

**CHAPTER-III**  
**BUDGETARY MANAGEMENT**



## Chapter III

### Budgetary Management

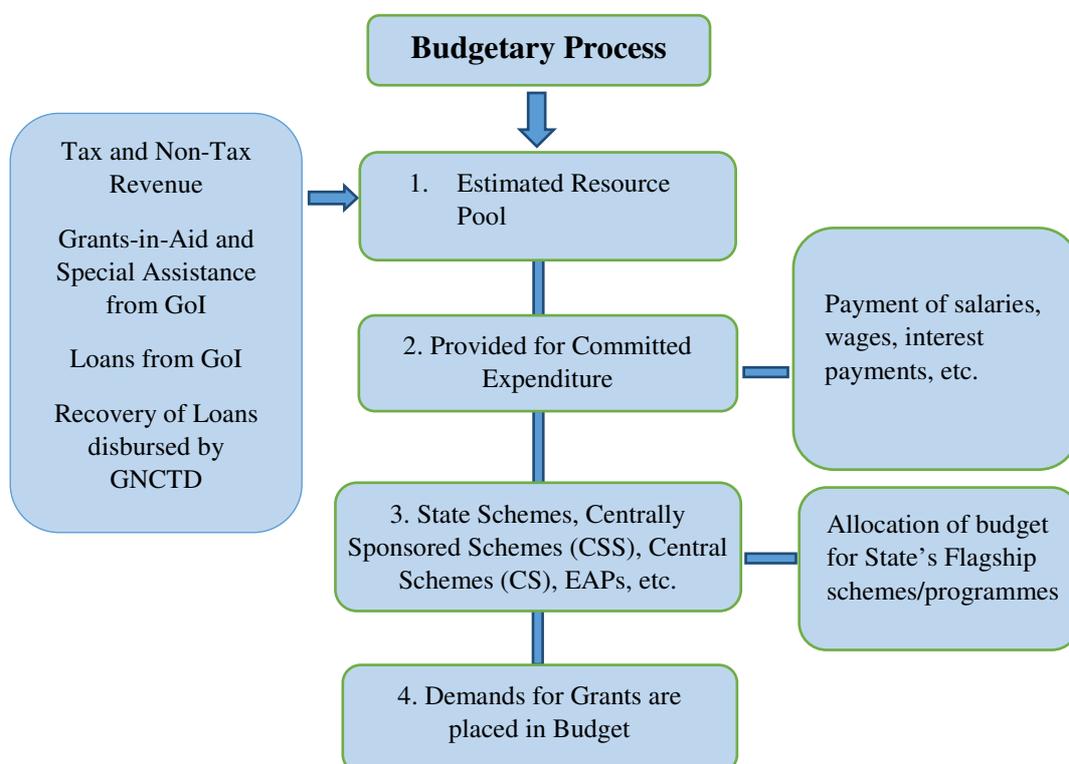
#### 3.1 Budget Process

In terms of Section 27 of GNCTD Act, 1991, the Lieutenant Governor shall in respect of every financial year cause to be laid before the Legislative Assembly, a statement of the estimated receipts and expenditure of the Government of National Capital Territory of Delhi (GNCTD) in respect of every financial year.

The estimates of the expenditure show ‘charged’ and ‘voted’ items of expenditure separately and distinguish expenditure on revenue accounts from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the GNCTD.

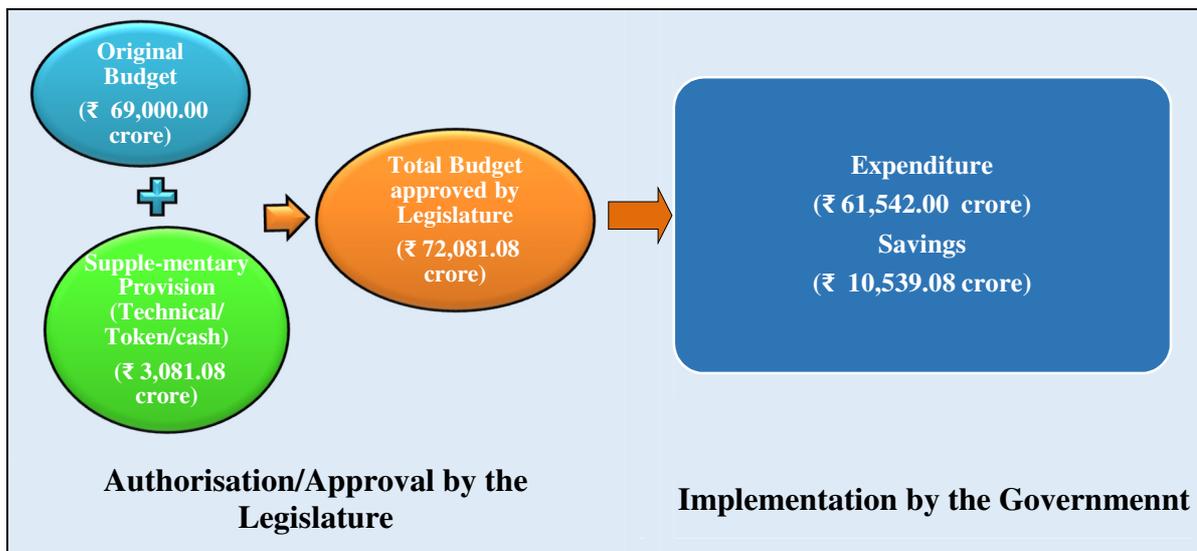
The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to different Departments in framing their estimates, for the next financial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

**Chart 3.1: Flow chart of budget preparation process**



Appropriation Accounts capture the data along the entire process of budget formulation and implementation (**Chart 3.2**).

**Chart 3.2: Flow chart of budget implementation for the Financial Year 2021-22**



Source: Appropriation Accounts for the year 2021-22

### 3.1.1 Summary of total provisions, actual disbursements and savings during the financial year 2021-22

A summarised position of total budget provision, disbursements and savings/excess for the financial year 2021-22 with its further bifurcation into voted/charged is given in **Table 3.1**:

**Table 3.1: Budget provision, disbursements and savings/excess during 2021-22**

(₹ in crore)

Nature of expenditure	Total Budget provision		Disbursements		Savings(-)/Excess(+)	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	50,691.85	3,776.29	42,773.10	3,629.60	(-7,918.75)	(-)146.69
Capital	10,928.37	41.14	8,283.80	36.94	(-)2,644.57	(-)4.20
Public Debt	0.00	4,265.17	0.00	4,215.16	0.00	(-)50.01
Loans and Advances	2,378.26	0.00	2,603.40	0.00	(+)225.14	0.00
<b>Total</b>	<b>63,998.48</b>	<b>8,082.60</b>	<b>53,660.30</b>	<b>7,881.70</b>	<b>10,338.18</b>	<b>200.90</b>

GNCTD had envisaged ₹ 72081.08 crore (as per BE/RE) for spending on its activities/schemes. Against this the total receipt during 2021-22 was only ₹ 61,202.62 crore which was nearly 85 per cent of BE/RE. Moreover, the totals disbursement was ₹ 61,246.52<sup>1</sup> crore nearly matched the total receipts. This indicates that budget prepared for spending on GNCTD activities/schemes was inflated and not realistic.

### 3.1.2 Charged and voted disbursements

Break-up of total disbursements into charged and voted for the period 2017-18 to 2021-22 is given in **Table 3.2**:

<sup>1</sup> ₹ 61,542 crore - ₹ 369.66 crore (recoveries) + ₹ 74.18 crore (contingency fund)

**Table 3.2: Disbursements and savings/excess during the period 2017-18 to 2021-22**

(₹ in crore)

Year	Provision			Disbursements			Savings/Excess	
	Voted	Charged	Total	Voted	Charged	Total	Voted / (as percentage of Provision )	Charged (as percentage of Provision )
2017-18	44,159.42	5,042.66	49,202.08	36,369.86	4,789.56	41,159.42	7,789.57 (17.64)	253.09 (5.02)
2018-19	51,230.42	6,946.72	58,177.14	39,550.58	6,793.98	46,344.56	11,679.84 (22.80)	152.74 (2.20)
2019-20	57,305.74	6,874.94	64,180.68	45,632.91	5,877.12	51,510.03	11,672.83 (20.37)	997.82 (14.51)
2020-21	58,932.64	6,959.23	65,891.87	46,442.27	6,453.49	52,895.76	12,490.37 (21.19)	505.74 (7.27)
2021-22	63,998.48	8,082.60	72,081.08	53,660.30	7,881.70	61,542.00	10,338.18 (16.15)	200.90 (2.49)

It can be seen from **Table 3.2** that during the period 2017-18 to 2021-22, savings under the 'Voted' portion of the budget was ranging from 16.15 to 22.80 *per cent* whereas the savings under the 'Charged' portion of budget was ranging from 2.20 to 14.51 *per cent* over the same period.

### 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 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, therefore, complements Finance Accounts.

Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants are within the authorisation given under the Appropriation Act. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions. This chapter contains audit observations in respect of the Appropriation Accounts prepared by the Controller of Accounts, GNCTD for the year 2021-22.

