



सत्यमेव जयते

ACCOUNTS AT A GLANCE

2019-20



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Bihar

ACCOUNTS AT A GLANCE

for the year 2019-20

Government of Bihar



PREFACE

I am happy to bring out the annual publication, the '**Accounts at a Glance**' of the Government of Bihar.

Article 149 of the Constitution of India mandates that Comptroller and Auditor General of India shall perform such duties and exercise such power in relation to the accounts of the State as prescribed by any law made by Parliament. Article 10 of the CAG's (Duties, Powers and Conditions of service) 1971 prescribes that CAG is responsible for compiling the accounts of the State from the initial accounts rendered to the accounts offices by treasuries, offices and departments responsible for keeping those accounts.

In discharging the entrusted responsibility, the annual accounts of the State of Bihar has been prepared into (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts consists of three divisions containing summary of transactions took place under Consolidated Fund, Contingency Fund and Public Account of the State. The Appropriation Accounts record expenditure incurred against provisions approved by State Legislature under each of the Grant and offer explanations for variations between the actual expenditure and the funds provided.

'Accounts at a Glance' provides a broad overview of Governmental activities, as reflected in Finance Accounts and Appropriation Accounts. The information is presented through brief explanations, statements, graphs and time series analysis for providing accounting information to the stakeholders-the Legislature, the Executives and the Public. A combined reading of the Finance Accounts and Appropriation Accounts, the Report on State Finances and the 'Accounts at a Glance', will help the stakeholders to comprehend more effectively the various facts of the finances of the Government of Bihar.

We look forward to your valuable comments and suggestions for improving this publication.



Praveen Kumar Singh

Pr. Accountant General (A&E)

Bihar, Patna

Place: Patna

Date: 02 August 2021

Our Vision, Mission and Core Values

Vision: 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.

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

Mission: 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 for the intended purposes.

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

Our 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

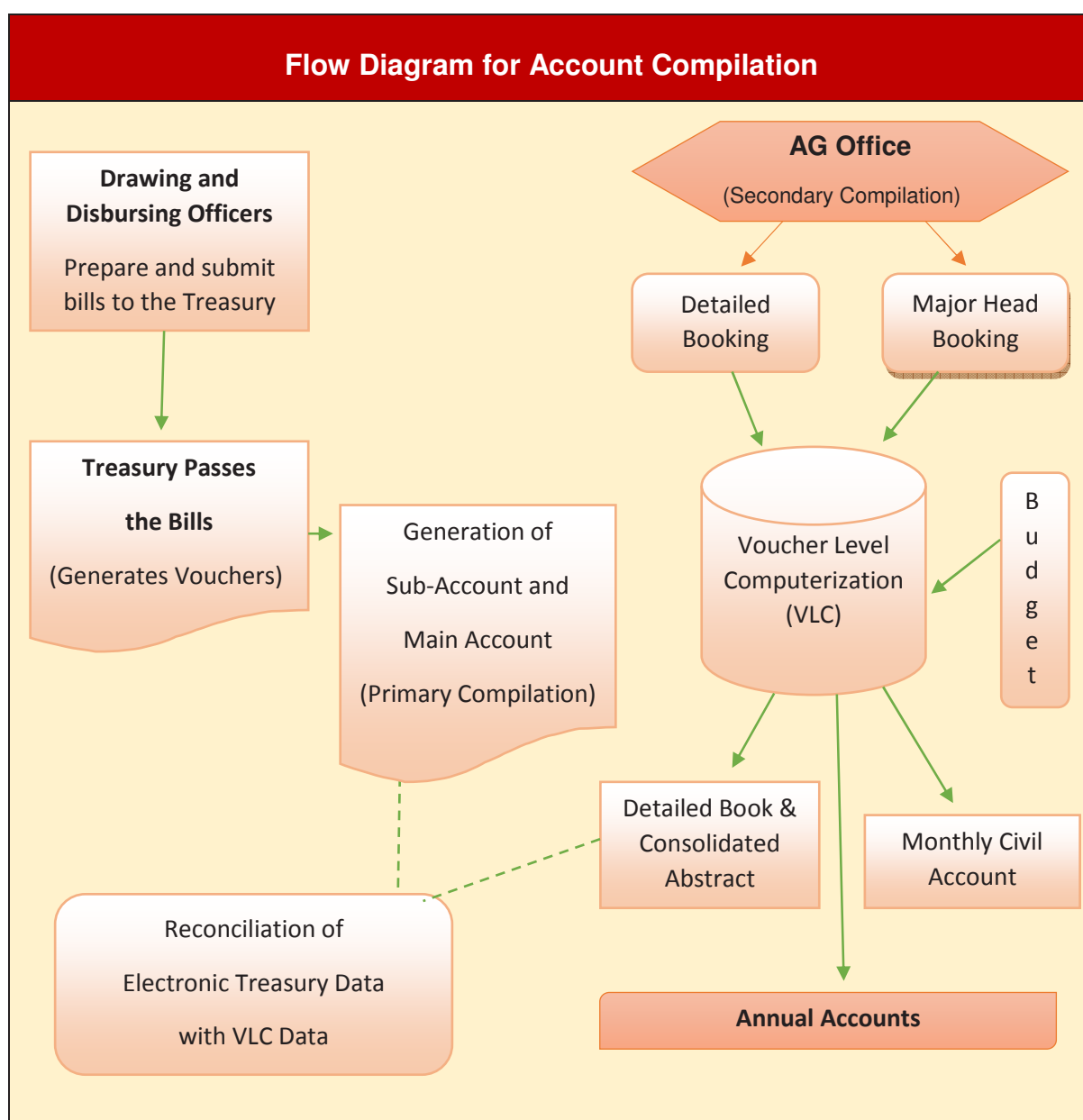
The Pr. Accountant General (Accounts and Entitlement), Bihar collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Bihar. The compilation is done from the initial accounts rendered by the Treasuries, Public Works & Forest Divisions, accounts rendered by the other states/accounting offices through their monthly accounts and advices of the Reserve Bank of India. Every month a Monthly Civil Account is presented by the office of the Pr. Accountant General (A&E) to the Government of Bihar. The yearlong compilation activity culminates into preparation of the annual Finance Accounts and Appropriation Accounts. They are subjected to audit by the Accountant General (Audit), Bihar and certification by the Comptroller and Auditor General of India after which they are placed before Legislature.

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

Part 1 CONSOLIDATED FUND	All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) from the Consolidated Fund. All expenditure and disbursement of the Government, including release of loans and repayments of loans taken (and interest thereon) are met from this fund.
Part 2 CONTINGENCY FUND	The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Bihar is ₹ 350 crore.
Part 3 PUBLIC ACCOUNT	In Public Accounts the transactions relating to Debt (Other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded. Debts and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are required to be cleared eventually by booking to final heads of account.

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursement of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. Finance Accounts are prepared in two volumes to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to Accounts' containing summary of significant accounting policies, comments on quality of accounts and other items. Volume II contains detailed statements (part-I) and appendices (part-II).

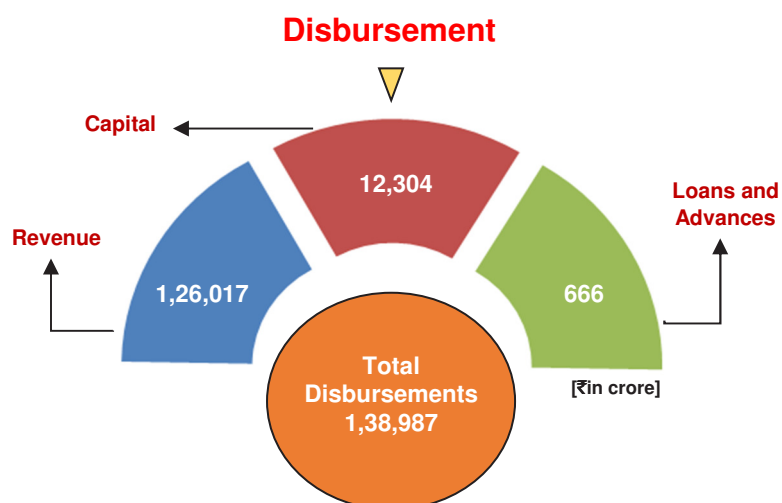
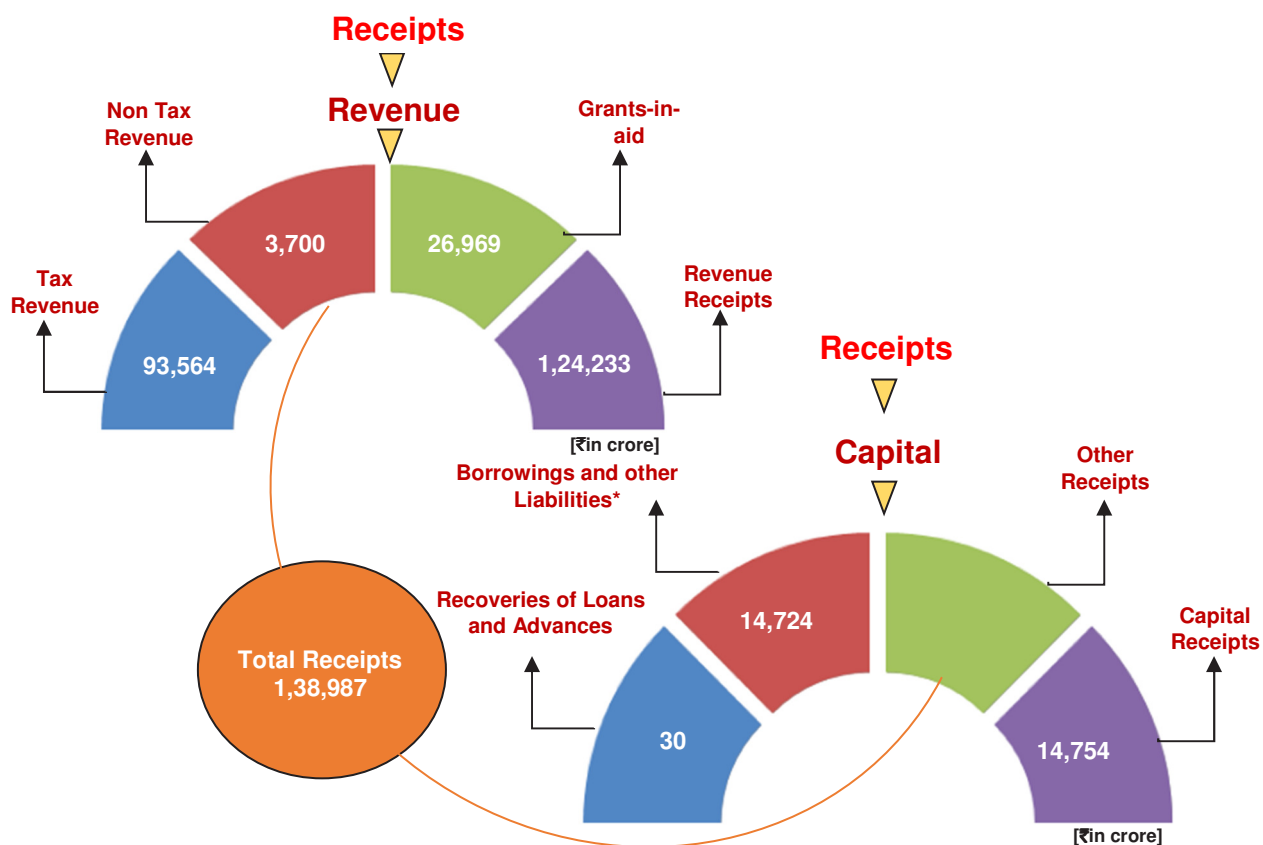
The Union Government transfers substantial funds directly to State Implementing Agencies/ NGOs for implementation of various schemes and programmes. During the year 2019-20, the Government of India (GoI) released ₹10,170 crore directly (₹5,679 crore last year) to the implementing agencies in Bihar. Since these funds are not routed through the State Budget, these are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VI of Volume II of the Finance Accounts.

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2019-20.

	Budget Estimate	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP (*)
	(₹ in crore)			
1. Tax Revenue (including Central Share)	1,22,922	93,564	76	15
2. Non-Tax Revenue	4,806	3,700	77	1
3. Grant-in-aid and Contributions	49,019	26,969	55	4
4. Revenue Receipts (1+2+3)	1,76,747	1,24,233	70	20
5. Recovery of Loans and Advances	416	30	7	0
6. Other Receipts	-	-	-	-
7. Borrowings and other Liabilities	16,102	14,724	91	2
8. Capital Receipts (5+6+7)	16,518	14,754	92	2
9. Total Receipts (4+8)	1,93,266	1,38,987	72	23
10. Revenue Expenditure	1,55,230	1,26,017	81	21
11. Expenditure on Interest Payments (out of Revenue Expenditure)	10,723	10,991	102	2
12. Capital Expenditure	36,593	12,304	34	2
13. Loans and Advances Disbursed	1,442	666	46	0
14.Total Expenditure (10+12+13)	1,93,266	1,38,987	72	23
15. Revenue Surplus/Deficit (4-10)	21,517	1,784	8	0
16. Fiscal Deficit (4+5-14)	16,102	14,724	91	2

* GSDP of 2019-20 was ₹6,11,804 crore.

Receipts and disbursement in year 2019-20



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

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 Bihar Government has 51 Grants/Appropriations. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure conforms with the appropriations authorised by the Legislature through the Appropriation Act of each year.

The Appropriation Act, 2019-20, had provided for gross expenditure of ₹2,28,487 crore and reduction of expenditure (recoveries) of ₹0.01 crore. Against this, the actual gross expenditure was ₹1,49,642 crore and reduction of expenditure was ₹3,545 crore, resulting in net savings of ₹78,848 crore (34.51 *per cent*) and an under-estimation of ₹3,545 crore on reduction of expenditure. The gross expenditure includes ₹4,231 crore drawn on Abstract Contingent (AC) Bills, out of which ₹4,231 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹1.73 crore) maintained with the RBI. The larger the amount and more the number of times such Ways and Means Advances are taken or drawals are made, the more it reflects the adverse position of the cash balance of the State Government. During the financial year 2019-20, the Government of Bihar had maintained the minimum balance without taking any advance.

