

GOVERNMENT OF BIHAR

ACCOUNTS AT A GLANCE **2008-2009**

Preface

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

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

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

Place :- Patna

Date :-

I.D.S. DHARIWAL
Accountant General (A&E)
Bihar, Patna

CHAPTER – I

OVERVIEW

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

The Accounts of Government are kept in the following three parts :

- Part I Consolidated Fund
- Part II Contingency Fund
- Part III Public Account

There are two main divisions under the Consolidated Fund:

The Revenue division (Revenue Account) deals with the proceeds of taxation and other receipts classified as revenue and the expenditure met there from, the net result of which represents the revenue surplus or deficit for the year.

In the Capital division, the section 'Receipt Heads (Capital Account)' deals with receipts of capital nature which cannot be applied as a set off to capital expenditure. The section 'Expenditure Heads (Capital Account)' deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a material and permanent character. It also includes receipts of a capital nature intended to be applied as a set off to capital expenditure. The section 'Public Debt, Loans and Advances, etc.' comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances' made (and their recoveries) by Government.

In the Contingency Fund, the transactions connected with Contingency Fund established under Article 267 of the Constitution of India are recorded.

In the Public Account, the transactions relating to 'Debt' (other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' are recorded.

FINANCE ACCOUNTS

Finance Accounts present the accounts of receipts and outgoings of the Government for the year together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debts and the liabilities and assets as worked out from the balances recorded in the accounts.

During 2008-09, total receipts amounted to ` 35,498.99 crore comprising ` 32,980.69 crore Revenue Receipts (` 23,865.25 crore Tax Revenue, ` 1,153.32 crore Non-Tax Revenue and ` 7,962.12 crore Grants-in-aid and Contributions) and ` 2,518.30 crore Capital Receipts (` 11.32 crore towards recovery of Loans and Advances and ` 25,06.98 crore on account of Borrowings and other Liabilities). Disbursements during the year were ` 35,498.99 crore, ` 28,511.58 crore (80.32%) on Revenue account and ` 6,987.41 crore (19.68%) on capital account including disbursement of ` 551.05 crore towards Loans and Advances.

APPROPRIATION ACCOUNTS

Appropriation Accounts bring out the expenditure of the State Government against amounts voted and charged by the State Legislature and supplement the Finance Accounts. These comprise accounts of 51 Grants/Appropriation.

Appropriation Act 2008-09 had projected for a budget provision of ` 48,758.98 crore, including the Supplementary Grants totalling ` 10,022.27 crore, voted by State Legislature during the year. An amount of ` 1,090 thousand was projected as recoveries in reduction of expenditure.

Appropriation Accounts 2008-09 show disbursements aggregating ` 37,445.83 crore against the aggregate budget provision of ` 48,758.98 crore, resulting in saving of ` 11,313.15 crore (23.20 %) against Grants and Appropriation. This was the net result of saving of ` 11,369.48 crore offset by excess of ` 56.33 crore against Grant/Appropriation. Out of the saving of ` 11,313.15 crore nearly 61% saving occurred in eight departments namely (i) Human Resources Development Department (` 1,203.22 crore under Revenue and ` 19.54 crore under Capital), (ii) Disaster Management Department (` 1,551.84 crore under Revenue) (iii) Water Resources Department (` 50.18 crore under Revenue and ` 1,359.59 crore under Capital) (iv) Social Welfare Department (` 448.89 crore under Revenue and ` 200.00 crore under Capital) (v) Road Construction Department (` 114.75 crore under Revenue and ` 505.36 crore under Capital) (vi) Energy Department (` 2.79 crore under Revenue and ` 520.76 crore under Capital) (vii) Rural Works Department (` 69.81 crore under Revenue and ` 428.68 crore under Capital) and (viii) Public Health Engineering Department (` 395.61 crore under Revenue and ` 73.78 crore under Capital).

CHAPTER –II

HIGHLIGHTS OF ACCOUNTS

(` in Crore)

| Sl. No. | Description | B.E. 2008-09 | Actuals | Percentage of Actuals to B.E. | Percentage of Actuals to G.S.D.P (@) |
|---------|---|--------------|----------|-------------------------------|--------------------------------------|
| 1. | Tax Revenue | 24353.19 | 23865.25 | 98 | 16.75 |
| 2. | Non-Tax Revenue | 421.83 | 1153.32 | 273.41 | 0.81 |
| 3. | Grants-in-aid and contributions | 8775.96 | 7962.12 | 90.73 | 5.59 |
| 4. | Revenue Receipts (1+2+3) | 33550.98 | 32980.69 | 98.30 | 23.15 |
| 5. | Recovery of Loans and Advances | 21.90 | 11.32 | 51.69 | 0.01 |
| 6. | Other Receipts | - | - | | |
| 7. | Borrowings and Other Liabilities | 3325.04 | 2506.98 | 75.40 | 1.76 |
| 8. | Capital Receipts (5+6+7) | 3346.94 | 2518.30 | 75.25 | 1.77 |
| 9. | Total Receipts (4+8) | 36897.92 | 35498.99 | 96.21 | 24.91 |
| 10. | Non-Plan Expenditure (NPE) | 20948.82 | 21685.24 | 103.52 | 15.22 |
| 11. | NPE on Revenue Account | 20718.51 | 21231.29 | 102.48 | 14.90 |
| 12. | NPE on Interest Payment out of 11 | 3796.04 | 3752.94 | 98.87 | 2.64 |
| 13. | NPE on Capital Account | 230.31 | 453.95 | 197.11 | 0.32 |
| 14. | Plan Expenditure (PE) | 15949.10 | 13813.75 | 86.62 | 9.70 |
| 15. | PE on Revenue Account | 8219.38 | 7280.29 | 88.58 | 5.11 |
| 16. | PE on Capital Account | 7729.72 | 6533.46 | 54.53 | 4.59 |
| 17. | Total Expenditure(10+14) | 36897.92 | 35498.99 | 96.21 | 24.91 |
| 18. | Revenue Expenditure | 28937.89 | 28511.58 | 98.53 | 20.01 |
| 19. | Capital Expenditure (13+16) ! | 7960.03 | 6987.41 | 87.79 | 4.91 |
| 20. | Revenue Surplus/ Deficit (4-18 or 18-4) | 4613.09 | 4469.11 | 96.88 | 3.14 |
| 21. | Fiscal Deficit(4+5+6-17) | 3325.04 | 2506.98 | 75.40 | 1.76 |

