

# **Accounts at a Glance**

**2014-15**

**Government of West Bengal**



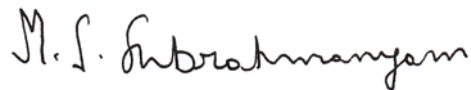
## PREFACE

This is the seventeenth 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 endeavour 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.



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ACCOUNTANT GENERAL (A&E)  
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KOLKATA  
Dated: 6 May 2016



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# CHAPTER – I

## OVERVIEW

### 1.1. Introduction

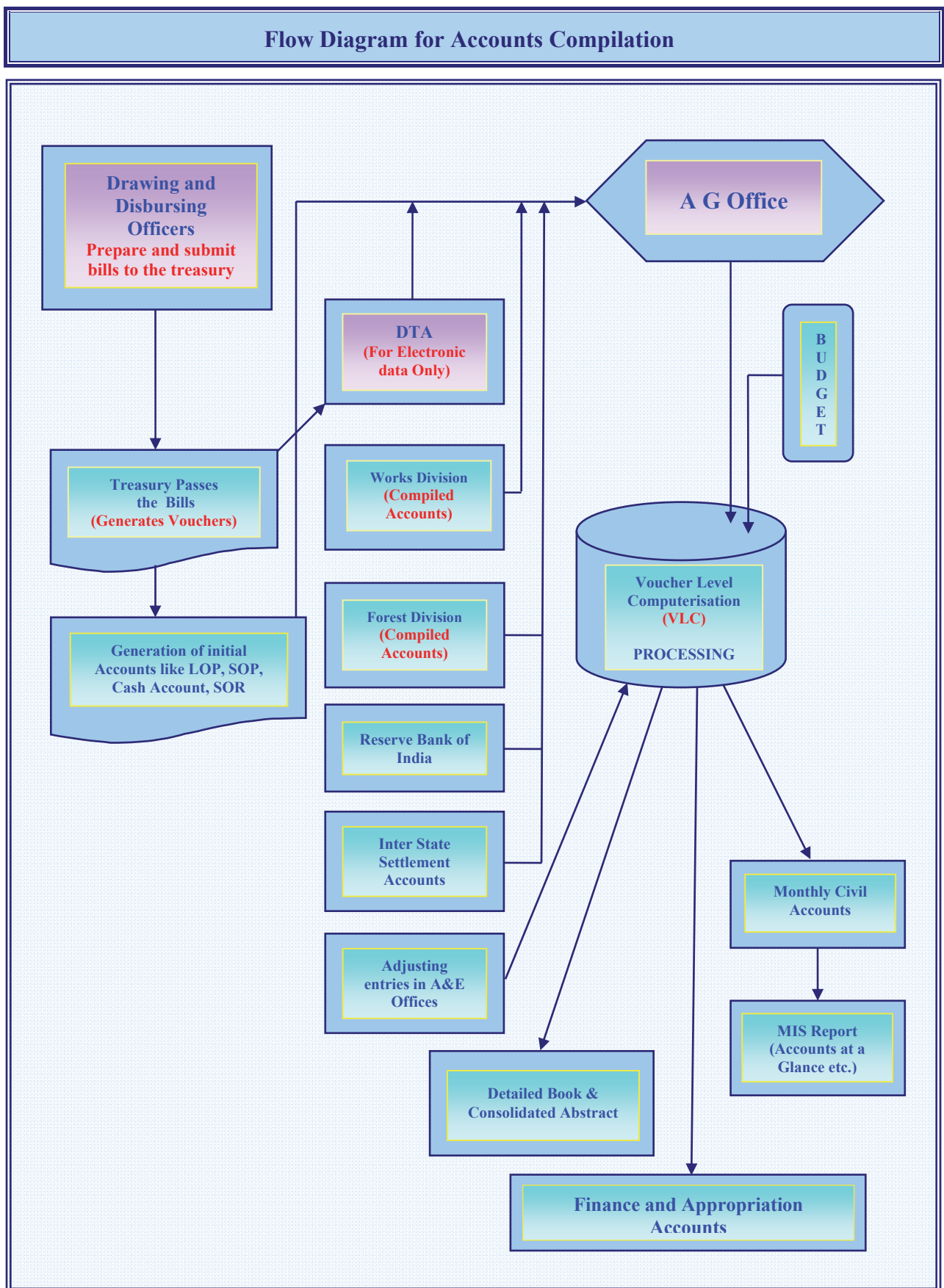
The Accountant General (Accounts and Entitlement), West Bengal compiles the accounts of receipts and disbursements of the Government of West Bengal. This compilation is based on the initial accounts rendered by the State Treasuries, Pay and Accounts Offices (PAOs) located in Kolkata and New Delhi, compiled 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





### 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 detailed statements (Part - I) and appendices (Part - II).

Receipts and disbursements of the State Government as depicted in the Finance Accounts for 2014-15 are detailed below:

(₹ in Crore)

<b>Receipts</b> ( Total : 1,14,036 )	<b>Revenue</b> (Total : 86,514)	<b>Tax Revenue</b>	<b>64,006</b>
		<b>Non Tax Revenue</b>	<b>1,627</b>
		<b>Grants-in-Aid</b>	<b>20,881</b>
	<b>Capital</b> (Total : 27,522)	<b>Recovery of Loans and Advances</b>	<b>176</b>
		<b>Borrowing and other Liabilities (*)</b>	<b>27,346</b>
<b>Disbursements</b> ( Total : 1,14,036 )	<b>Revenue</b>	<b>1,03,652</b>	
	<b>Capital</b>	<b>9,879</b>	
	<b>Loans and Advances</b>	<b>505</b>	

(\*) **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 ₹921.43 crore (₹10,281 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 VI 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 64 Voted Grants and 01 Charged Appropriation in the current year.

The gross Expenditure Budget provision (charged & voted) for 2014-15 was ₹1,73,544.36 crore and reduction of expenditure (recoveries) of ₹3,446.01 crore. Against this, the actual gross expenditure was ₹1,48,255.42 crore and reduction of expenditure was ₹2,539.90 crore, resulting in net savings of ₹25,288.94 Crore (15 per cent) in respect of expenditure and net saving of ₹906.11 Crore ( 26 per cent) on reduction of expenditure. The gross expenditure includes ₹939.78 crore drawn on Abstract Contingent (AC) Bills (no. of AC Bills 2,929), which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

During 2014-15, ₹1,406.09 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 2014-15, the Government of West Bengal resorted to Special Ways and Means Advances for 135 days and Normal Ways and Means Advances for 29 days.

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

The State had a Revenue Deficit of ₹17,137 crore and a Fiscal Deficit of ₹27,346 crore representing 2.14 per cent and 3.41 per cent of the Gross State Domestic Product (GSDP)<sup>1</sup>. The Fiscal Deficit constituted 24 per cent of total expenditure. This deficit was met solely from Public Debt (₹23,512 crore). Around 53 per cent of the Revenue Receipts (₹86,514 crore) of the State Government was spent on committed expenditure like Salaries (₹11,879 crore), Interest payment (₹21,588 crore) and Pensions (₹12,128 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 01.08.2015.

### Sources and Application of Funds

(₹ in Crore)

