

CHAPTER 3

BUDGETARY MANAGEMENT

Chapter 3: Budgetary Management

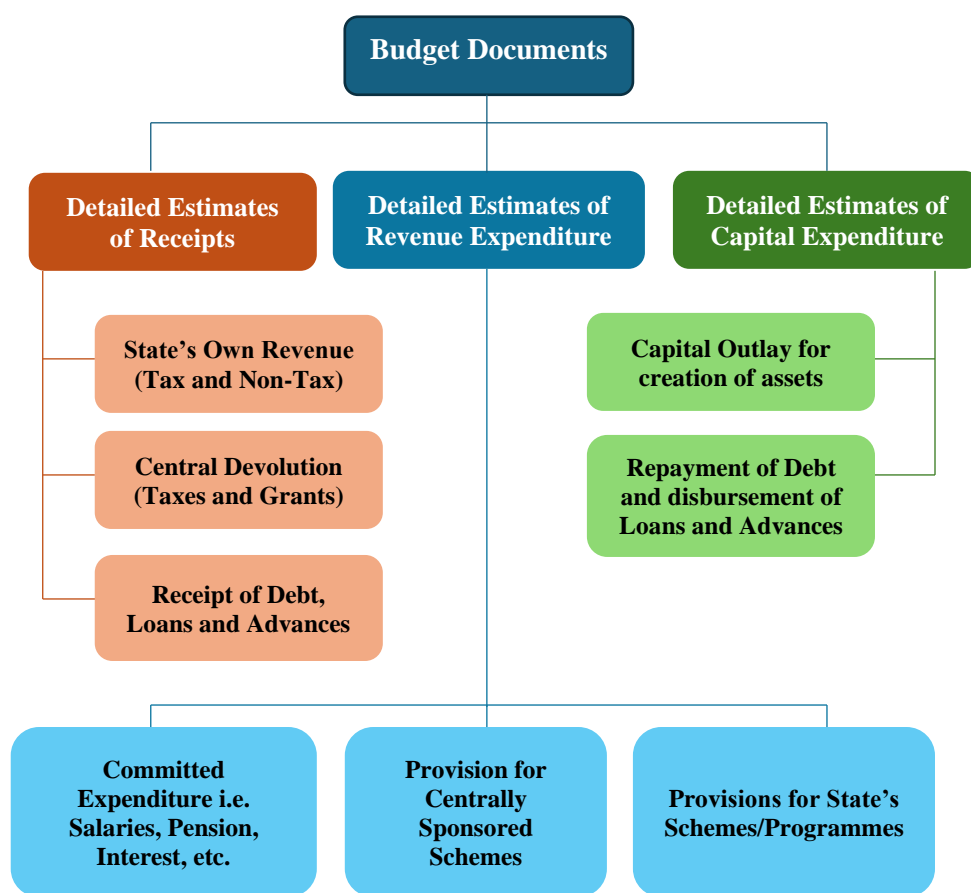
3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called “the annual financial statement (Budget)” is to be laid before the State Legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items¹ of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per the Punjab Budget Manual, as adopted by Haryana, the Finance Department is responsible for preparation of the Annual Budget by obtaining estimates from various Departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of Departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called ‘Demand for Grants’. The State Budget comprises of the following documents as given in *Chart 3.1*.

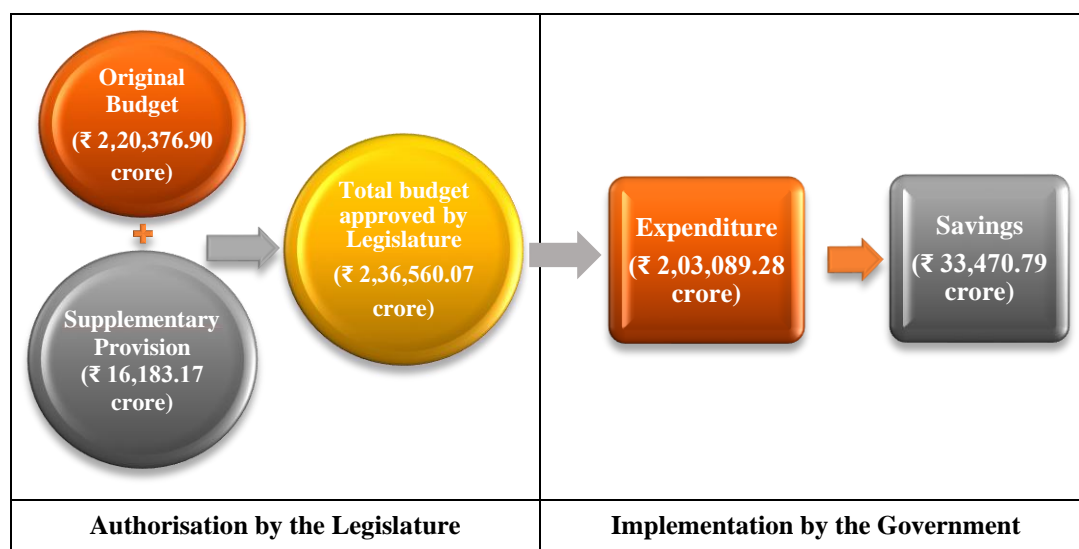
¹ **Charged expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

Chart 3.1: Details of State Budget Documents



The various components of the Budget are depicted in the *Chart 3.2*.

Chart 3.2: Total Budget Provision vis-à-vis expenditure during the year 2023-24



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

3.1.1 SDG Budget allocation

The Government of Haryana has embedded the Sustainable Development Goals (SDGs) into policy planning at the State level. It undertook a detailed assessment of its budgetary allocations towards these goals from the financial year 2018-19 onwards. It has aligned the SDGs with the budgetary allocations.

(i) Gender budgeting

Gender Budgeting is concerned with gender responsive formulation of legislation, policies, plans, programmes and schemes; resource allocation; implementation; tracking of expenditure, audit, and impact assessment. It is an important strategy towards achieving gender equality and women's empowerment. It aims to ensure that public resources are collected and spent efficiently based on differing gender needs and priorities. Gender Budgets are not separate Budgets for women; neither do they imply that funds be divided into half for men and women or that Budgets should be divided into half. They are attempts to disaggregate the Government's Budget according to its differential impact on different genders and reprioritise allocations to bridge gender gaps.

There is no Gender Budgeting in the State of Haryana. However, the State Government has aligned SDG 5 Gender Equality with its Budget. Major focus areas vis-à-vis the Budget provision and expenditure under Gender Equality (SDG 5) are gender sensitization, adolescent and girl child development under schemes such as *Su-Sanskar-Beti Bachao Beti Padhao*, *Mukhyamantri Vivah Shagun Yojana*, financial assistance to Destitute Women and Widows, Establishment of BPS Women Medical College Khanpur Kalan (Sonapat), Integrated Child Development Services Scheme, Durga-I, Financial assistance to Scheduled Castes families under *Apni Betian Apna Dhan* renamed as *Aapki Beti Hamari Beti (Ladli)* (Social Security Pension Scheme), Home-cum-Vocational Training production centres for young girls/women & destitute women and widows.

As per the SDG Budget allocation report 2023-24, 65 schemes/programmes were implemented by 12 different Departments under Gender Equality (SDG-5). Against the Budget provision of ₹ 2,487.63 crore, ₹ 2,251.90 crore (90.53 per cent of total provision) was incurred by the State Government. Out of 65 schemes, no expenditure was incurred in 15 schemes during the year. Details of Department-wise Budget provision and expenditure under Gender Equality (SDG-5) in 2023-24 are given in **Table 3.1**.

Table 3.1: Department-wise details of Budget provision and expenditure under Gender Equality (SDG-5) in 2023-24

(₹ in crore)

Sr. No.	Department Name (Number of schemes)	Budget Provision	Expenditure
1.	Social Justice and Empowerment (7)	1,378.44	1,446.38
2.	Women and Child Development (28)	600.27	436.20
3.	Welfare of SCs, STs and OBCs (2)	81.00	68.26
4.	Registrar, Cooperative Societies, Haryana (1)	0.05	0.00
5.	Health (2)	2.47	0.02
6.	Education (Higher) (3)	2.79	0.02
7.	Education (Secondary) (3)	14.01	8.94
8.	Family Welfare (7)	33.72	19.43
9.	Labour (2)	22.05	0.39
10.	Medical Education and Research Department (3)	175.00	156.32
11.	Police (6)	159.33	101.33
12.	Sainik and Ardh Sainik Welfare Department (1)	18.50	14.62
	Total (65 schemes)	2,487.63	2,251.91

Source: SDG Budget allocation report 2023-24 and expenditure figures furnished by Swarna Jayanti Haryana Institute for Fiscal Management.

As is evident from above table, out of 12 Departments, five Departments viz. Social Justice & Empowerment, Women and Child Development, Welfare of SCs, STs and OBCs, Medical Education and Research and Police contributed more than 96 per cent of the Budget Estimate 2023-24 under Gender Equality (SDG 5).

(ii) **Budgeting for Climate Action (SDG 13)**

The State Government has aligned SDG 13 Climate change with its budgetary allocations. Major focus areas under climate action (SDG 13) are flood protection and disaster preparedness, training of community volunteers in disaster response (*Apda Mitra*). Integrated forest protection, management of crop residue micro-irrigation for irrigation efficiency, establishment of Eco-Clubs, setting up of Environment Training Institute at Gurugram and implementation of the Sendai framework for Disaster Risk Reduction.

During 2023-24, Budget provision of ₹ 1,250.84 crore was made for implementation of 28 schemes/programmes by eight different Departments under Climate Action (SDG-13). Out of 28 schemes, no expenditure was incurred in four schemes during the year 2023-24. Details of Department-wise Budget provision and expenditure under Climate Action (SDG-13) in 2023-24 is given in **Table 3.2**.

Table 3.2: Department-wise Budget provision and expenditure under Climate Action (SDG-13) in 2023-24

(₹ in crore)

Sr. No.	Department Name (Number of Schemes)	Budget Provision	Expenditure
1	Agriculture and Farmer Welfare Department (2)	60.24	53.00
2	Land Records (1)	0.30	0.53
3	Environment and Climate Change (8)	33.78	13.44
4	Revenue (4)	34.14	75.37
5	Forests (4)	68.35	11.05
6	Directorate of Industries (1)	2.00	0.40
7	Irrigation and Water Resources Department (6)	1,047.61	610.98
8	Department of New and Renewable Energy (2)	4.42	3.54
	Total (28)	1,250.84	768.31

Source: SDG Budget allocation report 2023-24 and expenditure figures furnished by Swarna Jayanti Haryana Institute for Fiscal Management.

As is evident from the above table, out of eight Departments, three Departments viz. Irrigation and Water Resources, Forest and Agriculture and Farmer Welfare contributed more than 94 *per cent* of the Budget Estimate 2023-24 under Climate Action (SDG-13).

3.1.2 Summary of total provision, actual disbursements and savings during financial year

A summarised position of total Budget provision, disbursement and savings with its further bifurcation into Voted/Charged during 2019-24 is given in **Table 3.3**.

Table 3.3: Disbursement and saving/excess during 2019-24

(₹ in crore)

	Total Budget Provision		Disbursement		Saving (-)/Excess (+)	
	Voted	Charged	Voted	Charged	Voted	Charged
2019-20	1,19,003.62	37,446.09	98,167.61	31,688.66	(-) 20,836.01	(-) 5,757.43
2020-21	1,27,589.40	52,415.44	95,535.91	46,873.19	(-) 32,053.49	(-) 5,542.25
2021-22	1,47,174.90	48,514.54	1,06,051.98	44,110.17	(-) 41,122.92	(-) 4,404.37
2022-23	1,45,926.23	75,183.84	1,11,846.45	73,441.80	(-) 34,079.78	(-) 1,742.04
2023-24	1,55,930.09	80,629.98	1,21,849.87	81,239.41	(-) 34,080.22	(+) 609.43

Source: Appropriation Accounts of the respective years.

3.1.3 Budget marksmanship

(i) Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate Budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. The summarised position of actual outturn against the original approved Budget during the financial year 2023-24 is given in **Table 3.4**.

