

सत्यमेव जयते

Accounts at a Glance 2017-18



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of West Bengal

**Laid on the Table of the
State Legislature
on 17.03.2020**

Accounts at a Glance

2017-18

Government of West Bengal

PREFACE

This is the twentieth 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 Principal 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 summarised 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 is based 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.



(ADITI ROYCHOUHDURY)

**PRINCIPAL ACCOUNTANT GENERAL (A&E)
WEST BENGAL**

KOLKATA
Dated: 18 July 2019

Our Vision, Mission and Core Values

Vision

The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.

- We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognised for independent, credible, balanced and timely reporting on public finance and governance.

Mission

Our mission enunciates our current role and describes what we are doing today.

- Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders- the Legislature, the Executive and the Public- that public funds are being used efficiently and for the intended purposes.

Core Values

Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

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CHAPTER-I

OVERVIEW

1.1. Introduction

The Principal 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, intimations (known as Clearance Memos) of the Reserve Bank of India, information on Inter State Settlement Suspense Accounts (known as Inward/ Outward Settlement Accounts). From 1 April 2015, Government of West Bengal has done away with the Letter of Credit (LOC) system and submission of accounts by Works and Forest Divisions. Based on these, the Principal Accountant General (A&E) furnishes the Monthly Civil Accounts to the Finance Department. At the end of the year, after audit by the Principal Accountant General (General & Social Sector Audit), West Bengal and certification by the Comptroller and Auditor General of India, the Principal Accountant General (A&E) submits the Finance Accounts and the Appropriation Accounts of the Government of West Bengal to the Governor, Finance Department and State Legislature.

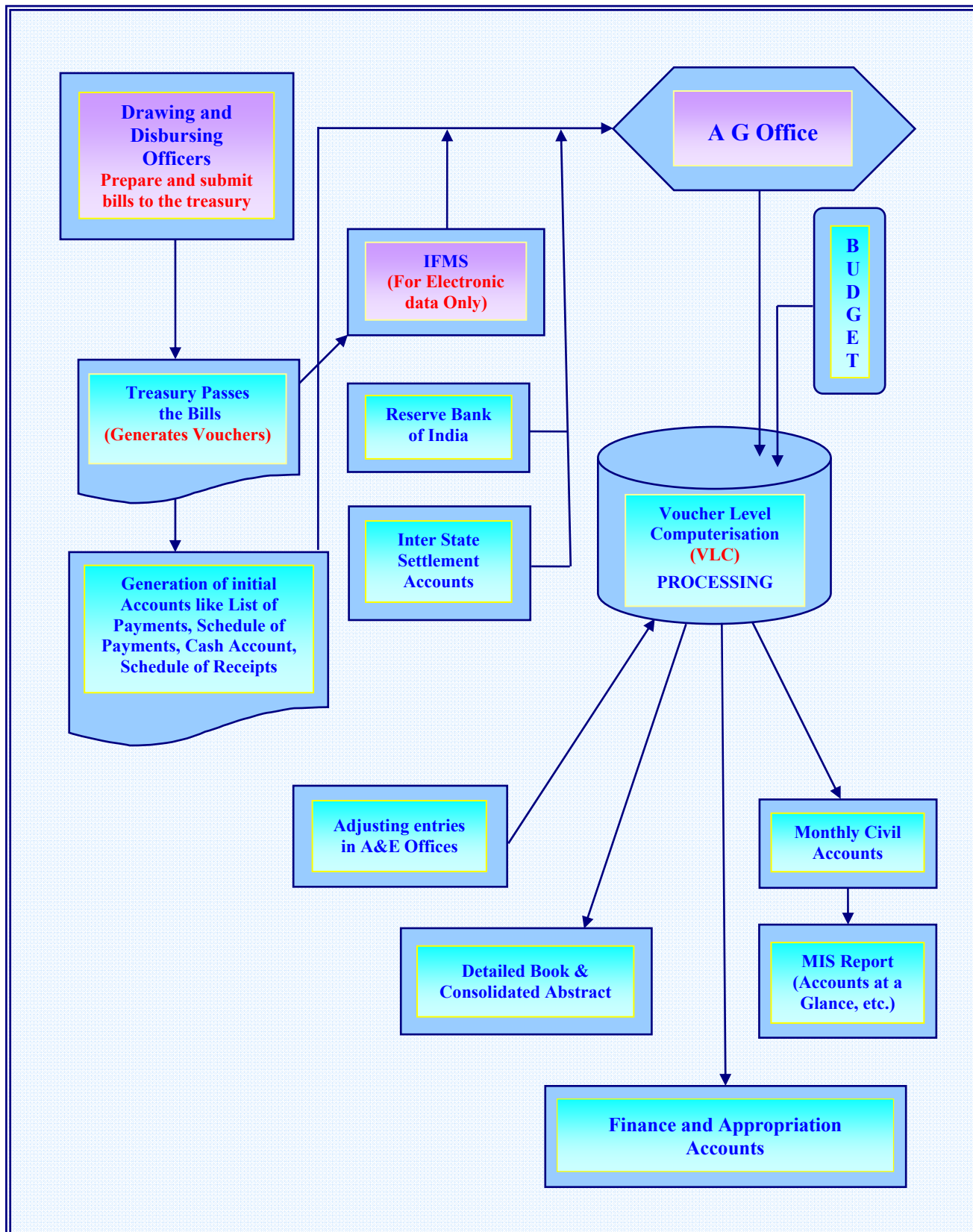
1.2. Structure of Government Accounts

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	This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State. The Contingency Fund of the Government of West Bengal for 2017-2018 was ₹ 20.00 crore.
Part III Public Account	In Public Account, the transactions relating to Debt (Other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded. The transactions under Debt, Deposit and Advances in this part are such in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with the repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances). The transactions relating to 'Remittances' and 'Suspense' in this part shall embrace all merely adjusting heads under which shall appear for transactions heads such as remittances of cash between treasuries and currency chests and transfer between different accounting circles. The initial debits or credits to these heads have to be cleared eventually by booking to the final heads of accounts.

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, Guide to the Finance Accounts, 13 Statements which give summarised information of the financial position and transactions of the State Government for the current Financial Year and “Notes to Accounts” containing summary of significant accounting policies, quality of accounts and other items. Volume-II contains 9 detailed statements (Part-I) and 12 appendices (Part-II).

Receipts and disbursements of the State Government as depicted in the Finance Accounts for 2017-18 are detailed below:

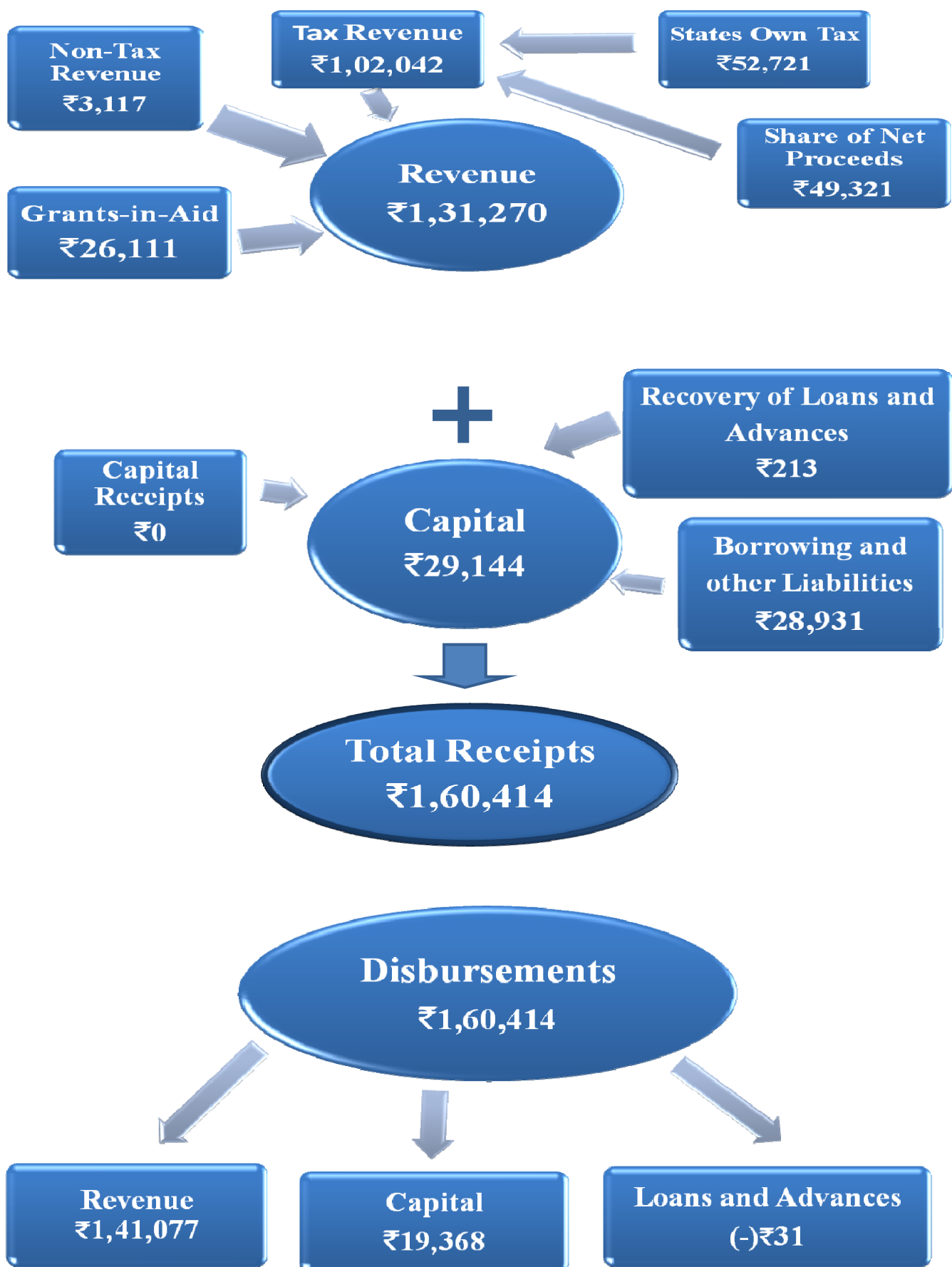
(₹ in Crore)

Receipts and disbursements in the year 2017-18			
Receipts (Total: 1,60,414)	Revenue (Total: 1,31,270)	Tax Revenue	1,02,042
		(a) States Own Tax	52,721
		(b) Share of Net Proceeds	49,321
		Non-Tax Revenue	3,117
		Grants-in-Aid	26,111
	Capital (Total: 29,144)	Capital Receipts	0
		Recovery of Loans and Advances	213
Borrowing and other Liabilities (*)		28,931	
Disbursements (Total: 1,60,414)	Revenue	1,41,077	
	Capital	19,368	
	Loans and Advances	(-31)	

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

(₹ in Crore)

Receipts and disbursements in the year 2017-18



This year, the Government of India directly released ₹9,891.26 crore (₹5,396.80 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 Scheme 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 74 Voted Grants and 01 Charged Appropriation in the current year.

The gross Budget provision for Expenditure (charged and voted) for 2017-18 was ₹2,39,574.34 crore and reduction of expenditure (recoveries) of ₹4,957.53 crore. Against this, the actual gross expenditure was ₹1,92,364.35 crore and reduction of expenditure was ₹6,938.54 crore, resulting in net savings of ₹47,209.99 crore (19.71 per cent) in respect of expenditure and net excess of ₹1,981.01 crore (40 per cent) on reduction of expenditure. The gross expenditure includes ₹1,528.85 crore drawn on Abstract Contingent (AC) Bills (no. of AC Bills 1,594), which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

During 2017-18, ₹2,019.83 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.

1.3.3. Efficiency on Budget preparation

At the end of the year, the actual expenditure of the Government of West Bengal against the Budget estimate, showed a net savings of ₹47,210 crore (19.71 per cent of estimates) and under- estimation of ₹1,981 crore (39.96 per cent of estimates) on reduction of expenditure. Certain grants, like those relating to Finance, School Education, Public Works, Irrigation and Waterways, Women & Child Development and Social Welfare, Minority Affairs and Madrasah Education, Agriculture, Public Health Engineering, Power & Non-conventional Energy Sources, Urban Development and Municipal Affairs, Home and Hill Affairs, Higher Education, Science & Technology and Biotechnology showed substantial savings.

1.4. Sources and Application of Funds

1.4.1. Ways and Means Advances and Overdraft from the Reserve Bank of India

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) and Overdraft (OD) facilities to enable State Governments to tide over temporary shortfalls in their Cash Balances. Overdraft is taken from the Reserve Bank of India when the limit of minimum Cash Balance falls below ₹2.48 crore, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. During 2017-18, the Government of West Bengal resorted to Special Ways and Means Advances for 22 days only.

1.4.2. Funds flow statement

The State had a Revenue Deficit of ₹9,807 crore and a Fiscal Deficit of ₹28,931 crore representing 0.93 per cent and 2.74 per cent of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 18 per cent of total expenditure. This deficit was met solely from Public Debt (₹23,278.64 crore). Around 43 per cent of the Revenue Receipts (₹1,31,270.39 crore) of the State Government was spent on committed expenditure like Salaries (₹13,838.89 crore), Interest payment (₹28,273.76 crore) and Pensions (₹14,588.08 crore).

¹ Except where indicated otherwise, Gross State Domestic Product (GSDP) figure for 2017-18 used in this publication is adopted from the Economic Review published by Government of West Bengal, as the same is not available from the website of the Ministry of Statistics and Programme Implementation.

