

# **Accounts at a Glance**

**2013-14**

**Government of West Bengal**



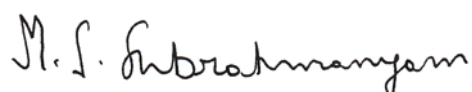
## PREFACE

This is the sixteenth 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 consist 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.



( M. S. SUBRAHMANYAM )  
ACCOUNTANT GENERAL (A&E)  
WEST BENGAL

KOLKATA

Dated: 4 February 2015





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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 Accountant General (A&E) furnishes the Monthly Civil Accounts to the Finance Department. At the end of the year, after audit by Principal Accountant General (General & Social Sector Audit), West Bengal and certification by Comptroller and Auditor General of India, the Accountant General (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.

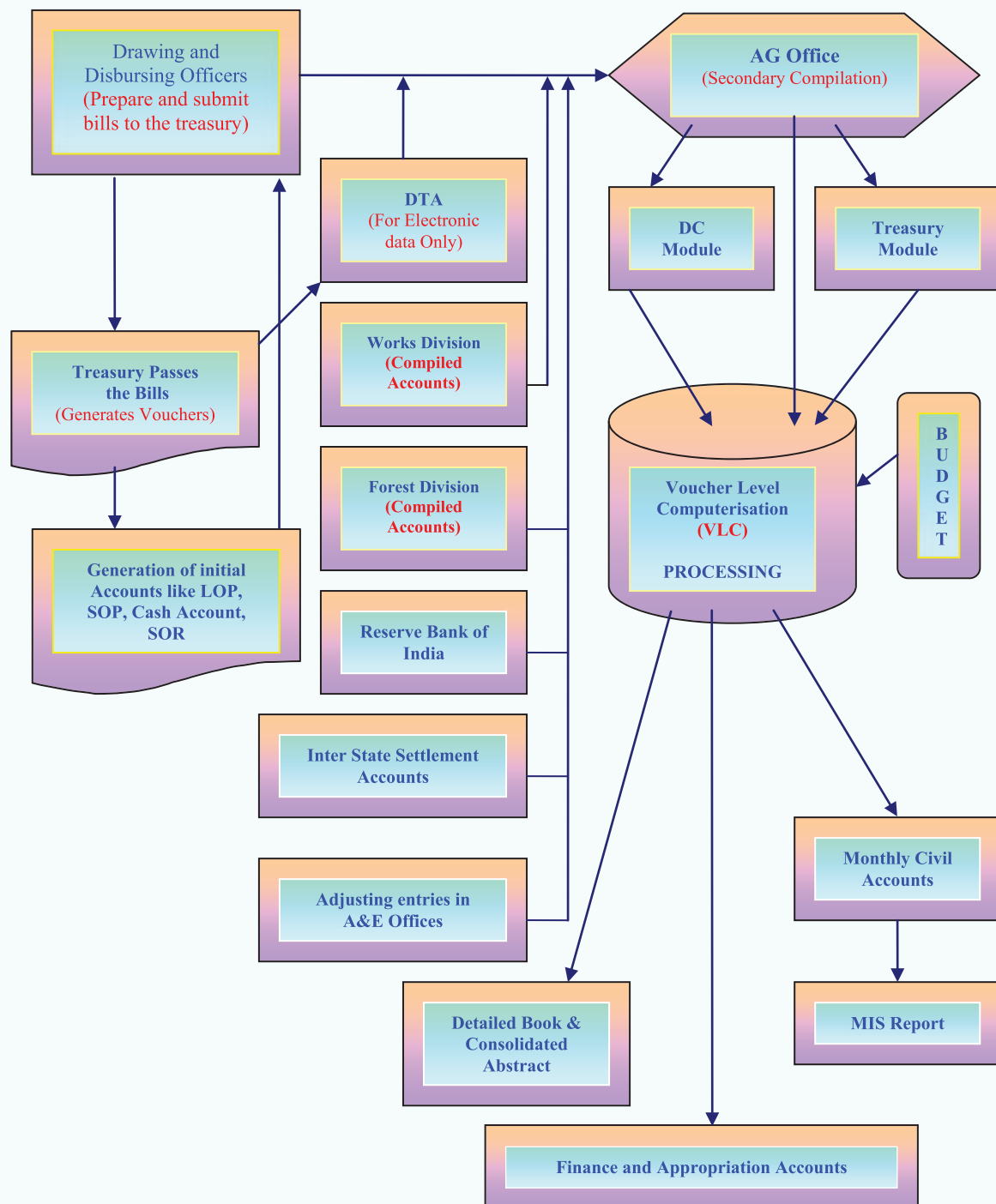
#### **1.2 Structure of Accounts**

##### **1.2.1 Government Accounts are kept in three parts:**

<b>Part I Consolidated Fund</b>	<b>Comprises all Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances</b>
<b>Part II Contingency Fund</b>	<b>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.</b>
<b>Part III Public Account</b>	<b>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.</b>

## 1.2.2. Compilation of Accounts

**Flow Diagram for Accounts 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, 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 2013-14 are detailed below:

(₹ in Crore)			
<b>Receipts (Total : 99,387)</b>	Revenue (Total : 72,882)	Tax Revenue	59,006
		Non Tax Revenue	2,023
		Grants-in-Aid	11,853
	Capital (Total : 26,505)	Recovery of Loans and Advances	1,158
		Borrowing and other Liabilities (*)	25,347
<b>Disbursements (Total : 99,387)</b>	Revenue		91,797
	Capital		6,927
	Loans and Advances		663

(\*) 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 ₹ 10,281 crore (₹ 8,509 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 63 Voted Grants and 01 Charged Appropriation in the current year.

The gross Expenditure Budget provision (charged & voted) for 2013-2014 was ₹ 1,54,390.16 crore and reduction of expenditure (recoveries) of ₹ 4,232.41 crore. Against this, the actual gross expenditure was ₹ 1,34,634.77 crore and reduction of expenditure was ₹ 2,427.80 crore, resulting in net savings of ₹ 19,755.39 Crore ( 13 per cent) in respect of expenditure and net saving of ₹ 1,804.61 Crore ( 43 per cent) on reduction of expenditure. The gross expenditure includes ₹ 366.99 crore drawn on Abstract Contingent (AC) Bills (no. of AC Bills 2,384), which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2013-14, ₹ 11,723.15 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 2013-14, the Government of West Bengal resorted to OD facilities for 11 days, Special Ways and Means Advances for 132 days and Normal Ways and Means Advances for 21 days.

### **1.4.2. Fund flow statement**

The State had a Revenue Deficit of ₹ 18,915 crore and a Fiscal Deficit of ₹ 25,347 crore representing 2.70 per cent and 3.62 per cent of the Gross State Domestic Product (GSDP)<sup>1</sup>. The Fiscal Deficit constituted 25 per cent of total expenditure. This deficit was met solely from Public Debt (₹ 18,131 crore). Around 61 per cent of the Revenue Receipts (₹ 72,882 crore) of the State Government was spent on committed expenditure like Salaries (₹ 11,734 crore), Interest payment (₹ 20,857 crore) and Pensions (₹ 11,638 crore).

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<sup>1</sup>Except where indicated otherwise, GSDP figures used in this publication are adopted from the website of Ministry of Statistics and Programme Implementation as on 01.08.2014.

