

सत्यमेव जयते

# ACCOUNTS AT A GLANCE 2020-21



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



Government of Bihar



# **ACCOUNTS AT A GLANCE**

**for the year 2020-21**

**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: 23 December 2021

## 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



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## OVERVIEW

### 1.1 Introduction

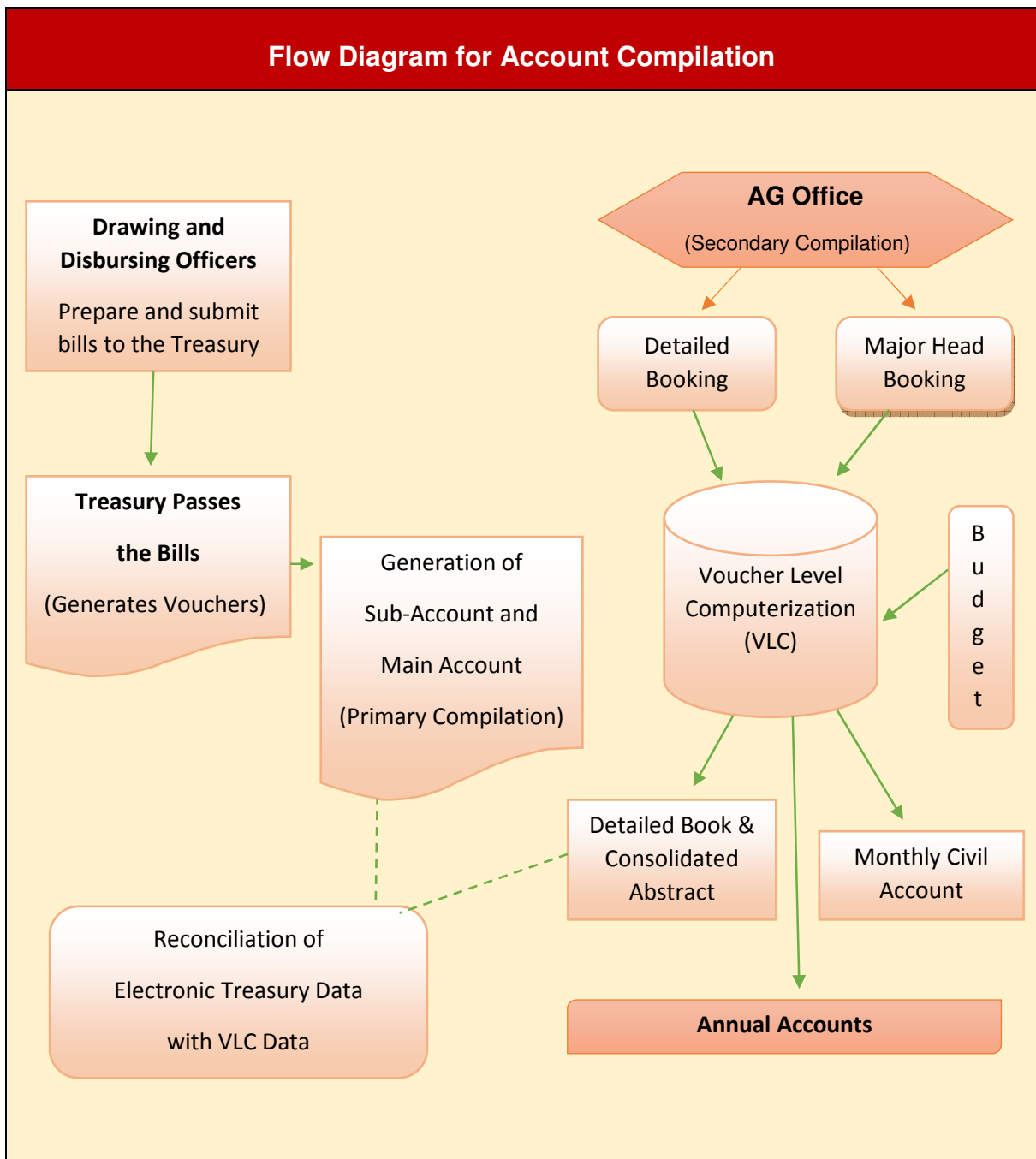
The Pr. Accountant General (Accounts and Entitlement), Bihar collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Bihar. The compilation is done from the initial accounts rendered by the Treasuries, accounts rendered by the other states/accounting offices through their monthly accounts and advices of the Reserve Bank of India. The accounts of Public Works & Forest Division have been merged with Treasury Accounts after implementation of CFMS w.e.f. 01.04.2019. Every month a Monthly Civil Account is presented by the office of the Pr. Accountant General (A&E) to the Government of Bihar. The yearlong compilation activity culminates into preparation of the annual Finance Accounts and Appropriation Accounts. They are subjected to audit by the 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:

<b>Part 1 CONSOLIDATED FUND</b>	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.
<b>Part 2 CONTINGENCY FUND</b>	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.
<b>Part 3 PUBLIC ACCOUNT</b>	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).

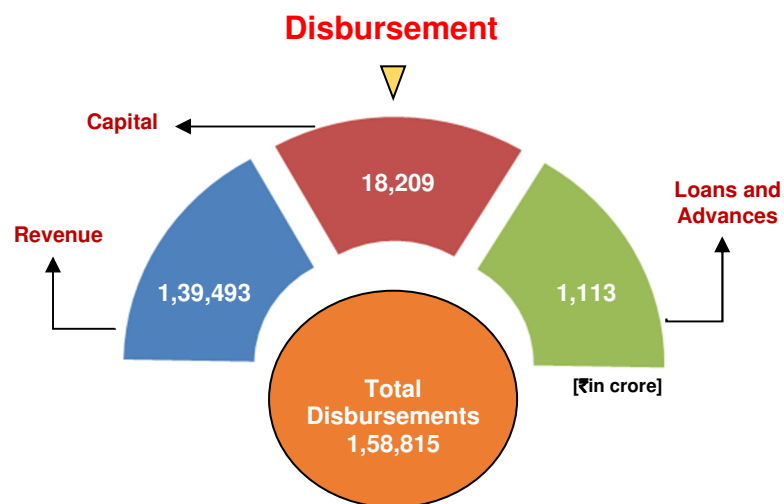
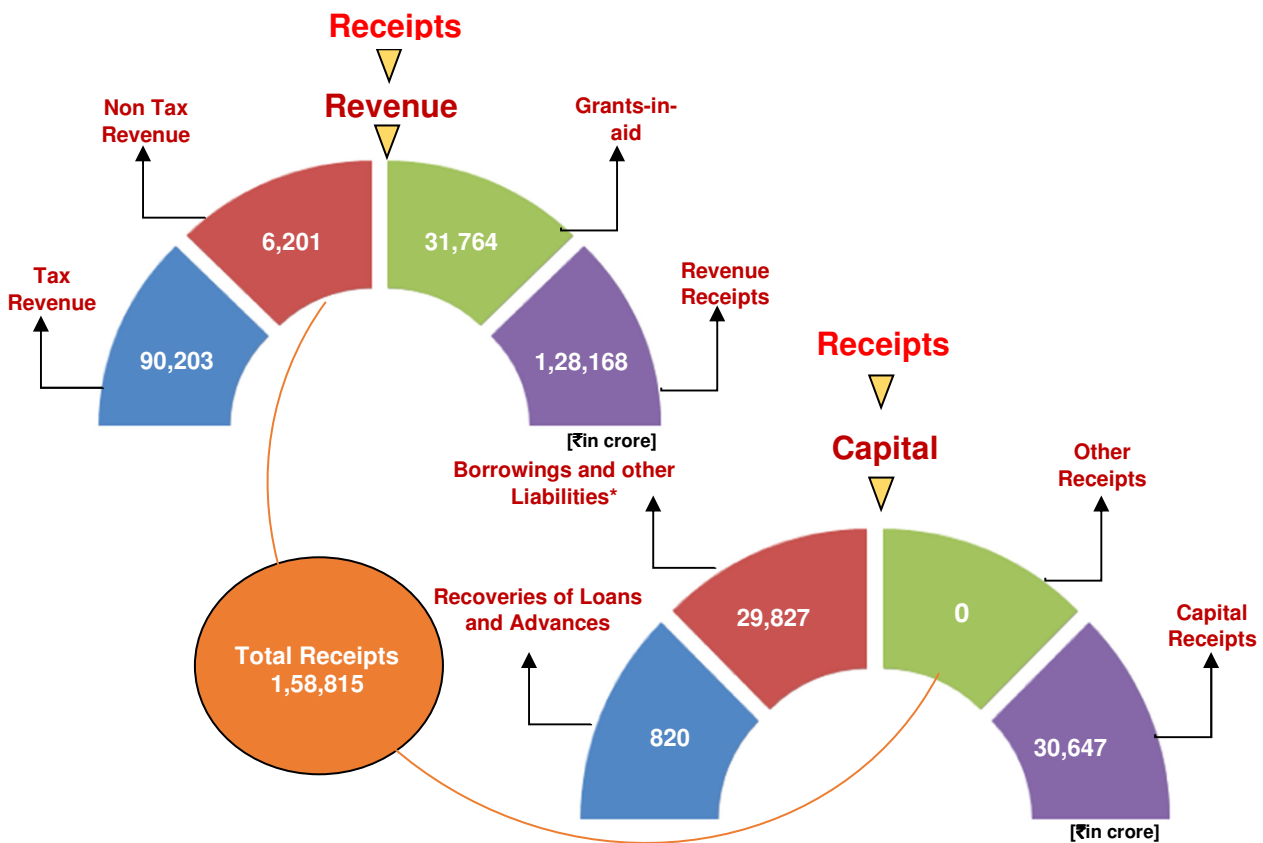
The Union Government transfers substantial funds directly to State Implementing Agencies/ NGOs for implementation of various schemes and programmes. During the year 2020-21, the Government of India (GoI) released ₹16,441 crore directly (₹10,170 crore last year) to the implementing agencies in Bihar. 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 2020-21.

	Budget Estimate	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP (*)
	(₹ in crore)			
1. Tax Revenue (including Central Share)	1,25,931	90,203	72	15
2. Non-Tax Revenue	5,239	6,201	118	1
3. Grant-in-aid and Contributions	52,754	31,764	60	5
4. Revenue Receipts (1+2+3)	1,83,924	1,28,168	70	21
5. Recovery of Loans and Advances	428	820	192	0
6. Other Receipts	-	-	-	-
7. Borrowings and other Liabilities	20,374	29,827	146	5
8. Capital Receipts (5+6+7)	20,802	30,647	147	5
9. Total Receipts (4+8)	2,04,726	1,58,815	78	26
10. Revenue Expenditure	1,64,751	1,39,493	85	23
11. Expenditure on Interest Payments (out of Revenue Expenditure)	12,925	12,484	97	2
12. Capital Expenditure	38,745	18,209	47	3
13. Loans and Advances Disbursed	1,230	1,113	90	0
14. Total Expenditure (10+12+13)	2,04,726	1,58,815	78	26
15. Revenue Surplus/Deficit (4-10)	19,173	11,325	59	2
16. Fiscal Deficit (4+5-14)	20,374	29,827	146	5

\* GSDP of 2020-21 was ₹6,18,628 crore.

## Receipts and disbursement in year 2020-21



\*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, 2020-21, had provided for gross expenditure of ₹2,45,522 crore and reduction of expenditure (recoveries) of ₹0.01 crore. Against this, the actual gross expenditure was ₹1,67,915 crore and reduction of expenditure was ₹2,219 crore, resulting in net savings of ₹77,607 crore (31.61 per cent) and an under-estimation of ₹2,219 crore on reduction of expenditure. The gross expenditure includes ₹4,834 crore drawn on Abstract Contingent (AC) Bills, out of which ₹4,834 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 2020-21, 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 2020-21, the Government of Bihar had maintained the minimum balance without taking any advance.

### 1.4.3 Funds flow statement

The State had a Revenue Deficit of ₹11,325 crore and a Fiscal Deficit of ₹29,827 crore representing 1.83 per cent and 4.82 per cent of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 18.78 per cent of total expenditure. This deficit was met from Public Debt (₹29,035 crore), Surplus in Public Account ₹506 crore and net of opening and closing cash balance ₹286.28 crore. A sum of ₹53,958 crore which was 42.10 per cent of the revenue receipts (₹1,28,168 crore) of the State Government was spent on committed expenditure like salaries (₹21,802 crore), interest payments (₹12,484 crore) and pension (₹19,672 crore).

