



Government of
Bihar

ACCOUNTS AT A GLANCE
2011 - 12



ACCOUNTANT GENERAL

(Accounts and Entitlements)

BIHAR, PATNA



ACCOUNTS AT A GLANCE 2011 - 2012

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BIHAR, PATNA



BIHAR LEGISLATIVE ASSEMBLY

*P*REFACE

I am happy to present our annual publication, the ‘**Accounts at a Glance**’ of the Government of Bihar. The purpose of this publication is to distil and make more accessible the voluminous information that is available in the annual Finance and Appropriation Accounts prepared by my office under the directions of the Comptroller and Auditor General of India and placed before the Legislature in accordance with Article 149 of the Constitution of India.

The annual accounts of the State consist 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 grant-wise expenditure against provisions approved by State Legislature 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 the Appropriation Accounts, the Report on State Finances and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facets of the finances of the Government of Bihar.

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



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

Place : Patna

Date : 05th December 2012

Our Vision, Mission and Core Values

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

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognised for independent, credible, balanced and timely reporting on public finance and governance.

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

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders – the Legislature, the Executive and the Public – that public funds are being used efficiently and for the intended purposes.

Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance

- | | |
|----------------|---------------------------|
| ■ Independence | ■ Professional Excellence |
| ■ Objectivity | ■ Transparency |
| ■ Integrity | ■ Positive Approach |
| ■ Reliability | |

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C HAPTER 1

OVERVIEW

1.1. Introduction

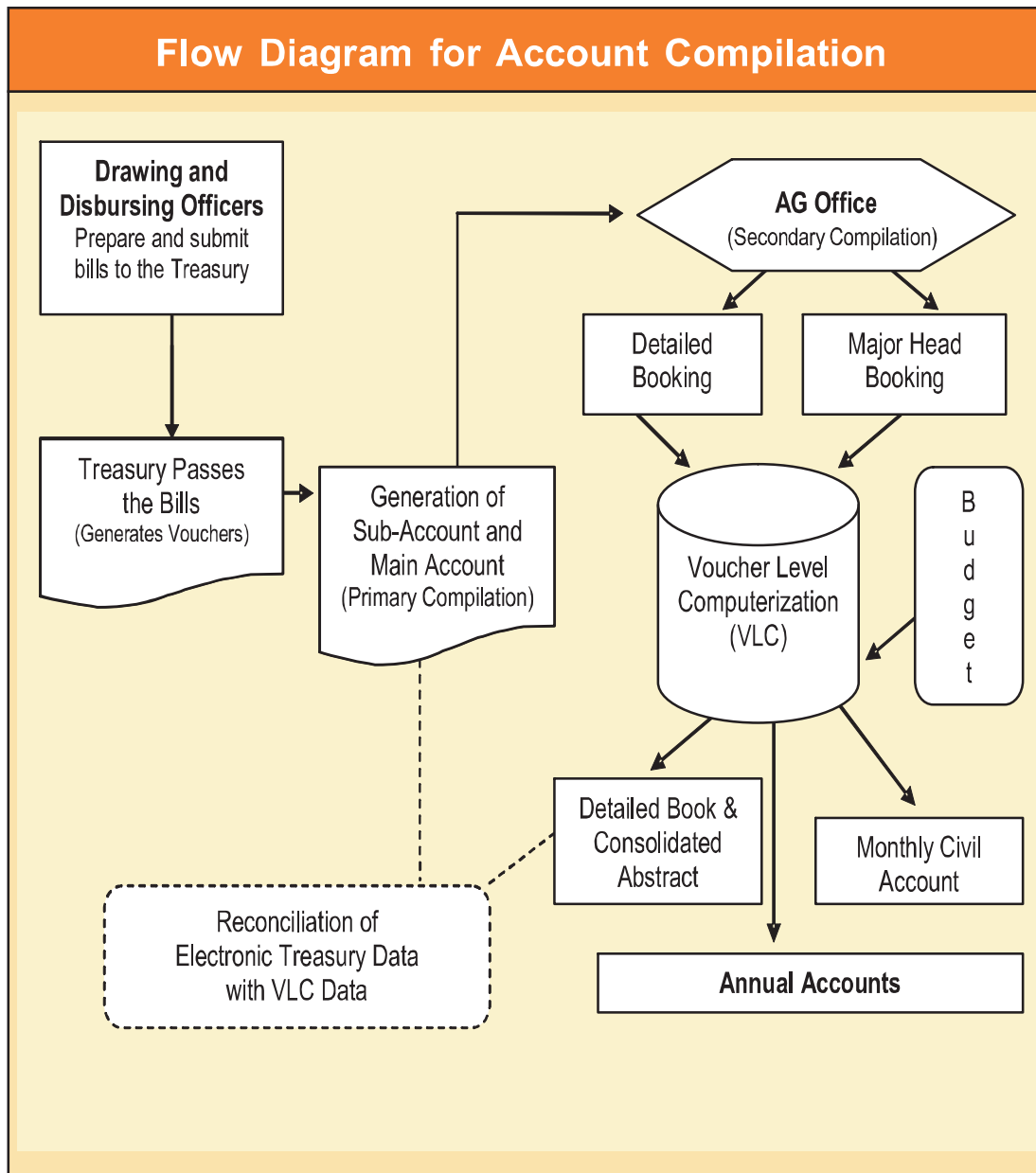
The Accountant General (Accounts and Entitlements), Bihar compiles the accounts of receipts and expenditure of the Government of Bihar. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such compilation, the Accountant General (A&E) prepares, annually the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (Audit), Bihar and certification by the Comptroller and Auditor General of India.

1.2. Structure of Accounts

1.2.1. Government Accounts are kept in three parts :

Part 1 CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part 2 CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part 3 PUBLIC ACCOUNT	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

1.2.2. Compilation of Accounts



1.3. Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. Finance Accounts have been prepared in two volumes to make them more comprehensive and informative. Volume 1 of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of overall receipts and disbursements and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume 2 contains other summarised statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and disbursements of the Government of Bihar as depicted in the Finance Accounts 2011-12 are given below :

(₹ in Crore)

Receipts (Total : 57,259)	Revenue (Total : 51,320)	Tax Revenue	40,547
		Non Tax Revenue	890
		Grants-in-aid	9,883
	Capital (Total : 5,939)	Recovery of Loans and Advances	23
		Borrowings and other Liabilities*	5,841
		Inter State Settlement	75
Disbursements (Total : 57,259)	Revenue	46,500	
	Capital#	8,853	
	Loans and Advances	1,906	

* 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

This includes ₹ 1.00 crore as disbursement under Inter State Settlement.

Apart from revenue and capital receipts by the State, the Union Government transfers substantial funds directly to State Implementing Agencies / NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 8,958 crore (₹ 10,309 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume-2 of the Finance Accounts.

1.3.2. Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Govt. 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 Govt. has 51 Grants/Appropriations. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriations authorised by the Legislature through the Appropriation Act of each year.

The Appropriation Act, 2011-12, had provided for gross expenditure of ₹ 76,897 crore and reduction of expenditure (recoveries) of ₹ 0.20 lakh. Against this, the actual gross expenditure was ₹ 61,301 crore and reduction of expenditure was ₹ 1,120 crore, resulting in net savings of ₹ 15,596 crore (20.29%) and an under-estimation of ₹ 1,120 crore on reduction of expenditure. The gross expenditure includes ₹ 4,974 crore drawn on Abstract Contingent (AC) Bills, out of which ₹ 4,724 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

Government is authorised to open P.D. Accounts in order to deposit money by transferring funds from the consolidated fund for discharging liabilities of the Government arising out of special enactments. Rule 344 of Bihar Treasury Code 2011 envisages that the deposit administrator shall review all Personal Deposit Accounts at the end of the each financial year. Money lying unspent after two consecutive financial years (including the financial year in which the money was withdrawn) should not be spent any further and balance should be transferred as reduction of expenditure to the concerned service head.

Note :- The figure of direct transfer of funds are taken from the 'Central Plan Scheme Monitoring System (CPSMS)' portal of the Controller General of Accounts.

During 2011-12, only 11 treasuries out of 61 have furnished the information in respect of P.D. Accounts. On the basis of information received from 11 treasuries and previous records of this office, the status of P.D. Accounts as on 31.03.2012 is as under :-

(₹ in lakh)

Particulars	No. of PD Accounts	Amount
As on 01.04.2011	04	17.29
Opened during the year	03	*
Closed during the year	*	*
As on 31.03.2012	07	17.29

* Details are not available.

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 2011-12, the Government of Bihar had maintained the minimum balance without taking any advance.

1.4.2. Funds flow statement

The State had a Revenue Surplus of ₹ 4,820 crore and a Fiscal Deficit of ₹ 5,841 crore representing 2% and 2% of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 10% of total expenditure. This deficit was met from Public Debt (₹ 3,705 crore), decrease in Public Account (₹ 2,469 crore) and net of opening and closing cash balance (-₹ 333 crore). Around 47% of the revenue receipts (₹ 51,320 crore) of the State Government was spent on committed expenditure like salaries (₹ 12,194 crore), interest payments (₹ 4,304 crore) and pensions (₹ 7,808 crore).

Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Survey of the Planning and Development Department, Government of Bihar.

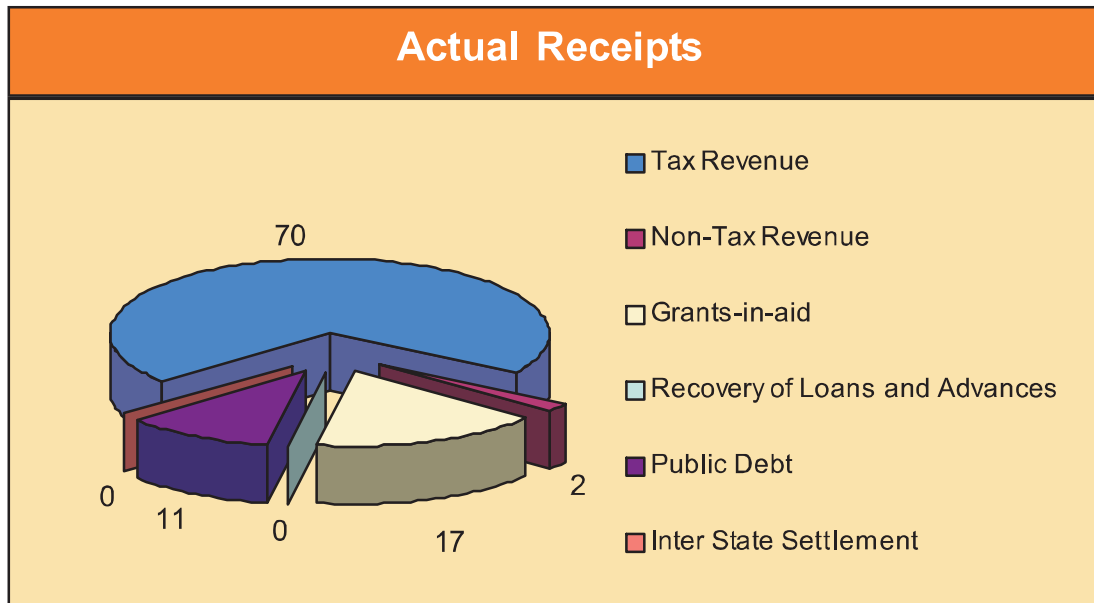
Sources and Application of Funds

(₹ in Crore)

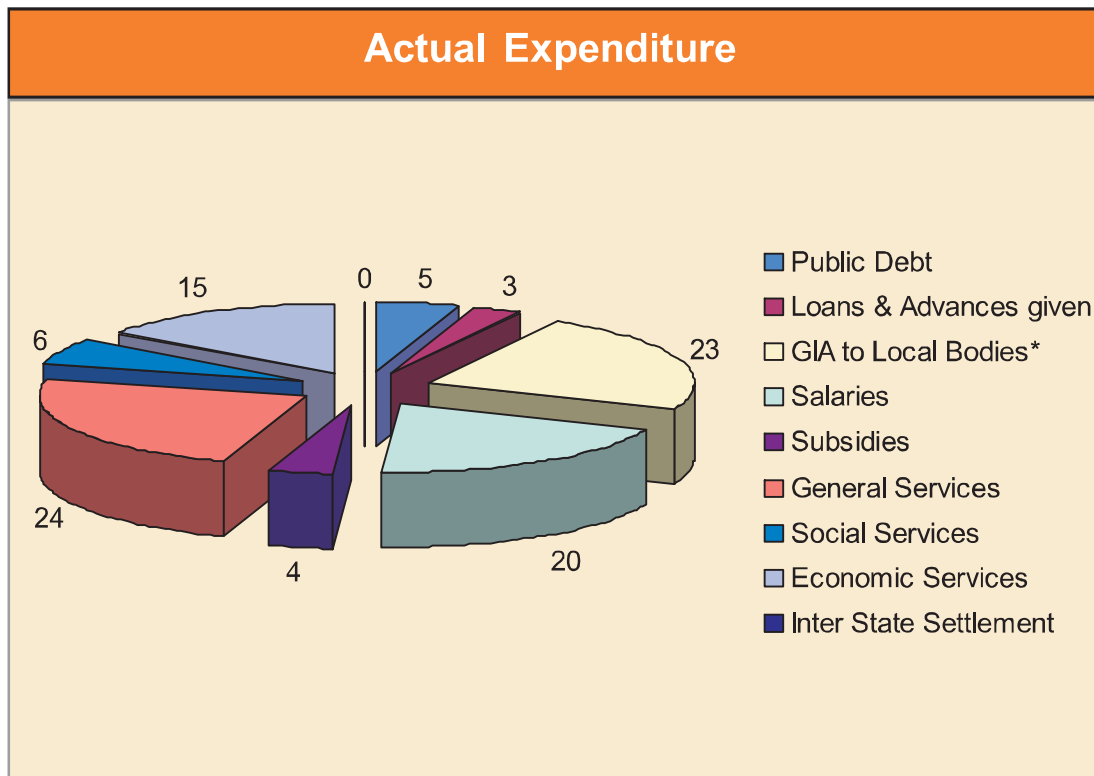
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2011	- 426
	Revenue Receipts	51,320
	Recovery of Loans & Advances	23
	Public Debt	6,628
	Inter State Settlement	75
	Small Savings, Provident Fund & Others	1,032
SOURCES	Reserves & Sinking Funds	1,115
	Deposits Received	9,796
	Civil Advances Repaid	82
	Suspense Account	1,24,344
	Remittances	9,859
	Contingency Fund	-
	TOTAL	2,03,848

	Revenue Expenditure	46,500
	Capital Expenditure	8,852
	Loans Given	1,906
	Repayment of Public Debt	2,923
	Inter State Settlement	01
	Small Savings, Provident Fund and Others	1,034
APPLICATION	Reserves & Sinking Funds	778
	Deposits Spent	8,882
	Civil Advances Given	63
	Suspense Account	1,23,106
	Remittances	9,896
	Closing Cash Balance as on 31.03.2012	- 93
	TOTAL	2,03,848

1.4.3. Where the Rupee came from



1.4.4. Where the Rupee went



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

1.5. Highlights of Accounts

(₹ in Crore)

	B.E. 2011-12	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP (\$)
	(₹ in Crore)			
1. Tax Revenue (@)	39,549	40,547	103	15
2. Non-Tax Revenue	2,986	890	30	--
3. Grant-in-aid and Contributions	13,671	9,883	72	4
4. Revenue Receipts (1+2+3)	56,206	51,320	91	20
5. Other Receipts	--	75	--	--
6. Recovery of Loans and Advances	18	23	128	--
7. Borrowings and other Liabilities (A)	6,194	5,841	94	2
8. Capital Receipts (5+6+7)	6,212	5,939	96	2
9. Total Receipts (4+8)	62,418	57,259	92	22
10. Non-Plan Expenditure (*)	34,915	34,251	98	13
11. NPE on Revenue Account	34,619	34,013	98	13
12. NPE on Interest Payments out of 11	4,738	4,304	91	2
13. NPE on Capital Account	296	238	80	--
14. Plan Expenditure (*)	27,503	23,008	84	09
15. PE on Revenue Account	15,315	12,487	82	5
16. PE on Capital Account	12,188	10,521	86	4
17. Total Expenditure (10+14)	62,418	57,259	92	22
18. Revenue Expenditure (11+15)	49,934	46,500	93	18
19. Capital Expenditure (13+16) (#)	12,484	10,759	86	4
20. Revenue Surplus (4-18)	6,272	4,820	77	2
21. Fiscal Deficit (4+5+6-17)	6,194	5,841	94	2

(@) Includes State's share of Union Taxes of ₹ 27,935 crore.

(\$) GSDP figure of ₹ 2,62,230 crore adopted from the Economic Survey published by Planning Department, Government of Bihar.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 8,852 crore), Loans and Advances disbursed (₹ 1,906 crore) and Inter State Settlement (₹ 1 crore).