### Sources and Application of Funds

(₹ in Crore)

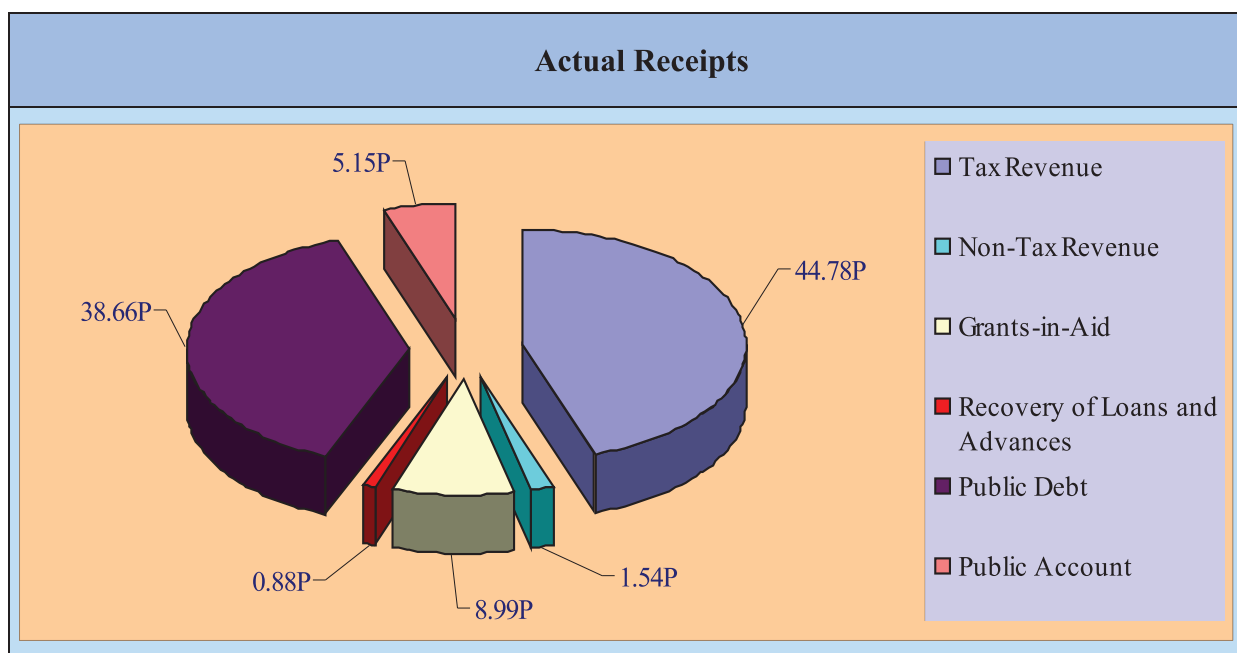
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2013	405
	Revenue Receipts	72,882
	Recovery of Loans & Advances	1,158
	Public Debt	50,950
	Small Savings Provident Fund & Others	3,138
	Reserves & Sinking Funds	2,281
	Deposits Received	40,745
	Civil Advances Repaid	134
	Suspense Account	95,142
	Remittances	9,086
	Contingency Fund	0
	TOTAL	2,75,921

APPLICATION	PARTICULARS	AMOUNT
	Revenue Expenditure	91,797
	Capital Expenditure	6,927
	Loans Given	663
	Repayment of Public Debt	32,819
	Small Savings, Provident Fund & Others	2,297
	Reserves & Sinking Funds	1,661
	Deposits Spent	38,118
	Civil Advances Given	134
	Suspense Account	92,833
	Remittances	8,693
	Closing Cash Balance as on 31.03.2014	(-) 23
	TOTAL	2,75,921

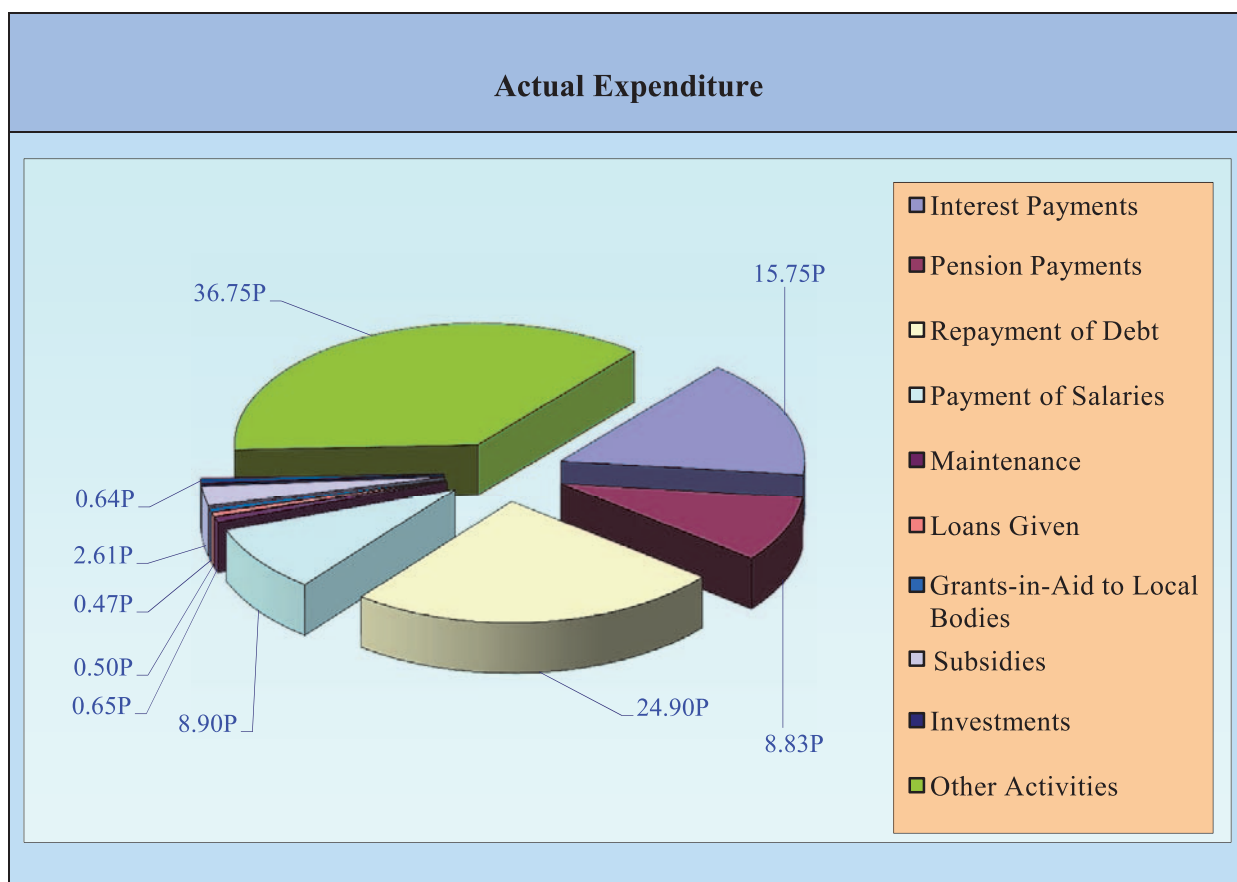
Note: The Suspense Accounts include ₹ 34,914.48 crore invested in treasury bills which is shown on the 'Application' side, and ₹ 34,280.52 crore worth of treasury bills sold through the RBI which is shown on the 'Sources' side.



### 1.4.3. Where each rupee of receipt came from?



### 1.4.4. Where each rupee of expenditure went?



## 1.5 Highlights of Accounts

Sl. No.	Components	Budget Estimate 2013-14	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP(\$)
		(₹ in Crore)			
1.	Tax Revenue (a)	65,053	59,006	91	8
2.	Non-Tax Revenue	1,756	2,023	115	0
3.	Grants-in-Aid & Contributions	21,594	11,853	55	2
4.	Revenue Receipts (1+2+3)	88,403	72,882	82	10
5.	Recovery of Loans and Advances	161	1,158	719	-
6.	Borrowings & Other Liabilities (A)	13,408	25,347	189	4
7.	Capital Receipts (5+6)	13,570	26,505	195	4
8.	Total Receipts (4+7)	1,01,973	99,387	97	14
9.	Non-Plan Expenditure (NPE*)	70,720	71,227	101	10
10.	NPE on Revenue Account	69,951	70,999	101	10
11.	NPE on Interest Payments out of 10	19,492	20,757	106	3
12.	NPE on Capital Accounts	769	228	92	-
13.	Plan Expenditure (PE*)	31,259	28,160	89	4
14.	PE on Revenue Account	21,941	20,798	95	3
15.	PE on Capital Account	9,318	7,362	79	1
16.	Total Expenditure (9+13)	1,01,979	99,387	97	14
17.	Revenue Expenditure (10 + 14)	91,892	91,797	100	13
18.	Capital Expenditure (12+15) (#)	10,087	7,590	75	1
19.	Revenue Deficit(4-17) @	3,489	18,915	542	3
20.	Fiscal Deficit (4+5-16) @	13,415	25,347	189	4

(\$ ) GSDP figure of ₹ 7,00,117 crore adopted from the Website of Ministry of Statistics and Programme Implementation as on 01.08.2014

(a) Includes State's Share of net proceeds of Taxes of ₹ 23,175 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 ₹183 crore under Non-Plan and ₹480 crore under Plan which pertains to Loans and Advances.

