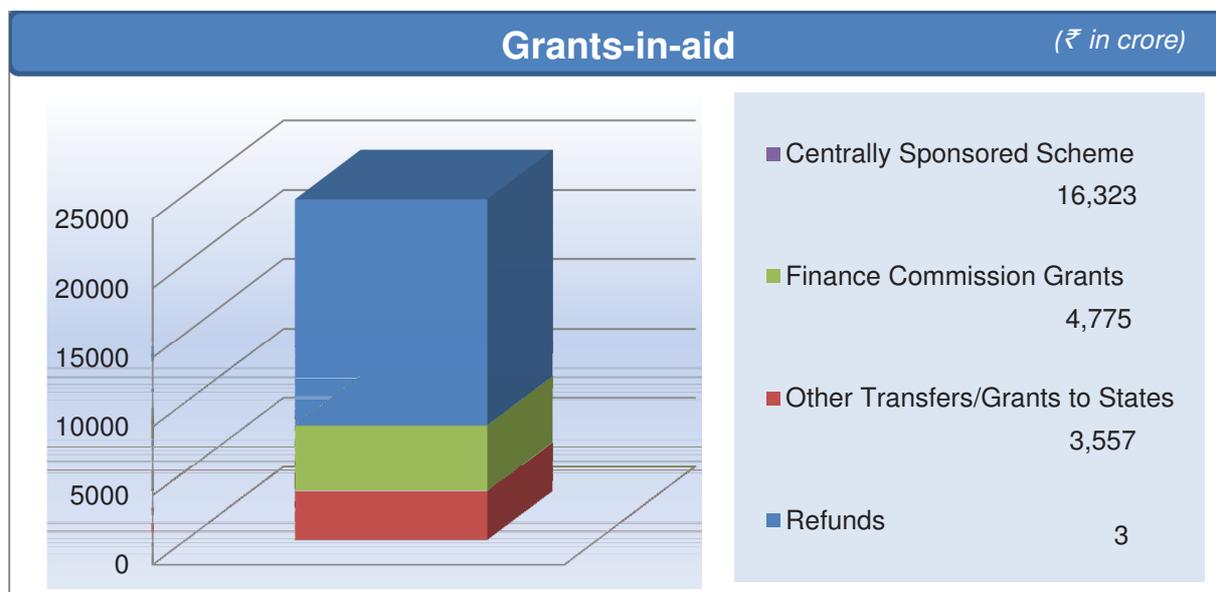
2.6 Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Goods and Services Tax	0	0	0	7,497	19,617
Corporation Tax	12,908	15,378	18,889	19,936	25,597
Taxes on Income other than Corporation Tax	9,217	10,643	13,128	16,834	18,851
Taxes on Wealth	35	4	43	(-1)	9
Customs	5,978	7,850	8,126	6,570	5,217
Union Excise Duties	3,376	6,577	9,279	6,868	3,467
Service Tax	5,449	8,430	9,416	7,379	673
Other Taxes and Duties on Commodities and Services	--	--	--	--	171
State Share of Union Taxes	36,963	48,923	58,881	65,083	73,603
Total Tax Revenue	57,713	74,372	82,623	88,220	1,03,011
% of Union Taxes to Total Tax Revenue	64	66	71	74	71
% of Share of Union Taxes to GSDP	11	13	14	13	13

2.7 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, Grants for Centrally Sponsored Schemes, Finance Commission Grants and Other Transfers/Grants to States/Union Territories with Legislature. Total receipts during 2018-19 under Grants-in-aid were ₹24,652 crore as shown below :-



The grants-in-aid increased by 19 *per cent* in 2018-19 as compared to 2017-18. As against a Budget Estimate (BE) of ₹46,431 crore of grants-in-aid, the State Government has actually received ₹24,652 crore of Grants-in-aid (53 *per cent* of BE).

2.8 Public Debt

Public Debt includes borrowing under Internal Debt and Loans and Advances received from Government of India. Internal Debt includes Market Loans, Ways and Means advances from RBI, Loans from Financial Institutions and Special Securities issued to National Small Savings Fund etc.

Trend of Public Debt over the past five years

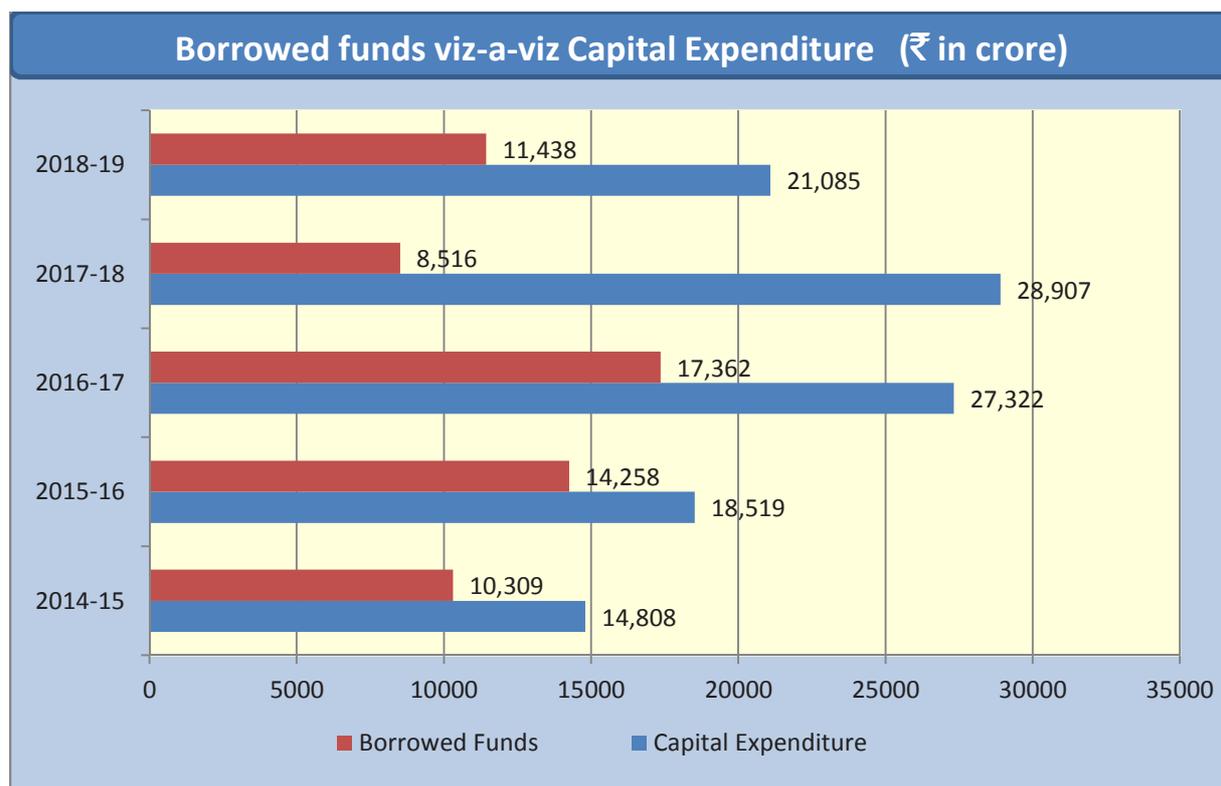
(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Internal Debt	10,224	14,142	16,604	7,930	9,835
Central Loans	85	116	758	586	1,603
Total Public Debt	10,309	14,258	17,362	8,516	11,438

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

Seven loans totalling ₹14,300 crore at interest rates varying from 8.18 *per cent* to 8.44 *per cent* and redeemable in the years 2029-30 were raised at par during 2018-19.

