

## **CHAPTER III: BUDGETARY MANAGEMENT**

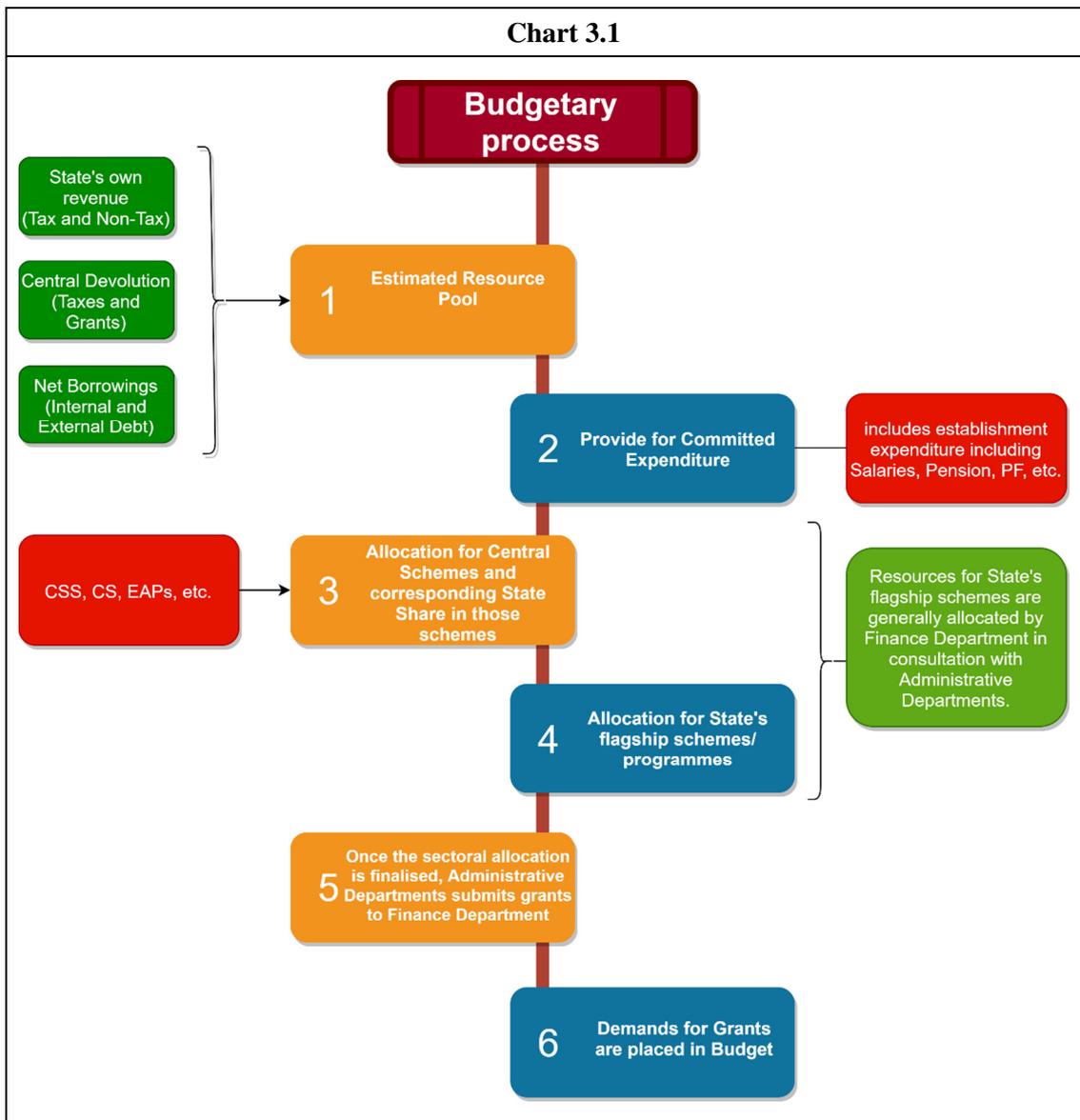


# CHAPTER-III

## BUDGETARY MANAGEMENT

### 3.1 Budget Process

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



CSS: Centrally Sponsored Schemes; CS: Central Schemes

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

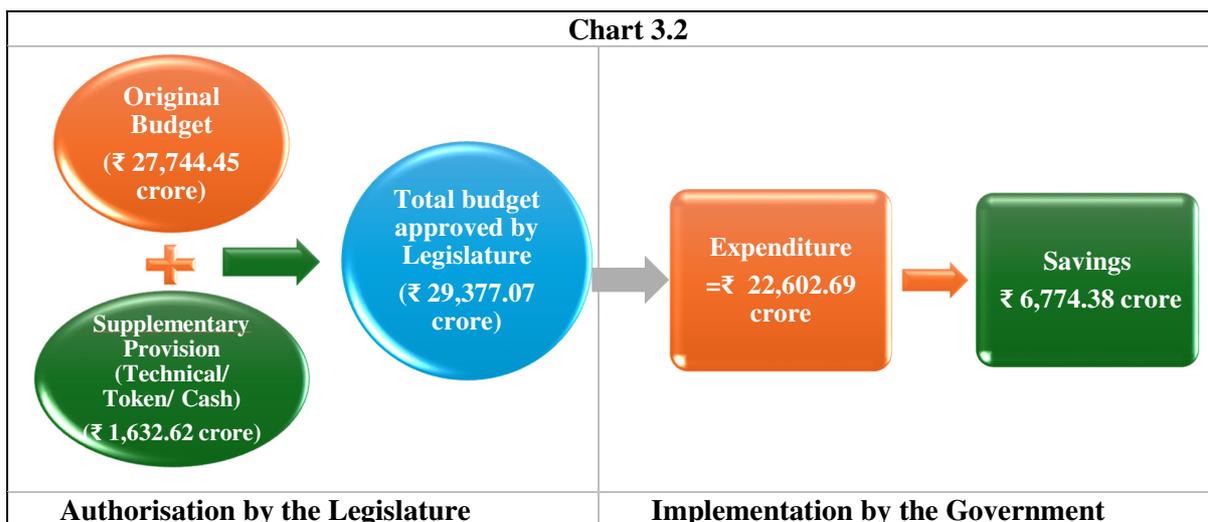
Article 202 of Constitution of India requires laying of a statement of, estimated receipts and expenditure of the State for that year, as the "Annual Financial Statement" before the House or Houses of the Legislature of the State. The Annual Financial Statement should show expenditure charged on Consolidated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

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

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with provisions of Article 204 of the Constitution.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

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

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



Source: *Appropriation Accounts 2023-24*

### 3.1.1 Summary of total provisions, actual disbursements and savings during financial year 2023-24

A summarised position of total budget provision, disbursement and savings/excess along with the bifurcation into voted/charged during the year 2023-24 is given in **Table 3.1**.

**Table 3.1: Budget provision, disbursement and savings during the financial year 2023-24**

(₹ in crore)

Description	Total Budget provision		Disbursements		(-)Savings/(+)Excess	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	21,562.49	1,660.25	17,350.08	1,477.10	(-)4,212.41	(-)183.15
Capital	5,128.81	5.07	2,770.57	0.41	(-) 2,358.24	(-) 4.66
Loans and Advance	102.20	0.00	100.25	0.00	(-) 1.95	0.00
Public Debt	0.00	918.25	0.00	904.28	0.00	(-) 13.97
<b>Total</b>	<b>26,793.50</b>	<b>2,583.57</b>	<b>20,220.90</b>	<b>2,381.79</b>	<b>(-)6,572.60</b>	<b>(-)201.78</b>

Source: Appropriation Accounts 2023-24

Total provision for expenditure ₹ 29,377.07 crore, including Supplementary provision (March 2024) of ₹ 1,632.62 crore, against which the actual disbursement was ₹ 22,602.69 crore during 2023-24. There was an overall savings of ₹ 6,774.38 crore during the year 2023-24 which was 23.06 per cent of total Grants/Appropriations and 29.97 per cent of the expenditure.

These savings may be seen in context to over estimation of Receipts of ₹ 25,643.17 crore by the State Government and the Budget Estimates (BEs) on the expenditure side being ₹ 27,744.45 crore during the year 2023-24. As against the estimated Receipts, the actual Receipts were ₹ 21,939.57 crore only thereby restricting the total expenditure to ₹ 22,602.69 crore. This implied that the savings were mere token, as the funds were not actually available for expenditure.

### 3.1.2 Charged and voted disbursements

The break-up of total disbursement into charged and voted<sup>27</sup> during the last five years' period 2019-24 are given in **Table 3.2**.

**Table 3.2: Trend of disbursement into charged and voted during the period 2019-24**

(₹ in crore)

Year	Total provision	Disbursements			Net savings (-)			Percentage of savings to provision
		Voted	Charged	Total	Voted	Charged	Total	
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	(-)9,002.62	29.90
2023-24	29,377.07	20,220.90	2,381.79	22,602.69	(-)6,572.60	(-) 201.78	(-)6,774.38	23.06

Source: Appropriation Accounts 2023-24

<sup>27</sup> **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 23.06 *per cent* in 2023-24 to 30.12 *per cent* in 2021-22.

The consistent underutilisation of allocated funds suggests issues in inaccurate assessment of budget provision and Receipts. The declining total provision in 2023-24 might indicate a budgetary adjustment based on prior underutilization. The reduction in the percentage of savings in 2023-24 suggests better financial management. However, further efforts are needed to reduce unspent funds. Authorities should analyse whether non-utilisation of funds is due to project delays, bureaucratic inefficiencies, or overestimation in budget provisions.

### **3.1.3 Budget marksmanship**

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

**Table 3.3: Budget Estimate, Actual Outturn**

*(₹ in crore)*

Description	Original Budget (BE)	Approved	Actual Outturn	Difference between Actual and BE*
(1)	(2)	(3)	(4)	(5)
Revenue: Voted	20,729.41		17,350.08	(-) 3,379.33
Revenue: Charged	1,656.35		1,477.10	(-) 179.25
Capital: Voted	4,439.93		2,870.82	(-) 1,569.11
Capital: Charged	918.76		904.69	(-) 14.07
<b>Total</b>	<b>27,744.45</b>		<b>22,602.69</b>	<b>(-) 5,141.76</b>

\*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 16.30 *per cent*. This was mainly due to more than 75 *per cent* deviation in two grants (Grant Nos. 20 & 63). However, in Revenue Charged section, there was no expenditure in the Grant No. 30.

In Capital Voted section, deviation in outturn compared with BE was 35.34 *per cent*. This was mainly due to more than 90 *per cent* deviation in six grants (Grant Nos. 9, 38, 43, 57, 62 & 64) and in four grants *i.e.*, Grant nos. 33, 60, 61 & 63 the saving was 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 out turn

(*₹ in crore*)

Description	Total Approved Budget (RE)	Actual Outturn	Difference between Actual and RE *
(1)	(2)	(3)	(4)
Revenue: Voted	21,562.49	17,350.08	(-)4,212.41
Revenue: Charged	1,660.25	1,477.10	(-)183.15
Capital: Voted	5,231.01	2,870.82	(-)2,360.19
Capital: Charged	923.32	904.69	(-)18.63
<b>Total</b>	<b>29,377.07</b>	<b>22,602.69</b>	<b>(-)6,774.38</b>

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

In Revenue Voted section, deviation in outturn compared with RE was 19.54 *per cent*. This was mainly due to more than 75 *per cent* deviation in two grants (Grant Nos. 20 & 63). However, in Revenue Charged section, there was no expenditure in the Grant No.30.

In Capital Voted section, deviation in outturn compared with RE was 45.12 *per cent*. This was mainly due to more than 90 *per cent* deviation in six grants (Grant Nos. 9, 38, 43, 57, 62 & 64) and in five grants i.e, Grant No. 33, 37, 60, 61 & 63 the saving was 100 *per cent*. Whereas, in Capital Charged section, a small amount of saving occurred against the total provision.

The audit analysis of Tripura's budget execution and expenditure composition for 2023-24 reveals significant deviations between budget estimates (BE), revised estimates (RE), and actual expenditures. These variances point to weaknesses in budget formulation, expenditure control, and fiscal discipline.

Tripura's budget execution in 2023-24 suffered from poor forecasting, ineffective fund utilisation, and significant variances between planned and actual expenditures. The underutilisation of revenue allocations and excessive capital spending deviations indicate weak fiscal discipline and inefficiencies in expenditure control.

### 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 waived various type of fees like admission fee, college development fee, exam fee, etc. for girl students enrolled in under-graduate/ post graduate courses in government degree colleges. It has launched "State Talent Search Scheme" for one time financial assistance of up to Rupees five lakh to selected female athletes. In this budget, a new scheme namely "Mukhyamantri Konya Atmonirbhor

Yojana” is announced to provide a free Scooty to girls who top the Class XII examination to motivate them for higher education.

A summarised position of department wise budget provision, disbursement and the percentage of utilisation during the year 2023-24 is given in **Appendix 3.1**. It can be seen from **Appendix 3.1** that as per Budget Estimate for the year 2023-24, in 18 departments provision of an amount of ₹ 3,503.18 crore (41.69 *per cent*) was made on gender budget against total development outlay of ₹ 8,402.11 crore in those 18 departments. Initiatives were taken 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 programs. 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, Stipend CMSPY, NLM, PMAJAY and Internship allowances under ARD Sector, 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, Cultural workshop and cultural exchange programme, Stipend to female MBBS, BAMS, BHMS students, etc.

