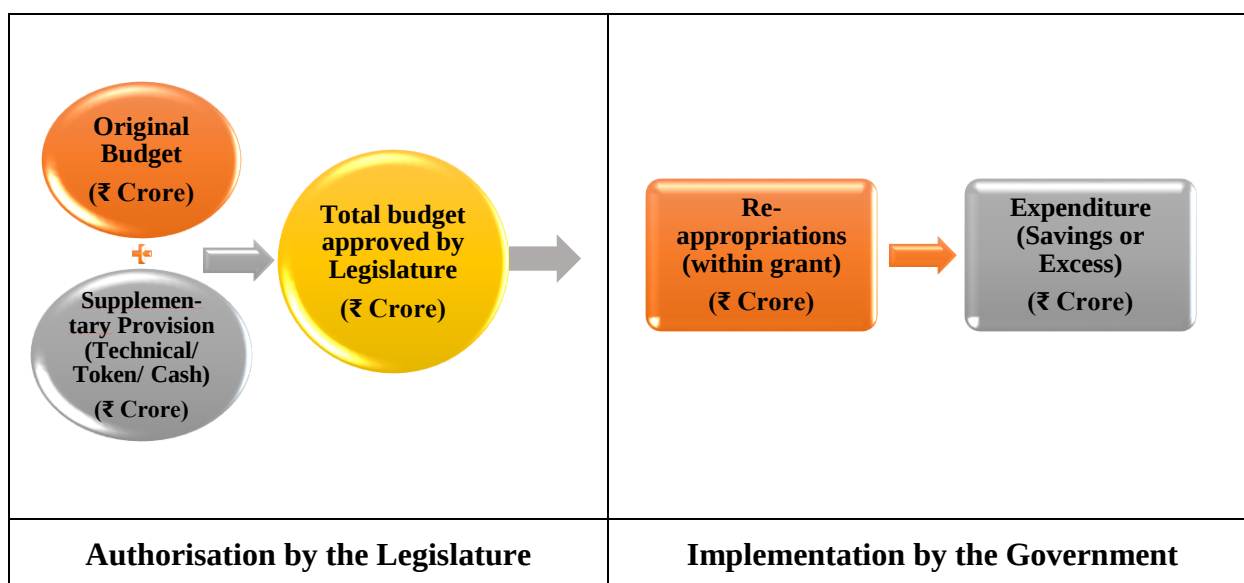


Chapter III

Budgetary Management

3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The Budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to the Departments in framing their estimates, for the next financial year. The various components of the budget are depicted in the chart below:



Source: Based on the procedure prescribed in Budget Manual and Appropriation Accounts

3.1.1 Summary of total provisions, actual disbursements and savings during financial year

A summarised position of total budget provision, disbursement and savings/ excess with its further bifurcation into voted/ charged is shown in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings/ excess during 2020-21

	Total Budget Provision		Disbursements		Saving		Excess	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
	(₹ in crore)							
Revenue	1,62,847	36,599	1,49,359	34,109	18,815	2,566	5,327	76
Capital	36,047	48,362	16,320	26,906	19,860	21,524	133	68
Total	1,98,894	84,961	1,65,679	61,015	38,675	24,090	5,460	144

Source: Appropriation Accounts

Analysis of the budget provision, disbursements and savings/ excess during 2020-21 revealed that:

