

State Finances Audit Report of the Comptroller and Auditor General of India

for the year ended 31 March 2021



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

GOVERNMENT OF TRIPURA

Report No. 1 of 2022

**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2021**

GOVERNMENT OF TRIPURA
Report No. 1 of 2022

TABLE OF CONTENTS

Particulars	Paragraphs	Page(s)
Preface		v
Executive Summary		vii-xiii
Chapter I: Overview of State Finances		
Profile of the State	1.1	1
Gross State Domestic Product	1.1.1	1
Basis and Approach to State Finances Audit Report	1.2	2
Report Structure	1.3	3
Overview of Government Account Structure and Budgetary Processes	1.4	4
Summarised position of State Finances	1.4.1	7
Assets and liabilities of the State Government	1.4.2	8
Fiscal Balance: Achievement of deficit and total debt targets	1.5	9
Deficits and Total Debt after examination in audit	1.6	13
Post audit - Deficits	1.6.1	14
Total Outstanding Liabilities	1.6.2	15
Conclusion	1.7	15
Recommendations	1.8	16
Chapter II: Finances of the State		
Major changes in Key fiscal aggregates in 2020-21	2.1	17
Sources and Application of Funds	2.2	18
Resources of the State	2.3	18
Receipts of the State	2.3.1	19
State's Revenue Receipts	2.3.2	19
Trends and growth of Revenue Receipts	2.3.2.1	19
State's Own Resources	2.3.2.2	21
Transfers from the Centre	2.3.2.3	24
Capital receipts	2.3.3	29
State's performance in mobilisation of resources	2.3.4	30
Application of resources	2.4	31
Growth and composition of expenditure	2.4.1	31
Revenue Expenditure	2.4.2	33
Major changes in Revenue Expenditure	2.4.2.1	34
Committed Expenditure	2.4.2.2	36
Undischarged liabilities in National Pension System	2.4.2.3	37
Subsidies	2.4.2.4	38
Financial assistance by the State Government to Local Bodies and Other Institutions	2.4.2.5	39
Capital Expenditure	2.4.3	39
Major changes in Capital Expenditure	2.4.3.1	40
Quality of capital expenditure	2.4.3.2	41
Expenditure priorities	2.4.4	46
Public Account	2.5	47
Net Public Account Balances	2.5.1	47
Reserve Funds (RF)	2.5.2	48

Particulars	Paragraphs	Page(s)
Consolidated Sinking Fund	2.5.2.1	49
General and Other Reserve Funds	2.5.2.2	49
Road Development Fund	2.5.2.3	52
Guarantee Redemption Fund	2.5.2.4	52
Debt management	2.6	53
Debt profile: Components	2.6.1	54
Debt profile: Maturity and Repayment	2.6.2	59
Debt Sustainability Analysis (DSA)	2.7	60
Utilisation of borrowed funds	2.7.1	63
Status of Guarantees – Contingent Liabilities	2.7.2	64
Management of Cash Balances	2.7.3	65
Conclusion	2.8	68
Recommendations	2.9	70
Chapter III: Budgetary Management		
Budget Process	3.1	71
Summary of total provisions, actual disbursements and savings during financial year	3.1.1	73
Charged and voted disbursements	3.1.2	73
Appropriation Accounts	3.2	73
Comments on integrity of budgetary and accounting process	3.3	74
Expenditure incurred without authority of law	3.3.1	74
Transfers not mandated by the Appropriation Act/ Detailed Demands for Grants (into Public Account/ Bank Accounts)	3.3.2	75
Misclassification of capital expenditure as revenue expenditure and charged & voted expenditure and vice versa	3.3.3	77
Unnecessary or excessive supplementary grants	3.3.4	77
Unnecessary or excessive re-appropriation	3.3.5	79
Unspent amount and surrendered appropriations and/or Large savings/ surrenders	3.3.6	79
Persistent savings in Grants/ Appropriations	3.3.6.1	82
Savings and surrenders before close of financial year 2020-21	3.3.6.2	82
Budget utilisation during 2016-17 to 2020-21	3.3.6.3	83
Excess expenditure and its regularisation	3.3.7	83
Excess expenditure relating to the year 2020-21	3.3.7.1	84
Regularisation of excess expenditure of previous financial years	3.3.7.2	84
Grant-in-aid for creation of capital assets	3.3.8	85
Comments on effectiveness of budgetary and accounting process	3.4	86
Budget projection and gap between expectation and actual	3.4.1	86
Supplementary budget and opportunity cost	3.4.2	88

Particulars	Paragraphs	Page(s)
Major policy pronouncements in budget and their actual funding for ensuring implementation	3.4.3	89
Trend of expenditure against receipts	3.4.4	90
Review of selected grants	3.4.5	91
Withdrawal of entire provision by re-appropriation	3.5	94
Good Practices	3.6	96
Conclusion	3.7	96
Recommendations	3.8	97
Chapter IV: Quality of Accounts and Financial Reporting Practices		
Non-inclusion of clear cut liabilities incurred during the financial year	4.1	99
Non discharge of liability in respect of interest towards interest bearing Reserve Funds	4.2	99
Funds transferred directly to State implementing agencies	4.3	100
Deposit of Local Funds	4.4	100
Delay in submission of Utilisation Certificates	4.5	101
Abstract Contingent bills	4.6	103
Personal Deposit/Personal Ledger Accounts	4.7	104
Indiscriminate use of Minor head 800	4.8	105
Outstanding balance under major Suspense and DDR heads	4.9	106
Reconciliation of Departmental figures	4.10	106
Reconciliation of Cash Balances	4.11	107
Compliance with Accounting Standards	4.12	107
Submission of Accounts/Separate Audit Reports of Autonomous Bodies	4.13	108
Non-submission of details of grants/ loans given to bodies and authorities	4.14	109
Timeliness and Quality of Accounts	4.15	109
Major types of Cess levied by the State Government	4.16	111
Misappropriations, losses, thefts etc.	4.17	112
Follow up action on State Finances Audit Report	4.18	112
Conclusion	4.19	113
Recommendations	4.20	113
Chapter V: Functioning of State Public Sector Enterprises		
Summary of Financial Performance of State Public Enterprises		
Introduction	5.1	115
Mandate	5.2	115
Working and non-working SPSEs	5.3	115
Investment in SPSEs	5.4	116
Budgetary assistance to SPSEs	5.5	118
Returns from Government Companies and Corporations	5.6	118
Long Term Debt of SPSEs	5.7	119
Operating Efficiency of SPSEs	5.8	120

Particulars	Paragraphs	Page(s)
Return on Capital Employed	5.9	120
Return on Equity (ROE)	5.10	121
SPSEs incurring Losses	5.11	121
SPSEs having complete erosion of capital	5.12	122
Oversight Role of Comptroller & Auditor General of India		
Audit of State Public Sector Enterprises (SPSEs)	5.13	123
Appointment of statutory auditors of SPSEs by CAG	5.14	123
Submission of accounts by SPSEs	5.15	123
Timeliness in preparation of accounts by SPSEs	5.16	124
CAG's oversight-Audit of accounts and supplementary audit	5.17	124
Audit of accounts of Government Companies by Statutory Auditors	5.18	125
Supplementary Audit of accounts of Government Companies	5.19	125
Result of CAG's oversight role	5.20	125
Management Letters	5.21	127
Conclusion	5.22	128
Recommendations	5.23	128
Appendices		131-174

Preface

1. This Report has been prepared for submission to the Governor of Tripura under Article 151 of the Constitution.
2. Chapter I of this Report contains the basis and approach to State Finances Audit Report, Structure of the Report, Structure of Government Accounts, Budgetary processes, Trends in key fiscal parameters like revenue surplus/ deficit, fiscal surplus/ deficit, etc., and fiscal correction path.
3. Chapter II contains a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the last five years, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
4. Chapter III is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
5. Chapter IV on 'Quality of Accounts & Financial Reporting Practices' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
6. Chapter V on 'Functioning of State Public Sector Enterprises' presents the financial performance of Government Companies and Statutory Corporations.
7. The Reports of the Comptroller and Auditor General of India containing the findings of Performance Audit and Compliance Audit in various Government departments, observations arising out of audit of Statutory Corporations, Boards and Government Companies and observations on Revenue Receipts are presented separately.

EXECUTIVE SUMMARY

Executive Summary

The Report

Based on the audited accounts of the Government of Tripura for the year ending March 2021, this report provides an analytical review of the finances of the State Government. The report is structured in five Chapters.

Chapter I: Overview of State Finances

This chapter provides brief profile of the State and basis of the report, structure of the Government accounts, budgetary processes, macro-fiscal analysis of key indices and fiscal position of the State including the deficit/surplus.

Chapter II: Finances of the State

This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the last five years, debt management of the State and key Public Account transactions, based on the Finance Accounts of the State.

Chapter III: Budgetary Management

This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter IV: Quality of Accounts and Financial Reporting Practices

This Chapter provides an overview on the quality of accounts and compliance of the State Government in its financial reporting practices, with prescribed financial rules, procedures and directives with regard to completeness, transparency, measurement and disclosure.

Chapter V: Functioning of State Public Sector Enterprises

This Chapter provides a 'bird's eye view' on the functioning of the State Public Sector Enterprises (SPSEs). The term State Public Sector Enterprises (SPSEs) encompasses the State Government owned/controlled Government Companies set up under the Companies Act, 2013 and Statutory Corporations setup under the statutes enacted by the Parliament and State legislature.

Audit findings

Chapter-I: Overview of State Finances

The fiscal position of the State is viewed in terms of three key fiscal parameters – Revenue Deficit/ Surplus, Fiscal Deficit/ Surplus and the ratio of Outstanding Debt to GSDP.

The GSDP of Tripura grew from ₹ 39,479 crore in 2016-17 to ₹ 58,880 crore (Advance Estimates) in 2020-21 with Compounded Annual Growth Rate (CAGR) of 8.32 per cent. However, there was a decline in the growth rate from 13.97 per cent in 2018-19 to 12.11 per cent in 2019-20 and further 5.42 per cent in 2020-21.

The State could achieve Revenue Surplus only during two years out of the five-year period from 2016-17 to 2020-21. During 2020-21, the State ended up with a Revenue Deficit of ₹ 1,075.42 crore.

The State was successful in containing the Fiscal Deficit below the target as per Tripura State Fiscal Responsibility and Budget Management (FRBM) Act, 2005 of GSDP in two out of the last five years. During the current year i.e., 2020-21, Fiscal Deficit of the State stood at 3.24 *per cent* of GSDP, which was within the limit fixed by State FRBM Act.

During the five-year period 2015-20, outstanding debt of the State remained within the norms prescribed in the State FRBM Act. However, the outstanding debt during 2020-21 (₹ 13,319.17 crore) increased by ₹ 2106.97 crore (18.79 *per cent*) as compared to ₹ 11,212.20 crore during 2019-20.

During the year, Revenue Deficit was understated by ₹ 77.63 crore and Fiscal Deficit was also understated by ₹ 63.72 crore due to misclassification of Grants-in-Aid of ₹ 13.91 crore under Capital Section instead of Revenue Section, short contribution of ₹ 49.06 crore to earmarked funds and non-discharge of interest liabilities of ₹ 14.66 crore by the State Government as observed in Audit.

Recommendations

- *Considering the increasing outstanding debt of the State, the Government may take appropriate steps to rationalise its committed revenue expenditure.*
- *The State Government may book grants- in -aid as revenue expenditure to present correct financial position of the State. Similarly, it may consider discharging its interest liabilities on time, transfer money to the Consolidated Fund and reconcile the accounting discrepancies with the Reserve Bank of India/Banks as regards pension payments of the State.*

Chapter-II: Finances of the State

During 2020-21, the State had a Revenue deficit of ₹ 1,075.42 crore which was 1.82 *per cent* of GSDP during the year. Fiscal deficit was ₹ 1,909.14 crore during 2020-21 which was 3.24 *per cent* of GSDP and primary deficit was ₹ 624.33 crore (1.06 *per cent* of GSDP). Fiscal deficit target as percentage to GSDP was achieved in 2020-21 against the target fixed of 5.00 *per cent* for the year. The State achieved the target set in FRBM Act in respect of outstanding liabilities to GSDP in all five years of 2016-17 to 2020-21 and it was 35.81 *per cent* in 2020-21 against the target of 36.30 *per cent* for the year.

Revenue Receipts during the year 2020-21 were ₹ 13,292.40 crore which increased by ₹ 2,290.81 crore (20.82 *per cent*) during the year. State's Own Tax increased by ₹ 230.65 crore (10.97 *per cent*) from ₹ 2,101.79 crore (2019-20) to ₹ 2,332.44 crore (2020-21) while Non-Tax revenue increased by ₹ 13.84 crore (5.09 *per cent*) only during the year from ₹ 271.65 crore (2019-20) to ₹ 285.49 crore (2020-21). The State had collected ₹ 1,056.01 crore as GST during 2020-21, an increase of 2.86 *per cent* over the previous year.

Grants-in-aid from GoI increased by ₹ 2,039.65 crore (46.18 *per cent*) from ₹ 4,416.37 crore (2019-20) to ₹ 6,456.02 crore (2020-21) and State's Share of Union taxes and Duties during 2020-21 increased by ₹ 6.67 crore (0.16 *per cent*) from ₹ 4,211.78 crore (2019-20) to ₹ 4218.45 crore (2020-21).

Revenue expenditure during the year 2020-21 was ₹ 14,367.82 crore which was 94.51 *per cent* of the total expenditure of ₹ 15,202.79 crore. Moreover, there was a misclassification of ₹ 13.91 crore booked as Capital expenditure instead of Revenue expenditure which was given by the State Government as grants-in-aid to the local bodies or individual entities under various Central Schemes during the year, resulting in overstatement of Capital expenditure and understatement of Revenue expenditure to that extent during 2020-21. Committed expenditure comprising salary & wages, pension, interest payments *etc.*, was 61.89 *per cent* of the Revenue expenditure during the year 2020-21.

Capital expenditure is the expenditure incurred for creation of fixed infrastructure assets such as roads, building, *etc.* It is noticed that during the year 2020-21 Capital expenditure decreased by ₹ 51.14 crore (5.79 *per cent*) from ₹ 883.22 crore during 2019-20 to ₹ 832.08 crore.

During 2020-21, the State Government invested ₹ 65.53 crore in Government Companies, statutory corporation, co-operative societies and joint stock companies. As on 31 March 2021, the State Government made investment of ₹ 1714.19 crore in those companies/ corporations and co-operative societies and got negligible amount of ₹ 6.62 crore as dividend during the year from two joint stock companies.

The State Government contributed ₹ 45.00 crore to the Consolidated Sinking Fund against the admissible contribution of ₹ 89.23 crore calculated at the rate of 0.5 *per cent* of the outstanding liabilities of ₹ 17,845.58 crore at the beginning of the year. There was short contribution of ₹ 44.23 crore to the CSF during 2020-21. The State Government contributed un-transferred amount of ₹ 1.90 crore for the year 2019-20 in the State Disaster Response Fund in addition to ₹ 3.78 crore for the year 2020-21.

The State short contributed ₹ 0.91 crore to the guarantee redemption fund at rate of 0.5 *per cent* of outstanding guarantees of ₹ 734.57 crore at the beginning of the year 2020-21, including interest as on 31 March 2020.

The outstanding liabilities including outstanding Public Debt increased from ₹ 11,258.96 crore in 2016-17 to ₹ 21,083.10 crore in 2020-21 with an increase of 87.26 *per cent* during the period. About nine to 10 *per cent* of the revenue receipts were used by the State for payment of interest on the outstanding Public Debt at the average rate of interest ranged between 7.50 *per cent* to 7.89 *per cent* during last five years period from 2016-17 to 2020-21.

As on 31 March 2021, the State had outstanding Market loan of ₹ 10,733.83 crore out of which ₹ 2,127.00 crore would mature in next five to seven years and ₹ 5,170.83 crore would mature during next seven to 10 years.

The State Government had availed ₹ 85.67 crore as Special Drawing facility against the operative limit of ₹ 90.37 crore as on 31 March 2021 and repaid the same during the year 2020-21. The cash balances of the State at the end of 31 March 2021 was ₹ 2,414.51 crore out of which, ₹ 1,940.78 crore was held in cash balance investment account during the year. It is not desirable that State Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use and further increasing its debt liabilities.

Recommendations

- *State Government may take necessary steps to reduce the Revenue and Fiscal deficits and to review the accounting treatment of the expenditure met out for grants-in-aid from the Capital account instead of Revenue Account as it affects the transparency of accounting and has significant impact on the computation of the Revenue Surplus/deficits.*
- *State Government should review the functioning of its loss making State Public Sector Enterprises (SPSEs) in the State considering the investment as well as returns.*
- *The State Government may contribute to the Consolidated Sinking Fund and State Disaster Response Fund as per the guidelines.*

Chapter-III: Budgetary Management

Budgetary assumptions of the State Government were not realistic during 2020-21 and despite carrying out an elaborate pre-budget exercise to bring about efficiency and transparency in budget formulation and execution, budgetary estimates were off the mark to a considerable extent. Control over the execution and monitoring of budget by Departments was inadequate.

Significant policy initiatives of the Government were not fulfilled during the year due to non-completion of the preparatory activities relating to these initiatives.

Supplementary Grants/Appropriations were obtained without adequate justification. The State Government had incurred excess expenditure of ₹ 221.69 crore over budget provision in two Grants/Appropriations which is required to be regularised by the State Legislature as per Article 205 of the Constitution.

The State had overall savings of ₹ 5,493.30 crore, which was more than thrice the size of the supplementary budget of ₹ 1,614.47 crore obtained during the year, which raised questions over the budget formulation process. Savings during the year accounted for about a fourth of the total budget; however, the Controlling Officers did not surrender the funds on time. Proper explanations were not provided to the Accountant General (A&E) for variations in expenditure *vis-à-vis* allocations. Departments were neither cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.

Recommendations

- *Government may prepare budgetary assumptions more realistically and ensure efficient control mechanisms to curtail savings/ excess expenditure.*

- *Government should enforce its commitment to achieve its promised/intended objectives for overall development of the State through improved execution, monitoring and financial management of schemes/projects.*
- *Excess expenditure over grants approved by the Legislature is in violation of the will of the Legislature. State Government should view such excess expenditure very seriously and regularised it at the earliest.*
- *State Government needs to formulate a realistic budget based on reliable assumptions of the needs of the departments and their capacity to utilise the allocated resources.*
- *Government should initiate an appropriate control mechanism to enforce proper implementation and monitoring of budget by various departments, to ensure that savings are curtailed, large savings within the Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.*
- *Controlling Officers should be aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.*

Chapter-IV: Quality of Accounts and Financial Reporting Practices

As on 31 March 2021, 581 UCs amounting to ₹ 259.62 crore in respect of grants given to departments of the State Government were pending for submission. Non submission of UCs is fraught with the risk of fraud and misappropriation of funds.

During 2020-21, ₹32.03 crore were drawn through 594 AC Bills of which 571 AC Bills for ₹ 18.36 crore were drawn in March 2021. As on 31 March 2021, there were 1,019 AC bills for an amount of ₹ 65.04 crore which remained outstanding for adjustment due to non-submission of DCC Bills. Non adjustment of advances for long period is fraught with the risk of misappropriation.

During 2020-21, the State Government transferred/ deposited ₹ 465.81 crore into 259 DDOs Bank Account. As per information furnished by the State Government, there was an unspent balance of ₹ 475.89 crore in 259 DDOs' Bank Account as on 31 March 2021.

The State Government classified ₹ 147.76 crore as Receipts in 41 Major Head under Minor Head 800-Other Receipts constituting 1.11 *per cent* of total receipts. Similarly, the State booked as expenditure of ₹ 138.75 crore in 18 Major Head under Minor Head 800-Other Expenditure constituting 0.91 *per cent* of total expenditure during the year 2020-21.

Out of 44 bodies and authorities in the State the accounts of the 40 bodies and authorities were pending for one to 21 years as on 31 October 2021.

There was an outstanding amount of ₹ 415.97 crore in respect of various claims which pertains up to the end of December 2020. Such unpaid claims will create miscellaneous liabilities of the State Government to the next financial years.

During the financial year 2020-21, there were delays in rendition of monthly accounts ranging from five to 16 days by the Treasuries, 11 to 40 days by the Public Works Divisions and three to 39 days by the Forest divisions respectively.

Recommendations

- *The Government may ensure submission of Utilisation Certificates (UCs) by the grantee within the time frame and institute a mechanism whereby subsequent release of funds is made consequent on furnishing of UCs of earlier releases.*
- *The Government may consider carrying out adjustment of Abstract Contingent bills within stipulated period, as required under the Rules.*
- *Finance Department should review all Personal Deposit (PD) accounts to ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund. Further, the Finance Department should reiterate the instructions contained in the financial rules and ensure that appropriate action is taken against departmental officers who fail to follow the rules.*
- *Finance Department should consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in order to assess their financial position. It should also held the concerned officers responsible for delay in finalisation and submission of accounts.*
- *The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.*
- *The Finance Department should, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800 and ensure that in future all such receipts and expenditure are booked under the appropriate heads of account.*

Chapter-V: Functioning of State Public Sector Enterprises

As on 31 March 2021, the State of Tripura had total 16 SPSEs (15 Government companies and one Statutory Corporation), which included one non-working SPSE (Government Company). As on 31 March 2021, there were differences in the figures of State's investment in Equity (₹ 61.95 crore) and Loan (₹ 149.30 crore) of SPSEs as per State Finance Accounts *vis-à-vis* records of SPSEs.

During 2020-21, the State Government has provided budgetary support of ₹ 123.52 crore to SPSEs in the form of Equity (₹ 52.34 crore) and Grants/subsidy (₹ 71.18 crore). The major recipients of budgetary support during 2020-21 were Tripura State Electricity Corporation Limited (Grant/subsidy: ₹ 57.69 crore), Tripura Jute Mills Limited (Equity: ₹ 25.21 crore), Tripura Handloom and Handicrafts Development Corporation Limited (Equity: ₹ 14.12 crore) and Tripura Road Transport Corporation (Grant/subsidy: ₹ 13.49 crore).

During 2020-21, the nine working SPSEs incurred losses aggregating ₹ 111.16 crore. Further, the accumulated losses of four working SPSEs (₹ 470.52 crore) had completely eroded their paid-up capital (₹ 326.93 crore).

As on 30 September 2021, the 14 working SPSEs had an arrear of total 26 Accounts ranging from one to five Accounts.

Recommendations

- *The State Government and the SPSEs concerned should take concrete steps to reconcile the differences in the investment figures (Equity and Long term Loans) of the State Government as appearing in the State Finance Accounts vis-à-vis SPSE records in a time-bound manner.*
- *Accumulation of huge losses by four out of fifteen working SPSEs had eroded public wealth, which is a cause of concern and the State Government may review the working of these SPSEs to either improve their profitability or close their operations.*
- *The Administrative Departments overseeing the SPSEs having backlog of Accounts may ensure that these SPSEs finalise and adopt their Accounts within the stipulated period, failing which financial support to them be reviewed.*

CHAPTER-I
OVERVIEW OF STATE FINANCES

CHAPTER-I

OVERVIEW OF STATE FINANCES

1.1 Profile of the State

Tripura is the third smallest State in the North Eastern Region of India and shares a border of 856 km with Bangladesh on three sides - South, West and North (*i.e.*, about 84 *per cent* of its total border). It also shares an internal border with Assam and Mizoram. The State is spread over a geographical area of 10,486.43 sq.km. (0.32 *per cent* of the country's total geographical area) and is home to around 36,73,917 persons (0.30 *per cent* of the total population of the country) as per Census 2011. Total population of the State in 2020-21 was 0.41 crore. The decadal (2011-2021) growth rate of population of the State was 10.72 *per cent* against the average of North Eastern and Himalayan States (NE&H States) of 10.60 *per cent* and an all India decadal growth rate of 12.30 *per cent*.

The State has eight districts and one Autonomous District Council. It was designated as a Special Category State (SCS) in 1969 in terms of the Gadgil formula, which ensured that 90 *per cent* funding for centrally sponsored schemes is received as a grant from the Central Government. The per capita Gross State Domestic Product (GSDP) of the State at current prices was ₹ 1,45,346 (P) in 2020-21 which was lower than all India average of ₹ 1,45,680. General and financial data relating to the State is given in **Appendix 1.1**.

1.1.1 Gross State Domestic Product

Gross State Domestic Product (GSDP) is the value of all goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy as it denotes the extent of changes in the level of economic development of the State over a period of time.

Table 1.1: Trends in GSDP compared to the national GDP

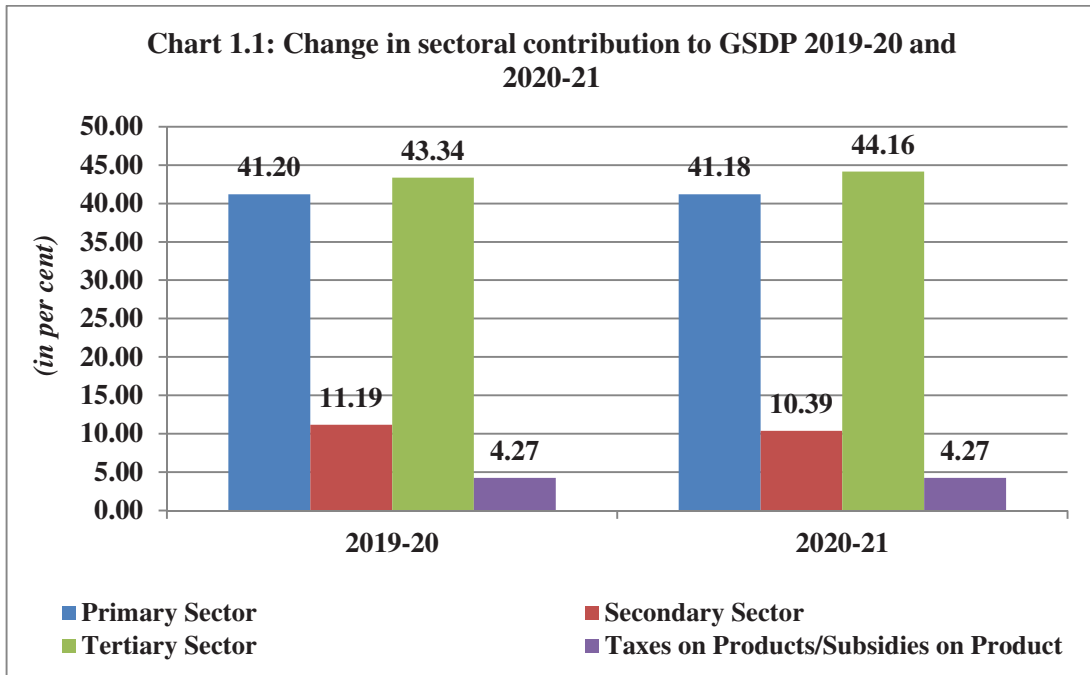
Year	2016-17	2017-18	2018-19	2019-20	2020-21
National GDP (2011-12 Series)	15391669	17090042	18886957	20351013	19745670
Growth rate of GDP over previous year (in <i>per cent</i>)	11.76	11.04	10.51	7.75	(-) 2.97
State's GSDP (2011-12 Series)	39479	43716	49823	55857	58880(A)
Growth rate of GSDP over previous year (in <i>per cent</i>)	9.85	10.73	13.97	12.11	5.41

Source: GDP figure-MoSPI; GSDP-Department of Economics and Statistics, Government of Tripura

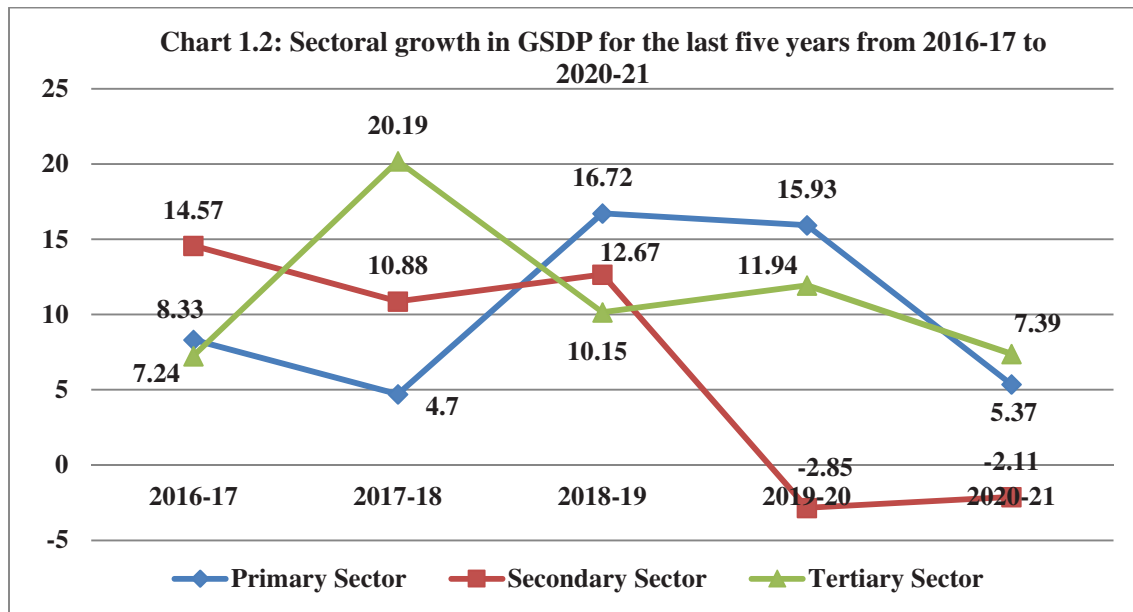
The GSDP of Tripura grew from ₹ 39,479 crore in 2016-17 to ₹ 58,880 crore (Advance Estimates) in 2020-21 with Compounded Annual Growth Rate (CAGR) of 8.32 *per cent*. However, there was a decline in the growth rate from 13.97 *per cent* in 2018-19 to 12.11 *per cent* in 2019-20 and further 5.42 *per cent* in 2020-21.

Changes in sectoral contribution to the GSDP is also important to understand the changing structure of economy. The economic activity is generally divided into

Primary, Secondary and Tertiary sectors, which corresponds to the Agriculture, Industry and Service sectors.



Source: Directorate of Economics and Statistics, Government of Tripura



1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the Reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) is prepared and submitted under Article 151 (2) of the Constitution of India.

Accountant General (Accounts & Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial

and subsidiary accounts rendered by the treasuries; offices and departments functioning under the control of the State Government who are responsible for keeping such accounts, as also the statements received from the Reserve Bank of India. These accounts are audited independently by the Principal Accountant General (Audit), and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State constitute the core data for this Report. Other sources include the following:

- Budget of the State-for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General (Audit);
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other State related statistics; and
- Various Audit Reports of the CAG of India.

The analysis is also carried out in the context of recommendations of the XIV and XV Finance Commissions (FCs), State Financial Responsibility and Budget Management (FRBM) Act, best practices and guidelines of the Government of India. A joint meeting was held with State Finance Department on 20 August 2021, wherein the shortcomings noticed during preparation of the Annual Accounts of the State Government for the year 2020-21 and as also pointed out by Audit were discussed. The draft Report was forwarded (12-11-2021) to the State Government for comments. Replies of the Government, where received, are incorporated in this Report at appropriate places.

1.3 Report Structure

The SFAR is structured into the following five Chapters:

Chapter - 1	Overview of State Finances This Chapter describes the basis and approach to the Report and the underlying data. It also provides an overview of the structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State’s fiscal position including the deficits/ surplus.
Chapter - II	Finances of the State This Chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter - III	Budgetary Management This Chapter is based on the Appropriation Accounts of the State

	and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter - IV	Quality of Accounts and Financial Reporting Practices This Chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.
Chapter - V	Functioning of State Public Sector Enterprises This Chapter provides a ‘bird’s eye view’ on the functioning of the State Public Sector Enterprises (SPSEs). The term State Public Sector Enterprises (SPSEs) encompasses the State Government owned/controlled companies set up under the Companies Act, 2013 and Statutory Corporations set up under the Statues enacted by the Parliament and State Legislature.

1.4 Overview of Government Account Structure and Budgetary Processes

The Accounts of the State Government are kept in three parts:

1. Consolidated Fund of the State {Article 266 (1) of the Constitution of India}

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, *etc.*), Ways and Means Advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (*e.g.*, salaries of Constitutional authorities, loan repayments, *etc.*), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

2. Contingency Fund of the State {Article 267 (2) of the Constitution of India}

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

3. Public Account of the State {Article 266 (2) of the Constitution}

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the

Public Account. The Public Account includes repayables *like* Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to vote of the Legislature.

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditure of the government in respect of every financial year. This ‘Annual Financial Statement’ constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditure.

Revenue receipts consists of tax revenue, non-tax revenue, share of Union Taxes/Duties, and grants from Government of India.

Revenue expenditure consists of all those expenditure of the government, which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the government departments and various services, interest payments on debt incurred by the government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

The **Capital receipts** consist of:

- **Debt receipts:** Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government, *etc.*;
- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances;

Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the Government to State Public Sector Enterprises (SPSEs) and other parties.

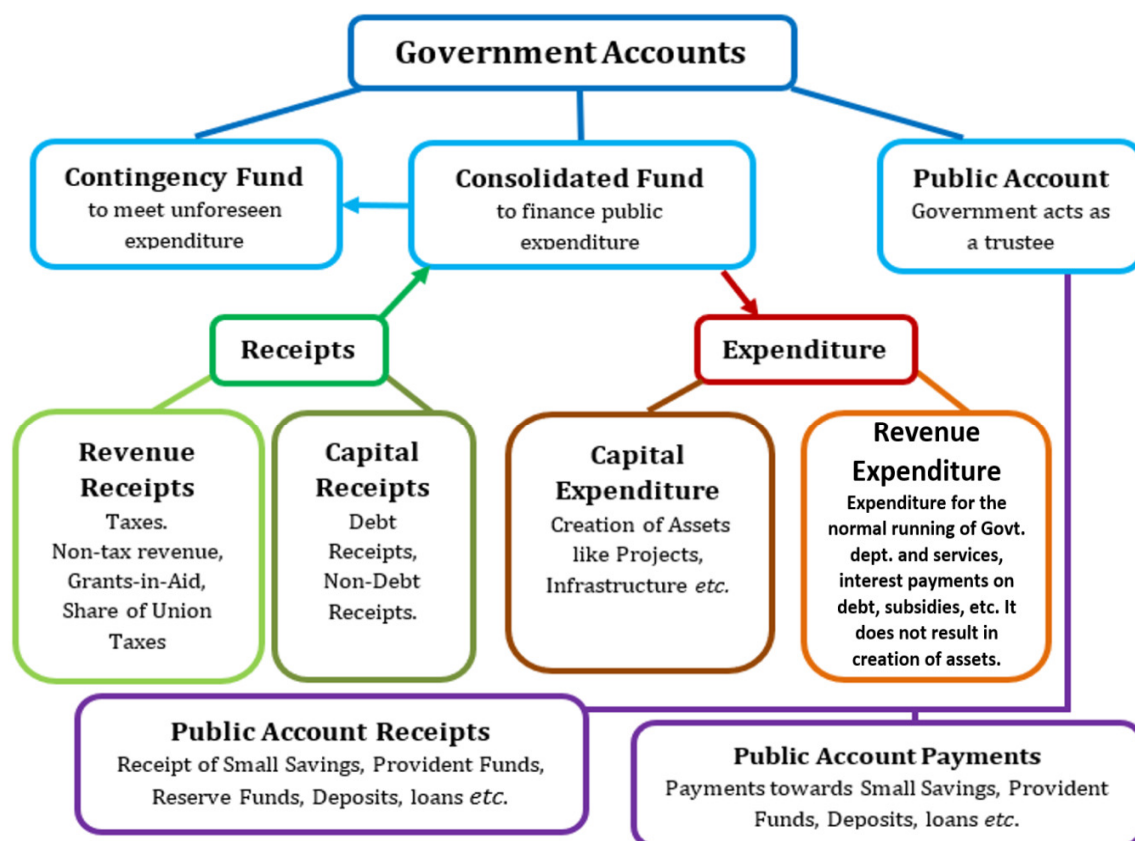
At present, we have an accounting classification system in government that is both functional and economic.

	Attribute of transaction	Classification
Standardised in List of Major and Minor Heads by CGA	Function- Education, Health, <i>etc.</i> / Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub scheme	Detailed Head (2-digit)
	Economic nature/Activity	Object Head-salary, minor works, <i>etc.</i> (2-digit)

The functional classification lets us know the department, function, scheme or programme, and object of the expenditure. Economic classification helps organise these

payments as revenue, capital, debt, *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 is for revenue receipts, 2 and 3 for revenue expenditure, *etc.* Economic classification is also achieved by an inherent definition and distribution of few -object heads. For instance, generally “salary” object head is revenue expenditure, “construction” object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

Chart 1.3: Structure of Government Accounts



Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of State causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year, in the form of an Annual Financial Statement. In terms of Article 203, the statement is submitted to the State Legislature in the form of Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund. Some States have more than one consolidated Budget – there could be sub-budgets like Child Budget, Agriculture Budget, Weaker sections (SC/ST) Budget, Disability Budget, Outcome budget, *etc.*

The State Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter 3** of this Report.

1.4.1 Summarised position of State Finances

Table 1.2 provides the details of actual financial results *vis-à-vis* Budget Estimates for the year 2020-21 *vis-à-vis* actuals of 2020-21 as compared to 2019-20.

Table 1.2: Comparison with Budget Estimates and Actuals

(₹ in crore)

Sl. No.	Components	2019-20 (Actuals)	2020-21 (Budget Estimates)	2020-21 (Actuals)	Percentage of Actuals to BEs	Percentage of Actuals to GSDP
1	Tax Revenue	2101.79	2439.04	2332.44	95.63	3.96
2	Non-Tax Revenue	271.65	302.00	285.49	94.53	0.48
3	Share of Union taxes/duties	4211.78	5559.96	4218.45	75.87	7.16
4	Grants-in-aid and Contributions	4416.37	8710.19	6456.02	74.12	10.96
5	Revenue Receipts (1+2+3+4)	11001.59	17011.19	13292.40	78.14	22.58
6	Recovery of Loans and Advances	0.73	2.00	1.25	62.50	0.002
7	Other Receipts	-	-	-	-	-
8	Borrowings and other Liabilities (a)	3144.14	1814.51	4605.87(c)	253.84	7.82
9	Capital Receipts (6+7+8)	3144.87	1816.51	4607.12	253.62	7.82
10	Total Receipts (5+9)	14146.46	18827.70	17899.52	95.07	30.40
11	Revenue Expenditure	13376.91	17252.12	14367.82	83.28	24.40
12	Interest payments	1124.98	1256.93	1284.81	102.22	2.18
13	Capital Expenditure (b) (14+15)	886.97	1910.14	834.97	43.71	1.42
14	Capital outlay	883.22	1908.12	832.08	43.61	1.41
15	Loan and advances	3.75	2.02	2.89	143.07	0.005
16	Total Expenditure (11+13)	14263.88	19162.26	15202.79	79.34	25.82
17	Revenue Deficit (5-11)	(-) 2375.32	(-) 240.93	(-)1075.42	446.36	1.82
18	Fiscal Deficit {16-(5+6+7)}	3261.56	(-)2149.07	(-)1909.14	88.84	3.24
19	Primary Deficit (18-12)	2136.58	(-) 892.14	(-) 624.33	69.98	1.06

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

(b) Expenditure on Capital Account includes Capital Expenditure and Loans and Advances disbursed

(c) Includes back to back loan of ₹ 226.00 crore given by the GoI in lieu of compensation of GST without any repayment obligations.

1.4.2 Assets and liabilities of the State Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds, and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

Table 1.3: Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
	2019-20	2020-21	Per cent increase		2019-20	2020-21	Per cent increase		
Consolidated Fund									
A	Internal Debt	11027.69	12639.64	14.62	A	Gross Capital Outlay	28744.43	29576.51	2.89
B	Loans and Advances from GoI	184.37 ¹	679.52 ²	268.56	B	Loans and Advances	196.53	198.17	0.83
Contingency Fund		10.00	10.00	0.00					
Public Account									
A	Small Savings, Provident Funds, etc.	5169.22	5807.92	12.36	A	Advances	0.87	0.07	(-) 91.95
B	Deposits	1162.67	1404.48	20.80	B	Remittance	360.80	393.14	8.96
C	Reserve Funds	625.57	949.00	51.70	C	Suspense and Miscellaneous	111.82	113.84	1.81
D	Remittances	-	-	--	Cash balance (including investment in Earmarked Fund)		1046.17	2414.51	130.80
		18179.52	21490.57	18.21	Total		30460.62	32696.24	7.34
		12281.10 ³	11205.67	(-) 8.76	Cumulative Excess of receipt over Expenditure		-	-	-
Total		30460.62	32696.24				30460.62	32696.24	7.34

Source: Finance Accounts

During 2020-21, the total liabilities of the State Government increased by 18.21 per cent as compared to the previous year mainly due to increase in Internal Debt by ₹ 1,611.95 crore (14.62 per cent), Loans and Advances from GoI by ₹ 495.15 crore (268.56 per cent) (Including back to back loan of ₹ 226.00 crore given by the GoI in lieu of compensation of GST without any repayment obligations), Small Savings, Provident Funds by ₹ 638.70 crore (12.36 per cent) and Deposits by ₹ 241.81 crore (20.80 per cent) during the year.

¹ Decrease by ₹ 0.14 crore due to inclusion of write off of Loans by GoI during 2020-21

² Includes back to back loan of ₹ 226.00 crore given by the GoI in lieu of compensation of GST without any repayment obligations.

³ Increased by ₹ 0.14 crore due to inclusion of write off of Loans by GoI during 2020-21.

On the other hand, the Assets of the State Government increased by ₹ 2,235.62 crore (7.34 per cent) during 2020-21 as compared to previous year mainly due to increase in Gross Capital assets by ₹ 832.08 crore (2.89 per cent) and increase in cash balances including investment by ₹ 1,368.34 crore (130.80 per cent) offset by decrease of Advances of ₹ 0.80 crore (91.95 per cent) during the year.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

When a government spends more than it collects by way of revenue, it incurs a deficit. There are various measures that capture government deficit.

<p>Revenue Deficit/ Surplus (Revenue Expenditure – Revenue Receipts)</p>	<p><i>Refers to the difference between revenue expenditure and revenue receipts.</i></p> <ul style="list-style-type: none"> • When the government incurs a revenue deficit, it implies that the government is dis-saving and is using up the savings of the other sectors of the economy to finance a part of its consumption expenditure. • Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even revenue expenditure. Moreover, part of capital receipts was utilised to meet revenue expenditure, reducing availability of capital resources to that extent for creation of capital assets. • This situation means that the government will have to borrow not only to finance its investment but also its consumption requirements. This leads to a build-up of stock of debt and interest liabilities and forces the government, eventually, to cut expenditure. • If major part of revenue expenditure is committed expenditure (interest liabilities, salaries, pensions), the government reduces productive expenditure or welfare expenditure. This would mean lower growth and adverse welfare implications.
<p>Fiscal Deficit/ Surplus (Total expenditure – (Revenue receipts + Non-debt creating capital receipts))</p>	<p><i>It is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the total expenditure. Fiscal Deficit (FD) is reflective of the total borrowing requirements of Government.</i></p> <ul style="list-style-type: none"> • Fiscal deficit is the difference between the government’s total expenditure and its total receipts excluding borrowing. • Non-debt capital receipts are those receipts, which are not borrowings, and, therefore, do not give rise to debt. Examples are recovery of loans and the proceeds from the sale of SPSEs. • The fiscal deficit will have to be financed through borrowing. Thus, it indicates the total borrowing

	<p>requirements of the government from all sources.</p> <p>Governments usually run fiscal deficits and borrow funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus, it is desirable to fully utilise borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest.</p>
<p>Primary Deficit/ (Gross fiscal deficit – Net Interest liabilities)</p>	<p><i>Refers to the fiscal deficit minus the interest payments.</i></p> <ul style="list-style-type: none"> • Net interest liabilities consist of interest payments minus interest receipts by the government on net domestic lending. • The borrowing requirement of the government includes interest obligations on accumulated debt. To obtain an estimate of borrowing because of current expenditures exceeding revenues, we need to calculate the primary deficit.

Deficits must be financed by borrowing and this gives rise to government debt. The concepts of deficit and debt are closely related. Deficits can be thought of as a flow, which add to the stock of debt. If government continues to borrow year after year, it leads to accumulation of debt and the government has to pay more and more by way of interest. These interest payments themselves contribute to debt.

By borrowing, government transfers the burden of reduced consumption on future generations. This is because it borrows by issuing bonds to the people living at present but may decide to pay off the bonds some twenty years later by raising taxes or reducing expenditure. Also, government borrowing from the people reduces the savings available to the private sector. To the extent that this reduces capital formation and growth, debt acts as a ‘burden’ on future generations.

However, if government deficits succeed in their goal of raising production, there will be more income and, therefore, more saving. In this case, both government and industry can borrow more. Also, if the government invests in infrastructure, future generations may be better off, provided the return on such investments is greater than the rate of interest. The actual debt could be paid off by the growth in output. The debt should not then be considered burdensome. The growth in debt will have to be judged by the growth of the economy (State GDP) as a whole.

Government deficit can be reduced by an increase in taxes or reduction in expenditure. There has also been an attempt to raise receipts through the sale of shares in SPSEs. However, the major thrust has been towards reduction in government expenditure. This could be achieved through making government activities more efficient through better planning of programmes and better administration.

The State Government has passed Fiscal Responsibility and Budget Management Act (FRBM), 2005 with the objective of ensuring prudence in fiscal management by

eliminating revenue deficit, reducing fiscal deficit and overall/ outstanding debt to acceptable level, establishing improved debt management and improving transparency in a medium term framework. In this context, the Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level.

As per amendment (Fourth Amendment) to the Tripura FRBM Act, 2005 in 2020, the State Government fixed/Projected some Fiscal variables for improvement of debt arrangement and improving transparency in a medium term frameworks as detailed in **Table 1.4**.

Table 1.4: Compliance with provisions of State FRBM Act 2005

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	Nil deficit	790.32	(-) 289.27	141.69	(-) 2375.32	(-) 1075.42
		✓	✗	✓	✗	✗
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	3.25 per cent Up to 2019-20 and 5.00 per cent for 2020-21	(-) 6.41	(-) 4.74	(-)2.69	(-) 5.89	(-) 3.24
		✗	✗	✓	✗	✓
Ratio of total outstanding liabilities to GSDP (in per cent)	36.30 per cent for 2020-21	28.52	29.51	29.65	31.95	35.42 ⁴
		✓	✓	✓	✓	✓

As seen from **Table 1.4**, the State has not achieved the target fixed for nil Revenue Deficit during the year 2020-21. During 2020-21, the State witnessed revenue deficit of ₹ 1,075.42 crore. However, Revenue deficit decreased by ₹ 1,299.90 crore (54.73 per cent) during the year as compared to 2019-20. Fiscal Deficit target as percentage to GSDP was fixed as 5.00 per cent for 2020-21, in view of the additional admissible fiscal deficit of two per cent for the year 2020-21 over and above of three per cent of GSDP as per the amendment FRBM Act, 2005. The State, however, met this target as it was 3.24 per cent during the year. The State had also achieved the target set in the FRBM Act in respect of outstanding liabilities to GSDP in the last five year period 2016-21 as it was 35.42 per cent in 2020-21 against the target of 36.30 per cent for the year.

The projection and actuals receipts of various components of Revenue Receipts for the year 2020-21 against the Medium Term Fiscal Priority (MTFP) are shown in **Table 1.5**.

⁴ Excludes back to back loan of ₹ 226.00 crore from total outstanding liabilities of ₹ 21083.10 crore, given by the GoI in lieu of compensation of GST without any repayment obligations.

Table 1.5: Actuals vis-à-vis projection in MTFP for 2020-21

(₹ in crore)

Sl. No.	Fiscal Variables	Projection as per MTFP(RE)	Actuals (2020-21)	Variation (in per cent)
1	Own Tax Revenue	2173.00	2332.44	7.34
2	Non-Tax Revenue	293.00	285.49	(-) 2.56
3	Share of Central Taxes	3935.00	4218.45	7.20
4	Grants -in-aid from GoI	8014.88	6456.02	(-) 19.45
5	Revenue Receipts (1+2+3+4)	14415.88	13292.40	(-) 7.79
6	Revenue Expenditure	16730.75	14367.82	(-) 14.12
7	Revenue Deficit (-)/ Surplus (+) (5-6)	(-) 2314.87	(-)1075.42	(-) 53.54
8	Fiscal Deficit (-)/ Surplus (+)	(-) 4084.96	(-) 1909.14	(-)53.26
9	Outstanding liabilities to GSDP ratio (per cent)	36.30	35.81	(-) 0.49
10	GSDP growth rate at current prices (per cent)	6.73	5.41	(-) 1.32

Chart 1.4 shows the trends of surplus/ deficits during last five years.

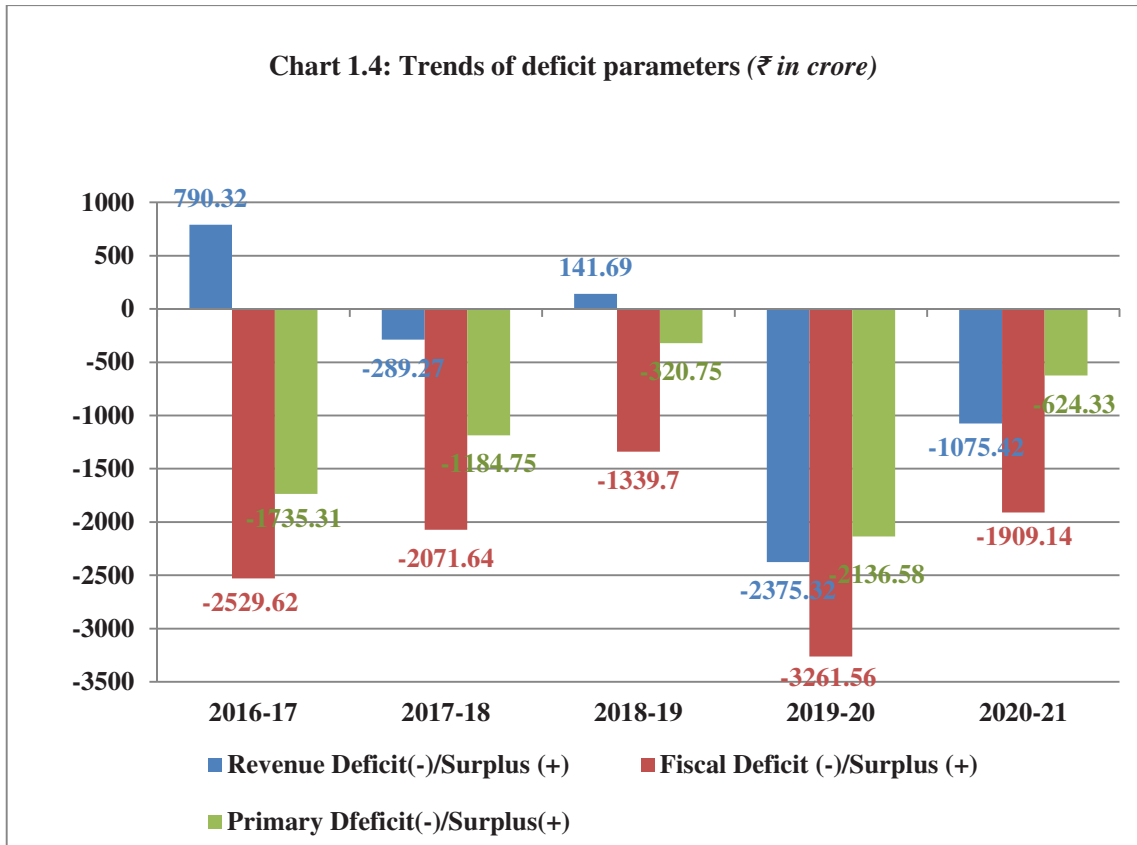


Chart 1.5 shows the trends of surplus/deficit relative to GSDP (in *per cent*) during last five years.

