

Accounts at a glance

2011-12

Government of West Bengal



This is the fourteenth 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.

The **Accounts at a Glance** 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 endeavor to rely on the figures in the certified Finance Accounts and Appropriation Accounts, and in case of difference the figures depicted in the Finance and Appropriation Accounts may be treated as correct.

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

(STEPHEN HONGRAY)
ACCOUNTANT GENERAL (A&E)
WEST BENGAL

KOLKATA
Dated 27th November 2012

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C HAPTER 1

OVERVIEW

1.1 Introduction

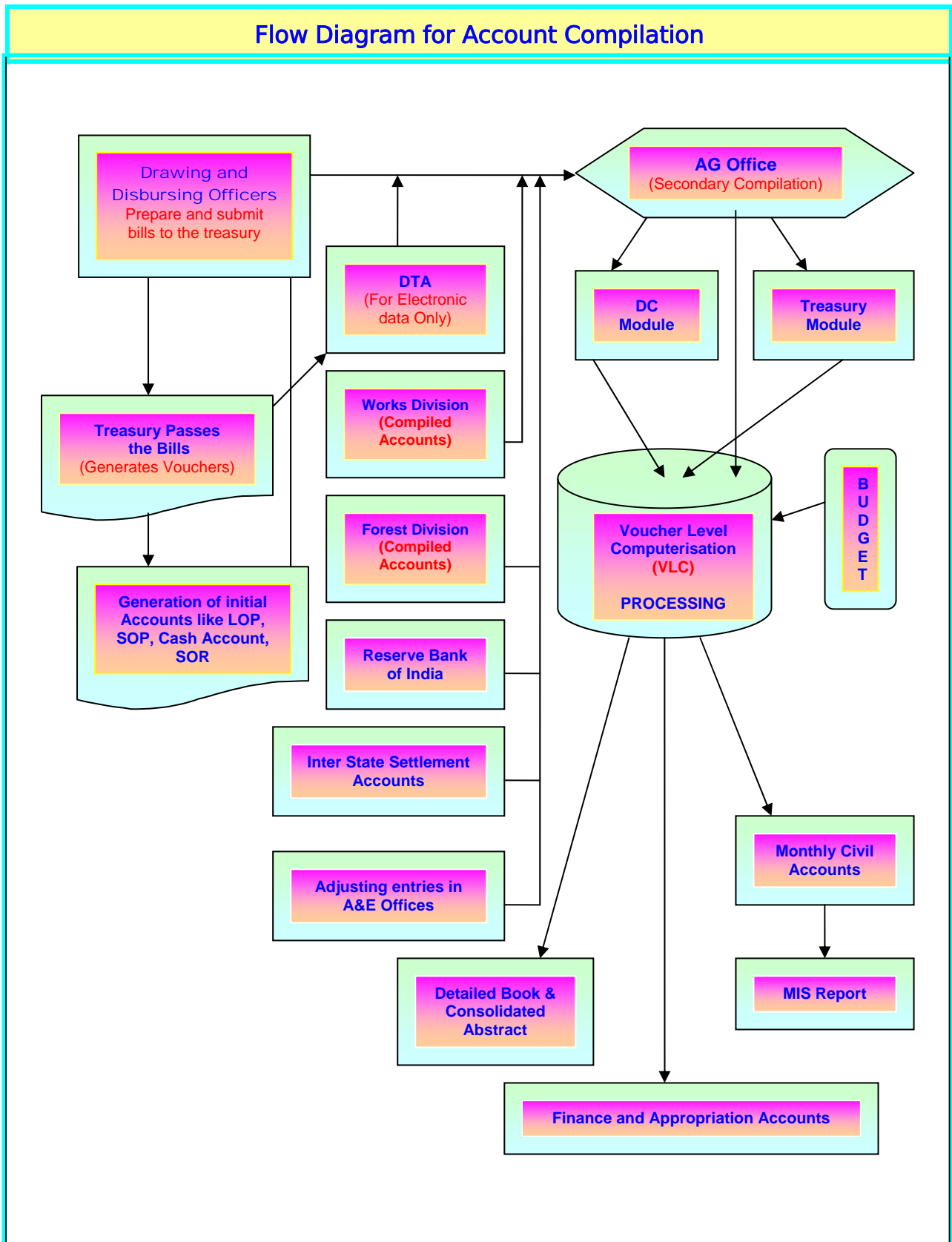
The Accountant General (Accounts and Entitlements), West Bengal compiles the accounts of receipts and disbursements of the Government of West Bengal. This compilation is based on the initial accounts rendered by the State Treasuries, Pay and Accounts Offices (PAOs) located in Kolkata and New Delhi, compiled 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 (General & Social Sector Audit), West Bengal and certification by CAG of India, the A.G.(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 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 accounts.

1.2.2. Compilation of Accounts



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, accounts of Public Debt and Liabilities and Assets as worked out from the balances as 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 as depicted in the Finance Accounts for 2011-2012 are detailed below:

(₹ in Crore)			
Receipts (Total : 76,538)	Revenue (Total : 58,755)	Tax Revenue	43,526
		Non Tax Revenue	1,340
		Grants-in-Aid	13,889
	Capital (Total : 17,783)	Recovery of Loans and Advances	78
		Borrowing and other Liabilities (*)	17,705
Disbursements (Total : 76,538)	Revenue		73,326
	Capital		2,764
	Loans and Advances		448

(*) 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 directly released ₹7,647 crore (₹7,801 crore last year) 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 authorisation of the Legislature. Barring certain expenditure specified in the Constitution as "charged" on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure required to be "voted". The Budget of the West Bengal Government has 62 Voted Grants and no Charged Appropriation in the current year.

The gross Budget provision for 2011-2012 was ₹ 1,16,212.32 crore and reduction of expenditure (recoveries) of ₹ 1,776.98 crore. Against this, the actual gross expenditure was ₹ 1,08,010.83 crore and reduction of expenditure was ₹2,168.13 crore, resulting in net savings of ₹8,201.48 Crore (7%) and an excess of ₹391.15 Crore (22%) on reduction of expenditure. The gross expenditure includes ₹348 crore drawn on Abstract Contingent (AC) Bills (no. of AC Bills 3,382), which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2011-12, ₹552.59 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 2011-12, the Government of West Bengal availed OD facilities for 28 days, Special Ways and Means Advances for 127 days and Normal Ways and Means Advances for 31 days.

1.4.2. Fund flow statement

The State had a Revenue Deficit of ₹14,571.33 crore and a Fiscal Deficit of ₹17,704.88 crore representing 2.65% and 3.22% of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 19% of total expenditure. This deficit was met solely from Public Debt (₹17,256 crore). Around 63% of the revenue receipts (₹58,755 crore) of the State Government was spent on committed expenditure like Salaries (₹11,054 crore), Interest payment (₹15,896 crore) and Pensions (₹10,066 crore).

¹Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Review 2011-2012 – Statistical Appendix, Government of West Bengal.