- Revenue (Voted) section had savings of 11.55 *per cent* in respect of 48 grants. This was mainly due to savings of ₹ 4,413 crore in Grant No. 40- Panchayats and Rural Development (P&RD) which accounted for 23.45 *per cent* of the savings of Budget Provision (BP) under this section. Major schemes representing savings of ₹ 2,952 crore in this grant were (i) Indira Awas Yojana (Central Share) (57.61 *per cent* savings of BP: ₹ 946 crore), (ii) MGNREGA (Central Share) (57.69 *per cent* savings of BP: ₹ 3,002 crore) and (iii) Assistance to Zilla Parishad for implementation of PMGSY scheme (75 *per cent* savings of BP: ₹ 900 crore).
- Revenue (Charged) section had savings of 7.01 *per cent* in respect of 17 grants. This was mainly due to savings of ₹ 2,463 crore in Grant No. 18- Finance which accounted for 95.99 *per cent* of the savings under this section. The contributing scheme which represented 100 *per cent* savings (₹ 2,400 crore) was '8.00 West Bengal loan (New loan)'.
- Capital (Voted) section had savings of 55.09 *per cent* in respect of 49 grants. This was mainly due to savings of ₹ 1,999 crore in Grant No. 72-Urban Development and Municipal Affairs (UD&MA) which accounted for 10.07 *per cent* of the savings under this section. Major schemes contributing to the savings were (i) Green City Mission (68 *per cent* savings of BP: ₹ 400 crore) and (ii) Development/ Construction Schemes for all Development Authorities (61.31 *per cent* savings of BP: ₹ 442 crore).
- Capital (Charged) section had savings of 44.51 *per cent* in respect of 16 grants. This was mainly due to savings of ₹ 21,497 crore in Grant No. 18- Finance which accounted for 99.87 *per cent* of the savings under this section. The major contributing scheme which represented 67.38 *per cent* savings of BP: ₹ 25,000 crore was 'WMA from the RBI (Normal and Special)'.
- Revenue (Voted) section had excess of 3.27 *per cent* in respect of nine grants. This was mainly due to excess of ₹ 2,627 crore in Grant No. 73- Disaster Management and Civil Defence which accounted for 49.31 *per cent* of the excess under this section. The contributing scheme which represented 100 *per cent* excess (₹ 2,250 crore) was 'Transfer to Reserve Fund and Deposit Accounts from NDRF'.
- Revenue (Charged) section had excess of 0.21 *per cent* in respect of six grants. This was mainly due to excess of ₹ 54 crore in Grant No. 8- Cooperation which accounted for 72 *per cent* of the excess under this section. The contributing scheme which represented excess was 'Loans from NCDC⁴²'.
- Capital (Voted) section had excess of 0.37 *per cent* in respect of two grants. This was mainly due to excess of ₹ 133 crore in Grant No. 79- Public Enterprises and Industrial Reconstruction against the scheme 'Loans to Durgapur Chemicals Limited'.

⁴² National Cooperative Development Corporation

- Capital (Charged) section had excess of 0.14 *per cent* in respect of Grant No. 8- Cooperation for the scheme ‘Loans from NCDC’.

3.1.2 Charged and voted disbursements

Charged and voted expenditure during 2016-21 including trend analysis of net savings and excess is discussed in **Table 3.2**.

Table 3.2: Details of disbursement, savings and excess (charged and voted) for the last five years

Year	Disbursements		Net Savings		Net Excess	
	Voted	Charged	Voted	Charged	Voted	Charged
	(₹ in crore)					
2016-17	1,22,244	38,513	18,881	31,535	Nil	Nil
2017-18	1,38,908	53,456	22,394	24,816	Nil	Nil
2018-19	1,56,129	75,346	11,324	Nil	Nil	2,818
2019-20	1,52,826	72,307	35,249	12,358	Nil	Nil
2020-21	1,65,679	61,015	33,215	23,946	Nil	Nil

Source: Appropriation Accounts;

Note: Net Savings (-)/Excess(+) arrived at after deducting the gross savings from the gross excess

During 2016-21, net savings under voted section ranged from ₹ 11,324 crore (6.76 *per cent*) to ₹ 35,249 crore (18.74 *per cent*) while net savings under charged section ranged between ₹ 12,358 crore (14.60 *per cent*) and ₹ 31,535 crore (45.02 *per cent*) except 2018-19 where net excess stood at ₹ 2,818 crore (3.89 *per cent*). Reasons for savings/excess have been explained below.

Savings of ₹ 2,052 crore and ₹ 2,544 crore respectively in 2016-17 and 2017-18 for the scheme ‘Sarva Shiksha Abhiyan’ under Grant No. 15-School Education while savings of ₹ 438 crore in 2018-19 and ₹ 3,053 crore in 2019-20 respectively for ‘Nirmal Bharat Abhiyan’ under Grant No. 40-P&RD⁴³ and ‘Supply of rice to APL/BPL families in the TPDS at subsidised rate’ under Grant No. 21-Food & Supplies contributed to the savings in the voted section. In the current year, savings in the following schemes contributed to the savings in the voted section.

- MGNREGA (Central Share) (savings: ₹ 1,732 crore; 57.69 *per cent*) under Grant No. 40- P&RD;
- Grant from Finance Commission for ULBs (savings: ₹ 1,343 crore; 66.09 *per cent*) under Grant No. 72- UD&MA⁴⁴ ;
- Financial Support to Krishak Bandhu (savings: ₹ 826 crore; 64.84 *per cent*) under Grant No. 5 – Agriculture.