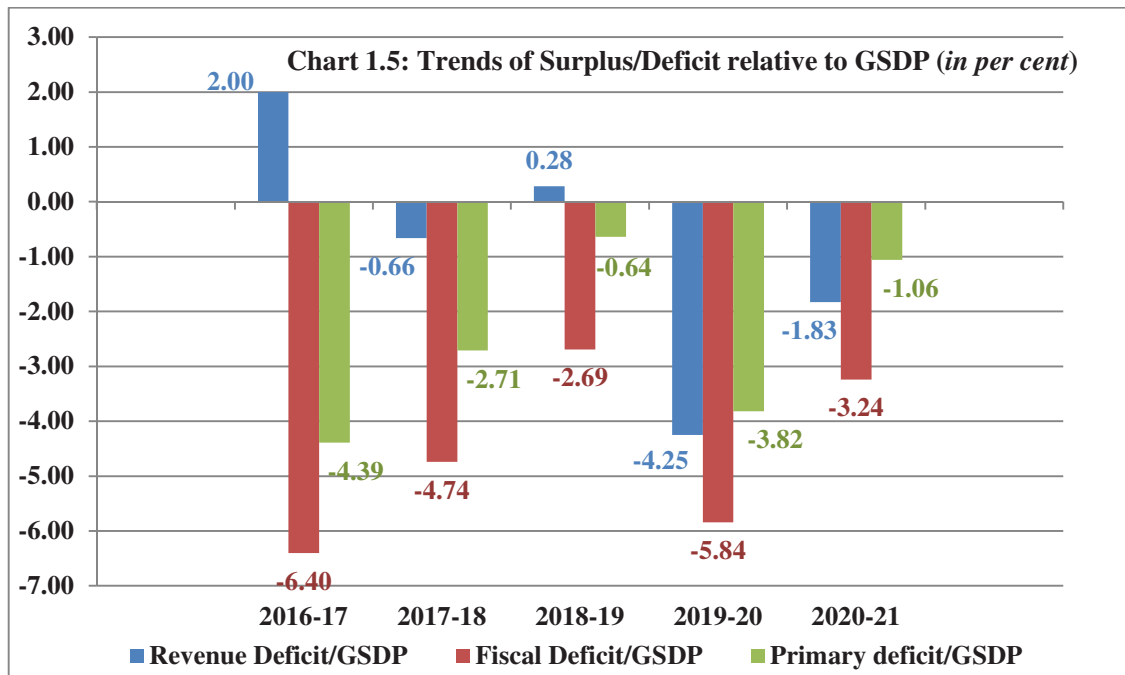
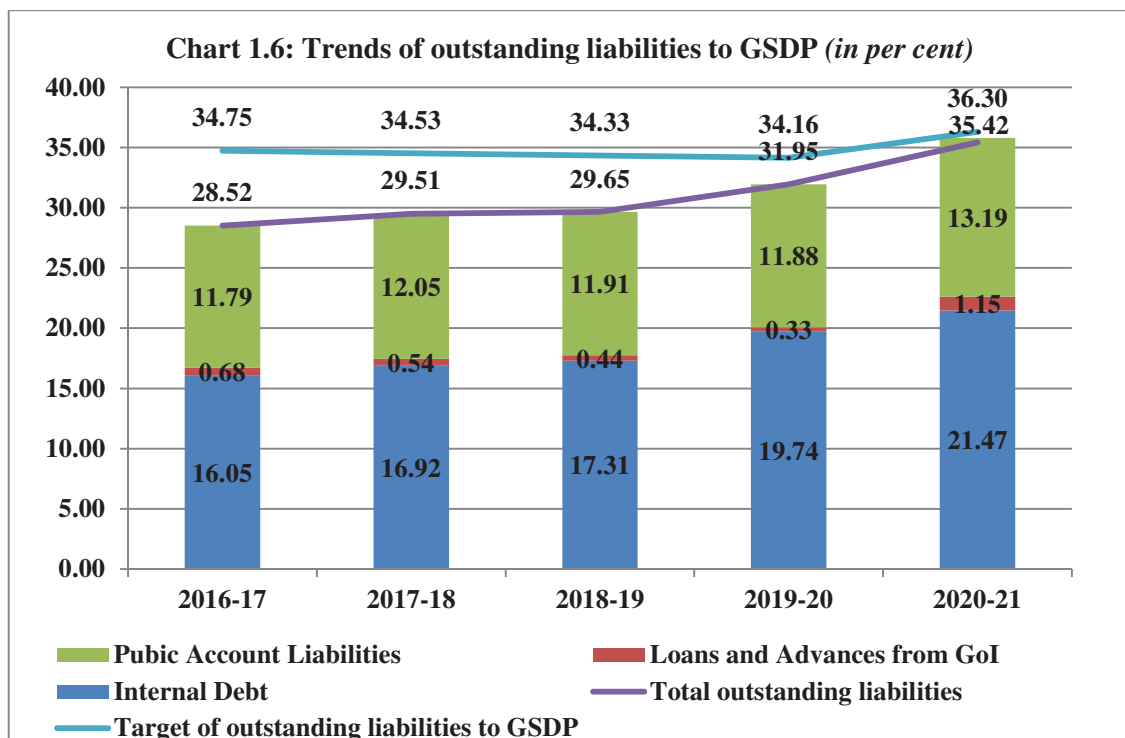


Chart 1.6 shows the trends of outstanding liabilities to GSDP (in *per cent*) during last five years.



1.6 Deficits and Total Debt after examination in audit

In order to present better picture of State Finances, there is a tendency to classify revenue expenditure as capital expenditure and to conduct off budget fiscal operations.

1.6.1 Post audit - Deficits

Misclassification of revenue expenditure as capital and off budget fiscal operations impacts deficit figures. Besides, deferment of clear liabilities, non-deposit of cess/royalty to Consolidated Fund, short contribution to National Pension System (NPS), sinking and redemption funds, *etc.* also impact the revenue and fiscal deficit figures. The impact on Revenue Deficit/Fiscal Deficit due to misclassification, short contribution to earmarked funds and non-discharge of interest liabilities is shown in **Table 1.6**.

Table 1.6: Revenue and Fiscal Deficit, post examination by Audit

Particulars	Impact on Revenue Deficit {Understated (+)/overstated (-)} (₹ in crore)	Impact on Fiscal Deficit (Understated) (₹ in crore)	Para Reference
Short-contribution to Consolidated Sinking Fund	44.23	44.23	2.5.2.1
Less transfer to the State Disaster Response Fund	3.78	3.78	2.5.2.2
Grants-in-Aid booked under Capital section instead of Revenue	13.91	nil	2.4.3.1
Non discharge of Interest liabilities	14.66	14.66	2.5.2.2, 2.4.2.3& 4.3
Short transfer to Road and Bridges Fund (Road Development Fund)	0.14	0.14	2.5.2.3
Short contribution to Guarantee Redemption Fund	0.91	0.91	2.5.2.3
Total	77.63	63.72	

Source: Finance Accounts and audit analysis

As seen from **Table 1.6**, the State Government had not contributed ₹ 44.23 crore to the Consolidated Sinking fund and short contribution of Guarantee Redemption Fund of ₹ 0.91 crore during the year 2020-21. Further, the State had not discharged interest liabilities of ₹ 14.66 crore towards interest bearing Reserve Funds during 2020-21. Moreover, an expenditure of ₹ 13.91 crore was incurred as grants-in-aid under capital account instead of revenue account in 2020-21. As a result, there was understatement of ₹ 77.63 crore in revenue deficit and ₹ 63.72 crore in the fiscal deficit during the year 2020-21.

The State Government should ensure proper classification of booking of expenditure and discharging of committed liabilities as mandated to avoid accumulating liabilities for future.

1.6.2 Total outstanding liabilities

The outstanding liabilities of the State as on 31 March 2021 were as under:

Table 1.7: Outstanding liabilities of the State as on 31 March 2021

Liabilities upon the Consolidated Fund (Public Debt)	Internal Debt: ₹ 12,639.64 crore <ul style="list-style-type: none"> ➤ Market Loans bearing interest: ₹ 10,733.83 crore ➤ Market Loans not bearing interest: ₹ 0.01 crore ➤ Loans from Life Insurance Corporation: ₹ 17.69 crore ➤ Loans from other Institutions, <i>etc.</i>: ₹ 932.72 crore ➤ Special Securities issued to the National Small Saving Fund of the Central Government: ₹ 955.39 crore
	Loans and Advances from Central Government: ₹ 679.52 crore <ul style="list-style-type: none"> ➤ Non-plan Loans: ₹ 2.37 crore ➤ Loans for State Plan Schemes: ₹ 119.96 crore ➤ Loans for Special Plan Schemes: Nil ➤ Loans for Centrally Sponsored Plan Schemes: ₹ 13.36 crore ➤ Other loans including Block loans: ₹ 543.83 crore⁵
Liabilities upon Public Account	Small Savings, Provident Funds, <i>etc.</i> : ₹ 5,807.92 crore
	Deposits: ₹ 1,404.48 crore
	Reserve Funds: ₹ 551.52 crore
	Suspense & Misc. Balances: Nil
	Remittance balance: Nil
Borrowings by State Public Sector Companies, corporations and other bodies	Nil
Borrowing by SPVs and other equivalent instruments	

1.7 Conclusion

The fiscal position of the State is viewed in terms of three key fiscal parameters – Revenue Deficit/ Surplus, Fiscal Deficit/ Surplus and the ratio of Outstanding Debt to GSDP.

The GSDP of Tripura grew from ₹ 39,479 crore in 2016-17 to ₹ 58,880 crore (Advance Estimates) in 2020-21 with Compounded Annual Growth Rate (CAGR) of

⁵ Includes back to back loan of ₹ 226.00 crore given by the GoI in lieu of compensation of GST without any repayment obligations.

8.32 *per cent*. However, there was a decline in the growth rate from 13.97 *per cent* in 2018-19 to 12.11 *per cent* in 2019-20 and further 5.42 *per cent* in 2020-21.

The State could achieve Revenue Surplus only during two years out of the five-year period from 2016-17 to 2020-21. During 2020-21, the State ended up with a Revenue Deficit of ₹ 1,075.42 crore.

The State was successful in containing the Fiscal Deficit below the target as per Tripura State Fiscal Responsibility and Budget Management (FRBM) Act, 2005 of GSDP in two out of the last five years. During the current year i.e., 2020-21, Fiscal Deficit of the State stood at 3.24 *per cent* of GSDP, which was within the limit fixed by State FRBM Act.

During the five-year period 2015-20, outstanding debt of the State remained within the norms prescribed in the State FRBM Act. However, the outstanding debt during 2020-21 (₹ 13,319.17 crore) increased by ₹ 2106.97 crore (18.79 *per cent*) as compared to ₹ 11,212.20 crore during 2019-20.

During the year, Revenue Deficit was understated by ₹ 77.63 crore and Fiscal Deficit was also understated by ₹ 63.72 crore due to misclassification of Grants-in-Aid of ₹ 13.91 crore under Capital Section instead of Revenue Section, short contribution of ₹ 49.06 crore to earmarked funds and non-discharge of interest liabilities of ₹ 14.66 crore by the State Government as observed in Audit.

1.8 Recommendations

- *Considering the increasing outstanding debt of the State, the Government may take appropriate steps to rationalise its committed revenue expenditure.*
- *The State Government may book grants- in -aid as revenue expenditure to present correct financial position of the State. Similarly, it may consider discharging its interest liabilities on time, transfer money to the Consolidated Fund and reconcile the accounting discrepancies with the Reserve Bank of India/Banks as regards pension payments of the State.*

CHAPTER-II
FINANCES OF THE STATE

CHAPTER-II

FINANCES OF THE STATE

2.1 Major changes in Key fiscal aggregates in 2020-21

This section gives a bird's eye view of the major changes in key fiscal aggregates of the State during the financial year, compared to the previous year. Each of these indicators would be analysed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2020-21 compared to 2019-20

Revenue Receipts	<ul style="list-style-type: none">➤ Revenue receipts of the State increased by 20.82 per cent➤ Own Tax receipts of the State increased by 10.97 per cent➤ Own Non-tax receipts increased by 5.09 per cent➤ State's Share of Union Taxes and Duties increased by 0.16 per cent➤ Grants-in-Aid from Government of India increased by 46.18 per cent
Revenue Expenditure	<ul style="list-style-type: none">➤ Revenue expenditure increased by 7.41 per cent➤ Revenue expenditure on General Services increased by 3.15 per cent➤ Revenue expenditure on Social Services increased by 7.79 per cent➤ Revenue expenditure on Economic Services increased by 18.78 per cent➤ Expenditure on Grants-in-Aid and contributions increased by 6.92 per cent
Capital Expenditure	<ul style="list-style-type: none">➤ Capital expenditure decreased by 5.79 per cent➤ Capital expenditure on General Services increased by 1.30 per cent➤ Capital expenditure on Social Services increased by 2.28 per cent➤ Capital expenditure on Economic Services decreased by 13.27 per cent
Loans and Advances	<ul style="list-style-type: none">➤ Disbursement of Loans and Advances decreased by 22.93 per cent➤ Recoveries of Loans and Advances increased by 71.23 per cent
Public Debt	<ul style="list-style-type: none">➤ Public Debt Receipts decreased by 12.57 per cent➤ Repayment of Public Debt decreased by 16.63 per cent
Public Account	<ul style="list-style-type: none">➤ Public Account Receipts increased by 30.23 per cent➤ Disbursement of Public Account increased by 33.63 per cent
Cash Balance	<ul style="list-style-type: none">➤ Cash balance increased by ₹ 1,368.34 crore (130.80 per cent)

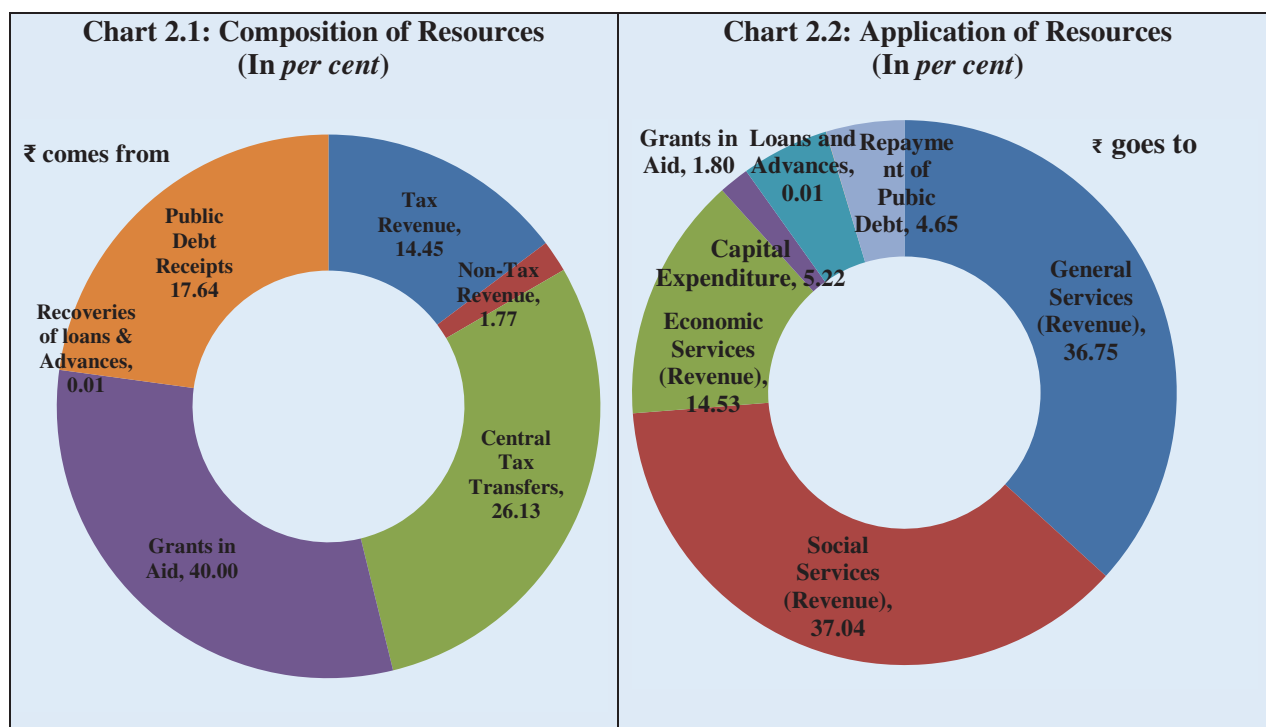
2.2 Sources and Application of Funds

This section compares the components of the sources and application of funds of the State during the financial year compared to the previous year.

Table 2.2: Details of Sources and Application of funds during 2019-20 and 2020-21

(₹ in crore)

	Particulars	2020-21	2019-20	Increase(+)/ Decrease(-)
Sources	Opening Cash Balance with RBI	1,046.17	968.52	77.65
	Revenue Receipts	13,292.40	11,001.59	2,290.81
	Recoveries of Loans and Advances	1.25	0.73	0.52
	Public Debt Receipts (Net)	2,107.11	2,368.70	(-) 261.59
	Public Account Receipts (Net)	1,170.37	970.51	199.86
	Total	17,617.30	15,310.05	2,307.25
Application	Revenue Expenditure	14,367.82	13,376.91	990.91
	Capital Expenditure	832.08	883.22	(-) 51.14
	Disbursement of Loans and Advances	2.89	3.75	(-) 0.86
	Closing Cash Balance with RBI	2,414.51	1,046.17	1,368.34
	Total	17,617.30	15,310.05	2,307.25



2.3 Resources of the State

The resources of the State are;

Revenue receipts consist of tax revenue, non-tax revenue, State's share of Union taxes and duties and Grants-in-aid from the Government of India (GoI).

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Both revenue and capital receipts form part of the Consolidated Fund of the State.

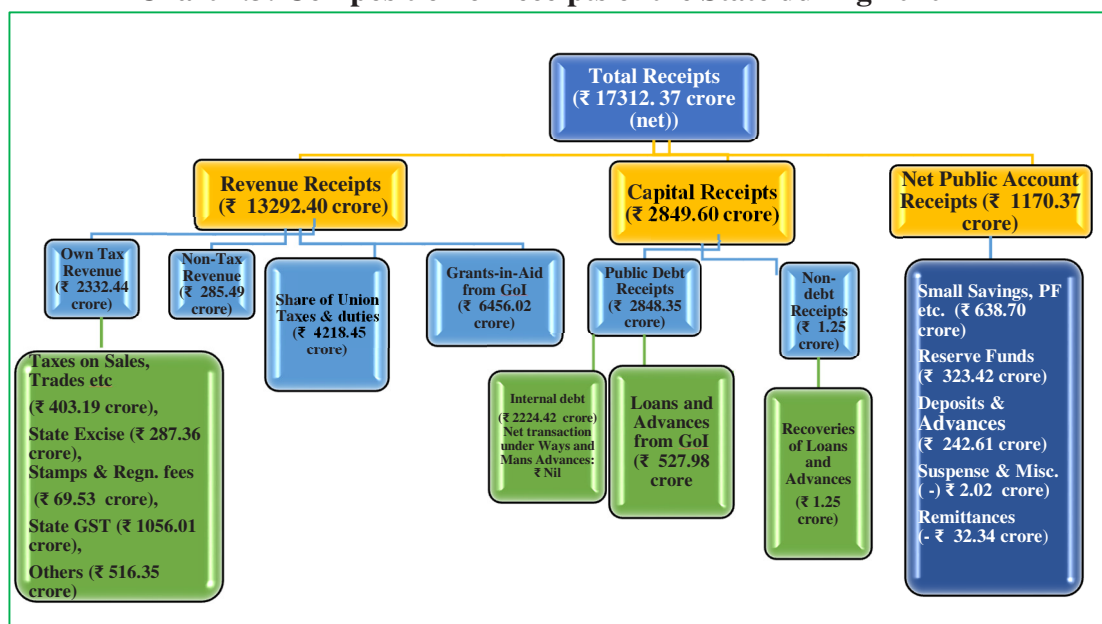
Net Public Account receipts: There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund.

These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

This paragraph provides the composition of the overall receipts. Besides, the Capital and Revenue Receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit.

Chart 2.3: Composition of receipts of the State during 2020-21



2.3.2 State's Revenue Receipts

This paragraph gives the trends in total revenue receipts and its components. It is followed by trends in the receipts bifurcated into receipts from the central government and State's own receipts. Wherever necessary, sub-paragraphs are included.

2.3.2.1 Trends and growth of Revenue Receipts

During 2020-21, the Revenue Receipts increased by ₹ 2,290.81 crore (20.82 per cent) as compared to the previous year mainly due to more release of Grants-in-Aid from Central Government by ₹ 2,039.65 crore (46.18 per cent) and Own-tax Revenue by

₹ 230.65 crore (10.97 per cent) during 2020-21. However, there was a minimum increase in State's Own Non-Tax Revenue (₹ 13.84 crore) and State's Share of Union Taxes (₹ 6.67 crore) during the year. The Revenue Receipts of the State was 22.58 per cent of GSDP (Advanced Estimates) during 2020-21 as compared to 19.70 per cent of GSDP during 2019-20.

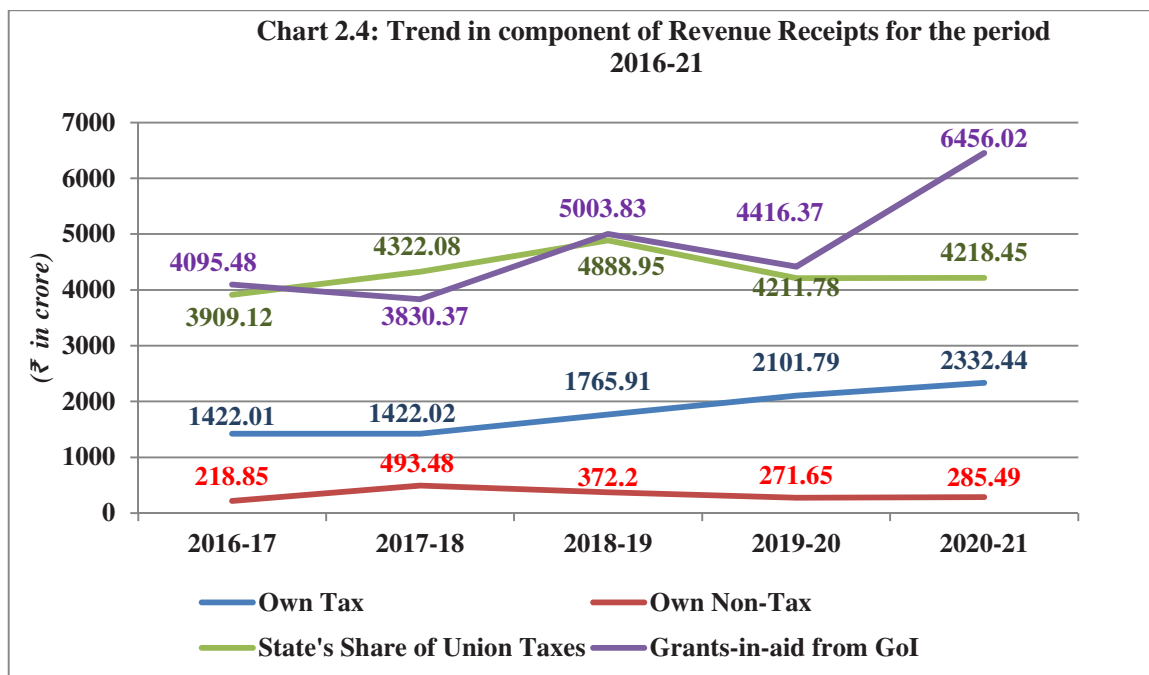
The trends and growth of revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period are shown in **Table 2.3**. Further, trends in revenue receipt and composition of revenue receipts are given in **Chart 2.4**.

Table 2.3: Trend in Revenue Receipts

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Receipts (RR) (₹ in crore)	9645.46	10067.95	12030.89	11001.59	13292.40
Rate of growth of RR (per cent)	2.32	4.38	19.50	(-)8.56	20.82
Own Tax Revenue	1422.01	1422.02	1765.91	2101.79	2332.44
Non-Tax Revenue	218.85	493.48	372.20	271.65	285.49
Total Own Revenue	1640.86	1915.50	2138.11	2373.44	2617.93
Rate of growth of Own Revenue (Own Tax and Non- tax Revenue) (per cent)	2.88	16.74	11.62	11.01	10.30
Gross State Domestic Product (₹ in crore) (2011-12 Series)	39479	43716	49823	55857	58880(A)
Rate of growth of GSDP (per cent)	9.85	10.73	13.97	12.11	5.41
RR/GSDP (per cent)	24.43	23.03	24.14	19.70	22.58
Buoyancy Ratios ¹					
Revenue Buoyancy w.r.t GSDP	0.24	0.41	1.39	(-) 0.70	3.84
State's Own Revenue Buoyancy w.r.t GSDP	0.29	1.56	0.83	0.90	1.90

Source of GSDP figures: Ministry of Statistics and Programme Implementation, Government of India upto 2019-20. GSDP for 2020-21 was as furnished by the Statistical Department, Government of Tripura.

¹ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.85 implies that Revenue Receipts tend to increase by 1.85 percentage points, if the GSDP increases by one per cent.



2.3.2.2 State's Own Resources

State's share in Central taxes is determined on the basis of recommendations of the Finance Commission. Grants-in-aid from Central government is determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes. State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. This sub-paragraph has multiple sub-sub-paragraphs for clarity.

Own Tax Revenue

Own tax revenues of the State consist of State GST, State Excise, Taxes on Vehicles, Stamp Duty and Registration Fees, Land Revenue, Taxes on Goods and Passengers, etc.

The Own Tax Revenue (OTR) receipts increased by ₹ 230.65 crore (10.97 per cent) during the year 2020-21 as compared to the previous year mainly due to increase in collection of SGST by ₹ 29.38 crore (2.86 per cent), State Excise by ₹ 55.66 crore (24.02 per cent) and Other Taxes by ₹ 173.30 crore (73.50 per cent) which was off set by decrease of ₹ 32.69 crore (7.50 per cent) as Sales Tax (VAT) during the year. Other Taxes during the year increased mainly due to increase in collection of Tripura Road Development Cess by ₹ 94.33 crore (58.42 per cent) as compared to previous year. However, the percentage of increase of OTR in Tripura was higher than the average increase of NE and Himalayan States (2.97 per cent) during 2020-21. The trend and composition of the State's Own Tax Revenue during the last five year period is shown in Table 2.4.

Table 2.4: Components of State's own tax revenue

(₹ in crore)

Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	
					Budget Estimates	Actuals
Sales Tax	1,112.89	611.88	361.95	435.88	442.80	403.19
SGST	0.00	479.71	977.44	1,026.63	1,310.70	1,056.01
State Excise	163.19	186.97	214.35	231.70	266.00	287.36
Taxes on Vehicles	43.60	54.38	83.50	97.14	101.00	97.41
Stamp Duty and Registration Fees	41.83	40.16	51.32	61.67	64.00	69.53
Land Revenue	13.32	4.46	5.29	12.98	14.50	9.85
Other taxes	47.18	44.47	72.06	235.79	240.00	409.09 ²
Total Own Tax	1,422.01	1,422.02	1,765.91	2,101.79	2,439.00	2,332.44

Source: Finance Accounts

State Goods and Services Tax (SGST)

As per the GST (Compensation to States) Act, 2017, States will be compensated for the shortfall in revenue arising on account of implementation of the goods and services tax considering an annual growth of 14 per cent from the base year, for a period of five years. The Central Government levies the Integrated Goods and Services Tax (IGST) on inter-state supply of goods and services and apportions the State's share of tax to the State where the goods or services are consumed.

The Tripura Goods and Services Tax (TGST) Act, 2017 was implemented in the State with effect from July 2017. After implementation of the GST Act in July 2017, the State had collected GST of ₹ 479.71 crore, ₹ 977.44 crore and ₹ 1,026.63 crore during 2017-18, 2018-19 and 2019-20 respectively. During 2020-21, the GST collection was ₹ 1056.01 crore in the State. GST Compensation is the revenue of the State Government under the GST Compensation to States Act, 2017. The State received GST compensation of ₹ 129.00 crore, ₹ 155.00 crore, ₹ 171.00 crore and ₹ 276.50 crore during 2017-18, 2018-19, 2019-20 and 2020-21 respectively. In addition to the GST Compensation of ₹ 276.50 Crore as Revenue Receipts, the State Government also received 'back to back loan in lieu of GST Compensation shortfall' amounting to ₹ 226.00 crore under debt receipts of the State Government, with no repayment liability to the State. The State Government had received ₹ 436.56 crore and ₹ 96.30 crore as share of net proceeds under Integrated Goods and Services Tax (IGST) from the Central Government during 2017-18 and 2018-19 respectively.

Monthly collection of various components of SGST during 2020-21 are shown in **Table 2.5**.

² Other taxes includes taxes on Agricultural Income (₹ 0.04 crore); Taxes on Immovable property other than Agricultural Land (₹ 0.13 crore); Other taxes on Income and Expenditure (₹ 40.99 crore); Taxes and Duties on Electricity (₹ 112.09 crore) and Other Taxes and Duties on Commodities and Services (₹ 255.84 crore)

Table 2.5: Month-wise collection of SGST during 2020-21

(*₹ in crore*)

Month	Tax	Interest including penalty & fees	Input Tax Credit Cross utilisation of SGST	Apportionment of IGST. Transferring of taxes	Advance IGST & other Receipts	Total
1	2	3	4	5	6	7
April 2020	8.65	0.09	2.92	1.29	0.00	12.95
May 2020	42.31	0.54	20.73	3.12	0.00	66.70
June 2020	35.00	0.50	31.15	4.08	0.01	70.74
July 2020	25.43	0.29	61.64	9.03	0.00	96.39
August 2020	21.06	0.23	40.49	5.78	0.00	67.56
September 2020	26.04	0.23	61.09	7.50	0.00	94.86
October 2020	29.35	0.83	61.30	5.63	0.05	97.16
November 2020	28.77	0.76	60.98	5.18	0.00	95.69
December 2020	38.35	1.62	-4.56	64.29	0.00	99.70
January 2021	34.87	0.77	53.78	6.40	0.00	95.82
February 2021	29.91	0.73	51.71	3.77	47.26	133.38
March 2021	41.41	0.86	47.13	8.10	27.56	125.06
Total	361.15	7.45	488.36	124.17	74.88	1056.01

Source: Information furnished by the State Government

Non Tax Revenue

Non-Tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc.

During the year 2020-21, the Non-tax collection of the State was ₹ 285.49 crore which increased by ₹ 13.84 crore (5.09 per cent) from ₹ 271.65 crore during the previous year mainly due to increase in receipts under Police (₹ 10.67 crore), Public Works (₹ 2.00 crore) and Miscellaneous General Services (₹ 23.67 crore), offset by decrease in receipts under interest and dividend (₹ 2.47 crore); Other Administrative services (₹ 3.07 crore); Industries (₹ 10.71 crore) and Stationery and Printing (₹ 0.65 crore). The major sources of Non-tax revenue during the year 2020-21 were receipts from Industries (31.37 per cent), followed by Police (26.55 per cent) and Forestry and Wild Life (6.81 per cent). The interest receipts during 2020-21 were mainly from the Cash Balance Investment Account (₹ 17.04 crore) by book adjustment.

Table 2.6: Components of State's non-tax revenue during 2016-17 to 2020-21

(₹ in crore)

Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	
					Budget Estimates	Actuals
1. Interest receipts	37.07	276.99	146.11	19.25	22.00	18.11
2. Dividends and Profits	0.05	14.69	2.15	7.95	8.58	6.62
3. Other non-tax receipts(a to f)	181.73	201.80	223.94	244.45	272.42	260.76
a) Minor Irrigation	0.47	0.99	0.84	0.32	0.50	0.20
b) Road Transport	0	0	0	0	0.80	0.06
c) Roads and Bridges	1.40	2.95	6.54	4.91	6.60	2.03
d) Urban Development	0.01	0	0.01	0	0	0
e) Education	2.29	1.48	1.78	1.05	2.00	1.04
f) Others	177.56	196.38	214.77	238.17	261.52	257.43 ³
Total	218.85	493.48	372.20	271.65	302.00	285.49

Source: Finance Accounts

2.3.2.3 Transfers from the Centre

Central transfers (Share of Union Taxes and Grants-in-aid) is the discretionary component and is also considered to be an integral part of the Revenue receipts of the State. The State Government is largely dependent on the Central transfers, which is released by the Central Government as per the recommendation of the Finance Commission. These grants are received by the State through Treasury route and reflected in the Annual Accounts.

During the last 10 years, from 2010-11 to 2019-20, there were two Central Finance Commissions (XIII FC and XIV FC) constituted by the Central Government. As per recommendations of these FCs, the State Government had received a substantial portion of Central grants for implementation of various schemes/programme in the State.

The XIII FC recommended 32 *per cent* share of union taxes to the State during the period for 2010-15 and average devolution of share at 9.31 *per cent* of GSDP during the period.

However, the XIV FC had recommended for increasing the percentage of State's Share of Union Taxes to 42 *per cent* during the FC award period from 2015-16 to 2019-20. As a result, the devolution of State's Share of Union Taxes had substantially increased during the XIV FC Award period.

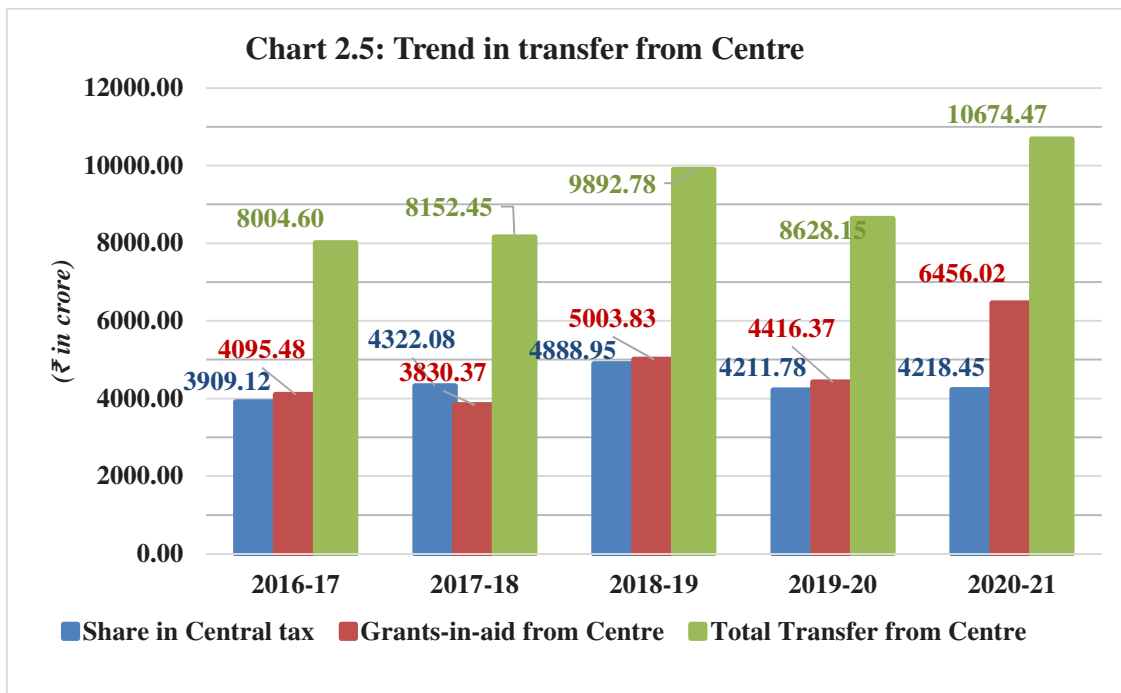
On the other hand, the grant-in-aid from GoI substantially decreased during the XIV FC Award period from 2015-16 to 2019-20 while the quantum of Grants in XIII FC period were more than the XIV FC period due to additional grants recommended by the XIII FC for State specific needs during its award period (2010-15).

³ Include Police (₹ 75.79 crore); Other Administrative Services (₹ 5.22 crore); Miscellaneous General Services (₹ 44.11 crore); Forestry and Wild life (₹ 19.45 crore); Industries (₹ 89.56 crore); Animal Husbandry (₹ 1.57 crore); Crop Husbandry (₹ 2.54 crore) etc. and others (₹ 19.19 crore).

The Fifteenth Central Finance Commission (XV- FC) was constituted on 27th November 2017 by the President of India. The Commission has been mandated to submit two Reports, first Report for the year 2020-21 and a final Report for the period 2021-22 to 2025-26. The Commission submitted its first Report on 05 December 2019 covering the financial year 2020-21 effective from 01 April 2020.

The XV FC recommended 41 *per cent* of the net proceeds of Union Taxes to States against the 42 *per cent* as recommended by the XIV FC. One *per cent* would be retained with the Central Government for financing the requirements of newly formed Union Territories of Jammu & Kashmir and Ladakh. The GoI has accepted the recommendation of the XV FC. The Commission recommended 0.709 *per cent* of the divisible pool of resources as share of net proceeds for Tripura based on the methodology prescribed by it.

The trend and composition of Central Transfers during last five years are shown in **Chart 2.5**.



Details of Central tax transfer

Table 2.7: Details of Central Tax Transfers

Head	2016-17	2017-18	2018-19	2019-20	2020-21	
					Budget Estimates	Actuals
Central Goods and Services Tax (CGST)	0.00	61.64	1206.74	1195.17	1400.00	1258.50
Integrated Goods and Services Tax (IGST)	0.00	436.56	96.30	0.00	119.86	0.00
Corporation Tax	1254.73	1324.23	1700.27	1436.04	1900.00	1269.27
Taxes on Income other than Corporation Tax	872.03	1117.74	1252.18	1125.24	1300.00	1300.84
Customs	539.73	436.40	346.56	266.97	500.00	227.34
Union Excise Duties	616.32	456.20	230.32	185.63	340.00	142.28
Service Tax	623.43	489.35	44.58	-	0.00	17.36
Other Taxes ⁴	2.88	(-0.04)	12.00	2.73	0.14	2.86
Central Tax transfers	3909.12	4322.08	4888.95	4211.78	5560.00	4218.45
Percentage of increase over previous year	19.69	10.56	13.12	(-) 13.85		0.16
Percentage of Central tax transfers to Revenue Receipts	41	43	41	38		32

During 2020-21, the State Government received ₹ 4,218.45 crore as State's Share of Union Taxes against ₹ 6,063.00 crore as recommended by XV FC for the year, which marginally increased by ₹ 6.67 crore from the actual receipts of the State during the previous year mainly due to increase in share of CGST and offset by decrease of the share in Corporation Tax and customs, etc. during the year.

After implementation of the GST Act in July, 2017 in the Country, the Central Government released the share of Central Goods and Service Tax (CGST) of ₹ 61.64 crore during the 1st year (2017-18) which subsequently increased to ₹ 1,206.74 crore during 2018-19 and marginally decreased to ₹ 1,195.17 crore (0.96 per cent) during 2019-20. During 2020-21, the State had received ₹ 1258.50 crore as share of CGST which was 29.83 per cent of total Central Tax transfers to the State. The State had received ₹ 1,269.27 crore during 2020-21 as share of Central Taxes from the Corporation taxes and it was 30 per cent of the total Central Tax transfers against the 34 per cent in 2019-20.

Grants-in-aid from GoI

During 2020-21, the State had received ₹ 6,456.02 crore as net Grants-in-aid from GoI which increased by 46.18 per cent from ₹ 4,416.37 crore during 2019-20, mainly due to more release of funds from GoI under Finance Commission grants and Centrally Sponsored Schemes (CSS) during the year.

⁴ Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on commodities and Services, etc.

Table 2.8: Details of Grants-in-aid from Government of India

(*₹ in crore*)

Head	2016-17	2017-18	2018-19	2019-20	2020-21	
					Budget Estimates	Actuals
Non-Plan Grants	1309.10	0.00	0.00	0.00	0.00	0.00
Grants for State Plan Schemes	2401.04	(-) 1.57	0.00	(-) 5.10	0.00	0.00
Grants for Central Plan Schemes ⁵	186.49	0.00	0.00	0.00	0.00	0.00
Grants for Centrally Sponsored Schemes	136.71	1988.32	1861.03	2254.37	4346.29	2331.45
Grants for Special Plan Schemes	62.14	0.00	0.00	(-) 5.20	0.00	(-)3.12
Finance Commission Grants	0.00	1191.20	1131.10	1063.22	3623.00	3563.95
Other transfers/Grants to States/Union Territories with Legislature	0.00	652.42	2011.70	1109.08	663.39	563.74
Total	4095.48	3830.37	5003.83	4416.37	8710.18	6456.02
Percentage of increase over the previous year	(-) 10.30	(-) 6.47	30.64	(-) 11.74	97.22	46.18
Percentage of GIA to Revenue Receipts	42	38	42	40	65.52	49

Source: Finance Accounts. Minus receipts due to refund amount under the schemes

Scrutiny of the accounts of the State Government for the year 2020-21 revealed that out of the grants received by the State for various Centrally Sponsored Schemes (₹ 2,331.45 crore), ₹ 696.06 crore was received for Rural Development Schemes during the financial year 2020-21. Major funds received for Rural Development Schemes were mainly under National Rural Employment Guarantee Scheme (MGNREGS) (₹ 290.76 crore), National Rural Livelihood Mission (NRLM) (₹ 174.55 crore) followed by Pradhan Mantri Awaas Yojana (PMAY) Gramin (₹ 113.62 crore) during the year.

The State Government received ₹ 472.58 crore from GoI for implementation of various Schemes through the School Education Department of which ₹ 403.71 was received for the Samagra Shiksha Abhiyan (earstwhile Sarva Shiksha Abhiyan) during 2020-21. Further, it was noticed that the Government received ₹ 141.79 crore for Drinking Water and Sanitation Programme of which, ₹ 117.46 crore was for Jal Jeevan Mission (NRDWP) during 2020-21. During 2020-21, the State Government received ₹ 24.20 crore as grants relating to COVID-19 of which, ₹ 23.21 crore was for India Covid-19 Emergency Response and Health System in the State.

Further, **Table 2.8** shows that the other transfers/grants from GoI substantially decreased in 2020-21 as compared to the previous years particularly as compared to the years 2018-19 and 2019-20 due to non-receipt of Special Assistance for Capital

⁵ There are no figures since the nomenclature of plan and non-plan grants was removed with effect from the year 2017-18 and replaced by Grants for CSS, Finance Commission Grants and Other Grants to States

investment/works during the year while during 2018-19 and 2019-20, the State Government received as Special Assistance of ₹ 1,500 crore and ₹ 698.70 crore respectively for undertaking the Capital investment/works in the State. Out of ₹ 698.70 crore received during 2019-20, ₹ 358.70 crore was received for completion of 81 ongoing projects.

During 2020-21, the State had refunded the un-utilised fund of ₹ 3.12 crore to the GoI which was received from the Ministry of DoNER during 2011-12, 2016-17 and 2017-18 under various Special Plan Schemes.

As per records, an amount of ₹ 8.00 lakh was released to the Tourism Department, Government of Tripura by the NEC during 2016-17 towards the programme 'Destination North East-2016' against the total approved project cost of ₹ 10.00 lakh. Out of ₹ 8.00 lakh, ₹ 3.69 lakh remained unspent with the Implementing Agency. The Ministry issued order (May 2020) to the Implementing Agency (Tourism Department) to refund the unspent amount which was refunded by the State Government during 2020-21.

The NEC approved (February 2018) ₹ 4.43 crore for another on-going project 'Infrastructure Development of Kamalpur English Medium H.S School, Kamalpur, Dhalai District, Tripura and released (February 2018) its 1st instalment amounting to ₹ 1.59 crore for the project. Meanwhile the project was dropped by the Project Identification Committee of the State. As a result, the NEC issued order (May 2020) to refund the released amount alongwith accrued bank interest immediately to the Consolidated Fund of India. But the State Government refunded only the principal amount of ₹ 1.59 crore during 2020-21. Further, it was noticed that an amount of ₹ 1.50 crore for Upgradation of Cancer Hospital, Agartala was lying unspent since 2017 with the State Government. The Ministry of DONER issued order (June 2019) to the State to refund the unspent amount to the Consolidated Fund of India which was refunded by the State Government during 2020-21.

It indicates that, the State was not able to utilise the central grants for the purpose for which it was sanctioned. As a result, the stakeholders in the State were deprived of the benefits of the schemes.

Fifteenth Finance Commission (XV FC) Grants

Grants-in-aid from GoI as per recommendation of the XV FC

The XV FC has recommended Grants-in-aid of Revenues to States for Revenue deficit, special grants, nutrition grants, grants for local bodies and disaster management under Article 275 of the Constitution of India. The GoI has accepted the recommendations except Special grants and nutrition grants and requested the Commission for reconsideration.

Accordingly, the GoI had released grants for Local Bodies, Disaster related grants (SDRF/ NDRF), Revenue deficit grants, *etc.* during 2020-21. Against the recommended fund of ₹ 3587 crore (Local Bodies: ₹ 283 crore, Revenue deficit grants: ₹ 3,236 crore and grants under SDRF: ₹ 68.00 crore) for the year 2020-21, the GoI released

₹ 3,563.95 crore (Local Bodies: ₹ 260 crore, Revenue deficit grants: ₹ 3,235.95 crore and grants under SDRF: ₹ 68.00 crore) during the year, resulting in a short release of ₹ 23.05 crore during 2020-21. There was short release of fund of ₹ 23 crore by GoI towards the Urban Local Bodies (ULBs). In addition, the GoI had released ₹ 12.93 crore to the State towards National Disaster Response Fund (NDRF) during 2020-21.

A comparative status of recommendations made by the XIV FC for last year and XV FC for 2020-21 and fund released by GoI there against are shown in **Table 2.9**.

Table 2.9: Recommended funds, actual release and transfers of Grant-in-aid from GoI
(₹ in crore)

Transfers	Recommendation of the XIV FC for 2019-20	Recommendation of the XV FC for 2020-21	Actual release by GoI		Release by State Government	
			2019-20	2020-21	2019-20	2020-21
Local Bodies	169.97	283.00	154.07	260.00	154.07	260.00
(i) Grants to PRIs	101.71	191.00	90.63	191.00	90.63	191.00
(ii) Grants to ULBs	68.26	92.00	63.44	69.00	63.44	69.00
SDRF	34.00	68.00	34.20	68.00	36.10⁶	73.68⁷
Revenue Deficit grant	875.00	3236.00	874.96	3235.95	-	-

Source: XIV-FC & XV-FC Report and Finance Accounts

2.3.3 Capital receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

There was an increasing trend in Capital Receipts in the State during the period from 2016-17 to 2019-20 mainly due to more receipts from Public Debt (net) during the period. However, during 2020-21, the Capital Receipts decreased by ₹ 261.07 crore (11.02 *per cent*) as compared to 2019-20 mainly due to less receipts (net) from Internal Debt by ₹ 788.95 crore (32.86 *per cent*) and offset by increase of Loans from GoI during the year compared to the previous year. The GoI has given Loans and Advances of ₹ 226.00 crore as Back to Back loan in lieu of GST compensation shortfall to State during 2020-21 which bears 4.93 *per cent* interest per annum. As a result, the liabilities of the State to the GoI increased substantially by ₹ 495.15 crore but this includes back to back loan of ₹ 226.00 crore during the year which does not have a repayment obligation. During 2020-21, the State Government had availed ₹ 95.95 crore as Ways and Means Advances and repaid the same along with interest of ₹ 1.50 lakh during 2020-21.

⁶ Includes State share of ₹ 1.90 crore and contribution by Centre ₹ 34.20 crore.

⁷ Includes state share of ₹ 5.68 crore (₹ 3.78 crore for the year 2020-21 and ₹ 1.90 crore for 2019-20).

Table 2.10: Trends in growth and composition of capital receipts

(₹ in crore)					
Sources of State's Receipts	2016-17	2017-18	2018-19	2019-20	2020-21
Capital Receipts	627.84	1034.28	1210.12	2369.43	2108.36
Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
Recovery of Loans and Advances	0.91	1.69	0.60	0.73	1.25
Public Debt Receipts (Net)	626.93	1032.59	1209.52	2368.70	2107.11
Internal Debt	654.93	1063.14	1228.32	2400.91 ⁸	1611.96 ⁹
Growth rate	(-)6.20	62.33	15.54	95.46	(-) 32.86
Loans and advances from GoI	(-)28.00	(-)30.55	(-)18.80	(-)32.21	495.15 ¹⁰
Growth rate	(-)8.91	(-)9.11	(-)38.46	(-)71.33	1637.26
Rate of growth of debt Capital Receipts	(-) 6.78	64.71	17.13	95.84	(-) 11.04
Rate of growth of non-debt capital receipts	(-)20.18	85.71	(-)64.50	21.67	71.23
Rate of growth of GSDP	9.85	10.73	13.97	12.11	5.41
Rate of growth of Capital Receipts (per cent)	(-) 6.80	64.74	17.00	95.80	(-) 11.02

Source: Finance Accounts and for GSDP– Ministry of Statistics and programme Implementation, Government of India.

2.3.4 State's performance in mobilisation of resources

State's share of Union taxes and duties and Grants-in-aid from GoI are determined on the basis of recommendations of the Finance Commission (FC) and State's performance in mobilisation of own resources comprising own tax and non-tax revenue. It is an important part of the State for attaining self-sufficiency or for dependency on Central Government.

During 2020-21, the total Revenue Receipts of the State was ₹ 13,292.40 crore of which, ₹ 2,617.93 crore (19.69 per cent) was from state's own sources only during the year. State Government received over 80 per cent of Revenue from GoI as Grants-in-aid and State's Share of Union Taxes and Duties during the year 2020-21.

The actual collection of Own Tax Revenue during 2020-21 contributed 89 per cent of own resources during the year. The Own Tax Revenue was 95.63 per cent of the Budget Estimates and 95.79 per cent of the XV FC projection for the year 2020-21. **Table 2.11** shows the position of Tax and Non-tax Revenue receipts vis-à-vis projections of FC during 2020-21.

⁸ Including gross figure under Ways and Means Advances availed and repayment made of ₹ 176.66 crore during the year 2019-20

⁹ Including gross figure under Ways and Means Advances availed and repayment made of ₹ 95.95 crore during the year 2020-21.

¹⁰ Includes back to back loan of ₹ 226.00 crore given by the GoI in lieu of compensation of GST without any repayment obligations.

Table 2.11: Tax and non-tax receipts *vis-à-vis* projections for 2020-21*(₹ in crore)*

Particulars	XV-FC projections	Budget Estimates	Actuals	Percentage variation of actual over	
				Budget estimates	FC projections
Own Tax revenue	2435.00	2439.04	2332.44	4.37	4.21
Non-tax revenue	694.00	302.00	285.49	5.47	58.86
Total	3129.00	2741.04	2617.93	4.49	16.33

2.4 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. This paragraph along with sub-paragraphs gives the analysis of allocation of expenditure in the State.

2.4.1 Growth and composition of expenditure

Capital Expenditure: All charges for the first construction of a project as well as charges for intermediate maintenance of the work yet not opened for service and also charges for such further additions and improvements as may be sanctioned under the rules made by competent authority shall be classified as Capital expenditure.

Revenue Expenditure: Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses shall be classified as revenue expenditure.

Tables 2.12, 2.13 and Chart 2.6 present the trend and composition of total expenditure during last five years from 2016-17 to 2020-21 while **Chart 2.7** presents the percentage of expenditure in various services during 2020-21.

During the last five year period, the total expenditure showed an increasing trend from ₹ 12,175.99 crore in 2016-17 to ₹ 15,202.79 crore in 2020-21 mainly due to increase in expenditure on Revenue Account. While the percentage of total expenditure to GSDP during the period 2016-2021 varied from 25.77 to 30.84 *per cent*, the percentage of Revenue expenditure to GSDP varied from 22.43 *per cent* to 24.40 *per cent* during the same period. The percentage of Capital expenditure to GSDP varied from 1.41 *per cent* to 8.34 *per cent* during the period of last five years. It indicates that a major part of the expenditure was incurred for current consumption for running the organisations including establishment and other administrative expenses, instead of creating Capital assets.

During 2020-21, out of total expenditure of ₹ 15,202.79 crore (25.82 *per cent* of GSDP), Revenue expenditure was ₹ 14,367.82 crore (24.40 *per cent* of GSDP) and Capital expenditure was only ₹ 832.08 crore (1.41 *per cent* of GSDP). Loans and Advances

were disbursed by the State amounting to ₹ 2.89 crore during 2020-21. Component wise expenditure are shown in **Table 2.12**.

Table 2.12: Component wise expenditure

(₹ in crore)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	12175.99	12141.28	13371.19	14263.88	15202.79
Revenue Expenditure (RE)	8855.14	10357.22	11889.20	13376.91	14367.82
Capital Expenditure (CE)	3293.57	1777.05	1480.87	883.22	832.08
Loans and Advances	27.28	7.01	1.12	3.75	2.89
As a percentage of GSDP					
TE/GSDP	30.84	27.77	26.83	25.53	25.82
RE/GSDP	22.43	23.69	23.86	23.95	24.40
CE/GSDP	8.34	4.06	2.97	1.58	1.41
Loans and Advances/GSDP	0.07	0.02	0.002	0.007	0.005

Source: GSDP figures as Advanced Estimates for 2020-21 furnished by the Directorate of Economic and Statistics, Government of Tripura.

The composition of total expenditure by activities during the period of last five years is shown in **Table 2.13**.

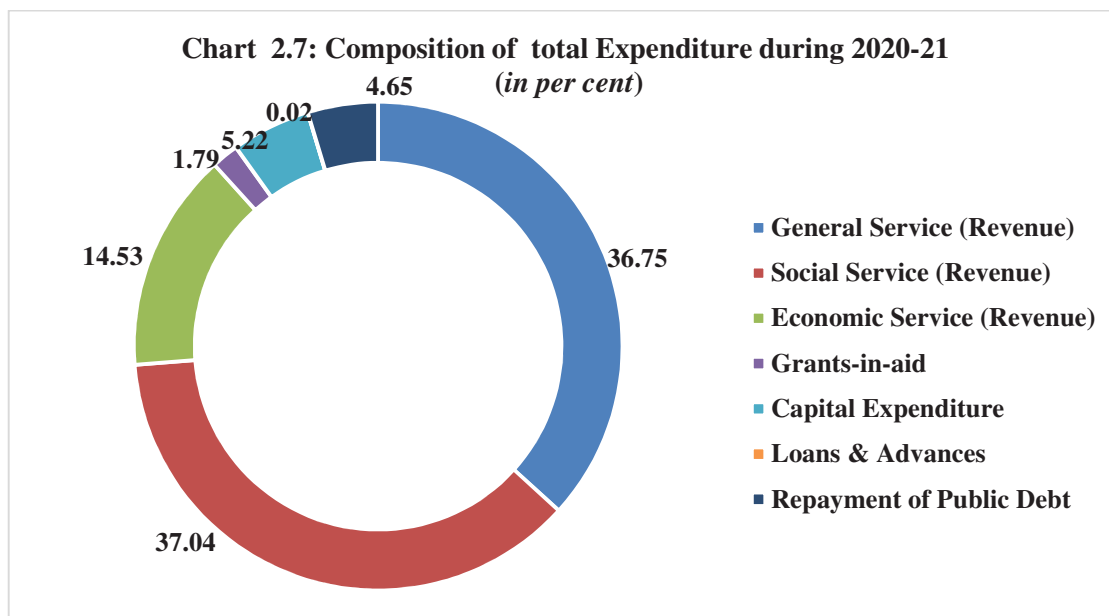
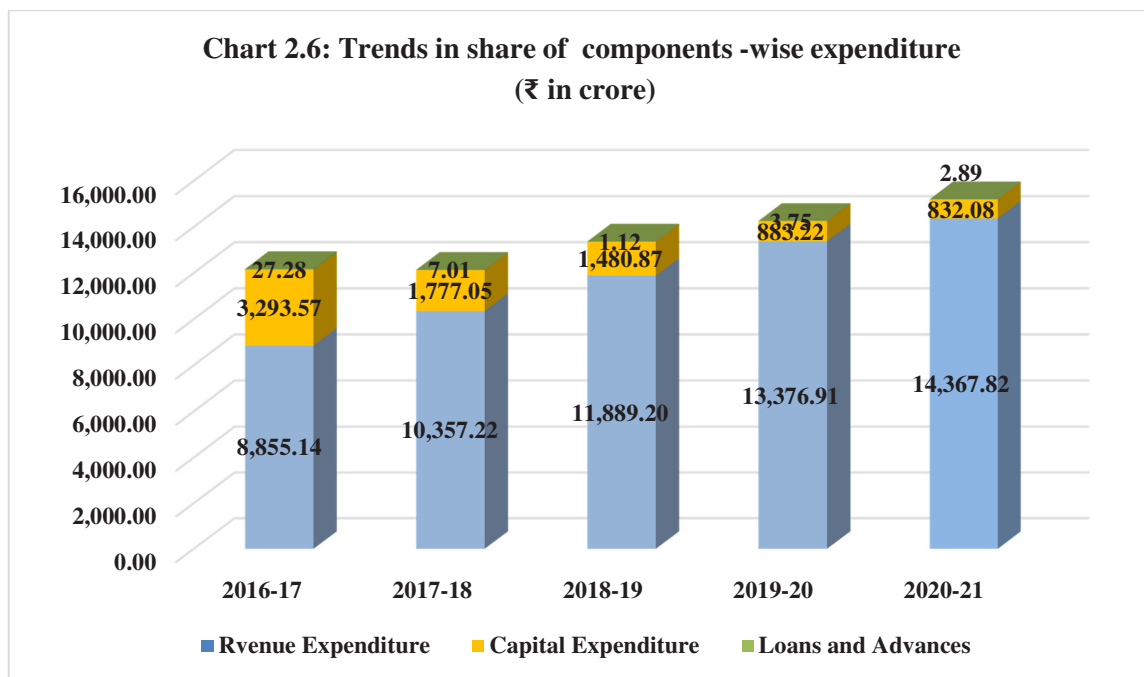
Table 2.13: Relative share of various sectors of expenditure

(in per cent)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
General Services	30.45	37.24	38.97	40.41	39.10
Social Services	41.92	42.87	43.41	40.83	41.17
Economic Services	25.78	17.95	15.86	16.85	17.82
Others (Grants to Local Bodies and Loans and Advances)	1.85	1.94	1.76	1.91	1.91

The above table shows that the percentage of total expenditure in General Services ranged between 30.45 *per cent* and 40.41 *per cent* and in respect of Social Services, it ranged between 40.83 *per cent* and 43.41 *per cent* while the percentage of Economic Services ranged between 15.86 *per cent* and 25.78 *per cent* during the period 2016-17 to 2020-21.

