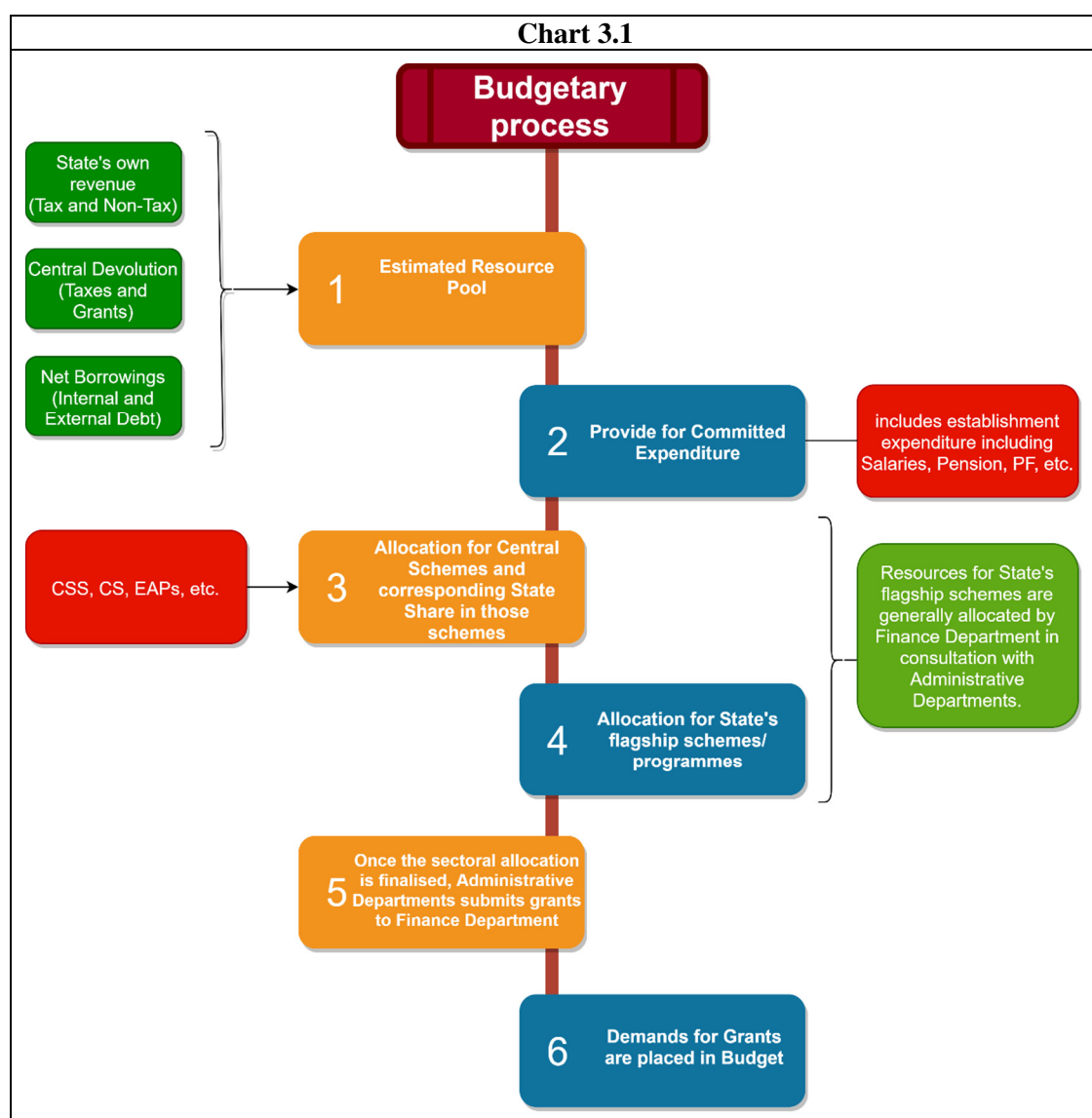


CHAPTER-III

BUDGETARY MANAGEMENT

3.1 Budget Process

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



CSS: Centrally Sponsored Schemes; CS: Central Schemes

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

Article 202 of Constitution of India requires laying of a statement of, estimated receipts and expenditure of the State for that year, as the "Annual Financial Statement" before

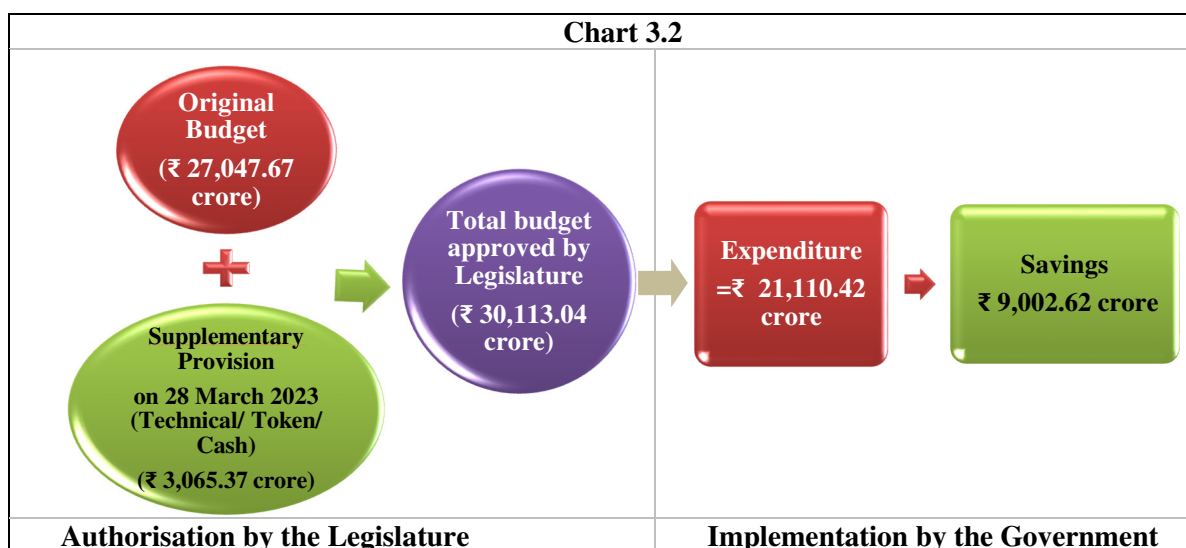
the House or Houses of the Legislature of the State. The Annual Financial Statement should show expenditure charged on Consolidated Fund and other expenditure separately. It shall also distinguish expenditure on revenue account from other expenditure.

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

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with provisions of Article 204 of the Constitution.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

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

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



Source: Appropriation Accounts 2022-23

3.1.1 Summary of total provisions, actual disbursements and savings during financial year 2022-23

A summarised position of total budget provision, disbursement and savings/excess along with the bifurcation into voted/charged during the year 2022-23 is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings during the financial year 2022-23

(₹ in crore)

Description	Total Budget provision		Disbursements		(-)Savings/(+)Excess	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	21,968.45	1,757.33	16,259.29	1,669.14	(-)5,709.16	(-)88.19
Capital	5,276.58	0.51	2,080.61	0.07	(-)3,195.97	(-)00.44
Loans and Advance	87.05	0.00	109.65	0.00	(+)22.60	0.00
Public Debt	0.00	1,023.12	0.00	991.66	0.00	(-)31.46
Total	27,332.08	2,780.96	18,449.55	2,660.87	(-)8,882.53	(-)120.09

Source: Appropriation Accounts 2022-23

Total provision for expenditure ₹ 30,113.04 crore, including Supplementary provision (March 2023) of ₹ 3,065.37 crore, against which the actual disbursement was ₹ 21,110.42 crore during 2022-23. There was an overall savings of ₹ 9,002.62 crore during the year 2022-23 which was 29.90 per cent of total Grants/Appropriations and 42.65 per cent of the expenditure.

These savings may be seen in context to over estimation of Receipts of ₹ 24,823.15 crore by the State Government and the Budget Estimates (BEs) on the expenditure side being ₹ 27,047.67 crore during the year 2022-23. As against the estimated Receipts, the actual Receipts were ₹ 19,238.02 crore only thereby restricting the total expenditure to ₹ 21,110.42 crore. This implied that the savings were mere token, as the funds were not actually available for expenditure.

3.1.2 Charged and voted disbursements

The break-up of total disbursement into charged and voted²² during the last five years' period 2018-23 are given in **Table 3.2**.

Table 3.2: Trend of disbursement into charged and voted during the period 2018-23

(₹ in crore)

Year	Total provision	Disbursements			Net savings (-)			Percentage of savings to provision
		Voted	Charged	Total	Voted	Charged	Total	
2018-19	17,983.47	12,403.28	1,553.56	13,956.84	(-) 3,870.36	(-) 156.27	(-) 4,026.63	22.39
2019-20	20,493.57	13,403.99	2,043.98	15,447.97	(-)5,026.54	(-) 19.06	(-) 5,045.60	24.62
2020-21	21,681.07	14,086.11	2,101.66	16,187.77	(-) 5,473.52	(-) 19.78	(-) 5,493.30	25.34
2021-22	26,251.93	15,986.42	2,358.77	18,345.19	(-) 7,857.91	(-) 48.83	(-) 7,906.74	30.12
2022-23	30,113.04	18,449.55	2,660.87	21,110.42	(-) 8,882.53	(-) 120.09	(-) 9002.62	29.90

Source: Appropriation Accounts

²² **Charged expenditure:** Certain categories of expenditure (e.g; salaries of Constitutional authorities, loan repayments etc.) continue a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

It can be seen from **Table 3.2** that the percentage of savings to that of total provision is ranged between 22.39 *per cent* in 2018-19 to 30.12 *per cent* in 2021-22. Large amount of savings in allocated funds indicated inaccurate assessment of budget provision and Receipts.

3.1.3 Budget marksmanship

Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. Details are given in **Table 3.3**.

Table 3.3: Budget Estimate, Actual out turn

(₹ in crore)

Description	Original Budget (BE)	Approved	Actual Outturn	Difference between Actual and BE*
(1)	(2)	(3)	(3)	(4)
Revenue: Voted		20,217.25	16,259.29	(-) 3,957.96
Revenue: Charged		1,544.65	1,669.14	(+) 124.49
Capital: Voted		4,262.14	2,190.26	(-) 2,071.88
Capital: Charged		1,023.63	991.73	(-)31.90
Total		27,047.67	21,110.42	(-) 5,937.25

*Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure.

In Revenue Voted section, deviation in outturn compared with BE was 19.58 *per cent*. This was mainly due to more than 75 *per cent* deviation in four grants (Grant Nos.8, 22, 50 & 53) and in one grant *i.e.*, Grant no. 63 the saving was more than 100 *per cent*. However, in Revenue Charged section, there was expenditure in excess of original provision.

In Capital Voted section, deviation in outturn compared with BE was 48.61 *per cent*. This was mainly due to more than 90 *per cent* deviation in three grants (Grant Nos. 39, 43 & 61) and in seven grants *i.e.*, Grant nos. 3, 11, 15, 32, 40, 49 & 62, the saving was more than 100 *per cent* whereas, in Capital Charged section, a small amount of saving occurred.

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

Table 3.4: Revised Estimate, Actual outturn

(₹ in crore)

Description	Total Approved Budget (RE)	Actual Outturn	Difference between Actual and RE *
(1)	(2)	(3)	(4)
Revenue: Voted	21,968.45	16,259.29	(-)5,709.16
Revenue: Charged	1,757.33	1,669.14	(-)88.19
Capital: Voted	5,363.63	2,190.26	(-)3,173.37
Capital: Charged	1,023.63	991.73	(-)31.90
Total	30,113.04	21,110.42	(-)9,002.62

*Shortage of actuals over revised estimate is denoted as (-) figure.

In Revenue Voted section, deviation in outturn compared with BE was 25.97 *per cent*. This was mainly due to more than 75 *per cent* deviation in four grants (Grant Nos. 8, 22, 50 & 63). However, in Revenue Charged section, there was a small amount of saving occurring out of the total provision.