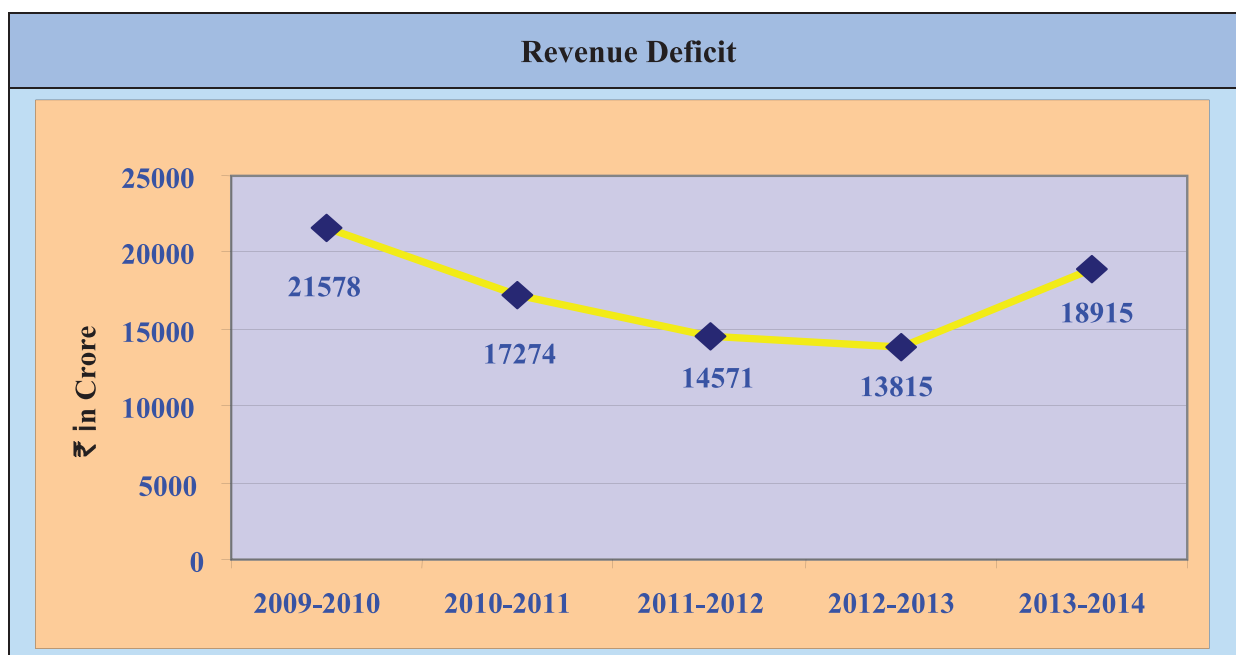
(#) Expenditure on Capital Account includes Capital Expenditure (₹6,927 crore) and Loans and Advances disbursed (₹663 crore).

## 1.6 What do the Deficits and Surpluses indicate?

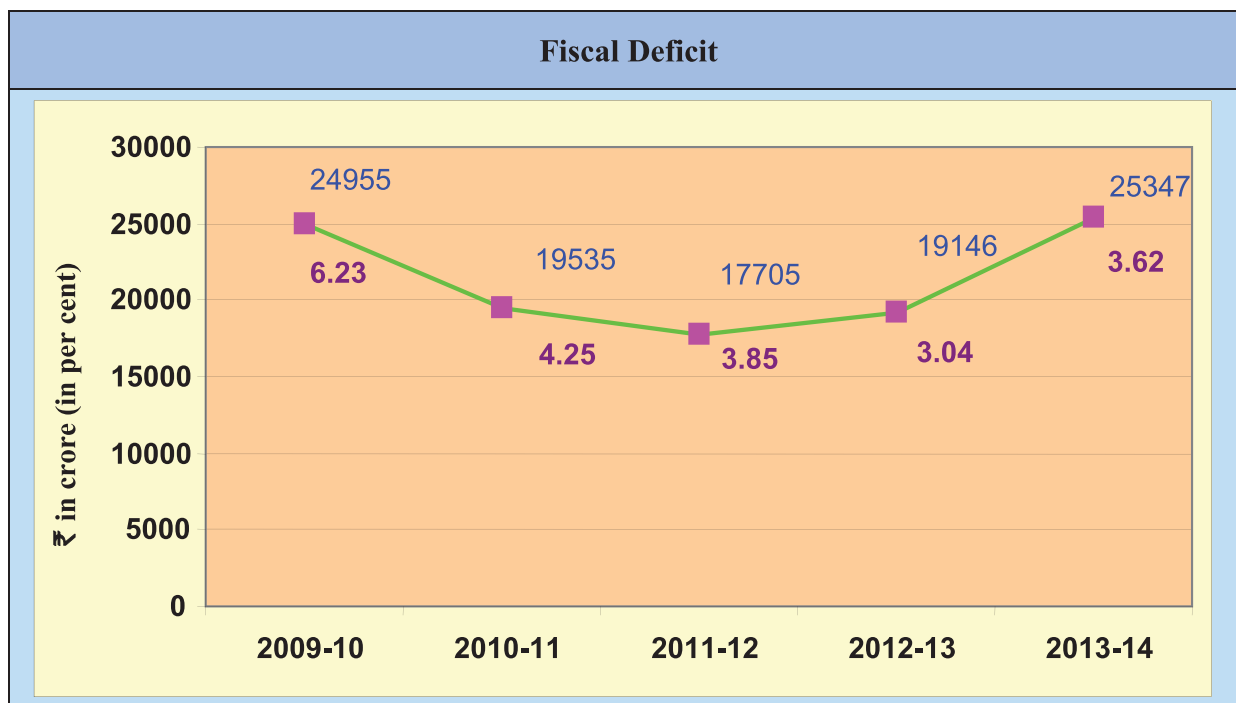
Deficit	Refers to the Gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure 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 31 March 2014 is ₹ 18,915 crore.

### 1.6.1. Trend of Revenue Deficit



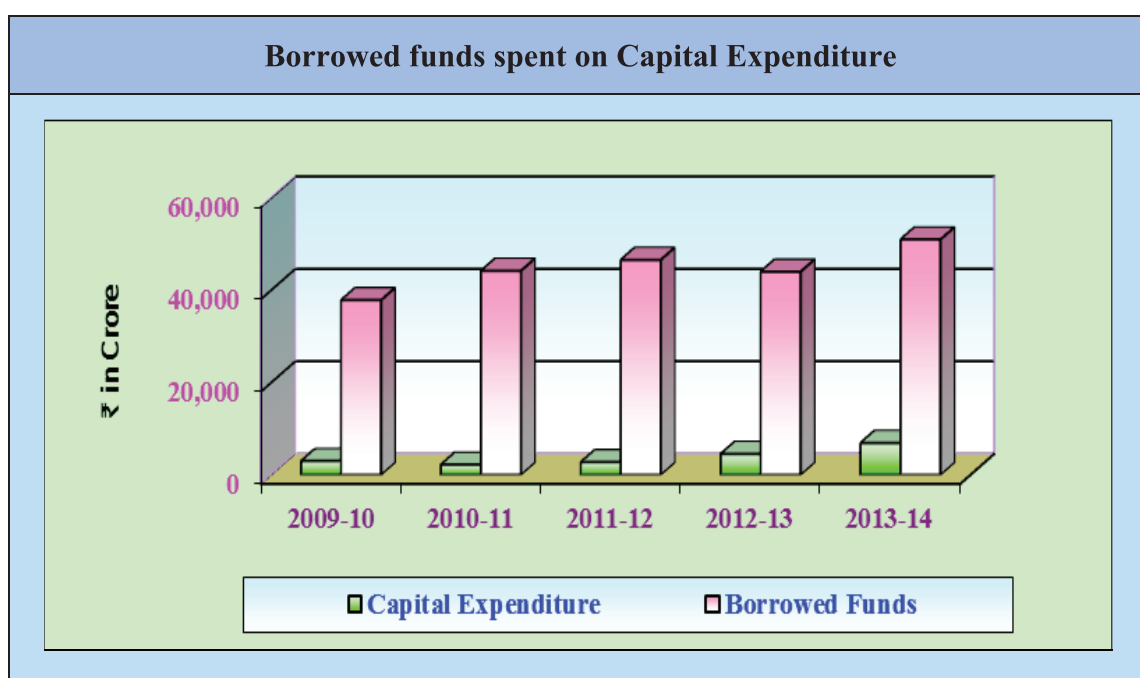
### 1.6.2. Trend of Fiscal Deficit



### 1.6.3. Proportion of borrowed funds spent on Capital expenditure.

(₹ in Crore)

