

Accounts at a glance

2010-11

Government of West Bengal

PREFACE

This is the thirteenth issue of our annual publication ‘**Accounts at a Glance**’ in respect of Government of West Bengal.

The Annual Accounts of the State Government are prepared by the Accountant General (Accounts and Entitlement), West Bengal on behalf of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State. The Annual Accounts consists of Finance Accounts and 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 expenditures against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

After formal presentation of the Appropriation Accounts and Finance Accounts to the State Legislature, ‘**Accounts at a Glance**’ is prepared. It provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts and gives an insight into the financial position of the State. The information is presented through brief explanations, statements and graphs. It has been our endeavour to rely on the figures in the certified Finance Accounts and Appropriation Accounts.

We look forward to suggestions that would help us improve this publication.

(DEEPAK ANURAG)
ACCOUNTANT GENERAL (A&E)
West Bengal

KOLKATA
Dated 30th March 2012

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CHAPTER 1

OVERVIEW

1.1 Introduction

The Accountant General (Accounts and Entitlements), West Bengal compiles the accounts of receipts and disbursements of the Government of West Bengal. This compilation is based on the initial accounts rendered by the State Treasuries, Pay and Accounts Offices (PAOs) located in Kolkata and New Delhi, compiled Accounts received from Public Works and Forest Divisions, Intimations (known as Clearance memos) of the Reserve Bank of India, Information on Inter State Settlement Suspense Accounts (known as Inward/ Outward Settlement Accounts). Based on these, the A.G.(A&E) furnishes the Monthly Civil Accounts to the Finance Department. At the end of the year, after audit by PAG (Audit), West Bengal and certification by CAG of India, the AG (A&E) submits the Finance Accounts and the Appropriation Accounts of the Government of the West Bengal to the Governor, Finance Department and State Legislature.

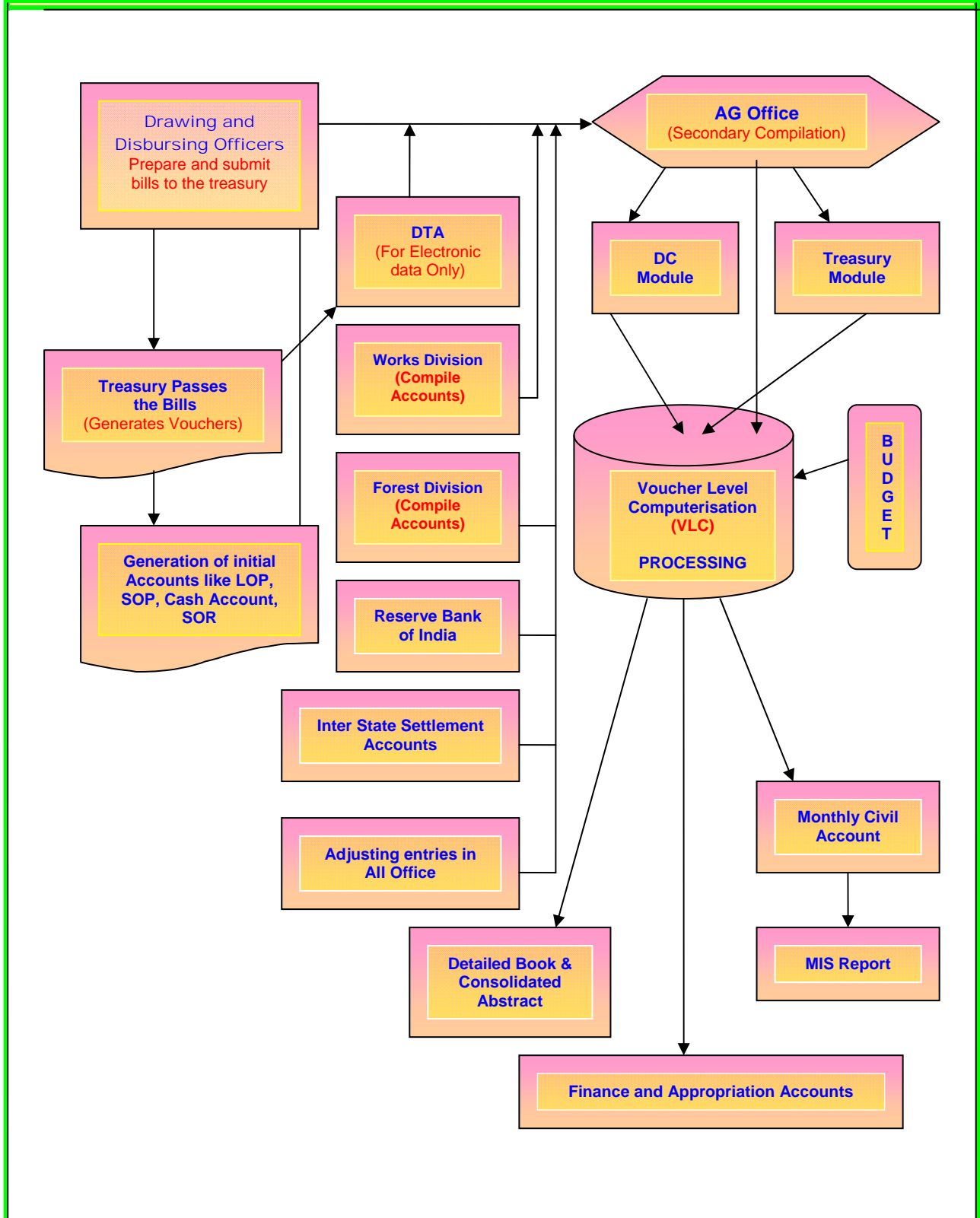
1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

Part I Consolidated Fund	Comprises all Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part II Contingency Fund	The Contingency Fund is in the nature of imprest, 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	All Public moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. It 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

Flow diagram for Account Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

The Finance Accounts prepared in two volumes 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. Volume-1 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-2 contains other summarized statements (Part - I), detailed statements (Part - II) and appendices (Part - III).

Receipts and disbursements of the State Government for 2010-2011 are as below:

(₹ in Crore)			
Receipts (Total : 67,172)	Revenue (Total : 47,264)	Tax Revenue	37,084
		Non Tax Revenue	2,380
		Grants-in-Aid	7,800
	Capital (Total : 19,908)	Recovery of Loans and Advances	373
		Borrowing and other Liabilities (*)	19,535
Disbursements (Total : 67,172)	Revenue		64,538
	Capital		2,226
	Loans and Advances		408

(*) Borrowings and other Liabilities : Net (Receipt-Disbursements) of Public Debt excluding temporary loans (net under Minor Head 107-Loans from SBI and other Banks below Major Head 6003)+ Net of Contingency Fund + Net (Receipt - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

This year, the Government of India released ₹7,801 crore (₹5,341 crore last year) directly to State Implementing Agencies / NGOs for implementation of various schemes and programmes. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. Such direct transfers of Central Schemes Funds are now exhibited in Appendix VII of Volume 2 of the Finance Accounts.

1.3.2. Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with the authorization 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 required to be "voted". The Budget of the West Bengal Government has one charged Appropriation and 60 Voted Grants.

The gross Budget provision for 2010-2011 was ₹ 96,938.96 crore and reduction of expenditure (recoveries) of ₹ 1,120.99 crore. Against this, the actual gross expenditure was ₹ 95,102.26 crore and reduction of expenditure was ₹1,710.53 crore, resulting in net savings of ₹1,836.70 Crore (2%) and an under-estimation of ₹589.54 Crore (53%) on reduction of expenditure. The gross expenditure includes ₹384 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 2010-11, ₹655.94 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD 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 and Overdraft

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) and overdraft facilities to enable State Government to tide over temporary shortfalls in their Cash Balances. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹2.48 crore) maintained with the RBI. During 2010-11, the Government of West Bengal availed OD facilities 62 days, Special Ways and Means Advances for 79 days and Normal Ways and Means Advances for 53 days.

1.4.2. Fund flow statement

The State had a Revenue Deficit of ₹17,274 crore and a Fiscal Deficit of ₹19,535 crore representing 3.75% and 4.25% of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 29% of total expenditure. This deficit was met from Public Debt (₹17,954 crore), increased liabilities in Public Account (₹1,646 crore), contribution from the Contingency Fund (₹3 crore), and net of opening and closing cash balance (-₹68 crore). Around 70% of the revenue receipts (₹47,264 crore) of the State Government was spent on committed expenditure like Salaries (₹10,729 crore), Interest payment (₹14,517 crore) and Pensions (₹8,078 crore).