@ GSDP (Gross State Domestic Product) of the State is the sum total of the value of all goods and services produced in the State in a given financial year. The term domestic emphasizes that GSDP omits income from overseas investments. For 2008-09, GSDP of Bihar was ` 1,42,504 crore on the current price value.

! Sum total of figures for Capital Account and Loans and Advances disbursed.

Receipts and Disbursements

Total receipts during the year (excluding Borrowings and Other Liabilities ` 2,506.98 crore) were ` 32,992.01 crore against which total disbursements were ` 35,498.99 crore. The resulting fiscal deficit of ` 2,506.98 crore is less by ` 818.06 crore in comparison to Budget estimates (` 3,325.04 crore).

The following table summarises the accounts for 2008-09.

| (` in crore) | | | |
|------------------|-----------------------|-----------------------|-----------------------|
| Total Receipts | 35,498.99 (100%) | Total Disbursements | 35,498.99 (100%) |
| Revenue Receipts | 32,980.69 (92.90%) | Revenue Disbursements | 28,511.58 (80.32%) |
| Capital Receipts | 2,518.30 (7.10%) | Capital Disbursements | 6,987.41 (19.68%) |

RECEIPTS

Revenue Receipts

Tax Receipts of ` 23,865.25 crore which comprised ` 17,706.93 crore as State's Share of Union Taxes received from the Central Government and ` 6,158.32 crore raised by the State Government, formed 16.75 per cent of the GSDP. Non-Tax Revenue of ` 1,153.32 crore formed 0.81 per cent of the GSDP. Major contribution to Non-Tax revenue was ` 245.00 crore under Non-ferrous Mining & Metallurgical Industries (0.18 per cent of GSDP) and ` 53.58 crore under Other Administrative Services (0.04% per cent of GSDP).

Tax receipts during the year were less than the budget estimates by ` 487.94 crore, mainly on account of less collection under "Taxes on Sales, Trade etc." & "Other Taxes and Duties on Commodities and Services".

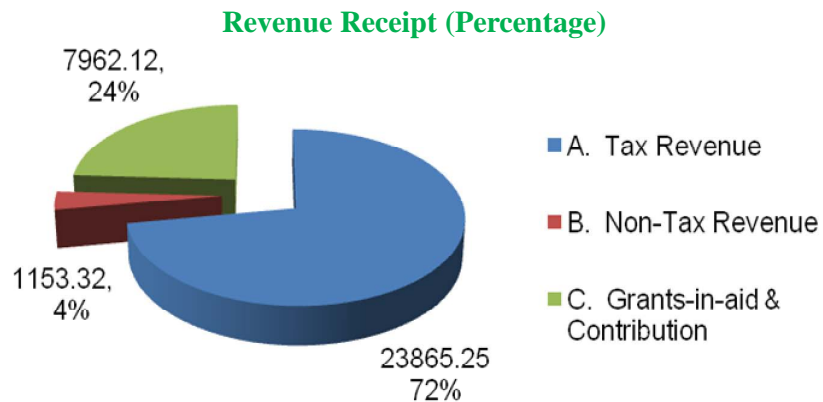
Non-Tax receipts during the year were more than the budget estimates by ` 731.49 crore, mainly on account of more collection on " Industries, Non-ferrous Mining and Metallurgical Industries and Roads and Bridges".

REVENUE RECEIPTS AND GRANTS IN AID AND CONTRIBUTION

(` in Crore)

| Components | Actuals | Percentage to total Revenue Receipts |
|--|------------------|--------------------------------------|
| A. Tax Revenue | 23,865.25 | 72.36 |
| Taxes on Income and Expenditure* | 9,444.51 | 28.64 |
| Taxes on Property and Capital Transactions | 823.43 | 2.49 |
| Taxes on Commodities and Services | 13,597.31 | 41.23 |
| B. Non-Tax Revenue | 1,153.32 | 3.50 |
| Fiscal Services | | |
| Interest Receipts, Dividends and Profits | 306.71 | 0.93 |
| General Services | 412.47 | 1.25 |
| Social Services | 55.78 | 0.17 |
| Economic Services | 378.36 | 1.15 |
| C. Grants-in-aid and Contribution | 7,962.12 | 24.14 |
| TOTAL-REVENUE RECEIPTS | 32,980.69 | 1,00.00 |

* Share of Income Tax received from Union Government.