A summarised position of department wise budget provision and its percentage to total development outlay in 18 departments during the year 2023-24 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

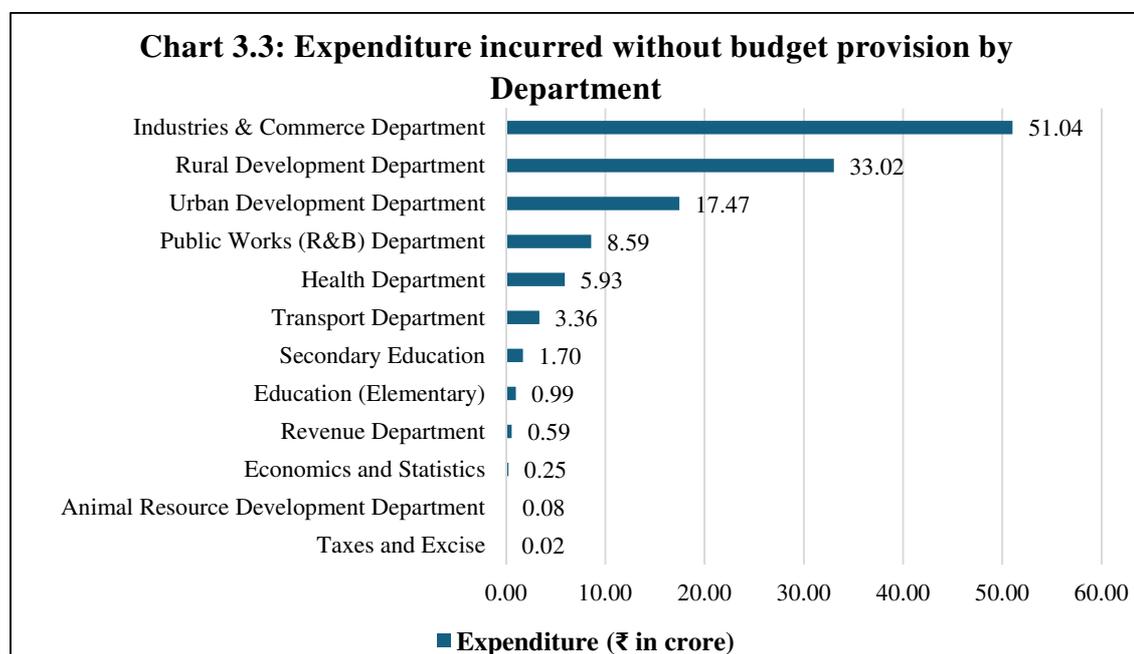
Constitution. Expenditure on new scheme should not be incurred on a scheme/service without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State.

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 ₹ 123.04 crore was incurred in 47 occasions under 12 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 16 cases under six Grants/Appropriations, where expenditure of more than ₹ one crore in each case involving ₹ 123.04 crore was incurred during the year. Out of 16, in eight cases under five 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.



The following Departments incurred the highest expenditure without budgetary provision:

1. Rural Development Department (₹ 33.02 crore)
2. Industries & Commerce Department (₹ 51.04 crore)
3. Urban Development Department (₹ 17.47 crore).

The following Departments incurred the medium-level expenditure without budgetary provision:

1. Public Works (R&B) Department (₹ 8.59 crore)
2. Health Department (₹ 5.93 crore)
3. Transport Department (₹ 3.36 crore) and
4. Secondary Education (₹ 1.70 crore).

The following Departments incurred the low-level expenditure without budgetary provision:

Revenue Department, Economics & Statistics, Animal Resource Development, Taxes & Excise, and Education (Elementary) had relatively smaller unauthorized expenditures. While these amounts are lower, any expenditure without prior budget allocation raises concerns about financial discipline and oversight.

The high level of expenditures beyond approved allocations suggests poor budget forecasting and planning. The presence of spending without budget provision in multiple departments indicates weak financial controls. Real-time budget tracking and stricter approvals should be enforced.

### 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 (₹ 1,088.42 crore) at the end of March 2024 and major portion of this accumulation pertains to five minor heads '108-Public Works Deposits' (₹ 490.51 crore), '106-Personal Deposits' (₹ 320.98 crore), '800-Other Deposits' (₹ 101.03 crore), '103-Security Deposits' (₹ 93.42 crore) and '111-Other Departmental Deposits' (₹ 56.28 crore). The details of the major transactions under five Minor Heads subordinate to Major Head 8443-Civil Deposits during the year 2023-24 are given in **Table 3.5**.

**Table 3.5: Transactions of the five minor heads under 8443-Civil Deposits during 2023-24**

(₹ in crore)

Head of accounts	Opening balance as on 1 April 2023	Receipts during the year	Disbursement during the year	Closing balance as on 31 March 2024
<b>8443: Civil Deposits, of which</b>	<b>1,141.10</b>	<b>361.67</b>	<b>414.35</b>	<b>1,088.42</b>
108: Public Works Deposits	501.37	108.02	118.88	490.51
106: Personal Deposits	349.95	137.41	166.38	320.98
800: Other Deposits	105.61	4.72	9.30	101.03
103: Security Deposits	87.02	101.76	95.36	93.42
111: Other Departmental Deposits	71.21	9.50	24.43	56.28

Source: Finance Accounts 2023-24

It can be seen from the table 3.5 that except for minor head , the accumulation increased in minor heads 103, 106, 108, 111 and 800 the accumulation increased from that of last year In case of minor head 103: the accumulation decreased due to higher disbursement in comparison to last year. Whereas, in case of minor heads 106 and 111: the accumulation increased due to lower disbursement in comparison to last year.

The details of the monthly transactions under the Minor Heads-800 subordinate to Major Head 8443-Civil Deposits during the year 2023-24 is given in **Table 3.6**.

**Table 3.6: Transactions under minor heads 800-Other Deposits under 8443 during 2023-24**

(₹ in crore)

Month	Receipts	Disbursement
April 2023	0.13	0.79
May 2023	0.04	3.02
June 2023	0.18	0.09
July 2023	0.33	1.41
August 2023	0.12	0.45
September 2023	0.39	0.26
October 2023	0.31	0.49
November 2023	0.43	0.78
December 2023	0.35	0.30
January 2024	0.14	0.10
February 2024	0.67	0.98
March 2024	1.63	0.63
<b>Total</b>	<b>4.72</b>	<b>9.30</b>

Source: VLC data

During the year 2023-24, the State Government transferred ₹ 70.17 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 2023-24**

(₹ in crore)

Sl. No.	Major Head of Account	Funds transferred to Major Head 8443- Civil Deposits
1	4059 Capital Outlay on Public Works	11.49
2	4070 Capital Outlay on other Administrative Services	8.07
3	4202 Capital Outlay on Education, Sports, Art and Culture	6.84
4	4210 Capital Outlay on Medical and Public Health	1.42
5	4211 Capital Outlay on Family Welfare	1.32
6	4215 Capital Outlay on Water Supply and Sanitation	0.63
7	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	0.22
8	4401 Capital Outlay on Crop Husbandry	1.37
9	4402 Capital Outlay on Soil and Water Conservation	0.42
10	4403 Capital Outlay on Animal husbandry	0.57
11	4405 Capital Outlay on Fisheries	0.10
12	4406 Capital Outlay on Forestry and Wild Life	2.75
13	4408 Capital Outlay on Food Storage and Warehousing	0.53
14	4435 Capital Outlay on other Agricultural Programmes	2.76
15	4515 Capital Outlay on other Rural Development Programmes	7.88
16	4702 Capital Outlay on Minor Irrigation	3.23
17	4711 Capital Outlay on Flood Control Projects	0.17
18	5054 Capital Outlay on Roads and Bridges	18.63
19	5055 Capital Outlay on Road Transport	1.68
20	5452 Capital Outlay on Tourism	0.09
	<b>Total</b>	<b>70.17</b>

Source: VLC Data

Capital Head funds are meant for long-term asset creation (infrastructure, buildings, public works, etc.) and are critical for economic growth and infrastructure development. Deposit Head funds are typically for temporary holdings, such as security deposits, advances, or earmarked funds. Shifting funds from Capital to Deposits indicates funds meant for capital projects were not utilised for their intended purpose.

If funds are moved from Capital to Deposits but not spent, it artificially inflates capital expenditure on paper. This creates a misleading picture of fund utilization, making it seem like capital projects are progressing when, in reality, funds are parked in a deposit account.

Funds under Deposit Head (MH 8443 - Civil Deposits) are not subject to the same scrutiny as direct capital expenditure. This raises concerns about the Possible misuse or delayed utilisation, the lack of clear tracking of funds and the possibility of funds being used for purposes other than the originally approved capital projects.

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

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

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

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

During the year 2023-24, there were cases of misclassification of expenditure of ₹1,488.52 crore of revenue nature booked as Capital expenditure of which ₹ 1,482.43 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 Special Assistance for Capital Expenditure (Construction) (₹ 426.13 crore), Swachh Bharat Mission, Jal Jeevan Mission (₹ 142.90 crore), PM SHRI, Sports and Youth Programmes (₹ 103.47 crore), Central Assistance for NESIDS, RIDF, Rural Electrification etc. (₹ 264.20 crore), state share of NLCPR, EAP, PMGSY, CRF under TSP (₹ 164.81 crore) and as Grants-in-aid for creation of Capital Assets under Capital Head instead of Revenue account during the year 2023-24.

As per the Indian Government Accounting Standard (IGAS)-2, expenditure on Grants-in-Aid is to be classified as Revenue Expenditure. The Government incorrectly classified the expenditure of ₹ 1,488.52 crore in Capital account out of which ₹ 1,482.43 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 2023-24 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.

On the issue of misclassification of funds in Capital account instead of Revenue, 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

has been released funds to the autonomous bodies and SNAs (Single Nodal Agency) accounts under Object Head-57 grants-in-aid for creation of capital assets.

The reply of the State Government is not valid according to IGAS-2 which states that 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. Further, the misclassification reflects understatement of revenue expenditure. Furthermore, Grants-in-Aid to autonomous bodies and SNAs, even if used for asset creation, do not qualify as Capital Expenditure since the government does not retain ownership of these 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 regarding 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 2023-24, Government of Tripura revealed that supplementary provisions of more than ₹ one crore were obtained in 46 cases under 37 Grants/Appropriations even though the actual expenditure was less than the original provision. Out of 46 cases, in 37 cases, the savings were more than ₹ 10 crore. Out of these 37 cases, in 14 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 ₹ one crore or more were obtained in each case even the expenditure was less than the original provision are given in **Appendix 3.4**. The departments which resorted supplementary demands of more than ₹ 10.00 crore during last three years from 2021-22 to 2023-24 which proved unnecessary are given in **Table 3.8**:

**Table 3.8: Departments which resorted supplementary demands of more than ₹ 10.00 crore**

(₹ in crore)				
Sl. No.	Number and Name of Grant	2021-22	2022-23	2023-24
1	23-Panchayats (Revenue-Voted)	35.28	14.18	22.63
2	52-Family Welfare & Preventive Medicine (Revenue-Voted)	234.76	40.51	99.83
3	62-Education (Elementary) (Revenue-Voted)	15.01	63.37	23.88
4	13-Public Works (R&B) Department (Capital-Voted)	400.93	173.07	103.65
5	15-Public Works (Water Resource) Department (Capital-Voted)	59.69	75.81	78.91

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 2023-24 revealed that in 32 Grants/Appropriations, there were 95 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 crore)					
Sl. No.	Number and Name of Grant	Major Head	2021-22	2022-23	2023-24
1	30-Forest Department	2406-04-103-69	7.10	5.23	1.73
2	43-Finance Department		1.54	0.54	0.57
3	58-Home (FSL, PAC, Prosecution & Co-ordination Cell)	2055-001-05	0.01	0.13	0.04

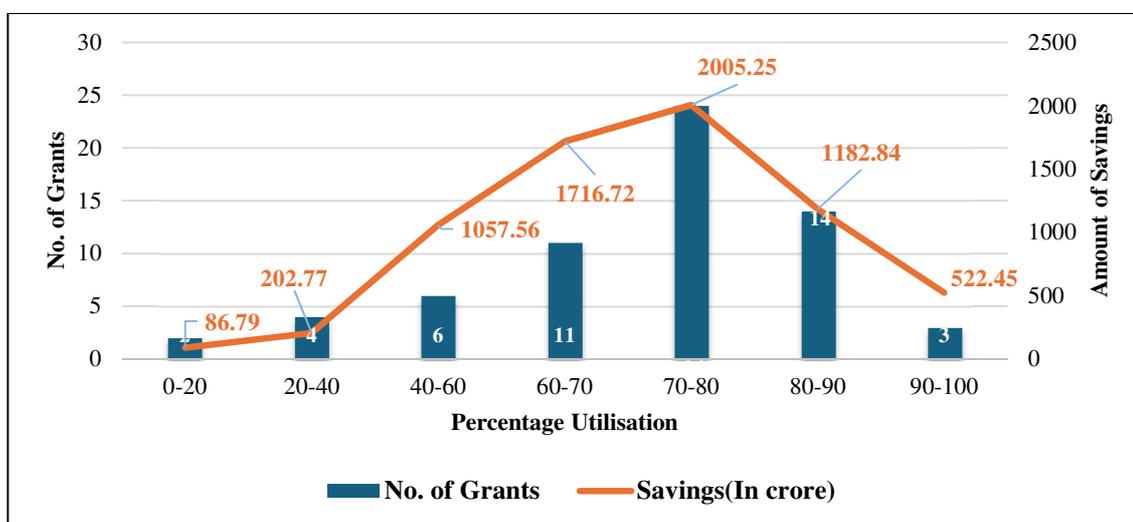
Source: Appropriation Accounts

### 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 2023-24 has been shown in **Appendix 3.6** and **Chart 3.4**.

**Chart 3.4: The distribution of the number of Grants/ Appropriations grouped by the percentage of utilisation along with total savings**



Source: Appropriation Accounts

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 Principal Accountant General (A&E), Tripura provided the draft Appropriation Accounts to the Controlling Officers of the Departments of the State Government (July-August 2024) and sought 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**

<b>Savings</b>	<p>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.</p> <p>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.</p>
<b>Excess</b>	<p>Comments on individual sub-heads are limited to excess over ₹ five lakh or 10 <i>per cent</i> of the provision whichever is less.</p>

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

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak capacity in scheme implementation/ weak internal controls prompt release of funds towards the end of the financial year, and increase the propensity of the Departments to retain huge balances outside the Government account in Bank Accounts. Excessive savings also deprives other Departments of the funds which they could have utilised.

Scrutiny of the Appropriation Accounts for the year 2023-24 revealed that, in 17 out of 64 Grants/ Appropriations, there were savings of more than ₹ 100 crore and in four cases, the savings constituted over 50 per cent of the budget allocation in the respective Grants/ Appropriations during the year 2023-24. The details of the Grants/Appropriations where savings were more than ₹ 100 crore during the year 2023-24 are given in **Appendix 3.7**.

In 33 out of 64 Grants/Appropriations where Budget allocation during the year 2023-24 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 2023-24 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 related to Tourism, Welfare Sectors, medical and health, education, Urban infrastructure, fisheries, etc. 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 welfare, 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 2023-24 revealed that, in nine Grants/Appropriations, expenditure could not exceed 10 per cent of the budget allocation in the respective grants/ appropriations. Expenditure of ₹ 4.93 crore was incurred out of the allocated amount of ₹ 154.91 crore resulting in a saving of ₹ 149.98 crore. Out of the nine grants, in three grants the utilisation was Nil (30: Forest (Revenue-Charged), 61: Welfare of Other Backward Classes (Capital-Voted) and 63: Industries & Commerce (Skill Development) (Capital-Voted)). In three cases, no expenditure was incurred during the year 2023-24. The details of the Grants/ Appropriations where expenditure was not exceeding 10 per cent of the provision is detailed in **Table 3.11**.

