CHAPTER III

Budgetary Management

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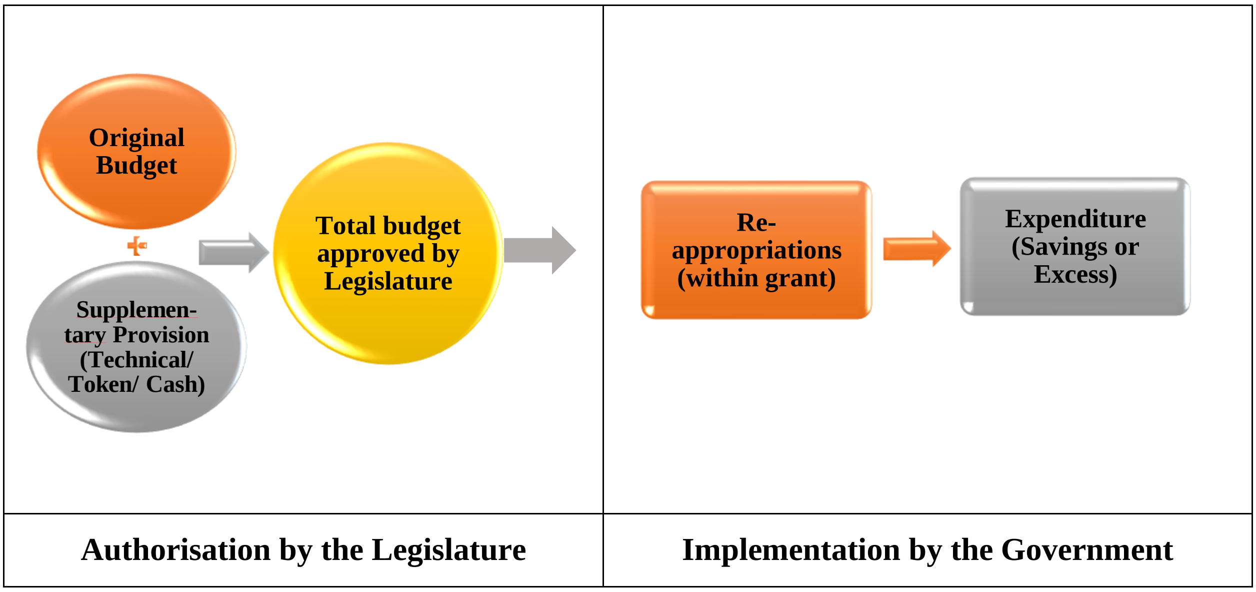
3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The Budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to the Departments in framing their estimates for the next financial year. The various components of the budget are depicted in the **Chart 3.1**.

Chart 3.1: Various components of the Budget



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

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

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

Table 3.1: Budget provision, disbursement and savings/excess during the FY 2023-24

	Total Budget Provision		Disbursements		Saving		Excess	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
	(₹ in crore)							
Revenue	2,11,796	43,507	1,85,113	43,334	28,593	352	1,910	179
Capital	42,713	60,671	30,273	30,382	14,599	30,290	2,159	1
Total	**2,54,509**	**1,04,178**	**2,15,386**	**73,716**	**43,192**	**30,642**	**4,069**	**180**

Source: Appropriation Accounts

Analysis of the budget provision, disbursements and savings/excess during 2023-24 revealed that:

- The Revenue (Voted) section had savings of 13.50 *per cent* (₹ 28,593 crore) in respect of 51 grants. This was mainly due to savings of ₹ 8,294 crore and ₹ 4,763 crore in Grant No. 40-Panchayats & Rural Development (Budget Provision: ₹ 24,388 crore) and Grant No. 15-School Education (Budget Provision: ₹ 36,630 crore) which represented 34.01 and 13.00 *per cent* of the Budget Provision under those sections respectively.
    - Schemes having cent *per cent* savings in the net grant under Grant No. 40 - (i) 'Pradhan Mantri Awas Yojana – Rural (erstwhile Indira Awaas Yojana) (Central Share)' (₹ 3,944 crore) and (ii) 'National Rural Employment Guarantee Scheme (MGNREGA) (Central Share)' (₹ 3,800 crore).
    - Savings of (i) ₹ 1,300 crore (84.20 *per cent* of the Net Grant) in the scheme 'Samagra Shiksha Abhiyan (Elementary Education) (Central Share)' and (ii) ₹ 1,292 crore (99.38 *per cent* of the Net Grant) in the scheme 'National Programme Nutritional Support to Primary Education (Mid-day Meal) (Central Share)' led to savings under Grant No. 15.
- The Revenue (Charged) section had savings of 0.81 *per cent* (₹ 352 crore) in respect of 17 grants due to savings of ₹ 239 crore in Grant No. 18-Finance which accounted for 0.56 *per cent* of the Budget Provision (₹ 42,918 crore). The major scheme which contributed to savings under this grant was 'General Provident Fund' (savings of ₹ 266 crore, representing 13.40 *per cent* of the Net Grant: ₹ 1,985 crore).
- The Capital (Voted) section had savings of 34.18 *per cent* (₹ 14,599 crore) in respect of 47 grants. This was mainly due to savings of ₹ 2,546 crore in Grant No. 72-Urban Development and Municipal Affairs (Budget Provision: ₹ 4,066 crore) and ₹ 1,536 crore in Grant No. 24-Health and Family Welfare (Budget Provision: ₹ 2,887 crore) which accounted for 62.62 and 53.20 *per cent* of the Budget Provision respectively under those sections.
    - Major schemes which contributed to savings were (i) 'Atal Mission for Rejuvenation and Urban Transformation (AMRUT) (Central Share)' (savings of ₹ 731 crore being 100 *per cent* of the Net Grant) under Grant No. 72-Urban Development and Municipal Affairs and (ii) 'Establishment of New Medical Colleges attached with District/ Referral Hospitals (Central Share) (OCASPS)' (savings of ₹ 310 crore being 100 *per cent* of the Net Grant) under Grant No. 24-Health and Family Welfare.
- The Capital (Charged) section had savings of 49.93 *per cent* (₹ 30,290 crore) in respect of 15 grants. This was mainly due to savings of ₹ 30,276 crore in Grant No. 18-Finance which accounted for 50.03 *per cent* of the Budget Provision (₹ 60,521 crore) under this section. The major items which contributed to savings under this grant were 'Ways and Means Advances from the Reserve Bank of India – Special' (savings of ₹ 20,000 crore which is 100 *per cent* of the Net Grant).

- The Revenue (Voted) section had excess of 0.90 *per cent* (₹ 1,910 crore) in respect of six grants. This was mainly due to excess of ₹ 1,111 crore in Grant No. 43-Power which accounted for 61.72 *per cent* of the Budget Provision (₹ 1,800 crore). The scheme which represented significant excess in this grant was 'Special Grants to West Bengal State Electricity Distribution Company Limited (WBSEDCL)' (₹ 1,000 crore being 100 *per cent* excess of the Net Grant).
- The Revenue (Charged) section had an excess of 0.41 *per cent* (₹ 179 crore) in respect of two grants. Major scheme which contributed to excess under this section was 'Interest on State Disaster Response Fund' (₹ 136 crore which is 123.64 *per cent* excess of the Net Grant: ₹ 110 crore) under Grant No 73-Disaster Management and Civil Defence.
- The Capital (Voted) section had excess of 5.05 *per cent* (₹ 2,159 crore) in respect of six grants. This was mainly due to excess of ₹ 1,649 crore in Grant No. 45- Public Health Engineering which accounted for 35.33 *per cent* of the Budget Provision (₹ 4,668 crore). The scheme which represented excess in this grant was the 'Piped Water Supply Schemes (NRDWP) (Jal Jeevan Mission) (State Share)' (₹ 1,560 crore being 271.30 *per cent* excess of the Net Grant: ₹ 575 crore).