⁴³ Panchayats and Rural Development

⁴⁴ Urban Development and Municipal Affairs

Major savings in the Charged section occurred due to savings of ₹ 22,772 crore and ₹ 18,585 crore respectively in 2016-17 and 2017-18 in 'Ways and Means Advances from the RBI-Special' under Grant No.18-Finance. During 2019-20, budget provision of ₹ 2,215 crore had been made to pay interest in the scheme 'Interest on Market Loans: 8.00% West Bengal Loan (New Loan)' under Grant No. 18-Finance, though no new loan was taken in that year. In the current year also, high percentage of savings in this section was largely driven by Finance Department (₹ 23,960 crore), reasons for which are discussed below.

- In the scheme 'Ways and Means Advances from the RBI-Special', against the budget provision of ₹ 17,000 crore, expenditure was ₹ 6,390 crore leading to savings of ₹ 10,610 crore.
- In the scheme 'Interest on Market Loans: 8.00% West Bengal Loan (New Loan)' budget provision of ₹ 2,400 crore to pay interest remained unutilised as no new loan was taken.

During 2018-19, excess in Charged section was owing to excess of ₹ 824 crore and ₹ 725 crore respectively in the schemes for 'Ways and Means Advances from the Reserve Bank of India –Overdraft' and '9.50 *per cent* Government of West Bengal (NSSF) Special Securities 2016' under Grant No 18-Finance.

3.2 Appropriation Accounts

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Comments on integrity of the Budgetary and Accounting Process

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article 204 of the Constitution. Expenditure on a new scheme should not be incurred on a scheme/service without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State. It can be seen from **Table 3.3** that expenditure of ₹ 111 crore was incurred for seven new schemes under four head of accounts without budget provision.

Table 3.3: Summary of Expenditure without Budget Provision

Grant/ Appropriation	Heads of Account	Expenditure (₹ in crore)	Number of Schemes/ Sub Heads
11	2235	10.72	3
25	4235	95.87	1
42	2251	3.37	2
65	2049	1.39	1
Total		111.35	7

Source: Appropriation Accounts

In the following major schemes, expenditure was incurred without budget provision:

- Setting up of relief camps in the district of Cooch Behar and in other Bangladeshi enclaves in India for rehabilitation of returnees from the Indian enclaves in Bangladesh (₹ 95.87 crore) under Grant No 25- Public Works; and
- Old Age Pension Scheme for Artisans and Weavers under Jai Bangla (₹ 10.72 crore) under Grant No.11-Micro, Small and Medium Enterprises and Textiles.

Incurring such expenditure without budget provision (original or supplementary) undermines the authority and will of the Legislature.

3.3.2 Misclassification of capital expenditure as revenue expenditure and charged expenditure as voted expenditure and vice versa

Misclassification of expenditures and receipts has a great impact on the integrity of the financial statements.

Audit noticed that ₹ 1,187 crore of Revenue Expenditure was incorrectly booked as Capital Expenditure as shown in **Table 3.4** below.

Table 3.4: Revenue Expenditure misclassified as Capital Expenditure

Sl. No.	Object of Expenditure	Head of account as per voucher	Head of account under which booking was to be made	Amount (₹ in crore)
1.	Implementation of the schemes under AMRUT, Smart City Mission & also grants given to different municipalities for several developmental schemes	4217	2217	1,113.52
2.	Payment for hospital machineries & equipment and repair & renovation of Staff quarter and maintenance charge of Bio Medical equipment	4210	2210	40.45
3.	Payment of salary and wages of the employees under WBFDC Limited, Kalimpong	4406	2406	7.50
4.	Grants for construction of jetty	5056	3056	7.11
5.	Grants towards Transport corporations for various developmental works	5055	3055	6.49
6.	Dredging in river Muriganga in P.Ss Kakdwip & Sagar, Dist. South 24 Parganas	4711	2711	3.11

Sl. No.	Object of Expenditure	Head of account as per voucher	Head of account under which booking was to be made	Amount (₹ in crore)
7.	Repair, rehabilitation of several bridges and surfacing works of different roads and payment of wages	5054	3054	2.48
8.	Repairing and maintenance of Road network in LPA leather Goods Zone in CLC, Bantala	4851	2851	1.66
9.	Subsidy towards FSSM beneficiaries under BGREI ⁴⁵ 2020-21	4401	2401	1.65
10.	Repair and maintenance work for Nawabad Bahadur institution	4202	2202	1.19
11.	Imp. Of Bishupur branch Canal re-sectioning and CC lining & repairing work of existing CC lining	4700	2700	0.50
12.	Grants to Pandabeswar block for two schemes	4575	2575	0.42
13.	Grants for construction of crematoriums	4059	2059	0.41
14.	Repair & renovation of FSG Godown and office building	4408	2408	0.27
15.	Repair & renovation of Banga Bhawan pathway at New Delhi	4059	2059	0.41
16.	Grant to WBTDC for installation of CCTV for different tourist lodges	5452	3452	0.20
17.	Maintenance of civic services in Rural areas	4235	2235	0.03
Total				1,187.40

Source: Finance Accounts

Due to the above misclassifications, revenue deficit was understated by ₹ 1,187 crore as discussed in **Table 1.9** and **Para 2.9**.