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India when the limit of minimum cash balance falls below i.e. ₹1.73 crore, even after taking Ways and Means Advances (WMA) which is required to be maintained with the Reserve Bank of India. During the financial year 2019-20, the Government of Bihar had maintained the minimum balance without taking any advance.

1.4.3 Funds flow statement

The State had a Revenue Deficit of ₹1,784 crore and a Fiscal Deficit of ₹14,724 crore representing 0.29 *per cent* and 2.41 *per cent* of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 10.59 *per cent* of total expenditure. This deficit was met from Public Debt (₹22,035 crore), Deficit in Public Account ₹6,880 crore and net of opening and closing cash balance ₹430.95 crore. A sum of ₹49,322 crore which was 39.70 *per cent* of the revenue receipts (₹1,24,233 crore) of the State Government was spent on committed expenditure like salaries (₹20,376 crore), interest payments (₹11,836 crore) and pension (₹17,110 crore).

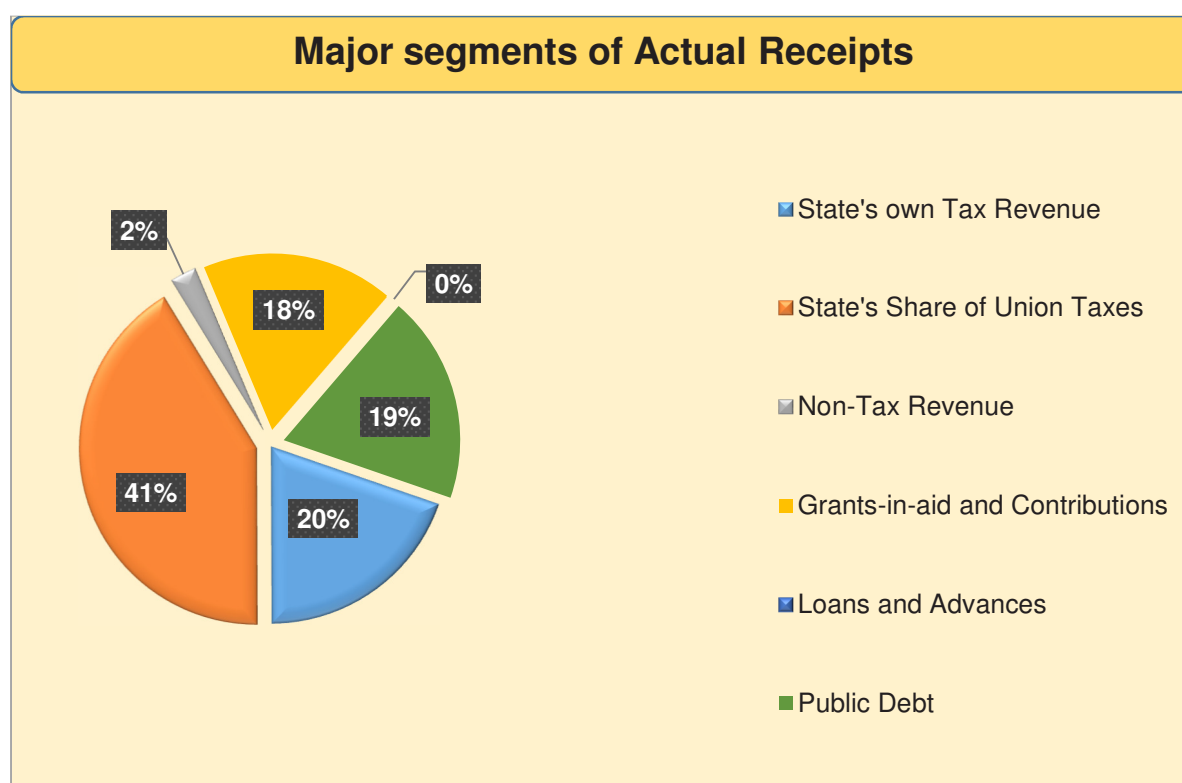
Sources and Application of Funds

(₹ in crore)

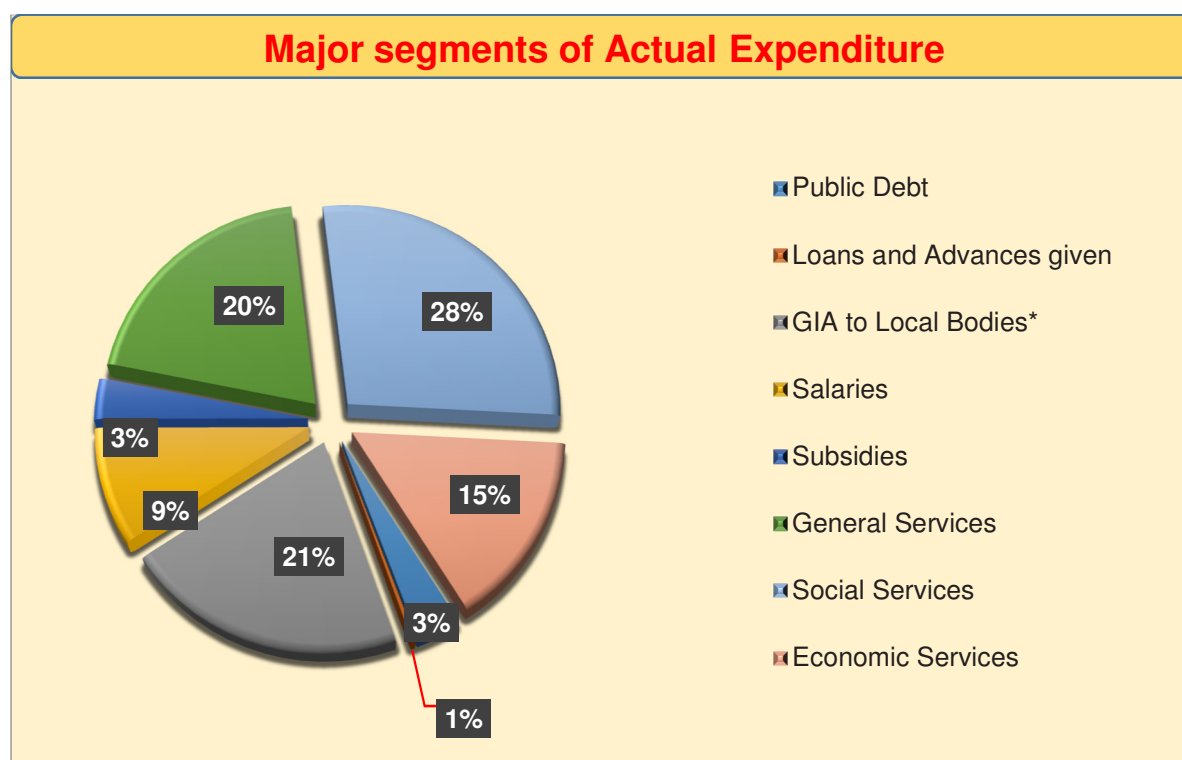
SOURCES	Particulars	Amount
	Opening Reserve Bank Cash Balance as on 1 April 2019	157
	Revenue Receipts	1,24,233
	Recovery of Loans & Advances	30
	Public Debt	29,145
	Small Savings, Provident Fund & Others	2,038
	Reserves & Sinking Funds	2,610
	Deposits Received	60,400
	Civil Advances Repaid	0
	Suspense Account	6,36,270
	Remittances	3
	Contingency Fund	0
	Total	8,54,886

APPLICATION	Revenue Expenditure	1,26,017
	Capital Expenditure	12,304
	Loans Given	666
	Repayment of Public Debt	7,110
	Small Savings, Provident Fund and Others	1,848
	Reserves & Sinking Funds	2,086
	Deposits Spent	58,688
	Civil Advances Given	0
	Suspense Account	6,44,779
	Remittances	800
	Closing Reserve Bank Cash Balance as on 31 March 2020	588
	Total	8,54,886

1.4.4 Where the Rupee came from



1.4.5 Where the Rupee went



* Includes also expenditure made on Mid Day Meal Scheme, Cycle Scheme, Uniform Scheme and Sarva Siksha Abhiyan etc.

1.5 Financial highlights of year 2019-20

	Budget Estimate (B.E.) 2019-20	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP (\$)
	(₹ in Crore)			
1. State's own Tax Revenue	33,800	30,158	89	5
2. State's Share of Union Taxes	89,122	63,406	71	10
3. Non-Tax Revenue	4,806	3,700	77	1
4. Grant-in-aid and Contributions	49,019	26,969	55	4
5. Revenue Receipts (1+2+3+4)	1,76,747	1,24,233	70	20
6. Other Receipts	-	-	-	-
7. Recovery of Loans and Advances	416	30	7	0
8. Borrowings and other Liabilities (A)	16,102	14,724	91	2
9. Capital Receipts (6+7+8)	16,518	14,754	89	2
10. Total Receipts (5+9)	1,93,265	1,38,987	72	23
11. Establishment & Committed Expenditure (*)	91,874	81,549	89	13
12. Revenue Account	91,637	81,441	89	13
13. Interest Payments out of 12	10,723	10,991	102	2
14. Capital Account	237	107	45	0
15. Scheme Expenditure (*)	1,01,391	57,438	57	9
16. Revenue Account	63,593	44,576	70	7
17. Capital Account	33,798	12,863	38	2
18. Total Expenditure (11+15)	1,93,265	1,38,987	72	23
19. Revenue Expenditure (12+16)	1,55,230	1,26,017	81	21
20. Capital Expenditure (14+17) (#)	34,035	12,970	38	2
21. Revenue Surplus/Deficit (5-19) (@)	21,517	1,784	8	1
22. Fiscal Deficit (5+6+7-18) (@)	16,102	14,724	91	2

(\$)

 Gross State Domestic Product (GSDP) figure of ₹6,11,804 crore adopted from the information received from Planning and Development Department (Directorate of Economics and Statistics) of the Government of Bihar.

(#)

 Expenditure on Capital Account includes Capital Expenditure (₹12,304 crore), Loans and Advances disbursed (₹666 crore).

(*)

 Includes ₹57 crore under Establishment and Committed Expenditure and ₹609 crore under Scheme Expenditure which pertains to Loans and Advances.

(A)

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

(@)

 Calculation of Revenue Deficit and Fiscal Deficit includes expenditure under UDAY.

What do the Deficits and Surpluses indicate?

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

1.6 Fiscal Responsibility and Budget Management Act, 2006

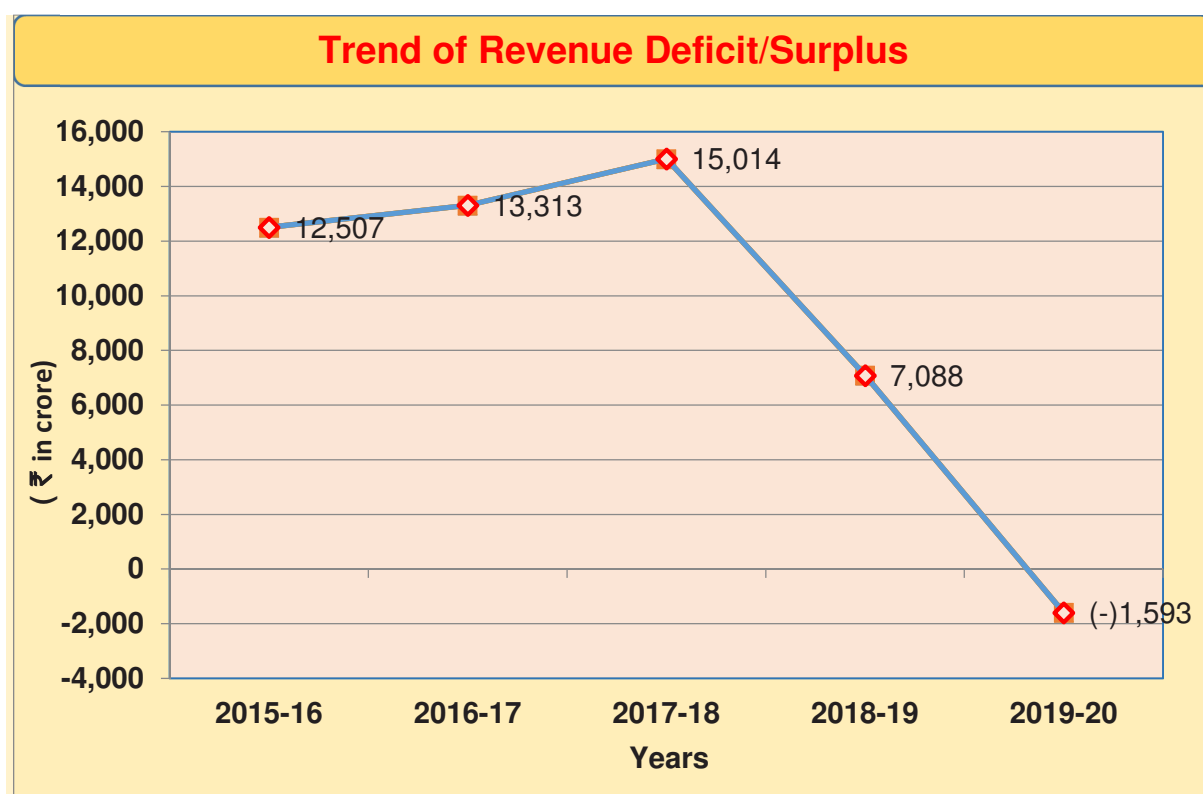
Targets fixed by the State Government in the BFRBM Act, 2006, read with the Bihar Fiscal Responsibility and Budget Management (Amendment) Act 2016, the ceilings fixed by the 4th Finance Commission, and the achievements as per the accounts of 2019-20 are given below:

Sl. No.	Targets	Achievements
1	Attain Revenue Surplus in 2007-08 and maintain surplus thereafter.	In FY- 2019-20, the State has Revenue deficit of ₹1,784.13 crore (0.29 per cent of GSDP) if expenditure under UDAY of ₹191.36 crore is included. The Revenue deficit excluding expenditure under UDAY is ₹1,592.77 crore (0.26 per cent of GSDP)
2	Bring the Fiscal Deficit / Gross State Domestic Product (GSDP)* ratio to 3.00 <i>per cent</i> in 2011-12 and maintain this upto 2019-20.	During the FY- 2019-20, the State has fiscal deficit of ₹14,723.93 crore which is 2.41 per cent of GSDP including expenditure under UDAY. The Fiscal deficit excluding expenditure under UDAY is ₹14,532.57 crore which is 2.38 <i>per cent</i> of GSDP.
3	Bring Debt as <i>per cent</i> of Gross State Domestic Product (GSDP) in the financial year 2019-20 to 25.73 <i>per cent</i> .	Debt and outstanding liabilities (₹1,93,381.84 crore) (including UDAY ₹2,331.78 crore) was 31.61 <i>per cent</i> of Gross State Domestic Product (GSDP) estimate during 2019-20. Debt and outstanding liabilities (₹1,91,050.06 crore) (excluding UDAY ₹2,331.78 crore) was 31.23 <i>per cent</i> of Gross State Domestic Product (GSDP) estimate during 2019-20.
4	Raise total Tax Revenue Collection as <i>per cent</i> of Gross State Domestic Product (GSDP) in the financial year 2019-20 to 21.46 <i>per cent</i> .	The total Tax Revenue Collection (₹93,564.31 crore) was 15.29 <i>per cent</i> of Gross State Domestic Product (GSDP) estimate during 2019-20.

