

# **ACCOUNTS AT A GLANCE**

**for the year 2015-16**

**Government of Bihar**

# PREFACE

I am happy to bring out the annual publication, the 'Accounts at a Glance' of the Government of Bihar. The purpose of this publication is to provide a snapshot of the voluminous information 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 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 your valuable comments and suggestions for improving this publication.



**S. Suresh Kumar**  
Accountant General (A&E)  
Bihar, Patna

Place : Patna

Date : 30 December 2016

## 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
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

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# C HAPTER I

## OVERVIEW

### 1.1. Introduction

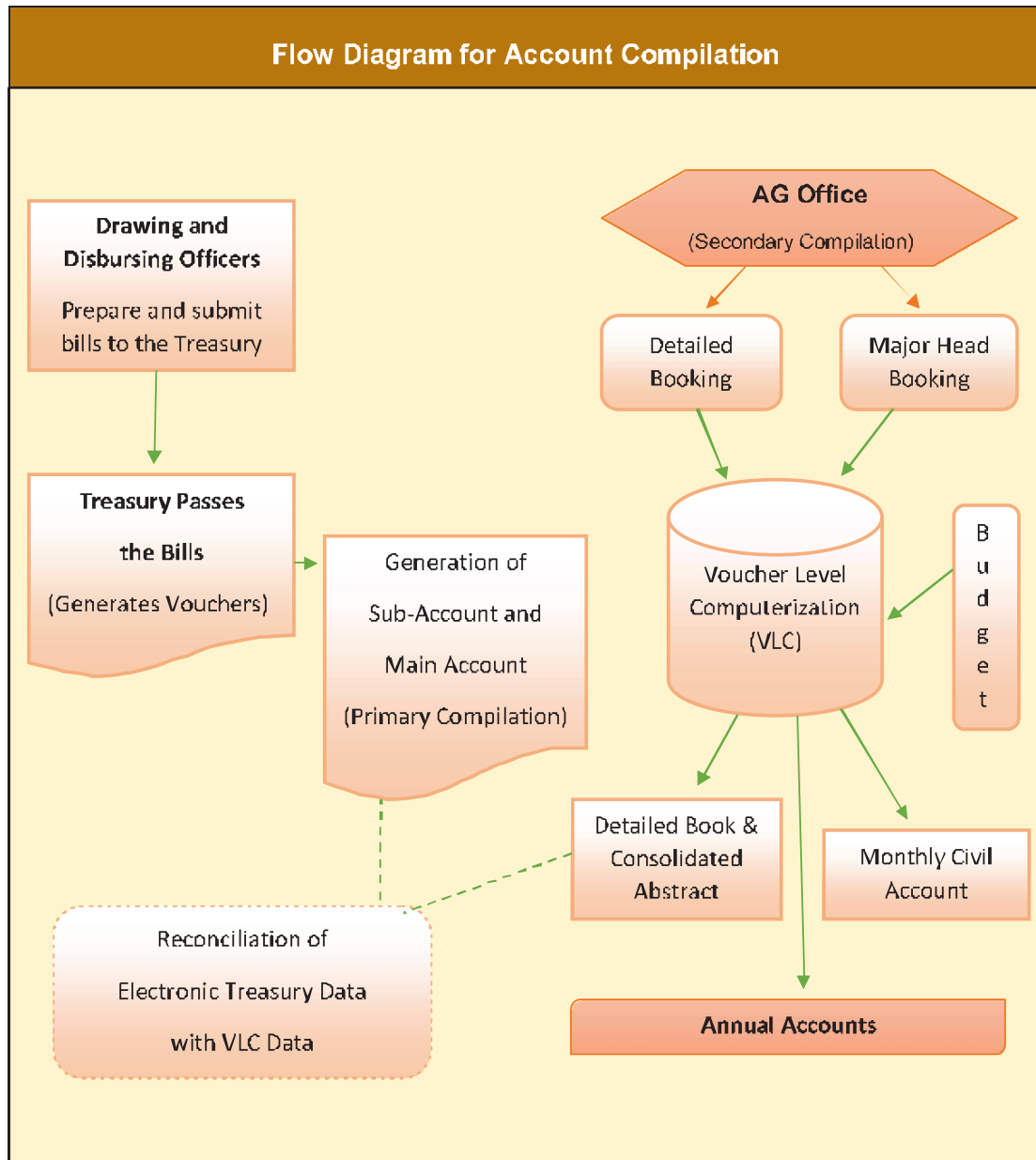
The Accountant General (Accounts and Entitlements), Bihar compiles the accounts of receipts and expenditure of the Government of Bihar. This compilation is based on the initial accounts reported by the District Treasuries, Public Works and Forest Divisions through their monthly accounts and advices of the Reserve Bank of India. The yearlong Compilation activity culminates into preparation of the annual Finance Accounts and Appropriation Accounts, which are placed before the State Legislature. They are subjected to audit by the Accountant General (Audit), Bihar and certification by the Comptroller and Auditor General of India before such placement.

### 1.2. Structure of Accounts

#### 1.2.1. Government Accounts are kept in three parts :

<b>Part 1</b> <b>CONSOLIDATED FUND</b>	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
<b>Part 2</b> <b>CONTINGENCY FUND</b>	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
<b>Part 3</b> <b>PUBLIC ACCOUNT</b>	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 I 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 II contains detailed statements (Part-I) and appendices (Part-II).

Receipts and disbursements of the Government of Bihar as depicted in the Finance Accounts 2015-16 are given below :

(₹ in crore)

<b>Receipts</b>  (Total : 1,08,203)	<b>Revenue</b>  (Total : 96,123)	State's own Tax Revenue	25,449
		State's Share of Union Taxes	48,923
		Non Tax Revenue	2,186
		Grants-in-aid and Contributions	19,565
	<b>Capital</b>  (Total : 12,080)	Recovery of Loans and Advances	19
		Borrowings and other Liabilities*	12,061
<b>Disbursements</b>  (Total : 1,08,203)	Revenue		83,616
	Capital		23,966
	Loans and Advances		621

\* 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

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 ₹ 793 crore (₹ 652 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 VI of Volume II of the Finance Accounts.

### *1.3.2. Appropriation Accounts*

Under the Constitution, no expenditure can be incurred by the Government except with the authorisation of the Legislature. Barring certain expenditure specified in the Constitution as “Charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “Voted”. The budget of the Bihar Government 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, 2015-16, had provided for gross expenditure of ₹1,48,312 crore and reduction of expenditure (recoveries) of ₹ 0.01 lakh. Against this, the actual gross expenditure was ₹ 1,13,299 crore and reduction of expenditure was ₹ 970 crore, resulting in net savings of ₹ 35,013 crore (23.61 per cent) and an under-estimation of ₹ 970 crore on reduction of expenditure. The gross expenditure includes ₹ 8,273 crore drawn on Abstract Contingent (AC) Bills, out of which ₹ 7,645 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

Government is authorised to open Personal Deposit (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 read with Finance Department notification memo no. M-4-12/2013(part-I)-6487/I dated 21/07/2014 envisages that the deposit administrator shall review all Personal Deposit Accounts at the end of the each financial year. Money lying unspent after five consecutive financial years (including the financial year in which the money was withdrawn) should not be spent and the balance should be transferred to the Consolidated Fund as reduction of expenditure to the concerned service head.

During 2015-16, 73 treasuries have furnished information regarding PD Accounts in which 54 treasuries maintain PD Accounts and the remaining 19 treasuries have intimated that there are no PD Accounts with them. No departmental officers had verified or reconciled the balances with the accounts maintained by the Accountant General. Of the total 171 PD Accounts, 57 are inoperative. No PD Account was closed during the year. Further, during the

year, no treasury/administrator of PD Accounts had furnished information regarding refund to the Consolidated Fund.

**Details of Personal Deposit accounts received from the 54 State treasuries are as under:**

(₹ in crore)

Particulars	No. of PD Accounts	Amount
As on 1 April 2015	170	3,472.44
Opened during the year	01	0.00
Closed during the year	0	0.00
Total	171	3,472.44
Receipt during the year	41	2,388.69
Payment during the year	49	1,734.76
As on 31 March 2016	171	4,126.37

#### 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 2015-16, 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 ₹ 12,507 crore and a Fiscal Deficit of ₹ 12,061 crore representing 2.57 per cent and 2.48 per cent of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 11 per cent of total expenditure. This deficit was met from Public Debt (₹ 14,258 crore), decrease in Public Account [₹ (-)1,983 crore] and net of opening and closing cash balance [₹ (-) 214 crore]. A sum of ₹ 33,852 crore which was 35 per cent of the revenue receipts (₹ 96,123 crore) of the State Government was spent on committed

expenditure like salaries (₹ 14,924 crore), interest payments (₹ 7,098 crore) and pension (₹ 11,850 crore).

