



State Finances Audit Report of the Comptroller and Auditor General of India

for the year ended 31 March 2020



लोकहितार्थं सत्यनिष्ठा
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GOVERNMENT OF TRIPURA
(REPORT NO. 3 OF 2021)

**State Finances Audit Report
of the
Comptroller and Auditor General of India
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Preface

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapter I of this Report contain the overview of the State Finance. Chapters II and III of this Report contain audit findings on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2020. Information has been obtained from the Government of Tripura, wherever necessary.
3. Chapter IV on ‘Quality of Accounts and financial reporting practices’ provides an overview and status of the State Government’s compliance with various financial rules, procedures and directives issued during the current year.
4. Chapter V provides a ‘bird eye view’ on the functioning of the State Public Sector Enterprises (SPSEs). The term State Public Sector Enterprises (SPSEs) encompasses the State Government owned/controlled Government Companies set up under the Companies Act, 2013 and Statutory Corporations set up under the statutes enacted by the Parliament and State legislature.
5. The Report containing the findings of performance audit and compliance audit in various departments, audit of Statutory Corporations, Boards, Government Companies and Revenue Receipts are presented separately.

EXECUTIVE SUMMARY

Executive Summary

1 The Report

Based on the audited accounts of the Government of Tripura for the year ending March 2020, this report provides an analytical review of the finances of the State Government. The report is structured in five Chapters.

Chapter I: Overview of State Finances

This chapter provides brief profile of the State and basis of the report, structure of the Government accounts, budgetary processes, macro-fiscal analysis of key indices and fiscal position of the State including the deficit/surplus.

Chapter II: Finances of the State

This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the last five years, debt management of the State and key Public Account transactions, based on the Finance Accounts of the State.

Chapter III: Budgetary Management

This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter IV: Quality of Accounts and Financial Reporting Practices

This Chapter provides an overview on the quality of accounts and compliance of the State Government in its financial reporting practices, with prescribed financial rules, procedures and directives with regard to completeness, transparency, measurement and disclosure.

Chapter V: Functioning of State Public Sector Enterprises

This Chapter provides a 'bird eye view' on the functioning of the State Public Sector Enterprises (SPSEs). The term State Public Sector Enterprises (SPSEs) encompasses the State Government owned/controlled Government Companies set up under the Companies Act, 2013 and Statutory Corporations setup under the statutes enacted by the Parliament and State legislature.

Audit findings

Finances of the State

- The fiscal position of the State is viewed in terms of key fiscal parameters-Revenue deficit/surplus, fiscal deficit/surplus and primary deficit/surplus.

During 2019-20, the State had a Revenue deficit of ₹ 2,375.32 crore which was 4.29 per cent of GSDP during the year. Fiscal deficit was ₹ 3,261.56 crore during 2019-20 which was 5.89 per cent of GSDP and primary deficit was ₹ 2,136.58 crore (3.86 per cent of GSDP). Fiscal deficit target as percentage to GSDP was not

achieved in 2019-20 and it was 5.89 *per cent* against the target of 3.25 *per cent*. The State, however, achieved the target set in FRBM Act in respect of outstanding liabilities to GSDP in all five years of 2015-20 and it was 32.24 *per cent* in 2019-20 against the target of 34.16 *per cent* for the year.

- Revenue Receipts during the year 2019-20 were ₹ 11,001.59 crore which decreased by ₹ 1,029.30 crore (8.56 *per cent*) during the year. State's Own Tax increased by ₹ 335.88 crore (19.02 *per cent*) from ₹ 1,765.91 crore (2018-19) to ₹ 2,101.79 crore (2019-20) while Non-Tax revenue decreased by ₹ 100.55 crore (27.02 *per cent*) during the year from ₹ 372.20 crore (2018-19) to ₹ 271.65 crore (2019-20). The State had collected ₹ 1,026.63 crore as GST during 2019-20, an increase of ₹ 49.19 crore over the previous year. The State did not receive any IGST share during the year 2019-20.
- Grants-in-aid from GoI decreased by ₹ 587.46 crore (11.74 *per cent*) from ₹ 5,003.83 crore (2018-19) to ₹ 4,416.37 crore (2019-20) and State's Share of Union Taxes and Duties during 2019-20 also decreased by ₹ 677.17 crore (13.85 *per cent*) from ₹ 4,888.95 crore (2018-19) to ₹ 4,211.78 crore (2019-20).
- Revenue expenditure during the year 2019-20 was ₹ 13,376.91 crore (93.78 *per cent*) against the total expenditure of ₹ 14,263.88 crore. Moreover, there was a misclassification of ₹ 287.38 crore booked as Capital expenditure instead of Revenue expenditure which was given by the State Government as grants-in-aid to the local bodies or individual entities under various Central Schemes during the year, resulting in overstatement of Capital expenditure and understatement of Revenue expenditure to that extent during 2019-20. Committed expenditure like Salary & Wages, Pension, Interest payments steadily increased during the last five years' period (2015-20). The Committed expenditure during 2019-20 was ₹ 9,158.67 crore (83.25 *per cent* of the total Revenue receipts of ₹ 11,001.59 crore and 68.47 *per cent* of the total Revenue expenditure of ₹ 13,376.91 crore).
- Capital expenditure is the expenditure incurred for creation of fixed infrastructure assets such as roads, building, *etc.* It is noticed that during the year Capital expenditure decreased by ₹ 597.65 crore (40.36 *per cent*) from ₹ 1,480.87 crore during 2018-19 to ₹ 883.22 crore during 2019-20.
- During 2019-20, the State Government invested ₹ 69.33 crore in Government Companies, statutory corporation, co-operative societies and joint stock companies. As on 31 March 2020 the State Government made investment of ₹ 1,648.66 crore in those companies/ corporations and co-operative societies and got negligible amount of ₹ 7.94 crore as dividend during the year from two joint stock companies.
- The State Government did not make any contribution to the Consolidated Sinking Fund violating the extant Rules and the Government has deferred the minimum amount of ₹ 73.90 crore (0.50 *per cent*) payable on the total liabilities (₹ 14,779.22 crore) outstanding at the beginning of the year to future years. Further, the State Government short contributed ₹ 1.90 crore during 2019-20 in the State Disaster Response Fund as per the guidelines of the scheme. Grants in aid were booked under Capital Section instead of Revenue to the extent of ₹ 287.38 crore. All

these items coupled with non-discharge of interest liability of ₹ 18.08 crore and short contribution of Government matching share towards the National Pension System (NPS) has impacted the revenue deficit with understatement of ₹ 381.38 crore and fiscal deficit by ₹ 94.00 crore.

- The State had given guarantees of ₹ 734.57 crore, including interest as on 31 March 2020.
- Salary and wages expenditure constituted 51.48 *per cent* of Revenue Receipts and 42.34 *per cent* of Revenue expenditure during the year 2019-20.
- The growth rate of outstanding Public Debt rapidly increased from ₹ 6,603.03 crore (10.48 *per cent*) from 2016-17 to ₹ 11,212.20 crore (26.78 *per cent*) in 2019-20 and Debt/GSDP ratio increased from 16.73 *per cent* to 20.25 *per cent* during the same period due to more borrowings from the open market. About nine *per cent* to 10 *per cent* of the revenue receipts were used by the State for payment of interest on the outstanding Public Debt at the average rate of interest ranged between 7.89 *per cent* to 8.51 *per cent* during last five years period from 2015-16 to 2019-20.
- As on 31 March 2020, the State had outstanding Market loan of ₹ 9,102.83 crore out of which ₹ 285.00 crore would mature in next one to three years and ₹ 700 crore would mature during next three to five years. Maximum amount of market loan bearing interest would mature in next seven to 10 years upto 2030 on which the State Government will pay ₹ 425.02 crore as interest at the rate of 6.98 *per cent* to 8.82 *per cent*.
- The State Government had availed ₹ 176.66 crore as Special Drawing facility against the operative limit of ₹ 105.21 crore as on 31 March 2020 and repaid the same during the year 2019-20. The cash balances of the State at the end of 31 March 2020 was ₹ 1,046.17 crore out of which, ₹ 353.36 crore was held in cash balance investment account during the year. It is not desirable that State Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use and further increasing its debt liabilities.

Recommendations

1. *State Government may take necessary steps to reduce the Revenue and Fiscal deficits and to review the accounting treatment of the expenditure met out for grants-in-aid from the Capital account instead of Revenue Account as it affects the transparency of accounting and has significant impact on the computation of the Revenue Surplus/deficits.*
2. *State Government should review the functioning of its loss making State Public Sector Enterprises (SPSEs) in the State considering the investment as well as returns.*
3. *The State Government may contribute to the Consolidated Sinking Fund and State Disaster Response Fund as per the guidelines.*

(Chapter II)

Budgetary Management

Budgetary assumptions of the State Government were not realistic during 2019-20 and despite carrying out an elaborate pre-budget exercise to bring about efficiency and

transparency in budget formulation and execution, budgetary estimates were off the mark to a considerable extent. Control over the execution and monitoring of budget by Departments was inadequate.

Significant policy initiatives of the Government were not fulfilled during the year due to non-completion of the preparatory activities relating to these initiatives.

Supplementary Grants/Appropriations were obtained without adequate justification. The State Government had incurred excess expenditure of ₹ 8.87 crore over budget provision in three Grants/Appropriations which is required to be regularised by the State Legislature as per Article 205 of the Constitution.

The State had overall savings of ₹ 5,045.60 crore, which was almost twice the size of the supplementary budget of ₹ 2,747.11 crore obtained during the year, which raised questions over the budget formulation process. Savings during the year accounted for about a fourth of the total budget; however, the Controlling Officers did not surrender the funds on time. Proper explanations were not provided to the Accountant General (A&E) for variations in expenditure *vis-à-vis* allocations. Departments were neither cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.

Recommendations

- 1. Government may prepare budgetary assumptions more realistically and ensure efficient control mechanisms to curtail savings/ excess expenditure.*
- 2. Government may enforce its commitment to achieve its promised/intended objectives for overall development of the State through improved execution, monitoring and financial management of schemes/projects.*
- 3. Excess expenditure over grants approved by the Legislature is in violation of the will of the Legislature. State Government should view such excess expenditure very seriously and regularised it at the earliest.*
- 4. State Government needs to formulate a realistic budget based on reliable assumptions of the needs of the departments and their capacity to utilise the allocated resources.*
- 5. Government may initiate an appropriate control mechanism to enforce proper implementation and monitoring of budget by various departments, to ensure that savings are curtailed, large savings within the Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.*
- 6. Controlling Officers should be aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.*

(Chapter III)

Quality of Accounts and Financial Reporting Practices

- 630 Utilisation Certificates (UCs) in respect of grants aggregating ₹ 223.98 crore given to Departments of the State Government during the period upto March 2020 have not been submitted to the Accountant General (A&E). Non submission of UCs is fraught with the risk of fraud and misappropriation of funds.

- During 2019-20, ₹ 16.99 crore was drawn through 984 AC Bills of which 540 AC Bills for ₹ 8.28 crore were awaited for submission of detailed Countersigned Contingent (DCC) Bills as on 31 March 2020. As on 31 March 2020, there were 2191 AC bills for an amount of ₹ 69.90 crore remained outstanding for adjustment due to non-submission of DCC Bills. Non adjustment of advances for long period is fraught with the risk of misappropriation.
- During 2019-20, the State Government transferred/deposited ₹ 950.65 crore into 722 DDOs Bank Account. As per information furnished by the State Government, there was an unspent balance of ₹ 449.60 crore in 353 DDOs' Bank Account as on 31 March 2020.
- The State Government classified ₹ 174.49 crore as Receipts under Minor Head 800-Other Receipts constituting 1.59 per cent of total receipts. Similarly, the State booked as expenditure of ₹ 200.44 crore under Minor Head 800-Other Expenditure constituting 1.41 per cent of total expenditure during the year 2019-20.
- During the financial year 2019-20, there were delays in rendition of monthly accounts ranging from seven to 14 days by the Treasuries, 13 to 40 days by the Public Works Divisions and three to 37 days by the Forest divisions respectively.
- Regarding end use of Cesses levied by the State Government, it was seen that the Tripura Building and Other Construction Workers' Welfare Board (TBOCWFB) had an unspent balance of Labour Cess of ₹ 229.90 crore as on 31 March 2020, which stood invested in FDs of various banks/current account of Banks. The State Government levied Cess on Petrol, Diesel and Natural Gas and collected ₹ 161.48 crore, which was credited to Government Account instead of transferring to Road Development Fund in Public Account.

Recommendations

1. *The Government may ensure submission of Utilisation Certificates (UCs) by the grantee within the time frame and institute a mechanism whereby subsequent release of funds is made consequent on furnishing of UCs of earlier releases.*
2. *The Government may consider carrying out adjustment of Abstract Contingent bills within stipulated period, as required under the Rules.*
3. *Finance Department should review all Personal Deposit (PD) accounts to ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund. Further, the Finance Department should reiterate the instructions contained in the financial rules and ensure that appropriate action is taken against departmental officers who fail to follow the rules.*
4. *Finance Department should consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in order to assess their financial position. It should also held the concerned officers responsible for delay in finalization and submission of accounts.*
5. *The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.*

6. *The Finance Department should, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800 and ensure that in future all such receipts and expenditure are booked under the appropriate heads of account.*
7. *The State Government may ensure spending and accountal of Cess funds namely, Labour Cess and Road Development Cess as per Rules governing the Cess Funds.*

(Chapter IV)

Functioning of State Public Sector Enterprises

As on 31 March 2020, the State of Tripura had 16 PSEs (15 working and one non-working), which included 13 Government companies, one Government Controlled Other Company and one Statutory Corporation.

As on 31 March 2020, the investment of the State Government (capital and long-term loans) in 15 out of 16 SPSEs (excluding one Government Controlled Other Company) as per the State Finance Accounts, 2019-20 was ₹ 1,495.88 crore as against the investment of ₹ 1,714.35 crore as per the records of SPSEs. Thus, there was a difference of ₹ 218.47 crore (Equity: ₹ 68.87 crore; Loans: ₹ 149.60 crore) in the investment figures as per two sets of records. The State Government and the SPSEs concerned should take concrete steps to reconcile the differences in a time-bound manner.

As per the information furnished by the SPSEs, during 2019-20 the State Government has provided budgetary support of ₹ 133.71 crore to SPSEs in the form of capital (₹ 49.89 crore) and grants/subsidy (₹ 83.82 crore). The major recipients of budgetary support were Agartala Smart City Limited (Grant/subsidy: ₹ 50.00 crore), Tripura Jute Mills Limited (Equity: ₹ 29.80 crore), Tripura State Electricity Corporation Limited (Grant/subsidy: ₹ 19.25 crore), Tripura Road Transport Corporation (Grant/subsidy: ₹ 13.29 crore) and Tripura Handloom and Handicrafts Development Corporation Limited (Equity: ₹ 12.45 crore).

During 2019-20, out of 15 working SPSEs, six SPSEs earned an aggregate profit of ₹ 20.65 crore, while nine SPSEs incurred loss of ₹ 95.60 crore as per their latest finalised accounts. However, more than 90 *per cent* (₹ 18.62 crore) of the SPSEs profits (₹ 20.65 crore) were contributed by one SPSE (Tripura Natural Gas Company Limited).

As per the latest finalised accounts of SPSEs as on 30 September 2020, the accumulated losses (₹ 442.64 crore) of four out of 15 working SPSEs had completely eroded their paid-up capital (₹ 290.79 crore).

Accounts of 13 out of 15 working SPSEs were in arrears for periods ranging from one to four years. The concerned Administrative Departments overseeing these SPSEs need to ensure that they finalise the accounts of the SPSEs within the stipulated period under the law, failing which financial support to them be reviewed.

(Chapter V)

**CHAPTER-I:
OVERVIEW OF STATE FINANCES**

CHAPTER-I

OVERVIEW OF STATE FINANCES

1.1 Profile of the State

Tripura is the third smallest State in the North Eastern Region of India and shares a 856 km border with Bangladesh on three sides - South, West and North (*i.e.*, about 84 *per cent* of its total border). It also shares border with Assam and Mizoram. The State is spread over a geographical area of 10,486.43 sq.km. (0.32 *per cent* of the country's total geographical area) and is home to around 36,73,917 persons (0.30 *per cent* of the total population of the country) as per Census 2011. Total population of the State in 2019-20 was 0.41 crore. The decadal (2011-2020) growth rate of population of State was 9.66 *per cent* against the average of Special Category States of (SCS) of 10 *per cent* and the all India growth rate of 11.09 *per cent*.

The State has eight districts and one Autonomous District Council. It was designated as a SCS in 1969 in terms of the Gadgil formula, which ensured that 90 *per cent* of funding for centrally sponsored schemes is received as a grant from the Central Government. The per capita Gross State Domestic Product (GSDP) of the State at current prices was ₹ 1,37,981 in 2019-20, which was lower than the all India average of ₹ 1,51,677 as well as the average of the SCS of ₹ 1,42,121.

General and financial data relating to the State are given in **Appendix 1.1**.

1.1.1 Gross State Domestic Product

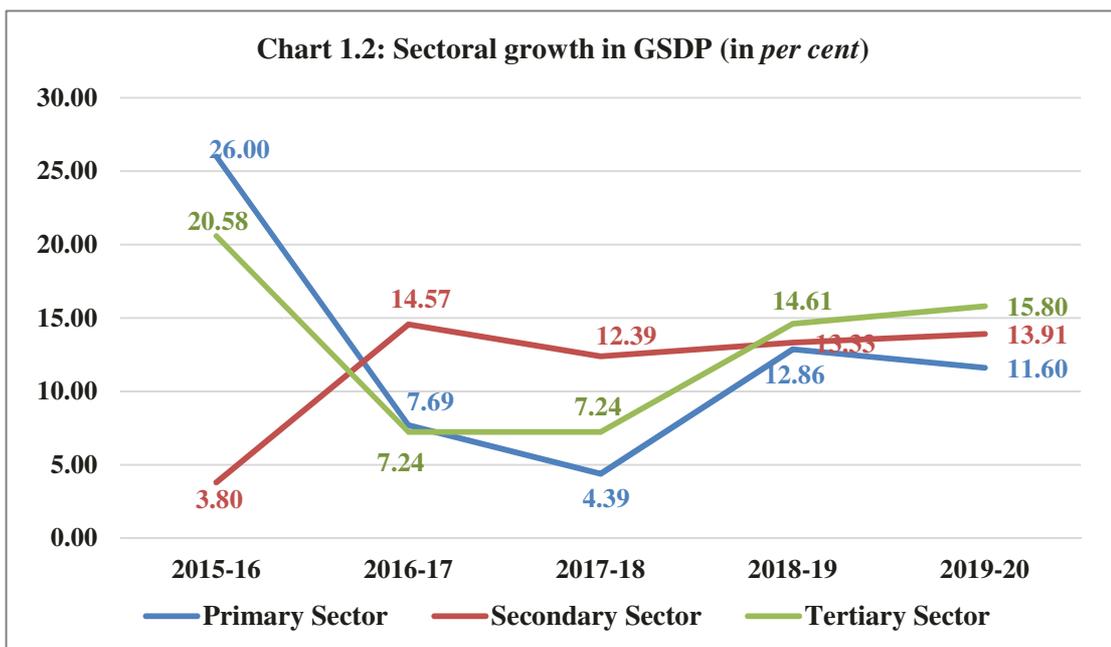
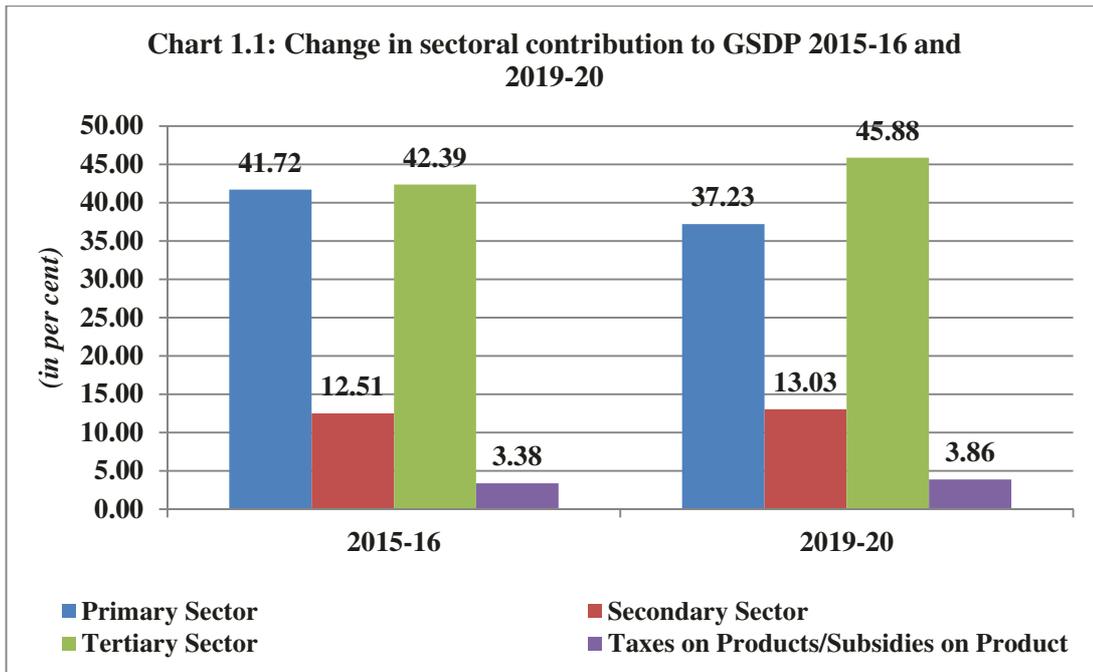
Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Table 1.1: Trends in GSDP compared to the national GDP

Year	2015-16	2016-17	2017-18	2018-19	2019-20
National GDP (2011-12 Series)	13771874	15391669	17098304	18971237	20339849
Growth rate of GDP over previous year (in <i>per cent</i>)	10.46	11.76	11.09	10.95	7.21
State's GSDP (2011-12 Series)	35938	39479	43716	49845	55358
Growth rate of GSDP over previous year (in <i>per cent</i>)	21.68	9.85	10.73	14.02	11.06

Source: GDP figure-MoSPI; GSDP-Department of Economics and Statistics, Government of Tripura

Changes in sectoral contribution to the GSDP is also important to understand the changing structure of economy. The economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to the Agriculture, Industry and Service sectors.



Source: Directorate of Economics and Statistics, Government of Tripura

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) is prepared and submitted under Article 151 (2) of the Constitution of India.

Accountant General (Accounts & Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial

and subsidiary accounts rendered by the treasuries, offices and departments responsible for keeping of such accounts functioning under the control of the State Government, and the statements received from the Reserve Bank of India. These accounts are audited independently by the Principal Accountant General (Audit), and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State constitute the core data for this report. Other sources include the following:

- Budget of the State: for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General (Audit);
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other State related statistics; and
- Various audit reports of the CAG of India.

The analysis is also carried out in the context of recommendations of the XIV Finance Commission (FC), State Financial Responsibility and Budget Management (FRBM) Act, best practices and guidelines of the Government of India. A meeting was held with State Finance Department on 12 November 2020, wherein the audit approach was explained and the draft Report was forwarded (19 January 2021) to the State Government for comments. Replies of the Government, where received, are incorporated in this Report at appropriate places.

1.3 Report Structure

The SFAR is structured into the following five Chapters:

Chapter - 1	Overview of State Finances This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State’s fiscal position including the deficits/ surplus.
Chapter - II	Finances of the State This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2015-16 to 2019-20, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter - III	Budgetary Management This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State

	Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter - IV	Quality of Accounts and Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.
Chapter - V	Functioning of State Public Sector Enterprises This chapter provides a ‘bird eye view’ on the functioning of the State Public Sector Enterprises (SPSEs). The term State Public Sector Enterprises (SPSEs) encompasses the State Government owned/controlled companies set up under the Companies Act, 2013 and Statutory Corporations set up under the Statues enacted by the Parliament and State Legislature.

1.4 Overview of Government Account Structure and Budgetary Processes

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

1. Consolidated Fund of the State {Article 266 (1) of the Constitution of India}

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, *etc.*), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments, *etc.*), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

2. Contingency Fund of the State {Article 267 (2) of the Constitution of India}

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

3. Public Accounts of the State {Article 266 (2) of the Constitution}

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances,

Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditures of the government in respect of every financial year. This ‘Annual Financial Statement’ constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue receipts consists of tax revenue, non-tax revenue, share of Union Taxes/Duties, and grants from Government of India.

Revenue expenditure consists of all those expenditures of the government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the government departments and various services, interest payments on debt incurred by the government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

The **Capital receipts** consist of:

- **Debt receipts:** Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government, *etc.*;
- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances;

Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the Government to State Public Sector Enterprises (SPSEs) and other parties.

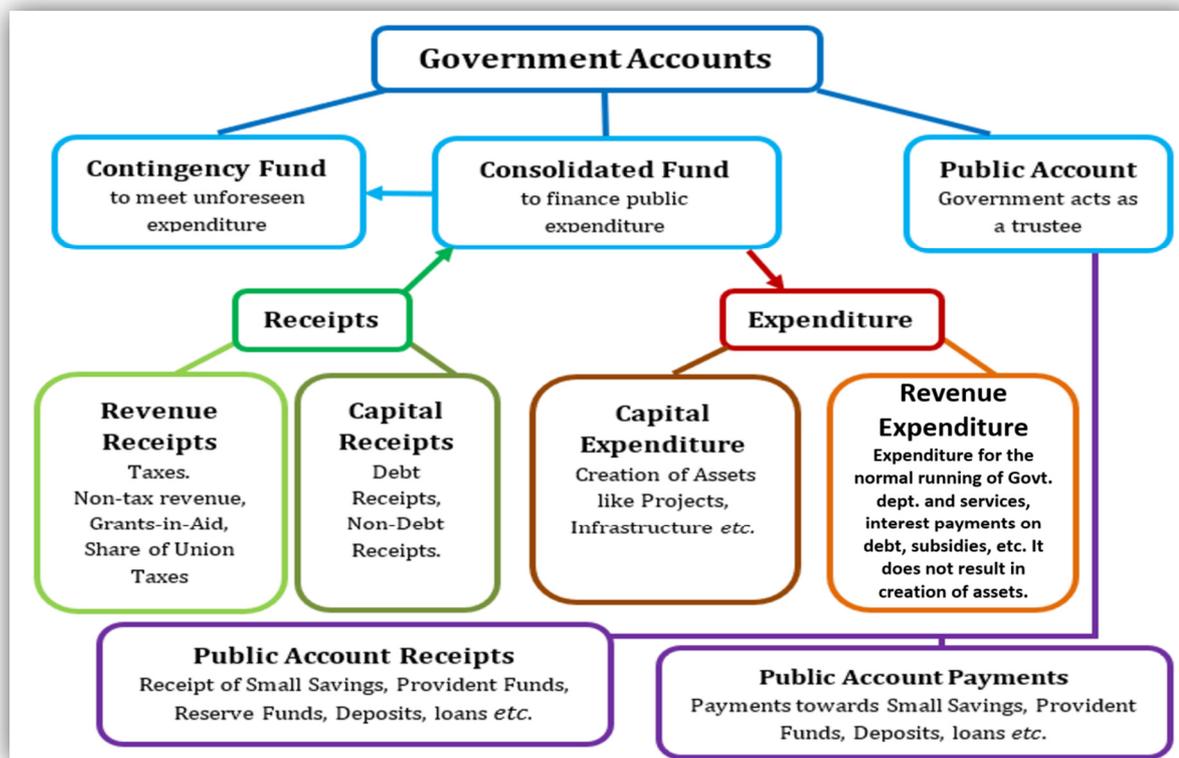
At present, we have an accounting classification system in government that is both functional and economic.

	Attribute of transaction	Classification
Standardised in List of Major and Minor Heads by CGA	Function- Education, Health, <i>etc.</i> / Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub scheme	Detailed Head (2-digit)
	Economic nature/Activity	Object Head-salary, minor works, <i>etc.</i> (2-digit)

The functional classification lets us know the department, function, scheme or programme, and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and

1 is for revenue receipts, 2 and 3 for revenue expenditure, *etc.* Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance, generally “salary” object head is revenue expenditure, “construction” object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

Chart 1.3: Structure of Government Accounts



Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of State causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2019-20, in the form of an Annual Financial Statement. In terms of Article 203, the statement is submitted to the State Legislature in the form of Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund. Some States have more than one consolidated Budget – there could be sub-budgets like Child Budget, Agriculture Budget, Weaker sections (SC/ST) Budget, Disability Budget, Outcome budget, *etc.*

The State Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter 3** of this Report.

1.4.1 Summarised position of State Finances

Table 1.2 provides the details of actual financial results *vis-a-vis* Budget Estimates for the year 2019-20 *vis a vis* actual of 2019-20 as compared to 2018-19.

Table 1.2: Comparison with Budget Estimates and Actuals

(*₹in crore*)

Sl. No.	Components	2018-19 (Actual)	2019-20 (Budget Estimate)	2019-20 (Actuals)	Percentage of Actual to BE	Percentage of Actuals to GSDP
1	Tax Revenue	1765.91	2048.95	2101.79	102.58	3.80
2	Non-Tax Revenue	372.20	285.21	271.65	95.25	0.49
3	Share of Union taxes/duties	4888.95	6656.00	4211.78	63.28	7.61
4	Grants-in-aid and Contributions	5003.83	6108.30	4416.37	72.30	7.98
5	Revenue Receipts (1+2+3+4)	12030.89	15098.46	11001.59	72.87	19.87
6	Recovery of Loans and Advances	0.60	2.00	0.73	36.50	0.00
7	Other Receipts	-	-	-	-	-
8	Borrowings and other Liabilities (a)	1469.40	1669.46	3144.14	188.33	5.68
9	Capital Receipts (6+7+8)	1470.00	1671.46	3144.87	188.15	5.68
10	Total Receipts (5+9)	13500.89	16769.92	14146.46	84.36	25.55
11	Revenue Expenditure	11889.20	14061.32	13376.91	95.13	24.16
12	Interest payments	1018.95	989.81	1124.98	113.66	2.03
13	Capital Expenditure (b)	1481.99	2833.60	886.97	31.30	1.60
14	Capital outlay	1480.87	2831.57	883.22	31.19	1.60
15	Loan and advances	1.12	2.03	3.75	184.73	0.007
16	Total Expenditure (11+13)	13371.19	16894.92	14263.88	84.43	25.77
17	Revenue Deficit (5-11)	141.69	1037.14	(-) 2375.32	229.03	4.29
18	Fiscal Deficit {16-(5+6+7)}	1339.70	1794.46	3261.56	181.76	5.89
19	Primary Deficit (18-12)	320.75	804.65	2136.58	265.53	3.86

Notes: (a) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund +Net (Receipts - Disbursements) of Public Account liabilities + Net of Opening and Closing Cash Balance.

(b) Expenditure on Capital Account includes Capital Expenditure and Loans and Advances disbursed

1.4.2 Assets and liabilities of the State Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve

funds, and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

Table 1.3: Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
	2018-19	2019-20	Per cent increase		2018-19	2019-20	Per cent increase		
Consolidated Fund									
A	Internal Debt	8626.78	11027.69	27.83	A	Gross Capital Outlay	27861.21	28744.43	3.17
B	Loans and Advances from GoI	216.72	184.52	(-14.86)	B	Loans and Advances	193.51	196.53	0.53
Contingency Fund		10.00	10.00	0					
Public Account									
A	Small Savings, Provident Funds, etc.	4734.22	5169.22	9.19	A	Advances	2.04	0.87	(-) 57.35
B	Deposits	955.87	1162.67	21.63	B	Remittance	240.91	360.80	(-) 49.75
C	Reserve Funds	544.92	625.57	22.79	C	Suspense and Miscellaneous	478.59	111.82	(-)76.64
D	Remittances	-	-	-	Cash balance (including investment in Earmarked Fund)		968.52	1046.17	8.02
		15088.51	18179.67	20.75	Total		29744.78	30460.62	2.41
		14656.27 ¹	12280.95 ²	(-)16.21	Excess in Revenue Account		-	-	-
Total		29744.78	30460.62	2.41			29744.78	30460.62	2.41

Source: Finance Accounts

During 2019-20, the total liabilities of the State Government increased by 20.75 per cent as compared to the previous year mainly due to increase in Internal Debt by ₹ 2,400.91 crore (27.83 per cent), Small Savings, Provident Funds by ₹ 435.00 crore (9.19 per cent) and Deposits by ₹ 206.80 crore (21.79 per cent) during the year.

On the other hand, the Assets of the State Government increased by ₹ 715.85 crore (2.41 per cent) during 2019-20 as compared to previous year mainly due to increase in Gross Capital assets by ₹ 883.22 crore (3.17 per cent) offset by Advances of ₹ 1.17 crore (57.35 per cent) and increase by ₹ 77.65 crore (8.02 per cent) in cash balances including investment during the year.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

When a government spends more than it collects by way of revenue, it incurs a deficit. There are various measures that capture government deficit.

¹ Decreased by ₹ 0.30 crore due to write off by Ministry, GoI during 2019-20

² Increased by ₹ 0.30 crore due to inclusion of write off of Loans by GoI during 2019-20

<p>Revenue Deficit/ Surplus (Revenue Expenditure – Revenue Receipts)</p>	<p><i>Refers to the difference between revenue expenditure and revenue receipts.</i></p> <ul style="list-style-type: none"> • When the government incurs a revenue deficit, it implies that the government is dissaving and is using up the savings of the other sectors of the economy to finance a part of its consumption expenditure. • Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even revenue expenditure. Moreover, part of capital receipts was utilised to meet revenue expenditure, reducing availability of capital resources to that extent for creation of capital assets. • This situation means that the government will have to borrow not only to finance its investment but also its consumption requirements. This leads to a build-up of stock of debt and interest liabilities and forces the government, eventually, to cut expenditure. • If major part of revenue expenditure is committed expenditure (interest liabilities, salaries, pensions), the government reduces productive expenditure or welfare expenditure. This would mean lower growth and adverse welfare implications.
<p>Fiscal Deficit/ Surplus (Total expenditure – (Revenue receipts + Non-debt creating capital receipts))</p>	<p><i>It is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the total expenditure. Fiscal Deficit (FD) is reflective of the total borrowing requirements of Government.</i></p> <ul style="list-style-type: none"> • Fiscal deficit is the difference between the government’s total expenditure and its total receipts excluding borrowing. • Non-debt capital receipts are those receipts, which are not borrowings, and, therefore, do not give rise to debt. Examples are recovery of loans and the proceeds from the sale of SPSEs. • The fiscal deficit will have to be financed through borrowing. Thus, it indicates the total borrowing requirements of the government from all sources. <p>Governments usually run fiscal deficits and borrow funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus it is desirable to fully utilise borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest.</p>
<p>Primary Deficit/</p>	<p><i>Refers to the fiscal deficit minus the interest payments.</i></p>

(Gross fiscal deficit – Net Interest liabilities)	<ul style="list-style-type: none"> • Net interest liabilities consist of interest payments minus interest receipts by the government on net domestic lending. • The borrowing requirement of the government includes interest obligations on accumulated debt. To obtain an estimate of borrowing because of current expenditures exceeding revenues, we need to calculate the primary deficit.
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Deficits must be financed by borrowing giving rise to government debt. The concepts of deficits and debt are closely related. Deficits can be thought of as a flow which add to the stock of debt. If the government continues to borrow year after year, it leads to the accumulation of debt and the government has to pay more and more by way of interest. These interest payments themselves contribute to the debt.

By borrowing, the government transfers the burden of reduced consumption on future generations. This is because it borrows by issuing bonds to the people living at present but may decide to pay off the bonds some twenty years later by raising taxes or reducing expenditure. Also, government borrowing from the people reduces the savings available to the private sector. To the extent that this reduces capital formation and growth, debt acts as a ‘burden’ on future generations.

However, if government deficits succeed in their goal of raising production, there will be more income and, therefore, more saving. In this case, both government and industry can borrow more. Also, if the government invests in infrastructure, future generations may be better off, provided the return on such investments is greater than the rate of interest. The actual debt could be paid off by the growth in output. The debt should not then be considered burdensome. The growth in debt will have to be judged by the growth of the economy (State GDP) as a whole.

Government deficit can be reduced by an increase in taxes or reduction in expenditure. There has also been an attempt to raise receipts through the sale of shares in SPSEs. However, the major thrust has been towards reduction in government expenditure. This could be achieved through making government activities more efficient through better planning of programmes and better administration.

The State Governments has passed Fiscal Responsibility and Budget Management Act (FRBM), 2005 with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit and overall/ outstanding debt to acceptable level, establishing improved debt management and improving transparency in a medium term framework. In this context, the Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level.

As per amendment to the Tripura FRBM Act, 2005 in 2011 the State Government fixed/Projected some Fiscal variables for improvement of the debt arrangement and improving transparency in a medium term frameworks as detailed in **Table 1.4**.

Table 1.4: Compliance with provisions of State FRBM Act

Fiscal Parameters	Fiscal targets set in the Act for 2019-20	Achievement (₹ in crore)				
		2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	Revenue Surplus	1558.27	790.32	(-) 289.27	141.69	(-) 2375.32
		✓	✓	✗	✓	✗
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	3.25 per cent	(-) 4.59	(-) 6.41	(-) 4.74	(-)2.69	(-) 5.89
		✗	✗	✗	✓	✗
Ratio of total outstanding liabilities to GSDP (in per cent)	34.16 per cent	27.45	28.52	29.51	29.65	32.24
		✓	✓	✓	✓	✓

From **Table 1.4** it appears that the State has achieved Revenue surplus during three out of five year period from 2015-16 to 2019-20 against the target. During 2019-20, the State witnessed revenue deficit of ₹ 2,375.32 crore. Fiscal Deficit target as percentage to GSDP was not achieved except in 2018-19 and it was 5.89 per cent against the target of 3.25 per cent, during the year 2019-20. However, the State had achieved the target set in the FRBM Act in respect of outstanding liabilities to GSDP in all the last five year period 2015-20 and it was 32.24 per cent in 2019-20 against the target of 34.16 per cent for the year.

Further, there was a variation of 37.30 per cent between the projection and actuals receipts of Grants-in-aid and contributions from the GoI during 2019-20. However, overall variations of Revenue receipts was 19.85 per cent over the projections in MTFP during 2019-20 while it was 15.44 per cent in respect of Revenue expenditure during the year which can be seen in **Table 1.5**.

Table 1.5: Actuals vis-à-vis projection in MTFP for 2019-20

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2019-20)	Variation (in per cent)
1	Own Tax Revenue	2185.26	2101.79	(-) 3.82
2	Non-Tax Revenue	284.00	271.65	(-) 4.35
3	Share of Central Taxes	4212.82	4211.78	(-) 0.02
4	Grants -in-aid from GoI	7044.01	4416.37	(-) 37.30
5	Revenue Receipts (1+2+3+4)	13726.09	11001.59	(-) 19.85
6	Revenue Expenditure	15818.81	13376.91	(-) 15.44
7	Revenue Deficit (-)/ Surplus (+) (5-6)	(-)2092.72	(-)2375.32	13.50
8	Fiscal Deficit (-)/ Surplus (+)	(-)3574.51	(-)3261.56	(-) 8.75
9	Debt-GSDP ratio (per cent)	34.16	32.24	(-) 1.92
10	GSDP growth rate at current prices (per cent)	11.94	11.06	(-) 0.88

Chart 1.4 shows the trends of surplus/ deficits during last five years.

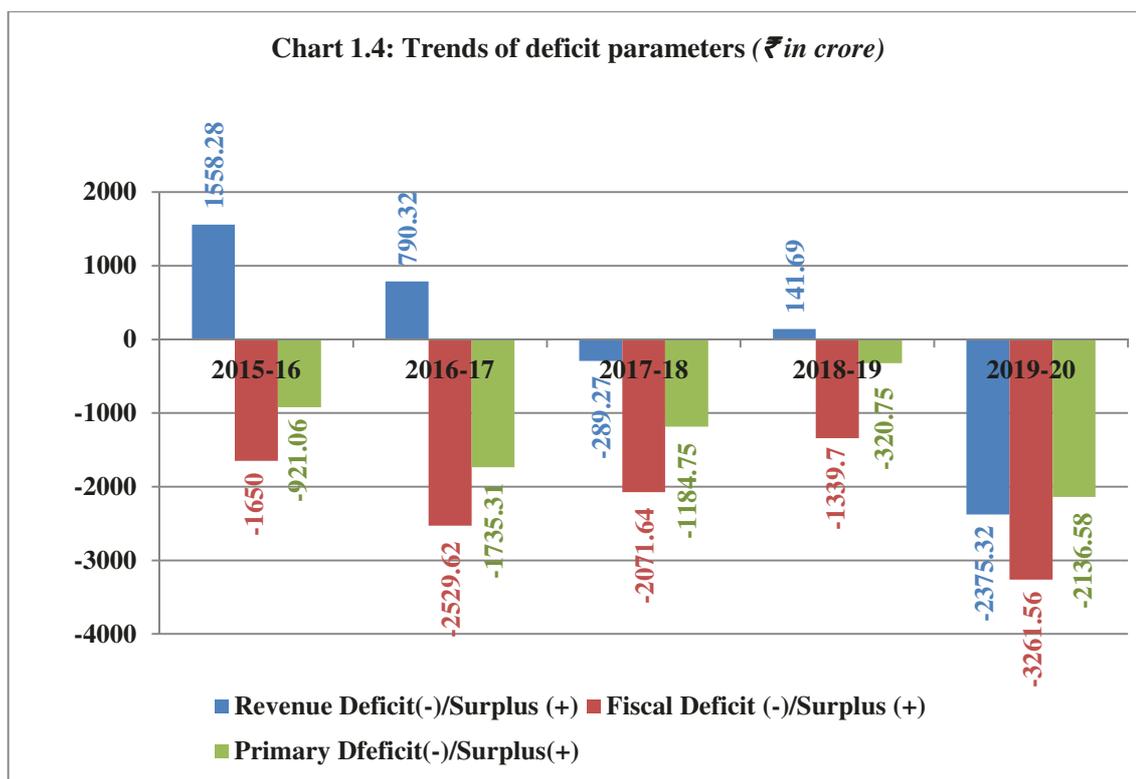


Chart 1.5 shows the trends of surplus/deficit relative to GSDP (in per cent) during last five years.

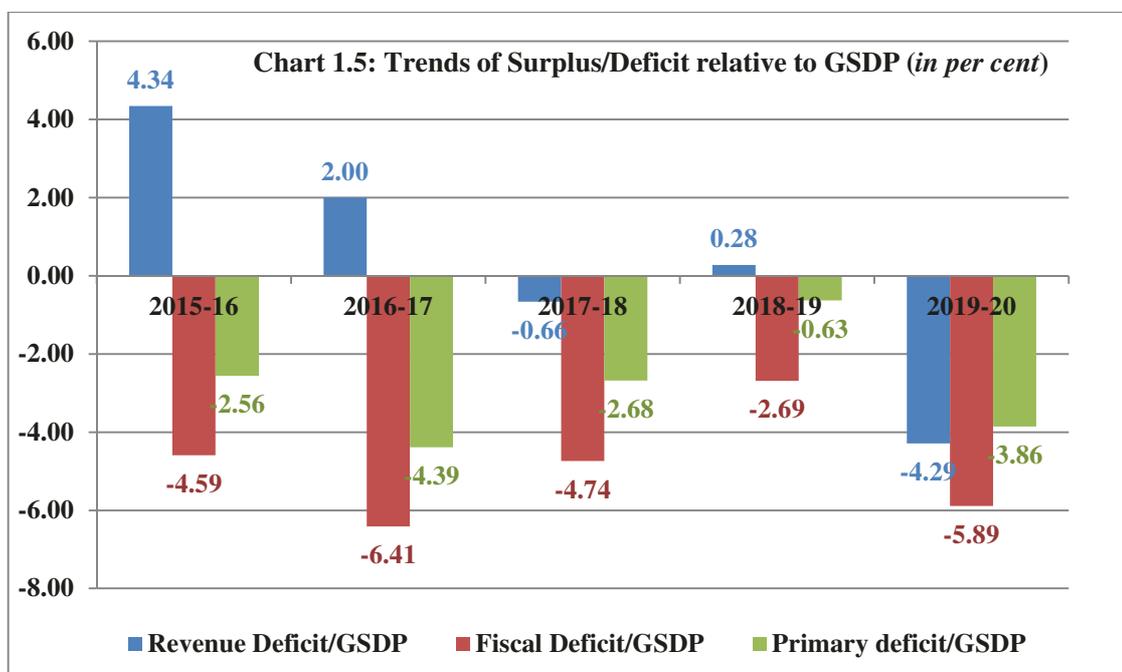
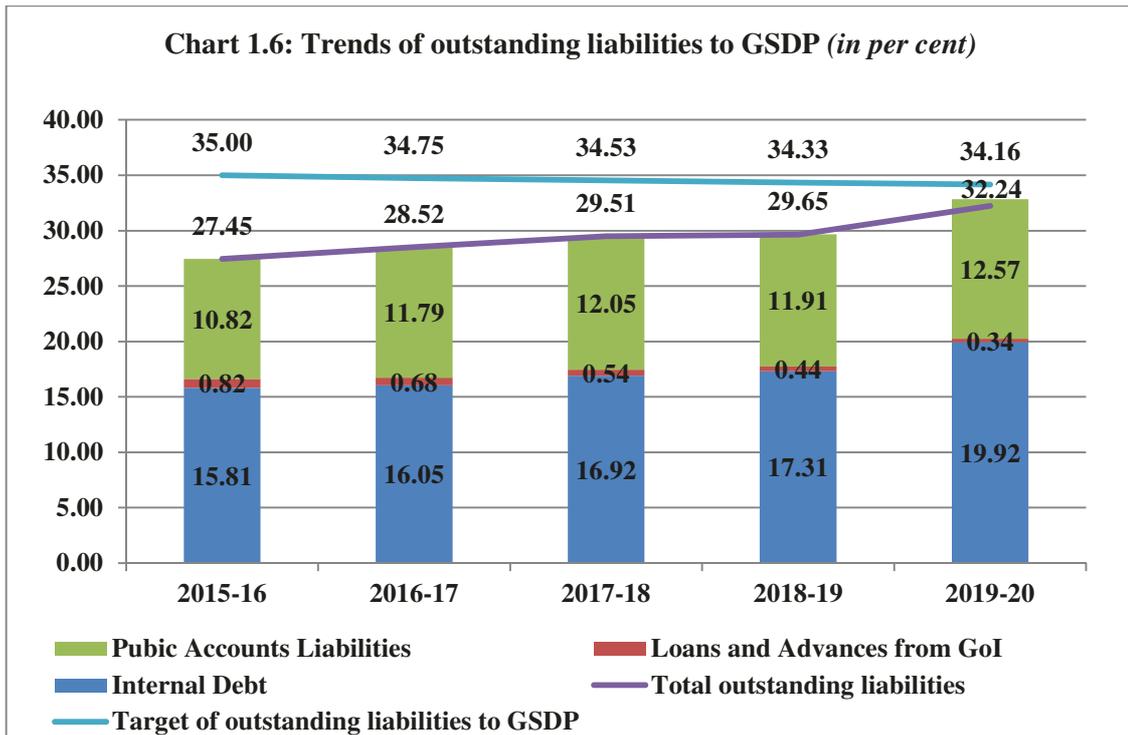


Chart 1.6 shows the trends of outstanding liabilities to GSDP (in per cent) during last five years.



1.6 Deficits and Total Debt after examination in audit

In order to present better picture of State Finances, there is a tendency to classify revenue expenditure as capital expenditure and to conduct off budget fiscal operations.

1.6.1 Post audit - Deficits

Misclassification of revenue expenditure as capital and off budget fiscal operations impacts deficit figures. Besides, deferment of clear cut liabilities, not depositing cess/royalty to Consolidated Fund, short contribution to New Pension Scheme (NPS), sinking and redemption funds, *etc.* also impacts the revenue and fiscal deficit figures. The impact on Revenue Deficit/Fiscal Deficit due to misclassification, short contribution to earmarked funds and non-discharge of interest liabilities is shown in **Table 1.6**.

Table 1.6: Revenue and Fiscal Deficit, post examination by Audit

Particulars	Impact on Revenue Deficit {Understated (+)/overstated (-)} (₹ in crore)	Impact on Fiscal Deficit (Understated) (₹ in crore)	Para Reference
Non-contribution to Consolidated Sinking Fund	73.90	73.90	2.5.2.1
Less transfer to the State Disaster Response Fund	1.90	1.90	2.5.2.2
Grants-in-Aid booked under Capital section instead of Revenue	287.38	Nil	2.4.3.1 & 3.3.8
Non discharge of Interest liabilities	18.08	18.08	4.3
Short contribution of Government matching share towards NPS	0.12	0.12	2.4.2.3
Total	381.38	94.00	

Source: Finance Accounts and audit analysis

From **Table 1.6** it appears that the State Government had not contributed ₹ 73.90 crore to the Consolidated Sinking fund and short contribution of Government matching share to the NPS fund of ₹ 0.12 crore during the year 2019-20. Further, the State had not discharged interest liabilities of ₹ 18.08 crore towards interest bearing Reserve Funds during 2019-20. Moreover, an expenditure of ₹ 287.38 crore was incurred as grants-in-aid under capital account instead of revenue account in 2019-20. As a result, there was understatement of ₹ 381.38 crore in revenue deficit and understatement of ₹ 94 crore in the fiscal deficit during the year 2019-20.

The State Government should ensure the proper classification of booking of expenditure and discharging of committed liabilities as mandated to avoid accumulating liabilities for future.

