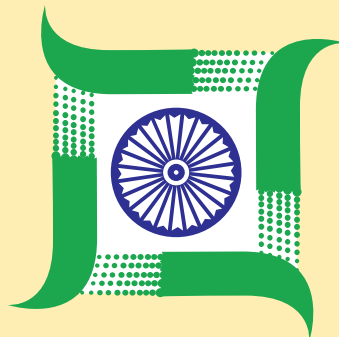


सत्यमेव जयते

Accounts at a Glance for the year 2012-13



झारखण्ड सरकार

Government of Jharkhand

ACCOUNTS AT A GLANCE

for the year 2012-13

GOVERNMENT OF JHARKHAND

Preface

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

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

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

PLACE : RANCHI

DATE : 5 November 2013



(Manoj Sahay)

Accountant General (A&E)

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 recognized 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

TABLE OF CONTENTS

CHAPTER I	OVERVIEW	PAGE
1.1	Introduction	7
1.2	Structure of Accounts	7
1.2.1	Government Accounts are kept in three parts	7
1.3	Finance Accounts and Appropriation Accounts	7
1.3.1	Finance Accounts	7-8
1.3.2	Appropriation Accounts	8
1.4	Sources and Application of Funds	8
1.4.1	Ways and Means Advances	8
1.4.2	Fund flow statement (Source and Application of Funds)	8-9
1.4.3	Where the Rupee came from	10
1.4.4	Where the Rupee went	10
1.5	Highlights of Accounts	11
1.6	What do the Deficits and Surpluses indicate?	12
1.6.1	Trend of Revenue Deficit / Surplus	12
1.6.2	Trend of Fiscal Deficit	13
1.6.3	Proportion of borrowed funds spent on Capital Expenditure	13
<hr/>		
CHAPTER II	RECEIPTS	
2.1	Introduction	14
2.2	Revenue Receipts	14-15
2.3	Trend of Receipts	15-16
2.4	Performance of State's Own Tax Revenue Collection	16
2.5	Efficiency of Tax Collection	17
2.6	Trend in State's Share of Union Taxes over the past five years	17
2.7	Grants-in-Aid	18
2.8	Public Debt	18-19
<hr/>		
CHAPTER III	EXPENDITURE	
3.1	Introduction	20
3.2	Revenue Expenditure	20
3.2.1	Sectoral distribution of Revenue Expenditure (2012-13)	20
3.2.2	Major Components of Revenue Expenditure (2008-13)	21

3.3	Capital Expenditure	21
3.3.1	Sectoral distribution of Capital Expenditure	21
3.3.2	Sectoral distribution of Capital Expenditure over the past five years	22

CHAPTER IV PLAN & NON-PLAN EXPENDITURE

4.1	Distribution of Expenditure (2012-13)	23
4.2	Plan Expenditure	23
4.2.1	Plan Expenditure under Capital Account	23
4.3	Non-Plan Expenditure	24
4.4	Committed Expenditure	24-25

CHAPTER V APPROPRIATION ACCOUNTS

5.1	Summary of Appropriation Accounts for 2012-13	26
5.2	Trend of Savings/Excess during the past 5 years	26
5.3	Significant Savings	26-27

CHAPTER VI ASSETS AND LIABILITIES

6.1	Assets	28
6.2	Debt and Liabilities	28
6.3	Investments and Returns	28
6.4	Guarantees	28

CHAPTER VII OTHER ITEMS

7.1	Balances under Internal Debt	29
7.2	Loans and Advances by the State Government	29
7.3	Financial Assistance to Local Bodies and Others	29
7.4	Cash Balance and Investment of Cash Balance	29
7.5	Reconciliation of Accounts	30
7.6	Submission of Accounts by Treasuries	31
7.7	Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills	31
7.8	Commitments on account of Incomplete Capital Works	31
7.9	Rush of Expenditure	31-32

OVERVIEW

1.1. Introduction

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

1.2. Structure of Accounts**1.2.1. Government Accounts are kept in three parts :**

Part I CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part II 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 III 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.

1.3. 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. The 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, Summarized 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 other Summarized Statements (Part-I), Detailed Statements (Part-II) and Appendices (Part-III).

Receipts and Disbursements of the Government of Jharkhand as depicted in the Finance Accounts 2012-13 are given below:-

(₹ in crore)

Receipts (Total : ₹ 28,319)	Revenue (Total : ₹ 24,770)	Tax Revenue	16,412
		Non Tax Revenue	3,536
		Grants-in-Aid	4,822
	Capital (Total : ₹ 3,549)	Recovery of Loans and Advances	43
		Borrowings and other Liabilities (*)	3,506

Disbursements (Total : ₹ 28,319)	Revenue	23,400
	Capital including Inter State Settlement	4,318
	Loans and Advance	601

* Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Inter State Settlement+ Net of Contingency Fund + Net (Receipts – Disbursements) of Public Account + Net of Opening and Closing Cash Balance

The Union Government transfers substantial funds directly to State Implementing Agencies / NGOs for implementation of various schemes and programmes. During the current year 2012-13, Government of India directly released ₹ 2,622 crore (₹ 4,194 crore last year). **This exclude an amount of ₹ 234.45 crore and ₹146.05 crore respectively for the financial year 2012-13 and 2011-12 released to Central Bodies located in the State as well as various other organizations outside the preview of the Government of Jharkhand.** 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 II of the Finance Accounts.

1.3.2. Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts ‘Charged’ on the Consolidated Fund or ‘Voted’ by the State Legislature. There are 05 Charged Appropriations, 54 Voted Grants and 01 Voted and Charged mixed Grant.

The Appropriation Act, 2012-13 had provided for gross expenditure of ₹ 38,494 crore and ₹ 301 crore provision under reduction of expenditure (recoveries). Against this, the actual gross expenditure was ₹ 30,532 crore and reduction of expenditure was ₹ 299 crore, resulting in net savings of ₹ 7,962 crore (26%) and an under-estimation of ₹ 2 crore (1%) on reduction of expenditure. The gross expenditure included ₹ 594 crore drawn on Abstract Contingent (AC) Bills, which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2012-13, ₹ 2,193 crore was transferred from the Consolidated Fund to Deposits of Local Funds accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under Local Fund accounts are to be transferred back to the Consolidated Fund at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual Local Fund accounts are available only with the treasuries, since they are responsible for maintaining such records.

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 (₹ 0.45 crore w.e.f. 15 November, 2000), maintained with the RBI. During 2012-13, the Government of Jharkhand obtained eleven days Normal, two days Special Ways & Means Advances and did not resort to Overdraft facilities.

1.4.2. Fund flow statement

The State had a Revenue Surplus of ₹ 1,370 crore and a Fiscal Deficit of ₹ 3,506 crore representing 1 per cent and 2 per cent respectively of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 12 per cent of total expenditure. This deficit was met from Public debt (₹ 5,199 crore), increase in Public

Account (₹ 340 crore) and net of opening and closing cash balance (₹ (-) 150.35 crore). Around 48 per cent of the Revenue Receipts (₹ 24,770 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 6,490 crore), Interest Payments (₹ 2,391 crore) and Pensions (₹ 3,031 crore).