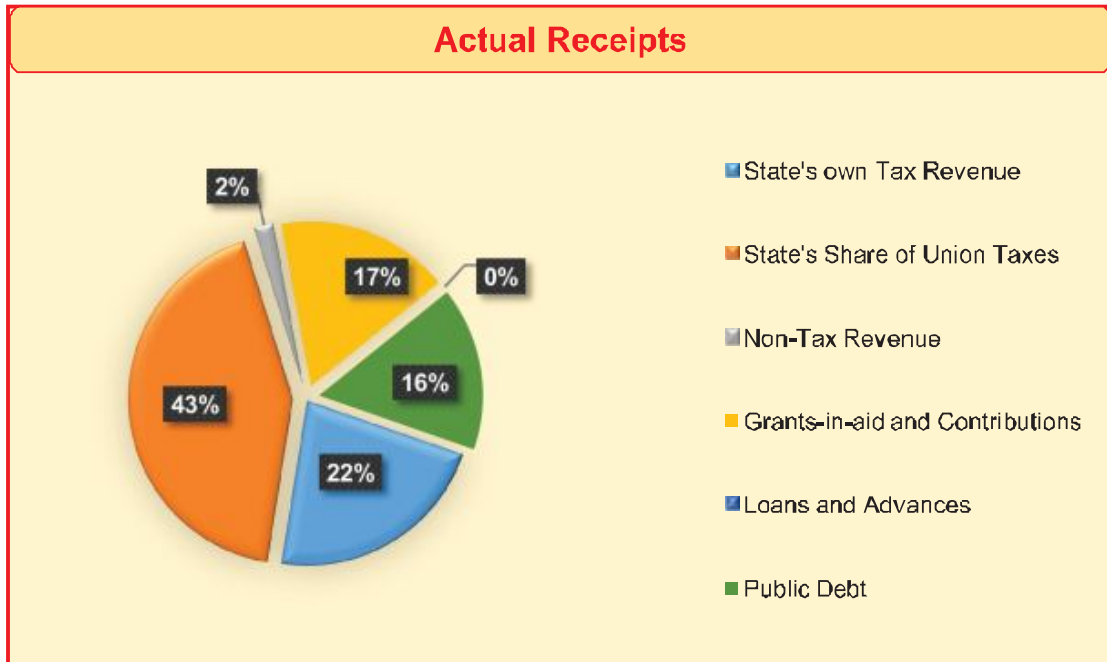
### Sources and Application of Funds

(₹ In crore)

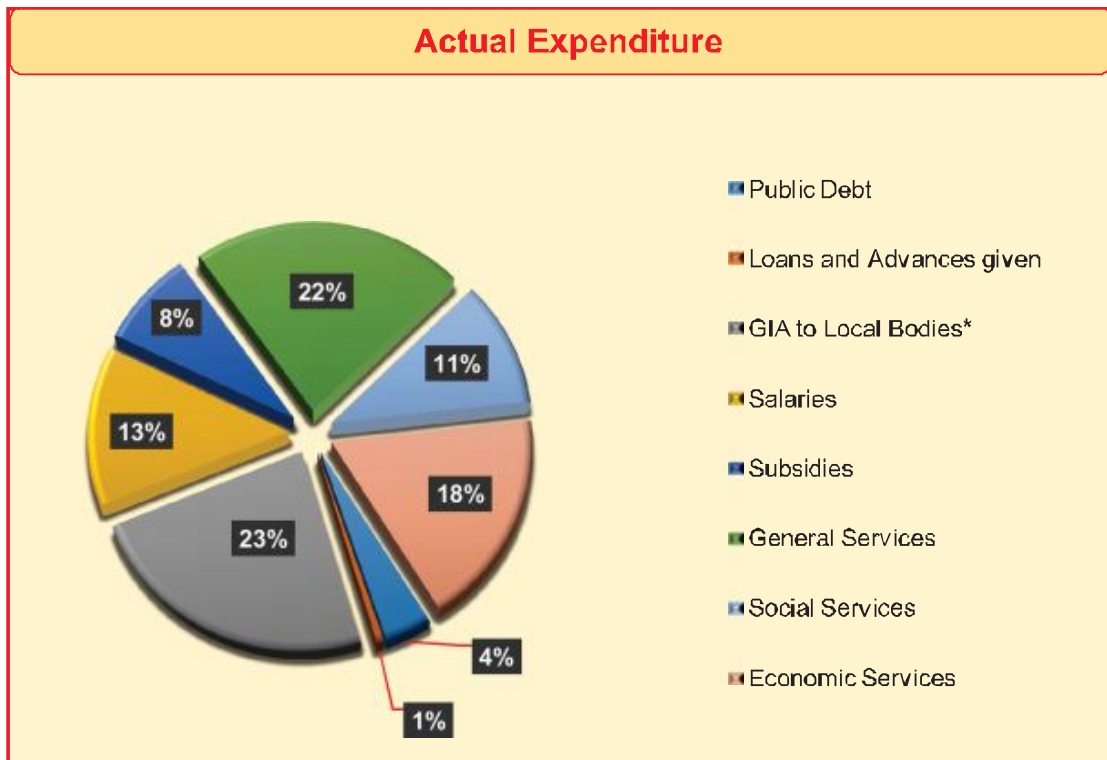
	Particulars	
	Opening Reserve Bank Cash Balance as on 1 April 2015	(-)89
	Revenue Receipts	96,123
	Recovery of Loans & Advances	19
	Public Debt	18,383
	Small Savings, Provident Fund & Others	1,204
<b>SOURCES</b>	Reserves & Sinking Funds	1,761
	Deposits Received	34,683
	Civil Advances Repaid	211
	Suspense Account	2,35,534
	Remittances	10,619
	Contingency Fund	0
	<b>Total</b>	<b>3,98,448</b>

	Revenue Expenditure	83,616
	Capital Expenditure	23,966
	Loans Given	621
	Repayment of Public Debt	4,125
	Small Savings, Provident Fund and Others	1,277
<b>APPLICATION</b>	Reserves & Sinking Funds	2,162
	Deposits Spent	30,945
	Civil Advances Given	218
	Suspense Account	2,40,780
	Remittances	10,613
	Closing Reserve Bank Cash Balance as on 31 March 2016	125
	<b>Total</b>	<b>3,98,448</b>

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 Sarva Siksha Abhiyan etc.

## 1.5. Highlights of Accounts

	Budget Estimate (B.E.) 2015-16	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP (\$)
	(₹ in Crore)			
1. State's own Tax Revenue	30,875	25,449	82	6
2. State's Share of Union Taxes	50,747	48,923	96	12
3. Non-Tax Revenue	3,396	2,186	64	0
4. Grant-in-aid and Contributions	18,171	19,565	108	5
5. Revenue Receipts (1+2+3+4)	1,03,189	96,123	93	23
6. Other Receipts	-	-	-	-
7. Recovery of Loans and Advances	17	19	112	0
8. Borrowings and other Liabilities (A)	13,584	12,061	89	3
9. Capital Receipts (6+7+8)	13,601	12,080	89	3
10. Total Receipts (5+9)	1,16,790	1,08,203	93	26
11. Non-Plan Expenditure (*)	59,364	54,470	92	13
12. NPE on Revenue Account	59,054	53,965	91	13
13. NPE on Interest Payments out of 12	7,221	7,590	105	2
14. NPE on Capital Account	310	505	163	0
15. Plan Expenditure (*)	57,426	53,733	94	13
16. PE on Revenue Account	32,154	29,651	92	7
17. PE on Capital Account	25,272	24,082	95	6
18. Total Expenditure (11+15)	1,16,790	1,08,203	93	26
19. Revenue Expenditure (12+16)	91,209	83,616	92	20
20. Capital Expenditure (14+17) (#)	25,582	24,587	96	6
21. Revenue Surplus (5-19)	11,981	12,507	104	3
22. Fiscal Deficit (5+6+7-18)	13,584	12,061	89	3

(\$) Gross State Domestic Product (GSDP) figure of ₹ 4,13,503 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 (₹ 23,966 crore), Loans and Advances disbursed (₹ 621 crore).

