



**Report of the
Comptroller and Auditor General of India
State Finances Audit Report
for the year ended March 2018**



**लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest**



**Government of West Bengal
Report No. 3 of 2019**

**Report of the
Comptroller and Auditor General of India**

**State Finances Audit Report
for the year ended March 2018**

**Government of West Bengal
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Preface

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

State Finances Audit Report of the Government of West Bengal intends to assess the financial performance of the State during 2017-18 and to provide the State Legislature with inputs based on audit analysis of financial data. The Report attempts to analyse the financial performance against the targets envisaged by the West Bengal Fiscal Responsibility and Budget Management (Amendment) Act, 2011, the Fourteenth Finance Commission Report and Budget Estimates of 2017-18. The Report contains three Chapters.

Chapter I is based on the audit of the Finance Accounts and makes an assessment of the West Bengal Government's fiscal position as on 31 March 2018. It provides an insight in to the trends in revenue, expenditure, repayment of debt and borrowing patterns.

Chapter II is based on the audit of the Appropriation Accounts and gives grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter III is an inventory of Government of West Bengal's compliance to various reporting requirements and financial rules.

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

Executive Summary

Executive Summary

Fiscal Situation of the State

Revenue Receipts (₹ 1,31,270 crore) of the Government constituting 12.86 per cent of the Gross State Domestic Product (GSDP) (₹ 10,20,858 crore), increased by 11.40 per cent over the previous year (₹ 1,17,832 crore). Revenue Expenditure (₹ 1,41,077 crore) was higher than the previous year's figures (₹ 1,33,918 crore) by 5.35 per cent. As a percentage to GSDP at current prices, Revenue Expenditure reduced to 13.82 per cent during 2017-18 from 15.23 per cent during 2016-17.

(Paragraphs 1.4.2 and 1.5.1)

The State registered a Revenue Deficit of ₹ 9,807 crore in 2017-18. The Revenue Deficit of the State during the years 2015-18 had not been eliminated despite the receipt of post-devolution Revenue Deficit Grants of ₹ 11,760 crore from GoI during the years 2015-17 as per the recommendations of 14th FC. **At 0.96 per cent of the GSDP it was, however, within the target of 1.11 per cent set out in the MTFPS under WBFRBM Act.**

Fiscal Deficit (₹ 28,930 crore), in 2017-18, increased by ₹ 3,544 crore (13.96 per cent) in comparison to preceding year (₹ 25,386 crore). Fiscal Deficit as a percentage to GSDP was 2.83 per cent which was within the target of 3.00 per cent fixed under the WBFRBM Act in the MTFPS and the ceiling fixed by 14th Finance Commission.

The Revenue Deficit and Fiscal Deficit, however, were understated by ₹ 5,106.68 crore and by ₹ 1,827.59 crore respectively on account of (i) Misclassification, (ii) Erroneous booking, (iii) Excess/ Short accounting and (iv) Non/ Short contribution to statutory funds. Effectively, therefore, there was a Revenue Deficit of ₹ 14,913.68 crore and Fiscal Deficit of ₹ 30,757.59 crore (3.01 per cent of GSDP).

Outstanding Public debt to Gross State Domestic Product ratio was 30.96 per cent. This was within the ceiling of 35.20 per cent fixed by the 14th Finance Commission.

The outstanding liabilities was 35.36 per cent of the GSDP, which was within the prescribed limit of 36.77 per cent as per Medium Term Fiscal Policy Statement (MTFPS) of the State Government.

Primary Deficit in 2017-18 was ₹ 856 crore while the State was Primary Surplus in 2016-17 (₹ 317 crore). With deficit increasing by 370.03 per cent over the preceding year, non-debt receipts in 2017-18 were insufficient to meet the Primary Expenditure.

(Paragraphs 1.2 and 1.3.1)

Mobilisation and application of Resources

Revenue Receipts (₹ 1,31,270 crore) in 2017-18 increased by ₹ 13,438 crore (11.40 per cent) over 2016-17. They were, however, lower than the budget estimates by ₹ 11,374 crore.

Own Tax Revenue during the year was ₹ 52,721 crore constituting 40.16 per cent of the actual Revenue Receipts (₹ 1,31,270 crore) and increased by 15.96 per cent over previous year (₹ 45,466 crore). Non-Tax Revenue during the year was ₹ 3,117 crore, constituting 2.37 per cent of Revenue Receipts and increased by 5.66 per cent over previous year (₹ 2,950 crore).

Revenue Expenditure (₹ 1,41,077 crore) increased by ₹ 7,159 crore (5.35 per cent) over 2016-17. It was, however, lower than the budget estimates by ₹ 1,567 crore.

Capital Expenditure (₹ 19,368 crore) increased by ₹ 8,032 crore (70.85 per cent) in comparison to 2016-17, and was higher than the budget estimates by ₹ 184 crore.

Recommendation: *The Finance Department may rationalise the budget preparation exercise, so that the gap between the budget estimates and actuals is bridged.*

(Paragraphs 1.3.2, 1.4.2 and 1.5.1)

Committed Expenditure

The burden of committed expenditure (₹ 92,142 crore) in 2017-18 measured as a percentage of Revenue Expenditure of the State (65.31 per cent), was steadily rising due to increase in interest payments (by 9.22 per cent over 2016-17) and expenditure on subsidy (by 21.80 per cent over 2016-17).

Seven departments incurred implicit subsidies of ₹ 977 crore during 2017-18. Though the expenditure incurred was in the nature of subsidies, they were, however, not reflected as subsidies and the committed expenditure was understated to that extent.

(Paragraph 1.5.2.1)

Adequacy of public expenditure

West Bengal fared favourably in its focus on Education (₹ 25,068 crore) and Health (₹ 8,857 crore) in comparison to other General Category States. The State, however, lagged behind in the area of Development Expenditure (₹ 1,06,505 crore) and Capital Expenditure (₹ 19,368 crore).

During 2017-18, of ₹ 1,531.96 crore collected on account of entry tax, ₹ 1,526.96 crore was credited to the Reserve Fund through four capital expenditure heads. This resulted in overstatement of capital expenditure by ₹ 1,526.96 crore with corresponding understatement of revenue expenditure and revenue deficit.

(Paragraph 1.5.4.1)

Investment and Returns in Public Sector Undertakings

As of 31 March 2018, the State Government's investment in Statutory Corporations, Government Companies, Joint Stock Companies and Co operative stood at ₹ 15,884 crore. The Return on Investment (RoI) from Corporations/ Companies was low at 0.25 per cent while the average rate of interest on Government borrowing was 8.04 per cent.

Government investments were highest in the power sector. Losses from the power sector (₹ 766.44 crore) accounted for 9.92 per cent of total losses (₹ 7,723.35 crore) incurred by the State Working PSUs as of 31 March 2018.

In spite of poor return from these investments to the State PSUs, the State Government extended budgetary support of ₹ 6,963.45 crore to these PSUs during 2017-18 which included ₹ 1,100.91 crore extended to 22 PSUs having negative net worth.

(Paragraph 1.6.2)

Loans and Advances given by the State Government

As of 31 March 2018, Loans and Advances given by the Government to Autonomous Bodies and Corporations were ₹ 12,718 crore. While the average rate of interest on Government borrowing was 8.04 *per cent*, the interest receipts as percentage of outstanding Loans and Advances was only 8.03 *per cent*.

Government loans to PSUs/ Co-operatives amounting to ₹ 182.17 crore in 2017-18 did not specify any terms and conditions, like schedule of repayment, rate of interest, number of instalments, etc. Government was providing loans to PSUs/ Autonomous Bodies, whose annual accounts were in arrears.

The current level of recovery of loans was low. In the Budget estimates, an amount of ₹ 804 crore was estimated to be recovered in 2017-18. The actual recovery (₹ 214 crore), however, was only 26.62 *per cent* of the estimated recovery.

Recommendation: *The State Government may ensure that future loans and advances to autonomous bodies are predicated on furnishing of audited accounts of the previous year.*

(Paragraph 1.6.3)

Reserve Funds

The aggregate shortfall of contribution to Consolidated Sinking Fund during the years 2013-18 was ₹ 5,965.39 crore (₹ 4,476.98 crore during 2013-17 and ₹ 1,488.41 crore in 2017-18). The State's liabilities during the same period rose by 43.24 *per cent* from ₹ 2,51,997 crore as of March 2014 to ₹ 3,60,961 crore in March 2018.

In spite of earning guarantee commission of ₹ 23.89 crore during 2014-18, no amount was transferred to Guarantee Redemption Fund.

There was a negative closing balance of ₹ 293 crore as on 31 March 2018 in West Bengal Compensatory Entry Tax Fund, indicating excess of disbursement over available balances.

Further, there were 23 Reserve Funds, which were not in operation for more than five years, with a balance of ₹ 20.48 crore as on 31 March 2018.

Recommendation: *The State Government may ensure that the contributions to Reserve Funds are made annually as stipulated, to enable a firm funding stream to meet the defined purposes of the funds.*

(Paragraph 1.7.1)

Guarantees

Guarantees (₹ 8,545 crore) given by the Government to the end of 2017-18 stood at 7.79 *per cent* of total Revenue Receipts of the second preceding year (₹ 1,09,732 crore) and was within the ceiling of 90 *per cent*.

As per West Bengal Finance Act 2002, the loanees for whom the State Government had provided guarantees to the financial institutions, were required to pay guarantee commission at the rate of one *per cent* (minimum) on the total amounts guaranteed. The State Government, during 2017-18, received ₹ 12.39 crore as guarantee commission against the receivable of ₹ 85.45 crore.

Recommendation: *The State Government may comply with its own orders to ensure optimum receipt of guarantee commission.*

(Paragraph 1.7.2)

Debt Management

Outstanding Public debt (₹ 3,16,011 crore) increased by 7.02 *per cent* in 2017-18 over the preceding year, at a slower pace than the growth of GSDP (16.12 *per cent*).

The Net availability ((-)₹ 7,342 crore) of borrowed funds (₹ 40,348 crore) after providing for interest payments (₹ 28,074 crore) and repayment of borrowings (₹ 19,616 crore), was negative (18.20 *per cent*), indicating non-availability of borrowed funds for purposes other than debt repayment significantly limiting the scope for development activities.

The interest payments relative to revenue receipts were much higher at 21.39 *per cent* against the target of 20.34 *per cent* fixed by 14th Finance Commission.

The maturity profile of outstanding public debt as of March 2018 showed that 40.61 *per cent* (₹ 1,28,307 crore) of total outstanding debt is to be repaid over the next seven years. The debt maturity position during the forthcoming years could be more alarming given the fact that maturity details of around 28.41 *per cent* of the outstanding borrowings was not available.

(Paragraph 1.7.3)

Fiscal Reform Path

The State Government, in compliance with the recommendations of the Twelfth Finance Commission (12th FC), enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2010 (amended in 2011). Important targets relating to fiscal variables are to be amended from time to time in accordance with the Central Finance Commission's recommendations. Government of West Bengal, however, is yet to amend its FRBM Act in accordance with the recommendations of the 14th FC.

FRBM Act, 2010 also requires the State Government to make disclosures and statements under Section 5 of FRBM Act, 2010 together with Rule 7 of Fiscal Responsibility and Budget Management Rules, 2011. The State Government, however, did not make three out of eight disclosures required to be made.

(Paragraph 1.8)

Excess Expenditure

Excess expenditure of ₹ 2,618 crore was incurred in 10 grants and two appropriations. Majority of the excess expenditure in 2017-18 occurred in Panchayat & Rural Development Department mainly on account of assistance to Zilla Parishads for repair/maintenance of roads, etc. (₹ 711 crore). A total expenditure of ₹ 2,870 crore was incurred at sub-head level without any budget provision in 60 cases. Persistent excess expenditure occurred in the grants related to Backward Classes Welfare, Health & Family Welfare and Power & Non-Conventional Energy Sources.

Recommendation: *The State Government may analyse the reasons for persistent excess expenditure on priority basis. The Finance Department should ensure that no departmental controlling officers, including the Finance Department itself, resort to excess expenditure over the regular allocations approved by the State Legislature.*

(Paragraph 2.2.2.1)

Excess Expenditure requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess expenditure over a grant / appropriation regularised by the State Legislature. State Government did not get the excess expenditure of ₹ 24,075 crore, over and above the allocation pertaining to the years 2009-10 to 2016-17 regularised.

Recommendation: *All the existing cases of excess expenditure need to be regularised at the earliest and in future, such un-voted expenditure may be completely stopped, with the exception of cases of dire and extreme emergency, the cost of which cannot be met from the Contingency Fund.*

(Paragraph 2.2.2.2)

Savings

In the year 2017-18, the total savings were ₹ 49,828 crore. Of which, ₹ 45,046.33 crore (90.40 per cent) pertain to 21 grants with savings of more than ₹ 100 crore each and by more than 20 per cent of the total provision. In addition, during the years 2013-18, there were cases of persistent savings of more than ₹ 100 crore.

Persistent savings under Animal Resources Development, School Education, Agriculture, Public Works, Irrigation & Waterways and Water Resources Investigation & Development indicate that the schemes under these departments did not receive the required priority by the Government and there was inefficiency in implementation by the departments concerned/ implementing agencies.

(Paragraph 2.2.2.3)

Re-appropriation

Re-appropriations are meant for transfer of saving from one scheme/ unit to another within the same grant and under the same section (i.e. Capital, Revenue or Loans). Finance Department, however, issued re-appropriation orders to mainly withdraw the budget provisions, on the last day of the financial year. There were savings of ₹ 2,477.61 crore in 91 sub-heads (₹ 5 crore and above) under 32 grants and excesses of ₹ 849.67 crore in 26 sub-heads (₹ 5 crore and above) under 15 grants due to re-appropriation. There were three cases (final savings of ₹ 1 crore and above) of savings (₹ 74.43 crore) even after re-appropriation on the last working day of the financial year.

Recommendation: *Leveraging advancements in Information Technology, the State Government may issue re-appropriations on the basis of real-time data on committed expenses and actual receipts.*

(Paragraph 2.2.4)

Personal Deposit Accounts

Article 202 of the Constitution of India provides for legislative financial control over public expenditure through the annual financial statement/ Budget. Not transferring the unspent balances lying in PD Accounts to the Consolidated Fund before the closure of the financial year violates legislative intent, which is to ensure that funds approved by it for the financial year are spent during the financial year itself. Such a practice also entails the risk of misuse of public funds, fraud and misappropriation.

Despite West Bengal Treasury Rule 6.09 which states ‘Personal Deposit Account created by debit to the Consolidated Fund of the State shall be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund of the State’ it is noted that there is a balance of ₹ 4,281.98 crore in 157 PD Accounts as on 31 March 2018.

Test check of 71 Treasuries out of 88, conducted in 2017-18 showed 98 inoperative schemes under PD Accounts of 16 Administrators amounting to ₹ 26.02 crore yet to be closed at the end of 2017-18. Amounts lying in PD Accounts resulted in overstatement of expenditure to that extent. Moreover, in eight Treasuries out of 71 test-checked Treasuries, the Administrators had not reconciled and verified their balances with the Treasury figures as of 31 March 2018. Non-reconciliation of PD Accounts periodically and non transferring of the unspent balances lying in PD Accounts to Consolidated Fund was in violation of principles of budgetary and financial control and entails the risk of misuse of public funds.

Recommendation: *The Finance Department is required to review all PD Accounts and ensure that all amounts unnecessarily lying in these accounts are immediately remitted to the Consolidated Fund. Transferring money to PD Accounts from the Consolidated Fund of the State at the fag end to avoid lapse of funds should be avoided.*

(Paragraph 3.1)

Non-submission of Annual Accounts by Autonomous Bodies/ Local Bodies

In respect of 64 ABs which were to render annual accounts to CAG, there were delays in submission of accounts. As of September 2018, 596 annual accounts of 140 bodies/ authorities due up to 2017-18, had not been received by the ELA, West Bengal. Therefore, utilisation of funds for the intended purposes could not be verified in regard to these bodies/ authorities.

(Paragraphs 3.5 and 3.7)

Non-submission of Detailed Contingent Bills

Detailed Contingent bills (11,082) of funds drawn for items of contingent nature were not submitted for ₹ 3,640.33 crore, in the absence of which there was no assurance that the money was spent for purpose they were drawn. Out of the above, 7,323 bills worth ₹ 3,294 crore pertain to only eight Departments. Further, there were 8,409 AC bills amounting to ₹ 1,935.60 crore pertaining to the period upto 2015-16 were also still pending.

Recommendation: *Finance Department may ensure that all Controlling Officers submit the required DC bills to adjust all pending AC bills in a time bound manner.*

(Paragraph 3.9)

CHAPTER I

Finances of the State Government

Chapter I

Finances of the State Government

This chapter provides an audit perspective on finances of the State Government during 2017-18 and analyses changes in major fiscal aggregates relative to 2016-17 keeping in view overall trends during the preceding five years.

The analysis is based on details contained in the Finance Accounts of the Government of West Bengal (GoWB). A profile of the State with demographic and other details is in *Appendix 1.1*. The structure of the Government Accounts is explained in *Part A* and the layout of the Finance Accounts in *Part B* of *Appendix 1.2*.

1.1 Gross State Domestic Product (GSDP)

The Gross State Domestic Product (GSDP)¹ of West Bengal in 2017-18 at current prices was ₹ 10,20,858 crore. The trends in annual growth of Gross Domestic Product (GDP) of India and GSDP of the State at current prices and constant prices (Base Year: 2011-12) are in **Table 1.1**. Growth of West Bengal was higher than the all-India average during 2017-18 at both current prices and constant prices.

Table 1.1: GDP of India and GSDP of the State

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Current Prices (Base year: 2011-12)					
India's GDP (₹ in crore)	1,12,33,522	1,24,67,959	1,37,64,037	1,52,53,714	1,67,73,145
Growth rate (in per cent)	12.97	10.99	10.40	10.82	9.96
State's GSDP (₹ in crore)	6,76,848	7,18,082	7,97,300	8,79,167	10,20,858
Growth rate (in per cent)	14.44	6.09	11.03	10.27	16.12
Constant Prices (Base year: 2011-12)					
India's GDP (₹ in crore)	98,01,370	1,05,27,674	1,13,86,145	1,21,96,006	1,30,10,843
Growth rate (in per cent)	6.39	7.41	8.15	7.11	6.68
State's GSDP (₹ in crore)	5,58,497	5,74,364	6,09,545	6,57,883	7,18,054
Growth rate of GSDP (in per cent)	3.01	2.84	6.13	7.93	9.15

Source: GDP/GSDP figures issued by Ministry of Statistics and Programme Implementation (MoSPI) dated 28 Feb 2019

The per capita GSDP of West Bengal is ₹ 1,07,692 against the all-India average of ₹ 1,29,800.

1.2 Summary of Fiscal Transactions

Table 1.2 presents the summary of fiscal transactions of State Government during 2017-18 *vis-à-vis* 2016-17 and 2015-16. *Appendix 1.3 (Part A)* provides details of Receipts and Disbursements as well as overall fiscal position during 2016-17 and 2017-18. Time series data of State Government Finances for the years 2013-18 are given in *Appendix 1.4*.

¹ Gross Domestic Product (GDP) and Gross State Domestic Product (GSDP) refer to the market value of all officially recognized final goods and services produced within the Country and the State respectively in a given period of time, accounted without duplication and are an important indicator of the Country and State's economy.

Table 1.2: Summary of Fiscal Transactions in 2017-18

(₹ in crore)

Receipts				Disbursements			
	2015-16	2016-17	2017-18		2015-16	2016-17	2017-18
Section A: Revenue Account²							
Revenue Receipts	1,09,732	1,17,832	1,31,270	Revenue Expenditure	1,18,827	1,33,918	1,41,077
Tax Revenue	42,492	45,466	52,721	General Services	45,689	50,131	52,416
Non-Tax Revenue	1,862	2,950	3,117	Social Services	47,389	57,067	59,591
State's share of Union Taxes/Duties	37,164	44,625	49,321	Economic Services	24,973	26,156	28,582
Grants from GoI	28,214	24,791	26,111	Grants-in-Aid and Contributions	776	564	488
Section B: Capital Account³ and others							
Misc. Receipts under Capital Section	653	Nil	Nil	Capital Expenditure	12,420	11,336	19,368
Recoveries of Loans and Advances	832	3,233	214	Loans and Advances Disbursed	861	1,197	(-31)
Public Debt Receipts*	45,747	37,524	45,743	Repayment of Public Debt*	20,179	12,304	25,011
Contingency Fund	-	-	-	Contingency Fund	-	-	1
Public Account Receipts	1,49,608	1,69,633	2,02,108	Public Account Disbursements	1,49,400	1,62,817	1,97,543
Opening Cash Balance ⁴	10,958	15,843	22,493	Closing Cash Balance ⁴	15,843	22,493	18,859
Total	3,17,530	3,44,065	4,01,828	Total	3,17,530	3,44,065	4,01,828

Source: Finance Accounts of Government of West Bengal of respective years

*Includes Ways and Means advances of ₹ 11,139 crore, ₹ 1,208 crore and ₹ 5,395 crore during 2015-16, 2016-17 and 2017-18 respectively.

Composition of resources and application of funds in the Consolidated Fund of the State in the year 2017-18 is in **Appendix 1.5**.

1.3 Review of Fiscal Situation

1.3.1 Fiscal Parameters

Three key fiscal parameters viz. (i) Revenue Deficit⁵, (ii) Fiscal Deficit⁶ and (iii) Primary Deficit⁷ help in assessing the fiscal situation of the Government. The way these deficits are financed assists in assessing the fiscal health of the Government. Trends in fiscal parameters (**Chart 1.1** and **Chart 1.2**) as per Finance Accounts indicate an improvement in Revenue Deficit and Fiscal Deficit in State's performance during 2017-18 over the previous year. Trends in Debt Sustainability (Ratio between debt and GSDP in *per cent*) and Total Outstanding Liabilities to GSDP are shown in **Chart 1.3** and **Chart 1.4**.

² Revenue Account is the account of the current income and expenditure of the State. The income is derived mainly from taxes and duties, fees for services rendered, fines and penalties, revenue from Government estates such as forests and other miscellaneous items.

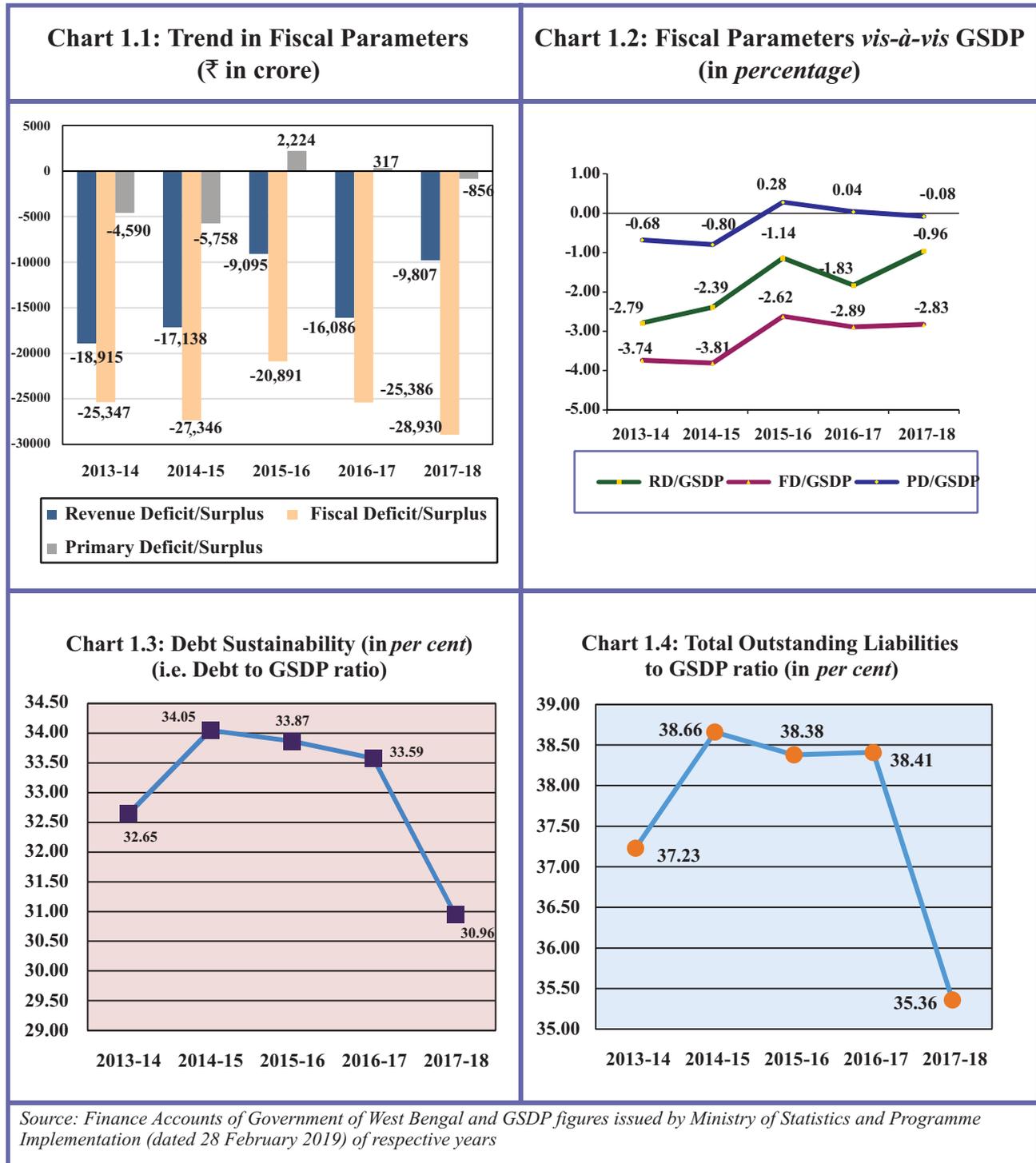
³ Capital Account is the account of expenditure of a capital nature such as construction of buildings, laying of roads, irrigation and electricity projects. Such expenditure is met from sources other than current revenues, e.g. loans, surplus revenue of previous years, if any, and capital receipts.

⁴ Cash balance includes i) Cash in Treasuries and Local Remittances, ii) Departmental Balances, iii) Permanent Imprest, iv) Cash Balance Investments, v) Deposit with RBI and vi) Investments from Earmarked Funds.

⁵ Revenue Deficit = Revenue Expenditure - Revenue Receipts

⁶ Fiscal Deficit = Revenue Expenditure + Capital Expenditure + Net Loans and Advances (-) Revenue Receipts (-) Miscellaneous Capital Receipts

⁷ Primary Deficit = Fiscal Deficit - Interest payments



The following are observed from the above charts with regard to the fiscal parameters:

- **Revenue Deficit**

Fourteenth Finance Commission assessed the Post-Devolution Revenue Deficit and accordingly sanctioned ₹ 11,760 crore of Revenue Deficit grant for the period 2015-17 in order to eliminate the Revenue Deficit.

The details of Post-devolution Revenue Deficit Grant received and Revenue Deficit for the years from 2015-16 to 2017-18 are given in **Table 1.3**.

Table 1.3: Revenue Deficit - Actuals vis-à-vis Targets for the years 2015-18
(₹ in crore)

Year	Projections of Revenue Deficit made in MTFPS	Post-devolution Revenue Deficit Grant received as per the recommendations of 14 th Finance Commission	Revenue Deficit (After receipt of Post-devolution Grant)
2015-16	9,673	8,449	9,095
2016-17	9,469	3,311	16,086
2017-18	11,006	-	9,807

Source: Finance Accounts of respective years, 14th FC report; Medium Term Fiscal Policy Statement (MTFPS)

Despite the receipt of Post-devolution Revenue Deficit Grants from GoI as per the recommendations of 14th FC the Revenue Deficit of the State during the period 2015-18 had not been eliminated. At 0.96 per cent of the GSDP it was, however, within the target of 1.11 per cent set out in the MTFPS under WBFRBM Act.

- **Fiscal Deficit** (₹ 28,930 crore), in 2017-18, increased by ₹ 3,544 crore (13.96 per cent) in comparison to preceding year (₹ 25,386 crore). Fiscal Deficit as a percentage to GSDP was 2.83 per cent which was within the target of 3.00 per cent fixed under the WBFRBM Act in the MTFPS and the ceiling fixed by 14th Finance Commission.
- Ratio of Revenue Deficit to Fiscal Deficit came down to 33.90 per cent during 2017-18 from 74.62 per cent during 2013-14.
- **Primary Deficit in 2017-18 was ₹ 856 crore while the State was Primary Surplus in 2016-17 (₹ 317 crore). With deficit increasing by 370.03 per cent** over the preceding year, non-debt receipts (₹ 1,31,484 crore) in 2017-18 were insufficient to meet the Primary Expenditure (₹ 1,32,340 crore) of the State.
- The outstanding **Debt to GSDP** ratio (30.96 per cent) in 2017-18 was within the ceiling of the 14th Finance Commission (35.20 per cent).
- In 2017-18, as per Medium Term Fiscal Policy Statement (MTFPS) of the State Government, the total outstanding **liabilities** was to be less than 36.77 per cent of the GSDP. In 2017-18, the total outstanding liabilities was 35.36 per cent of the GSDP, which was within the prescribed limit. The outstanding liabilities (₹ 3,60,961 crore) grew by 6.89 per cent (₹ 23,279 crore) over the previous year (₹ 3,37,682 crore).

It was observed that the Revenue Deficit was understated by ₹ 5,106.68 crore and the Fiscal Deficit was understated by ₹ 1,827.59 crore on account of (i) Misclassification, (ii) Erroneous booking, (iii) Excess/Short accounting and (iv) Non/Short contribution to statutory funds as detailed in **Table 1.4** below. Effectively there was a Revenue Deficit of ₹ 14,913.68 crore and Fiscal Deficit was ₹ 30,757.59 crore (3.01 per cent of GSDP).

Table 1.4: Impact on Revenue and Fiscal Deficits (₹ in crore)

Particulars	Impact on revenue deficit		Impact on fiscal deficit	
	Over-statement	Under-statement	Over-statement	Under-statement
(i) Misclassification				
Revenue expenditure booked as Capital expenditure (Notes to Finance Accounts)		1,412.98		
Capital expenditure booked as Revenue expenditure (Notes to Finance Accounts)	2.65			

(₹ in crore)

Particulars	Impact on revenue deficit		Impact on fiscal deficit	
	Over-statement	Under-statement	Over-statement	Under-statement
(ii) Erroneous booking				
West Bengal Compensatory Entry Tax Fund (Para No.1.5.3.1)		1,526.96		
West Bengal Transport Infrastructure Development Fund (Para No.1.5.3.1)		341.80		
(iii) Excess accounting of Revenue Receipt				
Excess accounting of Revenue Receipt (Para No.1.4.2)		29.87		29.87
(iv) Non/ short contribution to Statutory funds				
Non-transferring the amount of NDRF to SDRF(Para No.1.7.1)		325.00		325.00
Non contribution to Guarantee Redemption Fund (Para No.1.7.1)		23.89		23.89
Short contribution to Sinking Fund (Notes to Finance Accounts)		1,488.41		1,488.41
Shortfall in collection of Guarantee Commission (Notes to Finance Accounts)	73.06		73.06	
Non accountal of interest payment on Reserve Funds and Deposits bearing interest (Notes to Finance Accounts)		32.84		32.84
Non-recoupment of Contingency Fund drawal (Notes to Finance Accounts)		0.64		0.64
Total	75.71	5,182.39	73.06	1,900.65
Net		5,106.68 (Understatement)		1,827.59 (Understatement)

1.3.1.1 Composition and Financing of Fiscal Deficit

Fiscal Deficit represents the total financing the State requires (predominantly by drawing on its cash and investment balances with the Reserve Bank of India (RBI) and by borrowing) to meet the excess of the revenue and capital expenditure (including loans and advances) over revenue and non-debt capital receipts. The composition and financing of fiscal deficit is reflected in Table 1.5.

Table 1.5: Components of Fiscal Deficit and its Financing Pattern

Particulars		2013-14	2014-15	2015-16	2016-17	2017-18		
Decomposition of Fiscal Deficit (1 to 3) (a)		25,347	27,346	20,891	25,386	28,930		
1	Revenue Deficit	18,915	17,138	9,095	16,086	9,807		
2	Net Capital Expenditure	6,927	9,879	11,767	11,336	19,368		
3	Net Loans and Advances	(-) 495	329	29	(-) 2,036	(-)245		
Financing Pattern of Fiscal Deficit (b)		Net disbursements/outflows				Receipts	Disbursement	Net
1	Net Borrowings	18,129	23,512	25,569	25,220	45,744	25,012	20,732
a	Market Borrowings	17,098	18,518	20,824	31,230	36,911	11,607	25,304
b	Loans from GoI	59	680	(-) 158	(-) 457	2,025	1,001	1,024
c	Special Securities Issued to NSSF	1,151	4,473	4,329	(-) 5,893	0	5,976	(-)5,976
d	Loans from Financial Institutions and Bonds	(-)179	(-)159	574	340	1,413	1,033	380
e	Ways and Means	-	-	-	-	5,395	5,395	0

State Finances Audit Report for the year ended March 2018

	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18		
2	Net Public Account	7,978	2,513	208	6,816	2,02,108	1,97,543	4,565
a	Small Savings, PF, etc.	841	1,007	741	857	3,728	2,564	1,164
b	Reserve Fund	1,189	1,268	(-)1,037	2,223	2,997	3,842	(-)845
c	Deposits and Advances	2,627	1,173	3,416	4,488	75,112	72,505	2,607
d	Suspense and Miscellaneous	2,928	(-)1,107	(-)1,177	(-) 729	1,20,272	1,18,638	1,634
e	Remittances	393	172	(-)1,735	(-) 23	(-)1	(-)6	5
3	Contingency Fund	-	-	-	-	0	1	(-1)
4	Total (1 to 3)	26,107	26,025	25,777	32,036			25,296
5	Increase (-) / Decrease (+) in Cash Balance	(-) 760	1,321	(-) 4,886	(-) 6,650			3,634
6	Overall Surplus / Deficit (4 +5)	25,347	27,346	20,891	25,386			28,930

Note: All these figures are net of disbursements/outflows during the year.

Differences with Finance Accounts are due to rounding.

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

Borrowed funds used for meeting revenue expenditure create liability for future years without creating any assets. It is evident from **Table 1.5** that, substantial part (47.30 per cent) of net borrowings were continued to be committed to finance the deficit on Revenue account thereby impeding the asset creation in the State. Net borrowings financed 71.66 per cent of the fiscal deficit, net public account receipts financed 15.78 per cent and cash balance financed 12.56 per cent of the fiscal deficit.

1.3.1.2 Quality of Deficit / Surplus

The ratio of Revenue Deficit to Fiscal Deficit and decomposition of Primary Deficit into Primary Revenue Deficit and Capital Expenditure (including Loans and Advances) indicate the quality of deficit in the State's Finances. A persistently high ratio of Revenue Deficit to Fiscal Deficit also indicates that the asset base of the State was shrinking and a part of borrowings (Total Outstanding Liabilities) did not have any asset backup. The bifurcation of Primary Deficit (**Table 1.6**) indicates the extent to which deficit has been on account of enhancement in capital expenditure, which may be desirable to improve productive capacity of the Government.

Table 1.6: Primary Deficit / Surplus

(₹ in crore)

Year	Non-debt Receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary Revenue Deficit (-) / Surplus (+)	Primary Deficit (-)/ Surplus(+)
1	2	3	4	5	6 (3+4+5)	7(2-3)	8(2-6)
2013-14	74,040	71,040	6,927	663	78,630	3,000	(-)4,590
2014-15	86,690	82,064	9,879	505	92,448	4,626	(-)5,758
2015-16	1,11,217	95,712	12,420	861	1,08,993	15,505	2,224
2016-17	1,21,065	1,08,215	11,336	1,197	1,20,748	12,850	317
2017-18	1,31,484	1,13,003	19,368	(-) 31	1,32,340	18,481	(-)856

Source: Finance Accounts of Government of West Bengal of the respective years

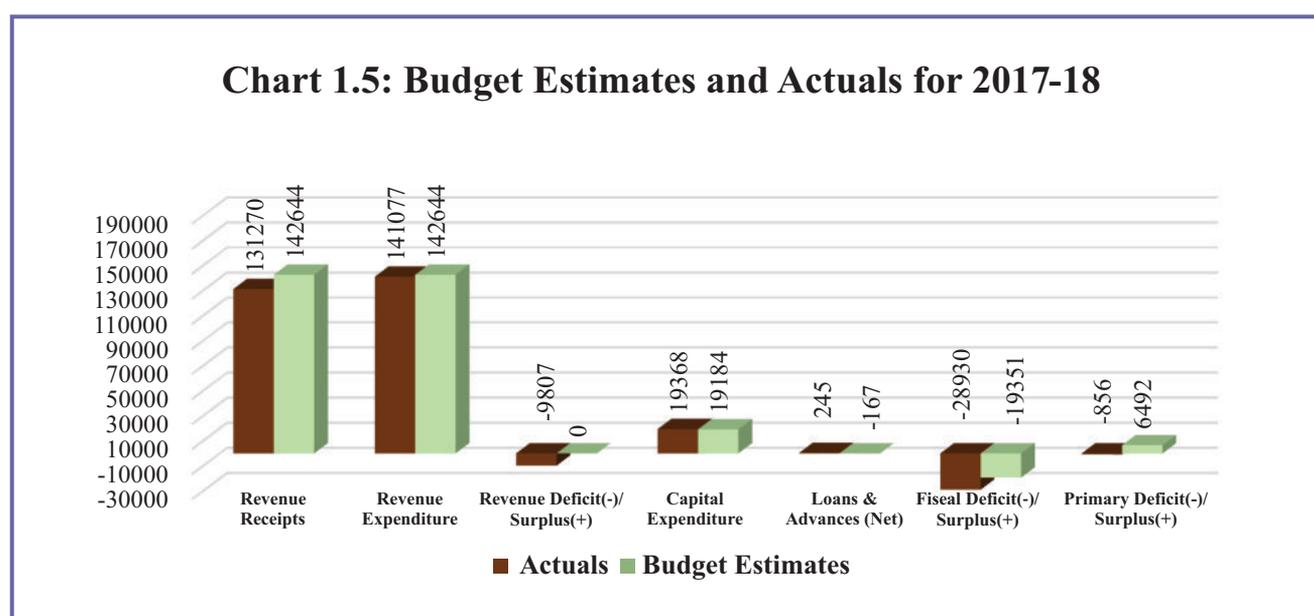
The fact that Primary Deficit of the Government of West Bengal increased to ₹ 856 crore during 2017-18 from the Primary Surplus of ₹ 317 crore during 2016-17 indicates that the

non-debt receipts were insufficient to meet the primary expenditure of the State.

1.3.2 Budget Estimates and Actuals

Shortfalls of actual receipts and expenditure against budget estimates, either due to unanticipated and unforeseen events or under/over estimation of expenditure or revenue at the stage of budget preparation, adversely impact the desired fiscal objectives. Significant variations were noticed between Budget Estimates and Actuals as detailed below (Chart 1.5).

(₹in crore)



Source: Finance Accounts & Budget Publications of Government of West Bengal (2017-18)

Revenue Receipts (₹ 1,31,270 crore) fell short of the Budget Estimates (₹ 1,42,644 crore) by 7.97 per cent. The decrease in Revenue Receipts during 2017-18 when compared to Budget Estimates was mainly due to decrease in State's Own Tax Revenue by 5.50 per cent and Grants-in-Aid from Government of India (GoI) by 25.66 per cent.