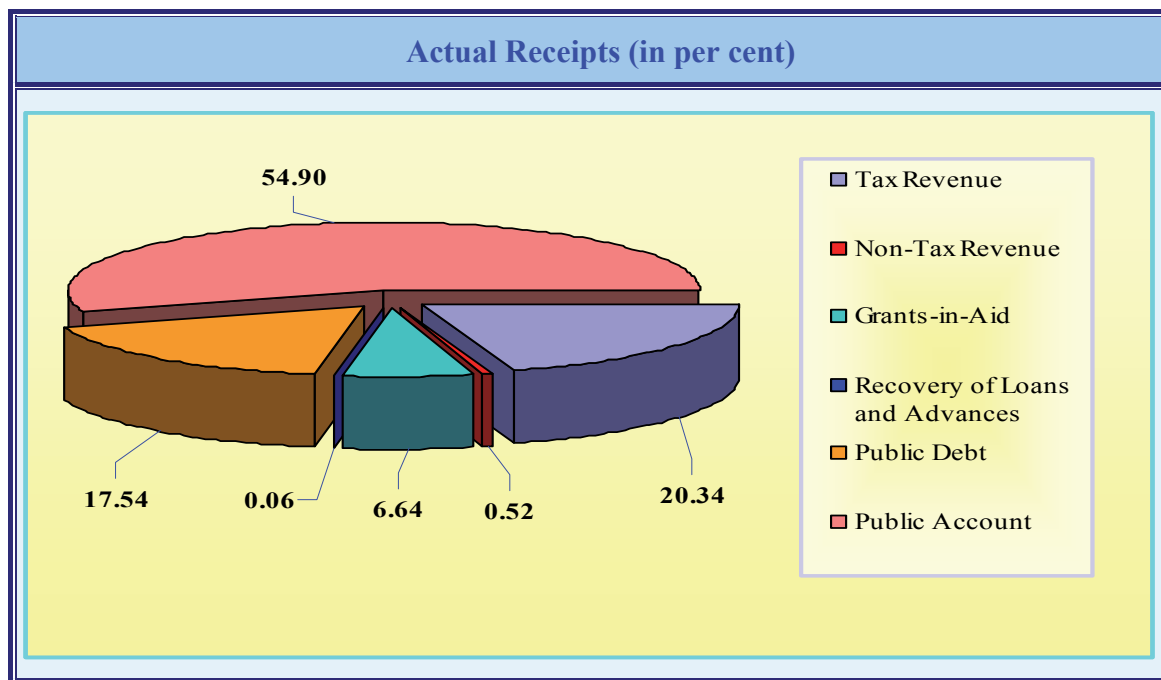
<b>SOURCES</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
		Opening Cash Balance as on 1.4.2014
	Revenue Receipts	86,514
	Recovery of Loans & Advances	176
	Public Debt	55,193
	Small Savings Provident Fund & Others	3,441
	Reserves & Sinking Funds	2,951
	Deposits Received	42,899
	Civil Advances Repaid	136
	Suspense Account	1,13,618
	Remittances	9,694
	Contingency Fund	0
	<b>TOTAL</b>	<b>3,14,599</b>

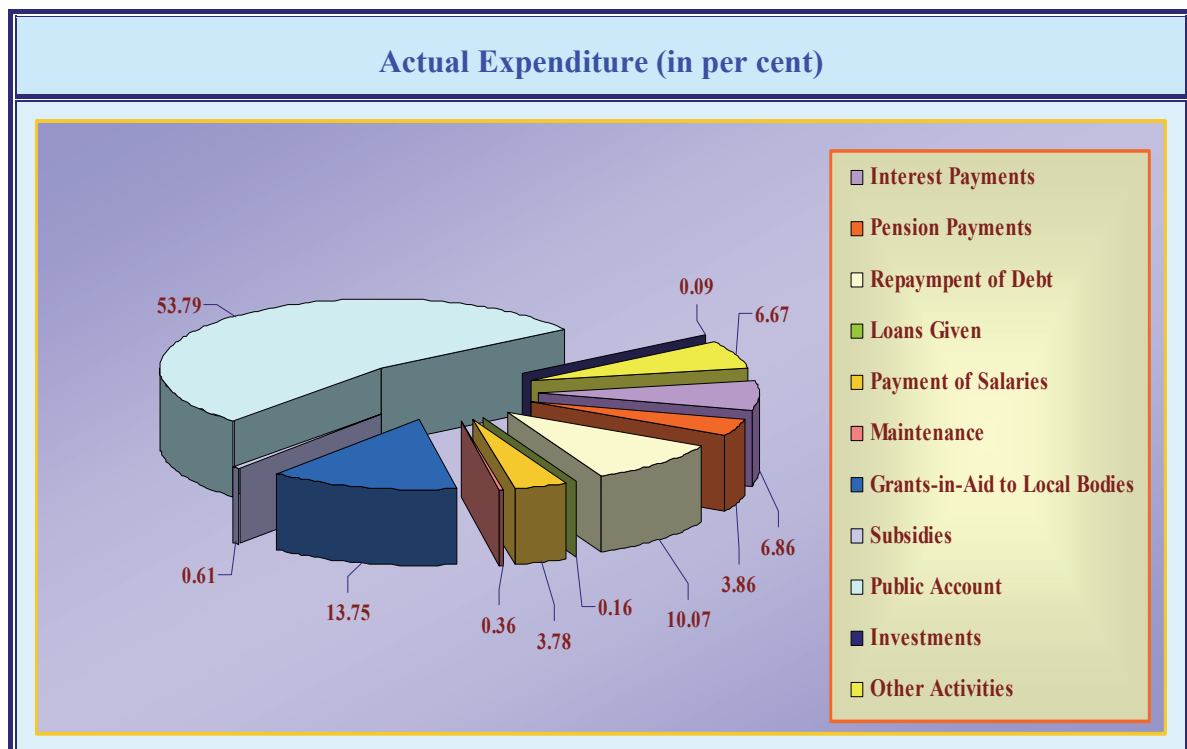
<b>APPLICATION</b>	Revenue Expenditure	1,03,652
	Capital Expenditure	9,879
	Loans Given	505
	Repayment of Public Debt	31,681
	Small Savings, Provident Fund & Others	2,434
	Reserves & Sinking Funds	3,059
	Deposits Spent	41,727
	Civil Advances Given	135
	Suspense Account	1,12,331
	Remittances	9,522
	Closing Cash Balance as on 31.03.2015	(-) 326
	<b>TOTAL</b>	<b>3,14,599</b>

Note: The Suspense Accounts include ₹38,457 crore invested in treasury bills which is shown on the 'Application' side, and ₹40,831 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 2014-15	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP <sup>1</sup>
		(₹ in Crore)			
1.	Tax Revenue <sup>2</sup>	73,211	64,006	87	8
2.	Non-Tax Revenue	1,990	1,627	82	0
3.	Grants-in-Aid & Contributions	30,777	20,881	68	3
4.	Revenue Receipts (1 + 2 + 3)	1,05,978	86,514	82	11
5.	Recovery of Loans and Advances	308	176	57	-
6.	Borrowings & Other Liabilities <sup>3</sup>	15,290	27,346	179	3
7.	Capital Receipts (5 + 6)	15,598	27,522	176	3
8.	Total Receipts (4 + 7)	1,21,576	1,14,036	94	14
9.	Non-Plan Expenditure <sup>4</sup>	79,243	74,141	94	9
10.	NPE on Revenue Account	78,745	73,877	94	9
11.	NPE on Interest Payments out of 10	21,505	21,588	100	3
12.	NPE on Capital Accounts	498	264	53	-
13.	Plan Expenditure <sup>4</sup>	42,333	39,895	94	5
14.	PE on Revenue Account	27,233	29,775	109	4
15.	PE on Capital Account	15,100	10,120	67	1
16.	Total Expenditure (9 + 13)	1,21,576	1,14,036	94	14
17.	Revenue Expenditure (10 + 14)	1,05,978	1,03,652	98	13
18.	Capital Expenditure (12 + 15) <sup>5</sup>	15,598	10,384	67	1
19.	Revenue Deficit(4-17)	Nil	17,138	*	2
20.	Fiscal Deficit (4 + 5 - 16)	15,290	27,346	179	3

<sup>1</sup> GSDP figure of ₹8,00,868 crore adopted from the Website of Ministry of Statistics and Programme Implementation as on 01.08.2015.

<sup>2</sup> Includes State's Share of net proceeds of Taxes of ₹ 24,595 crore.

<sup>3</sup> 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.

<sup>4</sup> Expenditure includes ₹264 crore under Non-Plan and ₹241 crore under Plan which pertains to Loans and Advances.

<sup>5</sup> Expenditure on Capital Account includes Capital Expenditure (₹9,879 crore) and Loans and Advances disbursed (₹505 crore).

