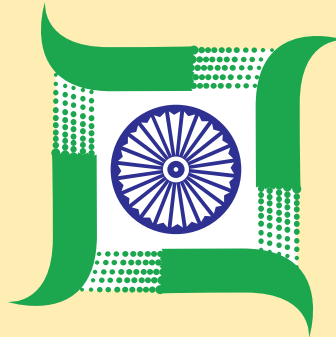


सत्यमेव जयते

Accounts at a Glance for the year 2014-15



झारखण्ड सरकार

Government of Jharkhand

ACCOUNTS AT A GLANCE

for the year 2014-15

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) 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 : 22.01.2016



(Mausumi Ray Bhattacharyya)

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

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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 2014-2015 are given below.

(₹ in crore)

Receipts (Total : ₹ 38,162)	Revenue (Total : ₹ 31,565)	Tax Revenue	19,837
		Non Tax Revenue	4,335
		Grants-in-Aid	7,393
	Capital (Total : ₹ 6,597)	Recovery of Loans and Advances	33
		Borrowings and other Liabilities	6,564

Disbursements (Total : ₹ 38,162)	Revenue	31,795
	Capital	5,543
	Loans and Advance	824

* 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. This year, the Government of India directly released ₹ 131 crore (₹ 2,602 crore last year). **This excludes an amount of ₹ 186. crore and ₹ 153 crore respectively for the financial year 2013-14 & 2014-15 released to the Central Bodies located in the State as well as various other organizations outside the perview of Government of Jharkhand and includes ₹ 1 crore released for National TB Control Board Programme – Commodity Grants – Extranally Aided Component during year 2013-14.** 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 5 Charged Appropriations, 54 Voted Grants and 1 Voted and Charged mixed Grant.

The Appropriation Act, 2014-2015, had provided for gross expenditure of ₹ 57,303 crore and provision of ₹ 328 crore was made under reduction of expenditure (recoveries). Against this, the actual gross expenditure was ₹ 40,398 crore and reduction of expenditure was ₹ 357 crore, resulting in net savings of ₹ 16,905 crore (29%) and an under-estimation of ₹ 29 crore (8%) on reduction of expenditure. The gross expenditure included ₹ 721 crore drawn on Abstract Contingent (AC) Bills, out of which ₹ 666 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2014-15, ₹ 5,155 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. The balances at credit of each local fund shall be verified at the end of the year by the Treasury Officer in communication with the Accountant General on one side and the authority administering the fund on the other. The balance on the Accountant General’s books is the balance acknowledged by the Government, and the Treasury Officer is required to follow it and not the local accounts as his standard.

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 2014-15, the Government of Jharkhand obtained no normal WMA and also did not resort to OD facilities.

1.4.2. Fund flow statement

The State had a Revenue Deficit of ₹ 230 crore and a Fiscal Deficit of ₹ 6,564 crore representing 0.12% and 3.32% respectively, of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted

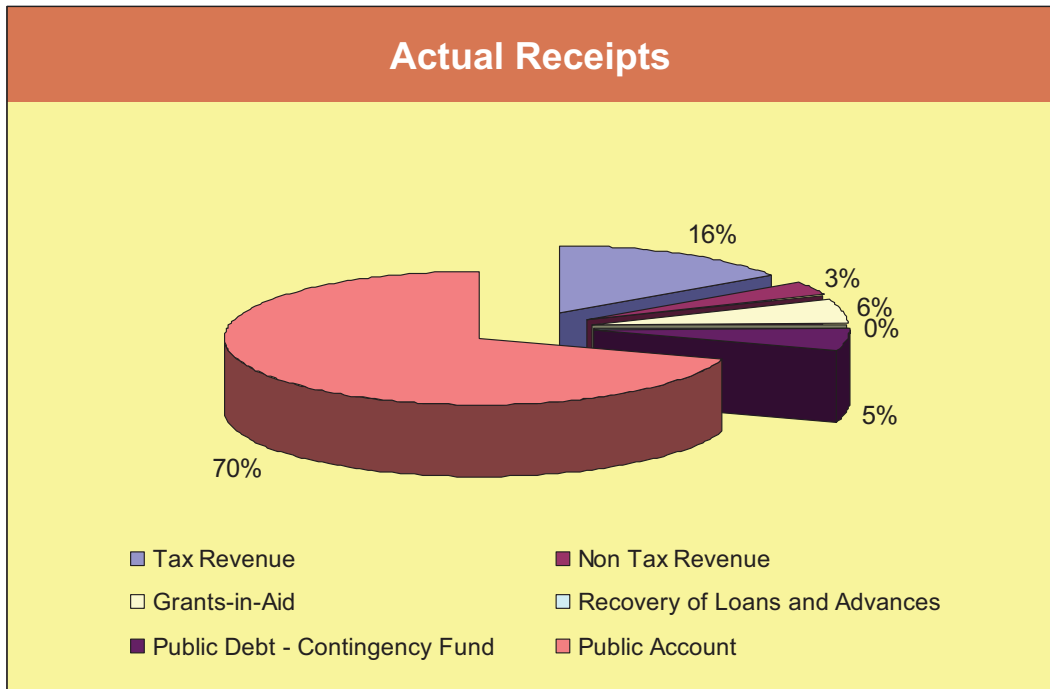
17% of total expenditure. This deficit was met from Public debt (₹ 6,690 crore), increase in Public Account (₹ 1,101 crore) and net of opening and closing cash balance (₹ 652 crore). Around 44% of the Revenue Receipts (₹ 31,565 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 7,382 crore), Interest Payments (₹ 2,929 crore) and Pensions (₹ 3,463 crore).

Sources and Application of Funds

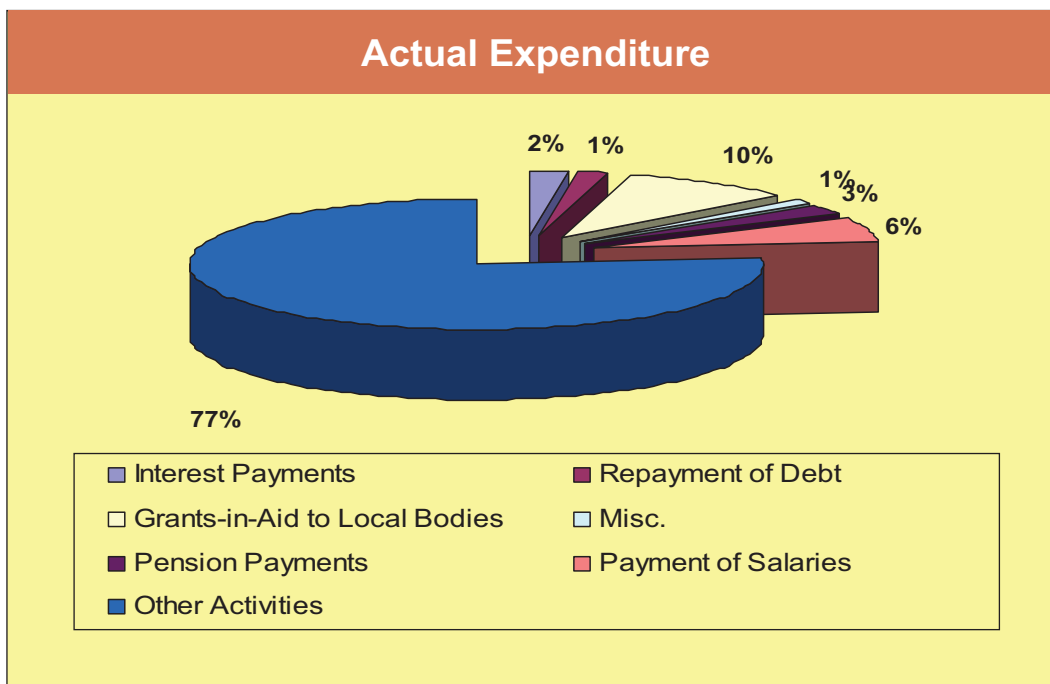
(₹ in crore)