In Capital Voted section, deviation in outturn compared with BE was 59.16 *per cent*. This was mainly due to more than 90 *per cent* deviation in six grants (Grant Nos. 38, 39, 43, 59, 61 & 62) whereas, in Capital Charged section, a small amount of saving occurred against the total provision.

3.1.4 Gender Budgeting

Gender budgeting envisions to gender parity at various levels of policy making and consequent implementation. Thus, the initiative is to highlight the resources and utilisation there-against through those Government Schemes, which aims to view the basic needs and priorities of women. Hence, this Gender budget promotes mainly women centric schemes with its underlying objective to overall upliftment of women by reducing the disparity towards women still existing in society.

The Government of Tripura officially adopted the Gender Budgeting since 2006-07. During 2022-23, the State Government introduced a separate booklet on Gender Budget as a part of main Budget. The Gender Budget highlights major women schemes and the budget outlay. The State Government has taken initiatives to extend benefit and facilities towards women in a gender-based manner with the purpose to address the issue of Women empowerment through various policies and programmes. Funds were provided under various schemes, such as Scholarship to girls studying in General Degree Colleges/Technical Institutions/Professional Institutions in the State and outside under Higher education sector, Distribution of free Textbooks, By-cycles, issuance of Kisan Credit Cards, Soil Health Cards, Insurance under PMFBY (Pradhan Mantri Fasal Bima Yojana) in Agriculture Sector, Distribution of stipend, Scholarships in Tribal Welfare sector, etc. The State Government has also taken up women centric initiatives like, rural livelihood through NRLM and MGNREGS, improving health outcomes through POSHAN Abhiyan, Ujjawala, Beti Bachao Beti Padhao and Swadher Greh etc.

As per the Gender Budget 2022-23, it was seen that the State Government had allocated of ₹ 2,839.23 crore (35.12 *per cent*) in 18 Departments out of total development outlay of ₹ 8,085.84 crore towards women centric programmes during 2022-23. Out of allocated fund of ₹ 2,839.23 crore, ₹ 2,497.65 crore was allocated upto December 2022. The allocation of funds in 18 Departments was ranged between 18 *per cent* and 50 *per cent* of the total Development Outlay during 2022-23 and it was 50 *per cent* in Social and Social Education Department during the year. Scrutiny of VLC data revealed that the Social Education Department had implemented various programme under the Demand No.41 for the welfare of the women out of which the Department had incurred ₹ 0.22 crore under Maternity Benefit Scheme and ₹ 3.18 crore towards State Additional Honorarium to the Anganwadi Workers and Helpers under PMMVY along with other programmes. Besides, the Department had incurred ₹ 0.10 crore against the Budget provision under the scheme 'Mahila Sashktikaran Abhiyan' during 2022-23. A

summarised position of department wise budget provision and its percentage to total development outlay in 18 Departments during the year 2021-22 and 2022-23 is given in **Appendix 3.1**.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and 205 of the Constitution of India. Appropriation Accounts are on Gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

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

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law in accordance with the provisions of Article 204 of the Constitution. Expenditure on new scheme should not be incurred on a scheme/service without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State.

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

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

Scrutiny of the Appropriation Accounts revealed that an expenditure of ₹ 61.40 crore was incurred in 21 Grants/Appropriations without any provision in the original estimates or supplementary demands, but the provision was made through re-appropriation without the knowledge of the Legislature. The expenditure incurred requires regularisation. The details of the scheme/service where there were instances of

incurring expenditure through re-appropriation without the knowledge of the Legislature and which requires regularisation are given in **Appendix 3.2**.

There were 15 cases under six Grants/Appropriations, where expenditure of more than ₹ one crore in each case involving ₹ 38.81 crore was incurred during the year. Out of 15, in four cases under three Grants the amount in each case was more than ₹ three crore. However, Government did not furnish any specific reason for incurring expenditure without budgetary provision.

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

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

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

Among the various major heads under 'K-Deposits and Advances', the major head '8443-Civil Deposits' had substantial accumulated balance (₹ 1,141.10 crore) at the end of March 2023 and major portion of this accumulation pertains to five minor heads '108-Public Works Deposits' (₹ 501.37 crore), '106-Personal Deposits' (₹ 349.95 crore), '111-Other Departmental Deposits' (₹ 71.21 crore), '800-Other Deposits' (₹ 105.61 crore) and '103-Security Deposits' (₹ 87.02 crore). The details of the major transactions under five Minor Heads subordinate to Major Head '8443-Civil Deposits' during the year 2022-23 are given in **Table 3.5**.

Table 3.5: Transactions of the four minor heads under 8443-Civil Deposits during 2022-23

(₹ in crore)				
Head of accounts	Opening balance as on 1 April 2022	Receipts during the year	Disbursement during the year	Closing balance as on 31 March 2023
8443: Civil Deposits, of which	1,201.56	441.29	501.75	1,141.10
108: Public Works Deposits	483.44	166.41	148.48	501.37
106: Personal Deposits	416.14	136.64	202.83	349.95
111: Other Departmental Deposits	107.77	16.82	53.38	71.21
800: Other Deposits	110.32	6.19	10.90	105.61
103: Security Deposits	58.23	114.82	86.03	87.02

Source: Finance Accounts 2022-23

The details of the monthly transactions under the Minor Heads-800 subordinate to Major Head 8443-Civil Deposits during the year 2022-23 is given in **Table 3.6**.

Table 3.6: Transactions under minor heads 800-Other Deposits under 8443 during 2022-23

(₹ in crore)		
Month	Receipts	Disbursement
April 2022	0.39	1.53
May 2022	0.18	0.69
June 2022	0.25	2.37
July 2022	0.21	0.55
August 2022	0.25	0.15
September 2022	0.74	0.16
October 2022	0.37	0.62
November 2022	0.49	2.55
December 2022	0.46	0.99
January 2023	0.24	0.41
February 2023	0.4	0.11
March 2023	2.21	0.77
Total	6.19	10.90

Source: VLC data

During the year 2022-23, the State Government transferred ₹ 60.05 crore from Capital Head of accounts to Deposit Head (MH 8443-Civil Deposits) through book adjustment. The detailed break-up is given in **Table 3.7**.

Table 3.7: Funds transferred to Deposit Account 8443 from Capital Heads of account during 2022-23

(₹ in crore)		
Sl. No.	Major Head of Account	Funds transferred to Major Head 8443- Civil Deposits
1	4059 Capital Outlay on Public Works	31.98
2	4070 Capital Outlay on other Administrative Services	0.59
3	4202 Capital Outlay on Education, Sports, Art and Culture	3.78
4	4210 Capital Outlay on Medical and Public Health	1.49
5	4215 Capital Outlay on Water Supply and Sanitation	0.63
6	4216 Capital Outlay on Housing	0.01
7	4220 Capital Outlay on Information and Publicity	0.04
8	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	1.75
9	4401 Capital Outlay on Crop Husbandry	0.59
10	4402 Capital Outlay on Soil and Water Conservation	0.07
11	4403 Capital Outlay on Animal husbandry	0.35
12	4405 Capital Outlay on Fisheries	0.11
13	4408 Capital Outlay on Food Storage and Warehousing	0.33
14	4435 Capital Outlay on other Agricultural Programmes	2.73
15	Capital Outlay on other Rural Development Programmes	3.04
16	4552 Capital Outlay on North Eastern Areas	0.59
17	4702 Capital Outlay on Minor Irrigation	3.00
18	4711 Capital Outlay on Flood Control Projects	0.64
19	4851 Capital Outlay on Village and Small Industries	0.08
20	5054 Capital Outlay on Roads and Bridges	7.43
21	5055 Capital Outlay on Road Transport	0.81
22	5475 Capital Outlay on other General Economic Services	0.01
	Total	60.05

Source: VLC Data

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

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

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

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

During the year 2022-23, there were cases of misclassification of expenditure of ₹ 1,322.38 crore of revenue nature booked as Capital expenditure of which ₹ 1,321.53 crore was incurred for creation of capital assets as detailed in **Appendix 3.3**.

It can be seen from **Appendix 3.3**, that the expenditure was mainly booked under various central/state schemes like, Construction (₹ 144.14 crore), Swachh Bharat Mission, Jal Jeevan Mission (₹ 105.53 crore), Special Assistance under Capital, EAP (₹ 258.94 crore), Forest Management Scheme (₹ 100.63 crore), Central Assistance for NESIDS, etc. (₹ 119.64 crore), state share of NLCPR, EAP, PMGSY, CRF under TSP (₹ 312.29 crore) and as Grants-in-aid for creation of Capital Assets under Capital Head instead of Revenue account during the year 2022-23.

As per the Indian Government Accounting Standard (IGAS)-2, expenditure on Grants-in-Aid is to be classified as Revenue Expenditure. As in the previous year, the Government incorrectly classified the expenditure of ₹ 1,322.38 crore in Capital account out of which ₹ 1,321.53 crore was incurred for creation of Capital assets in violation of the Accounting Standards.

The misclassification of expenditure led to overstatement of Capital Expenditure and understatement of Revenue expenditure for the year 2022-23 to that extent. The five years’ trend of misclassification of Revenue as Capital expenditure and its impact on Revenue deficit/ surplus is discussed at **Paragraph 3.3.8**.

Against the issue of misclassification of booking of funds in the Capital accounts instead of Revenue the Government stated that one of the important parameters of performance of the State Government is expenditure on creation of capital assets. Therefore, the State Government is being released funds to the autonomous bodies and SNAs accounts under object head 57 grants-in-aid for creation of capital assets.

3.3.4 Unnecessary or excessive supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year, but not after the expiry of the current financial year, as it is necessary to meet;

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

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

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

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

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

The Tripura Budget Manual, 1998 (Para 23 of Chapter-IV) provides that, “When unforeseen circumstances make it necessary to incur expenditure not contemplated in the Appropriation Act, every effort should be made to meet it from savings elsewhere within the same grant (voted or charged, as the case may be) by postponement or curtailment of less urgent expenditure. Only if it is not possible to make the requisite

funds available by this means, recourse should be had to supplementary estimate after Finance Department agreeing in writing or allocating additional fund. The responsibility in regard to proposals for supplementary estimates rests on the Finance Department. Greatest care should be taken while preparing proposals for supplementary estimates since if on the closing of the accounts any supplementary Grants or Appropriation actually obtained are found to have been unnecessary or excessive, the Audit will draw attention to the fact in the Audit Report on the Appropriation Accounts and the action of the Department will attract the criticism of the Public Accounts Committee”.