1.6.2 Total outstanding liabilities

The outstanding liabilities of the State as on 31 March 2020 was as under:

Table 1.7: Outstanding liabilities of the State as on 31 March 2020

Liabilities upon the Consolidated Fund (Public Debt)	Internal Debt: ₹ 11,027.69 crore <ul style="list-style-type: none"> ➤ Market Loans bearing interest: ₹ 9,102.83 crore ➤ Market Loans not bearing interest: ₹ 0.01 crore ➤ Loans from Life Insurance Corporation: ₹ 6.56 crore ➤ Loans from other Institutions, etc.: ₹ 843.91 crore ➤ Special Securities issued to the National Small Saving Fund of the Central Government: ₹ 1,074.38 crore
	Loans and Advances from Central Government: ₹ 184.52 crore <ul style="list-style-type: none"> ➤ Non-plan Loans: ₹ 2.87 crore ➤ Loans for State Plan Schemes: ₹ 150.24 crore ➤ Loans for Special Plan Schemes: ₹ 2.89 crore ➤ Loans for Centrally Sponsored Plan Schemes: ₹ 14.36 crore ➤ Other loans including Block loans: ₹ 14.16 crore
Liabilities upon Public Accounts	Small Savings, Provident Funds, etc.: ₹ 5,169.23 crore
	Deposits: ₹ 1,162.66 crore
	Reserve Funds: ₹ 625.57 crore
	Suspense & Misc. Balances: Nil
Remittance balance: Nil	
Borrowings by State Public Sector Companies, corporations and other bodies	Nil
Borrowing by SPVs and other equivalent instruments	

CHAPTER-II: FINANCES OF THE STATE

CHAPTER-II

FINANCES OF THE STATE

2.1 Major changes in Key fiscal aggregates in 2019-20

This section gives a bird's eye view of the major changes in key fiscal aggregates of the State during the financial year, compared to the previous year. Each of these indicators would be analysed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2019-20 compared to 2018-19

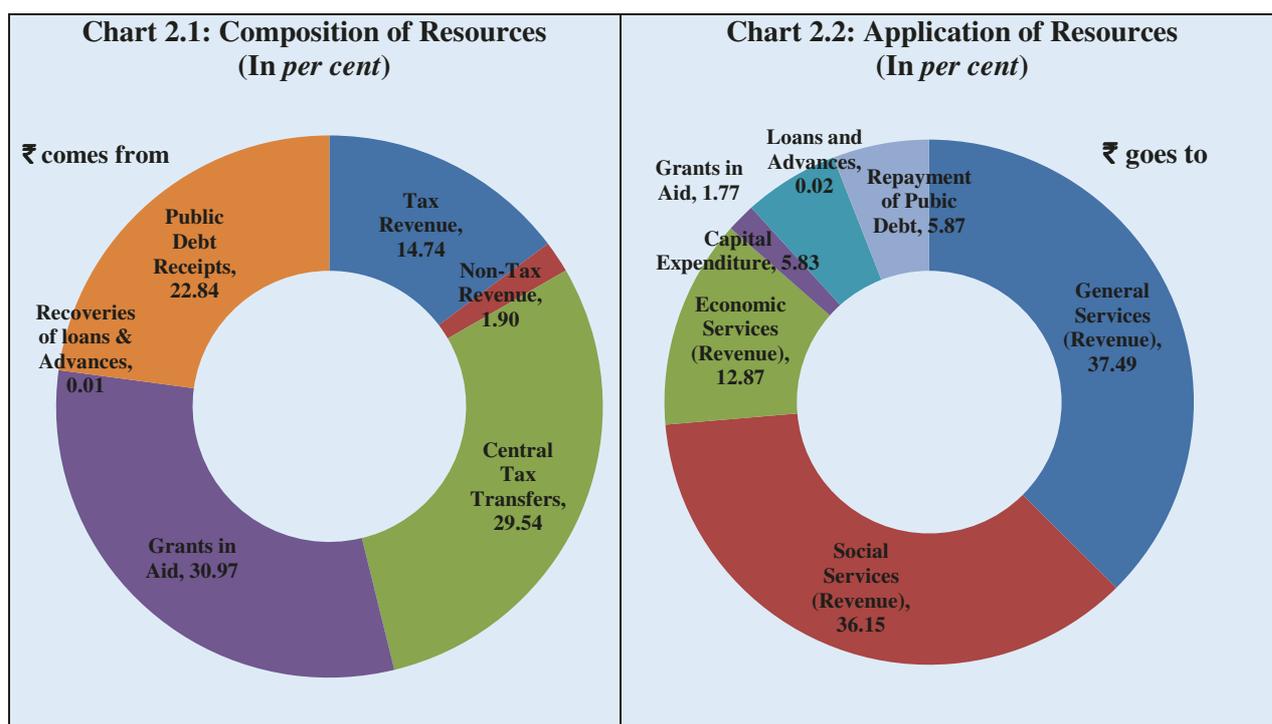
Revenue Receipts	<ul style="list-style-type: none"> ✗ Revenue receipts of the State decreased by 8.56 <i>per cent</i> ✓ Own Tax receipts of the State increased by 19.02 <i>per cent</i> ✗ Own Non-tax receipts decreased by 27.02 <i>per cent</i> ✗ State's Share of Union Taxes and Duties decreased by 13.85 <i>per cent</i> ✗ Grants-in-Aid from Government of India decreased by 11.74 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none"> ✗ Revenue expenditure increased by 12.51 <i>per cent</i> ✗ Revenue expenditure on General Services increased by 11.08 <i>per cent</i> ✓ Revenue expenditure on Social Services increased by 9.73 <i>per cent</i> ✓ Revenue expenditure on Economic Services increased by 25.90 <i>per cent</i> ✓ Expenditure on Grants-in-Aid increased by 14.56 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none"> ✗ Capital expenditure decreased by 40.36 <i>per cent</i> ✗ Capital expenditure on General Services decreased by 13.47 <i>per cent</i> ✗ Capital expenditure on Social Services decreased by 57.44 <i>per cent</i> ✗ Capital expenditure on Economic Services decreased by 20.65 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none"> ✓ Disbursement of Loans and Advances increased by 234.82 <i>per cent</i> ✓ Recoveries of Loans and Advances increased by 21.67 <i>per cent</i>
Public Debt	<ul style="list-style-type: none"> ✗ Public Debt Receipts increased by 90.78 <i>per cent</i> ✓ Repayment of Public Debt increased by 78.51 <i>per cent</i>
Public Account	<ul style="list-style-type: none"> ✓ Public Account Receipts increased by 3.79 <i>per cent</i> ✗ Disbursement of Public Account decreased by 24.16 <i>per cent</i>
Cash Balance	<ul style="list-style-type: none"> ✓ Cash balance increased by ₹ 77.65 crore (8.02 <i>per cent</i>) during 2019-20 compared to previous year

2.2 Sources and Application of Funds

This section compares the components of the sources and application of funds of the State during the financial year compared to the previous year.

Table 2.2: Details of Sources and Application of funds during 2018-19 and 2019-20
(₹ in crore)

	Particulars	2018-19	2019-20	Increase/Decrease
Sources	Opening Cash Balance with RBI	1141.37	968.52	(-) 172.85
	Revenue Receipts	12030.89	11001.59	(-)1029.30
	Recoveries of Loans and Advances	0.60	0.73	0.13
	Public Debt Receipts (Net)	1209.52	2368.70	1159.18
	Public Account Receipts (Net)	(-)42.67	970.51	1013.18
	Total	14339.71	15310.05	970.34
Application	Revenue Expenditure	11889.20	13376.91	1487.71
	Capital Expenditure	1480.87	883.22	(-)597.65
	Disbursement of Loans and Advances	1.12	3.75	2.63
	Closing Cash Balance with RBI	968.52	1046.17	77.65
	Total	14339.71	15310.05	970.34



2.3 Resources of the State

The resources of the State are;

- Revenue receipts** consist of tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid from the Government of India (GoI).
- Capital receipts** comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources

(market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Both revenue and capital receipts form part of the Consolidated Fund of the State.

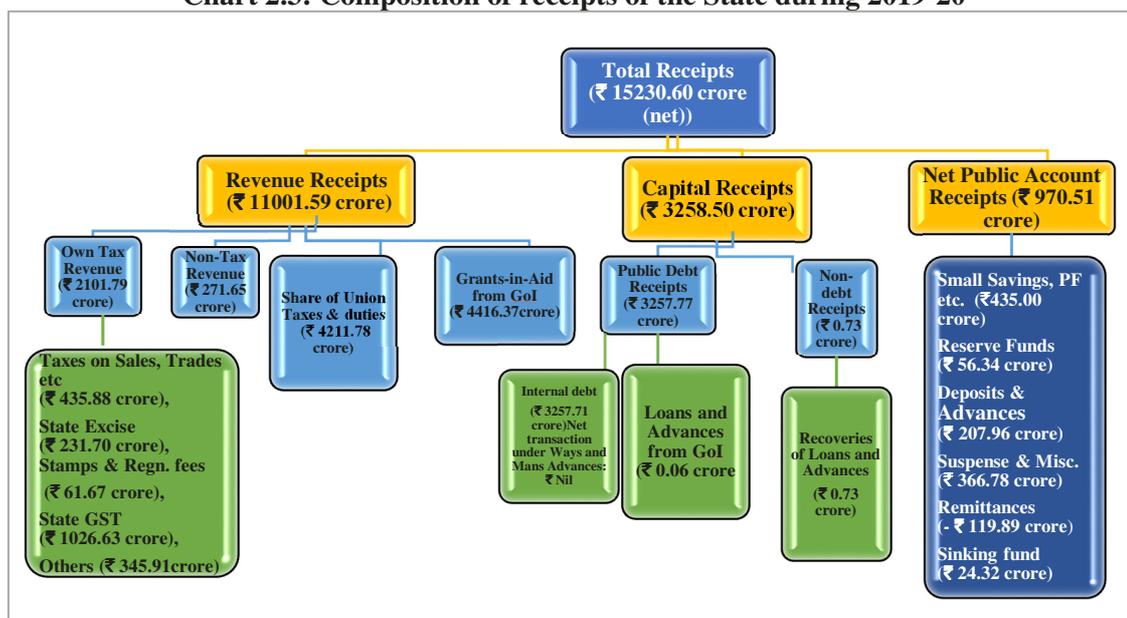
3. Net Public Accounts receipts: There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

This paragraph provides the composition of the overall receipts. Besides, the Capital and Revenue Receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit.

Chart 2.3: Composition of receipts of the State during 2019-20



2.3.2 State's Revenue Receipts

This paragraph gives the trends in total revenue receipts and its components. It is followed by trends in the receipts bifurcated into receipts from the central government and State's own receipts. Wherever necessary, sub-paragraphs are included.

2.3.2.1 Trends and growth of Revenue Receipts

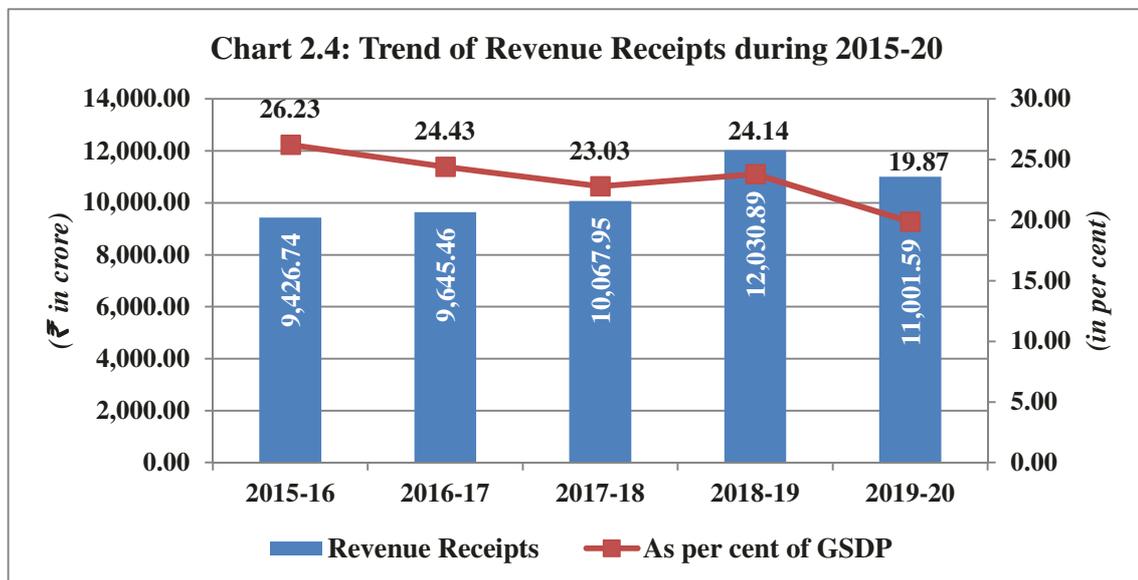
During 2019-20, the Revenue Receipts decreased by ₹ 1,029.30 crore (8.56 per cent) as compared to the previous year mainly due to decrease in less release of Central transfer by ₹ 1,264.63 crore (12.78 per cent) and Non-tax Revenue by ₹ 100.55 (27.02 per cent) during 2019-20. However, State's Own Tax was increased by ₹ 335.88 crore (19.02 per cent) during the year. The Revenue Receipts of the State was 19.87 per cent of GSDP during 2019-20 as compared to 24.14 per cent of GSDP during 2018-19.

The trends and growth of revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period are shown in **Table 2.3**. Further, trends in revenue receipts relative to GSDP and composition of revenue receipts are given in the **Chart 2.4** and **Chart 2.5** respectively.

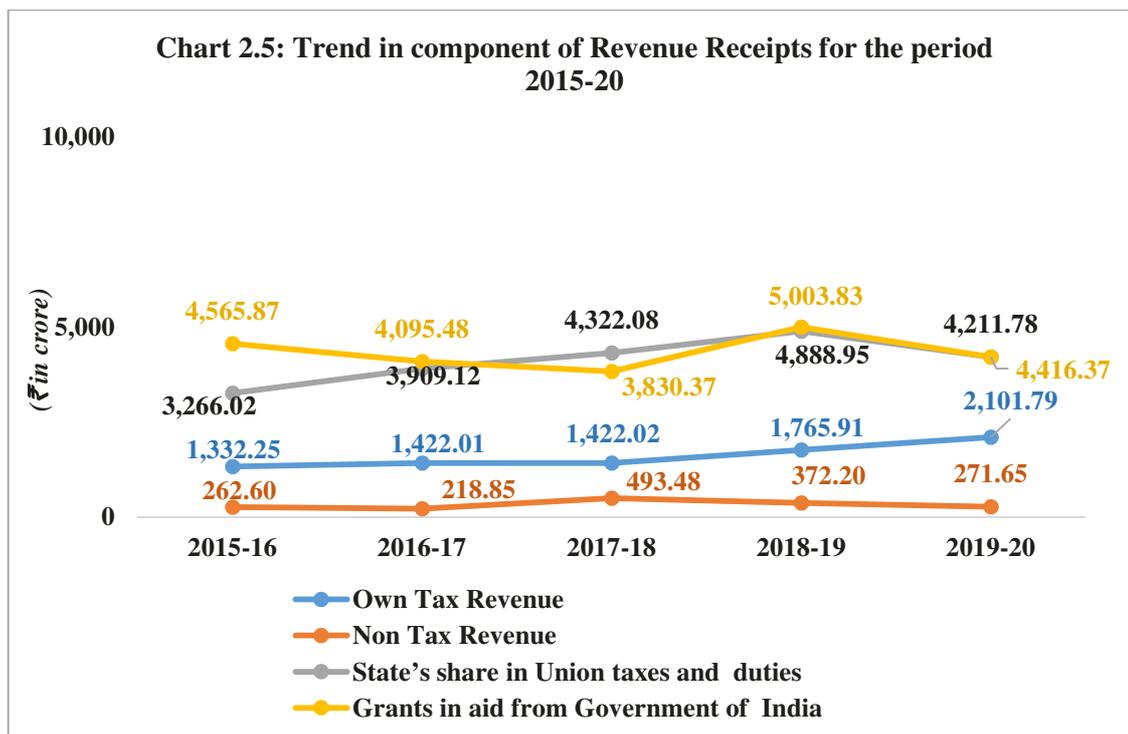
Table 2.3: Trend in Revenue Receipts

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Receipts (RR) (₹ in crore)	9426.74	9645.46	10067.95	12030.89	11001.59
Rate of growth of RR (per cent)	2.02	2.32	4.38	19.50	(-)-8.56
Own Tax Revenue	1332.25	1422.01	1422.02	1765.91	2101.79
Non-Tax Revenue	262.60	218.85	493.48	372.20	271.65
Total Own Revenue	1594.85	1640.86	1915.50	2138.11	2373.44
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (per cent)	16.42	2.88	16.74	11.62	11.01
Gross State Domestic Product (₹ in crore) (2011-12 Series)	35938	39479	43716	49845	55358
Rate of growth of GSDP (per cent)	21.68	9.85	10.73	14.02	11.06
RR/GSDP (per cent)	26.23	24.43	23.03	24.14	19.87
Buoyancy Ratios ¹					
Revenue Buoyancy w.r.t GSDP	0.09	0.24	0.41	1.39	(-) 0.77
State's Own Revenue Buoyancy w.r.t GSDP	0.76	0.29	1.56	0.83	0.99

Source of GSDP figures: Ministry of Statistics and Programme Implementation, Government of India



¹ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.85 implies that Revenue Receipts tend to increase by 1.85 percentage points, if the GSDP increases by one per cent.



2.3.2.2 State's Own Resources

State's share in Central taxes is determined on the basis of recommendations of the Finance Commission. Grants-in-aid from Central government is determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes. State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. This sub-paragraph has multiple sub-sub-paragraphs for clarity.

Own Tax Revenue

Own tax revenues of the State consist of State GST, State Excise, Taxes on Vehicles, Stamp Duty and Registration Fees, Land Revenue, Taxes on Goods and Passengers, etc.

The Own Tax Revenue receipts increased by ₹ 335.88 crore (19.02 per cent) during the year 2019-20 as compared to the previous year mainly due to increase in more collection of SGST by ₹ 49.19 crore (5.03 per cent) and Sales Tax (VAT) by ₹ 73.93 crore (20.43 per cent) during the year. Other Taxes during the year increased substantially by ₹ 163.73 crore (227.21 per cent) mainly due to increase in collection of Tripura Road Development Cess by ₹ 133.73 crore (481.91 per cent) as compared to previous year.

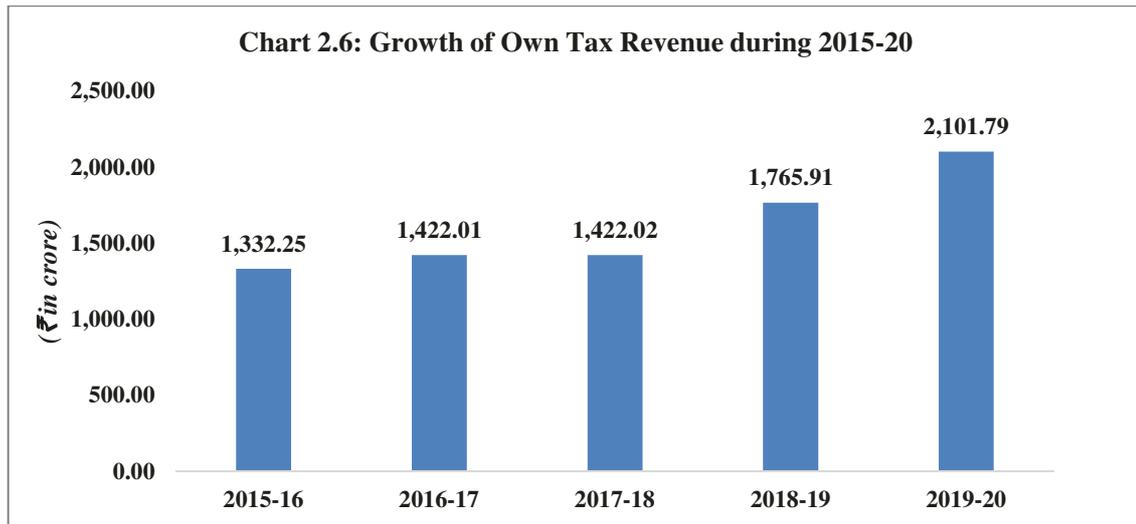


Table 2.4: Components of State's own tax revenue

(₹ in crore)

Revenue Head	2015-16	2016-17	2017-18	2018-19	2019-20
Sales Tax	1,058.48	1,112.89	611.88	361.95	435.88
SGST	0.00	0.00	479.71	977.44	1,026.63
State Excise	143.56	163.19	186.97	214.35	231.70
Taxes on Vehicles	37.62	43.60	54.38	83.50	97.14
Stamp Duty and Registration Fees	42.49	41.83	40.16	51.32	61.67
Land Revenue	5.97	13.32	4.46	5.29	12.98
Other taxes	44.13	47.18	44.47	72.06	235.79 ²

Source: Finance Accounts

State Goods and Services Tax (SGST)

As per the GST (Compensation to States) Act, 2017, States will be compensated for the shortfall in revenue arising on account of implementation of the goods and services tax considering an annual growth of 14 *per cent* from the base year, for a period of five years. The Central Government levies the Integrated Goods and Services Tax (IGST) on inter-state supply of goods and services and apportions the State's share of tax to the State where the goods or services are consumed.

The Tripura Goods and Services Tax (GST) Act, 2017 was implemented in the State in July 2017. After implementation of the GST Act in July 2017, the State had collected GST of ₹ 479.71 crore, ₹ 977 crore and ₹ 1,026.63 crore during 2017-18, 2018-19 and 2019-20 respectively. During the last three years, the State received GST compensation of ₹ 129.00 crore, ₹ 155.00 crore and ₹ 171.00 crore during 2017-18, 2018-19 and 2019-20 respectively. The State Government had received ₹ 436.56 crore and ₹ 96.30 crore as share of net proceeds under IGST from the Central Government during 2017-18 and 2018-19 respectively. However, the State did not receive any share under

² Other taxes includes taxes on Agricultural Income (₹ 0.08 crore); Other taxes on Income and Expenditure (₹ 43.59 crore); Taxes and Duties on Electricity (₹ 30.54 crore) and Other Taxes and Duties on Commodities and Services (₹ 161.58 crore)

IGST from the GoI during 2019-20.

The trend of monthly collection of various components of SGST during 2019-20 are shown in the **Table 2.5**.

Table 2.5: Month-wise collection of SGST during 2019-20

(₹ in crore)

Month	Tax	Interest including penalty & fees	Input Tax Credit cross utilisation of SGST and IGST	Apportionment of IGST Transferring of taxes	Advance IGST	Total
1	2	3	4	5	6	7
April 2019	34.05	0.29	52.91	5.80	11.84	104.89
May 2019	25.86	0.37	49.56	4.21	-	80.00
June 2019	33.18	0.58	54.46	4.74	-	92.96
July 2019	25.07	0.62	62.73	(-)6.45	14.78	96.75
August 2019	29.51	0.80	48.81	(-)4.71	-	74.41
September 2019	26.15	0.66	51.41	(-)1.27	-	76.95
October 2019	27.81	0.67	48.41	(-)4.71	-	72.18
November 2019	25.75	0.88	48.70	5.79	-	81.12
December 2019	30.89	0.97	55.10	(-)3.02	-	83.94
January 2020	29.71	0.86	44.49	4.23	-	79.29
February 2020	32.91	0.78	45.39	5.73	-	84.81
March 2020	36.05	0.70	51.71	4.97	5.90	99.33
Total	356.94	8.18	613.68	15.31	32.52	1026.63

Source: Information furnished by the State Government

Analysis of arrears of revenue and arrears of assessment

As per information furnished (January 2021) by the Commissioner of Taxes, Government of Tripura, there was an uncollected revenue of ₹ 67.63 crore (VAT: ₹ 65.49 crore and GST: ₹ 2.14 crore) at the end of 31 March 2020 of which ₹ 42.34 crore of Sales Tax was outstanding for more than five years as on 31 March 2020. Moreover, there was an uncollected revenue of ₹ 0.82 crore related to State Excise which was arrear for more than five years as on 31 March 2020. Further, there were 1000 cases pending for assessment under Sales Tax (VAT) as on 31 March 2019. During 2019-20, 964 cases (Sales Tax) were detected for assessment out of which assessment of 905 cases (Sales Tax) involving ₹ 15.28 crore were completed and raised demand during the year. However, there were 1,059 cases pending finalisation as on 31 March 2020 (**Table 2.6**).

Details of evasion of tax detected by Department, refund cases, etc.

The cases of evasion of tax detected by the Excise & Taxation Department, cases finalised and the demands for additional tax raised are show in **Table 2.6**.

Table 2.6: Evasion of Tax Detected

Sl. No.	Head of revenue	Cases pending as on 31 March 2019	Cases detected during 2019-20	Total	No. of cases in which assessment/ investigation completed and additional demand with penalty etc. raised		No. of cases pending for finalisation as on 31 March 2020
					No. of cases	Amount of demand (₹ in crore)	
1.	Taxes/VAT on Sales, Trade	1000	964	1964	905	15.28	1059
	Total	1000	964	1964	905	15.28	1059

The details of claims for refund received and refund made under GST, Sales Tax (VAT) and State Excise are shown in **Table 2.7**.

Table 2.7: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	GST		Sales tax/VAT		State Excise		Total	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year 2019-20	-	-	-	-	-	-	-	-
2.	Claims received during the year 2019-20	-	-	-	-	3	0.21	3	0.21
3.	Refunds made during the year	48	0.08	7	2.17	3	0.21	58	2.46
4.	Refunds rejected during the year	Nil	Nil	Nil	Nil	Nil	Nil	-	-
5.	Balance outstanding at the end of year	-	-	-	-	-	-	-	-

Source: Information furnished by the Commissioner of Taxes

During 2019-20, the State Government refunded ₹ 2.46 crore under GST, Sales Tax and State excise in 58 cases. As per information received from the Commissioner of Taxes, it was seen that, 48 cases of GST amounting to ₹ 0.08 crore and seven cases of Sales Tax (VAT) involving ₹ 2.17 crore were refunded during the year 2019-20 though no claim was received from the dealers concerned. However, three claims involving ₹ 0.21 crore in respect of State Excise were received and refunded during the year 2019-20 as detailed in **Table 2.7**.

The arrears of revenue indicate delayed realisation of revenue due to the Government. Similarly, arrears of assessment indicates potential revenue which is blocked due to delayed assessment. Both deprive the State of potential revenue receipts and affect ultimately the revenue deficit.

Non Tax Revenue

Non-Tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc.

During the year 2019-20, the Non-tax collection of the State was ₹ 271.65 crore which decreased by ₹ 100.55 crore (27.02 per cent) as compared to the previous year mainly due to decrease in interest receipts by ₹ 126.86 crore (86.82 per cent) during the year. However, the major sources of Non-tax revenue during the year 2019-20 were the collection of revenue from Industries of ₹ 100.27 crore (36.91 per cent), followed by Police of ₹ 65.12 crore (23.97 per cent) and Forestry and Wild Life of ₹ 13.82 crore (5.09 per cent) respectively. The interest receipts during 2019-20 was mainly from the Cash Balance Investment Account (₹ 17.43 crore) by book adjustment.

Table 2.8: Components of State's non-tax revenue during 2015-20

(₹ in crore)					
Revenue Head	2015-16	2016-17	2017-18	2018-19	2019-20
Interest receipts	55.24	37.07	276.99	146.11	19.25
Dividends and Profits	13.41	0.05	14.69	2.15	7.95
Other non-tax receipts(a to f)	193.95	181.73	201.80	223.94	244.45
a) Major and medium Irrigation	0.17	0.47	0.99	0.84	0.32
b) Road Transport	0	1.40	2.95	6.54	4.91
c) Urban Development	0	0.01	0	0.01	0
d) Education	2.30	2.29	1.48	1.78	1.05
e) Non-ferrous mining	0	0	0	0	0
f) Others	191.48	177.56	196.38	214.77	238.17
Total	262.60	218.85	493.48	372.20	271.65

Source: Finance Accounts

2.3.2.3 Transfers from the Centre

Central transfers (Share of Union Taxes and Grants-in-aid) is the discretionary component and is also considered to be an integral part of the Revenue receipts of the State. The State Government is largely dependent on the Central transfers which is released by the Central Government as per recommendation of the Finance Commission. These grants are received by the State through Treasury route and reflected in the Annual Accounts.

During last 10 years from 2010-11 to 2019-20, there were two Central Finance Commissions (XIII FC and XIV FC) constituted by the Central Government. As per recommendations of these FCs, the State Government had received a substantial portion of Central grants for implementation of various schemes/programme in the State.

The XIII FC recommended 32 per cent share of union taxes to the State during the period for 2010-15 and average devolution of share at 9.31 per cent of GSDP during the period.

However, the XIV FC had recommended for increasing the percentage of State's Share of Union Taxes to 42 per cent during the FC award period from 2015-16 to 2019-20. As a result the devolution of State's Share of Union Taxes had substantially increased during the XIV FC Award period.

On the other hand, the grant-in-aid from GoI substantially decreased during the XIV FC Award period from 2015-16 to 2019-20 while the quantum of Grants in XIII FC period was more than the XIV FC period due to additional grants recommended by the XIII FC for State specific needs during its award period (2010-15).

The trend and composition of Central Transfers during last five years are shown in Chart 2.7.

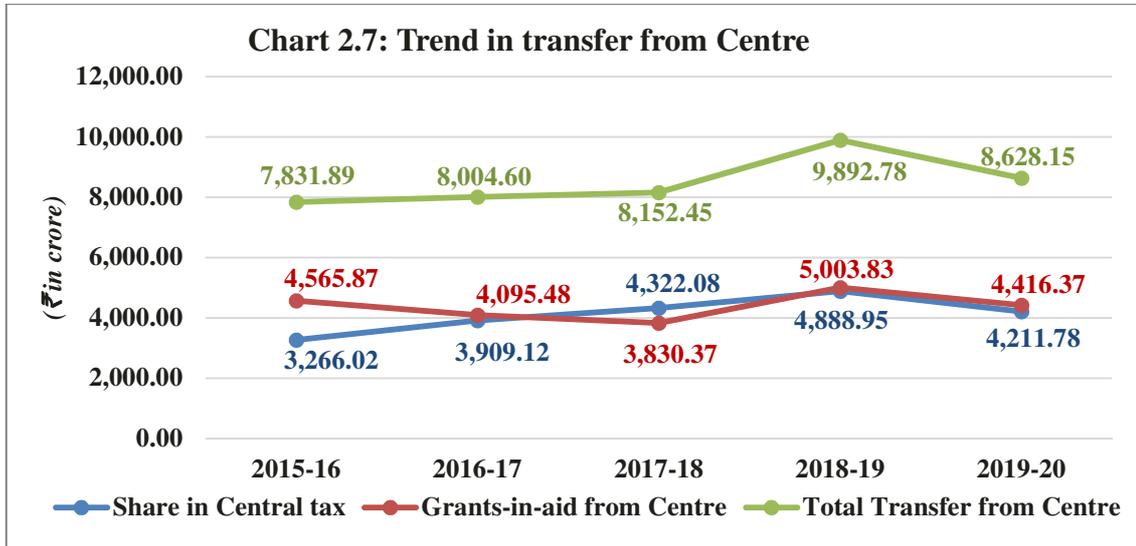


Table 2.9: State’s share in Union taxes and duties: Actual devolution vis-à-vis Finance Commission projections

(₹ in crore)

Year	Finance Commission projections	Projections in FCR	Actual tax devolution	Difference
1.	2.	3.	4.	5. (4-3)
2010-11	0.511 per cent of net proceeds of all shareable taxes excluding service tax and 0.519 per cent of net proceeds of sharable service tax (As per recommendations of XIII FC)	1042.50	1122.36	79.86
2011-12		1223	1307.56	84.56
2012-13		1442.00	1493.18	51.18
2013-14		1700.00	1630.25	(-)69.75
2014-15		2004.00	1730.13	(-)273.87
2015-16	n per cent of net proceeds of all shareable taxes excluding service tax and n1 per cent of net proceeds of sharable service tax (As per recommendations of XIV FC)	NA	3266.02	-
2016-17		NA	3909.12	-
2017-18	As per fiscal consolidation roadmap of State Government.	NA	4322.08	-
2018-19		NA	4488.95	
2019-20		NA	4211.78	

Details of Central tax transfer

Table 2.10: Details of Central Tax Transfers

(*₹ in crore*)

Head	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods and Services Tax (CGST)	0.00	0.00	61.64	1206.74	1195.17
Integrated Goods and Services Tax (IGST)	0.00	0.00	436.56	96.30	0.00
Corporation Tax	1031.98	1254.73	1324.23	1700.27	1436.04
Taxes on Income other than Corporation Tax	720.42	872.03	1117.74	1252.18	1125.24
Customs	521.94	539.73	436.40	346.56	266.97
Union Excise Duties	431.38	616.32	456.20	230.32	185.63
Service Tax	558.17	623.43	489.35	44.58	-
Other Taxes ³	2.13	2.88	(-)0.04	12.00	2.73
Central Tax transfers	3266.02	3909.12	4322.08	4888.95	4211.78
Percentage of increase over previous year	88.77	19.69	10.56	13.12	(-) 13.85
Percentage of Central tax transfers to Revenue Receipts	35	41	43	41	38

After implementation of the GST Act, 2017 in the Country, the Central Government released the share of Central Goods and Service Tax (CGST) of ₹ 61.64 crore during the 1st year (2017-18) (for last nine months of the financial year) which subsequently increased to ₹ 1,206.74 crore during 2018-19 and marginally decreased of ₹ 1,195.17 crore (0.96 *per cent*) during 2019-20. The State had received share of Central Taxes subsequently from the Corporation taxes ranged between 32 *per cent* to 35 *per cent* during last five year period 2015-20.

Grants-in-aid from GoI

During 2019-20, the State had received ₹ 4,416.37 crore as grants-in-aid from GoI which decreased by 11.74 *per cent* from ₹ 5,003.83 crore during 2018-19 mainly due to short release of fund from GoI under Finance Commission grants and other transfers during the year. However, there was increase of ₹ 393.34 crore in respect of Centrally Sponsored Schemes (CSS) during 2019-20. The State had refunded the unutilised fund of ₹ 5.10 crore to the GoI during 2019-20 which was received from the Ministry of Finance during 2013-14 (₹ 4.50 crore) and Ministry of Human Resource Development (₹ 0.60 crore) during 2016-17 under State Plan Schemes. Further, the State Government refunded unutilised fund of ₹ 5.20 crore to the GoI during 2019-20 which was received from the Ministry of DoNER in 2018-19 under Special Plan Schemes. It indicates that, the State was not able to utilise the central grants for the purpose for which it was sanctioned. As a result, the stakeholders in the State were deprived of the benefits of the schemes.

³ Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on commodities and Services, etc.

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

(₹ in crore)

Head	2015-16	2016-17	2017-18	2018-19	2019-20
Non-Plan Grants	1249.14	1309.10	-	-	-
Grants for State Plan Schemes	2867.77	2401.04	(-) 1.57	-	(-) 5.10
Grants for Central Plan Schemes ⁴	376.11	186.49	-	-	-
Grants for Centrally Sponsored Schemes	36.28	136.71	1988.32	1861.03	2254.37
Grants for Special Plan Schemes	36.57	62.14	-	-	(-) 5.20
Finance Commission Grants	-	-	1191.20	1131.10	1063.22
Other transfers/Grants to States/Union Territories with Legislature	-	-	652.42	2011.70	1109.08
Total	4565.87	4095.48	3830.37	5003.83	4416.37
Percentage of increase over the previous year	(-) 25.63	(-) 10.30	(-) 6.47	30.64	(-) 11.74
Percentage of GIA to Revenue Receipts	48	42	38	42	40

Source: Finance Accounts. Minus receipts due to refund amount under the schemes

Fourteenth Finance Commission (XIV FC) Grants

Grants-in-aid from GoI as per recommendation of the XIV FC

As per recommendation of the XIV FC, the GoI had released grants for Local Bodies and towards State Disaster Response Fund (SDRF) during the FC Award period 2015-20. Against the recommended funds of ₹ 729.76 crore (Local Bodies: ₹ 558.76 crore and SDRF: ₹ 171.00 crore), the GoI released ₹ 661.23 crore (Local Bodies: ₹ 506.43 crore and SDRF: ₹ 154.80 crore) resulting in a short release of ₹ 68.53 crore during the FC award period 2015-20. There was short release of fund in Local Bodies of ₹ 52.33 crore mainly due to short release of fund of ₹ 34.71 crore by GoI towards the Urban Local Bodies (ULBs) and ₹ 17.62 crore for the Panchayati Raj Institutions (PRIs) respectively. It is noticed that the State Government short released of FC award of ₹ 1.92 crore to PRIs and short contributed ₹ 1.90 crore during 2019-20 in the State Disaster Response Fund as per the guidelines of the scheme.

Table 2.12: Recommended funds, actual release and transfers of Grant-in-aid from GoI

(₹ in crore)

Transfers	Recommendation of the XIV-FC 2015-20	Recommendation of the XIV-FC			Actual release by GoI			Release by State Government		
		2015-16 to 2018-19	2019-20	Total	2015-16 to 2018-19	2019-20	Total	2015-16 to 2018-19	2019-20	Total
Local Bodies										
(i) Grants to PRIs	335.67	233.96	101.71	335.67	227.42	90.63	318.05	225.50	90.63	316.13
(a) General Basic Grant	302.10	211.47	90.63	302.10	213.39	90.63	304.02	211.47	90.63	302.10
(b) General Performance Grants	33.57	22.49	11.08	33.57	14.03	0	14.03	14.03	0	14.03
(ii) Grants to ULBs	223.09	154.83	68.26	223.09	124.94	63.44	188.38	124.94	63.44	188.38

⁴ There are no figures since the nomenclature of plan and non-plan grants was removed with effect from the year 2017-18 and replaced by Grants for CSS, Finance Commission Grants and Other Grants to States

(a) General Basic Grant	178.48	124.94	53.54	178.48	124.94	53.54	178.48	124.94	53.54	178.48
(b) General Performance Grants	44.61	29.89	14.72	44.61	0	9.90	9.90	0	9.90	9.90
Total for Local Bodies	558.76	388.79	169.97	558.76	352.36	154.07	506.43	350.44	154.07	504.51
SDRF (Including State share)	171.00	133.00	38.00	171.00	120.60	34.20	154.80	135.18	36.10	171.28
Grand Total	729.76	521.79	207.97	729.76	472.96	188.27	661.23	485.62	190.17	675.79

Source: XIV-FC Report and Finance Accounts

2.3.3 Capital receipts

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

There was an increasing trend in Capital Receipts in the State during the period from 2016-17 to 2019-20 and there was 71.57 per cent increase mainly due to more receipts (net) from Public Debt during the period. During 2019-20, the Capital Receipts increased by ₹ 1,159.31 crore (95.80 per cent) as compared to 2018-20 mainly due to more receipts (net) from Internal Debt by ₹ 165.18 crore (15.54 per cent) during the year. As a result, the liabilities of the State had increased to that extent during the year. However, after two decades, the State Government had taken ₹ 176.66 crore as Ways and Means Advances and repaid the same alongwith interest of ₹ 0.10 crore during 2019-20.

Table 2.13: Trends in growth and composition of capital receipts

Sources of State's Receipts	2015-16	2016-17	2017-18	2018-19	2019-20
Capital Receipts	673.64	627.84	1034.28	1210.12	2369.43
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans and Advances	1.14	0.91	1.69	0.60	0.73
Public Debt Receipts (Net)	672.50	626.93	1032.59	1209.52	2368.70
<i>Internal Debt</i>	<i>698.21</i>	<i>654.93</i>	<i>1063.14</i>	<i>1228.32</i>	<i>2400.91⁵</i>
<i>Growth rate</i>	<i>165.19</i>	<i>(-)6.20</i>	<i>62.33</i>	<i>15.54</i>	<i>95.46</i>
<i>Loans and advances from GoI</i>	<i>(-)25.71</i>	<i>(-)28.00</i>	<i>(-)30.55</i>	<i>(-)18.80</i>	<i>(-)32.21</i>
<i>Growth rate</i>	<i>(-)1.19</i>	<i>(-)8.91</i>	<i>(-)9.11</i>	<i>(-)38.46</i>	<i>(-)71.33</i>
Rate of growth of debt Capital Receipts	183.43	(-) 6.78	64.71	17.13	95.84
Rate of growth of non-debt capital receipts	(-)47.71	(-)20.18	85.71	(-)64.50	21.67
Rate of growth of GSDP	21.68	9.85	10.73	14.02	11.06
Rate of growth of Capital Receipts (per cent)	181.33	(-) 6.80	64.74	17.00	95.80

Source: Finance Accounts and for GSDP– Ministry of Statistics and programme Implementation, Government of India

⁵ Including gross figure under Ways and Means Advances availed and repayment made of ₹ 176.66 crore during the year 2019-20

2.3.4 State's performance in mobilisation of resources

State's share of union taxes and duties and grants-in-aid from GoI are determined on the basis of recommendations of the Finance Commission (FC) and State's performance in mobilisation of own resources comprising own tax and own non-tax revenue. It is an important part of the State for attaining self-sufficiency or dependency on Central Government.

State's performance in mobilisation of resources is assessed in terms of its own resources comprising own-tax and non-tax sources.

The State Government received 78.43 *per cent* of Revenue from GoI as Grants-in-aid and State's Share of Union Taxes and Duties during the year 2019-20.

During 2019-20, only ₹ 2,373.44 crore (21.57 *per cent*) of total revenue was collected from own sources as against the Budget Estimates of ₹ 2,334.16 crore and Finance Commission Projections of ₹ 3,686 crore for the year. The Own Tax Revenue contributed 88.55 *per cent* of own resources during the year which was over 2.58 *per cent* of the Budget Estimates for the year 2019-20. **Table 2.14** shows the position of Tax and Non-tax receipts vis-à-vis projections of FC during 2019-20.

Table 2.14: Tax and non-tax receipts vis-à-vis projections

(₹ in crore)

Particulars	FC projections	Budget Estimates	Actual	Percentage variation of actual over	
				Budget estimates	FC projections
Own Tax revenue	3075.00	2048.95	2101.79	2.58	(-)31.65
Non-tax revenue	611.00	285.21	271.65	(-)4.75	(-)55.54
Total	3686.00	2334.16	2373.44	1.68	(-)35.61

2.4 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. This paragraph along with sub-paragraphs gives the analysis of allocation of expenditure in the State.

2.4.1 Growth and composition of expenditure

Capital Expenditure: All charges for the first construction of a project as well as charges for intermediate maintenance of the work while not opened for service and also charges for such further additions and improvements as may be sanctioned under the rules made by competent authority shall be classified as Capital expenditure.

Revenue Expenditure: Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses shall be classified as revenue expenditure.

Tables 2.15, 2.16 and Charts 2.8, 2.9 present the trend and composition of total expenditure during last five years from 2015-16 to 2019-20.

During the last five year period, the total expenditure was on an increasing trend from ₹ 11,078.33 crore in 2015-16 to ₹ 14,263.88 crore in 2019-20 mainly due to increase in expenditure in respect of Revenue Account. While the percentage of total expenditure to GSDP during the period 2015-20 varied from 25.77 to 30.83 *per cent*, the percentage of Revenue expenditure to GSDP varied from 21.89 *per cent* to 24.16 *per cent* during the same period. The percentage of Capital expenditure to GSDP varied from 1.60 *per cent* to 8.87 *per cent* only during the period of last five years. It indicates that a major part of the expenditure was incurred for current consumption for running the organisations including establishment and other administrative expenses, instead of creating Capital assets.

During 2019-20, out of total expenditure of ₹ 14,263.88 crore (25.77 *per cent* of GSDP), Revenue expenditure was ₹ 13,376.91 crore (24.16 *per cent* of GSDP) and only ₹ 883.22 crore (1.60 *per cent* of GSDP) was on Capital account during the year. Loans and Advances was disbursed by the State amounting to only ₹ 3.75 crore during 2019-20 are shown in Table 2.15.

Table 2.15: Total expenditure and its composition

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total Expenditure (TE)	11078.33	12175.99	12141.28	13371.19	14263.88
Revenue Expenditure (RE)	7868.47	8855.14	10357.22	11889.20	13376.91
Capital Expenditure (CE)	3188.02	3293.57	1777.05	1480.87	883.22
Loans and Advances	21.84	27.28	7.01	1.12	3.75
As a percentage of GSDP					
TE/GSDP	30.83	30.84	27.77	26.83	25.77
RE/GSDP	21.89	22.43	23.69	23.85	24.16
CE/GSDP	8.87	8.34	4.06	2.97	1.60
Loans and Advances/GSDP	0.06	0.07	0.02	0.002	0.007

The composition of total expenditure by activities during the period of last five years is shown in Table 2.16.

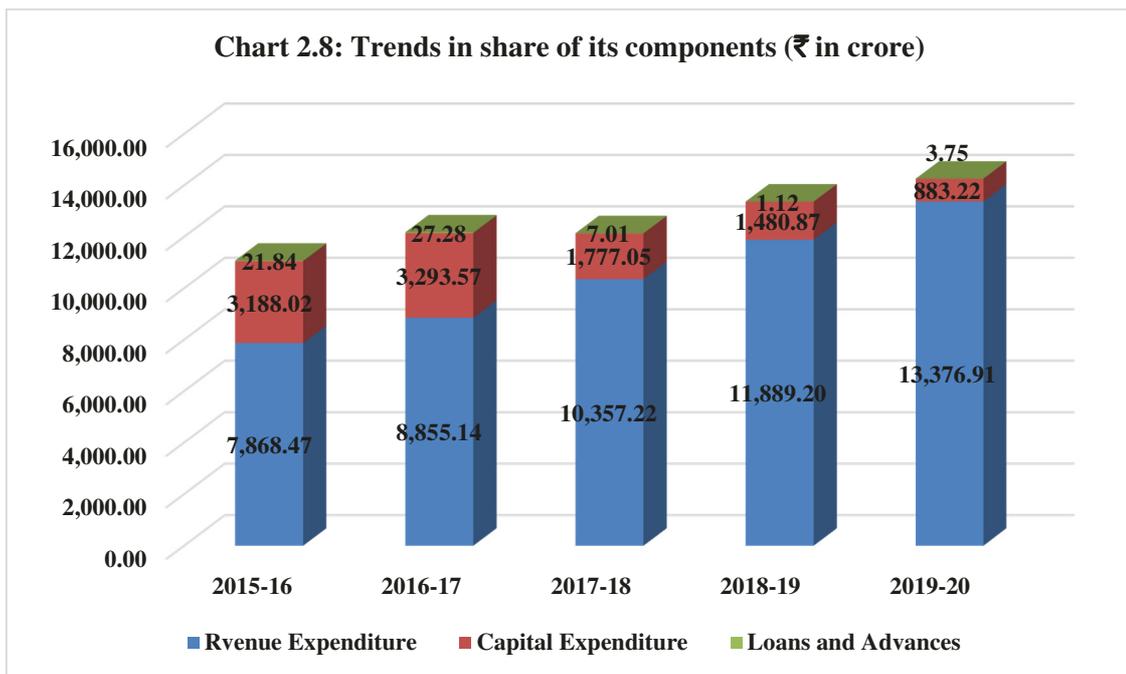
Table 2.16: Relative share of various sectors of expenditure

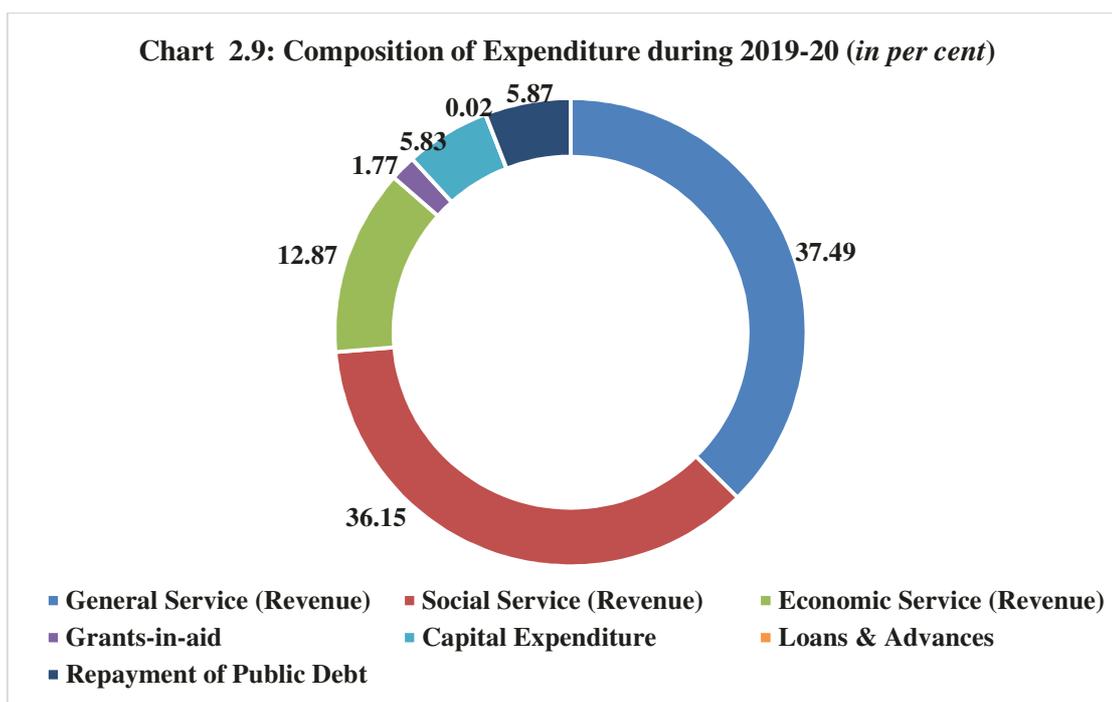
(in per cent)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
General Services	28.82	30.45	37.24	38.97	40.41
Social Services	36.19	41.92	42.87	43.41	40.83
Economic Services	33.01	25.78	17.95	15.86	16.85
Others (Grants to Local Bodies and Loans and Advances)	1.98	1.85	1.94	1.76	1.91

From the above table it shows that the percentage of total expenditure in General Services ranged between 28.82 per cent and 40.41 per cent and in respect of Social Services it ranged between 36.19 per cent and 43.41 per cent while the percentage of Economic Services ranged between 15.86 per cent and 33.01 per cent during the period 2015-16 to 2019-20.

During 2019-20, the percentage of General, Social and Economic Services to total expenditure were 40.41, 40.83 and 16.85 per cent against the percentage of 38.97, 43.41 and 15.86 per cent respectively in 2018-19. The percentage of expenditure in General Services increased from 38.97 per cent to 40.41 per cent during 2019-20 as compared to 2018-19 mainly due to increase in expenditure on interest payments by 10.40 per cent and 16.63 per cent in pension payments and miscellaneous General Services under Revenue account during the year. However, the percentage to total expenditure in Social Services decreased to 40.83 per cent in 2019-20 from 43.41 per cent in 2018-19 mainly due to decrease in expenditure in respect of Welfare of SC, ST and OBC by 22.82 per cent under Revenue account during the year. Expenditure in Economic services, Loans, and Advances during 2019-20, however, slightly increased as compared to the previous year.





2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations. As such, it does not result in any addition to the State's infrastructure and service network.

The trend of Revenue Expenditure (RE) and its basic parameters during last five year period from 2015-16 to 2019-20 are shown in **Table 2.17**. It shows that the growth of RE during last five year period ranged between 5.72 per cent and 16.96 per cent and it was 12.51 per cent in 2019-20 which was lower than the previous year. On the other hand, the percentage of RE to TE ranged between 71.02 per cent and 93.78 per cent during the same period and it was 93.78 per cent in 2019-20 which was higher than the previous year. RE as a percentage of RR ranged between 83.47 per cent and 121.59 per cent during last five year period and it was 121.59 per cent during 2019-20.

The buoyancy ratio of RE with GSDP during the five year period ranged between 0.26 per cent and 1.58 per cent and it was 1.13 per cent during 2019-20 while the buoyancy ratio of RE to RR ranged between (-) 1.46 per cent and 5.41 per cent and it was (-) 1.46 per cent during 2019-20 resulting the State had witnessed revenue deficit during 2019-20.

During 2019-20, the RE has been distributed in different Sectors and shown in **Chart 2.10**. It shows that about 41 per cent of the RE was incurred in Social Services and 15 per cent was incurred in Economic Services during the year. About 18 per cent expenditure under General Services was incurred towards payment of pensions while 14 per cent of RE was incurred for the Administrative Services and eight per cent was incurred for interest payments during 2019-20.