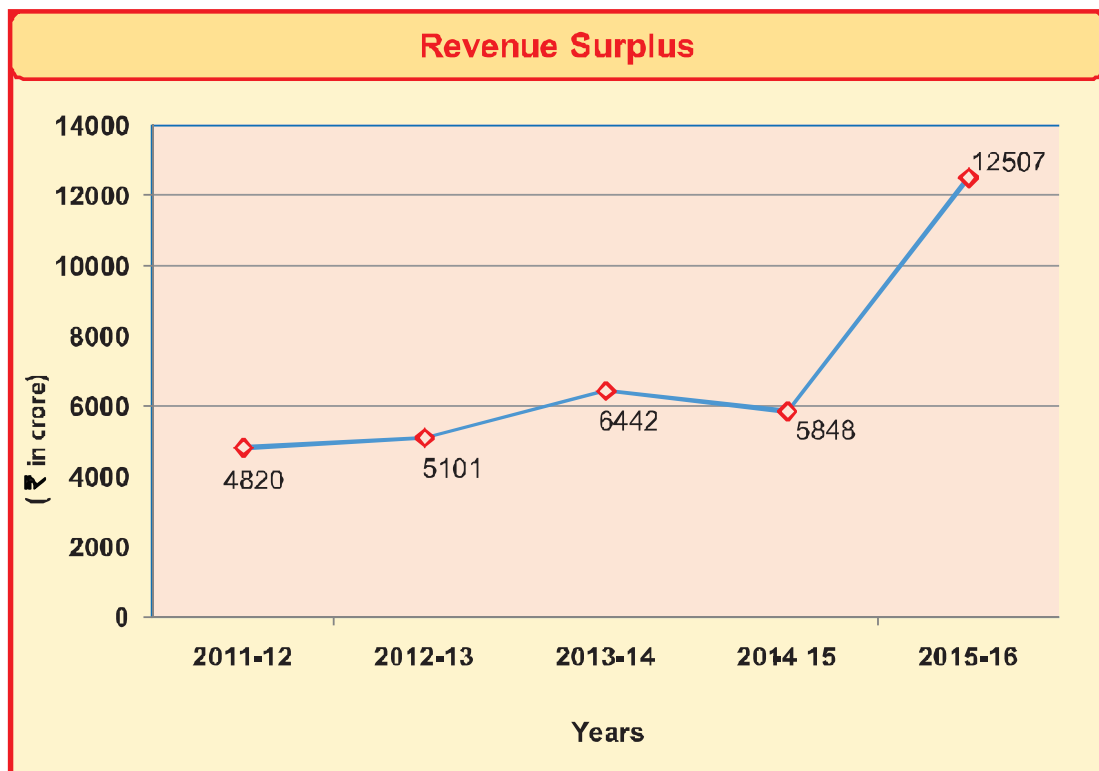
(\*) Expenditure includes ₹ 469 crore under Non-Plan and ₹ 152 crore under Plan which pertains to Loans and Advances.

(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.

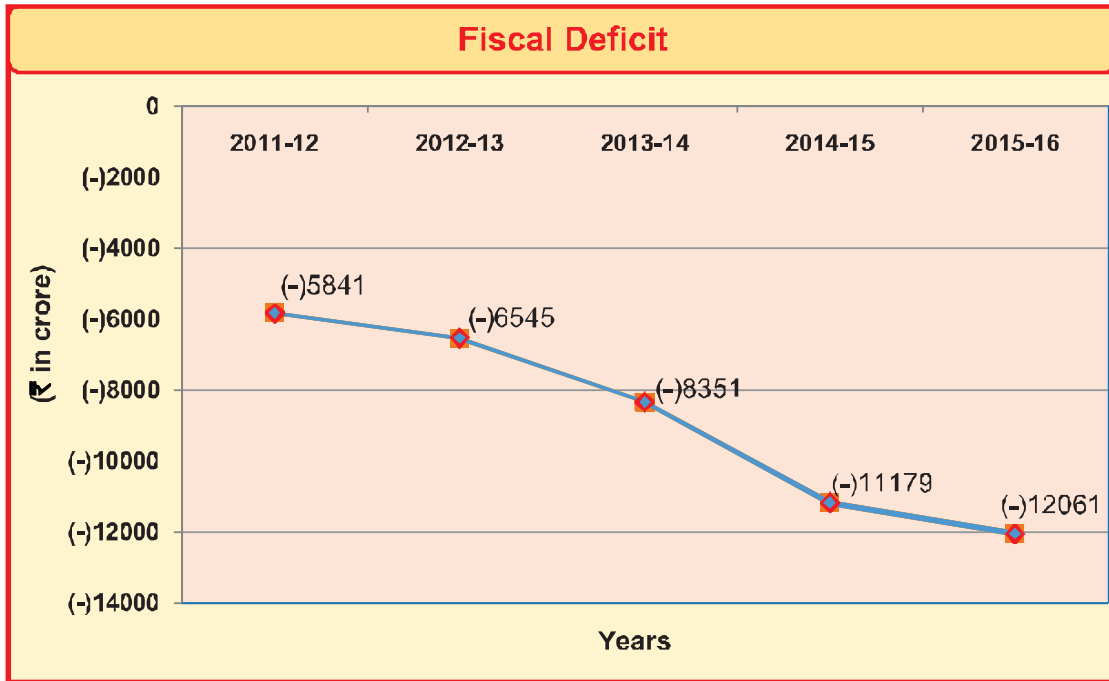
## 1.6. What do the Deficits and Surpluses indicate

<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.

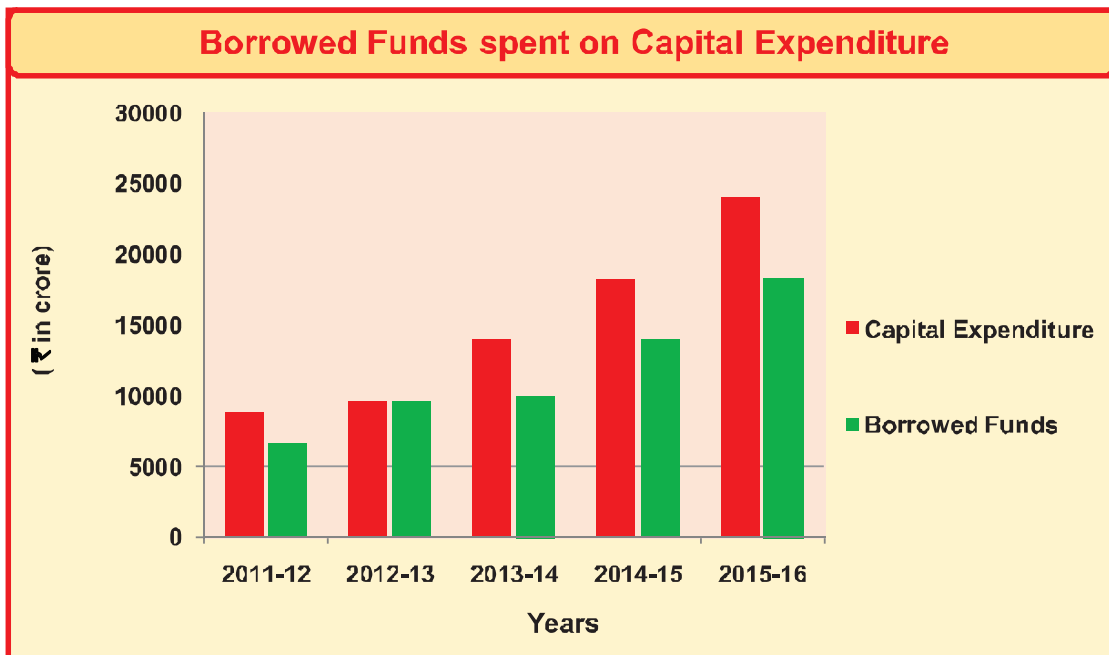
### 1.6.1. Trend of Revenue Deficit / Surplus



### 1.6.2. Trend of Fiscal Deficit



### 1.6.3. Proportion of borrowed funds spent on Capital Expenditure



It is desirable 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 (₹ 23,966 crore) from borrowing of the current year (₹ 18,383 crore) and revenue surplus (₹ 12,507 crore) during the year 2015-16.

# C *HAPTER II*

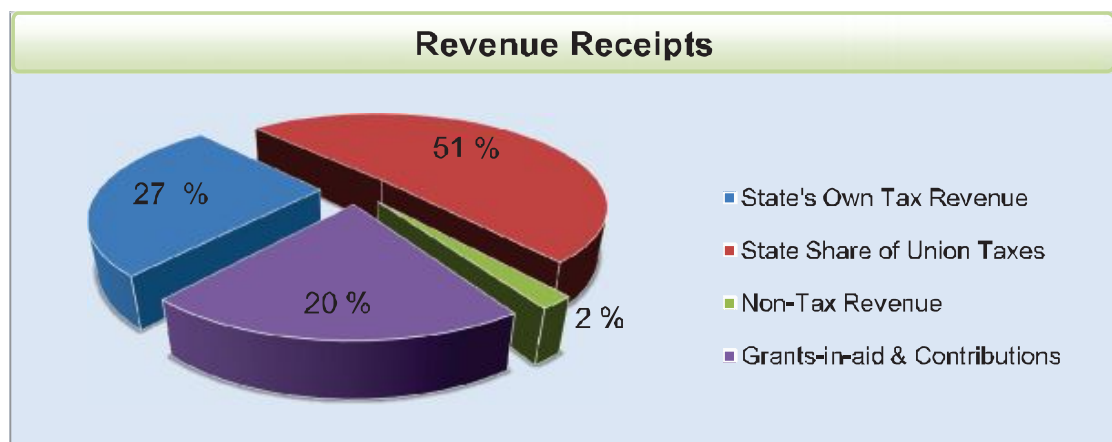
## RECEIPTS

### 2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2015-16 were ₹ 1,08,203 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>	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 Receipts Components (2015-16)

(*₹ in crore*)