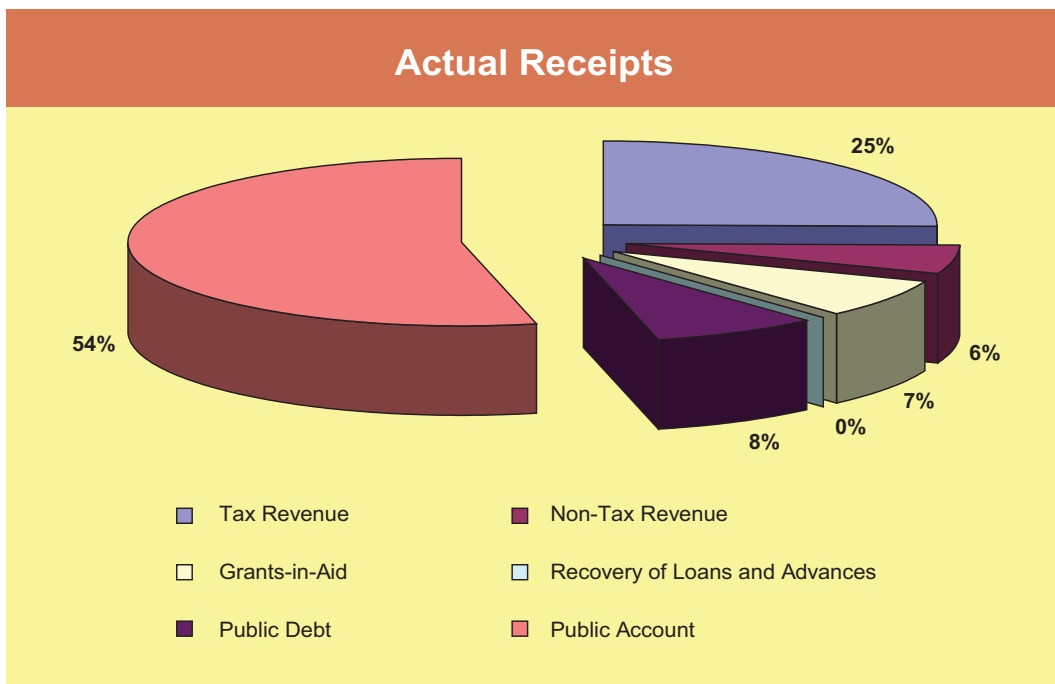
Sources and Application of Funds

(₹ in crore)

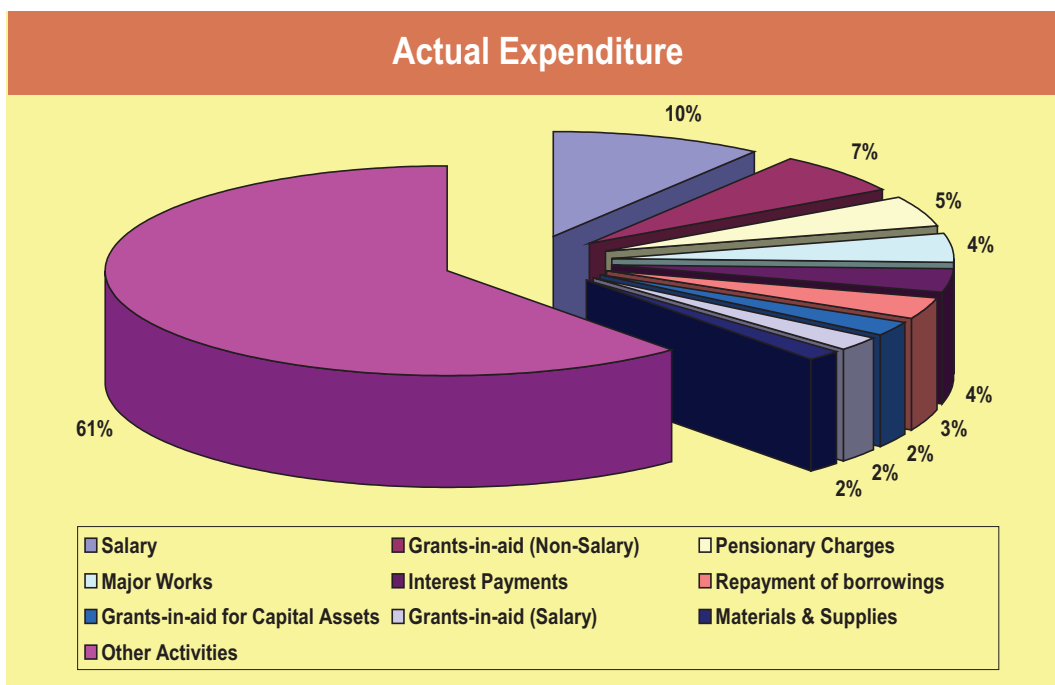
PARTICULARS		AMOUNT
SOURCES	Opening Cash Balance as on 01.04.2012	94
	Revenue Receipts	24,770
	Recovery of Loans & Advances	43
	Public Debt	5,199
	Inter State Settlement	....
	Small Savings Provident Fund & Others	668
	Reserves & Sinking Funds	280
	Deposits Received	8,571
	Civil Advances Repaid	134
	Suspense Account	20,308
	Remittances	4,643
	Contingency Fund	....
	TOTAL	64,710
APPLICATION	Revenue Expenditure	23,400
	Capital Expenditure	4,218
	Loans Given	601
	Repayment of Public Debt	2,183
	Inter State Settlement	100
	Small Savings Provident Fund & Others	646
	Reserves & Sinking Funds	403
	Deposits Spent	7,281
	Civil Advances Given	135
	Suspense Account	21,015
	Remittances	4,784
	Closing Cash Balance as on 31.03.2013	(-) 56
TOTAL	64,710	

¹Except where indicated otherwise, GSDP figures used in this publication are adopted from Planning and Development Department (Directorate of Economic and Statistics), Government of Jharkhand.

1.4.3. Where the Rupee came from



1.4.4. Where the Rupee went



1.5. Highlights of Accounts

(₹ in crore)

Sl. No.	Sources	B.E 2012-13	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP(\$ 156781 crore)
1.	Tax Revenue (@)	17237	16412	95	10
2.	Non-Tax Revenue	3961	3536	89	2
3.	Grants-in-Aid & Contributions	11228	4822	43	3
4.	Revenue Receipts (1+2+3)	32426	24770	76	16
5.	Recovery of Loans and Advances	56	43	77	...
6.	Borrowings & other Liabilities(A)	4632	3506	76	2
7.	Capital Receipts (5+6)	4688	3549	76	2
8.	Total Receipts (4+7)	37114	28319	76	18
9.	Non-Plan Expenditure(*)	18404	15882	86	10
10.	NPE on Revenue Account	16547	15657	95	10
11.	NPE on interest Payments out of 10	2435	2391	98	2
12.	NPE on Capital Account(^)	1857	225	12	...
13.	Plan Expenditure(*)	18710	12438	66	8
14.	PE on Revenue Account	11253	7743	69	5
15.	PE on Capital Account	7457	4695	63	3
16.	Total Expenditure (9+13)	37114	28319	76	18
17.	Revenue Expenditure (10+14)	27800	23400	84	15
18.	Capital Expenditure (12+15) (#)	9314	4919	53	3
19.	Revenue Surplus (4-17)	4626	1370	30	1
20.	Fiscal Deficit (4+5-16)	4632	3506	76	2

(@) includes State's share of Union Taxes of ₹ 8,188 crore.

(\$) GSDP figure of ₹ 1,56,781 crore adopted from Planning and Development Department (Directorate of Economics and Statistics) Government of Jharkhand.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 4,318 crore) and Loans and Advances disbursed (₹ 601 crore).

(*) Expenditure includes ₹ 57 crore under Non-Plan and ₹ 544 crore under Plan which pertains to Loans and Advances.

(A) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Inter State Settlement + Net of Contingency fund + Net (Receipts-Disbursements of Public Account + Net of Opening and Closing cash Balance.

(^) Non Plan Capital Expenditure includes ₹ 100 crore of Inter State Settlement.

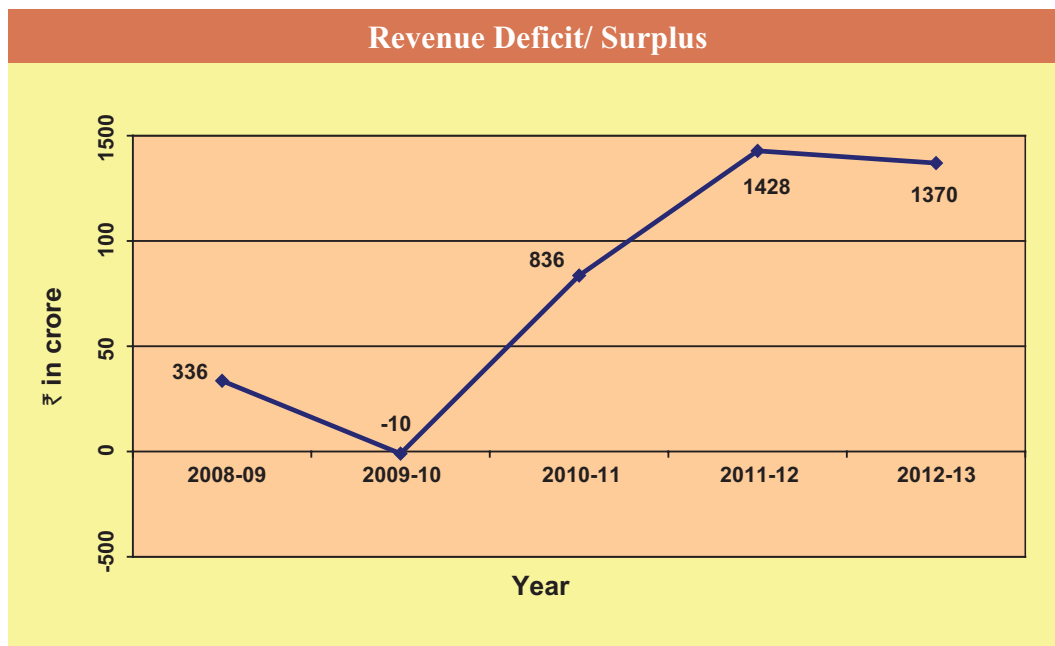
1.6. What do the Deficits and Surpluses indicate?