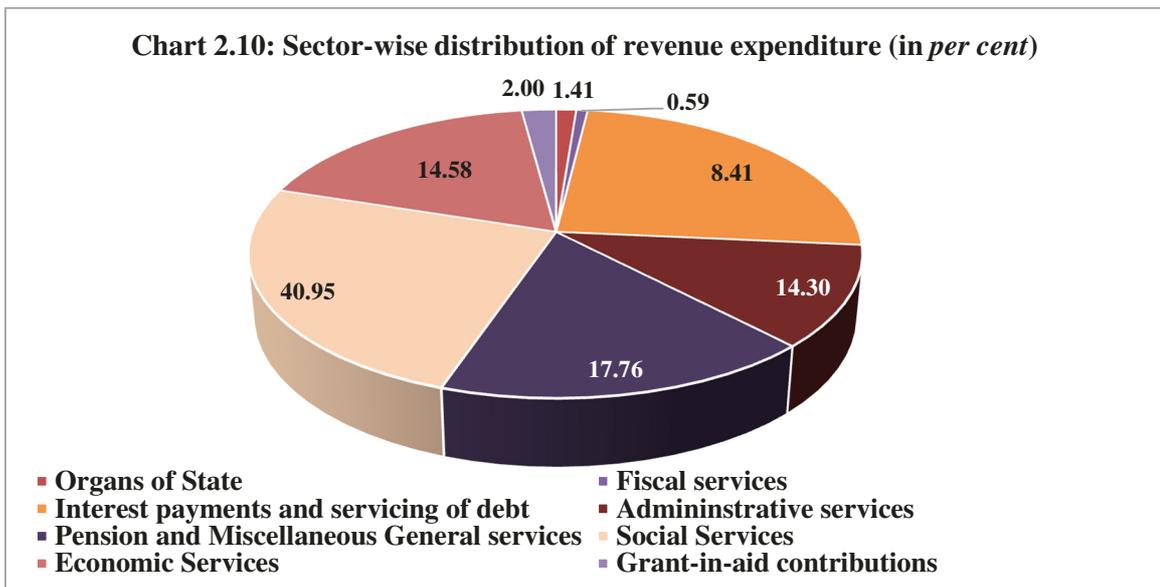
Table 2.17: Revenue Expenditure – Basic Parameters

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total Expenditure (TE)	11078.33	12175.99	12141.28	13371.19	14263.88
Revenue Expenditure (RE)	7868.47	8855.14	10357.22	11889.20	13376.91
Rate of Growth of RE (<i>per cent</i>)	5.72	12.54	16.96	14.79	12.51
Revenue Expenditure as percentage of TE	71.02	72.73	85.31	88.92	93.78
RE/GSDP (<i>per cent</i>)	21.89	22.43	23.69	23.85	24.16
RE as percentage of RR	83.47	91.81	102.87	98.82	121.59
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.26	1.27	1.58	1.05	1.13
Revenue Receipts (ratio)	2.83	5.41	3.87	0.76	(-)1.46

Source: Finance Accounts of respective years

Chart 2.10: Sector-wise distribution of revenue expenditure (in per cent)



2.4.2.1 Major changes in Revenue Expenditure

Significant Variations under various Heads of Account with regard to revenue expenditure of the State during the current year and the previous year are shown in **Table 2.18**.

Table 2.18: Variation in Revenue Expenditure during 2019-20 compared to 2018-19

(₹ in crore)

Major Heads of Account	2018-19	2019-20	Increase (+)/ Decrease (-)
2040-Taxes on Sales, Trade, etc.	16.45	18.71	2.26
2215-Water Supply and Sanitation	176.31	204.27	27.96
2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	465.83	359.50	(-)106.33
2236 Nutrition	114.40	65.77	(-)48.63
2501-Special Programmes for Rural Development	133.13	251.96	118.83
2075-Miscellaneous General Services	-	4.47	4.47
2216-Housing	8.62	258.58	249.96
2515-Other Rural Development Programmes	239.95	429.06	189.11
2575-Other Special Areas Programmes	-	54.12	54.12

It shows that there was major change in expenditure under Major Head 2216-Housing, 2501-Special Programmes for Rural Development and 2515-Other Rural Development programme where significant amount was incurred during 2019-20 as compared to the previous year. The expenditure under Major Head 2216 increased mainly due to increase in expenditure towards Indira Awas Yojana (IAY)/Prime Minister Awas Yojana (PMAY) in Rural Areas and the Rural housing for SC/ST under Plan and Sub-Plan. Expenditure under MH 2501 increased mainly due to more expenditure incurred during 2019-20 in Integrated Rural Energy Planning Programme by ₹ 128.50 crore while increase in expenditure of MH 2515 by ₹ 189.11 crore was mainly due to more expenditure incurred towards Direction and Administration, Panchayati Raj and SC/ST Plan/Sub-plan under Rural Development programme during 2019-20.

There were decrease in expenditure in MH 2225 and MH 2236 Nutrition due to decrease in expenditure for Welfare of SC/ST and Minorities under MH 2225 and decrease in expenditure under Distribution of nutrition food and beverages particularly in Mid-day-meals under Social Services.

2.4.2.2 Committed Expenditure

Committed Expenditure (CE) of the State Government on revenue account consists of interest payments; expenditure on salaries and wages and pensions. It has first charge on Government resources. Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector. The Components of Committed Expenditure during 2015-16 to 2019-20 are given in **Table 2.19**.

Table 2.19: Components of Committed Expenditure during 2015-16 to 2019-20

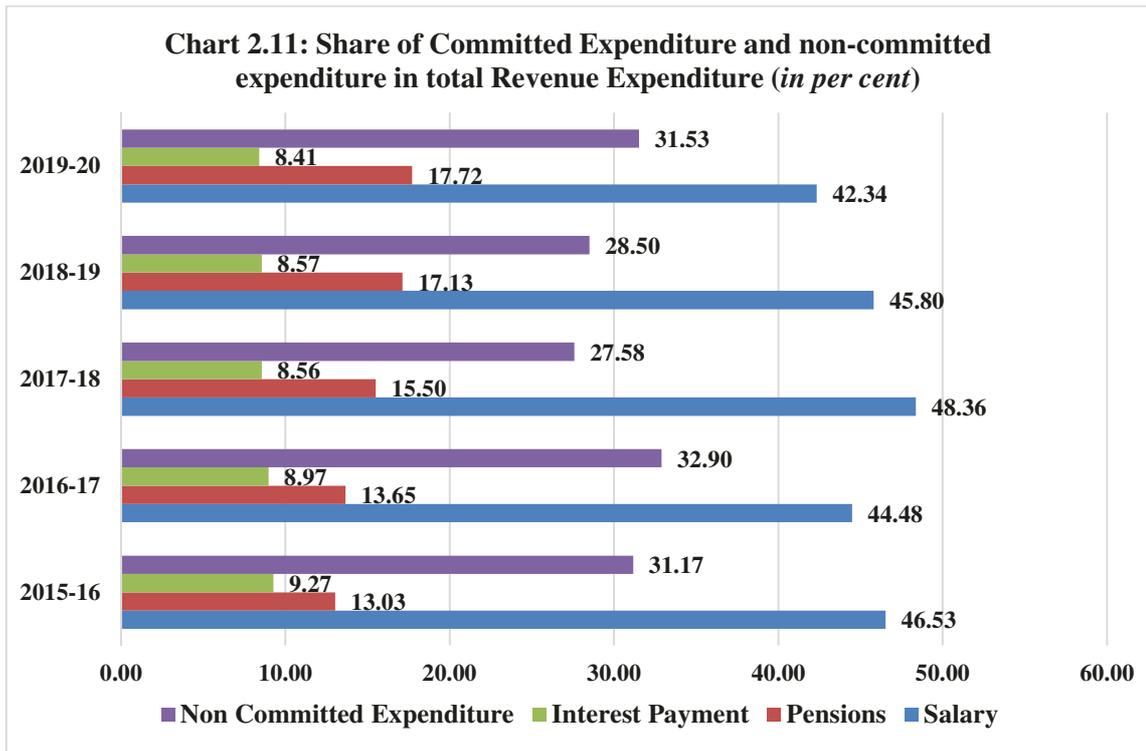
(₹ in crore)

Components of Committed Expenditure	2015-16	2016-17	2017-18	2018-19	2019-20
Salaries & Wages ⁶	3660.98	3938.74	5008.87	5445.23	5663.10
Expenditure on Pensions	1025.31	1208.67	1605.23	2036.49	2370.59
Interest Payments	729.39	794.31	886.89	1018.95	1124.98
Total	5415.68	5914.72	7500.99	8500.67	9158.67
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	38.83	40.84	49.75	45.26	51.48
Expenditure on Pensions	10.88	12.53	15.94	16.93	21.55
Interest Payments	7.74	8.23	8.81	8.47	10.22
Total	57.45	61.32	74.50	70.66	83.25
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	46.53	44.48	48.36	45.80	42.34
Expenditure on Pensions	13.03	13.65	15.50	17.13	17.72
Interest Payments	9.27	8.97	8.56	8.57	8.41
Total	68.83	66.79	72.42	71.50	68.47

Committed Expenditure (CE) steadily increased during the period of last five years 2015-20. The percentage of CE to RR during last five years period ranged between 57.45 per cent and 83.25 per cent of which the salary and wages expenditure ranged between 38.83 per cent and 51.48 per cent during the same period. During 2019-20, the

⁶ The expenditure on grants-in-aid (Salary), which reflects salaries for employees of grantee bodies (e.g. aided schools and colleges), as distinct from government servants separately are excluded

salary and wages expenditure was ₹ 5,663.10 crore (51.48 per cent of RR and 42.34 per cent of RE). Pensions payment was ₹ 2,370.59 crore (21.55 per cent of RR) during the year which increased by ₹ 334.10 crore (16.41 per cent) as compared to the previous year. Interest payment during the year constituted 10.22 per cent of the RR and 8.41 per cent of the RE of the State. After disbursement of committed expenditure amounting to ₹ 9,158.67 crore, only ₹ 4,218.24 crore (31.53 per cent) of total revenue expenditure was incurred for maintenance and operation of other social and economic services in the State during the year 2019-20.



2.4.2.3 Undischarged liabilities in National Pension System

The State Government introduced the ‘National Pension System’ (NPS) applicable to all new entrants joining in the State Government Service, on or after 1st July 2018. Under this system, employees contribute 10 per cent basic pay and dearness allowance, which is matched by the State Government and both employee’s and employer’s contribution are initially transferred to the Public Account (Major Head ‘8342-117-Defined Contributory Pension Scheme’). The State Government has the responsibility to deposit both employee’s and employer’s share with the designated authority i.e., National Securities Depository Limited (NSDL)/trustee bank for further investment as per the guidelines of NPS.

As per information furnished by the State Government, 1,871 employees were recruited on or after 1 July 2018 to 31 March 2020 and all of them were allotted the Permanent Retirement Account Number (PRAN).

As on 01 April 2019, there was un-transferred balance of ₹ 0.01 crore under the Fund. During 2019-20, the State Government deposited ₹ 4.12 crore (employees’ contributions: ₹ 2.12 crore and Government’s contribution: ₹ 2.00 crore) into the Fund

created under MH 8342-117 and transferred an amount of ₹ 3.96 crore to NSDL (₹ 3.61 crore via treasury and ₹ 0.35 crore from State Nodal officer's account) leaving a balance of ₹ 0.52 crore and accrued interest at the end of 31 March 2020. Non-transferring of contribution may accumulate the liabilities of the State Government.

2.4.2.4 Subsidies

Subsidies provided by the State Government includes both implicit and explicit subsidies which were utilised to bridge the gap between income and expenditure to certain selected Department/Corporations/Government Companies.

During 2019-20, the State Government provided subsidies amounting to ₹ 56.62 crore through various departments which was 0.51 *per cent* of RR and 0.42 *per cent* of RE of the State during the year. The quantum of subsidies contributed to the revenue deficit by 2.38 *per cent* during the year. The quantum of subsidy, however, decreased by ₹ 76.57 crore during 2019-20 as compared to the previous year.

Subsidy was provided by the State Government through the Cooperation (₹ 0.60 crore), Food, Civil Supplies and Consumers Affairs (₹ 27.45 crore) and Agriculture (₹ 28.57 crore) Departments respectively during the year 2019-20.

The State Government had provided subsidy to the consumers under Public Distribution System mainly for procurement of sugar, Consumer subsidy to BPL and IAY families and direct transfer in lieu of Mustard Oil and Musur Dal. A major part of the subsidy was provided to the Agriculture Department (₹ 28.57 crore) during the year mainly for development activities *viz.* implementation of CSS under Sub-mission of Agriculture Mechanisation (₹ 19.25 crore), State share for the National Mission for Agriculture Extension Technology Scheme (NMAET) (₹ 2.06 crore) and Agriculture Development (₹ 3.28 crore). Moreover, under 'Pradhan Mantri Fasal Bima Yojana' the State Government provided subsidy of ₹ 0.40 crore and ₹ 0.90 crore for RKVY during the year. Subsidy of ₹ 2.68 crore was provided for the administrative purposes to the Agriculture Department under Special component for SC and Tribal Areas sub-plan during 2019-20. It is noticed that though there was budget estimate for ₹ 40 crore for the year 2019-20 for subsidy under power, the State Government did not provide any subsidy under Power. State Government had not furnished reasons for not providing power subsidy during the year.

Table 2.20: Expenditure on subsidies during 2015-20

Particulars	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Subsidies (₹ in crore)	133.93	102.13	116.57	133.19	56.62
Subsidies as a percentage of Revenue Receipts	1.42	1.06	1.16	1.11	0.51
Subsidies as a percentage of Revenue Expenditure	1.70	1.15	1.13	1.12	0.42

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

Financial assistance is provided by the State Government to Local bodies and other institutions by way of grants and loans.

The trend of the financial assistance provided by the State Government during the period of last five years from 2015-16 to 2019-20 is shown in **Table 2.21**.

Table 2.21: Financial Assistance to Local Bodies, etc. during 2015-20

(₹ in crore)

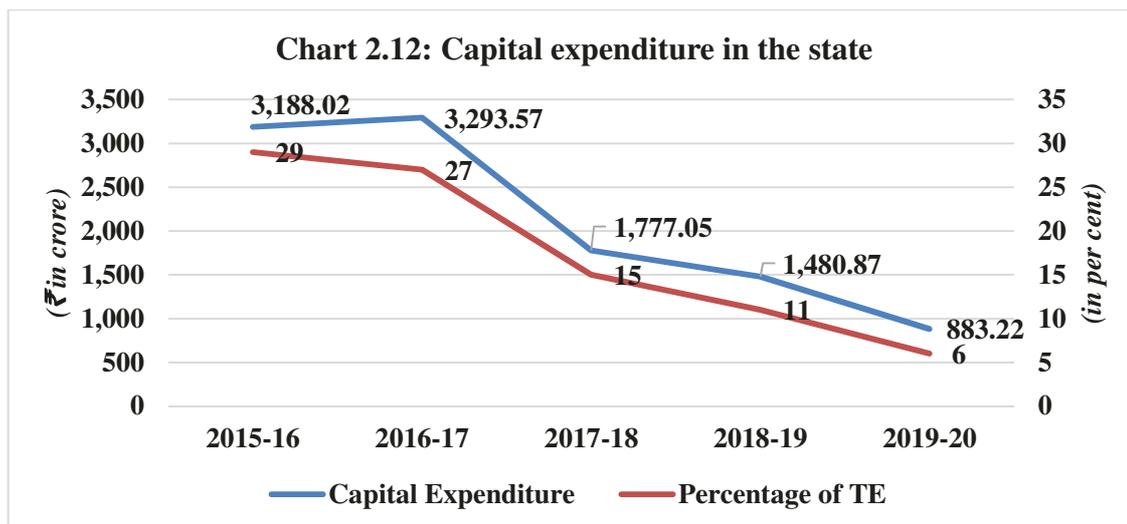
Financial Assistance to Institutions	2015-16	2016-17	2017-18	2018-19	2019-20
(A) Local Bodies					
Municipal Corporations and Municipalities	186.10	404.57	305.75	312.21	263.89
Panchayati Raj Institutions	70.77	90.98	115.27	116.08	145.63
Total (A)	256.87	495.55	421.02	428.29	409.52
(B) Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	-	-	-	-	-
Development Authorities	-	-	-	-	-
Hospitals and Other Charitable Institutions	-	-	-	-	-
Other Institutions	187.93	2578.65	1823.21	1973.10	2229.00
Total (B)	187.93	2578.65	1823.21	1973.10	2229.00
Total (A+B)	444.80	3074.20	2244.23	2401.39	2638.52
Revenue Expenditure	7878.47	8855.13	10357.22	11889.20	13376.91
Assistance as percentage of Revenue Expenditure	5.65	34.72	21.67	20.20	19.72

Source: Finance Accounts

Table 2.21 shows that the quantum of financial assistance provided by the State Government during the period 2015-20 to the local bodies and other Institutions substantially increased from ₹ 444.80 crore in 2015-16 to ₹ 2,638.52 crore in 2019-20. During 2019-20, there was an increase of ₹ 237.13 crore (9.87 per cent) as compared to the previous year mainly due to increase in quantum of grants to other institutions during the year by ₹ 255.90 crore. Financial assistance to the Local Bodies, however, decreased by ₹ 18.77 crore (4.38 per cent) during the year mainly due to decrease in quantum of grants to the Urban Local Bodies(ULBs) (15.48 per cent) and increase of 25.46 per cent grants towards Panchayati Raj Institutions(PRIs). During 2019-20, out of total grants-in-aid of ₹ 2,638.52 crore (19.72 per cent of RE), ₹ 187.38 crore was paid for creation of capital assets by other institutions. State Government had not furnished the details of the Capital assets created by the other institutions.

2.4.3 Capital Expenditure

Capital Expenditure (capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. Capex in the both Centre and State is being met from budgetary support and extra budgetary resources/off budget. Of late, the infrastructure requirements have increased manifold and SPVs have been set up to carry out bulk of capex. The trend of Capital expenditure during last five years is shown in **Chart 2.12**.



2.4.3.1 Major changes in Capital Expenditure

During 2019-20, capital expenditure was ₹ 883.22 crore (6.19 per cent of TE) which decreased by ₹ 597.65 crore (40.36 per cent) as compared to the previous year. Moreover, the State Government was given as grants-in-aid of ₹ 287.38 crore under various Central Schemes like, IAY, MGNREGA, etc. to the local bodies or individuals and was booked under Capital account instead of Revenue Expenditure, resulting in overstatement of the Capital Expenditure to that extent during 2019-20. Major changes in capital expenditure in some major heads are shown in **Table 2.22**.

Table 2.22: Capital Expenditure during 2019-20 compared to 2018-19

(₹ in crore)

Major Heads of Accounts	2018-19	2019-20	Percentage of Decrease (-)/ Increase (+)
4059-Capital Outlay on Public Works	45.77	58.13	(+)12.36
4070-Other Administrative Services	44.10	13.72	(-)69
4210-Medical and Public Health	111.33	51.40	(-)54
4211-Family Welfare	19.96	0.00	(-)100
4215-Water Supply and Sanitation	242.04	157.15	(-)35
4216-Housing	30.84	3.19	(-)90
4217-Urban Development	350.46	94.25	(-)73
4225-Welfare of SC, ST, OBC and minorities	40.85	19.32	(-)53
4406 Forestry and Wild Life	10.14	7.39	(-)27
4515-Other Rural Development Programmes	131.69	117.08	(-)11
4552-North Eastern Areas	19.79	13.74	(-)31
4701-Medium Irrigation	2.55	0.78	(-)69
4702-Capital Outlay on Minor Irrigation	10.59	24.59	(+)14.00
4711-Flood Control Projects	6.49	0.92	(-)86
4801-Power Projects	42.68	27.51	(-)36
4860-Consumer Industries	33.54	0.00	(-)100
5053- Civil Aviation	3.63	0.00	(-)100
5054-Roads and Bridges	255.91	140.88	(-)45
5055-Capital Outlay on Road Transport	5.48	16.41	(+)10.93
5425-Other Scientific and Environment	5.09	0.00	(-)100

It was noticed that the expenditure under Major Heads 5054, 4210, 4801 and 4711 respectively decreased substantially during 2019-20 as compared to the previous year.

However, expenditure under Major Heads 4059, 4702 and 5055 marginally increased during 2019-20 mainly due to increase in expenditure towards minor irrigation and minor Public Works Project.

The matter of decreasing Capital Expenditure was discussed in the Exit Conference with the State Finance Department. The Finance Department assured to take necessary steps to reverse the decreasing trend of Capital Expenditure.

2.4.3.2 Quality of capital expenditure

If the State Government keeps on making investments in loss making government companies, whose net worth is completely eroded, there are no chances of return on investment. Similarly, experience has shown the inevitability of write off of the loans given to loss making corporations and other bodies such as financial corporations, *etc.* Requisite steps have to be taken to infuse transparency in such financial operations. This section presents an analysis of investments and other capital expenditure undertaken by the Government during the current year.

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

Capital expenditure in the companies, corporations, and other bodies, which are loss making or where net worth is completely eroded is not sustainable.

Investments made and loan given to companies, corporations (e.g. SC & ST Financial Corporations), and cooperatives, which are loss making and those where net worth is completely eroded, affect quality of capital expenditure. Return on investment in share capital invested in State Public Sector Enterprises (SPSEs) and history of repayment of loans given to various bodies are important determinants of quality of capital expenditure.

The State Government made investments in various Government Companies, Corporations and Co-operative Societies every year. The expenditure is debited on Capital Account with an aim to support strengthening their functioning and get some returns from them as dividend.

As on 31 March 2020, there were 14 working Government Companies, One statutory Corporation, one Bank, four joint stock companies/ corporation and 25 Co-operative Societies. The State Government made investment of ₹ 1,648.66 crore in those companies/ corporations and Co-operative Societies as on 31 March 2020 and got a negligible amount of return from them. During 2019-20, the State Government received only ₹ 7.94 crore as dividend from two Joint stock companies⁷.

During 2019-20, the State Government invested ₹ 69.33 crore in six working Government Companies (₹ 51.16 crore), one working statutory corporation (₹ 13.29 crore), seven Co-operative societies (₹ 4.80 crore) and one Joint stock company (₹ 0.08 crore). Out of the investment amount of ₹ 51.16 crore in working

⁷ North East Transmission Company Ltd.: ₹ 699.38 lakh and ONGC Tripura Power Company Ltd.: ₹ 95.20 lakh

Government Companies, ₹ 29.80 crore was invested in Tripura Jute Mills Ltd. followed by ₹ 12.44 crore in Tripura Handloom and Handicrafts Development Corporation Ltd. which are loss making companies in the State. An amount of ₹ 13.29 crore was invested in Tripura Road Transport Corporation (only Statutory Corporation in the State) during 2019-20. Details of the investments and returns as on 31 March during last five years from 2015-16 to 2019-20 are shown in **Table 2.23**.

Table 2.23: Return on Investment

(₹ in crore)

Investment/return/ cost of borrowings	2015-16	2016-17	2017-18	2018-19	2019-20
Investment at the end of the year (₹ in crore)	1385.69	1446.06	1503.88	1562.57	1648.66
Return (₹ in crore)	13.41	0.05	14.69	Nil	7.94
Return (per cent)	0.97	*	0.95	Nil	0.48
Average rate of interest on Government Borrowings(per cent)	12.95	7.50	7.50	7.16	7.89
Difference between interest rate and return (per cent)	11.98	7.50	6.55	7.16	7.41
Difference between interest on Government borrowings and return on investment (₹ in crore)#	166.00	188.45	98.45	111.88	124.55

Source: Finance Accounts; Note: # Investment at the end of the year * Negligible

The State Government should review the performance of the Companies and Corporations in view of the huge cumulative investments and low returns from them, year after year.

Table 2.24: Equity Investments made in companies/corporations, whose net worth completely eroded

(₹ in crore)

Sl. No.	Company/ Corporation	Year of Accounts	Net worth#	Equity Investment* made during 2019-20	Cumulative investment as on 31 March 2020*
1	Tripura Handloom and Handicrafts Development Corporation Ltd.	2016-17	(-) 12.12	12.45	129.80
2	Tripura Rehabilitation and Plantation Corporation Ltd.	2018-19	(-) 6.00	1.28	54.90
3	Tripura Road Transport Corporation Ltd.	2016-17	(-) 110.50	13.29	161.28

Source: #Latest finalised accounts of SPSEs; * State Finance Accounts, 2019-20

Table 2.25: Equity Investments made in loss making companies/corporations

(₹ in crore)

Sl. No.	Name Company/ Corporation	Year of accounts	Accumulated loss*	Equity investment# made during 2019-20	Cumulative investment as on 31 March 2020#
1	Tripura Road Transport Corporation Ltd.	2016-17	284.64	13.29	161.28
2	Tripura Small Industries Corporation Ltd.	2016-17	46.53	4.34	70.29
3	Tripura Handloom and Handicraft Development Corporation Limited	2016-17	121.59	12.45	129.80
4	Tripura Jute mills Ltd.	2019-20	352.16	29.80	364.04
5	Tripura Tea Development Corporation Limited	2018-19	26.17	3.00	50.30

Source: *Latest finalised accounts of SPSEs; # State Finance Accounts, 2019-20

2.4.3.2 (ii) Loans and Advances by the State Government

The State Government paid Loans and Advances to various organisations and Government servants for various purposes. During 2019-20, the Government paid ₹ 3.75 crore as Loans and Advances and recovered only ₹ 0.73 crore from one cooperative society (₹ 0.49 crore) and from Government Servants (₹ 0.23 crore) and ₹ 0.01 crore from others during the year. As a result, the outstanding loans and advances at the end of 31 March 2020 stood at ₹ 196.53 crore. During 2019-20, the Government received ₹ 0.06 crore as interest on the loans given to the Government Servants particularly House building, and Computer Advances. The rate of interest on the loans and Advances given by the State was 11.20 *per cent* whereas the average rate of interest paid the Government on the outstanding borrowings was ranged between 7.16 *per cent* and 12.95 *per cent* during the period of last five years.

The quantum of loans and advances and recovered during last five year period are shown in **Table 2.26**.

Table 2.26: Quantum of loans disbursed and recovered during five years

(₹ in crore)

Quantum of loans disbursed and recovered	2015-16	2016-17	2017-18	2018-19	2019-20
Opening Balance of loans outstanding	140.61	161.31	187.68	193.00	193.51
Amount advanced during the year	21.84	27.28	7.01	1.12	3.75
Amount recovered during the year	1.14	0.91	1.69	0.60	0.73
Closing Balance of the loans outstanding	161.31	187.68	193.00	193.51	196.53
Net addition	20.70	26.37	5.32	0.51	3.02
Interest received	2.55	1.41	1.94	NA	0.06
Interest rate on Loans and Advances given by the Government.	NA	10.90	10.90	10.90	11.20
Rate of Interest paid on the outstanding borrowings of the Government	12.95	7.50	7.50	7.16	7.89
Difference between the rate of interest paid and interest received (<i>per cent</i>)	NA	3.40	3.40	3.74	3.31

2.4.3.2 (iii) Capital locked in incomplete projects

Trends in capital blocked in incomplete capital works would indicate quality of capital expenditure. Blocking of funds on incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years leads to the extra burden in terms of servicing of debt and interest liabilities.

As on 31 March 2020, there were 64 incomplete capital works costing ₹ 5 crore and above on which ₹ 561.89 crore was incurred upto the end of March 2020. These incomplete works were started between the year 2009 and 2020 under the Public Works Department. Details of the works are shown in **Table 2.27**.

Table 2.27: Incomplete works as on 31-03-2020*(₹ in crore)*

Name of the works	No of incomplete projects/works	Estimated cost	Expenditure incurred as on 31-03-2020
Building Works	38	504.02	378.36
Road Works	20	465.74	154.31
Bridges Works	3	22.00	20.21
Water Resources	2	20.00	7.98
Drinking Water and Sanitation Works	1	9.00	1.03
Total	64	1020.76	561.89

Age-wise break-up of incomplete capital works irrespective of their costing during the year 2014-15 to 2019-20 are shown in **Table 2.28**.

Table 2.28: Age-wise abstract of incomplete capital works each costing ₹ 5 crore and above*(₹ in crore) (No. of works in bracket)*

Period	Amount and No. of works					Total Amount
	Building	Road	Bridge	Water Resource	DWS	
Up to 2014-15	411.77 (83)	273.89 (25)	90.24 (25)	166.39 (12)	5.33 (2)	947.62 (147)
2015-16	56.99 (44)	33.01 (13)	8.80 (11)	6.69 (7)	...	105.50 (75)
2016-17	136.91 (74)	24.84 (17)	110.97 (16)	64.05 (15)	...	336.76 (122)
2017-18	54.71 (36)	41.90 (16)	12.39 (05)	0.01 (05)	...	109.02 (62)
2018-19	98.95 (43)	65.42 (17)	10.88 (08)	0.12 (04)	25.35 (06)	200.72 (78)
2019-20	57.44 (38)	114.46 (20)	3.38 (3)	1.09 (2)	...	176.37 (63)

Source: Finance Accounts.

2.4.3.2(iv) Implementation of Ujwal Discom Assurance Yojana (UDAY)

The Ministry of Power, Government of India (GoI) had launched (November 2015) the Ujwal Discom Assurance Yojana (UDAY) Scheme for the financial turnaround of Power Distribution Companies (DISCOMs).

With an objective to improve the operational and financial efficiency of the State DISCOMs, a Tripartite MOU was executed among the Ministry of Power, GoI, Government of Tripura and Tripura Electricity Corporation Limited (TSECL) on 29th day of March 2017.

As per information furnished (June 2020) by the TSECL all outstanding dues were paid by the State Government and no short term debt from Bank/Financial Institution for the purpose of financing the losses was taken by the TSECL since undertaking of UDAY Scheme in the State.

2.4.3.3 Resource availability of the State under Public Private Partnership Projects

Public Private Partnership (PPP) is an arrangement between the government or statutory entity and a private sector entity, to provide a framework that enables them to work together to meet the rising demand of the public for infrastructure development.

However, there was no PPP in the State of Tripura as of 31 March 2020.

2.4.4 Expenditure priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective State's or national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better.

Table 2.29: Expenditure priority of the State with regards to Health, Education and Capital expenditure

(in per cent)

Particulars	AE/GSDP	CE/AE	Education /AE	Health/ AE
Special Category States Average (2014-15)	26.00	14.46	18.28	5.46
Tripura State (2014-15)	23.28	27.52	15.94	6.28
Special Category States Average (2019-20)	23.02	14.08	17.42	6.19
Tripura State (2019-20)	30.83	6.19	18.25	6.31

Source: Economic Survey Report 2019-20, Vol.-II

It can be seen from **Table 2.29** that during the year 2019-20, the percentage of CE to AE was lower than the average percentage of expenditure of those components of NER States for the year. However, the percentage of AE to GSDP, Expenditure on Education to AE and Expenditure on Health to AE of the State were higher than that of average of eight NER States during the year. It is also seen that there was a substantial shift in States's capital expenditure to total expenditure from 27.52 per cent to 6.19 per cent in 2019-20.

2.5 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, *etc.*, which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.5.1 Net Public Account Balances

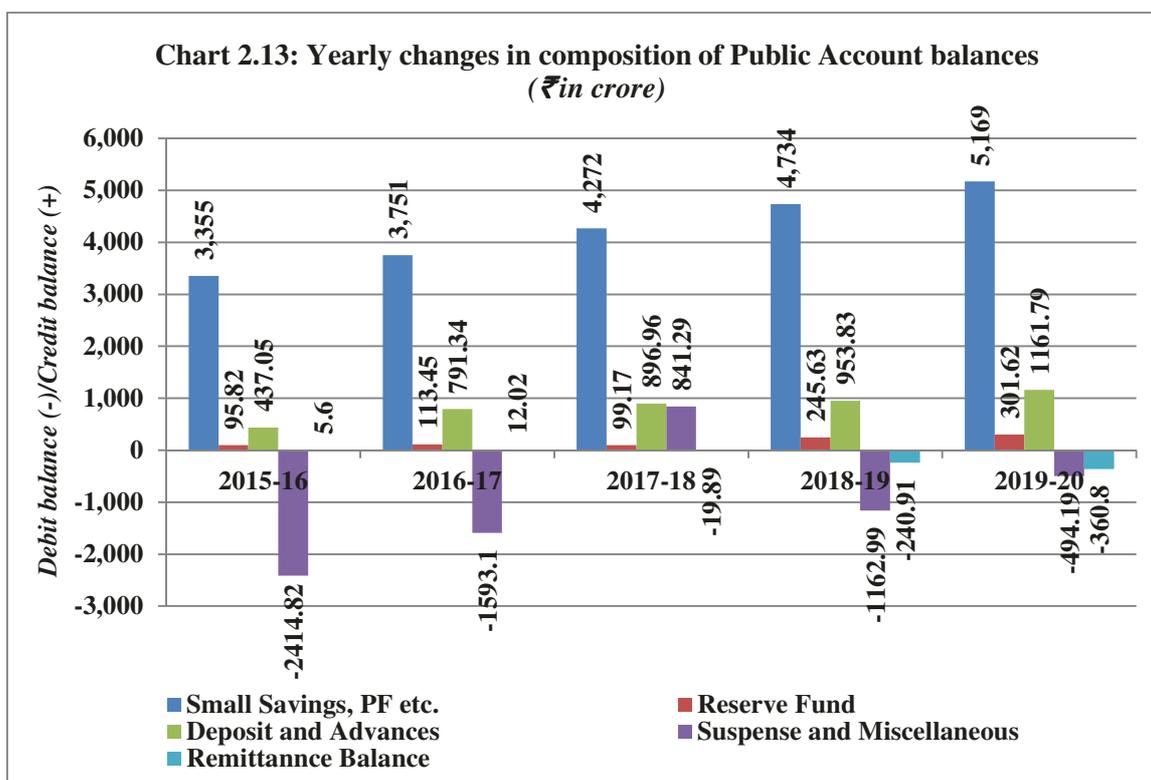
The component-wise net balances in Public Account of the State during last five year period 2015-16 to 2019-20 is shown in **Table 2.30** and **Chart 2.13**. The analysis of the Net balances of various components in the Public Account are given in the respective paragraphs.

Table 2.30: Component-wise net balances in Public Account as of 31 March of the year 2015-16 to 2019-20

(₹ in crore)

Sector	Sub Sector	2015-16	2016-17	2017-18	2018-19	2019-20
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	3355.00	3751.00	4271.75	4734.22	5169.23
J. Reserve Funds	(a) Reserve Funds bearing Interest	88.91	108.61	93.79	241.13	292.65
	(b) Reserve Funds not bearing Interest	6.91	4.84	5.38	4.50	8.97
K. Deposits and Advances	(a) Deposits bearing Interest	-	0.06	0.02	0.01	0.52
	(b) Deposits not bearing Interest	438.73	791.42	897.51	955.86	1162.14
	(c) Advances	(-) 1.68	(-) 0.14	(-) 0.57	(-) 2.04	(-) 0.87
L. Suspense and Miscellaneous	(b) Suspense	(-) 187.31	(-) 194.79	(-) 163.87	(-) 478.60	(-) 111.81
	(c) Other Accounts	(-) 2227.51	(-) 1398.31	(-) 677.42	(-) 684.39	(-) 382.38
	(d) Accounts with Governments of Foreign Countries	-	-	-	-	-
	(e) Miscellaneous	-	-	-	-	-
M. Remittances	(a) Money Orders, and other Remittances	5.84	12.25	(-) 19.51	(-) 241.40	(-) 360.57
	(b) Inter-Governmental Adjustment Account	(-) 0.24	(-) 0.23	(-) 0.38	0.49	(-) 0.23
Total		1478.65	3074.71	4406.70	4529.78	5777.65

Note: +ve denotes debit balance and -ve denotes credit balances



2.5.2 Reserve Funds

As on 31 March 2020, there were two types of Reserve funds in the State viz. (i) Interest bearing and (ii) Non-interest bearing. Again, non-interest bearing Reserve fund is divided into two parts of which General Reserve Funds of Government Commercial Department/Undertakings is inactive where there was a balance of ₹ 420.51 lakh as on 31 March 2020.

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State.

2.5.2.1 Consolidated Sinking Fund

The State Government have set up the sinking fund in line with the recommendation of the XII FC for amortisation of market borrowing as well as other loans and debt obligations. The fund is managed by the Reserve Bank of India.

According to guidelines of Reserve Bank of India, the State Governments are required to contribute at least 0.5 *per cent* of the outstanding liabilities as at the end of the previous year. The State is to make efforts to raise the minimum contribution every year. During 2019-20, the State Government did not make any contribution towards the fund though there was an outstanding liability of ₹ 14,779.22 crore⁸ at the beginning of the year. In doing so, apart from violating the extant Rules, the Government has deferred the current years liabilities to future years which has the impact of understating the fiscal deficit to that extent (₹ 73.90 crore). During 2019-20, the State Government received ₹ 24.32 crore as interest on this Sinking Fund Account and reinvested the same by the RBI during the year. After disbursement, there was a balance of ₹ 319.11 crore which was invested through RBI at the end of 31 March 2020.

In the Exit Conference (November 2020), the issue of non-contribution of ₹ 73.90 crore towards consolidated Sinking Fund (CSF) by the State Government during 2019-20 was discussed. In response, the Principal Secretary, Finance Department has assured that appropriate steps in this regard would be taken.

2.5.2.2 State Disaster Response Fund

Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010. In terms of the guidelines of the Fund, the Centre and States are required to contribute to the Fund in the certain proportion. The contributions are to be transferred to the Public Account to Major Head-8121. Expenditure during the year is incurred by operating Major Head-2245.

The State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to the SDRF together with the income

⁸ Decreased by ₹ 0.30 crore as compared to previous years outstanding balance due to write-off of excess repayment of outstanding loans made by the State Government during 2019-20

earned on the investment of SDRF is to be invested in Central Government dated Securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

The SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of a disaster and the provision for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF. Such expenditure has to be built into the normal budgetary heads/ State Plan Funds, *etc.*

As per guidelines of the Scheme, the GoI and the State Governments are required to contribute to the Fund in the proportion of 90:10. As per the XIV FC recommendation, the corpus of SDRF of Tripura for the year 2019-20 was fixed at ₹ 38 crore (Central Share: ₹ 34.20 crore and State Share: ₹ 3.80 crore). During 2019-20, the GoI released ₹ 34.20 crore while the State contributed ₹ 1.90 crore instead of its share of ₹ 3.80 crore. Thus, there was a short contribution of ₹ 1.90 crore by the State Government against the amount released by GoI during the year. As such, a total amount of ₹ 36.10 crore was transferred from MH 2245-05-101 to the SDRF Account under Public Account.

Further, the Fund, which is part of ‘Reserve Fund Bearing Interest’ had an opening balance of ₹ 241.12 crore as on 1 April 2019 and the same was to be invested in the prescribed manner. However, no amount was invested out of this Fund during the year in violation of the SDRF guidelines. The State Government did not provide for the interest liability of ₹ 18.08 crore⁹ payable on the said Fund. This resulted in understatement of Revenue Expenditure as well as the Revenue and Fiscal Deficits of the State Government to that extent.

Details of expenditure to SDRF are given in **Table 2.31**.

Table 2.31: Details of expenditure charged to SDRF

(₹ in crore)

Major Head of Account	Minor Head of Account	Expenditure during 2019-20
05-State Disaster Response Fund	101-Transfer to State Disaster Response Funds and Deposit Account	85.74 ¹⁰
	789 – Special Component Plan for Scheduled Castes	17.04
	796 – Tribal Area Sub-plan	30.46
	Sub -Total	133.24
	901- Deduct - Amount met from State Disaster Response Fund	-163.24
	Grand Total -2245	-30.00

It can be noticed from the **Table 2.31** that against the total expenditure of ₹ 47.50 crore (₹ 17.04 crore *plus* ₹ 30.46 crore) under MH 2245 eligible to be charged to MH 8121-SDRF, the State Government recouped an amount of ₹ 163.24 crore from the Fund thereby adjusting ₹ 115.74 crore in excess of the admissible expenditure.

⁹ Calculated at the rate of 7.50 *per cent* per annum

¹⁰ This represents transfer to Reserve Fund under Public Account and hence, not an expenditure admissible to be charged to SDRF

2.5.2.3 Guarantee Redemption Fund

The State Government constituted a Guarantee Redemption Fund on 12 July 2007. The fund has been revised as 'Guarantee Redemption Fund Scheme' by the State Government vide Gazette Notification dated 29th January 2016, effective from the financial year 2015-16 and subsequent notification dated 16th January 2018 effective from the financial year 2017-18. As per the revised guidelines, the Government shall contribute minimum 0.5 *per cent* of outstanding guarantees every year to achieve a minimum level of 3 *per cent* of outstanding guarantees in next five years and gradually to a desirable level of 5 *per cent*.

Guarantee Redemption Fund has been created for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Public Sector Undertakings or other Bodies and invoked by the beneficiaries. The accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government and not paid by the institutions on whose behalf guarantee was issued.

This fund is classified under the Head of Account 8235-General and other Reserve Funds – 117- Guarantees Redemption Fund in the Public Account. During 2019-20, an amount of ₹ 4.81 crore was credited in this fund of which ₹ 4.47 crore was credited as guarantee redemption fee by the State Government along with an outstanding guarantee fee of ₹ 2.00 crore for the previous year and ₹ 0.34 crore was credited as interest accrued on this Fund–investment account during the year. The State Government did not contribute ₹ 2.61 crore (at the rate of 0.5 *per cent* of outstanding guarantee of ₹ 523.67 crore at beginning of the financial year) to the fund as per scheme guidelines during 2019-20.

As on 31 March 2020, there was an outstanding guarantee of ₹ 734.57 crore including interest of ₹ 0.08 crore. After investment of ₹ 4.84 crore from this Guarantee Redemption Fund, there was a balance of ₹ 4.77 crore. The status of guarantees is discussed at **Paragraph 2.7.2**.

2.6 Debt management

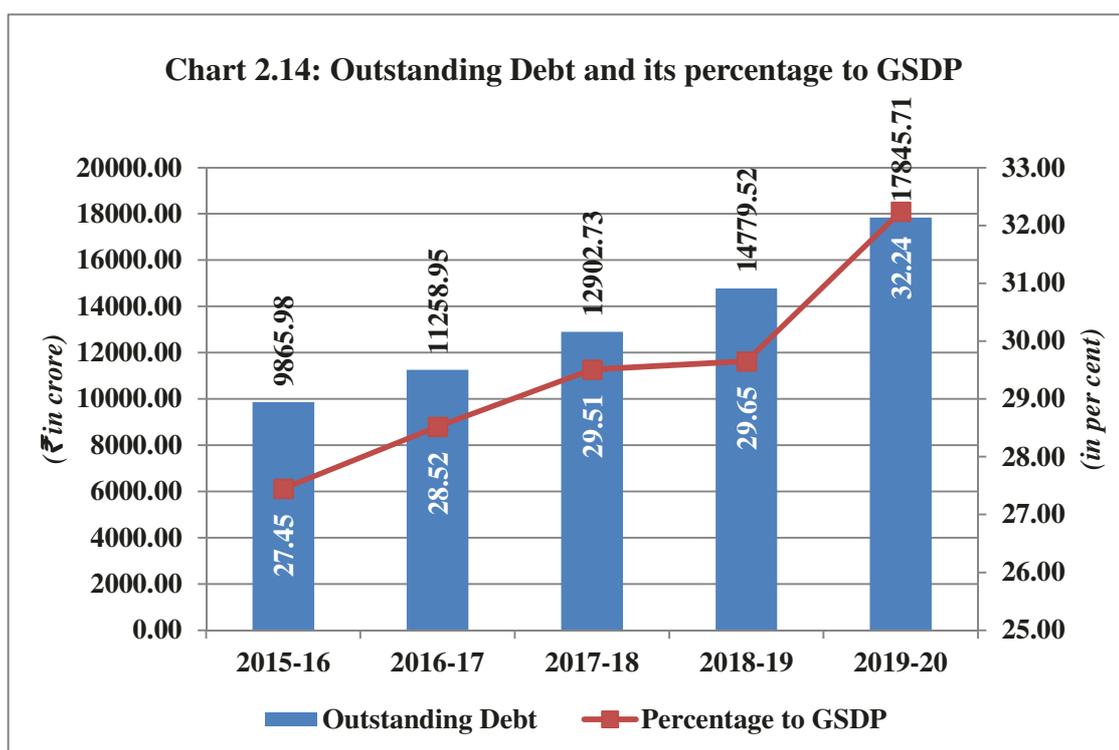
Debt management is the process of establishing and executing a strategy for managing the Government's debt in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements. The details of outstanding public debt and other liabilities are given in **Table 2.32**.

Table 2.32: Details of outstanding public debt and other liabilities

(*₹ in crore*)

Years	GSDP	Internal Debt	Loans and Advances	Public Account liabilities	Total Outstanding debt
2015-16	35938.00	5680.71	295.72	3889.55	9865.98
2016-17	39479.00	6335.33	267.70	4655.93	11258.96
2017-18	43716.00	7398.46	235.82	5268.45	12902.73
2018-19	49845.00	8626.78	217.02	5935.72	14779.52
2019-20	55358.00	11027.69	184.51	6633.51	17845.71

The details of the total outstanding public debt as a percentage of GSDP is given in Chart 2.14.



2.6.1 Debt profile: Components

Total debt of the State Government typically constitutes of internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government, and Public Account Liabilities. The State FRBM Act, 2005 of the State has defined the total liabilities as “The total liabilities means the liabilities under the Consolidated Fund and the Public Account of the State and shall also include borrowings by the Public Sector undertakings and the Special Purpose Vehicles and other equivalent instruments including guarantees where principal and/on interest are to be serviced out of the State budget.

Outstanding debt constituting outstanding internal debt, outstanding loans and advances from GoI and outstanding balance of Public Account liabilities of the State stood at ₹ 17,845.71 crore at the end of 31 March 2020 with an increase of 20.75 per cent over

the previous years mainly due to increase in outstanding internal debt by 27.83 per cent during 2019-20.

The outstanding internal debt increased by 27.83 per cent during the year 2019-20 mainly due to increase in market loans bearing interest by 39.51 per cent off set by decrease in loans from other sources.

The outstanding loans from GoI, however, decreased by 14.98 per cent as on 31 March 2020 as compared to the previous year mainly due to repayment of loans for State Plan Schemes and write off previous loan amounting to ₹ 0.30 crore during the year.

Public Accounts liabilities increased by 11.76 per cent as compared to previous year mainly due to increase in liabilities in respect of small savings provident funds and reserve funds respectively during the year 2019-20.

The rate of growth of outstanding debt of the State for the last five year period ranged between 5.86 per cent and 20.75 per cent and the percentage of debt to GSDP ranged between 27.45 per cent and 32.24 per cent during the same period.

Item	What it means	Interest rate
Ways and Means Advance (WMA)	<p>It is a facility for both the Centre and States to borrow from the RBI to help them tide over temporary mismatches in cash flows of their receipts and expenditures. Such advances should be repaid not later than three months from the date of the taking the advance.</p> <p>The limit for ordinary ways and Means Advances to the State Government was ₹ 255.00 crore with effect from 1 February 2016. Further, the operative limit of Special Drawing Facilities (SDF) against the pledge of Government Securities was ₹ 105.21 crore as on 31 March 2020, as agreed by the Bank. RBI announced 60 per cent extra in WMA limit recently to fight Covid -19 (until end of Sept 2020). During 2019-20, the State Government availed Ways and Means Advances of ₹ 176.66 crore and repaid the same with interest of ₹ 10.38 lakh during the year.</p>	<p>The interest rate on WMA is the RBI's repo rate, which is basically the rate at which it lends short-term money to banks. That rate is currently 4.4 per cent.</p> <p>However, the rate of interest from 1 April 2008 was;</p> <p>(a) Discount rate for 14 days Treasury bills: 5 per cent and</p> <p>(b) Rediscount rate for 14 days Treasury bills: 5.5 per cent.</p>
Overdrafts	<p>The governments are allowed to draw amounts in excess of their WMA limits. No State can run an overdraft with the RBI for more than a certain period.</p> <p>A State can be in overdraft from 14 to 21 consecutive working days, and from 36 to 50 working days during a quarter</p>	<p>The interest on overdraft is two percentage points above the repo rate, which works out to 6.4 per cent.</p>
Government securities	<p>A Government Security (G-Sec) is a tradeable instrument issued by the Central Government or the State Governments. Such securities are short term</p>	<p>Long term securities carry a fixed or floating coupon (interest rate) which is paid</p>

Item	What it means	Interest rate
	(usually called treasury bills, with original maturities of less than one year) or long term (usually called Government bonds or dated securities with original maturity of one year or more). In India, the Central Government issues both, treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities, which are called the State Development Loans (SDLs).	on the face value, payable at fixed time periods (usually half-yearly).
T-bills	Treasury bills are short-term securities issued by the Central government. Their maturity periods range up to one year. These securities are sold at a discount rate and will be paid at face value, which is how the investors make their money. At present, the active T-Bills are 91-days T-Bills, 182-day T-Bills and 364-days T-Bills	Treasury-Bills are issued on discount to face value, while the holder gets the face value on maturity. The return on T-Bills is the difference between the issue price and face value. Thus, return on T-Bills depends upon auctions.
T-Notes	Treasury notes are government securities with maturity periods longer than treasury bills. Their maturity periods can be two, three, four, five, seven, and ten years. Interest is paid every six months.	
T-Bonds	Treasury bonds are long-term investments with a maturity period of 30 years. Interest is paid every six months.	