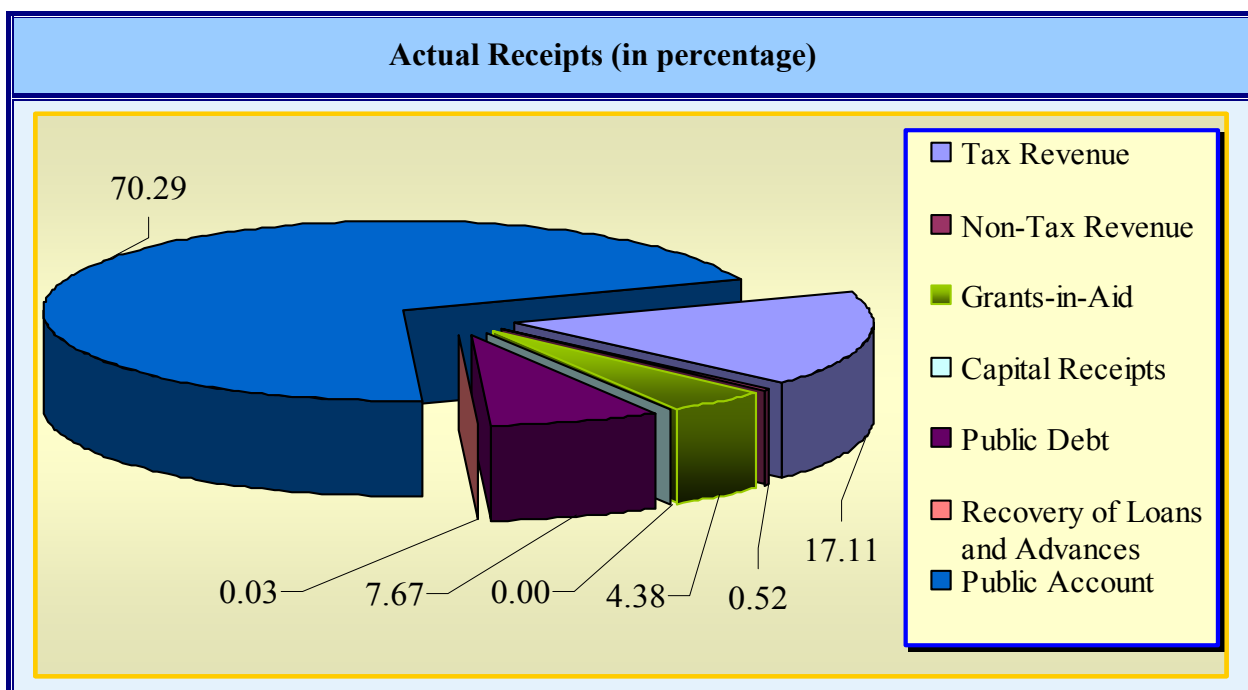
Sources and Application of Funds

(₹ in Crore)

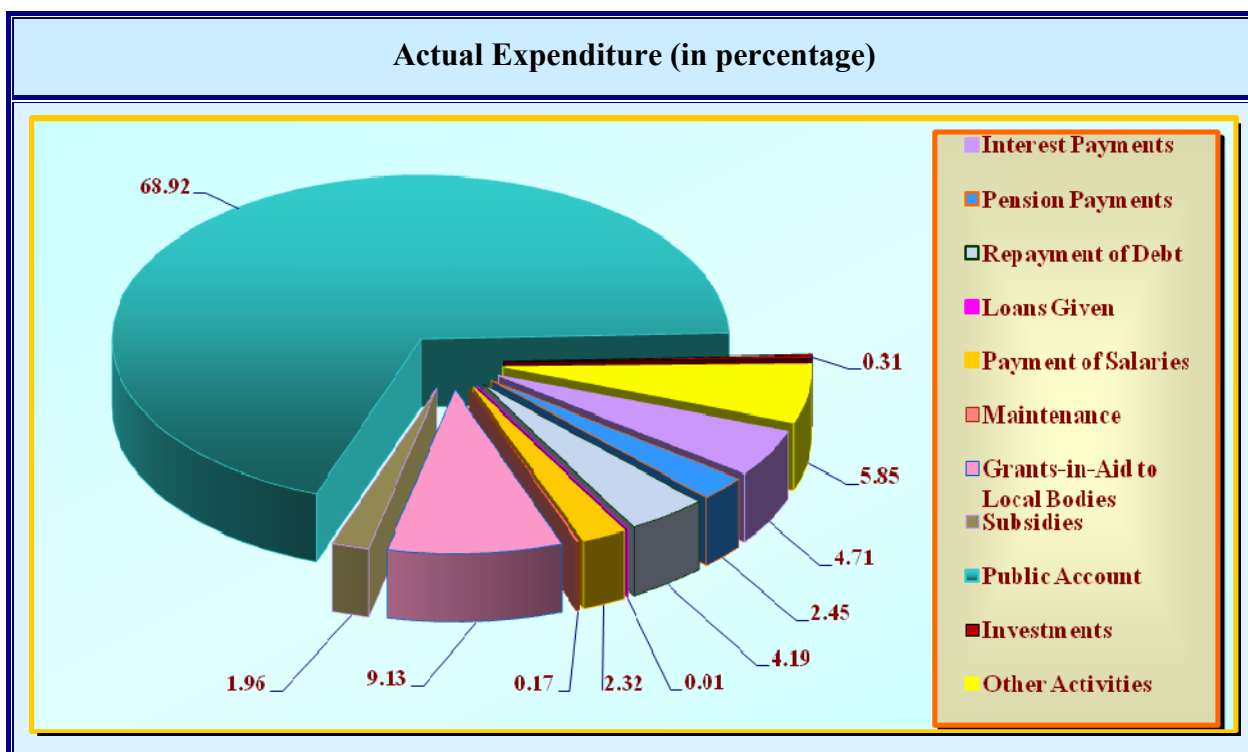
PARTICULARS	AMOUNT	
SOURCES	Opening Cash Balance as on 1.4.2017	16
	Revenue Receipts	1,31,270
	Capital Receipts	0
	Recovery of Loans & Advances	213
	Public Debt	45,744
	Small Savings Provident Fund & Others	3,728
	Reserves & Sinking Funds	2,997
	Deposits Received	75,111
	Civil Advances Repaid	0
	Suspense Account	3,37,413
	Remittances	(-)1
	Contingency Fund	0
	TOTAL	5,96,491
APPLICATION	Revenue Expenditure	1,41,077
	Capital Expenditure	19,368
	Loans Given	(-)31
	Repayment of Public Debt	25,011
	Small Savings, Provident Fund & Others	2,564
	Reserves & Sinking Funds	4,221
	Deposits Spent	72,505
	Civil Advances Given	0
	Suspense Account	3,31,802
	Remittances	(-)6
	Closing Cash Balance as on 31.03.2018	(-)20
	TOTAL	5,96,491

Note: The Suspense Accounts include ₹2,13,164 crore invested in Treasury Bills which is shown on the 'Application' side, and ₹2,17,141 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	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP ¹
		(₹ in Crore)			
1.	Tax Revenue ²	1,05,297	1,02,042	97	10
2.	Non-Tax Revenue	2,221	3,117	140	0
3.	Grants-in-Aid & Contributions	35,126	26,111	74	2
4.	Revenue Receipts (1 + 2 + 3)	1,42,644	1,31,270	92	12
5.	Recovery of Loans and Advances	804	213	26	0
6.	Other Receipts [#]	0	0	*	0
7.	Borrowings & Other Liabilities ³	19,351	28,931	150	3
8.	Total Capital Receipts (5 + 6 + 7)	20,155	29,144	145	3
9.	Total Receipts (4 + 8)	1,62,799	1,60,414	99	15
10.	Non-Plan Expenditure (11+13)	97,851	1,03,557	106	10
11.	NPE on Revenue Account	97,850	1,03,562	106	10
12.	NPE on Interest Payments out of 11	25,843	28,074	109	3
13.	NPE on Capital Accounts	1	(-5)	(-500)	0
14.	Plan Expenditure (15+16)	67,894	56,888	84	5
15.	PE on Revenue Account	44,794	37,515	84	4
16.	PE on Capital Account	23,100	19,373	84	2
17.	Total Expenditure (10 + 14+20)	1,68,433	1,60,414	95	15
18.	Revenue Expenditure (11 + 15)	1,42,644	1,41,077	99	13
19.	Total Capital Expenditure (13 + 16)	23,101	19,368	84	2
20.	Loans and Advances ⁴	2,688	(-31)	(-1)	0
21.	Revenue Deficit (4-18)	0	(-9,807)	*	(-1)
22.	Fiscal Deficit (4 + 5 +6 - 17)	(-24,985)	(-28,931)	116	(-3)

¹ GSDP figure of West Bengal for 2017-18 is not available from the Ministry of Statistics and Programme Implementation. The advance figure of GSDP of West Bengal for 2017-18 was ₹10,56,153.32 crore as per Economic Review published by Government of West Bengal.

² Includes State's Share of net proceeds of Taxes of ₹49,321 crore.

³ 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 Cash Balance.

⁴ Expenditure includes (-)₹577 crore under Non-Plan (Budget Estimate ₹2,103 crore) and ₹546 crore (Budget Estimate ₹586 crore) under Plan pertains to Loans and Advances.

[#] The information regarding State Governments right to receive such amount as State's own Capital Receipt was not made available to this office.

* Denotes figure more than four digit/infinite.

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.
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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.
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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.
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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 2018 is ₹9,807 crore.

1.6. Fiscal Responsibility and Budget Management Act, 2010

In terms of Section 3(1) of the West Bengal Fiscal Responsibility and Budget Management (FRBM) Act, 2010, the Government of West Bengal presented the Medium Term Fiscal Policy and Strategy Statement along with the State Budget for 2017-18. The performance of the State Government during 2017-18 depicted in the Overview of Fiscal Policy and Status of the State, included in the Fiscal Policy Strategy Statement for 2017-18 and as depicted in the Finance Accounts is given below:

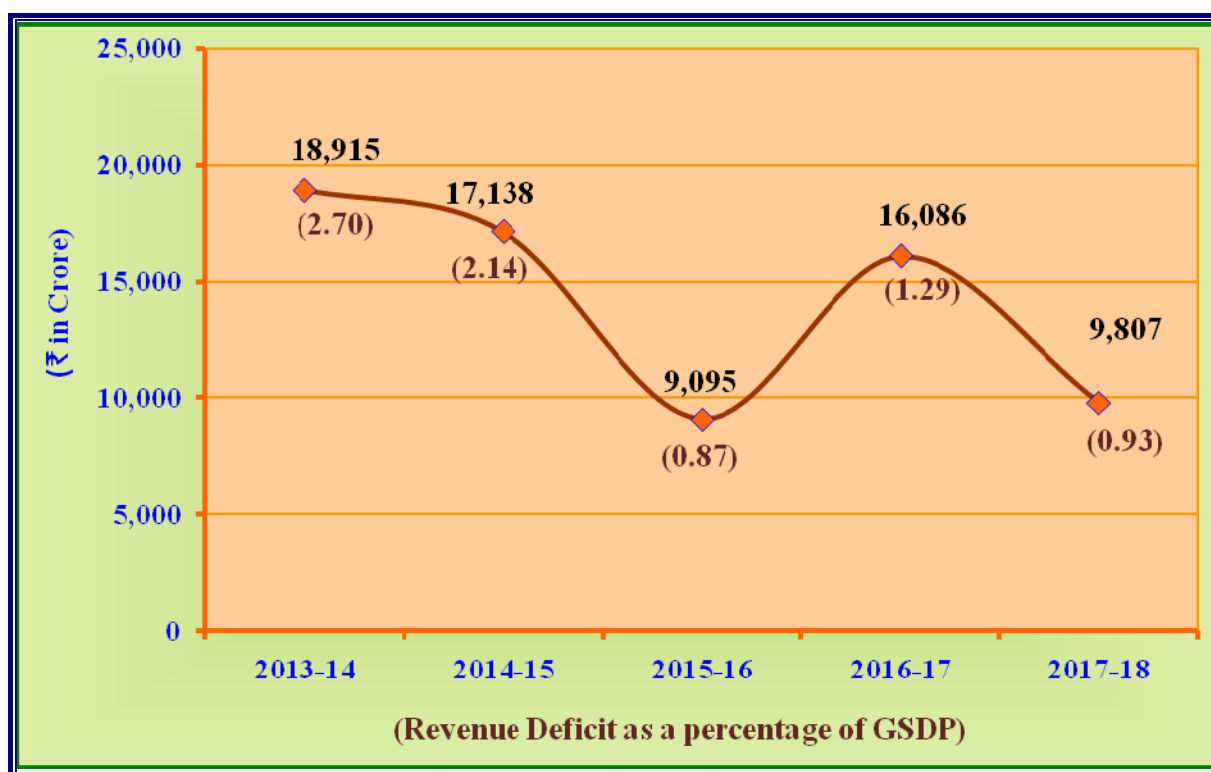
Sl. No.	Targets	Achievements during the year as per the accounts and GSDP*
1.	Revenue Deficit shall not exceed 0.00 per cent of GSDP during the period 2017-18.	The Government of West Bengal had a Revenue Deficit of ₹9,806.97 crore in 2017-18 (0.93 per cent of GSDP)
2.	Fiscal deficit shall not exceed 1.95 per cent of GSDP during the period 2017-18.	The Fiscal Deficit of ₹28,930.90 crore as per the accounts was 2.74 per cent of GSDP for 2017-18.
3.	Outstanding debt expressed as percentage of GSDP shall be less than 36.98 per cent of GSDP during 2017-18.	The outstanding debt for 2017-18 (₹ 3,60,961.05 crore) was 34.18 per cent of GSDP

*GSDP (Gross State Domestic Product) of West Bengal for 2017-18 is not available from the Ministry of Statistics and Programme Implementation. The advance figure of GSDP of West Bengal for 2017-18 was ₹ 10,56,153.32 crore as per Economic Review published by Government of West Bengal.

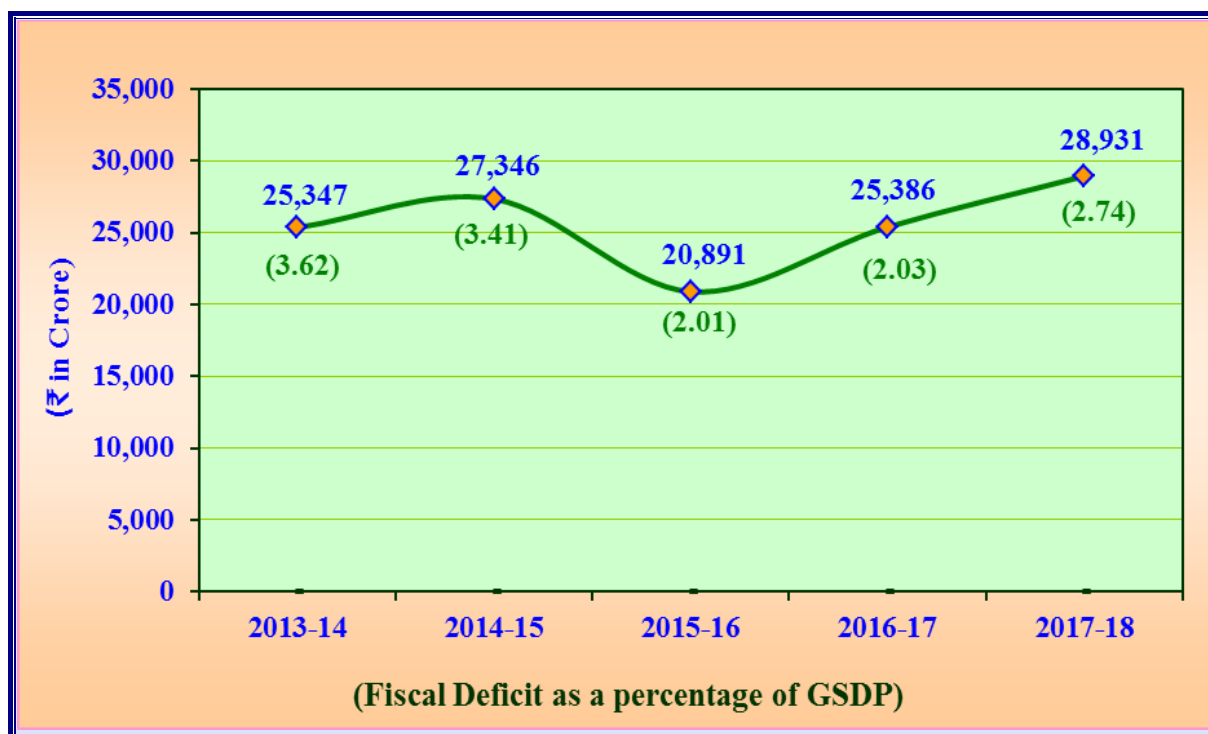
The status is required to be disclosed by the State Government in the Legislature at the time of presentation of the Budget for 2017-18 as stipulated by the FRBM Act and Rules. However,

- (i) no disclosure has been made on significant changes in the Accounting Standards, policies and practices affecting or likely to affect the compliance of the prescribed fiscal indicators; and
- (ii) no disclosure has been made in respect of Major Works and Contracts, Committed liabilities in respect of land acquisition charges, Claims in respect of unpaid bills on works and supplies, Statement of Assets and in respect of weighted average Interest Rates on Government Liabilities.