Capital Receipts

Compared to the Budget Estimates of ` 3,346.94 crore, Capital Receipts were ` 2,518.30 crore. These included ` 2,506.98 crore on account of Borrowings and Other Liabilities (against Budget Estimates of ` 3,325.04 crore) and only ` 11.32 crore on account of Recovery of Loans and Advances (against a Budget Estimates of ` 21.90 crore).

DISBURSEMENT

Revenue Disbursements

Revenue Disbursements were ` 28,511.58 crore which was 20.01 per cent of the GSDP. They were less than the Budget Estimate (` 28,937.89 crore) by ` 426.31 crore (i.e, a shortfall of 1.47%), ` 939.09 crore less under Plan Expenditure and ` 512.78 crore more under Non –Plan Expenditure.

Capital Disbursements

Capital Disbursements were ` 6987.41 crore which was 4.91% per cent of GSDP. They were less than the Budget estimate (` 79,60.03 crore) by ` 9,72.62 crore (i.e, less than 12.22 % of budget estimate). This was caused by less disbursement of ` 11,96.26 crore (15.48% of budget estimate) in Plan expenditure and an excess of ` 2,23.64 crore (97.10 % of budget estimate) in Non-plan expenditure.

Plan Disbursements

During the year 2008-09, Plan Disbursements were ` 1,38,13.75 crore consisting of ` 1,23,35.20 crore under State Plan, ` 13,75.66 crore under Centrally Sponsored Plan and ` 1,02.89 crore under Central Plan Scheme shared by Centre and State.

Non-Plan Disbursements

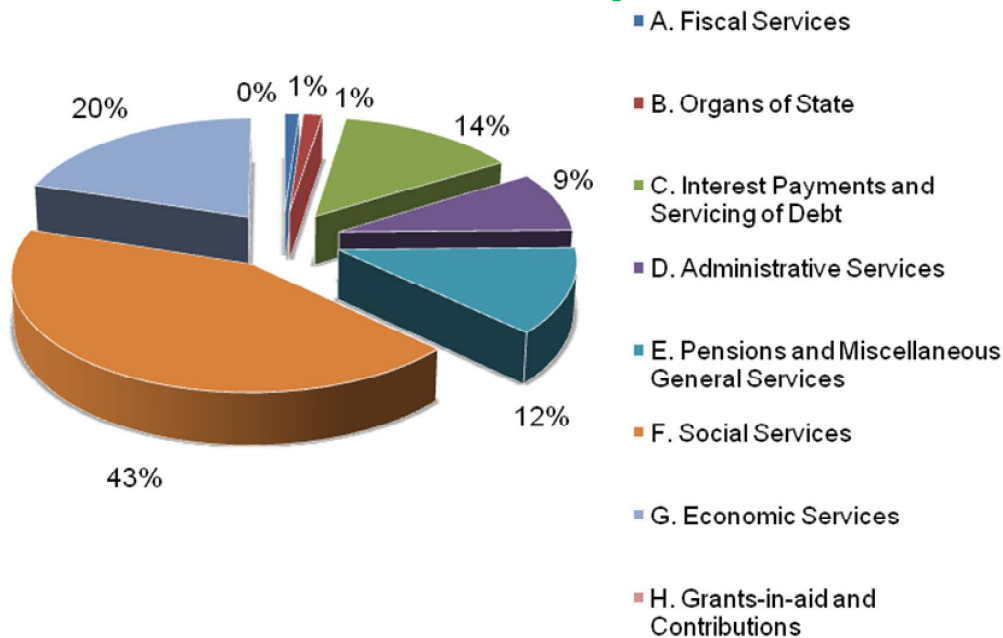
Non-plan Disbursements during 2008-09 were ` 21,685.24 crore, consisting of ` 21,231.29 crore under Revenue and ` 4,53.95 crore under Capital. Sectoral distribution of expenditure and its percentage to total revenue expenditure is given in the following table.

SECTORAL DISTRIBUTION OF EXPENDITURE AND ITS PERCENTAGE TO TOTAL REVENUE EXPENDITURE

(` in Crore)

| Components | Amounts | Per centage to total Revenue Expenditure |
|---|-----------------|--|
| A. Fiscal Services | 312.75 | 1.10 |
| (i) Collection of Taxes on Income and Expenditure | - | - |
| (ii) Collection of Taxes on Property and Capital transactions | 232.49 | 0.82 |
| (iii) Collection of Taxes on Commodities and Services | 78.13 | 0.27 |
| (iv) Other Fiscal Services | 2.13 | 0.01 |
| B. Organs of State | 408.09 | 1.43 |
| C. Interest Payments and Servicing of Debt | 3892.94 | 13.65 |
| D. Administrative Services | 2436.71 | 8.55 |
| E. Pensions and Miscellaneous General Services | 3479.03 | 12.20 |
| F. Social Services | 12252.09 | 42.98 |
| G. Economic Services | 5726.01 | 20.08 |
| H. Grants-in-aid and Contributions | 3.96 | 0.01 |
| TOTAL-Expenditure (Revenue Accounts) | 28511.58 | 100.00 |