Table 2.33: Component wise debt trends

		(₹ in crore)				
		2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Overall Debt		9865.98	11258.95	12902.73	14779.52	17845.71
<i>Public Debt</i>	<i>Internal Debt</i>	5680.71	6335.33	7398.46	8626.78	11027.69
	<i>Loans from GoI</i>	295.72	267.70	235.82	217.02	184.51
<i>Liabilities on Public Account</i>		3889.55	4655.93	5268.45	5935.72	6633.51
Rate of growth of outstanding Overall debt (<i>percentage</i>)		5.86	14.12	14.60	14.55	20.75
Gross State Domestic Product (GSDP)		35938	39479	43716	49845	55358
Debt/GSDP (<i>per cent</i>)		27.45	28.52	29.51	29.65	32.24
Total Debt Receipts		2625.41	3008.74	3367.94	3961.23	5725.87
Total Debt Repayments		1555.45	1615.44	1722.82	2084.44	2659.38
Total Debt Available		1069.96	1393.30	1645.12	1876.79	3066.49
Debt Repayments/Debt Receipts (<i>percentage</i>)		59.25	53.69	51.15	52.62	46.44

Chart 2.15: Break up of Outstanding Overall Debt at the end of 31 March 2020 (₹ in crore)

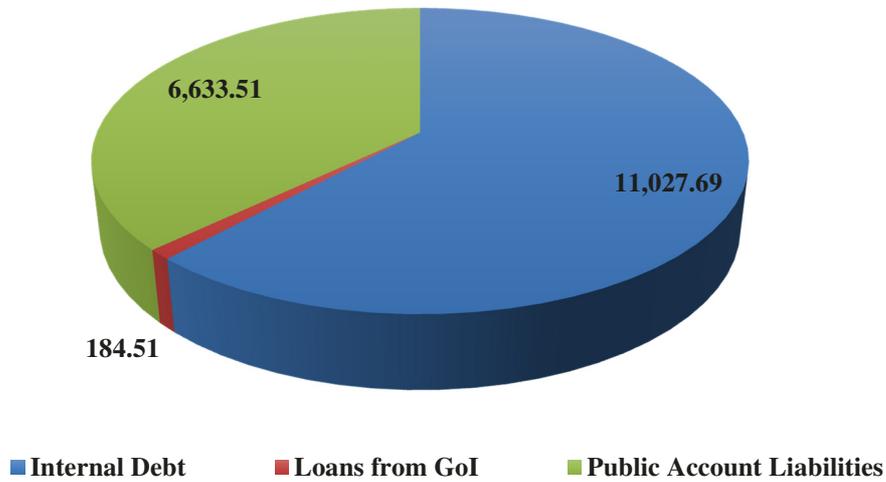
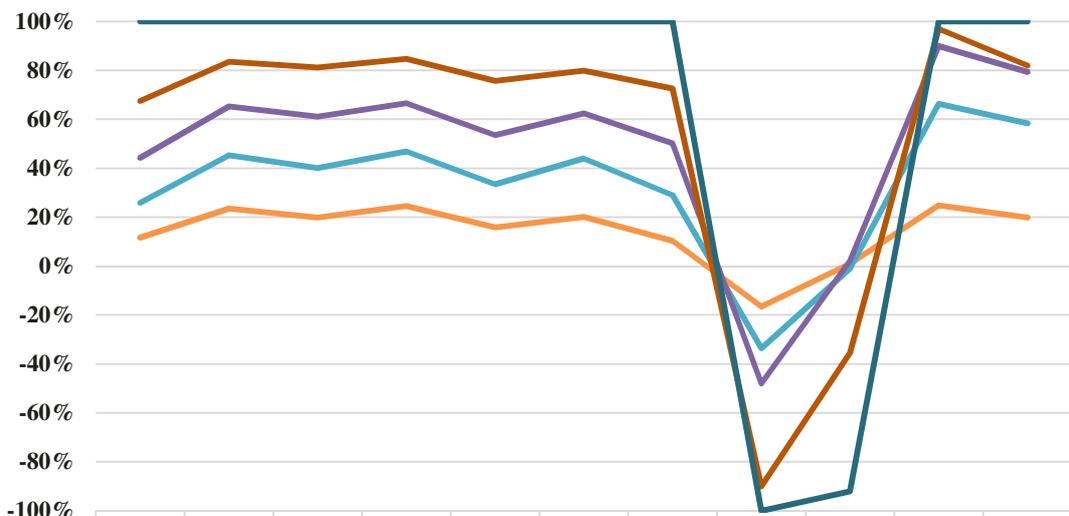
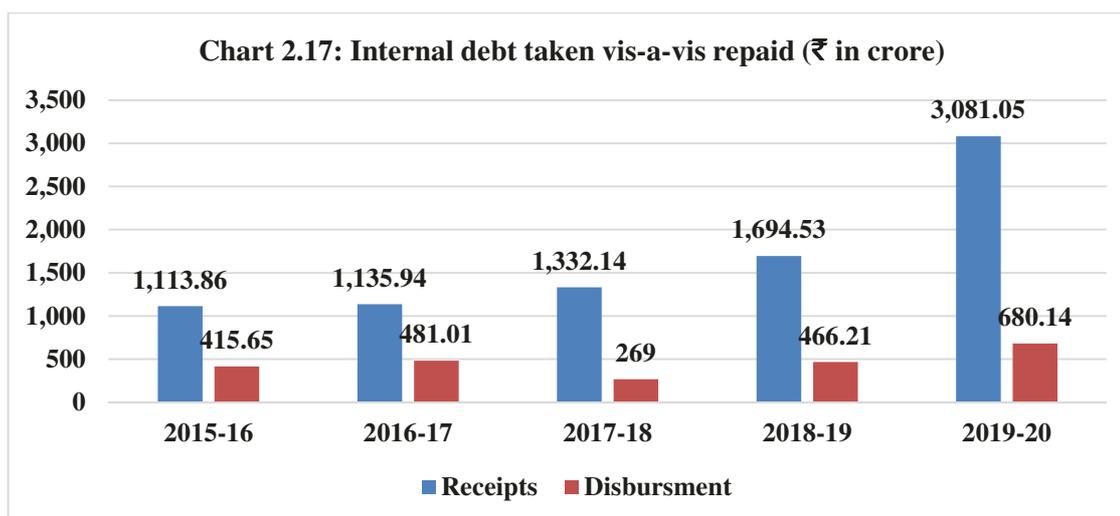


Chart 2.16: Component wise debt trends (₹ in crore)



	Market borrowings	Special Securities issued to NSSF	Loans from Financial Institutions	Loans from GoI	Small Savings PF	Reserve Fund	Deposits and Advances	Suspense and Misc.	Remittances	Increase(-)/Decrease(+) in Cash Balances	Gross Deficit
2019-20	9102.83	1074.38	850.48	184.51	5169.22	625.57	1161.8	-111.82	-360.8	77.65	892.86
2018-19	6524.83	1193.36	908.59	217.02	4734.22	544.91	953.83	-478.59	-240.91	172.85	130.18
2017-18	5138.01	1308.62	951.84	237.16	4271.75	571.19	896.96	-163.87	19.9	587.86	1039.05
2016-17	4001.33	1421.82	912.5	267.71	3751	745.37	790.56	-194.79	-12.02	1033.12	1902.69
2015-16	3247.95	1534.39	898.38	295.72	3355	625.03	437.05	-187.31	5.6	618.39	977.95



The financing pattern of fiscal deficit has undergone a compositional shift as reflected in Table 2.34.

Table 2.34: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2015-16	2016-17	2017-18	2018-19	2019-20
Composition of Fiscal Deficit						
1	Revenue Deficit (-)/ Surplus(+)	1558.27	790.32	(-)289.27	141.69	(-)2375.32
2	Capital Expenditure	3188.02	3293.57	1777.05	1480.87	883.22
3	Net Loans and Advances	20.70	26.37	5.32	0.52	3.02
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	355.47	753.38	1137.00	1386.83	2578.00
2	Loans from GoI	(-)25.71	(-)28.00	(-)30.55	(-)18.80	(-)32.21
3	Special Securities issued to NSSF	176.26	(-)112.57	(-)113.20	(-) 115.26	(-)118.98
4	Loans from Financial Institutions	166.48	14.12	39.34	(-) 43.25	(-)58.11
5	Small Savings, PF, etc.	340.04	396.01	520.75	462.47	435.00
6	Deposits and Advances	111.39	354.29	105.62	56.87	207.96
7	Suspense and Miscellaneous	(-)25.98	(-)7.48	30.92	(-) 314.73	366.78
8	Remittances	(-)11.35	6.41	(-)31.91	(-) 221.02	(-)119.89
9	Reserve Fund	(-)54.54	47.34	(-)174.19	(-) 26.27	80.66
10	Overall Deficit	1032.06	1423.50	1483.78	1166.84	3339.21
11	Increase/Decrease in cash balance and investment of cash balance	618.39	1106.12	587.86	172.86	77.65
12	Gross Fiscal Deficit	1650.45	2529.62	2071.64	1339.70	3261.56

The share of revenue deficit/surplus in fiscal deficit indicates the extent to which borrowed funds were used for current consumption.

Table 2.35: Receipts and Disbursements under components financing the fiscal deficit during 2019-20

(₹ in crore)

Particulars		Receipt	Disbursement	Net
1	Market Borrowings	2928.00	350.00	2578.00
2	Loans from GoI	0.06	32.27	(-)32.21
3	Special Securities issued to NSSF	-	118.98	(-)118.98
4	Loans from Financial Institutions	329.71	387.83	(-)58.12
5	Small Savings, PF, etc.	1624.53	1189.53	435.00
6	Deposits and Advances	613.21	405.25	207.96
7	Suspense and Miscellaneous	146.02	(-)220.76	366.78
8	Remittances	1090.63	1210.52	(-)119.89
9	Reserve Fund	248.88	168.22	80.66
10	Overall Deficit	6981.04	3641.83	3339.21
11	Increase(-)/Decrease in cash balance	968.52	1046.17	(-)77.65
12	Gross Fiscal Deficit	7949.56	4688.00	3261.56

2.6.2 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing.

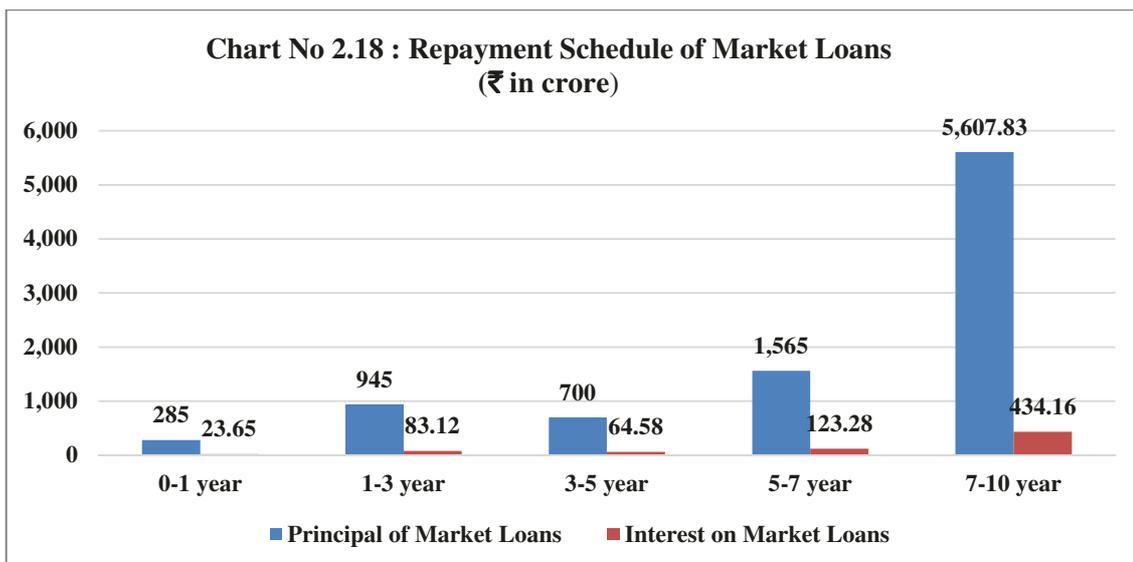
As on 31 March 2020, there was an outstanding Public Debt of ₹ 11,212.20 crore (Internal Debt: ₹ 11,027.69 crore and GoI loan: ₹ 184.51 crore) of which market loans bearing interest was ₹ 9,102.83 crore. Out of market loan of ₹ 9,102.83 crore, ₹ 285.00 crore will be matured next one to three years and ₹ 700 crore will be matured during next three to five years. Maximum amount of market loan bearing interest will be matured next seven to 10 years upto 2030 on which ₹ 425.02 crore will be paid as interest at the rate of 6.98 per cent to 8.82 per cent by the State Government. Maturity Profile of repayment of Public Debt is shown in **Table 2.36** and the repayment schedule of outstanding market loans with interest is shown in **Chart 2.18**.

Table 2.36: Debt Maturity profile of repayment of State public debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0 – 1	445.95	3.98
1 – 3	1246.89	11.12
3 – 5	979.56	8.74
5 – 7	1819.91	16.23
7 and above	6719.71	59.93
Others ¹¹	-	-
Total	11212.02¹²	100.00

¹¹ Payment schedule of this amount is not being maintained by the Accountant General (A&E)

¹² Excluding Market loans not bearing interest of ₹ 0.30 lakh and ₹ 17.99 lakh of Pre 1984-85 GoI loans



2.7 Debt Sustainability Analysis (DSA)

Debt sustainability is defined as the ability of the State to service its debt now and in future. However, the higher the level of public debt, the more likely it is that fiscal policy and public debt are unsustainable, as a higher debt requires a higher primary surplus to sustain it. A high level of debt raises a number of challenges:

- large primary fiscal surpluses are needed to service a high level of debt; such surpluses may be difficult to sustain, both economically and politically;
- a high level of debt heightens an economy’s vulnerability to interest rate and growth shocks;
- a high debt level is generally associated with higher borrowing requirements, and therefore a higher risk of a rollover crisis (i.e., being unable to fulfill borrowing requirements from private sources or being able to do so only at very high interest rates); and
- high levels of debt may be detrimental to economic growth; while lower growth is a concern in itself, it also has a direct impact on debt dynamics and debt sustainability in the long term.

Debt vulnerability is also associated with its profile. A high share of short-term debt at original maturity, increases vulnerability to rollover (re-financing risk) and interest rate risks. Sustainability of Public debt ensures that it does not explode and governments are not forced to increase taxes, or decrease spending.

Debt Sustainability Indicators

<p>Ratio of total outstanding debt to GSDP (<i>in per cent</i>)</p>	<p>The debt-to-GSDP ratio is the metric comparing a State’s public debt to its Gross State Domestic Product (GSDP). By comparing what a States owes with what it produces, the debt-to-GSDP ratio reliably indicates that particular State’s ability to pay back its debts.</p>
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	A falling debt/GSDP ratio can be considered as leading towards stability. If Debt/GSDP ratio is increasing rapidly and goes above a threshold, we can say that current level of the primary balance is not sufficient to stabilise the debt-to-GSDP ratio, which is on an explosive path. Sufficient fiscal adjustment should be made by reducing the fiscal deficit (primary balance) to a level necessary to make public debt sustainable.
Ratio of revenue receipts to total outstanding debt	If the ratio is increasing, it would be easy for the government to repay its debt using revenue receipts only without resorting to additional debt.
Ratio of State's own resources to total outstanding debt	If the ratio is increasing, it would be easier for the government to repay its debt using its own resources.
Percentage of outstanding amount of guarantees to total revenue receipts	Higher percentage of guarantees increase the fiscal risks. States have put statutory or administrative ceiling on Government guarantees. They are linked to State's revenue. The Tripura Government put a ceiling on government guarantees and provides that the total outstanding of Government guarantees as on the first day of April of any year shall not exceed one <i>per cent</i> of the GSDP.
Rate of Growth of Outstanding Public Debt <i>vis-à-vis</i> Rate of Growth of GSDP	If the growth rate of public debt is higher than the GSDP growth rate, it will lead to higher debt to GSDP ratio.
Average interest Rate of Outstanding Debt (Interest paid/OB of Public Debt + CB of Public Debt/2)	Higher interest rate means that there is scope for restructuring of debt.
Percentage of Interest payments to Revenue Receipt	Higher percentage of interest payments leaves less funds for priority areas. It measures the margin of safety a government has for paying interest on its debt during a given period. Governments need to have more than enough revenues to cover interest payments in order to survive future (and perhaps unforeseeable) financial hardships that may arise. If significant portion of borrowed funds are used for repayment of borrowings and interest thereon, the net debt available with State for development activities is curtailed.
Percentage of Public Debt Repayment to Public Debt Receipt	Higher the percentage, the greater the proportion of debt utilised for debt servicing rather than productively.

Net Debt available to the State	It is the excess of Public Debt Receipts over Public Debt repayment and Interest payment of Public Debt.
Debt Maturity profile of repayment of State debt – including default history, if any	A high share of short-term debt at original maturity, increases vulnerability to rollover (re-financing risk) and interest rate risks. The past record of repayments as per schedule in conjunction with the proportion of debt repayable in the forthcoming seven years, is indicative of debt servicing position.

From **Table 2.37** it appears that the growth rate of outstanding Public Debt rapidly increased from 10.48 *per cent* in 2016-17 to 26.78 *per cent* in 2019-20 and Debt/GSDP ratio increased from 16.73 *per cent* to 20.25 *per cent* during the same period. About nine *per cent* to 10 *per cent* of the revenue receipts were used by the State for payment of interest on the outstanding Public Debt at the average rate of interest ranged between 7.89 *per cent* to 8.51 *per cent* during last five years period from 2015-16 to 2019-20. About 22.56 *per cent* to 44.98 *per cent* of the Debt receipts was utilised for repayment of Debt during last five years period. As a result, 8.95 *per cent* to 49.61 *per cent* of the Debt receipt was available for utilisation for development activities by the State during last five years period 2015-20. However, during 2019-20, there was an amount of ₹ 1,616.32 crore available to the State Government from the borrowed fund after repayment of principal and interest during the year and it indicates that there was a sufficient primary balance in the State.

Fiscal space in general refers to the room a government has to undertake discretionary policy relative to existing plans without undermining debt sustainability or market access. Fiscal space can be gauged through a multi-faceted consideration of context, financing, fiscal indicators, and fiscal impacts.

Table 2.37: Trends in debt Sustainability indicators

(₹ in crore)

Debt Sustainability Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Public Debt*	5976.47	6603.03	7634.28	8843.80 ¹³	11212.20
Rate of Growth of Outstanding Public Debt	12.68	10.48	15.62	15.84	26.78
GSDP	35938	39479	43716	49845	55358
Rate of Growth of GSDP	21.68	9.85	10.73	14.02	11.06
Debt/GSDP	16.63	16.73	17.46	17.74	20.25
Debt Maturity profile of repayment of State debt – including default history, if any	447.28	512.63	269.00	498.05	889.07
Average interest Rate of Outstanding Public Debt (<i>per cent</i>)	8.51	8.36	8.15	8.20	7.89
Percentage of Interest payment to Revenue Receipt	7.74	8.23	8.81	8.47	10.23

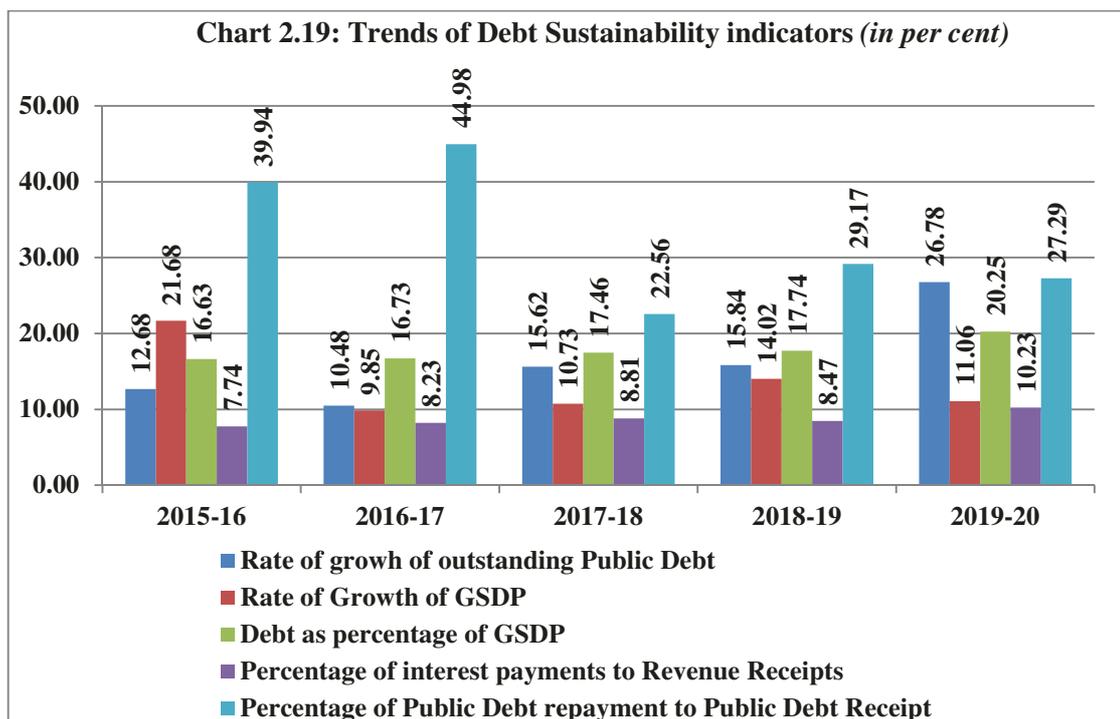
¹³ Inclusive of ₹ 0.30 crore transferred to MH-0075-800 as other receipts due to write off amount of excess repayment of loan by the Ministry during 2019-20

Percentage of Debt Repayment to Debt Receipt	39.94	44.98	22.56	29.17	27.29
Net Debt available to the State [#]	205.77	102.04	440.27	541.53	1616.32
Net Debt available as <i>per cent</i> to Debt Receipts	18.38	8.95	33.02	31.71	49.61
Debt Stabilisation (Quantum spread + Primary Deficit)	1708.16	1840.30	1460.35	873.49	2319.34

Source: Finance Accounts

* Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government

Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public Debt



2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to for capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable.

The trend of borrowing (public debt receipts) during the last five year period 2015-20 and utilisation are shown in **Table 2.38**. It shows that there is no fund available from the borrowing for meeting Revenue expenditure after repayment of earlier borrowing and capital expenditure except 2019-20. During 2019-20, an amount of ₹ 1,482.46 crore (45.51 *per cent*) of borrowed fund was available for meeting Revenue expenditure out of net availability of borrowed fund as there was a Revenue deficit of ₹ 2,375.32 crore (21.59 *per cent* of RE) during the year. As a result, the outstanding debt of the State increased to that extent during 2019-20.

Table 2.38: Utilisation of borrowed funds

(₹ in crore)

Year		2015-16	2016-17	2017-18	2018-19	2019-20
Total Borrowings	2	1119.79	1139.56	1333.41	1707.57	3257.77
Repayment of earlier borrowings (Principal) (percentage)	3	447.28 (39.94)	512.63 (44.98)	300.82 (20.17)	498.05 (29.17)	889.07 (27.29)
Capital expenditure (Percentage)	4	672.51 (60.06)	626.93 (55.02)	1032.59 (79.83)	1209.52 (70.83)	883.22 (27.11)
Net loans and advances	5	-	-	-	-	3.02 (0.09)
Portion of Revenue expenditure met out of net available borrowings	6=(2-3-4-5)	-	-	-	-	1482.46 (45.51)

Source: Finance Accounts

2.7.2 Status of Guarantees-Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The State Governments have come out with legislations or instructions with regard to cap on the guarantees.

As per the Guarantee Redemption scheme guidelines, the State Government had made a budget provision of ₹ 5.00 crore during the year 2019-20 for contribution to the guarantee redemption fund during the year.

During 2019-20, the Government had given fresh guarantee of ₹ 246.75 crore for repayment of loans raised by the Tripura Housing and Construction Board (₹ 200.00 crore); Tripura Power Corporation Ltd. (₹ 41.75 crore) and six cooperative Societies (₹ 5.00 crore) respectively.

The Government received ₹ 2.47 crore as guarantee fees on the fresh guarantee given during the year 2019-20. The State Government, however, transferred the guarantee fees of ₹ 4.47 crore to the guarantee redemption fund alongwith the non-transferred fee of ₹ 2.00 crore for the year 2018-19. After deletions of ₹ 35.85 crore during 2019-20, total outstanding guarantee stood at ₹ 734.57 crore including interest of ₹ 0.08 crore at the end of 31 March 2020 of which increased by 40.27 per cent as compared to previous year outstanding amount and 1.33 per cent of GSDP for the year.

Table 2.39: Guarantees given by the State Government

(₹ in crore)

Guarantees	2015-16	2016-17	2017-18	2018-19	2019-20
Maximum amount of guaranteed during the year	67.00	64.00	54.00	230.00	246.75
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	1 per cent of GSDP				
Outstanding amount of guarantees including interest	287.78	312.53	327.65	523.67	734.57

The break-up of outstanding guarantee is shown in **Table 2.40**.

Table 2.40: Details/ break-up of outstanding guarantee as on 31 March 2020

(₹ in crore)

Sector	Outstanding at the beginning of 2019-20	Additional during 2019-20	Outstanding as on 31-03-2020
1. Tripura Housing and Construction Board	Nil	200.00	200.00
2. Agartala Smart City	200.00	Nil	200.00
3. Power	117.82	41.75	159.57
4. Co-operation (6 Nos.)	205.85	5.00	175.00 ¹⁴
Total:	523.67	246.75	734.57

2.7.3 Management of Cash Balances

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government are revised by the RBI from time to time.

State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund as well.

It is not desirable that State Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use.

Under the agreement with the RBI, the State Government had to maintain a minimum cash balance of ₹ 29 crore with the bank.

The State Government had availed ₹ 176.66 crore as Special Drawing facility against the operative limit of ₹ 105.21 crore as on 31 March 2020 and repaid the same during the year 2019-20. **Table 2.41** depicts the cash balances of the State at the end of 31 March 2020 out of which an amount of ₹ 353.36 crore was held in cash balance investment account during the year. The trend in cash balance investment account during last five year period are shown in **Table 2.42**.

It is seen that the overall cash balance at the end of 31 March 2020 increased by ₹ 77.65 crore from ₹ 968.52 crore at the beginning of the year 2019-20. There was decrease of ₹ 298.98 crore (45.83 per cent) in cash balance investment account while investment in earmarked fund increased by ₹ 24.66 crore (8.24 per cent) at the end of 31 March 2020. The position of cash balances and resource of market loans are indicated in **Chart 2.20**.

¹⁴ Note: 6 Cooperative: (1) Tripura State Cooperation Bank Ltd.: ₹ 6.59 crore; (2) Tripura Cooperative Agricultural Development Bank Ltd.: ₹ 0.69 crore; (3) Tripura SC Cooperative Development Corporation Ltd.: ₹ 38.61 crore; (4) Tripura OBC cooperative Development Corporation Ltd.: ₹ 44.68 crore; (5) Tripura Minorities Cooperative Development Corporation Ltd.: ₹ 65.24 crore and (6) Tripura ST Cooperative Development Corporation Ltd.: ₹ 19.19 crore

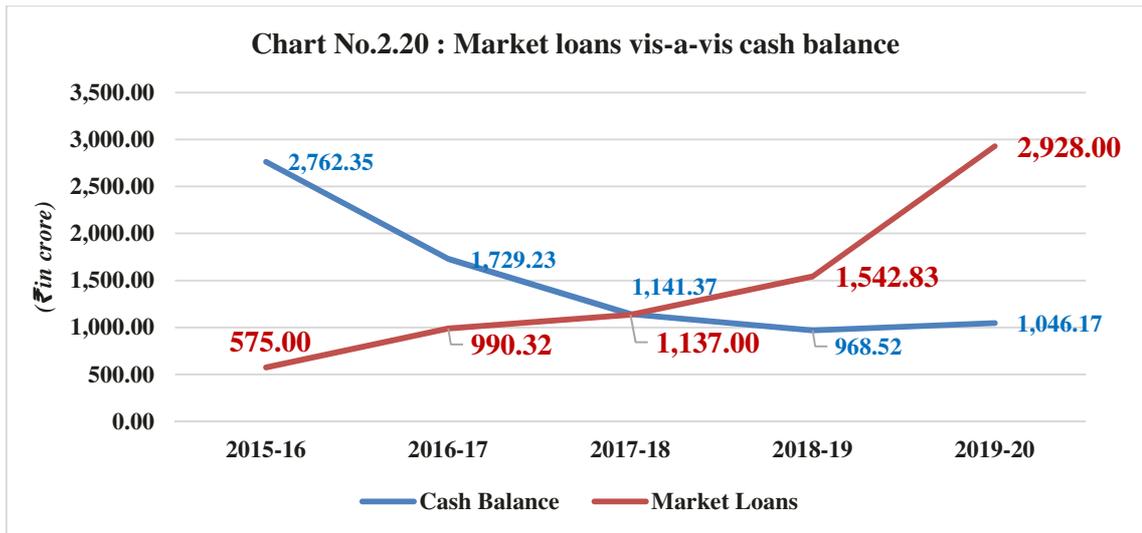


Table 2.41: Cash Balances and their investment

(₹ in crore)

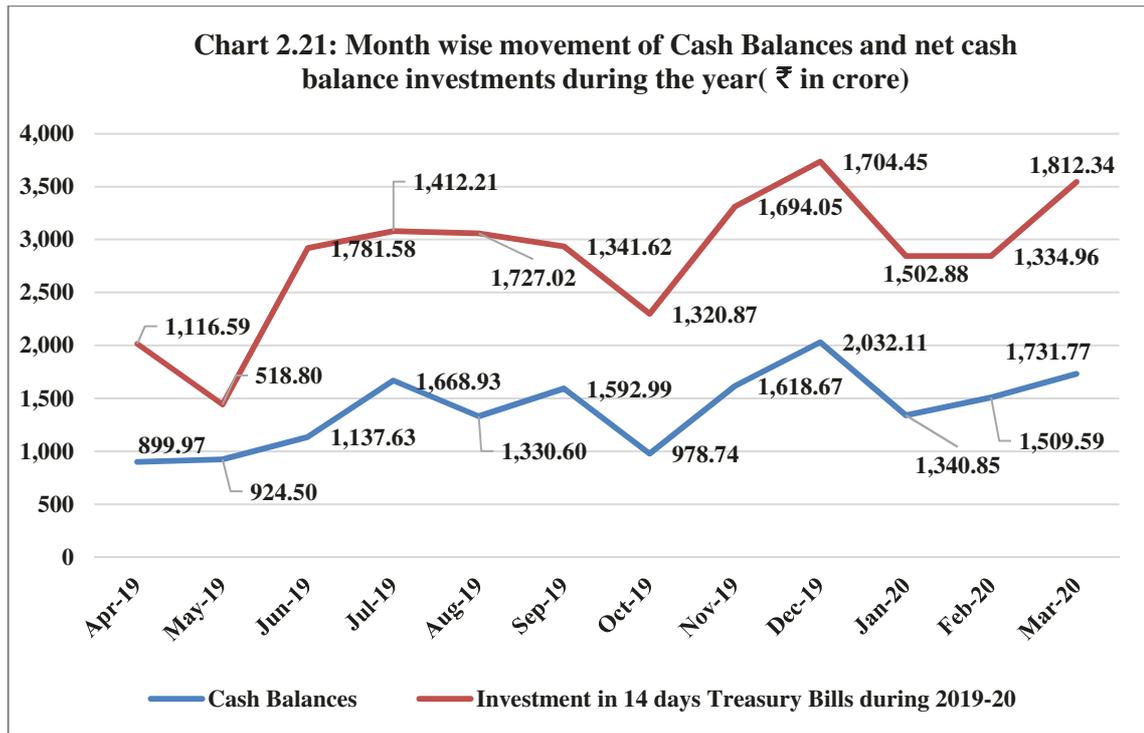
Particulars	Opening balance on 1 April 2019	Closing balance on 31 March 2020
A. General Cash Balance		
Cash in treasuries	(-)1.13	(-)1.13
Deposits with Reserve Bank of India	(-)14.02	340.98
Deposits with other Banks	-	-
Remittances in transit – Local	-	-
Total	(-)15.15	339.85
Investments held in Cash Balance investment account	652.34	353.36
Total (A)	637.19	693.21
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	32.02	28.97
Permanent advances for contingent expenditure with department officers	0.03	0.04
Investment in earmarked funds	299.28	323.95
Total (B)	331.33	352.96
Total (A + B)	968.52	1046.17
Interest realised	37.86	17.43

Source: Finance Accounts

Table 2.42: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2015-16	3380.74	2207.79	(-)1172.95	52.69
2016-17	2207.79	1356.72	(-)851.07	35.66
2017-18	1356.72	639.54	(-)717.18	37.41
2018-19	639.54	652.34	12.80	37.86
2019-20	652.34	353.36	(-)298.98	17.43



2.8 Conclusion

- The fiscal position of the State is viewed in terms of key fiscal parameters-Revenue deficit/surplus, fiscal deficit/surplus and primary deficit/surplus.

During 2019-20, the State had a Revenue deficit of ₹ 2,375.32 crore which was 4.29 *per cent* of GSDP during the year. Fiscal deficit was ₹ 3,261.56 crore during 2019-20 which was 5.89 *per cent* of GSDP and primary deficit was ₹ 2,136.58 crore (3.86 *per cent* of GSDP). Fiscal deficit target as percentage to GSDP was not achieved in 2019-20 and it was 5.89 *per cent* against the target of 3.25 *per cent*. The State however, achieved the target set in FRBM Act in respect of outstanding liabilities to GSDP in all five years of 2015-20 and it was 32.24 *per cent* in 2019-20 against the target of 34.16 *per cent* for the year.

- Revenue Receipts during the year 2019-20 were ₹ 11,001.59 crore which decreased by ₹ 1,029.30 crore (8.56 *per cent*) during the year. State's Own Tax increased by ₹ 335.88 crore (19.02 *per cent*) from ₹ 1765.91 crore (2018-19) to ₹ 2,101.79 crore (2019-20) while Non-Tax revenue decreased by ₹ 100.55 crore (27.02 *per cent*) during the year from ₹ 372.20 crore (2018-19) to ₹ 271.65 crore (2019-20). The State had collected ₹ 1,026.63 crore as GST during 2019-20, an increase of ₹ 49.19 crore over the previous year. The State did not receive any IGST share during the year 2019-20.
- Grants-in-aid from GoI decreased by ₹ 587.46 crore (11.74 *per cent*) from ₹ 5,003.83 crore (2018-19) to ₹ 4,416.37 crore (2019-20) and State's Share of Union taxes and Duties during 2019-20 also decreased by ₹ 677.17 crore (13.85 *per cent*) from ₹ 4,888.95 crore (2018-19) to ₹ 4,211.78 crore (2019-20).

- Revenue expenditure during the year 2019-20 was ₹ 13,376.91 crore (93.78 *per cent*) against the total expenditure of ₹ 14,263.88 crore. Moreover, there was a misclassification of ₹ 287.38 crore booked as Capital expenditure instead of Revenue expenditure which was given by the State Government as grants-in-aid to the local bodies or individual entities under various Central Schemes during the year, resulting in overstatement of Capital expenditure and understatement of Revenue expenditure to that extent during 2019-20. Committed expenditure like salary & wages, pension, interest payments steadily increased during the last five years' period (2015-20). The Committed expenditure during 2019-20 was ₹ 9,158.67 crore (83.25 *per cent* of the total Revenue receipts of ₹ 11,001.59 crore and 68.47 *per cent* of the total Revenue expenditure of ₹ 13,376.91 crore).
- Capital expenditure is the expenditure incurred for creation of fixed infrastructure assets such as roads, building, *etc.* It is noticed that during the year Capital expenditure decreased by ₹ 597.65 crore (40.36 *per cent*) from ₹ 1,480.87 crore during 2018-19 to ₹ 883.22 crore during 2019-20.
- During 2019-20, the State Government invested ₹ 69.33 crore in Government Companies, statutory corporation, co-operative societies and joint stock companies. As on 31 March 2020 the State Government made investment of ₹ 1,648.66 crore in those companies/ corporations and co-operative societies and got negligible amount of ₹ 7.94 crore as dividend during the year from two joint stock companies.
- The State Government did not make any contribution to the Consolidated Sinking Fund violating the extant Rules and the Government has deferred the minimum amount of ₹ 73.90 crore (0.50 *per cent*) payable on the total liabilities (₹ 14,779.22 crore) outstanding at the beginning of the year to future years. Further, the State Government short contributed ₹ 1.90 crore during 2019-20 in the State Disaster Response Fund as per the guidelines of the scheme. Grants in aid were booked under Capital Section instead of Revenue to the extent of ₹ 287.38 crore. All these items coupled with non-discharge of interest liability of ₹ 18.08 crore and short contribution of Government matching share towards the National Pension System (NPS) has impacted the revenue deficit with understatement of ₹ 381.38 crore and fiscal deficit by ₹ 94.00 crore.
- The State had given guarantees of ₹ 734.57 crore, including interest as on 31 March 2020.
- Salary and wages expenditure constituted 51.48 *per cent* of Revenue Receipts and 42.34 *per cent* of Revenue expenditure during the year 2019-20.
- The growth rate of outstanding Public Debt rapidly increased from ₹ 6,603.03 crore (10.48 *per cent*) from 2016-17 to ₹ 11,212.20 crore (26.78 *per cent*) in 2019-20 and Debt/GSDP ratio increased from 16.73 *per cent* to 20.25 *per cent* during the same period due to more borrowings from the open market. About nine to 10 *per cent* of the revenue receipts were used by the State for payment of interest on the

outstanding Public Debt at the average rate of interest ranged between 7.89 *per cent* to 8.51 *per cent* during last five years period from 2015-16 to 2019-20.

- As on 31 March 2020, the State had outstanding Market loan of ₹ 9,102.83 crore out of which ₹ 285.00 crore would mature in next one to three years and ₹ 700 crore would mature during next three to five years. Maximum amount of market loan bearing interest would mature in next seven to 10 years upto 2030 on which the State Government will pay ₹ 425.02 crore as interest at the rate of 6.98 *per cent* to 8.82 *per cent*.
- The State Government had availed ₹ 176.66 crore as Special Drawing facility against the operative limit of ₹ 105.21 crore as on 31 March 2020 and repaid the same during the year 2019-20. The cash balances of the State at the end of 31 March 2020 was ₹ 1,046.17 crore out of which, ₹ 353.36 crore was held in cash balance investment account during the year. It is not desirable that State Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use and further increasing its debt liabilities.

2.9 Recommendations

1. State Government may take necessary steps to reduce the Revenue and Fiscal deficits and to review the accounting treatment of the expenditure met out for grants-in-aid from the Capital account instead of Revenue Account as it affects the transparency of accounting and has significant impact on the computation of the Revenue Surplus/deficits.
2. State Government should review the functioning of its loss making State Public Sector Enterprises (SPSEs) in the State considering the investment as well as returns.
3. The State Government may contribute to the Consolidated Sinking Fund and State Disaster Response Fund as per the guidelines.

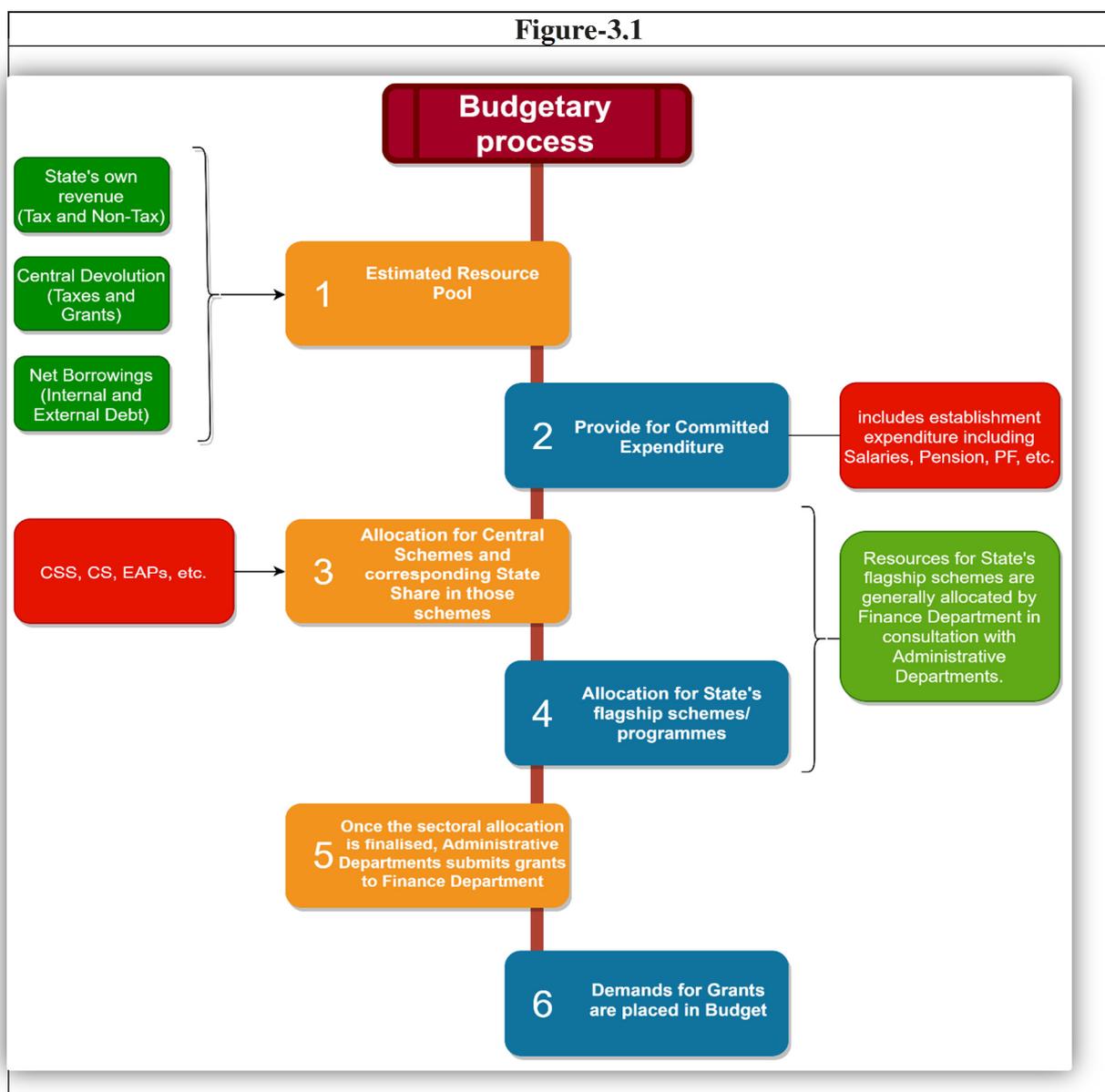
CHAPTER-III: BUDGETARY MANAGEMENT

CHAPTER-III

BUDGETARY MANAGEMENT

3.1 Budget Process

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



CSS: Centrally Sponsored Schemes; CS: Central Schemes

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

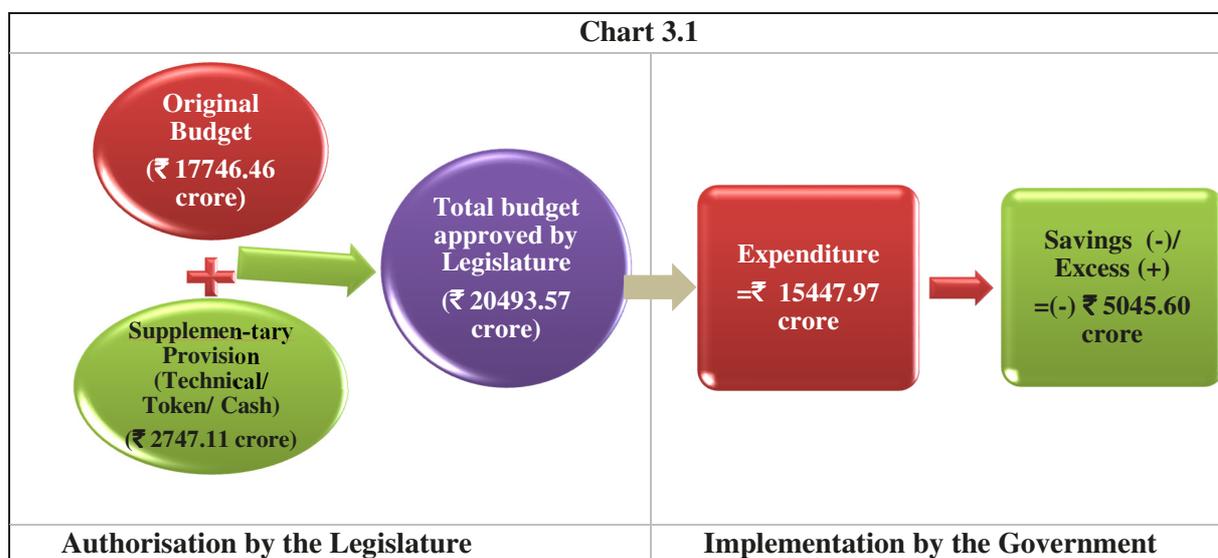
Article 202 of Constitution of India requires laying of a statement of the estimated receipts and expenditure of the State for that year, as the "Annual Financial Statement" before the House or Houses of the Legislature of the State. The Annual Financial Statement should show expenditure charged on Consolidated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

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

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

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

Apart from supplementary grant, Re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The various components of budget are depicted in the **Chart 3.1**.



Source: Appropriation Account

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

A summarised position of total budget provision, disbursement and saving/excess along with the bifurcation into voted/ charged during the year 2019-20 is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings/excess during the financial year
(₹ in crore)

Total Budget provision		Disbursements		Net Saving	
Voted	Charged	Voted	Charged	Voted	Charged
18430.53	2063.04	13403.99	2043.98	5026.54	19.06

Source: Appropriation Accounts

There was an overall saving of ₹ 5,054.47 crore offset by excess of ₹ 8.87 crore during the year 2019-20 resulting in net savings of ₹ 5,045.60 crore which was 24.62 per cent of total Grants/Appropriations and was 32.66 per cent of the expenditure.

3.1.2 Charged and voted disbursements

The break-up of total disbursement into charged and voted during the year 2015-20 are given in **Table 3.2**.

Table 3.2: Trend of disbursement into charged and voted during the year 2015-20
(₹ in crore)

Year	Disbursements			Net saving (-)			Per cent
	Voted	Charged	Total	Voted	Charged	Total	
2015-16	10479.11	1197.55	11676.66	(-) 4698.13	(-) 192.24	(-) 4890.37	41.88
2016-17	11530.50	1330.29	12860.79	(-) 4731.56	(-) 317.31	(-) 5048.87	39.26
2017-18	11317.09	1215.32	12532.41	(-) 4213.29	(-) 644.41	(-) 4857.70	38.76
2018-19	12403.28	1553.56	13956.84	(-) 3870.36	(-) 156.27	(-) 4026.63	28.85
2019-20	13403.99	2043.98	15447.97	(-)5026.54	(-) 19.06	(-) 5045.60	32.66

Source: Appropriation Account

It can be seen from **Table 3.2** that the percentage of savings to that of the expenditures ranged between 28.85 per cent in 2018-19 to 41.88 per cent in 2015-16. Large amount of savings in allocated funds indicate both inaccurate assessment of requirement as well as inadequate capacity to utilise the funds for the intended purposes.

3.2 Appropriation Accounts

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

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

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Expenditure incurred without authority of law

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

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

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

Scrutiny of Appropriation accounts revealed that an expenditure of ₹ 98.85 crore was incurred in 14 Grants/ Appropriations without any provision in the original estimates or supplementary demands, but through reappropriation without the knowledge of the Legislature. The expenditure incurred requires regularisation. The details of the scheme/ service where there were instances of incurring expenditure through reappropriation without the knowledge of the Legislature and which requires regularisation are given in **Appendix 3.1**.

There were 10 cases under six Grants/Appropriations, where expenditure of more than ₹ one crore in each case was incurred during the year without budgetary provision, of which, in four cases under three Grants (Grant No. 13: Public Works (R&B) Department, Grant No. 31: Rural Development Department and Grant No. 43: Finance Department), the amount involved in each of the cases was more than ₹ eight crore; However, Government did not furnish any reasons for incurring expenditure without budgetary provision.

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

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

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

Among the various major heads under 'K-Deposits and Advance', the major head '8443-Civil Deposits' had substantial accumulated balance (₹ 1,151.88 crore) at the end of March 2020 and major portion of this accumulation pertains to three minor heads '108-Public Works Deposits' (₹ 458.57 crore), '111-Other Departmental Deposits' (₹ 177.40 crore) and '800-Other Deposits' (₹ 121.51 crore). The details of the transactions under the major three Minor Heads subordinate to Major Head 8443-Civil Deposits during the year 2019-20 is given in **Table 3.3**.

Table 3.3: Transactions of the three minor heads under 8443-Civil Deposits during 2019-20

(₹ in crore)

Head of accounts	Opening balance as on 1 April 2019	Receipt during the year	Disbursement during the year	Closing balance as on 31 March 2020
8443: Civil Deposits, of which	945.60	567.74	361.46	1,151.88
108: Public Works Deposits	435.51	250.83	227.76	458.57
111: Other Departmental Deposits	193.68	32.28	48.55	177.40
800: Other Deposits	137.66	23.74	39.90	121.51

The details of the monthly transactions under the Minor Heads-800 subordinate to Major Head 8443-Civil Deposits during the year 2019-20 is given in **Table 3.4**.

Table 3.4: Transactions under minor heads 800-Other Deposits under 8443 during 2019-20

(₹ in crore)

Month	Receipt	Disbursement
April 2019	0.69	0.02
May 2019	3.12	0
June 2019	1.93	0
July 2019	0.18	0.73
August 2019	0.26	0.52
September 2019	0.38	0.02
October 2019	0.24	0.21
November 2019	0.12	0
December 2019	0.52	0
January 2020	0.35	0
February 2020	0.38	0.15
March 2020	15.57	38.25
Total	23.74	39.90

Source: VLC data

During the year 2019-20, the State Government transferred ₹ 5.20 crore from Capital Head of accounts to Deposit Head (MH 8443-Civil Deposits) through book adjustment. The detailed break-up is given in **Table 3.5**. Moreover, the reason for transfer of fund from Capital Head of Account to Deposit Head was not been intimated by the State Government.

Table 3.5: Funds transferred to Deposit Account 8443 from Capital Heads of account during 2019-20

(₹ in crore)

Sl. No.	Major Head of Account	Funds transferred to Major Head 8443- Civil Deposits
1	4055 Capital Outlay on Police	0.01
2	4059 Capital Outlay on Public Works	0.30
3	4070 Capital Outlay on other Administrative Services	0.42
4	4202 Capital Outlay on Education, Sports, Art and Culture	0.14
5	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	0.15
6	4401 Capital Outlay on Crop Husbandry	1.06
7	4403 Capital Outlay on Animal Husbandry	0.02
7	4405 Capital Outlay on Fisheries	0.28
8	4408 Capital Outlay on Food Storage and Warehousing	0.98
9	4415 Capital Outlay on Agricultural Research and Education	0.03
10	4435 Capital Outlay on other Agricultural Programmes	0.59
11	4552 Capital Outlay on North Eastern Areas	0.26
12	4701 Capital Outlay on Medium Irrigation	0.18
13	5055 Capital Outlay on Road Transport	0.78
	Total	5.20

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

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

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

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

deficit/surplus.

During the year 2019-20, there were cases of misclassification of expenditure of ₹ 287.38 crore of revenue nature as capital expenditure resulting in overstatement of capital expenditure and understatement of revenue expenditure and revenue deficit (-)/surplus (+) are given in detail in **Appendix 3.2**.

It can be seen from **Appendix 3.2**, the grants were booked under various central/State schemes like Mahatma Gandhi National Rural Employment Guarantee Scheme (₹ 97.49 crore), Pradhan Mantri Awas Yojna (₹ 50.00 crore), NER Urban Development Programme (₹ 39.15 crore), Rurban Mission (₹ 17.02 crore), MLA Local Area Development Programme (₹ 10.75 crore), Additional Central Assistance for Externally Aided Projects (EAPs) (₹ 10.05 crore), *etc.* under Capital Account instead of under Revenue Account. The owner(s) of the assets created were mainly either individuals or Local Bodies.

As per the Indian Government Accounting Standard (IGAS)-2, expenditure on Grants-in-Aid is to be classified as Revenue Expenditure. As in the previous years, the Government incorrectly classified the expenditure of ₹ 287.38 crore as Capital Expenditure in violation of the Accounting Standards. This led to overstatement of Capital Expenditure and understatement of Revenue Deficit for the year 2019-20 to that extent. The five years trend of misclassification of Revenue expenditure as Capital expenditure and its impact on Revenue deficit/ surplus is discussed at **Paragraph 3.3.8**.

3.3.4 Unnecessary or excessive supplementary grants

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

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

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

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

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

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

The Tripura Budget Manual, 1998 (Para 23 of Chapter-IV) provides that, "When unforeseen circumstances make it necessary to incur expenditure not contemplated in the Appropriation Act, every effort should be made to meet it from savings elsewhere within the same grant (voted or charged, as the case may be) by postponement or curtailment of less urgent expenditure. Only if it is not possible to make the requisite funds available by this means, recourse should be had to supplementary estimate after Finance Department agreeing in writing or allocating additional fund. The responsibility in regard to proposals for supplementary estimates rests on the Finance Department. Greatest care should be taken while preparing proposals for supplementary estimates since if on the closing of the accounts any supplementary Grants or Appropriation actually obtained are found to have been unnecessary or excessive, the Audit will draw attention to the fact in the Audit Report on the Appropriation Accounts and the action of the department will attract the criticism of the Public Accounts Committee".

Scrutiny of Appropriation Accounts for the year 2019-20, Government of Tripura revealed that supplementary provisions of more than ₹ 50 lakh were obtained in each cases under 34 Grants/Appropriation even though the actual expenditure were less than the original provision. In 25 Grants/Appropriation out of 34, the savings were more than ₹ 10 crore under each Grants/Appropriation and in six cases, the saving were more than ₹ 100 crore each. Thus, supplementary provision proved unnecessary in all the cases. The details of Grants/Appropriation where supplementary provision of ₹ 50 lakh or more were obtained in each cases even when the expenditure was less than the original provision, which proved unnecessary, are given in **Appendix 3.3**.

Scrutiny of Appropriation Accounts for the year 2019-20 revealed that in respect of three Grants/Appropriations, supplementary provision was insufficient as compared to the requirement, resulting in excess expenditure by more than ₹ 100 lakh in each cases during the year, which is requires regularisations as per Article 205 of the Constitution. Details are given below in **Table 3.6**.

