Chapter 2

Budgetary Management

Chapter 2: Budgetary Management

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

2.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called "the annual financial statement (Budget)" is to the laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items[1] 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 adopted by Haryana, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers 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 majorly comprises the following documents:

- ✓ Annual Financial Statement
- ✓ Demand for Grants
- ✓ FRBM Statements
- ✓ Detailed Estimates for Revenue Receipts
- ✓ Medium Term Fiscal Policy Statement
- ✓ Fiscal Policy Overview
- ✓ Detailed Estimates of Capital Exp.
- ✓ Detailed Estimates for Revenue Exp
- ✓ Others

2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the key for optimum utilisation of resources, strengthening scheme implementation and monitoring capacity and achievement of fiscal targets. Details of total appropriation obtained from state legislature, actual expenditure and savings are summarised in ***Table 2.1***.

[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.

Table 2.1: Summarised position of Actual Expenditure *vis-à-vis* Budget (Original/Supplementary) provisions during the year 2024-25

(₹ in crore)

Nature of expenditure		Original grant/ Appropriation	Supplementary grants/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Surrender during 2024-25	
							Amount	Percentage
Voted	I Revenue	1,11,063.73	6,879.82	1,17,943.55	1,03,039.09	(-) 14,904.46	31,884.47	(-) 213.93
	II Capital	31,920.94	1,822.45	33,743.39	26,384.74	(-) 7,358.65	9,029.56	(-) 122.71
	III Loans and Advances	5,095.11	240.01	5,335.12	3,161.48	(-) 2,173.64	2,173.82	(-) 100.01
Total Voted		**1,48,079.78**	**8,942.28**	**1,57,022.06**	**1,32,585.31**	**(-) 24,436.75**	**43,087.85**	**(-) 176.32**
Charged	IV Revenue	25,489.89	0.21	25,490.10	24,515.32	(-) 974.78	3,035.05	(-) 311.36
	V Capital	100.00	0.00	100.00	83.88	(-) 16.12	19.51	(-) 121.03
	VI Public Debt Repayment	64,044.20	0.00	64,044.20	57,540.25	(-) 6,503.95	0	0.00
Total Charged		**89,634.09**	**0.21**	**89,634.30**	**82,139.45**	**(-) 7,494.85**	**3,054.56**	**(-) 40.76**
Grand Total		**2,37,713.87**	**8,942.49**	**2,46,656.36**	**2,14,724.76**	**(-) 31,931.60**	**46,142.41**	**(-) 144.50**

Source: Appropriation Accounts of FY 2024-25.

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 (₹ 1,705.12 crore) and Capital Heads (₹ 13,988.58 crore).

Significant surrenders demonstrate that the Controlling officers are not monitoring/ reconciling the actual expenditure figures before final surrenders and are indicative of inadequate budgetary control.

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

Table 2.2: Original budget, revised estimate and actual expenditure during 2020-25

