

Accounts at a glance

2012-13

Government of West Bengal

PREFACE

This is the fifteenth 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: 7 February 2014

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CHAPTER -I

OVERVIEW

1.1 Introduction

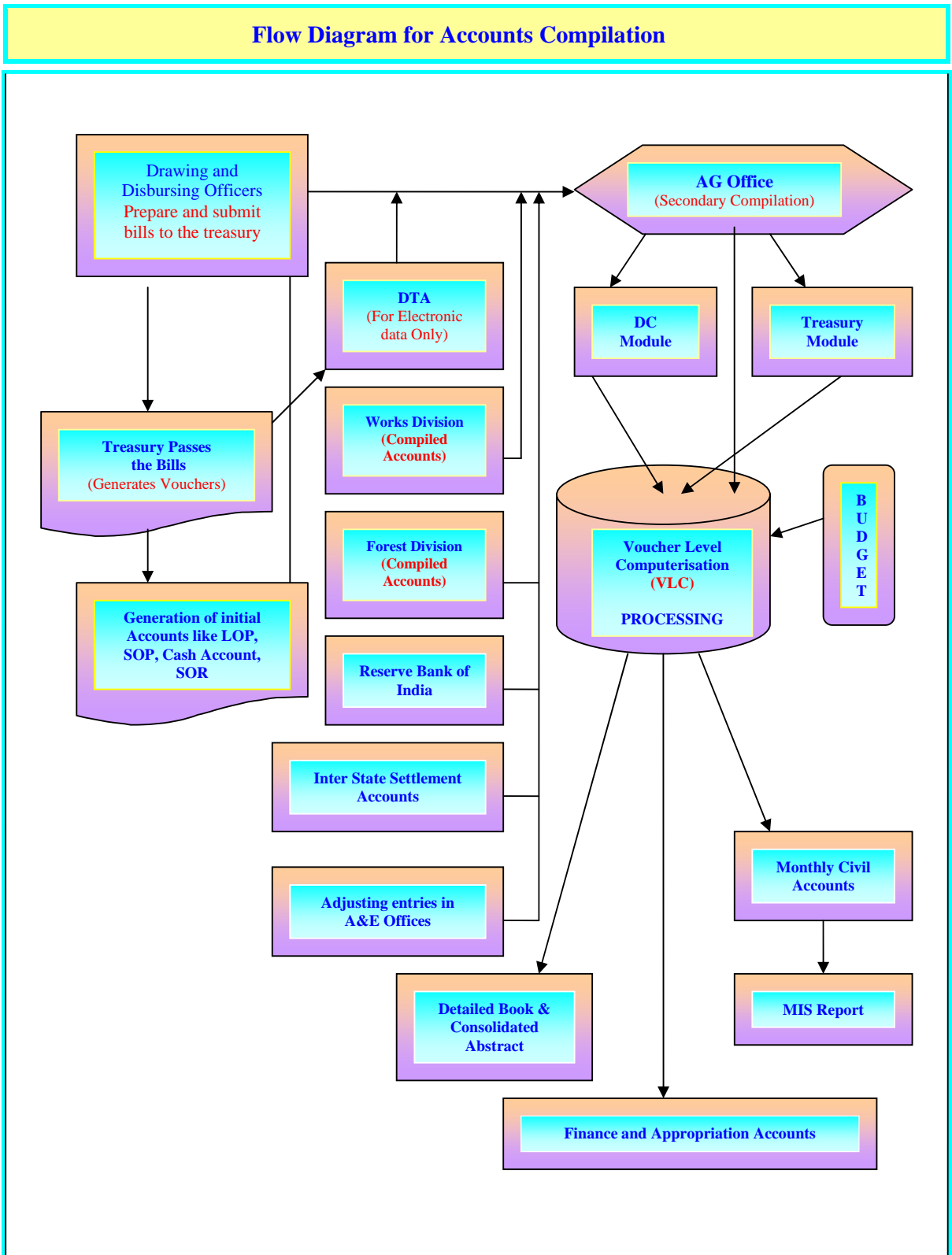
The Accountant General (Accounts and Entitlement), West Bengal compiles the accounts of receipts and disbursements of the Government of West Bengal. This compilation is based on the initial accounts rendered by the State Treasuries, Pay and Accounts Offices (PAOs) located in Kolkata and New Delhi, compiled 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 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 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 I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of overall receipts and disbursements and “Notes to Accounts” containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarised 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 2012-13 are detailed below:

(₹ in Crore)

Receipts (Total : 87,722)	Revenue (Total : 68,296)	Tax Revenue	54,035
		Non Tax Revenue	1,918
		Grants-in-Aid	12,343
	Capital (Total : 19,426)	Recovery of Loans and Advances	280
		Borrowing and other Liabilities (*)	19,146
Disbursements (Total : 87,722)	Revenue		82,111
	Capital		4,547
	Loans and Advances		1,064

(*) **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 ₹8,509 crore (₹7,647 crore last year) to State Implementing Agencies and 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 II of the Finance Accounts.

1.3.2. Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with the authorisation of the Legislature. Barring certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “voted”. The Budget of the West Bengal Government has 62 Voted Grants and 01 Charged Appropriation in the current year.

The gross Expenditure Budget Provision (charged & voted) for 2012-13 was ₹ 1,31,286.68 crore and reduction of expenditure (recoveries) of ₹ 3,012.48 crore. Against this, the actual gross expenditure was ₹ 1,15,548.64 crore and reduction of expenditure was ₹1,991.88 crore, resulting in net savings of ₹15,738.04 crore (12 per cent) in respect of expenditure and net saving of ₹1,020.60 crore (34 per cent) on reduction of expenditure. The gross expenditure includes ₹253.67 crore drawn on Abstract Contingent (AC) Bills (no. of AC Bills 2,735), which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2012-13, ₹1,051.76 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 Governments 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 2012-13, the Government of West Bengal resorted to OD facilities for 14 days, Special Ways and Means Advances for 96 days and Normal Ways and Means Advances for 33 days.

1.4.2. Fund flow statement

The State had a Revenue Deficit of ₹13,815 crore and a Fiscal Deficit of ₹19,146 crore representing 2.19 per cent and 3.04 per cent of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 22 per cent of total expenditure. This deficit was met solely from Public Debt (₹18,149 crore). Around 59 per cent of the Revenue Receipts (₹68,296 crore) of the State Government was spent on committed expenditure like Salaries (₹11,556 crore), Interest payment (₹17,621 crore) and Pensions (₹11,036 crore).

¹Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Review 2012-13 – Statistical Appendix, Government of West Bengal.