Table 3.4: Detail of actual outturn against the Original Budget

(₹ in crore)

Description	Original Budget (BE)	Actual Outturn	Difference between Actual Outturn and BE*
Revenue	1,26,850.36	1,13,776.14	(-) 13,074.22
Capital	93,526.54	89,313.14	(-) 4,213.40
Total	2,20,376.90	2,03,089.28	(-) 17,287.62

* Excess of actuals over Original provision is denoted as (+) figure and shortage of actual over Original provision is denoted as (-) figure.

In Revenue section, deviation in outturn compared with BE was (-) 10.31 per cent. In Capital section, deviation in outturn compared with BE was (-) 4.51 per cent. The percentage of Grant-wise deviation is shown in **Table 3.5**.

Table 3.5: Details of deviation between Budget Estimates and Actual outturn

Per cent of deviation between Budget Estimates and Actual outturn	Grant No. in Revenue Section	Total number of grants in revenue section	Grant No. in Capital Section	Total number of grants in capital section
0-25	1,2,4,5,6,11,12,14,16,17,18,19,20	13	6,8,11,12,17,20	6
25-50	3,10,13,15	4	3,5,7,10,13,14,19	7
50-75			4,18	2
75-100			1,15,16	3

(ii) Expenditure composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main Budget categories during execution have contributed to variance in expenditure composition approved as given in **Table 3.6**.

Table 3.6: Budget provision, Revised Estimate, disbursement and difference between actual and Revised Budget Estimate during the financial year 2023-24

(₹ in crore)

Description	Original Budget (BE)	Revised Estimate (RE)	Actual Outturn	Difference between BE and RE*	Difference between Actual and RE*
Revenue	1,26,850.36	1,20,604.26	1,13,776.14	(-) 6,246.10	(-) 6,828.12
Capital	93,526.54	91,123.39	89,313.14	(-) 2,403.15	(-) 1,810.25
Total	2,20,376.90	2,11,727.65	2,03,089.28	(-) 8,649.25	(-) 8,638.37

* Excess of actuals over Original provision is denoted as (+) figure and shortage of actual over Original provision is denoted as (-) figure.

In Revenue section, deviation in outturn compared with RE was (-) 5.66 per cent. In Capital section, deviation in outturn compared with RE was (-) 1.99 per cent. The percentage of grant wise deviation is shown in **Table 3.7**.

Table 3.7: Details of deviation between Revised Budget Estimates and Actual outturn

Per cent of deviation between Revised Budget Estimates and Actual outturn	Grant No. in Revenue Section	Total grants in revenue section	Grant No. in Capital Section	Total grants in capital section
0-25	1, 2, 3, 4, 5, 6, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20	17	6, 7, 8, 11, 12, 13, 14, 17, 18, 19, 20	11
25-50	-	-	3, 4, 5, 10, 15	5
50-75	-	-	-	-
75-100	-	-	1, 16	2

(iii) Shortcomings in Budget Estimate, Revised Estimate and actuals

The Revised Budget Estimates for the year 2023-24 was assessed at ₹ 2,11,727.65 crore. An amount of ₹ 2,03,089.28 crore was spent on various schemes which was 95.92 *per cent* of the Revised Estimates (RE). The cases in which approved Budget outlay was withdrawn in RE, approved outlay was reduced in RE or provision was made in approved outlay as well as revised outlay but no expenditure was incurred in both conditions, etc. are discussed in the following sub-paragraphs.

- (a) An amount of ₹ 5,425.89 crore in 39 schemes (provision of ₹ five crore and above) was provided in approved outlay which was withdrawn in RE due to non-implementation of the schemes. (*Appendix 3.1*).
- (b) Provision of ₹ 2,673.28 crore made for 57 schemes (provision of ₹ 10 crore and above) in approved outlay for 2023-24 was reduced to ₹ 371.97 crore in the RE, but no expenditure was incurred under these schemes (*Appendix 3.2*).
- (c) Provisions of ₹ 796.50 crore were made for 14 schemes (provision of ₹ five crore and above) in approved outlay as well as in revised outlay, but no expenditure was incurred during the year 2023-24 (*Appendix 3.3*).
- (d) The provision of ₹ 1,716.56 crore made for eight schemes (provision of ₹ 10 crore & above and less than 80 *per cent* of Original provision) was increased to ₹ 2,175.91 crore against which expenditure of ₹ 932.68 crore was incurred during the year 2023-24 which was 54.33 *per cent* of the Original Estimates. The augmentation of funds in RE proved unnecessary as the total expenditure was far less than the Original Estimates (*Appendix 3.4*).
- (e) Forty-five schemes (provision of ₹ 50 crore & above and less than 80 *per cent* of RE) for which the outlay of ₹ 9,456.80 crore approved for execution during 2023-24 was reduced to ₹ 6,330.25 crore in the RE. Only ₹ 3,198.89 crore was spent on these schemes which was 50.53 *per cent* of the revised outlay (*Appendix 3.5*).
- (f) Fourteen schemes (provision of ₹ 50 crore & above and more than 120 *per cent* of RE) for which provision of ₹ 3,257.09 crore was approved for execution during 2023-24 was reduced to ₹ 1,614.26 crore in the RE, but expenditure of ₹ 2,426.81 crore was incurred which was 150.34 *per cent* of the RE as detailed in *Appendix 3.6*.
- (g) Twenty-three schemes (provision of ₹ 10 crore & above and less than 80 *per cent* of Original provision) for which provision of ₹ 2,484.94 crore was made in approved outlay as well as in the RE, but expenditure of

₹ 1,382.41 crore (55.63 *per cent*) was incurred which was less than the provision made as detailed in **Appendix 3.7**.

- (h) The provision of ₹ 1,963 crore made for 11 schemes (provision of ₹ 10 crore & above and less than 80 *per cent* of RE) was increased to ₹ 4,345.91 crore against which expenditure of ₹ 2,177.77 crore was incurred during the year 2023-24. Further, augmentation of funds through Supplementary grants proved excessive as the total expenditure of these schemes were 50.11 *per cent* of the RE (**Appendix 3.8**).
- (i) Eight schemes (provision of ₹ 10 crore & above and more than 120 *per cent* of provision) for which provision of ₹ 846.60 crore was made in approved outlay as well as in RE, but expenditure of ₹ 1,667.21 crore was incurred which was 196.93 *per cent* higher than the provision made as detailed in **Appendix 3.9**.
- (j) The provision of ₹ 287.81 crore (provision of ₹ 10 crore and above and expenditure was incurred less than 80 *per cent* of the RE) was made in five schemes through RE but expenditure of ₹ 195.39 crore (67.89 *per cent*) was incurred which was less than 80 *per cent* of the RE as detailed in **Table 3.8**.

Table 3.8: Details of the schemes where provision was made in Revised Estimates but the expenditure was less than 80 *per cent* of the Revised Estimate

(₹ in crore)

Sr. No.	Scheme Name	Revised Estimate	Actual Expenditure (AE)	Percentage of AE of RE
Grant No.-6-Finance/ Planning and Statistics				
1	Share Capital to Haryana State Financial Services Limited [P-01-06-4885-01-190-79-51]	150.00	105.00	70.00
Grant No.-10-Mines and Geology/ Agriculture/ Horticulture/ Animal Husbandry and Dairy Development/ Fisheries/ Forest and Wild Life/ Ecology and Environment				
2	Crop Diversification Programme in Original Green Revolution State (60:40) [P-02-10-2401-51-109-75-51]	22.85	17.63	77.16
Grant No.-11-Food and Supplies/ Co-operation				
3	Scheme for computerization of PACS (60:40) [P-02-11-2425-51-106-99-51]	13.56	8.08	59.59
Grant No.-12-Education (Higher/ Secondary/ Elementary)/ Technical Education/ Women and Child Development				
4	Mukhyamantri Matritva Sahayata [P-01-12-2236-02-101-86-51]	20.25	2.26	11.16
Grant No.-19-Irrigation/ Industries & Commerce/ MSME/ Supplies & Disposals/ Power & Renewable Energy/ Science & Technology				
5	Subsidy for relief allowed under COVID-19 [P-01-19-2801-05-190-96-51]	81.15	62.42	76.92
Total		287.81	195.39	67.89

Source: Budget documents for the year 2024-25 and Detailed Appropriation Accounts for the year 2023-24

- (k) In two schemes i.e. 'Pratibha Khoj Scheme²' and 'PM SHRI (PM Schools for Rising India) Scheme³', ₹ 0.11 crore and ₹ 0.01 crore was allotted through RE, but expenditure of ₹ 6.06 crore and ₹ 6.85 crore respectively

² P-01-12-2202-02-109-80-51

³ P-02-12-2202-02-789-94-51

was incurred in these two schemes which was higher than the provision made in the RE during the year 2023-24.

- (1) An amount of ₹ 550 crore in three schemes⁴ (provision of ₹ 50 crore and above) was provided in approved outlay which was withdrawn in RE but expenditure of ₹ 0.90 crore⁵ was incurred during the year 2023-24 which was only 0.16 *per cent* of the Original Estimates.

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 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 of India 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 of India (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

⁴ ₹ 550 crore = (i) ₹ 100 crore {Performance Linked Outlay of - PHC-High Court (PHC-PLO-REV) [P-01-05-2014-51-102-96-51]} + (ii) ₹ 300 crore {Performance Linked Outlay (PLO) for Food and Supplies (FAS-PLO-REV)[P-01-11-2408-01-001-88-51]} + (iii) ₹ 150 crore {Performance Linked Outlay for Development and Panchayat (DEV PLO-REV) [P-01-20-2515-51-001-96-51]}

⁵ ₹ 0.90 crore = ₹ 0.11 crore {Performance Linked Outlay of - PHC-High Court (PHC-PLO-REV) [P-01-05-2014-51-102-96-51]} + (ii) ₹ 0.08 crore {Performance Linked Outlay (PLO) for Food and Supplies (FAS-PLO-REV)[P-01-11-2408-01-001-88-51]} + (iii) ₹ 0.71 crore {Performance Linked Outlay for Development and Panchayat (DEV PLO-REV) [P-01-20-2515-51-001-96-51]}

3.3 Integrity of budgetary and accounting process

3.3.1 Opening of New Sub Heads/Detailed Heads of Accounts without advice

According to Article 150 of the Constitution of India, the accounts of the State are to be kept in the form as advised by the Comptroller and Auditor General of India. The State Government of Haryana opened three new Sub Heads (under Capital section) in the Budget from 2022-23, without seeking the advice of the Comptroller and Auditor General as required under the Constitution of India. The State Government provided Budget of ₹ 599 crore under these heads and incurred expenditure of ₹ 531.69 crore under the Capital Section in these heads during 2023-24 as detailed in **Table 3.9**.

Table 3.9: Operation of heads/Opening of New Sub Heads / Detailed Heads of Accounts without advice of CAG during the financial year 2023-24

(₹ in crore)

Sr. No.	Name of the Scheme and Classification	Budget Provisions	Actual expenditure
1	Grant-in-aid to Municipality on the Recommendation of State Finance Commission (Unauthorised Scheme) [P-01-20-4217-60-051-87]	350.00	350.00
2	Grant-in-aid to Municipalities for SC Component for State Finance Commission Devolution [P-01-20-4217-60-789-99]	150.00	150.00
3	Financial Assistance to Horticulture University [P-01-10-6401-51-800-90]	99.00	31.69
	Total	599.00	531.69

Source: Notes to Finance Accounts for the year 2023-24.

For the opening of these sub-heads the office of the Principal Accountant General, Accounts and Entitlement (A&E), Haryana had taken up (August 2022 and May 2023) the matter with the State Government that these schemes should be opened under Revenue Section instead of Capital Section, as Grants-in-aid to municipalities is to be classified as expenditure of revenue nature instead of Capital nature. Further, the Capital Section of accounts is intended to record expenditure for creation of assets of permanent nature of the Government while the municipalities are separate entities. Capital assets created by municipalities cannot be accounted for as assets of Government. In case of financial assistance under MH 6401-51-800-90-51-23, the funds have been released under Standard Object of Expenditure (SOE 23) (Loan), but the nomenclature was mentioned as financial assistance to Horticulture.

Apart from this, during the year 2023-24, the State Government of Haryana provided Receipt estimates (₹ 30.89 crore) under three unauthorised Receipt Minor Heads (heads not operated as per the LMMHs) under the Revenue Section and received an amount of ₹ 20.13 crore against the Budget Estimate of ₹ 30.89 crore in these heads details given in **Table 3.10**.