Sources and Application of Funds

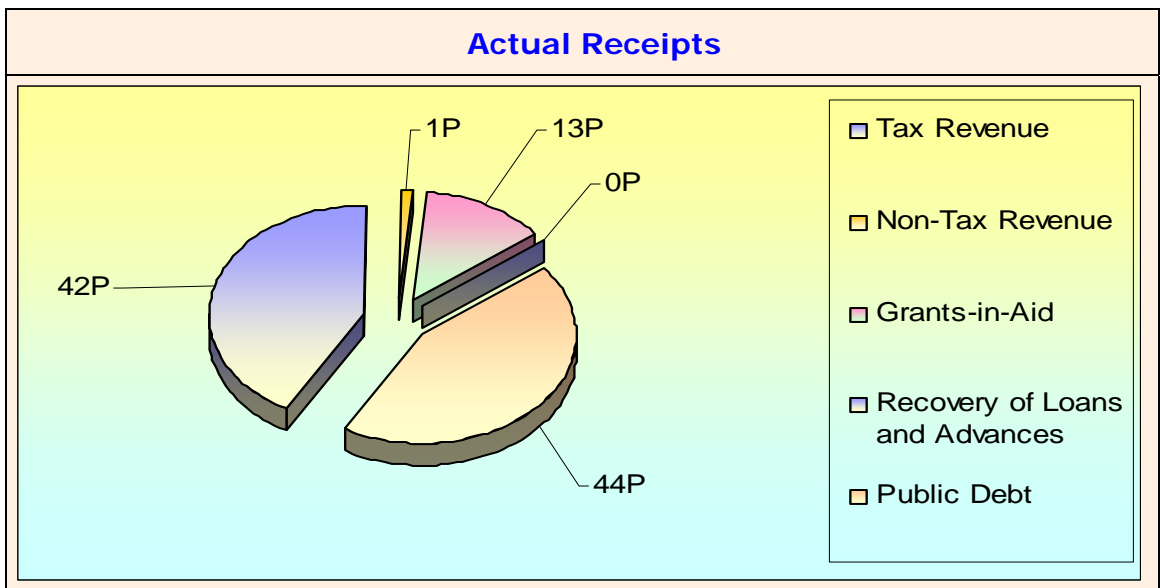
(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2011	169
	Revenue Receipts	58,755
	Recovery of Loans & Advances	78
	Public Debt	46,560
	Small Savings Provident Fund & Others	2,715
	Reserves & Sinking Funds	2,251
	Deposits Received	35,313
	Civil Advances Repaid	328
	Suspense Account	66,533
	Remittances	5,537
	Contingency Fund	0
	TOTAL	2,18,239

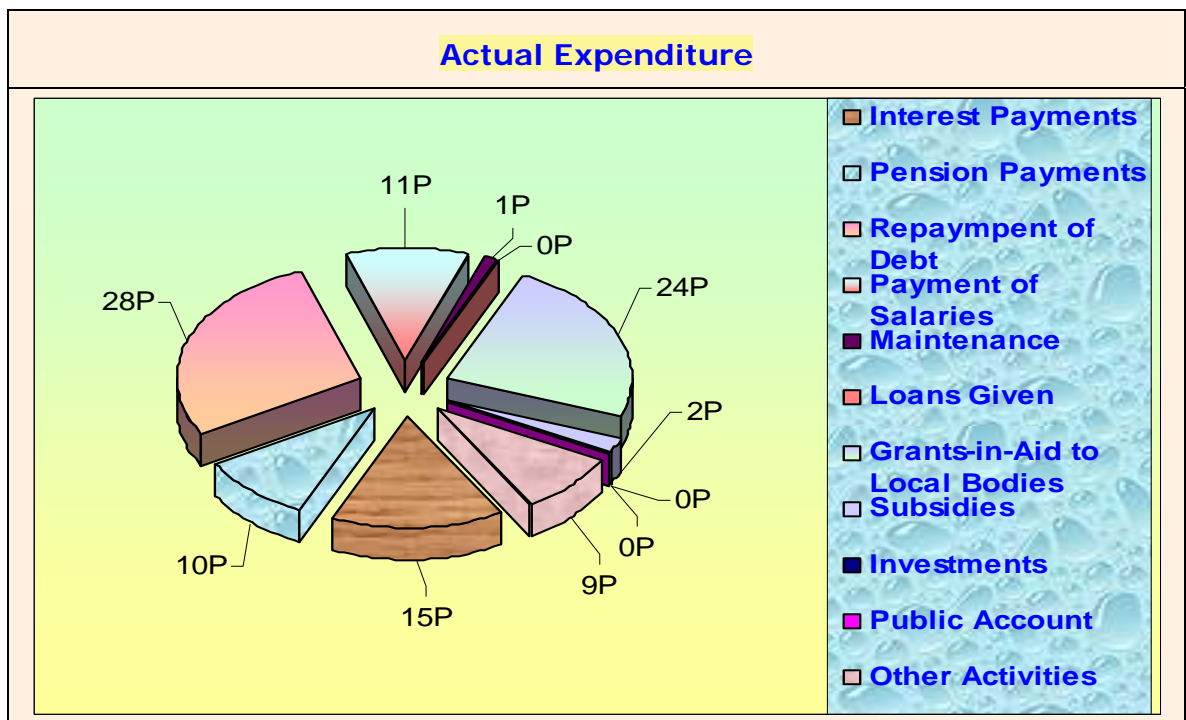
APPLICATION	Revenue Expenditure	73,326
	Capital Expenditure	2,764
	Loans Given	448
	Repayment of Public Debt	29,305
	Small Savings, Provident Fund & Others	1,683
	Reserves & Sinking Funds	1,592
	Deposits Spent	33,945
	Civil Advances Given	328
	Suspense Account	70,427
	Remittances	5,212
	Closing Cash Balance as on 31.03.2012	-791
	TOTAL	2,18,239

Note: The Suspense Accounts include ₹21,304.71 crore invested in treasury bills which is shown on the 'Application' side, and ₹18,236.28 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. 2011-12	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP(\$)
1	Tax Revenue (a)	46,857	43,526	93	8
2	Non-Tax Revenue	3,194	1,340	42	--
3	Grants-in-Aid & Contributions	15,797	13,889	88	3
4	Revenue Receipts (1+2+3)	65,848	58,755	89	11
5	Recovery of Loans and Advances	163	78	48	--
6	Borrowings & Other Liabilities (A)	15,561	17,705	114	3
7	Capital Receipts (5+6)	15,725	17,783	113	3
8	Total Receipts (4+7)	81,573	76,538	94	14
9	Non-Plan Expenditure (*)	57,033	59,322	104	11
10	NPE on Revenue Account	56,455	59,197	105	11
11	NPE on Interest Payments out of 10	15,093	15,896	105	3
12	NPE on Capital Accounts	578	125	22	--
13	Plan Expenditure (*)	24,540	17,216	70	3
14	PE on Revenue Account	17,684	14,129	80	3
15	PE on Capital Account	6,856	3,087	45	1
16	Total Expenditure (9+13)	81,573	76,538	94	14
17	Revenue Expenditure (10 + 14)	74,139	73,326	99	13
18	Capital Expenditure (12+15) (#)	7,434	3,212	43	1
19	Revenue Deficit(4-17) @	8,291	14,571	176	3
20	Fiscal Deficit (4+5-16) @	-15,561	-17,705	114	-3

(\$) G SDP figure of ₹5,49,876 crore adopted from the Economic Review 2011-2012-Statistical Appendix, Government of West Bengal.

(a) Includes State's Share of net proceeds of Taxes of ₹ 24,938 crore.

(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.

(*) Expenditure includes ₹125 crore under Non-Plan and ₹323 crore under Plan which pertains to Loans and Advances.

(#) Expenditure on Capital Account includes Capital Expenditure (₹2,764 crore) and Loans and Advances disbursed (₹448 crore).