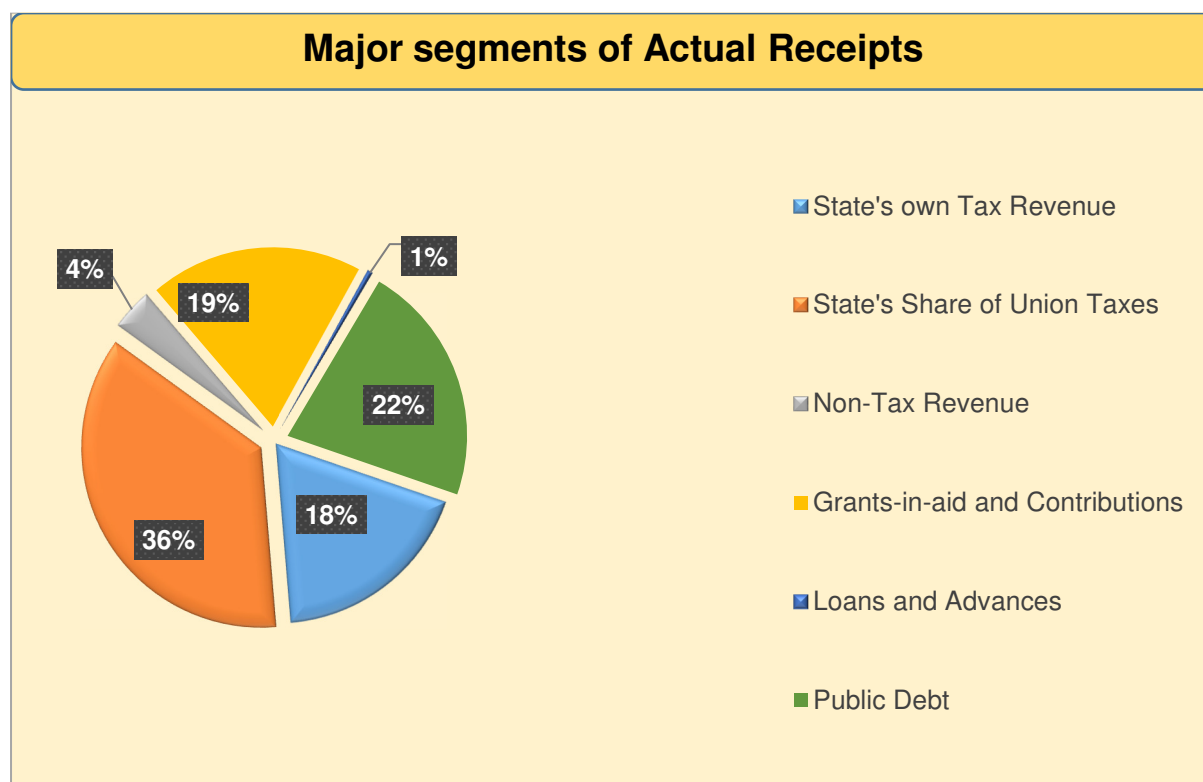
#### Sources and Application of Funds

(₹ in crore)

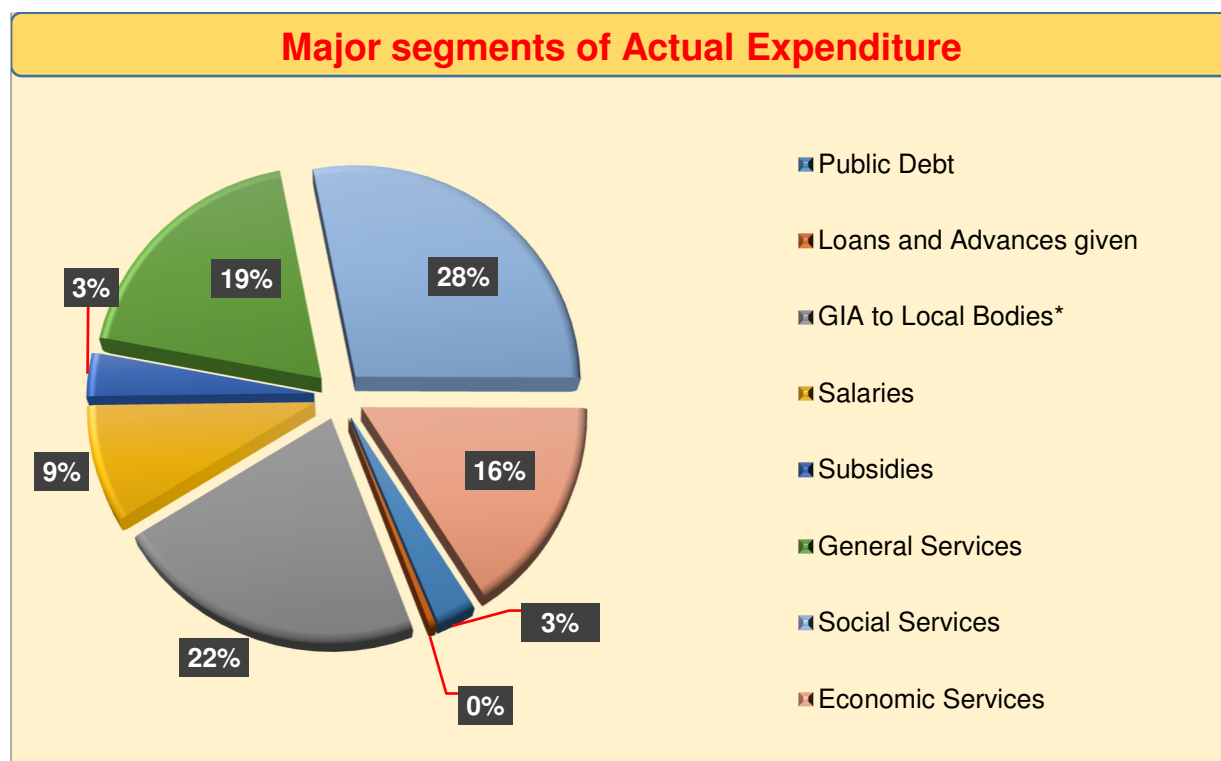
	Particulars	Amount
<b>SOURCES</b>	Opening Reserve Bank Cash Balance as on 1 April 2020	588
	Revenue Receipts	1,28,168
	Recovery of Loans & Advances	820
	Public Debt	35,915
	Small Savings, Provident Fund & Others	2,384
	Reserves & Sinking Funds	2,441
	Deposits Received	67,691
	Civil Advances Repaid	0
	Suspense Account	4,74,080
	Remittances	5
	Contingency Fund	0
	<b>Total</b>	<b>7,12,092</b>

<b>APPLICATION</b>	Revenue Expenditure	1,39,493
	Capital Expenditure	18,209
	Loans Given	1,113
	Repayment of Public Debt	6,880
	Small Savings, Provident Fund and Others	2,218
	Reserves & Sinking Funds	2,089
	Deposits Spent	63,430
	Civil Advances Given	0
	Suspense Account	4,79,151
	Remittances	(-)793
	Closing Reserve Bank Cash Balance as on 31 March 2021	302
	<b>Total</b>	<b>7,12,092</b>

### 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 2020-21

	Budget Estimate (B.E.) 2020-21	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP (\$)
	(₹ in Crore)			
1. State's own Tax Revenue	34,750	30,342	87	5
2. State's Share of Union Taxes	91,181	59,861	66	10
3. Non-Tax Revenue	5,239	6,201	118	1
4. Grant-in-aid and Contributions	52,754	31,764	60	5
<b>5. Revenue Receipts (1+2+3+4)</b>	<b>1,83,924</b>	<b>1,28,168</b>	<b>70</b>	<b>21</b>
6. Other Receipts	-	-	-	-
7. Recovery of Loans and Advances	428	820	192	0
8. Borrowings and other Liabilities (A)	20,374	29,827	146	5
<b>9. Capital Receipts (6+7+8)</b>	<b>20,802</b>	<b>30,647</b>	<b>147</b>	<b>5</b>
<b>10. Total Receipts (5+9)</b>	<b>2,04,726</b>	<b>1,58,815</b>	<b>78</b>	<b>26</b>
11. Establishment & Committed Expenditure (*)	98,960	95,411	96	16
12. Revenue Account	98,784	95,292	96	16
13. Interest Payments out of 12	12,925	12,484	97	2
14. Capital Account	176	119	68	0
15. Scheme Expenditure (*)	1,05,766	63,404	60	10
16. Revenue Account	65,967	44,201	67	7
17. Capital Account	39,799	19,204	48	3
<b>18. Total Expenditure (11+15)</b>	<b>2,04,726</b>	<b>1,58,815</b>	<b>78</b>	<b>26</b>
<b>19. Revenue Expenditure (12+16)</b>	<b>1,64,751</b>	<b>1,39,493</b>	<b>85</b>	<b>23</b>
<b>20. Capital Expenditure (14+17) (#)</b>	<b>39,975</b>	<b>19,323</b>	<b>48</b>	<b>3</b>
<b>21. Revenue Surplus/Deficit (5-19) (@)</b>	<b>19,173</b>	<b>11,325</b>	<b>59</b>	<b>2</b>
<b>22. Fiscal Deficit (5+6+7-18) (@)</b>	<b>20,374</b>	<b>29,827</b>	<b>146</b>	<b>5</b>

(\$) Gross State Domestic Product (GSDP) figure of ₹6,18,628 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 (₹18,209 crore), Loans and Advances disbursed (₹1,113 crore).

(\*) Includes ₹104 crore under Establishment and Committed Expenditure and ₹1,010 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 Deficit and Fiscal Deficit includes expenditure under UDAY.



## What do the Deficits and Surpluses indicate?

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

### 1.6 Fiscal Responsibility and Budget Management Act, 2006

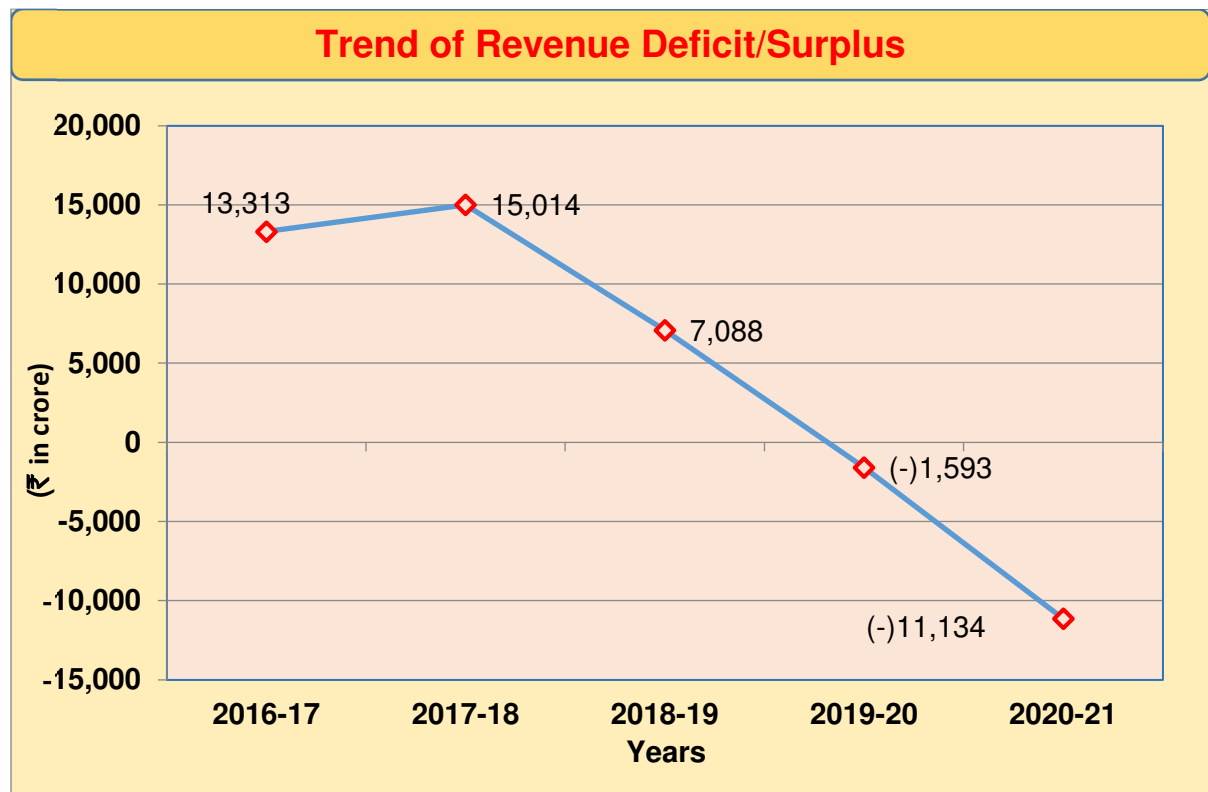
In terms of Section 9 of the Bihar Fiscal Responsibility and Budget Management (FRBM) Act 2006, the Government of Bihar presented the Medium Term Fiscal Policy and Strategy Statement along with the State Budget for 2020-21. The targets mentioned in the Act and achievements in 2020-21 as depicted in the Accounts are as follows:

Sl. No.	Targets	Achievements during the year as per the accounts and Gross State Domestic Product (GSDP)
1	Attain Revenue Surplus in 2007-08 and maintain surplus thereafter.	In FY- 2020-21, the State has Revenue deficit of ₹11,325.11 crore (1.83 <i>per cent</i> of GSDP).
2	Fiscal deficit shall not exceed 2.97 <i>per cent</i> during the period 2020-21 of GSDP. (State Government vide its letter no- 674 dated-20.09.2021 informed that a limit of fiscal deficit has been increased to 5.00 <i>per cent</i> of GSDP for the period 2020-21).	During the FY- 2020-21, the State has fiscal deficit of ₹29,827.25 crore which is 4.82 <i>per cent</i> of GSDP.
3	Outstanding debt expressed as percentage of GSDP shall be less than 23.90 <i>per cent</i> of GSDP during 2020-21(State Government vide its letter of even No. dated 20.09.2021 informed that the limit of outstanding debt has been increased to 41.20 <i>per cent</i> of GSDP by recommendation of 15 <sup>th</sup> Finance Commission).	Debt and outstanding liabilities (₹2,27,195.49 crore) was 36.73 <i>per cent</i> of GSDP estimate during 2020-21.
4.	Primary Deficit	Primary Deficit is ₹17,343.23 crore.