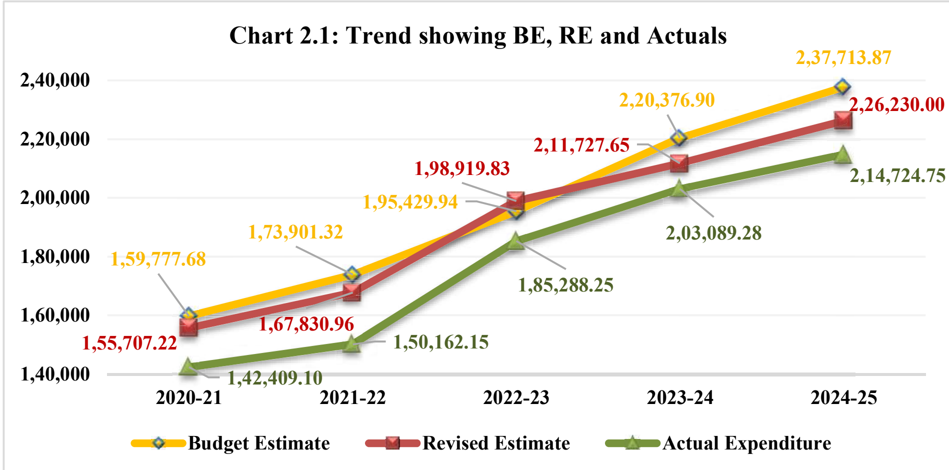
(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	1,59,777.68	1,73,901.32	1,95,429.94	2,20,376.90	2,37,713.87
Supplementary Budget	20,227.16	21,788.12	25,680.13	16,183.17	8,942.49
Total Budget (TB)	1,80,004.84	1,95,689.44	2,21,110.07	2,36,560.07	2,46,656.36
Revised Estimate (RE)	1,55,707.22	1,67,830.96	1,98,919.83	2,11,727.65	2,26,230.00
Actual Expenditure (AE)	1,42,409.10	1,50,162.15	1,85,288.25	2,03,089.28	2,14,724.75
Saving	(-) 37,595.74	(-) 45,527.29	(-) 35,821.82	(-) 33,470.79	(-) 31,931.61
Percentage of Supplementary to the original Provision	12.66	12.53	13.14	7.34	3.76
Percentage of overall saving/ Excess to the overall provision	(-) 20.89	(-) 23.27	(-) 16.20	(-) 14.15	(-) 12.95
TB-RE	24,297.62	27,858.48	22,190.24	24,832.42	20,426.36
RE-AE	13,298.12	17,668.81	13,631.58	8,638.37	11,505.25
(TB-RE) as % of TB	13.50	14.24	10.04	10.50	8.28
(RE-AE) as % of TB	7.39	9.03	6.17	3.65	4.66

Source: Annual Financial Statement and Appropriation Accounts

Supplementary provision of ₹ 8,942.49 crore during 2024-25 constituted 3.76 *per cent* of the original provision as against 7.34 *per cent* in the previous year indicating that dependence on the supplementary provision has declined in 2024-25. Savings also exhibited decline from ₹ 37,595.74 crore in 2020-21 to ₹ 31,931.61 crore in 2024-25.

The State Government prepared the total budget of ₹ 2,46,656.36 crore (Original Budget ₹ 2,37,713.87 crore + Supplementary Budget ₹ 8,942.49 crore) for revenue, capital, and loans and advances in 2024-25, revised it to ₹ 2,26,230 crore and incurred actual expenditure of ₹ 2,14,724.75 crore. The trend on original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 is shown in ***Chart 2.1***.



During the period 2020-21 to 2024-25, the revised estimates were consistently lower than the total budget, indicating over-estimation of revenue or resource availability during budget formulation. Further, it was also seen that there is growing divergence between total budget which is obtained from legislature through original and supplementary appropriations *vis-à-vis* the revised estimates and Actual Expenditures.

This indicates that budgetary allocations were based on proposals which were not fully realistic, as Budget Estimates of the State were inflated and the actual expenditure was less than the budgetary provisions.

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

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

Table 2.3: Component Wise Budget and Expenditure for the year 2024-25

Component	Total Budget	Total Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the Total Budget
1	2	3	4	5	6=3/2*100
Committed Expenditure	71,366.16	69,203.52	36.58	50.03	96.97
State Scheme (SS)	1,85,218.20	1,32,747.41	94.93	95.96	71.67
Centre Sharing Schemes (CSS) (Central Share)	9,896.11	5,581.91	5.07	4.04	56.41
EAP-Externally Aided Projects	90.37	90.37	0.05	0.07	100.00

