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सत्यमेव जयते

**PRESS BRIEF**



**FINANCE ACCOUNTS  
AND  
APPROPRIATION ACCOUNTS  
2020-21**



**GOVERNMENT OF WEST BENGAL**



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**Press Brief**

**Immediate Release**



**Finance Accounts and Appropriation Accounts for the year 2020-21,  
Government of West Bengal**

The Finance Accounts and Appropriation Accounts for the year 2020-21, relating to the Government of West Bengal, prepared under Article 151(2) of the Constitution of India, were presented to the West Bengal Legislature on 25.03.2022.

**Finance Accounts** contain two Volumes.

**Volume I** contains the Certificate of the Comptroller and Auditor General of India, the Guide to the Finance Accounts, 13 statements which give summarized information on the financial position and transactions of the State Government for the current financial year, Notes to Accounts and Annexures to the Notes to Accounts.

**Volume II** contains two parts- nine detailed statements in Part I and 12 Appendices in Part II.

**Appropriation Accounts** contain 58 Grants and an Appendix.



## Receipts and Disbursements

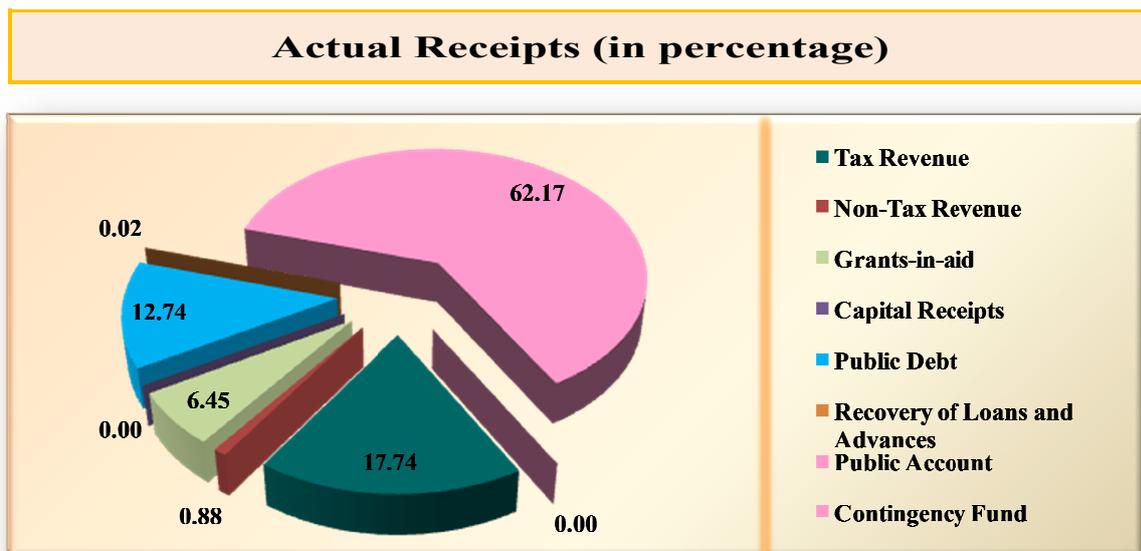
Receipts and disbursements of the State Government for 2020-21 are detailed below:

(₹ in Crore)

Receipts and disbursements in the year 2020-21			
Receipts (Total: 1,93,232)	Revenue (Total: 1,48,394)	Tax Revenue	1,05,024
		(a) States Own Tax	60,287
		(b) Share of Net Proceeds	44,737
		Non-Tax Revenue	5,199
	Capital (Total: 44,838)	Grants-in-aid	38,171
		Capital Receipts	0
		Recovery of Loans and Advances	150
		Borrowing and other Liabilities (*)	44,688
Disbursements (Total: 1,93,232)	Revenue		1,77,921
	Capital		13,034
	Loans and Advances		2,277