Against the total internal debt of ₹16,134 crore of the State Government in 2018-19 plus the Central loan component of ₹2,534 crore received during this period, capital expenditure was ₹21,085 crore, indicating that the total of the public debt was used for creation of capital assets and developmental purposes.



CHAPTER III

EXPENDITURE

3.1 Introduction

Expenditure is classified as Revenue expenditure and Capital expenditure. Revenue expenditure means the expenditure on current consumption of goods and services and establishment expenditure of a department of activities of non-capital character. Capital expenditure is expenditure incurred with the objective of creating new assets or increasing value of existing assets of a material and permanent character. It also includes investments where the benefits from the investments are available beyond the year.

General Services	Includes General Administration, 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 ₹1,24,897 crore for 2018-19 fell short of Budget Estimates by ₹11,843 crore. Revenue Expenditure was 22 per cent of the GSDP in 2018-19. Expenditure was less by ₹12,372 crore under Scheme Expenditure and exceeds by ₹529 crore under Establishment & Committed Expenditure. The shortfall of expenditure against Budget Estimates under Revenue section during the past five years is given below:

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Budget Estimates	91,765	91,209	1,09,941	1,22,603	1,36,740
Actuals	72,570	83,616	94,765	1,02,624	1,24,897
Gap	19,195	7,593	15,176	19,979	11,843
% of gap over BE	21	8	16	16	9

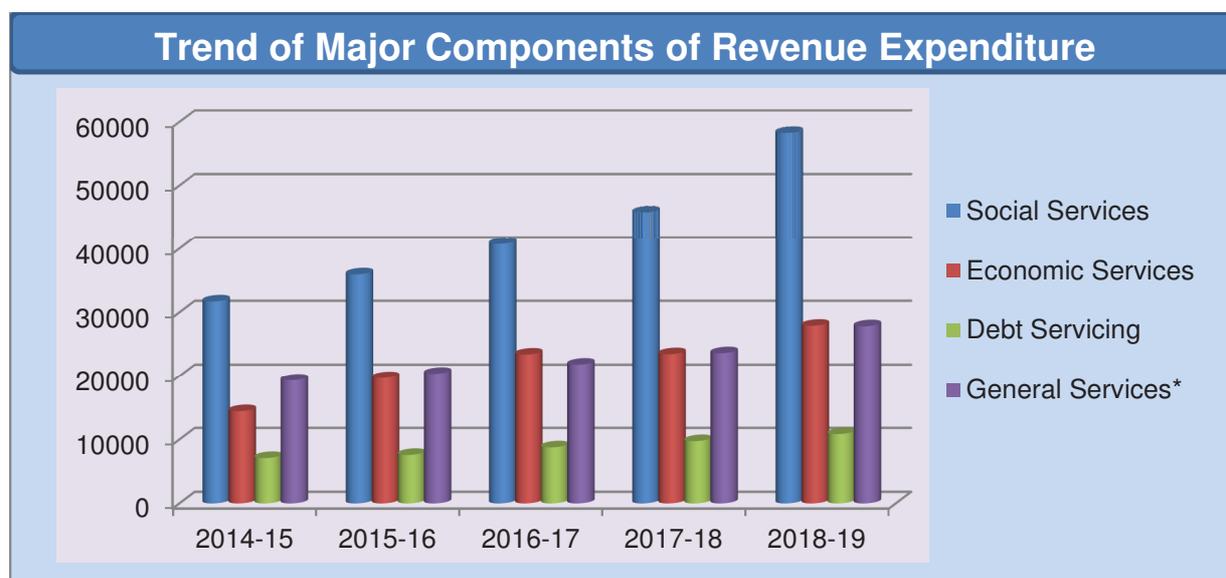
The State is unable to spend whatever has been budgeted, though the resources were available. The percentage of gap of actual expenditure to budgeted expenditure is at 9 indicating the need to accelerate the pace of developmental expenditure.

3.2.1 Sectoral distribution of Revenue Expenditure (2018-19)

Components	Amount (₹ in crore)	Percentage
A. General Services	38,691	31
B. Social Services	58,284	47
C. Economic Services	27,918	22
D. Grants-in-aid and Contributions	4	-
Total - Expenditure (Revenue Account)	1,24,897	100

3.2.2 Major components of Revenue Expenditure (2014-18)

(₹ in crore)



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

3.3 Capital Expenditure

Capital disbursements for the year 2018-19 was ₹22,529 crore which was 4 per cent of GSDP. It was less than Budget Estimates by ₹10,395 crore.

3.3.1 Sectoral distribution of Capital Expenditure

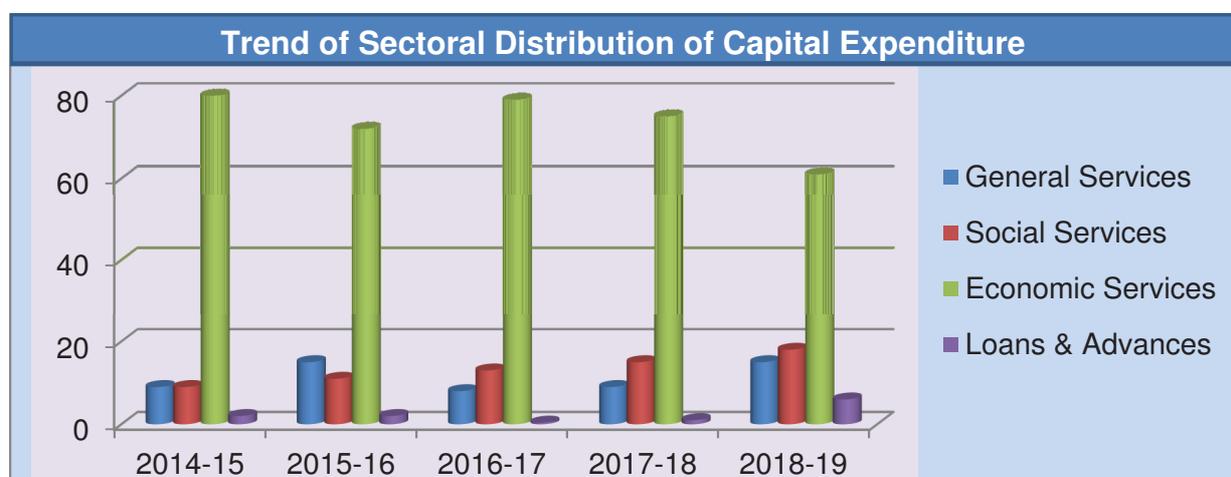
During 2018-19, the Government spent ₹807 crore on various Projects (₹637 crore on Major Irrigation and ₹170 crore on Minor Irrigation), ₹1,244 crore on Flood Control Projects and ₹5,035 crore on Power Projects. Apart from above, the Government invested ₹5,290 crore in various Corporations/Companies/Societies.