3.3.3 Unnecessary or excessive supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year. Unnecessary supplementary grants (₹ 100 crore or more in each case) provided during 2020-21, is shown in **Table 3.5**.

Table 3.5: Details of cases where supplementary provision (₹ 100 crore or more in each case) proved unnecessary

(₹ in crore)						
Sl. No.	Name of the Grant	Original provision	Supplementary Provision	Total Provision	Actual Expenditure	Savings out of Provision
Revenue (Voted)						
1.	25-Public Works	1,617	201	1,818	1,516	302
2.	40-Panchayats & Rural Development	19,364	4,136	23,500	19,087	4,413
3.	72-Urban Development and Municipal Affairs	7,927	2,125	10,052	6,618	3,434
Total		28,908	6,462	35,370	27,221	8,149
Capital (Voted)						
1.	24-Health and Family Welfare	1,440	170	1,610	907	703

⁴⁵ Bringing green revolution to Eastern India

Sl. No.	Name of the Grant	Original provision	Supplementary Provision	Total Provision	Actual Expenditure	Savings out of Provision
2.	40-Panchayats & Rural Development	3,115	400	3,515	1,920	1,595
3.	65-Tribal Development	228	120	348	144	204
Total		4,783	690	5,473	2,971	2,502
Capital (Charged)						
1	18-Finance	44,245	4,036	48,281	26,783	21,498
Total		44,245	4,036	48,281	26,783	21,498
Grand Total		77,936	11,188	89,124	56,975	32,149

Source: Appropriation Accounts

It can be seen from **Table 3.5** that in all the cases, actual expenditure was less than the original provisions and hence the supplementary provisions were unnecessary. As such, further supplementary provisions of ₹ 6,462 crore, ₹ 690 crore and ₹ 4,036 crore in Revenue (Voted), Capital (Voted) and Capital (Charged) sections respectively proved unnecessary. As actual expenditure was only 73.10 *per cent* of the original provision, there was no need to augment the fund through supplementary provision. Thus the supplementary provision of ₹ 11,188 crore (14.36 *per cent* of original provision) proved unnecessary.

3.3.4 Re-appropriations undertaken require prior Legislative authorisation

Re-appropriation means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation. The Government is thus allowed to re-appropriate provisions from one unit of appropriation to another within the same Grant, thus altering the destination of an original provision for one purpose to another, subject to the limits and restrictions laid down. The provisions relating to re-appropriation are laid down in individual State Budget Manuals. However, there are certain broad instructions that are universally applicable:

1. Limitation for Executive:

- (i) No re-appropriation is permissible from Capital to Revenue & vice versa.
- (ii) No re-appropriation is permissible from Voted to Charged & vice versa.
- (iii) No re-appropriation is permissible from one Grant to another.

During 2020-21, there was re-appropriation amounting to ₹ 1,211 crore in respect of 1,207 sub-heads constituting 48 grants. However, despite re-appropriation, there was savings of ₹ 2,972 crore in respect of 706 sub-heads and excess of ₹ 1,159 crore in respect of 110 sub-heads. Audit scrutiny further revealed that there were ten cases of savings (₹ 22.38 crore) and two cases of excess expenditure (₹ 0.27 crore) even after re-appropriation on the last working day.

Lapses noticed in re-appropriation cases are discussed in subsequent paragraphs.

3.3.5 Unnecessary, excessive or insufficient re-appropriation

- In 47 grants, re-appropriation amounting to ₹ 138 crore proved unnecessary in respect of 408 sub-heads.

- In 40 grants, re-appropriation amounting to ₹ 699 crore proved excessive in respect of 282 sub-heads.
- In 32 grants, re-appropriation amounting to ₹ 103 crore proved insufficient in respect of 92 sub-heads.