1.6.1. Trend of Revenue Deficit/GSDP



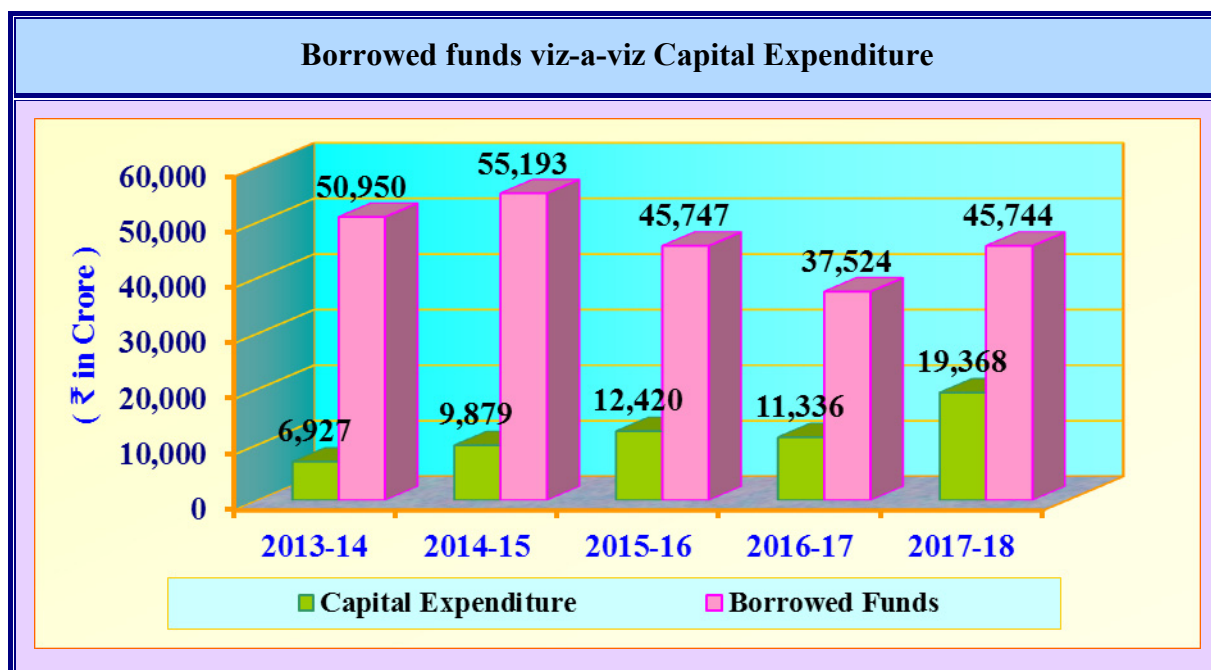
1.6.2. Trend of Fiscal Deficit/GSDP



1.6.3. Proportion of borrowed funds spent on Capital Expenditure

(₹ in Crore)

Borrowed Funds and Capital Expenditure		
Year	Capital Expenditure	Borrowed Funds
2013-14	6,927	50,950
2014-15	9,879	55,193
2015-16	12,420	45,747
2016-17	11,336	37,524
2017-18	19,368	45,744



The governments usually run fiscal deficits and borrow funds for capital/assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating revenue. 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 42 per cent of the borrowings of the current year (₹45,744 crore) on Capital Expenditure (₹19,368 crore). Fifty eight per cent (₹26,376 crore) of the Public Debt was utilised 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

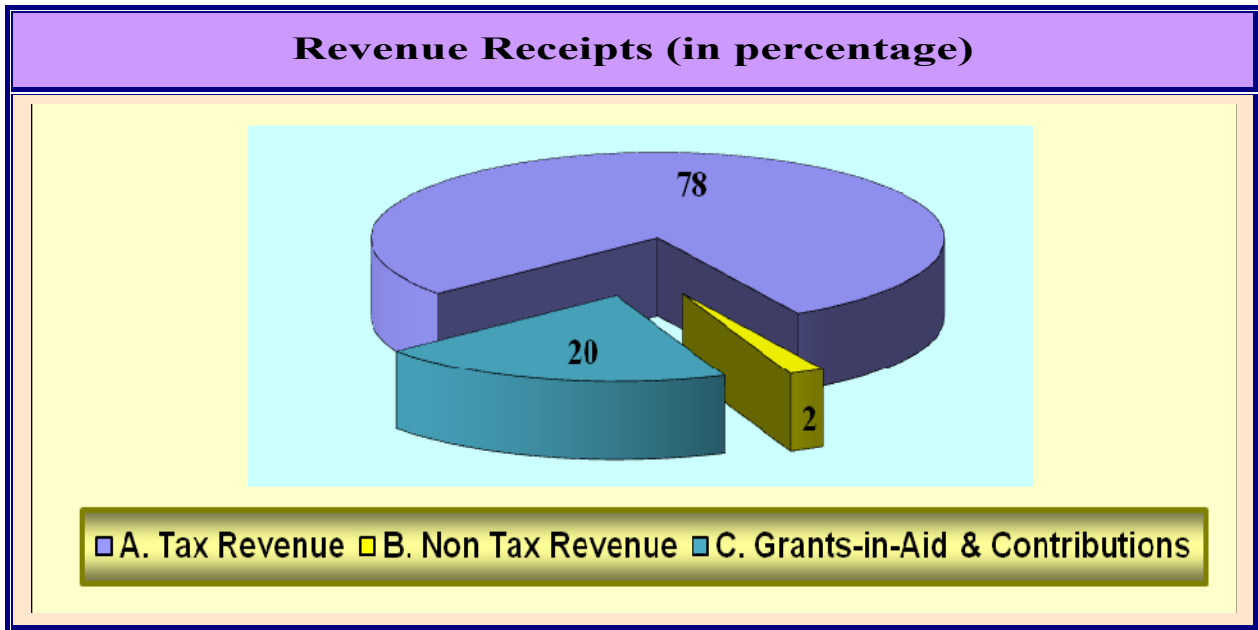
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts of the Government of West Bengal during 2017-18 were ₹1,60,414 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	A form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Materials & Equipment' received from foreign Government 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.



2.2.1. Revenue Receipt Components

(₹ in Crore)

Components	Actuals
A. Tax Revenue	1,02,042
Goods and Services Tax	20,645
Taxes on Income & Expenditure	28,400
Taxes on Property and Capital Transactions	8,135
Taxes on Commodities & Services	44,862
B. Non-Tax Revenue	3,117
Interest Receipts, Dividends and Profits	1,432
General Services	513
Social Services	342
Economic Services	830
C. Grants-in-Aid & Contributions	26,111
Total – Revenue Receipts	1,31,270

2.2.2. Trend of Revenue Receipts

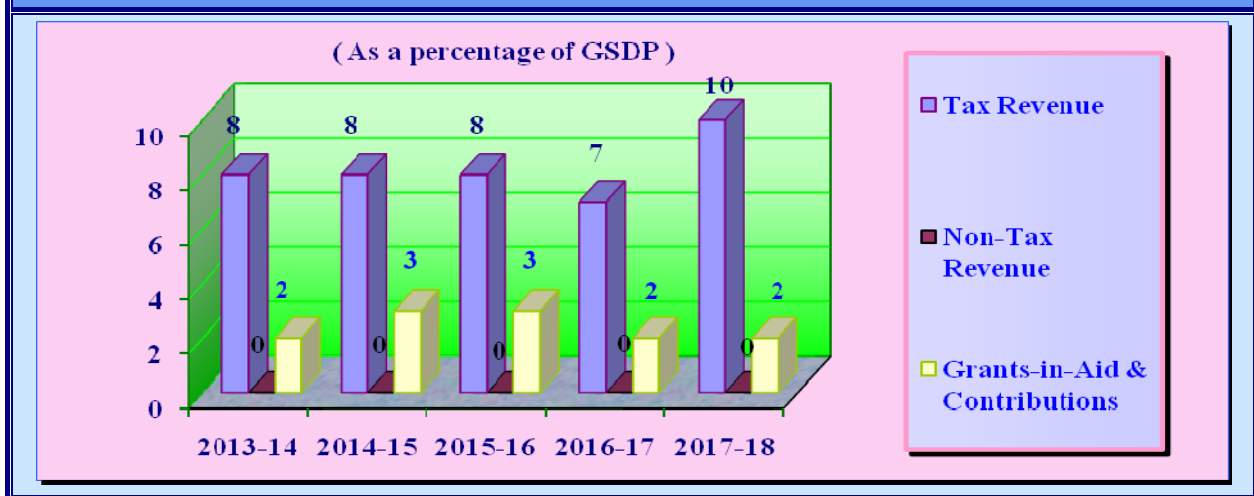
(₹ in Crore)

Components	2013-14	2014-15	2015-16	2016-17	2017-18
Tax Revenue	59,006 (8)	64,006 (8)	79,656 (8)	90,091 (7)	1,02,042 (10)
Non-Tax Revenue	2,023 (0)	1,627 (0)	1,862 (0)	2,950 (0)	3,117 (0)
Grants-in-Aid and Contributions	11,853 (2)	20,881 (3)	28,214 (3)	24,791 (2)	26,111 (2)
Total Revenue Receipts	72,882 (10)	86,514 (11)	1,09,732 (11)	1,17,832 (9)	1,31,270 (12)
GSDP	7,00,117	8,00,868	10,39,923	12,51,067	10,56,153

Note: Figures in parentheses represent percentage to GSDP.

Though the GSDP decreased by 16 per cent between 2016-17 and 2017-18, the growth in revenue collection was 14 per cent. While tax revenue increased by 13 per cent, non-tax revenues increased by six per cent. The State's own Tax revenue increased by 16 per cent between 2016-17 (₹45,466 crore) and 2017-18 (₹52,721 crore), while share of Union taxes increased by 11 per cent.

Trend of Components of Revenue Receipts as proportion to GSDP

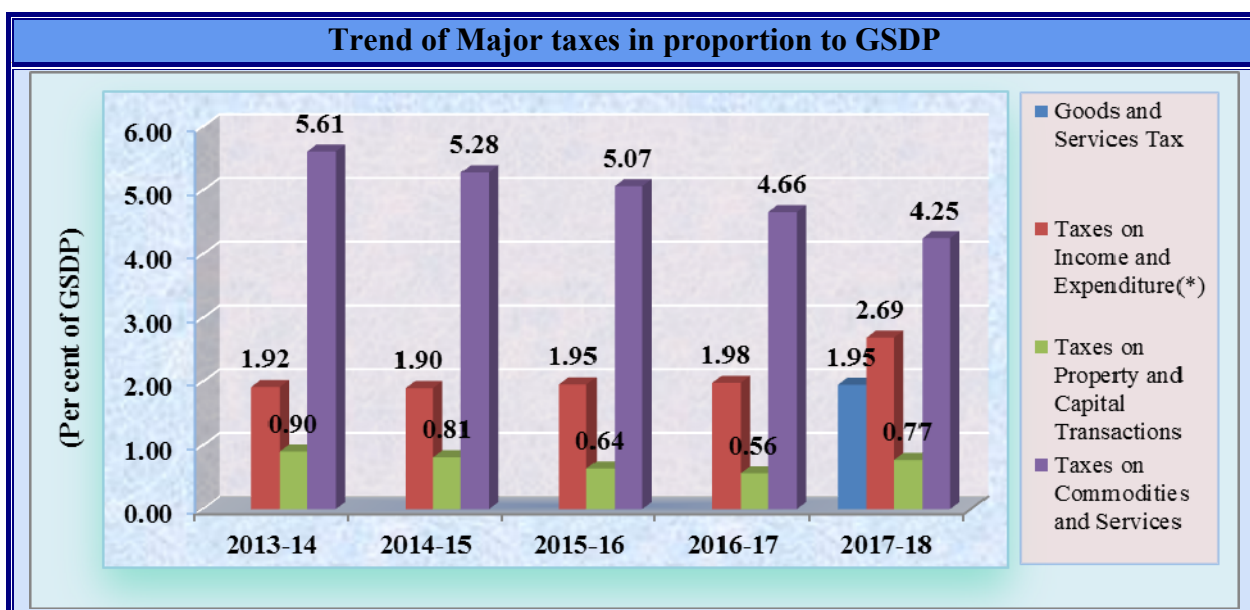


2.3. Tax Revenue

(₹ in Crore)

Sector-wise Tax Revenue					
Description	2013-14	2014-15	2015-16	2016-17	2017-18
Goods and Services Tax	-	-	-	-	20,645
Taxes on Income and Expenditure	13,409	15,196	20,325	24,778	28,400
Taxes on Property and Capital Transactions	6,328	6,495	6,634	6,984	8,135
Taxes on Commodities and Services	39,269	42,315	52,697	58,329	44,862
Total Tax Revenue	59,006	64,006	79,656	90,091	1,02,042

The increase in total Tax Revenues is mainly attributable to higher collections under 'Central Goods and Services Tax' (₹700.88 crore), 'State Goods and Services Tax' (₹14,963.74 crore), 'Integrated Goods and Services Tax' (₹4,980.16 crore), 'Corporation Tax' (₹15,106.89 crore), 'Taxes on Income other than Corporation Tax' (₹12,756.68 crore), 'Taxes on Agricultural Income' (₹7.14 crore), 'State Excise' (₹9,340.05 crore), 'Land Revenue' (₹2,874.51 crore), 'Stamps and Registration Fees' (₹5,260.77 crore), 'Taxes on Vehicles' (₹2,317.23 crore), 'Taxes on Goods and Passengers' (₹1,531.96 crore), 'Taxes on duties on Electricity' (₹2,333.55 crore), 'Other Taxes on Income and Expenditure' (₹529.20 crore), etc.



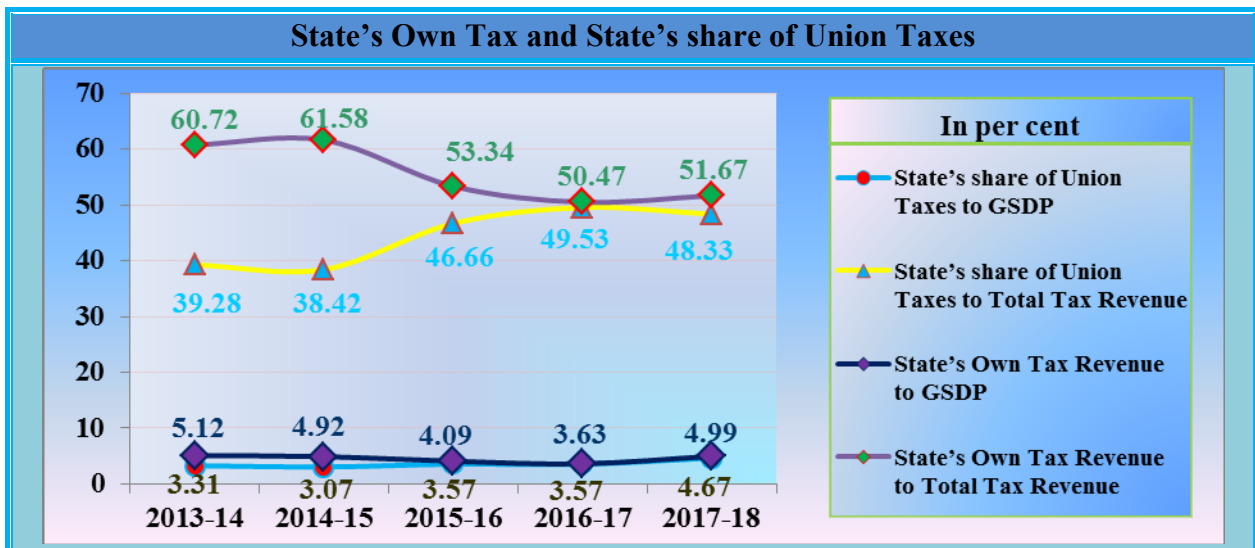
(*) Primary net proceeds of Central share to the State

2.3.1. State's Own Tax and State's share of Union Taxes

Tax Revenue of the State Government comes from two sources viz. Stat's Own Tax collections and devolution of Union Taxes.