Scrutiny of the Appropriation Accounts for the year 2022-23, Government of Tripura revealed that supplementary provisions of more than ₹ 50 lakh were obtained in 40 cases under 30 Grants/Appropriations even though the actual expenditure was less than the original provision. In 39 out of 40 cases, the savings were more than ₹ one crore and in 30 cases, the savings were more than ₹10 crore. Out of these 30 cases, in 11 cases the saving was more than ₹ 100 crore. Thus, provision made by supplementary in all the cases indicates unnecessary. The details of Grants/Appropriations where supplementary provision of ₹ 50 lakh or more were obtained in each case even the expenditure was less than the original provision are given in **Appendix 3.4**. The departments who resorted supplementary demands more than ₹ 10.00 crore during last three years from 2020-21 to 2022-23 which proved unnecessary are given in **Table 3.8**:

Table 3.8: Departments who resorted supplementary demands more than ₹ 10.00 crore

Sl. No.	Number and Name of Grant	(₹ in crore)		
		2020-21	2021-22	2022-23
1	16- Health Department (Revenue – Voted)	24.66	19.09	31.50
2	52- Family Welfare & Preventive Medicine (Revenue – Voted)	40.96	234.76	40.51
3	13- Public Works (R&B) Department (Capital – Voted)	150.42	400.93	173.07

Source: Appropriation Accounts

3.3.5 Unnecessary Re-appropriation

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

Scrutiny of the detailed Appropriation Accounts for the year 2022-23 revealed that in 32 Grants/Appropriations, there were 82 cases under various Major Heads, provision was added by re-appropriation even though the actual expenditure was less than the original/supplementary provisions. Even in some cases, no expenditure was incurred against the provision, additional funds were added through re-appropriation. As a result, there were huge savings in each case which indicates unnecessary re-appropriation of

fund, as detailed in **Appendix 3.5**. Some departments those who were regularly resort such re-appropriation during last three years are shown in **Table 3.9**:

Table 3.9: Departments who resorted unnecessary re-appropriation of funds

(₹ in lakh)					
Sl. No.	Number and Name of Grant	Major Head	2020-21	2021-22	2022-23
1	3- General Administration (SA) Department	2052-090-05	0.97	9.90	2.09
2	10- Home (Police) Department	2055-001-80	85.19	128.49	833.59
3	31- Rural Development Department	2515-001-30	2.00	1.40	1.00

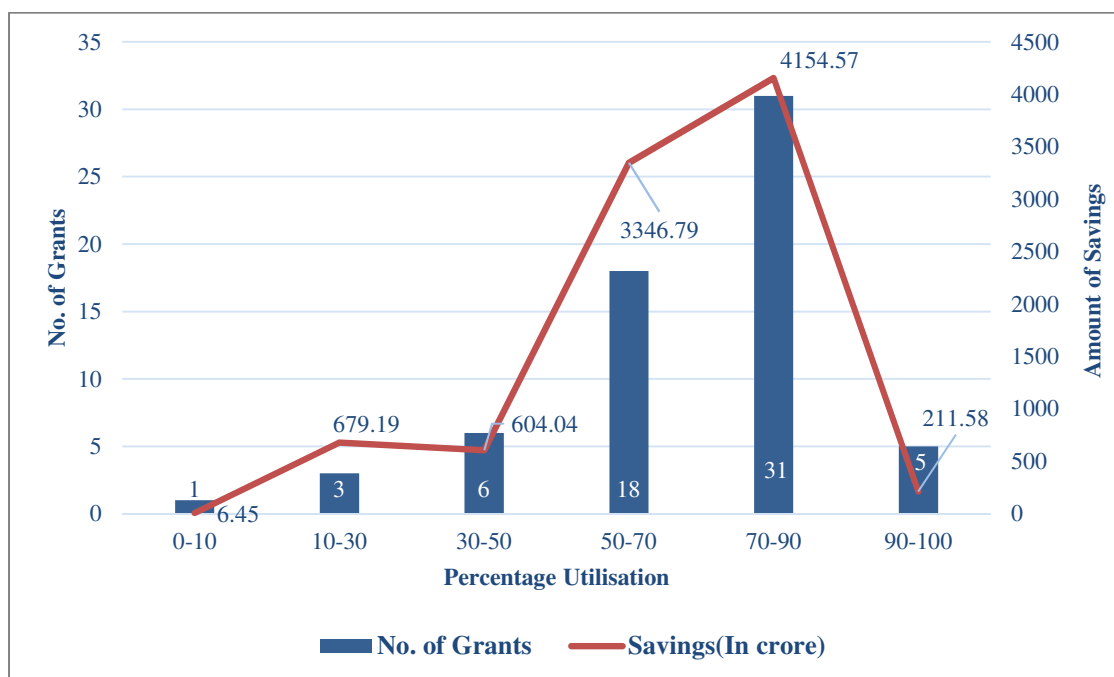
Source: Appropriation Accounts

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

Complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or slipshod estimating, it is not readily excusable. The golden rule for all Estimating Officers should be to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should, in checking the estimates, apply unrelentingly the proven and well-tried check of average of previous actuals with known or reasonably foreseeable facts which may modify that average.

Details of grants grouped by the percentage of utilisation along with total savings during 2022-23 has been shown in **Appendix 3.6** and **Chart 3.3**.

Chart 3.3: The distribution of the number of Grants/ Appropriations grouped by the percentage of Savings along with total savings



Source: Appropriation Accounts

It was seen that in 2022-23, out of 64 grants, 10 to 30 per cent in three grants of their

total budget provision was incurred and 30 *per cent* to 50 *per cent* was incurred by six grants during the year. About 50 to 70 *per cent* provisions was utilised by 18 grants, indicating the budgeting of expenditure of those grants were unrealistic and failed to utilised their budget provision during the year.

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

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

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

The Pr. Accountant General (A&E), Tripura provides the draft Appropriation Accounts to the Controlling Officers of the Departments of the State Government (August 2023) and seeks the reasons/explanation for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

The monetary limits of savings/excesses to be commented upon in the Appropriation Accounts as approved by the PAC in May 2008 are shown in **Table 3.10:**

Table 3.10: Monetary limits of savings/excesses to be commented upon

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

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

Budgetary allocations based on unrealistic proposals, inefficient expenditure monitoring mechanism, weak capacity in scheme implementation/ weak internal controls prompt

release of funds towards the end of the financial year, and increase the propensity of the Departments to retain huge balances outside the Government account in Bank Accounts. Excessive savings also deprives other Departments of the funds which they could have utilised.

Scrutiny of the Appropriation Accounts for the year 2022-23 revealed that, in 17 out of 64 Grants/ Appropriations, there were savings of more than ₹ 100 crore and in eight cases, the savings constituted over 50 *per cent* of the budget allocation in the respective Grants/ Appropriations during the year 2022-23. The details of the Grants/ Appropriations where savings were more than ₹ 100 crore during the year 2022-23 are given in **Appendix 3.7**.

In 35 out of 64 Grants/Appropriations where Budget allocation during the year 2022-23 was more than ₹ one crore in each case, the expenditure during the year was less than 50 *per cent* of the total budget provision for the year. The details of the Grants/ Appropriations where the budget allocation during the year 2022-23 was more than ₹ one crore, but the expenditure during the year was less than 50 *per cent* of the total budget are given in **Appendix 3.8**.

It can be seen from **Appendix 3.8** that, most of the grants relate to developmental schemes like housing, irrigation, medical and health, education, rural and urban infrastructure, education and welfare sectors. Government has not been able to ensure that clearances and sanctions are accorded on time so as to ensure that the envisaged benefits accrue to the targeted beneficiaries.

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

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

Scrutiny of the Appropriation Accounts for the year 2022-23 revealed that, in nine Grants/Appropriations, expenditure could not exceed 10 *per cent* of the budget allocation in the respective grants/ appropriations. Expenditure of ₹ 11.94 crore was incurred out of the allocated amount of ₹ 1,172.54 crore resulting in a saving of ₹ 1,160.60 crore. In one case, no expenditure was incurred during the year 2022-23. The details of the Grants/ Appropriations where expenditure was not exceeding 10 *per cent* of the provision is detailed in **Table 3.11**. Out of the nine grants and appropriation as indicated in the Table 3.11, two grants *vis* General Administration (P&S) and Education (Elementary) Department incurred expenditure of less than 10 *per cent* of budgeted fund during last 2-3 years.

Table 3.11: Grants/Appropriation with low expenditure during 2022-23

(₹ in crore)

Sl. No	Grant No. and Name	Original	Supple- mentary	Total	Expendi- ture	Percentage of expenditure
Revenue-Voted						
1	50: Civil defence	6.86	0.00	6.86	0.41	5.98
Capital-Voted						
2	36: Home (Jail) Department	10.00	0.23	10.23	0.91	8.90
3	38: General Administration (Printing and Stationery) Department	0.60	0.00	0.60	0.06	10.00
4	39: Education (Higher) department	77.05	0.00	77.05	4.28	5.55
5	43: Finance Department	1,002.01	0.00	1,002.01	1.14	0.11
6	59: Tourism	52.55	0.00	52.55	4.55	8.66
7	61: OBC Welfare	21.57	0.01	21.58	0.57	2.64
8	62: Education (Elementary)	0.50	1.02	1.52	0.02	1.32
Capital-Charged						
9	8: General Administration (P&T) Department	0.14	0.00	0.14	0	0.00
Total		1,171.28	1.26	1,172.54	11.94	

Source: Appropriation Accounts

3.3.6.1 Persistent Savings in Grants/Appropriations

During the last five years from 2018-19 to 2022-23, there were persistent savings of more than ₹ one crore in 62 cases (43 cases in revenue and 19 cases in capital heads of account). The number and name of Grants/Appropriations where persistent savings of more than ₹ one crore occurred in each case during the last five years are shown in **Appendix 3.9**.

During the five-year period 2018-19 to 2022-23, out of 62 cases of persistent savings of more than ₹ one crore, savings of more than ₹ 10 crore in each year occurred in 19 cases under revenue heads (Voted). There were persistent savings of more than ₹ 10 crore each year in six cases under the capital heads (Voted).

It was also noticed that out of the 62 cases, there were savings of more than ₹ 100 crore in 17 cases while in six cases, the savings were more than ₹ 500 crore during the year 2022-23. The Grant/Appropriation where persistent savings of more than ₹ 100 crore occurred in each year during last five years were in four Grants, three in Revenue-Voted (Grant No.31, 40 &43) and one in Capital-Voted (Grant No. 13).

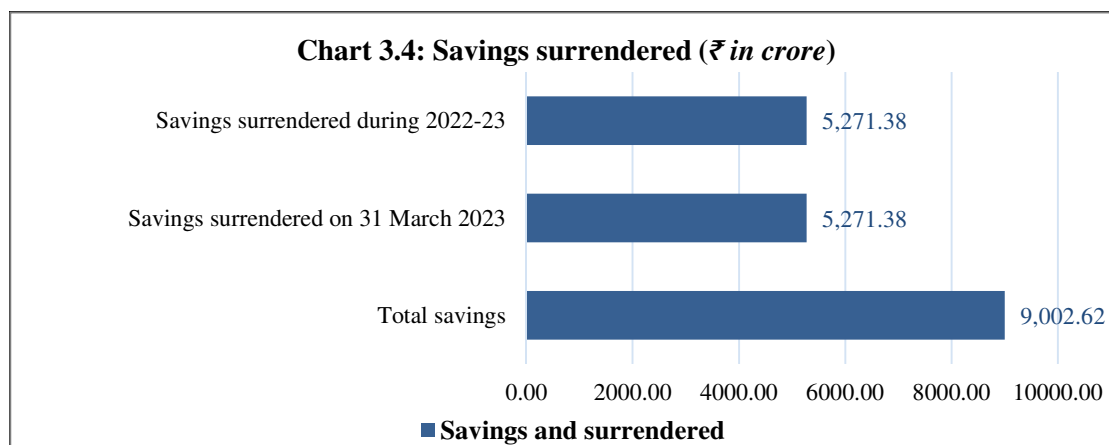
Persistent savings over a period of five years or more indicate that the basic assumptions behind the overall budget formulation process were not realistic and there was a lack of proper assessment as well as prudent utilisation of the allocated budgetary provision.

The issue of persistent savings has been pointed out every year in the State Finances Audit Report of the Comptroller and Auditor General of India. However, no corrective

measures have been taken by the Departments concerned for minimising the savings, as savings have continued in most of the Departments even during 2022-23.

3.3.6.2 Savings and surrenders before close of financial year 2022-23

During the year 2022-23, there was overall savings of ₹ 9,002.62 crore, of which ₹ 5,271.38 crore was surrendered 31 March 2023 as detailed in **Chart 3.4**.