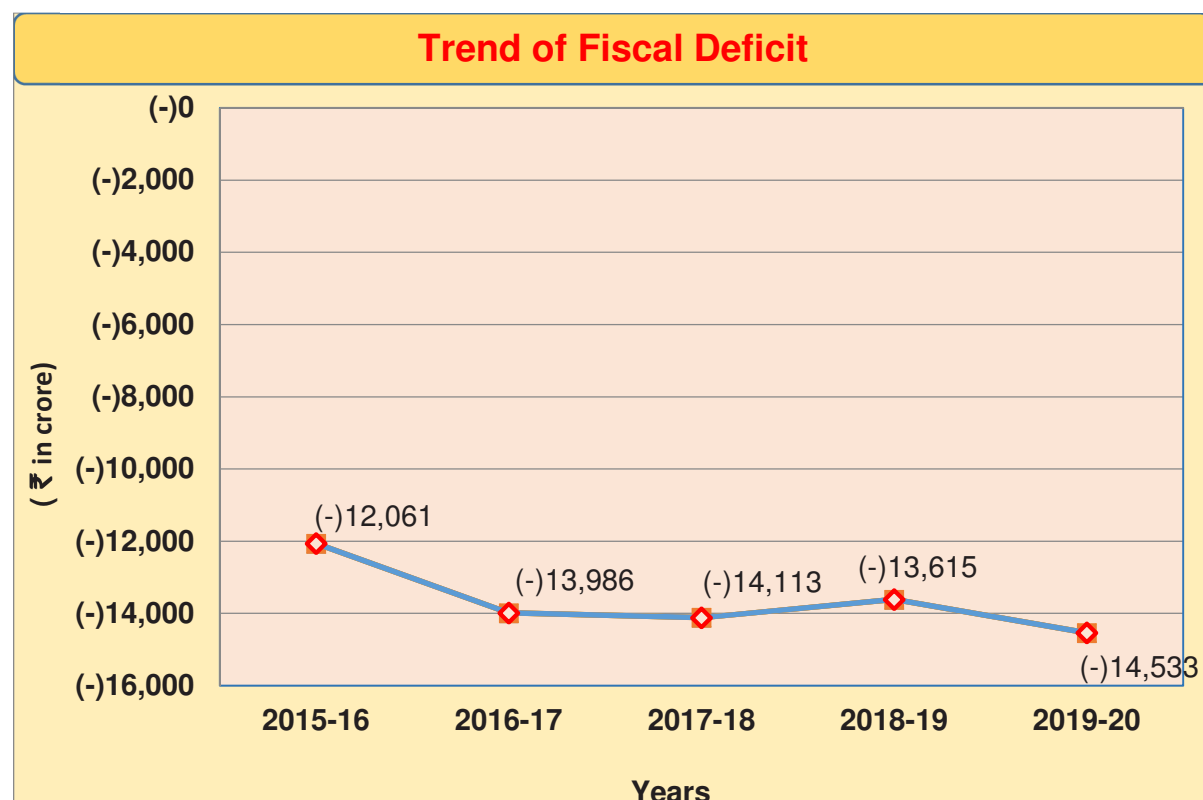
*Source: Planning and Development Department (Economic and Statistics Directorate), Bihar letter No.रा०आ०(वि०)-02/2020/807/पटना dated 13.08.2020 GSDP figures for Bihar assumed as ₹6,11,804 crore for the year 2019-20 adopted in NTA for FRBM target achievement calculation.

The State Government has however, not yet framed rules under the BFRBM Act.

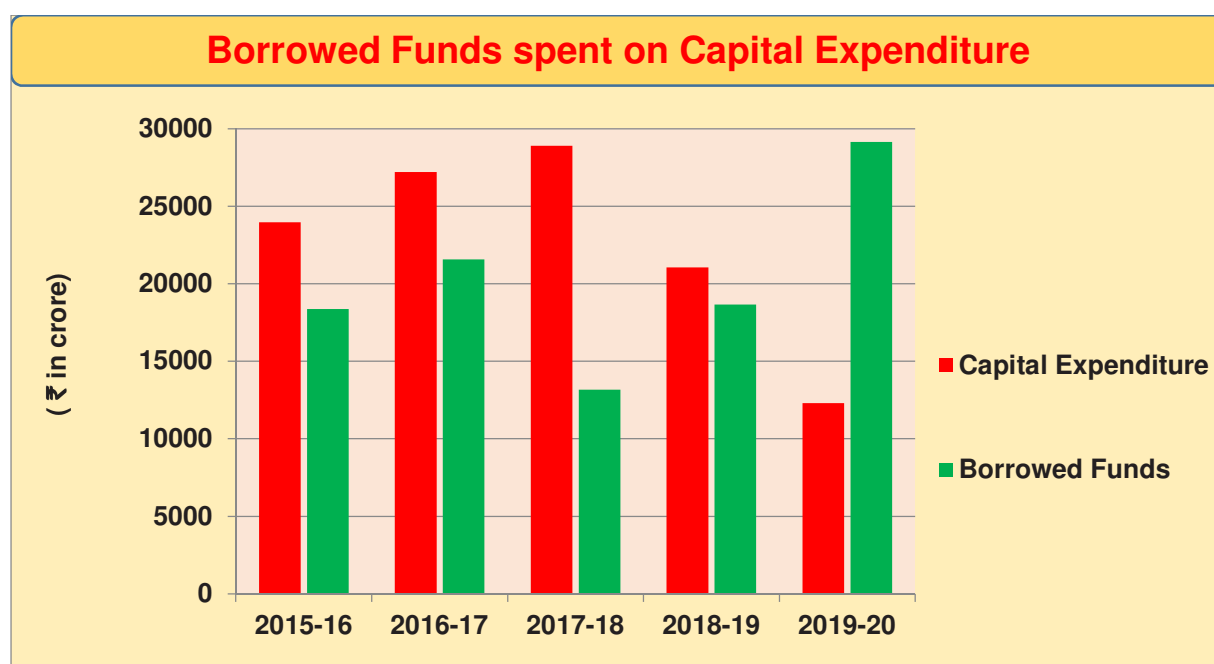
1.6.1 Trend of Revenue Deficit / Surplus (Excluding UDAY)



1.6.2 Trend of Fiscal Deficit (Excluding UDAY)



1.6.3 Proportion of borrowed funds spent on Capital Expenditure



It is desirable that the Capital expenditures are fully financed by borrowed funds, and revenue receipts are used for the repayment of principal and interest. The State Government has financed its Capital Expenditure (₹12,304 crore) from borrowing of the current year (₹29,145 crore) and revenue deficit (₹1,784 crore) during the year 2019-20.

CHAPTER II

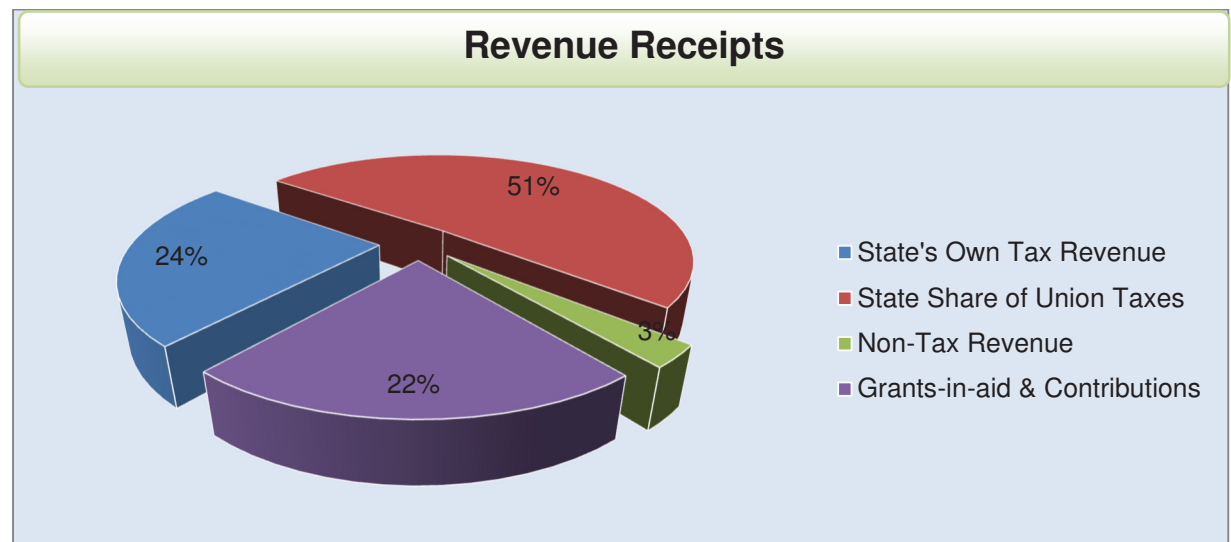
RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts according to the nature of receipts. Total Receipts for 2019-20 were ₹1,38,987 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	Central Assistance to the State Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from Foreign Governments and channelised through the Union Government.



Revenue Receipt Components (2018-19)

(₹ in crore)

Components	Actuals
A . Tax Revenue	93,564
State's own Tax Revenue	30,158
Goods and Services Tax	15,801
Taxes on Income and Expenditure	114
Taxes on Property and Capital Transactions	4,936
Taxes on Commodities and Services	9,307
State's share of Union Taxes	63,406
Goods and Services Tax	17,993
Taxes on Income and Expenditure	38,559
Taxes on Property and Capital Transactions	1
Taxes on Commodities and Services	6,853
B. Non-Tax Revenue	3,700
Interest Receipts, Dividends and Profits	1,418
General Services	342
Social Services	123
Economic Services	1,817
C. Grants-in-aid and Contributions	26,969
Total - Revenue Receipts	1,24,233

2.3 Trend of Revenue Receipts

(₹ in crore)

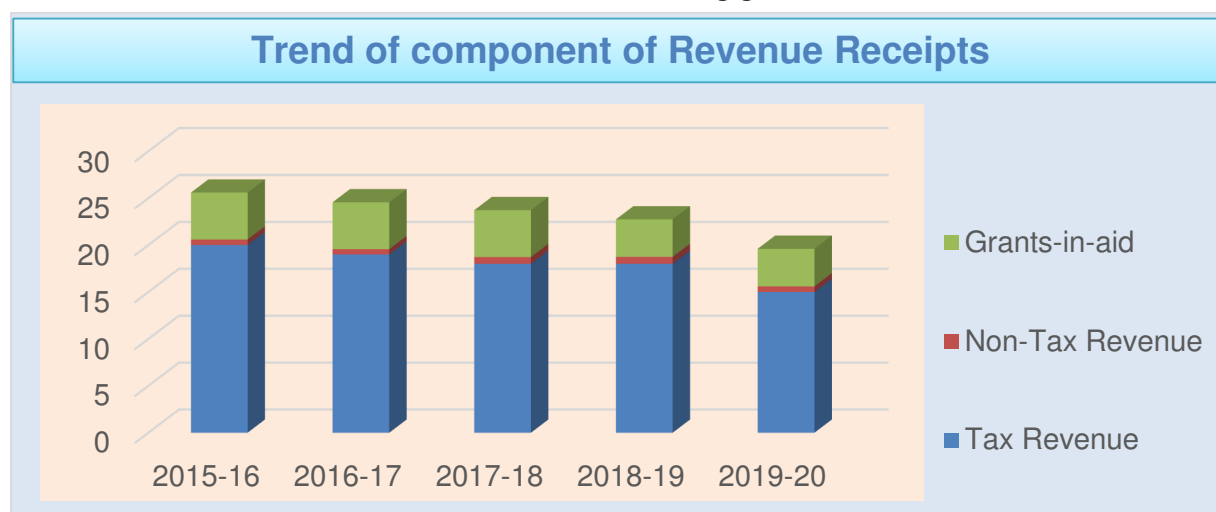
	2015-16	2016-17	2017-18	2018-19	2019-20
Tax Revenue	74,372 (20)	82,623 (19)	88,220 (18)	1,03,011 (18)	93,564 (15)
Non-Tax Revenue	2,186 (0.59)	2,403 (0.56)	3,507 (0.72)	4,131 (0.74)	3,700 (0.60)
Grants-in-aid	19,565 (5)	20,559 (5)	25,720 (5)	24,652 (4)	26,969 (4)
Total Revenue Receipts	96,123 (26)	1,05,585 (25)	1,17,447 (24)	1,31,794 (24)	1,24,233 (20)
GSDP	3,69,469	4,25,888	4,87,628	5,57,490	6,11,804

Note: Figures in parentheses represent percentage to GSDP.