Components	Actuals
<b>A. Tax Revenue</b>	<b>74,372</b>
<b>State's own Tax Revenue</b>	<b>25,449</b>
Taxes on Income and Expenditure	64
Taxes on Property and Capital Transactions	4104
Taxes on Commodities and Services	21,281
<b>State's share of Union Taxes</b>	<b>48,923</b>
Taxes on Income and Expenditure	26,021
Taxes on Property and Capital Transactions	4
Taxes on Commodities and Services	22,898
<b>B. Non-Tax Revenue</b>	<b>2,186</b>
Interest Receipts, Dividends and Profits	599
General Services	340
Social Services	101
Economic Services	1,146
<b>C. Grants-in-aid and Contributions</b>	<b>19,565</b>
<b>Total - Revenue Receipts</b>	<b>96,123</b>

### 2.3. Trend of Receipts

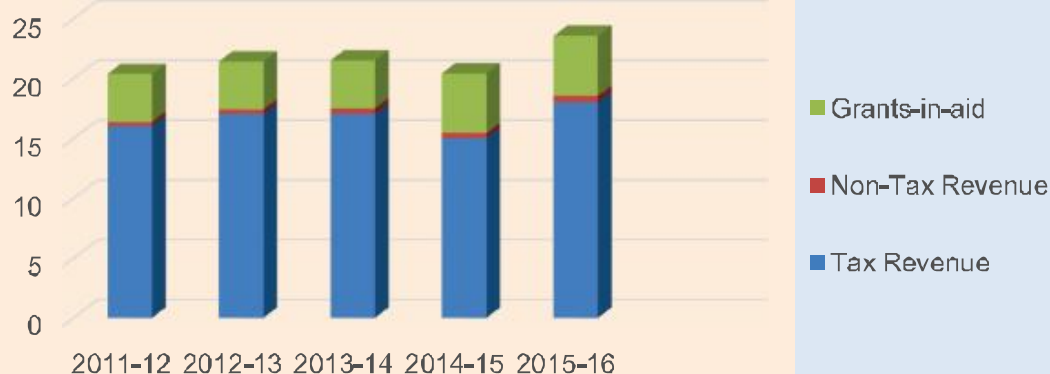
(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Tax Revenue</b>	40,547 (16)	48,154 (17)	54,790 (17)	57,713 (15)	74,372 (18)
<b>Non-Tax Revenue</b>	890 (0.36)	1,135 (0.40)	1,545 (0.49)	1,558 (0.42)	2,186 (0.53)
<b>Grants-in-aid</b>	9,883 (4)	10,278 (4)	12,584 (4)	19,146 (5)	19,565 (5)
<b>Total Revenue Receipts</b>	51,320 (21)	59,567 (21)	68,919 (22)	78,417 (21)	96,123 (23)
<b>GSDP</b>	2,47,144	2,82,368	3,17,101	3,73,920	4,13,503

Note :Figures in parentheses represent percentage to GSDP.

Though the GSDP increased by 11% between 2014-15 and 2015-16, Revenue collection increased by 23%, Tax revenue increased by 29% and Non-Tax revenue increased by 40% in 2015-16 with comparison to 2014-15. The increase in Non-tax revenues was mainly on account of significant collections under 'Non-ferrous Mining and Metallurgical Industries' (₹ 971 crore), 'Interest Receipts' (₹ 584 crore), 'Contributions and Recoveries towards Other Retirement Benefits' (₹ 177 crore), 'other Administrative Services' (₹ 73 crore) and 'Police' (₹ 66 crore). Further collection under Public Service Commission and Public Works were ₹ 5 crore and ₹ 7 crore respectively in 2015-16 against ₹ 18 crore and ₹ 13 crore in 2014-15. The State's own revenue under Taxes on Sales, Trade etc (₹ 10,603 crore), Taxes on Goods and passengers (₹ 6,087 crore) and Stamp and registration Fees (₹ 3,409 crore) showed a increasing growth.

#### Components under Revenue Receipts as proportion to GSDP

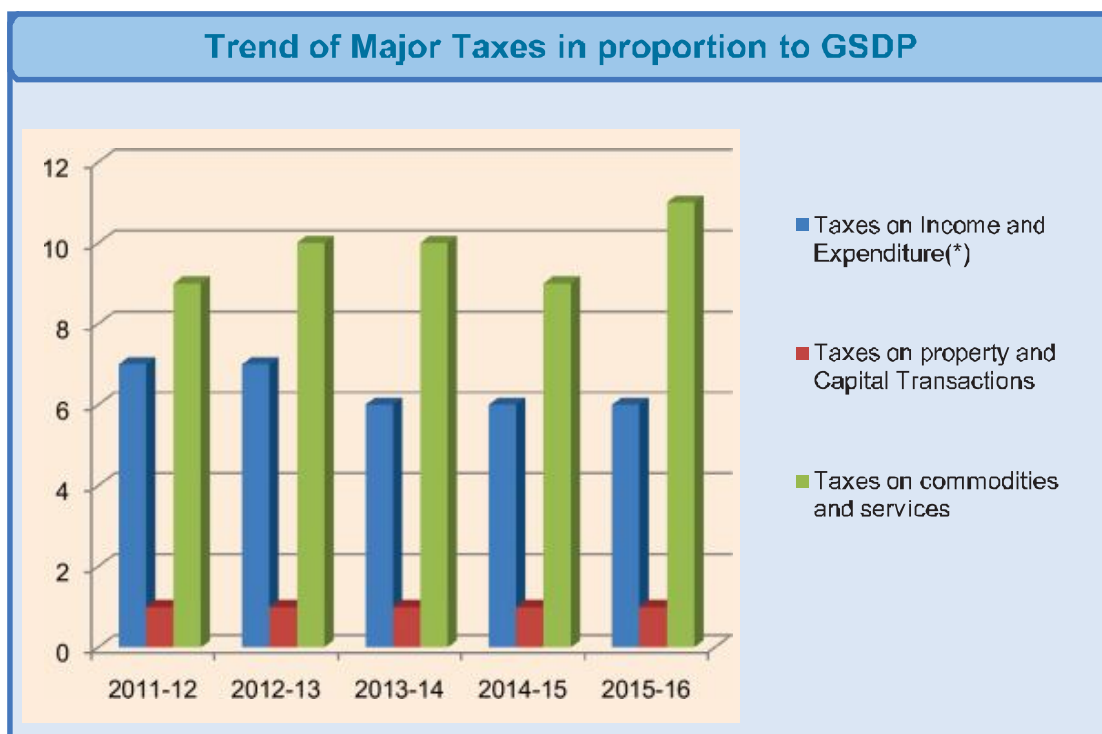


## Sector-wise Tax Revenue

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Taxes on Income and Expenditure	16,610	18,356	19,474	22,180	26,085
Taxes on Property and Capital Transactions	1,690	2,398	2,946	3,011	4,108
Taxes on Commodities and Services	22,247	27,400	32,370	32,522	44,179
<b>Total Tax Revenue</b>	<b>40,547</b>	<b>48,154</b>	<b>54,790</b>	<b>57,713</b>	<b>74,372</b>

The increase in total tax revenue is mainly attributed to higher collection under 'Corporation Tax' (₹ 15,377 crore), 'Taxes on Income other than Corporation Tax' (₹ 10,643 crore), 'Taxes on Sales Trade etc.' (₹ 10,603 crore), 'Service Tax' (₹ 8,430.00 crore), 'Customs' (₹ 7,849 crore), 'Taxes on Goods and Passengers' (₹ 6,087 crore), 'Stamps and Registration Fees' (₹ 3,409 crore) and 'Taxes on Vehicles etc.' (₹ 1,081 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
2011 - 12	40,547	27,935	12,612	5.10%
2012 - 13	48,154	31,901	16,253	5.76%
2013 - 14	54,790	34,829	19,961	6.29%
2014 - 15	57,713	36,963	20,750	5.55%
2015 - 16	74,372	48,923	25,449	6.15%

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.

## 2.5. Efficiency of Tax Collection

### A. Taxes on Property and Capital Transactions

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	1,690	2,398	2,946	3,011	4,108
Expenditure on Collection	417	440	526	511	486
Efficiency of Tax Collection	25%	18%	18%	17%	12%

### B. Taxes on Commodities and Services

(₹ In crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	22,247	27,400	32,370	32,522	44,179
Expenditure on Collection	130	147	146	185	180
Efficiency of Tax Collection	1%	1%	0.45%	0.57%	0.41%

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.