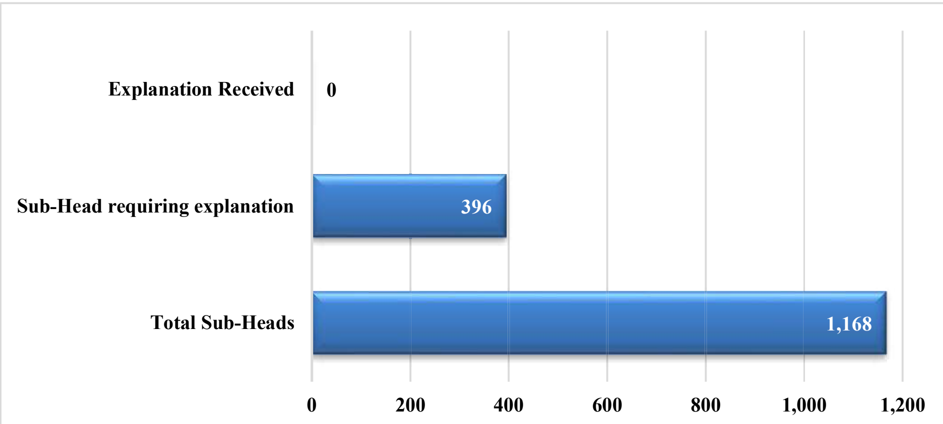
Against the total budget provision of ₹ 1,95,114[2] crore, expenditure of ₹ 1,38,329[3] crore (70.90 *per cent*) was incurred during 2024-25. Committed

[2] **₹ 1,95,114 crore** = ₹ 1,85,218 crore (SS) + ₹ 9,896 crore (CSS).

[3] **₹ 1,38,329 crore** = ₹ 1,32,747 crore (SS) + ₹ 5,582 crore (CSS).

expenditure showed high utilisation at 96.97 *per cent*. Similarly, State Schemes (including State Share of Centrally Sponsored Schemes), forming the major share of the budget, recorded 95.96 *per cent* utilization and Externally Aided Projects achieved full utilisation (100 *per cent*). The overall utilisation indicates reasonably satisfactory spending and savings under State Schemes and Centrally Sponsored Scheme.

Chart 2.2: Summary of Explanation for Variation in Appropriation Accounts



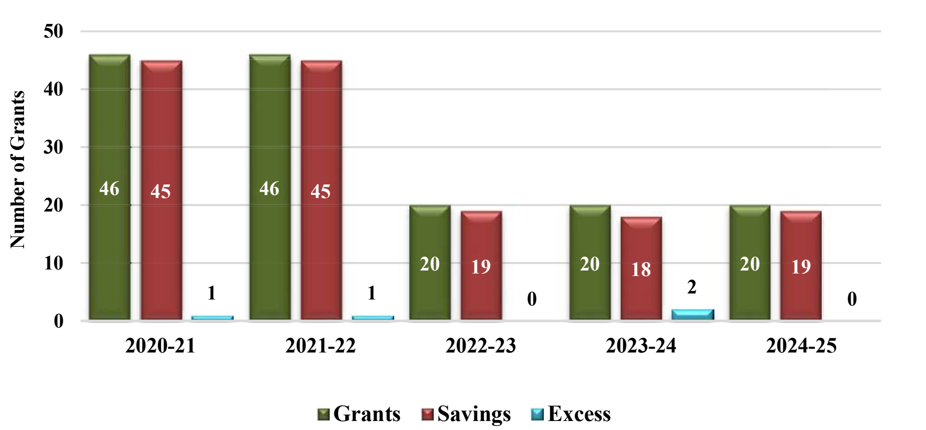
Source: Information provided by office of the Pr. Accountant General (Accounts & Entitlement), Haryana

2.3 Budget marksmanship

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

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

Chart 2.3: Year-wise Grants, Excesses and Savings



Source: Appropriation Accounts

Over the last three years, the numbers of grants with savings at the end of the year has largely remained consistent and there is no excess expenditure over authorization in any grant in FY 2024-25.