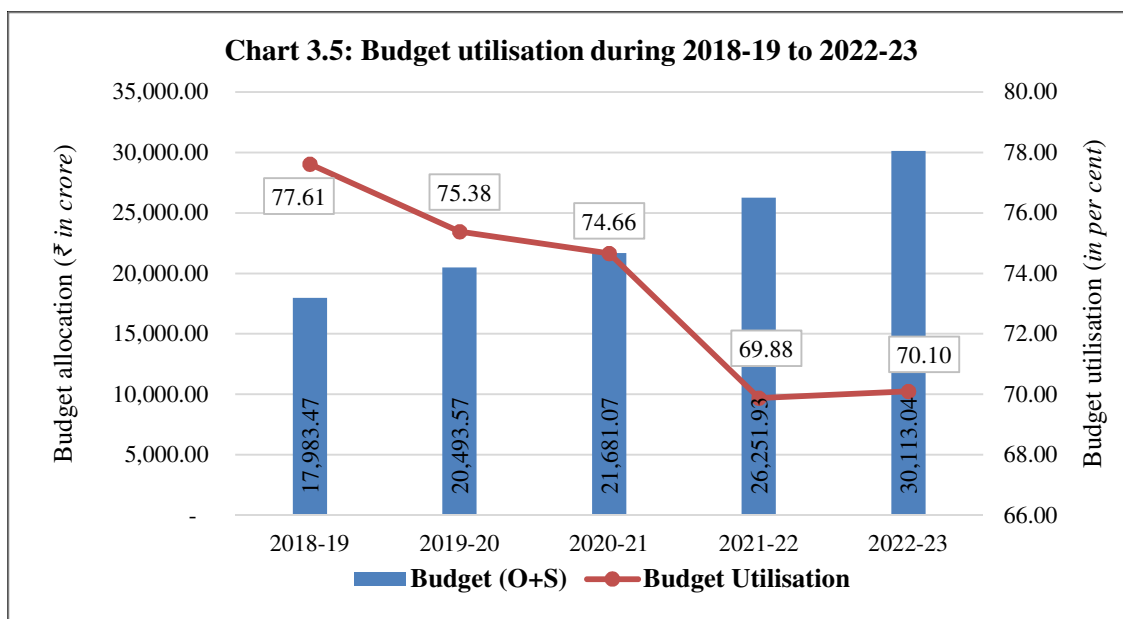
Source: Appropriation Accounts

It was noticed that in case of 25 Grants/Appropriations, more than 25 *per cent* savings were not surrendered though after surrendering of fund of ₹ 10 crore and above at the end of March 2023. Details are given in **Appendix 3.10**.

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

3.3.6.3 Budget utilisation during 2018-19 to 2022-23

Optimal utilisation of allocated budget indicates the extent of realistic budgeting and ensuring of the actual utilisation of funds in a time bound manner for the purpose for which these provisions are made. During the last five years from 2018-19 to 2022-23, the budget utilisation of the State decreased in the last year from 77.61 *per cent* in 2018-19 to 69.88 *per cent* in 2021-22 but increased to 70.10 *per cent* in 2022-23 as detailed in **Chart 3.5**.



Source: Appropriation Accounts

Savings of allocated funds indicate inaccurate assessment of requirement as well as inadequate capacity to utilise the funds for intended purposes.

Trends in the original budget, revised estimate and actual expenditure for the period 2018-19 to 2022-23 are given in **Table 3.12** and **Chart 3.6**:

Table 3.12: Original Budget, Revised Estimate and Actual Expenditure during 2018-23

(₹ in crore)

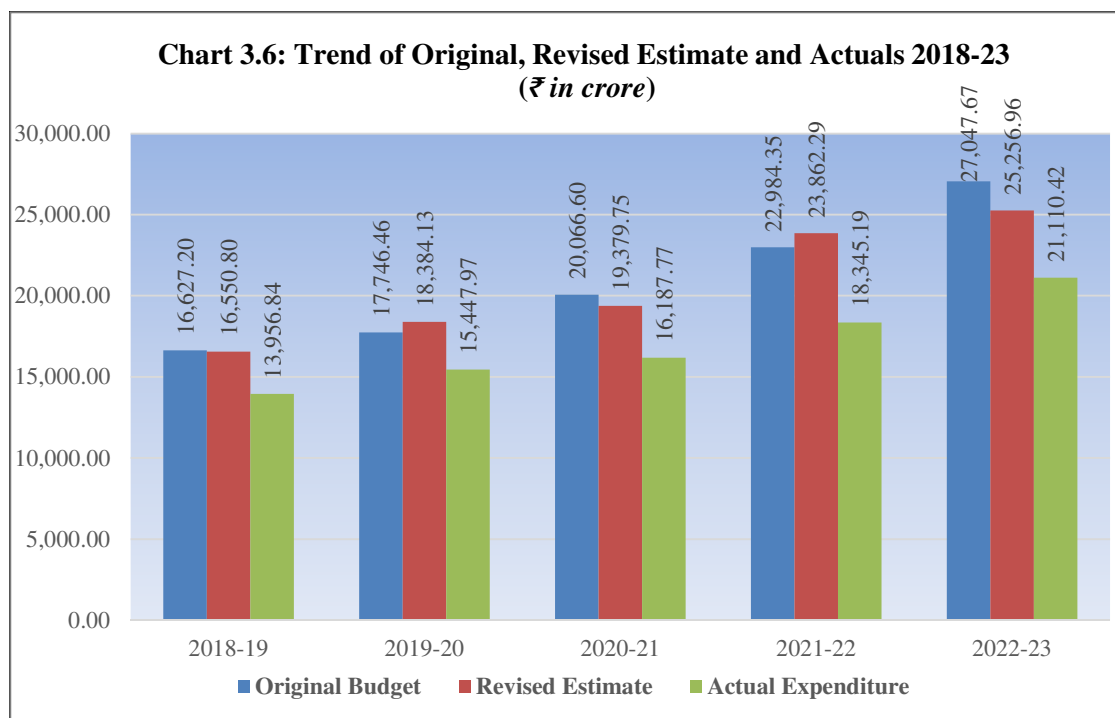
	2018-19	2019-20	2020-21	2021-22	2022-23
Original Budget	16,627.20	17,746.46	20,066.60	22,984.35	27,047.67
Supplementary Budget	1,356.27	2,747.11	1,614.47	3,267.58	3,065.37
Total Budget (TB)	17,983.47	20,493.57	21,681.07	26,251.93	30,113.04
Revised Estimate (RE)	16,550.80	18,384.13	19,379.75	23,862.29	25,256.96
Actual Expenditure (AE)	13,956.84	15,447.97	16,187.77	18,345.19	21,110.42
Savings (TB – AE)	4,026.63	5,045.60	5,493.30	7,906.74	9,002.62
Percentage of saving to the TB	22.39	24.62	74.66	30.12	29.90
Savings (RE – AE)	2,593.96	2,936.16	3,191.98	5,517.10	4,146.54
Percentage of saving to the RE	15.67	15.97	16.47	23.12	16.42
Percentage of supplementary to the original provision	8.16	15.48	8.05	14.22	11.33
Total Budget – Revised Estimate	1,432.67	2,109.44	2,301.32	2,389.64	4,856.08

Source: Appropriation Accounts

Table 3.12 shows that over the years from 2018-19 to 2022-23, the Revised Estimate (RE) was lower than the Total Budget (TB) of the State. The gap between the RE and the TB showed an increasing trend wherein during the first three years, the gap was less which rose sharply in the last two years indicating larger estimation error.

The supplementary provision during the period was ranged between 8.05 per cent (2020-21) and 15.48 per cent (2019-20) and it was 11.33 per cent during 2022-23 of the original provision.

The supplementary provision of ₹ 3,065.37 crore during 2022-23 constituted 11.33 per cent of the original provision as against 14.22 per cent in the previous year.



Source: Appropriation Accounts

Chart 3.6 shows that the Actual Expenditure (AE) during the period from 2018-19 to 2022-23 were lower than the Original Provision for all the years, indicating savings were ranged between 12.95 per cent and 21.95 per cent during last five years period. Even, in terms of RE, the AE was also lower during the same period ranged between 76.88 per cent and 84.33 per cent and it was 83.58 per cent during 2022-23. It indicates that in terms of RE, the savings were ranged between 15.67 per cent and 23.12 per cent during the period and it was 16.42 per cent during 2022-23.

As such, the supplementary provisions during the years 2018-19 to 2022-23 proved unnecessary since the expenditure did not come up to the level of original budget provisions.

This reflects that budgetary allocations were based on unrealistic proposals as Budget Estimates of the State were always inflated and the Actual Expenditure was less than the budgetary provisions.

3.3.7 Excess expenditure and its regularisation

Article 205(1)(b) of the Constitution provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess. This implies that, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature for the Financial Year.

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

ensuring accountability by the Legislature of the executive over utilisation of public money.

3.3.7.1 Excess expenditure relating to the year 2022-23

During 2022-23, there was an excess expenditure over the budget in the Grant No. 13 (Revenue Voted) of Public Works (R&B) Department, but no case of Major Head wise excess expenditure (Gross) occurred. The detail is given the **Table 3.13**.

Table 3.13: Grants/Appropriation with Excess expenditure during 2022-23

<i>(₹ in crore)</i>					
Grant No. & Name	Original	Supplementary	Total Grant	Expenditure	Excess
Revenue-Voted					
13: Public Works (R&B) Department	529.72	80.11	609.83	695.39	85.56

While pointed out the issue of excess expenditure the Government stated that the same would be regularised shortly.

3.3.7.2 Regularisation of excess expenditure of previous financial years

Excess expenditure over budgetary allocation is a matter of concern, as it is indicative of inefficient budgetary management and dilutes legislative oversight over public funds. Government needs to view this seriously and take appropriate corrective measures. Expenditure incurred in excess of the budget provision under both Voted and Charged categories by various Departments of the State Government are being reported every year in the Reports of the Comptroller and Auditor General of India on the State Finances of Government of Tripura. Details on regularisation of excess expenditure up to the last year as per mention in the SFAR for the year 2021-22 is given in the **Table 3.14**.

Table 3.14: Details of Excess expenditure relating to the year 2018-19, 2019-20 and 2020-21 with status on regularisation

<i>(₹ in crore)</i>							
Sl. No.	No. and Name of the Grant/Appropriation	Revenue		Capital		Excess expenditure	Regularised on 24-04-2023
		Charged	Voted	Charged	Voted		
1	13: Public Works (R&B)	0.00	217.01	0.00	0.00	217.01	The Tripura Appropriation Act No.08 of 2023
2	59: Tourism	0.00	0.00	0.00	4.68	4.68	
	Total	0.00	217.01	0.00	4.68	221.69	
	2019-20						
1	48: High Court	0.00	1.41	0.00	0.00	1.41	The Tripura Appropriation Act No.07 of 2023
2	58: Home (FSL, PAC, Prosecution & Co-ordination Cell) Department	0.00	3.15	0.00	0.00	3.15	
3	43: Finance Department	0.00	0.00	4.31	0.00	4.31	
	Total	0.00	4.56	4.31	0.00	8.87	
	2018-19						
1	14: Power Department	0.00	0.00	0.00	12.38	12.38	The Tripura

Sl. No.	No. and Name of the Grant/Appropriation	Revenue		Capital		Excess expenditure	Regularised on 24-04-2023
		2020-21	Charged	Voted	Charged		
2	19: Tribal Welfare Department		0.08	0.00	0.00	0.00	Appropriation Act No.06 of 2023
3	23: Panchayati Raj Department		0.00	0.00	0.00	1.02	
4	25: Industries & Commerce (Handloom, Handicrafts and Sericulture) Department		0.00	0.00	0.00	1.15	
5	26: Fisheries Department		0.03	0.00	0.00	1.85	
6	33: Science, Technology and Environment Department		0.00	0.00	0.00	2.13	
7	42: Education (Sports and Youth Programme) Department		0.00	0.00	0.00	2.13	
8	51: Public Works (Drinking Water and Sanitation) Department		0.15	0.00	0.00	0.00	
9	59: Tourism Department		0.00	0.00	0.00	0.02	
	Total		0.26	0.00	0.00	20.68	

Source: Appropriation Accounts 2021-22 and respective Appropriation Acts 6,7 & 8 of 2023.

There was no excess expenditure in the year 2021-22 according to the Appropriation Accounts for the year 2021-22.

3.3.8 Grant-in-aid for creation of capital assets

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

During the year 2022-23, the state government booked Grants-in-aid of ₹ 1,322.38 crore as Capital Expenditure instead of Revenue Expenditure, out of which ₹ 1,321.53 crore was for creation of Capital Asset.