(₹ in Crore)

Year	State's Own Tax Revenue			State's share of Union Taxes		
	Tax Revenue	Percentage to GSDP	Percentage to Total Tax Revenue	Tax Revenue	Percentage to GSDP	Percentage to Total Tax Revenue
2013-14	35,831	5.12	60.72	23,175	3.31	39.28
2014-15	39,412	4.92	61.58	24,594	3.07	38.42
2015-16	42,492	4.09	53.34	37,164	3.57	46.66
2016-17	45,466	3.63	50.47	44,625	3.57	49.53
2017-18	52,721	4.99	51.67	49,321	4.67	48.33



2.3.2. Trends in State's Own Tax Collection over the last five years

(₹ in Crore)

Taxes	2013-14	2014-15	2015-16	2016-17	2017-18
Goods and Services Tax (SGST)	-	-	-	-	14,964
Land Revenue	2,254	2,276	2,456	2,568	2,875
Stamps and Registration Fees	4,053	4,196	4,175	4,383	5,261
State Excise	3,018	3,587	4,015	5,226	9,340
Sales Tax	21,931	24,022	26,050	27,983	12,999
Taxes on Goods and Passengers	1,000	859	838	934	1,532
Taxes on Vehicles	1,351	1,505	1,707	1,870	2,317
Other Taxes on Income and Expenditure	465	464	486	509	529
Others	1,759	2,503	2,765	1,993	2,904
Total State's Own Tax	35,831	39,412	42,492	45,466	52,721

2.4. Efficiency of Tax Collection

(₹ in Crore)

Taxes	2013-14	2014-15	2015-16	2016-17	2017-18
Land Revenue					
Revenue Collection	2,254	2,276	2,456	2,568	2,875
Expenditure on Collection	574	576	566	574	553
Efficiency of Tax Collection (in per cent)	25.47	25.31	23.05	22.35	19.23
Stamps and Registration Fees					
Revenue Collection	4,053	4,196	4,175	4,383	5,261
Expenditure on Collection	136	122	114	130	137
Efficiency of Tax Collection (in per cent)	3.36	2.91	2.73	2.97	2.60
State Excise					
Revenue Collection	3,018	3,587	4,015	5,226	9,340
Expenditure on Collection	79	86	100	109	118
Efficiency of Tax Collection (in per cent)	2.62	2.40	2.49	2.09	1.26
Taxes on Sales, Trade, etc.					
Revenue Collection	21,931	24,022	26,050	27,983	12,999
Expenditure on Collection	185	179	182	203	226
Efficiency of Tax Collection (in per cent)	0.84	0.75	0.70	0.73	1.74
Taxes on Vehicles					
Revenue Collection	1,351	1,505	1,707	1,870	2,317
Expenditure on Collection	21	24	23	25	26
Efficiency of Tax Collection (in per cent)	1.55	1.59	1.35	1.34	1.12
Other Taxes on Income and Expenditure					
Revenue Collection	465	464	486	509	529
Expenditure on Collection	19	18	13	4	5
Efficiency of Tax Collection (in per cent)	4.09	3.88	2.67	0.79	0.95

Though, there is a specific head '2043-Collection charges under Goods and Services Tax' for booking of expenditure on collection of SGST, no expenditure was booked under this Head during 2017-18.

2.5. Trend in State's Share of Union Taxes & Duties

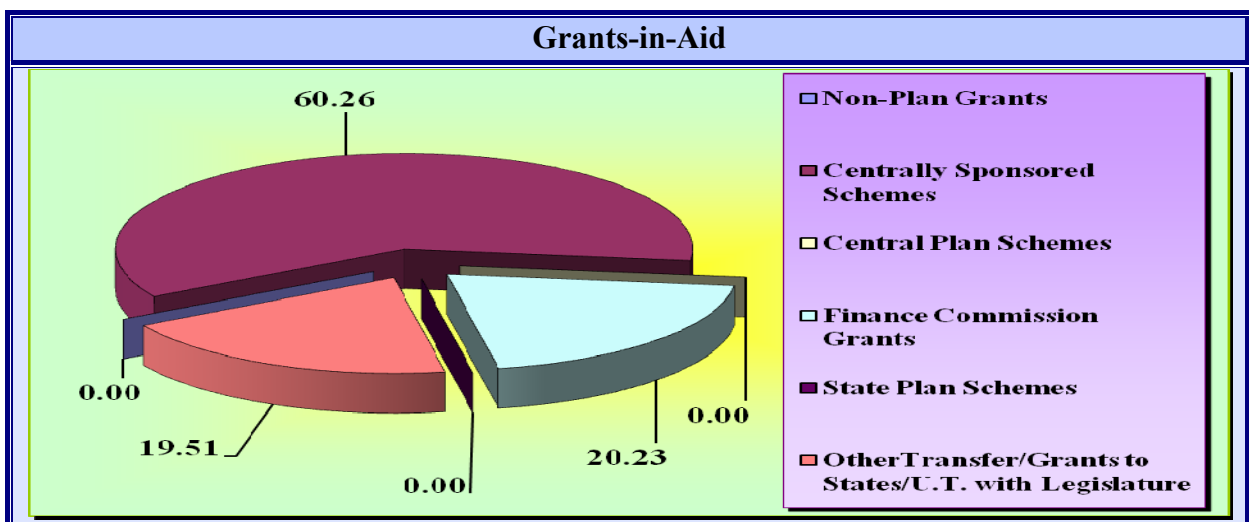
(₹ in Crore)

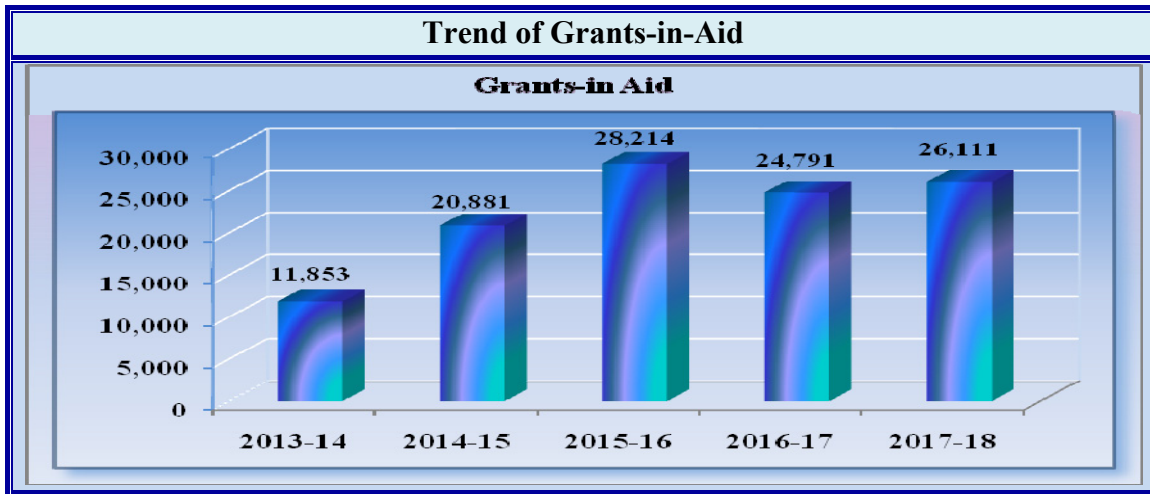
Description	2013-14	2014-15	2015-16	2016-17	2017-18
Goods and Services Tax	--	--	--	--	5,681
Corporation Tax	7,794	8,589	11,702	14,314	15,107
Taxes on Income other than Corporation Tax	5,132	6,133	8,129	9,948	12,757
Taxes on Wealth	21	23	3	33	--
Customs	3,781	3,978	5,951	6,157	4,979
Union Excise Duties	2,671	2,246	4,958	7,031	5,204
Service Tax	3,776	3,626	6,394	7,142	5,594
State's Share of Union Taxes	23,175	24,595	37,164	44,625	49,321
Total Tax Revenue	59,006	64,007	79,656	90,091	1,02,042
Per cent of State's Share of Union Taxes & Duties to Total Tax Revenue	39	38	47	50	48

2.6. 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 41 per cent to zero per cent during 2016-17 and 2017-18. The share of Grants for Plan Schemes decreased over previous year when compared to budget estimates. The State received only ₹26,111.40 crore (74 per cent of the budget estimate of total grants of ₹35,126 crore) against ₹14,574 crore (43 per cent) received last year. Total receipts during 2017-18 under Grants-in-Aid were ₹26,111.55 crore and sector wise breakup is shown in next view:





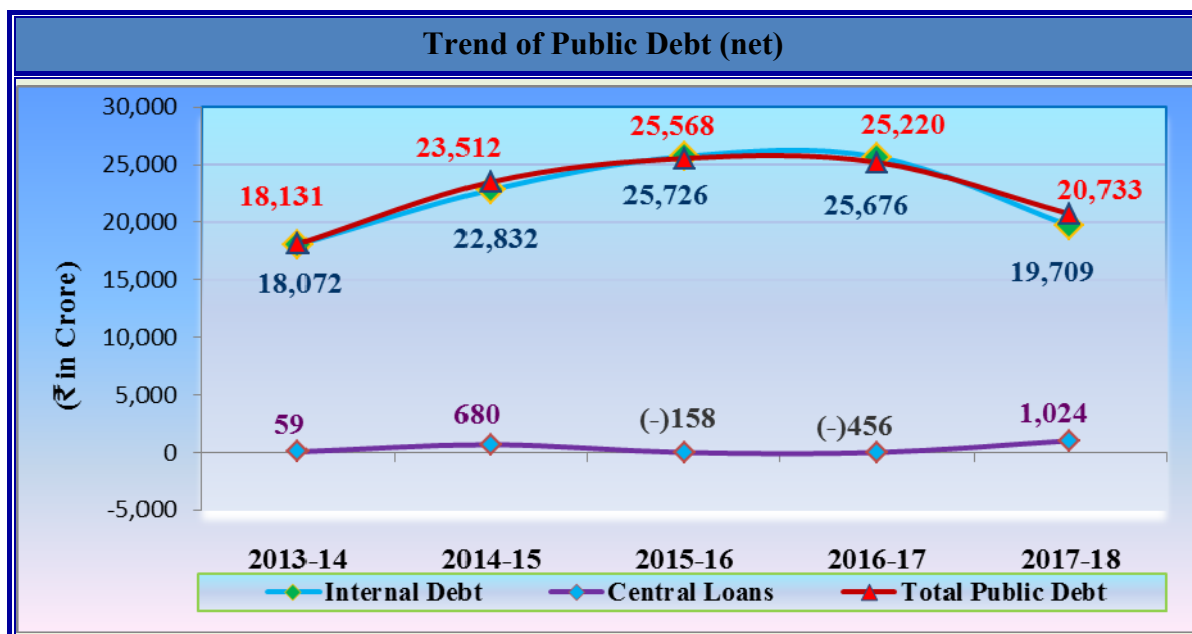
2.7. Public Debt

(₹ in Crore)

Trend of Public Debt (net) over the past five years					
Description	2013-14	2014-15	2015-16	2016-17	2017-18
Internal Debt	18,072	22,832	25,726	25,676	19,709
Central Loans	59	680	(-)158	(-)456	1,024
Total Public Debt	18,131	23,512	25,568	25,220	20,733

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

In 2017-18, 20 loans at par totalling ₹36,911 crore at interest rates varying from 7.20 per cent to 8.42 per cent and redeemable in the year 2037-38 were raised from the open market. In addition, the State Government raised ₹6,808 crore from financial institutions (including other adjustments). Thus, the internal debt totalled ₹43,719 crore. During 2017-18 Government of West Bengal also received ₹2,025 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, Co-operation, Energy, Industries, Transport, etc.

3.2. Revenue Expenditure

Revenue Expenditure of ₹1,41,077 crore for 2017-18 was 99 per cent of budget estimates of ₹1,42,644 crore. The shortfall/excess of expenditure against budget estimates under Revenue section during the past five years is given below:

(₹ in Crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Budget Estimates	91,892	1,05,978	1,13,100	1,29,531	1,42,644
Actuals	91,797	1,03,652	1,18,827	1,33,918	1,41,077
Gap	95	2,326	(-) 5,727	(-)4,387	(-) 1,567
Percentage of gap over BE	*	2	(-) 5	(-)3	(-) 1

(*) Less than one per cent.

The position of committed and uncommitted expenditure over the last five years is given below:

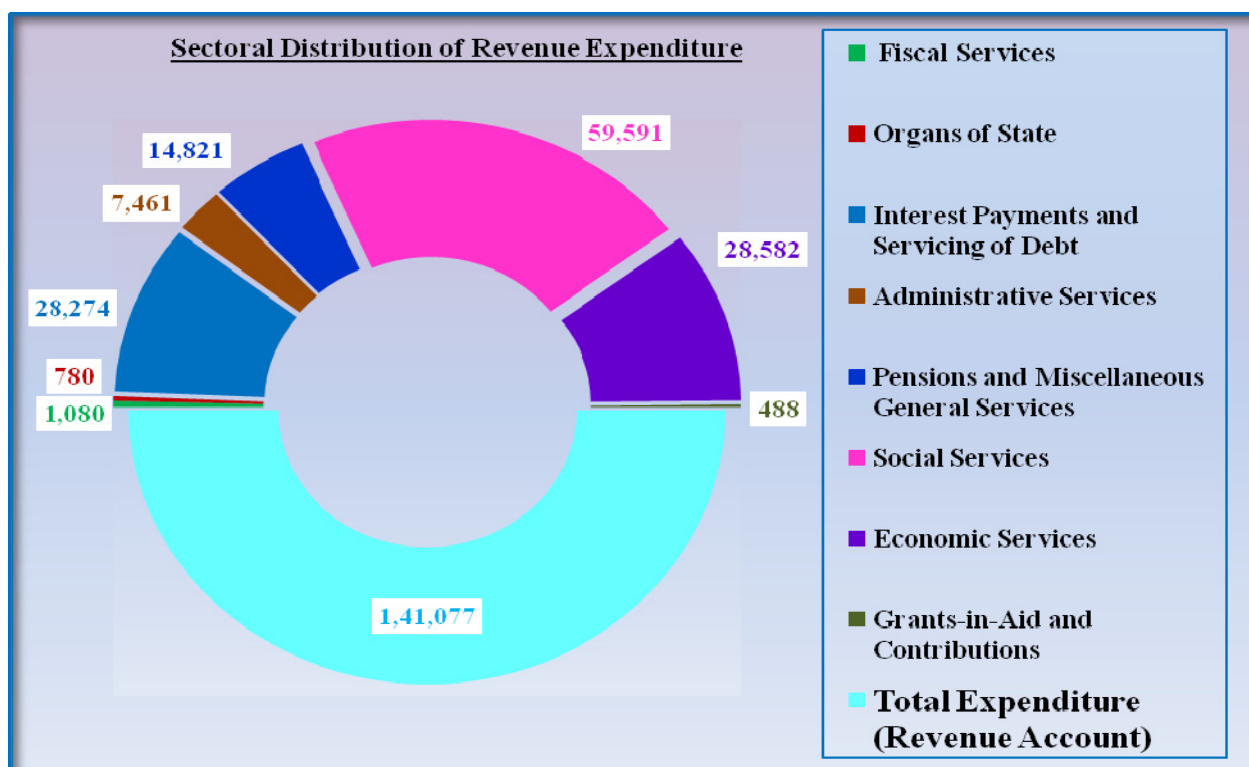
(₹ in Crore)

Components	2013-14	2014-15	2015-16	2016-17	2017-18
Total Revenue Expenditure	91,797	1,03,652	1,18,827	1,33,918	1,41,077
Committed Revenue Expenditure[#]	47,666	47,604	53,561	62,611	68,378
Percentage of Committed Revenue Expenditure to total Revenue Expenditure	52	46	45	47	48
Uncommitted Revenue Expenditure	44,132	56,048	65,266	71,307	72,699

[#] Committed revenue expenditure includes expenditure on Salaries, Subsidies, Interest Payment and Pension.