Table 3.10: Details of unauthorised Receipt Minor Heads under the Revenue Section**(₹ in crore)**

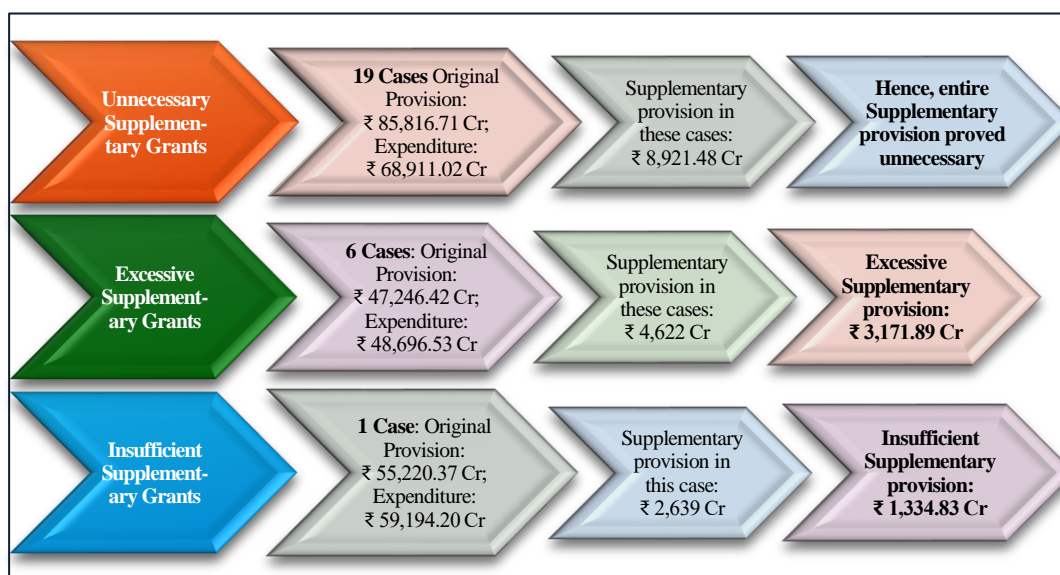
Sr. No.	Name of the Scheme and Classification	Budget Provisions	Actual Receipt
1	0051 Public Service Commission, 102 State Public Service Commission	5.00	11.08
2	0051 Public Service Commission, 103 Staff Selection Commission	24.89	9.05
3	0215 Water Supply and Sanitation, 02 Sewerage and Sanitation, 102-Receipt from Rural Water Supply	1.00	0.00
Total		30.89	20.13

3.3.2 Unnecessary or excessive Supplementary grants

As per Article 205 of the Constitution of India, 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 current financial year.

Supplementary provisions aggregating ₹ 8,921.48 crore obtained in 19 cases, involving ₹ 50 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the Original provisions. In six cases, Supplementary provision of ₹ 4,622 crore proved excessive as it was more than the requirement. On the other hand, in one case Supplementary Grant of ₹ 2,639 crore was not adequate to meet the requirement (*Appendix 3.10*).

The details of unnecessary excessive and insufficient Supplementary provision is given in *Chart 3.3*.

Chart 3.3: Unnecessary, Excessive and Insufficient Supplementary Provisions

Source: Appropriation Accounts

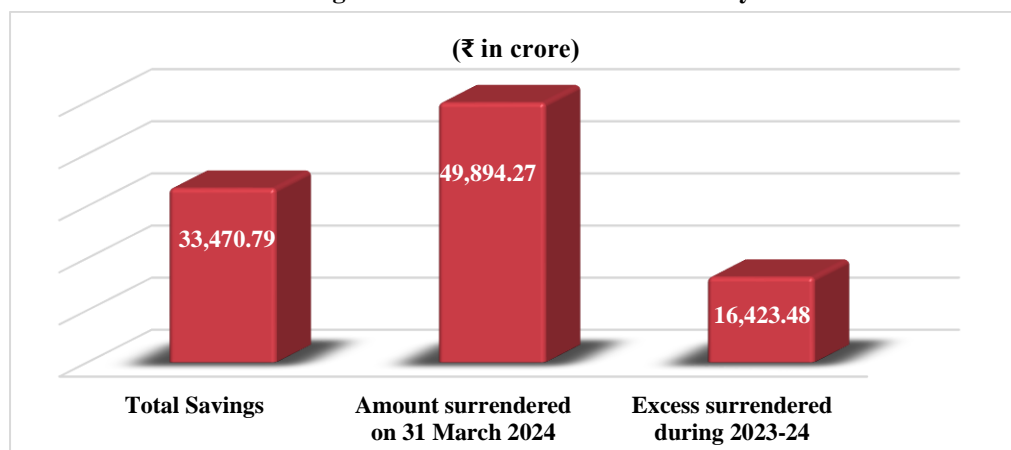
As such, the Supplementary provisions were either unwarranted or excessive in a large number of cases. The Government may consider preparing realistic Budget Estimates to avoid large savings and Supplementary provisions.

During the exit conference (December 2024), the Additional Chief Secretary, Finance Department assured to examine the issue for further compliance.

3.3.3 Excessive/unnecessary re-appropriation of funds

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 required. During the year 2023-24, out of actual savings of ₹ 33,470.79 crore, an amount of ₹ 49,894.27 crore was surrendered through re-appropriation orders, resulting in excess surrender of ₹ 16,423.48 crore as shown in **Chart 3.4**.

Chart 3.4: Savings and surrenders close of financial year 2023-24



Re-appropriation proved injudicious in view of excessive surrenders or insufficient augmentation and resulted in excess expenditure over appropriation of ₹ 16,937.07 crore in 79 sub-heads and savings over ₹ 2,040.76 crore under 43 sub-heads in cases where the appropriation was more than ₹ one crore in each case as detailed in **Appendix 3.11**. Excesses/Savings were more than ₹ 10 crore under 57 sub-heads. In six cases⁶, reduction of provisions through re-appropriation proved injudicious, as the actual expenditure was more than the Original and Supplementary provisions and in 17 cases⁷, entire original provision was surrendered through re-appropriation, resulting in incurring of expenditure without Budget provision. In seven cases⁸, the re-appropriation of funds proved unnecessary, as the savings were more than the funds provided through re-appropriation. Similarly in 13 cases⁹, the re-appropriation of funds proved insufficient, as the actual expenditure was more than the funds provided through re-appropriation.

3.3.4 Non-surrendering and excess surrendering of funds

At the close of the year 2023-24, in 39 cases funds of more than ₹ 10 crore in each case were surrendered. In these cases, the total provision was ₹ 1,78,674.10

⁶ Sr. No. 22, 27, 40, 78, 84 and 114 of **Appendix 3.11**.

⁷ Sr. No. 21, 24, 25, 26, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 59 and 64 of **Appendix 3.11**.

⁸ Sr. No. 2, 16, 20, 42, 51, 62 and 99 of the **Appendix 3.11**.

⁹ Sr. No. 6, 11, 17, 73, 82, 87, 98, 107, 109, 110, 112, 121 and 122 of the **Appendix 3.11**

crore and actual expenditure was ₹ 1,43,873.70 crore resulting in savings of ₹ 34,800.40 crore. Against these savings, ₹ 49,888.53 crore was surrendered (*Appendix 3.12*) resulting in excess surrender by ₹ 15,088.13 crore than the actual savings. This indicated inadequate budgetary and financial control.

Further analysis revealed that in eighteen cases against the savings of ₹ 21,197.93 crore, ₹ 2,076.03 crore was not surrendered which was against the provisions of paragraph 13.2 of Punjab Budget Manual (also applicable to Haryana). In 17 cases, ₹ 30,415.33 crore was surrendered against the savings of ₹ 13,251.17 crore resulting in excess surrender of ₹ 17,164.16 crore. In four cases, entire savings of ₹ 351.30 crore was surrendered. Reasons for less/excess surrendering of funds were not intimated by the State Government.

3.3.5 Savings

As per para 5.3 of Punjab Budget Manual as applicable to Haryana, 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 unrealistic estimating, it is a matter of concern. All estimating officers should strive 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 consider this while exercising final check on the estimates.

Budgetary allocations based on unrealistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanism, weak scheme implementation capacities/weak internal controls lead to release of funds towards the end of the financial year. Excessive savings in some heads also deprive other Departments of the funds, which they could have utilised.

(i) Savings vis-à-vis allocations

There were overall savings of ₹ 33,470.79 crore. Out of these, in 30 cases, savings were ₹ 34,576.23 crore registering savings of more than ₹ 100 crore in each case (*Appendix 3.13*). In these 30 cases, against the total provision of ₹ 1,77,751.26 crore actual expenditure was ₹ 1,43,175.03 crore and savings were ₹ 34,576.23 crore. The cases in which there was substantial savings of more than ₹ 500 crore have been listed in *Table 3.11*.

Table 3.11: Details of grants in which savings were more than ₹ 500 crore**(₹ in crore)**

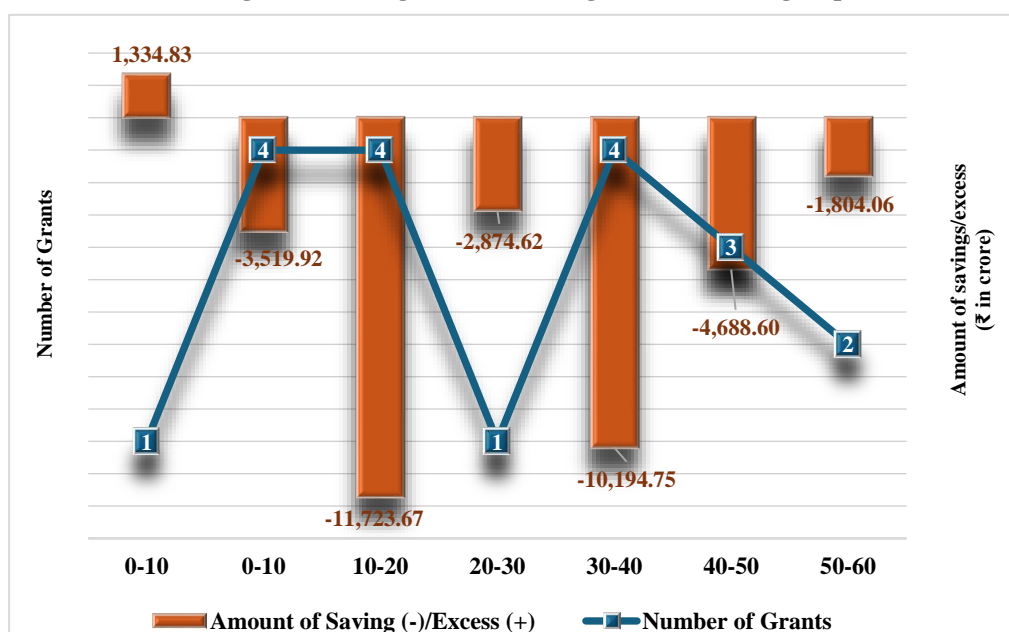
Sr. No.	Grant No.	Original	Supplementary	Total	Actual	Saving
Revenue (Voted)						
1	3	1,245.35	53.20	1,298.55	723.24	(-) 575.31
2	4	2,940.52	774.30	3,714.82	2,377.78	(-) 1,337.04
3	5	7,820.13	0.01	7,820.14	7,249.91	(-) 570.23
4	6	13,676.89	1,263.79	14,940.68	14,101.62	(-) 839.06
5	10	5,917.20	286.63	6,203.83	3,371.26	(-) 2,832.57
6	12	21,111.63	196.99	21,308.62	17,855.58	(-) 3,453.04
7	14	6,445.77	259.15	6,704.92	6,086.29	(-) 618.63
8	15	1,639.94	24.07	1,664.01	867.94	(-) 796.07
9	16	10,633.27	1,268.90	11,902.17	10,922.64	(-) 979.53
10	17	5,514.07	500.00	6,014.07	4,672.35	(-) 1,341.72
11	19	12,099.89	1,126.28	13,226.17	11,184.95	(-) 2,041.22
12	20	12,805.01	1,263.12	14,068.13	9,604.79	(-) 4,463.34
	Total	1,01,849.67	7,016.44	1,08,866.11	89,018.35	(-) 19,847.76
Revenue Charged						
13	6	21,249.91	1,000.00	22,249.91	21,604.97	(-) 644.94
	Total	21,249.91	1,000.00	22,249.91	21,604.97	(-) 644.94
Capital Voted						
14	7	1,304.93	160.00	1,464.93	724.69	(-) 740.24
15	10	1,629.35	400.00	2,029.35	864.26	(-) 1,165.09
16	11	15,359.06	0.00	15,359.06	12,863.47	(-) 2,495.59
17	12	1,398.40	967.09	2,365.49	1,688.89	(-) 676.60
18	14	2,588.59	171.17	2,759.76	1,920.05	(-) 839.71
19	17	4,572.85	1,073.92	5,646.77	4,130.37	(-) 1,516.40
20	19	4,141.53	0.00	4,141.53	2,825.84	(-) 1,315.68
21	20	5,036.72	2,444.79	7,481.51	3,843.01	(-) 3,638.50
	Total	36,031.42	5,216.97	41,248.39	28,860.58	(-) 12,387.81
	Grand Total	1,59,131.00	13,233.41	1,72,364.41	1,39,483.90	(-) 32,880.51

Source: Appropriation Accounts

Further scrutiny of savings in the above-mentioned grants revealed that during 2023-24 in 81 schemes (other than salary/establishments), the savings were more than ₹ 100 crore (*Appendix 3.14*). Savings of such a magnitude are indicative of defective budgeting.