Year	Capital Expenditure	Borrowed Funds
2009-2010	3,011	37,832
2010-2011	2,226	44,174
2011-2012	2,764	46,560
2012-2013	4,547	43,984
2013-2014	6,927	50,950



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 14 per cent of the borrowings of the current year (₹ 50,950 crore) on capital expenditure (₹ 6,927 crore). It would, therefore, appear that 86 per cent of the public debt (₹ 44,023 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

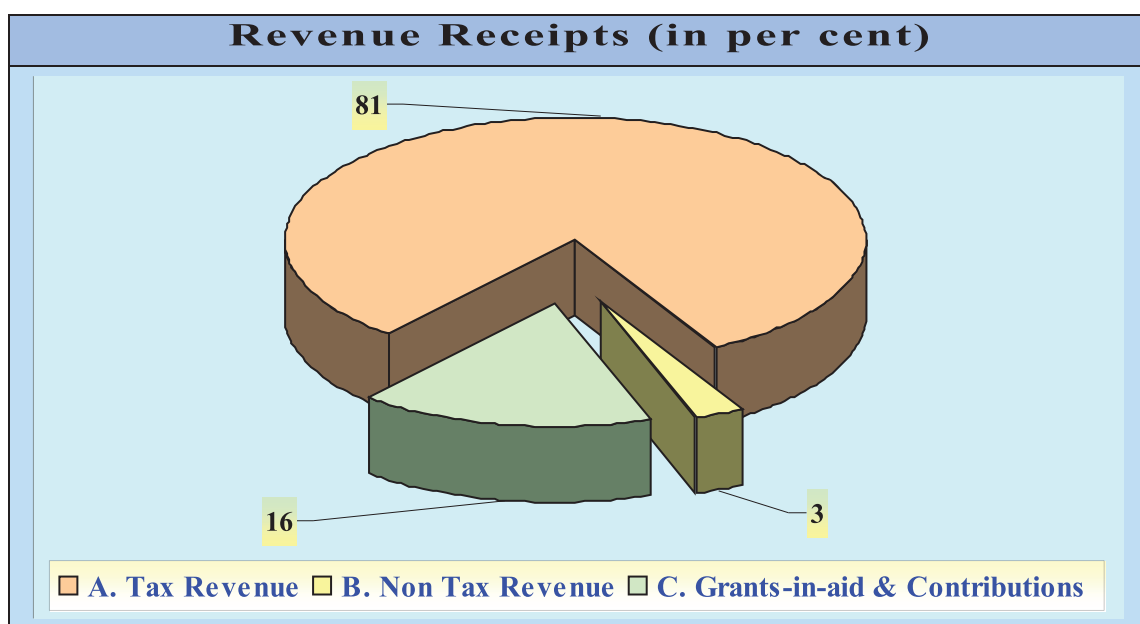
### RECEIPTS

#### 2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital receipts. Total Receipts of the Government of West Bengal during 2013-14 were ₹ 99,387 crore.

#### 2.2. Revenue Receipts

<b>Tax Revenue</b>	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution
<b>Non-Tax Revenue</b>	Includes Interest Receipts, Dividends, Profits etc.
<b>Grants-in-Aid</b>	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
<b>A. Tax Revenue</b>	<b>59,006</b>
Taxes on Income & Expenditure	13,409
Taxes on property & Capital Transactions	6,328
Taxes on Commodities & Services	39,269
<b>B. Non-Tax Revenue</b>	<b>2,023</b>
Interest Receipts, Dividends and Profits	995
General Services	509
Social Services	212
Economic Services	307
<b>C. Grants-in-Aid &amp; Contributions</b>	<b>11,853</b>
<b>Total – Revenue Receipts</b>	<b>72,882</b>

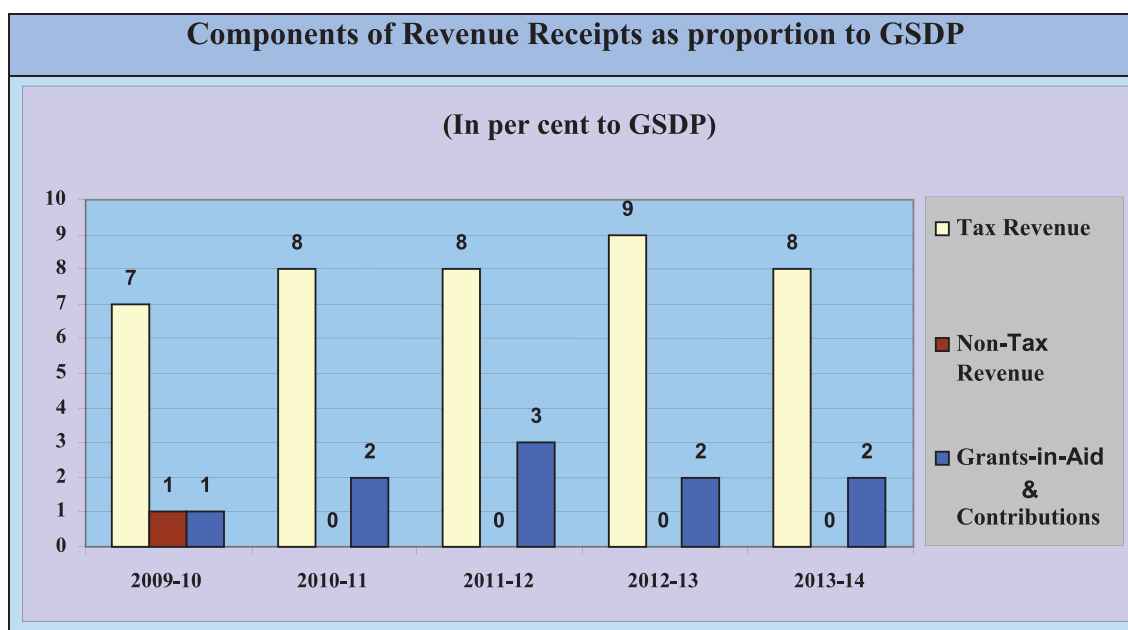
### 2.3. Trend of Receipts

(₹ in Crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Tax Revenue	28,548 (7)	37,084 (8)	43,526 (8)	54,035 (9)	59,006 (8)
Non-Tax Revenue	2,438 (1)	2,380 (0)	1,340 (0)	1,918 (0)	2,023 (0)
Grants-in-Aid and Contributions	5,935 (1)	7,800 (2)	13,889 (3)	12,343 (2)	11,853 (2)
Total Revenue Receipts	36,922 (9)	47,264 (10)	58,755 (11)	68,296 (11)	72,882 (10)
GSDP	4,00,561	4,60,071	5,49,876	6,30,384	7,00,117

Note : Figures in parentheses represent percentage to GSDP.

Although the GSDP increased by 11 per cent between 2012-13 and 2013-14, the growth in revenue collection was 7 per cent. While tax revenue increased by 9 per cent, non-tax revenues increased by 5 per cent. The State's own Tax revenue increased by 9 per cent between 2012-13 (₹ 32,808 crore) and 2013-14 (₹ 35,831 crore), while Shares of Union taxes increased by 9 per cent.



