

**Planning Commission
(Financial Resources Division)**

Subject: FR Brief for the Annual Plan 2013-14 of Bihar relating to DCH-CM level Meeting

The FR brief for the Annual Plan 2013-14 of Bihar relating to DCH-CM level Meeting is circulated herewith.

Julie Singh
YP (FR)
10.05.2013

1. PS to Deputy Chairman
2. PS to Member (BKC)
3. PS to Member (SC)
4. PS to Member (SH)
5. PS to Member (NJ)
6. PS to Member (AS)
7. PS to Member (MS)
8. PS to Member (KK)
9. PS to Member (AM)
10. PS to Secretary

Copy to:

1. Adviser (SP- Bihar)
2. Joint Secretary, (PF-I), D/O Expenditure, North Block, New Delhi
3. Adviser (FR)
4. Director (SP- Bihar)/Director (SP-Coordination)
5. Director-FR (HKH/KM)
6. Consultant-FR (SL)
7. SRO (JH/SD)
8. EO (KG)/YP(SK/JS)

Planning Commission
(Financial Resources Division)

State: Bihar

A. Performance of the State Plan:

The achievements of the annual plans during the Eleventh Plan and first year of the Twelfth Plan are shown in Table-1 below:

(Table-1)

Achievement of Plan outlay						
(` crore)						
Year	GSDP	GSDP Growth (%)	Plan Outlay		% achieved	Actual as % of GSDP
			Approved	Actual		
2007-08	113680	12.85	10200	9652	94.63	8.49
2008-09	142279	25.16	13000	12511	96.24	8.79
2009-10	164547	15.65	16000	14184	88.65	8.62
2010-11	198135	20.41	20000	18718	93.59	9.45
2011-12	246487	24.40	24000	20915	87.15	8.49
Eleventh Plan total			83200	75979	91.32	
2012-13	294388	19.43	28000	25204	90.01	8.56
2013-14	328243	11.50	34000 (Proposed)			

Note: GSDP at current prices as on 27.02.2013 (CSO)

The Eleventh Plan achievement based on approved Annual Plans works out to 91.32% as shown in the above table-1. The achievement of the Eleventh Plan was 99.77% at 2006-07 prices, the realized amount being ` 60490 crore against the projection of ` 60631 crore.

B. Assumptions underlying the State Government's projections for Annual Plan 2013-14

Assumptions made by the State Government for projection of resources for the Annual Plan 2013-14 are given in Table-2:

(Table-2)

Indicators	%age of increase
GDP growth (nominal price)	11.50%
Annual Growth of share in Central Taxes	19.05% as per Union Budget 2013-14
Annual growth of SOTR	27.39%
Annual growth in own non-tax revenues	175.55%
Annual growth of Interest payments	13.45%
Annual growth in pensions	36.85%
Annual growth in Salary	23.10%
Transfers to PRIs	As per TFC recommendations

C. PSE Plan

PSE's resources have not been included.

D. ACA for EAPs

State Government has estimated ₹ 1426.05 crore as loan for EAPs. The grant component of the Loans is estimated at ₹ 403.90 crore.

E. The details of plan grants and non-plan grants for the Annual Plan 2013-14 as rewarded by 13th Finance Commission are given in the following Table-3:

(Table-3)

(₹ crore)

(A)	Non-Plan Grant	Year	
		2012-13	2013-14
1	Local Bodies	1209.20	1430.00
2	Disaster Relief (including for capacity building)	281.58	295.41
3	Post Devolution Non-Plan Revenue Deficit	0.00	0.00
4	Performance Incentive		
5	Environment-Water Sector Management	76.00	76.00
6	Governance		
	a) Improvement in Supply of Justice	76.99	76.99
	b) Improvement of Statistical Systems at State and District Level	7.60	7.60
	c) Employee and Pension Data Base	0.00	0.00
7	Maintenance of Roads and Bridges	105.00	119.00
	Sub-Total	1756.37	2005.00
(B)	Plan Grant		
1	Elementary Education	818.00	946.00
2	Environment-		
	a) Forest Protection	9.60	9.60
	b) Renewable Energy		
3	Governance		
	a) Reduction in Infant Mortality Rates		
	b) Incentive for issuing UIDs	73.84	73.84
	c) District Innovation Fund	0.00	0.00
4	State-specific	461.25	461.25
	Sub-Total	1362.69	1490.69
	Grand Total	3119.06	3495.69