Sl. No.	Sector	Amount (₹ in crore)	Percentage
1.	General Services - Police, Land Revenue etc.	3,311	15
2.	Social Services - Education, Health & Family Welfare Water Supply, Welfare of SC/ST etc.	4,061	18
3.	Economic Services - Agriculture, Rural Development Irrigation, Co-operation, Energy, Industries, Transport etc.	13,686	61
4.	Loans and Advances Disbursed	1,471	6
	Total	22,529	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

Sl. No.	Sector	2014-15	2015-16	2016-17	2017-18	2018-19
1.	General Services	1,749	3,617	2,090	2,765	3,311
2.	Social Services	1,673	2,740	3,592	4,258	4,061
3.	Economic Services	14,728	17,609	21,526	21,884	13,686
4.	Loans and Advances	369	621	114	243	1,471
	Total	18,519	24,587	27,322	29,150	22,529



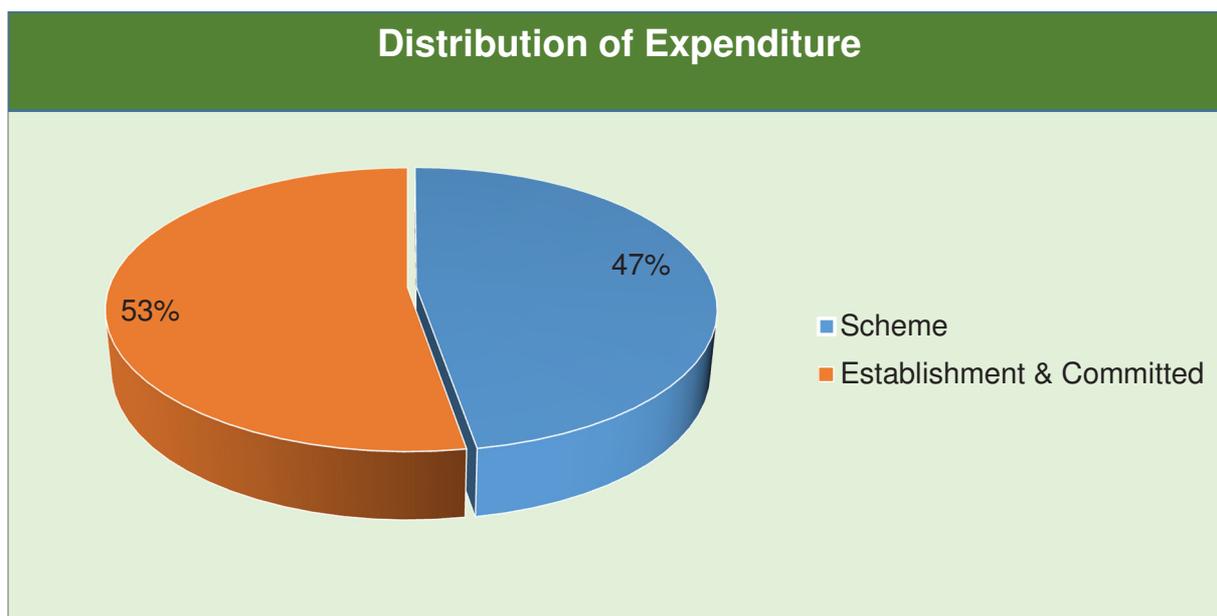
CHAPTER IV

ESTABLISHMENT & COMMITTED AND SCHEME EXPENDITURE

4.1 Distribution of Expenditure (2018-19)

(₹ in crore)

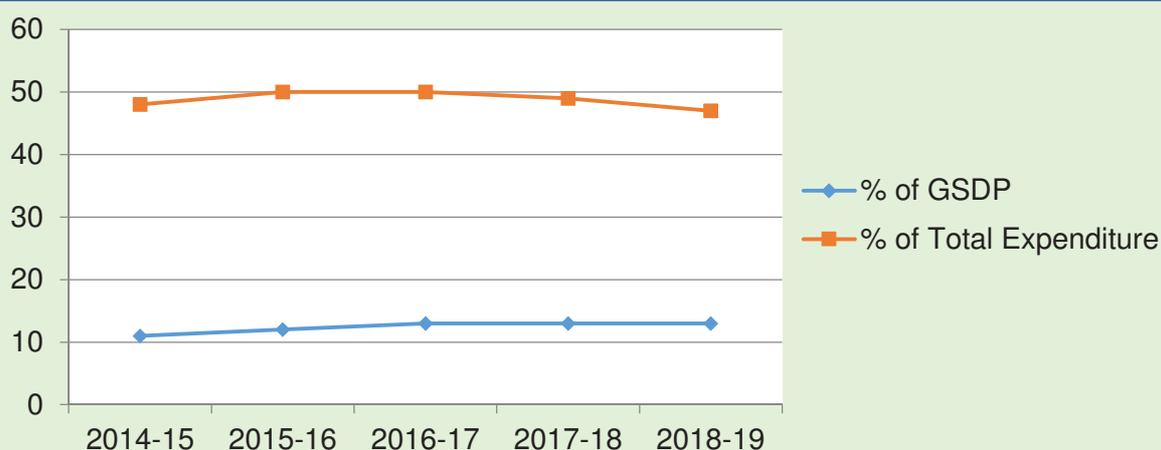
	Actual Expenditure
Scheme Expenditure (both revenue and capital)	69,772
Establishment & Committed Expenditure (both revenue and capital)	77,654



4.2 Scheme Expenditure

Scheme expenditure (both revenue and capital) during 2018-19 was ₹69,772 crore, constituting 47 per cent of total disbursements of ₹1,47,426 crore. This comprised, ₹27,970 crore under State Schemes, ₹39,972 crore under Centrally Sponsored Schemes, ₹423 crore under Central Area Schemes and ₹1,407 crore under Loans and Advances.

Scheme Expenditure as proportion of total expenditure and GSDP



4.2.1 Scheme expenditure under Capital Account

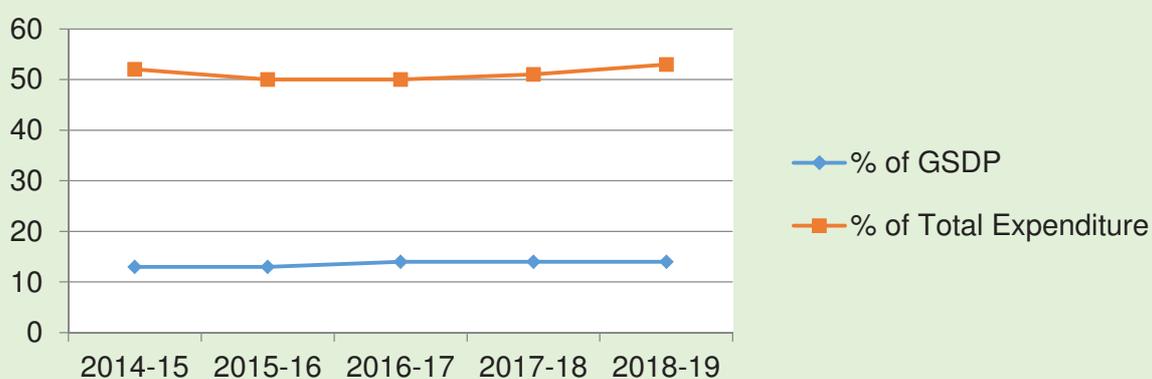
(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Total Capital Expenditure	18,519	24,587	27,322	29,150	22,529
Capital Expenditure (Scheme)	18,428	24,082	27,264	29,076	22,407
Per cent of Capital Expenditure (Scheme) to Total Capital Expenditure	99	98	99	99	99