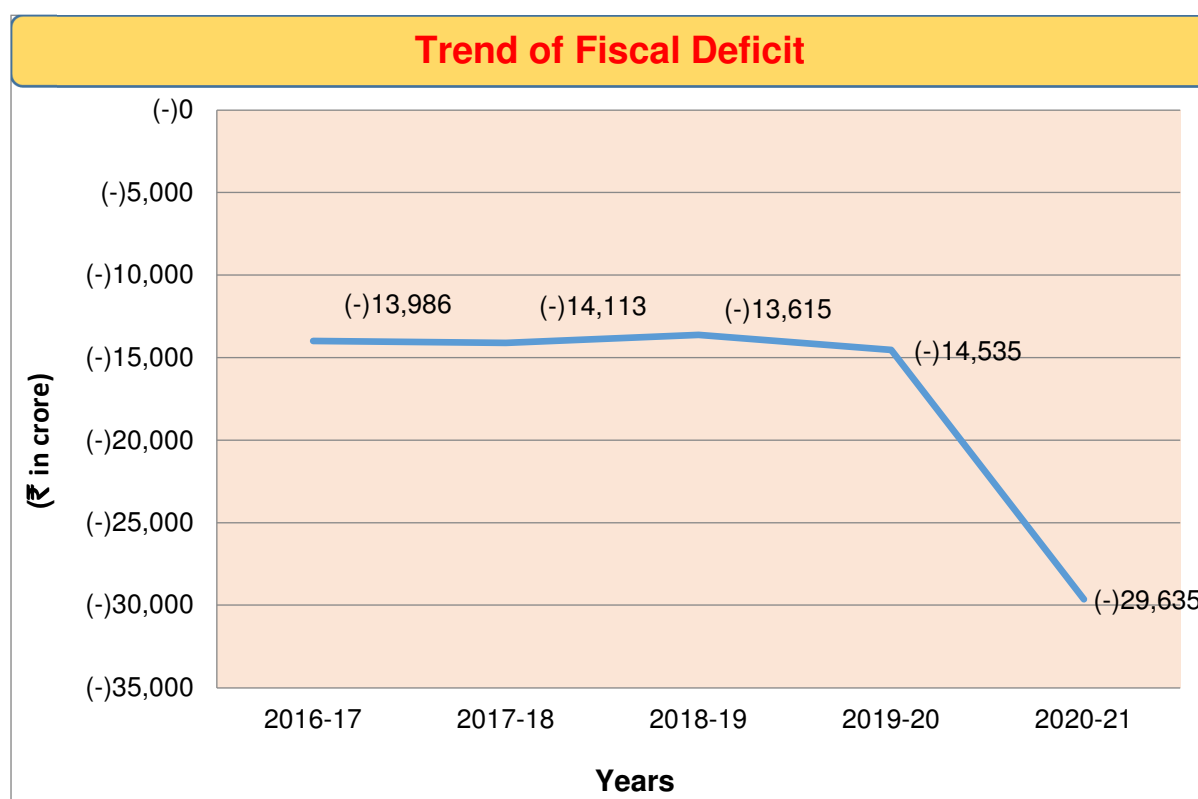
The Fiscal Deficit of ₹29,827.25 crore was financed by way of (i) Internal debt (Market borrowing, Loans from financial Institution etc.) ₹23,475.41 crore, (ii) Loans and Advances from the Central Government ₹5,559.18 crore, (iii) Small Savings, Provident Fund etc. ₹166.29 crore (iv) Deposit and Advances ₹4,260.97 crore, (v) Sinking Funds and Reserve Funds ₹351.79 crore, (vi) Suspense and Miscellaneous ₹(-)4,833.20 crore, (vii) Remittances ₹798.44 crore, (viii) Cash Balance ₹(-)286.28 crore. The total debt and other obligations of the Government has been reduced by Cash Balance Investment of ₹237.91 crore.

GSDP of Bihar for 2020-21 as available from Ministry of Statistics and Programme Implementation is ₹6,18,628.00 crore. Outstanding debt includes all debts and other liabilities.

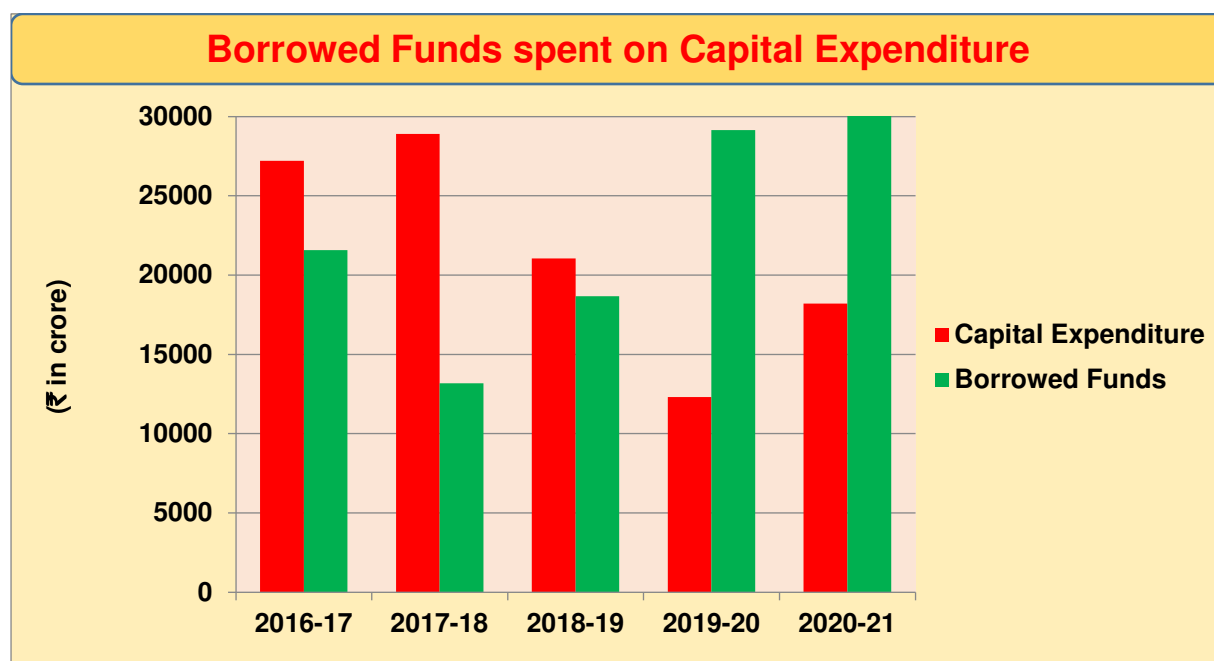
**1.6.1 Trend of Revenue Deficit / Surplus (Excluding UDAY)**



### 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 (₹18,209 crore) from borrowing of the current year (₹35,915 crore) and revenue deficit (₹11,325 crore) during the year 2020-21.

# CHAPTER II

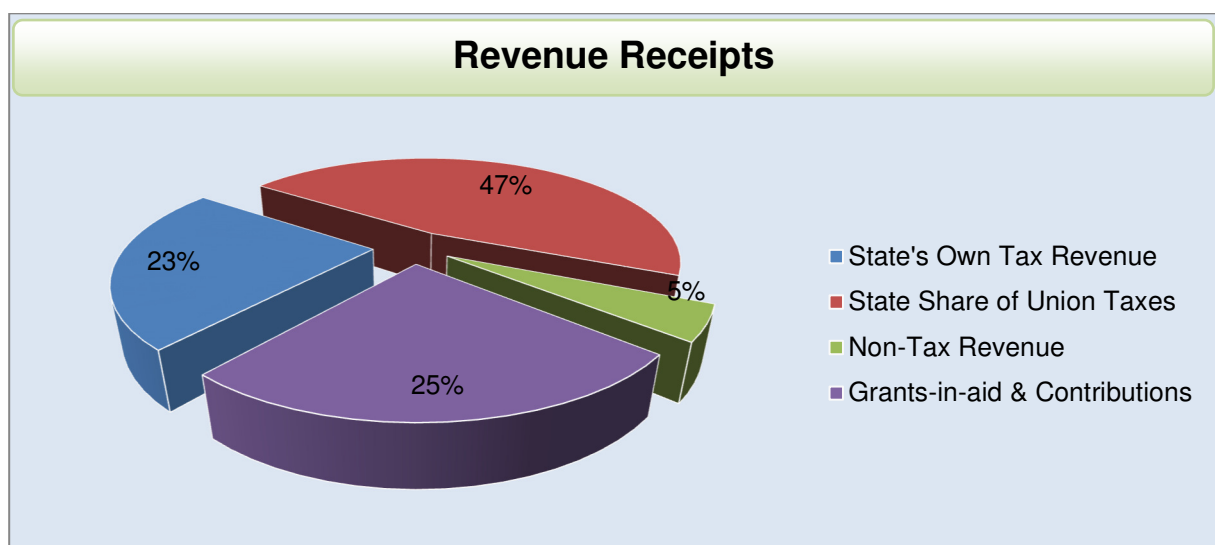
## RECEIPTS

### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts according to the nature of receipts. Total Receipts for 2020-21 were ₹1,58,815 crore.

### 2.2 Revenue Receipts

<b>Tax Revenue</b>	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
<b>Non-Tax Revenue</b>	Includes interest receipts, dividends, profits etc.
<b>Grants-in-aid</b>	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 (2020-21)

(*₹ in crore*)

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

## 2.3 Trend of Revenue Receipts

(₹ in crore)

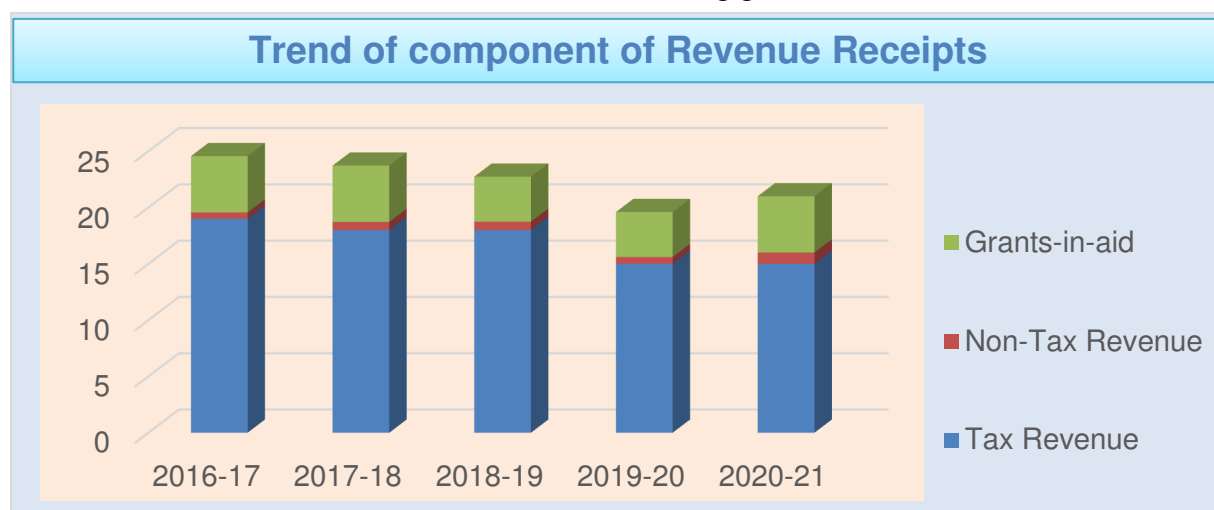
	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Tax Revenue</b>	82,623 (19)	88,220 (18)	1,03,011 (18)	93,564 (15)	90,203 (15)
<b>Non-Tax Revenue</b>	2,403 (0.56)	3,507 (0.72)	4,131 (0.74)	3,700 (0.60)	6,201 (1)
<b>Grants-in-aid</b>	20,559 (5)	25,720 (5)	24,652 (4)	26,969 (4)	31,764 (5)
<b>Total Revenue Receipts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

Note: Figures in parentheses represent percentage to GSDP.