Chart 3.5 categorises the Grants/Appropriations according to percentage of savings against budgetary allocations.

Chart 3.5: Number of Grants¹⁰/Appropriations grouped by the percentage of savings/excess alongwith total savings/excess in each group



Source: Appropriation Accounts

(ii) *Persistent savings*

Further scrutiny of Grants and Appropriations showed that during the last five years, seven grants in Revenue (Voted) and 11 grants under Capital (Voted) showed persistent savings of more than ₹ 10 crore which were also 10 per cent or more of the total grants. Details of grants with savings during the year 2019-20 to 2023-24 are given in **Table 3.12**.

Table 3.12: Grants indicating persistent savings

(₹ in crore)

Sr. No.	Number and name of the Grant	Amount of savings				
		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue (Voted)						
1	1 -Vidhan Sabha	11.85 (13)	21.43 (24)	21.32 (22)	13.00 (13)	13.66 (14)
2.	3-General Administration/ Elections	209.71 (31)	163.35 (28)	144.22 (21)	353.66 (37)	575.31 (44)
3.	10-Mines and Geology/ Agriculture/ Horticulture/ Animal Husbandry and Dairy Development/ Fisheries/ Forest and Wildlife/ Ecology and Environment	1,950.83 (41)	2,137.11 (35)	2,029.07 (32)	1,418.12 (26)	2,832.57 (46)
4.	13-Sports and Youth Welfare/ Art and Culture/ Tourism	238.79 (42)	268.32 (58)	301.31 (47)	185.00 (31)	166.68 (29)
5.	15-Labour/ Employment/ Skill Development & Industrial Training	278.09 (23)	601.36 (39)	661.08 (33)	826.20 (41)	796.07 (48)
6.	18-Information and Publicity/ Electronics & Information Technology/ Printing and Stationery	147.25 (32)	117.63 (34)	121.90 (30)	223.88 (42)	108.71 (23)
7	20-Urban Development (Town & Country Planning/ Urban Estates) / Local Government (ULB & Fire Services) / Rural and Community Development (Rural Development/ Development & Panchayats)/ Public Health Engineering Department	4,427.37 (33)	6,478.12 (39)	8,495.14 (50)	2,480.46 (22)	4,463.34 (32)

¹⁰ The Grant No.9- Contingency Fund was not included in which no budget provision was made in this Grant.

Sr. No.	Number and name of the Grant	Amount of savings				
		2019-20	2020-21	2021-22	2022-23	2023-24
Capital (Voted)						
8	5-Home / Prisons /Home Guard and Civil Defence/ Administration of Justice (High Court / Prosecution / AGOT/Legal Service Authority)	180.30 (44)	259.20 (49)	119.33 (36)	150.05 (35)	182.51 (31)
9	6-Finance/ Planning and Statistics	172.39 (42)	200.58 (65)	153.58 (37)	325.05 (59)	220.28 (47)
10	7-Loans and Advances by State Government	373.02 (22)	286.82 (24)	1,162.11 (55)	251.89 (20)	740.24 (51)
11.	10-Mines and Geology/ Agriculture/ Horticulture/ Animal Husbandry and Dairy Development/ Fisheries/ Forest and Wildlife/ Ecology and Environment	15.00 (75)	18.23 (61)	84.47 (86)	646.65 (51)	1,165.09 (57)
12.	12-Education (Higher/ Secondary/ Elementary)/ Technical Education/ Women and Child Development	227.84 (93)	1,432.43 (80)	128.11 (21)	872.92 (46)	676.60 (29)
13.	13-Sports and Youth Welfare/ Art and Culture/ Tourism	25.16 (23)	76.91 (37)	72.42 (34)	66.24 (26)	148.79 (50)
14	14-Health/ DMER/ AYUSH/ ESI/ FDA	371.78 (54)	516.71 (40)	523.91 (37)	533.90 (27)	839.71 (30)
15	15-Labour/ Employment/ Skill Development & Industrial Training	32.14 (42)	60.71 (45)	72.61 (61)	36.01 (49)	267.75 (81)
16	16-Welfare of SCs and BCs/ Social Justice & Empowerment/Welfare of Ex-Servicemen	24.02 (91)	31.77 (80)	30.96 (83)	49.74 (81)	51.08 (89)
17	18-Information and Publicity/ Electronics & Information Technology/ Printing and Stationery	10.00 (19)	11.89 (13)	11.29 (13)	20.28 (11)	131.54 (69)
18	20-Urban Development (Town & Country Planning/ Urban Estates) / Local Government (ULB & Fire Services) / Rural and Community Development (Rural Development/ Development & Panchayats)/ Public Health Engineering Department	1,484.55 (42)	2,154.19 (57)	1,065.80 (22)	7,070.00 (75)	3,638.50 (49)

* **Figures in parenthesis show percentage of savings to total provision**

Further scrutiny revealed that during the last three years from 2021-22 to 2023-24, 66 schemes under Revenue and Capital Heads showed persistent savings in which provision (Original Estimate + Supplementary Estimate) was ₹ 10 crore & above and savings was more than 50 per cent of total provision. The details of schemes are given in **Appendix 3.15**.

3.3.6 Excess expenditure and its regularisation

As per Article 204 of the Constitution of India, 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 the Article. Further, as per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

3.3.6.1 Excess Expenditure

There was excess disbursement of ₹ 1,335.24 crore over the authorisation made by the State Legislature under two appropriations under Grant No.08 – Public

Debt and Grant No. 18- Information and Publicity/Electronics and Information Technology/Printing and Stationery in the financial year 2023-24.

Major Head-wise excess disbursement over the authorisation from the Consolidated Fund of State during 2023-24 is given in **Table 3.13**.

Table 3.13: Details of Major Head-wise Excess expenditure disbursement during 2023-24
(₹ in crore)

Sr. No.	Major Head	Major Head Description	Total Provision	Expenditure	Saving (-)/ Excess (+)
1	Grant No. 8- Public Debt (Capital-Charged)				
	6003	Internal debt of the State Government	57,607.43	58,984.20	1,376.77
	6004	Loans and Advances from the Central Government	251.94	210.00	(-) 41.94
		Total	57,859.37	59,194.20	1,334.83
2	Grant No. 18-Information and Publicity/Electronics & Information Technology/Printing and Stationery (Revenue-Charged)				
	2058	Stationery and Printing	0.32	0.73	0.41
		Total	0.32	0.73	0.41
		Grant Total	57,859.69	59,194.93	1,335.24

This requires regularisation under Article 205 of the Constitution.

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 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.

The total Grants and Appropriations in 2023-24 were ₹ 2,36,560.07 crore. The actual gross expenditure during the year was ₹ 2,03,089.28 crore. This resulted in savings of ₹ 33,470.79 crore (14.15 *per cent*) in 2023-24 of which ₹ 49,930.27 crore (149.18 *per cent*) was surrendered. The details are given in **Table 3.14**.

Table 3.14: Summarised position of Actual Expenditure vis-à-vis Budget (Original/Supplementary) provisions during the year 2023-24

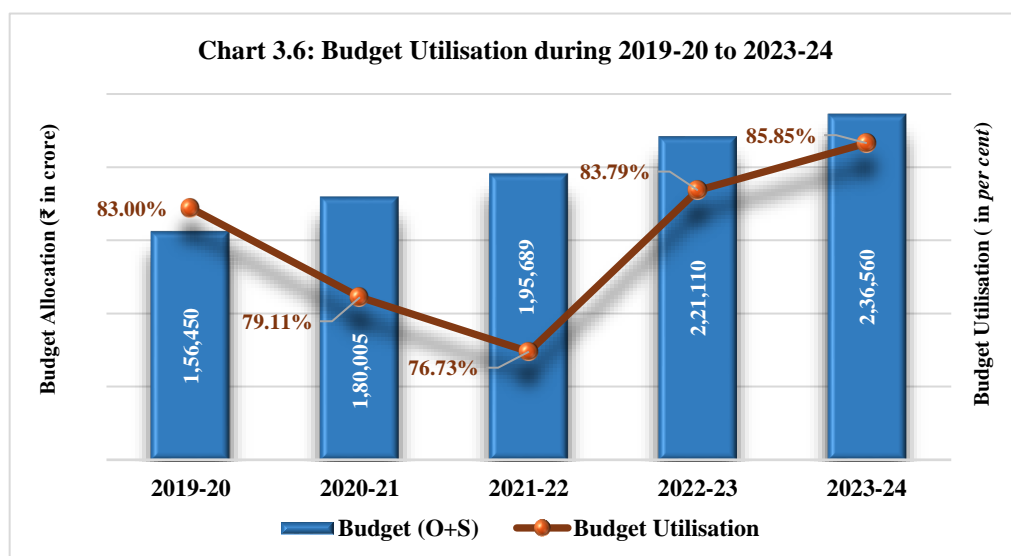
(₹ in crore)

Nature of expenditure		Original grant/ Appropriation	Supplementary grants/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Surrender during 2023-24	
							Amount	Percentage
Voted	I Revenue	1,05,282.29	7,018.22	1,12,300.51	91,880.94	(-) 20,419.57	34,861.19	170.72
	II Capital	34,028.26	4,446.29	38,474.55	25,913.71	(-) 12,560.84	11,402.02	90.77
	III Loans and Advances	4,197.91	957.12	5,155.03	4,055.22	(-) 1,099.81	1,332.89	121.19
	Total Voted	1,43,508.46	12,421.63	1,55,930.09	1,21,849.87	(-) 34,080.22	47,560.10	139.66
Charged	IV Revenue	21,568.07	1,022.54	22,590.61	21,895.20	(-) 695.41	2,305.77	331.57
	V Capital	80.00	100.00	180.00	150.01	(-) 29.99	28.40	94.70
	VI Public Debt Repayment	55,220.37	2,639.00	57,859.37	59,194.20	1,334.83	0.00	0.00
	Total Charged	76,868.44	3,761.54	80,629.98	81,239.41	609.43	2,334.17	-
Grand Total		2,20,376.90	16,183.17	2,36,560.07	2,03,089.28	(-) 33,470.79	49,894.27	149.18

Source: Appropriation Accounts.

Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 580.44 crore) and Capital Heads (₹ 10,142.79 crore).

Supplementary provision of ₹ 16,183.17 crore constituted seven *per cent* of the Original provision as against 13 *per cent* in the previous year. Budget utilisation during the years 2019-20 to 2023-24 is given in **Chart 3.6**.