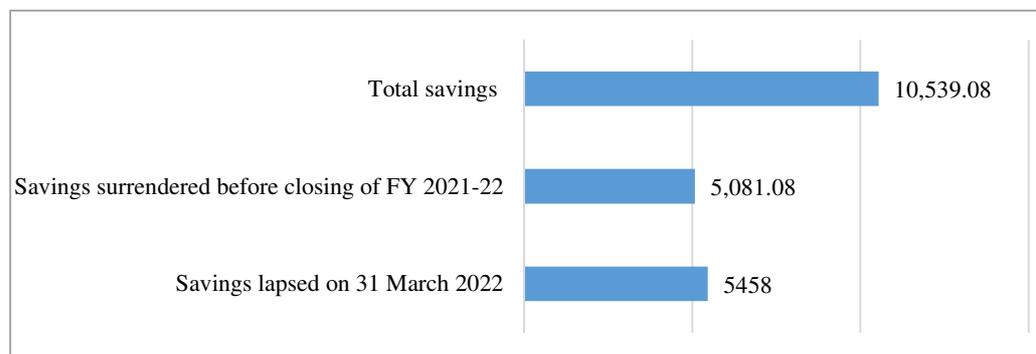
Scrutiny of the Appropriation Accounts revealed that there was total savings of ₹ 10,539.08 crore (14.62 *per cent* of total budget of ₹ 72,081.08 crore) and an amount of ₹ 5,081.08 crore (48.21 *per cent* of total savings) was surrendered.

₹ 5,458 crore (51.79 per cent) of total savings lapsed on 31 March 2022 due to delay in surrendering.

Savings and surrenders before close of the financial year 2021-22 is given in **Chart 3.3:**

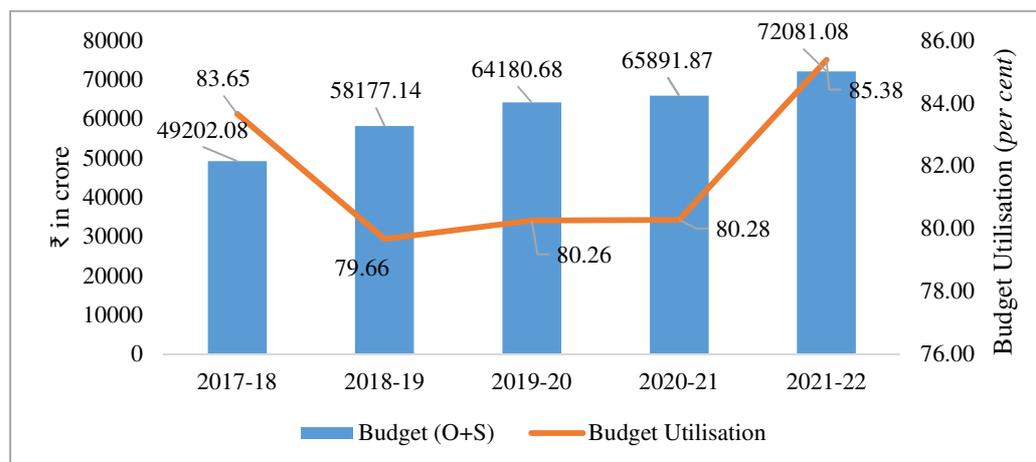
**Chart 3.3: Savings and Surrenders before closure of financial year 2021-22**

(₹ in crore)



The overall budget utilisation during the period 2017-18 to 2021-22 is given in **Chart 3.4.**

**Chart 3.4: Budget utilisation during the period 2017-18 to 2021-22**



### 3.3 Comments on integrity of budgetary and accounting process

#### 3.3.1 Unnecessary or excessive supplementary grants

Supplementary grants should only be resorted to in exceptional and urgent cases. While obtaining a supplementary grant, the Department has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds.

Scrutiny of Appropriation Accounts for the year 2021-22 revealed that supplementary grants amounting to ₹ 1,275.33 crore in seven cases, as detailed in **Table 3.3**, were obtained in anticipation of higher/additional expenditure.

However, the final expenditure was even less than the original grant, thereby defeating the intended purpose of the supplementary grant.

**Table 3.3: Details of cases where supplementary provision (₹ one crore or more) proved unnecessary**

(₹ in crore)						
Sl. No.	Name and No. of the Grant	Original grant/ appropriation	Supplemen- tary Grant	Actual Provision	Expenditure	Savings out of Provision
<b>Revenue (Voted)</b>						
1	Grant No. 2- General Administration	796.16	435.11	1,231.27	793.61	437.66
2	Grant No. 3- Administration of Justice	1,144.27	326.89	1,471.16	1,074.89	396.27
3	Grant No. 4- Finance	350.73	10.60	361.33	261.01	100.32
4	Grant No. 5- Home	958.79	97.52	1,056.31	738.99	317.32
5	Grant No. 7- Medical & Public Health	8,063.43	288.55	8,351.98	7,099.96	1,252.02
6	Grant No. 9- Industries	573.93	108.66	682.59	457.69	224.90
	<b>Total</b>	<b>11,887.31</b>	<b>1,267.33</b>	<b>13,154.64</b>	<b>10,426.15</b>	<b>2,728.49</b>
<b>Capital (Voted)</b>						
7	Grant No. 3- Administration of Justice	1.00	8.00	9.00	0.10	8.90
	<b>Total</b>	<b>1.00</b>	<b>8.00</b>	<b>9.00</b>	<b>0.10</b>	<b>8.90</b>
	<b>Grand Total</b>	<b>11,888.31</b>	<b>1,275.33</b>	<b>13,163.64</b>	<b>10,426.25</b>	<b>2,737.39</b>

The Finance Department, GNCTD, stated (October 2022) that the concerned departments had been advised to assess their requirement of funds on actual basis while inviting revised/budget estimates and to propose only those cases where the entire funds were likely to be utilised during the financial year. It added that departments were again being separately advised to ensure realistic assessment of funds and avoid unnecessary or excessive supplementary grants.

### 3.3.2 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 additional funds are needed.

Scrutiny of Appropriation Accounts for the year 2021-22 revealed that under nine sub-heads spread across four grants, there were final savings of more than ₹15 crore (in each case), as detailed in **Table 3.4(a)**:

**Table 3.4(a): Excess/unnecessary re-appropriation of funds where final savings were more than ₹ 15 crore**

(₹ in crore)

Sl. No.	Grant No. and Name	Head of Account (Sub-Head-wise)	Provisions				Actual Expenditure	Final Savings	Reasons as per head-wise appropriation accounts of GNCTD
			Original	Supplementary	Re-appropriation to the sub-head	Total			
<b>Revenue-Voted</b>									
1	Grant No.03- Administration of Justice	2014.00.105.99 - Session Courts	822.58	316.41	12.87	1151.86	876.03	275.83	Non-payment of arrears to Stenographers due to administrative reasons, non-receipt of bills/claims and non – finalisation of some schemes and procurement of items due to administrative reasons.
2	Grant No.06- Education	2202.01.112.99- Mid Day Meal for Children (CSS)	50.00	0.01	34.99	85.00	42.39	42.61	Delay in release of Central Share by GoI.
3		2202.02.113.98 - Samagra Shiksha (State Share)	42.00	0.01	1.99	44.00	18.22	25.78	Delay in release of Central Share by GoI.
4		2202.02.113.97- Samagra Shiksha (CSS)	50.00	0.01	14.99	65.00	20.75	44.25	Delay in release of Central Share by GoI.
5	Grant No.10- Development	3604.00.102.98.9 6- GIA to South Delhi Municipal Corporation in lieu of shares in taxes	800.00	178.72	121.28	1100.00	916.72	183.28	Lockdown and COVID-19 restrictions, sale of stamp papers were affected as the Sub-Registrar Offices were closed
6	Grant No.11 - Urban Development & Public Works	3475.00.108.94 - Deen Dayal Upadhaya Antodaya Yojana/ National Urban Livelihood Mission (CSS)	4.00	0.01	18.00	22.01	0.00	22.01	Non-release of funds from GoI.
7	Department	2210.01.110.10.8 7 -Lok Nayak Hospital	35.00	0.01	9.99	45.00	25.71	19.29	Delay in execution of works, non-submission of bills by the contractor, financial restriction imposed by GNCTD due to COVID-19,

(₹ in crore)

Sl. No.	Grant No. and Name	Head of Account (Sub-Head-wise)	Provisions				Actual Expenditure	Final Savings	Reasons as per head-wise appropriation accounts of GNCTD
			Original	Supplementary	Re-appropriation to the sub-head	Total			
									vacant posts, receipt of budget at the fag end of the financial year and provision kept for payment of arbitration award.
<b>Total</b>			<b>1803.58</b>	<b>495.18</b>	<b>214.11</b>	<b>2512.87</b>	<b>1899.82</b>	<b>613.05</b>	
<b>Capital-Voted</b>									
8	Grant No.11 - Urban Development & Public Works Department	5054.04.101.83 - Construction of Flyover at Shastri Park Intersection and Seelampur	5.00	0.01	14.99	20.00	0.86	19.14	Delay in execution of works, non-submission of bills by the contractor, financial restriction imposed by the GNCTD due to COVID-19, vacant posts, non-utilisation of funds due to receipt of budget at the fag end of the financial year and provision kept for payment of arbitration award.
<b>Total</b>			<b>5.00</b>	<b>0.01</b>	<b>14.99</b>	<b>20.00</b>	<b>0.86</b>	<b>19.14</b>	
<b>Revenue-Charged</b>									
9	Grant No.3- Administration of Justice	2014.00.102.97 - Direction & Admn.	327.99	74.59	1.02	403.60	336.60	67.00	Non-filling of vacant posts, non-receipt of anticipated bill, less tours conducted, non-purchase of official cars for Hon'ble Judges and non-purchase of iMacs and Wacom, Unified Threat Management System, eHDDs, UPS batteries etc.
<b>Total</b>			<b>327.99</b>	<b>74.59</b>	<b>1.02</b>	<b>403.60</b>	<b>336.60</b>	<b>67.00</b>	
<b>Grand Total</b>			<b>2136.57</b>	<b>569.78</b>	<b>230.12</b>	<b>2936.47</b>	<b>2237.28</b>	<b>699.19</b>	

Re-appropriations to these sub-heads were made unnecessarily, as the departments were not able to utilise even their existing grants fully and there

was a cumulative non-utilisation (savings) of ₹ 699.19 crore against the re-appropriation of ₹ 230.12 crore.