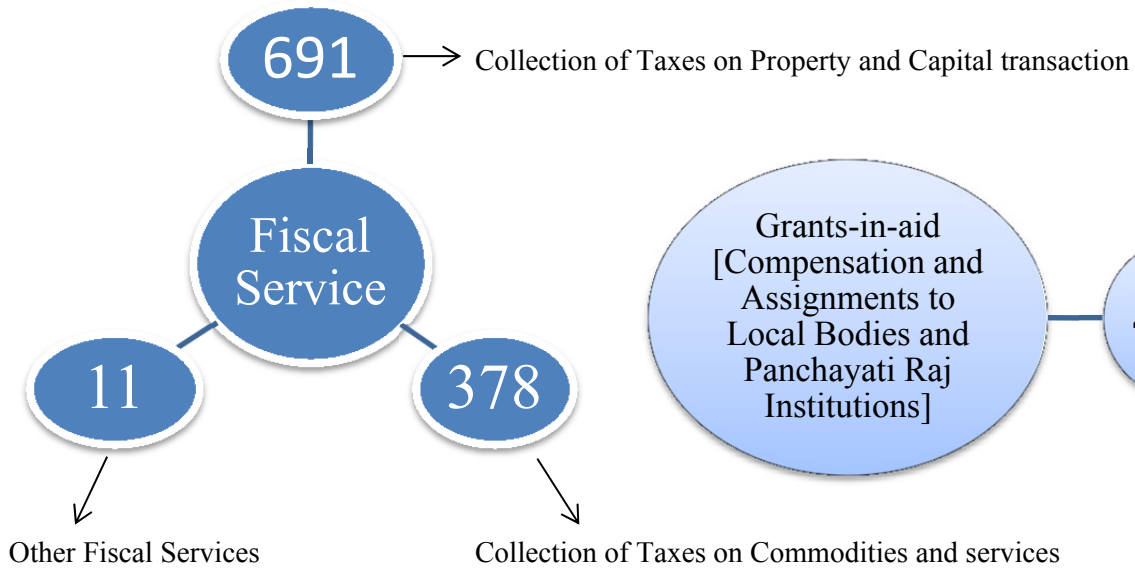
3.2.1. Sectoral Distribution of Revenue Expenditure

Components	Amount	Percentage
	(₹ in Crore)	
A. Fiscal Services	1,080	0.77
(i) Collection of Taxes on Property and Capital transactions	691	0.49
(ii) Collection of Taxes on Commodities and Services	378	0.27
(iii) Other Fiscal Services	11	0.01
B. Organs of State	780	0.55
C. Interest Payments and Servicing of Debt	28,274	20.04
D. Administrative Services	7,461	5.29
E. Pensions and Miscellaneous General Services	14,821	10.50
F. Social Services	59,591	42.24
G. Economic Services	28,582	20.26
H. Grants-in-Aid and Contributions	488	0.35
Total Expenditure (Revenue Account)	1,41,077	100.00



Organs of States — 780

Interest Payments and Servicing of debt — 28,274



Grants-in-aid [Compensation and Assignments to Local Bodies and Panchayati Raj Institutions] — 488

Administrative Services — 7,461

Pension and Miscellaneous General Services — 14,821

Social Services — 59,591

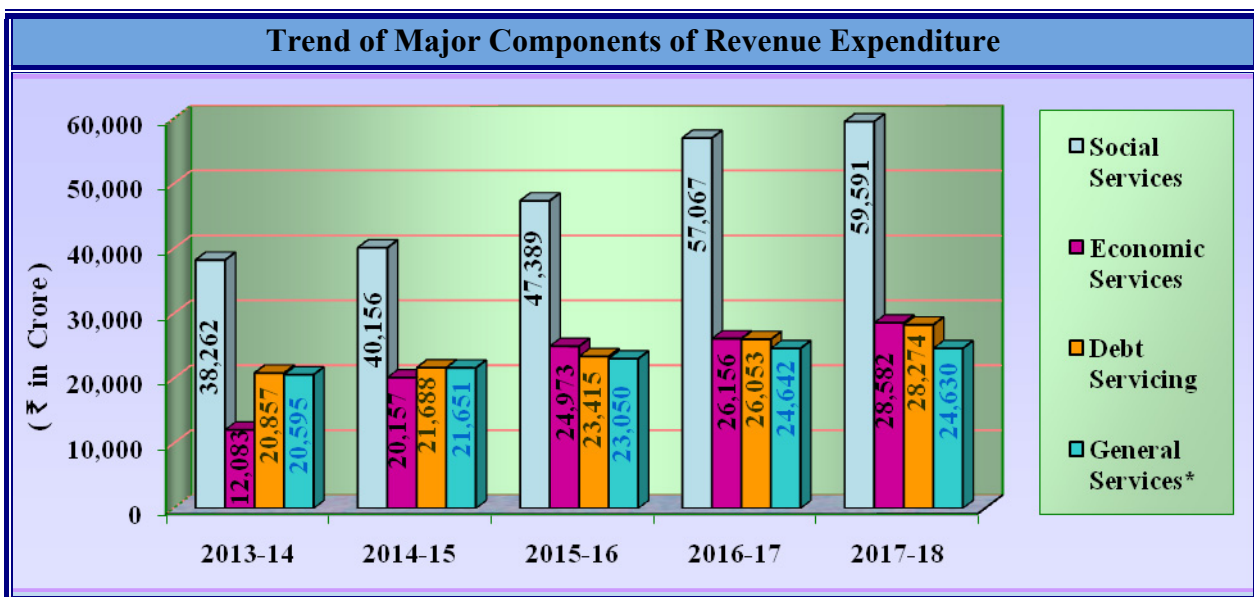
Economic Services — 28,582

3.2.2. Major components of Revenue Expenditure

(₹ in Crore)

Components	2013-14	2014-15	2015-16	2016-17	2017-18
Social Services	38,262	40,156	47,389	57,067	59,591
Economic Services	12,083	20,157	24,973	26,156	28,582
Debt Servicing	20,857	21,688	23,415	26,053	28,274
General Services*	20,595	21,651	23,050	24,642	24,630

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

3.3. Capital Expenditure

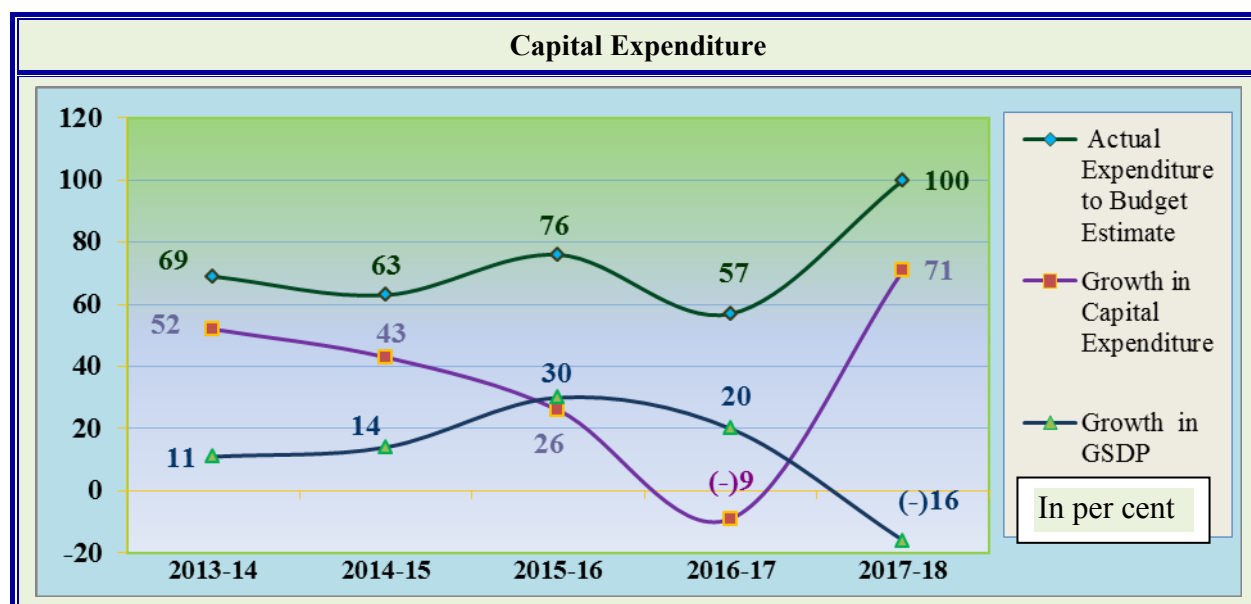
Capital disbursements for 2017-18 amounting to ₹19,337 crore (including Loans and Advances) at 1.83 per cent of GSDP were more than Budget Estimates by ₹52 crore mainly due to more disbursement under Non-plan and Plan Expenditure. Over the last five years, Capital Expenditure has declined with respect to its budget. This can be viewed from the table given next page:

(₹ in Crore)

Sl. No.	Components	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Budget (B.E.)	10,087	15,598	16,380	19,842	19,285
2.	Actual Expenditure(#)	6,927	9,879	12,420	11,336	19,368
3.	Percentage of Actual Expenditure to B.E.	69	63	76	57	100
4.	Growth in Capital Expenditure (in per cent)	52	43	26	(-9)	71
5.	GSDP (*)	7,00,117	8,00,868	10,39,923	12,51,067	10,56,153
6.	Growth in GSDP (in per cent)	11	14	30	20	(-16)

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

(*) GSDP figure used in this publication is adopted from the Economic Review published by Government of West Bengal.



3.3.1. Sectoral Distribution of Capital Expenditure

Expenditure on Economic Services constitutes the major chunk of Capital Expenditure. During 2017-18, the Government spent ₹3,766 crore on Transport, ₹1,562 crore on Irrigation and Flood Control, ₹1,228 crore on Special Areas Programme, ₹974 crore on Industry and Minerals and ₹570 crore on Agriculture and Allied Activities. In Social Services, the Government spent ₹931 crore on Health and Family Welfare and ₹5,405 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		2013-14	2014-15	2015-16	2016-17	2017-18
1.	General Services	Capital	307	420	705	854	1,003
		Revenue	40,834	42,712	45,689	50,131	52,416
2.	Social Services	Capital	2,700	4,224	4,628	4,438	7,606
		Revenue	38,262	40,156	47,389	57,067	59,591
3.	Economic Services	Capital	3,919	5,235	7,087	6,045	10,759
		Revenue	12,083	20,157	24,973	26,156	28,582
4.	Grants-in-Aid and Contribution	Capital	-	-	-	-	-
		Revenue	33,166	43,880	49,460	52,675	54,965

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

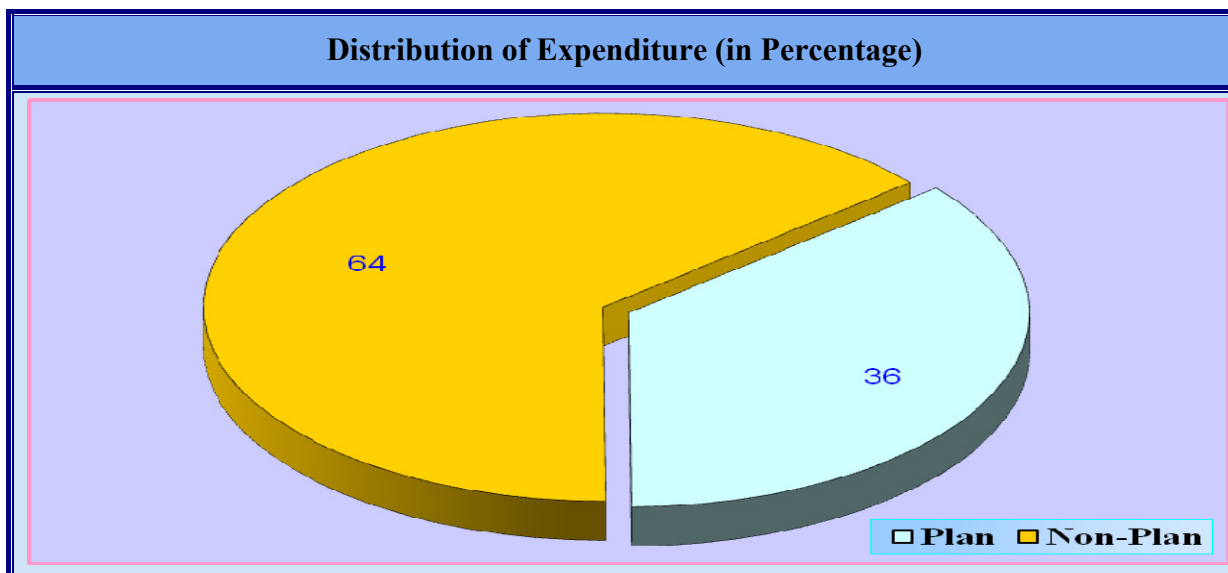
2. Revenue Expenditure does not include expenditure on Grants-in-Aid.

CHAPTER-IV

PLAN & NON-PLAN EXPENDITURE

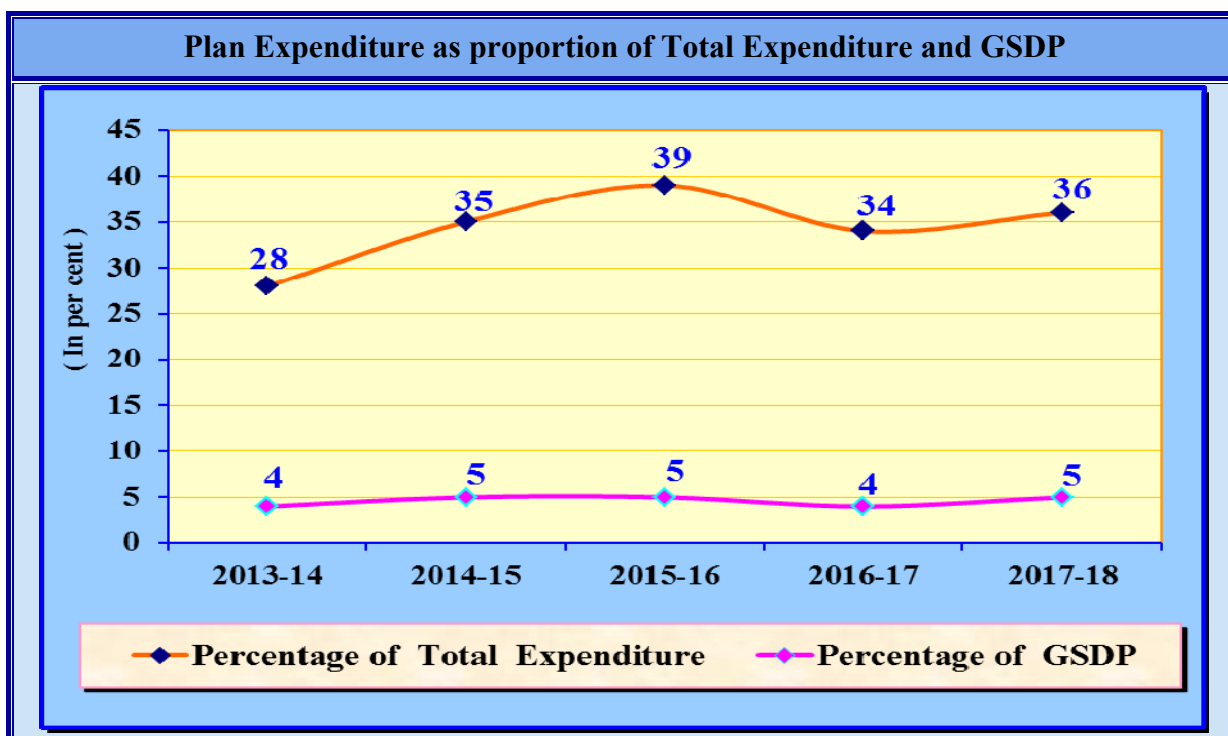
4.1. Distribution of Expenditure

The total expenditure during the year was ₹1,60,414 crore representing Plan expenditure of ₹57,434 crore and Non-Plan expenditure of ₹1,02,980 crore.