3.1.2 Charged and Voted disbursements

The Charged and Voted expenditure during FYs 2019-24, as well as a trend analysis of the net savings and excess, is discussed in **Table 3.2**.

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

Year	Disbursements		Net Savings		Net Excess	
	Voted	Charged	Voted	Charged	Voted	Charged
	(₹ in crore)					
2019-20	1,52,826	72,307	35,249	12,358	Nil	Nil
2020-21	1,65,679	61,015	33,215	23,946	Nil	Nil
2021-22	1,94,473	68,610	38,850	31,028	Nil	Nil
2022-23	2,08,296	70,325	35,885	30,804	Nil	Nil
2023-24	2,15,386	73,716	39,123	30,462	Nil	Nil

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

During FY 2019-20 to FY 2023-24, the net savings, *vis-à-vis* the budget provisions under the voted section, ranged from ₹ 33,215 crore (16.70 *per cent* of the Budget Provision) to ₹ 39,123 crore (15.37 *per cent* of the Budget Provision), while the net savings under the charged section ranged between ₹ 12,358 crore (14.60 *per cent*) and ₹ 31,028 crore (31.14 *per cent*). Reasons for savings for voted and charged sections have been explained below.

Voted Section: Savings of (i) ₹ 3,053 crore in 'Supply of rice to APL/BPL families in the TPDS at the subsidised rate (Central Share)' under Grant No. 21-Food and Supplies, (ii) ₹ 2,266 crore in 'Financial Support to Krishak Bandhu' under Grant No. 5-Agriculture, (iii) ₹ 3,162 crore in 'Pradhan Mantri Awas Yojna – Rural (Erstwhile Indira Awas Yojana) (Central Share)' under Grant No. 40-

Panchayats and Rural Development and (iv) ₹ 3,613 crore in 'National Rural Employment Guarantee Scheme (MGNREGA) (Central Share)' under Grant No. 40, during FYs 2019-20, 2020-21, 2021-22 and 2022-23, respectively were the attributable reasons behind net savings under the voted section.

In the current year (2023-24), schemes which contributed to the net savings in the voted section have already been discussed under ***Paragraph 3.1.1.***

Charged Section: Major savings in the charged section occurred due to savings of (i) ₹ 2,215 crore in the scheme 'Interest on Market Loans: 8.00% West Bengal Loan (New Loan)', (ii) ₹ 10,610 crore in the scheme 'Ways and Means Advances from the RBI-Special', (iii) ₹ 16,807 crore in the scheme 'Ways and Means Advances from the RBI-Special' and (iv) ₹ 20,000 crore in the scheme 'Ways and Means Advances from the RBI-Special' under Grant No. 18-Finance during FYs 2019-20, 2020-21, 2021-22 and 2022-23 respectively.

In the current year (2023-24) also, high percentage of savings in this section was largely driven by the Finance Department, reasons for which have been discussed under ***Paragraph 3.1.1.***

3.2 Appropriation Accounts

Audit of appropriations by the CAG seeks to ascertain whether the expenditure that has been 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) was so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Comments on integrity of the Budgetary and Accounting Process

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article 204 of the Constitution. Again, as per Para 14 of the West Bengal Budget Manual, 'Expenditure for which no provision has been made in Budget Estimate of the current year should rarely, if ever, be incurred'. Further, Memorandum dated 26 May 1981, issued by the Finance Department, which lays down the criteria for treating an expenditure as a New Service/New Instrument of Service, also emphasized that such expenditure should not be incurred without obtaining specific approval of the Legislature in the form of Supplementary Demands for Grants.

Thus, expenditure on a new scheme should not be incurred on a scheme/service without provision of funds, except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State. In 560 new service/new instrument of service covering 49 grants, expenditure amounting to ₹ 11,922 crore had been incurred, without budget provision (**Table 3.3**).

Table 3.3: Summary of Expenditure without Budget Provision

Grant/Appropriation	Expenditure incurred (₹ in crore)	Number of Schemes involved
4	0.04	1
5	66.34	44
6	20.78	10
7	22.12	4
8	15.01	4
10	0.00	1
11	8.68	10
14	0.00	2
15	387.28	7
15	9.00	1
18	804.76	39
19	0.07	3
20	1.31	7
21	2,000.21	12
22	16.14	15
23	6.46	17
24	406.38	98
25	983.04	11
28	147.15	3
30	1.51	10
31	0.02	1
32	0.01	7
33	0.03	4
34	2.24	16
35	470.98	18
37	3.29	3
38	3.05	2
40	3,018.25	25
41	0.03	1
42	15.60	18
43	1,000.00	1
45	4.54	11
49	0.00	1
51	6.80	8
52	0.01	2
53	69.60	12
55	0.03	9
59	0.00	1
65	2.22	3
68	61.71	15
69	3.83	18
70	11.72	14
71	0.03	4

Grant/Appropriation	Expenditure incurred (₹ in crore)	Number of Schemes involved
72	2,310.32	37
73	21.96	6
74	18.39	17
75	0.08	3
78	1.08	1
79	0.38	3
Total	**11,922.48**	**560**

Source: Appropriation Accounts
Note: Actual for Grant Nos: 10, 14, 49 and 59 were ₹7,132, ₹563, ₹600 and ₹464 respectively

In the following major schemes, expenditure (₹ 1,000 crore and above) had been incurred without budget provision:

- Payment of Pending Wages to Workers under MGNREGS from State Fund (₹ 2,860.36 crore) under Grant No. 40- Panchayats & Rural Development;
- Advance Release by State for Central Pool Procurement of Paddy/Rice (₹ 2,000 crore) under Grant No 21- Food & Supplies; and
- Special Grants to WBSEDCL (₹ 1,000 crore) under Grant No. 43- Power.

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

3.3.2 Misclassification of Revenue Expenditure as Capital Expenditure

Misclassification of expenditure and receipts has significant impact on the integrity of the financial statements.

Audit noticed that an amount of ₹ 908.17 crore had been incorrectly booked as Capital Expenditure, instead of Revenue Expenditure, as shown in **Table 3.4**.

Table 3.4: Revenue Expenditure misclassified as Capital Expenditure

Sl. No.	Object of Expenditure	Head of account as per voucher	Head of account under which booking was to be made	Amount (₹ in crore)
1.	Assistance to Municipal Corporations (Code ‘191’)/ Municipalities or Municipal Councils (Code ‘192’)/ Nagar Panchayats or Notified Area committees or equivalent thereof (Code ‘193’)	4217	2217	510.68
2.	Road works under Pradhan Mantri Gram Sadak Yojana	4515	3054	209.57
3.	Construction of boundary wall of Graveyard related to minorities	4225	2225	25.24
4.	Development of Laboratory Infrastructure for the Mechanical Engineering Division of Alia University	4225	2225	5.59
5.	Payment of pending bill towards procurement of different items of Alia University	4225	2225	0.60
6.	Ground water based piped water supply scheme at Rishi Bankim Shilpadyan, Naihati.	4885	2885	1.30

Sl. No.	Object of Expenditure	Head of account as per voucher	Head of account under which booking was to be made	Amount (₹ in crore)
7.	Surfacing work of district and other roads as well as State Highways	5054	3054	152.16
8.	Four nos of Robotic fire fighting equipment for the operational use Bengal Fire & Emergency Services	4059	2059	0.42
9.	Maintenance of Electrical Installations in both residential and non-residential buildings	4059	2059	0.20
10.	Grants to WBTPO for up-gradation and repairing of boundary wall at Biswa Bangla Mela Prangan	4885	2885	0.80
11.	Payment towards supply of lunch packets and others in connection with Haj Training	4225	2225	0.02
12.	Expenditure pertains to hospital consumables	4210	2210	1.59
Total				**908.17**

Source: Finance Accounts
Note: Difference of ₹0.01 crore is due to rounding.

Due to the above misclassifications, Revenue Deficit had been understated by ₹ 908.17 crore, as discussed in **Table 1.8**. Of this amount, ₹ 752.98 crore[65] had been misclassified on account of violation of IGAS 2.