During 2020-21, the percentage of General, Social and Economic Services to total expenditure were 39.10 *per cent*, 41.17 *per cent* and 17.82 *per cent* against the percentage of 40.41 *per cent*, 40.83 *per cent* and 16.85 *per cent* respectively in 2019-20. The percentage of expenditure in General Services, however, decreased from 40.41 *per cent* in 2019-20 to 39.10 *per cent* in 2020-21 mainly due to decrease in expenditure on pension payments and miscellaneous General Services under Revenue account during the year. The percentage to total expenditure in Social Services and Economic services increased marginally during 2020-21. Share of component-wise expenditure during 2016-21 is depicted in **Chart 2.6**.



2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations. As such, it does not result in any addition to the State’s infrastructure and service network.

The trends of Revenue Expenditure (RE) and its basic parameters during the last five year period from 2016-17 to 2020-21 are shown in **Table 2.14**. It shows that the growth of RE during the last five year period ranged between 6.66 per cent and 16.96 per cent and it was 6.66 per cent in 2020-21 which was lower than the previous years. On the other hand, the percentage of RE to TE ranged between 71.02 per cent and 94.51 per cent during the same period and it was 94.51 per cent in 2020-21 which was higher than the previous year. RE as a percentage of RR ranged between 91.81 per cent and 121.59 per cent during the last five year period and it was 108.09 per cent during 2020-21.

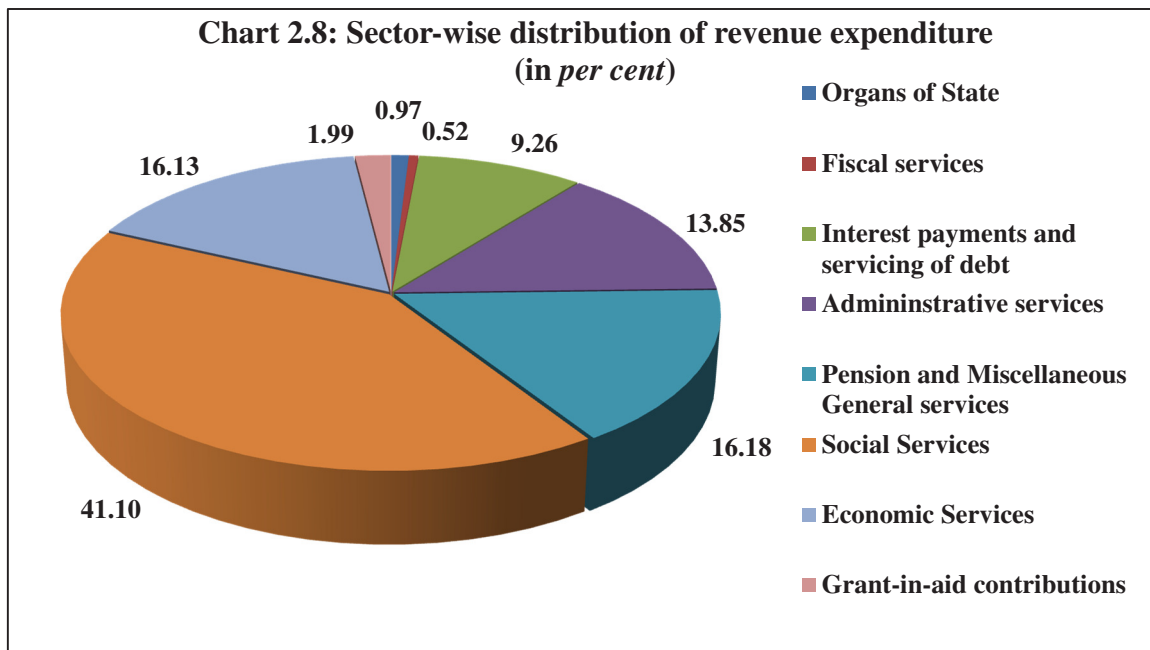
The buoyancy ratio of RE with GSDP during the five year period ranged between 1.03 *per cent* and 1.58 *per cent* and it was 1.37 *per cent* during 2020-21 while the buoyancy ratio of RE to RR ranged between (-) 1.46 *per cent* and 5.41 *per cent* and it was 0.35 *per cent* during 2020-21 resulting the State in revenue deficit for the State during 2020-21.

During 2020-21, the RE has been distributed in different Sectors as shown in **Chart 2.9**.

Table 2.14: Revenue Expenditure – Basic Parameters

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	12175.99	12141.28	13371.19	14263.88	15202.79
Revenue Expenditure (RE)	8855.14	10357.22	11889.20	13376.91	14367.82
Rate of Growth of RE (<i>per cent</i>)	12.54	16.96	14.79	12.51	7.41
Revenue Expenditure as percentage of TE	72.73	85.31	88.92	93.78	94.51
RE/GSDP (<i>per cent</i>)	22.43	23.69	23.86	23.95	24.40
RE as percentage of RR	91.81	102.87	98.82	121.59	108.09
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	1.27	1.58	1.06	1.03	1.37
Revenue Receipts (ratio)	5.41	3.87	0.76	(-)1.46	0.35

Source: Finance Accounts of respective years



2.4.2.1 Major changes in Revenue Expenditure

Significant Variations under various Heads of Account with regard to revenue expenditure of the State during the current year *vis-a-vis* the previous year are shown in **Table 2.15**.

Table 2.15: Variation in Revenue Expenditure during 2020-21 compared to 2019-20
(₹ in crore)

Major Heads of Account	2020-21	2019-20	Increase(+)/ Decrease (-)
2055-Police	1383.82	1332.81	51.01
2015- Elections	13.50	68.64	(-)55.14
2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	467.01	359.50	107.51
2202-General Education	2313.82	2481.60	167.78
2501-Special Programmes for Rural Development	207.07	251.96	(-) 44.89
2071-Pensions and other Retirement Benefits	2321.61	2370.59	(-) 48.98
2851- Village Industries	73.77	55.74	18.03
2049-Interest Payments	1284.81	1124.95	159.86
2217-Urban Development	628.21	247.32	380.89
2216-Housing	224.49	258.58	(-) 34.09
2406-Forestry and Wild Life	154.18	125.39	28.79
2515-Other Rural Development Programmes	581.73	429.06	152.67

It shows that there were major changes in expenditure during 2020-21 as compared to the previous year under Major Heads 2217, 2202, 2049, 2225, 2515. Revenue expenditure increased by 154.01 *per cent* under Major Head 2217-Urban Development mainly due to increase in expenditure in respect of constructions, Special component Plan for Scheduled Castes and Tribal Area Sub-plan, Assistance to local bodies, Corporations, urban development and Town improvement, *etc.* during the year. Expenditure increased by 14.21 *per cent* under 2049-Interest payments during 2020-21 mainly due to interest payments on Internal Market Loans, management of Debt, interest payment on State Provident Funds, *etc.* Revenue expenditure incurred under Major Head 2515-Other Rural Development programme was more than 35.58 *per cent* during 2020-21 as compared to the previous year mainly due to more expenditure on community development, Special component plan for SC, Tribal Area Sub-plan and DRDA Administration respectively. However, there was a decrease in expenditure under Major Heads 2216, 2015, 2071 and 2501 during the year 2020-21. As no Elections to Parliament/State legislatures were held during the year, hence, there was decrease in expenditure in MH 2015-Elections. Further, under MH 2501- Special Programme for Rural Development, there was decrease in expenditure by 17.82 *per cent* mainly due to decrease in expenditure for project implementation and special component for SC during the year.

As per information furnished (August 2021) by the State Government, an expenditure amounting to ₹ 19.72 crore was incurred from the Revenue account in various heads (2210, 2211, 2202, 2220 and 2056) relating to COVID-19 for taking preventive and mitigation measures of the pandemic situation in the State during the year 2020-21 as no specific object head was created for incurring COVID related expenditure during the year.

2.4.2.1(a) Special Assistance for Capital works and utilisations of funds

During 2020-21, the State Government has not received any Special Assistance for undertaking Capital Investments/works. However, during last three years from 2017-18 to 2019-20 the State had received the Special Assistance for this purpose. During 2018-19 an amount of ₹ 1500 crore was received from the GoI in two instalments as One Time Special Assistance-Capital. As per information furnished by the State Government (May 2020), the status of utilisation of Special Assistance of ₹ 750.00 crore (out of ₹ 1500 crore) which was released by the Ministry of Finance, GoI (September 2018) was sent to the NITI Aayog (November 2018) showing only the status of allocation of the fund among 25 State Government Departments during 2018-19. Further, during 2019-20, the State had received ₹ 658.70 crore as Special Assistance for Capital works out of which ₹ 358.70 crore was received for completion of 81 ongoing projects in the State. The State was requested to furnish the information on utilisation of this fund. But no reply has been received (November 2021). As such, it could not be ascertained whether the fund was utilised for the intended purpose by the implementing Agencies.

During 2020-21, the GoI sanctioned ₹ 300.00 crore under the Scheme for Special Assistance as Loan to State for Capital Expenditure.

2.4.2.2 Committed Expenditure

Committed Expenditure (CE) of the State Government on revenue account consists of interest payments; expenditure on salaries and wages and pensions. It has first charge on Government resources. Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector. The components of Committed Expenditure during 2016-17 to 2020-21 are given in **Table 2.16**.

Table 2.16: Components of Committed Expenditure during 2016-17 to 2020-21

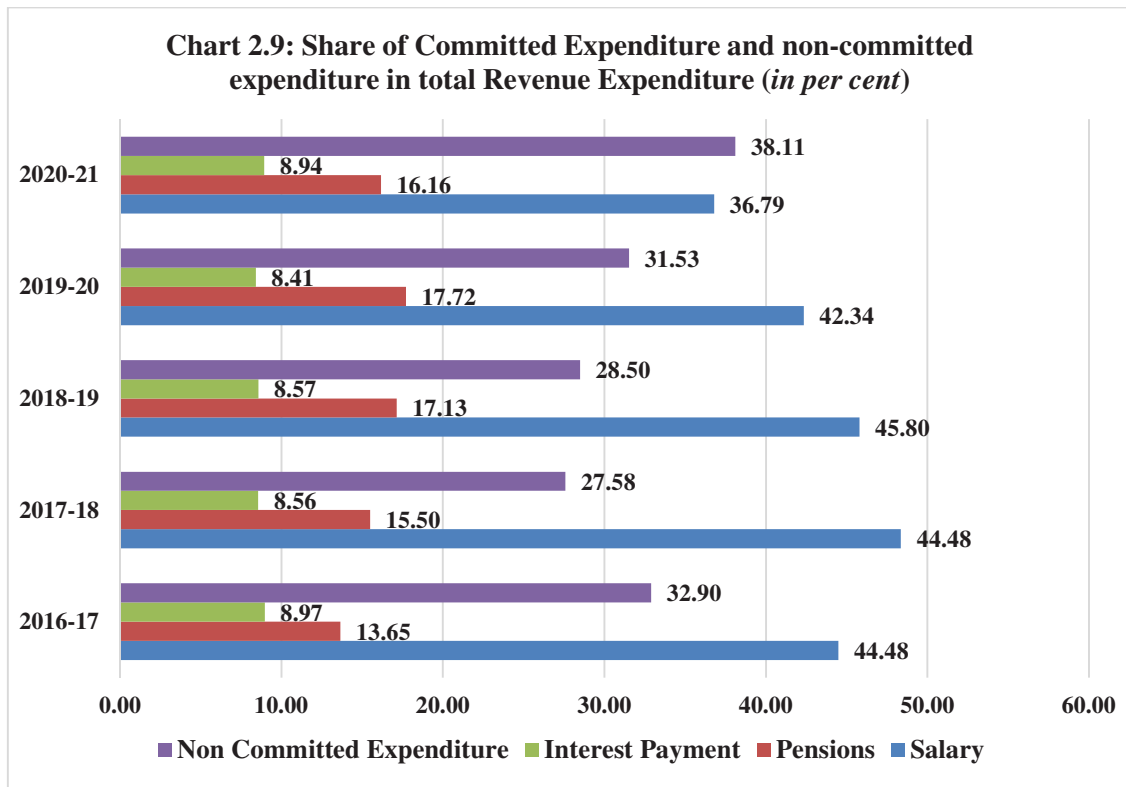
(₹ in crore)

Components of Committed Expenditure	2016-17	2017-18	2018-19	2019-20	2020-21
Salaries & Wages ¹¹	3938.74	5008.87	5445.23	5663.10	5285.81
Expenditure on Pensions	1208.67	1605.23	2036.49	2370.59	2321.61
Interest Payments	794.31	886.89	1018.95	1124.98	1284.81
Total	5914.72	7500.99	8500.67	9158.67	8892.23
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	40.84	49.75	45.26	51.48	39.77
Expenditure on Pensions	12.53	15.94	16.93	21.55	17.47
Interest Payments	8.23	8.81	8.47	10.22	9.67
Total	61.32	74.50	70.66	83.25	66.90
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	44.48	48.36	45.80	42.34	36.79
Expenditure on Pensions	13.65	15.50	17.13	17.72	16.16
Interest Payments	8.97	8.56	8.57	8.41	8.94
Total	66.79	72.42	71.50	68.47	61.89

¹¹ The expenditure on Grants-in-aid (Salary), which reflects salaries for employees of grantee bodies (e.g. aided schools and colleges), as distinct from government servants separately are excluded.

Scrutiny of the accounts of the State Government for the year 2020-21 revealed that out of the total salary and wages expenditure of ₹ 5,285.81 crore (excluding Grants-in-aid of ₹ 261.65 crore), an expenditure of ₹ 55.06 crore was incurred on Central assistance including CSS/CP schemes. The higher salary paid departments of the State Government were Education, Health and Family Welfare, Home (Police), Agriculture, Public works, *etc.* and maximum salary expenditure was incurred on Home (Police) Department amounting to ₹ 1,321.46 crore, followed by Education (School) Department amounting to ₹ 905.38 crore during the year 2020-21.

The status of committed and non-committed revenue expenditure during 2020-21 is shown in **Chart 2.9**.



2.4.2.3 Undischarged liabilities in National Pension System

The State Government introduced the ‘National Pension System’ (NPS) applicable to all new entrants joining the State Government Service, on or after 1st July 2018. Under this system, employees contribute 10 *per cent* basic pay and dearness allowance, which is matched by the State Government and both employee’s and employer’s contribution are initially transferred to the Public Account (Major Head ‘8342-117-Defined Contributory Pension Scheme’). The State Government has the responsibility to deposit both employee’s and employer’s share with the designated authority i.e., National Securities Depository Limited (NSDL)/trustee bank for further investment as per the guidelines of NPS.

As on 1 April 2020, there was un-transferred Fund of ₹ 0.52 crore in Defined Contributory Pension Scheme under the Fund. During 2020-21, the State Government deposited ₹ 12.39 crore (employees’ contributions: ₹ 6.08 crore and Government’s

contribution: ₹ 6.31 crore) into the Fund created under MH 8342-117 and transferred an amount of ₹ 12.63 crore (including ₹ 0.24 crore from previous balance) to NSDL leaving a balance of ₹ 0.28 crore in the Fund at the end of 31 March 2021. Non-transferring of contribution may accumulate the interest liabilities of ₹ 0.04 crore¹² of the State Government.

2.4.2.4 Subsidies

Subsidies provided by the State Government includes both implicit and explicit subsidies which were utilised to bridge the gap between income and expenditure to certain selected Department/Corporations/Government Companies.

During 2020-21, the State Government provided subsidies amounting to ₹ 145.83 crore through various departments which were 1.10 *per cent* of RR and 1.01 *per cent* of RE of the State during the year. The quantum of subsidies contributed to revenue deficit by 13.56 *per cent* during the year. The quantum of subsidy increased by ₹ 89.21 crore during 2020-21 as compared to the previous year.

Subsidy was provided by the State Government through the Animal Resource Development Department (₹ 4.68 crore), Food Civil Supplies and Consumers Affairs (₹ 42.78 crore), Agriculture (₹ 58.02 crore), Power Department (₹ 40.00 crore), Cooperation (₹ 0.30 crore) and Information Technology Department (₹ 0.05 crore) respectively during the year 2020-21.

A major part of the subsidy was provided to the Agriculture Department (₹ 58.02 crore) during the year mainly for development activities *viz.* implementation of CSS under Sub-mission of Agriculture Mechanisation (₹ 34.17 crore), State share for the National Mission for Agriculture Extension Technology Scheme (NMAET) (₹ 3.93 crore) and Agriculture Development (₹ 5.50 crore). Moreover, under 'Pradhan Mantri Fasal Bima Yojana' the State Government provided subsidy of ₹ 5.12 crore and ₹ 4.84 crore for RKVY during the year. Subsidy of ₹ 4.46 crore was provided for the administrative purposes to the Agriculture Department under Special component for SC and Tribal Areas sub-plan during 2020-21. It is noticed that the State Government provided subsidy of ₹ 40 crore to the Power Department for Tripura State Electricity Corporation Limited against the Budget Estimate during the year 2020-21.

Table 2.17: Expenditure on subsidies during 2016-21

Particulars	₹ in crore				
	2016-17	2017-18	2018-19	2019-20	2020-21
Subsidies (₹ in crore)	102.13	116.57	133.19	56.62	145.83
Subsidies as a percentage of Revenue Receipts	1.06	1.16	1.11	0.51	1.10
Subsidies as a percentage of Revenue Expenditure	1.15	1.13	1.12	0.42	1.01

¹² Calculated on ₹ 0.52 crore at the interest rate of 7.10 *per cent* as notified by the Government and payable to the General Provident Fund

2.4.2.5 Financial assistance by the State Government to Local Bodies and Other Institutions

Financial assistance is provided by the State Government to Local bodies and other institutions by way of grants and loans.

The trend of the financial assistance provided by the State Government during the period of last five years from 2016-17 to 2020-21 is shown in **Table 2.18**.

Table 2.18: Financial Assistance to Local Bodies and others during 2016-17 to 2020-21

(₹ in crore)

Financial Assistance to Institutions	2016-17	2017-18	2018-19	2019-20	2020-21
(A) Local Bodies					
Municipal Corporations and Municipalities	404.57	305.75	312.21	263.89	533.70
Panchayati Raj Institutions	90.98	115.27	116.08	145.63	554.26
Total (A)	495.55	421.02	428.29	409.52	1087.96
(B) Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	-	-	-	-	-
Development Authorities	-	-	-	-	-
Hospitals and Other Charitable Institutions	-	-	-	-	-
Other Institutions	2578.65	1823.21	1973.10	2229.00	1777.53
Total (B)	2578.65	1823.21	1973.10	2229.00	1777.53
Total (A+B)	3074.20	2244.23	2401.39	2638.52	2865.49
Revenue Expenditure	8855.13	10357.22	11889.20	13376.91	14367.82
Assistance as percentage of Revenue Expenditure	34.72	21.67	20.20	19.72	19.94

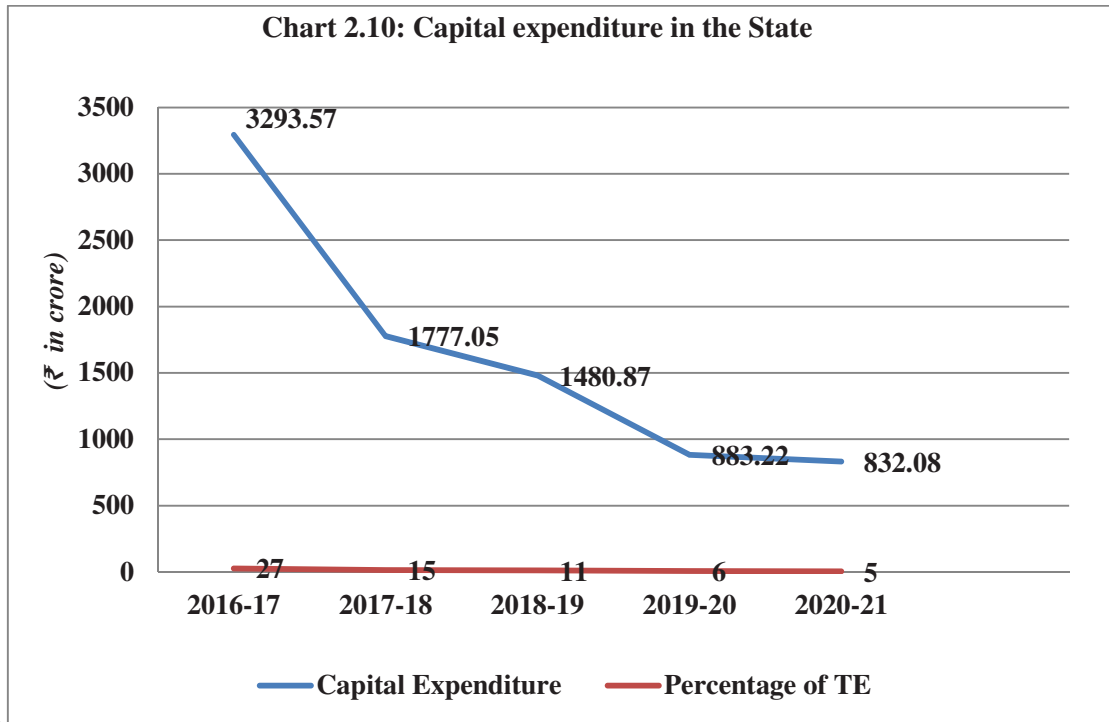
Source: Finance Accounts

Table 2.18 shows that the quantum of financial assistance provided by the State Government during 2020-21 to the local bodies and other Institutions substantially increased from ₹ 2,638.52 crore in 2019-20 to ₹ 2,865.49 crore in 2020-21. During 2020-21, there was an increase of ₹ 2,26.97 crore (8.60 per cent) as compared to the previous year mainly due to increase in quantum of grants to the Local Bodies by ₹ 678.44 crore (165.67 per cent) during the year (increase in quantum of grants to the Urban Local Bodies (ULBs) by 102.24 per cent and to Panchayati Raj Institutions (PRIs) by 280.59 per cent). During 2020-21, out of total Grants-in-aid of ₹ 2,865.49 crore (19.94 per cent of RE), ₹ 1,777.53 crore was paid to other institutions by the State Government. Further, the Government had given grants for ₹ 13.91 crore for creation of Capital assets from the Capital Account in violation of Accounting Standard which resulted in overstatement of Capital Expenditure and understatement of Revenue Deficit to that extent.

2.4.3 Capital Expenditure

Capital Expenditure (Capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. Capex in both Centre and State is being met from budgetary support and extra budgetary resources/off budget. Of late, the infrastructure

requirements have increased manifold and SPVs have been set up to carry out bulk of capex. The trend of Capital expenditure during last five years is shown in **Chart 2.10**.



2.4.3.1 Major changes in Capital Expenditure

During 2020-21, capital expenditure was ₹ 832.08 crore (5.47 per cent of TE) which decreased by ₹ 51.14 crore (5.79 per cent) as compared to the previous year. Moreover, the State Government has given as Grants-in-aid of ₹ 13.91 crore under various Central Schemes like, MGNREGA, Pradhan Mantri Awaas Yojana, etc. to the local bodies or individuals and this was booked under Capital account instead of Revenue Expenditure, resulting in overstatement of Capital Expenditure and understatement of Revenue expenditure to that extent during 2020-21. Major changes in capital expenditure in some major heads are shown in **Table 2.19**.

Table 2.19: Capital Expenditure during 2020-21 compared to 2019-20

(₹ in crore)

Major Heads of Accounts	2020-21	2019-20	Percentage of Decrease (-)/ Increase (+)
4059-Capital Outlay on Public Works	72.85	58.13	25.32
4070-Other Administrative Services	5.93	13.72	(-) 56.78
4210-Medical and Public Health	25.07	51.40	(-) 51.23
4215-Water Supply and Sanitation	292.74	157.15	86.28
4216-Housing	0.91	3.19	(-) 71.47
4217-Urban Development	0.00	94.25	(-) 100
4225-Welfare of SC, ST, OBC and minorities	12.98	19.32	(-) 32.82
4405-Capital Outlay on Fisheries	6.09	20.91	(-) 70.88

Table 2.19: Capital Expenditure during 2020-21 compared to 2019-20 (concl.)*(₹ in crore)*

Major Heads of Accounts	2020-21	2019-20	Percentage of Decrease (-)/ Increase (+)
4406- Forestry and Wild Life	0.00	7.39	(-) 100
4515-Other Rural Development Programmes	0.02	117.08	(-) 99.98
4701-Medium Irrigation	0.47	0.78	(-) 39.74
4711-Flood Control Projects	0.00	0.92	(-) 100
4801-Power Projects	0.00	27.51	(-) 100
4875-Capital outlay on Other Industries	0.27	0.00	100
5054-Roads and Bridges	211.73	140.88	50.29
5055-Capital Outlay on Road Transport	9.55	16.41	(-) 41.80
5452-Capital outlay on Tourism	6.68	0.00	100

It was noticed that the expenditure under Major Heads 4515, 4217, 4210, 4801 and 4405 respectively decreased substantially during 2020-21 as compared to the previous year.

However, expenditure under Major Heads (MH) 4059, 4215 and 5054 increased during the year 2020-21 and it substantially increased in respect of MH 4215 mainly due to implementation of National Rural Drinking Water Programme in the Rural Areas of the State. Expenditure increased under Major Head 4059 was mainly due to increase in expenditure towards construction works of Office and other Buildings, Acquisition of land for development of Agartala Town under Public Works Project, *etc.* The expenditure under MH 5054 increased over and above 50 *per cent* during the financial year 2020-21, as compared to the previous year, mainly due to more expenditure incurred for construction of Rural Bridges under NLCPR, EAP, PMGSY, CRF, *etc.* in the State. Against the nil expenditure under Major Head 4875 and 5452 during 2019-20, the State Government had incurred expenditure of ₹ 0.27 crore and ₹ 6.68 crore under those Major Heads of accounts respectively during 2020-21. Further, there was no capital expenditure under MH 4217, 4406, 4711 and 4801 respectively during the year 2020-21.

The matter of decreasing Capital Expenditure and misclassification was discussed in the Exit Conference held on 20 August 2021 with the State Finance Department. The Finance Department assured to take necessary steps to reverse the decreasing trend of Capital Expenditure. Regarding misclassification, it was stated that there was some misunderstanding on the issue and an appropriate reply clarifying the issue will be submitted soon. Reply is awaited (November 2021).

2.4.3.2 Quality of capital expenditure

If the State Government keeps on making investments in loss making government companies, whose net worth is completely eroded, there are no chances of return on investment. Similarly, experience has shown the inevitability of write off of the loans given to loss making corporations and other bodies such as financial corporations, *etc.*

Requisite steps have to be taken to infuse transparency in such financial operations. This section presents an analysis of investments and other capital expenditure undertaken by the Government during the current year.

2.4.3.2 (i) Quality of investments in the companies, corporations and other bodies

Capital expenditure in the companies, corporations, and other bodies, which are loss making or where net worth is completely eroded is not sustainable.

Investments made and loan given to companies, corporations (e.g. SC & ST Financial Corporations), and cooperatives, which are loss making and those where net worth is completely eroded, affect quality of capital expenditure. Return on investment in share capital invested in State Public Sector Enterprises (SPSEs) and history of repayment of loans given to various bodies are important determinants of quality of capital expenditure.

The State Government makes investments in various Government Companies, Corporations and Co-operative Societies every year. The expenditure is debited on Capital Account with an aim to support strengthening of their functioning and to get some returns from them as dividend.

As on 31 March 2021, there were 14 working Government Companies, One statutory Corporation, one Bank, four joint stock companies/ corporation and 25 Co-operative Societies. The State Government made investment of ₹ 1,648.66 crore¹³ in these companies/ corporations and Co-operative Societies as on 31 March 2020. As on 31 March 2021, the investment increased to ₹ 1,714.19 crore with the fresh investment of ₹ 65.53 crore during 2020-21 in six Government Companies (₹ 52.34 crore), one Statutory Corporation (₹ 8.50 crore) and two Co-operative Societies (₹ 4.69 crore). During 2020-21, the State Government received ₹ 6.62 crore as dividend from only two Joint stock companies¹⁴.

Out of the investment amount of ₹ 52.34 crore in six working Government Companies, ₹ 25.21 crore was invested in Tripura Jute Mills Ltd. followed by ₹ 14.12 crore in Tripura Handloom and Handicrafts Development Corporation Ltd. which are loss making companies in the State. An amount of ₹ 8.50 crore was invested in Tripura Road Transport Corporation (only Statutory Corporation in the State) during 2020-21. Details of the investments and returns as on 31 March during last five years period from 2016-17 to 2020-21 are shown in **Table 2.20**.

¹³ Differs with the information furnished by the State Government and actually booked in the Accounts by ₹ 29.98 crore. This difference is under reconciliation.

¹⁴ North East Transmission Company Ltd.: (₹ 617.10 lakh) and ONGC Tripura Power Company Ltd.: (₹ 44.80 lakh).

Table 2.20: Investment and Return

(₹ in crore)

Investment/ return/ cost of borrowings	2016-17	2017-18	2018-19	2019-20	2020-21
Investment at the end of the year (₹ in crore)	1446.06	1503.88	1562.57	1648.66	1714.19
Return (₹ in crore)	0.05	14.69	Nil	7.94	6.62
Return (per cent)	Ω	0.95	Nil	0.48	0.38
Average rate of interest on Government Borrowings(per cent)	7.50	7.50	7.16	7.89	7.67
Difference between interest rate and return (per cent)	7.50	6.55	7.16	7.41	7.29
Difference between interest on Government borrowings and return on investment (₹ in crore)#	188.45	98.45	111.88	124.55	124.85

Source: Finance Accounts; Note: # Investment at the end of the year* difference between interest rate and return. Ω Negligible

The State Government should review the performance of the Companies and Corporations in view of the huge cumulative investments and low returns from them, year after year.

Table 2.21: Equity Investments made in companies/corporations, whose net worth completely eroded

(₹ in crore)

Sl. No.	Company/ Corporation	Year of Accounts	Net worth#	Equity Investment* made during 2020-21	Cumulative investment as on 31 March 2021*
1	Tripura Handloom and Handicrafts Development Corporation Ltd.	2019-20	(-) 6.33	14.12	143.92
2	Tripura Rehabilitation and Plantation Corporation Ltd.	2018-19	(-)6.12	3.00	57.90
3	Tripura Road Transport Corporation Ltd.	2016-17	(-) 121.69	8.50	169.78
4.	Tripura Industrial Development Corporation Limited.	2019-20	(-) 7.88	Nil	16.91

Source: #Latest finalised accounts of SPSEs; * State Finance Accounts, 2020-21

Table 2.22: Equity Investments made in loss making companies/corporations

(₹ in crore)

Sl. No.	Name Company/ Corporation	Year of accounts	Accumulated loss*	Equity investment# made during 2020-21	Cumulative investment as on 31 March 2021#
1	Tripura Road Transport Corporation Ltd.	2016-17	(-)284.64	8.50	169.78
2	Tripura Small Industries Corporation Ltd.	2016-17	(-)46.53	5.76	455.05
3	Tripura Handloom and Handicraft Development Corporation Limited	2019-20	(-)151.13	14.12	143.23
4	Tripura Jute mills Ltd.	2019-20	(-)352.16	25.21	389.25
5	Tripura Tea Development Corporation Limited	2019-20	(-)28.01	3.50	53.80
6.	Tripura Industrial Development Corporation Limited	2019-20	(-) 24.05	Nil	16.91
7.	Tripura Rehabilitation in Plantation Corporation Limited	2018-19	(-) 10.70	3.00	57.90

Source: *Latest finalised accounts of SPSEs; # State Finance Accounts, 2020-21

2.4.3.2 (ii) Loans and Advances by the State Government

The State Government paid Loans and Advances to various organisations and Government servants for various purposes. During 2020-21, the Government paid ₹ 2.89 crore as Loans and Advances and recovered only ₹ 1.25 crore from the Government Servant (₹ 0.49 crore) and from others (₹ 0.76 crore) during the year. The outstanding loans and advances at the end of 31 March 2021 stood at ₹ 198.17 crore. During 2020-21, the Government received ₹ 0.08 crore as interest on the loans given to the Government Servants particularly House building and Computer Advances. The rate of interest on the loans and Advances given by the State was 11.20 per cent whereas the average rate of interest paid the Government on the outstanding borrowings ranged between 6.55 per cent and 11 per cent during the period of last five years.

The quantum of loans and advances and recovered during last five year period are shown in **Table 2.23**.

Table 2.23: Quantum of loans disbursed and recovered during five years

(₹ in crore)

Quantum of loans disbursed and recovered	2016-17	2017-18	2018-19	2019-20	2020-21
Opening Balance of loans outstanding	161.31	187.68	193.00	193.51	196.53
Amount advanced during the year	27.28	7.01	1.12	3.75	2.89
Amount recovered during the year	0.91	1.69	0.60	0.73	1.25
Closing Balance of the loans outstanding	187.68	193.00	193.51	196.53	198.17
Net addition	26.37	5.32	0.51	3.02	1.64
Interest received	1.41	1.94	NA	0.06	0.08
Interest rate on Loans and Advances given by the Government.	10.90	10.90	10.90	11.20	11.20
Rate of Interest paid on the outstanding borrowings of the Government	7.50	7.50	7.16	7.89	7.67
Difference between the rate of interest paid and interest received (per cent)	3.40	3.40	3.743.40	3.31	3.53

2.4.3.2 (iii) Capital locked in incomplete projects

Trends in capital blocked in incomplete capital works would indicate quality of capital expenditure. Blocking of funds on incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years led to extra burden in terms of servicing of debt and interest liabilities.

As per information furnished by the State Government, there were 29 incomplete capital works costing ₹ five crore and above on which, expenditure of ₹ 185.54 crore was incurred up to the end of March 2021, against the estimated cost of ₹ 442.24 crore. During 2020-21, an expenditure of ₹ 97.21 crore was incurred on these 29 works. Details of incomplete projects are given in **Table 2.24**.

Table 2.24: Incomplete works as on 31 March 2021*(₹ in crore)*

Type of works	No of incomplete projects/works	Estimated cost	Expenditure incurred	
			During 2020-21	As on 31-03-2021
Building Works	15	124.40	36.62	98.48
Road Works	11	287.73	49.15	75.62
Bridges Works	1	12.11	1.10	1.10
Drinking Water and Sanitation Works	2	18.00	10.34	10.34
Total	29	442.24	97.21	185.54

Age-wise break-up of incomplete capital works costing ₹ five crore and above during the year 2020-21 are shown in **Table 2.25**.

Table 2.25: Age-wise abstract of incomplete capital works each costing ₹ five crore and above*(₹ in crore) (No. of works in bracket)*

Period	Amount and No. of works					Total Amount
	Building	Road	Bridge	Water Resource	DWS	
Upto 2016-17	605.67 (201)	331.75 (55)	210.00 (52)	197.92 (36)	5.53 (2)	1350.87 (346)
2017-18	54.71 (36)	41.90 (16)	12.39 (05)	0.01 (05)	...	109.02 (62)
2018-19	98.95 (43)	65.42 (17)	10.88 (08)	0.12 (04)	25.35 (06)	200.72 (78)
2019-20	57.44 (38)	114.46 (20)	3.38 (3)	1.09 (2)	...	176.37 (63)
2020-21	36.62 (15)	49.15 (11)	1.10 (1)	-	10.34 (2)	97.21 (29)

Source: Finance Accounts.

The incomplete works included six building construction works, commenced between 2013-16, under the Public Works Department remained incomplete after incurring an expenditure that ranged between 80 *per cent* to 114 *per cent* of the original estimated cost. Details of such incomplete projects whose age is five year or more are shown in **Table 2.26**.

Table 2.26: Incomplete building construction works commenced between 2013-16

(₹ in crore)

Sl. No.	Name of the incomplete works	Original Estimated cost	Date and year of commencement	Expenditure incurred	
				during 2020-21	as on 31-03-2021
1.	Construction of 56 Nos Type-III & 24 Nos. Type-III residential quarters at Kendriya Sansodhanagar Complex, Bishalgarh	5.01	8/2015	-	4.50 (90%)
2.	Special Repairing retro-fitting and restoration of M.B.B College, Agartala	7.42	2016	4.00	6.00 (81 %)
3.	Construction of Bus Terminal Building at Nagerjala, Agartala	5.98	11/2015	0.37	6.63 (111%)
4.	Construction of Auditorium at Panchayati Raj Training Institute, Arundhuti Nagar, Agartala	6.50	03/2016	2.19	6.40 (98%)
5.	Construction of “Vigyan Gram” (Regional Science City), at Agartala	19.49	8/2013	1.48	22.25 (114%)
6.	Construction of Administrative and Academic Block for District Institute Educational Training IDIET)	4.99	03/2016	1.04	3.97 (80%)

Table 2.26 shows that the construction work of Vigyan Gram (Regional Science City)-Phase-I at Agartala commenced on 6 August 2013, was scheduled to be completed by August 2014 but remained incomplete after incurring an expenditure of ₹ 22.25 crore against the estimated cost of ₹ 19.49 crore as on 31 March 2021. The construction work of Bus Terminal Building at Nagerjala, Agartala, commenced on 02 November 2015, was scheduled to be completed by May 2017 remained incomplete after incurring an expenditure of ₹ 6.63 crore against the estimated cost of ₹ 5.98 crore as on 31 March 2021. However, details of revision of cost, if any, was not made available by the State Government.

2.4.4 Expenditure priorities

Enhancing human development levels require the States to step up their expenditure on key social services like education, health, *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective State’s or national average. The higher the ratio of these components to total expenditure, the better the quality of expenditure.

Table 2.27: Expenditure priority of the State with regards to Health, Education and Capital expenditure

(in per cent)

Particulars	TE/GSDP	DE/TE	CE/TE	Education/TE	Health/TE
NE and Himalayan States Average (2016-17)	26.50	66.20	15.97	16.67	5.67
Tripura State (2016-17)	30.84	67.92	27.05	1.12	1.20
NE and Himalayan States Average (2020-21)	26.92	57.33	15.67	15.22	6.15
Tripura State (2020-21)	25.82	61.02	5.47	15.24	5.92

Source: Economic Survey Report 2020-21

It can be seen from **Table 2.27** that:

- During the year 2020-21, the percentage of total expenditure to GSDP, CE to TE and Health to TE in the State was lower than the average of NE and Himalayan States during the year.
- The percentage of expenditure to total expenditure in respect of Education was higher than the average of NE and Himalayan States during 2020-21.
- Percentage of expenditure of the State on education to total expenditure increased from 1.12 during 2016-17 to 15.24 in 2020-21. Similarly, percentage of expenditure of the State on Health to total expenditure increased from 1.20 during 2016-17 to 5.92 in 2020-21.
- It was also seen that there was a substantial shift in State's capital expenditure to total expenditure from 27.05 *per cent* in 2016-17 to 5.47 *per cent* in 2020-21.
- Development expenditure to total expenditure in the State was higher than the NE and Himalayan States during 2020-21. However, development expenditure to total expenditure decreased from 67.92 *per cent* in 2016-17 to 61.02 *per cent* in 2020-21.

2.5 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, *etc.* which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.5.1 Net Public Account Balances

The component-wise net balances in Public Account of the State during last five year period 2016-17 to 2020-21 is shown in **Table 2.28** and **Chart 2.11**. The analysis of the Net balances of various components in the Public Account are given in the respective paragraphs.

Table 2.28: Component-wise net balances in Public Account as of 31 March of the year 2016-17 to 2020-21

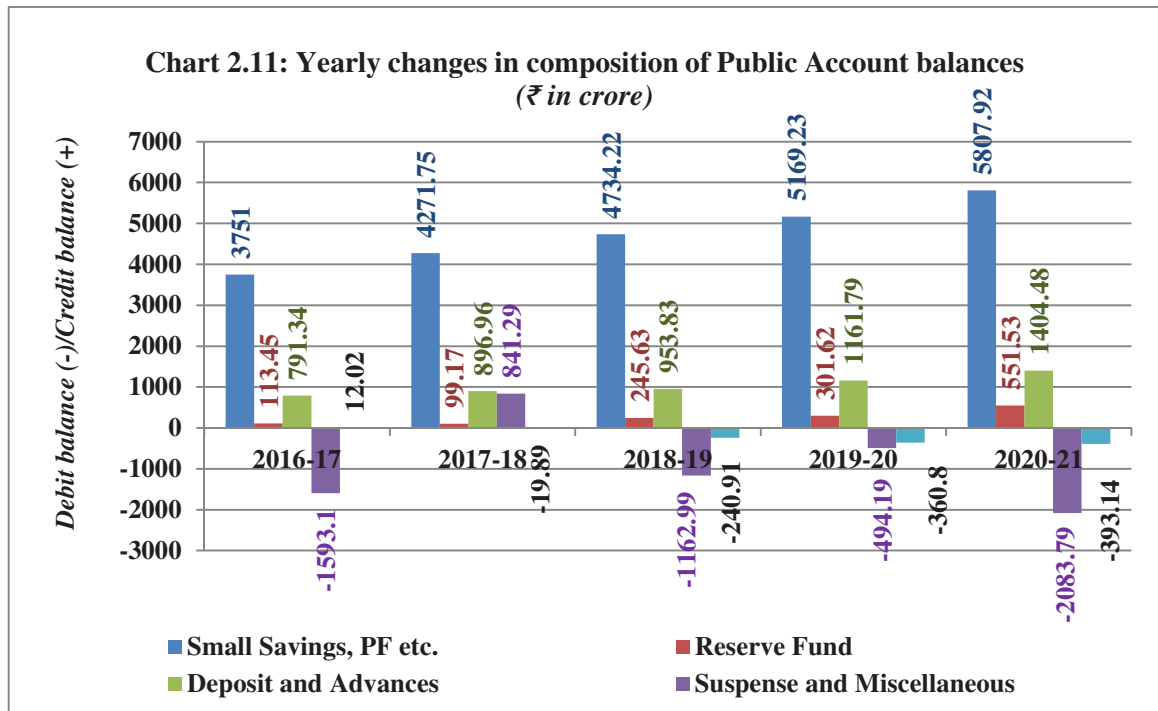
(₹ in crore)						
Sector	Sub Sector	2016-17	2017-18	2018-19	2019-20	2020-21
I. Small Savings, Provident Funds, <i>etc.</i>	Small Savings, Provident Funds, <i>etc.</i>	3751.00	4271.75	4734.22	5169.23	5807.92
J. Reserve Funds	(a) Reserve Funds bearing Interest	108.61	93.79	241.13	292.65	443.96
	(b) Reserve Funds not bearing Interest	4.84	5.38	4.50	8.97	107.57

Table 2.28: Component-wise net balances in Public Account as of 31 March of the year 2016-17 to 2020-21 (concl.)

(₹ in crore)

Sector	Sub Sector	2016-17	2017-18	2018-19	2019-20	2020-21
K. Deposits and Advances	(a) Deposits bearing Interest	0.06	0.02	0.01	0.52	0.29
	(b) Deposits not bearing Interest	791.42	897.51	955.86	1162.14	1404.19
	(c) Advances	(-) 0.14	(-) 0.57	(-) 2.04	(-) 0.87	(-) 0.07
L. Suspense and Miscellaneous	(b) Suspense	(-) 194.79	(-) 163.87	(-) 478.60	(-) 111.81	(-) 113.84
	(c) Other Accounts	(-) 1398.31	(-) 677.42	(-) 684.39	(-) 382.38	(-) 1969.95
	(d) Accounts with Governments of Foreign Countries	0.00	0.00	0.00	0.00	0.00
	(e) Miscellaneous	0.00	0.00	0.00	0.00	0.00
	(a) Money Orders, and other Remittances	12.25	(-) 19.51	(-) 241.40	(-) 360.57	(-) 393.67
M. Remittances	(b) Inter-Governmental Adjustment Account	(-) 0.23	(-) 0.38	0.49	(-) 0.23	0.53
Total		3074.71	4406.70	4529.78	5777.65	5286.93

Note: +ve denotes credit balance and -ve denotes debit balances



2.5.2 Reserve Funds (RF)

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. The contributions to these funds are made from the Consolidated Fund of the State.

As on 31 March 2021, there were two types of Reserve funds in the State viz. (i) Interest bearing and (ii) Non-interest bearing. The Interest bearing Reserve Funds

contains one Major Head (8121) while non-interest bearing Reserve Funds contains three Major Heads (8222, 8225 and 8235) during 2020-21. There was an inactive Reserve Fund under Major Head 8235-General and other Reserve Funds of Government Commercial Department/ Undertakings where there was a balance of ₹ 420.51 lakh as on 31 March 2021. Details of transactions during the year in the active Reserve Funds are discussed below.

2.5.2.1 Consolidated Sinking Fund

The State Government set up the sinking fund in line with the recommendation of the XII FC for amortisation of market borrowing as well as other loans and debt obligations. The fund is managed by the Reserve Bank of India. This Fund is operated in Major Head 8222 under the Public Account.

According to guidelines of Reserve Bank of India, the State Governments are required to contribute at least 0.5 *per cent* of the outstanding liabilities as at the end of the previous year. The State is to make efforts to raise the minimum contribution every year. During 2020-21, the State Government had contributed ₹ 45 crore towards the fund against ₹ 89.23 crore calculated on the outstanding liability of ₹ 17,845.58 crore¹⁵ at the beginning of the year. In doing so, apart from violating the extant Rules, the Government has deferred the current years liabilities to future years which has the impact of understating the Revenue and fiscal deficit to that extent (₹ 44.23 crore). During 2020-21, the State Government received ₹ 24.02 crore as interest on this Sinking Fund Account and reinvested the same by the RBI during the year. After disbursement, there was a balance of ₹ 388.13 crore which was invested through RBI at the end of 31 March 2021.

In the Exit Conference (20 August 2021), the issue of short-contribution of ₹ 44.23 crore towards consolidated Sinking Fund (CSF) by the State Government during 2020-21 was discussed. In response, the Secretary, Finance Department has assured that issue will be looked into on priority basis.

2.5.2.2 General and Other Reserve Funds

(a) State Disaster Response Fund

Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010. In terms of the guidelines of the Fund, the Centre and States are required to contribute to the Fund in a certain proportion. The contributions are to be transferred to the Public Account to Major Head-8121- General and Other Reserve Funds. Expenditure during the year is incurred by operating Major Head-2245.

The State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to the SDRF together with the income earned on the investment of SDRF is to be invested in Central Government dated

¹⁵ Decreased by ₹ 0.14 crore as compared to previous years outstanding balance due to write-off of excess repayment of outstanding loans made by the State Government during 2020-21.

Securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

The SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of a disaster and the provisions for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF. Such expenditure has to be built into the normal budgetary heads/ State Plan Funds, *etc.*

As per guidelines of the Scheme, the GoI and the State Governments are required to contribute to the Fund in the proportion of 90:10. As per the XV FC recommendation, the corpus of SDRF of Tripura for the year 2020-21 was fixed at ₹ 76 crore (Central Share: ₹ 68.00 crore and State Share: ₹ 7.56 crore). During 2020-21, the GoI released ₹ 68.00 crore. The State Government transferred ₹ 73.72 crore (Central share: ₹ 68.00 crore; State share ₹ 5.68 crore and unutilised amount of ₹ 0.04 crore deposited by Challan) to the SDRF account during the year 2020-21 including state's share of ₹ 1.90 crore for the financial year 2019-20. Thus, the State Government contributed ₹ 3.78 crore during the year 2020-21 against the required State share of ₹ 7.56 crore resulting in short contribution of ₹ 3.78 crore. During 2020-21, the State Government received ₹ 12.93 crore from the GoI towards NDRF. As such, a total amount of ₹ 86.65 crore (₹ 73.72 crore plus ₹ 12.93 crore) was transferred from MH 2245-05-101 to the SDRF Account under Public Account during the financial year 2020-21. Less contribution of State share of ₹ 3.78 crore understated the Revenue deficit as well as the Fiscal Deficit to that extent during the year.

Further, the Fund, which is part of 'Reserve Fund Bearing Interest, had an opening balance of ₹ 113.98 crore as on 1 April 2020. During 2020-21, the State Government incurred an expenditure of ₹ 131.82 crore from SDRF of which ₹ 128.28 crore was incurred directly from the Public Account under Major Head 8121-122-SDRF violating the prescribed SDRF guidelines. There was a balance of ₹ 68.81 crore as on 31 March 2021. However, no amount was invested out of this Fund during the year in violation of the SDRF guidelines. The State Government did not provide for the interest liability of ₹ 8.55 crore¹⁶ payable on the said Fund. This resulted in understatement of Revenue Expenditure as well as the Revenue and Fiscal Deficits of the State Government to that extent.

Details of transactions to SDRF are given in **Table 2.29**.

Table 2.29: Details of transactions under SDRF

(₹ in crore)		
Major Head of Account	Minor Head of Account	Expenditure during 2020-21
2245-05-State Disaster Response Fund	101-Transfer to State Disaster Response Funds and Deposit Account	90.52
	901- Deduct - Amount met from State Disaster Response Fund	3.54
	Total -2245	86.98

¹⁶ Calculated at the rate of 7.50 per cent per annum

It can be noticed from **Table 2.29** that ₹ 86.98 crore was charged under MH 2245 to MH 8121-SDRF and recouped by the State Government against the total expenditure of ₹ 131.82 crore of which an expenditure of ₹ 67.04 crore (₹ 19.74 crore from Revenue Account and ₹ 47.30 from Public Account) was incurred from the Fund relating to Pandemic Covid-19 during the year 2020-21. However, the expenditure towards COVID-19 was met from the SDRF as a special dispensation for taking preventive and mitigation measures for containment of COVID-19, as declared (April 2020) by the GoI.

(b) State Compensatory Afforestation Fund (SCAF)

In compliance to the instructions issued by the Ministry of Environment and Forests, GoI, and guidelines of 2009, the State Government established State Compensatory Afforestation Fund under Major Head 8336-Civil Deposit for utilisation of monies collected for undertaking Compensatory Afforestation, assisted natural regeneration, conservation and protection of forests, infrastructure development, wildlife conservation, protection and other related activities and for matters connected therewith or incidental thereto.

The monies received by the State Government from the user agencies need to be credited in ‘ State Compensatory Afforestation Deposits’ under interest bearing section in Public Account of the State at Minor Head level below the Major Head 8336-Civil Deposits. As per Section 3(4) of the Compensatory Afforestation Fund Act, 2016, 90 *per cent* of the fund needs to be transferred to the Major Head 8121-General and Other Reserve Funds in Public Account of the State and balance 10 *per cent* to be credited into the National Fund on yearly basis provided that, the credit of 10 *per cent* Centre share of funds should be ensured on monthly basis so that the same is transferred to the National Fund. The applicable rate of interest on balances available under ‘ State Compensatory Afforestation Deposits’ under ‘8336-Civil Deposits and ‘State Compensatory Afforestation Fund’ under 8121-General and Other Reserve Funds will be as per the rate declared by the Central Government on year to year basis.

As on 31 March 2020, there was a balance of ₹ 178.67 crore in the State Compensatory Afforestation Fund under Public Account which bears the interest of ₹ 6.07 crore¹⁷. During 2020-21, the State Government received ₹ 237.82 crore from the user agencies and credited the same under Major Head 8336-Civil Deposits. The Government transferred 90 *per cent* of the fund (₹ 214.04 crore) to MH 8121-General and Other Reserve Funds during the year and 10 *per cent* (₹ 23.78 crore) was remitted to the National Fund (₹ 0.01 crore was remitted after the closing of the year). During the financial year 2020-21, the State Government has also incurred an expenditure of ₹ 17.56 crore from the fund. As on 31 March 2021, there was a balance of ₹ 375.15 crore in the Fund under MH 8121 which bears an interest rate as per the rate declared by the Central Government on year to year basis.