Under State's Own Tax Revenue, major taxes where there was shortfall when compared to budget estimates were taxes on Sales, Trade etc. and GST by 34.89 per cent (₹ 14,986 crore) and taxes and duties on electricity by 26.65 per cent (₹ 848 crore).

Revenue Expenditure decreased by ₹ 1,567 crore (1.10 per cent) over the budget estimates, mainly because of less expenditure under Water Supply & Sanitation (44.54 per cent) and General Education (15.51 per cent) under Social Services which was partly offset by excess expenditure mainly under Power (225.29 per cent) and Rural Employment (19.89 per cent) under Economic Services.

Revenue Deficit of ₹ 9,807 crore against the budget estimates of zero was due to decrease in revenue receipts by ₹ 11,374 crore.

The actual Capital Expenditure was more by ₹ 184 crore (0.96 per cent) against the budget estimates of 2017-18.

Fiscal deficit (₹ 28,930 crore) was more than the assessment made in the budget estimates (₹ 19,351 crore) by 49.50 per cent, mainly due to decrease in revenue receipts of ₹ 11,374 crore, decrease in recovery of Loans and Advances by ₹ 590 crore and increase in capital expenditure of ₹ 184 crore from the budget estimates.

Recommendation 1: The Finance Department may rationalise the budget preparation exercise, so that the gap between the budget estimates and actuals is bridged.

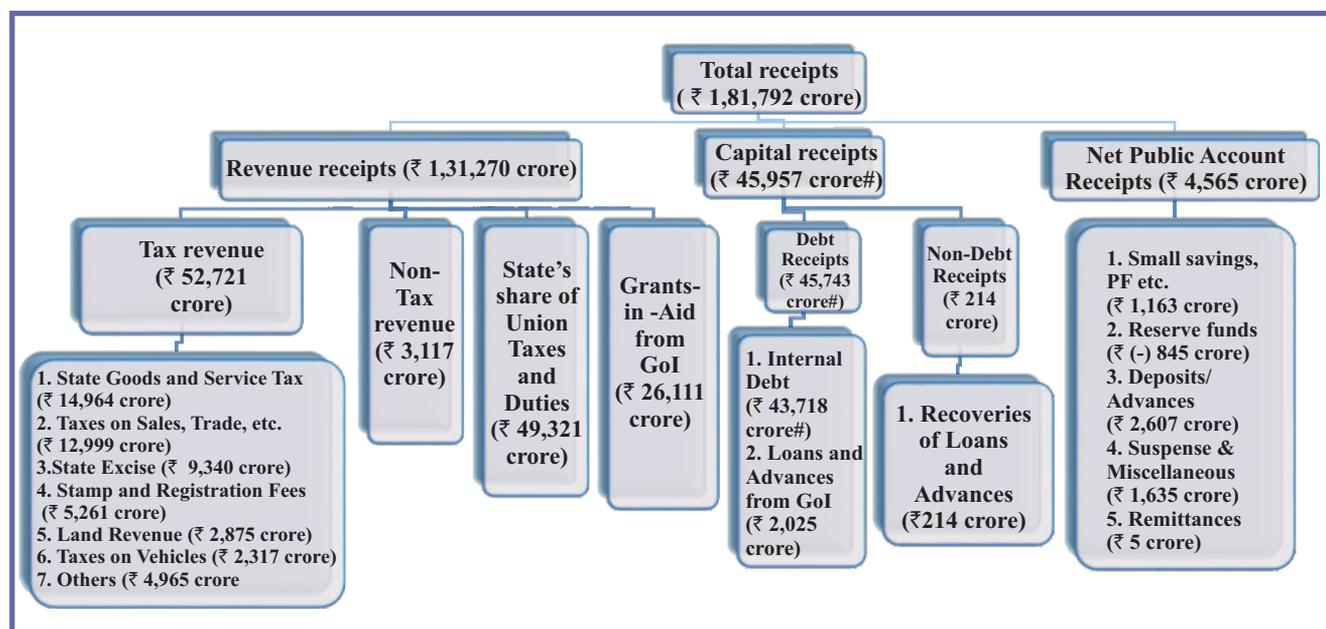
1.4 Financial Resources of the State

1.4.1 Resources of the State as per Annual Finance Accounts

Revenue and Capital are the two streams of receipts that constitute the resources of the State in the Consolidated Fund apart from the net receipts of Public Account. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and Grants-in-aid from Government of India (GoI). Receipts under Capital Section comprise miscellaneous receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market borrowings, borrowings from financial institutions) and loans and advances from GoI. The net of Public Account comprises the balance after disbursements in small savings, provident funds, reserve funds, deposits, suspense and remittances, etc. The balance, after disbursements in the Public Account is the fund available with the Government for use.

The overall composition of the State's resources (₹ 1,81,792 crore) in 2017-18 is in **Chart 1.6**.

Chart 1.6: Composition of Resources in 2017-18



Source: Finance Accounts of Government of West Bengal (2017-18)

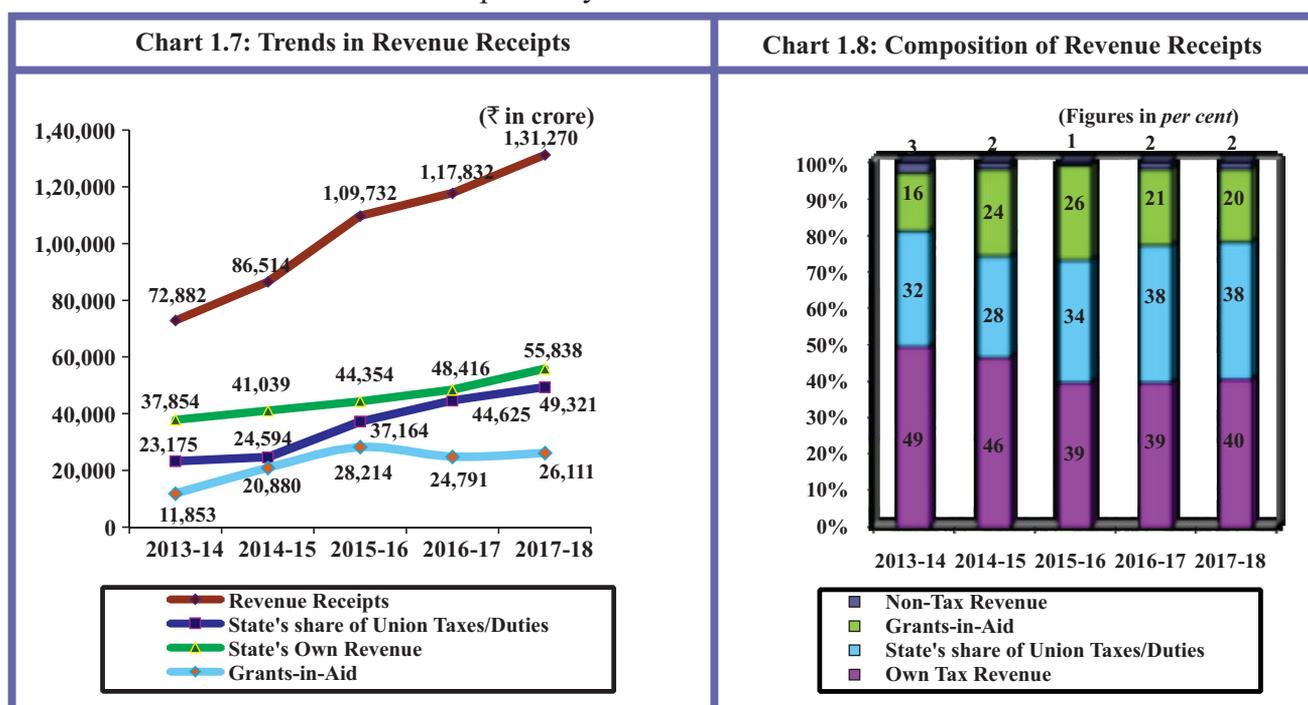
#includes Ways and Means Advances of ₹ 5,395 crore

Out of the total resources of ₹ 1,81,792 crore of the State Government during the year 2017-18, Revenue Receipts (₹ 1,31,270 crore) constituted 72.21 per cent of total

resources, while Capital Receipts (₹ 45,957 crore) and net Public Account Receipts (₹ 4,565 crore) constituted 25.28 per cent and 2.51 per cent respectively.

1.4.2 Revenue Receipts

Statement 14 of the Finance Accounts gives details of the revenue receipts of the Government. **Revenue Receipts (₹ 1,31,270 crore) of the Government constituting 12.86 per cent of the Gross State Domestic Product (GSDP) (₹ 10,20,858 crore), increased by 11.40 per cent over the previous year (₹ 1,17,832 crore).** The trends and composition of revenue receipts during the period 2013-18 are presented in **Charts 1.7** and **1.8** respectively.



Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

As can be seen from **Chart 1.7** all components of Revenue Receipts registered an increase in 2017-18 over the previous year. **Chart 1.8** shows that 42 per cent of the revenue came from the State's own resources of tax and non-tax revenue during 2017-18 while the balance 58 per cent came from GoI as the State's share of Union Taxes and Duties and Grants-in-Aid.

The increase (₹ 13,438 crore; 11.40 per cent) in revenue receipts during 2017-18 was mainly due to (i) increased net proceeds assigned to the State by GoI (10.52 per cent), (ii) more collection on State Excise (78.72 per cent) owing to imposition of additional excise duty of 27 and 15 per cent on foreign liquor and country spirits, (iii) realisation of more taxes and duties on electricity (76.95 per cent), (iv) more receipts from GoI for PMAY⁸ (106.45 per cent). This was partly counterbalanced by (i) short collection on Taxes/VAT on Sales, Trade, etc. (53.55 per cent) owing to subsuming of various components into SGST⁹ and (ii) short receipt from GoI for MGNREGA¹⁰ (60.56 per cent).

⁸ Pradhan Mantri Awas Yojana

⁹ State Goods and Service Tax

¹⁰ Mahatma Gandhi National Rural Employment Guarantee Act

Box 1.1: Inflated Revenue Receipts

Government Receipt Portal System (GRIPS) is the official payment portal of the Government of West Bengal for collection of taxes and non-tax revenues. GRIPS is integrated with various banks and Payment Gateway of State Bank of India enabling on-line payment through various channels. Receipts are collected also through off-line (through bank counters) mode of payment. As per Finance Department's order (October 2012), e-receipts shall be compulsorily deposited through this portal for proper credit to the State exchequer. The objective *inter-alia* was to ensure faster credit of receipts into the Government Account. The collections made up to 8 PM of a day by banks were to be remitted latest by 1 PM of the following day.

Test-check of records of the date-wise monthly statements furnished by the Directorate of Treasuries and Accounts and RBI revealed that transactions of ₹ 37.97 crore pertaining to 2016-17 routed through GRIPS were remitted in 2017-18. Similarly, GRIPS transaction of ₹ 8.10 crore relating to 2017-18, was remitted in 2018-19. A delay of one to 17 months was noticed in remittance of receipts by the banks to the Government Account.

Thus, the intended objective was not fully realised and there was overstatement of revenue receipts by ₹ 29.87 crore in 2017-18. Consequently, revenue deficit and fiscal deficit were understated by ₹ 29.87 crore.

1.4.2.1 State's Own Resources

The State's performance in mobilisation of resources is assessed in terms of Tax Revenue and Non-Tax Revenue, not including the State's share of Union Taxes and Duties and Grants-in-Aid which is based on the recommendations of the Finance Commission.

State's Own Tax Revenue

Components of State's own Tax Revenue are given in **Table 1.7**.

Table 1.7: Components of Tax Revenue

Revenue Head	2013-14	2014-15	2015-16	2016-17	2017-18		Variation (per cent) during 2017-18 over 2016-17
					Budget Estimates	Actuals	
State Goods and Service Tax (SGST)	-	-	-	-	8,270*	14,964	NA
Taxes/VAT on Sales, Trade, etc.	21,931	24,022	26,050	27,983	34,679	12,999	(-) 53.55
Stamp Duty and Registration Fees	4,053	4,196	4,175	4,383	4,700	5,261	20.03
State Excise	3,018	3,587	4,015	5,226	5,781	9,340	78.72
Land Revenue	2,254	2,276	2,456	2,569	2,760	2,875	11.91
Taxes on Vehicles	1,351	1,505	1,707	1,870	2,141	2,317	23.90
Taxes on Goods and Passengers	1,000	859	838	934	1,089	1,532	64.03
Taxes and Duties on Electricity	1,213	1,947	2,092	1,319	3,182	2,334	76.95
Other taxes	1,011	1,020	1,159	1,182	1,455	1,099	(-) 7.02
Total	35,831	39,412	42,492	45,466	64,057	52,721	15.96

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

*In case of SGST, Revised Estimate figure for 2017-18 is mentioned

State's Own Tax Revenue (SOTR) in 2017-18 was ₹ 52,721 crore and constituted 40.16 per cent of total Revenue Receipts. Tax Revenue grew by 15.96 per cent almost in tandem with increase (16.12 per cent) in the economic base measured in terms of GSDP.

The increase in State Excise (₹4,114 crore) was mainly due to revision of rates of taxation.

To assess the adequacy of own tax revenue of the State, the same was compared with the projections made by the Finance Commissions and it was observed that during the entire period of 2013-14 to 2017-18, the actual revenue realisation fell short by 13.52 to 30.80 per cent.

Tax to GSDP ratio is a useful indicator, effective in tax policy making; for studying the efficiency of taxes, systems and addressing the problem of budget deficits. To evaluate the tax to GSDP (at current prices) ratio for the State of West Bengal, a comparison of the indicator was made with the projection of the Finance Commissions for the State of West Bengal and also with that of neighbouring States of Odisha, Jharkhand and Bihar, as shown in Table 1.8.

Table 1.8: Own Tax Revenue to GSDP

Year	13 th and 14 th FC projections for the State of West Bengal	West Bengal	Odisha	Jharkhand	Bihar
2013-14	6.43	5.29	5.70	4.97	6.29
2014-15	6.75	5.49	6.31	4.74	6.05
2015-16	6.36	5.33	6.81	5.56	6.89
2016-17	6.72	5.17	6.06	5.65	5.57
2017-18	7.09	5.16	6.71	4.84	4.74

Source 13th & 14th FC Report and respective Pr.AG/AG offices

As noted in the table above the State of West Bengal could not achieve the projections of Finance Commissions and while it did better than the States of Bihar and Jharkhand in 2017-18 it fared poorly compared to Odisha.

This scenario indicated that there was an urgent need to put in place a well-planned strategy to ensure that the growth in GSDP duly translates to the augmentation of own tax revenue. This assumes significance as an increase in tax-GSDP ratio will open up space for the Government to spend more on development schemes without borrowing heavily from the market and thereby affecting the fiscal deficit favourably.

1.4.2.2 Efficiency in Tax Collection

The cost of collection of Taxes/VAT on Sales of the State increased during last three years indicating lesser efficiency (measured as cost of collection of tax as a percentage of the tax collection). There was, however, a decline in the cost of collection for other components of tax revenue (Table 1.9).

Table 1.9: Tax Collected and Cost of Collection

(₹ in crore)

		2015-16	2016-17	2017-18
Taxes/VAT on sales	Gross Revenue collection (₹ in crore)	26,050	27,983	27,963*
	Cost of Collection (₹ in crore)	182	203	226
	Percentage to Gross collection	0.70	0.73	0.81
State Excise	Gross Revenue collection (₹ in crore)	4,015	5,226	9,340
	Cost of Collection (₹ in crore)	100	109	118
	Percentage to Gross collection	2.49	2.09	1.26
Stamp Duty and Registration Fees	Gross Revenue collection (₹ in crore)	4,175	4,383	5,261
	Cost of Collection (₹ in crore)	114	130	137
	Percentage to Gross collection	2.73	2.97	2.60
Taxes on Vehicles	Gross Revenue collection (₹ in crore)	1,707	1,870	2,317
	Cost of Collection (₹ in crore)	23	25	26
	Percentage to Gross collection	1.35	1.34	1.12

Source: Finance Accounts of Government of West Bengal of respective years

*includes collection on SGST

1.4.2.3 GST Compensation

The West Bengal Goods and Services Tax Act, 2017 was made effective from 01 July 2017 in the State through an ordinance issued on 15 June, 2017 which was later passed by legislature on 9 August, 2017. GST is levied on intra-State supply of goods or services (except alcohol for human consumption and five specified petroleum products¹¹) and its components are shared by the Centre (CGST) and the State (SGST). Further, IGST is levied and collected by the Central Government on inter-State supply of goods and services. The IGST so collected is apportioned between the Centre and the connected State where the goods and services are consumed.

The GoI enacted the Goods and Services Tax (Compensation to States) Act, 2017 to compensate the States, should the share of a State falls short of the revenue earned in the pre-GST regime for taxes subsumed¹² under GST. According to GST (Compensation to States) Act, 2017, the Central Government will compensate the States for loss of revenue on account of implementation of GST for a period of five years. The amount of compensation to be paid is calculated on the basis of protected revenue¹³ by taking into account revenue collected from taxes subsumed into GST in 2015-16, the base year. The provisional compensation was to be calculated every two months and the final compensation payable to the State shall be calculated for every financial year after the receipt of final revenue figures, as audited by the CAG of India. For the State of West Bengal, the revenue collected during the Base Year (2015-16) was ₹ 20,097.72 crore. The protected revenue of State during the period from July 2017 to March 2018 was worked out to ₹ 19,589.25 crore¹⁴.

Details of SGST, pre-GST taxes and compensation received by the State during July 2017 to March 2018 is given in **Table 1.10** below:

Table 1.10: Details of SGST, pre-GST taxes and compensation received by the State during July 2017 to March 2018 (₹ in crore)

Particulars	Amount
Revenue to be protected (A)	19,589.25
State Goods & Service Tax (including IGST advance apportionment of ₹ 879 crore) (B)	14,963.74
Collection of pre-GST Taxes (July 2017 to March 2018) (C)	2,956.89
Total Collection (D) = (B+C)	17,920.63
Compensation received (E)	1,608.00

Source: Finance Accounts and Director of Commercial Taxes, GoWB

The compensation amount released by GoI to the State was however, provisional and subject to adjustment in subsequent financial year on receipt of audited figures.

¹¹ Petroleum products: Crude oil, high speed diesel, petrol, aviation turbine fuel and natural gas

¹² Taxes that have subsumed under GST i.e., Value Added Tax, Central Sales Tax, Entertainment Tax, Luxury Tax, Entry Tax, Cesses & Surcharges, Duties on Excise on medicinal and toilet preparations excluding VAT and CST on alcohol for human consumption and five specified petroleum products.

¹³ Protected revenue is calculated/ arrived at by taking into consideration the revenue collected during the base year (2015-16) plus 14 per cent cumulative increase for each following year.

¹⁴ Base year revenue of ₹ 20,097.72 crore escalated at compound rate 14 per cent annually for two years (2016-17 and 2017-18) worked out to ₹ 26,118.99 crore for 2017-18. Therefore, the pro-rata protected revenue for nine months (01 July 2017 to 31 March 2018) was ₹ 19,589.25 crore

Non-Tax Revenue

The components of Non-Tax Revenue during the period from 2013-14 to 2017-18 are shown in **Table 1.11**.

Table 1.11: Components of Non-Tax Revenue (₹ in crore)

Revenue Head	2013-14	2014-15	2015-16	2016-17	2017-18	Variation (per cent) during 2017-18 over 2016-17
Interest receipts	986 (48.74)	277 (17.02)	335 (17.99)	1,201 (40.71)	1,396 (44.79)	16.24
Dividends and Profit	8 (0.40)	6 (0.37)	12 (0.65)	1 (0.03)	37 (1.19)	3,600.00
Other non-tax receipts	1,029 (50.86)	1,344 (82.61)	1,515 (81.36)	1,748 (59.26)	1,684 (54.02)	(-) 3.66
Total	2,023	1,627	1,862	2,950	3,117	5.66

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

Figures in brackets indicate the share of the components.

Non-Tax Revenue constituted 2.37 per cent of Revenue Receipts during 2017-18. The following was observed in audit.

Short Accounting of Non-Tax Receipts

As per West Bengal Budget Manual (WBBM), the income derived from cess imposed by law was to be credited to the Consolidated Fund.

Government of West Bengal did not give cognizance to the directive stated in the West Bengal Motor Transport Workers' Welfare Cess Act, 2010¹⁵. They also did not give cognizance to the directives stated in the Manual and changed the accounting procedures through administrative orders¹⁶. The Finance Department did not comply with the conditions stated in the WBBM.

The cess (₹ 30.43 crore) collected during 2017-18 was, however, directly booked under the Public Account instead of booking it as Non-Tax receipts. Consequently, Non-Tax receipts were understated by ₹ 30.43 crore.

Inflated Non-Tax Receipts

According to General Direction contained in Para 3.10 of List of Major and Minor Heads of Accounts, recoveries of overpayments should be recorded as reduction of expenditure under the concerned expenditure head.

It was noticed that due to deficient budget provisions by Government of West Bengal during 2017-18, under four head of accounts¹⁷, an amount of ₹10.48 crore recovered was booked as 'revenue receipts' instead of 'reduction of expenditure'. Consequently, Non-tax receipts were overstated to that extent.

1.4.2.4 State's Share of Union Taxes

The devolution of different components of State's share of Union Taxes during 2015-16 to 2017-18 is given in **Table 1.12**.

¹⁵ The Act did not prescribe the accounting procedure to be followed as per the prevalent accounting principle.

¹⁶ Issued by the Finance Department in June 2014 and September 2016

¹⁷ ₹ 858.52 lakh under '1054-Roads and Bridges'; ₹ 116.82 lakh under '0071-Contributions and Recoveries towards Pension and Other Retirement Benefits'; ₹ 72.44 lakh under '0210-Medical and Public Health' and ₹ 0.58 lakh under '0401-Crop Husbandry'

Table 1.12: Devolution of different components of State's share of Union Taxes
(₹ in crore)

Components of State's share of Union taxes	14 th FC award period			Difference in 2017-18 over previous year	Percentage variation in 2017-18 over previous year
	2015-16	2016-17	2017-18		
Corporation Tax	11,702	14,314	15,107	793	5.25
Customs	5,951	6,157	4,979	(-)1,178	(-)19.13
Income Tax	8,129	9,948	12,757	2,809	22.02
Other taxes and duties on commodities and services	27	-	-	-	-
Service Tax	6,394	7,142	5,594	(-)1,548	(-)27.67
Wealth Tax	3	33	-	(-)33	(-)100
Union Excise Duties	4,958	7,031	5,204	(-)1,827	(-)35.11
CGST	NA	NA	701	NA	NA
IGST	NA	NA	4,980	NA	NA
Grand total	37,164	44,625	49,321	4,696	10.52
Devolution as percentage of Revenue Receipts of the State	33.87	37.87	37.57	-	-

Source: Finance Accounts of Government of West Bengal (2015-16 to 2017-18)

It is observed that State's share of Union Taxes increased by 10.52 per cent over the previous year. The State's share of Union Taxes was primarily aimed at meeting the revenue expenditure needs of the State. Despite increased central funding, the State, however, failed to eliminate the Revenue Deficit, which in the year 2017-18 stood at ₹ 9,807 crore (0.96 per cent of GSDP).

1.4.2.5 Grants-in-Aid from Government of India

The details of Grants-in-Aid and its composition during the years 2013-18 are given in Table 1.13.

Table 1.13: Components of Grants-in-Aid
(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Non-Plan Grants	3,790	3,271	11,753	10,217	-
Grants for State Plan Schemes	4,149	17,250	14,997	14,443	-
Grants for Central Plan Schemes	187	365	1,464	131	-
Grants for Centrally Sponsored Schemes	3,727	(-) 6	-	-	15,734
Finance Commission Transfers	-	-	-	-	5,283
Other Transfer/Grants to States/Union Territories with Legislature	-	-	-	-	5,094
Total grants	11,853	20,880	28,214	24,791	26,111
Total grants as a percentage of Revenue Receipts	16.26	24.13	25.71	21.04	19.89

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

It is observed that Grants-in-Aid from Government of India increased by 5.32 per cent over the previous year. This was mainly due to increase in Grants-in-Aid to Pradhan Mantri Awas Yojana by ₹ 1,958 crore, National Health Mission by ₹ 799 crore, Integrated Child Development Scheme by ₹ 388 crore and Pradhan Mantri Gram Sadak Yojana by ₹ 239 crore. The central share was, however, reduced in schemes such as, Mahatma Gandhi National Rural Employment Guarantee Act by ₹ 2,450 crore and Mid-Day Meal Scheme by ₹ 98 crore.

Allocation of the 14th FC Grants

The status of release of 14th FC grants vis-à-vis allocation is depicted in Table 1.14.

Table 1.14: Release of 14th FC Grants vis-à-vis Allocation

(₹ in crore)

Sl. No.	Transfer	Recommendation of the FC (Allocations up to 2017-18)	Actual release by GoI	Shortfall
(A)	(B)	(C)	(D)	(C-D)
(I)	Local Bodies	9,792.51	8,879.90	912.61
(a)	Grants to PRIs	6,698.41	6,159.52	538.89
(b)	Grants to ULBs	3,094.10	2,720.38	373.72
(II)	Grants for Disaster Relief	1,220.00	1,220.00	0.00
	Total	11,012.51	10,099.90	912.61

Source: 14th FC Report and departmental figures

Shortfall in receipt of Local Bodies grant

As noted in Table 1.14 there was a shortfall in receipt of Local Bodies grants of ₹ 912.61 crore (*Appendix 1.6*) of which the share of basic grants and performance grants were ₹ 293.66 crore and ₹ 618.95 crore respectively. No record/reason was furnished by the Finance Department, GoWB to explain this shortfall.

It was, however, apparent that non-fulfilment of pre-release conditions viz., (i) timely submission of utilisation certificates (UCs) and (ii) submission of audited accounts for two preceding years, were the reasons behind the shortfall. Further, non-fulfilment of other parameters such as, (i) increase in own revenues by the panchayats and municipalities and (ii) publication of service level benchmarks by the municipalities¹⁸ for basic services, also apparently contributed to this.

Avoidable payment of interest

Fourteenth FC recommended that State should release the grants to the gram panchayats and municipalities within 15 days of its being credited to State Government's account by the Union Government. Further, as per State Disaster Response Fund¹⁹ guidelines the state along with its own share, was to transfer the Union share of SDRF in the Public Account within 15 days of its receipt. Any delay in release of the above two types of grants would attract penal interest at RBI bank rate.

Audit observed that 14th FC grants of ₹6,246.42 crore (Local Bodies grants of ₹ 4,877.42 crore²⁰ plus SDRF of ₹ 1,369.00 crore) were released with delays up to 398 days (*Appendix 1.7*). GoWB had to pay interest of ₹ 45.75 crore due to this delay.

1.4.3 Receipts under capital section

Trend of capital receipts during 2013-18 are given in Table 1.15.

Table 1.15: Trends in growth and composition of capital receipts

(₹ in crore)

Sources of State's Receipts	2013-14	2014-15	2015-16	2016-17	2017-18
Capital Receipts (CR)	52,108	55,369	47,232	40,757	45,957
Misc. Capital Receipts	Nil	Nil	653	Nil	Nil
Recovery of Loans and Advances	1,158	176	832	3,233	214
Rate of growth of non-debt receipts under the capital section (in per cent)	313.57	(-84.80)	743.75	117.71	(-93.38)
Public Debt Receipts*	50,950	55,193	45,747	37,524	45,743
Rate of growth of Debt Receipts (in per cent)	15.84	8.33	(-17.11)	(-17.97)	21.90

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

* includes Ways and Means Advances of ₹ 20,018 crore in 2013-14, ₹ 19,381 crore in 2014-15, ₹ 11,139 crore in 2015-16, ₹ 1,208 crore in 2016-17 and ₹ 5,395 crore in 2017-18.

¹⁸ As per 14th FC Report, ULBs were to publish the service level benchmarks relating to basic urban services each year for the award period and make it publically available.

¹⁹ State Disaster Response Fund

²⁰ 55 per cent of the GoI release

During 2017-18, Capital Receipts (₹ 45,957 crore) constituted 25.28 *per cent* of the total receipts (₹ 1,81,792 crore) of the State. Public debt receipts constituted major component of Capital Receipts (99.53 *per cent*). Non-debt capital receipts saw a decline over the previous year. State Government availed ₹ 5,395 crore as Ways and Means Advances from the Reserve Bank of India.

1.4.4 Public Account Receipts

Receipts and disbursements under small savings, provident funds, reserve funds, etc. which do not form part of the Consolidated Fund, are kept in Public Account set up under Article 266(2) of the Constitution. These are not subject to vote by the State Legislature. Government acts as a banker or trustee. The balance after disbursements is the fund available with the Government for its own use. Composition of Public Account (net) are shown in **Table 1.16**.

Table 1.16: Composition of Public Account Receipts (₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	
					Budget Estimates	Actuals
A. Public Account Receipts						
Small Savings, Provident Fund, etc.	3,138	3,441	3,216	3,268	3,721	3,728
Reserve Fund	2,281	2,951	2,051	3,831	3,977	2,997
Deposits and Advances	40,879	43,035	49,747	60,273	72,221	75,112
Suspense and Miscellaneous	60,795	72,744	94,597	1,02,260	4,04,086	1,20,272
Remittances	9,086	9,694	(-3)	1	13	(-1)
Total (A)	1,16,179	1,31,865	1,49,608	1,69,633	4,84,018	2,02,108
B. Public Account Disbursements						
Small Savings, Provident Fund, etc.	2,297	2,434	2,475	2,411	2,707	2,564
Reserve Fund	1,092	1,683	3,087	1,608	4,171	3,842
Deposits and Advances	38,252	41,862	46,331	55,785	70,053	72,505
Suspense and Miscellaneous	57,867	73,851	95,775	1,02,989	4,17,148	1,18,638
Remittances	8,693	9,522	1,732	24	13	(-6)
Total (B)	1,08,201	1,29,352	1,49,400	1,62,817	4,94,092	1,97,543
Public Account Net (A) – (B)	7,978	2,513	208	6,816	(-10,074)	4,565

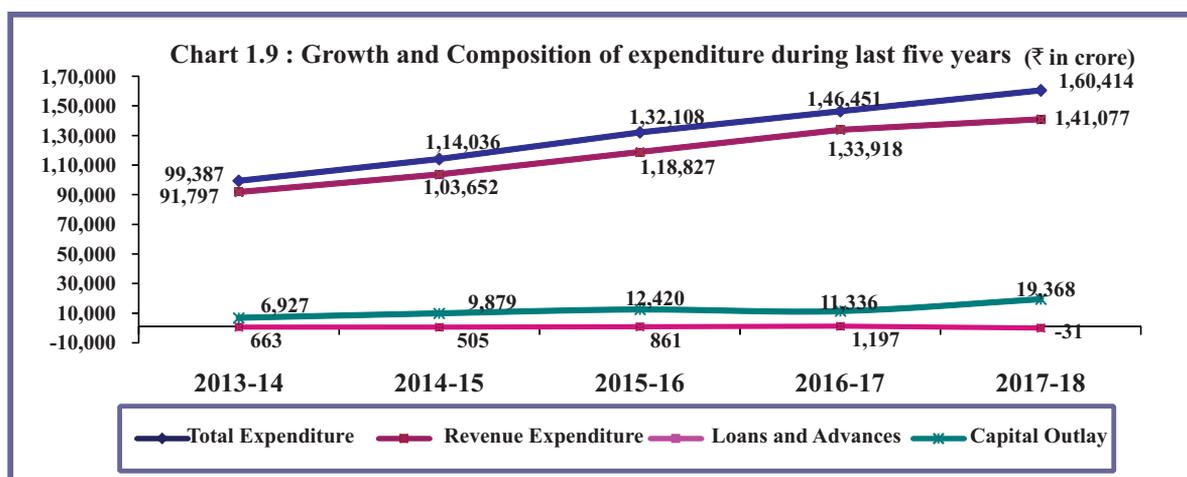
Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

During the year 2017-18, net Public Account receipts (₹ 4,565 crore) contributed 2.51 *per cent* of the total resources (₹ 1,81,792 crore) of the State. The net Public Account receipts decreased by ₹ 2,251 crore (33.03 *per cent*) over the previous year 2016-17 mainly due to decrease in net Reserve Fund and net Deposits and Advances by ₹ 3,068 crore and ₹ 1,881 crore respectively over the year 2016-17. This was counterbalanced by increase in net Suspense and Miscellaneous by ₹ 2,363 crore over the previous year.

1.5 Application of Resources

1.5.1 Growth and composition of expenditure

The total expenditure in 2017-18 was ₹ 1,60,414 crore. **Chart 1.9** presents the trends and composition of total expenditure during 2013 to 2018.



Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

Around 87.95 per cent of the total expenditure in 2017-18 was Revenue Expenditure. As a percentage to GSDP at current prices, Revenue Expenditure reduced to 13.82 per cent during 2017-18 from 15.23 per cent during 2016-17. Social Services²¹ expenditure took precedence with 41.89 per cent over General Services (33.30 per cent) and Economic Services (24.52 per cent) in the total expenditure. Capital Expenditure, targeted towards creation of assets, constituted 12.07 per cent of the total expenditure, with the Economic Services²² (55.55 per cent) receiving priority. As a percentage to GSDP, Capital Expenditure improved to 1.90 per cent during 2017-18 from 1.29 per cent during 2016-17.

Component-wise major expenditure in Revenue and Capital sections incurred in 2016-17 and 2017-18 is shown in Table 1.17.

Table 1.17: Major expenditure components under Revenue and Capital

Component	Revenue			Capital			
	Sector	2016-17	2017-18	Component	Sector	2016-17	2017-18
		(₹ in crore)				(₹ in crore)	
Education, Sports, Art and Culture	Social	23,474	24,614	Water supply, Sanitation, Housing and Urban Development	Social	2,241	5,405
Rural Development	Economic	12,838	18,162	Transport	Economic	2,022	3,766
Social Welfare and Nutrition	Social	16,506	16,658	Rural Development	Economic	7	1,776
Health and Family Welfare	Social	7,021	7,925	Irrigation and Flood Control	Economic	1,615	1,562
Water supply, Sanitation, Housing and Urban Development	Social	7,606	7,482	Special Areas Programmes	Economic	766	1,228
Agriculture and allied activities	Economic	3,265	3,730	Energy	Economic	725	827
Welfare of SCs, STs, Minorities and OBCs	Social	1,638	2,200	Social Welfare and Nutrition.	Social	452	700
Energy	Economic	4,620	2,158				

Source: Finance Accounts of Government of West Bengal (2016-17 and 2017-18)

²¹ Refers to welfare activities of the Government and includes (i) Education, Sports, Art and Culture, (ii) Health and Family Welfare, (iii) Water Supply, Sanitation, Housing and Urban Development, (iv) Information and Broadcasting, (v) Welfare of Scheduled Castes, Scheduled Tribes and Backward Classes, (vi) Labour and Labour Welfare, (vii) Social Welfare and Nutrition and (viii) Others.

²² Refers to economic development activity sectors of the Government and includes (i) Agriculture and allied services, (ii) Irrigation and Flood Control, (iii) Energy, (iv) Industry and Minerals, (v) Transport, (vi) Science Technology and Environment, (vii) Rural Development and (viii) General Economic Services.

- Revenue Expenditure (₹ 1,41,077 crore) was higher than the previous year's figure (₹ 1,33,918 crore) by 5.35 per cent (₹ 7,159 crore). The increase over the previous year was mainly due to higher outgo under rural development programmes²³ (₹ 5,324 crore), assistance to Non-Government Primary Schools²⁴ (₹ 1,048 crore) and payment of interest on market borrowings²⁵ (₹ 2,427 crore). The decreases during 2017-18 were mainly under energy²⁶ (₹ 2,462 crore) due to lower expenditure on Rural Electrification and Solar Energy and industry and minerals²⁷ (₹ 823 crore) due to lower expenditure on Village and Small Industries and Other Expenditure.
- Capital expenditure during 2017-18 (₹19,368 crore) was higher than previous year's figure (₹11,336 crore) by ₹8,032 crore (70.85 per cent). This was mainly due to increase under water supply and sanitation projects²⁸ by ₹ 1,979 crore, Roads and Bridges²⁹ by ₹1,641 crore which included an outstanding loan of ₹ 700 crore disbursed to West Bengal Highway Development Corporation Limited during 2012-13 converted into equity in 2017-18 and Urban Development Programmes³⁰ by ₹ 946 crore. Further, while the expenditure (₹ 1,738.01 crore) on Road works under Pradhan Mantri Gram Sadak Yojana (PMGSY) in respect of Panchayat and Rural Development Department was booked as Revenue expenditure in 2016-17 in compliance with IGAS 2 as it was a pass through grant to the Panchayati Raj Institutions, expenditure under PMGSY amounting to ₹ 1,650.64 crore incurred during the year 2017-18 by the Panchayat and Rural Development Department was booked as Capital expenditure. There was, therefore, an increase of Capital Expenditure by ₹1,650.64 crore under PMGSY. **It was also noted that the Capital expenditure during 2017-18 was inflated by ₹ 3,281.74 crore owing to misclassification of expenditure of Revenue nature as Capital expenditure, as detailed in Para 1.5.3.** The Capital expenditure decreased mainly under Medical and Public Health³¹ (₹ 311 crore).

1.5.2 Revenue Expenditure

1.5.2.1 Committed Expenditure

Committed Expenditure of Government consists of expenditure on Salaries and Wages (₹ 37,803 crore), Interest payments (₹ 28,074 crore), Pensions (₹ 14,588 crore) and Subsidies (₹11,677 crore). The committed expenditure in 2017-18 was ₹ 92,142 crore and consumed 65.31 per cent of Revenue Expenditure.

The burden of committed expenditure measured as a percentage of Revenue Expenditure of the State showed an increasing trend during the years 2016-18 (**Chart 1.10**).