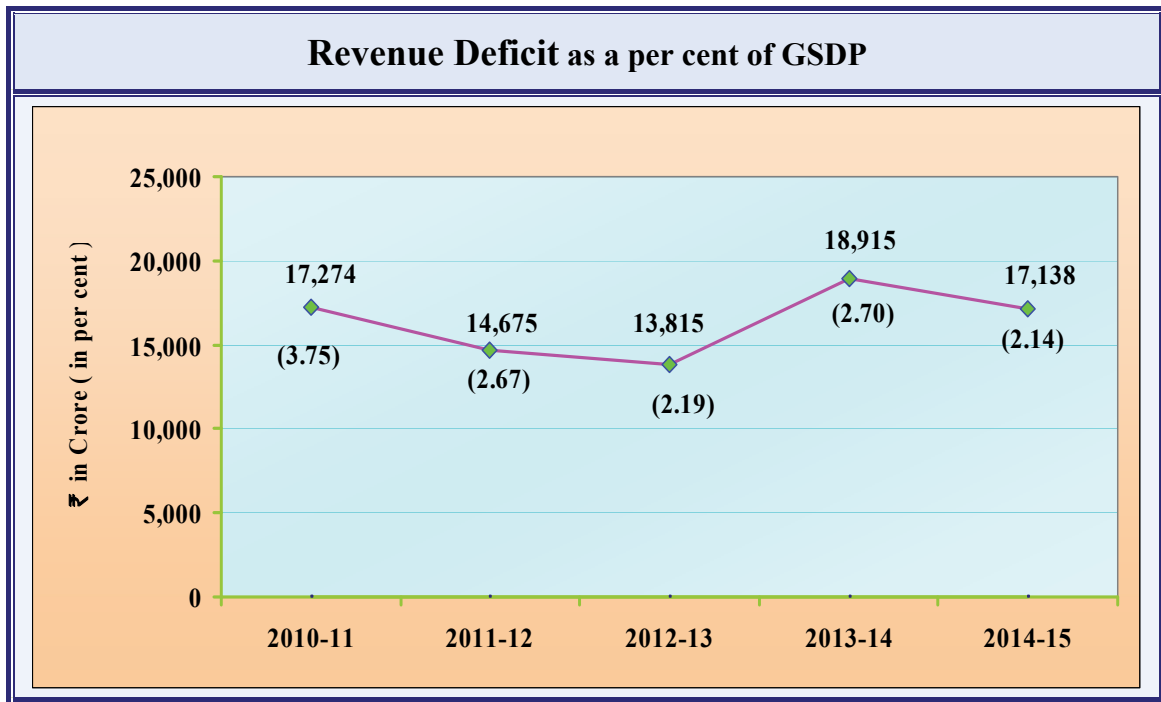
(\*) Denotes figure more than four digit / infinite.

## 1.6. What the Deficits and Surpluses indicate

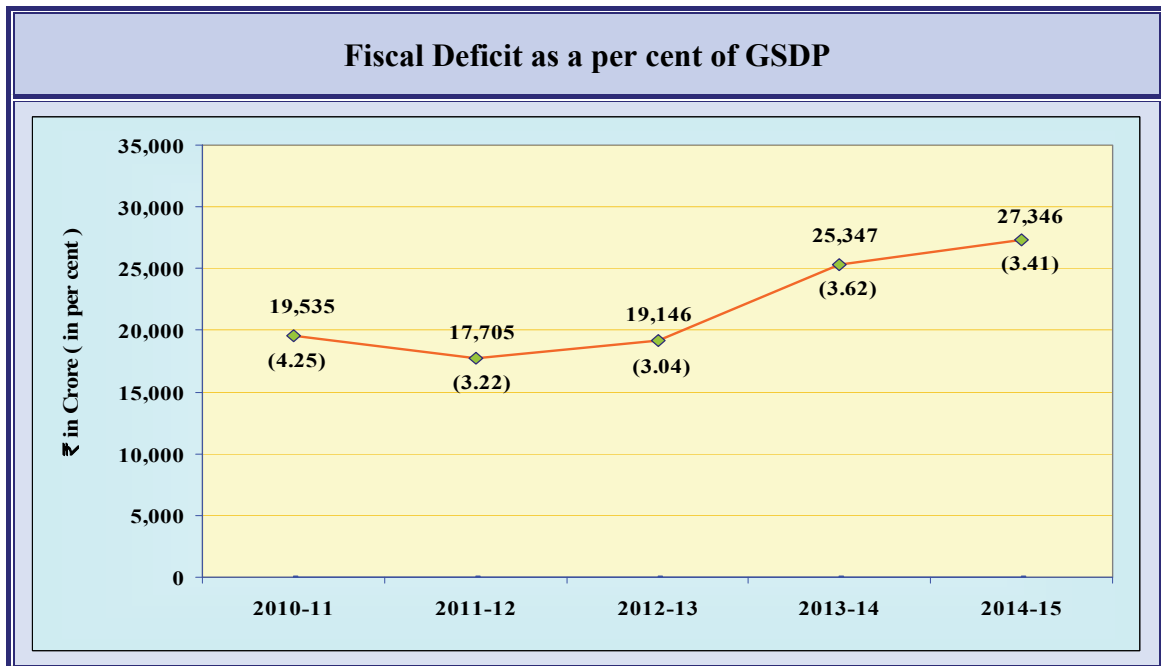
<b>Deficit</b>	<b>Refers to the Gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management.</b>
<b>Revenue Deficit/Surplus</b>	<b>Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.</b>
<b>Fiscal Deficit/Surplus</b>	<b>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.</b>

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 2015 is ₹17,138 crore.

### 1.6.1. Trend of Revenue Deficit / GSDP



### 1.6.2. Trend of Fiscal Deficit / GSDP

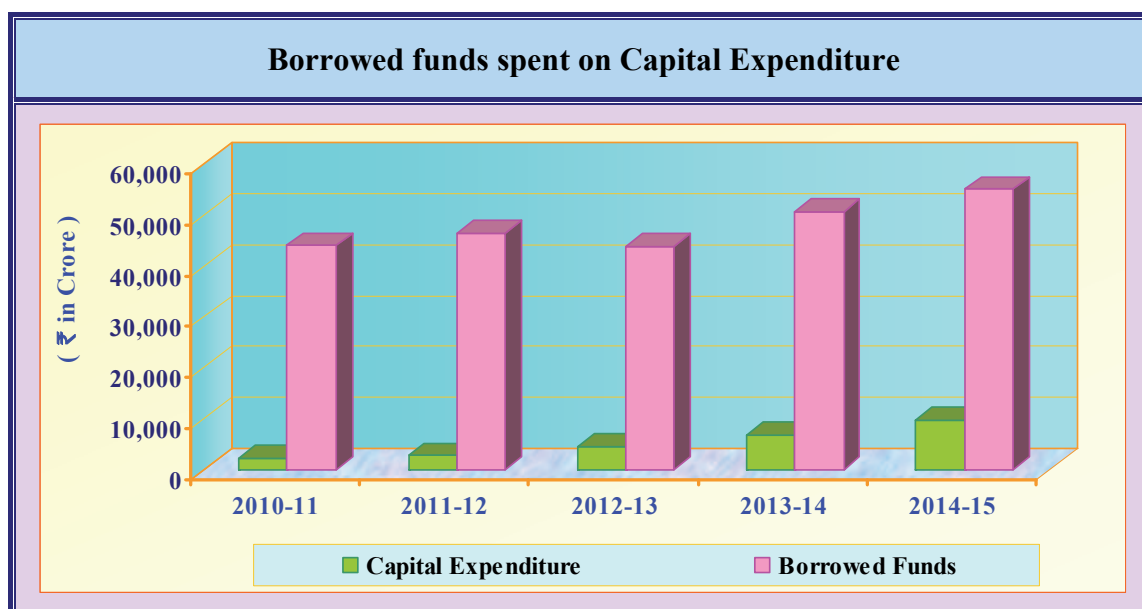




### 1.6.3. Proportion of borrowed funds spent on Capital expenditure.

(₹ in Crore)

Year	Capital Expenditure	Borrowed Funds
2010-11	2,226	44,174
2011-12	2,764	46,560
2012-13	4,547	43,984
2013-14	6,927	50,950
2014-15	9,879	55,193



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 18 per cent of the borrowings of the current year (₹55,193 crore) on capital expenditure (₹9,879 crore). It would, therefore, appear that 82 per cent of the public debt (₹45,314 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