Sectoral Distribution of Expenditure



TREND OF EXPENDITURE

STATEMENT OF EXPENDITURE IN SELECTED SECTORS

(REVENUE EXPENDITURE)

(in crore)

| Sector | 2004-05 % to B.E/R.E. | 2005-06 % to E/R.E. | 2006-07 % to B.E/R.E. | 2007-08 % to B.E/R.E. | 2008-09 % to B.E/R.E. |
|--------------------------------------|--------------------------|------------------------|--------------------------|--------------------------|--------------------------|
| A. Social Services | | | | | |
| i) Education, Sports, Art & Culture | 31,42 81/76 | 43,94 100/95 | 52,53 106/99 | 54,96 102/99 | 67,06 93/91 |
| ii) Health & Family Welfare | 6,07 87/78 | 8,77 79/79 | 9,85 90/81 | 11,41 95/95 | 11,93 79/75 |
| B. Economics Services | | | | | |
| i) Agriculture and Allied Activities | 3,97 105/99 | 4,10 90/81 | 5,85 139/93 | 7,37 114/85 | 12,73 158/78 |
| ii) Rural Development | 803 120/83 | 10,63 95/95 | 13,19 106/86 | 16,53 86/95 | 21,09 100/83 |
| iii) Irrigation & Flood Control | 4,73 86/86 | 4,83 82/82 | 4,35 60/57 | 5,62 97/95 | 7,04 130/94 |
| iv) Energy | 02 115/101 | 01 100/02 | 10,81 258/100 | 7,26 100/100 | 7,23 100/100 |
| v) Transport | 2,25 90/89 | 2,85 88/88 | 4,14 89/89 | 4,08 72/72 | 4,93 80/76 |
| vi) General Economic Services | 1,03 106/101 | 88,94 7350/7231 | 1,00 72/77 | 119 102/89 | 1,98 137/115 |

DEBTS AND LIABILITIES

Outstanding Public debt at the end of 31st March 2009 was ` 39291.07 crore, comprising of Internal Debt of ` 31293.27 crore and Loans and Advances from Central Government ` 7997.80 crore.

Other liabilities accounted for under Public Account were ` 90,40.86 crore.

The State also acts as a banker and trustee in respect of deposits like small savings collections, provident fund, etc. There was an overall increase of ` 144.40 crore in respect of such liabilities of State Government during 2008-09, bringing the amount to ` 9573.58 crore as balance outstanding on 31st March 2009.

Interest Payments on debt and other liabilities totalling ` 3752.94 crore constituted 13.16 per cent of revenue expenditure of ` 28511.58 crore. These Interest Payments comprised of interest on Internal Debt ` 2475.95 crore, interest on Loans and Advances from Central Government ` 646.15 crore, interest on Other Liabilities ` 3.20 crore and interest on Small Savings, Provident Fund etc. ` 627.64 crore.

Expenditure on account of interest payments increased by ` 45.95 crore during 2008-09. Interest totalling ` 597.64 crore on State Provident Funds, which has been adjusted in accounts is only ad-hoc basis as the actual figures had not been intimated by the State Government.

Internal debt of ` 5778.03 crore raised during 2008-09 was mainly used for discharge of debt obligations of ` 1253.60 crore.

INVESTMENTS AND RETURNS

Total investments as share capital in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies etc., stood at ` 832.18 crore at the end of 2008-09. During 2008-09, the investments increased by ` 3.49 crore. The return on these investments during this year is zero. The accounts of Government Companies were in arrears for periods ranging upto 25 years.

LOANS AND ADVANCES BY THE STATE GOVERNMENT

Total loans and advances made by the State Government at the end of March'2009 were ` 1,46,67.83 crore. Recovery of principal amount aggregating to ` 6206.81 crore and interest of loan amounting to ` 9679.27 crore was in arrears as on 31st March 2009.

ARREARS IN RECOVERY OF LOANS AND ADVANCES

(` in crore)

| Years in which it became due | Principal | Interest |
|------------------------------|----------------|----------------|
| Upto 2006-2007 | 3504.01 | 5670.83 |
| 2007-2008 | 1336.82 | 1984.40 |
| 2008-2009 | 1365.98 | 2023.94 |
| Total | 6206.81 | 9679.27 |

APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of Bihar for the year 2008-2009 present the accounts of sums expended in the year ended 31st March 2009, compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Article 204 and 205 of the Constitution of India.

The Appropriation Accounts show that in the year 2008-09, there was actual expenditure of ` 37445.83 crore, comprising ` 28775.53 crore Revenue expenditure and ` 8670.30 crore Capital expenditure. There were savings under Revenue/Capital /Public Debt/Loans and Advances with reference to total grants allocated by the State Legislature.