3.3.6 Unspent amount and surrendered appropriations and/ or large savings/ surrenders

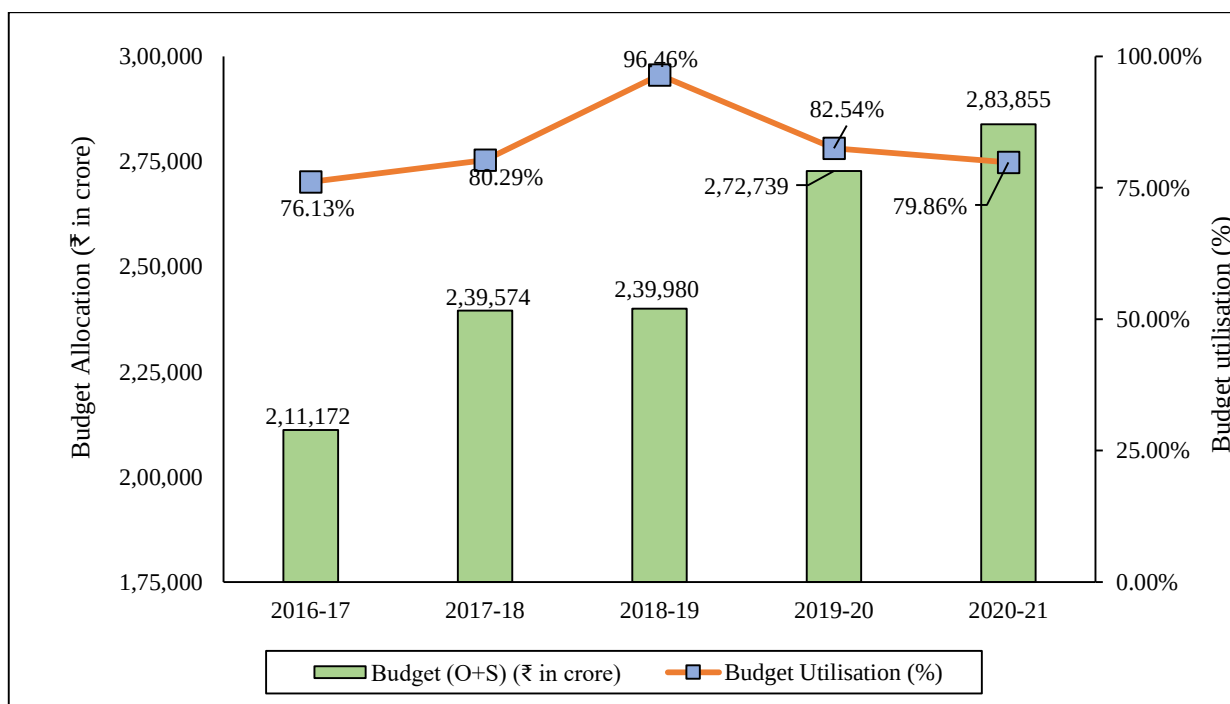
Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls etc., promote release of funds towards the end of the financial year resulting in funds remaining unspent. Excessive savings also deprives other departments of the funds which they could have utilised. During 2020-21, of the total savings of ₹ 62,765 crore, only ₹ 3,663 crore (5.84 per cent of savings) was surrendered leaving a balance of ₹ 59,102 crore. Again, of the surrendered amount, ₹ 1,156 crore (31.56 per cent) was surrendered on the last day of the financial year. The above instances indicate inadequate financial management on the part of the controlling officers.

Out of savings of ₹ 50,838 crore in respect of 11 grants having total savings exceeding ₹ 1,000 crore, only ₹ 2,173 crore was surrendered (4.27 per cent) leaving a balance of ₹ 48,665 crore. In Grant No. 21 – Food and Supplies, under Revenue (Voted) section, the surrendered amount (₹ 1,015 crore) exceeded the savings (₹ 240 crore) by ₹ 775 crore (322.92 per cent).

Total un-surrendered savings (94.16 per cent) as well as excess surrender over savings was indicative of ineffective budgetary control.

Budget Utilisation during 2016-17 to 2020-21 has been shown in **Chart 3.1**.

Chart 3.1: Budget Utilisation during 2016-17 to 2020-21



Source: Appropriation Accounts

Budgetary allocations during 2016-21 increased at a CAGR of 7.68 per cent. Utilisation of budget during that period ranged between 76 and 96 per cent. In

the current year, 20.14 *per cent* of budget allocation remained un-utilised whereas in the year 2018-19 it was only 3.54 *per cent*. Such instances of budgetary provisions remaining unutilised indicates lacuna in the budget preparation process.

3.3.7 Excess expenditure and its regularisation

Article 205(1)(b) of the Constitution provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess.

Although no time limit for regularisation of excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). Failure to do so is in contravention of constitutional provisions and defeats the objective of ensuring accountability by the Legislature of the executive over utilisation of public money.

During 2020-21 in 15 grants, excess expenditure of ₹ 5,604 crore over provisions is yet to be regularised (Table 3.6).