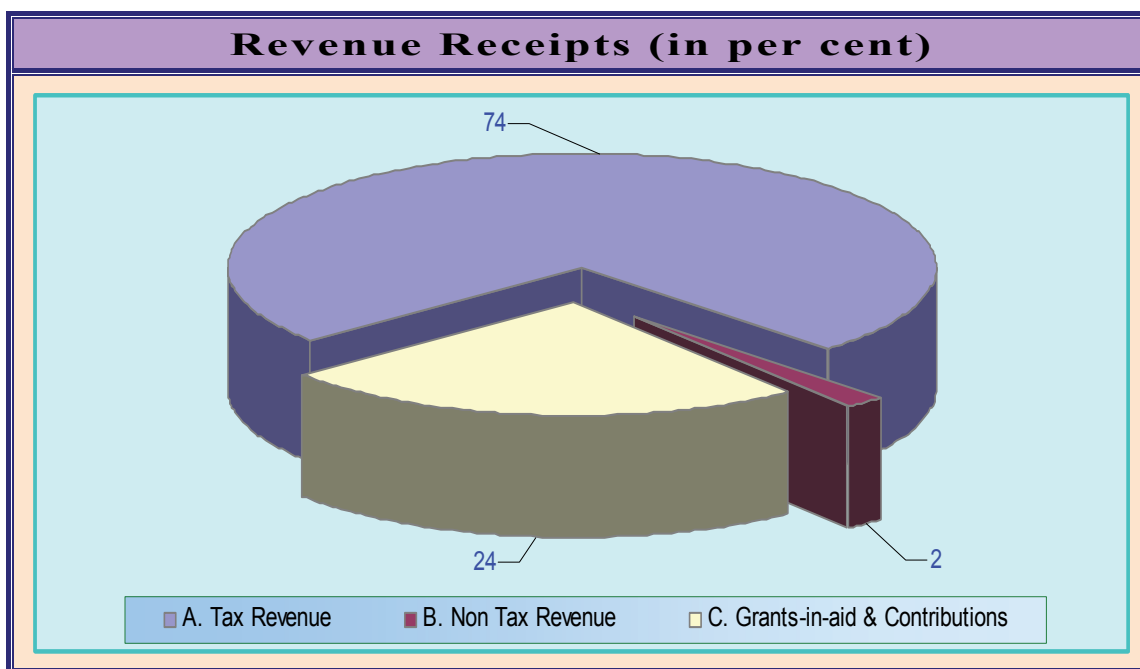
### RECEIPTS

#### 2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital receipts. Total Receipts of the Government of West Bengal during 2014-15 were ₹1,14,036 crore.

#### 2.2. Revenue Receipts

<b>Tax Revenue</b>	<b>Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution</b>
<b>Non-Tax Revenue</b>	<b>Includes Interest Receipts, dividends, profits etc.</b>
<b>Grants-in-Aid</b>	<b>Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Materials &amp; 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.</b>



### Revenue Receipt Components

(₹ in Crore)

Components	Actuals
<b>A. Tax Revenue</b>	<b>64,006</b>
Taxes on Income & Expenditure	15,196
Taxes on Property & Capital Transactions	6,495
Taxes on Commodities & Services	42,315
<b>B. Non-Tax Revenue</b>	<b>1,627</b>
Interest Receipts, Dividends and Profits	283
General Services	768
Social Services	228
Economic Services	348
<b>C. Grants-in-Aid &amp; Contributions</b>	<b>20,881</b>
<b>Total – Revenue Receipts</b>	<b>86,514</b>

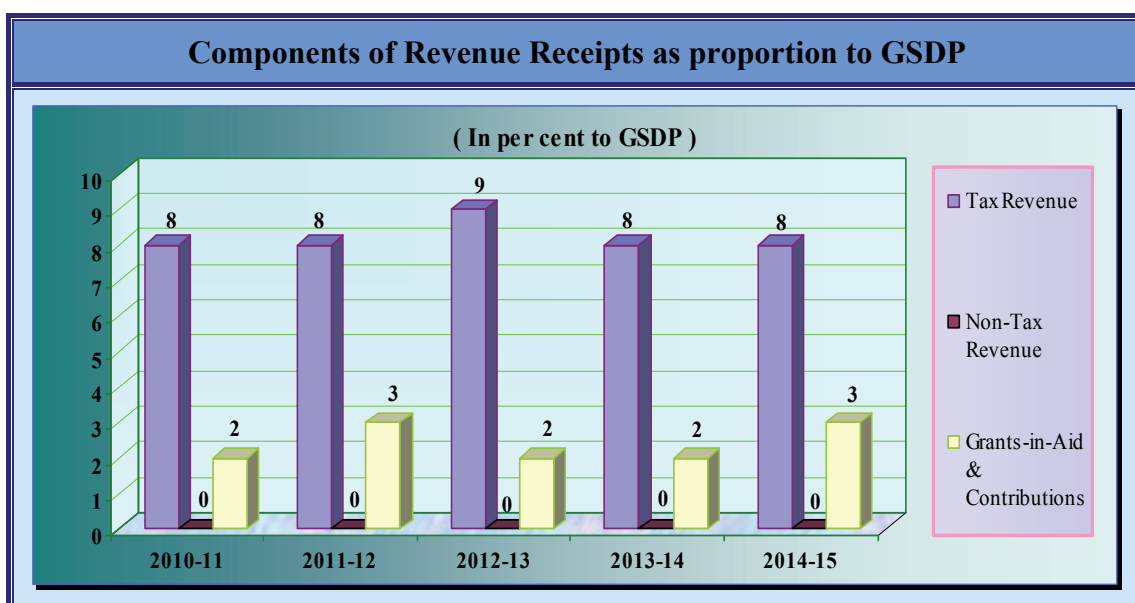
### 2.3. Trend of Receipts

( ₹ in Crore )

Components	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Tax Revenue</b>	37,084 (8)	43,526 (8)	54,035 (9)	59,006 (8)	64,006 (8)
<b>Non-Tax Revenue</b>	2,380 (0)	1,340 (0)	1,918 (0)	2,023 (0)	1,627 (0)
<b>Grants-in-Aid and Contributions</b>	7,800 (2)	13,889 (3)	12,343 (2)	11,853 (2)	20,881 (3)
<b>Total Revenue Receipts</b>	47,264 (10)	58,755 (11)	68,296 (11)	72,882 (10)	86,514 (11)
<b>GSDP</b>	4,60,071	5,49,876	6,30,384	7,00,117	8,00,868

Note : Figures in parentheses represent percentage to GSDP.

While the GSDP increased by 14 per cent between 2013-14 and 2014-15, the growth in revenue collection was 19 per cent. While tax revenue increased by 8 per cent, non-tax revenues decreased by 20 per cent. The State's Own Tax revenue increased by 10 per cent between 2013-14 (₹35,831 crore) and 2014-15 (₹39,412 crore), while Shares of Union taxes increased by 6 per cent.

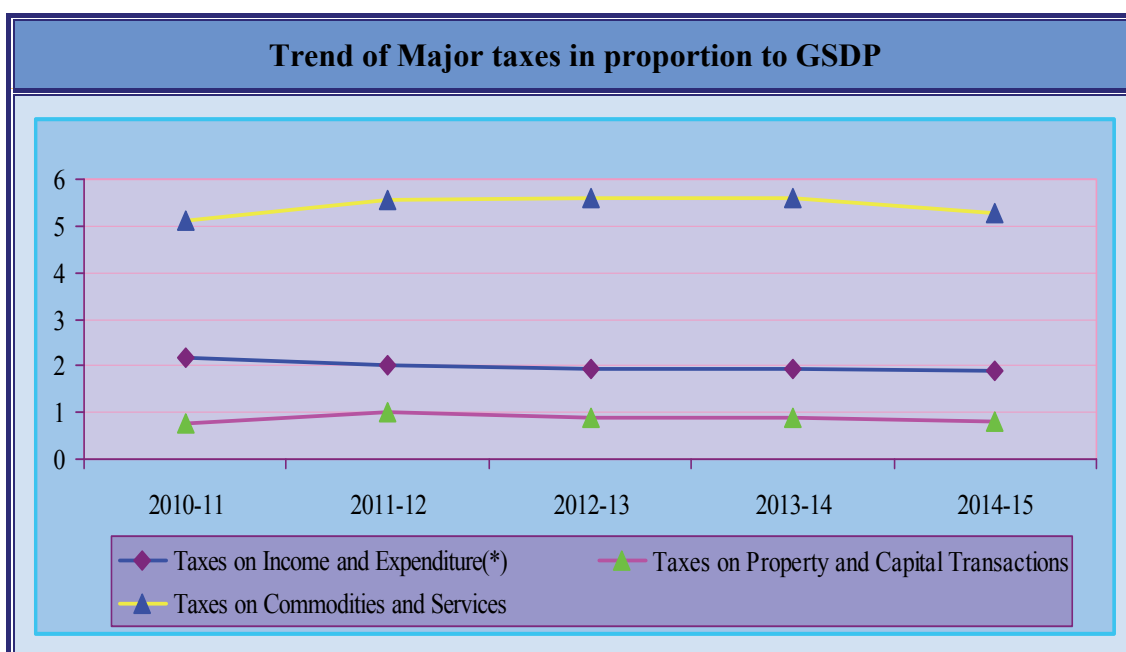


## Sector-wise Tax Revenue

(₹ in Crore)

Description	2010-11	2011-12	2012-13	2013-14	2014-15
Taxes on Income and Expenditure	9,936	11,470	12,650	13,409	15,196
Taxes on Property and Capital Transactions	3,532	4,632	6,394	6,328	6,495
Taxes on Commodities and Services	23,616	27,424	34,991	39,269	42,315
<b>Total Tax Revenue</b>	<b>37,084</b>	<b>43,526</b>	<b>54,035</b>	<b>59,006</b>	<b>64,006</b>