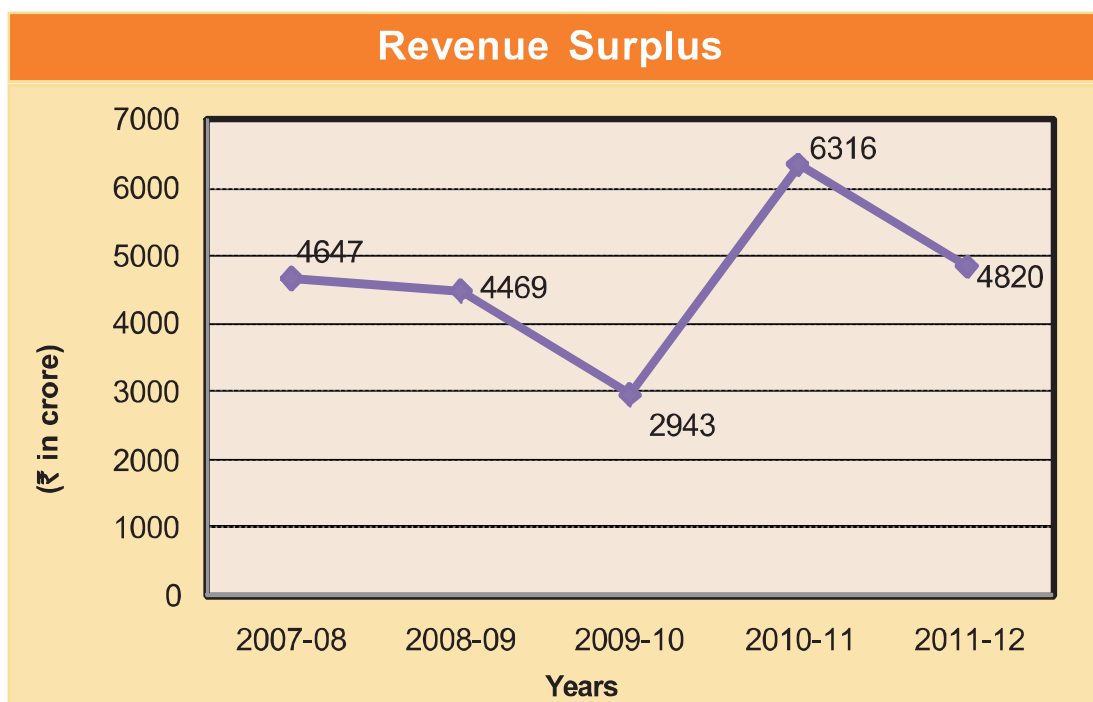
(*) Expenditure includes ₹ 198 crore under Non-Plan and ₹ 1,708 crore under Plan which pertains to Loans and Advances.

(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.

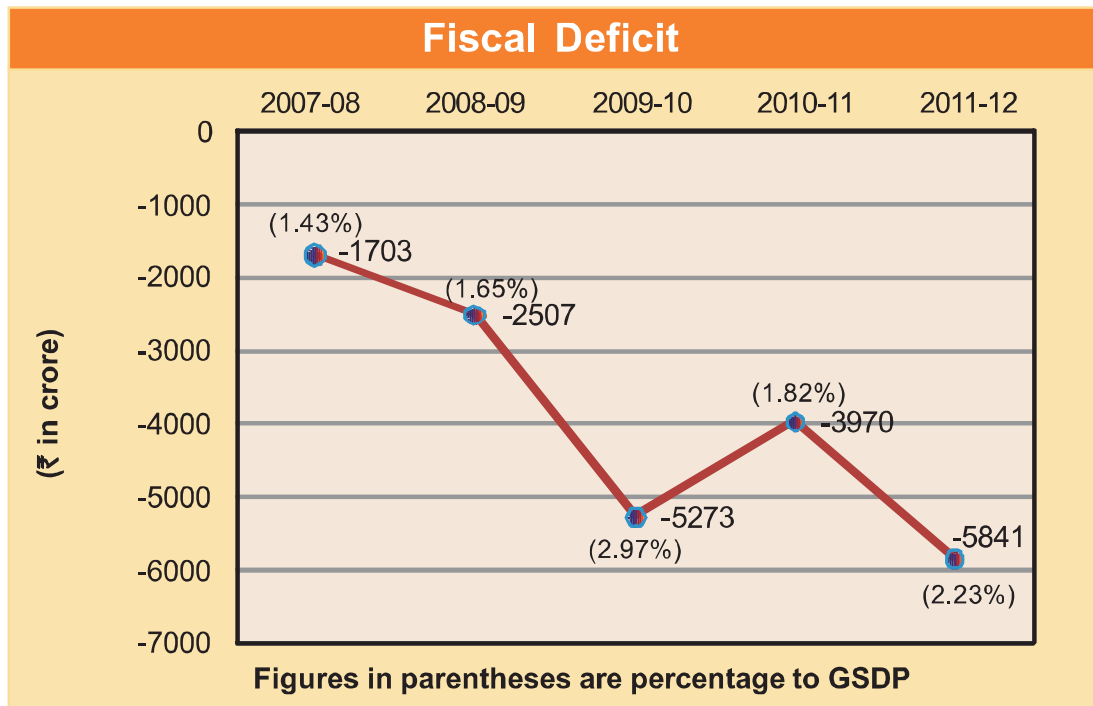
1.6. What do the Deficits and Surpluses indicate ?

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

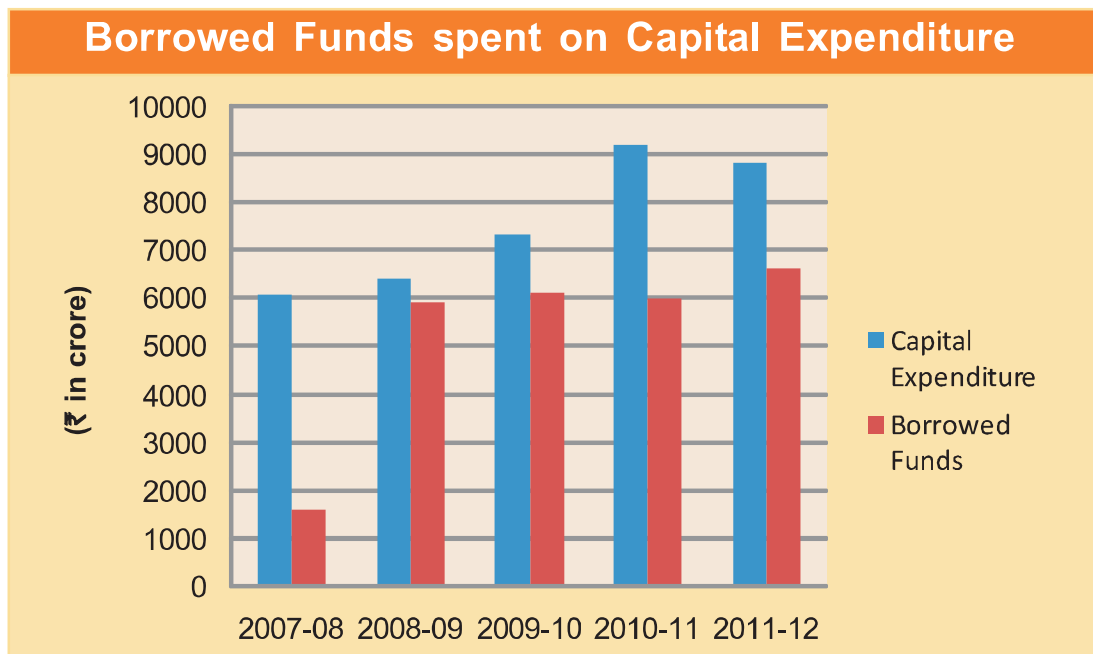
1.6.1. Trend of Revenue Deficit / Surplus



1.6.2. Trend of Fiscal Deficit



1.6.3. Proportion of borrowed funds spent on Capital Expenditure.



It is desirable to full utilise borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government has financed its Capital Expenditure (₹ 8,852 crore) from borrowings of the current year (₹ 6,628 crore) and revenue surplus (₹ 4,820 crore) on Capital Expenditure during the year 2011-12.

C

CHAPTER 2

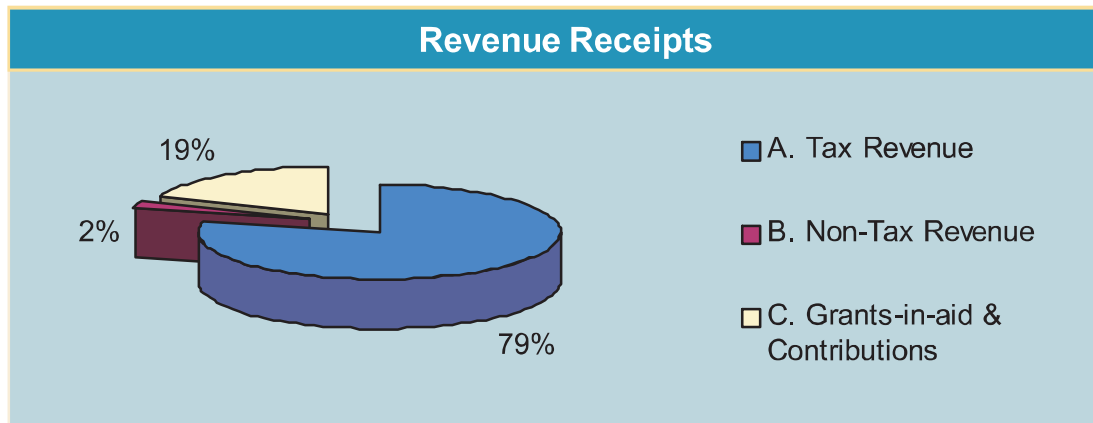
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2011-12 were ₹ 57,259 crore.

2.2. Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from Foreign Governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.