SAVINGS/EXCESSES DURING 2008-2009

(` in crore)

| Sl. No. | Nature of expenditure | Original grant | Supplementary grant | Re-appropriation | Total | Actual Expenditure | Savings(-) Excess(+) |
|---------|--------------------------|---------------------|---------------------|------------------|---------------------|---------------------|-------------------------|
| 1. | Revenue Voted Charged | 25248.38 3852.10 | 6314.60 4.31 | - | 31562.98 3856.41 | 24955.13 3820.40 | (-)6607.85 (-) 36.01 |
| 2. | Capital Voted Charged | 7635.39 Nil | 3177.53 | - | 10812.92 | 6436.97 | (-)4375.95 |
| 3. | Public Debt Charged | 1676.21 | 7.20 | - | 1683.41 | 1682.28 | (-) 1.13 |
| 4. | Loans and Advances Voted | 324.63 | 518.62 | - | 843.25 | 551.05 | (-) 292.20 |
| | Total | 38736.71 | 10022.26 | - | 48758.97 | 37445.83 | (-)11313.14 |

**TREND OF EXPENDITURE ON SELECTED GRANTS SHOWING
PERSISTENT SAVINGS**

(in crore)

| Year | Grant | Total Allocation | Percentage of savings to total |
|---------|------------------------------------|------------------|--------------------------------|
| 2004-05 | Agriculture Department | 213.55 | 25.75 |
| 2005-06 | Agriculture Department | 245.14 | 1.62 |
| 2006-07 | Agriculture Department | 288.53 | 14.04 |
| 2007-08 | Agriculture Department | 537.65 | 17.65 |
| 2008-09 | Agriculture Department | 786.19 | 28.47 |
| 2004-05 | Forest & Environment Department | 55.87 | 44.37 |
| 2005-06 | Forest & Environment Department | 64.74 | 24.68 |
| 2006-07 | Forest & Environment Department | 74.58 | 9.14 |
| 2007-08 | Forest & Environment Department | 91.09 | 16.93 |
| 2008-09 | Forest & Environment Department | 101.03 | 21.38 |
| 2004-05 | Industries Department | 36.43 | 25.34 |
| 2005-06 | Industries Department | 38.43 | 24.86 |
| 2006-07 | Industries Department | 590.88 | 5.10 |
| 2007-08 | Industries Department | 501.49 | 38.38 |
| 2008-09 | Industries Department | 644.28 | 25.81 |
| 2004-05 | Urban Development Department | 179.34 | 28.02 |
| 2005-06 | Urban Development Department | 293.32 | 3.90 |
| 2006-07 | Urban Development Department | 735.44 | 47.83 |
| 2007-08 | Urban Development Department | 1147.96 | 51.55 |
| 2008-09 | Urban Development Department | 1792.27 | 34.79 |

The table above indicates that in the Grants dealing with Agriculture Department, Forest and Environment Department, Industries Department and Urban Development Department year after year the budget allocations were made but the utilisation of those budget allocations had been around 72 per cent which may be on account of either incorrect budgeting or incorrect implementation or the allocations being made without linking to requirement.

RECONCILIATION OF ACCOUNTS

Accuracy and reliability of accounts depend among other things, on timely reconciliation of the departmental figures with the accounts figures. In respect of 79 Major Heads, only expenditure of ` 2094.44 crore has been reconciled out of total expenditure of ` 35498.99 crore for the year 2008-09.

SUBMISSION OF ACCOUNTS BY TREASURIES

During 2008-09, 708 accounts were received from 59 district treasuries. Of these 527 were not received on due dates. The delay in this regard ranged upto 91 to 130 days.

| Accounts for the month of | No delay | 1-29 days | 30-90 days | 91-130 days |
|---------------------------|----------|-----------|------------|-------------|
| April'2008 | 13 | 45 | 01 | - |
| May' 2008 | 15 | 42 | 01 | 01 |
| June'2008 | 12 | 45 | 02 | - |
| July'2008 | 18 | 38 | 03 | - |
| August'2008 | 21 | 32 | 06 | - |
| September'2008 | 10 | 42 | 07 | - |
| October'2008 | 12 | 43 | 03 | 01 |
| November'2008 | 27 | 23 | 05 | 04 |
| December'2008 | 12 | 26 | 13 | 08 |
| January'2009 | 13 | 27 | 12 | 07 |
| February'2009 | 12 | 20 | 25 | 02 |
| March'2009 | 06 | 25 | 27 | 01 |
| Total | 171 | 408 | 105 | 24 |

(Figures denote number of treasuries).

The above table indicates delay in the submission of accounts where the accounts had not been rendered in time by the district treasuries. The non-submission of accounts in time leads to exclusion of the treasury monthly accounts submitted to the State Government. As a result the accounts figures did not reflect the actual expenditure or receipt of the month which may result in a wrong decision if taken on the basis of incomplete accounts.

CHAPTER-III
TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE
REVENUE RECEIPTS

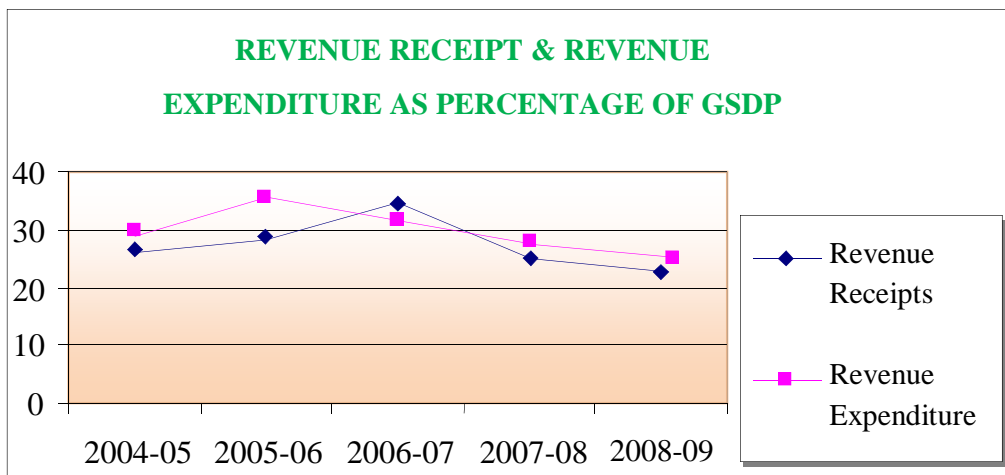
(` in crore)

