CHAPTER II

Budgetary Management

Chapter II Budgetary Management

This chapter reviews West Bengal's budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending, persistent savings, and last-minute fund surrenders. It highlights weaknesses in financial planning, control, and compliance, stressing the need for realistic budgeting and timely fund utilisation.

2.1 Budget Process

In compliance with Article 202 of the Constitution of India, 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 (Budget)" is to be laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items[41] of expenditure separately and distinguish expenditure on revenue accounts from other expenditure. Legislative authorization is necessary before incurring any expenditure by the State Government.

As per the West Bengal Budget Manual, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. The State budget primarily comprises of the following documents:

- Annual Financial Statement
- Demand for Grants
- Medium Term Fiscal Policy & Fiscal Policy Strategy Statement

The Government of West Bengal has also introduced a 'Gender and Child Budget Statement' in 2024-25.

2.2 Budget projection and gap between expectation and actual

For optimum utilization of resources, balance needs to be maintained between efficient management of tax administration/other receipts and public expenditure. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

Details of total appropriation obtained from State legislature, actual expenditure and savings are summarized in **Table 2.1**.

[41] *Charged expenditure: Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute 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.*

Table 2.1: Actual expenditure *vis-à-vis* budget provision during FY 2024-25

Nature of Expenditure		Original Grant/ App.	Supplementary Grant/ App.	Total Budget	Actual expenditure	Savings[42]	Surrenders during 2024-25	
							Amount	Per centage of savings
		(₹ in crore)						
Voted	I. Revenue	2,24,960.07	17,158.49	2,42,118.56	2,19,209.37	22,909.19	1,201.29	5.24
	II. Capital	36,804.32	1,852.32	38,656.64	22,163.25	16,493.39	1,092.79	6.63
	III. Loans & Advances	620.30	453.90	1,074.20	703.26	370.94	30.03	8.10
Total		**2,62,384.69**	**19,464.71**	**2,81,849.40**	**2,42,075.88**	**39,773.52**	**2,324.11**	**5.84**
Charged	IV. Revenue	45,884.40	1,383.01	47,267.41	46,361.37	906.04	2.87	0.32
	V. Capital	8.71	85.09	93.80	73.89	19.91	0.00	0.00
	VI. Public Debt Repayment	61,427.41	0.02	61,427.43	31,464.65	29,962.78	0.00	0.00
Total		**1,07,320.52**	**1,468.12**	**1,08,788.64**	**77,899.91**	**30,888.73**	**2.87**	**0.01**
Appropriation to Contingency Fund (if any)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total		**3,69,705.21**	**20,932.83**	**3,90,638.04**	**3,19,975.79**	**70,662.25**	**2,326.98**	**3.29**

Source: Appropriation Accounts

Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 12,143.74 crore) and Capital Heads (₹ 615.71 crore).

Compared with the Total Budget, both the Sections - Revenue and Capital- together recorded savings of 18.09 *per cent* during 2024-25 with 14.11 *per cent* savings in Voted and 28.39 *per cent* savings in Charged Sections. In the Voted Section, significant savings were noticed in Capital Section (42.67 *per cent*) pointing to the inability of the government to create assets as projected while in the Charged Section, Public Debt-Repayments had the largest savings (48.78 *per cent*). Such high percentage of savings is attributed to the fact that the entire provision Ways and Means Advance in Grant No. 18 (Finance) amounting to ₹ 30,000 crore remained unutilised as the State Government was able to maintain minimum balance with RBI throughout the year and the State did not resort to Ways and Means advance/overdraft during the year 2024-25.

Further, as depicted in **Table 2.1**, only 3.29 *per cent* of the savings under 33 grants were surrendered indicating that savings could not be anticipated in time for surrender, to facilitate timely reappropriation. This points not only to inefficient financial planning but also raises doubt about capacity of the State to spend efficiently.

Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.2**.

[42] *Savings here is the net Savings after adjusting excesses*

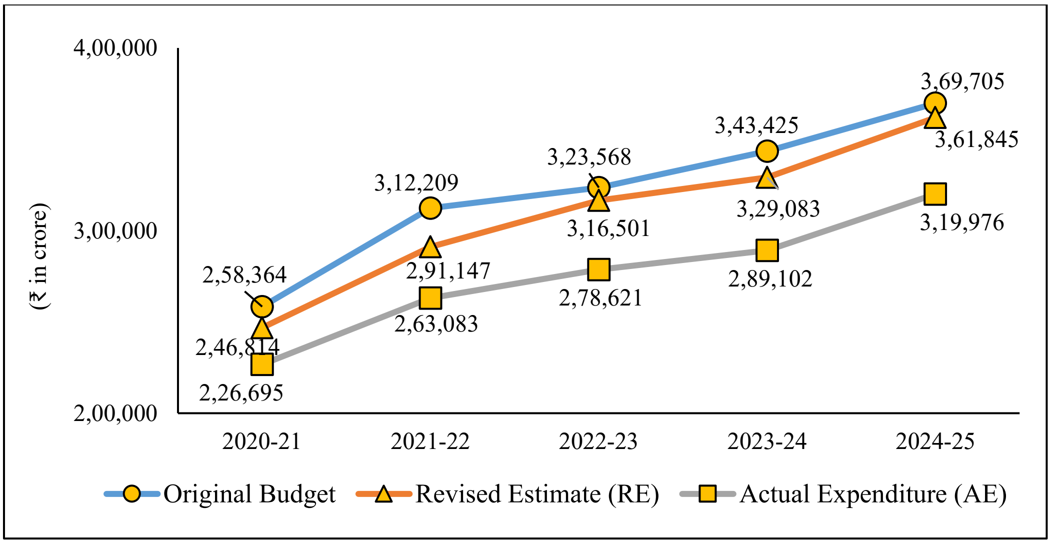
Table 2.2: Original Budget, Revised Estimate and Actual Expenditure during FYs 2020-21 to 2024-25

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
	(₹ in crore)				
Original Budget	2,58,363.98	3,12,209.00	3,23,568.01	3,43,425.33	3,69,705.21
Supplementary Budget	25,491.43	20,751.35	21,743.02	15,261.88	20,932.83
Total Budget (TB)	2,83,855.41	3,32,960.35	3,45,311.03	3,58,687.21	3,90,638.04
Revised Estimate (RE)	2,46,814.07	2,91,146.85	3,16,500.89	3,29,082.80	3,61,844.55
Actual Expenditure (AE)	2,26,694.73	2,63,082.72	2,78,621.01	2,89,101.91	3,19,975.79
Savings	57,160.68	69,877.63	66,690.02	69,585.30	70,662.25
Percentage of Supplementary to the Original Provision	9.87	6.65	6.72	4.44	5.66
Percentage of overall Savings to the overall Provision	20.14	20.99	19.31	19.40	18.09
TB-RE	37,041.34	41,813.50	28,810.14	29,604.41	28,793.49
RE-AE	20,119.34	28,064.13	37,879.88	39,980.89	41,868.76
(TB-RE) as % of TB	13.05	12.56	8.34	8.25	7.37
(RE-AE) as % of TB	7.09	8.43	10.97	11.15	10.72

Source: Annual Financial Statement and Appropriation Accounts

Table 2.2 shows that although during each year of 2020-25, the actual expenditure remained less than the Original Budget, the State resorted to Supplementary budget (which constituted four to 10 *per cent* of the Original Budget during 2020-2025) further increasing the savings. It also shows that despite reduction of Original Budget by 7 to 13 *per cent* through Revised Estimate, 8 to 12 *per cent* of the Revised Estimate remained unutilised.

Chart 2.1: Trend showing BE, RE and Actuals



Source: Appropriation Accounts

From the **Chart 2.1**, it is seen that there was a consistent divergence between Revised Estimates *vis-à-vis* Actual Expenditures during the last five years.

2.2.1 Component/Services-wise analysis of budgetary provisions and expenditure

Component wise analysis of the Budget and Expenditure for the Financial Year 2024-25 is summarized in **Table 2.3**. The summary of explanations received in case of variations in Appropriation Accounts is depicted in **Chart 2.2**.