Though the GSDP increased by 1% between 2019-20 and 2020-21, Revenue collection increased by 3.17%, Tax revenue decreased by 4% and Non-Tax revenue increased by 68% in 2020-21 with comparison to 2019-20. The increase in Non-tax revenues was mainly on account of short collections under:

- 'Interest Receipts' (₹3,242 crore),
- 'Non-ferrous Mining and Metallurgical Industries (₹1,709 crore),
- 'Contributions and Recoveries towards Other retirement benefits' (₹2 crore), and
- 'Public Service Commission' (₹87 crore).

Further collection under 'Education, Sports, Art and Culture' and Medical and Public Health were ₹12 crore and ₹42 crore respectively in 2020-21 against ₹17 crore and ₹48 crore in 2019-20. The State's own revenue under 'Stamps and Registration Fees (₹4,206 crore) and 'Taxes on Vehicles (₹2,268 crore) showed an increasing growth.

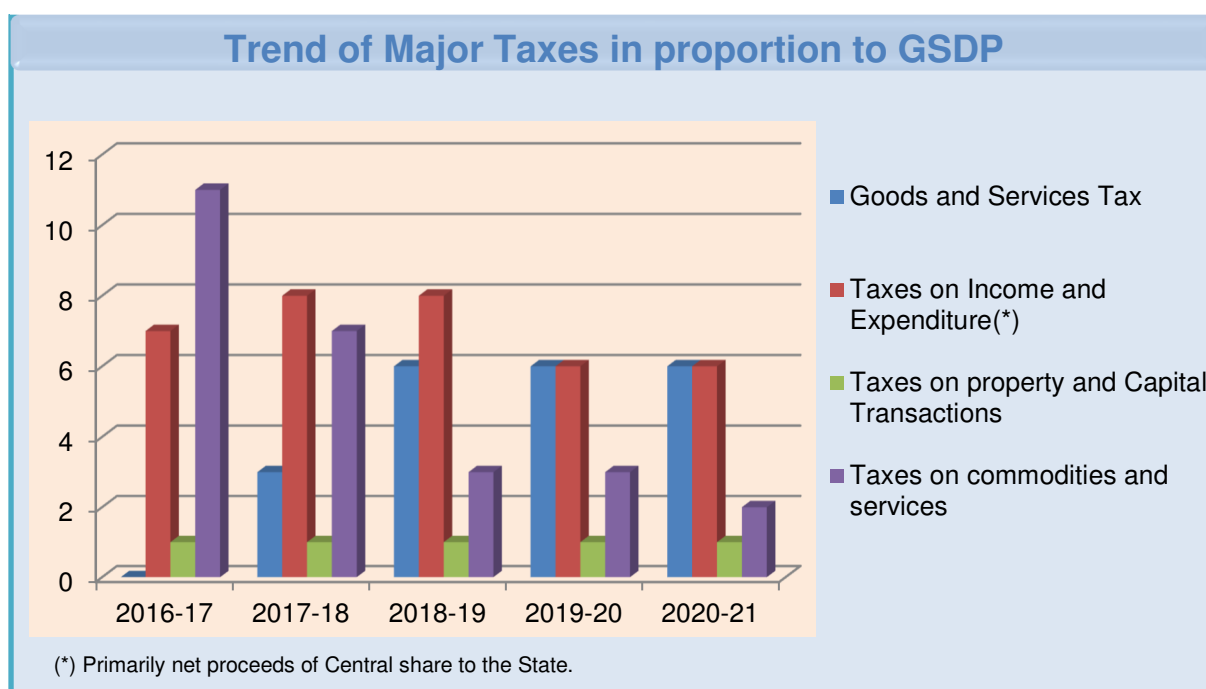


## Sector-wise Tax Revenue

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Goods and Services Tax	0	14,244	34,905	33,794	33,839
Taxes on Income and Expenditure	32,097	36,857	44,573	38,673	36,705
Taxes on Property and Capital Transactions	3,996	4,503	4,675	4,937	4,508
Taxes on Commodities and Services	46,530	32,616	18,688	16,160	15,151
<b>Total Tax Revenue</b>	<b>82,623</b>	<b>88,220</b>	<b>1,03,011</b>	<b>93,564</b>	<b>90,203</b>

The increase in total tax revenue is mainly attributed to short collection under 'Goods and Services Tax' (₹33,839 crore), 'Corporation Tax' (₹18,062 crore), 'Taxes on Income other than Corporation Tax' (₹18,517 crore) and 'Land Revenue' (₹302 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
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%
2019 - 20	93,564	63,406	30,158	4.93%
2020 - 21	90,203	59,861	30,342	4.90%

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 decreased from 15.28% in 2016-17 to 9.78% in 2020-21, the percentage of "State's own tax revenue" to GSDP has declined to 4.90% from 5.57% during the same period.

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

(₹ in crore)

Taxes	2016-17	2017-18	2018-19	2019-20	2020-21
Taxes on Sales, Trade etc.	11,873	8,298	6,584	6,121	6,031
State Goods and Services Tax	0	6,747	15,288	15,801	16,050
Stamps and Registration Fees	2,982	3,726	4,189	4,661	4,206
Taxes on Goods and Passengers	6,246	1,645	399	23	6
Taxes on Vehicles	1,257	1,599	2,086	2,713	2,268
Land Revenue	971	778	477	275	302
Other Taxes on Income and Expenditure	79	87	125	114	126
State Excise	29	(-)3	(-)10	(-)4	(-)4
Others	305	260	270	454	1,357
<b>Total State's own Taxes</b>	<b>23,742</b>	<b>23,137</b>	<b>29,408</b>	<b>30,158</b>	<b>30,342</b>

## 2.5 Efficiency of Tax Collection

### A. Goods and Services Tax

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Collection	0	14,244	34,905	33,794	33,839
Expenditure on Collection	0	72	114	121	131
Efficiency of Tax Collection	0	0.5%	0.32%	0.36%	0.39%



## B. Taxes on Property and Capital Transactions

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Collection	3,996	4,503	4,675	4,937	4,509
Expenditure on Collection	477	564	583	290	704
Efficiency of Tax Collection	12%	13%	12%	6%	16%

## C. Taxes on Commodities and Services

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Collection	46,530	32,615	18,726	16,160	15,150
Expenditure on Collection	256	289	269	326	324
Efficiency of Tax Collection	0.55%	0.89%	1.43%	2.02%	2.14%

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

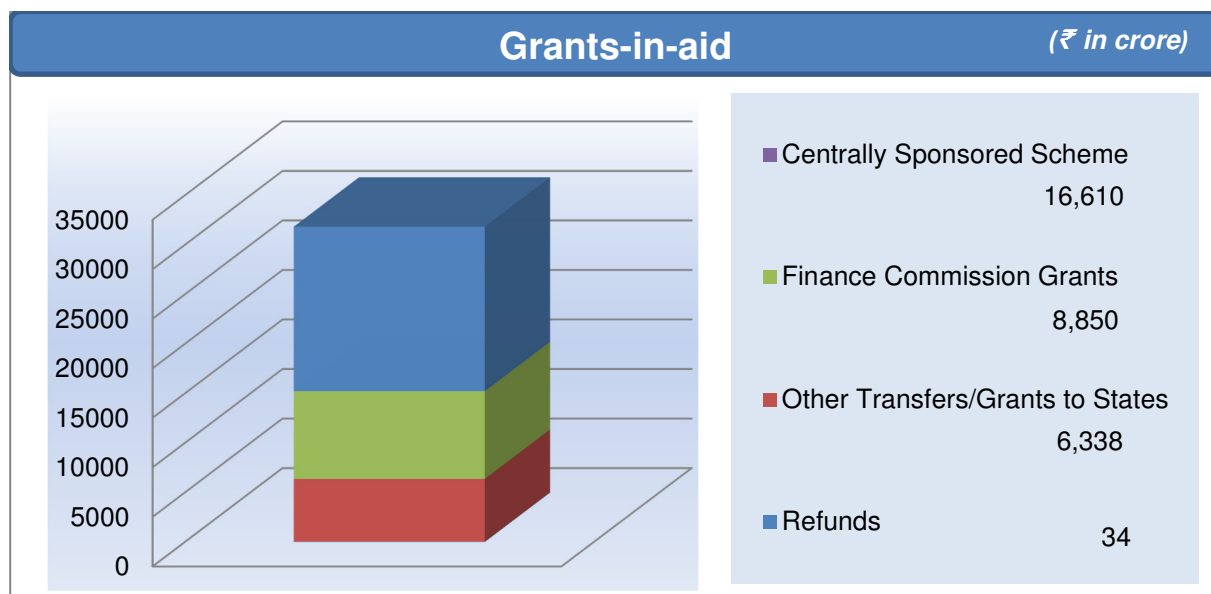
## 2.6 Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Goods and Services Tax	0	7,497	19,617	17,993	17,789
Corporation Tax	18,889	19,936	25,597	21,619	18,062
Taxes on Income other than Corporation Tax	13,128	16,834	18,851	16,940	18,517
Taxes on Wealth	43	(-)	9	1	0
Customs	8,126	6,570	5,217	4,019	3,180
Union Excise Duties	9,279	6,868	3,467	2,794	2,012
Service Tax	9,416	7,379	673	0.00	258
Other Taxes and Duties on Commodities and Services	--	--	171	40	43
<b>State Share of Union Taxes</b>	<b>58,881</b>	<b>65,083</b>	<b>73,603</b>	<b>63,406</b>	<b>59,861</b>
<b>Total Tax Revenue</b>	<b>82,623</b>	<b>88,220</b>	<b>1,03,011</b>	<b>93,564</b>	<b>90,203</b>
<b>% of Union Taxes to Total Tax Revenue</b>	<b>71</b>	<b>74</b>	<b>71</b>	<b>68</b>	<b>66</b>
<b>% of Share of Union Taxes to GSDP</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>10</b>	<b>10</b>

## 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 2020-21 under Grants-in-aid were ₹31,764 crore as shown below :-



The grants-in-aid increased by 17.78 per cent in 2020-21 as compared to 2019-20. As against a Budget Estimate (BE) of ₹52,754 crore of grants-in-aid, the State Government has actually received ₹31,764 crore of Grants-in-aid (60 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