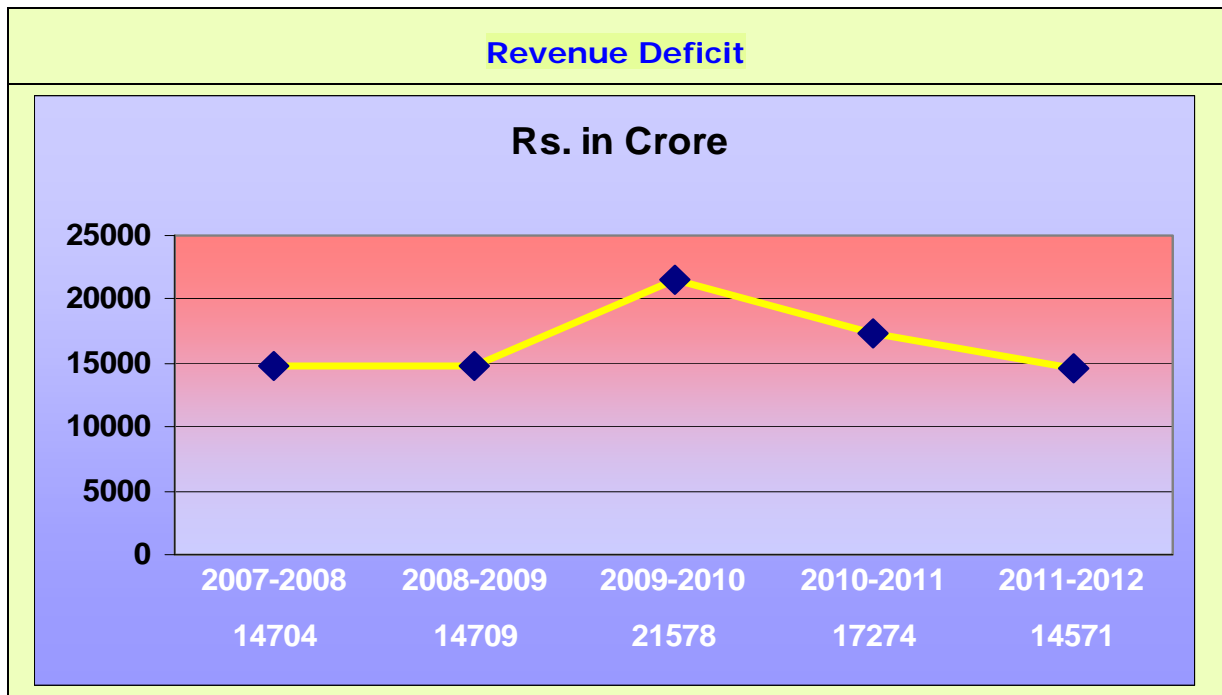
(@) In terms of the recommendations of the 13th Finance Commission contained in Para 9.117 of its report, debt relief sanctioned by Government of India, Ministry of Finance, Department of Expenditure in the form of write-off of Central Loans for an amount of ₹104.02 crore could not be considered for measuring fiscal performance of States in terms of Revenue/ Fiscal Deficit. The Actual Revenue Deficit, therefore, works out to ₹14,675.35 crore instead of ₹14,571.33 crore the actual Fiscal Deficit works out to ₹17,808.90 crore instead of ₹17,704.88 crore as shown above due to the impact of debt waiver.

1.6 What do the Deficits and Surpluses indicate?

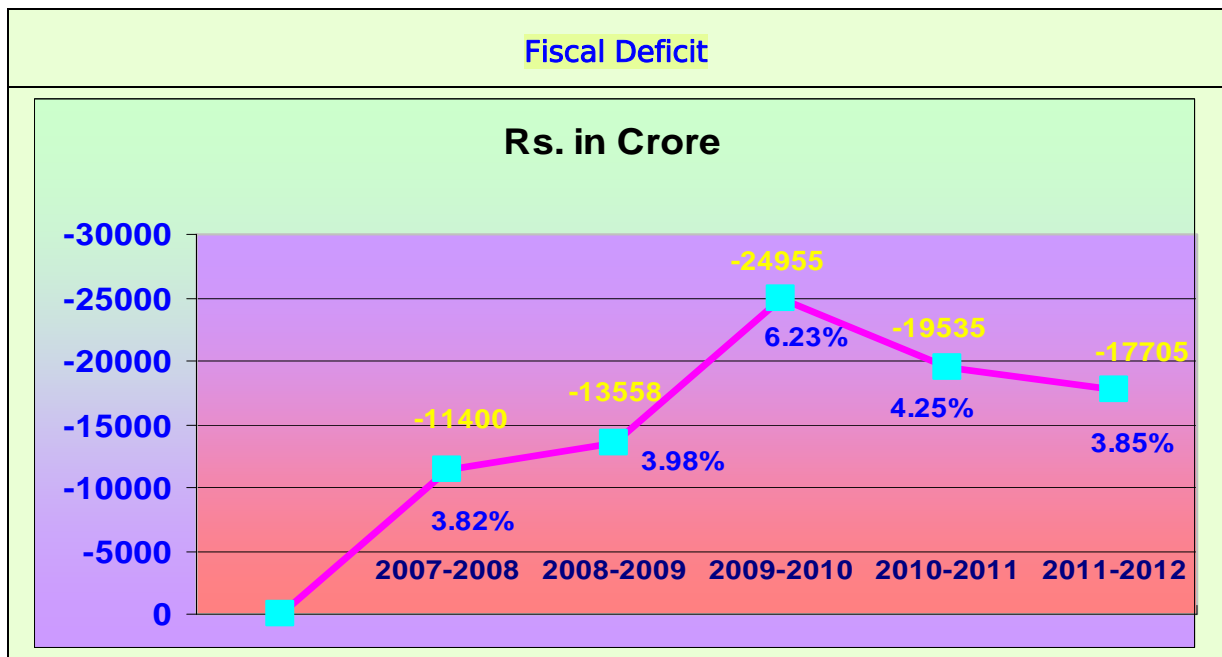
Deficit	Refers to the Gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure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

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 2012 is ₹14,675 crore.

1.6.1. Trend of Revenue Deficit



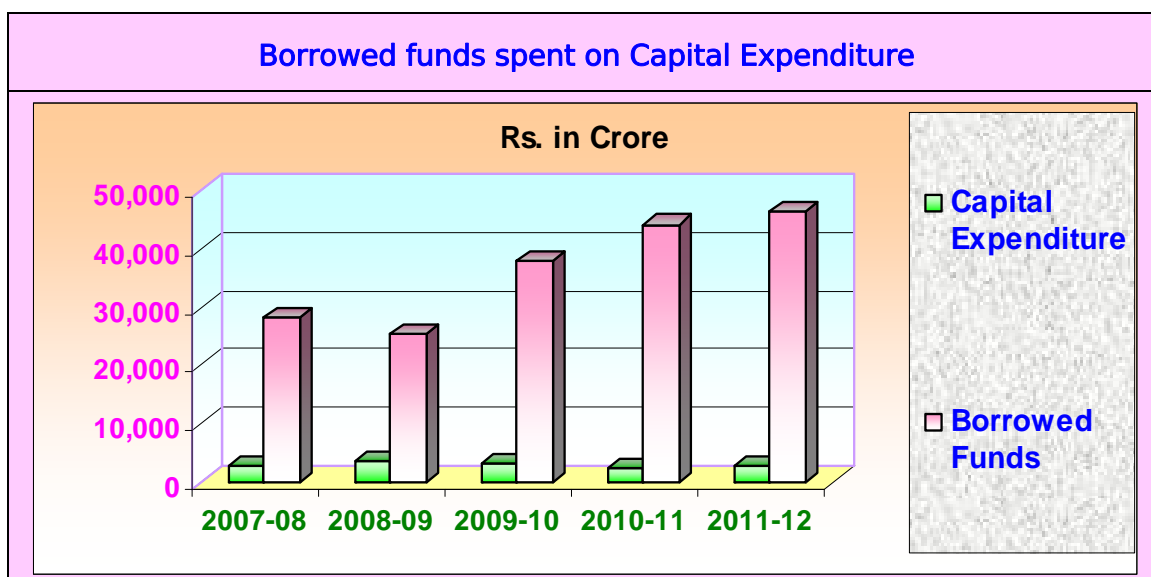
1.6.2. Trend of Fiscal Deficit



1.6.3. Proportion of borrowed funds spent on Capital expenditure.

(₹ in crore)