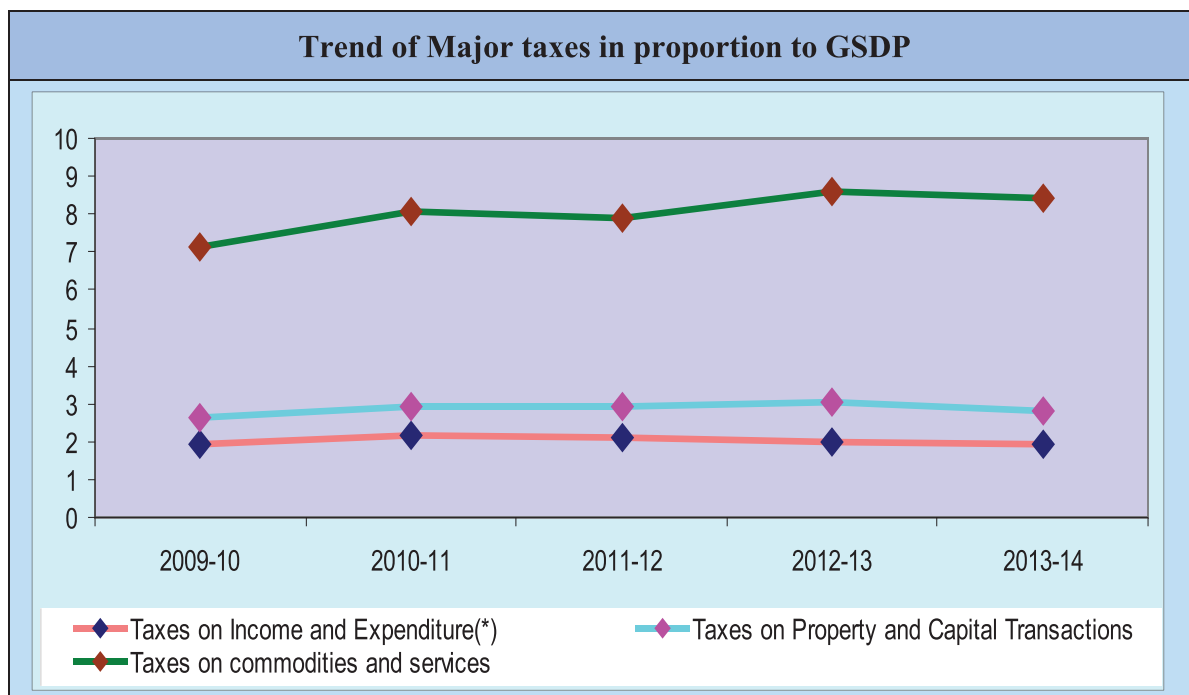


## Sector-wise Tax Revenue

(₹ in Crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Taxes on Income and Expenditure	7,835	9,936	11,470	12,650	13,409
Taxes on Property and Capital Transactions	2,754	3,532	4,632	6,394	6,328
Taxes on Commodities and Services	17,959	23,616	27,424	34,991	39,269
Total Tax Revenue	28,548	37,084	43,526	54,035	59,006

The increase in total Tax Revenues is mainly attributable to higher collections under 'Taxes on Sales, Trade etc.' (₹ 21,931.09 crore), 'Corporation Tax' (₹ 7,793.97 crore), 'Customs' (₹ 3,781.20 crore), 'Union Excise Duties' (₹ 2,670.56 crore), 'Taxes on Income other than Corporation Tax' (₹ 5,132.09 crore), 'Service Tax' (₹ 3,775.82 crore), 'Land Revenue' (₹ 2,253.54 crore), 'State Excise' (₹ 3,017.66 crore), Taxes on vehicles' (₹ 1,350.66 crore) etc.



(\*) Primary net proceeds of Central share to the State

## 2.4. Performance of State's Own Tax Revenue Collection

Year	Tax Revenue	States Share of Union Taxes	State's Own Tax Revenue	Percentage to GSDP
(₹ in Crore)				
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
2013-14	59,006	23,175	35,831	5.12

The proportion of the State's Own Tax Revenue to GSDP is lower than the target of 6.10 per cent recommended by the 13<sup>th</sup> Finance Commission.

## 2.5. Efficiency of Tax Collection

### A. Taxes on Property and Capital Transactions

(₹ in Crore)

Description	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	2,754	3,532	4,632	6,394	6,328
Expenditure on Collection	625	672	663	682	711
Efficiency of Tax Collection (in per cent)	23	19	14	11	11

### B. Taxes on Commodities and Services

(₹ in Crore)

Description	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	17,959	23,616	27,424	34,991	39,269
Expenditure on Collection	253	285	279	300	1,283
Efficiency of Tax Collection (in per cent)	1	1	1	1	3

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 & Duties

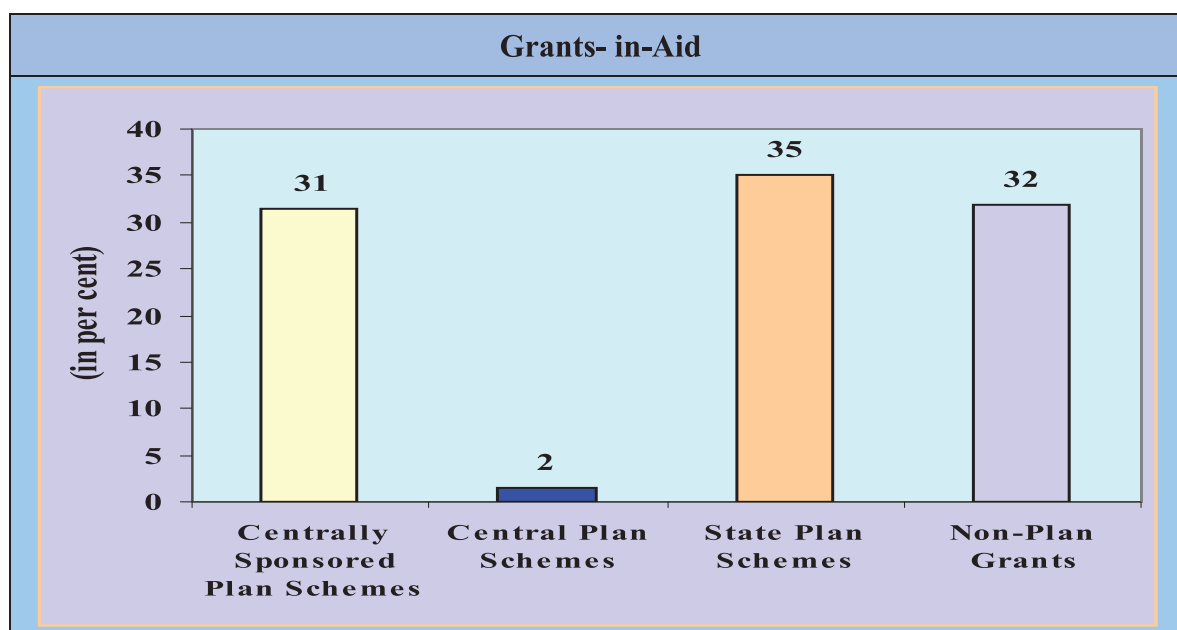
(₹ in Crore)

Major Head description	2009-10	2010-11	2011-12	2012-13	2013-14
Corporation Tax	4,794	6,236	7,316	7,624	7,794
Taxes on Income other than Corporation Tax	2,670	3,295	3,716	4,565	5,132
Taxes on Wealth	11	13	28	13	21
Customs	1,630	2,790	3,223	3,527	3,781
Union Excise Duties	1,313	2,030	2,085	2,397	2,671
Service Tax	1,230	1,591	2,219	3,100	3,776
States share of Union Taxes	11,648	15,955	18,588	21,226	23,175
Total Tax Revenue	28,548	37,084	43,526	54,035	59,006
Per cent of States Share of Union Taxes & Duties to Total Tax Revenue	41	43	43	39	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 remained the same i.e. 32 per cent during 2012-13 and 2013-14. The share of Grants for Plan Schemes decreased over previous year when compared to budget estimates. State received only ₹ 8,063 crore (37 per cent of the budget estimate of ₹ 21,594 crore) against ₹ 8,311 crore (42 per cent) received last year. Total receipts during 2013-2014 under Grants-in-Aid were ₹ 11,853 crore and sector wise breakup is shown in next view:



## 2.8. Public Debt

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

(₹ in Crore)

Description	2009-10	2010-11	2011-12	2012-13	2013-14
Internal Debt	21,844	18,203	17,346	17,292	18,072
Central Loans	(-) 1,009	(-) 249	(-) 90	857	59
Total Public Debt	20,835	17,954	17,256	18,149	18,131

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

In 2013-2014, fifteen loans at par totaling ₹ 21,000 crore at interest rates varying from 7.63 per cent to 9.94 per cent and redeemable in the year 2023-2024 were raised from the open market. In addition, the State Government raised ₹ 24,914 crore from financial institutions (including other adjustments) and ₹ 4,307 crore from the National Small Savings Fund (NSSF). Thus, the internal debt totaled ₹ 50,221 crore. During 2013-14 Government of West Bengal also received ₹ 729 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.