F. Issues pertaining to State Finances

Desired Plan Size: The Plan document provided by the State Government indicates a desired Plan size of ` 34000.00 crore for 2013-14 which is an increase of 21.43% over the Approved Plan size of 2012-13 at current prices. As against the desired plan size of ` 34000.00 crore, the resources have been fully provided. This also includes OTACA of ` 44.38 crore.

Borrowing Ceiling: The borrowing ceiling indicated by MOF for the Annual Plan 2013-14 of Bihar is ` 9308.00 crore. The budgetary borrowings of the State for 2013-14 have been estimated at ` 9271.75 crore. Thus, the state budgetary borrowings are very near to the ceiling fixed by MOF.

OTACA: One Time ACA allocated to the State since 2004-05 are given as follows:

(Table-4)

(` crore)

Year	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
OTACA	45.53	0.00	50.00	70.00	100.00	110.00	140.00	160.00	170.00
Grant	13.66	0.00	15.00	21.00	30.00	33.00	42.00	48.00	51.00
Loan	31.87	0.00	35.00	49.00	70.00	77.00	98.00	112.00	119.00

G. Economic Profile of Bihar

(i) Growth Trend

(Table-5)

Growth Rates of GSDP at constant prices (2004-05) (in percent)									
States	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	
Bihar	0.17	15.69	5.72	12.16	7.09	11.29	13.26	9.48	
Chhattisgarh	3.23	18.60	8.61	8.39	3.42	9.75	8.14	8.57	
Jharkhand	-3.20	2.38	20.52	-1.75	10.14	8.67	8.92	9.12	
Madhya Pradesh	5.31	9.23	4.69	12.47	9.88	7.13	11.81	10.02	
Odisha	5.68	12.85	10.94	7.75	4.55	7.50	4.92	9.14	
West Bengal	6.29	7.79	7.76	4.90	8.03	9.22	6.58	7.67	
All India	9.48	9.57	9.32	6.72	8.59	9.32	6.21	4.96	

Source: CSO as on 27.02.2013

(ii) Per Capita NSDP

(Table-6)

(in rupees)

Per capita NSDP (at constant price)									
States	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	
Bihar	7749	8900	9233	10241	10771	11792	13178	14268	
Chhattisgarh	18530	21580	22929	23926	24189	25788	26979	28666	
Jharkhand	17406	17427	20996	19867	21534	23168	24974	27030	
Madhya Pradesh	15927	17073	17572	19462	21029	22091	24395	26514	
Odisha	18194	20194	21640	22963	22846	23875	24134	25584	
West Bengal	23808	25400	27094	27914	29799	32299	34166	36505	
All India	26015	28067	30332	31754	33901	36342	38037	39143	

Source: CSO as on 27.02.2013

(iii) Sectoral Growth Rates**(Table-7)**

Sectoral growth rate (Real) of GSDP with 2004-05 base (in percent)								
Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Agriculture and Allied	-5.61	22.34	-6.40	10.20	-7.76	10.95	16.51	2.05
Industry	9.64	16.17	19.48	15.84	14.11	14.59	11.71	9.75
Services	1.11	11.98	8.94	12.02	12.22	10.35	12.46	12.56
State domestic product	0.17	15.69	5.72	12.16	7.09	11.29	13.27	9.48

Source: CSO as on 27.02.2013

(iv) Credit Deposit Ratio**(Table-8)**

Credit-Deposit Ratio (` crore)						
Items	2007	2008	2009	2010	2011	2012
Deposit	56916	68597	86653	101452	119153	141308
Credit	17156	20373	23624	29025	34568	41151
CD ratio	30.14	29.70	27.26	28.61	29.01	29.12
ROG(deposit)	22.29	20.52	26.32	17.08	17.45	18.59
ROG(credit)	22.00	18.75	15.96	22.86	19.10	19.04