Year	Capital Expenditure	Borrowed Funds
2007-2008	2,688	28,196
2008-2009	3,705	25,255
2009-2010	3,011	37,832
2010-2011	2,226	44,174
2011-2012	2,764	46,560



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 6% of the borrowings of the current year (₹46,560 crore) on capital expenditure (₹2,764 crore). It would, therefore, appear that 94% of the public debt (₹43,796 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 HAPTER 2

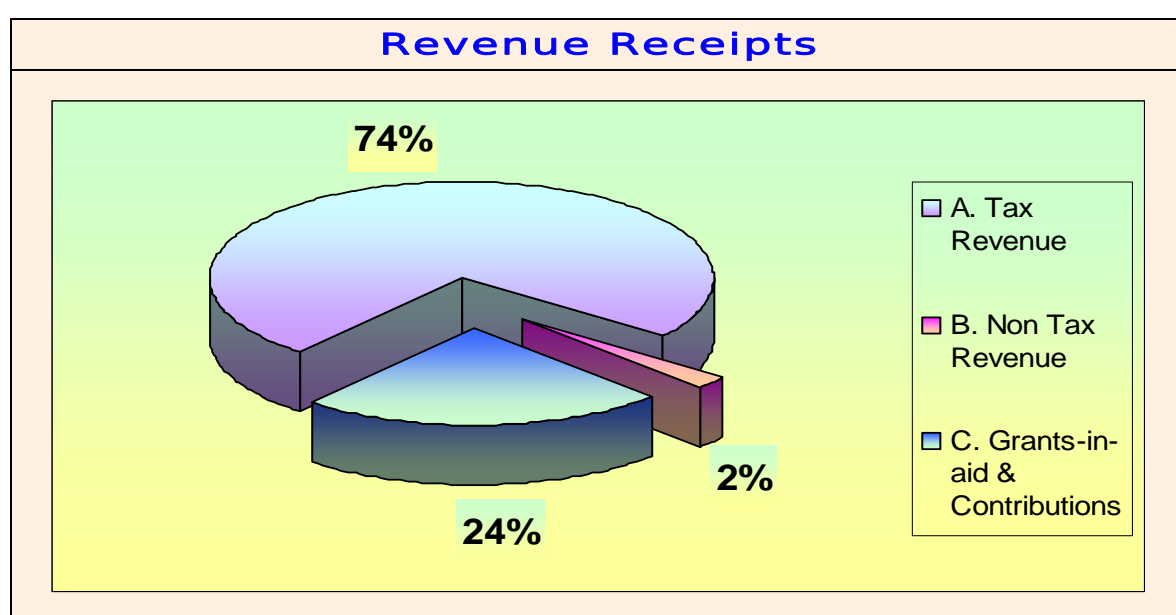
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital receipts. Total Receipts of the Government of West Bengal during 2011-2012 were ₹76,538 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, Materials & Equipments' 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 (2011-12)

(₹ in Crore)

Components	Actuals
A. Tax Revenue	43,526
Taxes on Income & Expenditure	11,470
Taxes on property & Capital Transactions	4,632
Taxes on Commodities & Services	27,424
B. Non-Tax Revenue	1,340
Interest Receipts, Dividends and Profits	329
General Services	513
Social Services	152
Economic Services	383
C. Grants-in-Aid & Contributions	13,889
Total – Revenue Receipts	58,755

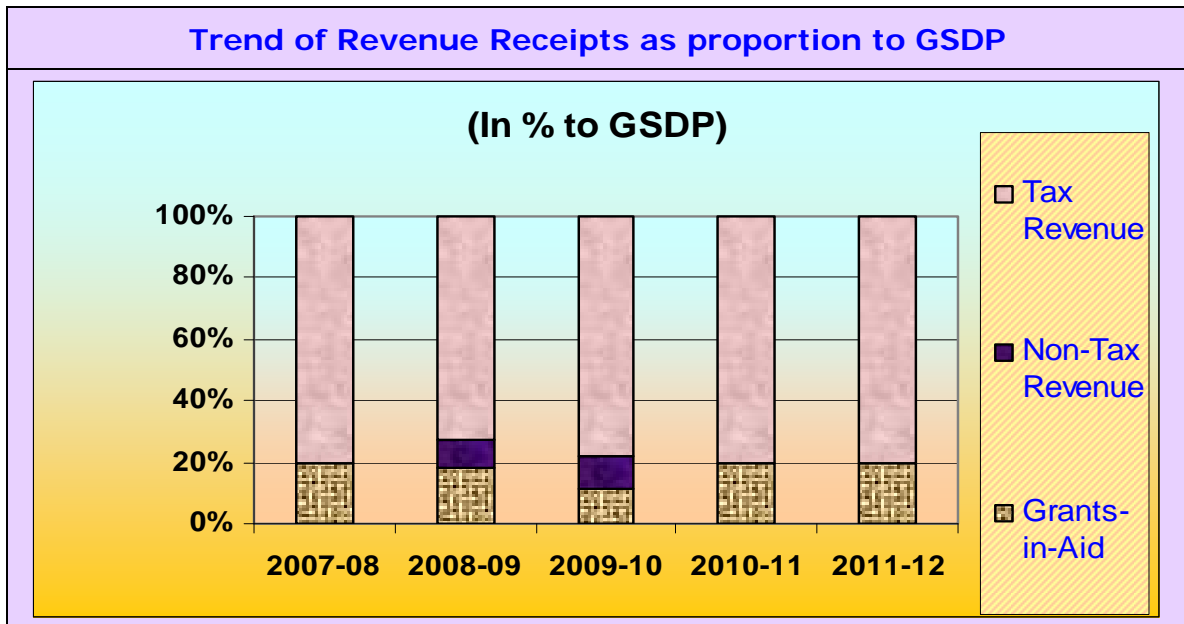
2.3. Trend of Receipts

(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax Revenue	23,855 (8)	25,741 (8)	28,548 (7)	37,084 (8)	43,526 (8)
Non-Tax Revenues	1,473 (0)	4,966 (1)	2,438 (1)	2,380 (0)	1,340 (0)
Grants-in-Aid	4,839 (2)	6,197 (2)	5,935 (1)	7,800 (2)	13,889 (3)
Total Revenue Receipts	30,167 (10)	36,904 (11)	36,922 (9)	47,264 (10)	58,755 (11)
GSDP	2,98,566	3,40,544	4,00,561	4,60,071	5,49,876

Note : Figures in parentheses represent percentage to GSDP.

Although the GSDP increased by 20% between 2010-11 and 2011-12, the growth in revenue collection was 24%. While tax revenue increased by 17%, non-tax revenues declined by 44%. The State's own revenue increased by 18% between 2010-11 (₹21,129 crore) and 2011-12 (₹24,938 crore), while Shares of Union taxes increased by 17%.