It can also be seen that reasons cited for demand of excess funds were general in nature. The above excessive/unnecessary re-appropriation of funds was indicative of deficient budgeting exercise.

The Finance Department, GNCTD, stated (October 2022) that re-appropriation of funds are proposed by the departments after accessing the requirement of funds which are likely to be incurred during the year. Considering the savings, the departments are again being advised to ensure realistic assessment of funds and to avoid unnecessary or excessive re-appropriation.

Further, test check of reasons for savings indicated against Sl. no. 6,7 and 8 of the **Table 3.4 (a)** with respect to the records of the department administering the grants revealed that the reasons mentioned therein did not match with that indicated in the Appropriation Accounts in one case (Sl.no 6), as indicated below in **Table 3.4 (b)**:

**Table 3.4(b): Actual reason for savings as per the departmental records**

Sl.No.	Grant No. and Name	Head of Account (Sub-Head-wise)	Final savings (₹ in crore)	Reasons as departmental records
1.	Grant No.11 -Urban Development & Public Works Department	3475.00.108.94 - Deen Dayal Upadhaya Antodaya Yojana/ National Urban Livelihood Mission (CSS)	22.01	Non-achievement of targets set for skill training and other activities of the scheme on account of COVID-19.

### 3.3.3 Unspent amount and surrendered appropriations and/or large savings/surrenders

As per Rule 62(2) of General Financial Rules 2017, savings as well as provisions that cannot be profitably utilised should be surrendered immediately when they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses. There were overall savings of ₹ 10,539.08 crore, which was 14.62 per cent of total budget of ₹ 72,081.08 crore. Out of this, in six cases there were savings of more than ₹ 500 crore in each case (**Table 3.5**). Against the total provision of ₹ 51,051.69 crore, actual expenditure was ₹ 43,502.19 crore and savings were ₹ 7,549.50 crore.

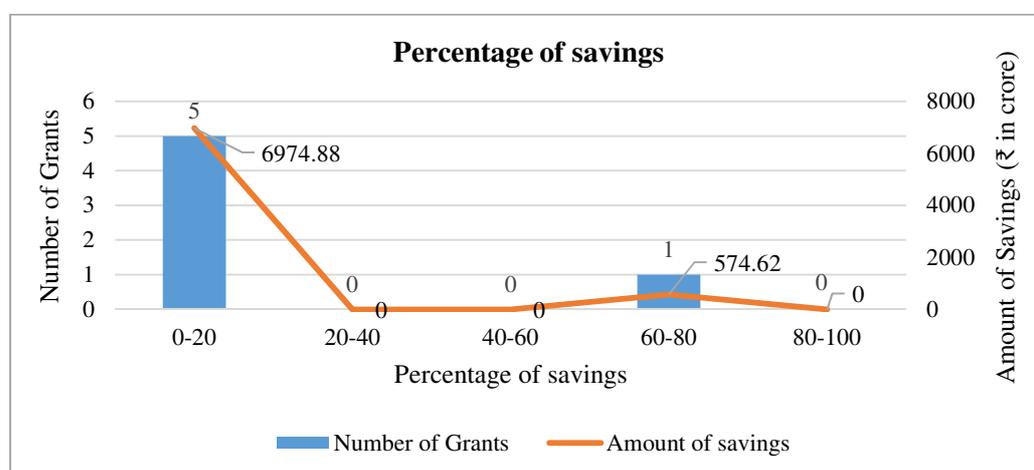
**Table 3.5: Details of grants having large savings (savings above ₹ 500 crore) during the year 2021-22**

(₹ in crore)								
Sl. No.	Grant No. and Name	Original grant/Appropriation	Supplementary grant/Appropriation	Total grant/Appropriation	Actual expenditure	Savings	Surrender	Lapsed
<b>Revenue-Voted</b>								
1	Grant No. 6- Education	14,008.53	0.93	14,009.46	11,238.47	2,770.99	1,625.17	1,145.82
2	Grant No. 7- Medical and Public Health	8,063.43	288.55	8,351.98	7,099.96	1,252.02	229.07	1,022.95
3	Grant No. 8- Social Welfare	9,326.67	0.92	9,327.59	8,358.89	968.70	137.63	831.07
4	Grant No. 11 -Urban Development and Public Works Department	9,663.07	0.26	9,663.33	8,567.92	1,095.41	626.46	468.95
<b>Total</b>		<b>41,061.70</b>	<b>290.66</b>	<b>41,352.36</b>	<b>35,265.24</b>	<b>6,087.12</b>	<b>2,618.33</b>	<b>3,468.79</b>
<b>Capital-Voted</b>								
5	Grant No. 10- Development	892.92	0.05	892.97	318.35	574.62	529.73	44.89
6	Grant No. 11- Urban Development and Public Works Department	8,806.00	0.36	8,806.36	7,918.60	887.76	252.14	635.62
<b>Total</b>		<b>9,698.92</b>	<b>0.41</b>	<b>9,699.33</b>	<b>8,236.95</b>	<b>1,462.38</b>	<b>781.87</b>	<b>680.51</b>
<b>Grand Total</b>		<b>50,760.62</b>	<b>291.07</b>	<b>51,051.69</b>	<b>43,502.19</b>	<b>7,549.50</b>	<b>3,400.20</b>	<b>4,149.30</b>

Further, it can be seen from the **Table 3.5**, despite significant savings of more than ₹ 500 crore and above out of original budget provision, supplementary provisions were obtained.

The distribution of the number of grants/appropriations (**Table 3.5**) grouped by the percentage of savings shows (**Chart 3.5**) that in five grants, there were savings amounting to ₹ 6,974.88 crore, being 10 to 20 per cent of the respective provisions. However, in one grant (Capital voted section of Grant no.10- Development) there was savings of ₹ 574.62 crore, being 64.35 per cent of the respective provision.

**Chart 3.5: Number of Grants/Appropriations (Revenue Voted/Capital Voted) grouped by the percentage of savings along with total savings in each group**



Audit further noted that in 10 grants there were total savings of ₹ 9,836 crore and an amount of ₹ 4883.52 crore was surrendered. ₹ 4,952.48 crore (more than ₹ 10 crore in each case) of total savings lapsed at the end of March 2022, as detailed in **Table 3.6:**

**Table 3.6: Details of surrender of funds in excess of ₹ 10 crore at the end of March 2022**

(₹ in crore)								
Sl. No.	Name and No. of the Grant	Original grant/ appropriation	Supplementary Grant/ Appropriation	Total grant/ Appropriation	Expenditure	Savings	Surrender during the year	Lapsed
<b>Revenue (Voted)</b>								
1.	Grant No.2 - General Administration	796.16	435.11	1231.27	793.61	437.66	376.12	61.54
<i>Reasons<sup>2</sup> for savings and surrender: Savings occurred on account of inter alia non-operation of scheme of Safe City Project for safety of women by Delhi Police (₹ 219.46 crore) etc. Surrender of savings was attributed to vacant posts, non-receipt of bills for OTA, Wages; less expenditure on advertisement and publicity, transfer of incumbents etc.</i>								
2.	Grant No.3- Administration of Justice	1144.27	326.89	1471.16	1074.88	396.28	81.99	314.29
<i>Reasons for savings and surrender: Savings occurred inter alia on account of non-payment of arrear to Stenographers, non-finalisation of schemes, etc.(₹ 262.96 crore). Surrender of savings was attributed inter alia to decrease in criminal activities due to COVID, vacant posts etc.</i>								
3.	Grant No.4- Finance	350.73	10.6	361.33	261.01	100.32	68.26	32.06
<i>Reasons for savings and surrender: Savings occurred inter alia on account of finalisation of procurement related to IT infrastructure proposals etc. (₹ 28.45 crore); non-obtaining of administrative and expenditure sanction in respect of electricity/telephone bills etc. (₹ 31.34 crore). Surrender of savings was attributed inter alia to non-filling of posts, transfer of incumbents etc.</i>								
4.	Grant No.5- Home	958.79	97.52	1056.31	738.98	317.33	282.23	35.10
<i>Reasons for savings and surrender: Savings occurred inter alia on account of vacant posts, transfer of incumbents, less procurement etc. in Jails (₹ 234.36 crore); less procurement, non-implementation of scheme of computerisation of Delhi Fire Service etc. (₹ 249.08 crore). Surrender of savings was attributed inter alia to non-filling of posts, transfer of incumbents etc.</i>								
5.	Grant No.6 - Education	14008.53	0.93	14009.46	11238.46	2771	1625.17	1145.83
<i>Reasons for savings and surrender: Savings occurred inter alia on account of non-implementation of online assessment scheme (₹ 150 crore); delayed release of Central share of GoI in respect of Samagra Shiksha scheme (₹ 383.79 crore); partial closure of schools; non-filling up of vacant posts of teachers and staff in primary classes in Government Secondary schools etc.(₹ 198.61 crore); release of grants to local bodies such as NDMC, SDMC, EDMC (for primary education) as per net tax collection of GNCTD (₹ 336.26 crore); scheme of digital classroom at initial stage (₹ 249.83 crore). Surrender of savings was attributed inter alia to non-conducting of students tours and club activity; merger of Ambedkar Institute of Technology with NSUT etc.</i>								
6.	Grant No.7- Medical and Public Health	8063.43	288.55	8351.98	7099.96	1252.02	229.07	1022.95
<i>Reasons for savings and surrender: Savings occurred inter alia on account of less receipt of fund for Emergency Response and Health System Preparedness Package (ERHSPP) under NRHM (₹ 193 crore); release of less grants- in aid to Delhi State Health Mission for Aam Aadmi Mohalla Clinic (₹ 154.62 crore); vacant posts, transfer of incumbents, less procurement in Central Procurement Agency &amp; State Drug Authority (₹ 177.58 crore). Surrender of savings was attributed inter alia to non-filling of posts, transfer of incumbents etc.</i>								
7.	Grant No.8- Social Welfare	9326.67	0.92	9327.59	8358.89	968.7	137.63	831.07
<i>Reasons for savings and surrender: Savings occurred inter alia on account of undisbursed pension under the Senior Citizen Pension Scheme returned by bank, stop of duplicate cases (₹ 159.31 crore); release of less compensation for meeting deficit of cluster buses (₹ 125 crore); release of less subsidy to DTC and cluster buses for female commuters owing to less beneficiaries, less passengers as the buses were to allowed to operate at 50 per cent capacity (₹ 228.61 crore). Surrender of savings was attributed inter alia to non-filling of posts, transfer of incumbents, change of scheme etc.</i>								