**Table 3.11: Grants/Appropriation with low expenditure during 2023-24**

(₹ in crore)

Sl. No.	Grant No. and Name	Original	Supple-mentary	Total	Expen-diture	Percentage of expenditure
	<b>Revenue-Charged</b>					
1	30: Forest Department	10.00	3.90	13.90	0.00	0.00
	<b>Capital-Voted</b>					
2	9: Economics and Statistics	4.00	0.00	4.00	0.25	6.25
3	38: General Administration (Printing and Stationery) Department	2.60	0.00	2.60	0.17	6.54
4	43: Finance Department	3.00	0.00	3.00	0.25	8.33

Sl. No.	Grant No. and Name	Original	Supplementary	Total	Expenditure	Percentage of expenditure
5	57: Minorities Welfare	61.29	7.71	69.00	2.84	4.12
6	61: Welfare of Other Backward Classes	21.50	0.00	21.50	0.00	0.00
7	62: Education (Elementary)	2.41	0.00	2.41	0.11	4.56
8	63: Industries & Commerce (Skill Development)	2.00	0.00	2.00	0.00	0.00
9	64: Health (AGMC & GBP)	36.50	0.00	36.50	1.31	3.59
<b>Total</b>		<b>143.3</b>	<b>11.61</b>	<b>154.91</b>	<b>4.93</b>	

**Source:** Appropriation Accounts

As indicated in Table 3.11, Forest Department (₹ 13.90 crore), Welfare of Other Backward Classes (₹ 21.50 crore), and Industries & Commerce (Skill Development) (₹ 2.00 crore) recorded 0 per cent expenditure. This suggests complete non-utilisation of allocated funds, raising concerns about administrative inefficiencies, lack of project execution, or procedural delays. The Departments which recorded utilisation below 10 per cent were Minorities Welfare (4.12 per cent), Economics & Statistics (6.25 per cent), Printing & Stationery (6.54 per cent), Finance Department (8.33 per cent), and Education (4.56 per cent). These indicate severe underutilisation, potentially due to delayed approvals, lack of implementation capacity, or unnecessary budgetary allocations. Health Sector also displayed significant underperformance. AGMC & GBP (Health Grant) had only 3.59 per cent expenditure despite a ₹ 36.50 crore allocation. This low spending in the health sector is concerning, particularly in light of ongoing health infrastructure needs.

Thus, out of the ₹ 154.91 crore allocated, only ₹ 4.93 crore was spent, indicating a massive 96.8 per cent unspent budget. There are several implications of low expenditure. Funds were allocated, but departments failed to utilize them, pointing to poor planning and unrealistic budget estimates. The zero or low expenditure may indicate projects that have not been initiated or have stalled due to bureaucratic hurdles. Unspent funds may lapse or be reallocated, leading to missed opportunities for development and service delivery. Critical sectors like Health, Education, Welfare, and Skill Development are suffering due to poor fund utilisation, impacting public services.

### 3.3.6.1 Persistent Savings in Grants/Appropriations

During the last five years from 2019-20 to 2023-24, there were persistent savings of more than ₹ one crore in 65 cases (44 cases in revenue and 21 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 2019-20 to 2023-24, out of 65 cases of persistent savings of more than ₹ one crore, savings of more than ₹ 10 crore in each year occurred in 22 cases under revenue heads (Voted). There were persistent savings of more than ₹ 10 crore each year in 7 cases under the capital heads (Voted).

It was also noticed that out of the 65 cases, there were savings of more than ₹ 100 crore in 19 cases while in five cases, the savings were more than ₹ 300 crore during the year 2023-24. The Grant/Appropriation where persistent savings of more than ₹ 100 crore

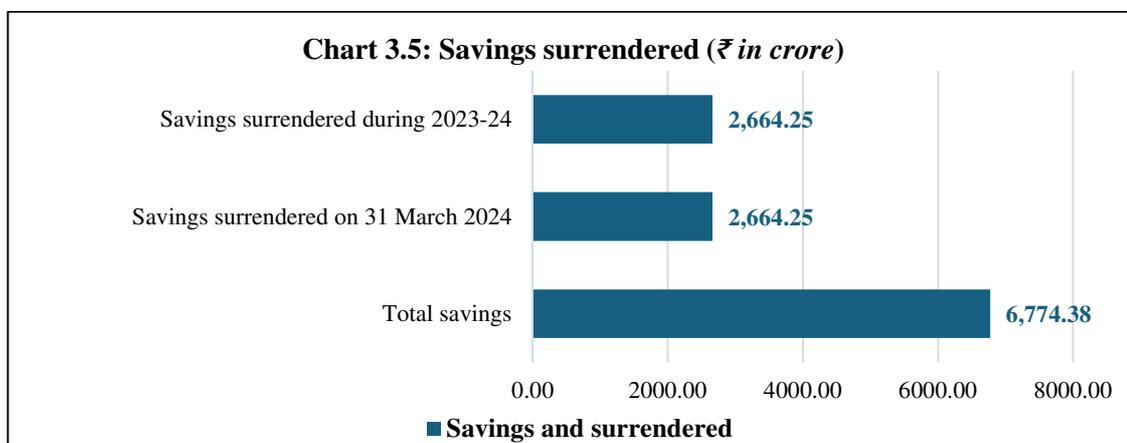
occurred in each year during last five years were in seven Grants, six in Revenue-Voted (Grant No.27, 31, 35, 40, 41 & 43) and one in Capital-Voted (Grant No. 13).

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 2023-24.

### 3.3.6.2 Savings and surrenders before close of financial year 2023-24

During the year 2023-24, there was overall savings of ₹ 6,774.38 crore, of which ₹ 2,664.25 crore was surrendered on 31 March 2024 as detailed in **Chart 3.5**.



**Source:** *Appropriation Accounts*

It was noticed that in 30 cases of 24 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 2024. Details are given in **Appendix 3.10**.

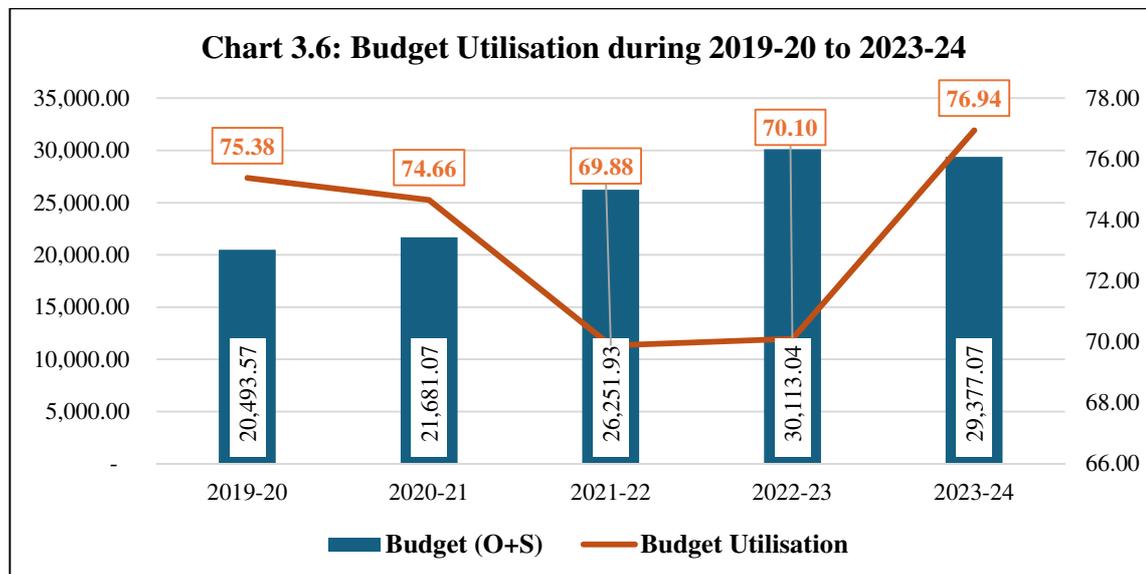
Major savings occurred in Secondary Education (₹ 492.14 crore), Rural Development (₹ 496.28 crore), Urban Development Department (₹ 471.69 crore), Public Works (R&B) (₹ 338.31 crore), Home (Police) Department (₹ 321.40 crore) indicating inefficient budget estimation and planning.

**Misalignment between Budget Allocation and Actual Spending:** Excess savings suggest the need for correction in estimation processes as these are leading to over-projection of requirements and inefficient allocation. Large surrender of funds before the close of financial year indicates hasty reallocation and poor expenditure planning. Further, non-surrendering of anticipated savings on time reflects lack of efficiency in budget management.

### 3.3.6.3 Budget utilisation during 2019-20 to 2023-24

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 2019-20 to 2023-24, the

percentage of budget utilisation of the State decreased in the last three years from 75.38 per cent in 2019-20 to 69.88 per cent in 2021-22 but slightly increased to 70.10 per cent in 2022-23 and sharply increased to 76.94 per cent in 2023-24 as detailed in **Chart 3.6**.



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 2019-20 to 2023-24 are given in **Table 3.12** and **Chart 3.7**:

**Table 3.12: Original Budget, Revised Estimate and Actual Expenditure during 2019-24**

	2019-20	2020-21	2021-22	2022-23	2023-24
	(₹ in crore)				
Original Budget	17,746.46	20,066.60	22,984.35	27,047.67	27,744.45
Supplementary Budget	2,747.11	1,614.47	3,267.58	3,065.37	1,632.62
Total Budget (TB)	20,493.57	21,681.07	26,251.93	30,113.04	29,377.07
Revised Estimate (RE)	18,384.13	19,379.75	23,862.29	25,256.96	26,728.67
Actual Expenditure (AE)	15,447.97	16,187.77	18,345.19	21,110.42	22,602.69
Savings (TB – AE)	5,045.60	5,493.30	7,906.74	9,002.62	6,774.38
Percentage of saving to the TB	24.62	25.33	30.12	29.90	23.06
Savings (RE – AE)	2,936.16	3,191.98	5,517.10	4,146.54	4,125.98
Percentage of saving to the RE	15.97	16.47	23.12	16.42	15.44
Percentage of supplementary to the original provision	15.48	8.05	14.22	11.33	5.88
Total Budget – Revised Estimate	2,109.44	2,301.32	2,389.64	4,856.08	2,648.40
Percentage of AE to OB	12.95	19.33	20.18	21.95	18.53

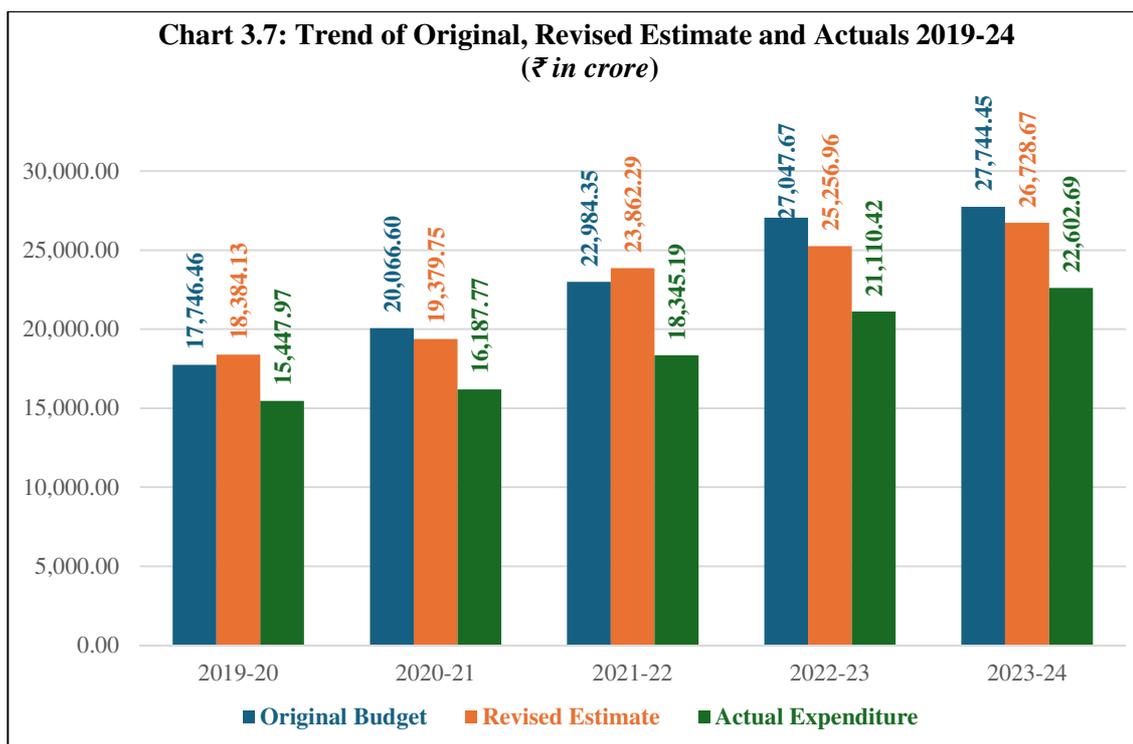
Source: Appropriation Accounts

**Table 3.12** shows that over the years from 2019-20 to 2023-24, 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 fourth year and there was decreasing trend in the fifth year indicating estimation error all through the years.

The supplementary provision during the period was ranged between 5.88 *per cent* (2023-24) and 15.48 *per cent* (2019-20).

The supplementary provision of ₹ 1,632.62 crore during 2023-24 constituted 5.88 *per cent* of the original provision as against 11.33 *per cent* in the previous year.

It was noticed that supplementary provision of ₹ 1,632.62 crore obtained in 48 grants/appropriations out of 64 grants/appropriations during 2023-24. Out of total supplementary provision of ₹ 1,632.62 crore, ₹ 1,581.37 crore obtained in 45 grants was unnecessary as their expenditure was less than actual expenditure during the year. In 20 grants, the supplementary grants was more than ₹ 10 crore which proved unnecessary.