Sources and Application of Funds

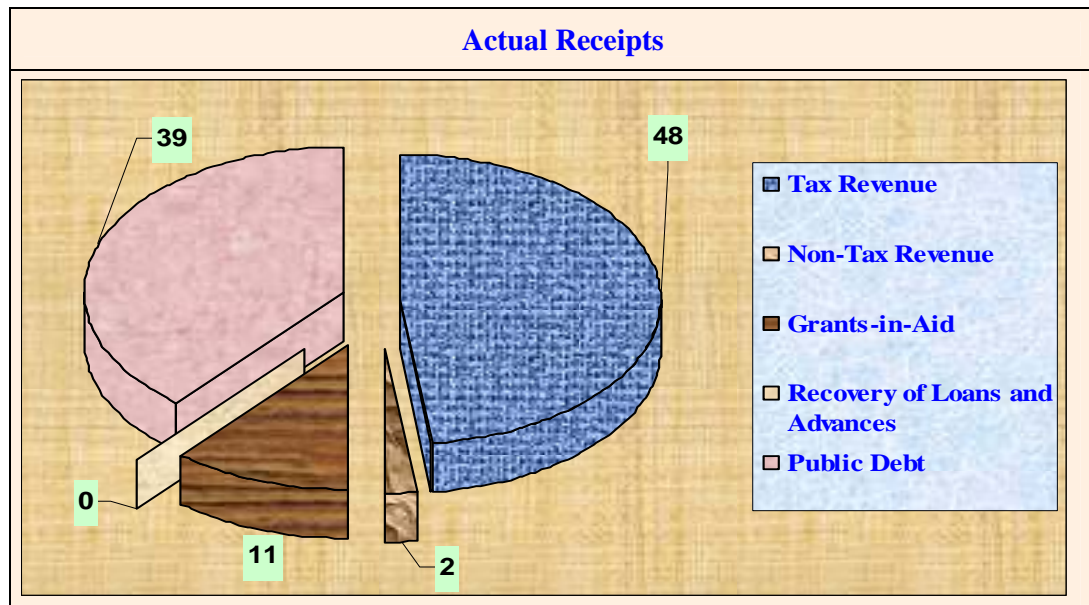
(₹ in Crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1 April 2012	(-) 791
	Revenue Receipts	68,296
	Recovery of Loans & Advances	280
	Public Debt	43,984
	Small Savings Provident Fund & Others	2,927
	Reserves & Sinking Funds	1,108
	Deposits Received	38,311
	Civil Advances Repaid	124
	Suspense Account	89,799
	Remittances	7,422
	Contingency Fund	1
	TOTAL	2,51,461

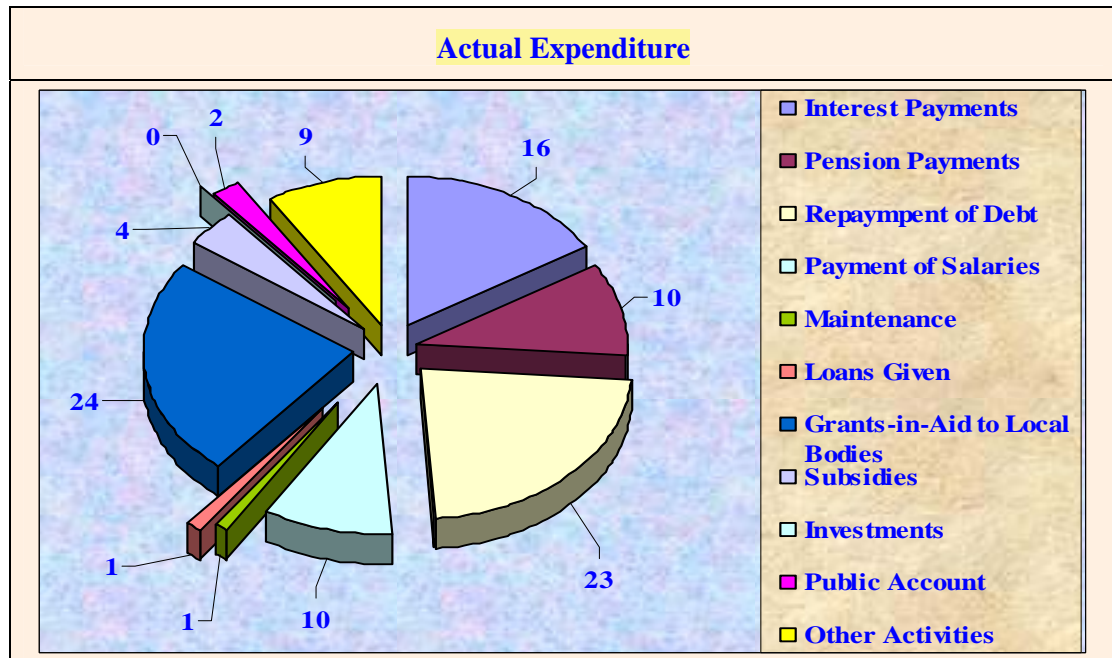
APPLICATION	Revenue Expenditure	82,111
	Capital Expenditure	4,547
	Loans Given	1,064
	Repayment of Public Debt	25,835
	Small Savings, Provident Fund & Others	1,982
	Reserves & Sinking Funds	1,071
	Deposits Spent	35,367
	Civil Advances Given	124
	Suspense Account	91,761
	Remittances	7,194
	Closing Cash Balance as on 31 March 2013	405
	TOTAL	2,51,461

Note: The Suspense Accounts include ₹35,217.66 crore invested in treasury bills which is shown on the 'Application' side, and ₹33,821.13 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)

	Components	B.E. 2012-13	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP(\$)
1	Tax Revenue (a)	53,198	54,035	101	9
2	Non-Tax Revenue	3,263	1,918	59	0
3	Grants-in-Aid & Contributions	20,282	12,343	61	2
4	Revenue Receipts (1+2+3)	76,743	68,296	89	11
5	Recovery of Loans and Advances	54	280	518	-
6	Borrowings & Other Liabilities (A)	15,915	19,146	120	3
7	Capital Receipts (5+6)	15,973	19,426	122	3
8	Total Receipts (4+7)	92,716	87,722	95	14
9	Non-Plan Expenditure (*)	65,649	65,231	99	10
10	NPE on Revenue Account	64,932	64,436	99	10
11	NPE on Interest Payments out of 10	18,109	17,571	97	3
12	NPE on Capital Accounts	717	795	111	-
13	Plan Expenditure (*)	27,067	22,491	83	4
14	PE on Revenue Account	18,787	17,675	94	3
15	PE on Capital Account	8,279	4,816	58	1
16	Total Expenditure (9+13)	92,716	87,722	95	14
17	Revenue Expenditure (10 + 14)	83,719	82,111	98	13
18	Capital Expenditure (12+15) (#)	8,997	5,611	62	1
19	Revenue Deficit(4-17)	6,976	13,815	198	2
20	Fiscal Deficit (4+5-16)	15,919	19,146	120	3

(\$) GSDP figure of ₹6,30,384 crore adopted from the Economic Review 2012-13-Statistical Appendix, Government of West Bengal.

(a) Includes State's Share of net proceeds of Taxes of ₹ 21,226 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 ₹795 crore under Non-Plan and ₹269 crore under Plan which pertains to Loans and Advances.

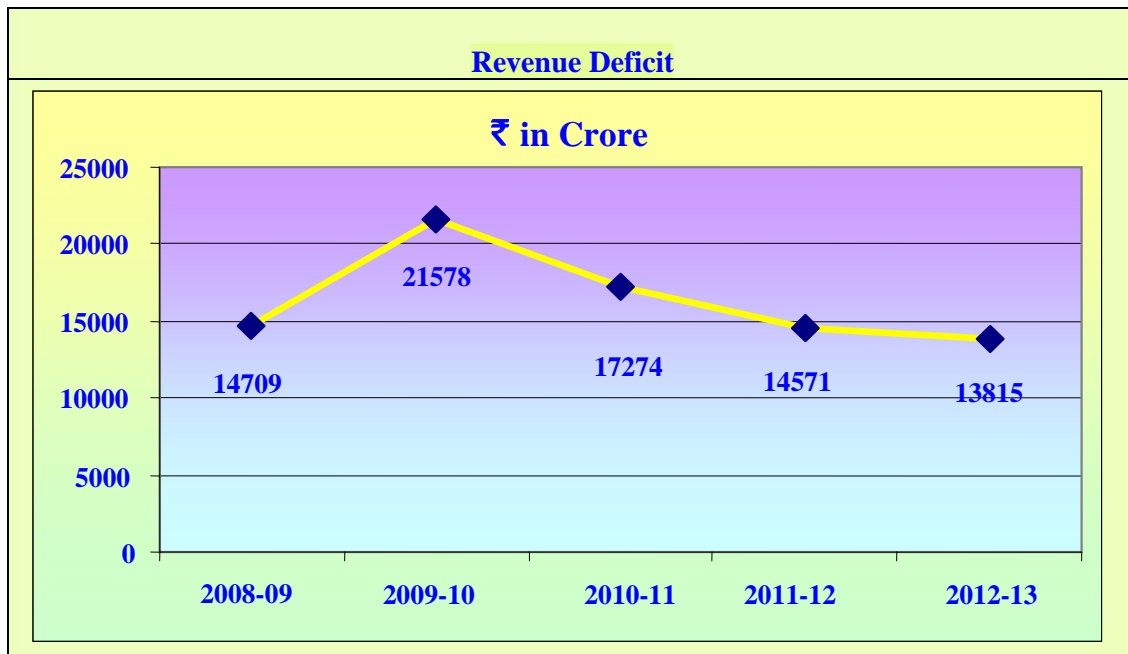
(#) Expenditure on Capital Account includes Capital Expenditure (₹4,547 crore) and Loans and Advances disbursed (₹1,064 crore).