¹⁷ Calculated at the rate of 3.4 *per cent* fixed for the year 2020-21 by the Ministry of Forest, Environment and Climate Change, GoI.

2.5.2.3 Road Development Fund

In compliance to the provisions contained in Section 4 of Tripura Road Development Cess Act, 2018, the State Government has constituted a special fund called ‘ Road Development Fund’ and created a Major Head 8225-Roads and Bridges Fund under the Public Account. It is a not-interest bearing non-lapsable fund created to utilise the collection of Road Development Cess from sales of petrol, diesel and natural gas for development of Roads in the State. As per accounting procedure, the cess so collected should be credited under the Revenue Receipts Head 0045-00-112. Thereafter the fund should be transferred to the Public Account under the head as created through Revenue expenditure under MH 3054 or Capital expenditure under MH 5054 for the expenditure on Road Development works as a deduct expenditure.

During 2020-21, the State Government has collected ₹ 255.81 crore as Road Development Cess and transferred an amount of ₹ 255.67 crore through Revenue expenditure head 3054 to the fund under Public Account during the year leaving a balance of ₹ 0.14 crore un-transferred during the year. Short transfer of ₹ 0.14 crore to Public Account resulted in understatement of Revenue Deficit and Fiscal deficit to that extent during the year. During 2020-21, the State Government had incurred as expenditure towards Road Development from the fund of ₹ 155.36 crore which was transferred through MH 3054. There was a balance of ₹ 100.31 crore in the Roads and Bridges Fund under the Public Account as on 31 March 2021 for future use in Road Development purpose in the State.

2.5.2.4 Guarantee Redemption Fund

The State Government constituted a Guarantee Redemption Fund on 12 July 2007. The fund has been revised as ‘Guarantee Redemption Fund Scheme’ by the State Government vide Gazette Notification dated 29th January 2016, effective from the financial year 2015-16 and subsequent notification dated 16th January 2018 effective from the financial year 2017-18. As per the revised guidelines, the Government shall initially contribute a minimum of one *per cent* and thereafter at the rate of minimum 0.5 *per cent* of outstanding guarantees every year to achieve a minimum level of three *per cent* of outstanding guarantees in next five years and gradually increased to a desirable level of five *per cent*.

Guarantee Redemption Fund has been created for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Public Sector Undertakings or other Bodies and invoked by the beneficiaries. The accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government and not paid by the institutions on whose behalf guarantee was issued.

This fund is classified under the Head of Account 8235-General and other Reserve Funds – 117- Guarantee Redemption Fund in the Public Account. During 2020-21, an amount of ₹ 2.79 crore was credited in this fund of which ₹ 2.76 crore was credited as guarantee redemption fee by the State Government and ₹ 0.03 crore was credited as interest accrued on this Fund–investment account during the year. The State

Government short contribute ₹ 0.91 crore against the due share of ₹ 3.67 crore (at the rate of 0.5 per cent of outstanding guarantee of ₹ 734.57 crore at beginning of the financial year) to the fund as per scheme guidelines during 2020-21.

As on 31 March 2021, the total accumulation of Fund was ₹ 12.40 crore (1.68 per cent) in this Guarantee Redemption Fund which bears the desired level at three per cent at the end of four years. During 2020-21, ₹ 9.34 crore was invested from the Fund. As on 31 March 2021, there was an outstanding guarantee of ₹ 771.42 crore including interest of ₹ 0.08 crore. The status of guarantees is discussed at **Paragraph 2.7.2**.

2.6 Debt management

Debt management is the process of establishing and executing a strategy for managing the Government's debt in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements. The details of outstanding public debt and other liabilities are given in **Table 2.30**.

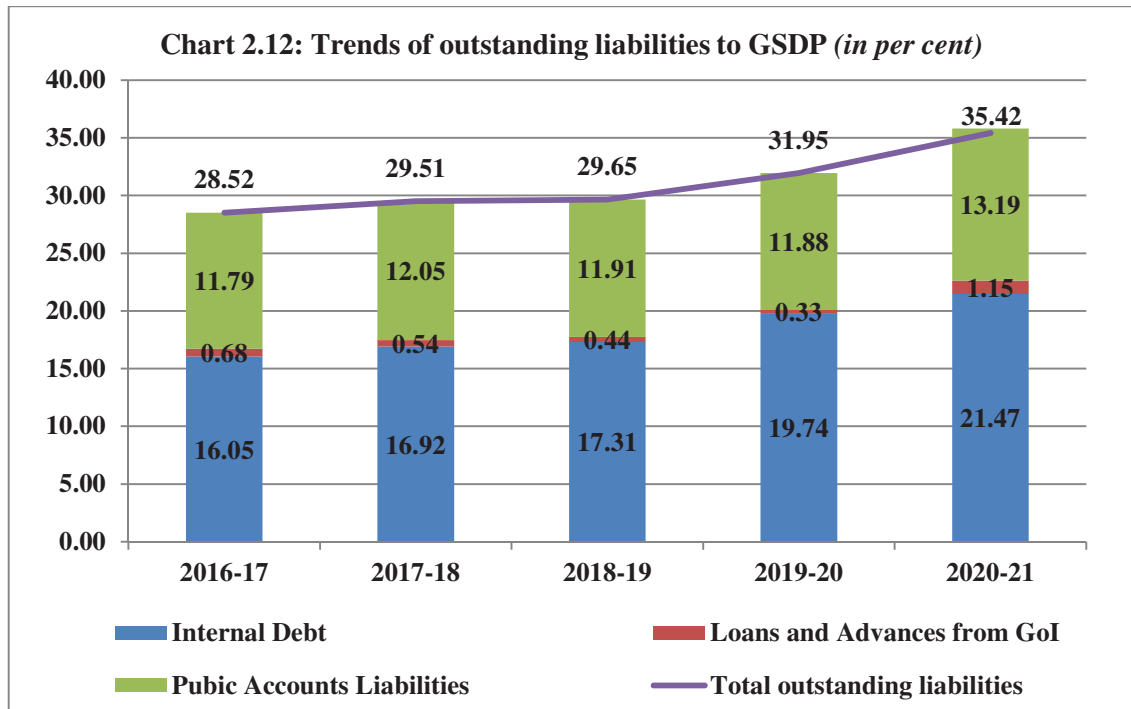
Table 2.30: Details of outstanding public debt and other liabilities

(₹ in crore)

Years	GSDP	Internal Debt	Loans and Advances from GOI	Public Account liabilities	Total Outstanding debt
2016-17	39479	6335.33	267.70	4655.93	11258.96
2017-18	43716	7398.46	235.82	5268.45	12902.73
2018-19	49823	8626.78	217.02	5935.72	14779.52
2019-20	55857	11027.69	184.51	6633.51	17845.71
2020-21	58880	12639.64	679.53 ¹⁸	7763.93	21083.10

The details of the total outstanding public debt as a percentage of GSDP is given in **Chart 2.12**.

¹⁸ Includes back to back loan of ₹ 226.00 crore given by the GoI in lieu of compensation of GST without any repayment obligations.



2.6.1 Debt profile: Components

Total debt of the State Government typically constitutes of internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government, and Public Account Liabilities. The State FRBM Act, 2005 of the State has defined the total liabilities as “The total liabilities mean the liabilities under the Consolidated Fund and the Public Account of the State and shall also include borrowings by the Public Sector undertakings and the Special Purpose Vehicles and other equivalent instruments including guarantees where principal and/or interest are to be serviced out of the State budget”.

Outstanding debt constituting outstanding internal debt, outstanding loans and advances from GoI and outstanding balance of Public Account liabilities of the State stood at ₹ 21,083.10 crore at the end of 31 March 2021 with an increase of 18.14 per cent over the previous year mainly due to increase in outstanding internal debt by 14.62 per cent and GoI loans 268.55 per cent during 2020-21.

The outstanding internal debt increased by 14.62 per cent during the year 2020-21 mainly due to increase in market loans bearing interest by 17.92 per cent and Loans from NABARD by 13.50 per cent off set by decrease of loans from other sources during the year.

The outstanding loans from GoI increased by 268.55 per cent as on 31 March 2021 as compared to the previous year mainly due to Back to Back loans received from GoI in lieu of GST Compensation shortfall of ₹ 226.00 crore and Scheme for Special Assistance as loans to States for Capital expenditure of ₹ 300 crore during 2020-21. However, during the year 2020-21, the Ministry of Finance, GoI adjusted ₹ 0.14 crore of excess repayment of previous year’s loan.

Overall increase of 17.04 *per cent* in Public Account liabilities as compared to previous year was mainly due to increase in small savings, provident fund by 12.36 *per cent* and Deposits by 20.80 *per cent* during the year 2020-21.

The rate of growth of outstanding debt of the State for the last five year period 2016-21 ranged between 14.12 *per cent* and 20.75 *per cent* and the percentage of debt to GSDP ranged between 28.52 *per cent* and 35.81 *per cent* during the same period.

Item	What it means	Interest rate
Ways and Means Advance (WMA)	<p>It is a facility for both the Centre and States to borrow from the RBI to help them tide over temporary mismatches in cash flows of their receipts and expenditures. Such advances should be repaid not later than three months from the date of the taking the advance.</p> <p>The limit for ordinary ways and Means Advances to the State Government was ₹ 408.00 crore as on 31 March 2021. Further, the operative limit of Special Drawing Facilities (SDF) against the pledge of Government Securities was ₹ 90.37 crore as on 31 March 2021, as agreed by the Bank.</p> <p>During 2020-21, the State Government availed Ways and Means Advances of ₹ 95.95 crore including Special Drawing Facility of ₹ 85.67 crore and repaid the same with interest of ₹ 1.50 lakh during the year.</p>	<p>The interest rate on WMA is the RBI's repo rate, which is basically the rate at which it lends short-term money to banks. That rate was 4.40 <i>per cent</i> from 1 April 2020 to 21 May 2020 and 4.00 <i>per cent</i> from 22 May 2020 to 31 March 2021.</p>
Overdrafts	<p>The governments are allowed to draw amounts in excess of their WMA limits. No State can run an overdraft with the RBI for more than a certain period.</p>	<p>The interest on overdraft up to 100 <i>per cent</i> of normal Ways and Means Advance was Repo rate plus two <i>per cent</i>.</p>
Government securities	<p>A Government Security (G-Sec) is a tradeable instrument issued by the Central Government or the State Governments. Such securities are short term (usually called treasury bills, with original maturities of less than one year) or long term (usually called Government bonds or dated securities with original maturity of one year or more). In India, the Central Government issues both, treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities, which are called the State Development Loans (SDLs).</p>	<p>Long term securities carry a fixed or floating coupon (interest rate) which is paid on the face value, payable at fixed time periods (usually half-yearly).</p>

Item	What it means	Interest rate
T-bills	Treasury bills are short-term securities issued by the Central government. Their maturity periods range up to one year. These securities are sold at a discount rate and will be paid at face value, which is how the investors make their money. At present, the active T-Bills are 91-days T-Bills, 182-day T-Bills and 364-days T-Bills	Treasury-Bills are issued on discount to face value, while the holder gets the face value on maturity. The return on T-Bills is the difference between the issue price and face value. Thus, return on T-Bills depends upon auctions. To make up the deficiency in Cash Balance, Government of India Treasury Bills were rediscounted on 126 occasions during 2020-21.
T-Notes	Treasury notes are government securities with maturity periods longer than treasury bills. Their maturity periods can be two, three, four, five, seven, and ten years. Interest is paid every six months.	
T-Bonds	Treasury bonds are long-term investments with a maturity period of 30 years. Interest is paid every six months.	

Table 2.31: Component wise debt trends

(₹ in crore)

		2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Overall Debt		11258.95	12902.73	14779.52	17845.71	21083.10
<i>Public Debt</i>	Internal Debt	6335.33	7398.46	8626.78	11027.69	12639.64
	Loans and Advances from GoI	267.70	235.82	217.02	184.51	679.53
<i>Liabilities on Public Account</i>		4655.93	5268.45	5935.72	6633.51	7763.93
Rate of growth of outstanding Overall debt (<i>percentage</i>)		14.12	14.60	14.55	20.75	18.14
Gross State Domestic Product (GSDP)		39479	43716	49823	55857	58880
Debt/ GSDP (<i>per cent</i>)		28.52	29.51	29.66	31.94	35.42
Total Debt Receipts		3008.74	3367.94	3961.23	5725.87	6201.06
Total Debt Repayments		1615.44	1722.82	2084.44	2659.38	2963.53
Total Debt Available		1393.30	1645.12	1876.79	3066.49	3237.53
Debt Repayments/ Debt Receipts (<i>percentage</i>)		53.69	51.15	52.62	46.44	47.79

The effective outstanding overall debt would be ₹ 20,857.10 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 226.00 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

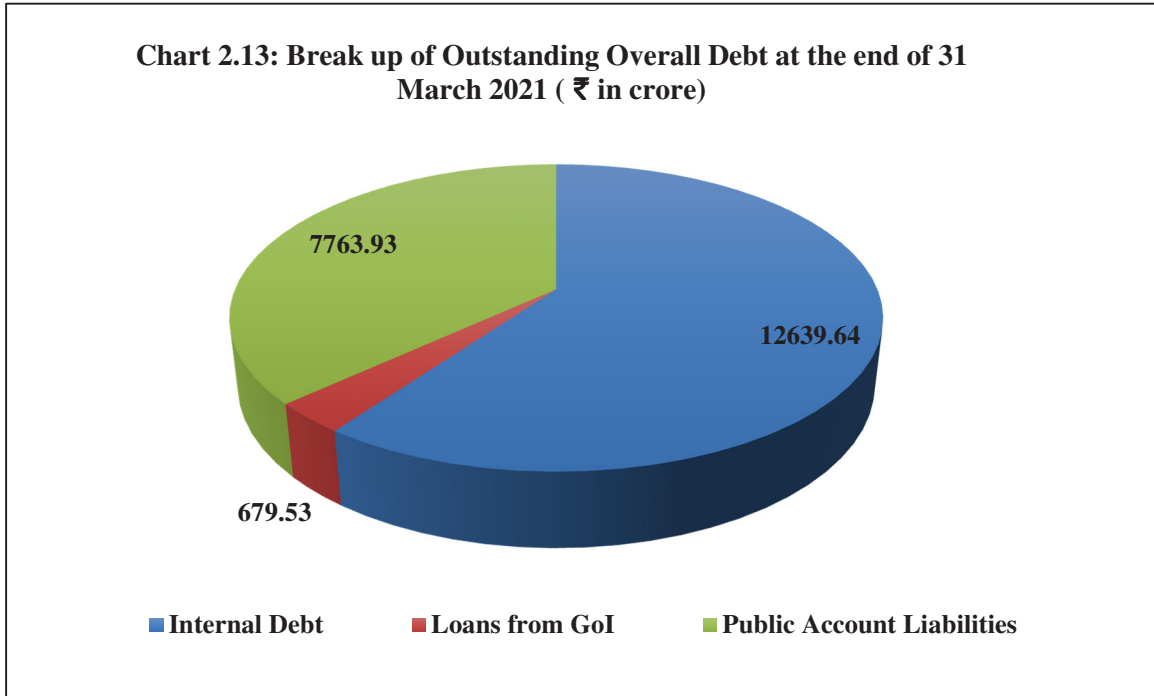
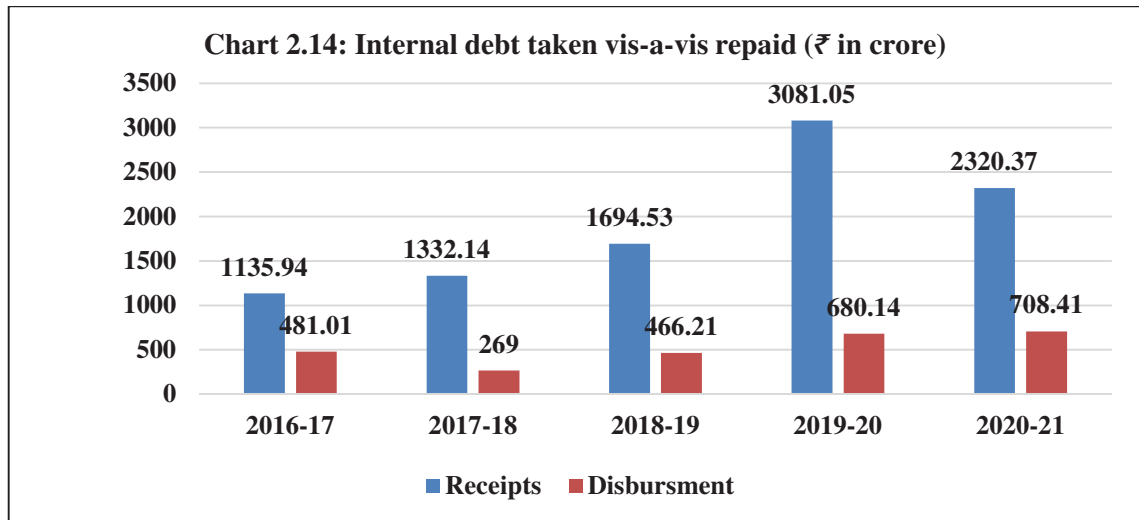


Table 2.32: Component wise debt trends

(₹ in crore)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Market borrowings	4001.33	5138.01	6524.83	9102.83	10733.83
Special Securities issued to NSSF	1421.82	1308.62	1193.36	1074.38	955.39
Loans from Financial Institutions	912.5	951.84	908.59	850.48	950.42
Loans from GoI	267.71	237.16	217.02	184.51	679.53
Small Savings PF, etc.	3751	4271.75	4734.22	5169.22	5807.92
Reserve Fund	745.37	571.19	544.91	625.57	949.00
Deposits and Advances	790.56	896.96	953.83	1161.8	1404.41
Suspense and Misc.	-194.79	-163.87	-478.59	-111.82	-113.84
Remittances	-12.02	19.9	-240.91	-360.8	-393.14
Increase/ Decrease(-) in Cash Balances	1033.12	587.86	172.85	77.65	1368.34
Gross Deficit(-)/Surplus (+) in Consolidated Fund	(-)1902.69	(-)1039.05	(-)130.18	(-)892.86	(+)197.97



The financing pattern of fiscal deficit has undergone a compositional shift as reflected in Table 2.33.

Table 2.33: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2016-17	2017-18	2018-19	2019-20	2020-21
Composition of Fiscal Deficit						
1	Revenue Deficit (-)/ Surplus (+)	790.32	(-)289.27	141.69	(-)2375.32	(-)1075.42
2	Capital Expenditure	3293.57	1777.05	1480.87	883.22	832.08
3	Net Loans and Advances	26.37	5.32	0.52	3.02	1.64
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	753.38	1137.00	1386.83	2578.00	1631.00
2	Loans from GoI	(-)28.00	(-)30.55	(-)18.80	(-)32.21	495.15
3	Special Securities issued to NSSF	(-)112.57	(-)113.20	(-)115.26	(-)118.98	(-)118.89
4	Loans from other Financial Institutions	14.12	39.34	(-) 43.25	(-)58.11	99.94
5	Small Savings, PF, etc.	396.01	520.75	462.47	435.00	638.70
6	Deposits and Advances	354.29	105.62	56.87	207.96	242.61
7	Suspense	(-)7.48	30.92	(-) 314.73	366.78	(-) 2.03
8	Remittances	6.41	(-)31.91	(-) 221.02	(-)119.89	(-) 32.34
9	Reserve Fund	47.34	(-)174.19	(-) 26.27	80.66	323.43
10	Overall Deficit	1423.50	1483.78	1166.84	3339.21	3277.48
11	Increase (-)/ Decrease (+) in cash balance and investment of cash balance	1106.12	587.86	172.86	-77.65	-1368.34
12	Gross Fiscal Deficit	2529.62	2071.64	1339.70	3261.56	1909.14

The share of revenue deficit/ surplus in fiscal deficit indicates the extent to which borrowed funds were used for current consumption.

Table 2.34: Receipts and Disbursements under components financing the fiscal deficit during 2020-21

		(₹ in crore)		
	Particulars	Receipt	Disbursement	Net
	Gross Fiscal Deficit	8743.44	6834.30	1909.14
1	Market Borrowings	1916.00	285.00	1631.00
2	Loans from GoI	527.98	32.83	495.15
3	Special Securities issued to NSSF	0.00	118.98	(-) 118.98
4	Loans from Financial Institutions	404.37	304.43	99.94
5	Small Savings, PF, etc.	1847.13	1208.43	638.70
6	Deposits and Advances	896.71	654.10	242.61
7	Suspense	130.83	132.86	(-) 2.03
8	Remittances	1346.08	1378.43	(-) 32.35
9	Reserve Fund	628.17	304.73	323.44
	Overall Deficit	7697.27	4419.79	3277.48
	Increase (-)/ Decrease (+) in cash balance	1046.17	2414.51	(-) 1368.34

2.6.2 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing.

As on 31 March 2021, there was an outstanding Public Debt of ₹ 13,319.17 crore (Internal Debt: ₹ 12,639.64 crore and GoI loan: ₹ 679.53 crore¹⁹) of which, market loan bearing interest was ₹ 10,733.83 crore. Out of market loan of ₹ 10,733.83 crore, ₹ 1,195.00 crore will mature in the next one to three years and ₹ 2,127.00 crore will mature during the next five to seven years. As per maturity profile of the outstanding market borrowings, total average interest on ₹ 10,733.83 crore is ₹ 823.67 crore calculated at the rate of 6.55 per cent to 9.67 per cent per annum. Maximum amount of market loan bearing interest will mature in the next seven to 10 years on which, ₹ 385.94 crore will be paid as interest at the rate of 6.55 per cent to 8.82 per cent per annum. Maturity Profile of repayment of Public Debt is shown in **Table 2.35** and the repayment schedule of outstanding market loans with interest is shown in **Chart 2.15**.

Table 2.35: Debt Maturity profile of repayment of State public debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0 – 1	477.05	3.58
1 – 3	1516.72	11.39
3 – 5	1010.05	7.58
5 – 7	2403.67	18.05
7 and above	7380.49	55.41
Others ²⁰	531.19	3.99
Total	13,319.17²¹	

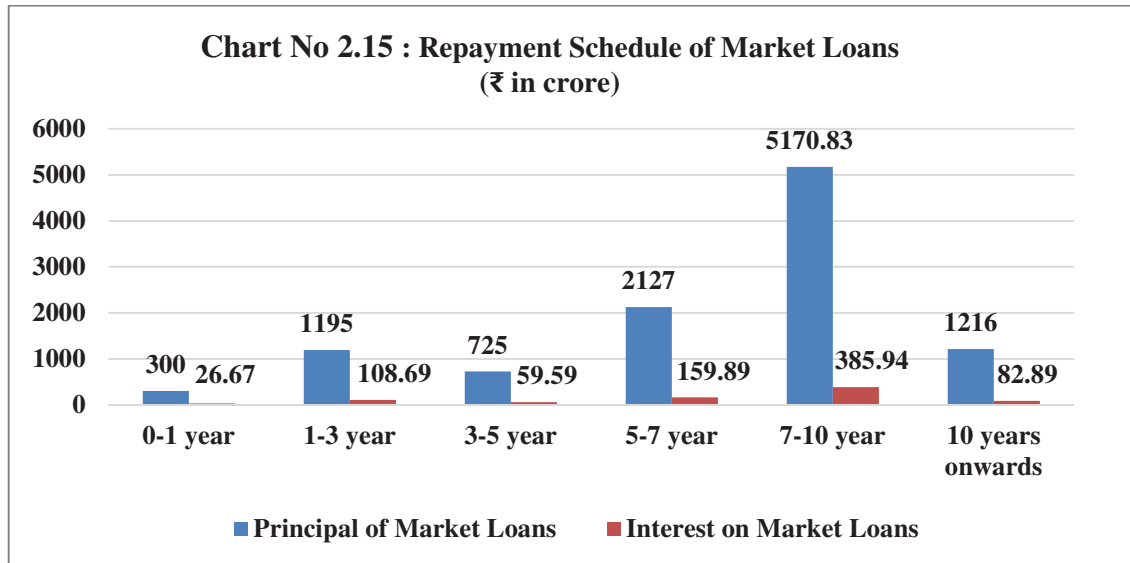
The outstanding Public Debt of ₹ 531.19 crore is against 'Others' for which repayment

¹⁹ Includes back to back loan of ₹ 226.00 crore given by the GoI in lieu of compensation of GST without any repayment obligations.

²⁰ Payment schedule of this amount is not known.

²¹ Including Market loans not bearing interest of ₹ 0.30 lakh and ₹ 17.63 lakh of Pre 1984-85 GoI loans

schedule is not known. Out of ₹ 531.19 crore, ₹ 226.00 crore is on back to back loan released by GoI during 2020-21 in lieu of GST compensation, ₹ 300.00 crore is on block loan given by GoI under the scheme for Special Assistance as loan to states for Capital expenditure and Internal Debt of ₹ 5.19 crore.



2.7 Debt Sustainability Analysis (DSA)

Debt sustainability is defined as the ability of the State to service its debt now and in future. However, the higher the level of public debt, the more it is likely that fiscal policy and public debt are unsustainable, as a higher debt requires a higher primary surplus to sustain it. A high level of debt raises a number of challenges:

- large primary fiscal surplus is needed to service a high level of debt; such surplus may be difficult to sustain, both economically and politically;
- a high level of debt heightens an economy’s vulnerability to interest rate and growth shocks;
- a high debt level is generally associated with higher borrowing requirements, and therefore a higher risk of a rollover crisis (i.e., being unable to fulfil borrowing requirements from private sources or being able to do so only at very high interest rates); and
- high levels of debt may be detrimental to economic growth; while lower growth is a concern in itself, it also has a direct impact on debt dynamics and debt sustainability in the long term.

Debt vulnerability is also associated with its profile. A high share of short-term debt at original maturity, increases vulnerability to rollover (re-financing risk) and interest rate risks. Sustainability of Public debt ensures that it does not explode and governments are not forced to increase taxes, or decrease spending.

Debt Sustainability Indicators

Ratio of total outstanding debt to GSDP (<i>in per cent</i>)	<p>The debt-to-GSDP ratio is the metric comparing a State's public debt to its Gross State Domestic Product (GSDP). By comparing what a States owes with what it produces, the debt-to-GSDP ratio reliably indicates at particular State's ability to pay back its debts.</p> <p>A falling debt/GSDP ratio can be considered leading towards stability. If Debt/GSDP ratio is increasing rapidly and goes above a threshold, we can say that current level of the primary balance is not sufficient to stabilise the debt-to-GSDP ratio, which is on an explosive path. Sufficient fiscal adjustment should be made by reducing the fiscal deficit (primary balance) to a level necessary to make public debt sustainable.</p>
Ratio of revenue receipts to total outstanding debt	If the ratio is increasing, it would be easy for the government to repay its debt using revenue receipts only without resorting to additional debt.
Ratio of State's own resources to total outstanding debt	If the ratio is increasing, it would be easier for the government to repay its debt using its own resources.
Percentage of outstanding amount of guarantees to total revenue receipts	Higher percentage of guarantees increase the fiscal risks. States have put statutory or administrative ceiling on Government guarantees. They are linked to State's revenue. The Government of Tripura put a ceiling on government guarantees and provides that the total outstanding of Government guarantees as on the first day of April of any year shall not exceed one <i>per cent</i> of the GSDP.
Rate of Growth of Outstanding Public Debt <i>vis-à-vis</i> Rate of Growth of GSDP	If the growth rate of public debt is higher than the GSDP growth rate, it will lead to higher debt to GSDP ratio.
Average interest Rate of Outstanding Debt (Interest paid/OB of Public Debt + CB of Public Debt/2)	Higher interest rate means that there is scope for restructuring of debt.
Percentage of Interest payments to Revenue Receipt	<p>Higher percentage of interest payments leaves less funds for priority areas. It measures the margin of safety a government has for paying interest on its debt during a given period. Governments need to have more than enough revenues to cover interest payments in order to survive future (and perhaps unforeseeable) financial hardships that may arise.</p> <p>If significant portion of borrowed funds are used for repayment of borrowings and interest thereon, the net debt available with</p>

	State for development activities is curtailed.
Percentage of Public Debt Repayment to Public Debt Receipt	Higher the percentage, greater the proportion of debt utilised for debt servicing rather than productively.
Net Debt available to the State	It is the excess of Public Debt Receipts over Public Debt repayment and Interest payment of Public Debt.
Debt Maturity profile of repayment of State debt – including default history, if any	A high share of short-term debt at original maturity, increases vulnerability to rollover (re-financing risk) and interest rate risks. The past record of repayments as per schedule in conjunction with the proportion of debt repayable in the forthcoming seven years, is indicative of debt servicing position.

From **Table 2.36** it appears that the growth rate of outstanding Public Debt rapidly increased from 10.48 *per cent* in 2016-17 to 26.78 *per cent* in 2019-20 and Public Debt/GSDP ratio increased from 16.73 *per cent* to 20.07 *per cent* during the same period. However, during 2020-21, the rate of growth of outstanding debt decreased to 18.79 *per cent* and Debt/GSDP increased to 22.24 *per cent* compared to the previous year. About 10 *per cent* of the revenue receipts were used by the State for payment of interest on the outstanding Public Debt at an average rate of interest ranged between 7.67 *per cent* to 8.36 *per cent* during the last five-year period from 2016-17 to 2020-21. About 22.56 *per cent* to 44.98 *per cent* of the Debt receipts were utilised for repayment of Debt during the last five year period; it was 26.02 *per cent* during 2020-21.

Fiscal space in general refers to the room a government has, to undertake discretionary policy relative to existing plans without undermining debt sustainability or market access. Fiscal space can be gauged through a multi-faceted consideration of context, financing, fiscal indicators, and fiscal impacts.

Table 2.36: Trends in debt Sustainability indicators

Debt Sustainability Indicators	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Public Debt*	6603.03	7634.28	8843.80 ²²	11212.20	13319.17
Rate of Growth of Outstanding Public Debt	10.48	15.62	15.84	26.78	18.79
GSDP	39479	43716	49823	55357	58880
Rate of Growth of GSDP	9.85	10.73	13.97	12.11	5.41
Public Debt/GSDP	16.73	17.46	17.75	20.07	22.24
Debt Maturity profile of repayment of State debt – including default history, if any	512.63	269.00	498.05	889.07	741.24
Average interest Rate of Outstanding Public Debt (<i>per cent</i>)	8.36	8.15	8.20	7.89	7.67

²² Inclusive of ₹ 0.30 crore transferred to MH-0075-800 as other receipts due to write off amount of excess repayment of loan by the Ministry during 2019-20

Table 2.36: Trends in debt Sustainability indicators (concl.)

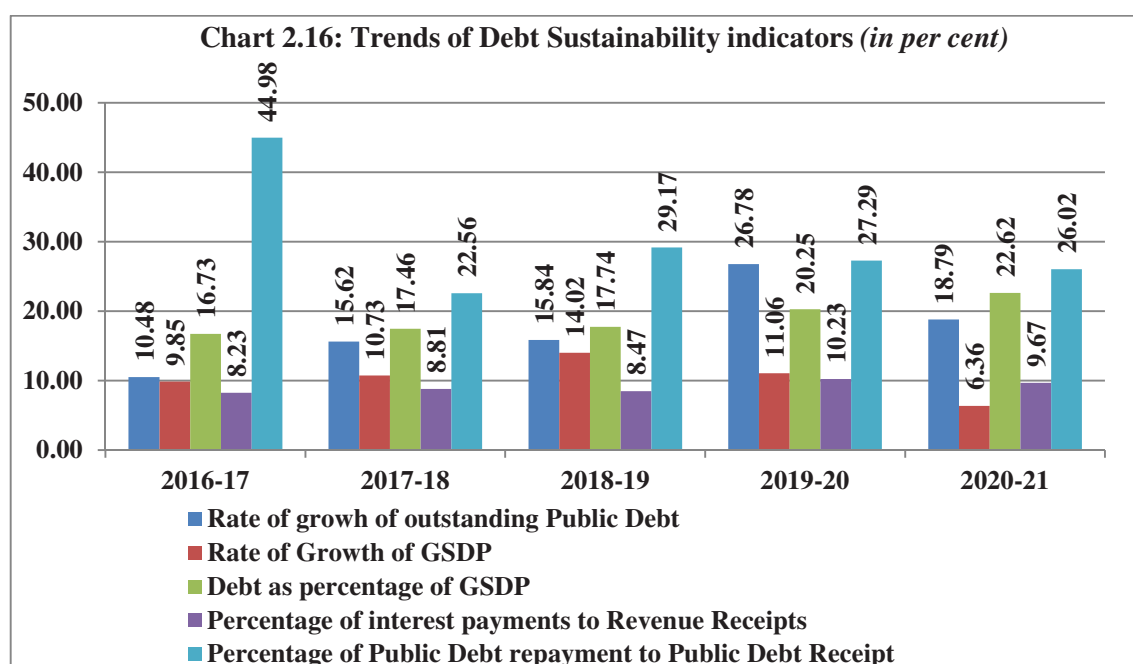
Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
Percentage of Interest payment to Revenue Receipt	8.23	8.81	8.47	10.23	9.67
Percentage of Debt Repayment to Debt Receipt	44.98	22.56	29.17	27.29	26.02
Net Debt available to the State [#]	102.04	440.27	541.53	1616.32	1207.84
Net Debt available as <i>per cent</i> to Debt Receipts	8.95	33.02	31.71	49.61	42.34
Debt Stabilisation (Quantum spread + Primary Deficit)	1840.30	1460.35	873.49	2319.34	(-) 1099.81

(₹ in crore)

Source: Finance Accounts

* Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government. The effective outstanding overall debt would be ₹ 13093.10 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 226.00 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

[#] Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public Debt



2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used for capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable.

The trend of borrowing (public debt receipts) during the last five year period 2016-21 and utilisation of the funds are shown in **Table 2.37**. It shows that during 2020-21, out of net availability of borrowed fund, an amount of ₹ 1,273.39 crore (44.71 *per cent*) was utilised for meeting Revenue expenditure, as there was a Revenue deficit of ₹ 1,075.42 crore (7.48 *per cent* of RE) during the year. As a result, the outstanding debt of the State increased to that extent during 2020-21.

Table 2.37: Utilisation of borrowed funds

(₹ in crore)

Year		2016-17	2017-18	2018-19	2019-20	2020-21
Total Borrowings	2	1139.56	1333.41	1707.57	3257.77	2848.35
Repayment of earlier borrowings (Principal) (percentage)	3	512.63 (44.98)	300.82 (20.17)	498.05 (29.17)	889.07 (27.29)	741.24 (26.02)
Capital expenditure (Percentage)	4	626.93 (55.02)	1032.59 (79.83)	1209.52 (70.83)	883.22 (27.11)	832.08 (29.21)
Net loans and advances	5	-	-	-	3.02 (0.09)	1.64 (0.06)
Portion of Revenue expenditure met out of net available borrowings	6=(2-3-4-5)	-	-	-	1482.46 (45.51)	1273.39 (44.71)

Source: Finance Accounts

2.7.2 Status of Guarantees-Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State, in case of default by the borrower for whom the guarantee has been extended. The State Governments have come out with legislations or instructions with regard to capital on the guarantees.

As per the Guarantee Redemption scheme guidelines, the State Government had made a budget provision of ₹ 3.00 crore under Major Head 2075 during the year 2020-21 for contribution to the guarantee redemption fund during the year.

During 2020-21, the Government had given fresh guarantee of ₹ 276.40 crore for repayment of loans raised by the Tripura Infrastructure and Investment Fund Board (₹ 146.40 crore), Tripura Power Corporation Ltd. (₹ 100.00 crore) and Tripura ST cooperative Development Corporation Limited (₹ 30.00 crore).

The Government received ₹ 2.76 crore as guarantee fees on the fresh guarantee given during the year 2020-21. The State Government, however, transferred the guarantee fees of ₹ 2.79 crore to the guarantee redemption fund along with the interest of ₹ 0.03 crore accrued during the year 2020-21. After deletions of ₹ 239.55 crore during 2020-21, total outstanding guarantee stood at ₹ 771.42 crore including interest of ₹ 0.08 crore at the end of 31 March 2021. This was an increase of 5.02 per cent as compared to the previous year and it was 1.31 per cent of GSDP for the year.

Table 2.38: Guarantees given by the State Government

(₹ in crore)

Guarantees	2016-17	2017-18	2018-19	2019-20	2020-21
Maximum amount of guaranteed during the year	64.00	54.00	230.00	246.75	276.40
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	1 per cent of GSDP	1 per cent of GSDP	1 per cent of GSDP	1 per cent of GSDP	1 per cent of GSDP
Outstanding amount of guarantees including interest	312.53	327.65	523.67	734.57	771.42

The break-up of outstanding guarantee is shown in **Table 2.39**.

Table 2.39: Details/ break-up of outstanding guarantee as on 31 March 2021
(₹ in crore)

Sector	Outstanding at the beginning of 2020-21	Addition during 2020-21	Deletions during the year 2020-21	Outstanding as on 31-03-2021
1. Tripura Housing and Construction Board (THCB)	200.00	0.00	200.00	0.00
2. Agartala Smart City	200.00	0.00	0.00	200.00
3. Tripura Infrastructure and Investment Fund Board	0.00	146.40	0.00	146.40
4. Power	159.57	100.00	0.00	259.57
5. Co-operation (6 Nos.)	175.00 ²³	30.00	39.55	165.45
Total	734.57	276.40	239.55	771.42

The State Government has given guarantee for ₹ 200.00 crore to the Tripura Housing and Construction Board (THCB) to raise loans from various entities during 2019-20 and received ₹ 2.00 crore as guarantee fee from them against the fresh guarantee during the year as per scheme guidelines. As per information furnished by the Government (July 2021), against the guarantee of ₹ 200.00 crore, the THCB had taken loan of only ₹ 81.96 crore from HUDCO and repaid the same with interest of ₹ 1.96 crore during 2020-21. It was also stated that no further loan will be raised from HUDCO against the guarantee given by the State Government during 2019-20. Hence, there was no guarantee outstanding against the THCB as on 31 March 2021.

The State Government was requested to furnish the details of the loan raised by the various entities against the guarantee given by the Government during 2020-21. As per information furnished (November 2021) by the State Government it was noticed that the Tripura State Electricity Corporation Ltd (TSECL) raised loan of ₹ 100.00 crore from the Bank of India against the guarantee given by the State Government during 2020-21. The Tripura Infrastructure and Investment Fund Board (TIIFB) (established under Tripura Act No. 6 of 2018) raised loans of ₹ 65.00 crore from various PSUs/ Departments during 2020-21 against the guarantee of ₹ 146.40 crore and the Tripura Scheduled Tribes Co-operative Development Corporation raised loan of ₹ 21.34 crore against the guarantee given by the Government of ₹ 30.00 crore during the year.

2.7.3 Management of Cash Balances

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts

²³ Note: Six Cooperative: (1) Tripura State Cooperation Bank Ltd.: ₹ 6.59 crore; (2) Tripura Cooperative Agricultural Development Bank Ltd.: ₹ 0.69 crore; (3) Tripura SC Cooperative Development Corporation Ltd.: ₹ 38.61 crore; (4) Tripura OBC cooperative Development Corporation Ltd.: ₹ 44.68 crore; (5) Tripura Minorities Cooperative Development Corporation Ltd.: ₹ 65.24 crore and (6) Tripura ST Cooperative Development Corporation Ltd.: ₹ 19.19 crore.

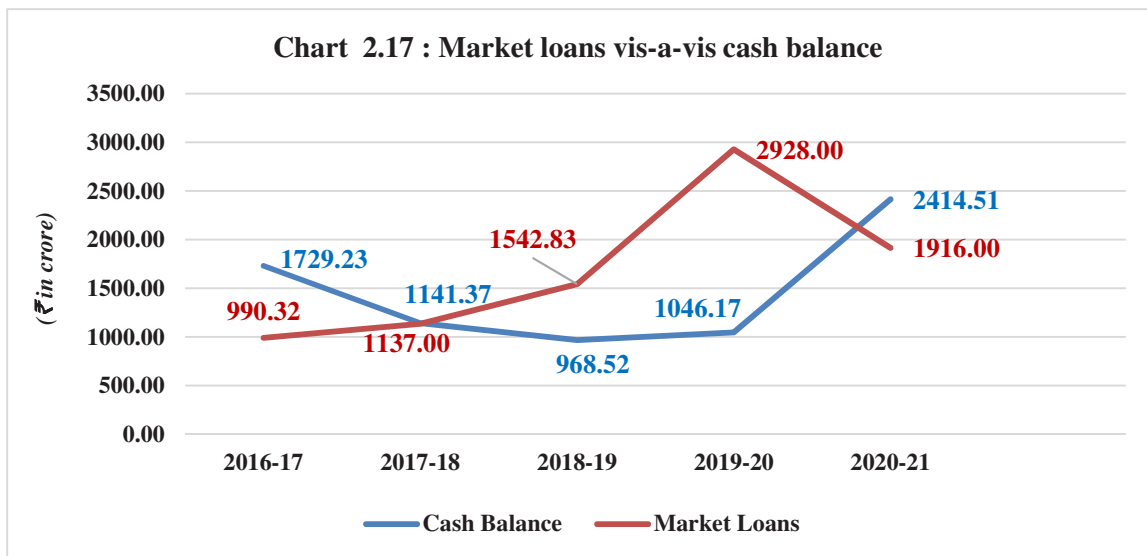
(OD) from time to time. The limit for ordinary WMA to the State Government are revised by the RBI from time to time.

State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head ‘0049-Interest Receipts’. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund as well.

It is not desirable that the State Government takes recourse to market loans despite having large cash balances as this leads to further accretion to cash balances without putting it to productive use.

Under the agreement with the RBI, the State Government had to maintain a minimum cash balance of ₹ 0.29 crore with the bank.

The State Government had availed ₹ 85.67 crore as Special Drawing facility against the operative limit of ₹ 90.37 crore as on 31 March 2021 and repaid the same during the year 2020-21. **Table 2.40** depicts the cash balances of the State at the end of 31 March 2021 out of which an amount of ₹ 1,940.78 crore was held in cash balance investment account in GoI 14/91 days Treasury Bills as on March 2021. The trend in cash balance investment account during the last five year period are shown in **Table 2.41**.



It is seen that the overall cash balance at the end of 31 March 2021 increased by ₹ 1,368.34 crore from ₹ 1,046.17 crore at the beginning of the year 2020-21. There was increase of ₹ 1,587.42 crore (449.24 per cent) in cash balance investment account while investment in earmarked fund increased by ₹ 73.52 crore (22.69 per cent) at the end of 31 March 2021. The position of cash balances and resource of market loans are indicated in **Chart 2.17**.

Table 2.40: Trend of Cash Balances investment

(*₹ in crore*)

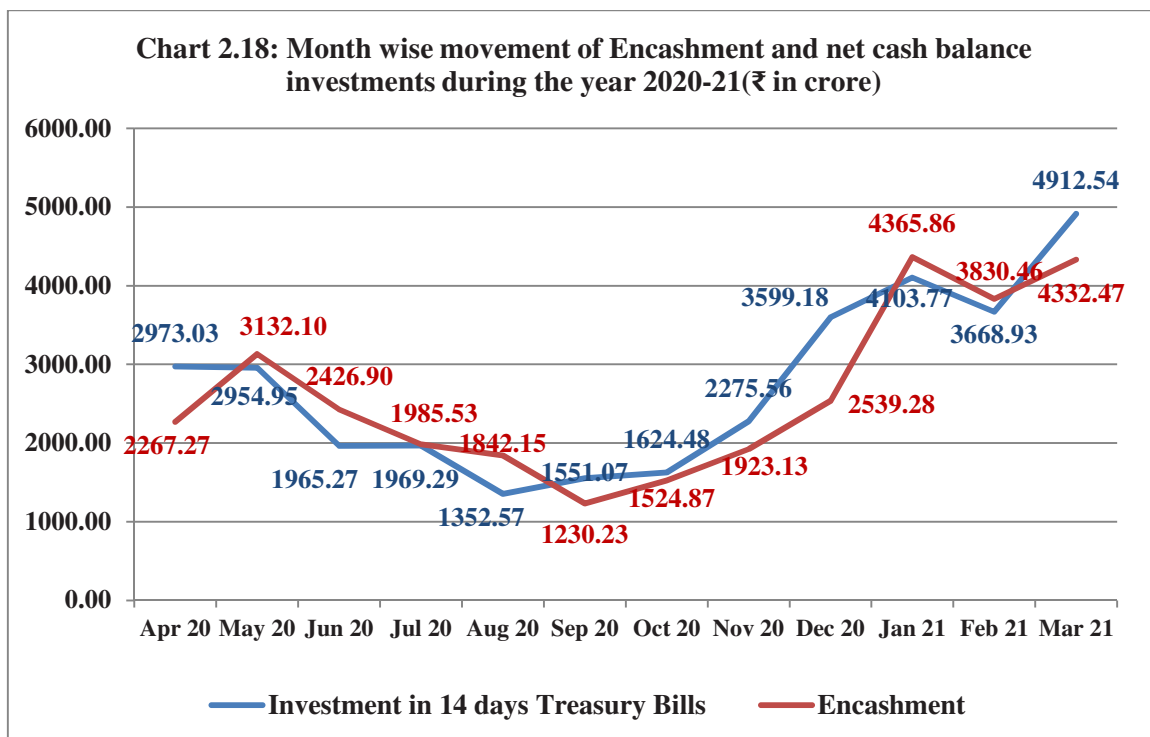
Particulars	Opening balance on 1 April 2020	Closing balance on 31 March 2021
A. General Cash Balance		
Cash in treasuries	(-)1.13	(-)1.13
Deposits with Reserve Bank of India	340.98	48.22
Deposits with other Banks	-	-
Remittances in transit – Local	-	-
Total	339.85	47.09
Investments held in Cash Balance investment account	353.36	1940.78
Total (A)	693.21	1987.87
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	28.97	28.95
Permanent advances for contingent expenditure with department officers	0.04	0.22
Investment in earmarked funds	323.95	397.47
Total (B)	352.96	426.64
Total (A + B)	1046.17	2414.51
Interest realised	17.43	17.04

Source: Finance Accounts

Table 2.41: Cash Balance Investment Account (Major Head-8673)

(*₹ in crore*)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2016-17	2207.79	1356.72	(-)851.07	35.66
2017-18	1356.72	639.54	(-)717.18	37.41
2018-19	639.54	652.34	12.80	37.86
2019-20	652.34	353.36	(-)298.98	17.43
2020-21	353.36	1940.78	1587.42	17.04



2.8 Conclusion

During 2020-21, the State had a Revenue deficit of ₹ 1,075.42 crore which was 1.82 per cent of GSDP during the year. Fiscal deficit was ₹ 1,909.14 crore during 2020-21 which was 3.24 per cent of GSDP and primary deficit was ₹ 624.33 crore (1.06 per cent of GSDP). Fiscal deficit target as percentage to GSDP was achieved in 2020-21 against the target fixed of 5.00 per cent for the year. The State achieved the target set in FRBM Act in respect of outstanding liabilities to GSDP in all five years of 2016-17 to 2020-21 and it was 35.42 per cent in 2020-21 against the target of 36.30 per cent for the year.

Revenue Receipts during the year 2020-21 were ₹ 13,292.40 crore which increased by ₹ 2,290.81 crore (20.82 per cent) during the year. State's Own Tax increased by ₹ 230.65 crore (10.97 per cent) from ₹ 2,101.79 crore (2019-20) to ₹ 2,332.44 crore (2020-21) while Non-Tax revenue increased by ₹ 13.84 crore (5.09 per cent) only during the year from ₹ 271.65 crore (2019-20) to ₹ 285.49 crore (2020-21). The State had collected ₹ 1,056.01 crore as GST during 2020-21, an increase of 2.86 per cent over the previous year.

Grants-in-aid from GoI increased by ₹ 2,039.65 crore (46.18 per cent) from ₹ 4,416.37 crore (2019-20) to ₹ 6,456.02 crore (2020-21) and State's Share of Union taxes and Duties during 2020-21 increased by ₹ 6.67 crore (0.16 per cent) from ₹ 4,211.78 crore (2019-20) to ₹ 4,218.45 crore (2020-21).

Revenue expenditure during the year 2020-21 was ₹ 14,367.82 crore which was 94.51 per cent of the total expenditure of ₹ 15,202.79 crore. Moreover, there was a misclassification of ₹ 13.91 crore booked as Capital expenditure instead of Revenue expenditure which was given by the State Government as Grants-in-aid to the local bodies or individual entities under various Central Schemes during the year, resulting in

overstatement of Capital expenditure and understatement of Revenue expenditure to that extent during 2020-21. Committed expenditure comprising salary & wages, pension, interest payments, *etc.* was 61.89 *per cent* of the Revenue expenditure during the year 2020-21.

Capital expenditure is the expenditure incurred for creation of fixed infrastructure assets such as roads, building, *etc.* It is noticed that during the year 2020-21 Capital expenditure decreased by ₹ 51.14 crore (5.79 *per cent*) from ₹ 883.22 crore during 2019-20 to ₹ 832.08 crore.

During 2020-21, the State Government invested ₹ 65.53 crore in Government Companies, statutory corporation, co-operative societies and joint stock companies. As on 31 March 2021 the State Government made investment of ₹ 1,714.19 crore in those companies/ corporations and co-operative societies and got negligible amount of ₹ 6.62 crore as dividend during the year from two joint stock companies.

The State Government contributed ₹ 45.00 crore to the Consolidated Sinking Fund against the admissible contribution of ₹ 89.23 crore calculated at the rate of 0.5 *per cent* of the outstanding liabilities of ₹ 17,845.58 crore at the beginning of the year. There was short contribution of ₹ 44.23 crore to the SDRF during 2020-21. The State Government contributed un-transferred amount of ₹ 1.90 crore for the year 2019-20 in the State Disaster Response Fund in addition to ₹ 3.78 crore for the year 2020-21.

The State short contributed ₹ 0.91 crore to the guarantee redemption fund at rate of 0.5 *per cent* of outstanding guarantees of ₹ 734.57 crore at the beginning of the year 2020-21, including interest as on 31 March 2020.

The outstanding liabilities including outstanding Public Debt increased from ₹ 11,258.96 crore in 2016-17 to ₹ 21,083.10 crore in 2020-21 with an increase of 87.26 *per cent* during the period. About nine to 10 *per cent* of the revenue receipts were used by the State for payment of interest on the outstanding Public Debt, the average rate of interest ranged between 7.50 *per cent* to 7.89 *per cent* during the last five year period from 2016-17 to 2020-21.

As on 31 March 2021, the State had outstanding Market loan of ₹ 10,733.83 crore out of which ₹ 2,127.00 crore would mature in next five to seven years and ₹ 5,170.83 crore would mature during next seven to 10 years.

The State Government had availed ₹ 85.67 crore as Special Drawing facility against the operative limit of ₹ 90.37 crore as on 31 March 2021 and repaid the same during the year 2020-21. The cash balances of the State at the end of 31 March 2021 was ₹ 2,414.51 crore out of which, ₹ 1,940.78 crore was held in cash balance investment account during the year. It is not desirable that State Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use and further increasing its debt liabilities.

2.9 Recommendations

1. *State Government may take necessary steps to reduce the Revenue and Fiscal deficits and to review the accounting treatment of the expenditure met out for Grants-in-aid from the Capital account instead of Revenue Account as it affects the transparency of accounting and has significant impact on the computation of the Revenue Surplus/deficits.*
2. *State Government should review the functioning of its loss making State Public Sector Enterprises (SPSEs) in the State considering the investment as well as returns.*
3. *The State Government may contribute to the Consolidated Sinking Fund and State Disaster Response Fund as per the guidelines.*

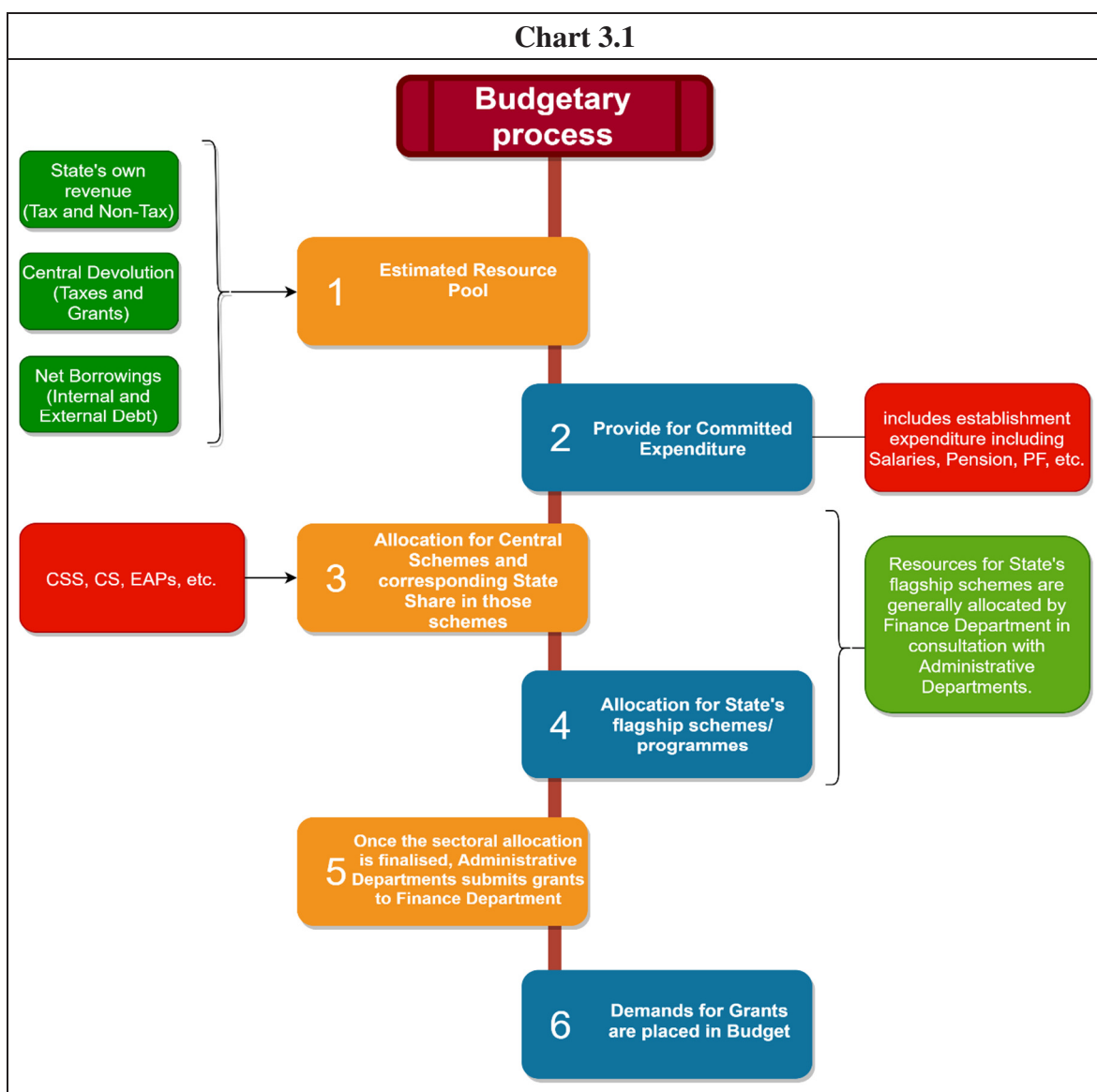
CHAPTER-III
BUDGETARY MANAGEMENT

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. A typical budget preparation process in a State is given in **Chart 3.1**.