PARTICULARS		AMOUNT
SOURCES	Opening Cash Balance as on 01.04.2014	428
	Revenue Receipts	31,565
	Recovery of Loans & Advances	33
	Public Debt	6,690
	Inter State Settlement	.....
	Small Savings Provident Fund & Others	843
	Reserves & Sinking Funds	308
	Deposits Received	11,968
	Civil Advances Repaid	214
	Suspense Account	68,752
	Remittances	6,838
	Contingency Fund	.....
	TOTAL	1,27,639
APPLICATION	Revenue Expenditure	31,795
	Capital Expenditure	5,543
	Loans Given	823
	Repayment of Public Debt	1,880
	Inter State Settlement	.....
	Small Savings Provident Fund & Others	1,045
	Reserves & Sinking Funds	33
	Deposits Spent	10,876
	Civil Advances Given	213
	Suspense Account	68,579
	Remittances	7,7076
	Closing Cash Balance as on 31.03.2015	(-) 224
TOTAL	1,27,639	

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 2014-15	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP(\$ 197514 crore)
1.	Tax Revenue (@)	22,692	19,837	87	10
2.	Non-Tax Revenue	4,967	4335	87	2
3.	Grants-in-Aid & Contributions	15,785	7,393	47	4
4.	Revenue Receipts(1+2+3)	43,444	31,565	73	16
5.	Recovery of Loans and Advances	54	33	61	0
6.	Borrowings & other Liabilities(A)	5,347	6,564	123	3
7.	Capital Receipts(5+6)	5,401	6,597	122	3
8.	Total Receipts(4+7)	48,845	38,162	78	19
9.	Non-Plan Expenditure(*)	21,656	19,417	90	10
10.	NPE on Revenue Account	21,547	19,359	90	10
11.	NPE on interest Payments out of 10	2,729	2,929	107	1
12.	NPE on Capital Account^	109	58	53	0
13.	Plan Expenditure(*)	26,694	18,745	70	9
14.	PE on Revenue Account	17,941	12,436	69	6
15.	PE on Capital Account	8,753	6,309	72	3
16.	Total Expenditure (9+13)	48,350	38,162	79	19
17.	Revenue Expenditure (10+14)	39,488	31,795	81	16
18.	Capital Expenditure (12+15) (#)	8,862	6,367	72	3
19.	Revenue Surplus (4-17)	3,956	-230	-6	0
20.	Fiscal Deficit (4+5-16)	4,852	6,564	135	3

(@) Includes State's share of Union Taxes of ₹ 9,487 crore.

(\$) GSDP figure of ₹ 1,97,514 crore adopted as the figure was provide by Headquarters office by email dated 05.08.2015 regarding fiscal priority of the State.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 5,543 crore) and Loans and Advances disbursed (₹ 824 crore).

(*) Expenditure includes ₹ 35 crore under Non-Plan and ₹ 789 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.

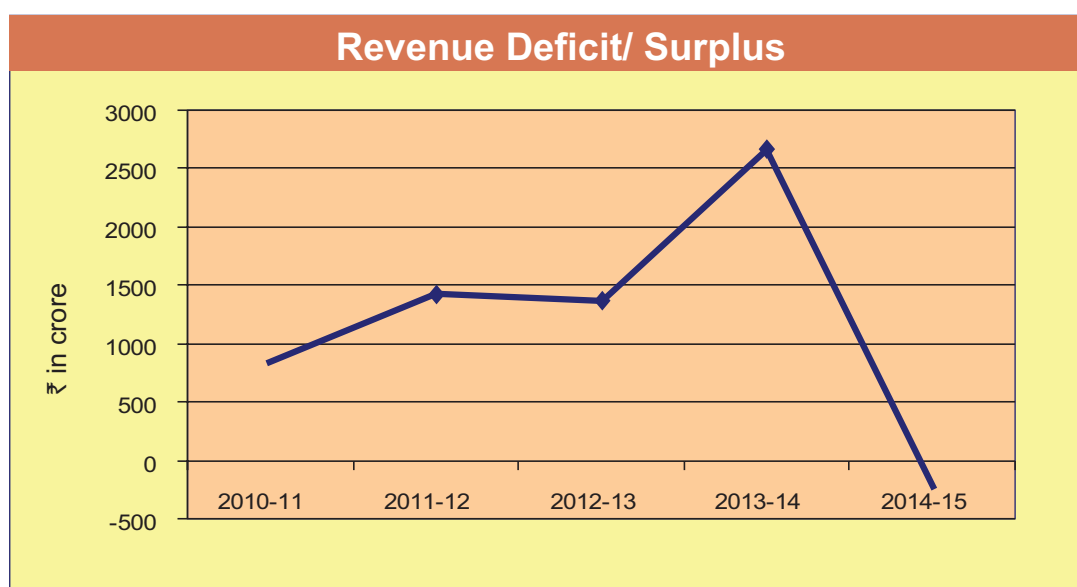
1.6. What do the Deficits and Surpluses indicate?

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 achieved the Revenue Surplus target as early as in 2006-2007 and maintaining it thereafter. But, there is Revenue Deficit of ₹ 230 crore during 2014-15 and the State Government could not maintain their fiscal target as per FRBM Act. 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 Deficit to GSDP ranged between 3.32% (provisional figures) and 2.84 % (budget estimates) in 2014-2015.

1.6.1. Trend of Revenue Deficit / Surplus

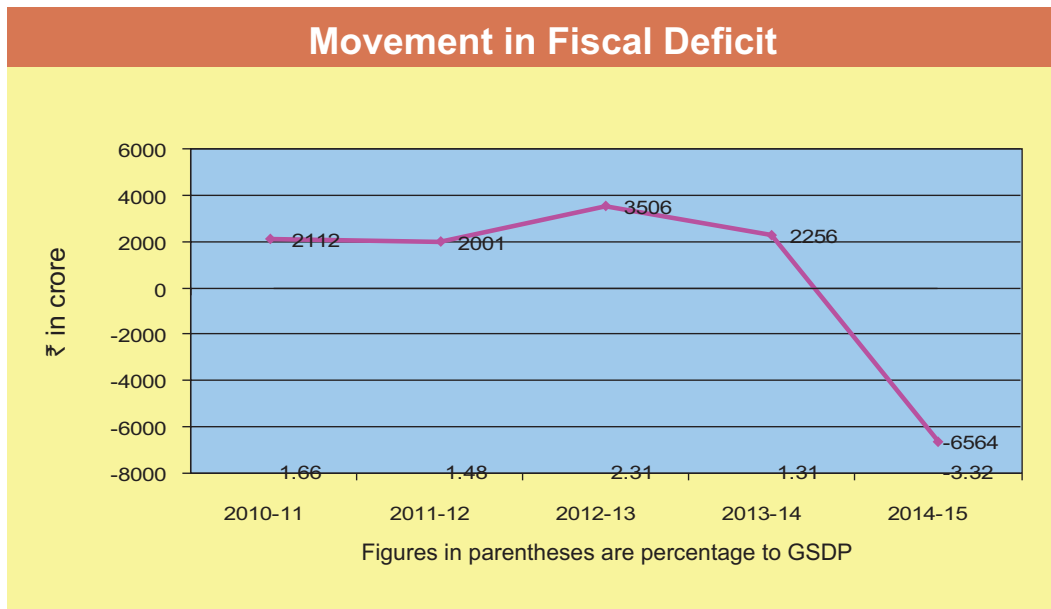


¹ The Revenue Surplus was ₹ 2,665 crore in 2013-2014 and ₹ (-) 230 crore in 2014-2015.