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

Table 2.4: Expenditure composition overall deviation FY 2024-25

Section	Overall Deviation (*per cent*)	Range of Deviation (*per cent*)	Number of Grants
Revenue (voted)	(-) 12.64	0 to ± 25	12[4]
		± 25 to ± 50	5[5]
		± 50 to ± 100	0
Capital (Voted)	(-) 24.39	0 to ± 25	4[6]
		± 25 to ± 50	6[7]
		± 50 to ± 100	7[8]
Revenue (Charged)	(-) 3.75	0 to ± 25	5[9]
	(-) 39.77	± 25 to ± 50	2[10]
	(-) 65.72	± 50 to ± 100	4[11]
Capital (Charged)	(-) 10.15	0 to ± 25	2[12]
	(-) 45.00	± 25 to ± 50	1[13]
	0	± 50 to ± 100	0
No provision was, however, made in respect of Three Grants (Grant nos. 7, 8, 9) of the Revenue Voted and Three Grants (Grant nos. 2, 8, 9) of the Capital section.			

Overall expenditure showed shortfalls of 12.64 *per cent* in *Revenue (Voted)* and 24.39 *per cent* in Capital (Voted), with several grants deviating beyond ±25%, indicating weak estimation and prioritisation. Revenue *(Charged)* recorded a moderate deviation of 3.75 *per cent*, though some grants showed large variations up to 71.61 *per cent*. Capital *(Charged)* showed a deviation of 45 *per cent*, reflecting deficiencies in forecasting.

2.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and re-appropriations distinctly on gross basis.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure

[4] Grant No. 1, 2, 4, 5, 6, 12, 14, 15, 16, 17, 18 and 19.
[5] Grant No. 3, 10, 11, 13 and 20.
[6] Grant No. 11, 14, 19 and 20.
[7] Grant No. 5, 6, 10, 12, 17 and 18.
[8] Grant No. 1, 3, 4, 7, 13, 15 and 16.
[9] Grant No. 2, 5, 6, 11 and 20.
[10] Grant No. 3 and 18.
[11] Grant No. 1, 10, 14 and 17.
[12] Grant No. 8 and 17.
[13] Grant No. 19.

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

2.5 Budgetary and accounting process

Audit selected five departments[14] from Grant No. 12-Education (Secondary/Elementary)/ Higher Education (Higher, Technical, and Science & Technology)/Women and Child Development and two departments[15] from Grant No. 17 Public Works (Building and Roads)/ Transport/Civil Aviation for review. The results of the review of budget and expenditure of these two selected Grants is discussed in Paragraphs no 2.5.2 to 2.5.4 and Paragraphs no. 2.5.6 and 2.5.7 respectively.

2.5.1 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 authorisation 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 to be done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

A Excess expenditure during current year

There was no excess expenditure over the authorisation made by the State Legislature under any grant or Appropriation during the year 2024-25.

B. Regularisation of Excess expenditure of previous financial year

Excess disbursements pertaining to previous years pending regularisation from State Legislature are shown in ***Table 2.5***.

14 (i) Elementary Education Department, (ii) Secondary Education Department, (iii) Higher Education Department, (iv) Technical Education Department and (v) Women and Child Development Department

15 (i) Transport Department and (ii) Public Works Department (B&R)

Table 2.5: Details of excess expenditure relating to previous year (2023-24) requiring regularisation

(₹ 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**

Source: Appropriation Accounts

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

The State Government has regularised excess expenditure up to 2021-22.

2.5.2 Supplementary grants rendered non-essential

Article 205 of the Constitution prescribes the requirement of a Supplementary or additional grant or appropriation to cater to the requirements in excess of the original provisions.

It was noticed that in 20 instances (***Appendix 2.1***) even though the supplementary provisions of ₹ 5,671.41 crore were made, the expenditure did not come up to the level of the original provisions during the year 2024-25. Similarly, Supplementary provision of ₹ 3,268.85 crore in three cases (₹ three crore or more in each case) proved non-essential (***Appendix 2.2***) as full amount of supplementary provisions could not be utilised.

Scheme-wise review of the budget and expenditure of the selected departments[16] under Grant No. 12.