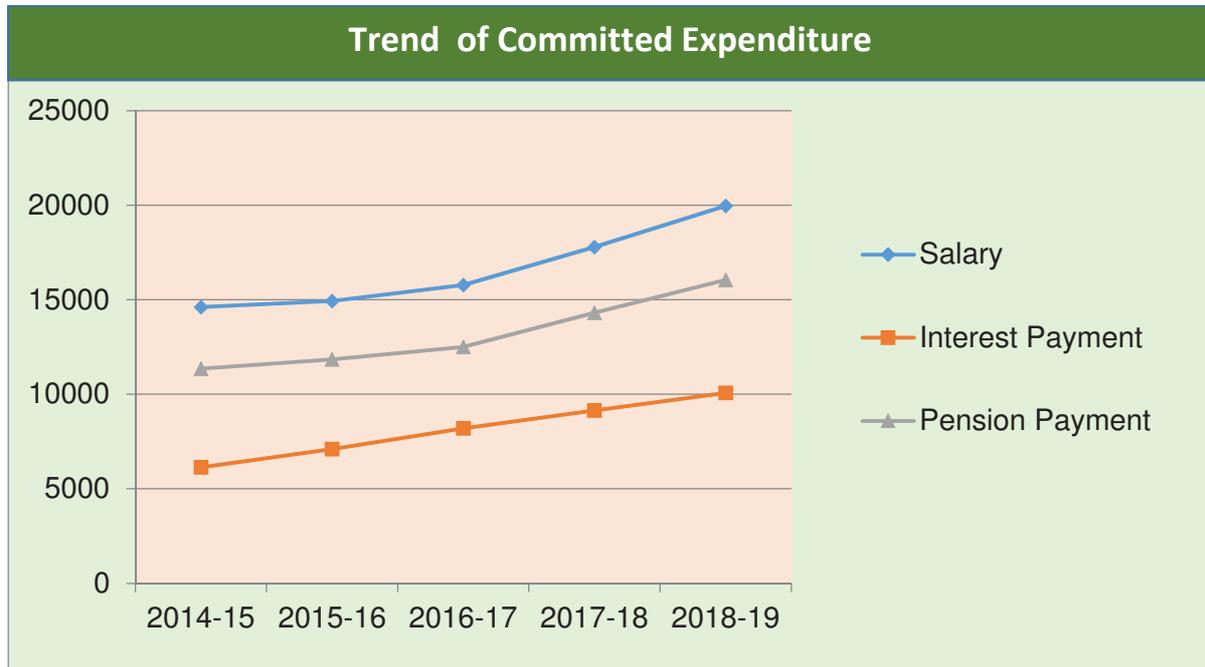
4.3 Establishment & Committed Expenditure

Establishment & Committed Expenditure during 2018-19 was ₹77,654 crore, constituting 53 per cent of total disbursements of ₹1,47,426 crore. This comprises ₹77,532 crore under Revenue, ₹59 crore under Capital ₹63 crore under Loans and Advances.

Establishment & Committed Expenditure as proportion of total expenditure and GSDP



4.4 Committed Expenditure



(₹ in crore)

Component	2014-15	2015-16	2016-17	2017-18	2018-19
Committed Expenditure	32,081	33,872	36,483	41,220	46,077
Revenue Expenditure	72,570	83,616	94,765	1,02,624	1,24,897
Revenue Receipts	78,417	96,123	1,05,585	1,17,447	1,31,794
<i>Per cent of committed expenditure to Revenue Receipts</i>	41	35	35	35	35
<i>Per cent of committed expenditure to Revenue Expenditure</i>	46	40	38	40	37

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

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2018-19

(₹ in crore)

Sl. No.	Nature of expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual expenditure	Saving (-) Excesses (+)
1.	Revenue						
	Voted	1,24,981	26,883	34,110	1,51,864	1,15,368	(-)36,496
	Charged	11,758	30	28	11,788	11,065	(-)723
2.	Capital						
	Voted	32,417	4,182	11,770	36,599	25,184	(-)11,415
	Charged	--	--	--	--	--	--
3.	Public Debt						
	Charged	7,326	0	1	7,326	7,230	(-)96
4.	Loans and Advances						
	Voted	507	1,406	441	1,913	1,471	(-)442
Total		1,76,989	32,501	46,350	2,09,490	1,60,318	(-)49,172

5.2 Trend of Savings / Excess during the past five years

(₹ in crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2014-15	(-)31,354	(-)10,558	(+)3	(-)2,017	(-)43,926
2015-16	(-)27,491	(-)7,014	(-)38	(-)470	(-)35,013
2016-17	(-)30,563	(-)10,194	(-)52	(-)542	(-)41,351
2017-18	(-)35,777	(-)10,051	(-)143	(-)425	(-)46,396
2018-19	(-)37,220	(-)11,415	(-)96	(-)442	(-)49,173

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 :

(Percentage of savings to total allocation)

Grant	Nomenclature	2014-15	2015-16	2016-17	2017-18	2018-19
1	Agriculture Department	44%	54%	43%	44%	43%
4	Cabinet Secretariat Department	26%	28%	21%	40%	38%
8	Art, Culture and Youth Department	35%	47%	35%	30%	32%
9	Co-operative Department	31%	33%	33%	21%	37%
25	Information Technology Department	79%	44%	24%	50%	56%
29	Mines and Geology Department	29%	37%	35%	36%	33%
30	Minorities Welfare Department	6%	9%	12%	49%	42%
37	Rural Works Department	25%	16%	5%	31%	66%
39	Disaster Management Department	59%	86%	67%	34%	66%
40	Revenue and Land Reforms Department	32%	33%	46%	37%	32%
42	Rural Development Department	54%	52%	44%	50%	33%
43	Science and Technology Department	45%	33%	18%	23%	31%
45	Sugar Industries Department	80%	29%	33%	58%	33%
46	Tourism Department	48%	31%	81%	16%	56%
48	Urban Development and Housing Department	46%	37%	27%	36%	38%
51	Social Welfare Department	34%	22%	29%	27%	35%

During 2018-19, supplementary grants totalling ₹18,282 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	Name of Department	Section	Original	Supplementary	Actual Expenditure
1	Agriculture Department	Revenue	2,702	557	1,823
2	Animal and Fisheries Resources Department	Revenue	719	217	687
3	Building Construction Department	Revenue	767	9	584
		Capital	3,194	475	2,650
4	Cabinet Secretariat Department	Revenue	355	3	235
5	Secretariat of the Governor	Revenue	20	2	19
7	Vigilance Department	Revenue	37	1	33
11	Backward Classes and Most Backward Classes Welfare Department	Revenue	1,512	43	1,212
12	Finance Department	Revenue	1,046	39	980
16	Panchayati Raj Department	Revenue	9,954	291	8,408
17	Commercial Tax Department	Revenue	155	1	114
18	Food and Consumer Protection Department	Revenue	1,347	19	1,111
19	Environment and Forest Department	Revenue	358	9	319
		Capital	55	2	31
20	Health Department	Revenue	6,699	1,524	6,344
21	Education Department	Revenue	31,686	5,250	26,977
		Capital	440	107	424
22	Home Department	Revenue	8,252	693	8,221
25	Information Technology Department	Revenue	175	89	91
26	Labour Resource Department	Revenue	722	4	551
27	Law Department	Revenue	887	36	770
28	High Court Of Bihar	Revenue	155	9	152

Grant	Name of Department	Section	Original	Supple- mentary	Actual Expenditure
29	Mines And Geology Department	Revenue	51	1	30
30	Minorities Welfare Department	Revenue	198	2	98
		Capital	240	20	167
32	Legislature	Revenue	176	8	171
33	Personnel and Administrative Reforms Department	Revenue	646	83	507
35	Planning and Development Department	Revenue	571	34	449
36	Public Health Engineering Department	Revenue	907	13	885
37	Rural Works Department	Revenue	1,203	1	1,005
		Capital	9,306	1,000	2,951
38	Registration, Excise and Prohibition Department	Revenue	185	20	162
40	Revenue and Land Reforms Department	Revenue	701	90	553
41	Road Construction Department	Revenue	1,416	2	930
42	Rural Development Department	Revenue	15,320	3,632	12,777
43	Science and Technology Department	Revenue	151	35	141
44	Scheduled Castes and Schedule Tribes Welfare Department	Revenue	1,382	82	1,023
46	Tourism Department	Revenue	45	15	32
48	Urban Development and Housing Department	Revenue	4,414	948	3,297
51	Social Welfare Department	Revenue	6,646	2,900	6,303
		Capital	194	16	43

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

The Finance Accounts of the Government do not depict valuation of Government assets except in the year of acquisition / purchase where they are recorded at their cost of acquisition. 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 in the share capital of non-financial Public Sector Undertakings (PSUs) stood at ₹28,327 crore at the end of 2018-19. However, dividends received during the year were ₹11.34 crore (i.e., 0.04 per cent) on investment. During 2018-19, investments increased by ₹5,290 crore, and dividend income increased by ₹10.00 crore.