¹Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Review 2010-2011 – Statistical Appendix, Government of West Bengal.

Sources and Application of Funds

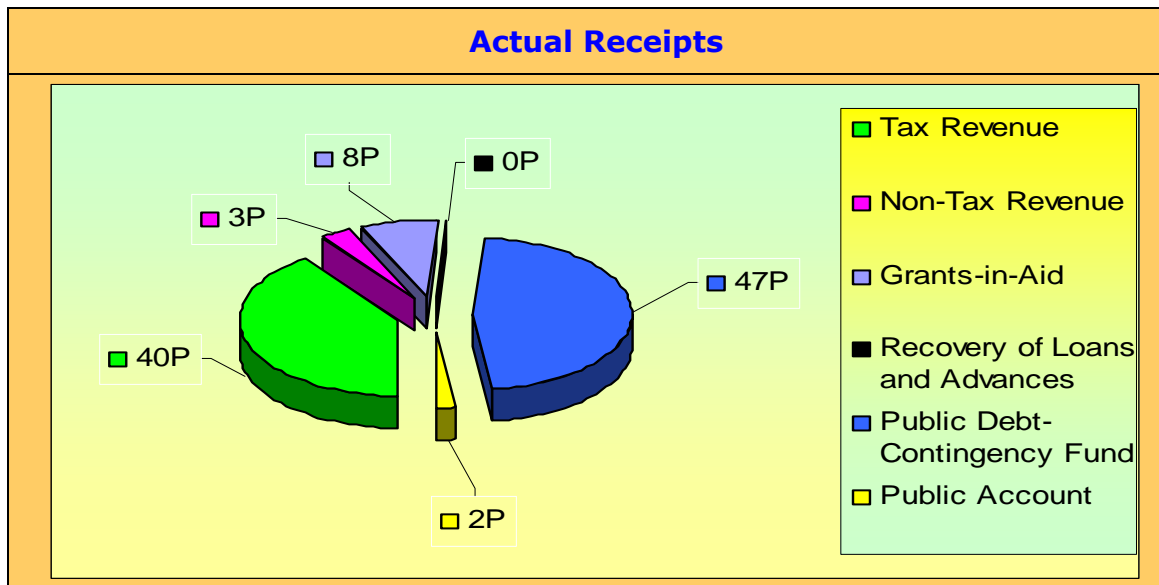
(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2010	102
	Revenue Receipts	47,264
	Recovery of Loans & Advances	372
	Public Debt	44,174
	Small Savings Provident Fund & Others	2,385
	Reserves & Sinking Funds	2,120
	Deposits Received	23,023
	Civil Advances Repaid	421
	Suspense Account	63,895
	Remittances	5,270
	Contingency Fund	3
	TOTAL	1,89,029

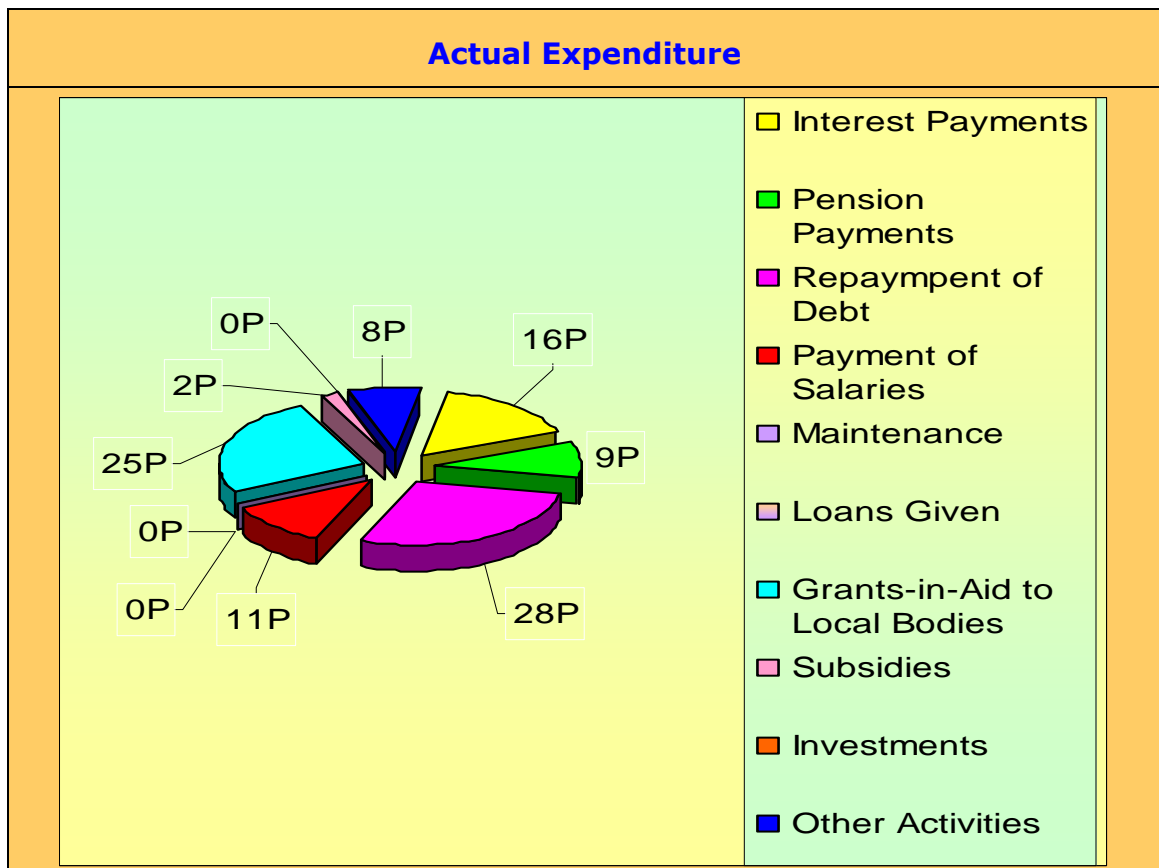
APPLICATION	Revenue Expenditure	64,538
	Capital Expenditure	2,226
	Loans Given	408
	Repayment of Public Debt	26,220
	Small Savings Provident Fund & Others	1,256
	Reserves & Sinking Funds	2,368
	Deposits Spent	22,152
	Civil Advances Given	422
	Suspense Account	63,735
	Remittances	5,535
	Closing Cash Balance as on 31.03.2011	169
	TOTAL	1,89,029

Note: The Suspense Accounts include ₹ 19,762 crore invested in treasury bills which is shown on the 'Application' side, and ₹20,366 crore worth of treasury bills sold through the RBI which is shown on the 'Sources' side.

1.4.3. Where the Rupee came from



1.4.4. Where the Rupee went



1.5 Highlights of Accounts

(₹ in Crore)

	B.E. 2010-11	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP(\$)
1. Tax Revenue (a)	35,324	37,084	105	8
2. Non-Tax Revenue	3,517	2,380	68	1
3. Grants-in-Aid & Contributions	8,841	7,800	88	2
4. Revenue Receipts (1+2+3)	47,682	47,264	99	10
5. Recovery of Loans and Advances	64	373	583	--
6. Borrowings & Other Liabilities (A)	22,844	19,535	86	4
7. Capital Receipts (5+6)	22,908	19,908	87	4
8. Total Receipts (4+7)	70,590	67,172	95	15
9. Non-Plan Expenditure (*)	51,138	52,557	103	11
10. NPE on Revenue Account	51,062	52,491	103	11
11. NPE on Interest Payments out of 10	14,018	14,517	104	3
12. NPE on Capital Accounts	76	65	86	--
13. Plan Expenditure (*)	19,452	14,615	75	3
14. PE on Revenue Account	13,440	12,047	90	3
15. PE on Capital Account	6,012	2,569	43	1
16. Total Expenditure (9+13)	70,590	67,172	95	15
17. Revenue Expenditure (10 + 14)	64,502	64,538	100	14
18. Capital Expenditure (12+15) (#)	6,088	2,634	43	1
19. Revenue Deficit(4-17)	16,820	17,274	103	4
20. Fiscal Deficit (4+5-16)	22,844	19,535	86	4

(a) Includes State's shared Taxes of ₹ 21,129 crore.