Table 3.6: Details of insufficient Supplementary provision

(₹ in lakh)

Sl. No.	Grant No. and name	Original provision	Actual expenditure	Suppl. required	Suppl. obtained	Excess expenditure
	Revenue- Voted					
1	48: High court	29.50	282.74	253.24	112.05	141.19
2	58: Home (FSL, PAC, Prosecution & Co-ordination Cell) Department	454.28	880.83	426.55	112.10	314.45
	Capital- Charged					
3	43: Finance Department	61849.37	87306.09	25456.72	25025.38	431.34
	Total	62333.15	88469.66	26136.51	25249.53	886.98

3.3.5 Unnecessary or excessive re-appropriation

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

Scrutiny of detailed Appropriation Accounts for 2019-20 revealed that in 27 Grants/Appropriations, there were 67 cases under various Major Heads, where the actual expenditure was less than the original/supplementary provisions. However, provision was added by re-appropriation resulting in unnecessary re-appropriation as detailed in **Appendix 3.4**.

Further, scrutiny of Appropriation Accounts for the year 2019-20 as revealed that there was reduction of provision by re-appropriation in 15 cases under five Grants/Appropriations during the year where the expenditure in each case was more than the original provision. But, despite the expenditure being more than the original provision, the original provisions were further reduced through re-appropriation resulting in excess expenditure under each Sub-head as given in **Appendix 3.5**. Out of the 15, in five cases, the excess expenditure were more than ₹ five crore each.

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

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

No object is served by keeping back savings which should ideally be surrendered in time. For this reason, appropriations which are likely to remain unspent must be reported for surrender as early as possible. If this is not done, other spending Departments are deprived of the funds which they could have utilised and thus avoidable demands for Supplementary Grants are preferred. Surrenders are being made generally in the month of March, and a careful study of figures of expenditure incurred and watch over the progress of last month's expenditure should enable a Controlling Officer to fix upon his final requirements with a reasonable degree of exactness.

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

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

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

The monetary limits of savings/excesses to be commented upon in the Appropriation Accounts as approved by the PAC in May 2008 are shown in **Table 3.7**.

Table 3.7: Monetary limits of savings/excesses to be commented upon

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

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

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

Scrutiny of Appropriation Accounts for the year 2019-20 revealed that, in six out of 62 Grants/Appropriations, there were savings of more than ₹ 100 crore during 2019-20 and in two cases, the savings constituted over 40 *per cent* of the budget allocation in the respective Grants/Appropriations. The details of the Grants/Appropriations where saving was more than ₹ 100 crore during the year 2019-20 are given in **Appendix 3.6**.

In 19 out of 62 Grants/Appropriations where Budget allocation during the year 2019-20 was more than ₹ one crore in each cases, the expenditure during the year was less than 50 *per cent* of the total budget provision for the year. The details of the Grants/Appropriations where the budget allocation during the year 2019-20 was more than ₹ one crore, but the expenditure during the year was less than 50 *per cent* of the total budget are given in **Appendix 3.7**.

It can be seen from **Appendix 3.7** that, most of the grants relate to developmental schemes in housing, irrigation, medical & health, education, rural and urban infrastructure, education and welfare sectors. Government has not been able to ensure that clearances and sanctions are accorded on time so as to ensure that the envisaged benefits accrued to the targeted beneficiaries.

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

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

Scrutiny of Appropriation Accounts for the year 2019-20 revealed that, in nine Grants/Appropriations, a total of ₹ 6.08 crore provision was provided for the year 2019-20, but no expenditure was incurred during the year as detailed in **Table 3.8**.

Table 3.8: Grants/Appropriation with nil expenditure during 2019-20

(₹ in crore)

Sl. No.	Grant No. and Name	Original	Suppl.	Total	Exp.	Savings
	Revenue-Charged					
1	29: Animal Resource Development Department	0.32	0	0.32	0	0.32
2	35: Urban Development Department	1.20	0	1.20	0	1.20
	Capital-Voted					
3	23: Panchayati Raj Department	0.02	0	0.02	0	0.02
4	33: Science, Technology and Environment Department	0.50	0	0.50	0	0.50
5	36: Home (Jail) Department	0.48	0	0.48	0	0.48
6	56: Information Technology Department	2.00	0	2.00	0	2.00
7	59: Tourism Department	0.10	0	0.10	0	0.10
8	61: Welfare of Other Backward Classes Department	0.76	0	0.76	0	0.76
9	62: Education (Elementary) Department	0.20	0	0.20	0	0.20
	Capital-Charged					
10	35: Urban Development Department	0.50	0	0.50	0	0.50
	Total	6.08		6.08		6.08

3.3.6.1 Persistent Savings in Grants/Appropriations

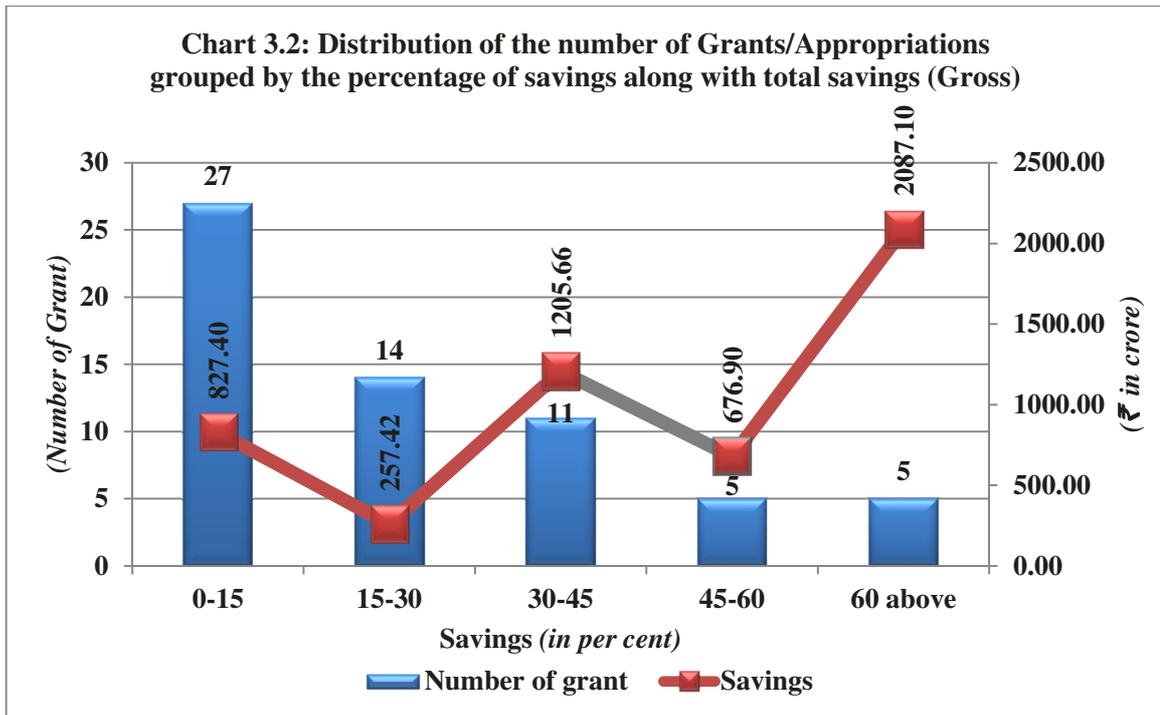
During the last five years from 2015-16 to 2019-20, there were persistent savings of more than ₹ one crore in 52 cases (33 cases in revenue and 19 cases in capital heads of account). The number and name of Grants/Appropriations where persistent savings of more than ₹ one crore occurred in each case during the last five years are shown in **Appendix 3.8**.

During the five-year period 2015-16 to 2019-20, out of 52 cases of persistent savings of more than ₹ one crore, savings of more than ₹ 10 crore in each year occurred in 17 cases under revenue heads. In the capital heads, there were persistent savings of more than ₹ 10 crore each year in 10 cases; in one case, the savings were more than ₹ 100 crore. The Grant/Appropriation where persistent savings of more than ₹ 100 crore occurred during 2015-16 to 2019-20 is Grant No. 31- Rural Development Department (Capital).

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

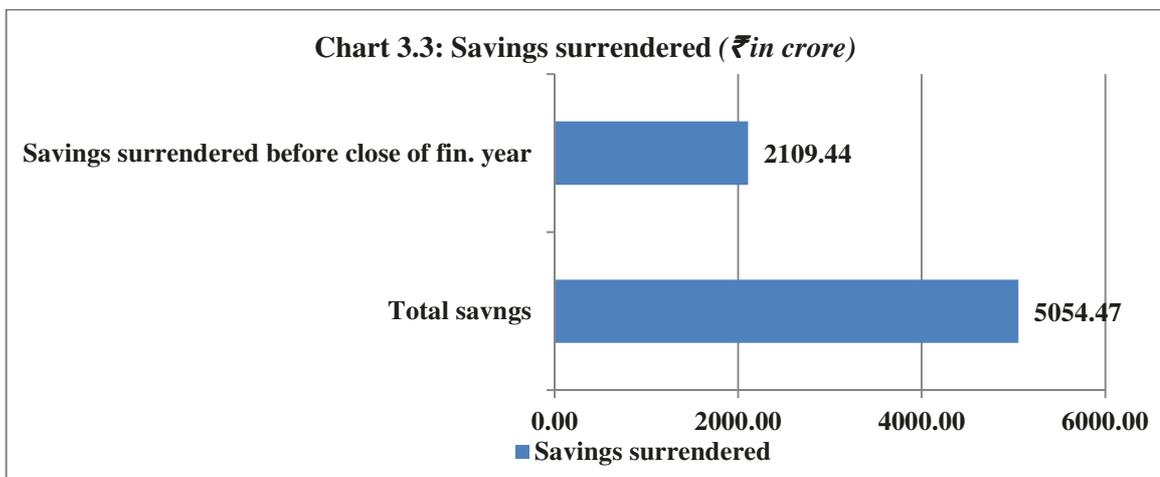
The issue of persistent savings is being pointed out every year in the State Finances Audit Report of the Comptroller and Auditor General of India. However, no corrective measures have been taken by the departments concerned for minimising the savings, as savings continued in most of the departments even during 2019-20. The detail of surrender of funds of more than ₹ 10 crore at the end of March 2020 are given in **Appendix 3.9**.

Analysis of the percentage of savings across the 62 Grants/Appropriations revealed that 60 *per cent* and above of the total savings in Grants/Appropriation occurred in five Grants/Appropriation amounting to ₹ 2,087.10 crore, 45 *per cent* to 60 *per cent* of the total savings in Grants/Appropriation occurred in five Grants/Appropriation amounting to ₹ 676.90 crore and 30 *per cent* to 45 *per cent* of the total savings in Grants/Appropriation occurred in 11 Grants/Appropriation amounting to ₹ 1,205.66 crore. A savings of below 30 *per cent* of the total savings in Grants/ Appropriation occurred in 41 Grants/ Appropriation amounting to ₹ 1,084.82 crore. The details of distribution of the number of Grants/ Appropriations grouped by the percentage of savings along with total savings in each group are given in **Chart 3.2**.



3.3.6.2 Savings and surrenders before close of financial year 2019-20

During the year 2019-20, there was overall savings of ₹ 5,054.47 crore, of which, ₹ 2,109.44 crore was surrendered up to the end of March 2020 as detailed in **Chart 3.3**.



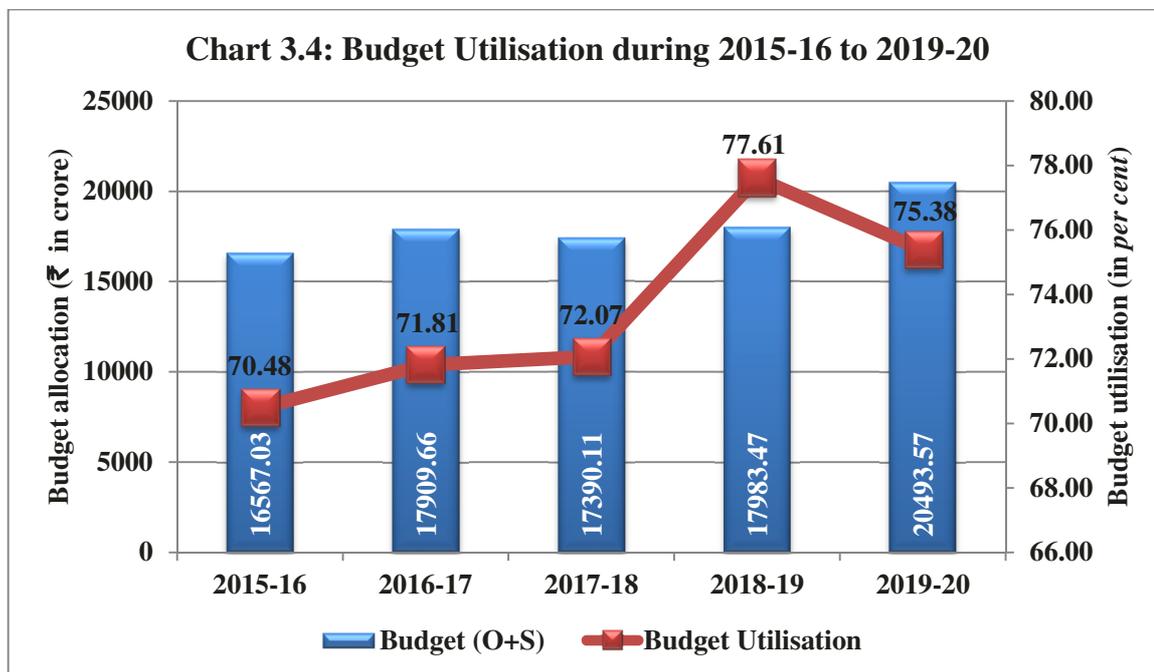
Source: Appropriation Accounts 2019-20

Non-surrendering of anticipated savings on time not only deprives the other needy Departments of resources, but also reflects on the unrealistic nature of budget preparation process and lack of efficiency in budget management. It also clearly shows that the State Government prepared a budget which it did not have the ability to implement and/or its Departments have not done the ground work to be able to utilise the allocated funds within the envisaged timeframe.

3.3.6.3 Budget utilisation during 2015-16 to 2019-20

Optimal utilisation of allocated budget indicates the extent of realistic budgeting and ensuring of the actual utilisation of funds in a time bound manner for the purpose for

which these provision are made. During the last five years from 2015-16 to 2019-20, the budget utilisation of the State increased from 70.48 per cent in 2015-16 to 77.61 per cent in 2018-19 which decreased to 75.38 per cent in 2019-20 as detailed in **Chart 3.4**.



As can be seen from the Chart above, utilisation of budget ranged between 70.48 per cent in 2015-16 to 77.61 per cent in 2018-19 and to 75.38 per cent in 2019-20.

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

3.3.7 Excess expenditure and its regularisation

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

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

3.3.7.1 Excess expenditure relating to the year 2019-20

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with budget made for the

purpose. Cases of excess expenditure over the provision of the financial year are to be carefully examined.

During 2019-20, there was an excess of the budget provision in three Grants/Appropriations which was required to be regularised by the State Legislature as per Article 205 of the Constitution. The details of the Grants/Appropriation in which the excess expenditure occurred are shown in **Table 3.9**.

Table 3.9: Grants/Appropriations where excess expenditure (Net) were incurred over budget provision during the year 2019-20 which are required to be regularised

(₹ in crore)

Sl. No.	No. and Grant name/Department	Revenue-Voted	Capital-Charged	Total Excess
1	48: High Court	1.41	0	1.41
2	58: Home (FSL, PAC, Prosecution & Co-ordination Cell) Department	3.15	0	3.15
3	43: Finance Department	0	4.31	4.31
	Total	4.56	4.31	8.87

Note: The excess expenditure are the net figure after adjustment of savings in some other Heads of accounts under the same Grant/Appropriations

The detailed Major Head wise excess expenditure (Gross) over the authorisation from the Consolidated Fund of State during 2019-20 is given in **Appendix 3.10**.

3.3.7.2 Regularisation of excess expenditure of previous financial years

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a Grant/Appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC).

Expenditure incurred in excess of the budget provision under both Voted and Charged categories by various departments of the State Government are being reported every year in the Reports of the Comptroller and Auditor General of India on the State Finances of Government of Tripura.

As of 31 March 2019, total amount of ₹ 178.47 crore exceeded budgetary allocation pertaining to the years 2013-14 to 2018-19. The Government informed (May 2020) that excess expenditure of ₹ 157.53 crore for the year 2013-14 to 2017-18 were regularised by presenting the Tripura Appropriation Bill, 2020 (Bill No. 07 to 11) in the Tripura Legislative Assembly and the Tripura Legislative Assembly passed (April 2020) “The Tripura Appropriation Acts, 2020” (Acts No. 4 to 8) and thereby regularised the excess expenditure upto the year 2017-18. However, the excess expenditure of ₹ 20.94 crore over budgetary provision pertaining to the year 2018-19 was not regularised as of 31 March 2020 as given in **Table 3.10**.

Table 3.10: Grants with excess expenditure over budget during 2018-19 requiring regularisation*(₹ in crore)*

Year	Number and details of Grants/Appropriations	Excess over provision	Status of regularisation
2018-19	9 (14, 19, 23, 25, 26, 33, 42, 51, 59)	20.94	Not regularised as of 31 March 2020
	Total:	20.94	

Such excess expenditure over budgetary allocation is a matter of concern, as it is indicative of poor budgetary management and dilutes legislative oversight over public funds. Government needs to view this seriously and take appropriate corrective measures. The details of the Grant/Appropriation where excess expenditure over budget provision occurred during the previous year 2018-19, which require regularisations by the State Legislature are given in **Table 3.11**.

Table 3.11: Excess expenditure relating to the year 2018-19 requiring regularisation*(₹ in lakh)*

No. and Name of the Grant/Appropriation	Total Grant/Appropriation	Total expenditure	Excess expenditure
2018-19			
Revenue – Charged			
19: Tribal Welfare Department	0	8.08	8.08
26: Fisheries Department	76.10	79.43	3.33
51: Public Works (Drinking Water and Sanitation) Department	350.00	364.43	14.43
Capital – Voted			
14: Power Department	3,472.03	4,709.92	1,237.89
23: Panchayati Raj Department	122.15	224.56	102.41
25: Industries & Commerce (Handloom, Handicrafts and Sericulture) Department	1,577.82	1,693.20	115.38
26: Fisheries Department	578.57	763.71	185.14
33: Science, Technology and Environment Department	299.62	512.16	212.54
42: Education (Sports and Youth Programme) Department	262.55	475.62	213.07
59: Tourism Department	68.00	70.00	2.00
Total	6,806.89	8,901.11	2,094.27

3.3.8 Grant-in-aid for creation of capital assets

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

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

The extent of classification of GIA as Capital Expenditure and the resultant impact on revenue deficit/surplus, if expenditure from GIA is treated as Revenue Expenditure is shown in **Table 3.12**.

Table 3.12: Extent of classification of GIA as Capital Expenditure

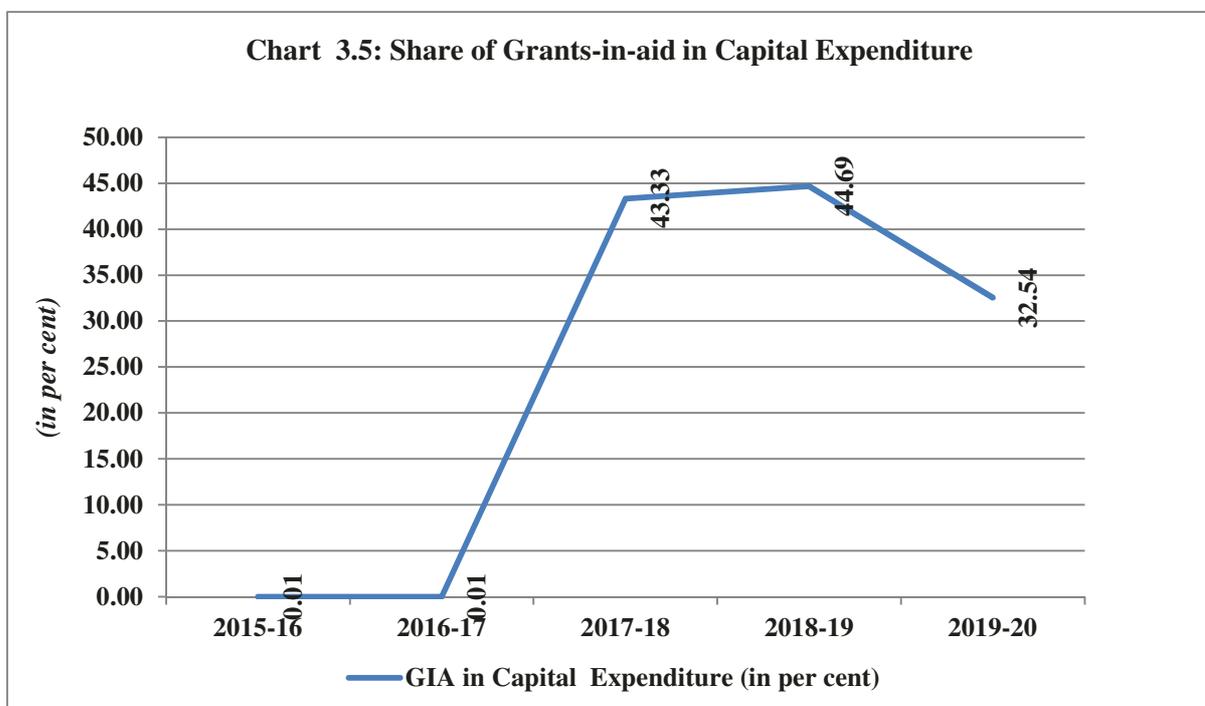
(₹ in crore)

Years	2015-16	2016-17	2017-18	2018-19	2019-20
GIA booked as Capital Expenditure	0.41	0.40	770.06	661.74	287.38
Total Capital Expenditure	3188.02	3293.57	1777.05	1480.87	883.22
Share of GIA in Capital Expenditure (in per cent)	0.01	0.01	43.33	44.69	32.54
Impact on Revenue Deficit (-)/ Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	1557.86	789.92	(-) 1059.33	(-) 520.05	(-) 2662.70

It can be seen from **Table 3.12** that, if the State Government had classified Grants-in-Aid for creation of Capital assets as revenue expenditure as per IGAS-2 instead of capital expenditure, the Revenue Surplus for the year 2015-16 and 2016-17 would be reduced and the Revenue Surplus of ₹ 141.69 crore in 2018-19 would be actually a Revenue Deficit of (-) ₹ 520.05 crore.

Share of Grants-in-aid in Capital Expenditure

The share of Grant-in-aid in Capital expenditure during the last five years are given in **Chart 3.5**.



3.4 Comments on effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprives other departments of the funds which they could have utilised.

The summarised position of budget including supplementary budget, actual expenditure, and excess/saving during 2019-20 against 62 Grants/ Appropriations (61 Grants and one Appropriation) is given in **Table 3.13**.

Table 3.13: Summarised position of Actual Expenditure vis-à-vis Budget (Original/Supplementary) provisions during the financial year 2019-20

(₹ in crore)

	Nature of expenditure	Original Grant/ App.	Suppl Grant/ App.	Total	Actual exp.	Net Savings (-)/ Excess (+)	Surrender in March	
							Amount	Per cent
Voted	I. Revenue	13190.85	2171.91	15362.76	12441.87	(-) 2920.89	588.92	20.16
	II. Capital	2896.57	167.42	3063.99	958.37	(-) 2105.62	1518.96	72.14
	III. Loans & Advances	2.02	1.76	3.78	3.75	(-) 0.03	0.00	--
	Total	16089.44	2341.09	18430.53	13403.99	(-) 5026.54	2107.88	41.94
Charged	IV. Revenue	1021.48	154.58	1176.06	1154.92	(-) 21.14	1.10	5.20
	V. Capital	0.00	0.00	0.00	0.00	0.00	0.00	--
	VI. Public Debt- Repayment	635.54	251.44	886.98	889.06	(+) 2.08	0.46	--
	Total	1657.02	406.02	2063.04	2043.98	(-) 19.06	1.56	8.18
	Grand Total	17746.46	2747.11	20493.57	15447.97	(-) 5045.60	2109.44	41.81

Source: Appropriation Accounts

Note: Supplementary for L&A was ₹ 1.75 crore but taken as ₹ 1.76 for overall balancing of rounding figures

As can be seen from **Table 3.13** that the overall net savings of ₹ 5,045.60 crore was 24.62 per cent of total Grants/Appropriations and was almost twice the size of the supplementary budget of ₹ 2,747.11 crore obtained during the year, which raises questions about the budget formulation process.

Utilisation of budgeted funds by the State was sub-optimal to some extent every year during the past five years. The extent of savings during the last five years is given in **Table 3.14**.

Table 3.14: Original Budget, Revised Estimate and Actual Expenditure during 2015-20
(₹ in crore)

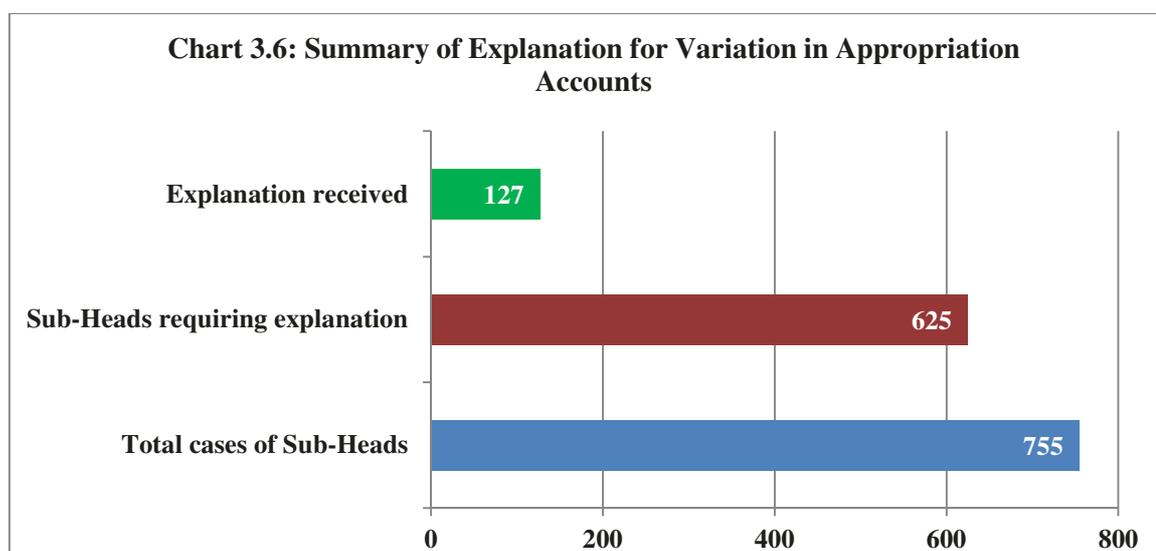
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Original Budget	15176.00	15483.77	16228.76	16627.20	17746.46
Supplementary Budget	1391.03	2425.89	1161.35	1356.27	2747.11
Revised Estimate	16567.03	17909.66	17390.11	17983.47	20493.57
Actual Expenditure	11676.66	12860.79	12532.41	13956.84	15447.97
Saving (-) /excess (+)	(-) 4890.37	(-) 5048.87	(-) 4857.70	(-) 4026.63	(-) 5045.60
Percentage of Saving	29.52	28.19	27.93	22.39	24.62

As can be seen from **Table 3.14**, utilisation of budget during the last five years was above 70 per cent.

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

Audit of Appropriation Accounts of 2019-20 revealed that, in many cases, the Controlling Officers have not provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocations and were not precise even where the explanations were provided. Scrutiny revealed that, augmentation/reduction of provision through re-appropriation/supplementary grant was stated to be “based on actual requirement”. However, excess expenditure/savings in each of the Sub-Heads within the grants that received re-appropriation/supplementary provision would indicate that there was no requirement of additional funds.

During the year 2019-20, the State Government operated 99 Sub-heads under 62 Grants/Appropriations. It is noticed that these Grants/Appropriations operated sub-heads in 755 cases. Out of the 755 cases, explanation for variation was required in 625 cases but the explanation was received in respect of only 127 cases as shown in **Chart 3.6**.



Ambiguous response of the Controlling Officers or absence of explanation for variation

between the budgeted allocation and its utilisation limits legislative control over budget as a means of ensuring financial accountability of the Government.

3.4.2 Supplementary budget and opportunity cost

At times, while obtaining supplementary provision, the departments report to legislature large additional requirement for different purposes under various schemes/activities; but finally they are unable to spend not only the entire supplementary provision or parts thereof but also the original budget provision. As a result, the unutilised funds could not be made use of. At the same time, some of the schemes remained incomplete due to want of funds. Thus, the intended benefit of the unfinished schemes could not be extended to the public at a large in such cases. Further, this leads to escalation of project cost.

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

Scrutiny of Appropriation Accounts for the year 2019-20 revealed that unnecessary excessive budget/supplementary provision were obtained in some grants leading to savings while some major projects/schemes remained incomplete due to non-availability of fund. The cases where unnecessary excessive budget/supplementary provision in some grants in excess of ₹ five crore provision and savings of more than 30 per cent are given in **Appendix 3.11**.

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

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

Every year, the State Finance Minister delivered Budget Speech in the Tripura Legislative Assembly. The Budget Speech provides an overview of the economy of the previous and current years, and also gives Budget Estimates for the next financial year, covering the prevailing economic situation of the State. The Budget Speech also

provides the broad framework of expenditure in details for the current financial year in different sectors and explains the priorities of the Government by way of pronouncement of new policy initiatives/ schemes for the social and economic welfare of the people of the State. The Budget Speech also specifies the focus areas of the State Government.

In the Budget Speech 2019-20, the Finance Minister mentioned some policy initiatives/schemes for implementation in the State for the financial year 2019-20 for the social and economic welfare of the people of the State. The details of policy decisions/schemes initiated by the State Government with budget provision but no expenditure were incurred as furnished by the State Government departments are given in **Table 3.15**.

Table 3.15: Details of the schemes for which provision (say ₹ one crore and above) was made but no expenditure was incurred

(₹ in crore)

Department Name	Account Head description	Scheme Name	Approved outlay	Revised outlay	Actual expenditure
30: Forest	2406: Forestry and Wildlife				
	01: Forestry				
	101: Forest Conservation, Development and Regeneration				
	91: Central Assistance to State Plan				
	42: Conservation of Natural Resources and Ecosystem				
	27: Minor Works		1.63	NA	Nil
19: Tribal Welfare	4225: Capital Outlay on welfare of Sc, ST, OBC and Minorities	Construction of 100 seated ST Boys College Hostel at Shillong for ST Student of Tripura			
	02: Welfare of Scheduled Tribes				
	796: Tribal Area Sub-Plan				
	88: CS Scheme-III				
	19: Construction of Boys/Girls Hostel				
	53: Major works		4.00	--	Nil

3.4.4 Rush of expenditure

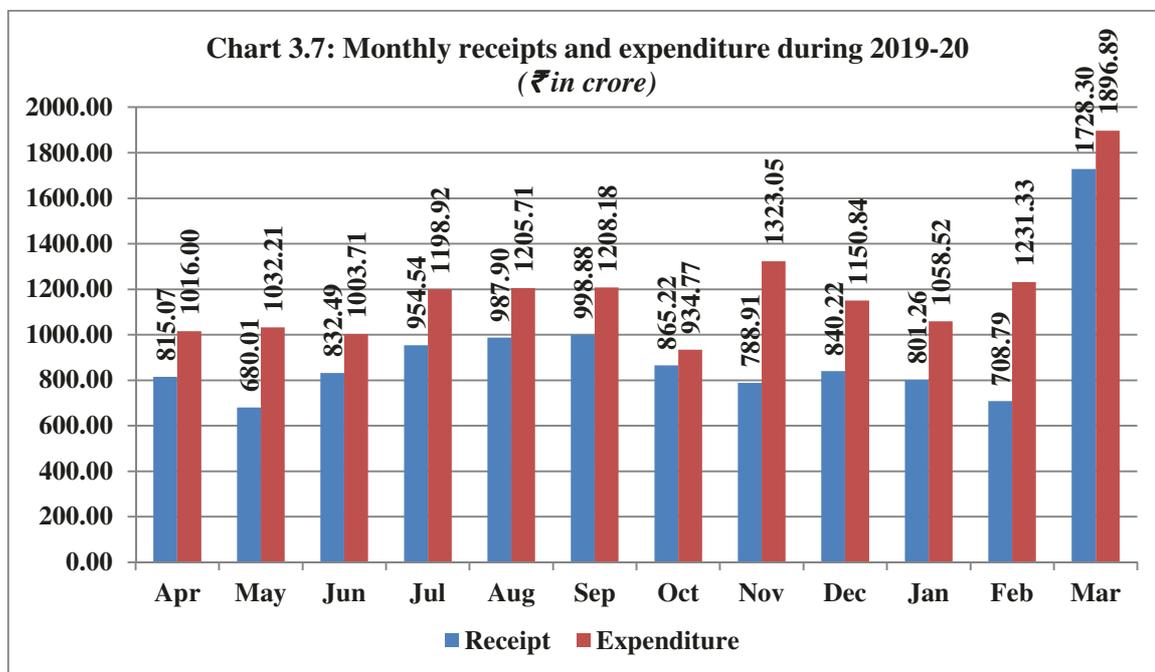
Government funds should be evenly spent throughout the year. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Instructions regarding this are available in Budget Manual, Finance Department OMs, etc. Maintaining a steady pace of expenditure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

Financial Rules¹ envisage that rush of expenditure, particularly in the closing months of the Financial year, shall be regarded as a breach of financial propriety and shall be avoided.

¹ Rule 62(3) of GFR, 2017

There are instances where entire expenditure was incurred during the last month of the financial year, i.e, March 2020 in certain Sub-Heads under various Grants/Appropriations. The details of the Sub-Heads of account where the entire expenditure was incurred in March, 2020 are also given in **Appendix 3.12**.

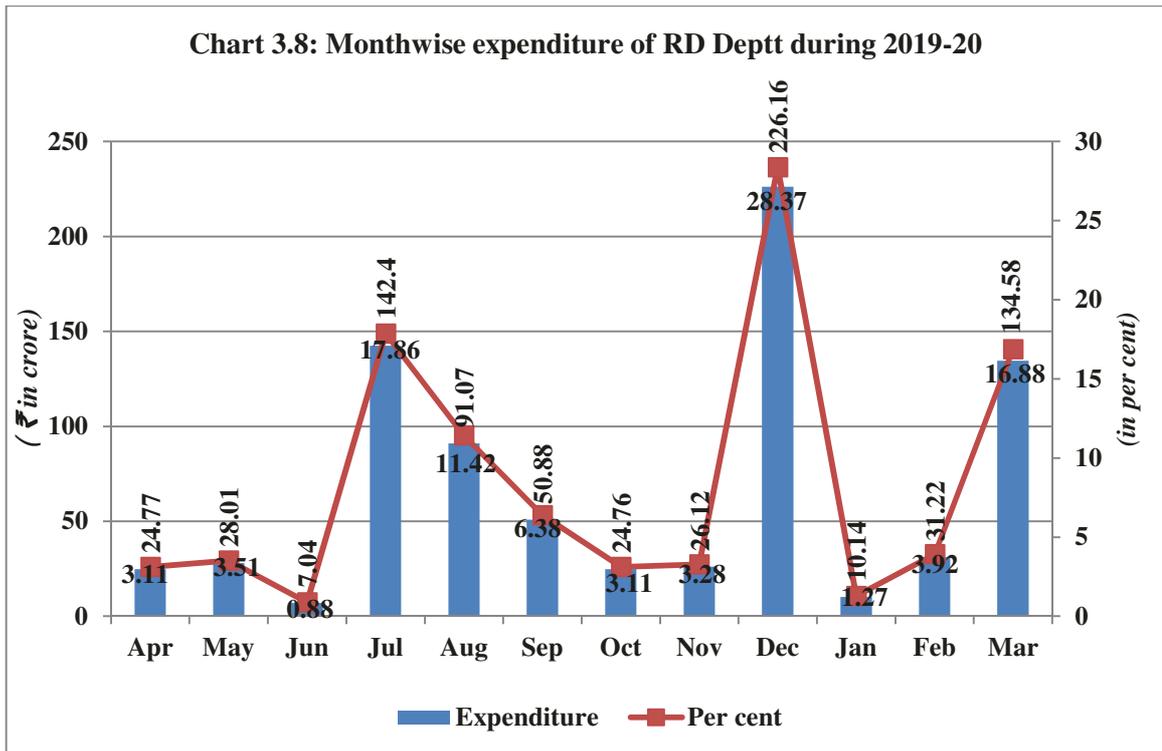
The trend of receipts and expenditure during the year 2019-20 are given in **Chart 3.7**.



Source: VLC data

It can be seen from **Chart 3.7** that, during March 2020, the State Government incurred expenditure of ₹ 1,896.89 crore against the expenditure of ₹ 1,231.33 crore in February 2020 which also constitutes 109.75 per cent of revenue receipts of ₹ 1,728.30 crore during the month of March 2020.

Expenditure of the departments of the State are to be more or less uniform throughout the year. But, it has been seen that rush of expenditure does occur at the fag end of the year. The Department should avoid rush of expenditure. To illustrate the extent of prevalence of rush of expenditure at the fag end of the year, the month wise expenditure of Rural Development Department, Government of Tripura was taken for analysis and the month-wise expenditure during the year 2019-20 along with the percentage expenditure of each month to the total expenditure is given in **Chart 3.8**.



3.4.5 Review of selected grants

3.4.5.1 Introduction

A review of **Grant No. 27** operated in the Agriculture Department of the State was undertaken mainly to ascertain compliance with budgeting processes, monitoring of funds, control mechanisms and implementation of the schemes within these grants -, savings, re-appropriations, persistent diversion of funds for other purposes, *etc.*

The Secretary to the Government of Tripura, Agriculture Department was the administrative head of the Department.

3.4.5.2 Financial Position

The overall budget and actual expenditure of **Grant No. 27** during the year 2019-20 are given in **Table 3.16**.

Table 3.16: Budget and actual expenditure during 2019-20

(₹ in crore)

Section	Budget			Actual expenditure	Savings	Amount surrendered
	Original	Supplementary	Total			
Revenue	431.64	3.34	434.98	276.56	158.42	48.05
Capital	114.83	17.14	131.97	58.57	73.40	5.41
Total	546.47	20.48	566.95	335.13	231.82	53.46

Source: Appropriation Accounts 2019-20

As against the total provision of ₹ 566.95 crore, the actual expenditure incurred by the Department during 2019-20 was ₹ 335.13 crore (59.11 *per cent*) resulting in savings of ₹ 231.82 crore (40.89 *per cent*) during the year. Out of the total savings of ₹ 231.82 crore, ₹ 53.46 crore (23.06 *per cent*) was surrendered by the Department before the close of the financial year.

Non-surrendering of substantial savings by the Department before the close of the financial year violated the Financial Rules and deprived other Departments where additional funds were required during the year.

3.4.5.3 Substantial savings under Sub-Heads

There were savings of ₹ 231.82 crore out of a budgetary provision of ₹ 566.95 crore under various Sub-Heads of Agriculture Development during 2019-20. Details of Heads of Account where there were savings of over ₹ one crore are given in **Appendix 3.13**.

Considering that most of the savings pertained to centrally sponsored schemes and central assistance to State plan schemes, the performance of the Department in fulfilling its responsibilities with regard to implementation of poverty alleviation schemes is sub optimal.

3.4.5.4 Persistent Savings

There were persistent savings of more than ₹ 30 crore every year during five-year period 2015-20 under Grant No. 27. Year-wise position of persistent savings during 2015-20 under the Grant is given in **Table 3.17**.

Table 3.17: Persistent savings

		(₹ in crore)				
	Heads	2015-16	2016-17	2017-18	2018-19	2019-20
Voted	Revenue	64.79	52.84	42.37	36.64	158.42
	Capital	105.33	33.41	59.70	72.94	73.40
	Total	170.12	86.25	102.07	109.58	231.82

Persistent savings indicate a deeper problem of inability to assess the requirement of funds realistically as well as inadequate capacity to utilise the allocated funds optimally and needs to be addressed by the State Government.

3.4.5.5 Unnecessary Supplementary Provision and Re-appropriation of Funds

Scrutiny of detailed appropriations in respect of Grant No. 27 revealed that in 12 cases, supplementary provision and re-appropriation was obtained even when the actual expenditure was less than the original provision or expenditure was not incurred, resulting in savings during the year 2019-20. This shows that the supplementary provision and re-appropriation obtained were unnecessary. The details are given in **Appendix 3.14**.

Reasons for Supplementary grants were stated to be due to receipt of more funds from Government of India during the year, whereas, the reasons for re-appropriation were stated to be based on actual requirement.

3.4.5.6 Creation of provision through supplementary provision without requirement

Scrutiny of detailed appropriations in respect of Grant No. 27 for the year 2019-20 revealed an instance of creation of provision through supplementary grant without the knowledge of the State Legislative Assembly and expenditure incurred. The detail is given in **Table 3.18**.

Table 3.18: Creation of provision through supplementary provision*(₹ in crore)*

Head of Account		Original provision	Supp. provision	Re-app	Actual Exp	Savings
4415	Capital Outlay on Agricultural Research and Education					
01	Crop Husbandry					
796	Tribal Area Sub-plan					
90	State Share for Central Assistance to State Plan	0	0.30	0	0	0.30

The reasons for creation of provision by supplementary grant of ₹ 0.30 crore was stated to be due to release of more fund under State Share on receipt of more fund under CSS from Government of India. However, the Department failed to incur the expenditure under this head.

3.4.5.7 Entire provision under sub-heads remained unutilised during the year

Scrutiny of Appropriation Accounts for the year 2019-20 revealed that, in five cases, the original budget provisions was either reduced or increased by re-appropriation but the same remained unutilised as expenditure were not incurred during the year which resulted in savings. The reasons for the savings were not intimated by the Government, though the reasons for the re-appropriation were stated to be due to actual requirement. The details are given in **Table 3.19**.

Table 3.19: Budget Provision remained unutilised*(₹ in lakh)*

Sl. No	Major Heads	Description	Ori	Supp	Re-app	Total
1	2401	Crop Husbandry				
	103	Seeds				
	87	Centrally Sponsored Scheme - II	112.50	0	-100.00	12.50
2	115	Scheme of Small / Marginal farmers and agricultural labour				
	91	Central Assistance to State Plan	218.00	0	-160.50	57.50
3	4401	Capital Outlay on Crop Husbandry				
	789	Special Component Plan for Scheduled Castes				
	87	Centrally Sponsored Scheme - II	20.00	0	20.80	40.80
4	796	Tribal Area Sub-plan				
	87	Centrally Sponsored Scheme - II	70.00	0	4.40	74.40
5	4415	Capital Outlay on Agricultural Research and Education				
	01	Crop Husbandry				
	796	Tribal Area Sub-plan				
	90	State Share for Central Assistance to State Plan	0	29.85	0	29.85

3.4.5.8 Withdrawal of entire provision by re-appropriation

Scrutiny of Appropriation Accounts for the year 2019-20 revealed that, in five cases, the entire original budget provisions was reduced/ surrendered by re-appropriation during the year. The reasons for the surrender by re-appropriation were stated to be due to actual requirement. The details are given in **Table 3.20**.

Table 3.20: Withdrawal of entire provision

(*₹ in lakh*)

Sl No	Major Heads	Description	Original provision	Re-appropriation
1	2401	Crop Husbandry		
	789	Special Component Plan for Scheduled Castes		
	87	Centrally Sponsored Scheme - II	47.75	-47.75
2	796	Tribal Area Sub-plan		
	87	Centrally Sponsored Scheme - II	68.50	-68.50
3	4552	Capital Outlay on North Eastern Areas		
	101	Veterinary Services and Animal Health		
	91	Central Assistance to State Plan	250.00	-250.00
4	789	Special Component Plan for Scheduled Castes		
	91	Central Assistance to State Plan	90.00	-90.00
5	796	Tribal Area Sub-plan		
	91	Central Assistance to State Plan	160.00	-160.00

3.5 Good Practices

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

With effect from May 2017, Government of Tripura has started e-payment using RBI's e-Kuber application. All treasury payments except those relating to regular pension are being made through e-payment. During the year 2019-20, 85.56 *per cent* of the payments were made through e-payment.

During the year 2019-20, all the 62 CCOs of the Government have reconciled hundred *per cent* receipts and expenditure of ₹ 11,001.59 crore and ₹ 15,152.95 crore (including expenditure on public debt and loans and advances) respectively.

The Government had regularised excess expenditure of ₹ 157.53 crore over budget provision for the year 2013-14 to 2017-18 by presenting the Tripura Appropriation Bill, 2020 (Bill No. 07 to 11) in the Tripura Legislative Assembly and the Tripura Legislative Assembly passed (April 2020) "The Tripura Appropriation Acts, 2020" (Acts No. 4 to 8) and thereby regularised the excess expenditure upto the year 2017-18.

3.6 Conclusion

Budgetary assumptions of the State Government were not realistic during 2019-20 and despite carrying out an elaborate pre-budget exercise to bring about efficiency and transparency in budget formulation and execution, budgetary estimates were off the mark to a considerable extent. Control over the execution and monitoring of budget by Departments was inadequate.

Significant policy initiatives of the Government were not fulfilled during the year due to non-completion of the preparatory activities relating to these initiatives.

Supplementary Grants/Appropriations were obtained without adequate justification. The State Government had incurred excess expenditure of ₹ 8.87 crore over budget

provision in three Grants/Appropriations which is required to be regularised by the State Legislature as per Article 205 of the Constitution.

The State had overall savings of ₹ 5,045.60 crore, which was almost twice the size of the supplementary budget of ₹ 2,747.11 crore obtained during the year, which raised questions over the budget formulation process. Savings during the year accounted for about a fourth of the total budget; however, the Controlling Officers did not surrender the funds on time. Proper explanations were not provided to the Accountant General (A&E) for variations in expenditure *vis-à-vis* allocations. Departments were neither cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.

3.7 Recommendations

1. Government may prepare budgetary assumptions more realistically and ensure efficient control mechanisms to curtail savings/ excess expenditure.
2. Government may enforce its commitment to achieve its promised/intended objectives for overall development of the State through improved execution, monitoring and financial management of schemes/projects.
3. Excess expenditure over grants approved by the Legislature is in violation of the will of the Legislature. State Government should view such excess expenditure very seriously and regularised it at the earliest.
4. State Government needs to formulate a realistic budget based on reliable assumptions of the needs of the departments and their capacity to utilise the allocated resources.
5. Government may initiate an appropriate control mechanism to enforce proper implementation and monitoring of budget by various departments, to ensure that savings are curtailed, large savings within the Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.
6. Controlling Officers should be aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.

**CHAPTER-IV: QUALITY OF ACCOUNTS AND
FINANCIAL REPORTING PRACTICES**

CHAPTER-IV

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision making.

Issues related to completeness of accounts

4.1 Funds outside Consolidated Fund or Public Account of the State

Article 266 (1), subject to the provisions of Article 267 of the constitution of India, provides that all revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled the Consolidated Fund of the State. Article 266 (2) provides that all other public moneys received by or on behalf of the Government of a State shall be credited to the Public Account of the State, as the case may be.

4.2 Non-inclusion of clear cut liabilities incurred during the financial year

In years of tight fiscal conditions, there is a tendency to postpone certain payments due, especially in the last quarter of the financial year, to the next financial year. These could include subsidy related payments and other contracted payments for which bills have been submitted.

As per information furnished by the State Finance Department in the Third Quarterly Review Report of the Finance Minister 2019-20, there was an outstanding amount of ₹ 775.11 crore in respect of various claims which pertain up to the end of December 2019. Such unpaid claims will create miscellaneous liabilities of the State Government to the next financial years. Details of the unpaid claims are given in **Table 4.1**.

Table 4.1: Outstanding miscellaneous liabilities pertains to the end of December 2019

(₹ in crore)

Sl. No.	Particulars	Outstanding amount
1.	Major works and contracts	506.13
2.	Committed liabilities in respect of land acquisition charges	14.32
3.	Claims in respect of unpaid bills on works and supplies	254.66
Total		775.11

The details of unpaid claims as on 31 March 2020 is not available as the State Government has not furnished the Fourth Quarterly Review Report (February 2021).

4.3 Non discharge of liability in respect of interest towards interest bearing Reserve Funds

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Reserve Funds. The interest liabilities in respect of Reserve Funds bearing interest under Sector J of the Public Accounts are annual liabilities that the State Government is required to discharge. During the year the State Government did not invest any amount out of available balance of ₹ 241.12 crore from the State Disaster Response Fund (SDRF) as on 1 April 2019. Interest liability accruing on the balance fund of ₹ 241.12 crore was ₹ 18.08 crore (calculated at the rate of 7.5 per cent which is average rate of Ways and Means Advances during the year 2019-20).

4.4 Funds transferred directly to State implementing agencies

The Union Government transfers substantial funds directly to State Implementing Agencies/ Non-Governmental Organisations for implementation of various schemes and programmes. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts.

As per GoI decision, with effect from 2015-16, funds for implementation of Centrally Sponsored Schemes (CSS) and Additional Central Assistance (ACA) under various schemes were to be released to the State Government and not directly to the State Implementing Agencies. However, as per the Public Financial Management System (PFMS) portal of the Controller General of Accounts, ₹ 853.99 crore was released directly by the GoI to the State Implementing Agencies and Non-Government Organisations during 2019-20 for implementation of 59 schemes as exhibited in the Finance Accounts 2019-20 (Appendix VI). The trend of the funds transferred directly by GoI during 2015-20 to 2019-20 are shown in **Table 4.2**.

Table 4.2: Position of funds transferred by Government of India directly to State implementing agencies during last five years from 2015-16 to 2019-20

(₹ in crore)

Particulars	Fund transferred				
	2015-16	2016-17	2017-18	2018-19	2019-20
Number of programme /Schemes under which funds were transferred	38	57	51	9	59
Funds transferred by GoI	121.22	830.68	426.74	442.79	853.99

Note: Information relating to GoI releases during the year 2019-20 collected from Public Financial Management System (PFMS) portal of Controller General of Accounts for the State Accounts (2019-20)

It was noticed that out of ₹ 853.99 crore transferred directly by GoI during 2019-20, ₹ 790.62 crore (92.58 per cent) was given for implementation of 10 major Schemes during the year as detailed in **Appendix 4.1**.

4.5 Deposit of Local Funds

Some State Panchayati Raj Acts provides that Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP) would maintain ZP fund, PS fund and GP fund respectively (under Major Head 8448-Deposits of Local Funds-109-Panchayat Bodies

Funds) which would include all the money realised or realisable under the Act and all money otherwise received by the PRIs, such as grants received from Central Finance Commission and State Government as part of the State Finance Commission award and its own revenue, which includes tax and non-tax receipt of a Panchayat. The Acts also envisages that the Municipal Fund is to be held by the Municipality. All the money realised or realisable under this Act and all money otherwise received by the Municipalities are kept in the Municipal Fund under the Major Head 8448-Deposits of Local Funds-102-Municipal Funds.

However, from Finance Accounts of the State it revealed that there was no transaction (Receipts and Disbursement) in respect of Municipal Funds and other local Bodies' Funds under the Major Head 8448 since 2007-08, but an amount of ₹ 10.16 crore was carried forward in the Public Account under this Major Head as on 31 March 2020 in the State of Tripura. The balances under Major Head 8448-Deposits of Local Funds up to the end of 31 March 2020 are shown in **Table 4.3**.