Table 2.3: Component-wise Budget and Expenditure for FY 2024-25

Component	Total Budget	Total Expenditure	Percentage of Total Budget of the State	Percentage of Total Expenditure of the State	Percentage Expenditure against the Total Budget
(1)	(2)	(3)	(4)	(5)	(6=3/2*100)
	(₹ in crore)				
Committed Expenditure	1,36,361.46	1,39,201.64	34.91	43.50	102.08
State Schemes	1,02,557.26	96,017.68	26.25	30.01	93.62
Central Share for CSS	32,890.69	13,118.11	8.42	4.10	39.88
State Share for CSS	21,459.31	13,407.29	5.49	4.19	62.48
EAP - Externally Aided Projects	3,354.56	1,605.83	0.86	0.50	47.87

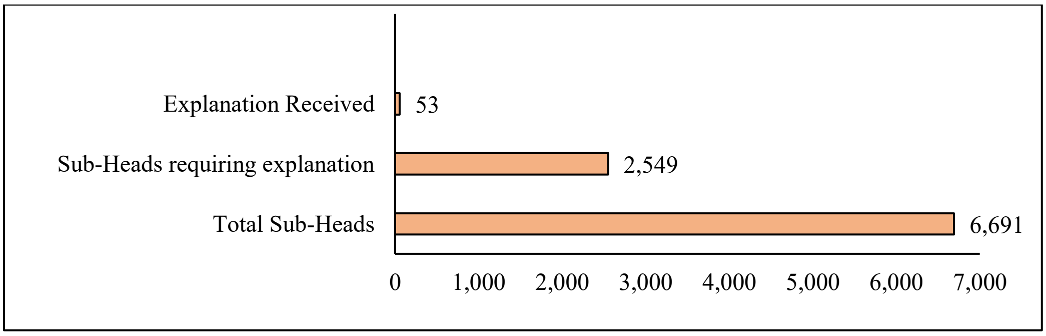
Source: Finance Accounts

Table 2.3 depicts that while Committed expenditure remained largely close to projections, there were significant deviations in case of CSS, State share for CSS and EAP.

The deviations in respect of EAP were mainly attributable to savings under two projects namely the West Bengal Major Irrigation and Flood Management Project (World Bank & AIIB[43]) in Grant No. 32- Irrigation & Waterways Department (₹ 441.44 crore) and the West Bengal Electricity Distribution Grid Modernization Project (World Bank) under Grant No. 43-Power Department (₹ 325.08 crore). These savings were partially offset by excess expenditure of ₹ 210 crore under the West Bengal Piped Water Supply (JICA) under Grant No. 45 -Public Health Engineering Department.

Out of total 6,691 Sub-Heads, explanations for variance from budget were required in case of 2,549 Sub-Heads. However, explanations were received from the Government only in case of 53 Sub-Heads as depicted in **Chart 2.2** below.

Chart 2.2: Summary of Explanation for Variation in Appropriation Accounts



Source: Appropriation Accounts

As the Government did not provide reasons for deviations in majority of the Schemes (Sub-Heads) (98 *per cent*), the Appropriation Accounts failed to explain

[43] *Asian Infrastructure Investment Bank*

constraints of the Government in fully utilising the budget provided by the Legislature.

2.2.2 Gender and Child Budget

Government of West Bengal introduced Gender and Child Budget for the first time in Budget 2024-25. Gender Budget includes budgetary provision for (a) the development schemes for girls under age of 18 years and (b) women over 18 years while the Child Budget covers budgetary provisions for schemes for both girls and boys under 18 years of age. The total allocation under the Gender Budget in 2024-25 was ₹ 96,272.50 crore (revised ₹ 1,04,384.32 crore). There were common segments in allocations of both gender and child budget.

The Child Budget for West Bengal had a projection of ₹ 57,419.19 crore (revised ₹ 61,093.83 crore) in 2024-25. As per budget documents, the allocations for Gender budget and Child budget came to 44.42 *per cent* and 17.57 *per cent* of the overall allocation for development schemes in the State, respectively.

The Gender and Child Budgets, however, contained the allocations against various schemes without indicating the Head of Accounts. As such, performance of the State with respect to the Gender and Child Budget could not be ascertained.

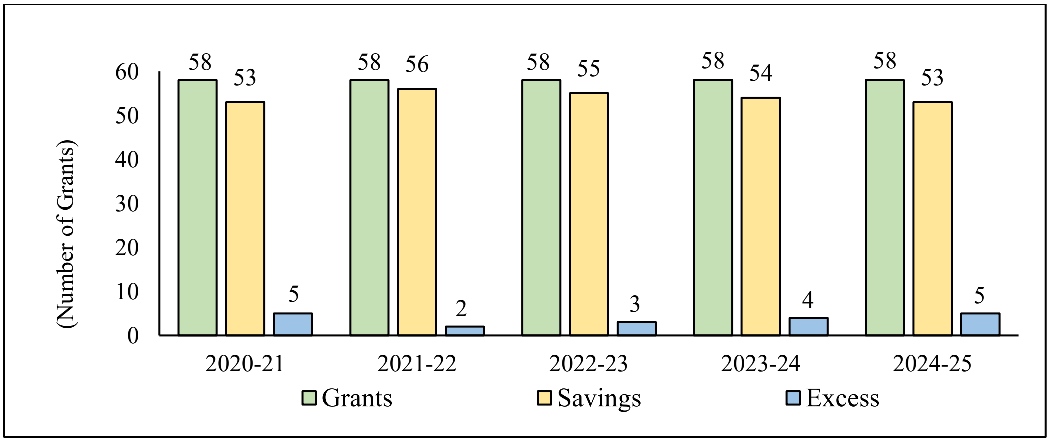
2.3 Budget marksmanship

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.

A year-wise analysis of grants, excesses, and savings provides valuable insights into the efficiency of budget execution and financial management by the State. The same has been depicted in **Chart 2.3**.

Chart 2.3: Year-wise Grants, Excesses, and Savings



Source: Appropriation Accounts

The expenditure composition outturn for the FY 2024-25 is given in **Table 2.4**.

Table 2.4: Overall deviation in expenditure composition during FY 2024-25

Section	Overall Deviation (*per cent*)	Range of Deviation (*per cent*)	Number of Grants
Revenue (Voted)	(-)9.46	0 to ± 25	32
		± 25 to ± 50	12
		± 50 to ± 100	13
Capital (Voted)	(-)42.45	0 to ± 25	9
		± 25 to ± 50	7
		± 50 to ± 100	37
Revenue (Charged)	(-)1.92	0 to ± 25	9
		± 25 to ± 50	3
		± 50 to ± 100	6
Capital (Charged)	(-)48.74	0 to ± 25	10
		± 25 to ± 50	2
		± 50 to ± 100	6
		> 100	1
No provision, was, however, made in respect of four grants (Grant No. 3, 61, 76, 77) of the Capital Section.			

Source: Appropriation Accounts; (+) denotes Excess and (-) denotes Savings

During 2024-25 significant deviations (above 25 *per cent*) were noticed in 25 grants in Revenue (Voted) Section. Of these grants, highest deviations pertained to (i) Programme Monitoring Department (Grant No. 77) which had savings of 98.17 *per cent* and (ii) Food & Supplies Department (Grant No. 21) which had excess expenditure of 70.11 *per cent*. Scheme-wise, significant savings (₹ 222.71 crore) were noticed under “Assistance for repair/reconstruction of damaged dwelling houses [Under Recovery & Restoration (Out of 30 % of SDRMF)]” under Disaster Management and Civil Defence Department (Grant No. 73) while the scheme which contributed to noticeable excess expenditure (₹ 250.04 crore) was “State Subsidy for purchase of paddy for distribution of Rice in PDS”, under the Food & Supplies Department (Grant No. 21).

Similar deviations (above 25 *per cent*) were also noticed in Capital (Voted) Section in 44 grants. Of these grants, highest deviations pertained to (i) Environment Department (Grant No. 16) which had savings of 100 *per cent* and (ii) Correctional Administration Department (Grant No. 33) had excess expenditure of 66.31 *per cent*. The scheme which posted substantial saving (₹ 879.49 crore) under this Section was, “Setting up of different industrial parks” under the Industry, Commerce and Enterprises Department (Grant No. 75) while considerable excess (₹ 1,039.61 crore) was noticed in “Piped Water Supply Schemes (NRDWP) (Jal Jeevan Mission) (State Share)” under the Public Health Engineering Department (Grant No. 45).

Deviations (above 25 *per cent*) were noticed in Capital (Charged) Section in nine grants. Of these grants, percentage-wise highest deviation pertained to the Governor's Secretariat (Grant No. 02) which had savings of 100 *per cent*.

Audit scrutiny also revealed persistent deviations (above 25 *per cent)* in 15 grants under Revenue (Voted) Section for the years 2022-23 to 2024-25. Similar persistent deviations were noticed in 28 grants under Capital (Voted) Section. The details of persistent deviations under different grants during the years 2022-23 to 2024-25 is given in **Table 2.5**.