1.6 What the Deficits and Surpluses indicate.

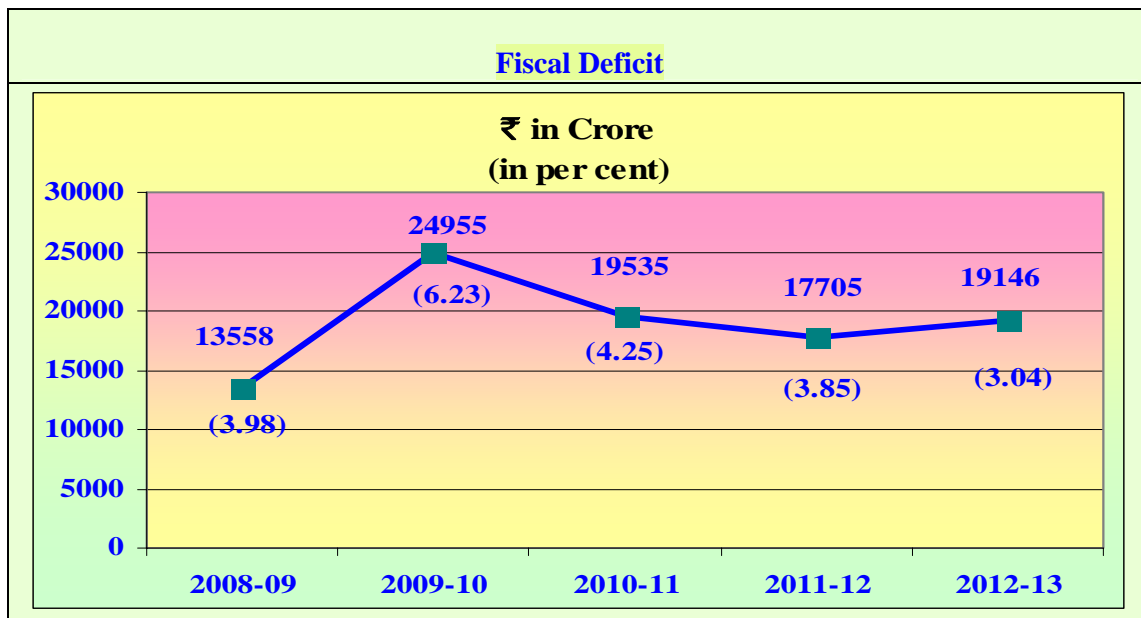
Deficit	Refers to the Gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure 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 31 March 2013 is ₹13,815 crore.

1.6.1. Trend of Revenue Deficit



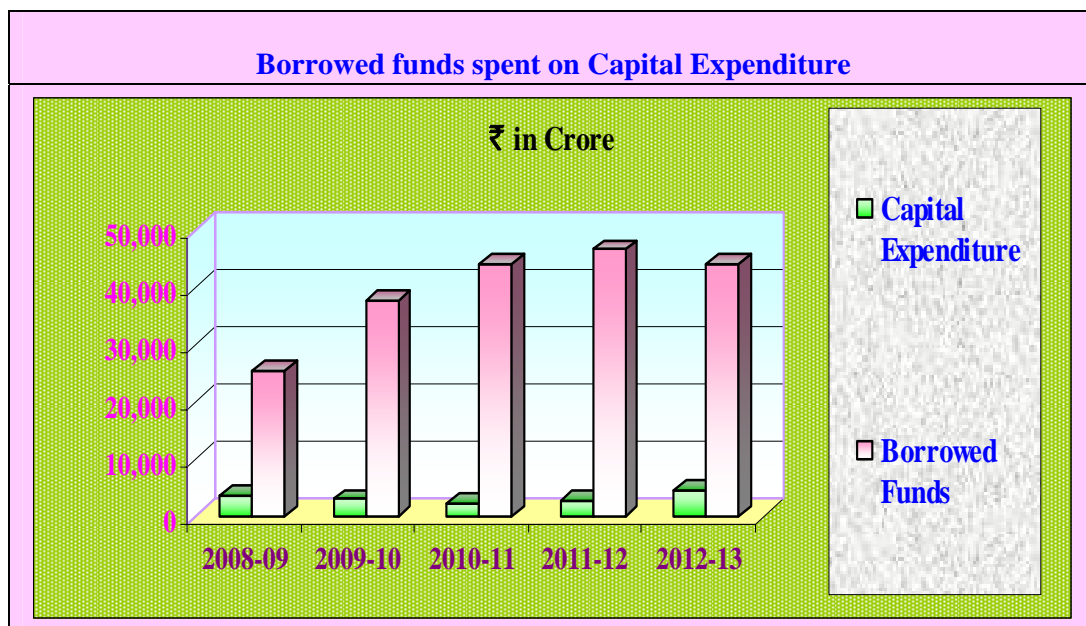
1.6.2. Trend of Fiscal Deficit



1.6.3. Proportion of borrowed funds spent on Capital expenditure.

(₹ in Crore)

Year	Capital Expenditure	Borrowed Funds
2008-09	3,705	25,255
2009-10	3,011	37,832
2010-11	2,226	44,174
2011-12	2,764	46,560
2012-13	4,547	43,984



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 10 per cent of the borrowings of the current year (₹43,984 crore) on capital expenditure (₹4,547 crore). It would, therefore, appear that 90 per cent of the public debt (₹39,437 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.

CHAPTER II

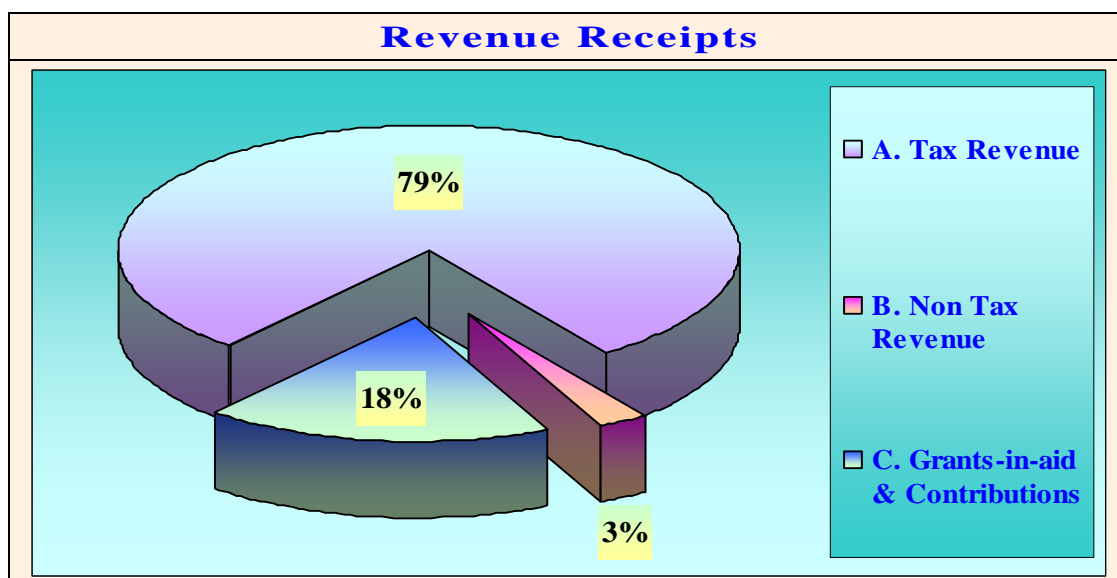
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital receipts. Total Receipts of the Government of West Bengal during 2012-13 were ₹87,722 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 (2012-13)