²³ Expenditure during 2016-17: ₹ 12,838 crore; 2017-18: ₹ 18,162 crore

²⁴ Expenditure during 2016-17: ₹ 4,635 crore; 2017-18: ₹ 5,683 crore

²⁵ Expenditure during 2016-17: ₹ 14,152 crore; 2017-18: ₹ 16,579 crore

²⁶ Expenditure during 2016-17: ₹ 4,620 crore; 2017-18: ₹ 2,158 crore

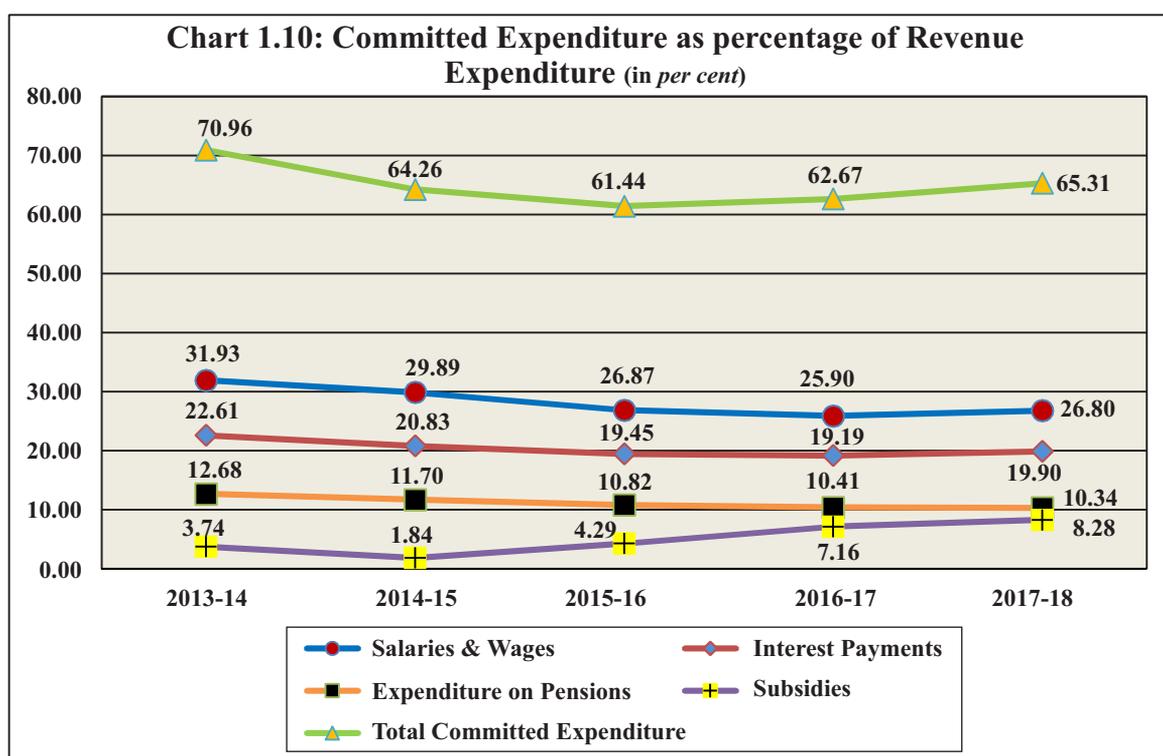
²⁷ Expenditure during 2016-17: ₹ 1,127 crore; 2017-18: ₹ 304 crore

²⁸ Expenditure during 2016-17: ₹ 116 crore; 2017-18: ₹ 2,095 crore

²⁹ Expenditure during 2016-17: ₹1,887 crore; 2017-18: ₹ 3,528 crore

³⁰ Expenditure during 2016-17: ₹1,418 crore; 2017-18: ₹ 2,364 crore

³¹ Expenditure during 2016-17: ₹1,242 crore; 2017-18: ₹ 931 crore



Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

The following observations were noted:

- The share of Salaries in 2017-18 was 26.80 per cent of Revenue Expenditure and was more or less around the same percentage during 2016-2018.
- The share of subsidy in Revenue Expenditure increased to 8.28 per cent from 7.16 per cent during 2016-17. Expenditure on subsidy (₹ 11,677 crore) increased by ₹ 2,090 crore (21.80 per cent) over 2016-17. Share of subsidies on Food & Supplies (₹ 8,943 crore) which accounts for 76.59 per cent of the total subsidies, decreased marginally (5.50 per cent) over previous year. Subsidies on Transport increased by ₹ 164 crore due to implementation of Voluntary Retirement Scheme. In Power Sector, subsidy increased by ₹ 423 crore due to subsidy to WBSEDCL³² for subsidisation in power tariff to its consumers.

Apart from the above, seven departments incurred implicit subsidies of ₹ 977 crore during 2017-18 (Table 1.18).

Table 1.18: Details of implicit subsidies

Sl. No.	Schemes/ Subsidy	Name of Department	Amount (₹ in crore)
1.	Grants to Kolkata Municipal Corporation/Howrah Municipal Corporation/Urban Local Bodies for adjustment of Energy Bills of Calcutta Electric Supply Corporation Limited	Urban Development & Municipal Affairs	802
2.	New Incentive Scheme for encouraging the setting up of new industrial units	Large Industries & Enterprises	105
3.	Incentive for encouraging the setting up of New Enterprises and Expansion of Existing Enterprises	Micro, Small & Medium Enterprises and Textiles	33

³² West Bengal Electricity Distribution Company Limited

Sl. No.	Schemes/ Subsidy	Name of Department	Amount (₹ in crore)
4.	Financial assistance to bereaved family members of deceased person who are in extreme financial necessity under <i>Somobyathi</i>	Urban Development & Municipal Affairs and Panchayat & Rural Development	28
5.	Subsidies for interest liabilities in respect of share croppers, small farmers and self-employed persons	Cooperation	7
6.	Subsidised distribution of seed planting materials	Food Processing Industries & Horticulture	1
7.	Assistance for revival of Urban co-operative banks	Cooperation	1
	Total		977

Source: Appropriation Accounts of Government of West Bengal (2017-18)

Though these are in the nature of subsidies, they are, however, not reflected as subsidies. **Committed expenditure, may, therefore, have been understated to that extent.**

- Expenditure on Interest Payments grew by 9.22 per cent (₹ 2,371 crore) over the previous year (₹ 25,703 crore). Interest payments relative to Revenue Receipts was, however, **21.39 per cent during 2017-18, which was slightly higher than the ceiling of 20.34 per cent fixed by 14th Finance Commission.** Interest on market borrowings and interest on special securities issued to NSSF constituted 59.05 and 28.02 per cent respectively, of the interest payments during 2017-18.

1.5.2.2 Financial assistance to Local Bodies and Other Institutions

Financial assistance to the tune of ₹ 54,965 crore was provided by the State Government to local bodies and other institutions by way of grants in 2017-18 (**Table 1.19**). There was an increase in the overall quantum of assistance in comparison to previous year (₹ 52,675 crore) mainly due to 25.12 per cent and 5.81 per cent increase in assistance to Urban Local Bodies and Panchayati Raj Institutions, respectively.

Table 1.19: Financial Assistance to Local Bodies and Other Institutions

(₹ in crore)					
Financial Assistance to Local Bodies/ Institutions	2013-14	2014-15	2015-16	2016-17	2017-18
Panchayati Raj Institutions (PRIs)	5,672	12,775	15,153	14,347	15,180
Educational Institutions (Universities)	1,068	1,105	1,125	1,530	1,419
Urban Local Bodies (ULBs)	2,808	3,960	3,562	3,825	4,786
Development Authorities	1,692	473	556	382	320
Other Autonomous Bodies	0	0	86	2,137	2,008
Cooperative Institutions	13	16	20	211	305
Public Sector Undertakings (PSUs)	97	64	72	4,872	1,893
Non-Government Organisations	353	349	367	15,941	21,123
Others*	21,463	25,138	28,519	9,430	7,931
Total	33,166	43,880	49,460	52,675	54,965
Assistance as per percentage of Revenue Expenditure	36	42	42	39	39

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

* Others include Grants for National Old Age Pension Scheme (State Share), Implementation of Annapurna Scheme for Welfare of Aged, Infirm and Destitute, etc.

It is pertinent to note that financial assistance was increasing to ULBs (Municipal Corporations/Municipalities), Development Authorities, Universities and Other Autonomous Bodies though they had arrears of accounts as of March 2018. This is

detailed in Paras 3.5 and 3.7. Release of financial assistance without insisting on rendering timely accounts was detrimental to public accountability and indicated poor financial management.

1.5.2.3 National Pension System

State Government employees recruited on or after 1 January 2004 are required to be covered under the National Pension System (NPS), which is a defined contributory pension scheme. It is mandatory for employees to contribute 10 *per cent* of basic pay and dearness allowance every month. The State Government has to make equal contribution. The Government has to transfer these contribution amounts along with details to the National Securities Depository Limited (NSDL) and to the fund managers appointed by the NPS Trust. Audit analysis showed the following:

- The State did not adopt the NPS for its own employees recruited on or after 1 January 2004. The scheme was, however, implemented only for the All India Service Officers and other Central/State Government employees on deputation to the State recruited on or after 1 January 2004. The rationale followed by the State Government for not bringing its own employees under the ambit of NPS was not explained to audit, though called for (February and April 2019).
- During 2017-18, the employees' contribution was ₹ 2.27 crore and the Government's contribution was ₹ 2.41 crore. In 2014-15 and 2016-17 also, the Government contributed more by ₹ 0.35 crore *vis-a-vis* employees' contribution of ₹ 2.46 crore. There was short contribution of ₹ 0.07 crore by Government in 2015-16.

As Principal Accountant General (Accounts and Entitlement) is not maintaining the accounts of individual employees' contribution, the correctness of recovery from the employees' salary bills could not be verified. No records relating to reconciliation of the amounts transferred to NSDL/Trustee Bank was produced to audit, though called for (March 2019).

Further, due to non-production of records by the State Government relating to the estimated amount of employees' and Government's contributions receivable under the scheme, since inception, Audit could neither assess the total liability nor ascertain whether the amounts actually due to be deducted from employees have actually been deducted, fully matched with Government share, and transferred to NSDL.

- The Annual Review on Working of the Treasuries-2017-18³³ indicated that, in respect of 8 out of 71 treasuries, there was a mismatch of ₹ 23.67 lakh³⁴ (2015-16 and 2016-17) between the employees' and Government's contributions.
- The balance in the Pension Fund under Defined Contribution Pension Scheme for Government Employees (MH- 8342, MIH- 117) as on 31 March 2017 was ₹ 0.54 lakh. The receipts into the fund in 2017-18 were ₹ 4.69 crore. The Government transferred ₹ 4.70 crore to NSDL/Trustee Bank leaving balance of ₹ 0.53 crore in the fund as on 31 March 2018. The Government was liable to pay interest on this amount also. The interest liability on the opening balance of ₹ 0.54 crore was ₹ 0.04 crore

³³ The Report is brought out by the office of the Principal Accountant General (A and E), West Bengal

³⁴ The treasury-wise details relating to the difference between Employer's and Employees' contribution – (i) Barasat-I: ₹ (-) 0.44 lakh, (ii) Birbhum-II: ₹ 0.16 lakh, (iii) Contai: ₹ 0.01 lakh, (iv) Cooch Behar-I: ₹ 4.98 lakh, (v) Kolkata Pay and Accounts Office-I: ₹ 1.48 lakh, (vi) Kolkata Pay and Accounts Office-II: ₹ (-) 0.15 lakh, (vii) Kolkata Pay and Accounts Office-III: ₹ 14.77 lakh and (viii) Medinipur: ₹ 2.86 lakh

(calculated at a rate of 7.9 per cent, 7.8 per cent and 7.6 per cent³⁵ for the first three, next six and last three months respectively in 2017-18), for which the Government did not make any provision.

The State Government has created interest liability on the amount not transferred to NSDL, has incorrectly used the funds that belongs to its employees, leading to possible uncertainty in the rate of return to the employees/ avoidable financial liability to the Government, and thus increasing risk of failure of the Scheme itself.

1.5.3 Capital Expenditure

Capital Expenditure, which had registered a steady increase during 2013-15, however, saw a dip in 2016-17 (decrease of ₹ 1,084 crore from the previous year). Capital expenditure during 2017-18 (₹ 19,368 crore) stood enhanced by ₹ 8,032 crore over the previous year. An amount of ₹ 1,412.98 crore representing expenditure of revenue nature was, however, misclassified as Capital expenditure. As a result, Revenue Deficit stood understated to that extent (Refer **Table 1.4**). Also, expenditure of ₹ 1,868.76 crore out of WBCETF³⁶ and WBTIDF³⁷ were misclassified as Capital Expenditure (as discussed in **Para 1.5.3.1** and **Table 1.4**). Besides this, ₹ 2.65 crore of capital nature was misclassified as Revenue Expenditure. Fourteenth Finance Commission had opined that any fall in capital expenditure to Gross Domestic Product (GDP) could be indicative of the need to address the state-specific issue of resource constraint, policy inertia, etc. In this backdrop, the Capital Expenditure to Gross State Domestic Product (GSDP) of the State of West Bengal was assessed *vis-à-vis* that of the neighbouring States. **Table 1.20** shown below, disclosed that in regard to Capital Expenditure to GSDP (at current prices) during 2013-18, the State of West Bengal stood at the lowest compared with that of the neighbouring States of Odisha, Jharkhand and Bihar.

Table 1.20: Capital Expenditure to GSDP

Name of the State	2013-14	2014-15	2015-16	2016-17	2017-18
West Bengal	1.02	1.38	1.56	1.29	1.90
Odisha	2.62	3.52	5.17	4.90	5.07
Jharkhand	2.50	2.54	3.95	4.61	4.68
Bihar	4.42	5.29	6.49	6.39	5.93

Source: Finance Accounts of respective States and GSDP figures issued by Ministry of Statistics and Programme Implementation (MoSPI)

This scenario indicated that there was a need to review the fiscal strategy and a need to create the fiscal space for increased capital expenditure, which in turn, would help to accelerate growth and promote equitable growth.

1.5.3.1 Inflated Capital Expenditure

(i) As per the West Bengal Entry Tax Rules, 2012 (Rules), proceeds of the levy on collection of taxes on the entry of certain goods into the local area of the State of West Bengal were to be credited to the Consolidated Fund of the State and subsequently to be appropriated to the Reserve Fund operated in the Public Account. As per the LMMHA³⁸,

³⁵ General Provident Fund interest rate

³⁶ West Bengal Compensatory Entry Tax Fund

³⁷ West Bengal Transport Infrastructure Development Fund

³⁸ List of Major and Minor Heads of Accounts

funds were to be transferred by crediting the Reserve Fund (WBCETF³⁹) through operation of the minor head '797-Transfer to Reserve Funds' under revenue expenditure heads.

During 2017-18, of ₹ 1,531.96 crore collected on account of entry tax, ₹ 1,526.96 crore⁴⁰ was credited to the Reserve Fund through four capital expenditure heads.

This resulted in overstatement of capital expenditure by ₹ 1,526.96 crore with corresponding understatement of revenue expenditure and revenue deficit (Refer Table 1.4).

(ii) WBTIDF⁴¹ was constituted (March 2004) for creation, development, maintenance and improvement of transport infrastructure out of collection of cess imposed on sale of motor spirits used for commercial and industrial purposes. In terms of the accounting procedure prescribed (March 2004) by the State Government for maintenance of proper accounts and administration of WBTIDF, the receipts by way of collection of cess were to be transferred to WBTIDF through Revenue Expenditure heads. During 2017-18, pursuant to orders of Finance Department (June 2018), ₹ 341.80 crore⁴² was contributed through capital expenditure heads instead of the revenue heads of account.

To that extent, capital expenditure remained overstated with corresponding understatement of revenue expenditure and revenue deficit (Refer Table 1.4).

1.5.3.2 Treatment of Pass through grants as Capital Expenditure

In June 2015, GoI had launched the centrally sponsored scheme, AMRUT⁴³ for development of sewerage, water supply and other infrastructure through implementation of urban renewal projects. As per guidelines of the scheme, the AMRUT will provide project funds to Urban Local Bodies through the States. Accordingly, these grants are pass-through grants and as per the Indian Government Accounting Standards-2 (IGAS-2), these were to be booked by the State Government under the revenue head.

It was, however, noted that during 2017-18, expenditure of ₹ 234.51 crore in respect of AMRUT was booked under capital head instead of revenue head departing from the IGAS-2 stipulations.

1.5.4 Quality of Expenditure

Quality of expenditure basically involves three aspects viz., adequacy of the expenditure (i.e. adequate provisions for providing public services), efficiency of expenditure use, and effectiveness (assessment of outlay-outcome relationships for services).

1.5.4.1 Adequacy of Public Expenditure

A comparison of fiscal priority of West Bengal with other General Category States⁴⁴ (**Chart 1.11**) revealed that in ratios of TE to GSDP, DE to TE, ESE to TE and CE to TE, the State of West Bengal compared unfavourably to the General Category States' (GCS)

³⁹ West Bengal Compensatory Entry Tax Fund

⁴⁰ ₹ 600 crore under H/A:5054-03-797, ₹ 476.96 crore under H/A:4217-60-797; ₹ 250 crore under H/A: 4851-00-797 and ₹ 200 crore under H/A:4575-02-797

⁴¹ West Bengal Transport Infrastructure Development Fund

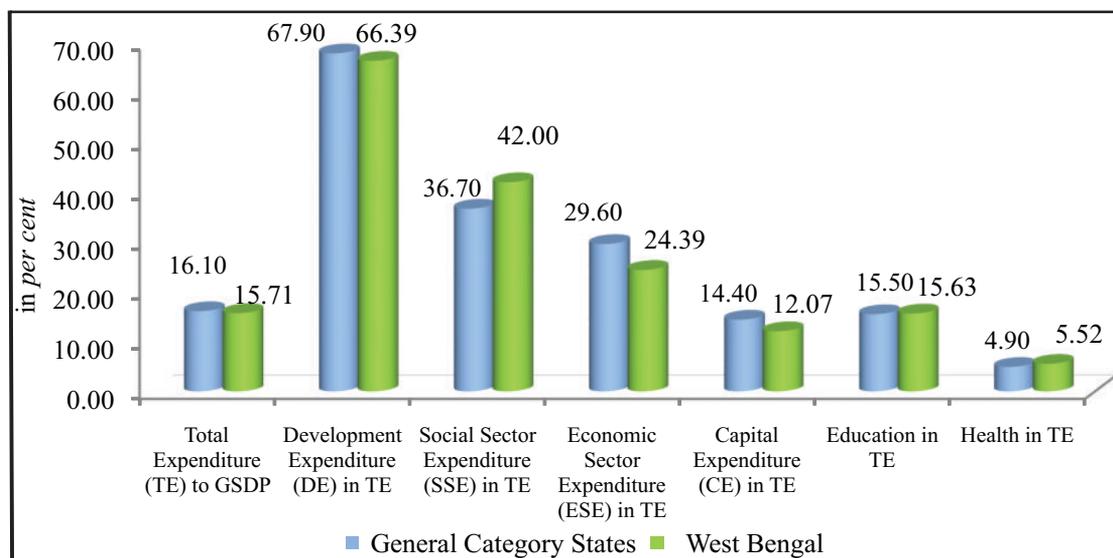
⁴² ₹ 95.14 crore under the H/A :5055-00-797 and ₹ 246.66 crore under the H/A :5054-80-797

⁴³ Atal Mission for Rejuvenation and Urban Transformation

⁴⁴ Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal

average. The SSE to TE ratio has, however, managed to stay above the average of GCS. As the fiscal deficit compared to the previous year has increased by nearly 13.96 per cent to ₹ 3,544 crore, the future of Social Sector spending may become a cause for concern.

Chart 1.11: Prioritisation in public expenditure in percentage



Source: Finance Accounts

West Bengal fared favourably in its focus on Education (₹ 25,068 crore) and Health (₹ 8,857 crore) in comparison to other General Category States. The State, however, lagged behind in the area of Development Expenditure (₹ 1,06,505 crore) and Capital Expenditure (₹ 19,368 crore).

1.5.4.2 Efficiency of Expenditure Use

Details of capital and revenue expenditure on maintenance of social and economic services are given in Table 1.21 below.

Table 1.21: Efficiency of Expenditure Use in selected Social and Economic Services

Social/Economic Infrastructure	2016-17			2017-18		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S & W	O&M		S & W	O&M
in per cent						
Social Services (SS)						
Education, Sports, Art and Culture	1.63	73.06	0.02	1.81	77.70	0.00
Health and Family Welfare	15.03	48.76	0.28	10.51	47.54	0.27
Water Supply, Sanitation, Housing and Urban Development	22.57	20.16	4.48	41.38	20.69	4.94
(Total SS)	7.21	41.40	0.66	11.29	43.82	0.67
Economic Services (ES)						
Agriculture and Allied Activities	14.81	39.78	0.35	13.21	36.69	0.31
Irrigation and Flood Control	62.34	58.28	12.25	59.68	55.37	13.92
Power and Energy	12.68	0.00	0.00	27.38	0.05	0.00
Transport	50.70	9.55	16.43	74.36	9.27	14.86
Total (ES)	18.15	14.89	1.51	27.50	14.44	1.45
Total (SS+ES)	11.05	33.07	0.92	17.24	34.29	0.92

Source: Finance Accounts of Government of West Bengal (2017-18) and Voucher Level Computerisation data

TE: Total Expenditure; CE: Capital Expenditure (excluding Loans and Advances); RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations & Maintenance

The ratio of Capital Expenditure to Total Expenditure in the Power and Transport services under Economic Sector has increased significantly, indicating the focus of the Government on asset creation under this sector.

In respect of Revenue Expenditure, the share of Operations and Maintenance (O&M) in respect of Irrigation and Flood Control under Economic Sector has grown considerably over the preceding year indicating increasing burden of O&M. The share of salaries and wages in respect of General Education has increased whereas in Health and Family Welfare the share of salaries and wages has marginally decreased over the preceding year.

1.6 Composition of Assets and Liabilities

While the Government accounting system does not provide for comprehensive accounting of fixed assets like land and buildings owned by the Government, these can be derived from the accounting of financial liabilities and assets created out of expenditure incurred. *Appendix 1.3 (Part B)* gives an abstract of liabilities and assets, as on 31 March 2018, compared with the corresponding position on 31 March 2017.

1.6.1 Government Assets

Government assets mainly comprise Capital Outlay, Investments, Loans and Advances given by the State Government and cash balances.

Financial results of irrigation works

The Capital Expenditure on 15 irrigation projects⁴⁵ was ₹ 2,377 crore as of March 2018. The financial results of these projects showed that an amount of ₹ 6.89 crore (0.29 per cent) was realised from these projects during 2017-18. After meeting the working expenses and interest charges of ₹ 213 crore, the schemes suffered a net loss of ₹ 207 crore during the current year as compared to net loss of ₹ 234 crore during the previous year. The major loss making projects in 2017-18 were *Kangsabati* Reservoir Project (₹ 45 crore), *Teesta* Barrage Project (₹ 41 crore) and *Mayurakshi* Reservoir Project (₹ 32 crore). The profit making projects in 2017-18 were *Damodar* Canal (₹ 4 lakh) and *Medinipur* Canal (₹ 5 lakh).

1.6.2 Investment and Returns in Public Sector Undertakings

As of 31 March 2018, the State Government's investment stood at ₹ 15,884 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives. In 2017-18, Government of West Bengal invested mainly in WBHIDCL⁴⁶ (₹ 850 crore), WBIDCL⁴⁷ (₹ 300 crore) and WBPDCCL⁴⁸ (₹ 100 crore). The average return on this investment remained negligible. The position of return on investments⁴⁹ during 2013-18 is given in **Table 1.22**.

⁴⁵ Three drainage projects, five major projects and seven medium projects

⁴⁶ West Bengal Highway Development Corporation Limited

⁴⁷ West Bengal Industrial Development Corporation Limited

⁴⁸ West Bengal Power Development Corporation Limited

⁴⁹ In Statutory Corporations, Government Companies, Co-operative Societies and Banks

Table 1.22: Return on Investments

Sl. No.	Investment/Return/Cost of Borrowings	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Investment at the end of the year (₹ in crore)	12,358	12,653	13,390	14,015	15,884
2.	Return in the form of Dividend (₹ in crore)	9	6	12	1	37
3.	Rate of Return (<i>per cent</i>)	0.07	0.05	0.09	0.01	0.25
4.	Average rate of interest on Government borrowings ⁵⁰ (<i>per cent</i>)	8.62	8.15	7.92	7.99	8.04
5.	Difference between rate of return and interest rate (<i>per cent</i>) (3-4)	(-)8.55	(-)8.10	(-)7.83	(-)7.98	(-)7.79

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

The Government earned a meager return of ₹ 37 crore in 2017-18 on its investments of ₹ 15,844 crore in various Corporations/Companies. The return on investment was negligible at 0.25 *per cent* during 2017-18, far lower than the average rate of interest (8.04 *per cent*), the Government paid on its borrowings. Government investments are highest in the power sector. Losses from the power sector (₹ 766.44 crore) accounted for 9.92 *per cent* of total losses (₹ 7,723.35 crore) incurred by the State Working PSUs as of 31 March 2018.

In spite of poor return from its investment to the State PSUs, the State Government extended budgetary support of ₹ 6,963.45 crore⁵¹ to these PSUs during 2017-18. The budgetary support included ₹ 1,100.91 crore extended to 22 PSUs (including seven inactive PSUs) having negative net worth of ₹ 8,545.62 crore, as per their latest available accounts. Further, 46 Government companies (Working companies – 31 and Inactive companies -15) had not even finalized their accounts, as required under Section 394 and 395 of Companies Act, 2013 and the delay ranged between one year to 12 years. Even in the absence of accounts to assess the demands for financial support from these Companies, the State Government had regularly extended budgetary support to these Companies.

1.6.2.1 Overstatement of investment

- Government of West Bengal (GoWB) sanctioned ₹ 300 crore to WBIDCL between October 2017 and January 2018 for investments through equity infusion in BAPL⁵². WBIDCL as an investor was allotted 12 crore equity shares of ₹ 10 each of BAPL, value of investment being ₹ 120 crore and 1.80 crore preference shares of ₹ 100 each, value of investment being ₹ 180 crore. As per the Finance Accounts this was booked as the investment of Government of West Bengal in WBIDCL. The increase in shareholding of GoWB as a result of this investment was, however, not reflected in the annual accounts (2017-18) of WBIDCL.
- GoWB sanctioned (December 2017) ₹ 2.18 crore to District Magistrate, North 24 Parganas for payment of compensation to the owners of buildings at Mahisbathan in

⁵⁰ Interest Payments/[(Amount of previous year's outstanding liabilities + current year's outstanding liabilities)/2]*100

⁵¹ ₹ 1,868.94 crore in shape of equity, ₹ 657.14 crore by way of loans, ₹ 4,437.37 crore in shape of Grants-in-Aid and subsidies

⁵² Bengal Aerotropolis Projects Limited, a Non-Government Company, registered under Companies Act, 1956

connection with construction of metro corridor in the New Garia-Bimanbandar section of the Metro Railway. This amount was, however, shown as investment in Metro Railway instead of Grants-in-Aid.

1.6.2.2 Understatement of equity investment

Due to defective⁵³ sanction order, conversion of loan to equity of ₹ 380 crore provided to WBPDCCL for setting up of Units 3 and 4 of *Sagardighi* Thermal Power Station could not be exhibited in the accounts up to 2017-18.

Consequently, loans and advances disbursed by GoWB remained overstated with corresponding understatement of investment and by ₹ 380 crore.

1.6.2.3 Non-realisation of disinvestment proceeds

Disinvestment proceeds amounting to ₹ 147 crore could not be realised despite completion of the legal procedure for transfer of equity shares of Kolkata Metro Rail Corporation Limited (KMRCL) in favour of Ministry of Railways (in November 2012 and February 2013) by GoWB.

1.6.3 Loans and Advances given by the State Government

In addition to investments in co-operative societies, corporations and companies, Government also provided loans and advances to many other institutions / organisations. Details are given in **Table 1.23**.

Table 1.23: Details of loans and advances by State Government (₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Opening Balance (A)	15,136	14,641	14,970	14,999	12,963
Amount advanced during the year (B)	663	505	861	1,197	(-)31 ⁵⁴
Amount recovered during the year (C)	1,158 ⁵⁵	176	832	3,233 ⁵⁶	214
Closing Balance (D=A+B-C)	14,641	14,970	14,999	12,963	12,718
Net addition of loans and advances (B-C)	(-) 495	329	29	(-) 2,036	(-) 245
Interest receipts	274	126	95	833	1031
Interest receipts as <i>per cent</i> to outstanding loans and advances ⁵⁷ (E)	1.84	0.85	0.63	5.96	8.03
Interest payments	20,757	21,588	23,115	25,703	28,074
Outstanding liabilities	2,51,997	2,77,579	3,06,043	3,37,682	3,60,961
Average rate of Interest on Government borrowings (<i>per cent</i>) (F)	8.62	8.15	7.92	7.99	8.04
Difference between interest receipts on loans and interest payments on Government borrowings (<i>in per cent</i>) (G=E-F)	(-)6.78	(-)7.30	(-)7.29	(-)2.03	(-)0.01

Source: Finance Accounts of Government of West Bengal of the respective years

- As of 31 March 2018, Loans and Advances of ₹ 12,718 crore were given by the Government mainly to Government Companies (₹ 7,125 crore), Municipalities / Municipal Corporations (₹ 1,084 crore) and Statutory Corporations (₹ 280 crore). The current recovery of loan was low.

⁵³ Sub-head (003) specified in the sanction order was not consistent with the sub-head (057) under which the loans were originally disbursed to WBPDCCL.

⁵⁴ As outstanding loans converted to equity in respect of West Bengal Highway Development Corporation Limited (₹ 700 crore) surpassed the loans disbursed during the year.

⁵⁵ The high recovery of loans and advances in 2013-14 was due to conversion of outstanding Externally Aided Project loans into equity in favour of WBPDCCL for implementation of Sagardighi Thermal Power Station.

⁵⁶ The high recovery of loans and advances in 2016-17 was due to higher repayment of loans from WBSEDCL under West Bengal Power Sector Reforms Transfer Scheme, 2007.

⁵⁷ Interest received / [(opening balance + closing balance of loans and advance) / 2] * 100

- Interest receipts increased from ₹ 833 crore in 2016-17 to ₹ 1,031 crore in 2017-18 but the percentage of interest received to total outstanding loans and advances was 8.03 *per cent* while interest payment on the other hand (₹ 28,074 crore) during 2017-18 was 8.04 *per cent* of its total outstanding liabilities (₹ 3,60,961 crore). As a result, interest spread of Government borrowings was negative (-0.01 *per cent*) during the year which meant that the State's borrowings were more expensive than the loans advanced by it.

Government loans to five Government Companies⁵⁸ / Statutory Corporations/ Cooperatives amounting to ₹ 182.17 crore in 2017-18 did not specify any terms and conditions, like schedule of repayment, rate of interest, number of instalments etc. Government was providing loans to Government Companies/ Statutory Corporations and Autonomous Bodies, whose annual accounts were in arrears (Refer Paragraphs 1.6.2, 3.5 and 3.7).

Details of loans and advances made by the Government are shown in **Section 1 of Statement 18** of Finance Accounts and details of entities that were in arrears of repayment of loans are shown in **Section-2 of Statement 18** of Finance Accounts.

Arrears of Principal and Interest

The current level of recovery of loans was low. Against the estimation of ₹ 804 crore in the budget to be recovered in 2017-18, the actual recovery was only ₹ 214 crore (26.62 *per cent*). Low recovery led to arrears of ₹ 5,044 crore on account of principal (mainly from Government Companies: ₹ 3,377 crore, Development Authorities: ₹ 254 crore) and ₹ 8,133 crore on account of interest (mainly from Government Companies: ₹ 6,319 crore, Municipalities/Municipal Corporations: ₹ 439 crore) overdue for realization as of 31 March 2018. None of the unrecoverable loans were, however, written off during the year.

Recommendation 2: The State Government may ensure that future loans and advances to autonomous bodies are predicated on furnishing of audited accounts of the previous year.

1.6.4 Cash Balance

The cash balance at the end of March 2018 was ₹ 18,859.18 crore (*Appendix 1.3-Part A*) comprising (i) cash balance investments (₹ 8,570.10 crore), (ii) deposits with RBI (₹ (-)20.96 crore), (iii) departmental cash balance including permanent advances (₹ 2.14 crore) and (iv) investments in earmarked funds (₹ 10,307.52 crore) including Sinking Fund (₹ 9,745.23 crore) and Guarantee Redemption Fund - Investment Account (₹ 380.78 crore).

State Government maintained the mandatory minimum daily cash balance of ₹ 2.48 crore with the Reserve Bank of India (RBI) for 343 days during the year without taking Ways and Means Advances (WMA). For 22 days, the State Government depended on special WMA (₹ 5,395 crore) for maintaining the minimum balance with RBI. In monetary terms, however, WMA increased by ₹ 4,187 crore (346.61 *per cent* increase) in 2017-18 over 2016-17 (₹ 1,208 crore). The interest payment on WMA during 2017-18 was ₹ 1.05 crore as against ₹ 0.29 crore in 2016-17, *i.e.*, 262.07 *per cent* increase.

⁵⁸ Hooghly River Bridge Commissioner, Kolkata Metropolitan Development Corporation, Electro medical and allied industries Ltd., West Bengal State Beverages Ltd. and Primary/ Central Fisherman's Co-operative

1.7 Government Liabilities

Liabilities of the Government consist mainly of internal borrowings, loans and advances from GoI and balances in the Public Account. The total liabilities of the State as on 31 March 2018 were ₹ 3,60,961 crore; its composition is shown in **Chart 1.12**.

Chart 1.12: Composition of Liabilities

Total Liabilities (₹ 3,60,961 crore)		
Internal Debt from Market, financial institutions, etc. (₹ 3,01,778 crore)	Loans and Advances from Government of India (₹ 14,233 crore)	Public Account Liabilities where Government acts as a banker (₹ 44,950 crore)
Market Borrowings (₹ 2,18,943 crore)	Loans for Plan Schemes (₹ 13,917 crore)	Small Savings, Provident Fund, etc.(₹ 14,510 crore)
Bonds(₹ 2 crore)	Non Plan Loans (₹ 311 crore)	Reserve Fund bearing interest (₹ 50 crore)
Loans from Financial Institutions (₹ 7,032 crore)	Pre-1984-85 Loans (₹ 5 crore)	Reserve Fund not bearing interest (₹ (-)278 crore)
Special Securities issued to NSSF (₹ 75,801 crore)		Deposits bearing interest (₹ 13,465 crore)
		Deposits not bearing interest (₹ 17,203 crore)

Source: Finance Accounts of Government of West Bengal (2017-18)

Audit analysis showed that **the liabilities are on an ascending trend (Table 1.24) over the last five years. The total liabilities of the Government as of 31st March 2018 was ₹ 3,60,961 crore and was 2.75 times of its Revenue Receipts.** They constitute 35.36 per cent of the Gross State Domestic Product (GSDP), which, however, is within the limit of 36.77 per cent prescribed by Medium Term Fiscal Policy Statement (MTFPS). The liabilities grew by 6.89 per cent over previous year.

Table 1.24: Trends in Outstanding Liabilities of the State

	2013-14	2014-15	2015-16	2016-17	2017-18
Outstanding Liabilities (₹ in crore)	2,51,997	2,77,579	3,06,043	3,37,682	3,60,961
Rate of growth (in per cent)	9.67	10.15	10.25	10.34	6.89
Ratio of Outstanding Liabilities to					
GSDP (in per cent)	37.23	38.66	38.38	38.41	35.36
Revenue Receipts (in per cent)	345.76	320.85	278.90	286.58	274.98
Own resources (in per cent)	665.71	676.38	690.00	697.46	646.44

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

Box : 1.2

Apart from the above, two instances of outstanding liabilities amounting to ₹ 2,587 crore as of March 2018 is detailed below:

- As per Ministry of Home Affairs, GoI's demand (May 2018) , deployment claims amounting to ₹ 2,111.39 crore on account of deployment of CRPF / RAF detachments was outstanding from the Government of West Bengal up to 31 March 2018. The liability

amounted to ₹ 2,159.20 crore including the penalty (₹ 47.81 crore) on the outstanding amount pending for more than 90 days.

- GoWB introduced (February 2001) the State Assisted Scheme of Provident Fund for Unorganized Workers (SASPFUW) to provide scope of Provident Fund to the workers in the Unorganised Sector. Each subscriber has to contribute to this fund and the State Government will contribute an equal matching amount. Interest on the balance at credit of the subscribers will also be paid by the State Government annually at the rate at which interest is allowed on deposit under the General Provident Fund by the Government.

It was seen that during 2017-18, GoWB paid interest of only ₹ 33 crore out of ₹ 109 crore due to this Provident Fund. Since inception till March 2018, the total outstanding interest amounted to ₹ 428 crore.

1.7.1 Reserve Funds

Reserve Funds are created for specific and defined purposes. These are funded by contributions/ grants from the Consolidated Fund of the State. Against the gross accumulated balance of ₹ 10,080 crore lying in these funds as on 31 March 2018, an amount of ₹ 10,126 crore was invested in GoI securities and ₹ 171 crore in fixed deposit, hence the fund was with an adverse balance of (-) ₹ 217 crore as on 31 March 2018. The main reason for adverse balance was owing to adverse balances under West Bengal Compensatory Entry Tax Fund (WBCETF), as explained in Paragraph (iii) below. Out of 41 Reserve Funds, 23 funds were not in operation for more than five years, with a balance of ₹ 20.48 crore as on 31 March 2018. The transactions relating to following reserve funds during 2017-18 are analysed as below:

Box : 1.3

(i) Consolidated Sinking Fund (CSF)

The Sinking Fund was created in the year 1999-2000 for amortization of the State's liabilities. As per the guidelines⁵⁹, the State Government was required to make annual contributions to the Sinking Fund at 0.5 *per cent* of the outstanding liabilities⁶⁰ at the end of the previous financial year. The State Government, against the required amount of ₹ 1,688.41 crore, had contributed ₹ 200 crore and thereby made short contribution of ₹ 1,488.41 crore to the Consolidated Sinking Fund during the financial year 2017-18. This had the impact of understating the Fiscal Deficit to that extent. Further, there was persistent short contribution from 2013-14 to 2016-17 of ₹ 4,476.98 crore to the CSF. Thus the aggregate shortfall of contribution to the Fund for the years 2013-18 was ₹ 5,965.39 crore which resulted in understatement of outstanding liabilities to the same extent during 2013-18. During this period, the State's liabilities rose by 43.24 *per cent* from ₹ 2,51,997 crore as of March 2014 to ₹ 3,60,961 crore in March 2018. The balance in the fund as of March 2018 was ₹ 9,745 crore.

(ii) State Disaster Response Fund (SDRF)

Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010. The guidelines of SDRF stipulated the following.

- The fund should be operated under the category "Reserve Fund bearing interest" below Major Head '8121- General and other Reserve Fund'.
- The State Government shall pay interest on a half-yearly basis to the SDRF at the rate applicable to RBI overdrafts.

⁵⁹ Revised in November 2007 as per the recommendations of 12th Finance Commission

⁶⁰ Defined as comprising internal debt and Public Account liabilities of the State Government

It was, however, observed that the GoWB operated its SDRF under the category 'Reserve funds bearing interest-8121' from June 2011 onwards but depicted the old balance (₹ 15.69 crore) of the calamity relief fund under 'Reserve funds not bearing interest-8235'. Transactions in SDRF during 2017-18 is indicated in the **Table 1.25** below.

Table 1.25: Transactions in SDRF (₹ in crore)

Type of Reserve Fund / Head of Account	Opening Balance (1 April 2017)	Receipts	Total funds Available during the year	Disbursement	Closing Balance (31 March 2018)
Reserve Fund bearing interest/ Major Head 8121	1,028.14	587.54 ⁶¹	1,615.68	1,575.65	40.03
Reserve Fund not bearing interest/ Major Head 8235	15.69	0.00	15.69	0.00	15.69
Total	1,043.83	587.54	1,631.37	1,575.65	55.72

Source: Finance Accounts of Government of West Bengal (2017-18)

SDRF had significant amount of un-invested balances ranging from ₹ 155.27 crore to ₹ 878.58 crore during 2017-18. GoWB was required to provide interest to SDRF (at RBI overdraft rates⁶²) on the un-invested balances of SDRF, which worked out to ₹ 38.25 crore during 2017-18. Non-payment of interest in violation of the provisions of the guidelines resulted in understatement of SDRF (MJH 8121) by ₹ 38.25 crore. The unpaid interest represented the unaccounted liability of the State Government.

Further, the closing balance of ₹ 55.72 crore under the fund remained un-invested and merely continued to be depicted as a book balance in the accounts. Such non-investment not only goes against the spirit of the SDRF but also the principles of cash basis of Accounting which forms the cornerstone of Government Accounting.