Table 2.5: Overall deviation in expenditure composition for FYs 2022-23 to 2024-25

Section	Year	Range of Deviation (in *per cent*)	Number of Grants
Revenue Voted	2022-23 2023-24 2024-25	0 to ± 25	**18** (1, 3, 6, 7, 10, 15, 18, 19, 24, 34, 37, 38, 53, 55, 61, 68, 69, 72)
	2022-23 2023-24 2024-25	± 25 to ± 50	**6** (14, 30, 51, 62, 65, 73)
	2022-23 2023-24 2024-25	± 50 to ± 100	**9** (4, 16, 31, 49, 52, 59, 75, 76, 77)
	2022-23 2023-24 2024-25	≥ 100	NIL
Revenue Charged	2022-23 2023-24 2024-25	0 to ± 25	**1** (25)
	2022-23 2023-24 2024-25	± 25 to ± 50	**1**(2)
	2022-23 2023-24 2024-25	± 50 to ± 100	**3** (20, 43, 72)
	2022-23 2023-24 2024-25	≥ 100	NIL
Capital Voted	2022-23 2023-24 2024-25	0 to ± 25	NIL
	2022-23 2023-24 2024-25	± 25 to ± 50	**1** (55)
	2022-23 2023-24 2024-25	± 50 to ± 100	**27** (1, 4, 5, 11, 14, 16, 21, 22, 23, 30, 35, 38, 49, 50, 51, 52, 53, 58, 59, 65, 68, 69, 70, 71, 73, 75, 79)
	2022-23 2023-24 2024-25	≥ 100	NIL
Capital Charged	2022-23 2023-24 2024-25	0 to ± 25	**4** (8, 11, 25, 68)
	2022-23 2023-24 2024-25	± 25 to ± 50	**1** (20)

Section	Year	Range of Deviation (in *per cent*)	Number of Grants
	2022-23	± 50 to ± 100	**2** (2, 21)
	2023-24		
	2024-25		
	2022-23	> 100	**1** (42)
	2023-24		
	2024-25		

Source: Appropriation Accounts; (+) denotes Excess and (-) denotes Savings

The above points to an imprecise budgetary process being followed in the State, that has persisted over the years.

2.4 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 of the Constitution of India. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and reappropriations distinctly in gross basis.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure incurred under various grants is actually 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 relevant laws, rules, regulations and instructions.

2.5 Budgetary and accounting process

2.5.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Paragraph 14 of Chapter V of the West Bengal Budget Manual provides that expenditure for which no provision has been made in the Budget estimates should not be incurred except after obtaining additional funds by reappropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State. It was, however, observed that an expenditure of ₹ 26,876.61 crore[44] (***Appendix 2.1***), was incurred in 385 cases under various components of 45 grants during the year 2024-25 without having any provision in the original budget estimates/supplementary demands and without issuing any re-appropriation orders to this effect.

The following are the major schemes, where expenditure (₹ 500 crore and above) had been incurred without budget provision:

- Loans from National Bank for Agriculture and Rural Development from the Rural Infrastructure Development Fund (₹ 14,693.40 crore) under Grant No. 18- Finance;

[44] *₹ 26,818.74 crore in 127 New Services under 31 Grants and ₹ 57.87 crore in 258 New Instrument of Services under 43 Grants*

- Advance Release by State for Central Pool Procurement of Paddy/Rice (₹ 7,462.82 crore) under Grant No 21- Food & Supplies;
- Special Grants to WBSEDCL (₹ 1,500 crore) under Grant No. 43- Power and
- ACA for EAP [FA] (₹ 877.01 crore) under Grant No. 18- Finance.

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

2.5.2 Excess expenditure and its regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature. Although no time limit for regularisation of 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.

A. Excess expenditure during current year

There was an excess disbursement of ₹ 13,486.92 crore over the authorisation made by the State Legislature under seven Grants and one Appropriation during 2024-25, as indicated in **Table 2.6**.

Table 2.6: Excess expenditure during 2024-25 requiring regularisation

Grant/ Appropriation No.	Grant/ Appropriation details	Amount of excess expenditure required to be regularised (₹ in crore)
Revenue (Voted)		
21	Food and Supplies	7,134.82
25	Public Works	151.32
43	Power	1,440.59
74	Women & Child Development and Social Welfare	4,154.80
Capital (Voted)		
31	Information Technology & Electronics	1.43
33	Correctional Administration	39.84
45	Public Health Engineering	550.26
74	Women & Child Development and Social Welfare	13.59
Revenue (Charged)		
42	Personnel & Administrative Reforms	0.03
Capital (Charged)		
42	Personnel & Administrative Reforms	0.24
Total		**13,486.92**

Source: Appropriation Accounts

Major schemes which contributed to excess expenditure under Revenue (Voted) Section during the year 2024-25 were Transfer to the deposit account for subventions from Central Road Fund (₹ 272.75 crore) under Grant No. 25– Public Works Department, Special Grants to WBSEDCL' (₹ 1,500.00 crore) and 'One time settlement of outstanding electricity dues of various Govt Depts.' (₹ 227.29 crore) under Grant No. 43– Power Department and 'Lakshmir Bhandar'

(₹ 1,661.92 crore) and 'Establishment of I.C.D.S. Project' (₹ 248.35 crore) respectively under Grant No. 74– Women & Child Development and Social Welfare Department.

Excess expenditure under Capital (Voted) Section was attributable to schemes like Piped Water Supply Schemes for Rural Areas under Jal Jeevan Mission (JJM) (State Share) {₹ 1,039.61 crore} under Grant No. 45– Public Health Engineering Department.

A detailed audit scrutiny of the Food & Supplies Department (Grant No. 21) revealed that against the budgetary allocation of ₹ 10,296 crore, the actual expenditure during 2024-25 was ₹ 17,329 crore, leading to excess of ₹ 7,033 crore (68.30 *per cent*). Details of budgetary provisions, actual expenditure, and savings/excess in this grant, during 2022-23 to 2024-25, are shown in **Table 2.7**.

Table 2.7: Budget provision *vis-à-vis* Expenditure incurred during FYs 2022-23 to 2024-25 in Grant No. 21

Section	2022-23			2023-24			2024-25		
	B	E	S/E	B	E	S/E	B	E	S/E
	(₹ in crore)								
Revenue	14,977	14,497	(-)480 (3.20)	11,706	7,063	(-)4,643 (39.66)	10,177	17,311	(+)7,134 (70.09)
Capital	171	36	(-)135 (78.94)	171	13	(-)158 (92.39)	119	18	(-)101 (84.87)

Source: Appropriation Accounts of Government of West Bengal (2022-23 to 2024-25)
***B**: Budget; **E**: Expenditure; **S/E**: Savings (-)/Excess (+); Figures in bracket depict the percentages of savings or excess with respect to the budget provisions*

Under Revenue section of the grant there were savings of 3.20 *per cent* in 2022-23 which increased to 39.66 *per cent* in 2023-24 but in 2024-25 there was excess expenditure of 70.09 *per cent* attributable mainly to excess expenditure in the following schemes as given in **Table 2.8**.

Table 2.8: Excess expenditure in Schemes

Year	Head of Account	Scheme	Budget Provision	Actual Expenditure	Excess Expenditure
			(₹ in crore)		
2024-25	21-2408-01-101-006	Assistance to State Agencies for Intra-State movement of Food grains and FPS Dealers Margin under NFSA (4048) (State Share) (OCASPS) [FS]	296.30	386.54	90.24
	21-2408-01-102-004	Subsidy for Purchase of new Gunny bags and HDPE/PP bags for packing of Paddy & CMR [FS]	182.16	352.33	170.17
	21-2408-01-102-006	State Subsidy for purchase of paddy for distribution of Rice in PDS [FS]	4,352.33	4,602.36	250.03
	21-2408-01-789-007	Subsidy for Purchase of new Gunny bags and HDPE/PP bags for packing of Paddy & CMR [FS]	55.66	107.66	52.00
	21-2408-01-796-009	Subsidy for Purchase of new Gunny bags and HDPE/PP bags for packing of Paddy & CMR [FS]	15.18	29.36	14.18

	21-2408-01-102-008	Advance Release by State for Central Pool Procurement of Paddy/Rice [FS]	0.00	7,462.82	7,462.82

Source: Sub-head Accounts

However, reasons for such excess expenditure in the above schemes were not explained by the concerned Departments (September 2025).