The increase in total Tax Revenues is mainly attributable to higher collections under 'Taxes on Sales, Trade etc.' (₹24,021.91 crore), 'Corporation Tax' (₹8,588.59 crore), 'Customs' (₹3,977.66 crore), 'Stamps and Registration Fees' (₹4,196.20 crore), 'Taxes on Income other than Corporation Tax' (₹6,133.08 crore), 'Taxes on Wealth' (₹23.19 crore), 'Land Revenue' (₹2,275.74 crore), 'State Excise' (₹3,587.02 crore), Taxes on vehicles' (₹1,504.68 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	Percentage to GSDP
	(₹ in Crore)			
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
2014-15	64,006	24,594	39,412	4.92

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)

Description	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	3,532	4,632	6,394	6,328	6,495
Expenditure on Collection	672	663	682	711	699
Efficiency of Tax Collection (in per cent)	19	14	11	11	11

### B. Taxes on Commodities and Services

(₹ in Crore)

Description	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	23,616	27,424	34,991	39,269	42,315
Expenditure on Collection	285	279	300	1,283	1,153
Efficiency of Tax Collection (in per cent)	1	1	1	3	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

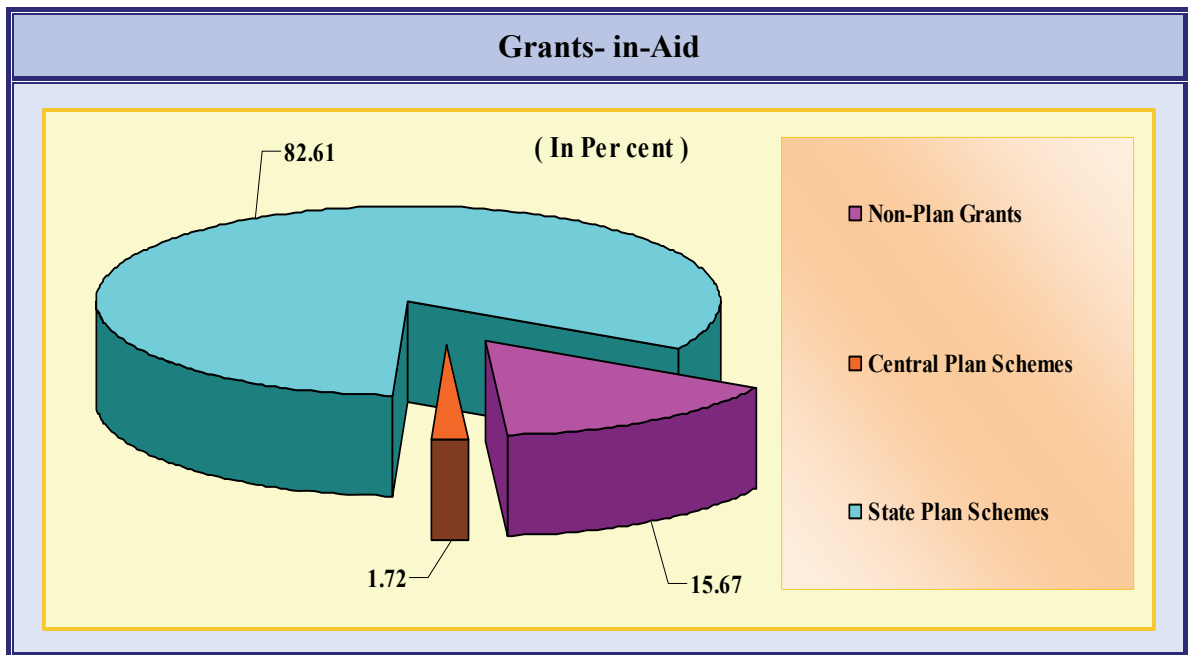
(₹ in Crore)

Major Head description	2010-11	2011-12	2012-13	2013-14	2014-15
Corporation Tax	6,236	7,316	7,624	7,794	8,588
Taxes on Income other than Corporation Tax	3,295	3,716	4,565	5,132	6,133
Taxes on Wealth	13	28	13	21	23
Customs	2,790	3,223	3,527	3,781	3,978
Union Excise Duties	2,030	2,085	2,397	2,671	2,246
Service Tax	1,591	2,219	3,100	3,776	3,626
State's Share of Union Taxes	15,955	18,588	21,226	23,175	24,594
Total Tax Revenue	37,084	43,526	54,035	59,006	64,006
Per cent of State's Share of Union Taxes & Duties to Total Tax Revenue	43	43	39	39	38

## 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 32 per cent to 16 per cent during 2013-14 and 2014-15. The share of Grants for Plan Schemes increased over previous year when compared to budget estimates. The State received only ₹17,610 crore (57 per cent of the budget estimate of ₹30,777 crore) against ₹8,063 crore (37 per cent) received last year. Total receipts during 2014-15 under Grants-in-Aid were ₹20,881 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	2010-11	2011-12	2012-13	2013-14	2014-15
Internal Debt	18,203	17,346	17,292	18,072	22,832
Central Loans	(-) 249	(-) 90	857	59	680
<b>Total Public Debt</b>	<b>17,954</b>	<b>17,256</b>	<b>18,149</b>	<b>18,131</b>	<b>23,512</b>

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

In 2014-15, fifteen loans at par totalling ₹21,900 crore at interest rates varying from 8.08 per cent to 9.40 per cent and redeemable in the year 2024-25 were raised from the open market. In addition, the State Government raised ₹24,218 crore from financial institutions (including other adjustments) and ₹7,712 crore from the National Small Savings Fund (NSSF). Thus, the internal debt totalled ₹53,830 crore. During 2014-15 Government of West Bengal also received ₹1,363 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, Co-operation, Energy, Industries, Transport, etc.</b>

#### 3.2. Revenue Expenditure

Revenue Expenditure of ₹1,03,652 crore for 2014-15 was 98 per cent of budget estimates of ₹1,05,978 crore.

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

(₹ in Crore)

Description	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Budget Estimates</b>	<b>64,502</b>	<b>74,139</b>	<b>83,719</b>	<b>91,892</b>	<b>1,05,978</b>
<b>Actuals</b>	<b>64,538</b>	<b>73,326</b>	<b>82,111</b>	<b>91797</b>	<b>1,03,652</b>
<b>Gap</b>	<b>-36</b>	<b>813</b>	<b>1,608</b>	<b>95</b>	<b>2,326</b>
<b>Per cent of gap over BE</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>*</b>	<b>2</b>

(\*) Less than 1 per cent.

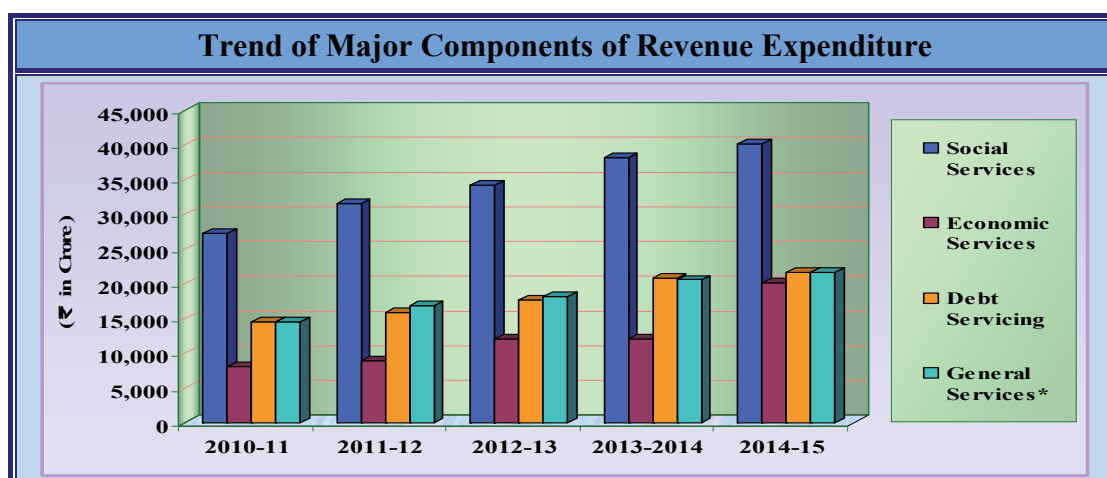
### 3.2.1. Sectoral Distribution of Revenue Expenditure

Components	Amount	Percentage
	(₹ in Crore)	
<b>A. Fiscal Services</b>	1,875	2
(i) Collection of Taxes on Property and Capital transactions	699	0
(ii) Collection of Taxes on Commodities and Services	1,153	1
(iii) Other Fiscal Services	23	0
<b>B. Organs of State</b>	802	0
<b>C. Interest Payments and Servicing of debt</b>	21,688	21
<b>D. Administrative Services</b>	6,133	6
<b>E. Pensions and Miscellaneous General Services</b>	12,214	12
<b>F. Social Services</b>	40,156	39
<b>G. Economic Services</b>	20,157	19
<b>H. Grants-in-Aid and Contributions</b>	627	0
<b>Total Expenditure (Revenue Account)</b>	<b>1,03,652</b>	<b>100</b>

### 3.2.2. Major components of Revenue Expenditure

(₹ in Crore)

Components	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Social Services</b>	27,343	31,564	34,212	38,262	40,156
<b>Economic Services</b>	8,091	8,969	12,043	12,083	20,157
<b>Debt Servicing</b>	14,517	15,896	17,621	20,857	21,688
<b>General Services*</b>	14,587	16,898	18,236	20,595	21,651



\*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 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 21 per cent of total Revenue Expenditure during last five years.