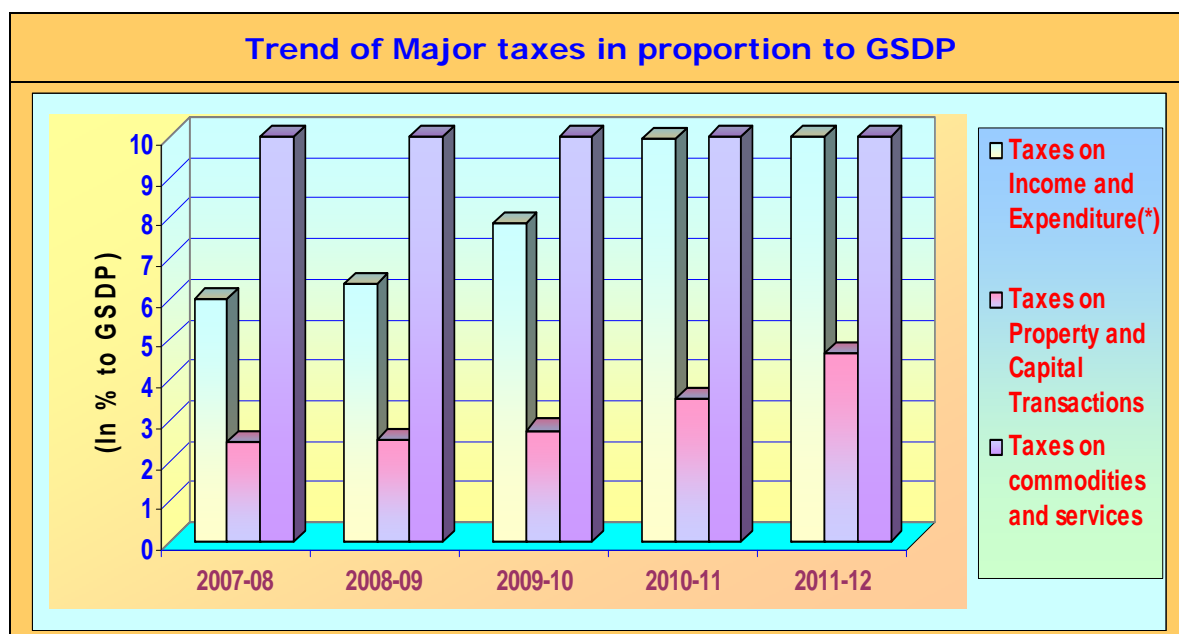


Sector-wise Tax Revenue

(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on Income and Expenditure	5,983	6,369	7,835	9,936	11,470
Taxes on Property and Capital Transactions	2,460	2,497	2,754	3,532	4,632
Taxes on Commodities and Services	15,412	16,875	17,959	23,616	27,424
Total Tax Revenues	23,855	25,741	28,548	37,084	43,526

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', 'Land Revenue', 'State Excise' 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)
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%
2011-12	43,526	18,588	24,938	4.54%

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)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	2,461	2,497	2,754	3,532	4,632
Expenditure on Collection	393	408	625	672	663
Efficiency of Tax Collection	16%	16%	23%	19%	14%

B. Taxes on Commodities and Services

(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	15,412	16,875	17,959	23,616	27,424
Expenditure on Collection	158	182	253	285	279
Efficiency of Tax Collection	1%	1%	1%	1%	1%

Taxes on commodities and services form a major chunk of Tax Revenue. However, Tax collection efficiency on 'Taxes on Property and Capital Transactions' can be improved.

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

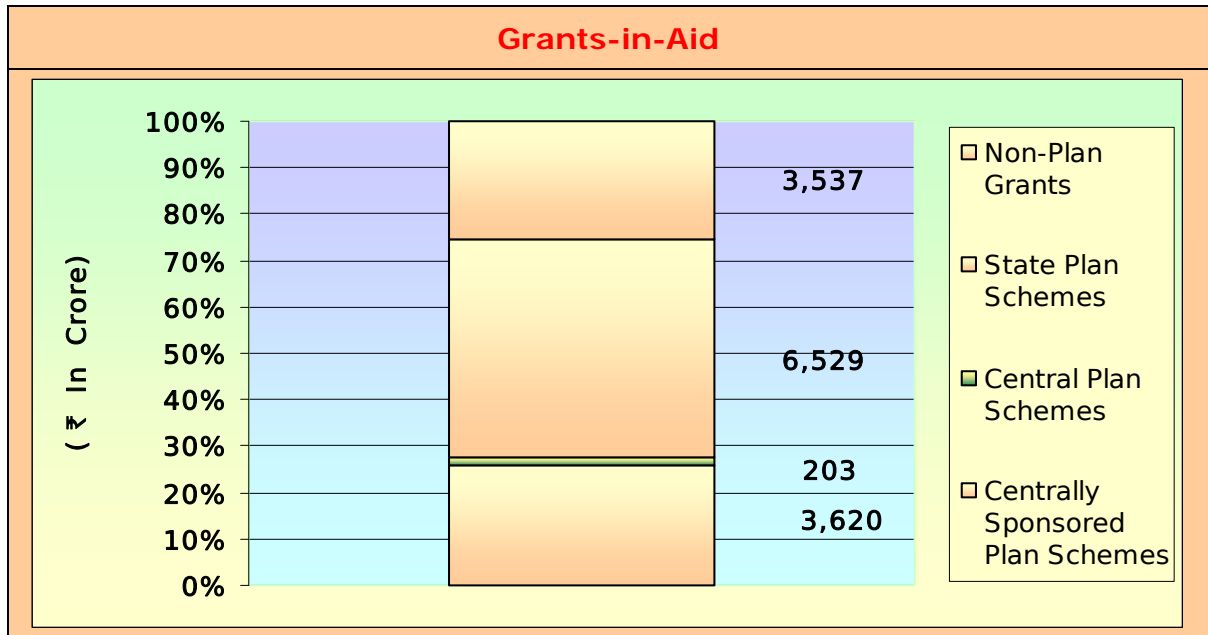
(₹ in Crore)

Major Head description	2007-08	2008-09	2009-10	2010-11	2011-12
Corporation Tax	3,405	3,712	4,794	6,236	7,316
Taxes on Income other than Corporation Tax	2,285	2,331	2,670	3,295	3,716
Taxes on Wealth	4	4	11	13	28
Customs	2,028	2,164	1,630	2,790	3,223
Union Excise Duties	1,936	1,888	1,313	2,030	2,085
Service Tax	1,071	1,223	1,230	1,591	2,219
Other taxes and Duties on Commodities and Services					
State Share of Union Taxes	10,729	11,322	11,648	15,955	18,588
Total Tax Revenue	23,855	25,741	28,548	37,084	43,526
% of Union Taxes to Total Tax Revenue	45	44	41	43	43

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 accounted for under the Major Head "1601- Grants-in-Aid from Central Government"

The share of non-plan grants in total Grants-in-Aid decreased from 33% during 2010-11 to 25% in 2011-12, while, the share of grants for Plan Schemes increased from 40% in 2010-11 to 47% in 2011-12. Total receipts during 2011-2012 under Grants-in-Aid were ₹13,889 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	2007-08	2008-09	2009-10	2010-11	2011-12
Internal Debt	11,376	11,722	21,844	18,203	17,346
Central Loans	(-) 623	(-) 585	(-) 1,009	(-) 249	(-) 90
Total Public Debt	10,753	11,137	20,835	17,954	17,256

Note : Figures represent as net of receipts and repayments.

In 2011-2012, fifteen loans at par totaling ₹22,191 crore at interest rates varying from 8.36% to 9.36% and redeemable in the year 2020-2021 were raised from the open market. In addition, the State Government raised ₹22,268 crore from financial institutions (including other adjustments) and ₹1,659 crore from the National Small Savings Fund (NSSF). Thus, the internal debt totalled ₹46,118 crore. During 2011-12 Government of West Bengal also received ₹443 crore from Government of India as loans and advances.

C HAPTER – 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 ₹73,326 crore for 2011-12 was almost at par with budget estimates of ₹74,139 crore.