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 Receipts.
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.

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. To encourage the State Governments to achieve this goal, Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which, successful State Governments would receive relief on repayment of principal and/or interest.

The State Government has been successful in achieving the Revenue Surplus target as early as in 2006-07 and maintaining it thereafter¹. There is however, a difference of opinion between the State Government and Government of India on the calculation of the percentage of Fiscal Deficit to GSDP. While, according to the State Government estimation, the ratio of Fiscal Deficit² to GSDP ranged between 1.59 per cent (provisional figures) and 1.42 per cent (quick figures) in 2011-12 and 2.95 per cent (budget estimates) in 2012-13³.

1.6.1. Trend of Revenue Deficit / Surplus

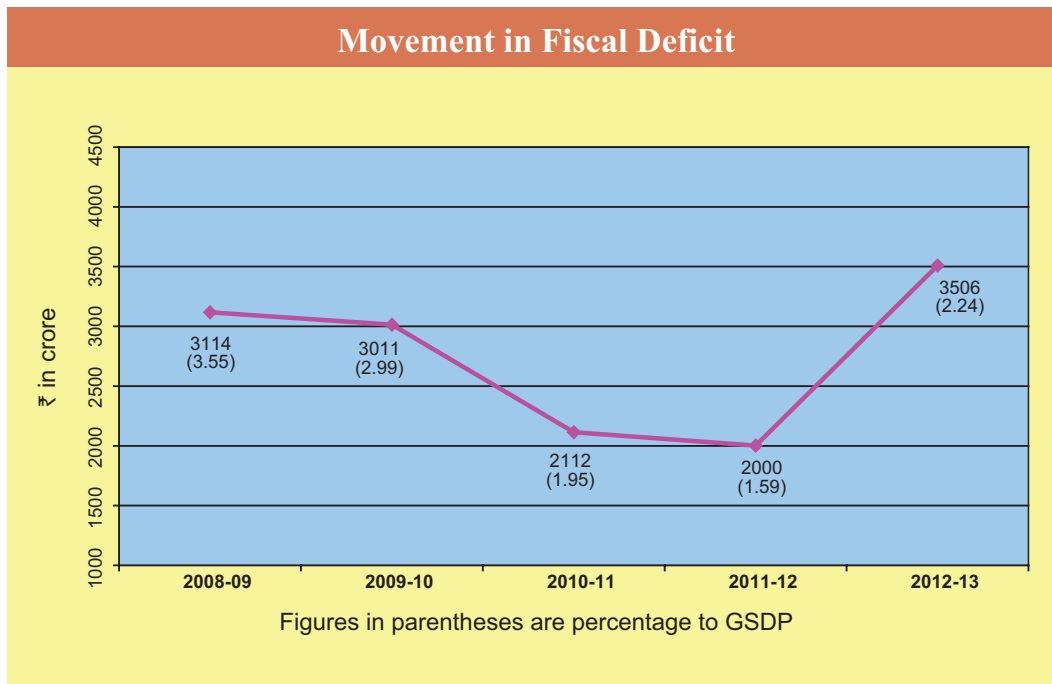


¹ The Revenue Surplus was ₹ 1,428 crore in 2011-12 and also Surplus ₹ 1,370 crore in 2012-13.

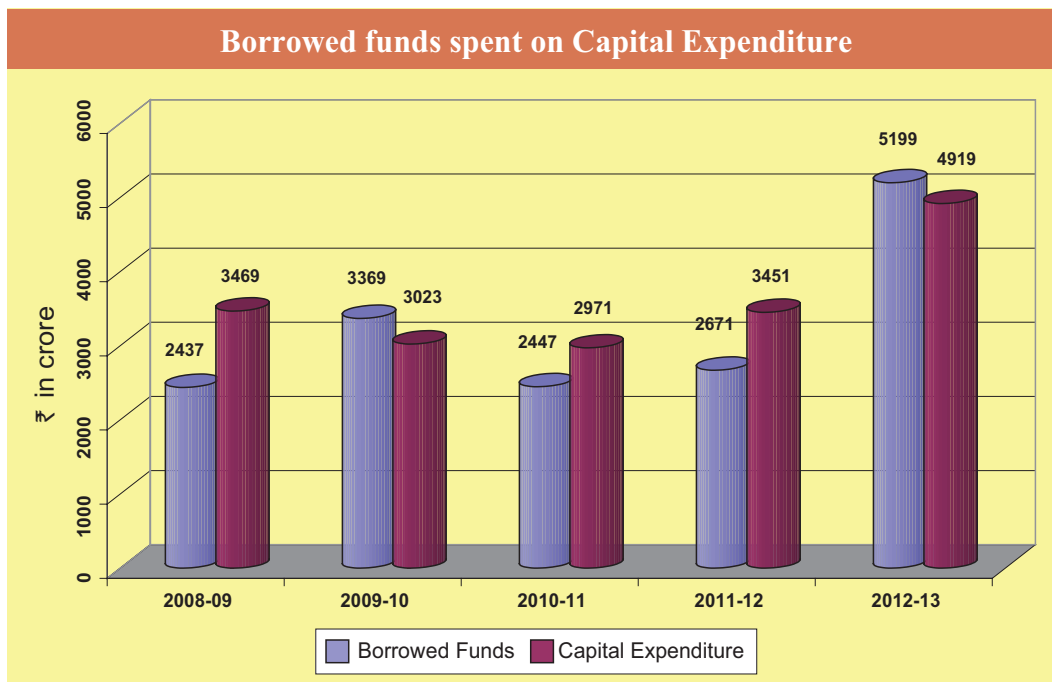
² The Fiscal Deficit was ₹ 2,001 crore in 2011-12 and ₹ 3,506 crore in 2012-13.

³ According to the Planning and Development Department, Government of Jharkhand, the GSDP ranged between ₹ 1,26,041 crore (Advance figure) and ₹ 1,40,557 (Quick figure) for 2011-12 and ₹ 1,56,781 crore (Provisional figure) for 2012-13.

1.6.2. Trend of Fiscal Deficit



1.6.3. Proportion of Borrowed funds spent on Capital expenditure



It is desirable to fully utilize 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 from borrowings of the current year (₹ 5,199 crore) and Revenue Surplus (₹ 1,370 crore) on Capital expenditure during the year 2012-13.

RECEIPTS

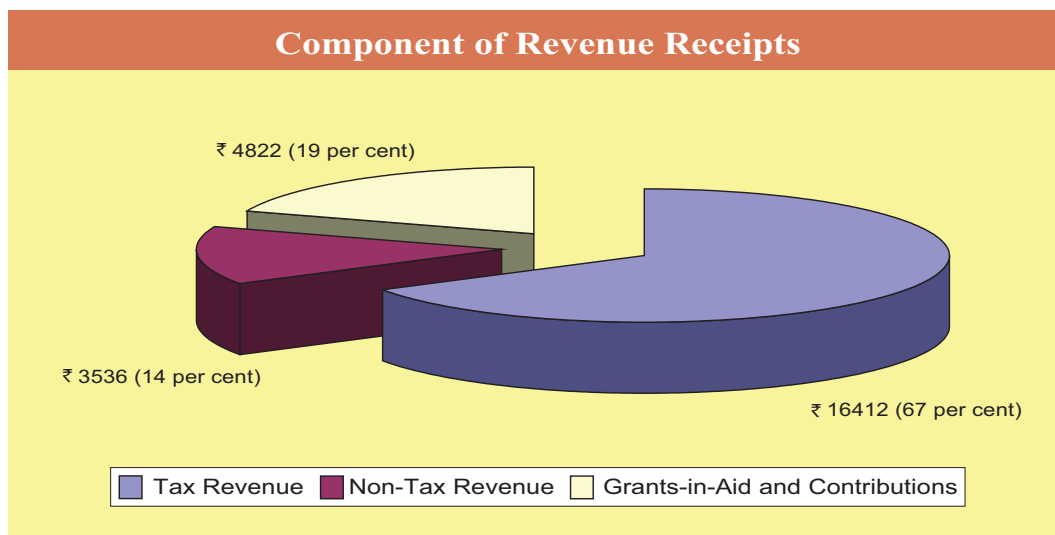
2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2012-13 were ₹ 28,319 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.