**Source:** Appropriation Accounts

**Chart 3.7** shows that the Actual Expenditure (AE) during the period from 2019-20 to 2023-24 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 84.56 *per cent* and it was 84.56 *per cent* during 2023-24. It indicates that in terms of RE, the savings were ranged between 15.44 *per cent* and 23.12 *per cent* during the period and it was 15.44 *per cent* during 2023-24.

As such, the supplementary provisions during the years 2019-20 to 2023-24 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 2023-24

Scrutiny of Appropriation Accounts for the year 2023-24, revealed that there was no excess expenditure among the 64 grants/ appropriations against the overall budget provisions in the grant level but in few cases there were excess expenditure (Gross) over the authorisation from the Consolidated Fund of State during 2023-24, which is given in **Table 3.13**.

**Table 3.13: Grants/Appropriation with Excess expenditure during 2023-24**

(₹ in lakh)

Sl. No.	Grant No. Major Head Description	Original	Supple-mentary	Re-appropriation	Total	Expen-diture	Excess	Reasons for excess stated by the Department
<b>A</b>	<b>Revenue-Voted</b>							
	<b>43: Finance Department</b>							Reason for excess have not been intimated by the Department (August 2024)
	<b>2071 Pensions and other Retirement Benefits</b>							
	<i>01 Civil</i>							
	101 Superannuation and Retirement Allowances							
	02 Pension	168713.00	0.00	(-3713.00)	165000.00	172835.93	7835.93	
	106 Pensionary charges in respect of High Court Judges							
	02 Pension	42.00	0.00	0.00	42.00	75.54	33.54	
	117 Government Contribution for Defined Contribution in Pension Scheme							
	02 Pension	2003.20	0.00	1496.80	3500.00	3924.80	424.80	

### 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 poor 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 2022-23 is given in the **Table 3.14** below.

**Table 3.14: Details of Excess expenditure relating to the year 2022-23 with status on regularisation**

(₹ in crore)

Sl. No.	No. and Name of the Grant/ Appropriation	Revenue		Capital		Excess expenditure	Regularised on 13-09-2024
		Charged	Voted	Charged	Voted		
1	13: Public Works (R&B)	0.00	85.56	0.00	0.00	85.56	The Tripura Appropriation Act No.08 of 2024
	<b>Total</b>	<b>0.00</b>	<b>85.56</b>	<b>0.00</b>	<b>0.00</b>	<b>85.56</b>	

**Source:** Appropriation Accounts 2022-23 and respective Appropriation Act 8 of 2024.

### 3.3.8 Grant-in-aid for creation of capital assets

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

During the year 2023-24, the state government booked Grants-in-aid of ₹ 1,488.52 crore as Capital Expenditure instead of Revenue Expenditure, out of which ₹ 1,482.43 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**.

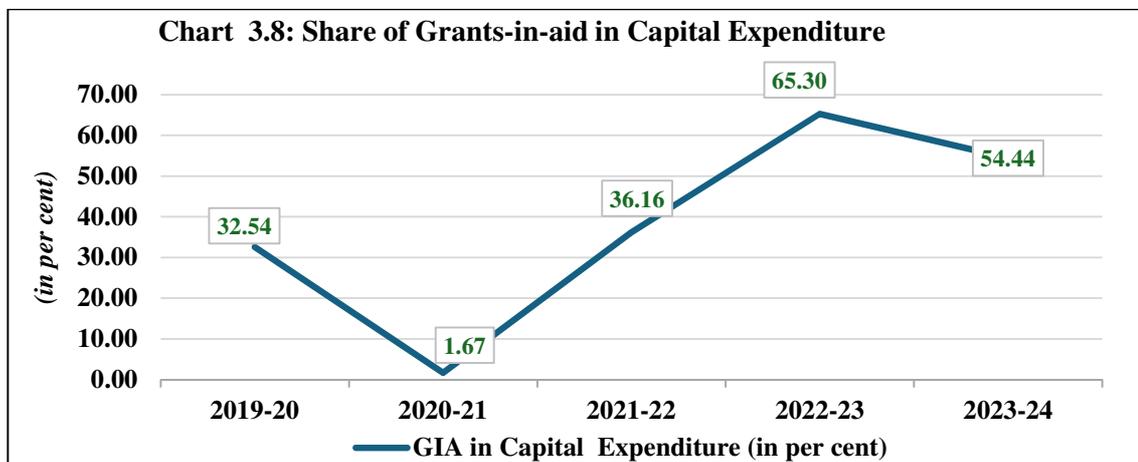
**Table 3.15: Extent of classification of GIA as Capital Expenditure**

(₹ in crore)

Years	2019-20	2020-21	2021-22	2022-23	2023-24
GIA booked as Capital Expenditure	287.38	13.91	494.99	1,322.38	1,488.52
Total Capital Expenditure	883.22	832.08	1,368.95	2,024.97	2,734.19
Share of GIA in Capital Expenditure (in per cent)	32.54	1.67	36.16	65.30	54.44
Total Revenue Expenditure	13,376.91	14,367.82	16,125.24	17,738.71	18,342.05
Total Revenue Receipt	11,001.59	13,292.40	17,613.96	18,309.01	20,538.02
Impact on Revenue Deficit (-)/ Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	(-)2,662.70	(-)1,089.33	993.72	(-)752.08	707.45

It can be seen from **Table 3.15** that the Grants-in-Aid of ₹ 1,488.52 crore was booked as Capital Expenditure. This was about 54 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 ₹ 19,830.57 crore instead of ₹ 18,342.05 crore during 2023-24. Hence, the revenue expenditure was understated to that extent of ₹ 1,488.52 crore. Resultant, there would be Revenue Surplus of ₹ 707.45 crore instead of ₹ 2,195.97 crore during the year 2023-24.

The share of Grant-in-aid under Capital expenditure during the last five years are shown in the **Chart 3.8**.



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, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs.

The summarised position of budget including supplementary budget, actual expenditure, and excess/savings during 2023-24 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 2023-24**

(₹ in crore)

Nature of expenditure	Original Grant/App.	Suppl. Grant/App.	Total	Actual expenditure	Net Savings(-)/Excess(+)	Surrender in March		
						Amount	Per cent	
Voted	I. Revenue	20,729.41	833.08	21,562.49	17,350.08	(-)4,212.41	1,745.84	41.45
	II. Capital	4,437.73	691.08	5,128.81	2,770.57	(-)2,358.24	793.50	33.65
	III. Loans & Advances	2.20	100.00	102.20	100.25	(-)1.95	0.00	0.00
	<b>Total</b>	<b>25,169.34</b>	<b>1,624.16</b>	<b>26,793.50</b>	<b>20,220.90</b>	<b>(-)6,572.60</b>	<b>2,539.34</b>	<b>38.64</b>
Charged	IV. Revenue	1,656.35	3.90	1,660.25	1,477.10	(-)183.15	104.76	57.20
	V. Capital	0.51	4.56	5.07	0.41	(-)4.66	20.15	432.40
	VI. Public Debt-Repayment	918.25	0	918.25	904.28	(-)13.97	0.00	0.00
	<b>Total</b>	<b>2,575.11</b>	<b>8.46</b>	<b>2,583.57</b>	<b>2,381.79</b>	<b>(-)201.78</b>	<b>124.91</b>	<b>61.90</b>
	<b>Grand Total</b>	<b>27,744.45</b>	<b>1,632.62</b>	<b>29,377.07</b>	<b>22,602.69</b>	<b>(-)6,774.38</b>	<b>2,664.25</b>	<b>39.33</b>

Source: Appropriation Accounts 2023-24.

It can be seen from **Table 3.16**, that overall net savings of ₹ 6,774.38 crore (23.06 per cent) of total provision Grants/Appropriations and was more than four times of the size of the supplementary budget of ₹ 1,632.62 crore obtained during the year. As against the estimated Receipts of ₹ 25,643.17, the actual Receipts were ₹ 21,939.57 crore only thereby restricting the total expenditure to ₹ 22,602.69 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 2019-24**

(₹ in crore)

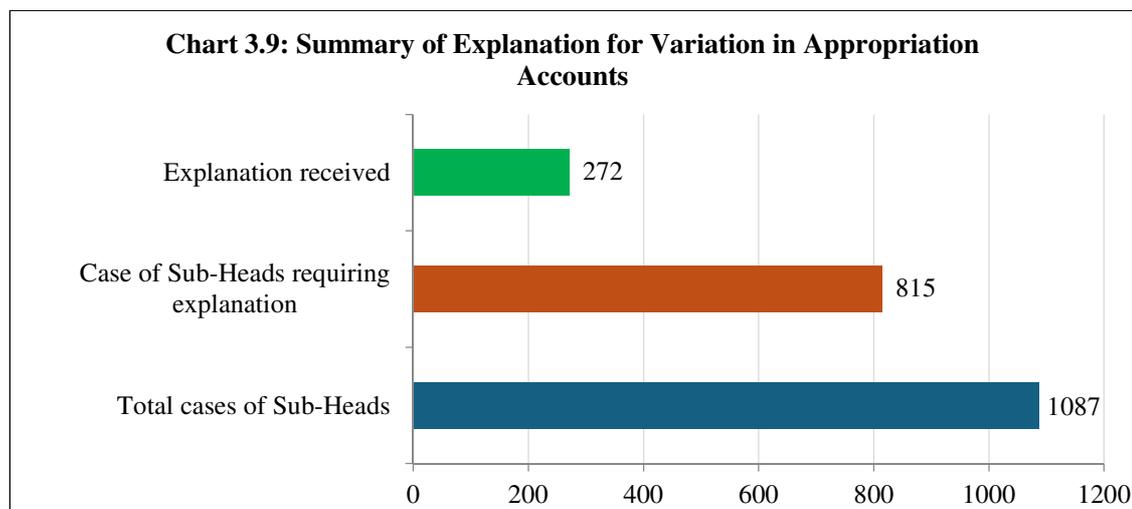
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Original Budget	17,746.46	20,066.60	22,984.35	27,047.67	27,744.45
Supplementary Budget	2,747.11	1,614.47	3,267.58	3,065.37	1,632.62
<b>Revised Estimate</b>	<b>20,493.57</b>	<b>21,681.07</b>	<b>26,251.93</b>	<b>30,113.04</b>	<b>29,377.07</b>
Actual Expenditure (AE)	15,447.97	16,187.77	18,345.19	21,110.42	22,602.69
Savings (-)/excess(+)	(-) 5,045.60	(-) 5,493.30	(-) 7,906.74	(-) 9,002.62	(-) 6,774.38
Percentage of Savings	24.62	25.34	30.12	58.55	29.97

It can be seen from **Table 3.17**, utilisation of budget during the period 2019-20 to 2021-22 was more or less 70 per cent. But, in 2022-23 it was well below 50 per cent. In 2023-24, budget utilisation was just above 70 per cent.

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

Audit of Appropriation Accounts of 2023-24 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 2023-24, the State Government operated 61 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 272 cases only. Details of the variations of explanation are shown in **Chart 3.9**:



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 submitted a proposal for supplementary provision of ₹ 1,632.62 crore for the year 2023-24 which the State Legislative Assembly approved on 08 April 2024. The actual expenditure during 2023-24 was ₹ 22,602.69 crore, which did not even come up to the level of original budget provision of ₹ 27,744.45 crore during the year.

At times, while obtaining supplementary provision, the Department's report to legislature contain large additional requirement for different purposes under various schemes/activities; however, 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 remain unutilized. At the same time, some of the schemes remain incomplete due to want of funds. Thus, the intended benefit of the unfinished schemes are extended to the public at large in such cases. Further, this also 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 2023-24 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 funds. The cases showing unnecessary excessive budget/supplementary provision in grants (more than ₹ five crore) was made however there was savings of more than 30 per cent are given in **Appendix 3.11**.

During the year, it was noticed that in 36 major grants provision of more than ₹ five crore and savings of more than 30 per cent, the total budget provision of ₹ 6,836.57 crore (Voted/Charged) proved unnecessary/excessive as the actual expenditure of ₹ 3,721.67 crore did not come up to the total budget provisions resulting in ₹ 3,114.90 crore un-utilized funds under these grants, indicating inefficient budget estimation and planning. Departments sought additional budget through supplementary grants but failed to spend not only the supplementary provisions but also the original allocations.

Major savings occurred in Family Welfare (₹ 334.46 crore), Public Works (R&B) (₹ 338.31 crore). Urban Development (₹ 471.69 crore), Secondary Education (₹ 257.28 crore).

### **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 2023-24, the Finance Minister mentioned some policy initiatives/schemes for the social and economic welfare of the people in the State during the financial year 2023-24. 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 2023-24 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 2023-24**

*(₹ in crore)*

Sl. No.	Name of implementing Department	Name of the new project & scheme	Budget Allocation	Fund released during 2023-24	Expenditure incurred during 2023-24
1	Agriculture	A new scheme Viz. 'Mukhyamantri Integrated Crop Management Programme (MICMP)' to cover 1,16,400 ha area during 2023-24 for increasing paddy productivity by multiple cropping and modern technology.	10.00	10.00	10.00
2		To set up 2 new Agriculture Development Research Cum Training Center with IT facilities.	4.09	3.09	2.09
3	Animal Resources Development	A new scheme viz. 'Mukhyamantri Prani Sampad Bikash Yojana' for use of new technology/ techniques in animal husbandry sector.	10.00	10.00	9.99
4	Fisheries	A new scheme viz. 'Mukhyamantri Matsya Bikash Yojana (MMBY)' for augmentation of fish, seed production, reclamation of water bodies etc.	12.00	12.00	11.91
5	Higher Education	An ADMINISTRATIVE AND Academic building at IASE, Kunjaban, Agartala	1.89	1.89	1.00