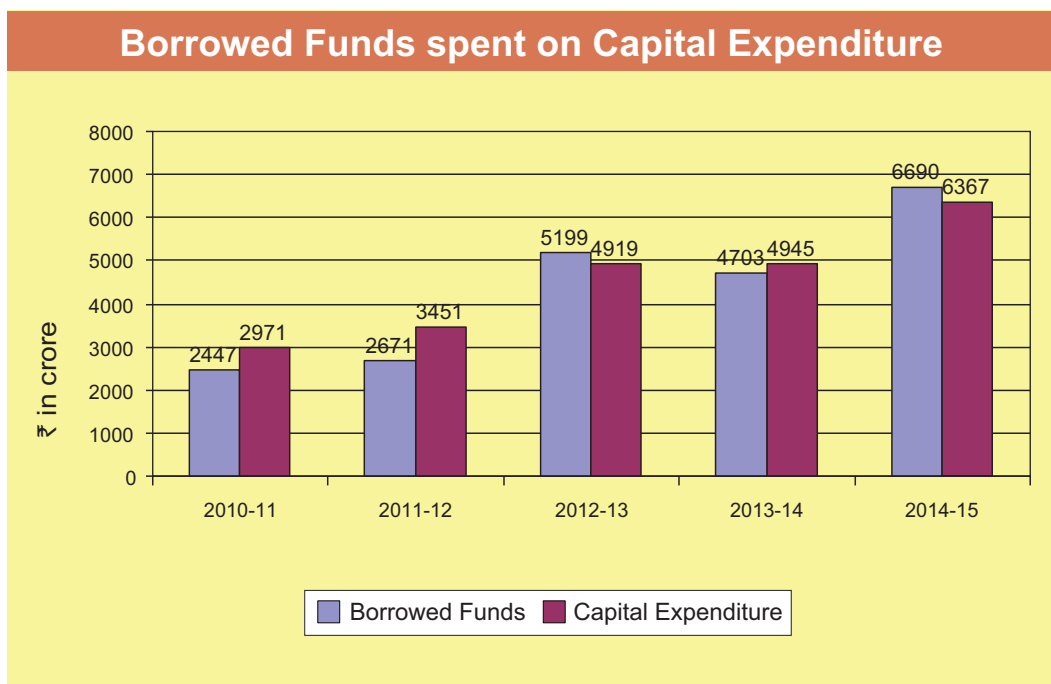
² The Fiscal Deficit was ₹ 2,256 crore in 2013-2014 and ₹ 6,564 crore in 2014-2015.

³ GSDP figure of 1,97,514 crore adopted as available on the website of the Ministry of Statistics and Programme implementation and communicated by Headquarters office by email dated 05.08.2015 regarding fiscal priority of the State.

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 (₹ 6,690 crore) on Capital expenditure during the year 2014-2015.

RECEIPTS

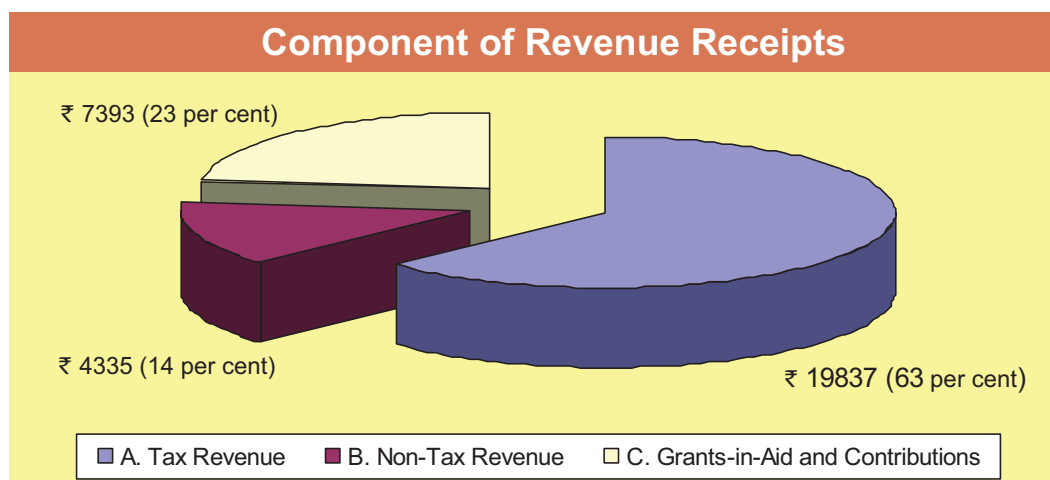
2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2014-2015 were ₹ 38,162 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 (2014-2015)

(₹ in crore)

Components		Actuals
A.	Tax Revenue	19,837
	Taxes on Income & Expenditure	5,736
	Taxes on Property & Capital Transactions	623
	Taxes on Commodities & Services	13,478
B.	Non-Tax Revenue	4335
	Interest Receipts, Dividends and Profits	143

	General Services	101
	Social Services	182
	Economic Services	3,909
C.	Grants-in-Aid & Contributions	7,393
	Total - Revenue Receipts	31,565

2.3. Trend of Receipts

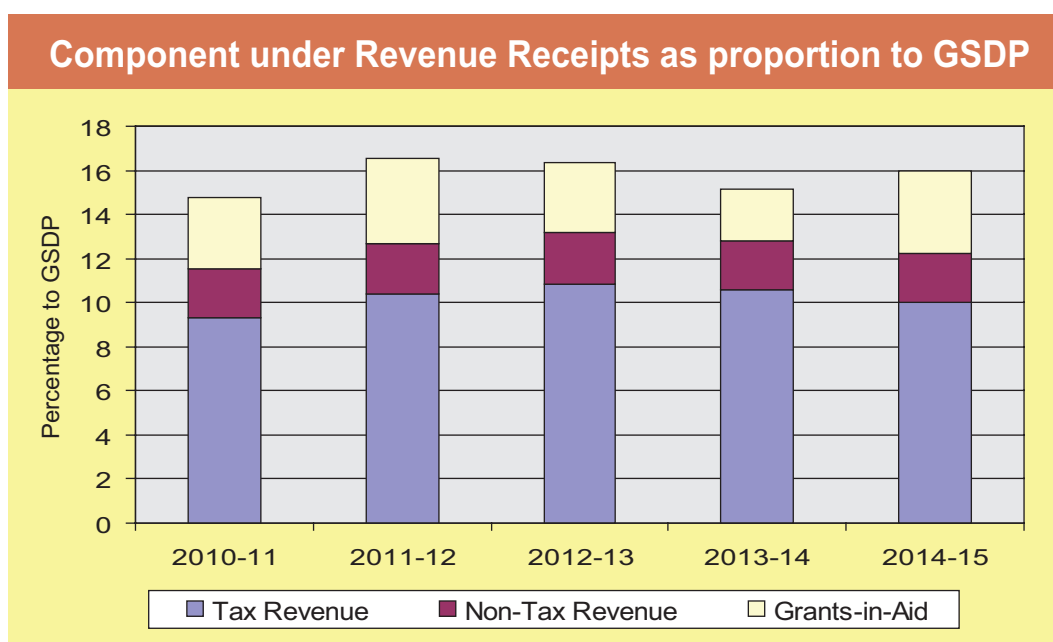
(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-2015
Tax Revenues	11,871 (7)	14,124 (11)	16,412 (11)	18,319 (11)	19,837 (10)
Non-Tax Revenues	2,803 (2)	3,038 (2)	3,536 (2)	3,753 (2)	4,335 (2)
Grants-in-Aid	4,107 (3)	5,257 (4)	4,822 (3)	4,065 (2)	7,393 (4)
Total Revenue Receipts	18,781 (15)	22,419 (16)	24,770 (16)	26,137 (15)	31,565 (16)
GSDP	1,27,281	1,35,618	1,51,655	1,72,773	1,97,514*

