SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

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Report of the Comptroller and Auditor General of India on State Finances for the year 2023-24

Government of West Bengal

Report No. 2 of 2025

(State Finances Audit Report)

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Preface

This Report has been prepared for submission to the Governor of West Bengal under Article 151 of the Constitution.

Chapter I of this Report contains the basis and approach to the 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.

Chapters II and **III** of the Report contain Audit findings on matters arising from examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government, for the year ended 31 March 2024. Information has been obtained from Government of West Bengal, wherever necessary.

Chapter IV on 'Quality of Accounts and 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.

The Reports 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.

The Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

Executive Summary

About the Report

This Report of the CAG of India is on the State Finances for the year 2023-24. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insights into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and their impact.

Gross State Domestic Product (GSDP) at current prices grew at a CAGR of 9.59 *per cent* from ₹ 11,79,127 crore during 2019-20 to ₹ 17,00,939 crore during 2023-24.

There was 11.04 *per cent* growth in GSDP over 2022-23. The revenue receipts grew at 2.42 *per cent and* the percentage of revenue receipts over GSDP decreased to 11.77 *per cent* in 2023-24 from 12.77 *per cent* in 2022-23. The State's own tax revenue increased by 7.63 *per cent*. The total expenditure (Revenue Expenditure, Capital Expenditure and disbursement of loans and advances) of the State of West Bengal increased by 4.20 *per cent* to ₹ 2,55,716 crore in 2023-24 from ₹ 2,45,413 crore in 2022-23. Of this, Revenue Expenditure showed 1.40 *per cent* increase while Capital Expenditure showed an increase of 31.60 *per cent*, from 2022-23.

Receipt-Expenditure Mismatch

The continuous mismatch between receipts and expenditure indicates rising fiscal stress. The State has different sources of receipts such as State Own Tax Revenue, Non-Tax Revenue, Devolution of States' share in taxes, Grants-in-aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account as well as Capital Expenditure (assets creation, loans and advances, investments, *etc*).

Revenue Receipts grew at a CAGR of 8.80 *per cent* from ₹ 1,42,914 crore in 2019-20 to ₹ 2,00,268 crore in 2023-24. Capital Receipts too, increased from ₹ 75,766 crore to ₹ 81,627 crore during this period. Central tax transfers and Grants-in-aid together contributed 53.45 *per cent*. This is indicative of the fact that West Bengal's fiscal position is largely influenced by Central transfers. The State Government received ₹ 1,07,044 crore as Central tax transfers and Grants-in-aid in the year.

Revenue Expenditure is incurred to maintain the current level of services and payment for the past obligations. As such, it does not result in any addition to the State's infrastructure and service network. Revenue Expenditure grew at a CAGR of 8.58 *per cent* from ₹ 1,62,575 crore (13.79 *per cent* of GSDP) in the

2019-20 to ₹ 2,25,959 crore (13.28 *per cent* of GSDP) in the 2023-24. It consistently made up a significant portion (88 to 92 *per cent*) of the total expenditure during this period.

Result of expenditure beyond means

The gap between the Revenue Receipt and Revenue Expenditure results in Revenue Deficit. The Revenue Deficit of the State increased to ₹ 25,691 crore (1.51 *per cent* of GSDP) in the current year from ₹ 19,661 crore (1.67 *per cent* of GSDP) in the 2019-20, though it decreased slightly as a percentage of the GSDP.

The State Government spent ₹ 28,963 crore on capital account. This was 11.33 *per cent* of the total expenditure in the FY 2023-24. Capital Expenditure was only 36 *per cent* of the total borrowings. Thus, the borrowed funds were being used mainly for meeting current consumption and repayment of borrowings instead of capital creation/development activities.

The gap between the Total Expenditure and total non-debt receipt of the State results in Fiscal Deficit. The Fiscal Deficit of the State increased to ₹ 53,992 crore (3.17 *per cent* of GSDP) in 2023-24 from ₹ 36,831 crore (3.12 *per cent* of GSDP) in the FY 2019-20.

Under the Revenue Expenditure, the quantum of Committed Expenditure constitutes the largest share. Committed Expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. From the FY 2019-20 to 2023-24, the Committed Expenditure ranged between 56 to 63 *per cent* of Revenue Expenditure. In the Committed Expenditure, the share of Salaries and Wages constituted 48 to 51 *per cent*, while the share of expenditure on Pension and Interest payments was 18 to 22 *per cent* and 30 to 33 *per cent*, respectively.

Inflexible and Non-Committed Revenue Expenditure

Besides Committed Expenditure as discussed above, there are certain items of Inflexible Expenditure which cannot be ordinarily altered or are statutorily required on an annual basis. Inflexible Expenditure, as a percentage of Revenue Receipts, increased to 3.14 *per cent* in the FY 2023-24 from 2.12 *per cent* in the FY 2022-23. Increase in the contribution to reserve funds by ₹ 1,639 crore, mainly helped this hike.

Non-Committed Revenue Expenditure (other than committed and inflexible), in the current year, decreased by 1.95 per cent (₹ 1,908 crore) over the FY 2022-23 backed by the decrease in expenditure on subsidies by ₹ 6,611 crore.

Off-budget borrowings

During the FY 2023-24, GoWB did not borrow outside the state budget. Scrutiny, however, revealed that GoWB, during 2009-11, raised Cash Credit Loans (CCLs) through two State Public Sector Undertakings, for implementation of the scheme 'Potato Procurement 2010', in the shape of off-budget borrowings. In the FY 2023-24, the State Government provided grants in aid of ₹ 15 crore for repayment and servicing of the off-budget borrowings.

Contingent Liabilities on account of Guarantees

In the FY 2023-24, the Government provided guarantees against borrowings of ₹ 16,445 crore. In the current year, the State Government had received guarantee commission of ₹ 5.00 crore, against the receivable commission of ₹ 313.92 crore.

Fiscal sustainability

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, etc. So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure, which includes salaries and wages, pension payments, interests *etc*. and also other inflexible expenditure such as those arising out of commitment for transfer to reserve funds, devolution to local bodies, *etc*.

- ***FRBM requirements and compliance with fiscal parameters***

The FRBM Act / Rules prescribes certain limits with regard to Revenue Deficit, Fiscal Deficit and debt as percentage of the Gross State Domestic Product (GSDP). In the FY 2023-24, Revenue Deficit was 1.51 *per cent* of the GSDP as against the limit of 1.80 *per cent*; Fiscal Deficit was 3.17 *per cent* as against the limit of 3.50 *per cent*; debt was 37.91 *per cent* as against limit of 34.30 *per cent*.

- ***Debt Sustainability Analysis***

The outstanding debt of the Government of West Bengal grew from ₹ 4,33,475 crore in the FY 2019-20 to ₹ 6,44,817 crore in the FY 2023-24. Debt-GSDP ratio of the State has also increased from 36.76 *per cent* in the FY 2019-20 to 37.91 *per cent* in the FY 2023-24, indicating that State's debt burden is substantially higher compared to its economic output.

Domar criteria shows that the Growth Interest Differential (GID) defined as the difference between real growth and real effective rate of interest on overall interest-bearing debt, remained favorable during post-pandemic years till the FY 2023-24 which suggests that economic growth was strong enough to recover the cost of borrowing. Nevertheless, debt burden remained above the target of 34.30 *per* cent as stipulated in WBFRBM (Amendment) Act 2020.

Further, substantial portion (91.90 *per cent*) of gross borrowings was being used for repayment implying that only 8.10 *per cent* of net borrowings was available for utilisation. Moreover, the ratio of Interest Payment to Revenue Receipts increased from 20.46 *per cent* in 2022-23 to 21.28 *per cent* in 2023-24 which was above the ceiling of 20.11 *per cent* prescribed in the Fiscal Policy Strategy Statement for the FY 2023-24. Increasing trend of this ratio indicates unsustainable debt trajectory.

Going by the analysis and results as discussed above, the finances of the State of West Bengal are marked by increasing trend of liabilities which pose risk to target of debt stabilisation and debt sustainability.

Budget performance

Aggregate expenditure outturn

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the amount originally approved in terms of saving. In the Revenue (Voted) section, deviation in outturn compared with Budget Estimates (BE) was (-) 13.50 *per cent* in respect of 51 grants. In the Capital (Voted) and Capital (Charged) sections, deviation in outturn compared with BE was (-) 34.18 *per cent* in respect of 47 grants and (-) 49.93 *per cent* in respect of 15 grants, respectively.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution has contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure.

It was noticed that supplementary provisions of ₹ 8,053 crore during the year 2023-24 in 49 grants proved unnecessary, as the expenditure did not come up even to the level of the original provisions.

Regularization of Excess over Grants/ Appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per Article 205 (1) (b) of the Constitution. It was observed that in 2023-24 there was excess expenditure of ₹ 4,248 crore under 12 grants which required regularization. Further, excess disbursements of ₹ 53,015 crore pertaining to the years 2009-23 were yet to be regularized.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the Government accounts, non or short discharging of liabilities and misclassification of transactions and data gaps.

Compliance with IGAS

As against the requirements of the Indian Government Accounting Standards (IGAS), the State Government partly complied with IGAS- 1: Guarantees given by the Government – Disclosure requirements guarantees, IGAS- 2: Accounting and classification of Grants-in-aid, IGAS-3: Loans and Advances made by the

Government, respectively. Moreover, State Government has not complied the requirements of IGAS-4: Prior Period Adjustment.

Operation of PD Accounts

Rule 6.08 (5) of the West Bengal Treasury Rules stipulates that the holder of the Personal Deposit (PD) Account shall, immediately after end of the financial year, make necessary verification and reconciliation of the balances with the treasury. It was noticed that there was a balance of ₹ 2,998 crore in 159 PD Accounts as on 31 March 2024. Non-transfer of unspent balances, lying in PD Accounts, to the Consolidated Fund of the State, entails the risk of misuse of public funds, fraud and misappropriation. Checking of treasuries, conducted in 2023-24, in respect of transactions for the year 2022-23, revealed that only six out of 159 Administrators of PD Accounts had reconciled and verified their balances with the treasury figures.

Utilisation Certificates against conditional grants

Despite the requirement of submitting Utilisation Certificates (UCs) against conditional grants within a stipulated time period, 5,48,496 UCs in respect of grants aggregating ₹ 2,56,107 crore were outstanding as on 31 March 2024. Pendency in the submission of UCs is fraught with the risk of fraud and misappropriation of funds.

DC bills against AC bills

Similarly, despite the requirement of submitting Detailed Contingency (DC) Bills against the advance money withdrawn through Abstract Contingency (AC) Bills, DC bills against a total of 6,081 AC bills aggregating ₹ 662 crore, had not been submitted as of 31 March 2024. Non-submission of DC bills within the prescribed time is a breach of financial discipline and enhances risk of misappropriation of public money and is an unhealthy practice.

Funds outside Public Account of the State

Cess proceeds (Other than proceeds through Labour Cess and those cess which have been collected under Cess Act *viz.* West Bengal Rural Employment and Production Act, 1976 and West Bengal Cess Act 1880) amounting to ₹ 1,543.47 crore, credited to the Consolidated Fund of the State, during FY 2023-24 had not been transferred as the State Government did not create specific fund accounts to transfer these proceeds. Non-transfer of cess resulted in understatement of Revenue Deficit and Fiscal Deficit to that extent.

Compliance with prevailing rules and codal provisions is meant to ensure control and accountability in accounting and financial reporting. Non-compliance and deviations impact the quality of accounting and financial reporting adversely. Non-timely submission of UCs against conditional grants, non-submission of DC bills against AC bills, part compliance with IGAS- 1, IGAS- 2 and IGAS-3 and non-compliance with IGAS-4, funds remaining outside Public Account have impacted the quality of accounts adversely.

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CHAPTER I

OVERVIEW

Chapter I Overview

1.1 Introduction

This chapter provides a brief profile of the State and describes the basis and approach to the Report. The underlying data 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.

1.2 Profile of the State

West Bengal is located in the eastern region of India along the Bay of Bengal. In terms of geographical area, it is the thirteenth largest State of India while population wise, it is the fourth largest. The State's population was 9.13 crore (2011 census) and recorded a decadal growth of about 14 *per cent* (2001-11). As per population projections for India and States (2011-2036) by the National Commission on Population, Ministry of Health & Family Welfare (July 2020), the projected population of the State in the year 2024 stands at 9.96 crore. The State has 23 districts and one autonomous region (Gorkhaland Territorial Administration). General and financial data relating to the State is given in ***Appendix 1.1.***

1.3 Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised goods and services produced within the boundaries of the State in a given period of time.

The GSDP, at current prices of 2023-24, was ₹ 17,00,939 crore (₹ 15,31,758 crore in 2022-23), with a growth rate of 11.04 *per cent* over the previous year (PY). The GSDP growth rates in respect of the Agriculture, Industries and Services sectors, were 5.77, 5.03 and 16.18 *per cent*, respectively, in FY 2023- 24, over the previous year.

The per capita GSDP of the State is ₹ 1,71,184, against the National per capita GDP of ₹ 2,11,725 at current prices of 2024. The per capita income of the State is ₹ 1,54,119 against India's per capita income of ₹ 1,84,205, in 2023-24. A profile of the State, with demographics and other details, is given in ***Appendix 1.1.***

1.3.1 Gross State Value Added (GSVA)

Gross State Value Added (GSVA): GSVA is the value of goods and services produced by industry sector, manufactured around a region in an economy i.e., it is total value of output product without intermediary costs that went into production.

Gross Value Added (GVA) is considered a better indicator of economic growth compared to Gross Domestic Product (GDP), as it ignores the impact of taxes and subsidies. From a policy maker's perspective, it is therefore vital to have a comparison of the GVA and GSVA data for better analysis and making policy interventions.

The trends in the annual growth of nation's GDP and GVA and that of the State, at current prices, are indicated in **Table 1.1** and the trends in growth rate of GSDP with respect to GSVA at current prices are depicted in **Chart 1.1**.

Table 1.1: Trends in GSDP compared to GDP (at current prices)

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
INDIA					
GDP (2011-12 Series)	2,01,03,593	1,98,54,096	2,35,97,399	2,69,49,646	2,95,35,667
Gross Value Added (GVA)	1,83,81,117	1,82,10,997	2,16,35,584	2,46,59,041	2,67,62,147
Growth rate of GDP over the previous year (in *per cent*)	6.37	(-)1.24	18.85	14.21	9.60
Growth rate of GVA over the previous year (in *per cent*)	7.02	(-)0.93	18.81	13.97	8.53
Per Capita GDP (in ₹)	1,49,915	1,46,480	1,72,422	1,94,879	2,11,725
WEST BENGAL					
GSDP (2011-12 Series)	11,79,127	11,41,802	13,29,238	15,31,758	17,00,939
Gross State Value Added (GSVA)	11,02,672	10,75,756	12,51,945	14,49,148	16,13,323
Growth rate of GSDP over the previous year (in *per cent*)	6.99	(-)3.17	16.42	15.24	11.04
Growth rate of GSVA over the previous year (in *per cent*)	7.40	(-)2.44	16.38	15.75	11.33
Per Capita GSDP (in ₹)	1,21,232	1,16,664	1,35,080	1,54,905	1,71,184

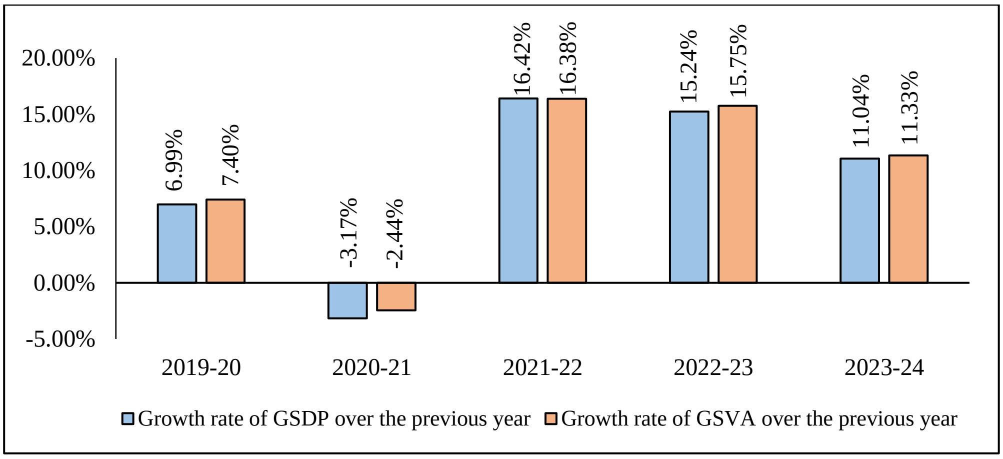
Note: In respect of GDP, GVA, GSDP and GSVA, the figures shown against 2023-24, 2022-23, 2021-22 and 2020-21, are Provisional Estimates (PE), 1st Revised Estimates (RE), 2nd RE and 3rd RE, respectively, while the data for 2019-20 is final figure.

Source: Data released by the Ministry of Statistics and Programme Implementation (MoSPI), Government of India dated 1 August 2024 (for GSDP) and 1 December 2024 (for GDP)

As seen from the **Table 1.1,** both - the GSDP, as well as the national GDP- in aggregate, had experienced a contraction (negative growth) in 2020-21, owing to the COVID-19 pandemic. Except 2021-22, West Bengal's GSDP growth rate at current prices was more than that of India's growth rate in all the years upto 2023-24. In line with the GSDP growth, the Per Capita GSDP growth rate (10.51 *per cent*) was higher than the growth rate of Per Capita GDP (8.64 *per cent*) in the FY 2023-24. Similarly, the GSVA growth rate was more than that of the nation in all the years except in FYs 2020-21 and 2021-22. GSDP (at current prices), however, grew at a CAGR[1] of 9.59 *per cent* between 2019-20 and 2023-24 while the GDP grew at a CAGR of 10.10 *per cent*.

Chart 1.1 below indicates that for the last five years' period, the growth of GSDP, at current prices, was in tandem with the growth of GSVA.

Chart 1.1: Growth rate of GSDP vs GSVA (2019-20 to 2023-24)



Source: The figures of GSVA at current prices and GSDP at current prices, for West Bengal, for the period 2011-12 to 2023-24 (as on 1 August 2024), released by the Ministry of Statistics and Programme Implementation (MoSPI), Government of India

The sectoral contribution of GSVA and the trends in sectoral growth from 2019-20 to 2023-24, are indicated in **Table 1.2** and **Chart 1.2,** respectively.

Table 1.2: Sectoral Contribution: GSVA

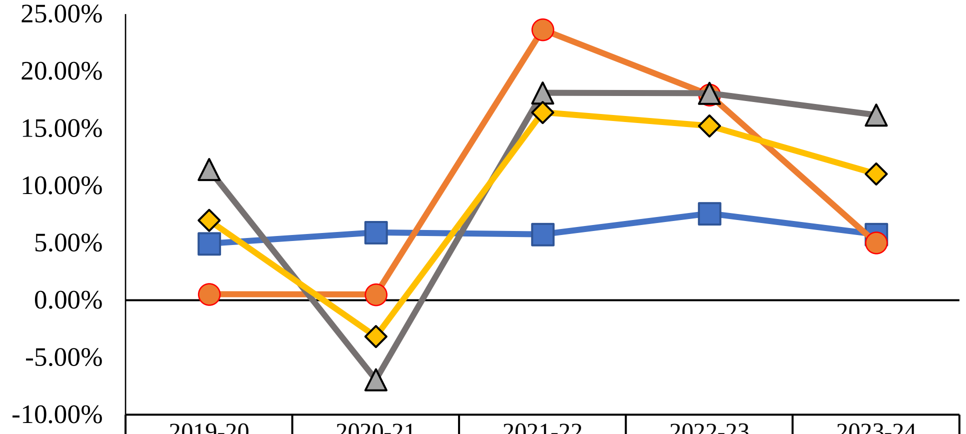
(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Gross State Value Added (GSVA)	11,02,672	10,75,756	12,51,945	14,49,148	16,13,323
Agriculture Sector/ GSVA (in *per cent*)	22.26	24.17	21.96	20.41	19.40
Industry Sector/GSVA (in *per cent*)	21.93	22.59	24.00	24.46	23.08
Services Sector/GSVA (in *per cent*)	55.81	53.24	54.03	55.13	57.53

Source: The figures of GSVA at current prices, for West Bengal, for the period 2011-12 to 2023-24 (as on 1 August 2024), released by the Ministry of Statistics and Programme Implementation (MoSPI), Government of India

[1] Compound Annual Growth Rate

Chart 1.2: Trends in Sectoral growth rates *vis-a-vis* growth rates of GSDP



	2019-20	2020-21	2021-22	2022-23	2023-24
Agriculture Sector	4.95%	5.93%	5.75%	7.58%	5.77%
Industry Sector	0.52%	0.51%	23.64%	17.96%	5.03%
Services Sector	11.44%	-6.94%	18.12%	18.09%	16.18%
GSDP	6.99%	-3.17%	16.42%	15.24%	11.04%

Agriculture Sector Industry Sector Services Sector GSDP

Source: The figures of GSDP by economic activity, at current prices, for West Bengal, for the period 2011-12 to 2023-24 (as on 1 August 2024), released by the Ministry of Statistics and Programme Implementation (MoSPI), Government of India

Table 1.2 shows that the services sector, the contribution of which ranged between 53 to 58 *per cent* of the GSVA during 2019-24, is the main driver of economic growth. The rebound of contact-based[2] services, driven by pent-up demand, ease of mobility restrictions, were largely responsible for the comeback of the services sector in 2021-22, to the pre-pandemic levels. The sector maintained upside growth during 2021-22 and in 2022-23 (**Chart 1.2**). However, the growth of the sector, in the current year (CY), declined by 1.91 *percentage* points, from the level of growth during 2022-23. The decline in growth of trade, repair, hotels and restaurants and transport, storage, communication & services related to broadcasting contributed to deceleration in growth of services sector observed in 2023-24 over the previous year.

The Industry sector contributed around 22 to 24 *per cent* to the GSVA (**Table 1.2)**. This sector had a robust rate of growth, at 23.64 *per cent* (**Chart 1.2**), during 2021-22, on account of release of 'pent-up' demand after COVID. This growth rate, however, declined to 17.96 *per cent* in 2022-23 and then to 5.03 *per cent* in 2023-24. Contraction in the growth rates of the Construction and Manufacturing sectors, by 23.21 and 7.40 *percentage* points, respectively, contributed to this decline. The steep decline in the rate of growth of the Industry sector affects the overall economic development of the State.

The Agricultural sector contributed around 19 to 24 *per cent* of the GSVA. This sector grew continuously since 2019-20, before falling by 1.81 *per cent*

[2] Services rendered through Tourism, retail, trade, hotels *etc*.

in 2023-24. The decline in the growth rates of Fishing & Aquaculture by 18.13 *percentage* points contributed to this.

1.4 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.

The 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 responsible for keeping of such accounts, functioning under the control of the State Government, as also from the statements received from the Reserve Bank of India. These accounts are audited independently by the Principal Accountant General (Audit-I).

The 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 Offices of the Principal Accountants General (Audit-I and II);
- Other data with Departmental Authorities and Treasuries (accounting, as well as MIS);
- GSDP data and other State related statistics; and
- Information and data provided by Offices of the Accountant General (Accounts & Entitlement) and the Accountant General (Audit-II), West Bengal.

Analysis is also carried out in context of the recommendations of the XIV and XV Finance Commissions (FCs), State Financial Responsibility and Budget Management Act and best practices and guidelines of the Government of India.

1.5 Overview of the structure of Government Accounts and Budgetary Processes

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

Part - I: Consolidated Fund of the State (Article 266(1) of the Constitution of India)

This Fund comprises of 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 upon by the Legislature.

Part-II: 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 authorization of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major heads relating to the Consolidated Fund of the State.

Part- III: Public Accounts of the State (Article 266(2) of the Constitution)

Apart from the 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 re-payables 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 the vote of the Legislature.

1.5.1 Budget Documents

Article 202 of the Constitution mandates that a statement of estimated receipts and expenditures of the Government, in respect of every financial year, be presented before the House or Houses of the Legislature of the State. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue Receipts consist of Tax Revenue, Non-Tax Revenue, share of Union Taxes/Duties, and grants from Government of India.

Revenue Expenditure consists of all those expenditures 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).

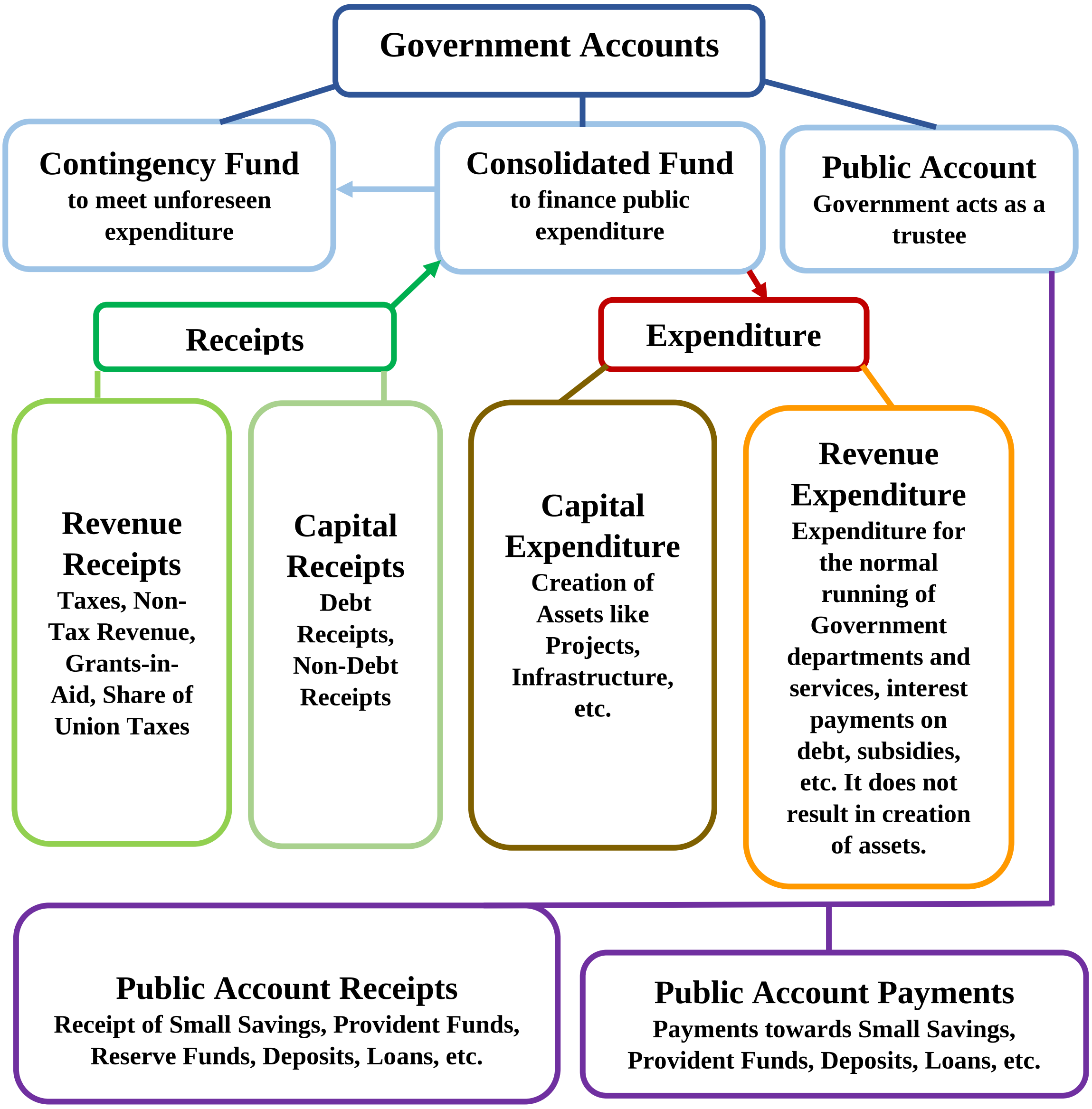
The **Capital Receipts** consist of:

- **Public 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, buildings, machinery, equipment, investment in shares, and loans and advances by the government to PSUs and other parties.

A pictorial depiction of the structure of Government Accounts is given in **Chart 1.3.**

Chart 1.3: Structure of Government Accounts



Public Debt and Public Liability: In this Report, 'Public Debt' has been taken to comprise market borrowings, institutional loans, special securities issued to the National Small Savings Fund (NSSF), loan given by the Central Government etc. For this purpose, the major heads '6003' and '6004' have been taken into consideration.

Further, transactions relating to 'Small Savings, Provident Fund etc.', 'Reserve Funds' and 'Deposits and Advances', under the Public Account, are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. Transactions relating to 'Remittances' and 'Suspense' under the Public Account embrace all merely adjusting heads under which appear such transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles.

In this Report, 'Public Liability' has been taken to include transactions under the major heads '8001' to '8554', relating to 'Small Savings, Provident Fund etc.', 'Reserve Funds' and 'Deposits and advances', along with transactions under the major heads '6003' and '6004'.

1.5.2 Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of the State causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State, 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.

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 the budget and implementation of other budgetary initiatives of the State Government, are detailed in **Chapter III** of this Report.

1.6 Snapshot of Finances

Table 1.3 provides the details of actual financial results, *vis-à-vis* the Budget Estimates, for the year 2023-24, along with the actuals of 2022-23.

Table 1.3: Actual *vis-à-vis* Budget Estimates

Sl. No.	Components	2022-23 (Actuals)	2023-24 (Budget Estimate)	2023-24 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
		(₹ in crore)				
1	Tax Revenue	1,55,043	1,65,439	1,74,958	105.75	10.29
i)	Own Tax Revenue	83,608	88,595	89,986	101.57	5.29
ii)	Share of Union taxes/duties	71,435	76,844	84,972	110.58	5.00
2	Non-Tax Revenue	2,197	6,377	3,238	50.78	0.19
3	Grants-in-aid and Contributions	38,304	40,821	22,072	54.07	1.30
4	**Revenue Receipts (1+2+3)**	**1,95,544**	**2,12,637**	**2,00,268**	**94.18**	**11.77**
5	Recovery of Loans and Advances	82	146	1,456	997.26	0.09

Sl. No.	Components	2022-23 (Actuals)	2023-24 (Budget Estimate)	2023-24 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
		(₹ in crore)				
6	Miscellaneous Capital Receipts	0	0	0	-	0.00
7	Non-Debt Receipts (4+5+6)	1,95,626	2,12,783	2,01,724	94.80	11.86
8	Borrowings and other Liabilities*	49,966	65,834	53,992	82.01	3.17
9	**Total Receipts (7+8)**	**2,45,592**	**2,78,617**	**2,55,716**	**91.78**	**15.03**
10	**Revenue Expenditure**	**2,22,839**	**2,43,561**	**2,25,959**	**92.77**	**13.28**
11	Interest Payments	40,018	42,763	42,621	99.67	2.51
12	Capital Expenditure	22,009	34,026	28,963	85.12	1.70
13	Loan and advances	565	1,034	794	76.79	0.05
14	**Total Expenditure (10+12+13)**	**2,45,413^**	**2,78,621**	**2,55,716**	**91.78**	**15.03**
15	**Revenue Deficit (10-4)**	**27,295**	**30,924**	**25,691**	**83.08**	**1.51**
16	**Fiscal Deficit (14-7)**	**49,787**	**65,839**	**53,992**	**82.01**	**3.17**
17	**Primary Deficit (16-11)**	**9,769**	**23,076**	**11,371**	**49.28**	**0.67**

Source: Finance Accounts
**Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.*
^Excluding Appropriation to Contingency Fund of ₹180 crore
**Revenue Expenditure (RE) of ₹908 crore in 2023-24 was incorrectly booked as Capital Expenditure (CE). Actual RE during the FY 2023-24 would thus be ₹2,26,867 crore instead of ₹2,25,959 crore. Similarly, actual CE during the FY 2023-24 would be ₹28,055 crore instead of ₹28,963 crore.*

Actual Revenue Receipts were higher than the previous year's receipts by ₹ 4,724 crore (2.42 *per cent*). This increase was primarily due to increased collection in the State's share of Union Taxes and Duties by ₹ 13,537 crore (mainly on account of increase in the State's share of Taxes on Income other than Corporation Tax by ₹ 6,072 crore and GST[3] by ₹ 5,601 crore) and State's Own Tax Revenue (OTR) over the PY by ₹ 6,378 crore, mainly in the case of SGST[4] (by ₹ 2,933 crore) and State Excise (by ₹ 1,642 crore). Increased collection of State's Non-Tax Revenue (NTR) by ₹ 1,041 crore, over the PY, also contributed to this hike. The higher Revenue Receipts were counter-balanced by significant fall in the receipts of Grants-in-Aid from the Government of India (by ₹ 16,232 crore).

The actual Revenue Expenditure was more than PY's Revenue Expenditure by ₹ 3,120 crore (1.40 *per cent*), mainly due to enhanced expenditure under the *Lakshmir Bhandar* scheme (by ₹ 1,625 crore; 13.56 *per cent*). Capital Expenditure fell short of the BEs by 14.89 *per cent* but exceeded the expenditure of PY by 31.60 *per cent*. This increase over the FY 2022-23, was mainly on account of significant enhancement of expenditure for infrastructure projects under 'Rural Development' and 'Roads & Bridges'.

The Revenue Deficit was less than the BEs by 16.92 *per cent*, as the State's share of Union Taxes & Duties and OTR, were higher than the BEs, by 10.58 and 1.57 *per cent*, respectively. This apart, Revenue Expenditure being lower than BEs, resulted in lesser than anticipated Revenue Deficit.

[3] Goods and Services Tax
[4] State Goods and Services Tax

The Fiscal Deficit was also less than the BEs by 18 *per cent*, mainly as Capital Expenditure was lower than the BEs by 14.89 *per cent*. This, combined with lower Revenue Deficit over the BE, resulted in lower than anticipated Fiscal Deficit over the BE.

1.7 Snapshot of Assets and Liabilities of the 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 Expenditure and loans and advances given by the State Government and cash balances. The summarised position of the State's assets and liabilities is shown in **Table 1.4**.

Table 1.4: Summarised position of Assets and Liabilities

Liabilities					Assets				
Components		**2022-23**	**2023-24**	***Per cent* increase**	**Components**		**2022-23**	**2023-24**	***Per cent* increase**
		(₹ in crore)					**(₹ in crore)**		
Consolidated Fund									
A	Internal Debt	4,79,797	5,23,402	9.09	A	Gross Capital Expenditure	1,90,633	2,19,596	15.19
B	Loans and Advances from GoI	30,966	37,181	20.07	B	Loans and Advances	17,633	16,971	(-)3.75
					C	Appropriation to Contingency Fund	180	0	(-)100.00
Contingency Fund		200	200	0.00	**Contingency Fund**		11	53	381.82
Total		**5,10,963**	**5,60,783**	9.75	**Total**		**2,08,457**	**2,36,620**	13.51
Public Account									
A	Small Savings, Provident Funds, etc.	22,627	23,872	5.50	A	Advances	29	29	0.00
B	Deposits	48,232	53,921	11.80	B	Remittance	(-)1	(-)1	0.00
C	Reserve Funds	16,965	21,103	24.39	C	Suspense and Miscellaneous	(-)4,047	(-)3,138	22.46
D	Remittances	-	-	-	**Cash balance**[5]		32,039	37,988	18.57
Total		**87,824**	**98,896**	12.61	**Total**		**28,020**	**34,878**	24.47
					Deficit in Revenue Account		3,62,310	3,88,181	7.14
Total		**5,98,787**	**6,59,679**	10.17	**Total**		**5,98,787**	**6,59,679**	10.17

Source: Finance Accounts

During 2023-24, the Liabilities of the Government increased by 10.17 *per cent* (₹ 60,892 crore). The internal debt constituted around 79.34 *per cent* of the total liabilities of the State Government. Outstanding balances of Market loans, which contributed around 91 *per cent* of the Internal debt during 2023-24, increased by ₹ 48,910 crore (11.42 *per cent*) over the PY. Further, balances of Deposits under the Public Account, which contributed 8.17 *per cent* of the liabilities, increased by ₹ 5,689 crore (11.80 *per cent*). The above two components primarily contributed to the increase in the liabilities of the Government.

[5] Includes investment in Earmarked Fund of ₹ 13,419 crore and ₹ 14,240 crore at the end of 2022-23 and 2023-24, respectively

On the Assets side, the cumulative Capital Expenditure constituted only 33.29 *per cent* of the total assets of the State Government. 9.74 *per cent* of the cumulative Capital Expenditure consisted of investments of the State Government in PSUs, Co-operative Banks & Societies and Statutory Corporations. The balance 90.26 *per cent*, comprised of cumulative expenditure for creation of infrastructure for transport sector, power, health, public works etc. The cash balance position of the State, which accounted for around six *per cent* of the Assets, increased by ₹ 5,949 crore over the PY, because of increase in the investment of cash balance by the State Government which has been discussed in **Paragraph 2.15** of the Report.

1.8 Fiscal Balance: Achievement of Deficit and Total Debt Targets

The State Government, in compliance of the recommendations of the Twelfth Finance Commission (12^{th} FC), enacted the West Bengal Fiscal Responsibility and Budget Management (WBFRBM) Act, 2010. The Act was amended in 2011 and came into force on 7 February 2011. As per the WBFRBM (Amendment) Act, 2011, targets for fiscal parameters were set for a period of five years, commencing from the FY 2010-11. From the FY 2015-16, revised targets relating to key fiscal parameters were presented in the Medium Term Fiscal Policy Statement (MTFPS), along with the budget, as per the provisions of the WBFRBM Act.

The WBFRBM (Amendment) Act, 2011, was amended in March 2020, followed by amendments in February 2021, March 2022 and March 2024, with the amended Act being renamed as the 'WBFRBM (Amendment) Acts, 2020, 2021, 2022 and 2024', effective from the 2019-20, 2020-21, 2021-22 and 2023-24 respectively. The amendments effected in sub-section (2) of section 4 of the WBFRBM Act, 2010, are explained in the succeeding paragraph.

As per the WBFRBM (Amendment) Act, 2011, Revenue Deficit (RD) was to be eliminated from the FY 2014-15. Accordingly, in the MTFPSs from the FY 2014-15 to FY 2020-21, the targets in regard to RD, with respect to GSDP, were fixed as 'Nil'. However, in the MTFPSs for the FYs 2021-22, 2022-23 and 2023-24, the targets for RD were fixed as 1.77, 1.65 and 1.80 *per cent* respectively. The target set for RD, relative to the GSDP, in clause (b) of the Principal Act, stands omitted from the WBFRBM (Amendment) Acts, 2020, 2021, 2022 and 2024.

The WBFRBM Act, and its amendments effected from time to time, envisaged that the State Government shall limit Fiscal Deficit (FD) as a percentage of the GSDP, to 3.34 *per cent* in 2019-20 and, thereafter, five *per cent* each for the years 2020-21 and 2021-22. In November 2022 and March 2024, sub-section (2) under section 4 of the WBFRBM Act, 2010, was amended and renamed as WBFRBM (Second) Amendment Act, 2022 and WBFRBM Amendment Act, 2024, respectively, wherein the maximum FD, as a percentage of the GSDP, was fixed at four and 3.50 *per cent*, for the FYs 2022-23 and 2023-24 respectively.

The WBFRBM (Amendment) Act, 2020, envisaged that the State Government would limit the total outstanding debt (OD) to GSDP to 34.30 *per cent*, for the financial years from 2019-20 to 2024-25.

A trend analysis of the targets relating to key fiscal parameters, prescribed in the MTFPS for the year 2019-20, WBFRBM (Amendment) Acts 2020, 2021, 2022 and 2024, applicable for the financial years 2019-20 to 2023-24, *vis-à-vis* achievements thereagainst, is given in **Table 1.5**.

Table 1.5: Compliance with the provisions of the State FRBM Act

Fiscal Parameters		Achievement *vis-à-vis* targets				
		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Deficit with respect to GSDP (in *per cent*)	Target	0	0	1.77	1.65	1.80
	Achievement	1.67 ✗	2.59 ✗	2.41 ✗	1.78 ✗	1.51 ✓
Fiscal Deficit with respect to GSDP (in *per cent*)	Target	3.34	5.00	5.00	4.00	3.50
	Achievement	3.12 ✓	3.91 ✓	3.80 ✓	3.25 ✓	3.17 ✓
Ratio of total outstanding debt to GSDP (in *per cent*)	Target	34.30	34.30	34.30	34.30	34.30
	Achievement	36.76 ✗	42.60 ✗	40.36 ✗	38.20 ✗	37.91 ✗

Source: MTFPSs 2019-20 to 2023-24, WBFRBM (Amendment) Acts 2020, 2021 & 2022 and Finance Accounts (2019-24)

Note 1: '✓' denotes target achieved, '✗' denotes target not achieved.