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

	(₹ In Crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Budget Estimates	37,840	43,776	60,253	64,502	74,139
Actuals	38,314	51,613	58,500	64,538	73,326
Gap	-474	-7,837	1,753	-36	813
% of gap over BE	-1%	-18%	3%	0%	1%

3.2.1. Sectoral distribution of Revenue Expenditure (2011-12)

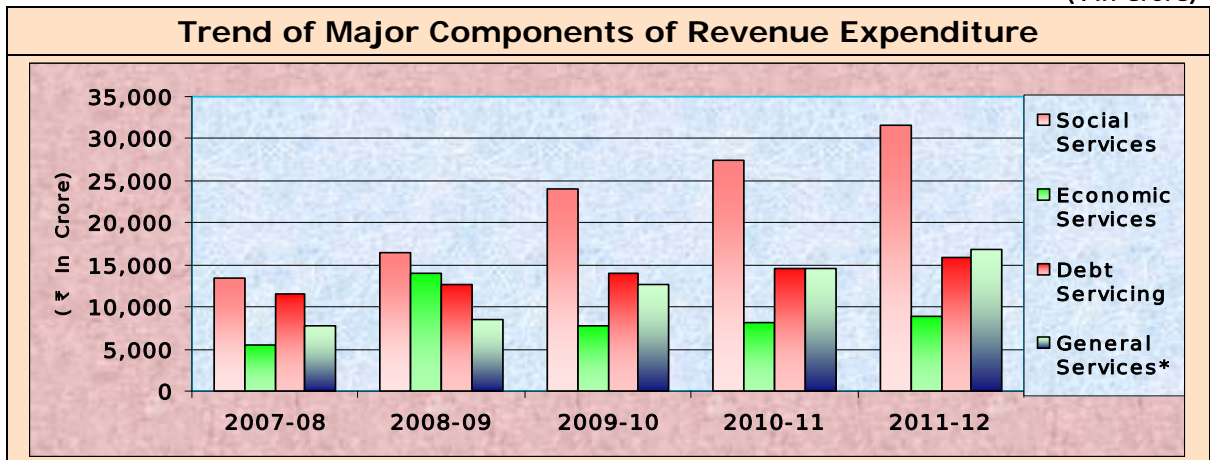
(₹ In Crore)		
Components	Amount	Percentage
A. Fiscal Services	988	1
(i) Collection of Taxes on Income and Expenditure	21	-
(ii) Collection of Taxes on Property and Capital transactions	663	1
(iii) Collection of Taxes on Commodities and Services	279	-
(iv) Other Fiscal Services	25	-
B. Organs of State	549	1
C. Interest Payments and Servicing of debt	15,896	22
D. Administrative Services	4,754	6
E. Pensions and Miscellaneous General Services	10,102	14
F. Social Services	31,564	43
G. Economic Services	8,969	12
H. Grants-in-Aid and Contributions	504	1
Total Expenditure (Revenue Account)	73,326	100

3.2.2. Major components of Revenue Expenditure for last five years

(₹ In Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Social Services	13,463	16,385	23,996	27,343	31,564
Economic Services	5,554	14,025	7,742	8,091	8,969
Debt Servicing	11,594	12,741	14,037	14,517	15,896
General Services*	7,703	8,462	12,725	14,587	16,898

(₹ In Crore)



*General Services excludes MH 20 48 (Appropriation for reduction of debt), MH 20 49 (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 25% of total Revenue expenditure during last five years.

3.3. Capital Expenditure

Capital disbursements for 2011-12 amounting to ₹ 3,212 crore (including Loans and Advances) at 0.6% of GSDP were less than Budget Estimates by ₹ 4,222 crore mainly due to less disbursement under Non-plan and Plan Expenditure. Over the last 2 years, Capital Expenditure has declined with respect to its budget. This can be viewed from the following table:

(₹ In Crore)

Sl. No.	Components	2007-08	2008-09	2009-10	2010-11	2011-12
1.	Budget (B.E.)	2,720	3,072	5,107	5,552	7,434
2.	Actual Expenditure (#)	2,688	3,705	3,011	2,226	2,764
3.	% of Actual Expenditure to B.E.	99%	121%	59%	40%	37%
4.	Growth in Capital Expenditure	33%	38%	-19%	-26%	24%
5.	GSDP (*)	2,98,566	3,40,544	4,00,561	4,60,071	5,49,876
6.	Growth in GSDP	14%	14%	18%	15%	20%

(#) Does not include expenditure on Loans and Advances.

(*) GSDP figure adopted from the Economic Review 2011-2012-Statistical Appendix, Government of West Bengal.

3.3.1. Sectoral distribution of Capital Expenditure

Expenditure on Economic Services constitute the major chunk of Capital Expenditure. During 2011-12, the Government spent ₹767 crore on transport, ₹420 crore on Irrigation and Flood Control, ₹299 crore on Special Area Programme and ₹157 crore on Agriculture and Allied Activities. In Social Services, the Government spent ₹394 crore on Health and Family Welfare and ₹222 crore on Water Supply, Sanitation, Housing and Urban Development.

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

(₹ In Crore)

Sl. No.	Sector	2007-08	2008-09	2009-10	2010-11	2011-12
1.	General services(Capital)	67	144	157	107	122
	General services(Revenue)	18,667	20,775	26,357	28,680	32,289
2.	Social Services(Capital)	766	1,194	890	476	793
	Social Services(Revenue)	13,463	16,385	23,996	27,343	31,564
3.	Economic services(Capital)	1,854	2,368	1,964	1,643	1,849
	Economic services(Revenue)	5,554	14,025	7,742	8,091	8,969

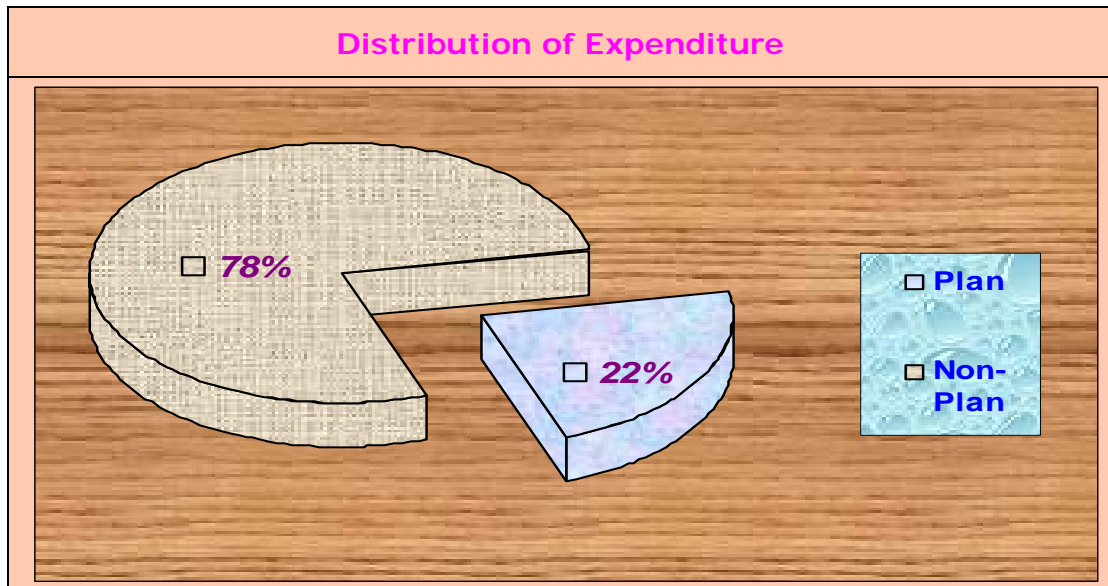
Note: 1. Capital Expenditure does not include Loans and Advances.