3.3.3 Unnecessary or excessive supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year, can be made during the current financial year but not after the expiry of the current financial year. In respect of 49 grants, supplementary provision amounting to ₹ 8,053 crore proved unnecessary since actual expenditure (₹ 2,33,310 crore) remained less than the original provision (₹ 2,96,934 crore). Unnecessary supplementary grants (₹ 50 crore or more in each case) provided during FY 2023-24, are shown in **Table 3.5**.

Table 3.5: Details of cases where supplementary provision (₹ 50 crore or more in each case) proved unnecessary.

Sl. No.	Name of the Grant	Original provision	Supple-mentary Provision	Total Provision	Actual Expenditure	Savings out of Total Provision
		(₹ in crore)				
Revenue (Voted)						
1.	21-Food & Supplies	9,393.75	2,312.38	11,706.13	7,063.00	4,643.13
2.	32-Irrigation & Waterways	997.53	277.97	1,275.50	944.34	331.16
3.	55-Water Resources Investigation & Development	565.89	58.24	624.13	558.02	66.11
Total		**10,957.17**	**2,648.59**	**13,605.76**	**8,565.36**	**5,040.40**
Capital (Voted)						
4.	74-Women & Child Development and Social Welfare	115.26	63.81	179.07	103.84	75.23

65 From Sl. No. 1 to 6 of **Table 3.4**

Sl. No.	Name of the Grant	Original provision	Supple-mentary Provision	Total Provision	Actual Expenditure	Savings out of Total Provision
		(₹ in crore)				
	Total	**115.26**	**63.81**	**179.07**	**103.84**	**75.23**
Capital (Charged)						
5.	18-Finance	60,432.21	88.99	60,521.20	30,244.92	30,276.28
	Total	**60,432.21**	**88.99**	**60,521.20**	**30,244.92**	**30,276.28**
	Grand Total	**71,504.64**	**2,801.39**	**74,306.03**	**38,914.12**	**35,391.91**

Source: Appropriation Accounts

It can be seen from **Table 3.5** that, in all five cases, the actual expenditure was less than the original provisions and hence the supplementary provisions were unnecessary. Further, supplementary provisions of ₹ 2,649 crore, ₹ 64 crore and ₹ 89 crore proved unnecessary, in respect of three grants under Revenue (Voted), one grant under Capital (Voted) and one grant under Capital (Charged) sections, respectively. As the actual expenditure was only 54.42 *per cent* of the original provision, there was no need to augment the funds through supplementary provision. Thus, the supplementary provision of ₹ 2,801 crore (3.92 *per cent* of the original provision) proved unnecessary.

Such provisioning of Supplementary Grant where Original Grant remained unutilised, indicates inflated budgeting.

3.3.4 Re-appropriations undertaken requiring prior Legislative authorisation

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

(i) No re-appropriation is permissible from Capital to Revenue & *vice versa*.

(ii) No re-appropriation is permissible from Voted to Charged & *vice versa*.

(iii) No re-appropriation is permissible from one Grant to another.

During 2023-24, re-appropriation amounting to ₹ 1,978 crore, in respect of 1,388 sub-heads, constituting 53 grants was done. However, despite re-appropriation, there were savings of ₹ 5,376 crore in respect of 1,087 sub-heads and excess of ₹ 819 crore in respect of 174 sub-heads. Audit scrutiny further revealed that there were four cases of savings (₹ 297.21 crore) under three grants, even after re-appropriation, on the last working day.

The lapses noticed in re-appropriation cases, are discussed in subsequent paragraphs.

3.3.5 Unnecessary, excessive or insufficient re-appropriation

- In 30 grants, re-appropriation amounting to ₹ 299 crore proved unnecessary, in respect of 78 sub-heads, as the expenditure fell short of original budget provisions
- In 51 grants, re-appropriation amounting to ₹ 982 crore proved excessive, in respect of 419 sub-heads, as the entire reappropriated amounts in these instances could not be spent
- In 36 grants, re-appropriation amounting to ₹ 473 crore proved insufficient, in respect of 158 sub-heads, as excess expenditure was incurred even after reappropriation

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

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/weak internal controls etc., promote release of funds towards the end of the financial year resulting in funds remaining unspent. Excessive savings also deprive other departments of funds which they could have utilised. During FY 2023-24, of the total savings of ₹ 73,834 crore, only ₹ 2,941 crore (3.98 *per cent* of savings) was surrendered, leaving a balance of ₹ 70,893 crore. Again, of the surrendered amount, ₹ 270 crore (9.18 *per cent*) was surrendered on the last day of the financial year.

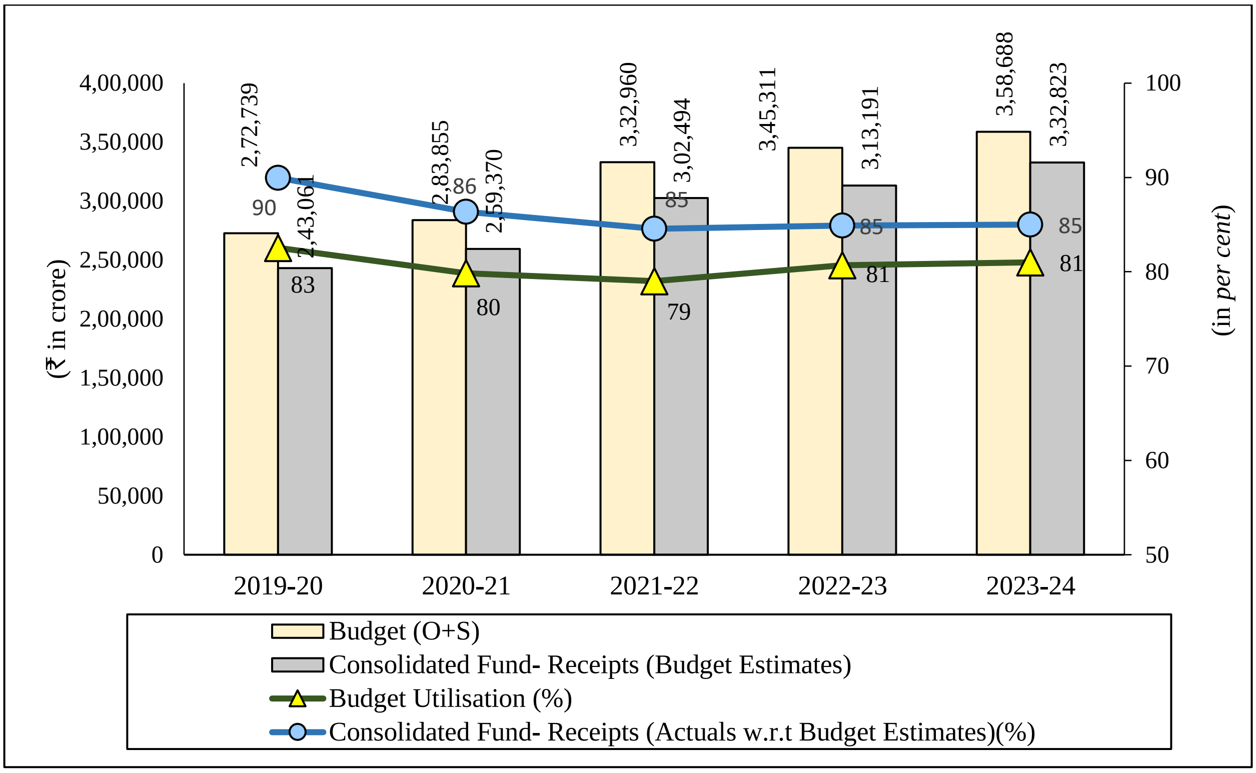
Out of savings of ₹ 62,558 crore, in respect of 11 grants, having total savings exceeding ₹ 1,000 crore each, only ₹ 2,300 crore was surrendered (3.68 *per cent*), leaving a balance of ₹ 60,258 crore.