Table 3.6: Summary of excess disbursements over grants/ appropriations during 2020-21

(₹ in crore)

Sl No.	Grant number- Name of Department	Revenue		Capital		Total
		Voted	Charged	Voted	Charged	
1	07-Backward Classes Welfare	380.67	1.01	-	-	381.68
2	08-Cooperation	-	53.86	-	68.44	122.30
3	18-Finance	440.22	-	-	-	440.22
4	24-Health and Family Welfare	352.35	1.62	-	-	353.97
5	43-Power	134.04	-	-	-	134.04
6	45-Public Health Engineering	79.82	-	-	-	79.82
7	58-Paschimanchal Unnayan Affairs	6.93	-	-	-	6.93
8	65-Tribal Development	-	1.39	-	-	1.39
9	68-Home and Hill Affairs	1,002.09	-	-	-	1,002.09
10	70-Higher Education	303.46	-	-	-	303.46
11	72-Urban Development and Municipal Affairs	-	7.13	-	-	7.13
12	73-Disaster Management and Civil Defence	2,627.26	-	-	-	2,627.26
13	74-Women & Child Development and Social Welfare	-	10.48	-	-	10.48
14	78-Non-Conventional and Renewable Energy Sources	-	-	0.20	-	0.20
15	79-Public Enterprises and Industrial Reconstruction	-	-	132.63	-	132.63
	Total	5,326.84	75.49	132.83	68.44	5,603.60

Source: Appropriation Accounts

3.3.7.1 Persistent excesses in certain Grants

A number of grants witness excess expenditure year after year. **Table 3.7** shows that in Revenue (Voted) section under Health and Family Welfare, excess expenditure persistently occurred from 2016-17 to 2020-21.

Table 3.7: Persistent excess of the department of Health & Family Welfare for 2016-21

Description of Grant/ Appropriation	2016-17	2017-18	2018-19	2019-20	2020-21
24-Health & Family Welfare (Revenue-Voted)	(₹ in crore)				
Total Provision	6,720	7,519	8,203	9,337	11,434
Actual Expenditure	6,888	7,894	8,383	10,112	11,786
Excess Expenditure	168	375	180	775	352

Source: Appropriation Accounts

On scrutiny, it was noticed that excess expenditure persistently occurred in the scheme 'Special Programme under NRHM (State share)' against the Head of Account '2210-03-800-013'. Such repeated excess over grants under Revenue-Voted category, approved by the State legislature are in violation of the will of the Legislature and the basic principle of democracy that not a rupee can be spent without the approval of the State Legislative Assembly and, therefore, needs to be viewed seriously.

3.3.7.2 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods dilutes legislative control over the executive. In 46 grants, excess expenditure of ₹ 38,924.26 crore for the period covering 2009-20 is yet to be regularised. For this purpose, the departments concerned are required to submit explanatory notes for excess expenditure to PAC through the Finance Department.

PAC, based on such explanatory notes and after due discussion with departmental heads in presence of Principal Accountant General (A&E) and Principal Accountant General (Audit-I), recommended⁴⁶ regularisation of excess expenditure under both voted grants and charged appropriations for the financial years 2009-14. However, the Government is yet to regularise the excess expenditure pertaining to the years 2009-14 as of September 2021.

3.3.8 Grant-in-aid for creation of capital assets

Grants-in-aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-aid are given for specified purpose of supporting an institution including creation of assets.

As per IGAS 2, Grant-in-aid disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditure irrespective of the purpose for which

⁴⁶Recommendation for the years 2009-12 and 2012-14 given in November 2019 and February 2021, respectively

the funds disbursed as Grants-in-aid are to be spent by the grantee, except in cases where it has been specifically authorised by the President on the advice of the Comptroller and Auditor General of India. Misclassification of GIA as Capital Outlay and its impact on Revenue deficit is given in **Table 3.8**.

Table 3.8: Extent of classification of GIA as Capital Outlay

Particulars	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
GIA booked as Capital Outlay	875	1,072	4,734	322	1,114
Total Capital Outlay	11,336	19,368	23,717	15,971	13,034
Share of GIA in Capital Outlay (in per cent)	7.72	5.53	19.96	2.02	8.55
Impact on Revenue Deficit (RD) (-)/ Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	RD (₹ 16,086 cr.) understated by ₹ 875 cr.	RD (₹ 9,807 cr.) understated by ₹ 1,072 cr.	RD (₹ 10,399 cr.) understated by ₹ 4,734 cr.	RD (₹ 19,661 cr.) understated by ₹ 322 cr.	RD (₹ 29,527 cr.) understated by ₹ 1,114 cr.