(₹ in Crore)

Components	Actuals
A. Tax Revenue	54,035
Taxes on Income & Expenditure	12,650
Taxes on property & Capital Transactions	6,394
Taxes on Commodities & Services	34,991
B. Non-Tax Revenue	1,918
Interest Receipts, Dividends and Profits	936
General Services	465
Social Services	184
Economic Services	333
C. Grants-in-Aid & Contributions	12,343
Total – Revenue Receipts	68,296

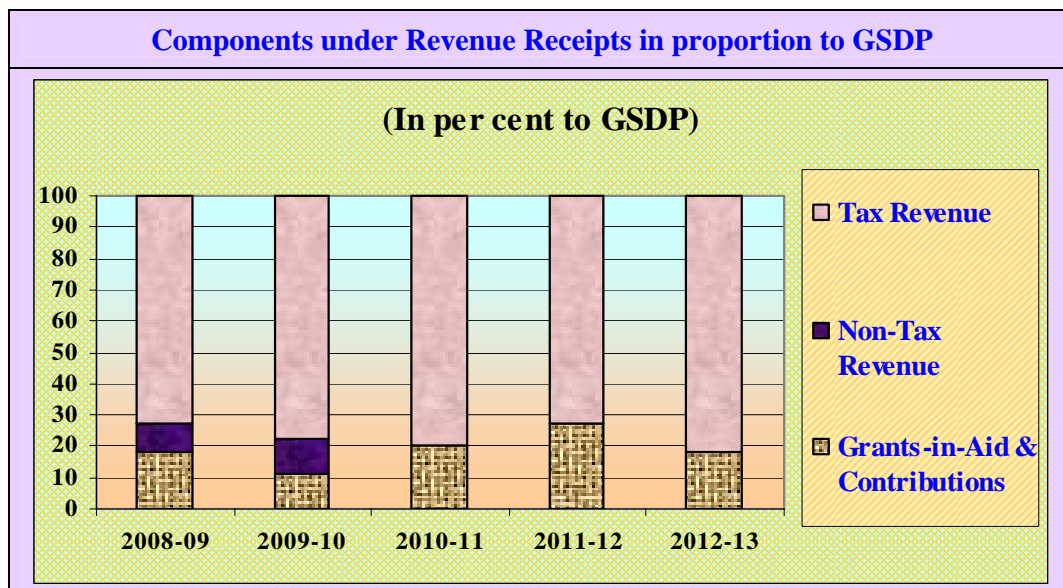
2.3. Trend of Receipts

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Tax Revenue	25,741 (8)	28,548 (7)	37,084 (8)	43,526 (8)	54,035 (9)
Non-Tax Revenue	4,966 (1)	2,438 (1)	2,380 (0)	1,340 (0)	1,918 (0)
Grants-in-Aid and Contributions	6,197 (2)	5,935 (1)	7,800 (2)	13,889 (3)	12,343 (2)
Total Revenue Receipts	36,904 (11)	36,922 (9)	47,264 (10)	58,755 (11)	68,296 (11)
GSDP	3,40,544	4,00,561	4,60,071	5,49,876	6,30,384

Note : Figures in parentheses represent percentage to GSDP.

Although the GSDP increased by 15 per cent between 2011-12 and 2012-13, the growth in revenue collection was 16 per cent. While tax revenue increased by 24 per cent, non-tax revenues increased by 43 per cent. The State's own revenue increased by 32 per cent between 2011-12 (₹24,938 crore) and 2012-13 (₹ 32,808 crore), while Shares of Union taxes increased by 14 per cent.

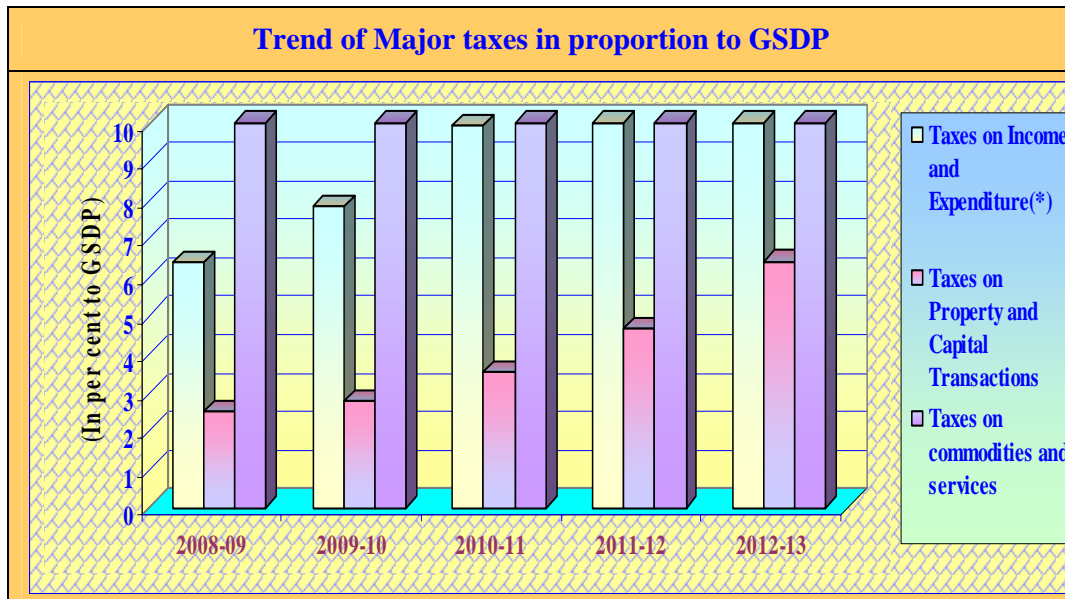


Sector-wise Tax Revenue

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Taxes on Income and Expenditure	6,369	7,835	9,936	11,470	12,650
Taxes on Property and Capital Transactions	2,497	2,754	3,532	4,632	6,394
Taxes on Commodities and Services	16,875	17,959	23,616	27,424	34,991
Total Tax Revenue	25,741	28,548	37,084	43,526	54,035

The increase in total Tax Revenues is mainly attributable to higher collections under 'Taxes on Sales, Trade etc.' (₹18,554.76 crore), 'Corporation Tax' (₹7,624.57 crore), 'Customs' (₹3,527.27 crore), 'Union Excise Duties' (₹2,397.15 crore), 'Taxes on Income other than Corporation Tax' (4,564.70 crore), 'Stamps and Registration Fees' (₹4,357.23 crore), 'Service Tax' (₹3,099.70 crore), 'Land Revenue' (₹2,023.72 crore), 'State Excise' (₹2,621.43 crore) 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	States share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
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
2012-13	54,035	21,226	32,809	5.20

The proportion of the State's Own Tax Revenue to GSDP is lower than the target of 6.10 per cent recommended by the Thirteenth Finance Commission.