Cash Balance with RBI stood at ₹17,443 crore on 31 March 2018 and decreased to ₹14,949 crore at the end of March, 2019.

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 :

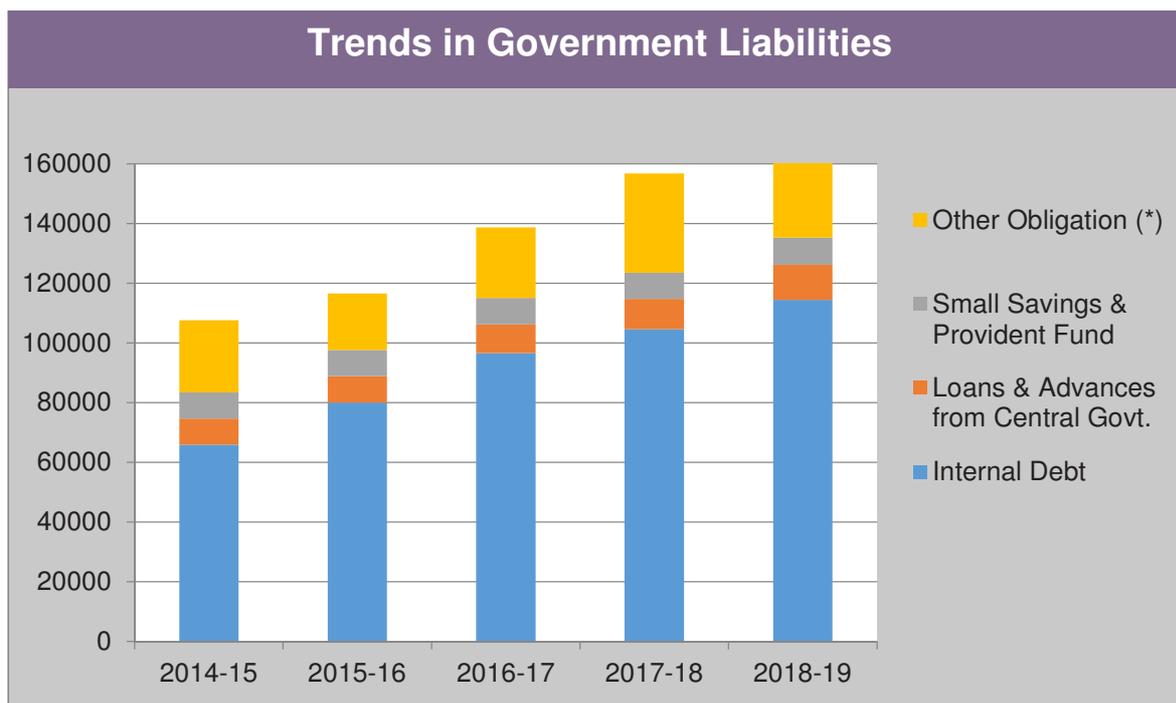
(₹ in crore)

Year	Public Debt	Percentage to GSDP	Public Accounts (*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2014-15	74,571	22	24,485	7	99,056	29
2015-16	88,829	24	27,749	8	1,16,578	32
2016-17	1,06,191	25	32,531	8	1,38,722	33
2017-18	1,14,707	23	42,070	9	1,56,777	32
2018-19	1,26,145	23	42,776	8	1,68,921	30

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹12,144 crore (8 per cent) in Public Debt and Other liabilities as compared to 2017-18.



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

6.3 Guarantees

The quantum of guarantees provided by the State Government towards repayment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies etc. are 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
2014-15	5,315	2,001	148
2015-16	9,397	6,309	229
2016-17	13,053	4,460	178
2017-18	20,234	5,174	97
2018-19	20,834	5,398	104

CHAPTER VII

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 ₹1,14,360 crore as on 31 March 2019.

7.2 Loans and Advances by the State Government

Out of total Loans and Advances of ₹22,640 crore made by the State Government at the end of 2018-19, ₹20,110 crore of Loans and Advances has been given to Government Corporations/Companies, Non-Government Institutes and Local Bodies. Recovery of Principal and of Interest amounting to ₹7,855 crore and ₹9,038 crore respectively is in arrears at the end of 31 March 2019. During 2018-19 only ₹1,825 crore has been received towards repayment of Loans and Advances, out of which, ₹19 crore relates to repayment of loans from Government Servants.

7.3 Financial assistance to Local Bodies and Others

During the past five years, Grants-in-aid to local bodies etc. increased from ₹22,359 crore in 2014-15 to ₹51,764 crore in 2018-19. Grants to Zila Parishads, Municipalities/Corporation and Panchayat Samities including Gram Panchayat (₹9,277 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 Samities including Gram Panchayat	Others*	Total
2014-15	1,173	659	1,253	19,274	22,359
2015-16	1,174	1,311	2,004	21,937	26,426
2016-17	725	1,700	1,934	31,850	36,209
2017-18	2,612	1,320	4,961	34,466	43,359
2018-19	1,749	1,759	5,769	42,487	51,764

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

7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2018	As on 31 March 2019	Net increase (+) / decrease (-)
Cash Balances	47	157	110
Investments from cash balances (GOI Treasury Bills)	17,396	14,792	(-)2,604
Other cash balance			
i) Departmental Balance	186	235	49
ii) Permanent Cash Imprest	342	759	417
Investment from earmarked fund balances	4,111	4,895	784
(a) Sinking fund	4,111	784	(-)3,327
(b) Guarantee Redemption Fund	--	--	--
(c) Other funds	--	--	--
* Interest Realised	800	909	109

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

State Government had a positive closing cash balance at the end of 2018-19. Interest receipt on these investments has been increased by 109 per cent.