Though the GSDP increased by 10% between 2018-19 and 2019-20, Revenue collection decreased by 6%, Tax revenue decreased by 9% and Non-Tax revenue decreased by 10% in 2019-20 with comparison to 2018-19. The decrease in Non-tax revenues was mainly on account of short collections under:

- 'Interest Receipts' (₹1,416 crore),
- 'Non-ferrous Mining and Metallurgical Industries' (₹1,572 crore),
- 'Contributions and Recoveries towards Other retirement benefits' (₹2 crore), and
- 'Public Service Commission' (₹70 crore).

Further collection under 'Education, Sports, Art and Culture' and Medical and Public Health were ₹17 crore and ₹48 crore respectively in 2019-20 against ₹19 crore and ₹67 crore in 2018-19. The State's own revenue under 'Stamps and Registration Fees (₹4,661 crore) and 'Taxes on Vehicles (₹2,713 crore) showed an increasing growth.

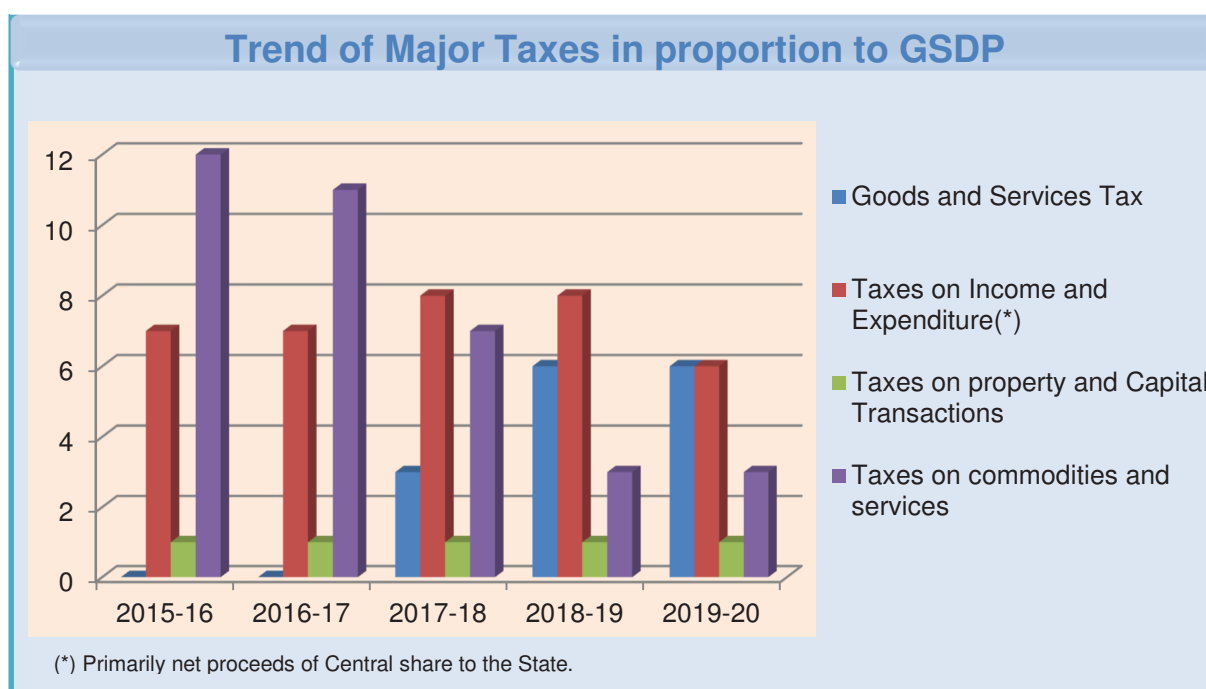


Sector-wise Tax Revenue

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Goods and Services Tax	0	0	14,244	34,905	33,794
Taxes on Income and Expenditure	26,085	32,097	36,857	44,573	38,673
Taxes on Property and Capital Transactions	4,108	3,996	4,503	4,675	4,937
Taxes on Commodities and Services	44,179	46,530	32,616	18,688	16,160
Total Tax Revenue	74,372	82,623	88,220	1,03,011	93,564

The decrease in total tax revenue is mainly attributed to short collection under 'Goods and Services Tax' (₹33,794 crore), 'Corporation Tax' (₹21,619 crore), 'Taxes on Income other than Corporation Tax' (₹16,940 crore) and 'Land Revenue' (₹275 crore).



2.4 State's own Tax and State's Share of Union Taxes

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
2015 - 16	74,372	48,923	25,449	6.89%
2016 - 17	82,623	55,881	23,742	5.57%
2017 - 18	88,220	65,083	23,137	4.74%
2018 - 19	1,03,011	73,603	29,408	5.27%
2019 - 20	93,564	63,406	30,158	4.93%

The proportion of the State's own Tax Revenue to GSDP is perceptibly lower than the target of 6.40 *per cent* recommended by the 14th Finance Commission. While the percentage of "State share of Union taxes" to GSDP has decreased from 13.24% in 2015-16 to 10.36% in 2019-20, the percentage of "State's own tax revenue" to GSDP has declined to 4.93% from 6.88% during the same period.

2.4.1 Trend in State's own Tax collection over the past five years

(₹ in crore)

Taxes	2015-16	2016-17	2017-18	2018-19	2019-20
Taxes on Sales, Trade etc.	10,603	11,873	8,298	6,584	6,121
State Goods and Services Tax	0	0	6,747	15,288	15,801
Stamps and Registration Fees	3,409	2,982	3,726	4,189	4,661
Taxes on Goods and Passengers	6,087	6,246	1,645	399	23
Taxes on Vehicles	1,081	1,257	1,599	2,086	2,713
Land Revenue	695	971	778	477	275
Other Taxes on Income and Expenditure	65	79	87	125	114
State Excise	3,142	29	(-)3	(-)10	(-)4
Others	367	305	260	270	454
Total State's own Taxes	25,449	23,742	23,137	29,408	30,158

2.5 Efficiency of Tax Collection

A. Goods and Services Tax

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Collection	0	0	14,244	34,905	33,794
Expenditure on Collection	0	0	72	114	121
Efficiency of Tax Collection	0	0	0.5%	0.32%	0.36%

B. Taxes on Property and Capital Transactions

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Collection	4,108	3,996	4,503	4,675	4,937
Expenditure on Collection	486	477	564	583	290
Efficiency of Tax Collection	12%	12%	13%	12%	6%

C. Taxes on Commodities and Services

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Collection	44,179	46,530	32,615	18,726	16,160
Expenditure on Collection	180	256	289	269	326
Efficiency of Tax Collection	0.41%	0.55%	0.89%	1.43%	2.02%

Taxes on Commodities and Services form a major chunk of tax revenue. Tax collection efficiency of taxes on Commodities and Services has appreciably improved.

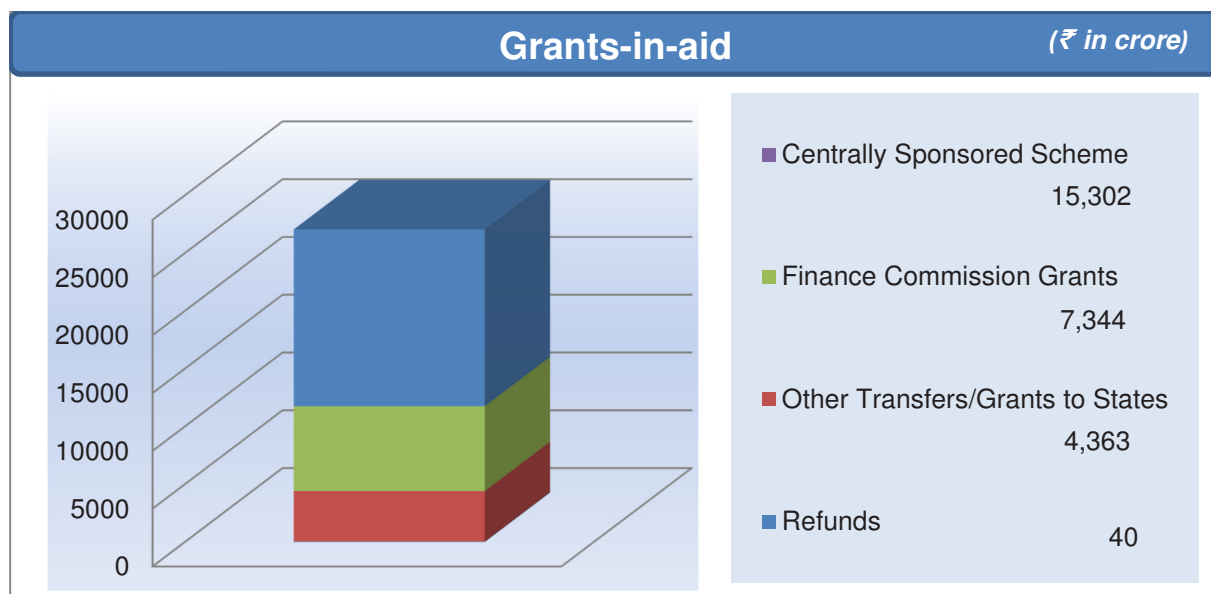
2.6 Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Goods and Services Tax	0	0	7,497	19,617	17,993
Corporation Tax	15,378	18,889	19,936	25,597	21,619
Taxes on Income other than Corporation Tax	10,643	13,128	16,834	18,851	16,940
Taxes on Wealth	4	43	(-)1	9	1
Customs	7,850	8,126	6,570	5,217	4,019
Union Excise Duties	6,577	9,279	6,868	3,467	2,794
Service Tax	8,430	9,416	7,379	673	0.00
Other Taxes and Duties on Commodities and Services	--	--	--	171	40
State Share of Union Taxes	48,923	58,881	65,083	73,603	63,406
Total Tax Revenue	74,372	82,623	88,220	1,03,011	93,564
% of Union Taxes to Total Tax Revenue	66	71	74	71	68
% of Share of Union Taxes to GSDP	13	14	13	13	10

2.7 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, Grants for Centrally Sponsored Schemes, Finance Commission Grants and Other Transfers/Grants to States/Union Territories with Legislature. Total receipts during 2019-20 under Grants-in-aid were ₹26,969 crore as shown below :-



The grants-in-aid increased by 9.39 *per cent* in 2019-20 as compared to 2018-19. As against a Budget Estimate (BE) of ₹49,019 crore of grants-in-aid, the State Government has actually received ₹26,969 crore of Grants-in-aid (55 *per cent* of BE).

2.8 Public Debt

Public Debt includes borrowing under Internal Debt and Loans and Advances received from Government of India. Internal Debt includes Market Loans, Ways and Means advances from RBI, Loans from Financial Institutions and Special Securities issued to National Small Savings Fund etc.

Trend of Public Debt over the past five years

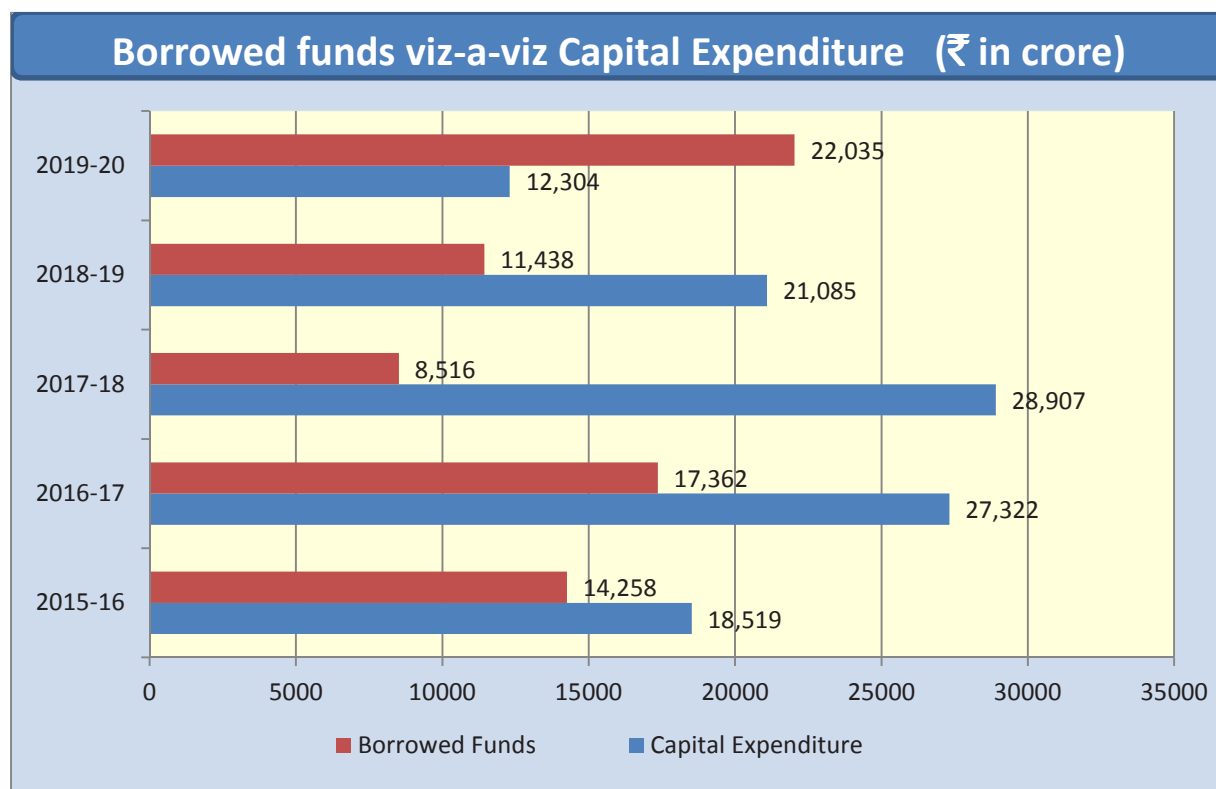
(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Internal Debt	14,142	16,604	7,930	9,835	21,722
Central Loans	116	758	586	1,603	313
Total Public Debt	14,258	17,362	8,516	11,438	22,035

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

Six loans totalling ₹25,573 crore at interest rates varying from 6.35 *per cent* to 9.84 *per cent* and redeemable in the years 2030-31 were raised at par during 2019-20.