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

C HAPTER – 4

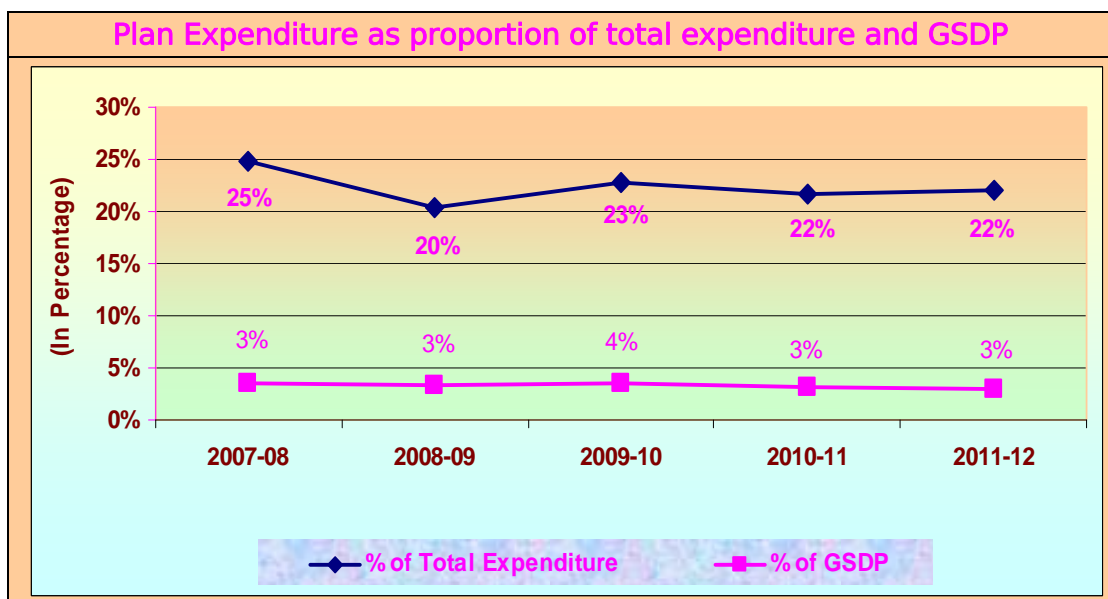
PLAN & NON-PLAN EXPENDITURE

4.1. Distribution of expenditure (2011-2012)



4.2. Plan Expenditure

During 2011-2012, Plan Expenditure, representing 22 percent of total disbursements, was ₹16,893 crore (₹13,754 crore under State Plan, ₹2,951 crore under Centrally Sponsored, ₹188 crore under Central Sector New Schemes and ₹323 crore under Loans and Advances Plan Schemes).



4.2.1. Plan expenditure under Capital Account

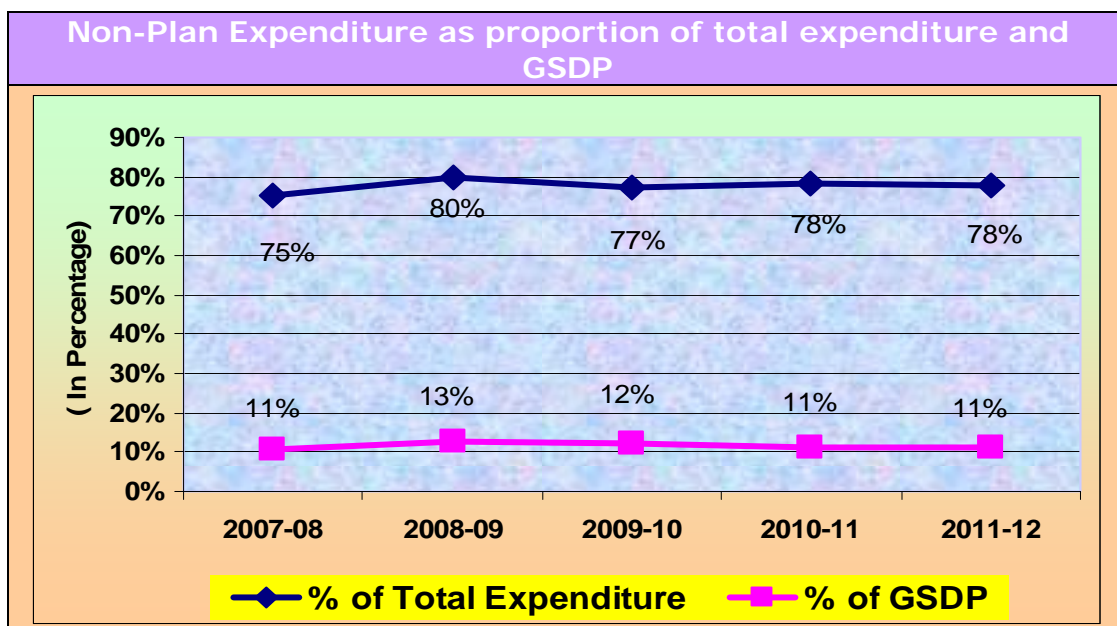
(₹ In Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Total Capital Expenditure	3,750	3,128	3,763	2,634	3,212
Capital Expenditure (Plan)	3,684	3,073	4,192	2,569	2,764
% of Capital expenditure (Plan) to Total Capital Expenditure	98%	98%	111% #	98%	86%

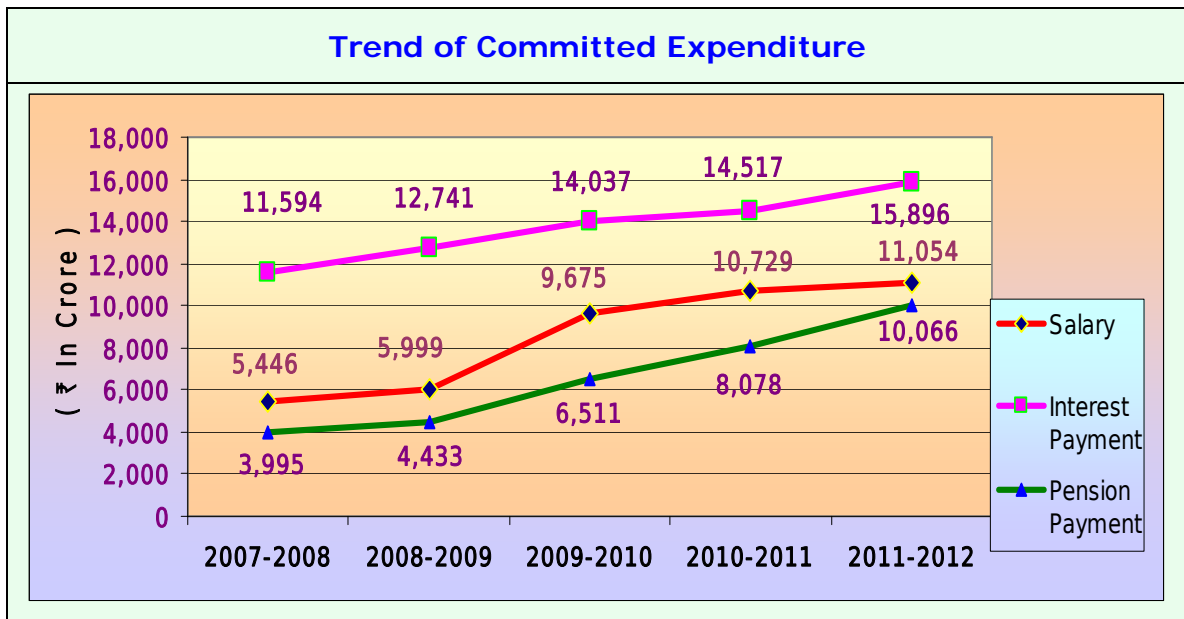
Note: Capital Expenditure includes Loans and Advances.
Percentage figure is due to minus expenditure in Non-plan.