B. Regularisation of excess expenditure of previous financial years

Excess disbursements pertaining to previous years pending regularization from the State Legislature are shown in **Table 2.9** below.

Table 2.9: Excess expenditure relating to previous years requiring regularisation

Year	Number of		Amount of Excess required to be regularised as commented in the Appropriation Accounts (₹ in crore)
	Grants	Appropriations	
2009-10	**16** (Grant Nos. 4, 5, 19, 20, 21, 23, 24, 25, 27, 28, 33, 35, 40, 43, 53, 56)	**6** (Grant Nos. 5, 18, 20, 29, 32, 43)	3,492.90
2010-11	**13** (Grant Nos. 4, 5, 15, 18, 20, 22, 23, 25, 27, 33, 35, 46, 60)	**9** (Grant Nos. 11, 18, 23, 27, 42, 43, 45, 47, 53)	8,330.72
2011-12	**6** (Grant Nos. 4, 5, 18, 25, 47, 60)	**13** (Grant Nos. 5, 12, 18, 20, 23, 25, 27, 32, 39, 42, 43, 46, 53)	5,000.45
2012-13	**7** (Grant Nos. 7, 11, 13, 21, 43, 45, 60)	**7** (Grant Nos. 19,20, 23, 27, 36, 39, 40)	464.96
2013-14	**13** (Grant Nos. 13, 15, 18, 26, 27, 35, 36, 40, 43, 45, 53, 60, 64)	**8** (Grant Nos. 9, 18, 19, 32, 36, 40, 42, 45)	1,504.36
2014-15	**7** (Grant Nos. 7, 24, 27, 31, 33, 49, 53)	**4** (Grant Nos. 36, 39, 40, 43)	279.92
2015-16	**11** (Grant Nos. 5, 7, 21, 24, 27, 35, 40, 43, 45, 48, 56)	**1** (Grant No. 27)	2,420.95
2016-17	**9** (Grant Nos. 7, 24, 40, 43, 47, 49, 53, 56, 59)	**1** (Grant No. 42)	2,583.38
2017-18	**11** (Grant Nos. 7, 10, 11, 24, 33, 40, 43, 45, 53, 62, 75)	**1** (Grant No. 20)	2,617.62
2018-19	**17** (Grant Nos. 7, 11, 18, 21, 24, 25, 30, 33, 40, 42, 43, 45, 50, 53, 62, 73, 74)	**1** (Grant No. 18)	9,769.23
2019-20	**8** (Grant Nos. 8, 24, 25, 33, 37, 58, 73, 74)	**1** (Grant No. 72)	2,459.77
2020-21	**11** (Grant Nos. 7, 18, 24, 43, 45, 58, 68, 70, 73, 78, 79)	**6** (Grant Nos. 7, 8, 24, 65, 72, 74)	5,603.59
2021-22	**8** (Grant Nos. 7, 8, 18, 43, 45, 61, 70, 78)	**2** (Grant Nos. 40, 73)	4,424.76
2022-23	**7** (Grant Nos. 10, 31, 34, 43, 70, 74, 78)	**5** (Grant Nos. 1, 18, 32, 42, 45)	4,062.62
2023-24	**9** (Grant Nos. 5, 6, 25, 28, 33, 34, 41, 43, 45)	**3** (Grant Nos. 42, 73, 79)	4,248.39
Total			**57,263.62**

Source: Appropriation Accounts

To strengthen the legislative oversight over the expenditure from Consolidated Fund of the State, excess expenditures need to be regularized at the earliest and measures to contain recurrence of such excess needs to be taken by the State Government.

The PAC, based on explanatory notes and after due discussion with departmental heads, had recommended (December 2019 and February 2021) regularisation of excess expenditure, under both voted grants and charged appropriations for the financial years 2009-14. However, the Government was yet to regularize the excess expenditure (September 2025).

Thus, expenditure of ₹ 70,750.54 crore[45] remained un-regularised indicating violation of the Article 205(1) (b) of the Constitution. The above instances also indicate inadequate financial management on the part of the controlling officers.

2.5.2.1 Persistent excess expenditure in certain Grants

Audit scrutiny revealed that in six cases under five grants, there was persistent excess expenditure of more than ₹ 10 crore in each case during the last five years as detailed in **Table 2.10**.

Table 2.10: Persistent Excess Expenditure (above ₹ 10 crore) during FYs 2020-21 to 2024-25

Sl. No.	Grant No.	Head of Account	Scheme Description	Year	Net Budget Provision	Actual Expenditure	Excess Expenditure
					(₹ in crore)		
1	25	5054-03-337-015	Special Infrastructure Projects	2020-21	230.00	309.20	79.20
				2021-22	254.99	652.46	397.47
				2022-23	941.59	1,248.66	307.07
				2023-24	1,246.22	1,313.20	66.98
				2024-25	600.00	794.18	194.18
2	45	2215-01-102-001	Piped Water Supply Scheme (for rural areas)	2020-21	160.22	315.23	155.01
				2021-22	230.74	440.53	209.79
				2022-23	466.36	588.55	122.19
				2023-24	774.25	1,095.03	320.78
				2024-25	906.82	1,027.64	120.82
3	53	3055-00-190-004	Subsidy to North Bengal State Transport Corporation	2020-21	125.24	195.67	70.44
				2021-22	232.47	286.30	53.83
				2022-23	125.24	205.08	79.84
				2023-24	169.72	206.36	36.63
				2024-25	194.46	210.07	15.61
4	72	2217-05-192-023	Grants to other Urban Local Bodies except KMC & HMC for adjustment of	2020-21	88.44	287.92	199.47
				2021-22	280.00	419.18	139.18
				2022-23	400.00	435.29	35.29
				2023-24	300.00	669.43	369.43

[45] *₹57,263.62 crore up to FY 2023-24 and ₹ 13,486.92 crore during FY 2024-25*

Sl. No.	Grant No.	Head of Account	Scheme Description	Year	Net Budget Provision	Actual Expenditure	Excess Expenditure
					(₹ in crore)		
			electricity charges/dues payable to WBSEDCL/CESC Ltd.[46]	2024-25	300.00	683.53	383.53
5		2217-80-001-008	Grant to KMC / HMC for adjustment of Energy Bills of CESC	2020-21	180.00	545.40	365.40
				2021-22	250.00	550.88	300.88
				2022-23	243.71	538.09	294.38
				2023-24	250.00	558.65	308.65
				2024-25	300.00	599.15	299.15
6	74	2235-02-789-016	Establishment of I.C.D.S.[47] Project	2020-21	98.57	133.74	35.17
				2021-22	80.00	241.70	161.70
				2022-23	281.38	315.39	34.00
				2023-24	94.00	303.96	209.96
				2024-25	207.00	455.35	248.35

Source: Appropriation Accounts

On detailed scrutiny of Grant No.21- Food & Supply and Grant No.38-Minority Affairs & Madrasah Education, persistent excess expenditure was observed during 2023-24 to 2024-25 in the following cases.

Table 2.11: Persistent Excess Expenditure during FYs 2023-24 and 2024-25 in Selected Grants

Grant No.	Head of Account	Purpose	Year	Net Grant	Expenditure	Excess Expenditure
				(₹ in crore)		
21-Food & Supplies	2408-01-102-008	Advance Release by State for Central Pool Procurement of Paddy/Rice [FS]	2023-24	0.00	2,000.00	2,000.00
			2024-25	0.00	7,462.82	7,462.82
38-Minority Affairs & Madrasah Education	2250-00-800-017	Contribution to the Board of Wakfs, West Bengal	2023-24	146.81	181.42	34.61
			2024-25	0.00	0.16	0.16

Source: Appropriation Accounts

These persistent excesses pointed to deficiencies in budgeting over the years as in three out of the above four cases, departments failed to anticipate expenditure even at the stage of seeking supplementary grants and incurred expenditure without any budgetary provision.

---

[46] ***KMC***- *Kolkata Municipal Corporation,* ***HMC***- *Howrah Municipal Corporation,* ***WBSEDCL***- *West Bengal State Electricity Distribution Company Ltd.,* ***CESC***- *Calcutta Electric Supply Corporation*

[47] ***I.C.D.S.***- *Integrated Child Development Services*

2.5.3 Supplementary Grants rendered non-essential

Article 205 of the Constitution prescribes the requirement of a Supplementary or Additional Grant or Appropriation to cater to requirements in excess of the original provisions.