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

#### 3.2. Revenue Expenditure

Revenue Expenditure of ₹ 91,797 crore for 2013-14 was almost at par with budget estimates of ₹ 91,892 crore.

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

(₹ in Crore)

	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<b>Budget Estimates</b>	60,253	64,502	74,139	83,719	<b>91,892</b>
<b>Actuals</b>	58,500	64,538	73,326	82,111	<b>91797</b>
<b>Gap</b>	1,753	-36	813	1,608	<b>95</b>
<b>Per cent of gap over BE</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>*</b>

(\*) Less than 1 per cent.

### 3.2.1. Sectoral Distribution of Revenue Expenditure (2013-14)

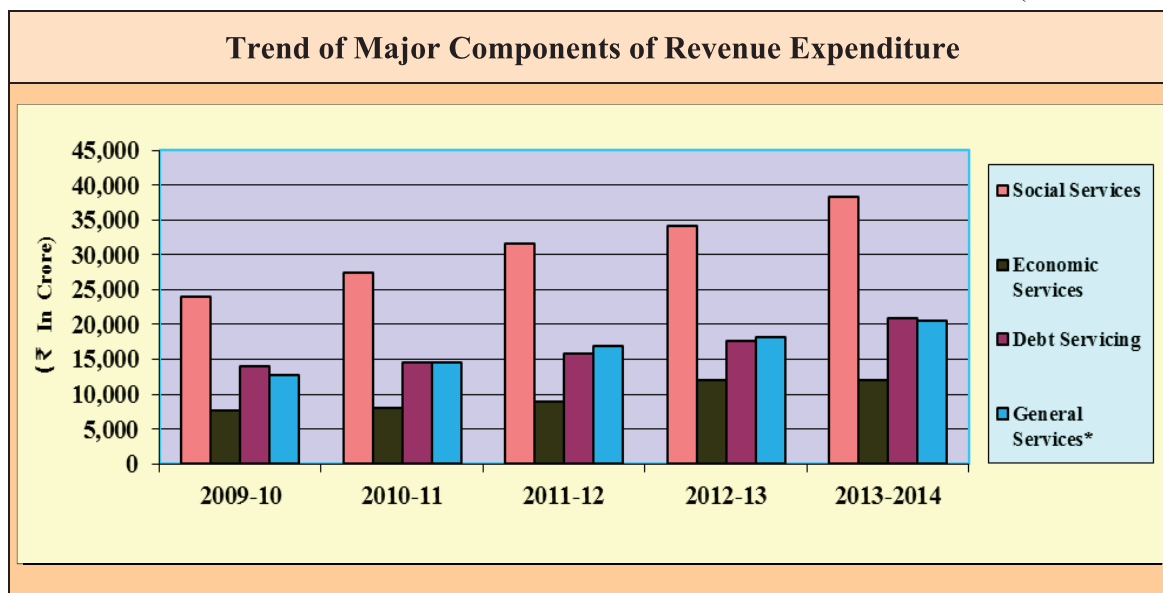
Components	Amount	Percentage
	(₹ in Crore)	
<b>A. Fiscal Services</b>	2,028	<b>2</b>
(i) Collection of Taxes on Property and Capital transactions	711	0
(ii) Collection of Taxes on Commodities and Services	1,283	1
(iii) Other Fiscal Services	34	-
<b>B. Organs of State</b>	649	<b>0</b>
<b>C. Interest Payments and Servicing of debt</b>	20,857	<b>23</b>
<b>D. Administrative Services</b>	5,618	<b>6</b>
<b>E. Pensions and Miscellaneous General Services</b>	11,682	<b>13</b>
<b>F. Social Services</b>	38,262	<b>42</b>
<b>G. Economic Services</b>	12,083	<b>13</b>
<b>H. Grants-in-Aid and Contributions</b>	618	<b>0</b>
<b>Total Expenditure (Revenue Account)</b>	<b>91,797</b>	<b>100</b>

### 3.2.2. Major components of Revenue Expenditure (2009-2014)

(₹ in Crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Social Services</b>	23,996	27,343	31,564	34,212	38,262
<b>Economic Services</b>	7,742	8,091	8,969	12,043	12,083
<b>Debt Servicing</b>	14,037	14,517	15,896	17,621	20,857
<b>General Services*</b>	12,725	14,587	16,898	18,236	20,595

(₹ in Crore)



\*General Services excludes **Major Head 2048 (Appropriation for reduction of debt)**, **Major Head 2049 (Interest Payments)** and includes **Major Head 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 22 per cent of total Revenue expenditure during last five years.

### 3.3. Capital Expenditure

Capital disbursements for 2013-14 amounting to ₹ 7,590 crore (including Loans and Advances) at 1.08 per cent of GSDP were less than Budget Estimates by ₹ 2,497 crore mainly due to less disbursement under Non-plan and Plan Expenditure. Over the last 3 years, Capital Expenditure has declined with respect to its budget. This can be viewed from the following table:

(₹ in Crore)

Sl. No.	Components	2009-10	2010-11	2011-12	2012-13	2013-14
1.	Budget (B.E.)	5,107	5,552	7,434	8,997	10,087
2.	Actual Expenditure (#)	3,011	2,226	2,764	4,547	6,927
3.	Per cent of Actual Expenditure to B.E.	59	40	37	51	69
4.	Growth in Capital Expenditure (in per cent)	-19	-26	24	65	52
5.	GSDP (*)	4,00,561	4,60,071	5,49,876	6,30,384	7,00,117
6.	Growth in GSDP (in per cent)	18	15	20	15	11

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

(\*) GSDP figure adopted from the Website of Ministry of Statistics and Programme Implementation as on 01.08.2014

#### 3.3.1. Sectoral Distribution of Capital Expenditure

Expenditure on Economic Services constitute the major chunk of Capital Expenditure. During 2013-14, the Government spent ₹ 1,515 crore on transport, ₹ 722 crore on Irrigation and Flood Control, ₹ 335 crore on Special Area Programme and ₹ 491 crore on Agriculture and Allied Activities. In Social Services, the Government spent ₹ 573 crore on Health and Family Welfare and ₹ 1,138 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	2009-10	2010-11	2011-12	2012-13	2013-14
1.	General Services (Capital)	157	107	122	162	307
	General services (Revenue)	26,357	28,680	32,289	35,325	40,834
2.	Social Services (Capital)	890	476	793	1,515	2,700
	Social Services (Revenue)	23,996	27,343	31,564	34,212	38,262
3.	Economic Services (Capital)	1,964	1,643	1,849	2,870	3,919
	Economic Services (Revenue)	7,742	8,091	8,969	12,043	12,083