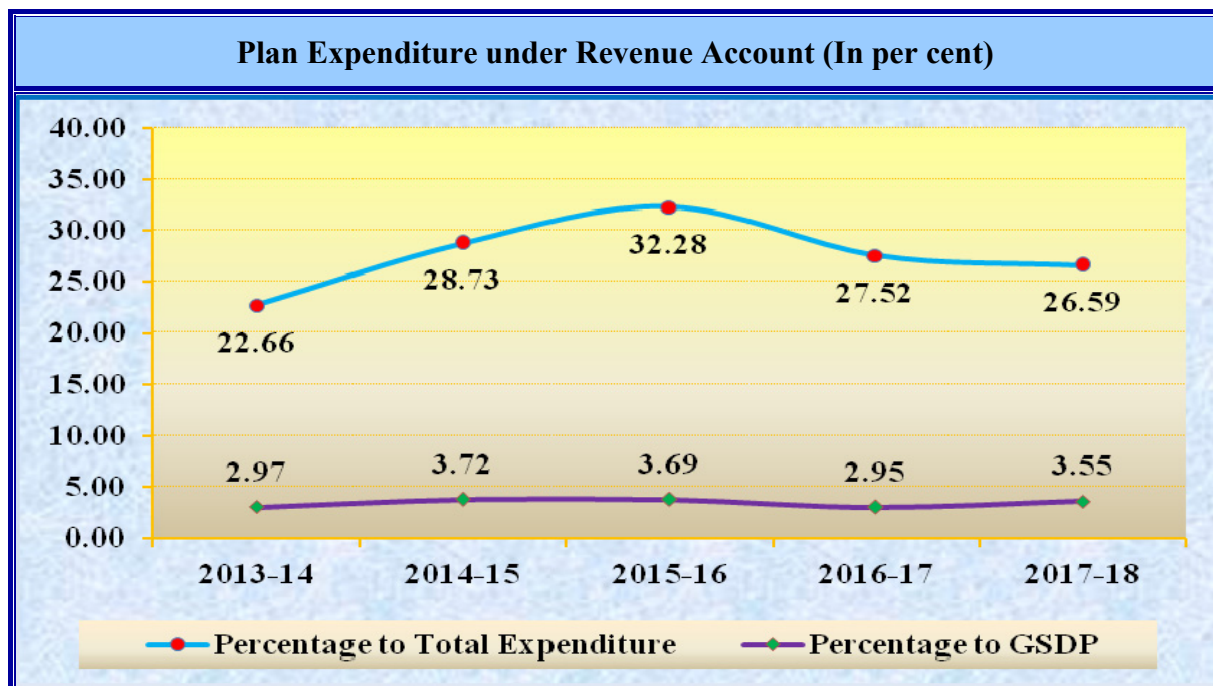
4.2. Plan Expenditure

During 2017-18, Plan Expenditure, representing 36 per cent of total disbursements, was ₹57,434 crore (₹56,874 crore under State Plan, ₹14 crore under Centrally Sponsored, and ₹546 crore on Loans and Advances).



4.2.1. Plan Expenditure under Revenue Account

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Total Revenue Expenditure	91,797	1,03,652	1,18,827	1,33,918	1,41,077
Revenue Expenditure (Plan)	20,798	29,775	38,362	36,854	37,515
Percentage of Revenue Expenditure (Plan) to Total Revenue Expenditure	23	29	32	28	27



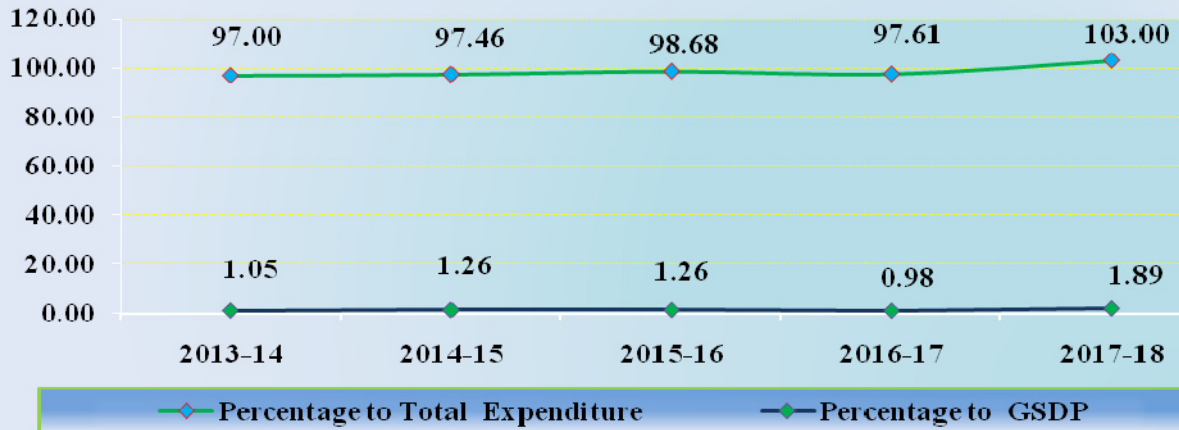
4.2.2. Plan Expenditure under Capital Account

(₹ in Crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Total Capital Expenditure	7,590	10,384	13,281	12,533	19,338
Capital Expenditure (Plan)	7,362	10,120	13,106	12,236	19,919
Percentage of Capital Expenditure (Plan) to Total Capital Expenditure	97	97	99	98	103

Note: Capital Expenditure includes Loans and Advances.

Plan Expenditure under Capital Account (In per cent)



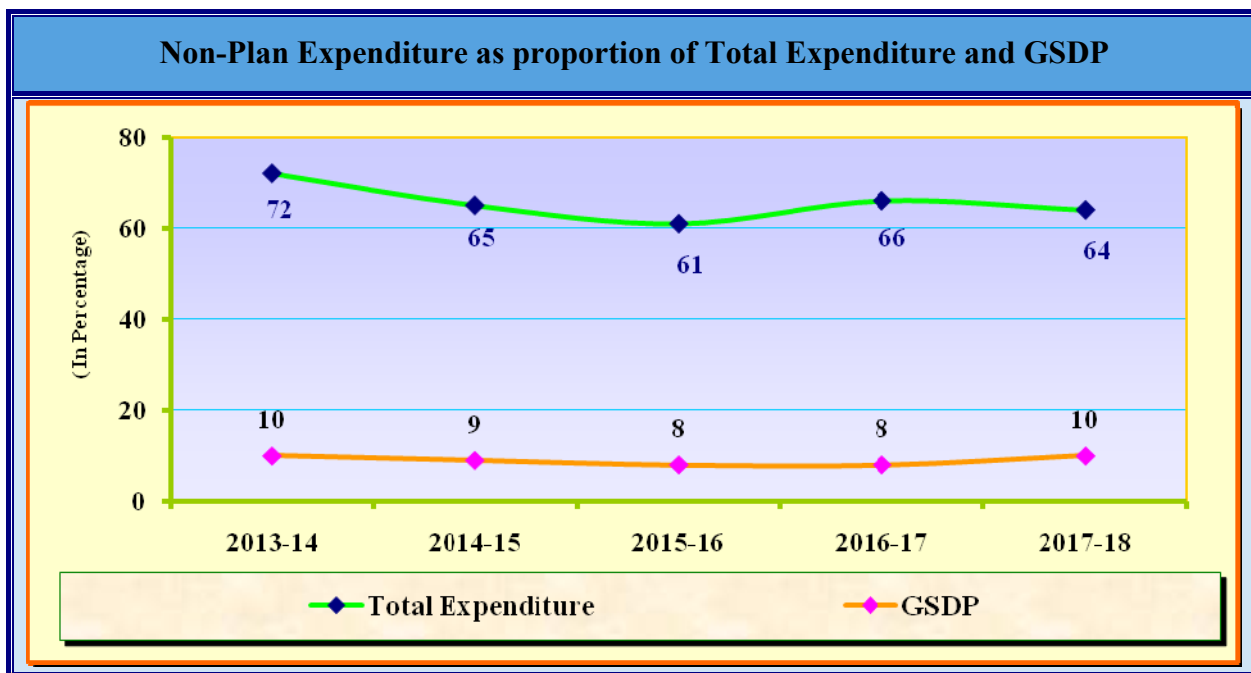
4.2.3. Plan Expenditure on Loans and Advances

Significant disbursements of Loans and Advances were as under:

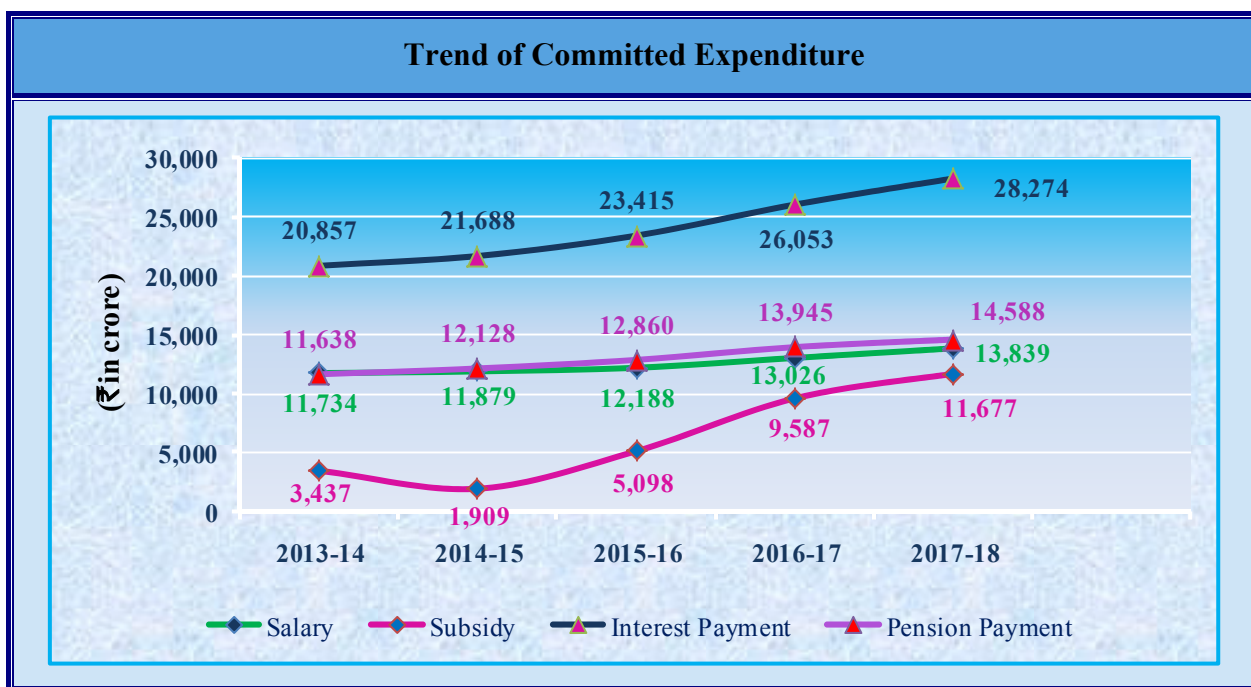
Description	Amount (₹ in Crore)	Details
MH – 6217 – Loans for Urban Development	175.48	Loans to Kolkata Municipal Corporation for Kolkata Environmental Improvement Investment Programme (KEIIP).
MH – 6405 - Loans for Fisheries	2.67	Loans to Primary/Central Fishermen's Co-operative Societies to Avail NCDC Assistance ₹2.13 crore; Primary/Central Fishermen's Co-operative (NCDC) [FI] ₹0.54 crore.
MH – 6425 – Loans for Co-operation	10.08	Loans to Apex Agricultural Marketing/Co- operative Society to meet up expenses for paddy procurement programme ₹10.00 crore; Loans to Chandrakona SKUS Ltd. to meet the expenditure for construction of rural godown ₹0.08 crore.
MH – 6801 – Loans for Power Projects	35.45	Loans to WBPDC on account of implementation of World Bank aided "Coal Fired Power Generation Rehabilitation Project" for development purpose.
MH – 7055 – Loans for Road Transport	249.32	Loans to CTC Limited ₹63.68 crore; CSTC Limited ₹70.21 crore; NBSTC Limited ₹48.43 crore; SBSTC Limited ₹38.82 crore; WBSTC Limited ₹28.18 crore for development purpose.
MH – 7056 - Loans for Inland water Transport	23.58	Loans to WBSTC Limited ₹20.00 crore; Loans to The Shalimar Works (1980) Ltd. ₹3.58 crore.
MH – 7465 – Loans for General Financial & Trading Institutions	50.00	Loans to West Bengal Mineral Development and Trading Corporation[CI]

4.3. Non-Plan Expenditure

During 2017-18, Non-Plan Expenditure representing 64 per cent of total disbursements, was ₹1,02,980 crore, (₹1,03,562 crore under Revenue and (-)₹582 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	2013-14	2014-15	2015-16	2016-17	2017-18
Committed Expenditure	47,666	47,604	53,561	62,611	68,378
Revenue Expenditure	91,797	1,03,652	1,18,827	1,33,918	1,41,077
Revenue Receipts	72,882	86,514	1,09,732	1,17,832	1,31,270
Percentage of Committed Expenditure to Revenue Receipts	65	55	49	53	52
Percentage of Committed Expenditure to Revenue Expenditure	52	46	45	47	48

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 2017-18 present the Accounts of sums expended in the year ended 31 March 2018 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.	Revenue Voted	1,19,529	11,060	--	1,30,589	1,17,417	(-)13,172
	Charged	26,430	2,324	--	28,754	28,435	(-)319
2.	Capital Voted	20,815	6,923	--	27,738	21,521	(-)6,217
	Charged	12	2	--	14	10	(-)4
3.	Public Debt Voted	--	--	--	--	--	--
	Charged	49,497	7	--	49,504	25,011	(-)24,493
4.	Loans and Advances Voted	972	2,004	--	2,976	(-)31	(-)3,007
	Charged	--	--	--	--	--	--
Total		2,17,255	22,320	--	2,39,575	1,92,363	(-)47,212

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

(₹ in Crore)

Year	Savings (-)/Excess (+)				
	Revenue	Capital	Public Debt	Loans & Advances	Total
2013-14	(-)7,154	(-)5,233	(-)7,121	(-)248	(-)19,756
2014-15	(-)10,714	(-)7,177	(-)7,251	(-)147	(-)25,289
2015-16	(-)10,388	(-)7,050	(-)19,080	(+)6	(-)36,512
2016-17	(-)11,165	(-)9,652	(-)29,343	(-)255	(-)50,415
2017-18	(-)13,491	(-)6,221	(-)24,493	(-)3,007	(-)47,212

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 percentage)

Grant No.	Name of Grant	2014-15	2015-16	2016-17	2017-18
01	Legislative Assembly Secretariat	49	43	48	42
02	Governor's Secretariat	31	22	32	30
10	Consumer Affairs	23	11	22	23
16	Environment	19	22	34	40
32	Irrigation and Waterways	43	46	46	45
38	Minority Affairs and Madrasah Education	16	39	49	32
55	Water Resources Investigation & Development	31	30	25	25
61	Chief Minister's Office	29	34	07	12

During 2017-18, out of total Supplementary Grants of ₹22,320 crore, an amount of ₹3,306 crore proved to be unnecessary in 24 grants 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
4	Agricultural Marketing	319	37	136
15	Education	25,331	238	20,146
18	Finance	92,762	2,314	68,959
32	Irrigation and Waterways	3,089	46	1,717
38	Minority Affairs & Madrasah Education	3,471	287	2,543
55	Water Resources Investigation & Development	1,244	33	958
68	Home and Hill Affairs	7,286	228	6,856

A few cases where there were excess expenditure at the end of the year even after Supplementary allocations were made are given below:

(₹ in Crore)

Grant No.	Name of Grant	Original	Supplementary	Actual Expenditure
7	Backward Classes Welfare	4	557	664
24	Health and Family Welfare	1,372	354	2,175
40	Panchayat and Rural Development	20	51	96

CHAPTER-VI

ASSETS AND LIABILITIES

6.1. Assets

The existing form of accounts do not 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 on future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investment as share capital in different institutions of the State Government stood at ₹15,883.84 crore at the end of 2017-18. However, dividends received during the year were ₹36.60 crore (0.24 per cent) on investment. During 2017-18, investment increased by ₹1,868.94 crore, while dividend income increased by ₹35.48 crore.