(₹ in crore)



Revenue Receipt Components (2012-13)

(₹ in crore)

Components		Actual
A.	Tax Revenue	16,412
	Taxes on Income & Expenditure	4,745
	Taxes on Property & Capital Transactions	594
	Taxes on Commodities & Services	11,073
B.	Non-Tax Revenue	3,536
	Interest Receipts, Dividends and Profits	88
	General Services	39

Components		Actual
	Social Services	105
	Economic Services	3,304
C.	Grants-in-Aid & Contributions	4,822
	Total – Revenue Receipts	24,770

2.3. Trend of Receipts

(₹ in crore)

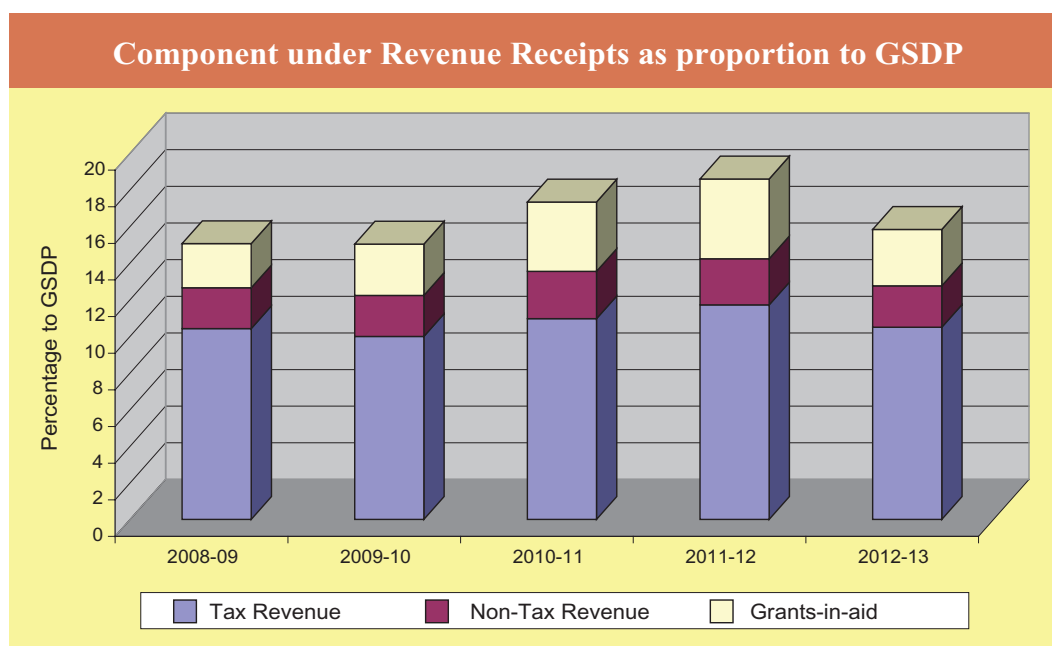
	2008-09	2009-10	2010-11	2011-12	2012-13
Tax Revenues	9,145 (10)	10,048 (10)	11,871 (11)	14,124 (11)	16,412 (10)
Non-Tax Revenues	1,952 (2)	2,254 (2)	2,803 (3)	3,038 (2)	3,536 (2)
Grants-in-Aid	2,116 (2)	2,817 (3)	4,107 (4)	5,257 (4)	4,822 (3)
Total Revenue Receipts	13,213 (15)	15,118 (15)	18,781 (17)	22,419 (16)	24,770 (16)
GSDP	87,793 *	1,00,621 *	1,25,824 (P)	1,40,558 (Q)	1,56,781 (A)

* Revised figures of GSDP adopted from Planning and Development Department (Directorate of Economics and Statistics) Government of Jharkhand.

(P) Provisional Estimate (Q) Quick Estimate (A) Advance Estimate

Note: figures in parentheses represent percentage to GSDP in approaching round figure.

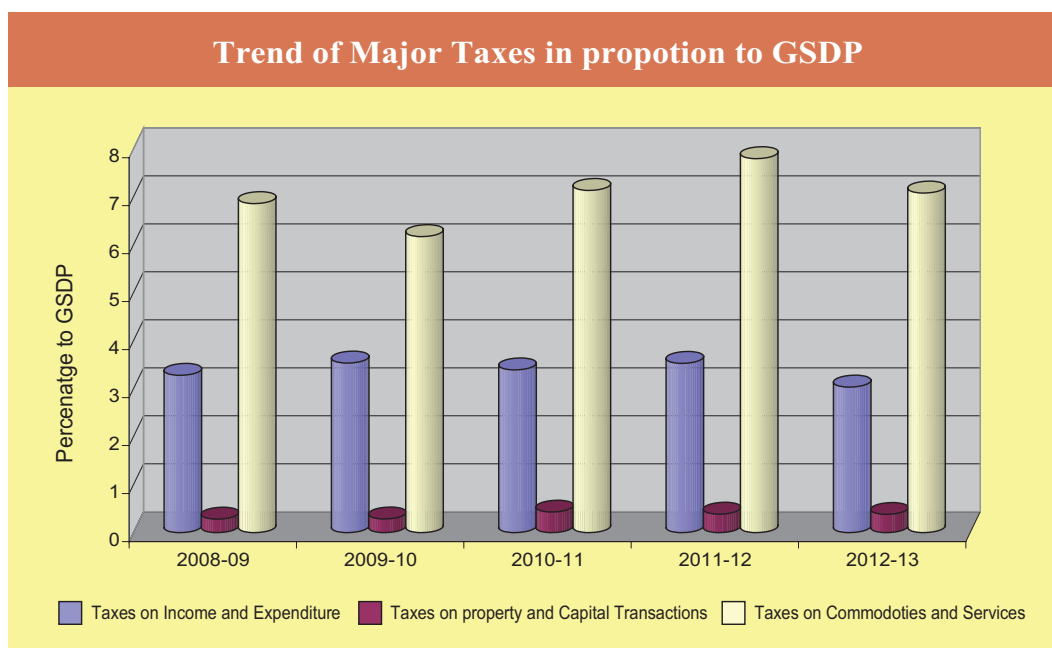
During 2012-13, growth in revenue collection was 10 per cent in respect of 2011-12, while GSDP growth was 12 per cent between 2011-12 and 2012-13. Tax Revenues increased by 16 per cent and Non-tax Revenue was also increased by 16 per cent. Significant collection was made under Non-ferrous Mining and Metallurgical Industries (₹ 3,142 crore), Interest Receipts Dividends and Profit (₹ 87 crore), Social Security and Welfare (₹ 20 crore) and Water Supply and Sanitation (₹ 19 crore). The State's Own Revenue under certain Tax components like Taxes on Sales, Trade etc. (₹ 6,422 crore), State Excise (₹ 578 crore), Stamps and Registration Fees (₹ 492 crore), Taxes on Vehicles (₹ 465 crore) and Stamps – Non Judicial (₹ 305 crore) showed a high trend.



Sector-wise Tax Revenue

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Taxes on Income and Expenditure	2,878	3,555	3,677	4,256	4,745
Taxes on Property and Capital Transactions	247	285	464	465	594
Taxes on Commodities and Services	6,020	6,208	7,730	9,403	11,073
Total Tax Revenues	9,145	10,048	11,871	14,124	16,412



(*) 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	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2008-2009	9,145	5,392	3,753	4.26
2009-2010	10,048	5,548	4,500	4.61
2010-2011	11,871	6,154	5,717	5.27
2011-2012	14,124	7,170	6,954	5.52
2012-2013	16,412	8,188	8,224	5.25

The proportion of the States' Own Tax Revenue to GSDP is 5.25 per cent.