(\$) GSDP figure of ₹4,60,071 crore adopted from the Economic Review 2010- 2011-Statistical Appendix, Government of West Bengal.

(#) Expenditure on Capital Account includes Capital Expenditure (₹2,226 crore) and Loans and Advances disbursed (₹408 crore).

(*) Expenditure includes ₹71 crore under Non-Plan and ₹337 crore under Plan which pertains to Loans and Advances.

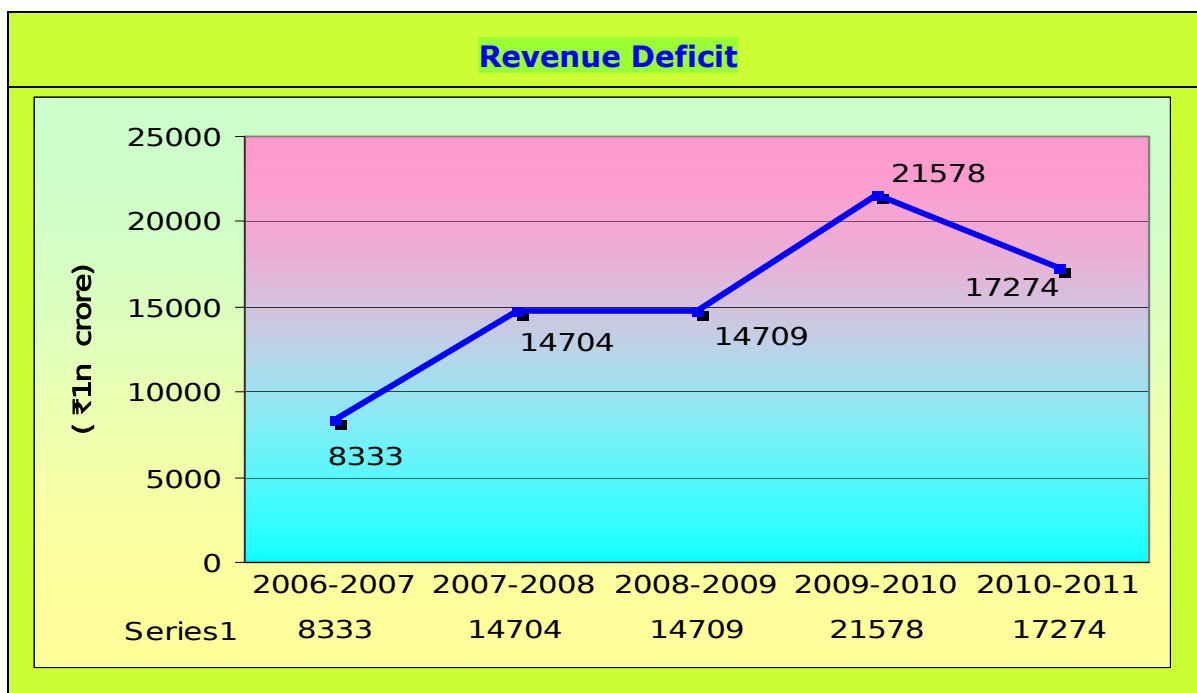
(A) Borrowings and other Liabilities: Net (Receipts-Disbursements of Public Debt + Net of Contingency Fund + Net (Receipt - Disbursements) of Public Account + Net of Opening and Closing Balance.

1.6 What do the Deficits and Surpluses indicate?

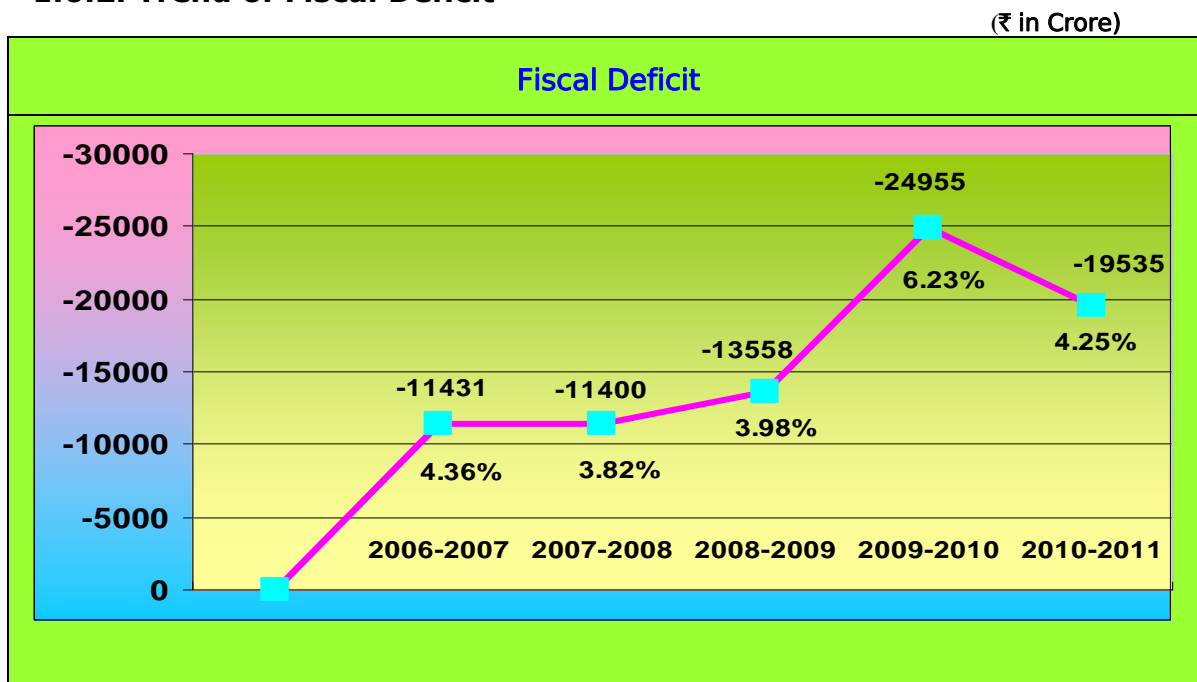
Deficit	Refers to the Gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Receipts and Revenue Expenditure. Revenue Expenditure is 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.

Fiscal Deficits, Revenue Deficits and public Debt are the main fiscal indicators for evaluating the fiscal position of a government. It appears that the Revenue Deficit of the Government of West Bengal as on 31st March 2011 is ₹17,274 crore. However, with a view to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction of fiscal deficit and prudent debt management consistent with fiscal sustainability the Government of West Bengal enacted the "West Bengal Fiscal Responsibility And Budget Management Act 2010". It has been stated in the Act that the State Government shall progressively reduce revenue deficit to nil within five years and fiscal deficit to 3% of GSDP within four years.

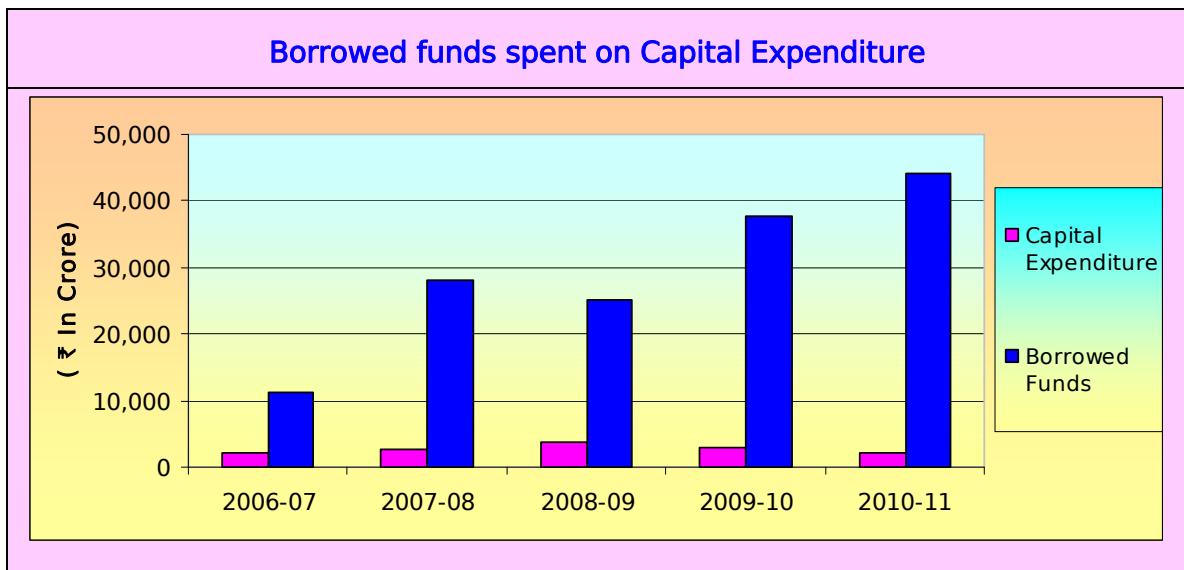
1.6.1. Trend of Revenue Deficit



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, however, spent only 5% of the borrowings of the current year (₹44,174 crore) on capital expenditure (₹2,226 crore). It would therefore appear that 95% of the public debt (₹41,948 crore) was utilised on the following : to repay the principal and interest on public debt of previous years, to meet periodic shortfalls of revenues against expenditure in the current year, to maintain a positive cash balance at the end of the year and to invest in treasury bills.