In terms of the guidelines of National Disaster Response Fund (NDRF), the State Government was to ensure that the fund received from NDRF was duly transferred to the SDRF. In 2017-18, the State Government received ₹ 325 crore from NDRF. The amount was, however, transferred to the SDRF only in the year 2018-19. Due to non-transfer of fund received from NDRF to the SDRF during 2017-18, Revenue Deficit as well as Fiscal Deficit stood understated by ₹ 325 crore.

(iii) West Bengal Compensatory Entry Tax Fund (WBCETF)

WBCETF was established (July 2012) to develop and facilitate trade, commerce and industry. This fund was created for (i) constructing roads, transport, electricity infrastructure etc. in the state and (ii) providing finance, grants and subsidies to the local bodies/ government agencies for the specified purpose. Entry tax collected in the state was credited to the fund.

According to West Bengal Tax on Entry of Goods into Local Areas Act, 2012, the State Government may credit the fund by way of grants or loans, such sums or money as the State Government may consider necessary.

The transactions in WBCETF during 2013-14 to 2017-18 are shown in **Table 1.26**.

⁶¹ GoI Release-₹ 426.75 crore, GoWB Release-₹ 142.25 crore, Interest for delayed transfer during FY 2015-16 to 2017-18-₹ 8.72 crore and Interest earned during 2017-18-₹ 9.82 crore

⁶² Overdraft rate was 8.25 per cent from April 2017 to July 2017 and 8 per cent from August 2017 to March 2018

Year	Opening Balance	Receipt	Payment	Closing Balance
2013-14	0	989	336	653
2014-15	653	856	969	540
2015-16	540	838	1,666	(-)288
2016-17	(-)288	934	713	(-)67
2017-18	(-)67	1,532	1,758	(-)293

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

Above table shows that the fund had a negative closing balance of ₹ 293 crore as of March 2018, indicating excess of disbursement over available balances. This negative figure has been appearing in the accounts from 2015-16 onwards. The negative balance is to be regularised by appropriation from the Consolidated Fund.

(iv) Guarantee Redemption Fund (GRF)

Twelfth Finance Commission had recommended opening of the GRF for discharging the liability of the Government towards invocation of the guarantees extended by it. State Government had constituted the GRF in January 2015 and the closing balance as of March 2018 stood at ₹ 381 crore. The guidelines of GRF *inter alia* stipulated that guarantee commission collected was to be transferred to the fund.

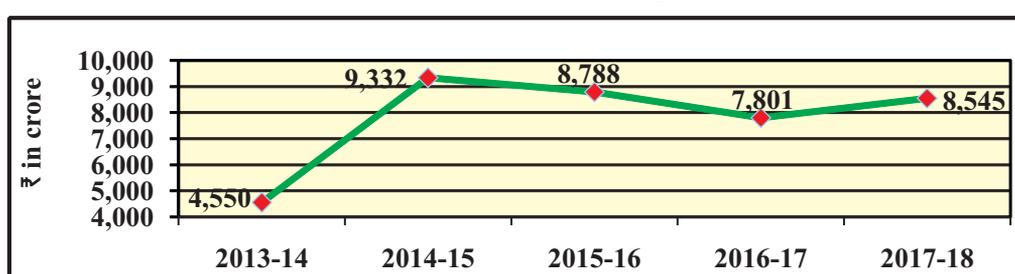
During 2014-18, in spite of earning guarantee commission⁶³ of ₹ 23.89 crore, no amount was transferred to GRF. This led to non-investment of fund as well as loss of interest of ₹ 0.84 crore. Non-transfer of guarantee commission resulted in understatement of revenue deficit and fiscal deficit by ₹ 23.89 crore.

Recommendation 3: The State Government may ensure that the contributions to Reserve Funds are made annually as stipulated, to enable a firm funding stream to meet the defined purposes of the funds.

1.7.2 Guarantees

Guarantees are contingent liabilities on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended by the State Government. WBCGA⁶⁴ 2001 stipulated that the total outstanding Government guarantees as on the first day of April of any year shall not exceed 90 per cent of the State Revenue Receipts of the second preceding year. Finance Department acts as the tracking authority in respect of guarantees. The outstanding guarantees (₹ 8,545 crore) (Chart 1.13) at the end of 2017-18 stood at 7.79 per cent of the total Revenue Receipts of the second preceding year (₹ 1,09,732 crore) and was thus within the ceiling of the WBCGA.

Chart 1.13: Status of Outstanding Guarantees



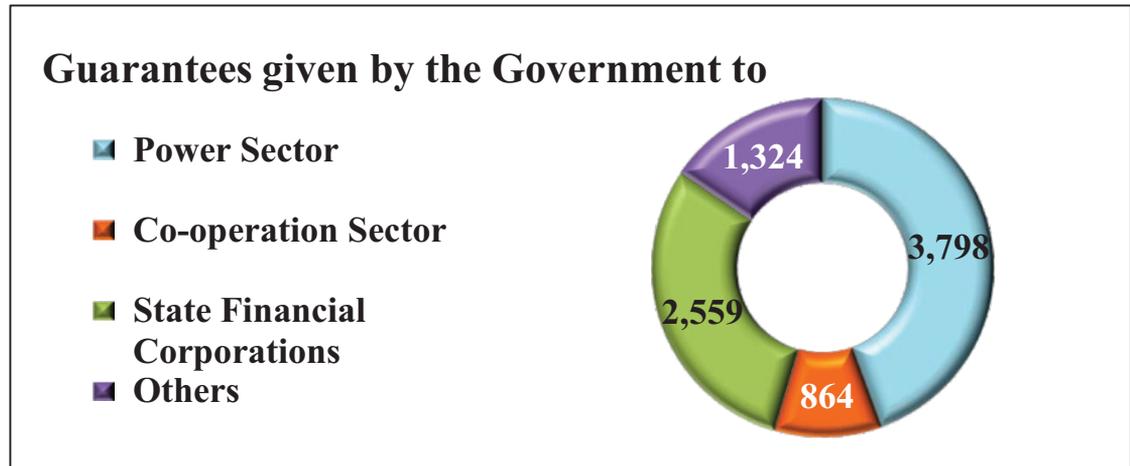
Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

⁶³ Booked under '0075-Misellaneous General Service-108-Guarantee Fees'

⁶⁴ West Bengal Ceiling on Government Guarantees Act

Out of total outstanding guarantees as on 31 March 2018, share of Power Sector, State Financial Corporation and Co-operation Sector stood at ₹ 3,798 crore (44.45 per cent), ₹ 2,559 crore (29.95 per cent) and ₹ 864 crore (10.11 per cent), respectively (**Chart 1.14**). No guarantee, had been invoked during 2017-18.

Chart 1.14: Sectors in receipt of guarantees at the end of 31 March 2018 (₹ in crore)



Source: Finance Accounts of Government of West Bengal (2017-18)

Further, in terms of Section 10 of West Bengal Finance Act, 2002, the loanees for whom the State Government had provided guarantees to the financial institutions, were required to pay guarantee commission at the rate of one per cent (minimum) on the total amounts guaranteed. Accordingly, during 2017-18, the State Government was to receive guarantee commission of ₹ 85.45 crore against which only ₹ 12.39 crore was received.

Short receipt of guarantee commission overstated the Revenue Deficit by ₹ 73.06 crore.

Recommendation 4: The State Government may comply with its own orders to ensure optimum receipt of guarantee commission.

1.7.3 Debt Management

Outstanding debt of the State Government (internal debt and loans & advances from Government of India) as on 31 March 2018 is ₹ 3,16,011 crore. **The outstanding debt increased by 7.02 per cent over the preceding year, at a slower pace than the growth of GSDP (16.12 per cent).**

1.7.3.1 Net availability of borrowed funds

The Net availability (₹ (-)7,342 crore) of borrowed⁶⁵ funds (₹ 40,348 crore) after providing for interest payments (₹ 28,074 crore) and repayment of borrowings (₹ 19,616 crore), was negative (18.20 per cent), indicating non-availability of borrowed funds for purposes other than debt repayment significantly limiting the scope for development activities.

1.7.3.2 Debt analysis – Debt Sustainability and trends of debt repayment

The Public debt sustainability is defined as the ability of the State to service its debt in future. **Table 1.27** and **Charts 1.15, 1.16** and **1.17** analyses the debt sustainability of the States during the five year period 2013-18.

⁶⁵ excluding Ways and Means advances in Public Debt

Table 1.27: Debt Sustainability: Indicators during 2013-18

Indicators of Public Debt* Sustainability	2013-14	2014-15	2015-16	2016-17	2017-18
Outstanding Debt (₹ in crore)	2,20,978	2,44,490	2,70,059	2,95,278	3,16,011
Rate of growth of Outstanding Debt (in per cent)	8.94	10.64	10.46	9.34	7.02
GSDP (at current prices) (₹ in crore)	6,76,848	7,18,082	7,97,300	8,79,167	10,20,858
Debt/ GSDP ratio (in per cent)	32.65	34.05	33.87	33.59	30.96
Debt Receipts ^{&} (₹ in crore)	30,932	35,812	34,608	36,316	40,348
Debt Repayments ^{&} (₹ in crore)	12,802	12,300	9,040	11,096	19,616
Interest Payment (₹ in crore)	20,757	21,588	23,115	25,703	28,074
Tax Revenue (₹ in crore)	35,831	39,412	42,492	45,466	52,721

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18); [&] Excludes Ways and Means Advances availed and repaid by the State Government; *Internal Debt and Loans from Gol

<p>Chart 1.15: Interest payments as a per cent of Revenue Receipts</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Interest payments as a per cent of Revenue Receipts</th> </tr> </thead> <tbody> <tr> <td>2013-14</td> <td>28.48</td> </tr> <tr> <td>2014-15</td> <td>24.95</td> </tr> <tr> <td>2015-16</td> <td>21.06</td> </tr> <tr> <td>2016-17</td> <td>21.81</td> </tr> <tr> <td>2017-18</td> <td>21.39</td> </tr> </tbody> </table>	Year	Interest payments as a per cent of Revenue Receipts	2013-14	28.48	2014-15	24.95	2015-16	21.06	2016-17	21.81	2017-18	21.39	<p>Chart 1.16: Trend of Debt Repayment versus Tax Revenue (in per cent)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Trend of Debt Repayment versus Tax Revenue (in per cent)</th> </tr> </thead> <tbody> <tr> <td>2013-14</td> <td>35.73</td> </tr> <tr> <td>2014-15</td> <td>31.21</td> </tr> <tr> <td>2015-16</td> <td>21.27</td> </tr> <tr> <td>2016-17</td> <td>24.41</td> </tr> <tr> <td>2017-18</td> <td>37.21</td> </tr> </tbody> </table>	Year	Trend of Debt Repayment versus Tax Revenue (in per cent)	2013-14	35.73	2014-15	31.21	2015-16	21.27	2016-17	24.41	2017-18	37.21
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<p>Chart 1.17: Trend of Debt Repayment versus Debt Receipts (in per cent)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Trend of Debt Repayment versus Debt Receipts (in per cent)</th> </tr> </thead> <tbody> <tr> <td>2013-14</td> <td>41.39</td> </tr> <tr> <td>2014-15</td> <td>34.35</td> </tr> <tr> <td>2015-16</td> <td>26.12</td> </tr> <tr> <td>2016-17</td> <td>30.55</td> </tr> <tr> <td>2017-18</td> <td>48.62</td> </tr> </tbody> </table>	Year	Trend of Debt Repayment versus Debt Receipts (in per cent)	2013-14	41.39	2014-15	34.35	2015-16	26.12	2016-17	30.55	2017-18	48.62	<p>It was observed that the interest payments relative to Revenue Receipts were higher at 21.39 per cent as compared to the target of 20.34 per cent fixed by 14th Finance Commission.</p> <p>The Public Debt Repayment as a percentage of Tax Revenue increased from 24.41 per cent during 2016-17 to 37.21 per cent in 2017-18.</p>												
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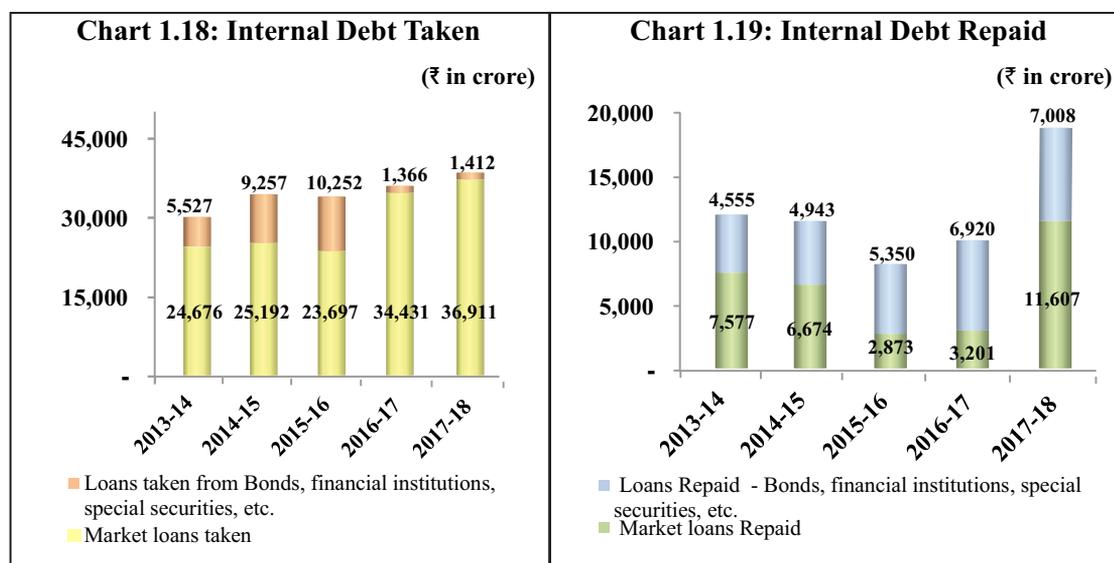
Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18);

Note: excluding Ways and Means Advances

Public Debt repayment as a percentage of Public Debt Receipts increased from 30.55 per cent in 2016-17 to 48.62 per cent during the year 2017-18 indicating increase in utilisation of Public Debt Receipts for repayment of earlier Public Debt thereby impeding its utilisation for asset creation.

The outstanding market borrowings as of 31 March 2018 (₹ 2,18,943 crore) formed a major portion (72.55 per cent) of the internal debt (₹ 3,01,778 crore) of the State Government, with interest rates ranging from 7.20 to 8.42 per cent. In 2017-18, the State Government availed fresh market borrowings of ₹ 36,911 crore and repaid ₹ 11,607 crore. The net increase of market borrowings during the year was 13.07 per cent (₹ 25,304 crore) over the previous year (₹ 1,93,638 crore).

Charts 1.18 and 1.19 represent the internal debt taken and internal debt repaid during the five years period 2013-18.



Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)

1.7.3.3 Maturity Profile of Public Debt

Fiscal Responsibility and Budget Management (FRBM) Act, 2010 *inter-alia* stipulates that the Government of West Bengal (GoWB) is responsible to ensure judiciousness in fiscal management and fiscal stability through prudent debt management.

The maturity profile of Public Debt outstanding as on 31 March 2018 is shown in Table 1.28.

Table 1.28: Maturity Profile of Public Debt

Maturity Profile	Internal Debt	Loans and Advances from GoI	Total	Per cent (w.r.t. total)
	(₹ in crore)			
Details of Maturity year not available	82,835	6,959	89,794	28.41
0-1 year	12,401	672	13,073	4.14
2-4 years	47,801	2,017	49,818	15.77
5-7 years	63,400	2,016	65,416	20.70
8-10 years	95,341	1,625	96,966	30.68
11 years and above	0	944	944	0.30
Total	3,01,778	14,233	3,16,011	100

Source: Finance Accounts of Government of West Bengal (2017-18)

As can be seen from the table that the liability of the State would steeply rise from 2018-19 onwards and put a strain on the State finances in forthcoming years. The table further showed that 40.61 to 71.29 per cent of the maturity would take place between seven and ten years. This meant that the state was to mobilise required resources for repayment of debt commitments of ₹ 1,28,307 crore to ₹ 2,25,273 crore. The debt maturity position during the forthcoming years could be more alarming given the fact that maturity details of around 28.41 per cent of the outstanding borrowings was not available.

This scenario indicated that there was an urgent need to put in place a debt management strategy to ensure that the State does not head towards a debt stress and the prospect of shrinkage of resources available for development purposes. For this purpose, the Medium Term Fiscal Policy Statement (MTFPS) and the Fiscal Policy Strategy Statement (FPSS) for 2017-18 were reviewed to assess the extent of compliance to the principles of FRBM Act referred *ibid*. It was noted that no debt management strategy was included therein to factor in the modalities for mitigating such impending quantum of debt.

1.8 Fiscal Reform Path

The State Government, in compliance with the recommendations of the Twelfth Finance Commission, enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2010 (amended in 2011). Important targets relating to fiscal variables can be amended from time to time in accordance with the Central Finance Commissions' recommendations. **Government of West Bengal is, however, yet to amend its FRBM Act in accordance with the recommendations of the Fourteenth Finance Commission, especially on key fiscal indicators of the State Government, viz., Revenue Deficit, Fiscal Deficit and Primary Deficit.**

1.8.1 Disclosures not made

Fiscal Responsibility and Budget Management (FRBM) Act, 2010 (amended in 2011) places an onus on the State Government to monitor and control the fiscal deficit. It also requires the State Government to make disclosures and statements under Section 5 of FRBM Act, 2010 together with Rule 7 of Fiscal Responsibility and Budget Management Rules, 2011. The State Government, however, did not make the following three out of eight disclosures required to be made:

- Significant changes in the Accounting Standards, policies and practices affecting or likely to affect the compliance of the prescribed fiscal indicators;
- Major works and contracts, committed liabilities in respect of land acquisition charges, claims in respect of unpaid bills on works and supplies; and
- Statement of Assets in respect of weighted average interest rates on Government liabilities.

1.8.2 Fourteenth Finance Commission Ceiling and Achievements

Achievement of Government in key indicators in terms of targets prescribed by the 14th FC with regards to fiscal reform path is as below:

- Revenue deficit was to be eliminated as per recommendation of the 14th FC. The State failed to achieve the target since Revenue Deficit stood at ₹ 9,807 crore (0.96 per cent of GSDP);
- The ceiling limit prescribed by the 14th FC for Fiscal deficit was 3 per cent of the GSDP. The achievement in 2017-18 (₹ 28,930 crore) was 2.83 per cent, which is within the permissible limit; and
- The outstanding Debt to GSDP (in per cent) was to be less than 35.20 per cent for the year 2017-18. The achievement of the Government was 30.96 per cent, which is within the permissible limit.

CHAPTER II

Financial Management and Budgetary Control

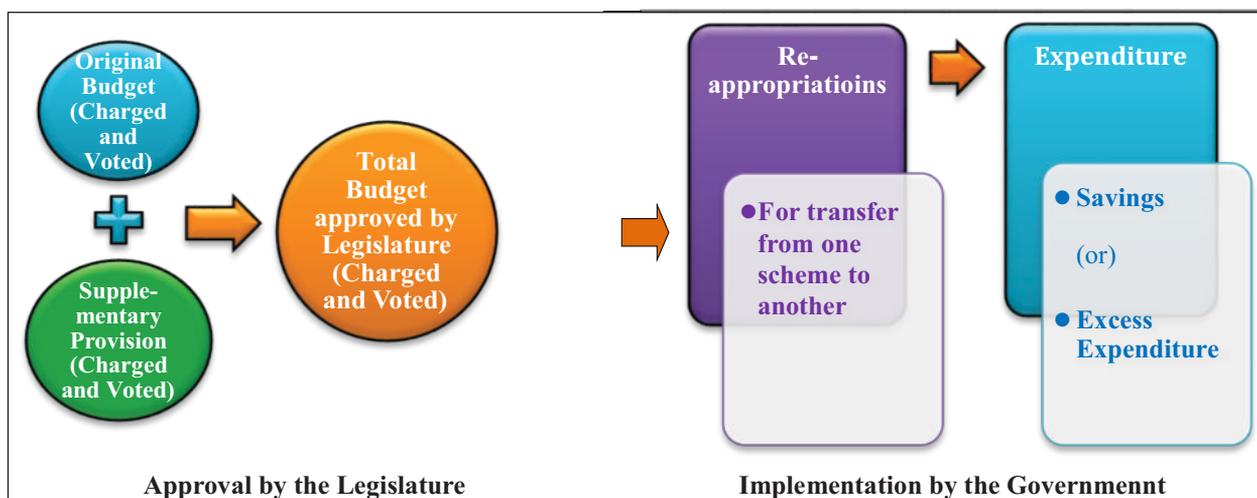
Chapter II Financial Management and Budgetary Control

The Comptroller and Auditor General of India performs the audit of appropriations to ascertain whether the expenditure actually incurred under various grants underlying the budget is within authorisations given under the Appropriation Act for the year, that expenditure required to be charged under provisions of the Constitution is so charged, and whether, expenditure is incurred in conformity with the law, relevant rules, regulations and instructions. This chapter analyses the Appropriation Accounts of the Government for the year 2017-18.

2.1 Financial Accountability and Budget Management

The State Legislature initially approves the annual budget. The Government presents *Supplementary Demands* (Paragraph 3 of Chapter II of the West Bengal Budget Manual) before the Legislature, when the initial allocation is found to be inadequate or expenditure has to be incurred on a new item. Further, Re-appropriation is a mechanism which allows the State Government to transfer Savings from one sub-head (usually a scheme) to another, provided such transfers occur **within the same grant⁶⁶ and under the same section⁶⁷**. Appropriation Accounts captures the data along the entire process of budget formulation and implementation (**Chart 2.1**).

Chart 2.1: Flow chart of budget implementation



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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2017-18 against 54 grants/appropriations⁶⁸ is given in **Table 2.1**.

⁶⁶ Grant means the amount voted by the Legislative Assembly in respect of a demand for grant

⁶⁷ Capital, Revenue or Loans

⁶⁸ Pursuant to Finance Department's Notification dated 6 February 2017, some grants/appropriations have been merged due to which 21 grants/appropriations were discontinued from 2017-18. Effectively, 54 grants / appropriations were in operation during 2017-18.

Table 2.1: Position of actual expenditure vis-à-vis allocations in 2017-18

(₹ in crore)

Nature of Expenditure		Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total Provision	Actual Expenditure	Savings (-) / Excess (+)	Savings / Excess in percentage
1	2	3	4	5	6=(5-4)	(6/4)*100=7	
Voted	Revenue	1,19,529	11,060	1,30,589	1,17,417	(-)13,172	(-) 10.09
	Capital	20,815	6,923	27,738	21,522	(-)6,216	(-) 22.41
	Loans and Advances	972	2,004	2,976	(-)31 [#]	(-)3,007	(-)101.04
Total Voted		1,41,316	19,987	1,61,303	1,38,908	(-)22,395	(-)13.88
Charged	Revenue	26,430	2,324	28,754	28,435	(-)319	(-)1.11
	Capital	12	2	14	10	(-)4	(-)28.57
	Public Debt- Repayment	49,497	7	49,504	25,012	(-)24,492	(-)49.47
Total Charged		75,939	2,333	78,272	53,457	(-)24,815	(-)31.70
Grand Total		2,17,255	22,320	2,39,575	1,92,365	(-)47,210	(-)19.71

Source: Appropriation Accounts of Government of West Bengal (2017-18)

* Includes repayment of Ways and Means Advances of ₹ 5,395 crore.

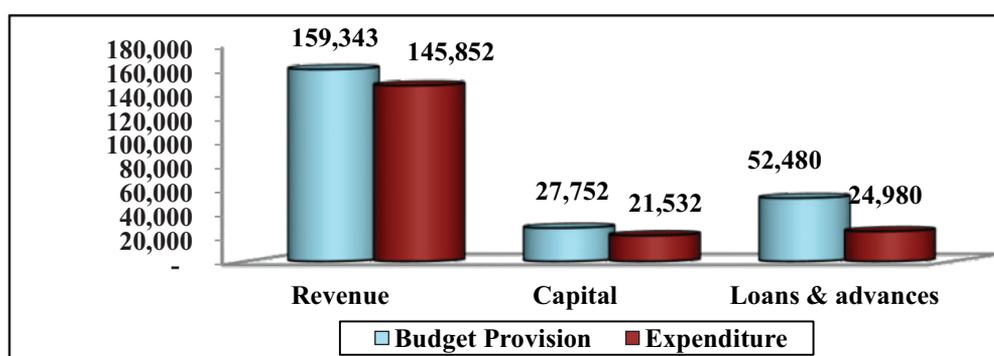
Negative balance as loans converted to equity surpassed the loans disbursed during the year.

The total provision for expenditure in 2017-18 was ₹ 2,39,575 crore. The actual gross expenditure during the year was ₹ 1,92,365 crore (80.29 per cent). There was an overall savings of ₹ 49,828 crore and excess of ₹ 2,618 crore which resulted in net savings⁶⁹ of ₹ 47,210 crore in 2017-18.

2.2.1 Revenue, Capital and Loans and Advances

As per Para 3 of Chapter III of the West Bengal Budget Manual, the Government expenditure is categorised into three sections (i) Revenue Expenditure⁷⁰, (ii) Capital Expenditure⁷¹ and (iii) Loans and Advances⁷². Savings occurred in all sections: Revenue Account, Capital Account and Loans and Advances (Chart 2.2).

Chart 2.2: Budget provision and expenditure under Revenue, Capital and Loans and Advances Sections (₹ in crore)



Source: Appropriation Accounts

⁶⁹ Savings is the term used for indicating the amount that could not be spent out of budget provisions.

⁷⁰ Revenue expenditure is the account of current expenditure of the State. For example, wages, salaries, maintenance works, repairs etc.

⁷¹ Capital Expenditure means expenditure of a Capital nature such as construction of irrigation projects, bridges, buildings, laying of roads, irrigation and electricity projects etc.

⁷² Loan account is the account of public debt incurred and discharged and loans and advances made by the State Government to local bodies, employees and others and recovered from them.

In Capital Account, only 77.58 per cent of the budget provision was actually spent. Substantial savings occurred in flagship schemes Jawaharlal Nehru National Urban Renewal Mission for U.I.G.S (State Share) Project (₹ 500 crore, 100 per cent), West Bengal Compensatory Entry Tax Fund (WBCETF) (₹ 620 crore, 100 per cent) and Multi-Sectoral Development Scheme for Minorities (Central Share) (₹ 606 crore, 71.71 per cent).

Revenue Expenditure (₹ 1,45,852 crore) was lower than the Budget Estimates (₹ 1,59,343 crore) by 8.47 per cent. The programmes impacted by unspent savings of budget provisions were Pradhan Mantri Gram Sadak Yojana (PMGSY) (Central Share) (₹ 932 crore); Sarva Shiksha Abhiyan (Central Share) (₹ 2,468 crore); Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) (Central Share) (₹ 4,352 crore) and Supply of Rice to the APL/BPL families in the Targeted Public Distribution System (TPDS) at the subsidised rate (Central Share) (₹ 510 crore).

Expenditure on Loans and Advances Section was ₹ 27,500 crore less than the budget provision.

2.2.2 Grant-wise Analysis

As per West Bengal Budget Manual, the Authority at whose disposal a grant is placed, is responsible to keep constant watch over the progress of expenditure under its control and for keeping it within the sanctioned grant or appropriation. The expenditure in West Bengal Government is incurred through 54 different grants. For the purpose of determining excess expenditure or savings, Revenue (voted), Revenue (charged), Capital (voted), Capital (charged) and Loans (voted) are treated as independent grants. Savings and Excess Expenditures for grants/ appropriations under Revenue, Capital and Loans and Advances sections are in **Table 2.2**.

Table 2.2: Total Excess or Savings under different grants

Description	Revenue		Capital		Loans & Advances*		Amount (₹ in crore)
	Number of grants ⁷³	Number of appropriations ⁷⁴	Number of Grants	Number of Appropriations	Number of Grants	Number of Appropriations	
Savings occurred in	50	22	40	17	11	14	49,828
Excess Expenditure occurred in	3	1	8	1	6	2	2,618

Source: Appropriation Accounts

*The data shown under 'Loans and Advances' section has been culled out from the data relating to 'Capital' section

The grants in which high savings and high excess expenditure occurred are listed in **Appendix 2.1** and **2.2**.

Excess expenditure (59 per cent) was in seven grants that provide funds for day-to-day administration whereas savings in six grants (17 per cent) was under which major schemes were implemented.

⁷³ Grants are the provisions voted by the Legislature for incurring voted expenditure.

⁷⁴ Appropriation is the provision made in the budget for incurring expenditure which is directly charged and not subject to the voting of the Legislature.

2.2.2.1 Excess Expenditure

As per Article 204 (3) of the Constitution of India, no money shall be withdrawn from Consolidated Fund of the State except under appropriations made by law passed in accordance with the provisions of this article.

(i) **Excess Expenditure in current year:** It was observed that excess expenditure of ₹ 2,618 crore was incurred in 10 grants⁷⁵ and two appropriations (details in **Appendix 2.2**).

- The excess expenditure under Grant 40 – Panchayat and Rural Development Department was mainly on account of (i) assistance to Zilla Parishads for repair/maintenance of roads etc., (₹ 711 crore) and (ii) State share of Indira Awas Yojana (₹558 crore) under Revenue sector.
- Excess expenditure of ₹575 crore occurred in Grant 43 – Power and Non-Conventional Energy Sources (Revenue Voted) mainly for payment of subsidy (₹423 crore) to West Bengal State Electricity Development Corporation Limited (WBSEDCL) in connection with power tariff to its consumers.

Box 2.1: Expenditure without authorisation of the Legislature

In 2017-18, the expenditure of ₹ 2,870.25 crore was incurred without any budget provision, i.e., neither in original nor in supplementary in 60 cases (at sub-head level) in respect of 24 grants and one appropriation (details in **Appendix 2.3**). These amounts were mainly spent on:

- Investments in West Bengal Highway Development Corporation Limited (₹ 850 crore) under Public Works Department.
- West Bengal Compensatory Entry Tax (₹ 476.96 crore) under Urban Development and Municipal Affairs Department.
- Interest payments⁷⁶ (₹ 282.90 crore) and repayment of loans to NSSF⁷⁷ (₹ 157.89 crore) under Finance Department. Liabilities on account of interest as well repayment of loans were ascertainable with a fairly high degree of accuracy at the time of budget making. Non-provision of funds on this account in the budget had led to underestimation of revenue deficit by ₹ 440.79 crore.

The expenditure, however, has been incurred from the Consolidated Fund of the State and as such approval of the Legislature was required.

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

(ii) **Persistent excess expenditures:** Cases of excess expenditure are reported every year through Audit Reports on State Finances. There were, however, grants in which excess expenditure has occurred persistently during the last three years. The details are in **Table 2.3** below.

⁷⁵ Grant No. 10-Consumer Affairs is not included in this above table as only ₹ 0.16 crore under Capital-Voted section was spent without provision

⁷⁶ Includes Market borrowings (₹ 187.65 crore), NSSF- (₹ 80.43 crore), loans from Government of Japan (₹ 1.54 crore) and loans from Asian Development Bank (₹ 8.05 crore)

⁷⁷ National Small Savings Fund

Table 2.3: Grants in which persistent excess expenditure occurred in last three years
(₹ in crore)

Sl. No.	Number and Name of the Grant	Amount of Excess		
		2015-16	2016-17	2017-18
Revenue Voted				
1	7-Backward Classes Welfare	212.38	32.05	273.38
2	24 – Health & Family Welfare	731.17	167.57	375.33
3	43-Power and Non-Conventional Energy Sources	406.39	1,909.92	574.87

Source: Appropriation Accounts

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

Recommendation 5: The State Government may analyse the reasons for persistent excess expenditure on priority basis. The Finance Department should ensure that no Departmental Controlling Officers, including the Finance Department itself, resort to excess expenditure over the regular allocations approved by the State Legislature.

2.2.2.2 Excess expenditure requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess expenditure over a grant / appropriation regularised by the State Legislature. The excess expenditure was to be regularised after discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). For this purpose, the Departments concerned are required to submit Explanatory Notes for excess expenditure to PAC through Finance Department.

The State Government, however, failed to get the excess expenditure amounting to ₹ 24,075 crore over and above the allocation, pertaining to the years 2009-10 to 2016-17, in 128 cases of Grants/ Appropriations (more than ₹ one crore or more than 20 per cent of the total provision) regularised as of February 2019 (*Appendix 2.4*). Of this, excess disbursement of ₹ 6,786 crore pertaining to the years 2013-14 to 2016-17 occurred in 31 grants.

Recommendation 6: All the existing cases of excess expenditure need to be regularised at the earliest and, in future, such un-voted expenditure may be completely stopped, with the exception of cases of dire and extreme emergency, the cost of which cannot be met from the Contingency Fund.

2.2.2.3 Savings

In the year 2017-18, the total savings were ₹ 49,828 crore, of which, ₹ 45,046.33 crore (90.40 per cent) pertained to 21 grants with savings of more than ₹ 100 crore each and by more than 20 per cent of the total provision.

In addition, during the years 2013-18, there were cases of persistent savings of more than ₹ 100 crore each as shown in **Table 2.4**:

Table 2.4: Grants/Appropriations with persistent savings during the years 2013-18

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Savings ₹ in crore (per cent)				
			2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Voted							
1.	6	Animal Resources Development	240.80 (32.94)	234.60 (28.41)	300.81 (34.70)	258.05 (31.45)	263.41 (27.44)

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Savings ₹ in crore (per cent)				
			2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Voted							
2.	15	School Education	2,118.47 (12.45)	1,058.50 (5.90)	4,022.05 (19.16)	3,413.17 (15.52)	5,040.90 (20.06)
Capital Voted							
3.	5	Agriculture	184.09 (43.82)	285.20 (39.18)	399.22 (49.78)	551.57 (68.77)	433.87 (67.83)
4.	25	Public Works	843.48 (31.28)	899.05 (28.55)	1,476.51 (29.03)	728.43 (19.32)	2,556.43 (37.24)
5.	32	Irrigation and Waterways	1,515.46 (71.39)	952.30 (48.06)	1,202.98 (58.05)	1,391.61 (57.47)	1,275.20 (55.31)
6.	55	Water Resources Investigation & Development	284.23 (71.27)	233.65 (38.54)	366.24 (37.07)	208.38 (27.20)	241.34 (30.69)

Source: Appropriation Accounts

Box 2.2 : Rashtriya Madhyamik Shiksha Abhiyan

In 2017-18, there was a saving of ₹ 684.97 crore under Rashtriya Madhyamik Shiksha Abhiyan in respect of Grants-in-Aid provided under the scheme. Similar savings occurred in 2016-17 (₹ 670.00 crore), 2015-16 (₹ 1,457.01 crore), 2014-15 (₹ 469.03 crore) and 2013-14 (₹ 302.92 crore).

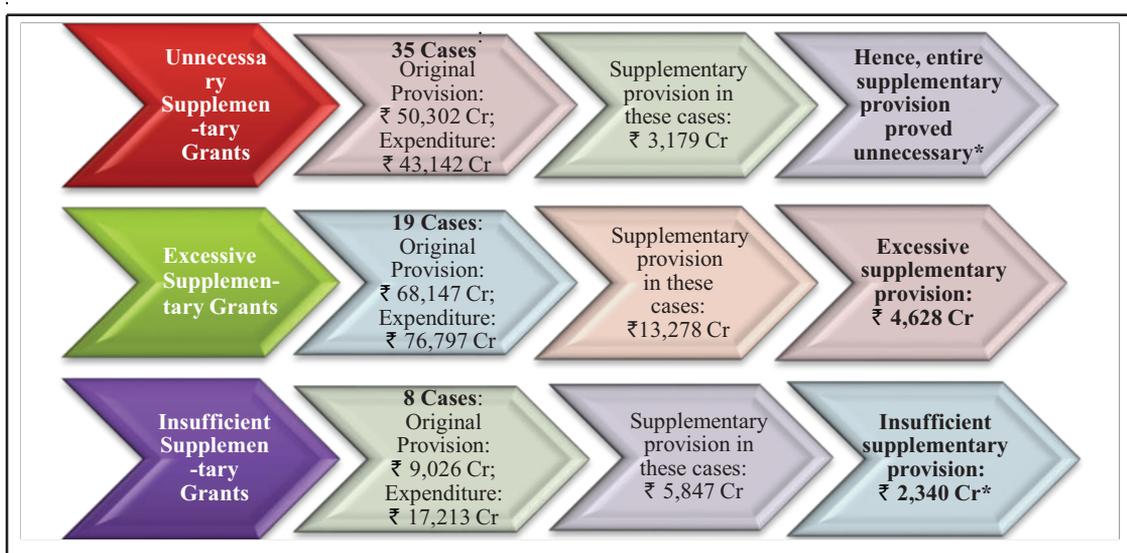
It was observed from the Appropriation Accounts that the State Government did not furnish reasons for such savings.

Persistent Savings under six departments indicate that the schemes under these departments did not receive the required priority by the Government and there was inefficiency in implementation by the departments concerned/ implementing agencies.

2.2.3 Supplementary Grants

Audit analysis showed that supplementary grant (Rupees one crore and above) of ₹ 7,807 crore i.e., 34.98 per cent of total supplementary grant was unnecessary in 54 cases. On the other hand, in eight cases the supplementary grant of ₹ 5,847 crore was not adequate to meet the requirement (₹ 8,187 crore) and fell short by 28.52 per cent (Chart 2.3).

Chart 2.3: Unnecessary, Excessive and Insufficient Supplementary Provisions



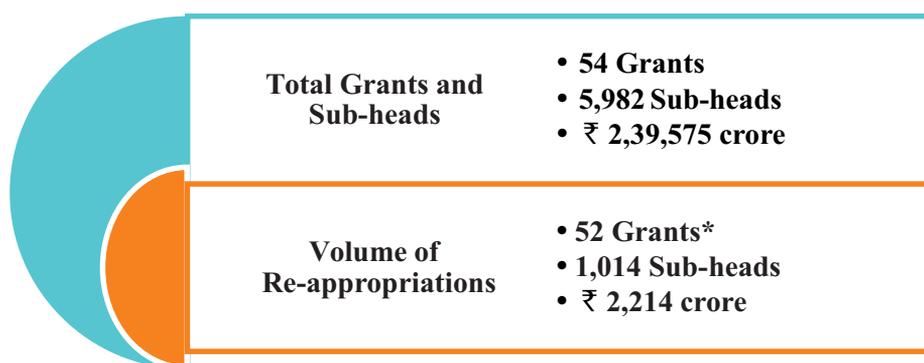
Source: Appropriation Accounts * More than ₹ 1 crore in each case

2.2.4 Re-appropriation

By definition, Re-appropriations are meant for transfer of saving from one scheme/ unit to another within the same grant and under same section (*i.e.*, Capital, Revenue or Loans). Finance Department, however, issued re-appropriation orders to mainly withdraw the budget provisions, on the last day of the financial year. There were savings of ₹ 2,477.61 crore in 91 sub-heads⁷⁸ under 32 grants and excesses of ₹ 849.67 crore in 26 sub-heads⁷⁹ under 15 grants due to re-appropriation (*Appendix 2.5*).

Audit analysis of Re-appropriation is depicted in **Chart 2.4**.

Chart 2.4: Re-appropriation in the overall budget



Source: Voucher Level Computerisation; * Except Grant No 3- Council of Ministers and Grant No 31- Information Technology

All the bills are submitted, processed and payments made through electronic systems and re-appropriations are generated electronically through Integrated Financial Management System (IFMS) (Details in **Para 2.6**). Despite this there were three cases⁸⁰ of savings (₹ 74.43 crore) even after re-appropriation on the last working day.