<sup>2</sup> As per Appropriation Accounts and surrender statement

(₹ in crore)

Sl. No.	Name and No. of the Grant	Original grant/ appropriation	Supplementary Grant/ Appropriation	Total grant/ Appropriation	Expenditure	Savings	Surrender during the year	Lapsed
8.	Grant No.9- Industries	573.93	108.66	682.59	457.69	224.9	87.52	137.38
<i>Reasons for savings and surrender: Savings occurred inter alia on account of non- implementation of Mukhya Mantri Ghar Ghar Rashan Yojana (₹ 220 crore). Surrender of savings was attributed inter alia to vacant post, non- implementation of Mukhya Mantri Ghar Ghar Rashan Yojana etc.</i>								
9.	Grant No.11- Urban Development and Public Works Department	9663.07	0.26	9663.33	8567.92	1095.41	626.46	468.95
<i>Reasons for savings and surrender: Savings occurred inter alia on account of less release of grants- in-aid and unspent balance available with Delhi Jal Board (₹ 337.50 crore), less release of basic tax assignment to EDMC, NDMC and SDMC based on the net tax collection of GNCTD (₹ 387.67 crore). Surrender of savings was attributed inter alia to less release of grants-in-aid, vacant posts, non-receipt of fund from GoI etc.</i>								
<b>Total</b>		<b>44,885.58</b>	<b>1,269.44</b>	<b>46,155.02</b>	<b>38,591.40</b>	<b>7,563.62</b>	<b>3514.45</b>	<b>4,049.17</b>
<b>Capital (Voted)</b>								
10.	Grant No.5- Home	103.05	0.02	103.07	17.68	85.39	70.17	15.22
<i>Reasons for savings and surrender: Savings occurred inter alia on account of receipt of approval of the competent authority at the fag end of the year (₹ 43.37 crore); non-purchase of motor vehicle (₹ 36 crore). Surrender of savings was attributed inter alia to non-purchase of motor vehicle etc.</i>								
11.	Grant No.7- Medical and Public Health	369.45	0.07	369.52	213.14	156.38	78.28	78.10
<i>Reasons for savings and surrender: Savings occurred inter alia on account of procurement of less equipment for Central Procurement Agency &amp; State Drug Authority etc. (₹ 86.63 crore); non-finalisation of purchase proposals of hospital equipment etc. for GB Hospital (₹ 48.59 crore). Surrender of savings was attributed inter alia to procurement of Machinery and equipment; non-purchase of motor vehicle etc.</i>								
12.	Grant No.8- Social Welfare	2232.87	0.01	2232.88	1664.65	568.23	438.75	129.48
<i>Reasons for savings and surrender: Savings occurred inter alia on account of no investment on purchase of buses (₹ 550 crore); slow progress of work relating to improvement of basties etc. (₹ 30.31 crore). Surrender of savings was attributed inter alia to slow progress of work etc.</i>								
13.	Grant No.10- Development Department	892.92	0.05	892.97	318.35	574.62	529.73	44.89
<i>Reasons for savings and surrender: Savings occurred inter alia on account of slow progress of work relating to Integrated Development of Rural Villages etc. (₹147.85 crore). Surrender of savings was attributed inter alia to slow progress of work etc.</i>								
14.	Grant No.11- Urban Development and Public Works Department	8806	0.36	8806.36	7918.6	887.76	252.14	635.62
<b>Total</b>		<b>12,404.29</b>	<b>0.51</b>	<b>12,404.80</b>	<b>10,132.42</b>	<b>2,272.38</b>	<b>1369.07</b>	<b>903.31</b>
<i>Reasons for savings and surrender: Savings occurred inter alia on account of non-implementation of Chief Minister Local Area Development Scheme and Chief Minister Mohalla Sureksha Yojana (₹ 500 crore); slow pace of work, non-finalisation of proposals relating to Mukhyamantri Sadak Punrottan Yojana (₹ 272.81 crore); non- approval of streets capping of road (for new projects) (₹ 255.19 crore); delay in execution of works, non-submission of bills by contractors etc. relating to construction of elevated corridor- Barapullah Nallah Ph-III and installation of CCTV cameras. Surrender of savings was attributed inter alia to slow progress of work etc.</i>								
<b>Grand Total</b>		<b>57,289.87</b>	<b>1,269.95</b>	<b>58,559.82</b>	<b>48,723.82</b>	<b>9,836.00</b>	<b>4,883.52</b>	<b>4,952.48</b>

The Finance Department, GNCTD, stated (October 2022) that departments were being advised to ensure that the formulation of estimates are on realistic basis and not influenced by undue optimism.

### 3.4 Comments on transparency of budgetary and accounting process

#### 3.4.1 Lump-sum budgetary provisions

The financial rules/budget manual prohibit lump-sum provision in estimates except in cases where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project/scheme which has been accepted in principle for being taken up in the financial year. Detailed explanations justifying provision proposed are required to be given in the budget note accompanying the lump-sum estimates.

Audit noted that GNCTD made total lump-sum budgetary provision of ₹ 319.00 crore under four grants against which expenditure of ₹ 170.07 crore was made. Lump-sum provisions without identifying the exact object of expenditure vitiates transparency. Further, as per sub rule 6 of Rule 3 of Delegation of Financial Power Rules, 1978 no lump-sum provision shall ordinarily be made in the budget except for works costing less than ₹ 10 lakh. However, Audit noted that in 17 cases under four Grants, as detailed in **Table 3.7**, the amount had exceeded the prescribed limit of ₹ 10 lakh. Moreover, it has also been noticed that similar lump-sum provisions under sub-heads of Grant No. 10 and Grant No. 11 were also made in previous year.

**Table 3.7: Details of lump sum provisions made during the year 2021-22**

(₹ in crore)

Sl. No.	Grant No and Name	Head of Account	Lump sum provision	Expenditure from lump sum provision	Stated purpose
1.	3-Administration of Justice (Revenue –Voted)	2014.00.105.97.00.42	1.20	0.12	Computerization of District and Session Courts
2.	7-Public Health & Medical (Revenue –Voted)	2210.06.800.70.00.42	70.00	3.43	Introduction of Hospital Management information system
3.	10-Development (Capital –Voted)	5425.00.208.84.00.42	1.00	0.00	Horticulture works
4.	11-Urban Development and Public Works Department (Capital –Charged)	5054.04.800.99.00.42	40.00	36.80	Construction of Roads and Bridges
5.	11-Urban Development and Public Works Department (Capital –Voted)	4055.00.212.90.00.42	10.00	6.43	Delhi Forensic Science Laboratory
6.		4059.60.051.80.90.42	20.00	21.94	Infrastructural facilities for Judiciary
7.		4070.00.800.89.00.42	25.00	23.06	Central Jail Building
8.		4202.01.800.97.00.42	30.00	10.54	Renovation work in existing buildings
9.		4202.02.105.88.00.42	4.00	1.06	G.B. Pant Engineering College
10.		4202.03.800.89.00.42	50.30	29.58	Development of Play Grounds, sports complex and swimming pools etc.
11.		4202.04.101.99.00.42	2.00	1.31	College of Art

(₹ in crore)

Sl. No.	Grant No and Name	Head of Account	Lump sum provision	Expenditure from lump sum provision	Stated purpose
12.		4202.04.104.96.00.42	3.00	1.01	Archives Department
13.		4210.03.102.98.00.42	3.50	2.10	Development of health care services of homoeopathic
14.		4235.02.101.87.00.42	9.00	1.14	Development of home for mentally retarded
15.		4235.02.104.94.00.42	15.00	6.06	Old Age Home
16.		4235.02.800.90.00.42	5.00	5.27	Provision of additional facilities in the existing buildings (PWD)
17.		5054.04.800.99.00.42	30.00	20.22	Construction of Roads and Bridges
<b>Grand Total</b>			<b>319.00</b>	<b>170.07</b>	

Source: Principal Accounts Office, GNCTD

The Finance Department, GNCTD, stated (October 2022) that the existing lump-sum provisions would be rectified in the Revised estimates 2022-23 and the ensuing Budget Estimates.