Source: Finance Accounts of respective years

Table 3.8 shows that due to booking of Grants-in-aid as Capital Outlay ranging between ₹ 322 crore and ₹ 4,734 crore during 2016-21, Revenue Deficit was understated to that extent.

3.4 Comments on effectiveness of the Budgetary and Accounting Process

3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/ other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprives other departments of the funds which they could have utilised. A summarised position of Actual Expenditure vis-à-vis Budget (Original/ Supplementary) provisions during the financial year is given in **Table 3.9**.

Table 3.9: Summarised position of Actual Expenditure vis-à-vis Budget (Original/ Supplementary) provisions during the financial year

Nature of expenditure		Original Grant/App.	Supplementary Grant/App.	Total	Actual expenditure	Net of Savings (-)	Surrender during March	
		(A)	(B)	(C)=(A+B)	(D)	(E)=(C-D)	Amount	Per cent
		(₹ in Crore)						(G)=(F/E)*100
Voted	I. Revenue	1,48,131	14,716	1,62,847	1,49,359	13,488	703	5.21
	II. Capital	31,705	328	32,033	14,043	17,990	765	4.25
	III. Loans & Advances	943	3,071	4,014	2,277	1,737	15	0.86
	Total	1,80,779	18,115	1,98,894	1,65,679	33,215	1,483	4.46
Charged	I. Revenue	33,286	3,313	36,599	34,109	2,490	0	0
	II. Capital	9	24	33	17	16	0	0
	III. Public Debt-Repayment	44,289	4,040	48,329	26,889	21,440	0	0
	Total	77,584	7,377	84,961	61,015	23,946	0	0
Appropriation to Contingency Fund (if any)		NIL						
Grand Total		2,58,363	25,492	2,83,855	2,26,694	57,161	1,483	2.59

Source: Appropriation Accounts; Difference of ₹ 1 crore is due to rounding.

Table 3.9 shows that net savings (₹ 57,161 crore) was 20.14 *per cent* of the total provision. Out of the 6,366 schemes, variations in savings or excess occurred in 2,394 schemes (37.61 *per cent*). However, no explanations were received for those variations. Non-receipt of explanations violates the basic norms approved by the PAC of West Bengal Legislature, adopted for comments on the Appropriation Accounts.

During 2020-21, in 28 new schemes (₹100 crore or more) ₹11,829 crore was initially allotted which was further revised to ₹11,169 crore. However, no expenditure was incurred against these schemes.

3.4.2 Rush of expenditure

Rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Maintaining a steady pace of expenditure is a crucial component of sound public financial management.

During 2020-21, in 20 grants constituting 49 sub-heads, entire expenditure was incurred in the month of March 2021. Out of this, in five grants constituting six sub-heads (₹ 10 crore and above), 100 *per cent* expenditure was incurred (**Table 3.10**).

Table 3.10: Sub-Head (Schemes) where entire expenditure was incurred in March 2021 (₹ 10 crore and above)

Sl. No.	Grant No.	Head of Account (up to Sub-head)	100 per cent expenditure in March 2021 (₹ in crore)
1.	15	2202-01-800-003 Provision for incentive for Development of Elementary Education	46.80
2.	24	4210-01-800-002 Setting Up of Second Campus of CNCI at New Town, Rajarhat	20.00
3.		2210-06-101-053 West Bengal Universal Eye Health Project- Chokher Alo	10.95
4.	74	2236-02-101-22 National Nutrition Mission (Central Share)	19.12
5.	68	2055-00-115-016 Projects under Crime and Criminal Tracking & Network System (CCTNS)	13.71
6.	55	4702-00-101-046 Matir Shristi (MATIRSRI) [WI]	12.04

Source: VLC Data

Table 3.11 shows that in one grant more than 50 per cent of the total expenditure was incurred in the month of March 2021.

Table 3.11: Grant with more than 50 per cent of expenditure in March 2021 alone

Sl. No.	Grant No.	Description	Total Expenditure	Expenditure in March	Expenditure in March as percentage of total expenditure
(₹ in crore)					
1.	78	Non-Conventional and Renewable Energy Sources	5.58	5.55	99.46

Source: VLC Data

3.5 New Schemes introduced in the Budget

Government introduced several new schemes in the budget for the fiscal year 2020-21. Some of the significant new schemes with scheme details and their financial implications are discussed in the **Table 3.12**.