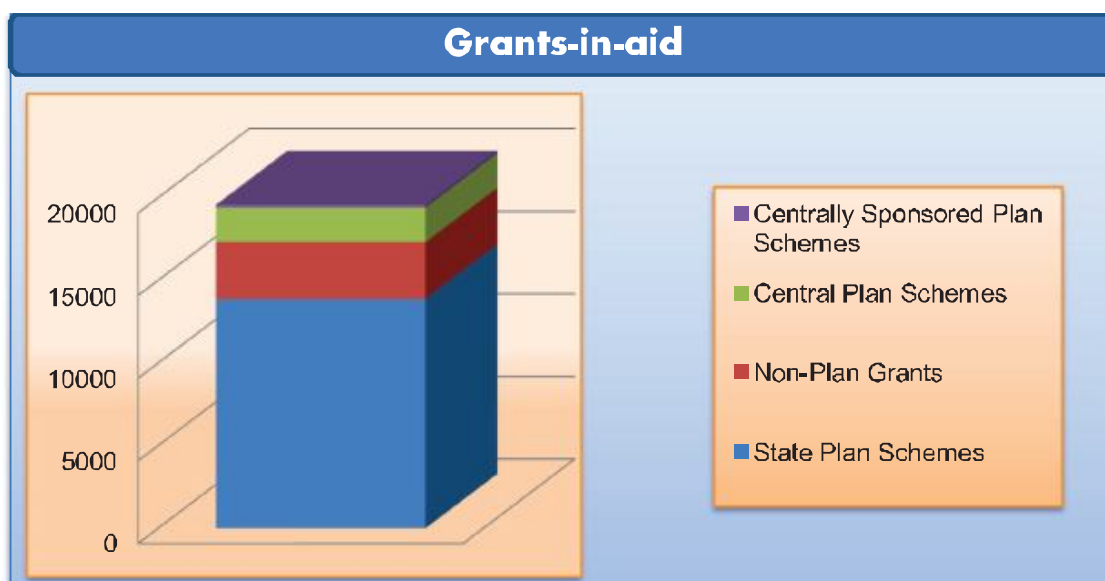
## 2.6. Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Corporation Tax	10,996	11,459	11,713	12,908	15,378
Taxes on Income other than Corporation Tax	5,585	6,860	7,713	9,217	10,643
Taxes on Wealth	42	20	32	35	4
Customs	4,844	5,301	5,683	5,978	7,850
Union Excise Duties	3,134	3,603	4,014	3,376	6,577
Service Tax	3,334	4,658	5,674	5,449	8,430
Other Taxes and Duties on Commodities and Services	–	--	--	–	41
<b>State Share of Union Taxes</b>	<b>27,935</b>	<b>31,901</b>	<b>34,829</b>	<b>36,963</b>	<b>48,923</b>
<b>Total Tax Revenue</b>	<b>40,547</b>	<b>48,154</b>	<b>54,790</b>	<b>57,713</b>	<b>74,372</b>
<b>% of Union Taxes to Total Tax Revenue</b>	<b>69</b>	<b>66</b>	<b>64</b>	<b>64</b>	<b>66</b>

## 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 2015-16 under Grants-in-aid were ₹ 19,565 crore as shown below :-



The share of non-plan grants in total grants-in-aid increased from 17 per cent during 2014-15 to 18 per cent in 2015-16, while, the share of grants for plan schemes decreased from 83 per cent in 2014-15 to 82 per cent in 2015-16. As against a Budget Estimate (BE) of ₹ 15,222 crore of Union Share in Plan Schemes, the State Government has actually received ₹ 16,131 crore of Grants-in-aid (106 per cent of BE).

## 2.8 Public Debt

### Trend of Public Debt over the past five years

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Internal Debt	3,344	6,461	6,799	10,224	14,142
Central Loans	361	23	(-)11	85	116
Total Public Debt	3,705	6,484	6,788	10,309	14,258

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

In 2015-16, seven loans totalling ₹ 11,500 crore at interest rates varying from 7.99 per cent to 8.82 per cent and redeemable in the years 2024-25 were raised at par.

Against the total internal debt of ₹ 17,565 crore of the State Government in 2015-16 plus the Central loan component of ₹ 818 crore received during this period, capital expenditure was ₹ 23,966 crore, indicating that the total of the public debt was used for creation of capital assets and developmental purposes.

# C **HAPTER III**

## EXPENDITURE

### 3.1. Introduction

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

<b>General Services</b>	Includes 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 was 20 *per cent* of the GSDP in 2015-16. Revenue Expenditure of ₹ 83,616 crore for 2015-16 fell short of budget estimates by ₹ 7,592 crore due to less disbursement of ₹ 2,503 crore under Plan Expenditure and ₹ 5,089 crore under Non-Plan Expenditure. This shortfall is to be viewed in the light of the ₹ 7,066 crore (7 *per cent*) shortfall compared to BE in Revenue Receipts and the need of the State to maintain a revenue surplus in terms of the Bihar Fiscal Responsibility and Budget Management (FRBM) Act, 2006.

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

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Budget Estimates</b>	49,934	60,959	73,258	91,765	91,209
<b>Actuals</b>	46,500	54,466	62,477	72,570	83,616
<b>Gap</b>	3,434	6,493	10,781	19,195	7,593
<b>% of gap over BE</b>	7	11	15	21	8

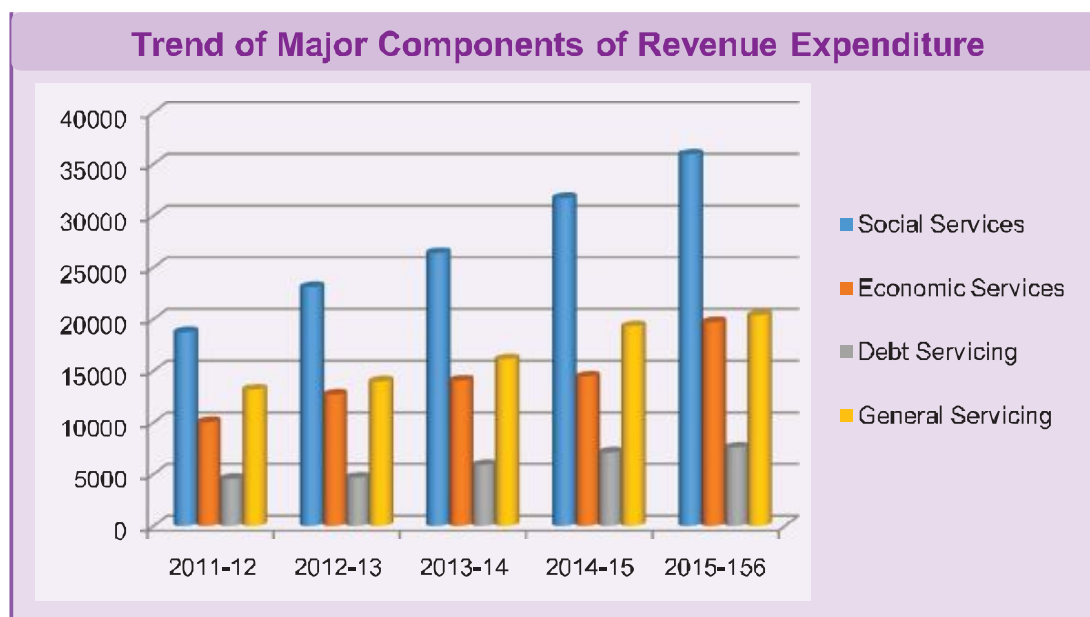
### 3.2.1 Sectoral distribution of Revenue Expenditure (2015-16)

Components	Amount (₹ in crore)	Percentage
A. Fiscal Services	669	1
(i) Collection of Taxes on Property and Capital transactions	487	1
(ii) Collection of Taxes on Commodities and Services	180	--
(iii) Other Fiscal Services	2	--
B. Organs of State	1,235	1
C. Interest Payments and Servicing of debt	7,590	9
D. Administrative Services	6,629	8
E. Pension and Miscellaneous General Services	11,850	14
F. Social Services	35,943	43
G. Economic Services	19,696	23
G. Grants-in-aid and Contributions	4	--
<b>Total - Expenditure (Revenue Account)</b>	<b>83,616</b>	<b>100</b>



### 3.2.2 Major components of Revenue Expenditure (2011-16)

(₹ in crore)



### 3.3. Capital Expenditure

Capital disbursements for 2015-16 were ₹ 24,587 crore which was 6 per cent of GSDP. It was less than Budget Estimates by ₹ 995 crore (less disbursement of ₹ 1,190 crore under Plan Expenditure and excess disbursement of ₹ 195 crore under Non-Plan Expenditure).

#### 3.3.1 Sectoral distribution of Capital Expenditure

During 2015-16, the Government spent ₹ 1,033 crore on various Projects (₹ 736 crore on Major Irrigation, ₹ 97 crore on Medium Irrigation and ₹ 200 crore on Minor Irrigation), ₹ 651 crore on Flood Control Projects and ₹ 2,794 crore on Power Projects. Apart from above, the Government invested ₹ 2,876 crore in various Corporations/Companies Societies.