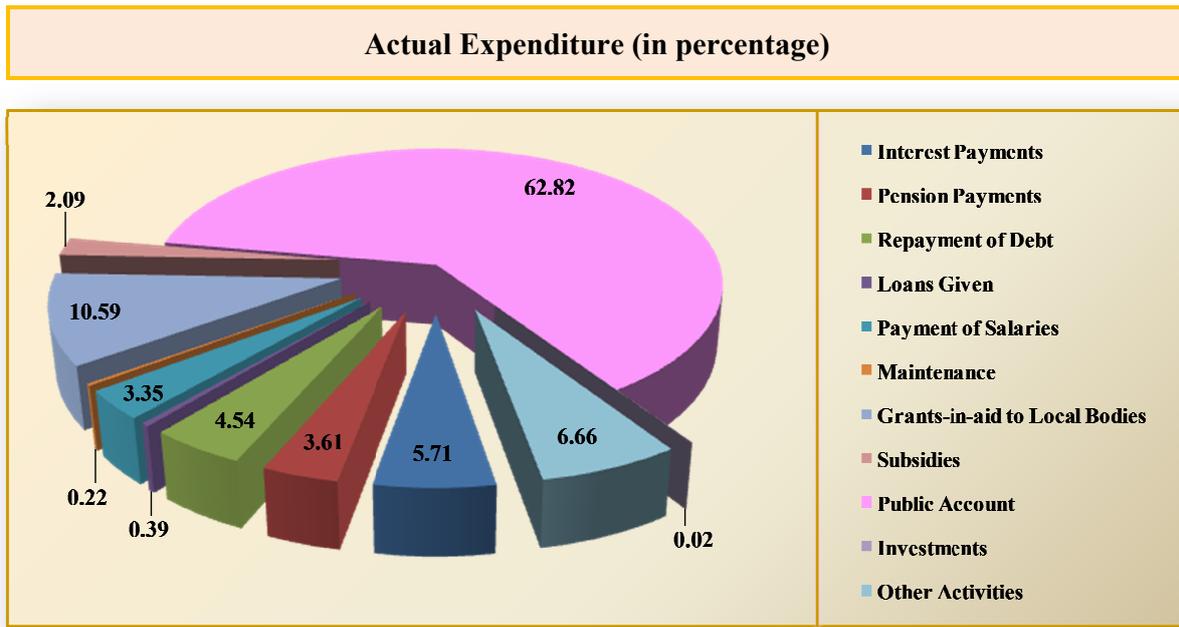
(\*) Borrowings and other Liabilities: Net (Receipts - Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

## Where each rupee of receipt came from





**Where each rupee of expenditure went**



**Revenue Receipt Components**

(₹ in Crore)

Components	Actuals
<b>A. Tax Revenue</b>	<b>1,05,024</b>
Goods and Services Tax	39,295
Taxes on Income & Expenditure	27,954
Taxes on Property and Capital Transactions	8,283
Taxes on Commodities & Services	29,492
<b>B. Non-Tax Revenue</b>	<b>5,199</b>
Interest Receipts, Dividends and Profits	2,826
General Services	1,605
Social Services	350
Economic Services	418
<b>C. Grants-in-aid &amp; Contributions</b>	<b>38,171</b>
<b>Total – Revenue Receipts</b>	<b>1,48,394</b>