This indicates that the expenditure control mechanism was not adequate and that re-appropriation was not done on the the basis of real-time data.

Recommendation 7: Leveraging advancements in Information Technology State Government may issue re-appropriations on the basis of real-time data on committed expenses and actual receipts.

2.2.5 Deficiencies in Surrenders

As per Paragraph 8 in Chapter V of the WBBM, unspent balances lapse and are not available for utilisation in the following year. Unspent balances were required to be surrendered to the Finance Department before 21 February of each year. Following instances indicate deficiencies in surrenders.

2.2.5.1 Short surrender of savings

In 39 cases under 31 grants, an amount of ₹ 11,842.32 crore out of total savings of ₹ 15,282.53 crore was not surrendered (*Appendix 2.6*).

⁷⁸ ₹ 5 crore and above

⁷⁹ ₹ 5 crore and above

⁸⁰ Final savings of ₹ 1 crore and above

2.2.5.2 Surrender on the last working day of the year

An amount of ₹ 429.05 crore was surrendered by seven departments on the last working day of March 2018 (*Appendix 2.7*). An analysis shows that

- In Public Works department, an amount of ₹ 208.79 crore was surrendered on 31 March 2018. This was 68.68 *per cent* of the total surrender of 304 crore made by the department, which, constituted 11.81 *per cent* of the total savings (₹ 2,575 crore) under the Grant.

In Power and Non-Conventional Energy Sources department, an amount of ₹ 143.78 crore was surrendered on 31 March 2018. This formed 22.05 *per cent* of the total surrender of ₹ 652 crore made by the department which, constituted 47.25 *per cent* of the total savings (₹ 1,380 crore) under the Grant.

2.2.5.3 Surrender in excess of actual savings

In four cases under three grants, surrendered amount exceeded savings by ₹ 246 crore, details of which is shown in *Appendix 2.8*.

2.2.5.4 Amount surrendered despite Excess Expenditure

In four cases under four grants, there was surrender of ₹ 198 crore despite excess expenditure of ₹ 431 crore, details of which is shown in *Appendix 2.9*.

Recommendation 8: The Government should ensure that excessive, unnecessary supplementary provisions and injudicious surrenders are avoided.

2.2.5.5 Un-surrendered savings

In 83 cases under 36 grants and 23 appropriations, savings of ₹ 33,620.92 crore remained completely un-surrendered. As can be seen from the *Appendix 2.10*, the major departments which did not surrender any part of savings exceeding ₹ 1,000 crore were School Education (₹ 5,040.90 crore), Public Health Engineering (₹ 1,163.22 crore) and Finance (₹ 24,647.84 crore) respectively.

Recommendation 9: All anticipated savings should be surrendered on time so that funds can be utilised for other development purposes.

The above-mentioned shortcomings in surrendering/non-surrendering of funds indicated that the departments did not exercise adequate budgetary controls by watching flow of expenditure through monthly expenditure statements.

2.2.6 Savings in budget for development expenditure/creation of assets

Development expenditure *vis-à-vis* net budget allocation (excluding salary/establishment expenses⁸¹) on Social and Economic services during 2017-18 are indicated in **Table 2.5**.

⁸¹ For the purpose of excluding salary/establishment expenses, the amounts booked under the object heads '01-Salary', '02-Wages', '04-Pension/Gratuities', '07-Medical Reimbursements', '11-Travel Expenses', '12-Medical Reimbursements under WBHS 2008', '13-Office Expenses', '14-Rent, Rates and Taxes', '15-Royalties', '16-Publications', '20-Other Administrative Expenses', '28-Payment of Professional and Special Services', '31-01-Salary Grants' and '32-Contribution' have been deducted

Table 2.5: Position of Development Expenditure

(₹ in crore)

Components of Development Expenditure		Net Grant	Actuals	Savings (Percentage of savings)
Development Revenue Expenditure	Social Services (SS)	40,830	32,866	7,964 (19.51)
	Economic Services (ES)	25,961	24,269	1,692 (6.52)
	Total	66,791	57,135	9,656 (14.46)
Development Capital Expenditure	Social Services(SS)	9,140	7,606	1,534 (16.78)
	Economic Services (ES)	12,682	10,743	1,939 (15.29)
	Total	21,822	18,349	3,473 (15.92)
Total Development Expenditure		88,613	75,484	13,129 (14.81)

Source: Finance Accounts of Government of West Bengal (2017-18) & VLC data

The table showed that there was savings of ₹13,128 crore (14.81 per cent) in respect of Development Expenditure of which the share of Revenue and Capital Expenditure was ₹9,655 crore and ₹3,473 crore, respectively.

Further, it was noticed that savings ranged between 25 and 100 per cent in 2,250 schemes. The category-wise position is indicated in Table 2.6 below.

Table 2.6: Category-wise savings in different schemes

Range of savings	Revenue Expenditure (SS)	Revenue Expenditure (ES)	Capital Expenditure (SS)	Capital Expenditure (ES)
	Number of Schemes			
From 25 to 49%	225	243	37	54
From 50 to 74%	156	127	24	64
From 75 to 99%	153	114	28	39
100%	481	349	57	99
Total	1,015	833	146	256

Source: VLC data

From Table 2.6, it was observed that in 1,691 cases, savings were 50 per cent or above and in 986 cases, allotted budget was not used at all. Thus, the financial targets envisaged in Budget could not be achieved.

2.2.7 Rush of expenditure at the end of the financial year

According to Rule 389A of West Bengal Financial Rules (WBFR), rush of expenditure in the closing month of the financial year should be avoided.

During the year 2017-18, ₹23,933 crore (17.08 per cent of total Revenue and Capital Expenditure) was expended in March 2018, of which ₹3,200 crore was expended on 31 March 2018.

High percentage of expenditure in March and especially on the last working day of the financial year indicates that uniform flow of expenditure during the year, a primary requirement of budgetary control, was not maintained.

Recommendation 10: The Government should establish a framework to ensure that budget provisions do not remain unutilised and the practice of rush of expenditure during fag end of the financial year is prevented.

2.3 Review of Selected Grants

A detailed scrutiny of two grants, viz., (i) **Grant No. 15: School Education Department** and (ii) **Grant No. 25: Public Works Department**, was conducted in audit. At an aggregate level, there were savings under both grants. The supplementary provision made for School Education Department remained unspent (**Table 2.7**) and proved unnecessary.

Table 2.7: Budget Provisions, Expenditure and Savings under selected Grants

(₹ in crore)

Section	Original	Supplementary	Total	Expenditure	Savings (-)	Withdrawal/Surrender
Grant No. 15: School Education Department						
Revenue	25,134.71	0.00	25,134.71	20,093.81	(-) 5,040.90	0.00
Capital	196.00	238.12	434.12	52.59	(-) 381.53	9.12
TOTAL	25,330.71	238.12	25,568.83	20,146.40	(-)5,422.43	9.12
Grant No. 25: Public Works Department						
Revenue	1,411.36	14.60	1,425.96	1,407.13	(-)18.83	8.02
Capital	3,836.65	3,029.99	6,866.64	4,310.20	(-)2,556.44	296.44
TOTAL	5,248.01	3,044.59	8,292.60	5,717.33	(-)2,575.27	304.46

Source: Appropriation Accounts

Test check of schemes/programmes under the above grants revealed the following:

- (i) **School Education Department:** Revenue Section of the grant registered a savings of 20.06 per cent during 2017-18 mainly due to unutilised provision/saving of (i) ₹ 1,908 crore (77.86 per cent) under Sarva Shiksha Abhiyan (Central Share) and (ii) ₹ 933 crore (66.62 per cent) in National Programme for Nutritional Support to Primary Education (Mid-Day Meal-Central Share). The Capital Section of the grant also registered savings at 87.89 per cent during 2017-18 mainly due to unutilised provision/saving of (i) ₹ 138 crore (**100 per cent**) in upgradation of 300 schools from Secondary to Higher Secondary and (ii) ₹ 100 crore (**100 per cent**) in upgradation of 200 schools from Elementary to Secondary.
- (ii) **Public Works Department:** Revenue Section of the grant registered a savings of only 1.32 per cent. Capital Section of the grant registered a saving of 37.23 per cent during 2017-18 mainly due to unutilised provision/saving of (i) ₹ 348 crore (**100 per cent**) meant for lump provision for settlement of outstanding balances under PWR- Head (III) b for Public Works (Roads) Department, (ii) ₹ 220 crore (68.75 per cent) in West Bengal Compensatory Entry Tax Fund (WBCETF) and (iii) ₹ 177 crore (78.45 per cent) in development of State roads and bridges by WBCETF.

Reasons for non-utilisation of entire budget fund had not been intimated to audit as of February 2019.

2.4 Major Policy Initiatives

Government introduced several Major Policy Initiatives/ flagship schemes reflecting its Socio-Economic priorities. The major policy Initiatives/ schemes prioritised in 2017-18 budget are detailed in the **Table 2.8**.

Table 2.8: Major policy announcement in the Budget

Sl. No.	Policy announcement details
1.	Provision of ₹ 250 crore for assistance to 50,000 workers, who were forced to return from different parts of the Country to the State during demonetisation.
2.	Creation of a Special Assistance Fund of ₹ 100 crore to mitigate the sufferings of the farmers, affected due to demonetisation.
3.	Introduction of a Comprehensive Group Health Insurance Scheme “Swasthya Sathi” at a cost of ₹ 1,364 crore.
4.	Raising the retirement age of college and university teachers from 60 to 62 years.
5.	Enhancing the threshold limit of VAT from ₹ 10 lakh to ₹ 20 lakh to provide relief to the small businesses.
6.	Extension of the exemption on payment of primary education and rural employment cess to the tea industry for a further period of one year.
7.	Commencement of ‘Sech Bandhu’ scheme for access to power for all households as well as to improve the overall distribution infrastructure for 24×7 power supply in rural areas of West Bengal.
8.	Reduction of registration fee of properties by 9 per cent for all registrants. Incentivising early registration of properties by reducing the registration fee by 20 per cent in respect of registrations done within one year from the date of completion of property.

Source: Budget Statement 2017-18, Government of West Bengal

These initiatives/reforms required follow up in the budgetary forecast of the fiscal 2018-19 to assess the actual extent of implementation. The budget of the fiscal 2018-19, however, did not disclose any specific details about their implementation.

2.5 Deficiencies in Budgeting

2.5.1 Misclassification of Expenditure

As per Budget Publication 10 of Government of West Bengal (GoWB), expenditure of the category of ‘Grants-in-Aid’ are to be booked under the detailed head “31”. During 2017-18, expenditure in the nature of “Grants-in-Aid” aggregating ₹ 578.39 crore, were booked under “01-Salaries”, “02-Wages”, “04-Pensionary Charges”, “11-Travel Expenses”, “12-Medical Reimbursement under WBHS, 2018”, “13-Office Expenses”, “14-Rent, Rates and Taxes”, “27-Minor Works”, “28-Professional Services”, “32-Contributions” and “50-Other Charges” instead of ‘31-Grants in Aid’.

Box 2.3

Case Study: Procurement and Distribution of Bicycles amongst students

Rule 26 of Government Accounting Rules stipulates that major heads of account generally corresponds to functions of the Government. During 2017-18, demand no. ‘7-Backward Classes Welfare’ was irregularly used to accommodate expenditure of ₹ 165.91 crore each for procurement and distribution of bicycles amongst students of ‘General’, ‘Minority’ and

‘Tribal’ categories. As per the rule referred *ibid*, expenditure on these accounts were to be booked under the demands meant for ‘74 Women & Child Development and Social Welfare’, ‘15-School Education’, ‘38-Minority Affairs and Madrasah Education’ and ‘65-Tribal Development’.

Such erroneous booking of expenditure not only contravened the extant rule but also distorted its depiction in the annual accounts.

2.5.2 Opening of new Sub-Heads without concurrence of Principal Accountant General (Accounts and Entitlements)

Article 150 of the Constitution mandates the prescription of the form of accounts by the President on the advice of the Comptroller and Auditor General of India (CAG). Accordingly, the State Government has to take prior concurrence of the Principal Accountant General, Accounts and Entitlements (PAG (A&E), West Bengal before opening any new sub-head.

The Government, however, opened 17 new Sub-Heads in 2017-18 without prior concurrence of the PAG (A&E). Total provision under these sub-heads was ₹ 167 crore. Against this provision, an expenditure of ₹ 1,887 crore was incurred under four Grants, disregarding the statutory provision.

2.5.3 “New Service”/ “New Instrument of Service”

In 19 cases under 11 grants, expenditure aggregating ₹ 254.73 crore, which should have been treated as “New Service”/“New Instrument of Service”, was met without obtaining the requisite approval of the Legislature (*Appendix 2.11*).

2.6 Integrated Financial Management System (IFMS)

Government of West Bengal, introduced IFMS from 1 April 2014 for online real time management, monitoring and control of all fund allocation and financial transactions in different departments and their subordinate offices under the State Government. The modules included in IFMS are (i) e-Bantan, (ii) e-Billing, (iii) Centralised Treasury System (CTS), (iv) e-Pradan, and (v) Centralised Budget Monitoring System (CBMS).

2.6.1 Relaxation of Treasury Rules

Rule 4.008 of West Bengal Treasury Rules, 2005 stated that no bill shall be entertained by any Treasury/PAO unless there is allotment of fund. The Administrative Departments and Controlling Officers are expected to sub-allot the fund released by Finance Department immediately to the DDOs through e-Bantan module of IFMS. Therefore, necessity may not arise for drawal in anticipation of allotment of fund, if sub-allotment is done through the system by the Departments and Controlling Officers timely. In very rare cases, however, in which allotment of fund could not reach DDOs and Treasuries/PAOs electronically in time and/or re-appropriation process had not been completed, the State Government vide circular No. 3261-F(Y) dated 25.5.2017 decided to allow acceptance of 14 categories of bills⁸² by Treasuries/PAOs in anticipation of allotment of funds from May to September 2017.

⁸² Salary, Honorarium, Stipend, Telephone, Electricity, Diet and Oxygen, Washing Charge, Funeral Expenses, Scavenging Charges, Pension of Freedom Fighters, Medical Reimbursement

2.6.2 Deficiencies in IFMS

Following deficiencies were noticed in IFMS module:

- (i) **Budget Management:** IFMS was introduced in the State with the aim of monitoring expenditure with reference to approved budget provision for better financial management. Ideally, in IFMS environment, it should not be feasible to incur expenditure without budget provision. IFMS provides real time monitoring of fund position. It was envisaged that this would help in reducing the surrender and savings by DDOs at the fag-end of the financial year, by timely re-appropriation to those DDOs in need of fund. It was, however, observed during audit for the year 2017-18 that:
 - (a) Excess expenditure over budget provision of ₹ 2,618 crore was incurred (*Para 2.2*).
 - (b) Expenditure of ₹ 2,870.25 crore was incurred without budget provision (*Para 2.2.2.1*).
 - (c) Supplementary provision of ₹ 3,179 crore proved unnecessary as the actual expenditure (₹ 43,142 crore) incurred was less than the original budget provision (₹ 50,302 crore) (*Para 2.2.3*).
 - (d) There was a short surrender of savings of ₹ 11,842.32 crore (*Para 2.2.5.1*).
 - (e) Few DDOs had surrendered (₹ 198 crore), whereas there was an excess expenditure (₹ 431 crore) (*Para 2.2.5.4*).
 - (f) Savings of ₹ 33,620.92 crore remained un-surrendered even at the end of the financial year (*Para 2.2.5.5*).
- (ii) **Non-reconciliation of Accounts:** Accounts reconciliation between treasury and office of the Principal Accountant General (A&E), West Bengal and compilation of treasury accounts was envisaged under CTS module. Despite this, receipts amounting to ₹ 12,920 crore (7.29 per cent of total receipts of ₹ 1,77,227 crore) and expenditure amounting ₹ 37,330 crore (20.13 per cent of total expenditure of ₹ 1,85,425 crore) were not reconciled by State Government during 2017 18.
- (iii) **Personal Deposit Accounts:** IFMS environment did not provide for inclusion of department-wise details regarding PD Accounts. Hence, the department-wise details of ₹ 4,282 crore lying in PD Accounts as on 31 March 2018, were not captured in the IFMS environment.

Real time monitoring for effective budget management was possible through IFMS. The above deficiencies, however, clearly indicate that there was sufficient scope for improvement in implementation of IFMS.

Recommendation 11: The Government should ensure efficient and effective implementation of IFMS with adequate internal controls for a sound and robust financial management and budgetary control.

CHAPTER III

Financial Reporting

Chapter III Financial Reporting

A reliable financial reporting mechanism aids exercise of controls on utilisation of funds. This Chapter provides an overview and status of compliance to various financial rules, procedures and directives during the year.

3.1 Personal Deposit Accounts

3.1.1 Personal Deposit Account framework

Personal Deposits (PD) are maintained in the treasuries in the nature of banking accounts. These are commonly known as Personal Ledger (PL) Accounts or Personal Deposit Accounts. PD Accounts are established in the following manner:

- (a) Under statutory provisions of the Government or created under any law or rule having the force of law by transferring funds from the Consolidated Fund of the State for discharging liabilities of the Government arising out of special enactments.
- (b) PD Accounts may also be opened, in favour of specified Government Officers, by transferring fund from the Consolidated Fund of the State for discharging the liabilities of the State Government in respect of execution of various projects, schemes etc.

As per the WBTR, in case of (b) above the PD Accounts enable its Holders / Administrators to incur expenditure pertaining to a scheme, for which funds are placed at their disposal, by transfer from the Consolidated Fund of the State.

Ordinarily, Government accords permission for opening of such Accounts under intimation to the Principal Accountant General (A&E), West Bengal. Except where the PD Accounts are created by law or rules having the force of law for discharging liabilities arising out of special enactments, other PD Accounts shall be closed at the end of the financial year.

As per Rule 6.09(1) of the WBTR, PD Accounts shall be closed at the end of the financial year by minus debit of the balance to the relevant service head in the Consolidated Fund of the State⁸³. The account may be opened again in the following year, if necessary.

Analysis revealed the following:

- (a) In terms of WBTR, the Personal Deposit Accounts are to be opened Administrator-wise and scheme-wise, not be omnibus and only if the opening of such account is absolutely necessary. No details were produced to Audit by the State Government, though called for (February / April 2019).

Consequently, the extent of adherence to the procedural norms, could not be vouchsafed in Audit.

⁸³ Except, where personal deposits are created by law or rules having the force of law for discharging the liabilities arising out of special enactments.

- (b) Article 202 of the Constitution of India provides for legislative financial control over public expenditure through the Annual Financial Statement / Budget. Not transferring the unspent balances lying in PD Accounts to the Consolidated Fund before the closure of the financial year violates legislative intent, which is to ensure that funds approved by it for the financial year are spent during the financial year itself. Failure to transfer unspent balances to the Consolidated Fund of the State also entails the risk of misuse of public funds, fraud and misappropriation.

3.1.2 Status of PD Accounts in West Bengal

Despite West Bengal Treasury Rule 6.09 which states ‘Personal Deposit Account created by debit to the Consolidated Fund of the State shall be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund of the State’ it was noted that there is a balance of ₹ 4,281.98 crore in 157 PD Accounts as on 31 March 2018 as indicated in **Table 3.1**. Similar such year-end balances have been noticed in 2016-17 with ₹ 5,140.70 crore in 153 PD Accounts, in 2015-16 ₹ 4,769.43 crore in 150 PD Accounts, in 2014-15 ₹ 3,721.10 crore in 150 PD Accounts and in 2013-14 ₹ 3,435.32 crore in 148 PD Accounts.

Table 3.1: Details of PD Accounts

Sl. No.	Description	No. of Accounts	Amount (₹ in crore)
1	Number of PD Accounts existing at the beginning of the year	153	5,140.70
2	New PD Accounts opened during the year	4	5,010.68*
3	PD Accounts closed during the year	0	5,869.40*
4	PD Accounts existing at the end of the year	157	4,281.98

*Addition and clearance during the year 2017-18 under Personal Deposit Accounts, 8443-106

Source: Finance Accounts

The correctness of the Closing Balance of PD Account as of March 2018, could not be ascertained, as the monthly as well as annual verification of balances in the Treasuries was found to be deficient, as elaborated in **Para 3.1.4**.

3.1.3 Operation of PD Accounts

The following were observed in operation of PD Accounts.

- (i) Under Rule 6.08 of WBTR, non-lapsable PD Accounts, if not operated upon for a period of two years and there is reason to believe that the need for such PD Accounts has ceased, are required to be closed. Test check of 71 Treasuries out of 88, conducted in 2017-18 showed 98 inoperative schemes under PD Accounts of 16 Administrators amounting to ₹ 26.02 crore was yet to be closed at the end of 2017-18 (**Appendix 3.1**). Amounts lying in PD Accounts resulted in overstatement of expenditure to that extent. Moreover, in eight Treasuries out of 71 test-checked Treasuries, the Administrators had not reconciled and verified their balances with the Treasury figures as of 31 March 2018. Non-reconciliation of PD Accounts periodically and non-transferring of the unspent balances lying in PD Accounts to Consolidated Fund was in violation of principles of budgetary and financial control and entails the risk of misuse of public funds.

- (ii) An amount of ₹ 642 crore (10.94 per cent), out of the total expenditure of ₹ 5,869 crore was transferred from Consolidated Fund to the PD Accounts in the month of March 2018. Out of the amount transferred in March 2018, an amount of ₹ 168 crore (26.17 per cent) was transferred on 31 March 2018, from Consolidated Fund to the PD Accounts. This indicated that the funds were transferred to PD Accounts to avoid lapse of funds.
- (iii) Test-check of PD Accounts maintained by eight DDOs⁸⁴ disclosed an aggregate balance of ₹ 427.31 crore as of March 2018. Following deficiencies were observed (July 2018) (**Box 3.1**):

Box 3.1: Irregularities in PD Accounts

➤ **Discrepancies between treasury pass books and PD cash books**

WBTR stipulated that the holder of the PD Account shall, immediately after end of the financial year, make necessary verification and reconciliation of the balances with the treasury.

PD Accounts cash book balances were overstated by ₹ 75.86 crore in respect of two DDOs and understated by ₹ 18.58 crore in respect of four DDOs due to non-reconciliation.

➤ **Unauthorised retention of fund**

- In view of Finance Department's order (July 2015), unspent fund of the scheme 'Distribution of bicycles amongst the girl students of recognised and aided madrasahs' was required to be surrendered.

Four DDOs⁸⁵ held ₹ 1.04 crore in PD Accounts from July 2015 to July 2018 (around three years) to avoid surrender of funds.

- As per para 2.1 of the Bidhayak Elaka Unnayan Prakalpa guidelines, no MLA shall be entitled to recommend any scheme under this Prakalpa after the dissolution of the term of that Assembly. In this regard, Department of Planning, Statistics and Programme Monitoring directed (November 2017) surrender of the unutilised fund lying in PD/Deposit/Bank Account.

As of March 2018, however, three DDOs retained unutilised funds of ₹ 3.68 crore in PD Accounts after the dissolution of the Assembly.

- In view of order of Home and Hill Affairs Department (January 2018), Border Area Development Programme (BADP) scheme sanctioned up to the year 2015-16 but not yet started, was required to be cancelled. DM, Jalpaiguri, however, retained BADP fund (sanctioned up to 2015-16) of ₹ 0.13 crore in his PD Account, as in July 2018.

➤ **Deposit of fund in wrong heads**

WBTR stipulated that unspent fund in PD Accounts were to be deposited by minus debit of the balance to the relevant service heads.

Three DDOs⁸⁶ during 2017-18, flouting the rule deposited ₹ 4.38 crore in the receipt head '0070-Other Administrative Services' and thereby inflated the non-tax revenue to such extent.

Such irregular transfers and balances inflate the figures of expenditure in the Consolidated Fund as also the liability of the Government.

⁸⁴ DMs of North 24 Pgs.: ₹ 54.30 cr., Jalpaiguri: ₹ 55.58 cr., Purba Bardhaman: ₹ 33.64 cr., Murshidabad: ₹ 91.57 cr., Purulia: ₹ 91.52 cr., Malda: ₹ 65.98 cr., Nadia: ₹ 25.30 cr. and Paschim Medinipur: ₹ 9.42 cr.

⁸⁵ DMs of Purulia: ₹ 0.42 cr., Purba Bardhaman: ₹ 0.44 cr., Malda: ₹ 0.15 cr., Nadia: ₹ 0.03 cr.

⁸⁶ DMs of Paschim Medinipur: ₹ 1.13 crore, Jalpaiguri: ₹ 1.53 crore, North 24 Parganas: ₹ 1.72 crore

3.1.4 Non-obtaining of Certificates of Acceptance of Balance

As per Rule 6.08(5) of WBTR 2005, the Administrator of PD Account shall make necessary verification and reconciliation of the balances with the Treasury and shall furnish the certificate to the Treasury Officer on or before 15 May every year.

- Inspection of 71 treasuries during 2017-18 revealed that in eight treasuries, monthly as well as annual verification of balances was not carried out by the Administrators of PD Account. Consequently, correctness of the balances lying in these PD Accounts could not be verified in Audit.

Recommendation 12: The Finance Department is required to review all PD Accounts and ensure that all amounts unnecessarily lying in these accounts are immediately remitted to the Consolidated Fund. Transferring money to PD Accounts from the Consolidated Fund of the State at the fag end to avoid lapse of funds should be avoided.

3.2 Opaqueness in Accounts

Minor Head - 800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of Minor Head - 800 is to be discouraged, since it renders the accounts opaque. Transactions under this Minor Head during the years 2016-17 and 2017-18 are detailed in Table 3.2.

Table 3.2: Receipts and Expenditure under Minor Head 800

Year	Receipts ⁸⁷ (₹ in crore)	No. of Major Heads under which Minor Head 800 is operated	Receipts under Minor Head 800 (₹ in crore (per cent))	Expenditure ⁸⁸ (₹ in crore)	No. of Major Heads under which Minor Head 800 is operated	Expenditure under Minor Head 800 (₹ in crore) (per cent)
2016-17	1,17,832	53	18,444 (15.65)	1,45,254	75	11,481 (7.90)
2017-18	1,31,270	57	1,208 (0.92)	1,60,445	77	9,500 (5.92)

Source: Finance Accounts

Further, it was observed that the entire receipts (₹ 57.97 crore) under nine Major Heads were booked under Minor Head-800 (Other Receipts). Similarly, more than 80 per cent of the total expenditure under 11 Major Heads was booked under Minor Head – 800 (Other Expenditure).

Instances where a substantial proportion (50 per cent or more of the receipts / expenditure under the major head concerned) of the receipts/ expenditure were classified under Minor Head 800 – Other Receipts/ Expenditure are in **Annexure D and C of Notes to Accounts (Finance Accounts – Volume I)**. **The fact that such substantial portion of the receipts/ expenditure under the concerned Major Heads are booked under Minor Head - 800 is a cause for concern, since it severely impacts transparency.**

⁸⁷ Revenue Receipts

⁸⁸ Includes both Revenue and Capital

3.3 Building and Other Construction Workers' Welfare Cess

The Building and Other Construction Workers' (BOCW) Welfare Cess Act, 1996 and the BOCW (Regulation of Employment and Conditions of Service) Act, 1996 cover any establishment employing ten or more building workers in any building or other construction work. The Acts, *inter alia*, provide for Constitution of Welfare Boards with the aim of improving the working condition of workers and to provide financial aid to them, and to augment the resources of the Welfare Boards through the levy and collection of cess on the cost of construction. Accordingly, GoWB created (2005) West Bengal BOCW Welfare Board (Board) and in terms of the Cess Act levies cess at one *per cent*.

The position of receipt and utilisation of BOCW cess and workers covered under the scheme during 2013-18 is given in **Table 3.3** below:

Table 3.3: Receipt and utilisation of BOCW Cess

Sl. No.	Year	Receipts	Expenditure	Workers covered
		(₹ in crore)		
1.	2013-14	205.40	109.48	3,83,586
2.	2014-15	237.85	193.18	5,71,479
3.	2015-16	362.33	224.42	5,76,418
4.	2016-17	328.45	176.23	2,56,619
5.	2017-18	349.04	175.09	2,06,072
	Total	1,483.07	878.40	

Source: Departmental figures

It was observed that:

- Information relating to cess realisable during the period 2013-18 was neither on record of the Board nor made available to Audit (March 2019). The Board stated that the exercise to assess the cess realisable was difficult, particularly when the construction works were going on. This indicated that the Board was yet to formulate any mechanism to ensure that the realisable cess was assessed. In the absence of assessment, the actual amount of cess realisable was yet to be determined.
- As the Board was yet to submit the Annual Accounts for the year 2017-18 for certification, the correctness of receipts of ₹ 349 crore and expenditure of ₹ 175 crore could not be validated in audit.
- Based on the Acts referred *ibid*, the State Government framed the West Bengal BOCW (Regulation of Employment and Conditions of Service) Rules, 2004. The Rules, however, did not specify the modalities to be followed for effecting transfer of cess to the Board. As a result the cess was being directly deposited to the bank account of the Board without being routed through the Consolidated Fund of the State in violation of Article 266(1) of Constitution of India.
- During the period 2013-18, against the total receipts of ₹ 1,483 crore, there was expenditure of ₹ 878 crore, leaving an unutilised amount of ₹ 605 crore (40.80 *per cent*).

- The coverage of workers under the scheme declined by 46.28 *per cent* from 3,83,586 in 2013-14 to 2,06,072 in 2017-18.

3.4 Compliance to Indian Government Accounting Standards

As per article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union and of the States. In accordance with this provision, the President of India has so far notified three Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by Government of West Bengal in 2017-18 and deficiencies therein are detailed in **Table 3.4:**

Table 3.4: Compliance to Accounting Standards

Sl. No.	Accounting Standard	Compliance by State Government	Deficiencies noticed in compliance
1	<i>IGAS 1: Guarantees Given by the Government-Disclosure requirements</i>	Not complied by the State Government (Statements 9 and 20 of Finance Accounts)	Information regarding (i) amount of guarantees confirmed during 2017-18 and structured payment arrangement, if any, were not disclosed in the Finance Accounts. The Statements are incomplete to that extent.
2	<i>IGAS 2: Accounting and classification of Grants-in-Aid</i>	Not complied (Statement 10 of Finance Accounts)	(I) Certain expenditure in the nature of Pass-through Grants were classified under Capital Section (Refer to paragraph 1.5.3). (ii) No information was available in respect of Grants-in-Aid in kind given by the State Government.
3	<i>IGAS 3: Loans and Advances made by Governments</i>	Not complied (Statements 7 and 18 of Finance Accounts)	(i) Interest payment in arrears were available only in respect of the loans the detailed accounts of which are maintained by the Accounts Office. (ii) Repayments in arrears were available loanee-group-wise and not loanee-entity-wise (iii) Information in respect of repayments in arrears was not available in respect of two Loanee-Groups (Government servants and Miscellaneous) (iv) Disbursements for plan purpose were not indicated in brackets as required. (v) Information on loan in perpetuity was not available. The Statements were deficient to that extent.

3.5 Non-submission of Annual Accounts/ Separate Audit Reports by Autonomous Bodies

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

The ABs coming under the audit purview as per Section 19 or 20 of CAG's DPC Act are required to submit the annual accounts of a financial year to audit by 30 June next year. In respect of 64 ABs which were to render annual accounts to CAG, there were delays in submission of accounts as detailed in **Table 3.5.**

Table 3.5: Age-wise details of delay in submission of Annual Accounts of Autonomous Bodies, as of 31 March 2019

Sl.No	Delay in Number of Years	No. of Bodies/ Authorities
1	0-1	24
2	1-2	12
3	2-3	5
4	3-4	5
5	4-5	3
6	5 and above	15
Total		64

Source: Records of Autonomous bodies

The status of entrustment of audit, rendering of accounts to Audit, issue of Separate Audit Reports (SARs) and their placement in the Legislature are indicated in **Appendices 3.2 and 3.3**. Out of 64⁸⁹ bodies/ authorities, only nine bodies/ authorities, namely (i) WBCBC⁹⁰, (ii) District Legal Services Authority (DLSA), Dakshin Dinajpur, (iii) WBSCSTDFC⁹¹, (iv) HRBC⁹², (v) HDA⁹³, (vi) DSDA⁹⁴, (vii) CSTC⁹⁵, (viii) SBSTC⁹⁶ and (ix) WBIIDC⁹⁷ had submitted accounts up to 2017-18 while six DLSAs did not submit accounts since their inception in 1998-99.

In respect of 30 Autonomous Bodies, the State Government did not lay the Separate Audit Reports (SARs) before the State Legislature as detailed in **Appendix 3.2**, though the SARs had been issued. Non-placement of SARs weakens the legislative control over these Bodies / Institutions and dilutes their financial accountability.

3.6 Pro forma Accounts of Departmental Commercial Undertakings

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature were required to prepare *pro forma* accounts in the prescribed format annually. The *pro forma* accounts of departmentally managed commercial and quasi-commercial activities reflected their overall financial health and efficiency in conducting their business.

The Heads of Departments were to ensure that these units prepare such accounts and submit them to Principal Accountant General/Accountant General for audit within a specified time frame.

An amount of ₹ 3,143.37 crore was invested by the State Government in 14 commercial and quasi-commercial undertakings, whose accounts are due from 1983-84 to 2016-17 as of 30 September 2018. Of these, 11 undertakings had incurred losses aggregating to ₹ 2,571.65 crore and the remaining three, *viz.* CEOH⁹⁸, KADA⁹⁹ and Public Distribution System of Food Grains¹⁰⁰ reflected accumulated profit of ₹ 841.02 crore up to 2017-18. The department-wise position of arrears in preparation of *pro forma* accounts, investment made by the Government therein and profit earned or loss incurred are given in **Appendix 3.4**.

⁸⁹ Including six DLSAs mentioned in sl. no. 21 of Appendix 3.2

⁹⁰ West Bengal Commission for Backward Classes

⁹¹ West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation

⁹² Hooghly River Bridge Commissioner

⁹³ Haldia Development Authority

⁹⁴ Digha Sankarpur Development Authority

⁹⁵ Calcutta State Transport Corporation

⁹⁶ South Bengal State Transport Corporation

⁹⁷ West Bengal Industrial Infrastructure Development Corporation

⁹⁸ Central Engineering Organisation, Howrah

⁹⁹ Kanchrapara Area Development Authority

¹⁰⁰ Subsidy received from Government was shown as profit in its account

3.7 Non-submission of Accounts by Bodies/ Authorities (Other than PRIs)

In order to identify institutions / organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (CAG's DPC Act), the Government/ HODs are required to furnish to audit every year -

- Detailed information about the financial assistance given to various institutions,
- The purpose for which the assistance is granted,
- Total expenditure of the institutions.

Audit of these institutions is conducted by the Examiner¹⁰¹ of Local Accounts (ELA), West Bengal under the Principal Accountant General (General and Social Sector Audit), West Bengal.

As of September 2018, 596 annual accounts of 140 bodies/authorities due up to 2017-18, had not been received by the ELA, West Bengal (*Appendix 3.5*). Pendency in submission of accounts is detailed in **Table 3.6**:

Table 3.6: Pendency in submission of accounts

Sl.No.	Delay in Number of Years	No. of Bodies/ Authorities
1	1 to 3 years	79
2	4 to 6 years	25
3	7 to 9 years	22
4	10 to 12 years	14
Total		140

Source: Records of the Institutions

Therefore, utilisation of funds for the intended purposes could not be verified in regard to these bodies/authorities.

3.8 Non-submission of Utilisation Certificates

The Government gives grants to various bodies for specific purposes. Rule 330A of the West Bengal Treasury Rules (WBTR) stipulates that Utilisation Certificates (UCs) in respect of Grants-in-Aid received by the grantee should be obtained by the departmental officers from the grantees within one year from the dates of release of the grants provided for specific purposes. After verification, these should be forwarded to the Accountant General (A&E) to ensure that the funds have been utilised for intended purposes. Non-submission / delay in submission of the UCs weakens the control on utilisation and provides scope for misuse / misappropriation / diversion of funds.

During 2017-18, a total of 42,950 UCs for an amount of ₹ 38,209.69 crore was awaited from the departments of the State Government. There is, therefore, no assurance that the expenditure of ₹ 38,209.69 crore has actually been incurred for the purposes for which it was authorised. Utilisation of funds could not be ascertained for an amount of ₹ 1,21,532.05 crore because of non-receipt of 2,46,263 UCs for the period up to 2016-17. As of 31 March 2018, a total of 2,89,213 UCs were awaited for an amount of

¹⁰¹ Appointed by State Government as the Statutory Auditor of Local Bodies

₹ 1,59,741.74 crore. Further, department-wise details of non-submission of UCs for ₹ 34,156 crore (21.38 per cent) out of ₹ 1,59,741.74 crore, though repeatedly requested for, were yet to be furnished by the State Government. Huge pendency in submission of UCs is fraught with the risk of fraud and misappropriation of funds.

Major schemes for which UCs remained outstanding for more than ₹ 100 crore against the grants released during the year 2017-18 are given in **Table 3.7**.

Table 3.7: Schemes for which UCs pertaining to 2017-18 were not received
(₹ in crore)

Sl. No.	Scheme	Grants-in-Aid received	UCs submitted	Balance
1.	Mid-Day Meal	1,324.27	228.86	1,095.41
2.	Sarva Shiksha Abhiyan	1,183.30	429.38	753.92
3.	National Rural Health Mission	640.58	234.33	406.25
4.	Swachh Bharat Mission	338.70	20.71	317.99
5.	National Old Age Pension	748.99	514.45	234.54
6.	Indira AwasYojana	6,748.40	762.38	5,986.02
7.	Mahatma Gandhi National Rural Employment Guarantee Act	1,369.02	438.51	930.51
8.	Nirmal Bharat Abhiyan	544.89	154.41	394.48

Source: VLC data

Major cases of non-submission of UCs up to 2017-18 pertain to the Departments of Panchayat and Rural Development (58,388 UCs for ₹ 53,755 crore), School Education (28,060 UCs for ₹ 24,374 crore) and Urban Development and Municipal Affairs (28,018 UCs for ₹ 22,130 crore). Though such instances of non-submission of UCs are being reported in the Reports of the CAG of India regularly, there has been no marked improvement.

Recommendation 13: The Finance Department should develop a mechanism to ensure submission of UCs which have become due without delay and review all UCs pending for submission before release of fresh grants.

3.9 Non-submission of Detailed Contingent Bills

Financial Rules¹⁰² permit drawing of advances on Abstract Contingent bills (AC bills) for the purpose of meeting contingent expenditure for specified purposes. Rule 4.138 (5) of West Bengal Treasury Rules, 2005 requires that advances drawn through AC bills are to be adjusted through Detailed Contingent bills (DC bills) within one month from the date of completion of the purpose. In no case, this could exceed 60 days from the date of drawal of the AC bill.

The Departments had drawn 2,697 AC bills for an amount of ₹ 1,627.65 crore in the financial year 2017-18 and submitted only 1,103 DC bills for an amount of ₹ 98.80 crore. Thus 1,594 DC bills amounting to ₹ 1,528.85 crore were not submitted before close of the financial year. There is, therefore, no assurance that the expenditure of ₹ 1,528.85 crore had actually been incurred during the financial year for the purpose for which it was sanctioned/authorized by the Legislature. This is a possible overstatement of expenditure

¹⁰² Rule 4.138 (1) of West Bengal Treasury Rules

in the year 2017-18. A total of 8,409 DC bills amounting to ₹ 1,935.60 crore for the years up to 2015-16 and 1,079 DC bills amounting to ₹ 175.88 crore for the year 2016-17 were yet to be submitted by the Departments. Advances drawn and not accounted for increases the possibility of wastage/misappropriation/ malfeasance, etc.