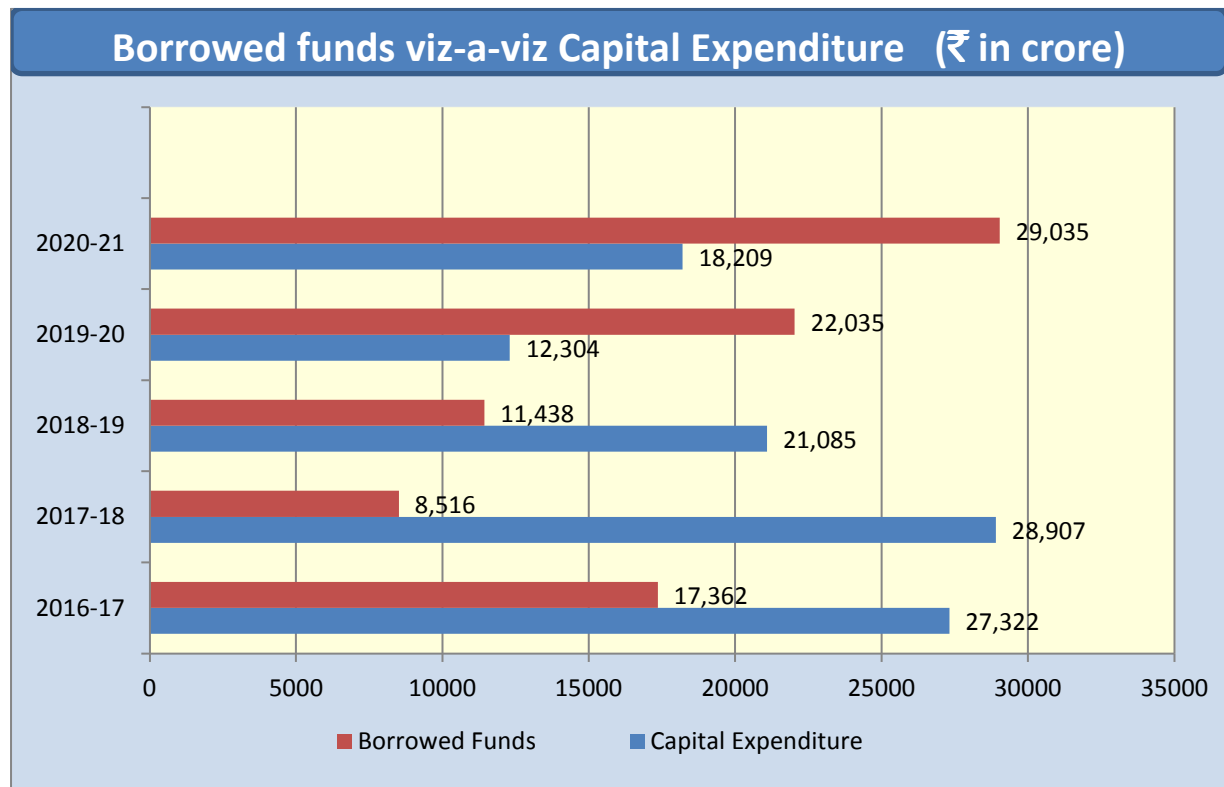
(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Internal Debt	16,604	7,930	9,835	21,722	23,475
Central Loans	758	586	1,603	313	5,559
Total Public Debt	17,362	8,516	11,438	22,035	29,035

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

Six loans totalling ₹27,285 crore at interest rates varying from 4.52 per cent to 9.84 per cent and redeemable in the years 2030-31 were raised at par during 2020-21.

Against the total internal debt of ₹29,412 crore of the State Government in 2020-21 plus the Central loan component of ₹6,503 crore received during this period, capital expenditure was ₹18,209 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.

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

#### 3.2 Revenue Expenditure

Revenue Expenditure of ₹1,39,493 crore for 2020-21 fell short of Budget Estimates by ₹25,258 crore. Revenue Expenditure was 23 per cent of the GSDP in 2020-21. Expenditure was less by ₹21,766 crore under Scheme Expenditure and ₹3,492 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)

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

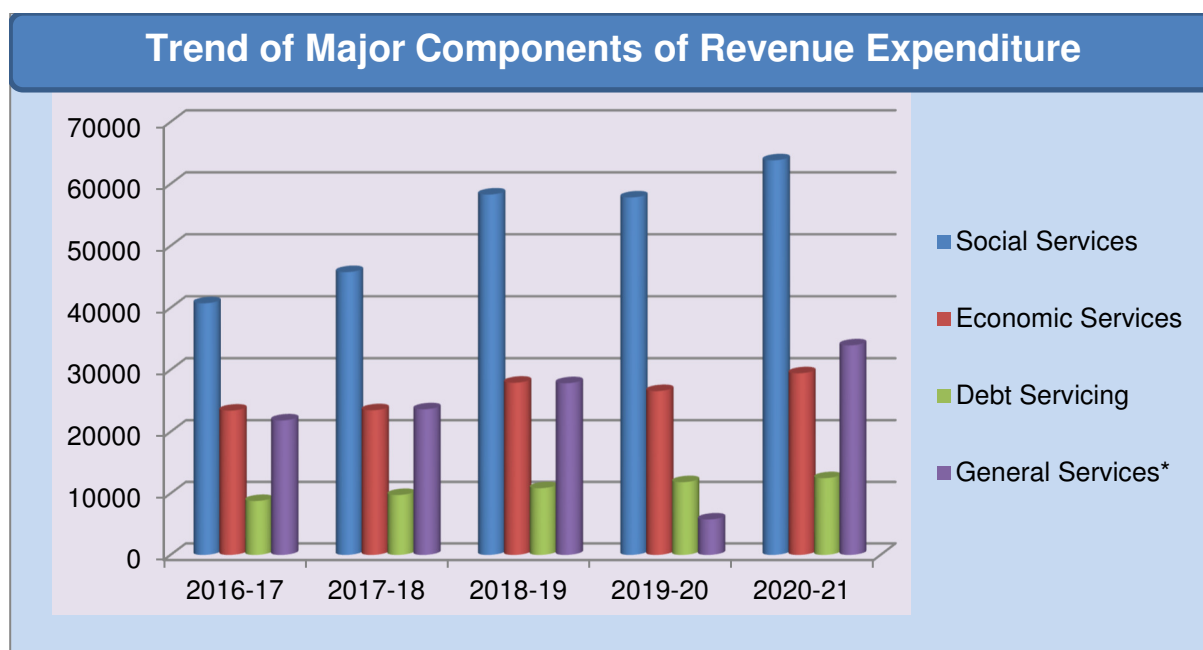
The State is unable to spend whatever has been budgeted, though the resources were available. The percentage of gap of actual expenditure to budgeted expenditure is at 22 indicating the need to accelerate the pace of developmental expenditure.

### 3.2.1 Sectoral distribution of Revenue Expenditure (2020-21)

Components	Amount (₹ in crore)	Percentage
A. General Services	46,239	33
B. Social Services	63,808	46
C. Economic Services	29,444	21
D. Grants-in-aid and Contributions	2	-
<b>Total - Expenditure (Revenue Account)</b>	<b>1,39,493</b>	<b>100</b>

### 3.2.2 Major components of Revenue Expenditure (2016-20)

(₹ 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 2020-21 was ₹19,323 crore which was 3 per cent of GSDP. It was less than Budget Estimates by ₹20,652 crore.

### 3.3.1 Sectoral distribution of Capital Expenditure

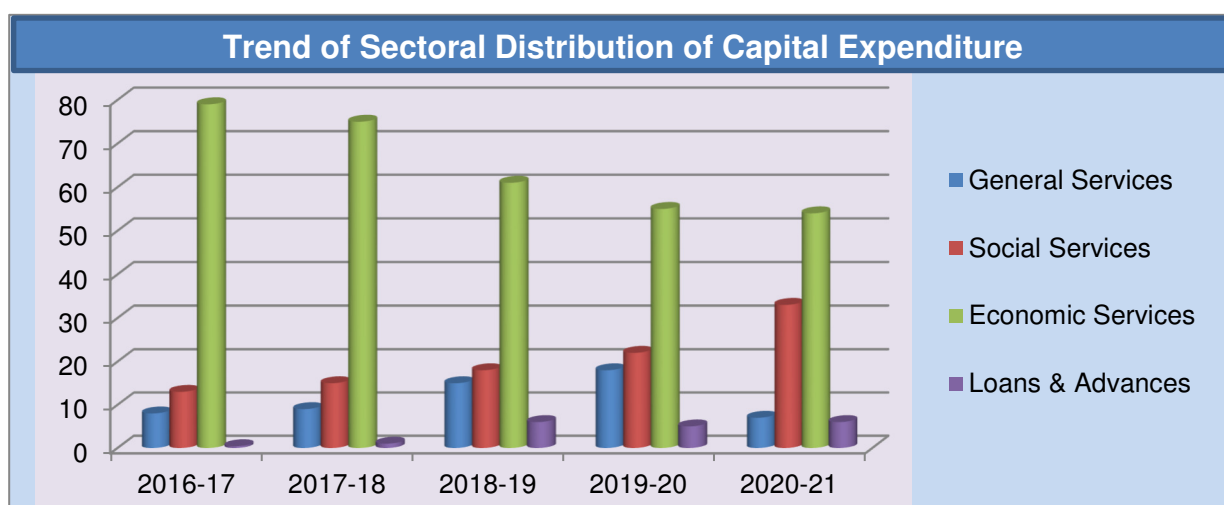
During 2020-21, the Government spent ₹1,476 crore on various Projects (₹1,219 crore on Major Irrigation and ₹257 crore on Minor Irrigation) and ₹1,126 crore on Power Projects. Apart from above, the Government invested ₹1,220 crore in various Corporations/ Companies/Societies.

Sl. No.	Sector	Amount (₹ in crore)	Percentage
1.	<b>General Services</b> - Police, Land Revenue etc.	1,387	7
2.	<b>Social Services</b> - Education, Health & Family Welfare Water Supply, Welfare of SC/ST etc.	6,332	33
3.	<b>Economic Services</b> - Agriculture, Rural Development Irrigation, Co-operation, Energy, Industries, Transport etc.	10,491	54
4.	Loans and Advances Disbursed	1,113	6
	<b>Total</b>	<b>19,323</b>	<b>100</b>

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

(₹ in crore)

Sl. No.	Sector	2016-17	2017-18	2018-19	2019-20	2020-21
1.	General Services	2,090	2,765	3,311	2,388	1,387
2.	Social Services	3,592	4,258	4,061	2,803	6,332
3.	Economic Services	21,526	21,884	13,686	7,113	10,491
4.	Loans and Advances	114	243	1,471	666	1,113
	<b>Total</b>	<b>27,322</b>	<b>29,150</b>	<b>22,529</b>	<b>12,970</b>	<b>19,323</b>



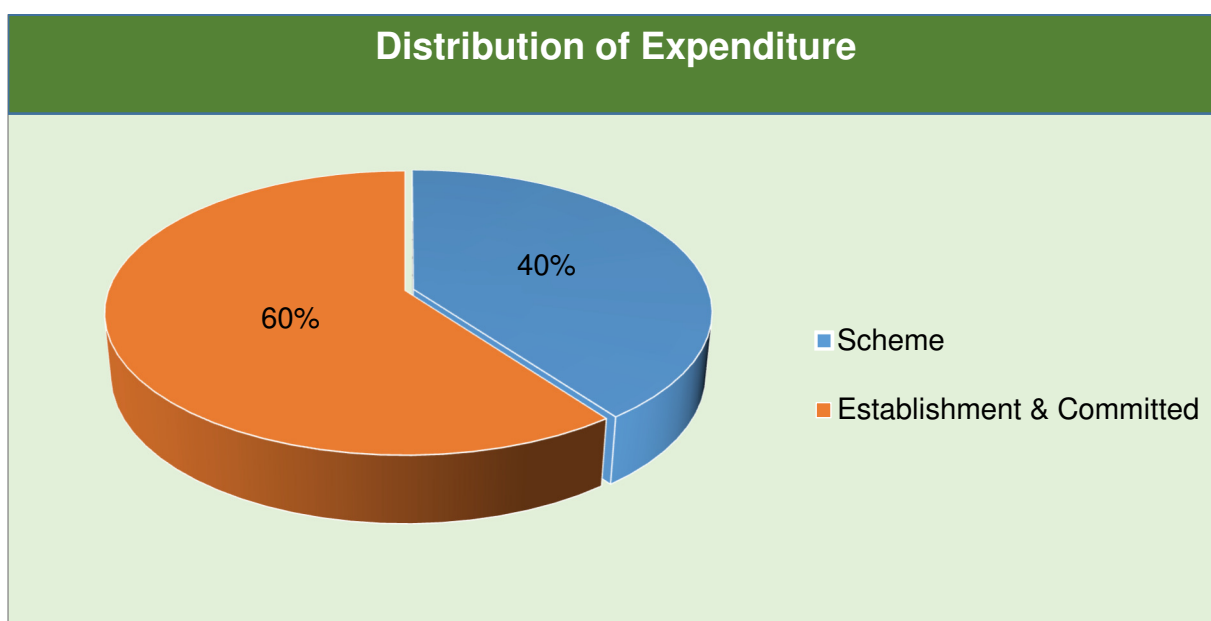
## CHAPTER IV

### ESTABLISHMENT & COMMITTED AND SCHEME EXPENDITURE

#### 4.1 Distribution of Expenditure (2020-21)

(₹ in crore)