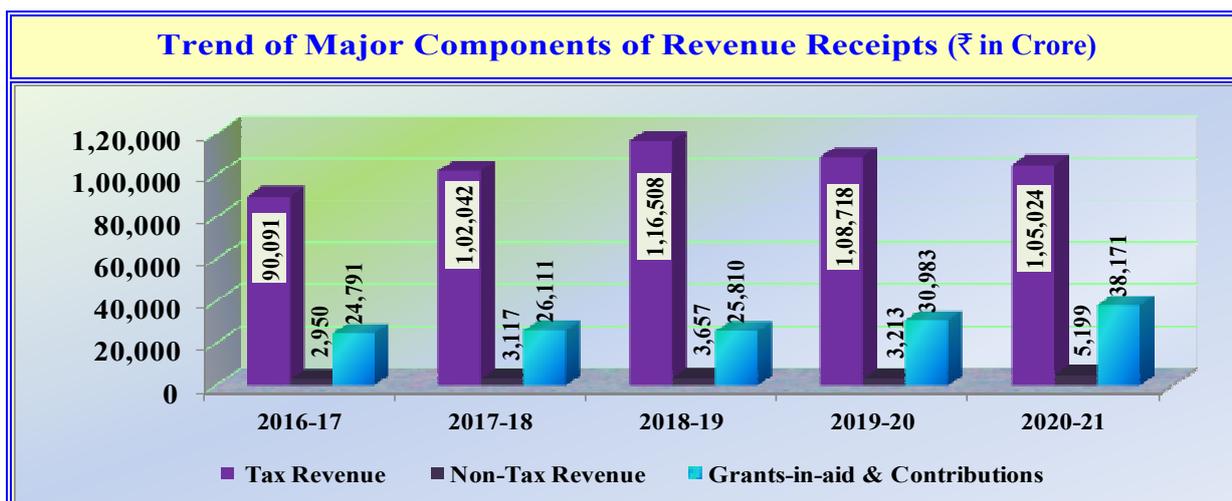
## Trend of Revenue Receipts

(₹ in Crore)

Components	2016-17	2017-18	2018-19	2019-20	2020-21
Tax Revenue	90,091 (7)	1,02,042 (10)	1,16,508 (10)	1,08,718 (9)	1,05,024 (8)
Non-Tax Revenue	2,950 (0)	3,117 (0)	3,657 (0)	3,213 (0)	5,199 (0)
Grants-in-aid and Contributions	24,791 (2)	26,111 (2)	25,810 (2)	30,983 (2)	38,171 (3)
Total Revenue Receipts	1,17,832 (9)	1,31,270 (12)	1,45,975 (12)	1,42,914 (11)	1,48,394 (11)
GSDP	12,51,067	10,56,153	11,77,586	12,53,832	13,01,017

Note: Figures in parentheses represent percentage to GSDP.

## Trend of Revenue Receipts



## Revenue Expenditure

Revenue Expenditure of ₹1,77,921 crore for 2020-21 was 91 per cent of budget estimates of ₹1,94,702 crore. The shortfall/excess of expenditure against budget estimates under Revenue section during the past five years is given below:

(₹ in Crore)

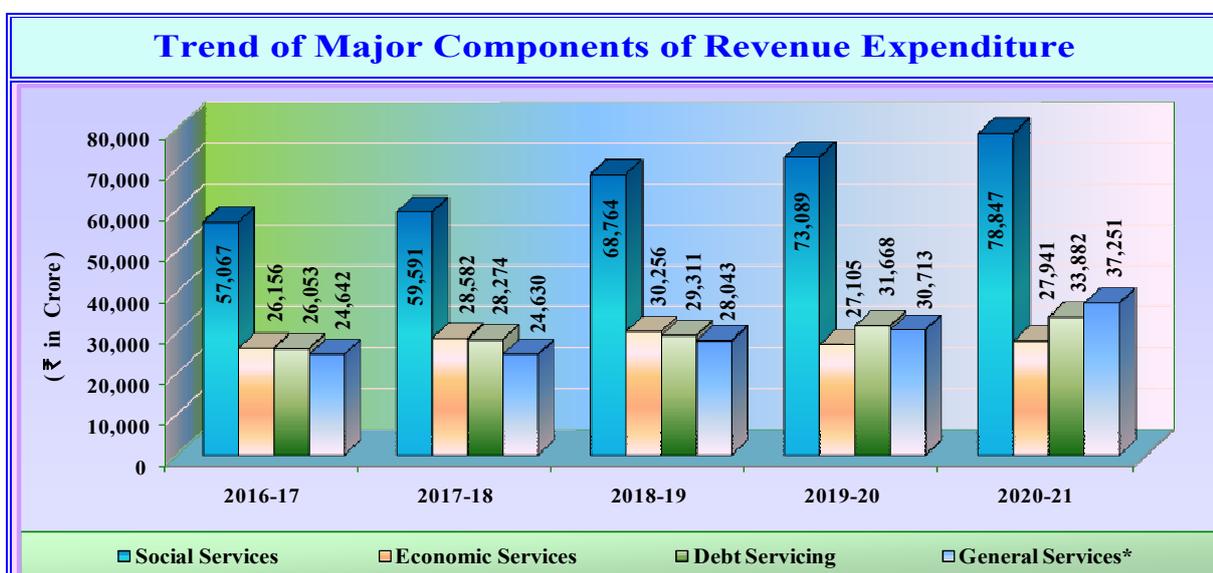
Description	2016-17	2017-18	2018-19	2019-20	2020-21
Budget Estimates	1,29,531	1,42,644	1,61,703	1,81,536	1,94,702
Actuals	1,33,918	1,41,077	1,56,374	1,62,575	1,77,921
Gap	(-4,387)	1,567	5,329	18,961	16,781
Percentage of gap over BE	(-)3	1	3	10	9