- It was noticed that in 16 grants for the year 2024-25, supplementary provisions of ₹ 4,489.31 crore proved unnecessary. Of these, in 105 schemes under 10 Grants where supplementary provisions were more than ₹ 10 crore in each case, the additional provisions of ₹ 4,477.74 crore[48] proved unnecessary (***Appendix 2.2***), since the expenditure did not come up to even the original provisions during the year 2024-25. These included the following major schemes.
    - Samagra Shiksha Abhiyan (Elementary Education) (Central Share) (supplementary provision of ₹ 674.17 crore) under Grant No. 15-School Education Department.
    - Public Health Engineering (supplementary provision of ₹ 10.30 crore) under Grant No. 45- Public Health Engineering Department.

    However, reasons for final saving in the above schemes have not been explained by the GoWB (September 2025).

- Similarly, in 13 grants for the year 2024-25, supplementary provisions of ₹ 5,119.18 crore proved excessive as full amount of this provision could not be utilised. Of these, supplementary provisions of ₹ 5,088.85 crore involving 161 sub-heads[49], where the provision was more than ₹ 50 crore in each case (***Appendix 2.3***) proved excessive, as full amounts of supplementary provisions could not be utilized. These included the following major schemes.
    - Implementation of Schemes under RCH and Health System Strengthening, National Health Programmes and National Urban Health Mission (4063) (State Share) (supplementary provision of ₹ 1,148.43 crore, of which ₹ 169.16 crore remained unutilised) under Grant No. 24- Health & Family Welfare Department; The savings in the above scheme assume significance as additional funds through supplementary provision were sought for establishment charges related to sub-centres under infrastructure maintenance under National Health Mission.
    - Samagra Shiksha Abhiyan (Elementary Education) (State Share) (supplementary provision of ₹ 427.59 crore, of which ₹ 159.90 crore remained unutilised) under Grant No 15- School Education Department.

[48] ***Revenue-Voted:*** *₹3,773.87 crore, 85 cases under seven Grants and* ***Capital-Voted****: ₹ 703.87 crore 20 cases under three Grants*

[49] ***Revenue-Voted:*** *₹ 3,489.38 crore in 106 cases under four Grants,* ***Revenue-Charged****: ₹ 1,379.03 crore in 42 cases under two Grants,* ***Capital-Voted****: ₹ 162.75 crore in eight cases under two Grants and* ***Capital-Charged****: ₹ 57.69 crore in five cases under one Grant*

However, reasons for overall savings in the above schemes have not been explained by the GoWB (September 2025).

Similar findings were also noticed by Audit on detailed review of Grant No.21- Food & Supplies. During 2022-23 to 2024-25, there were seven cases where Supplementary Grants of ₹ 1,347.82 crore proved unnecessary. Details of such cases are given in the ***Appendix 2.4***.

2.5.4 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2024-25, re-appropriation orders under 56 grants in 1,529 cases amounting to ₹ 3,014.67 crore were issued out of which reappropriation amounting to ₹ 4.53 crore in six cases under two grants occurred on the last working day of March 2025 (29 March 2025).

During 2024-25, under 30 grants in 57 cases, there was reduction of provision through re-appropriation orders effected by various departments which ultimately proved injudicious as there was excess expenditure under these cases. Of these, details of cases where reduction of provision exceeding ₹ 1 crore was done through re-appropriation and which proved injudicious are given in ***Appendix 2.5.1***. Further, under 24 cases in 14 grants, augmentation of provision exceeding ₹ one crore through re-appropriation orders effected, also proved unnecessary because expenditure was either equal to or did not come up to the level of original/supplementary budget provision (as detailed in ***Appendix 2.5.2***).

Similar findings also emerged during detailed scrutiny of two Grants viz. Grant No. 21- Food & Supply (F&S) and Grant No. 38- Minority Affairs and Madrasah Education (MAME) by Audit. In these grants there were five cases (four in Grant No.21 and one in Grant No.38) where enhancement of provision through re-appropriations proved unnecessary as the expenditure did not come up to the original/supplementary provision. There was also one case (in Grant No.38) where reduction through re-appropriation was injudicious as reduction of provision led to excess expenditure. Details of such cases are given in ***Appendix 2.6***.

2.5.5 Unspent amount and surrendered appropriation and/or Large Savings/Surrenders

Budget proposals should strive to optimise all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce underutilization of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

The analysis of grants and appropriations showed that in 27 cases (under 19 grants) during the year 2024-25, the savings (excluding surrenders) exceeded ₹ 100 crore in each case (***Appendix 2.7***). It was further noticed that in three grants no expenditure *vis-à-vis* total grant amounting to ₹ 12.29 crore as given in **Table 2.12** was incurred during the year 2024-25.

Table 2.12: Entire grant remaining unutilised during the FY 2024-25

Sl. No.	Number and Name of Grant	Amount (₹ in crore)
1	16-Environment (Capital - Voted)	10.58
2	37-Law (Capital - Voted)	1.00
3	02-Governor's Secretariat (Capital - Charged)	0.71
Total		**12.29**

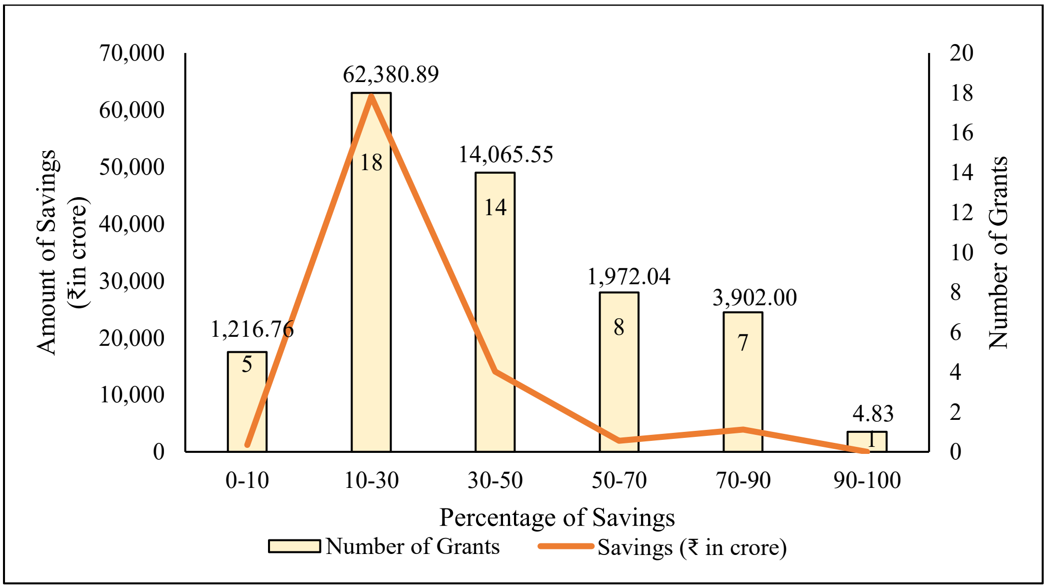
Source: Appropriation Accounts

Reasons for non-utilisation of the entire budget provision in the above cases were not communicated (September 2025).

Further, it was also observed that in 49 cases under 33 grants there was persistent savings exceeding ₹ 100 crore in each case (***Appendix 2.8***) during 2022-23 to 2024-25.

Details of grants grouped by the percentage of utilisation along with total savings during 2024-25 has been shown in ***Appendix 2.9*** and **Chart 2.4**.

Chart 2.4: The distribution of the number of Grants/Appropriations grouped by the percentage of Savings along with total savings

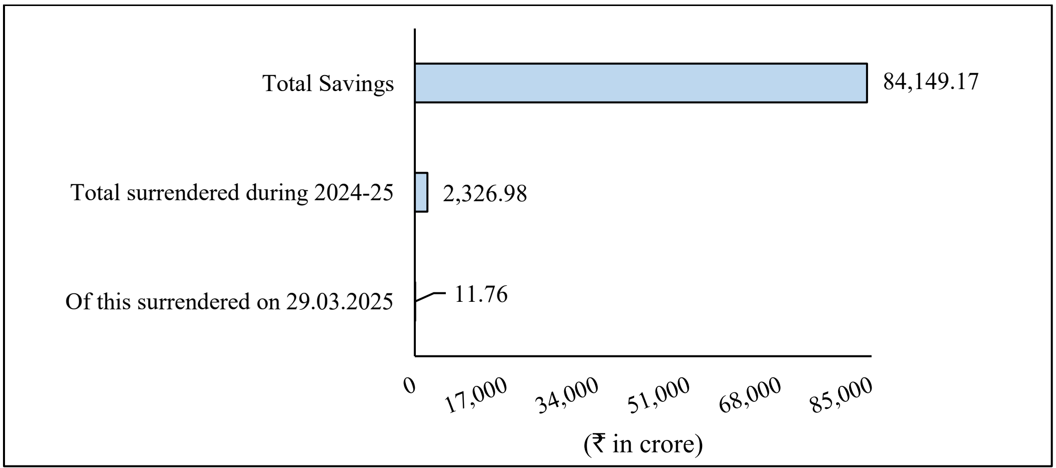


Source: Appropriation Accounts
Note: The above Chart indicates only those Grants having overall savings. Grants with overall excesses have not been considered here.