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	2,497	2,754	3,532	4,632	6,394
Expenditure on Collection	408	625	672	663	682
Efficiency of Tax Collection (in per cent)	16	23	19	14	11

B. Taxes on Commodities and Services

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	16,875	17,959	23,616	27,424	34,991
Expenditure on Collection	182	253	285	279	300
Efficiency of Tax Collection (in per cent)	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' may be improved.

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

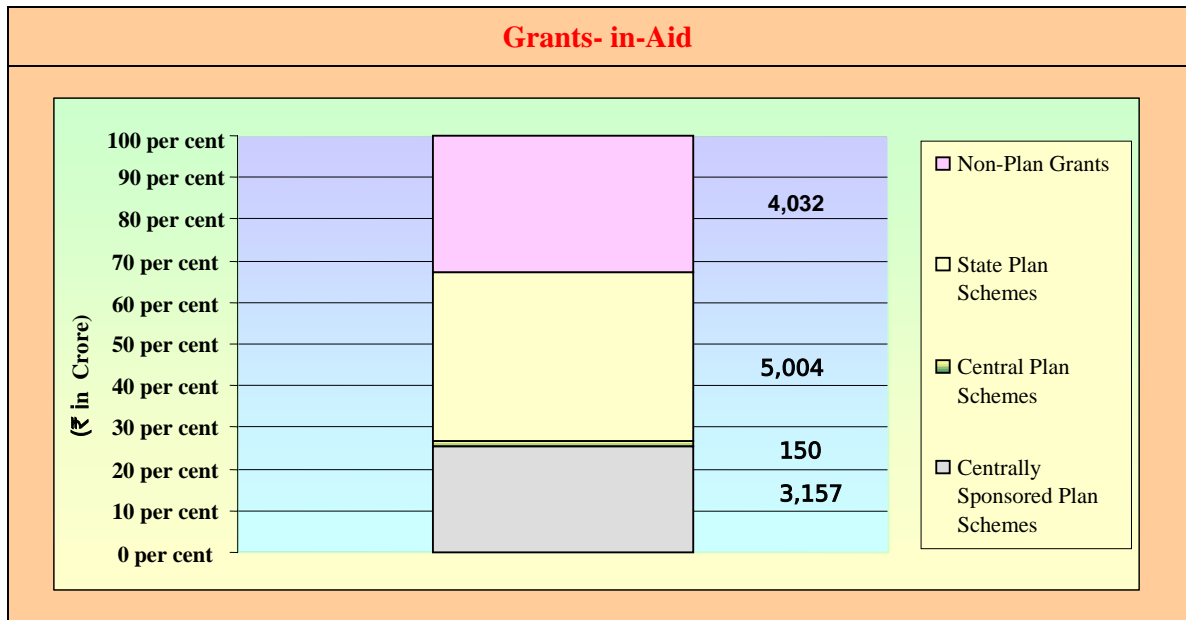
(₹ in Crore)

Major Head description	2008-09	2009-10	2010-11	2011-12	2012-13
Corporation Tax	3,712	4,794	6,236	7,316	7,624
Taxes on Income other than Corporation Tax	2,331	2,670	3,295	3,716	4,565
Taxes on Wealth	4	11	13	28	13
Customs	2,164	1,630	2,790	3,223	3,527
Union Excise Duties	1,888	1,313	2,030	2,085	2,397
Service Tax	1,223	1,230	1,591	2,219	3,100
States share of Union Taxes	11,322	11,648	15,955	18,588	21,226
Total Tax Revenue	25,741	28,548	37,084	43,526	54,035
Per cent of Union Taxes to Total Tax Revenue	44	41	43	43	39

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 increased from 25 per cent during 2011-12 to 32 per cent in 2012-13, while, the share of grants for Plan Schemes decreased from 47 per cent in 2011-12 to 42 per cent in 2012-13. Total receipts during 2012-13 under Grants-in-Aid were ₹12,343 crore and sectorwise breakup is shown in next view:



2.8. Public Debt

Trend of Public Debt (net) over the past 5 years

(₹ in Crore)

Description	2008-09	2009-10	2010-11	2011-12	2012-13
Internal Debt	11,722	21,844	18,203	17,346	17,292
Central Loans	(-) 585	(-) 1,009	(-) 249	(-) 90	857
Total Public Debt	11,137	20,835	17,954	17,256	18,149

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

In 2012-13, fifteen loans at par totaling ₹20,500 crore at interest rates varying from 5.60 per cent to 9.90 per cent and redeemable in the year 2022-23 were raised from the open market. In addition, the State Government raised ₹16,510 crore from financial institutions (including other adjustments) and ₹2,978 crore from the National Small Savings Fund (NSSF). Thus, the internal debt totalled ₹42,495 crore. During 2012-13 Government of West Bengal also received ₹1,489 crore from Government of India as loans and advances.

CHAPTER – III

EXPENDITURE

3.1. Introduction

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

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 ₹82,111 crore for 2012-13 was almost at par with budget estimates of ₹83,719 crore.

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

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Budget Estimates	43,776	60,253	64,502	74,139	83,719
Actuals	51,613	58,500	64,538	73,326	82,111
Gap	(-)7,837	1,753	(-)36	813	1,608
Per cent of gap over BE	(-)18	3	0	1	2

3.2.1. Sectoral Distribution of Revenue Expenditure (2012-13)

(₹ in Crore)

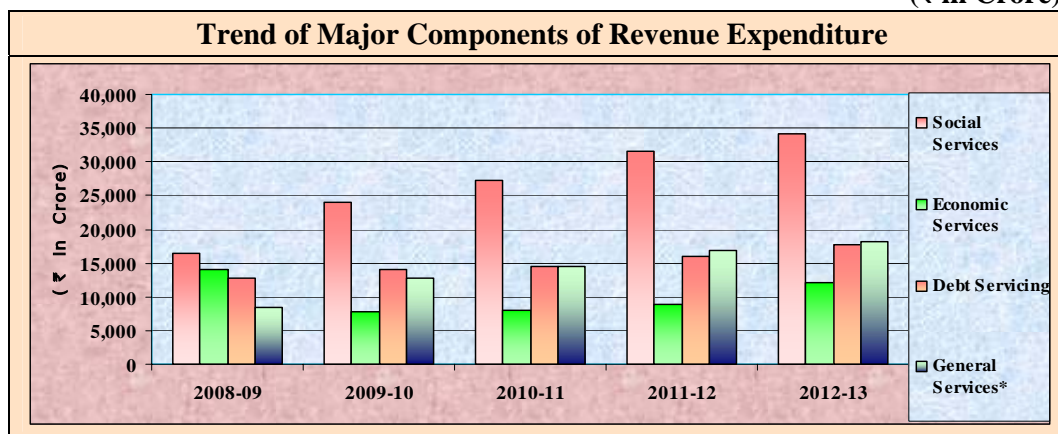
Components	Amount	Percentage
A. Fiscal Services	1,021	1
(i) Collection of Taxes on Property and Capital transactions	682	1
(ii) Collection of Taxes on Commodities and Services	300	-
(iii) Other Fiscal Services	39	-
B. Organs of State	543	1
C. Interest Payments and Servicing of debt	17,621	21
D. Administrative Services	5,059	6
E. Pensions and Miscellaneous General Services	11,081	13
F. Social Services	34,212	42
G. Economic Services	12,043	14
H. Grants-in-Aid and Contributions	531	1
Total Expenditure (Revenue Account)	82,111	100

3.2.2. Major components of Revenue Expenditure (2008-13)

(₹ In Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Social Services	16,385	23,996	27,343	31,564	34,212
Economic Services	14,025	7,742	8,091	8,969	12,043
Debt Servicing	12,741	14,037	14,517	15,896	17,621
General Services*	8,462	12,725	14,587	16,898	18,236

(₹ in Crore)



*General Services excludes **Major Head 2048 (Appropriation for reduction or avoidance of debt)**, **Major Head 2049 (Interest Payments)** and includes **Major Head 3604 (Compensation and Assignments 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 per cent of total Revenue expenditure during last five years.