Analysis of the data shown in **Table 1.5** indicates the following:

- The Revenue Deficit of the State was not eliminated, despite the target of 'Zero' set in MTFPS 2018-21. 15th FC, after assessing the revenue and expenditure of the State, recommended post-devolution Revenue Deficit (PDRD) grants of ₹ 8,353 crore, for the year 2023-24. It was noted that despite receipt of PDRD grants, the State registered RD of ₹ 25,691 crore (1.51 *per cent* of GSDP) in the FY 2023-24 which was however, within the target of 1.80 *per cent* as per the MTFPS. During the last five years from 2019-20 to 2023-24, RD grew at a CAGR of 6.92 *per cent.*
- Fiscal Deficit (₹ 53,992 crore), in FY 2023-24, increased by 8.45 *per cent*, in comparison to the preceding year (₹ 49,787 crore). FD, as a percentage of GSDP, was within the target of 3.50 *per cent*, set in the WBFRBM Amendment Act, 2024. However, FD as a percentage of GSDP increased from 3.12 *per cent* in the FY 2019-20 to 3.17 *per cent* in the current FY.
- Ratio of RD to FD slightly decreased to 47.58 *per cent* in the FY 2023-24, from 54.82 *per cent* in the FY 2022-23, which was still very high, indicating that most of the State's borrowings were used to finance the Revenue Deficit.
- In the FY 2023-24, Outstanding debt (₹ 6,44,817 crore) grew by 10.19 *per cent* (₹ 59,648 crore) over the previous year (₹ 5,85,169 crore).

During the last five years the ratio of OD to GSDP was above the limits set in the WBFRBM (Amendment) Act, 2020.

1.8.1 Targets of fiscal variables in the 15th FC and Budget – achievement there-against

Table 1.6 shows the targets specified for major fiscal variables during the FY 2023-24, in the 15th FC Report, as well as in the Budget documents, and the actuals there-against.

Table 1.6: Targets *vis-à-vis* achievements in respect of major fiscal aggregates for the FY 2023-24

Fiscal Variables	Targets as prescribed by 15th FC	Targets in the Budget	Actuals	Variation of actuals over	
				Targets of 15th FC	Targets in Budget
Revenue Deficit/GSDP (in *per cent*)	1.20	1.80	1.51	(-) 0.31	(+) 0.29
Fiscal Deficit/ GSDP (in *per cent*)	3.00	3.83	3.17	(-) 0.17	(+) 0.66
Outstanding Debt/GSDP (in *per cent*)	42.20	37.67	37.91	(+) 4.29	(-) 0.24

Source: Recommendations of 15th FC, MTFPS 2023-24 and Finance Accounts 2023-24

Note: (+) denotes 'Achievement' and (-) denotes non-achievement or short-achievement

- The 15th FC, in its Report, mentioned that the State could not meet the target set for RD, and the shortfall in revenue would be met by an equivalent provision of PDRD grant. **Table 1.6,** however, shows that the State continued to register Revenue Deficit, in deviation from the estimations of the FC and thereby undermining the fiscal consolidation path suggested by the 15th FC.

- The Fiscal Deficit, with respect to the target set in the Budget, was achieved but remained higher than the target set by the 15th FC, by 0.17 *per cent*.

- Regarding the ratio of Debt to GSDP, it was noted that the actuals were lower than the target of the 15th FC, by 4.29 *per cent* but higher than the target set in the State Budget by 0.24 *per cent*.

1.8.2 Medium Term Fiscal Policy

As per the WBFRBM Act, the State Government has to lay, before the State Legislature, a Five-Year Fiscal Policy, along with the Annual Budget. The Medium Term Fiscal Policy (MTFP) has to set forth a five-year rolling target for the prescribed fiscal indicators.

Table 1.7 indicates the variation between the projections made for 2023-24, in the MTFP presented to the State Legislature, along with the Actuals of the year 2023-24.

Table 1.7: Actuals *vs.* Projections in the MTFP for 2023-24

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2023-24)	Variation
		(₹ in crore)		(in *per cent*)
1	Own Tax Revenue	88,595	89,986	1.57
2	Non-Tax Revenue	6,377	3,238	(-) 49.22
3	Share of Central Taxes	76,844	84,972	10.58
4	Grants-in-aid from GoI	40,821	22,072	(-) 45.93
5	Revenue Receipts (1+2+3+4)	2,12,637	2,00,268	(-) 5.82
6	Revenue Expenditure	2,43,561	2,25,959*	(-) 7.23
7	Revenue Deficit (5-6)	(-)30,924	(-)25,691	16.92
8	Fiscal Deficit (-)	(-)65,839	(-)53,992	17.99
9	Debt-GSDP ratio (*per cent*)	37.67	37.91	(-) 0.64

Source: Finance Accounts, MTFPS 2023-24
**Actual figure would be ₹2,26,867 crore if ₹908 crore, incorrectly booked as Capital Expenditure is considered. Resultantly, variation of actuals w.r.t. MTFPS would be (-)6.85 per cent.*

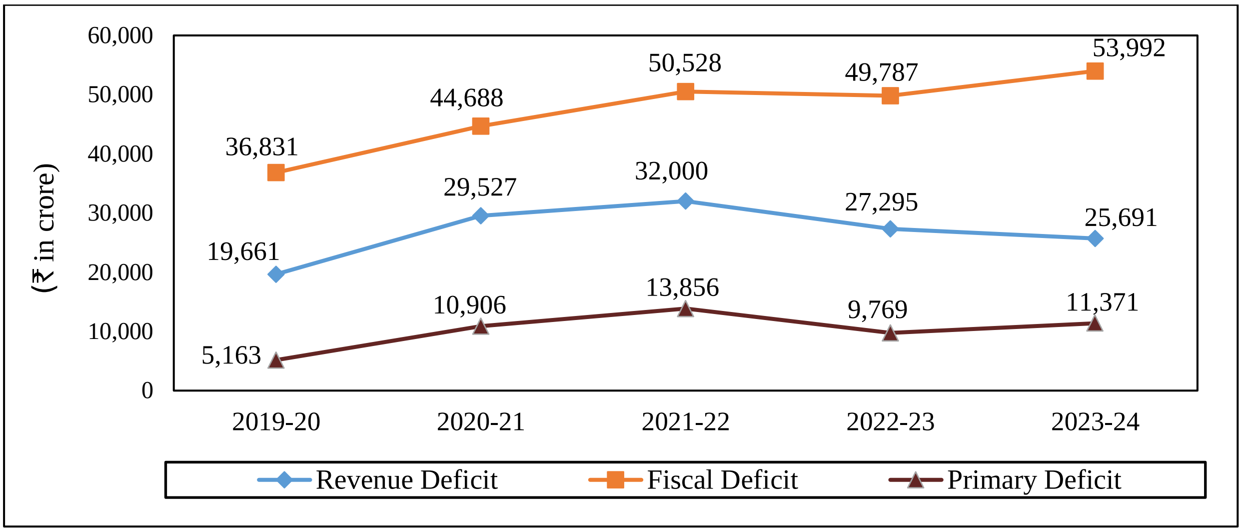
As may be seen from **Table 1.7**, two (Non-Tax Revenue and Grants-in-Aid from GoI) out of the four revenue variables, were lower than the projections made in MTFPS. Of these, collection of State's Non-Tax Revenue and share of Grants-in-aid from GoI were significantly lower than the projection, by 49.22 and 45.93 *per cent* respectively. Following the WBFRBM (Amendment) Act 2011, RD was to be eliminated from the FY 2014-15 onwards. However, the State set a target of ₹ 30,924 crore via the MTFPS for RD, which was achieved, along with FD targets set. In case of the ratio of Debt to GSDP, it was slightly higher than the target set. Variations in the above fiscal variables have been discussed in subsequent sections of this Report.

1.8.3 Fiscal Parameters

The three key fiscal parameters – Revenue, Fiscal and Primary Deficits - indicate the extent of overall fiscal imbalances during a specified period.

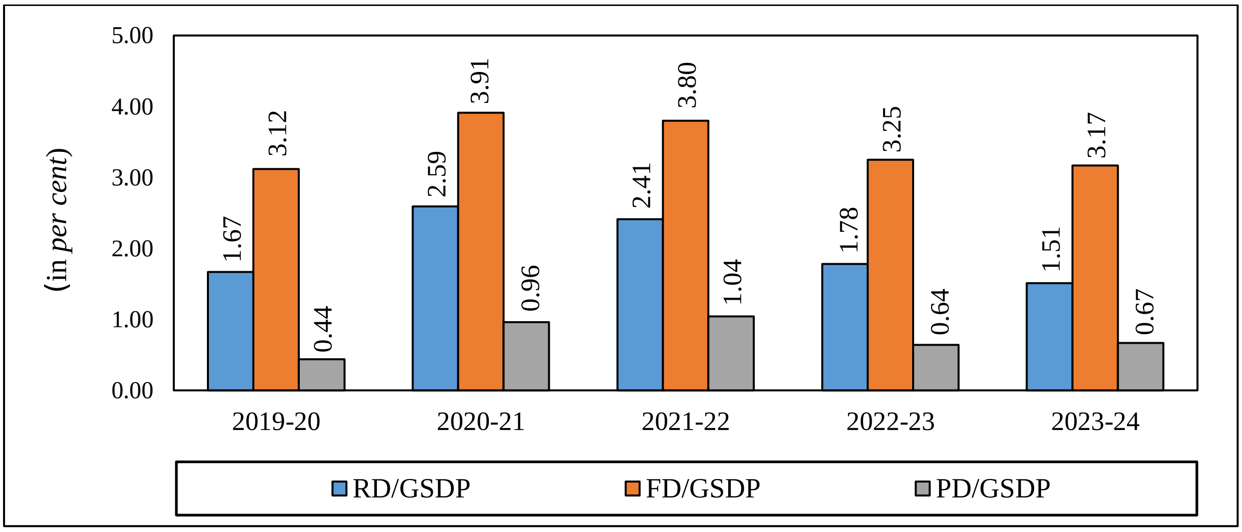
Charts 1.4 and **1.5** present the trends in deficit parameters and trends relative to GSDP, respectively, over the period 2019-24.

Chart 1.4: Trends in deficit parameters



Source: Finance Accounts

Chart 1.5: Trends in Deficit relative to GSDP



Source: Finance Accounts

During the FY 2023-24, Revenue Expenditure grew by 1.40 *per cent*, whereas Revenue Receipts grew by 2.42 *per cent*, which led to decrease in the Revenue Deficit by 5.88 *per cent*, to ₹ 25,691 crore, from the level of ₹ 27,295 crore during the FY 2022-23. Revenue Receipts and Revenue Expenditure have been discussed in detail in **Chapter II** of this Report.

The State had a Fiscal Deficit of ₹ 53,992 crore during the FY 2023-24, representing 3.17 *per cent* of the GSDP and 21.11 per cent of the Total Expenditure. Increase in Capital Expenditure by ₹ 6,954 crore (31.60 *per cent*) over the FY 2022-23, led to enhanced FD.

Primary Deficit (PD) increased by 16.40 *per cent* to ₹ 11,371 crore, as the growth of expenditure was more than that of receipts over the FY 2022-23, widening the gap of deficit.

1.8.4 Performance of the State Government with respect to borrowings according to the limits fixed by Government of India

The borrowings of the State Government are governed by Article 293(1) of the Constitution of India, under which the State Governments can borrow money within the territory of India, upon security of the Consolidated Fund of the State. Such borrowings are regulated under Article 293(3) of the Constitution of India, under which the State is required to obtain consent of the GoI. The State Government is, therefore, required to obtain consent from Ministry of Finance, Government of India, for raising open market borrowings (OMBs).

In line with the recommendations of the 15th FC, GoI had fixed the borrowing limit of the State, for the FY 2023-24, at 3.00 *per cent* of the estimated GSDP. The State was also eligible for additional borrowing of 0.50 *per cent* of GSDP, linked to the performance of the power sector. Against the GoI's permissible limit of borrowing of ₹ 1,06,688 crore for the FY 2023-24, GoWB has availed OMBs of ₹ 69,910 crore.

1.9 Impact of certain transactions on major fiscal indicators during the FY 2023-24

Scrutiny of certain major transactions during the FY 2023-24 revealed that RD and FD were affected by certain accounting adjustments (some of them are brought out in Notes to Finance Accounts) and through post audit analysis which are detailed in **Table 1.8.**

Table 1.8: Impact on revenue and fiscal deficits owing to certain major transactions during the FY 2023-24

Particulars	Impact on Revenue Deficit (Understated) (₹ in crore)	Impact on Fiscal Deficit (Understated) (₹ in crore)	Paragraph Reference
Short contribution to Consolidated Sinking Fund	1,644.68	1,644.68	2.12.3.1
Non-transfer of Cess to the specific fund	1,543.47	1,543.47	4.2
Misclassification between Capital and Revenue Expenditure	908.17	-	3.3.2
Non-recoupment of Contingency Fund drawal	0.32	52.98	2.11
Non-payment of interest despite delayed transfer of central share to the Single Nodal Agencies	1.35	1.35	2.5.3.2(a)
Total	**4,097.99**	**3,242.48**	

Source: Finance Accounts and Audit Analysis

As may be seen from **Table 1.8**, there was understatement of RD and FD, by ₹ 4,098 crore and ₹ 3,242 crore, respectively. Thus, the State's actual RD and FDs stood at ₹ 29,789 crore and ₹ 57,234 crore, respectively, instead of ₹ 25,691 crore and ₹ 53,992 crore (as mentioned in **Paragraph 1.7.3**).

1.10 Post Audit– Total Outstanding Debt

As per the WBFRBM Act, 2010, 'total liabilities' refer to the liabilities under the Consolidated Fund and the Public Account of the State, referred to in Article 266 of the Constitution of India. The outstanding debt/liabilities can be split into various components, as shown in **Table 1.9.**

Table 1.9: Components of Outstanding Debt/Liabilities as on 31 March 2024

Borrowings and other liabilities, as per Finance Accounts	Amount (₹ in crore)
Internal Debt (A)	**5,23,402**
Market Loans bearing interest	4,77,044
Bonds	2
Loans from Financial Institutions	8,379
Special Securities issued to the National Small Savings Fund of the Central Government	37,977
Loans and Advances from the Central Government (B)	**37,181**
Other Loans for States Schemes	25,876
Pre-1984-85 Loans	5
Non-Plan Loans	3,277
Loans for State/Central Plan Schemes	8,023
Liabilities under the Public Accounts (C)	**84,234**
Small Savings, Provident Funds, etc.	23,872
Reserve Funds	6,441
Deposits	53,921
Total (A+B+C)	**6,44,817**

Source: Finance Accounts

Out of the total outstanding debt/liabilities, as on 31 March 2024, Internal Debt constituted 81.17 *per cent,* followed by liabilities under the Public Account at 13.06 *per cent* and loans & advances from Central Government at 5.77 *per cent*.

GoWB did not disclose the off-budget liabilities in their budget documents/ annual financial statements and also intimated that there was no off-budget borrowing during the FY 2023-24. However, there were some borrowings, prior to 2023-24, by the Government for meeting its own commitments on various schemes, which were not routed through the budget as well as the accounts, and thus remained outside legislative control. These borrowings were raised on behalf of the State Government, through Government owned or controlled public sector enterprises or societies.

GoWB, during 2009-11, raised Cash Credit Loans (CCLs) through two State Public Sector Undertakings[6], for implementation of the scheme 'Potato Procurement 2010', in shape of off-budget borrowings. These borrowings were raised from the West Bengal Central Co-operative Bank. GoWB, during 2023-24, repaid ₹ 12.15 crore as principal and ₹ 2.43 crore as interest, to these entities, which was accounted for as Grants-in-Aid. At the end of 2023-24, repayment of ₹ 12.15 crore, towards principal, was due upto March 2024, from these two entities. Thus, Outstanding Debt/Liabilities of ₹ 6,44,817 crore, as on 31 March 2024, shown in the Finance Accounts, remained understated by ₹ 12.15 crore. This position of outstanding off-budget liability emerged from audit scrutiny, on a test basis. The State Government did not disclose all its off-budget liabilities in its budget documents/annual financial statements. Details of off-budget borrowings have been discussed in **Chapter II** of this Report.

[6] West Bengal State Co-operative Marketing Federation Limited (BENFED) and West Bengal State Consumers' Co-operative Federation Limited (CONFED)

CHAPTER II

Finances of the State

Chapter II Finances of the State

2.1 Introduction

This chapter provides a broad perspective of the finances of the State, analyses trends during FYs 2019-20 to 2023-24, debt sustainability of the State and key Public Account transactions based on the Finance Accounts of the State.

2.2 Major changes in key fiscal aggregates in FY 2023-24 *vis-à-vis* FY 2022-23

Major changes in key fiscal aggregates of the State during FY 2023-24, compared to the previous year, are given in **Table 2.1**.

Table 2.1: Changes in key fiscal aggregates in 2023-24 compared to 2022-23

Revenue Receipts	✓ Revenue Receipts of the State increased by 2.42 *per cent* ✓ Own Tax Receipts of the State increased by 7.63 *per cent* ✓ Own Non-Tax Receipts increased by 47.38 *per cent* ✓ State's Share of Union Taxes and Duties increased by 18.95 *per cent* ✓ Grants-in-aid from Government of India decreased by 42.38 *per cent*
Revenue Expenditure	✓ Revenue Expenditure increased by 1.40 *per cent* (1.81 *per cent* considering misclassification between Revenue and Capital Expenditure) ✓ Revenue Expenditure on General Services increased by 6.34 *per cent* ✓ Revenue Expenditure on Social Services decreased by 10.85 *per cent* (9.71 *per cent* considering misclassification between Social & Economic services and Revenue & Capital Expenditure) ✓ Revenue Expenditure on Economic Services increased by 37.39 *per cent* (35.89 *per cent* considering misclassification between Economic & Social services and Revenue & Capital Expenditure) ✓ Expenditure on Grants-in-aid and Contributions increased by 76.72 *per cent*
Capital Receipts	✓ Debt Capital Receipts increased by 14.13 *per cent* ✓ Non-debt Capital Receipts increased by 1,675.61 *per cent*
Capital Expenditure	✓ Capital Expenditure increased by 31.60 *per cent* (27.47 *per cent* considering misclassification between Revenue and Capital Expenditure)

	✓ Capital Expenditure on General Services decreased by 11.91 *per cent* ✓ Capital Expenditure on Social Services increased by 3.69 *per cent* (would decrease by 1.79 *per cent* considering misclassification between Revenue & Capital Expenditure) ✓ Capital Expenditure on Economic Services increased by 58.45 *per cent* (55.27 *per cent* considering misclassification between Revenue & Capital Expenditure)
Loans and Advances	✓ Disbursement of Loans and Advances increased by 40.53 *per cent* ✓ Recoveries of Loans and Advances increased by 1,675.61 *per cent*
Public Debt	✓ Public Debt Receipts increased by 14.13 *per cent* ✓ Repayment of Public Debt increased by 1.96 *per cent*
Public Account	✓ Public Account Receipts increased by 4.21 *per cent* ✓ Disbursement from Public Account increased by 3.82 *per cent*
Cash Balance	✓ Cash balance increased by 18.56 *per cent*

Source: Finance Accounts

Each of the above indicators is analysed in the succeeding paragraphs.

2.3 Sources and Application of Funds

Table 2.2 below compares the sources and application of funds of the State during 2023-24 with respect to 2022-23.

Table 2.2: Details of Sources and Application of funds during 2022-23 and 2023-24

Parameters	Particulars	2022-23	2023-24	Increase/Decrease (*percentage shown in brackets*)
		(₹ in crore)		
Sources	Opening Cash Balance with RBI	32,602	32,039	(-)563 (-1.73)
	Revenue Receipts	1,95,544	2,00,268	4,724 (2.42)
	Recoveries of Loans and Advances	82	1,456	1,374 (1,675.61)
	Misc. Capital Receipts	0	0	0
	Public Debt Receipts (Net)	40,475	49,820	9,345 (23.09)
	Contingency Fund	180	0	(-)180 (-100.00)
	Public Account Receipts (Net)	8,701	10,163	1,462 (16.80)
	Total	**2,77,584**	**2,93,746**	**16,162 (5.82)**
Application	Revenue Expenditure	2,22,839	2,25,959	3,120 (1.40)
	Capital Expenditure	22,009	28,963	6,954 (31.60)

Parameters	Particulars	2022-23	2023-24	Increase/Decrease (*percentage shown in brackets*)
		(₹ in crore)		
	Contingency Fund Disbursement	(-)48	42	90 (187.50)
	Disbursement of Loans and Advances	565	794	229 (40.53)
	Appropriation to Contingency Fund	180	0	(-)180 (-100.00)
	Closing Cash Balance with RBI	32,039	37,988	5,949 (18.57)
	Total	**2,77,584**	**2,93,746**	**16,162 (5.82)**

Source: Finance Accounts

Note: Revenue Expenditure (RE) of ₹ 908 crore in FY 2023-24, was incorrectly booked as Capital Expenditure (CE). Actual RE during FY 2023-24 would thus be ₹ 2,26,867 crore instead of ₹ 2,25,959 crore. Similarly, actual CE during FY 2023-24 would be ₹ 28,055 crore instead of ₹ 28,963 crore.

A. Sources of Funds:

Revenue Receipts, in the shape of State's own revenue (₹ 93,224 crore) and Central tax transfer and grants (₹ 1,07,044 crore), emerged as a major contributor to the State's resources during the FY 2023-24. Contribution of Revenue Receipts in the total resources of the State, decreased to 68.18 *per cent* in the current year from 70.44 *per cent* in the PY. Share of Net Public Debt Receipts[7], which is mainly backed by market borrowings and loans & advances from GoI, increased to 16.96 *per cent* from 14.58 *per cent* in the PY. The relative share of the other two major components, namely, opening cash balance with RBI and Net Public Account Receipts[8] changed to 10.91 and 3.46 *per cent* respectively from 11.74 and 3.13 *per cent* in the PY. The contribution through Non-Debt Capital Receipts, in the form of recovery of loans and advances, increased to 0.50 *per cent* from 0.03 *per cent* in the PY.

B. Application of Funds:

Out of the total resources mobilised in the current year, 44.25 *per cent* was spent on Committed Expenditure (₹ 1,29,976 crore) comprising salaries and wages (48.47 *per cent*), interest payments (32.79 *per cent*) and expenditure on pensions (18.74 *per cent*). From the balance, after accounting for CE (9.86 *per cent*), disbursement of loans and advances (0.27 *per cent*), contingency fund disbursement (0.01 *per cent*), and closing cash balance with RBI (12.93 *per cent*), Government was left with 32.68 *per cent* (₹ 95,983 crore) of its gross mobilisation for spending Revenue Expenditure on various purposes.

Charts 2.1 and **2.2** give the details of receipts into and expenditure from the Consolidated Fund during the FY 2023-24 in terms of percentages.

[7] Difference between the borrowings received and repayment of borrowings
[8] Difference between the receipts in Public Account and disbursements from Public Account

Chart 2.1: Composition of Resources

(in *per cent*)

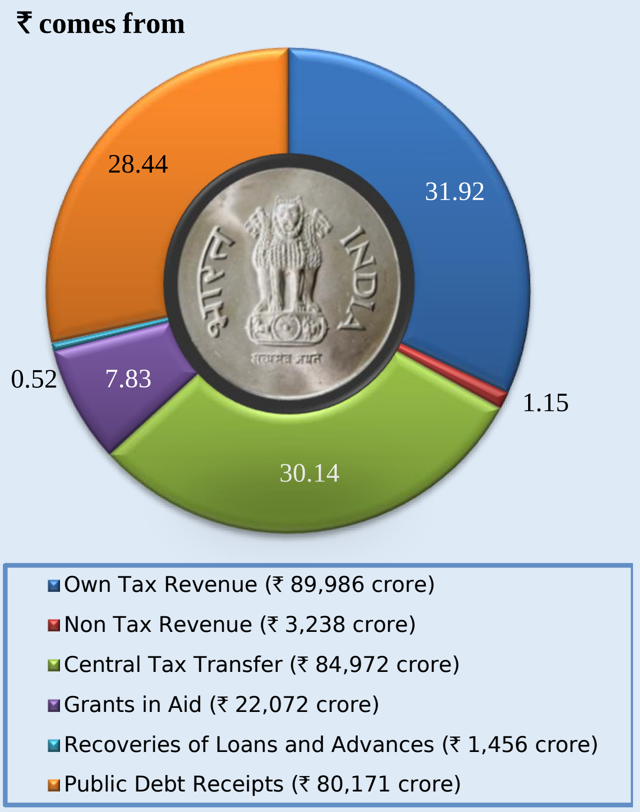
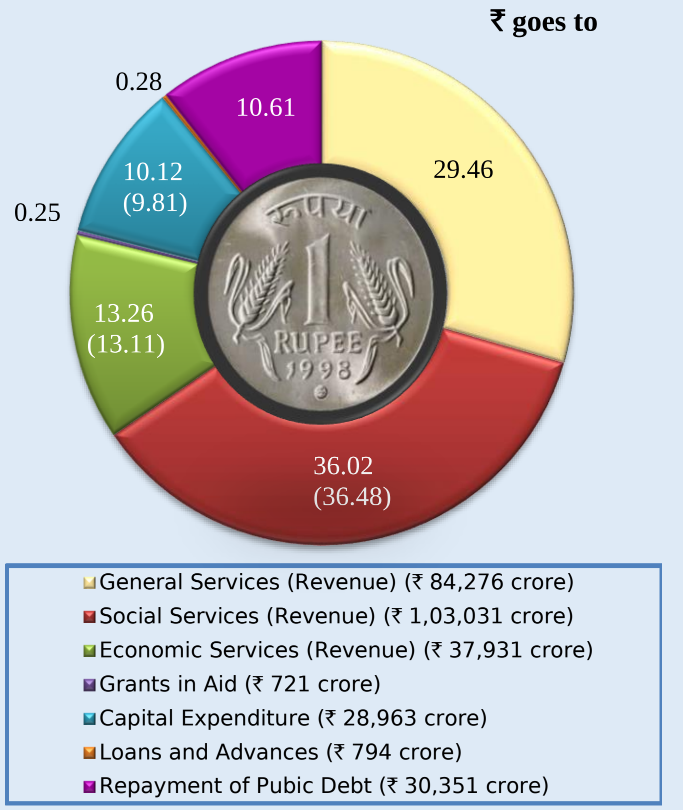


Chart 2.2: Application of Resources

(in *per cent*)



Source: Finance Accounts

Note 1: Revenue Expenditure (RE) of ₹908 crore (Social Sector: ₹545 crore and Economic Sector: ₹363 crore) in FY 2023-24 was incorrectly booked as Capital Expenditure (CE). Actual RE during the FY 2023-24 would thus be ₹2,26,867 crore instead of ₹2,25,959 crore. Similarly, actual CE during the FY 2023-24 would be ₹28,055 crore instead of ₹28,963 crore. Details of this misclassification has been shown in ***Paragraph 3.3.2.***

Note 2: During the FY 2023-24, RE of ₹618 crore was misclassified in Social Services (SS) instead of Economic Services (ES). Similarly, ₹1,395 crore misclassified in ES instead of SS. Details of this misclassification has been shown in ***Paragraph 2.7.*** *Revised percentage shares in the application of resources have been shown in brackets (****Chart 2.2****) after factoring the misclassification.*

Analysis revealed that:

- Revenue Expenditure was primarily met out of the Revenue Receipts, with Public Debt also being a contributor;
  - ➢ In General Services (Revenue) expenditure, Interest Payments comprised 50.57 *per cent* (₹ 42,621 crore)*;*
  - ➢ Beside Repayment of Public Debt (10.61 *per cent*), Interest Payments constituted 14.90 *per cent*, thereby taking overall Repayments to 25.51 *per cent* of the total expenditure in Consolidated Fund.

- The deficit in Consolidated fund was mainly financed through Public Debt Receipts (₹ 80,171 crore) while the remaining deficit was financed from the available balances held in Public Accounts.

Audit Impact

Analysis in the light of misclassification pointed out by audit, revealed that in the application of resources:

- Share of Social Services (Revenue) would increase to 36.48 *per cent* instead of 36.02 *per cent*.
- Share of Economic Services (Revenue) would decrease to 13.11 *per cent* instead of 13.26 *per cent*.
- Share of Capital Expenditure would decrease to 9.81 *per cent* instead of 10.12 *per cent.*

2.4 Resources of the State

The resources of the State are described below:

1. **Revenue Receipts** consist of State's own revenue comprising own tax revenue and Non-Tax Revenue, State's share of Union taxes and duties and grants-in-aid from the Government of India (GoI).

2. **Capital Receipts** (Debt and Non-Debt 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.

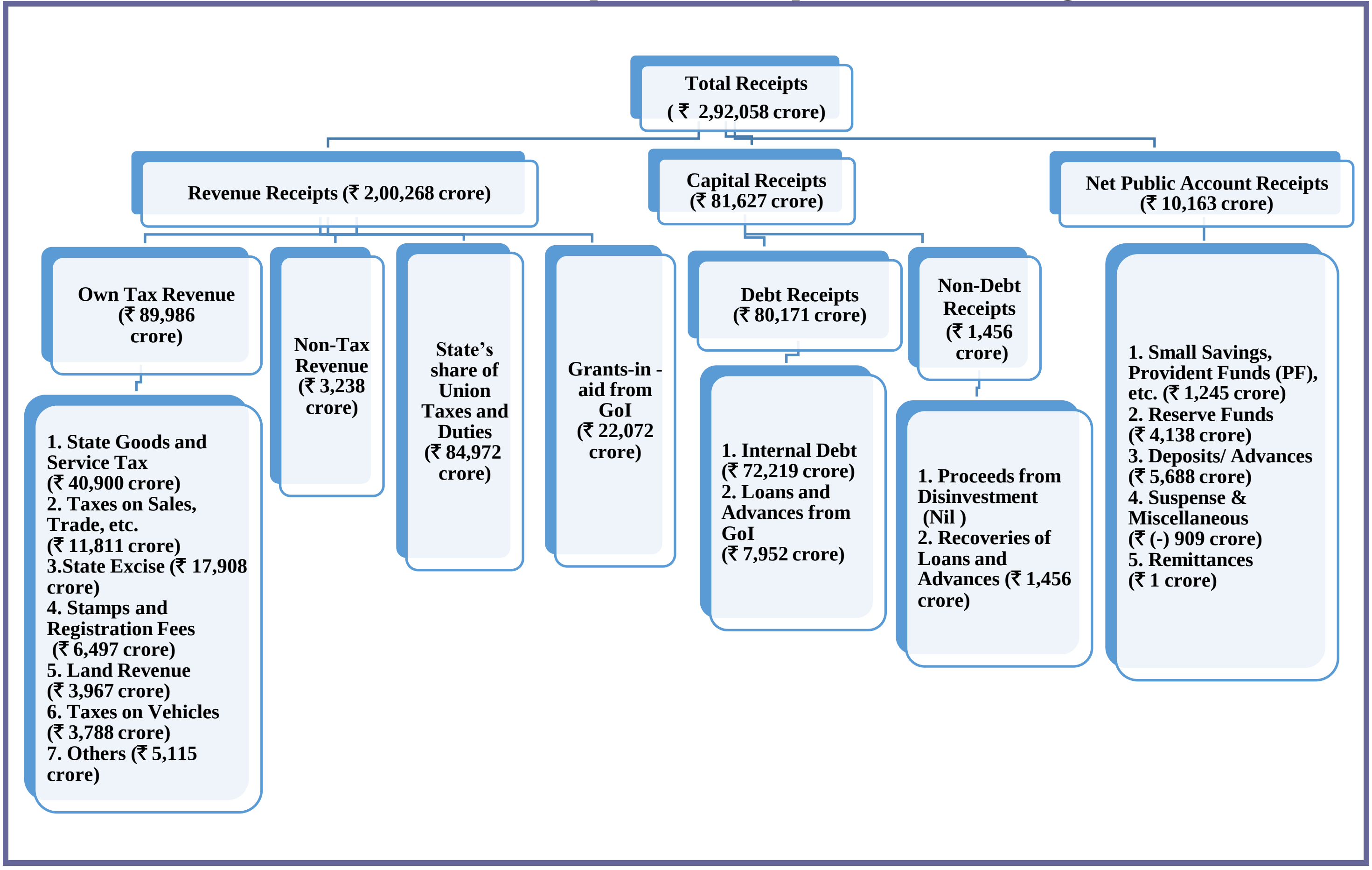
3. **Net Public Accounts Receipts:** There are receipts and disbursements in respect of certain transactions such as small savings & provident funds, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

   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.

2.4.1 Receipts of the State

Composition of receipts of the State during the FY 2023-24 is given in **Chart 2.3**.

Chart 2.3: Composition of receipts of the State during the FY 2023-24



Source: Finance Accounts

In total receipts during the FY 2023-24, contributions from Revenue Receipts, Capital Receipts and Net Public Account Receipts were 68.57, 27.95 and 3.48 *per cent* respectively, details of which have been discussed in subsequent paragraphs.

2.5 Revenue Receipts

2.5.1 Trends and growth of Revenue Receipts

Table 2.3 shows the trend in Revenue Receipts and its components as well as revenue buoyancy with respect to GSDP over the five-year period (2019-24).

Table 2.3: Trend in Revenue Receipts

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Receipts (RR) (₹ in crore)	1,42,914	1,48,394	1,78,159	1,95,544	2,00,268
Rate of growth of RR (in *per cent*)	(-)2.10	3.83	20.06	9.76	2.42
Tax Revenue (₹ in crore)	1,08,717	1,05,024	1,36,623	1,55,043	1,74,958
Own Tax Revenue (₹ in crore)	*60,669*	*60,287*	*71,082*	*83,608*	*89,986*
State's share of Union Taxes and Duties (₹ in crore)	*48,048*	*44,737*	*65,541*	*71,435*	*84,972*

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Non-Tax Revenue (₹ in crore)	3,213	5,198	1,690	2,197	3,238
Grants-in-aid from Government of India (₹ in crore)	30,984	38,172	39,846	38,304	22,072
Own Revenue (Own Tax and Non-Tax Revenue) (₹ in crore)	63,882	65,485	72,772	85,805	93,224
Rate of growth of Own Tax Revenue (in *per cent*)	(-)0.10	(-)0.63	17.91	17.62	7.63
Rate of growth of Own Revenue (in *per cent*)	(-)0.79	2.51	11.13	17.91	8.65
Gross State Domestic Product (₹ in crore) (2011-12 Series)	11,79,127	11,41,802	13,29,238	15,31,758	17,00,939
Rate of growth of GSDP (in *per cent*)	6.99	(-)3.17	16.42	15.24	11.04
RR/GSDP (in *per cent*)	12.12	13.00	13.40	12.77	11.77
Buoyancy Ratios[9]					
Revenue Buoyancy w.r.t GSDP	-*	-*	1.22	0.64	0.22
State's Own Tax Revenue Buoyancy w.r.t GSDP	-*	-*	1.09	1.16	0.69

Source: Finance Accounts
**Buoyancy Ratio was not calculated as the growth of GSDP/State's Own Tax Revenue/Revenue Receipts were negative.*

General trends relating to Revenue Receipts of the State are as follows:

- Revenue Receipts increased by ₹ 4,724 crore (2.42 *per cent*) in 2023-24 over the previous year backed by increase in State's share of Union Taxes and Duties by ₹ 13,537 crore (18.95 *per cent*), State's own tax revenue by ₹ 6,378 crore (7.63 *per cent*), Non-Tax Revenue by ₹ 1,041 crore (47.38 *per cent*), which were set-off by decrease in Grants-in-aid from GoI by ₹ 16,232 crore (42.38 *per cent*). Revenue Receipts grew at a CAGR of 8.80 *per cent* during 2019-20 to 2023-24.
- About 46.55 *per cent* of the Revenue Receipts in 2023-24 came from the State's own resources, while Central tax transfers and Grants-in-aid together contributed 53.45 *per cent*. This is indicative of the fact that West Bengal's fiscal position is largely dependent on Central transfers.
- In 2023-24, State's Own Tax Revenue Buoyancy with respect to GSDP decreased to 0.69 from 1.16 in the FY 2022-23. This meant that the growth of State's Own Tax Revenue did not keep pace with the growth of GSDP in the current fiscal.
- Revenue buoyancy with respect to GSDP measures the percentage change in the Revenue Receipts to the percentage change in GSDP. As can be seen from **Table 2.3** above, Revenue buoyancy during FYs 2022-23 and 2023-24 remained lower than one and kept decreasing which represents that

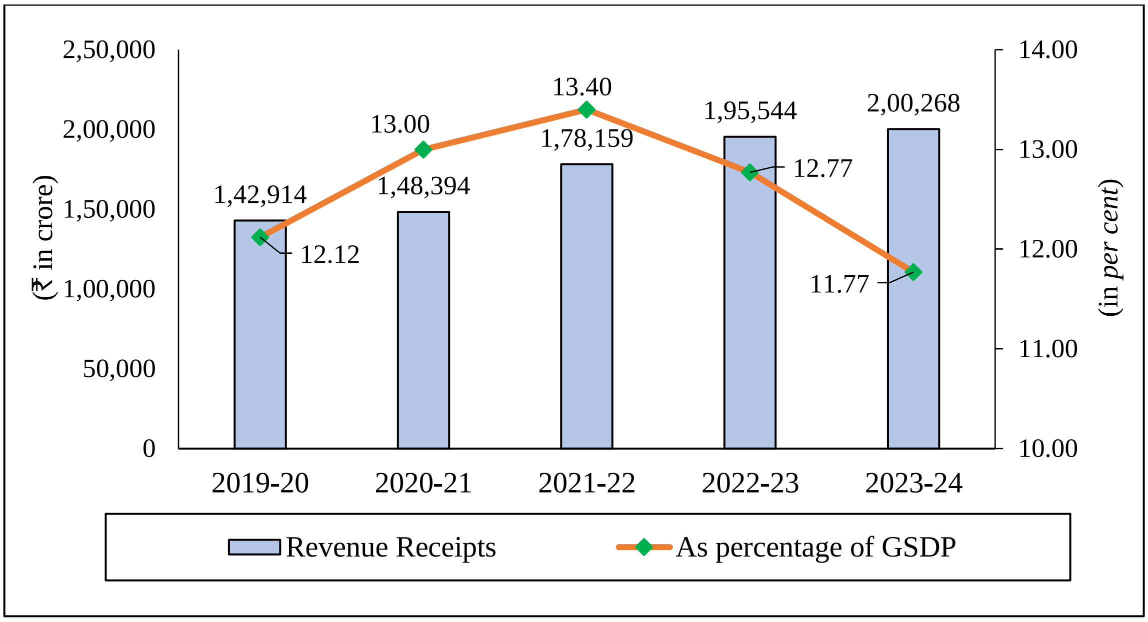
[9] Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.85 implies that Revenue Receipts tend to increase by 1.85 percentage points, if the GSDP increases by one *per cent*.

Revenue Receipts have not kept pace with the rate of growth of GSDP.

- There was wide fluctuation in the revenue buoyancy of the State, as extraneous factors such as Finance Commission (FC) Award (14th FC from the FY 2014-15 to FY 2019-20 and 15th FC from the FY 2020-21), implementation of GST (from 2017-18 onwards) and lockdown owing to COVID-19 pandemic (from the end of March 2020 to September 2020 and May 2021), impacted the actual receipts under different components of revenue.

Trends of Revenue Receipts are shown in **Chart 2.4.**

Chart 2.4: Trends of Revenue Receipts

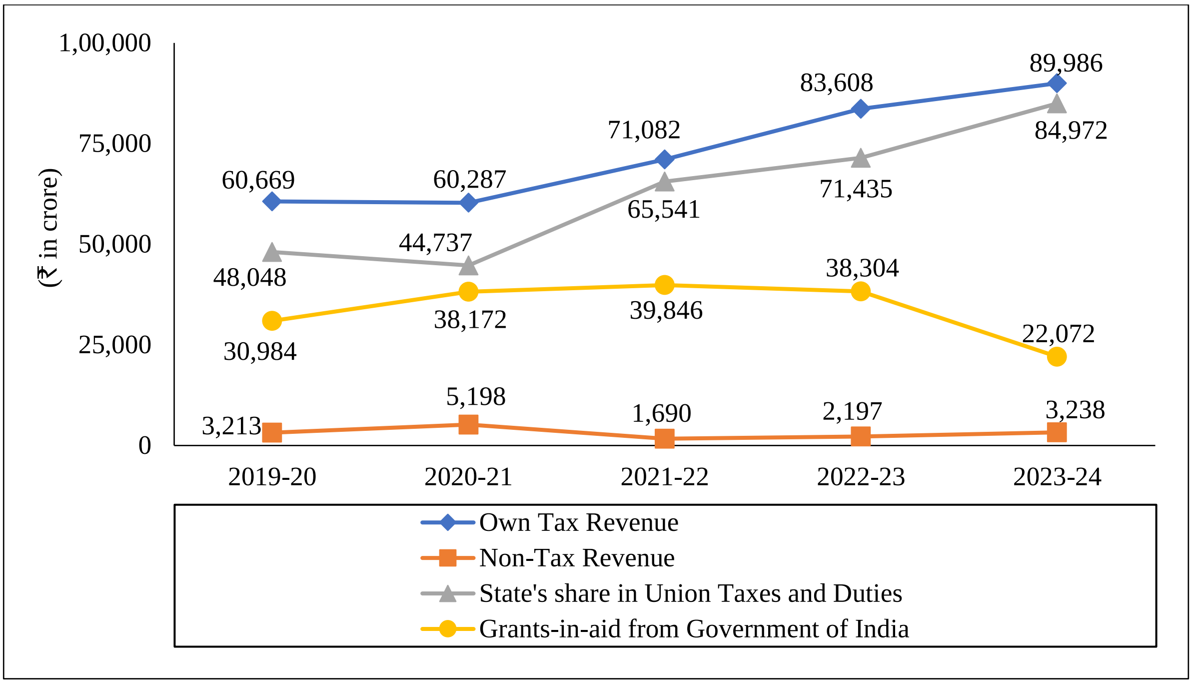


Source: Finance Accounts

Chart 2.4 shows that Revenue Receipts, as a percentage of GSDP, decreased to 11.77 in 2023-24, from the level of 13.40 in 2021-22, which indicates that the growth of Revenue Receipts was not commensurate with the growth of GSDP.