* GSDP figure of 1,97,514 crore adopted as the figure was provide by Headquarters office by email dated 05.08.2015 regarding fiscal priority of the State.

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

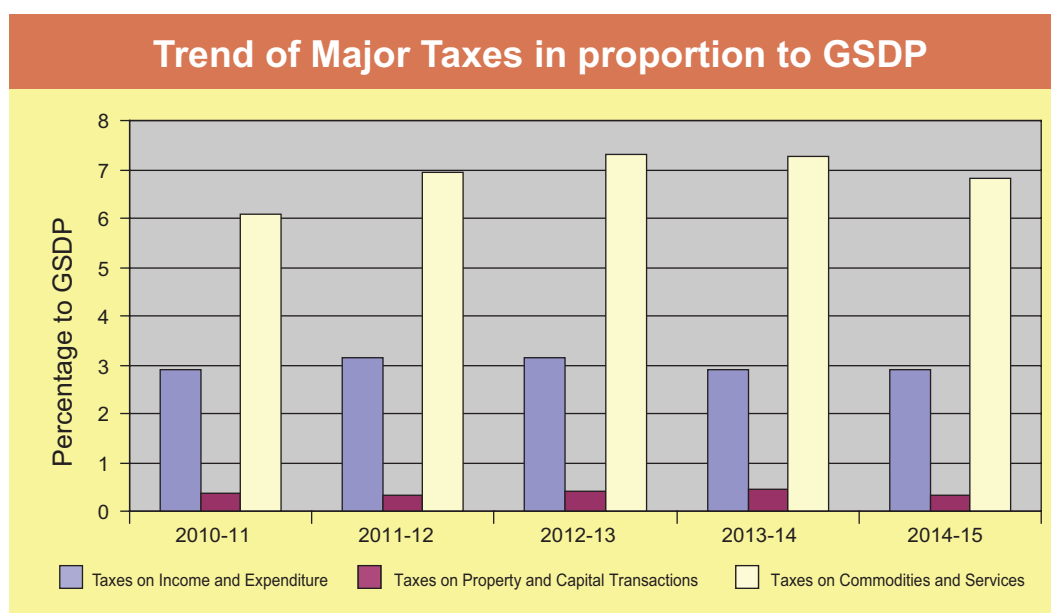
During 2014-15, growth in revenue collection was 21% in respect of 2013-14, while GSDP growth was 14% between 2013-2014 and 2014-2015. Tax Revenues increased by 8% and Non-tax Revenue was also increased by 16%. Significant collection was made under Non-ferrous Mining and Metallurgical Industries (₹ 3,473 crore), Interest Receipts Dividends and Profits (₹ 143 crore), Taxes on Sales, Trade etc (₹ 8,070 crore) and Taxes on Income other than Corporation Tax (₹ 2,366 crore). The State's Own Revenue under certain Tax components like Taxes on Sales, Trade etc. (₹ 8,070 crore), State Excise (₹ 740 crore), Stamps and Registration Fees (₹ 531 crore) and Taxes on Vehicles (₹ 660 crore) showed a high trend.



Sector-wise Tax Revenue

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Taxes on Income and Expenditure	3,677	4,256	4,745	5,036	5,736
Taxes on Property and Capital Transactions	464	465	594	741	623
Taxes on Commodities and Services	7,730	9,403	11,073	12,542	13,478
Total Tax Revenues	11,871	14,124	16,412	18,319	19,837



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)
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
2013-2014	18,319	8,939	9,380	4.96
2014-2015	19,837	9,487	10,350	5.24

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	464	465	594	741	623
Expenditure on Collection	157	171	182	190	196
Efficiency of Tax Collection (in per cent)	34	37	31	26	21

B. Taxes on Commodities and Services

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	7,730	9,403	11,073	12,542	13,478
Expenditure on Collection	59	72	63	72	69
Efficiency of Tax Collection (In per cent)	0.8	0.8	0.6	0.6	0.5

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

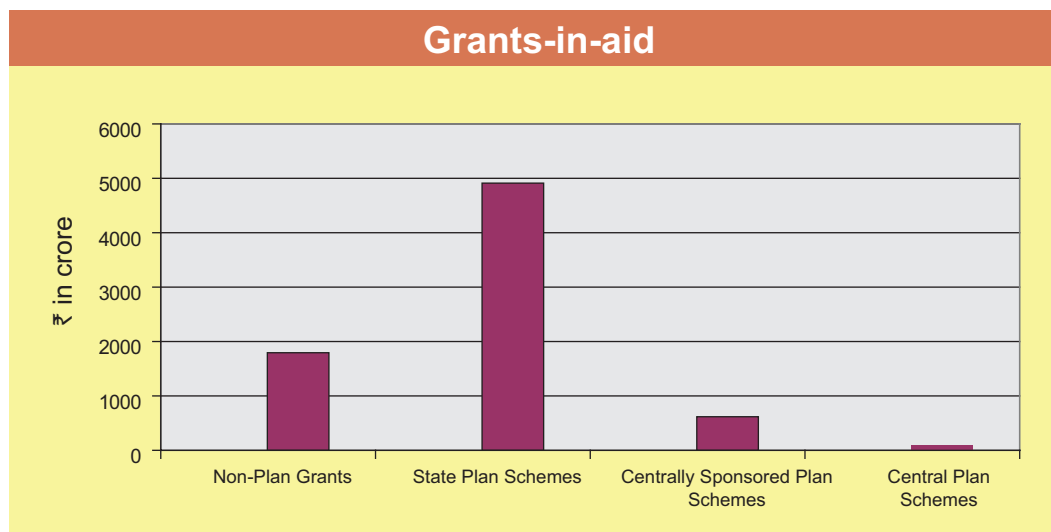
(₹ in crore)

Major Head description	2010-11	2011-12	2012-13	2013-14	2014-15
Corporation Tax	2,406	2,822	2,941	3,006	3,313
Taxes on Income other than Corporation Tax	1,271	1,434	1,761	1,980	2,366
Taxes on Wealth	5	11	5	8	9
Customs	1076	1243	1,361	1,459	1,534
Union Excise Duties	783	804	925	1,030	866
Service Tax	614	856	1,196	1,456	1,399
Other Taxes and Duties on Commodities and Services	...	....	...	...	...
State Share of Union Taxes	6,155	7,170	8,189	8,939	9,487
Total Tax Revenue	11,871	14,124	16,412	18,319	19,837
Percentage of Union Taxes to Total Tax Revenue	52	51	50	49	48

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 2014-2015 under Grants-in-Aid were ₹ 7,393 crore as shown below :



The share of Non-Plan Grants in total Grants-in-Aid increased from 31% during 2012-13 to 32% in 2013-14 and further increased to 35% in 2014-15. The share of Grants for Plan Schemes decreased from 69% in 2012-13 to 68% in 2013-14 and further increased to 214% in 2014-15. As against a Budget Estimate of ₹ 10,879 crore of Union Share, the State Government has actually spent ₹ 7,393 crore of Grants-in-Aid (68% of B.E.).