Sl. No.	Name of implementing Department	Name of the new project & scheme	Budget Allocation	Fund released during 2023-24	Expenditure incurred during 2023-24
6	Youth Affairs & Sports	A new Scheme viz. 'Mukhyamantri Sports Development Scheme' to establish world-class sports facilities and to provide Scholarships to aspiring athletes.	7.20	7.06	6.99
7		Two youth hostels to be constructed at Kailashahar and Udaipur	2.00	2.00	2.00
8	FW&PM (NHM)	A universal health insurance scheme viz. 'CM- Jana Arogya Yojana (CM-JAY)' introduced on the pattern of Ayushman Bharat (PM-JAY). This will cover remaining 4.75 lakh families not covered under Ayushman Bharat (PM-JAY).	40.00	16.37	16.37
9	FW&PM	Total 100 Health Sub Centre buildings will be constructed and three PHCs will be upgraded to CHC level.	10.00	10.00	3.87
10		Eleven Health and Wellness Centers will be constructed in Bru-resettlement locations at North, Dhalai and Gomati Districts. Maharani PHC, Madhupur PHC, and Bishramganj PHC will be upgraded to CHC level.	3.85	3.85	3.34
11	Minorities Welfare	690 students will be provided financial support for pursuing higher studies during the year 2023-24.	8.50	8.50	5.92
12	Tribal Welfare	A new Scheme viz. 'Mukhyamantri Tribal Development Mission' for comprehensive development of tribal areas with focus on Education, Health, Roads, Nutrition, Sanitation and Drinking Water.	3.00	3.00	3.00
13		"Chief Minister's Rubber Mini Mission" to construct fifty smoke houses for Tribal Rubber growers.	5.00	5.00	5.00
14		A theme based musical water fountain at TTAADC Head Quarters, Khumulwng.	2.00	2.00	2.00
15	RD Deptt. Engg Wing	Constructing 101 RCC Foot Bridges to improve rural connectivity. (Under Special	10.00	10.00	10.00

Sl. No.	Name of implementing Department	Name of the new project & scheme	Budget Allocation	Fund released during 2023-24	Expenditure incurred during 2023-24
		Assistance to States for Capital Investment)			
16		Passenger shed in every Block (Under Mukhamantri Unnata Gram fund)	2.50	2.50	1.67
17		Construct of Market Stalls at Jolaibari, Mohanbhog, Dukli, Ompi and Majlishpur (Under RIDF)	3.69	3.69	3.54
18		State Government will develop Sepahijala Zoological Park.	3.00	3.00	3.00
19	Forests	Beautification of at least two islands of Dumboor Lake will be taken up by creating theme parks like Biodiversity Park with Orchis house, Fern house, cactus house, Children's park, aquarium & wellness centres etc.	2.50	2.50	2.50
20	RD (Panchayat)	A revamped web-based application portal namely 'Amar Sarkar' has been launched for speedy and effective redressal of development and services related public grievances pertaining to various Departments.	1.00	1.00	0.95
21		Under Chief Minister Model Village Scheme (CMMVS), 120 GPs/VCs to be developed as a Model Village.	8.00	5.00	4.74
22		Facility of Public WiFi to be provided in 300 GP/VCs	7.00	7.00	6.20
22		31 Mobile Common Service Center (MCSCs) to launch	4.22	4.22	4.32
23		Mukhyamantri Yuba Yogayog Yojana (Smart phones will be provided to 12,000 students)	6.00	6.00	5.72
24	Information Technology	Setting up of Video Conferencing (VC) system in all offices of SDMs and BDOs for better governance and review of government programmes /WiFi coverage to all degree colleges and polytechnic institutes in the State.	6.12	6.12	6.12
25	Revenue	Const. of new DM office Complex(South Tripura District and two new SDM office complexes (Sabroom) under Special Assistance Capital Investment.	2.90	2.90	2.90

Sl. No.	Name of implementing Department	Name of the new project & scheme	Budget Allocation	Fund released during 2023-24	Expenditure incurred during 2023-24
26	Home (Fire & Emergency Services)	Procurement of 50 (fifty) conventional Fire Tenders and 20 (twenty) light operational vehicles for effective fire service delivery. (Under SASCI)	27.76	27.76	27.76
27		Construction of permanent buildings for 5 (five) Fire Stations at Manubazar, Damcherra, Ompi, Rasihyabari and Chawmanu will be completed this year (Under SASCI)	8.11	8.11	4.26
28	Industries & Commerce	A Unity Mall to be constructed at Agartala to display and sell unique products of all the states in the country.	57.00	57.00	57.00
29	Tourism	Mahadeb Dighi to be beautified to attract tourists in the temple city of Udaipur.	6.00	6.00	6.00
30	PWD (R&B)	Improving 280 KM of roads	453.74	453.74	446.91
31		2,388 KM road will be repaired and 10 new RCC bridges will be constructed	505.18	505.18	495.92
32		64 Type-III and 64 Type-II quarters at Kunjaban for employees' accommodation.	2.78	2.78	2.78
33	PWD (WR)	7 new Lift Irrigation (LI) Schemes and restore 20 Lift Irrigation Schemes and 8 Minor Irrigation Storage under different Blocks in the State.	20.29	20.29	3.85
34	Urban Development	A new scheme viz. 'Mukhyamantri Nagar Unnayan Prakalpa' for investment in urban infrastructure.	120.00	107.20	107.20
35		Sewage Treatment plants in Agartala City and other Towns.	61.00	50.00	50.00
36		Solar High Mast lightning system in 19 Urban Local Bodies (Under Special Assistance Capital Investment)	4.14	4.14	4.14
37	Co-operation	Infusion of Capital to bring vibrancy in Agartala Co-operative Urban Development Bank.	1.50	1.50	1.50
<b>Total</b>			<b>1,443.96</b>	<b>1,392.39</b>	<b>1,342.46</b>

Source: Information received from the State Government.

It can be seen from **Table 3.18** that against the budget provision of ₹ 1,443.96 crore on 37 major schemes, the Finance Department released ₹ 1,392.39 crore during 2023-24. But expenditure on those schemes was ₹ 1,342.46 crore during the year.

The details of Heads under 19 grants where no expenditure was incurred despite of budget provision of ₹ one crore and above was made is detailed in **Appendix 3.12**.

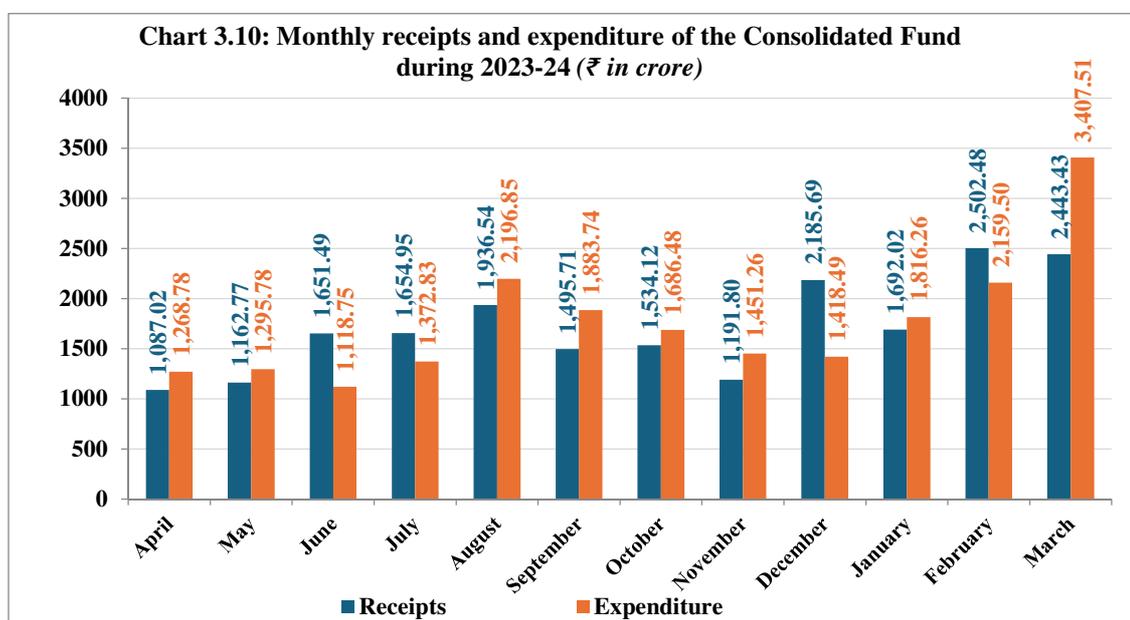
### 3.4.4 Trends of expenditure against receipts

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 Rules<sup>28</sup> 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 129 cases where entire expenditure of ₹ 255.67 crore was incurred during the last month of the financial year, i.e., March 2024 in certain Sub-Heads under various Grants/Appropriations. There are 40 cases where the entire expenditure of ₹ 228.76 crore (more than one crore in each case) was incurred in March 2024. The details of major Sub-Heads of account where more than ₹ one crore was incurred in March 2024 is shown in **Appendix 3.13**.

The monthly trend of receipts and expenditure with Consolidated Fund during the year 2023-24 are given in **Chart 3.10**.



Source: VLC data

It can be seen from **Chart 3.10** that, during March 2024, the State Government incurred expenditure of ₹ 3,407.51 crore against the receipt of ₹ 2,443.43 crore while there was an expenditure of ₹ 2,159.50 crore against the receipt of ₹ 2,502.48 crore in February 2024.

<sup>28</sup> Rule 62(3) of GFR, 2017

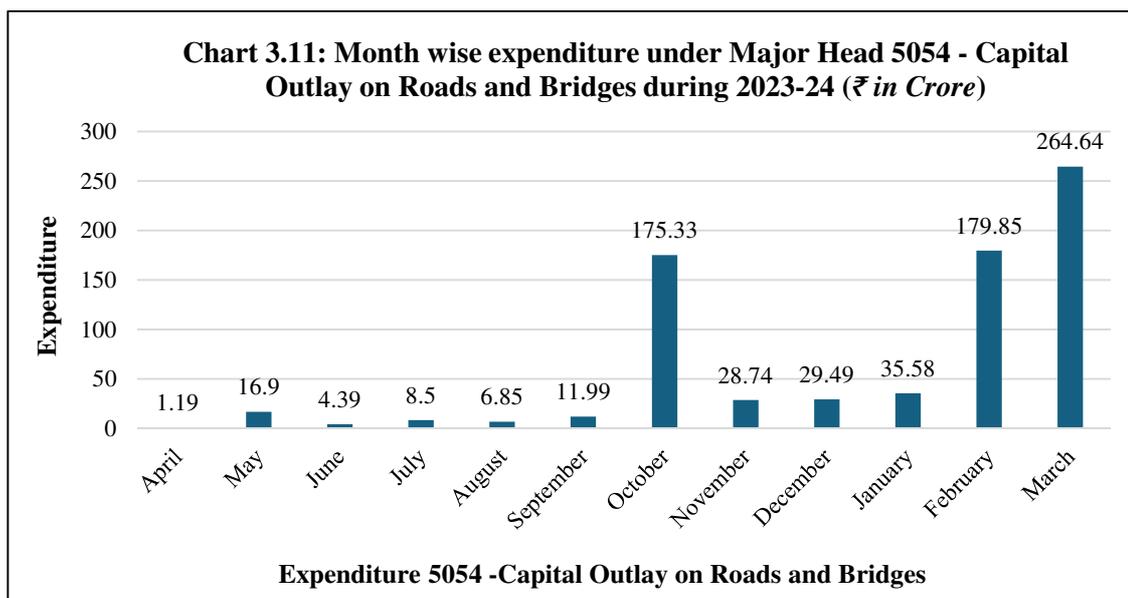
During the last quarter of 2023-24 the government incurred expenditure of ₹ 7,383.27 crore which constituted 35.03 per cent of the total expenditure. In March alone, the expenditure of ₹ 3,407.51 crore was 16.17 per cent of the total expenditure of ₹ 21,076.23 crore for the year 2023-24.

### 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 79 major heads as given in **Appendix 3.14**, the expenditure incurred during 4<sup>th</sup> quarter of the year ranged between 1.43 per cent and 100 per cent and the expenditure incurred during the month of March 2024 to last quarter ranged between 40.19 to 100 per cent. It was also observed that under Major Head-5054 Capital Outlay on Roads and Bridges, 35.31 per cent expenditure (₹ 264.64 crore being the highest expenditure) of the total expenditure of ₹ 749.43 crore was incurred in March 2024.

Month wise expenditure under Major Head 5054- Capital Outlay on Roads and Bridges during 2023-24 is depicted in **Chart 3.11**:



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. 20, 53, 56, 57, 59 and 60) expenditure in the 4<sup>th</sup> quarter exceeded 60 *per cent* of the total expenditure of the respective grants. Out of these six grants, in one grant (Grant No. 59) 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. 35 (Urban Development Department) and Grant No 40 (School Education 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. 35: Urban Development Department

##### (i) Introduction

Local Self Government (LSG) Department was created in 1967 to control the works, and developmental activities related to urban affairs. Recognizing the importance and necessity of development the Directorate of Urban Development was established on 26.07.1991. The nomenclature of LSG Department was changed to Urban Development Department in 1994. Directorate of Urban Development functions and controls the administrative and development related issues of the ULBs. The Tripura Municipal Act 1994 guides the administration in the Urban Local Bodies. Presently, there are 20 ULBs (1 Municipal Corporation, 13 Municipal Councils, 6 Nagar Panchayats) with an area of 242.83 sq.km. and a population of 8,82,817.

The functions of Directorate of Urban Development broadly relate to safe drinking water, new roads and maintenance of existing one, better sewerage system, street lighting, construction of dwelling units, low cost sanitation, employment opportunities, loans, construction of shelter houses, construction of inner city roads and drains, town halls, shopping centres equipped with modern facilities etc.