Against the total internal debt of ₹27,865 crore of the State Government in 2019-20 plus the Central loan component of ₹1,279 crore received during this period, capital expenditure was ₹12,304 crore, indicating that the total of the public debt was used for creation of capital assets and developmental purposes.



CHAPTER III

EXPENDITURE

3.1 Introduction

Expenditure is classified as Revenue expenditure and Capital expenditure. Revenue expenditure means the expenditure on current consumption of goods and services and establishment expenditure of a department of activities of non-capital character. Capital expenditure is expenditure incurred with the objective of creating new assets or increasing value of existing assets of a material and permanent character. It also includes investments where the benefits from the investments are available beyond the year.

General Services	Includes General Administration, 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 ₹1,26,017 crore for 2019-20 fell short of Budget Estimates by ₹29,213 crore. Revenue Expenditure was 21 *per cent* of the GSDP in 2019-20. Expenditure was less by ₹19,017 crore under Scheme Expenditure and ₹10,196 crore under Establishment & Committed Expenditure. The shortfall of expenditure against Budget Estimates under Revenue section during the past five years is given below:

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Budget Estimates	91,209	1,09,941	1,22,603	1,36,740	1,55,230
Actuals	83,616	94,765	1,02,624	1,24,897	1,26,017
Gap	7,593	15,176	19,979	11,843	29,213
% of gap over BE	8	16	16	9	19

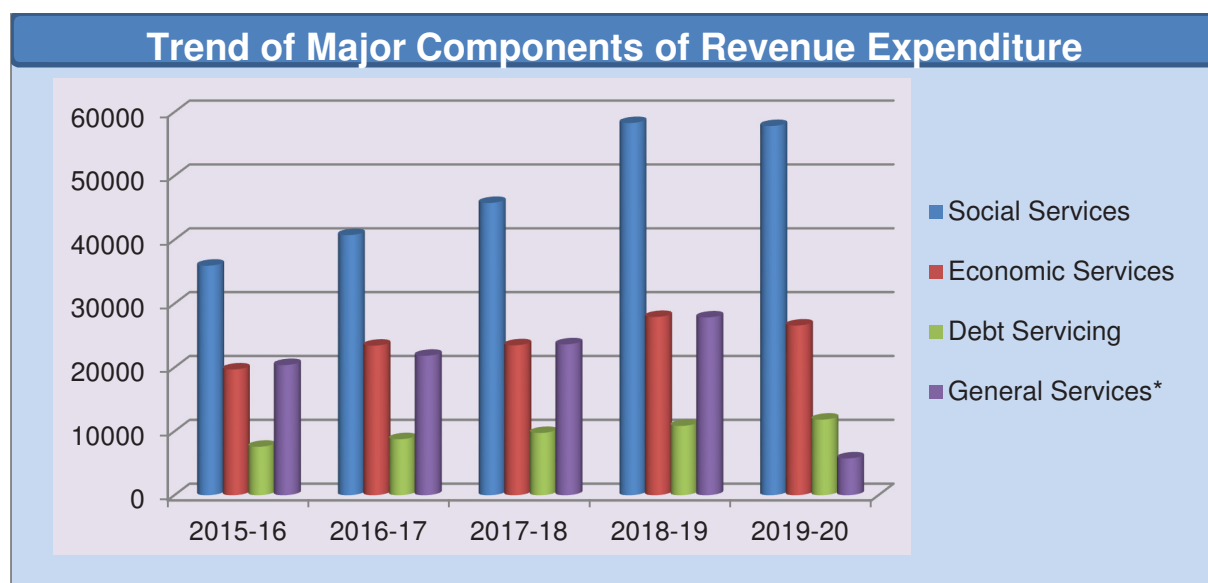
The State is unable to spend whatever has been budgeted, though the resources were available. The percentage of gap of actual expenditure to budgeted expenditure is at 19 indicating the need to accelerate the pace of developmental expenditure.

3.2.1 Sectoral distribution of Revenue Expenditure (2019-20)

Components	Amount (₹ in crore)	Percentage
A. General Services	41,628	33
B. Social Services	57,816	46
C. Economic Services	26,571	21
D. Grants-in-aid and Contributions	2	-
Total - Expenditure (Revenue Account)	1,26,017	100

3.2.2 Major components of Revenue Expenditure (2015-19)

(₹ in crore)



*General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payment) and includes MH 3604 (Compensation and Assignments to Local Bodies and Panchayati Raj Institutions).

3.3 Capital Expenditure

Capital disbursements for the year 2019-20 was ₹12,970 crore which was 2 per cent of GSDP. It was less than Budget Estimates by ₹21,065 crore.

3.3.1 Sectoral distribution of Capital Expenditure

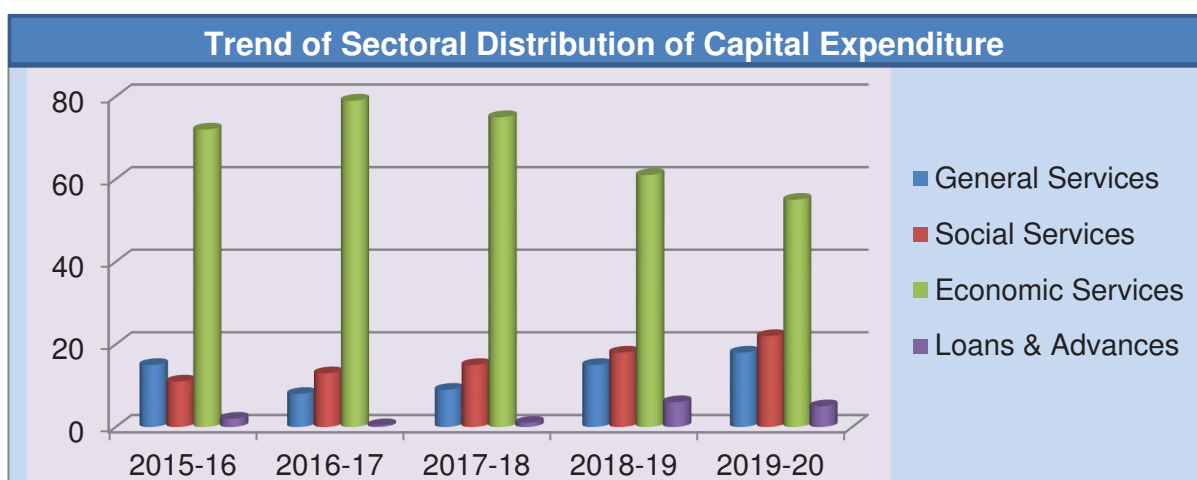
During 2019-20, the Government spent ₹605 crore on various Projects (₹380 crore on Major Irrigation and ₹225 crore on Minor Irrigation) and ₹3,067 crore on Power Projects. Apart from above, the Government invested ₹3,340 crore in various Corporations/Companies/Societies.

Sl. No.	Sector	Amount (₹ in crore)	Percentage
1.	General Services - Police, Land Revenue etc.	2,388	18
2.	Social Services - Education, Health & Family Welfare Water Supply, Welfare of SC/ST etc.	2,803	22
3.	Economic Services - Agriculture, Rural Development Irrigation, Co-operation, Energy, Industries, Transport etc.	7,113	55
4.	Loans and Advances Disbursed	666	5
	Total	12,970	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

Sl. No.	Sector	2015-16	2016-17	2017-18	2018-19	2019-20
1.	General Services	3,617	2,090	2,765	3,311	2,388
2.	Social Services	2,740	3,592	4,258	4,061	2,803
3.	Economic Services	17,609	21,526	21,884	13,686	7,113
4.	Loans and Advances	621	114	243	1,471	666
	Total	24,587	27,322	29,150	22,529	12,970



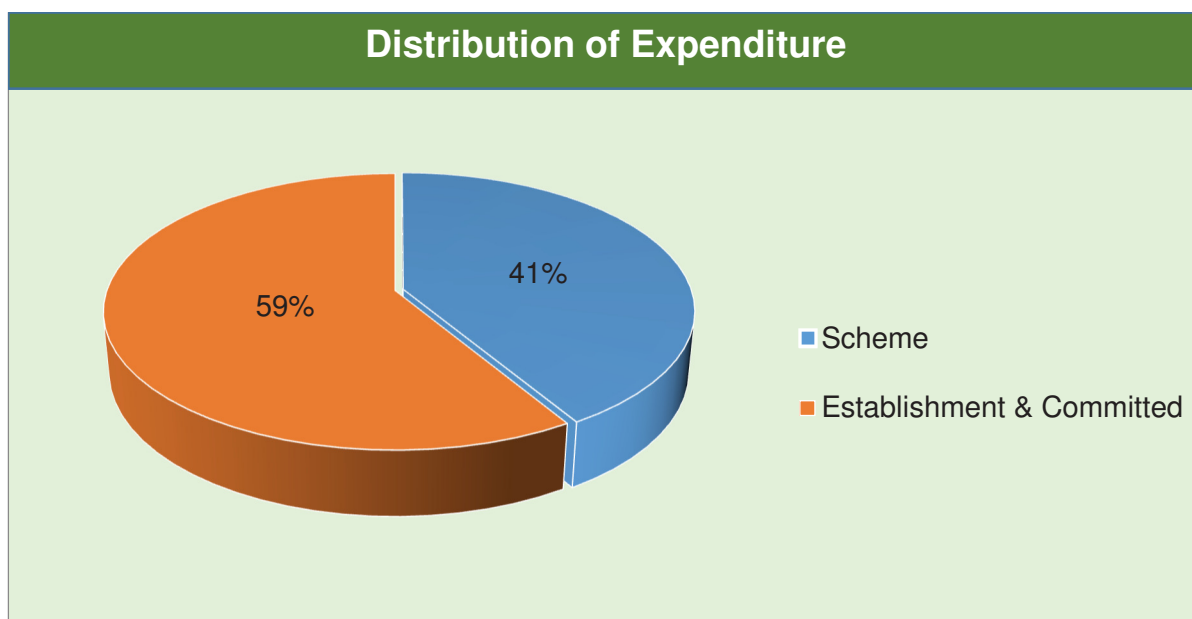
CHAPTER IV

ESTABLISHMENT & COMMITTED AND SCHEME EXPENDITURE

4.1 Distribution of Expenditure (2019-20)

(₹ in crore)

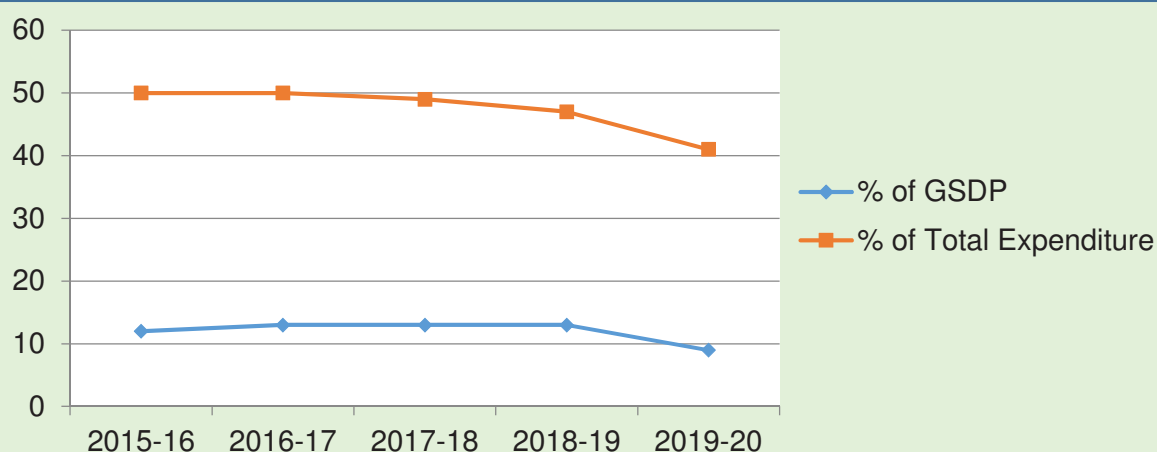
	Actual Expenditure
Scheme Expenditure (both revenue and capital)	57,438
Establishment & Committed Expenditure (both revenue and capital)	81,549



4.2 Scheme Expenditure

Scheme expenditure (both revenue and capital) during 2019-20 was ₹57,438 crore, constituting 41 *per cent* of total disbursements of ₹1,38,987 crore. This comprised, ₹24,341 crore under State Schemes, ₹32,469 crore under Centrally Sponsored Schemes, ₹19 crore under Central Area Schemes and ₹609 crore under Loans and Advances.