### 3.5 Comments on effectiveness of budgetary and accounting process

#### 3.5.1 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 and weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive other departments of the funds which they could have utilised.

Scrutiny of Appropriation Accounts for the year 2021-22 revealed that the departments could utilize only ₹ 61,542.00 crore against the total provision of ₹ 72,081.08 crore and savings of ₹ 5,458.00 crore (51.79 per cent) lapsed on 31 March, 2022 out of total savings of ₹ 10,539.08 crore. The details are given in Table 3.8:

**Table 3.8: Summarised position of actual expenditure vis-à-vis original/ supplementary provisions**

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary Grant/ appropriation	Total	Actual expenditure	Savings (-)/ Excess(+)	Lapsed on 31 March 2022	
							Amount	Percentage
<b>Voted</b>	I. Revenue	48,099.65	2,592.20	5,0691.85	42,773.10	(-)7,918.75	4,378.01	55.29
	II. Capital	10,516.24	412.13	1,0928.37	8,283.80	(-)2,644.57	994.51	41.11
	III. Loans and Advances	2,378.23	0.03	2378.26	2603.40	(+)225.14	0.00	0.00

(₹ in crore)

	Nature of expenditure	Original grant/appropriation	Supplementary Grant/appropriation	Total	Actual expenditure	Savings (-)/ Excess(+)	Lapsed on 31 March 2022	
							Amount	Percentage
<b>Total voted</b>		<b>60,994.12</b>	<b>3,004.36</b>	<b>63,998.48</b>	<b>53,660.30</b>	<b>(-)10,338.18</b>	<b>5,372.52</b>	<b>51.97</b>
<b>Charged</b>	I. Revenue	3,699.71	76.58	3,776.29	3,629.60	(-)146.69	81.53	55.58
	II. Capital	41.00	0.14	41.14	36.94	(-)4.20	3.94	93.81
	Public Debt	4,265.17	0.00	4,265.17	4,215.16	(-)50.01	0.01	0.02
	III. Loans and Advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total charged</b>		<b>8,005.88</b>	<b>76.72</b>	<b>8,082.60</b>	<b>7,881.70</b>	<b>(-)200.90</b>	<b>85.48</b>	<b>42.55</b>
<b>Appropriation to Contingency Fund (if any)</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total</b>		<b>69,000.00</b>	<b>3,081.08</b>	<b>72,081.08</b>	<b>61,542.00</b>	<b>(-)10,539.08</b>	<b>5,458.00</b>	<b>51.79</b>

Source: Appropriation Accounts.

The original budget of ₹ 69,000.00 crore prepared by GNCTD for the year 2021-22 was revised to ₹ 72,081.08 crore against which actual expenditure was ₹ 61,542.00 crore. Details of original budget, revised budget estimates and actual expenditure for the period 2017-18 to 2021-22 are given in **Table 3.9**:

**Table 3.9: Original budget, revised estimates and actual expenditure during 2017-18 to 2021-22**

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Original Budget</b>	48,000.00	53,000.01	60,000.00	65,000.00	69,000.00
<b>Supplementary Budget</b>	1,202.08	5,177.13	4,180.68	891.87	3,081.08
<b>Revised Estimate</b>	49,202.08	58,177.14	64,180.68	65,891.87	72,081.08
<b>Actual Expenditure</b>	41,159.42	46,344.56	51,510.03	52,895.76	61,542.00
<b>Savings /excess</b>	8,042.66	11,832.58	12,670.65	12,996.11	10,539.08
<b>Percentage of Savings</b>	16.35	20.34	19.74	19.72	14.62
<b>Percentage of supplementary to the original provision</b>	2.50	9.77	6.97	1.37	4.47

Source: Budget at a glance and Appropriation Accounts of the respective years.

It can be seen from **Table 3.9**, that during 2017-18 to 2021-22 the percentage of overall savings vis-à-vis total provision ranging from 14.62 per cent (2021-22) to 20.34 per cent (2018-19).

The Finance Department, GNCTD, stated (October 2022) that budget estimates of ₹ 69,000 crore was revised to ₹ 67,000 crore and the expenditure incurred against the revised estimates is ₹ 61,542 crore resulting in a savings of only ₹ 5,458 crore.

The reply is not tenable as revised estimates authorized by the Legislative Assembly of NCT of Delhi was ₹ 72,081.08 crore against which savings of ₹10,539.08 crore was reported.

The GNCTD's revenue expenditure (actuals) vis-à-vis figures of BE under Major Heads of accounts for the year 2021-22 is given in **Table 3.10**.

**Table 3.10: GNCTD's Revenue Expenditure (actuals) vis-à-vis figures of BE for the year 2021-22**

(₹ in crore)

Expenditure head (Major heads of Accounts)	BE (as per Budget at a glance)	Actuals (₹ in crore)	Difference between BE and Actuals (₹ in crore)	Percentage (+) Excess (-) Shortfall
<b>Fiscal services</b>				
State Excise	51.24	44.95	(-)6.29	(-)12.28
Taxes on vehicles	288.26	161.81	(-)126.45	(-)43.87
Collection charges under GST	135.42	91.09	(-)44.33	(-)32.74
<b>Administrative services</b>				
Jails	530.21	372.49	(-)157.72	(-)29.75
Public Works	512.93	528.41	15.48	(+)3.02
<b>Social services</b>				
General Education	12948.56	10283.93	(-)2664.63	(-)20.58
Medical and Public Health	8474.29	7537.26	(-)937.03	(-)11.06
Water supply and sanitation	1630.50	1136.53	(-)493.97	(-)30.29
Urban Development	1034.69	661.59	(-)373.1	(-)36.06
Social security and Welfare	3685.36	3570.48	(-)114.88	(-)3.12
<b>Economic Services</b>				
Civil supplies	449.28	378.9	(-)70.38	(-)15.67
Flood control and Drainage	281.34	264.48	(-)16.86	(-)5.99
Power	3117.41	3266.97	149.56	(+)4.80
Roads and Bridges	536.8	658.15	121.35	(+)22.61
Road Transport	4744.25	4355.88	(-)388.37	(-)8.19

It can be seen from the **Table 3.10**, barring fiscal services, there were shortfall of expenditure (more than 25 per cent of Budget estimates) under two heads of accounts for Social services viz. 'Water supply and sanitation' and 'Urban Development' and under one head of account for Administrative services – 'Jails'.

### 3.5.2 Major policy pronouncement in the budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the Government were partially or fully 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.

Audit found that in 82 sub-heads under nine Grants (₹ one crore or above in each case), the entire provision of ₹ 560.41 crore remained unutilised by the departments or was remitted back to Government before the closure of the financial year 2021-22 (**Appendix 3.1**).

Savings of the entire provision was indicative of the fact that the estimates were not prepared after adequate scrutiny of the projects/schemes. Schemes which did not take off due to non-utilisation of the entire provision were – Grant-in-aid for Covid-19 Emergency Response and Health System Preparedness Package under NRHM (CSS) (₹ 45.77 crore), Grant-in-aid for Covid-19 Emergency Response and Health System Preparedness Package under NRHM (State Share) (₹ 30.00 crore), Delhi Arogaya Kosh (₹ 40.96 crore), GIA to NDMC for Smart City (CSS) (₹ 50.00 crore), Swachh Bharat Mission (CSS) (₹ 33.00 crore), Deen Dayal Upadhaya Antyodaya Yojana/National Urban Livelihood Mission (CSS) (₹22.01 crore), Swachh Bharat Mission (State Share) (₹ 20.00 crore), Subordinate debts for land acquisition for MRTS (₹ 100.00 crore), and Loan to DUSIB for construction of houses for Weaker Section (JNNURM) (₹ 14.93 crore).

Further, it was observed that in 89 sub-heads of nine grants, provision of ₹ 1,830.87 crore was made (₹ one crore or above in each case) in the original budget (**Appendix 3.2**) but the amount was completely withdrawn in the revised outlay for the financial year 2021-22.

The Finance Department, GNCTD, stated (October 2022) that departments were being advised that budget estimates/revised estimates should be prepared on a realistic basis after considering the payments expected to be made, readiness of the details of the concerned scheme and availability of funds to undertake the scheme.

### 3.5.3 Rush of expenditure

i) Rule 62(3) of GFR, 2017 provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. As per the guidelines of the Ministry of Finance, GoI dated 24 January 2020, expenditure in the last quarter and last month i.e. March of the financial year should be restricted to 25 *per cent* and 10 *per cent* of the budget, respectively.