Trends in composition of Revenue Receipts are given in **Chart 2.5** wherein it shows that OTR and State's share in Union Taxes and Duties continuously increased from 2021-22 to 2023-24 after a dip in collection in 2020-21 owing to the effect of COVID-19 Pandemic.

Chart 2.5: Trends of components of Revenue Receipts



Source: Finance Accounts

2.5.2 State's Own Resources

2.5.2.1 Own Tax Revenue

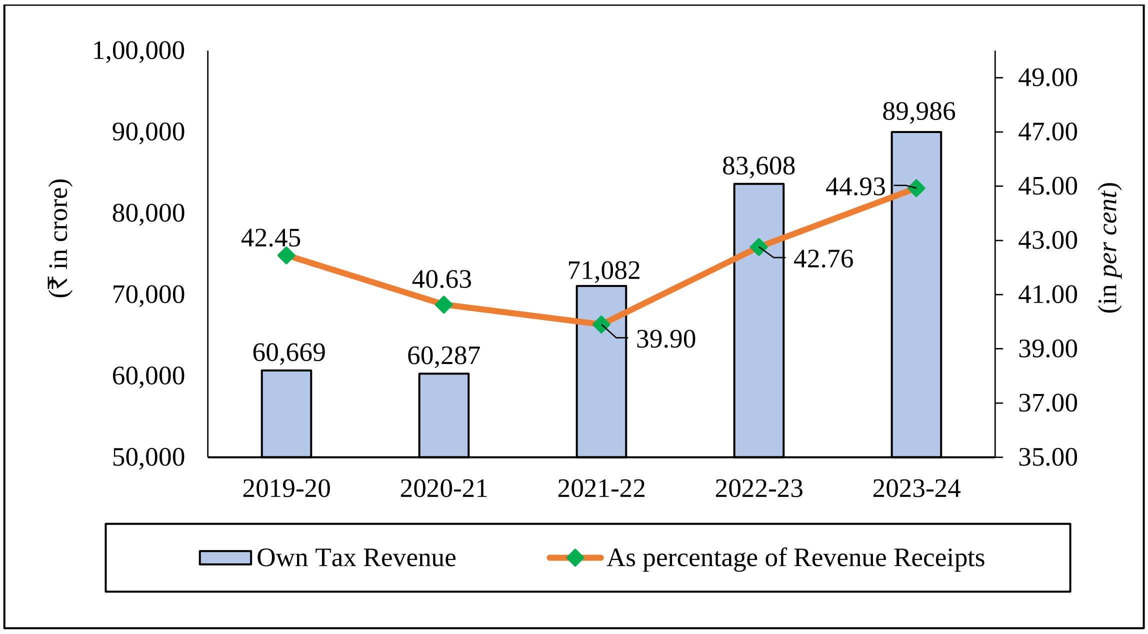
State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

The gross collections in respect of major Tax and Non-Tax Revenue and their relative share in GSDP from FYs 2019-20 to 2023-24 are given in ***Appendix 2.1***.

Own tax revenue (OTR) of the State consists of State Goods and Services Tax (SGST), State excise, taxes on vehicles, stamps and registration fees, land revenue and taxes on goods and passengers, etc.

Trends of Own Tax Revenue and analysis of its components from FYs 2019-20 to 2023-24, are shown in **Chart 2.6** and **Table 2.4** respectively.

Chart 2.6: Trends of Own Tax Revenue during the FYs 19-24



Source: Finance Accounts

Table 2.4: Components of State's Own Tax Revenue

(₹ in crore)

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	Sparkline
Sales Tax	7,161	9,394	9,951	11,840	11,811	
SGST	27,308	26,013	31,271	37,967	40,900	
State Excise	11,232	10,666	13,542	16,266	17,908	
Taxes on Vehicles	2,601	2,336	2,647	3,392	3,788	
Stamps and Registration Fees	6,026	5,528	7,366	6,876	6,497	
Land Revenue	2,728	2,756	2,743	3,173	3,967	
Taxes on Goods and Passengers[10]	34	322	5	0	645	
Other Taxes	3,579	3,272	3,557	4,094	4,470	
Total	**60,669**	**60,287**	**71,082**	**83,608**	**89,986**	
Percentage increase over the previous year	(-)0.10	(-)0.63	17.91	17.62	7.63	

Source: Finance Accounts

OTR as a percentage of Revenue Receipts increased to the highest level of 44.93 *per cent*, during 2023-24, from the level of 42.76 *per cent* during the FY 2022-23 (**Chart 2.6**). Revenue collection dropped in the FY 2020-21 owing to imposition of full/partial lockdowns for COVID-19 pandemic. The easing of lockdown restrictions and lifting of preventive measures from July 2021 had a positive impact on the collection of State's OTR during 2021-22. Higher

[10] Revenue collection under taxes on goods and passengers being 'Nil' in 2022-23, was due to this tax being subsumed in GST.

collection of revenues helped to raise the OTR collections by 7.63 *per cent* during the FY 2023-24 over the FY 2022-23. This may be corroborated from the fact that collection from three major components of OTR i.e., SGST, State Excise and Land Revenue increased by ₹ 2,933 crore (7.73 *per cent*), ₹ 1,642 crore (10.09 *per cent*) and ₹ 794 crore (25.02 *per cent*), respectively, over the FY 2022-23 (**Table 2.4**). This was partly counterbalanced by a decrease in collection from Stamp duties and Registration fees by ₹ 379 crore (5.51 *per cent*). Nevertheless, collection from this component was much higher than the pre-pandemic period, since, effective 9 July 2021 to 30 June 2024, the State Government had allowed rebate of two *per cent* in stamp duty for registration of sale or lease of land, houses or flats, as well as 10 *per cent* reduction in circle rate for all immovable properties.

(a) Arrears of revenue

The arrears of revenue indicate delayed realisation of revenue due to the Government. Tax revenue raised but not realised, in respect of principal taxes, at the end of the FY 2023-24, is shown in **Table 2.5**.

Table 2.5: Tax Revenues raised but not realised in respect of principal taxes

Sl. No.	Head of Revenue	Amount outstanding as on 31 March 2024 (₹ in crore)
1	Agricultural Income Tax	28
2	Rural Employment & Primary Education Cess on Tea Estate	50
3	Stamps and Registration Fees	102
4	State Excise	22
5	VAT, Central Sales Tax	7,959
6	Electricity Duty	112
7	Entertainment Tax and Luxury Tax	62
Total		**8,335**

Source: MTFPS 2024-25

The MTFPS, presented with the Budget 2024-25, revealed that, at the end of the FY 2023-24, arrears in realisation of revenue were ₹ 8,335 crore. Against these arrears, there was no dispute regarding realisation of ₹ 1,279 crore, of which cases exceeding one to two years involved ₹ 45 crore, two to five years ₹ 37 crore, five to 10 years ₹ 1,026 crore and more than 10 years ₹ 171 crore. The circumstances under which the revenue of ₹ 1,279 crore had not been realised were not explained in the MTFPS. As mentioned above, undisputed arrears, on account of revenue lying unrealised for periods ranging between one year and more than 10 years, adversely affects both the Revenue Receipts as well as the Revenue Deficit.

(b) Evasion of tax detected

The cases of evasion of tax detected, cases finalized and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. These details, as reported by the Finance Department, are depicted in **Table 2.6**.

Table 2.6: Details of evasion of tax detected by the Department

Head of revenue	Cases of evasion detected during 2017-18 to 2023-24	Against cases of tax evasion detected, no. of cases in which assessment / investigation completed and additional demand with penalty, etc. raised		No. of cases pending for finalisation as on 31 March 2024
		No. of cases	Amount of demand (₹ in crore)	
GST	37,656	28,834	18,888	8,822

Source: Departmental Information

Table 2.6 disclosed that assessment pertaining to 23.43 *per cent* cases of tax evasion detected by the Department remained outstanding at the end of the FY 2023-24.

(c) Outstanding refund cases

Promptness in disposal of refund cases is an important indicator of the performance of the Department concerned. Details of refund cases that remained outstanding in respect of Goods and Services Tax (GST), Sales Tax/VAT and State Excise, are shown in **Table 2.7**.

Table 2.7: Details of refund cases

Sl. No.	Head of revenue	Claim of outstanding at the beginning of 2023-24		Claim of outstanding at the end of 2023-24	
		No. of cases	Amount (₹ in crore)	No. of cases	Amount (₹ in crore)
1.	GST	1,601	378	1,842	668
2.	Sales Tax/ VAT	35	24	53	13
3.	State Excise	-	-	226	96
	Total	**1,636**	**402**	**2,121**	**777**

Source: Departmental Information

Table 2.7 depicted that in the current year, the total outstanding refund cases increased by 485 (29.65 *per cent*) over the PY while the amount involved against the refund cases increased by ₹ 375 crore (93.28 *per cent*). This was attributed to an increase in the balance of GST. During the FY 2023-24, refunds of ₹ 1,910 crore and ₹ 120 crore, were made under GST and Sales Tax/VAT, respectively.

2.5.2.2 Non-Tax Revenue

Non-Tax Revenue (NTR) of the State consists of interest earned from investment of surplus cash balances, dividends from State Public Sector Enterprises (SPSEs), collection of user charges/fees & fines etc.

Components of State's NTR, from the FYs 2019-20 to 2023-24, are given in **Table 2.8**.

Table 2.8: Components of State's NTR

(₹ in crore)

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	Sparkline
Interest Receipts	321	2,824	306	318	274	
Dividend and Profits	82	2	158	165	289	
Other Non-Tax Receipts, *of which*	2,810	2,372	1,226	1,714	2,675	
(i) Major and Medium Irrigation	15	4	5	10	14	
(ii) Road Transport and Roads & Bridges	64	62	67	136	90	
(iii) Urban Development	26	29	61	58	121	
(iv) Education, Sports, Art and Culture	63	30	55	94	122	
(v) Non-Ferrous Mining	215	173	195	331	585	
(vi) Others or Misc.	2,427	2,074	843	1,084	1,743	
Total	**3,213**	**5,198**	**1,690**	**2,197**	**3,238**	
Percentage increase over the previous year	(-)12.14	61.78	(-)67.49	30.00	47.38	

Source: Finance Accounts

During the FY 2023-24, West Bengal's collection of NTR (₹ 3,238 crore) was lowest amongst the General States[11] (GS) of India, despite increase in collection of ₹ 1,041 crore (47.38 *per cent*) over the FY 2022-23. In the current FY, contribution of NTR in Revenue Receipts of the State increased to 1.62 *per cent* from 1.12 *per cent* in FY 2022-23. This was mainly due to increase in collection of (i) dividends from Public Undertakings by ₹ 190 crore (198 *per cent*) and (ii) interest earned on unspent bank balances of SNAs' Accounts by ₹ 181 crore (115 *per cent*).

[11] States other than North Eastern & Himalayan States (erstwhile General Category States)

2.5.2.3 Accounting of interest receipts on unspent State scheme funds lying outside the State Exchequer

The State Finances Audit Report for the year ended March 2022 had highlighted that interest on state scheme funds, amounting to ₹ 380.50 crore[12], was lying in the savings accounts of the commercial banks and had not been accounted as Non-Tax Revenue of the State for the FY 2021-22.

Audit noticed that no mechanism for accounting of these interest receipts on the unspent funds towards State schemes lying outside the State exchequer, had yet been framed (March 2024) by the Government. As a result, the State's Revenue Receipts remained understated to that extent. Further, the possibility of diversion/misappropriation of interest receipts could not be ruled out.

2.5.2.4 State's performance in mobilisation of resources

State's performance in mobilisation of resources is assessed in terms of its own resources comprising own tax and non-tax sources. The budget presented by the State Government indicates projections/estimations of revenue and expenditure for a particular fiscal year. Deviations from budget estimates are indicative of non-attainment/non-optimisation of desired fiscal objectives, due to a variety of factors, some of which are within the control of the Governments while some are beyond its control. **Table 2.9** presents the Tax and Non-Tax receipts *vis-à-vis* assessment of 15th FC and Budget projections during 2023-24.

Table 2.9: Tax and Non-Tax Revenue *vis-à-vis* projections during 2023-24

Resources	15th FC projections	Budget Estimates	Actual	Percentage variation of actual over	
	(₹ in crore)			15th FC projections	Budget estimates
Own Tax Revenue	82,888	88,595	89,986	8.56	1.57
Non-tax Revenue	3,921	6,377	3,238	(-)17.42	(-)49.22

Source: 15th FC Report, Budget Publications and Finance Accounts

As seen from the table, the actuals of OTR were higher than the 15th FC projections and budget estimates by 8.56 and 1.57 *per cent* respectively. The increase in OTR with respect to Budget Estimates was primarily due to the collection from SGST being at ₹ 40,900 crore, against the budget estimates of ₹ 37,792 crore.

However, in the case of NTR, actuals were substantially lower than the budget estimates and 15th FC projections, by 49.22 and 17.42 *per cent*, respectively, indicating non-attainment of the desired objectives.

It was observed that both the OTR and NTR, with respect to GSDP, being at 5.29 and 0.19 *per cent*, respectively, were lower than the General State's average of 6.55 and 1.07 *per cent*. The above ratio suggests that the revenue collection mechanism of the State Government needs to be strengthened, to augment its revenue.

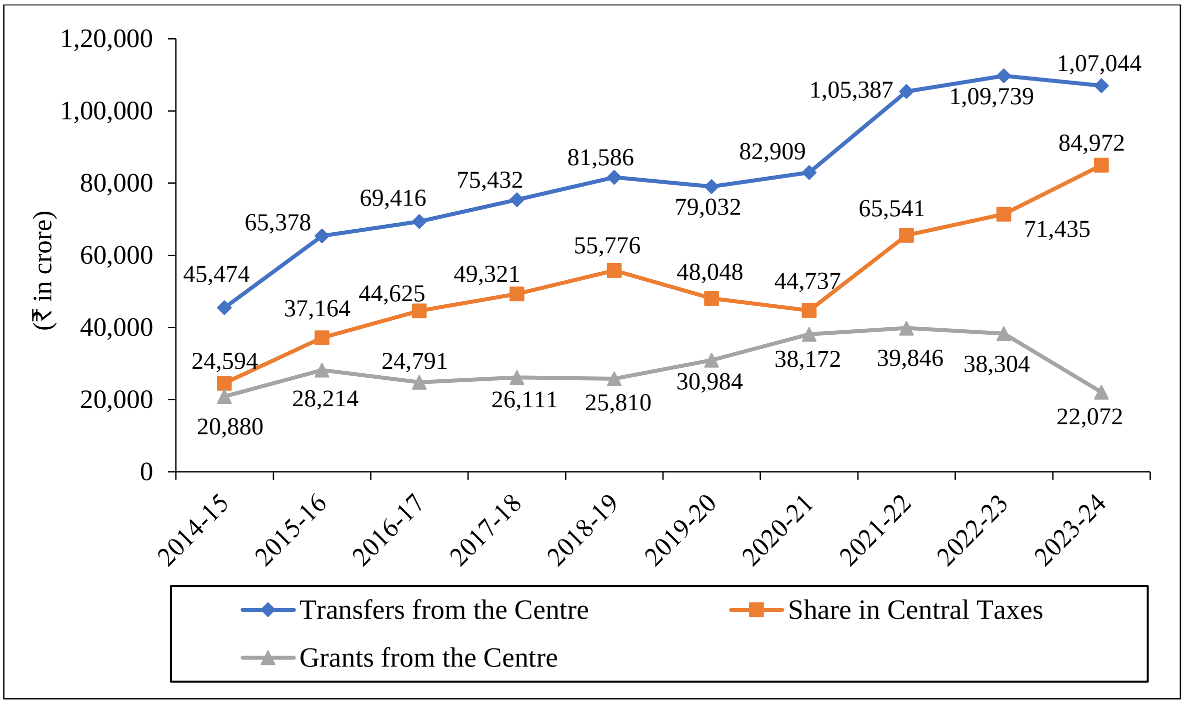
[12] ₹ 312.85 crore for Krishak Bandhu, ₹ 60.20 crore for Food & Supplies Department and ₹ 7.45 crore for Lakshmir Bhandar

2.5.3 Transfers from the Centre

State's share in Central taxes is determined on the basis of recommendations of the Finance Commission. Grants-in-aid from the Central Government are determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes, etc.

Trends in transfers from the Centre for the last ten years are shown in **Chart 2.7**.

Chart 2.7: Trends in transfers from Centre



Source: Finance Accounts

2.5.3.1 Central Tax Transfer

The two main components of transfers from the GoI are Central tax transfers *i.e.*, State's share in Union taxes & duties and Grants-in-aid.

During the FY 2023-24, Central transfers decreased to ₹ 1,07,044 crore from ₹ 1,09,739 crore in the FY 2022-23, mainly due to decrease in Grants-in-Aid from the Government of India by 42.38 *per cent*.

The Fifteenth Finance Commission (15th FC) recommended that the States' share of Central taxes be fixed at 41 *per cent* during 2021-26, down from 42 *per cent* of shareable proceeds as recommended by the Fourteenth Finance Commission (14th FC) during 2016-20. In addition to the above, West Bengal's share in the net proceeds of Central taxes (divisible pool) was revised to 7.523 *per cent* of shareable proceeds under the 15th FC from 7.324 *per cent* (in case of taxes other than service tax) and 7.423 *per cent* (in respect of service tax) during 14th FC.

Trends in components of Central Tax Transfers are shown in **Table 2.10**.

Table 2.10: Central Tax Transfers **(₹ in crore)**

Head	2019-20	2020-21	2021-22	2022-23	2023-24
Central Goods and Services Tax (CGST)	13,635	13,282	19,025	20,187	25,788
Corporation Tax	16,383	13,508	18,165	23,946	25,505
Taxes on Income other than Corporation Tax	12,837	13,849	19,791	23,383	29,454
Customs	3,046	2,368	4,892	2,808	2,978
Union Excise Duties	2,117	1,502	2,715	881	1,127
Service Tax	0	195	880	112	16
Other Taxes[13]	30	33	73	118	104
Total Central Tax transfers	**48,048**	**44,737**	**65,541**	**71,435**	**84,972**
Percentage increase over the previous year	(-)13.86	(-)6.89	46.50	8.99	18.95
Percentage of total Central tax transfers to Revenue Receipts	33.62	30.15	36.79	36.53	42.43

Source: Finance Accounts

During the FY 2023-24, Central Tax Transfers, with respect to the GSDP of the State (5.00 *per cent*), were higher than the average in case of other General States (3.67 *per cent*). The Central tax transfers, at ₹ 84,972 crore, in the FY 2023-24, increased by 18.95 *per cent* (₹ 13,537 crore) over the PY. Increase in the transfer of shareable proceeds from direct taxes and indirect taxes contributed to this rise. In direct taxes, increase was mainly noticed under (a) Taxes on Income other than Corporation tax by ₹ 6,071 crore (25.96 *per cent*) and (b) Corporation Tax by ₹ 1,559 crore (6.51 *per cent*). In the case of indirect taxes, the growth was on account of increase in transfers under (i) CGST by ₹ 5,601 crore (27.75 *per cent*) and (ii) Union Excise Duties by ₹ 246 crore (27.92 *per cent*), set off by decreases in Service Tax by ₹ 96 crore (85.71 *per cent*).

2.5.3.2 Grants-in-aid from Government of India

During the FY 2023-24, Grants-in-aid (GIA) from GoI, with respect to GSDP (1.30 *per cent*), were lower than the General States's average (1.40 *per cent*). Trends of GIA from GoI and its components are shown in **Table 2.11**.

Table 2.11: Grants-in-aid from Government of India

(₹ in crore)

Head	2019-20	2020-21	2021-22	2022-23	2023-24
Grants for Centrally Sponsored Schemes	16,963	17,604	11,077	9,858	7,112
Finance Commission Transfers	6,025	12,351	23,517	19,824	14,614
Other Transfer/Grants to States/Union Territories with Legislature	7,996	8,217	5,252	8,622	346
Total Grants	**30,984**	**38,172**	**39,846**	**38,304**	**22,072**
Percentage increase over the previous year	20.05	23.20	4.39	(-)3.87	(-)42.38
Percentage of GIA to Revenue Receipts	21.68	25.72	22.37	19.59	11.02

Source: Finance Accounts

Grants from Government of India decreased by ₹ 16,232 crore (42.38 *per cent*) over the previous year, to ₹ 22,072 crore in the FY 2023-24. This was mainly due to decrease in Finance Commission Transfers and Other Transfer/Grants to States, reasons for which have been discussed in succeeding paragraphs.

[13] Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on commodities and Services

Grants 'in kind' from GoI

LMMHA[14] issued by the CGA[15], GoI stipulates that value of the material received as aid to the State Government is to be credited in the functional Major Head '1601-Grants-in-aid from the Central Government'. The PFMS portal of the MoHFW[16] showed that GoI during FY 2023-24 had issued sanctions amounting to ₹ 354.86 crore, being the cost adjustment of vaccine/drugs/other consumables supplies 'in kind', given to the GoWB. State Government, during the FY 2023-24, issued necessary sanction orders, enabling credit of ₹ 354.86 crore in the State accounts.

(a) Grants for Centrally Sponsored Schemes

During the FY 2023-24, grants for Centrally Sponsored Schemes decreased by 27.85 *per cent* to ₹ 7,112 crore, details of which are as under:

- Pradhan Mantri Poshan Shakti Nirman (PM-POSHAN) (Nil grants[17]; a decrease of 100 *per cent* from ₹ 1,489 crore in the FY 2022-23);
- Samagra Shiksha (₹ 311 crore; a decrease of 79.57 *per cent* from ₹ 1,522 crore in FY 2022-23);
- Atal Mission for Rejuvenation and Urban Transformation (AMRUT) (₹ 60 crore; a decrease of 87.90 *per cent* from ₹ 496 crore in FY 2022-23);
- Flexible pool for RCH[18] and Health system functioning, National Health Programme and National Urban Health Mission (₹ 634 crore; a decrease of 30.71 *per cent* from ₹ 915 crore in FY 2022-23); and
- Pradhan Mantri Gradm Sadak Yojna (PMGSY) (₹ 99 crore; a decrease of 74.02 *per cent* from ₹ 381 crore in FY 2022-23).

Single Nodal Agency (SNA)- As per the newly introduced procedure of the GoI, release of funds under Centrally Sponsored Schemes (CSSs) is being operated through SNAs with effect from 1 July 2021. In West Bengal, 75 CSSs were found to be operating under the SNA mode. As per PFMS portal, GoWB transferred Central Share of ₹ 6,703 crore and State Share of ₹ 14,335 crore to the SNAs and charged the transfers to various expenditure heads. It was observed that an amount of ₹ 15,838 crore was lying unspent in the SNAs as of March 2024. Since the actual payments/ expenditure from SNA accounts are not routed through the Treasury, Audit could not examine the regularity, extent of occurrence, appropriate classification of expenditure and the purpose for which the funds were actually utilized.

Pursuant to GoI's directive (February 2023), from the FY 2023-24, the State Government was to transfer the Central share to the SNAs within 30 days of receipt of the fund from the GoI. In case of delay in transfer of funds beyond 30 days, penal interest at the rate of seven *per cent* per annum was to be charged and the fund along with the interest was to be transferred to the SNAs. In the FY

[14] List of Major and Minor Heads of Accounts
[15] Controller General of Accounts
[16] Ministry of Health and Family Welfare
[17] ₹ 0.03 lakh
[18] Rural Child Health

2023-24, there were delays (of one to 40 days) in transfers of Central share to the SNAs involving ₹ 24.12 crore in respect of 40 CSSs. However, the State Government did not pay interest of ₹ 1.35 crore for this delay. Non-payment of interest understated the RD and FD to that extent (**Table 1.8**).

(b) Fifteenth Finance Commission Transfers

During 2023-24, GoI released Fifteenth Finance Commission (15th FC) grants of ₹ 13,014 crore[19], against the allocation of ₹ 15,512 crore. The released grants included Post Devolution Revenue Deficit grants of ₹ 8,353 crore, local bodies grants of ₹ 3,546 crore and grants for State Disaster Response and Mitigation of ₹ 1,115 crore. Release of grants by GoI, *vis-à-vis* the allocations, recommended by 15th FC, during 2023-24, are detailed in **Table 2.12**.

Table 2.12: Release of 15th FC grants with respect to the allocation during the FY 2023-24

Sl. No.	Grants recommended by the 15th FC	Allocation	Actual release	Short/Non release
			(₹ in crore)	
1.	**Post Devolution Revenue Deficit Grants**	**8,353.00**	**8,353.00**	**-**
2.	**Grants to Local Bodies (A+B+C)**	**6,044.49**	**3,545.70**	**2,498.79**
(A)	**Grants to Rural Local Bodies (RLBs)**	**3,415.00**	**3,386.70**	**28.30**
	(i) Grants to RLBs (Tied grants)	2,049.00	2,033.23	15.77
	(ii) Grants to RLBs (Untied grants)	1,366.00	1,353.47	12.53
(B)	**Grants to Urban Local Bodies (ULBs)**	**1,759.00**	**159.00**	**1,600.00**
	(i) Grants to ULBs for Non-Million Plus Cities (Tied grants)	639.60	-	639.60
	(ii) Grants to ULBs for Non-Million Plus Cities (Untied grants)	426.40	-	426.40
	(iii) Grants to ULBs for Million Plus Cities in respect of Air Quality Improvement	231.00	159.00	72.00
	(iv) Grants to ULBs for Million Plus Cities in respect of Service level benchmarks for urban drinking water supply, sanitation and solid waste management	462.00	-	462.00
(C)	**Health Grant for Local Bodies**	**870.49**	**-**	**870.49**
	(i) Support to Diagnostic Infrastructure in the primary health care facilities of the Sub Centres	102.26	-	102.26
	(ii) Support to Diagnostic Infrastructure in the primary health care facilities of the PHCs	111.32	-	111.32
	(iii) Support to Diagnostic Infrastructure in the primary health care facilities of the Urban PHCs	27.82	-	27.82
	(iv) Financial requirement for establishing Block Level Public Health Units	72.69	-	72.69
	(v) Urban Health & Wellness Centres (UHWCs)	302.31	-	302.31
	(vi) Grants for Building-less Sub Centres, PHCs and CHCs	51.46	-	51.46

[19] This excludes grants released during FY 2023-24 to (i) RLBs (₹ 43.98 crore for FY 2021-22 and ₹ 85.15 crore for FY 2022-23), (ii) ULBs (₹422 crore for the FY 2021-22 and ₹ 941 crore for the FY 2022-23), (iii) Health (₹ 2.34 crore for the FY 2022-23) and (iv) SDMF (₹ 106.20 crore for the FY 2022-23).

Sl. No.	Grants recommended by the 15th FC	Allocation	Actual release	Short/Non release
		(₹ in crore)		
	(vii) Conversion of Rural PHCs and SCs into Health and Wellness Centre	202.63	-	202.63
3.	**Grants for Disaster**	**1,115.00**	**1,115.00**	-
	(i) State Disaster Response Fund (SDRF)	892.00	892.00	-
	(ii) State Disaster Mitigation Fund (SDMF)	223.00	223.00	-
	Total (1+2+3)	**15,512.49**	**13,013.70**	**2,498.79**

Source: 15th FC Report and Departmental records

Details of 15th FC grants have been described below:

(A) Post Devolution Revenue Deficit Grants

15th FC, based upon its assessment of the revenue and expenditures of the State, calculated pre-devolution Revenue Deficits. The post-devolution revenue deficit (PDRD) was derived from the assessed devolution of taxes, based on the horizontal devolution formula factoring the weightages assigned for each criterion[20], as mentioned in the 15th FC Report. States which had still shown a Revenue Deficit after apportioning devolutions, were recommended PDRD grants. Being a Revenue Deficit State, the 15th FC recommended PDRD grants of ₹ 45,128 crore to West Bengal from the FYs 2020-21 to 2024-25 (**Table 2.13**). These grants were provided in a manner so that the Revenue Deficit could taper off in successive years.

Table 2.13: Details of PDRD Grants recommended for the period 2020-25

Year	PDRD Grants recommended by 15th FC
	(₹ in crore)
2020-21	5,013
2021-22	17,607
2022-23	13,587
2023-24	8,353
2024-25	568
Total	**45,128**

Source: 15th FC Report

Table 2.13 shows that around 99 *per cent* of the total grants were awarded in the first four years. As the grants will be substantially lower in the fifth year (FY 2024-25), the State therefore needs to augment its own sources of revenue and/or reduce expenditure, to maintain the revenue balance. The PDRD grants provided to West Bengal, upto the FY 2023-24, and the actual Revenue Deficit registered, are shown in **Table 2.14**.

[20] Population (15 *per cent*), Area (15 *per cent*), Forest and ecology (10 *per cent*), Income distance (45 *per cent*), Tax and fiscal efforts (2.50 *per cent*) and demographic performance (12.50 *per cent*)

Table 2.14: Details of receipt of PDRD Grants

Name of FC	Year	PDRD Grants	Actual Revenue Deficit
		(₹ in crore)	
14th FC	2015-16	8,449	9,095
	2016-17	3,311	16,086
15th FC	2020-21	5,013	29,527
	2021-22	17,607	32,000
	2022-23	13,587	27,295
	2023-24	8,353	25,691

Source: FC Reports and Finance Accounts

Thus, the State Government had failed to contain the RD, despite receipt of PDRD grants from GoI. Recurring RD by the State also reduced the fiscal space available for undertaking Capital Expenditure (spending towards creation of assets).

(B) Short/non-receipt of 15th FC Grants from the GoI

As shown in **Table 2.12**, there was a short receipt of grants, amounting to ₹ 2,499 crore, from the GoI.

- In regard to untied grants, the 15th FC had not mentioned any conditionalities for release. However, reasons for short/non-receipt of untied grants amounting to ₹ 439 crore[21], for Local Bodies, were not found on record.
- Finance Department, despite pursuance, did not furnish reasons for short/non-receipt of tied grants, amounting to ₹ 655 crore[22], from the GoI.

(C) Avoidable payment of Interest

The 15th FC provided that the States should release grants to local bodies within 10 working days of their being credited to the State Government's account by the Government of India. Any delay in the release of above grants would attract penal interest, as per the effective rate of interest on market borrowings/State Development Loans for the previous year.

It was observed that 15th FC grants of ₹ 3,862.63 crore[23] had been released with delays ranging between five and 83 days, due to which GoWB had to pay interest of ₹ 7.63 crore[24] during the FY 2023-24.

The Finance Department did not furnish reasons for delayed disbursements of FC grants by GoWB, despite being called for (June 2024).

(c) Other Transfer/Grants to States

In the category 'Other Transfer/Grants to States', the State received GIA of ₹ 346 crore, a decrease of nearly 96 *per cent* over the previous year. Discontinuation in release of grants for (i) 'GST compensation to the states by the GoI' and

[21] ₹ 426.40 crore for ULBs and ₹ 12.53 crore for RLBs
[22] ₹ 639.60 crore for ULBs and ₹ 15.77 crore for RLBs
[23] RLB grants of ₹ 1,836.63 crore *plus* ULB grants of ₹ 2,026.00 crore
[24] RLBs: ₹ 3.26 crore and ULBs: ₹ 4.37 crore

(ii) 'Rehabilitation package for Bangladeshi Enclaves', from the FY 2023-24, mainly led to the shortfall. During the FY 2022-23, GoWB received GIA of ₹ 8,228 crore and ₹ 108 crore, for those purposes.

2.6 Capital Receipts

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

Trends of Capital Receipts and their components, during FYs 2019-20 to 2023-24, are shown in **Table 2.15**.

Table 2.15: Trends in the growth and composition of Capital Receipts

(₹ in crore)

Sources of State's Receipts	2019-20	2020-21	2021-22	2022-23	2023-24
Capital Receipts	**75,766**	**75,579**	**77,639**	**70,325**	**81,627**
Public debt receipts	75,699	75,429	77,581	70,243	80,171
Public debt repayment	40,413	26,890	31,540	29,768	30,351
Net Public Debt Receipts (1)	**35,286**	**48,539**	**46,041**	**40,475**	**49,820**
Growth rate (in *per cent*)	44.55	37.56	(-)5.15	(-)12.09	23.09
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	67	150	58	82	1,456
Non-debt Capital Receipts (2)	**67**	**150**	**58**	**82**	**1,456**
Capital Expenditure (3)	15,971	13,034	17,484	22,009	28,963
Disbursement of Loans and Advances (4)	1,266	2,277	1,102	565	794
Net Capital Receipts (1+2-3-4)	**18,116**	**33,378**	**27,513**	**17,983**	**21,519**
Rate of growth of Net Capital Receipts (in *per cent*)	1,267.25	84.25	(-)17.57	(-)34.64	19.66
Rate of growth of Capital Receipts (in *per cent*)	5.68	(-)0.25	2.73	(-)9.42	16.07
Rate of growth of GSDP (in *per cent*)	6.99	(-)3.17	16.42	15.24	11.04
Buoyancy of Net Public Debt Receipts w.r.t. GSDP (in *per cent*)	6.37	-*	-*	-*	2.09

Source: Finance Accounts

**Buoyancy Ratio was not calculated as the growth of GSDP/Net Public Debt Receipts were negative.*

Net Capital Receipts increased to ₹ 21,519 crore in 2023-24, an increase of 19.66 *per cent* (₹ 3,536 crore) from the level of 2022-23. This was mainly due to increase in net public debt receipts by ₹ 9,345 crore set off by increase in Capital Expenditure by ₹ 6,954 crore.

During FYs 2019-20 to 2022-23, around 43 *per cent* of the Public Debt Receipts were utilised for repayment of Public Debt taken in earlier years, while the remaining 57 *per cent* was utilised for other purposes. However, during FY 2023-24, 37.86 *per cent* of the Public Debt receipts were utilized towards repayment of Public Debt taken in earlier years.

Debt Receipts had a predominant share in Capital Receipts and contributed more than 98 *per cent* during FYs 2019-20 to 2023-24. In the FY 2023-24, it increased by 14.13 *per cent* over the PY.

Non-debt Capital Receipts, in the shape of recoveries of loans & advances and Miscellaneous Receipts, increased to ₹ 1,456 crore after an increase of ₹ 1,374 crore from the previous year's level. Significant recovery of loans from Public Sector Enterprises/Bodies/Authorities led to this increase.

2.7 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.

Growth and composition of expenditure

Table 2.16 gives the trend of total expenditure and its composition from FYs 2019-20 to FY 2023-24. The expenditure under various sectors, in respect of revenue and capital and their relative share in GSDP, from FYs 2019-20 to 2023-24, are given in ***Appendix 2.1***.

Table 2.16: Total expenditure and its composition

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
	(₹ in crore)				
Total Expenditure (TE)	1,79,812	1,93,232	2,28,745	2,45,413	2,55,716
Revenue Expenditure (RE)	1,62,575	1,77,921	2,10,159	2,22,839	2,25,959
Capital Expenditure (CE)	15,971	13,034	17,484	22,009	28,963
Loans and Advances	1,266	2,277	1,102	565	794
As a percentage of GSDP					
TE/GSDP	15.25	16.92	17.21	16.02	15.03
RE/GSDP	13.79	15.58	15.81	14.55	13.28
CE/GSDP	1.35	1.14	1.32	1.44	1.70
Loans and Advances/GSDP	0.11	0.20	0.08	0.04	0.05

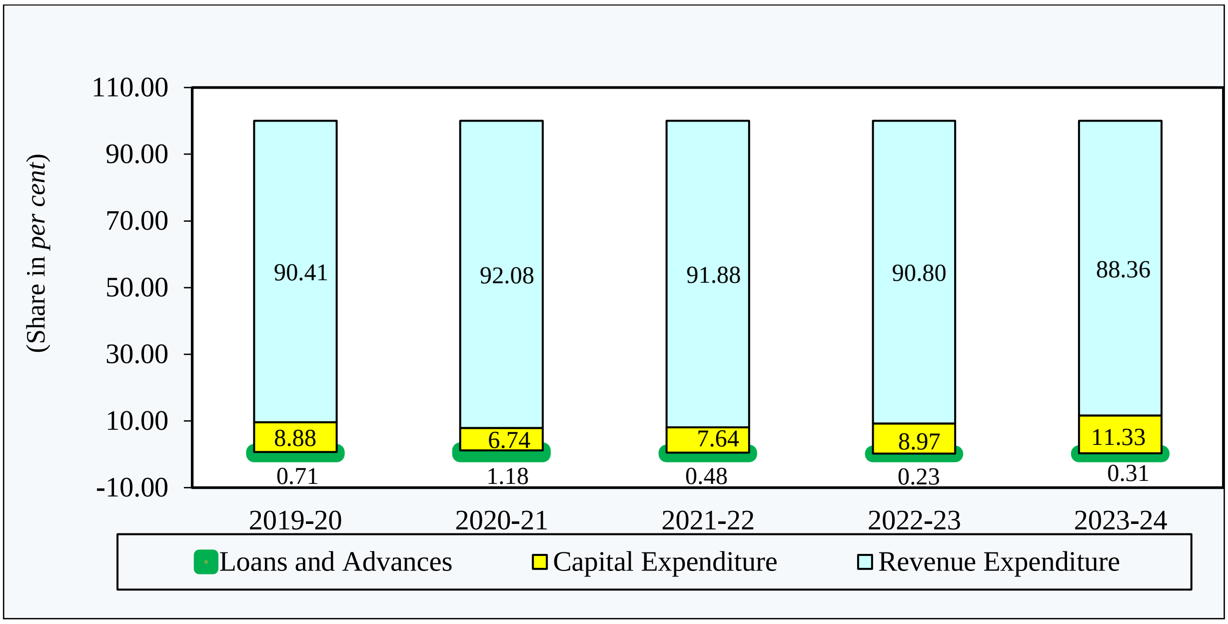
Source: Finance Accounts

Audit Impact: *Revenue Expenditure (RE) of ₹908 crore in FY 2023-24 was incorrectly booked as Capital Expenditure (CE), details of which has been shown in **Para 3.3.2**. The actual RE during the FY 2023-24, as depicted in **Table 2.16** would thus be ₹2,26,867 crore instead of ₹2,25,959 crore. Similarly, the actual CE, during the FY 2023-24, would be ₹28,055 crore, instead of ₹28,963 crore.*

The State's total expenditure (TE) consists of Revenue Expenditure (RE), Capital Expenditure (CE) and disbursement of loans and advances. Five years' trend analysis showed that the TE during the current year increased by 42.21 *per cent* over the FY 2019-20, while its ratio with GSDP decreased by 0.22 *per cent* indicating that the growth of TE was slower than the growth of GSDP. This is corroborated from the fact that RE, as a percentage of GSDP, reduced by 0.51 *per cent*. Payment of Loans and Advances to GSDP reduced from 0.11 to 0.05 *per cent* in the aforesaid period. The increase in TE, in 2023-24, by 4.20 *per cent* over the PY, was mainly due to enhanced CE under the Rural Development Programmes (by ₹ 4,112 crore) and Water Supply & Sanitation Programmes (by ₹ 3,917 crore).

Chart 2.8 presents the trends in share of components of TE from the FY 2019-20 to FY 2023-24.

Chart 2.8: Total Expenditure: Trends in share of its components



Source: Finance Accounts

*Note: Shares of Revenue Expenditure (RE) and Capital Expenditure (CE) in Total Expenditure would change to 88.72 and 10.97 per cent during the FY 2023-24, if the misclassification of ₹908 crore from RE to CE, as pointed out by Audit and mentioned in the Audit Impact below **Table 2.16**, is factored in.*

As evident from **Chart 2.8**, CE had decreased significantly during 2019-22, with its share as a percentage of TE decreasing from 8.88 *per cent* in FY 2019-20 to 7.64 *per cent* in the FY 2021-22. The share of CE, however, increased from 8.97 *per cent* in FY 2022-23, to 11.33 *per cent* in FY 2023-24.