Scheme Expenditure as proportion of total expenditure and GSDP



4.2.1. Scheme expenditure under Capital Account

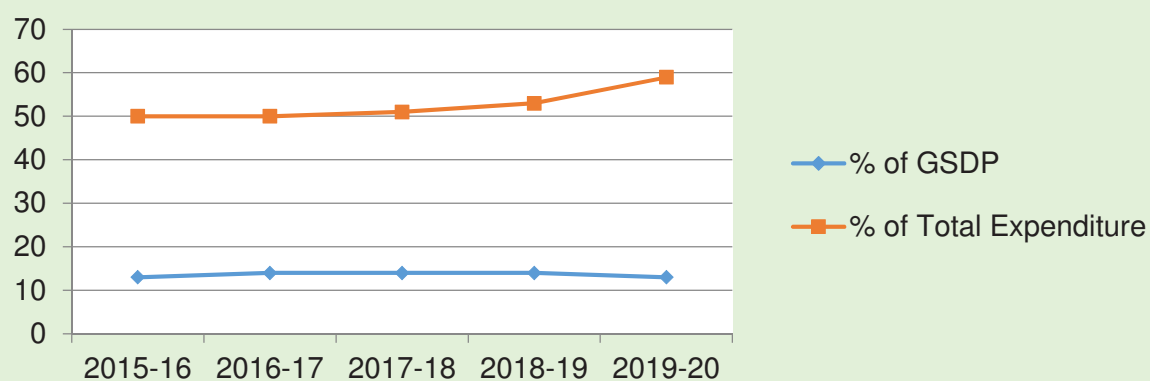
(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Total Capital Expenditure	24,587	27,322	29,150	22,529	12,970
Capital Expenditure (Scheme)	24,082	27,264	29,076	22,407	12,863
Per cent of Capital Expenditure (Scheme) to Total Capital Expenditure	98	99	99	99	99

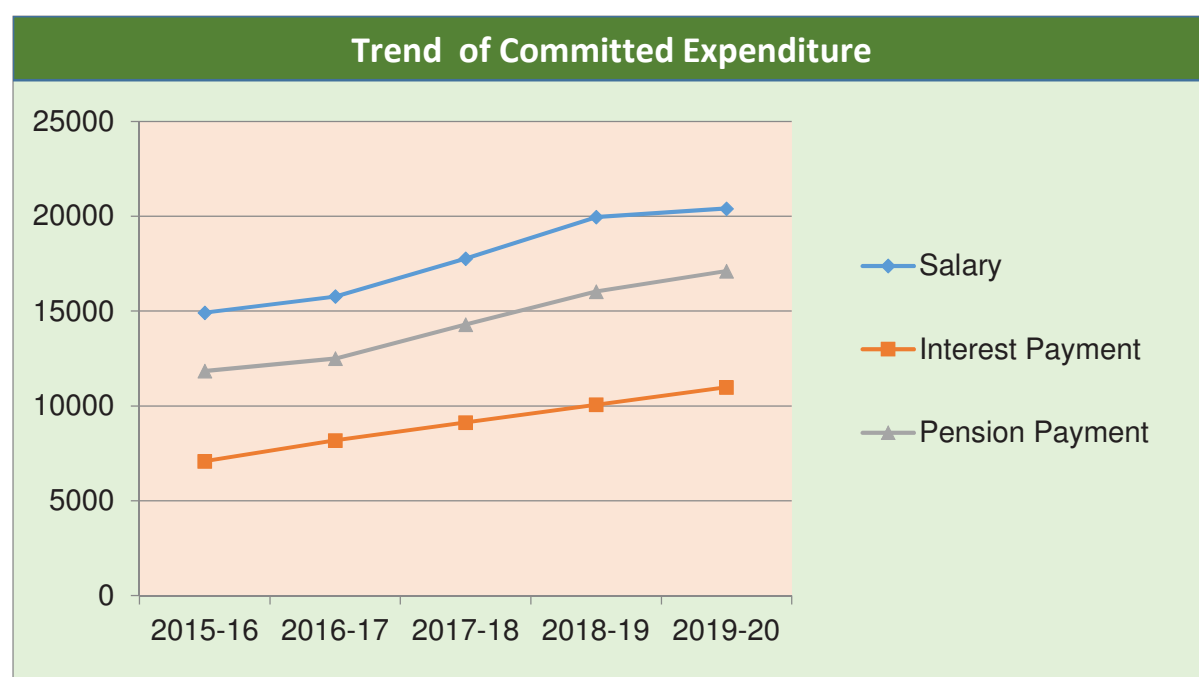
4.3 Establishment & Committed Expenditure

Establishment & Committed Expenditure during 2019-20 was ₹81,549 crore, constituting 59 per cent of total disbursements of ₹1,38,987 crore. This comprises ₹81,441 crore under Revenue, ₹51 crore under Capital ₹57 crore under Loans and Advances.

Establishment & Committed Expenditure as proportion of total expenditure and GSDP



4.4 Committed Expenditure



(₹ in crore)

Component	2015-16	2016-17	2017-18	2018-19	2019-20
Committed Expenditure	33,872	36,483	41,220	46,077	48,529
Revenue Expenditure	83,616	94,765	1,02,624	1,24,897	1,26,017
Revenue Receipts	96,123	1,05,585	1,17,447	1,31,794	1,24,233
<i>Per cent of committed expenditure to Revenue Receipts</i>	35	35	35	35	39
<i>Per cent of committed expenditure to Revenue Expenditure</i>	40	38	40	37	38

Disbursement of larger amount on committed expenditure leaves the Government with lesser flexibility for developmental spending.

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2019-20

(₹ in crore)

Sl. No.	Nature of expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual expenditure	Saving (-) Excesses (+)
1.	Revenue						
	Voted	1,43,375	22,087	9,417	1,65,462	1,15,076	(-)50,386
	Charged	11,856	335	0	12,191	12,026	(-)165
2.	Capital						
	Voted	36,593	4,955	7,068	41,547	14,764	(-)28,442
	Charged	--	--	--	--	--	--
3.	Public Debt						
	Charged	7,236	432	0	7,667	7,110	(-)558
4.	Loans and Advances						
	Voted	1,442	178	228	1,620	666	(-)954
	Total	2,00,502	27,987	16,713	2,28,487	1,49,642	(-)80,505

5.2 Trend of Savings / Excess during the past five years

(₹ in crore)

Year	Savings (-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2015-16	(-)27,491	(-)7,014	(-)38	(-)470	(-)35,013
2016-17	(-)30,563	(-)10,194	(-)52	(-)542	(-)41,351
2017-18	(-)35,777	(-)10,051	(-)143	(-)425	(-)46,396
2018-19	(-)37,220	(-)11,415	(-)96	(-)442	(-)49,173
2019-20	(-)50,551	(-)28,442	(-)558	(-)954	(-)80,505

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:

(Percentage of savings to total allocation)

Grant	Nomenclature	2015-16	2016-17	2017-18	2018-19	2019-20
1	Agriculture Department	54%	43%	44%	43%	41%
3	Building Construction Department	41%	52%	49%	27%	70%
4	Cabinet Secretariat Department	28%	21%	40%	38%	51%
5	Secretariat of the Governor	25%	19%	30%	14%	97%
6	Election Department	5%	8%	6%	12%	35%
7	Vigilance Department	20%	19%	11%	13%	31%
8	Art, Culture and Youth Department	47%	35%	30%	32%	39%
9	Co-operative Department	33%	33%	21%	37%	74%
16	Panchayati Raj Department	47%	12%	7%	18%	36%
18	Food and Consumer Protection Department	41%	51%	50%	21%	50%
20	Health Department	25%	39%	25%	24%	31%
21	Education Department	26%	17%	25%	27%	32%
23	Industries Department	28%	22%	27%	15%	53%
29	Mines and Geology Department	35%	35%	36%	33%	42%
30	Minorities Welfare Department	9%	12%	49%	42%	51%
35	Planning and Development Department	1%	44%	57%	22%	46%
36	Public Health Engineering Department	32%	31%	4%	12%	49%
37	Rural Works Department	16%	5%	31%	66%	74%
39	Disaster Management Department	86%	67%	34%	66%	51%
40	Revenue and Land Reforms Department	33%	46%	37%	32%	42%
41	Road Construction Department	11%	12%	12%	9%	70%
42	Rural Development Department	52%	44%	50%	33%	48%
43	Science and Technology Department	33%	18%	23%	32%	40%
45	Sugar Industries Department	29%	33%	58%	33%	35%
46	Tourism Department	31%	81%	16%	56%	84%
47	Transport Department	4%	14%	22%	14%	43%
48	Urban Development and Housing Department	37%	27%	36%	38%	51%
49	Water Resources Department	14%	34%	30%	6%	73%
50	Minor Water Resources Department	47%	42%	39%	19%	69%

During 2019-20, supplementary grants totalling ₹21,088 crore (14 *per cent* of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant	Name of Department	Section	Original	Supp- lementary	Actual Expenditure
1	Agriculture Department	Revenue	2,939	533	2,152
		Capital	20	127	0
2	Animal and Fisheries Resources Department	Revenue	953	172	789
3	Building Construction Department	Revenue	793	39	398
		Capital	4,582	574	1,385
4	Cabinet Secretariat Department	Revenue	365	6	152
5	Secretariat of the Governor	Revenue	30	1	1
9	Co-operative Department	Revenue	1,514	227	586
		Capital	483	78	7
11	Backward Classes and Most Backward Classes Welfare Department	Revenue	1,585	3	1,413
12	Finance Department	Revenue	1,171	16	1,032
		Capital	879	64	614
14	Repayment of Loans	Capital	7,236	432	7,110
15	Pension	Revenue	18,458	77	17,120
16	Panchayati Raj Department	Revenue	11,956	1,420	8,690
17	Commercial Tax Department	Revenue	162	1	121
18	Food and Consumer Protection Department	Revenue	1,347	8	702
19	Environment and Forest Department	Capital	83	37	60
20	Health Department	Revenue	7,693	1,591	6,961
		Capital	1,930	182	852
21	Education Department	Revenue	34,027	3,034	25,958
		Capital	771	392	126
22	Home Department	Revenue	10,466	560	8,993
23	Industries Department	Revenue	709	59	435
		Capital	112	50	0
25	Information Technology Department	Revenue	154	28	107
26	Labour Resource Department	Revenue	786	67	643
27	Law Department	Revenue	990	7	768

Grant	Name of Department	Section	Original	Supplementary	Actual Expenditure
30	Minorities Welfare Department	Revenue	189	34	89
		Capital	270	18	161
32	Legislature	Revenue	209	11	175
33	General Administration Department	Revenue	728	32	533
35	Planning and Development Department	Revenue	847	24	274
		Capital	1,642	43	1,099
36	Public Health Engineering Department	Capital	3,124	46	1,905
37	Rural Works Department	Capital	9,707	150	1,832
38	Prohibition, Excise and Registration Department	Revenue	237	54	219
39	Disaster Management Department	Revenue	4,315	3,037	3,621
40	Revenue and Land Reforms Department	Revenue	846	85	562
41	Road Construction Department	Revenue	1,469	600	854
42	Rural Development Department	Revenue	15,639	2,924	9,692
43	Science and Technology Department	Revenue	201	62	172
		Capital	78	24	47
44	Scheduled Castes and Schedule Tribes Welfare Department	Revenue	1,512	84	1,121
45	Sugar Industries Department	Revenue	218	1	143
46	Tourism Department	Revenue	48	17	28
47	Transport Department	Revenue	443	10	268
48	Urban Development and Housing Department	Revenue	5,149	1,086	2,985
49	Water Resources Department	Revenue	1,123	38	858
		Capital	2,530	1,979	954
50	Minor Water Resource Department	Revenue	486	10	285
		Capital	253	881	225
51	Social Welfare Department	Capital	31	53	10

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

The Finance Accounts of the Government do not depict valuation of Government assets except in the year of acquisition / purchase where they are recorded at their cost of acquisition. 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 in the share capital of non-financial Public Sector Undertakings (PSUs) stood at ₹31,667 crore at the end of 2019-20. However, dividends received during the year were ₹1.62 crore (i.e., 0.005 *per cent*) on investment. During 2019-20, investments increased by ₹3,340 crore, and dividend income decreased by ₹9.72 crore.

Cash Balance with RBI stood at ₹14,949 crore on 31 March 2019 and increased to ₹18,177 crore at the end of March, 2020.

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 :

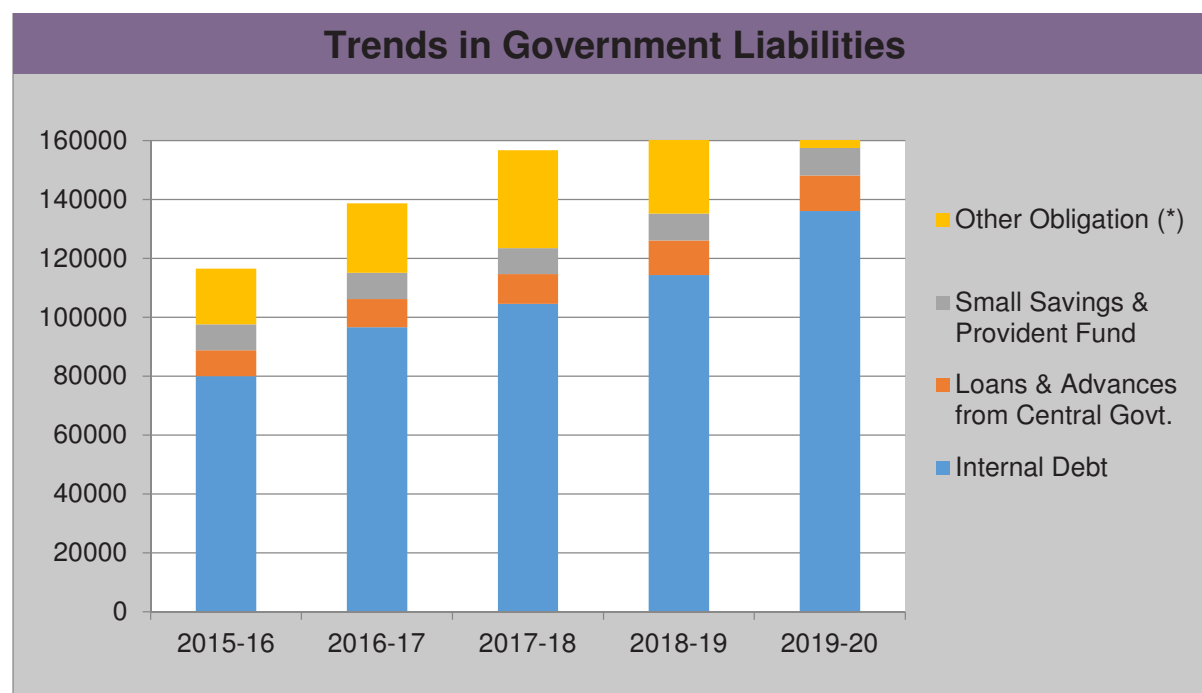
(₹ in crore)

Year	Public Debt	Percentage to GSDP	Public Accounts (*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2015-16	88,829	24	27,749	8	1,16,578	32
2016-17	1,06,191	25	32,531	8	1,38,722	33
2017-18	1,14,707	23	42,070	9	1,56,777	32
2018-19	1,26,145	23	42,776	8	1,68,921	30
2019-20	1,48,180	24	45,202	7	1,93,382	32

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹24,461 crore (14 *per cent*) in Public Debt and Other liabilities as compared to 2018-19.