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

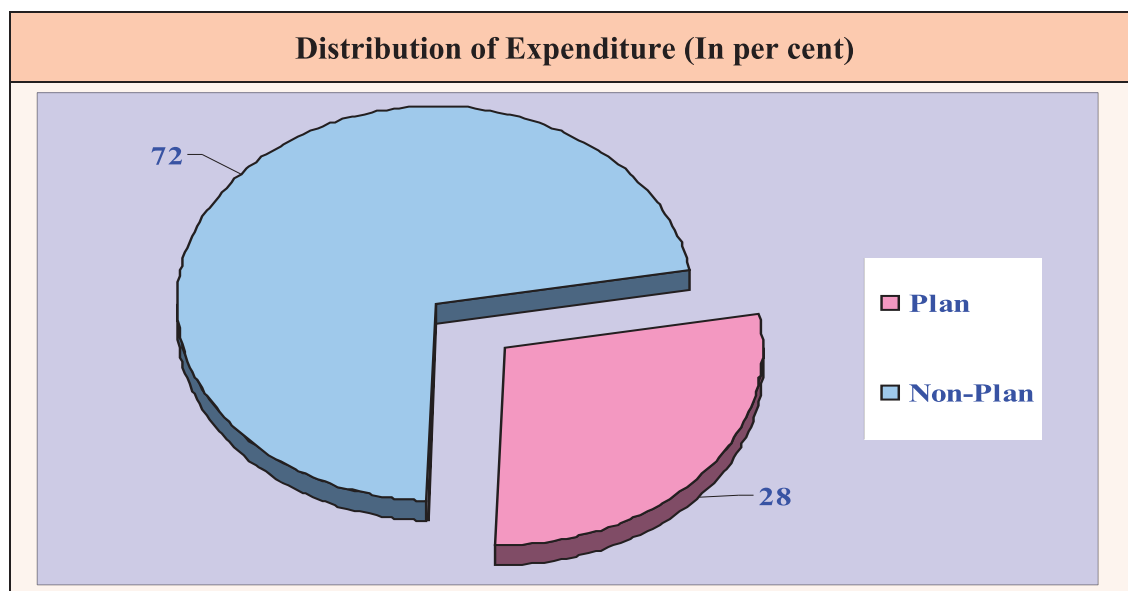


## CHAPTER – IV

### PLAN & NON-PLAN EXPENDITURE

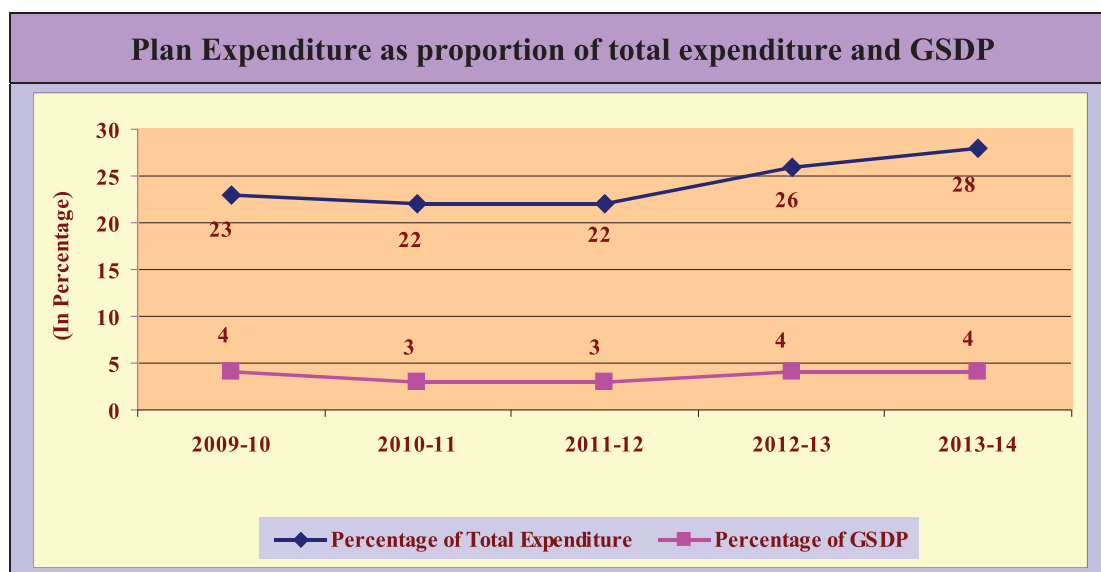
#### 4.1. Distribution of expenditure (2013-14)

The total expenditure during the year was ₹ 99,387 crore representing plan expenditure of ₹ 28,160 and non-plan of ₹ 71,227 crore.



#### 4.2. Plan Expenditure

During 2013-14, Plan Expenditure, representing 28 percent of total disbursements, was ₹ 28,160 crore (₹ 23,728 crore under State Plan, ₹ 3,720 crore under Centrally Sponsored, ₹ 232 crore under Central Sector New Schemes and ₹ 480 crore on Loans and Advances Plan Schemes ).



#### 4.2.1. Plan Expenditure under Capital Account

(₹ in Crore)

Description	2009-10	2010-11	2011-12	2012-13	2013-14
Total Capital Expenditure	3,763	2,634	3,212	5,611	7,590
Capital Expenditure (Plan)	4,192	2,569	2,764	4,547	7,362
Per cent of Capital Expenditure (plan) to Total Capital Expenditure	111 #	98	86	81	97

Note: Capital Expenditure includes Loans and Advances.

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

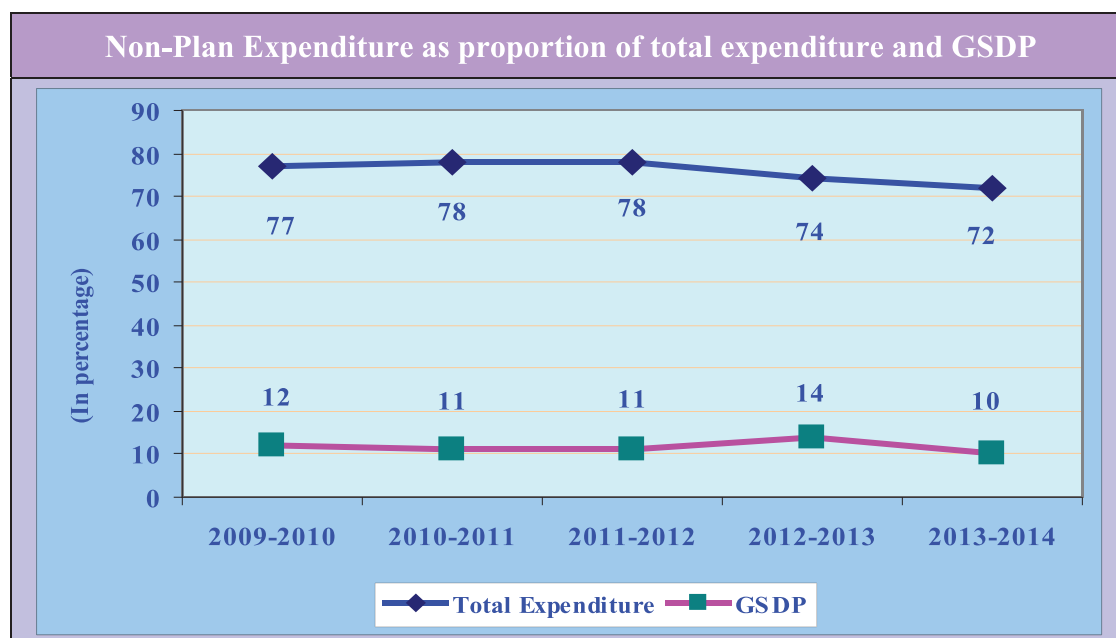
#### 4.2.2. Plan Expenditure on Loans and Advances

Significant disbursements of Loan and Advances were as under:

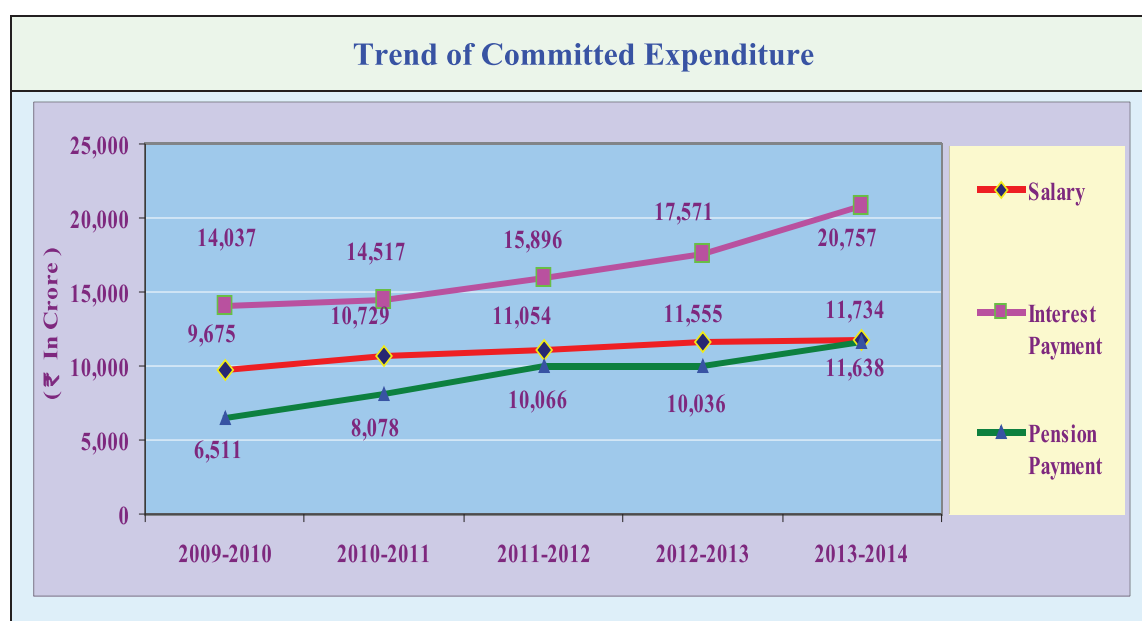
Description	Amount (₹ in Crore)	Details
MH-6217-Loans for Urban Development	65.64	Loans to Kolkata Municipal Corporation towards Kolkata Environment Improvement Project.
MH-6405-Loans for Fisheries	12.91	Loans to West Bengal State Fishermen's Co-Operative Federation Ltd. for implementation of NCDC assisted project.
MH-6425-Loans for Co-operation	17.17	Financial assistance to different Co-operatives.
MH-6801-Loans for Power Projects	250.71	Loans to West Bengal Power Development Corporation Ltd. ₹ 11.53 Crore as Additional Central Assistance for BTTP. Loans to Durgapur Project Ltd. ₹ 4.65 Crore for Renovation/ Upgradation/Modernisation.
MH-6851-Loans for Village and Small Industries	1.80	Loans to West Bengal State Handloom Weavers Co-Operative Society Ltd. (Tantuja) for Mobilisation Advance for wholesale business.
MH-6858-Loans for Engineering Industries	15.42	Loans to The Shalimar Works (1980) Ltd. for Renovation of Head office at Garden Reach.
MH-6859-Loans for Telecommunication and Electronic Industries	3.60	Loans to West Bengal Electronics Industry Development Corporation Ltd. towards financial assistance to Webel as loan.
MH-6860-Loans for Consumer Industries	1.57	Loans to Tamralipta Co-operative Spinning Mills Ltd. ₹ 3.71 Crore for modernization of the Mill. Loans to Durgapur Project Ltd. ₹ 1.00 Crore for installation of BOD plant
MH-7055-Loans for Road Transport	98.09	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	12.97	Loans to West Bengal Surface Transport Corporation for Repair/ Renovation/Construction of Vessels etc.