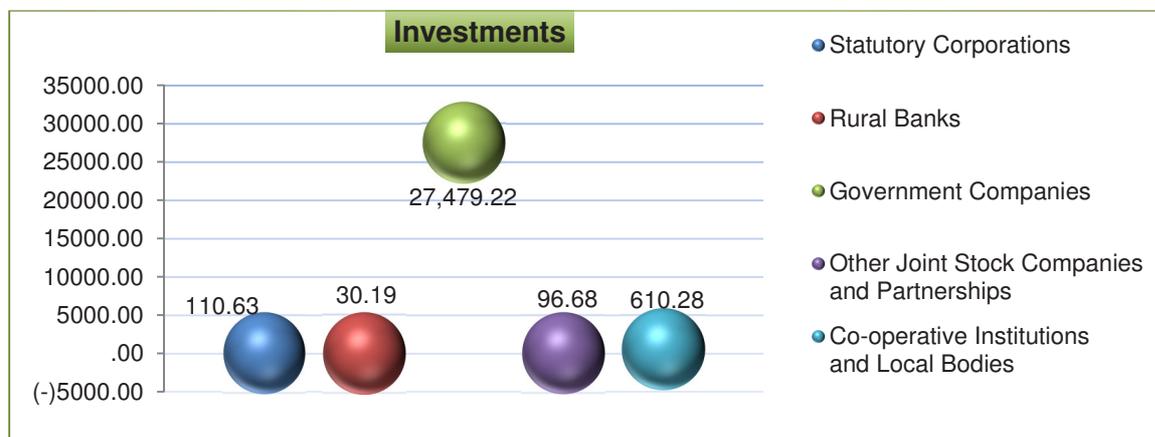
7.5 Submission of Accounts by Accounts rendering units

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 5th of the following month in the case of Treasury Accounts and 10th of the following month in case of Forest and Public Works Accounts. 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.

Apart from exclusion in monthly accounts during the year no accounts were excluded at the end of the financial year.

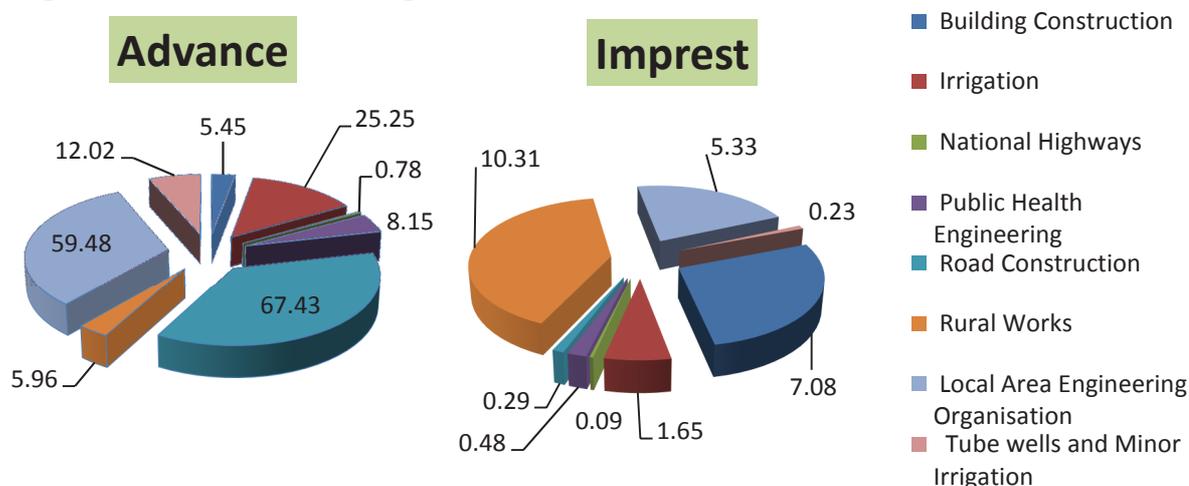
7.6 Investments

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions. As per the accounts Government has invested ₹28,327.00 crore at the end of 2018-19.



7.7 Status of Temporary Advance and Imprest

As per Rule 177 of the Bihar Treasury Code 2011, no money should be withdrawn from the treasury unless it is required for immediate payment. If under special circumstances, money is drawn in advance, the unspent balance of the amount so drawn should be refunded to the treasury by short drawal in the next bill or with a challan at the earliest and in any case before the end of the financial year in which the amount is drawn. As on 31 March 2019, ₹184.52 crore, which should have been refunded to the treasury in terms of these instructions, remained outstanding as unadjusted advance. Apart from this, an amount of ₹25.46 crore was also kept in Works Divisions as imprest.



7.8 Unadjusted Abstract Contingent (AC) Bills

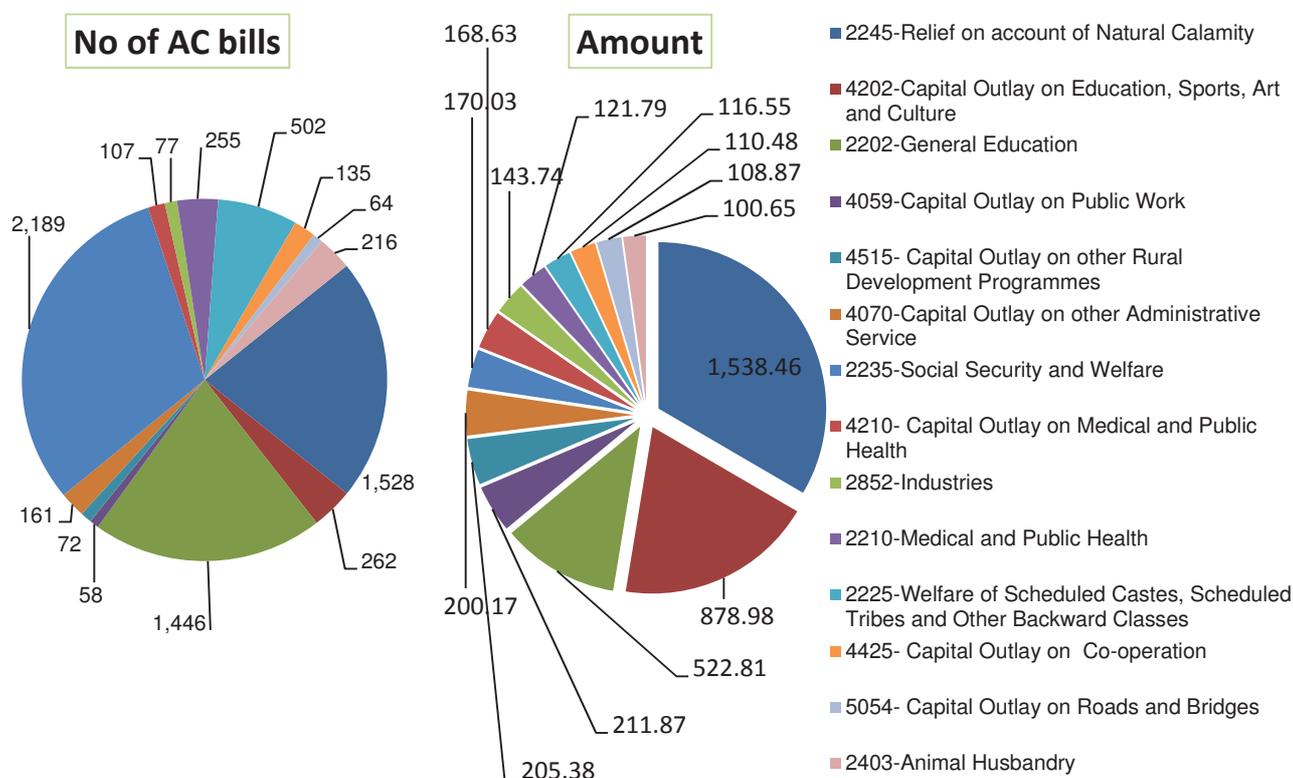
In terms of the Bihar Treasury Code 2011, the Drawing and Disbursing Officers are authorised to draw sums of money through AC bills to meet unforeseen expenditure, by debiting service Major Heads against which, they are required to present Detailed Contingent (DC) bills along with vouchers in support of final expenditure to the Accountant General within six months of the drawal of the AC bill. Delayed submission of DC bills renders the expenditure under AC bills opaque. Details of AC bills unadjusted as on 31 March 2019 are given below:

(₹ in crore)

Year	Number of pending DC bills	Amount
Upto 2016-17	12,823	2,591.75
2017-18	1,259	2,593.20
2018-19	1,413*	585.60
Total	15,495	5,770.55

* 1,380 AC bills amounting to ₹553.20 crore out of 1,413 AC bills will be due after 31 March 2019.