(*) Non-interest bearing obligations such as deposits of Local Funds, other Earmarked Funds, etc.

6.3 Guarantees

The quantum of guarantees provided by the State Government towards repayment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies etc., are 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
2015-16	9,397	6,309	229
2016-17	13,053	4,460	178
2017-18	20,234	5,174	97
2018-19	20,834	5,398	104
2019-20	20,834	5,380	105

CHAPTER VII

OTHER ITEMS

7.1 Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee 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 receipts of the concerned Administrative Departments and do not appear in the books of the Government. The balances under Internal Debt is ₹1,36,082 crore as on 31 March 2020.

7.2 Loans and Advances by the State Government

Out of total Loans and Advances of ₹21,481 crore made by the State Government at the end of 2019-20, ₹20,756 crore of Loans and Advances has been given to Government Corporations/Companies, Non-Government Institutes and Local Bodies etc.. Recovery of Principal and of Interest amounting to ₹8,642 crore, ₹10,263 crore respectively is in arrears at the end of 31 March 2020. During 2019-20 only ₹30 crore has been received towards repayment of Loans and Advances, out of which, ₹17 crore relates to repayment of loans from Government Servants.

7.3 Financial assistance to Local Bodies and Others

During the past five years, Grants-in-aid to local bodies etc., increased from ₹26,426 crore in 2015-16 to ₹46,582 crore in 2019-20. Grants to Zila Parishads, Municipalities/Corporation and Panchayat Samities including Gram Panchayat (₹11,242 crore) represented 24 per cent of total grants given during the year.

Details of Grants-in-aid for the past 5 years are as under:

(₹ in crore)

Year	Zilla Parishads	Corporation/ Municipalities/ Councils	Panchayat Samities including Gram Panchayat	Others*	Total
2015-16	1,174	1,311	2,004	21,937	26,426
2016-17	725	1,700	1,934	31,850	36,209
2017-18	2,612	1,320	4,961	34,466	43,359
2018-19	1,749	1,759	5,769	42,487	51,764
2019-20	1,429	1,271	8,542	35,340	46,582

* Includes also the expenditure made on Mid Day Meal Scheme, Cycle Scheme, Uniform Scheme and Sarva Siksha Abhiyan etc.

7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2019	As on 31 March 2020	Net increase (+) / decrease (-)
Cash Balances	157	588	431
Investments from cash balances (GOI Treasury Bills)	14,792	17,589	2,797
Other cash balance			
i) Departmental Balance	235	235	0
ii) Permanent Cash Imprest	759	761	2
Investment from earmarked fund balances	4,895	5,740	845
(a) Sinking fund	784	845	61
(b) Guarantee Redemption Fund	--	--	--
(c) Other funds	--	--	--
* Interest Realised	909	939	30

(*) This reflects only interest realised on investment of Cash Balances.

State Government had a positive closing cash balance at the end of 2019-20. Interest receipt on these investments has been increased by 3.30 *per cent*.

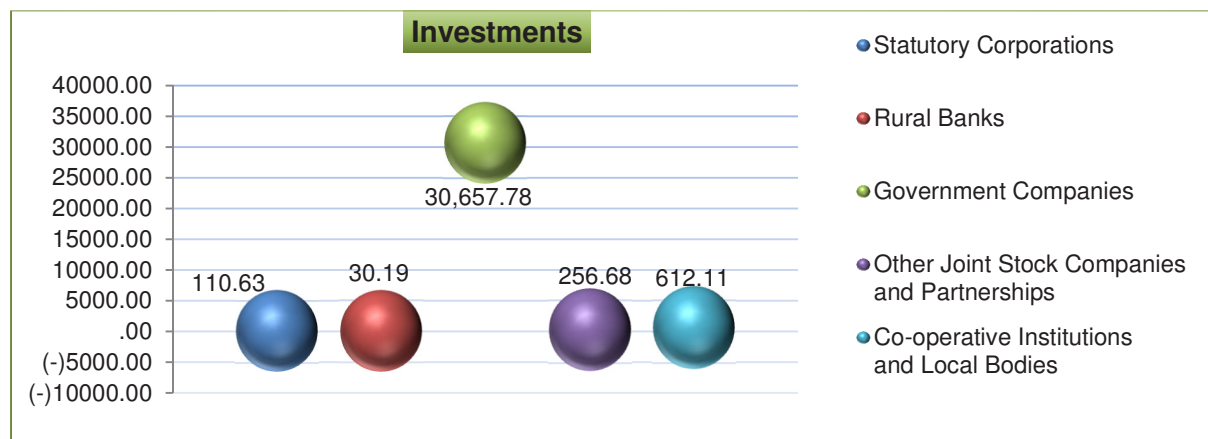
7.5 Submission of Accounts by Accounts rendering units

The accounts of the State Government compiled in Accountant General's office are mainly based on the initial accounts rendered by Treasuries, Public Works and Forest Divisions. The prescribed due date of its submission are 5th of the following month in the case of Treasury Accounts and 10th of the following month in case of Forest and Public Works Accounts. The non-submission of accounts in time leads to exclusion of the treasury in monthly accounts submitted to the State Government. As a result, the accounts figures do not reflect the actual expenditure or receipt of the month which may adversely affect the decisions, if taken on the basis of incomplete accounts.

Apart from exclusion in monthly accounts during the year no accounts were excluded at the end of the financial year.

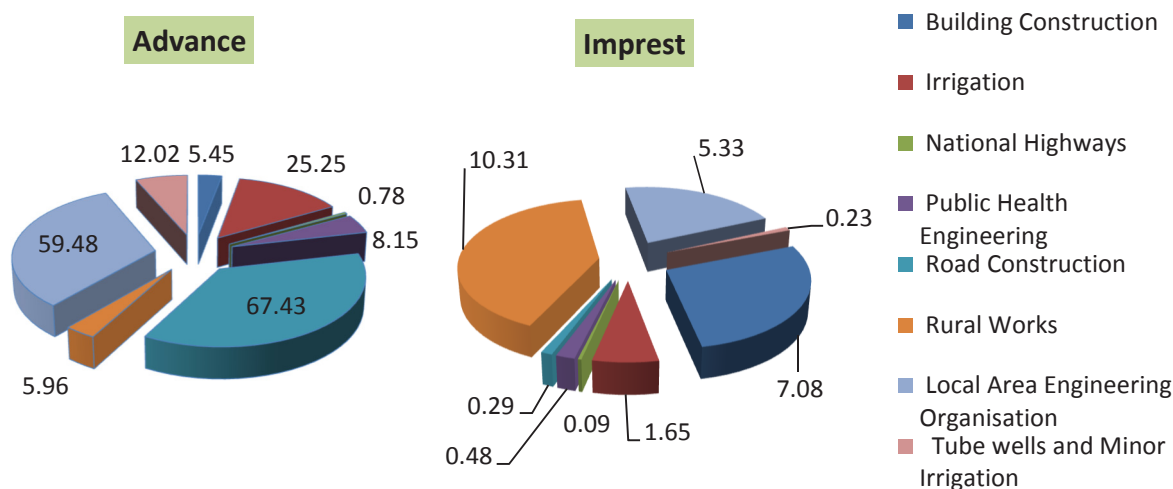
7.6 Investments

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions. As per the accounts Government has invested ₹31,667.39 crore at the end of 2019-20.



7.7 Status of Temporary Advance and Imprest

As per Rule 177 of the Bihar Treasury Code 2011, no money should be withdrawn from the treasury unless it is required for immediate payment. If under special circumstances, money is drawn in advance, the unspent balance of the amount so drawn should be refunded to the treasury by short drawal in the next bill or with a challan at the earliest and in any case before the end of the financial year in which the amount is drawn. As on 31 March 2020, ₹184.52 crore, which should have been refunded to the treasury in terms of these instructions, remained outstanding as unadjusted advance. Apart from this, an amount of ₹25.46 crore was also kept in Works Divisions as imprest.



7.8 Unadjusted Abstract Contingent (AC) Bills

Financial rules¹ envisage that no moneys should be drawn from government treasury unless it is required for immediate disbursement. In terms of the Bihar Treasury Code 2011, the Drawing and Disbursing Officers are authorized to draw sums of money through Abstract Contingent bills to meet unforeseen expenditure, by debiting service Major Heads against which they are required to present Detailed Countersigned Contingent (DCC) bills along with vouchers in support of final expenditure to the Accountant General within six months of the drawal of the AC bills.

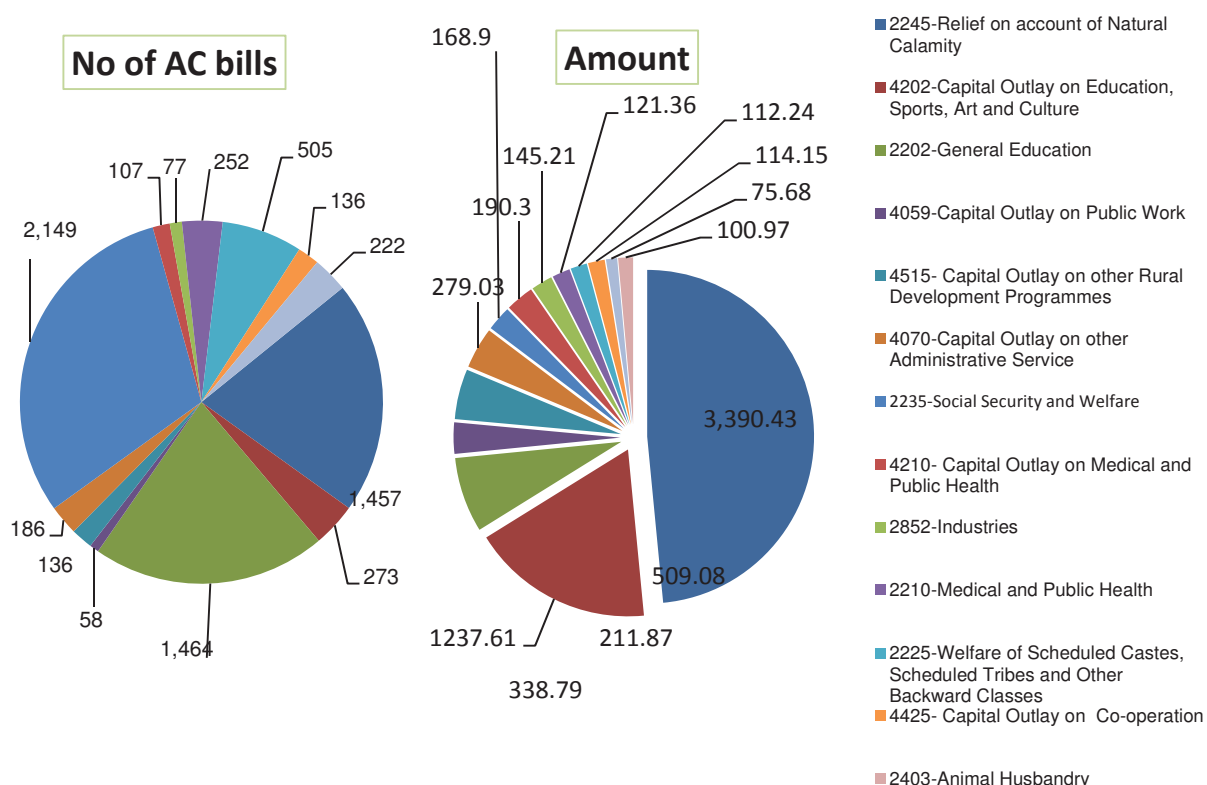
Prolonged non-submission of supporting DCC bills render the expenditure through AC bills opaque and the expenditure shown in the Finance Accounts cannot be vouched as correct or final to that extent. Non-submission of DC bills for long periods is fraught with risk of fraud, embezzlement and/or avoidable interest on idle funds outside Treasury. Details of AC bills unadjusted as on 31 March 2020 are given below:

(₹ in crore)

Year	Number of pending DC bills	Amount
Upto 2017-18	13,612	4,366.40
2018-19	1,341	557.98
2019-20	5,689	4,231.06
Total	20,642	9,155.44

¹Rule 194 of Bihar Treasury code 2011.

Major part of the pending AC bills pertains to :-



During the year 2019-20, 5,689 AC bills constituting ₹4,231.06 crore were drawn of which 1,383 AC bills amounting to ₹644.13 crore (15.22 per cent of the total amount drawn against AC bills in 2019-20) were drawn in March 2020 alone. Out of 5,689 AC bills, 289 AC bills amounting to ₹805.96 crore (19.05 per cent of the total amount drawn against AC bills in 2019-20) were drawn under various capital heads of accounts during the year 2019-20. Substantial expenditure against AC bills in March indicates that the drawal was primarily to exhaust the budget provisions and reveals inadequate budgetary control.

7.9 Utilisation Certificates for Grants-in-aid

According to Rule 342 of the Bihar Financial Rules as amended by the Finance Department vide Resolution No. M.04-15/2009-9736/F(2) dated 19 October 2011, the sanctioning authority shall obtain Utilisation Certificates (UCs) from the grantee and send it to the Accountant General within 18 months of the drawal of the grant. Sanctioning authority should

issue a sanction order only after taking the Utilisation Certificates (UCs) which was pending for the amount drawn in the year before the previous financial year from the Drawing and Disbursing Officer. For the UCs outstanding beyond the specified periods, assurance cannot be provided on utilisation of the grants for the intended purpose.