As per IGAS 2, Grant-in-aid disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditure irrespective of the purpose for which the funds disbursed as Grants-in-aid are to be spent by the grantee, except in cases where it has been specifically authorised by President on the advice of the Comptroller and Auditor General of India.

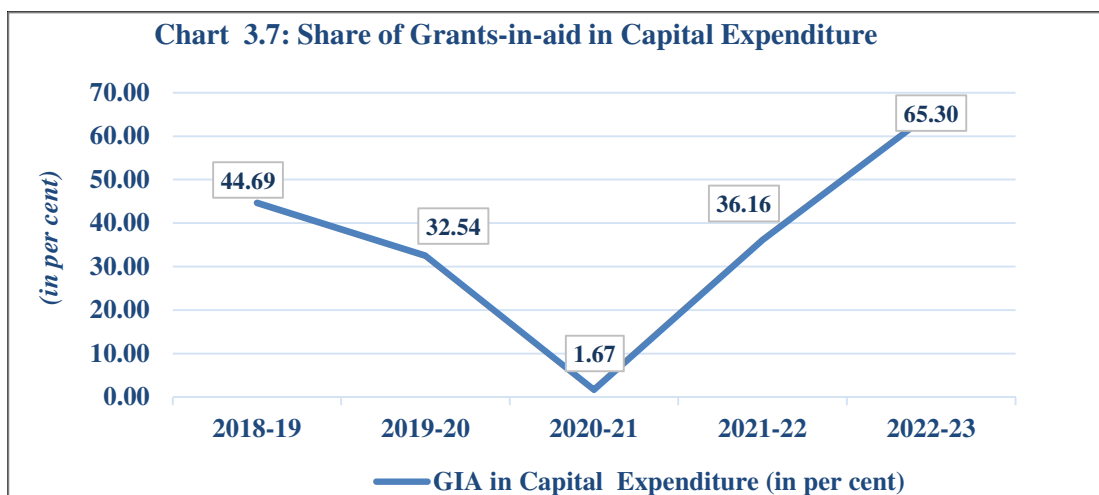
The extent of classification of GIA as Capital Expenditure and the resultant impact on revenue deficit/surplus, if expenditure from GIA is treated as Revenue Expenditure is shown in **Table 3.15**.

Table 3.15: Extent of classification of GIA as Capital Expenditure*(₹ in crore)*

Years	2018-19	2019-20	2020-21	2021-22	2022-23
GIA booked as Capital Expenditure	661.74	287.38	13.91	494.99	1,322.38
Total Capital Expenditure	1,480.87	883.22	832.08	1,368.95	2,024.97
Share of GIA in Capital Expenditure (<i>in per cent</i>)	44.69	32.54	1.67	36.16	65.30
Total Revenue Expenditure	11,889.20	13,376.91	14,367.82	16,125.24	17,738.71
Total Revenue Receipt	12,030.89	11,001.59	13,292.40	17,613.96	18,309.01
Impact on Revenue Deficit (-)/ Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	(-)520.05	(-)2,662.70	(-)1,089.33	993.72	(-)752.08

It can be seen from **Table 3.15** that the Grants-in-Aid of ₹ 1,322.38 crore was booked as Capital Expenditure. This was about 65 *per cent* of Capital Expenditure booked instead of Revenue Expenditure as per IGAS-2. If the State Government had booked the Grants-in-Aid as Revenue Expenditure as per IGAS-2 instead of capital expenditure, the Revenue expenditure would be ₹ 19,061.09 crore instead of ₹ 17,738.71 crore during 2022-23. Hence, the revenue expenditure was understated to that extent of ₹ 1,322.38 crore. Resultant, there would be Revenue deficit of ₹ 752.08 crore instead of Revenue Surplus of ₹ 570.30 crore during the year 2022-23.

The share of Grant-in-aid under Capital expenditure during the last five years are shown in **Chart 3.7**.



Source: Appropriation Accounts

3.4 Comments on effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, inefficient expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs.

The summarised position of budget including supplementary budget, actual expenditure, and excess/savings during 2022-23 against 64 Grants/ Appropriations (63 Grants and one Appropriation) is given in **Table 3.16**.

Table 3.16: Summarised position of Actual Expenditure vis-à-vis Budget (Original/Supplementary) provisions during the financial year 2022-23

(₹ in crore)

	Nature of expenditure	Original Grant/App.	Suppl. Grant/App.	Total	Actual expenditure	Net Savings(-)/Excess(+)	Surrender in March	
							Amount	Percentage of net saving
Voted	I. Revenue	20,217.25	1,751.20	21,968.45	16,259.29	-5,709.16	2,848.55	49.89
	II. Capital	4,255.77	1,020.81	5,276.58	2,080.61	-3,195.97	1958.18	61.27
	III. Loans & Advances	6.37	80.68	87.05	109.65	+22.60	0.00	0.00
	Total	24,479.39	2,852.69	27,332.08	18,449.55	-8,882.53	4,806.73	54.11
Charged	IV. Revenue	1,544.65	212.68	1,757.33	1,669.14	-88.19	2.61	2.96
	V. Capital	0.51	0.00	0.51	0.07	-0.44	415.60	94,454.55
	VI. Public Debt- Repayment	1,023.12	0.00	1,023.12	991.66	-31.46	46.44	147.62
	Total	2,568.28	212.68	2,780.96	2,660.87	-120.09	464.65	386.92
	Grand Total	27,047.67	3,065.37	30,113.04	21,110.42	-9,002.62	5,271.38	58.55

Source: Appropriation Accounts 2022-23.

It can be seen from **Table 3.16**, that overall net savings of ₹ 9,002.62 crore (29.90 per cent) of total provision Grants/Appropriations and was almost three times of the size of the supplementary budget of ₹ 3,065.37 crore obtained during the year. As against the estimated Receipts, the actual Receipts were ₹ 19,238.02 crore only thereby restricting the total expenditure to ₹ 21,110.42 crore. This implied that the savings were hypothetical, as the funds were not actually available for expenditure, which indicates that the budget formulation process was unrealistic.

Utilisation of budgeted funds by the State was sub-optimal to some extent every year during the past five years. The extent of savings during the last five years is given in **Table 3.17**.

Table 3.17: Original Budget, Revised Estimate and Actual Expenditure during 2018-23

(₹ in crore)

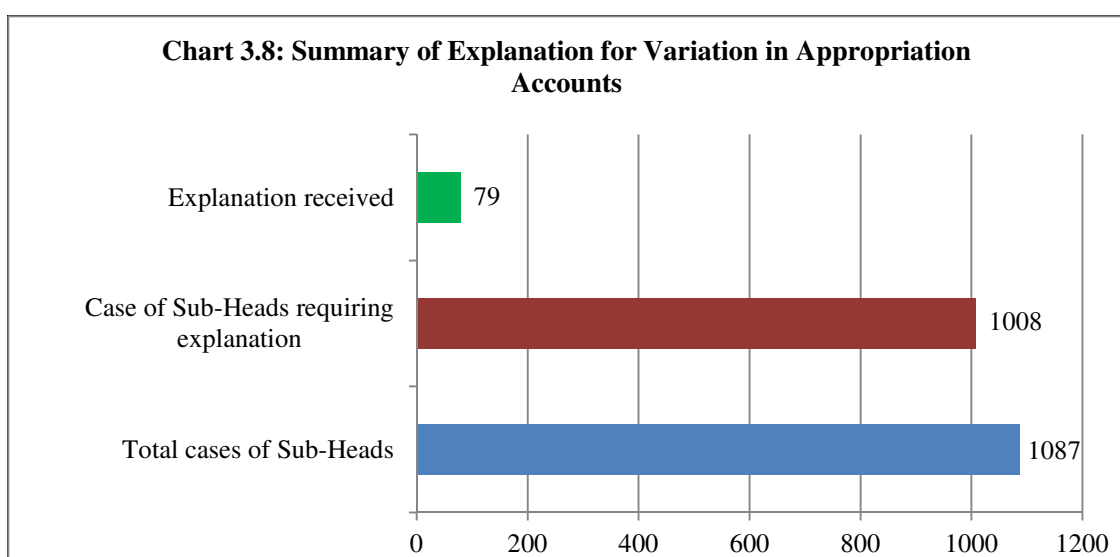
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Original Budget	16,627.20	17,746.46	20,066.60	22,984.35	27,047.67
Supplementary Budget	1,356.27	2,747.11	1,614.47	3,267.58	3,065.37
Revised Estimate	17,983.47	20,493.57	21,681.07	26,251.93	30,113.04
Actual Expenditure (AE)	1,3956.84	15,447.97	16,187.77	18,345.19	21,110.42
Savings (-) /excess (+)	(-) 4,026.63	(-) 5,045.60	(-) 5,493.30	(-) 7,906.74	(-) 9,002.62
Percentage of Savings	22.39	24.62	25.34	30.12	58.55

It can be seen from **Table 3.17**, utilisation of budget during the last four years was almost above 70 per cent. But, in 2022-23 it was well below 50 per cent.

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

Audit of Appropriation Accounts of 2022-23 revealed that, in many cases, the Controlling Officers have not provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocations and were not precise even where the explanations were provided. Scrutiny also revealed that, augmentation/reduction of provision through re-appropriation/supplementary grant was stated to be “based on actual requirement”. However, excess expenditure/savings in each of the Sub-Heads within the grants that received re-appropriation/supplementary provision would indicate that there was no requirement of additional funds.

During the year 2022-23, the State Government operated 24 Sub-heads under 64 Grants/Appropriations. It is noticed that these Grants/Appropriations operated sub-heads in 1,087 cases. Out of the 1,087 cases, the explanation was received in respect of 79 cases only. Details of the variations of explanation are shown in **Chart 3.8**:



Source: *Appropriation Accounts*

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

3.4.2 Supplementary budget and opportunity cost

As per the requirement of additional funds, the State Finance Department was submitted a proposal for supplementary provision of ₹ 3,065.37 crore for the year 2022-23 which the State Legislative Assembly approved on 28 March 2023. But the actual expenditure during 2022-23 was ₹ 21,110.42 crore, which did not come even upto the level of original budget provision of ₹ 27,047.67 crore during the year.

At times, while obtaining supplementary provision, the Department’s report to legislature large additional requirement for different purposes under various schemes/activities; but finally they are unable to spend not only the entire supplementary provision or parts thereof but also the original budget provision. As a result, the unutilised funds could not be made use of. At the same time, some of the schemes remained incomplete due to want of funds. Thus, the intended benefit of the

unfinished schemes could not be extended to the public at large in such cases. Further, this leads to escalation of project cost.

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

Scrutiny of the Appropriation Accounts for the year 2022-23 revealed that unnecessary excessive budget/supplementary provision were obtained in some grants leading to savings while some major projects/ schemes remained incomplete due to non-availability of fund. The cases where unnecessary excessive budget/supplementary provision in some grants more than ₹ five crore provision and savings of more than 30 per cent are given in **Appendix 3.11**.

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

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

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

In the Budget Speech 2022-23, the Finance Minister mentioned some policy initiatives/schemes for the social and economic welfare of the people in the State during the financial year 2022-23. Department-wise details of Budget allocation, fund release and expenditure thereof on the major initiatives taken for implementation of the

schemes by the State Government in the budget announcement 2022-23 are given in the **Table 3.18**.