### 3.3. Capital Expenditure

Capital disbursements for 2014-15 amounting to ₹10,384 crore (including Loans and Advances) at 1.30 per cent of GSDP were less than Budget Estimates by ₹5,214 crore mainly due to less disbursement under Non-plan and Plan Expenditure. Over the last five years, Capital Expenditure has declined with respect to its budget. This can be viewed from the following table:

(₹ in Crore)

Sl. No.	Components	2010-11	2011-12	2012-13	2013-14	2014-15
1.	Budget (B.E.)	5,552	7,434	8,997	10,087	15,598
2.	Actual Expenditure (#)	2,226	2,764	4,547	6,927	9,879
3.	Per cent of Actual Expenditure to B.E.	40	37	51	69	63
4.	Growth in Capital Expenditure (in per cent)	(-) 26	24	65	52	43
5.	GSDP (*)	4,60,071	5,49,876	6,30,384	7,00,117	8,00,868
6.	Growth in GSDP (in per cent)	15	20	15	11	14

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

(\*) GSDP figure adopted from the Website of Ministry of Statistics and Programme Implementation as on 01.08.2015.

#### 3.3.1. Sectoral Distribution of Capital Expenditure

Expenditure on Economic Services constitute the major chunk of Capital Expenditure. During 2014-15, the Government spent ₹1,325 crore on Transport, ₹1,374 crore on Irrigation and Flood Control, ₹491 crore on Special Area Programme and ₹790 crore on Agriculture and Allied Activities. In Social Services, the Government spent ₹1,065 crore on Health and Family Welfare and ₹1,819 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	2010-11	2011-12	2012-13	2013-14	2014-15
1.	General Services (Capital)	107	122	162	307	420
	General services (Revenue)	28,680	32,289	35,325	40,834	42,712
2.	Social Services (Capital)	476	793	1,515	2,700	4,224
	Social Services (Revenue)	27,343	31,564	34,212	38,262	40,156
3.	Economic Services (Capital)	1,643	1,849	2,870	3,919	5,235
	Economic Services (Revenue)	8,091	8,969	12,043	12,083	20,157

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

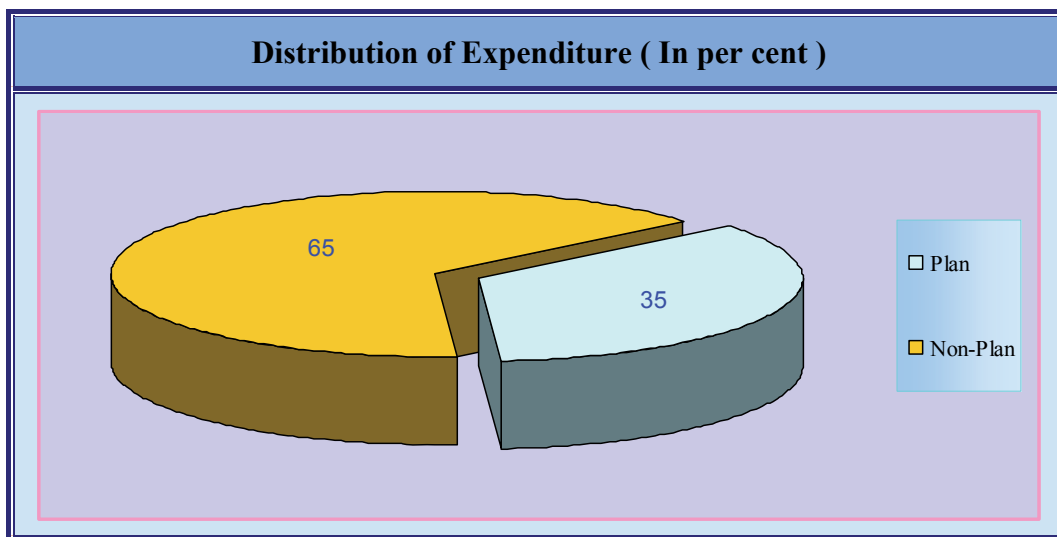
2. Revenue Expenditure does not include expenditure on Grants-in-Aid.

## CHAPTER – IV

### PLAN & NON-PLAN EXPENDITURE

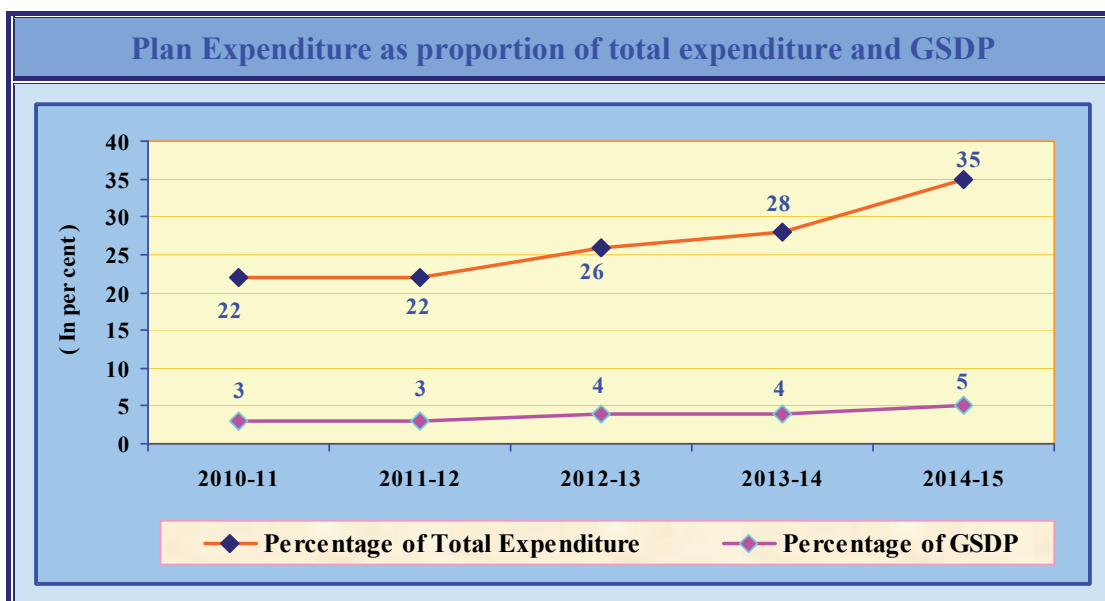
#### 4.1. Distribution of Expenditure

The total expenditure during the year was ₹1,14,036 crore representing Plan expenditure of ₹39,895 crore and Non-Plan expenditure of ₹74,141 crore.



#### 4.2. Plan Expenditure

During 2014-15, Plan Expenditure, representing 35 per cent of total disbursements, was ₹39,895 crore ( ₹39,204 crore under State Plan, ₹103 crore under Centrally Sponsored, ₹347 crore under Central Sector New Schemes and ₹241 crore on Loans and Advances ).



#### 4.2.1. Plan Expenditure under Capital Account

(₹ in Crore)

Description	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Total Capital Expenditure</b>	<b>2,634</b>	<b>3,212</b>	<b>5,611</b>	<b>7,590</b>	<b>10,384</b>
<b>Capital Expenditure (Plan)</b>	<b>2,569</b>	<b>2,764</b>	<b>4,547</b>	<b>7,362</b>	<b>10,120</b>
<b>Per cent of Capital Expenditure (Plan) to Total Capital Expenditure</b>	<b>98</b>	<b>86</b>	<b>81</b>	<b>97</b>	<b>97</b>

Note: Capital Expenditure includes Loans and Advances.