Source: RBI Annual Report, Note :Year refers to financial year ending March, 31

(v) Credit Deposit Ratio compared to neighboring states**(Table-9)**

Credit Deposit Ratio of the State including neighboring States (as per sanction)						
States/Year	2007	2008	2009	2010	2011	2012
Bihar	32.4	28.2	26.8	29.0	29.5	29.1
Chhattisgarh	50.0	49.8	46.3	52.3	52.3	53.5
Jharkhand	32.8	35.3	32.0	35.1	34.4	33.6
Madhya Pradesh	61.8	60.1	57.4	60.6	55.6	57.2
Odisha	64.6	56.3	50.8	54.4	52.5	46.9
West Bengal	64.7	62.4	60.7	61.5	63.7	62.9
All India	75.0	74.4	72.6	73.3	75.6	78.1

Source: RBI Annual Report, Note :Year refers to financial year ending March, 31

H. Fiscal Overview of Bihar

(i) Fiscal Parameters

(Table-10)

Fiscal Profile of the state (as % of GSDP at current prices)						
Indicator	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 BE
Fiscal Deficit	1.50	1.76	3.20	2.00	2.37	2.57
Revenue Deficit	4.09	3.14	1.79	3.19	1.96	2.41
Primary Deficit	-1.76	-0.88	0.96	-0.18	0.62	0.81
OL	39.12	34.34	32.06	28.69	24.57	22.77
IP/RR	13.14	11.38	10.37	9.70	8.39	7.62
Salaries/total Exp.	21.66	21.57	23.45	21.75	21.30	19.71

(ii) State's Own Tax Revenue (SOTR)

(Table-11)

SOTR as % to GSDP at current prices						
States	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 BE
Bihar	4.47	4.34	4.92	4.98	5.12	5.33
Chhattisgarh	7.00	6.80	7.17	7.63	7.68	7.60
Jharkhand	4.14	4.27	4.47	4.95	5.33	6.02
Madhya Pradesh	7.44	6.90	7.58	8.23	8.71	7.82
Odisha	5.30	5.38	5.51	5.76	6.23	6.03
West Bengal	4.38	4.22	4.24	4.45	4.58	4.95
GCS	6.97	6.77	6.63	7.06	7.31	7.47
All India	6.88	6.65	6.49	6.95	7.19	7.35

(iii) Public Expenditure Ratio

(Table-12)

Public Expenditure as % to GSDP at current prices						
States	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 BE
Bihar	26.34	24.95	24.80	24.49	23.23	25.69
Chhattisgarh	17.41	17.76	21.04	19.39	20.04	23.46
Jharkhand	16.69	18.62	18.04	18.10	18.67	23.97
Madhya Pradesh	20.80	19.31	20.90	22.11	25.03	22.12
Odisha	16.24	16.73	17.82	17.47	18.42	18.87
West Bengal	14.05	16.40	15.61	14.14	14.06	14.71
GCS	16.12	16.59	16.45	15.96	16.35	17.03
All India	16.73	17.10	17.06	16.57	16.83	23.29

Note: * Public expenditure ratio= the percentage of public expenditure (plan + non-plan) to GSDP

(iv) Per Capita Profile

(Table-13)

(in rupees)

Per capita Profile Of Bihar						
Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 BE
Per Capita Total Expenditure	3198	3736	4234	4965	5783	7579
<i>All India</i>	6368	7398	8401	9614	11153	19982
Per Capita Plan Exp.	1169	1454	1680	2140	2323	3344
<i>All India</i>	2069	2523	2729	3085	3674	3674
Per Capita GSDP	12141	14973	17071	20276	24893	29502
<i>All India</i>	38055	43261	49259	58016	66251	109224

I. Fiscal indicators, SOF, BCR and funds releases

(i) Fiscal Indicators

(Table-14)

(` crore)