Table 4.3: Balances under Major Head 8448: Deposits of Local Funds as on 31 March 2020

Year			2015-16	2016-17	2017-18	2018-19	2019-20
Panchayat Bodies Fund	(8448-109)	Opening Balance	3.00	3.00	3.00	3.00	3.00
		Receipt	-	-	-	-	-
		Expenditure	-	-	-	-	-
		Closing Balance	3.00	3.00	3.00	3.00	3.00
Education Funds	(8448-110)	Opening Balance	163.70	163.70	163.70	163.70	163.70
		Receipt	-	-	-	-	-
		Expenditure	-	-	-	-	-
		Closing Balance	163.70	163.70	163.70	163.70	163.70
Total Closing Balance end of the year			166.70	166.70	166.70	166.70	166.70
Other Funds	(8448-120)	Opening Balance	848.91	848.91	848.91	848.91	848.91
		Receipt	-	-	-	-	-
		Expenditure	-	-	-	-	-
		Closing Balance	848.91	848.91	848.91	848.91	848.91
Total (8448): Deposit of Local Bodies			1015.61	1015.61	1015.61	1015.61	1015.61

4.6 Delay in submission of Utilisation Certificates

The General Financial Rules provide that every order sanctioning a grant would specify its objective clearly and time limit within which the grant is to be spent. The departmental officers drawing the grants-in-aid would be primarily responsible for certifying to the Accountant General where necessary, the fulfillment of the conditions attached to the grant and submission of certificate (Utilisation Certificate) in such form and at such interval within 12 months from the grantees and after verification of the Accountant General (Accounts and Entitlement) and the Head of the Department concerned.

Non submission of the Utilisation Certificates (UCs) means that the authorities have not explained as to how funds were spent over the years. There is also no assurance that the

intended objectives of providing these funds have been achieved. This assumes greater importance if such UCs are pending against Grants-in-Aid meant for capital expenditure. Since non-submission of UCs is fraught with the risk of misappropriation, it is imperative that the State Government should monitor this aspect closely and hold the concerned persons accountable for submission of UCs in a timely manner. Further, delay in submission of UCs would impact on further releases of grants by GoI and non-release of performance grants to Local Bodies.

Audit scrutiny revealed that 630 UCs in respect of grants aggregating ₹ 223.98 crore given to departments of the State Government during the period upto March 2019 were not submitted to the Accountant General (A&E). Age-wise details of delay in submission of UCs is given in **Table 4.4**. 10 Major defaulting departments which had not submitted UCs upto the end of 30 March 2020 are shown in **Chart 4.1**.

Table 4.4: Age-wise arrears in submission of Utilisation Certificates

(₹ in crore)

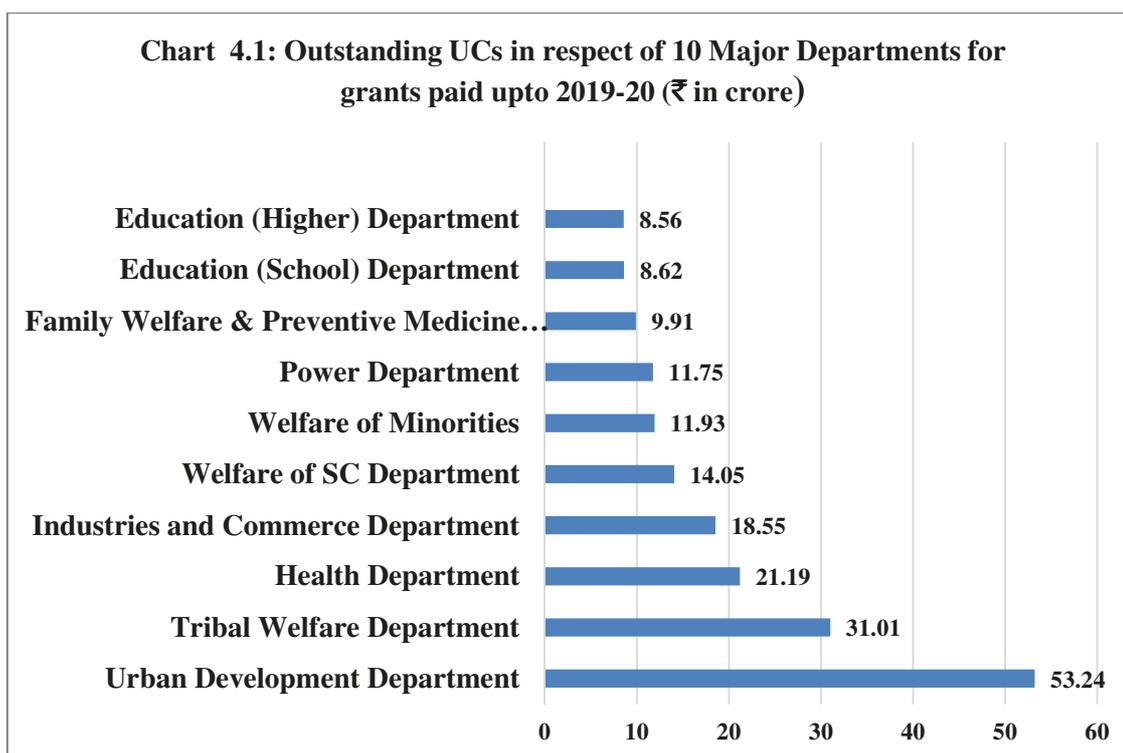
Year	Opening Balance		Addition		Clearance		Due for submission	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2017-18	328	213.47	-	-	209	145.63	119	67.84
2018-19	119	67.84	318	95.46	126	53.46	311	109.84
2019-20	311	109.84	630	236.64	311	122.50	630	223.98

Note: UCs for the GIA disbursed during 2019-20 become due only during 2020-21

Table 4.5: Trend of outstanding UCs at the end of each financial year from 2010 to 2020

(₹ in crore)

Year	Number of UCs	Amount
2010-11	6	76.75
2011-12	32	36.97
2012-13	417	257.11
2013-14	430	158.26
2014-15	589	775.77
2015-16	1790	1811.25
2016-17	2132	1810.09
2017-18	119	67.84
2018-19	311	109.84
2019-20	630	223.98



4.6.1 Recording of Grantee Institution as “Others”

There is a mechanism in some States of giving institute code to various bodies and authorities receiving Grants-in-Aid from Government. These grants are also recorded in Voucher Level Computerisation (VLC) system of AG office and submission of UCs is monitored against outstanding amount against each institute. Needless to say, for this system to work, grantee institute should be recorded properly. In absence of proper code, outstanding amounts against all institutes cannot be worked out.

If Grants-in-Aid constitute a significant portion of the total expenditure of the State, it is essential that the Government provides the details and nature of the Grantee Institution to which it is providing funds, in the interests of transparency of accounts.

During 2019-20, the State Government had given grants-in-aid of ₹ 1,932.61 crore to ‘Others’ which constitute 73.25 per cent of total grants given (₹ 2,638.53 crore) during the year. Due to absence of proper code, institution wise amount of grants given during 2019-20 could not be ascertained.

4.7 Abstract Contingent bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers is not available at the time of drawal are made on ‘Abstract Contingent’ (AC) Bills. Initially made as advance, its subsequent adjustments are ensured through submission of Detailed Contingent (DC) bills within a stipulated period of drawal of AC bill. DC bill consists of abstract of expenditure along with sub-vouchers for amount drawn through AC bill. Drawing and Disbursing officers are required to present Detailed Countersigned Contingent (DC) bills duly countersigned by the Controlling Officer in all these cases within the period prescribed in the Central Treasury Rules.

As per Rule 31(12) of Delegation of Financial Powers Rules, Tripura, 2017, drawal of money on AC Bills should be adjusted through DCC Bills by submitting them to the countersigning officer within 60 days from the date of drawal of the amount. The second drawal of the amount should be made only after exhausting the money drawn in previous AC bills. Further, as per sub-Rule 15 of Rule 31, *ibid* the Head of the Department under whose control a DDO is functioning has to countersign all the DCC Bills and forward them to the AG (A&E), Tripura within 90 days from the date of drawal of the AC Bill.

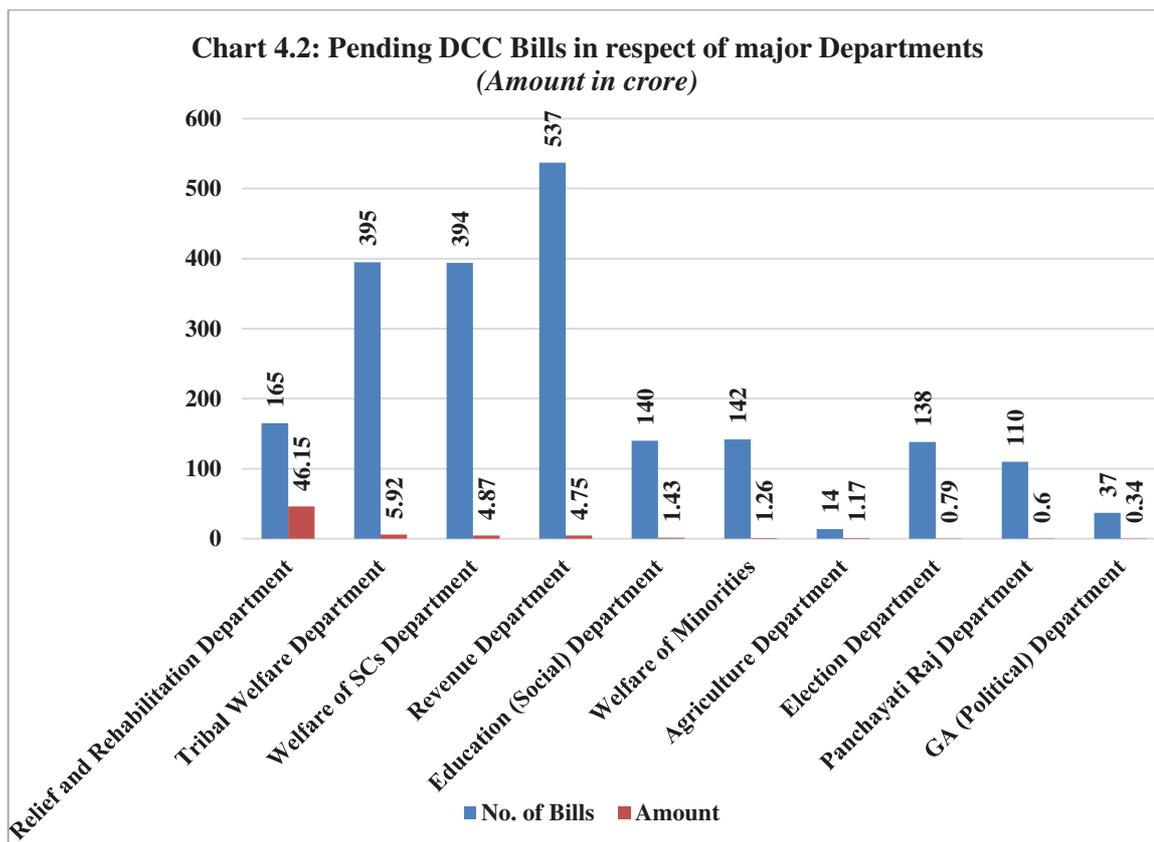
As on 31 March 2020, there were 2191 AC bills for an amount of ₹ 69.90 crore which remained outstanding for adjustment due to non-submission of DCC Bills. Out of these outstanding AC bills, 1,651 Bills involving ₹ 61.62 crore was outstanding prior to 2019-20. During 2019-20, ₹ 16.99 crore was drawn through 984 AC Bills of which ₹ 3.74 crore was drawn in the month of March 2020 through 230 AC Bills and ₹ 0.01 crore was drawn through four AC Bills on the last day of the financial year. As on 31 March 2020, 540 AC Bills drawn during 2019-20 for ₹ 8.28 crore were awaited for submission of DCC Bills.

Expenditure against AC bills at the end of the year indicates poor public expenditure management and may point to the drawal being done primarily to exhaust the budget provision. *Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills. Further, to the extent of non-receipt of DCC bills, the expenditure shown in the Finance Accounts cannot be ascertained as correct or final.* The position of outstanding DCC Bills upto the end of 31 March 2020 is shown in **Table 4.6** and the Major defaulting Departments are shown in **Chart 4.2**.

Table 4.6: Year wise progress in submission of DCC bills against the AC bills

(₹ in crore)

Year	Opening Balance		Addition		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2017-18	2728	66.06	-	-	1198	22.12	1530	43.94
2018-19	1530	43.94	202	22.49	81	4.81	1651	61.62
2019-20	1651	61.62	984	16.99	444	8.71	2191	69.90



4.8 Personal Deposit Accounts

The State Government is authorised to open Personal Deposit (PD) accounts to deposit funds required for specific purpose by transfer of funds from consolidated fund or by transfer of funds from sources other than from the consolidated fund. Personal Deposits are, maintained in the nature of a bank account in the treasury. Balances in the Personal Deposit Accounts do not lapse to Government up to three to five complete accounting years as defined in the financial rules though the operation and maintenance of PD accounts vary from State to State.

During the year 2018-19, the State Government had taken a policy decision to open PD Account with the concurrence of the Accountant General (A&E) for transferring the funds from Current Deposit (CD)/Savings Bank (SB) Accounts of DDOs where Bank balance of a particular DDO exceeds ₹ two crore except funds of Central Schemes as it is mandatorily required to be kept the fund related to Central Schemes in a separate Bank Account as per Scheme guidelines.

During 2018-19, the State Government had opened 102 PD Accounts under Major Head 8443-106 in the Public Account and there was a closing balance of ₹ 116.96 crore as on 31 March 2019. During 2019-20, the State Government had again opened 99 new PD Accounts with the concurrence of the Accountant General (A&E).

It was noticed that the Government had transferred ₹ 254.37 crore to the PD Accounts during the year 2019-20. It is not ascertained the source from where the fund of ₹ 254.37 crore was transferred to the PD Accounts. During 2019-20, however, after disbursement of ₹ 43.01 crore, there was a balance of ₹ 328.32 crore against 201 PD

Accounts as on 31 March 2020. It was also noticed that as on 31 March 2019, there was unspent amount of ₹ 411.87 crore in 311 DDOs Bank Account. Moreover, during 2019-20, the State Government transferred/deposited ₹ 950.65 crore into 722 DDOs Bank Account. As per information furnished by the State Government, there was an unspent balance of ₹ 449.60 crore in 353 DDOs' Bank Account as on 31 March 2020.

In terms of Rule 624 of CTR Vol-I (as adopted by Government of Tripura), the PD accounts are normally required to be closed on the last working day of the year and the unspent balances transferred back to the Consolidated Fund and PD accounts are reopened next year, if necessary. Further, the PD accounts which were opened by transfer of funds other than from the Consolidated Fund, should be reviewed every year and the accounts which are inoperative for more than three to five years (complete account years) should be closed and balances lying in such accounts should be credited to Government Accounts. However, as on 31 March 2020, no PD Account was closed in the State.

4.9 Indiscriminate use of Minor Head 800

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.

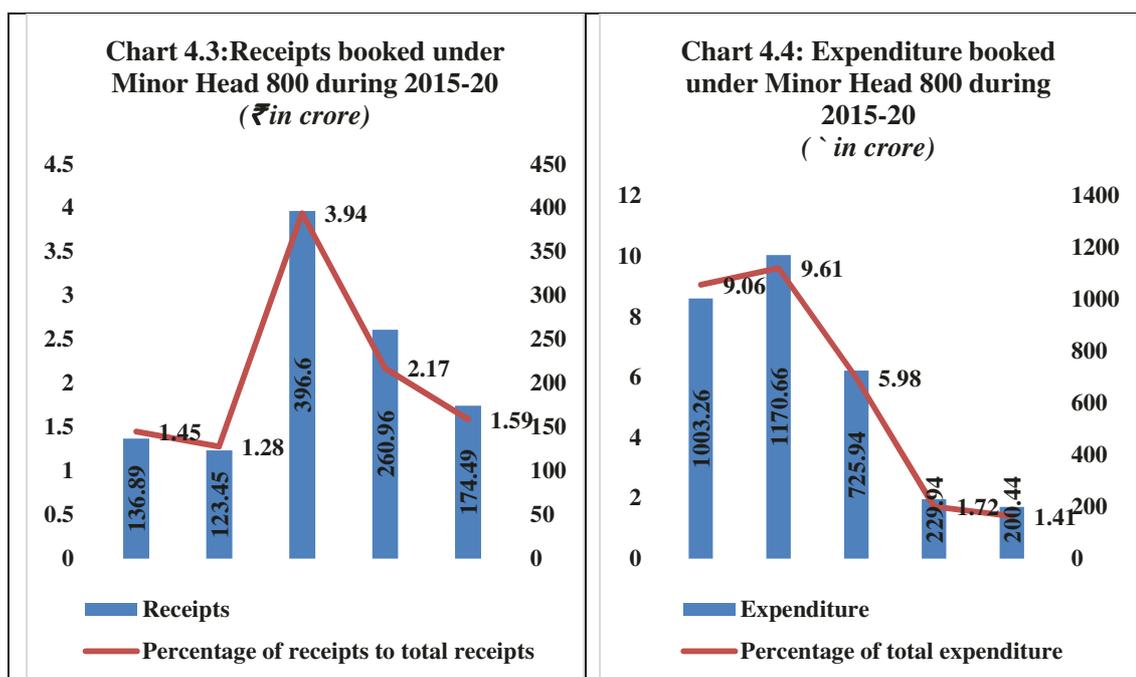
Scrutiny of Finance Accounts for the year 2019-20 revealed that the State Government classified ₹ 174.49 crore as Receipts in 45 Major Heads of Accounts under Minor Head 800 – Other Receipts constituting 1.59 *per cent* of total receipts. Similarly, the State booked as expenditure of ₹ 200.44 crore in 42 Major Head of Account under Minor Head 800 – Other Expenditure constituting 1.41 *per cent* of total expenditure during the year 2019-20.

The trend of Receipts and Expenditure booked under Minor Head 800 and its percentage to total Receipts and Expenditure during last five years period 2015-20 are shown in **Table 4.7**.

Table 4.7: Receipts and Expenditure under Minor Head 800

(₹ in crore)

Particular	2015-16	2016-17	2017-18	2018-19	2019-20
Receipts	136.89	123.45	396.60	260.96	174.49
Percentage of receipts to total receipts	1.45	1.28	3.94	2.17	1.59
Expenditure	1003.26	1170.66	725.87	229.94	200.44
Percentage to total expenditure	9.06	9.61	5.98	1.72	1.41



It was seen that during 2019-20 significant amount of receipts was booked under Minor Head 800-Other receipts under the functional Major Head 0852-Industries (₹ 100.27 crore), 0041-Taxes on Vehicle (₹ 33.77 crore) and 406-Forestry and Wild Life (₹ 8.10 crore) respectively as shown in **Table 4.8**. Similarly, the significant cases of booking expenditure under Minor Head 800-Other expenditure are shown in **Table 4.9**.

It revealed that more than 50 per cent expenditure of total expenditure were booked under Minor Head 800-Other expenditure under the functional Major Head 3055-Road Transport (89.16 per cent), 2250- Other Social Services (70.83 per cent), 4070-Capital outlay on other Administrative Services (58.75 per cent) and 4801-Capital Outlay on Power Projects (51.98 per cent) respectively as shown in **Table 4.9**.

Table 4.8: Significant receipts booked under Minor Head 800-Other Receipts during financial year 2019-20

(₹ in crore)				
Sl. No.	Major Head/Description	Receipts under Minor Head 800	Total Receipts	Percentage to total receipts
1	0852- Industries	100.27	100.27	100
2	1054- Roads and Bridges	4.91	4.91	100
3	0059-Public Works	4.28	4.95	86.46
4	0070-Other Administrative Services	5.62	8.29	67.79
5	0406-Forestry and Wild life	8.10	13.82	58.61
6	0216-Housing	1.02	2.16	47.22
7	0401-Crop Husbandry	1.12	2.98	37.58
8	0041-Taxes on vehicles	33.77	97.14	34.76

Table 4.9: Significant expenditure booked under Minor Head 800-Other Expenditure during financial year 2019-20*(₹ in crore)*

Major Head	Description	Expenditure under Minor Head 800	Total Expenditure	Percentage to total expenditure
3055	Road Transport	9.87	11.07	89.16
2250	Other Social Services	2.55	3.60	70.83
4070	Capital Outlay on other Administrative Services	8.06	13.72	58.75
4801	Capital Outlay on Power Projects	14.30	27.51	51.98
2575	Other Special Area Programmes	26.22	54.12	48.45
4401	Capital Outlay on Crop Husbandry	6.53	13.61	47.98
3054	Roads and Bridges	62.80	143.69	43.70

ISSUES RELATED TO MEASUREMENT

4.10 Outstanding balance under major Suspense and DDR heads

Certain intermediary/adjusting heads of accounts known as ‘Suspense heads’ are opened in Government accounts to reflect transactions of receipt and payments which cannot be booked to a final head of accounts due to lack of information such as non-furnishing of Schedule of Settlement by the Treasuries/PAOs, Non-receipt of clearance memos from RBI, non-receipt of vouchers, *etc.* These heads of accounts are finally cleared by *minus* debit or *minus* credit when the accounts under them are booked to their respective final heads of accounts, these amounts remain uncleared, the balance under the suspense heads would accumulate and would not reflect Government’s receipt and expenditure accurately.

Remittances embrace all transactions which are adjusting Heads of Accounts and the debit or credits under the heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounts.

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads.

Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, *etc.*

The details of outstanding balances under Suspense and Remittance Heads during the last four years from 2016-17 to 2019-20 are shown in **Appendix 4.2**.

4.11 Non-reconciliation of Departmental figures

Reconciliation and verification of figures is an important tool of financial management. Failure to exercise/adhere to the codal provisions and executive instructions in this regard not only results in misclassification and incorrect booking of receipts and expenditure in the accounts, but also defeats the very objective of budgetary process.

All the Controlling Officers of the Departments are required to exercise effective control over spending to keep it within the budget grants and to ensure accuracy of their accounts, the State Financial Rules stipulate that receipts and expenditure during the financial year recorded in their books be reconciled by them every month with that recorded in the books of the Accountant General (A&E).

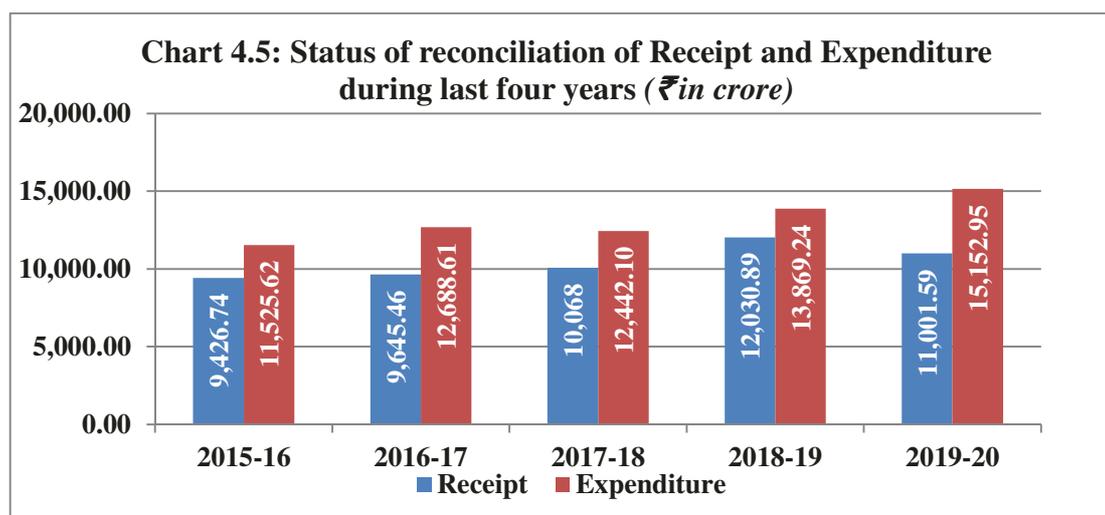
During 2019-20, all the 62 Controlling Officers (CCOs) of the Government of Tripura reconciled 100 *per cent* of their Receipts (₹ 11,001.59 crore) and expenditure of ₹ 15,152.95 crore (including Public Debt and Loans and Advances) respectively.

Table 4.10 and **Chart 4.5** shows the status of reconciliation during last four years period from 2015-16 to 2019-20.

Table 4.10: Status of Reconciliation of Receipts and Expenditure figures during last four years from 2015-16 to 2019-20

(₹ in crore)

Year	Total No. of Controlling Officers	Fully Reconciled	Partially Reconciled	Not reconciled at all
Receipts				
2015-16	61	9,426.74	Nil	Nil
2016-17	62	9,645.46	Nil	Nil
2017-18	62	10,067.95	Nil	Nil
2018-19	63	12,030.89	Nil	Nil
2019-20	62	11,001.59	Nil	Nil
Expenditure				
2015-16	61	11,525.62	Nil	Nil
2016-17	62	12,688.61	Nil	Nil
2017-18	62	12,442.10	Nil	Nil
2018-19	63	13,869.24	Nil	Nil
2019-20	62	15,152.95	Nil	Nil



4.12 Reconciliation of Cash Balances

There should be no difference between the Cash Balance of the State Government as per the books of Accounts of the Accountant General (A&E) and the Cash Balance as

reported by the Reserve Bank of India. But, there was a net difference of ₹ 9.84 crore (Debit) in the Cash Balance of the State Government between the figures reflected in the accounts of the Accountant General (A&E) of ₹ 340.98 crore (Debit) and that reported by the Reserve Bank of India ₹ 331.14 crore (Credit) as on 31 March 2020. This difference is mainly due to erroneous reporting by the accredited banks to the Reserve Bank of India, Nagpur, which is responsible for maintaining the Cash Balance of the State Government. However, after reconciliation, the net difference stood at ₹ 3.45 crore (Credit) as on 30 June 2020.

ISSUES RELATED TO DISCLOSURE

4.13 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union and of the States. Further, the Comptroller and Auditor General of India set up a Government Accounting Standards Advisory Board (GASAB) in 2002, for formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. On the advice of the Comptroller and Auditor General of India, the President of India has so far notified three Indian Government Accounting Standards (IGAS).

Table 4.11: Compliance to Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
1.	IGAS-1: <i>Guarantees Given by the Government – Disclosure requirements</i>	<i>This standard requires the Government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.</i>	<i>Partially Complied (Statements 9 and 20 of Finance Accounts)</i>	<i>While the Government has disclosed the maximum amount of guarantees given during the year, detailed information like number of guarantees for each institution, class and sector-wise information was not furnished.</i>
2.	IGAS-2: <i>Accounting and Classification of Grants-in-Aid</i>	<i>Grants-in-aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use</i>	<i>Not complied (Statement 10 of Finance Accounts)</i>	<i>The State Government has given an amount of ₹287.38 crore as Grants-in-aid for creation of capital assets and booked as capital expenditure instead of revenue expenditure. Non-compliance with the Standard led to understatement of Revenue expenditure and overstatement of Capital expenditure to that extent. As a result, Revenue deficit is understated</i>

				<i>during the year 2019-20 which is discussed at paragraph no. 2.4.3.1 & 3.3.8</i>
3.	IGAS-3: <i>Loans and Advances made by Government</i>	<i>This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances disbursed by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices</i>	<i>Partially complied (Statement 7 and 18 of Finance Accounts)</i>	<i>While the Government complied with the format prescribed by the Standard, the detailed information on repayment of Loans in arrears (principal and interest) of loanee/ entities were not furnished by the State Government</i>

4.14 Functioning of Tripura Tribal Areas Autonomous District Council

The Tripura Tribal Areas Autonomous District Council (TTAADC) was set up in January 1982 in pursuance of the Tripura Tribal Areas Autonomous District Council Act, 1979 under the provisions of Article 246 (3) read with Seventh Schedule to the Constitution of India. It was subsequently brought (April 1985) under the provision of Article 244 (2) read with Sixth Schedule to the Constitution. The principal objective behind setting up of the Autonomous District Council was to empower the indigenous people to govern themselves, to ensure all round development and to protect and preserve their culture, customs and traditions.

The ADC fund comprises receipts from its own resources, Shared revenue and grants/ Loans & Advances from State/ Central governments. As per Rule 6 of the TTAADC Fund Rules 2005, the accounts of the Council has two Components viz. District Fund and Deposit Fund. The main sources of funds of the TTADC is the transferred funds from State Government.

In pursuance of Paragraph 7 (3) of the Sixth Schedule to the Constitution, the form of Accounts of the Council was prescribed by the Comptroller and Auditor General of India.

In terms of Paragraph 7 (4) of the Sixth Schedule of the Constitution, the Comptroller and Auditor General of India shall cause the accounts of the District Council to be audited in such manner as he may think fit, and the Reports of the Comptroller and Auditor General relating to such accounts shall be submitted to the Governor who shall cause them to be laid before the Council.

The Separate Audit Report of TTAADC for the year 2013-14 was placed before the State Legislature.

As per information furnished (January 2021) by Tripura Tribal Autonomous District Council, the council had received substantial funds from the State Government as grants-in-aid towards development activities and other Administrative activities in the ADC Areas during last five year period.

During 2019-20, the TTAADC had received ₹ 539.92 crore as grants-in-aid from the State Government against which the utilisation Certificates were furnished only for ₹ 534.33 crore leaving a balance of ₹ 5.59 crore as on 31 December 2020. Moreover, Utilisation Certificates for ₹ 84.50 crore against the grants-in-aid of ₹ 603.61 crore received during 2016-17 and UC for ₹ 29.23 crore against ₹ 564.91 crore during 2018-19 respectively were not submitted by the Council as on 31 December 2020.

The position of the grants-in-aid provided by the State Government during last five year period for 2015-16 to 2019-20 to the TTAADC are given in **Table 4.12**.

Table 4.12: Grants-in-aid provided by the State Government to TTAADC

(₹ in crore)

Year	Amount of grants-in-aid given by the State	UC furnished by the council	Amount for which UCs pending
2015-16	414.90	414.90	Nil
2016-17	603.61	519.11	84.50
2017-18	510.52	510.52	Nil
2018-19	564.91	535.68	29.33
2019-20	539.92	534.33	5.59

In absence of UCs, we could not draw any assurance to the effect that the intended objectives of providing such grants have been achieved and non-submission of UCs is also fraught with the risk of fraud and misappropriation of funds.

4.15 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

As per Section 19(3) of the CAG's DPC Act, the Governor/ Administrator may, in the public interest, request the CAG to audit the accounts of a corporation established by law made by the legislature of the State or of the Union Territory, as the case may be, and where such request has been made, the CAG shall audit the accounts of such corporation and shall have, for the purposes of such audit, right of access to the books and accounts of such corporation.

Apart from Section 19, where the audit of the accounts of any body or authority has not been entrusted to the CAG by or under any law, he shall, if requested so to do by the President, or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon between him and the concerned Government and shall have, for the purposes of such audit, right of access to the books and accounts of that body or authority (Section 20).

Audit certificate is issued in case of above mentioned autonomous bodies and authorities provided CAG is the sole auditor. Thus, these bodies and authorities are required to prepare annual accounts and submit to AG (Audit) for audit. Apart from Audit certificate, on the completion of financial audit, the audit office issues separate audit report (SAR) that is part of the audit certificate on the accounts. These SARs are to be placed before the State Legislature.

The status of the outstanding Accounts of the institutions/bodies/authorities which are attracts audit under Section 14 of the C&AG's DPC Act, 1971 are shown in **Appendix 4.3**.

Due to non-submission of Annual Accounts, the status of grants received and utilisation as on 31 October 2020, are not ascertained by the Accountant General (Audit).

The status of the pending accounts of the institutions/bodies/authorities which attracts audit under Section 14 of the C&AG's DPC Act, 1971 are shown in **Appendix 4.3**. It can be seen that out of 45 bodies or authorities, nine bodies or authorities did not submit their Accounts for more than 10 years while four Bodies/authorities did not submit their Accounts since inception to 2019-20.

Out of the 45 bodies or authorities, the accounts of the 41 bodies were pending for 1 to 21 years as on 31 October 2020. There were 17 bodies who did not furnish their accounts for more than 10 to 21 years while four bodies did not furnish their accounts since their inception, to the Principal Accountant General (Audit), Tripura. As a result, total grants received and utilisation thereof by them could not be ascertained by Audit. The Status of rendition of accounts which attracts Audit under Sections (19(2), 19(3) and 20(1) of the C&AG DPC Act 1971, issuance of SAR and its placement in the Legislature/Council as on 31 March 2020 are given in **Appendix 4.4**.

4.16 Departmental Commercial Undertakings/Corporations/Companies

According to Section 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report should be laid before the Houses or both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating Statutory Corporations (including Departmental undertakings). Departmental undertakings perform activities of commercial/quasi-commercial nature. They are required to prepare proforma accounts in the prescribed format annually, showing the working results of operations so that the Government can assess their working.

The above mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies and corporations from the Consolidated Fund of the State.

Further, Section 96 of the Companies Act, 2013, requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Section 129 of the Act stipulates that the audited Financial Statement for the financial year has to be placed in the said AGM for their consideration. Section 129(7) of the Act provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Act.

In the absence of timely finalisation of accounts, results of the investment of the Government remain outside the purview of State Legislature and escape scrutiny by

audit. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Risk of fraud and mis-utilisation of public money cannot be ruled out.

The Heads of Departments in the Government are to ensure that the departmental undertakings prepare such accounts and submit the same to the Accountant General (Audit) within a specified time frame.

As on 31 March 2020, there was 14 working Government Companies and one non-working Government Company in the State. During 2019-20, 16 Accounts pertaining to 2016-17 to 2018-19 were received from 11 Government Companies/ Corporations out of which 13 Accounts of ten Government Companies/ Corporations were audited. During 2019-20, 20 accounts of 13 Government Companies/ Corporations were finalised.

4.17 Non-submission of details of grants/ loans given to bodies and authorities

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 (C&AG'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, and
- total expenditure of the institutions.

Further, Regulation on Audit and Accounts (Amendment), 2020 provides that Governments and Head of the Departments, who sanction grants and/ or loans to bodies or authorities shall furnish to Audit by the end of July every year a statement of such bodies and authorities to which grants and/ or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

However, 42 Bodies/Authorities did not furnish the information about the grants received as on 31 March 2020 and purpose of the grants.

4.18 Timeliness and Quality of Accounts

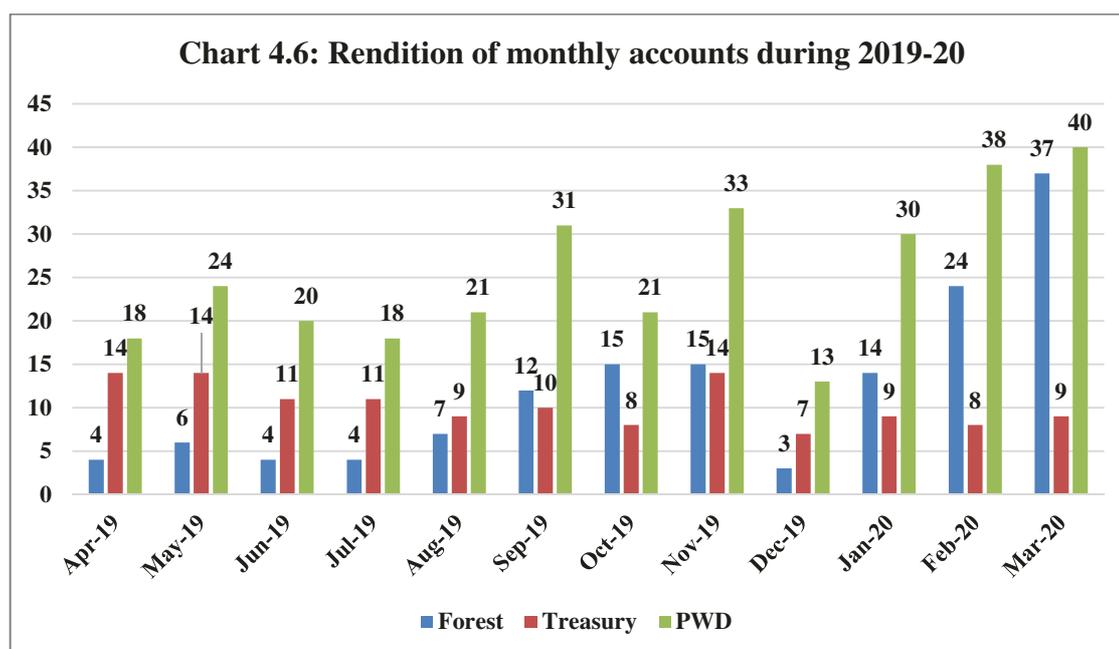
The accounts of the State Government are compiled by the Accountant General (A&E) from the initial accounts rendered by district treasuries, sub-treasuries, Resident Commissioner (New Delhi), cyber treasury, public works divisions and forest divisions, apart from the RBI advices. There are often delays in rendition of monthly accounts. Due to the failure of the account rendering units to furnish accounts on time, some accounts are excluded from the monthly Civil Accounts by the Accountant General (A&E).

Exclusion of accounts not only distorts the budgetary position of the Government, but also impacts its monitoring of fund flow to the last mile of implementation, its planned

spacing of expenditure on developmental programmes, providing intended benefits to the targeted beneficiaries, functioning of departments, *etc.* during the year. In short, the State Government needs to monitor closely and ensure the rendition of accounts by all the account rendering authorities to the Accountant General (A&E) on a timely basis, to manage its own budget more effectively.

The accounts of the State Government are compiled by the Accountant General (A&E) from the initial accounts rendered by Nine Treasuries (including one e-Treasury), 13 Sub-Treasuries, 53 Public Works Divisions (including 12 Drinking Water & Sanitation and nine Water Resource divisions) and 39 Forest divisions, apart from the RBI advices. The due date for submission of accounts of a particular month is the 10th of the following month except in the case of the month of March, where it is 15th of April. During the financial year 2019-20, there were delays in rendition of monthly accounts ranging from seven to 14 days by the Treasuries, 13 to 40 days by the Public Works Divisions and three to 37 days by the Forest divisions respectively.

Months-wise details of delay in rendition of monthly accounts by various account rendering Units during the financial year 2019-20 are given in **Chart 4.6**.



OTHER ISSUES

4.19 Major types of Cess levied by the State Government

(a) End use of Labour Cess

The Tripura Building and Other Construction Workers Welfare Board (TBO CWWB) was constituted in the State on 20 January 2007 under Section 18(1) of the Building and Other Construction Workers (Regulation of Employment and condition of Service) Act, 1996 of the Government of India to secure benefits to the workers engaged in building and other Construction works. The proceeds of Labour Cess are collected at the rate of One *per cent* of the total project cost of constructions incurred by the employer and

utilise the fund so collected for the purpose of various Welfare activities for the workers. The proceeds of labour cess so called are kept outside the Government Account and maintained by the Board.

As per information furnished (August 2020) by the TBOCWWB, there was an unspent balance of ₹ 229.90 crore with the Board of which ₹ 123.40 crore remained in the Fixed Deposit Account in various Banks while ₹ 95.39 crore was invested in the Tripura Gramin Bank and ₹ 11.11 crore remained in the Current Account as on 31 March 2020.

(b) Tripura Road Development Cess

The State Government passed the Tripura Road Development Cess Act, 2018 in August 2018 with the purpose of developing the roads in the State. The Government levied Cess on Petrol, Diesel and Natural Gas for the purpose of this fund. During 2019-20, ₹ 161.48 crore was collected by the State and credited the same to the Government Account under MH 0045-112 as Revenue Receipts during the year. However, the collected amount was not transferred to the Road Development Fund in the Public Account to that extent as there was no such Account created under the Public Account as on March 2020, in violation of Act.

4.20 Misappropriations, losses, thefts, etc.

Financial Rules lay down detailed instructions regarding responsibility for losses sustained through fraud or negligence of individuals, loss or destruction of Government property and report thereof to the Police/Accountant General.

During the year 2019-20 there were 49 cases of misappropriation, losses and thefts of Government Money involving ₹ 15.41 crore as reported by the concerned departments. The details are given in **Table 4.13**.

Table 4.13: Pending cases of misappropriation, losses, theft, etc.

(₹ in crore)

Name of department	Cases of misappropriation / losses/ theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised total		Criminal proceedings finalised but recovery of the amount pending	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
RD (Panchayat)	3	10.09	-	-	3	10.09*	Nil	Nil
Panchayat	45	4.61	2	0.22	42	4.40	1	0.01
PWD (PMGSY)	1	0.71	--	--	1	0.71	-	-
Total	49	15.41	2	0.22	46	15.20	1	0.01

* ₹ 10,09,23,617/-

Though the Department had initiated action, no recovery was made as on 31 March 2020.

The Department should finalise the Departmental proceedings the misappropriation cases and take suitable administrative action against the concerned defaulting officers/officials.

4.21 Follow up action on State Finances Audit Report

In every State, the Public Accounts Committee (PAC)/ Finance Department requires the line departments to provide *suo motu* Explanatory Notes (EN) on the paragraphs featuring in the Audit Reports within three months of placing the Reports in the Legislature. The line departments are also required to provide Action Taken Notes (ATNs) to the AG (for vetting and onward transmission to the PAC) within three months of tabling the Reports.

The Finance Department issued instructions (July 1993) to all the departments to initiate *suo motu* action on all paragraphs and reviews featuring in the Audit Reports irrespective of whether the cases had been taken up for examination by PAC or not.

The State Finances Audit Report (SFAR) of the Government of Tripura for the year 2017-18 (*Report No. 1 of 2019*) was placed in the State Legislative Assembly on 30 August 2019. For better appreciation of the contents of the SFAR by the Hon'ble members of the PAC, the Accountant General (Audit), Tripura made a presentation before the Committee on the main contents of the SFAR on 25 September 2019. The Report was not yet taken up for discussion (February 2021).

4.22 Conclusions

- 630 Utilisation Certificates (UCs) in respect of grants aggregating ₹ 223.98 crore given to Departments of the State Government during the period upto March 2020 have not been submitted to the Accountant General (A&E). Non submission of UCs is fraught with the risk of fraud and misappropriation of funds.
- During 2019-20, ₹ 16.99 crore was drawn through 984 AC Bills of which 540 AC Bills for ₹ 8.28 crore were awaited for submission of Detailed Countersigned Contingent (DCC) Bills as on 31 March 2020. As on 31 March 2020, there were 2191 AC bills for an amount of ₹ 69.90 crore which remained outstanding for adjustment due to non-submission of DCC Bills. Non adjustment of advances for long period is fraught with the risk of misappropriation.
- During 2019-20, the State Government transferred/deposited ₹ 950.65 crore into 722 DDOs Bank Account. As per information furnished by the State Government, there was an unspent balance of ₹ 449.60 crore in 353 DDOs' Bank Account as on 31 March 2020.
- The State Government classified ₹ 174.49 crore as Receipts under Minor Head 800-Other Receipts constituting 1.59 *per cent* of total receipts. Similarly, the State booked as expenditure of ₹ 200.44 crore under Minor Head 800-Other Expenditure constituting 1.41 *per cent* of total expenditure during the year 2019-20.
- There was an outstanding amount of ₹ 775.11 crore in respect of various claims which pertains up to the end of December 2019. Such unpaid claims will create miscellaneous liabilities of the State Government to the next financial years.

- During the financial year 2019-20, there were delays in rendition of monthly accounts ranging from seven to 14 days by the Treasuries, 13 to 40 days by the Public Works Divisions and three to 37 days by the Forest divisions respectively.
- Regarding end use of Cesses levied by the State Government, it was seen that the Tripura Building and Other Construction Workers' Welfare Board (TBOCWBB) had an unspent balance of Labour Cess of ₹ 229.90 crore as on 31 March 2020, which stood invested in FDs of various banks/current account of Banks. The State Government levied Cess on Petrol, Diesel and Natural Gas and collected ₹ 161.48 crore, which was credited to Government Account instead of transferring to Road Development Fund in Public Account.

4.23 Recommendations

1. The Government may ensure submission of Utilisation Certificates (UCs) by the grantee within the time frame and institute a mechanism whereby subsequent release of funds is made consequent on furnishing of UCs of earlier releases.
2. The Government may consider carrying out adjustment of Abstract Contingent bills within stipulated period, as required under the Rules.
3. Finance Department should review all Personal Deposit (PD) accounts to ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund. Further, the Finance Department should reiterate the instructions contained in the financial rules and ensure that appropriate action is taken against departmental officers who fail to follow the rules.
4. Finance Department should consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in order to assess their financial position. It should also hold the concerned officers responsible for delay in finalisation and submission of accounts.
5. The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, *etc.* and strengthening the internal control system to prevent recurrence of such cases.
6. The Finance Department should, in consultation with the Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800 and ensure that in future all such receipts and expenditure are booked under the appropriate heads of account.
7. The State Government may ensure spending and accountal of Cess funds namely, Labour Cess and Road Development Cess as per Rules governing the Cess Funds.

**CHAPTER-V: FUNCTIONING OF STATE
PUBLIC SECTOR ENTERPRISES**

CHAPTER-V

FUNCTIONING OF STATE PUBLIC SECTOR ENTERPRISES

SUMMARY OF FINANCIAL PERFORMANCE OF STATE PUBLIC ENTERPRISES

5.1 Introduction

This Chapter presents the financial performance of ‘Government Companies’, ‘Statutory Corporations’ and ‘Government Controlled Other Companies’. The term State Public Sector Enterprises (SPSEs) encompasses the State Government owned companies set up under the Companies Act, 2013 and Statutory Corporations setup under the statutes enacted by the Parliament and State Legislature.

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary of a Government Company.

Besides, any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government controlled other Companies.

5.2 Mandate

Audit of ‘Government companies’ and ‘Government Controlled Other Companies’ is conducted by the CAG under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG’s (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made there under. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has right to conduct a supplementary audit. The statutes governing some Statutory Corporations require their accounts to be audited only by CAG.

5.3 Working and non-working SPSEs

As on 31 March 2020, there were 16 SPSEs¹ (15 working and one non-working) under the audit jurisdiction of the CAG in Tripura. The 15 working SPSEs included 13 Government Companies, one Government Controlled Other Company and one Statutory Corporation as shown in **Table 5.1**.

¹ Including one Government Company (Tripura Power Generation Limited) added (October 2019) under the audit purview of Principal Accountant General (Audit), Tripura during 2019-20

Table 5.1: Details of working and non-working SPSEs

Type of SPSEs	Working SPSEs	Non-working SPSEs ²	Total
Government Companies	13	1	14
Government Controlled Other Companies	1 ³	-	1
Statutory Corporations	1	-	1
Total	15	1	16

Table 5.2 provides the comparative details of working SPSEs turnover and State GSDP for a period of three years ending 2019-20.

Table 5.2: Contribution of SPSEs-turnover to GSDP

Particulars	(₹ in crore)		
	2017-18	2018-19	2019-20
SPSEs-Turnover ⁴	1011.51	1,024.88	1289.82
GSDP	43716	49845	55358
Percentage of Turnover to GSDP	2.31	2.06	2.33

Source: As per latest finalised accounts of SPSEs

As could be noticed from **Table 5.2**, the contribution of SPSEs-turnover to GSDP over the past three years from 2017-18 to 2019-20 has shown a nominal (overall) increase of 0.02 per cent from 2.31 per cent to 2.33 per cent. The major contributors to SPSEs-turnover during 2019-20 were Tripura State Electricity Corporation Limited (₹ 1,014.06 crore) and Tripura Natural Gas Company Limited (₹ 118.31 crore).

5.4 Investment in SPSEs

State Government's investment in SPSEs

The State's investment in the SPSEs was by way of Equity Share Capital and Long Term Loans. The figures in respect of Equity Capital and Loans provided by the State Government as per the records of the SPSEs should agree with the corresponding figures appearing in the Finance Accounts of the State. In case of differences in the figures, the SPSEs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard for last three years is given in **Table 5.3**.

² Non-working SPSEs are those which have ceased to carry on their operations

³ Tripura Natural Gas Company Limited

⁴ As per the latest finalised accounts of working SPSEs as on 30th September of respective years

Table 5.3: Equity and Loans outstanding as per the State Finance Accounts vis-à-vis records of SPSEs for last three years

(₹ in crore)

Year	2017-18			2018-19			2019-20		
	Amount as per Finance Accounts	Amount as per records of SPSEs ⁵	Difference	Amount as per Finance Accounts	Amount as per records of SPSEs ⁴	Difference	Amount as per Finance Accounts	Amount as per records of SPSEs ⁴	Difference
Equity⁶	1321.56	1391.24	69.68	1374.68	1469.25	94.57	1439.13	1508.00	68.87
Loans	56.75 ⁷	206.30	149.55	56.75 ⁶	206.30	149.55	56.75 ⁶	206.35	149.60

Source: As per State Finance Accounts and as per records of SPSEs

It can be noticed from **Table 5.3** that, as on 31 March 2020, as per records of SPSEs, the Equity investment and Loan given by GoT increased from ₹ 1,391.24 crore in 2017-18 to ₹ 1,508.00 crore in 2019-20, an increase of 8.39 per cent. However, there were differences in the figures of Equity (₹ 68.87 crore) and Loan (₹ 149.60 crore) as per two sets of records. Out of total 15 SPSEs⁸ where State Government had made direct investment, the difference occurred in respect of 12 SPSEs.

The State Government and the SPSEs concerned should take concrete steps to reconcile the differences in a time-bound manner. The Government should correct the system of financing the SPSEs and the Finance Accounts may be updated.

5.5 Budgetary assistance to SPSEs

The State Government provides financial support to SPSEs in various forms through annual budgetary allocations. The summarised details of budgetary support towards Equity, Loans and Grants/subsidies in respect of SPSEs during past three years are given in **Table 5.4**.

Table 5.4: Details regarding annual budgetary support to SPSEs

(₹ in crore)

Particulars	2017-18		2018-19		2019-20	
	No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
Equity capital outgo from budget	5	30.53	4	34.81	5	49.89
Loans given from budget	-	-	-	-	-	-
Grants/subsidy from budget	5	77.35	3	70.77	4	83.82
Total Outgo		107.88		105.58		133.71

Source: As per SPSEs records

⁵ Figures are provisional and as provided by the SPSEs as 13 out of 15 SPSEs (excluding Tripura Natural Gas Company Limited, which had no direct investment from the State Government) had not finalised their current accounts

⁶ Excluding equity investment (₹ 0.54 crore) made (1963-64 to 1991-92) by the State Government in Assam Financial Corporation, Shillong, which no longer exists in the State

⁷ PSE-wise loan figures not available in the State Finance Accounts, 2019-20. The State Government Loan figure (₹ 56.75 crore) booked in the State Finance Accounts pertained to the power sector SPSE (Tripura State Electricity Corporation Limited).

⁸ Excluding one Government Controlled Other Company (Tripura Natural Gas Company Limited) where the State Government had no direct investment

It can be noticed from **Table 5.4** that the budgetary support provided by State Government to SPSEs increased from ₹ 107.88 crore in 2017-18 to ₹ 133.71 crore in 2019-20. The major recipients of budgetary support during 2019-20 were Agartala Smart City Limited (Grant/subsidy: ₹ 50.00 crore), Tripura Jute Mills Limited (Equity: ₹ 29.80 crore), Tripura State Electricity Corporation Limited (Grant/subsidy: ₹ 19.25 crore), Tripura Road Transport Corporation (Grant/subsidy: ₹ 13.29 crore) and Tripura Handloom and Handicrafts Development Corporation Limited (Equity: ₹ 12.45 crore).