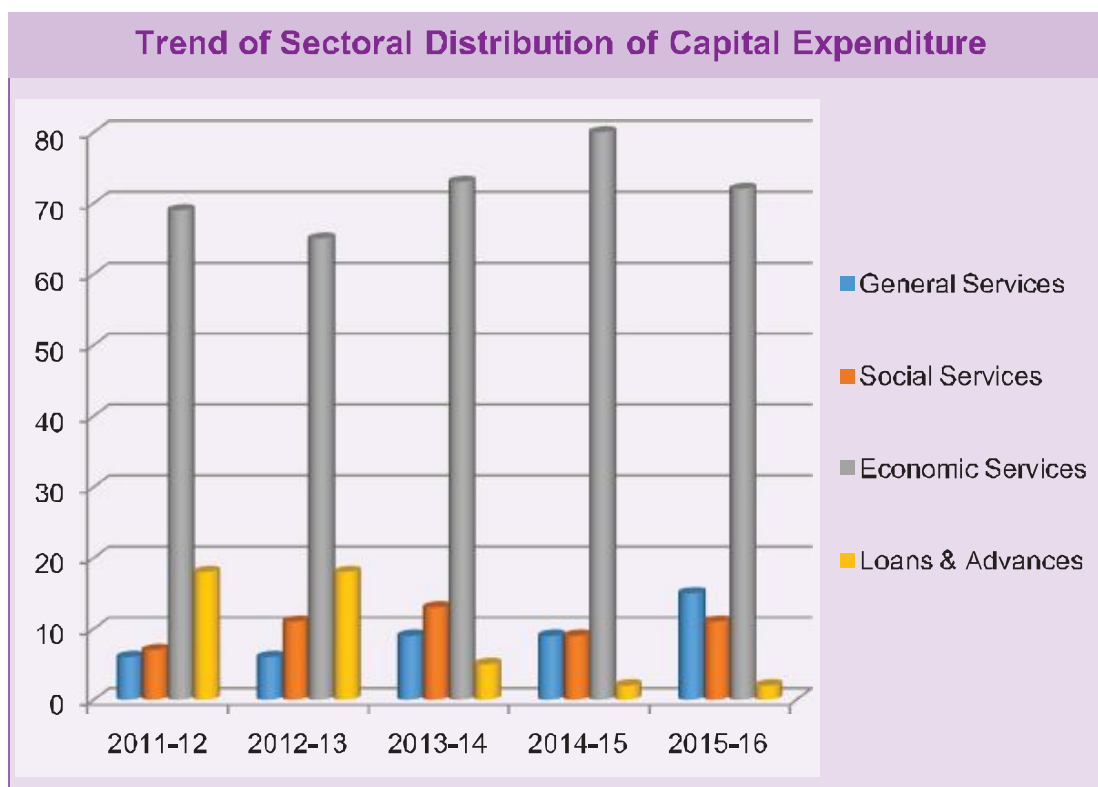
Sl. No.	Sector	Amount	Percentage
1.	<b>General Services</b> - Police, Land Revenue etc.	3,617	15
2.	<b>Social Services</b> - Education, Health & Family Welfare Water Supply, Welfare of SC/ST etc.	2,740	11
3.	<b>Economic Services</b> - Agriculture, Rural Development Irrigation, Co-operation, Energy, Industries, Transport etc.	17,609	72
4.	Loans and Advances Disbursed	621	2
	<b>Total</b>	<b>24,587</b>	<b>100</b>

\* General Services excludes M.I 2016 (Appropriation for reduction or avoidance of debt), M.II 2015 (Interest payment) and includes M.II 3604 (Compensation and Assignments 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	2011-12	2012-13	2013-14	2014-15	2015-16
1.	General Services	608	717	1,332	1,749	3,617
2.	Social Services	807	1,331	1,858	1,673	2,740
3.	Economic Services	7,437	7,537	10,811	14,728	17,609
4.	Loans and Advances	1,906	2,086	807	369	621
<b>Total</b>		<b>10,759</b>	<b>11,671</b>	<b>14,808</b>	<b>18,519</b>	<b>24,587</b>



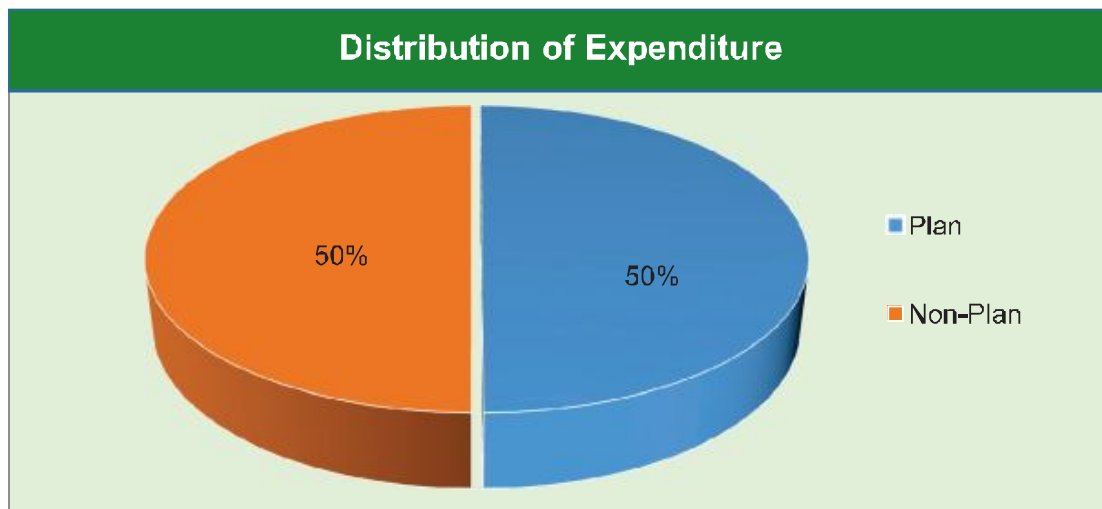
# CHAPTER IV

## PLAN AND NON-PLAN EXPENDITURE

### 4.1. Distribution of Expenditure (2015-16)

(₹ in crore)

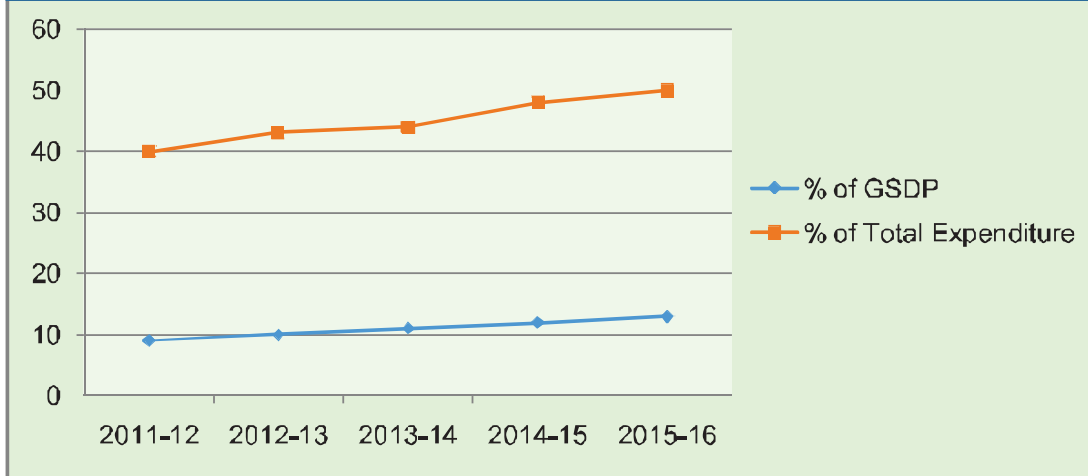
	Actual Expenditure
Plan Expenditure (both revenue and capital)	53,733
Non-Plan Expenditure (both revenue and capital)	54,470



### 4.2. Plan Expenditure

Plan expenditure (both revenue and capital) during 2015-16 was ₹ 53,733 crore, constituting 50 per cent of total disbursements of ₹ 1,08,203 crore. This comprised, ₹ 53,333 crore under State Plans, ₹ 248 crore under Centrally Sponsored/Central Plan Schemes and ₹ 152 crore under Loans and Advances.

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



#### 4.2.1. Plan expenditure under Capital Account

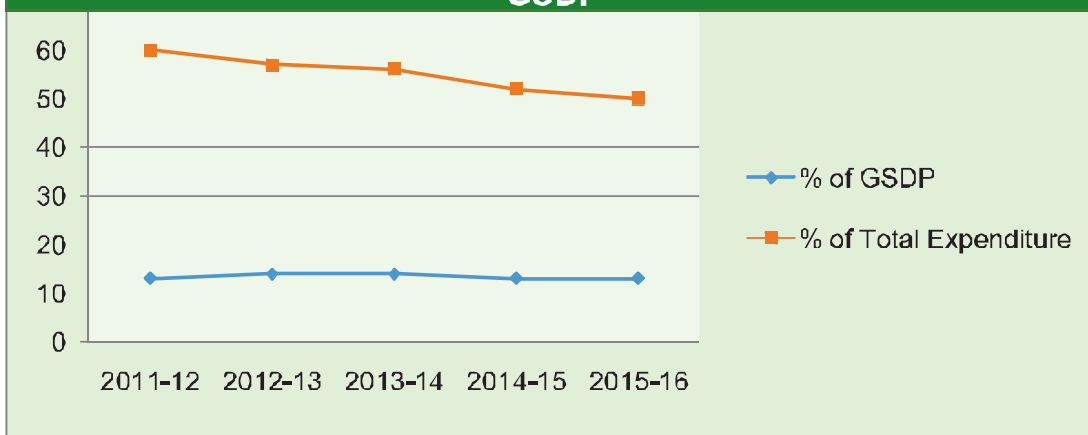
(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Total Capital Expenditure	10,759	11,671	14,808	18,519	24,587
Capital Expenditure (Plan)	10,521	11,489	14,602	18,428	24,082
Per cent of Capital Expenditure (Plan) to Total Capital Expenditure	98	98	99	99	98