Table 3.12: New Schemes introduced in the Budget

Sl. No.	Name of the scheme	Scheme details	Financial implications
1.	Bandhu Prakalpa for Scheduled Castes (SCs)	As per the Budget Speech, ₹ 2,500 crore was allocated for the scheme. The scheme involved payment of monthly pension of ₹ 1,000 to SCs (aged above 60 years), who are not covered under any other pension scheme.	Against the proposed allocation of ₹ 2,500 crore, budget provision of only ₹ 767 crore (31 per cent) was made. Government, however, spent a total of ₹ 1147 crore on the scheme, which represented only 46 per cent of the proposed allocation. The balance amount of ₹ 380 crore (₹ 1147 crore-₹ 767 crore), was

Sl. No.	Name of the scheme	Scheme details	Financial implications
			met through off budget borrowings raised by the WBSCST&OBC Development Finance Corporation (This aspect has been discussed in details in Chapter 2).
2.	Banglashree Prakalpa	As per the Budget Speech, ₹100 crore was allocated for the scheme. Under the scheme, assistance was to be given to the Micro, Small and Medium Enterprises (MSMEs), which started operations with effect from 01 April, 2019.	No funds were released by the Government during the fiscal year 2020-21 despite receipt of applications from 70 MSMEs for release of assistance under the scheme.
3.	Bina Mulya Samajik Suraksha	As per the Budget Speech, ₹ 500 crore was allocated for a scheme. Under this scheme, the State Government was to provide social security, including free Provident Fund benefits to beneficiaries.	Under the scheme, the Government made a budget provision of ₹368 crore (74 per cent of the proposed allocation). ₹ 192 crore was spent under the scheme, representing only 38 per cent of the proposed allocation.
4.	Chaa Sundari	As per the Budget Speech, ₹ 500 crore was allocated for providing housing facilities for permanent tea garden workers who did not have house of their own.	Against the proposed allocation of ₹ 500 crore, the budget provision was 3 per cent at ₹ 16 crore. The utilised amount was ₹ 0.43 crore, representing a meagre 0.01 per cent of the proposed allocation.
5.	Establishment of new MSME Parks	As per the Budget speech, ₹ 200 crore was allocated for establishment of 100 new MSME Parks. These parks were to be constructed within the next three years in order to attract MSME investment in the State.	Though the budget provision of ₹ 573 crore, was much higher than the proposed allocation, the utilisation remained at ₹ 66 crore (33 per cent of the proposed allocation).
6.	Hasir Alo	For providing free electricity to the poor people of the state, Government announced 'Hasir Alo' scheme. Under the Scheme, no electric charges were to be levied on all poor domestic consumers whose quarterly consumption of electricity was upto 75 units. As per the budget speech, ₹ 200 crore was allocated.	Against the allocation, the budget provision was ₹ 139 crore. However, the utilisation was ₹ 270 crore.
7.	Jai Johar Prakalpa for Scheduled Tribes (STs)	As per the Budget speech, ₹ 500 crore was allocated for the scheme. Under the scheme, STs above 60 years of age (not covered under any other scheme) were to be considered for Old Age Pension. The monthly pension was to be ₹1,000.	Against the proposed allocation of ₹ 500 crore, no budget provision was made. Government, however, spent a total of ₹ 206 crore on the scheme, which was only 41 per cent of the proposed allocation.
8.	Karma Sathi Prakalpa	As per the Budget speech, ₹ 500 crore was allocated for the scheme. Under the	Against the proposed allocation of ₹ 500 crore, Government provided for only

Sl. No.	Name of the scheme	Scheme details	Financial implications
		scheme, unemployed youths were to be provided soft loan and subsidy.	₹ 25 crore in the budget. The utilization remained at a meagre ₹ 0.22 crore (0.04 per cent of the proposed allocation).

Source: Budget Speech, Appropriation Accounts and Departmental figures

The above table indicates that budget provision and implementation of new schemes were not in accordance with the financial allocations announced in the budget speech.

3.6 Recommendations

1. Government should be more realistic in its budgetary assumptions and ensure efficient control mechanism to curtail savings/ excess expenditure.
2. The State Government may consider writing back balance under Deposit Accounts to the respective Major/Minor Heads at the close of the year to ensure legislative scrutiny.
3. Excess expenditure over grants approved by the Legislature are in violation of the will of the Legislature. It therefore, needs to be viewed seriously and regularised at the earliest.
4. State Governments needs to formulate a realistic budget based on reliable assumptions of the needs of the departments and their capacity to utilise the allocated resources.
5. An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of budget to ensure that savings are curtailed, large savings within the Grants/ Appropriations are controlled, and anticipated savings are identified and surrendered within the specified timeframe.