5.6 Returns from Government Companies and Corporations

Profit earned and Dividend paid by SPSEs

The position of aggregate profit earned and dividend paid by profit earning SPSEs during the past three years as per the latest finalised accounts as on 30 September of respective year is given in **Table 5.5**.

Table 5.5: Details of profits earned and dividend paid by working SPSEs

Year	2017-18	2018-19	2019-20
Number of profit earning working SPSEs	3	4	6
Aggregate profit earned(₹ in crore)	13.61	8.87	20.65
Dividend paid	-	-	-

As can be noticed from **Table 5.5**, during last three years, three to six working SPSEs earned profits ranging from ₹ 13.61 crore (2017-18) to ₹ 20.65 crore (2019-20). However, none of these SPSEs had declared any dividend during the past three years. There was no recorded information about the existence of any specific policy of the State Government regarding payment of minimum dividend by the SPSEs.

During 2019-20, out of total 15 working SPSEs, six SPSEs (all Companies) earned aggregate profits of ₹ 20.65 crore as per their latest finalised accounts. Analysis of the working results of the SPSEs revealed that the more than 90 per cent (₹ 18.62 crore) of the SPSEs aggregate profits (₹ 20.65 crore) were contributed by one SPSE (Tripura Natural Gas Company Limited) as per its latest finalised accounts (2019-20) as on 30 September 2020. This indicated that the other SPSEs had not contributed towards the profits of the public sector enterprises.

5.7 Long Term Debt of SPSEs

The position of outstanding Long Term Debts of the SPSEs during the last three years as per their latest finalised accounts is given in **Table 5.6**.

Table 5.6: Position of Outstanding loans of the SPSEs

Particulars	(₹ in crore)		
	2017-18	2018-19	2019-20
Total Loans outstanding (State Government and Others)	297.19	297.73	489.30
State Government Loans outstanding	194.34	194.34	207.59
Interest on Total Loans	13.28	13.11	18.24
Interest on State Loan ⁹	10.86	10.86	10.86

⁹ Interest figures as available in the latest finalised accounts of respective SPSEs

It can be noticed from **Table 5.6** that during 2019-20, the total long term borrowings of the SPSEs (Companies and Corporations) from all sources registered an increase of ₹ 191.57 crore as compared to previous year (2018-19). This was mainly due to increase of ₹ 196.60 crore in loans of the power sector SPSE (Tripura State Electricity Corporation Limited) during 2019-20 from ₹ 160.28 crore (2018-19) to ₹ 356.88 crore (2019-20).

As on 31 March 2020, however, nine out of 15 working SPSEs did not have any outstanding long term loans.

5.8 Operating Efficiency of SPSEs

Key parameters

Some of the key parameters of the operational efficiency of working SPSEs for last three years as per their latest finalised accounts as on 30 September of the respective year are given in **Table 5.7**.

Table 5.7: Key parameters of operational efficiency of working SPSEs

(₹ in crore)

Year	No. of working SPSEs	Paid up capital	Net overall Accumulated profits (+)/ losses(-)	Net overall profits (+)/ losses(-)	EBIT	Capital employed ¹⁰
2017-18	14	1337.90	(-) 969.73	(-) 190.30	(-) 190.30	746.89
2018-19	14	1388.28	(-) 1028.84	(-) 211.86	(-) 201.39	732.78
2019-20	15	1475.76	(-) 1120.93	(-) 74.95	(-) 58.26	919.86

From **Table 5.7**, it can be seen that, over the last three years the position of the Net overall losses and 'Earnings before Interest and Tax' (EBIT) has improved. The Capital Employed of SPSEs during 2019-20 has also improved mainly due to increase in the long term borrowings of the SPSEs from ₹ 297.19 crore (2017-18) to ₹ 489.30 crore (2019-20).

However, the net overall accumulated losses of SPSEs have increased over the period. The major contributors to the accumulated losses of SPSEs during 2019-20 were Tripura State Electricity Corporation Limited (₹ 468.84 crore), Tripura Jute Mills Limited (₹ 352.16 crore), Tripura Road Transport Corporation (₹ 284.64 crore) and Tripura Handloom and Handicrafts Development Corporation Limited (₹ 121.59 crore). The accumulated losses of above mentioned SPSEs during 2019-20 were set off to some extent, by the accumulated profits of Tripura Forest Development & Plantation Corporation Limited (₹ 113.47 crore) and Tripura Natural Gas Limited (₹ 104.69 crore).

5.9 Return on Capital Employed

Return on Capital Employed (ROCE) is a profitability metric that measures the long term profitability and efficiency of the total capital employed by a company. Companies create value when they generate returns on the capital employed in excess

¹⁰ **Capital Employed**= Paid up share capital *plus* Free reserves and Surplus *plus* Long term loans *minus* Accumulated losses *minus* Deferred revenue expenditure

of the cost of capital. ROCE is an important metric for long term lenders. ROCE is calculated by dividing a company's Earnings Before Interest and Taxes (EBIT) by the Capital Employed.

During 2019-20, the overall capital employed in respect of 15 working SPSEs as per their latest finalised accounts was ₹ 919.86 crore. Further, out of 15 working SPSEs, only five SPSEs¹¹ had positive ROCE.

In comparison, however, the overall capital employed in respect of working SPSEs during the previous two years (2017-18 and 2018-19) was ₹ 746.89 crore and ₹ 732.78 crore respectively. Further, out of 14 working SPSEs, only three SPSEs¹² had positive ROCE during each of the previous two years.

5.10 Return on Equity (ROE)

Return on equity¹³ (ROE) is a measure of financial performance of companies calculated by dividing the 'net income earned' by the Equity. During 2019-20, six working SPSEs earned profits as per their latest finalised accounts as on 30 September 2020. However, ROE of one profit making SPSE (Tripura Road Transport Corporation) was not workable as the accumulated losses (₹ 284.64 crore) of this SPSE had completely eroded its paid-up capital (₹ 162.95 crore).

The ROE of remaining five SPSEs which earned profit ranged from one *per cent* to 14 *per cent* as detailed in **Table 5.8**.

Table 5.8: Return on Equity

Sl. No.	Name of the Company	Year of Accounts	ROE (in <i>per cent</i>)
1.	Tripura Natural Gas Company Limited	2019-20	14
2.	Tripura Forest Development & Plantation Corporation Limited.	2018-19	1
3.	Tripura Horticulture Corporation Limited	2015-16	9
4.	Tripura Urban Transport Company Limited	2018-19	11
5.	Tripura Tourism Development Corporation Limited	2018-19	5

5.11 SPSEs incurring Losses

The position of aggregate losses incurred by loss making working SPSEs during the past three years as per their latest finalised accounts is given **Table 5.9**.

¹¹ Tripura Forest Development & Plantation Corporation Limited, Tripura Horticulture Corporation Limited, Tripura Urban Transport Company Limited, Tripura Tourism Development Corporation Limited, Tripura Natural Gas Company Limited

¹² Tripura Urban Transport Company Limited, Tripura Natural Gas Company Limited and Tripura Industrial Development Corporation Limited

¹³ **Return on Equity** = (Net Profit after Tax and preference Dividend ÷ Equity) x 100, where **Equity**=Paid up Capital *plus* Free Reserves *minus* Accumulated Loss *minus* Deferred Revenue Expenditure

Table 5.9: Details of loss making working SPSEs

Year	2017-18	2018-19	2019-20
Total No. of working SPSEs	14 ¹⁴	14	15
Number of loss making working SPSEs	10	10	9 ¹⁵
Aggregate losses (₹ in crore)	(-) 203.91	(-) 220.73	(-) 95.60

The details of major contributors to losses of working SPSEs (₹ 95.60 crore) incurred during 2019-20 are given in **Table 5.10**.

Table 5.10: Major contributors to losses of working SPSEs during 2019-20

(₹ in crore)

Sl. No.	Name of the Company	Latest finalised accounts	Net loss
1.	Tripura Jute Mills Limited	2019-20	31.62
2.	Tripura State Electricity Corporation Limited	2016-17	23.71
3.	Tripura Industrial Development Corporation Limited.	2018-19	15.23
4.	Tripura Handloom and Handicrafts Development Corporation Limited.	2016-17	12.17
Total			82.73

From **Table 5.10**, it can be noticed that more than 86 per cent of the losses incurred by working SPSEs during 2019-20 were contributed by the above mentioned four SPSEs.

5.12 SPSEs having complete erosion of capital

The aggregate paid-up capital and accumulated losses of 15 working SPSEs as per their latest finalised accounts as on 30 September 2020 were ₹ 1,475.76 crore and (-) ₹ 1,120.93 crore respectively. Analysis of investment and accumulated losses of these SPSEs revealed that the accumulated losses of four working SPSEs (₹ 442.64 crore) had completely eroded their paid-up capital (₹ 290.79 crore) as detailed in **Table 5.11**.

Table 5.11: Erosion of Capital of SPSEs

(₹ in crore)

Name of SPSE	Latest finalised accounts	Paid up capital	Accumulated losses
Tripura Rehabilitation Plantation Corporation Limited	2018-19	4.58	(-) 10.70
Tripura Industrial Development Corporation Limited	2018-19	16.17	(-) 25.71
Tripura Handloom and Handicrafts Development Corporation Limited	2016-17	107.09	(-) 121.59
Tripura Road Transport Corporation	2016-17	162.95	(-) 284.64
Total		290.79	(-) 442.64

Accumulation of huge losses by these SPSEs had eroded public wealth, which is a cause of serious concern and the State Government needs to review the working of these SPSEs to either improve their profitability or close their operations.

¹⁴ During 2017-18, one SPSE (Agartala Smart City Limited) had reported 'Nil' Profit/(Loss) as per its latest finalised accounts

¹⁵ Including one SPSE (Tripura Power Generation Limited), which reported negligible losses (₹ 18,349.00) during 2019-20 as per its latest finalised accounts

OVERSIGHT ROLE OF COMPTROLLER & AUDITOR GENERAL OF INDIA

5.13 Audit of State Public Sector Enterprises (SPSEs)

Comptroller and Auditor General of India (CAG) appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and supplement or comment upon the Audit Report of the statutory auditor. Statutes governing some corporations require that their accounts be audited by the CAG and a report be submitted to the State Legislature.

5.14 Appointment of statutory auditors of SPSEs by CAG

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year. The statutory auditors of 15 SPSEs (excluding Tripura Road Transport Corporation, a statutory corporation for which CAG is the sole auditor) are appointed by the CAG.

5.15 Submission of accounts by SPSEs

Need for timely submission

According to Section 394 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the Act regulating the only statutory corporation (Tripura Road Transport Corporation) in the State. This mechanism provides the necessary Legislative control over the utilisation of public funds invested in the companies from the State budget.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statement for the financial year has to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Despite above, annual accounts of various SPSEs were pending as on 30 September 2020, as discussed below.

5.16 Timeliness in preparation of accounts by SPSEs

The details relating to finalisation of accounts by 15 working SPSEs (13 Government Companies, one Government Controlled Other Company and one Statutory Corporation) during the last three years as of 30 September of respective year are given in **Table 5.12**.

Table 5.12: Position relating to finalisation of Accounts of working SPSEs

Sl. No.	Particulars	2017-18	2018-19	2019-20
1.	Number of working SPSEs	14 ¹⁶	14	15 ¹⁷
2.	Number of Accounts finalised during the year	12	16	16 ¹⁸
3.	Number of Accounts in arrears	23 ¹⁹	21	24
4.	Number of Working SPSEs with arrears in Accounts	13	12	13
5.	Extent of arrears (number in years)	1 to 4	1 to 4	1 to 4

As could be seen from **Table 5.12**, the accounts of only two²⁰ out of 15 working SPSEs were up-to-date as on 30 September 2020. Remaining 13 working SPSEs had a backlog of 24 accounts for periods ranging from one to four years.

The Administrative Departments concerned have the responsibility to oversee the activities of these entities and to ensure that the accounts of SPSEs under their control are finalised and adopted by the SPSEs within the stipulated period.

The Principal Accountant General (Audit), Tripura had been regularly pursuing with the administrative departments and concerned SPSEs for liquidating the arrears of accounts of SPSEs. However, the State Government and the SPSEs concerned could not address the issue to clear pendency of accounts of the SPSEs in a time bound manner.

5.17 CAG's oversight - Audit of accounts and supplementary audit

Financial reporting framework

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The statutory corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such corporations.

5.18 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of the public sector enterprises with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively.

This function is discharged by exercising the power:

¹⁶ Includes Agartala Smart City Limited which was incorporated on 18 November 2016

¹⁷ Includes Tripura Power Generation Limited which was incorporated on 28 January 2015

¹⁸ Includes four accounts of Tripura Power Generation Limited (2015-16 to 2018-19)

¹⁹ Includes two accounts of Agartala Smart City Limited (2016-17 and 2017-18)

²⁰ Tripura Natural Gas Company Limited and Tripura Jute Mills Limited

- to issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013; and
- to supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

5.19 Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the Management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the Annual General Meeting.

5.20 Result of CAG's oversight role

Audit of accounts of SPSEs

Government Companies/ Government Controlled Other Companies

During 2019-20, 11 working companies had forwarded 16 accounts to the Principal Accountant General (Audit), Tripura. 14 accounts of 10 Companies were selected for Supplementary audit during the year. Non-Review Certificates (NRC) were issued against two accounts of two Companies.

Statutory Corporation

The Principal Accountant General (Audit), Tripura (PAG, Tripura) has only one Statutory Corporation (Tripura Road Transport Corporation) under his audit purview for which CAG is the sole Auditor. The statutory corporation has not forwarded any accounts to PAG, Tripura for conducting the audit during the year.

The audit reports of Statutory Auditors appointed by the C&AG and the supplementary audit conducted by the C&AG indicated that the quality of maintenance of SPSEs' accounts needs to be improved substantially. The results of the review are detailed below:

Significant comments of the CAG issued as supplement to the statutory auditors' reports on Government Companies/Government Controlled Other Companies

Some of the significant comments issued on financial statements of the Government Companies are detailed in **Table 5.13**.

Table 5.13: Gist of significant comments on the accounts of the SPSEs

Sl. No.	Name of the Company	Comments
1	Tripura Jute Mills Limited (Year of Accounts: 2018-19)	<ul style="list-style-type: none"> • Tripura Industrial Development Corporation Limited (TIDC) (another State PSE) constructed 20 Nos. of Staff Quarters on the Land owned by the Company and handed them over to the Company for resettlement of the occupants of the Dormitories, which were demolished by TIDC for construction of 'Agartala International Fair Ground and Exhibition Centre'. The above transaction, which was effected between TIDC and the Company without any financial consideration, remained unaccounted in the books of the Company and TIDC. The monetary impact of this transaction on the value of the Fixed Assets of the Company could not be quantified in absence of proper documentation and non-maintenance of Fixed Assets Register by the Company.
2	Tripura Urban Transport Company Limited (Year of Accounts: 2018-19)	<ul style="list-style-type: none"> • The Company has not accounted the outstanding bills of ₹ 1.98 crore payable against the supply orders (June 2014) placed on Suppliers for delivery of 100 Buses under JNNURM. The bills remained unpaid due to shortage of JNNURM funds and non-release of Additional Central Assistance from the Government. This has resulted in understatement of 'Other Current Liabilities' and 'Fixed Assets' by ₹ 1.98 crore each.
3	Tripura State Electricity Corporation Limited (Year of Accounts: 2016-17)	<ul style="list-style-type: none"> • The Company wrongly capitalised the expenditure of revenue nature (₹ 2.80 crore) relating to IT billing system under 'Capital Works in Progress (CWIP)', resulting in overstatement of 'CWIP' and understatement of 'Loss for the year' by ₹ 2.80 crore each. • The Company wrongly accounted the value of completed projects amounting to ₹ 70.10 crore (including project assets costing ₹ 67.66 crore partially financed out of Government Grants) under 'Capital Work-in-Progress' instead of the

Sl. No.	Name of the Company	Comments
		‘Tangible Assets’ (Property, Plant and Equipment). Non-charging of depreciation on completed assets resulted in understatement of ‘Depreciation’ by ₹ 4.80 crore, understatement of ‘Other Income’ (Adjustment of Depreciation for Grant Assets) and overstatement of ‘Reserves and Surplus’ (Capital Grant) by ₹ 3.83 crore each with corresponding understatement of ‘Loss for the year’ by ₹ 0.97 crore.
4	Tripura Industrial Development Corporation Limited (Year of Accounts: 2018-19)	<ul style="list-style-type: none"> • The Company did not account for the expenses (₹ 0.39 crore) incurred during the year towards Operation and Maintenance of ‘Common Effluent Treatment Plant’ (₹ 0.30 crore) and Security & Hiring of vehicles (₹ 0.09 crore) resulting in understatement of ‘Other Current Liabilities’ as well as ‘Loss for the year’ to the same extent. • The Company did not account lease rent receivable from 78 Industrial Units (IUs) for the year 2018-19 resulting in overstatement of ‘Loss for the year’ by ₹ 0.99 crore with corresponding understatement of ‘current assets’ (trade receivables) to the same extent.

5.21 Management Letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the financial statements of SPSEs were reported as comments by the CAG under Section 143 (6)(b) of the Companies Act, 2013. Besides these comments on accounts, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process, are also communicated to the management through a ‘Management Letter’ for taking corrective action. These deficiencies generally related to -

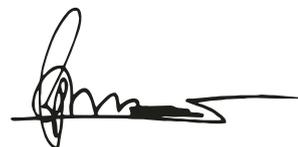
- application and interpretation of accounting policies and practices,
- adjustments arising out of audit that could have a significant effect on the financial statements and

- inadequate or non-disclosure of certain information on which management of the concerned PSE gave assurances that corrective action would be taken in the subsequent year.

As per latest finalised accounts as on 30 September of respective years, 'Management Letters' were issued to four SPSEs as shown in **Table 5.14**.

Table 5.14: List of the SPSEs where Management Letters were issued

Sl. No.	Name of the SPSEs (Year of accounts finalised)
1	Tripura Tea Development Corporation Limited (2018-19)
2	Tripura Tourism Development Corporation Limited (2017-18)
3	Tripura Natural Gas Company Limited (2019-20)
4	Tripura Jute Mills Limited (2019-20)



(Bivash Ranjan Mondal)

Principal Accountant General (Audit), Tripura

Agartala
The: 19 July 2021

Countersigned



(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

New Delhi
The: 23 July 2021

APPENDICES

APPENDIX-1.1

Part-A A brief Profile of Tripura (Reference: Paragraph No. 1.1)

A. General Data							
Sl. No.	Particulars	Figures					
		2001 census		2011 census			
1.	Area (in sq. kms)	10,486.43					
2.	Population	31,99,203 35 lakh (2008) [§]		36,73,917 39.75 lakh (2017)**			
3.	Density of Population (persons per sq km) (All India Average)	305 325		350 382			
4.	Literacy (All India Average)	73.20 per cent 64.80 per cent		87.22 per cent 73.00 per cent			
5.	Gross State Domestic Product (GSDP) 2019-20 [#]	--		₹ 55,358.00 crore (A)			
6.	Per capita income of the State, 2019-20	--		₹ 1,37,981			
7.	Population Below Poverty Line (BPL) 2011-12 (All India Average = 21.90 per cent)			14 per cent			
8.	Infant mortality (per 1000 live births) (All India Average = 39 per 1000 live births)			24			
9.	Life Expectancy at birth (in 2012-16) (All India Average: 68.7)			Male-71, Female-74			
10.	Gini Coefficient ¹ (2009-10) (a) Rural (All India = 0.29) (b) Urban (All India = 0.38)			Rural = 0.21 Urban = 0.29			
11.	Human Development Index (HD)- All India Average 2017: 0.643, 2018: 0.647			NA			
B. Financial Data							
	Particulars	Compound Annual Growth Rate (%)					
		CAGR (2010-11 to 2018-19)		CAGR (2014-15 to 2018-19)		Growth 2018-19 to 2019-20	
		SCS*	Tripura	SCS*	Tripura	SCS*	Tripura
a.	Revenue Receipts	12.26	11.14	12.85	6.82	-9.88	- 8.56
b.	Tax Revenue	13.29	13.92	11.80	10.74	-8.10	19.02
c.	Non-tax Revenue	13.92	13.86	22.55	17.44	-19.72	- 27.02
d.	Total Expenditure	12.56	11.95	12.45	6.76	-6.05	6.68
e.	Capital Expenditure	11.41	4.29	14.74	-14.96	-15.60	- 40.36
f.	Revenue Expenditure on Education	12.75	13.98	12.41	12.85	-8.16	6.02
g.	Revenue Expenditure on Health	15.50	18.68	17.07	10.09	-4.96	6.24
h.	Salary & Wages	12.05	12.36	12.45	14.55	-7.07	4.00
i.	Pensions	16.56	15.24	16.52	24.89	3.05	16.41

Source: [#]Directorate of Economics and Statistics, Government of Tripura

*SCS: 11 Special Category States

[§] Report of the Technical Group on Population Projections constituted by the National Commission on Population, Ministry of Statistics and Programme Implementation, Government of India

**Directorate of Economic and Statistics, Government of Tripura.(A): Advance Estimate

¹ Gini coefficient is a measures of inequality of income among the population value rate is from zero to one, closer to zero inequality is less; closer to one inequality is higher. Latest figure available for 2009-10

Appendix - 1.1 (contd.)

Part-B

Methodology Adopted for the Assessment of Fiscal Position

The norms/Ceilings prescribed by the XIV FC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Para 1.2**) are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that Gross State Domestic Product (GSDP) is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure, etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The GSDP figures and other calculation wherever related to GSDP may vary with those appearing in the previous years Audit Reports as the GSDP figures are updated periodically and adopted as furnished at the time of preparation of this Report.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

List of terms used in the Chapter II and basis for their calculation

Term	Basis for calculation
Buoyancy of a parameter	Rate of growth of the parameter ÷ GSDP growth
Buoyancy of a parameter (X) with respect to another parameter	Rate of growth of the parameter (X) ÷ Rate of growth of the parameter (Y)
Rate of Growth (ROG)	{(Current year Amount ÷ Previous year Amount) minus 1} * 100
Average	Trend of growth over a period of 5 years
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	Interest payment / [(amount of previous year's fiscal liabilities + current year's fiscal liabilities)/2]*100
Interest Spread	GSDP growth – Weighted Interest rates
Quantum Spread	Debt stock * Interest Spread/100
Interest received as <i>per cent</i> to loans outstanding	Interest received / [(Opening Balance + Closing Balance of Loans and Advances)/2] * 100
Revenue Deficit	Revenue receipt – revenue expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit/Surplus	Fiscal Deficit/Surplus – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus Plan grants and Non-plan Revenue Expenditure excluding debits under 2048 – Appropriation for reduction or avoidance of debt.
Compound Annual Growth Rate (CAGR)	The Compound Annual Growth Rate is calculated by taking the n th root of the total percentage growth rate, where n is the number of years in the period being considered. CAGR = [Ending Value/Beginning Value] ^{(1/no. of years) - 1}

Appendix - 1.1 (contd.)
Part-C
Abstract of Receipts and Disbursements for the year 2019-20
(Reference: Paragraph No. 1.1)

(₹ in crore)

Receipts				Disbursements					
2018-19		2019-20		2018-19		2019-20			
	Particulars				Particulars	State fund	Central Assistance /CSS	Total	
Section-A: Revenue									
12030.89	I. Revenue Receipts		11,001.59	11889.20	I. Revenue Expenditure	11,658.60	1,718.31	13,376.91	13,376.91
1765.91	-Tax Revenue	2,101.79		5113.54	General Services	5,676.44	3.64	5,680.08	
372.20	-Non-tax Revenue	271.65		4992.49	Social Services	4,248.70	1,229.61	5,478.31	
4888.95	-State's Share of Union Taxes and Duties	4,211.78		2437.02	-Education, Sports, Art and Culture	2323.30	260.52	2583.82	
0.00	-Non-Plan Grants	0.00		798.52	-Health and Family Welfare	643.68	204.66	848.34	
0.00	-Grants for State/ Union Territory Plan Schemes	(-) 5.10		299.63	-Water Supply, Sanitation, Housing and Urban Development	341.75	368.43	710.18	
0.00	-Grants for Central Plan Schemes	0.00		32.10	-Information and Broadcasting	39.69	0.00	39.69	
0.00	Grants for Centrally Sponsored Plan Schemes	0.00		465.83	-Welfare of SCs, STs and OBCs	277.18	82.32	359.50	
0.00	Grants for Special Plan Schemes (NEC)	(-) 5.20		39.93	-Labour and Labour Welfare	39.08	14.13	53.21	
1861.03	Centrally sponsored scheme	2,254.37		916.63	-Social Welfare and Nutrition	580.42	299.55	879.97	
1131.10	Finance Commission grants	1,063.22		2.83	-Others	3.60	0.00	3.60	
2011.70	Other grants	1,109.08		1,549.23	Economic Services	1,465.46	485.06	1,950.52	
				732.74	-Agriculture and Allied Activities	578.00	127.64	705.64	
				396.70	-Rural Development	433.73	268.23	701.96	
				3.36	-Special Areas Programme (NEC)	3.86	60.71	64.57	
				57.88	-Irrigation and Flood Control	68.74	0.14	68.88	
				29.06	-Energy	94.22	0.00	94.22	
				61.05	-Industry and Minerals	62.21	4.24	66.45	
				115.89	-Transport	131.93	22.83	154.76	
				36.34	Communication	36.80	0.00	36.80	
				4.61	-Science, Technology and Environment	5.73	0.00	5.73	
				111.60	-General Economic Services	50.24	1.27	51.51	
				233.94	Grants-in-Aid and contributions	268.00	0.00	268.00	
0.00	II. Revenue Deficit carried over to Section-B		2,375.32	141.69	II. Revenue Surplus carried over to Section-B	0.00	0.00	0.00	
12,030.89	Total: Section- A		13,376.91	12030.89	Total				13376.91

Appendix - 1.1 (contd.)
Part-C
Abstract of Receipts and Disbursements for the year 2019-20
(Reference: Paragraph No. 1.1)

(₹ in crore)

Receipts				Disbursements					
2018-19		2019-20		2018-19		2019-20			
	Particulars				Particulars	State fund	Central Assistance /CSS	Total	
Section-B: Others									
1,141.37	III. Opening cash balance including permanent advance and cash balance investment		968.52	0.00	III. Opening overdraft from Reserve Bank of India	0.00	0.00	0.00	0.00
0.00	IV. Misc. Capital Receipts			1480.87	IV. Capital Outlay	483.48	399.74	883.22	883.22
				97.65	General Services	57.91	26.59	84.50	
				812.50	Social Services	127.48	218.35	345.83	
0.60	V. Recoveries of Loans & Advances		0.73	17.02	-Education, Sports, Art and Culture	1.86	17.38	19.24	
0.28	From Government servants	0.23		131.29	-Health and Family Welfare	35.07	16.33	51.40	
0.32	From others	0.50		242.04	-Water Supply and Sanitation	29.48	127.67	157.15	
141.69	VI. Revenue Surplus brought down	0.00							
1707.57	VII. Public Debt Receipts		3257.77	381.30	-Housing and Urban Development	58.30	39.15	97.45	
1694.53	Internal Debt other than WMAs	3081.05		40.85	--Welfare of SCs, STs and OBCs	1.50	17.82	19.32	
0.00	Transactions under WMAs	176.66		0.00	Information and Broadcasting Publicity	-	-	-	
13.04	Loans & Advances from GoI	0.06		0.00	-Social Welfare and Nutrition	1.27	-	1.27	
				0.00	-Others	-	-	-	
3,587.16	VIII. Public Account Receipts		3,723.27	570.72	Economic Services	298.09	154.80	452.89	
1475.18	Small Savings and Provident Funds, etc.	1,624.53		30.43	-Agriculture and Allied Activities	23.79	36.66	60.45	
218.56 ²	Reserve Fund	224.56 ³		131.69	-Rural Development	43.43	73.66	117.09	
32.72	Sinking Fund (earmarked fund)	24.32		19.78	-Special Areas Programme	0.64	13.10	13.74	
443.59	Deposits and Advances	613.21		19.63	-Irrigation and Flood Control	26.07	0.21	26.28	
153.85	Suspense and Miscellaneous	146.02		42.72	-Energy	27.51	-	27.51	
1,263.26	Remittances	1090.63		34.32	-Industry and Minerals	-	-	-	
				265.02	-Transport	126.88	30.41	157.29	
0.00	IX. Closing overdraft from RBI	0.00		5.09	-Science, Technology and Environment	-	-	-	
				22.04	-General Economic Services	49.77	0.76	50.53	

² Excluding the disinvestment amount of ₹ 100.00 crore withdrawn from SDRF investment account during the year 2018-19

³ Interest accrued on the investment during 2019-20

Appendix - 1.1 (contd.)

Part-C

Abstract of Receipts and Disbursements for the year 2019-20

(Reference: Paragraph No. 1.1)

(`in crore)

Receipts			Disbursements					
2018-19		2019-20	2018-19		2019-20			
	Particulars			Particulars	State fund	Central Assistance /CSS	Total	
			1.12	Loans and Advances Disbursed	3.75	0.00	3.75	3.75
			0.00	For Power Projects	0.00	0.00		
			0.50	-To Government Servants	2.23	0.00		
			0.62	-To others	1.52	0.00		
			0.00	Revenue deficit brought down	0.00	0.00	2375.32	2375.32
			498.05	Repayment of Public Debt	889.07	0.00	889.07	889.07
			466.21	-Internal Debt other than WMAs	680.14	0.00	680.14	
			0.00	-Net transactions under WMAs including Overdraft	176.66	0.00	176.66	
			31.84	-Repayment of Loans and Advances to Central Government	32.27	0.00	32.27	
			3,629.83	Public Account Disbursements	0.00	0.00	2,752.76	2,752.76
			1012.70	-Small Savings and Provident Funds			1189.53	
			277.55 ⁴	-Reserve Fund			168.22	
			386.72	-Deposits and Advances			405.25	
			468.58	-Suspense			(-) 220.76	
			1,484.28	-Remittances			1210.52	
			968.52	Cash Balance at end				1046.17
			(-) 1.13	Remittances in Transit – Local-			(-)1.13	
			32.05	-Departmental Cash Balance including permanent advance			29.01	
			299.28	- Investment of earmarked funds			323.95	
			652.34	-Cash Balance investment			353.36	
			(-) 14.02	-Deposit with Reserve Bank of India			340.98	
6,578.39	Total: Section-B	7,950.29	6,578.39	Total: Section-B				7,950.29

⁴ Including the amount spent (` 74.23 crore) from the interest accrued in the investment account of sinking fund withdrawn (` 106.95 crore) by the State Government during 2018-19

Appendix - 1.1 (contd.)
Part-D
Time Series Data on State Government Finances
(Reference: Paragraph No.1.1)

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Part -A: Receipts					
1. Revenue Receipts	9,426.74	9,645.46	10,067.95	12,030.89	11,001.59
(i) Tax Revenue	1,332.25 (14)	1,422.01 (15)	1,422.02 (14)	1,765.91 (15)	2101.79 (19)
Taxes on Agricultural Income	0.11 (#)	0.10 (#)	0.09 (#)	0.15 (#)	0.08(#)
Taxes on Sales, Trade, etc.	1,058.48 (79)	1,112.89 (79)	611.88 (43)	361.95 (20)	435.88 (21)
State Goods and Service Tax	0.00	0.00	479.71 (34)	977.44 (55)	1026.63 (49)
State Excise	143.56 (11)	163.19 (11)	186.96 (13)	214.35 (12)	231.70 (11)
Taxes on Vehicles	37.62 (3)	43.60 (3)	54.38 (4)	83.50 (5)	97.14 (5)
Stamps and Registration Fees	42.49 (3)	41.83 (3)	40.16 (3)	51.32 (3)	61.67 (3)
Land Revenue	5.97 (1)	13.32 (1)	4.46 (#)	5.29 (1)	12.98(6)
Other Taxes including taxes on commodities and services	44.02 (3)	47.08 (3)	44.38 (3)	71.19 ⁵ (4)	235.71 (11)
(ii) Non-tax Revenue	262.60 (3)	218.85 (2)	493.48 (5)	372.20 (3)	271.65 (2)
(iii) State's share of Union Taxes and Duties	3,266.02 (35)	3,909.12 (41)	4,322.08 (43)	4,888.95 (41)	4211.78 (38)
(iv) Grants-in-aid from Government of India	4,565.87 (48)	4,095.48 (42)	3,830.37 (38)	5,003.83 (42)	4416.37 (40)
2. Misc. Capital Receipts	0.00	0.00	0.00	0.00	0.00
3. Recoveries of Loans and Advances	1.14	0.91	1.69	0.60	073
4. Total Revenue and Non-debt Capital Receipts (1+2+3)	9,427.88	9,646.37	10,069.64	12,031.49	11,002.32
5. Public Debt Receipts	1,119.79	1,139.56	1,333.41	1,707.57	3257.77
Internal Debt (excluding WMAs and Overdrafts)	1,113.86	1,135.94	1,332.14	1,694.53	3081.05
Net transactions under WMAs and Overdrafts	0.00	0.00	0.00	0.00	176.66
Loans and Advances from Government of India	5.93	3.62	1.27	13.04	0.06
6. Total Receipts in the Consolidated Fund (4+5)	1,0547.67	10,785.93	11,403.05	13,739.06	14,260.09
7. Contingency Fund Receipts	0.00	0.00	0.00	0.00	0.00
8. Net Receipts from Public Account	359.56	796.57	451.19	(-) 42.67	970.51
9. Total Receipts of the State (6+7+8)	10,907.23	11,582.50	11,403.05	13,696.39	15,230.60
10. Revenue Expenditure	7,868.47 (71)	8,855.14 (73)	10,357.22 (85)	11,889.20 (89)	13,376.91 (94)
General Services (including Interest Payment)	3,045.18 (39)	3,503.17 (39)	4,398.58 (42)	5,113.54 (43)	5680.08 (42)
Economic Services	1,314.47 (17)	1,471.26 (17)	1,480.48 (14)	1,549.23 (13)	1950.52 (15)
Social Services	3,310.89 (42)	3,682.78 (42)	4,249.90 (41)	4,992.49 (42)	5478.31 (41)
Grants-in-aid and Contributions	197.93 (2)	197.93 (2)	228.26 (2)	233.94 (2)	268.00 (2)
11. Capital Expenditure	3,188.02 (29)	3,293.57 (27)	1,777.05 (15)	1,480.87 (11)	883.22 (6)
General Services	147.54 (5)	204.55 (6)	122.67 (7)	97.65 (7)	84.50 (10)
Economic Services	2,342.14 (73)	1,668.06 (51)	699.56 (39)	570.72 (38)	452.89 (51)

⁵ Includes Taxes on professions: ₹ 43.87 crore; Taxes and duties of electricity: ₹ 0.01 crore; Other taxes on commodities: ₹ 27.94 crore and Taxes on immovable property other than Agriculture Land: ₹ 0.09 crore

Appendix - 1.1 (contd.)
Part-D
Time Series Data on State Government Finances
(Reference: Paragraph No.1.1)

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Part -B: Expenditure/Disbursement					
Social Services	698.34 (22)	1,420.96 (43)	954.82 (54)	812.50 (55)	345.83 (39)
12. Disbursement of Loans and Advances	21.84	27.28	7.01	1.12	3.75
13. Total Expenditure (10+11+12)	1,1078.33	12,175.99	12,141.28	13,371.19	14,263.88
14. Repayments of Public Debt	447.29	512.63	300.82	498.05	889.07
Internal Debt (excluding WMAs and Overdrafts)	415.65	481.01	269.00	466.21	680.14
Net transactions under WMAs and Overdrafts	0.00	0.00	0.00	0.00	176.66
Loans and Advances from GoI [‡]	31.64	31.62	31.82	31.84	32.27
15. Appropriation to Contingency Fund	0.00	0.00	0.00	0.00	0.00
16. Total Disbursement out of Consolidated Fund (13+14+15)	11,525.62	12,688.62	12,442.10	13,869.24	15,152.95
17. Contingency Fund Disbursements	0.00	0.00	0.00	0.00	0.00
18. Total disbursement by the State (17+18)	11,525.62	12,688.62	12,442.10	13,869.24	15,152.95
Part -C: Deficits					
19. Revenue Deficit (-)/ Surplus (+) (1-10)	(+) 1,558.27	(+) 790.32	(-) 289.27	(+) 141.69	(-) 2375.32
20. Fiscal Deficit (-) / Surplus (+) (4 - 13)	(-) 1,650.45	(-) 2,529.62	(-) 2,071.64	(-) 1,339.70	(-) 3261.56
21. Primary Surplus (+)/ Deficit (-)	(-) 921.06	(-) 1,735.31	(-) 1,184.75	(-) 320.75	(-) 2136.58
22. Interest Payments (percentage of Revenue Expenditure)	729.39 (9)	794.31 (9)	886.89 (8.56)	1,018.95 (8.57)	1124.98 (8.41)
23. Financial Assistance to Local Bodies etc.	444.80	688.48	1,474.17	2401.39	2638.52
24. WMAs/ Overdraft availed (days)	0.00	0.00	0.00	0.00	0.00
25. Interest on WMAs/ Overdraft (₹ in crore)	0.00	0.00	0.00	0.00	0.10
26. Gross State Domestic Product (GSDP)*	35938	39479	43716	49845	55,358
27. Outstanding Fiscal Liabilities**(year-end)	10,395.19	11,891.21	13,376.10	15,078.81	17,845.71
28. Outstanding guarantees (year-end)	287.78	312.53	327.65	523.67	734.57
29. Maximum amount guaranteed during the year	67.00	64.00	54.00	230.00	246.75
30. Number of incomplete projects⁶	35	92	62	78	63
31. Capital blocked in incomplete projects	301.84	966.15	406.64	200.72	560.86
Part- E: Fiscal Health Indicators					
I. Resource Mobilisation					
Own Tax Revenue/GSDP (ratio)	3.71	3.96	3.25	3.54	3.80
Own Non-tax Revenue/GSDP (ratio)	0.73	0.55	1.13	0.75	0.31
Central Transfers/GSDP (ratio)	21.79	20.28	18.65	19.85	15.59
II. Expenditure Management					
Total Expenditure/GSDP (ratio)	30.83	30.84	35.82	26.83	25.77
Total Expenditure/Revenue Receipts (ratio)	117.52	126.23	120.59	111.14	129.65
Revenue Expenditure/Total Expenditure (ratio)	71.02	72.73	85.31	88.92	93.78
Expenditure on Social Services/ Total Expenditure (ratio)	36.19	41.92	42.87	43.41	40.83
Expenditure on Economic Services/Total Expenditure (ratio)	33.01	25.78	17.96	15.85	16.85
Capital Expenditure/Total Expenditure (ratio)	28.78	27.05	14.64	11.08	6.19
Capital Expenditure on Social and Economic Services/Total Expenditure	27.47	25.36	13.63	10.34	5.60

[‡] Includes Ways and Means Advances from GoI

⁶ Number of incomplete projects from the year 2015-16 to 2019-20 involving ₹ 5 crore and above

Appendix - 1.1 (concl.)
Part-D
Time Series Data on State Government Finances
(Reference: Paragraph No. 1.1)

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
III. Management of Fiscal Imbalances					
Revenue (Surplus/ Deficit)/GSDP (ratio)	4.34	2.00	(-) 0.66	0.28	(-) 4.29
Fiscal (Surplus/Deficit)/GSDP (ratio)	(-) 4.59	(-) 6.40	(-) 4.74	(-) 2.69	(-) 5.89
Primary Deficit (Surplus/Deficit)/GSDP (ratio)	(-) 2.56	(-) 4.39	(-) 2.71	(-) 0.64	(-) 3.86
Revenue Surplus/Fiscal Surplus (ratio)/Deficit	(-) 94.41	(-) 31.24	13.96	10.58	(-) 72.83
Primary Revenue Balance/GSDP (ratio)	6.36	4.02	1.36	2.30	(-) 2.26
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP (ratio)	28.93	30.09	30.28	29.83	32.24
Fiscal Liabilities/RR (ratio)	110.27	123.28	132.86	125.42	162.21
Interest Payments/RR	7.74	8.23	8.81	8.47	10.23
Debt Redemption (Principal+Interest)/ Total Debt Receipts (ratio)	81.62	114.68	66.98	82.26	50.39
V. Other Fiscal Health Indicators					
Return on Investment (₹ in crore)	13.41	0.05	14.27	0.00	7.95
Balance from Current Revenue (₹ in crore)	(+) 108.06	(+) 258.94	(-) 706.24	(-) 316.29	(-) 2911.38
Financial Assets/Liabilities (ratio)	2.35	2.25	2.09	1.97	167.55
* GSDP (Base year 2011-12) figures have been arrived at on current market prices as per information furnished by the Directorate of Economic & Statistics, Government of Tripura					
** Apart from Public Debt, includes other liabilities (i.e., Small Savings, etc., Reserve Fund and Deposit)					
Note 1: Figure in bracket indicates the percentage to Revenue Receipts					
Note 2: Figures in brackets represent percentage to total of each sub-heading					
# Negligible					

Appendix 3.1

Summary of expenditure without budget provision

(Reference: Paragraph No. 3.3.1)

Sl. No	Grant/ Appropriation	Head of Accounts	Number of Schemes/Sub Heads	Expenditure (₹ in crore)
1	4: Election Department	2015	Elections	
		105	Charges for conduct of elections to Parliament	
		98	Administration	0.10
2	5: Law Department	2014	Administration of Justice	
		102	High Courts	
		37	Agricultural Development	0.11
3	6: Revenue Department	2029	Land Revenue	
		103	Land Records	
		98	Administration	0.11
		99	Others	0.33
		2575	Other Special Area Programmes	
		06	Boarder Area Development	
		800	Other expenditure	
4	10: Home (Police) Department	90	State Share for Central Assistance to State Plan	1.46
		4055	Capital Outlay on Police	
		207	State Police	
		98	Administration	0.05
		211	Police Housing	
5	13: Public Works (R&B) Department	70	State Share	0.42
		4059	Capital Outlay on Public Works	
		60	Other Buildings	
		051	Construction	
		54	NABARD	11.94
		789	Special Component Plan for Scheduled Castes	
		54	NABARD	3.63
		796	Tribal Area Sub-plan	
		54	NABARD	6.43
		80	General	
		051	Construction	
		91	Central Assistance to State Plan	0.11
		789	Special Component Plan for Scheduled Castes	
		91	Central Assistance to State Plan	0.04
		796	Tribal Area Sub-plan	
		91	Central Assistance to State Plan	0.07
		6	16: Health Department	5054
04	District and other Roads			
337	Roads Works			
54	NABARD			45.58
2230	Labour, Employment and Skill Development			
01	Labour			
789	Special Component Plan for Scheduled Castes			
6	16: Health Department	91	Central Assistance to State Plan (CASP)	1.22
		796	Tribal Area Sub-plan	
		91	Central Assistance to State Plan(CASP)	2.22

Appendix 3.1 (contd.)
Summary of expenditure without budget provision
(Reference: Paragraph No. 3.3.1)

Sl. No	Grant/ Appropriation	Head of Accounts	Number of Schemes/Sub Heads	Expenditure (₹ in crore)
7	24: Industries & Commerce Department	2406	Forestry and Wild Life	
		01	Forestry	
		102	Social and Farm Forestry	
		70	State Share	0.35
		789	Special Component Plan for Scheduled Castes	
		70	State Share	0.12
		796	Tribal Area Sub-plan	
		70	State Share	0.21
		2851	Village and Small Industries	
		003	Training	
		91	Central Assistance to State Plan (CASP)	1.02
		789	Special Component Plan for Scheduled Castes	
		91	Central Assistance to State Plan(CASP)	0.33
		796	Tribal Area Sub-plan	
91	Central Assistance to State Plan (CASP)	0.62		
8	30: Forest Department	2406	Forestry and Wild Life	
		01	Forestry	
		101	Forest Conservation, Development and Regeneration	
		90	State Share for Central Assistance to State Plan	0.18
		02	Environmental Forestry and Wild Life	
		110	Wild Life Preservation	
		90	State Share for Central Assistance to State Plan(CSS)	0.05
9	31: Rural Development Department	2216	Housing	
		03	Rural Housing	
		102	Community Development	
		30	Rural Development	0.19
		2515	Other Rural Development Programmes	
		102	Community Development	
		70	State Share	0.25
90	State Share for Central Assistance to State Plan	9.66		
10	34: Planning and Co-ordination Department	3451	Secretariat-Economic Services	
		102	District Planning Machinery	
		98	Administration	0.06
11	39: Education (Higher) Department	2202	General Education	
		03	University and Higher Education	
		103	Government Colleges and Institutes	
		90	State Share for Central Assistance to State Plan	0.65
		4202	Capital Outlay on Education, Sports, Art and Culture	
		04	Art and Culture	
		105	Public Libraries	
		91	Central Assistance to State Plan(CASP)	0.12
		796	Tribal Area Sub-plan	
91	Central Assistance to State Plan (CASP)	0.02		

Appendix 3.1 (concl.)

Summary of expenditure without budget provision

(Reference: Paragraph No. 3.3.1)

Sl. No	Grant/ Appropriation	Head of Accounts	Number of Schemes/Sub Heads	Expenditure (₹ in crore)
12	43: Finance Department	2071	Pensions and other Retirement Benefits	
		01	Civil	
		106	Pensionary Charges in respect of High Court Judges	
		02	Pension	0.23
		3475	Other General Economic Services	
		115	Financial Support for Infrastructure Development	
		05	Establishment	0.05
		2049	Interest Payments	
		03	Interest on Small Savings Provident Funds etc.	
		108	Interest on Insurance and Pension Fund	
		58	Debt Services	8.92
		6004	Loans and Advances from the Central Government	
		09	Other Loans for States/Union Territory with Legislature Schemes	
		800	Other Loans	
58	Debt Services	0.32		
13	45: Taxes and Excise	2039	State Excise	
		001	Direction and Administration	
		98	Administration	0.71
		2040	Taxes on Sales, Trade etc.	
		101	Collection Charges	
		98	Administration	0.87
		5465	Investments in General Financial and Trading Institutions	
		01	Investments in General Financial Institutions	
		800	Other expenditure	
98	Administration	0.08		
14	62: Education (Elementary)	2202	General Education	
		01	Elementary Education	
		001	Direction and Administration	
		41	Human Development	0.02
Total				98.85

Appendix 3.2

Grant-in-aid expenditure designated as 'Grants for creation of capital assets' and booked under Capital Major Heads instead of Revenue Heads

(Reference: Paragraph No. 3.3.3)

Name of scheme & Head of Accounts	Type of misclassification	Amount (₹ in crore)	Owner (s) of assets created (on the basis of scheme guidelines)
Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 4515-00-102-90-20-57, 4515-00-102-91-20-57, 4515-00-789-90-20-57, 4515-00-789-91-20-57, 4515-00-796-90-20-57, 4515-00-796-91-20-57	Revenue to capital	97.49	Individual/ Local Bodies
Pradhan Mantri Awas Yojana (PMAY)-Urban; 4217-03-051-70-80-57, 4217-03-789-70-80-57, 4217-03-796-90-70-57	Revenue to capital	50.00	Individual
North Eastern Region Urban Development Programme (NERUDP) 4217-01-051-88-91-57, 4217-01-789-88-91-57, 4217-01-796-88-91-57	Revenue to capital	39.15	Urban Local Bodies
Rurban Mission; 4515-00-103-89-39-57, 4515-00-789-89-39-57, 4515-00-796-89-39-57	Revenue to capital	17.02	...
North Eastern Council : Power Deptt.- 4552-00-101-90-08-57, 4552-00-101-91-08-57, 4552-00-789-90-08-57, 4552-00-789-91-08-57, 4552-00-796-90-08-57, 4552-00-796-91-08-57	Revenue to capital	6.30	State SPSEs.
Rural Housing Scheme (State Schemes) 4216-03-800-30-10-57, 4216-03-789-30-10-57, 4216-03-796-30-10-57	Revenue to capital	3.12	Individual
National Mission on AYUSH including Mission on Medicinal Plants; 4210-01-796-90-46-57, 4210-01-796-91-46-57	Revenue to capital	0.48	State Government
Human Resource in Health and Medical Education; 4210-03-105-91-45-57, 4210-03-789-91-45-57, 4210-03-796-91-45-57	Revenue to capital	3.64	State Government
Medical Education & Training (Allopathy)-State Plan; 4210-03-105-70-16-57, 4210-03-789-70-16-57, 4210-03-796-70-16-57	Revenue to capital	5.15	State Government
MLA Local Area Development Programme-State Plan; 4070-00-800-99-27-57, 4070-00-789-99-27-57, 4070-00-796-99-27-57	Revenue to capital	10.75	ULBs/RLBs/Registered Organisation/ Society/ Aided Institutions, etc.
Grants under Proviso to Article 275(1)-Tribal Area Sub-Plan (CASP); 4225-02-796-91-06-57	Revenue to capital	2.92	ADC/Society
Addl. Central Assistance for Externally Aided Projects(EAPs); 4406-01-101-91-10-57, 4406-01-789-91-10-57, 4406-01-796-91-10-57	Revenue to capital	10.05	Society (JICA Project)
Others	Revenue to capital	41.31	PRIs/ULBs/RLBs/Autonomous Bodies/ Society/ Govt. Department.
Total		287.38	

Source: Finance Accounts 2019-20

Appendix 3.3

Cases where supplementary provision of ₹ 50 lakh and above were obtained in each cases during the year 2019-20 which proved unnecessary

(Reference: Paragraph No. 3.3.4)

(₹ in lakh)

Sl. No.	Grant No. and Name Revenue Voted	Original	Supplementary	Total	Expenditure	Savings
1	4: Election Department	8498.13	596.67	9094.80	6864.23	2230.57
2	5: Law Department	10302.71	101.26	10403.97	7198.54	3205.43
3	15: Public Works (Water Resource) Department	10448.84	3393.61	13842.45	7385.74	6456.71
4	16: Health Department	43931.42	4995.13	48926.55	42026.94	6899.61
5	20: Welfare of Scheduled Castes Department	5160.11	4039.28	9199.39	3648.93	5550.46
6	21: Food, Civil Supplies & Consumer Affairs Department	10943.24	2815.65	13758.89	6872.27	6886.62
7	24: Industries and Commerce Department	7708.89	343.94	8052.83	6703.95	1348.88
8	26: Fisheries Department	6169.00	93.33	6262.33	5193.01	1069.32
9	27: Agriculture Department	43164.04	333.65	43497.69	27656.04	15841.65
10	30: Forest Department	11735.74	1111.89	12847.63	11325.07	1522.56
11	36: Home (Jail) Department	3203.75	92.00	3295.75	2951.19	344.56
12	40: Education (School) Department	160892.04	9800.73	170692.77	154048.31	16644.46
13	41: Education (Social) Department	93749.39	1647.12	95396.51	81219.86	14176.65
14	43: Finance Department	240579.92	14081.17	254661.09	238974.14	15686.95
15	51: Public Works (Drinking Water and Sanitation) Department	21709.55	2541.97	24251.52	20840.29	3411.23
16	61: Welfare of Other Backward Classes Department	3703.35	416.96	4120.31	1861.82	2258.49
17	62: Education (Elementary) Department	92063.00	348.82	92411.82	85222.42	7189.40
18	63: Industries & Commerce (Skill Development) Department	3559.75	118.33	3678.08	983.67	2694.41
	Capital voted					
19	5: Law Department	2220.00	1361.22	3581.22	1711.31	1869.91
20	6: Revenue Department	3274.60	1581.92	4856.52	843.56	4012.96
21	11: Transport Department	2141.00	179.19	2320.19	1641.29	678.90
22	13: Public Works (Roads and Buildings) Department	51766.00	146.72	51912.72	21647.73	30264.99
23	16: Health Department	7886.79	399.55	8286.34	4760.57	3525.77
24	19: Tribal Welfare Department	1593.80	553.54	2147.34	1053.82	1093.52
25	21: Food, Civil Supplies & Consumer Affairs Department	214.40	540.55	754.95	153.42	601.53
26	25: Industries & Commerce (Handloom, Handicrafts and Sericulture) Department	1418.00	210.23	1628.23	1251.88	376.35
27	27: Agriculture Department	11483.19	1713.92	13197.11	5856.83	7340.28
28	29: Animal Resource Development Department	828.62	148.20	976.82	214.28	762.54

Appendix 3.3 (concl.)