- In Grant No. 18 – Finance, under Revenue (Voted) section, the surrendered amount (₹ 2,000 crore) exceeded the savings (₹ 1,834 crore) by ₹ 166 crore (9.05 *per cent*).
- In Grant No. 35 – Labour, under Revenue (Voted) section, the surrendered amount (₹ 310 crore) exceeded the savings (₹ 74 crore) by ₹ 236 crore (318.92 *per cent*).

The total un-surrendered savings (96.02 *per cent*), as well as excess surrenders over savings were indicative of ineffective budgetary control.

Budget Utilisation and actuals, with respect to Budgeted Receipts in the Consolidated Fund, during FY 2019-20 to FY 2023-24, are shown in **Chart 3.2**.

Chart 3.2: Budget Utilisation during the FYs 2019 to 2024



Source: Appropriation Accounts, Finance Accounts and Budget Publications

Budgetary allocations during FY 2019-20 to FY 2023-24 increased at a CAGR of 7.09 *per cent*, while budgeted receipts in Consolidated Fund increased at a CAGR of 8.17 *per cent.* The percentage of actual receipts, with respect to the budgeted receipts decreased from 90 *per cent* in FY 2019-20 to 85 *per cent* in FY 2023-24. As shown in the ***Chart 3.2*** above, utilisation of the budget during FYs 2019-20 to 2023-24, also maintained this trend. In the current year, 19 *per cent* of the budget allocation remained un-utilised whereas shortfall in budgeted receipts remained at 15 *per cent*.

During FY 2023-24, 80.60 *per cent* of the total provisions[66] had been utilised (***Appendix 3.1***). Such shortfall in respect of budgeted receipts to the Consolidated Fund and high percentage of budgetary provisions remaining unutilised in the current year, indicates lacunae in the budget preparation process.

3.3.7 Excess expenditure and its regularisation

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

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

[66] Total Provision = Original Provision *plus* Supplementary Provision *minus* Surrender

the objective of ensuring accountability of the Executive to the Legislature with respect to utilisation of public money.

During 2023-24, in 12 grants, excess expenditure of ₹ 4,248 crore over provisions, was yet to be regularised, as of September 2024 (**Table 3.6**).

Table 3.6: Summary of excess disbursements over grants/appropriations during FY 2023-24

Sl. No.	Grant number- Name of Department	Revenue		Capital		Total
		Voted	Charged	Voted	Charged	
		(₹ in crore)				
1.	05-Agriculture	83.83	0	0	0	**83.83**
2.	06-Animal Resources Development	0	0	96.32	0	**96.32**
3.	25-Public Works	220.24	0	0	0	**220.24**
4.	28-Housing	66.16	0	11.68	0	**77.84**
5.	33-Correctional Administration	11.81	0	0	0	**11.81**
6.	34-Judicial	0	0	0.31	0	**0.31**
7.	41-Parliamentary Affairs	0	0	0.02	0	**0.02**
8.	42-Personnel & Administrative Reforms	0	0.05	0	0.24	**0.29**
9.	43-Power	1,111.11	0	401.83	0	**1,512.94**
10.	45-Public Health Engineering	416.52	0	1,648.90	0	**2,065.42**
11.	73-Disaster Management and Civil Defence	0	179.27	0	0	**179.27**
12.	79-Public Enterprises and Industrial Reconstruction	0	0	0	0.10	**0.10**
Total		**1,909.67**	**179.32**	**2,159.06**	**0.34**	**4,248.39**

Source: Appropriation Accounts

3.3.7.1 Persistent excess expenditure

Cases of excess expenditure are reported every year through Audit Reports on State Finances. There was, however, one grant, in which excess expenditure had occurred persistently during the last four years, details of which are given in **Table 3.7**.

Table 3.7: Persistent excess expenditure

Sl. No.	Number and name of the Grant	Amount of Excess (₹ in crore)			
		2020-21	2021-22	2022-23	2023-24
Revenue Voted					
1.	43-Power	134.04	128.84	8.02	1,111.11

Source: Appropriation Accounts

Such repeated excess expenditure over grants approved by the State Legislature is in violation of the will of the Legislature and the basic principle of democracy that not a rupee can be spent without the approval of the House of the People/State Legislative Assembly, and therefore needs to be viewed seriously.

3.3.7.2 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods dilutes legislative control over the executive. In 54 grants, excess expenditure of ₹ 53,015 crore pertaining to the years 2009-23 is yet to be regularised. For this purpose, the departments concerned are required to submit explanatory notes for excess expenditure to PAC through the Finance Department.

PAC, based on such explanatory notes and after due discussion with departmental heads in presence of Principal Accountant General (A&E) and Principal Accountant General (Audit-I), recommended[67] regularisation of excess expenditure, under both voted grants and charged appropriations, for the financial years 2009-14. However, Government was yet to take step to regularise the excess expenditure pertaining to the years 2009-23 as of September 2024.

Thus, expenditure of ₹ 57,263 crore[68] remained un-regularised indicating violation of the Article 205(1) (b) of the Constitution. The above instances also indicate inadequate financial management on the part of the controlling officers.

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 a specified purpose of supporting an institution including creation of assets.

As per IGAS 2, Grants-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 the President, on the advice of the Comptroller and Auditor General of India. Misclassification of GIA as Capital Expenditure and its impact on Revenue Deficit, is given in **Table 3.8**.

Table 3.8: Extent of classification of GIA as Capital Expenditure

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
GIA booked as Capital Expenditure	322	1,114	1,562	3,179	753
Total Capital Expenditure	15,971	13,034	17,484	22,009	28,963
Share of GIA in Capital Expenditure (in *per cent*)	2.02	8.55	8.93	14.44	2.60
Impact on Revenue Deficit (RD) (-)/Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	RD (₹ 19,661 cr.) understated by ₹ 322 cr.	RD (₹ 29,527 cr.) understated by ₹ 1,114 cr.	RD (₹ 32,000 cr.) understated by ₹ 1,562 cr.	RD (₹ 27,295 cr.) understated by ₹ 3,179 cr.	RD (₹ 25,691 cr.) understated by ₹ 753 cr.

Source: Finance Accounts of respective years

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

[68] ₹ 53,015 crore pertaining to the years 2009-23 *plus* ₹ 4,248 crore during 2023-24

Table 3.8 shows that, due to booking of Grants-in-aid as Capital Expenditure, ranging between ₹ 322 crore and ₹ 3,179 crore during FYs 2019-20 to 2023-24, the Revenue Deficits had been understated to that extent.

3.4 Comments on effectiveness of the Budgetary and Accounting Process

3.4.1 Budget projections and gap with actuals

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

Table 3.9: Summarised position of Actual Expenditure *vis-à-vis* Budget (Original/Supplementary) provisions during the FY 2023-24

Nature of expenditure		Original Grant/ App.	Supplementary Grant/App.	Total	Actual expenditure	Net of Savings(-)	Surrender during March	
							Amount	Per cent
		(₹ in crore)						
		(A)	(B)	(C)=(A+B)	(D)	(E)=(C-D)	(F)	*(G)=(F/E)*100*
Voted	I. Revenue	2,03,227	8,569	2,11,796	1,85,113	26,683	395	1.48
	II. Capital	35,151	6,237	41,388	29,479	11,909	378	3.17
	III. Loans & Advances	1,034	290	1,324	794	530	2	Nil
Total		**2,39,412**	**15,096**	**2,54,508**	**2,15,386**	**39,122**	**775**	
Charged	I. Revenue	43,469	38	43,507	43,334	173	Nil	Nil
	II. Capital	4	35	39	31	8	Nil	Nil
	III. Public Debt-Repayment	60,541	92	60,633	30,351	30,282	Nil	Nil
Total		**1,04,014**	**165**	**1,04,179**	**73,716**	**30,463**	Nil	Nil
Appropriation to Contingency Fund		**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	Nil	Nil
Grand Total		**3,43,426**	**15,261**	**3,58,687**	**2,89,102**	**69,585**	**775**	**1.11**

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

It is evident from **Table 3.9** that net savings (₹ 69,585 crore) were 19.40 *per cent* of the total provision. Out of the 7,137 schemes, variations in the form of savings or excess occurred in 6,907 schemes (96.78 *per cent*). However, explanations in respect of 269 schemes (3.89 *per cent*), only have been received. Non-receipt of explanations violates the basic norms approved by the PAC of the West Bengal Legislature, adopted for comments on the Appropriation Accounts.