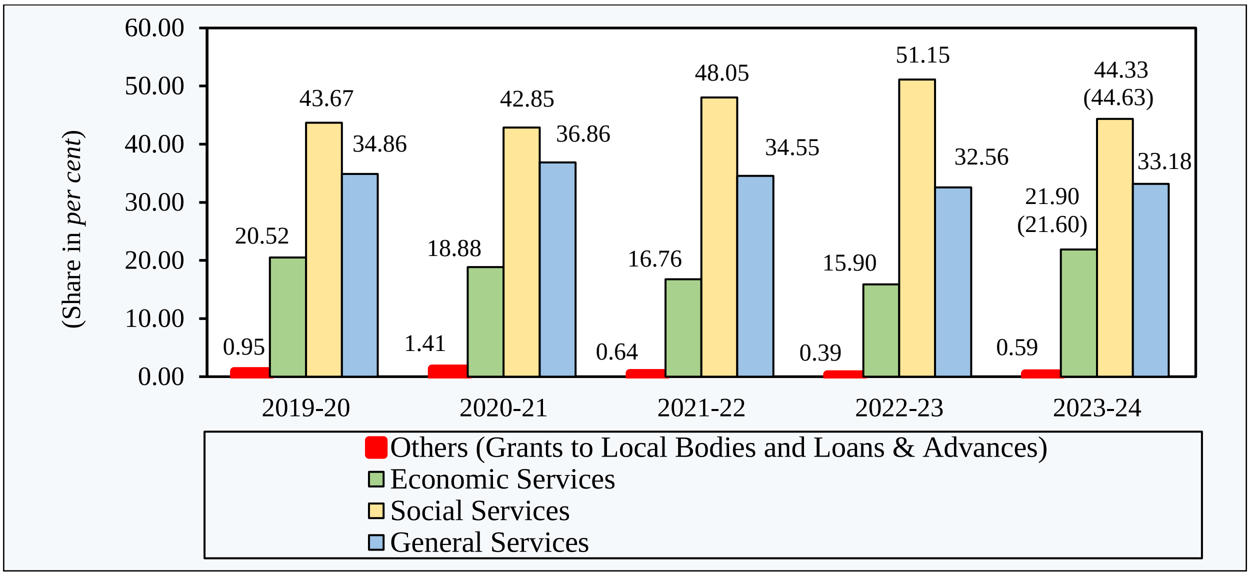
Table 2.17 gives the relative share of various sectors in expenditure while **Chart 2.9** presents TE by activities from the FYs 2019-20 to 2023-24.

Table 2.17: Relative share of various sectors of expenditure

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
	(in crore)				
General Services	62,679	71,230	79,040	79,909	84,853
Social Services	78,528	82,797	1,09,912	1,25,521	1,13,350
Economic Services	36,889	36,479	38,337	39,010	55,998
Others (Grants to Local Bodies and Loans and Advances)	1,716	2,726	1,456	973	1,515

Source: Finance Accounts

Chart 2.9: Total expenditure - Expenditure by activities



Source: Finance Accounts

*Note: Shares of expenditures on Social and Economic Services with respect to the Total Expenditure would change (as shown in brackets) during the FY 2023-24 if the misclassification between RE & CE and misclassification of RE within the sectors (SS and ES), as pointed out by Audit and mentioned in Audit Impact below **Chart 2.2**, is factored in.*

Expenditure under Social Services (SS) constituted a major portion of the State's Expenditure. As can be seen from **Chart 2.9** above, around 43 to 51 *per cent* of the total expenditure was covered under this sector during FY 2019-20 to FY 2023-24. In the current year, the relative share of this sector decreased to 44 *per cent*, from the PY's level of 51 *per cent*.

The relative share of Economic Services (ES), increased to 22 *per cent* from the PY's level of 16 *per cent*. This was due to the fact that in the FY 2022-23, RE in the form of food subsidies (₹ 13,201 crore), was misclassified in the Head of Account (HoA) '2235' under SS instead of the HoA '2408' under Economic Services (ES). Such instances of misclassifications had also been noticed during the FY 2021-22 when food subsidies amounting to ₹ 12,729 crore in the HoA '2235' were booked in the SS instead of '2408' under ES. Finance Department, GoWB has given due cognizance of this misclassification and accordingly rectified the booking of food subsidies under ES in the Budget Estimates for the FY 2023-24.

Relative share of General Services expenditure remained around 33 *per cent* during last two FYs.

Issues of misclassifications effected during the FY 2023-24

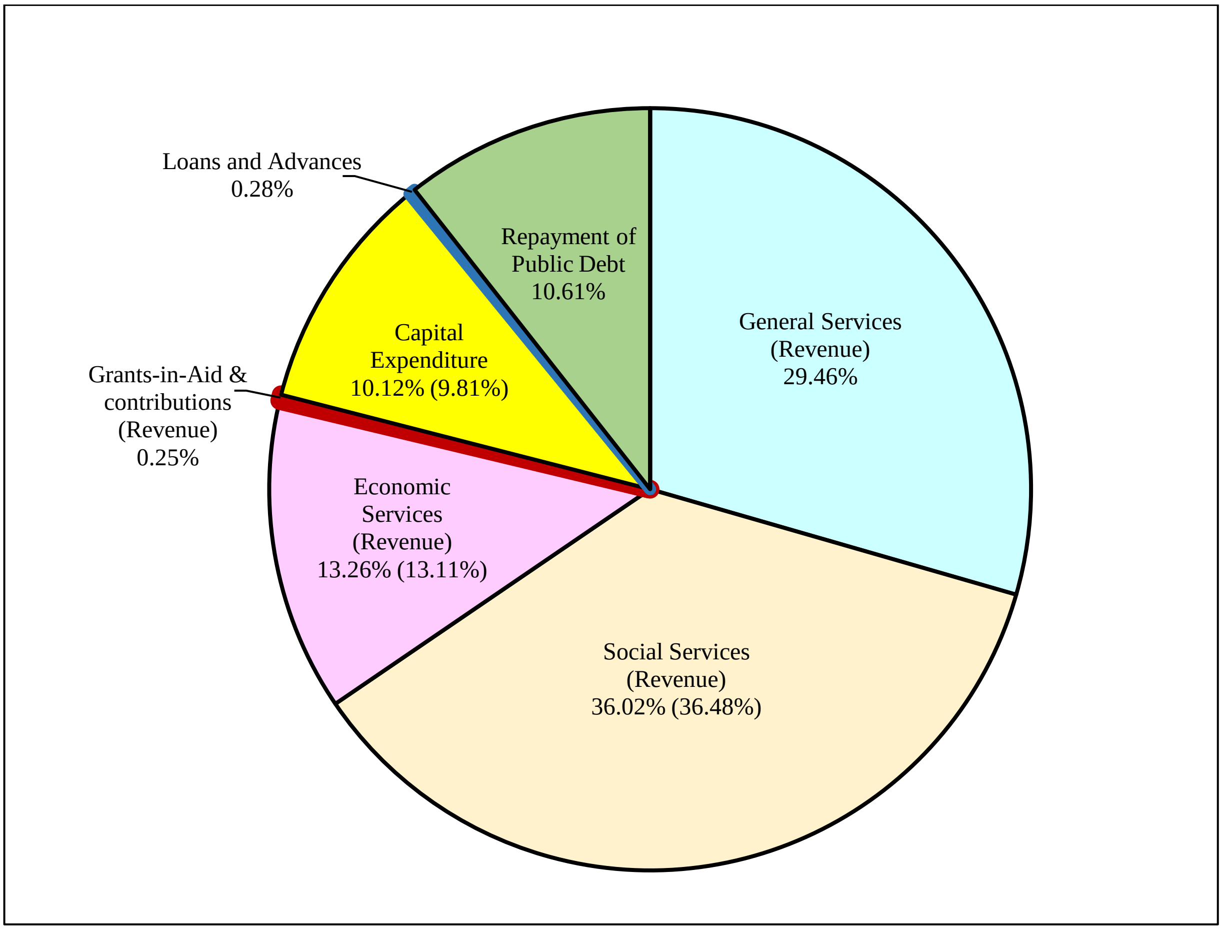
During 2023-24, Revenue Expenditure of ₹ 618 crore was misclassified in SS instead of ES. Similarly, ₹ 1,395 crore was misclassified in ES instead of SS, details of which are described below.

- In the scheme 'Nirmal Bharat Abhiyan', an expenditure of ₹ 787 crore was booked in the HoA '2515' under ES instead of the HoA '2215' under SS;

- In the scheme 'Hasir Alo', an expenditure of ₹ 315 crore was booked in the HoA '2801' under ES instead of '2235' under SS;
- An expenditure of ₹ 293 crore was booked in 'Control of Vector Borne Diseases Programme in Rural Areas' in the HoA '2515' under ES instead of '2210' under SS;
- An expenditure of ₹ 498 crore was booked in 'West Bengal Urban Employment' in the HoA '2217' under SS instead of '3475' under ES;
- In the scheme 'Solid Waste Management Mission', an expenditure of ₹ 120 crore was booked in the HoA '2217' under SS instead of '3435' under ES.

Chart 2.10 presents the total expenditure out of the Consolidated Fund during the FY 2023-24.

Chart 2.10: Total Expenditure out of the Consolidated Fund during the FY 2023-24



Source: Finance Accounts

*Note: The shares of CE and expenditures on social and economic sectors in Revenue section would change (as shown in brackets) if the misclassification between RE & CE and misclassification of RE among Social and Economic sectors, as mentioned in Audit Impact below **Table 2.16** and **Chart 2.2** respectively, is factored in.*

2.8 Revenue Expenditure

RE is incurred to maintain the current level of services and to make payments for past obligations.

RE comprises of wages and salaries, interest payments, pensions, expenditure on operation and maintenance of capital works, subsidies and transfers to local bodies, co-operatives, Non-Government Organizations (NGOs) and others. Expenditure is also classified into various functional categories such as General Services, Social Services and Economic Services. Expenditure on Social and Economic Services is incurred to create physical infrastructure and human resource development and is, therefore, considered productive, whereas expenditure on General Services and debt servicing, is considered unproductive.

The overall RE, its rate of growth, its ratio to the total expenditure, from the FY 2019-20 to FY 2023-24, are shown in **Table 2.18**.

Table 2.18: Revenue Expenditure- Basic Parameters

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
	(₹ in crore)				
Total Expenditure (TE)	1,79,812	1,93,232	2,28,745	2,45,413	2,55,716
Revenue Expenditure (RE)	1,62,575	1,77,921	2,10,159	2,22,839	2,25,959
Rate of Growth of RE (*per cent*)	3.97	9.44	18.12	6.03	1.40
Revenue Expenditure as percentage of TE	90.41	92.08	91.87	90.80	88.36
RE/GSDP (*per cent*)	13.79	15.58	15.81	14.55	13.28
RE as percentage of RR	113.76	119.90	117.96	113.96	112.83
Rate of Growth of GSDP (*per cent*)	6.99	(-)3.17	16.42	15.24	11.04

Source: Finance Accounts

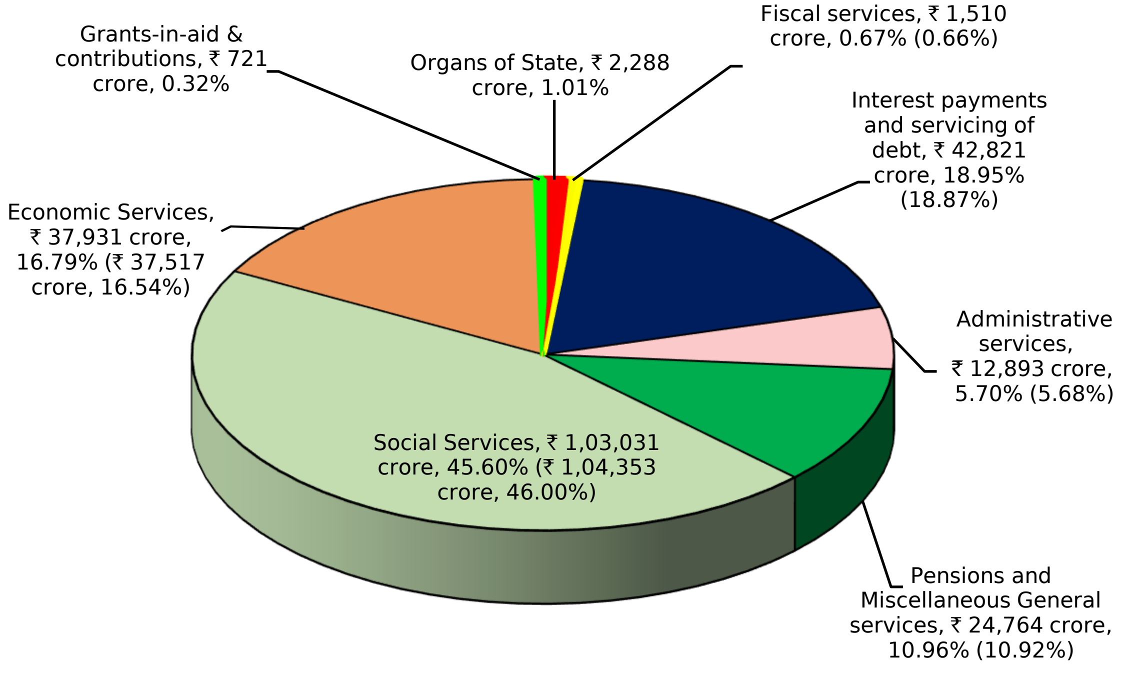
Note: Revenue Expenditure (RE) of ₹908 crore in FY 2023-24 was incorrectly booked as CE. The rate of growth of RE during the FY 2023-24 would be 1.81 instead of 1.40 per cent, if the misclassification between RE and CE is factored in. RE as a percentage of TE would also change to 88.72, instead of 88.36.

RE constituted a significant portion (88 to 92 per *cent*) of the TE during FY 2019-20 to FY 2023-24. Its share in the TE in the current year however, decreased by 2.44 *per cent* over the previous year.

The trend of RE as a ratio of GSDP, over the last five years ranged between 13 to 16 *per cent* (**Table 2.18**) whereas, the ratio of State's Revenue Receipts to GSDP hovered around 12 to 13 *per cent* (**Table 2.3**) which resulted in Revenue Deficits during the afore-mentioned period. These deficits were financed through borrowing which in turn adversely affected creation of assets and wealth generation.

The sector-wise distribution of Revenue Expenditure, during the FY 2023-24, is shown in **Chart 2.11**.

Chart 2.11: Sector-wise distribution of Revenue Expenditure during FY 2023-24



Source: Finance Accounts

Note: Changes in the amount and percentage of the sector-wise share of RE would change (as shown in bracket) if the misclassification between RE & CE as mentioned in ***Paragraph 3.3.2*** *and misclassification of RE among Social and Economic sectors, as mentioned in* ***Paragraph 2.7****, are factored in.*

2.8.1 Major changes in Revenue Expenditure

RE (₹ 2,25,959 crore) increased by 1.40 *per cent* (₹ 3,120 crore) over the previous year. Increase in ES by 37.39 *per cent* (₹ 10,322 crore), followed by increases in GS by 6.34 *per cent* (₹ 5,022 crore) and GIA and contributions by 76.72 *per cent* (₹ 313 crore), set off by decrease in SS by 10.85 *per cent* (₹ 12,538 crore), contributed to this growth.

Under ES, major increases were noticed in: (i) Agriculture and Allied Activities by ₹ 7,003 crore (75 *per cent*) and (ii) Rural Development by ₹ 1,990 crore (18 *per cent*).

Under GS, major increases were noticed in: (i) Organs of State[25] by ₹ 1,732 crore (312 *per cent*) and (ii) Interest Payments and servicing of Debt by ₹ 2,603 crore (six *per cent*).

Under SS, major decreases were noticed in: (i) Social Welfare and Nutrition by ₹ 10,903 crore (26 *per cent*) and (ii) Education, Sports, Art and Culture by ₹ 2,519 crore (six *per cent*).

Significant variations noticed in the major heads of account, during 2023-24, *vis-à-vis* 2022-23, are shown in **Table 2.19**.

Table 2.19: Variations in Revenue Expenditure during 2023-24, compared to the 2022-23

Major Heads of Account	2022-23	2023-24	Increase (+)/Decrease (-)
	(₹ in crore)		
2015-Elections	(-)455	1,055	1,510
2505-Rural Employment	2,072	3,116	1,044
2401-Crop Husbandry	6,523	7,559	1,036
2210-Medical and Public Health	13,249	14,250	1,001
2801-Power	1,965	2,884	919
2515-Other Rural Development Programmes	8,077	8,648	571
2236-Nutrition	1,275	1,798	523
2202-General Education	40,163	37,621	(-)2,542
2217-Urban Development	10,543	9,123	(-)1,420
2235- Social Security and Welfare	39,747	27,978	(-)11,769

Source: Finance Accounts

The main reasons for variation in Revenue Expenditure with respect to the previous year were as follows:

- During 2022-23, ₹ 265 crore was incurred as expenditure under Elections. However, due to reimbursement of ₹ 720 crore from GoI in regard to expenditure incurred on Lok Sabha Elections in 2019-20, the same was booked as reduction of expenditure. This resulted in the booked expenditure being negative at ₹ 455 crore in 2022-23, as mentioned in **Table 2.19** above.
- 'Assistance to Electricity Boards' increased to ₹ 2,739 crore, an increase of 71.62 *per cent* from ₹ 1,596 crore in the FY 2022-23;
- 'Pensions under Social Security Schemes' decreased to ₹ 164 crore, i.e. a decrease of 91.24 *per cent* from ₹ 1,872 crore in the FY 2022-23; and

[25] 'Organs of State' includes the Major Heads of Accounts (i) '2011- Parliament/ State/ Union Territory Legislatures', (ii) '2012- President, Vice-President/Governor/Administrator of Union Territories', (iii) '2013- Council of Ministers', (iv) '2014- Administration of Justice' and (v) '2015- Elections'.

- 'Assistance to Local Bodies, Corporations, Urban Development Authorities, Town Improvement Bodies etc.', decreased to ₹ 2,278 crore (a decrease of 28.43 *per cent* from ₹ 3,183 crore in 2022-23).

2.8.2 Committed expenditure

The Committed Expenditure of the State Government on revenue account consists of interest payments; expenditure on salaries and wages; and pensions. It has the first charge on Government resources. Upward trends in Committed Expenditure leaves the Government with lesser flexibility for development expenditure.

Apart from the above, there are certain items of *inflexible expenditure*, which cannot be ordinarily altered or varied or are statutorily required on an annual basis, unlike for variable transactions such as Capital Expenditure etc. For example, the following items may be considered as inflexible expenditure:

(i) Devolution to Local Bodies- Statutory devolution to Local Bodies for pay and allowances (devolution/transfer for Capital Expenditure)

(ii) Statutory requirements of contribution to Reserve Funds- Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation/Response Fund (SDMF/SDRF), etc.

(iii) Recoupment of Contingency Fund- Amount recouped within the year

(iv) Transfers of cess to Reserve Funds/Other Bodies, which are statutorily required.

A trend analysis of the Committed and Inflexible Expenditure and their components, from the FY 2019-20 to FY 2023-24, is shown in **Table 2.20** and the share of Committed Expenditure within the Revenue Expenditure, is shown in **Chart 2.12.**

Table 2.20: Components of Committed and Inflexible Expenditure

Components of Committed Expenditure	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
	(₹ in crore)				
Salaries & Wages	48,567	56,660	59,379	60,306	62,995
Of which, Grants-in-aid salary[26]	27,815	32,592	33,978	34,214	35,476
Expenditure on Pensions	17,462	21,394	26,676	24,624	24,360
Interest Payments	31,668	33,782	36,672	40,018	42,621
Total	**97,697**	**1,11,836**	**1,22,727**	**1,24,948**	**1,29,976**
Components of Inflexible Expenditure					
Statutory devolution to local bodies	450	450	354	408	721
Contribution to Reserve Funds	2,445	2,888	3,391	3,422	5,030
Recoupment of Contingency Fund	0	12	0	180	0
Transfer of cess to reserve fund/other body	708	32	47	137	540

[26] Salaries for employees of grantee bodies (e.g. aided schools and colleges), as distinct from government servants

Components of Committed Expenditure	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
	(₹ in crore)				
Total	**3,603**	**3,382**	**3,792**	**4,147**	**6,291**
As a *percentage* of Revenue Receipts (RR)					
Committed Expenditure					
Salaries & Wages	33.98	38.18	33.33	30.84	31.46
Expenditure on Pensions	12.22	14.42	14.97	12.59	12.16
Interest Payments	22.16	22.76	20.59	20.46	21.28
Total	**68.36**	**75.36**	**68.89**	**63.89**	**64.90**
Inflexible Expenditure	2.52	2.28	2.13	2.12	3.14
As a *percentage* of Revenue Expenditure (RE)					
Committed Expenditure					
Salaries & Wages	29.87	31.85	28.26	27.06	27.88
Expenditure on Pensions	10.74	12.02	12.69	11.05	10.78
Interest Payments	19.48	18.99	17.45	17.96	18.86
Total	**60.09**	**62.86**	**58.40**	**56.07**	**57.52**
Inflexible Expenditure	2.22	1.90	1.80	1.86	2.78
Non-Committed Revenue Expenditure (NCRE) (₹ in crore)	64,878	66,085	87,432	97,891	95,983
NCRE *w.r.t.* RE (in *per cent*)	39.91	37.14	41.60	43.93	42.48
NCRE *w.r.t.* TE (in *per cent*)	36.08	34.20	38.22	39.89	37.54
Subsidies (₹ in crore)	9,709	12,377	16,660	17,087	10,476
Subsidies as *percentage* of NCRE	**14.97**	**18.73**	**19.06**	**17.46**	**10.91**

Source: Finance Accounts

From 2019-20 to 2023-24, the Committed Expenditure ranged between 56 to 63 *per cent* of RE. In the FY 2023-24, its share out of RE and RR increased by 1.45 and 1.01 *per cent*, respectively. In the Committed Expenditure, during FYs 2019-24, the share of Salaries and Wages constituted 48 to 51 *per cent*, while the share of expenditure on Pension and Interest payments was 18 to 22 *per cent* and 30 to 33 *per cent*, respectively.

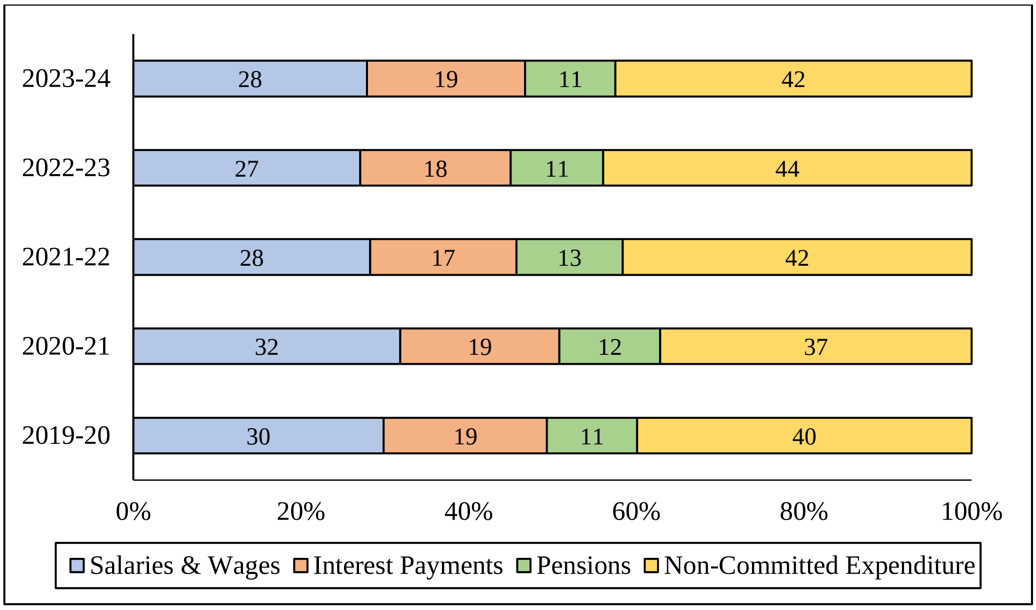
Inflexible expenditure, as a percentage of Revenue Receipts, increased to 3.14 *per cent* in the FY 2023-24 from 2.12 *per cent* in the FY 2022-23. Increase in the contribution to reserve funds by ₹1,639 crore, was mainly responsible for this hike.

NCRE, in the current year, decreased by 1.95 *per cent* (₹ 1,908 crore) over 2022-23 backed by the decrease in expenditure on subsidies by ₹ 6,611 crore. This decrease was partially counter-balanced by increased expenditure on schemes like '*Lakshmir Bhandar*[27]'(₹ 13,605 crore from ₹ 11,980 crore in FY 2022-23),

[27] A flagship program launched in February 2021, to provide monthly financial assistance to female household (₹ 1,000 to General category and ₹ 1,200 to SC/ST category) except Govt. Servants/Pensioners.

'*Krishak Bandhu*[28]'(₹ 5,635 crore from ₹ 4,994 crore in the FY 2022-23) and '*Swasthya Sathi*[29]'(₹ 2,510 crore from ₹ 2,500 crore in FY 2022-23).

Chart 2.12: Share of Committed Expenditure in Revenue Expenditure



Source: Finance Accounts

Salaries and Wages

The share of salaries in Revenue Expenditure varied between 27 and 32 *per cent* during FYs 2019-20 to 2023-24. Of the total salaries, Grants-in-Aid salaries hovered between 56-58 *per cent.* During the FY 2023-24, the share of salaries in RE increased by one *per cent* to 28 *per cent.* The increase during the FY 2023-24 was ₹ 2,689 crore (4.46 *per cent*) compared to an increase of ₹ 927 crore (1.56 *per cent*) during the FY 2022-23. Revision of pay with effect from 1 January 2020, pursuant to the West Bengal Services (Revision of Pay and Allowance) Rules[30], 2019, contributed to the significant increase in salary expenditure during 2020-21. Expenditure on Salary grew at a CAGR of 6.72 *per cent*, during FY 2019-20 to FY 2023-24.

Interest Payments

Interest Payments increased by ₹ 2,603 crore (6.50 *per cent*) from ₹ 40,018 crore in 2022-23 to ₹ 42,621 crore in 2023-24. Buoyancy of Interest Payments *vis-a-vis* Revenue Receipts in the current year remained at 2.69, implying that the increase in Interest Payments is much higher than the growth of Revenue Receipts. During FYs 2019-20 to 2023-24, Interest Payments grew at a CAGR of 7.71 *per cent.*

Interest payments during the FY 2023-24 constituted interest on: (i) Internal debt (₹ 37,288 crore; 87.49 *per cent*), (ii) Other obligations (₹ 2,208 crore; 5.18 *per cent*), (iii) Small savings, provident fund *etc.*, (₹ 1,729 crore; 4.06 *per cent*),

[28] A welfare scheme to provide financial assistance upto ₹10,000 per year to farmers.
[29] Scheme provides basic health cover for secondary and tertiary care up to ₹ 5 lakh per annum per family, premium of which is borne by the State Government.
[30] Deemed effective from 1 January 2016, without having any arrears of pay from 1 January, 2016 to 31 December, 2019

(iv) Loans and advances from the Central Government (₹ 307 crore; 0.72 *per cent*), (v) External debt (₹ 753 crore; 1.77 *per cent*) and (vi) Reserve funds (₹ 336 crore; 0.79 *per cent*).

The interest on internal debt increased by 5.47 *per cent* to ₹ 37,288 crore in 2023-24 from ₹ 35,354 crore in 2022-23, on account of increase in payment of interest on market loans by ₹ 2,504 crore (8.31 *per cent*). The interest on External Debt increased by ₹ 442 crore from ₹ 311 crore in 2022-23 to ₹ 753 crore in 2023-24, mainly on account of increase in interest of loans from ADB[31] and IBRD[32] by ₹ 272 crore and ₹ 133 crore, respectively.

Besides this, GoWB paid interest of ₹ 3 crore for making repayment of Cash Credit Loans (CCLs) (availed through off budget route), taken during 2009-11 for funding the 'Potato Procurement 2010' scheme. The interest outgo on CCLs was booked in the Accounts as grants-in-aid, instead of interest payment. As such, the actual interest payment of ₹ 42,621 crore was understated by ₹ 3 crore, with consequent overstatement of grants-in-aid.

Pensions

Expenditure on Pensions, in Revenue Expenditure, varied between 11 and 13 *per cent*, during FYs 2019-20 to 2023-24. Pension payments grew at a CAGR of 8.68 *per cent* during this period. In the current year, the expenditure on Pensions decreased by 1.07 *per cent* (₹ 264 crore) over the PY's expenditure (₹ 24,624 crore).

National Pension System

Government introduced the 'National Pension System' (NPS), a Defined Contribution Pension Scheme for All India Service (AIS) officers and other Central Government employees on Deputation to the State recruited on or after 1 January 2004. This scheme is not applicable to State Government employees.

During FY 2023-24, the State Government transferred the total contribution of ₹ 15.70 crore (including Government's contribution of ₹ 9.17 crore) in the Public Account of which ₹ 14.70 crore was further transferred to NSDL[33]. The remaining ₹ 1.00 crore was retained in the Public Account. Consequently, cash balance of the Government remained overstated to that extent.

2.8.3 Subsidies

There was a decrease in expenditure on subsidies in the FY 2023-24 as can be seen from the details given in **Table 2.21.** While subsidies as a percentage of Revenue Receipts decreased from 8.74 *per cent* in 2022-23 to 5.23 *per cent* in 2023-24, as percentage of Revenue Expenditure they decreased from 7.67 *per cent* in 2022-23 to 4.64 *per cent* in 2023-24. Major portion of the subsidies covered Food & Supplies as it constituted more than half of the total subsides.

[31] Asian Development Bank
[32] International Bank for Reconstruction and Development
[33] National Securities Depositories Limited

Table 2.21: Expenditure on subsidies during the FYs 2019-24

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Subsidies (₹ in crore)	9,709	12,377	16,660	17,087	10,476
Subsidies for Food & Supplies Department (₹ in crore)	6,794	9,149	12,757	13,201	5,995
Subsidies as a percentage of Revenue Receipts	6.79	8.34	9.35	8.74	5.23
Subsidies as a percentage of Revenue Expenditure	5.97	6.96	7.93	7.67	4.64
Subsidies as a percentage of Total Expenditure	5.40	6.41	7.28	6.96	4.10
Subsidies as a percentage to Revenue Deficit	49.38	41.92	52.06	62.60	40.78
Subsidies for Food & Supplies Department as percentage to total Subsidy	69.98	73.92	76.57	77.26	57.23

Source: Finance Accounts

Details of payments of subsidies are shown in **Appendix-II** of the Finance Accounts. As can be seen from **Table 2.21** above, there was a sharp increase in subsidies from the level of 2019-20 before falling in 2023-24. In the current year, expenditure on subsidies decreased by ₹ 6,611 crore (38.69 *per cent*). This was mainly due to reduction in supply of subsidized rice valuing ₹ 3,859 crore, to APL/BPL families in the TPDS[34], from ₹ 12,796 crore in 2022-23.

It was noticed that over the last several years a significant portion of subsidies was spent to provide either subsidized electricity to consumers or subsidy to State Transport Undertakings. During 2023-24, the outflows of subsidy, in the Power and Transport sectors, were ₹ 1,754 crore and ₹ 928 crore, respectively.

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

The quantum of assistance, provided by way of grants to local bodies and other institutions during FYs 2019-20 to 2023-24, is presented in **Table 2.22**.

Table 2.22: Financial Assistance to Local Bodies and other Institutions

(₹ in crore)

Financial Assistance to Institutions	2019-20	2020-21	2021-22	2022-23	2023-24
(A) Local Bodies					
Municipal Corporations and Municipalities	4,529	5,166	5,965	8,022	6,186
Panchayati Raj Institutions	13,466	11,285	11,494	12,897	16,934
Total (A)	**17,995**	**16,451**	**17,459**	**20,919**	**23,120**
(B) Other Institutions					
Educational Institutions (Universities)	7,507	8,447	7,419	10,436	5,790

[34] Targeted Public Distribution System

Financial Assistance to Institutions	2019-20	2020-21	2021-22	2022-23	2023-24
Development Authorities	0	0	0	0	0
Other Autonomous Bodies	0	0	0	0	0
Co-operative Institutions	249	147	176	367	352
Public Sector Undertakings (PSUs)	298	179	181	499	267
Non-Government Organisations (NGOs)	23,244	27,048	28,408	28,796	30,642
Others[35]	12,329	10,859	26,323	35,064	39,916
Total (B)	**43,627**	**46,680**	**62,507**	**75,162**	**76,967**
Total (A+B)	**61,622**	**63,131**	**79,966**	**96,081**	**1,00,087**
Of which,					
GIA on Salary	27,815	32,592	33,978	34,214	35,476
GIA for non-salary	33,807	30,539	45,988	61,867	64,611
GIA for creation of Capital assets (C)	**8,249**	**10,450**	**10,371**	**5,229**	**3,735**
GIA given in kind (D)	**0**	**0**	**0**	**195**	**355**
Total (A+B+C+D)	**69,871**	**73,581**	**90,337**	**1,01,505**	**1,04,177**
Assistance as percentage of Revenue Expenditure	43	41	43	46	47

Source: Finance Accounts

Financial assistance of ₹ 1,04,177 crore was provided by the State Government to local bodies and other institutions by way of grants[36] in 2023-24 which comprises 40.74 *per cent* of the total expenditure of the State. Out of the total assistance, salary expenditure constituted 34.05 *per cent*, followed by expenditure on non-salary, capital assets and grants-in kind at 62.02, 3.59 and 0.34 *per cent*, respectively. The quantum of assistance grew at a CAGR of 10.50 *per cent*, between FYs 2019-20 and 2023-24, whereas, in the same period, RE and RR grew at a CAGR of 8.58 and 8.80 *per cent* respectively. Assistance in the current year, with respect to FY 2022-23, also grew at a rate of 2.63 *per cent*, compared to the growth of RE (1.40 *per cent*). These trends indicate increased dependency on transfers to local bodies and other institutions from the State finances.

To implement the 'Potato Procurement 2010' scheme, during 2009-11 the State Government raised Cash Credit Loans (CCLs) through Government controlled Public Sector Enterprises, via the off-budget route. During FY 2023-24, Government had borne its commitments on account of principal (₹ 12 crore) and interest (₹ 3 crore) from its budget by way of grants (₹ 15 crore). Thus, the total assistance of ₹ 1,04,177 crore, shown in the accounts, was overstated by ₹ 15 crore, with an understatement of principal repayment of debt (₹ 30,351 crore) and interest payments (₹ 42,621 crore) by ₹ 12 crore and ₹ 3 crore, respectively.

[35] Includes grants released for 'National Old Age Pension Scheme (State Share)', 'Implementation of Annapurna Scheme for welfare of aged, infirm and destitute' and 'Scheme for financial assistance to the workers in locked-out industrial units', etc.
[36] Includes grants given for creation of capital assets and grants given in kind.

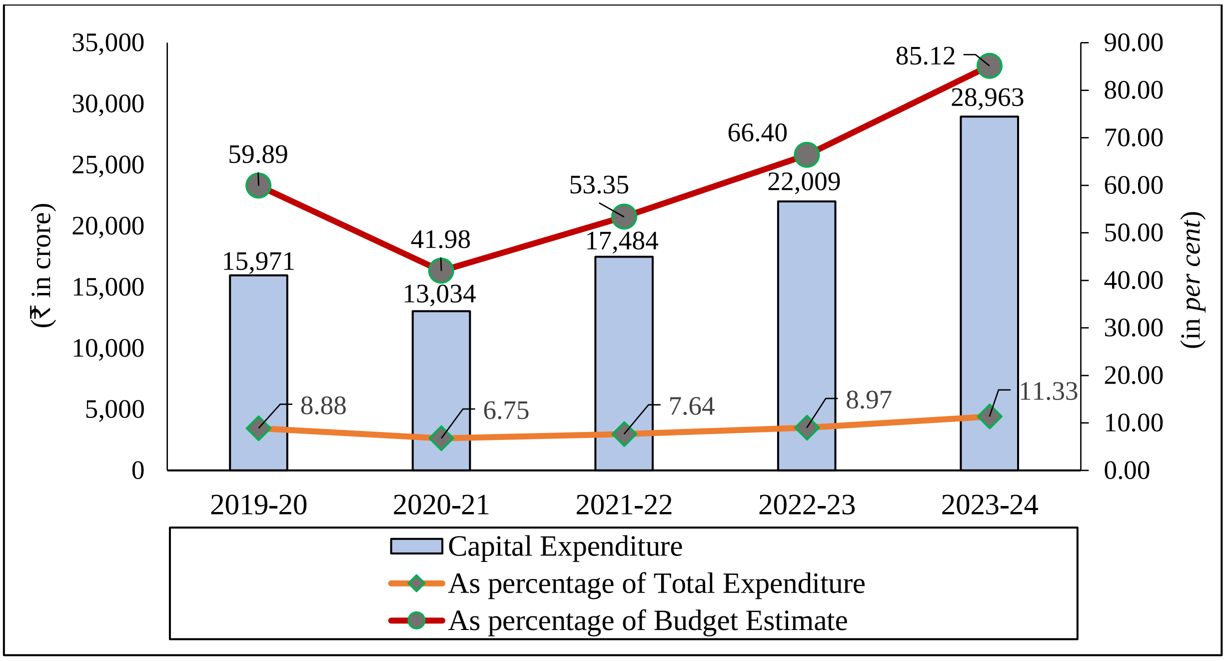
As can be seen from **Table 2.22**, 13.56 and 17.67 *per cent* of the RE, during FY 2023-24, was incurred on NGOs and Others, respectively, who are not accountable to the Government and do not come under the ambit of Audit.

The Autonomous Bodies and Authorities had arrear of accounts as of March 2024, as discussed in **Paragraph 4.11**. Release of financial assistance, without insisting on rendering of timely accounts is detrimental to public accountability and indicates poor financial management.

2.9 Capital Expenditure

Capital Expenditure (CE) involves expenditure towards the creation of assets such as roads, bridges, irrigation canals and other infrastructure works. Such expenditure enhances the State's productive capacity, and results in a higher rate of economic growth. The CE of the State and its contribution to Total Expenditure from the FY 2019-20 to 2023-24, is shown in **Chart 2.13**.

Chart 2.13: Capital Expenditure in the State



Source: Finance Accounts

Note: Revenue Expenditure (RE) of ₹908 crore in the FY 2023-24 was incorrectly booked as CE. Actual CE during the FY 2023-24 would be ₹28,055 crore instead of ₹28,963 crore. Hence, during the FY 2023-24, CE as a percentage of TE would be 10.97 per cent instead of 11.33 per cent.

Chart 2.13 shows that, in the current year, quantum of CE increased by ₹ 6,954 crore (31.60 *per cent*) though the CE as a percentage of total expenditure, increased by 2.36 *per cent* over the FY 2022-23. The higher increase of 2.36 *per cent* is attributable to the lower increase in Revenue Expenditure of ₹ 3,120 crore, relative to the increase in total expenditure by ₹ 10,303 crore.

In the current year, the actual CE was lesser than the CE, estimated in the budget by 14.88 *per cent* (₹ 5,063 crore). CEs are generally funded from the state's revenue balance and from non-debt Capital Receipts. As the State is running a Revenue Deficit and had negligible Capital Receipts hence, funding of CEs are dependent on borrowings.

In view of a higher multiplier effect of CE and in order to boost capital spending by States, GoI, under the 'Scheme for Special Assistance to States for Capital Expenditure' has been providing 50-year interest free loans to the State since 2020-21. The intent of these loans was to enhance the State's capital investment. Upto FY 2023-24, loans amounting to ₹ 10,235 crore[37] had been provided to the State. However, even after accounting for these loans, the State's CE, with respect to GSDP (1.70 *per cent*) in the FY 2023-24, remained below the average of General States (2.41 *per cent*).

The booking of CE (₹ 28,963 crore) has also to be viewed in light of the fact that ₹ 908.17 crore was incorrectly booked under capital section, instead of the revenue section (**Table 1.8** and **Paragraph 3.3.2**). Out of ₹ 908.17 crore, expenditure of ₹ 752.98 crore, in the nature of Grants-in-Aid, was misclassified as CE as stated in **Paragraph 3.3.2**.

2.9.1 Major changes in Capital Expenditure

Major changes in CE, during 2023-24, *vis-à-vis* 2022-23, are shown in **Table 2.23**.