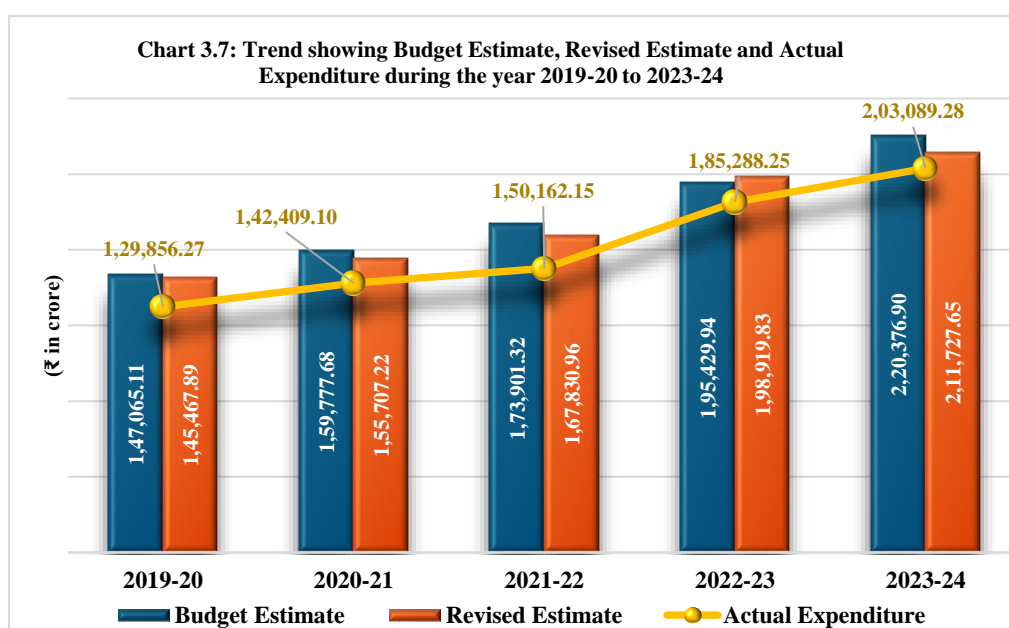
The State Government prepared the Original Budget of ₹ 2,20,376.90 crore for Revenue expenditure, Capital expenditure and disbursement of Loans and Advances for the year 2023-24 and revised it to ₹ 2,11,727.65 crore, against which actual expenditure was ₹ 2,03,089.28 crore. The data on Original Budget, RE, and actual expenditure for the period 2019-20 to 2023-24 is given in **Table 3.15** and the trend is shown in **Chart 3.7**.

Table 3.15: Original Budget, Revised Estimate and actual expenditure during 2019-24
(₹ in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Original Budget	1,47,065.11	1,59,777.68	1,73,901.32	1,95,429.94	2,20,376.90
Supplementary Budget	9,384.60	20,227.16	21,788.12	25,680.13	16,183.17
Total Budget (TB)	1,56,449.71	1,80,004.84	1,95,689.44	2,21,110.07	2,36,560.07
Revised Estimate (RE)	1,45,467.89	1,55,707.22	1,67,830.96	1,98,919.83	2,11,727.65
Actual Expenditure (AE)	1,29,856.27	1,42,409.10	1,50,162.15	1,85,288.25	2,03,089.28
Saving	(-) 26,593.44	(-) 37,595.74	(-) 45,527.29	(-) 35,821.82	(-) 33,470.79
Percentage of Supplementary to the Original Provision	6.38	12.66	12.53	13.14	7.34
Percentage of overall saving/ Excess to the overall provision	(-) 17.00	(-) 20.89	(-) 23.27	(-) 16.20	(-) 14.15
TB-RE	10,981.82	24,297.62	27,858.48	22,190.24	24,832.42
RE-AE	15,611.62	13,298.12	17,668.81	13,631.58	8,638.37
(TB-RE) as % of TB	7.02	13.50	14.24	10.04	10.50
(RE-AE) as % of TB	9.98	7.39	9.03	6.17	3.65

Source: Budget Documents and Appropriation Accounts for respective years

During the period 2019-20 to 2023-24, the RE was always lower than the total Budget. As such, the Supplementary provisions during the periods 2019-20 to 2023-24 proved unnecessary since the expenditure did not come up even to the level of Original Budget provision during the same periods as shown in *Chart 3.7*.



This reflects that budgetary allocations were based on unrealistic proposals as Budget Estimates of the State were always inflated and the actual expenditure was less than the budgetary provisions.

3.4.2 Major policy pronouncements in Budget and Actual expenditure

Some major policy pronouncements in the Budget and Actual expenditure there against are given in *Table 3.16*.

Table 3.16: Major policy pronouncements in Budget and Actual expenditure during 2023-24

(₹ in crore)

Sr. No.	Name of the Scheme and Classification	Budget Provisions (O+S)	Actual expenditure	Savings (-)/ Excess (+) (in per cent)
1	Scheme for Management of Crop Residue (2401-51-113-82)	100.00	90.00	(-) 10.00 (10)
2	Scheme for Rashtriya Krishi Vikas Yojna (2401-51-109-80)	200.00	58.17	(-) 141.83 (71)
3	Construction of Roads in Haryana State-Construction strengthening / widening and improvement of roads for State Scheme (5054-03-337-88-99)	300.00	310.72	10.72 (104)
4	Scheme for Promotion of crops Diversification (2401-51-108-83)	350.00	215.00	(-) 135.00 (39)
5	Deenbandhu Haryana Gram Uday Yojana (4515-51-101-99)	200.00	10.72	(-) 189.28 (95)
6	Scheme for the Establishment of Gou Seva Ayog (2403-51-102-69-51)	425.00	0.97	(-) 424.03 (99)
7	Scheme for Sanitation under Swachh Bharat Mission (Gramin)-Normal Plan (2515-51-102-93-99)	122.00	0.00	(-) 122.00 (100)
8	Installation of Solar Water Pumping System in the State (2810-51-101-98)	500.00	800.00	300.00 (160)
9	Opening /Up-gradation and strengthening of Veterinary Institutions (2403-51-101-62-51)	129.95	85.87	(-) 44.08 (34)
10	Swaran Jayanti Integrated Aviation Hub at Hisar (5053-60-102-98-51)	672.44	390.00	(-) 282.44 (42)
11	Swachh Bharat Mission (2217-80-192-88-51)	400.00	14.16	(-) 385.84 (96)
12	Supplementary Nutrition Programme (2236-02-101-95)	110.00	81.67	(-) 28.33 (26)
13	Pradhan Mantri Fasal Bima Yojana (2401-51-111-90)	650.00	247.12	(-) 402.88 (62)
14	Haryana Gramin Vikas Yojana (HGVY) (4515-51-101-97)	100.00	70.00	(-) 30.00 (30)
15	Scheme for Technology Mission on Sugarcane (2401-51-108-81)	336.61	196.00	(-) 140.61 (42)
16	Sub Mission on Agriculture Mechanisation (2401-51-109-78)	200.00	164.00	(-) 36.00 (18)
17	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) - Normal Plan (2505-02-101-99-99)	359.00	152.46	(-) 206.54 (58)
18	NRDWP- Coverage Central (4215-01-102-98-99)	2,779.75	591.24	(-) 2,188.51 (79)
19	Implementation of Pradhan Mantri Krishi Sinchayee Yojana-Per Drop More Crop (2705-51-190-94-51)	509.60	181.40	(-) 328.20 (64)
20	Creation Up-gradation Maintenance of Industrial Infrastructure Renamed as Development of Infrastructure under New Enterprises Promotion Policy 2015 (2851-51-101-95)	150.00	28.33	(-) 121.67 (81)
21	Reconstruction/Renovation/Replacement and Construction of Bridges and Structure on Canals & Drains (4700-80-800-97)	250.00	143.56	(-) 106.44 (43)
22	Sarva Shiksha Abhiyan (2202-01-111-99)	550.00	318.90	(-) 231.10 (42)
23	Mid-Day Meal for Primary School Children-(2202-01-112-99)	788.00	725.79	(-) 62.21 (8)
24	Rashtriya Madhyamik Shiksha Abhiyan (2202-02-109-86-51)	600.00	261.32	(-) 338.68 (56)
25	Financial Assistance to Destitute Children (2235-60-102-99)	420.00	458.54	38.54 (109)
26	Pradhan Mantri Awas Yojna (Urban Normal) (2216-02-192-99)	150.00	173.38	23.38 (116)
27	Setting up of power generation and ethanol Plant in Cooperative Sugar Mills. [P-01-07-6860-04-101-95-51]	300.00	0.00	(-) 300.00 (100)
28	Development of Fresh Water Aquaculture Renamed as Pradhan Mantri Matsya Sampada Yojana (PMMSY) [P-02-10-2405-51-101-72-51]	166.06	78.60	(-) 87.46 (53)
29	Implementation of AMRUT-II for Water Supply [P-01-20-4215-01-101-93-51]	200.00	274.02	74.02 (137)
30	Mobilizing the resources for expanding coverage of micro irrigation under Micro Irrigation Fund (MIF)[P-01-19-2705-51-188-99-51]	250.00	200.00	(-) 50.00 (20)
	Total	12,268.41	6,321.94	(-) 5,946.47 (48)

Source: Finance Accounts and Appropriation Accounts

As evident from above, against the total Budget provision of ₹ 12,268.41 crore, expenditure of ₹ 6,321.94 crore (52 per cent) only was incurred on these schemes during 2023-24. Out of a total of 30 schemes, in 13 schemes, the

expenditure was less than 50 *per cent* of the Budget provision and in three schemes expenditure was incurred in excess (more than 10 *per cent*) against the Budget provision. The reasons of savings/excess for these schemes are discussed in **Table 3.17**.

Table 3.17: Details of reasons for savings/excess

Name of the Scheme and Classification	Reasons for savings/excess
Scheme for Rashtriya Krishi Vikas Yojna (2401-51-109-80)	Lesser funds released by the GoI.
Deenbandhu Haryana Gram Uday Yojana (4515-51-101-99)	Lesser receipt of claims under major works.
Scheme for the Establishment of Gou Seva Ayog (2403-51-102-69-51)	Less receipt of Grant-in-aid claims and grant for creation of capital assets.
Scheme for Sanitation under Swachh Bharat Mission (Gramin)-Normal Plan (2515-51-102-93-99)	Non-receipt of funds from GoI.
Installation of Solar Water Pumping System in the State (2810-51-101-98)	Installation of additional solar water pumping system in the State
Swachh Bharat Mission (2217-80-192-88-51)	Less receipt of funds from GoI.
Pradhanmantri Fasal Bima Yojana (2401-51-111-90)	Less receipt of subsidies claims, less conduction of training programmes.
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) - Normal Plan (2505-02-101-99-99)	Less funds received from GoI.
NRDWP- Coverage Central (4215-01-102-98-99)	Expenditure made through directly PFMS
Implementation of Pradhan Mantri Krishi Sinchayee Yojana- Per Drop More Crop (2705-51-190-94-51)	State share as released as Center share received from GoI.
Creation Up-gradation Maintenance of Industrial Infrastructure Renamed as Development of Infrastructure under New Enterprises Promotion Policy 2015 (2851-51-101-95)	Special purpose vehicles not completed the eligibility milestones for release and less receipt of claims of start-up-Warehousing/incubation Centres and mobile app.
Rashtriya Madhyamik Shiksha Abhiyan (RMSA) (2202-02-109-86-51)	Less receipt of central share from GoI. and non-engagement of contractual employees
Setting up of power cogeneration and ethanol Plant in Cooperative Sugar Mills (6860-04-101-95-51)	Non-receipt of loan claims.
Development of Fresh Water Aquaculture Renamed as Pradhan Mantri Matsya Sampada Yojana (PMMSY) (2405-51-101-72-51)	Less receipt of funds for subsidies and non-receipt of funds from the GoI
Implementation of AMRUT-II for Water Supply (4215-01-101-93-51)	Reasons for excess not given.
Pradhan Mantri Awas Yojna (Urban Normal) (2216-02-192-99)	More release of installment of Beneficiary Led Construction (BLC) by the GoI.

Source: Appropriation Accounts

This reflects that budgetary allocations were based on unrealistic proposals and deprived the beneficiaries of intended benefits.

3.4.3 Rush of expenditure

Government funds should be spent evenly throughout the year. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalances and temporary cash crunches arising out of unanticipated heavy expenditure. The Finance Department, Haryana prescribed (April 2016) quarter-wise percentages (1st Quarter: 25 *per cent*; 2nd Quarter: 20 *per cent*; 3rd Quarter: 25 *per cent*, 4th Quarter: 30 *per cent*)

for incurring expenditure during the year, with the aim of regulating the expenditure in a phased manner.

Rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. Contrary to this, in respect of 24 heads under twelve grants/appropriations listed in **Appendix 3.16**, expenditure exceeding ₹ 10 crore and more than 50 *per cent* of the total expenditure for the year was incurred during the last quarter of the year.

In these cases, out of the expenditure of ₹ 5,139.39 crore incurred during the year 2023-24, expenditure of ₹ 2,088.87 crore (40.64 *per cent*) was incurred during the month of March 2024. As such, against the target of 30 *per cent* for last quarter, 40.64 *per cent* expenditure was incurred in one month only and 62.78 *per cent* in the last quarter. Audit scrutiny revealed that under 24 Major Heads as given in **Appendix 3.16**, the expenditure incurred during 4th quarter of the year ranged between 50 *per cent* and 100 *per cent* against the target of 30 *per cent*. It was further observed that out of total expenditure of ₹ 418.72 crore under Major Head 2216-Housing under Grant No. 17, ₹ 237.73 crore (57 *per cent*) and out of total expenditure of ₹ 222.07 crore under Major Head 2701-Medium Irrigation under Grant No. 19, ₹ 192.65 crore (87 *per cent*) was incurred in the 4th quarter.

The grant-wise allocation and expenditure incurred during the quarters and in the month of March 2024 was analysed. It was observed that in four grants¹¹ in the 1st quarter, 15 grants¹² in the 2nd quarter, two grants¹³ in the 3rd quarter and six grants¹⁴ in the last quarters, the above directions of the Finance Department were not adhered. The quarterly details of expenditure incurred across all grants are shown in **Appendix 3.17**.

Rush of expenditure during the last quarter, especially during the month of March, shows non-adherence to financial propriety.

3.4.4 Advance from Contingency Fund

Contingency Fund of the State has been established under the Haryana Contingency Fund Act, 1966 (Act No. 2 of 1967) in terms of provisions of Article 267(2) and 283(2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen character, postponement of which, till its authorisation by the Legislature, would be undesirable. The fund is in the nature of an imprest and required to be recouped

¹¹ Grant No. 1, 5, 10 and 15.

¹² Grant No. 1, 2, 3, 4, 5, 6, 10, 12, 14, 15, 16, 17 18, 19 and 20.

¹³ Grant No. 13 and 17.

¹⁴ Grant No. 2, 3, 6, 13, 19 and 20.

by obtaining Supplementary grants during the first session of Assembly immediately after the advance is sanctioned. Its corpus was ₹ 1,000 crore. During 2023-24, advance of ₹ 545.95 crore was drawn (March 2024) from the Contingency Fund of the State which was not recouped by the close of the financial year. However, the advance amount from the Contingency Fund was shown in Supplementary Estimates 2024-25 (1st Instalment) and Fund was recouped in Financial Year 2024-25. Major Head-wise detail of advance withdrawn from Contingency Fund is depicted in **Table 3.18**.

Table 3.18: Major Head-wise detail of advance withdrawn from Contingency Fund

Sr. No.	Major Heads	Amount (₹ in crore)
1	2202-General Education	266.95
2	4217-Capital Outlay on Urban Development	279.00
	Total	545.95

3.5 Review of selected Grants

Introduction

A review of budgetary procedure and control over expenditure in respect of two selected grants i.e., Grant No. 10¹⁵ and Grant No. 20¹⁶ was conducted wherein magnitude of variation in Original grants, Supplementary demands and Actual expenditure were analysed.

3.5.1 Review of Grant No. 10

The overall position of the funds allotted, expenditure incurred and savings/excesses under the functional heads under the Grant No. 10 are given in **Table 3.19**.

Table 3.19: Budget and expenditure under Grant No. 10

(₹ in crore)

Nature of Expenditure		Original Provision	Supplementary	Total	Actual expenditure	Saving (in per cent)
Revenue	Voted	5,917.20	286.63	6,203.83	3,371.26	(-) 2,832.57 (46)
	Charged	1.54	0.00	1.54	0.47	(-) 1.07 (69)
Capital ¹⁷	Voted	1,629.35	400.00	2,029.35	864.26	(-) 1,165.09 (57)
Grand Total		7,548.09	686.63	8,234.72	4,235.99	(-) 3,998.73 (49)

From the above Grant No. 10, two Departments i.e. (i) Mines and Geology and (ii) Animal Husbandry and Dairy Development Department were selected for further review.

¹⁵ Mines and Geology/Agriculture/Horticulture/Animal Husbandry and Dairy Development/Fisheries/Forest and Wildlife/Ecology and Environment.

¹⁶ Urban Development (Town and Country Planning/ Urban Estates)/Local Government (ULB and Fire Services)/ Rural and Community Development (Rural Development/ Development and Panchayats)/Public Health Engineering Department.

¹⁷ Includes Loans for Crop Husbandry under MH 6401, Loans for Animal Husbandry under MH 6403 and Loans to Agricultural Financial Institutions under MH 6416.

Three Major Head i.e. 2853-Non-Ferrous Mining & Metallurgical Industries pertain to Mines and Geology Department, 4059-Capital Outlay on Public Works, 4853-Capital Outlay on Non-ferrous Mining and Metallurgical Industries and four Major Heads i.e., 2403-Animal Husbandry, 2404-Dairy Development and 4403-Capital Outlay on Animal Husbandry and MH 6403-Loans for Animal Husbandry pertain to Animal Husbandry and Dairying Department in which expenditure was incurred on various schemes by these Departments during the year 2023-24.

Audit findings that emerged during review of these two selected Departments are as follows:

Audit findings

(i) Budget and Expenditure

The overall position of the Budget provisions, actual expenditure and savings/excesses under the functional Heads of the two selected Departments for the last three years (2021-22 to 2023-24) is given in **Table 3.20**.

Table 3.20: Budget and expenditure of selected Departments

(₹ in crore)

Year	Nature of expenditure	Original	Supplementary	Total	Expenditure	Excess (+)/ Saving (-) (in per cent)
Mines and Geology Department						
2021-22	Revenue (Voted)	233.96	0	233.96	132.03	(-) 101.93 (44)
	Total	233.96	0	233.96	132.03	(-) 101.93 (44)
2022-23	Revenue (Voted)	272.37	0.01	272.38	108.20	(-) 164.18 (60)
	Capital (Voted)	0	8.10	8.10	8.10	-
	Total	272.37	8.11	280.48	116.30	(-) 164.18 (59)
2023-24	Revenue (Voted)	229.59	0	229.59	88.49	(-) 141.10 (61)
	Capital (Voted)	10.00	0	10.00	0	(-) 10.00 (100)
	Total	239.59	0	239.59	88.49	(-) 151.10 (63)
Animal Husbandry and Dairy Development Department						
2021-22	Revenue (Voted)	1,186.52	0	1,186.52	896.22	(-) 290.30 (24)
	Revenue (Charged)	0.30	0	0.30	0.01	(-) 0.29 (97)
	Capital (Voted)	38.01	0	38.01	11.32	(-) 26.69 (70)
	Total	1,224.83	0	1,224.83	907.55	(-) 317.28 (26)
2022-23	Revenue (Voted)	916.95	68.01	984.96	891.23	(-) 93.73 (10)
	Revenue (Charged)	0.30	0	0.30	0.09	(-) 0.21 (70)
	Capital (Voted)	440.00	0	440.00	129.41	(-) 310.59 (71)
	Total	1,357.25	68.01	1,425.26	1,020.73	(-) 404.53 (28)
2023-24	Revenue (Voted)	1,453.96	0	1,453.96	838.19	(-) 615.77 (42)
	Revenue (Charged)	0.25	0	0.25	0.01	(-) 0.24 (96)
	Capital (Voted)	372.05	0	372.05	178.74	(-) 193.31 (52)
	Total	1,826.26	0	1,826.26	1,016.94	(-) 809.32 (44)

During scrutiny of the Budget and Expenditure of two selected Departments, it was observed that savings ranged between ₹ 101.93 crore and ₹ 164.18 crore in Mines and Geology Department and between ₹ 317.28 crore and ₹ 809.32 crore in Animal Husbandry and Dairy Development Department against the Budget provisions during the financial years from 2021-22 to 2023-24. Percentage of the above savings ranged between 44 and 63 *per cent* in Mines and Geology

Department and between 26 and 44 *per cent* in Animal Husbandry and Dairy Development Department against the Budget provisions during the same period.

On being pointed out by Audit, the Mines and Geology Department replied (July 2024) that reasons for savings were due to non-filling up of vacant posts, less engagement of daily wagers, less purchase of computers.

Animal Husbandry and Dairy Development Department replied (July 2024) that saving were due to non-filling up of vacant posts, non-approval of proposal of Gau Seva Aayog and non-finalisation of projects of Lala Lajpat Rai University of Veterinary and Animal Science (LUVAS), etc.

(ii) Entire provision remained unutilised

During scrutiny of records of two selected Departments under Grant No. 10, it was observed that Budget provision (above ₹ one crore) amounting to ₹ 18.20 crore made under four schemes remained unutilised at the end of the year (2023-24) as detailed in **Table 3.21**.

Table 3.21: Details of entire provision remained unutilised under Grant No. 10

		(₹ in crore)
Sr. No.	Scheme Name	Budget provision
1.	4059-01-051-58-Scheme for Purchase of Land and Construction of Building for Mines and Geology Department	10.00
2.	2403-51-102-76-Scheme for Assistance to State for conduct of Livestock Census	1.20
3.	2403-51-789-89-Scheme for Implementation of National Livestock Mission for Scheduled Castes	4.00
4.	2403-51-789-96-Scheme for Special Livestock Insurance for Scheduled Castes	3.00
	Total	18.20

The entire provision of the Budget made for the above mentioned schemes was finally re-appropriated and no expenditure was incurred under these schemes.

On being pointed out by Audit, Mines and Geology Department stated (July 2024) that possession of land for construction of building was not handed over to the Department in the financial year 2023-24. Reasons for saving in Animal Husbandry and Dairy Development Department were due to non-receipts of the claims under these schemes.

(iii) Persistent savings

As per instructions issued by Finance Department, Haryana vide letter no. 2/5/2022-1B&C dated 20/10/2022 for preparation of Budget Estimates for 2023-24 the Scheme-wise Budget proposal should be realistic and formulated on the basis of actual expenditure of previous years keeping in view the tentative minimum requirement of the Department.

In 18 sub heads (Mines and Geology Department: 3 and Animal Husbandry and Dairy Development Department: 15), there were persistent savings ranging between 10.87 and 100 *per cent* of the total provision, which was indicative of non-achievement of the projected financial outlays, inefficient planning and unrealistic estimation in the respective years during 2021-22 to 2023-24 as per details given in **Appendix 3.18**.

On being pointed out by Audit, Mines and Geology Department stated (July 2024) that main reason for persistent savings were due to non-filling of vacant posts and less hiring of Special Mining Guards. Reasons for persistent savings in Animal Husbandry and Dairy Development Department were due to non-filling of vacant posts and hiring of less contractual staff. The reply was not tenable as the Budget proposals were made in an un-realistic manner without taking into consideration the earlier years' Budget/savings.

(iv) Misclassification of Objects Head

As per instructions issued by Finance Department vide. No. 2/5/2022-IB & C dated 20 October 2022 regarding preparation of Budget Estimate for 2023-24, payment to contractual employees was to be made from contractual services under Object Head-69.

During the year 2023-24, against the Budget provision of ₹ 2.78 crore¹⁸, an expenditure of ₹ 1.87 crore¹⁹ was incurred to make payment for hired contractual persons under Object Head-02 Wages instead through Object Head-69 Contractual Services which was the violation of Finance Department instructions.

(v) Rush of expenditure

Audit observed that out of total expenditure of ₹ 61.52 crore in Animal Husbandry and Dairy Development Department, expenditure of ₹ 53.72 crore (87 *per cent*) was incurred (₹ one crore and above) in the last quarter of the year under 12 schemes. Further, expenditure of ₹ 13.37 crore (22 *per cent*) was incurred during the month of March 2024 as detailed in **Table 3.22**.