C CHAPTER 2

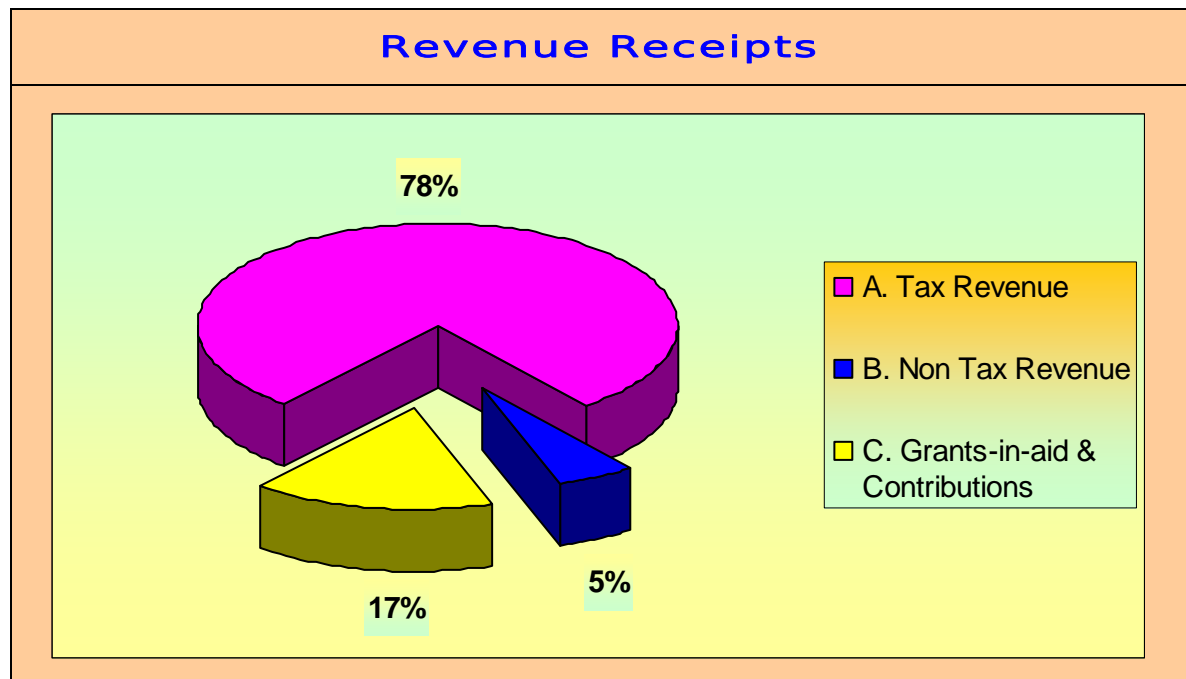
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital receipts. Total Receipts for 2010-11 were ₹67,172 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 Government also gives Grants-in-Aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.



Revenue Receipt Components (2010-11)

(₹ in Crore)

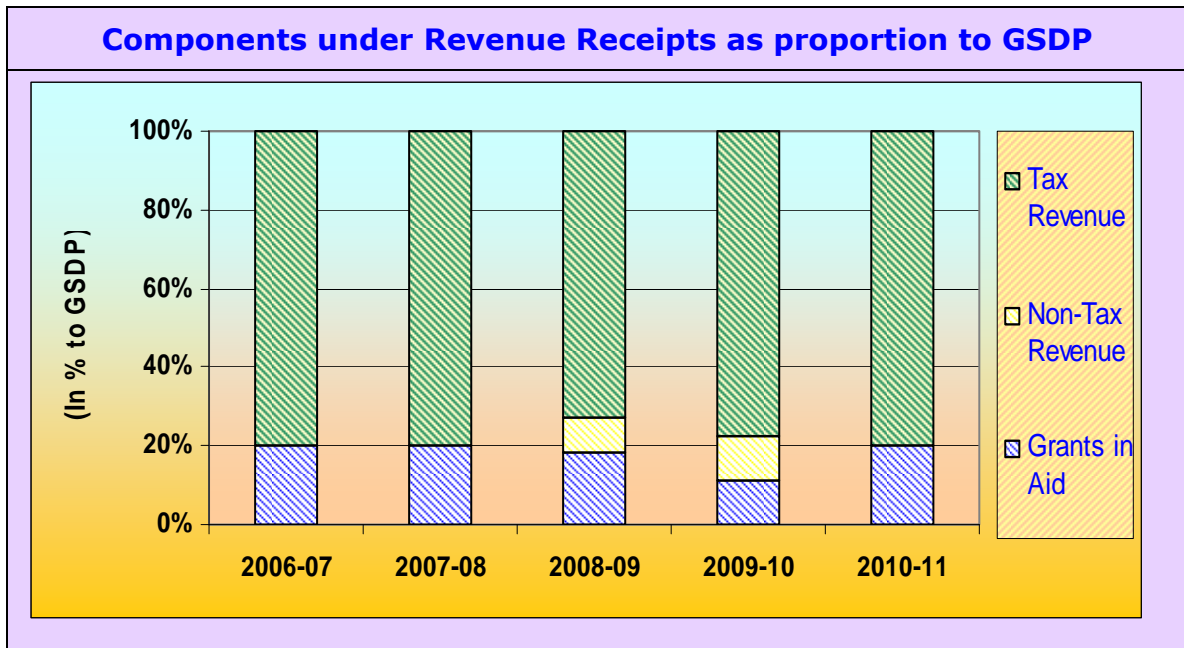
Components	Actuals
A. Tax Revenue	37,084
Taxes on Income & Expenditure	9,936
Taxes on property & Capital Transactions	3,532
Taxes on Commodities & Services	23,616
B. Non-Tax Revenue	2,380
Interest Receipts, Dividends and Profits	718
General Services	261
Social Services	188
Economic Services	1,213
C. Grants-in-Aid & Contributions	7,800
Total – Revenue Receipts	47,264

2.3. Trend of receipts

	(₹ in Crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Tax Revenue	20,200 (8)	23,855 (8)	25,741 (8)	28,548 (7)	37,084 (8)
Non-Tax Revenues	1,249 (0)	1,473 (0)	4,966 (1)	2,438 (1)	2,380 (0)
Grants in Aid	4,379 (2)	4,839 (2)	6,197 (2)	5,935 (1)	7,800 (2)
Total Revenue Receipts	25,828 (10)	30,167 (10)	36,904 (11)	36,922 (9)	47,264 (10)
GSDP	2,62,291	2,98,566	3,40,544	4,00,561	4,60,071

Note : Figures in parentheses represent percentage to GSDP.

Though the GSDP increased by 15% between 2009-10 and 2010-11, growth in revenue collection was 28%. While tax revenue increased by 30%, non-tax revenues declined by 2%. The State's own revenue increased by 25% between 2009-10 (₹16,900 crore) and 2010-11 (₹ 21,129), while Shares of union taxes increased by 37%.