Table 2.23: Major changes in CE during 2023-24 *vis-a-vis* 2022-23

Major Heads of Accounts	2022-23	2023-24	Increase (+)/ Decrease (-)
	(₹ in crore)		
4515-Capital Outlay on other Rural Development Programmes	853	4,965	4,112
4215-Capital Outlay on Water Supply and Sanitation	2,399	6,316	3,917
5054-Capital Outlay on Roads and Bridges	4,525	5,882	1,357
4801-Capital Outlay on Power Projects	1,315	2,183	868
4217-Capital Outlay on Urban Development	4,024	1,319	(-)2,705
4210-Capital Outlay on Medical and Public Health	2,186	1,346	(-)840
4859-Capital Outlay on Telecommunication and Electronic Industries	670	55	(-)615

Source: Finance Accounts

The main reasons for variation in CE, with respect to the previous year, were as follows:

- 'Construction and upgradation of rural roads' under the newly introduced scheme '*Pathashree-Rastashree*' witnessed a significant outlay of ₹ 3,909 crore in the CY from the 'Nil' expenditure in the PY

[37] ₹ 630 crore for the FY 2020-21; ₹ 933 crore for FY 2021-22; ₹ 3,656 crore for FY 2022-23 and ₹ 5,016 crore for FY 2023-24

- CE for 'Piped Water Supply Schemes for Rural Areas (State Share)' increased to ₹ 2,135 crore, an increase of 286.08 *per cent* from ₹ 553 crore in the PY
- Expenditure under 'State Highways' increased to ₹ 3,769 crore, an increase of 52.53 *per cent* from ₹ 2,471 crore in the PY
- Expenditure under 'Thermal Power Generation' increased to ₹ 743 crore, an increase of 621.36 *per cent* from ₹ 103 crore in the PY
- Expenditure on 'AMRUT[38]', witnessed a significant outlay of ₹ 2,281 crore in the PY which reduced to 'Nil' in the CY
- Expenditure on 'Establishment of new Medical Colleges attached with District/Referral Hospitals' witnessed a significant outlay of ₹ 887 crore in the PY which reduced to 'Nil' in the CY
- Expenditure on 'Development and upgradation of Infrastructure' relating to Information Technology decreased to ₹ 55 crore, a reduction of 91.79 *per cent* from ₹ 670 crore in the PY.

2.9.2 Quality of Capital Expenditure

Return on investment in share capital invested in the PSUs and history of repayment of loans given to various bodies are important determinants of quality of CE.

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

As of 31 March 2024, the State Government's investment stood at ₹ 21,378 crore mainly in Government Companies (₹ 18,450 crore; 86.30 *per* cent), Statutory Corporations (₹ 902 crore; 4.22 *per cent*) and Co-operatives (₹ 796 crore; 3.72 *per cent*). During 2023-24, the total investment made by the Government was ₹ 1,546 crore with the major investments being in WBSEDCL[39] (₹ 666 crore), DPL[40] (₹ 421 crore), WBPDCL[41] (₹ 322 crore), WBHDCL[42] (₹ 16 crore), GCGSCL[43] (₹ 31 crore) and PBGB[44] (₹ 17 crore). The position of return on investments[45] during 2019-24, is given in **Table 2.24**.

Table 2.24: Return on Investment

Sl. No.	Investment/return/cost of borrowings	2019-20	2020-21	2021-22	2022-23	2023-24
1	Investment at the end of the year (₹ in crore)	18,154	18,288	18,705	19,832	21,378
2	Average Investment*	17,791	18,221	18,497	19,269	20,605
3	Return (₹ in crore)	82	2	158	165	289

[38] Atal Mission for Rejuvenation and Urban Transformation
[39] West Bengal State Electricity Distribution Company Limited
[40] Durgapur Projects Limited
[41] West Bengal Power Development Corporation Limited
[42] West Bengal Highway Development Corporation Limited
[43] Greater Calcutta Gas Supply Corporation Limited
[44] Paschim Banga Gramin Bank
[45] In Statutory Corporations, Government Companies, Co-operative Societies and Banks

Sl. No.	Investment/return/cost of borrowings	2019-20	2020-21	2021-22	2022-23	2023-24
4	Rate of return (*per cent*) [(3)/(2)*100]	0.46	0.01	0.85	0.86	1.40
5	Interest Payment on Government Borrowings	31,668	33,782	36,672	40,018	42,621
6	Outstanding Liabilities#	4,33,475	4,86,430	5,36,478	5,85,169	6,44,817
7	Average Outstanding Liabilities*	4,13,388	4,59,953	5,11,454	5,60,824	6,14,993
8	Average rate of interest on Government Borrowings (per cent) [(5)/(7)*100]	7.66	7.34	7.17	7.14	6.93
9	Difference between rate of return and interest rate (*per cent*) [4-8]	(-)7.20	(-)7.33	(-)6.32	(-)6.28	(-)5.53
10	Difference between return on investment and interest on Government borrowings [3-5]	(-)31,586	(-)33,780	(-)36,514	(-)39,853	(-)42,332

Source: Finance Accounts
#Indicate interest-bearing and non-interest bearing liabilities
**Calculated as average of closing balances of previous year and current year*

The State Government earned a meagre return of ₹ 289 crore in FY 2023-24 on its investment of ₹ 21,378 crore in various Corporations/Companies/Co-operatives. Dividends were received only from State Government PSUs (₹ 286.19 crore) and Co-operative Banks & Societies (₹ 2.81 crore). The return on investment was negligible at 1.40 *per cent* during 2023-24, far lower than the average rate of interest (6.93 *per cent*) paid by the Government on its borrowings.

(ii) Loans and Advances by State Government

In addition to investments in co-operative societies, corporations and companies, Government also provided loans to many of these institutions/organisations. Besides this, Government provided advances to Government servants for the purpose of house building, marriage, illness and for the purchase of motor conveyances and computer. **Table 2.25** presents the outstanding loans and advances, as on 31 March 2024, along with interest receipts, from the FY 2019-20 to FY 2023-24.

Table 2.25: Quantum of loans disbursed and recovered during the last five years

Quantum of loans disbursed and recovered	2019-20	2020-21	2021-22	2022-23	2023-24
	(₹ in crore)				
Opening Balance of loans outstanding	12,779	13,979	16,106	17,150	17,633
Amount advanced during the year	1,267	2,277	1,102	565	794
Amount recovered during the year	67	150	58	82	1,456
Closing Balance of the loans outstanding	13,979	16,106	17,150	17,633	16,971
Net addition	1,200	2,127	1,044	483	(-)662
Interest received	122	118	97	49	73

Source: Finance Accounts

- Out of the total loans and advances disbursed during FY 2023-24 (₹ 794 crore), Social Services accounted for ₹ 186 crore (23.43 *per cent)*, Economic Services for ₹ 607 crore (76.45 *per cent*) and the remaining ₹ 1 crore was to

Government Servants. Within Social Services, KMC[46] received major share of ₹ 165 crore for the implementation of KEIIP[47] project and in Economic Services it was mainly for Government Companies (₹ 485 crore) and Statutory Corporations (₹ 106 crore).

- WBSEDCL (Distribution Company) repaid working capital loan amounting to ₹ 1,000 crore which contributed to higher recovery during 2023-24.
- The Government was providing loans to Autonomous Bodies, whose annual accounts were in arrears (**Paragraph 4.11**).
- Interest received on loans decreased from ₹ 122 crore in 2019-20 to ₹ 73 crore in 2023-24 despite an increase in outstanding loans from ₹ 13,979 crore to ₹ 16,971 crore in the aforesaid period.
- The interest in arrears (as of end of March 2023), in respect of loans maintained by AG (A&E) was ₹ 10,021 crore. During 2023-24, the interest received was ₹ 73 crore, which works out to 0.73 *per cent* of the interest due of the loans maintained by AG (A&E).
- In respect of loan accounts maintained by AG (A&E), recovery of Loans and Advances, aggregating ₹ 18,136 crore (Principal: ₹ 7,931 crore and Interest: ₹ 10,205 crore), was overdue, as on 31 March 2024. Power utilities like, WBPDCL replied that non-realisation of receivables from the WBSEDCL as per the PPA[48] led to shortage of cash flows which in turn caused non-repayment of outstanding loan of ₹ 685 crore at the end of March 2024.
- The principal and interest payment in arrears, in respect of loans maintained by the State Government, were not available.
- Indian Government Accounting Standards (IGAS-3) require disclosure of loans that were sanctioned without specific terms and conditions governing such loans. Out of 117 loans valued at ₹ 793 crore, sanctioned by the State Government during the FY 2023-24, eight loans, valued at ₹ 185 crore (23.33 *per cent*), were sanctioned without specifying any terms and conditions, like schedule of repayment, rate of interest, number of instalments, etc. Such non-issuance of terms and conditions were also noticed against 84 and 16 loans, out of 185 and 167 loans, sanctioned during 2021-22 and 2022-23, respectively.

The meagre recovery of loans, as well as sanction of loans without specifying terms and conditions, is being pointed out in the State Finances Audit Report since 2008-09.

Such significant arrears of principal and interest against disbursed loans and advances require formulation of a specific policy for addressing this issue. Moreover, the Government kept releasing funds to many PSUs, without taking into account the meagre recovery and, on many occasions, even ignoring non-submission of accounts. This dilutes the accountability mechanism in the utilisation of these loans by these PSUs.

[46] Kolkata Municipal Corporation
[47] Kolkata Environmental Improvement Investment Program
[48] Power Purchasing Agreement

(iii) Adverse balance in West Bengal Compensatory Entry Tax *Fund*

The West Bengal Compensatory Entry Tax Fund (WBCETF) was established (July 2012) to develop and facilitate trade, commerce and industry, by constructing roads, transport, electricity infrastructure etc., in the State and providing finance, grants and subsidies to local bodies/government agencies, for specified purposes. The Entry Tax, collected in the State is initially credited in the WBCETF. The balances in the WBCETF are deducted when the expenditure is incurred under various heads of the Consolidated Fund.

The WBCETF, which operated under the Public Works Department (PWD) had a negative balance of ₹ 588.74 crore at the beginning of the year. During the FY 2023-24, amount transferred to WBCETF was ₹ 645.33 crore, from the Capital Outlay Major Head (5054). This fund was not sufficient to set right the negative balance since ₹ 82.44 crore was disbursed from this fund. Resultantly, the closing balance in WBCETF continued to remain adverse at ₹ 25.85 crore.

Such inadequate contribution to the WBCETF and disbursement from the WBCETF was indicative of the accounting procedure being defective.

(iv) Parking of funds for Capital Expenditure in Deposit Accounts

During test-check, Audit noticed that as of March 2024, funds amounting to ₹ 19.85 crore, earmarked for infrastructure expenditure against six schemes that were disbursed to the following DDOs[49] during 2023-24, remained parked in the Personal Deposit Accounts (Head of Account '8443-106') (**Table 2.26**).

Table 2.26: Parking of funds for Capital Expenditure

Name of DDO	Purpose of expenditure	Amount (₹ in crore)
DM, Murshidabad	Development and welfare of minorities under MSDP	14.66
	Construction hostels for Backward Classes Welfare	0.42
	Construction of warehouse for Electronic Voting Machine (EVM) and Voter Verifiable Paper Audit Trail (VVPAT)	3.19
DM, Darjeeling	Construction of warehouse for EVM and VVPAT	0.20
	Construction of additional infrastructure in existing 408 Government schools under RIDF-XXIX	0.43
	Construction and upgradation of Rural roads under *Pathashree* scheme-II & III	0.95
Total		**19.85**

Source: Departmental Records

Parking of the funds in the Deposit Accounts not only overstated the CE, but also affected the quality of expenditure.

[49] Drawing and Disbursing Officers

(v) List of incomplete capital projects

As per Finance Accounts, there were 27 incomplete capital projects[50] which were to be completed by March 2024. Out of the total estimated cost of ₹ 507 crore, a total of ₹ 262 crore was invested in these projects by the Government. It was also noted that in respect of a project[51] having project cost of ₹ 8 crore, work could not commence upto March 2024, though it was scheduled to be completed by December 2023. Scrutiny further revealed that physical completion of work in the remaining 26 projects was (i) 76 to 99 *per cent* in respect of 10 projects (ii) 51 to 75 *per cent* against 12 (iii) one to 25 *per cent* against three and (iv) 40 *per cent* in one.

Delay in time over-runs led to cost over-runs of projects as in four out of 27 cases there was escalation in the cost by ₹ 5.55 crore (7.98 *per cent*) over the estimated cost (₹ 69.51 crore).

2.10 Expenditure priorities

Enhancing human development levels requires 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 General States[52] average.

The expenditure priorities of the State, in regard to some key areas, is shown in **Table 2.27**.

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

Particulars	TE/GSDP	DE/TE	CE/TE	Education/TE	Health/TE
	(in *per cent*)				
General States (GS) Average (2018-19)	16.38	67.24	15.58	14.76	5.07
West Bengal	16.42	67.79	13.58	15.60	5.35
General States Average (2023-24)	15.66	67.93	16.50	14.36	5.71
West Bengal	15.03	66.54	11.64	15.16	6.74

Source: Finance Accounts and MoSPI data
Note: TE: Total Expenditure, CE: Capital Expenditure (including loans & advances) and DE: Development Expenditure

Analysis of the expenditure priorities of the State revealed the following:

- TE as a percentage to GSDP, dropped to 15.03, from the level of 16.42 during 2018-19, indicating that the growth of Government expenditure was not commensurate with the growth of GSDP.
- The share of CE was lower in the State compared to Other General Category States, affecting physical capital formation with a cascading impact on economic growth in the long run.

[50] *Works costing ₹ 1 crore and above have only been included. Works with incomplete information, works which have not been commenced and works clubbed under broad scheme names were excluded.*

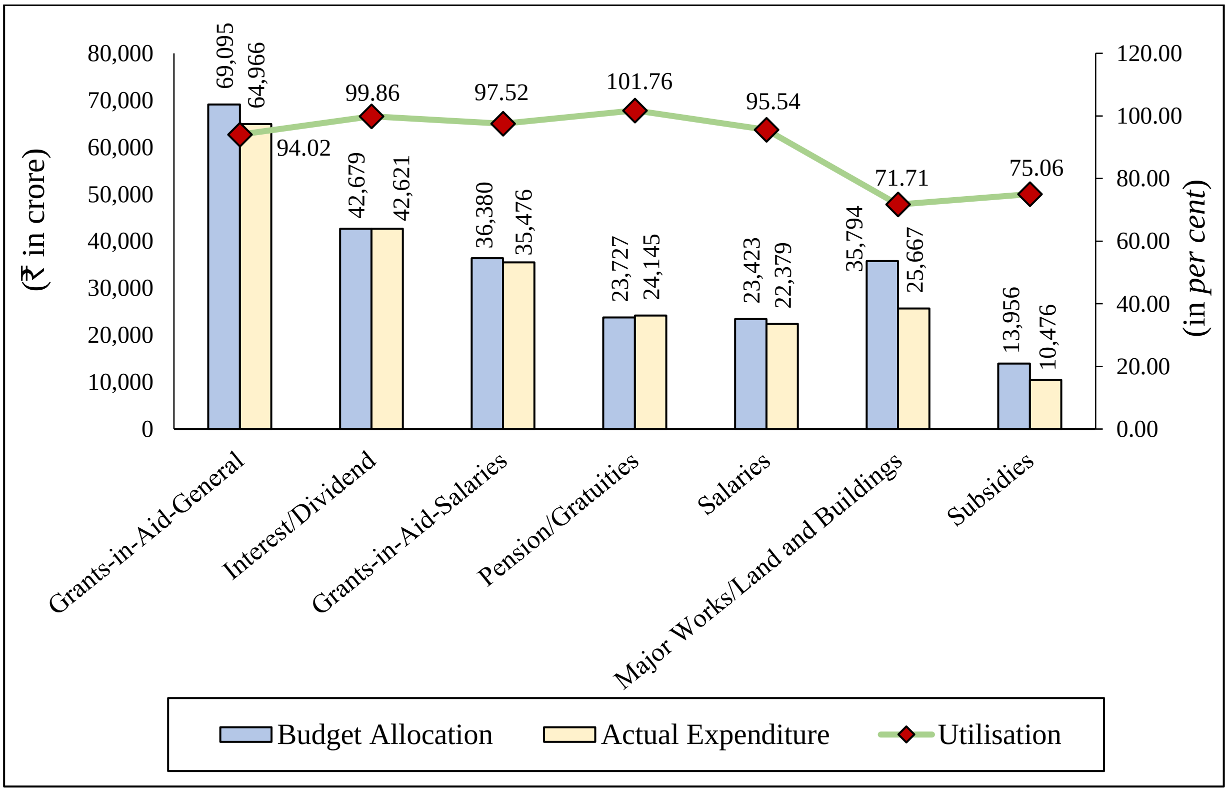
[51] *Re-construction of Sundarban Embankment at Mouza-Purbajatardeul along right bank of River Thakuran* [52] *States other than North Eastern (NE) and Himalayan States*

- The DE/TE ratio of the State was almost similar to the General Category States but lower than the levels of neighboring States like Bihar (71.67 *per cent*), Jharkhand (71.50 *per cent*) and Odisha (76.04 *per cent*).
- The share of expenditure on Education and Health in the State, as a proportion of the total expenditure, was higher than the corresponding General States' average, during FY 2023-24. As a percentage of the GSDP, the expenditure on health remained at 1.01 *per cent*, which was lower than Bihar (1.52 *per cent*), Jharkhand (1.20 *per cent*) and Odisha (1.86 *per cent*).

2.10.1 Object head-wise expenditure

The Finance Accounts depict transactions only up to Minor Head level. Therefore, a drill down view of budgetary allocations and the extent of expenditure incurred at the object head (₹ 10,000 crore and above) level during the FY 2023-24, are given in **Chart 2.14**.

Chart 2.14: Object Head-wise Expenditure *vis-à-vis* budget authorisation during 2023-24



Source: VLC data sourced from the records of O/o the AG(A&E) WB and Finance Accounts (2023-24)

As can be seen from the above chart, expenditure marginally exceeded the budgetary allocation under the object head 'Pension/Gratuities'. In one object head 'Major Works/Lands & Buildings', the utilisation was below 72 *per cent* of the budget. The total expenditure during the FY 2023-24 was ₹ 2,55,716 crore. Out of this, Grants-in-Aid-General, Interest/Dividend and Grants-in-Aid salaries, accounted for 25.42, 16.67 and 13.87 *per cent*, respectively.

2.11 Contingency Fund

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.

In pursuance of the Contingency Fund (CF) of West Bengal (Amendment) Act, 2022, with effect from 1 April 2022, the corpus of the CF of West Bengal has been raised to ₹ 200 crore from ₹ 20 crore. At the end of the FY 2023-24, the aggregate un-recouped balance in the fund stood at ₹ 52.98 crore comprising ₹ 0.32 crore in two Revenue head of accounts and ₹ 52.66 crore in eight Capital head of accounts. As a result, Revenue and Fiscal Deficits remained understated by ₹ 0.32 crore and ₹ 52.98 crore, respectively (**Table 1.8**). Therefore, in effect, the balance in the CF, at the end of 2023-24, stood at ₹ 147.02 crore.

2.12 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/trustee for custody of public money, since these transactions are mere pass-through transactions.

2.12.1 Net balances in the Public Account

Net balances in the Public Account, where the Government acts as a banker or trustee, are used by the Government for meeting its expenditure and, thus, become liabilities of the State. The net transactions under the Public Account, covering the period 2019-20 to 2023-24, are indicated in **Table 2.28.**

Table 2.28: Component-wise net balances in Public Account

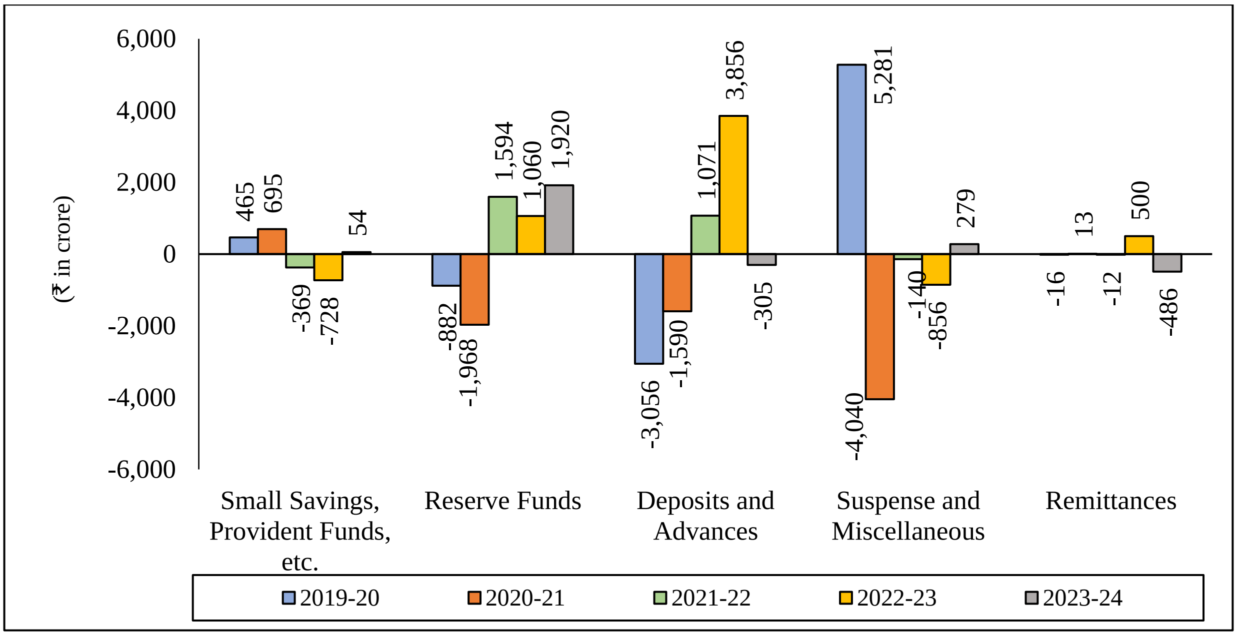
Sector	Sub Sector	2019-20	2020-21	2021-22	2022-23	2023-24
		(₹ in crore)				
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	1,593	2,288	1,919	1,191	1,245
J. Reserve Funds	(a) Reserve Funds bearing Interest	887	774	325	1,103	1,968
	(b) Reserve Funds not bearing Interest	645	(-)1,210	833	1,115	2,170
K. Deposits and Advances	(a) Deposits bearing Interest	2,749	3,340	3,276	3,159	3,516
	(b) Deposits not bearing Interest	(-)93	(-)2,274	(-)1,139	2,834	2,172
	(c) Advances	0	0	0	0	0
	(a) Suspense	182	(-)227	(-)52	71	(-)249

Sector	Sub Sector	2019-20	2020-21	2021-22	2022-23	2023-24
		(₹ in crore)				
L. Suspense and Miscellaneous	(b) Other Accounts	3,666	35	(-)280	(-)687	(-)660
	(c) Miscellaneous	0	0	0	(-)572	0
M. Remittances	(a) Money Orders, and other Remittances	0	0	0	490	0
	(b) Inter-Governmental Adjustment Account	(-)14	(-)1	(-)13	(-)3	1
Total		**9,615**	**2,725**	**4,869**	**8,701**	**10,163**
Percentage increase over the previous year		22.91	(-)71.66	78.68	78.70	16.80

Source: Finance Accounts
Note: +ve denotes debit balance and –ve denotes credit balance

The yearly changes in the composition of Public Account balances is depicted in **Chart 2.15**.

Chart 2.15: Yearly changes in composition of Public Account balances



Source: Finance Accounts

Net Public Accounts Receipts increased by ₹ 1,462 crore (17 *per cent*) over 2022-23 mainly owing to increase in the net inflow of balances under Reserve Funds (by ₹ 1,920 crore) partially *offset* by net outflow in the balance on Deposits not bearing interest (₹ 662 crore) and Remittances (₹ 486 crore). Net availability of funds in Reserve funds, Suspense and Small Savings, Provident Funds, etc., had a major share in financing the Fiscal Deficit. The details of Reserve Funds have been discussed in **Paragraph 2.12.3**, while details of Suspense, Remittances and Deposits & Advances have been discussed in **Chapter IV** of this Report.

2.12.2 Adverse balance in Deposit Accounts

West Bengal Treasury Rules (WBTR) stipulates that no local body or Administrator of a Local Fund Account shall be allowed to overdraw the balance at his credit in his account, without obtaining prior special permission from the Government.

Audit noticed that under the major heads '8448-deposit of local funds' and '8449-other deposits-00-120-miscellaneous balances', there were negative balances of ₹ 1,314 crore and ₹ 3 crore respectively, which indicated overdrawal of funds compared to the deposit balances (***Appendix 2.2***).

2.12.3 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of India/State. The contributions are treated as expenditure under the Consolidated Fund. The expenditure relating to the fund is initially accounted for under the Consolidated Fund itself for which the vote of the Legislature is obtained. At the end of the year, at the time of closure of accounts, expenditure relating to the fund is transferred to the Public Account. The funds may further be classified as 'Funds bearing interest' and 'Funds not bearing interest'.

The fund balances lying in Reserve Funds, as on 31 March 2024, are shown in **Table 2.29**.

Table 2.29: Detail of Reserve Funds

Sl. No.	Name of Reserve Fund	Balance as on 31 March 2024 (₹ in crore)
A	**Reserve Funds bearing Interest**	**5,322**
1.	State Disaster Response Fund (SDRF)	3,660
2.	State Disaster Mitigation Fund (SDMF)	1,166
3.	State Compensatory Afforestation Fund (SCAF)	496
B	**Reserve Funds not bearing Interest**	**15,781**
1.	Sinking Funds	13,266
2.	Roads and Bridges Fund	193
3.	Development and Welfare Funds	1,124
4.	General and other Reserve Funds	1,198
Grand Total		**21,103**

Source: Finance Accounts

Against the gross accumulated balance of ₹ 21,103 crore lying in these funds, an amount of ₹ 15,781 crore was under 17 non-interest-bearing Reserve Funds and ₹ 5,322 crore was under three Interest-bearing Reserve Funds. There were no inoperative reserve funds in 2023-24. Out of the total accumulated balance in these funds, ₹ 14,662 crore (69.48 *per cent*) was invested.

An analysis of certain major reserve funds, having a bearing on the liability position of the Government, its funding and expenditure, is given below.

2.12.3.1 Consolidated Sinking Fund

As per the recommendations of the 12th Finance Commission, the State had set up the Consolidated Sinking Fund (CSF) for amortisation of loans. According to the guidelines, the State may contribute 0.5 *per cent* of the outstanding liabilities[53] at the end of the previous year to the CSF. During FY 2023-24, GoWB's total contribution was ₹ 1,126.33 crore, of which the Government's contribution to CSF was only ₹ 200 crore and interest earned on the investment from CSF was ₹ 926.33 crore. This, however, fell short of the prescribed contribution of ₹ 2,771.01 crore[54]. As a result, Revenue and Fiscal Deficits remained understated by ₹ 1,644.68 crore (**Table 1.8**). The closing balance of ₹ 13,265 crore, at the end of 31 March 2024, in the CSF, was invested.

2.12.3.2 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, contributions are to be transferred to the Public Account, under the Major Head 8121-122-SDRF.

As on 31 March 2024, a balance of ₹ 3,659.98 crore was lying in the fund, of which ₹ 200 crore had been invested. Contributions to the SDRF were affected through book adjustment, without any actual cash involvement. The residual amount of ₹ 3,459.98 crore remained un-invested. Such non-investment was against the provisions envisaged in the guidelines on 'Constitution and Administration of the SDRF'. Moreover, as the transfer of funds was affected through book adjustment, the residual amount of ₹ 3,459.98 crore merely remained as book balance in the Accounts, which was against the principle of cash basis of accounting.

2.12.3.3 State Disaster Mitigation Fund

The Fifteenth Finance Commission had recommended opening of the State Disaster Mitigation Fund (SDMF) for mitigating disaster covered under SDRF/NDRF guidelines and the State specific local disaster, notified by the State Government. The State Government had constituted the SDMF in December 2021 under the 'Major Head 8121-130-State Disaster Mitigation Fund', keeping in view of the provisions of the Disaster Management Act, 2005.

The guidelines of SDMF, *inter alia*, stipulated that the accretions to the SDMF together with the income earned on the investments of the SDMF was to be invested in one or more of the instruments such as Central Government-dated securities, auctioned Treasury Bills and interest earning deposits and certificates of deposits with scheduled commercial Banks. The closing balance of ₹ 1,166.15 crore in the SDMF at the end of the FY 2023-24, however remained un-invested.

[53] Internal Debt and Public Account
[54] Based on 0.5 *per cent* of outstanding liabilities of ₹ 5,54,202.99 crore at the end of March 2023

2.12.3.4 Guarantee Redemption Fund

The Twelfth Finance Commission had recommended opening of the Guarantee Redemption Fund (GRF) for discharging the liability of the Government towards invocation of the guarantees extended by it. The State Government had constituted the GRF in January 2015. During the FY 2023-24, the State Government contributed ₹ 50 crore. The closing balance in the fund, as of March 2024, stood at ₹ 974.15 crore which is over the desirable level of five *per cent* of the previous year's guarantees of ₹ 17,677.10 crore.

The guidelines of GRF, *inter alia*, stipulated that guarantee commission (GC) collected, was to be transferred to the fund. In the current year, GC of ₹ 5.00 crore received by the State Government was, however, not transferred to the GRF. Non- transfer of GC led to understatement of the balances in the GRF by ₹ 5.00 crore, during 2023-24.

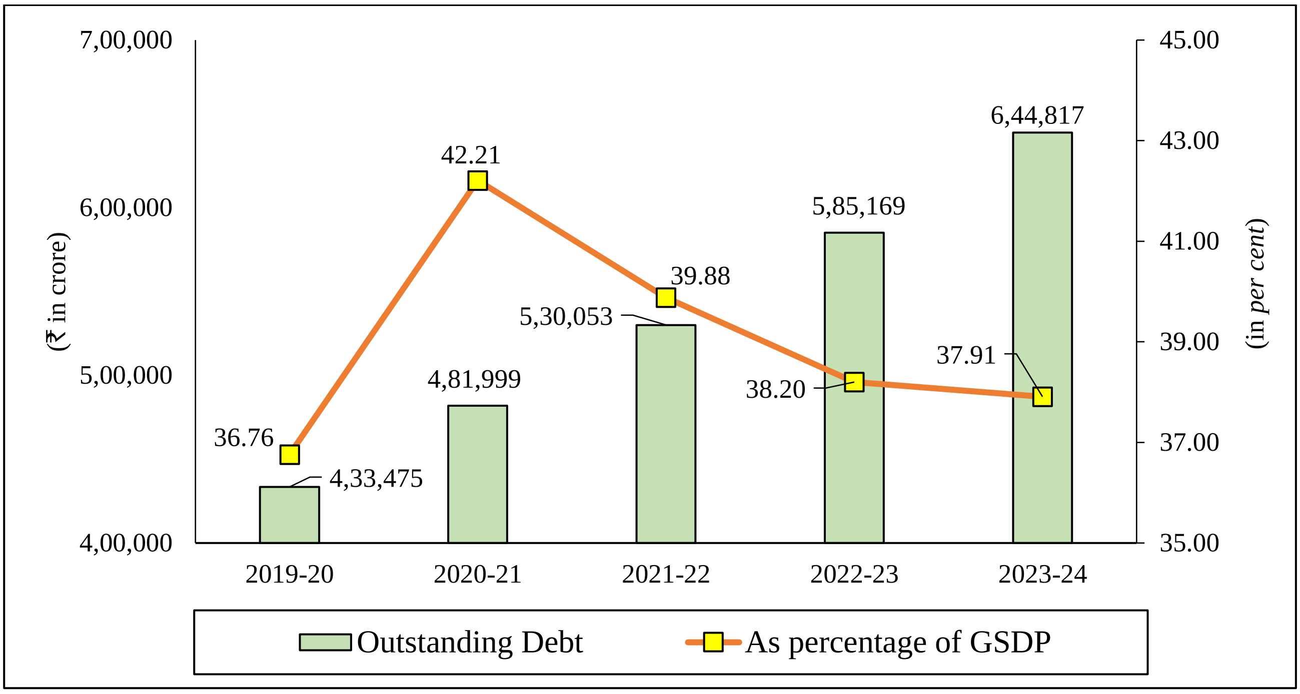
2.12.4 Non-reconciliation of balance of General Provident Funds of Group 'D' employees

The balance of General Provident Funds of Group 'D' employees of the Government of West Bengal (₹ 1,650.52 crore) is not at par with that depicted in the Accounts (₹ 443.84 crore). This needs reconciliation for a true and fair view of the Accounts as such inconsistency may lead to incorrect depiction of Government liabilities in Public Account.

2.13 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 budget announcements. The total outstanding debt and its percentage to GSDP, during FY 2019-20 to FY 2023-24, are depicted in **Chart 2.16.**

Chart 2.16: Outstanding Debt and its percentage to GSDP



Source: Finance Accounts

Note: The Debt to GSDP ratios during the FY21 and FY22 were 42.60 and 40.36 per cent respectively. However, the effective debt to GSDP ratios were arrived at after exclusion of GST compensation of ₹4,431 crore and ₹ 6,425 crore received during the FY21 and FY22 respectively as back-to-back loan under debt receipts from the outstanding overall debt.

As seen from the **Chart 2.16,** the outstanding debt and its *per cent* to GSDP had been on an increasing trend, from 36.76 *per cent* during the FY 2019-20 to 42.21 *per cent* during the FY 2020-21. Thereafter, it decreased to 39.88 *per cent* during FY 2021-22 and to 38.20 *per cent* during FY 2022-23. In the current financial year, it further decreased to 37.91 *per cent*. However, during the entire period of five years, it had exceeded the targets[55] prescribed in WBFRBM Act. This was mainly due to an increase in the internal debt of the State.

Debt with respect to GSDP of the State (37.91 *per cent*) was much higher than the General States' average (28.07 *per cent*).

2.13.1 Debt profile: Components

The total debt of the State Government typically comprises of the 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 GoI and public account liabilities. The component-wise liability trends of the State for the period of five years beginning from 2019-20, are shown in **Table 2.30.**

[55] 34.30 *per cent* during 2019-24

Table 2.30: Component-wise liability trends

(₹ in crore)

Components of Fiscal Liability	2019-20	2020-21	2021-22	2022-23	2023-24
Outstanding Total Liabilities*	**4,33,475**	**4,86,430**	**5,36,478**	**5,85,169**	**6,44,817**
(I) Public Debt	**3,75,708**	**4,24,247**	**4,70,289**	**5,10,763**	**5,60,583**
(a) Internal Debt	3,60,464	4,04,017	4,42,866	4,79,797	5,23,402
(b) Loans from GoI	15,244	20,230	27,423	30,966	37,181
(II) Liabilities on Public Account	**57,767**	**62,183**	**66,189**	**74,406**	**84,234**
(a) Small Savings, Provident Funds, etc.	17,230	19,518	21,436	22,627	23,872
(b) Reserve Funds bearing Interest	1,151	1,926	2,251	3,154	5,122
(c) Reserve Funds not bearing Interest	350	637	263	392	1,319
(d) Deposits bearing Interest	19,588	22,928	26,204	29,363	32,879
(e) Deposits not bearing Interest	19,448	17,174	16,035	18,870	21,042
Rate of growth of outstanding total liabilities (in *per cent*)	10.21	12.22	10.29	9.08	10.19
Gross State Domestic Product (GSDP)	11,79,127	11,41,802	13,29,238	15,31,758	17,00,939
Liabilities/GSDP (in *per cent*)	36.76	42.21#	39.88#	38.20	37.91
Borrowings and Other Liabilities (as per Statement 6 of Finance Accounts)					
Total Receipts	1,81,007	1,86,034	1,97,690	1,91,795	2,10,237
Total Repayments	1,40,832	1,33,079	1,47,642	1,43,105	1,50,589
Net funds available	40,175	52,955	50,048	48,691	59,648
Repayments/Receipts (in per cent)	77.80	71.53	74.68	74.61	71.63

Source: Finance Accounts

**Outstanding Total Liabilities refer to the cumulative balance of Public Debt and other Liabilities.*

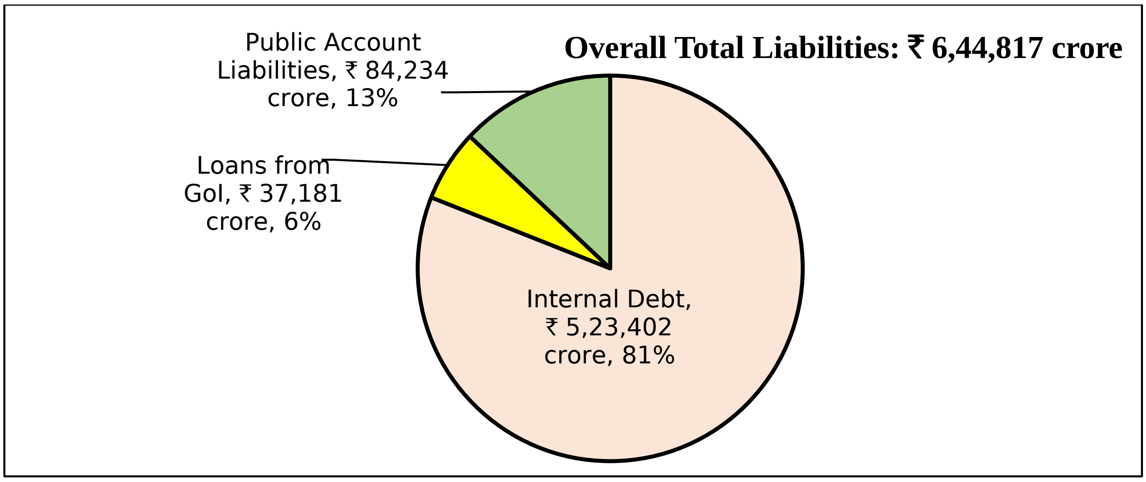
#Liabilities to GSDP ratios during the FYs 2020-21 and 2021-22 were 42.60 and 40.36 per cent respectively. However, the effective liabilities to GSDP ratios were arrived at after exclusion of GST compensation of ₹ 4,431 crore and ₹ 6,425 crore received during the FYs 2020-21 and FY 2021-22 respectively as back-to-back loan under total debt receipts from the outstanding total liabilities.

Public Debt increased by ₹ 1,84,875 crore (49.21 *per cent*) from the FY 2019-20 to FY 2023-24, wherein Internal Debt increased by ₹ 1,62,938 crore (45.20 *per cent*) and Loans from GoI increased by only ₹ 21,937 crore (143.91 *per cent*). Public Account Liabilities, during the aforementioned period, increased by ₹ 26,467 crore (45.82 *per cent*).

From FYs 2019-20 to 2023-24, the borrowed funds were mostly utilized for debt repayment and filling the gap on the Revenue account, which reduced the productivity of the borrowed funds.

The break-up of outstanding total liabilities, at the end of 2023-24, is shown in **Chart 2.17**.

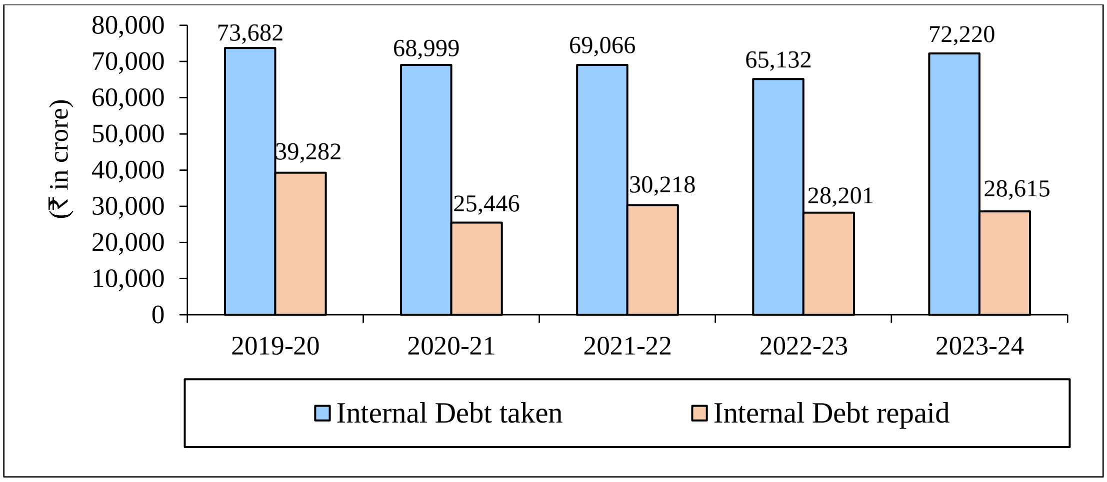
Chart 2.17: Break-up of Outstanding Total Liabilities at the end of FY 2023-24



Source: Finance Accounts

Chart 2.18 depicts the quantum of internal debt taken *vis-à-vis* the internal debt repaid, from the FY 2019-20 to FY 2023-24.

Chart 2.18: Internal debt taken *vis-à-vis* repaid



Source: Finance Accounts

Note: Internal debt taken and repaid included WMA of ₹15,860 crore in 2019-20, ₹8,155 crore in 2020-21 and ₹193 crore in 2021-22. Here Internal debt taken and repaid indicate the receipt and repayments under the Head of Account '6003'.

Internal debt, which primarily consists of market borrowings, is raised through issue of State Development Loans (SDLs), loans from financial institutions and special securities issued to NSSF. It accounted for 93.37 *per cent* of the total outstanding public debt at the end of the FY 2023-24.