**Major components of Revenue Expenditure**

(₹ in Crore)

Components	2016-17	2017-18	2018-19	2019-20	2020-21
Social Services	57,067	59,591	68,764	73,089	78,847
Economic Services	26,156	28,582	30,256	27,105	27,941
Debt Servicing	26,053	28,274	29,311	31,668	33,882
General Services *	24,642	24,630	28,043	30,713	37,251

\* 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).

**Trend of Revenue Expenditure****Highlights of Accounts:****Revenue Deficit and Fiscal Deficit**

Revenue Deficit is the difference between revenue expenditure and revenue receipts, which indicates the increase in liabilities without corresponding increase in assets of that Government. Fiscal deficit is the excess of total disbursements, from the Consolidated Fund of the State, excluding repayment of debt, over total receipts into the Fund (excluding the debt receipts), during a financial year. There was a Revenue Deficit of ₹29,527 crore constituting 2.27 per cent of GSDP during 2020-21. The Fiscal Deficit during 2020-21 was ₹44,688 crore constituting 3.43 per cent of GSDP. The State Government could not achieve the FRBM target of being revenue neutral or attaining revenue surplus during the last three years.

(Para 6 of Notes to Accounts, Page 67-68 of Finance Accounts, Vol-I).



## Public Debt

Public debt and other liabilities of the Government increased from 33.40 *per cent* of GSDP at the end of 2018-19 to 37.39 *per cent* of GSDP at the end of 2020-21. The Public Debt to GSDP ratio was within the FRBM target of 34.30 *per cent* during 2020-21.

*(Para 6 of Notes to Accounts, Page 67-68 of Finance Accounts, Vol-I).*

## Investments of the Government

Total investments as share capital in Government companies, statutory corporations, co-operative banks and societies etc., stood at ₹18,288 crore at the end of 2020-21. As against this, the dividend/ interest received during the year were only ₹1.99 crore (0.01 *per cent*) on investment. During 2020-21, investments increased by ₹134 crore (net) and income from dividends decreased by ₹79.98 crore. Major investments during 2020-21 were made in Government Companies (₹75 crore).

*(Statement-8, Page 37 of Finance Accounts, Vol-I).*

## Goods and Services tax

Goods and Services Tax (GST) was introduced with effect from 1 July 2017. E-treasury, the State accounting authority for GST gets Challan Identification Number (CIN) data (paid challan details) in respect of State Goods and Services Tax from two sources, Goods and Services Tax Network (GSTN) and RBI. The challan wise details received from GSTN contain minor head wise details, whereas those received from RBI depicts Minor Heads.

During the year 2020-21, the State GST collection was ₹26,013 crore compared to ₹27,308 crore in 2019-20, registering a decrease of ₹1,295 crore (4.74 *per cent*).

*(Para 2(i) of Notes to Accounts, Page 48 of Finance Accounts, Vol-I).*

## Shortfall in Guarantee Commission

The State Government received only ₹20 crore as Guarantee commission during 2020-21. There was a shortfall of ₹65 crore in collection of guarantee commission.