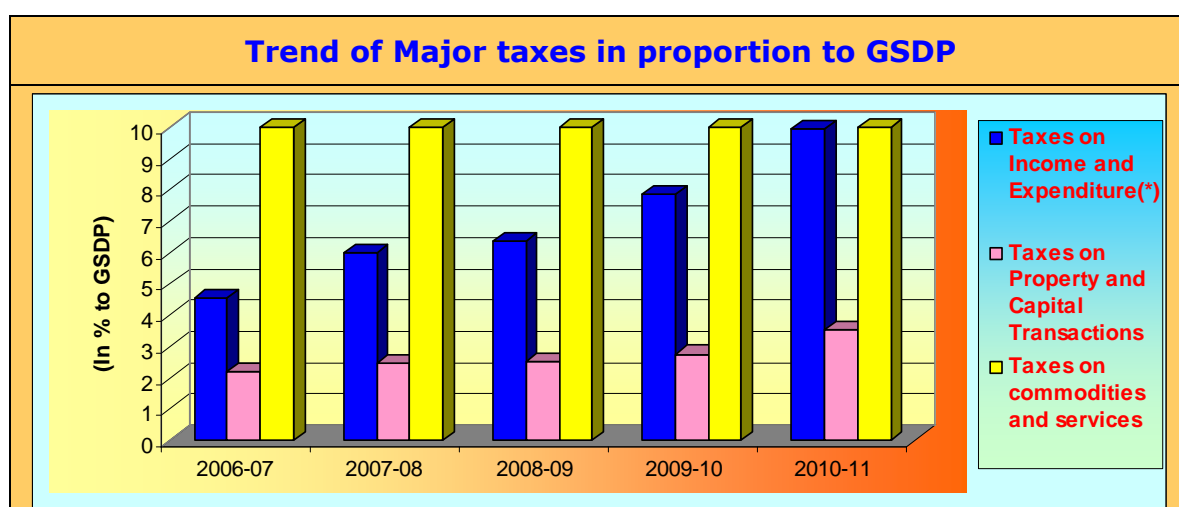


Sector-wise Tax Revenue

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Taxes on Income and Expenditure	4,532	5,983	6,369	7,835	9,936
Taxes on Property and Capital Transactions	2,215	2,460	2,497	2,754	3,532
Taxes on Commodities and Services	13,453	15,412	16,875	17,959	23,616
Total Tax Revenues	20,200	23,855	25,741	28,548	37,084

The increase in total Tax Revenues is mainly attributable to higher collections under 'Taxes on Sales, Trade etc.', 'Corporation Tax', 'Customs', 'Union Excise Duties', 'Taxes on Income other than Corporation Tax', 'Stamps and Registration Fees', 'Service Tax' etc.



(*) Primary 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)
2006-07	20,200	8,507	11,693	4.46%
2007-08	23,855	10,729	13,126	4.40%
2008-09	25,741	11,322	14,419	4.23%
2009-10	28,548	11,648	16,900	4.22%
2010-11	37,084	15,955	21,129	4.59%

The proportion of the State's Own Tax Revenue to GSDP is lower than the target of 6.8% recommended by the 12th Finance Commission.

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Collection	2,215	2,461	2,497	2,754	3,532
Expenditure on Collection	342	393	408	625	672
Efficiency of Tax Collection	15%	16%	16%	23%	19%

B. Taxes on Commodities and Services

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Collection	13,454	15,412	16,875	17,959	23,616
Expenditure on Collection	140	158	182	253	285
Efficiency of Tax Collection	1%	1%	1%	1%	1%

Tax collection efficiency on 'Taxes on Property and Capital Transactions' can be improved in relation to efficiency on 'Taxes on commodities and services'.

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

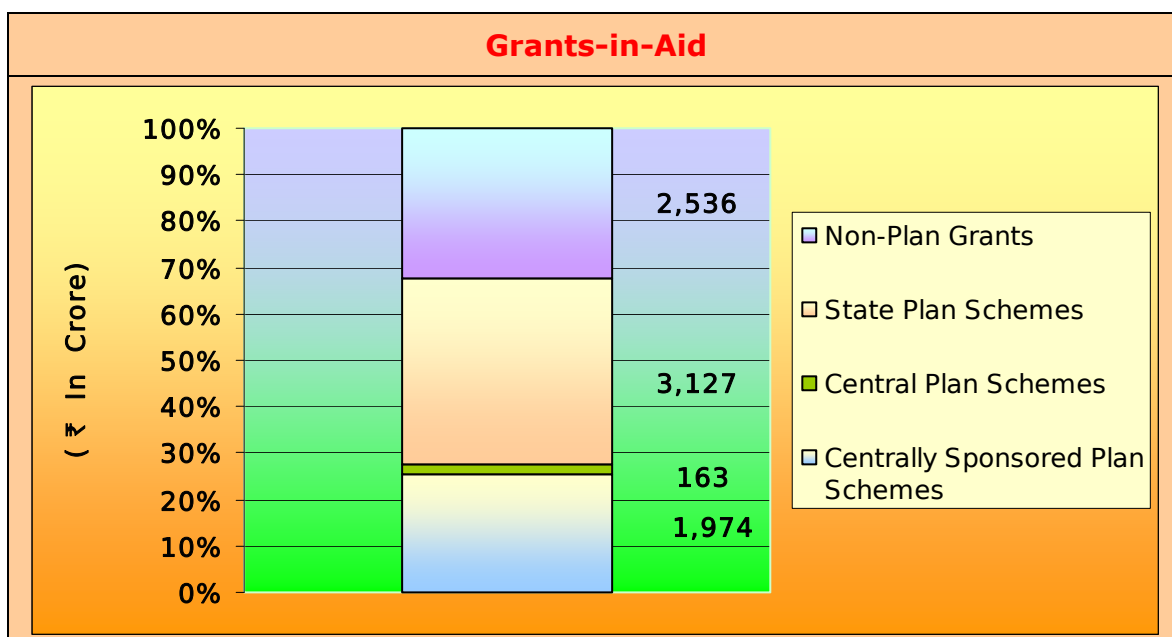
(₹ in Crore)

Major Head description	2006-07	2007-08	2008-09	2009-10	2010-11
Corporation Tax	2,655	3,405	3,712	4,794	6,236
Taxes on Income other than Corporation Tax	1,612	2,285	2,331	2,670	3,295
Taxes on Wealth	3	4	4	11	13
Customs	1,659	2,028	2,164	1,630	2,790
Union Excise Duties	1,762	1,936	1,888	1,313	2,030
Service Tax	816	1,071	1,223	1,230	1,591
Other taxes and Duties on Commodities and Services					
State Share of Union Taxes	8,507	10,729	11,322	11,648	15,955
Total Tax Revenue	20,200	23,855	25,741	28,548	37,084
% of Union Taxes to Total Tax Revenue	42	45	44	41	43

2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan scheme, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and accounted for under the Major Head "1601- Grants-in-Aid from Central Government"

The share of non-plan grants in total Grants-in-Aid increased from 24% during 2009-10 to 33% in 2010-11, while, the share of grants for Plan Schemes declined from 46% in 2009-10 to 40% in 2010-11. Total receipts during 2010-2011 under Grants in Aid were ₹7,800 crore and sectorwise breakup is shown in next view:



2.8. Public Debt

Trend of Public Debt over the past 5 years

(₹ in Crore)

Description	2006-07	2007-08	2008-09	2009-10	2010-11
Internal Debt	7,984	11,376	11,722	21,844	18,203
Central Loans	(-) 658	(-) 623	(-) 585	(-)1009	(-)249
Total Public Debt	7,326	10,753	11,137	20,835	17,954

Note : Figures represent as net of receipts and repayments.

In 2010-2011, nine loans at par totaling ₹9,500 crore at interest rates varying from 8.11% to 8.58% and redeemable in the year 2020-2021 were raised from the open market. In addition, the State Government raised ₹22,190 crore from financial institutions (including other adjustments) and ₹12,189 crore from the National Small Savings Fund (NSSF). Thus the internal debt totalled ₹43,879 crore. For 2010-11 Government also received ₹296 crore from Government of India as loans and advances.

CHAPTER – 3

EXPENDITURE

3.1. Introduction

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

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

3.2. Revenue Expenditure

Revenue Expenditure of ₹64,538 crore for 2010-11 was almost at par with budget estimates of ₹64,502 crore.