CSS: Centrally Sponsored Schemes; CS: Central Schemes

The Finance Bill, Annual Financial Statement (Budget), and Demands for Grants are mandated by Article 199, 202 and 203 of the Constitution of India respectively.

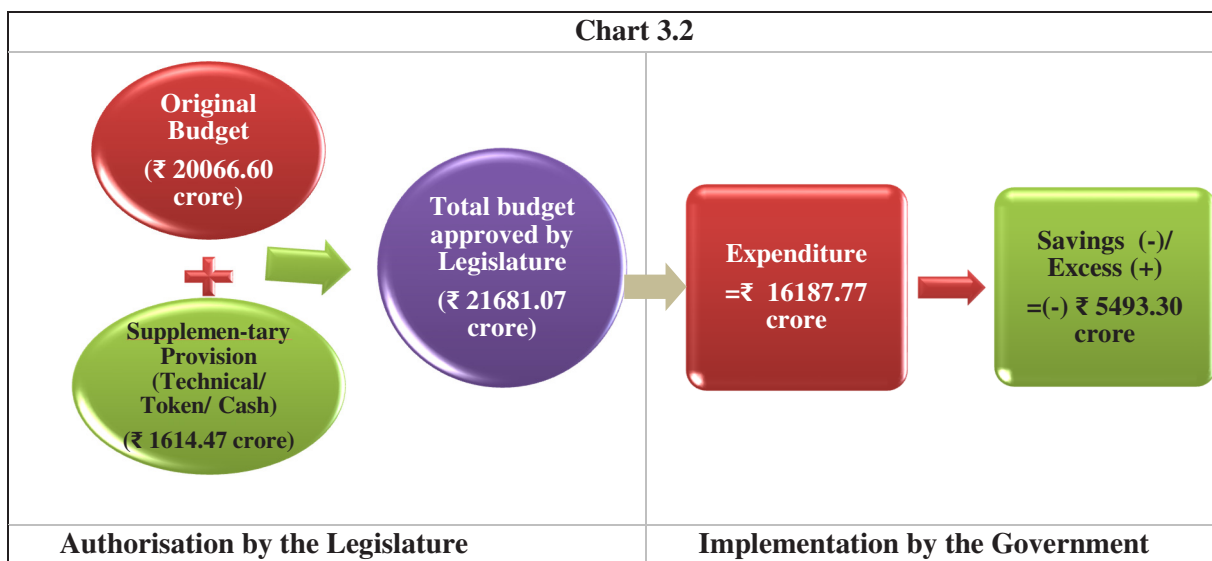
Article 202 of Constitution of India requires laying of a statement of, estimated receipts and expenditure of the State for that year, as the "Annual Financial Statement" before the House or Houses of the Legislature of the State. The Annual Financial Statement should show expenditure charged on Consolidated Fund and other expenditure separately. It shall also distinguish expenditure on revenue account from other expenditure.

The Annual Financial Statement, also called general budget is placed prior to the commencement of the financial year in the State Legislature, in accordance with Article 202 of the Constitution. The estimates of receipts and disbursements in the Annual Financial Statement and of expenditure in the Demand for Grants are shown according to the accounting classification under Article 150 of the Constitution.

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with provisions of Article 204 of the Constitution. Supplementary or Additional Grant or Appropriation is provided during the course of a financial year, in accordance with Article 205 of the Constitution. It is the provision for meeting expenditure in excess of the budgeted amount.

Legislative authorisation is the *sine qua non* for incurrence of all expenditure by the State Government. To guide individual Government Departments, the State Governments frame financial rules and provide for delegation of financial powers. These delegations establish limits for incurrence of expenditure and the levels authorised to sanction such expenditure together with restrictions on appropriation and re-appropriations.

Apart from supplementary grant, Re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The various components of budget are depicted in the **Chart 3.2**.



Source: Appropriation Account

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 along with the bifurcation into voted/charged during the year 2020-21 is given in **Table 3.1**.

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

(₹ in crore)

Total Budget provision		Disbursements		Net Savings	
Voted	Charged	Voted	Charged	Voted	Charged
19559.63	2121.44	14086.11	2101.66	5473.52	19.78

Source: Appropriation Accounts

There was an overall savings of ₹ 5,714.99 crore offset by excess of ₹ 221.69 crore during the year 2020-21 resulting in net savings of ₹ 5,493.30 crore which was 25.34 per cent of total Grants/Appropriations and 33.93 per cent of the expenditure.

These savings may be seen in context to over estimation of Receipts of ₹ 19,559.18 crore by the State Government and the BEs on the expenditure side being ₹ 20,066.60 crore during the year 2020-21. As against the estimated Receipts, the actual Receipts were ₹ 16,142.00 crore only thereby restricting the total expenditure to ₹ 16,187.77 crore. This implied that the savings were mere token, as the funds were not actually available for expenditure.

3.1.2 Charged and voted disbursements

The break-up of total disbursement into charged and voted during the last five year period 2016-21 are given in **Table 3.2**.

Table 3.2: Trend of disbursement into charged and voted during the period 2016-21

(₹ in crore)

Year	Disbursements			Net savings (-)			per cent
	Voted	Charged	Total	Voted	Charged	Total	
2016-17	11530.50	1330.29	12860.79	(-) 4731.56	(-) 317.31	(-) 5048.87	39.26
2017-18	11317.09	1215.32	12532.41	(-) 4213.29	(-) 644.41	(-) 4857.70	38.76
2018-19	12403.28	1553.56	13956.84	(-) 3870.36	(-) 156.27	(-) 4026.63	28.85
2019-20	13403.99	2043.98	15447.97	(-)5026.54	(-) 19.06	(-) 5045.60	32.66
2020-21	14086.11	2101.66	16187.77	(-) 5473.52	(-) 19.78	(-) 5493.30	33.93

Source: Appropriation Accounts

It can be seen from **Table 3.2** that the percentage of savings to that of the expenditures ranged between 28.85 per cent in 2018-19 to 39.26 per cent in 2016-17. Large amount of savings in allocated funds indicated inaccurate assessment of Receipts.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and 205 of the Constitution of India. Appropriation Accounts

are on Gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance 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 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 in accordance with the provisions of Article 204 of the Constitution. Expenditure on 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.

As per Article 115(1)(a) and 205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/ State assembly earlier, including a new activity or a new form of investment.

‘New Instrument of Service’ means relatively large expenditure arising out of important expansion of an existing activity.

Scrutiny of Appropriation Accounts revealed that an expenditure of ₹ 359.08 crore was incurred in 21 Grants/Appropriations without any provision in the original estimates or supplementary demands, but through re-appropriation without the knowledge of the Legislature. The expenditure incurred requires regularisation. The details of the scheme/service where there were instances of incurring expenditure through re-appropriation without the knowledge of the Legislature and which requires regularisation are given in **Appendix 3.1**.

There were 16 cases under six Grants/ Appropriations, where expenditure of more than ₹ one crore in each case was incurred during the year without budgetary provision, of which, in five cases under one Grant (Grant No. 13: Public Works (R&B) Department), the amount involved in each case was more than ₹ five crore. However, Government did not furnish any specific reason for incurring expenditure without budgetary provision.

3.3.2 Transfers not mandated by the Appropriation Act/Detailed Demands for Grants (into Public Account/ Bank Accounts)

The Appropriation Accounts authorise incurrence of expenditure under specified Grants, during the financial year. Hence, transfer of funds from the Consolidated Fund of the State into Public Account heads or into bank accounts, not authorised through the Appropriation Act, are not permissible.

Government receives moneys deposited with them for various purposes by or on behalf of various public bodies and members of the public. These deposits are later adjusted by repayment or otherwise. In this manner, Public Works Department also receives deposit from other Government department or public/private bodies for the execution of civil work, entrusted to them. In Government accounts, 'K-Deposits and Advance' is the sector with major heads for accounting for moneys received by Government on behalf of various public bodies and members of the public. The advances paid to departmental officers for executing departmental activities are adjusted under these heads.

Among the various major heads under 'K-Deposits and Advance', the major head '8443-Civil Deposits' had substantial accumulated balance (₹ 1,393.93 crore) at the end of March 2021 and major portion of this accumulation pertains to four minor heads '108-Public Works Deposits' (₹ 487.77 crore), '106-Personal Deposits' (₹ 475.89 crore), '111-Other Departmental Deposits' (₹ 254.99 crore) and '800-Other Deposits' (₹ 104.94 crore). The details of the major transactions under four Minor Heads subordinate to Major Head 8443-Civil Deposits during the year 2020-21 are given in **Table 3.3**.

Table 3.3: Transactions of the four minor heads under 8443-Civil Deposits during 2020-21

(₹ in crore)

Head of accounts	Opening balance as on 1 April 2020	Receipts during the year	Disbursement during the year	Closing balance as on 31 March 2021
8443: Civil Deposits, of which	1,151.88	816.18	574.13	1,393.93
108: Public Works Deposits	458.57	201.32	172.12	487.77
106: Personal Deposits	328.32	465.81	318.24	475.89
111: Other Departmental Deposits	177.40	95.69	18.10	254.99
800: Other Deposits	121.51	34.12	50.69	104.94

The details of the monthly transactions under the Minor Heads-800 subordinate to Major Head 8443-Civil Deposits during the year 2020-21 is given in **Table 3.4**.

Table 3.4: Transactions under minor heads 800-Other Deposits under 8443 during 2020-21*(₹ in crore)*

Month	Receipts	Disbursement
April 2020	2.63	1.27
May 2020	4.14	1.46
June 2020	3.33	8.72
July 2020	3.24	17.66
August 2020	2.49	1.17
September 2020	2.32	1.83
October 2020	2.33	3.02
November 2020	2.61	0.87
December 2020	3.07	0.56
January 2021	2.98	7.50
February 2021	3.56	2.84
March 2021	1.42	3.79
Total	34.12	50.69

Source: VLC data

During the year 2020-21, the State Government transferred ₹ 7.31 crore from Capital Head of accounts to Deposit Head (MH 8443-Civil Deposits) through book adjustment. The detailed break-up is given in **Table 3.5**. Moreover, the reason for transfer of fund from Capital Head of Account to Deposit Head was not intimated by the State Government.

Table 3.5: Funds transferred to Deposit Account 8443 from Capital Heads of account during 2020-21*(₹ in crore)*

Sl. No.	Major Head of Account	Funds transferred to Major Head 8443- Civil Deposits
1	4055 Capital Outlay on Police	0.08
2	4059 Capital Outlay on Public Works	0.63
3	4070 Capital Outlay on other Administrative Services	0.35
4	4202 Capital Outlay on Education, Sports, Art and Culture	0.03
5	4215 Capital Outlay on Water Supply and Sanitation	0.44
6	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	0.30
7	4401 Capital Outlay on Crop Husbandry	1.14
8	4405 Capital Outlay on Fisheries	0.25
9	4408 Capital Outlay on Food Storage and Warehousing	1.30
10	4415 Capital Outlay on Agricultural Research and Education	0.02
11	4435 Capital Outlay on other Agricultural Programmes	1.08
12	4552 Capital Outlay on North Eastern Areas	0.25
13	4702 Capital Outlay on Minor Irrigation	0.65
14	4851 Capital Outlay on Village and Small Industries	0.04
15	5054 Capital Outlay on Roads and Bridges	0.05
16	5055 Capital Outlay on Road Transport	0.67
17	5475 Capital Outlay on other General Economic Services	0.03
	Total	7.31

3.3.3 Misclassification of capital expenditure as revenue expenditure and charged & voted expenditure and vice versa

Misclassification of expenditure and receipts has a great impact on the integrity of the financial statements. Article 202 of the Constitution prescribes that, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called the “Annual Financial Statement” (or the “budget”), is to be laid before both the Houses of the State Legislature. The estimates of expenditure are classified under ‘charged’ (such expenditure as is not to be submitted to the vote of the Legislative Assembly under the provisions of the Constitution) and ‘voted’ items of expenditure separately. Annual Financial Statement distinguishes expenditure on revenue account from other expenditure as explained in **Chapter 2**.

General financial Rules categorise the primary units of appropriation. There are specific object heads meant for obtaining provision for acquisition of Capital Assets and other Capital Expenditure. These object heads pertaining to booking of expenditure of capital nature should correspond with capital major heads only. However, there are instances where object heads of revenue nature are incorrectly operated with capital major heads and vice-versa, for example Grants-in-aid.

Classification of expenditure of revenue nature as capital expenditure or vice-versa, results in overstatement/ understatement of revenue expenditure and revenue deficit/ surplus.

During the year 2020-21, there were cases of misclassification of expenditure of ₹ 13.91 crore of revenue nature as capital expenditure as detailed in **Appendix 3.2**.

It can be seen from **Appendix 3.2**, that the expenditure was booked under various Central/State schemes like Infrastructural facilities (Tourism) (₹ 6.68 crore), Industries and Commerce (₹ 6.13 crore), Roads and Bridges (₹ 0.71 crore), State Share of Skill Development Mission (₹ 0.27 crore) and State Share of North Eastern Council (₹ 0.12 crore) as Grants-in-aid for creation of Capital Assets under Capital Head instead of Revenue account during the year 2020-21.

As per the Indian Government Accounting Standard (IGAS)-2, expenditure on Grants-in-Aid is to be classified as Revenue Expenditure. As in the previous years, the Government incorrectly classified the expenditure of ₹ 13.91 crore as Capital Expenditure in violation of the Accounting Standards.

The misclassification of expenditure led to overstatement of Capital Expenditure and understatement of Revenue Deficit for the year 2020-21 to that extent. The five years trend of misclassification of Revenue expenditure as Capital expenditure and its impact on Revenue deficit/ surplus is discussed at **Paragraph 3.3.8**.

3.3.4 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, as it is necessary to meet;

- i. Expenditure on Schemes of New Expenditure to be taken up within the current financial year.
- ii. Inadequacy of provision.
- iii. Fresh expenditure but not technically “Schemes of New Expenditure.”
- iv. Omissions of provision.

When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess by Re-Appropriation, the Secretary in the Department concerned proposes to the Finance Department for Supplementary or Additional Grant or Appropriation.

In deserving cases which are unforeseen and which cannot wait for provision by Supplementary or Additional Grant or Appropriation, advances from the Contingency Fund may be sanctioned in accordance with the provisions made in the Constitution and the relevant rules. The advances so sanctioned will have to be regularised by a Supplementary Grant or Appropriation and recouped to the Contingency fund.

The existence of likely or actual savings in the budget should never be seized upon as an opportunity to introduce fresh items of expenditure which ought to wait till next year. Known savings in the budget should not be left un-surrendered for fear of the next year’s budget allotment being reduced.

Considerable Re-Appropriation from one Sub Head to another must always be avoided. That fresh expenditure is unavoidable or imperatively necessary or that it will produce consequential economics or that it is essential for preserving the revenue or the public safety are reasonable justifications for introducing fresh expenditure during the course of the year, but in such circumstances, it must be shown that the requirements could not have been foreseen and provided for in the budget. The process of Re-Appropriation is not designed merely to rectify omissions and lack of foresight.

The Tripura Budget Manual, 1998 (Para 23 of Chapter–IV) provides that, “When unforeseen circumstances make it necessary to incur expenditure not contemplated in the Appropriation Act, every effort should be made to meet it from savings elsewhere within the same grant (voted or charged, as the case may be) by postponement or curtailment of less urgent expenditure. Only if it is not possible to make the requisite funds available by this means, recourse should be had to supplementary estimate after Finance Department agreeing in writing or allocating additional fund. The responsibility in regard to proposals for supplementary estimates rests on the Finance Department. Greatest care should be taken while preparing proposals for supplementary estimates since if on the closing of the accounts any supplementary Grants or Appropriation actually obtained are found to have been unnecessary or excessive, the Audit will draw attention to the fact in the Audit Report on the Appropriation Accounts and the action of the department will attract the criticism of the Public Accounts Committee”.

Scrutiny of Appropriation Accounts for the year 2020-21, Government of Tripura revealed that supplementary provisions of more than ₹ 50 lakh were obtained in 34 cases under 28 Grants/ Appropriations even though the actual expenditure was less than the original provision. In 27 cases out of 34, the savings were more than ₹ 10 crore and in eight cases, the savings were more than ₹ 100 crore. Thus, supplementary provision proved unnecessary in all the cases. The details of Grants/ Appropriations where supplementary provision of ₹ 50 lakh or more were obtained in each case even when the expenditure was less than the original provision are given in **Appendix 3.3**.

Scrutiny of Appropriation Accounts for the year 2020-21 revealed that in respect of two Grants/ Appropriations, supplementary provision was insufficient as compared to the requirement, resulting in excess expenditure by more than ₹ 100 lakh in each cases during the year, which requires regularisations as per Article 205 of the Constitution. Details are given in **Table 3.6**.

Table 3.6: Details of insufficient Supplementary provision

(₹ in lakh)

Sl. No.	Grant No. and name	Original provision	Actual expenditure	Suppl. required	Suppl. obtained	Excess expenditure
	Revenue- Voted					
1	13: Public Works (R&B) Department	38489.81	74323.53	35833.72	14132.66	21701.06
	Capital- Voted					
2	59:Tourism	0.00	668.33	668.33	200.00	468.33
	Total	38489.81	74991.86	36502.05	14332.66	22169.39

3.3.5 Unnecessary or excessive re-appropriation

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where need for additional funds are identified. The Tripura Budget Manual, 1998 (Para 20 of Chapter –V) provides that, the Finance Department can sanction any re-appropriation of funds within a Grant from one head to another, provided such re-appropriation does not involve transfer of funds from “Voted” to a “Charged” head or vice versa.

Scrutiny of detailed Appropriation Accounts for the year 2020-21 revealed that in 26 Grants/ Appropriations, there were 85 cases under various Major Heads, where the actual expenditure was less than the original/ supplementary provisions. However, provision was added by re-appropriation resulting in unnecessary re-appropriation as detailed in **Appendix 3.4**.

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

Complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or slipshod estimating, it is not readily excusable. The golden rule for all Estimating Officers should be to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should, in

checking the estimates, apply unrelentingly the proven and well-tried check of average of previous actuals with known or reasonably foreseeable facts which may modify that average.

No object is served by keeping back savings which should ideally be surrendered in time. For this reason, appropriations which are likely to remain unspent must be reported for surrender as early as possible.. Surrenders are being made generally in the month of March, and a careful study of figures of expenditure incurred and watch over the progress of last month’s expenditure should enable a Controlling Officer to fix upon his final requirements with a reasonable degree of exactness.

When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts that they can surrender. The aim should be to surrender as much as they can so as to keep the expenditure just within the modified Grant.

The Public Accounts Committee (PAC), Tripura Legislative Assembly took initiative for State’s tighter budgeting, with regard to both savings and excess. For this purpose, the State PAC had specified limits/ financial thresholds for making comments in Appropriation Accounts.

The Accountant General (A&E), Tripura provides the draft Appropriation Accounts to the Controlling Officers of the departments of the State Government (July 2021) and seeks the reasons/ explanation for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

The monetary limits of savings/ excesses to be commented upon in the Appropriation Accounts as approved by the PAC in May 2008 are shown in **Table 3.7**.

Table 3.7: Monetary limits of savings/ excesses to be commented upon

Savings	No notes and comments are necessary if a grant/ appropriation has an overall savings of less than two <i>per cent</i> of the total provision or the amount of overall savings in absolute term is small. If the overall savings in a grant/ appropriation is in excess of the limit (two <i>per cent</i>), notes and comments on savings should be included, in respect of sub-heads where the savings has the variation of more than 10 <i>per cent</i> of the provision or ₹ 20 lakh whichever is higher.
Excess	Comments on individual sub-heads are limited to excess over ₹ five lakh or 10 <i>per cent</i> of the provision whichever is less.

Financial Rules state that reasons for additional expenditure/ savings should be explained with case specific comments, and vague expressions such as “based on actual requirements”, “release/ sanction of fund by the Government of India”, *etc.* should be avoided.

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak capacity in scheme implementation/ weak internal controls prompt release of funds towards the end of the financial year, and increase the propensity of the departments to retain huge balances outside the Government account in Bank Accounts.

Excessive savings also deprives other departments of the funds which they could have utilised.

Scrutiny of Appropriation Accounts for the year 2020-21 revealed that, in 11 out of 62 Grants/ Appropriations, there were savings of more than ₹ 100 crore during 2020-21 and in three cases, the savings constituted over 40 *per cent* of the budget allocation in the respective Grants/ Appropriations. The details of the Grants/Appropriations where savings was more than ₹ 100 crore during the year 2020-21 are given in **Appendix 3.5**.

In 19 out of 62 Grants/ Appropriations where Budget allocation during the year 2020-21 was more than ₹ one crore in each case, the expenditure during the year was less than 50 *per cent* of the total budget provision for the year. The details of the Grants/ Appropriations where the budget allocation during the year 2020-21 was more than ₹ one crore, but the expenditure during the year was less than 50 *per cent* of the total budget are given in **Appendix 3.6**.

It can be seen from **Appendix 3.6** that, most of the grants relate to developmental schemes in housing, irrigation, medical & health, education, rural and urban infrastructure, education and welfare sectors. Government has not been able to ensure that clearances and sanctions are accorded on time so as to ensure that the envisaged benefits accrued to the targeted beneficiaries.

Improving rural and urban Infrastructure, education and healthcare is a major challenge faced by most States across the country, and the low percentage utilisation of allocated budget in most of these grants which are directly related to rural, urban, education and healthcare sectors is a cause for concern.

The Government may examine the reasons for low allocated budget in these Grants and to take suitable corrective action.

Scrutiny of Appropriation Accounts for the year 2020-21 revealed that, in seven Grants/ Appropriations, a total of ₹ 57.21 crore provision was provided for the year 2020-21, but no expenditure was incurred during the year as detailed in **Table 3.8**.

Table 3.8: Grants/ Appropriation with nil expenditure during 2020-21

(₹ in crore)

Sl. No	Grant No. and Name	Original	Suppl.	Total	Exp.	Savings
	Revenue-Charged					
1	19: Tribal Welfare Department	0.20	0	0.20	0	0.20
2	29: Animal Resource Development Department	0.32	0	0.32	0	0.32
3	35: Urban Development Department	1.20	0	1.20	0	1.20
	Capital-Voted					
4	33: Science, Technology and Environment Department	2.26	0	2.26	0	2.26
5	35: Urban Development Department	0	18.60	18.60	0	18.60
6	41: Education (School) Department	33.74	0	33.74	0	33.74
7	61: Welfare of Other Backward Classes Department	0.85	0	0.85	0	0.85
8	62: Education (Elementary) Department	0	0.03	0.03	0	0.03

	Capital-Charged					
9	35: Urban Development Department	0.01	0	0.01	0	0.01
	Total	38.58	18.63	57.21		57.21

3.3.6.1 Persistent Savings in Grants/ Appropriations

During the last five years from 2016-17 to 2020-21, there were persistent savings of more than ₹ one crore in 57 cases (38 cases in revenue and 19 cases in capital heads of account). The number and name of Grants/ Appropriations where persistent savings of more than ₹ one crore occurred in each case during the last five years are shown in **Appendix 3.7**.

During the five-year period 2016-17 to 2020-21, out of 57 cases of persistent savings of more than ₹ one crore, savings of more than ₹ 10 crore in each year occurred in 14 cases under revenue heads (voted). There were persistent savings of more than ₹ 10 crore each year in 10 cases under the capital heads (voted). It was noticed that out of the 57 cases, in 11 cases there were savings of more than ₹ 100 crore while in one case (Grant No. 31), the savings was more than ₹ 1,000 crore during the year 2020-21. The Grant/ Appropriation where persistent savings of more than ₹ 100 crore occurred in each year during last five years was in Grant No. 43- Finance Department (Revenue-Voted).

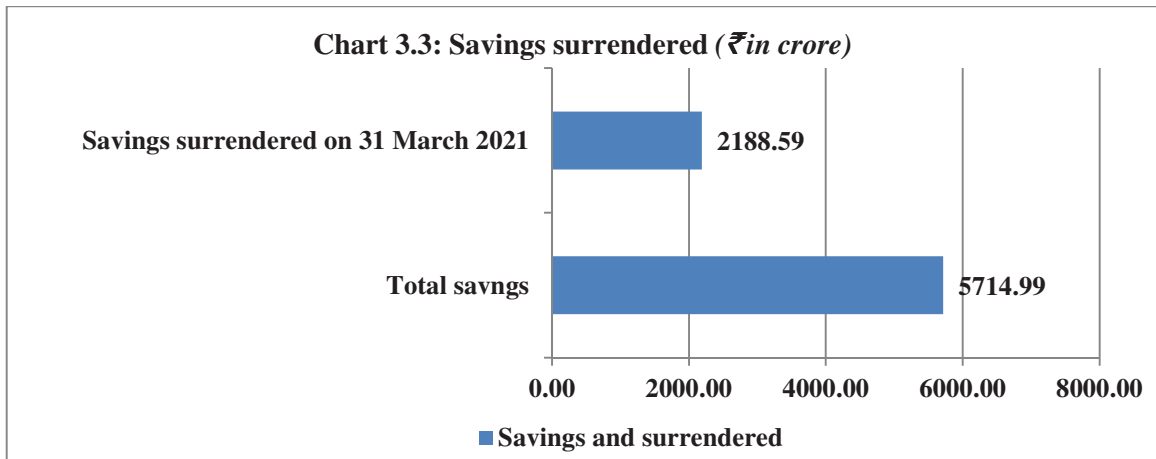
Persistent savings over a period of five years or more indicated that the basic assumptions behind the overall budget formulation process were not realistic and there was lack of proper assessment as well as prudent utilisation of the allocated budgetary provision.

The issue of persistent savings is being pointed out every year in the State Finances Audit Report of the Comptroller and Auditor General of India. However, no corrective measures have been taken by the departments concerned for minimising the savings, as savings continued in most of the departments even during 2020-21. The detail of surrender of funds of more than ₹ 10 crore at the end of March 2021 are given in **Appendix 3.8**.

Analysis of the percentage of savings across the 62 Grants/Appropriations revealed that 15 per cent to 30 per cent of the total savings occurred in Grant No. 31 and grant No. 43.

3.3.6.2 Savings and surrenders before close of financial year 2020-21

During the year 2020-21, there was overall savings of ₹ 5,714.99 crore, of which, ₹ 2,188.59 crore was surrendered up to the end of March 2021 as detailed in **Chart 3.3**.

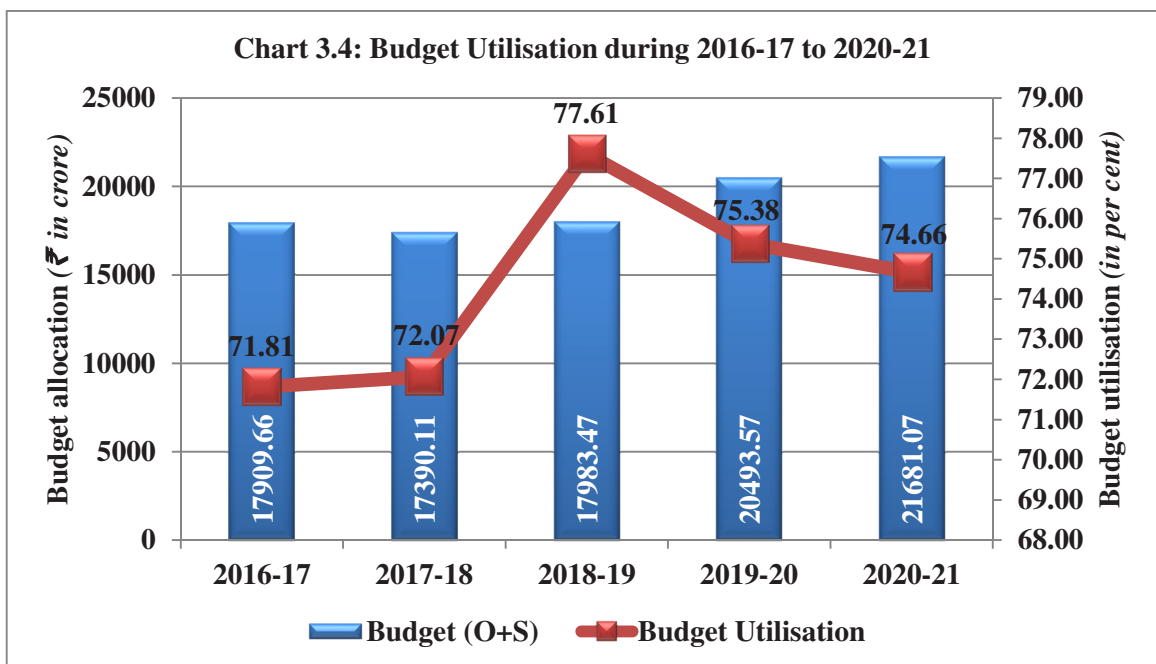


Source: Appropriation Accounts 2020-21

Non-surrendering of anticipated savings on time reflects lack of efficiency in budget management.

3.3.6.3 Budget utilisation during 2016-17 to 2020-21

Optimal utilisation of allocated budget indicates the extent of realistic budgeting and ensuring of the actual utilisation of funds in a time bound manner for the purpose for which these provision are made. During the last five years from 2016-17 to 2020-21, the budget utilisation of the State increased from 71.81 per cent in 2016-17 to 77.61 per cent in 2018-19 which decreased to 74.66 per cent in 2020-21 as detailed in **Chart 3.4**.



Savings of allocated funds indicate inaccurate assessment of Receipts.

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. This implies that, it is mandatory for a State

Government to get excesses over grants/ appropriations regularised by the State Legislature for the financial year.

Although no time limit for regularisation of excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after discussion of the Appropriation Accounts by the Public Accounts Committee. 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.

3.3.7.1 Excess expenditure relating to the year 2020-21

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose. Cases of excess expenditure over the provision of the financial year are to be carefully examined.

During 2020-21, there was an excess expenditure over the budget in two Grants/ Appropriations which was required to be regularised by the State Legislature as per Article 205 of the Constitution. The details of the Grants/ Appropriation in which the excess expenditure occurred are shown in **Table 3.9**.

Table 3.9: Grants/ Appropriations where excess expenditure (Net) were incurred over budget provision during the year 2020-21 which are required to be regularised

(₹ in crore)

Sl. No.	No. and Grant name/Department	Revenue-Voted	Capital-Voted	Total Excess
1	13: Public Works (R&B) Department	217.01	0	217.01
2	59: Tourism	0	4.68	4.68
	Total	217.01	4.68	221.69

Note: The excess expenditure are the net figure after adjustment of savings in some other Heads of accounts under the same Grant/Appropriations

The detailed Major Head wise excess expenditure (Gross) over the authorisation from the Consolidated Fund of State during 2020-21 is given in **Appendix 3.9**.

3.3.7.2 Regularisation of excess expenditure of previous financial years

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a Grant/ Appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC).

Expenditure incurred in excess of the budget provision under both Voted and Charged categories by various departments of the State Government are being reported every year in the Reports of the Comptroller and Auditor General of India on the State Finances of Government of Tripura.

Excess expenditure of ₹ 29.81 crore over budgetary provision pertaining to the year 2018-19 (₹ 20.94 crore) and 2019-20 (₹ 8.87 crore) were not regularised as of 31 March 2021 (**Table 3.10**).

Such excess expenditure over budgetary allocation is a matter of concern, as it is indicative of poor budgetary management and dilutes legislative oversight over public funds. Government needs to view this seriously and take appropriate corrective measures. The details of the Grant/ Appropriation where excess expenditure over budget provision occurred during the previous years in 2018-19 and 2019-20, which require regularisations by the State Legislature are shown in **Table 3.10**.

Table 3.10: Details of Excess expenditure relating to the year 2018-19 and 2019-20 requiring regularisation

(₹ in crore)

Sl. No.	No. and Name of the Grant/Appropriation	Revenue		Capital		Excess expenditure
		Charged	Voted	Charged	Voted	
2019-20						
1	48: High Court	0.00	1.41	0.00	0.00	1.41
2	58: Home (FSL, PAC, Prosecution & Co-ordination Cell) Department	0.00	3.15	0.00	0.00	3.15
3	43: Finance Department	0.00	0.00	4.31	0.00	4.31
	Total	0.00	4.56	4.31	0.00	8.87
2018-19						
1	14: Power Department	0.00	0.00	0.00	12.38	12.38
2	19: Tribal Welfare Department	0.08	0.00	0.00	0.00	0.08
3	23: Panchayati Raj Department	0.00	0.00	0.00	1.02	1.02
4	25: Industries & Commerce (Handloom, Handicrafts and Sericulture) Department	0.00	0.00	0.00	1.15	1.15
5	26: Fisheries Department	0.03	0.00	0.00	1.85	1.88
6	33: Science, Technology and Environment Department	0.00	0.00	0.00	2.13	2.13
7	42: Education (Sports and Youth Programme) Department	0.00	0.00	0.00	2.13	2.13
8	51: Public Works (Drinking Water and Sanitation) Department	0.15	0.00	0.00	0.00	0.15
9	59: Tourism Department	0.00	0.00	0.00	0.02	0.02
	Total	0.26	0.00	0.00	20.68	20.94
	Grand Total	0.26	4.56	4.31	20.68	29.81

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 construction 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 the funds disbursed as Grants-in-aid are to be spent by the grantee, except in cases where it has been specifically authorised by President on the advice of the Comptroller and Auditor General of India.

The extent of classification of GIA as Capital Expenditure and the resultant impact on revenue deficit/ surplus, if expenditure from GIA is treated as Revenue Expenditure is shown in **Table 3.11**.

Table 3.11: Extent of classification of GIA as Capital Expenditure

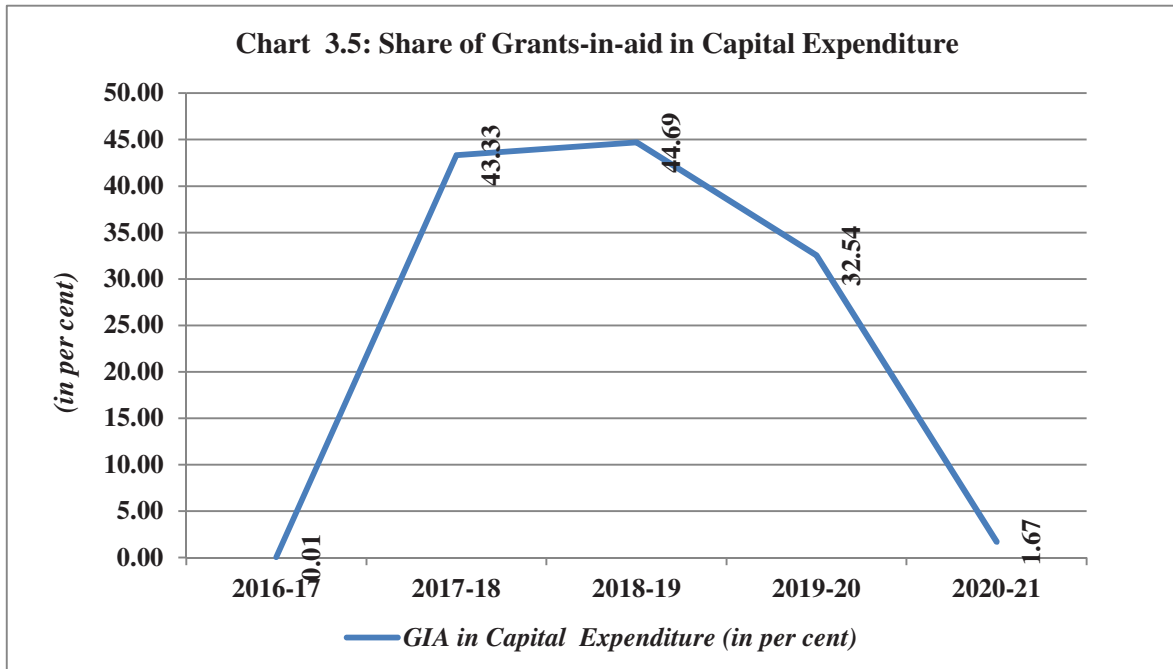
(₹ in crore)

Years	2016-17	2017-18	2018-19	2019-20	2020-21
GIA booked as Capital Expenditure	0.40	770.06	661.74	287.38	13.91
Total Capital Expenditure	3293.57	1777.05	1480.87	883.22	832.08
Share of GIA in Capital Expenditure (in per cent)	0.01	43.33	44.69	32.54	1.67
Impact on Revenue Deficit (-)/ Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	789.92	(-) 1059.33	(-) 520.05	(-) 2662.70	(-) 1089.33

It can be seen from **Table 3.11** that, if the State Government had classified Grants-in-Aid for creation of Capital assets as revenue expenditure as per IGAS-2 instead of capital expenditure, the Revenue Deficit would be (-) ₹ 1089.33 crore during 2020-21.

Share of Grants-in-aid in Capital Expenditure

The share of Grant-in-aid under Capital expenditure during the last five years are shown in **Chart 3.5**.



3.4 Comments on effectiveness of 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/ weak internal controls lead to sub-optimal allocation among various developmental needs.

The summarised position of budget including supplementary budget, actual expenditure, and excess/savings during 2020-21 against 62 Grants/ Appropriations (61 Grants and one Appropriation) is given in **Table 3.12**.

Table 3.12: Summarised position of Actual Expenditure vis-à-vis Budget (Original/Supplementary) provisions during the financial year 2020-21

(₹ in crore)

	Nature of expenditure	Original Grant/App.	Suppl Grant/App.	Total	Actual exp.	Net Savings (-)/Excess (+)	Surrender in March	
							Amount	per cent
Voted	I. Revenue	16079.82	1227.77	17307.59	13156.36	(-)4151.23	1740.05	41.92
	II. Capital	1973.11	276.90	2250.01	926.86	(-)1323.15	435.95	32.97
	III. Loans & Advances	2.03	-	2.03	2.89	(+) 0.86	-	-
	Total	18054.96	1504.67	19559.63	14086.11	(-)5473.52	2176.00	39.76
Charged	IV. Revenue	1282.29	93.38	1375.67	1360.00	(-)15.67	9.14	58.33
	V. Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VI. Public Debt- Repayment	729.35	16.42	745.77	741.66	(-)4.11	3.45	83.94
	Total	2011.64	109.80	2121.44	2101.66	(-)19.78	12.59	63.65
	Grand Total	20066.60	1614.47	21681.07	16187.77	(-)5493.30	2188.59	39.84

Source: Appropriation Account

As can be seen from **Table 3.12**, the overall net savings of ₹ 5,493.30 crore was 25.34 per cent of total Grants/Appropriations and was more than three times of the size of the supplementary budget of ₹ 1,614.47 crore obtained during the year, As against the estimated Receipts, the actual Receipts were ₹ 16,142.00 crore only thereby restricting the total expenditure to ₹ 16,187.77 crore. This implied that the savings were hypothetical, as the funds were not actually available for expenditure, which indicates that the budget formulation process was unrealistic.

Utilisation of budgeted funds by the State was sub-optimal to some extent every year during the past five years. The extent of savings during the last five years is given in **Table 3.13**.

Table 3.13: Original Budget, Revised Estimate and Actual Expenditure during 2016-21

(₹ in crore)

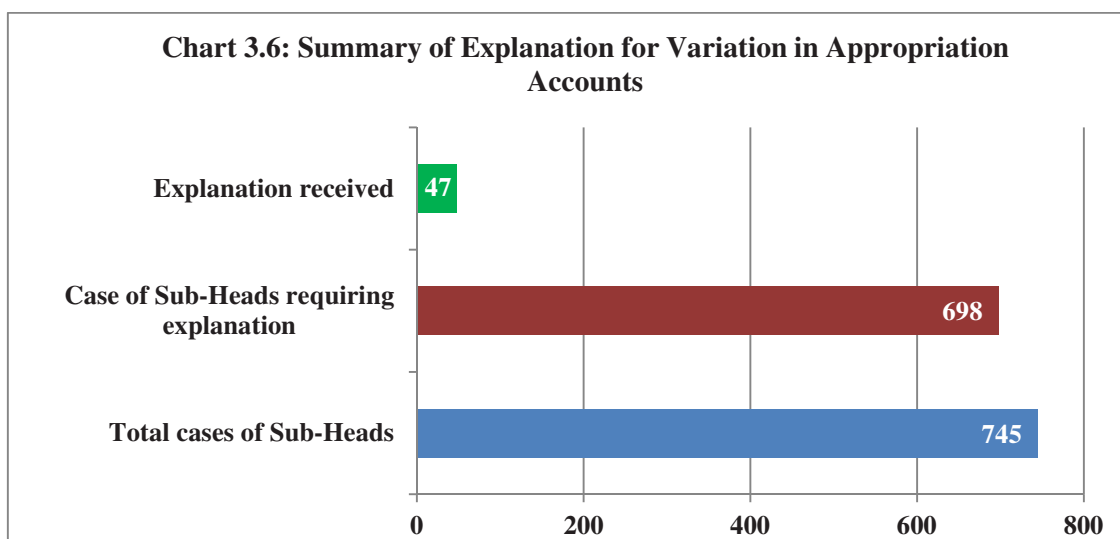
Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Original Budget	15483.77	16228.76	16627.20	17746.46	20066.60
Supplementary Budget	2425.89	1161.35	1356.27	2747.11	1614.47
Revised Estimate	17909.66	17390.11	17983.47	20493.57	21681.07
Actual Expenditure	12860.79	12532.41	13956.84	15447.97	16187.77
Savings (-) /excess (+)	(-) 5048.87	(-) 4857.70	(-) 4026.63	(-) 5045.60	(-) 5493.30
Percentage of Savings	28.19	27.93	22.39	24.62	25.34

As can be seen from **Table 3.13**, utilisation of budget during the last five years was above 70 per cent.

Financial Rules state that reasons for additional expenditure/ savings should be explained with case specific comments, and vague expressions such as “based on actual requirements”, “release/sanction of fund by the Government of India”, *etc.* should be avoided.

Audit of Appropriation Accounts of 2020-21 revealed that, in many cases, the Controlling Officers have not provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocations and were not precise even where the explanations were provided. Scrutiny revealed that, augmentation/ reduction of provision through re-appropriation/ supplementary grant was stated to be “based on actual requirement”. However, excess expenditure/ savings in each of the Sub-Heads within the grants that received re-appropriation/ supplementary provision would indicate that there was no requirement of additional funds.

During the year 2020-21, the State Government operated 99 Sub-heads under 62 Grants/ Appropriations. It is noticed that these Grants/ Appropriations operated sub-heads in 745 cases. Out of the 745 cases, the explanation was received in respect of 47 cases only of which, the explanation by the Controlling Officers in respect of four cases was not acceptable. Details of the variations of explanation are shown in **Chart 3.6**.



Ambiguous response of the Controlling Officers or absence of explanation for variation between the budgeted allocation and its utilisation limits legislative control over budget as a means of ensuring financial accountability of the Government.

3.4.2 Supplementary budget and opportunity cost

At times, while obtaining supplementary provision, the departments report to legislature large additional requirement for different purposes under various schemes/activities; but finally they are unable to spend not only the entire supplementary provision or parts thereof but also the original budget provision. As a result, the unutilised funds could not be made use of. At the same time, some of the schemes remained incomplete due to want of funds. Thus, the intended benefit of the unfinished schemes could not be extended to the public at large in such cases. Further, this leads to escalation of project cost.

The Government also announces several new policies/ schemes for implementation through the Finance Minister (FM) Budget Speech and other budget documents which is either for that Financial Year i.e. one-time activity or is of a recurring nature. Broadly, all the schemes, budget allocation thereon, timeframe of their completion and intended benefit announced by Government can be gathered from the Budget Speech of the FM. Actual figures related to expenditure with funding pattern i.e. from the State's own resources or from Central Government assistance or through debt may be gathered from the Finance Accounts of the State. (Example: Appendix of the Finance Accounts of the States related to Major Policy Decisions of the Government during the year or New Schemes proposed in the Budget provide details of the schemes, expenditure thereon and funding pattern, *etc.*). Of these, several schemes/programmes declared by the Government do not typically get operationalised due to lack of preparatory work and/ or lack of adequate allocation of budget.

Scrutiny of Appropriation Accounts for the year 2020-21 revealed that unnecessary excessive budget/ supplementary provision were obtained in some grants leading to savings while some major projects/ schemes remained incomplete due to non-availability of fund. The cases where unnecessary excessive budget/ supplementary provision in some grants in excess of ₹ five crore provision and savings of more than 30 *per cent* are given in **Appendix 3.10**.

3.4.3 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives/ schemes taken up by Government are not executed or are partially executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, non-release of budget, *etc.* This deprives the beneficiaries of intended benefits. Savings in such schemes deprive other departments of the funds which they could have utilised.

Every year, the State Finance Minister delivers Budget Speech in the Tripura Legislative Assembly. The Budget Speech provides an overview of the economy of the previous and current years, and also gives Budget Estimates for the next financial year, covering the prevailing economic situation of the State. The Budget Speech also provides the broad framework of expenditure in detail for the current financial year in different sectors and explains the priorities of the Government by way of pronouncement of new policy initiatives/ schemes for the social and economic welfare of the people of the State. The Budget Speech also specifies the focus areas of the State Government.

In the Budget Speech 2020-21, the Finance Minister mentioned some policy initiatives/schemes for implementation in the State for the financial year 2020-21 for the social and economic welfare of the people of the State. The details of policy decisions/schemes initiated by the State Government with budget provision but no expenditure was incurred, as furnished by the State Government departments, are given in **Table 3.14**.

Table 3.14: Details of the schemes for which provision (say ₹ one crore and above) was made but no expenditure was incurred

(₹ in crore)

Department Name	Account Head description/Scheme name	Approved outlay	Actual expenditure
6: Revenue	2029: Land Revenue		
	103: Land Records		
	91: Central Assistance to State Plan(CASP)	4.50	Nil
	91: Central Assistance to State Plan(CASP)	1.48	Nil
	91: Central Assistance to State Plan(CASP)	3.55	Nil
	80: General		
	800: Other expenditure		
	99: Others	1.00	Nil
	4059: Capital Outlay on Public Works		
	80: General		
	789: Special Component Plan for Scheduled Castes		
	91: Central Assistance to State Plan(CASP)	2.95	Nil
	91: Central Assistance to State Plan(NEC)	2.08	Nil
	91: Central Assistance to State Plan(NEC)	1.24	Nil
	5054: Capital Outlay on Roads and Bridges		
	05: Roads		
	337: Road Works		
	91: Central Assistance to State Plan(NEC)	32.24	Nil
	789: Special Component Plan for Scheduled Castes		
	91: Central Assistance to State Plan(NEC)	10.54	Nil
13: Public Works (R&B)	5054: Capital Outlay on Roads and Bridges		
	796: Tribal Area Sub-plan		
	91: Central Assistance to State Plan(NEC)	19.22	Nil
39: Education (Higher)	2235: Social Security and Welfare		
	02: Social Welfare		
	102: Child Welfare		
	43: Finance Commission	18.00	Nil
	789: Special Component Plan for Scheduled Castes		
43: Finance Commission	6.48	Nil	
41: Education (Social)	796: Tribal Area Sub-plan		
	43: Finance Commission	11.52	Nil
	4059: Capital Outlay on Public Works		
	80: General		
	051: Construction		
	54: National Bank for Agriculture and Rural Development	122.77	Nil
59: Tourism	796: Tribal Area Sub-plan		
	91: Central Assistance to State Plan(CASP)	1.00	Nil

3.4.4 Trends of expenditure against receipts

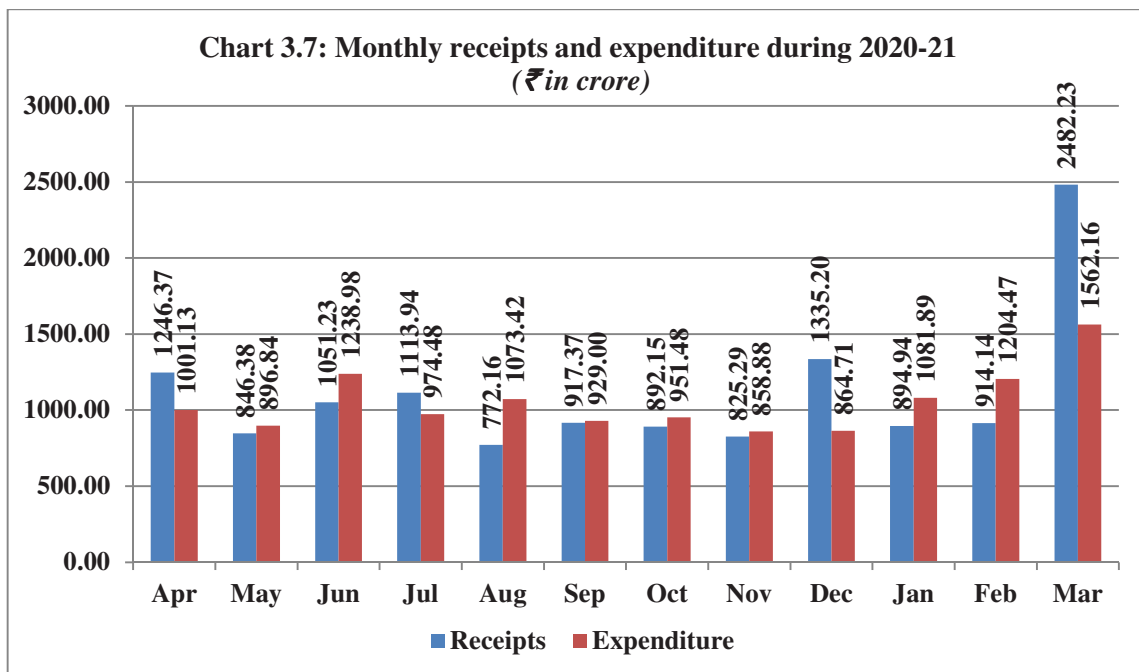
Government funds should be evenly spent throughout the year. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Instructions regarding this are available in Budget Manual, Finance Department OMs, etc. Maintaining a steady pace of expenditure is a crucial component of sound public

financial management, as it obviates fiscal imbalance and temporary cash crunches due to mismatch of revenue expenditure during a particular month arising out of unanticipated heavy expenditure in that particular month.

Financial Rules¹ envisage that rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and shall be avoided.

There are 111 cases where entire expenditure was incurred during the last month of the financial year, i.e., March 2021 in certain Sub-Heads under various Grants/Appropriations. The details of major Sub-Heads of account where more than ₹ one crore was incurred in March, 2021 is shown in **Appendix 3.11**.

The monthly trend of receipts and expenditure during the year 2020-21 are given in **Chart 3.7**.



Source: VLC data

It can be seen from **Chart 3.7** that, during March 2021, the State Government incurred expenditure of ₹ 1,562.16 crore against the expenditure of ₹ 1,204.47 crore in February 2021 which also constituted 62.93 per cent of revenue receipts of ₹ 2,482.23 crore. During February and March 2021 the government incurred expenditure of ₹ 2,766.63 crore which constituted 17.09 per cent of the total expenditure. In March alone, the expenditure was 9.65 per cent of the total expenditure.

3.4.5 Review of selected grants

3.4.5.1 Introduction

A review of **Grant No. 31** operated in the Rural Development Department of the State was undertaken mainly to ascertain compliance with budgeting processes, monitoring

¹ Rule 62(3) of GFR, 2017

of funds, control mechanisms and implementation of the schemes within these grants -, savings, re-appropriations, persistent diversion of funds for other purposes, etc.

The Secretary to the Government of Tripura, Rural Development Department was the administrative head of the Department.

3.4.5.2 Financial Position

The overall budget and actual expenditure of **Grant No. 31** during the year 2020-21 are given in **Table 3.15**.

Table 3.15: Budget and actual expenditure during 2020-21

Section	Budget			Actual expenditure	Savings	Amount surrendered
	Original	Supplementary	Total			
Revenue	1599.63	-	1599.63	599.50	1000.13	897.65
Capital	0.02	-	0.02	0.02	-	-
Total	1599.65	-	1599.65	599.52	1000.13	897.65

(₹ in crore)

Source: Appropriation Accounts 2020-21

As against the total provision of ₹ 1,599.65 crore, the actual expenditure incurred by the Department during 2020-21 was ₹ 599.52 crore (37.48 per cent) resulting in savings of ₹ 1,000.13 crore (62.52 per cent) during the year. Out of the total savings of ₹ 1,000.13 crore, ₹ 897.65 crore (89.75 per cent) was surrendered by the Department before the close of the financial year.

Non-surrendering of balance savings of ₹ 102.48 crore by the Department before the close of the financial year violated the Financial Rules.

3.4.5.3 Substantial savings under Sub-Heads

There was savings of ₹ 1,000.13 crore out of a budgetary provision of ₹ 1,599.65 crore under various Sub-Heads of Rural Development during 2020-21. Details of Heads of Account where there were savings of over ₹ one crore are given in **Appendix 3.12**.