¹⁸ ₹ 2.78 crore = 2853-02-001-98-02 Wages: ₹ 1.25 crore + 2853-02-001-99-98-02 Wages: ₹ 1.53 crore

¹⁹ ₹ 1.87 crore = 2853-02-001-98-02 Wages: ₹ 0.77 crore + 2853-02-001-99-98-02 Wages: ₹ 1.10 crore

Table 3.22: Scheme-wise details of rush of expenditure in 2023-24**(₹ in crore)**

Sr. No.	Name of Scheme	Total expenditure	Expenditure during last quarter (in per cent)	Expenditure during March 2024 (in per cent)
1.	Scheme for the Mobile Veterinary Units under Livestock Health and Diseases Control (2403-51-101-59)	0.87	0.87 (100)	0.87 (100)
2.	Scheme for Compensation against culling in notifiable diseases of animals under Livestock Health and Diseases Control (2403-51-101-60)	0.64	0.64 (100)	0.64 (100)
3.	Livestock health and disease control (2403-51-101-63)	1.80	1.80 (100)	1.80 (100)
4.	Scheme for Conservation and Development of Indigenous cattle and Murrah development (2403-51-102-66)	4.90	1.58 (32)	0.52 (11)
5.	Scheme for implementation of National Livestock Mission (2403-51-102-67)	6.80	6.80 (100)	4.17 (61)
6.	Scheme for the Establishment of Gou Seva Ayog (2403-51-102-69)	0.97	0.97 (100)	0.97 (100)
7.	Establishment of Haryana Livestock Development Board (2403-51-102-81)	2.12	0.72 (34)	0.12 (6)
8.	Scheme for Establishment of Backyard poultry unit (2403-51-103-95)	0.63	0.21 (33)	0.04 (6)
9.	Scheme for Sample Survey Estimation of Production of Milk Eggs Wool & Meat/Fodder & Grasses/Assessment Development Project (2403-51-113-96)	1.40	0.70 (50)	0.50 (50)
10.	Livestock Health and Disease Control (2403-51-789-92)	0.61	0.61 (100)	0.61 (100)
11.	NABARD Assistance (4403-51-101-99-98)	2.00	2.00 (100)	2.00 (100)
12.	Construction of Veterinary Infrastructure in the State (4403-51-101-99-99)	38.78	36.82 (95)	1.13 (3)
Total		61.52	53.72 (87)	13.37 (22)

The Department replied (July 2024) that the Budget was released in the last quarter by the Finance Department.

(vi) Funds allocated through financial assistance to University instead of Grants-in-aid

Indian Government Accounting Standard-3 provides that Loans are assistance by the Government by providing money, goods or services directly or indirectly to the beneficiary entities which entails a contractual right to receive back equivalent money along with interest thereon, if any, as per term and conditions of the loan agreements.

Lala Lajpat Rai University of Veterinary and Animal Science, Hisar (the University) received ₹ 37 crore in the 1st quarter of 2022-23 as Grant-in-aid under Major Head 2403 to meet out their Revenue expenditure such as salary, wages, office expenses, medical reimbursement, etc. However, during 2022-23 and 2023-24 (from 2nd quarter 2022 onward), the University received funds of ₹ 251.49 crore to meet out their Revenue expenditure as non-recoverable Financial Assistance in the form of interest free perpetual loans under Loan Head-6403.

Audit observed that the amount has been charged/debited to MH 6403, which as per list of Major and Minor Heads issued by the Controller General of Accounts pertains to loan heads. On review of sanctions, it was observed that the expenditure could not be treated as loans in absence of terms and conditions for recovery. This resulted in overstatement of Capital expenditure and understatement of Revenue expenditure as well as Revenue Deficit to that extent. The matter was referred (August 2024) to State Government, reply is still awaited (October 2024).

3.5.2 Review of Grant No. 20

The overall position of the funds allotted, expenditure incurred and savings/excesses under the functional heads under Grant No. 20 are given in **Table 3.23**.

Table 3.23: Budget and expenditure under Grant No. 20

(₹ in crore)

Nature of Expenditure		Original Provision	Supplementary	Total	Actual expenditure	Saving (in per cent)
Revenue	Voted	12,805.01	1,263.12	14,068.13	9,604.79	(-) 4,463.34 (32)
	Charged	0.40	0.00	0.40	0.00	(-) 0.40 (100)
Capital	Voted	5,036.72	2,444.79	7,481.51	3,843.01	(-) 3,638.50 (49)
Grand Total		17,842.13	3,707.91	21,550.04	13,447.80	(-) 8,102.24 (38)

From Grant No. 20, two Departments i.e. (i) Urban Local Bodies Department and (ii) Rural and Community Development Department were selected for further review.

Four Major Heads i.e. Major Heads: 2070- Other Administrative Services, 2217-Urban Development, 4217-Capital outlay on Urban Development, 6217-Loans of Urban Development pertain to Urban Local Bodies Department and five Major Heads i.e., 2501-Special Programme for Rural Development, 2505-Rural Employment, 2515-Other Rural Development Programmes, 2553-MPs Local Area Development Scheme and 4515- Capital Outlay on other Rural Development Programmes pertain to Rural Development Department in which expenditure was incurred on various schemes by these Departments during the year 2023-24.

Audit findings which emerged during review of these two selected Departments are as follows:

Audit findings

(i) Budget and Expenditure

The overall position of the Budget provisions, actual expenditure and savings/excesses under the functional Heads of the selected two Departments for the last three years (2021-22 to 2023-24) is given in **Table 3.24**.

Table 3.24: Budget and expenditure of selected Departments**(₹ in crore)**

Year	Nature of expenditure	Original	Supplementary	Total	Expenditure	Excess (+)/ Saving (-) (in per cent)
Urban Local Bodies Department						
2021-22	Revenue (Voted)	4,101.10	4,162.58	8,263.68	4,566.87	(-) 3,696.81 (45)
	Capital (Voted)	5.00	0.00	5.00	0.00	(-) 5.00 (100)
	Total	4,106.10	4,162.58	8,268.68	4,566.87	(-) 3,701.81 (45)
2021-22	Revenue (Voted)	3,365.03	878.03	4,243.06	3,286.44	(-) 956.62 (23)
	Capital (Voted)	2,515.02	0.00	2,515.02	671.85	(-) 1,843.17 (73)
	Total	5,880.05	878.03	6,758.08	3,958.29	(-) 2,799.79 (41)
2023-24	Revenue (Voted)	3,953.47	691.60	4,645.07	2,820.37	(-) 1,824.70 (39)
	Capital (Voted)	1,345.03	0.00	1,345.03	500.00	(-) 845.03 (63)
	Total	5,298.50	691.60	5,990.10	3,320.37	(-) 2,669.73 (45)
Rural Development Department						
2021-22	Revenue (Voted)	5,836.17	292.37	6,128.54	1,956.82	(-) 4,171.72 (68)
	Revenue (Charged)	0.40	0.00	0.40	0.02	(-) 0.38 (95)
	Capital (Voted)	150.01	0.00	150.01	100.04	(-) 49.97 (33)
	Total	5,986.58	292.37	6,278.95	2,056.88	(-) 4,222.07 (67)
2022-23	Revenue (Voted)	4,232.30	0.05	4,232.35	2,445.94	(-) 1,786.41 (42)
	Revenue (Charged)	0.40	0.00	0.40	0.06	(-) 0.34 (85)
	Capital (Voted)	2,600.20	0.00	2,600.20	407.27	(-) 2,192.93 (84)
	Total	6,832.90	0.05	6,832.95	2,853.27	(-) 3,979.68 (58)
2023-24	Revenue (Voted)	6,027.55	0.00	6,027.55	3,623.60	(-) 2,403.95 (39)
	Revenue (Charged)	0.40	0.00	0.40	0.00	(-) 0.40 (100)
	Capital (Voted)	1,181.37	500.00	1,681.37	1,232.16	(-) 449.21 (27)
	Total	7,209.32	500.00	7,709.32	4,855.76	(-) 2,853.56 (37)

It was observed that savings ranged between ₹ 2,669.73 crore and ₹ 3,701.81 crore in Urban Local Bodies Department and between ₹ 2,853.56 crore and ₹ 4,222.07 crore in Rural Development Department during the financial years from 2021-22 to 2023-24. Percentage of the above savings ranged between 41 and 45 *per cent* in Urban Local Bodies Department and between 37 and 67 *per cent* in Rural Development Department during the same period. Scheme-wise savings are discussed below:

(ii) *Savings vis-à-vis allocations*

As per instructions issued by Finance Department, Haryana vide letter no. 2/5/2022-1B&C dated 20 October 2022 for preparation of Budget Estimates for 2023-24 the Scheme wise Budget proposal should be realistic and formulated on the basis of Actual expenditure of previous years keeping in view the tentative minimum requirement of the Department.

During scrutiny of Budget and expenditure of two selected Departments, it was observed that out of 34 and 68 schemes, expenditure of ₹ 1,064.94 crore in 13 schemes (29 *per cent*) and ₹ 2,074.39 crore in 28 schemes (43 *per cent*) by Urban Local Bodies Department and Rural Development Department was incurred against the Budget provision of ₹ 3,715.70 crore and ₹ 4,851 crore respectively (*Appendix 3.19*). Further, out of these 41 schemes, in the 34 schemes savings were more than 50 *per cent* against their allocated Budget.

This indicated lack of realistic financial planning and weak financial control. The Departments ignored the budgetary controls laid down in the Punjab

Budget Manual and Finance Department and failed to exercise overall financial control over the State Budget, which resulted in deprivation of funds for other development purposes.

(iii) Entire provision remained unutilised

During scrutiny of records of the two selected Departments under Grant No. 20, it was observed that Budget provision amounting to ₹ 1,364.50 crore made under 22 schemes remained unutilised at the end of the year (2023-24) (Budget provision of ₹ one crore and above) as detailed in **Table 3.25**.

Table 3.25: Details of entire provision remained unutilised under Grant No. 20

(₹ in crore)

Sr. No.	Scheme Name	Budget provision
1	National Urban Livelihood Mission (2217-80-192-89)	37.50
2.	Shifting of Milk Dairies (2217-80-800-76)	1.00
3.	Performance Linked Outlay (PLO) of DLB-Director Urban Local Bodies (4217-60-001-98)	800.00
4.	Start-up Village Entrepreneurship Programme (NRLM, SVEP) (2501-06-101-96)	10.00
5.	Deen Dayal Upadhyaya Grameen Kaushalya Yojana (NRLM) (Project, Admn.) (2501-06-101-97)	25.00
6.	Deen Dayal Upadhyaya Grameen Kaushalya Yojana (NRLM) (Project, Admn.) for SCSP (2501-06-789-98)	10.00
7.	Setting up of Haryana Institute of Rural Development Nilokheri renamed as Scheme for Training & Capacity Building -Haryana Institute of Rural Development Nilokheri (2515-51-003-98-98)	1.00
8.	Rashtriya Gram Swaraj Abhiyan (2515-51-101-81)	30.00
9.	Matching Grant-in-aid for Development works (Govt Share) (2515-51-101-93)	3.00
10	Haryana State Gramin Swachhata Puraskar Scheme (2515-51-102-82)	1.00
11	Scheme assistance of Haryana Rural Development Authority (2515-51-102-90)	30.00
12	Scheme for Sanitation under Swachh Bharat Mission (Gramin) (2515-51-102-93-99)	122.00
13	Scheme for Swaran Jayanti Maha Gram Vikas Yojna (SMAGY) (2515-51-102-96-99)	10.00
14	Organisation of State/Districts level Sammelans for non-officials (2515-51-102-98)	1.00
15	Scheme for Development of Minority under Pradhan Mantri Jan Vikas Karyakarm (2515-51-106-96)	60.00
16	Shyama Prasad Mukherjee Rurban Mission (2515-51-106-97)	50.00
17	Pardhan Mantri Adarsh Gram Yojana (2515-51-106-98)	10.00
18	Scheme for training & Capacity Building Haryana Institution of Rural Development Nilokheri (2515-51-190-99)	4.00
19	Scheme for assistance to Haryana Rural Development Authority (2515-51-789-91)	10.00
20	Scheme for Sanitation under Swachh Bharat Mission (Gramin) for Scheduled Castes (2515-51-789-98)	45.00
21	Scheme for Swaran Jayanti Maha Gram Vikas Yojna (SMAGY) for Scheduled Castes (2515-51-789-99)	10.00
22	Performance Linked Outlay (PLO) for Development and Panchayat Department (DEV-PLO-CAP) (4515-51-101-98)	94.00
	Total	1,364.50

The entire provision of the Budget made for these schemes were finally re-appropriated and no expenditure was incurred under these schemes. Further,

it was also noticed that out of the above 22 schemes, six²⁰ schemes were not implemented last three years (2021-22 to 2023-24).