Major part of the pending AC bills pertains to :-



453 AC bills amounting to ₹631.50 crore were drawn in 2018-19, in which 1,140 AC bills amounting to ₹296.97 crore (47.03 per cent of the total amount drawn against AC bills in 2018-19) were drawn in March 2019 alone, and of this, 28 AC bill amounting to ₹2.16 crore was drawn on the last day of the financial year. Out of 1,453 AC bills, 68 AC bills amounting to ₹266.19 crore (42.15 per cent of the total amount drawn against AC bills in 2018-19) were drawn under various capital heads of accounts during the year 2018-19. Substantial expenditure against AC bills in March indicates that the drawal was primarily to exhaust the budget provisions and reveals inadequate budgetary control.

7.9 Utilisation Certificates for Grants-in-aid

According to Rule 342 of the Bihar Financial Rules as amended by the Finance Department vide Resolution No. M.04-15/2009-9736/F(2) dated 19 October 2011, the sanctioning authority shall obtain Utilisation Certificates (UCs) from the grantee and send it to the Accountant General within 18 months of the drawal of the grant. Details of Grants-in-aid given during the year have been shown in **Appendix-III** of the Finance Accounts (Volume II).

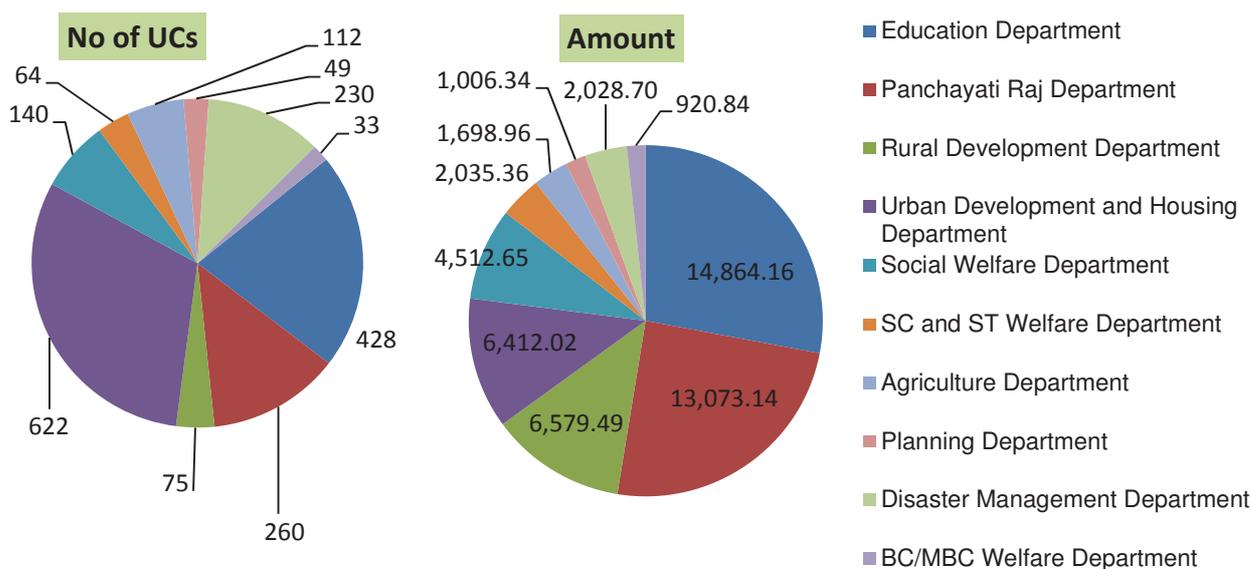
The status of outstanding UCs as on 31 March 2019 is mentioned below:

(₹ in crore)

Year(*)	Number of Utilisation Certificate awaited	Amount
Upto 2016-17	1,812	19,847.73
2017-18	484	17,895.52
2018-19	157	17,661.84
Total	2,453	55,405.09

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

As on 31 March 2019, 2,453 UCs amounting to ₹55,405.09 crore were due. Major defaulting departments which have not been submitted UCs are:-



UCs outstanding beyond the specified period indicates absence of assurance on utilization of the grants for intended purposes and within the stipulated time period.

7.10 Personal Deposit (PD) Accounts

This account shall only be used for special cases where public interest requires speed of expenditure which is not possible through the normal treasury procedure or there are a large number of small beneficiaries dispersed in interiors such that direct disbursement through the treasury is not practicable. Rule 344 of Bihar Treasury Code 2011 read with Finance Department notification memo no. M-4-12/2013(part-I)-6487/F dated 21/07/2014 envisages that the deposit administrator shall review all Personal Deposit Accounts at the end of the each financial year. Money lying unspent after five consecutive financial years (including the financial year in which the money was withdrawn) should not be spent and the balance should be transferred to the Consolidated Fund as reduction of expenditure to the concerned service head.

175 PD Accounts existed in Bihar as on 31 March 2019. In terms of Bihar Government Letter No 11262 dated 5.10.2010, Personal Deposit Accounts which have not been operated for a continuous period of three years are to be closed. Contrary to the above instructions of the Government, 95 PD Accounts having balance of ₹27.73 crore, which were in-operative over the last three years were not closed. Out of these 95 PD Accounts, 90 PD Accounts have zero balances.

As per Rule 353(b) of Bihar Treasury Code, 2011, the administrators of all local funds shall send to the Treasury Officer, certificate of acceptance of balances at the credit of the funds by the 30th April each year for the previous financial year, for forwarding them after verification to the Accountant General as early as possible. However, only 10 Treasuries have sent the certificate for 23 PD Accounts, received from Administrators, to the Principal Accountant General.

Details of Personal Deposit accounts received from the 56 State treasuries are as under:

(₹ in crore)

Particulars	No. of PD Accounts	Amount
As on 1 April 2018	174	5,888.45
Opened during the year	1	0.00
Closed during the year	0	0.00
Total	175	5,888.45
Receipt during the year	46	1,417.50
Payment during the year	59	2,928.83
As on 31 March 2019	175	4,377.12

7.11 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 Principal 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 ₹ 27,106 crore of expenditure against the total expenditure of ₹1,45,955 crore (Revenue and Capital) i.e., 19 per cent of the total expenditure and for ₹1,15,955 crore of receipt against the total receipt of ₹1,31,794 crore (Revenue and Capital) i.e. 88 per cent of the total receipts during the year 2018-19. Major defaulting Departments are:-

Revenue and Land Reforms Department (0029, 2029)	Registration, Excise and Prohibition Department (0039, 2039)	Commercial Tax Department (0040, 2040)	Transport Department (0040, 2040)
Home (Police) Department (0041, 2041)	Building and Construction Department (0055, 2055)	Finance Department (2071)	Education Department (0202, 2202)
Health Department (0210, 2210)	Rural Development Department (0215, 2215)	Urban Development and Housing Department (0216, 2216)	Social Welfare Department (0235, 2235)
Agriculture Department (0401, 2401)	Animal and Fisheries Resources Department (0405, 2405)	Environment and Forest Department (0406, 2406)	Panchayati Raj Department (0515, 2515)
Water Resource Department (0700, 2700)	Minor Water Resource Department (0702, 2702)	Road Construction Department (1054, 3054)	Food and Consumer Protection Department (1456, 3456)