Revenue Receipt Components (2011-12)

(₹ in crore)

Components	Actuals
A. Tax Revenue	40,547
Taxes on Income and Expenditure	16,610
Taxes on Property and Capital Transactions	1,690
Taxes on Commodities and Services	22,247
B. Non-Tax Revenue	890
Interest Receipts, Dividends and Profits	575
General Services	-346
Social Services	51
Economic Services	610
C. Grants-in-aid and Contributions	9,883
Total - Revenue Receipts	51,320

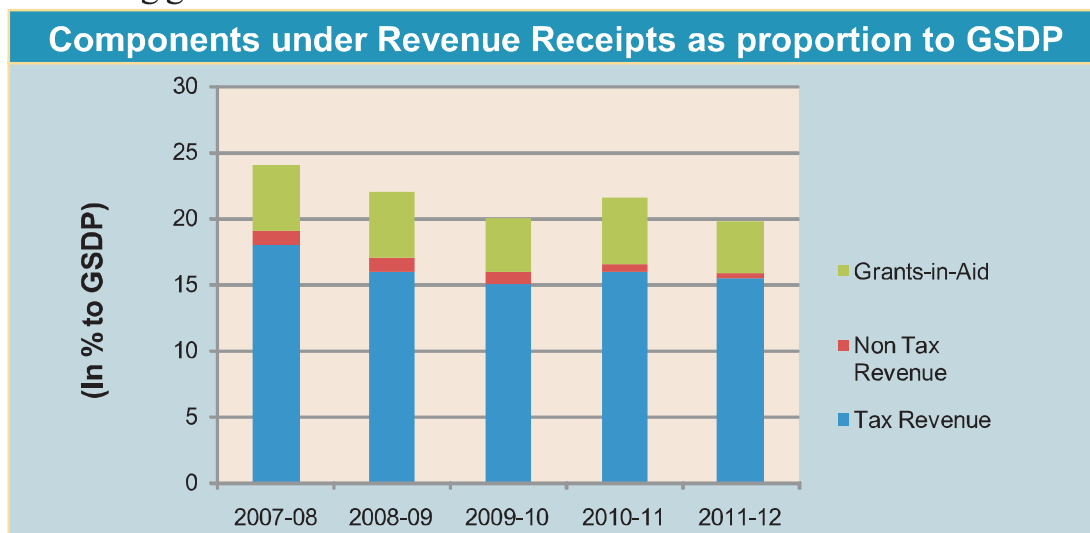
2.3. Trend of Receipts

(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax Revenue	21,852 (18.37)	23,865 (16.00)	26,292 (15)	33,848 (16)	40,547 (15.46)
Non-Tax Revenue	526 (0.44)	1,153 (0.76)	1,671 (1)	985 (0.5)	890 (0.34)
Grants-in-Aid	5,832 (5)	7,962 (5)	7,564 (4)	9,699 (4.5)	9,883 (4)
Total Revenue Receipts	28,210 (24)	32,981 (22)	35,527 (20)	44,532 (21)	51,320 (20)
GSDP	1,18,923	1,51,650	1,77,537	2,17,814	2,62,230

Note : Figures in parentheses represent percentage to GSDP.

Though the GSDP increased by 23% between 2010-11 and 2011-12, growth in revenue collection was 15%. Tax revenue increased by 20% whereas non-tax revenue declined by 10% despite significant collections under ‘Interest Receipts, Dividends and Profits’ (₹575 crore), ‘Non-ferrous Mining and Metallurgical Industries’ (₹ 443 crore), ‘Medical and Public Health’ (₹ 24 crore) and ‘Other Rural Development Programmes’ (₹ 30 crore). Further collection under ‘Education, Sports, Art and Culture’ and ‘Industries’ were only ₹ 7 crore and ₹ 4 crore respectively in 2011-12 against ₹ 34 crore and ₹ 88 crore in 2010-11. The State’s own revenue under certain tax components, like taxes on sales, trade etc. (₹ 7,476 crore), state excise (₹ 1,981 crore) and taxes on vehicles (₹ 569 crore) showed an increasing growth.

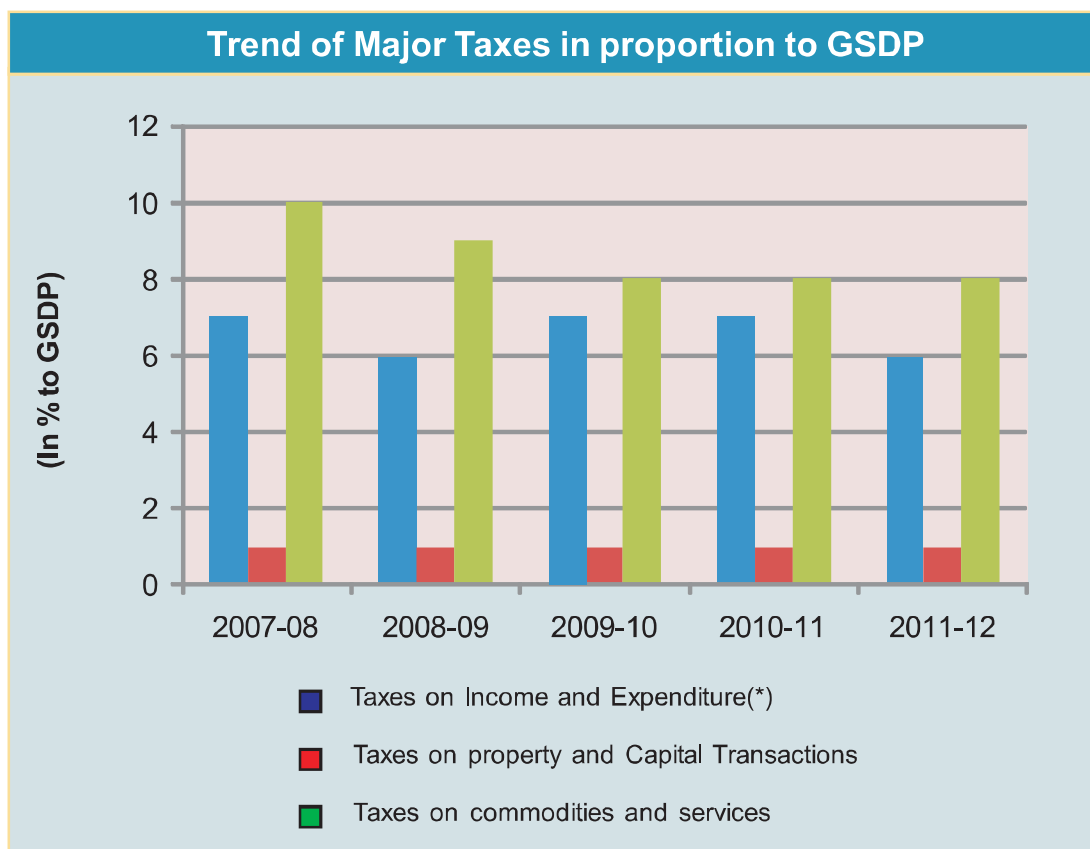


Sector-wise Tax Revenue

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on Income and Expenditure	8,892	9,445	11,664	14,325	16,610
Taxes on Property and Capital Transactions	742	823	1,139	1,257	1,690
Taxes on Commodities and Services	12,218	13,597	13,489	18,266	22,247
Total Tax Revenue	21,852	23,865	26,292	33,848	40,547

The increase in total tax revenue is mainly attributed to higher collection under ‘corporation tax’ (₹10,996 crore), ‘stamps and registration fees’ (₹1,480 crore), ‘state excise’ (₹1,981 crore), ‘taxes on sales, trade etc.’ (₹7,476 crore) and ‘service tax’ (₹3,334 crore).



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

2.4. Performance of State's own tax revenue collection

(₹ in Crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
2007 - 08	21,852	16,766	5,086	4.28%
2008 - 09	23,865	17,692	6,173	4.07%
2009 - 10	26,292	18,203	8,089	4.56%
2010 - 11	33,848	23,978	9,870	4.53%
2011-12	40,547	27,935	12,612	4.81%

The proportion of the State's Own Tax Revenue to GSDP is perceptibly lower than the target of 6.26% recommended by the 13th Finance Commission.

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	742	823	1,139	1,257	1,690
Expenditure on Collection	231	232	358	356	417
Efficiency of Tax Collection	31%	28%	31%	28%	25%

B. Taxes on Commodities and Services

(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	12,218	13,597	13,489	18,266	22,247
Expenditure on Collection	71	78	103	112	130
Efficiency of Tax Collection	1%	1%	1%	1%	1%

Taxes on Commodities and Services form a major chunk of tax revenue. Tax collection efficiency of taxes on Commodities and Services is satisfactory. However, the collection efficiency of Taxes on Property and Capital Transactions can be improved.