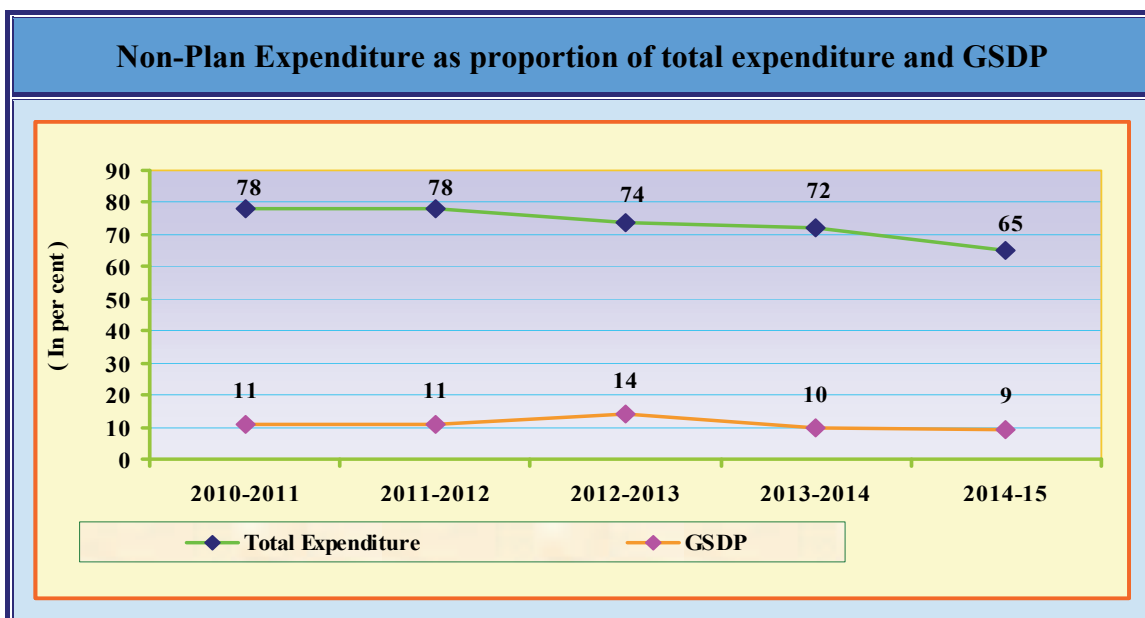
#### 4.2.2. Plan Expenditure on Loans and Advances

Significant disbursements of Loans and Advances were as under:

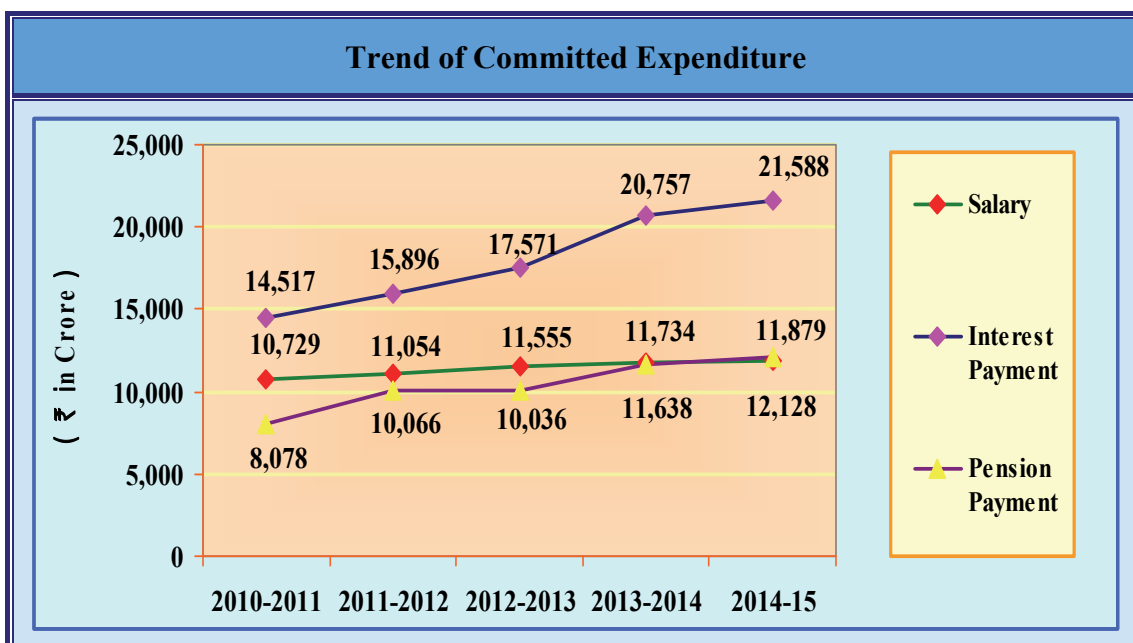
Description	Amount (₹ in Crore)	Details
MH - 6210 – Loans for Medical and Public Health	2.77	Loans to Electro Medical and Allied Industries Ltd.
MH - 6220 – Loans for Information and Publicity	4.25	Loans to West Bengal Film Development Corporation.
MH - 6407 – Loans for Plantations	2.21	Loans to West Bengal Tea Development Corporation Ltd.
MH - 6425 – Loans for Co-operation	2.16	Loans to Other Co-operatives - Loans for Estt. of Cold Storage and Dev. of Apex Agricultural Marketing Society.
MH - 6435 – Loans for Other Agricultural Programmes	10.00	Loans to Paschimbanga Agri-Marketing Corporation Ltd.
MH - 6551 – Loans for Hill Areas	5.44	Loans to West Bengal Tea Development Corporation.
MH - 6801 – Loans for Power Projects	137.86	Loans to Durgapur Project for Adjustment of Coal Dues ₹35.00 crore, Durgapur Project Ltd. ₹7.21 crore, Thermal Power Generation - Other Misc. loan ₹15.18 crore WBSEDCL on account of OECF Purulia Plant ₹2.70 crore, World Bank Project Loans to WBPDC ₹77.77 crore.
MH - 6851 – Loans for Village and Small Industries	2.66	Loans to W.B. State Handloom Weavers Co-op. Ltd. for payment of Outstanding Bank dues (Tantuja) ₹2.47 crore, and for Wholesale Business ₹0.19 crore.
MH - 6857 – Loans for Chemical and Pharmaceutical Industries	3.77	Loans to Gluconate Health Ltd. ₹1.59 crore, W.B. Pharmaceutical and Phytochemical Dev. Corporation Ltd. ₹0.88 crore, Infusion (India) Ltd. ₹1.30 crore.
MH - 6858 – Loans for Engineering Industries	5.99	Loans to National Iron and Steel Co. Ltd. ₹3.18 crore, Neo Pipe & Tube Co. Ltd. ₹2.81 crore.
MH - 6859 – Loans for Telecommunication and Electronic Industries	4.50	Loans to West Bengal Electronics Industries Development Corporation Ltd.
MH - 6860 – Loans for Consumer Industries	54.56	Loans to W.B. Co-op. Spinning Mills Ltd. ₹1,103 crore, West Dinajpur Spinning Mills Ltd. ₹15.26 crore, Mayurakshi Cotton Mills ₹2.55 crore, Tamralipta Spinning Mills Ltd. ₹0.55 crore, Kanshaboti Spinning Mills Ltd. ₹1.00 crore, Kalyani Spinning Mills Ltd. ₹21.54 crore, W.B. Sugar Industries Dev. Co-op. Ltd. ₹0.09 crore, Lily Biscuit Ltd. ₹2.45 crore.
MH - 6875 – Loans for other Industries	4.94	Loans to Basumati Corporation ₹4.28 crore, Basumati Corporation for Printing ₹0.22 crore, Basumati Corporation for payment of arrear dues ₹0.22 crore, Basumati Corporation for publishing Sagar Math Patrika ₹0.22 crore.
MH - 6885 – Other Loans to Industries and Minerals	117.08	Loans to West Bengal Industrial Development Corporation Ltd.
MH - 7055 – Loans for Road Transport	109.25	Loans to Public Sector and Other Undertaking ₹88.37 crore, Special Component Plan for SC ₹11.88 crore, Tribal Area Sub-Plan ₹9.00 crore.
MH - 7056 – Loans for Inland Water Transport	17.56	Loans to Public sector and Other Undertakings.
MH - 7075 – Loans for Other Transport Services	18.21	Loans to Britannia Engineering Ltd. ₹7.35 crore, Westinghouse Saxby Farmer Ltd. ₹9.28 crore, Construction of Second Bridge over Hooghly River ₹1.58 crore.