| Year | Tax Revenue | Non-Tax Revenue | Grants-in-aid and Contributions | Gross Revenue Receipts | GSDP | Percentage of Gross Revenue Receipts to GSDP |
|---------|-------------|-----------------|---------------------------------|------------------------|--------|--|
| 2004-05 | 12464.53 | 417.79 | 2831.83 | 15714.15 | 57145 | 27.50 |
| 2005-06 | 13981.69 | 522.30 | 3332.72 | 17836.71 | 60607 | 29.43 |
| 2006-07 | 17324.80 | 511.28 | 5247.11 | 23083.19 | 81270 | 34.81 |
| 2007-08 | 21852.46 | 525.59 | 5831.67 | 28209.72 | 105148 | 26.83 |
| 2008-09 | 23865.25 | 1153.32 | 7962.12 | 32980.68 | 142504 | 23.14 |

REVENUE EXPENDITURE

(` in crore)

| Year | Revenue Expenditure (Actuals) | Total Expenditure | GSDP | Percentage increase over 2004-05 to 2008-09 | | | Percentage of Government expenditure to GSDP |
|---------|-------------------------------|-------------------|--------|---|-------------------|-------|--|
| | | | | Revenue expenditure | Total Expenditure | GSDP | |
| 2004-05 | 14638.42 | 16970.78 | 57145 | 15.16 | 0.84 | 9.27 | 29.70 |
| 2005-06 | 17756.00 | 21587.72 | 60607 | 44.89 | 54.51 | 06.06 | 35.62 |
| 2006-07 | 20585.04 | 26111.49 | 81270 | 15.93 | 20.95 | 34.09 | 32.13 |
| 2007-08 | 23562.87 | 29939.34 | 105148 | 14.47 | 14.66 | 29.38 | 28.47 |
| 2008-09 | 28511.58 | 35498.99 | 142504 | 21.00 | 18.57 | 24.33 | 24.91 |



The overall increase in the Government's total expenditure during 2008-09 compared to 2004-05 (4 years) has been increased by ` 18,528.21 crore. Growth in major areas of Revenue Expenditure is shown in a table on next page.

GROWTH IN MAJOR AREAS OF REVENUE EXPENDITURE

(` in crore)

| Area of expenditure | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | Percentage increase (+)/ decrease (-) in 2008-09 over 2007-08 |
|--|---------|---------|---------|---------|---------|---|
| Interest payments and Servicing of Debt | 3473.90 | 3648.89 | 3416.09 | 3706.99 | 3892.94 | 5.02 |
| Pension and Miscellaneous General Services | 2324.73 | 2455.54 | 2497.09 | 2788.95 | 3479.03 | 24.75 |
| Administrative Services | 1470.86 | 1868.80 | 2170.96 | 2155.59 | 2436.71 | 13.04 |
| Agriculture and Allied Activities | 396.84 | 410.45 | 585.15 | 736.85 | 1272.69 | 72.72 |
| Rural Development | 802.68 | 1062.58 | 1318.87 | 1653.11 | 2109.20 | 27.59 |
| Energy | 1.74 | 1.42 | 1080.64 | 726.28 | 722.50 | (-) 0.52 |

In “Agriculture and Allied Activities”, there was increase of 72.72% and in “Rural Development”, there was increase of 27.59% in 2008-2009 as compared to 2007-2008. In the “Energy” sector, 0.52% less expenditure was incurred as compared to last year.

GOVERNMENT ACCOUNT

The total expenditure (Revenue and Capital) for the year is netted against total receipts (Revenue and non debt Capital receipts) of the year and the surplus/deficit thereof is transferred to a separate ledger called “Government Account”. In addition, net effect of Prior Period Adjustments, Miscellaneous Government Accounts, etc. is also transferred to the ledger “Government Account”. Thus, the ledger “Government Account” represents the cumulative surplus/deficit of the operations of the Government. The details of the ledger “Government Account” for the past four years are given below.