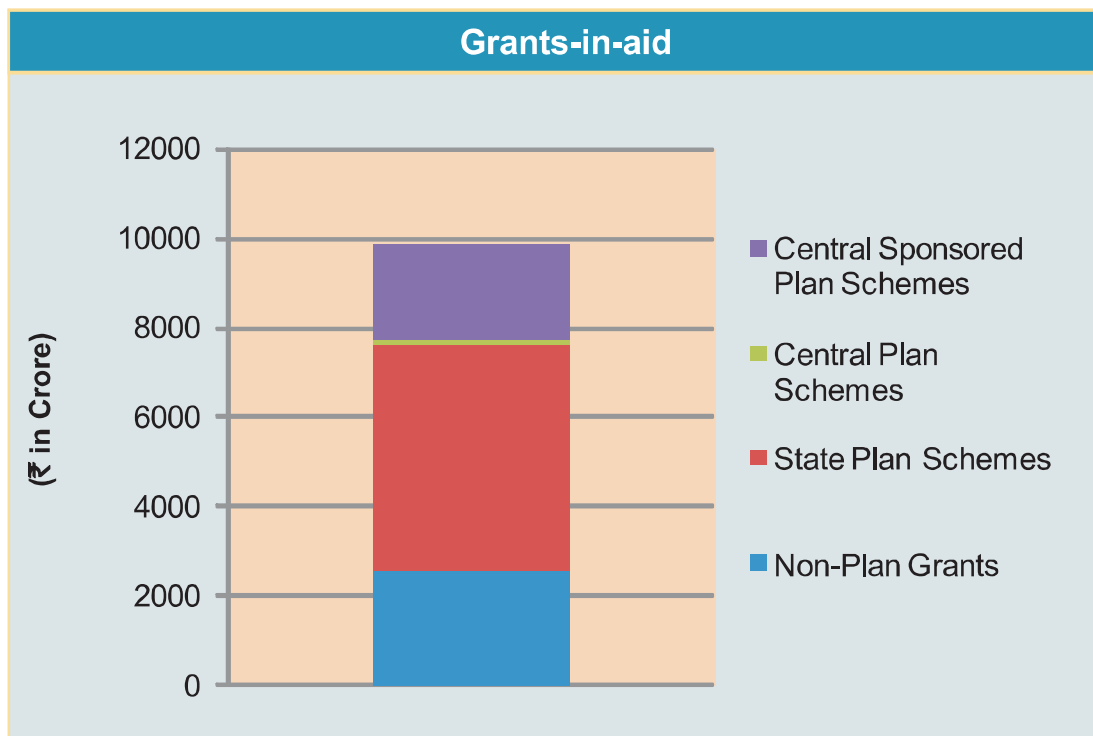
2.6. Trend in State's Share of Union Taxes over the past five years

(₹ in Crore)

Major Head Description	2007-08	2008-09	2009-10	2010-11	2011-12
Corporation Tax	5,321	5,802	7,491	9,372	10,996
Taxes on Income other than Corporation Tax	3,572	3,643	4,173	4,953	5,585
Taxes on Wealth	6	5	17	19	42
Customs	3,169	3,382	2,548	4,193	4,844
Union Excise Duties	3,025	2,950	2,052	3,050	3,134
Service Tax	1,674	1,911	1,922	2,391	3,334
Other Taxes and Duties on Commodities and Services	-1	-1	-	-	-
State Share of Union Taxes	16,766	17,692	18,203	23,978	27,935
Total Tax Revenue	21,852	23,865	26,292	33,848	40,547
% of Union Taxes to Total Tax Revenue	77	74	69	71	69

2.7 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2011-12 under Grants-in-aid were ₹ 9,883 crore as shown below :-



The share of non-plan grants in total grants-in-aid increased from 20% during 2010-11 to 26% in 2011-12, while, the share of grants for plan schemes declined from 80% in 2010-11 to 74% in 2011-12. As against a budget estimate of ₹ 12,243 crore of Union share in Plan schemes, the State Government has actually received ₹ 7,320 crore of Grants-in-aid (60% of BE).

2.8 Public Debt

Trend of Public Debt over the past five years

(₹ in Crore)

Description	2007-08	2008-09	2009-10	2010-11	2011-12
Internal Debt	(-) 60	4,524	4,201	3,526	3,344
Central Loans	40	(-) 279	(-) 50	316	361
Total Public Debt	(-) 20	4,245	4,151	3,842	3,705

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

In 2011-12, five loans totalling ₹ 4,000 crore at interest rates varying from 8.72% to 9.03% and redeemable in the years 2020-2021 were raised at par.

Against the total internal debt of ₹ 5,801 crore of the State Government in 2011-12 plus the central loan component of ₹ 827 crore received during this period, capital expenditure was ₹ 8,852 crore (134%), indicating that the expenditure was incurred from revenue receipts also.

C

CHAPTER 3

EXPENDITURE

3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the organisation. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

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

3.2. Revenue Expenditure

Revenue Expenditure were 18 percent of the GSDP. Revenue Expenditure of ₹ 46,500 crore for 2011-12 fell short of budget estimates by ₹ 3,434 crore due to less disbursement of ₹ 2,828 crore under Plan Expenditure and ₹ 606 crore under Non-Plan Expenditure. This shortfall is to be viewed in the light of the ₹ 4,886 crore (9%) shortfall compared to BE in Revenue Receipts and the need of the State to maintain a revenue surplus in terms of the Bihar FRBM Act, 2006.

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

(₹ in crore)

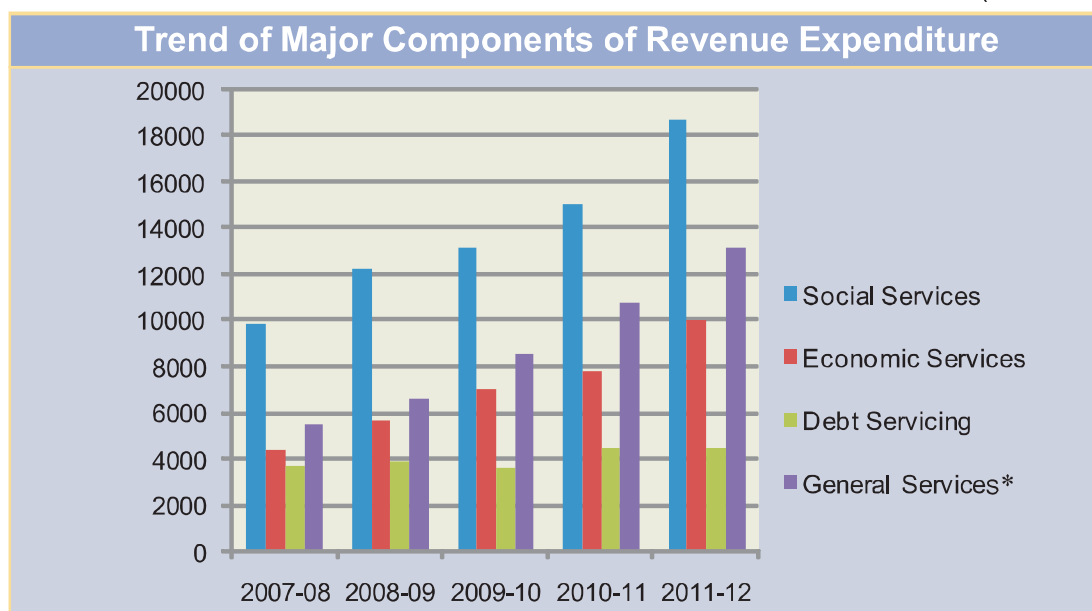
	2007-08	2008-09	2009-10	2010-11	2011-12
Budget Estimates	23,958	28,938	35,715	40,678	49,934
Actuals	23,563	28,512	32,584	38,216	46,500
Gap	395	426	3,131	2,462	3,434
% of gap over BE	2	1	9	6	7

3.2.1 Sectoral distribution of Revenue Expenditure (2011-12)

Components	Amount (₹ in crore)	Percentage
A. Fiscal Services	550	1
(i) Collection of Taxes on Property and Capital transactions	417	-
(ii) Collection of Taxes on Commodities and Services	130	-
(iii) Other Fiscal Services	3	-
B. Organs of State	724	1
C. Interest Payments and Servicing of debt	4,540	10
D. Administrative Services	4,107	9
E. Pension and Miscellaneous General Services	7,809	17
F. Social Services	18,729	40
G. Economic Services	10,038	22
H. Grants-in-aid and Contributions	3	-
Total - Expenditure (Revenue Account)	46,500	100

3.2.2 Major components of Revenue Expenditure (2007-12)

(₹ in crore)



3.3. Capital Expenditure

Capital disbursements for 2011-12 were ₹ 10,759 crore which was 4% of GSDP. It was less than Budget Estimates by ₹ 1,725 crore (less disbursement of ₹ 1,667 crore under Plan Expenditure and ₹ 58 crore under Non Plan Expenditure).

3.3.1 Sectoral distribution of Capital Expenditure

During 2011-12, the Government spent ₹ 828 crore on various Projects (₹ 618 crore on Major Irrigation, ₹ 60 crore on Medium Irrigation and ₹ 150 crore on Minor Irrigation), ₹ 1,136 crore on Flood Control Projects and ₹ 102 crore on Power Projects. Apart from above, the Government invested ₹ 16 crore in various Corporations / Companies / Societies.