7.12 Rush of Expenditure

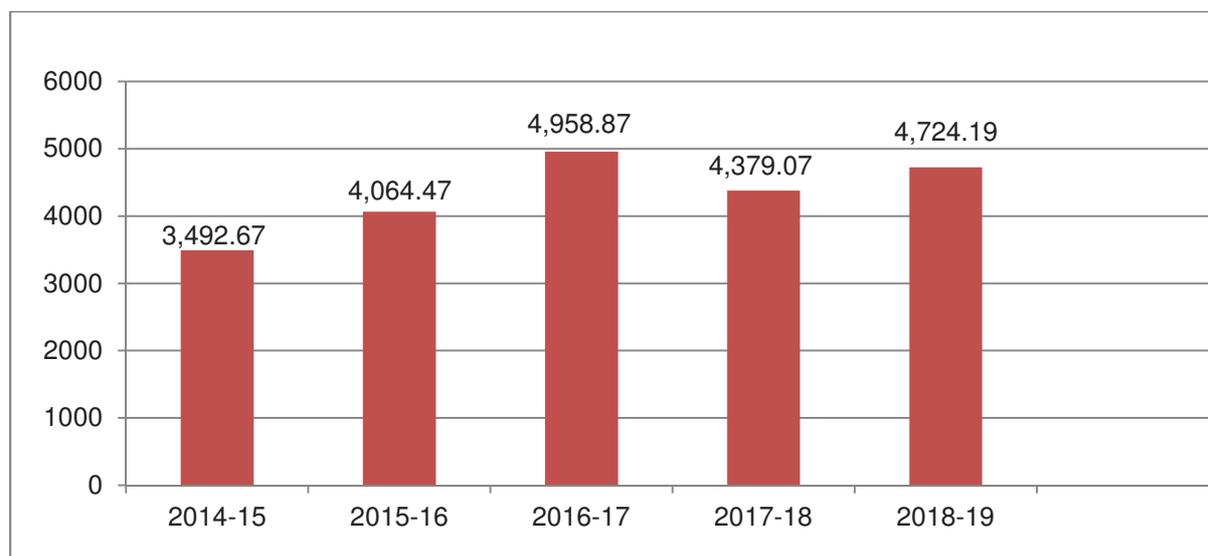
Rule 113 of the Bihar Budget Manual stipulate that rush of expenditure, particularly in the closing month of the financial year, shall be regarded as a breach of financial regularity and should be avoided. It was, however, noticed that 14 Departments of the State Government have incurred more than thirty *per cent* of their total expenditure during March 2019:-

(₹ in crore)

Grant No.	Description	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total	During March 2019	Percentage of expenditure in March 2019 w.r.t. total expenditure of 2018-19
01	Agriculture Department	49.96	360.45	408.41	1,375.99	2,194.81	869.84	39.63
03	Building Construction Department	78.12	448.03	365.74	2,342.05	3,233.94	1,425.04	44.07
04	Cabinet Secretariat Department	22.90	45.00	37.91	128.86	234.67	104.79	44.65
06	Election Department	3.80	13.36	16.84	81.46	115.46	59.73	51.73
09	Co-operative Department	25.39	515.89	36.62	901.43	1,479.33	815.13	55.10
10	Energy Department	1,421.14	3,662.42	1,532.87	5,501.48	12,117.91	3,976.99	32.82
19	Environment and Forest Department	16.81	50.29	56.64	226.26	350.00	181.60	51.89
25	Information Technology Department	0.54	12.04	18.79	141.38	172.75	84.00	48.63
41	Road Construction Department	246.35	1,650.80	976.65	3,611.43	6,485.23	2,028.26	31.28
43	Science and Technology Department	21.35	28.95	43.01	156.78	250.09	87.11	34.83
45	Sugar Industries Department	7.38	16.42	31.10	114.56	169.46	76.49	45.14
47	Transport Department	6.90	10.83	24.07	1,120.40	1,162.20	1,063.32	91.49
48	Urban Development and Housing Department	53.43	684.09	705.25	1,857.25	3,300.02	1,031.67	31.26
50	Minor Water Resource Department	35.30	67.92	108.84	392.38	604.44	347.91	57.56

7.13 Suspense Accounts Balances

During the past five years, balances under suspense accounts increased from ₹3,493 crore in 2014-15 to ₹4,724 crore in 2018-19.



Details of balances under major suspense accounts for the past 5 years are as under:

(₹ in crore)

Suspense Accounts	2014-15	2015-16	2016-17	2017-18	2018-19
Pay and Accounts Office Suspense	245.63	270.29	296.05	335.27	314.56
Suspense Accounts (Civil)	3,141.06	3,690.31	4,376.04	3,749.28	3,956.07
Cash Settlement Suspense Accounts	32.29	32.29	32.29	32.29	32.29
Reserve Bank Suspense (Headquarters)	263.83	266.28	265.26	261.88	264.58
Reserve Bank Suspense (Central Accounts Office)	340.66	347.52	370.41	382.10	385.43
Departmental Adjusting Account	104.45	104.45	104.45	104.41	104.41
Tax Deducted at Source (TDS) Suspense	629.29	640.99	480.28	481.00	328.36
Material Purchase Settlement Suspense Accounts	66.11	66.11	66.11	66.11	66.11

7.14 Commitments on account of Incomplete Capital Works

A total expenditure of ₹1,673 crore as per Appendix IX in Volume II of the Finance Accounts was incurred up to the year 2018-19 by the State Government on various incomplete projects against an original estimated cost of ₹6,614 crore.

A summarized view on commitments on account of 'Incomplete Capital Works' is furnished below:-

(₹ in crore)

Sl. No.	Name of Works Departments	Estimated Cost of Work	Expenditure during the year	Progressive Expenditure during the year	Pending Payments	Estimated Cost after revision
1	Water Resource Department	480.90	101.17	115.05	105.48	-
2	Public Health Engineering Department	204.63	11.80	93.04	111.58	-
3	Building Construction Department	1,846.33	324.72	408.84	77.83	-
4	Local Area Engineering Organisation	237.98	100.02	108.08	130.60	-
5	Road Construction Department	3,828.04	714.98	939.02	2,067.36	-
6	Rural Works Department	16.49	6.36	8.64	7.80	-
Total		6,614.37	1,259.05	1,672.67	2,500.65	-

7.15 Compliance of Indian Government Accounting Standards (IGASs)

The Indian Government Accounting Standards (IGASs) specify the disclosure requirements in financial statements of the Union and State Governments. Three IGASs have been notified by the Government of India. The status of compliance in respect of these IGASs is as under:

IGAS- I- Guarantees given by the Government: Requirements regarding disclosure in the Finance Accounts have been complied with. Statement 9 and 20 of the Finance Accounts show the details of Guarantees given by the State Government.

IGAS-2- Accounting and Classification of Grants-in-Aid: Requirements regarding Accounting and Classification of Grants-in-aid received or given by the State Government have been met. Statement 10 is prepared as per the requirements of IGAS-2.

IGAS-3 Loans and Advances made by the Government: Required disclosures are made in Finance Accounts. Statement 7 and 18 are prepared as per the requirements of IGAS-3. However, disclosure regarding 'Repayment in arrears from other Loanee Entities', 'Write-off of irrecoverable loans and advances' and 'Cases of a loan having been sanctioned as Loan in Perpetuity' could not be made as these information were not provided by the State Government.

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