Cases where supplementary provision of ₹ 50 lakh and above were obtained in each cases during the year 2019-20 which proved unnecessary

(Reference: Paragraph No. 3.3.4)

(₹ in lakh)

Sl. No.	Grant No. and Name Capital Voted	Original	Supplementary	Total	Expenditure	Savings
29	35: Urban Development Department	25458.15	4301.00	29759.15	9424.99	20334.16
30	39: Education (Higher) Department	4404.00	88.31	4492.31	1760.24	2732.07
31	40: Education (School) Department	506.17	52.04	558.21	167.64	390.57
32	52: Family Welfare and Preventive Medicine	1132.67	64.79	1197.46	379.67	817.79
33	53: Tribal Welfare (Research) Department	250.00	153.98	403.98	40.73	363.25
	Capital Charged					
34	12: Co-operation Department	200.00	118.42	318.42	191.42	127.00

Appendix 3.4

Unnecessary re-appropriation leading to savings

(Reference: Paragraph No. 3.3.5)

(`in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
1	3: General Administration (SA) Department							
	2070	Other Administrative Services						
	115	Guest Houses, Government Hostels etc.						
	05	Establishment	1229.85	0	22.93	1252.78	914.88	337.90
2	6: Revenue Department							
	2029	Land Revenue						
	800	Other expenditure						
	86	Centrally Sponsored Schemes-I	43.16	0	0.01	43.17	14.43	28.74
	2725	Other Special Area Programmes						
	06	Border Area Development						
	789	Special Component Plan for Scheduled Castes						
	90	State Share for Central Assistance to State Plan	0	180.41	36.38	216.79	43.52	173.27
	796	Tribal Area Sub-Plan						
	90	Special Component Plan for Scheduled Castes	0	328.98	66.34	395.32	45.72	349.60
	91	Central Assistance to State Plan	268.46	0.24	0.01	268.71	0	268.71
	2245	Relief on account of Natural Calamities						
	06	Earthquake						
	107	Repairs and restoration of damaged Government office buildings						
	89	Centrally Sponsored Scheme - IV	0	81.02	9.98	91.00	0	91.00
	4059	Capital Outlay on Public Works						
	01	Office Buildings						
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	532.10	421.92	15.93	969.95	59.53	910.42
	4070	Capital outlay on other administrative Services						
	796	Tribal Area Sub-Plan						
	90	State Share for Central Assistance to State Plan	0	228.78	15.81	244.59	4.99	239.60
	800	Other expenditure						
	90	State Share for Central Assistance to State Plan	0	283.76	26.52	410.28	66.43	343.85

Appendix 3.4 (contd.)

Unnecessary re-appropriation leading to savings
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
	4070	Capital Outlay on other Administrative Services						
	789	Special Component Plan for Scheduled Castes						
	90	State Share for Central Assistance to State Plan	0	125.46	8.67	134.13	0	134.13
3	9 – Statistic Department							
	3454	Census Surveys and Statistics						
	01	Census						
	001	Direction and Administration						
	89	Centrally Sponsored Scheme - IV	0	270.55	1.00	271.55	0	271.55
4	10 - Home (Police) Department							
	2070	Other Administrative Services						
	107	Home Guards						
	10	Home Guards	2444.50	78.08	6.01	2528.59	2108.03	420.56
		12 - Co-operation Department						
5	12 – Co-operation Department							
	6003	Internal Debt of the State Government						
	105	Loans from NABARD						
	58	Debt Services	0	118.42	8.58	127.00	0	127.00
6	15 - Public Works (Water Resource) Department							
	2702	Minor Irrigation						
	80	General						
	800	Other expenditure						
	86	Centrally Sponsored Scheme - I	50.00	0	9.48	59.48	13.88	45.60
	2711	Flood Control and Drainage						
	01	Flood Control						
	796	Tribal Area Sub-plan						
	27	Water Resource	777.80	0	13.23	791.03	630.55	160.48
	2702	Minor Irrigation						
	01	Surface Water						
	101	Water Tanks						
	91	Central Assistance to State Plan	1040.00	1649.48	10.52	2700.00	0	2700.00
7	16 - Health Department							
	4210	Capital Outlay on Medical and Public Health						
	01	Urban Health Services						
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	600.00	0	227.35	827.35	189.55	637.80

Appendix 3.4 (contd.)

Unnecessary re-appropriation leading to savings

(Reference: Paragraph No. 3.3.5)

(`in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
	796	Tribal Area Sub-plan						
	91	Central Assistance to State Plan	951.00	0	245.71	1196.71	399.36	797.35
	4210	Capital Outlay on Medical and Public Health						
	03	Medical Education Training and Research						
	105	Allopathy						
	90	State Share for Central Assistance to State Plan	0	16.42	11.66	28.08	0	28.08
8	19 - Tribal Welfare Department							
	2225	Welfare of Scheduled Castes, Scheduled Tribes, other Backward Classes and Minorities						
	02	Welfare of Scheduled Tribes						
	796	Tribal Area Sub-plan						
	86	Centrally Sponsored Scheme - I	3200.00	621.24	233.42	4054.66	306.59	3748.07
	89	Centrally Sponsored Scheme - IV	592.90	0	42.10	635.00	287.82	347.18
	4225	Welfare of Scheduled Castes, Scheduled Tribes, other Backward Classes and Minorities						
	02	Welfare of Scheduled Tribes						
	796	Tribal Area Sub-plan						
	91	Central Assistance programme	1168.80	553.54	200.00	1922.34	978.82	943.52
9	20 - Welfare of Scheduled Castes Department							
	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities						
	01	Welfare of Scheduled Castes						
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	336.00	0	33.70	369.70	13.00	356.70
10	21 - Food, Civil Supplies & Consumer Affairs Department							
	3456	Civil Supplies						
	103	Consumer Subsidies						
	72	Public Distribution System	3500.00	2815.65	34.35	6350.00	2745.50	3604.50

Appendix 3.4 (contd.)

Unnecessary re-appropriation leading to savings
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
11	23 - Panchayat Raj Department							
	2515	Other Rural Development Programmes						
	001	Direction and Administration						
	82	Panchayat Samiti	1178.75	0	90.00	1268.75	1138.62	130.13
	99	Others	1000.00	0	250.00	1250.00	848.79	401.21
12	24 - Industries & Commerce Department							
	2851	Village and Small Industries						
	796	Tribal Area Sub-plan						
	70	State Share	57.00	0	22.87	7987	0	79.87
	4851	Capital Outlay on Village and Small Industries						
	796	Tribal Area Sub-plan						
	70	State Share	0	42.76	80.00	122.76	0	122.76
13	26 - Fisheries Department							
	2405	Fisheries						
	789	Special Component Plan for Scheduled Castes						
	36	Fisheries Development	144.00	0	0.50	144.50	100.99	43.51
	89	Centrally Sponsored Scheme - IV	113.25	59.44	35.00	207.69	58.08	149.61
	796	Tribal Area Sub-plan						
	70	Tate share	12.00	22.26	5.50	39.76	5.34	34.42
	800	Others expenditure						
	89	Centrally Sponsored Scheme - IV	240.00	0	7.88	247.88	184.85	63.03
14	27 - Agriculture Department							
	2401	Crop Husbandary						
	109	Extension and Farmers' Training						
	91	Central Assistance to State Plan	4236.00	0	1694.47	5930.47	3115.69	2814.78
	789	Special Component Plan for Scheduled Castes						
	90	State Share for Central Assistance to State Plan	101.11	55.54	0.79	157.35	72.38	84.97
	98	Administration	327.71	0	42.89	370.60	190.66	179.94
	796	Tribal Area Sub-plan						
	98	Administration	750.08	0	72.52	822.60	441.54	381.06
	4401	Capital Outlay on Crop Husbandary						
	103	Seeds						
	87	Centrally Sponsored Scheme - II	81.25	0	43.55	124.80	10.00	114.80

Appendix 3.4 (contd.)

Unnecessary re-appropriation leading to savings

(Reference: Paragraph No. 3.3.5)

(`in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	350.00	293.06	69.20	712.26	162.87	549.39
	800	Others expenditure						
	90	State Share for Central Assistance to State Plan	106.80	0	7.38	114.18	39.52	74.66
	91	Central Assistance to State Plan	1500.00	0	159.64	1659.64	613.13	1046.51
	789	Special Component Plan for Scheduled Castes						
	87	Centrally Sponsored Scheme - II	20.00	0	20.80	40.80	0	40.80
	796	Tribal Area Sub-plan						
	87	Centrally Sponsored Scheme - II	70.00	0	4.40	74.40	0	74.40
		29: Animal Resource Development Department						
15	29: Animal Resource Development Department							
	2403	Animal Husbandry						
	796	Tribal Area Sub-plan						
	39	Animal Resource Development	492.27	0	11.14	503.41	458.52	44.89
	4552	Capital Outlay on North Eastern Areas						
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	100.00	28.88	0.12	129.00	54.07	74.93
16	30: Forest Department							
	2406	Forestry and Wild Life						
	01	Forestry						
	102	Social and Farm Forestry						
	91	Central Assistance to State Plan	394.00	48.40	89.17	531.57	375.88	155.69
	101	Forest Conservation, Development and Regeneration						
	91	Central Assistance to State Plan	0	135.07	27.60	162.67	0	162.67
17	31: Rural Development Department							
	2515	Other Rural Development Programmes						
	001	Direction and Administration						
	30	Rural Development	80.00	0	3.82	83.82	42.21	41.61
18	35: Urban Development Department							
	2217	Urban Development						
	01	State Capital Development						

Appendix 3.4 (contd.)

Unnecessary re-appropriation leading to savings
(Reference: Paragraph No. 3.3.5)

(₹ in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
	191	Assistance to Municipal Corporation						
	91	Central Assistance to State Plan	852.80	0	83.20	936.00	738.96	197.04
19	36: Home (Jail) Department							
	2056	Jails						
	101	Jails						
	88	Centrally Sponsored Scheme-III	0	47.84	11.96	59.80	0	59.80
	796	Tribal Area Sub-plan						
	88	Centrally Sponsored Scheme-III	0	28.52	7.13	35.65	0	35.65
20	39 - Education (Higher) Department							
	4202	Capital Outlay on Education, Sports, Art and Culture						
	02	General Education						
	104	Polytechnics						
	91	Central Assistance to State Plan	1560.00	0	236.61	1796.61	8964.74	899.87
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	510.00	0	77.34	587.34	293.17	294.17
	796	Tribal Area Sub-plan						
	91	Central Assistance to State Plan	930.00	0	141.05	1071.05	534.59	536.46
21	40 - Education (School) Department							
	2202	General Education						
	02	Secondary Education						
	101	Inspection						
	91	Central Assistance to State Plan	14040.00	0	4.05	14044.05	11826.95	2217.10
	109	Government Secondary School						
	41	Human Development	586.96	0	61.01	647.97	677.40	170.57
	90	State Share for CASP	519.00	803.64	6.96	1329.60	503.36	826.24
	80	General						
	101	Direction and Administration						
	98	Administration	1530.14	182374	14.00	1726.88	1331.58	395.30
	4552	Capital Outlay on North Eastern Areas						
	202	Secondary Education						
	91	Central Assistance to State Plan (NEC)	130.52	0	6.61	137.13	45.46	91.67
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	42.67	3.25	8.41	54.33	3.05	51.28
	796	Tribal Area Sub-plan						
	91	Central Assistance to State Plan	77.81	15.38	15.35	108.54	2.62	105.92

Appendix 3.4 (concl.)

Unnecessary re-appropriation leading to savings

(Reference: Paragraph No. 3.3.5)

(`in lakh)

Sl. No.	Grant No. and Head of accounts		Provisions				Actual exp.	Final savings
			Original	Supp.	Re-app.	Total		
22	41 - Education (Social) Department							
	2235	Social Security and welfare						
	03	National Social Assistance Programme						
	101	National Old Age Pension Scheme						
	91	Central Assistance to State Plan	22,07.64	0	104.69	2312.33	1831.87	480.46
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	772.90	0	78.82	851.72	671.25	180.47
23	52 - Family Welfare & Preventive Medicine							
	4210	Capital Outlay on Medical and Public Health						
	02	Rural Health Services						
	103	Primary Health Centres						
	54	NABARD	520.00	64.79	16.33	601.12	248.29	352.83
24	56 - Information Technology							
	2070	Other Administrative Services						
	800	Other expenditure						
	29	Industries Development	275.60	0	127.43	403.03	233.30	169.73
25	57 - Welfare of Minorities Department							
	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities						
	04	Welfare of Minorities						
	277	Education						
	91	Central Assistance to State Plan	3500.30	0	3.39	3503.69	532.42	2971.27
26	61 - OBC Welfare							
	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward classes and Minorities						
	03	Welfare of Backward Classes						
	277	Education						
	70	State Share	0	200.96	7.04	208.00		208.00
27	62 - Education (Elementary)							
	2236	Nutrition						
	02	Distribution of nutritious food and beverages						
	102	Mid-day Meals						
	91	Central Assistance to State Plan	1173.80	4.35	15.00	1193.15	1015.09	178.06

Appendix 3.5

Reduction of provision by re-appropriation leading to excess expenditure
(Reference: Paragraph No. 3.3.5)

(₹in crore)

Sl. No.	Grant No. and Head of accounts	Provisions				Actual exp.	Final Excess	
		Original	Supp.	Re-app.	Total			
1	13 - Public Works (R&B) Department							
	5054	Capital Outlay on Roads and Bridges						
	04	District and other Roads						
	789	Special Component Plan for Scheduled Castes						
	54	National Bank for Agriculture and Rural Development	17.43	0	-0.90	16.53	23.00	6.47
	796	Tribal Area Sub-plan						
	54	National Bank for Agriculture and Rural Development	31.78		-1.64	30.14	41.24	11.10
2	15 - Public Works (Water Resource) Department							
	4702	Capital Outlay on Minor Irrigation						
	102	Ground Water						
	54	National Bank for Agriculture and Rural Development	13.52	0	-2.63	10.89	11.99	1.10
	789	Special Component Plan for Scheduled Castes						
	54	National Bank for Agriculture and Rural Development	4.93	0	-1.20	3.73	3.91	0.18
	796	Tribal Area Sub Plan						
	54	National Bank for Agriculture and Rural Development	8.88	0	-2.19	6.69	7.14	0.45
3	35 - Urban Development Department							
	2217	Urban Development						
	01	State Capital Development						
	191	Assistance to Municipal Corporation						
	32	Urban Development	21.30	0	-6.62	14.68	17.28	2.60
	789	Special Component Plan for Scheduled Castes						
	32	Urban Development	6.80	0	-2.03	4.77	5.62	0.85
	796	Tribal Area Sub-plan						
	32	Urban Development	12.40	0	-3.71	8.69	10.24	1.55
4	43 - Finance Department							
	2049	Interest Payments						
	01	Interest on Internal Debt						
	123	Interest on Special Securities issued to National Small Savings Fund						
	58	Debt Services	131.66	0	-22.90	108.76	114.78	6.03

Appendix 3.5 (concl.)

Reduction of provision by re-appropriation leading to excess expenditure

(Reference: Paragraph No. 3.3.5)

(*₹ in crore*)

Sl. No.	Grant No. and Head of accounts	Provisions				Actual exp.	Final Excess	
		Original	Supp.	Re-app.	Total			
	2049	Interest Payments						
	04	Interest on Loans and Advances from Central Government						
	103	Interest on Loans for Centrally Sponsored Plan Schemes						
	58	Debt Services	1.47	0	-0.74	0.73	1.52	0.79
5	51 - Public Works (DWS) Department							
	4215	Capital Outlay on Water Supply and Sanitation						
	01	Water Supply						
	102	Rural Water Supply						
	54	National Bank for Agriculture and Rural Development	10.50	0	-6.18	4.32	5.63	1.31
	789	Special Component Plan for Scheduled Castes						
	54	National Bank for Agriculture and Rural Development	3.43	0	-1.93	1.51	1.85	0.34
	796	Tribal Area Sub-plan						
	54	National Bank for Agriculture and Rural Development	6.26	0	-4.12	2.14	3.20	1.06
	4215	Capital Outlay on Water Supply and Sanitation						
	02	Sewerage and Sanitation						
	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	20.40	0	-3.80	16.60	23.28	6.68
	796	Tribal Area Sub-plan						
	91	Central Assistance to State Plan	37.20	0	-4.00	33.20	43.39	10.19

Appendix 3.6

Grants/Appropriations, where savings was more than ₹ 100 crore during 2019-20

(Reference: Paragraph No. 3.3.6)

(₹ in crore)

Grant No. and Name	Original	Supplementary	Total	Expenditure	Savings	surrender	Savings not surrendered	Percentage of savings to provision
Revenue-Voted								
27: Agriculture Department	431.64	3.34	434.98	276.56	158.42	48.05	110.37	25.37
31: Rural Development Department	632.85	953.13	1585.98	676.37	909.61	3.25	906.37	57.15
35: Urban Development Department	583.43	0	583.43	317.32	266.11	110.46	155.65	26.68
40: Education (School) Department	1608.92	98.01	1706.93	1540.48	166.44	34.74	131.71	7.72
43: Finance Department	2405.80	140.81	2546.61	2389.74	156.87	0	156.87	6.16
Capital-Voted					.		0	
13: Public Works (Roads and Buildings) Department	517.66	1.47	519.13	216.48	302.65	162.55	140.1	26.99
35: Urban Development Department	254.58	43.01	297.59	94.25	203.34	83.03	120.31	40.43

Appendix 3.7

Grants/Appropriations with low budget utilisation of less than 50 per cent during 2019-20

(Reference: Paragraph No. 3.3.6)

(`in crore)

Sl. No	Grant No. and Name	Original	Supplementary	Total	Expenditure	Percentage of expenditure
	Revenue-Voted					
1	20: Welfare of Scheduled Castes Department	51.60	40.39	91.99	36.49	39.67
2	31: Rural Development Department	632.85	953.13	1585.98	676.37	42.65
3	61: Welfare of Other Backward Classes Department	37.03	4.17	41.20	18.62	45.19
4	63 - Industries & Commerce (Skill Development) Department	35.60	1.18	36.78	9.84	26.75
	Revenue-Charged					
5	35: Urban Development Department	1.20	0.00	1.20	0.00	0.00
	Capital-Voted					
6	4: Election Department	0.00	2.17	2.17	0.33	15.21
7	5: Law Department	22.20	13.61	35.81	17.11	47.78
8	6: Revenue Department	32.75	15.82	48.57	8.44	17.38
9	19: Tribal Welfare Department	15.94	5.53	21.47	10.54	49.09
10	20: Welfare of Scheduled Castes Department	11.66	0.00	11.66	0.86	7.38
11	21: Food, Civil Supplies & Consumer Affairs Department	2.14	5.41	7.55	1.53	20.26
12	27: Agriculture Department	114.83	17.14	131.97	58.57	44.38
13	28: Horticulture Department	0.75	1.44	2.19	1.00	45.66
14	29: Animal Resource Development Department	8.29	1.48	9.77	2.14	21.90
15	35: Urban Development Department	254.58	43.01	297.59	94.25	31.67
16	39: Education (Higher) Department	44.04	0.88	44.92	17.60	39.18
17	40: Education (School) Department	5.06	0.52	5.58	1.68	30.11
18	52: Family Welfare and Preventive Medicine	11.33	0.65	11.97	3.80	31.75
19	53: Tribal Welfare (Research) Department	2.50	1.54	4.04	0.41	10.15
20	57: Welfare of Minorities Department	57.26	0.00	57.26	8.19	14.30
21	58: Home (FSL, PAC, Prosecution & Co-ordination Cell) Department	0.50	2.11	2.61	0.57	21.84

Appendix 3.8

**Grants/Appropriations where persistent savings of more than ₹ one crore occurred
in each case during the last five years**
(Reference: Paragraph No. 3.3.6.1)

(₹ in crore)

Sl. No.	Grant No. and Name	2015-16	2016-17	2017-18	2018-19	2019-20
	Revenue-Voted					
1	5: Law Department	16.34	18.03	23.78	55.15	32.05
2	6: Revenue Department	29.44	29.36	24.08	179.12	114.49
3	10: Home (Police) Department	98.38	147.51	108.87	119.99	81.05
4	12: Co-operation Department	2.61	5.48	6.48	5.92	1.45
5	13: Public Works (Roads and Buildings) Department	28.75	33.78	105.23	65.06	111.36
6	15: Public Works (Water Resource) Department	42.59	41.55	62.26	26.48	64.57
7	16: Health Department	19.42	33.28	30.58	43.15	69.00
8	17: Information, Cultural Affairs Department	3.30	3.31	2.39	2.25	1.62
9	19: Tribal Welfare Department	594.45	345.20	439.09	124.97	55.22
10	20: Welfare of Scheduled Castes and Other Backward Classes Department	270.77	179.70	220.95	159.69	55.50
11	21: Food, Civil Supplies & Consumer Affairs Department	27.49	16.67	26.45	17.62	68.87
12	23: Panchayati Raj Department	129.99	9.33	9.29	45.11	31.58
13	24: Industries and Commerce Department	1.46	5.77	3.68	12.34	13.49
14	25: Industries & Commerce (Handloom, Handicrafts and Sericulture) Department	10.71	6.83	7.89	1.16	4.33
15	26: Fisheries Department	5.48	3.23	13.29	9.32	10.69
16	27: Agriculture Department	64.79	52.84	42.37	36.64	158.42
17	28: Horticulture Department	36.17	2.20	34.99	71.61	63.66
18	29: Animal Resource Development Department	8.68	15.23	7.70	17.23	12.22
19	30: Forest Department	7.56	12.66	9.38	12.31	15.23
20	31: Rural Development Department	38.83	20.70	20.02	129.24	909.61
21	35: Urban Development Department	44.75	20.22	53.11	16.17	266.11
22	36: Home (Jail) Department	5.76	3.24	4.77	4.30	3.45
23	38: General Administration (Printing and Stationery) Department	2.80	2.89	7.90	1.18	1.32
24	39: Education (Higher) Department	37.91	39.84	25.52	23.78	15.11
25	40: Education (School) Department	124.30	103.42	26.13	339.48	166.44
26	41: Education (Social) Department	118.79	62.72	99.33	3.76	141.77
27	42: Education (Sports and Youth Programme) Department	26.51	24.42	7.16	7.91	6.11
28	49: Fire Service Organisation	11.90	9.23	6.10	9.02	2.69
29	52: Family Welfare and Preventive Medicine	66.06	40.90	50.04	31.18	36.44

Appendix 3.8 (concl.)

Grants/Appropriations where persistent savings of more than ₹ one crore occurred in each case during the last five years
(Reference: Paragraph No. 3.3.6.1)

(₹ in crore)

Sl. No.	Grant No. and Name	2015-16	2016-17	2017-18	2018-19	2019-20
	Revenue-Voted					
30	57: Welfare of Minorities Department	2.70	4.21	6.06	7.22	9.37
31	61: Welfare of Other Backward Classes Department	24.03	15.95	22.69	17.86	22.58
	Revenue-Charged					
32	13: Public Works (Roads and Buildings) Department	14.67	25.63	36.81	13.04	1.41
33	43: Finance Department	95.32	179.88	132.11	110.68	14.07
	Capital-Voted					
34	5: Law Department	48.77	46.04	20.60	24.81	18.70
35	6: Revenue Department	12.61	16.55	45.02	67.68	40.13
36	10: Home (Police) Department	46.90	28.98	35.45	41.86	5.9761
37	11: Transport Department	10.39	3.40	5.28	11.59	6.79
38	15: Public Works (Water Resource) Department	68.52	24.23	32.23	43.09	33.09
39	16: Health Department	27.65	12.94	9.35	6.47	35.26
40	19: Tribal Welfare Department	872.00	1089.08	862.88	217.51	10.94
41	20: Welfare of Scheduled Castes and Other Backward Classes Department	430.56	371.25	356.86	92.20	10.80
42	21: Food, Civil Supplies & Consumer Affairs Department	1.46	7.43	2.59	5.68	6.02
43	27: Agriculture Department	105.33	33.41	59.70	72.94	73.40
44	29: Animal Resource Development Department	2.37	5.60	8.99	7.95	7.63
45	31: Rural Development Department	100.79	227.81	136.16	627.78	1020.01
46	35: Urban Development Department	125.72	30.96	197.09	285.73	203.34
47	39: Education (Higher) Department	25.22	9.70	28.27	37.63	27.32
48	40: Education (School) Department	23.73	5.39	14.45	25.71	3.91
49	51: Public Works (Drinking Water and Sanitation) Department	21.95	40.73	66.38	65.42	155.27
50	52: Family Welfare and Preventive Medicine	146.44	126.05	66.66	39.38	8.18
51	56: Information Technology Department	11.28	4.29	1.79	5.50	2.00
52	57: Welfare of Minorities Department	61.93	50.24	43.69	38.08	49.07

Appendix 3.9

Details of surrender of funds of more than ₹ 10 crore at the end of March 2020

(Reference: Paragraph No. 3.3.6.1)

(₹ in crore)

Grant No. and Name	Original	Suppl.	Total	Exp.	Savings	Amount Surrender	Percentage of savings
Revenue-Voted							
5: Law Department	103.03	1.01	104.04	71.99	32.05	29.06	30.81
16: Health Department	439.31	49.95	489.26	420.27	69.00	43.59	14.10
21: Food, Civil Supplies & Consumer Affairs Department	109.43	28.16	137.59	68.72	68.87	30.11	50.05
23: Panchayati Raj Department	361.48	0	361.48	329.90	31.58	21.10	8.74
27: Agriculture Department	431.64	3.34	434.98	276.56	158.42	48.05	36.42
28: Horticulture Department	153.37	0	153.37	89.71	63.66	31.73	41.51
35: Urban Development Department	583.43	0	583.43	317.32	266.11	110.46	45.61
40: Education (School) Department	1608.92	98.01	1706.93	1540.48	166.44	34.74	9.75
41: Education (Social) Department	937.50	16.47	953.97	812.20	141.77	82.28	14.86
52: Family Welfare and Preventive Medicine	434.94	43.40	478.34	441.90	36.44	19.59	7.62
62: Education (Elementary) Department	920.63	3.49	924.12	852.22	71.89	52.90	7.78
63 - Industries & Commerce (Skill Development) Department	35.60	1.18	36.78	9.84	26.94	14.46	73.25
Capital-Voted							
13: Public Works (Roads and Buildings) Department	517.66	1.47	519.13	216.48	302.65	162.55	58.30
15: Public Works (Water Resource) Department	59.37	0	59.37	26.29	33.09	34.32	55.74
16: Health Department	78.87	3.99	82.86	47.61	35.26	18.13	42.55
30: Forest Department	60.08	0	60.08	10.05	50.03	49.93	83.27
31: Rural Development Department	1140.22	0	1140.22	120.20	1020.01	1018.11	89.46
35: Urban Development Department	254.58	43.01	297.59	94.25	203.34	83.03	68.33
51: Public Works (Drinking Water and Sanitation) Department	314.25	0	314.25	158.98	155.27	105.65	49.41

Appendix 3.10

Major Head wise excess expenditure (Gross) over the authorisation from the Consolidated Fund of State during the financial year

(Reference: Paragraph No. 3.3.7.1)

(₹ in crore)

Sl. No.	Grant No.	Major Head Description	Original	Supplementary	Total	Exp.	Excess	Reasons for excess stated by the Department
	Revenue-Voted							
A	48 - High Court							
	2014	Administration of Justice						Reasons for excess were not intimated by the Department (October 2020)
	102	High Courts						
	01	Emoluments and Allowances	0.06	0.02	0.08	0.21	0.13	
	05	Establishment	0.23	0.87	1.10	2.62	1.52	
		Total	0.29	0.89	1.18	2.83	1.65	
B	58 - Home (FSL, PAC, Prosecution & Co-ordination Cell)							
1	2053	District Administration						Reasons for excess was not intimated by the Department (October 2020)
	800	Other expenditure						
	09	Security Related Expenditure	0.10	1.12	1.22	4.96	3.74	
		Total	0.10	1.12	1.22	4.96	3.74	
C	Capital-Charged							
	43 - Finance Department							
1	6003	Internal Debt of the State Government						Reasons for excess were not intimated by the Department (October 2020)
	105	Loans from the NANARD						
	58	Debt Services	119.04	70.44	189.48	195.15	5.67	
2	6004	Loans and Advances from GoI						
	02	Loans for State/UT Plan Schemes						
	101	Block Loans						
	58	Debt Service	5.83	0.52	6.35	7.72	1.37	
		Total	124.87	70.96	195.83	202.87	7.04	
	Total (A+B+C)		125.26	72.97	198.23	210.66	12.43	

Note: The excess expenditure are the gross figure under the respective Sub-Heads of accounts

Appendix 3.11

Unnecessary excessive budget/supplementary provision in some grants (Above ₹ five crore provision and savings of more than 30 per cent)

(Reference: Paragraph No. 3.4.2)

(₹ in crore)

Grant No. and Name	Original	Suppl.	Total	Exp.	Savings/ unutilised	% of savings/ unutilised
Revenue-Voted						
5: Law Department	103.03	1.01	104.04	71.99	32.05	30.81
7: General Administration (AR) Department	5.14	0	5.14	3.53	1.61	31.39
9: Statistical Department	8.45	4.20	12.65	8.72	3.93	31.07
15: Public Works (Water Resource) Department	104.49	33.94	138.42	73.86	64.57	46.64
20: Welfare of Scheduled Castes Department	51.60	40.39	91.99	36.49	55.50	60.33
21: Food, Civil Supplies & Consumer Affairs Department	109.43	28.16	137.59	68.72	68.87	50.05
27: Agriculture Department	431.64	3.34	434.98	276.56	158.42	36.42
28: Horticulture Department	153.37	0	153.37	89.71	63.66	41.51
32: Tribal Rehabilitation in Plantation & Particularly Vulnerable Tribal Group	12.81	25.63	38.44	22.66	15.79	41.07
35: Urban Development Department	583.43	0	583.43	317.32	266.11	45.61
56: Information Technology Department	14.60	0	14.60	6.73	7.87	53.90
57: Welfare of Minorities Department	20.77	0	20.77	11.41	9.37	45.09
61: Welfare of Other Backward Classes Department	37.03	4.17	41.20	18.62	22.58	54.81
63 - Industries & Commerce (Skill Development) Department	35.60	1.18	36.78	9.84	26.94	73.26
Capital-Voted						
5: Law Department	22.20	13.61	35.81	17.11	18.70	52.21
6: Revenue Department	32.75	15.82	48.57	8.44	40.13	82.63
10: Home (Police) Department	9.35	10.12	19.47	13.49	5.98	30.71
13: Public Works (Roads and Buildings) Department	517.66	1.47	519.13	216.48	302.65	58.30
15: Public Works (Water Resource) Department	59.37	0	59.37	26.29	33.09	55.73
16: Health Department	78.87	3.99	82.86	47.61	35.26	42.55
19: Tribal Welfare Department	15.94	5.54	21.47	10.54	10.94	50.95
20: Welfare of Scheduled Castes Department	11.66	0	11.66	0.86	10.80	92.62
27: Agriculture Department	114.83	17.14	131.97	58.57	73.40	55.62
29: Animal Resource Development Department	8.29	1.48	9.77	2.14	7.63	78.06
30: Forest Department	60.08	0	60.08	10.05	50.03	83.27
31: Rural Development Department	1140.22	0	1140.22	120.20	1020.01	89.46
34: Planning and Co-ordination Department	21.00	0	21.00	10.75	10.25	48.80

Appendix 3.11 (concl.)

Unnecessary excessive budget/supplementary provision in some grants (Above ₹ five crore provision and savings of more than 30 per cent)

(Reference: Paragraph No. 3.4.2)

(₹ in crore)

Grant No. and Name	Original	Suppl.	Total	Exp.	Savings/ unutilised	% of savings/ unutilised
35: Urban Development Department	254.58	43.01	297.59	94.25	203.34	68.33
39: Education (Higher) Department	44.04	0.88	44.92	17.60	27.32	60.82
40: Education (School) Department	5.06	0.52	5.58	1.68	3.91	70.07
51: Public Works (Drinking Water and Sanitation) Department	314.25	0	314.25	158.98	155.27	49.41
52: Family Welfare and Preventive Medicine	11.32	0.65	11.97	3.80	8.18	68.34
57: Welfare of Minorities Department	57.26	0	57.26	8.19	49.07	85.70
Capital- Charged						
12: Co-operation Department	2.00	1.18	3.18	1.91	1.27	39.94

Appendix 3.12

Sub-Head (Schemes) where the entire expenditure of the year was incurred in March 2020

(Reference: Paragraph No. 3.4.4)

Sl. No.	Grant No. and Head of Account (up to Sub-Head)		Yearly amount (₹ in crore)	Expenditure during March 2020	
				(₹ in crore)	per cent
38: GA (Printing & Stationery)					
1	4058	Capital Outlay on Stationery and Printing			
	103	Government Presses			
	62	Printing and Stationery	0.40	0.40	100.00
39: Education (Higher) Department					
2	4202	Capital Outlay on Education, Sports, Art and Culture			
	2	General Education			
	104	Polytechnics			
	91	Central Assistance to State Plan	8.97	8.97	100.00
	789	Special Component Plan for Scheduled Castes			
3	91	Central Assistance to State Plan	2.93	2.93	100.00
	796	Tribal Area Sub-plan			
4	91	Central Assistance to State Plan	5.35	5.35	100.00
27 - Agriculture Department					
	4435	Capital Outlay on Other Agricultural Programmes			
	01	Marketing and Quality Control			
	789	Special Component Plan for Scheduled Castes			
5	54	NABARD	0.85	0.85	100.00
	800	Other expenditure			
6	90	State Share for Central Assistance to State Plan	0.03	0.03	100.00
21 - Food, Civil Supplies & Consumer Affairs Department					
	5475	Capital Outlay on other General Economic Services			
	796	Tribal Sub Plan			
7	86	C. S Scheme-I	0.01	0.01	100.00
	800	Other Expenditure			
8	89	C. S Scheme-IV	0.24	0.24	100.00

Appendix 3.13

Details of Heads of Account where there were savings of over ₹ one crore

(Reference: Paragraph No. 3.4.5.3)

₹ in crore)

Sl. No.		Heads of Account	Original	Supp.	Re-app.	Total provision	Total exp.	Saving
Revenue-voted								
1	2401	Crop Husbandry						
	001	Direction and Administration						
	37	Agricultural Development	175.30	0	- 2.54	172.77	162.38	10.38
2	102	Food grain crops						
	86	Centrally Sponsored Scheme – I (CSS)	4.65	0	- 1.34	3.31	2.08	1.23
3	91	Central Assistance to State Plan(CASP)	13.50		- 4.19	9.31	1.40	7.91
4	109	Extension and Farmers' Training						
	90	State Share for Central Assistance to State Plan	1.73	2.78	0.25	4.76	3.37	1.39
5	91	Central Assistance to State Plan	42.36	0	- 0.53	59.30	31.16	28.15
6	113	Agricultural Engineering						
	70	State Share	3.33	0	- 0.41	2.92	1.57	1.35
7	86	Centrally Sponsored Scheme - I(CSS)	33.20	0	- 12.24	20.96	12.36	8.61
8	789	Special Component Plan for Scheduled Castes						
	86	Centrally Sponsored Scheme - I	14.98	0	- 5.59	9.39	4.84	4.55
9	91	Central Assistance to State Plan(CASP)	21.81	0	- 1.57	20.24	5.68	14.56
10	98	Administration	3.28	0	0.43	3.71	1.91	1.80
11	796	Tribal Area Sub-plan						
	86	Centrally Sponsored Scheme - I	27.18	0	- 12.17	15.01	7.31	7.70
12	91	Central Assistance to State Plan (CASP)	39.29	0	- 21.48	17.81	6.63	11.19
13	98	Administration	7.50	0	0.73	8.23	4.42	3.81
14	2401	Crop Husbandry						
	001	Direction and Administration						
	99	Others	20.00	0	3.19	23.19	22.04	1.14
15	105	Manures and Fertilisers						
	91	Central Assistance to State Plan	0.93	0	1.42	2.35	1.07	1.28
Capital-Voted								
16	4401	Capital Outlay on Crop Husbandry						
	103	Seeds						
	65	Suspense Account	0	0	0	15.00	4.99	10.01

Appendix 3.13 (concl.)

Details of Heads of Account where there were savings of over ₹ one crore
(Reference: Paragraph No. 3.4.5.3)

(₹ in crore)

Sl. No.		Heads of Account	Original	Supp.	Re-app.	Total provision	Total exp.	Saving
17	87	Centrally Sponsored Scheme - II	0.81	0	0.44	1.25	0.10	1.15
	105	Manures and Fertilisers						
	65	Suspense Accounts	50.00	0	0	0	50.00	24.08
18	789	Special Component Plan for Scheduled Castes						
	91	Central Assistance to State Plan	3.50	2.93	0.69	7.12	1.63	5.49
19	796	Tribal Area Sub-plan						
	91	Central Assistance to State Plan (CASP)	6.50	0	- 3.79	2.71	1.31	1.40
20	800	Other expenditure						
	91	Central Assistance to State Plan	15.00	0	1.60	16.60	6.13	10.47
21	4408	Capital Outlay on Food, Storage and Warehousing						
	02	Storage and Warehousing						
	101	Rural Godown programmes						
	54	National Bank for Agriculture and Rural Development	4.16	5.87	0.06	10.09	5.25	4.84
22	789	Special Component Plan for Scheduled Castes						
	54	National Bank for Agriculture and Rural Development	1.30	1.94	0	3.24	1.57	1.67
23	796	Tribal Area Sub-plan						
	54	National Bank for Agriculture and Rural Development	2.55	3.36	0	5.91	3.01	2.90

Appendix 3.14

Unnecessary supplementary provision and re-appropriation

(Reference: Paragraph No. 3.4.5.5)

(`in crore)

Sl. No		Heads of Account	Original provision	Supp.	Re-app.	Actual Exp.	Savings
1	2401	Crop Husbandry					
	109	Extension and Farmers' Training					
	91	Central Assistance to State Plan (CASP)	42.36	0	16.94	31.16	28.15
2	789	Special Component Plan for Scheduled Castes					
	90	State Share for Central Assistance to State Plan	1.01	0.55	0.01	0.72	0.85
3	98	Administration	3.28	0	0.43	1.91	1.80
4	796	Tribal Area Sub-plan					
	98	Administration	7.50	0	0.73	4.42	3.81
5	4401	Capital Outlay on Crop Husbandry					
	103	Seeds					
	87	Centrally Sponsored Scheme – II (CSS)	0.81	0	0.44	0.10	1.15
6	789	Special Component Plan for Scheduled Castes					
	91	Central Assistance to State Plan (CASP)	3.50	2.93	0.69	1.63	5.49
7	800	Other expenditure					
	90	State Share for Central Assistance to State Plan	1.07	0	0.07	0.40	0.75
8	91	Central Assistance to State Plan (CASP)	15.00	0	1.60	6.13	10.47
9	4401	Capital Outlay on Crop Husbandry					
	789	Special Component Plan for Scheduled Castes					
	87	Centrally Sponsored Scheme – II (CSS)	0.20	0	0.21	0	0.41
10	796	Tribal Area Sub-plan					
	87	Centrally Sponsored Scheme - II	0.70	0	0.04	0	0.74
11	4415	Capital Outlay on Agricultural Research and Education					
	01	Crop Husbandry					
	796	Tribal Area Sub-plan					
	90	State Share for Central Assistance to State Plan	0	0.30	0	0	0.30
12	4435	Capital Outlay on Other Agricultural Programmes					
	01	Marketing and Quality Control					
	789	Special Component Plan for Scheduled Castes					
	91	Central Assistance to State Plan	0.10	0.86	0	0	0.96

Appendix 4.1

Name of the major schemes where a substantial funds transferred directly by GoI during 2019-20

(Reference: Paragraph No. 4.4)

(₹ in crore)

Sl. No.	Name of the Scheme	Name of the Implementing Agencies	Amount
1.	Mahatma Gandhi National Rural Guarantee Programme	(i) State Employment Guarantee Fund, Tripura	588.32
2.	Pradhan Mantri Kisan Samman Yojana-FPI	(i) Department of Agriculture, Tripura	112.74
3.	Assistance to State Agencies for intra-State movement of foodgrains and FPI dealers margin under NFSA	(i) Department of Food, Civil supplies and Consumer Affairs, Government of Tripura	32.28
4.	MPs Local Area Development Scheme (MPLAD)	(i) District Magistrate, West Tripura	10.00
		(ii) District Magistrate, Dhalai, Tripura	2.50
		Total:	12.50
5.	Rastriya Gokul Mission	(i) Tripura Livestock Development Agency	10.67
6.	Organic Value Chain Development of North East Region	(i) MD, NFMS (Joint Director of Agriculture Research Station), Department of Agriculture, Tripura	10.03
7.	National AIDS and STD Control Programme	(i) Tripura State AIDS Control Society	9.42
8.	Swadesh Darshan-Integrated Development of Theme Based Tourism Circuits	(i) Tripura Tourism Development Corporation Limited.	5.52
9.	Pradhan Mantri Matru Vandana Yojana	(i) Directorate of Social Welfare and Social Education	5.29
10.	NER-Textile Promotion Scheme	(i) Directorate of Handloom, Handicrafts and Sericulture Department	3.42
		(ii) Tripura Handloom and Handicrafts Development Corporation Limited	0.43
		Total:	3.85
Total			790.62

Appendix 4.2

Balances under Suspense and Remittance Heads

(Reference: Paragraph No. 4.10)

(`in crore)

Minor Head	2016-2017		2017-18		2018-19		2019-20	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - PAO suspense	21.70	-	27.82	0.02	36.86	0.37	27.28	0.59
Net	Dr. 21.70		Dr. 27.80		Dr. 36.49		Dr. 26.69	
102 - Suspense Account-Civil	0.32	-	3.47	2.33	330.75	0.09	0.33	0.00
Net	Dr. 0.32		Dr. 1.14		Dr. 330.66		Dr. 0.33	
107 - Cash Settlement Suspense Account	37.23	33.06	213.07	45.58	198.59	56.79	183.80	54.10
Net	Dr. 184.72		Dr. 167.49		Dr. 141.80		Dr. 129.70	
109 - Reserve Bank Suspense -Headquarters	-	-	-	-	-	-	-	-
Net	Cr.		Cr.		Dr.			
110 - Reserve Bank Suspense - CAO	10.14	-	1014	-	(-) 10.14	-	0.56	-
Net	Dr. 10.14		Cr. 10.14		Cr. 10.14		Dr. 0.56	
112 - Tax Deducted at Source (TDS) Suspense	-	21.06	-	41.66	29.30	-	-	44.44
Net	Cr. 21.06		Cr. 41.66		Dr. 29.30		Cr. 44.44	
123 - A.I.S Officers' Group Insurance Scheme	0.02	0.25	0.01	0.25	0.02	0.26	0.03	0.25
Net	Cr. 0.23		Cr. 0.24		Cr. 0.24		Cr. 0.22	
129- Materials Purchase	-	0.80						
Net	Cr. 0.80		Cr. 0.80		Cr. 0.80		Cr. 0.80	
Major Head 8782-Cash Remittances								
102 - P.W. Remittances	-	13.31	13.25	-	236.71		1412.06	1055.19
Net	Cr. 13.31		Dr. 13.25		Dr. 236.71		Dr. 356.87	
103 - Forest Remittances	29.95	28.45	38.47	31.17	39.62	33.12	39.87	34.40
Net	Dr.1.50		Dr.7.30		Dr.6.50		Dr. 5.47	
108-Other Department	2.04	2.48	2.04	3.07	2.08	0.27	1.10	2.87
Net	Cr. 0.44		Cr. 1.03		Cr. 1.81		Cr. 1.77	

Appendix 4.3

Arrears of accounts of bodies or authorities

(Reference: Paragraph No. 4.15)

Sl. No.	Name of Body or Authority	Accounts pending	No. of Accounts pending up to FY 2019-20
1.	Tripura State Council for Science and Technology	2018-19 and 2019-20	2
2.	Health and Family Welfare Society	2015-16 to 2019-20	5
3.	Tripura State TB Control Society, Agartala	2012-13 to 2019-20	8
4.	Tripura Mental Health Society, Agartala	2005-06 to 2019-20	15
5.	Tripura State Blindness Control Society	2003-04 to 2019-20	17
6.	Tripura State Blood Transfusion Council, Agartala	2016-17 to 2019-20	4
7.	Tripura State Leprosy Control Society	2008-09 to 2019-20	12
8.	Tripura State Social Welfare Advisory Board, Agartala	2013-14 to 2019-20	7
9.	Tripura Scheduled Caste Development Corporation Limited	1998-99 to 2019-20	21
10.	Tripura Scheduled Tribe Development Corporation Limited	2010-11 to 2019-20	10
11.	Tripura Sports Council	2017-18 to 2019-20	3
12.	Ramakrishna Mission Vidyalaya, Vivek Nagar	Nil	Nil
13.	Pragati Vidyabhavan, Agartala	2017-18 to 2019-20	3
14.	Ramthakur Pathsala (Boys) H.S. (+2 state) School, Agartala	2006-07 to 2019-20	14
15.	D.N Vidhyamandir, Dharmanagar	2014-15 to 2019-20	6
16.	Hindi H.S School, Agartala	2014-15 & 2016-17 to 2019-20	5
17.	Bordwali H.S School, Agartala	2019-20	1
18.	Netaji Subhas Vidya Niketan School, Agartala	2011-12, 2018-19 and 2019-20	3
19.	Isanchandara Nagar Pargana H.S. School, Bishalgarh	2019-20	1
20.	Karaimura H.S. School (Secondary Stage), Krishna Kishornagar, Bishalgarh	2013-14, 2018-19 and 2019-20	3
21.	Ramakrishna Vivekananda Vidyamandir(Secondary Stage), Dhaleswar, Agartala	2016-17 to 2019-20	4
22.	Fatikroy Class XII School (Secondary Stage), Fatikroy, North Tripura	2006-07 to 2019-20	14
23.	Swami Dayalananda Vidyaniketan, Dhaleswar, Agartala	2018-19 to 2019-20	2
24.	Ramthakur Pthsal (Girls) H.S. (+ 2 stage) School, Agartala	2016-17 to 2019-20	4
25.	Srinath Vidyaniketan, Khowai	2018-19 to 2019-20	2
26.	Bishalgarh H.S. School, Bishalgarh	2005-06 to 2019-20	15
27.	Ramesh H.S. School, Udaipur	2013-14 to 2019-20	7
28.	Mahatma Gandhi H.S. School, College Tilla, Agartala	2012-13 to 2019-20	8
29.	Sankaracharya Vidya Niketan (Secondary stage), Agartala	2018-19 to 2019-20	2

Appendix 4.3 (concl.)

Arrears of accounts of bodies or authorities

(Reference: Paragraph No. 4.15)

Sl. No.	Name of Body or Authority	Accounts pending	No. of Accounts pending up to FY 2019-20
30.	Vivekananda H.S. School, (Secondary Stage) Teliamura	2015-16 to 2019-20	5
31.	Sradamoyee Vidyapith, (Secondary Stage & Primary Stage), Teliamura	2018-19 to 2019-20	2
32.	Jolaibari High School, (Secondary Stage), Jolaibari, BELonia	Since inception to 2019-20	NA
33.	Ramakrishna Shiksha Paratisthan, (SexonsEY arfw), Kailashahar	2017-18 to 2019-20	3
34.	Haracharan H.S School, (Secondary Stage)	Since inception to 2019-20	NA
35.	Prachya Bharati H.S School, Agarala	Since inception to 2019-20	NA
36.	Ranirbazar Vidyamandir, Ranirbazar	Since inception to 2019-20	NA
37.	Belonia Vidyapith, Belonia	2015-16 to 2019-20	5
38.	Sukanta Academy, Agartala	2018-19 to 2019-20	2
39.	Tripura State Computerisation Agency, Agartala	2018-19 to 2019-20	2
40.	District Disability Rehabilitation Centre, Durgapur Paiturbazar, Kailashahar	2017-18 & 2019-20	2
41.	Jana Siksha Sasnstan	2019-20	1
42.	Tripura Aids Control Society, Agartala	2002-03 to 2015-16, 2017-18 & 2019-20	17
43.	Tripura Housing and Construction Board	2016-17 to 2019-20	4
44.	Tripura State Council for Science and Technology	2017-18 to 2019-20	3
45.	Tripura Renewable Energy Development Agency	2012-13 to 2019-20	8

Appendix 4.4

Status of rendition of accounts which attracts Audit under Sections (19(2), 19(3) and 20(1) of the C&AG DPC Act 1971, issuance of SAR and its placement in the Legislature/Council as on 31 March 2020

(Reference: Paragraph No. 4.15)

Sl. No.	Name of the Autonomous Bodies	Audited under section of CAG's DPC Act, 1971	Period of Entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report issued	Date of Issue	Placement of SAR in the Legislature
1	Tripura Board of Secondary Education	20(1)	2011-12 to 2018-19	2015-16	1998-99 to 2001-02	26-04-2010	Not yet placed
					2002-03 to 2005-06	12-12-2011	
					2006-07 to 2009-10	10-04-2014	
					2010-11 to 2015-16	23-06-2017	
2	Tripura Housing and Construction Board	19(3)	2012-13 to 2018-19	2011-12 to 2015-16	1990-01 to 1992-93	03-07-2007	Not yet placed
					1993-94 to 1996-97	03-06-2009	
					1997-98 to 2001-02	23-02-2011	
					2002-03 to 2009-10	12-03-2013	
					2010-11	18-09-2015	
					2011-12 to 2015-16	15-06-2017	
3	Tripura Khadi and Village Industries Board	19(3)	Upto 2018-19	2016-17 & 2017-18	Under process	Nil	Nil
					Under process	Nil	Nil
4	Tripura Tribal Areas Autonomous District Council	Audit under Sixth Schedule	NIL	Up to 2017-18	2013-14	25-08-2017	18-03-2019
5	Tripura State Legal Service Authority	19(2)	NIL	2013-14 to 2017-18	2013-14 to 2015-16	30-08-2017	14-11-2017
					2016-17 & 2017-18	27-05-2019	Not Yet Placed
6	Tripura Building & Other Construction Workers' Welfare Board.	19(2)	NIL	2015-16	2012-13 to 2015-16	03-03-2017	Not Yet Placed

Appendix 4.4 (concl.)

Status of rendition of accounts which attracts Audit under Sections (19(2), 19(3) and 20(1) of the C&AG DPC Act 1971, issuance of SAR and its placement in the Legislature/Council as on 31 March 2020

(Reference: Paragraph No. 4.15)

Sl. No.	Name of the Autonomous Bodies	Audited under section of CAG's DPC Act, 1971	Period of Entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report issued	Date of Issue	Placement of SAR in the Legislature
7	Compensatory Afforestation Fund Management and Planning Authority	20(1)	Upto 2018-19	2014-15 to 2018-19	2012-13 to 2013-14	07-02-2017	1-3-2019
					2014-15 to 2016-17	01-03-2019	3-9-2019
					2017-18	06-01-2020	20-1-2020
					2018-19	NA	21-9-2020

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