### 4.3. Non-Plan Expenditure

During 2013-14, Non-Plan Expenditure representing 72 per cent of total disbursements, was ₹ 71,227 crore, (₹ 70,999 crore under Revenue and ₹ 228 crore under Capital).



### 4.4. Committed Expenditure



The trend of committed expenditure to revenue expenditure over the past five years is given below :-

(₹ in Crore)

Component	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Committed Expenditure</b>	30,223	33,324	37,016	40,162	<b>44,129</b>
<b>Revenue Expenditure</b>	58,500	64,538	73,326	82,111	<b>91,797</b>
<b>Per cent of Committed Expenditure to Revenue Receipts</b>	82	71	63	59	<b>61</b>
<b>Per cent of Committed Expenditure to Revenue Expenditure</b>	<b>52</b>	<b>52</b>	<b>50</b>	<b>49</b>	<b>48</b>

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 2013-14 present the accounts of sums expended in the year ended 31 March 2014 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

(₹ 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	75,641 19,722	4,924 652	-- --	80,565 20,374	72,795 20,990	(-)7,770 (+)616
2.	Capital Voted Charged	10,075 6	2,518 1	-- --	12,593 7	7,366 1	(-)5,227 (-) 6
3.	Public Debt Charged	28,826	11,114	--	39,940	32,819	(-) 7,121
4.	Loans and Advances Voted Charged	768 -	143 --	-- --	911 --	663 --	(-) 248 --
<b>Total</b>		<b>1,35,038</b>	<b>19,352</b>	<b>--</b>	<b>1,54,390</b>	<b>1,34,634</b>	<b>(-)19,756</b>

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

(₹ in Crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
<b>2009-10</b>	(-)4,401	(-)1,800	(+)2,312	(-)191	<b>(-)4,080</b>
<b>2010-11</b>	(-)5,864	(-)3,486	(+)11,376	(-)4,452	<b>(-)2,426</b>
<b>2011-12</b>	(-)6,131	(-)4,449	(+)2,197	(-)209	<b>(-)8,592</b>
<b>2012-13</b>	(-)9,324	(-)4,435	(-)1,555	(-)424	<b>(-)15,738</b>
<b>2013-14</b>	(-) 7,154	(-) 5,233	(-) 7,121	(-) 248	<b>(-) 19,756</b>

### 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 per cent)

Grant No.	Name of Grant	2010-11	2011-12	2012-13	2013-14
10	Consumer Affairs	25	27	28	17
28	Housing	70	72	38	19
29	Industrial Reconstruction	71	83	83	87
31	Information Technology	82	70	58	12
32	Irrigation and Waterways	52	68	62	61
38	Minorities Development	26	19	19	16
48	Science and Technology	44	49	22	23
55	Water resources Investigation & Development	50	56	44	38

During 2013-14, out of total Supplementary Grants of ₹ 19,352 crore (14 per cent of total expenditure), an amount of ₹ 2,269 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 No.	Name of Grant	Original	Supplementary	Actual Expenditure
05	Agriculture	1,288	198	892
24	Health and Family Welfare	4,894	1,250	4,731
25	Public Works	3,638	643	3,256
38	Minority Affairs and Madrasah Education	2,030	47	1,748
39	Municipal Affairs	4,490	33	3,270
62	North Bengal Development	383	42	246

## 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 ₹ 12,357.60 crore at the end of 2013-14. However, dividends received during the year were ₹ 8.97 crore (0.07 per cent) on investment. During 2013-14, investment increased by ₹ 836.62 crore, while dividend income increased by ₹ 6.63 crore.

Cash Balance with RBI stood at ₹ 404.90 crore on 31 March 2013 and decreased to (-) ₹ 23.01 crore at the end of March 2014.

#### 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
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
2013-14	2,20,978	32	30,989	4	2,51,967	36

(\*) Excludes suspense and remittance balances.

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

During last five years Public Debt increased by 48 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 2014	
		Principal	Interest
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
2013-14	14,818	4,550	96

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 2013-14, Loans amounting to ₹ 19.94 crore were taken from National Co-operative Development Corporation (NCDC) and loans for ₹ 1,200.00 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 2013-14 was ₹ 14,642 crore. Of this, Loans and Advances to Government Corporations / Companies, Non-Government Institutions and Local Bodies amounted to ₹ 14,619 crore. During the year, ₹ 274 crore was received as interest.

#### 7.3. Financial Assistance to Local Bodies and Others

Expenditure on Grants-in-Aid to Local Bodies etc. represents 36 per cent of total Revenue Expenditure.

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

(₹ in Crore)

Year	Zilla Parishads	Municipalities	Panchayat Samities	Others	Total
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
2013-14	312	2,808	5,360	24,686	33,166

**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 April 2013	As on 31 March 2014	Net increase (+) /decrease(-)
Cash Balances	405	(-) 23	(-) 428
Investments from cash balance (GOI Treasury Bills)	4,464	5,098	634
Investments from earmarked fund balances	6,612	7,181	569
(a) Sinking Fund	6,562	7,101	539
(b) Guarantee Redemption Fund	--	--	--
(c) Other Funds	50	80	30
Interest realised	68	228	160

## 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 2013-14, only 31 per cent (₹ 40,763 crore) of the total expenditure and 53 per cent (₹ 66,053 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 2.82 days, 5.70 days and 4.38 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 2014, 9,900 DC bills amounting to ₹ 910 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 2013-14 are analysed below:

(₹ in crore)

Type of expenditure	Expenditure During the Year	During March 2014		Expenditure during last working day of March 2014
		Expenditure	Per cent of total Expenditure	
<b>Total Expenditure (without Pay vouchers)</b>	51,387.44	10,969.59	21.35	<b>3,114.70</b>
<b>Total Transfer Credit (including all deposit heads)</b>	13,051.82	2,717.81	20.82	<b>563.98</b>
<b>Amount of Transfer Credit to PD Accounts through Treasury vouchers (included in total Transfer Credit)</b>	1,219.30	348.19	25.56	<b>77.43</b>
<b>Amount of AC Bills drawn</b>	<b>536.91</b>	<b>154.88</b>	<b>28.85</b>	<b>45.27</b>

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 ₹ 96,169.50 lakh was incurred upto 31.03.2014 on Incomplete Capital Projects / Works. It was also revealed that in case of 2 Projects / Works there was a cost overrun of ₹ 196.99 lakh as on 31.03.2014.