As on 31 March 2024, market borrowings (₹ 4,77,044 crore) formed a major portion (91.14 *per cent*) of the outstanding internal debt (₹ 5,23,402 crore) of the State Government, with interest rates ranging from 6.35 to 14 *per cent.* The State Government paid an interest of ₹ 37,288 crore on Internal Debt in the FY 2023-24. **Chart 2.18** shows that the internal debt taken, grew during 2019-20 and during 2023-24. During 2023-24, the internal debt taken increased by 10.88 *per cent*, whereas the internal debt repaid increased by only 1.47 *per cent*, over 2022-23. This led to an increase in the availability of borrowed funds for utilisation from 56.70 *per cent*[56] in FY 2022-23, to 60.38 *per cent*[57] in FY 2023-24. This ratio of 60.38 *per cent* would change to 60.36 *per cent* if the principal repayment of ₹ 12 crore by GoWB, against the CCL raised by PSUs through the off-budget route, is factored in. This implied that a large portion of the internal debt taken in the current year has been used to repay the debts taken in earlier years. Higher repayment from internal debt led to contraction of productive expenditure.

2.13.2 Off-budget borrowings

Off-budget borrowings refer to use of those financial resources by the State Government for meeting expenditure requirements in a particular year or years, which are not reflected in the budget for that year or those years, for seeking grants/appropriations. Hence these off-budget borrowings remain outside legislative control. They are financed through State Government owned or controlled public sector enterprises or societies, which raise resources through market borrowings, on behalf of the State Government. However the State Government has to repay and service the debt from its budget.

Audit noticed that GoWB had repaid off-budget borrowings, amounting to ₹ 14.58 crore, which had been raised during 2009-11, through two State Public Sector Undertakings, by means of Cash Credit Loan (CCL) (**Table 2.31**). Though these entities had borrowed funds for financing various Government schemes, the expenditure on account of such borrowings was not disclosed in the budget or in the Finance Accounts of the State.

Table 2.31: Details of repayment of off-budget borrowing during the FY 2023-24

Sl. No.	Loans raised by	Department involved	Loans raised for	Principal repaid	Interest paid	Total repayment
				(₹ in crore)		
1.	West Bengal State Co-operative Marketing Federation Limited (BENFED)	Agriculture Marketing	Potato Procurement 2010	7.18	1.44	8.62
	West Bengal State Consumers' Co-operative Federation Limited (CONFED)			4.97	0.99	5.96
Total				**12.15**	**2.43**	**14.58**

Source: Departmental figures; Difference of ₹0.01 crore is due to rounding.

Against the total repayment (₹ 14.58 crore) of CCL, Principal and Interest of ₹ 12.15 crore and ₹ 2.43 crore respectively, were repaid through Grants-in-aid, as mentioned in **Paragraphs 2.8.4** and **2.8.2**. Thus, the repayment of borrowings of the above two entities were direct liabilities of the State Government, despite being raised through the off-budget route.

Further, it was noticed during audit scrutiny that, at the end of the FY 2023-24, repayment of ₹ 12.15 crore towards principal, was due upto March 2024, from two entities (BENFED: ₹ 7.18 crore and CONFED: ₹ 4.97 crore). Thus, the overall outstanding debt (₹ 6,44,817 crore) of the State would increase by ₹ 12 crore to ₹ 6,44,829 crore. Interest estimated at ₹ 1.21 crore (BENFED: ₹ 0.71

[56] (₹ 65,132 crore *minus* ₹ 28,201 crore)/ ₹ 65,132 crore*100
[57] (₹ 72,220 crore *minus* ₹ 28,615 crore)/ ₹ 72,220 crore*100

crore and CONFED: ₹ 0.50 crore), was also pending from these entities. An exhaustive position of outstanding liabilities could not be arrived at, since the State Government had not disclosed the off-budget liabilities in its budget documents/annual financial statements. Consequently, the actual impact on the overall outstanding debt and its comparison *vis-à-vis* the GSDP, remained unassessed.

Off-budget borrowings not only reflect lack of disclosure in budget and accounts, but also put expenditure incurred on various schemes out of these funds, beyond the control and scrutiny of the Legislature.

2.13.3 Composition of Fiscal Deficit and its financing pattern

The financing pattern of Fiscal Deficit has undergone a compositional shift, as reflected in **Table 2.32**. The breakdown of Fiscal Deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above the revenue and non-debt receipts.

Table 2.32: Components of Fiscal Deficit and its financing pattern

(₹ in crore)

Particulars		2019-20	2020-21	2021-22	2022-23	2023-24
Composition of Fiscal Deficit		**36,831**	**44,688**	**50,528**	**49,787**	**53,992**
1	Revenue Deficit	19,661	29,527	32,000	27,295	25,691
2	Net Capital Expenditure	15,971	13,034	17,484	22,009	28,963
3	Net Loans and Advances	1,199	2,127	1,044	483	(-)662
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	40,882	50,180	45,199	42,500	48,910
2	Loans from GOI	886	4,986	7,193	3,543	6,215
3	Special Securities issued to NSSF	(-)6,340	(-)6,340	(-)6,340	(-)6,340	(-)6,340
4	Loans from Financial Institutions	(-)143	(-)287	(-)11	772	1,035
5	Small Savings, PF, etc.	1,593	2,288	1,919	1,191	1,245
6	Deposits and Advances	2,656	1,066	2,137	5,993	5,688
7	Suspense and Miscellaneous	3,848	(-)192	(-)332	(-)1,188	(-)909
8	Remittances	(-)14	(-)1	13	487	1
9	Reserve Fund	1,532	(-)436	1,158	2,218	4,138
10	Contingency Fund	(-)11	5	(-)52	228	(-)42
11	Appropriation to Contingency Fund	0	0	0	(-)180	0
12	**Overall Deficit**	**44,889**	**51,269**	**50,884**	**49,224**	**59,941**
13	Increase (-)/Decrease (+) in cash balance	(-)8,058	(-)6,581	(-)356	563	(-)5,949
14	**Fiscal Deficit (12+13)**	**36,831**	**44,688**	**50,528**	**49,787**	**53,992**

Source: Finance Accounts

Table 2.32 shows that there has been an increasing trend in the Fiscal Deficits during FY 2019-20 to FY 2023-24[58] . During the FY 2023-24, the Fiscal Deficit (FD) increased over the previous year by ₹ 4,205 crore (8.45 *per cent*). A high level of FD is good for the economy if the borrowings which financed the FD

[58] Except in FY 2022-23

are used for creation of productive assets like highways, roads & bridges and other infrastructure projects that boost economic growth and result in job creation. However, in 2023-24, the CE was ₹ 28,963 crore, representing 53.64 *per cent* of the FD. Improvement of this ratio, from 44.21 *per cent* in the FY 2022-23, is indicative of the progression in creation of productive assets from the PY's level.

Borrowed funds, used for meeting Revenue Expenditure, create liability for future years, without creating any assets. It is evident that 52.53 *per cent* of the market borrowings (₹ 48,910 crore) continued to finance the deficit on the Revenue Account (₹ 25,691 crore) in FY 2023-24 thereby limiting the scope of utilisation of borrowed funds for asset creation. Borrowing to meet Revenue Deficit, year after year, would not augur well for the State Finances in the long run, since a substantial portion of the interest payment obligations would have to be met in the ensuing years. Using borrowed funds for meeting current consumption and payment of interest on outstanding debt is not sustainable.

The financing pattern of the Fiscal Deficit, for the year FY 2023-24, is shown in **Table 2.33**.

Table 2.33: Financing pattern of Fiscal Deficit during the FY 2023-24

Particulars		Receipts	Disbursements	Net
		(₹ in crore)		
1	Market Borrowings	69,910	21,000	48,910
2	Loans from GOI	7,952	1,737	6,215
3	Special Securities issued to NSSF	0	6,340	(-)6,340
4	Loans from Financial Institutions	2,310	1,275	1,035
5	Small Savings, PF, etc.	5,184	3,939	1,245
6	Deposits and Advances	1,19,852	1,14,164	5,688
7	Suspense and Miscellaneous	1,75,843	1,76,752	(-)909
8	Remittances	0	(-)1	1
9	Reserve Fund	5,030	892	4,138
10	Contingency Fund	0	42	(-)42
11	Appropriation to Contingency Fund	0	0	0
12	**Overall Deficit**	**3,86,081**	**3,26,140**	**59,941**
13	Increase (-)/Decrease (+) in cash balance			(-)5,949*
14	**Fiscal Deficit**			**53,992**

Source: Finance Accounts

**Cash balance as on 01 April 2023 and 31 March 2024 were ₹ 32,039 crore and ₹ 37,988 crore respectively.*

During FY 2023-24, a major component of borrowings continued to be the Market borrowings. In the current year, it constituted 87.20 *per cent* of the Public Debt Receipts. Further, the Fiscal Deficit (₹ 53,992 crore), which comprised of the Revenue Deficit (47.58 *per cent*) in the FY 2023-24, was financed from the combined net balances of the Market borrowings and Loans from GoI, to the extent of 97.94 *per cent*. Again, 59.22 *per cent* of the net inflow from market borrowings was used to finance net Capital Expenditure.

2.14 Debt Sustainability Analysis

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters; compliance of macro-fiscal parameters to the respective FRBM targets and the Domar model/approach. The results of the analysis are given in the following paragraphs:

Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators are given in **Table 2.34**.

Table 2.34: Trends in Debt Sustainability Indicators

Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
		(₹ in crore)				
1.	Overall Liability or Overall Debt	4,33,475	4,86,430	5,36,478	5,85,169	6,44,817
1(i)	Rate of Growth of Overall Liability (*per cent*)	10.21	12.22	10.29	9.08	10.19
2.	Overall interest-bearing liability*	4,13,677	4,63,558	5,07,761	5,49,832	6,01,366
2.(i)	Average Overall interest-bearing liability	3,93,420	4,38,618	4,85,660	5,28,797	5,75,599
2.(ii)	Rate of Growth of Overall interest-bearing liability (*per cent*)	10.86	12.06	9.54	8.29	9.37
3.	GSDP (in nominal terms)	11,79,127	11,41,802	13,29,238	15,31,758	17,00,939
4.	Nominal GSDP growth (*per cent*)	6.99	(-)3.17	16.42	15.24	11.04
5.	Overall Debt/GSDP (*per cent*)	36.76	42.60	40.36	38.20	37.91
6.	Maturity Profile of State Development Loans (*per cent*)	100.00	100.00	100.00	100.00	100.00
6(a)	0-2 years	10.92	11.95	10.76	10.02	9.62
6(b)	2-5 years	21.84	20.24	20.83	20.05	17.64
6(c)	5-10 years	46.39	38.82	34.00	28.54	24.83
6(d)	Over 10 years	20.85	28.99	34.41	41.39	47.91
7(a)	Receipts under Public Debt and other liabilities	1,81,007	1,86,034	1,97,690	1,91,795	2,10,237
7(b)	Repayment (principal and interest) under public debt and other liabilities	1,72,500	1,66,861	1,84,314	1,83,123	1,93,210
8.	Repayment to Gross Borrowings (*per cent*)	95.30	89.69	93.23	95.48	91.90
9.	Net borrowings available as a percentage of Gross Borrowings (*per cent*)	4.70	10.31	6.77	4.52	8.10
10.	Interest Payments	31,668	33,782	36,672	40,018	42,621
11.	Effective Rate of Interest on Overall interest-bearing Debt (*per cent*)	8.05	7.70	7.55	7.57	7.40
12.	Interest payment to Revenue Receipts (*per cent*)	22.16	22.77	20.58	20.46	21.28
13.	Revenue Balance	(-)19,661	(-)29,527	(-)32,000	(-)27,295	(-)25,691

Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
		(₹ in crore)				
14.	Fiscal Balance	(-)36,831	(-)44,688	(-)50,528	(-)49,787	(-)53,992
15.	Primary Revenue Balance (PRB) (13-10)	12,007	4,255	4,672	12,723	16,930
16.	Primary Balance (PB) (14+10)	(-)5,163	(-)10,906	(-)13,856	(-)9,769	(-)11,371
17.	PB/GSDP (*per cent*)	(-)0.44	(-)0.96	(-)1.04	(-)0.64	(-)0.67
18(a)	Investment at the end of the year	18,154	18,288	18,705	19,832	21,378
18(b)	Return	82	2	158	165	289
18(c)	Return on Investment (*per cent*) (on avg. investment for the year)	0.46	0.01	0.85	0.86	1.40
18(d)	Difference between effective rate of interest on overall interest-bearing debt and RoI	7.59	7.69	6.70	6.71	6.00
19.	Liquidity Management (use of financial accommodation instruments available with RBI)	15,860	8,155	193	0	0
20(a)	Interest Spread[59] on overall interest-bearing debt (*per cent*)	(-)1.06	(-)10.87	8.87	7.67	3.64
20(b)	Quantum Spread[60] (on overall interest-bearing debt) (*per cent*)	(-)4,385	(-)50,389	45,038	42,172	21,890
20(c)	Debt Stabilisation (Quantum spread + Primary balance)	(-)9,548	(-)61,295	31,182	32,403	10,519
21.	Domar Model					
21(a)	GSDP (in constant terms)	7,61,794	7,04,045	7,87,439	8,39,805	9,04,088
21(b)	Real Growth (in constant terms) (*per cent*)	3.10	(-)7.58	11.84	6.65	7.65
21(c)	Inflation based on CPI (*per cent*)	4.57	7.98	5.82	7.06	4.47
21(d)	Effective Rate of Interest on Overall interest-bearing Debt (*per cent*)	8.05	7.70	7.55	7.57	7.40
21(e)	Real effective rate of interest on Overall interest-bearing Debt (21d-21c)	3.48	(-)0.28	1.73	0.51	2.93
21(f)	Growth Interest Differential (21b-21e)	(-)0.38	(-)7.30	10.11	6.14	4.72

*Source: Finance Accounts; Note: Effective rate of interest indicates Interest paid by the State on overall debt / (opening balance of debt plus closing balance of debt/2)*100*

**Excluding non-interest-bearing liabilities such as (i) Reserve Funds not bearing interest, (ii)Deposits not bearing interest and back-to-back loan received from GoI during FYs 2020-21 and 2021-22 and (iii) 50 years' Interest free loans for 'Special Assistance to States for Capital Expenditure/Investments' received from GoI during 2020-24*

Analysis of the data shown in **Table 2.34** revealed the following:

[59] Difference between Nominal GSDP growth rate and Effective Rate of interest on Overall interest-bearing Debt

[60] **Quantum spread**= Interest bearing Debt*(GSDP growth rate – Average Interest Rate)/100. If the Quantum Spread together with primary deficit is zero, debt-GSDP ratio would be constant, or debt would stabilize. If it is negative, debt-GSDP would be rising and in case it is positive, debt-GSDP would decrease.

- State did not resort to Ways and Means Advances and Overdraft facilities during the last two years.
- Year-wise analysis shows that both adverse Growth Interest Differential (GID) and Primary deficit contributed to the increase in the State's debt burden in FYs 2019-20 and 2020-21. Nominal growth, which remained positive despite the moderation observed after the significant improvement seen in FY 2021-22 together with decline in the effective interest rate succeeded in maintaining a positive GID during 2021-24. Favorable GID was sufficient to mitigate the impact caused by the Primary deficit and prevent an increase in the State's accumulated debt burden during 2021-24.
- Domar criteria shows that the GID in real terms remained favorable during post-pandemic years which suggests that economic growth was strong enough to recover cost of borrowing. Contrary to the real growth, CPI inflation which hovered between four to eight *per cent*, helped the State to keep the real interest below the real growth to have favorable GID during 2021-24.
- The debt burden of the State as measured by total liabilities to GSDP ratio remained over 37 *per cent* during 2019-24. This ratio reached a five-year high of 42.60 *per cent* in the FY 2020-21 due to an unprecedented increase in borrowing requirements together with contraction of GSDP, caused by the impact of the COVID-19 pandemic. With quick economic recovery and easing of fiscal stress, the State's debt burden started improving in the post-pandemic years, as evident from the fact that it continued to decline till FY 2023-24 but could not reach to pre-pandemic levels. Debt burden declined almost at a constant rate of over two *per cent* in the FYs 2021-22 and 2022-23 over the previous year but witnessed a marginal decline of less than one *per cent* in FY 2023-24. This indicated that the gap between the growth rate of interest-bearing liabilities and nominal growth, which had risen to almost seven percentage points in FY 2022-23 was narrowed to less than two percentage points in 2023-24, resulting in a marginal decline in the State's debt burden. Nevertheless, debt burden of 37.91 *per cent* in the FY 2023-24, remained above the target of 34.30 *per* cent, stipulated in WBFRBM (Amendment) Act 2020. This signifies that debt burden is substantially higher compared to its economic output and indicates financial vulnerability and reduced fiscal flexibility.
- Rate of growth of overall liability decreased from 12.22 *per cent* in 2020-21 to 9.08 *per cent* in 2022-23 and further grew to 10.19 *per cent* in 2023-24, indicating higher growth of borrowing.
- Moreover, the ratio of Interest Payment to Revenue Receipts increased from 20.46 *per cent* in 2022-23 to 21.28 *per cent* in 2023-24 which was above the ceiling of 20.11 *per cent* prescribed in the Fiscal Policy Strategy Statement (FPSS) for the FY 2023-24.
- Further, substantial portion (91.90 *per cent*) of gross borrowings was being used for repayment implying that only 8.10 *per cent* of net borrowings was available for utilisation.

Going by the analysis and results as discussed above, the finances of the State of West Bengal are marked by increasing trend of liabilities which pose risk to target of debt stabilisation and debt sustainability.

2.14.1 Utilisation of Borrowed Funds

Borrowed funds should ideally be used for capital creation and developmental activities. Utilisation of borrowed funds and trends of their utilisation, during FY 2019-20 to FY 2023-24, are shown in **Table 2.35** and **Chart 2.19**, respectively.

Table 2.35: Utilisation of borrowed funds

Year	2019-20	2020-21	2021-22	2022-23	2023-24
	(₹ in crore)				
Total Borrowings* (1)	75,699	75,429	77,581	70,243	80,171
Repayment of earlier borrowings (Principal)# (2) (*percentage*)	40,413 (53)	26,889 (36)	31,540 (41)	29,768 (42)	30,351 (38)
Net Capital Expenditure (3) (*percentage*)	15,971 (21)	13,034 (17)	17,484 (23)	22,009 (31)	28,963 (36)
Net loans and advances (4) (*percentage*)	1,200 (2)	2,127 (3)	1,044 (1)	483 (1)	(-)662 (-1)
Portion of Revenue Expenditure met out of net available borrowings (5) = (1-2-3-4) (*percentage*)**	18,115 (24)	33,379 (44)	27,513 (35)	17,983 (26)	21,519 (27)

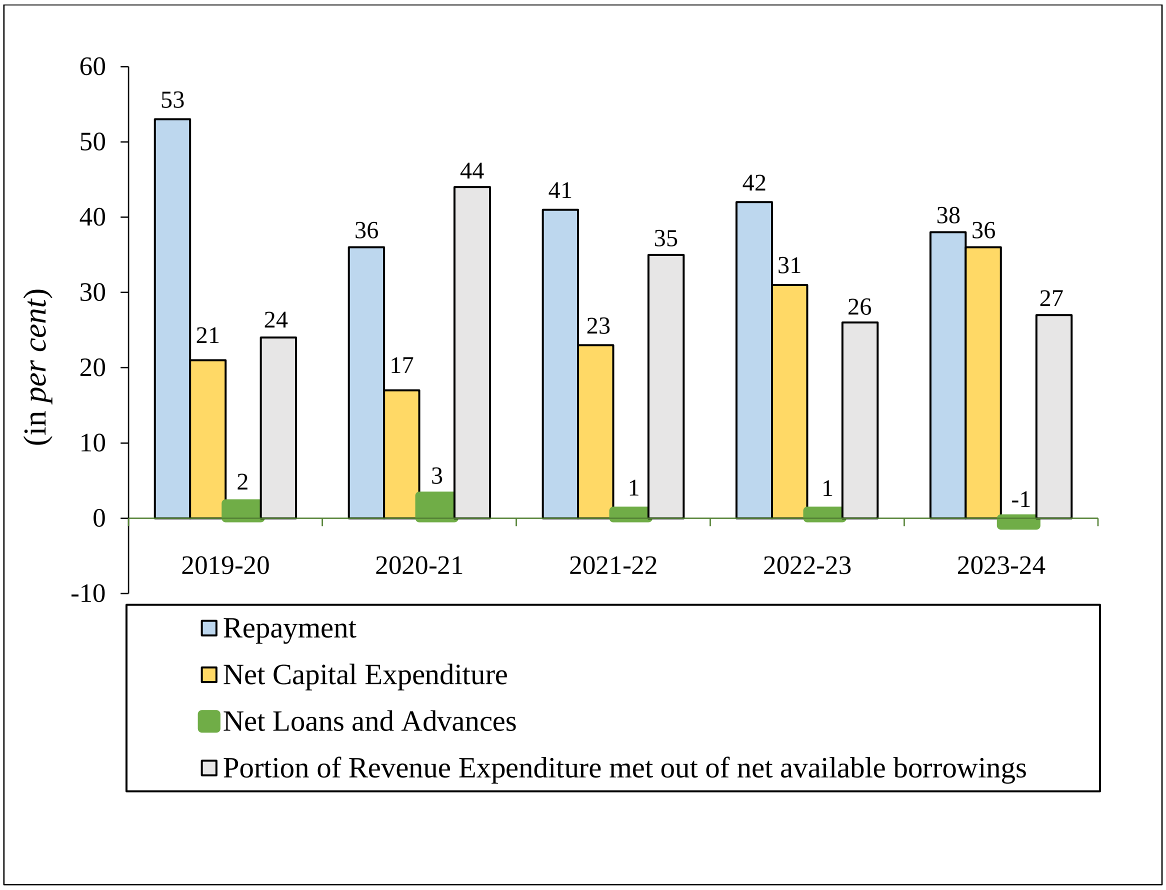
Source: Finance Accounts

**Represents total Public Debt Receipts during the year;*

#Represents total Public Debt Repayments during the year;

*** Revenue Expenditure (RE) of ₹ 908 crore in FY 2023-24 was incorrectly booked as CE. Actual RE during the FY 2023-24 would thus be ₹ 2,26,867 crore instead of ₹ 2,25,959 crore. Thus, actual CE during the FY 2023-24 would be ₹ 28,055 crore instead of ₹ 28,963 crore. Further, portion of RE met out of net available borrowings would change to ₹ 22,427 crore.*

Chart 2.19: Trends of Utilisation of borrowed funds



Source: Finance Accounts

As can be seen from **Chart 2.19**, there was little scope for utilisation of borrowed funds for developmental activities during 2019-20, since a significant portion of the borrowed funds was used to repay the borrowings (53 *per cent*) made in earlier years. In the current year, repayment from borrowings decreased to 38 *per cent* from 42 *per cent* in 2022-23, which led to increase in the portion of Revenue Expenditure met out of borrowings, to 27 *per cent*, from 26 *per cent* in 2022-23. Nevertheless, aggregate utilisation of borrowed funds on Revenue Expenditure, Capital Expenditure and disbursement of loans and advances, being 62 *per cent* in the current year, remained less than the figure of 64 *per cent* in 2020-21.

As is evident from **Chart 2.19**, the State could utilise 36.13 *per cent* (₹ 28,963 crore) of the borrowed funds for net Capital Expenditure during 2023-24, which represented an increase from the level of 31.33 *per cent* during 2022-23.

Apart from meeting its Capital Expenditure and repayments, as outlined above, the State utilised ₹ 21,519 crore for discharging its Interest payment liabilities, which represented around 50.49 *per cent* of total interest payment (₹ 42,621 crore). Therefore, commitments on account of repayments (Principal: ₹ 30,351 crore *plus* Interest: ₹ 21,519 crore) were ₹ 51,870 crore, which was about 64.70 *per cent* of the total borrowings.

Prudent borrowing norms suggest that borrowed funds should be deployed in such a manner that the return from deployment of borrowed funds is more than borrowing cost of debt, to be sustainable. It is, therefore, essential that there is a policy framework in place, for deployment of borrowed funds, keeping in mind the cost of borrowing and potential increases in income.

2.14.2 Debt Profile: Maturity and Repayment

The debt maturity and repayment profile indicate the commitments on part of the Government for debt repayment or debt servicing in future years. The debt maturity profile of the State is shown in **Table 2.36**.

Table 2.36: Maturity Profile of repayment of Public debt of the State

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0 – 1	21,903	3.91
2 – 3	58,435	10.42
4 – 5	49,712	8.87
6 – 7	57,010	10.17
8 and above	2,89,990	51.73
Others[61]	83,533	14.90
Total	**5,60,583**	**100.00**

Source: Finance Accounts

In the ensuing five and seven years, debt maturity will be 23.20 and 33.37 *per cent* respectively of the total outstanding Public debt. The debt maturity may be much higher in the coming years, given the fact that the information pertaining to maturity details for debt amounting to ₹ 83,533 crore (14.90 *per cent* of total debt) were not made available by the State Government.

Market borrowings formed a significant portion of the debt repayments. This may be viewed in the light that, during the FY 2023-24, repayment of principal and interest outgo for this purpose were ₹ 21,000 crore and ₹ 32,624 crore, respectively, which constituted nearly 69.19 and 76.54 *per cent* of the total principal repayment (₹ 30,351 crore) and interest payments (₹ 42,621 crore).

2.14.3 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 by the State Government. WBCGA[62] 2001 stipulates that the total outstanding Government guarantees, as on the first day of April of any year, shall not exceed 90 *per cent* of the State Revenue Receipts of the second preceding year. The Finance Department acts as the tracking authority in respect of guarantees. The outstanding guarantees, including interest (₹ 17,677 crore) (**Table 2.37**) at the beginning of 2023-24, stood at 9.92 *per cent* of the total Revenue Receipts of the second preceding year (₹ 1,78,159 crore in 2021-22) and were, thus, well within the ceiling of the WBCGA.

[61] Payment schedule of this amount is not being maintained by the Accountant General (A&E).
[62] West Bengal Ceiling on Government Guarantee Act

Table 2.37: Guarantees given by the State Government

(₹ in crore)

Guarantees	2019-20	2020-21	2021-22	2022-23	2023-24
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	1,18,143	1,31,378	1,28,623	1,33,555	1,60,343
Maximum amount guaranteed	14,228	15,292	15,129	10,300	10,630
Outstanding amount of guarantees including interest	8,212	7,821	16,885	17,677	16,445

Source: Finance Accounts

The outstanding guarantees including interest amounting to ₹ 16,445 crore, at the end of the year 2023-24, included guarantees extended to 26 institutions/ companies, under various sectors[63].

Further, in terms of Section 10 of the West Bengal Finance Act, 2002, the loanees for whom the State Government had provided guarantees to the financial institutions, were required to pay guarantee commission, at the rate of one *per cent* (minimum) on the total amounts guaranteed. In the current year, the State Government had received guarantee commission of ₹ 5.00 crore, against the receivable commission of ₹ 313.92 crore. Short receipt of guarantee commission understated the Revenue Receipts by ₹ 308.92 crore.

During test-check of the status of unpaid guarantee commissions of power utilities, the following were noticed:

- WBPDCL paid ₹ 5.00 crore out of ₹ 52.27 crore of the total outstanding Guarantee Commission. The company, in reply, stated that shortage of cash flows due to non-liquidation of receivables[64] led to its inability to pay the remaining dues.
- WBSEDCL did not pay the guarantee commission though ₹ 84.90 crore remained payable till the end of 2023-24.

2.15 Management of Cash Balances

As per 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 (OD). The limits for ordinary WMA to the State Government are revised by the RBI from time to time. During the FY 2023-24, no WMA was availed by the GoWB.

[63] Power (₹ 8,469 crore against 9 guarantees), Finance (₹ 6,177 crore against 9 guarantees), Cooperation (₹ 1,076 crore against 1 guarantee), Backward Classes Welfare (₹ 124 crore against 4 guarantees), Tribal Development (₹ 13 crore against 1 guarantee), Higher Education (₹ 438 crore against 1 guarantee) and MSME & Textiles (₹ 148 crore against 1 guarantee)

[64] As per the Price Purchase Agreement (PPA), WBPDCL sell its entire power generated to WBSEDCL.

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.

Cash balances and their investment during the FY 2023-24, are shown in **Table 2.38**.

Table 2.38: Cash Balances and their investment **(₹ in crore)**

Particulars	Opening balance on 1 April 2023	Closing balance on 31 March 2024
A. General Cash Balance		
Cash in treasuries	0.12	0.18
Deposits with Reserve Bank of India	(-)13.88	2.45
Deposits with other Banks	0.00	0.00
Remittances in transit - Local	0.00	0.00
Total	**(-)13.76**	**2.63**
Investments held in Cash Balance investment account	18,631.60	23,320.02
Total (A)	**18,617.84**	**23,322.65**
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	(-)0.36	(-)0.36
Permanent advances for contingent expenditure with department officers	2.75	2.84
Investment in earmarked funds	13,418.85	14,662.27
Total (B)	**13,421.24**	**14,664.75**
Total (A + B)	**32,039.08**	**37,987.40**
Interest realised	111.86	124.13

Source: Finance Accounts

The cash balance of the State Government, at the end of the current year, increased by ₹ 5,948 crore (18.56 *per cent*), from ₹ 32,039 crore in 2022-23, to ₹ 37,987 crore in 2023-24. This was mainly due to the increase in cash balance investments of 4,688 crore (25.16 *per cent*), and investment in earmarked funds by ₹ 1,244 crore (9.27 *per cent*). The State Government earned an interest of ₹ 124 crore on these investments, during FY 2023-24.

Out of the investment of ₹ 14,662 crore in earmarked funds, ₹ 13,265 crore had been invested in the CSF, ₹ 974 crore in GRF, ₹ 200 crore in SDRF and ₹ 223 crore in Other Funds, at the end of the year.

The cash balance investments of the State, during FY 2019-20 to FY 2023-24, are given in **Table 2.39**.

Table 2.39: Cash Balance Investment Account (Major Head-8673)

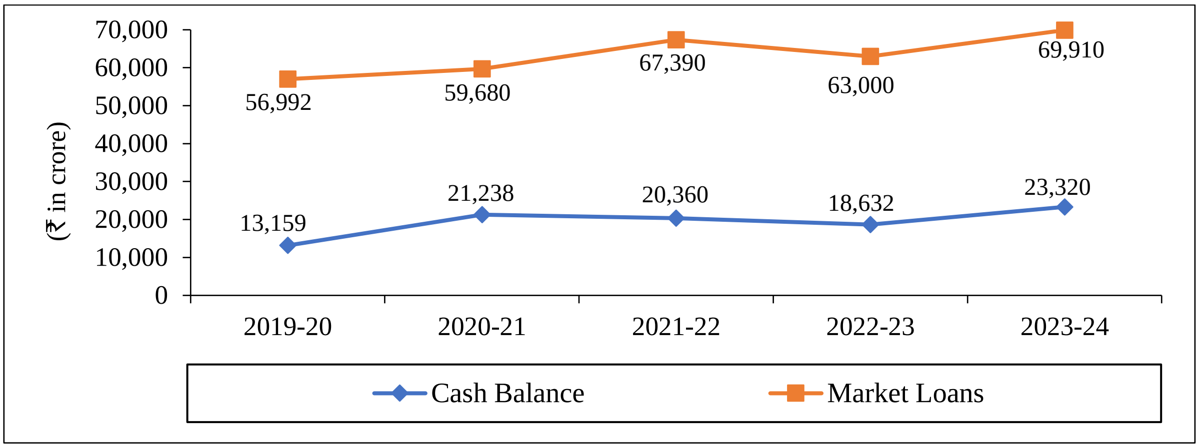
Year	Opening Balance	Closing Balance	Increase (+)/ Decrease (-)	Interest earned
	(₹ in crore)			
2019-20	5,977	13,159	7,182	97.33
2020-21	13,159	21,238	8,079	62.87
2021-22	21,238	20,360	(-)878	95.34
2022-23	20,360	18,632	(-)1,728	111.86
2023-24	18,632	23,320	4,688	124.13

Source: Finance Accounts

Trend analysis of the cash balance investments of the State Government, during 2019-24, revealed that investments had increased significantly during 2020-21 and had, thereafter, been on a decreasing trend during 2022-23 before increasing in 2023-24. At the end of 2023-24, the cash balance investment balance stood at ₹ 23,320 crore, an increase of 25.16 *per cent* over the PY.

Chart 2.20 compares the balances available in the cash balance investment account and the market loans taken by the State, during 2019-24. Market loans were taken at higher interest rates, whereas investment in treasury bills had yielded interest at lower rates.

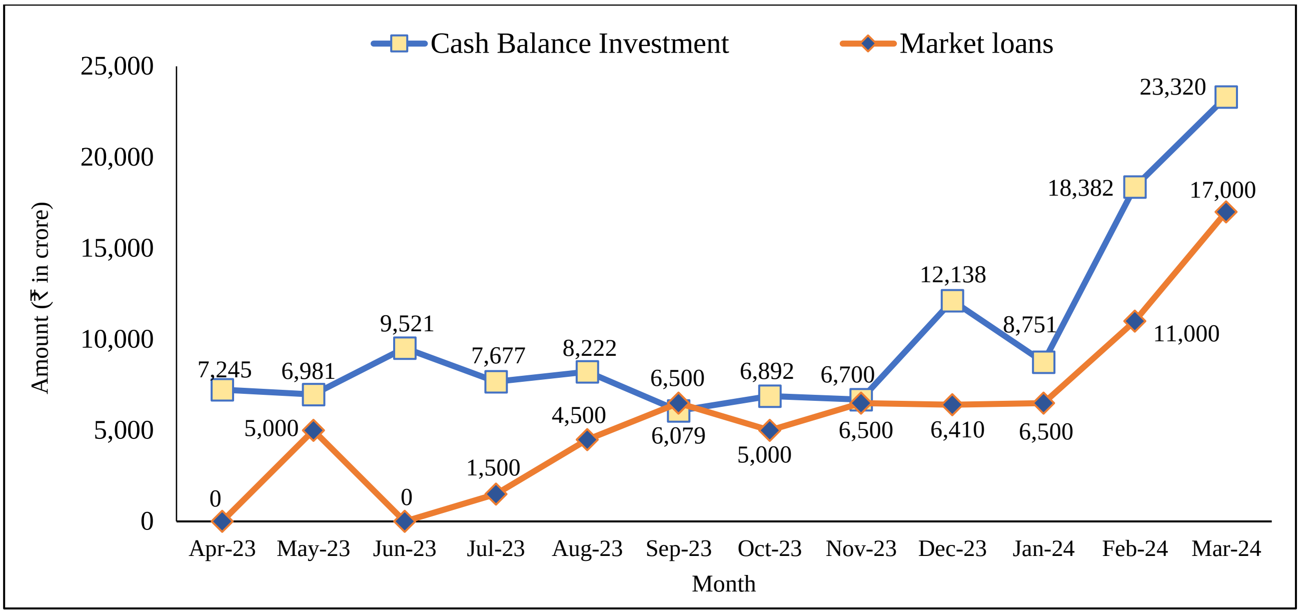
Chart 2.20: Market loans raised *vis-à-vis* Investments held in the Cash Balance Investment Account



Source: Finance Accounts

Chart 2.21 compares the month-wise Cash Balance Investment Account, with the market loans obtained by the State.

Chart 2.21: Month-wise movement of Cash Balances Investment account and market loans, during 2023-24



Source: Finance Accounts 2023-24 and figures given by the O/o The Accountant General (A&E), West Bengal

Chart 2.21 indicates that the State Government had taken recourse to market loans during the months of May, July and August and from October to March in the current fiscal, despite having sufficient cash balances. Thus, borrowings could have been avoided to the extent of availability of balances, in the cash balance investment account.

2.16 Salient Features

Table 2.40: Key Parameters

Positive Indicators	Parameters requiring close watch
Revenue Deficit to GSDP decreased to 1.51 *per cent* from 1.78 *per cent* in the FY 2022-23.	Debt to GSDP ratio being at 37.91 *per cent* remained above the target of 34.30 *per* cent, stipulated in WBFRBM (Amendment) Act 2020.
Fiscal Deficit to GSDP decreased to 3.17 *per cent* from 3.25 *per cent* in FY 2022-23.	Interest payments relative to Revenue Receipts, at 21.28 *per cent*, crossed the target of 20.11 *per cent* set out in the FPSS presented with the budget as per WBFRBM Act.
Repayment to Gross Borrowings decreased to 91.90 *per cent* from 95.48 *per cent* in FY 2022-23.	Committed Expenditure to Revenue Receipts increased to 64.90 *per cent* from 63.89 *per cent* in FY 2022-23.

2.17 Conclusions

- The State had a Revenue Deficit of ₹ 25,691 crore, despite receipt of PDRD grants of ₹ 8,353 crore from the GoI, based upon the recommendations of the 15th FC.

- The returns from investments of ₹ 21,378 crore, as of 31 March 2024, in Companies/Corporations, were negligible (₹ 289 crore).

2.18 Recommendations

1. *State Government may carry out regular and periodic monitoring of revenues which were in arrears and rationalize expenditure, in order to eliminate the Revenue Deficit.*
2. *In the backdrop of reducing post-devolution Revenue Deficit grants, the State Government may take measures to augment its own revenue and/or reduce expenditure in order to maintain the revenue balance.*
3. *Capital Expenditure may be increased significantly, for infrastructure creation, to provide stimulus for economic growth.*
4. *The State Government may keep the cash balance position in mind while taking any decision on raising market loans.*

CHAPTER III

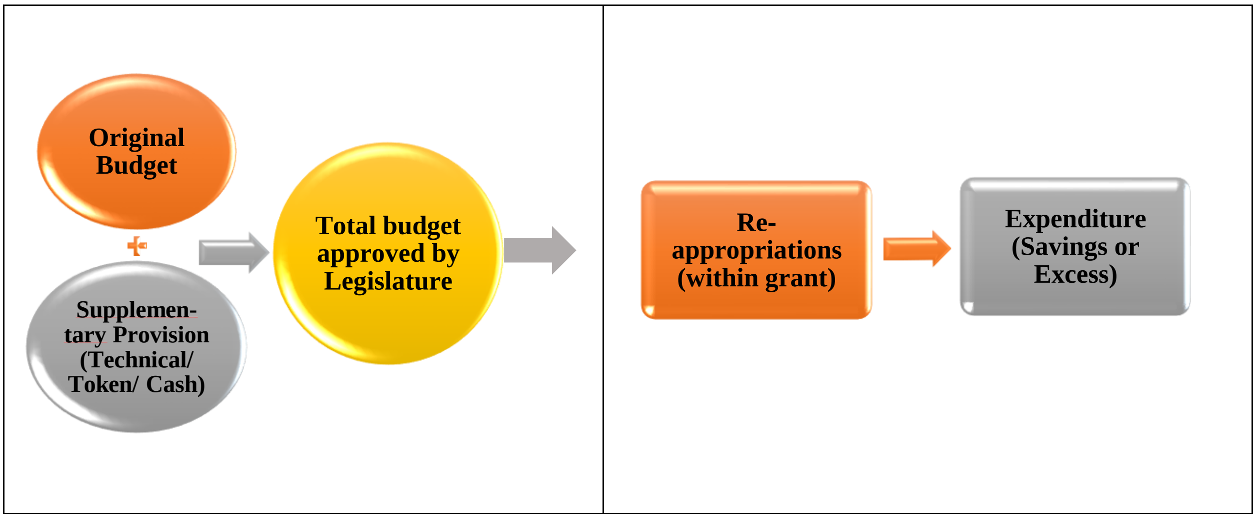
Budgetary Management

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. The various components of the budget are depicted in the **Chart 3.1**.

Chart 3.1: Various components of the Budget



Authorisation by the Legislature	Implementation by the Government

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.