Considering that most of the savings pertained to centrally sponsored schemes and central assistance to State plan schemes, the performance of the Department in fulfilling its responsibilities with regard to implementation of poverty alleviation schemes is sub optimal.

3.4.5.4 Persistent Savings

There were persistent savings of more than ₹ 150 crore every year during five-year period 2016-21 under Grant No.31. Year-wise position of persistent savings during 2016-21 under the Grant is given in **Table 3.16**.

Table 3.16: Persistent savings

		(₹ in crore)				
	Heads	2016-17	2017-18	2018-19	2019-20	2020-21
Voted	Revenue	20.70	20.02	129.24	909.61	1000.13
	Capital	227.81	136.16	627.78	1020.01	-
	Total	248.51	156.18	757.02	1929.62	1000.13

Persistent savings indicate a deeper problem of inability to assess the requirement of funds realistically as well as inadequate capacity to utilise the allocated funds optimally and needs to be addressed by the State Government.

3.4.5.5 Unnecessary Re-appropriation of Funds

Scrutiny of detailed appropriations in respect of Grant No. 31 revealed that in Major Head 2515-Other Rural Development Programmes, original provision was ₹ 0.87 crore and there was an addition of ₹ 0.02 crore by re-appropriation, though expenditure of ₹ 0.63 crore was incurred resulting in savings of ₹ 0.26 crore during the year. Hence re-appropriation obtained in this head was unnecessary.

Instances of incurring expenditure without the knowledge of the Legislature have been noticed in the following cases given in the **Table 3.17**. The excess expenditure requires regularisation.

Table 3.17: Expenditure incurred without budget provision

(₹ in crore)

Head of Accounts		Original	Supp	Re-app	Total	Actual Exp
2515	Other Rural Development Programmes					
104	District Rural Development Agency (DRDA) Administration					
90	State Share for Central Assistance to State Plan	0	0	0.03	0.03	0.03
91	Central Assistance to State Plan	0	0	0.49	0.49	0.25

3.4.5.6 Entire provision under sub-heads remained unutilised during the year

Scrutiny of Appropriation Accounts for the year 2020-21 revealed that, in three cases, the original budget provision was reduced by re-appropriation but the same remained unutilised as expenditure was not incurred under the particular sub-head during the year, which resulted in final savings. The reasons for the savings were not intimated by the Government, though the reasons for the re-appropriation were stated to be due to actual requirements. The details are given in **Table 3.18**.

Table 3.18: Budget Provision remained unutilised

(₹ in lakh)

Sl. No.	Major Heads	Description	Original	Suppl.	Re-appro.	Total	Exp.	Savings
1	2515	Other Rural Development Programmes						
	102	Community Development						
	30	Rural Development	100	0	-12.40	87.60	0	87.60
2	789	Special Component Plan for Scheduled Castes						
	30	Rural Development	75.00	0	-24.60	50.40	0	50.40
3	796	Tribal Area Sub-plan						
	30	Rural Development	325.00	0	-163.00	162.00	0	162.00

3.5 Withdrawal of entire provision by re-appropriation

Scrutiny of Appropriation Accounts for the year 2020-21 revealed that, in 24 cases under 12 grants, the entire original budget provisions (cases where budget provision was above ₹ two crore) was reduced/ surrendered by re-appropriation during the year. The reasons for the surrender by re-appropriation were stated to be due to actual requirements. The details are given in **Table 3.19**.

Table 3.19: Withdrawal of entire provision (say ₹ two crore and above)

(₹ in lakh)

Sl No	Grant No. & Name	Major Heads	Description	Original provision	Re-appropriation
1	6: Revenue	2575	Other Special area Programmes		
		06	Border Area Development		
		789	Special Component Plan for Scheduled Castes		
		90	State Share for Central Assistance to state Plan	283.16	-283.16
2		796	Tribal Area Sub-plan		
		90	State Share for Central Assistance to state Plan	424.74	-424.74
3	13: Public Works (R&B)	5054	Capital Outlay on Roads and Bridges		
		03	State Highways		
		337	Central Assistance to State Plan		
		91	Central Assistance to state Plan	1040.00	-1040.00
4		789	Special Component Plan for Scheduled Castes		
		91	Central Assistance to state Plan	340.00	-340.00
5		796	Tribal Area Sub-plan		
		91	Central Assistance to state Plan	620.00	-620.00
6	15: Public Works (WR)	4702	Capital Outlay on Minor Irrigation		
		101	Surface Water		
		54	National Bank for Agriculture and Rural Development	210.00	-210.00
7		4711	Capital Outlay on Flood Control Projects		
		01	Flood Control		
		89	Centrally Sponsored Scheme – IV (CSS)	300.00	-300.00
8		91	Central Assistance to state Plan (CASP)	700.00	-700.00
9		789	Special Component Plan for Scheduled Castes		
		89	Centrally Sponsored Scheme – IV (CSS)	207.00	-207.00
10		91	Central Assistance to state Plan (CASP)	240.00	-240.00
11		796	Tribal Area Sub-plan		
		89	Centrally Sponsored Scheme – IV (CSS)	228.00	-228.00

Table 3.19: Withdrawal of entire provision (say ₹ two crore and above) (contd.)

(₹ in lakh)

Sl. No.	Grant No. & Name	Major Heads	Description	Original provision	Re-appropriation
12		91	Central Assistance to state Plan (CASP)	467.50	-467.50
13	16: Health	2230	Labour, Employment and Skill Development		
		01	Labour		
		789	Special Component Plan for Scheduled Castes		
		91	Central Assistance to state Plan (CASP)	200.00	-200.00
14	19: Tribal Welfare	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities		
		02	Welfare of Scheduled Tribes		
		796	Tribal Area Sub-plan		
		90	State Share for Central Assistance to state Plan	1224.90	-1224.90
15	29: Animal Resource Development	4403	Capital Outlay on Animal Husbandry		
		789	Special Component Plan for Scheduled Castes		
		54	National Bank for Agriculture and Rural Development	200.00	-200.00
16		796	Tribal Area Sub-plan		
		54	National Bank for Agriculture and Rural Development	200.00	-200.00
17	39: Education (Higher)	4202	Capital Outlay on Education, Sports, Art and Culture		
		01	General Education		
		203	University and Higher Education		
		91	Central Assistance to state Plan (CASP)	313.04	-313.04
18	43: Finance	2052	Secretariat-General Services		
		091	Attached Offices		
		98	Administration	5000.00	-5000.00
19		99	Others	20000.00	-20000.00
20		4059	Capital Outlay on Public Works		
		80	General		
		201	Acquisition of Land		
		98	Administration	10000.00	-10000.00
21		6003	Internal Debt of the State Government		
		109	Loans from other Institutions		
		58	Debt Services	8071.00	-8071.00
22	63: Industries and Commerce (Skill Development)	2230	Labour, Employment and Skill Development		
		03	Training		
		789	Special Component Plan for Scheduled Castes		

Table 3.19: Withdrawal of entire provision (say ₹ two crore and above) (concl.)

(₹ in lakh)

2	Grant No. & Name	Major Heads	Description	Original provision	Re-appropriation
		91	Central Assistance to state Plan (CASP)	204.00	-204.00
23		796	Tribal Area Sub-plan		
		91	Central Assistance to state Plan (CASP)	372.00	-372.00
		2851	Village and Small Industries		
		003	Training		
24		91	Central Assistance to state Plan (CASP)	1000.00	-1000.00

3.6 Good Practices

Some of the improvements in the areas of budgetary management are highlighted below:

With effect from May 2017, Government of Tripura has started e-payment using RBI's e-Kuber application. All treasury payments except those relating to regular pension are being made through e-payment. During the year 2020-21, 85.98 *per cent* of the payments were made through e-payment.

During the year 2020-21, all the 62 CCOs of the Government have reconciled hundred *per cent* receipts and expenditure of ₹ 16,142 crore and ₹ 15,944.03 crore (including expenditure on public debt and loans and advances) respectively.

3.7 Conclusion

Budgetary assumptions of the State Government were not realistic during 2020-21 and despite carrying out an elaborate pre-budget exercise to bring about efficiency and transparency in budget formulation and execution, budgetary estimates were off the mark to a considerable extent. Control over the execution and monitoring of budget by Departments was inadequate.

Significant policy initiatives of the Government were not fulfilled during the year due to non-completion of the preparatory activities relating to these initiatives.

Supplementary Grants/Appropriations were obtained without adequate justification. The State Government had incurred excess expenditure of ₹ 221.69 crore over budget provision in two Grants/Appropriations which is required to be regularised by the State Legislature as per Article 205 of the Constitution.

The State had overall savings of ₹ 5,493.30 crore, which was more than thrice the size of the supplementary budget of ₹ 1,614.47 crore obtained during the year, which raised questions over the budget formulation process. Savings during the year accounted for about a fourth of the total budget; however, the Controlling Officers did not surrender the funds on time. Proper explanations were not provided to the Accountant General (A&E) for variations in expenditure *vis-à-vis* allocations. Departments were neither

cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.

3.8 Recommendations

1. *Government may prepare budgetary assumptions more realistically and ensure efficient control mechanisms to curtail savings/ excess expenditure.*
2. *Government should enforce its commitment to achieve its promised/intended objectives for overall development of the State through improved execution, monitoring and financial management of schemes/ projects.*
3. *Excess expenditure over grants approved by the Legislature is in violation of the will of the Legislature. State Government should view such excess expenditure very seriously and regularised it at the earliest.*
4. *State Government 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. *Government should initiate an appropriate control mechanism to enforce proper implementation and monitoring of budget by various departments, to ensure that savings are curtailed, large savings within the Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.*
6. *Controlling Officers should be aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.*

CHAPTER-IV
QUALITY OF ACCOUNTS AND FINANCIAL
REPORTING PRACTICES

CHAPTER-IV

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision making.

Issues related to completeness of accounts

4.1 Non-inclusion of clear cut liabilities incurred during the financial year

In years of tight fiscal conditions, there is a tendency to postpone certain payments due, especially in the last quarter of the financial year, to the next financial year. These could include subsidy related payments and other contracted payments for which bills have been submitted.

As per information furnished by the State Finance Department in the Third Quarterly Review Report of the Finance Minister 2020-21, there was an outstanding amount of ₹ 415.97 crore in respect of various claims which pertain up to the end of December 2020. Such unpaid claims will create miscellaneous liabilities of the State Government to the next financial years. Details of the unpaid claims are given in **Table 4.1**.

Table 4.1: Outstanding miscellaneous liabilities pertains to the end of December 2020

(₹ in crore)

Sl. No.	Particulars	Outstanding amount
1.	Major works and contracts	325.34
2.	Committed liabilities in respect of land acquisition charges	9.54
3.	Claims in respect of unpaid bills on works and supplies	81.09
	Total	415.97

The details of unpaid claims as on 31 March 2021 is not available as the State Government has not furnished the Fourth Quarterly Review Report (November 2021).

4.2 Non discharge of liability in respect of interest towards interest bearing Reserve Funds

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Reserve Funds. The interest liabilities in respect of Reserve Funds bearing interest under Sector J of the Public Account are annual liabilities that the State Government is required to discharge. During the year, the State Government did not invest any amount out of available balance of ₹ 113.98 crore in the State Disaster Response Fund (SDRF) as on 1 April 2020. Interest liability accruing on the balance fund of ₹ 113.98 crore was ₹ 4.56 crore (calculated at the rate of 4.00 per cent which is

average rate of Ways and Means Advances during the year 2020-21). Moreover, non-transfer of ₹ 0.52 crore from the Defined Contributory Pension Fund to the NSDL/trustee Bank as on 31 March 2020 represents accrued interest liability of ₹ 0.04 crore of the Government.

4.3 Funds transferred directly to State implementing agencies

The Union Government transfers substantial funds directly to State Implementing Agencies/ Non-Governmental Organisations for implementation of various schemes and programmes. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in **Appendix VI of Volume II** of the Finance Accounts.

As per GoI decision, with effect from 2015-16, funds for implementation of Centrally Sponsored Schemes (CSS) and Additional Central Assistance (ACA) under various schemes were to be released to the State Government and not directly to the State Implementing Agencies. However, as per the Public Financial Management System (PFMS) portal of the Controller General of Accounts, ₹ 1,205.51 crore was released directly by the GoI to the State Implementing Agencies and Non-Government Organisations during 2020-21 for implementation of 140 schemes as exhibited in the Finance Accounts 2020-21 (**Appendix VI**). The trend of the funds transferred directly by GoI during 2016-17 to 2020-21 are shown in **Table 4.2**.

Table 4.2: Position of funds transferred by Government of India directly to State implementing agencies during last five years from 2016-17 to 2020-21

(₹ in crore)

Particulars	Fund transferred				
	2016-17	2017-18	2018-19	2019-20	2020-21
Number of programme/ Schemes under which funds were transferred	57	51	9	59	140
Funds transferred by GoI	830.68	426.74	442.79	853.99	1205.51

Note: Information relating to GoI releases during the year 2020-21 collected from Public Financial Management System (PFMS) portal of Controller General of Accounts for the State Accounts (2020-21)

It was noticed that out of ₹ 1,205.51 crore transferred directly by GoI during 2020-21, ₹ 1,157.02 crore (95.98 per cent) was given for implementation of 10 major Schemes during the year as detailed in **Appendix 4.1**.

4.4 Deposit of Local Funds

Some State Panchayati Raj Acts provides that Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP) would maintain ZP fund, PS fund and GP fund respectively (under Major Head 8448-Deposits of Local Funds-109-Panchayat Bodies Funds), which would include all the moneys realised or realisable under the Act and all moneys otherwise received by the PRIs, such as, grants received from Central Finance Commission and State Government as part of the State Finance Commission award and its own revenue, which includes tax and non-tax receipt of a Panchayat. The Acts also envisages that the Municipal Fund is to be held by the Municipality. All the money realised or realisable under this Act and all money otherwise received by the

Municipalities are kept in the Municipal Fund under the Major Head 8448-Deposits of Local Funds-102-Municipal Funds.

However, from Finance Accounts of the State, it was revealed that there was no transaction (Receipts and Disbursement) in respect of Municipal Funds and other local Bodies' Funds under the Major Head 8448 since 2007-08, however an amount of ₹ 10.16 crore was carried forward in the Public Account under this Major Head as on 31 March 2021. The balances under Major Head 8448-Deposits of Local Funds up to the end of 31 March 2021 are shown in **Table 4.3**.

Table 4.3: Balances under Major Head 8448: Deposits of Local Funds as on 31 March 2021
(₹ in lakh)

Year		2016-17	2017-18	2018-19	2019-20	2020-21	
Panchayat Bodies Fund	(8448-109)	Opening Balance	3.00	3.00	3.00	3.00	3.00
		Receipt	-	-	-	-	-
		Expenditure	-	-	-	-	-
		Closing Balance	3.00	3.00	3.00	3.00	3.00
Education Funds	(8448-110)	Opening Balance	163.70	163.70	163.70	163.70	163.70
		Receipt	-	-	-	-	-
		Expenditure	-	-	-	-	-
		Closing Balance	163.70	163.70	163.70	163.70	163.70
Total Closing Balance end of the year		166.70	166.70	166.70	166.70	166.70	
Other Funds	(8448-120)	Opening Balance	848.91	848.91	848.91	848.91	848.91
		Receipt	-	-	-	-	-
		Expenditure	-	-	-	-	-
		Closing Balance	848.91	848.91	848.91	848.91	848.91
Total (8448): Deposit of Local Bodies		1015.61	1015.61	1015.61	1015.61	1015.61	

4.5 Delay in submission of Utilisation Certificates

In terms of Rules 238(1) of the General Financial Rules 2017 (as adopted by Government of Tripura), Utilisation Certificates (UCs) in respect of Grants-in-Aid received by the grantee should be furnished by the grantee to the authority that sanctioned it, within twelve months from the date of receipt of grant or before applying for a further grant on the same object, whichever is earlier.

Audit scrutiny revealed that 361 numbers of UCs due during 2020-21 in respect of grants aggregating ₹ 200.19 crore given to departments of the State Government during the period up to March 2021 were not submitted to the Accountant General (A&E). As on 31 March 2021, 581 UCs amounting to ₹ 259.62 crore were pending for submission. Age-wise details of delay in submission of UCs is given in **Table 4.4**. 10 Major defaulting departments which had not submitted UCs upto the end of 31 March 2021 are shown in **Chart 4.1**.

Table 4.4: Age-wise arrears in submission of Utilisation Certificates

(₹ in crore)

Year	Pending at the beginning of the year		Clearance		Due for submission	
	No.	Amount	No.	Amount	No.	Amount
Upto2018-19	311	109.84	236	93.81	75	16.03
2019-20	319	114.14	174	70.74	145	43.40
2020-21	663	289.89	302	89.70	361	200.19
Total	1293	513.87	712	254.25	581	259.62

Source: Finance Accounts 2020-21

Note: UCs for GIA disbursed during 2020-21 shall be due in the year 2021-22

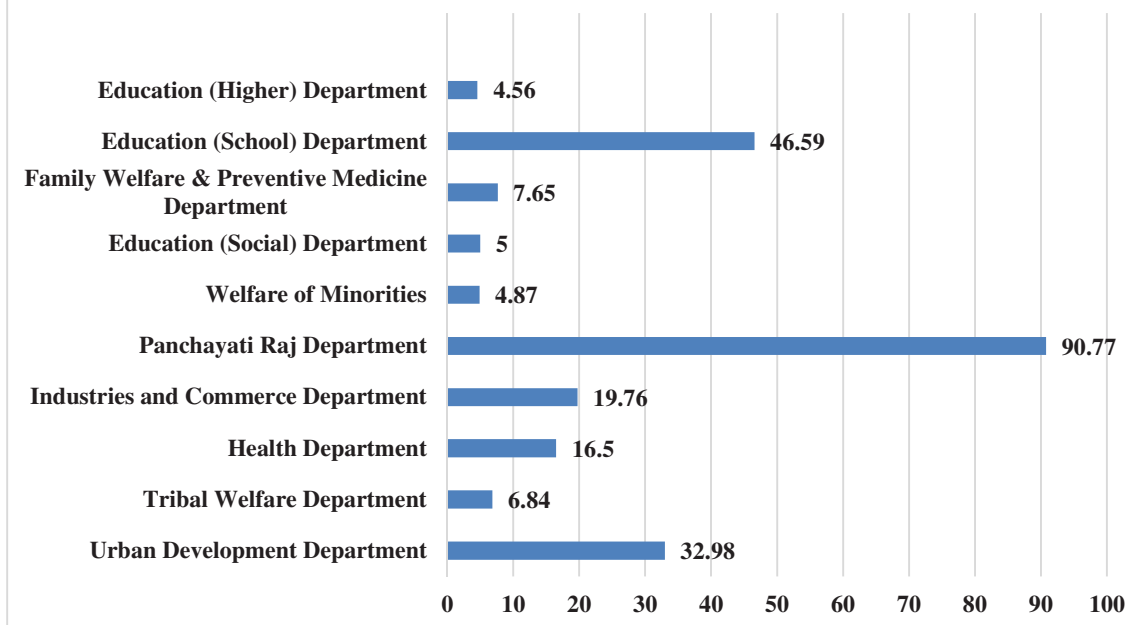
Table 4.5: Trend of outstanding UCs at the end of each financial year from 2016-17 to 2020 21

(₹ in crore)

Year	Number of UCs	Amount
2016-17	25	5.28
2017-18	04	1.20
2018-19	46	9.55
2019-20	145	43.40
2020-21	361	200.19
Total	581	259.62

Non submission of the Utilisation Certificates (UCs) means that the authorities have not explained as to how funds were spent over the years. There is also no assurance that the intended objectives of providing these funds have been achieved. This assumes greater importance if such UCs are pending against Grants-in-Aid meant for capital expenditure. Since non-submission of UCs is fraught with the risk of misappropriation, it is imperative that the State Government should monitor this aspect closely and hold the concerned persons accountable for submission of UCs in a timely manner. Further, delay in submission of UCs would impact on further release of grants by GoI and non-release of performance grants to Local Bodies. Major defaulting Departments which had not submitted UCs upto the end of 31 March 2021 are shown in **Chart 4.1**.

Chart 4.1: Outstanding UCs in respect of 10 Major Departments for grants paid upto 2020-21 (₹ in crore)



4.6 Abstract Contingent bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers is not available at the time of drawal are made on 'Abstract Contingent' (AC) Bills. Initially made as advance, its subsequent adjustments are ensured through submission of Detailed Contingent (DC) bills within a stipulated period of drawal of AC bill. DC bill consists of abstract of expenditure along with sub-vouchers for amount drawn through AC bill. Drawing and Disbursing officers are required to present Detailed Countersigned Contingent (DC) bills duly countersigned by the Controlling Officer in all these cases within the period prescribed in the Central Treasury Rules as adopted by Government of Tripura.

As per Rule 31(12) of Delegation of Financial Powers Rules, 2019 of Government of Tripura, drawal of money on AC Bills should be adjusted through DCC Bills by submitting them to the countersigning officer within 60 days from the date of drawal of the amount. The second drawal of the amount should be made only after exhausting the money drawn in previous AC bills. Further, as per sub-Rule 15 of Rule 31, *ibid*, the Head of the Department under whose control a DDO is functioning has to countersign all the DCC Bills and forward them to the AG (A&E), Tripura within 90 days from the date of drawal of the AC Bill.

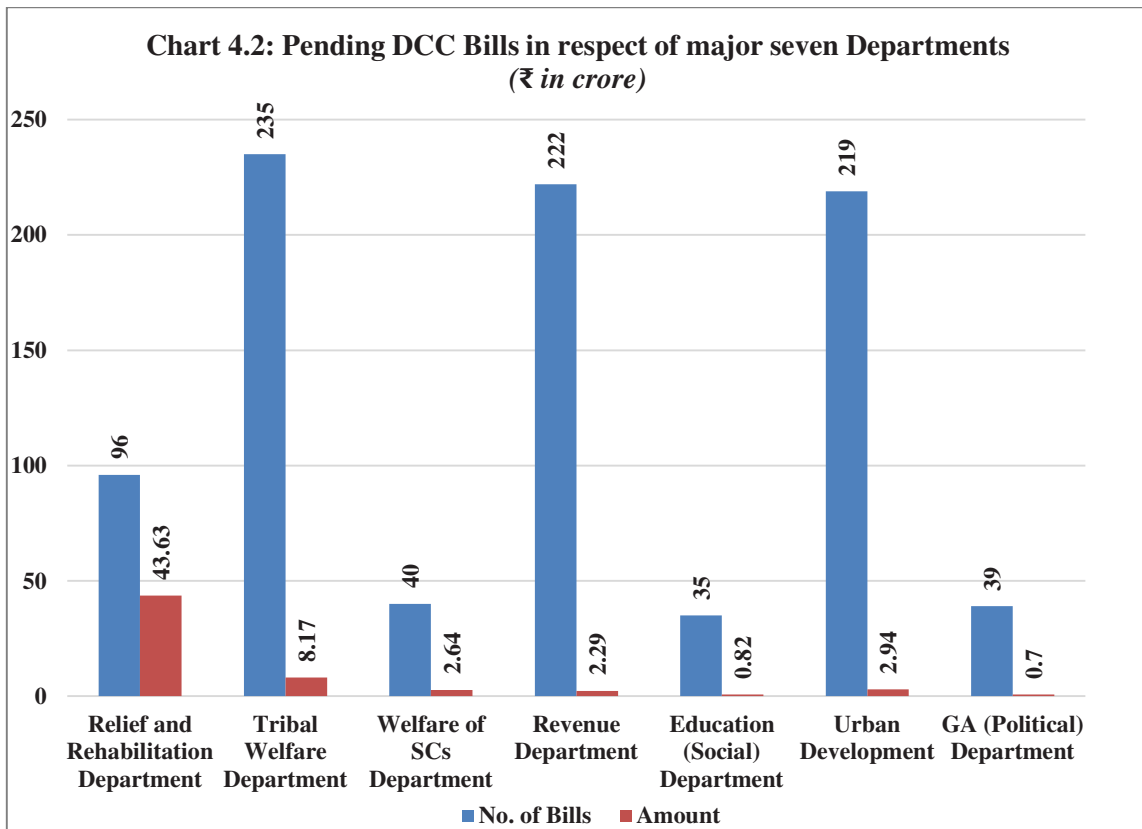
Out of 594 AC bills involving ₹ 32.03 crore drawn during the year 2020-21, 571 AC bills amounting to ₹ 18.36 crore (57.32 per cent) were drawn in March 2021. DCC bills in respect of 1019 AC bills drawn up to the period of 2020-21 amounting to ₹ 65.04 crore were not received as on 31st March 2021. Details of unadjusted AC bills as on 31 March 2021 awaited submission of DCC bills are given in **Table 4.6**.

Table 4.6: Year-wise status of unadjusted AC Bills as on 31 March 2021

(₹ in crore)

Year	AC Bills drawn		AC Bills cleared during 2020-21		Unadjusted AC Bills	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
Upto 2018-19	1651	61.62	1511	31.34	140	30.28
2019-20	540	8.28	223	5.06	317	3.22
2020-21	594	32.03	32	049	562	31.54
Total	2785	101.93	1766	36.89	1019	65.04

The major defaulting departments that had not submitted DCC bills are Relief and Rehabilitation Department (₹ 43.63 crore), Tribal Welfare Department (₹ 8.17 crore), Urban Development Department (₹ 2.94 crore), Welfare of Scheduled Castes Department (₹ 2.64 crore) and Revenue Department (₹ 2.29 crore). Outstanding AC bills of seven major defaulting departments as on 31 March 2021 are shown in **Chart 4.2**.



Non-submission of DDC Bills and non-adjustment of advances by the Controlling Officers/ DDOs for a long period is fraught with the risk of misappropriations.

4.7 Personal Deposit/ Personal Ledger Accounts

The State Government is authorised to open Personal Deposit (PD) accounts to deposit funds required for specific purpose by transfer of funds from Consolidated Fund or by transfer of funds from sources other than from the Consolidated Fund. Personal Deposits are maintained in the nature of a bank account in the treasury. Balances in the Personal Deposit Accounts do not lapse up to three to five complete accounting years as defined in

the financial rules though the operation and maintenance of PD accounts vary from State to State.

During the year 2018-19, the State Government had taken a policy decision to open PD Account with the concurrence of the Accountant General (A&E) for transferring the funds from Current Deposit (CD)/ Savings Bank (SB) Accounts of DDOs where Bank balance of a particular DDO exceeds ₹ two crore except for funds of Central Schemes as they are mandatorily required to be kept in a separate Bank Account as per Scheme guidelines.

During 2020-21, the State Government had opened 58 new Personal Ledger (PL) Accounts and an amount of ₹ 465.81 crore was deposited in these Accounts of which ₹ 74.39 crore was transferred from the Consolidated Fund of the State and ₹ 391.42 crore was credited through challans during the year. This includes ₹ 3.56 crore transferred in March 2021 from the Consolidated Fund of the State. This is 0.76 *per cent* of the total credit to PD account during the year. There were 259 PL Accounts in the State in which an amount of ₹ 475.89 crore was lying as closing balance as on 31 March 2021.

As per information provided, 72 Administrators (out of 259) had reconciled and verified their balances lying in their PL Accounts with the treasury figures but no annual verification certificates were furnished by them to the Treasury officer for onward submission to Accountant General (A&E). Details of PD Accounts as on 31 March 2021 are given in **Table 4.7**.

Table 4.7: Status of PD/PL Accounts

Opening Balance as on 01 April 2020		Addition during the year 2020-21		Withdrawal during the year 2020-21		Closing Balance as on 31 March 2021	
Number of Administrator	Amount	Number of PD/PL Accounts Administrator	Amount deposited in PD/ PL Accounts (including new Accounts)	Number of Accounts closed	Amount withdrawn from PD/ PL Accounts	Number of Administrators	Amount
201	328.32	58	465.81	Nil	318.24	259	475.89

In terms of Rule 624 of CTR Vol-I, the PD Accounts are normally required to be closed on the last working day of the year and the unspent balances transferred back to the Consolidated Fund and PD accounts may be reopened next year, if necessary. Further, the PD Accounts which were opened by transfer of funds other than that from the Consolidated Fund, should be reviewed every year, the accounts which are inoperative for more than three to five years (complete account years) should be closed and balances lying in such accounts should be credited to Government Accounts. It is noticed that 109 PL Accounts were not closed during the year 2020-21, though no transactions occurred and no balances were lying in these accounts at the end of the year.

4.8 Indiscriminate use of Minor Head 800

Minor Head 800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided in the accounts.

Routine operation of minor head 800 is to be discouraged, since it renders the accounts opaque.

Scrutiny of Finance Accounts for the year 2020-21 revealed that the State Government classified ₹ 147.76 crore as Receipts in 41 Major Head of Accounts under Minor Head 800 – Other Receipts constituting 1.11 *per cent* of total receipts (₹ 13,292.40 crore). Similarly, the State Government booked as expenditure of ₹ 138.75 crore in 18 Major Head of Account under Minor Head 800 – Other Expenditure constituting 0.91 *per cent* of total expenditure of ₹ 15,199.90 crore (Revenue and Capital) during the year 2020-21.

ISSUES RELATED TO MEASUREMENT

4.9 Outstanding balance under major Suspense and DDR heads

Certain intermediary/ adjusting heads of accounts known as ‘Suspense heads’ are opened in Government accounts to reflect transactions of receipt and payments which cannot be booked to a final head of accounts due to lack of information such as non-furnishing of Schedule of Settlement by the Treasuries/ PAOs, Non-receipt of clearance memos from RBI, non-receipt of vouchers, *etc.* These heads of accounts are finally cleared by *minus* debit or *minus* credit when the accounts under them are booked to their respective final heads of accounts, if these amounts remain uncleared, the balance under the suspense heads would accumulate and would not reflect Government’s receipt and expenditure accurately.

Remittances embrace all transactions which are adjusting Heads of Accounts and the debit or credits under the heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounts.

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads.

Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, *etc.*

The details of outstanding balances under Suspense and Remittance Heads during the last four years from 2017-18 to 2020-21 are shown in **Appendix 4.2**.

4.10 Reconciliation of Departmental figures

Reconciliation and verification of figures is an important tool of financial management. Failure to exercise/ adhere to the codal provisions and executive instructions in this regard not only results in misclassification and incorrect booking of receipts and expenditure in the Accounts, but also defeats the very objective of budgetary process. All the Controlling Officers of the Departments are required to exercise effective control over spending to keep it within the budget grants and to ensure accuracy of their Accounts, the State Financial Rules stipulate that receipts and expenditure during the financial year recorded in their books be reconciled by them every month with that recorded in the books of the Accountant General (A&E).

During 2020-21, all the 62 Controlling Officers (CCOs) of the Government of Tripura reconciled 100 *per cent* of their Receipts (₹ 16,142 crore) and expenditure of ₹ 15,944.03 crore (including Public Debt and Loans and Advances). The State Government reconciled 100 *per cent* of the Receipts and expenditure during the period from 2016-17 to 2019-20 as well.

4.11 Reconciliation of Cash Balances

There should be no difference between the Cash Balance of the State Government as per the books of Accounts of the Accountant General (A&E) and the Cash Balance as reported by the Reserve Bank of India. The Cash balance as on 31 March 2021 as per record of Accountant General (A&E) was ₹ 48.22 crore (Debit) and that reported by the RBI was ₹ 53.79 crore (Credit). There was a net difference of ₹ 5.57 crore (Credit), mainly due to erroneous reporting in maintaining the Cash Balance of the State Government. After reconciliation, the net difference stood at ₹ 0.72 crore (Credit) as on 30 June 2021. The differentials in Cash Balance for the previous years are shown in Table 4.8.

Table 4.8: Differences in Cash Balances

(₹ in crore)	
Year	Cash Balance (Net amount)
Upto 2018-19	0.06 (cr)
2019-20	-
2020-21	0.66 (Cr.)
Total	0.72 (Cr.)

ISSUES RELATED TO DISCLOSURE

4.12 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of Accounts of the Union and of the States. Further, the Comptroller and Auditor General of India set up a Government Accounting Standards Advisory Board (GASAB) in 2002, for formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. On the advice of the Comptroller and Auditor General of India, the President of India has so far notified three Indian Government Accounting Standards (IGAS).

Table 4.9: Compliance to Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
1.	IGAS-1: <i>Guarantees Given by the Government – Disclosure requirements</i>	<i>This standard requires the Government to disclose the maximum amount of guarantees given during the year in its financial statements along with</i>	<i>Partially Complied (Statements 9 and 20 of Finance Accounts)</i>	<i>While the Government has disclosed the maximum amount of guarantees given during the year, detailed information like number</i>

		<i>additions, deletions, invoked, discharged and outstanding at the end of the year.</i>		<i>of guarantees for each institution, class and sector-wise information was not furnished.</i>
2.	IGAS-2: <i>Accounting and Classification of Grants-in-Aid</i>	<i>Grants-in-aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use</i>	<i>Not complied (Statement 10 of Finance Accounts)</i>	<i>The State Government has given an amount of ₹ 13.91 crore as Grants-in-aid for creation of capital assets and booked as capital expenditure instead of revenue expenditure. Non-compliance with the Standard led to understatement of Revenue expenditure and overstatement of Capital expenditure to that extent. As a result, Revenue deficit is understated during the year 2020-21 which is discussed at Paragraph Nos. 2.4.3.1 & 3.3.8.</i>
3.	IGAS-3: <i>Loans and Advances made by Government</i>	<i>This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances disbursed by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices</i>	<i>Partially complied (Statement 7 and 18 of Finance Accounts)</i>	<i>While the Government complied with the format prescribed by the Standard, the detailed information on repayment of Loans in arrears (principal and interest) of loanee/entities was not furnished by the State Government</i>

4.13 Submission of Accounts/ Separate Audit Reports of Autonomous Bodies

As per Section 19(3) of the CAG's DPC Act, the Governor/ Administrator may, in the public interest, request the CAG to audit the accounts of a corporation established by law made by the legislature of the State or of the Union Territory, as the case may be, and where such request has been made, the CAG shall audit the accounts of such corporation and shall have, for the purposes of such audit, right of access to the books and accounts of such corporation.

Apart from Section 19, where the audit of the accounts of any body or authority has not been entrusted to the CAG by or under any law, he shall, if requested so to do by the President, or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon between him and

the concerned Government and shall have, for the purposes of such audit, right of access to the books and accounts of that body or authority (Section 20).

Audit certificate is issued in case of above mentioned autonomous bodies and authorities provided CAG is the sole auditor. Thus, these bodies and authorities are required to prepare annual accounts and submit them to AG (Audit) for audit. Apart from Audit certificate, on the completion of financial audit, the Audit Office issues separate audit report (SAR) that is part of the audit certificate on the accounts. These SARs are to be placed before the State Legislature.

Due to non-submission of Annual Accounts, the status of grants received and utilisation as on 31 October 2020, are not ascertained by the Accountant General (Audit).

The status of the pending accounts of the institutions/ bodies/ authorities which attracts audit under Section 14 of the C&AG's DPC Act, 1971 are shown in **Appendix 4.3**. It can be seen that out of 44 bodies and authorities, the accounts of the 40 bodies were pending for 1 to 21 years as on 31 October 2021, eight bodies or authorities did not submit their Accounts for more than 10 years while four Bodies/ authorities did not submit their Accounts since inception to 2020-21.

As a result, total grants received and utilisation thereof by them could not be ascertained by Audit. The Status of rendition of accounts which attracts Audit under Sections(19(2), 19(3) and 20(1) of the C&AG DPC Act 1971, issuance of SAR and its placement in the Legislature/ Council as on 31 March 2021 are given in **Appendix 4.4**.

4.14 Non-submission of details of grants/ loans given to bodies and authorities

In order to identify institutions/ organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971 (C&AG's DPC Act), the Government/ HODs are required to furnish to Audit every year

- detailed information about the financial assistance given to various institutions,
- the purpose for which the assistance is granted, and
- total expenditure of the institutions.

Further, Regulation on Audit and Accounts (Amendment), 2020 provides that Governments and Head of the Departments, who sanction grants and/ or loans to bodies or authorities shall furnish to Audit by the end of July every year a statement of such bodies and authorities to which grants and/ or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

However, 44 Bodies/ Authorities did not furnish the information about the grants received as on 31 March 2021 and purpose of the grants.

4.15 Timeliness and Quality of Accounts

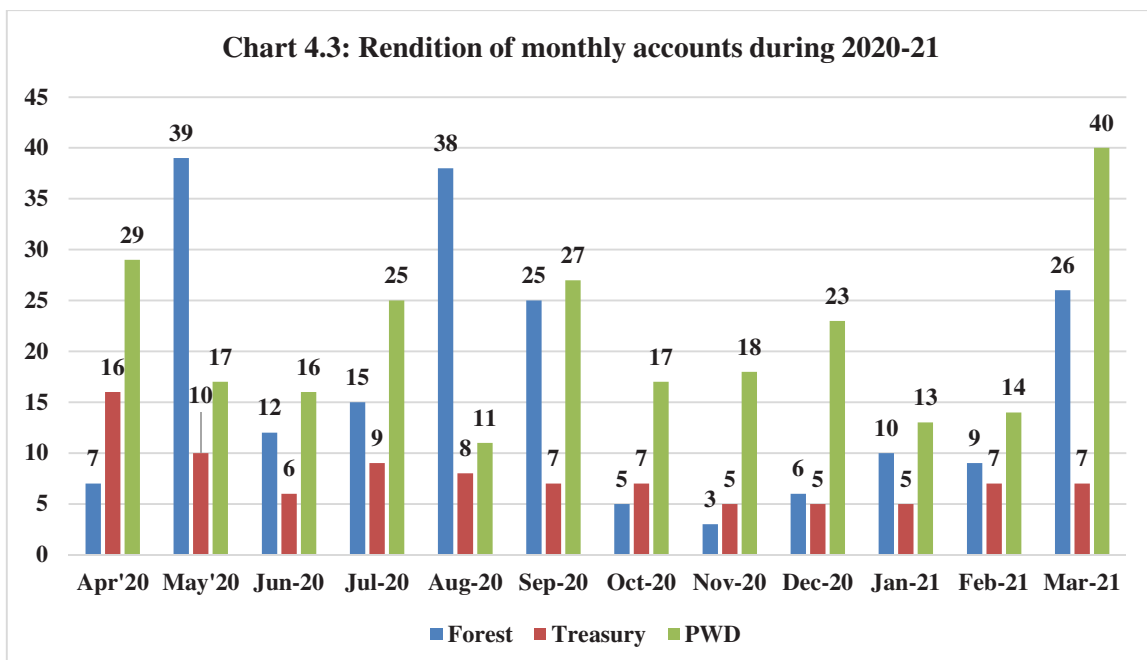
The accounts of the State Government are compiled by the Accountant General (A&E) from the initial accounts rendered by district treasuries, sub-treasuries, Resident

Commissioner (New Delhi), cyber treasury, public works divisions and forest divisions, apart from the RBI advices. There are often delays in rendition of monthly accounts. Due to the failure of the account rendering units to furnish accounts on time, some accounts are excluded from the monthly Civil Accounts by the Accountant General (A&E).

Exclusion of accounts not only distorts the budgetary position of the Government, but also impacts its monitoring of fund flow to the last mile of implementation, its planned pacing of expenditure on developmental programmes, providing intended benefits to the targeted beneficiaries, functioning of departments, *etc.* during the year. In short, the State Government needs to monitor closely and ensure the rendition of accounts by all the account rendering authorities to the Accountant General (A&E) on a timely basis, to manage its own budget more effectively.

The accounts of the State Government are compiled by the Accountant General (A&E) from the initial accounts rendered by Nine Treasuries, one e-Treasury, 53 Public Works Divisions (including 12 Drinking Water & Sanitation and nine Water Resource divisions) and 39 Forest divisions, apart from the RBI advices. The due date for submission of accounts to the Accountant General (A&E) of a particular month is the 10th of the following month except in the case of the month of March, where it is 15th of April. During the financial year 2020-21, there were delays in rendition of monthly accounts ranging from five to 16 days by the Treasuries, 11 to 40 days by the Public Works Divisions and three to 39 days by the Forest divisions respectively.

Months-wise details of delay in rendition of monthly accounts by various account rendering Units during the financial year 2020-21 are given in **Chart 4.3**.



OTHER ISSUES

4.16 Major types of Cess levied by the State Government

(a) Labour Cess

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect cess for providing benefits to the workers. The Act, inter alia, mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of rules by every State Government to exercise the powers conferred under the Act. Accordingly, the Government of Tripura has framed Building and Others Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2001 under the Act and has constituted Tripura Building and Other Construction Workers Welfare Board (TBO CWWB) in the State on 20 January 2007 under Section 18(1) of the Building and Other Construction Workers (Regulation of Employment and condition of Service) Act, 1996 of the Government of India to secure benefits to the workers engaged in building and other construction works. The proceeds of Labour Cess are collected at the rate of one *per cent* of the total project cost of constructions incurred by the employer and the funds so collected are utilised for the purpose of various welfare activities for the workers. The proceeds of labour cess are collected and accounts are maintained by the Board outside Government Accounts and kept in the Bank Account of the Board. The amount of Labour Cess collected and spent during the period of last five years are shown in **Table 4.10**.

Table 4.10: Collection of labour cess and its spending

(*₹ in crore*)

Year	Amount of labour cess Collected	Amount spent
2016-17	24.91	6.19
2017-18	22.16	6.96
2018-19	23.56	7.04
2019-20	18.09	9.90
2020-21	19.17	12.05
Total	107.89	42.14

Source: Labour Directorate, Government of Tripura

As per information furnished (June 2021) by the TBOCWCB, during 2020-21, an amount of ₹ 19.17 crore was collected as labour cess. During the year 2020-21, the Board incurred an expenditure of ₹ 12.05 crore in various purposes *like* education, marriage, accident, pension and Covid-19, *etc.* for the BOC workers. In addition, an amount of ₹ 0.83 crore was also incurred for administrative purpose of the Board. As per the information furnished by the Board (August 2020), there was an unspent balance of ₹ 273.06 crore with the Board of which ₹ 44.67 crore remained in the Fixed Deposit Account in various Banks while ₹ 191.39 crore was invested in Tripura Infrastructure and Investment Fund Board (TIIFB) and ₹ 37 crore remained in Current/ Savings Bank Account as on 31 March 2021.

(b) Tripura Road Development Cess

The State Government passed the Tripura Road Development Cess Act, 2018 in August 2018 with the purpose of developing the roads in the State. The Government

levied Cess on Petrol, Diesel and Natural Gas for the purpose of this fund. During 2020-21, ₹ 255.81 crore was collected by the State and the same was credited to the Government Account under MH 0045-112-Receipts from Cess under other Acts’.

The State Government has transferred an amount of ₹ 255.67 crore to the State Roads and Bridges Fund (Road Development Fund) created under Public Account. There was a short transfer of ₹ 0.14 crore by the State Government during the year 2020-21 which resulted understatement of Revenue Deficit and Fiscal Deficit to that extent.

During 2020-21, an amount of ₹ 155.36 crore was incurred from the fund for development of roads in the State.

4.17 Misappropriations, losses, thefts, etc.

Financial Rules lay down detailed instructions regarding responsibility for losses sustained through fraud or negligence of individuals, loss or destruction of Government property and report thereof to the Police/ Accountant General.

During the year 2020-21, there were five cases of misappropriations, losses and thefts of Government Money involving ₹ 4.04 crore as reported by the concerned departments as detailed in **Table 4.11**.

Table 4.11: Pending cases of misappropriations, losses, theft, etc.

(₹ in crore)

Name of department	Cases of misappropriations/ losses/ theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriations, losses, theft, etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised total		Criminal proceedings finalised but recovery of the amount pending	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Education Department	04	3.94	04	3.94	04	3.94	-	-
GA (Printing and Stationery)	01	0.10	01	0.10	01	0.10	-	-
Total	5	4.04	5	4.04	5	4.04	-	-

Though the Department had initiated action, no recovery was made as on 31 March 2021.

The Department should finalise the Departmental proceedings for the misappropriations cases and take suitable administrative action against the concerned defaulting officers/ officials.

4.18 Follow up action on State Finances Audit Report

In every State, the Public Accounts Committee (PAC)/ Finance Department requires the line departments to provide *suo motu* Explanatory Notes (EN) on the paragraphs featuring in the Audit Reports within three months of placing the Reports in the Legislature. The line departments are also required to provide Action Taken Notes

(ATNs) to the Accountant General (for vetting and onward transmission to the PAC) within three months of tabling the Reports.

The Finance Department issued instructions (July 1993) to all the departments to initiate *suo moto* action on all paragraphs and reviews featuring in the Audit Reports irrespective of whether the cases had been taken up for examination by PAC or not.

The State Finances Audit Report (SFAR) of the Government of Tripura for the year 2018-19 (*Report No. 1 of 2020*) was placed in the State Legislative Assembly on 23 March 2020. However, the Report is yet to be discussed in PAC (November 2021). The State Finances Audit Report for the year 2019-20 (*Report No.3 of 2021*) was forwarded to the State Government on 17 August 2021. The Report has not yet been placed before the State Legislative Assembly (November 2021).

4.19 Conclusion

As on 31 March 2021, 581 UCs amounting to ₹ 259.62 crore in respect of grants given to departments of the State Government were pending for submission. Non-submission of UCs is fraught with the risk of fraud and misappropriation of funds.

During 2020-21, ₹ 32.03 crore was drawn through 594 AC Bills of which 571 AC Bills for ₹ 18.36 crore were drawn in March 2021. As on 31 March 2021, there were 1019 AC bills for an amount of ₹ 65.04 crore which remained outstanding for adjustment due to non-submission of DCC Bills. Non-adjustment of advances for long period is fraught with the risk of misappropriation.

During 2020-21, the State Government transferred/ deposited ₹ 465.81 crore into 259 DDOs Bank Accounts. As per information furnished by the State Government, there was an unspent balance of ₹ 475.89 crore in 259 DDOs' Bank Account as on 31 March 2021.

Out of 44 bodies and authorities in the State, the Accounts of 40 bodies and authorities were pending for one to 21 years as on 31 October 2021.

There was an outstanding amount of ₹ 415.97 crore in respect of various claims which pertains up to the end of December 2020. Such unpaid claims will create miscellaneous liabilities for the State Government in the next financial years.

During the financial year 2020-21, there were delays in rendition of monthly accounts ranging from five to 16 days by the Treasuries, 11 to 40 days by the Public Works Divisions and three to 39 days by the Forest divisions respectively.

4.20 Recommendations

1. *The Government may ensure submission of Utilisation Certificates (UCs) by the grantee within the time frame and institute a mechanism whereby subsequent release of funds is made consequent on furnishing of UCs of earlier releases.*
2. *The Government may consider carrying out adjustment of Abstract Contingent bills within stipulated period, as required under the Rules.*
3. *Finance Department should review all Personal Deposit (PD) Accounts to ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted*

to the Consolidated Fund. Further, the Finance Department should reiterate the instructions contained in the financial rules and ensure that appropriate action is taken against departmental officers who fail to follow the rules.

- 4. Finance Department should consider evolving a system to expedite the process of compilation and submission of Annual Accounts by Autonomous Bodies in order to assess their financial position. It should also hold the concerned officers responsible for delay in finalisation and submission of Accounts.*
- 5. The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriations, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.*

CHAPTER-V
FUNCTIONING OF STATE PUBLIC SECTOR
ENTERPRISES

CHAPTER-V

FUNCTIONING OF STATE PUBLIC SECTOR ENTERPRISES

SUMMARY OF FINANCIAL PERFORMANCE OF STATE PUBLIC ENTERPRISES

5.1 Introduction

This Chapter presents the financial performance of ‘Government Companies’, ‘Statutory Corporations’ and ‘Government Controlled Other Companies’. The term State Public Sector Enterprises (SPSEs) encompasses the State Government owned companies set up under the Companies Act, 2013 and Statutory Corporations setup under the statutes enacted by the Parliament and State Legislature.

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary of a Government Company.

Besides, any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government controlled other Companies.

5.2 Mandate

Audit of ‘Government companies’ and ‘Government Controlled Other Companies’ is conducted by the CAG under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG’s (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has right to conduct a supplementary audit. The statutes governing some Statutory Corporations require their accounts to be audited only by CAG.

5.3 Working and non-working SPSEs

As on 31 March 2021, there were 16 SPSEs (15 working and one non-working) in Tripura under the audit jurisdiction of the CAG. The 15 working SPSEs included 13 Government Companies, and one Statutory Corporation as shown in **Table 5.1**.

Functioning of State Public Sector Enterprises

Table 5.1: Details of working and non-working SPSEs

Type of SPSEs	Working SPSEs	Non-working SPSEs ¹	Total
Government Companies	13	1	14
Government Controlled Other Companies	1 ²	-	1
Statutory Corporations	1	-	1
Total	15	1	16

Table 5.2 provides the comparative details of working SPSEs turnover and State GSDP for a period of three years ending 2020-21.

Table 5.2: Contribution of SPSEs-turnover to GSDP

Particulars	(₹ in crore)		
	2018-19	2019-20	2020-21
SPSEs-Turnover ³	1,024.88	1289.82	1742.31
GSDP	49823	55857	58880
Percentage of Turnover to GSDP	2.06	2.31	2.96

Source: As per latest finalised accounts of SPSEs

As could be noticed from **Table 5.2**, the contribution of SPSEs-turnover to GSDP over the past three years from 2018-19 to 2020-21 has shown a nominal (overall) increase of 0.90 per cent from 2.06 per cent to 2.96 per cent. The major contributors to SPSEs-turnover during 2020-21 were Tripura State Electricity Corporation Limited (₹ 1,468.40 crore) and Tripura Natural Gas Company Limited (₹ 121.85 crore).

5.4 Investment in SPSEs

5.4.1 State Government's investment in SPSEs

The State's investment in the SPSEs was by way of Equity Share Capital and Long Term Loans. State Government investment in SPSEs under various important sectors at the end of 31 March 2021 has been given in **Table 5.3**.

Table 5.3: Sector-wise details of State Government investments in PSEs

Name of Sector	Number of SPSEs	(₹ in crore)		
		Government/ Other Companies	Statutory Corporations	Total Investment
Power	2	742.45	0.00	742.45
Manufacturing	2	458.01	0.00	458.01
Financing	2	144.62 ⁴	0.00	144.62
Service	5	174.46	163.96	338.42
Agriculture & Allied	4	84.47	0.00	84.47
Miscellaneous	1 ⁵	0.00	0.00	0.00
Total	16	1604.01	163.96	1767.97

Source: As per SPSE records

¹ Non-working SPSEs are those which have ceased to carry on their operations

² Tripura Natural Gas Company Limited

³ As per the latest finalised accounts of working SPSEs as on 30th September of respective years

⁴ including investment of ₹ 0.04 crore in one non-working SPSE.

⁵ Represents 'Tripura Natural Gas Company Limited' in which the State Government had no direct equity investment.

5.4.2 Reconciliation with Finance Accounts

The figures in respect of Equity Capital, Loans and guarantees provided by the State Government as per the records of the SPSEs should agree with the corresponding figures appearing in the Finance Accounts of the State. In case of differences in the figures, the SPSEs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard for last three years is given in **Table 5.4**.

Table 5.4: Equity and Loans outstanding as per the State Finance Accounts vis-à-vis records of SPSEs for last three years

Year	2018-19			2019-20			2020-21		
	Amount as per Finance Accounts	Amount as per records of SPSEs ⁶	Difference	Amount as per Finance Accounts	Amount as per records of SPSEs ⁴	Difference	Amount as per Finance Accounts	Amount as per records of SPSEs ⁴	Difference
Equity⁷	1374.68	1469.25	94.57	1439.13	1508.00	68.87	1499.97	1561.92	61.95
Loans	56.75 ⁶	206.30	149.55	56.75 ⁶	206.35	149.60	56.75 ⁶	206.05	149.30
Guarantee	317.82	200.00	117.82	359.57	200.00	159.57	459.57 ⁸	200.00	259.57

Source: As per State Finance Accounts and SPSE records

It can be noticed from **Table 5.4** that, as on 31 March 2021, as per records of SPSEs, the Equity investment given by GoT increased from ₹ 1,469.25 crore in 2018-19 to ₹ 1,561.92 crore in 2020-21, an increase of 6.31 *per cent*. However, there were differences in the figures of Equity (₹ 61.95 crore), Loan (₹ 149.30 crore) and Guarantee (₹ 259.57 crore) as per two sets of records. Out of total 15 SPSEs⁹ where State Government had made direct investment, the difference occurred in respect of 12 SPSEs.

The State Government and the SPSEs concerned should take concrete steps to reconcile the differences in a time-bound manner. The Government should correct the system of financing the SPSEs and the Finance Accounts may be updated.

5.4.3 Adequacy of assets to meet loan liabilities

Ratio of total debt to total assets is one of the methods used to determine whether a company would stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/ debts. The coverage of long term loans by value of total assets in six SPSEs which had outstanding loans as per their latest accounts finalised as on 30 September 2021 is given in **Table 5.5**.

⁶ Figures are provisional and as provided by the SPSEs as 13 out of 15 SPSEs (excluding Tripura Natural Gas Company Limited, which had no direct investment from the State Government) had not finalised their current accounts.

⁷ Excluding equity investment (₹ 0.54 crore) made (1963-64 to 1991-92) by the State Government in Assam Financial Corporation, Shillong, which no longer exists.

⁸ This represented the Guarantees outstanding against the Loans availed by Tripura State Electricity Corporation Limited (₹ 259.57 crore) and Agartala Smart City Limited (₹ 200.00 crore).

⁹ Excluding one Government Controlled Other Company (Tripura Natural Gas Company Limited) where the State Government had no direct investment.

Table 5.5: Coverage of long term loans with total assets

	Positive Coverage				Negative Coverage			
	No. of SPSEs	Long Term Loans	Assets	Percentage of Assets to Loans	No. of SPSEs	Long Term Loans	Assets	Percentage of Assets to Loans
	(₹ in crore)				(₹ in crore)			
Statutory Corporations	1	0.25	300.44	120176	-	-	-	-
Government Companies	5	532.31	2378.54	447	-	-	-	-
Total	6	532.56	2678.98					

Source: Latest finalised accounts of SPSEs

It can be seen from **Table 5.5**, the value of assets of all the 6 SPSEs was significantly higher than their loans outstanding. Hence, the value of total assets available with these SPSEs had comfortably covered their long term borrowings.