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	247	285	464	465	594
Expenditure on Collection	138	161	157	171	182
Efficiency of Tax Collection (in per cent)	56	57	34	37	31

B. Taxes on Commodities and Services

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	6,020	6,208	7,730	9,403	11,073
Expenditure on Collection	40	50	59	72	63
Efficiency of Tax Collection (in per cent)	0.7	0.8	0.8	0.8	0.6

Taxes on Commodities and Services form a major chunk of Tax Revenue. Tax collection marginally needs to be improved.

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

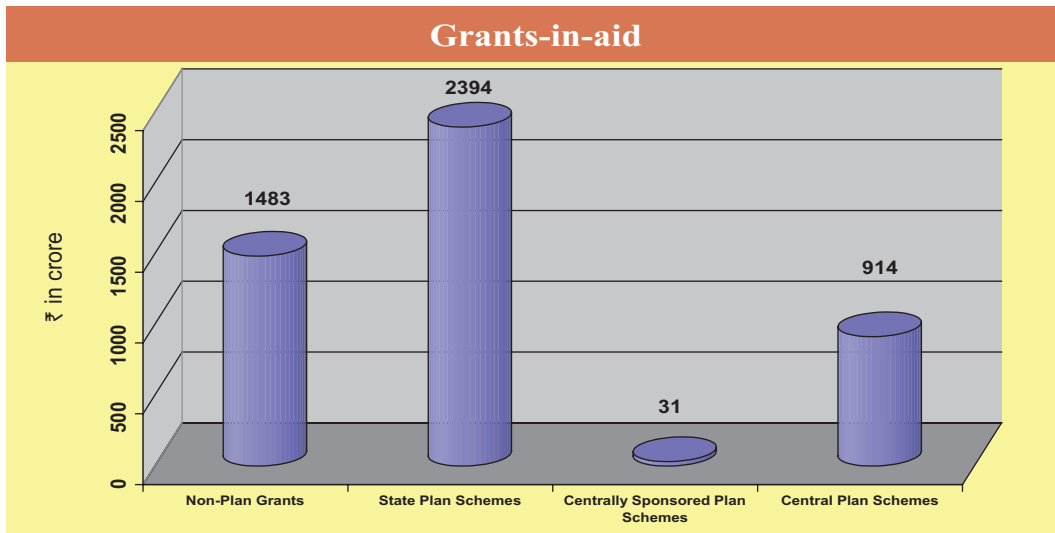
(₹ in crore)

Major Head description	2008-09	2009-10	2010-11	2011-12	2012-13
Corporation Tax	1,768	2,283	2,406	2,822	2,941
Taxes on Income other than Corporation Tax	1,110	1,272	1,271	1,434	1,761
Taxes on Wealth	2	5	5	11	5
Customs	1031	776	1076	1243	1,361
Union Excise Duties	899	625	783	804	925
Service Tax	583	586	614	856	1,196
Other Taxes and Duties on Commodities and Services	...	...	...	....	...
State Share of Union Taxes	5,393	5,547	6,155	7,170	8,189
Total Tax Revenue	9,145	10,048	11,871	14,124	16,412
Per cent of Union Taxes to Total Tax Revenue	59	55	52	51	50

The decline in the State's share of Union excise duties is mainly due to lowering of tax rates on specific items by the Government of India from time to time.

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 2012-13 under Grants-in-Aid were ₹ 4,822 crore as shown below:-



The share of Non-Plan Grants in total Grants-in-Aid decreased from 31 per cent during 2010-11 to 30 per cent in 2011-12 and further increased to 31 per cent in 2012-13. The share of Grants for Plan Schemes increased from 69 per cent in 2010-11 to 71 per cent in 2011-12 and further decreased to 69 per cent in 2012-13. As against a Budget Estimate of ₹ 11,228 crore of Union Share, the State Government has actually spent ₹ 4,822 crore of Grants-in-Aid (43 per cent of BE).

2.8. Public Debt

Trend of Public Debt over the past 5 years

(₹ in crore)

Description	2008-09	2009-10	2010-11	2011-12	2012-13
Internal Debt	2,434	3,379	2,315	2,639	4,960
Central Loans	3	(-) 10	132	32	239
Total Public Debt	2,437	3,369	2,447	2,671	5,199

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

In 2012-13, the State Government raised seven State Development Loans amounting to ₹ 3,600 crore in total. Details are given below:-

(₹ in crore)

Sl. No.	Amount	Rate of Interest	Redeemable in the Year
1.	200	8.90	2022
2.	300	8.93	2022
3.	500	8.81	2022
4.	500	9.00	2022
5.	1000	8.66	2023
6.	800	8.64	2023
7.	300	8.62	2023

Against the total Internal Debt of ₹ 4,960 crore of the State Government in 2012-13 plus the Central loan component of ₹ 239 crore received during this period, Capital expenditure was ₹ 4,919 crore.

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 organization. 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 of ₹ 23,400 crore for 2012-13, which is less than the Budget Estimates by ₹ 4,400 crore due to less disbursement of ₹ 890 crore under Non-Plan Expenditure and ₹ 3,510 crore under Plan Expenditure. The shortfall / excess of expenditure against budget estimates under Revenue Section during the past five years are given below:

(₹ in crore)

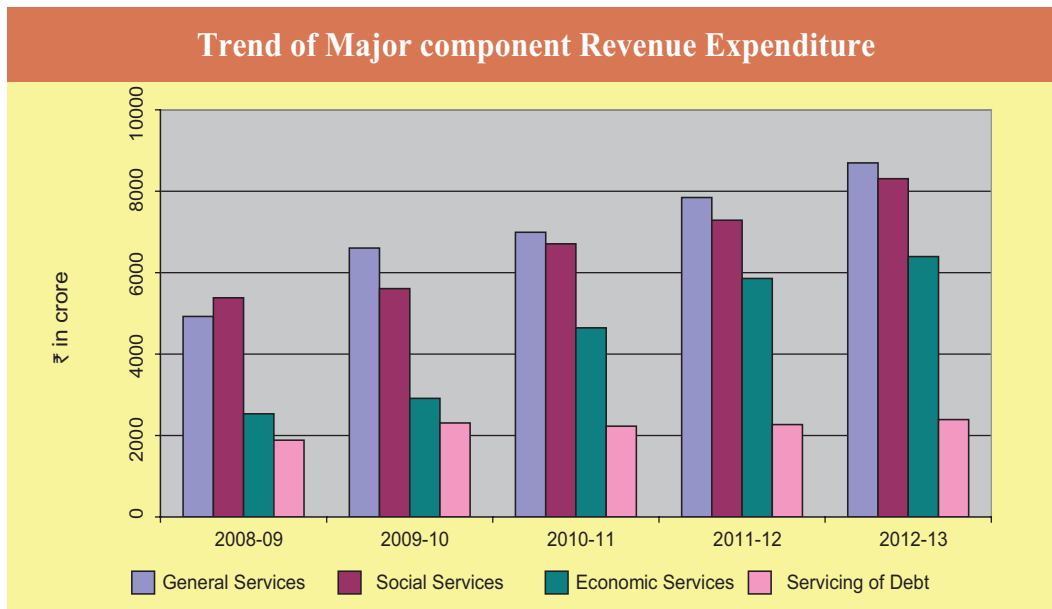
	2008-09	2009-10	2010-11	2011-12	2012-13
Budget Estimates	18,079	22,183	16,551	24,038	27,800
Actuals	16,346	18,151	17,945	20,991	23,400
Gap					
(-) Saving/(+) Excess	(-) 1,733	(-) 4,032	(+)1,394	(-) 3,047	(-) 4,400
Per cent of gap over BE	(-) 10	(-) 18	(+) 8	(-) 13	(-) 16

3.2.1 Sectoral distribution of Revenue Expenditure (2012-13)

(₹ in crore)

Components		Amount	Percentage
A.	Fiscal Services		
	(i) Collection of Taxes on Property and Capital Transactions	182	1
	(ii) Collection of Taxes on Commodities and Services	63	...
	(iii) Other Fiscal Services	2	...
B.	Organs of State	290	1
C.	Interest Payments and Servicing of debt	2,391	10
D.	Administrative Services	2,837	12
E.	Pensions and Miscellaneous General Services	2,931	13
F.	Social Services	8,309	36
G.	Economic Services	6,395	27
H.	Grants-in-Aid and Contributions	...	...
	Total Expenditure (Revenue Account)	23,400	100

3.2.2 Major components of Revenue Expenditure (2008-13)



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

3.3. Capital Expenditure

Capital disbursements for 2012-13 at 3 per cent of GSDP were less than Budget Estimates by ₹ 4,395 crore (less disbursement of ₹ 2,763 crore under Plan Expenditure and ₹ 1,632 crore under Non-Plan Expenditure).