It was noticed that out of the total expenditure of ₹ ₹ 61,172.34<sup>3</sup> crore during 2021-22, expenditure of ₹ 21,800.95 crore (30.24 *per cent* of budget) was incurred in the last quarter, whereas ₹ 9,995.85 crore (13.87 *per cent* of budget) was incurred during the month of March, 2022. Besides, Audit noted that in 37 sub-heads under six grants, expenditure ranged from 50 to 100 *per cent* was incurred in March, 2022.

Rush of expenditure during the last quarter, especially during the month of March, indicates non-adherence to financial rules besides adversely affecting quality of expenditure.

---

<sup>3</sup> Excluding recoveries of ₹ 369.66 crore

**ii) Heads where entire expenditure was incurred in March 2022**

Audit noted that in 11 sub-heads under five grants the entire expenditure of ₹ 1,596.02 crore was incurred in March 2022 as detailed in **Table 3.11**:

**Table 3.11: Heads where entire expenditure was incurred in March 2022**

Sl. No.	Grant No. and name	Head of Account (up to Sub-Head)	100 per cent expenditure during March (₹ in crore)
1	6 – Education	2202.02.109.53.00.31- GIA to School of Specialized excellence	38.00
2		2202.80.107.82.00.34- Welfare of educationally backward minority students	18.15
3		4202.01.203.91.00.53-Establishment of Sports University	14.91
4		4202.01.203.96.00.53-Allotment of land and construction of building of Indraprastha Vishwa Vidyalaya	10.25
5	7 - Medical and Public Health	2210.01.200.71.00.31 - GIA for India Covid-19	330.00
6	8 - Social Welfare	2225.01.789.76.00.34 - Reimbursement of Tuition fee in Public School	13.00
7		2235.02.103.22.00.50 - Subsidy to DTC for concessional passes	13.50
8		3055.00.190.99.00.33- Installation of CCTV Cameras in DTC and Cluster Buses (State Share)	38.46
9	10 - Development	2245.80.101.99.00.50- Village Development Board for works under Integrated Development of Rural Villages	169.75
10	11 - Urban Development and Public Works	5054.04.101.76.00.53- Construction of Extension of Flyover from Ashram to DND	50.00
11		7615.00.200.75.00.55- Loans to Delhi Jal Board for ways and Means support	900.00
<b>Total</b>			<b>1596.02</b>

Source: Principal Accounts Office, GNCTD

The Finance Department, GNCTD, stated (October 2022) that due to COVID-19, restriction was laid for cash management and rationalization of expenditure during the first three quarters of the financial year 2021-22. As regard to point no. 1, 3, 4, 5, 9 and 11 of the above table, Department stated the amount (₹ 1,462.91 crore out of ₹ 1,596.02 crore) was allocated in the Revised Estimates and released accordingly after obtaining necessary approval. It added that the remaining ₹ 83.11 crore (Sl.no. 2, 6, 7 and 8) relating to the payments of scholarship and stipend, subsidies and widow pension were in the shape of one-time payment. Sl.no. 10 (₹ 50 crore) related to item covered under the restrictions.

The fact remains that the General Financial Rules and the guidelines of Ministry of Finance were not observed in letter and spirit. Further, reply is not acceptable since scholarship and stipend are to be disbursed at the beginning of the session.

Besides, widow pension are to be disbursed on monthly basis. Furthermore, rush of expenditure could have been avoided had the allocation of funds in the revised estimates and the release thereof had been done in a timely manner.

**iii) Grants with more than 50 per cent of expenditure in March 2022 alone**

Audit noted that in 25 sub-heads under six grants, an expenditure of ₹ 3,211.99 crore ranging from 50 to 99.87 per cent of the total expenditure was incurred in March 2022 as depicted in **Table 3.12**:

**Table 3.12: Grants with more than 50 per cent of expenditure in March 2022 alone**

(₹ in crore)

Sl. No.	Gr. No. / Name	Head of Account	Total Expenditure	Total Expenditure in last quarter		Total Expenditure in March 2022	
			Amount	Amount	Percentage	Amount	Percentage
1.	5 - Home	2056.00.001.99.00.28	114.44	106.02	92.65	102.71	89.76
2.	6 - Education	2202.02.101.97.00.31	30.00	25.00	83.33	25.00	83.33
3.	6 - Education	2202.02.113.95.00.01	42.80	40.57	94.79	40.57	94.79
4.	6 - Education	2202.02.789.94.00.33	37.75	37.75	100.00	29.07	77.00
5.	6 - Education	2202.02.800.40.00.33	181.67	151.67	83.49	109.96	60.53
6.	6 - Education	2202.03.102.84.00.31	44.25	34.25	77.40	34.25	77.40
7.	6 - Education	2230.03.101.91.00.31	18.99	14.30	75.32	14.30	75.32
8.	6 - Education	4202.01.600.94.00.53	132.28	124.23	93.92	87.76	66.35
9.	6 - Education	4202.02.105.82.00.53	558.33	404.36	72.42	381.77	68.38
10.	7 - Medical and Public Health	2210.06.800.82.00.31	40.00	35.00	87.50	25.00	62.50
11.	8 - Social Welfare	2225.01.277.43.00.34	30.00	22.28	74.28	22.28	74.29
12.	8 - Social Welfare	2225.01.277.71.00.50	47.34	29.73	62.80	29.42	62.16
13.	8 - Social Welfare	2235.02.103.33.00.50	79.63	64.40	80.87	40.28	50.59
14.	8 - Social Welfare	3055.00.190.90.00.31	103.31	103.31	100.00	78.31	75.80
15.	8 - Social Welfare	5055.00.050.85.00.53	447.30	392.55	87.76	382.87	85.60
16.	8 - Social Welfare	5055.00.190.80.00.54	800.00	450.00	56.25	450.00	56.25
17.	8 - Social Welfare	7055.00.190.94.00.55	150.00	100.00	66.67	100.00	66.67
18.	10 - Development	2052.00.090.48.00.31	60.00	59.93	99.88	59.92	99.88
19.	10 - Development	2235.60.200.62.00.50	24.00	13.00	54.17	13.00	54.17
20.	11 - Urban Development and Public Works	2210.01.110.10.95.27	18.98	14.01	73.80	10.03	52.82
21.	11 - Urban Development and Public Works	2217.04.191.55.00.35	206.20	106.20	51.50	106.20	51.50

(₹ in crore)

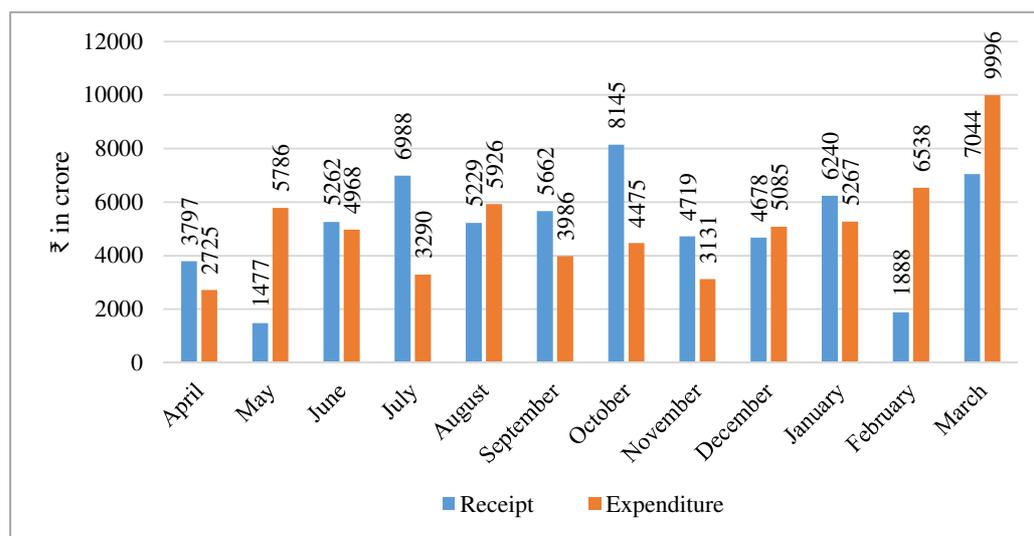
Sl. No.	Gr. No. / Name	Head of Account	Total Expenditure	Total Expenditure in last quarter		Total Expenditure in March 2022	
			Amount	Amount	Percentage	Amount	Percentage
22.	11 - Urban Development and Public Works	4202.01.600.92.00.53	67.70	54.24	80.12	54.24	80.12
23.	11 - Urban Development and Public Works	4217.60.050.95.00.53	1056.77	842.81	79.75	772.55	73.11
24.	11 - Urban Development and Public Works	5054.04.337.89.00.53	44.05	43.00	97.61	30.00	68.10
25.	11 - Urban Development and Public Works	7615.00.200.81.00.55	325.00	268.75	82.69	212.50	65.38
<b>Total</b>			<b>4660.79</b>	<b>3537.36</b>		<b>3211.99</b>	

Source: Principal Accounts Office, GNCTD

The Finance Department, GNCTD, attributed (October 2022) the rush of expenditure to (i) payments made for Jails and security personnel deployed from other States after receipt of audit certificate from the State (sl.no.1 of the above table); (ii) enhancement of funds in the Revised Estimates (RE) with approval of Legislative Assembly with respect to (a) grants-in-aid (GIA) to Delhi Secondary Board of Education, (b) budget provision of Samagra Shiksha-Teacher Education, (c) GIA to Sports University, (d) Pradhan Mantri Kaushal Vikas Yojana, (e) outsourcing of school buildings and infrastructure projects, (f) GIA to Indian Institute of Liver & Biliary Sciences (sl.no. 2, 3, , 6-10 of the table); (iii) payments made for subsidy for school uniform, scholarship & stipends and reimbursement of tuition fees, Ladli Yojna etc., after necessary verifications (sl.no. 4-5, 11-12, 13); provision for payments for Transport Department only in the RE stage (sl.no. 14); payments released in the last quarter of the financial year due to revenue collection position (sl.no. 15-18); provision of funds to Wakf Board in the RE (sl.no. 19); ex-gratia payments made to defence personnel dying in war/operation as per requirement and approval of the committee (sl.no. 20); provision of funds in the RE and payments thereof (sl.no. 21); enhancement of funds in the RE in view of the additional funds received from GoI (sl.no. 22); payments relating to capital works being regulated as per the guidelines of cash management due to COVID-19 (sl.no. 23 -25).