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

	(₹ In Crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Budget Estimates	35,508	37,840	43,776	60,253	64,502
Actuals	34,161	38,314	51,613	58,500	64,538
Gap	1,347	-474	-7,837	1,753	-36
% of gap over BE	4%	-1%	-18%	3%	0%

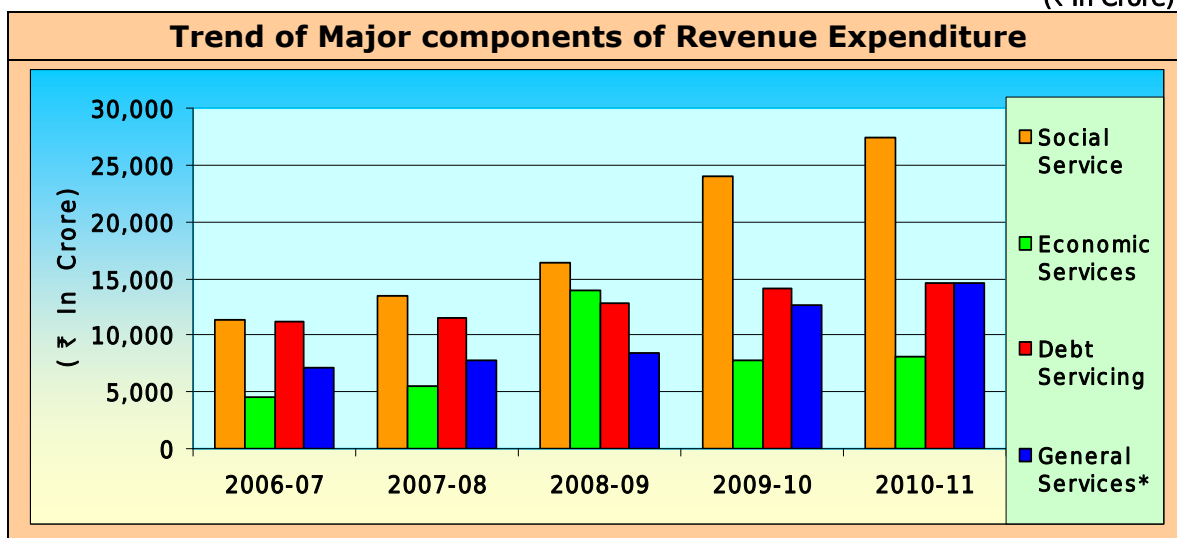
3.2.1. Sectoral distribution of Revenue Expenditure (2010-11)

(₹ In Crore)

Components	Amount	Percentage
A. Fiscal Services	1,007	2
(i) Collection of Taxes on Income and Expenditure	20	
(ii) Collection of Taxes on Property and Capital transactions	672	-
(iii) Collection of Taxes on Commodities and Services	285	-
(iv) Other Fiscal Services	30	-
B. Organs of State	626	1
C. Interest Payments and Servicing of debt	14,517	22
D. Administrative Services	4,429	7
E. Pensions and Miscellaneous General Services	8,101	13
F. Social Services	27,343	42
G. Economic Services	8,091	12
H. Grants-in-Aid and Contributions	424	1
Total Expenditure (Revenue Account)	64,538	100

3.2.2. Major components of Revenue Expenditure for last five years

(₹ In Crore)



- General Services excludes MH 2048 (Appropriation for reduction of debt), MH 2049 (Interest Payments) and Includes MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions)

Though Revenue expenditure on all services has a trend of steady increase, expenditure on Debt Servicing covers on an average 27% of total Revenue expenditure during last five years.

3.3. Capital expenditure

Capital disbursements for 2010-11 at 0.5% of GSDP were less than Budget Estimate s by ₹ 3,326 crore mainly due to less disbursement under Plan Expenditure. Over the last 2 years, Capital Expenditure has declined with respect to its budget as also to expenditure of the previous years. This can be viewed from the following table:

(₹ In Crore)						
Sl. No.	Components	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Budget (B.E.)	2,042	2,720	3,072	5,107	5,552
2.	Actual Expenditure (#)	2,018	2,688	3,705	3,011	2,226
3.	% of Actual Expenditure to B.E.	99%	99%	121%	59%	40%
4.	Growth in Capital Expenditure	22%	33%	38%	-19%	-26%
5.	GSDP (*)	2,62,291	2,98,566	3,40,544	4,00,561	4,60,071
6.	Growth in GSDP	14%	14%	14%	18%	15%

(#) Does not include expenditure on Loans & Advance.

(*) GSDP figure adopted from the Economic Review 2010-2011-Statistical Appendix, Government of West Bengal.

3.3.1. Sectoral distribution of Capital Expenditure

The Economic Services constitute the major chunk of Capital Expenditure. During 2010-11, the Government spent ₹ 630 crore on transport, ₹546 crore on Irrigation and Flood Control, ₹200 crore on Special Area Programme and ₹148 crore on Agriculture and Allied Activities. In Social Services, the Government spent ₹187 crore on Health and Family Welfare and ₹165 crore on Water Supply, Sanitation, Housing and Urban Development.

3.3.2. Comparative Sectoral distribution of capital and Revenue expenditure over the past 5 years

(₹ In Crore)						
Sl. No.	Sector	2006-07	2007-08	2008-09	2009-10	2010-11
1.	General services(Capital)	80	67	144	157	107
	General services(Revenue)	17,901	18,667	20,775	26,357	28,680
2.	Social Services(Capital)	379	766	1,194	890	476
	Social Services(Revenue)	11,380	13,463	16,385	23,996	27,343
3.	Economic services(Capital)	1,559	1,854	2,368	1,964	1,643
	Economic services(Revenue)	4,504	5,554	14,025	7,742	8,091

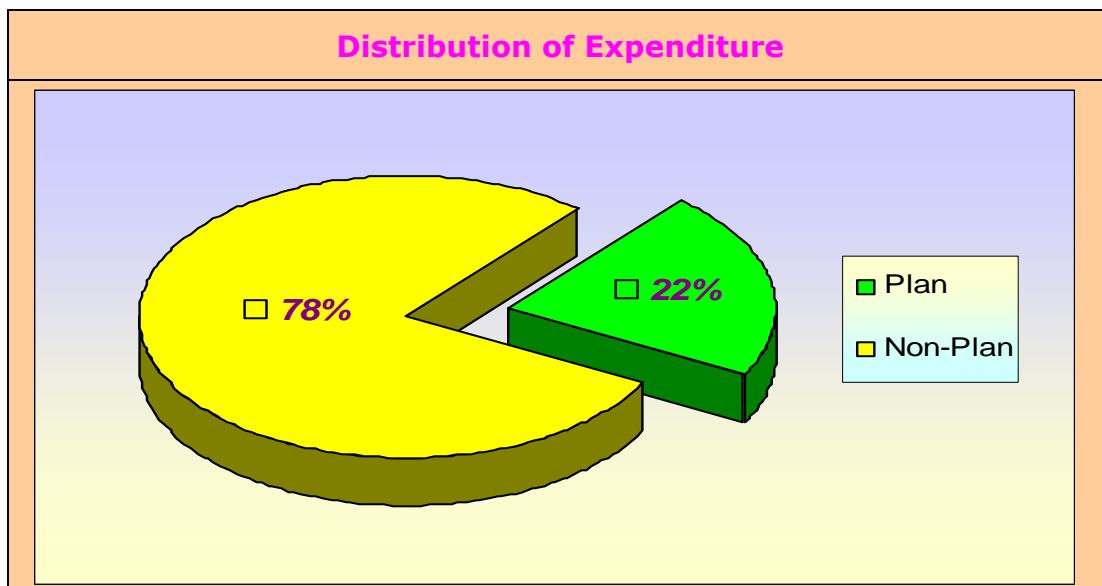
Note: 1. Capital Expenditure does not include Loans and Advance.