### 4.3. Non-Plan Expenditure

During 2014-15, Non-Plan Expenditure representing 65 per cent of total disbursements, was ₹74,141 crore, (₹73,877 crore under Revenue and ₹264 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	2010-11	2011-12	2012-13	2013-14	2014-15
Committed Expenditure	33,324	37,016	40,162	44,129	45,595
Revenue Expenditure	64,538	73,326	82,111	91,797	1,03,652
Per cent of Committed Expenditure to Revenue Receipts	71	63	59	61	53
Per cent of Committed Expenditure to Revenue Expenditure	52	50	49	48	44

The major disbursement 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 2014-15 present the Accounts of sums expended in the year ended 31 March 2015 compared with the sums specified in the Schedules appended to the Appropriation Act 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.	<b>Revenue</b>						
	Voted	86,065	6,776	--	92,841	83,188	(-) 9,653
	Charged	21,986	907	--	22,893	21,832	(-) 1,061
2.	<b>Capital</b>						
	Voted	16,490	1,691	--	18,181	11,008	(-) 7,173
	Charged	5	41	--	46	42	(-) 4
3.	<b>Public Debt</b>						
	Voted	--		--	--	--	--
	Charged	35,437	3,495	--	38,932	31,681	(-) 7,251
4.	<b>Loans and Advances</b>						
	Voted	477	175	--	652	505	(-) 147
	Charged	--	--	--	--	--	--
<b>Total</b>		<b>1,60,460</b>	<b>13,085</b>	<b>--</b>	<b>1,73,545</b>	<b>1,48,256</b>	<b>(-) 25,289</b>

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

(₹ in Crore)

Year	Savings (-) / Excess (+)				
	Revenue	Capital	Public Debt.	Loans & Advances	Total
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
2013-14	(-) 7,154	(-) 5,233	(-) 7,121	(-) 248	(-) 19,756
2014-15	(-) 10,714	(-) 7,177	(-) 7,251	(-) 147	(-) 25,289

### 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	2011-12	2012-13	2013-14	2014-15
10	Consumer Affairs	27	28	17	23
28	Housing	72	38	19	10
29	Industrial Reconstruction	83	83	87	81
31	Information Technology	70	58	12	16
32	Irrigation and Waterways	68	62	61	43
38	Minority Affairs and Madrasah Education	19	19	16	16
48	Science and Technology	49	22	23	12
55	Water Resources Investigation & Development	56	44	38	31

During 2014-15, out of total Supplementary Grants of ₹13,085 crore (9 per cent of total expenditure), an amount of ₹737 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	Name of Grant	Original	Supplementary	Actual Expenditure
11	Micro & Small Scale Enterprises and Textiles	925	74	514
13	Higher Education	2,516	69	2,496
25	Public Works	4,440	392	3,752
30	Information and Cultural Affairs	289	69	230
38	Minority Affairs and Madrasah Education	2,311	38	1,974
62	North Bengal Development	453	95	282

## 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 ₹12,652.60 crore at the end of 2014-15. However, dividends received during the year were ₹5.81 crore (0.05 per cent) on investment. During 2014-15, investment increased by ₹295.00 crore, while dividend income decreased by ₹3.16 crore.

Cash Balance with RBI stood at (-) ₹23.01 crore on 31 March 2014 and decreased to (-) ₹326.74 crore at the end of March 2015.

#### 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:

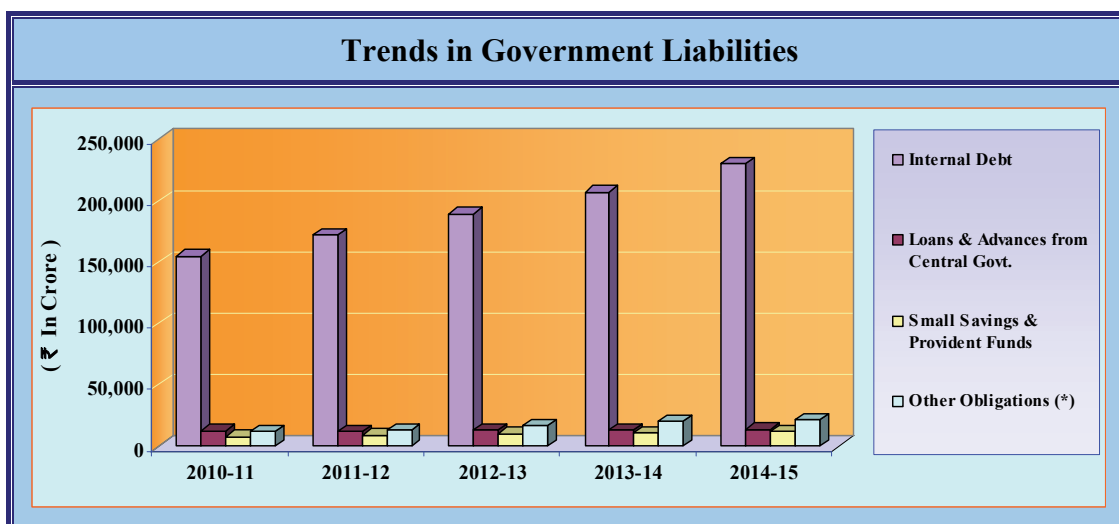
(₹ in Crore)

Year	Public Debt	Per cent to GSDP	Public Account (*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
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
2014-15	2,44,490	31	33,060	4	2,77,550	35

(\*) Excludes suspense and remittance balances.

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

During last five years, Public Debt increased by 46 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 2015	
		Principal	Interest
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
2014-15	15,184	9,322	64

The Government of West Bengal has included a disclosure in the FRBM Document that Guarantee Redemption Fund has been constituted vide notification bearing No. 1240-FB dated 02.01.2015 and minimum contribution of ₹46.00 crore has been made to the Fund in 2014-15.

**CHAPTER –VII**  
**OTHER ITEMS**

**7.1. Internal Debt**

During 2014-15, Loans amounting to ₹4.71 crore were taken from National Co-operative Development Corporation (NCDC) and loans for ₹1,540.16 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 2014-15 were ₹14,971 crore. Of this, Loans and Advances to Government Corporations / Companies, Non-Government Institutions and Local Bodies amounted to ₹14,956 crore. During the year, ₹126 crore was received as interest.

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

Expenditure on Grants-in-Aid to local bodies etc. represents 42 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
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
2014-15	2,100	3,959	10,674	27,147	43,880

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 Investments of Cash Balance

(₹ in Crore)

Component	As on 1 April 2014	As on 31 March 2015	Net increase (+)/decrease(-)
Cash Balances	(-) 23	(-) 326	(-) 303
Investments from cash balance (GOI Treasury Bills)	5,098	2,725	(-) 2,373
Investments from earmarked fund balances	7,181	8,558	1,377
(a) Sinking Fund	7,101	8,373	1,272
(b) Guarantee Redemption Fund	--	46	46
(c) Other Funds	80	139	59
Interest realised	228	69	(-) 159

#### 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 2014-15, only 53 per cent (₹76,938 crore) of the total expenditure and 49 per cent (₹68,881 crore) of the total receipts of the State Government were reconciled.

#### 7.6. Submission of Accounts by Treasuries

There are 88 Treasuries, 384 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 10.69 days, 4.15 days and 4.43 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 2015, DC Bills in respect of a total of 11,127 AC Bills amounting to ₹1,587 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 2014-15 are analysed below:

( ₹ in Crore )

Type of expenditure	Expenditure During the Year	During March 2015		Expenditure during last working day of March 2015
		Expenditure	Per cent of total Expenditure	
Total Expenditure (without Pay vouchers)	91,772.86	11,632.97	10.25	1,195.88
Total Transfer Credit (including all deposit heads)	13,545.68	2,762.85	20.40	425.46
Amount of Transfer Credit to PD Accounts through Treasury vouchers (included in total Transfer Credit)	1,406.09	445.24	31.67	67.90
Amount of AC Bills drawn	1,101.54	206.75	18.77	107.64

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 reveals that an expenditure of ₹825.33 crore was incurred upto 31.03.2015 on Incomplete Capital Projects / Works. It was also revealed that in case of 2 Projects / Works there was a cost overrun of ₹1.23 crore as on 31.03.2015.

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