3.3.1. Sectoral distribution of Capital Expenditure

During 2012-13, the Government spent ₹ 147 crore under Medical and Public Health, ₹ 194 crore on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes and ₹ 1,499 crore on Roads and Bridges.

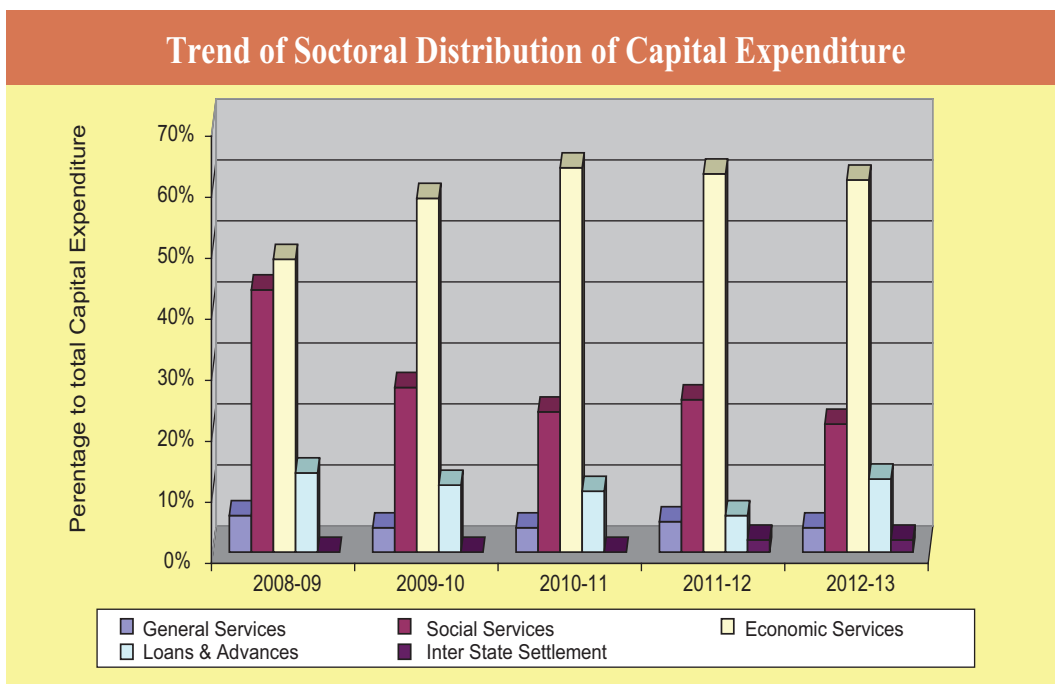
(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1.	General Services – Police, Land Revenue etc.	176	4
2.	Social Services – Education, Health & Medical Education, Family Welfare, Water Supply, Welfare of SC/ST etc.	1,030	21
3.	Economic Services – Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.,	3,012	61
4.	Loans and Advances Disbursed	601	12
5.	Inter State Settlement	100	2
Total		4,919	100

3.3.2. Sectoral distribution of Capital Expenditure over the past 5 years

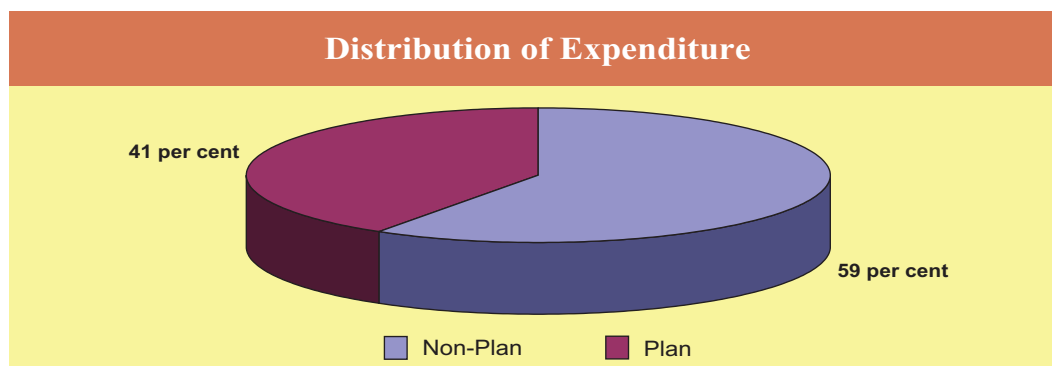
(₹ in crore)

Sl. No.	Sector	2008-09	2009-10	2010-11	2011-12	2012-13
1.	General Services	176	113	120	156	176
2.	Social Services	1,355	825	682	866	1,030
3.	Economic Services	1,520	1,766	1,862	2,137	3,012
4.	Loans and Advances	418	319	307	217	601
5.	Inter State Settlement	...	...	...	75	100
Total		3,469	3,023	2,971	3,451	4,919



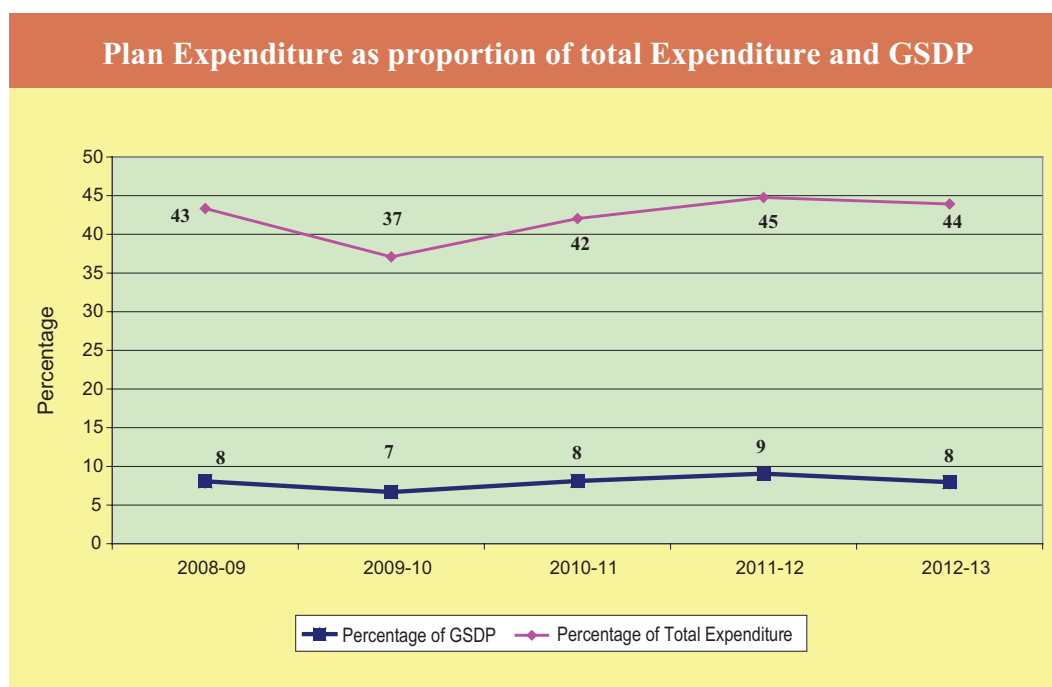
PLAN AND NON PLAN EXPENDITURE

4.1. Distribution of Expenditure (2012-13)



4.2. Plan Expenditure

During 2012-13, Plan Expenditure, representing 41 per cent of total disbursements, was ₹ 12,438 crore (₹ 11,279 crore under State Plan which includes ₹ 544 under Loans and Advances, ₹ 1,022 crore under Centrally Sponsored Plan Schemes and ₹ 137 under Central Plan Schemes).