During 2023-24, in three schemes (₹ 2 crore or more) under three grants, ₹ 12.49 crore was allotted through supplementary provision, but no expenditure was incurred against these schemes.

3.4.2 Rush of expenditure

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

During 2023-24, in 43 grants, under 233 sub-heads, the entire expenditure (₹ 6,177.62 crore) had been incurred in the month of March 2024. Out of this, in five grants, under ten sub-heads (₹ 100 crore and above), 100 *per cent* expenditure was incurred in the month of March 2024 (**Table 3.10**).

Table 3.10: Sub-Head (Schemes) where entire expenditure was incurred in the month of March 2024 (₹ 100 crore and above)

Sl. No.	Grant No.	Head of Account (up to Sub-head)	100 *per cent* expenditure in the month of March 2024 (₹ in crore)
1	40	2505-02-101-006 Payment of Pending Wages to workers under MGNREGS from State Fund [PN]	2,059.46
2		2505-02-789-006 Payment of Pending Wages to workers under MGNREGS from State Fund [PN]	629.28
3		2505-02-796-006 Payment of Pending Wages to workers under MGNREGS from State Fund [PN]	171.62
4		2515-00-196-001 Assistance to Zilla Parishad for implementation of PMGSY Scheme	124.74
5	43	2801-80-101-005 Special Grants to WBSEDCL [PO]	1,000.00
6		4801-05-190-005 Equity Participation in WBSEDCL by State Government for Implementation of West Bengal Electricity Distribution Grid Modernization Project (Project ID: 10036) (EAP) [PO]	220.00
7	35	2230-01-111-002 State Government Contribution under Bina Mulya Samajik Suraksha Yojana	280.00
8		2230-01-789-003 State Government Contribution under Bina Mulya Samajik Suraksha Yojana	100.00
9	18	2048-00-101-001 Consolidated Sinking Fund	200.00
10	72	2217-05-191-107 Assistance for Air Quality Improvement for Kolkata U.A. under the recommendation of 15th Finance Commission (FC-XV)	159.00

Source: VLC Data

Table 3.11 shows that, in one grant, more than 50 *per cent* of the total expenditure had been incurred in the month of March 2024.

Table 3.11: Grant with more than 50 *per cent* of expenditure in March 2024 alone

Sl. No.	Grant No.	Description	Total Expenditure	Expenditure in March 2024	Expenditure in March as a percentage of total expenditure
			(₹ in crore)		
1.	21	Food & Supplies	6,375.80	3,425.79	53.73

Source: VLC Data

Above instance are indicative of lacunae in the public financial management process.

3.5 Outcome of Review of Selected Grants

To ascertain compliance with budgeting processes, utilisation of funds and expenditure control mechanism during the last three financial years (FY 2021-22 to FY 2023-24), two grants, viz., Public Works Department (Grant No.25) and Public Health Engineering Department (Grant No. 45), were selected for detailed audit scrutiny. Audit findings, in this regard, are discussed below.

Preparation and submission of Budget Estimates

The budget is prepared and submitted to the Finance Department by the nodal department through CBMS[69] Module under IFMS Portal, as per the Budget ceiling provided by the Finance Department.

3.5.1 Grant No. 25: Public Works Department

Budget and Expenditure

- Against the budgetary allocation of ₹ 8,669 crore, the actual expenditure during 2023-24 was ₹ 8,270 crore, leading to savings of ₹ 399 crore (4.60 *per cent*). Details of budgetary provisions, actual expenditure, and savings/excess in this grant, during 2021-22 to 2023-24, are shown in **Table 3.12**.

Table 3.12: Budget provision *vis-à-vis* Expenditure incurred during FYs 2021-22 to 2023-24

Section	2021-22			2022-23			2023-24		
	B	E	S/E	B	E	S/E	B	E	S/E
	(₹ in crore)								
Revenue	1,955	1,366	(-)589 (30.13%)	2,292	1,607	(-)685 (29.89%)	1,608	1,828	220 (13.68%)
Capital	5,435	4,651	(-)784 (14.43%)	5,843	5,448	(-)395 (6.76%)	7,061	6,442	(-)619 (8.77%)

***B**: Budget; **E**: Expenditure; **S/E**: Savings (-)/Excess (+); Figures in bracket depict the percentages of savings or excess with respect to the budget provisions*

Source: Appropriation Accounts of Government of West Bengal (2021-22 to 2023-24)

[69] Centralised Budget Monitoring System

Under the Revenue section of the grant, there were savings of 30 *per cent* each during 2021-22 and 2022-23, respectively, which increased to excess expenditure of 14 *per cent* in 2023-24. This occurred mainly due to excess expenditure of ₹ 58 crore under the scheme 'Maintenance of other Government Non-residential Buildings by PWD (Electrical)'. Under the Capital section of the grant, there were savings ranging between seven *per cent* to 14 *per cent* during FYs 2021-22 to 2023-24. During 2023-24, savings of nine per cent were mainly due to the unutilized provision of ₹ 241 crore and ₹ 115 crore under the schemes 'Programme for Roads and Bridges under Central Road Fund (Central Share)' and 'Development of State Roads- District Roads', respectively.

- ***Expenditure incurred without Budget Provision***

Scrutiny disclosed that during 2021-22 to 2023-24, in five Sub Head Accounts, expenditure was incurred (cases exceeding rupees one crore or above) without making any provision under Budget Estimate or Revised Estimate. Details are shown in the **Table 3.13** below:

Table 3.13: Expenditure against 'Nil' Budget Provision during 2021-22 to 2023-24

Year	Head of Accounts	Description	Amount (₹ in crore)
2021-22	4235-01-201-009-V	Setting up of Relief Camp in the district of Coochbehar and in other Bangladeshi Enclaves in India for rehabilitation of the returnees from the Indian Enclaves in Bangladesh	30.00
2022-23	5054-03-337-016-V	Programme for Roads and Bridges under Central Road Fund (Central Share)	1.93
2023-24	3054-80-797-001-V	Transfer to State Bridge Fund	298.08
	4235-01-201-009-V	Other Rehabilitation Scheme – Central Sector Scheme	22.00
	5054-03-797-004-V	West Bengal Compensatory Entry Tax Fund	645.33
	5054-05-337-001-V	Procurement of land for construction of Roads, Bridges/ Extension of Roads	17.53

Source: VLC data

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

- ***Persistent Savings***

In respect of three schemes, savings exceeding ₹ 20 crore were consistently noticed from 2021-22 to 2023-24, details of which are shown in **Table 3.14**.

Table 3.14: Persistent savings occurred during FY 2021-22 to 2023-24

Sl. No.	Year	Head of Account	Purpose	Net Budget Provision	Expenditure	Savings
				(₹ in crore)		
1.	2021-22	2059-80-001-004-V	Execution	353.51	320.38	33.13
	2022-23			409.02	307.93	101.09
	2023-24			394.00	315.45	78.55
2.	2021-22	3054-80-797-006- V	Transfer to West Bengal Transport Infrastructure Development Fund (WBTIDF)	290.00	216.25	73.75
	2022-23			220.00	195.26	24.74
	2023-24			232.55	193.04	39.51
3.	2021-22	5054-80-800-009-V	Programme for Roads and Bridges under Central Road Fund (Central Share)	500.00	271.59	228.41
	2022-23			300.00	164.37	135.63
	2023-24			241.11	0.00	241.11

Source: Appropriation Accounts

- ***'Nil' expenditure against the Budget Provision during FY 2023-24 leading to Savings***

Scrutiny of expenditure against the net budget provision disclosed that in the following six schemes/projects, budget provision being rupees one crore and above remained completely unutilised during 2023-24. Details are shown in Table **3.15**.