Further, 7,323 DC Bills, each valuing one crore or more, amounting to ₹ 3,294 crore, were pending in respect of eight departments as of March 2018 (**Table 3.8**).

Table 3.8: Departments in which major amounts were pending adjustment

Sl. No.	Department/ Office/ Institute	Pending DC Bills	Amount (₹ in crore)
1	Disaster Management and Civil Defence	3,035	1,882
2	Power & Non-conventional Energy Sources	1	500
3	Home and Hill Affairs	1,833	372
4	Panchayat and Rural Development	961	339
5	Women and Child Development and Social Welfare	903	103
6	Agriculture	170	40
7	Health and Family Welfare	227	29
8	Land and Land Reforms and Refugee Relief and Rehabilitation	193	28
	Total:	7,323	3,293

Source: Finance Accounts of Government of West Bengal 2017-18

*Difference of ₹ 1 crore is due to rounding.

Audit reviewed two departments with pending DC bills, viz. Panchayat and Rural Development (P&RD) and Disaster Management and Civil Defence (DM&CD) for the period 2013-18. The following irregularities were observed (July 2018).

(I) P&RD Department

- AC bills (71) involving ₹ 250.78 crore drawn by 10 test-checked DDOs remained unadjusted since March 2005 (**Appendix 3.6**).
- Ignoring the Finance Department's order (May 2017), Accounts Officer, West Bengal State Election Commission retained the unspent advance of Panchayat Election Fund (₹ 146.94 crore) in bank account without transferring into deposit account.
- 'For the improvement of lifestyle in Sundarban region', ₹ 3.71 crore drawn (up to March 2017) through three AC bills, were required to be allotted by P&RD Department to the DMs of North 24 Parganas (₹ 1.21 crore) and South 24 Parganas (₹ 2.50 crore). Documents in this regard were, however, not produced to audit though called for.

(II) DM&CD Department

- AC bills (123) involving ₹ 1,850.77 crore drawn by nine test-checked DDOs remained unadjusted since September 2004 (**Appendix 3.6**).
- Joint Director of Agriculture (JDA) during June to August 2018 refunded unutilised fund of ₹ 30.19 crore. Prior to the refund, the fund was kept in the bank account of the Deputy Directors of Agriculture of different districts and of the JDA for a period exceeding one year ignoring the GoWB's direction (May 2017).

The operation of bank account outside treasury system of government account and retention of money in those accounts weakens the control over the public funds.

Pendency in submission of DC bills was regularly mentioned in the previous Reports on State Finances¹⁰³. The State Government is yet to draw up a time bound programme to settle these outstanding AC bills and communicate to Audit. In such a scenario there is no assurance that expenditure has actually been incurred before the close of the financial year.

AC bills remaining unadjusted for long periods in violation of prescribed rules and regulations is a breach of financial discipline and entails the risk of misappropriation/misuse of public money. Responsibility needs to be fixed in this regard and a time bound programme needs to be evolved by the State Government to settle these outstanding AC bills.

Recommendation 14: Finance Department may ensure that all Controlling Officers submit the required DC bills to adjust all pending AC bills in a time-bound manner.

3.10 Variation in Cash Balance

As per the Statement of the closing balance issued by Reserve Bank of India, the State had a debit balance of ₹ 0.30 crore while the closing cash balance of the State for the month of March 2018 as certified by the Principal Accountant General (A&E), West Bengal showed a credit balance of ₹ 20.96 crore. Thus, there is a difference of ₹ 21.26 crore (net credit) including the previous years' balances, between the cash balance of the State Government, as worked out by the Principal Accountant General (A&E) and reported by the Reserve Bank of India (as of March 2018), which requires reconciliation.

3.11 Un-reconciled Receipts/ Expenditure

Rule 385 of West Bengal Financial Rules (WBFR) stipulates that expenditure recorded in the departments books of account be reconciled every month with the books of the Accountant General (A&E). Reconciliation enables the Chief Controlling Officers (CCOs) to exercise effective control over budget and expenditure. It also ensures accuracy of the accounts. The Public Accounts Committee also recommended (December 2011) following of the stipulations of the WBFR.

During the year, receipts amounting ₹12,920 crore (7.29 per cent of total receipts of ₹ 1,77,227 crore) and expenditure amounting ₹37,331 crore (20.13 per cent of total expenditure of ₹ 1,85,425 crore) remained unreconciled by the State Government.

Non-reconciliation impacts the assurance that all the receipts/ expenditures have been correctly taken to the final head of account and carries a risk of non detection of misuse of public funds.

¹⁰³ Paragraph 3.6.2 of Reports of 2013-14, 2014-15 and Paragraph 3.5.2 of Report of 2015-16 and Paragraph 3.6 of 2016-17 on State Finances

3.12 Adverse Balances under Debt, Deposit and Remittance Heads

Transactions relating to Debt, Deposit and Advances comprise receipts and payments in respect of which Government becomes liable to repay the moneys received or has a claim to recover amounts paid.

Chart 3.1: Debt, Deposits and Remittances

Debt	Deposits	Remittances
<ul style="list-style-type: none"> Government is a Debtor. Transactions impact current year as well as future years when Government has to repay the debts. 	<ul style="list-style-type: none"> Government acts as temporary custodian of funds. Transactions impact current year as well as future years when deposits are due for repayment or are withdrawn by Depositor. 	<ul style="list-style-type: none"> Embraces all transactions, which are taken to merely adjusting Heads of Accounts. Debits or Credits are eventually cleared by corresponding contra entries.

Source: Comptroller and Auditor General of India's Manual of Standing Orders (Accounts and Entitlements)

There were adverse balances aggregating to ₹ 168.33 crore under the Deposit Head: Other Deposits – Major Head 8342. Further, there were adverse balances under Loans and Advances aggregating ₹ 29.32 crore at the end of March 2018.

3.13 Functioning of Treasuries/ Pay and Accounts Offices

The following deficiencies/ irregularities were noticed during 2017-18 with regards to functioning of treasuries (including PAO, Kolkata-I, PAO, Kolkata-II and PAO, Kolkata-III in respect of receipt of vouchers).

Table 3.9: Deficiencies noticed in functioning of treasuries

Sl. No.	Rule/Orders/Instructions of Government	Observation	No. of cases	Amount (₹ in crore)
1	As per Rule 8.05 of West Bengal Treasury Rules 2005, a Government officer entrusted with payment of moneys shall obtain for every payment he makes including repayment of sums previously lodged with the Government, a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts.	Vouchers not received from 29 treasuries	223	6.34
		Vouchers not received from three PAOs, Kolkata	18	11.72

3.14 Follow-up Action on Audit Reports

Rules of procedure of the Committee on Public Accounts of the West Bengal Assembly, promulgated in 1977, provide that after tabling the Report in State Legislature, the State Government departments are required to submit replies to the audit observation within one month.

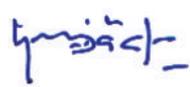
Table 3.10: Status of laying of Audit Report on State Finances

Year of Report	Submission of Audit Report on State Finances for placement in the Legislative Assembly	Date of laying of Audit Report
2011-12	22.01.2013	10.07.2014
2012-13	10.03.2014	
2013-14	03.03.2015	04.07.2016
2014-15	25.02.2016	
2015-16	30.01.2017	07.03.2018
2016-17	26.03.2018	11.07.2019

Source: Records of West Bengal Legislative Assembly

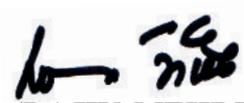
Replies to the audit observations in the above mentioned Audit Reports were yet to be furnished by the State Government. Such lack of responsiveness is a matter of serious concern and goes against the basic tenet of legislative control over expenditure from public exchequer and undermines the importance of the Legislature.

Kolkata
The 12 FEB 2020


(SARAT CHATURVEDI)
Principal Accountant General
(General and Social Sector Audit)
West Bengal

Countersigned

New Delhi
The 14th February, 2020


(RAJIV MEHRISHI)
Comptroller and Auditor General of India

APPENDICES

APPENDIX 1.1

(Refer introductory para in Chapter I; Page 1)

A Brief Profile of West Bengal

A. General Data

Sl. No.	Particulars	Figures	
1.	Area	88,752 sq. km.	
2.	Population		
	a. As per 2001 Census	8.02 crore	
	b. As per 2011 Census	9.13 crore	
3.	a. Density of Population (as per 2001 Census) (All India Density = 325 persons / sq. km.)	903 persons per sq. km.	
	b. Density [@] of Population (as per 2011 Census) (All India Density = 382 persons / sq. km.)	1,028 persons per sq. km.	
4.	Population Below Poverty Line (BPL)* (All India Average = 21.90 per cent)	19.90 per cent	
5.	a. Literacy rate (as per 2001 Census) (All India Average = 64.80 per cent)	68.64 per cent	
	b. Literacy rate* (as per 2011 Census) (All India Average = 73 per cent)	76.30 per cent	
6.	Infant mortality rate* (per 1,000 live births) (All India Average = 34 per 1,000 live births)	25	
7.	Life Expectancy at birth* (All India Average = 68.30 years)	70.50 years	
8.	Gini Coefficient [§]		
	a. Rural (All India = 0.29)	0.24	
	b. Urban (All India = 0.38)	0.38	
9.	Human Development Index*		
	a. 1999-2000 (All India Average = 0.387)	----	
	b. 2007-2008 (All India Average = 0.467)	0.492	
10.	Gross State Domestic Product (GSDP) 2017-18 at current price**	₹ 10,20,858 crore	
11.	Per capita GSDP CAGR (2008-09 to 2017-18)	West Bengal General Category States	11.90 per cent 13.10 per cent
12.	GSDP CAGR (2008-09 to 2017-18)	West Bengal General Category States	12.90 per cent 14.50 per cent
13.	Population Growth (2008-09 to 2017-18)	West Bengal General Category States	8.30 per cent 11.60 per cent

B. Financial Data

Particulars		2008-09 to 2016-17		2016-17 to 2017-18	
CAGR		General Category States	West Bengal	General Category States	West Bengal
a.	of Revenue Receipts	15.10	15.60	11.30	11.40
b.	of Own Tax Revenue	14.90	15.40	12.20	16.00
c.	of Non-Tax Revenue	9.50	(-)6.30	5.90	5.70
d.	of Total Expenditure	15.80	12.70	4.70	9.50
e.	of Capital Expenditure	14.00	15.00	1.00	70.90
f.	of Revenue Expenditure on Education	14.50	14.50	6.20	4.90
g.	of Revenue Expenditure on Health	16.20	16.90	10.70	12.90
h.	of Salary and Wages	13.40	12.20	8.90	9.00
i.	of Pension	16.20	15.40	22.90	4.60

@Census of India 2011: Final Population Totals

*Economic Survey 2017-18 (January 2018), Vol. II

**For GSDP, the information as available from Press Release by Ministry of Statistics and Programme Implementation, GoI 28 February 2019. [§] Measures the degree of inequality in income

APPENDIX 1.2
(Refer introductory para in
Chapter I, Page 1)

**Structure and Form of
Government Accounts**

Part A: Structure of Government Accounts

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund : All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II: Contingency Fund: Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature.

Part B: Layout of Finance Accounts

Statement No.	Volume I
1	Contains Statement of Financial Position
2	Contains Statement of Receipts and Disbursements Annexure A – Cash Balances and Investments of Cash Balances
3	Contains Statement of Receipts (Consolidated Fund)
4	Contains Statement of Expenditure (Consolidated Fund)
	A Expenditure by Function
	B Expenditure by Nature
5	Contains Statement of Progressive Capital Expenditure
6	Gives Statement of Borrowings and Other Liabilities
7	Gives Statement of Loans and Advances given by the Government
	Section 1: Summary of Loans and Advances: Loanee group-wise
	Section 2: Summary of Loans and Advances: Sector-wise
	Section 3: Summary of Repayments in arrears from Loanee group
8	Contains Statement of Investments of the Government
9	Contains Statement of Guarantees given by the Government
10	Depicts Statement of Grants-in-Aid given by the Government
11	Indicates Statement of Voted and Charged Expenditure
12	Presents Statement on Sources and Application of funds for expenditure other than on Revenue Account
13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account and
	Notes to Accounts

Volume II	
PART -I	
14	Indicates detailed Statement of Revenue and Capital Receipts by Minor Heads
15	Provides detailed Statement of Revenue Expenditure by Minor Heads
16	Depicts detailed Statement of Capital Expenditure by Minor Heads and Sub – Heads
17	Depicts Detailed Statement on Borrowings and Other Liabilities
	(a) Statement of Public Debt and Other Obligations
	(b) Maturity Profile
	(i) Maturity Profile of Internal Debt
	(ii) Maturity Profile of Loans and Advances from the Central Government
	(c) Interest rate Profile of Outstanding Loans
	(i) Internal Debt of the State Government
	(ii) Loans from the Central Government
18	Gives detailed Statement of Loans and Advances given by the Government
	Section 1: Major and Minor Head wise details of Loans and Advances
	Section 2: Repayments in arrears from other Loanee Entities
19	Shows Detailed Statement of Investments
	Section 1: Details of Investments up to 2017-18
	Section 2: Major and Minor Head-wise details of Investments during the year
20	Shows Statement of Guarantees given by the Government
	(A) Class-wise details : For Guarantees
	(B) Sector-wise details for each class : For Guarantees
21	Provides detailed Statement on Contingency Fund and other Public Account transactions
22	Gives detailed Statement on Investments of Earmarked Funds

APPENDIX 1.3
(Refer Paragraphs 1.2
and 1.6.4; Pages 1 and 28)

**Part A: Abstract of Receipts and
Disbursements for the years
2016-17 and 2017-18**

Receipts				Disbursements					
2016-17			2017-18	2016-17			2017-18		
(₹ in crore)									
						Non-Plan	Plan	Total	
Section A: Revenue									
1,17,832.45	I	Revenue Receipts	1,31,270.39	1,33,917.56	I	Revenue Expenditure	1,03,562.42	37,514.94	1,41,077.36
45,466.46		Tax revenue	52,720.57	50,130.68		General Services	52,254.04	162.14	52,416.18
				57,066.84		Social Services	38,612.65	20,978.11	59,590.76
				23,473.90		Education, Sports, Arts and Culture	18,724.38	5,889.40	24,613.78
2,949.86		Non-tax revenue	3,117.17						
				7,020.80		Health and Family Welfare	4,530.14	3,394.79	7,924.93
44,625.16		State's share of Union taxes and duties	49,321.10	7,605.73		Water Supply, Sanitation, Housing and Urban Development	4,676.70	2,805.66	7,482.36
10,217.44		Non-Plan grants	0.15	108.82		Information and Broadcasting	123.52	16.55	140.07
				1,637.59		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	190.51	2,009.92	2,200.43
14,443.04		Grants for State Plan Scheme	0.00						
130.49		Grants for Central and Centrally sponsored Plan Schemes, Finance Commission's Grants and others	26,111.40	221.47		Labour and Labour Welfare	163.73	34.57	198.30
				16,505.74		Social Welfare and Nutrition	9,993.19	6,664.84	16,658.03
				492.79		Others	210.48	162.38	372.86
				26,155.59		Economic Services	12,207.35	16,374.69	28,582.04
				3,265.03		Agriculture and Allied Activities	1,628.71	2,101.74	3,730.45
				12,837.65		Rural Development	5,991.78	12,170.37	18,162.15
				1,368.14		Special Areas Programmes	169.27	866.93	1,036.20
				975.38		Irrigation and Flood Control	844.66	210.62	1,055.28
				4,620.19		Energy	2,026.40	131.80	2,158.20
				1,127.01		Industry and Minerals	(-)49.87	353.50	303.63
				1,579.77		Transport	1,390.33	323.17	1,713.50
				65.43		Science, Technology and Environment	(-)6.72	72.94	66.22
				316.99		General Economic Services	212.79	143.62	356.41
				564.45		Grants-in-aid and Contributions	488.38	0	488.38
16,085.11	II	Revenue deficit carried over to Section B	9,806.97	-	II	Revenue surplus carried over to Section B	-	-	-

Differences of 0.01 with Finance Accounts is due to rounding

Receipts				Disbursements					
2016-17		2017-18		2016-17		2017-18			
(₹ in crore)									
						Non-Plan	Plan	Total	
Section B: Capital									
15,842.74	III	Opening Cash Balance including Permanent Advances and Cash Balance Investment	22,492.84	-	III	Opening Overdraft from RBI	-	-	
Nil	IV	Miscellaneous Capital receipts	Nil	11,336.43	IV	Capital Outlay	(-)4.55	19,372.63	19,368.08
				853.66		General Services	(-)0.10	1,002.97	1,002.87
				4,438.08		Social Services	(-)4.27	7,610.03	7,605.76
				388.19		Education, Sports, Arts and Culture	0.00	454.22	454.22
				1,241.54		Health and Family Welfare	(-)0.01	930.94	930.93
				2,240.98		Water Supply, Sanitation, Housing and Urban Development	(-)4.24	5,408.97	5,404.73
				6.15		Information and Broadcasting	0.00	2.64	2.64
				32.82		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	31.67	31.67
				452.41		Social Welfare and Nutrition	0.00	699.53	699.53
				75.99		Other Social Services	(-)0.02	82.06	82.04
				6,044.69		Economic Services	(-)0.18	10,759.63	10,759.45
				608.48		Agriculture and Allied Activities	(-)0.02	569.79	569.77
				6.92		Rural Development	0.00	1,775.83	1,775.83
				766.23		Special Areas Programmes	0.00	1,227.55	1,227.55
				1,614.52		Irrigation and Flood Control	(-)0.13	1,562.29	1,562.16
				725.38		Energy	0.00	827.07	827.07
				228.48		Industry and Minerals	(-)0.03	973.62	973.59
				2,022.35		Transport	0.00	3,765.53	3,765.53
				-		Science, Technology and Environment	0.00	0.00	0.00
				72.33		General Economic Services	0.00	57.95	57.95
3,233.34	V	Recoveries of Loans and Advances	213.59	1,197.20	V	Loans and Advances disbursed	(-)577.15	546.59	(-) 30.56
3,053.34		From Power Projects	157.36	375.90		For Power Projects	0.00	35.45	35.45
4.46		From Government Servants	3.28	3.37		To Government Servants	2.23	0.00	2.23
175.54		From others	52.95	817.93		To Others	(-)579.38	511.14	68.24

State Finances Audit Report for the year ended March 2018

Receipts				Disbursements				
2016-17		2017-18		2016-17		2017-18		
(₹ in crore)								
						Non-Plan	Plan	Total
-	VI	Revenue surplus brought down	-	-	16,085.11	VI	Revenue deficit brought down	9,806.97
37,523.71	VII	Public debt receipts	45,743.82	12,304.03	VII	Repayment of Public Debt		25,010.92
35,797.08		Internal debt other than Ways and Means Advances and Overdraft	38,323.86	10,120.87		Internal debt other than Ways and Means Advances and Overdraft		18,614.91
1,207.70		Ways and Means Advances	5,394.87	1,207.70		Ways and Means Advances		5,394.87
518.93		Loans and Advances from Central Government	2,025.09	975.46		Repayment of Loans and Advances to Central Government		1,001.14
-	VIII	Appropriation to Contingency Fund	-	-	VIII	Appropriation to Contingency Fund		-
0.17	IX	Amount transferred to Contingency Fund	0.20	0.20	IX	Expenditure from Contingency Fund		0.64
1,69,632.85	X	Public Account receipts	2,02,108.11	1,62,817.00	X	Public Account disbursements		1,97,543.33
3,267.52		Small Savings and Provident Funds	3,727.52	2,411.09		Small Savings and Provident Funds		2,564.22
3,831.12		Reserve Funds	2,997.33	1,608.03		Reserve Funds		3,842.45
1,02,260.42		Suspense and Miscellaneous	1,20,272.32	1,02,989.09		Suspense and Miscellaneous		1,18,637.46
1.32		Remittances	(-) 0.70	23.69		Remittances		(-)5.81
60,272.47		Deposits and Advances	75,111.64	55,785.10		Deposits and Advances		72,505.01
				Nil		Miscellaneous Government Account		Nil
Nil	XI	Closing Overdraft from Reserve Bank of India	Nil	22,492.84	XI	Cash balance at end		18,859.18
				0.29		Cash in Treasuries and Local Remittances		0.38
				15.50		Deposits with Reserve Bank		(-)20.96
				2.10		Departmental Cash Balance including Permanent Advances		2.14
				9,928.49		Investment in earmarked funds		10,307.52
				12,546.46		Cash Balance Investment		8,570.10
3,60,150.37		Total	4,11,635.92	3,60,150.37		Total		4,11,635.92

Source: Finance Accounts

APPENDIX 1.3
(Continued)
(Refer Paragraph 1.6;
Page 25)

**Part B: Summarised Financial
Position of the Government of West
Bengal as on 31 March 2018**

As on 31.03.2017 (₹ in crore)	Liabilities		As on 31.03.2018 (₹ in crore)
2,82,069.06	Internal Debt		3,01,777.99
1,93,634.99	Market Borrowings bearing interest	2,18,942.78	
3.45	Market Borrowings not bearing interest	0.00	
0.25	Loans from Life Insurance Corporation of India	0.00	
6,653.61	Loans from other Institutions	7,034.17	
-	Ways and Means Advances	-	
-	Overdrafts from Reserve Bank of India	-	
81,776.76	Special securities issued to NSS fund of GoI	75,801.04	
13,209.12	Loans and Advances from Central Government		14,233.07
4.83	Pre 1984-85 Loans	4.83	
746.13	Non Plan Loans	311.12	
12,458.22	Loans for State Plan Schemes	13,917.18	
(-) 0.03	Loans for Central Plan Schemes	(-) 0.03	
(-) 0.03	Loans for Centrally Sponsored Plan Schemes	(-) 0.03	
19.80	Contingency Fund		19.36
13,346.25	Small Savings, Provident Funds, etc.		14,509.55
28,061.12	Deposits		30,667.74
1,708.42	Suspense and Miscellaneous Balances		3,343.28
10,925.34	Reserve Funds		10,080.23
(-) 491.14	Remittance Balances		(-) 486.03
3,48,847.97	TOTAL		3,74,145.19
	Assets		
79,049.62	Gross Capital Outlay on Fixed Assets		98,417.70
14,014.90	Investments in shares of Companies, Corporations, etc.	15,883.84	
65,034.72	Other Capital Outlay	82,533.86	
12,963.15	Loans and Advances		12,719.00
4,460.26	Loans for Power Projects	4,338.35	
8,492.59	Other Development Loans	8,371.39	
10.30	Loans to Government servants and Miscellaneous loans	9.26	
9,928.49	Reserve Fund Investments		10,307.52
29.34	Advances		29.32
	Suspense and Miscellaneous Balances		-
12,564.35	Cash		8,551.66
0.29	Cash in Treasuries and Loan Remittances	0.38	
15.50	Deposits with Reserve Bank	(-)20.96	
2.10	Departmental Cash Balance including Permanent Advances	2.14	
12,546.46	Cash Balance Investments	8,570.10	
2,34,313.02	Deficit on Government Account		2,44,119.99
3,48,847.97	TOTAL		3,74,145.19

Source: Finance Accounts

* Difference of 0.01 with Finance Accounts is due to rounding

Explanatory Notes for Appendices 1.3 and 1.4:

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.3, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc.

APPENDIX 1.4
(Refer Paragraph 1.2;
Page 1)

**Time Series Data on the
State Government Finances**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
	(₹ in crore)				
Part A. Receipts					
1. Revenue Receipts	72,882	86,514	1,09,732	1,17,832	1,31,270
(i) Tax Revenue	35,831(49)	39,412(46)	42,492(39)	45,466(39)	52,721(40)
Goods and Service Tax	0	0	0	0	14,964(28)
Taxes on Sales, Trade, etc.	21,931(61)	24,022(61)	26,050(61)	27,983(61)	12,999(25)
State Excise	3,018(9)	3,587(9)	4,015(9)	5,226(11)	9,340(18)
Taxes on Vehicles	1,351(4)	1,505(4)	1,707(4)	1,870(4)	2,317(4)
Stamps and Registration Fees	4,053(11)	4,196(10)	4,175(10)	4,383(10)	5,261(10)
Land Revenue	2,254(6)	2,276(6)	2,456(6)	2,569(6)	2,875(6)
Other taxes	3,224(9)	3,826(10)	4,089(10)	3,435(8)	4,965(9)
(ii) Non-Tax Revenue	2,023(3)	1,627(2)	1,862(1)	2,950(2)	3,117(2)
(iii) State's share of Union taxes and duties	23,175(32)	24,595(28)	37,164(34)	44,625(38)	49,321(38)
(iv) Grants-in-Aid from GoI	11,853(16)	20,880(24)	28,214(26)	24,791(21)	26,111(20)
2. Misc. Capital Receipts	Nil	Nil	653	Nil	Nil
3. Recoveries of Loans and Advances	1,158	176	832	3,233	214
4. Total revenue and Non-debt capital receipts (1+2+3)	74,040	86,690	1,11,217	1,21,065	1,31,484
5. Public Debt Receipts	30,932	35,812	34,608	36,316	40,348
Internal Debt (excluding Ways and Means Advances and Overdrafts)	30,203	34,449	33,949	35,797	38,323
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India ¹⁰⁴	729	1,363	659	519	2,025
6. Total receipts in the Consolidated Fund (4+5)	1,04,972	1,22,502	1,45,825	1,57,381	1,71,832
7. Contingency Fund Receipts	-	-¹⁰⁵	-	-¹⁰⁶	-¹⁰⁷
8. Public Account Receipts	1,16,179	1,31,865	1,49,608	1,69,633	2,02,108
9. Total Receipts of the State (6+7+8)	2,21,151	2,54,367	2,95,433	3,27,014	3,73,940
Part B. Expenditure /Disbursement					
10. Revenue Expenditure	91,797(92)	1,03,652(91)	1,18,827(90)	1,33,918(91)	1,41,077(88)
Plan	20,798(23)	29,775(29)	38,361(32)	36,854(28)	37,515(27)
Non Plan	70,999(77)	73,877(71)	80,466(68)	97,064(72)	1,03,562(73)
General Services (including Interest Payments)	40,834(44)	42,712(41)	45,689(38)	50,131(37)	52,416(37)
Social Services	38,262(42)	40,156(39)	47,389(40)	57,067(43)	59,591(42)

¹⁰⁴ Includes Ways and Means Advances from GoI; **Note** : Figures in brackets represent percentage (rounded)

¹⁰⁵ 0.13 crore

¹⁰⁶ 0.17 crore

¹⁰⁷ 0.20 crore

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
	(₹ in crore)				
Economic Services	12,083(13)	20,157(19)	24,973(21)	26,156(20)	28,582(21)
Grants in aid and Contribution	618(1)	627(1)	776(1)	564(-)	488(-)
11. Capital Expenditure	6,927(7)	9,879(9)	12,420(9)	11,336(8)	19,368(12)
Plan	6,882(99)	9,879(100)	12,420 (100)	11,338(100)	19,373(100)
Non Plan	45(1)	-	- ¹⁰⁸	(-) 2	(-) 5
General Services	308(4)	420(4)	705(6)	853(8)	1,003(5)
Social Services	2,700(39)	4,224(43)	4,628(37)	4,438(39)	7,606(39)
Economic Services	3,919(57)	5,235(53)	7,087(57)	6,045(53)	10,759(56)
12. Disbursement of Loans and Advances	663	505	861	1,197(1)	(-) 31
13. Total (10+11+12)	99,387	1,14,036	1,32,108	1,46,451	1,60,414
14. Repayments of Public Debt	12,802	12,300	9,040	11,096	19,616
Internal Debt (excluding Ways and Means Advances and Overdrafts)	12,132	11,617	8,223	10,121	18,615
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	670	683	817	975	1,001
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	1,12,189	1,26,336	1,41,148	1,57,547	1,80,030
17. Contingency Fund disbursements	-	-¹⁰⁹	-¹¹⁰	-¹¹¹	1
18. Public Account disbursements	1,08,201	1,29,352	1,49,400	1,62,817	1,97,543
19. Total disbursement by the state (16+17+18)	2,20,390	2,55,688	2,90,548	3,20,364	3,77,574
Part C. Deficits					
20. Revenue Deficit (1-10)	(-)18,915	(-)17,138	(-)9,095	(-) 16,086	(-) 9,807
21. Fiscal Deficit (4-13)	(-)25,347	(-)27,346	(-)20,891	(-) 25,386	(-) 28,930
22. Primary Deficit(-)/Surplus(+) (21-23)	(-)4,590	(-)5,758	2,224	317	(-) 856
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	20,757	21,588	23,115	25,703	28,074
24. Arrears of Revenue	NA	NA	NA	NA	NA
25. Financial Assistance to Local Bodies, etc.	33,166	43,880	49,460	52,675	54,965
26. Ways and Means Advances (WMA)/Overdraft availed (days)	164	164	78	03	22
27. Interest on WMA/Overdraft	19	20	11	-*	1
28. Gross State Domestic Product (GSDP) (at current prices)	6,76,848	7,18,082	7,97,300	8,79,167	10,20,858
29. Total Outstanding Liabilities (year-end)	2,51,997	2,77,579	3,06,043	3,37,682	3,60,961
30. Outstanding guarantees (year-end)	4,550	9,322	8,788	7,801	8,545
31. Maximum amount guaranteed	14,818	15,184	14,625	15,613	15,034

¹⁰⁸ 0.21 crore¹⁰⁹ 0.16 crore¹¹⁰ 0.01 crore¹¹¹ 0.20 crore

*Actual figure is ₹ 29 lakh

#NA: Not Available

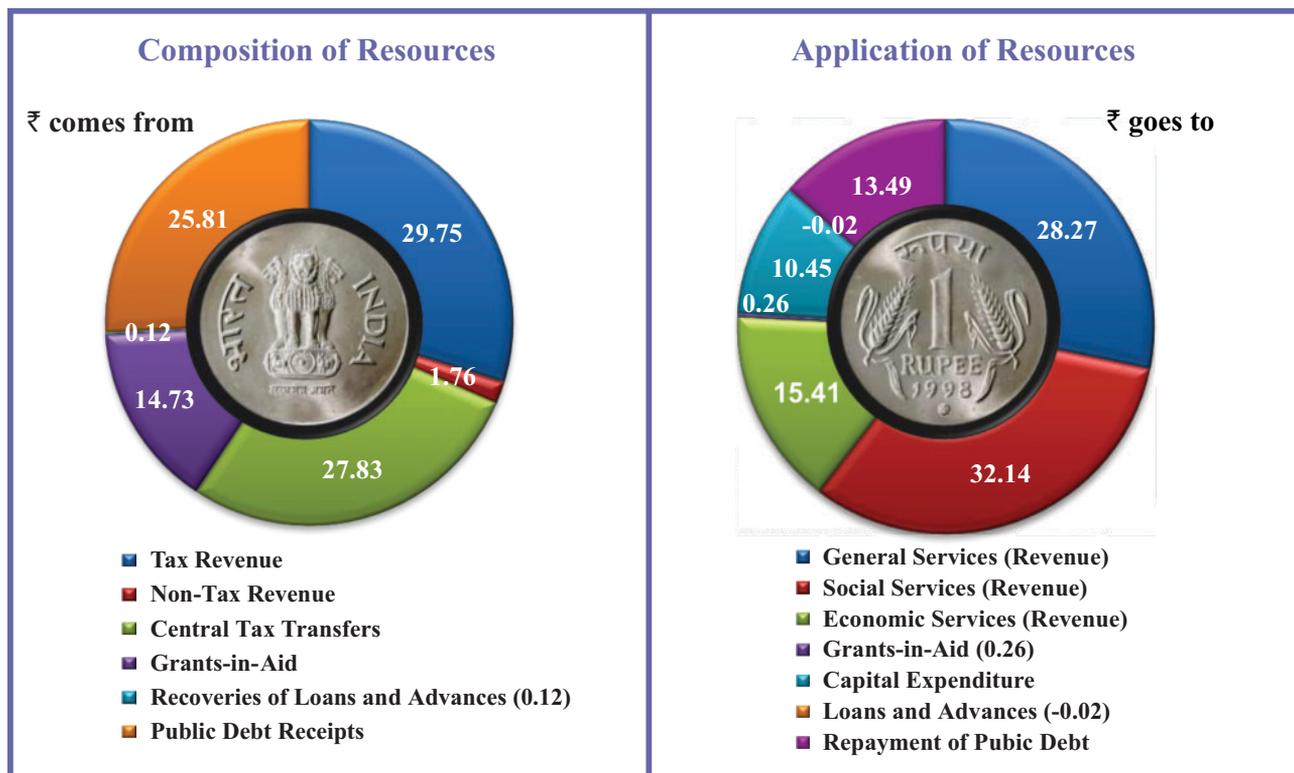
State Finances Audit Report for the year ended March 2018

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
	(₹ in crore)				
32. Number of incomplete projects	NA	NA	NA	NA	NA
33. Capital blocked in incomplete projects	2,293	1,381	3,533	3,708	NA
Part E. Fiscal health Indicators					
I. Resource Mobilisation					
34. Own Tax Revenue/GSDP	0.053	0.055	0.053	0.052	0.052
35. Own Non-Tax Revenue/GSDP	0.003	0.002	0.002	0.003	0.003
36. Central Transfers/GSDP	0.034	0.034	0.047	0.051	0.048
II. Expenditure Management					
37. Total Expenditure/GSDP (in per cent)	14.68	15.88	16.57	16.66	15.71
38. Total Revenue Expenditure/Receipts (in per cent)	125.95	119.81	108.29	113.65	107.47
39. Revenue Expenditure/Total Expenditure (in per cent)	92.36	90.89	89.95	91.44	87.95
40. Expenditure on Social Services/Total Expenditure (in per cent)	41.28	38.92	39.43	42.06	42.00
41. Expenditure on Economic Services / Total Expenditure (in per cent)	16.70	22.70	24.86	22.74	24.39
42. Capital Expenditure/Total Outlay (in per cent)	6.97	8.66	9.40	7.74	12.07
43. Capital Expenditure on Social and Economic Services/ Total Expenditure (in per cent)	6.66	8.29	8.87	7.16	11.45
III. Management of Fiscal Imbalances					
44. Revenue Deficit (Surplus)/GSDP (in per cent)	(-)2.79	(-)2.39	(-)1.14	(-)1.83	(-)0.96
45. Fiscal Deficit/GSDP (in per cent)	(-)3.74	(-)3.81	(-)2.62	(-)2.89	(-)2.83
46. Primary Deficit (Surplus)/GSDP (in per cent)	(-)0.68	(-)0.80	0.28	0.04	(-)0.08
47. Revenue Deficit/Fiscal Deficit(in per cent)	74.62	62.67	43.54	63.37	33.90
48. Primary Revenue Balance/GSDP	0.003	0.006	0.018	0.011	0.018
IV. Management of Total Outstanding Liabilities					
49. Total Outstanding Liabilities/GSDP (in per cent)	37.23	38.66	38.38	38.41	35.36
50. Total Outstanding Liabilities/RR (in per cent)	345.76	320.85	278.90	286.58	274.98
51. Debt Redemption (Principal +Interest)/Total Debt Receipts	0.98	0.96	0.95	0.94	1.04
V. Other Fiscal health Indicators					
52. Return on Investment (in per cent)	0.07	0.05	0.09	0.01	0.25
53. Balance from Current Revenue (₹ in crore)	(-) 6,080	(-) 4,873	13,104	6,544	1,797
54. Financial Assets/Liabilities	0.27	0.28	0.31	0.33	0.35

Source: Finance Accounts of Government of West Bengal (2013-14 to 2017-18)
 Figures in brackets represent percentages (rounded) to total of each sub-heading

APPENDIX 1.5
(Refer Paragraph 1.2;
Page 2)

Composition of Resources and Application of Funds in the Consolidated Fund of the State during 2017-18



Source: Finance Accounts of Government of West Bengal (2017-18)
*excluding Ways and Means Advances

APPENDIX 1.6

(Refer Paragraph
1.4.2.5; Page 15)

Release of 14th FC Grants by GoI vis-à-vis Allocation (up to 2017-18)

(₹ in crore)

Instalment	Allocation as per 14 th FC	Actual release by Government of India	Shortfall
(A) Basic Grant for RLBs			
1st instalment of 2015-16	766.11	735.43	30.68
2nd instalment of 2015-16	766.11	735.43	30.68
1st instalment of 2016-17	1,060.81	1,025.26	35.55
2nd instalment of 2016-17	1,060.81	1,025.25	35.56
1st instalment of 2017-18	1,225.67	1,184.59	41.08
2nd instalment of 2017-18	1,225.67	1,184.59	41.08
Total: (A)	6,105.18	5,890.55	214.63
(B) Basic Grant for ULBs			
1st instalment of 2015-16	318.61	318.61	0.00
2nd instalment of 2015-16	318.61	239.59	79.02
1st and 2nd instalments of 2016-17	882.33	882.33	0.00
1st and 2nd instalments of 2017-18	1,019.45	1,019.45	0.00
Total: (B)	2,539.00	2,459.98	79.02
(C) Performance Grant for RLBs			
Performance Grant of 2016-17	278.30	268.97	9.33
Performance Grant of 2017-18	314.93	0	314.93
Total: (C)	593.23	268.97	324.26
(D) Performance Grant for ULBs			
Performance Grant of 2016-17	260.41	260.41	0.00
Performance Grant of 2017-18	294.69	0	294.69
Total: (D)	555.10	260.41	294.69
Grand Total: (A+B+C+D)	9,792.51	8,879.91	912.60

Source: 14th FC Report and Departmental figures

APPENDIX 1.7*(Refer Paragraph 1.4.2.5;
Page 15)***Payment of Interest by GoWB due
to delay in release of 14th FC Grants**

(₹ in crore)

Type of GoI Fund	Amount	Delay in number of days	Penal Interest for delays
1st instalment of Basic Grant (2015-16) for RLBs	735.43	95 to 398 days	15.86
2nd instalment of Basic Grant (2015-16) for RLBs	735.43	17 days	2.45
1st instalment of Basic Grant (2016-17) for RLBs	582.42	9 days	0.93
2nd instalment of Basic Grant (2016-17) for RLBs	1,025.25	5 days	0.91
1st instalment of Basic Grant (2015-16) for ULBs	318.61	104 to 182 days	13.86
2nd instalment of Basic Grant (2016-17) for ULBs	441.17	5 to 37 days	0.46
1st instalment of Basic Grant (2017-18) for ULBs	509.73	1 day	0.09
Performance Grant (2016-2017) for RLBs	268.97	10 days	0.55
Performance Grant (2016-2017) for ULBs	260.41	40 days	1.92
Total	4,877.42		37.03
2nd instalment (2015-16) of SDRF	258.00	13 to 157 days	4.66
1st instalment (2016-17) of SDRF	271.00	2 days	0.10
2nd instalment (2016-17) of SDRF	271.00	61 days	3.06
1st instalment (2017-18) of SDRF	284.50	11 days	0.56
2nd instalment (2017-18) of SDRF	284.50	7 days	0.34
Total	1,369.00		8.72
Grand Total	6,246.42		45.75

Source: Departmental figures

APPENDIX 2.1

(Refer Paragraph 2.2.2;
Page 39)