Fiscal Indicators								
Sl. No.	Item/Year	Eleventh Plan					Twelfth Plan	
		2007-08	2008-09	2009-10	2010-11	2011-12 (Provisional Actual)	2012-13 (BE)	2013-14 (B.E)
1	2	3	4	5	6	7	8	9
		<i>(CURRENT PRICES)</i>						
1	Tax Revenue	21852	23865	26292	33848	40547	48822	58944
1a	State's Own Tax Revenue	5086	6173	8090	9870	12612	15695	20963
1b	Share in Central Taxes	16766	17693	18203	23978	27935	33126	37981
2	Non Tax Revenue	6357	9115	9235	10684	10773	19226	21123
2a	State's Own Non-Tax Revenue	526	1153	1670	986	890	3142	3416
2b	Grants	5832	7962	7564	9699	9883	16084	17707
3	Total Revenue Receipts	28210	32981	35527	44532	51320	68048	80066
4	Non Debt Capital Receipts	26	11	13	12	98	15	13
5	Total Receipts	28236	32992	35540	44544	51418	68063	80080
6	Revenue Expenditure of which	23563	28512	32584	38216	46499	60959	73258
	1) Subsidies		862	840	1279	2672	2160	3196
6a	Plan Expenditure of which	4804	7280	8439	10900	12486	18880	23655
	1) Salaries	570	662	571	596	699	809	839
6b	Non Plan Revenue Expenditure of which	18759	21231	24145	27316	34013	42079	49602
	i) Interest Payments	3707	3753	3685	4319	4304	5186	5888
	ii) Pensions	2789	3479	4319	6144	7808	10043	11274
	iii) Salaries	5915	6996	9001	9953	11495	14101	16837
7	Capital Expenditure(8+9)	6376	6987	8229	10299	10759	14673	15468
7a	Plan(8a+9a)	6142	6533	7755	10011	10521	14484	15351
7b	Non Plan(8b+9b)	235	454	473	288	239	189	118
8	Capital Outlay	6104	6436	7332	9196	8852	13412	14197
8a	Plan	5991	6337	7268	9150	8812	13310	14048
8b	Non Plan	113	100	64	46	40	102	149
9	Loans & Advances	273	551	897	1103	1907	1261	1394
9a	Plan	151	197	487	861	1709	1174	1303
9b	Non Plan	122	354	410	242	199	87	91
10	Total Expenditure(6+7)	29939	35499	40813	48514	57259	75632	88726
10a	Plan(6a+7a)	10946	13814	16194	20911	23007	33364	39006
10b	Non Plan(6b+7b)	18994	21685	24619	27604	34252	42269	49720
11	Revenue (-) Deficit/(+) surplus(3-6)	4647	4469	2943	6316	4821	7089	6809
12	Fiscal Deficit(11-7+4)	1703	2507	5273	3970	5841	7569	8769
13	Primary Deficit(6b(1)+12))	-2004	-1246	1588	-349	1537	2383	2881
14	Total Outstanding Liabilities (as at the end of the year)	44475	48865	52753	56848	60552	67030	75855

(ii) Scheme of Financing the proposed Annual Plan 2013-14

(Table-15)

(crore)

Sl. No.	Items	Annual Plan			
		2012-13	2012-13	2013-14	2013-14
		AP	LE	State Est.	FR Est.
		<i>(at current prices)</i>			
1	2	3	4	5	6
	State Government				
1.	State Government's Own Funds (a to e)	12670.41	10984.54	15489.50	16724.32
a)	Balance for Current Revenues (BCR)	11323.41	9708.73	14097.69	14016.68
b)	MCR (exl. deductions for repayment of loans)	-15.69	-15.75	-98.88	-98.88
c)	Plan grants from GOI (13th FC)	1362.69	950.25	1490.69	1490.69
d)	ARM	0.00	0.00	0.00	1315.83
e)	Adjustment of Opening Balance	0.00	341.31	0.00	0.00
2.	State Government's Budgetary Borrowings (I-II)	7916.00	7337.16	9271.75	9308.00
(I)	Gross Borrowings (a to i)	10970.48	10399.39	12510.48	12546.73
a)	Gross Accretion to State Provident Fund	222.83	222.83	245.00	245.00
b)	Gross Small savings	1500.00	500.00	850	850
c)	Gross market borrowings	5735.60	7100.00	8020.43	8056.68
d)	Gross Negotiated Loans				
e)	Bonds/Debentures				
f)	Loans portion of NCA				
g)	Loans portion of ACA for EAPs	1543.05	995.38	1426.05	1426.05
h)	Loans for EAPs (back to back)	0.00	0.00	0.00	0.00
i)	Other Loans				
(II)	Repayments (a to f)	3054.48	3062.23	3238.73	3238.73
	a) Repayment/Withdrawal of Provident Fund				
	b) Repayment to Small Savings	713.00	713.00	855.00	855.00
	c) Repayment of Market Borrowings	1336.02	1336.02	1153.91	1153.91
	d) Repayment of Negotiated Loans	323.00	323.00	435.06	435.06
	e) Repayments of GOI Loans	465.80	465.80	578.60	578.60
	f) Repayments--Others	216.66	224.41	216.16	216.16
3	Central Assistance - Grants (details in Annexure- IA)	7413.59	6881.84	9238.75	7967.68
a)	Normal Central Assistance	1219.43	1219.43	1341.37	1341.37
b)	ACA for EAPs				
c)	Others	5954.16	5373.94	7493.48	7493.48
	State Government Resources (1+2+3)	28000.00	25203.54	34000.00	34000.00