It was noticed that savings under 40 Grants and 16 Appropriations amounting to ₹ 45,072.68 crore (***Appendix 2.10***) were not surrendered at all.

Analysis revealed that only 2.77 *per cent* of the savings were surrendered (**Chart 2.5**). Out of surrendered amount of ₹ 2,326.98 crore, ₹ 11.76 crore (0.51 *per cent*) was surrendered on the last working day of March 2025.

Chart 2.5: Savings and surrenders for the year 2024-25



Source: Appropriation Accounts; Note: Total savings indicate Gross Savings for FY 2024-25.

Details of savings (exceeding ₹ 10 crore in each case) surrendered on the last day of March 2025 is given in ***Appendix 2.11***.

While reviewing Grant No. 21 and 38 in detail, Audit noted that there were persistent savings in 16 Schemes (four in Grant No. 21 & 12 in Grant No. 38, each having savings of ₹ 10 crore and above) during 2022-23 to 2024-25 (***Appendix 2.12***). In case of Grant No. 21, it was seen that during these three years, at least three[50] schemes had the same budgets each year and had incurred savings affecting capital works and other schemes. These savings in previous years did not deter the department in rationalising the budget in the subsequent years pointing to poor budgeting process.

Apart from this, there were also 13 schemes in these two Grants in 2024-25 where no expenditure was incurred despite having a total budget provision of ₹ 57.29 crore (***Appendix 2.13***).

The Food and Supplies Department (Grant No. 21) attributed (September 2025) such savings to slow progress of capital works owing to unavoidable reasons, non-execution of schemes, retirement, promotions, non-submission of vouchers in time, non-receipt of budget from different offices, *etc.*

The reply further affirms the deficiencies of budgeting process as budgets were prepared without considering requirements of different offices and foreseeable events like promotions and retirement. Further, the Department needs to review & address the bottlenecks in timely implementation of capital works.

The Minority Affairs & Madrasah Education Department (Grant No. 38) attributed savings to non-release of central share despite budgeting for both central and state share in case of Pradhan Mantri Jan Vikas Karyakram and non-approval of projects by RIDF despite being budgeted.

Besides the above, test-check of nine DDOs (eight[51] under Grant No. 38 and one[52] under Grant No. 21) for the period from FY 2022-23 to 2024-25 revealed that lapsed allotments contributed to savings against the overall budgetary provisions. In respect of ten schemes under the Food & Supplies Department and seven schemes under the Minority Affairs & Madrasah Education Department, out of the allotment of ₹ 6,542.04 crore and ₹ 39.52 crore, allotments aggregating ₹ 757.44 crore and ₹ 8.15 crore, had lapsed respectively. The details of the schemes are given in ***Appendix 2.14***.

In reply, DDOs pertaining to Grant No. 38 stated that the allotment could not be fully utilised due to various reasons like local problems, land dispute, inadequate/erroneous beneficiary list, *etc.*

No reply in this regard has been received from the Director of Finance, in respect of Grant No. 21- Food & Supplies Department (November 2025).

It was also found that despite the stipulation in the West Bengal Budget Manual to surrender funds to the Finance Department before 21 February of each year,

---

[50] *(i) Construction, Reconstruction, Renovation with Repair of Food Storage Godown with Allied Works [FS], (ii) Special Infrastructure Projects [FS] and (iii) Creation of accommodation of different offices of Food and Supply department.*

[51] *(i) District Officer of Minority Affairs (DOMA) Purba Bardhaman, (ii) DOMA, Murshidabad, (iii) Block Development Officer (BDO) Raina-I, (iv) BDO, Kalna-I (v) BDO, Kalna-II, (vi) BDO, Beldanga-II, (vii) BDO, Hariharpara and (viii) BDO, Bharatpur-I, Minority Affairs & Madrasha Education Department*

[52] *Director of Finance, Food & Supplies Department*

surrender proposals were sent with delays of 30 days during 2024-25 in case of Grant No. 21, while the delay ranged from seven to 34 days during 2022-23 to 2024-25 in case of Grant No.- 38. This restricted the Finance Department's ability to reappropriate funds effectively.

In reply, MAME Department (Grant No. 38) expressed (September 2025) its inability to determine the exact amount to be surrendered before 21 February since in many cases pending bills came to the Department in the month of February or sometimes in March. While the constraint of the department is appreciated, an assessment of pending bills before the stipulated timeline would facilitate accurate estimation of amount to be surrendered.

2.5.6 Misclassification between Revenue Expenditure and Capital Expenditure

As per rule 30 of Government Accounting Rules, 1990, expenditure that results in the creation of concrete, material, and permanent assets should be classified as capital expenditure.

During the financial year 2024-25, the State Government had booked ₹ 21,622 crore as Capital Expenditure. Audit test checked Sanction Orders and expenditure vouchers and noticed that ₹ 1,031.84 crore of expenditure of Revenue nature had been booked under Capital Expenditure. Out of this amount, ₹ 74.50 crore[53] was expenditure towards, maintenance, materials & supplies/stores & equipment, P.O.L. and minor works/maintenance. As per Rule 31 (2) (b) of the Government Accounting Rules, 1990, the Revenue Account should bear all charges relating to such expenditure. The remaining amount of ₹ 957.34 crore had been transferred for creation of assets by entities other than the Government of West Bengal. In accordance with Note below Rule 30(1) of GAR 1990, this amount was to be classified as Revenue Expenditure, instead of Capital Expenditure. The details of Misclassification between Revenue Expenditure and Capital Expenditure during the year 2024-25 is given in ***Appendix 2.15***.

This misclassification led to overstatement of Capital Expenditure with concomitant understatement of Revenue Expenditure by ₹ 1,031.84 crore and consequent understatement of Revenue Deficit. The resulting Capital Expenditure, after Audit, for FY 2024-25, was ₹ 20,594.56 crore[54]. The misclassification also impinged on accurate financial reporting.

2.5.7 *Inter-se* Misclassification in Revenue and Capital Heads

Correct Classification of expenditure as per List of Major and Minor Heads is critical for Government Accounting as misclassifications can convey inacurate information.

Audit noted that during 2024-25, expenditure of ₹ 7,519.82 crore has been classified inappropriately to incorrect Revenue/Capital Expenditure heads of accounts, affecting the true status of expenditure of the respective Revenue/Capital Expenditure heads. Some major functions which were over/under-stated by such misclassification during the year 2024-25 are indicated in **Table 2.13** below:

[53] Maintenance: ₹ 74.24 crore, Materials & Supplies & Stores & Equipment: ₹ 0.26 crore.

[54] After adjusting for Capital Expenditure (₹ 4.40 crore) incurred from Contingency Fund which remained unrecouped

Table 2.13: *Inter-se* Misclassification in Revenue and Capital Heads during FY 2024-25

Sl No	Name of Scheme	Reason for suggesting correction of Major Head	Function (Major Head)		Amount (₹ in crore)
			Under- stated	Over-stated	
1	Schemes under Reproductive and Child Health (RCH) and Health System Strengthening	As per LMMH (List of Major and Minor Heads), a specific Minor Head is available under Major Head 2211 for RCH	2211-Family Welfare	2210-Medical and Public Health	1,866.25
2	Rastashree/Pathashree Scheme	The scheme is meant for construction of Roads	5054-Capital Outlay on Roads and Bridges	4515-Capital Outlay on other Rural Development Programmes	1,356.07
3	West Bengal Urban Employment Scheme	As per LMMH, a specific Minor Head is available under Major Head 3475 for Urban Employment Programmes	3475-Other General Economic Service	2217-Urban Development	654.20
4	Old Age Pension Scheme belonging to SCs under Jai Bangla	As per LMMH, a specific Minor Head is available under Major Head 2235 for Pensions under Social Security Schemes	2235-Social Security and Welfare	2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	533.93
5	Nirmal Bharat Abhiyan	Nirmal Bharat Abhiyan being a sanitation programme	2215-Warter Supply and Sanitation	2515-Other Rural Development Programmes	299.37

Source: Appropriation Accounts

2.5.8 Non-adherence to the Quarterly Expenditure Limit

Rule 389A (Section – XVI) of the West Bengal Financial Rules provides that rush of expenditure particularly in the closing months of the financial year is a breach of financial propriety and should be avoided. Despite this, during the FY 2024-25 Audit noted that around 30 *per cent* expenditure was incurred in the last quarter of the year with nearly 14 *per cent* being in the month of March (**Table 2.14**).