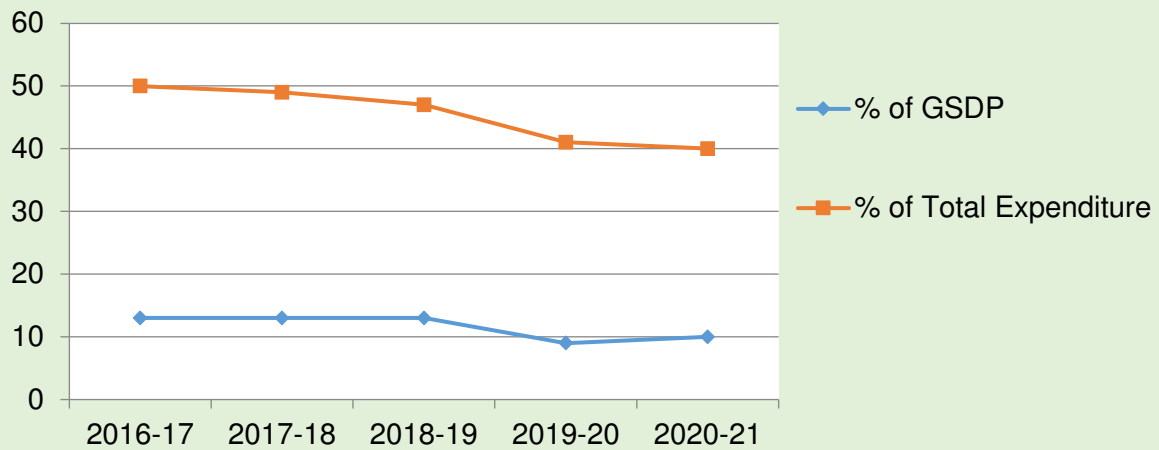
	Actual Expenditure
Scheme Expenditure (both revenue and capital)	63,404
Establishment & Committed Expenditure (both revenue and capital)	95,411



#### 4.2 Scheme Expenditure

Scheme expenditure (both revenue and capital) during 2020-21 was ₹63,404 crore, constituting 40 per cent of total disbursements of ₹1,58,815 crore. This comprised, ₹27,699 crore under State Schemes, ₹34,614 crore under Centrally Sponsored Schemes, ₹81 crore under Central Area Schemes and ₹1,010 crore under Loans and Advances.

### Scheme Expenditure as proportion of total expenditure and GSDP



#### 4.2.1. Scheme expenditure under Capital Account

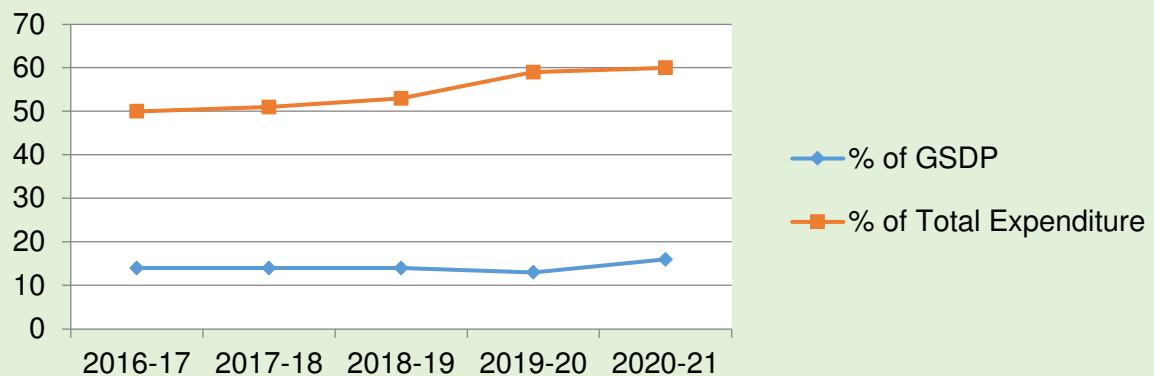
(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Total Capital Expenditure	27,322	29,150	22,529	12,970	19,323
Capital Expenditure (Scheme)	27,264	29,076	22,407	12,863	19,204
Per cent of Capital Expenditure (Scheme) to Total Capital Expenditure	99	99	99	99	99

### 4.3 Establishment & Committed Expenditure

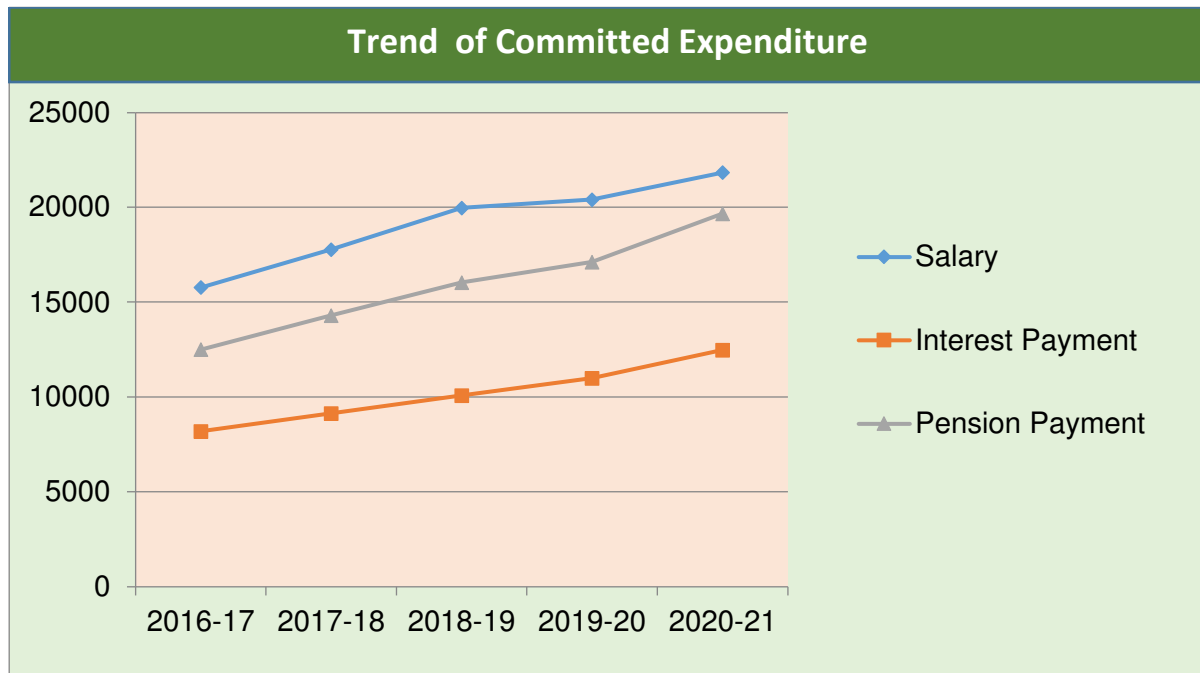
Establishment & Committed Expenditure during 2020-21 was ₹95,411 crore, constituting 60 per cent of total disbursements of ₹1,58,815 crore. This comprises ₹95,292 crore under Revenue, ₹15 crore under Capital ₹104 crore under Loans and Advances.

### Establishment & Committed Expenditure as proportion of total expenditure and GSDP





#### 4.4 Committed Expenditure



(₹ in crore)

Component	2016-17	2017-18	2018-19	2019-20	2020-21
Committed Expenditure	36,483	41,220	46,077	48,529	53,998
Revenue Expenditure	94,765	1,02,624	1,24,897	1,26,017	1,39,493
Revenue Receipts	1,05,585	1,17,447	1,31,794	1,24,233	1,28,168
<i>Per cent of committed expenditure to Revenue Receipts</i>	35	35	35	39	39
<i>Per cent of committed expenditure to Revenue Expenditure</i>	38	40	37	38	42

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 2020-21

(₹ in crore)

Sl. No.	Nature of expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual expenditure	Saving (-) Excesses (+)
1.	<b>Revenue</b>						
	Voted	1,50,590	28,623	6,021	1,79,213	1,28,879	(-)50,334
	Charged	14,161	34	973	14,195	12,687	(-)1,508
2.	<b>Capital</b>						
	Voted	38,745	4,587	6,106	43,332	18,355	(-)24,977
	Charged	--	--	--	--	--	--
3.	<b>Public Debt</b>						
	Charged	7,035	18	0	7,053	6,880	(-)173
4.	<b>Loans and Advances</b>						
	Voted	1,230	499	0	1,729	1,114	(-)615
<b>Total</b>		<b>2,11,761</b>	<b>33,761</b>	<b>13,100</b>	<b>2,45,522</b>	<b>1,67,915</b>	<b>(-)77,607</b>

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

(₹ in crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
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
2019-20	(-)50,551	(-)28,442	(-)558	(-)954	(-)80,505
2020-21	(-)51,842	(-)24,977	(-)173	(-)615	(-)77,607

### 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	2016-17	2017-18	2018-19	2019-20	2020-21
1	Agriculture Department	43%	44%	43%	41%	56%
2	Animal and Fisheries Resource Department	24%	20%	27%	30%	49%
3	Building Construction Department	52%	49%	27%	70%	71%
4	Cabinet Secretariat Department	21%	40%	38%	51%	64%
5	Secretariat of the Governor	19%	30%	14%	97%	100%
8	Art, Culture and Youth Department	35%	30%	32%	39%	57%
9	Co-operative Department	33%	21%	37%	74%	36%
11	BC and MBC Welfare Department	39%	20%	23%	12%	76%
12	Finance Department	13%	14%	8%	23%	84%
16	Panchayati Raj Department	12%	7%	18%	36%	36%
17	Commercial Department	25%	45%	27%	26%	33%
18	Food and Consumer Protection Department	51%	50%	21%	50%	68%
20	Health Department	39%	25%	24%	31%	31%
21	Education Department	17%	25%	27%	32%	31%
23	Industries Department	22%	27%	15%	53%	52%
25	Information Technology Department	24%	50%	56%	24%	38%
26	Labour Resource Department	39%	30%	26%	26%	49%
29	Mines and Geology Department	35%	36%	33%	42%	40%
30	Minorities Welfare Department	12%	49%	42%	51%	55%
35	Planning and Development Department	44%	57%	22%	46%	44%
37	Rural Works Department	5%	31%	66%	74%	55%
38	Prohibition Excise and Registration Department	29%	38%	21%	25%	36%
40	Revenue and Land Reforms Department	46%	37%	32%	42%	53%
41	Road Construction Department	12%	12%	9%	70%	45%
42	Rural Development Department	44%	50%	33%	48%	48%
45	Sugar Industries Department	33%	58%	33%	35%	61%
46	Tourism Department	81%	16%	56%	84%	82%
47	Transport Department	14%	22%	14%	43%	47%
48	Urban Development and Housing Department	27%	36%	38%	51%	41%
49	Water Resources Department	34%	30%	6%	73%	46%
50	Minor Water Resources Department	42%	39%	19%	69%	39%

During 2020-21, supplementary grants totalling ₹18,059 crore (11 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	3103	222	1499
		Capital	50	61	0
2	Animal and Fisheries Resources Department	Revenue	1,179	66	638
3	Building Construction Department	Capital	4,530	7	1,157
4	Cabinet Secretariat Department	Revenue	380	2	182
8	Art, Culture and youth Department	Revenue	169	2	74
9	Co-operative Department	Revenue	1,133	241	895
11	Backward Classes and Most Backward Classes Welfare Department	Revenue	1,641	59	413
12	Finance Department	Revenue	1,300	4	184
		Capital	3,912	62	682
13	Interest Payment	Revenue	12,925	26	12,484
14	Repayment of Loans	Capital	7,035	18	0
16	Panchayati Raj Department	Revenue	10,135	2,463	8,236
18	Food and Consumer Protection Department	Revenue	1,579	657	728
20	Health Department	Revenue	9,129	2,285	8,520
21	Education Department	Revenue	33,950	3,178	26,402
		Capital	1,241	230	412
22	Home Department	Revenue	11,602	155	9,472
		Capital	481	17	139
23	Industries Department	Revenue	657	7	368
		Capital	259	43	97
25	Information Technology Department	Revenue	124	52	97
		Capital	150	17	116
26	Labour Resource Department	Revenue	860	1	438
27	Law Department	Revenue	916	35	810
28	High Court of Bihar	Revenue	182	1	155
29	Mines and Geology Department	Revenue	54	3	34

Grant	Name of Department	Section	Original	Supplementary	Actual Expenditure
30	Minorities Welfare Department	Revenue	237	95	205
32	Legislature	Revenue	226	8	182
33	General Administration Department	Revenue	743	58	567
35	Planning and Development Department	Revenue	812	3	485
		Capital	1,290	90	736
36	Public Health Engineering Department	Capital	5,250	600	4,707
40	Revenue and Land Reforms Department	Revenue	893	470	667
41	Road Construction Department	Capital	5,069	1,347	3,204
42	Rural Development Department	Revenue	15,940	1,891	9,299
43	Science and Technology Department	Revenue	258	18	216
		Capital	78	11	72
44	Scheduled Castes and Schedule Tribes Welfare Department	Revenue	1,721	3	1,270
45	Sugar Industries Department	Revenue	119	1	47
46	Tourism Department	Revenue	62	18	19
		Capital	221	8	38
47	Transport Department	Revenue	359	42	218
48	Urban Development and Housing Department	Revenue	7,164	2,179	5,590
		Capital	50	200	50
49	Water Resources Department	Capital	2,958	1,076	1,956
51	Social Welfare Department	Capital	20	27	0

# 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 ₹32,871 crore at the end of 2020-21. However, dividends received during the year were ₹603.01 crore (i.e., 1.83 per cent) on investment. During 2020-21, investments increased by ₹1,204 crore, and dividend income increased by ₹601.39 crore.