(iii) ACA components of Other Schemes/Programmes

(Table-16)

Allocation and Releases of Central Assistance to State Plan				
(` crore)				
Sl. No.	Items	2012-13	2012-13	2013-14
		AP	Rel. as on 31 March, 2013	Estimate
A	Transfer through the treasury route			
(a)	Normal Central Assistance, SPA and SCA			
1	Normal Central Assistance (NCA)	1219.43	1117.81	1311.46
2	One time Addl. Central Assistance (OTACA)	51.00	41.00	44.38
3	Special Plan for Bihar (BRGF)	1500.00	800.43	2000.00
	Subtotal of (a)	2770.43	1959.24	3355.84
(b)	Flagship ACA Schemes			
1	National Social Assistant Programme (NSAP), including Annapurna	1027.20	1012.17	1323.92
2	Backward Region Grant Fund (BRGF)	958.05	680.51	885.61
3	Accelerated Irrigation Benefit Programme (AIBP)	1000.00	121.74	500.00
4	Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	573.68	152.68	551.31
5	vii) Rashtriya Krishi Vikas Yojana (RKVY)	685.06	700.20	650.00
	Subtotal of (b)	4243.99	2667.30	3910.84
(c)	Other ACA schemes			
1	Hill Areas Development Programme/Western Ghat Development Programme			
2	Tribal Sub Plan (TSP)	13.06	0.00	13.06
3	Grant under Proviso to Article 275(1)	10.55	0.00	10.55
4	Border Areas Development Programme	60.84	66.64	60.84
5	Control of Shifting Cultivation			
6	Roads and Bridges	64.41	58.33	64.61
7	National E-Governance Action Plan(NEGAP)	10.31	0.00	20.96
8	ACA for LWE Districts			127.08
9	North Eastern Council (NEC)			
10	Assistance from Central Pool of Resources for North East & Sikkim			
11	ACA for EAPs	240.00	300.46	403.90
	Subtotal of (c)	399.17	425.43	701.00
	Total of A: (a+b+c)	7413.59	5051.97	7967.68

(iv) **Balance from Current Revenues (BCR)- Estimates for the Annual Plan 2013-14**

(Table-17)