3.3. Capital Expenditure

Capital disbursements for 2012-13 amounting to ₹ 5,611 crore (including Loans and Advances) at 0.9 per cent of GSDP were less than Budget Estimates by ₹3,386 crore mainly due to less disbursement under Non-plan and Plan Expenditure. Over the last 4 years, Capital Expenditure has declined with respect to its budget. This can be viewed from the following table:

(₹ in Crore)

Sl. No.	Components	2008-09	2009-10	2010-11	2011-12	2012-13
1.	Budget (B.E.)	3,072	5,107	5,552	7,434	8,997
2.	Actual Expenditure (#)	3,705	3,011	2,226	2,764	4,547
3.	Per cent of Actual Expenditure to B.E.	121	59	40	37	51
4.	Growth in Capital Expenditure (in per cent)	38	(-19)	(-26)	24	65
5.	GSDP (*)	3,40,544	4,00,561	4,60,071	5,49,876	6,30,384
6.	Growth in GSDP (in per cent)	14	18	15	20	15

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

(*) GSDP figure adopted from the Economic Review 2012-13-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 2012-13, the Government spent ₹1,400 crore on transport, ₹638 crore on Irrigation and Flood Control, ₹315 crore on Special Area Programme and ₹123 crore on Agriculture and Allied Activities. In Social Services, the Government spent ₹118 crore on Health and Family Welfare and ₹832 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)

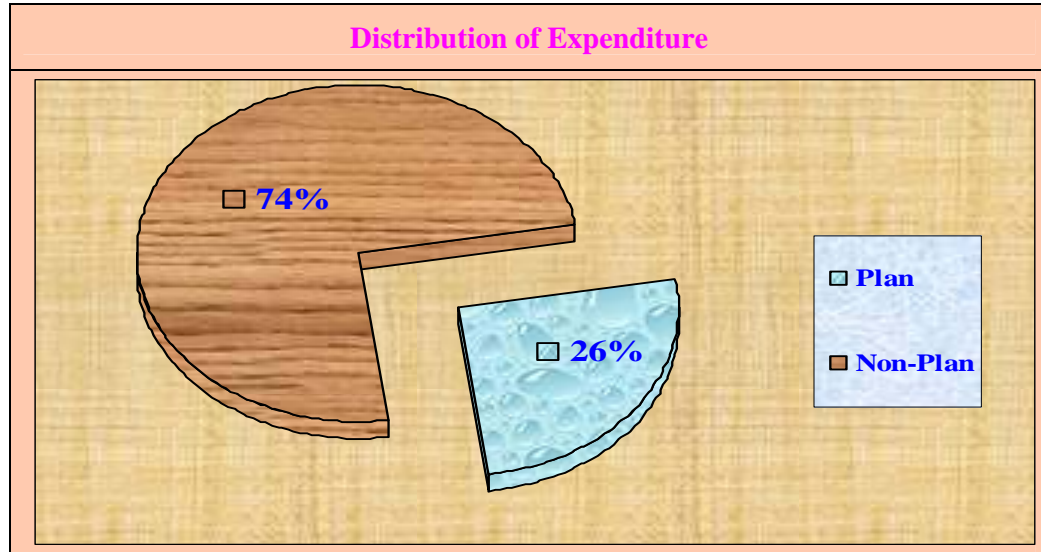
Sl. No.	Sector	2008-09	2009-10	2010-11	2011-12	2012-13
1.	General services(Capital)	144	157	107	122	162
	General services(Revenue)	20,775	26,357	28,680	32,289	35,325
2.	Social Services(Capital)	1,194	890	476	793	1,515
	Social Services(Revenue)	16,385	23,996	27,343	31,564	34,212
3.	Economic services(Capital)	2,368	1,964	1,643	1,849	2,870
	Economic services(Revenue)	14,025	7,742	8,091	8,969	12,043

Note: 1. Capital Expenditure does not include Loans and Advances.
2. Revenue Expenditure does not include expenditure on Grants-in-Aid.

CHAPTER – IV

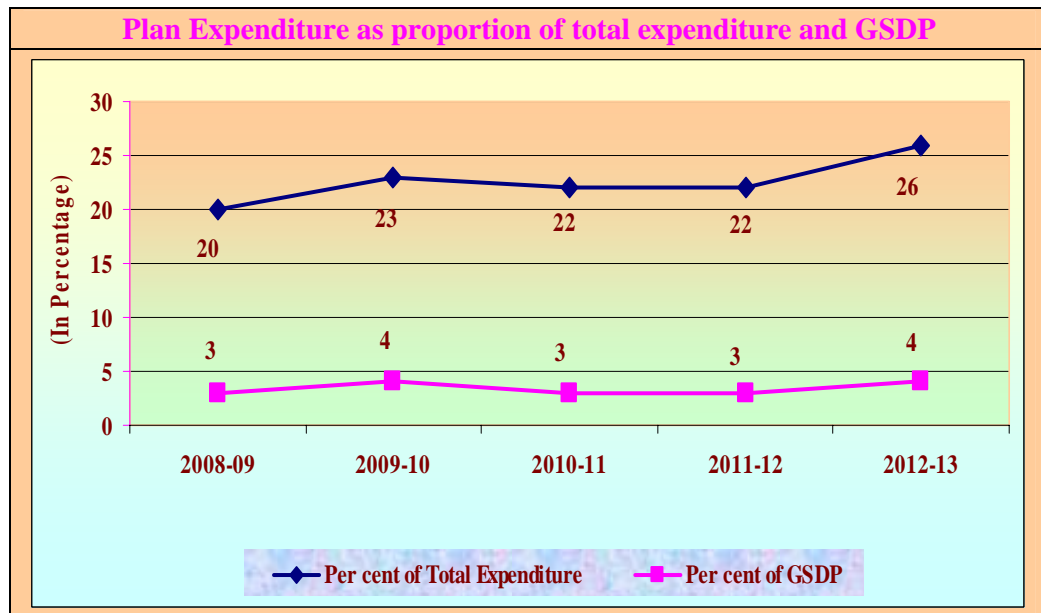
PLAN & NON-PLAN EXPENDITURE

4.1. Distribution of expenditure (2012-13)



4.2. Plan Expenditure

During 2012-13, Plan Expenditure, representing 26 percent of total disbursements, was ₹22,491 crore (₹18,725 crore under State Plan, ₹3,284 crore under Centrally Sponsored, ₹213 crore under Central Sector New Schemes and ₹269 crore on Loans and Advances Plan Schemes).



4.2.1. Plan Expenditure under Capital Account

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Total Capital Expenditure	3,128	3,763	2,634	3,212	5,611
Capital Expenditure (Plan)	3,073	4,192	2,569	2,764	4,547
Per cent of Capital Expenditure (plan) to Total Capital Expenditure	98	111 #	98	86	81

Note: Capital Expenditure includes Loans and Advances.

Percentage figure is due to minus expenditure in Non-plan.