The fact remains that the General Financial Rules and the guidelines of Ministry of Finance were not observed in letter and spirit. Further delayed payments to jails, delayed enhancement/allotment of funds in the RE, delayed payment of subsidy, stipends and tuition fees, etc., are not acceptable as a justification for rush of expenditure.

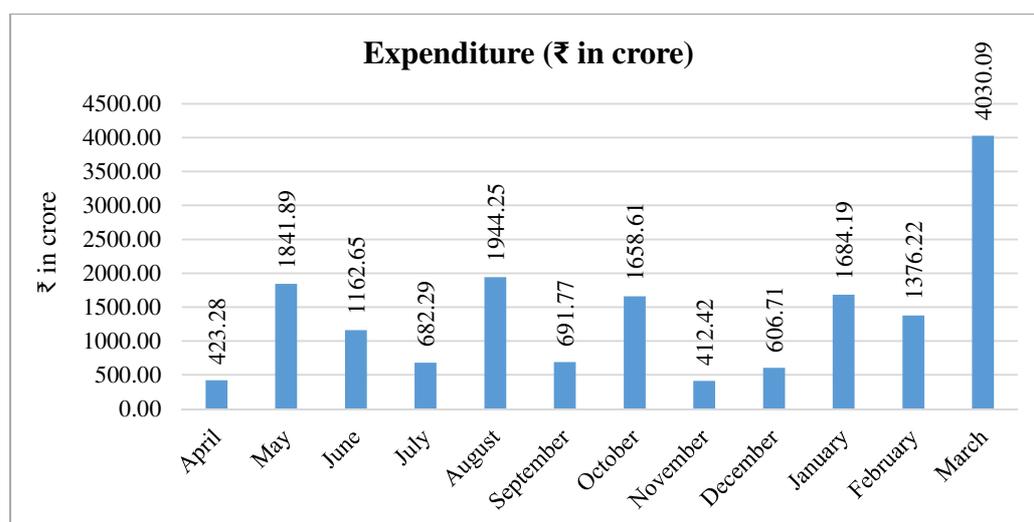
**Chart 3.6: Monthly receipts and expenditure during the FY 2021-22**



It may be observed from **Chart 3.6** that month-wise receipts of GNCTD ranged between 2.42 per cent (May) to 13.32 per cent (October) of the total receipt of ₹ 61,128 crore while month-wise expenditure (net of recoveries) of GNCTD ranged between 4.45 per cent (April) to 16.34 per cent (March) of the total expenditure of ₹ 61,173 crore during the year 2021-22.

Besides, Audit noted that in respect of ‘Grant No. 11- Urban Development and Public Works’ very high percentage of expenditure was incurred in the month of March as shown in **Chart 3.7**.

**Chart 3.7: Month wise expenditure of Grant No. 11 Urban Development and Public Works during the year 2021-22 with very high percentage of expenditure in March 2022**



Audit observed that the Department of Urban Development and Public Works (Grant No. 11) incurred 24.40 per cent of total expenditure in the last month of the financial year 2021-22. The rush of expenditure at the fag end of the financial year reflects poor budgeting and financial control.

### 3.5.4 Lack of utilisation of Grant (Centrally Sponsored Scheme)

GNCT of Delhi, under Centrally Sponsored Schemes (GIA) had approved provisions of ₹ 228.03 crore (₹ one crore and above) which was revised to ₹ 159.34 crore in 12 Sub-heads of four Grants. Audit observed that against ₹ 159.34 crore, only ₹ 36.10 crore was received from GoI during January to March 2022 and no expenditure was incurred there against. Details in **Appendix 3.3**.

The Finance Department, GNCTD, stated (October 2022) that in respect of sl.no. 1,4,9,10,11, and 12 of **Appendix 3.3**, the funds received from GoI has been authorised to departments during the financial year 2022-23. It added that for the remaining cases, no funds were available for authorisation.

### 3.5.5 Outcome of Grant no. 11-‘Urban Development and Public Works Department’

A review of budgetary procedure and control over expenditure in respect of Grant no.11-‘Urban Development and Public Works Department’, Government of National Capital Territory of Delhi (GNCTD) for the period 2019-20 to 2021-22 was conducted to ascertain compliance with budgeting processes, monitoring of funds and control mechanism within the grant. This grant is assigned to ‘Urban Development Department’, ‘Public Works Department’, ‘Land and Building Department’, ‘Housing Loan Department’, ‘Power Department’, and ‘State Election Commission’. During the review the following issues were noticed.

#### Budget and Expenditure

- (i) The overall position of Budget provision, expenditure incurred and savings under the Grant for the last three years is given in **Table 3.13**:

**Table 3.13: Budget and Expenditure**

(₹ in crore)

Year	Provision		Expenditure		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
2019-20	19332.24	0.34	15300.94	0.19	4031.30	0.15
2020-21	19472.94	1.06	16659.22	0.01	2813.72	1.05
2021-22	18469.69	40.82	16486.52	36.94	1983.17	3.88

#### Unnecessary supplementary grant

- (ii) Supplementary demand should only be resorted to in exceptional and urgent cases. While obtaining a supplementary grant, the Department has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds.

Scrutiny of Grant no. 11 revealed that supplementary grants amounting to ₹ 12.00 crore (2019-20) in two cases, ₹ 4.00 crore (2020-21) in two cases

and ₹ 0.40 crore (2021-22) in one case were obtained in anticipation of higher/additional expenditure. However, the final expenditure was even less than the original grant making supplementary grants unnecessary and thereby savings of ₹18.03 crore in five cases.

Reason reported for savings was mainly on account of delay in execution of works due to migration of labour to their home states, non-submission of running account bills by the Contractor due to staff problems during lock down period, imposition of lockdown by the Government to contain COVID-19 pandemic during which offices remained closed, non-filling up of vacant posts, non-receipt of professional fee bills from Govt. counsels and non-clearance of bills due to administrative reasons

### **Unnecessary re-appropriation**

(iii) Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Detailed review of Grant no.11 for the years 2019-20 to 2021-22 revealed that the re-appropriation proved unnecessary as the Departments were not able to utilize their original grants in full. Cases of injudicious re-appropriation to sub-head under Revenue Voted/Capital Voted section are detailed below:

- Scrutiny of Grant no. 11 revealed that re-appropriation amounting to ₹ 18.48 crore (2019-20) under 7 sub-heads, ₹ 2.64 crore (2020-21) under 3 sub-heads and ₹ 36.10 crore (2021-22) under 8 sub-heads of Revenue Voted Section proved unnecessary as the Departments were not able to utilize their original grants in full.

Reason reported for savings was mainly on account of delay in execution of work due to migration of labour and non-submission of bills by the Contractor due to imposition of lockdown by the Government on account of COVID 19 (11 cases), Non-receipt of funds from GoI (3 cases), Vacant post not filled, pending clearance of bills due to administrative reasons, delay in completion of work, delay in receipt of claims (4 cases).

- Similarly, re-appropriation amounting to ₹ 66.21 crore (2019-20) under 5 sub-heads, ₹ 66.96 crore (2020-21) under 4 sub-heads and ₹ 23.77 crore (2021-22) under 5 sub-heads of Capital Voted Section proved unnecessary as the Departments were not able to utilize their original grants in full.

Reason reported for savings was mainly on account of delay in execution of work due to migration of labour and non-submission of bills by the Contractor due to imposition of lockdown by the

Government on account of COVID 19 (12 cases), no demand for Share capital by Power company (1 case), pending approval of payment by competent authority (1 case).