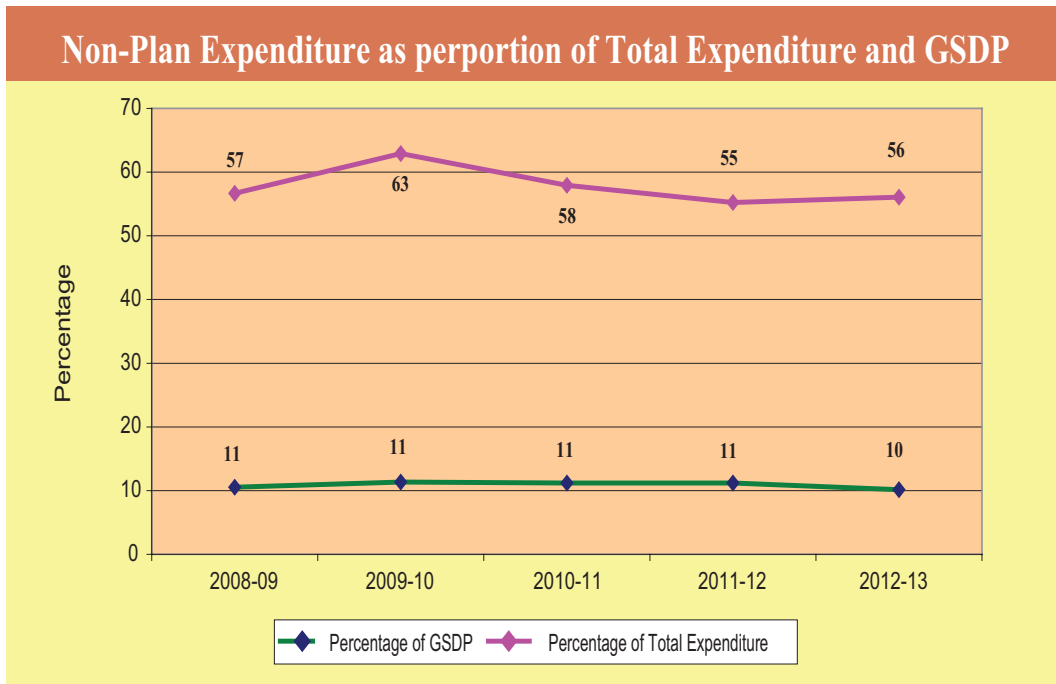
4.2.1. Plan Expenditure under Capital Account

(₹ in crore)

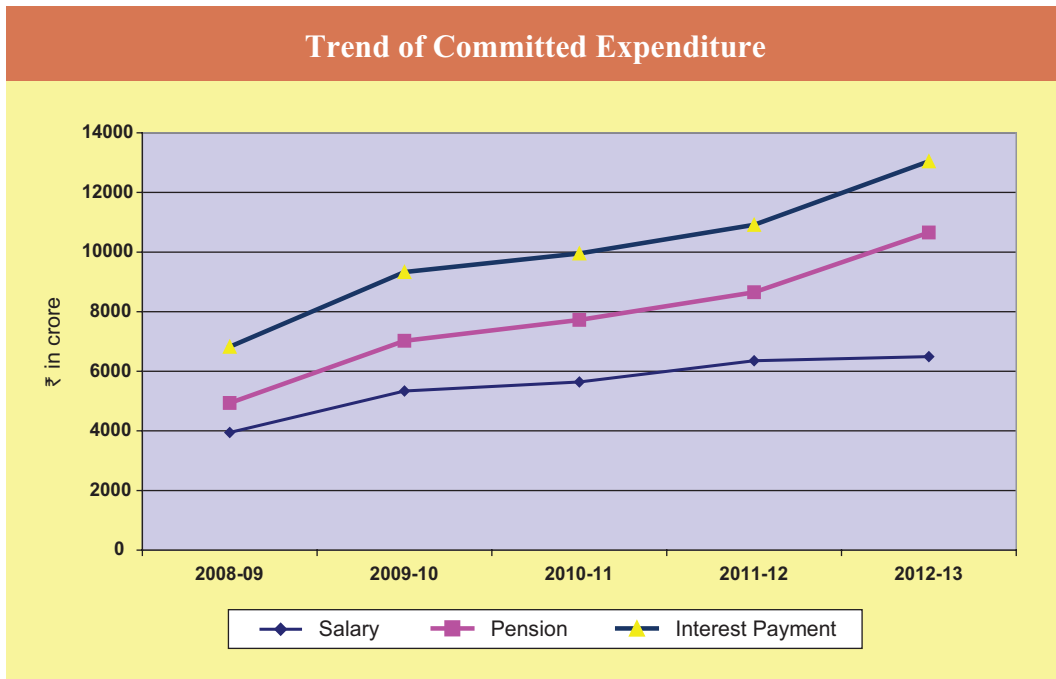
	2008-09	2009-10	2010-11	2011-12	2012-13
Total Capital Expenditure	3,469	3,023	2,971	3,451	4,919
Total Expenditure (Plan)	3,270	2,974	2,792	3,297	4,694
per cent of Capital Expenditure (Plan) to Total Capital Expenditure	94	98	94	96	95

4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2012-13, representing 56 Per cent of total disbursements, was ₹ 15,882 crore, (₹ 15,657 crore under Revenue and ₹ 225 crore under Capital).



4.4. Committed Expenditure



(₹ in crore)

Component	2008-09	2009-10	2010-11	2011-12	2012-13
Committed Expenditure	6,823	9,330	9,951	10,916	11,912
Revenue Expenditure	12,877	15,128	17,945	20,991	23,400
Revenue Receipt	13,213	15,118	18,781	22,419	24,770
Percentage of Committed Expenditure to Revenue Receipts	52	62	53	49	48
Percentage of Committed Expenditure to Revenue Expenditure	53	62	55	52	51

The trend on Committed Expenditure leaves the Government with lesser flexibility for developmental spending. However, the Government has reduced expenditure marginally compared to 2011-12.

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2012-13

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excess (+)
1.	Revenue						
	Voted	25,310	1,074	...	26,384	20,966	(-) 5,418
	Charged	2,490	17	...	2,507	2,437	(-) 70
2.	Capital						
	Voted	6,857	149	...	7,006	4,245	(-) 2,761
	Charged	...	...	...	...	...	...
3.	Public Debt						
	Charged	1,627	...	...	1,627	2,183	(+) 556
4.	Loans and Advances						
	Voted	829	141	...	970	701	(-) 269
	Total	37,113	1,381	...	38,494	30,532	7,962

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

(₹ in crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2008-09	(-) 2,776	(-) 1,343	(+) 230	(-) 401	(-) 4,290
2009-10	(-) 4,656	(-) 1,507	(+) 117	(-) 390	(-) 6,436
2010-11	(-) 2,018	(-) 1,741	(-) 245	(-) 107	(-) 4,111
2011-12	(-) 5,178	(-) 4,838	(+) 220	(-) 242	(-) 10,038
2012-13	(-) 5,488	(-) 2,761	(+) 556	(-) 269	(-) 7,962

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:-

Grant	Nomenclature	2008-09	2009-10	2010-11	2011-12	2012-13
		(in per cent)				
1	Agriculture and Sugarcane Development Department	70	44	39	34	37
10	Energy Department	53	45	37	56	14
20	Health, Medical Education and Family Welfare Department	23	45	25	32	38
29	Mines and Geology Department	66	26	23	32	25
43	Science and Technology Department	50	59	41	51	43

During 2012-13, Supplementary Grants/ Appropriations totaling to ₹ 1,380 crore (5 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	Nomenclature	Section	Original	Supplementary	Actual Expenditure
1	Agriculture and Sugarcane Development Department	Revenue	604	106	446
2	Animal Husbandry Department	Revenue	146	14	125
20	Health, Medical Education and Family Welfare Department	Revenue	1,106	20	799
23	Industries Department	Revenue	244	44	205
26	Labour, Employment and Training Department	Revenue	861	53	681
36	Drinking Water and Sanitation Department	Revenue	202	02	200
40	Revenue and Land Reforms Department	Revenue	337	01	261
41	Road Construction Department	Capital	1,639	34	1,499
43	Science and Technology Department	Revenue	84	08	55
		Capital	66	...	35
48	Urban Development Department	Revenue	575	07	405
51	Welfare Department	Revenue	766	51	566
52	Art, Culture, Sports and Youth Affairs Department	Revenue	74	02	48
56	Panchayati Raj and N.R.E.P. (Special Division) Department	Revenue	1,506	04	1,248
58	Secondary Education	Revenue	703	23	487
60	Social Welfare, Women and Child Development Department	Revenue	1,112	02	812

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.