Grant No.35 operated by the Urban Development Department includes Major Heads 2217 Urban Development, 3604 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions, 4217 Capital Outlay on Urban Development. 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 five years (2019-20 to 2023-24) is given in **Table 3.19**:

Table 3.19: Position of budget provisions, expenditure and savings

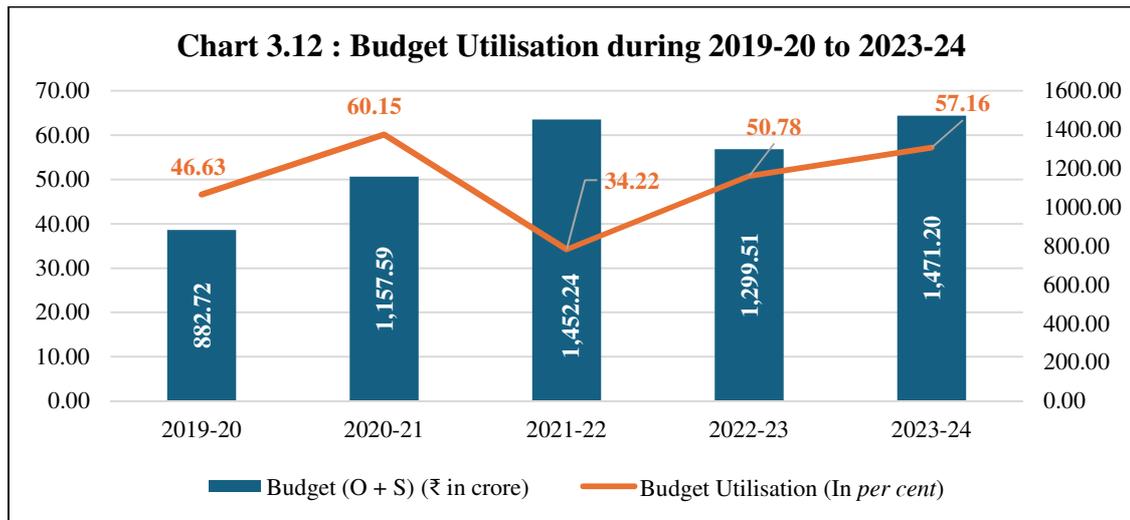
(*₹ in crore*)

Year	Section	Budget Provision	Total	Expenditure	Un-utilised provision and percentage
2019-20	Revenue Original (V)	583.43	583.43	317.32	266.11 (45.61)
	Supplementary	0.00			
	Capital Original (V)	254.58	297.59	94.25	203.34 (68.33)
	Supplementary	43.01			
	Revenue Original (C)	1.20	1.20	0.00	1.20 (100)
	Supplementary	0.00			
	Capital Original (C)	0.50	0.50	0.00	0.50 (100)
	Supplementary	0.00			
2020-21	Revenue Original (V)	880.91	1,137.78	696.26	441.52 (38.81)
	Supplementary	256.87			
	Capital Original (V)	0.00	18.60	0.00	18.60 (100)
	Supplementary	18.60			
	Revenue Original (C)	1.20	1.20	0.00	1.20 (100)
	Supplementary	0.00			
	Capital Original (C)	0.01	0.01	0.00	0.01 (100)
	Supplementary	0.00			
2021-22	Revenue Original (V)	1,373.88	1,373.88	420.38	953.50 (69.40)
	Supplementary	0.00			
	Capital Original (V)	40.40	77.16	76.55	0.61(0.79)
	Supplementary	36.76			
	Revenue Original (C)	1.20	1.20	0.00	1.20 (100)
	Supplementary	0.00			
2022-23	Revenue Original (V)	1,025.47	1,032.78	400.93	631.85 (61.18)
	Supplementary	7.31			
	Capital Original (V)	36.68	266.73	258.94	7.79 (2.92)
	Supplementary	230.05			
2023-24	Revenue Original (V)	503.25	573.38	414.88	150.50 (26.25)
	Supplementary	70.13			
	Capital Original (V)	828.88	897.82	426.13	471.69 (52.54)
	Supplementary	68.94			

Source: Appropriation Accounts

Table 3.19 shows that the percentage of un-utilised budget provisions under Capital (Voted) during the period 2019-20 to 2023-24 ranged between 0.79 per cent and 100.00 per cent and there was 52.54 per cent during 2023-24. In respect of Revenue (Voted), the un-utilised budget provision was ranged between 26.25 per cent and 69.40 per cent during the last five years period. It is observed that in the years 2019-20, 2020-21 and 2021-22, the total provision of Revenue Charged (Voted) remained unutilized. Even the obtaining of Supplementary provision by the Urban Development Department during the period were mostly unnecessary as the Department could not utilise the original budget provision in several occasions during last five years, which indicates non-performance on the part of the Department in respect of the utilisation of budgeted fund during the period.

Budget Utilisation during 2019-20 to 2023-24 has been shown in **Chart 3.12**.



Budgetary allocations during 2019-24 increased at a Compounded Annual Growth Rate (CAGR) of 10.76 *per cent*. Utilisation of the budget during that period ranged between 34.22 and 57.16 *per cent*. In the current year, 42.84 *per cent* of budget allocation remained un-utilised and in the year 2022-23 it was 49.22 *per cent*. Such instances of budgetary provisions remaining unutilised indicate lacuna in the budget preparation process.

### (iii) Savings not surrendered

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 the Estimating Officers should be to provide in the budget, everything that can be foreseen and to provide only as much as is necessary. 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. If this is not done, other spending Departments are deprived of the funds which they could have utilised. Surrenders are being made generally in the month of March, and a careful study of figures of the expenditure incurred and watch over previous month's expenditure should enable the Controlling Officer to fix upon his final requirements with a reasonable degree of exactness. No savings shall be made in reserve for possible future excesses.

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 35-Urban Development Department during 2019-20 to 2023-24 has been depicted in **Table 3.20**:

**Table 3.20: Non-surrender of savings during last three years period 2021-24**

(₹ in crore)

Year	Savings				Amount surrendered (percentage)			
	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)
2019-20	266.11	1.20	203.34	0.50	110.46 (41.51)	0.00	83.03 (40.83)	0.00
2020-21	441.52	1.20	18.60	0.01	0	0	0	0.01 (100)
2021-22	953.50	1.20	0.61	0	618.72 (64.89)	1.20 (100)	0	0
2022-23	631.85	0	7.79	0	516.36 (81.72)	0	1.80 (23.11)	0
2023-24	158.50	0	471.69	0	68.62 (43.29)	0	195.00 (41.34)	0

Source: Appropriation Account

It can be seen from **Table 3.20** that the surrendering of un-utilised budget provision during 2019-20 to 2023-24 ranged between 41.51 *per cent* and 81.72 *per cent* in respect of Revenue (Voted) account while it was 23.11 *per cent* and 41.34 *per cent* in Capital (Voted) account during the period. But in respect of the saving of Revenue account during the year 2023-24, 56.71 *per cent* of saving from Revenue (Voted) account and 58.66 *per cent* of saving from Capital (Voted) account were not surrendered by the Chief Controlling Officer (CCO) during the year.

#### (iv) Persistent savings

During 2023-24, there was a saving of 52.54 *per cent* in the Grant under Capital Section. During the five years period 2019-24, the Department had persistent savings ranging between 52.54 *per cent* and 100.00 *per cent* except 2.92 *per cent* in 2022-23 and 0.79 *per cent* in 2021-22 of the total grant as given in **Table 3.19** above.

It was further observed that a substantial portion of the budget allocation remained un-utilised under four schemes under the Grant 35-Urban Development Department during last three years 2021-22 to 2023-24, 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	2021-22	2022-23	2023-24
1.	2217-03-051-91: Urban Development-Integrated Development of Small and Medium Towns-Construction-Central Assistance to State Plan	54.04 (61.56)	5.29 (13.08)	3.09 (91.33)
2.	2217-03-789-91: Urban Development-Integrated Development of Small and Medium Towns- Special Component Plan for Scheduled Castes- Central Assistance to State Plan	17.66 (61.53)	1.56 (11.80)	1.01 (90.99)
3.	2217-03-796-91: Urban Development-Integrated Development of Small and Medium Towns- tribal Area Sub-plan - Central Assistance to State Plan	32.21 (61.55)	3.32 (13.76)	1.84 (91.09)
4.	2217-80-001-98: Urban Development-General-Direction and Administration-Administration	1.61 (22.08)	1.16 (15.68)	0.91 (12.23)

Source: Appropriation Accounts

It was noticed that during the year provision was made under Prime Minister Awas Yojana (Urban), Swaccha Bharat Abhiyan (Urban), Light House project etc. but GoI did not release the fund as the Department failed to spend the previous years' fund. Details are discussed in the succeeding paragraphs.

Persistent savings over the years is indicative of improper assessment of the requirement of fund by the State Government.

#### (v) Entire provision remained unutilised

It was observed that in 14 cases the entire provision remained fully unutilized even after re-appropriation indicative of non-implementation of schemes. Analysis of data revealed that in six out of 14 cases, reduction of provision were done through re-appropriations and in six cases further additions were done through re-appropriation, however no expenditure was incurred indicative of faulty anticipation of expenditure by the controlling officer. Final budget allocation of ₹ one crore and above are shown in Table 3.22.

Table 3.22: Entire provision remained un-utilised during the year 2023-24

(₹ one crore and above in each cases)

(₹ in crore)

Sl. No.	Head of Accounts	Original Budget	Supplementary	Re-appropriation	Savings
1	2217-01-051-91: Urban Development-State Capital Development-Construction-Central Assistance to State Plan	7.28	0.00	0.00	7.28
2	4217-04-051-91: Capital Outlay on Integrated Development of Small and Medium Towns-Slum Area Development-Construction- Central Assistance to CSS	6.24	0.00	-2.60	3.64
3	4217-04-789-91: Capital Outlay on Integrated Development of Small and	2.04	0.00	-0.85	1.19

Sl. No.	Head of Accounts	Original Budget	Supplementary	Re-appropriation	Savings
	Medium Towns- Slum Area Development- Special Component Plan for Scheduled Castes- Central Assistance				
4	4217-04-796-91: Capital Outlay on Integrated Development of Small and Medium Towns- Slum Area Development- Central Assistance	3.72	0.00	-1.55	2.17
5	4217-60-051-32: Capital Outlay on Integrated Development of Small and Medium Towns-Other Urban Development Schemes- Construction-Urban Development	2.60	0.00	0.00	2.60
6	4217-60-051-54: Capital Outlay on Integrated Development of Small and Medium Towns-Other Urban Development Schemes- Construction-National Bank for Agriculture and Rural Development (NABARD)	5.20	0.00	0.00	5.20
7	4217-60-051-64: Capital Outlay on Integrated Development of Small and Medium Towns-Other Urban Development Schemes-Construction - HUDCO/UIDF	0.75	0.00	6.11	6.86
8	4217-60-789-64: Capital Outlay on Integrated Development of Small and Medium Towns-Other Urban Development Schemes- Special Component Plan for Scheduled Castes-HUDCO/UIDF	0.00	0.24	2.00	2.24
9	4217-60-796-64: Capital Outlay on Integrated Development of Small and Medium Towns-Other Urban Development Schemes -Tribal Area Sub-plan - HUDCO/UIDF	0.00	3.72	0.37	4.09

Scrutiny of records and on the basis of the replies furnished by the Department, the following observations were noticed:

- In respect of Sl. No.1, GoI did not release the fund during the year due to non-submission of Utilisation Certificate by the Department. Reason for non-submission of pending UCs was not found on record.
- In respect of Sl. No. 2 to 4, provision was made with the anticipation that central share would be received under the Centrally Sponsored Scheme Nirmal Bharat Abhiyan (NBA) but the Government of India did not release fund during the year as the Department failed to spend the fund received in previous year. As a result, the entire provision remained unutilized. Reason for non-utilisation of fund received in previous year was not found on record.
- In respect of Sl. No. 6, provision was made in the BE 2023-24 but the fund was withdrawn during RE 2023-24

- In respect of Sl. No. 7 to 8, savings were due to non-release of loan amount.

**(vi) Entire provision withdrawn through re-appropriation**

It was observed that entire budget allocation was withdrawn under four schemes during 2023-24 indicating non-implementation of schemes as shown in the **Table 3.23**:

**Table 3.23: Entire Provision withdrawn through re-appropriation during 2023-24**

(₹ in crore)

Sl. No.	Head of accounts	Total Provision
1	4217-01-052-32: Capital Outlay on Integrated Development of Small and Medium Towns- State Capital Development-Machinery and equipment	2.60
2	4217-60-051-54: Capital Outlay on Integrated Development of Small and Medium Towns- Other Urban Development Schemes – Construction - National Bank for Agriculture and Rural Development (NABARD)	5.20
3	4217-60-789-54: Capital Outlay on Integrated Development of Small and Medium Towns- Other Urban Development Schemes – Special Component Plan for Scheduled Caste- National Bank for Agriculture and Rural Development (NABARD)	1.70
4	4217-60-796-54: Capital Outlay on Integrated Development of Small and Medium Towns- Other Urban Development Schemes -Tribal Area Sub-plan- National Bank for Agriculture and Rural Development (NABARD)	3.10

Scrutiny of records and on the basis of the replies furnished by the Department, the following observations were noticed

- In respect of Sl. No.1, provision was made for installation of CCTV camera in different ULBs but subsequently in view of placement of fund based on survey report received from field offices, entire provision was withdrawn in RE stage.
- In respect of Sl. No. 2, 3 and 4 entire provision was withdrawn by the Finance Department in RE stage without assigning any reason.

**(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 of the grant showed that a supplementary provision of ₹ 12.30 crore in both (Revenue Account and Capital Account) under Voted during the year 2023-24 in the grant (**Table 3.24**) proved unnecessary as the expenditure did not come up even the original provision in three cases whereas whole amount of Supplementary provision remained un-expended in two cases during the year.

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
1	4217-60-001-32: Capital Outlay on Urban Development - Other Urban Development Schemes - Direction and Administration - Urban Development	26.00	5.72	26.00	5.72
2	4217-60-051-64: Capital Outlay on Urban Development - Other Urban Development Schemes - Construction - HUDCO/UIDF	0.00	0.75	0.00	0.75
3	4217-60-789-32: Capital Outlay on Urban Development - Other Urban Development Schemes - Special Component Plan for Scheduled Castes - Urban Development	9.35	1.87	8.50	2.72
4	4217-60-789-64: Capital Outlay on Urban Development - Other Urban Development Schemes - Special Component Plan for Scheduled Castes – HUDCO/ UIDF	0.00	0.24	0.00	0.24
5	4217-60-796-64: Capital Outlay on Urban Development - Other Urban Development Schemes – Tribal Area Sub-plan – HUDCO/ UIDF	0.00	3.72	0.00	3.72
<b>Total</b>		<b>35.35</b>	<b>12.30</b>	<b>34.50</b>	<b>13.15</b>

Scrutiny of records and on the basis of the replies furnished by the Department, the following observations were noticed:

- In respect of Sl. No.1 and 3, provision was made for Sewerage Treatment Plant in urban areas under Smart City Mission but the Implementing agency did not place any requisition of fund. Reason for non-placement of requisition of fund was not found on record.
- In respect of Sl. No. 2,4 and 5, savings were due to non-release of loan amount related to Urban Infrastructure Development Fund.

**(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 2023-24, it was observed that despite the reduction of provision by re-appropriation orders of more than one crore, savings occurred in 29 cases involving ₹ 281.09 crore which indicated inadequate re-appropriation or inadequate assessment of anticipated savings indicating unfruitful re-appropriation of funds by the Department, which is shown in **Appendix 3.16**.

Scrutiny of records and on the basis of the replies furnished by the Department, it has been noticed that the major reason for savings were attributed to non-release of central share as the previous year's funds were not fully utilized by the State Government

It was noticed that utilization was less than 10 *per cent* of the final provision made in 10 cases, 11 to 20 *per cent* in 4 cases and 21 to 50 *per cent* in 6 cases. It could be opined that budget provision as well as re-appropriations were made casually resulted in huge savings under these Head of Accounts.