(₹ in crore)

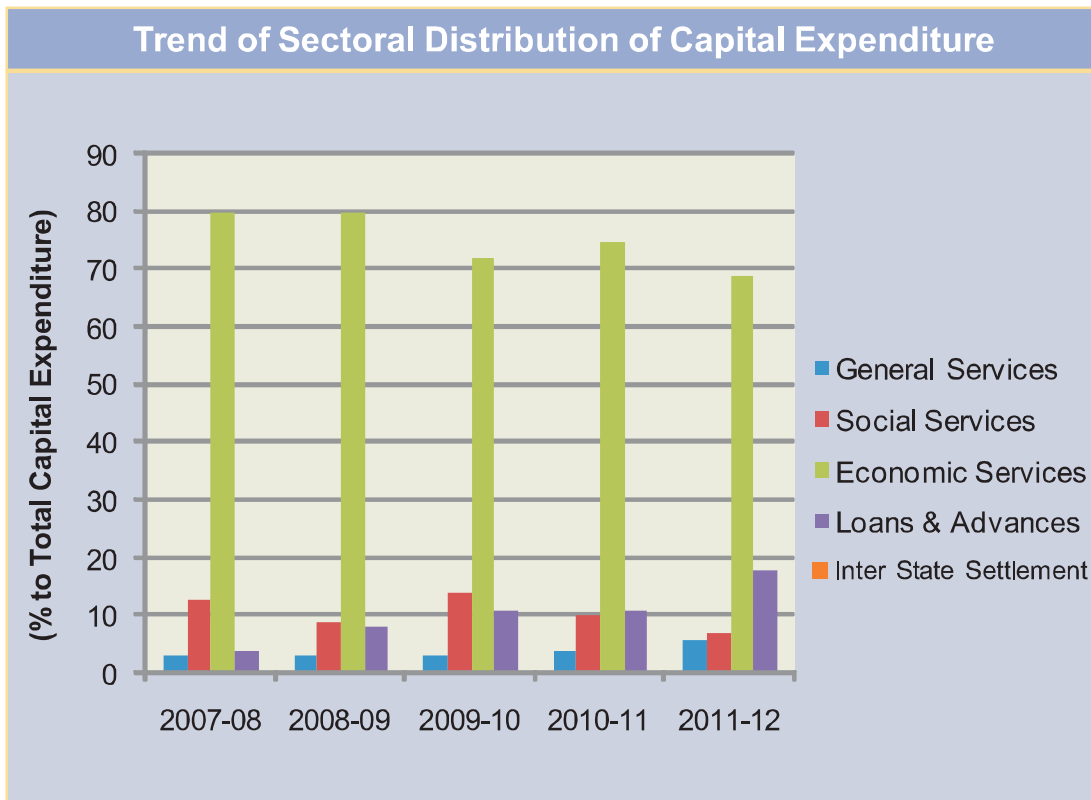
Sl. No.	Sector	Amount	Percentage
1.	General Services - Police, Land Revenue etc.	608	6
2.	Social Services - Education, Health & Family Welfare Water Supply, Welfare of SC/ST etc.	807	7
3.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	7,437	69
4.	Loans and Advances Disbursed	1,906	18
5.	Inter State Settlement	1	--
Total		10,759	100

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

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

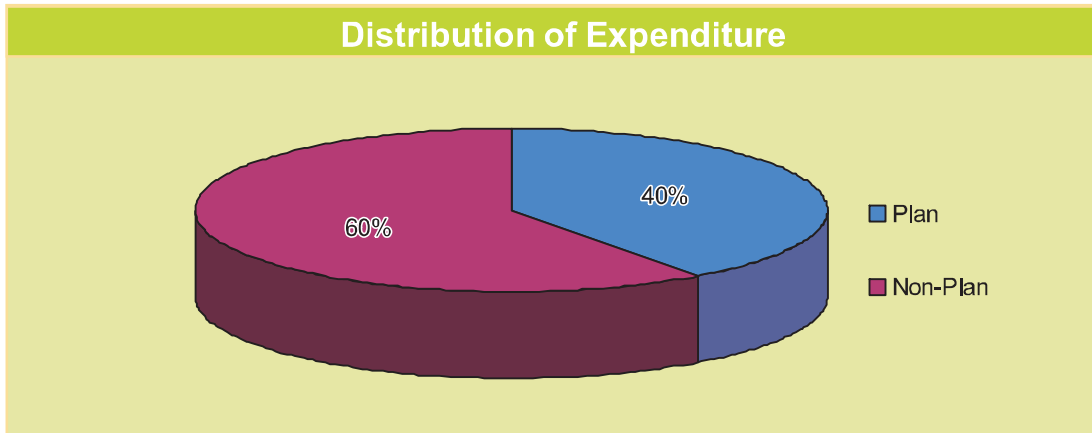
Sl. No.	Sector	2007-08	2008-09	2009-10	2010-11	2011-12
1.	General Services	223	206	274	396	608
2.	Social Services	799	640	1,123	1,072	807
3.	Economic Services	5,082	5,590	5,935	7,728	7,437
4.	Loans and Advances	273	551	897	1,102	1,906
5.	Inter State Settlement	--	--	--	--	1
	Total	6,377	6,987	8,229	10,298	10,759



C HAPTER 4

PLAN & NON PLAN EXPENDITURE

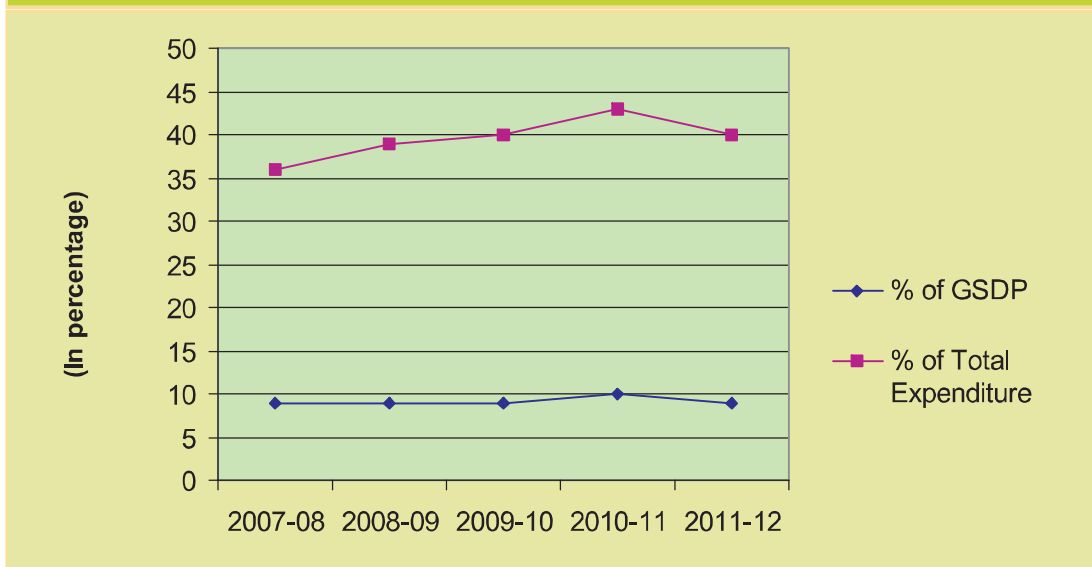
4.1. Distribution of expenditure (2011-12)



4.2. Plan Expenditure

Plan expenditure (both revenue and capital) during 2011-12 was ₹ 23,008 crore, constituting 40% of total disbursements of ₹ 57,259 crore. This comprised, ₹ 18,637 crore under State Plans, ₹ 2,663 crore under Centrally Sponsored/Central Plan Schemes and ₹ 1,708 crore under Loans and Advances.

Plan Expenditure as proportion of total expenditure and GSDP



4.2.1. Plan expenditure under Capital Account

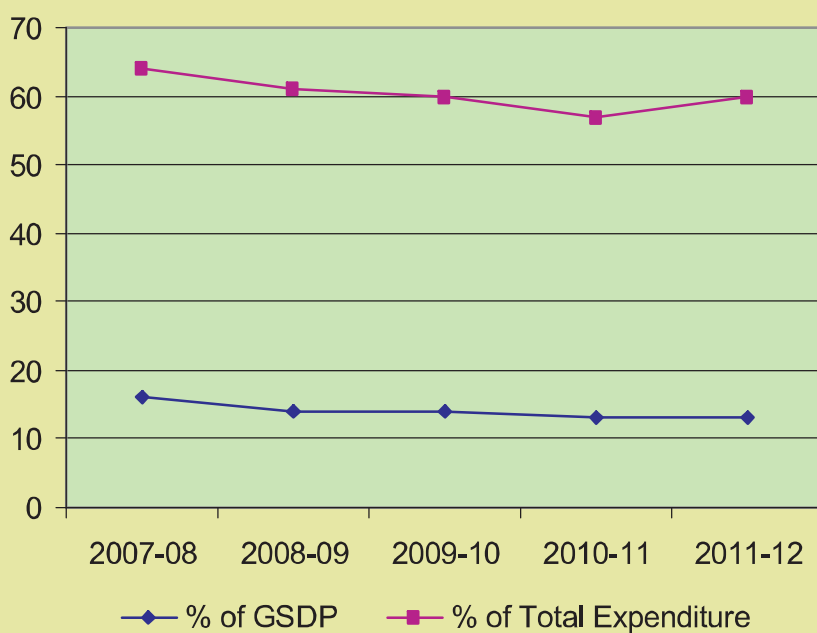
(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Total Capital Expenditure	6,376	6,987	8,229	10,298	10,759
Capital Expenditure (Plan)	6,185	6,533	7,755	10,010	10,521
% of Capital Expenditure (Plan) to Total Capital Expenditure	97	94	94	97	98