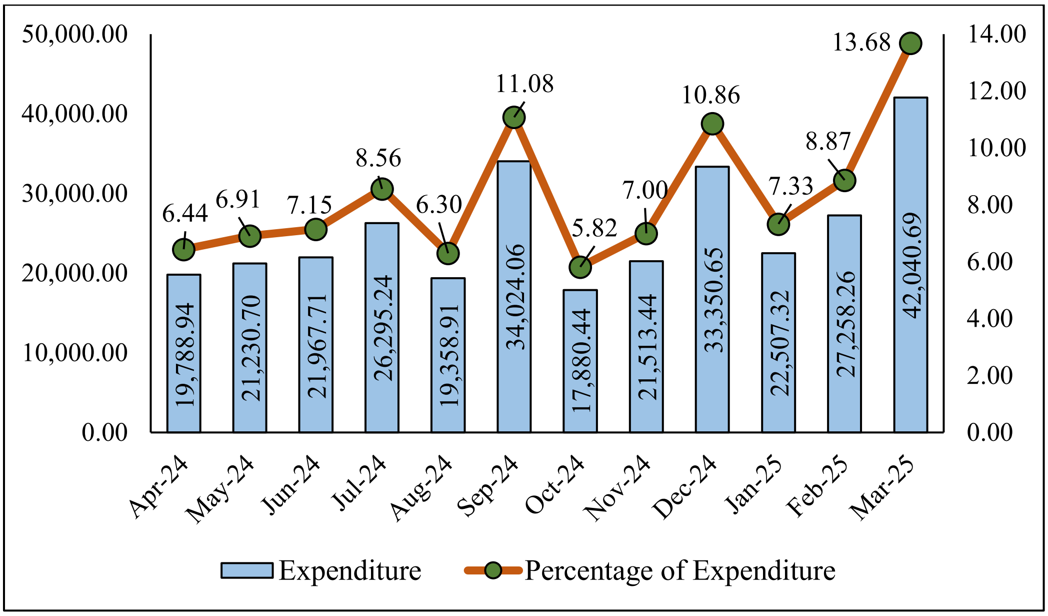
Table 2.14: Rush of Expenditure during FY 2024-25

Period of Expenditure	Percentage of Total Expenditure in the year
Last Quarter of the year (Jan to Mar-2025)	29.88
Last month of the year (Mar-2025)	13.68
Last day of the year (29 Mar-2025)	0.66

Source: Voucher Level Computerisation Data for the year 2024-25

Trend of total Monthly expenditure during financial year 2024-25 is shown in **Chart 2.6**.

Chart 2.6: Trend analysis of expenditure (Month wise)



Source: Voucher Level Computerisation Data for the year 2024-25
Note: Total Expenditure depicts net expenditure.

The monthly expenditure trend depicted in the chart indicates a pronounced skewness towards the last quarter of the financial year, particularly in March.

During 2024-25 under 289 sub-heads, in 42 grants, the entire expenditure (₹ 3,855.82 crore) was incurred in the month of March 2025. Out of this, in six grants, under 12 sub-heads (₹ 100 crore and above), 100 *per cent* expenditure was incurred in the month of March 2025 (**Table 2.15**).

Table 2.15: Sub-Head (Schemes) where entire expenditure was incurred in the month of March 2025 (₹ 100 crore and above)

Sl. No.	Grant No.	Head of Account (up to Sub-Head)	100 *per cent* expenditure in the month of March 2025 (₹ in crore)
1	18	**2049-60-101-017** Building and other Construction Workers Welfare Fund	160.50
2	24	**2210-06-001-006** Implementation of Schemes under RCH and Health System Strengthening, National Health Programmes and National Urban Health Mission (4063) (Central Share)	222.15
3		**2210-06-789-017** Implementation of Schemes under RCH and Health System Strengthening, National Health Programmes and National Urban Health Mission (4063) (Central Share)	134.00
4		**2211-00-103-006** Commodity Grant under Routine Immunization Programme under Flexible Pool for RCH and Health	184.72

Sl. No.	Grant No.	Head of Account (up to Sub-Head)	100 *per cent* expenditure in the month of March 2025 (₹ in crore)
		System Strengthening, National Health Programmes and NUHM (4063) (Central share)	
5	40	**2215-02-789-028** Swachh Bharat Mission (SBM-Rural) (SNA-SPARSH) SPARSH	180.39
6		**2515-00-196-027** Assistance for Building-less PHCs & CHCs under recommendation of 15th Finance Commission (FC-XV) [PN]	196.67
7	43	**2801-80-101-005** Special Grants to WBSEDCL [PO]	1,500.00
8		**4801-02-190-020** Equity participation of State Govt.in WBPDCL for operationalisation of Deocha-Pachami-Dewangang Harinsingah (DPDH) Coal Block. [PO]	100.00
9	68	**2015-00-109-005** CAPF related expenditure for conducting Elections in the State	131.55
10	73	**2049-05-105-002** Interest on State Disaster Response Fund	370.98
11		**2049-05-105-005** Interest on State Disaster Mitigation Fund	112.72
12		**2245-07-101-007** Assistance to State from National Disaster Mitigation Fund	150.00

Source: Voucher Level Computerisation Data for the year 2024-25

The trend of rush expenditure was also evident in the test-checked Grants and the test-checked DDOs under these Grants with share of expenditure in the last quarter being 46 and 52 *per cent* in Grant Nos. 21- Food and Supplies and 38- Minority Affairs and Madrasah Education respectively. In test-checked DDOs, the expenditure in the last quarter ranged between 15 to 100 *per cent* of the expenditure during the years 2023-24 and 2024-25. The details of expenditure made by six test-checked DDOs (five under Grant No. 38 and one under Grant No. 21) in last quarter during the years 2023-24 and 2024-25 are given in ***Appendix 2.16***.

Thus, there was scope to spread the expenditure evenly in case of some of the schemes.

2.6 Single Nodal Agency

Ministry of Finance, Government of India, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS, and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank. The State Government is required to transfer the Central Share received, to the concerned SNA's account, along with the corresponding State share within 30 days of receipt of the Central share. For delay beyond 30 days in transfer of Central share to the SNA account, interest at the rate of seven *per cent* has to be paid by the State Government. As per the PFMS portal, the State Government received ₹5,889.49 crore being Central share during the year in its Treasury account. The State Government transferred Central share of ₹5,604.85 crore and State share of ₹12,447.11 crore to the SNAs during 2024-25. As per PFMS portal, ₹8,296.51 crore were lying unspent in the bank accounts of SNAs as on 31 March 2025.

Audit analysis revealed that during the FY 2024-25, in respect of 17 schemes under eight Departments, there were delays beyond 30 days in transferring of Central Share to the SNA Account. As a result, interest of ₹ 4.97 crore was accrued, which was yet to be released by the State Government.

Scrutiny of transactions through the SNA Account of Pradhan Mantri Jan Vikas Karyakram (PMJVK) in Minority Affairs and Madrasah Education revealed the following:

(I) ***Short release of State Share:*** The scheme financing is shared between the Centre and the State in the ratio 60:40. During 2021-25, State was to release ₹ 182.79 crore against the Central share of ₹ 274.18 crore. However, transfer of State share was ₹ 159.84 crore which remained short by ₹ 22.95 crore.

(II) ***Short payment of interest:*** As per GoI's instruction (March 2021), interests earned in the SNA Account are to the remitted to the Consolidated Funds of India (CFI) and Consolidate Fund of State (CFS) as per approved sharing pattern. However, remittance of interest to the respective Consolidated Funds (CFs) were not commensurate with the interests earned during that year. In the FY 2024-25, interests remitted to the CFs was ₹ 2.38 crore against the interest earned of ₹ 3.98 crore. This led to a shortfall in remittance of interest by ₹ 1.60 crore (Central Share: ₹ 0.96 crore, State Share: ₹ 0.64 crore) during the FY 2024-25.