CUMULATIVE DEFICIT IN GOVERNMENT ACCOUNT FROM 2005-06 TO 2008-09

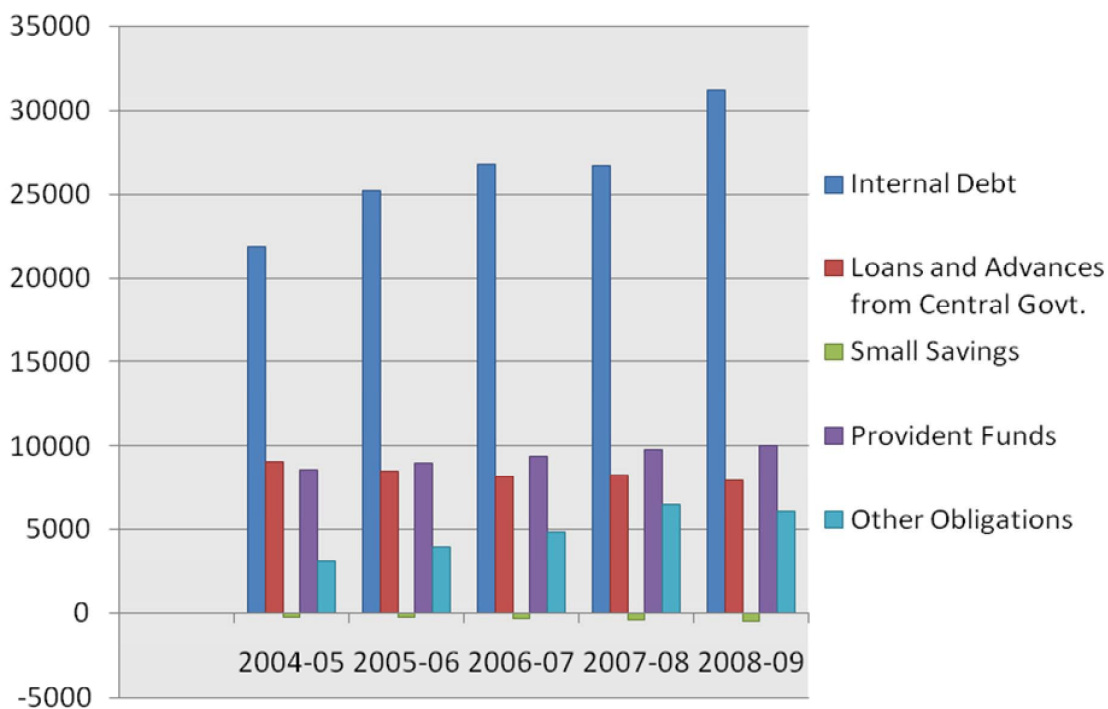
(` in crore)

| Year | Revenue Heads | | | Capital Heads | | | Other Head Surplus/ Deficit | Deficit for the year | Closing balance of Govt. Accounts |
|---------|---------------|-------------|----------------------------|---------------|-------------|-------------|-----------------------------------|-------------------------|--|
| | Receipts | Expenditure | Deficit(-) / Surplus(+) | Receipts | Expenditure | Deficit | | | |
| 2005-06 | 17836.71 | 17756.00 | (+) 80.71 | -- | 2083.90 | (-) 2083.90 | -- | 2003.19 | 28617.00 |
| 2006-07 | 23083.19 | 20585.04 | (+) 2408.15 | -- | 5211.13 | (-) 5211.13 | -- | 2802.98 | 31329.98 |
| 2007-08 | 28209.72 | 23562.87 | (+) 4646.85 | -- | 6103.78 | (-) 6103.78 | -- | 1456.93 | 32786.91 |
| 2008-09 | 32980.69 | 28511.58 | (+) 4469.11 | -- | 6436.35 | (-) 6436.35 | -- | 1967.24 | 34754.15 |

LIABILITIES

Liabilities of the State Government increased by ` 12,483.45 crore (29.41%) from ` 42,483.30 crore in 2004-05 to ` 54,976.75 crore in 2008-2009. Public debt comprising Internal Debt of the State Government and Loans and Advances from the Central Government increased by ` 8,348 crore (26.98 %) from ` 30,942.93 crore in 2004-2005 to ` 39,291.06 crore at the end of the year 2008-2009. 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:-

| Year | Internal Debt | Loans and Advances from Central Govt. | Total Public Debt | Small Savings | Provident Funds | Other Obligations | Total Liabilities | GSDP | %of total liability to GDP |
|---------|---------------|---------------------------------------|-------------------|---------------|-----------------|-------------------|--------------------|--------|----------------------------|
| (1) | (2) | (3) | (4=2+3) | (5) | (6) | (7) | (8) (8=4+5+6+7) | (9) | (10) |
| 2004-05 | 21905.88 | 9037.05 | 30942.93 | (-) 195.45 | 8596.17 | 3139.65 | 42483.30 | 57145 | 74.34 |
| 2005-06 | 25181.52 | 8551.01 | 33732.53 | (-) 234.45 | 9000.18 | 3996.51 | 46494.77 | 60607 | 76.72 |
| 2006-07 | 26828.55 | 8236.86 | 35065.41 | (-) 268.79 | 9429.57 | 4862.62 | 49088.81 | 81270 | 60.40 |
| 2007-08 | 26768.85 | 8276.61 | 35045.45 | (-) 360.04 | 9789.22 | 6514.55 | 50989.18 | 105148 | 48.49 |
| 2008-09 | 31293.27 | 7997.79 | 39291.06 | (-) 490.79 | 10064.38 | 6112.10 | 54976.75 | 142504 | 38.58 |



STATE PROVIDENT FUND

The details of transactions from the State Provident Fund are shown in the following table.