2. Revenue Expenditure does not include Grants-in-Aid and contribution.

CHAPTER – 4

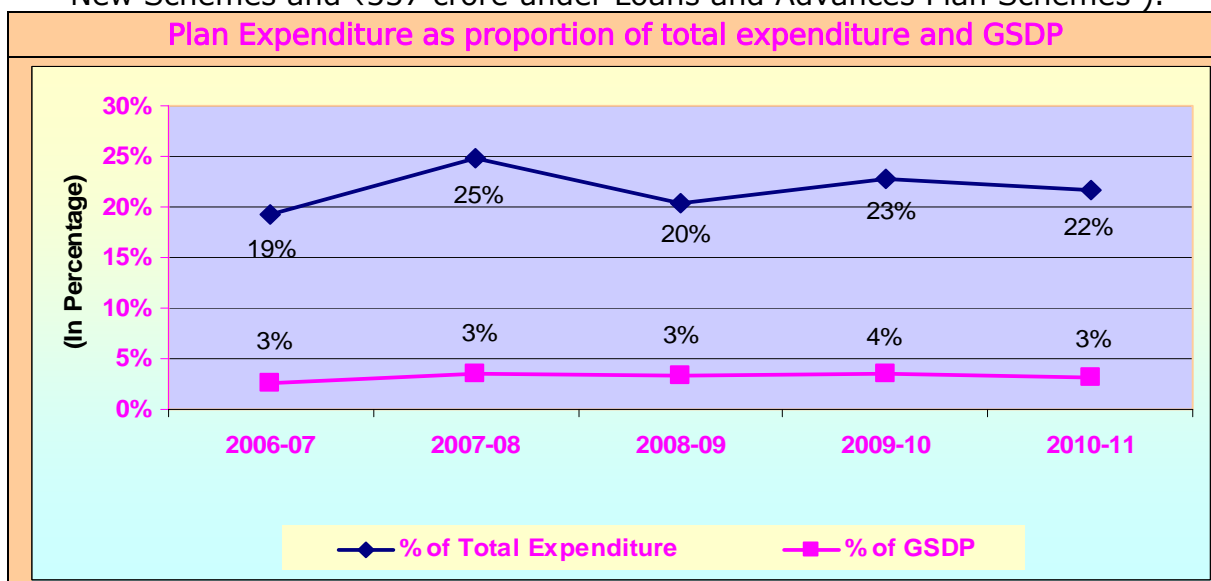
PLAN & NON PLAN EXPENDITURE

4.1. Distribution of expenditure (2010-2011)



4.2. Plan Expenditure

During 2010-2011, Plan Expenditure, representing 22 percent of total disbursements, was ₹14,616 crore (₹11,501 crore under State Plan , ₹2,571 crore under Centrally Sponsored, ₹206 crore under Central Sector New Schemes and ₹337 crore under Loans and Advances Plan Schemes).



4.2.1. Plan expenditure under Capital Account

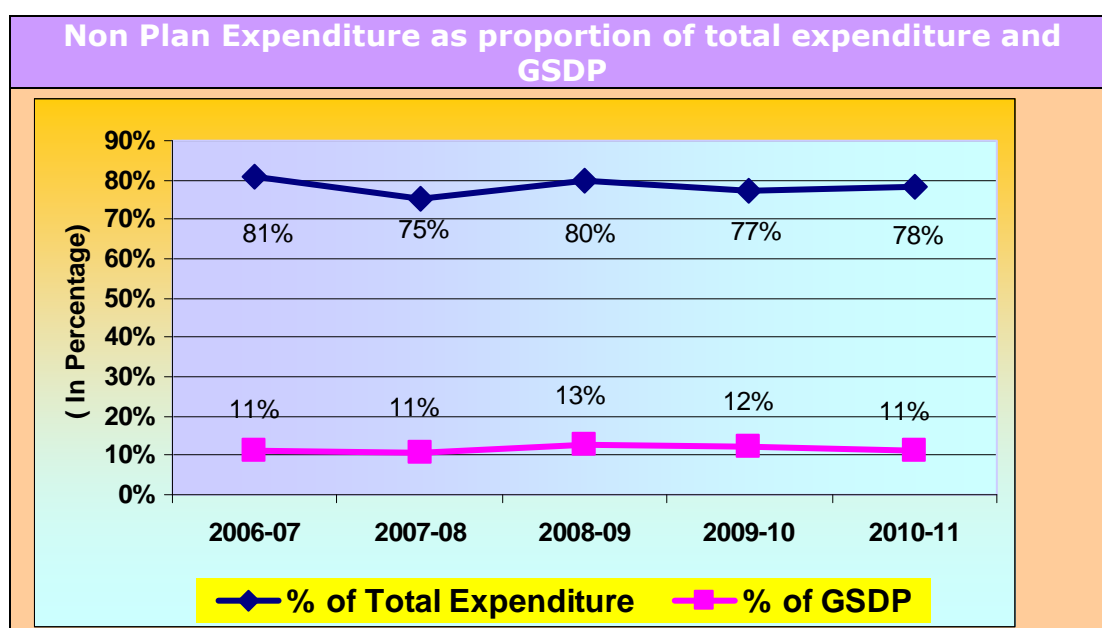
(₹ In Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Total Capital Expenditure	2,335	3,750	3,128	3,763	2,634
Capital Expenditure (Plan)	2,240	3,684	3,073	4,192	2,569
% of Capital expenditure (plan) to Total Capital Expenditure	96%	98%	98%	111% #	98%

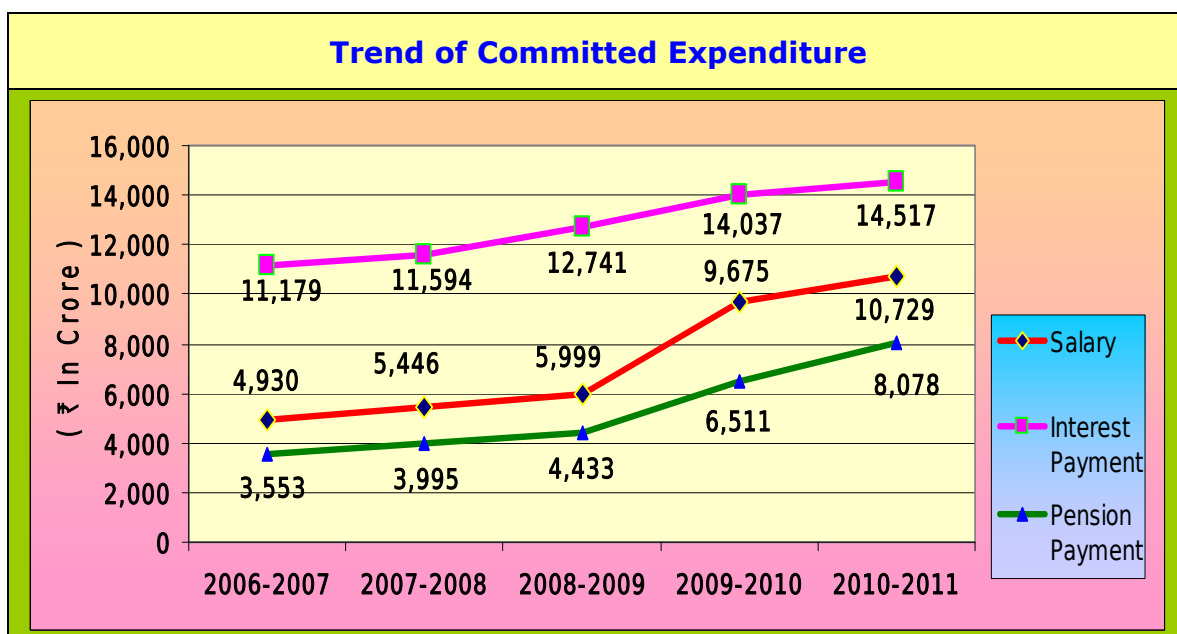
Note: Capital Expenditure includes Loans and Advance.
Percentage figure is due to minus expenditure in Non-plan.

4.3. Non-Plan Expenditure

During 2010-2011, Non-Plan Expenditure representing 78 per cent of total disbursements, was ₹52,556 crore, (₹52,491 crore under Revenue and ₹65 crore under Capital).



4.4. Committed Expenditure



(₹ in Crore)

Component	2006-07	2007-08	2008-09	2009-10	2010-11
Committed expenditure	19,662	21,035	23,173	30,223	33,324
Revenue Expenditure	34,161	38,314	51,613	58,500	64,538
% of committed expenditure to Revenue Receipts	76%	70%	63%	82%	71%
% of committee expenditure to Revenue expenditure	58%	55%	45%	52%	52%

The upward trend on committed expenditure leaves the Government with less Funds for developmental spending.