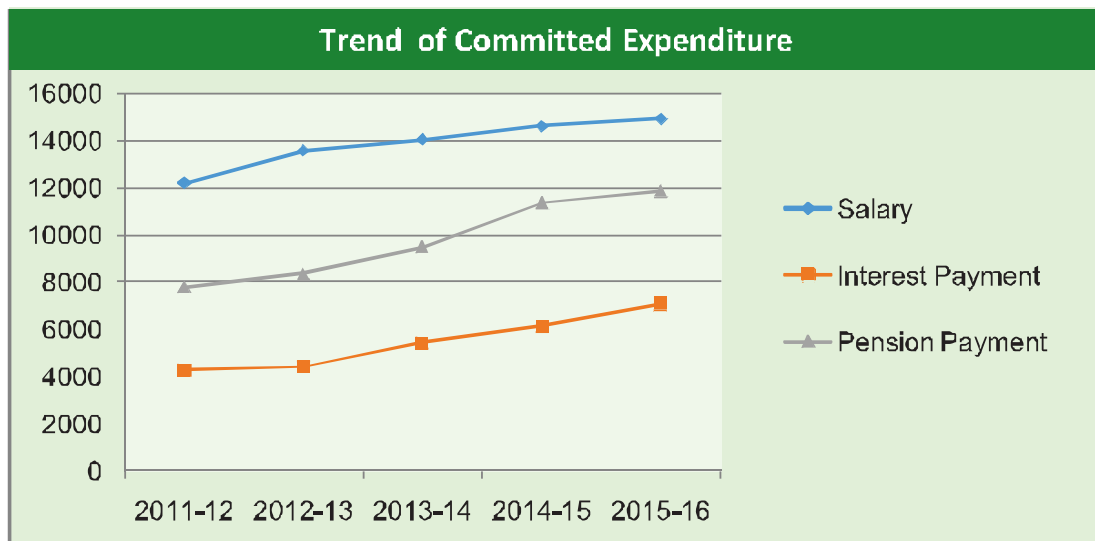
#### 4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2015-16, representing 50 per cent of total disbursements, was ₹ 54,470 crore (₹ 53,965 crore under Revenue and ₹ 505 crore under Capital).

### Non-Plan Expenditure as proportion of total expenditure and GSDP



#### 4.4. Committed Expenditure



(₹ in crore)

Component	2011-12	2012-13	2013-14	2014-15	2015-16
Committed Expenditure	24,306	26,350	28,978	32,081	33,872
Revenue Expenditure	46,500	54,466	62,477	72,570	83,616
Revenue Receipts	51,320	59,567	68,919	78,417	96,123
Per cent of committed expenditure to Revenue Receipts	47	44	42	41	35
Per cent of committed expenditure to Revenue Expenditure	52	48	46	46	40

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

# C HAPTER V

## APPROPRIATION ACCOUNTS

### 5.1. Summary of Appropriation Accounts for 2015-16

(₹ in crore)

Sl. No.	Nature of expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual expenditure	Saving (-) Excesses (+)
1.	<b>Revenue</b>						
	Voted	83,316	20,769	17,174	1,04,085	76,783	(-)27,302
	Charged	7,892	21	97	7,913	7,724	(-)189
2.	<b>Capital</b>						
	Voted	24,853	6,207	6,716	31,060	24,046	(-)7,014
	Charged	--	--	--	--	--	--
3.	<b>Public Debt</b>						
	Charged	3,895	268	0	4,163	4,125	(-)38
4.	<b>Loans and Advances</b>						
	Voted	729	362	469	1,091	621	(-)470
<b>Total</b>		<b>1,20,685</b>	<b>27,627</b>	<b>24,456</b>	<b>1,48,312</b>	<b>1,13,299</b>	<b>(-)35,013</b>

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

(₹ in crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2011-12	(-)10,835	(-)3,834	(-)5	(-)922	(-)15,596
2012-13	(-)13,315	(-)6,511	(-)13	(-)3,306	(-)23,145
2013-14	(-)20,781	(-)8,223	(-)135	(-)2,341	(-)31,480
2014-15	(-)31,354	(-)10,558	(+)3	(-)2,017	(-)43,926
2015-16	(-)27,491	(-)7,014	(-)38	(-)470	(-)35,013

### 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	2011-12	2012-13	2013-14	2014-15	2015-16
1	Agriculture Department	28%	29%	45%	44%	54%
3	Building Construction Department	45%	58%	36%	54%	40%
8	Art, Culture and youth Department	4%	28%	26%	35%	47%
9	Co-operative Department	21%	37%	9%	31%	33%
16	Panchayati Raj Department	33%	27%	26%	51%	47%
18	Food and Consumer Protection Department	15%	11%	93%	44%	41%
24	Information and Public Relation Department	13%	12%	13%	44%	35%
25	Information Technology Department	50%	60%	83%	79%	44%
26	Labour Resource Department	18%	10%	11%	53%	56%
29	Mines and Geology Department	23%	25%	21%	29%	37%
33	Personnel and Administrative Department	27%	28%	28%	32%	33%
36	Public Health Engineering Department	41%	36%	16%	37%	32%
39	Disaster Management Department	42%	58%	31%	59%	86%
40	Revenue and Land Reforms Department	24%	19%	42%	32%	33%
42	Rural Development Department	6%	23%	13%	54%	52%
43	Science and Technology Department	49%	40%	52%	44%	33%
47	Transport Department	4%	1%	56%	48%	32%
48	Urban Development and Housing Department	52%	24%	39%	46%	37%
50	Minor Water Resource Department	48%	34%	59%	55%	47%

During 2015-16, supplementary grants totalling ₹ 27,627 crore (24 per cent of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below :

(₹ in crore)

Grant	Name of Department	Section	Original	Supplementary	Actual Expenditure
1	Agriculture Department	Revenue	2,415.00	980.00	1,743.00
		Capital	418.00	56.00	23.00
2	Animal and Fisheries Resource Department	Revenue	530.00	70.00	412.00
3	Building Construction Department	Revenue	565.00	2.00	460.00
		Capital	2,435.00	551.00	1,638.00
4	Cabinet Secretariat Department	Revenue	157.00	8.00	121.00
8	Art, Culture and Youth Department	Revenue	129.00	2.00	69.00
16	Panchayati Raj Department	Revenue	4,364.00	1,101.00	2,893.00
18	Food and Consumer Protection Department	Revenue	2,135.00	265.00	1,424.00
21	Education Department	Revenue	20,760.00	3,695.00	18,641.00
		Capital	1,268.00	15.00	525.00
24	Information and Public Relation Department	Revenue	201.00	15.00	141.00
25	Information Technology Department	Revenue	175.00	19.00	99.00
26	Labour Resource Department	Revenue	510.00	37.00	244.00
28	High Court of Bihar	Revenue	134.00	4.00	100.00
32	Legislature	Revenue	147.00	4.00	126.00
33	General Administration Department	Revenue	495.00	54.00	367.00
35	Planning and Development Department	Revenue	268.00	1.00	134.00
36	Public Health Engineering Department	Capital	1,056.00	150.00	774.00
38	Registration, Excise and Prohibition Department	Revenue	146.00	8.00	106.00
40	Revenue and Land Reforms Department	Revenue	677.00	51.00	490.00
41	Road Construction Department	Revenue	940.00	93.00	915.00
		Capital	4,855.00	184.00	4,439.00
42	Rural Development Department	Revenue	4,973.00	2,110	3,528.00
47	Transport Department	Revenue	56.00	3.00	41.00
48	Urban Development and Housing Department	Revenue	2,170.00	941.00	1,977.00
50	Minor Water Resource Department	Revenue	688.00	6.00	334.00
		Capital	220.00	102.00	201.00



# CHAPTER VI

## ASSETS AND LIABILITIES

### 6.1. Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition / purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities 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 ₹ 9,940 crore at the end of 2015-16. However, dividends received during the year were ₹ 14.84 crore (i.e., 0.15 per cent) on investment. During 2015-16, investments increased by ₹ 2,876 crore, and dividend income increased by ₹ 12.26 crore.

Cash Balance with RBI stood at ₹ 3,340 crore on 31 March 2015 and increased by ₹ 4,884 crore at the end of March, 2016.