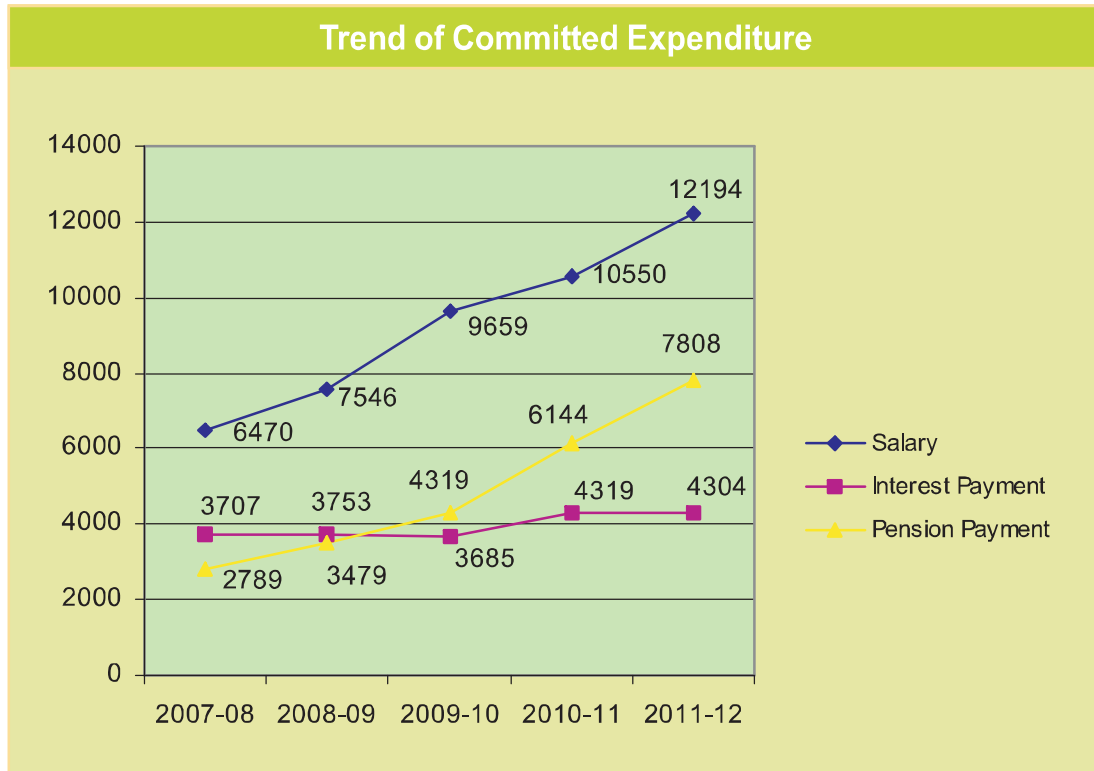
4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2011-12, representing 60 per cent of total disbursements, was ₹ 34,251 crore (₹ 34,013 crore under Revenue and ₹ 238 crore under Capital including ₹ 1 crore under Inter State Settlement).

Non-Plan Expenditure as proportion of total expenditure and GSDP



4.4. Committed Expenditure



(₹ in crore)

Component	2007-08	2008-09	2009-10	2010-11	2011-12
Committed expenditure	12,966	14,778	17,663	21,013	24,306
Revenue expenditure	23,563	28,512	32,584	38,216	46,500
Revenue receipts	28,210	32,981	35,527	44,532	51,320
% of committed expenditure to Revenue Receipts	46	45	50	47	47
% of committed expenditure to Revenue expenditure	55	52	54	55	52

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

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CHAPTER 5

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2011-12

(₹ in Crore)

Sl. No.	Nature of expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excesses (+)
1	Revenue Voted	45,194	8,033	6,612	53,227	42,854	(-) 10,373
	Charged	5,091	6	16	5,097	4,635	(-) 462
2	Capital Voted	11,448	1,370	3,444	12,818	8,984	(-) 3,834
	Charged						
3	Public Debt Charged	2,908	19	1	2,927	2,922	(-) 5
4	Loans and Advances Voted	1,037	1,791	99	2,828	1,906	(-) 922
	Total -	65,678	11,219	10,172	76,897	61,301	(-) 15,596

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

(₹ in Crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2007-08	(-) 7,041	(-) 3,211	(-) 1,001	(-) 137	(-) 11,390
2008-09	(-) 7,228	(-) 3,795	(-) 1	(-) 289	(-) 11,313
2009-10	(-) 7,217	(-) 3,326	(+) 98	(-) 101	(-) 10,546
2010-11	(-) 9,584	(-) 4,703	(-) 88	(-) 99	(-) 14,474
2011-12	(-) 10,835	(-) 3,834	(-) 5	(-) 922	(-) 15,596

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 :

(% of savings to total allocation)

Grant	Nomenclature	2007-08	2008-09	2009-10	2010-11	2011-12
1	Agriculture	18%	29%	18%	20%	28%
20	Health	19%	27%	16%	23%	22%
23	Industries	38%	26%	8%	60%	33%
48	Urban Development & Housing	52%	35%	37%	72%	52%
49	Water Resource	35%	47%	45%	49%	20%

During 2011-12, supplementary grants totalling ₹ 11,219 crore (18% of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below :

(₹ in Crore)

Grant	Nomenclature	Section	Original	Supple- Mentary	Actual Expenditure
1	Agriculture	Revenue	1,236	119	980
2	Animal & Fisheries Resource	Revenue	385	102	277
3	Building Construction	Revenue	276	15	221
		Capital	359	150	216
4	Cabinet Secretariat	Revenue	116	5	87
		Capital	9	13	3
5	Election	Revenue	66	02	43
8	Art ,Culture & Youth	Revenue	62	3	48
10	Energy	Capital	1,734	181	1,043
16	Panchayati Raj	Revenue	2,983	317	2,179
18.	Food and Consumer Protection	Revenue	429	104	373
20	Health	Revenue	2,305	152	1,928
21	Education	Revenue	10,916	1,977	10,634
		Capital	62	15	35
22	Home	Revenue	3,534	381	3,380
		Capital	435	39	391
26	Labour Resource	Revenue	168	9	145
33	General Administration	Revenue	331	64	289
35	Planning and Development	Revenue	709	75	447
		Capital	767	213	209
36	Public Health Engineering	Revenue	341	183	263
		Capital	391	52	306
38	Registration, Excise & Prohibition	Revenue	111	14	85
42	Rural Development	Revenue	1,471	21	1,407
48	Urban Development & Housing	Revenue	1,284	91	661
50	Minor Water Resources	Revenue	422	157	287
		Capital	244	16	150
51	Social Welfare	Revenue	2,808	467	2,599

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CHAPTER 6

ASSETS AND LIABILITIES

6.1. Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition / purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 921 crore at the end of 2011-12. However, dividends received during the year were ₹ 1 crore (i.e., 0.11%) on investment. During 2011-12, investments increased by ₹ 16 crore, while dividend income decreased by ₹ 1.12 crore.

Cash Balance with RBI stood at ₹ 1,868 crore on 31st March 2011 and decreased to ₹ 341 crore at the end of March, 2012.

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)

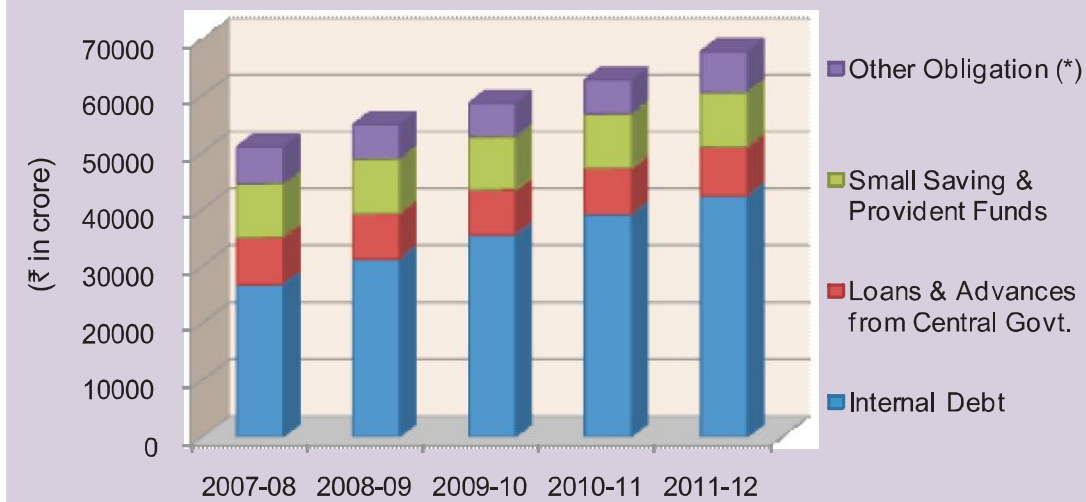
Year	Public Debt	% to GSDP	Public Accounts (*)	% to GSDP	Total Liabilities	% to GSDP
2007-08	35,045	33	15,944	15	50,989	48
2008-09	39,291	30	15,686	12	54,977	42
2009-10	43,443	28	15,247	10	58,690	38
2010-11	47,285	22	15,573	7	62,858	29
2011-12	50,990	20	16,822	6	67,812	26

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹ 4,954 crore (8%) in Public Debt and Other liabilities as compared to 2010-11.