2.8. Public Debt

Trend of Public Debt over the past 5 years

(₹ in crore)

Description	2010-11	2011-12	2012-13	2013-14	2014-15
Internal Debt	2,315	2,639	4,960	4,597	6,537
Central Loans	132	32	239	106	153
Total Public Debt	2,447	2,671	5,199	4,703	6,690

In 2014-15, the State Government raised five numbers of State Development Loans amounting to ₹ 4,950 crore in total. Details are given below :-

(₹ in crore)

Sl. No.	Description of Debt	Amount	Rate of Interest	Redeemable in the Year
1.	JSDL	500	8.05	2024
2.	JSDL	750	8.27	2024
3.	JSDL	1500	8.16	2025
4.	JSDL	1200	8.08	2025
5.	JSDL	1000	8.10	2025

Against the total Internal Debt of ₹ 6,537 crore of the State Government in 2014-15 plus the Central loan component of ₹ 153 crore received during this period, Capital expenditure was ₹ 6,367 crore.

JSDL - Jharkhand State Development Loans

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 ₹ 31,795 crore for 2014-15, which is less than the Budget Estimates by ₹7,693 crore due to less disbursement of ₹ 2,188 crore under Non-Plan Expenditure and ₹ 5,505 crore under Plan Expenditure. The shortfall / excess of expenditure against budget estimates under Revenue Section during the past five years is given below :

(₹ in crore)

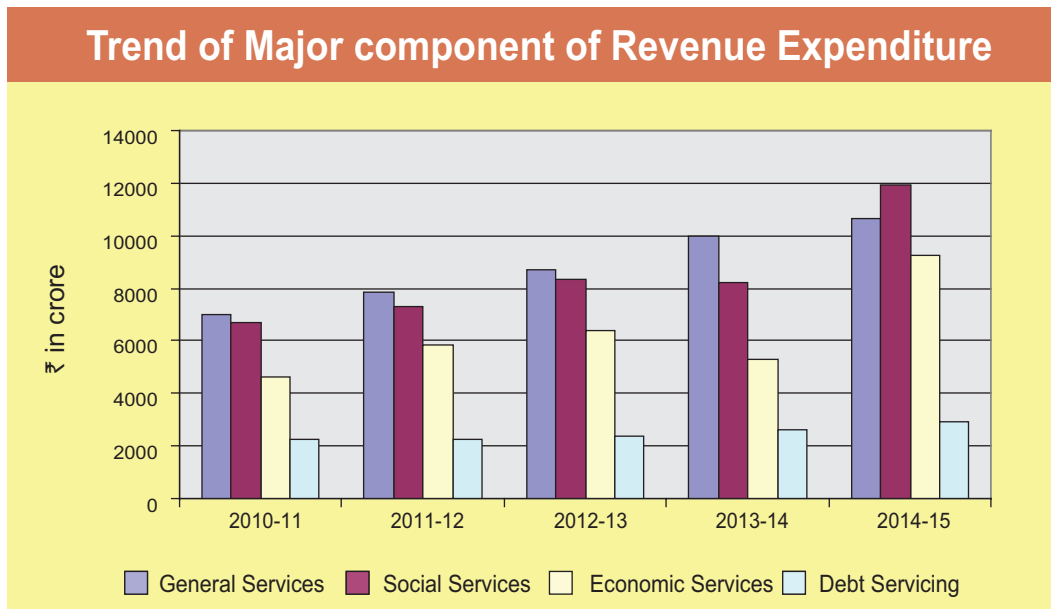
	2010-11	2011-12	2012-13	2013-14	2014-15
Budget Estimates	16,551	24,038	27,800	30,435	39,488
Actuals	17,945	20,991	23,400	23,472	31,795
Gap (-) Saving/(+) Excess	(+) 1,394	(-) 3,047	(-) 4,400	(-) 6,964	(-) 7,693
Percentage of gap over BE	(+) 8	(-) 13	(-) 16	(-) 23	(-) 19

3.2.1 Sectoral distribution of Revenue Expenditure (2014-15)

(₹ in crore)

Components		Amount	Percentage
A.	Fiscal Services		
	(i) Collection of Taxes on Property and Capital Transactions	196	0.61
	(ii) Collection of Taxes on Commodities and Services	69	0.21
	(iii) Other Fiscal Services	2	....
B.	Organs of State	544	1.71
C.	Interest Payments and Servicing of debt	2,929	9.21
D.	Administrative Services	3,418	10.75
E.	Pensions and Miscellaneous General Services	3,465	10.91
F.	Social Services	11,915	37.48
G.	Economic Services	9,256	29.12
H.	Grants-in-Aid and Contributions	....	....
Total Expenditure (Revenue Account)		31,795	100.00

3.2.2. Major components of Revenue Expenditure (2010-2015)



* 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 2014-15 at 3% of GSDP were less than Budget Estimates by ₹ 2,495 crore (less disbursement of ₹ 2,444 crore under Plan Expenditure and ₹ 51 crore under Non-Plan Expenditure).

3.3.1. Sectoral distribution of Capital Expenditure

During 2014-15, the Government spent ₹ 261 crore under Medical and Public Health, ₹ 1,305 crore on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes and ₹ 9,702 crore on Roads and Bridges.