Cash Balance with RBI stood at ₹15.50 crore on 31 March 2017 and decreased to (-)₹20.96 crore at the end of March 2018. In addition Treasury Bills amounting to ₹2,13,164.50 crore were purchased and Treasury Bills amounting to ₹2,17,470.42 crore were sold during the period from 01.04.2017 to 31.03.2018. An amount of ₹412.48 crore was received as interest on Investment under Treasury Bills during the year.

(₹ in Crore)

Cash Balance Investment in Government of India Treasury Bills			
OB as on 1 April 2017	Purchased during 2017-18	Sold during 2017-18	CB as on 31 March 2018
12,876.02	2,13,164.50	2,17,470.42	8,570.10

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:

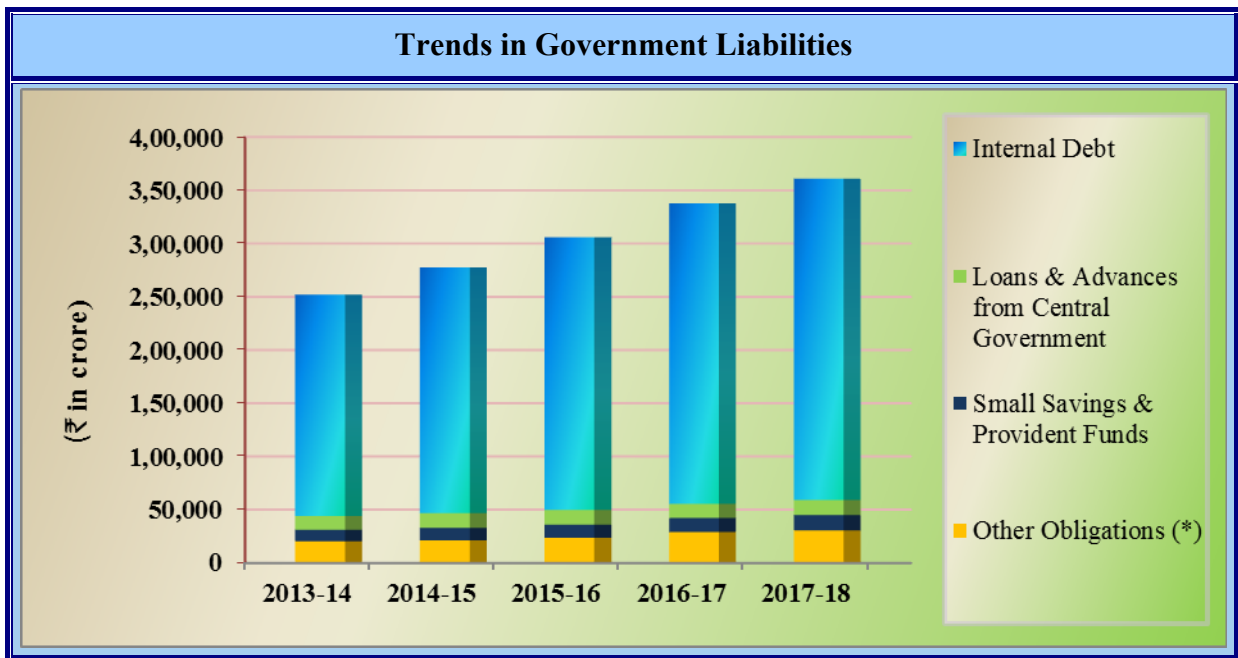
(₹ in Crore)

Year	Public Debt	Percentage to GSDP	Public Account (*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
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
2015-16	2,70,059	26	35,984	3	3,06,043	29
2016-17	2,95,278	24	42,404	3	3,37,682	27
2017-18	3,16,011	30	44,950	4	3,60,961	34

(*) Excludes suspense and remittance balances.

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

During last five years, Public Debt increased by 43 per cent.



(*) Non-Interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

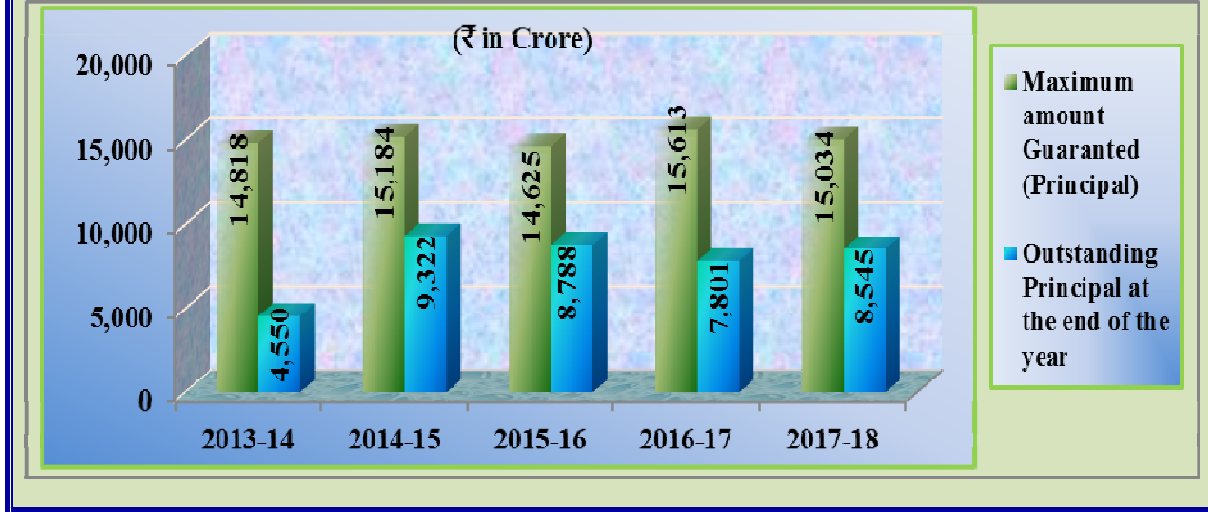
6.3. Guarantees

The position of guarantees by the State Government for the re-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 at the end of the year	
		Principal	Interest
2013-14	14,818	4,550	96
2014-15	15,184	9,322	64
2015-16	14,625	8,788	69
2016-17	15,613	7,801	16
2017-18	15,034	8,545	25

Guarantees



The Government of West Bengal has included a disclosure in the Fiscal Responsibility and Budget Management Document that Guarantee Redemption Fund has been constituted vide notification bearing No. 1240-FB dated 02.01.2015. The contribution of ₹150.00 crore (1.92 per cent of outstanding Guarantee of ₹7,801.41 crore as on 31 March 2017) has been made to the Fund in 2017-18.

CHAPTER-VII

OTHER ITEMS

7.1. Adverse Balances

- a) Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees loans raised by government companies and corporations from the market and financial institutions for implementation of various plan schemes and programmes which are projected outside the State Budget. These loans are treated as off budget borrowing of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Consolidated Fund, resulting in irreconcilable adverse balance and understatement of liabilities in Government accounts. As on 31 March 2018 there is no such adverse balance appearing in respect of Government of West Bengal.
- b) In Public Account, sometimes adverse balances appear due to misclassification or otherwise. During 2017-18, two instances of such adverse balances appeared in the accounts of Government of West Bengal in Public Account. They are given below:

(₹ in Crore)

Sl. No.	Head of Account	Balance as on 31 March 2018
1.	8011-00-107 State Governments Employee's Group Insurance	140.20
2.	8342-00-103 Deposits of Government Companies, Corporations, etc.	168.85

The reason for such adverse balance is under reconciliation with the Finance Department of the State Government.

7.2. Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2017-18 were ₹12,719 crore. Of this, Loans and Advances to Government Corporations/Companies, Non-Government Institutions and Local Bodies amounted to ₹12,710 crore. During the year, ₹1,031 crore was received as interest.

7.3. Financial Assistance to Local Bodies and Others

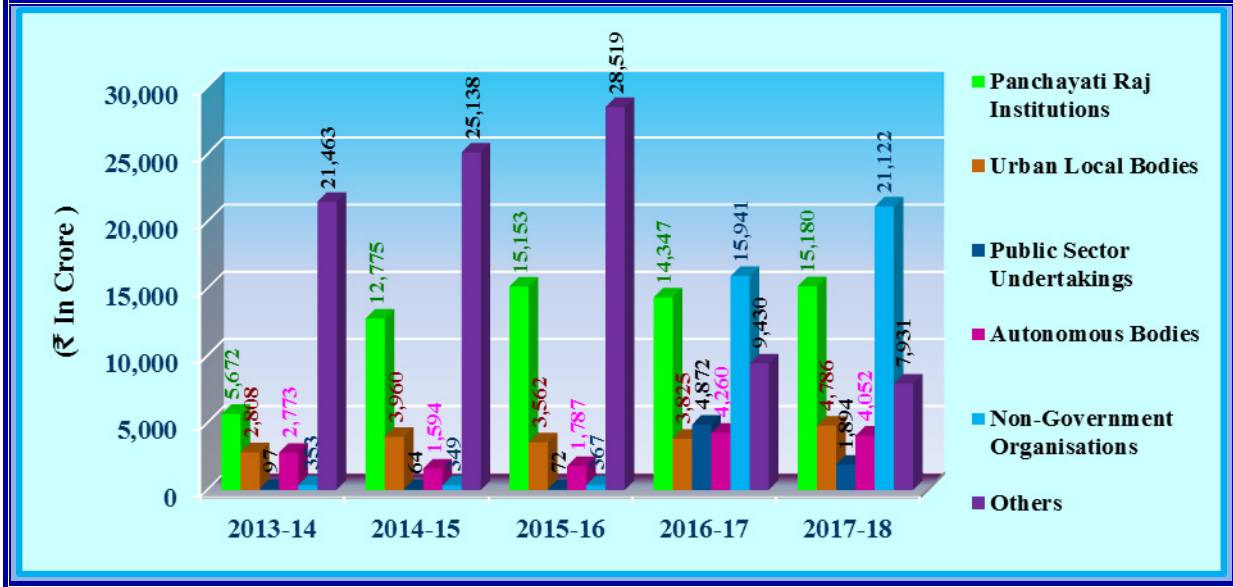
Expenditure on Grants-in-Aid to Local Bodies etc. represents 39 per cent of total Revenue Expenditure. Details of Grants-in-Aid for the past five years are as under:

(₹ in Crore)

Sl. No.	Grantee Institutions	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Panchayati Raj Institutions	5,672	12,775	15,153	14,347	15,180
2.	Urban Local Bodies	2,808	3,960	3,562	3,825	4,786
3.	Public Sector Undertakings	97	64	72	4,872	1,894
4.	Autonomous Bodies	2,773	1,594	1,787	4,260	4,052
5.	Non-Government Organisations	353	349	367	15,941	21,122
6.	Others [#]	21,463	25,138	28,519	9,430	7,931
Total		33,166	43,880	49,460	52,675	54,965

This includes Grants for "National Old Age Pension Scheme (State Share)", "Implementation of Annapurna scheme for Welfare of Aged, infirm and destitute", "Scheme for financial assistance to the workers in locked-out Industrial Units", etc.

Trend of Financial Assistance to Local Bodies and Others



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”.

Details of Grants-in-Aid for creation of Capital Assets for the last five years as under:

(₹ in Crore)

Sl. No.	Grantee Institutions	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Panchayati Raj	602.65	929.78	1,617.60	1,205.59	3,551.12
2.	Urban Local Bodies	280.55	103.25	1,390.88	1,779.09	2,083.56
3.	Public Sector	0.00	0.00	0.00	83.64	406.87
4.	Autonomous Bodies	205.06	10.97	136.32	279.63	292.10
5.	Non-Government	4.23	4.02	6.41	74.27	408.08
6.	Others	1,469.11	1,045.85	846.60	1,823.01	618.43
Total		2,561.60	2,093.87	3,997.81	5,245.23	7,360.16

7.4. Cash Balance and Investment of Cash Balance

(₹ in Crore)

Component	As on 1 April 2017	As on 31 March 2018	Net increase(+)/ decrease(-)
Cash Balance	16	(-20)	(-36)
Investments from cash balance (GOI Treasury Bills)	12,546	8,570	(-)3,976
Investments from Earmarked Funds	9,928	10,308	380
(a) Sinking Fund	9,554	9,745	191
(b) Guarantee Redemption Fund	213	381	168
(c) Other Funds	161	182	21
Interest realised	274	365	91

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 Principal Accountant General (Accounts and Entitlement). This exercise is to be conducted by respective Controlling Officers. The reconciliation of accounts of many departments is in arrears. In 2017-18, only 80 per cent (₹1,48,094.81 crore) of the total expenditure and 93 per cent (₹1,64,307.90 crore) of the total receipts of the State Government were reconciled.

7.6. Submission of Accounts by Accounts Rendering Units

There are 88 District Treasuries in the State (including PAOs and one e-Treasury). From 1 April 2015, Government of West Bengal has done away with the Letter of Credit (LOC) system and submission of accounts by Works and Forest Divisions. During the year, average delay in submission of monthly accounts by the treasuries was 9.49 days. However, there was no exclusion of accounts at the end of the year.