CHAPTER -5

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2010-11

(₹ In Crore)

Sl. No.	Nature of expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual Expenditure	Savings(-) Excess(+)
1.	Revenue Voted Charged	48,660	6,088	--	54,748	49,905	(-) 4,843
		15,354	300		15,654	14,633	(-) 1,021
2.	Capital Voted Charged	5,409	294 9	--	5,703 9	2,218 8	(-) 3,485 (-) 1
3.	Public Debt Charged	14,844	--	--	14,844	26,220	(+)11,376
4.	Loans and Advances Voted Charged	536	4	--	540	408	(-) 132
			4,320		4,320	--	(-)4,320
Total		84,803	11,015	--	95,818	93,392	(-)2,426

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

(₹ In Crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2006-07	(-) 2,488	(-)410	(-) 1,156	(-) 555	(-) 4,609
2007-08	(-) 1,666	(-) 202	(+) 11,855	(-) 623	(+) 9,364
2008-09	(-) 2,197	(-)555	(+) 159	(-) 283	(-) 2,876
2009-10	(-) 4,401	(-)1,800	(+)2,312	(-)191	(-)4,080
2010-11	(-)5,864	(-)3,486	(+) 11,376	(-) 4,452	(-)2,426

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:

(₹ In Crore)

Grant	Nomenclature	2007-08	2008-09	2009-10	2010-11
28	Housing	7%	17%	75%	70%
29	Industrial Reconstruction	77%	36%	69%	71%
32	Irrigation & Waterways	18%	23%	30%	52%
38	Minorities Development & Welfare	52%	34%	20%	26%
39	Municipal Affairs	18%	6%	23%	19%
47	Relief	6%	13%	18%	54%
54	Urban Development	19%	10%	44%	41%
55	Water Investigation and Development	17%	12%	19%	49%

During 2010-11, Supplementary grants Totaling ₹11,015 crore (12% 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	Original	Supplementary	Actual Expenditure
1	Commercial Taxes Administration	47	2	36
26	Fiscal Administration, Planning, Surveys & Statistics	322	10	298
44	Social welfare	14	38	64
38	Minorities Development & Welfare	836	257	805
43	Power & Non-Conventional Energy Sources	552	182	481
47	Relief	750	1505	1045
53	Transport	842	132	833

CHAPTER – 6

ASSETS AND LIABILITIES

6.1. Assets

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

Total investments as share capital in different concerns of the State Government stood at ₹10,850.42 crore at the end of 2010-11. However, dividends received during the year were ₹1.07 crore (0.01 %) on investment. During 2010-11, investment increased by ₹174.44 crore, while dividend income increased by ₹0.59 crore.

Cash Balance with RBI stood at ₹101.24 crore on 31st March 2010 and increased to ₹168.77 crore at the end of March, 2011.

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 Government of India.

Details of the Public Debt and total liabilities of the State Government are as under:

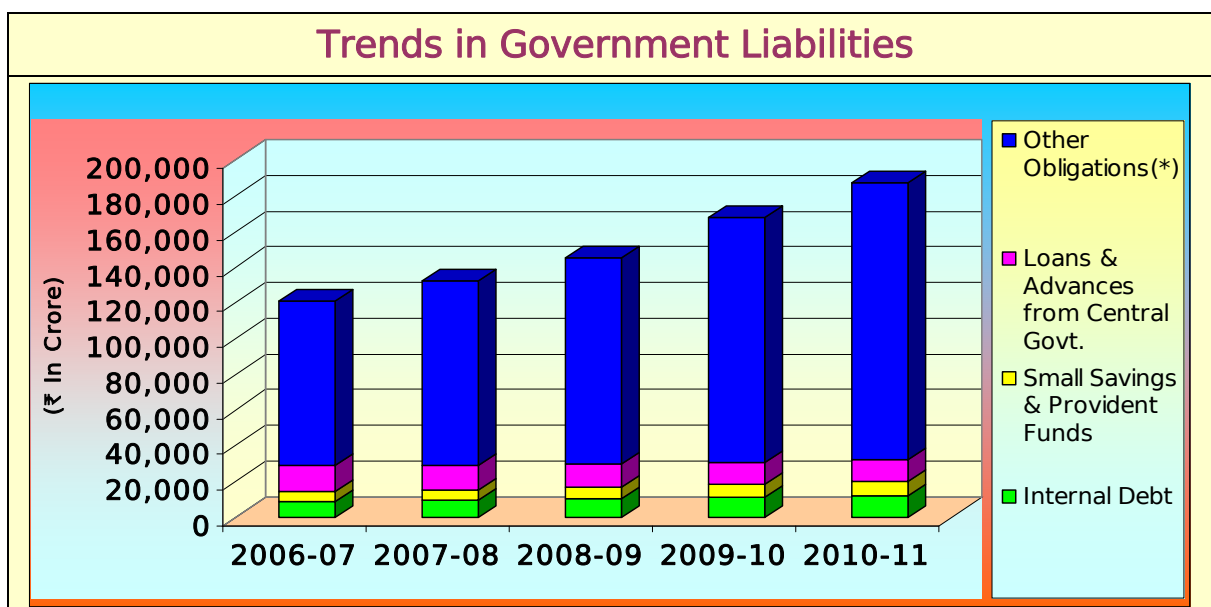
(₹ In Crore)

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2006-07	1,06,763	41%	14,129	5%	1,20,892	46%
2007-08	1,17,516	39%	14,957	5%	1,32,473	44%
2008-09	1,28,652	38%	16,423	5%	1,45,075	43%
2009-10	1,49,488	37%	18,194	5%	1,67,682	42%
2010-11	1,67,442	36%	19,945	5%	1,87,387	41%

(*) Excludes suspense and remittance balances.

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

During last five years Public Debt increased by 58%.



(*) 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., is given below.

(₹ In Crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2011	
		Principal	Interest
2006-07	21,826	13,137	32
2007-08	23,118	13,684	41
2008-09	19,974	11,973	44
2009-10	20,298	10,355	40
2010-11	19,860	11,943	41

CHAPTER – 7

OTHER ITEMS

7.1. Internal Debt

During 2010-11, Loans amounting to ₹32.61 crore were taken from NCDC and loans for ₹1,121 crore were taken from other Institutions.

7.2. Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2010-11 was ₹13,982 crore. Of this, Loans and Advances to Government Corporations / Companies, non-Government Institutes and Local Bodies amounted to ₹13,924 crore. During the year, ₹580 crore was received as interest.

7.3. Financial assistance to local bodies and others

Expenditure on Grants-in-Aid to local bodies etc. represents 32% of total Revenue Expenditure.

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

(₹ In Crore)					
Year	Zilla Parishads	Municipalities	Panchayat Samitis	Others	Total
2008-09	78	1,718	1,277	19,274	22,347
2009-10	104	2,105	2,076	15,306	19,591
2010-11	83	2,435	2,109	19,029	23,656

Note: Expenditure under the Object Head (3 1) Grants-in-Aid and under the major Head (3 604) Compensation and assignment to Local Bodies and Panchayati Raj Institutions.

7.4 Cash Balance and investment of Cash Balance

(₹ In Crore)			
Component	As on 1 st April 2010	As on 31 st March 2011	Net increase (+)/decrease(-)
Cash Balances	102	169	67
Investments from cash balance (GOI Treasury Bills)	603	(-) 1	(-) 604
Investments from earmarked fund balances	4,040	5,481	1,441
(a) Sinking Fund	4,039	5,480	1,441
(b) Guarantee Redemption Fund	--	--	
(c) Other Funds	1	1	0
Interest realised	58	64	6

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 Controlling Officers. The reconciliation of accounts of many departments is in arrears. In 2010-11, only 9% (₹6,073 crore) of the total expenditure and 29% (₹13,834 crore) of the total receipts of the State Government were reconciled.

7.6 Submission of accounts by Treasuries

There are 87 Treasuries, 379 PW Divisions and 68 Forest Divisions in the State. During the year, average delay in submission of monthly accounts by the Treasuries, PW Divisions and Forest Divisions were 3.8 days, 2 days and 4 days respectively.

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

The Drawing and Disbursing Officers are authorised to draw sums of money by preparing Abstract Contingent Bill by debiting Service Heads and as per Rule 4.138 of West Bengal Treasury Rules (WBTR) 2005 they are required to present Detailed Contingent Bill (vouchers in support of final expenditure). In all such cases D.C. Bill is to be presented within 1 month from the date of completion of the purpose for which advance was drawn and in no case beyond the period of 60 days from the date of drawal of such advance unless permitted by the Administrative Department with the concurrence of the Finance Department. As on 31ST March 2011, 11,314 DC bills amounting to ₹815 crore was outstanding.