Table 3.18: Department-wise details of major initiatives taken by the State Government on the budget announcement 2022-23

(₹ in crore)

Sl. No.	Name of implementing Department	Name of the new project & scheme	Budget Allocation	Fund released during 2022-23	Expenditure incurred during 2022-23
1	Agriculture	Setting up of 2 new Agriculture Development Research cum Training Centres with IT facilities at Kumarghat and Amarpur	2.05	2.05	1.38
2	Higher Education	Setting up of a Drone Club/ Centre in Tripura Institute of Technology (TIT) Narsingarh under Subarna Jayanti Tripura Nirman Yojana	1.04	1.04	1.03
3	Youth Affairs & Sports	Launching of a new scheme called ' Khelo Tripura Susto Tripura '.	6.50	6.50	6.44
4		Construction of Synthetic Football Turf ground (4 nos)	20.00	20.00	20.00
5	Industries & Commerce	Introduction of a comprehensive scheme titled " Tripura Industrial Investment Promotion Incentive Scheme " over the period of five years for industrial investment and development in the State.	4.43	4.43	4.08
6	PWD (DWS)	Establishment of ' Tripura Jal Board ' for managing drinking water supply in AMC areas.	22.18	20.33	20.33
7	Forest	Setting up of a new company "Tripura Eco-Tourism Corporation (TETCO)" under Subarna Jayanti Tripura Nirman Yojana	10.00	10.00	10.00
8	Revenue	Renovation/ re-construction of Tehsil Offices to strengthen land record management in the State.	39.00	18.22	11.58
9	PWD (R&B)	Subarna Jayanti Tripura Nirman Yojana	60.00	60.00	58.28
10	Science, Technology & Environment	Development of 4 more Bio-Villages	12.68	12.68	12.68
11	Power (TREDA)	Installation of 15000 nos Solar Street Lighting systems at the Rural Market	20.58	20.58	13.00
12		Installation of 1300 nos Off Grid Solar pumps.	13.67	13.67	10.98
13	ICA	Setting up of Satyajit Ray Film & Television Institute under Subarna Jayanti Tripura Nirman Yojana	5.76	5.76	2.35

Sl. No.	Name of implementing Department	Name of the new project & scheme	Budget Allocation	Fund released during 2022-23	Expenditure incurred during 2022-23
14	Tribal Welfare Department	Setting up of Integrated Rubber Processing Centre for ST rubber producers at different rubber clusters in Tripura	1.15	1.15	1.15
15		Chief Ministers' Rubber Mission in Tripura (Cost of materials fencing and fertilizer part of the scheme)	10.00	10.00	10.00
Total			229.04	206.41	183.29

Source: Information received from the State Government.

It can be seen from **Table 3.18** that against the budget provision of ₹ 229.04 crore on 15 major schemes, the Finance Department released ₹ 206.41 crore during 2022-23. But expenditure on those schemes was ₹ 183.29 crore during the year.

The details of policy decisions/schemes (51 Schemes) initiated by the State Government with budget provision of ₹ 308.20 crore where no expenditure was incurred, as furnished by the State Government Departments, are given in the **Appendix 3.12**.

3.4.4 Trends of expenditure against receipts

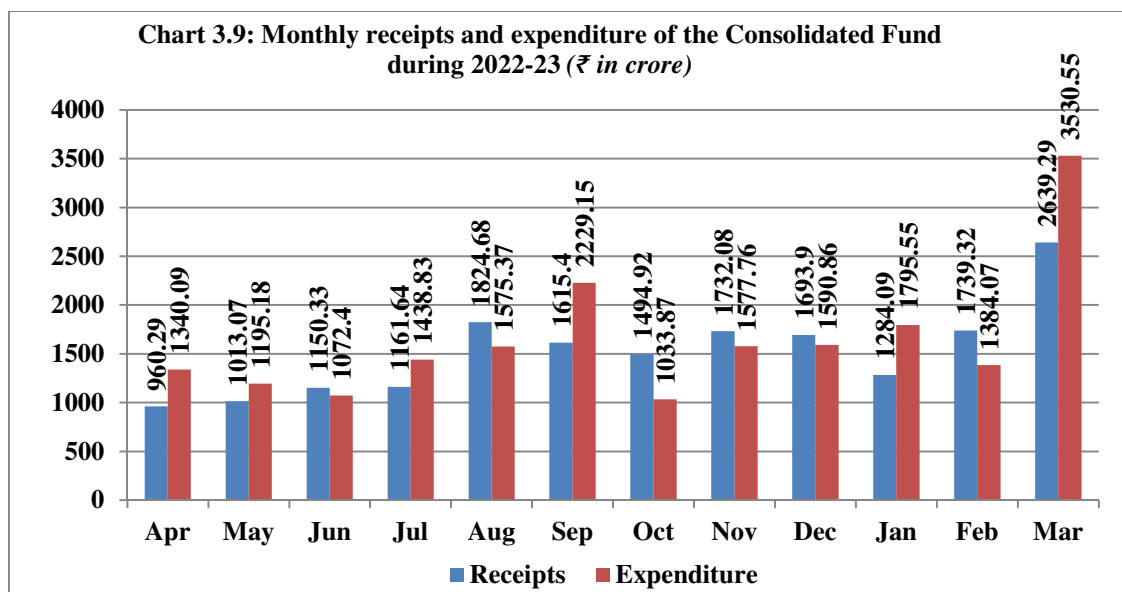
Government funds should be evenly spent throughout the year. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Instructions regarding this are available in Budget Manual, Finance Department OMs, etc. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalance and temporary cash crunches due to mismatch of revenue expenditure during a particular month arising out of unanticipated heavy expenditure in that particular month.

Financial Rules²³ envisage that rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and shall be avoided.

There are 143 cases where entire expenditure of ₹ 591.36 crore was incurred during the last month of the financial year, i.e., March 2023 in certain Sub-Heads under various Grants/Appropriations. There are 22 cases where the entire expenditure (more than one crore in each case) was incurred in March 2023. The details of major Sub-Heads of account where more than ₹ one crore was incurred in March 2022 is shown in **Appendix 3.13**.

The monthly trend of receipts and expenditure with Consolidated Fund during the year 2022-23 are given in **Chart 3.9**.

²³ Rule 62(3) of GFR, 2017



Source: VLC data

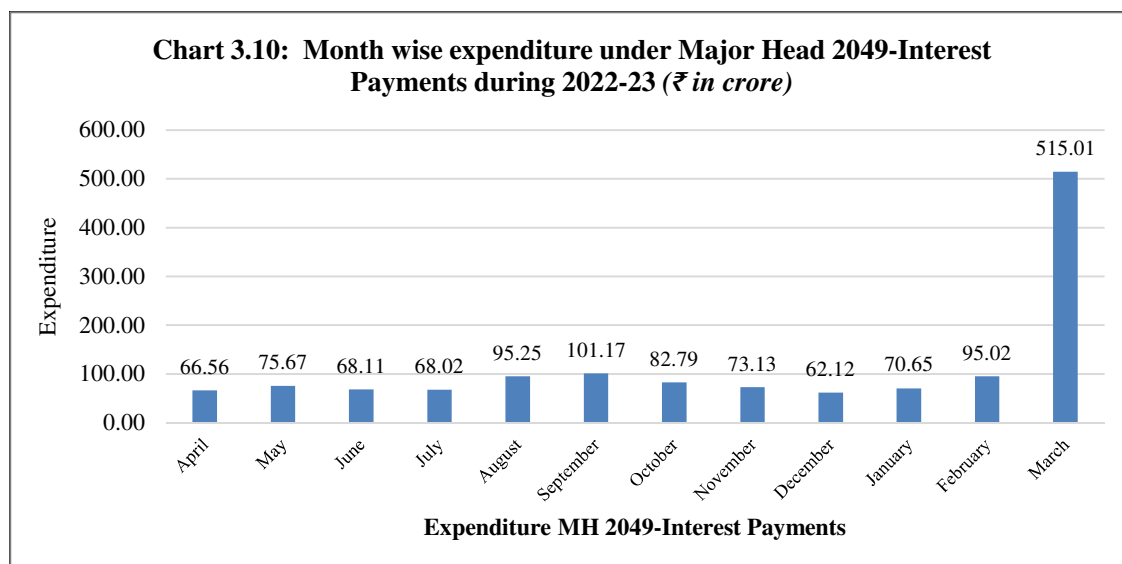
It can be seen from Chart 3.9 that, during March 2023, the State Government incurred expenditure of ₹ 3,530.55 crore against the receipt of ₹ 2,639.29 crore during March 2023 while there was an expenditure of ₹ 1,384.07 crore against the receipt of ₹ 1,739.32 crore in February 2023. During the last quarter of 2022-23 the government incurred expenditure of ₹ 6,710.17 crore which constituted 33.95 per cent of the total expenditure. In March alone, the expenditure of ₹ 3,530.55 crore was 17.86 per cent of the total expenditure of ₹ 19,763.68 crore for the year 2022-23.

3.4.4.1 Rush of Expenditure

Rule 62(3) of the General Financial Rules provides that rush of expenditure, particularly in the closing months of the financial year is regarded as a breach of financial propriety and shall be avoided.

Audit scrutiny revealed that under eight major heads as given in **Appendix 3.14**, the expenditure incurred during 4th quarter of the year ranged 85.20 per cent and 100 per cent and the expenditure incurred during the month of March 2023 to last quarter ranged between 41.15 to 100 per cent. It was also observed that under Major Head-2049 Interest Payments, 37.50 per cent expenditure (₹ 515.01 crore is being the highest expenditure) of the total expenditure of ₹ 1373.52 crore was incurred in March 2023.

Month wise expenditure under Major Head 2049-Interest Payments during 2022-23 is depicted in **Chart 3.10**:



Source: VLC data

Government funds should be evenly spent throughout the year. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalances and temporary cash crunches due to mismatch of revenue expenditure during a particular month arising out of unanticipated heavy expenditure in that particular month. In case of Tripura there is no mention on quarter wise expenditure regulation from Government side, as far as, the Tripura Budget Manual is concerned. However, the quarterly details of expenditures (Net) across all Grants prepared from the VLC data, are shown in the **Appendix 3.15**.

It is observed from the **Appendix 3.15** that in six Grants (Grant No. 4, 14, 18, 50, 56 and 57) expenditure in the 4th quarter exceeded 60 *per cent* of the total expenditure of the respective grants. Out of these six grants, in three grants (Grant No. 4, 56 and 57) the expenditure in March alone was more than 60 *per cent* of total expenditure of the respective grants.

3.4.5 Review of selected grants

3.4.5.1 Introduction

A review was undertaken on Grant No. 16 (Health Department) and Grant No 30 (Forest Department) of the State Government mainly to ascertain compliance with budgeting processes, monitoring of funds, control mechanisms and implementation of the schemes within these grants, savings, re-appropriations, persistent diversion of funds for other purposes, *etc.*

The Secretaries to the Government of Tripura were the administrative head of these Departments.

(A) Grant No. 16: Health Department**(i) Introduction**

Grant No.16 operated by the Health Department includes Major Heads 2059 Public Works, 2210 Medical and Public Health, 4059 Capital Outlay on Public Works, 4210 Capital Outlay on Medical and Public Health, 4552 Capital Outlay on North Eastern Areas. The Secretary to the Government of Tripura is the administrative head of the Department.

(ii) Budget and Expenditure

The overall position of budget provisions, actual disbursement and savings under the grants for the last three years (2020-21 to 2022-23) is given in **Table 3.19**.

Table 3.19: Position of budget provisions, expenditure and savings*(₹ in crore)*

Year	Section	Budget Provision	Total	Expenditure	Un-utilised provision and percentage
2020-21	Revenue Original (V)	445.22	469.88	425.98	43.90
	Supplementary	24.66			(9.34)
	Capital Original (V)	72.85	73.39	23.93	49.46
	Supplementary	0.55			(67.39)
2021-22	Revenue Original (V)	483.14	502.22	340.18	162.04
	Supplementary	19.09			(32.26)
	Capital Original (V)	55.70	122.24	64.42	57.82
	Supplementary	66.54			(47.30)
2022-23	Revenue Original (V)	417.32	448.82	381.85	66.96
	Supplementary	31.50			(14.92)
	Capital Original (V)	275.77	295.14	65.39	229.75
	Supplementary	19.37			(77.84)

Source: Appropriation Accounts

Table 3.19 shows that the percentage of un-utilised budget provisions under Capital (Voted) during the period 2020-21 to 2022-23 ranged between 47.30 *per cent* and 77.84 *per cent* and there was 77.84 *per cent* during 2022-23. In respect of Revenue (Voted), the un-utilisation budget provision was ranged between 9.34 *per cent* and 32.26 *per cent* during the last three years period. Even the obtaining of Supplementary provision by the Health Department during the period were entirely unnecessary as the Department could not utilise the Original budget provision during last three years, which indicates non-performance on the part of the Department in respect of the utilisation of budgeted fund during the period.