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 Bills by debiting Service Heads and as per Rule 4.138 of West Bengal Treasury Rules (WBTR) 2005 they are required to present Detailed Contingent Bills (vouchers in support of final expenditure). In all such cases D.C. Bills are to be presented within one month from the date of completion of the purpose for which advance was drawn and in no case beyond the period of sixty 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 2018, DC Bills in respect of a total of 11,082 AC Bills amounting to ₹3,640.33 crore were not received as given below:

Year	No. of unadjusted AC Bills	Amount(₹ in Crore)
Upto 2015-16	8,409	1,935.60
2016-17	1,079	175.88
2017-18	1,594	1,528.85
Total	11,082	3,640.33

7.8. Utilisation Certificates (UCs) for Grants-in-Aid not received

In terms of Subsidiary Rules 330A of the West Bengal Treasury Rules (WBTR), Utilization Certificates (UCs) in respect of a Grants-in-Aid received by the grantee should be furnished by the grantee to the authority which sanctioned it, within one year from the date of receipt of grant or before applying for a further grant on the same object, whichever is earlier. To the extent of non-submission of UCs, the expenditure shown in Finance Accounts cannot be ensured to have reached beneficiaries' end and thus cannot be vouched as correct or final. Out of outstanding items of ₹1,22,007.56 crore, at the beginning of the year, ₹475.51 crore was cleared during 2017-18. The position of outstanding UCs was as given in next page:

Utilisation Certificates (UCs) for Grants-in-Aid not received		
Year	Number of UCs	Amount (₹ in Crore)
Upto 2015-16	2,11,553	84,567.38
2016-17	34,710	36,964.67
2017-18 (*)	42,950	38,209.69
Total	2,89,213	1,59,741.74

(*) Grants-in-Aid given during 2017-18 has been considered as due for submission of UCs. Grants-in-Aid bills in 55 cases amounting to ₹3.08 crore were drawn in AC bill forms during the year, causing difficulties in monitoring the utilisation of Grants-in-Aid so released.

7.9. Status of Suspense and Remittance balances

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balance under these heads is worked out by aggregating the outstanding debit and credit balances separately under various heads. The position of gross figures under major suspense heads for the last three years is given below:

(₹ in crore)

Suspense and Remittance balances						
Name of Minor Head	2015-16		2016-17		2017-18	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658-Suspense Accounts						
101-PAO Suspense	156.33	1.69	172.37	8.17	184.67	8.10
Net	Dr. 154.64		Dr. 164.20		Dr. 176.57	
102-Suspense Account (Civil)	522.29	531.60	628.68	667.65	757.78	809.61
Net	Cr. 9.31		Cr. 38.97		Cr. 51.83	
110- RB Suspense CAO	556.16	63.54	535.88	63.18	609.10	63.23
Net	Dr. 492.62		Dr. 472.70		Dr. 545.87	
112-TDS Suspense	0.00	38.48	0.00	31.53	0.00	20.30
Net	Cr. 38.48		Cr. 31.53		Cr. 20.30	
129-MPSSA	0.02	67.46	0.02	67.46	0.02	67.46
Net	Cr. 67.44		Cr. 67.44		Cr. 67.44	
8782-Cash Remittances and adjustments, etc.						
102-P.W. Remittances	66,973.96	66,588.14	66,973.96	66,587.68	66,973.96	66,587.66
Net	Dr. 385.82		Dr. 386.28		Dr. 386.30	
103-Forest Remittances	6,199.01	6,173.39	6,199.01	6,173.39	6,199.01	6,173.39
Net	Dr. 25.62		Dr. 25.62		Dr. 25.62	

The Reserve Bank of India debited ₹127.36 crore on account of decretal awards in favour of the Engineering Departments of the Government of West Bengal in different years including 2017-18. This amount has been lying under Suspense Head of Account (Major Head 8658-00-110 - Reserve Bank Suspense - Central Accounts Office) since 2004-05 for want of sanction orders from the Engineering Departments.

7.10. 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 2017-18 are analysed below:

(₹ in Crore)

Type of Expenditure	Expenditure During the Year	During March 2018		Expenditure during last working day of March 2018
		Expenditure	Percentage of total Expenditure	
Total Expenditure (excluding Pay vouchers)	1,40,088.34	23,933.38	17.08	3,199.75
Total Transfer Credit (including all deposit heads)	27,319.09	6,144.03	22.49	973.27
Amount of Transfer Credit to PD Accounts through Treasury vouchers (included in total Transfer Credit)	5,010.68	642.45	12.82	167.80
Amount of AC Bills drawn	1,627.65	360.05	22.12	129.26

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.

7.11. Commitments on account of Incomplete Capital Works

Intimation collected from Chief Engineers of various State Government Departments reveals that an expenditure of ₹3,796.07 crore was incurred upto 31 March 2018 on Incomplete Capital Projects/Works.

(₹ in Crore)

ABSTRACT OF COMMITMENTS OF INCOMPLETE PUBLIC WORKS						
Period	Buildings (No. of Works)	Roads (No. of Works)	OTHERS			Amount Involved
			Water Supply (PHE) (No. of Works)	Urban development (No. of Works)	Rural development (No. of Works)	
Upto 2005	-	-	-	-	-	-
2005-10	-	-	-	-	-	-
2010-15	-	-	-	-	-	-
2015-20	4.97 (05)	2,834.14 (418)	596.40 (576)	282.08 (276)	77.74 (64)	3,795.35 (1,339)
2020-25	-	0.03 (01)	0.69 (08)	-	-	0.71 (09)
Total	4.97 (05)	2,834.17 (419)	597.09 (584)	282.08 (276)	77.74 (64)	3,796.06 (1,348)

Note: Wherever expenditure during the year as well as progressive upto the year shown as zero, the no. of works was not considered.

7.12. Personal Deposit (PD) Accounts

The purpose of PD accounts is to enable designated Drawing Officers to incur expenditure pertaining to a scheme, for which funds are placed at their disposal, by transfer from the Consolidated Fund of the State. Administrators of PD accounts are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Consolidated Fund.

In terms of Rule 6.08(5) of the West Bengal Treasury Rules, 2005, the Administrator of Personal Deposit Accounts shall make necessary verification and reconciliation of the balances with the treasury and shall furnish a certificate to the Treasury Officer on or before 15 May every year. The Treasury officer shall verify the said certificate with treasury record and send a report of verification of such balances to the Principal Accountant General (A&E) by 31 May every year. Inspection of 71 treasuries out of 88 treasuries in 2017-18 revealed that in 8 treasuries, the Administrators of Personal Deposit Accounts had not reconciled and verified their balances with the treasury figures and the annual verification certificate was also not furnished by them to the Treasury Officer for onward transmission to the Principal Accountant General (A&E) office.

Details of PD accounts as on 31 March 2018 is given below:

(₹ in Crore)

Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount
153	5,140.70	4	5,010.68	0	5,869.40	157	4,281.98

*Addition and clearance during the year 2017-18 under Personal Deposit Accounts, 8443-106.

On the basis of the information furnished by the State Government, the age analysis of 622 inoperative PD schemes of 48 administrators at the end of 2017-18 is given below:

Year	Inoperative for	No. of inoperative PD schemes	Balance in inoperative PD schemes (₹ in Crore)
Upto 2014-15	More than 3 years	313	65.52
2015-16	3 years	75	40.98
2016-17	2 years	58	23.38
2017-18	1 years	176	74.50
Total		622	204.38

During 2017-18, an amount of ₹2,019.83 crore was transferred from the Consolidated Fund of the State to these PD Accounts and an amount of ₹2,990.85 crore was credited through challans (T.R.Form-7). In March 2018, ₹642.45 crore was transferred from the Consolidated Fund of the State to the PD Accounts constituting 12.82 per cent of the total yearly transfer, of which, ₹167.80 crore was transferred on the last working day of March 2018.

7.13. Ujwal DISCOM Assurance Yojana (UDAY)

The State Government has not taken over any debt of Electricity Distribution Companies (DISCOMs) under Ujwal DISCOM Assurance Yojana (UDAY) in West Bengal.

7.14. Liability under Retirement benefits

The expenditure on “Pension and other Retirement Benefits” for State Government employees during the year 2017-18 was ₹14,588.08 crore (excluding expenditure on National Pension System of All India Service officers), constituting 10.34 *per cent* of total Revenue expenditure (₹1,41,077.36 crore). All India Service (AIS) officers and other Central Government employees on Deputation to the State recruited on or after 1 January 2004 are covered under the National Pension System (NPS), which is a defined contributory pension scheme. This scheme is not applicable to State Government employees. In terms of the Scheme, the employee contributes 10 per cent of his/her basic pay and dearness allowance, which is matched by the State Government and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank. The amount of employees' and Government's contributions receivable in the Scheme since inception had not been estimated. However, during the year, the State Government contributed an amount of ₹2.41 crore as its share towards Defined Contribution Pension Scheme of AIS officers and other Central/State Government Employees on Deputation to the State and transferred ₹4.69 crore (which includes AIS Officers' contributions of ₹2.02 crore and the contribution of other Central/State Government Employees on Deputation to the State of ₹0.25 crore) for 2017-18 to the Public Account under Major Head 8342-117 Defined Contribution Pension scheme. An amount of ₹4.70 crore was transferred to NSDL/Trustee Bank during 2017-18, which included ₹2.33 crore towards employees' contribution and ₹2.37 crore towards employers' contribution against this year's contribution of ₹4.69 crore. Excess transfer of ₹0.01 crore during the year 2017-18 represents previous year's balance of ₹0.07 crore leaving a balance of ₹0.06 crore yet to be transferred as on 31 March 2018. Uncollected, unmatched and un-transferred amounts, with accrued interest, represent outstanding liabilities under the Scheme.

7.15. Demonetisation

Consequent upon demonetisation of ₹500/- and ₹1,000/- notes by the Government of India with effect from 9 November 2016, notes of those denominations which may have been held by the DDOs in cash as advance drawal against allotment or any schemes, fees etc. need to be deposited to bank followed by withdrawal of legal tender money in place of such demonetised notes and accounted for under the head '8658-Suspense Account-00-102-Suspense Account-Civil-040-Remittance of Specified Bank Notes ₹500/- and ₹1,000/- since Demonetised-20-Receipt/Adjustment". The credit balance under this head indicates demonetised cash deposited but legal tender cash not withdrawn During 2016-17, an amount of ₹20.00 crore was deposited, ₹11.75 crore and ₹0.87 crore were withdrawn during the year 2016-17 and 2017-18 respectively leaving the credit balance of ₹7.38 crore at the end of 2017-18 under the above head.

Hence, the State Cash balance was overstated to that extent.

7.16. Direct transfer of Central Scheme Funds to implementing Agencies in the State (Funds routed outside State Budget)

Government of India (GoI) transferred substantial funds directly to State Implementing Agencies/Non-Government Organisations (NGOs) for implementation of various schemes/programmes in spite of the policy decision taken by the Union Government to route all the funds through State Budgets from the year 2014-15. As per the PFMS portal of the Controller General of Accounts (CGA), GoI released ₹9,891.26 crore to the implementing agencies in West Bengal in 2017-18 which shows increase by 83.28 per cent as compared to 2016-17 (₹5,396.80 crore in 2016-17).

7.17. Investments

Information on Government investments appearing in Statements 8 and 19 of the Finance Accounts is based on the accounts and sanctions received by the Pr. Accountant General (A&E), but has not been confirmed by the concerned departments (including Finance) and the investee entity. The entire Government investment of ₹1,868.94 crore in 2017-18 was made in 8 new entities and 36 old entities that had received investments in the previous year also. Overall Government investment of ₹15,883.84 crore as on 31 March 2018 yielded dividend/interest of ₹36.60 crore (0.24 per cent) during 2017-18.

Comparative figures showing difference between Government Assistance as per Finance Accounts and records of PSUs as on 31 March 2017 are given below:

(₹ in crore)

Particulars	Amount as per State Finance Accounts	Amount as per records of PSUs	Differences
Equity	12,602.15	14,506.10	1,903.95
Loans	9,477.09	4,909.74	4,567.35
Guarantees	5,638.42	3,270.81	2,367.61

(Figures for 2017-18 will be available on finalization of PSU a/cs.)

During reconciliation process an amount of ₹700.00 crore for conversion of loans to equity was adjusted against West Bengal Highway Development Corporation Limited under Government Companies and reflected in Statement 19. The difference under loans and equity as shown above has been reduced to that extent.

7.18. Guarantees given by Governments: Disclosure requirements (IGAS-1)

The details on Guarantees reported in Statements 9 and 20 prepared as per IGAS-1, are on the basis of the information provided by the State Government. In terms of the West Bengal Ceiling on Government Guarantees Act, 2001, the total outstanding Government Guarantees as on the first day of April of any year shall not exceed ninety per cent of the State Revenue Receipts of the second preceding year.

During the year, cumulative amount guaranteed by the State Government is ₹15,034.05 crore. The outstanding guarantees of ₹7,817.20 crore as on 1 April 2017, work out to 7.12 *per cent* of the State Revenue Receipts of the year 2015-2016 (₹1,09,732.21 crore) and are within the limits prescribed.

Under the guidelines, the Government shall charge a minimum of one *per cent* of the guaranteed amount as guarantee commission which works out to ₹85.45 crore. During 2017-18, the State Government received ₹12.39 crore towards guarantee commission, which constituted 0.14 *per cent* of the outstanding guarantees as on 31 March 2018 (₹8,545.28 crore). There was a shortfall of ₹73.06 crore in collection of guarantee commission. The total amount of guarantee commission outstanding as on 31 March 2018, since the enactment of the West Bengal Ceiling on Government Guarantees Act, was ₹1,547.35 crore.

The information regarding invocation of any Guarantees, automatic debt mechanism and structure payment arrangement is awaited from the Government.

7.19. Accounting Classification of Grants-in-Aid (IGAS-2)

Expenditure on Grants-in-Aid is recorded as revenue expenditure in the books of the grantor, and as revenue receipt in the books of the recipient. Further, as per the Indian Government Accounting Standard (IGAS) 2, expenditure on Grants-in-Aid is to be classified as Revenue expenditure regardless of end utilization. The Government classified all expenditure on Grants-in-Aid object head as Revenue expenditure as per IGAS 2. However, no information has been received from the Government regarding Grants-in-Aid given in kind.

7.20. Loans and Advances made by the Government (IGAS-3)

Statements 7 and 18 of the Finance Accounts 2017-18 have been prepared incorporating the disclosures under IGAS-3. The details of loan and advances reported in these Statements of the Finance Accounts are based on information received through the accounts rendered to the Pr. Accountant General (A&E), detailed accounts maintained by the Pr. Accountant General (A&E) in respect of loans and advances made to Government servants, information provided by the departmental officers maintaining detailed accounts of loans and confirmation from departments providing loans.

The accounts indicate the following:

- a) In respect of old loans (detailed accounts of which are maintained by the Pr. Accountant General (A&E) amounting to ₹888.66 crore involving 16 Departments, recoveries of principal and interest have not been effected during the past several years and one such loan is about 50 years old.
- b) Eleven Departments sanctioned Government Loans aggregating to ₹12,449.87 crore to 29 Autonomous Bodies/Authorities, etc. till the end of 2017-18, though no repayment had been received from the concerned loanees in respect of previous loans. The previous loans were given during the period 1967-68 to 1994-95 in all these cases.

- c) Terms and conditions of repayment of loans have not been settled for loans amounting to ₹6,69,186.crore to Statutory Bodies/Other entities (details in Additional Disclosures to Statement 18). Consequently, the receivables of the State Government on this account could not be estimated.
- d) Recovery of loans given to Statutory Bodies, etc. amounting to ₹13,176.88 crore was overdue at the end of the year).

The Pr. Accountant General (A&E) annually communicates loan balances (where detailed accounts are maintained by the Pr. Accountant General) to the loan sanctioning departments for verification and acceptance. Only 9 out of the 167 loanees have confirmed the balances. No confirmation of loan balances has been received from departmental officers maintaining detailed accounts of loans.

The information on loan in perpetuity is not available from the Government.

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