5.5 Budgetary assistance to SPSEs

The State Government provides financial support to SPSEs in various forms through annual budgetary allocations. The summarised details of budgetary support towards Equity, Loans and Grants/subsidies in respect of SPSEs during the past three years are given in **Table 5.6**.

Table 5.6: Details regarding annual budgetary support to SPSEs

(₹ in crore)

Particulars	2018-19		2019-20		2020-21	
	No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
Equity capital outgo from budget	4	34.81	5	49.89	6	52.34
Loans given from budget	-	-	-	-	-	-
Grants/ subsidy from budget	3	70.77	4	83.82	2	71.18
Total Outgo		105.58		133.71		123.52

Source: As per SPSEs records

It can be noticed from **Table 5.6** that the budgetary support provided by State Government to SPSEs increased from ₹ 105.58 crore in 2018-19 to ₹ 123.52 crore in 2020-21. The major recipients of budgetary support during 2020-21 were Tripura State Electricity Corporation Limited (Grant/subsidy: ₹ 57.69 crore), Tripura Jute Mills Limited (Equity: ₹ 25.21 crore), Tripura Handloom and Handicrafts Development Corporation Limited (Equity: ₹ 14.12 crore) and Tripura Road Transport Corporation (Grant/ subsidy: ₹ 13.49 crore).

5.6 Returns from Government Companies and Corporations

Profit earned and Dividend paid by SPSEs

The position of aggregate profit earned and dividend paid by profit earning SPSEs during the past three years as per their latest finalised accounts as on 30 September of

respective year is given in **Table 5.7**.

Table 5.7: Details of profits earned and dividend paid by working SPSEs

Year	2018-19	2019-20	2020-21
Number of profit earning working SPSEs	4	6	6
Aggregate profit earned(₹ in crore)	8.87	20.65	24.80
Dividend paid	-	-	1.86

As can be noticed from **Table 5.7** during the last three years, four to six working SPSEs earned profit ranging from ₹ 8.87 crore (2018-19) to ₹ 24.80 crore (2020-21). However, none of these SPSEs had declared/paid any dividend during the previous two years (2018-19 and 2019-20) to the State Government. During 2020-21, Tripura Natural Gas Company Limited (a Government Controlled Other Company where the State Government has no direct equity investment) declared a dividend of ₹ 1.86 crore. There was no recorded information about the existence of any specific policy of the State Government regarding payment of minimum dividend by the SPSEs.

During 2020-21, out of a total of 15 working SPSEs, six SPSEs (Five Companies and one Corporation) earned aggregate profit of ₹ 24.80 crore as per their latest finalised accounts. Analysis of the working results of the SPSEs revealed that more than 87 per cent (₹ 21.75 crore) of the SPSEs aggregated profits (₹ 24.80 crore) were contributed by one SPSE (Tripura Natural Gas Company Limited) as per its latest finalised accounts (2020-21) as on 30 September 2021. This indicated that the other SPSEs had negligible or no contribution towards the profits of the public sector enterprises.

5.7 Long Term Debt of SPSEs

The position of outstanding Long Term Debts of the SPSEs during the last three years as per their latest finalised accounts is given in **Table 5.8**.

Table 5.8: Position of Outstanding loans of the SPSEs

Particulars	(₹ in crore)		
	2018-19	2019-20	2020-21
Total Loans outstanding (State Government and Others)	297.73	489.30	530.79
State Government Loans outstanding	194.34	207.59	207.59
Interest on Total Loans	13.11	18.24	23.73
Interest on State Loan ¹⁰	10.86	10.86	10.86

It can be noticed from **Table 5.8** that during 2020-21, the total long term borrowings of the SPSEs (Companies and Corporations) from all sources registered an increase of ₹ 233.06 crore (78 per cent) as compared to 2018-19. This was mainly due to increase of ₹ 238.09 crore in loans of the power sector SPSE (Tripura State Electricity Corporation Limited) from ₹ 160.28 crore in 2018-19 to ₹ 356.88 crore in 2019-20 and

¹⁰ Interest figures as available in the latest finalised accounts of respective SPSEs

Functioning of State Public Sector Enterprises

further to ₹ 398.37 crore in 2020-21.

As on 31 March 2021, however, nine out of 15 working SPSEs did not have any outstanding long term loans.

5.8 Operating Efficiency of SPSEs

Key parameters

Some of the key parameters of the operational efficiency of working SPSEs for last three years as per their latest finalised accounts as on 30 September of the respective year are given in **Table 5.9**.

Table 5.9: Key parameters of operational efficiency of working SPSEs

(₹ in crore)

Year	No. of working SPSEs	Paid up capital	Net overall Accumulated profits (+)/ losses(-)	Net overall profits (+)/ losses(-)	EBIT	Capital employed ¹¹
2018-19	14	1388.28	(-) 1028.84	(-) 211.86	(-) 201.39	732.78
2019-20	15	1475.76	(-) 1120.93	(-) 74.95	(-) 58.26	919.86
2020-21	15	1514.90	(-) 999.56	(-) 86.36	(-) 55.93	1121.86

From **Table 5.9**, it can be seen that, over the last three years the position of the Net overall losses and 'Earnings before Interest and Tax' (EBIT) has improved. The Capital Employed of SPSEs during 2020-21 has also appreciated mainly due to increase in the long term borrowings of the SPSEs from ₹ 297.73 crore (2018-19) to ₹ 530.79 crore (2020-21).

The net overall accumulated losses of SPSEs have decreased by ₹ 121.37 crore in 2020-21 from the previous year (2019-20). The major contributors to the accumulated losses of SPSEs during 2020-21 were Tripura State Electricity Corporation Limited (₹ 390.66 crore), Tripura Jute Mills Limited (₹ 352.16 crore), Tripura Road Transport Corporation (₹ 284.64 crore) and Tripura Handloom and Handicrafts Development Corporation Limited (₹ 151.13 crore). The accumulated losses of above mentioned SPSEs during 2020-21 were set off to some extent, by the accumulated profits of Tripura Forest Development & Plantation Corporation Limited (₹ 108.95 crore) and Tripura Natural Gas Limited (₹ 125.82 crore).

5.9 Return on Capital Employed

Return on Capital Employed (ROCE) is a profitability metric that measures the long term profitability and efficiency of the total capital employed by a company. Companies create value when they generate returns on the capital employed in excess of the cost of capital. ROCE is an important metric for long term lenders. ROCE is calculated by dividing a company's Earnings Before Interest and Taxes (EBIT) by the Capital Employed.

¹¹ **Capital Employed**= Paid up share capital *plus* Free reserves and Surplus *plus* Long term loans *minus* Accumulated losses *minus* Deferred revenue expenditure

During 2020-21, the overall capital employed in respect of 15 working SPSEs as per their latest finalised accounts was ₹ 1,121.86 crore. Further, out of 15 working SPSEs, only six SPSEs¹² had positive ROCE.

In comparison, however, the overall capital employed in respect of working SPSEs during the previous two years (2018-19 and 2019-20) was ₹ 732.78 crore and ₹ 919.86 crore respectively. Further, positive ROCE was recorded by only three¹³ SPSEs out of 14 working SPSEs during 2018-19, and by six¹⁴ SPSEs out of 15 working SPSEs during 2019-20.

5.10 Return on Equity (ROE)

Return on equity¹⁵ (ROE) is a measure of financial performance of companies calculated by dividing the 'net income earned' by the Equity. During 2020-21, six working SPSEs earned profits (₹ 24.80 crore) as per their latest finalised accounts as on 30 September 2021. However, ROE of two profit making SPSEs (Tripura Industrial Development Corporation Limited and Tripura Road Transport Corporation) was not workable as the accumulated losses (₹ 308.69 crore) of these SPSEs had completely eroded their paid-up capital (₹ 179.12 crore).

The ROE of remaining four SPSEs which earned profit ranged from 5 per cent to 14 per cent as detailed in **Table 5.10**.

Table 5.10: Return on Equity

Sl No.	Name of the Company	Year of Accounts	ROE (in per cent)
1.	Tripura Natural Gas Company Limited	2020-21	14
2.	Tripura Horticulture Corporation Limited	2015-16	9
3.	Tripura Urban Transport Company Limited	2019-20	12
4.	Tripura Tourism Development Corporation Limited	2018-19	5

5.11 SPSEs incurring Losses

The position of aggregate losses incurred by loss making working SPSEs during the past three years as per their latest finalised accounts is given **Table 5.11**.

¹² Tripura Horticulture Corporation Limited (0.08 per cent), Tripura Industrial Development Corporation Limited (2.19 per cent), Tripura Urban Transport Company Limited (0.46 per cent), Tripura Tourism Development Corporation Limited (1.04 per cent), Tripura Natural Gas Company Limited (31.21 per cent) and Tripura Road Transport Corporation (0.36 per cent).

¹³ Tripura Urban Transport Company Limited, Tripura Natural Gas Company Limited and Tripura Industrial Development Corporation Limited

¹⁴ Tripura Forest Development & Plantation Corporation Limited, Tripura Horticulture Corporation Limited, Tripura Urban Transport Company Limited, Tripura Tourism Development Corporation Limited, Tripura Natural Gas Company Limited, Tripura Road Transport Corporation

¹⁵ **Return on Equity** = (Net Profit after Tax and preference Dividend ÷ Equity) x 100, where **Equity**=Paid up Capital plus Free Reserves minus Accumulated Loss minus Deferred Revenue Expenditure

Functioning of State Public Sector Enterprises

Table 5.11: Details of loss making working SPSEs

Year	2018-19	2019-20	2020-21
Total No. of working SPSEs	14	15	15
Number of loss making working SPSEs	10	9 ¹⁶	9 ¹³
Aggregate losses (₹ in crore)	(-) 220.73	(-) 95.60	(-) 111.16

The details of major contributors to losses of working SPSEs (₹ 111.16 crore) incurred during 2020-21 are given in **Table 5.12**.

Table 5.12: Major contributors to losses of working SPSEs during 2020-21

(₹ in crore)

Sl. No.	Name of the Company	Latest finalised accounts	Net loss
1	Tripura State Electricity Corporation Limited	2019-20	56.57
2.	Tripura Jute Mills Limited	2019-20	31.62
3.	Tripura Handloom and Handicrafts Development Corporation Limited.	2019-20	9.34
4	Tripura Small Industries Development Corporation Limited.	2016-17	6.60
5	Tripura Rehabilitation Plantation Corporation Limited	2018-19	4.88
	Total		109.01

From **Table 5.12**, it can be noticed that more than 98 per cent of the losses incurred by working SPSEs during 2020-21 were contributed by the above mentioned five SPSEs.

5.12 SPSEs having complete erosion of capital

The aggregate paid-up capital and accumulated losses of 15 working SPSEs as per their latest finalised accounts as on 30 September 2021 were ₹ 1,514.90 crore and (-) ₹ 999.56 crore respectively. Analysis of investment and accumulated losses of these SPSEs revealed that the accumulated losses of four working SPSEs (₹ 470.52 crore) had completely eroded their paid-up capital (₹ 326.93 crore) as detailed in **Table 5.13**.

Table 5.13: Erosion of Capital of SPSEs

(₹ in crore)

Name of SPSE	Latest finalised accounts	Paid up capital	Accumulated losses
Tripura Rehabilitation Plantation Corporation Limited	2018-19	4.58	(-) 10.70
Tripura Industrial Development Corporation Limited	2019-20	16.17	(-) 24.05
Tripura Handloom and Handicrafts Development Corporation Limited	2019-20	143.23	(-) 151.13
Tripura Road Transport Corporation	2016-17	162.95	(-) 284.64
Total		326.93	(-) 470.52

¹⁶ Including one SPSE (Tripura Power Generation Limited), which reported negligible losses during 2019-20 (₹ 18,349.00) and 2020-21 (₹ 4,349.00) as per its latest finalised accounts

Accumulation of huge losses by these SPSEs had eroded public wealth, which is a cause of serious concern and the State Government needs to review the working of these SPSEs to either improve their profitability or close their operations.

OVERSIGHT ROLE OF COMPTROLLER & AUDITOR GENERAL OF INDIA

5.13 Audit of State Public Sector Enterprises (SPSEs)

Comptroller and Auditor General of India (CAG) appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and supplement or comment upon the Audit Report of the statutory auditor. Statutes governing some corporations require that their accounts be audited by the CAG and a report be submitted to the State Legislature.

5.14 Appointment of statutory auditors of SPSEs by CAG

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year. The statutory auditors of 15 SPSEs (excluding Tripura Road Transport Corporation, a statutory corporation for which CAG is the sole auditor) are appointed by the CAG.

5.15 Submission of accounts by SPSEs

Need for timely submission

According to Section 394 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the Act regulating the only statutory corporation (Tripura Road Transport Corporation) in the State. This mechanism provides the necessary Legislative control over the utilisation of public funds invested in the companies from the State budget.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including the Directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Despite above, annual accounts of various SPSEs were pending finalisation as on 30 September 2021, as discussed below.

5.16 Timeliness in preparation of accounts by SPSEs

The details relating to finalisation of accounts by 15 working SPSEs (13 Government Companies, one Government Controlled Other Company and one Statutory Corporation) during the last three years as of 30 September of respective year are given in **Table 5.14**.

Table 5.14: Position relating to finalisation of Accounts of working SPSEs

Sl. No.	Particulars	2018-19	2019-20	2020-21
1.	Number of working SPSEs	14	15 ¹⁷	15
2.	Number of Accounts finalised during the year	16	16 ¹⁸	13
3.	Number of Accounts in arrears	21	24	26
4.	Number of Working SPSEs with arrears in Accounts	12	13	14
5.	Extent of arrears (number in years)	1 to 4	1 to 4	1 to 5

As could be seen from **Table 5.14**, the accounts of only one¹⁹ out of 15 working SPSEs were up-to-date as on 30 September 2021. Remaining 14 working SPSEs had a backlog of 26 accounts for periods ranging from one to five years. Tripura Horticulture Corporation Limited had the highest number of five accounts pending finalisation as on 30 September 2021.

The Administrative Departments concerned have the responsibility to oversee the activities of these entities and to ensure that the accounts of SPSEs under their control are finalised and adopted by the SPSEs within the stipulated period.

The Principal Accountant General (Audit), Tripura had been regularly pursuing with the administrative departments and concerned SPSEs for liquidating the arrears of accounts of SPSEs. However, the State Government and the SPSEs concerned could not address the issue to clear pendency of accounts of the SPSEs in a time bound manner.

5.17 CAG's oversight - Audit of accounts and supplementary audit

Financial reporting framework

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The statutory corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such corporations.

¹⁷ Includes Tripura Power Generation Limited which was incorporated on 28 January 2015

¹⁸ Includes four accounts of Tripura Power Generation Limited (2015-16 to 2018-19)

¹⁹ Tripura Natural Gas Company Limited

5.18 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of the public sector enterprises with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively.

This function is discharged by exercising the power:

- to issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013; and
- to supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

5.19 Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the Management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the Annual General Meeting.

5.20 Result of CAG's oversight role

Audit of accounts of SPSEs

Government Companies/ Government Controlled Other Companies

During 2020-21 (October 2020 to September 2021), nine working companies had forwarded thirteen accounts to the Principal Accountant General (Audit), Tripura for audit. Eleven accounts of seven Companies were selected for Supplementary audit during the year while Non-Review Certificates (NRC) were issued against remaining two accounts of two Companies.

Statutory Corporations

The Principal Accountant General (Audit), Tripura (PAG, Tripura) has only one Statutory Corporation (Tripura Road Transport Corporation) under his audit purview for which CAG is the sole Auditor. The statutory corporation has not forwarded any accounts to PAG, Tripura for conducting the audit during the year.

Functioning of State Public Sector Enterprises

The audit reports of Statutory Auditors appointed by the C&AG and the supplementary audit conducted by the C&AG indicated that the quality of maintenance of SPSEs' accounts needs to be improved substantially. The results of the review are detailed below:

Significant comments of the CAG issued as supplement to the statutory auditors' reports on Government Companies/ Government Controlled Other Companies

Some of the significant comments issued on financial statements of the Government Companies are detailed in **Table 5.15**.

Table 5.15: Gist of significant comments on the accounts of the SPSEs

Sl. No.	Name of the SPSE	Comments
1	Tripura State Electricity Corporation Limited (Year of Accounts: 2017-18)	<ul style="list-style-type: none">Capital Works in Progress (CWIP) was overstated by ₹ 0.69 crore due to wrong inclusion of office building of Dharmanagar Electrical Sub-Division completed (October 2016) and inaugurated (December 2017) prior to close of the current year (31 March 2018). This has correspondingly resulted in understatement of Property, Plant and Equipment to the same extent.
2	Tripura State Electricity Corporation Limited (Year of Accounts: 2018-19)	<ul style="list-style-type: none">Capital Works in Progress (CWIP) was understated by ₹ 22.94 crore due to non-inclusion of Capital expenditure spent on 'Smart Grid' related works, which was wrongly treated as 'Expenditure on Deposit Work' and adjusted against 'Liabilities for Deposit work' under 'Other non-current liabilities' (Note-18). This has correspondingly resulted in understatement of 'Other non-current liabilities - Liabilities for Deposit works' to the same extent.
3	Tripura Handloom & Handicrafts Development Corporation Limited (Year of Accounts: 2018-19)	<ul style="list-style-type: none">Short term loans and advances (Note 18) include long unadjusted advances amounting to ₹ 2.08 crore extended to the employees and others by the Company. As per General Financial Rules, every advance given has to be reconciled in a time bound manner based on the nature of the advance. However, the company has neither made any necessary recovery/ reconciliation, nor created any provision against these advances in the books of accounts.

4	<p>Tripura Handloom & Handicrafts Development Corporation Limited (Year of Accounts: 2019-20)</p>	<ul style="list-style-type: none"> • The Company received ‘Share application money’ of ₹ 2.82 crore Government of Tripura (Directorate of Handloom, Handicrafts and Sericulture) and wrongly adjusted against ‘Trade Receivables’ resulting in understatement of ‘Trade Receivables’ and ‘Share application money pending allotment’ (Note-3) by ₹ 2.82 crore each. • The Company wrongly adjusted the Government Grant of ₹ 0.34 crore received for organising Special Handloom Expos (SHEs) and District Level Events (DLEs) against ‘Trade Receivables’ resulting in understatement of ‘Trade Receivables’ and ‘Other Long-Term Liabilities’ (Note-5) by ₹ 0.34 crore each. • During the year, the Company received ₹ 8.56 crore from Government of Tripura towards Share Capital contribution. The total accumulated figure of ‘Share application money pending allotment’ (Note-3) as on 31 March 2020 stood at ₹ 81.48 crore. However, the Company was unable to issue shares against this Share application money due to inadequacy of the Authorised Share Capital. Further, as the Company has failed to allot shares or refund the application money to subscribers within the prescribed time limit (60 days), the Company may have to pay interest of 12 <i>per cent</i> per annum on such refundable amount in terms of section 42(6) of the Companies Act, 2013
---	---	--

5.21 Management Letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the Corporate Entity.

The material observations on the financial statements of SPSEs were reported as comments by the CAG under Section 143 (6)(b) of the Companies Act, 2013. Besides these comments on accounts, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process, are also communicated to the Management through a Management Letter for taking corrective action. These deficiencies generally related to -

Functioning of State Public Sector Enterprises

- application and interpretation of accounting policies and practices,
- adjustments arising out of audit that could have a significant effect on the financial statements and
- inadequate or non-disclosure of certain information on which Management of the concerned PSE gave assurances that corrective action would be taken in the subsequent year.

As per latest finalised accounts as on 30 September of respective years, 'Management Letters' were issued to four SPSEs as shown in **Table 5.16**.

Table 5.16: List of the SPSEs where Management Letters were issued

Sl. No.	Name of the SPSEs (Year of accounts finalised)
1	Tripura Tea Development Corporation Limited (2018-19)
2	Tripura Tourism Development Corporation Limited (2017-18)
3	Tripura Natural Gas Company Limited (2019-20)
4	Tripura Jute Mills Limited (2019-20)

5.22 Conclusion

As on 31 March 2021, the State of Tripura had total 16 SPSEs (15 Government companies and one Statutory Corporation), which included one non-working SPSE (Government Company). As on 31 March 2021, there were differences in the figures of State's investment in Equity (₹ 61.95 crore) and Loan (₹ 149.30 crore) of SPSEs as per State Finance Accounts vis-à-vis records of SPSEs.

During 2020-21, the State Government has provided budgetary support of ₹ 123.52 crore to SPSEs in the form of Equity (₹ 52.34 crore) and Grants/subsidy (₹ 71.18 crore). The major recipients of budgetary support during 2020-21 were Tripura State Electricity Corporation Limited (Grant/ subsidy: ₹ 57.69 crore), Tripura Jute Mills Limited (Equity: ₹ 25.21 crore), Tripura Handloom and Handicrafts Development Corporation Limited (Equity: ₹ 14.12 crore) and Tripura Road Transport Corporation (Grant/subsidy: ₹ 13.49 crore).

During 2020-21, the nine working SPSEs incurred losses aggregating ₹ 111.16 crore. Further, the accumulated losses of four working SPSEs (₹ 470.52 crore) had completely eroded their paid-up capital (₹ 326.93 crore).

As on 30 September 2021, the 14 working SPSEs had an arrear of total 26 Accounts ranging from one to five Accounts.

5.23 Recommendations

1. *The State Government and the SPSEs concerned should take concrete steps to reconcile the differences in the investment figures (Equity and Long term Loans) of the State Government as appearing in the State Finance Accounts vis-à-vis SPSE records in a time-bound manner.*

2. *Accumulation of huge losses by four out of fifteen working SPSEs had eroded public wealth, which is a cause of concern and the State Government may review the working of these SPSEs to either improve their profitability or close their operations.*
3. *The Administrative Departments overseeing the SPSEs having backlog of Accounts may ensure that these SPSEs finalise and adopt their Accounts within the stipulated period, failing which financial support to them be reviewed.*



Agartala
The: 06 April 2022

(Bivash Ranjan Mondal)
Principal Accountant General (Audit), Tripura

Countersigned



New Delhi
The: 21 April 2022

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

APPENDIX-1.1

Part-A A brief Profile of Tripura (Reference: Paragraph No. 1.1)

A. General Data							
Sl. No.	Particulars	Figures					
		2001 census		2011 census			
1.	Area (in sq. kms)	10,486.43					
2.	Population	31,99,203 35 lakh (2008) [§]		36,73,917 39.75 lakh (2017)**			
3.	Density of Population (persons per sq km) (All India Average)	305 325		350 382			
4.	Literacy (All India Average)	73.20 per cent 64.80 per cent		87.22 per cent 73.00 per cent			
5.	Gross State Domestic Product (GSDP) 2020-21 [#]	--		₹ 58880 crore (A)			
6.	Per capita GSDP of the State, 2020-21	--		₹ 1,45,346			
7.	Population Below Poverty Line (BPL) 2011-12 (All India Average = 21.92 per cent)			14 per cent			
8.	Infant mortality (per 1000 live births) (All India Average = 30 per 1000 live births 2019)			24			
9.	Life Expectancy at birth (in 2014-18) (All India Average: 69.40)			Male-71, Female-74			
10.	Gini Coefficient ¹ (2009-10) (All India = 35.70)			Rural = 0.21 Urban = 0.29			
11.	Human Development Index (HD)- All India Average 2018: 0.642, 2019: 0.645			NA			
B. Financial Data							
Particulars	Growth Rate (%)						
	2015-16 to 2018-19		2018-19 to 2019-20		Growth 2019-20 to 2020-21		
	NE&H*	Tripura	NE&H*	Tripura	NE&H*	Tripura	
Revenue Receipts	12.52	27.63	(-)0.52	(-)8.56	6.95	20.82	
Tax Revenue	11.86	32.55	1.05	19.02	2.97	10.97	
Non-tax Revenue	22.74	41.74	(-)10.19	(-)27.01	(-)14.64	5.09	
Total Receipts	12.95	30.26	8.28	3.79	13.43	13.20	
Total Expenditure	14.28	20.70	4.12	6.68	4.04	6.58	
Capital Expenditure	18.25	(-)53.55	(-)3.18	(-)40.36	8.85	(-) 5.79	
Revenue Expenditure on Education	14.02	46.51	(-)8.37	6.21	2.36	(-) 7.49	
Revenue Expenditure on Health	15.14	60.21	(-)4.87	6.24	10.93	(+) 3.09	
Salary & Wages	13.28	0.49	4.13	4.00	0.34	(-) 6.66	
Pensions	17.36	98.62	9.05	16.41	11.48	(-) 2.07	

Source: #Directorate of Economics and Statistics, Government of Tripura

* 11 NE and Himalayan States.

[§] Report of the Technical Group on Population Projections constituted by the National Commission on Population, Ministry of Statistics and Programme Implementation, Government of India.

**Directorate of Economic and Statistics, Government of Tripura.(A): Advance Estimate.

¹ Gini coefficient is a measures of inequality of income among the population value rate is from zero to one, closer to zero inequality is less; closer to one inequality is higher. Source: World Bank.

Appendix - 1.1 (contd.)

Part-B

Methodology Adopted for the Assessment of Fiscal Position

The norms/Ceilings prescribed by the XIV FC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Para 1.2**) are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that Gross State Domestic Product (GSDP) is the good indicator of the performance of the State’s economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure, etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The GSDP figures and other calculation wherever related to GSDP may vary with those appearing in the previous years Audit Reports as the GSDP figures are updated periodically and adopted as furnished at the time of preparation of this Report.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

List of terms used in the Chapter II and basis for their calculation

Term	Basis for calculation
Buoyancy of a parameter	Rate of growth of the parameter ÷ GSDP growth
Buoyancy of a parameter (X) with respect to another parameter	Rate of growth of the parameter (X) ÷ Rate of growth of the parameter (Y)
Rate of Growth (ROG)	{(Current year Amount ÷ Previous year Amount) minus 1} * 100
Average	Trend of growth over a period of 5 years
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	Interest payment / [(amount of previous year’s fiscal liabilities + current year’s fiscal liabilities)/2]*100
Interest Spread	GSDP growth – Weighted Interest rates
Quantum Spread	Debt stock * Interest Spread/100
Interest received as <i>per cent</i> to loans outstanding	Interest received / [(Opening Balance + Closing Balance of Loans and Advances)/2]* 100
Revenue Deficit	Revenue receipt – revenue expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit/Surplus	Fiscal Deficit/Surplus – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus Plan grants and Non-plan Revenue Expenditure excluding debits under 2048 – Appropriation for reduction or avoidance of debt.
Compound Annual Growth Rate (CAGR)	The Compound Annual Growth Rate is calculated by taking the n th root of the total percentage growth rate, where n is the number of years in the period being considered. CAGR = [Ending Value/Beginning Value] ^{(1/no. of years) - 1}

Appendix - 1.1(contd.)
Part-C
Abstract of Receipts and Disbursements for the year 2020-21
(Reference: Paragraph No. 1.1)

(₹ in crore)

Receipts				Disbursements					
2019-20	Particulars		2020-21	2019-20	Particulars	State fund	Central Assistance /CSS	Total	2020-21
Section-A: Revenue									
11,001.59	I. Revenue Receipts		13,292.40	13,376.91	I. Revenue Expenditure	12,057.27	2310.55	14,367.82	14,367.82
2,101.79	-Tax Revenue	2332.44		5,680.08	General Services	5839.63	19.57	5859.20	
271.65	-Non-tax Revenue	285.49		5,478.31	Social Services	4261.65	1643.57	5905.22	
4,211.78	-State's Share of Union Taxes and Duties	4218.45		2583.82	-Education, Sports, Art and Culture	2022.36	364.34	2386.70	
0.00	-Non-Plan Grants	0.00		848.34	-Health and Family Welfare	661.023	213.32	874.55	
(-) 5.10	-Grants for State/ Union Territory Plan Schemes	0.00		710.18	-Water Supply, Sanitation, Housing and Urban Development	564.51	491.78	1056.29	
0.00	-Grants for Central Plan Schemes	0.00		39.69	-Information and Broadcasting	39.93	0.00	39.93	
0.00	Grants for Centrally Sponsored Plan Schemes	2331.45		359.50	-Welfare of SCs, STs and OBCs	234.67	232.34	467.01	
(-) 5.20	Grants for Special Plan Schemes (NEC)	(-) 3.12		53.21	-Labour and Labour Welfare	39.82	7.87	47.69	
2,254.37	Centrally sponsored scheme			879.97	-Social Welfare and Nutrition	698.02	333.92	1031.94	
1,063.22	Finance Commission grants	3563.95		3.00	-Others	1.11	0.00	1.11	
1,109.08	Other grants	563.74		1,950.52	Economic Services	1669.45	647.41	2316.86	
				705.64	-Agriculture and Allied Activities	577.99	183.31	761.30	
				701.96	-Rural Development	487.54	319.52	807.06	
				64.57	-Special Areas Programme (NEC)	1.33	66.40	67.73	
				68.88	-Irrigation and Flood Control	65.10	11.86	76.96	
				94.22	-Energy	79.99	0.10	80.09	
				66.45	-Industry and Minerals	79.07	3.74	82.81	
				154.76	-Transport	266.19	59.00	325.19	
				36.80	Communication	36.24	0.00	36.24	
				5.73	-Science, Technology and Environment	5.50	0.00	5.50	
				51.51	-General Economic Services	70.50	3.48	73.98	
				268.00	Grants-in-Aid and contributions	286.55	0.00	286.55	
2,375.32	II. Revenue Deficit carried over to Section-B	1075.42	1075.42	0.00	II. Revenue Surplus carried over to Section-B	0.00	0.00	0.00	
13,376.91	Total: Section- A		14,367.82	13,376.91	Total				14,367.82

Appendix - 1.1 (contd.)
Part-C
Abstract of Receipts and Disbursements for the year 2020-21
(Reference: Paragraph No. 1.1)

(₹ in crore)

Receipts				Disbursements					
2019-20		2020-21		2019-20		2020-21			
	Particulars				Particulars	State fund	Central Assistance /CSS	Total	
Section-B: Others									
968.52	III. Opening cash balance including permanent advance and cash balance investment		1046.17	0.00	III. Opening overdraft from Reserve Bank of India	0.00	0.00	0.00	0.00
	IV. Misc. Capital Receipts			883.22	IV. Capital Outlay	388.55	443.53	832.08	832.08
				84.50	General Services	51.26	34.34	85.60	
				345.83	Social Services	57.90	295.81	353.71	
0.73	V. Recoveries of Loans & Advances	1.25	1.25	19.24	-Education, Sports, Art and Culture	0.37	18.63	19.00	
0.23	From Government servants	0.49		51.40	-Health and Family Welfare	23.53	1.55	25.08	
0.50	From others	0.76		157.15	-Water Supply and Sanitation	27.34	265.40	292.74	
0.00	VI. Revenue Surplus brought down	0.00							
	VII. Public Debt Receipts		2848.35	97.45	-Housing and Urban Development	0.91	0.00	0.91	
3081.05	Internal Debt other than WMAs	2224.42		19.32	--Welfare of SCs, STs and OBCs	2.75	10.23	12.98	
176.66	Transactions under WMAs	95.95		-	Information and Broadcasting	0.00	0.00	0.00	
0.06	Loans & Advances from GoI	527.98		1.27	-Social Welfare and Nutrition	3.00	0.00	3.00	
					-Others	0.00	0.00	0.00	
3,723.27	VIII. Public Account Receipts		4848.91	452.89	Economic Services	279.39	113.38	392.77	
1,624.53	Small Savings and Provident Funds, etc.	1847.13		60.45	-Agriculture and Allied Activities	46.09	14.66	60.75	
224.56 ²	Reserve Fund	559.14		117.09	-Rural Development	0.02	0.00	0.02	
24.32	Sinking Fund (earmarked fund)	69.02 ³		13.74	-Special Areas Programme	2.02	11.15	13.17	
613.21	Deposits and Advances	896.71		26.28	-Irrigation and Flood Control	32.35	0.00	32.35	
146.02	Suspense and Miscellaneous	130.83		27.51	-Energy	0.00	0.00	0.00	
1090.63	Remittances	1346.08		-	-Industry and Minerals	8.98	0.28	9.26	
				157.29	-Transport	134.31	86.97	221.28	
0.00	IX. Closing overdraft from RBI	0.00	0.00	-	-Science, Technology and Environment	0.00	0.00	0.00	
				50.53	-General Economic Services	55.62	0.32	55.94	

² Interest accrued on the investment during 2019-20

³ Include interest of ₹ 24.02 crore accrued on Sinking Fund investment account during 2020-21.

Appendix - 1.1 (contd.)

Part-C

Abstract of Receipts and Disbursements for the year 2020-21

(Reference: Paragraph No. 1.1)

(` in crore)

Receipts				Disbursements					
2019-20	2020-21			2019-20	2020-21				
	Particulars				Particulars	State fund	Central Assistance /CSS	Total	
				3.75	Loans and Advances Disbursed			2.89	2.89
					For Power Projects			0.00	
					-To Government Servants			2.06	
					-To others			0.83	
				2375.32	Revenue deficit brought down				
				889.07	Repayment of Public Debt	741.24	0.00	741.24	741.24
				680.14	-Internal Debt other than WMAs	612.46	0.00	612.46	
				176.66	Transactions under WMAs including Overdraft	95.95	0.00	95.95	
				32.27	-Repayment of Loans and Advances to Central Government	32.83	0.00	32.83	
				2,752.76	Public Account Disbursements	0.00	0.00	3678.54	3678.54
				1189.53	-Small Savings and Provident Funds			1208.43	
				168.22	-Reserve Fund			304.74	
				405.25	-Deposits and Advances			654.10	
				(-) 220.76	-Suspense			132.85	
				1210.52	-Remittances			1378.42	
				1046.17	Cash Balance at end			2414.51	2414.51
				(-)1.13	Remittances in Transit – Local-	(-) 1.13			
				29.01	-Departmental Cash Balance including permanent advance	29.17			
				323.95	- Investment of earmarked funds	397.47			
				353.36	-Cash Balance investment	1940.78			
				340.98	-Deposit with Reserve Bank of India	48.22			
7,950.29	Total: Section-B		8744.68	7,950.29	Total: Section-B				8744.68

Appendix - 1.1(contd.)
Part-D
Time Series Data on State Government Finances
(Reference: Paragraph No.1.1)

(₹ in crore)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Part –A: Receipts					
1. Revenue Receipts	9,645.46	10,067.95	12,030.89	11,001.59	13,292.40
(i) Tax Revenue	1,422.01 (15)	1,422.02 (14)	1,765.91 (15)	2101.79 (19)	2332.44 (18)
Taxes on Agricultural Income	0.10 (#)	0.09 (#)	0.15 (#)	0.08(#)	0.04
Taxes on Sales, Trade, etc.	1,112.89 (79)	611.88 (43)	361.95 (20)	435.88 (21)	403.19 (17)
State Goods and Service Tax	0.00	479.71 (34)	977.44 (55)	1026.63 (49)	1056.01 (45)
State Excise	163.19 (11)	186.96 (13)	214.35 (12)	231.70 (11)	287.36 (12)
Taxes on Vehicles	43.60 (3)	54.38 (4)	83.50 (5)	97.14 (5)	97.41 (4)
Stamps and Registration Fees	41.83 (3)	40.16 (3)	51.32 (3)	61.67 (3)	69.53 (3)
Land Revenue	13.32 (1)	4.46 (#)	5.29 (1)	12.98(6)	9.85 (1)
Other Taxes including taxes on commodities and services	47.08 (3)	44.38 (3)	71.19 (4)	235.71 (11)	409.05 ⁴ (18)
(ii) Non-tax Revenue	218.85 (2)	493.48 (5)	372.20 (3)	271.65 (2)	285.49 (2)
(iii) State's share of Union Taxes and Duties	3,909.12 (41)	4,322.08 (43)	4,888.95 (41)	4211.78 (38)	4218.45 (31)
(iv) Grants-in-aid from Government of India	4,095.48 (42)	3,830.37 (38)	5,003.83 (42)	4416.37 (40)	6456.02 (49)
2. Misc. Capital Receipts	0.00	0.00	0.00	0.00	0.00
3. Recoveries of Loans and Advances	0.91	1.69	0.60	0.73	1.25
4. Total Revenue and Non-debt Capital Receipts (1+2+3)	9,646.37	10,069.64	12,031.49	11,002.32	13,293.65
5. Public Debt Receipts	1,139.56	1,333.41	1,707.57	3257.77	2848.35
Internal Debt (excluding WMAs and Overdrafts)	1,135.94	1,332.14	1,694.53	3081.05	2224.42
Net transactions under WMAs and Overdrafts	0.00	0.00	0.00	176.66	95.95
Loans and Advances from Government of India	3.62	1.27	13.04	0.06	527.98
6. Total Receipts in the Consolidated Fund (4+5)	10,785.93	11,403.05	13,739.06	14,260.09	16,142.00
7. Contingency Fund Receipts	0.00	0.00	0.00	0.00	0.00
8. Net Receipts from Public Account	796.57	451.19	(-) 42.67	970.51	1170.37
9. Total Receipts of the State (6+7+8)	11,582.50	11,403.05	13,696.39	15,230.60	17,312.37
10. Revenue Expenditure	8,855.14	10,357.22	11,889.20	13,376.91	14,367.82
General Services (including Interest Payment)	3,503.17 (39)	4,398.58 (42)	5,113.54 (43)	5680.08 (42)	5859.20 (41)
Economic Services	1,471.26 (17)	1,480.48 (14)	1,549.23 (13)	1950.52 (15)	2316.86 (16)
Social Services	3,682.78 (42)	4,249.90 (41)	4,992.49 (42)	5478.31 (41)	5905.21 (41)
Grants-in-aid and Contributions	197.93 (2)	228.26 (2)	233.94 (2)	268.00 (2)	268.55 (2)
11. Capital Expenditure	3,293.57	1,777.05	1,480.87	883.22	832.08
General Services	204.55 (6)	122.67 (7)	97.65 (7)	84.50 (10)	85.60 (10)
Economic Services	1,668.06(51)	699.56(39)	570.72(38)	452.89(51)	392.77(47)

⁴ Includes Taxes on professions: ₹ 40.99 crore; Taxes and duties of electricity: ₹ 112.09 crore; Other taxes on commodities: ₹ 255.84 crore and Taxes on immovable property other than Agriculture Land: ₹ 0.13crore.

Appendix - 1.1 (contd.)
Part-D
Time Series Data on State Government Finances
(Reference: Paragraph No.1.1)

(₹ in crore)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Part –B: Expenditure/Disbursement					
Social Services	1,420.96 (43)	954.82 (54)	812.50 (55)	345.83 (39)	353.71(43)
12. Disbursement of Loans and Advances	27.28	7.01	1.12	3.75	2.89
13. Total Expenditure (10+11+12)	12,175.99	12,141.28	13,371.19	14,263.88	15,202.79
14. Repayments of Public Debt	512.63	300.82	498.05	889.07	741.24
Internal Debt (excluding WMAs and Overdrafts)	481.01	269.00	466.21	680.14	612.46
Net transactions under WMAs and Overdrafts	0.00	0.00	0.00	176.66	95.95
Loans and Advances from GoI [‡]	31.62	31.82	31.84	32.27	32.83
15. Appropriation to Contingency Fund	0.00	0.00	0.00	0.00	0.00
16. Total Disbursement out of Consolidated Fund (13+14+15)	12,688.62	12,442.10	13,869.24	15,152.95	15,944.03
17. Contingency Fund Disbursements	0.00	0.00	0.00	0.00	0.00
18. Total disbursement by the State (17+18)	12,688.62	12,442.10	13,869.24	15,152.95	15,944.00
Part –C: Deficits					
19. Revenue Deficit (-)/ Surplus (+) (1-10)	(+) 790.32	(-) 289.27	(+) 141.69	(-) 2375.32	(-)1075.42
20. Fiscal Deficit (-) / Surplus (+) (4 - 13)	(-) 2,529.62	(-) 2,071.64	(-) 1,339.70	(-) 3261.56	(-)1909.14
21. Primary Surplus (+)/ Deficit (-)	(-) 1,735.31	(-) 1,184.75	(-) 320.75	(-) 2136.58	(-)624.33
22. Interest Payments (percentage of Revenue Expenditure)	794.31 (9)	886.89 (8.56)	1,018.95 (8.57)	1124.98 (8.41)	1284.81 (8.94)
23. Financial Assistance to Local Bodies etc.	688.48	1,474.17	2401.39	2638.52	2865.49
24. WMAs/ Overdraft availed (days)	0.00	0.00	0.00	0.00	30
25. Interest on WMAs/ Overdraft (₹ in crore)	0.00	0.00	0.00	0.10	0.01
26. Gross State Domestic Product (GSDP)*	39479	43716	49823	55857	58880 (A)
27. Outstanding Fiscal Liabilities**(year-end)	11258.96	12902.73	14779.52	17845.71	21083.10
28. Outstanding guarantees (year-end)	312.53	327.65	523.67	734.57	771.42
29. Maximum amount guaranteed during the year	64.00	54.00	230.00	246.75	276.40
30. Number of incomplete projects⁵	92	62	78	63	29
31. Capital blocked in incomplete projects	966.15	406.64	200.72	560.86	185.54
Part- E: Fiscal Health Indicators					
I. Resource Mobilisation					
Own Tax Revenue/GSDP (ratio)	3.60	3.25	3.54	3.76	3.96
Own Non-tax Revenue/GSDP (ratio)	0.55	1.13	0.75	0.49	0.48
Central Transfers/GSDP (ratio)	20.28	18.65	19.86	15.45	18.13
II. Expenditure Management					
Total Expenditure/GSDP (ratio)	30.84	27.77	26.83	25.54	25.82
Total Expenditure/Revenue Receipts (ratio)	126.23	120.59	111.14	129.65	114.37
Revenue Expenditure/Total Expenditure (ratio)	72.73	85.31	88.92	93.78	94.51
Expenditure on Social Services/ Total Expenditure (ratio)	41.92	42.87	43.41	40.83	41.17
Expenditure on Economic Services/Total Expenditure (ratio)	25.78	17.96	15.85	16.85	17.82
Capital Expenditure/Total Expenditure (ratio)	27.05	14.64	11.08	6.19	5.47
Capital Expenditure on Social and Economic Services/Total Expenditure	25.36	13.63	10.34	5.60	4.91

[‡] Includes Ways and Means Advances of ₹ 95.95 crore from GoI

⁵ Number of incomplete projects from the year 2015-16 to 2019-20 involving ₹ 5 crore and above

Appendix - 1.1 (concl.)
Part-D
Time Series Data on State Government Finances
(Reference: Paragraph No. 1.1)

(₹ in crore)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
III. Management of Fiscal Imbalances					
Revenue (Surplus/ Deficit)/GSDP (ratio)	2.00	(-) 0.66	0.28	(-) 4.25	(-) 1.83
Fiscal (Surplus/Deficit)/GSDP (ratio)	(-) 6.41	(-) 4.74	(-) 2.69	(-) 5.84	(-) 3.24
Primary Deficit (Surplus/Deficit)/GSDP (ratio)	(-) 4.39	(-) 2.71	(-) 0.64	(-) 3.82	(-) 1.06
Revenue Surplus/Fiscal Surplus (ratio)/Deficit	(-) 31.24	13.96	10.58	(-) 72.83	(-) 56.33
Primary Revenue Balance/GSDP (ratio)	4.02	1.36	2.30	(-) 2.26	(-) 0.37
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP (ratio)	28.51	29.51	30.26	31.95	35.81
Fiscal Liabilities/RR (ratio)	123.28	132.86	125.42	162.21	158.61
Interest Payments/RR	8.23	8.81	8.47	10.23	9.67
Debt Redemption (Principal+Interest)/ Total Debt Receipts (ratio)	114.68	66.98	82.26	50.39	NA
V. Other Fiscal Health Indicators					
Return on Investment (₹ in crore)	0.05	14.27	0.00	7.95	6.62
Balance from Current Revenue (₹ in crore)	(+) 258.94	(-) 706.24	(-) 316.29	(-) 2911.38	(-) 1051.32
Financial Assets/ Liabilities (ratio)	2.25	2.09	1.97	1.67	1.52
* GSDP (Base year 2011-12) figures have been arrived at on current market prices as per information furnished by the Directorate of Economic & Statistics, Government of Tripura					
** Apart from Public Debt, includes other liabilities (i.e., Small Savings, etc., Reserve Fund and Deposit)					
Note1: Figure in bracket indicates the percentage to Revenue Receipts					
Note2: Figures in brackets represent percentage to total of each sub-heading					
# Negligible					

Appendix 3.1

Expenditure incurred without budget provision

(Reference: Paragraph No. 3.3.1)

Sl. No.	Grant/ Appropriation	Head of Accounts	Number of Schemes/Sub Heads	Expenditure (₹ in crore)
1	5: Law Department	2014	Administration of Justice	0.09
		119	Legal Aid Services	
		22	Judicial	
		4059	Capital Outlay on Public Works	0.21
		80	General	
		052	Machinery and Equipment	
2	6: Revenue Department	2029	Land Revenue	0.40
		103	Land Records	
		99	Others	
		2053	District Administration	0.06
		093	District Establishments	
		80	Maintenance and Repairs	0.93
		094	Other Establishments	
3	10 - Home (Police) Department	2055	Police	0.21
		117	Internal Security	
		09	Security Related Expenditure	
		4055	Capital Outlay on Police	0.18
		207	State Police	
		89	Centrally Sponsored Scheme - IV	0.55
		90	State Share for Central Assistance to State Plan	
		208	Special Police	0.28
		08	Police	
		211	Police Housing	0.20
70	State Share			
4	11 - Transport Department	3055	Road Transport	0.02
		001	Direction and Administration	
		98	Administration	
		5055	Capital Outlay on Road Transport	0.53
		050	Land and Buildings	
13	Transportation			
5	13 - Public Works (R&B) Department	3054	Roads and Bridges	255.67
		80	General	
		797	Transfers to/ from Reserve Fund/ Deposit Account	
		68	Road and Bridges	28.00
		04	District and Other Roads	
		902	Deduct-Amount met from Reserve Fund	
68	Road and Bridges			

Appendix 3.1 (contd.)

Expenditure incurred without budget provision

(Reference: Paragraph No. 3.3.1)

Sl. No.	Grant/ Appropriation	Head of Accounts	Number of Schemes/Sub Heads	Expenditure (₹ in crore)
		91	Central Assistance to State Plan	23.00
		4059	Capital Outlay on Public Works	
		01	Office Buildings	
		051	Construction	
		54	National Bank for Agriculture and Rural Development	8.66
		789	Special Component Plan for Scheduled Castes	
		54	National Bank for Agriculture and Rural Development	2.66
		796	Tribal Area Sub-plan	
		54	National Bank for Agriculture and Rural Development	5.13
		60	Other Buildings	
		051	Construction	
		05	Establishment	0.34
		25	Public Works	0.98
		54	National Bank for Agriculture and Rural Development	3.75
6	15 - Public Works (WR) Department	4702	Capital Outlay on Minor Irrigation	
		101	Surface Water	
		27	Water Resource	1.27
7	16 - Health Department	2059	Public Works	
		80	General	
		001	Direction and Administration	
		25	Public Works	3.11
8	21 - Food, Civil Supplies & Consumer Affairs Department	3456	Civil Supplies	
		103	Consumer Subsidies	
		70	State Share	0.56
9	25 – Industries & Commerce (Handloom, Handicrafts and Sericulture) Department	2851	Village and Small Industries	
		103	Handloom Industries	
		98	Administration	0.01
10	27 - Agriculture Department	2401	Crop Husbandry	
		001	Direction and Administration	
		98	Administration	0.01
		4401	Capital outlay on Crop Husbandry	
		104	Agricultural Farms	
		37	Agricultural Development	0.06

Appendix 3.1 (contd.)

Expenditure incurred without budget provision

(Reference: Paragraph No. 3.3.1)

Sl. No.	Grant/Appropriation	Head of Accounts	Number of Schemes/Sub Heads	Expenditure (₹ in crore)
		800	Other expenditure	0.54
		90	State Share for Central Assistance to State Plan	
		91	Central Assistance to State Plan	2.79
		4415	Capital Outlay on Agricultural Research and Education	0.25
		01	Crop Husbandry	
		796	Tribal Area Sub-plan	
		90	State Share for Central Assistance to State Plan	0.25
		4435	Capital Outlay on other Agricultural Programmes	0.24
		01	Marketing and Quality Control	
		800	Other expenditure	
		91	Central Assistance to State Plan	
11	28 - Horticulture Department	2401	Crop Husbandry	0.02
		103	Seeds	
		70	State Share for Central Assistance to State Plan	
		796	Tribal Area Sub-plan	0.01
		70	State Share for Central Assistance to State Plan	
12	29 - Animal Resource Development Department	2403	Animal Husbandry	0.08
		105	Piggery Development	
		90	State Share for Central Assistance to State Plan	
		2404	Dairy Development	0.08
		789	Special Component Plan for Scheduled Castes	
		72	Public Distribution System	0.15
		796	Tribal Area Sub-plan	
		72	Public Distribution System	
		4552	Capital Outlay on North Eastern Areas	0.03
		105	Forest Produce	
90	State Share for Central Assistance to State Plan			
13	30 - Forest Department	2406	Forestry and Wild Life	0.07
		01	Forestry	
		101	Forest Conservation, Development and Regeneration	
		41	Human Development	0.05
		789	Special Component Plan for Scheduled Castes	
		41	Central Assistance to State Plan	
		796	Tribal Area Sub-plan	0.08
41	Central Assistance to State Plan			

Appendix 3.1 (contd.)

Expenditure incurred without budget provision

(Reference: Paragraph No. 3.3.1)

Sl. No.	Grant/ Appropriation	Head of Accounts	Number of Schemes/Sub Heads	Expenditure (₹ in crore)
14	31 – Rural Development Department	2515	Other Rural Development Programmers	
		104	District Rural Development Agency (DRDA) Administration	
		90	State Share for Central Assistance to State Plan	0.03
		91	Central Assistance to State Plan	0.25
15	35 - Urban Development Department	2217	Urban Development	
		03	Integrated Development of Small and Medium Towns	
		191	Assistance to Local Bodies, Corporation, Urban Development Authorities, Town Improvement Boards, etc.	
		32	Urban Development	1.56
		789	Special Component Plan for Scheduled Castes	
		32	Urban Development	0.51
		796	Tribal Area Sub-plan	
		32	Urban Development	0.93
		05	Other Urban Development Schemes	
		001	Direction and Administration	
		87	Centrally Sponsored Scheme - II	2.65
		99	Others	0.82
		789	Special Component Plan for Scheduled Castes	
		87	Centrally Sponsored Scheme - II	0.87
		796	Tribal Area Sub-plan	
87	Centrally Sponsored Scheme - II	1.58		
16	40 - Education (School) Department	2202	General Education	
		02	Secondary Education	
		106	Text Books	
		90	State Share for Central Assistance to State Plan	0.46
		91	Central Assistance to State Plan	4.11
17	41 - Education (Social) Department	2235	Social Security and Welfare	
		02	Social Welfare	
		102	Child Welfare	
		41	Human Development	0.36
		200	Other Programmes	
		41	Human Development	0.15
		789	Special Component Plan for Scheduled Castes	
		41	Human Development	0.12
		796	Tribal Area Sub-plan	
41	Human Development	0.22		

Appendix 3.1 (concl.)