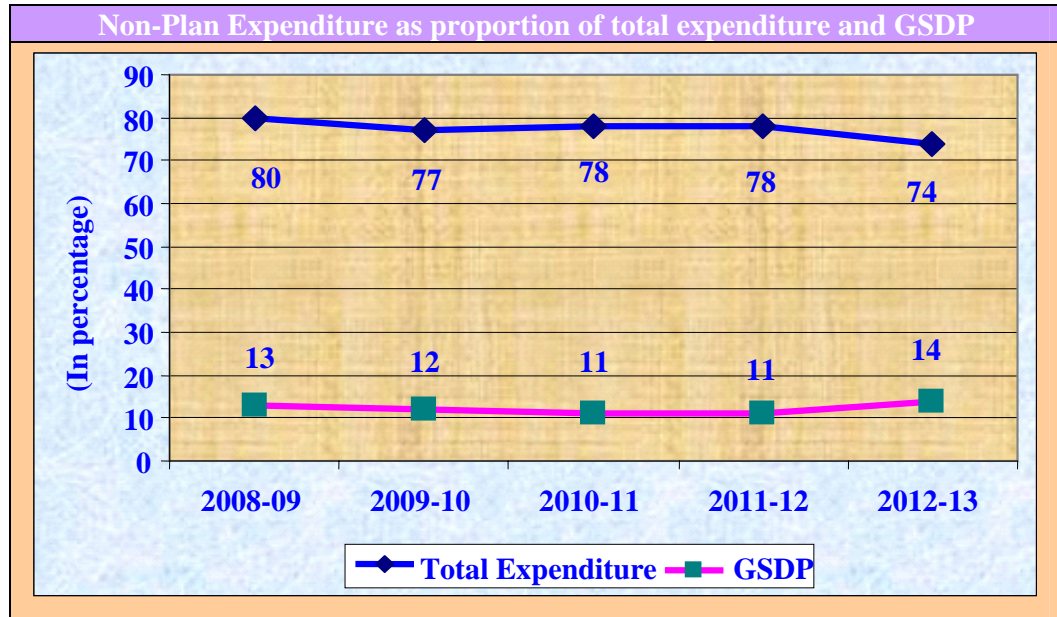
4.2.2. Plan Expenditure on Loans and Advances

Significant disbursements of Loan and Advances were as under :

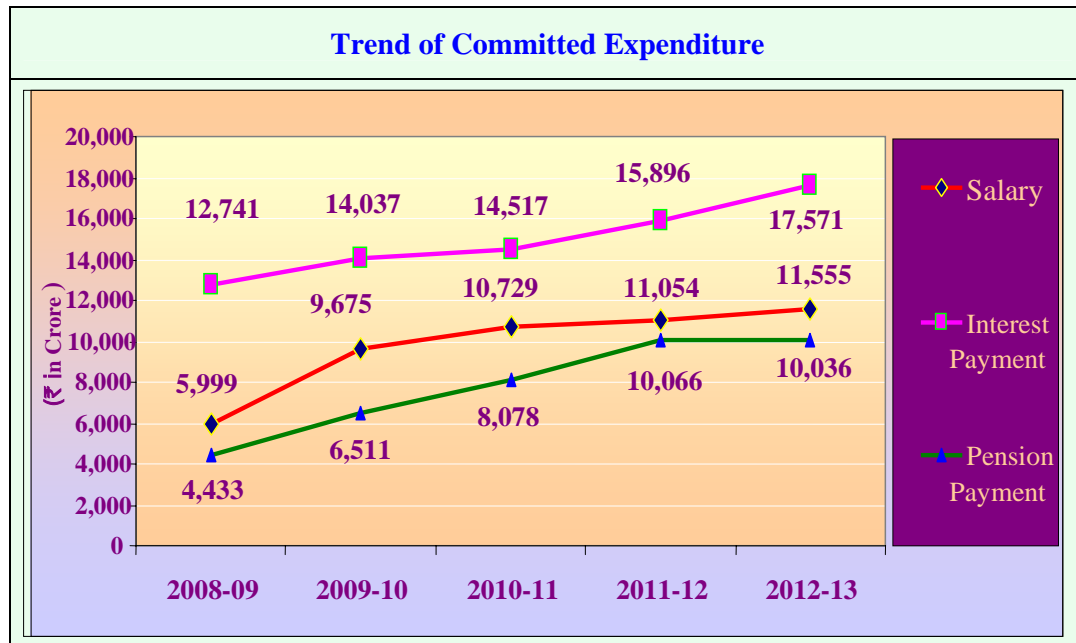
Description	Amount (₹ in Crore)	Details
MH-6217-Loans for Urban Development	105.72	Loans to Kolkata Municipal Corporation towards Kolkata Environment Improvement Project.
MH-6405-Loans for Fisheries	8.99	Loans to West Bengal State Fishermen's Co-Operative Federation Ltd. for implementation of NCDC assisted project.
MH-6425-Loans for Co-operation	53.57	Financial assistance to different Co-operatives.
MH-6801-Loans for Power Projects	16.18	Loans to West Bengal Power Development Corporation Ltd. Rs.11.53 Crore as Additional Central Assistance for BTTP. Loans to Durgapur Project Ltd. Rs. 4.65 Crore for Renovation/Upgradation/Modernisation.
MH-6851-Loans for Village and Small Industries	1.00	Loans to West Bengal State Handloom Weavers Co-Operative Society Ltd. (Tantuja) for Mobilisation Advance for wholesale business.
MH-6858-Loans for Engineering Industries	0.33	Loans to The Shalimar Works (1980) Ltd. for Renovation of Head office at Garden Reach.
MH-6859-Loans for Telecommunication and Electronic Industries	3.50	Loans to West Bengal Electronics Industry Development Corporation Ltd. towards financial assistance to Webel as loan.
MH-6860-Loans for Consumer Industries	4.71	Loans to Tamralipta Co-operative Spinning Mills Ltd. Rs.3.71 Crore for modernization of the Mill. Loans to Durgapur Project Ltd. Rs.1.00 Crore for installation of BOD plant
MH-7055-Loans for Road Transport	67.51	Loans to Calcutta State Transport Corporation ₹17.84 Crore Loans to North Bengal State Transport Corporation ₹ 8.51 Crore Loans to South Bengal State Transport Corporation ₹11.98 Crore Loans to Calcutta Tramways Co. (1978) Ltd. ₹16.97 Crore Loans to West Bengal Surface Transport Corporation ₹12.21 Crore (Working Capital loan for different purposes viz, Repair /Renovation/Purchase of Buses, Repayment of Bank loan etc.)
MH-7056-Loans for Inland Water Transport	7.56	Loans to West Bengal Surface Transport Corporation for Repair/Renovation/Construction of Vessels etc.

4.3. Non-Plan Expenditure

During 2012-13, Non-Plan Expenditure representing 74 per cent of total disbursements, was ₹65,231 crore, (₹64,436 crore under Revenue and ₹795 crore under Capital).