4.3. Non-Plan Expenditure

During 2011-2012, Non-Plan Expenditure representing 78 per cent of total disbursements, was ₹59,645 crore, (₹59,197 crore under Revenue and ₹448 crore under Capital).



4.4. Committed Expenditure



(₹ in Crore)

Component	2007-08	2008-09	2009-10	2010-11	2011-12
Committed expenditure	21,035	23,173	30,223	33,324	37,016
Revenue Expenditure	38,314	51,613	58,500	64,538	73,326
% of committed expenditure to Revenue Receipts	70%	63%	82%	71%	63%
% of committed expenditure to Revenue expenditure	55%	45%	52%	52%	50%

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

C HAPTER -5

APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of West Bengal for the year 2011-2012 present the accounts of sums expended in the year 31st March 2012 compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Articles 204 and 205 of the Constitution of India.

5.1. Summary of Appropriation Accounts for 2011-12

(₹ In Crore)

Sl. No.	Nature of expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual Expenditure	Savings(-) Excess(+)
1.	Revenue Voted Charged	57,981 16,158	5,226 92	--	63,207 16,200	57,323 16,003	(-)5,884 (-)247
2.	Capital Voted Charged	6,857	355 1	--	7,212 1	2,763 1	(-)4,449 0
3.	Public Debt Charged	16,074	11,034	--	27,108	29,305	(+)2,197
4.	Loans and Advances Voted Charged	577	80	--	657	448 --	(-) 209
Total		97,647	16,787	--	1,14,434	1,05,842	(-)8,592

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

(₹ In Crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2007-08	(-)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
2011-12	(-)6,131	(-)4,449	(+)2,197	(-)209	(-)8,592

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 of Grant	2008-09	2009-10	2010-11	2011-12
14	Mass Education Extension and Library Services	16%	12%	22%	51%
16	Environment	68%	32%	28%	57%
28	Housing	17%	75%	70%	72%
29	Industrial Reconstruction	93%	69%	71%	83%
31	Information Technology	19%	17%	82%	70%
32	Irrigation and Waterways	24%	30%	52%	68%
48	Science and Technology	19%	23%	44%	49%
55	Water resources Investigation & Development	13%	19%	50%	56%

During 2011-12, Supplementary grants totaling ₹16,789 crore (16% 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 of Grant	Original	Supplementary	Actual Expenditure
05	Agriculture	835	49	829
15	School Education	12,964	1,038	12,881
24	Health and Family Welfare	4,055	160	3,832
25	Public Works	1,868	18	1,705
27	Home	3,793	431	3,637
33	Jails	172	13	155
45	Public Health Engineering	1,032	12	631

C HAPTER –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 institutions of the State Government stood at ₹11,156.43 crore at the end of 2011-12. However, dividends received during the year were ₹1.33 crore (0.01%) on investment. During 2011-12, investment increased by ₹306.01 crore, while dividend income increased by ₹0.26 crore.

Cash Balance with RBI stood at ₹168.77 crore on 31st March 2011 and decreased to ₹791.88 crore at the end of March, 2012.

6.2. Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

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

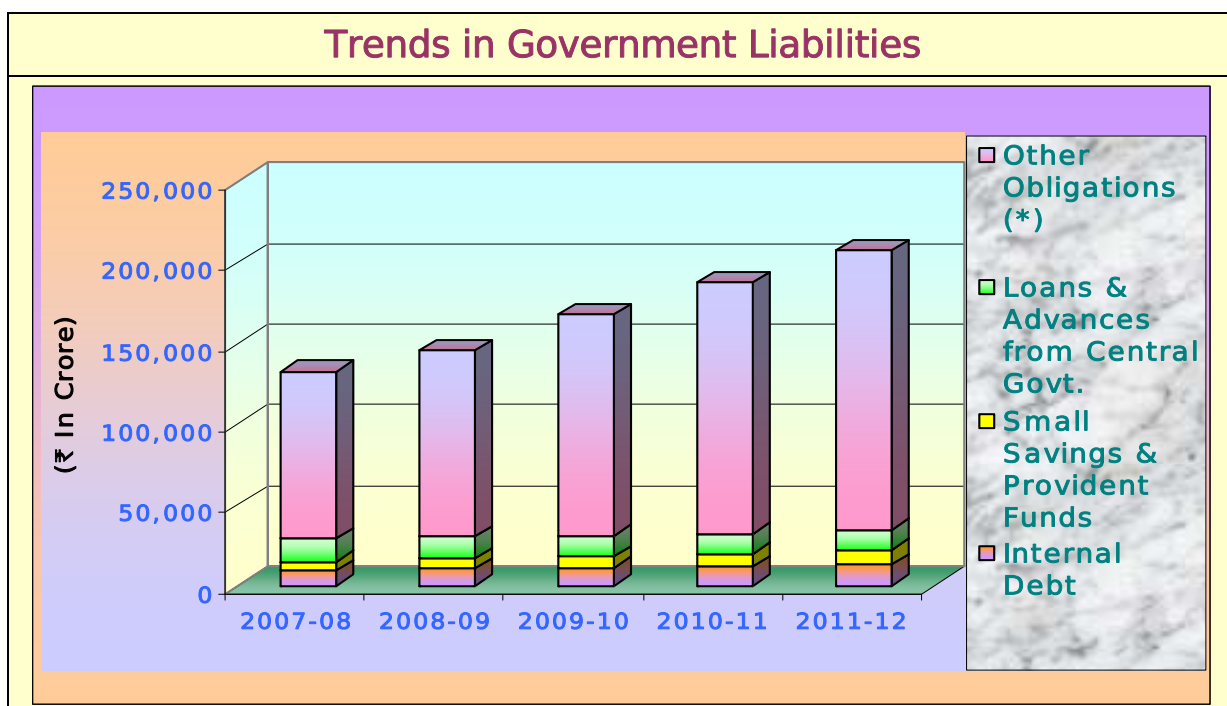
(₹ In Crore)

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
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%
2011-12	1,84,698	34%	22,974	4%	2,07,672	38%

(*) Excludes suspense and remittance balances.

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

During last five years Public Debt increased by 57%.



(*) 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 2012	
		Principal	Interest
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
2011-12	20,106	10,192	29

The Government of West Bengal has included a disclosure in the FRBM Document that no Guarantee Redemption Fund to take care of any Contingent liabilities arising out of State Government Guarantee has been set up till date.

C HAPTER -7

OTHER ITEMS

7.1. Internal Debt

During 2011-12, Loans amounting to ₹6.15 crore were taken from National Co-operative Development Corporation (NCDC) and loans for ₹856.46 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 2011-12 was ₹14,352 crore. Of this, Loans and Advances to Government Corporations / Companies, Non-Government Institutes and Local Bodies amounted to ₹14,308 crore. During the year, ₹163 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 Samities	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
2011-12	159	2,365	2,511	21,733	26,768

Note: Figures based on expenditure under the Object Head (31) Grants-in-Aid across Major Heads and under the Major Head "3604" 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 2011	As on 31 st March 2012	Net increase (+)/decrease(-)
Cash Balances	169	(-)791	(-)960
Investments from cash balance (GOI Treasury Bills)	(-)1	3,068	3,069
Investments from earmarked fund balances	5,481	6,118	637
(a) Sinking Fund	5,480	6,117	637
(b) Guarantee Redemption Fund	--	--	
(c) Other Funds	1	1	0
Interest realised	64	54	(-)10

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 2011-12, only 57% (₹60,167 crore) of the total expenditure and 38% (₹40,432 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 4.30 days, 7 days and 5.26 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 2012, 11,869 DC bills amounting to ₹1,049 crore were outstanding.