**(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 ₹ 17.89 crore was incurred under eight schemes without any budget provision during the year 2023-24 as detailed in **Table 3.25**.

**Table 3.25: Expenditure without budget provisions during 2023-24**

Sl. No.	Head of Accounts	Amount (₹ in crore)
1	2217-80-001-89: Urban Development- General- Direction and Administration -Centrally Sponsored Scheme-IV	1.29
2	2217-80-789-89: Urban Development -General- Scheduled Caste Sub-plan -Centrally Sponsored Scheme-IV	0.42
3	2217-80-796-89: Urban Development General Scheduled Tribe Sub-plan Centrally Sponsored Scheme-IV	0.77
4	4217-60-051-70: Capital Outlay on Urban Development Other Urban Development Scheme Construction State Share	0.56
5	4217-60-051-89: Capital Outlay on Urban Development Other Urban Development Scheme Construction Centrally Sponsored Scheme-IV	7.63
6	4217-60-789-70: Capital Outlay on Urban Development Other Urban Development Scheme Special Component Plan for Scheduled Castes State Share	0.18
7	4217-60-789-89: Capital Outlay on Urban Development Other Urban Development Scheme Special Component Plan for Scheduled Castes Centrally Sponsored Scheme-IV	2.49
8	4217-60-796-89: Capital Outlay on Urban Development -Other Urban Development Scheme -Tribal Area Sub-plan - Centrally Sponsored Scheme-IV	4.55
<b>Total</b>		<b>17.89</b>

Source: Appropriation Accounts

**(B) Grant No. 40: Secondary Education**

**(i) Introduction**

The Secondary Education Department looks after the education system at various levels in Tripura. It has been implementing various schemes viz., ICT support to all schools, Atal Tinkering Lab for Higher Secondary Schools, Artificial Intelligence Laboratory etc.

Besides, it also issues NOC for Registration of Private schools and Upgradation of Private Schools.

The Principal Secretary to the Government of Tripura is the administrative head of the Department. The field formations are headed by the Director of Secondary School Education. Grant No 40 operated by the Secondary Education Department includes Major Heads 2059-Public Works, 2202- Education, Sports, Art and Culture, 4202 Capital Outlay on Education, Sports, Art and Culture; 4059 Capital Outlay on Public Works, 4552 Capital Outlay on North-eastern Areas etc.

The Directorate of Secondary Education was selected for review under this department. The salient points noticed are enumerated below:

**(ii) Budget and Expenditure**

The overall position of budget provisions, actual disbursement and savings under the grants for the past five years (2019-20 to 2023-24) is given in **Table 3.26**.

**Table 3.26: Position of budget provisions, expenditure and savings**

(₹ in crore)

Year	Section	Budget Provision	Total	Expenditure	Un-utilized provision and its percentage
2019-20	Revenue Original (V)	1,608.92	1,706.93	1,540.48	166.44 (9.75)
	Supplementary	98.01			
	Capital Original (V)	5.06	5.58	1.68	3.90 (69.89)
	Supplementary	0.52			
2020-21	Revenue Original (V)	1,690.28	1,743.64	1,476.90	266.74 (15.30)
	Supplementary	53.36			
	Capital Original (V)	4.17	6.82	2.26	4.56 (66.86)
	Supplementary	2.65			
2021-22	Revenue Original (V)	1,822.38	1,822.38	1,417.18	405.20 (22.23)
	Supplementary	-			
	Capital Original (V)	31.19	101.92	44.82	57.10 (56.02)
	Supplementary	70.73			
2022-23	Revenue Original (V)	1,977.05	1,981.24	1,377.24	604.00 (30.49)
	Supplementary	4.19			
	Capital Original (V)	218.68	312.47	70.98	241.49 (77.28)
	Supplementary	93.79			
2023-24	Revenue Original (V)	1,788.86	1,867.36	1,375.22	492.14 (26.35)
	Supplementary	78.50			
	Capital Original (V)	205.71	467.57	210.30	257.27 (55.02)
	Supplementary	261.86			

*Source: Appropriation Accounts.*

**Table 3.26** shows that the percentage of unutilized budget provisions under Revenue (Voted) the unutilized budget provision ranged between 9.75 per cent to 30.49 per cent during the period 2019-20 to 2023-24. In respect of Capital (Voted), the unutilized budget provision ranged between 55.02 per cent to 77.28 per cent There was improvement in utilisation in 2023-24 compared to previous year.

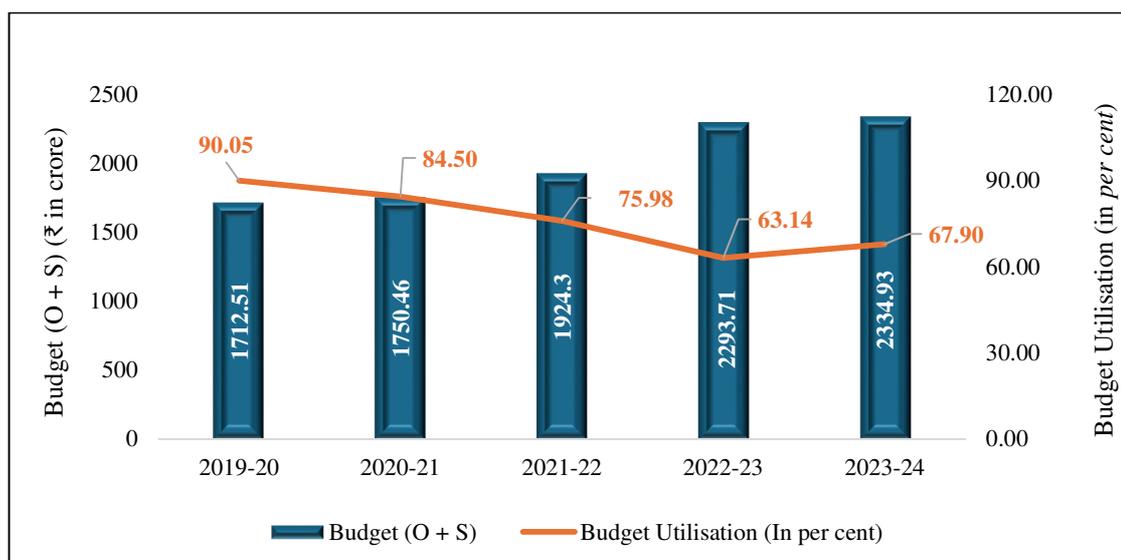
Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls etc., promote release of funds towards the end of the financial year resulting in funds remaining unspent. Excessive savings also deprive other departments of the funds which they could have utilised. During 2023-24 of the total savings of ₹ 749.41 crore, only ₹ 187.06 crore (24.96 per cent of savings) was surrendered leaving a balance of ₹ 562.35 crore.

In course of examination of records, Audit noticed that based on the previous three months' salary, the Department had proposed (January 2024) revised estimate of ₹ 1,150.00 crore under salary head, however, the Finance Department had increased (February 2024) the revised estimate of salary to ₹ 1,245.01 crore without assigning any reason. Actual expenditure under salary during the year was ₹ 1,025.04 crore. As a result, due to an increase in revised estimate by the Finance Department there was an excess provision of ₹ 95.01 crore which proved unnecessary.

The above instances indicate inadequate financial management on the part of the controlling officers.

Budget Utilisation during 2019-20 to 2023-24 has been shown in **Chart 3.13**.

**Chart 3.13: Budget Utilisation during 2019-20 to 2023-24**



Budgetary allocations during 2019-24 increased at a Compounded Annual Growth Rate (CAGR) of 6.40 per cent. Utilization of the budget during that period ranged between 63.14 and 90.05 per cent. In the current year, 32.10 per cent of budget allocation remained un-utilized whereas in the year 2022-23, 36.86 per cent of the budget provision was unutilized. Such instances of budgetary provisions remaining un-utilized indicate lacuna in the budget preparation process.

### (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 40 Education Department during 2019-20 to 2023-24 has been depicted in **Table 3.27**.

**Table 3.27: Non-surrender of savings during last five years period 2019-24**

(₹ in crore)

Year	Savings				Amount surrendered (percentage)			
	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)
2019-20	166.44	0	3.91	0	34.73 (20.87)	0	0.27 (6.91)	0
2020-21	266.74	0	4.56	0	99.76 (37.40)	0	-	0
2021-22	405.20	0	57.10	0	89.82 (22.17)	0	-	0
2022-23	604.00	0	241.49	0	382.55 (66.33)	0	79.27 (32.83)	0
2023-24	492.14	0	257.27	0	187.06 (38.01)	0	-	0

(Source: Appropriation Accounts)

It can be seen from **Table 3.27** that the surrendering of un-utilised budget provision during 2019-20 to 2023-24 ranged between 20.87 per cent and 66.33 per cent in respect of Revenue (Voted) account while it was 6.91 per cent and 32.83 per cent in Capital (Voted) account during the period. No savings from Capital (Voted) account was surrendered by the Chief Controlling Officer (CCO) during the year 2023-24.

Examination of records revealed that during the year, Director of Secondary Education had re-allocated ₹ 45.41 crore to different implementing agencies for infrastructure development of schools in different districts of Tripura under Major Works against Grant No 40, of which ₹ 33.63 crore was surrendered by the implementing agencies due to non-handing over of clear site by the Secondary Education Department, non-preparation of DNIT and estimate, non-approval of estimate, non-inviting tender etc. However, the Department did not surrender the re-allocated and unutilized fund of ₹ 33.63 crore to the Finance Department. This indicates inadequate financial management on the part of the Chief Controlling Officer.

#### (iv) Persistent savings

During 2023-24, there was a saving of 55.02 per cent in the Grant under Capital Section. During the five-year period of 2019-24, the Department had persistent savings ranging between 55.02 per cent and 77.28 per cent of the total grant as given in **Table 3.26** above. Expenditure in capital nature is incurred for creation of capital assets. The persistent savings on capital heads indicates that the Department did not give sufficient importance towards the creation of capital assets and shows a lack of expenditure control.

On scrutiny, it was noticed that savings occurred persistently under the following Revenue and Capital Heads of Accounts, as detailed in **Table 3.28**.

Table 3.28: Persistent savings

(₹ in crore)

Sl. No.	Head of Account	2021-22	2022-23	2023-24
1.	2202-01-789-91: Education, Sports, Art and Culture - Elementary Education - Samagra Shiksha - Central Assistance to State Plan	7.91	19.58	10.61
2.	2202-02-001-98: Education, Sports, Art and Culture -Secondary Education - Direction and Administration	0.19	0.38	0.07
3.	2202-02-104-41: Education, Sports, Art and Culture - Secondary Education - Teachers and Others Services - Human Development	255.19	135.99	107.15
4.	2202-02-796-91: Education, Sports, Art and Culture - Secondary Education - Tribal Area Sub-plan - Central Assistance to State Plan	16.84	6.68	22.08
5.	4059-80-051-91: Capital Outlay on Public Works - General - Construction - Central Assistance to State Plan	6.16	14.96	18.44
6.	4059-80-789-91: Capital Outlay on Public Works - General - Special Component Plan for Scheduled Castes - Central Assistance to State Plan	3.52	8.55	10.53
7.	4059-80-796-91: Capital Outlay on Public Works - General - Tribal Area Sub-plan - Central Assistance to State Plan	7.92	19.23	23.70
8.	4202-01-201-91: Capital Outlay on Education, Sports, Art and Culture - General - Education Elementary Education - Central Assistance to State Plan	0.00	10.90	30.00
9.	4202-01-202-54: Capital Outlay on Education, Sports, Art and Culture - General - Education Secondary Education NABARD	0.00	6.24	38.51

Source: Appropriation Accounts

It was noticed that there was persistent savings over the years due to non-release/short release of fund by the GoI in 'Samagra Siksha', as per approval of the Project Approval Board (PAB); non-filling the vacant post of teachers by the Department; unable to spend the re-allocated amount by the implementing agencies etc. Details are discussed in the succeeding paragraphs.

Persistent savings over the years is indicative of improper assessment of the requirement of fund by the State Government.

#### (v) Entire provision remained unutilised

During 2023-24, no expenditure was incurred in respect of 6 schemes which were cumulatively allocated more than Rupees one crore. , during the year This indicates non-implementation of schemes as shown in **Table 3.29**. Analysis of data revealed that even though no expenditure was incurred, supplementary provisions were made in five cases and the entire funds remained unutilized until the end of the year. In one case re-appropriations were made to withdraw partial funds but it remained ineffective.

**Table 3.29: Entire provision remained unutilized during the year 2023-24**

(₹ in crore)

Sl. No.	Head of Accounts	Original Budget	Supplementary	Reappropriation	Savings
1	2202-01-796-90: General Education - Elementary Education - Tribal Area Sub-plan - State Share for Central Assistance to State Plan	6.17	6.44	0.00	12.61
2	4059-80-051-91: Capital Outlay on Public Works - General - Construction - Central Assistance to State Plan	0.003	18.44	0.00	18.44
3	4059-80-789-91: Capital Outlay on Public Works - General - Special Component Plan for Scheduled Castes -Central Assistance to State Plan	0.002	10.53	0.00	10.53
4	4059-80-796-91: Capital Outlay on Public Works - General - Tribal Area Sub-plan - Central Assistance to State Plan	0.004	23.70	0.00	23.70
5	4202-80-201-90: Capital Outlay on Education, Sports, Art and Culture - General - Elementary Education - State Share for Central Assistance to State Plan	1.41	0.00	-0.01	1.40
6	4202-80-201-91: Capital Outlay on Education, Sports, Art and Culture - General - Elementary Education - Central Assistance to State Plan	9.68	20.32	0.00	30.00

Source: Appropriation Accounts

Scrutiny of records and on the basis of the replies furnished by the Department, , Audit noticed the entire provision remained unutilized due to reasons as under:

- GoI had sanctioned infrastructure development of six Higher Secondary Schools and construction of nine 100 seated Girls Hostels attached with Vidyajyoti schools in Tripura under Northeast Special Infrastructure Development Scheme (NESIDS) during 2022-23. Accordingly, during the year provision was made in the budget, but GoI did not release the fund. Reason for non-release of fund was not found on record.
- Provision was made as per approval of the Project Approval Board (PAB) of Samagra Siksha against which Government of India did not release fund to the State Government. As a result, the entire provision remained unutilized. Reason for non-release of fund was not found on record.