Balance from Current Revenues (BCR) Estimates for the Annual Plan 2013-14						
(` crore)						
Sl. No.	Items	12th Plan 2012-17 Proj.	Annual Plan			
			2011-12 Actuals	2012-13 AP	2012-13 LE	2013-14 Est.
1	2	3	4	5	6	7
I.	NON-PLAN REVENUE RECEIPTS (1 to 4)	390262.00	42856.74	53931.09	51432.56	64361.10
1.	Share in Central Taxes	247670.00	27935.23	33026.93	31900.39	37977.32
2.	State's own Tax Revenue	111100.00	12612.11	15924.36	16455.10	20962.70
3.	State's own Non-Tax Revenue	20287.00	889.87	3142.43	1239.70	3416.08
4.	Grants From Centre (4.1 to 4.4)	11205.00	1419.53	1837.37	1837.37	2005.00
4.1	Revenue Deficit Grant	0.00	0.00	0.00	0.00	0.00
4.2	Calamity Relief Fund	1506.78	268.41	281.58	281.58	295.41
4.3	Grants for Local Bodies	7711.00	899.31	1209.20	1209.20	1430.00
4.4	Other Non-Plan Grants	1987.22	251.81	346.59	346.59	279.59
II.	NON PLAN REVENUE EXPENDITURE (5 to 8)	286968.00	34012.66	42607.68	41723.83	50344.42
5.	Non-Development Expenditure (5.1 to 5.4)	141230.67	17875.27	21984.07	20251.11	25136.16
5.1	Interest Payments	34893.00	4303.66	5186.00	5189.65	5887.97
5.2	Pension Payments	53057.00	7808.45	9991.40	8238.19	11274.04
5.3	Salaries	37339.08	3757.72	4630.99	4543.42	5491.14
5.4	Others	15941.59	2005.44	2175.68	2279.85	2483.01
6.	Development Expenditure (6.1 to 6.2)	131630.21	14515.26	18475.88	19181.79	22636.28
6.1	Salaries	63548.91	7736.77	9469.68	9134.10	11345.76
6.2	Others	68081.30	6778.49	9006.20	10047.69	11290.52
7.	Pay and DA revision (Not included in 5.3 and 6.1)					
8.	Non Plan Transfers to Local Bodies	14107.11	1622.13	2147.73	2290.93	2571.98
8.1	Urban Local Bodies	2822.95	252.18	419.77	292.97	509.04
8.2	Rural Local Bodies	11284.16	1369.95	1727.96	1997.96	2062.94
III.	BCR without ARM(I - II)	103294.00	8844.08	11323.41	9708.73	14016.68

(v) **GBS during 2013-14 BE**

(Table-18)

(` crore)

Item	2011-12 Actual	2012-13 RE	2013-14 BE	2012-13 RE/ 2011-12 f/a	2013-14 BE/ 2012-13 RE	% to total GBS (2013-14BE)
GBS for States/UTs Plan*	1,04,016	1,12,002	1,36,254	7.67	21.65	24.54
GBS for Central Plan (Central sector &CSS)	3,08,359	3,17,185	4,19,068	2.86	32.12	75.46
Total GBS	4,12,375	4,29,187	5,55,322	4.07	29.39	100.00

* Including Union Territories with & without legislatures

(vi) **Total Central Assistance to States/UTs**

(Table-19)

(` crore)

Item	2011-12 Actual	2012-13 RE	2013-14 BE	2013-14 RE/ 2011-12f/a	2013-14 BE/ 2012-13 RE	% to Total Assistance (2013-14BE)
Central Assistance to States/UTs Plan\$	98,774	1,08,626	1,31,757	9.97	21.29	41.36
Centrally Sponsored Schemes	1,49,220	1,44,088	1,86,816	-3.44	29.65	58.64
Total Assistance to States/UTs	2,47,994	2,52,714	3,18,573	1.90	26.06	100.00

\$ Excluding Union Territories with legislatures.

(vii) **Funds released by the Centre to Bihar under State plan Schemes
and Centrally Sponsored Schemes**

(Table-20)

(` crore)

S.No.	Items	2010-11	2011-12	2012-13
A	Central Assistance to States/UTs			
	Bihar	6371.12	5942.93	5088.49
	All States/UTs	87157.63	99644.32	93819.83
	<i>% share of Bihar</i>	<i>7.30</i>	<i>5.96</i>	<i>5.42</i>
B	Centrally Sponsored Schemes			
	Bihar	13652.99	12970.26	12203.35
	All States/UTs	159575.39	161761.85	153378.67
	<i>% share of Bihar</i>	<i>8.55</i>	<i>8.01</i>	<i>7.95</i>
C	Total Funds transferred to States/UTs			
	Bihar	20024.11	18913.19	17291.85
	All States/UTs	246733.02	261406.17	247198.50
	<i>% share of Bihar</i>	<i>8.12</i>	<i>7.24</i>	<i>7.00</i>