(iii) Savings not surrendered

As per Rule 62 (1) of the General Financial Rules, 2017 the spending Departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when savings are anticipated. The position of savings and surrenders under Grant 16- Health Department during 2020-21 to 2022-23 has been depicted in **Table 3.20**.

Table 3.20: Non-surrender of savings during last three years period 2020-23

(₹ in crore)

Year	Savings				Amount surrendered (percentage)			
	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)
2020-21	43.90	0	49.46	0	2.12 (4.83)	0	28.38 (57.38)	0
2021-22	162.04	0	57.82	0	107.91 (66.59)	0	7.78 (13.46)	0
2022-23	66.96	0	229.75	0	8.68 (12.96)	0	200.49 (87.26)	0

Source: Appropriation Account

It can be seen from **Table 3.20** that the surrendering of un-utilised budget provision during 2020-21 to 2022-23 ranged between 4.83 per cent and 66.59 per cent in respect of Revenue (Voted) account while it was 13.46 per cent and 87.26 per cent in Capital (Voted) account during the period. But in respect of the saving of Revenue account during 2020-21 to 2022-23, 87 per cent of saving from Revenue (Voted) account was not surrendered by the Chief Controlling Officer (CCO) during the year.

(iv) Persistent savings

It was observed that a substantial portion of the budget allocation remained un-utilised under 18 schemes under the Grant 16-Health Department during last three years 2020-21 to 2022-23, indicating non-achievement of the projected financial outlays in the respective years as shown in the **Table 3.21**. It may be noted that savings had occurred continuously in three years in various head of accounts which considered persistent savings in respect of the works/schemes as indicated in **Table 3.21**.

Table 3.21: Persistent savings

(₹ in crore)

Sl. No.	Head of Account	2020-21	2021-22	2022-23
1.	2059-80-053-25 Public Works-General-Maintenance and Repairs- Public Works	0.10 (2.70)	1.98 (18.85)	1.74 (17.39)
2.	2059-80-053-79 Public Works-General-Maintenance and Repairs - Other Maintenance Expenditure	0.96 (18.38)	1.93 (18.69)	2.04 (20.44)
3.	2210-05-105-15 Medical- Medical Education Training and Research-Allopathy- Health Services	0.19 (22.59)	0.41 (47.79)	0.12 (3.49)
4.	4210-01-110-16Capital Outlay on Medical and Public Health-Urban Health Services-Hospitals and Dispensaries-Hospital	0.60 (35.08)	7.63 (80.46)	1.07 (14.59)
5.	4210-01-110-54 Capital Outlay on Medical and Public Health-Urban Health Services-Hospitals and Dispensaries-National Bank for Agriculture and Rural Development	1.11 (24.43)	2.00 (72.63)	6.98 (73.64)
6.	4210-01-789-16 Capital Outlay on Medical and Public Health-Urban Health Services-Special Component Plan for Scheduled Castes- Hospital	0.0001 (0.02)	0.82 (29.09)	1.10 (58.39)
7.	4210-01-789-54 Capital Outlay on Medical and Public Health-Urban Health Services-Special Component Plan for Scheduled Castes- National Bank for Agriculture and Rural Development	0.16 (11.06)	7.28 (44.13)	1.40 (38.97)
8.	4210-01-796-16 Capital Outlay on Medical and Public Health-Urban Health Services-Tribal Area Sub-plan-Hospital	1.81 (10.76)	1.52 (42.32)	1.92 (46.06)

Source: Appropriation Accounts

(v) Entire provision remained unutilised

It was observed that entire budget allocation remained unutilised under three schemes during 2022-23, indicating non-implementation of schemes as shown in **Table 3.22**. Analysis of data revealed that in the three cases re-appropriations were done but these were remaining ineffective.

Table 3.22: Entire provision remained unutilised during the year 2022-23*(₹ in crore)*

Sl. No.	Head of Accounts	Original Budget	Supplementary	Re-appropriation	Savings
1	4210-80-796-15 Capital outlay on Medical and Public Health General Tribal Area Sub – plan Health Services	130.00	0.00	-8.00	122.00
2	4210-03-789-99 Capital outlay on Medical and Public Health Medical Education Training and Research Special Component Plan for Scheduled Castes Others	0.00	0.00	184.75	184.75
3	4210-03-105-99 Capital outlay on Medical and Public Health Medical Education Training and Research Allopathy Others	0.00	0.00	565.07	565.07

It was seen that out of the above mentioned three schemes, the provision for expenditure were made through re-appropriation in two cases while in one case a part of allocated funds was withdrawn through re-appropriation but the entire funds were remained unutilised during 2022-23 in the Department.

(vi) Entire provision withdrawn through re-appropriation

It was observed that entire budget allocation was withdrawn under three schemes during 2022-23 indicating non-implementation of schemes as shown in the **Table 3.23**.

Table 3.23: Entire Provision withdrawn through re-appropriation during 2022-23*(₹ in lakh)*

Sl. No.	Head of accounts	Total Provision
1	2210-06-200-15 Medical and Public Health Public Health Other Systems Health Services	3.40
2	2210-06-789-15 Medical and Public Health Public Health Special Component Plan for Scheduled Castes Health Services	6.20
3	2210-06-796-15 Medical and Public Health Public Health Tribal Area Sub-plan Health Services	10.40

(vii) Unnecessary 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. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary of the Department concerned proposes to the Finance Department for supplementary or additional grant or appropriation.

Audit analysis showed that a supplementary provision of ₹ 31.50 crore in Revenue Account under Voted during the year 2022-23 in the grant proved unnecessary as the expenditure of ₹ 381.85 crore did not come up even the original provision of ₹ 417.32 crore during the year. Similarly, a supplementary provision of ₹ 19.37 crore in Capital Account under Voted during the year 2022-23 in the grant proved unnecessary as the expenditure of ₹ 65.39 crore did not come up to the level of original provision of ₹ 275.77 crore.

In the sub head level one such instance is there as detailed below:

Table 3.24: Unnecessary supplementary grants

(₹ in crore)

Sl. No.	Head of Accounts	Original Budget	Supplementary	Actual Expenditure	Savings out of Original Provision/ supplementary
15	2210-01-001-98 Medical and Public Health Urban Health Services-Allopathy Direction and Administration	321.75	26.11	302.77	18.98

(viii) Inadequate re-appropriation of funds

Re-appropriation is the transfer of funds within the grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. During 2022-23, it was observed that despite the reduction of provision by re-appropriation orders savings occurred more than ₹ five crore in two cases which indicated inadequate re-appropriation or inadequate assessment of anticipated savings, indicates unfruitful re-appropriation of funds by the Department as shown in the **Table 3.25.**

Table 3.25: Statement showing inadequate re-appropriation of funds

(₹ in crore)

SI No.	Head of Accounts	Original Grant	Supplementary Grant	Reappropriation	Total	Expenditure	Savings/ Excess
1	4210-01-110-54 Capital Outlay on Medical and Public Health Urban Health Services- Hospital and Dispensaries-National Bank for Agriculture and Rural Development	1.25	0.00	8.22	9.47	2.50	-6.97
2	4210-03-105-99 Capital Outlay on Medical and Public Health-Medical Education Training and Research-Allopathy-Others	0.00	0.00	5.65	5.65	0	-5.65

(ix) Expenditure without budget provisions

Article 205 (1) (b) of the Constitution of India 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.

Audit observed that ₹ 12.09 crore was incurred under 15 schemes without any budget provision during the year 2022-23 as detailed in **Table 3.26**.

Table 3.26: Expenditure without budget provisions during 2022-23

		(₹ in crore)
Sl. No.	Head of Accounts	Amount
1	2210-04-200-90 Medical and Public Health Rural Health Services-Other Systems of medicine Other Systems State Share for Central Assistance to State Plan	0.24
2	2210-04-105-99 Medical and Public Health Rural Health Services-Other Systems of medicine Allopathy Others	2.05
3	2210-04-789-99 Medical and Public Health Rural Health Services-Other Systems of medicine Special Component Plan for Scheduled Castes Others	0.67
4	2210-80-101-70 Medical and Public Health General Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY)State Share	1.00
5	2210-80-789-70 Medical and Public Health General Special Component Plan for Scheduled Castes State Share	2.91
6	2210-80-796-70 Medical and Public Health General Tribal Area Sub-Plan State Share	1.97
7	4210-01-103-90 Capital outlay on Medical and Public Health Urban Health Services Central Govt. Health Scheme State Share for Central Assistance to State Plan	0.48
8	4210-01-789-90 Capital outlay on Medical and Public Health Urban Health Services Special Component plan for Scheduled castes State Share for Central Assistance to State Plan	0.52
9	4210-01-796-90 Capital outlay on Medical and Public Health Urban Health Services Tribal Area Sub-Plan State Share for Central Assistance to State Plan	0.92
10	4210-03-105-90 Capital outlay on Medical and Public Health Medical Education Training and Research Allopathy State Share for Central Assistance to State Plan.	0.05
11	4210-03-789-90 Capital outlay on Medical and Public Health Medical Education Training and Research Special Component Plan for Scheduled Castes State Share for Central Assistance to State Plan	0.09
12	4210-03-796-90 Capital outlay on Medical and Public Health Medical Education Training and Research Tribal Area Sub-Plan State Share for Central Assistance to State Plan	0.15
13	4210-04-200-90 Capital outlay on Medical and Public Health Public Health Other Programmes State Share for Central Assistance to State Plan	0.41
14	4210-04-789-90 Capital outlay on Medical and Public Health Public Health Special Component Plan for Scheduled Castes State Share for Central Assistance to State Plan	0.23
15	4210-04-796-90 Capital outlay on Medical and Public Health Public Health Tribal Area Sub-Plan State Share for Central Assistance to State Plan	0.40
Total		12.09

Source: Appropriation Accounts

(B) Review of Grant No. 30: Forest Department

(i) Introduction

Grant No. 30 operated by the Forest Department includes Major Heads 2059-Public Works, 2402-Soil and Water Conservation, 2406-Forestry and Wildlife, 4059-Capital Outlay on Public Works, 4406-Capital outlay on Medical and Public Health. The Secretary to the Government of Tripura is the administrative head of the Department.

(ii) Budget and Expenditure

The overall position of budget provisions, actual disbursement and savings under the grant for the last three years (2020-21 to 2022-23) is given in **Table 3.27**.

Table 3.27: Budget and Expenditure during the year 2020-21 to 2022-23

(₹ in crore)

Year	Section	Budget provision	Total	Expenditure	Unutilised provisions and its percentage
2020-21	Revenue Original (V)	197.17	200.76	153.73	47.03
	Supplementary	3.59			(23.43)
	Revenue Original (C)	00	00	00	00
	Supplementary	00	00	00	00
	Capital Original (V)	00	00	00	00
	Supplementary	00	00	00	00
	Capital Original (C)	00	00	00	00
	Supplementary	00	00	00	00
	Total	200.76	200.76	153.73	47.03 (23.43)
2021-22	Revenue Original (V)	268.76	307.35	212.83	94.52
	Supplementary	38.59			(30.75)
	Revenue Original (C)	0	15.50	15.49	0.01
	Supplementary	15.50			(0.06)
	Capital Original (V)	0.20	1.35	0.35	1.00
	Supplementary	1.15			(74.07)
	Capital Original (C)	0	0	0	0
	Supplementary	0			
	Total	324.20	324.20	228.67	95.53 (29.47)
2022-23	Revenue Original (V)	212.73	273.67	147.25	126.42
	Supplementary	60.94			(46.19)
	Revenue Original (C)	6.00	11.96	11.95	0.01
	Supplementary	5.96			(0.08)
	Capital Original (V)	134.50	186.29	111.17	75.12
	Supplementary	51.79			(40.32)
	Capital Original (C)	00	00	00	00
	Supplementary	00	00	00	00
	Total	471.92	471.92	270.37	201.55 (42.71)

Source: Appropriation Accounts

Table 3.27 shows that overall unutilised budget provision of the Forest Department ranged between 23.43 per cent and 42.71 per cent. Out of which, Revenue (Voted) was 23.43 per cent and 46.19 per cent during 2020-21 to 2022-23 whereas Capital (Voted)

was 40.32 per cent and 74.07 per cent respectively remained unutilised. It was also seen that the Forest Department could not utilise Original provision in respect of Revenue (Voted) while supplementary provisions were made during 2020-21 to 2022-23, which indicates that the supplementary provisions were entirely unnecessary on the part of the Department.