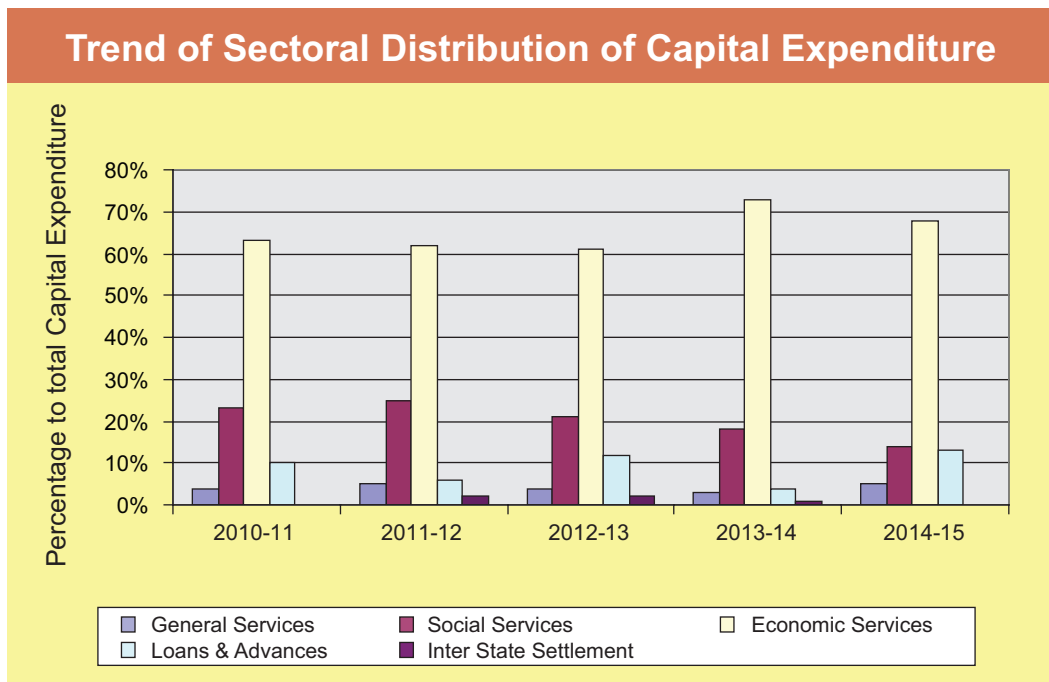
(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1.	General Services – Police, Land Revenue etc.	326	5
2.	Social Services – Education, Health & Medical Education, Family Welfare, Water Supply, Welfare of SC/ST etc.	910	14
3.	Economic Services – Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	4,307	68
4.	Loans and Advances Disbursed	824	13
5.	Inter State Settlement	....	....
Total		6,367	100

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

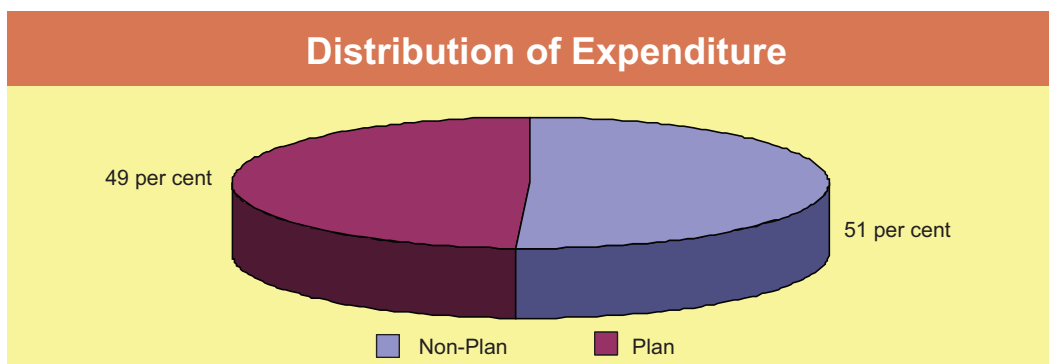
(₹ in crore)

Sl. No.	Sector	2010-11	2011-12	2012-13	2013-14	2014-15
1.	General Services	120	156	176	168	326
2.	Social Services	682	866	1,030	924	910
3.	Economic Services	1,862	2,137	3,012	3,631	4,307
4.	Loans and Advances	307	217	601	222	824
5.	Inter State Settlement	0	75	100	50	....
	Total	2,971	3,451	4,919	4,995	6,367



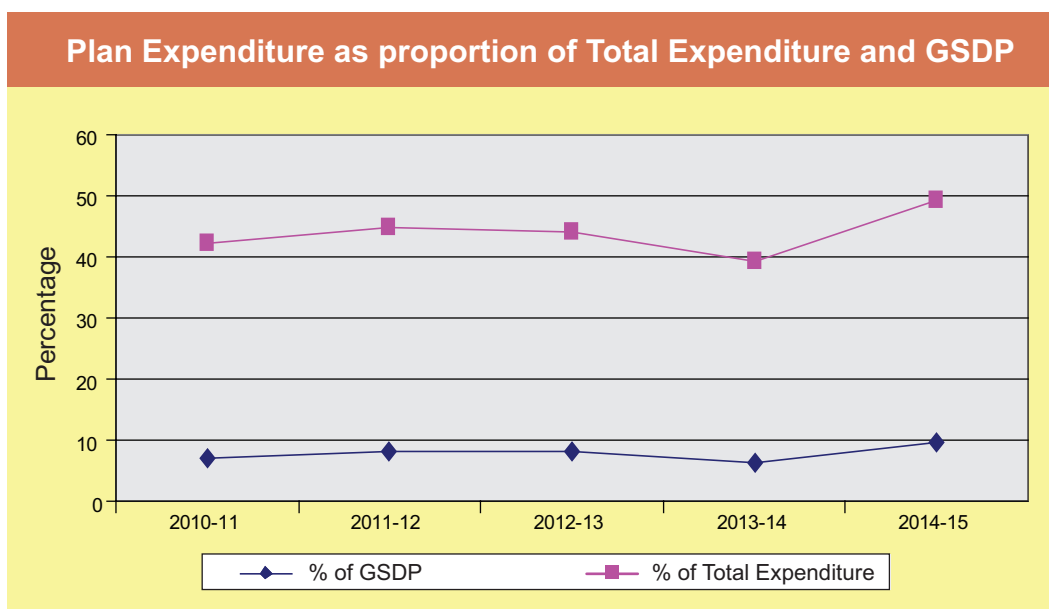
PLAN & NON-PLAN EXPENDITURE

4.1. Distribution of Expenditure (2014-2015)



4.2. Plan Expenditure

During 2014-2015, Plan Expenditure, representing 49 per cent of total disbursements, was ₹18,745 crore (₹ 14,221 crore under State Plan, ₹ 3,516 crore under Centrally Sponsored Plan Schemes, ₹ 219 crore under Central Plan Schemes and ₹ 789 crore under Loans and Advances).



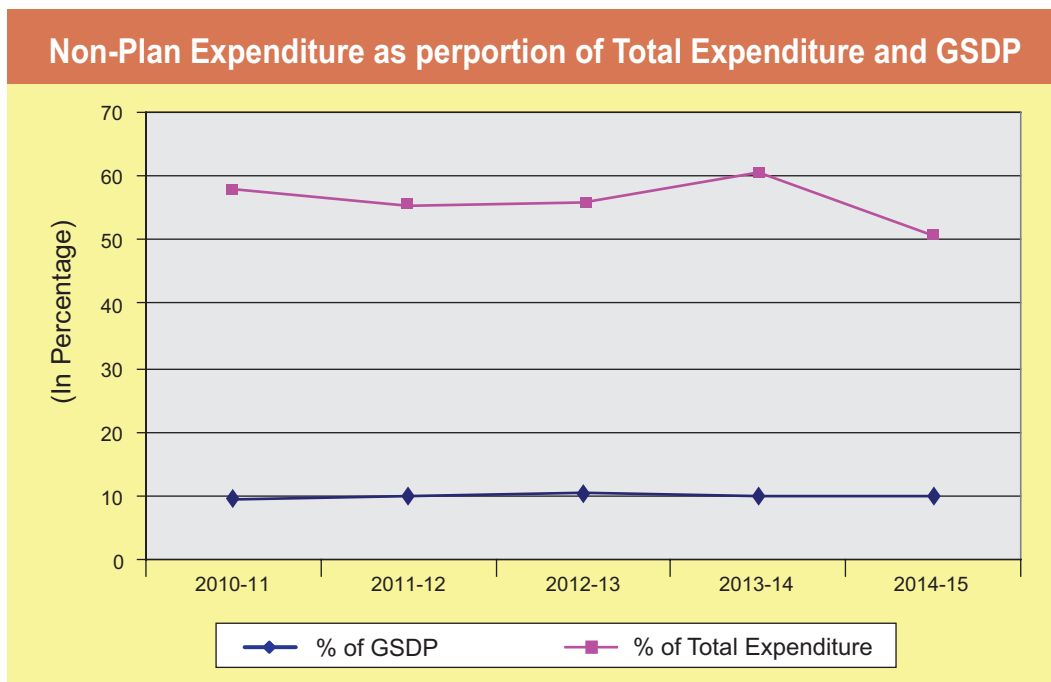
4.2.1. Plan Expenditure under Capital Account