Statement of various Grants/ Appropriations where savings were more than ₹ 1 crore or more than 20 per cent of total provision

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Percentage
Revenue (Voted)					
1	1	Legislative Assembly Secretariat	66.13	18.32	28
2	3	Council of Ministers	39.09	3.35	9
3	4	Agricultural Marketing	137.26	67.60	49
4	5	Agriculture	2,023.14	452.65	22
5	6	Animal Resources Development	959.81	263.41	27
6	8	Co-operation	407.72	36.41	9
7	10	Consumer Affairs	98.66	22.76	23
8	11	Micro, Small and Medium Enterprises & Textiles	741.96	384.99	52
9	14	Mass Education Extension and Library Services	286.60	22.01	8
10	15	School Education	25,134.71	5,040.90	20
11	16	Environment	68.54	27.56	40
12	18	Finance	17,161.81	1,470.50	9
13	19	Fire & Emergency Services	230.17	26.90	12
14	20	Fisheries	318.26	63.73	20
15	21	Food and Supplies	9,546.56	394.50	4
16	22	Food Processing Industries and Horticulture	166.41	99.54	60
17	23	Forest	674.97	166.53	25
18	25	Public Works	1,415.55	16.94	1
19	28	Housing	114.29	14.53	13
20	30	Information and Cultural Affairs	481.97	63.88	13
21	31	Information Technology	181.04	72.94	40
22	32	Irrigation and Waterways	723.90	38.08	5
23	33	Correctional Administration	250.92	27.57	11
24	34	Judicial	498.39	24.93	5
25	35	Labour	893.76	68.52	8
26	37	Law	7.88	1.68	21
27	38	Minority Affairs and Madrasah Education	2,220.29	108.95	5
28	40	Panchayat& Rural Development	19,994.16	757.62	4
29	41	Parliamentary Affairs	13.98	3.56	25
30	42	Personnel and Administrative Reforms	133.01	51.69	39
31	45	Public Health Engineering	2,099.75	1,162.32	55
32	49	Youth Services and Sports	402.91	7.83	2
33	50	Sundarban Affairs	77.64	27.17	35
34	51	Technical Education and Training	630.86	255.04	40
35	52	Tourism	188.57	79.83	42

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Percentage
36	53	Transport	1,276.64	37.04	3
37	55	Water Resources Investigation and Development	490.90	77.71	16
38	58	PaschimanchalUnnayan Affairs	545.78	2.74	1
39	59	Self-Help Groups and Self Employment	591.94	6.30	1
40	61	Chief Minister's Office	4.00	0.46	12
41	62	North Bengal Development	90.61	67.69	75
42	65	Tribal Development	766.06	226.38	30
43	68	Home and Hill Affairs	6,748.31	486.27	7
44	69	Land & Land Reforms and Refugee Relief & Rehabilitation	1,018.28	164.31	16
45	70	Higher Education, Science & Technology and Biotechnology	3173.44	57.87	2
46	71	Planning, Statistics and Programme Monitoring	360.04	84.23	23
47	72	Urban Development and Municipal Affairs	7,425.62	34.14	0
48	73	Disaster Management and Civil Defence	2,959.33	330.34	11
49	74	Women & Child Development and Social Welfare	5,348.57	1,031.43	19
50	75	Large Industries and Enterprises	731.32	443.57	61
Capital (Voted)					
1	1	Legislative Assembly Secretariat	16.50	16.50	100
2	4	Agricultural Marketing	218.70	152.62	70
3	5	Agriculture	639.65	433.87	68
4	6	Animal Resources Development	113.47	64.06	56
5	7	Backward Classes Welfare	43.50	38.86	89
6	8	Co-operation	43.72	23.69	54
7	14	Mass Education Extension and Library Services	13.68	8.15	60
8	15	School Education	434.12	381.54	88
9	18	Finance	112.70	57.48	51
10	19	Fire and Emergency Services	107.00	49.62	46
11	20	Fisheries	78.02	18.53	24
12	21	Food & Supplies	249.64	77.50	31
13	22	Food Processing Industries and Horticulture	9.93	6.99	70
14	23	Forest	74.05	36.02	49
15	24	Health and Family Welfare	1,164.40	233.25	20
16	25	Public Works	6,865.13	2,556.43	37
17	28	Housing	909.00	9.89	1
18	30	Information and Cultural Affairs	90.04	46.07	51
19	31	Information Technology	20.50	20.50	100
20	32	Irrigation and Waterways	2,305.45	1,275.20	55
21	34	Judicial	113.45	73.93	65
22	35	Labour	23.00	2.54	11
23	38	Minority Affairs and Madrasah Education	1,537.28	1,105.99	72
24	42	Personnel and Administrative Reforms	90.20	1.72	2
25	43	Power and Non-Conventional Energy Sources	2,459.57	1,319.55	54
26	49	Youth Services and Sports	141.65	46.36	33

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Sl. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Percentage
27	50	Sundarban Affairs	400.60	49.74	12
28	51	Technical Education and Training	375.58	190.45	51
29	52	Tourism	239.75	186.42	78
30	55	Water Resources Investigation and Development	786.45	241.34	31
31	58	PaschimanchalUnnayan Affairs	35.98	12.23	34
32	59	Self-Help Groups and Self Employment	60.00	33.12	55
33	65	Tribal Development	80.02	51.38	64
34	68	Home and Hill Affairs	755.95	167.22	22
35	69	Land & Land Reforms and Refugee Relief & Rehabilitation	145.60	75.66	52
36	70	Higher Education, Science & Technology and Biotechnology	503.70	427.52	85
37	71	Planning, Statistics and Programme Monitoring	129.65	6.83	5
38	72	Urban Development and Municipal Affairs	3,524.52	723.17	21
39	73	Disaster Management and Civil Defence	252.36	29.32	12
40	74	Women & Child Development and Social Welfare	442.20	363.39	82
Revenue (Charged)					
1	1	Legislative Assembly Secretariat	0.59	0.34	58
2	2	Governor's Secretariat	12.73	3.88	30
3	6	Animal Resources Development	0.04	0.04	100
4	7	Backward Classes Welfare	0.02	0.02	100
5	8	Co-operation	2.55	2.19	86
6	18	Finance	28,410.37	159.44	1
7	19	Fire and Emergency Services	0.02	0.02	100
8	23	Forest	0.18	0.18	100
9	24	Health and Family Welfare	0.03	0.03	100
10	25	Public Works	10.41	1.90	18
11	28	Housing	0.40	0.23	58
12	32	Irrigation and Waterways	103.89	103.69	100
13	34	Judicial	127.15	8.82	7
14	40	Panchayat and Rural Development	17.30	15.45	89
15	43	Power and Non-Conventional Energy	30.00	7.45	25
16	45	Public Health Engineering	0.14	0.11	79
17	68	Home and Hill Affairs	5.50	2.51	46
18	69	Land & Land Reforms and Refugee Relief & Rehabilitation	0.06	0.04	67
19	72	Urban Development and Municipal Affairs	14.56	12.10	83
Capital (Charged)					
1	6	Animal Resources Development	0.07	0.04	57
2	8	Co-operation	2.91	1.52	52
3	11	Micro, Small and Medium Enterprises & Textiles	5.50	1.72	31
4	18	Finance	49,391.98	24,430.92	49
5	19	Fire & Emergency Services	0.44	0.44	100
6	21	Food and Supplies	2.00	1.20	60

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Percentage
7	22	Food Processing Industries and Horticulture	0.35	0.35	100
8	28	Housing	2.04	1.28	63
9	32	Irrigation and Waterways	1.82	0.79	43
10	40	Panchayat and Rural Development	1.80	1.75	97
11	43	Power and Non-Conventional Energy	80.00	52.83	66
12	45	Public Health Engineering	1.14	0.79	69
13	68	Home and Hill Affairs	3.98	1.25	31
14	69	Land & Land Reforms and Refugee Relief & Rehabilitation	10.00	2.69	27
15	75	Large Industries and Enterprises	1.00	1.00	100

Source: Appropriation Accounts of Government of West Bengal (2017-18)

APPENDIX 2.2

(Refer Paragraphs
2.2.2 and 2.2.2.1;
Pages 39 and 40)

Excess Expenditure over provisions relating to 2017-18 requiring regularisation

Sl. No.	Number and title of grant/ appropriation		Total grant/ appropriation	Expenditure	Excess	Percentage
<i>Voted</i>						
1	7-Revenue	Backward Classes Welfare	1,430	1,703	273	19
2	11-Capital	Micro, Small and Medium Enterprises and Textiles	325	446	121	37
3	24-Revenue	Health & Family Welfare	7,519	7,894	375	5
4	33-Capital	Correctional Administration	49	51	2	4
5	40-Capital	Panchayat and Rural Development	1,106	1,776	670	61
6	43-Revenue	Power and Non-Conventional Energy Sources	1,718	2,293	575	33
7	45-Capital	Public Health Engineering	1,818	2,107	289	16
8	53-Capital	Transport	541	622	81	15
9	62-Capital	North Bengal Development	576	729	153	27
10	75-Capital	Large Industries and Enterprises	691	767	76	11
<i>Charged</i>						
11	20-Revenue	Fisheries	4	5	1	25
12	20-Capital		12	14	2	8
Total			15,789	18,407	2,618	

Source: Appropriation Accounts of Government of West Bengal (2017-18)

APPENDIX 2.3*(Refer Paragraph
2.2.2.1; Page 40)***Expenditure incurred without provision
during 2017-18**

Sl. No.	Number and name of the Grant/ Appropriation		Expenditure incurred without provisions
	Grants	Head of Account	
1	4-Agricultural Marketing	4435-01-101-SP-007-(Capital Voted)	1.95
2	5-Agriculture	2401-00-789-SP-074-(Revenue Voted)	2.95
		2401-00-796-SP-052-(Revenue Voted)	1.09
		4401-00-789-SP-003-(Capital Voted)	5.16
		4401-00-796-SP-003-(Capital Voted)	2.34
3	7-Backward Classes Welfare	2225-80-800-SP-042-(Revenue Voted)	5.00
		2225-80-800-SP-043-(Revenue Voted)	10.00
		2225-80-800-SP-045-(Revenue Voted)	10.00
4	8-Co-Operation	2401-00-789-SP-088-(Revenue Voted)	1.63
		2401-00-789-SP-089-(Revenue Voted)	1.09
		2401-00-796-SP-074-(Revenue Voted)	1.35
5	10-Consumer Affairs	3456-00-800-CN-003-(Revenue Voted)	1.45
6	11-Micro, Small and Medium Enterprises & Textiles	4851-00-102-SP-019-(Capital Voted)	6.41
		4851-00-102-SP-025-(Capital Voted)	1.47
		4851-00-797-SP-001-(Capital Voted)	250.00
7	15-School Education	4202-01-789-SP-006-(Capital Voted)	9.12
8	18-Finance	4885-01-190-SP-004-(Capital Voted)	19.00
		5465-01-190-SP-002-(Capital Voted)	6.86
		6885-01-190-NP-007-(Capital Voted)	3.00
9	20-Fisheries	4401-00-796-SP-009-(Capital Voted)	1.40
10	21-Food and Supplies	4408-01-001-SP-001-(Capital Voted)	1.04
11	22-Food Processing Industries and Horticulture	2401-00-789-SP-094-(Revenue Voted)	2.00
		2401-00-789-SP-095-(Revenue Voted)	1.33
		2401-00-796-SP-080-(Revenue Voted)	1.14
12	24-Health & Family Welfare	2235-02-103-SP-067-(Revenue Voted)	62.55
13	25-Public Works	3054-80-797-SP-003-(Revenue Voted)	145.01
		4858-60-001-SP-001-(Capital Voted)	10.00
		5054-04-337-SP-026-(Capital Voted)	2.14
		5054-04-337-SP-027-(Capital Voted)	5.98
		5054-04-789-SP-010-(Capital Voted)	26.37
		5054-04-789-SP-019-(Capital Voted)	1.65
		5054-04-789-SP-020-(Capital Voted)	5.73
5054-80-190-SP-001-(Capital Voted)	850.00		
14	32-Irrigation and Waterways	4711-01-103-SP-574-(Capital Voted)	1.91
15	43-Power & Non-Conventional Energy Sources	2801-02-800-SP-006-(Revenue Voted)	1.76
		2801-02-800-SP-008-(Revenue Voted)	150.00
16	53-Transport	3055-00-797-SP-001-(Revenue Voted)	32.02
17	55-Water Resources Investigation & Development	4702-00-102-SP-017-(Capital Voted)	1.25
18	62 North Bengal Development	4575-02-797-SP-001-(Capital Voted)	200.00

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Sl. No.	Number and name of the Grant/Appropriation		Expenditure incurred without provisions
	Grants	Head of Account	
19	65-Tribal Development	2225-02-277-SP-046-(Revenue Voted)	3.67
		2225-02-277-SP-047-(Revenue Voted)	2.55
		2225-02-796-CN-004-(Revenue Voted)	2.15
20	68-Home and Hill Affairs	4575-60-800-SP-029-(Capital Voted)	3.42
21	70-Higher Education, Science & Technology and Biotechnology	2202-03-789-SP-008-(Revenue Voted)	4.99
		2202-03-789-SP-009-(Revenue Voted)	7.48
		2202-03-796-SP-007-(Revenue Voted)	2.49
		2202-03-796-SP-008-(Revenue Voted)	3.74
22	72-Urban Development and Municipal Affairs	2217-05-191-SP-070-(Revenue Voted)	4.00
		4217-60-797-SP-001-(Capital Voted)	476.96
23	73-Disaster Management and Civil Defence	2235-60-796-SP-001-(Revenue Voted)	42.69
24	75-Large Industries and Enterprises	4857-01-190-SP-003-(Capital Voted)	7.17
		4860-60-600-SP-001-(Capital Voted)	25.00
Sl. No.	Appropriation	Head of Account	Expenditure incurred without provisions
1	18-Finance	2049-01-101-NP-254-(Revenue Charged)	112.35
		2049-01-101-NP-255-(Revenue Charged)	75.30
		2049-01-123-NP-013-(Revenue Charged)	80.43
		2049-02-216-NP-003-(Revenue Charged)	5.24
		2049-02-217-NP-002-(Revenue Charged)	1.53
		2049-02-249-NP-004-(Revenue Charged)	3.91
		2049-02-249-NP-005-(Revenue Charged)	4.14
		6003-00-111 -NP-020-(Capital Charged)	157.89
	Total		2,870.25

Source: Appropriation Accounts of Government of West Bengal (2017-18)

APPENDIX 2.4*(Refer Paragraph
2.2.2.2; Page 41)***Excess Expenditure over provisions
(more than ₹ 1 crore or more than 20
per cent of total provision) relating to
previous years requiring regularisation****(₹ in crore)**

Year	Number of		Amount of excess expenditure (₹ 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)	3,493
2010-11	13 (Grant Nos. 4, 5, 15, 18, 20, 22, 23, 25, 27, 33, 35, 46, 60)	10 (Grant Nos. 11, 18, 23, 27, 35, 42, 43, 45, 47, 53)	8,331
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
2012-13	7 (Grant Nos. 7, 11, 13, 21, 43, 45, 60)	7 (Grant Nos. 19, 20, 23, 27, 36, 39, 40)	465
2013-14	13 (Grant Nos. 13, 15, 18, 26, 27, 35, 36, 40, 43, 45, 53, 60, 64)	7 (Grant Nos. 9, 18, 19, 32, 36, 40, 45)	1,504
2014-15	7 (Grant Nos. 7, 24, 27, 31, 33, 49, 53)	4 (Grant Nos. 36, 39, 40, 43)	280
2015-16	11 (Grant Nos. 5, 7, 21, 24, 27, 35, 40, 43, 45, 48, 56)	--	2,419
2016-17	8 (Grant Nos. 7, 24, 43, 47, 49, 53, 56, 59)	--	2,583
Total	81	47	24,075

Source: Appropriation Accounts of Government of West Bengal (2009-10 to 2016-17)

APPENDIX 2.5

(Refer Paragraph
2.2.4; Page 43)

Excessive/ unnecessary/ insufficient re-appropriation of funds leading to savings or excess of ₹ 5 crore and above

(₹ in crore)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
Savings					
1	05	Agriculture	4401-00-800-SP-005	(-)1.45	(-) 29.06
2	06	Animal Resources Development	2403-00-101-SP-002	(-)15.58	(-) 8.42
3	07	Backward Classes Welfare	2225-01-277-SP-002	(-)7.45	(-) 5.81
			2225-01-277-SP-016	(-)28.75	(-) 7.49
4	10	Consumer Affairs	3456-00-800-SP-007	(-)2.65	(-) 7.82
5	11	Micro, Small and Medium Enterprises and Textiles	2851-00-101-SP-001	(-)0.03	(-) 10.57
			2851-00-103-SP-008	(+)12.60	(-) 19.33
			2851-00-103-SP-014	(-)1.35	(-) 14.07
			2851-00-796-SP-025	(-)4.13	(-) 5.95
			4851-00-101-SP-002	(-)0.07	(-) 20.97
6	15	School Education	2202-01-107-NP-001	(+)8.77	(-) 11.70
			2202-01-789-SP-038	(+)14.28	(-) 6.36
			2202-02-789-SP-013	(+)74.30	(-) 59.25
			2202-02-789-SP-021	(-)74.30	(-) 36.10
			2202-02-800-SP-048	(-)1.02	(-) 23.98
7	18	Finance	2054-00-097-NP-001	(+)0.05	(-) 15.96
8	21	Food and Supplies	2235-60-200-NP-052	(+)25.74	(-) 95.85
			4408-02-800-SP-002	(-)9.69	(-) 16.17
			4408-02-800-SP-004	(+)9.69	(-) 7.74
9	24	Health and Family Welfare	2210-01-001-NP-002	(-)1.44	(-) 19.32
			2210-06-800-SP-003	(+)28.00	(-) 8.55
10	25	Public Works	3054-80-001-NP-002	(+)0.60	(-) 15.77
			5054-03-052-SP-001	(+)0.50	(-) 5.38
			5054-03-337-SP-001	(+)1.47	(-) 49.19
11	28	Housing	2216-80-001-NP-001	(+)0.01	(-) 6.65
12	30	Information & Cultural Affairs	2205-00-800-SP-051	(-)3.75	(-) 25.55
			4202-04-800-SP-002	(+)23.13	(-) 20.93
13	32	Irrigation and Waterways	2700-01-001-NP-001	(-)0.15	(-) 5.62
			2700-03-001-NP-001	(-)0.15	(-) 7.25
			4700-03-001-SP-001	(-)2.01	(-) 172.99
			4700-03-001-SP-002	(-)0.86	(-) 74.14
			4700-03-800-SP-001	(-)25.74	(-) 11.97
14	33	Correctional Administration	2056-00-001-NP-001	(+)0.36	(-) 12.18
			2056-00-101-NP-003	(+)0.72	(-) 7.49
			2056-00-800-SP-002	(+)0.06	(-) 5.59
15	34	Judicial	2014-00-105-NP-005	(-)0.10	(-) 7.62

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
16	35	Labour	2210-01-102-NP-001	(+)0.70	(-) 7.80
			2210-01-102-NP-004	(+)10.31	(-) 25.49
17	38	Minority Affairs and Madrasah Education	2202-03-103-NP-017	(-)0.27	(-) 10.26
			2235-02-200-SP-019	(+)99.66	(-) 94.80
			2235-02-200-SP-022	(-)64.85	(-) 6.35
			2515-00-800-SP-033	(-)4.11	(-) 6.25
			4250-00-800-SP-005	(-)0.23	(-) 13.63
18	42	Personnel and Administrative Reforms and E-Governance	2251-00-090-SP-021	(-)5.87	(-) 28.91
			2251-00-090-SP-022	(+)5.87	(-) 9.65
19	43	Power and Non-Conventional Energy	4801-02-190-SP-018	(+)99.07	(-) 59.07
20	45	Public Health Engineering	2215-01-789-SP-027	(-)6.00	(-) 63.42
			2215-01-796-SP-028	(-)72.00	(-) 66.84
21	49	Youth Services and Sports	4202-03-102-SP-001	(+)46.67	(-) 32.07
			4202-03-789-SP-001	(-)23.33	(-) 5.26
			4202-03-796-SP-001	(-)23.34	(-) 9.02
22	51	Technical Education and Training	2203-00-800-SP-013	(+)16.00	(-) 10.04
			2230-03-003-SP-001	(+)1.74	(-) 13.84
			4202-02-104-SP-001	(+)45.00	(-) 32.25
			4202-02-104-SP-007	(-)36.50	(-) 33.00
			4250-00-203-SP-001	(+)10.00	(-) 19.32
23	52	Tourism	5452-01-800-SP-002	(+)0.75	(-) 10.48
24	53	Transport	5056-00-800-SP-002	(-)5.05	(-) 10.62
25	55	Water Resources Investigation & Development	2702-03-102-NP-001	(-)0.10	(-) 12.30
			2702-03-103-NP-001	(+)7.50	(-) 15.77
			2702-80-001-NP-001	(+)0.10	(-) 12.31
			2702-80-800-NP-003	(-)7.50	(-) 6.61
26	59	Self-Help Groups & Self-Employment	4435-01-101-SP-010	(+)10.20	(-) 24.73
27	65	Tribal Development	2225-02-796-SP-056	(-)2.40	(-) 8.91
			2225-02-796-SP-070	(-)4.56	(-) 7.76
28	68	Home and Hill Affairs	2055-00-108-NP-001	(+)0.05	(-) 74.70
			2055-00-109-NP-005	(+)0.56	(-) 8.85
			2055-00-109-NP-011	(-)0.06	(-) 7.39
			2055-00-109-NP-013	(-)0.05	(-) 8.74
29	70	Higher Education, Science & Technology and Biotechnology	2202-03-001-NP-001	(+)6.29	(-) 8.65
			2202-03-102-NP-004	(-)1.23	(-) 15.12
			2202-03-102-NP-009	(+)1.23	(-) 6.96
			2202-03-103-NP-009	(-)0.04	(-) 9.17
			2202-03-104-NP-001	(-)6.57	(-) 29.84
			4202-01-203-SP-004	(+)6.49	(-) 98.24
			4202-01-203-SP-005	(-)7.13	(-) 320.48
30	72	Urban Development and Municipal Affairs	2217-05-192-NP-007	(-)1.11	(-) 43.93
			2217-05-192-SP-007	(+)8.16	(-) 5.63
			4217-60-001-SP-004	(-)153.35	(-) 17.95

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Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
31	73	Disaster Management and Civil Defence	2235-02-001-NP-004	(+)0.11	(-) 6.98
			2235-60-200-NP-011	(-)0.11	(-) 47.66
			2245-02-101-NP-004	(-)10.00	(-) 97.51
			2245-02-106-NP-001	(-)0.39	(-) 37.80
			2245-02-111-NP-001	(+)19.29	(-) 24.12
			2245-02-112-NP-001	(+)5.89	(-) 12.04
			2245-80-102-NP-003	(+)8.57	(-) 12.45
			2245-80-800-NP-008	(+)10.00	(-) 7.65
			4059-60-051-SP-004	(-)0.17	(-) 7.68
			4216-01-106-SP-087	(-)0.42	(-) 5.11
32	75	Large Industries and Enterprises	2852-80-003-SP-007	(-)2.23	(-) 16.77
			4860-60-600-SP-011	(-)0.24	(-) 30.64
Total					(-) 2,477.61
Excess					
1	04	Agricultural Marketing	2435-01-800-SP 012	(+)7.86	(+) 5.75
2	07	Backward Classes Welfare	2225-03-277-SP-010	(+)2.07	(+) 30.19
3	08	Co-Operation	2425-00-107-SP-004	(-)3.55	(+) 61.14
			2425-00-789-SP-007	(-)1.22	(+) 20.37
			2425-00-796-SP-002	(-)0.30	(+) 5.09
4	11	Micro, Small and Medium Enterprises and Textiles	2851-00-110-SP-067	(+)1.35	(+) 8.46
5	21	Food and Supplies	2235-60-200-NP-051	(-)16.64	(+) 27.27
6	25	Public Works	5054-03-800-SP-001	(+)3.08	(+) 63.13
7	32	Irrigation and Waterways	4711-01-103-SP-001	(+)6.56	(+) 8.53
8	33	Jails	2056-00-101-NP-002	(-)0.16	(+) 7.53
9	38	Minority Affairs and Madrasah Education	2235-02-200-SP-027	(+)119.35	(+) 181.44
10	43	Power and Non-Conventional Energy Sources	4801-01-789-SP-001	(+)0.89	(+) 12.29
11	45	Public Health Engineering	2215-01-102-NP-001	(+)1.98	(+) 77.21
12	68	Home and Hill Affairs	2055-00-109-NP-001	(-)0.50	(+) 140.51
			4216-01-107-SP-001	(+)3.62	(+) 5.25
13	70	Higher Education, Science & Technology and Biotechnology	2202-03-102-SP-001	(-)0.30	(+) 58.25
			2202-03-102-SP-017	(+)0.71	(+) 5.64
			2202-03-789-SP-005	(+)6.10	(+) 8.00
14	72	Urban Development and Municipal Affairs	2217-01-193-NP-002	(+)0.10	(+) 15.00
			2217-05-193-SP-006	(-)8.16	(+) 12.11
			4217-60-051-SP-008	(+)20.00	(+) 8.19
			4217-60-051-SP-012	(+)20.00	(+) 16.29
			4217-60-051-SP-013	(+)28.85	(+) 17.00
			4217-60-051-SP-014	(+)77.51	(+) 34.28
15	73	Disaster Management and Civil Defence	4217-60-051-SP-018	(+)2.30	(+) 7.95
			2235-02-800-NP-004	(+)3.66	(+) 12.80
Total					(+) 849.67

Source: Appropriation Accounts of Government of West Bengal (2017-18)

APPENDIX 2.6*(Refer Paragraph 2.2.5.1; Page 43)***Statement showing details of cases of short-surrender (by ₹ 1 crore and above) leading to savings****(₹ in crore)**

Sl. No.	Number and Name of Grants/Appropriation		Savings	Surrender	Savings which remained to be surrendered
1	4-Agricultural Marketing	(Revenue-Voted)	67.60	0.42	67.18
2	5-Agriculture	(Revenue-Voted)	452.65	44.24	408.41
		(Capital-Voted)	433.87	1.15	432.72
3	6-Animal Resources Development	(Revenue-Voted)	263.41	206.37	57.04
		(Capital-Voted)	64.06	54.88	9.18
4	11-Micro, Small and Medium Enterprises and Textiles	(Revenue-Voted)	384.99	164.20	220.79
5	14-Mass Education Extension and Library	(Capital-Voted)	8.15	1.25	6.90
6	15-School Education	(Capital-Voted)	381.54	9.12	372.42
7	18-Finance	(Revenue-Voted)	1,470.50	1.24	1,469.26
8	19-Fire & Emergency Services	(Capital-Voted)	49.62	13.11	36.51
9	21-Food and Supplies	(Revenue-Voted)	394.50	1.08	393.42
10	22-Food Processing Industries and Horticulture	(Revenue-Voted)	99.55	27.84	71.71
11	25-Public Works	(Revenue-Voted)	16.94	8.02	8.92
		(Capital-Voted)	2,556.43	296.44	2,259.99
12	31-Information Technology	(Revenue -Voted)	72.94	69.89	3.05
		(Capital-Voted)	20.50	2.00	18.50
13	32-Irrigation and Waterways	(Revenue -Voted)	38.08	2.82	35.26
		(Capital-Voted)	1,275.20	117.00	1,158.20
14	33-Correctional Administration	(Revenue -Voted)	27.57	0.88	26.69
15	34-Judicial	(Capital-Voted)	73.93	10.30	63.63
16	35-Labour	(Revenue -Voted)	68.52	0.23	68.29
17	38-Minority Affairs and Madrasah Education	(Capital-Voted)	1,105.99	1,092.20	13.79
18	40-Panchayat and Rural Development	(Revenue -Voted)	757.62	18.17	739.45
19	42-Personnel and Administrative Reforms	(Revenue -Voted)	51.69	1.02	50.67
20	43-Power and Non-Conventional Energy Sources	(Capital-Voted)	1,319.55	652.28	667.27
21	49-Youth Services and Sports	(Revenue -Voted)	7.83	3.73	4.10
22	52-Tourism	(Revenue -Voted)	79.83	13.25	66.58
		(Capital-Voted)	186.42	8.24	178.18
23	53-Transport	(Revenue -Voted)	37.04	6.23	30.81

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Sl. No.	Number and Name of Grants/Appropriation	Savings	Surrender	Savings which remained to be surrendered	
24	55-Water Resources Investigation and Development	(Revenue -Voted)	77.71	2.75	74.96
		(Capital-Voted)	241.34	92.40	148.94
25	65-Tribal Development	(Revenue -Voted)	226.38	11.30	215.08
26	68-Home and Hill Affairs	(Revenue -Voted)	486.27	67.00	419.27
		(Capital-Voted)	167.22	0.11	167.11
27	70-Higher Education, Science & Technology and Biotechnology	(Capital -Voted)	427.52	6.06	421.46
28	71-Planning, Statistics and Programme Monitoring	(Revenue -Voted)	84.23	11.00	73.23
29	73- Disaster Management and Civil Defence	(Revenue -Voted)	330.34	110.09	220.25
30	74-Women & Child Development and Social Welfare	(Revenue -Voted)	1,031.43	3.32	1,028.11
31	75-Large Industries and Enterprises	(Revenue -Voted)	443.57	308.58	134.99
Total			15,282.53	3,440.21	11,842.32

Source: Appropriation Accounts of Government of West Bengal (2017-18)

APPENDIX 2.7*(Refer Paragraph 2.2.5.2; Page 44)***Statement showing cases of surrender of funds on the last working day of March 2018****(₹ in crore)**

Sl. No.	Grant No.	Name of Department	Head(s) of Account	Amount
1	25	Public Works	2059, 3054, 4059, 4702, 5054	208.79
2	38	Minority Affairs and Madrasah Education	2202, 2225, 2235, 2515, 4202, 4235, 4250	52.76
3	43	Power and Non-Conventional Energy Sources	4801	143.78
4	52	Tourism	5452	8.25
5	68	Home and Hill Affairs	2551	0.20
6	70	Higher Education, Science & Technology and Biotechnology	2203, 4202	6.17
7	71	Planning, Statistics and Programme Monitoring	3454	9.10
Total				429.05

*Source: Records of the O/o the Principal Accountant General (A&E), West Bengal***APPENDIX 2.8***(Refer Paragraph 2.2.5.3; Page 44)***Surrender in excess of actual savings****(₹ in crore)**

Name & No. of the Department		Total Savings	Amount Surrendered	Excess Surrender
Voted				
38-Minority Affairs and Madrasah Education	Revenue	109	111	2
70-Higher Education, Science & Technology and Biotechnology	Revenue	58	92	34
72-Urban Development and Municipal Affairs	Revenue	34	227	193
	Capital	723	740	17
Total		924	1,170	246

Source: Appropriation Accounts of Government of West Bengal (2017-18)

APPENDIX 2.9

(Refer Paragraph 2.2.5.4;
Page 44)

Surrender despite excess expenditure

(₹ in crore)

Name & No. of the Department	Excess Expenditure	Amount Surrendered
11-Micro, Small and Medium Enterprises and Textiles	121	93
53-Transport	81	23
62-North Bengal Development	153	74
75-Large Industries and Enterprises	76	8
Total	431	198

Source: Appropriation Accounts of Government of West Bengal (2017-18)

APPENDIX 2.10

(Refer Paragraph 2.2.5.5;
Page 44)

Statement of various grants/ appropriations in which savings occurred but no part of which had been surrendered

(₹ in crore)

Sl. No.	Grant No.	Name of grant/ appropriation	Savings
I – Grant			
1	1	Legislative Assembly Secretariat	(Revenue-Voted) 18.32 (Capital-Voted) 16.50
2	3	Council of Ministers	(Revenue-Voted) 3.35
3	4	Agricultural Marketing	(Capital-Voted) 152.62
4	7	Backward Classes Welfare	(Capital-Voted) 38.86
5	8	Co-operation	(Revenue-Voted) 36.41 (Capital-Voted) 23.69
6	10	Consumer Affairs	(Revenue-Voted) 22.76
7	14	Mass Education Extension and Library Services	(Revenue-Voted) 22.01
8	15	School Education	(Revenue-Voted) 5,040.90
9	16	Environment	(Revenue-Voted) 27.56
10	18	Finance	(Capital-Voted) 57.48
11	19	Fire and Emergency Services	(Revenue-Voted) 26.90
12	20	Fisheries	(Revenue-Voted) 63.73 (Capital-Voted) 18.53
13	21	Food and Supplies	(Capital-Voted) 77.50
14	22	Food Processing Industries and Horticulture	(Capital-Voted) 6.99
15	23	Forest	(Revenue-Voted) 166.53 (Capital-Voted) 36.02

Sl. No.	Grant No.	Name of grant/ appropriation		Savings
16	24	Health and Family Welfare	(Capital-Voted)	233.25
17	28	Housing	(Revenue-Voted)	14.53
			(Capital-Voted)	9.89
18	30	Information and Cultural Affairs	(Revenue-Voted)	63.87
			(Capital-Voted)	46.07
19	34	Judicial	(Revenue-Voted)	24.93
20	35	Labour	(Capital-Voted)	2.54
21	37	Law	(Revenue-Voted)	1.68
22	41	Parliamentary Affairs	(Revenue-Voted)	3.56
23	42	Personnel & Administrative Reforms	(Capital-Voted)	1.72
24	45	Public Health Engineering	(Revenue-Voted)	1,162.32
25	49	Youth Services and Sports	(Capital-Voted)	46.36
			(Revenue-Voted)	27.17
26	50	Sundarban Affairs	(Capital-Voted)	49.74
			(Revenue-Voted)	255.04
27	51	Technical Education and Training	(Capital-Voted)	190.45
			(Revenue-Voted)	2.74
28	58	Paschimanchal Unnayan Affairs	(Capital-Voted)	12.23
			(Revenue-Voted)	6.30
29	59	Self-Help Groups & Self-Employment	(Capital-Voted)	33.12
			(Revenue-Voted)	0.46
30	61	Chief Minister's Office	(Revenue-Voted)	67.69
31	62	North Bengal Development	(Revenue-Voted)	67.69
32	65	Tribal Development	(Capital-Voted)	51.38
33	69	Land & Land Reforms and Refugee, Relief & Rehabilitation	(Revenue-Voted)	164.31
			(Capital-Voted)	75.66
34	71	Planning, Statistics and Programme Monitoring	(Capital-Voted)	6.83
35	73	Disaster Management and Civil Defence	(Capital-Voted)	29.32
36	74	Women & Child Development and Social Welfare	(Capital-Voted)	363.39
Total for Grants				8,803.21
II – Appropriation				
1	1	Legislative Assembly Secretariat	(Revenue-Charged)	0.34
2	2	Governor's Secretariat	(Revenue-Charged)	3.88
3	6	Animal Resources Development	(Revenue-Charged)	0.04
			(Capital-Charged)	0.04
4	7	Backward Classes Welfare	(Revenue-Charged)	0.02
5	8	Co-operation	(Revenue-Charged)	2.19
			(Capital-Charged)	1.52
6	11	Micro, Small and Medium Enterprises and Textiles	(Revenue-Charged)	0.69
			(Capital-Charged)	1.72
7	18	Finance	(Revenue-Charged)	159.44
			(Capital-Charged)	24,430.92
8	19	Fire and Emergency Services	(Revenue-Charged)	0.02
			(Capital-Charged)	0.44
9	21	Food and Supplies	(Capital-Charged)	1.20
10	22	Food Processing Industries and Horticulture	(Capital-Charged)	0.35
11	23	Forest	(Revenue-Charged)	0.18

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Sl. No.	Grant No.	Name of grant/ appropriation	Savings
12	24	Health and Family Welfare	(Revenue-Charged) 0.03
13	25	Public Works	(Revenue-Charged) 1.90
			(Capital-Charged) 0.01
14	28	Housing	(Revenue-Charged) 0.23
			(Capital-Charged) 1.28
15	32	Irrigation and Waterways	(Revenue-Charged) 103.69
			(Capital-Charged) 0.79
16	34	Judicial	(Revenue-Charged) 8.82
17	40	Panchayat and Rural Development	(Revenue-Charged) 15.45
			(Capital-Charged) 1.75
18	43	Power & Non-Conventional Energy Sources	(Revenue-Charged) 7.45
			(Capital-Charged) 52.83
19	45	Public Health Engineering	(Revenue-Charged) 0.11
			(Capital-Charged) 0.79
20	68	Home and Hill Affairs	(Revenue-Charged) 2.51
			(Capital-Charged) 1.25
21	69	Land & Land Reforms and Refugee Relief & Rehabilitation	(Revenue-Charged) 0.04
			(Capital-Charged) 2.69
22	72	Urban Development and Municipal Affairs	(Revenue-Charged) 12.10
23	75	Large Industries and Enterprises	(Capital-Charged) 1.00
Total for Appropriations			24,817.71
Grand Total			33,620.92

Source: Appropriation Accounts of Government of West Bengal (2017-18)

APPENDIX 2.11*(Refer Paragraph 2.5.3; Page 48)***Statement showing cases which satisfied the criteria laid down for treatment of New Service/ New Instrument of Service but were not treated as such****(₹ in crore)**

Sl. No.	Grant No.	Head of Accounts in details	Name of the Department	Actual Expenditure
1	07	2225-80-800-SP-043-The West Bengal Rajbanshi Development & Cultural Board	Backward Classes Welfare	10.00
		2225-80-800-SP-045-The West Bengal Kurmi Development and Cultural Board		10.00
2	08	2401-00-789-SP-088-Additional Central Assistance Scheme under RashtriyaKrishiVikashYojana (Central Share)	Co-operation	1.63
		2401-00-789-SP-089-Additional Central Assistance Scheme under RashtriyaKrishiVikashYojana (State Share)		1.09
		2401-00-796-SP-074-Additional Central Assistance Scheme under RashtriyaKrishiVikashYojana (Central Share)		1.35
		2401-00-796-SP-075-Additional Central Assistance Scheme under RashtriyaKrishiVikashYojana (State Share)		0.90
3	18	6885-01-190-NP-007-Loans to West Bengal State Beverage Corporation Ltd (BEVCO)	Finance	3.00
4	24	2235-02-103-SP-067-Pradhan MantriMatruVandanaYojana (PMMVY) (State Share)	Health and Family Welfare	62.55
5	25	4858-60-001-SP-001-Restructuring and merger of Westinghouse Saxby Farmer Limited & Britannia Engineering Limited	Public Works	10.00
6	32	4711-01-103-SP-574-Scheme under Alo Shree Programme	Irrigation and Waterways	1.91
7	35	2235-02-200-NP-003-Special Welfare Scheme for the Unemployed Persons including Yuvashree	Labour	24.75
8	43	4801-01-789-SP-001-Equity participation of State Government of Implementation of Turga Pump Storage Projects (1000 MW) (State Share)	Power and Non-Conventional Energy Sources	13.18
		4801-01-796-SP-001- Equity participation of State Government of Implementation of Turga Pump Storage Projects (1000 MW) (State Share)		2.63
9	45	2215-01-102-SP-019-ADB Assisted West Bengal piped water supply Project (State Share)	Public Health Engineering	22.00
		2215-01-789-SP-030-ADB Assisted West Bengal piped water supply Project (State Share)		6.00
		2215-01-796-SP-031-ADB Assisted West Bengal piped water supply Project (State Share)		72.00
10	73	4070-00-800-SP-017-Purchase of Vehicle/ambulance for different units of Civil Defence, Home Guard & NVF	Disaster Management and Civil Defence	3.30
11	75	2853-02-102-SP-020-Exploration of Minerals and Skill Development (WBMDTCL)	Large Industries and Enterprises	1.27
		4857-01-190-SP-003-Convension of Loan into Equity for West Bengal Pharmaceutical and Development Corp. Ltd.		7.17
Total				254.73