Cash Balance with RBI stood at ₹18,177 crore on 31 March 2020 and decreased to ₹18,128 crore at the end of March, 2021.

### 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 :

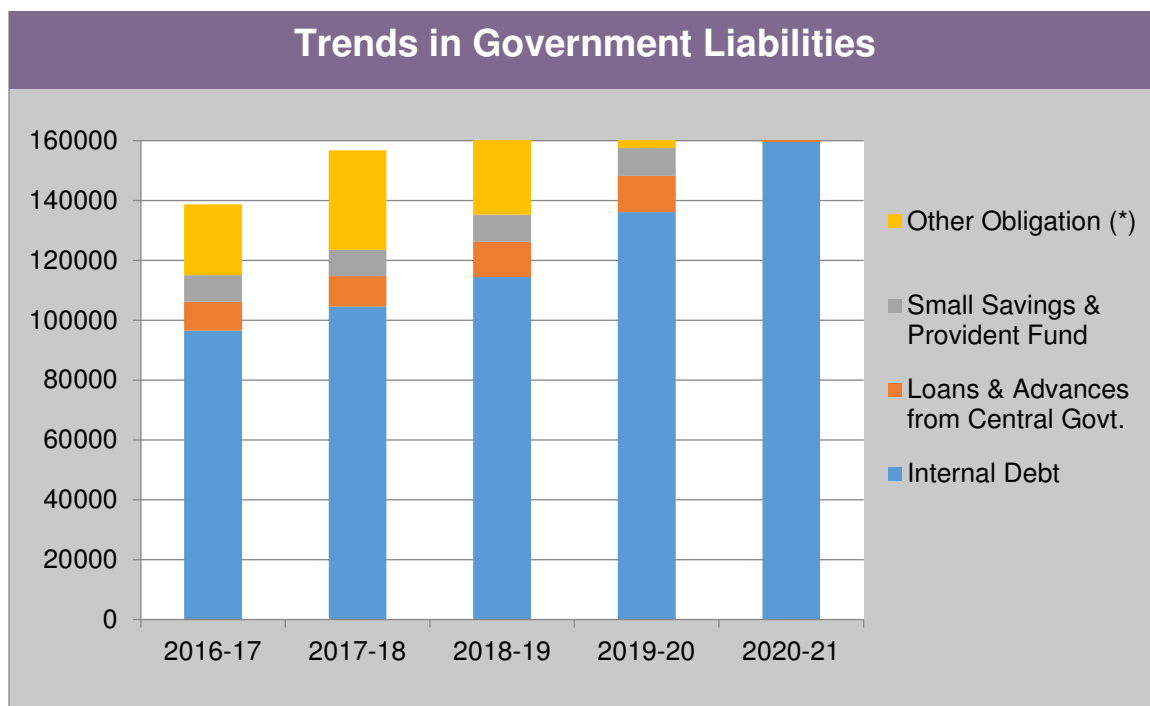
(₹ in crore)

Year	Public Debt	Percentage to GSDP	Public Accounts (*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
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
2019-20	1,48,180	24	45,202	7	1,93,382	32
2020-21	1,77,215	29	49,981	8	2,27,196	37

(\*) Excludes suspense and remittance balances.

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

There is a net increase of ₹33,814 crore (17 per cent) in Public Debt and Other liabilities as compared to 2019-20.



(\*) 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
2016-17	13,053	4,460	178
2017-18	20,234	5,174	97
2018-19	20,834	5,398	104
2019-20	20,834	5,380	105
2020-21	24,972	16,080	328

## 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 ₹1,59,557 crore as on 31 March 2021.

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

Out of total Loans and Advances of ₹22,564 crore made by the State Government at the end of 2020-21, ₹21,824 crore of Loans and Advances has been given to Government Corporations/Companies, Non-Government Institutes and Local Bodies etc.. Recovery of Principal and of Interest amounting to ₹8,562 crore, ₹11,515 crore respectively is in arrears at the end of 31 March 2021. During 2020-21 only ₹820 crore has been received towards repayment of Loans and Advances, out of which, ₹18 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 ₹36,209 crore in 2016-17 to ₹54,929 crore in 2020-21. Grants to Zila Parishads, Municipalities/Corporation and Panchayat Samities including Gram Panchayat (₹17,683 crore) represented 32 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
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
2019-20	1,429	1,271	8,542	35,340	46,582
2020-21	1,760	4,784	11,139	37,246	54,929

\* 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 2020	As on 31 March 2021	Net increase (+) / decrease (-)
Cash Balances	588	302	(-) 286
Investments from cash balances (GOI Treasury Bills)	17,589	17,827	2,797
Other cash balance			
i) Departmental Balance	235	235	0
ii) Permanent Cash Imprest	761	761	0
Investment from earmarked fund balances	5,740	5,740	0
(a) Sinking fund	845	0.00	(-) 845
(b) Guarantee Redemption Fund	--	--	--
(c) Other funds	--	--	--
* Interest Realised	939	175	(-) 764

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

State Government had a positive closing cash balance at the end of 2020-21. Interest receipt on these investments has been decreased by 81.36 per cent.

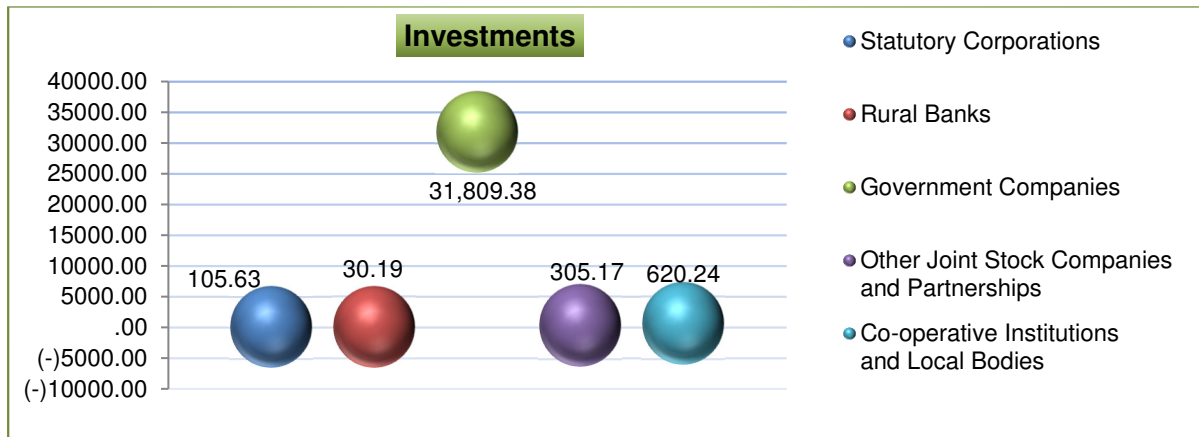
## 7.5 Submission of Accounts by Accounts rendering units

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 5<sup>th</sup> of the following month in the case of Treasury Accounts and 10<sup>th</sup> of the following month in case of Forest and Public Works Accounts. The 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.

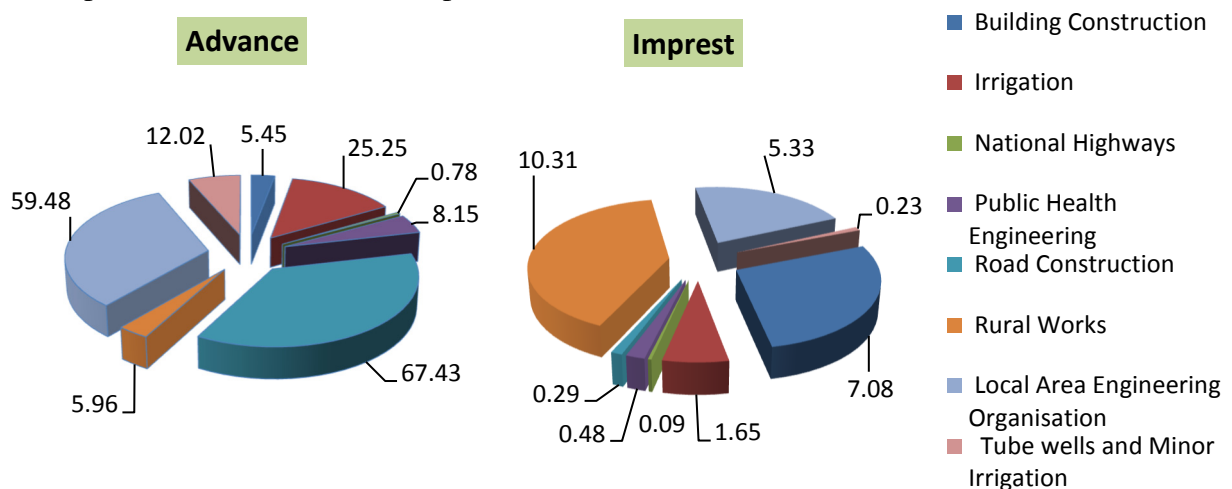
## 7.6 Investments

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 ₹32,870.61 crore at the end of 2020-21.



## 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 2021, ₹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

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

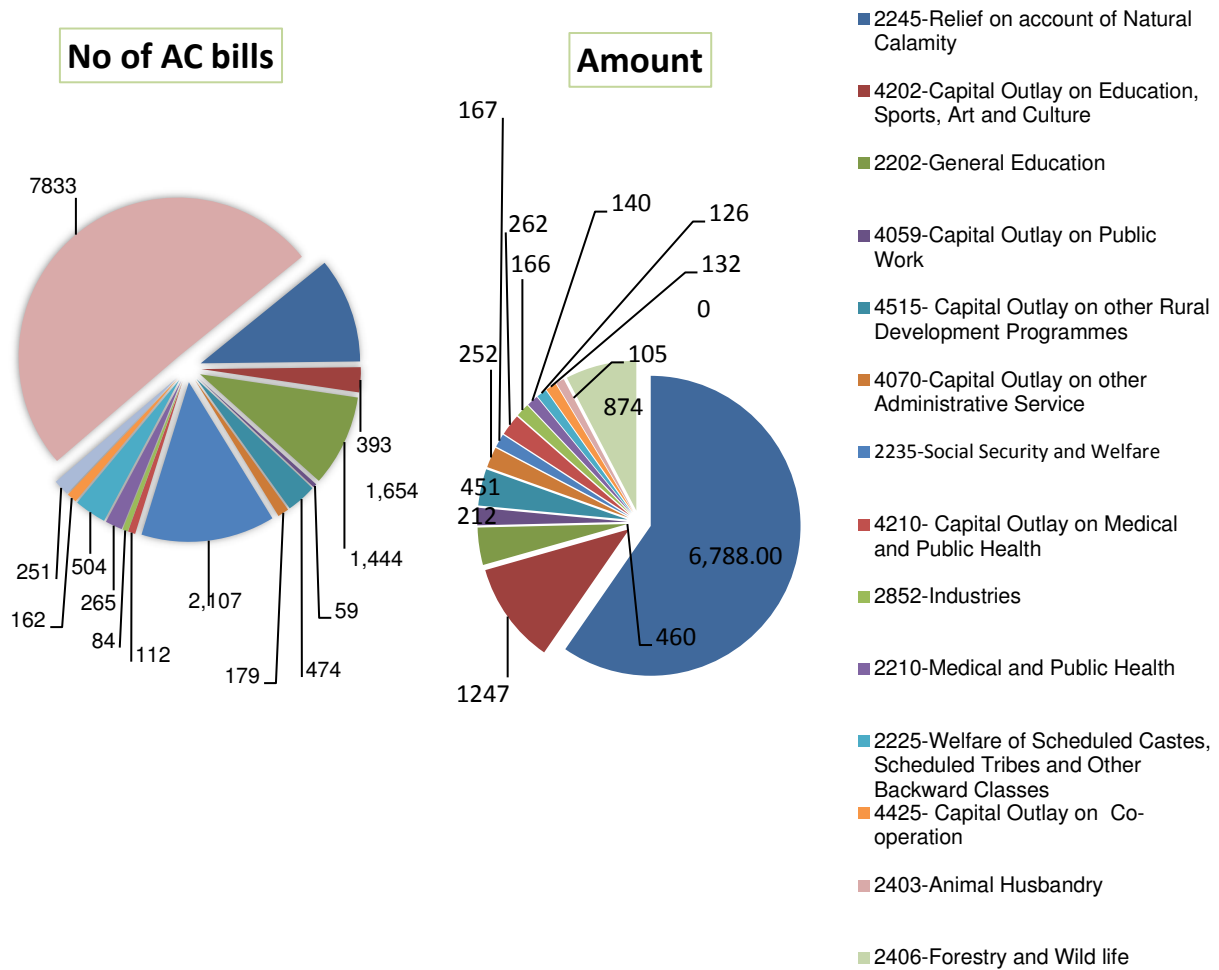
Out of 6,308 AC bills amounting to ₹4,834.28 crore drawn during the year 2020-21, 1,833 AC bills amounting to ₹429.32 crore (8.88 *per cent*) were drawn in March 2021. DC Bills in respect of a total of 26,504 AC bills amounting to ₹13,459.71 crore as on 31 March 2021 were not received. Details of unadjusted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

(₹ in crore)

Year	Number of pending DC bills	Amount
Upto 2018-19	14,507	4,394.37
2019-20	5,689	4,231.06
2020-21	6,308	4,834.28
<b>Total</b>	<b>26,504</b>	<b>13,459.71</b>

<sup>1</sup>Rule 194 of Bihar Treasury code 2011.