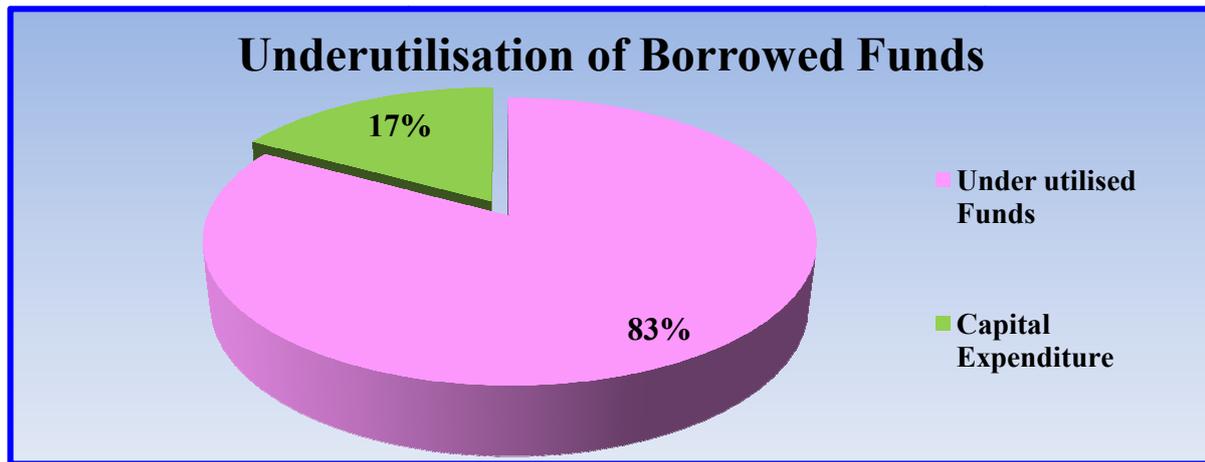
*(Para 2(xiii) of NTA, Page 54 of Finance Accounts, Vol-I).*



### Underutilization of Borrowed funds

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 17 per cent of the borrowings (₹75,429 crore) of the current year on Capital Expenditure (₹13,034 crore).

(Statement – 2, Page 4 of Finance Accounts, Vol-I).



### Transfer to Personal Deposit (PD) Accounts

The purpose of PD accounts is to enable the 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. There was a total balance of ₹3,465 crore in 160 PD accounts as on 31 March, 2021. During 2020-21, an amount of ₹746 crore was transferred from the Consolidated Fund of the State to PD accounts, of which, ₹369 crore (49.46 per cent) was transferred in March 2021.

(Para 2(vi) of Notes to Accounts, Pages 49-50 of Finance Accounts, Vol-I).

### Unadjusted Abstract Contingent Bills

In emergent circumstances, Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money through Abstract Contingent (AC) bills by debiting Service Heads. In terms of the West Bengal Treasury Rules (WBTR), 2005, DDOs are required to present Detailed Contingent (DC) bills containing vouchers in support of final expenditure within one month from the date of completion of the purpose for which the advance was drawn, and in no case, beyond the period of sixty days from the date of drawal of such advance. Delayed submission or prolonged non-submission of supporting DC bills renders the expenditure under AC Bills opaque. Further, to the extent of non-receipt of DC bills,



the expenditure shown in the Finance Accounts cannot be vouched as correct or final. A total of 11,321 Detailed Contingent (DC) bills amounting to ₹3,400 crore was outstanding as on 31 March, 2021. Major defaulting Departments which have not submitted DC bills are Home and Hill Affairs (₹1,169 crore), Disaster Management and Civil Defense (₹404 crore), Panchayats and rural Development (₹256 crore) and Agriculture (₹239 crore).

*(Para 2 (vii) of Notes to Accounts, Page 50-51 of Finance Accounts, Vol-I).*

### **Unnecessary Supplementary Grants**

During 2020-21, out of total supplementary grants of ₹25,491 crore (7.53 per cent of original budget), an amount of ₹15,504 crore proved to be unnecessary in 8 grants, where there were significant savings at the end of the year even against original allocations.

*(Extract from Appropriation Accounts, 2020-2021).*

### **Pending Utilisation Certificates**

As on 31 March, 2021, as many as 3,94,162 Utilization Certificates (UCs) amounting to ₹2,29,099 Crore were pending for submission. The Major departments where UCs were pending are Panchayat and Rural Development (₹81,839 crore), School Education (₹36,850 crore), Urban Development and Municipal Affairs (₹30,693 crore), Health and Family Welfare (₹12,705 crore) and Women and child Development and Social Welfare (₹12,638 crore). To the extent of non-submission of UCs, the expenditure cannot be ensured to have reached the beneficiaries' end and thus cannot be vouched as correct or final.