Table 3.15: 'Nil' expenditure against the Budget Provision during FY 2023-24

Sl No.	Head of Account	Scheme Name	Net Budget Provision	Expenditure
			(₹ in crore)	
1.	2059-80-051-001	Construction of crematorium under "Baitarani Project"	27.51	NIL
2.	4059-01-51-023	Installation and Commission of HICOM Exchange at Writers Buildings	3.45	NIL
3.	4059-80-051-003	Construction of Buildings other than Office Building under PWD	4.25	NIL
4.	5054-04-796-001	Development of State Roads (Construction)	6.93	NIL
5.	5054-80-797-003	Transfer to Reserve Funds/ Deposit Account – Central Sector Scheme	620.00	NIL
6.	5054-80-800-009	Programme for Roads and Bridges under Central Road Fund (Central Share)	241.11	NIL

Source: Appropriation Accounts

Savings of entire provisions indicate lack of planning in the implementation of projects.

- ***Unnecessary and Un-justified Re-Appropriation***

Scrutiny of expenditure with respect to net grant statements during 2021-22 to 2023-24 revealed that enhancement of provision through Re-Appropriations in six cases proved unnecessary and in one case, curtailment of provision through Re-Appropriation proved unjustified. Details of such cases are discussed below.

(A) ***Unnecessary Re-Appropriation***

Within Grant No. 25, enhancement in provision through re-appropriations by (i) ₹ 0.36 crore in three sub-heads, (ii) ₹ 0.30 crore in one sub-head and (iii) ₹ 9.15 crore in two sub-heads during FYs 2021-22, 2022-23 and 2023-24 respectively proved unnecessary as expenditure was less than the total of original and supplementary budget provisions. Details are shown in **Table 3.16** below.

Table 3.16: Unnecessary Re-Appropriation

Year	Head of Account	Scheme Description	Original Budget	Supple-mentary Budget	Re-appropriation (+)	Net Grant	Actual Expenditure	Savings (-)
			(₹ in crore)					
2021-22	3054-04-800-010V	State Bridge Fund Work	1.24	-	0.05	1.29	0.36	(-) 0.93
	3054-80-001-002V	Public Works (Roads) Directorate	163.80	-	0.21	164.01	155.50	(-) 8.51
	5054-04-789-010V	Scheme under RIDF	87.50	-	0.10	87.60	63.57	(-) 24.03
Total			**252.54**	**-**	**0.36**	**252.90**	**219.43**	**(-) 33.47**
2022-23	2059-80-001-004V	Execution	408.72	-	0.30	409.02	307.93	(-) 101.09
Total			**408.72**	**-**	**0.30**	**409.02**	**307.93**	**(-) 101.09**
2023-24	5054-03-337-001V	Development of State Roads (Construction)	255.00	95.00	7.00	357.00	329.40	(-) 27.60
	5054-03-337-013V	Development of State Roads and Bridges by West Bengal Compensatory Entry Tax Fund (WBCETF)	20.00	24.00	2.15	46.15	41.83	(-) 4.32
Total			**275.00**	**119.00**	**9.15**	**403.15**	**371.23**	**(-) 31.92**

Source: Appropriation Accounts

(B) Unjustified Re-Appropriation

During 2022-23, in one case, curtailment of provision through Re-Appropriation proved unjustified since there was excess expenditure over the original budget provision. Details are shown in **Table 3.17**.

Table 3.17: Unjustified Re-Appropriation

Year	Head of Account	Scheme Description	Original Budget	Supplementary Budget	Surren-der	Re-Appropriation (-)	Net Grant	Actual Expenditure	Excess (+)
			(₹ in crore)						
2022-23	5054-03-796-005	Development of State Roads & Bridges by West Bengal Compensatory Entry Tax Fund (WBCETF)	40.00	0	0	5.00	35.00	44.06	9.06

Source: Appropriation Accounts

Above issues had been communicated to the Department in September 2024 however, reply is still awaited.

3.5.2 Grant No. 45: Public Health Engineering Department

- ***Budget and Expenditure***

Against a budgetary allocation of ₹ 6,062 crore, the actual expenditure during FY 2023-24 was ₹ 8,128 crore, leading to an excess expenditure of ₹ 2,066 crore (34.08 *per cent*). Details of budgetary provisions, actual expenditure, and savings/ excess in this grant, during 2021-22 to 2023-24, are shown in **Table 3.18**.

Table 3.18: Budget provision *vis-à-vis* Expenditure during FY 2021-22 to 2023-24

Section	2021-22			2022-23			2023-24		
	B	E	S/E	B	E	S/E	B	E	S/E
	(₹ in crore)								
Revenue	1,047	1,085	38 (3.63%)	1,248	1,243	(-)5 (0.40%)	1,394	1,811	417 (29.91%)
Capital	3,745	3,646	(-)99 (2.64%)	2,695	2,402	(-)293 (10.87%)	4,668	6,317	1,649 (35.33%)

***B**: Budget; **E**: Expenditure; **S/E**: Savings (-)/Excess (+); Figures in bracket depict the percentages of savings or excess with respect to the budget provisions*
Source: Appropriation Accounts of Government of West Bengal (2021-22 to 2023-24)

Under the Revenue section of the grant, there was excess expenditure of four *per cent* during 2021-22 which increased to an excess of 30 *per cent* in 2023-24. This occurred mainly due to excess expenditure of ₹ 321 crore and 149 crore, respectively, under the schemes 'Piped Water Supply Scheme (for rural areas)' and 'Temporary Water Supply Arrangement in different occasions' during FY 2023-24. The Capital section of the grant, during FY 2023-24, registered an excess expenditure of 35 *per cent*, mainly due to excess utilization over the provision of

₹ 1,560 crore under 'Piped Water Supply Schemes (NRDWP) (Jal Jeevan Mission) (State Share)'.

- ***Delay in release of State Share***

Centrally Sponsored Scheme 'Jal Jeevan Mission (JJM)' is being implemented with 50:50 *per cent* partnership between Central and States to make provision of tap water supply in every household by 2024. While reviewing the implementation of the mission, GoI observed that Central share (CS), along with the matching State share (SS), were not transferred timely to the 'single nodal account' of the mission, thus hampering the smooth implementation of the scheme. In view of this, Ministry of Jal Shakti, GoI decided (February 2021) to release the CS directly to an 'escrow account' of the State Water & Sanitation Mission (SWSM) from the FY 2021-22. The matching SS was to be released to this escrow account within 15 days of the transfer of the CS. Audit, however, noticed that despite this newly created procedure adopted by the GoI, the SS was belatedly released, as shown in **Table 3.19.**

Table 3.19: Status of release of State share during 2021-22 to 2023-24

Year	Central Share		State Share			
	Date of release	Released amount (₹ in crore)	Due date of release	Actual date of release	Delay (days) in release	Released amount (₹ in crore)
2021-22	22.11.2021	1,404.61	07.12.2021	15.02.2022	70	700.00
				21.03.2022	104	704.61
Total		**1,404.61**				**1,404.61**
2022-23	25.08.2022	10.36	10.09.2022	24.09.2022	14	10.00
	26.12.2022	5.09	10.01.2023	31.01.2023	21	5.09
	17.03.2023	15.45	01.04.2023	02.05.2023	31	15.09
Total		**30.90**				**30.18**
2023-24	13.09.2023	9.52	28.09.2023	30.09.2023	2	9.30
	17.10.2023	9.52	01.11.2023	06.11.2023	5	9.29
	27.12.2023	9.51	10.01.2024	09.01.2024	Nil	9.29
	02.02.2024	9.51	17.02.2024	22.02.2024	5	9.29
	13.03.2024	4.00	28.03.2024	22.03.2024	Nil	3.91
Total		**42.06**				**41.08**
Grand Total		**1,477.57**				**1,475.87**

Source: Departmental Reply

Table 3.19 disclosed the following:

- Against the central share of ₹ 1,477.57 crore, GoWB released SS of ₹ 1,475.87 crore, leading to shortfall of ₹ 1.70 crore (₹ 0.72 crore for FY 2022-23: and ₹ 0.98 crore for FY 2023-24);

- During the entire three year period (2021-24), SS was belatedly released for JJM scheme. In FY 2021-22, ₹ 1,405 crore was released with delays ranging between 70 to 104 days; in FY 2022-23, ₹ 30 crore was released with delays of 14 to 31 days and in FY 2023-24, ₹ 28 crore was released by the State with delays ranging between two to five days.