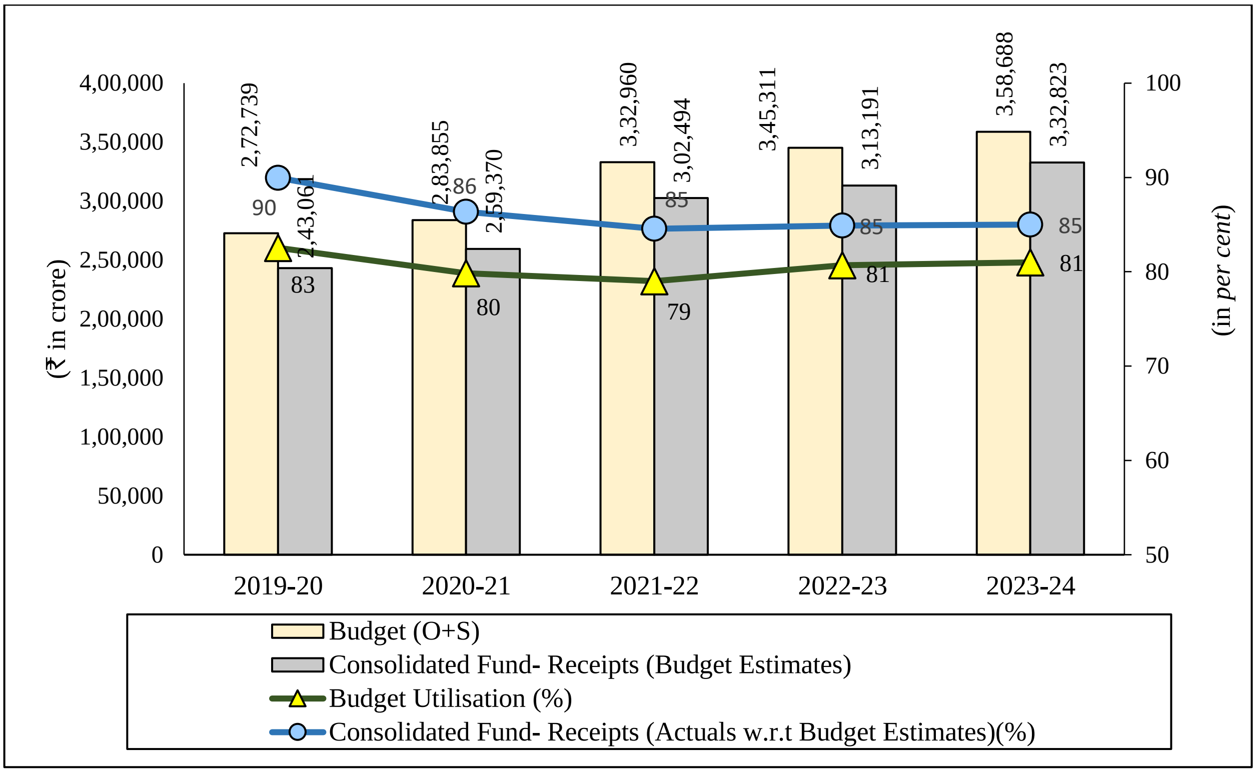
Out of savings of ₹ 62,558 crore, in respect of 11 grants, having total savings exceeding ₹ 1,000 crore each, only ₹ 2,300 crore was surrendered (3.68 *per cent*), leaving a balance of ₹ 60,258 crore.

- 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.*

CHAPTER IV

Quality of Accounts

&

Financial Reporting Practices

Chapter IV Quality of Accounts & Financial Reporting Practices

4.1 Introduction

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

4.2 Funds outside the Public Account of the State

Article 266 (2) of the Constitution provides that all public money received by or on behalf of the Government of a State, other than the public money covered under Article 266(1), shall be credited to the Public Account of the State.

Cess proceeds[70] amounting to ₹ 1,543.47 crore, credited to the Consolidated Fund of the State, during 2023-24, had not been transferred as the GoWB did not create specific fund accounts to transfer these proceeds. Non-transfer of cess of ₹ 1,543.47 crore has resulted in understatement of Revenue Deficit and Fiscal Deficit to that extent (**Table 1.8** under **Paragraph 1.9**).

4.3 Funds transferred directly to State implementing agencies

Government of India transfers substantial funds directly to State Implementing Agencies / Non-Governmental Organisations for implementation of various schemes and programmes. These transfers are exhibited in Appendix –VI of Volume-II of the Finance Accounts. As these funds were not routed through the State budget/State Treasury system, the Annual Finance Accounts did not capture the flow of such funds. Thus, to that extent, the State's receipts and expenditure, as well as other fiscal variables/parameters derived from them, did not present the complete picture.

Details of funds transferred directly to State Implementing Agencies from the financial year 2019-20 to 2023-24, are shown in **Table 4.1**.

Table 4.1: Funds transferred to State implementing agencies by GoI

Year	2019-20	2020-21	2021-22	2022-23	2023-24
Direct transfers to State implementing agencies	(₹ in crore)				
	11,677	26,198	25,370	25,436	19,500

Source: Finance Accounts for the respective years

[70] Other than proceeds through Labour Cess and those cess which have been collected under Cess Act *viz.* West Bengal Rural Employment and Production Act,1976 and West Bengal Cess Act 1880

During 2023-24, GoI transferred ₹ 19,500 crore to the State Implementing Agencies of which major transfers were noticed against the schemes for 'Payment for Indigenous Urea' (₹ 9,040 crore), 'Jal Jeevan Mission' (₹ 4,206 crore), 'Pradhan Mantri Kisan Samman Nidhi (₹ 3,065 crore), (iv) 'Payment for Indigenous P & K Fertilizers' (₹ 1,404 crore).

In the current year, direct transfers decreased by ₹ 5,936 crore (23.34 *per cent*) compared to the previous year. This may be in view of the fact that GoI did not transfer any funds during 2023-24 for the scheme 'Food subsidy for decentralized procurement of foodgrains under NFSA[71] though during 2019-23, ₹ 21,175 crore[72] was transferred for this purpose.

Issues related to transparency

4.4 Delay in submission of Utilisation Certificates

Rule 330A of the West Bengal Treasury Rules (WBTR) and Subsidiary Rules (SR) 1997, read with Finance Department's order (August 2005), stipulate that Utilisation Certificates (UCs), in respect of Grants-in-aid received by the grantee, should be obtained by the departmental officers, from the grantees, within one year from the dates of release of the grants provided for specific purposes.

Audit scrutiny revealed that, as of March 2024, a total of 5,48,496 UCs[73], in respect of grants aggregating ₹ 2,56,107 crore were outstanding, as shown in **Table 4.2**.

Table 4.2: Utilisation Certificates, not received by AG (A&E) and pending reconciliation

Year	Due for submission upto 2023-24	
	No.	Amount (₹ in crore)
Upto 2022-23	4,99,165	2,24,763
2023-24	49,331	31,344
Total	**5,48,496**	**2,56,107**

Source: Finance Accounts
Note: (i) UCs for the GIA disbursed during the FY 23 became due during the FY 24
(ii) An amount of ₹3,20,774 crore was due for submission upto FY 2022-23

Though such instances of non-receipt of UCs, by AG (A&E), are regularly being reported in the Reports of the CAG of India, there has been significant increase in the number of UCs and the amount by 36.12 *per cent* and 13.47 *per cent* respectively, in regard to UCs which have not been received by AG (A&E), over that reported in the Audit Report of 2019-20 (4,02,964 UCs for ₹ 2,25,712 crore).

[71] National Food Security Act
[72] ₹ 382 crore in 2019-20, ₹ 8,792 crore in 2020-21, ₹ 5,421 crore in 2021-22 and ₹ 6,580 crore in 2022-23
[73] As per the records of AG (A&E), which is pending reconciliation

Further, no mechanism has been prescribed by the State Government mandating depiction of the Central and the State share in the UCs. Hence, Audit could not ascertain the amount of Central and State share for which UCs were pending out of the total pending amount of UCs.

4.5 Abstract Contingent bills

Rule 4.108 of the West Bengal Treasury Rules (WBTR) 2005 stipulates that AC bills are meant for drawal of funds, with a view to incurring expenditure on items which are contingent in nature. Rule 4.138 (5) of the WBTR requires that advances drawn through AC bills are to be adjusted through Detailed Contingent bills (DC bills) within one month from the date of completion of the purpose for which the related advances were drawn. In no case should this exceed 60 days from the date of drawal of the respective AC bill. Year-wise progress in submission of DC bills, against AC bills, upto 2021-22, 2022-23 and 2023-24, is given in **Table 4.3**.

Table 4.3: Year wise progress in submission of DC bills against AC bills

Year	Opening Balance as on 1 April 2023		Addition during 2023-24		Clearance during 2023-24		Closing Balance as on 2023-24	
	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)
Up to 2021-22	7,057	999	-	-	1,544	549	5,513	450
2022-23	646	239	-	-	423	106	223	133
2023-24#	-	-	1,923	748	853	400	345	79
Total	**7,703**	**1,238**	**1,923**	**748**	**2,820**	**1,055**	**6,081**	**662**

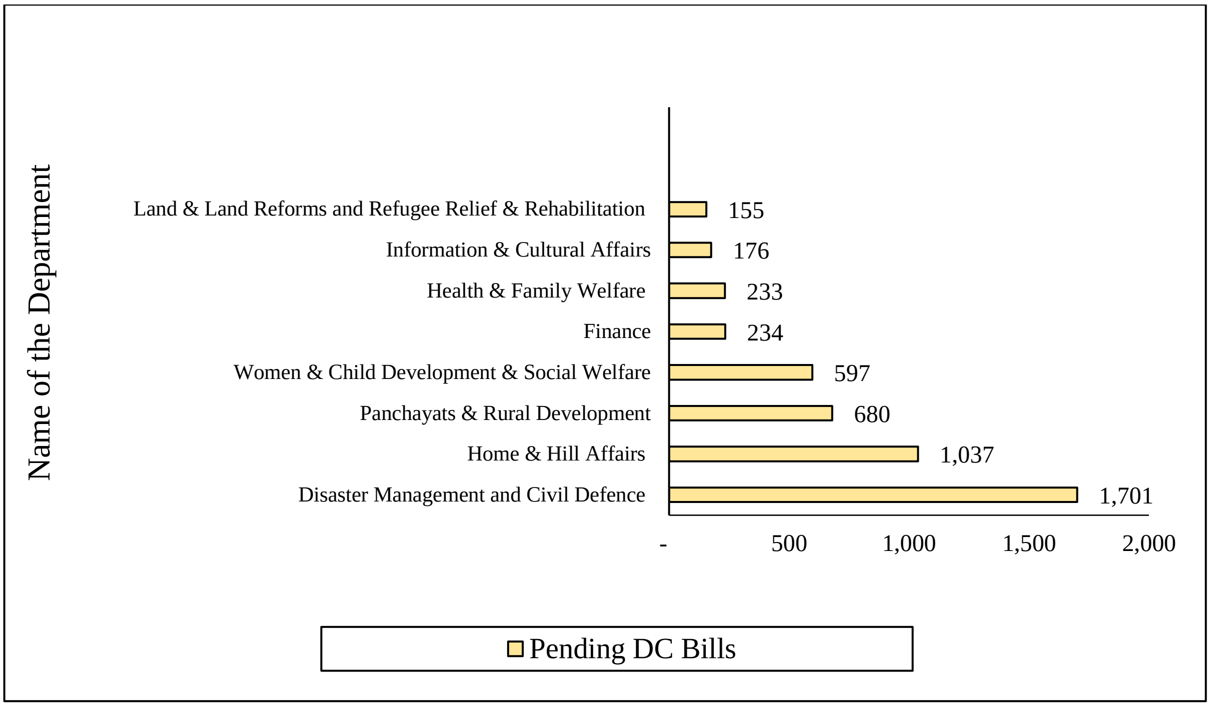
Source: Finance Accounts

#Out of 1,070 AC Bills(1923-853),725 AC Bills amounting to ₹269 crore were drawn during February & March 2024 and out of 725 AC Bills, 22 AC Bills amounting to ₹36 crore adjusted before due date of adjustment and 703 AC Bills amounting to ₹233 crore were neither due for adjustment nor adjusted before due date of adjustment.

Pending DC Bills are indicative of accounting indiscipline by the concerned Government functionaries and controlling authorities and carry the risk of fraud, temporary misappropriation and embezzlement of funds. Therefore, they require close monitoring by the respective DDOs. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be asserted as correct or final.

Details of DC bills pending upto 31 March 2024, against eight departments where pendency is significant, are shown in **Chart 4.1.**

Chart 4.1: Pending DC Bills in respect of eight departments



Source: Finance Accounts

Four departments accounted for 66.02 *per cent* of the total number of outstanding AC bills. These departments were Home & Hill Affairs (₹ 181 crore; 1,037 AC bills), Women & Child Development and Social Welfare (₹111 crore; 597 AC bills), Panchayats & Rural Development (₹ 81 crore; 680 AC bills) and Disaster Management and Civil Defence (₹ 38 crore; 1,701 AC bills).

Two departments, which had cleared the maximum AC bills, through submission of DC bills during the FY 2023-24, were Home & Hill Affairs (19,931 DC bills involving ₹ 5,399 crore) and Disaster Management and Civil Defence (11,339 DC bills involving ₹ 2,433 crore).

While checking AC and DC bills of 11 test-checked DDOs[74] during July- August 2024, Audit observed the following:

(I) Unadjusted AC Bills

- ***Accounts Officer, North Bengal Medical College & Hospital (NBMCH)***

Two AC bills of ₹ 3.09 crore and ₹ 0.88 crore, drawn in November 2023 and February 2024 respectively for the purchase of 'Telecobalt machine' at the Radiology department of the NBMCH, remained pending till August 2024.

[74] (i) Accounts Officer: PSC, (ii) Accounts Officer: NBMCH, (iii) Commissioner: Barrackpore Police Commissionerate, (iv) Executive Engineer: Agri-Mechanical Division-I, Malda, (v) District Magistrate: 24 Parganas (S), (vi) District Magistrate: Purba Bardhaman, (vii) District Magistrate: Paschim Bardhaman, (viii) Commissioner: Asansol-Dugapur Police Commissionerate, (ix) SP: Jalpaiguri, (x) SP: Jangipur & (xi) District Magistrate: Murshidabad

- ***Accounts Officer, Public Service Commission (PSC)***

Seven AC bills amounting to ₹ 6.98 crore, drawn between October 2023 and March 2024 for meeting the incidental expenses in connection with conducting various examinations, remained un-adjusted till June 2024 despite completion of 60 days.

(II) Irregular adjustments of AC Bills

- Advances drawn by the Accounts Officer, PSC in connection with the payment of 'Professional and Special services' against three AC bills of ₹ 2.05 crore (drawn during March 2023 to August 2023) and two AC bills of ₹ 1.55 crore (drawn during January 2024 to March 2024) were shown adjusted in the month of September 2023 and April 2024, respectively merely by transferring the amount into the PL Account.
- Five AC bills, involving ₹ 0.91 crore, drawn by the Executive Engineer, Agri- Mechanical Division-I, Malda from March 2023 to February 2024 for the 'Purchase of HSD and Mobil' in connection with minor irrigation schemes were shown adjusted between June 2023 to March 2024 despite holding of provisional balances ranging between ₹ 1,96,577 to ₹ 1,97,372 with the supplier 'Indian Oil Corporation Ltd' against each Advance bill.

(III) Refund of unspent balances after holding for a significant period

Rule 4.116(1) of the WBTR stipulated that no money shall be drawn from the Treasury unless it is required for immediate disbursement.

Table 4.4 indicates that five test-checked DDOs, out of the 70 AC bills aggregating ₹ 26.27 crore, had refunded ₹ 8.96 crore (34.12 *per cent*) through challans after holding the amounts for a significant period, beyond the stipulated period of 60 days.

Table 4.4: Refund of unspent advances by the DDOs

Sl. No.	Name of DDO	Purpose of drawal of advances	Number of AC bills involved	Advance drawn	Amount Refunded	Percentage of refund	Holding of unspent amount beyond 60 days
				(in ₹)			
1.	Commissioner, Barrackpore Police Commissionerate	Panchayat General Election 2023	06	1,71,80,000	1,08,22,595	63.00	24 to 173 days
2.	District Magistrate, South 24 Parganas	Procurement of Rice	05	6,39,69,580	3,84,68,960	60.14	1,056 to 1,444 days
3.	Superintendent of Police, Jangipur	Sagardhi Assembly Bye-election 2023 and Panchayat	29	7,44,78,000	1,76,94,098	23.76	129 to 300 days

Sl. No.	Name of DDO	Purpose of drawal of advances	Number of AC bills involved	Advance drawn	Amount Refunded	Percentage of refund	Holding of unspent amount beyond 60 days
				(in ₹)			
		General Election 2023					
4.	Superintendent of Police, Jalpaiguri	Dhupguri Assembly Bye-election 2023 and Panchayat General Election 2023	25	8,55,51,000	1,87,08,784	21.87	51 to 140 days
5.	Commissioner, Asansol-Durgapur Police Commissionerate	Assembly Bye-Election 2022 and Panchayat General Election 2023	05	2,14,75,000	39,18,861	18.25	119 to 183 days
Total			**70**	**26,26,53,580**	**8,96,13,298**	**34.12**	

Source: Departmental Records

Further, out of the unspent advances, as mentioned above, instances were noticed where following DDOs had refunded the entire amount of advance against the number of AC bills, shown against each.

(i) District Magistrate, South 24 Parganas: Two AC Bills of ₹ 3.05 crore;

(ii) Superintendent of Police, Jalpaiguri: Three AC Bills of ₹ 0.57 crore;

(iii) Superintendent of Police, Jangipur: Two AC Bills of ₹ 0.30 crore;

(iv) Commissioner, Barrackpore Police Commissionerate: One AC Bill of ₹ 0.07 crore.

Refund of full/partial advances indicate that AC bills were drawn without assessing the requirement, as mentioned in the Rule *ibid*.

4.6 Personal Deposit Accounts

Personal Deposits (PD) are maintained in the treasuries, in the nature of banking accounts. They are commonly known as Personal Ledger (PL) Accounts or Personal Deposit Accounts.

As per the WBTR, the PD Accounts enable their Holders/Administrators to incur expenditure, pertaining to schemes, for which funds are placed at their disposal, by transfer from the Consolidated Fund of the State.

As per Rule 6.09 (1) of the WBTR, PD Accounts are to be closed at the end of the financial year by minus debit of the balance to the relevant service head in the Consolidated Fund of the State[75]. The accounts may be opened again in the following year, if necessary. Analysis in this regard revealed that, in terms of the WBTR, the Personal Deposit Accounts are to be opened Administrator-wise and

[75] Except where personal deposits are created by law or rules having the force of law for discharging the liabilities arising out of special enactments.

scheme-wise; they should not be omnibus; and they should be opened only if it is absolutely necessary. No details in this regard were, however, furnished to Audit by the State Government, though called for. Consequently, the extent of adherence to the procedural norms, could not be vouchsafed in Audit.

4.6.1 Status of PD Accounts

It was noticed that there was a balance of ₹ 2,998 crore, in 159 PD Accounts, as on 31 March 2024, as shown in **Table 4.5**. Such similar year-end balances were noticed in 2022-23 (₹ 3,014 crore in 159 PD Accounts), in 2021-22 (₹ 3,197 crore in 160 PD Accounts), in 2020-21 (₹ 3,465 crore in 160 PD Accounts) and in 2019-20 (₹ 5,240 crore in 160 PD Accounts). West Bengal Treasury Rule 6.09 provides that 'Personal Deposit Account created by debit to the Consolidated Fund of the State shall be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund of the State'. However, details with regard to year-wise and operator-wise balances under PD/PL accounts, alongwith details of lapsable and non-lapsable PD Accounts, were not furnished to Audit, though called for.

Table 4.5: Details of PD Accounts

Sl. No.	Description	No. of Accounts	Amount (₹ in crore)
1	Number of PD Accounts at the beginning of the year	159	3,014
2	Addition# during the year 2023-24	-	1,238
3	Cleared@ during the year 2023-24	-	1,254
4	PD Accounts existing at the end of the year	159	2,998

Source: Finance Accounts of Government of West Bengal (2023-24)
#Indicates amounts transferred and credited through challans to existing as well as newly opened PD Accounts (8443-106)
@Indicate amounts surrendered and expended from PD Accounts (8443-106)

The correctness of the closing balances in PD Accounts, as of March 2024, could not be ascertained, as the monthly as well as annual verification of balances in the Treasuries was found to be deficient, as elaborated in **Paragraph 4.6.2**.

Non-transfer of unspent balances, lying in PD Accounts, to the Consolidated Fund of the State, entails the risk of misuse of public funds, fraud and misappropriation.

4.6.2 Operation of PD Accounts

(i) Rule 6.08 (5) of the West Bengal Treasury Rules, stipulates that the holder of the Personal Deposit Account shall, immediately after end of the financial year, carry out necessary verification and reconciliation of balances with the treasury and furnish a certificate of balance to the Treasury Officers, on or before the 15 May positively.

Checking of treasuries, conducted in 2023-24, in respect of transactions for the year 2022-23, revealed that only six out of 159 Administrators of PD

Accounts had reconciled and verified their balances with the treasury figures.

(ii) During the FY 2023-24, an amount of ₹ 457.62 crore was transferred to PD Accounts, in March 2024, from the Consolidated Fund of the State. This comprised 36.97 *per cent* of the total yearly inflow into the PD accounts. Of this, ₹ 15.27 crore was transferred on the last working day of March 2024. This indicated that the same was intended to avoid lapse of budget provisions.

4.6.3 Findings on test-checked DDOs

Test-check of PL Accounts, maintained by six DDOs[76], revealed the following deficiencies:

(i) There were differences in the closing Cash Book balances and corresponding Treasury Pass Book balances of three DDOs **(Table 4.6),** due to non-reconciliation, although this was required under WBTR.

Table 4.6: Details of PD Accounts

Sl. No.	Name of the DDO	Closing balance as per cash book	Closing balance as per Treasury pass book	Difference
		(₹ in crore)		
1.	DM, South 24 Parganas	155.81	156.70	0.89
2.	DM, Jalpaiguri	26.36	27.67	1.31
3.	DM, Murshidabad	47.53	47.88	0.35

Source: Departmental figures

(ii) Six DDOs, as of March 2024, had parked ₹ 21.74 crore, in their respective PL Accounts, for periods exceeding two years, disregarding the provisions of WBTR (***Appendix 4.1***).

(iii) Five DDOs[77] had kept an amount of ₹ 150.59 crore, in the form of un-classified balances, under the scheme description 'Miscellaneous', in their PD Accounts. As such, the purpose of retention of funds could not be ascertained.

(iv) In respect of three DDOs[78], there were negative balances of ₹ 6.61 crore under four schemes indicating excess drawal over available balances.

[76] District Magistrates (DM) of Purba Burdwan, South 24 Parganas, Jalpaiguri, Darjeeling, Paschim Burdwan & Murshidabad

[77] DMs of Purba Burdwan (₹ 0.25 crore), South 24 Parganas (₹ 144.67 crore), Jalpaiguri (₹ 5.13 crore), Darjeeling (₹ 0.23 crore) & Murshidabad (₹ 0.31 crore)

[78] DMs of Darjeeling (₹ 6,56,07,598 for the scheme 'PL A/C of D.M.058_058' against ID:9225), Purba Burdwan (₹ 919 for the Schemes 'Dist. planning scheme on the basis of S.S.C' against ID:5053 and ₹ 5,638 for 'Expenditure against voucher of S.W.Section' against ID:5156), & Paschim Burdwan (₹ 5,30,308 for the scheme 'DFCC project' against ID:22910)

(v) As per Bidhayak Elaka Unnayan Prakalpa (BEUP) Guidelines, the Accounts for each of the Assembly should be closed within six months or the next 31st March, whichever is later, from the date of dissolution of the Assembly. There was retention of unutilised BEUP funds (₹ 14.20 crore) of the 16th Assembly[79], by five DDOs[80] even after its dissolution. As per BEUP guidelines, the funds were to have been refunded to the Government Account by 31 March 2022.

(vi) As per norms fixed (March 2021) by the GoI, unutilised funds of CSSs were to be remitted to the account of the SNA of the concerned department, responsible for implementing the CSSs. Audit noticed that, in violation of these norms, funds amounting to ₹ 21.62 crore, in respect of following six CSSs, were lying in the PL Accounts of the DDOs as of August 2024:

- Mid-Day Meal (now renamed as PM POSHAN) funds were lying unspent with the DMs of South 24 Parganas (₹ 15.44 crore) and Murshidabad (₹ 0.60 crore).
- Integrated Child Development Scheme (now renamed as PM POSHAN 2.0) funds were lying unspent with the DMs of South 24 Parganas (₹ 4.44 crore) Jalpaiguri (₹ 0.22 crore) and Purba Burdwan (₹ 0.22 crore).
- Border Area Development Programme funds were lying unspent with the DMs of Darjeeling (₹ 0.04 crore) and Jalpaiguri (₹ 0.38 crore).
- Multi Sectoral Development Project (now renamed as Pradhan Mantri Jan Vikas Karyakram) funds for minorities were lying unspent with the DMs of Darjeeling (₹ 0.18 crore), Jalpaiguri (₹ 0.02 crore) and South 24 Parganas (₹ 0.02 crore).
- Prime Minister Scholarship to Scheduled Castes and the Scheduled Tribes students funds were lying unspent with the DM of Purba Burdwan (₹ 0.05 crore).
- Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989 funds were lying unspent with the DM of Paschim Burdwan (₹ 0.01 crore).

4.7 Misclassification/Avoidable accounting of expenditure under Minor Head '800'

The Minor Head '800', with the nomenclature 'other receipts'/'other expenditure', is to be used under receipt and expenditure Major Heads, to account for transactions that are not routine and/or cannot be accounted under any specific minor head. Repeated use of the Minor Head '800' results in

[79] The tenure ended on 30 May 2021

[80] DMs: Purba Burdwan (₹ 0.48 crore), south 24 Parganas (₹ 9.43 crore), Jalpaiguri (₹ 0.49 crore), Darjeeling (₹ 2.65 crore) & Murshidabad (₹ 1.15 crore)

opaqueness in accounts and, hence, needs to be curtailed. State Finances Audit Reports of the Comptroller & Auditor General have, year after year, pointed out the continued arbitrary use of the Minor Head '800', by different Departments of the State Government. However, this issue had been left unaddressed, leading to continued accounting of expenditure under Minor Head '800'.

During 2023-24, the State Government had booked expenditure of ₹ 2,659 crore[81], under the Minor Head '800', against 63 revenue and capital Major Heads of Account, constituting 1.04 *per cent* of the total revenue and Capital Expenditure of ₹ 2,54,923 crore.

In this regard, CGA, MoF, GoI, had directed (January 2009) Controlling Departments to exercise extreme caution, while booking significant expenditure under the Minor Head '800'. Departments had also been directed to take steps to bring the Detailed Heads and Sub Heads, being operated under Minor Head '800', and carrying significant[82] outlays, under specific Minor Heads, by getting new Minor Heads opened. However, it was noticed that a significant proportion (₹ 100 crore or more as well as 50 *per cent* or more against the total expenditure) of the expenditure, within two Major Heads, had been classified under the Minor Head '800'- 'Other Expenditure', during 2023-24 (**Table 4.7**).

Table 4.7: Significant expenditure booked under Minor Head 800 – Other Expenditure

Major Head	Total Expenditure	Expenditure under Minor Head 800	Expenditure under Minor Head 800 *w.r.t.* Total Expenditure (in *per cent*)
	(₹ in crore)		
2075 – Misc. General Services	404.61	354.43	87.60
2250 – Other Social Services	355.54	341.54	96.06

Source: Finance Accounts

Audit checked the expenditure incurred by three departments, wherein the total amount booked in Minor Head '800' was ₹ 400 crore (constituting 0.98 *per cent* of the total expenditure), during 2023-24 (shown in **Table 4.8**).

Table 4.8: Booking of expenditure in three departments under Minor Head - 800

Sl. No.	Demand No & Name of the Department	Total Expenditure incurred	Amount booked under MIH 800	Amount Test-checked under MIH 800	Specific Minor heads available (*Against Col.5*)	Misclassification (*Against Col.5*)	Expenditure against which booking of 800 could have been avoided
		(₹ in crore)					
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(6)+(7) = (8)**
1.	15- School Education	32,171.99	169.13	142.67	142.67	0.00	142.67
2.	38- Minority Affairs & Madrasah Education	3,068.81	216.09	181.43	181.43	0.00	181.43
3.	43- Power	5,418.89	15.00	15.00	0.00	15.00	15.00
Total		**40,659.69**	**400.22**	**339.10**	**324.10**	**15.00**	**339.10**

Source: VLC data

[81] During the FY 2022-23, an amount of ₹ 6,515 crore was booked under Minor Head – 800.

[82] Exceeding 50 *per cent* of the allocation under the Major Head

Of this ₹ 339.10 crore, specific minor heads were available for an expenditure of ₹ 324.10 crore, under the related Major/Sub Major heads. Instances in this regard, are given below:

- Expenditure of ₹ 181.43 crore pertaining to the "Administration of Religious and Charitable Endowment Acts" had been incurred by the Wakf Board of Minority Affairs & Madrasah Education Departments and had been booked under the minor head '800- other expenditure', under the Major Head '2250- Other Social Services', in spite of having appropriate minor heads '103- Assistance to Local Bodies for Primary Education'.
- Expenditure amounting to ₹ 142.67 crore had been incurred by the School Education Department for the "Assistance to Local Bodies for Elementary Education/Secondary Education/General" and had been booked under the minor head '800- other expenditure', under the Major Head '2202- General Education', in spite of having appropriate minor heads '103 Assistance to Local Bodies for Primary Education' and '191- Assistance to Local Bodies for Secondary Education'.

In respect of expenditure of ₹ 15.00 crore, use of the Minor Head '800' could have been avoided, had the Major/Sub Major heads classification been correctly applied. The appropriate Minor Heads for this expenditure was available under the correct Major/Sub-Major heads, one instance as seen during Audit is given below.

- Expenditure amounting to ₹ 15.00 crore, incurred for the purpose of 'Subsidy (including metre rent) to Calcutta Electricity Supply Corporation (CESC) for subsidization in power tariffs to its customers under 'Hasir Alo Scheme', was booked under the head of account '2801 - Power', with corresponding Sub-Major head '80' and Minor head '800 - Other Expenditure', instead of the available head of account '2235- Social Security and Welfare', with the corresponding Sub-Major head '60' and Minor head '200- Other Programmes'.

In effect, booking of ₹ 339.10 crore, as mentioned *ibid,* amounts to misclassification. Booking under the omnibus minor head not only rendered the accounts opaque but also resulted in incorrect projections of expenditure. This expenditure led to overstatement under Minor Head '800', simultaneously understating the specific/correct minor heads and even the Major/Sub-Major heads, in some cases.

Classification of large amounts under the omnibus Minor Head '800' affects transparency in financial reporting. It distorts proper analysis of the allocative priorities and quality of expenditure.

Issues related to measurement

4.8 Outstanding balances under major Suspense and DDR (Debt, Deposit and Remittances) heads

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.

Balances under Suspense and Remittance heads, at the end of the last three years, are shown in **Table 4.9**.

Table 4.9: Balances under Suspense and Remittance Heads, for the last three years

(₹ in crore)

Sl. No.	Head of Account Ministry/Department with which pending	2021-22 Dr.	2021-22 Cr.	2022-23 Dr.	2022-23 Cr.	2023-24 Dr.	2023-24 Cr.
8658-Suspense Account							
1	101-PAO Suspense	(-) 18.47	2.81	17.34	(-) 1.71	(-) 3.37	0.53
	Net	**21.28 (Cr.)**		**19.05 (Dr.)**		**3.90 (Cr.)**	
2	102-Suspense Account-Civil	252.96	722.22	346.41	376.77	132.76	153.91
	Net	**469.26 (Cr.)**		**30.36 (Cr.)**		**21.15 (Cr.)**	
3	110-RB Suspense CAO	(-) 8.81	(-)164.10	21.00	(-) 17.30	212.96	(-) 74.63
	Net	**155.29 (Dr.)**		**38.30 (Dr.)**		**287.59 (Dr.)**	
4	112-TDS Suspense	0.00	(-)397.16	0.00	(-) 10.32	--	29.91
	Net	**397.16 (Dr.)**		**10.32 (Dr.)**		**29.91 (Cr.)**	
8782-Cash Remittances and Adjustments between officers rendering account to the same Accounts Officer							
1	102-P.W. Remittances	0.00	0.00	(-)608.40	(-)118.38	0.00	0.00
	Net	**0.00**		**490.02 (Cr.)**		**0.00**	
8793-Inter State Suspense Accounts							
1	Inter State Suspense Accounts	(-)13.31	(-)0.25	3.16	0.09	(-)0.61	0.02
	Net	**13.06 (Cr.)**		**3.07 (Dr.)**		**0.63 (Cr.)**	
	Grand Total	**48.85 (Dr.)**		**449.64 (Cr.)**		**232.00 (Dr.)**	

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

It can be seen from **Table 4.9** that, owing to non-clearance of suspense and remittance balances, the aggregate cash balances were deflated by ₹ 49 crore and ₹ 232 crore, respectively, during 2021-22 and 2023-24 and inflated by ₹ 450 crore, during 2022-23. Details of significant balances under "Suspense and Remittances" and their effect on cash balances, during 2023-24, are shown in ***Appendix 4.2***.

4.9 Reconciliation of Cash Balances

There should be no difference between the Cash Balance of the State, as per the books of Accounts of the Accountant General (A&E), and the Cash Balance as reported by the RBI. As per the Statement of closing balance, as on 31 March 2024, worked out by the RBI, the State had a debit balance of ₹ 19.04 crore, while the closing cash balance, in the books of the Accountant General (A&E), West Bengal, showed a debit balance of ₹ 2.45 crore. Thus, there was a difference of ₹ 16.59 crore, between the cash balance worked out by the Accountant General (A&E) and the cash balance reported by the RBI, which requires reconciliation.

Issues related to disclosure

4.10 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. In accordance with this provision, the President of India has, so far, notified four Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards, by the Government of West Bengal, in 2023-24, and deficiencies therein, are detailed in **Table 4.10**.

Table 4.10: Compliance to Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
1.	**IGAS-1:** *Guarantees given by the Government – Disclosure requirements guarantees*	The standard requires the Government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions and deletions, as well as invoked, discharged and outstanding at the end of the year.	Partly complied	'Guarantees given by the Government', comprising sector-wise disclosure of each class of guarantees', are disclosed in Statements 9 and 20 of the Finance Accounts, as per the details made available by the State Government. Commitment accountings are not followed and the commitments are neither recorded nor the liabilities against commitments recognised in the accounts.
2.	**IGAS-2:** *Accounting and classification of Grants-in-aid*	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	Partly complied	Accounting and classification of Grants-in-aid given by the State Government are depicted in Statement 10 and Appendix III of the Finance Accounts. Detailed information in respect of Grants-in-aid given in kind

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
		grantee, irrespective of the end use.		is disclosed as available from the State Government. State Government made budgetary provision and classified GIA amounting to ₹ 908 crore, under Capital Major Heads of Account, instead of under the Revenue section. Non-compliance led to understatement of Revenue Deficit and overstatement of Capital Expenditure.
3.	**IGAS-3:** *Loans and Advances made by the Government*	The standard relates to recognition, measurement, valuation and reporting, in respect of loans and advances made by the Government in its Financial Statements, to ensure complete, accurate and uniform accounting practices.	Partly complied	While the State Government complied with the format prescribed by the Standard, the closing balances, depicted in Statements 7 and 18, have not been reconciled with the Loanee Entities/State Government.
4.	**IGAS-4:** *Prior Period Adjustment*	Prior Period Adjustments including errors once identified shall be presented and disclosed in the current period (the financial year) under the cash basis of accounting	Not complied	There was no prior period adjustment in financial statements of the Government of West Bengal during the FY 2023-24.

Source: Finance Accounts

4.11 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

Certification of accounts of Autonomous Bodies (ABs), set up by the State Government, is conducted under Sections 19 or 20 of Comptroller and Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971 (CAG's DPC Act).

The ABs coming under the audit purview of CAG, as per Section 19 or 20 of CAG's DPC Act, are required to submit the annual accounts of a financial year, to Audit, by 30 June of the succeeding year. In regard to 66 ABs which were to render annual accounts to CAG, there were delays in the submission of accounts, as detailed in **Table 4.11**.

Table 4.11: Age-wise details of delays in the submission of Annual Accounts of Autonomous Bodies, as of 30 September 2024

Sl. No.	Delay in Number of Years	No. of Abs
1	0-2	29
2	3-5	17
3	6-10	15
4	Above 10	05
Total		**66**

Source: Accounts of Autonomous Bodies

The status of rendering of accounts to Audit and communications seeking submission of accounts, made upto December 2024, are indicated in ***Appendix 4.3***. Four ABs namely (i) West Bengal Commission for Backward Classes, (ii) West Bengal Commission for Women, (iii) District Legal Services Authority, Uttar Dinajpur and (iv)The Commissioner for Rabindra Setu had submitted accounts upto 2023-24, as of August 2024. Two District Legal Service Authorities[83] (DLSAs) did not submit accounts since their inception in 1998-99. As of 30 September 2024, 316 annual accounts of ABs, due up to 2023- 24, remained pending.

Non-submission of accounts by Autonomous Bodies is in violation of the prescribed financial rules and directives and is indicative of inadequate internal controls and deficient monitoring mechanism of the concerned State Government departments.

4.12 Follow up action on State Finances Audit Report

Rules of Procedure of the Committee on Public Accounts of the West Bengal Assembly, promulgated in 1977, provide that, after tabling the Report in the State Legislature, the State Government departments are required to submit replies to the audit observations within one month. Status of tabling of Audit Reports, for the period from 2015-16 to 2020-21, is shown in **Table 4.12**.

Table 4.12: Status of laying of Audit Reports on State Finances

Year	Submission of Audit Report on State Finances for placement in the Legislative Assembly	Date of laying of Audit Report
2015-16	30.01.2017	07.03.2018
2016-17	26.03.2018	11.07.2019
2017-18	17.02.2020	25.03.2022

[83] DLSA, Kolkata and DLSA, South 24 Parganas

Year	Submission of Audit Report on State Finances for placement in the Legislative Assembly	Date of laying of Audit Report
2018-19	25.08.2020	25.03.2022
2019-20	06.08.2021	25.03.2022
2020-21	28.02.2022	25.03.2022

Source: Records of the Office of the Principal Accountant General (Audit-I), West Bengal and West Bengal Legislative Assembly

The SFARs for the year 2021-22 and 2022-23 were handed over to the State Government on 19 April, 2023 and 03 July, 2024 respectively. However, the Reports are yet to be tabled before the State Legislature. SFAR for the year 2015-16 was discussed by the PAC in December 2019. In February 2021, PAC had brought out a report containing its recommendations. The Action Taken Note on the recommendations, however, is yet to be furnished by the State Government (as of November, 2024). Such lack of responsiveness is a matter of serious concern and goes against the basic tenets of legislative control over expenditure from the public exchequer and undermines the importance of the Legislature.