*(Para 2 (viii) of Notes to Accounts, Page 51-52 of Finance Accounts, Vol-I).*

### **Off-Budget Liabilities**

(a) The 15<sup>th</sup> Finance Commission recommended that all committed expenditure and development expenditure are met from the augmented borrowing space within resort to off-budget or any non-transparent means of financing for any expenditure.

The State Government is not disclosing the off-budget liabilities towards various Financial Institutions amounting to ₹3,016.64 crore in their budget documents/annual financial statements during 2020-21.

*(Para 2 (xii) of Notes to Accounts, Page 56-57 of Finance Accounts, Vol-I).*

(b) During 2020-21, the Government gave guarantees against three cash credit loans amounting to ₹1,860.00 crore in favour of two institutions which were not included in the



Statement showing the Guarantees given by the State Government in Budget Publication No 6. Consequently, the maximum amount guaranteed and the additions in the statements of the Finance Accounts stood understated by ₹1,860.00 crore. The understated amount of guarantees outstanding as of 31 March 2021 was, however, not ascertainable due to non-submission of information by the Government.

*(Statement 9 below Note (iii), page 38 of Finance Accounts, Vol-I)*

### **Short Contribution to Consolidated Sinking Fund**

During the year, the State Government contributed ₹100 crore against the required amount of ₹2,167 crore (0.5 per cent of the total outstanding liabilities of the Government of West Bengal as on 31 March, 2020 i.e., ₹4,33,475 crore). Thus, there was short contribution of ₹2,067 crore to the Sinking Fund during 2020-21.

*Para 4 (ii)(B)(a) of Notes to Accounts, Page 60-61 of Finance Accounts, Vol-I).*

### **Short Contribution to State Disaster Response Fund (SDRF)**

During the year 2020-21, the State Government transferred ₹2,250 crore as assistance from NDRF and the same was transferred to SDRF in 2020-21.

*(Para 4 (ii)(A)(a) of Notes to Accounts, Page 59 of Finance Accounts, Vol-I).*

### **Suspense and Remittance balances**

The Finance Accounts depicts the net balances under Suspense and Remittance Heads. The position of gross debit and gross credit under major Suspense Heads at the end of 2020-21 is highlighted below:

Head of Accounts		Debit (₹)	Credit (₹)
8658-Suspense	101-PAO Suspense	35 crore	(-)1 crore
	102-Suspense (civil)	715 crore	338 crore
	110-CAORB Suspense	82 crore	0 crore

*(Para 4 (iii) of Notes to Accounts, Page 62 and 84 of Finance Accounts, Vol-I).*

### **Reconciliation of Accounts**

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts and Entitlement). This exercise is to



be conducted by respective Controlling Officers. In 2020-21, only 100 per cent (₹2,20,121 crore) of the total expenditure and 100 per cent (₹2,23,973 crore) of the total receipts of the State Government were reconciled.

*(Para 2 (iii) of Notes to Accounts, Page 48 of Finance Accounts, Vol-I).*

### **Improper classification between Revenue and Capital**

Revenue Expenditure is recurring in nature and is expected to be met from revenue receipts. Capital Expenditure is defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. 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. During 2020-21, Government of West Bengal incorrectly budgeted and booked expenditure of ₹1,187 crore under Capital section instead of Revenue section as has been determined from the purpose of expenditure.

*(Para 2 (ii) of Notes to Accounts, Page 48 of Finance Accounts, Vol-I).*

### **Direct release of Central Scheme Funds**

During the year, the Government of India directly released ₹26,198 crore to State Implementing Agencies and NGOs for implementation of various schemes and programmes. Since these funds are not routed through State Budget, they are not reflected in the accounts of the State Government.

*(Para 2 (xx) of Notes to Accounts, Page 56 of Finance Accounts, Vol-I).*

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**O/o the Principal Accountant General (A&E), West Bengal**  
**Treasury Buildings, 2, Government Place West, Kolkata – 700001**  
**Phone: (033) 22138000, Fax: (033) 2248-7849**  
**e-mail: [agaewestbengal@cag.gov.in](mailto:agaewestbengal@cag.gov.in) Website: <http://agwb.cag.gov.in>**

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