Major part of the pending AC bills pertains to :-



### 7.9 Utilisation Certificates for Grants-in-aid

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

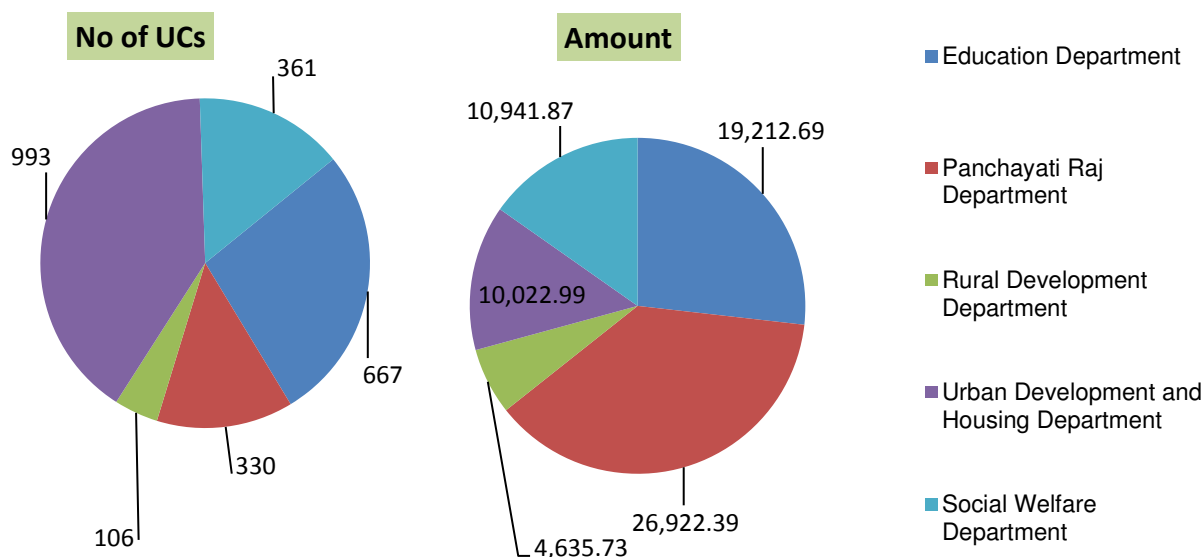
During the year 2020-21, ₹34,409.97 crore pertaining to outstanding UCs for the period upto 31 March 2021 was cleared. The position of outstanding UCs as on 31 March 2021 is given below:

(₹ in crore)

Year(*)	Number of Utilisation Certificate awaited	Amount
Upto 2018-19	2,633	49,853.07
2019-20	645	26,922.62
2020-21	608	15,911.62
<b>Total</b>	<b>3,886</b>	<b>92,687.31</b>

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

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



## 7.10 Personal Deposit (PD) Accounts

PD accounts enable designated Drawing Officers to incur expenditure for specific purposes pertaining to a scheme; by debiting the service heads in the Consolidated Fund of the State and crediting the Personal Deposits under the Major Head 8443-Civil Deposits and the Minor Head-106-Personal Deposits. Administrators of PD accounts are required to close such

accounts on the last working day of the year and transfer the unspent balances back to the Consolidated Fund. However, no treasury office/Administrator had furnished information regarding refund of the unspent balance to the Consolidated Fund as reduction of expenditure under the concerned service head.

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

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

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

Details of Personal Deposit Accounts as on 31 March, 2020 are as under:

(₹ in crore)

Particulars	No. of PD Accounts	Amount
Opening balance	157 + 3 (newly available)	3,312.94
Not Migrated in CFMS	10	1.53
Opened during the year	90	199.17
Closed during the year	0	0.00
Receipt during the year	66	1,061.65
Payment during the year	43	563.26
Closing balance	247 + 5 (newly available)	3,811.33

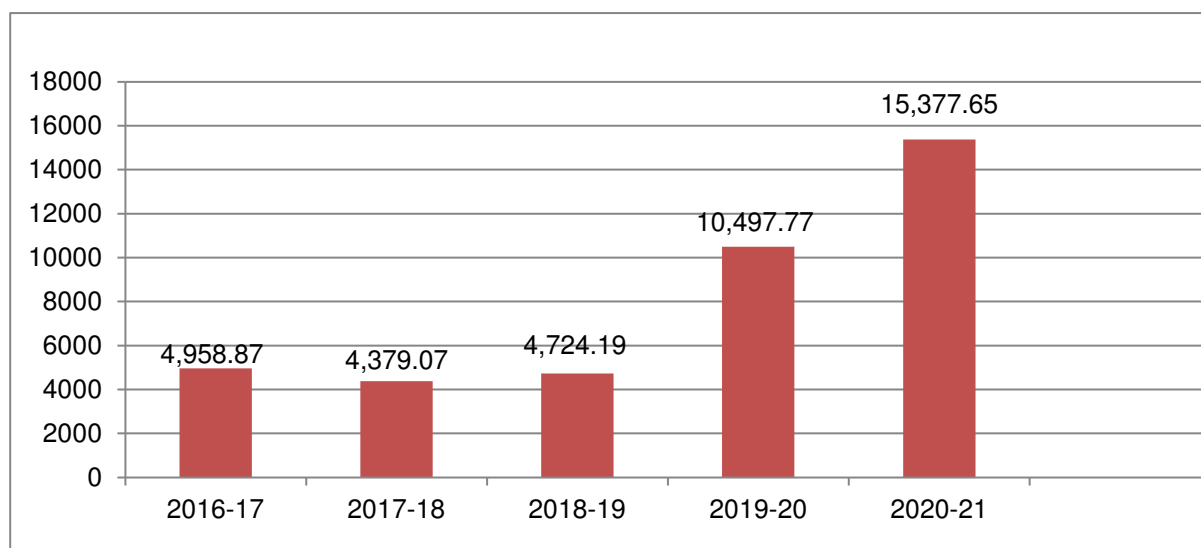
The Finance Department, Government of Bihar vide its notification No. 2916 dated 03/06/2020, amended Rule 349 of the Bihar Treasury Code 2011, by increasing the period of money lying unspent from “Three Subsequent Financial Years” to “Five Subsequent Financial Years” and treated all PD/PL accounts opened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

### 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 ₹16,818 crore of expenditure against the total expenditure of ₹1,57,702 (Revenue and Capital) i.e., 10.66 per cent of the total expenditure and for ₹1,02,515 crore of receipt against the total receipt of ₹1,28,168 crore (Revenue and Capital) i.e. 79.98 per cent of the total receipts during the year 2020-21.

### 7.12 Suspense Accounts Balances

During the past five years, balances under suspense accounts increased from ₹4,959 crore in 2016-17 to ₹15,376 crore in 2020-21.



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

(₹ in crore)

Suspense Accounts	2016-17	2017-18	2018-19	2019-20	2020-21
Pay and Accounts Office Suspense	296.05	335.27	314.56	289.24	313.90
Suspense Accounts (Civil)	4,376.04	3,749.28	3,956.07	9,857.46	14,527.78
Cash Settlement Suspense Accounts	32.29	32.29	32.29	32.29	32.29
Reserve Bank Suspense (Headquarters)	265.26	261.88	264.58	274.00	262.63
Reserve Bank Suspense (Central Accounts Office)	370.41	382.10	385.43	299.58	605.60
Departmental Adjusting Account	104.45	104.41	104.41	104.41	104.41
Tax Deducted at Source (TDS) Suspense	480.28	481.00	328.36	327.70	464.67
Material Purchase Settlement Suspense Accounts	66.11	66.11	66.11	66.11	66.11

### 7.13 Commitments on account of Incomplete Capital Works

A total expenditure of ₹7,854 crore as per Appendix IX in Volume II of the Finance Accounts was incurred up to the year 2020-21 by the State Government on various incomplete projects against an original estimated cost of ₹23,281.78 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	11,497.25	1,568.23	3,182.48	1,677.88	-
2	Public Health Engineering Department	1,911.90	469.18	951.36	676.15	-
3	Building Construction Department	6,134.49	1,438.61	2,195.32	3,035.14	-
4	Local Area Engineering Organisation	182.12	13.45	43.39	28.21	-
5	Road Construction Department	3,545.86	743.34	1,476.79	1,231.98	-
6	Rural Works Department	10.16	0.84	4.70	4.00	-
<b>Total</b>		<b>23,281.78</b>	<b>4,233.65</b>	<b>7,854.04</b>	<b>6653.36</b>	<b>-</b>



## 7.14 Compliance of Indian Government Accounting Standards (IGASs)

With a view to improving standards of Governmental accounting and financial reporting which will enhance the quality of decision-making and public accountability, the Government Accounting Standards Advisory Board (GASAB) has formulated Indian Government Accounting Standards (IGAS) for cash system of accounting. The IGAS specifies the disclosure requirements in the Financial Statements of the Union and the State Governments. Accordingly, following three IGAS became mandatory from the effective date after their notification by Ministry of Finance, Government of India.

**IGAS- I- Guarantees given by the Government:** IGAS-1 requires that sector-wise and class-wise disclosures on Guarantees given by the State Government should be incorporated in Finance Accounts. Statements 9 and 20 show the details of Guarantees given by the State Government and the interest on the Guaranteed amount. Sector-wise and Class-wise details have been disclosed in the NTA.

The details on Guarantees reported in Statements 9 and 20 prepared as per IGAS 1, are on the basis of the information provided by the State Government.

**IGAS-2- Accounting and Classification of Grants-in-Aid:** As per IGAS-2, expenditure relating to Grants-in-aid should be classified as revenue expenditure even if it involves creation of assets, except in cases specifically authorised by the President on the advice of the Comptroller and Auditor General of India. Requirements regarding accounting and classification of Grants-in-aid given by the State Government have been depicted in Statement 10 and Appendix III, which are prepared as per the requirements of IGAS 2. Detailed information in respect of Grants-in-aid given in kind has not been furnished by the State Government.

**IGAS-3 Loans and Advances made by the Government:** IGAS-3 requires disclosure on Loans and Advances made by the Union and the State Governments.

Statements 7 and 18 of the Finance Accounts 2020-21 have been prepared incorporating the disclosures under IGAS 3. The details of loan and advances reported in these Statements of the Finance Accounts are based on information received through the accounts rendered to the Pr. Accountant General (A&E) and detailed accounts maintained by the Pr. Accountant General (A&E) in respect of loans and advances made to Government servants. The closing

balances depicted in Statements 7 and 18 as on 31 March 2021 have not been reconciled with the Loanee Entities/State Government. The State Government has also not furnished the figures in respect of certain loans and advances for which they maintain detailed accounts. Amount mentioned in financial year 2020-21 in Statements 7 and 18 have not been reconciled by the State Government.

Details of information awaited from Departmental/Treasury Officers for Reconciliation of Balances have been provided in Appendix-VII of Finance Accounts-Vol-II.



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