4.13 Conclusions

Positive Indicators	Negative Indicators
Downward trend of outstanding AC bills	Non-compliance to IGAS-4
Downward trend in the balances of PD Accounts	Two ABs did not submit accounts since their inception in 1998-99
Downward trend in booking under minor head ‘800’ – Other Expenditure	Non-tabling of SFARs for the years 2021-22 and 2022-23
Decrease in the pending amount of UCs	

4.14 Recommendations

1. *Government may ensure timely submission of utilisation certificates by the departments, in respect of the grants released for specific purposes. Further, it needs to devise a suitable mechanism to ensure that all UCs depict the amount of Central and State share separately.*

2. *The Finance Department may review all PD accounts, to ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund. Appropriate action may be initiated against departmental officers who fail to follow the rules and instructions pertaining to PD Accounts promulgated by the Finance Department.*

3. *The Finance Department may 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.*

4. *Government may consider carrying out adjustment of Abstract Contingent bills, within the stipulated period, as required under the Rules.*
5. *The Finance Department may, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items appearing under the Minor Head '800' and ensure that all such receipts and expenditure are, in future, booked under the appropriate heads of account.*

Kolkata
Dated 17 MAR 2025

(BIBHUDUTTA BASANTIA)
Principal Accountant General
(Audit-I)
West Bengal

Countersigned

New Delhi
Dated 24 MAR 2025

(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES

APPENDIX 1.1

*(Refer Paragraphs **1.2** and **1.3** in Chapter I)*

A Brief Profile of West Bengal

A. General Data

Sl. No.	Particulars		Figures
1.	Area (India: 32,87,469 sq. km)*		88,752 sq. km
2.	Population^		
	a.	in 2014 (All India: 125.90 crore)	9.36 crore
	b.	in 2024 (All India: 140.07 crore)	9.96 crore
3.	Density^ of Population (All India Density: 426.09 persons/sq. km.)		1,121.81 persons per sq. km
4.	Population Below Poverty Line (BPL)* (All India Average: 21.92 *per cent*)		19.98 *per cent*
5.	Literacy rate# (as per 2011 Census) (All India Average: 73.00 *per cent*)		76.30 *per cent*
6.	Infant mortality rate& (per 1,000 live births) (All India Average: 28 per 1,000 live births)		19
7.	Life Expectancy at birth (2016-20)$ (All India Average: 70.00 years)		72.30 years
8.	Gross State Domestic Product (GSDP) 2023-24 at current prices (GDP of India: ₹ 2,95,35,667 crore)*		₹ 17,00,939 crore
9.	Gross State Domestic Product (GSDP) 2023-24 at constant prices (GDP of India: ₹ 1,73,81,722 crore)*		₹ 9,04,088 crore
10.	Per capita GSDP at current prices (Per capita GDP of India: ₹ 2,11,725)*		₹ 1,71,184
11.	Per capita GSDP at constant prices (Per capita GDP of India: ₹ 1,24,600)*		₹ 90,988
12.	Per capita GSDP CAGR at current prices (2014-15 to 2023-24) (All India: 8.89 *per cent*)*		9.46 *per cent*
13.	GSDP CAGR at current prices (2014-15 to 2023-24) (All India: 10.06 *per cent*)*		10.06 *per cent*
14.	Per capita income at current prices (India: ₹ 1,84,205)*		₹ 1,54,119
15.	Per capita income at constant prices (India: ₹ 1,06,744)*		₹ 79,622
16.	Population Growth (2014-2024) (India: 11.26 *per cent*)^		6.42 *per cent*

B. Financial Data

Sl. No.	Particulars	2021-22 to 2022-23		2022-23 to 2023-24	
	Growth Rate	General States	West Bengal	General States	West Bengal
a.	of Revenue Receipts	13.41	9.76	8.19	2.42
b.	of Own Tax Revenue	19.80	17.62	10.58	7.63
c.	of Non-Tax Revenue	12.94	30.00	14.64	47.38
d.	of Total Expenditure	12.53	7.29	10.56	4.20
e.	of Capital Expenditure	14.18	25.88	26.16	31.60
f.	of Revenue Expenditure on Education	13.21	10.50	5.11	(-)6.21
g.	of Revenue Expenditure on Health	0.88	(-)6.42	10.34	8.23
h.	of Salary and Wages	9.71	1.56	7.52	4.46
i.	of Pension	11.38	(-)7.69	6.27	(-)1.07
j.	of Subsidies	15.25	2.56	8.61	(-)38.69

* *Forest Survey Report (2021)*
^*Population Projections for India and States 2011-36 (Report of the Technical Group on Population Projections, July 2020) by National Commission on Population, Ministry of Health & Family Welfare*
#*Census 2011*
&*SRS Bulletin 2020*
$*SRS Abridged Life Tables 2016-20*

APPENDIX 2.1

*(Refer Paragraphs **2.5.2.1** and **2.7** in Chapter II)*

Time Series Data on the State Government Finances

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
		(₹ in crore)				
Part A. Receipts						
1	Revenue Receipts	1,42,914	1,48,394	1,78,159	1,95,544	2,00,268
(i)	Own Tax revenue	60,669	60,287	71,082	83,608	89,986
(a)	Goods and Service Tax	27,307	26,013	31,271	37,967	40,900
(b)	Taxes on Agricultural Income	1	0	0	0	0
(c)	Taxes on Sales, Trade, etc.	7,161	9,394	9,951	11,840	11,811
(d)	State Excise	11,232	10,666	13,542	16,266	17,908
(e)	Taxes on Vehicles	2,601	2,336	2,647	3,392	3,788
(f)	Stamps and Registration Fees	6,026	5,528	7,366	6,876	6,497
(g)	Land Revenue	2,728	2,756	2,743	3,173	3,967
(h)	Other taxes	3,613	3,594	3,562	4,094	5,115
(ii)	Non-Tax Revenue	3,213	5,198	1,690	2,197	3,238
(iii)	State's share of Union taxes and duties	48,048	44,737	65,541	71,435	84,972
(iv)	Grants-in-Aid from GoI	30,984	38,172	39,846	38,304	22,072
2	Misc. Capital Receipts	0	0	0	0	0
3	Recovery of Loans & Advances	67	150	58	82	1,456
4	Non-debt receipts (1+2+3)	1,42,981	1,48,544	1,78,217	1,95,626	2,01,724
5	Public Debt Receipts	75,699	75,429	77,581	70,243	80,171
(i)	Internal Debt	73,682	68,999	69,066	65,132	72,219
(a)	Internal Debt (excluding Ways and Means Advances and Overdrafts)	57,822	60,844	68,873	65,132	72,219
(b)	Ways and Means Advances and Overdrafts	15,860	8,155	193	0	0
(ii)	Loans and Advances from GoI	2,017	6,430	8,515	5,111	7,952
6	Total receipts in the Consolidated fund (4+5)	2,18,680	2,23,973	2,55,798	2,65,869	2,81,895
7	Contingency Fund Receipts	0	12	0	180	0
8	Public Account Receipts	2,29,078	2,42,473	2,79,489	2,93,555	3,05,909
9	Total Receipts of the State (6+7+8)	4,47,758	4,66,458	5,35,287	5,59,604	5,87,804
Part B. Expenditure/Disbursement						
10	Revenue Expenditure	1,62,575	1,77,921	2,10,159	2,22,839	2,25,959
	General Services (including Interest Payments)	61,931	70,684	78,495	79,254	84,276
	Social Services	73,089	78,847	1,02,475	1,15,569	1,03,031
	Economic Services	27,105	27,941	28,835	27,608	37,931
	Grants-in-Aid and contribution	450	449	354	408	721
11	Capital Expenditure	15,971	13,034	17,484	22,009	28,963
	General Services	748	546	545	655	577

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
		(₹ in crore)				
	Social Services	5,439	3,950	7,437	9,952	10,319
	Economic Services	9,784	8,538	9,502	11,402	18,067
12	Disbursement of Loans & Advances	1,266	2,277	1,102	565	794
13	Total (10+11+12)	1,79,812	1,93,232	2,28,745	2,45,413	2,55,716
14	Repayment of Public Debt	40,413	26,890	31,540	29,768	30,351
	Internal Debt	39,282	25,446	30,218	28,201	28,614
	Internal Debt (excluding Ways and Means Advances and Overdrafts)	23,422	17,291	30,025	28,201	28,614
	Ways and Means Advances and Overdrafts	15,860	8,155	193	0	0
	Loans and Advances from GoI	1,131	1,444	1,322	1,567	1,737
15	Appropriation to Contingency Fund	0	0	0	180	0
16	Total Disbursement out of Consolidated Fund (13+14+15)	2,20,225	2,20,122	2,60,285	2,75,361	2,86,067
17	Contingency Fund Disbursements	11	7	52	-48	42
18	Public Accounts Disbursements	2,19,463	2,39,748	2,74,594	2,84,854	2,95,746
19	Total disbursement by the state (16+17+18)	4,39,699	4,59,877	5,34,931	5,60,167	5,81,855
Part C. Deficits						
20	Revenue Deficit (1-10)	-19,661	-29,527	-32,000	-27,295	-25,691
21	Fiscal Deficit (4-13)	-36,831	-44,688	-50,528	-49,787	-53,992
22	Primary Deficit (21-23)	-5,163	-10,906	-13,856	-9,769	-11,371
Part D. Other data						
23	Interest Payment	31,668	33,782	36,672	40,018	42,621
24	Arrears of Revenue	NA	NA	NA	NA	NA
25	Financial Assistance to Local Bodies etc.	61,622	63,131	79,966	96,081	1,00,087
26	Ways and Means Advances/Overdrafts availed (days)	107	56	1	0	0
27	Interest on WMA/Overdrafts	11	3	0 (Actual ₹ 0.02 lakh)	0	0
28	GSDP (At current prices)	11,79,127	11,41,802	13,29,238	15,31,758	17,00,939
29	Outstanding Fiscal Liabilities (year-end)	4,33,475	4,86,430*	5,36,478*	5,85,169	6,44,817
	Guarantees including interest	8,212	7,821	16,885	17,677	16,445
30	Outstanding Guarantees (year-end) (Principal)	8,178	7,728	16,885	17,677	16,445
	Outstanding Guarantees (year-end) (Interest)	34	93	0	0	0
31	Maximum amount guaranteed	14,228	15,292	15,129	10,300	10,630
32	Number of Incomplete Projects	NA	NA	NA	NA	NA
33	Capital blocked in incomplete projects	NA	NA	NA	NA	NA
Part E. Fiscal health Indicators						
Resource Mobilisation						
34	Own Tax Revenue/GSDP	0.051	0.053	0.053	0.055	0.053
35	Own Non-Tax Revenue/GSDP	0.003	0.005	0.001	0.001	0.002
36	Central Tax/GSDP	0.041	0.039	0.049	0.047	0.050

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
		(₹ in crore)				
Expenditure Management						
37	Total Expdr./GSDP (%)	15.25	16.92	17.21	16.02	15.03
38	Total Revenue Expdr./Receipts (%)	113.76	119.90	117.96	113.96	112.83
39	Revenue Expdr./Total Expdr. (%)	90.41	92.08	91.87	90.80	88.36
40	Expdr. on Social Service (Total)	78,983	84,804	1,10,207	1,25,823	1,13,536
41	Expdr. on SS/TE (%)	43.93	43.89	48.18	51.27	44.40
42	Expdr. on Eco. Service (Total)	37,697	36,747	39,143	39,271	56,605
43	Expdr. on ES/TE (%)	20.96	19.02	17.11	16.00	22.14
44	CE/TE (%)	8.88	6.75	7.64	8.97	11.33
45	CE on Social and Eco. Service	15,223	12,488	16,939	21,354	28,386
46	CE on SS and ES/TE (%)	8.47	6.46	7.41	8.70	11.10
Management of Fiscal Imbalances						
47	Revenue Deficit/GSDP (%)	1.67	2.59	2.41	1.78	1.51
48	Fiscal Deficit/GSDP (%)	3.12	3.91	3.80	3.25	3.17
49	Primary Deficit/GSDP (%)	0.44	0.96	1.04	0.64	0.67
50	Revenue Deficit/Fiscal Deficit (%)	53.38	66.07	63.33	54.82	47.58
51	Primary Revenue Balance	12,007	4,255	4,672	12,723	16,930
52	Primary Revenue Balance/GSDP	0.010	0.004	0.004	0.008	0.010
Management of Fiscal Liabilities						
53	Fiscal liabilities/GSDP (%)	36.76	42.60[#]	40.36[#]	38.20	37.91
54	Fiscal Liabilities/RR (%)	303.31	327.80[#]	301.12[#]	299.25	321.98
55	Debt Receipts (Total)	1,81,007	1,86,034	1,97,690	1,91,795	2,10,237
56	Debt Payment (Total)	1,40,832	1,33,079	1,47,642	1,43,105	1,50,589
57	Total Debt Redemption (Principal + Interest)	1,72,500	1,66,861	1,84,314	1,83,123	1,93,210
58	Debt Redemption (Principal + Interest)/Total debt receipts	0.95	0.90	0.93	0.95	0.92
Other Fiscal health Indicators						
59	Return on Investment (%)	0.46	0.01	0.85	0.86	1.40
60	Financial Assets/Liabilities	0.39	0.39	0.39	0.39	0.41
61	IP/RR	22.16	22.77	20.58	20.46	21.28

Source: Finance Accounts

[*] *The effective outstanding fiscal liabilities would be ₹ 4,81,999 crore and ₹ 5,30,053 crore as GST compensation of ₹4,431 crore and ₹ 6,425 crore given to the State during 2020-21 and 2021-22 respectively 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.*

[#] *The effective Debt to GSDP ratios and effective Debt to Revenue Receipt ratios arrived at after exclusion of GST compensation of ₹4,431 crore received during 2020-21 and ₹ 6,425 crore received during 2021-22 as back-to-back loan under debt receipts from the outstanding overall debt, would be 42.21 & 297.52 per cent in 2020-21 and 39.88 & 324.81 per cent in 2021-22.*

APPENDIX 2.2

*(Refer Paragraph **2.12.2** in Chapter II)*

Adverse Balances in Deposit Accounts, as on 31 March 2024

Sl. No.	Head of Account	Sub Head Description	Closing Balance as on 31.03.2024 (₹ in crore)
1.	8448-00-120-020	Kolkata Metropolitan Development Authority (KMDA)	(-)785.70
2.	8448-00-120-010	Pension Deposit Account of Local Library Authority	(-)275.55
3.	8448-00-110-015	Paschim Banga Samagra Siksha Mission	(-)80.01
4.	8448-00-110-002	Secondary Education	(-)52.95
5.	8448-00-110-014	Aliah University	(-)32.79
6.	8448-00-120-029	Digha Development Authority	(-)30.63
7.	8448-00-120-012	District Rural Development Authority Fund (DRDA)	(-)21.58
8.	8448-00-110-013	W. B. Council of H. S. Education	(-)9.82
9.	8448-00-109-005	Pension Deposit Fund for D. R. D. Cell of Z. P. / M. P.	(-)6.69
10.	8448-00-105-001	Calcutta State Transport Corporation	(-)3.95
11	8448-00-110-008	District Primary Education Fund	(-)3.62
12.	8448-00-120-027	Primary Education	(-)1.73
13.	8448-00-120-011	District Urban Development Agency Fund (DUDA)	(-)1.63
14.	8448-00-120-014	Kolkata Improvement Trust (K.I.T.)	(-)1.41
15.	8448-00-120-005	Village Industries Fund	(-)1.21
16.	8448-00-120-002	Zoological Garden Fund	(-)1.14
17.	8448-00-120-024	Other Funds	(-)1.09
18.	8448-00-120-068	Pension Deposit Fund for Darjeeling Gorkha Autonomous Hill Council Employees	(-)0.70
19.	8448-00-120-071	Uttar Dinajpur District Implementation Committee for National Project for Water Bodies	(-)0.55
20.	8448-00-105-002	W. B. Surface Transport Corporation	(-)0.34
21.	8448-00-120-030	Anchalik Parishad Fund/Panchayat Samiti Fund	(-)0.33
22.	8448-00-110-004	Post-Graduate Education	(-)0.17
23.	8448-00-110-005	Madrasha Education	(-)0.15
24.	8448-00-120-087	West Bengal Madrasah Service Commission	(-)0.14
25.	8448-00-120-059	Special Fund for Relief & Rehabilitation of Ex-Servicemen	(-)0.10
26.	8448-00-120-008	Nabakustha Niwas Fund	(-)0.04
27.	8449-00-120-010	Deposit Account of Grant made out of Chief Ministers Discretionary Fund	(-)3.28
Total			**(-)1,317.30**

Source: VLC data, O/o the AG (A&E), WB

APPENDIX 3.1

*(Refer Paragraph **3.3.6** in Chapter III)*

Budget Utilisation during the FY 2023-24

Sl. No.	Grant/Appropriation No. and Name (A)	Total Provision (B)	Expenditure (C)	Utilisation of fund (in *per cent*) (D)=(C/B*100)
		(₹ in crore)		
1.	01-Legislative Assembly Secretariat	99.90	72.65	72.72
2.	02-Governor's Secretariat	21.59	12.43	57.57
3.	03-Council of Ministers	62.33	60.25	96.66
4.	04-Agricultural Marketing	413.44	132.80	32.12
5.	05-Agiculture	9,610.86	9364.60	97.44
6.	06-Animal Resources Development	1,217.78	1164.50	95.62
7.	07-Backward Classes Welfare	2242.59	1821.71	81.23
8.	08-Cooperation	667.18	543.73	81.50
9.	10-Consumer Affairs	125.58	92.59	73.73
10.	11-Micro, Small & Medium Enterprises and Textiles	1238.73	558.57	45.09
11.	14-Mass Education Extension & Library Services	396.41	206.02	51.97
12.	15-School Education	37075.06	32171.99	86.78
13.	16-Environment	101.30	39.51	39.00
14.	18-Finance	1,31,174.26	98712.14	75.25
15.	19-Fire & Emergency Services	457.22	361.30	79.02
16.	20-Fisheries	508.35	289.85	57.02
17.	21-Food & Supplies	11877.17	7076.14	59.58
18.	22-Food Processing Industries and Horticulture	237.45	137.52	57.92
19.	23-Forests	1026.43	794.47	77.40
20.	24-Health and Family Welfare	18816.69	17042.63	90.57
21.	25-Public Works	8669.51	8270.72	95.40
22.	28-Housing	331.77	409.45	123.41
23.	30-Information & Cultural Affairs	915.09	595.42	65.07
24.	31-Information Technology & Electronics	267.43	123.24	46.08
25.	32-Irrigation and Waterways	4221.04	3101.39	73.47
26.	33-Correctional Administration	371.98	377.94	101.06
27.	34-Judicial	1397.18	1301.54	93.15
28.	35-Labour	1152.24	1059.82	91.89
29.	37-Law	20.42	17.99	88.10
30.	38-Minority Affairs and Madrasah Education	5166.99	3068.81	59.39
31.	40-Panchayats and Rural Development	29924.38	21061.91	70.38
32.	41-Parliamentary Affairs	21.13	3.57	16.90
33.	42-Personnel and Administrative Reforms	387.89	286.71	73.92
34.	43-Power	3915.00	5418.89	138.41

Sl. No.	Grant/Appropriation No. and Name (A)	Total Provision (B)	Expenditure (C)	Utilisation of fund (in *per cent*) (D)=(C/B*100)
		(₹ in crore)		
35.	45-Public Health Engineering	6062.31	8127.73	134.07
36.	49-Youth Services and Sports	788.31	135.26	17.16
37.	50-Sunderban affairs	609.19	321.29	52.74
38.	51-Technical Education, Training & Skill Development	1330.90	732.38	55.03
39.	52-Tourism	495.32	126.45	25.53
40.	53-Transport	2191.42	1626.55	74.22
41.	55-Water Resources Investigation & Development	1605.03	1052.46	65.57
42.	58-Paschimanchal Unnayan Affairs	722.79	191.37	26.48
43.	59-Self-Help Groups & Self-Employment	754.11	56.35	7.47
44.	61-Chief Minister's Office	11.34	9.41	82.98
45.	62-North Bengal Development	858.29	474.12	55.24
46.	65-Tribal Development	1138.91	664.03	58.30
47.	68-Home and Hill Affairs	13693.06	12458.07	90.98
48.	69-Land & Land Reforms and Refugee Relief & Rehabilitation	1490.00	1044.12	70.08
49.	70-Higher Education	6912.79	6059.44	87.66
50.	71-Planning and Statistics	554.87	430.28	77.55
51.	72-Urban Development and Municipal Affairs	14032.30	11193.21	79.77
52.	73-Disaster Management and Civil Defence	3645.83	2419.41	66.36
53.	74-Women & Child Development and Social Welfare	25976.52	25766.11	99.19
54.	75-Industry, Commerce and Enterprises	1397.14	339.97	24.33
55.	76-Science & Technology and Biotechnology	75.32	32.14	42.67
56.	77-Programme Monitoring	4.78	0.00	0.00
57.	78-Non-Conventional and Renewable Energy	117.36	44.65	38.05
58.	79-Public Enterprises and Industrial Reconstruction	86.96	44.31	50.95
Total		**3,58,687.22**	**2,89,101.91**	**80.60**

Source: Appropriation Accounts

APPENDIX 4.1

*(Refer Paragraph **4.6.3** in Chapter IV)*

Funds lying in inoperative PD Accounts for periods exceeding two years

Sl. No.	Scheme description	Amount (in ₹)
(I)	**District Magistrate, Purba Burdwan**	
1.	Information & Cultural Affairs (ID No. 4774)	21,000
2.	Own Fund (ID No. 4781)	37,211
3.	CH (ID No. 5121)	35,733
4.	Payment of N.P.C Training Course (ID No. 5146)	5,350
5.	Repair of Educational Institutions affected by Natural Calamities of DI- Primary (2017-18) (ID No. 21809)	5,88,504
6.	Entrepreneurship Development Programme (EDP-2017-18) (ID No. 21888)	75,000
	Total	**7,62,798**
(II)	**District Magistrate, South 24 Parganas**	
1.	GENERAL_001(ID No.1426)	18,11,49,250
	Total	**18,11,49,250**
(III)	**District Magistrate, Jalpaiguri**	
1.	BRGF (ID No. 17513)	4,72,500
2.	PF Deposit (ID No. 17535)	2,00,000
3.	B.M.S (ID No. 17547)	3,35,140
4.	R.I. Office Construction (ID No. 17549)	9,399
5.	Infrastructural Dev. Schemes (ID No. 17554)	95,972
6.	Mid-Day Meal (BMS) (ID No. 17602)	1,09,790
7.	SCA to TSP (ID No. 17604)	1,79,466
8.	SCP Dev. Programme (ID No. 17605)	46,67,907
9.	Information & Cultural (ID No. 17668)	40,318
10.	Comprehensive Dev. of North Bengal Districts (ID No. 17678)	85,62,243
	Total	**1,46,72,735**
(IV)	**District Magistrate, Paschim Burdwan**	
1.	RTC Training Exp. (ID No. 21089)	90,000
2.	ECL (ID No. 21316)	12,18,453
3.	NRDMS (ID No. 21799)	14,37,147
4.	District Annual Fund (ID No. 21803)	3,65,000
5.	WBLA-21(AMF) (ID No. 23570)	13,64,639
	Total	**44,75,239**
(V)	**District Magistrate, Murshidabad**	
1.	Miscellaneous (ID No.14281)	27,52,996
2.	Motor Accident (ID No.14277)	90,040
3.	MSDP (ID No.14515)	74,81,637
4.	BRGF (Repair + Maintenance + Rural) (ID No.14520)	31,685
5.	DMP001_001 (ID No.14248)	38,08,120
	Total	**1,41,64,478**
(VI)	**District Magistrate, Darjeeling**	
1.	Miscellaneous (ID No.20677)	21,68,267
	Total	**21,68,267**
	Grand Total	**21,73,92,767**

Source: Departmental figures

APPENDIX 4.2

*(Refer Paragraph **4.8** in Chapter IV)*

Suspense and Remittance Balances which impact the Cash Balance

Sl. No.	Head of Account Ministry/Department with which pending	Balance as on 31 March 2024 Dr. (₹ in crore)	Balance as on 31 March 2024 Cr. (₹ in crore)	Impact of outstanding on cash balance
8658-Suspense Account				
1	101-PAO Suspense Ministry of Transport and Highways	162.47	13.66	Cash balance will increase on settlement
	Net	148.81 (Dr.)		
	101-PAO Suspense Ministry of External Affairs	1.42	0.26	Cash balance will increase on settlement
	Net	1.16 (Dr.)		
	101 Suspense Central - PAO Pension Accounting Office (IAS officers pension)	48.96	(-)0.25	Cash balance will increase on settlement
	Net	49.21 (Dr.)		
	101- PAO Suspense Ministry of Finance (Central Freedom Fighter Pension)	1.15	0	Cash balance will increase on settlement
	Net	1.15 (Dr.)		
	101- PAO Suspense Other Central Ministry	4.24	(-)7.54	Cash balance will increase on settlement
	Net	11.78 (Dr.)		
2	102-Suspense Account (Civil) Account with Defence	203.03	198.26	Cash balance will increase on settlement
	Net	4.77 (Dr.)		
	102-Suspense Account (Civil) Eastern Railway	4.22	4.57	Cash balance will decrease on settlement
	Net	0.35 (Cr.)		
	102-Suspense Account (Civil) South Easter Railway	15.87	16.95	Cash balance will decrease on settlement
	Net	1.08 (Cr.)		
	102-Suspense Account (Civil) Other Railway Accounts	2.56	1.67	Cash balance will increase on settlement
	Net	0.89 (Dr.)		
	102-Suspense Account (Civil) Un credited amount under e-Payment	2,437.31	2,655.35	Cash balance will decrease on settlement
	Net	218.04 (Cr.)		
3	109-Reserve Bank Suspense-Headquarters	(-)2.31	21.45	Cash balance will decrease on settlement
	Net	23.76 (Cr.)		
4	123-A.I.S. Officer Group Insurance Scheme	5.58	3.51	Cash balance will increase on settlement
	Net	2.07 (Dr.)		
5	129-Material purchase settlement Suspense Account	0.02	67.46	Cash balance will decrease on settlement
	Net	67.44 (Cr.)		

Sl. No.	Head of Account Ministry/Department with which pending	Balance as on 31 March 2024		Impact of outstanding on cash balance
		Dr.	Cr.	
		(₹ in crore)		
8782-Cash Remittances and Adjustments between officers rendering account to the same Accounts Officer				
1	102-P.W. Remittances I-Remittances into Treasuries	14,156.28	14,145.20	Cash balance will increase on settlement
	Net	11.08 (Dr.)		
	102-P.W. Remittances II- PW Cheques	52,205.99	52,320.76	Cash balance will decrease on settlement
	Net	114.77 (Cr.)		
2	103-Forest Remittances I-Remittances into Treasuries	2,158.31	1,810.44	Cash balance will increase on settlement
	Net	347.87 (Dr.)		
	103-Forest Remittances II-Forest Cheques	3,969.19	4,291.85	Cash balance will decrease on settlement
	Net	322.66 (Cr.)		
3	8793-Inter State Suspense Accounts	19.88	0.31	Cash balance will increase on settlement
	Net	19.57 (Dr.)		

Source: Finance Accounts

APPENDIX 4.3

*(Refer Paragraph **4.11** in Chapter IV)*

Arrears of Accounts of Bodies or Authorities

Sl. No.	Name of ABs	Audited under which Section of the CAG's (DPC) Act [Section 19 (1), 19 (2), 19 (3), 20 (1) or 20 (2)]	Financial year for which last accounts have been rendered	No. of Accounts pending up to F.Y. 2023-24	Whether the entity is functional?	Date on which last communication/reminder was sent by PAG
1.	West Bengal Human Rights Commission	19(2)	2021-22	2	Yes	04/07/2024
2.	West Bengal Building and other Construction Workers Welfare Board	19(2)	2022-23	1	Yes	04/07/2024
3.	West Bengal State Legal Services Authority*	19(2)	2019-20	4	Yes	04/07/2024
4.	District Legal Service Authority, Kolkata	19(2)	Nil	26	Yes	04/07/2024
5.	District Legal Service Authority, Bankura	19(2)	2021-22	2	Yes	04/07/2024
6.	District Legal Service Authority, Birbhum	19(2)	2013-14	10	Yes	04/07/2024
7.	District Legal Service Authority, Purba Bardhaman	19(2)	2021-22	2	Yes	04/07/2024
8.	District Legal Service Authority, Coochebhar	19(2)	2019-20	4	Yes	04/07/2024
9.	District Legal Service Authority, Darjeeling	19(2)	2020-21	3	Yes	04/07/2024
10.	District Legal Service Authority, Dakshin Dinajpur	19(2)	2022-23	1	Yes	04/07/2024
11.	District Legal Service Authority, Hooghly	19(2)	2021-22	2	Yes	04/07/2024
12.	District Legal Service Authority, Howrah	19(2)	2008-09	15	Yes	04/07/2024
13.	District Legal Service Authority, Jalpaiguri	19(2)	2019-20	4	Yes	04/07/2024
14.	District Legal Service Authority, Malda**	19(2)	2012-13	11	Yes	04/07/2024
15.	District Legal Service Authority, Purba Medinipur	19(2)	2022-23	1	Yes	04/07/2024
16.	District Legal Service Authority, Paschim Medinipur	19(2)	2021-22	2	Yes	04/07/2024
17.	District Legal Service Authority, Murshidabad	19(2)	2017-18	6	Yes	04/07/2024
18.	District Legal Service Authority, Nadia	19(2)	2020-21	3	Yes	04/07/2024
19.	District Legal Service Authority, Purulia	19(2)	2019-20	4	Yes	04/07/2024
20.	District Legal Service Authority, North 24 Parganas	19(2)	2019-20	4	Yes	04/07/2024
21.	District Legal Service Authority, South 24 Parganas	19(2)	Nil	26	Yes	04/07/2024

Sl. No.	Name of ABs	Audited under which Section of the CAG's (DPC) Act [Section 19 (1), 19 (2), 19 (3), 20 (1) or 20 (2)]	Financial year for which last accounts have been rendered	No. of Accounts pending up to F.Y. 2023-24	Whether the entity is functional?	Date on which last communication/reminder was sent by PAG
22.	District Legal Service Authority, Paschim Bardhaman	19(2)	---[#]	5	Yes	04/07/2024
23.	District Legal Service Authority, Jhargram	19(2)	---[#]	4	Yes	04/07/2024
24.	District Legal Service Authority, Kalimpong	19(2)	---[#]	4	Yes	04/07/2024
25.	W.B. University of Animal & Fishery Sciences	19 (3)	2021-22	2	Yes	08/07/2024
26.	W.B. Veterinary Council	19 (3)	2022-23	1	Yes	08/07/2024
27.	West Bengal Unorganised Sector Workers' Welfare Board	19 (3)	2021-22	2	Yes	04/07/2024
28.	West Bengal Comprehensive Area Development Corporation	19 (3)	2017-18	6	Yes	06/12/2024
29.	West Bengal Central School Service Commission	20 (1)	2016-17	7	Yes	04/07/2024
30.	West Bengal Regional School Service Commission (Eastern Region)	20 (1)	2016-17	7	Yes	04/07/2024
31.	West Bengal Regional School Service Commission (Northern Region)	20 (1)	2014-15	9	Yes	04/07/2024
32.	West Bengal Regional School Service Commission (Southern Region)	20 (1)	2014-15	9	Yes	04/07/2024
33.	West Bengal Regional School Service Commission (Western Region)	20 (1)	2016-17	7	Yes	04/07/2024
34.	West Bengal Regional School Service Commission (South-Eastern Region)	20 (1)	2016-17	7	Yes	04/07/2024
35.	West Bengal State Council of Technical Education[$]	20 (1)	2003-04	12	No (upto 2015-16)	04/07/2024
36.	Gorkhaland Territorial Administration	19(3)	2019-20	4	Yes	04/07/2024
37.	West Bengal Heritage Commission	19(3)	2020-21	3	Yes	08/07/2024
38.	Asansol Durgapur Development Authority	20(1)	2022-23	1	Yes	06/12/2024
39.	Burdwan Development Authority	20(1)	2022-23	1	Yes	06/12/2024
40.	Bhangore Rajarhat Development Authority	20(1)	2009-10	2	Yes	06/12/2024
41.	Digha Sankarpur Development Authority	20(1)	2019-20	4	Yes	06/12/2024

Sl. No.	Name of ABs	Audited under which Section of the CAG's (DPC) Act [Section 19 (1), 19 (2), 19 (3), 20 (1) or 20 (2)]	Financial year for which last accounts have been rendered	No. of Accounts pending up to F.Y. 2023-24	Whether the entity is functional?	Date on which last communication/reminder was sent by PAG
42.	Haldia Development Authority	20(1)	2022-23	1	Yes	06/12/2024
43.	Jaigaon Development Authority	20(1)	2016-17	7	Yes	06/12/2024
44.	Mdnapore Kharagpur Development Authority	20(1)	2021-22	2	Yes	06/12/2024
45.	New Town Kolkata Development Authority	20(1)	2022-23	1	Yes	06/12/2024
46.	Siliguri Jalpaiguri Development Authority	20(1)	2022-23	1	Yes	06/12/2024
47.	Sriniketan Santiniketan Development Authority	20(1)	2022-23	1	Yes	06/12/2024
48.	Gangasagar Bakkhali Development Authority	20(1)	2022-23	1	Yes	06/12/2024
49.	Tarapith Rampurhat Development Authority	20(1)	2019-20	4	Yes	06/12/2024
50.	Mukutmanipur Development Authority	20(1)	No accounts have been rendered	7	Yes	11/12/2024
51.	Bakreswar Development Authority	20(1)	No accounts have been rendered	8	Yes	11/12/2024
52.	Patharchapuri Development Authority	20(1)	No accounts have been rendered	8	Yes	11/12/2024
53.	Changrabandha Development Authority	20(1)	No accounts have been rendered	7	Yes	11/12/2024
54.	Tarakeswar Development Authority	20(1)	2021-22	2	Yes	06/12/2024
55.	Gazoldoba Development Authority	20(1)	No accounts have been rendered	5	Yes	11/12/2024
56.	Furfura Swarif Development Authority	20(1)	No accounts have been rendered	10	Yes	11/12/2024
57.	Birsingha Development Authority	20(1)	No accounts have been rendered	4	Yes	11/12/2024
58.	West Bengal State NGRBA Program Management Group	20(1)	2021-22	2	Yes	06/12/2024
59.	Kolkata Metropolitan Development Authority	20(1)	2021-22	2	Yes	06/12/2024
60.	West Bengal Allied & Healthcare Council	19(2)	--	2 (w.e.f. 17.03.2023)	Yes	04/07/2024
61.	West Bengal Commission for Protection of Child Rights	19(2)	2021-22	2	Yes	04/07/2024

Sl. No.	Name of ABs	Audited under which Section of the CAG's (DPC) Act [Section 19 (1), 19 (2), 19 (3), 20 (1) or 20 (2)]	Financial year for which last accounts have been rendered	No. of Accounts pending up to F.Y. 2023-24	Whether the entity is functional?	Date on which last communication/reminder was sent by PAG
62.	West Bengal Khadi & Village Industries Board	20(1)	2022-23	1	Yes	08/07/2024
63.	West Bengal Bio-Diversity Board	19(3)	2019-20	4	Yes	08/07/2024
64.	East Kolkata Wetland Management Authority	19(3)	2018-19	2	Yes	08/07/2024
65.	West Bengal Compensatory Afforestation Fund Management and Planning Authority	19(2)	2022-23	1	Yes	08/07/2024
66.	Hooghly River Bridge Commissioners	19 (3)	2022-23	1	Yes	08/07/2024
Total				**316**		

Note: Annual accounts received up to 30 September 2024 have been considered.

**The annual accounts for 2012-13 to 2019-20, were received, but not accepted for audit, due to certain discrepancies in the accounts for 2012-13. Communications to the unit, as well as to State Legal Services Authority, were made several times.*

***The annual accounts for 2013-14 to 2017-18, were received, but not accepted for audit, due to non-submission of the accounts in the proper format. Communications to the unit as well as to the State Legal Services Authority, were made several times.*

 # Formed in FY 2021-22.

$ The West Bengal State Council of Technical Education has been merged with the State Council of Technical & Vocational Education and Skill Development, by virtue of West Bengal Act XXVI of 2013 (i.e., The West Bengal State Council of Technical & Vocational Education & Skill Development Act, 2013) notification dated 14.02.2014.

Glossary of Terms

Terms	Description
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grant and charged appropriation *vis-à-vis* the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature.
Autonomous Bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the Governmental set-up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable.
Committed Expenditure	The Committed Expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control.
Consolidated Fund of the State	The fund constituted under Article 266(1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the Consolidated Fund of the State is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).
Contingency Fund	Contingency Fund is in the nature of an imprest into which is paid from time to time such sums as may be determined by law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 115 or Article 116 of the Constitution.
Contingent liability	Contingent liability is a liability which may or may not be incurred by an entity depending on the outcome of a future event such as a court case.
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in Fiscal Deficit should match with the increase in capacity to service the debt.
Guarantees	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.
Public Accounts Committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India.
Re-appropriation	Means the transfer of funds from one primary unit of appropriation to another such unit.
Sinking Fund	A Fund into which the Government sets aside money over time, in order to retire its debt.

Terms	Description
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115(1) of the Constitution.
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Department, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Department is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year.
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.
Net Debt Available	Excess of Public Debt Receipts and Public Account Receipts over Public Debt Repayment, Public Account disbursement and payment of Interest.

List of Abbreviations used

Abbreviations	Full Form
A&E	Accounts & Entitlement
AB	Autonomous Body
AC	Abstract Contingent
ADB	Asian Development Bank
AG	Accountant General
AIS	All India Service
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
APL	Above Poverty Line
BADP	Border Area Development Programme
BE	Budget Estimate
BENFED	West Bengal State Co-operative Marketing Federation Limited
BEUP	Bidhayak Elaka Unnayan Prakalpa
BMS	Budget Monitoring System
BP	Budget Provision
BPL	Below Poverty Line
BRGF	Backward Regions Grant Fund
CAG	Comptroller and Auditor General
CAGR	Compound Annual Growth Rate
CAO	Chief Accounts Officer
CBMS	Centralised Budget Monitoring System
CCL	Cash Credit Loan
CE	Capital Expenditure
CESC	Calcutta Electric Supply Corporation
CF	Contingency Fund
CGA	Controller General of Accounts
CGST	Central Goods and Services Tax
CHC	Community Health Centre
CO	Capital Outlay
CONFED	West Bengal State Consumers' Co-operative Federation Limited
CPI	Consumer Price Index
CS	Central Share
CSF	Consolidated Sinking Fund
CSS	Centrally Sponsored Scheme
CY	Current Year
DC	Detailed Contingent
DDO	Drawing and Disbursing Officer
DE	Development Expenditure
DLSA	District Legal Services Authority
DM	District Magistrate
DPC	Duties, Powers and Conditions
DPL	Durgapur Projects Limited
DRDA	District Rural Development Authority

Abbreviations	Full Form
DUDA	District Urban Development Agency
EAP	Externally Aided Project
ES	Economic Service
EVM	Electronic Voting Machine
FC	Finance Commission
FD	Fiscal Deficit
FPSS	Fiscal Policy Strategy Statement
FRBM	Fiscal Responsibility and Budget Management
FY	Financial Year
GC	Guarantee Commission
GCGSCL	Greater Calcutta Gas Supply Corporation Limited
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GoWB	Government of West Bengal
GRF	Guarantee Redemption Fund
GS	General States
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
GSVA	Gross State Value Added
GVA	Gross Value Added
HoA	Head of Account
IAS	Indian Administrative Service
IBRD	International Bank for Reconstruction and Development
ICDS	Integrated Child Development Scheme
IFMS	Integrated Financial Management System
IGAS	Indian Government Accounting Standard
IGST	Integrated Goods and Services Tax
JJM	Jal Jeevan Mission
KEIIP	Kolkata Environmental Improvement Investment Program
KMC	Kolkata Municipal Corporation
KMDA	Kolkata Metropolitan Development Authority
LMMHA	List of Major and Minor Heads of Accounts
MDM	Mid-Day Meal
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MIS	Management Information System
MoF	Ministry of Finance
MoHFW	Ministry of Health and Family Welfare
MoSPI	Ministry of Statistics and Programme Implementation
MSDP	Multi Sectoral Development Program
MSME	Micro, Small and Medium Enterprises
MTFP	Medium Term Fiscal Policy
MTFPS	Medium Term Fiscal Policy Statement

Abbreviations	Full Form
NBMCH	North Bengal Medical College and Hospital
NCRE	Non Committed Revenue Expenditure
NE	North Eastern
NFSA	National Food Security Act
NGO	Non-Government Organization
NPS	National Pension System
NRDWP	National Rural Drinking Water Project
NSDL	National Securities Depositories Limited
NSSF	National Small Savings Fund
NTFA	Notes to Finance Accounts
NTR	Non-Tax Revenue
OCASPS	Other Central Assistance Programme Scheme
OD	Overdraft
OMB	Open Market Borrowing
OTR	Own Tax Revenue
PAC	Public Accounts Committee
PAO	Pay and Accounts Office
PB	Primary Balance
PBGB	Paschim Banga Gramin Bank
PD	Personal Deposit/Primary Deficit
PDRD	Post-Devolution Revenue Deficit
PE	Provisional Estimates
PF	Provident Fund
PFMS	Public Financial Management System
PHC	Primary Health Centre
PHE	Public Health Engineering
PL	Personal Ledger
PMGSY	Pradhan Mantri Gram Sadak Yojana
PM POSHAN	Pradhan Mantri Poshan Shakti Nirman
PPA	Power Purchasing Agreement/ Price Purchase Agreement
PRB	Primary Revenue Balance
PSC	Public Service Commission
PSU	Public Sector Undertaking
PWD	Public Works Department
PWSS	Piped Water Supply Scheme
PY	Previous Year
RBI	Reserve Bank of India
RD	Revenue Deficit
RE	Revised Estimate/Revenue Expenditure
RIDF	Rural Infrastructure Development Fund
RLB	Rural Local Body
RoI	Rate of Interest
RPAO	Regional Pay and Accounts Office
RR	Revenue Receipts

Abbreviations	Full Form
SC	Scheduled Caste/Sub Centre
SCAF	State Compensatory Afforestation Fund
SDL	State Development Loan
SDMF	State Disaster Mitigation Fund
SDRF	State Disaster Response Fund
SFAR	State Finances Audit Report
SGST	State Goods and Services Tax
SNA	Single Nodal Agency
SPSE	State Public Sector Enterprise
SR	Subsidiary Rule
SRS	Sample Registration System
SS	Social Service/ State Share
ST	Scheduled Tribe
SWMA	Special Ways and Means Advance
SWSM	State Water and Sanitation Mission
TDS	Tax deducted at Source
TE	Total Expenditure
TPDS	Targeted Public Distribution System
UC	Utilisation Certificate
UHWC	Urban Health and Wellness Centre
ULB	Urban Local Body
VAT	Value Added tax
VLC	Voucher Level Computerisation
VVPAT	Voter Verifiable Paper Audit Trail
WBCETF	West Bengal Compensatory Entry Tax Fund
WBCGA	West Bengal Ceiling on Government Guarantee Act
WBDWSIP	West Bengal Drinking Water Sector Improvement Project
WBFRBM	West Bengal Fiscal Responsibility and Budget Management
WBHDCL	West Bengal Highway Development Corporation Limited
WBLA	West Bengal Legislative Assembly
WBPDCL	West Bengal Power Development Corporation Limited
WBSEDCL	West Bengal State Electricity Distribution Company Limited
WBTIDF	West Bengal Transport Infrastructure Development Fund
WBTPO	West Bengal Trade Promotion Organisation
WBTR	West Bengal Treasury Rules
WMA	Ways and Means Advance

https://cag.gov.in/ag1/west-bengal/en