Expenditure incurred without budget provision

(Reference: Paragraph No. 3.3.1)

Sl. No.	Grant/Appropriation	Head of Accounts	Number of Schemes/Sub Heads	Expenditure (₹ in crore)		
		60	Other Social Security and Welfare programmes	0.17		
		200	Other Programmes			
		98	Administration			
				789	Special Component Plan for Scheduled Castes	0.06
				98	Administration	
				796	Tribal Area Sub-plan	0.11
				98	Administration	
18	43: Finance Department	2013	Council of Ministers	1.71		
		105	Discretionary grant by Ministers			
		05	Establishment			
		2049	Interest Payments	0.01		
		01	Interest on Internal Debt			
		115	Interest on Ways & Me3ans Advances from Reserve Bank of India			
19	46 – Treasuries	2030	Stamps and Registration	0.16		
		01	Stamps-Judicial			
		101	Cost of Stamps			
		06	District Treasuries			
20	51 - Public Works (Drinking Water and Sanitation) Department	4215	Capital Outlay on Water Supply and Sanitation	0.28		
		01	Water Supply			
		101	Urban Water Supply			
				25	Public Works	0.08
				789	Special Component Plan for Scheduled Castes	
				25	Public Works	0.17
				796	Tribal Area Sub-plan	
				25	Public Works	0.11
				4552	Capital Outlay on North Eastern Areas	
				101	Veterinary Services and Animal Health	
				90	State Share for Central Assistance to State Plan	
796	Tribal Area Sub-plan					
21	52 – Family Welfare and Preventive Medicine	90	State Share for Central Assistance to State Plan	0.04		
		2211	Family Welfare	0.30		
		796	Tribal Area Sub-plan			
	70	State Share				
Total				359.08		

Appendix 3.2

Grant-in-aid expenditure designated as 'Grants for creation of capital assets' and booked under Capital Major Heads instead of Revenue Heads

(Reference: Paragraph No. 3.3.3)

Name of scheme & Head of Accounts	Type of misclassification	Amount (₹ in crore)	Owner (s) of assets created (on the basis of scheme guidelines)
State Share of Skill Development Mission (4875-60-789-90-56-57/4875-60-796-90-56-57/4875-60-800-90-56-57)	Revenue to capital	0.27	NGOs
State Share of North Eastern Council (4552-00-101-90-08-57/4552-00-789-90-08-57/4552-00-796-90-08-57)	Revenue to capital	0.12	State PSUs
Industries and Commerce (4851-00-102-70-24-57/4851-00-789-70-24-57/4851-00-796-70-24-57)	Revenue to capital	6.13	State PSUs
Roads and Bridges (5054-04-33768-01-57/5054-04-789-68-01-57/5054-04-796-68-01-57)	Revenue to capital	0.71	State PSUs
Infrastructural facilities (Tourism) (5452-01-101-21-11-57/5452-01-78921-11-57/5452-01-796-21-11-57)	Revenue to capital	6.68	Local Bodies
Total		13.91	

Source: Finance Accounts 2020-21

Appendix 3.3

Cases where supplementary provision of ₹ 50 lakh and above were obtained in each cases during the year 2020-21 which proved unnecessary

(Reference: Paragraph No. 3.3.4)

(₹ in lakh)

Sl. No.	Grant No. and Name Revenue Voted	Original	Supplementary	Total	Expenditure	Savings
1	3: General Administration (SA) Department	7659.10	71.71	7730.81	6478.78	1252.03
2	6: Revenue Department	29527.55	14190.26	43717.81	28401.98	15315.83
3	10: Home (Police) Department	150037.07	12531.66	162568.73	144116.97	18451.76
4	14: Power Department	10021.29	4525.02	14546.31	8977.29	5569.02
5	16: Health Department	44522.29	2465.68	46987.97	42597.56	4390.41
6	17: Information and Cultural Affairs Department	4613.98	164.48	4778.46	4235.13	543.33
7	21: Food, Civil Supplies I& Consumer Affairs Department	9397.69	63.30	9460.99	8472.11	988.88
8	23: Panchayati Raj Department	45160.21	627.62	45787.83	38281.15	7506.68
9	26: Fisheries Department	6517.50	178.65	6696.15	5557.68	1138.47
10	27: Agriculture Department	42923.69	71.66	42995.35	30347.32	12648.03
11	28: Horticulture Department	12228.62	1574.41	13803.03	8682.88	5120.15
12	29: Animal Resource Development Department	11661.55	398.49	12060.04	10487.81	1572.23
13	30: Forest Department	19716.80	358.74	20075.54	15372.93	4702.61
14	32: Tribal Rehabilitation in Plantation & particularly Vulnerable Tribal Group Department	4053.10	645.05	4698.15	2922.94	1775.21
15	35: Urban Development Department	88090.85	25687.15	113778.00	69626.38	44151.62
16	36: Home (Jail) Department	3178.99	296.25	3475.24	3006.29	468.95
17	39: Education (Higher) Department	18866.70	162.54	19029.24	15919.18	3110.06
18	40: Education (School) Department	169027.91	5336.50	174364.41	147689.76	26674.65
19	51: Public Works (Drinking Water and Sanitation) Department	24569.18	496.30	25065.48	21500.55	3564.93
20	52: Family Welfare & preventive Medicine	49325.09	4095.92	53421.01	46002.14	7418.87
21	55: Employment	669.50	73.21	742.71	654.38	88.33
22	62: Education (Elementary)	89797.93	3301.55	93099.48	75958.84	17140.64
23	63: Industries & Commerce (Skill Development)	2513.72	76.68	2590.40	863.05	1727.35
	Capital voted					
24	13: Public Works (R&B) Department	78214.00	15041.65	93255.65	32425.33	60830.32
25	15: Public Works (Water Resource) Department	6202.50	221.60	6424.10	3234.36	3189.74
26	16: Health Department	7284.65	54.51	7339.16	2393.01	4946.15
27	20: Welfare of Scheduled Castes Department	1293.00	720.40	2013.40	531.28	1482.12
28	26: Fisheries Department	1152.00	574.06	1726.06	609.14	1116.92
29	27: Agriculture Department	13031.18	412.69	13443.87	7720.81	5723.06

Appendix 3.3 (concl.)

Cases where supplementary provision of ₹ 50 lakh and above were obtained in each cases during the year 2020-21 which proved unnecessary

(Reference: Paragraph No. 3.3.4)

(₹ in lakh)

Sl. No.	Grant No. and Name Capital Voted	Original	Supplementary	Total	Expenditure	Savings
30	29: Animal Resource Development Department	524.50	206.34	730.84	51.89	678.95
31	40: Education (School) Department	417.16	265.39	682.55	226.52	456.03
32	52: Family Welfare & Preventive Medicine	1012.75	193.10	1205.85	114.46	1091.39
33	57: Welfare of Minorities Department	4081.00	320.73	4401.73	765.86	3635.87
	Revenue Charged					
34	48: High Court	2079.00	75.12	2154.12	1885.19	268.93

Appendix 3.4

Unnecessary re-appropriation
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
1	3: General Administration (SA) Department							
	2052	Secretariat-General Services						
	090	Secretariat						
	05	Establishment	6220.10	67.38	0.97	6288.45	5568.73	719.72
	2070	Other Administrative Services						
	115	Guest Houses, Government Hostels etc.						
	05	Establishment	1237.00	4.33	6.12	1247.45	827.61	419.84
2	6: Revenue Department							
	2053	District Administration						
	093	District Establishments						
	05	Establishment	3529.45	158.86	169.25	3857.56	3465.11	392.45
	2575	Other Special Area Programmes						
	06	Border Area Development						
	800	Other expenditure						
	91	Central Assistance to State Plan	1356.00	7802.48	10.19	9168.67	3220.35	5948.32
	2029	Land Revenue						
	789	Special Component Plan for Scheduled Castes						
	86	Centrally Sponsored Scheme - I	10.97	2.97	0.17	14.11	0	14.11
	796	Tribal Area Sub-plan						
	86	Centrally Sponsored Scheme - I	20.73	6.74	0.31	27.78	0	27.78
3	10 - Home (Police) Department							
	2055	Police						
	001	Direction and Administration						
	08	Police	3204.45		85.19	3289.64	2682.96	606.68
	117	Internal Security						
	88	Centrally Sponsored Scheme - III	54.0	171.74	91.26	317.00	165.28	151.72
	2070	Other Administrative Services						
	107	Home Guards						
	10	Home Guards	2324.92		0.24	2325.16	1917.55	407.61
	3275	Other Communication Services						
	101	Wireless Planning and Co-ordination						
	08	Police	3838.55		15.37	3853.92	3624.86	229.06

Appendix 3.4 (contd.)

Unnecessary re-appropriation
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
4	13 – Public Works (R&B) Department							
	5054	Capital Outlay on Roads and Bridges						
	04	District and Other Roads						
	337	Roads Works						
	54	National Bank for Agriculture and Rural Development	6240.00		2002.60	8242.60	5621.94	2620.66
	68	Road and Bridges	0	7760.65	2639.35	10400.00	10,35.77	93,64.23
	789	Special Component Plan for Scheduled Castes						
	54	National Bank for Agriculture and Rural Development	2890.00	0	176.54	3066.54	2164.56	901.98
	68	Road and Bridges	0	2283.69	1116.31	3400.00	345.17	3054.83
	796	Tribal Area Sub-plan						
	54	National Bank for Agriculture and Rural Development	5270.00		392.54	5662.54	4092.29	1570.25
	68	Road and Bridges	0	4132.98	2067.02	6200.00	461.29	5738.71
	4552	Capital Outlay on North Eastern Areas						
	337	Roads Work						
	90	State Share for Central Assistance to State Plan	26.00	0	9.07	35.07	0	35.07
	91	Central Assistance to State Plan	109.20	0	98.80	208.00	0	208.00
	789	Special Component Plan for Scheduled Castes						
	90	State Share for Central Assistance to State Plan	8.50	0	2.97	11.47	0	11.47
	91	Central Assistance to State Plan	35.70	0	32.30	68.00	0	68.00
	796	Tribal Area Sub-plan						
	90	State Share for Central Assistance to State Plan	15.50	0	5.41	20.91	0	20.91
	91	Central Assistance to State Plan	65.10	0	58.90	124.00	0	124.00
	5054	Capital Outlay on Roads and Bridges						
	05	Roads						
	337	Road Works						
	91	Central Assistance to State Plan	1496.56	0	1727.44	3224.00	0	3224.00

Appendix 3.4 (contd.)

Unnecessary re-appropriation
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	489.26	0	564.74	1054.00	0	1054.00
	796	Tribal Area Sub-plan						
	91	Central Assistance to State Plan	892.18	0	1029.82	1922.00	0	1922.00
5	14 - Power Department							
	2801	Power						
	80	General						
	004	Research and Development						
	70	State Share	2.08	1193.26	0.66	1196.00	722.01	473.99
	789	Special Component Plan for Scheduled Castes						
	70	State Share	0.68	390.16	0.16	391.00	345.61	45.39
6	15 - Public Works (Water Resource) Department							
	2711	Flood Control and Drainage						
	01	Flood Control						
	001	Tribal Area Sub-plan						
	27	Water Resource	2785.46	0	233.05	3018.51	2581.71	436.80
	4702	Capital Outlay on Minor Irrigation						
	102	Ground Water						
	54	National Bank for Agriculture and Rural Development	1790.00	171.34	93.10	2054.44	1815.93	238.51
7	16 - Health Department							
	2210	Medical and Public Health						
	05	Medical Education, Training and Research						
	789	Special Component Plan for Scheduled Castes						
	71	Medical College	0	22.03	2.50	24.53	0	24.53
	796	Tribal Area Sub-plan						
	90	State Share for Central Assistance to State Plan	0	27.51	2.50	30.01	0	30.01
	4210	Capital Outlay on Medical and Public Health						
	01	Urban Health Services						
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	300.00	0	322.98	622.98	51.10	571.88

Appendix 3.4 (contd.)

Unnecessary re-appropriation
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
	796	Tribal Area Sub-plan						
	91	Central Assistance to State Plan	414.65	0	392.17	806.82	67.00	739.82
8	19 - Tribal Welfare Department							
	2225	Welfare of Scheduled Castes, Scheduled Tribes, other Backward Classes and Minorities						
	02	Welfare of Scheduled Tribes						
	796	Tribal Area Sub-plan						
	86	Centrally Sponsored Scheme - I	4489.00	6030.37	663.25	11182.62	4735.99	6446.63
	88	Centrally Sponsored Scheme - III	40.00	0	0.51	40.51	0.51	40.00
	89	Centrally Sponsored Scheme - IV	699.00	0	231.00	930.00	407.43	522.57
9	20 - Welfare of Scheduled Castes Department							
	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities						
	01	<i>Welfare of Scheduled Castes</i>						
	789	Special Component Plan for Scheduled Castes						
	35	Scholarship and Stipend	120.00	0	12.40	132.40	96.68	35.72
	70	State share	58.00	308.66	100.14	466.80	317.14	149.66
	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities						
	01	<i>Welfare of Scheduled Castes</i>						
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	392.00	720.00	287.60	1400.00	257.91	1142.09
10	21 - Food, Civil Supplies & Consumer Affairs Department							
	3475	Other General Economic Services						
	106	Regulation of Weights and Measures						
	05	Establishment	627.63	0	94.36	721.99	580.92	141.07

Appendix 3.4 (contd.)

Unnecessary re-appropriation
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
	4408	Capital Outlay on Food Storage and Warehousing						
	02	Storage and Warehousing						
	101	Rural Godown Programmes						
	88	Centrally Sponsored Scheme - III	0.52	251.56	0.92	253.00	150.74	102.26
	789	Special Component Plan for Scheduled Castes						
	88	Centrally Sponsored Scheme - III	0.17	82.49	0.34	83.00	0	83.00
11	25 - Industries & Commerce (Handloom, Handicrafts and Sericulture) Department							
	2851	Village and Small Industries						
	103	Handloom Industries						
	29	Industries Development	638.23	8.88	6.90	654.01	576.39	77.62
	104	Handicrafts Industries						
	29	Industries Development	254.72	12.00	0.59	267.31	222.52	44.79
	796	Tribal Area Sub-plan						
	90	State Share for Central Assistance to State Plan	13.95	12.58	0.59	27.12	0.60	26.52
12	27 - Agriculture Department							
	2401	Crop Husbandry						
	001	Direction and Administration						
	37	Agriculture Development	17394.01	0	346.98	17740.99	15873.55	1867.44
	789	Special Component Plan for Scheduled Castes						
	90	State Share for Central Assistance to State Plan	231.69	64.93	2.04	298.66	242.95	55.71
	98	Administration	384.00	0	3.44	387.44	338.64	48.80
	796	Tribal Area Sub-plan						
	98	Administration	850.83	0	1.73	852.56	694.89	157.67
	4401	Capital Outlay on Crop Husbandry						
	87	Centrally Sponsored Scheme - II	81.25	0	33.55	114.80	62.16	52.64
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	360.00	0	255.60	615.60	336.44	279.16
	796	Tribal Area Sub-plan						
	87	Centrally Sponsored Scheme - II	70.00	0	4.40	74.40	16.94	57.46

Appendix 3.4 (contd.)

Unnecessary re-appropriation
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
13	28 - Horticulture Department							
	2402	Soil and Water Conservation						
	001	Direction and Administration						
	98	Administration	742.05	0	75.18	817.23	675.79	141.44
	796	Tribal Area Sub-plan						
	90	State Share for Central Assistance to State Plan	51.67	0	27.03	78.70	27.34	51.36
14	29 - Animal Resource Development Department							
	2403	Animal Husbandry						
	101	Veterinary Services and Animal Health						
	39	Animal Resource Development	33.16	19.00	6.00	58.16	33.35	24.81
15	31 - Rural Development Department							
	2515	Other Rural Development Programmes						
	001	Direction and Administration						
	30	Rural Development	87.28	0	2.00	89.28	63.03	26.25
16	34 - Planning and Co-ordination Department							
	3451	Secretariat-Economic Services						
	091	Attached Offices						
	05	Establishment	293.64	0	14.96	308.60	221.08	87.52
17	35 - Urban Development Department							
	2217	Urban Development						
	03	<i>Integrated Development of Small and Medium Towns</i>						
	051	Construction						
	70	State Share	2652.00	9357.63	1364.23	13373.86	151.44	13222.42
	89	Centrally Sponsored Scheme- IV	6760.00	1851.20	2048.80	10660.00	6703.97	3956.03
	789	Special Component Plan for Scheduled Castes						
	70	State Share	867.00	2979.08	526.14	4372.22	49.51	4322.71
	89	Centrally Sponsored Scheme- IV	2210.00	605.20	669.80	3485.00	2358.41	1126.59
	796	Tribal Area Sub-plan						
	70	State Share	1581.00	5432.44	959.44	7972.88	90.28	7882.60
	89	Centrally Sponsored Scheme- IV	4030.00	1103.60	1221.40	6355.00	4300.64	2054.36

Appendix 3.4 (contd.)

Unnecessary re-appropriation
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
16	39 - Education (Higher) Department							
	2202	General Education						
	03	University and Higher Education						
	103	Government Colleges and Institutes						
	41	Human Development	385.38	0	11.78	397.16	298.23	98.93
17	40 - Education (School) Department							
	2202	General Education						
	02	Secondary Education						
	004	Research and Training						
	41	Human Development	40.10	0	37.08	77.18	38.40	38.78
	108	Examinations						
	41	Human Development	61.25	0	34.00	95.25	48.36	46.89
	789	Special Component Plan for Scheduled Castes						
	41	Human Development	958.81	0	37.06	995.87	946.75	49.12
18	41 - Education (Social) Department							
	2235	Social Security and Welfare						
	02	Social Welfare						
	200	Other Programmes						
	33	Welfare Programme	252.22	0	16.05	268.27	201.06	67.21
	86	Centrally Sponsored Scheme- I	100.00	0	21.59	121.59	14.70	106.89
19	43 - Finance Department							
	2049	Interest Payments						
	01	Interest on Internal Debt						
	200	Interest on Other Internal Debt						
	58	Debt Services	6000.00	0	1000.00	7000.00	4882.96	2117.04
20	45 - Taxes and Excise							
	2040	Taxes on Sales, Trade etc.						
	001	Direction and Administration						
	05	Establishment	116.63	0	18.24	134.87	80.23	54.64
	101	Collection Charges						
	05	Establishment	1846.98	0	31.09	1878.07	1499.93	378.14
21	48 - High Court							
	2014	Administration of Justice						
	102	High Courts						
	05	Establishment	1804.00	75.12	62.40	1941.52	1708.83	232.69

Appendix 3.4 (contd.)

Unnecessary re-appropriation
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
22	52 - Family Welfare & Preventive Medicine							
	2211	Family Welfare						
	789	Special Component Plan for Scheduled Castes						
	90	State Share for Central Assistance to State Plan	525.00	281.11	1.00	807.12	498.07	309.04
	91	Central Assistance to State Plan	6437.00	297.46	30.08	6764.54	5109.71	1654.83
	796	Tribal Area Sub-plan						
	87	Centrally Sponsored Scheme - II	354.00	0	46.00	400.00	180.75	219.25
23	55 - Employment							
	2230	Labour, Employment and Skill Development						
	001	Direction and Administration						
	98	Administration	155.31	0	16.43	171.74	143.42	28.32
24	57 - Welfare of Minorities Department							
	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities						
	04	Welfare of Minorities						
	277	Education						
	33	Welfare Programme	850.25	0	4.81	855.06	526.72	328.34
	4215	Capital Outlay on Water Supply and Sanitation						
	01	Water Supply						
	102	Rural Water Supply						
	90	State Share for Central Assistance to State Plan	20.00	2.80	8.20	31.00	7.48	23.52
	91	Central Assistance to State Plan	200.00	11.98	88.02	300.00	119.39	180.61
	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities						
	04	Welfare of Minorities						
	277	Education						
	90	State Share for Central Assistance to State Plan	300.00	0	6.70	306.70	177.23	129.47
	91	Central Assistance to State Plan	3000.30	0	309.11	3309.41	392.78	2916.63

Appendix 3.4 (concl.)

Unnecessary re-appropriation
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
25	59 - Tourism							
	3452	Tourism						
	01	<i>Tourist Infrastructure</i>						
	789	Special Component Plan for Scheduled Castes						
	21	Tourism and Publicity	1.00	23.70	0.80	25.50	0	25.50
26	62 - Education (Elementary)							
	2236	Nutrition						
	02	<i>Distribution of nutritious food and beverages</i>						
	789	Special Component Plan for Scheduled Castes						
	90	State Share for Central Assistance to State Plan	150.00	135.71	4.17	289.88	223.76	66.12
	796	Tribal Area Sub-plan						
	90	Central Assistance to State Plan	450.00	395.88	23.76	869.64	730.33	139.31

Appendix 3.5

Grants/Appropriations, where savings was more than ₹ 100 crore during 2020-21

(Reference: Paragraph No. 3.3.6)

(₹ in crore)

Sl. No.	Grant No. and Name	Original	Supplementary	Total	Expenditure	Savings	surrender	Savings not surrendered	Percentage of savings to provision
	Revenue-Voted								
1	6: Revenue Department	295.28	141.90	437.18	284.02	153.16	7.08	146.08	35.03
2	10: Home (police) Department	1500.37	125.32	1625.69	1441.17	184.52	0.00	184.52	11.35
3	19: Tribal Welfare Department	486.03	117.50	603.53	496.14	107.39	2.42	104.97	17.79
4	27: Agriculture Department	429.24	0.71	429.95	303.47	126.48	78.05	48.43	29.42
5	31: Rural Development Department	1599.63	0.00	1599.63	599.50	1000.13	897.65	102.48	62.52
6	35: Urban Development Department	880.91	256.87	1137.78	696.26	441.52	0.00	441.52	38.81
7	40: Education (School) Department	1690.28	53.36	1743.64	1476.90	266.74	99.76	166.98	15.30
8	41: Education (Social) Department	1033.82	0.00	1033.82	803.98	229.84	125.24	104.60	22.23
9	43: Finance Department	3267.10	0.00	3267.10	2343.51	923.59	469.83	453.76	28.27
10	62: Education (Elementary)	897.98	33.01	930.99	759.59	171.40	2.33	169.07	18.41
	Capital-Voted								
11	13: Public Works (Roads and Buildings) Department	782.14	150.41	932.55	324.25	608.30	112.66	495.64	65.23
12	43: Finance Department	252.76	0.00	252.76	2.07	250.69	127.69	123.00	99.18

Appendix 3.6

Grants/Appropriations with low budget utilisation of less than 50 per cent during 2020-21

(Reference: Paragraph No. 3.3.6)

(*₹* in crore)

Sl. No.	Grant No. and Name	Original	Supplementary	Total	Expenditure	Percentage of expenditure
	Revenue-Voted					
1	31: Rural Development Department	1599.63	0	1599.63	599.50	37.48
2	34: Planning and Co-ordination Department	34.07	0	34.07	6.65	19.52
3	63 - Industries & Commerce (Skill Development) Department	25.14	0.76	25.90	8.63	33.32
	Revenue-Charged					
4	12: Co-operation Department	1.80	0	1.80	0.79	43.89
5	13: Public Works (Roads and Buildings) Department	12.59	0	12.59	4.84	38.44
	Capital-Voted					
6	5: Law Department	41.39	0	41.39	8.26	19.95
7	6: Revenue Department	1.00	40.52	41.52	20.23	48.72
8	10: Home (Police) Department	12.60	0.10	12.70	5.26	41.41
9	13: Public Works (Roads and Buildings) Department	782.14	150.42	932.56	324.25	34.77
10	16: Health Department	72.85	0.54	73.39	23.93	32.61
11	19: Tribal Welfare Department	24.27	0	24.27	0.75	3.09
12	20: Welfare of Scheduled Castes Department	12.93	7.20	20.13	5.31	26.38
13	21: Food, Civil Supplies & Consumer Affairs Department	0.88	7.06	7.94	3.45	43.45
14	26: Fisheries Department	11.52	5.74	17.26	6.09	35.28
15	40: Education (School) Department	4.17	2.66	6.83	2.27	33.24
16	43: Finance Department	252.76	0	252.76	2.07	0.82
17	52: Family Welfare and Preventive Medicine	10.13	1.93	12.06	1.14	9.45
18	53: Tribal Welfare (Research) Department	4.31	0.08	4.39	0.53	12.07
19	56: Intimation Technology	10.80	0	10.80	2.37	21.94
20	57: Welfare of Minorities Department	40.81	3.21	44.02	7.66	17.40

Appendix 3.7

Grants/Appropriations where persistent savings of more than ₹ one crore occurred in each case during the last five years

(Reference: Paragraph No. 3.3.6.1)

(₹ in crore)

Sl. No.	Grant No. and Name	2016-17	2017-18	2018-19	2019-20	2020-21
	Revenue-Voted					
1	5: Law Department	18.03	23.78	55.15	32.05	5.29
2	6: Revenue Department	29.36	24.08	179.12	114.49	153.16
3	10: Home (Police) Department	147.51	108.87	119.99	81.05	184.52
4	12: Co-operation Department	5.48	6.48	5.92	1.45	3.28
5	15: Public Works (Water Resource) Department	41.55	62.26	26.48	64.57	57.50
6	16: Health Department	33.28	30.58	43.15	69.00	43.90
7	17: Information, Cultural Affairs Department	3.31	2.39	2.25	1.62	5.43
8	19: Tribal Welfare Department	345.20	439.09	124.97	55.22	107.39
9	20: Welfare of Scheduled Castes and Other Backward Classes Department	179.70	220.95	159.69	55.50	36.79
10	21: Food, Civil Supplies & Consumer Affairs Department	16.67	26.45	17.62	68.87	9.89
11	22: Relief & Rehabilitation Department	5.85	6.05	4.19	7.82	55.56
12	23: Panchayati Raj Department	9.33	9.29	45.11	31.58	75.07
13	24: Industries and Commerce Department	5.77	3.68	12.34	13.49	4.07
14	25: Industries & Commerce (Handloom, Handicrafts and Sericulture) Department	6.83	7.89	1.16	4.33	3.46
15	26: Fisheries Department	3.23	13.29	9.32	10.69	11.38
16	27: Agriculture Department	52.84	42.37	36.64	158.42	126.48
17	28: Horticulture Department	2.20	34.99	71.61	63.66	51.20
18	29: Animal Resource Development Department	15.23	7.70	17.23	12.22	15.72
19	30: Forest Department	12.66	9.38	12.31	15.23	47.03
20	31: Rural Development Department	20.70	20.02	129.24	909.61	1000.13
21	32: Tribal Rehabilitation in Plantation & Particularly Vulnerable Tribal Group Department	1.09	19.81	3.93	15.79	17.75
22	35: Urban Development Department	20.22	53.11	16.17	266.11	441.52
23	36: Home (Jail) Department	3.24	4.77	4.30	3.45	4.69
24	38: General Administration (Printing and Stationery) Department	2.89	7.90	1.18	1.32	1.55
25	39: Education (Higher) Department	39.84	25.52	23.78	15.11	31.10
26	40: Education (School) Department	103.42	26.13	339.48	166.44	266.75
27	41: Education (Social) Department	62.72	99.33	3.76	141.77	229.84
28	42: Education (Sports and Youth Programme) Department	24.42	7.16	7.91	6.11	6.58
29	43: Finance Department	883.84	129.83	115.59	156.87	923.59
30	45: Taxes and Excise	1.88	2.04	10.13	6.00	8.21
31	49: Fire Service Organisation	9.23	6.10	9.02	2.69	3.34
32	52: Family Welfare and Preventive Medicine	40.90	50.04	31.18	36.44	74.19
33	56: Information Technology	7.86	1.15	11.86	7.87	8.69
34	57: Welfare of Minorities Department	4.21	6.06	7.22	9.37	6.03

Appendix 3.7 (concl.)

Grants/Appropriations where persistent savings of more than ₹ one crore occurred in each case during the last five years

(Reference: Paragraph No. 3.3.6.1)

(₹ in crore)

Sl. No.	Grant No. and Name	2016-17	2017-18	2018-19	2019-20	2020-21
35	61: Welfare of Other Backward Classes Department	15.95	22.69	17.86	22.58	6.42
36	62: Education (Elementary) Department	114.47	129.44	129.70	71.89	171.41
	Revenue-Charged					
37	13: Public Works (Roads and Buildings) Department	25.63	36.81	13.04	1.41	7.75
38	43: Finance Department	179.88	132.11	110.68	14.07	1.47
	Capital-Voted					
39	5: Law Department	46.04	20.60	24.81	18.70	33.13
40	6: Revenue Department	16.55	45.02	67.68	40.13	21.29
41	10: Home (Police) Department	28.98	35.45	41.86	5.98	7.44
42	11: Transport Department	3.40	5.28	11.59	6.79	9.30
43	13: Public Works (Roads and Buildings) Department	33.78	143.81	137.83	302.65	608.30
44	15: Public Works (Water Resource) Department	24.23	32.23	43.09	33.09	31.90
45	16: Health Department	12.94	9.35	6.47	35.26	49.46
46	19: Tribal Welfare Department	1089.08	862.88	217.51	10.94	23.52
47	20: Welfare of Scheduled Castes and Other Backward Classes Department	371.25	356.86	92.20	10.80	14.82
48	21: Food, Civil Supplies & Consumer Affairs Department	7.43	2.59	5.68	6.02	4.49
49	27: Agriculture Department	33.41	59.70	72.94	73.40	57.23
50	29: Animal Resource Development Department	5.60	8.99	7.95	7.63	6.79
51	35: Urban Development Department	30.96	197.09	285.73	203.34	18.60
52	39: Education (Higher) Department	9.70	28.27	37.63	27.32	3.24
53	40: Education (School) Department	5.39	14.45	25.71	3.91	4.56
54	51: Public Works (Drinking Water and Sanitation) Department	40.73	66.38	65.42	155.27	67.26
55	52: Family Welfare and Preventive Medicine	126.05	66.66	39.38	8.18	10.91
56	56: Information Technology Department	4.29	1.79	5.50	2.00	8.43
57	57: Welfare of Minorities Department	50.24	43.69	38.08	49.07	36.36

Appendix 3.8

Details of surrender of funds of more than ₹ 10 crore at the end of March 2021

(Reference: Paragraph No. 3.3.6.1)

(*₹ in crore*)

Sl. No.	Grant No. and Name	Original	Suppl.	Total	Exp.	Savings	Amount Surrender	Percentage of savings
Revenue-Voted								
1	15: Public Works (Water Resource) Department	150.49	0	150.49	92.99	57.50	47.79	38.21
2	27: Agriculture Department	429.24	0.71	429.95	303.47	126.48	78.05	29.42
3	28: Horticulture Department	122.29	15.74	138.03	86.83	51.20	29.20	37.09
4	30: Forest Department	197.17	3.59	200.76	153.73	47.03	34.82	23.43
5	31: Rural Development Department	1599.63	0	1599.63	599.50	1000.13	897.65	62.52
6	41: Education (Social) Department	1033.82	0	1033.82	803.98	229.84	125.24	22.23
7	43: Finance Department	3267.10	0	3267.10	2343.51	923.59	469.83	28.27
8	63: Industries & Commerce (Skill Development)	25.14	0.76	25.90	8.63	17.27	16.92	66.68
Capital-Voted								
9	5: Law Department	41.39	0	41.39	8.26	33.13	26.36	80.04
10	15: Public Works (Water Resource) Department	62.02	2.22	64.24	32.34	31.90	21.42	49.66
11	16: Health Department	72.85	0.54	73.39	23.93	49.46	28.38	67.39
12	19: Tribal Welfare Department	24.27	0	24.27	0.75	23.52	21.50	96.91
13	27: Agriculture Department	130.31	4.13	134.44	77.21	57.23	27.54	42.57
14	43: Finance Department	252.76	0	252.76	2.07	250.69	127.69	99.18
15	51: Public Works (Drinking Water and Sanitation) Department	361.57	0	361.57	294.31	67.26	50.36	18.60

Appendix 3.9

Major Head wise excess expenditure (Gross) over the authorisation from the Consolidated Fund of State during the financial year

(Reference: Paragraph No. 3.3.7.1)

(` in crore)

Sl. No.	Grant No.	Major Head Description	Original	Supplementary	Total	Exp.	Excess	Reasons for excess stated by the Department
	Revenue-Voted							
A	13-Public Works (R&B) Department							
	3054	Roads and Bridges						Reasons for excess were not intimated by the Department (September 2021)
	04	District and Other Roads						
	902	Deduct-Amount met from Reserve Fund						
	68	Roads and Bridges	0	0	0	28.00	28.00	
	91	Central Assistance to State plan	0	0	0	23.00		
	80	General						
	797	Transfers to/from Reserve Fund/ Deposit Account						
	68	Roads and Bridges	0	0	0	255.67	255.67	
		Total	0	0	0	283.67	283.67	
B	Capital-Voted							
	59 - Tourism							
1	5452	Capital Outlay on Tourism						Reasons for excess were not intimated by the Department (September 2021)
	01	Tourist Infrastructure						
	101	Tourist Centre						
	21	Tourism and Publicity	0	0	0	3.47	3.47	
	789	Special Component Plan for Scheduled Castes						
	21	Tourism and Publicity	0	0	0	1.14	1.14	
	796	Tribal Area Sub-plan						
	21	Tourism and Publicity	0	0	0	2.07	2.07	
		Total	0	0	0	6.68	6.68	
Total (A+B)			0	0	0	290.35	290.35	

Note: The excess expenditure are the gross figure under the respective Sub-Heads of accounts

Appendix 3.10

Unnecessary excessive budget/supplementary provision in some grants (Above ₹ five crore provision and savings of more than 30 per cent)

(Reference: Paragraph No. 3.4.2)

(₹ in crore)

Grant No. and Name	Original	Suppl.	Total	Exp.	Savings/ unutilised	% of savings/ unutilised
Revenue-Voted						
6: Revenue Department	295.28	141.90	437.18	184.02	153.16	35.03
14: Power Department	100.21	45.25	145.46	89.77	55.69	38.29
15: Public Works (Water Resource) Department	150.49	0	150.49	92.99	57.50	38.21
20: Welfare of Scheduled Castes Department	63.89	41.41	105.30	68.51	36.79	34.94
22: Relief & Rehabilitation Department	35.85	79.51	115.35	59.79	55.56	48.17
31: Rural Development Department	1599.63	0	1599.63	599.50	1000.13	62.52
32: Tribal Rehabilitation in Plantation & Particularly Vulnerable Tribal Group	40.53	6.45	46.98	29.23	17.75	37.79
35: Urban Development Department	880.91	256.87	1137.78	696.26	441.52	38.81
53: Tribal Welfare (Research) department	5.89	0.46	6.35	2.58	3.77	59.35
56: Information Technology Department	22.32	0	22.32	13.62	8.69	38.93
57: Welfare of Minorities Department	14.02	0.16	14.18	8.15	6.03	42.52
63 - Industries & Commerce (Skill Development) Department	25.14	0.77	25.90	8.63	17.27	66.68
Revenue-Charged						
13: Public Works (R &B) Department	12.59	0	12.59	4.84	7.75	61.55
Capital-Voted						
5: Law Department	41.39	0	41.39	8.26	33.13	80.04
6: Revenue Department	1.00	40.52	41.52	20.23	21.29	51.28
10: Home (Police) Department	12.60	0.10	12.70	5.26	7.44	58.58
11: Transport Department	17.62	1.23	18.85	9.55	9.30	49.34
13: Public Works (Roads and Buildings) Department	782.14	150.41	932.55	324.25	608.30	65.23
15: Public Works (Water Resource) Department	62.02	2.22	64.24	32.34	31.90	49.66
16: Health Department	72.85	0.54	73.39	23.93	49.46	67.39
19: Tribal Welfare Department	24.27	0	24.27	0.75	23.52	96.91
20: Welfare of Scheduled Castes Department	12.93	7.20	20.13	5.31	14.82	73.62
21: Food, Civil Supplies & Consumer Department	0.88	7.06	7.94	3.45	4.49	56.55
26: Fisheries Department	11.52	5.74	17.26	6.09	11.17	64.72
27: Agriculture Department	130.31	4.13	134.44	77.21	57.23	42.57

Appendix 3.10 (concl.)

Unnecessary excessive budget/supplementary provision in some grants (Above ₹ five crore provision and savings of more than 30 per cent)

(Reference: Paragraph No. 3.4.2)

(₹ in crore)

Grant No. and Name	Original	Suppl.	Total	Exp.	Savings/ unutilised	% of savings/ unutilised
29: Animal Resource Development Department	5.24	2.06	7.31	0.52	6.79	92.89
35: Urban Development Department	18.60	0	18.60	0	18.60	100.00
40: Education (School) Department	4.17	2.66	6.83	2.27	4.56	66.76
41: Education (Social) Department	33.74	0	33.74	0	33.74	100.00
43: Finance Department	252.76	0	252.76	2.07	250.69	99.18
52: Family Welfare and Preventive Medicine	10.13	1.93	12.06	1.15	10.91	90.46
56: Information Technology	10.80	0	10.80	2.37	8.43	78.06
57: Welfare of Minorities Department	40.81	3.21	44.02	7.66	36.36	82.60

Appendix 3.11

Sub-Head (Schemes) where the entire expenditure more than one crore was incurred in March 2021

(Reference: Paragraph No. 3.4.4)

Sl. No.	Head of Account (up to Sub-Head)				Yearly amount (₹ in crore)	Expenditure during March 2021	
	Major head	Sub Major head	Minor head	Sub head		(₹ in crore)	per cent
1.	2013	0	105	5	1.71	1.71	100.00
2.	2210	6	101	87	2.10	2.10	100.00
3.	2210	6	796	87	1.25	1.25	100.00
4.	2211	0	200	15	3.31	3.31	100.00
5.	2211	0	789	15	1.18	1.18	100.00
6.	2211	0	796	15	2.05	2.05	100.00
7.	2217	3	51	70	1.51	1.51	100.00
8.	2217	5	1	87	2.65	2.65	100.00
9.	2217	5	796	87	1.58	1.58	100.00
10.	2515	0	101	91	1.20	1.20	100.00
11.	2801	6	1	54	8.83	8.83	100.00
12.	4059	60	51	54	3.37	3.37	100.00
13.	4059	60	796	54	2.08	2.08	100.00
14.	4059	60	796	91	2.61	2.61	100.00
15.	4059	80	796	91	1.97	1.97	100.00
16.	4202	2	104	91	8.46	8.46	100.00
17.	4202	2	789	91	2.76	2.76	100.00
18.	4202	2	796	91	5.04	5.04	100.00
19.	4851	0	102	70	3.75	3.75	100.00
20.	4851	0	796	70	1.74	1.74	100.00
21.	5054	4	101	54	9.00	9.00	100.00
22.	5054	4	337	68	9.88	9.88	100.00
23.	5054	4	789	68	3.26	3.26	100.00
24.	5054	4	796	68	4.47	4.47	100.00
25.	5452	1	101	21	3.48	3.48	100.00
26.	5452	1	789	21	1.14	1.14	100.00
27.	5452	1	796	21	2.07	2.07	100.00
TOTAL					92.45	92.45	

Appendix 3.12

Details of Heads of Account where there were savings of over ₹ one crore

(Reference: Paragraph No. 3.4.5.3)

(₹ in crore)

Sl. No.		Heads of Account	Original	Supp.	Re-app.	Total provision	Total exp.	Saving
Revenue-voted								
1	2215	Water Supply and Sanitation						
	01	Water Supply						
	799	Suspense						
	65	Suspense Account	30.00	0	-10.00	20.00	5.73	14.27
2	2501	Special Programmes for Rural Development						
	01	Integrated Rural Development Programme						
	001	Direction and Administration						
	30	Rural Development	82.32	0	-1.32	81.00	78.00	3.00
3	06	Self-Employment Programmes						
	102	National Rural Livelihood Mission						
	90	State Share for Central Assistance to State Plan	1.00	0	2.81	3.81	2.76	1.05
4	91	Central Assistance to State Plan	11.31	0	15.64	26.95	24.89	2.06
5	789	Special Component Plan for Scheduled castes						
	90	State Share for Central Assistance to State Plan	0.50	0	2.54	3.04	2.03	1.01
6	91	Central Assistance to State Plan	8.35	0	11.58	19.93	18.39	1.54
7	796	Tribal Area Sub-plan						
	91	Central Assistance to State Plan	29.50	0	40.89	70.39	64.92	5.47
8	2515	Other Rural Development Programmes						
	102	Community Development						
	90	State Share for Central Assistance to State Plan	20.80	0	-7.55	13.25	11.16	2.09
9	91	Central Assistance to State Plan (CASP)	217.49	0	-159.99	57.50	44.12	13.38

Appendix 3.12 (concl.)

Details of Heads of Account where there were savings of over ₹ one crore

(Reference: Paragraph No. 3.4.5.3)

(₹ in crore)

Sl. No.		Heads of Account	Original	Supp.	Re-app.	Total provision	Total exp.	Saving
10	789	Special Component Plan for Scheduled Castes						
11	90	State Share for Central Assistance to State Plan	15.37	0	-5.89	9.48	8.26	1.22
11	91	Central Assistance to State Plan(CASP)	160.75	0	-117.89	42.86	32.79	10.07
12	796	Tribal Area Sub-plan						
	30	Rural Development	3.25	0	-1.63	1.62	0	1.62
13	90	State Share for Central Assistance to State Plan	54.26	0	-16.94	37.32	29.18	8.14
14	91	Central Assistance to State Plan(CASP)	567.36	0	-416.08	151.28	115.75	35.53

Appendix 4.1

Name of the major schemes where a substantial funds transferred directly by GoI during 2020-21

(Reference: Paragraph No. 4.3)

(*₹ in crore*)

Sl. No.	Name of the Scheme	Name of the Implementing Agencies	Amount
1.	Mahatma Gandhi National Rural Guarantee Programme	(i) State Employment Guarantee Fund, Tripura	909.35
2.	Pradhan Mantri Kisan Samman Nidhi (PMKISAN)	(i) Department of Agriculture, Tripura	130.85
3.	Assistance to State Agencies for intra-State movement of foodgrains and FPS dealers margin under NFSA	(i) Department of Food, Civil supplies and Consumer Affairs, Government of Tripura	30.51
4.	MPs Local Area Development Scheme (MPLAD)	(i) District Magistrate, West Tripura	2.50
		(ii) District Magistrate, Dhalai, Tripura	2.50
5.	Solar Power-OFFGRID	Tripura Renewable Energy Development Agency (TREDA)	14.07
6.	Food Subsidy for Decentralized procurement of Foodgrains under NFSA	Department of Food, Civil Supplies and Consumers Affairs, Government of Tripura	29.79
7.	National AIDS and STD Control Programme (NACO)	(i) Tripura State AIDS Control Society	9.77
8.	Swadesh Darshan-Integrated Development of Theme Based Tourism Circuits	(i) Tripura Tourism Development Corporation Limited.	10.10
9.	Pradhan Mantri Matru Vandana Yojana	(i) Directorate of Social Welfare and Social Education	7.55
10.	NER-Textile Promotion Scheme	(i) Directorate of Handloom, Handicrafts and Sericulture Department, Government of Tripura	10.03
Total			1157.02

Appendix 4.2

Balances under Suspense and Remittance Heads
(Reference: Paragraph No. 4.9)

(` in crore)

Minor Head	2016-2017		2017-18		2018-19		2019-20		2020-21	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense										
101 - PAO suspense	21.71	0.01	27.82	0.02	36.86	0.37	27.28	0.59	25.03	0
Net	Dr. 21.70		Dr. 27.80		Dr. 36.49		Dr. 26.69		Dr. 25.03	
102 - Suspense Account-Civil	0.37	0.05	3.47	2.33	330.75	0.09	0.33	0.00	0.75	0.15
Net	Dr. 0.32		Dr. 1.14		Dr. 330.66		Dr. 0.33		Dr. 0.60	
107 - Cash Settlement Suspense Account	217.78	33.06	213.07	45.58	198.59	56.79	183.80	54.10	170.45	43.17
Net	Dr. 184.72		Dr. 167.49		Dr. 141.80		Dr. 129.70		Dr. 127.28	
109 - Reserve Bank Suspense - Headquarters	-	-	-	-	-	-	-	-	-	-
Net	Cr.		Cr.		Dr.					
110 - Reserve Bank Suspense - CAO	10.14	-	10.14	-	(-) 10.14	-	0.56	-	1.10	-
Net	Dr. 10.14		Cr. 10.14		Cr. 10.14		Dr. 0.56		Dr. 1.10	
112 - Tax Deducted at Source (TDS) Suspense	-	21.06	-	41.66	29.30	-	-	44.44	-	39.15
Net	Cr. 21.06		Cr. 41.66		Dr. 29.30		Cr. 44.44		Cr. 39.15	
123 - A.I.S Officers' Group Insurance Scheme	0.02	0.25	0.01	0.25	0.02	0.26	0.03	0.25	0.02	0.24
Net	Cr. 0.23		Cr. 0.24		Cr. 0.24		Cr. 0.22		Cr. 0.22	
129- Materials Purchase	-	0.80				0.80		0.80	-	0.80
Net	Cr. 0.80		Cr. 0.80		Cr. 0.80		Cr. 0.80		Cr. 0.80	
Major Head 8782-Cash Remittances										
102 - P.W. Remittances	-	13.31	13.25	-	236.71		1412.06	1055.19	1690.89	1306.40-
Net	Cr. 13.31		Dr. 13.25		Dr. 236.71		Dr. 356.87		Dr. 384.49	
103 - Forest Remittances	29.95	28.45	38.47	31.17	39.62	33.12	39.87	34.40	50.62	38.75
Net	Dr. 1.50		Dr. 7.30		Dr. 6.50		Dr. 5.47		Dr. 11.87	
108-Other Department	2.04	2.48	2.04	3.07	2.08	0.27	1.10	2.87	1.10	3.79
Net	Cr. 0.44		Cr. 1.03		Cr. 1.81		Cr. 1.77		Cr. 2.69	

Appendix 4.3

Arrears of accounts of bodies or authorities

(Reference: Paragraph No. 4.13)

Sl. No.	Name of Body or Authority	Accounts pending	No. of Accounts pending up to F.Y 2019-20
1.	Tripura State Council for Science and Technology	2018-19 and 2019-20	2
2.	Health and Family Welfare Society	2015-16 to 2019-20	5
3.	Tripura State TB Control Society, Agartala	2012-13 to 2019-20	8
4.	Tripura Mental Health Society, Agartala	2005-06 to 2019-20	15
5.	Tripura State Blindness Control Society	2003-04 to 2019-20	17
6.	Tripura State Blood Transfusion Council, Agartala	2016-17 to 2019-20	4
7.	Tripura State Leprosy Control Society	2008-09 to 2019-20	12
8.	Tripura State Social Welfare Advisory Board, Agartala	2013-14 to 2019-20	7
9.	Tripura Scheduled Caste Development Corporation Limited	1998-99 to 2019-20	21
10.	Tripura Scheduled Tribe Development Corporation Limited	2010-11 to 2019-20	10
11.	Tripura Sports Council	2017-18 to 2019-20	3
12.	Pragati Vidyabhavan, Agartala	2017-18 to 2019-20	3
13.	Ramthakur Pathsala (Boys) HS (+2 state) School, Agartala	2006-07 to 2019-20	14
14.	D.N Vidhyamandir, Dharmanagar	2014-15 to 2019-20	6
15.	Hindi H.S School, Agartala	2014-15 & 2016-17 to 2019-20	5
16.	Bordwali H.S School, Agartala	2019-20	1
17.	Netaji Subhas Vidya Niketan School, Agartala	2011-12, 2018-19 and 2019-20	3
18.	Isanchandara Nagar Pargana H.S School, Bishalgarh	2019-20	1
19.	Karaimura H.S School (Secondary Stage), Krishna Kishornagar, Bishalgarh	2013-14, 2018-19 and 2019-20	3
20.	Ramakrishna Vivekananda Vidyamandir (Secondary Stage), Dhaleswar, Agartala	2016-17 to 2019-20	4
21.	Fatikroy Class XII School (Secondary Stage), Fatikroy, North Tripura	2006-07 to 2019-20	14
22.	Swami Dayalananda Vidyaniketan, Dhaleswar, Agartala	2018-19 to 2019-20	2
23.	Ramthakur Pthsal (Girls) H.S (+ 2 stage) School, Agartala	2016-17 to 2019-20	4
24.	Srinath Vidyaniketan, Khowai	2018-19 to 2019-20	2
25.	Bishalgarh H.S School, Bishalgarh	2005-06 to 2019-20	15
26.	Ramesh H.S School, Udaipur	2013-14 to 2019-20	7
27.	Mahatma Gandhi H.S School, College Tilla, Agartala	2012-13 to 2019-20	8
28.	Sankaracharya Vidya Niketan (Secondary stage), Agartala	2018-19 to 2019-20	2

Appendix 4.3 (concl.)

Arrears of accounts of bodies or authorities

(Reference: Paragraph No. 4.13)

Sl. No.	Name of Body or Authority	Accounts pending	No. of Accounts pending up to F.Y 2019-20
29.	Vivekananda H.S School, (Secondary Stage) Teliamura	2015-16 to 2019-20	5
30.	Sradamoyee Vidyapith, (Secondary Stage & Primary Stage), Teliamura	2018-19 to 2019-20	2
31.	Jolaibari High School, (Secondary Stage), Jolaibari, Belonia	Since inception to 2019-20	NA
32.	Ramakrishna Shiksha Paratisthan, (Secondary Stage), Kailashahar	2017-18 to 2019-20	3
33.	Haracharan H.S. School, (Secondary Stage)	Since inception to 2019-20	NA
34.	Prachya Bharati H.S School, Agartala	Since inception to 2019-20	NA
35.	Ranir Bazar Vidyamandir, Ranirbazar	Since inception to 2019-20	NA
36.	Belonia Vidyapith, Belonia	2015-16 to 2019-20	5
37.	Sukanta Academy, Agartala	2018-19 to 2019-20	2
38.	Tripura State Computerisation Agency, Agartala	2018-19 to 2019-20	2
39.	District Disability Rehabilitation Centre, Durgapur Paiturbazar, Kailashahar	2017-18 & 2019-20	2
40.	Jana Siksha Sasnstan	2019-20	1
41.	Tripura Aids Control Society, Agartala	2002-03 to 2015-16, 2017-18 & 2019-20	16
42.	Tripura Housing and Construction Board	2016-17 to 2019-20	4
43.	Tripura State Council for Science and Technology	2017-18 to 2019-20	3
44.	Tripura Renewable Energy Development Agency	2012-13 to 2019-20	8

Appendix 4.4

Status of rendition of accounts which attracts Audit under Sections(19(2), 19(3) and 20(1) of the C&AG DPC Act 1971, issuance of SAR and its placement in the Legislature/Council as on 31 March 2021.

(Reference: Paragraph No. 4.13)

Sl. No.	Name of the Autonomous Bodies	Audited under section of CAG's DPC Act, 1971	Period of Entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report issued	Date of Issue	Placement of SAR in the Legislature
1	Tripura Board of Secondary Education	20(1)	2011-12 to 2018-19	2019-20	-	-	-
2	Tripura Housing and Construction Board	19(3)	2016-17 to 2018-19	2015-16	March 2016	15.06.2017	1993-94 to 2010-11
3	Tripura Khadi and Village Industries Board	19(3)	Upto 2018-19	2017-18	2017-18	18-03-2021	-
4	Tripura State Legal Service Authority	19(2)	2020	2020-21	2019-20	27-07-2021	-
5	Tripura Building & Other Construction Workers' Welfare Board.	19(2)	March-2014	2015-16	2015-16	27-08-2019	-
6	Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	Section 19(2)	-	2019-20	March 2018	05.04.2019	Letter was issued but no reply received yet.
7	Doordarshan Kendra Agartala	Section 19(2)	Not audited	Not submitted	-	-	-
8	Prasar Bharati All India Radio, Agartala	Section 19(2)	Not audited	Do	-	-	-
9	Prasar Bharati All India Radio, Belonia	Section 19(2)	Not audited	2010-11	-	-	-

Appendix 4.4 (contd.)

Status of rendition of accounts which attracts Audit under Sections (19(2), 19(3) and 20(1) of the C&AG DPC Act 1971, issuance of SAR and its placement in the Legislature/Council as on 31 March 2021.

(Reference: Paragraph No. 4.13)

Sl. No.	Name of the Autonomous Bodies	Audited under section of CAG's DPC Act, 1971	Period of Entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report issued	Date of Issue	Placement of SAR in the Legislature
10	Prasar Bharati All India Radio, Kailashahar	Section 19(2)	Not audited	2009-10	-	-	-
11	Kendriya Vidyalaya, Salbagan	Section 20(1)	Not audited	2019-20	2016-17	20-10-2017	-
12	Kendriya Vidyalaya, Teliamura	Section 20(1)	Not audited	2019-20	-	-	-
13	Kendriya Vidyalaya, Ambassa, Dhalai	Section 20(1)	Not audited	2018-19	-	-	-
14	Kendriya Vidyalaya, Bagafa, shantirbazqar	Section 20(1)	March-2003	2019-20	2002-03	03-11-2004	-
15	Kendriya Vidyalaya, Kailashahar, Unakuti, Tripura	Section 20(1)	March-2004	2019-20	2018-19	28-04-2020	-
16	Kendriya Vidyalaya, Panisagar,	Section 20(1)	March-2009	2019-20	2008-09	08-09-2010	-
17	Kendriya Vidyalaya, Kunjaban, Agartala	Section 20(1)	March-2011	2019-20	2010-11	19-01-2015	-
18	Kendriya Vidyalaya, ONGC Complex, Bhadharghat, Agartala	Section 20(1)	March-2011	2019-20	2010-11	19-01-2015	-
19	Kendriya Vidyalaya, Jirania,	Section 20(1)	Not audited	2019-20	2018-19	04-03-2020	-

Appendix 4.4 (contd.)

Status of rendition of accounts which attracts Audit under Sections (19(2), 19(3) and 20(1) of the C&AG DPC Act 1971, issuance of SAR and its placement in the Legislature/Council as on 31 March 2021.

(Reference: Paragraph No. 4.13)

Sl. No.	Name of the Autonomous Bodies	Audited under section of CAG's DPC Act, 1971	Period of Entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report issued	Date of Issue	Placement of SAR in the Legislature
20	Sangeet Natak Academy, North East Centre(Regional), Nazrul Kalakshetra, Agartala	Section 20(1)	Not audited	Not submitted	-	-	-
21	Employees State Insurance Corporation, Regional Office, Agartala	Section 19(2)	March-2019	2016-17 to 2018-19	13-07-2021	-	-
22	Employees Provident Fund Organisation, Bolagiri, Agartala	Section 19(2)	Not audited	-	-	-	-
23	National Institute of Technology, Jirania	Section 19(2)	March-2020	2020-21	2019-20	04-11-2020	-
24	Tripura University, Suryamaninagar	Section 19(2)	March-2015	2019-20	2019-20	02-07-2021	-
25	Rastriya Sanskrit Sansthan	Section 20(1)	March-2017	2019-20	2018-19	30-08-2019	-
26	Jawaharlal Novodaya Vidyalaya, 82 Miles, Dhalai	Section 20(1)	Not audited	2018-19	-	-	-
27	Jawaharlal Novodaya Vidyalaya, Banduar, Udaipur, Gomati	Section 20(1)	Not audited	2014-15	-	-	-
28	Jawaharlal Novodaya Vidyalaya, Ramchandraghat, Khowai	Section 20(1)	Not audited	2020-21	-	-	-

Appendix 4.4 (concl.)

Status of rendition of accounts which attracts Audit under Sections (19(2), 19(3) and 20(1) of the C&AG DPC Act 1971, issuance of SAR and its placement in the Legislature/Council as on 31 March 2021.

(Reference: Paragraph No. 4.13)

Sl. No.	Name of the Autonomous Bodies	Audited under section of CAG's DPC Act, 1971	Period of Entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report issued	Date of Issue	Placement of SAR in the Legislature
29	Jawaharlal Novodaya Vidyalaya, Sipahijola,	Section 20(1)	Not audited	2018-19	-	-	-
30	Nehru Yuva Kendra, Agartala	Section 20(1)	March-2005	2018-19	-	-	-
31	Nehru Yuva Kendra, Dharmanagar, North Tripura	Section 20(1)	March-2006	2018-19	2018-19	21-05-2020	-
32	Nehru Yuva Kendra Sangathan, Zonal Office, Bardowali, Agartala	Section 20(1)	Not audited	2019-20	2018-19	05-02-2020	-
33	Nehru Yuva Kendra, Udaipur	Section 20(1)	Not audited	2019-20	-	-	-
34	Nehru Yuva Kendia, Ambassa	Section 20(1)	Not audited	2018-19	-	-	-

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
www.cag.gov.in**

www.cag.gov.in/ag/tripura