(iv) **Parking of funds**

Rule 2.10 (b) 5 of Punjab Financial Rules Volume-1 (as applicable to Haryana State) provides that the authorities incurring expenditure should see that no money is withdrawn from the treasury unless it is required for immediate disbursement or has already been paid out of the permanent advance. It is not permissible to draw advances from the treasury for the execution of works, the completion of which is likely to take a considerable time. The Finance Department also issued specific instructions (February 2009) that parking of funds drawn on the strength of budgetary allocation out of the Consolidated Fund is not allowed and amounts to grave financial irregularity. It emphasized that the budgetary allocations made for the current financial year are not allowed to be drawn out of Consolidated Fund and retained beyond the closure of the financial year in any manner and without any justification/merit/assumption supporting it and amounts to grave irregularity.

Further, as per para 8 of Revised Haryana State Policy (April 2018) for dealing with banks, no organisation should withdraw funds to keep them idle in any bank account without the specific approval of the Finance Department.

During scrutiny of records of two selected Departments under Grant No. 20, the following cases are found in which funds were parked outside the Government accounts:

- As on 31st March 2024, funds amounting to ₹ 1,695.03 crore were kept in 11 bank accounts of Director, Rural Development Department and Development and Panchayat Department (**Appendix 3.20**). Further, scrutiny of the records of 16 test checked units revealed that funds amounting to ₹ 32.82 crore were also kept in bank accounts (**Appendix 3.21**) in contravention of the instructions and policy *ibid*. Audit observed that in Executive Officer Panchayat Smiti (EOPS), Bhiwani, minimum ₹ 23.96 lakh was lying in the savings bank account related to State Finance Commission (SFC) fund without utilisation since February 2021. Non-utilisation or delay in utilisation of funds indicates deprivation of intended benefit of the schemes in time.
- During scrutiny of the records of the Directorate, Urban Local Bodies, Haryana, Panchkula (DULB) and six test checked implementing agencies²¹, an amount of ₹ 594.46 crore (₹ 308.91 crore + ₹ 285.55 crore) was lying in 14 bank accounts of the DULB and test checked six

²⁰ Sr. 2, 3, 8, 13, 17 and 21

²¹ (i) Panchkula, (ii) Faridabad, (iii) Tohana, (iv) Samalkha, (v) Kundli and (vi) Kurukshetra

implementing Agencies as on 31 March 2024 in contravention to the instructions and policy *ibid* as detailed in **Appendix 3.22**.

Drawing of funds and their retention in bank account resulted in deferment/deprivation of the expenditure on priority items that were linked with development activities. Such draws give an inaccurate picture of public expenditure as the funds provided in the Budget were not actually used for the purpose it was provided.

During the exit conference (December 2024), the Additional Chief Secretary, Finance Department assured to take up the matter with concerned Departments.

(v) **Operation of SNA account**

Ministry of Finance, Government of India had issued instructions vide Office Memorandum, F.No. I(13)PFMS/FCD/2020 dated 23 March 2021 regarding procedure for released of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of funds released with a view to have more effective cash management and bring more efficiency in the public expenditure management. These instructions became effective w.e.f. 1 July 2021. Clause 20 of the Instructions provides that, “SNA will keep all the funds received in Single Nodal Account (SNA) only and shall not divert the same to Fixed Deposit/Flexi-Account/ Multi-Option Deposit Account/ Corporate Liquid Term Deposit Account etc.”

Audit observed that Director, Urban Local Bodies Department (DULB) had opened Term Deposit accounts for ₹ 4.90 crore during 2023-24 from the funds released under Swachh Bharat Mission (SBM), as detailed in **Table 3.26**, which was in contravention of Clause 20 of the memorandum/instructions *ibid*.

Table 3.26: Detail of Term Deposits/Fixed Deposits opened during 2023-24

Sl No.	Name of Bank	Account no.	Nature of account	Duration of term deposit	Amount (₹ in crore)
Details of terms deposits under SBM funds (from SNA of IDBI account no. 0132088432400)					
1	IDBI	16106000350341	Terms Deposit	11 August 2023 to 28 October 2024	1.90
2	IDBI	16106000350358	Terms Deposit	11 August 2023 to 28 October 2024	1.50
3	IDBI	16106000350365	Terms Deposit	11 August 2023 to 28 October 2024	1.50
Total					4.90

During the exit conference (December 2024), the Additional Chief Secretary, Finance Department assured to take correction action in the matter.

(vi) **Performance Linked Outlay**

The objective of the Performance Linked Outlay (PLO) is to ensure that the Government recognizes the need to leverage financial resources for creation of productive assets, while maintaining fiscal prudence, in order to sustain the growth trajectory of the State. The scheme was, therefore, introduced by State Government to ensure efficient and prudent utilization of resources. The

implementation of the PLO scheme was likely to improve the financial discipline of the State by encouraging fiscal prudence. It was intended to incentivize Departments to target the resources for productive utilization. Further, it was to be instrumental in deterring the parking of funds and rushed withdrawals towards the fag end of the year. It was also to facilitate the Finance Department to re-allocate the Budget after assessing the absorptive and spending capacity of the Departments.

During scrutiny of the Grant, it was noticed that the Budget provision of ₹ 94 crore made for “Performance Linked Outlay” scheme for Development and Panchayat Department (4515-51-101-98) remained unutilised and was surrendered due to non-requirement of funds. Further, Audit observed that out of ₹ 94 crore, ₹ 65 crore was diverted under Irrigation Efficiency Scheme under NABARD for development works renamed as Vidhayak Adarsh Nagar Avam Gram Yojana (4515-51-103-99). As on 31st March 2024, these funds were kept unutilised in Punjab National Bank, Manimajra of the scheme. Thus, drawing of funds and their retention in bank account resulted in deferment/deprivation of the expenditure on priority items that were linked with development activities.

(vii) Persistent savings

As per instructions issued by Finance Department, Haryana vide letter no. 2/5/2022-1B&C dated 20/10/2022 for preparation of Budget Estimates for 2023-24 the Scheme wise Budget proposal should be realistic and formulated on the basis of actual expenditure of previous years keeping in view the tentative minimum requirement of the Department.

In 34 sub heads (Urban Local Bodies Department: 8 and Rural Development Department: 26), there were persistent savings ranging between 15 and 100 *per cent* of the total provision, which indicated non-achievement of the projected financial outlays, inefficient planning and unrealistic estimation in the respective years during 2021-22 to 2023-24 as per details given in *Appendix 3.23*.

(viii) Rush of expenditure

During scrutiny of records of the selected two Departments, it was observed that out of total expenditure of ₹ 398.68 crore in Urban Local Bodies Department and ₹ 2,659.90 crore in Rural Development Department, expenditure of ₹ 224.53 crore (56 *per cent*) and ₹ 1,492.85 crore (56 *per cent*) was incurred (more than ₹ 50 lakh and above 30 *per cent*) in the last quarter of the year under 18 schemes. Further, expenditure of ₹ 171.67 crore (43 *per cent*) in Urban Local Bodies Department and ₹ 895.68 crore (34 *per cent*) in Rural Development Department was incurred during the month (March 2024) as detailed in *Table 3.27*.

Table 3.27: Rush of expenditure in selected two Department under Grant No. 20

Sr. No.	Name of Scheme	Expenditure (₹ in crore)		
		Total	During last quarter (in per cent)	During March 2024 (in per cent)
	Urban Local Bodies Department			
1	Creation of New Establishment of District Municipal Commissioners in the State (2217-80-001-89)	1.87	0.57 (31)	0.17 (9)
2	Scheme for Urban Infrastructure Development under State Finance Commission (2217-80-192-83)	312.13	156.36 (50)	154.58 (50)
3	Contribution to Local Bodies from the proceeds of Stamp Duty to Municipal Committees / Councils (2217-80-192-92)	59.68	53.85 (90)	3.17 (5)
4	Grant-in-aid to Kurukshetra Development Board (2217-80-800-99)	25.00	13.75 (55)	13.75 (55)
	Total	398.68	224.53 (56)	171.67 (43)
	Rural Development Department			
1	Batch VI projects under Integrated Wasteland Development/Management Project under Watershed Component of Pradhan Mantri Krishi Sinchayee Yojana (2501-05-101-99)	8.24	4.12 (50)	-
2	National Rural Livelihood Mission (N R L M / Aajeevika) (2501-06-101-99-99)	61.41	30.70 (50)	30.70 (50)
3	Scheme for Rural Self Employment Training Institute (RSETI) (2501-06-102-97)	3.52	3.52 (100)	0.00 (0)
4	National Rural Livelihood Mission (N R L M/ Aajeevika) under Special Component Plan for Scheduled Castes (2501-06-789-99)	18.23	9.11 (50)	9.11 (50)
5	DRDA Administration (2501-06-800-97)	25.00	12.85 (51)	6.10 (24)
6	Social Audit Unit (MGNREGA) Normal (2505-02-101-95)	1.16	0.58 (50)	-
7	Scheme for Administrative Contingency (MGNREGA) - Normal (2505-02-101-98)	4.60	4.60 (100)	-
8	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) (2505-02-101-99)	152.46	59.50 (39)	-
9	Financial Assistance to Panchayati Raj Institutions on the recommendation of State Finance Commission (2515-51-101-89)	1,157.99	638.67 (55)	570.39 (49)
10	New Construction/Renovation/ Repair of Block Office Buildings including Panchayats/Zila Parishad & State Panchayat Bhawan, Directorate Office and Gram Sachivalyas (2515-51-102-97)	41.73	33.84 (81)	1.89 (5)
11	Rural Infrastructure Development under State Finance Commission (SFC) (2515-51-198-96)	24.35	24.35 (100)	24.35 (100)
12	United Grants to Gram Panchayats on the recommendations of the Central Finance Commission (2515-51-198-97)	570.11	376.65 (66)	250.14 (44)
13	Tied Grants to Gram Panchayats on the recommendations of the Central Finance Commission (2515-51-198-98)	580.38	290.19 (50)	-
14	Deenbandhu Haryana Gram Uday Yojana (4515-51-101-99)	10.72	4.17 (39)	3.00 (28)
	Total	2,659.90	1,492.85 (56)	895.68 (34)

Thus, incurring expenditure in the last quarter especially in the month of March indicates inadequate budgetary control of the Department.

3.6 Conclusions

The overall utilisation of the Budget was 85.85 *per cent* of total grants and appropriations during 2023-24. Supplementary provisions were also not made on realistic basis as in 25 cases the Supplementary provisions were either unnecessary or excessive. In 2023-24 there was excess expenditure of ₹ 1,335.24 crore under two grants/appropriations which required regularisation under Article 205 (1) (b) of the Constitution of India.

In 30 major policy pronouncements relating to agriculture, rural development, urban development, education and financial assistance to destitute children, etc. the expenditure was ₹ 6,321.94 crore (52 *per cent*) against the Budget provision of ₹ 12,268.41 crore. Out of a total of 30 schemes, in 13 schemes, the expenditure was less than 50 *per cent* of the Budget provision.

There was rush of expenditure at the fag end of the year. In 24 heads under 12 grants/ appropriations, 41 *per cent* of the total expenditure during 2023-24 was incurred in the month of March 2024.

3.7 Recommendations

1. Government may prepare realistic Budget Estimates, backed with correct assessment for availability of resources and potential to expend, to avoid large savings and Supplementary provisions.
2. Government may consider strict compliance of provisions of Budget Manual in preparation of Supplementary provisions and ensure transparency in estimation for avoiding unrealistic Supplementary provisions.
3. Government may adhere to quarterly targets fixed for incurring expenditure through periodic monitoring, to avoid rush of expenditure towards end of the year and for proper utilisation of savings through timely surrender.