(` in crore)

| Year | Opening Balance | Receipts | Payments | Net accretion for the year | Closing Balance | Interest charged on balance of P.F.* |
|---------|-----------------|----------|----------|----------------------------|-----------------|--------------------------------------|
| 2004-05 | 8119.07 | 1151.02 | 673.92 | 477.10 | 8596.17 | 597.54 |
| 2005-06 | 8596.17 | 1041.47 | 637.46 | 404.01 | 9000.18 | 597.62 |
| 2006-07 | 9000.18 | 964.65 | 535.26 | 429.39 | 9429.57 | 495.54 |
| 2007-08 | 9429.57 | 1028.63 | 668.98 | 359.65 | 9789.22 | 549.65 |
| 2008-09 | 9789.22 | 1116.14 | 840.98 | 275.16 | 10064.38 | 597.64 |

* The interest on State Provident Fund adjusted in accounts is only adhoc as the actual figures had not been intimated by the State Government.

Work relating to maintenance of General Provident Fund accounts of State Government employees stands transferred to the State Government w.e.f. 1st April, 1986.

GUARANTEES

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

(` in Crore)

| At the end of the year | Amount Guaranteed (Principal Only) | Amount Outstanding | |
|------------------------|------------------------------------|--------------------|----------|
| | | Principal | Interest |
| 2004-05 | 1491.13 | 473.44 | 80.94 |
| 2005-06 | 1491.13 | 604.87 | 79.88 |
| 2006-07 | 1497.78 | 567.81 | 79.88 |
| 2007-08 | 1497.78 | 476.36 | 79.88 |
| 2008-09 | 1507.78 | 664.28 | 79.88 |

Complete information of the amount guaranteed by the Government during the year 2004-05 has not been intimated.

WAYS AND MEANS ADVANCES

The State Government, in order to maintain and sustain its liquidity position, takes Ways and Means Advances from the Reserve Bank of India and thereafter, draws upon overdraft whenever there is shortfall in the agreed minimum cash balance

in its account with the Reserve Bank of India. The State Government is required to maintain the minimum cash balance of ` 1.73 crore on all days with Reserve Bank of India. The larger the amount and greater the number of times such ways and means advances are taken or drawals made, the more it reflects the adverse position of the cash balance of the State Government.

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
|--|---------|---------|---------|---------|---------|
| (i) Number of days on which minimum balance was maintained | 365 | 365 | 365 | 366 | 365 |
| (a) without obtaining any advance | 362 | 365 | 365 | 366 | 365 |
| (b) By obtaining Ways and Means Advance | 03 | Nil | Nil | Nil | Nil |
| (ii) Number of days on which overdraft was taken | Nil | Nil | Nil | Nil | Nil |

GENERAL CASH BALANCES

The closing cash balance according to the Reserve Bank of India was ` (-) 759.40 crore against the general cash balance of ` (-) 740.06 crore reflected in State Government accounts. The difference of ` 19.34 crore (Net Credit) was under reconciliation.

The cash balance investment account is an account maintained by the Reserve Bank of India on behalf of the State Government for investment of surplus cash. At the end of daily transactions of the State Government, surplus funds are invested in Treasury Bills and in securities of the Government of India or other State Governments through this account. Conversely, whenever there is a shortfall, it is met through disinvestments of these bills and securities. Investments held in the cash Balance Investment Account as on 31st March 2009 were 3978.90 crore.

Other cash balances and investments comprising cash with Departmental Officers (` 177.76 crore), Permanent Advances with Departmental Officers (` 0.39 crore) and Investment of Earmarked Funds (` 140.10 crore) as on 31st March 2009, were ` 318.25 crore.

The cash balance (Deposits with Reserve Bank) came up from ` (-) 2400.21 crore at the beginning of the year 2008-09 to ` (-) 740.06 crore at its end, the details of sources and application of funds being as shown in the following table.

(` in Crore)

| SOURCES | | | APPLICATION | | | | |
|---------|--|-----------------|-------------|---|-----------|-----------|-----------------|
| Sl.No. | Items | Amount | Sl.No. | Items | Amount | | |
| 1. | Opening cash balance (Deposits with Reserve Bank) | -2400.21 | 1. | Revenue Expenditure | Non- Plan | Plan | Total |
| | | | | | 21231.29 | 7280.29 | 28511.58 |
| 2. | State's Share of Union Taxes | 17692.51 | 2. | Capital Expenditure | 453.95 | 6533.46 | 6987.41 |
| 3. | State's own revenue collection | 7326.06 | 3. | Loans and advances repaid | To C.G. | To others | |
| | | | | | 428.68 | 1253.60 | 1682.28 |
| 4. | Central grants/assistance other than loans | 7962.12 | 4. | Loans and Advances given | | | 551.05 |
| 5. | Miscellaneous receipts | - | 5. | Disbursements under small Savings and Deposits and Advances | | | 8909.42 |
| 6. | Receipts from Public Debt, small savings , deposits and advances (other than Central loans) | 14141.32 | 6. | Closing cash balance (Deposits with Reserve Bank) | | | (-)740.06 |
| 7. | Receipts from Central Loans | 149.86 | | | | | |
| 8. | Recoveries from borrowers | 11.32 | | | | | |
| 9. | Net contribution from Contingency Fund. | - | | | | | |
| 10. | Net effect of adjustment of suspense and remittance balances and increase/decrease of reserve funds. | (+)1018.70 | | | | | |
| | Total | 45901.68 | | Total | | | 45901.68 |