In November 2025, attributing the delay in remittance to procedural change, Department stated that interest accrued upto 31 March 2025 had already been remitted (after the close of the financial year).

The department may, however, strive to remit the interest into CFs in a time-bound manner for accurate depiction of receipts in the Government Accounts.

2.6.1 Single Nodal Agency-SPARSH

PFMS Division of the Department of Expenditure under the Ministry of Finance, Government of India proposed (July 2023[55]) SNA-SPARSH or "Just-in-Time" (JIT) release of CSS funds through e-Kuber platform of the Reserve Bank of India. Unlike SNA procedure where balances remained in the Single Nodal Agencies' bank account outside the Consolidated Fund of India (CFI) or Consolidated Fund of the State (CFS) with the accounts capturing only the transfer and not the actual expenditure, under SNA-SPARSH, funds are transferred only when an actual payment is due. This prevents large sums of money from sitting idle in various Single Nodal Agencies' Bank Accounts. Accordingly, Government of West

[55] *Vide letter No. 1(27)/PFMS/2020 dated 13 July 2023*

Bengal initiated the process for shifting to the new mode in January 2025. The funds lying in the SNA Accounts were to be refunded before on-boarding to JIT.

Audit scrutiny revealed that only 14 CSSs started functioning through JIT-SPARSH instead of the existing 67 SNAs in the State till March 2025. Again, 11 out of 14 CSSs, an amount of ₹ 93.89 crore was lying under the concerned SNA accounts till 31 March 2025.

During test-check of SNA/SNA-SPARSH in seven CSSs under three Departments[56], it was seen that all seven CSS schemes were onboarded to SNA SPARSH between August 2024 and September 2025. Audit observed the following:

(I) Non-closure of SNA Account despite Government of India's instructions

Pursuant to para 3(v) of GoI's Order (July 2023), upon onboarding of a scheme onto SNA-SPARSH platform, the State Government was to close all SNA accounts pertaining to the scheme and return the Central and State shares of unspent balances lying in the SNA accounts to the Consolidated Fund of India (CFI) and Consolidated Fund of the State (CFS).

Though these seven schemes started operating through SNA SPARSH between August 2024 and September 2025, five (Agriculture Department: four; Food and Supplies Department: one) accounts were not closed and a balance of ₹ 2.70 crore (Central Share: ₹ 1.62 crore and State share: ₹ 1.08 crore) was still there in these accounts which was yet to be transferred to CFI and CFS as of March 2025.

In reply, Food and Supplies Department stated (September 2025) that the account pertaining to 'Intra State Movement and handling of foodgrains including FPS dealers' could not be closed as necessary approval for transferring interest (₹ 51,695) to CFI/CFS was awaited.

(II) Simultaneous operation of SNA and SNA-SPARSH Accounts

Pursuant to para 3(vi) of GoI's Order (July 2023), the use of SNA platform to release funds was to be stopped immediately after onboarding of the CSS onto SNA-SPARSH platform. Audit noticed that in respect of the four CSSs with Agriculture Department, there were simultaneous expenditure of ₹ 215.17 crore and ₹ 6.57 crore from the SNA-SPARSH platform and SNA platform respectively between 12 February 2025 and 29 March 2025.

2.7 Contingency Fund

The Contingency Fund of Government of West Bengal was established under the West Bengal Contingency Fund Act, 1950, and the State Government made the West Bengal Contingency Fund Rules, 1955 for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State of West Bengal for meeting unforeseen expenditure. The fund is recouped when the State Legislature

[56] ***(a) Agriculture (4)*** *(i) WB National Food Security Mission, (ii)WB Central Assistance scheme under Stream-III of Rashtriya Krishi Vikash Yojana, (iii) WB Per Drop More Crop under PMKSY and (iv) WB Sub Mission on Agricultural Mechanization*
(b) Food and Supplies (2) *(i) 'Scheme for Modernization and Reforms through Technology in Public Distribution System (SMART PDS)', (ii) 'Intra State Movement and handling of foodgrains including FPS dealers'*
(c) Minority Affairs and Madrasah Education (1) *'Pradhan Mantri Jan Vikas Karyakram (PMJVK)'*

authorises the additional expenditure. Since financial year 2022-23, the corpus of the Fund is ₹ 200 crore.

2.7.1 Advance from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. During FY 2024-25, an amount of ₹ 26.95 crore was withdrawn as advance by 11 Departments from the Contingency Fund in respect of 21 schemes/programmes involving 16 Major Heads (***Appendix 2.17)*** of which ₹ 4.71 crore remained unrecouped. Major Head wise details of the expenditure incurred, are given in **Table 2.16**.

Table 2.16: Major Head-wise Expenditure

Sl. No.	Major Head	Major Head Description	Advance from the Contingency Fund during 2024-25	Recoupment to the Fund during the year 2024-25 out of advances drawn during 2024-25	Advance remaining unrecouped at the end of the year out of advances drawn in 2024-25
			(₹ in crore)		
1	2070	Other Administrative Services	0.01	0.01	0.00
2	2235	Social Security and Welfare	0.54	0.11	0.44
3	2408	Food, Storage and Warehousing	0.47	0.00	0.47
4	2701	Medium Irrigation	0.10	0.00	0.10
5	2711	Flood Control and Drainage	0.47	0.37	0.11
6	3056	Inland Water Transport	0.33	0.33	0.00
7	4059	Capital Outlay on Public Works	0.02	0.02	0.00
8	4210	Capital Outlay on Medical and Public Health	1.26	1.26	0.00
9	4216	Capital Outlay on Housing	0.32	0.32	0.00
10	4235	Capital Outlay on Social Security and Welfare	7.88	7.85	0.03
11	4404	Capital Outlay on Dairy Development	0.07	0.07	0.00
12	4408	Capital Outlay on Food Storage and Warehousing	0.47	0.47	0.00
13	4700	Capital Outlay on Major Irrigation	2.17	2.16	0.01
14	4711	Capital Outlay on Flood Control Projects	2.39	0.40	1.99
15	5054	Capital Outlay on Roads and Bridges	9.97	8.40	1.58
16	5056	Capital Outlay on Inland Water Transport	0.49	0.49	0.00
Total			**26.95**	**22.24**	**4.71**

Source: Information received from the Office of the Principal Accountant General (A&E), West Bengal

At the end of FY 2024-25, an amount of ₹ 5.57 crore remained unrecouped, out of which, ₹ 0.86 crore[57] pertained to advances remaining unrecouped at the end of the previous year. Non-recoupment of funds during the financial year understates the expenditure from the Consolidated Fund. Further, it violates the provisions of West Bengal Contingency Fund Act, 1950.

[57] *MJH 2235 – ₹ 0.06 crore, MJH 4059 – ₹ 0.66 crore, MJH 4701 – ₹ 0.11 crore, MJH 5054 – ₹ 0.03 crore.*

2.8 Conclusions

1. During 2024-25, overall utilisation of budget (Revised Estimate) was 88 *per cent* of total grants and appropriations. Government could not spend even the Original Budget provided by the legislature.
2. Government expended ₹ 26,876.61 crore, without any provision in the original budget estimates/supplementary demands and without issuance of any re-appropriation orders to this effect.
3. Supplementary provisions had also not been prepared on a realistic basis. In ten cases supplementary provisions involving ₹ 10 crore or more were found unnecessary.
4. Excess expenditure of ₹ 57,263.62 crore, for the period 2009-10 to 2023-24 and ₹ 13,486.92 crore, for the year 2024-25, remains to be regularised.
5. During 2024-25, re-appropriation orders under 56 grants in 1,529 cases amounting to ₹ 3,014.67 crore were issued. However, there were savings (24 cases in 14 grants)/excesses (10 cases in eight grants) even after increase/reduction of funds through reappropriation.
6. There was rush of expenditure at the fag-end of the year. During 2024-25, in 42 grants, under 289 sub-heads, the entire expenditure (₹ 3,855.82 crore) had been incurred in the month of March 2025.
7. There were misclassifications in expenditure between Revenue and Capital Heads and also within Revenue and Capital Heads distorting the information conveyed through the Accounts.

2.9 Recommendations

- *Steps may be taken to prepare the budget realistically factoring in the requirement and spending capacity of different offices within each Department.*
- *Government may impress upon the Departments to identify savings in time for their surrender so that these could be reallocated to schemes where funds are required.*
- *Care may be taken to classify the expenditure in alignment with the List of Major and Minor Heads and measures should be taken to rectify misclassifications.*