### 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)

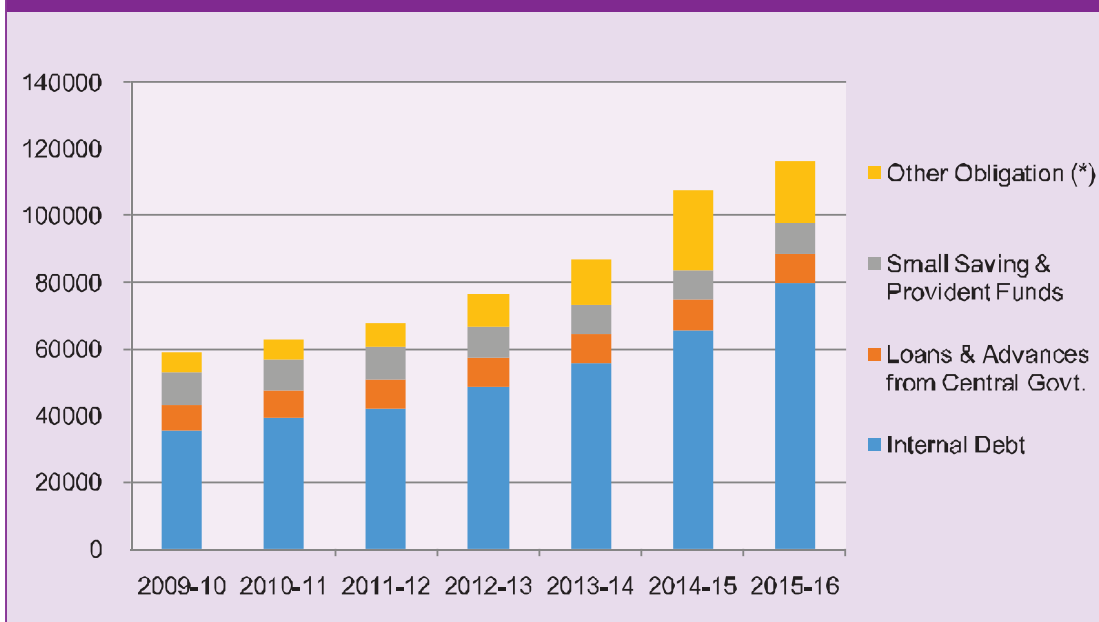
Year	Public Debt	Percentage to GSDP	Public Accounts (*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2011-12	50,990	21	16,822	7	67,812	27
2012-13	57,474	20	19,029	6	76,503	27
2013-14	64,262	20	22,677	6	86,939	27
2014-15	74,571	19	24,485	6	99,056	26
2015-16	88,829	18	27,749	6	1,16,578	28

(\*) Excludes suspense and remittance balances.

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

There is a net increase of ₹ 17,522 crore (18 per cent) in Public Debt and Other liabilities as compared to 2014-15.

## 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 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. 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
2011-12	2,049	1,092	103
2012-13	2,046	1,089	112
2013-14	2,587	1,090	112
2014-15	5,315	2,001	148
2015-16	9,397	4,721	118

# 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 ₹ 79,990 crore as on 31 March 2016.

### 7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2015-16 was ₹ 20,876 crore. Of this, Loans and Advances to Government Corporations/Companies, Non-Government Institutes and Local Bodies amounted to ₹ 20,038 crore. Recovery ₹ 5,577 crore of Principal and ₹ 5,478 crore of Interest is in arrears at the end of 31 March 2016. During 2015-16 only ₹ 19 crore has been received towards repayment of Loans and Advances, out of which, ₹ 15 crore relates to repayment of loans from 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 ₹ 14,444 crore in 2011-12 to ₹ 26,426 crore in 2015-16. Grants to Zila Parishads, Municipalities Corporation and Panchayat Samitees including Gram Panchayat (₹ 4,489 crore) represented 17 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 Samitees including Gram Panchayat	Others*	Total
2011-12	677	557	1,858	11,352	14,444
2012-13	441	540	2,154	14,319	17,454
2013-14	905	540	2,602	14,888	18,935
2014-15	1,173	659	1,253	19,274	22,359
2015-16	1,174	1,311	2,004	21,937	26,426

\* Includes also the expenditure made on Mic Day Mea 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 2015	As on 31 March 2016	Net increase (+) / decrease (-)
Cash Balances	(-)89	125	214
Investments from cash balances (GOI Treasury Bills)	3,529	8,199	4,670
Other cash balance			
i) Departmental Balance	211	216	5
ii) Permanent Cash Imprest	344	342	(-)2
Investment from earmarked fund balances	2,343	2,835	492
(a) Sinking fund	2,343	2,835	492
(b) Guarantee Redemption Fund	--	--	--
(c) Other funds	--	--	--
* Interest Realised	312	453	141

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

State Government had a positive closing cash balance at the end of 2015-16. Interest receipts on these investments was increased by 45 *per cent*.

#### 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 ₹ 56,809 crore of expenditure against the total expenditure of ₹ 1,07,582 crore (Revenue and Capital) i.e., 53 *per cent* of the total expenditure and for ₹ 77,789 crore of receipts against the total receipts of ₹ 96,123 crore (Revenue and Capital) i.e. 81 *per cent* of the total receipts during the year 2015-16.

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	0029	2029	Revenue and Land Reforms Department
2	0039	2039	Registration, Excise and Prohibition Department
3	0040	2040	Commercial Tax Department
4	0059	2059	Building and Construction Department
5	0071	2071	Finance Department
6	0075	2075	Revenue and Land Reforms Department
7	0210	2210	Health Department
8	0216	2216	Rural Development Department
9	0235	2235	Social Welfare Department
10	0250	2250	Minority welfare Department
11	0401	2401	Agriculture Department
12	0406	2406	Environment and Forest Department
13	0515	2515	Panchayati Raj Department
14	0702	2702	Minor Water Resource Department
15	1054	3054	Road Construction Department
16	1456	3456	Food and Consumer Protection 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, Public Works and Forest Divisions. The prescribed due date of its submission are 5th of the following month in the case of Treasury Accounts and 10th of the following month in case of Forest and Public Works Accounts. The average delay in submission of monthly accounts by Treasuries, Public Works and Forest Divisions are 4 days, 18 days and 25 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. Unadjusted Abstract Contingent (AC) Bills

In terms of the Bihar Treasury Code 2011, the Drawing and Disbursing Officers are authorised to draw sums of money through AC bills to meet unforeseen expenditure, by debiting service Major Heads against which, they are required to present Detailed Contingent (DC) bills along with vouchers in support of final expenditure, to the Accountant General within six months of the drawal of the AC bill. Delayed submission or prolonged non-submission of DC bills renders the expenditure under AC bills opaque. Details of outstanding AC bills as on 31 March 2016 are given below:

**Table-1: Details of Outstanding AC Bills**

*(₹ in crore)*

Year	Number of pending DC bills	Amount
Upto 2013-14	15,005	2,799.82
2014-15	1,572	1,629.43
2015-16*	3,780	7,645.07
<b>Total</b>	<b>20,357</b>	<b>12,074.32</b>

\*3,426 AC bills amounting to ₹ 4,701.74 crore out of 3,926 AC bills will be due after 31 March 2016.

3,926 AC bills amounting to ₹ 8,273.14 crore were drawn during 2015-16 in which AC bills amounting to ₹ 3,029.81 crore (36.62 per cent of the total amount drawn against AC bills in 2015-16), were drawn in March 2016 alone, and of this, ₹ 93.13 crore was drawn on the last day of the financial year. Substantial expenditure against AC bills in March indicates that the drawal was primarily to exhaust the budget provisions and reveals inadequate budgetary control.

## 7.8. Rush of Expenditure

Rule 113 of the Bihar Budget Manual stipulate that rush of expenditure, particularly in the closing month of the financial year, shall be regarded as a breach of financial regularity and should be avoided. It was, however, noticed that 11 Departments of the State Government have incurred more than one third of their total expenditure during March 2016 :-

(₹ in crore)

Grant No.	Description	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total	During March 2016	Percentage of expenditure in March 2016 w.r.t. total expenditure of 2015-16
1	Agriculture Department	37.79	125.88	640.85	961.65	1,766.17	701.91	39.74
9	Co-operative Department	19.29	122.83	26.85	597.91	766.88	459.87	59.97
11	Backward Class and Most Backward Class Welfare Department	0.27	1,249.40	70.56	1,269.30	2,589.53	1,020.21	39.40
16	Panchayati Raj Department	23.60	1,169.76	162.60	1,567.36	2,923.32	1,493.31	51.08
18	Food and Consumer Protection Department	211.97	454.83	18.18	739.87	1,424.85	715.55	50.22
23	Industries Department	12.04	385.88	58.70	537.09	993.71	408.22	41.08
33	General Administration Department	50.59	59.56	64.12	193.52	367.79	140.51	38.20
37	Rural Works Department	1,675.36	1,337.15	1,243.44	4,603.99	8,859.94	3,033.55	34.24
39	Disaster Management Department	1,007.92	78.83	(-)896.22	204.13	394.66	189.03	47.90
48	Urban Development and Housing Department	86.15	206.80	580.79	1,103.73	1,977.47	765.08	38.69
51	Social Welfare Department	270.77	2,162.81	465.66	2,410.55	5,309.79	2,013.66	37.92

(Source: VLC Data.)