#### Overall savings:

- (iv) Audit noted that under Grant no. 11, there were large savings during the period 2019-20 to 2021-22 as mentioned in the **Table 3.14**:

**Table 3.14: Large Savings**

(₹ in crore)

Head	Total provision	Expenditure	Savings	Surrender	Lapsed
<b>2019-20</b>					
Revenue (Voted)	9407.26	8759.35	647.91	418.12	229.79
Capital (Voted)	9924.98	6541.59	3383.39	2704.66	678.73
<b>Total</b>	<b>19332.24</b>	<b>15300.94</b>	<b>4031.3</b>	<b>3122.78</b>	<b>908.52</b>
<b>2020-21</b>					
Revenue (Voted)	9788.37	9227.7	560.67	0.67	560.00
Capital (Voted)	9684.57	7431.52	2253.05	1866.96	386.09
<b>Total</b>	<b>19472.94</b>	<b>16659.22</b>	<b>2813.72</b>	<b>1867.63</b>	<b>946.09</b>
<b>2021-22</b>					
Revenue (Voted)	9663.33	8567.92	1095.41	626.46	468.95
Capital (Voted)	8806.36	7918.60	887.76	252.14	635.62
<b>Total</b>	<b>18469.69</b>	<b>16486.52</b>	<b>1983.17</b>	<b>878.60</b>	<b>1104.57</b>

#### Persistent Savings

- (v) A detailed scrutiny of head-wise Appropriation Accounts of Grant no.11- 'Urban Development and Public Works Department' for the year 2019-20 to 2021-22 revealed that under the following sub-heads, persistent savings of ₹10.00 crore or more was noticed which was indicative of poor budgeting or shortfall in performance or both, in respect of the concerned Scheme/Programme being implemented by the Departments. Details of persistent savings during the year 2019-20 to 2021-22 is given in **Table 3.15 (a)**:

**Table 3.15(a): Persistent savings (₹ 10.00 crore or more) in Sub-Head**

(₹ in crore)

Sl. No.	Sub-head	Description	Savings in 2019-20	Reasons	Savings in 2020-21	Reasons	Savings in 2021-22	Reasons
1.	2217.80.191.04.00	Swachh Bharat Mission (CSS)	24.00	Non-receipt of second installment from GoI for want of Utilisation Certificate from Implementing agencies	94.84	Less release of CSS funds	33.00	Non-release of funds from GoI.
2.	2217.80.191.03	Swachh Bharat Mission (State Share)	10.00	Non-receipt of proposal	25.53	Less release of CSS funds	20.00	Non-release of funds from GoI.

(₹ in crore)

Sl. No.	Sub-head	Description	Savings in 2019-20	Reasons	Savings in 2020-21	Reasons	Savings in 2021-22	Reasons
3.	2059.80.001.88	Estt. Charges	20.15	Migration of labour to their home state due to Lockdown, non-submission of running account bills by the contractor/agency	26.66	Migration of labour to their home state due to Lockdown, non-submission of running account bills by the contractor/agency	20.04	Delay in execution of works due to migration of labour; non-submission of running account bills by the contractors / agencies; lockdown by the Govt. on account of Covid-19 Pandemic etc.
4.	4217.60.051.97	Strengthening and Augmentation of infrastructure i.e. Roads, Streets, Localities, Street Lights etc. in each Assembly Constituency	150.34	Funds retained to meet urgent requirement for carryout development in Assembly Constituency of MLA	46.10	Covid-19 outbreak	41.97	Non-submission of proposals after the completion of work by the executing agency resulting in non-release of balance amount etc.
5.	4217.60.789.98	Strengthening and Augmentation of infrastructure i.e. Roads, Streets, Localities, Street Lights etc. in each Assembly Constituency (SCSP)	35.43	Funds retained to meet urgent requirement for carryout development in Assembly Constituency of MLA	16.25	Covid-19 outbreak	14.78	Non-finalisation of proposals due to administrative reasons.

Further, test check of reasons for savings in respect of the cases indicated in the above table with the records of the department administering the grant revealed that the reasons did not match in the following cases, as indicated in **Table 3.15 (b)**:

**Table 3.15 (b): Reasons for savings as per departmental records**

Sl. No.	Sub-head	Description	Reasons for savings as per audit verification		
			2019-20	2020-21	2021-22
1.	2217.80.191.04.00	Swachh Bharat Mission (CSS)	Funds were not received from GoI as per the proposal cost	Central allocation received in 2020-21 was 'Nil'.	Funds were only released by the Ministry on 28.03.2022 resulting in utilization of the funds during next Financial Year.
2.	2217.80.191.03	Swachh Bharat Mission (State)	State's Share subject to released	State's Share subject to released Central Share,	State's Share subject to released Central Share,

Sl. No.	Sub-head	Description	Reasons for savings as per audit verification		
			2019-20	2020-21	2021-22
		Share)	Central Share, hence, savings under Central Share leads to savings under State's Share	hence, savings under Central Share leads to savings under State's Share	hence, savings under Central Share leads to savings under State's Share
3.	2059.80.001.88	Estt. Charges	Reasons matched.	Vacant posts of Additional Director General /Pr. Chief Engineer, Chief Engineers, Superintending Engineers, Executive Engineers, Assistant Engineers, Junior Engineers and subordinate Staff	Vacant posts of Additional Director General /Pr. Chief Engineer, Chief Engineers, Superintending Engineers, Executive Engineers, Assistant Engineers, Junior Engineers and subordinate Staff
4.	4217.60.051.97	Strengthening and Augmentation of infrastructure i.e. Roads, Streets, Localities, Street Lights etc. in each Assembly Constituency	Reasons matched	Reasons matched.	Non-release of 2 <sup>nd</sup> installment/balance amount to the executing agencies after completion of work due to non-receipt of proposals on account of (i) lock down due to outbreak of COVID-19 and (ii) closure of offices due to pollution.
5.	4217.60.789.98	Strengthening and Augmentation of infrastructure i.e. Roads, Streets, Localities, Street Lights etc. in each Assembly Constituency (SCSP)	Reasons matched	Reasons matched	Non-release of 2 <sup>nd</sup> installment/balance amount to the executing agencies after completion of work due to non-receipt of proposals on account of (i) lock down due to outbreak of COVID-19 and (ii) closure of offices due to pollution.

Reply is awaited (January 2023).

### Lump sum Provision

(vi) Rule 8 of Delegation of Financial Powers Rules (DFPR) stipulates that provision under the object head '42-Lump- sum provision' will not exceed ₹ 10 lakh and in all other cases break-up by other object of expenditure must be given. The financial rules/budget manual prohibit lump-sum provision in estimates except in cases where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project/scheme, which has been accepted in principle for being taken up in the financial year. Detailed explanations justifying provision proposed are required to be given in the budget note accompanying the lump-sum estimates.

Scrutiny of budgetary provisions for Grant no.11 for the period 2019-20 to 2021-22 revealed that GNCTD had made lump-sum budgetary provision of ₹ 229.02 crore (15 cases), ₹ 309.95 crore (15 cases) and ₹ 246.80 crore (14 cases) during 2019-20, 2020-21 and 2021-22 respectively under Capital

section of budget in contravention of Rule 8 of Delegation of Financial Powers Rules (DFPR).

### **Savings of entire Budget Provision**

(vii) Appendix 3 of GFR 2017 and annual instructions as contained in the budget circular issued by the Ministry of Finance stipulates that Ministries/Departments are required to prepare their budget estimates keeping in view the disbursement trends during the previous years and other relevant factors, such as economy instructions issued by the Ministry of Finance from time to time.

Further, Rule 62(2) of GFR-2017 provides that the savings as well as provisions that cannot be profitably utilised shall be surrendered to Government immediately they are foreseen without waiting till the end of the year. The objective is to minimize the scope for avoiding surrenders at a later stage. Detailed review of Grant no.11 for the period 2019-20 to 2021-22 revealed that provision was made in various sub-heads without assessing the actual requirement, which resulted in a savings of entire amount of provision made. Savings of entire amount of provision (revised outlay) of ₹ 51.45 crore (11 cases), ₹ 70.00 crore (10 cases), ₹ 155.44 crore (12 cases) during 2019-20, 2020-21 and 2021-22 respectively depicts poor budgeting and financial control.

### **Rush of Expenditure**

(viii) Rule 62(3) of GFR, 2017 provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. As per the guidelines of the Finance Ministry GoI dated 24 January 2020, expenditure in the last quarter and last month i.e. March of the financial year should be restricted to 25 per cent and 10 per cent of the budget respectively.

Audit noted that in 12 cases involving ₹ 974.57 crore (87 per cent) and ₹ 713.43 crore (64 per cent) expenditure of the total provisions of ₹ 1,116.61 crore, 18 cases involving ₹ 3,180.88 crore (84 per cent) and ₹ 2,931.10 crore (77 per cent) expenditure of the total provisions of ₹ 3785.4 crore and 8 cases involving ₹ 2279.01 crore (85 per cent) and ₹ 2135.53 crore (79 per cent) expenditure of the total provisions of ₹ 2693 crore were incurred in the last quarter and last month of 2019-20, 2020-21 and 2021-22 respectively.

### **3.5.6 Other irregularity**

- (i) Para 15.1 of Budget Circular 2022-23 issued by Ministry of Finance, Department of Economic Affairs (Budget Division) read with O.M. No.: F. No.15(4)/B(D)/ dated 9th July 2003 provides that a detailed head '99' had been allotted against "Information Technology" to serve the purpose of consolidating the expenditure incurred by a Ministry/Department on the same.

Audit observed that said instruction has not been followed and classification of expenditure of ₹ 0.55 crore on 'Information Technology' has been done

in the Detailed Demands for Grants and the Appropriation Accounts under the head '2851-Village & Small Industries-Minor head-800-Others-Sub head 62- Computerization of records of Directorate of Industries-Detailed Head-00' instead of '99'.

The Finance Department stated (September 2022) that the departments had been advised that the funds pertaining to expenditure relating to Information Technology are to be obtained under 'Detailed Head-99'.

### **3.6 Recommendations**

1. 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;
2. An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of the budget 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.