4.4. Committed Expenditure



The trend of Committed Expenditure to Revenue Expenditure over the past of five years is given below :-

(₹ in Crore)

Component	2008-09	2009-10	2010-11	2011-12	2012-13
Committed Expenditure	23,173	30,223	33,324	37,016	40,162
Revenue Expenditure	51,613	58,500	64,538	73,326	82,111
Per cent of Committed Expenditure to Revenue Receipts	63	82	71	63	59
Per cent of Committed Expenditure to Revenue Expenditure	45	52	52	50	49

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

CHAPTER –V

APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of West Bengal for the year 2012-13 present the accounts of sums expended in the year 31 March 2013 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 2012-13

(₹ in Crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Surrender (by way of Re-appropriation)	Total	Actual expenditure	Savings(-) Excess(+)
1.	Revenue Voted Charged	68,177 18,307	6,568 13	--	74,745 18,320	66,004 17,737	(-)8,741 (-)583
2.	Capital Voted Charged	8,529	811 3	--	9,340 3	4,907 1	(-)4,433 (-) 2
3.	Public Debt Charged	22,452	4,938	--	27,390	25,835	(-)1,555
4.	Loans and Advances Voted Charged	716	772	--	1,488	1,064 --	(-) 424
	Total	1,18,181	13,105	--	1,31,286	1,15,548	(-)15,738

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

(₹ in Crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2008-09	(-)2,197	(-)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
2012-13	(-)9,324	(-)4,435	(-)1,555	(-)424	(-)15,738

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 (in per cent) are given below:

Grant	Nomenclature	2009-10	2010-11	2011-12	2012-13
10	Consumer Affairs	15	25	27	28
28	Housing	75	70	72	38
29	Industrial Reconstruction	69	71	83	83
31	Information Technology	17	82	70	58
32	Irrigation and Waterways	30	52	68	62
38	Minorities Development	20	26	19	19
48	Science and Technology	23	44	49	22
55	Water resources Investigation & Development	19	50	56	44

During 2012-13, out of total Supplementary Grants of ₹13,105.69 crore (11 per cent of total expenditure), an amount of ₹1,628.41 crore 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	954	114	859
15	School Education	15,180	883	14,696
27	Home	4,507	29	3,829
33	Jails	214	6	166
45	Public Health Engineering	1,128	9	1,010
54	Urban Development	1,539	130	1,528
56	Women & Child Development and Social Welfare	2,463	250	2,327

CHAPTER –VI

ASSETS AND LIABILITIES

6.1. Assets

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

Total investments as share capital in different institutions of the State Government stood at ₹11,520.98 crore at the end of 2012-13. However, dividends received during the year were ₹2.34 crore (0.02 per cent) on investment. During 2012-13, investment increased by ₹364.55 crore, while dividend income increased by ₹1.01 crore.

Cash Balance with RBI stood at ₹(-)791.88 crore on 31 March 2012 and increased to ₹404.90 crore at the end of March 2013.

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:

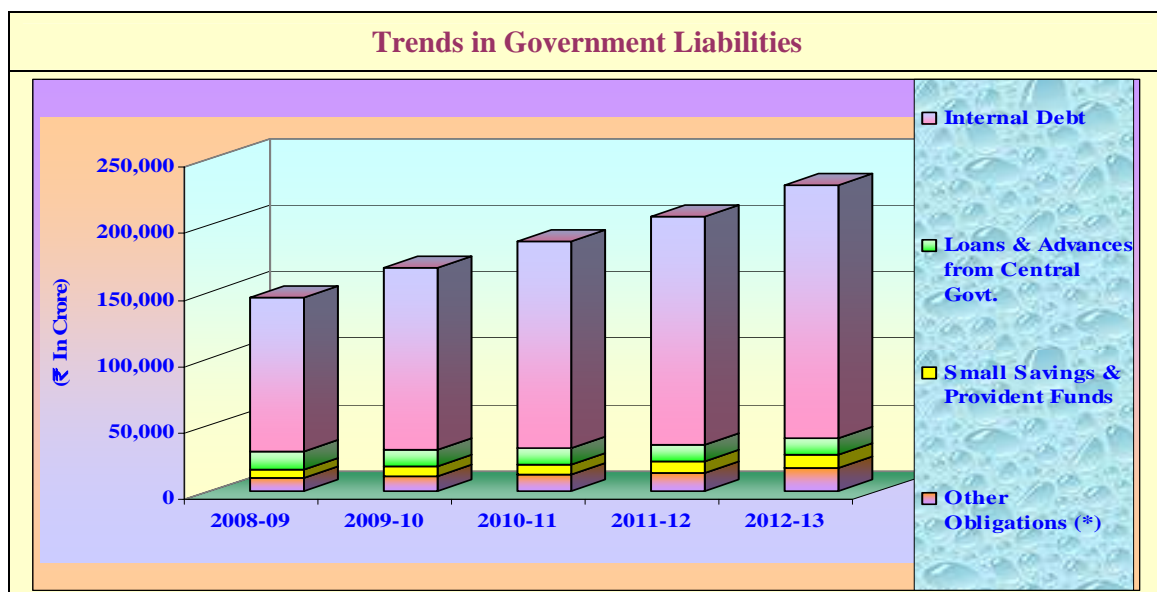
(₹ in Crore)

Year	Public Debt	Per cent to GSDP	Public Account (*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
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
2012-13	2,02,848	32	26,901	4	2,29,749	36

(*) Excludes suspense and remittance balances.

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

During last five years Public Debt increased by 58 per cent.



(*) 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 March 2013	
		Principal	Interest
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
2012-13	18,981	8,821	25

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.

CHAPTER –VII

OTHER ITEMS

7.1. Internal Debt

During 2012-13, Loans amounting to ₹17.16 crore were taken from National Co-operative Development Corporation (NCDC) and loans for ₹800.11 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 2012-13 was ₹15,136 crore. Of this, Loans and Advances to Government Corporations / Companies, Non-Government Institutions and Local Bodies amounted to ₹15,104 crore. During the year, ₹516 crore was received as interest.

7.3. Financial assistance to local bodies and others

Expenditure on Grants-in-Aid to local bodies etc. represents 34 per cent of total Revenue Expenditure.

Details of Grants-in-aid for the past 4 years are as under.

(₹ in Crore)

Year	Zilla Parishads	Municipalities	Panchayat Samities	Others	Total
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
2012-13	258	2,500	5,365	20,010	28,133

Note: Figures based on expenditure under the Object Head “31-Grants-in-Aid” across Major Heads and under the Major Head “3604- Compensation and Assignments to Local Bodies and Panchayati Raj Institutions”.

7.4 Cash Balance and investment of Cash Balance

(₹ in Crore)

Component	As on 1 April 2012	As on 31 March 2013	Net increase (+)/decrease(-)
Cash Balances	(-) 791	405	1,196
Investments from cash balance (GOI Treasury Bills)	3,068	4,464	1,396
Investments from earmarked fund balances	6,118	6,612	494
(a) Sinking Fund	6,117	6,562	445
(b) Guarantee Redemption Fund	--	--	--
(c) Other Funds	1	50	49
Interest realised	54	68	14

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 2012-13, only 29 per cent (₹32,293 crore) of the total expenditure and 81 per cent (₹91,167 crore) of the total receipts of the State Government were reconciled.

7.6 Submission of Accounts by Treasuries

There are 88 Treasuries, 378 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 3.13 days, 4.85 days and 4.58 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 31 March 2013, 10,862 DC bills amounting to ₹800 crore were outstanding.

7.8 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.

Details of expenditure during 2012-13 are analysed below:

(₹ in crore)

Type of expenditure	Expenditure During the Year	During March 2013		Expenditure during last working day of March 2013
		Expenditure	Per cent of total Expenditure	
Total Expenditure (without Pay vouchers)	44,740.37	9,668.15	21.61	2,684.35
Total Transfer Credit (including all deposit heads)	11,075.58	2,104.34	19.00	675.26
Amount of Transfer Credit to PD Accounts through Treasury vouchers (included in total Transfer Credit)	1,051.76	348.03	33.09	125.82
Amount of AC Bills drawn	253.67	177.91	70.13	91.11

Significant expenditure in March, especially the last working day in March, indicates that the expenditure was primarily for the purpose of exhausting the budget and reveals inadequate budgetary control.

7.9 Commitments on account of Incomplete Capital Works

Intimation collected from Chief Engineers of various State Government Departments reveal that an expenditure of ₹1,42,480.92 lakh was incurred upto 31 March 2013 on Incomplete Capital Projects / Works. It was also revealed that in case of 18 Projects / Works there was a cost overrun of ₹10,836.84 lakh as on 31 March 2013.