During 2012-13, Government invested ₹ 5 crore, and received ₹ 1 crore.

Cash Balance with RBI stood at ₹ 93.85 crore on 31st March 2012 and decreased to ₹ (-) 56.50 crore at the end of March 2013.

6.2. Debt and Liabilities

Outstanding Public Debt at the end of 2012-13 was ₹ 27,327 crore comprising Internal Debt of ₹ 25,202 crore and Loans and Advances from Central Government of ₹ 2,125 crore. In addition, other Liabilities accounted under Public Account was ₹ 7,543 crore.

The State also acts as a banker and trustee in respect of deposits like Small Savings Collections, Provident Funds and Deposits. There was an overall increase of ₹ 4,205 crore in respect of such liabilities of the State Government during 2012-13.

Interest payments on debt and other liabilities totaling to ₹ 2,391 crore constitute 10 per cent of Revenue Expenditure of ₹ 23,400 crore. Interest payments on Internal Debts were ₹ 2,018 crore (₹ 358 crore on Other Internal Debt, ₹ 688 crore on Market Loans raised by State Government ₹ 970 crore on Special Securities i.e. National Small Savings Fund of the Central Government by State Government and ₹ 2 crore on Other Liabilities). Expenditure on account of Interest Payments increased by ₹ 124 crore during 2012-13

The Internal Debt of ₹ 4,960 crore raised during 2012-13 was mainly used for discharge of debt obligations ₹ 2,045 crore and payment of interest ₹ 2,018 crore.

6.3 Investments and Returns

Total Investments as Share-Capital in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies etc. stood at ₹ 182 crore at the end of 2012-13. Dividends received during the year was ₹ 15 crore (i.e. 8 per cent) of investments. While investments in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies etc. increased by ₹ 5 crore.

6.4 Guarantees

The Guarantees given by the composite State of Bihar upto 14.11.2000 has not been allocated between the successor States, Bihar and Jharkhand so far (October 2013). Guarantees given by the State Government for repayment of loans etc. raised by Economic Sector (Power) during the year is ₹ 77.78 crore. A sum of ₹ 79.37 crore was outstanding at the beginning of the year 2012-13. Therefore, the outstanding amount at the end of the year 2012-13 is ₹ 157.15 crore. Detailed information regarding outstanding guarantee of ₹ 79.37 crore and guarantee given during 2012-13 of ₹ 77.78 crore has not been intimated by the State Government.

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 ₹ 25,202 crore as on March 2013.

7.2. Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2012-13 was ₹ 7,748 crore. Of this, Loans and Advances to Government Corporations / Companies, Non - Government Institutes and Local Bodies amounted to ₹ 7,212 crore. Recovery of Principal aggregating to ₹ 32 crore and Interest amounting to ₹ 46 crore is in arrears at the end of 31 March 2013.

7.3. Financial Assistance to Local Bodies and others

During the past three years, Grants-in-Aid to Local Bodies etc., increased from ₹ 3,122 crore in 2010-11 to ₹ 6,950 crore in 2012-13. Grants to Zilla Parishads, Panchayat Samitis and Municipalities (₹ 3,079 crore) represented 44 percent of total grants given during the year.

Details of Grants-in-aid for past 3 years are as under:

(₹ in crore)

Year	Zilla Parishads	Municipalities	Panchayat Samitis	Others	Total
2010-11	876	246	...	2,000	3,122
2011-12	491	25	69	3,945	4,530
2012-13	2,430	331	649	3,540	6,950

7.4. Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2012	As on 31 March 2013	Net increase (+) / decrease (-)
Cash Balances	94	(-) 57	(-) 151
Investments from cash balance (GOI Treasury Bills)	4	747	743
Interest realized	42	71	29

State Government had a negative Closing Cash Balance at the end of 2012-13, despite utilizing its Cash Balances.

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 (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many departments is in arrears. In 2012-13, only 23.28 per cent (₹ 7,101.97 crore) of the total expenditure of ₹ 30,502.17 crore of the State Government was reconciled. Similarly, out of total Receipts of ₹ 30,011.67 crore, only 51.21 percent (₹ 15,370.35 crore) was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCOs) of different departments is given below:

Particulars	Total No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	180	24	83	73
Receipts	100	18	09	73
Total	280	42	92	146

Some chronic defaulters in reconciliation are listed below:-

Sl. No.	Name of the Department / Chief Controlling Officer	Year / Years pending
1.	Secretary, Agriculture	2010-11,2011-12,2012-13
2.	Finance Commissioner	2010-11,2011-12,2012-13
3.	Secretary, P.H.E.D.	2010-11,2011-12,2012-13
4.	Director, Health Service	2010-11,2011-12,2012-13
5.	Secretary, Urban Development	2010-11,2011-12,2012-13
6.	Addl. Secretary, Home Section IV Village Police	2010-11,2011-12,2012-13
7.	I.G.(Prison), Home Department	2010-11,2011-12,2012-13
8.	Dy. Secretary, Higher Education Department	2010-11,2011-12,2012-13
9.	Dy. Secretary, Primary and Adult Education	2010-11,2011-12,2012-13
10.	Commissioner of Labour	2010-11,2011-12,2012-13
11.	Secretary, Welfare Department	2010-11,2011-12,2012-13
12.	Director, Employment and Training Department	2010-11,2011-12,2012-13
13.	Dy. Secretary, Rural Development	2010-11,2011-12,2012-13
14.	Dy. Secretary, Art Culture and Youth Department	2010-11,2011-12,2012-13
15.	Secretary, Law Department	2010-11,2011-12,2012-13
16.	Secretary, Board of Personnel & Administrative Reforms	2010-11,2011-12,2012-13
17.	Director, Directorate of Social Security	2010-11,2011-12,2012-13
18.	Under Secretary, Health & Family Welfare	2010-11,2011-12,2012-13

7.6. Submission of Accounts by Treasuries

The rendition of initial accounts by the Treasuries is satisfactory. However, submission of accounts by the Public Works and Forest Departments should improve.

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

The Drawing and Disbursing Officers are authorized to draw sums of money by preparing Abstract Contingency Bill by debiting Service Heads and they are required to present Detailed Contingency Bill along with sub-vouchers in support of charges in all cases within a specified period. Presently 24,666 DC bills amounting to ₹ 5,483 crore from the year 2000-01 to 2012-13 (position as on 30.06.2013) have not been received in this office. Drawal of money in AC Bill reflects disbursement and does not represent actual expenditure made.

7.8. Commitments on Account of Incomplete Capital Works

A total expenditure of ₹ 851 crore was incurred during the year 2012-13 by the State Government on various incomplete projects.

7.9. 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. However, the expenditure incurred under certain selected Heads of Account during March 2013 ranged between 41 per cent to 100 per cent of the total expenditure during the year indicating a tendency to utilize the budget at the close of the financial year. The flow of expenditure during the four quarters of 2012-13 in the above mentioned Heads was as under:-

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March	Percentage of 3/2013 w.r.t. Total expenditure of 2012-13
		(₹ in crore)						
2205	Art and Culture	1.00	1.29	2.14	26.61	31.04	23.95	77.16
2230	Labour Employment	11.45	24.23	40.77	150.43	226.88	99.62	43.90
2810	New and Renewable Energy	...	...	...	100.00	100.00	100.00	100.00
3075	Other Transport Services	...	...	...	297.59	297.59	297.59	100.00
4216	Capital Outlay on Housing	...	1.00	2.10	8.77	11.87	4.94	41.62
4217	Capital Outlay on Urban Development	...	14.70	31.56	182.43	228.69	147.96	64.70
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	...	4.58	10.28	194.39	209.25	106.42	50.86

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March	Percentage of 3/2013 w.r.t. Total expenditure of 2012-13
		(₹ in crore)						
4235	Capital Outlay on Social security and Welfare	...	...	...	109.20	109.20	109.20	100.00
4401	Capital Outlay on Crop Husbandry	1.38	1.38	1.38	8.00	12.14	6.62	54.53
4406	Capital Outlay on Forestry and Wild Life	...	...	...	4.00	4.00	4.00	100.00