Details of Grants-in-aid given during the year have been shown in **Appendix-III** of the Finance Accounts (Volume II).

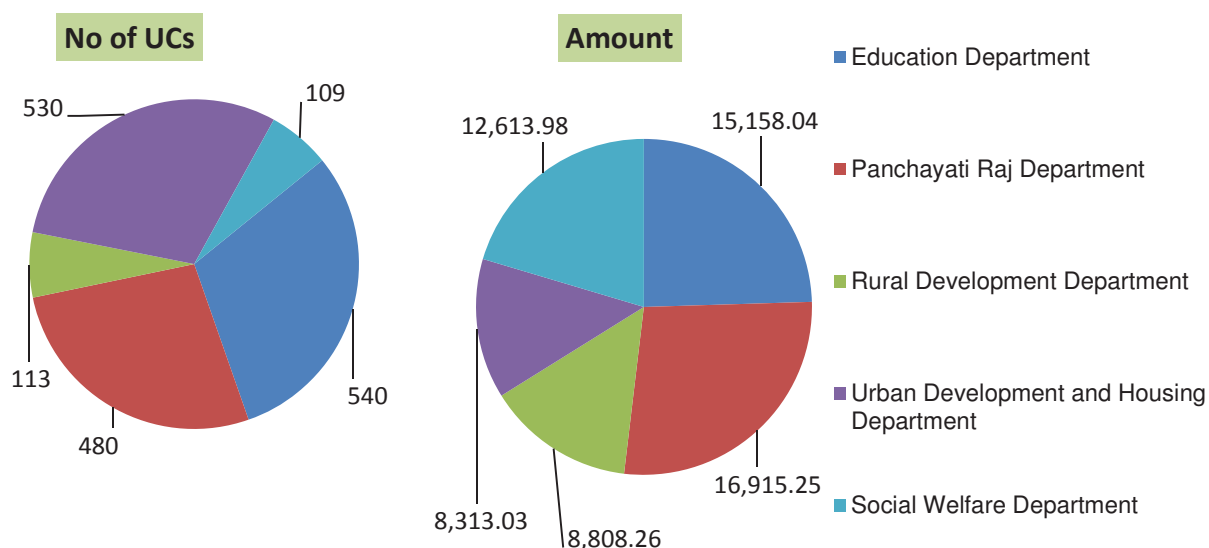
The status of outstanding UCs as on 31 March 2020 is mentioned below:

(₹ in crore)

Year(*)	Number of Utilisation Certificate awaited	Amount
Upto 2017-18	1,747	30,948.84
2018-19	516	27,293.34
2019-20	327	21,448.74
Total	2,590	79,690.92

(* The year mentioned above relates to “Due year” i.e. after 18 months of actual drawal)

As on 31 March 2020, 2,590 UCs amounting to ₹79,690.92 crore were due. Major defaulting departments which have not been submitted UCs are:-



The expenditure shown in accounts cannot be treated as final nor can it be confirmed that the amount has been expended for the sanctioned purpose to the extent of non-receipt of UCs.

7.10 Personal Deposit (PD) Accounts

This account shall only be used for special cases where public interest requires speed of expenditure which is not possible through the normal treasury procedure or there are a large number of small beneficiaries dispersed in interiors such that direct disbursement through the treasury is not practicable. Rule 344 of Bihar Treasury Code 2011 read with Finance Department notification memo no. M-4-12/2013(part-I)-6487/F dated 21/07/2014 envisages that the deposit administrator shall review all Personal Deposit Accounts at the end of the each financial year. Money lying unspent after five consecutive financial years (including the financial year in which the money was withdrawn) should not be spent and the balance should be transferred to the Consolidated Fund as reduction of expenditure to the concerned service head. Prior to implementation of Centralised Financial Management System (CFMS), 175 Personal Deposit Accounts existed in 55 Treasuries out of 76 Treasuries in Centralised Treasury Management Information System (CTMIS).

However, after implementation of Comprehensive Financial Management System (CFMS), out of 175 Personal Deposits Accounts, only 163 Personal Deposits Accounts were migrated to CFMS. Migration of 12 (175-163) Personal Deposits Accounts to CFMS is pending till 31 March 2020. Two Personal Deposits Accounts are newly raised in CFMS which were not previously included in 175 Personal Deposits Accounts. One Personal Deposit Account was already closed in 2017 and was not in the list of 175 Personal Deposits Accounts earlier, but is available in CFMS

In CFMS, there were differences in closing balance of March 2019 and opening balance of April 2019 in respect of some PD Accounts. The reconciliation has been completed except for seven PD Accounts.

During the year 2019-20, no Treasury Officer/Administrator had furnished information regarding refund of the unspent balances in PD Accounts to the Consolidated Fund. Finance Department, Government of Bihar informed about closure of eight Personal Deposits Accounts of Special Land Acquisition Officer being operated in eight different treasuries.

As per Rule 353(b) of Bihar Treasury Code the administrators of all local funds shall send to the Treasury Officer a certificate of acceptance of balances of the credit of the funds by the 30th April each year for the previous financial year, for forwarding them after verification to the Accountant General. However, during 2019-20 only 17 treasuries have sent

their closing balance certificate (as on 31st March 2020) regarding 42 Personal Deposits Accounts Administrators. 92 Personal Deposits Accounts are inoperative with a balance of ₹2.43 crore, and in which no transaction has taken place in the last five years. Money lying unspent for five consecutive financial years has been received from one Personal Deposits Accounts Administrator.

Finance Department vide its notification No- 2916, dated- 03.06.2020, amended Rule 349 of the Bihar Treasury Code 2011 and increased the period of money lying unspent from “Three subsequent financial Years” to “Five subsequent financial years” and treating all Personal Deposits Accounts /Personal Ledger accounts opened prior to 01-04-2019 as to be opened as on 01.04.2019 as a default under CFMS system. No reference is made about the PL/PD Accounts which were opened before 01.04.2019 and in which amount has already been lapsed before the said date.

Details of Personal Deposit Accounts as on 31 March, 2020 are as under:

(₹ in crore)

Particulars	No. of PD Accounts	Amount
Closing balance(as per CTMIS)	175	4377.12
Opening balance (as per CFMS)	163(out of 175) + 3 (newly available)	4361.12 0.00
Not Migrated in CFMS	12	1.54
Opened during the year	0	0.00
Closed during the year	8	555.90
Receipt during the year	23	552.13
Payment during the year	41	1,600.32
Closing balance (as per CFMS)	155 (out of 175) + 3 (newly available)	3,312.94 0.00

7.11 Reconciliation of Accounts

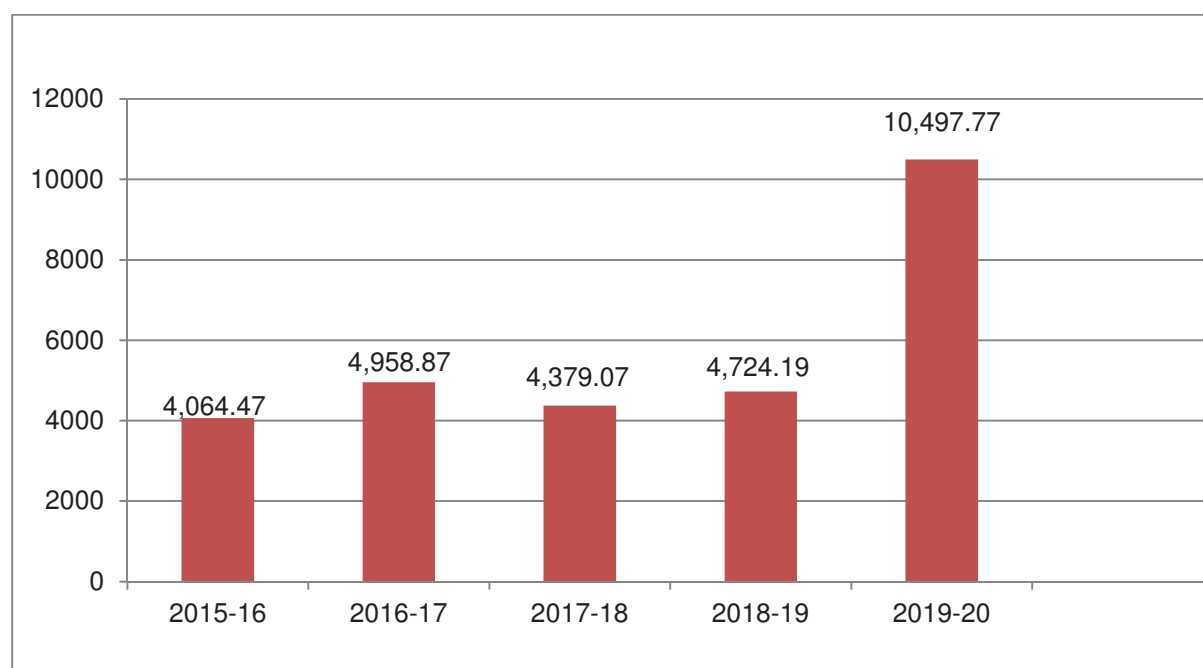
Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Principal Accountant General (A&E). This exercise is to be conducted by respective controlling officers of the Departments. The reconciliation has been completed, only for an

amount of ₹15,915 crore of expenditure against the total expenditure of ₹1,38,321 crore (Revenue and Capital) i.e., 12 *per cent* of the total expenditure and for ₹1,00,551 crore of receipt against the total receipt of ₹1,24,233 crore (Revenue and Capital) i.e. 81 *per cent* of the total receipts during the year 2019-20. Major defaulting Departments are:-

Revenue and Land Reforms Department (0029, 2029)	Registration, Excise and Prohibition Department (0039, 2039)	Commercial Tax Department (0040, 2040)	Transport Department (0040, 2040)
Home (Police) Department (0041, 2041)	Building and Construction Department (0055, 2055)	Finance Department (2071)	Education Department (0202, 2202)
Health Department (0210, 2210)	Rural Development Department (0215, 2215)	Urban Development and Housing Department (0216, 2216)	Social Welfare Department (0235, 2235)
Agriculture Department (0401, 2401)	Animal and Fisheries Resources Department (0405, 2405)	Environment and Forest Department (0406, 2406)	Panchayati Raj Department (0515, 2515)
Water Resource Department (0700, 2700)	Minor Water Resource Department (0702, 2702)	Road Construction Department (1054, 3054)	Food and Consumer Protection Department (1456, 3456)

7.12 Suspense Accounts Balances

During the past five years, balances under suspense accounts increased from ₹4,064 crore in 2015-16 to ₹10,498 crore in 2019-20.



Details of balances under major suspense accounts for the past 5 years are as under:

(₹ in crore)

Suspense Accounts	2015-16	2016-17	2017-18	2018-19	2019-20
Pay and Accounts Office Suspense	270.29	296.05	335.27	314.56	289.24
Suspense Accounts (Civil)	3,690.31	4,376.04	3,749.28	3,956.07	9,857.46
Cash Settlement Suspense Accounts	32.29	32.29	32.29	32.29	32.29
Reserve Bank Suspense (Headquarters)	266.28	265.26	261.88	264.58	274.00
Reserve Bank Suspense (Central Accounts Office)	347.52	370.41	382.10	385.43	299.58
Departmental Adjusting Account	104.45	104.45	104.41	104.41	104.41
Tax Deducted at Source (TDS) Suspense	640.99	480.28	481.00	328.36	327.70
Material Purchase Settlement Suspense Accounts	66.11	66.11	66.11	66.11	66.11

7.13 Commitments on account of Incomplete Capital Works

A total expenditure of ₹4,004 crore as per Appendix IX in Volume II of the Finance Accounts was incurred up to the year 2019-20 by the State Government on various incomplete projects against an original estimated cost of ₹13,004.16 crore.

A summarized view on commitments on account of 'Incomplete Capital Works' is furnished below:-

(₹ in crore)

Sl. No.	Name of Works Departments	Estimated Cost of Work	Expenditure during the year	Progressive Expenditure during the year	Pending Payments	Estimated Cost after revision
1	Water Resource Department	4,830.90	743.12	1,319.00	355.50	-
2	Public Health Engineering Department	185.02	13.08	69.90	47.02	-
3	National Highway Department	7.92	0.87	-	-	-
4	Building Construction Department	4,338.89	800.72	1,300.27	1,487.01	-
5	Local Area Engineering Organisation	15.92	3.10	6.84	7.22	-
6	Road Construction Department	3,584.36	780.93	1,306.00	1,207.43	-
7	Rural Works Department	41.18	1.71	2.16	3.22	-
Total		13,004.16	2,343.53	4,004.17	3,107.40	-

7.14 Compliance of Indian Government Accounting Standards (IGASs)

With a view to improving standards of Governmental accounting and financial reporting which will enhance the quality of decision-making and public accountability, the Government Accounting Standards Advisory Board (GASAB) has formulated Indian Government Accounting Standards (IGAS) for cash system of accounting. The IGAS specifies the disclosure requirements in the Financial Statements of the Union and the State Governments. Accordingly, following three IGAS became mandatory from the effective date after their notification by Ministry of Finance, Government of India.

IGAS- I- Guarantees given by the Government: Statement 9 and 20 of the Finance Accounts have been prepared as per the prescribed format of IGAS-1. However, disclosure is incomplete since the State Government has not furnished the required information. All Guarantor departments of State Government have not provided the status of guarantees reported by them in previous year.

IGAS-2- Accounting and Classification of Grants-in-Aid: Requirements regarding accounting and classification of Grants-in-aid received or given by the State Government have been met. Statement 10 is prepared as per the requirements of IGAS-2.

IGAS-3 Loans and Advances made by the Government: Statement 7 and 18 of the Finance Accounts have been prepared as per prescribed format of of IGAS-3. However, disclosure regarding 'Repayment in arrears from other Loanee Entities', 'Write-off of irrecoverable Loans and Advances' and 'Cases of a Loan having been sanctioned as Loan in Perpetuity' could not be made as this information was not provided by the State Government.

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