- ***Persistent Excess Expenditure***

In six heads of account as shown in the **Table 3.20**, there was excess expenditure against the net budget provisions, continuously from 2021-22 to 2023-24.

Table 3.20: Excess expenditure over budget provision

Head of Account	Purpose	Year	Net Budget Provision	Expenditure	Excess Expenditure	Excess Expenditure w.r.t. the Net Grant (in *per cent*)
			(₹ in crore)			
2215-01-102-001-02	Piped Water Supply Scheme (for rural areas) - Wages	2023-24	16.53	16.98	0.45	2.72
		2022-23	12.72	15.00	2.28	17.92
		2021-22	5.80	8.00	2.20	37.93
2215-01-102-001-19	Piped Water Supply Scheme (for rural areas) -Maintenance	2023-24	756.58	1,077.27	320.69	42.39
		2022-23	450.00	572.82	122.82	27.29
		2021-22	224.94	432.53	207.59	92.29
4215-01-102-004-53	Piped Water Supply Schemes for Rural Areas (NRDWP) (Jal Jeevan Mission) (State Share) – Major Works/Land & Buildings	2023-24	2,413.36	3,141.91	728.55	30.19
		2022-23	803.07	903.75	100.68	12.54
		2021-22	1,586.05	1,645.92	59.87	3.77
4215-01-102-008-53	Piped Water Supply Scheme (for rural areas) –- Major Works/Land & Buildings	2023-24	84.00	159.05	75.05	89.35
		2022-23	0.50	88.91	88.41	17,682.00
		2021-22	-	-	-	-
4215-01-789-007-53	Piped Water Supply Scheme (NRDWP) (Jal Jeevan Mission) (State Share) – Major Works/Land & Buildings	2023-24	575.02	2,134.88	1,559.86	271.27
		2022-23	242.90	552.59	309.69	127.50
		2021-22	117.26	917.36	800.10	682.33
4215-01-796-008-53	Piped Water Supply Schemes for Tribal Area Sub Plan (NRDWP) (Jal Jeevan Mission) (State Share) – Major Works/ Land & Buildings	2023-24	105.40	340.36	234.96	222.92
		2022-23	67.00	111.52	44.52	66.45
		2021-22	31.98	187.59	155.61	486.59

Source: Sub-heads of accounts

The Department, in its reply (October 2024) stated the reasons of excess as below for the purposes mentioned against each.

(i) Wages: Bills were passed by Treasury officers in anticipation of allotment.

(ii) Maintenance: Increase in the number of newly commissioned Piped Water Supply Schemes (PWSS) and paying off the liabilities for electric charges of the WBSEDCL.

(iii) Major Works/Land & Buildings: (a) Inability to assess the amount, required for the ongoing projects and (b) Variations between the budgetary estimates and allocations of the GoI.

Persistent excess over the years is indicative of improper assessment of requirement of funds by the Public Health Engineering Department.

- ***Persistent Savings against the Budget Provision during 2021-22 to 2023-24***

In nine Heads of Account, the net budget provision, remained unutilised persistently from 2021-22 to 2023-24 (three years), as shown in **Table 3.21**.

Table 3.21: Persistent savings under nine Heads of Account

Head of Account	Purpose	Year	Net Budget Provision	Expenditure	Savings	Savings w.r.t. the Net Grant (In *per cent*)
			(₹ in crore)			
4215-01-102-012	Piped Water Supply Schemes for Rural Areas (NRDWP) (Jal Jeevan Mission) (Central Share)	2023-24	700.00	0.00	700.00	100.00
		2022-23	800.00	235.98	564.02	70.50
		2021-22	684.00	393.20	290.80	42.51
4215-01-789-015	Piped Water Supply Schemes for Rural Areas (NRDWP) (Jal Jeevan Mission) (Central Share)	2023-24	200.00	0.00	200.00	100.00
		2022-23	244.00	72.10	171.90	70.45
		2021-22	209.00	61.32	147.68	70.66
4215-01-796-016	Piped Water Supply Schemes for Rural Areas (NRDWP) (Jal Jeevan Mission) (Central Share)	2023-24	100.00	0.00	100.00	100.00
		2022-23	67.00	19.66	47.34	70.66
		2021-22	57.00	24.18	32.82	57.58
4215-01-102-021	ADB Assisted West Bengal Drinking Water Sector Improvement Project (Central Share) (EAP)	2023-24	92.00	70.91	21.09	22.92
		2022-23	110.00	51.13	58.87	53.52
		2021-22	302.64	111.61	191.03	63.12
4215-01-789-018	ADB Assisted West Bengal Drinking Water Sector Improvement Project (Central Share) (EAP)	2023-24	83.00	64.01	18.99	22.88
		2022-23	100.00	46.48	53.52	53.52
		2021-22	180.42	66.58	113.84	63.10
4215-01-796-019	ADB Assisted West Bengal Drinking Water Sector Improvement Project (Central Share) (EAP)	2023-24	43.60	33.60	10.00	22.94
		2022-23	51.88	24.12	27.76	53.51
		2021-22	98.94	36.41	62.53	63.20
4215-01-102-022	ADB Assisted West Bengal Drinking Water Sector Improvement Project (WBDWSIP) (State Share) (EAP)	2023-24	95.20	46.92	48.28	50.71
		2022-23	56.00	33.89	22.11	39.48
		2021-22	252.13	88.42	163.71	64.93
		2023-24	34.34	16.93	17.41	50.70

Head of Account	Purpose	Year	Net Budget Provision	Expenditure	Savings	Savings w.r.t. the Net Grant (In *per cent*)
			(₹ in crore)			
4215-01-789-019	ADB Assisted West Bengal Drinking Water Sector Improvement Project (WBDWSIP) (State Share) (EAP)	2022-23	20.20	12.23	7.97	39.46
		2021-22	77.04	27.02	50.02	64.93
4215-01-796-020	ADB Assisted West Bengal Drinking Water Sector Improvement Project (WBDWSIP) (State Share) (EAP)	2023-24	17.00	8.38	8.62	50.71
		2022-23	10.00	6.05	3.95	39.50
		2021-22	21.01	7.37	13.64	64.92

Source: Sub-heads of accounts

Persistent savings over the years is indicative of improper assessment of the requirement of fund by the PHE Department**.**

- ***Insufficient Supplementary Provision***

In respect of three cases during 2023-24 and one case each during 2021-22 and 2022-23, the quantum of Supplementary Provisions, proved to be insufficient as there was excess expenditure over net grant by 27 to 271 *per cent*, as shown in **Table 3.22**.