(₹ in crore)

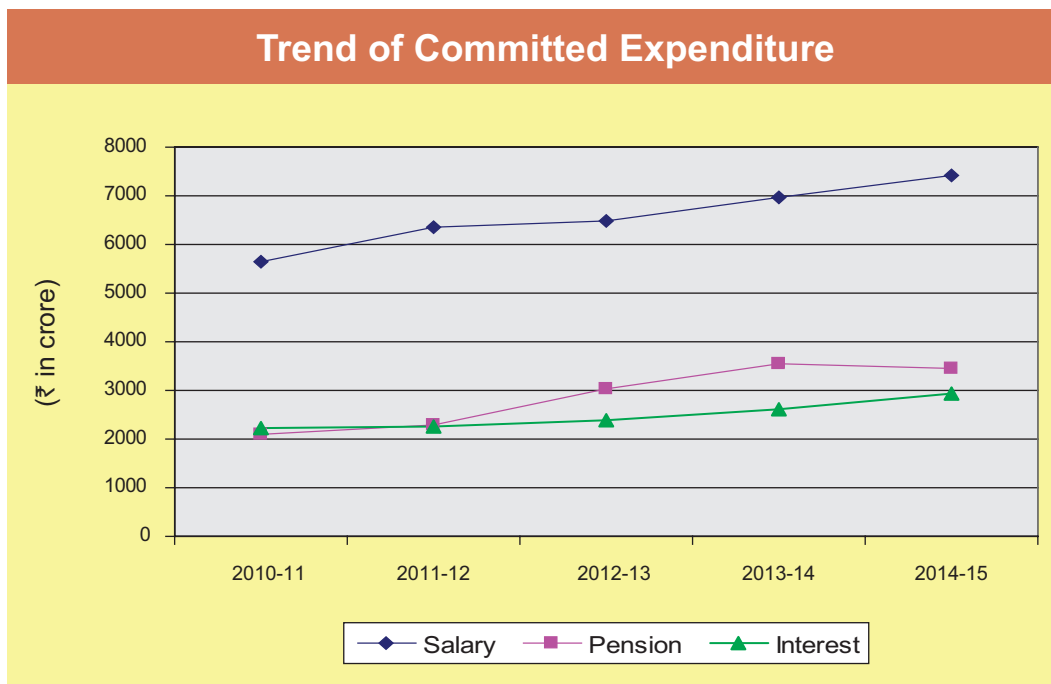
	2010-11	2011-12	2012-13	2013-14	2014-15
Total Capital Expenditure	2,971	3,451	4,919	4,945	6,367
Total Expenditure (Plan)	2,792	3,297	4,694	4,899	6,309
Percentage of Capital Expenditure (Plan) to Total Capital Expenditure	94	96	95	99	99

4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2014-2015, representing 51 Per cent of total disbursements, was ₹19,417 crore, (₹ 19,359 crore under Revenue and ₹ 58 crore under Capital).



4.4. Committed Expenditure



(₹ in crore)

Component	2010-11	2011-12	2012-13	2013-14	2014-15
Committed Expenditure	9,951	10,916	11,912	13,033	13,809
Revenue Expenditure	17,945	20,991	23,400	23,471	31,795
Revenue Receipt	18,781	22,419	24,770	26,137	31,565
Percentage of Committed Expenditure to Revenue Receipts	53	49	48	50	44
Percentage of Committed Expenditure to Revenue Expenditure	55	52	51	56	43

The trend on Committed Expenditure leaves the Government with lesser flexibility for developmental spending.

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2014-2015

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excess (+)
1.	Revenue Voted	36,697	5,394	....	42,091	28,837	(-) 13,254
	Charged	2,791	49	....	2,840	2,990	(+) 150
2.	Capital Voted	8,224	908	....	9,132	5,867	(-) 3,265
	Charged	....	....	....	....	....	....
3.	Public Debt Charged	1,976	19	....	1,995	1,880	(-) 115
4.	Loans and Advances Voted	699	546	....	1,245	824	(-) 421
Total		50,387	6,916	....	57,303	40,398	(-) 16,905

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

(₹ in crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
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
2013-14	(-) 9,060	(-) 2,990	(+) 182	(-) 568	(-) 12,436
2014-15	(-) 13,104	(-) 3,265	(-) 115	(-) 421	(-) 16,905

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	2010-11	2011-12	2012-13	2013-14	2014-15
		(in per cent)				
1	Agriculture and Sugarcane Development Department	39	34	37	58	56
10	Energy Department	37	56	14	43	11
20	Health, Medical Education and Family Welfare Department	25	32	38	22	41
29	Mines and Geology Department	23	32	25	33	38
43	Science and Technology Department	41	51	43	56	40

During 2014-15, Supplementary Grants/Appropriations totaling ₹ 6,916 crore (58 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	875.03	83.15	406.17
2	Animal Husbandry Department	Revenue	161.32	2.34	121.93
20	Health, Medical Education and Family Welfare Department	Revenue	2,225.85	89.52	1,347.53
23	Industries Department	Revenue	302.53	65.90	219.86
26	Labour, Employment and Training Department	Revenue	1,095.18	138.43	883.66
36	Drinking Water and Sanitation Department	Revenue	771.41	209.98	619.87
40	Revenue and Land Reforms Department	Revenue	386.60	0.44	287.23
41	Road Construction Department	Capital	2,489.59	124.00	2,435.99
43	Science and Technology Department	Revenue	77.13	63.91	119.74
48	Urban Development Department	Revenue	1,837.68	353.67	1,103.04
51	Welfare Department	Revenue	935.50	96.48	862.97
52	Art, Culture, Sports and Youth Affairs Department	Revenue	74.98	26.47	52.93
56	Panchayati Raj and N.R.E.P. (Special Division) Department	Revenue	1,745.89	498.28	1,458.07
58	Secondary Education	Revenue	1,171.77	70.52	718.70
60	Social Welfare, Women and Child Development Department	Revenue	1,319.39	0.65	864.57

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 2014-2015, Government invested ₹ 15 crore, and no dividend/ interest received during the year.

Cash Balance with RBI stood at ₹ 428.21 crore on 31st March 2014 and decreased to ₹ (-) 224.13 crore at the end of March, 2015.

6.2 Debt and Liabilities

Outstanding Public Debt at the end of 2014-2015 was ₹ 34,842 crore comprising Internal Debt of ₹ 32,755 crore and Loans and Advances from Central Government of ₹ 2,087 crore. In addition, other Liabilities accounted under Public Account was ₹ 8,727 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 ₹ 5,975 crore in respect of such liabilities of the State Government during 2014-2015.