Trends in Government Liabilities



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

6.3. Guarantees

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

(₹ in Crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of the year	
		Principal	Interest
2007-08	1,538	516	80
2008-09	1,548	704	80
2009-10	1,548	899	80
2010-11	1,549	588	44
2011-12	2,049	1,092	103

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CHAPTER 7

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 ₹ 42,365 crore as on 31st March 2012 comprising of an adverse balance of ₹ 8.86 crore under minor head '110-Ways and Means Advances from the Reserve Bank of India.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2011-12 was ₹ 18,526 crore. Of this, Loans and Advances to Government Corporations/ Companies, Non-Government Institutes and Local Bodies amounted to ₹ 18,454 crore. Recovery ₹ 1,258 crore including Principal and Interest is in arrears at the end of 31st March 2012. During 2011-12 only ₹ 23 crore has been received towards repayment of Loans and Advances, out of which, ₹ 11 crore relates to repayment of loans to Government servants. Effective steps to recover the outstanding loans would help the Government's fiscal position.

7.3 Financial assistance to local bodies and others

During the past five years, Grants-in-Aid to local bodies etc., increased from ₹ 1,130 crore in 2007-08 to ₹ 14,444 crore in 2011-12. Grants to Zilla Parishads, Municipalities/Corporations and Panchayat Samitees including Gram Panchayat (₹ 3,092 crore) represented 21 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	Municipalities/ Corporation	Panchayat Samitees incl. Gram Panchayat	Others	Total
2007-08	30	156	830	114	1,130
2008-09	62	460	614	4,906	6,042
2009-10	951	267	331	5,360	6,909
2010-11	231	150	1,284	6,759	8,424
2011-12	677	557	1,858	11,352*	14,444

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

7.4. Cash Balance and investment of Cash Balance

(₹ in Crore)

Component	As on 1st April 2011	As on 31st March 2012	Net increase (+) / decrease (-)
Cash Balances	(-) 426	(-) 93	333
Investments from cash balance (GOI Treasury Bills)	2,295	434	(-) 1,861
Other Cash Balances			
i) Departmental Balance	255	200	(-) 55
ii) Permanent Cash Imprest	172	0.44	(-) 171.56
Investment from earmarked fund balances	440	677	237
(a) Sinking Fund	440	677	237
(b) Guarantee Redemption Fund	–	–	–
(c) Other Funds	–	–	–
* Interest realised	222	237	15

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

State Government had a positive closing cash balance at the end of 2011-12, despite utilising its cash balances and earmarked fund balances towards investments. Interest receipt on these investments was increased by 7%.

7.5. Reconciliation of accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (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 ₹ 5,671 crore of expenditure against the total expenditure of ₹ 55,352 crore i.e., 10% of the total expenditure and for ₹ 38,164 crore of receipt against the total receipt of ₹ 51,320 crore i.e. 74% of the total receipts during the year 2011-12.

Following are the list of some of the Major Departments that did not carry out the reconciliation of both receipt and expenditure figures at all or carried out reconciliation to very insignificant amount.

Sl. No.	Receipt Head	Expenditure Head	Department
1.	0051	2051	Public Service Commission
2.	0217	2217	Urban Development Department
3.	0403	2403	Animal Husbandry Department
4.	0406	2406	Forest Department
5.	0055	2055	Police (Home Department)
6.	0059	2059	Building Construction Department
7.	0202	2202	Education Department
8.	0210	2210	Health & Family Welfare Department
9.	0211	2211	Health & Family Welfare Department
10.	0215	2215	Public Health & Engineering Department
11.	0401	2401	Agriculture Department
12.	0515	2515	Rural Development Department
13.	0801	2801	Energy Department
14.	1054	3054	Road Construction Department

7.6. Submission of accounts by Treasuries

The accounts of the State Government compiled in Accountant General's office are mainly based on the initial accounts rendered by Treasuries / Sub-treasuries, Public Works and Forest Divisions. The prescribed due date of its submission are 5th of the following month in the case of Treasury /Sub-treasuries Accounts and 10th of the following month in case of Forest and Public Works Accounts. The average delay in submission of monthly accounts by Treasuries/Sub-treasuries, Public Works and Forest Divisions are 05 days, 7 days and 26 days respectively. 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.

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

The Drawing and Disbursing Officers are authorized to draw sums of money through AC bills by debiting Service Major Heads (booking final expenditure) against which they are required to present Detailed Contingent Bills (vouchers in support of final expenditure) in all these cases by 25th of the following month. After making amendment in Bihar Treasury Code (BTC) vide Finance Department's notification No. 6633 dated 13.10.2006 for submission of Detailed Contingent Bills, it has been ruled that DC Bill should be presented to the Accountant General (A&E) Bihar, Patna latest by 25th of sixth month from the drawl of the AC Bill.

As on 31.08.2012, the position of DC Bills to be received in the office of the Accountant General (A&E) is shown below:

(₹ in crore)

Year	AC Bills Drawn		DC Bills Received		Outstanding DC Bills	
	Number	Amount	Number	Amount	Number	Amount
Upto						
2008-09	58,423	14,272.48	16,867	6,953.09	41,556	7,319.39
2009-10	12,706	4,043.20	2,984	1,150.20	9,722	2,893.00
2010-11	12,413	7,015.37	4,645	3,153.95	7,768	3,861.42
2011-12	8,626	4,974.42	825	250.33	7,801	4,724.09
Total	92,168	30,305.47	25,321	11,507.57	66,847	18,797.90

7.8. Rush of Expenditure

The financial rules stipulate that rush of expenditure, particularly in the closing month of the financial year, shall be regarded as a breach of financial regularity and should be avoided. It is observed however, that certain departments indulged in this practice to the tune of 45% and 100% of total expenditure incurred in March, as follows :

(₹ in crore)

Head of Account	Description	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	During March 2012	% of 3/2012 w.r.t. total expenditure of the department for 2011-12
2217	Urban Development	0.26	24.22	59.05	488.77	572.32	444.24	77.62
2235	Social Security and Welfare	14.96	377.33	445.03	1466.40	2303.74	1164.32	50.54
2405	Fisheries	2.79	4.78	5.27	26.24	39.09	18.65	47.71
2501	Special Programmes for Rural Development	-0.65	0.34	14.10	57.98	71.77	52.68	73.40
2515	Other Rural Development Programmes	225.84	226.69	136.41	1899.29	2488.26	1192.31	47.92
2700	Major Irrigation	44.04	81.79	89.18	384.89	599.91	338.86	56.84
2701	Medium Irrigation	6.13	13.75	14.81	72.51	107.21	54.43	50.77
2851	Village and Small Industries	3.68	0.54	5.45	24.17	33.85	16.39	48.43
3054	Roads and Bridges	60.34	80.93	81.35	563.19	785.83	397.85	50.63
3452	Tourism	0.79	0.89	1.72	7.64	11.06	7.39	63.63
3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	0	0	0	3.16	3.16	2.71	85.58
4055	Capital Outlay on Police	0	0	44.15	235.70	279.85	145.34	51.94
4059	Capital Outlay on Public Works	0.26	16.99	44.64	131.23	193.13	116.63	60.39
4070	Capital Outlay on other Administrative Services	0	0.03	22.18	74.89	97.11	47.35	48.76
4202	Capital Outlay on Education, Sports, Art & Culture	-0.77	1.89	18.05	37.22	56.39	34.42	61.04
4210	Capital Outlay on Medical & Public Health	0.71	2.00	62.88	255.44	321.04	238.02	74.14

(₹ in crore)

Head of Account	Description	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	During March 2012	% of 3/2012 w.r.t. total expenditure of the department for 2011-12
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	0	0.88	0.48	3.09	3.50	2.82	80.73
4250	Capital Outlay on other Social Services	0	0.61	4.79	6.39	11.80	5.45	46.22
4406	Capital Outlay on Forestry and Wild Life	0	0	0	0.60	0.60	0.54	90.30
4515	Capital Outlay on other Rural Development Programmes	104.01	20.46	317.81	646.49	1088.78	576.58	52.96
4700	Capital Outlay on Major Irrigation	18.10	140.35	76.76	382.38	617.61	272.26	44.08
4701	Capital Outlay on Medium Irrigation	0.86	7.25	3.07	48.69	59.87	39.45	65.90
4702	Capital Outlay on Minor Irrigation	0	5.94	10.28	133.72	149.96	82.60	55.08
4711	Capital Outlay on Flood Control Projects	56.38	275.20	101.56	703.36	1136.52	558.62	49.15
4851	Capital Outlay on Village and Small Industries	0	0	0	2.99	2.99	2.99	100
4859	Capital Outlay on Telecommunication and Electronic Industries	0	6.74	0	38.59	45.59	38.59	85.13
5053	Capital Outlay on Civil Aviation	0	0	0	2.58	2.58	2.58	100
5055	Capital Outlay on Road Transport	0	0	0	4.50	4.50	4.50	100
5465	Investments in General Financial and Trading Institutions	0	0	0	1.00	1.00	1.00	100
5475	Capital Outlay on other General Economic Services	0	0	0	9.83	9.83	9.83	100



Government of
Bihar

ACCOUNTS AT A GLANCE
2011 - 12



ACCOUNTANT GENERAL
(Accounts and Entitlements)
BIHAR, PATNA