**(vi) Entire provision withdrawn through re-appropriation**

It was observed that entire budget allocation of more than ₹ five lakh was withdrawn under seven schemes during 2023-24 indicating non-implementation of schemes as shown in the **Table 3.30**:

**Table 3.30: Entire Provision withdrawn through re-appropriation during 2023-24***(₹ in lakh)*

Sl. No.	Head of accounts	Total Provision
1	2202-01-796-91: General Education Elementary Education Tribal Area Sub-plan Central Assistance to State Plan	4,685.62
2	2202-02-105-03: General Education Secondary Education Teachers Training Research and Training	10.00
3	2202-04-200-90: General Education Adult Education Other Adult Education Programmes State Share for Central Assistance to State Plan	5.60
4	2202-04-796-90: General Education Adult Education Tribal Area Sub-plan State Share for Central Assistance to State Plan	7.21
5	4552-202-90: Capital Outlay on Northeastern Areas Secondary Education State Share for Central Assistance to State Share	28.82
6	4552-789-90: Capital Outlay on Northeastern Areas Special Component Plan for Scheduled Castes State Share for Central Assistance to State Share	12.44
7	4552-796-90: Capital Outlay on Northeastern Areas Tribal Area Sub-plan State Share for Central Assistance to State Share	20.99

*(Source: Appropriation Accounts)***(vii) Un necessary 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 during the year 2023-24, a supplementary provision of ₹ 78.50 crore in Revenue (Voted) Account proved unnecessary since the original provision of ₹ 1,788.86 crore could not be fully utilized as the expenditure of ₹ 1,375.22 crore could only be incurred during the year.

In the sub head level, supplementary provisions of ₹ 6.00 lakh, ₹ 12.25 lakh and ₹ 13.50 lakh was made in three cases, as detailed in **Table 3.31**, during the year 2023-24. The same proved unnecessary as the original provisions were also not exhausted.

Table 3.31: Unnecessary supplementary grants

(₹ in lakh)

Sl. No.	Head of Accounts	Original Budget	Supplementary	Actual Expenditure	Savings out of Original Provision/ supplementary
1	4202-01-202-91: Capital Outlay on Education, Sports, Art and Culture - General - Education Secondary Education - Central Assistance to State Plan	31.92	12.25	31.92	12.25
2	4202-01-789-52: Capital Outlay on Education, Sports, Art and Culture - General - Education - Special Component Plan for Scheduled Castes Housing	10.00	6.00	10.00	6.00
3	4202-01-796-52: Capital Outlay on Education, Sports, Art and Culture - General - Education - Tribal Area Sub-plan Housing	22.50	13.50	22.34	13.66

Source: Appropriation Accounts

This indicates not only laxity on part of the Controlling Officers to make such provisions but also is indicative of overall poor budgetary management by the Government.

#### (viii) Unnecessary re-appropriation of funds

Apart from Supplementary grant, re-appropriation can 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.

However, considerable re-appropriation from one sub-head to another must always be avoided and the process of re-appropriation should not be merely used to rectify omissions and lack of foresight.

Audit scrutiny revealed that in respect of eight Sub-Heads, though an amount of ₹ 99.55 crore was available (Original and Supplementary), re-appropriation was made for an additional amount of ₹ 5.94 crore which was unnecessary as the total expenditure was only ₹ 43.04 crore which could have been easily met through the earlier provisions. Details are shown in **Table 3.32**.

Table 3.32: Injudicious re-appropriations made during 2023-24

(₹ in crore)

Sl. No.	Head of Accounts	Original Grant	Supplementary Grant	Reappropriation	Total	Expenditure	Savings
1	2202-01-789-90: General - Education Elementary Education Special Component Plan for Scheduled Castes State share of Central Assistances to State Plan	3.53	0.41	0.78	4.72	2.15	2.57
2	2202-01-789-91: General Education Elementary Education Special Component Plan for Scheduled Castes Central Assistances to State Plan	26.78	0.00	3.18	29.96	19.35	10.61
3	2202-02-796-05: General Education Secondary Education Tribal Area Sub-plan Establishment	0.90	0.29	0.03	1.22	1.13	0.09
4	2202-02-796-90: General Education Secondary Education Tribal Area Sub-plan State Share for Central Assistance to State Plan	7.54	0.00	0.01	7.55	1.30	6.25
5	4059-80-796-25: Capital Outlay on Public Works - General -Tribal Area Sub Plan - Public Works	4.50	1.77	1.30	7.57	3.47	4.10
6	4202-01-201-50: Capital Outlay on Education, Sports, Art and Culture- General Education- Elementary Education- State Share of CSS	0.00	0.51	0.01	0.52	0.35	0.17
7	4202-01-202-54: Capital Outlay on Education, Sports, Art and Culture -General Education- Secondary Education- National Bank for Agriculture	21.00	32.06	0.48	53.54	15.03	38.51
8	4202-01-789-50: Capital Outlay on Education, Sports, Art and Culture- General Education- Special Component Plan for Scheduled Caste- State Share of CSS	0.00	0.26	0.15	0.41	0.26	0.15
<b>Total</b>		<b>64.25</b>	<b>35.30</b>	<b>5.94</b>	<b>105.49</b>	<b>43.04</b>	<b>62.45</b>

Source: Appropriation Accounts

During examination of records audit noticed as follows:

- In respect of Sl. No. 1, 2, 4 and 6, provision was made as per approval of the Project Approval Board (PAB) of Samagra Siksha. However, Government of India short release fund to the State Government. Reason for short release was not found on record.
- In respect of Sl. No. 3, DDOs could not spend the re-allocated amount, the reason of which was not found on record.
- In respect of Sl. No. 5, Finance Department had released (July 2023) ₹ 4.50 crore for infrastructure development of Udaipur English Medium School, Gomati District and Mohanpur Higher Secondary School, West Tripura District under Major work which in turn re-allocated (August 2023) by the Directorate of Secondary Education in favour of the Executive Engineer, Udaipur RD Division and Executive Engineer, Mohanpur Division, PWD (R&B). But both the implementing agencies were unable to spend the re-allocated fund within the financial year. As a result, savings occurred.
- In respect of Sl. No.7, implementing agencies could not utilise the funds of the Department did not hand over the clear site DNIT and estimate were not prepared, estimates were not approved, tender was not invited and funds were surrendered to the Secondary Education Department. However, the Secondary Education Department also did not surrender the re-allocated fund of ₹ 33.63 crore to the Finance Department.
- In respect of Sl. No. 8, savings occurred due to short release of funds by the Finance Department, the reason of which was not found on record.

This shows absence of adequate justification for resorting to re-appropriation while sufficient budgetary provisions were already available. The unnecessary re-appropriations indicate inaccurate and unrealistic budgeting, thereby depriving funds for the other Schemes which required funding.

**(ix) Inadequate re-appropriation of funds**

It was observed that despite the reduction of provision by re-appropriation orders, there was savings of more than ₹ 100 crore in one case, ₹ 20 to 40 crore in one case and ₹ 5 to 10 crore in three cases indicative of inadequate re-appropriation or inadequate assessment of anticipated savings, as detailed in the **Table 3.33**.

**Table 3.33: Statement showing inadequate re-appropriation of funds**

(₹ in crore)

SI No.	Head of Accounts	Original Grant	Supplementary Grant	Reappropriation	Total	Expenditure	Savings
1	2202-01-113-90: General Education - Elementary Education - Samagra Shiksha - State Share for Central Assistance	8.36	0.00	(-)0.11	8.25	2.15	6.10

SI No.	Head of Accounts	Original Grant	Supplementary Grant	Reappropriation	Total	Expenditure	Savings
2	2202-02-104-41: General Education - Secondary Education - Teachers and Other Services - Human Development	1,273.80	0.00	(-)111.24	1,162.56	1,055.41	107.15
3	2202-02-109-41: General Education - Secondary Education - Government Secondary Schools - Human Development	11.00	0.00	(-)1.00	10.00	0.97	9.03
4	2202-02-796-90: General Education - Secondary Education - Tribal Area Sub-plan - State Share for Central Assistance to State Plan	7.54	0.00	0.01	7.55	1.30	6.25
5	2202-02-796-91: General Education - Secondary Education - Tribal Area Sub-plan - Central Assistance to State Plan	57.27	0.00	(-)23.46	33.81	11.73	22.08

**Source:** Appropriation Accounts

During examination of records audit noticed as follows:

- In respect of Sl. No. 2, provision was made for recruitment of Graduate teachers under the Secondary Education Department against 230 vacant posts. However, the recruitment process was challenged in the Court of Law and the case is still sub-judice. in the Supreme Court of India. As there was no possibility of recruitment against 230 vacant posts during 2023-24, the Department could have surrendered the entire fund of ₹ 107.15 crore which it re-appropriated ₹ 111.24 crore only which proved unfruitful.
- In respect of Sl. No.3, provision was made for supply of bicycles to the girls' students studying in class-IX in government and government-aided schools. However, the Department could not procure bicycles during the year due to delay in finalisation of tendering process. As a result, re-appropriation of ₹ 1.00 crore proved in-adequate.
- In respect of Sl. No. 4 and 5, provision was made as per approval of the Project Approval Board (PAB) of Samagra Siksha, however Government of India did not release/ short release fund to the State Government. Reason for short release was not found on record.

Thus, inadequate re-appropriations made indicating unrealistic budgeting, thereby depriving funds for the other Schemes.

#### **(x) 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 more than 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 in 11 cases, ₹ 3.93 crore was incurred without any budget provision during the year 2023-24, as detailed in **Table 3.34**.

**Table 3.34: Expenditure without budget provisions during 2023-24**

(₹ in crore)

Sl. No.	Head of Accounts	Amount
1	2202-01-101-50: General Education - Elementary Education - Government Primary Schools - State Share of CSS	0.32
2	2202-01-789-50: General Education - Elementary Education - Special Component Plan for Scheduled Castes State - Share of CSS	0.12
3	2202-01-789-89: General Education - Elementary Education - Special Component Plan for Scheduled Castes - Central Sponsored Scheme-IV	0.20
4	2202-01-796-89: General Education - Elementary Education - Tribal Area Sub-plan - Central Sponsored Scheme-IV	0.38
5	2202-02-113-50: General Education - Secondary Education - Samagra Shiksha - State Share of CSS	0.84
6	2202-02-113-89: General Education - Secondary Education - Samagra Shiksha - Central Sponsored Scheme-IV	0.55
7	2202-02-789-50: General Education - Secondary Education - Special Component Plan for Scheduled Castes - State Share of CSS	0.08
8	2202-02-789-89: General Education - Secondary Education - Special Component Plan for Scheduled Castes - Central Sponsored Scheme-IV	0.44
9	2202-02-796-50: General Education - Secondary Education - Tribal Area Sub-plan - State Share of CSS	0.18
10	2202-02-796-89: General Education - Secondary Education - Tribal Area Sub-plan - Central Sponsored Scheme-IV	0.99
11	4202-01-202-50: Capital Outlay on Education, Sports, Art and Culture - General Education - Secondary Education - State Share of CSS	0.15
<b>Total</b>		<b>3.93</b>

Expenditure without budget provisions for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of bad planning which could be avoided by keeping track of expenditure progression with budget made for the purpose.

### **3.5 Withdrawal of entire provision by re-appropriation**

Scrutiny of the Appropriation Accounts for the year 2023-24 revealed that, in 43 cases under 17 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 2023-24, expenditure was incurred in 79 Central Schemes (Centrally Sponsored Schemes and Central Schemes) against the allocation of budget. Out of these 79 Schemes, utilisation of budget of major six schemes are detailed in **Table 3.35**:

**Table 3.35: Utilisation of budget allocations in various Schemes during 2023-24**

(₹ in crore)

Sl. No.	Name of the Scheme	Budget Allocation	Expenditure	Percentage of utilisation
1	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	447.64	319.08	71.28
2	Pradhan Mantri Awas Yojana (PMAY) – Rural	1,513.90	1,304.67	86.18
3	Flexible Pool for RCH & Health System Strengthening, National Health Programme and National Urban Health Mission	266.32	253.27	95.10
4	National Rural Livelihood Mission (NRLM)	372.02	347.83	93.50
5	Pradhan Mantri Awas Yojana (PMAY)-Urban	167.01	121.46	72.73
6	Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	335.11	312.42	93.23

**Source:** Finance Accounts

During the year 2023-24, expenditure was incurred in 281 State Schemes against the allocation of budget. Out of these 281 Schemes, utilisation of budget of eight schemes where more than one hundred crore expenditure was incurred, are detailed in **Table 3.36:**

**Table 3.36**

(₹ in crore)

Sl. No.	Name of the Scheme	Budget Allocation	Expenditure	Percentage of utilisation
1	Agriculture Development	262.31	223.26	85.11
2	Transfer fund to TTAADC <sup>29</sup>	193.10	193.10	100.00
3	Social Pension	456.10	419.81	92.04
4	Share of Taxes, TTAADC	233.00	233.00	100.00
5	State Share of IGNOAPS/ IGNWPS / IGNDPS <sup>30</sup>	312.95	312.95	100.00
6	Subarna Jayanti Tripura Nirman Yojana	162.28	149.43	92.08
7	Mukhya Mantri Nagar Unnayan Prakalpa	120.00	107.19	89.33
8	Special Assistance for Capital Investment	385.90	347.76	90.12

**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 2023-24, 81.05 per cent of the payments were made through e-payment.

<sup>29</sup> TTAADC - Tripura Tribal Area Autonomous District Council

<sup>30</sup> IGNOAPS - Indira Gandhi National Old Age Pension Scheme, IGNWPS - Indira Gandhi National Widow Pension Scheme, IGNDPS - Indira Gandhi National Disability Pension Scheme

During the year 2023-24, all the 64 CCOs of the State Government have reconciled hundred *per cent* receipts and expenditure of ₹ 20,538.91 crore and ₹ 21,176.48 crore (including expenditure on public debt and loans & advances) respectively.

### **3.8 Conclusion**

Budgetary assumptions of the State Government were not realistic during 2023-24 and despite carrying out an elaborate pre-budget exercise to bring about efficiency and transparency in budget formulation and execution, budgetary estimates were off the mark to a considerable extent. Control over the execution and monitoring of budget by Departments was inadequate.

Significant policy initiatives of the State 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 ₹ 6,774.38 crore which is four times the amount of the supplementary budget of ₹ 1,632.62 crore, which raises question 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. 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.*
- iii. 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.*
- iv. 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.*
- v. 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.*