Interest payments on debt and other liabilities totaling ₹ 2,929 crore constituted 9% of Revenue Expenditure of ₹ 31,795 crore. Interest payments on Internal Debts were ₹ 2,531 crore (₹ 361 crore on Other Internal Debt, ₹ 1,230 crore on Market Loans raised by State Government, ₹ 936 crore on Special Securities issued to National Small Savings Fund of Central Government by State Government and ₹ 3 crore on Other Liabilities). Expenditure on account of Interest Payments increased by ₹ 315 crore during 2014-2015.

The Internal Debt of ₹ 6,537 crore raised during 2014-2015 was mainly used for discharge of debt obligations ₹ 1,722 crore and payment of interest ₹ 2,531 crore.

6.3 Investments and Returns

Total Investments as Share-Capital in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies etc. stood at ₹ 241 crore at the end of 2014-2015. No Dividends received during the year, while investments in Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies etc. increased by ₹ 15 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 2015). A sum of ₹ 157 crore was outstanding at the beginning of the year 2014-15. Therefore, the outstanding amount at the end of the year 2014-15 is ₹ 157 crore. Detailed information regarding outstanding guarantee of ₹ 157 crore has not been intimated by the State Government.

During the year 2014-15 no Guarantee has been given by the State Government However, a sum of ₹ 157 crore was outstanding at the end of the year 2014-15. The State Government has not created a Guarantee Redemption Fund. Under the guidelines, the State Government is required to make a minimum annual contribution of 0.5 percent of outstanding Guarantee at the beginning of the year Consequently, no contribution (estimated at ₹ 0.79 crore, which is 0.5 percent of outstanding Guarantee of ₹ 157 crore as on 1 April 2014) was made. This has resulted in overstatement of Revenue Surplus to the extent of a minimum of ₹ 0.79 crore.

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 ₹ 32,755 crore as on March 2015.

7.2 Loans and Advances by the State Government

Total Loans and advances made by the State Government at the end of 2014-15 was ₹ 8,737 crore. Of this, Loans and Advances to Government Corporations / Companies, Non-Government Institutes and Local Bodies amounted to ₹ 8,166 crore. Recovery of Principal aggregating to ₹ 414 crore and Interest amounting to ₹ 875 crore is in arrears at the end of 31st March 2015.

7.3 Financial Assistance to Local Bodies and others

During the year, Grants-in-Aid to Local Bodies etc., increased from ₹ 6,423 crore in 2013-14 to ₹ 12,404 crore in 2014-15. Grants to Zilla Parishads, Panchayat Samitees and Municipalities (₹ 4,998 crore) represented 40 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 Samitees	Others	Total
2012-13	2,430	331	649	3,540	6,950
2013-14	421	88	484	5,429	6,422
2014-15	532	1,620	2,846	7,406	12,404

7.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1st April 2014	As on 31st March 2015	Net increase (+) / decrease (-)
Cash Balances	428	(-) 224	(-) 652
Investments from cash balance (GOI Treasury Bills)	852	666	186
Interest realized	67	127	60

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 2014-15, only 33.65 per cent (₹ 13,472.99 crore) of the total expenditure of ₹ 40,041.49 crore of the State Government was reconciled. Similarly, out of total Receipts of ₹ 38,287.73 crore, only 63.10 per cent (₹ 24,158.15 crore) was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO) of different departments is given below :

Particulars	Total No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	180	37	69	74
Receipts	100	13	16	71
Total	280	50	85	145

Some chronic defaulters in reconciliation are listed below :

Sl. No.	Name of the Department / Chief Controlling Officer	Year / Years pending
1.	Secretary, Agriculture	2012-13, 2013-14, 2014-15
2.	Finance Commissioner	2012-13, 2013-14, 2014-15
3.	Secretary, P.H.E.D.	2012-13, 2013-14, 2014-15
4.	Director, Health Service	2012-13, 2013-14, 2014-15
5.	Secretary, Urban Development	2012-13, 2013-14, 2014-15
6.	Addl. Secretary, Home Section IV Village Police	2012-13, 2013-14, 2014-15
7.	I.G.(Prison), Home Department	2012-13, 2013-14, 2014-15
8.	Dy. Secretary, Higher Education Department Dy. Secretary, Primary and Adult Education	2012-13, 2013-14, 2014-15
9.	Secretary, Energy Department	2012-13, 2013-14, 2014-15
10.	Commissioner of Labour	2012-13, 2013-14, 2014-15
11.	Secretary, Welfare Department	2012-13, 2013-14, 2014-15
12.	Under Secretary, Health and Family Welfare	2012-13, 2013-14, 2014-15
13.	Director Employment & Training	2012-13, 2013-14, 2014-15
14.	Dy. Secretary, Rural Department	2012-13, 2013-14, 2014-15
15.	Dy. Secretary, Art Culture and Youth	2012-13, 2013-14, 2014-15
16.	Secretary, Law	2012-13, 2013-14, 2014-15
17.	Commissioner of Commercial Tax	2012-13, 2013-14, 2014-15
18.	Director, Panchayati Raj	2012-13, 2013-14, 2014-15
19.	Secretary, Food & Nutrition Department	2012-13, 2013-14, 2014-15
20.	Director, Directorate of Social Security	2012-13, 2013-14, 2014-15

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 13,988 DC bills amounting to ₹ 4,886 crore from the year 2000-01 to 2014-15 (position as on 31.03.2015) 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 ₹ 1,362 crore was incurred during the year 2014-2015 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 2015, ranged between 50 percent to 100 percent of the total expenditure during the year, indicate a tendency to utilize the budget at the close of the financial year. The flow of expenditure during the four quarters of 2014-2015 in the below 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 3/2015 w.r.t. Total expenditure of 2014-2015
		(₹ in crore)						
2205	Art and Culture	0.53	0.62	0.77	28.02	29.94	27.13	91
2217	Urban Development	0.27	66.07	139.92	690.32	896.58	618.73	69
2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	6.54	81.73	174.48	597.02	859.77	367.25	43
2401	Crop Husbandry	10.35	18.91	18.64	258.53	306.43	173.60	57
2501	Special Programme for Rural Development	0.03	37.43	11.09	55.38	103.93	51.85	50

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March	Percentage of 3/2015 w.r.t. Total expenditure of 2014-2015
		(₹ in crore)						
2515	Other Rural Development Programmes	92.44	361.03	664.33	829.08	1946.88	506.96	26
2810	New and Renewable Energy	0	0	0	50.00	50.00	50.00	100
2852	Industries	1.45	8.15	4.95	57.91	72.46	57.09	79
4055	Capital Outlay on Police	0	18.93	6.61	128.26	153.80	121.48	79
4202	Capital Outlay on Education, Sports, Art and Culture	1.34	24.71	15.68	41.24	82.97	32.11	39
4216	Capital Outlay on Housing	7.56	13.58	4.98	23.23	49.35	15.22	31
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0	5.69	10.90	156.13	172.72	49.75	29
4401	Capital Outlay on Crop Husbandry	0	4.26	4.06	4.58	12.90	3.79	29
4405	Capital Outlay on Fisheries	0	0.77	0.17	8.83	9.77	8.59	88
5055	Capital Outlay on Road Transport	0	0	0.04	20.19	2.23	1.21	54

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