Source: Records of the O/o the Principal Accountant General (A&E), West Bengal

APPENDIX 3.1
(Refer Paragraph 3.1.3;
Page 52)

Balance lying under Inoperative Schemes under Head of Account "8443-00-106- Personal Deposits" not surrendered

(₹ in crore)

Sl. No.	Name of Treasury	Name of Administrator	Name of Scheme	Scheme ID	Amount (₹ in lakh)	
1	Tamluk	District Magistrate, PurbaMedinipur	Hon. to Asstt. Exp. Observers	12770	0.80	
			Constn. of B type Quarters	12765	7.43	
			Auto Manual Traffic Signal	12759	17.71	
			Dist. Level SC awareness Prog.	12721	0.51	
			Foundation training of Pradhan	12732	1.77	
			Insurance claim WB-30b/4000	12734	7.00	
			WB State Council & Scheme	12736	0.50	
			World Environment Day	12741	0.16	
			WB Board of Madrasah Edn.	12749	0.54	
			Diff. Project under DRMP-ii	12761	0.44	
			Fire extinguisher	12764	0.45	
			Hon. to Asstt. Exp. Observers	12770	0.80	
			Dist. Minority Bhavan	12783	6.00	
			Constn. Of Common Room for Madrasah	NA	10.50	
		Disaster Risk Manag. Prog.	13178	2.00		
			LA Collector, PurbaMedinipur	South-Eastern Railway	13059	47.41
				Agricultural Marketing	13062	9.38
				Health and Family Welfare Deptt.	13063	8.00
				Fisheries	13064	35.39
				PWD National Highway	13068	43.63
	Compensation to land losers	13066		7.67		
		Contai Municipality	13060	0.51		
2	Haldia	LA Collector, Haldia	Railway Fund	14943	85.43	
			HPL Fund	14945	1.02	
			Link Road Fund	14949	1.69	
			T&C Fund	14947	14.00	
			CPT Fund	14946	41.67	
3	Krishnanagar-I	District Magistrate, Nadia	Own Fund	9391	100.79	
			Lok Deep	9394	19.18	
			Mid-day-Meal	9404	7.84	
			10 th Finance Fund	9405	25.00	
			RWP Establishment	9447	1.06	

Sl. No.	Name of Treasury	Name of Administrator	Name of Scheme	Scheme ID	Amount (₹ in lakh)
			11 th Finance Commission	9504	1.00
			Chash-o-Basobas	9531	14.47
			Infrastructure Development of Kirtinagar	9539	74.11
			Computerisation of MV Section	9545	0.85
4	Medinipur	District Magistrate & Collector	Mid-day-meal	10148	25.04
			Circuit House	10203	0.10
5	Malda-II	LA Collector, Malda	Directorate of Forest Division	7473	92.00
		District Magistrate, Malda	RIDF-XIII	7503	2.06
6	Cooch Behar-I	District Magistrate, Cooch Behar	Construction of Relief Godown and Stores	18294	0.16
			Panchayat Election	18305	0.42
			Development of DP Colonies	18345	0.34
			Health System Dev. Project	18372	0.08
			Minor Works Grants	18374	10.68
			Prasad Utsav 2005	18463	0.58
			MSK	18464	5.80
			Preparation of the 11 th Five Year Plan	18467	0.07
			Infrastructure Development Schemes	18474	0.84
			Human Development Programme	18486	0.35
			Training of TDTCS	18506	0.47
			Training of Pradhans and UPA	18517	8.86
			Sagardighi Component of Cooch Behar	18522	0.92
			Compensation to the investors who invested in Sarada group of Companies	18527	3.40
			Combating Avian Influenza	18529	128.78
			Bio-technology Scheme	18535	0.25
			Awareness Campaign	18536	5.35
			Global Positioning System	18545	2.76
			Fund for Non-KMA ULBS	18547	0.04
			Tea Garden survey	18548	0.20
			Workshop-Micro nutrient	18560	0.34
			Const. of Girls' Hostel(CBR)Minority	18563	0.37
			Control and Containment of AI	18566	0.31
			Chash-o-BasobaserBhumidanPrakalpa	18468	178.98
			Training of Pradhans and UPA	18517	8.86
			Awareness Campaign	18536	5.35

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Sl. No.	Name of Treasury	Name of Administrator	Name of Scheme	Scheme ID	Amount (₹ in lakh)	
		LA Collector, Cooch Behar	Acquisition of Land for Construction	18481	0.34	
		SDO, Sadar, Cooch Behar Supdt., Cooch Behar District Correctional Home	Rent Control	18311	0.02	
			Other Grants	18290	0.39	
			Jail Misc.	18310	1.75	
7	Baruipur	District Magistrate, South 24 Parganas	Contingent exp.-Development Monitoring	879	2.00	
			Computer/Misc in the Office of Training/Awareness/RTC	899	0.28	
				1035	0.36	
			Recurring compensation	1093	1.00	
			LA Collector, South 24 Parganas	NTP (Contingency)	893	3.05
		Construction of Teaching Ground at Panihati		902	14.58	
		Police Housing		906	113.97	
		Fire Station		943	94.94	
		East Calcutta Girls College		946	12.01	
		Miscellaneous		999	959.41	
		Recurring compensation	1093	2.45		
8	Howrah-II	District Magistrate, Howrah	CLIC	788	8.63	
			Health Check Programme	802	0.50	
			ST Persons old age pension	854	2.74	
			Receipt and payment under Rent control	856	0.97	
			SC awareness, promotion & innov of DLC	858	1.00	
			4216-CO on Housing / Govt. Residential	657	10.00	
			Contingency of TE, Rent, Rates, Taxes, OE	670	20.36	
			DMBMS	766	35.37	
			Livestock CEN	767	34.18	
			MPLAD	768	0.88	
			Land Acquisition (GEN.) Deptt.	Land & Land Reforms Improve Of	718	4.35
		LA (HIT)	LA Work of National Highway	673	57.55	
			Kona Truck Terminal	752	28.46	
			Foreshore Road	757	9.16	
			Fish Market	833	11.45	
			Thika	839	69.95	
			Garment plaza at Old Mongla Hat	846	19.05	
Total					2,601.66	

Source: Annual Review on working of Treasuries 2017-18

APPENDIX 3.2

(Refer Paragraph 3.5;
Page 57)

Performance of Autonomous Bodies (Submission of Accounts, issue and laying of SARs U/S 19)

Sl. No	Name of the Body/ Authority	Period up to which audit is entrusted	Year up to which Accounts due for submission	Year up to which Accounts were submitted	Period up to which Audit Report had been issued	Date of issue of Audit Report	Year up to which Audit Report had been laid before the Legislature	Remarks
1	West Bengal Comprehensive Area Development Corporation	2023-24	2017-18	2015-16	2015-16	17.07.2018	2013-14	Last reminder for laying of SAR for the year 2014-15 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
2	West Bengal Commission for Women	2021-22	2017-18	2016-17	2016-17	12.03.2019	2013-14	Last reminder for laying of SAR for the year 2014-15 issued on 13.07.2018.
3	West Bengal Human Rights Commission	Permanent entrustment	2017-18	2014-15	2014-15	26.11.2015	2009-10	Last reminder for laying of SARs for the years 2010-11 to 2014-15 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
4	West Bengal State Legal Services Authority	Permanent entrustment	2017-18	2015-16	2015-16	08.02.2018	2012-13	Last reminder for laying of SARs for the years 2013-14 to 2015-16 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
5	West Bengal Heritage Commission	2020-21	2017-18	2015-16	2015-16	13.04.2017	2007-08	Last reminder for laying of SARs for the years 2008-09 to 2015-16 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.

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Sl. No	Name of the Body/ Authority	Period up to which audit is entrusted	Year up to which Accounts due for submission	Year up to which Accounts were submitted	Period up to which Audit Report had been issued	Date of issue of Audit Report	Year up to which Audit Report had been laid before the Legislature	Remarks
6	West Bengal Commission for Backward Classes	2022-23	2017-18	2017-18	2016-17	15.01.2018	2016-17	Draft SAR for 2017-18 sent to HQ for approval.
7	West Bengal Building and other Construction Workers Welfare Board	Permanent entrustment	2017-18	2016-17	2016-17	27.12.2018	2015-16	Latest reminder for submission of arrear accounts issued on 18.12.2018.
8	District Legal Services Authority, PurbaMedinipur	Permanent entrustment	2017-18	2016-17	2013-14	23.04.2015	2013-14	DSAR for 2014-15 to 2016-17 are under progress.
9	District Legal Services Authority, Bardhaman	Permanent entrustment	2017-18	2007-08	2007-08	09.09.2009	Not laid since 1998-99	Last reminder for laying of SARs for the years 1998-99 to 2007-08 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
10	District Legal Services Authority, Hooghly	Permanent entrustment	2017-18	2014-15	2014-15	07.09.2015	Not laid since 1998-99	Last reminder for laying of SARs for the years 1998-99 to 2014-15 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
11	District Legal Services Authority, Howrah	Permanent entrustment	2017-18	2008-09	2008-09	07.10.2011	Not laid since 1998-99	Last reminder for laying of SARs for the years 1998-99 to 2008-09 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
12	District Legal Services Authority, Cooch Behar	Permanent entrustment	2017-18	2013-14	2013-14	12.10.2015	Not laid since 1998-99	Last reminder for laying of SARs for the years 1998-99 to 2013-14 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.

Sl. No	Name of the Body/ Authority	Period up to which audit is entrusted	Year up to which Accounts due for submission	Year up to which Accounts were submitted	Period up to which Audit Report had been issued	Date of issue of Audit Report	Year up to which Audit Report had been laid before the Legislature	Remarks
13	District Legal Services Authority, Bankura	Permanent entrustment	2017-18	2014-15	2014-15	30.05.2017	Not laid since 1998-99	Last reminder for laying of SARs for the years 1998-99 to 2014-15 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
14	District Legal Services Authority, Dakshin Dinajpur	Permanent entrustment	2017-18	2017-18	2015-16	31.01.2017	Not laid since 1998-99	DSARs for 2016-17 and 2017-18 are under progress. Last reminder for laying of SARs for the years 1998-99 to 2015-16 issued on 13.07.2018.
15	District Legal Services Authority, Jalpaiguri	Permanent entrustment	2017-18	2013-14	2013-14	19.08.2015	Not laid since 1998-99	Last reminder for laying of SARs for the years 1998-99 to 2013-14 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
16	District Legal Services Authority, Birbhum	Permanent entrustment	2017-18	2013-14	2013-14	30.03.2015	Not laid Since 1998-99	Last reminder for laying of SARs for the years 1998-99 to 2013-14 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
17	District Legal Services Authority, Uttar Dinajpur	Permanent entrustment	2017-18	2011-12	2011-12	26.08.2014	Not laid since 1998-99	Last reminder for laying of SARs for the years 1998-99 to 2011-12 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.

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Sl. No	Name of the Body/ Authority	Period up to which audit is entrusted	Year up to which Accounts due for submission	Year up to which Accounts were submitted	Period up to which Audit Report had been issued	Date of issue of Audit Report	Year up to which Audit Report had been laid before the Legislature	Remarks
18	District Legal Services Authority, Malda	Permanent entrustment	2017-18	2012-13	2012-13	21.05.2014	Not laid since 1998-99	Last reminder for laying of SARs for the years 1998-99 to 2012-13 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
19	District Legal Services Authority, Purulia	Permanent entrustment	2017-18	2015-16	2015-16	14.06.2018	Not laid since 1998-99	Last reminder for laying of SARs for the years 1998-99 to 2015-16 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
20	District Legal Services Authority, Nadia	Permanent entrustment	2017-18	2015-16	-	-	-	DSARs for 1998-99 to 2015-16 are under progress. Latest reminder for submission of arrear accounts issued on 18.12.2018.
21	DLSAs, rest of six districts**	Permanent entrustment	2017-18	Not yet submitted	NA	NA	NA	Reminder issued on 18.12.2018. DSAR for 2015-16 is under progress.
22	West Bengal Minorities Development & Finance Corporation	2019-20	2017-18	2015-16	2014-15	30.01.2018	2012-13	Last reminder for laying of SARs for the year 2013-14 and 2014-15 issued on 01.11.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
23	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	2021-22	2017-18	2017-18 (up to 14.11.2017)	2016-17	07.09.2018	2015-16	DSAR for 2017-18 is under progress. Last reminder for laying of SARs for the year 2016-17 issued on 01.11.2018.

**1. DLSA 24 Parganas (N) 2. DLSA 24 Parganas (S) 3. DLSA Murshidabad 4. DLSA Paschim Medinipur 5. DLSA Darjeeling and 6. DLSA Kolkata

Sl. No	Name of the Body/ Authority	Period up to which audit is entrusted	Year up to which Accounts due for submission	Year up to which Accounts were submitted	Period up to which Audit Report had been issued	Date of issue of Audit Report	Year up to which Audit Report had been laid before the Legislature	Remarks
24	West Bengal Backward Classes Development & Finance Corporation	2019-20	2017-18	2016-17	2016-17	26.02.2018	2013-14	Last reminder for laying of SARs for the years 2014-15 to 2016-17 issued on 01.11.2018. Latest reminder for submission of arrear accounts issued on 19.12.2018.
25	West Bengal Housing Board	2021-22	2017-18	2015-16	2015-16	04.07.2017	2014-15	Last reminder for laying of SAR for the year 2015-16 issued on 13.07.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
26	Kolkata Metropolitan Development Authority	2021-22	2017-18	2015-16	2015-16	05.01.2018	2013-14	Last reminder for laying of SARs for the years 2014-15 and 2015-16 issued on 13.07.2018.
27	West Bengal State Warehousing Corporation	Permanent entrustment	2017-18	2015-16	2014-15	25.07.2018	2013-14	Last reminder for laying of SAR for the year 2014-15 issued on 01.11.2018. Latest reminder for submission of arrear accounts issued on 18.12.2018.
28	Hooghly River Bridge Commissioner	2021-22	2017-18	2017-18	2016-17	18.05.2018	2011-12	Draft SAR for 2017-18 was sent to HRBC on 27.03.2019 for comments.
29	Commissioners for Rabindra Setu	2023-24	2017-18	2016-17	2016-17	18.07.2018	2008-09	Draft SAR for 2017-18 was sent to CRS on 27.03.2019 for comments.
30	Darjeeling Gorkha Hill Council	2012-13 (up to 01.08.2012) to 01.08.2012)	2012-13 (up to 01.08.2012)	2010-11	1990-91	11.07.2008	-	Approval of draft SARs for the years 1991-92 to 2010-11 is due to be received from Headquarters.

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Sl. No	Name of the Body/ Authority	Period up to which audit is entrusted	Year up to which Accounts due for submission	Year up to which Accounts were submitted	Period up to which Audit Report had been issued	Date of issue of Audit Report	Year up to which Audit Report had been laid before the Legislature	Remarks
31	Gorkhaland Territorial Administration	2021-22 (w.e.f. 02.08.2012)	2017-18	Not submitted since inception (i.e. 2012-13)	-	-	-	Unauthenticated A/cs for the years 2012-13 and 2013-14 were submitted which were returned for authentication. A D.O. letter addressed to the Pr. Secretary to the Government of West Bengal, Home and Hill Affairs Deptt., was issued on 18.01.2019 to expedite the submission of annual accounts of GTA for the years 2012-13 to 2017-18.
32	West Bengal Bio Diversity Board	2018-19	2017-18	2014-15	2014-15	13.02.2017	2011-12	Reminder for submission of annual accounts for the years 2015-16, 2016-17 and 2017-18 has been issued on 05.04.2019.
33	West Bengal University of Animal & Fishery Sciences	2019-20	2017-18	2007-08	2006-07	11.07.2018	1999-2000	Reminder for submission of annual accounts for the period from 2008-09 to 2017-18 has been issued on 05.04.2019.
34	East Kolkata Wetland Management Authority	2019-20	2017-18	2016-17	2016-17	01.11.2018	2014-15	Reminder for submission of annual accounts for the year 2017-18 has been issued on 05.04.2019.
35	West Bengal Veterinary Council	2018-19	2017-18	2016-17	2016-17	07.06.2018	NA	Reminder for submission of annual accounts for the year 2017-18 has been issued on 05.04.2019.
36	Calcutta State Transport Corporation	Permanent entrustment	2017-18	2017-18	-	-	-	-
37	South Bengal State Transport Corporation	Permanent entrustment	2017-18	2017-18	-	-	-	-
38	West Bengal Industrial Infrastructure Development Corporation	Permanent entrustment	2017-18	2017-18	-	-	-	-
39	North Bengal State Transport Corporation	Permanent entrustment	2017-18	2015-16	-	-	-	-

Source: Records of the Autonomous Bodies

APPENDIX 3.3

(Refer Paragraph 3.5;
Page 57)

Statement showing Performance of Autonomous Bodies (Submission of Accounts and issue of SARs U/S 20)

Sl. No.	Name of the Institution/Body	Period of entrustment of audit	Year up to which accounts due for submission	Year up to which accounts received	Year up to which final Audit Report issued to Govt./ Organisation	Month of issue of Audit Report	Remarks
1	Siliguri Jalpaiguri Development Authority	2015-16 to 2019-20	2017-18	2016-17	2016-17	March 2019	Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
2	Asansol Durgapur Development Authority	2015-16 to 2019-20	2017-18	2011-12	2011-12	February 2014	Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
3	Haldia Development Authority	2015-16 to 2019-20	2017-18	2017-18	2016-17	January 2019	Latest correspondence for re-entrustment of audit issued on 11.10.2018.
4	Sriniketan Santiniketan Development Authority	2014-15 to 2018-19	2017-18	2016-17	2016-17	December 2018	Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
5	Digha Sankarpur Development Authority	2015-16 to 2019-20	2017-18	2017-18	2016-17	November 2017	Latest correspondence for re-entrustment of audit issued on 11.10.2018.
6	Jaigaon Development Authority	2013-14 to 2017-18	2017-18	2012-13	2012-13	December 2014	Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
7	West Bengal State Council of Technical Education	2006-07 to 2010-11	2010-11	2003-04	2003-04	April 2009	Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
8	Bardhaman Development Authority	2017-18 to 2021-22	2017-18	2015-16	2014-15	November 2017	Latest reminder for submission of arrear accounts issued on 18.12.2018.

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Sl. No.	Name of the Institution/Body	Period of entrustment of audit	Year up to which accounts due for submission	Year up to which accounts received	Year up to which final Audit Report issued to Govt./ Organisation	Month of issue of Audit Report	Remarks
9	Bhangore Rajarhat Area Development Authority (BRADA)	2010-11 to 2014-15	2011-12	2009-10	2009-10	June 2011	BRADA has been merged with HIDCO w.e.f. 01.08.2011.
10	West Bengal Central School Service Commission	2012-13 to 2016-17	2016-17	2013-14	2013-14	October 2018	Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
11	West Bengal Regional School Service Commission (South Eastern Region)	2012-13 to 2016-17	2016-17	2016-17	2016-17	January 2019	Latest correspondence for re-entrustment of audit issued on 11.10.2018.
12	West Bengal Regional School Service Commission (Western Region)	2012-13 to 2016-17	2016-17	2016-17	2013-14	November 2018	Audit of annual accounts for 2014-15 to 2016-17 is under process. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
13	West Bengal Regional School Service Commission (Eastern Region)	2012-13 to 2016-17	2016-17	2013-14	2013-14	November 2018	Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
14	West Bengal Regional School Service Commission (Northern Region)	2012-13 to 2016-17	2016-17	2016-17	2014-15	February 2019	Audit of annual accounts for 2015-16 and 2016-17 could not be taken up due to non-submission of minutes of Board meeting in which annual accounts were approved. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
15	West Bengal Regional School Service Commission (Southern Region)	2012-13 to 2016-17	2016-17	2014-15	2014-15	January 2019	Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.

Sl. No.	Name of the Institution/Body	Period of entrustment of audit	Year up to which accounts due for submission	Year up to which accounts received	Year up to which final Audit Report issued to Govt./ Organisation	Month of issue of Audit Report	Remarks
16	New Town Kolkata Development Authority	2013-14 to 2017-18	2017-18	2016-17	2015-16	October 2017	Audit of annual accounts for 2016-17 is under process. Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
17	Medinipur-Kharagpur Development Authority	2013-14 to 2017-18	2017-18	2012-13	2012-13	March 2017	Latest reminder for submission of arrear accounts issued on 18.12.2018. Latest correspondence for re-entrustment of audit issued on 11.10.2018.
18	West Bengal State NGRBA Programme Management Group	2012-13 to 2016-17	2016-17	2016-17	2016-17	September 2018	Latest correspondence for re-entrustment of audit issued on 11.10.2018.
19	West Bengal Khadi & Village Industries Board	2017-18	2017-18	2015-16	2015-16	October 2018	SAR for the year 2015-16 was finalised and Management Letter issued on 31.10.2018. Letter for entrustment of audit of accounts for the period from 2018-19 to 2022-23 was issued on 19.03.2019. Reminder for submission of annual accounts for the years 2016-17 and 2017-18 has been issued on 08.04.2019.
20	Compensatory Afforestation Fund Management and Planning Authority	Perpetual	2017-18	2016-17	2016-17	June 2018	Reminder for submission of annual accounts for the year 2017-18 has been issued on 03.04.2019.

Source: Records of the Autonomous bodies

APPENDIX 3.4

(Refer Paragraph 3.6;
Page 57)

Statement of finalisation of accounts and Government investment in departmentally managed Commercial and Quasi-Commercial Undertakings

Sl. No.	Department	Number of undertakings under the Department	Name of undertakings	Year of formation	Year from which accounts are due	Investment as per last Accounts (₹ in crore)	Accumulated loss(-)/ profit (+) as per latest A/c received up to June 2018 (₹ in crore)
1.	Home & Hill Affairs	1	Directorate of Cinchona and other Medicinal plants	1888	2013-14	668.39	(-)615.56
2.	Micro & Small Scale Enterprises and Textiles	4	(1) Central Engineering Organisation, Howrah	1956	2016-17	0.05	2.34
			(2) Training-cum-Production Centre for Wood Industries, Siliguri	1956	1998-99	2.95	(-)2.76
			(3) Integrated Wood Industries Scheme, Durgapur	1956	1998-99	4.45	(-)3.90
			(4) Integrated Wood Industries Scheme, Kalyani	1956	1998-99	6.36	(-)4.96
3.	Industry Commerce & Enterprise	1	Undertaking of Darjeeling Ropeway Company Limited	1977	1983-84	0.26	(-)0.18
4	Animal Resources Development	4	(1) Durgapur Milk Supply Scheme	1972	2016-17	130.51	(-)162.19
			(2) Krishnanagar Milk Supply Scheme	1977	2016-17	49.90	(-)56.63
			(3) Bardhaman Milk Supply Scheme	1982	2016-17	53.26	(-)60.40
			(4) Greater Kolkata Milk Supply Scheme	1990	2016-17	1,660.53	(-)1,600.12
5	Housing	2	(1) Director of Brick Production, Manual	1970	2010-11	0.40	(-)24.05
			(2) Director of Brick Production, Mechanised	1970	2012-13	21.13	(-)40.90
6	Urban Development	1	Kanchrapara Area Development Authority	N.A.	2010-11	11.23	11.23
7	Food and Supplies	1	Public Distribution System of Food Grains	1986	2014-15	533.95	827.45
Total		14				3,143.37	(-)1,730.63

Source: Departmental figures Note: Three undertakings namely, (i) Training-cum-Production Centre for Wood Industries, Siliguri, (ii) Integrated Wood Industries Scheme, Durgapur and (iii) Integrated Wood Industries Scheme, Kalyani are closed since 21 November 2006. Undertaking of Darjeeling Ropeway Company Limited is closed since 1 April 2006.

APPENDIX 3.5*(Refer Paragraph 3.7;
Page 58)***Statement showing names of bodies and authorities (other than PRIs), the accounts of which had not been received**

Sl. No.	Name of the Institution	Accounts in Arrears	
		Period	Number of Arrear Accounts
Kolkata Municipal Area (KMA) – Municipal Corporation			
1.	Chandernagore	2014-15 to 2017-18	4
2.	Howrah	2015-16 to 2017-18	3
3.	Kolkata	2017-18	1
4.	Bidhannagar	2014-15 to 2017-18	4
Kolkata Municipal Area (KMA) – Municipality			
5.	Bansberia	2017-18	1
6.	Baranagar	2017-18	1
7.	Barasat	2015-16 to 2017-18	3
8.	Barrackpore	2017-18	1
9.	Baruipur	2015-16 to 2017-18	3
10.	Bhadreswar	2015-16 to 2017-18	3
11.	Bhatpara	2017-18	1
12.	Budge Budge	2017-18	1
13.	Champdany	2015-16 to 2017-18	3
14.	Dum Dum	2016-17 to 2017-18	2
15.	Dankuni	2012-13 to 2017-18	6
16.	Garulia	2016-17 to 2017-18	2
17.	Gayeshpur	2008-09 to 2017-18	10
18.	Halisahar	2017-18	1
19.	Hooghly Chinsurah	2016-17 to 2017-18	2
20.	Kalyani	2012-13 to 2017-18	6
21.	Kamarhati	2017-18	1
22.	Kanchrapara	2016-17 to 2017-18	2
23.	Khardah	2017-18	1
24.	Konnagar	2017-18	1
25.	Madhyamgram	2016-17 to 2017-18	2
26.	Maheshtala	2017-18	1
27.	Naihati	2017-18	1
28.	New Barrackpore	2015-16 to 2017-18	3
29.	North Barrackpore	2017-18	1
30.	North Dum Dum	2013-14 to 2017-18	5
31.	Panihati	2017-18	1
32.	Pujali	2016-17 to 2017-18	2
33.	Rajpur Sonarpur	2011-12 to 2017-18	7
34.	Rishra	2016-17 to 2017-18	2
35.	Serampore	2015-16 to 2017-18	3
36.	South Dum Dum	2015-16 to 2017-18	3
37.	Titagarh	2017-18	1

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Sl. No.	Name of the Institution	Accounts in Arrears	
		Period	Number of Arrear Accounts
38.	Uluberia	2015-16 to 2017-18	3
39.	UttarparaKotrung	2016-17 to 2017-18	2
Non-Kolkata Municipal Area (Non-KMA) – Municipal Corporation			
40.	Asansol	2015-16 to 2017-18	3
41.	Durgapur	2016-17 to 2017-18	2
42.	Siliguri	2017-18	1
Non-Kolkata Municipal Area (Non-KMA) – Municipality			
43.	Alipurduar	2017-18	1
44.	Ashokenagar Kalyangarh	2015-16 to 2017-18	3
45.	Baduria	2011-12 to 2017-18	7
46.	Balurghat	2014-15 to 2017-18	4
47.	Bankura	2016-17 to 2017-18	2
48.	Beldanga	2008-09 to 2017-18	10
49.	Berhampur	2015-16 to 2017-18	3
50.	Birnagar	2013-14 to 2017-18	5
51.	Bishnupur	2007-08 to 2017-18	11
52.	Bolpur	2013-14 to 2017-18	5
53.	Bongaon	2015-16 to 2017-18	3
54.	Buniadpur	2014-15 to 2017-18	4
55.	Bardhaman	2017-18	1
56.	Chakdaha	2017-18	1
57.	Chandrakona	2011-12 to 2017-18	7
58.	Contai	2013-14 to 2017-18	5
59.	Cooch Behar	2009-10 to 2017-18	9
60.	Coopers' Camp Notified Area Authority	2011-12 to 2017-18	7
61.	Dainhat	2007-08 to 2017-18	11
62.	Dalkhola	2016-17 to 2017-18	2
63.	Darjeeling	2016-17 to 2017-18	2
64.	Dhulian	2013-14 to 2017-18	5
65.	Dhupguri	2011-12 to 2017-18	7
66.	Diamond Harbour	2014-15 to 2017-18	4
67.	Dinhata	2007-08 to 2017-18	11
68.	Domkal	2015-16 to 2017-18	3
69.	Dubrajpur	2013-14 to 2017-18	5
70.	Egra	2012-13 to 2017-18	6
71.	English Bazaar	2015-16 to 2017-18	3
72.	Gangarampur	2010-11 to 2017-18	8
73.	Ghatal	2017-18	1
74.	Gobardanga	2016-17 to 2017-18	2
75.	Guskara	2014-15 to 2017-18	4
76.	Haldia	2015-16 to 2017-18	3
77.	Haldibari	2014-15 to 2017-18	4
78.	Haringhata	2013-14 to 2017-18	5
79.	Islampur	2017-18	1
80.	Joynagar-Mozilpur	2012-13 to 2017-18	6
81.	Jalpaiguri	2016-17 to 2017-18	2

Sl. No.	Name of the Institution	Accounts in Arrears	
		Period	Number of Arrear Accounts
82.	Jangipur	2017-18	1
83.	Jhalda	2011-12 to 2017-18	7
84.	Jhargram	2016-17 to 2017-18	2
85.	Jiaganj-Azimgunj	2008-09 to 2017-18	10
86.	Kaliyaganj	2016-17 to 2017-18	2
87.	Kalimpong	2015-16 to 2017-18	3
88.	Kalna	2017-18	1
89.	Kandi	2009-10 to 2017-18	9
90.	Katwa	2010-11 to 2017-18	8
91.	Kharagpur	2016-17 to 2017-18	2
92.	Kharar	2009-10 to 2017-18	9
93.	Khirpai	2015-16 to 2017-18	3
94.	Krishnanagar	2016-17 to 2017-18	2
95.	Kurseong	2011-12 to 2017-18	7
96.	Mal	2008-09 to 2017-18	10
97.	Mathabhanga	2015-16 to 2017-18	3
98.	Medinipur	2016-17 to 2017-18	2
99.	Mekhliganj	2008-09 to 2017-18	10
100.	Memari	2017-18	1
101.	Mirik	2007-08 to 2017-18	11
102.	Murshidabad	2009-10 to 2017-18	9
103.	Nabadwip	2017-18	1
104.	Nalhati	2012-13 to 2017-18	6
105.	Old Malda	2008-09 to 2017-18	10
106.	Panskura	2016-17 to 2017-18	2
107.	Purulia	2016-17 to 2017-18	2
108.	Raiganj	2016-17 to 2017-18	2
109.	Ramjibanpur	2013-14 to 2017-18	5
110.	Rampurhat	2017-18	1
111.	Ranaghat	2010-11 to 2017-18	8
112.	Raghunathpur	2007-08 to 2017-18	11
113.	Sainthia	2012-13 to 2017-18	6
114.	Santipur	2017-18	1
115.	Sonamukhi	2008-09 to 2017-18	10
116.	Taherpur Notified Area Authority	2016-17 to 2017-18	2
117.	Taki	2017-18	1
118.	Tamluk	2016-17 to 2017-18	2
119.	Tarakeswar	2009-10 to 2017-18	9
120.	Tufanganj	2011-12 to 2017-18	7
Total			487
Universities			
1.	Bidhan Chandra KrishiViswavidyalaya	2009-10 to 2017-18	9
2.	Bardhaman University	2017-18	1
3.	Calcutta University	2012-13 to 2017-18	6
4.	Jadavpur University	2015-16 to 2017-18	3
5.	Kalyani University	2016-17 to 2017-18	2

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Sl. No.	Name of the Institution	Accounts in Arrears	
		Period	Number of Arrear Accounts
6.	North Bengal University	2008-09 to 2017-18	10
7.	Rabindra Bharati University	2017-18	1
8.	Uttar Banga Krishi Viswavidyalaya	2010-11 to 2017-18	8
9.	Jadavpur PF Accounts	2009-10 to 2017-18	9
10.	IISWBM	2014-15 to 2017-18	4
11.	Presidency University	2017-18	1
12.	West Bengal University of Technology	2007-08 & 2010-11 to 2017-18	9
13.	Sidhu Kanhu Birsa University	2015-16 to 2017-18	3
14.	Diamond Harbour Women's University	2016-17 to 2017-18	2
Total			68
Other Local Bodies			
1	Kolkata Metropolitan Water & Sanitation Authority	2013-14 to 2017-18	5
2	Kolkata Improvement Trust	2013-14 to 2017-18	5
3	Change Management Unit	2010-11 to 2017-18	8
4	Howrah Improvement Trust	2006-07 to 2017-18	12
5	Kolkata Environment Improvement Project	2015-16 to 2017-18	3
6	Nabadiganta Industrial Township	2010-11 to 2017-18	8
Total			41

Source: Records of the Institutions

APPENDIX 3.6*(Refer Paragraph 3.9;
Page 60)***Status of Adjustment of AC Bills**

DDO name	Year	Number of AC bills	Drawn	Amount (₹ in crore)	Delay after permissible period of 60 days
Panchayat and Rural Development (P&RD) Department					
Commissioner, West Bengal State Election Commission	2012-13	1	On 28 December 2012	2.00	73 to 1981 days
	2015-16	1	On 31 March 2016	0.55	
	2017-18	1	On 19 March 2018	180.00	
District Magistrate, Jalpaiguri	2007-08 to 2015-16	15	Between 26 March 2008 and 29 March 2016	1.82	790 to 3719 days
District Magistrate, Purba Bardhaman	2004-05 to 2017-18	18	Between 30 March 2005 and 31 March 2018	5.28	62 to 4689 days
District Magistrate, Malda	2017-18	1	On 31 March 2018	8.30	62 days
District Magistrate, North 24 Parganas	2005-06 to 2017-18	7	Between 31 March 2006 and 31 March 2018	13.22	62 to 4323 days
District Magistrate, Nadia	2011-12 to 2017-18	6	Between 2 June 2011 and 31 March 2018	11.57	62 to 2556 days
District Magistrate, Murshidabad	2007-08	2	Between 28 and 31 March 2008	0.11	3710 to 3713 days
District Magistrate, Paschim Medinipur	2009-10 to 2017-18	8	Between 31 March 2010 and 30 March 2018	6.10	63 to 2862 days
District Magistrate, Purulia	2013-14 to 2015-16	7	Between 14 March 2013 and 31 March 2018	10.71	478 to 1724 days
Principal Secretary, P&RD Department.	2016-17	4	Between 8 and 30 March 2017	11.12	423 to 443 days
Total		71		250.78	
Disaster Management and Civil Defence (DM&CD) Department					
Principal Secretary, DM&CD Department	2014-15 to 2017-18	8	Between 26 March 2015 and 19 January 2018	24.02	180 to 1155 days
Joint Director of Agriculture (Accounts)	2013-14 to 2017-18	14	Between 4 July 2013 and 16 January 2018	1,809.70	180 to 1825 days
District Magistrate, North 24 Parganas	2004-05 to 2009-10	11	Between 28 September 2004 and 31 March 2010	0.63	2980 to 5015 days
District Magistrate, Murshidabad	2007-08 to 2016-17	25	Between 30 July 2007 and 29 March 2017	3.53	425 to 3950 days
District Magistrate, Malda	2005-06 to 2009-10	3	Between 13 February 2006 and 20 November 2009	0.02	3130 to 4500 days
District Magistrate, Purulia	2009-10 to 2016-17	26	Between 2 June 2009 to 24 March 2017	6.70	425 to 3220 days
District Magistrate, Nadia	2006-07 to 2017-18	10	Between 27 September 2006 to 29 November 2017	0.26	180 to 4255 days
District Magistrate, Jalpaiguri	2006-07 to 2017-18	15	Between 5 June 2006 to 10 April 2017	2.67	410 to 4285 days
District Magistrate, Paschim Medinipur	2010-11 to 2015-16	11	Between 28 March 2011 to 31 March 2016	3.24	790 to 2615 days
Total		123		1,850.77	

Source: Compiled from various Departmental records

APPENDIX 4.1 Glossary of Terms

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

Terms	Description
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Public Accounts Committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India.
Re-appropriation	Means the transfer of funds from one primary unit of appropriation to another such unit.
Sinking Fund	A Fund into which the Government sets aside money over time, in order to retire its debt.
State Implementing Agency	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State.
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115(1) of the Constitution.
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Department, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Department is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year.
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.

APPENDIX 4.2 List of Abbreviations used

Abbreviations	Full Form
A&E	Accounts & Entitlement
AB	Autonomous Body
AC	Abstract Contingent
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
APL	Above Poverty Line
BADP	Border Area Development Programme
BAPL	Bengal Aerotropolis Projects Limited
BE	Budget Estimates
BEUP	Bidhayak Elaka Unnayan Prakalpa
BPL	Below Poverty Line
CAG	Comptroller and Auditor General
CAGR	Compound Annual Growth Rate
CASP	Central Assistance to State Plan
CE	Capital Expenditure
CESC	Calcutta Electric Supply Corporation
CO	Controlling Officer
CR	Capital Receipts
CRPF	Central Reserve Police Force
CSF	Consolidated Sinking Fund
CSO	Central Statistical Organisation
CSS	Centrally Sponsored Scheme
CSTC	Calcutta State Transport Corporation
DC	Detailed Contingent
DDO	Drawing and Disbursing Officer
DLSA	District Legal Services Authority
DM	District Magistrate
DPC	Duties, Powers and Conditions
ELA	Examiner of Local Accounts

Abbreviations	Full Form
ES	Economic Services
FC	Finance Commission
FD	Finance Department
FPSS	Fiscal Policy Strategy Statement
FRBM	Fiscal Responsibility and Budget Management
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GoWB	Government of West Bengal
GRF	Guarantee Redemption Fund
GSDP	Gross State Domestic Product
IFMS	Integrated Financial Management System
IGAS	Indian Government Accounting Standards
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MTFPS	Medium-Term Fiscal Policy Statement
NBSTC	North Bengal State Transport Corporation
NDRF	National Disaster Response Fund
NSSF	National Small Savings Fund
O&M	Operations and Maintenance
PAC	Public Accounts Committee
PAO	Pay and Accounts Office
PD	Personal Deposit
PMAY	Pradhan Mantri Awas Yojana
PMGSY	Pradhan Mantri Gram Sadak Yojana
PRI	Panchayati Raj Institution
PS	Panchayat Samiti
PSU	Public Sector Undertaking
RBI	Reserve Bank of India
RE	Revised Estimate/Revenue Expenditure
RR	Revenue Receipts

Abbreviations	Full Form
S&W	Salaries and Wages
SAR	Separate Audit Report
SBSTC	South Bengal State Transport Corporation
SC	Scheduled Caste
SDRF	State Disaster Response Fund
SSE	Social Sector Expenditure
ST	Scheduled Tribe
TE	Total Expenditure
TPDS	Targeted Public Distribution System
UC	Utilisation Certificate
ULB	Urban Local Body
VAT	Value Added Tax
VLC	Voucher Level Computerisation
WBBM	West Bengal Budget Manual
WBCETF	West Bengal Compensatory Entry Tax Fund
WBCGA	West Bengal Ceiling on Government Guarantees Act.
WBFR	West Bengal Financial Rules
WBFRBM	West Bengal Fiscal Responsibility and Budget Management
WBIDCL	West Bengal Industrial Development Corporation Limited
WBPDCCL	West Bengal Power Development Corporation Limited
WBSEDCL	West Bengal State Electricity Distribution Company Limited
WBTR	West Bengal Treasury Rules

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