Table 3.22: Insufficient Supplementary Provision

Year	Head of Account	Scheme Description	Original Budget Provision	Supplementary Provision	Net Grant	Actual Expenditure	Excess Expenditure over Net Grant (*percentage)*
			(₹ in crore)				
2023-24	2215-01-102-001-19	Water Supply and Sanitation	500.00	256.58	756.58	1,077.26	320.68 (42.39)
	4215-01-102-004-53	Capital Outlay on Water Supply and Sanitation	768.16	1,645.35	2,413.51	3,142.06	728.55 (30.19)
	4215-01-789-007-53	Capital Outlay on Water Supply and Sanitation	526.44	48.57	575.01	2,134.88	1,559.87 (271.28)
2022-23	2215-01-102-001-19	Water Supply and Sanitation	400.00	50.00	450.00	572.82	122.82 (27.29)
2021-22	2215-01-102-001	Piped Water Supply Scheme for rural areas	223.39	7.35	230.74	440.53	209.79 (90.92)

Source: Sub-head of accounts

The Department, in reply (October 2024) furnished the following reasons for inadequacies of supplementary provisions which had resulted in excess expenditure:

(i) **Piped Water Supply Scheme for rural areas**: (a) Improper estimate of expenditure owing to revision/change of salary of staff which could not be predicted before the financial year due to change of basic, DA rate, Bonus etc; (b) Passing of Bills by Treasury Officers in anticipation of allotment, (c) Payment to WBSEDCL to pay off liabilities on account of electric charges and (d) Increase in number of newly commissioned PWSS.

(ii) **Water Supply and Sanitation**: (a) Increase in number of newly commissioned PWSS and (b) payment to WBSEDCL to pay off liabilities on account of electric charges during 2022-23 and 2023-24.

(iii) **Capital Outlay on Water Supply and Sanitation**: Difference in allocation by the GoI with respect to Budget Estimates and inability to assess the amount required for ongoing projects during 2023-24.

- ***Insufficient Re-Appropriation***

Curtailment of provision in the scheme "Construction of Office Building of Public Health Engineering" through re-appropriation by ₹ 2.74 crore out of the budget provision of ₹ 5.00 crore, proved to be insufficient in 2023-24, as actual expenditure remained at ₹ 0.76 crore. Thus, despite re-appropriation there were savings of ₹ 1.50 crore (₹ 2.26 crore *minus* ₹ 0.76 crore). Moreover, no portion of savings had been surrendered.

- ***Excess Expenditure over the Net Grants***

During 2023-24, in respect of eight schemes (**Table 3.23)**, there was excess expenditure of ₹ 3,281 crore over the net budget provision. Further, despite warning slips issued by the AG (A&E), alerting excess expenditure under the five sub-heads (at Sl Nos. 1, 2, 3, 4 & 6 of the **Table 3.23**) till the end of January 2024, the Department did not augment the fund through re-appropriations to rectify the excess expenditure.

Table 3.23: Scheme wise excess expenditure

Sl. No.	Year: 2023-24						
	Head of Accounts	Purpose of Expenditure	Original Provision	Supplementary Provision	Net Grant	Actual Expenditure	Excess Expenditure
			(₹ in crore)				
1.	4215-01-789-007-53-00	Major Works/ Land & Buildings	526.44	48.58	575.02	2,134.88	1,559.86
2.	4215-01-102-004-53-00	Major Works/ Land & Buildings	768.16	1,645.35	2,413.51	3,142.06	728.55
3.	2215-01-102-001-19-00-00	Maintenance	500.00	256.58	756.58	1,077.26	320.68
4.	4215-01-796-008-53-00	Major Works/ Land & Buildings	105.40	0.00	105.40	340.36	234.96
5.	2215-01-102-015-27-00	Minor Works/ Maintenance	102.67	0.00	102.67	286.15	183.48
6.	4215-01-102-020-53-00	Major Works/ Land & Buildings	0.01	0.00	0.01	129.59	129.58

Sl. No.	Year: 2023-24						
	Head of Accounts	Purpose of Expenditure	Original Provision	Supplementary Provision	Net Grant	Actual Expenditure	Excess Expenditure
			(₹ in crore)				
7.	4215-01-102-008-53	Major Works/ Land & Buildings	84.00	0.00	84.00	159.05	75.05
8.	4215-01-789-012-53	Major Works/ Land & Buildings	33.00	0.00	33.00	82.31	49.31
Total			**2,119.68**	**1,950.51**	**4,070.19**	**7,351.66**	**3,281.47**

Source: Appropriation accounts

The Department, in reply (October 2024) furnished the following reasons which contributed to excess expenditure.

(i) Under maintenance, the excess was due to an increase in the number of newly commissioned PWSS as well as payment of liabilities on electric charges of the WBSEDCL.

(ii) In case of Major Works/ Land & Buildings, the inability to assess the amount required for ongoing projects and variations between the budgetary estimates and allocations of the GoI, led to excess expenditure.

3.6 New Schemes introduced in the Budget

Government introduced several new schemes in the budget for the fiscal year 2023-24. Some of the significant new schemes with scheme details and their financial implications are discussed in the **Table 3.24**.

Table 3.24: New schemes introduced in the budget and its financial implications

Sl. No.	Name of the scheme	Scheme details	Financial implications
1.	Rastashree	This scheme was taken up for strengthening existing roads and for improving connectivity of these roads with other places. A total of 11,500 km rural roads was proposed to be taken up under this project.	In the budget speech, an amount of ₹ 3,000 crore was proposed to be allotted. Government incurred ₹ 3,909.11 crore against the Budget Provision of ₹ 3,214.31 crore.
2.	Matsyajeebi Bandhu (Death Benefit) Scheme	This scheme was introduced to support the dependent family members of fishermen on account of their untimely demise. Under this scheme, on the death of a registered fisherman (in the age group 18-60 years), either due to natural reasons/ accident, the dependent family members shall receive a onetime grant of rupees two lakh.	In the budget speech, an amount of ₹ 30 crore was proposed to be allotted. There was an expenditure of ₹ 1.64 crore though no amount was provided in the budget.
3.	Bhavishyat Credit Card	This scheme was introduced to provide financial assistance through Banks via loans of upto ₹ 5 lakh for two lakh youths (age group 18-45 years) for setting up micro enterprises and create employment opportunities. State Government was to provide subsidy in the	In the Budget Speech, an amount of ₹ 350 crore was proposed to be allotted. There was an expenditure of ₹ 34.29 crore against the Budget Provision of ₹ 0.29 crore.

Sl. No.	Name of the scheme	Scheme details	Financial implications
		form of margin money contribution upto 10 *per cent* of project cost with a maximum cap of ₹ 25,000 and a guarantee coverage of 15 *per cent.*	

Source: Budget Speech and Appropriation Accounts

Table 3.24 indicates that budget provision and implementation of new schemes were not in accordance with the financial allocations, announced in the budget speech.

3.7 Conclusions

- During 2023-24, overall utilization of budget was 81 *per cent* of total grants and appropriations.
- Government expended ₹ 11,922 crore, without any provision in the original budget estimates/supplementary demands and without issuance of any re-appropriation orders to this effect.
- Supplementary provisions had also not been prepared on a realistic basis, as seen, in five cases where, supplementary provisions involving ₹ 50 crore or more, in each case, were unnecessary.
- Excess expenditure of ₹ 53,015 crore, for the period 2009-10 to 2022-23 and ₹ 4,248 crore, for the year 2023-24, remains to be regularized.
- During 2023-24, there was re-appropriation of ₹ 1,978 crore in 1,388 sub-heads under 53 grants. However, despite re-appropriations, there were savings of ₹ 5,376 crore in 1,087 sub-heads and excess of ₹ 819 crore in 174 sub-heads.
- There was rush of expenditure at the fag-end of the year. During 2023-24, in 43 grants under 233 sub-heads, the entire expenditure (₹ 6,178 crore) was incurred in the month of March 2024.

3.8 Recommendations

1. *Government may take steps to ensure that its budgetary assumptions are arrived at in a more realistic manner and are based on reliable assumptions of the needs of the departments and their capacity to utilise the allocated resources.*
2. *Government may institute an appropriate control mechanism to enforce proper implementation and monitoring of budget to ensure that savings are curtailed, large savings within the Grants/Appropriations are controlled, and anticipated savings are identified and surrendered within the specified timeframe.*