(iii) Short-surrender of Savings

The Department is required to surrender the grants/appropriation or portion thereof to the Finance Department as and when savings are anticipated. The position of savings and surrenders under Demand 30 during 2020-21 to 2022-23 has been depicted in **Table 3.28**.

Table 3.28: Short-surrender of savings under Demand 30

(₹ in crore)

Year	Savings				Amount surrendered (percentage)				Amount not surrendered			
	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)	Revenue (v)	Revenue (C)	Capital (V)	Capital (C)	Revenue (v)	Revenue (C)	Capital (V)	Capital (C)
2020-21	47.03	0	0	0	34.82 (74.04)	0	0	0	12.21 (25.96)	0	0	0
2021-22	94.52	0.01	1.00	0	17.99 (19.03)	0 (0)	0	0 (0)	76.53 (80.97)	0.01 (100)	1.00	0
2022-23	126.42	0.01	75.12	0	4.13 (3.27)	00 (00)	29.63 (39.44)	0	122.29 (96.73)	0.01 (100)	45.49 (60.56)	0

Source: Appropriation Accounts

From **Table 3.28** it may be seen that out of the total savings, the surrendered amount was ranged between 3.27 per cent and 74.04 per cent during 2020-21 to 2022-23 under Revenue Voted section while it was 39.44 per cent in Capital Voted section during 2022-23 under the Grant 30.

(iv) Substantial savings under Sub-Heads

There was savings of ₹ 201.55 crore out of a total budgetary provision of ₹ 471.92 crore under various Sub-Heads under the Grant No. 30 during 2022-23. The Heads of Account where there were savings of over ₹ one crore are given in **Appendix 3.16**.

Considering that most of the savings pertained to centrally sponsored schemes and central assistance to State plan schemes, the performance of the Department in fulfilling its responsibilities with regard to implementation of schemes related to developmental works of major and minor nature is sub optimal.

(v) Persistent Savings

It was observed that a substantial portion of the budget allocation remained unutilised under three components of two Major Heads under Demand No. 30 during 2020-21 to 2022-23, indicating non-achievement of the projected financial outlays in the respective years as shown in the **Table 3.29**.

Table 3.29: Persistent savings*(₹ in crore)*

Sl. No.	Head of Account	2020-21	2021-22	2022-23
1	2402-102-40-Soil and Water Conservation-Soil Conservation-Forestry	0.28	0.16	0.10
2	2406-01-796-91 Forestry and Wild Life-Tribal Area Sub Plan-Central Assistance to State Plan (CASP)	1.52	2.60	2.61
3	2406-04-101-88-Forestry and Wild Life-Afforestation and Ecology Development-Forest Conservation, Development and Regeneration-CSS-III	0.10	0.13	0.37

(vi) Entire provision remained unutilised

It was observed that entire budget allocation of ₹ 3.31 crore remained unutilised under eight different heads (both Revenue and Capital Voted) during 2022-23 indicating non-implementation of schemes as shown in the **Table 3.30**.

Table 3.30: Entire provision remained unutilised*(₹ in crore)*

Sl. No.	Head of Account	Amount
1	2406-01-101-90-State Share for Central Assistance to State Plan	0.20
2	2406-01-102-91- Central Assistance to State Plan (CSS)	1.21
3	2406-01-789-90-State Share for Central Assistance to State Plan	0.50
4	2406-01-796-90-State Share for Central Assistance to State Plan	0.50
5	2406-02-110-87-State Share for Central Assistance to State Plan	0.24
6	2406-02-789-87- Centrally Sponsored Scheme - II (CSS)	0.10
7	2406-02-789-90-State Share for Central Assistance to State Plan	0.08
8	2406-02-796-87- Centrally sponsored Scheme - II (CSS)	0.16
9	4059-80-789-25-Special Component Plan for Scheduled Caste (Public Works)	0.06
10	2406-04-789-88- Centrally Sponsored Scheme - III (CSS)	0.15
11	4059-80-796-25- Tribal Area Sub Plan (Public Works)	0.11
	Total	3.31

Source: Appropriation Accounts

(vii) Unnecessary 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. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the secretary in the Department concerned proposes to the Finance Department for supplementary or additional grant or appropriation.

Audit analysis of the grant showed that supplementary provision of ₹ 70.44 lakh (both Revenue and Capital-voted) during 2022-23 proved unnecessary as the expenditure of ₹ 81.97 lakh did not come up even to the level of original provision of ₹ 123.33 lakh as shown in the **Table 3.31**.

Table 3.31: Unnecessary Supplementary provision

(₹ in crore)

Sl. No.	Sector	Description	Original	Supplementary	Expenditure	Saving out of original provision
1	Revenue Voted	2406-01-789-90-State Share for Central Assistance	0.33	0.17	0.00	(-) 0.33
2	Revenue Voted	2406-04-103-69-State Compensatory Afforestation Fund - Tripura	31.00	30.85	18.11	(-)12.89
3	Revenue Voted	2406-04-789-69- State Compensatory Afforestation Fund - Tripura	12.00	9.88	5.63	(-) 6.37
4	Revenue Voted	2406-04-796-69- State Compensatory Afforestation Fund - Tripura	20.00	19.93	11.07	(-) 8.93
5	Capital Voted	4406-01-789-91-Central Assistance to state plan	20.00	4.70	16.70	(-) 3.30
6	Capital Voted	4406-01-796-91- Central Assistance to state plan	40.00	4.91	30.46	(-) 9.54
Total			123.33	70.44	81.97	(-) 41.36

Source: Appropriation Accounts

(viii) Expenditure without budget provision (Expenditure exceeding ₹ one crore)

Article 205(1)(b) of the Constitution of India 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 the year, the Governor shall cause to be presented to the Legislative Assembly of the State a demand for such excess.

Audit observed that ₹ 10.00 crore was incurred under three components of Capital outlay on Forestry and Wild life without any budget provision during 2022-23 as shown in Table 3.32.

Table 3.32: Expenditure without budget provisions

(₹ in crore)

Sl. No.	Head of account	Expenditure
Capital (Voted)		
1	Capital outlay on Forestry and Wild Life 4406-01-190-99 - Others	5.20
2	4406-01-789-99 - Others	1.70
3	4406-01-796-99 - Others	3.10
Total		10.00

(ix) Inadequate re-appropriation of fund

Scrutiny of the detailed appropriations in respect of Grant No. 30-Forest revealed that in three cases under Major Head 2406 the savings were more than ₹ one crore even after reduction of funds though re-appropriation, indicated that the re-appropriations were inadequate in these cases during the year. Details of cases where savings were more than one crore are shown in Table 3.33.

Table 3.33: Savings occurred even after reduction by re-appropriation (where saving was more than one crore)

(₹ in crore)

Sl. No.	Heads of Account	Original	Supple-mentary	Re-appro-priation	Total provision	Total exp-penditure	Savings
1	2406-01-001-98 Forestry and Wild Life (Administration)	110.58	0.00	-5.43	105.15	90.79	14.36
2	2406-01-789-91- Central Assistance to State Plan (CASP)	2.45	0.00	-0.63	1.82	0.15	1.67
3	2406-01-796-91- Central Assistance to State Plan (CASP)	3.30	0.00	-0.44	2.86	0.25	2.61
Total		116.33	0.00	-6.50	109.83	91.19	18.64

3.5 Withdrawal of entire provision by re-appropriation

Scrutiny of the Appropriation Accounts for the year 2022-23 revealed that, in 58 cases under 18 grants, the entire original budget provisions (cases where budget provision was above ₹ one crore) was reduced/ surrendered by re-appropriation during the year. The reasons for the surrender by re-appropriation were stated to be due to actual requirements. The details are given in **Appendix 3.17**.

3.6 Comparison on utilisation of budget allocations in various Schemes

During 2022-23, expenditure was incurred in 80 Central Schemes (Centrally Sponsored Schemes and Central Schemes) against the allocation of budget. Out of these 80 Schemes, utilisation of budget of Major three schemes are detailed in **Table 3.34**.

Table 3.34

(₹ in crore)

Sl. No.	Name of the Scheme	Budget Allocation	Expenditure	Percentage of utilisation
1	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	472.19	335.39	71.03
2	Swachh Bharat Mission (SBM)-Rural	43.27	37.50	87.67
3	Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	18.78	20.52	109.27

Source: Finance Accounts

During the year 2022-23, expenditure was incurred in 223 State Schemes against the allocation of budget. Out of these 223 Schemes, utilisation of budget of four schemes where more than one hundred crore expenditure was incurred, are detailed in **Table 3.35**.

Table 3.35

(*₹ in crore*)

Sl. No.	Name of the Scheme	Budget Allocation	Expenditure	Percentage of utilisation
1	Agriculture	242.79	212.67	87.59
2	Social Pension	411.75	411.54	99.95
3	State Share of IGNOAP/ IGWNP/ IGNDP	257.80	257.29	99.80
4	State Plan	343.69	327.28	95.23

Source: *Finance Accounts*

3.7 Good Practices

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

With effect from May 2017, Government of Tripura has started e-payment using RBI's e-Kuber application. All treasury payments except those relating to regular pension are being made through e-payment. During the year 2022-23, 82.76 *per cent* of the payments were made through e-payment.

During the year 2022-23, all the 64 CCOs of the Government have reconciled hundred *per cent* receipts and expenditure of ₹ 19,238.02 crore and ₹ 20,864.99 crore (including expenditure on public debt and loans and advances) respectively.

Excess expenditures for the last three years 2018-19, 2019-20 and 2020-21 were regularised on 24 March 2023 following the audit observations mentioned in the SFAR for the last few years.

3.8 Conclusion

Budgetary assumptions of the State Government were not realistic during 2022-23 and despite carrying out an elaborate pre-budget exercise to bring about efficiency and transparency in budget formulation and execution, budgetary estimates were off the mark to a considerable extent. Control over the execution and monitoring of budget by Departments was inadequate.

The State Government had incurred excess expenditure of ₹ 85.56 crore over budget provision in one grant (Grant No. 13 Public Works (R&B)) which is required to be regularised by the State Legislature as per Article 205 of the Constitution.

Significant policy initiatives of the Government were not fulfilled during the year due to non-completion of the preparatory activities relating to these initiatives. Supplementary Grants/ Appropriations were obtained without adequate justification. The State Government had overall savings of ₹ 9,002.62 crore which is more than twice the size of the supplementary budget of ₹ 3,065.37 crore obtained during the year, which raised questions over the budget formulation process. Proper explanations were not provided to the Accountant General (A&E) for variations in expenditure *vis-à-vis* allocations. Departments were neither cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.

3.9 Recommendations

- i. *Government may prepare budgetary assumptions more realistically and ensure efficient control mechanisms to curtail savings/ excess expenditure.*
- ii. *Excess expenditure over grants approved by the Legislature is in violation of the will of the Legislature. State Government should view such excess expenditure very seriously and regularise it at the earliest.*
- iii. *State Government needs to formulate a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources.*
- iv. *Government should initiate an appropriate control mechanism to enforce proper implementation and monitoring of budget by various Departments, to ensure that savings are curtailed, large savings within the Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered or re-appropriated for due utilisation to enhance economic activity towards development.*
- v. *Controlling Officers should be aware of their responsibilities to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.*
- vi. *Government should adhere to quarterly targets fixed for incurring expenditure through periodic monitoring, to avoid rush of expenditure towards end of the year, and for proper utilisation of savings through timely surrender.*