The details of unnecessary or excessive supplementary grants are given in ***Table 2.6***.

[16] (i) Elementary Education Department, (ii) Secondary Education Department, (iii) Higher Education Department, (iv) Technical Education Department and (v) Women and Child Development Department

Table 2.6: Details of unnecessary or excessive supplementary grants

(₹ in crore)

Sr. No.	Classification and Name of the scheme	Original	Supplementary	Total	Actual Expenditure
	Unnecessary Supplementary Grant				
1	Rashtriya Madhyamik Shiksha Abhiya (RMSA)- Government Secondary Schools (2202-02-109-86)	500.00	91.13	591.13	426.69
2	Child Helpline (2235-02-102-62)	0.00	14.88	14.88	0.00
3	Integrated Child Development Services Schemes (WCD) (2235-02-102-92)	780.00	15.00	795.00	774.79
4	Scheme for Poshan Abhiyan (2236-80-102-99)	26.40	27.02	53.42	0.00
5	Construction of Anganwadi Centres- State Contribution (4235-02-102-99-98)	35.00	3.00	38.00	9.99
	Total	**1,341.40**	**151.03**	**1,492.43**	**1,211.47**
	Excessive Supplementary Grant				
6	Sarva Shiksha Abhiyan (2202-01-111-99)	550.00	115.80	665.80	593.89
7	Rashtriya Madhyamik Shiksha Abhiyan (RMSA) under Special Central Assistance for Scheduled Castes Component (2202-02-793-98)	89.24	24.37	113.61	113.57
8	Scheme for Multi Sectoral Nutrition Programme to address the Maternal and Child Under-Nutrition (2236-02-101-87)	150.00	40.00	190.00	150.63
9	Supplementary Nutrition Programme (2236-02-101-95)	111.30	84.48	195.78	170.50
	Total	**900.54**	**264.65**	**1,165.19**	**1,028.59**
	Insufficient Supplementary Grant				
10	Sarv Shiksha Abhiyan under Special Central Assistance for Scheduled Castes (2202-01-793-99)	140.00	35.65	175.65	181.68
11	Staff for Headquarter (WCD)- Establishment Expenses (2235-02-001-97-98)	13.33	1.86	15.19	18.09
12	Supplementary Nutrition Programme for Scheduled Castes (2236-02-789-98-51)	50.00	10.00	60.00	140.16
	Total	**203.33**	**47.51**	**250.84**	**339.93**

Supplementary provision of ₹ 151.03 crore proved unnecessary in five cases as the expenditure did not come up the level of original provisions. In four cases, supplementary provision of ₹ 264.65 crore proved excessive as it was more than the total requirement. On the other hand, in three cases supplementary provision of ₹ 47.51 crore was not adequate to meet the requirements.

On being pointed out by Audit, the Secondary Education Department replied (July 2025) that the provision was made in Supplementary Budget to recoup the amount given from Contingency Fund during the year 2023-24 for the matching share of Centrally Sponsored Scheme '*Samagra Shiksha*'. The replies from Elementary Education and Woman and Child Development Departments are awaited (October 2025).

Scheme-wise review of the budget and expenditure of the selected departments[17] under Grant No. 17.

The details of unnecessary or excessive supplementary grants are given in ***Table 2.7***.

[17] Public Works Department (B&R) and Transport Department

Table 2.7: Details of unnecessary or excessive supplementary grants

(₹ in crore)

Sr. No.	Classification and Name of the scheme	Original	Supplementary	Total	Actual Expenditure
	Unnecessary Supplementary Grant				
1	B-Operations under Haryana Roadways (3055-201-98)	2,312.81	57.70	2,370.51	2,278.77
	Total	**2,312.81**	**57.70**	**2,370.51**	**2,278.77**
	Excessive Supplementary Grant				
2	Road Works under State Highways (3054-03-337-51)	40.00	50.00	90.00	67.76
3	Construction of 2 Lane road from Panchgaon to Farukhnagar via Jamalpur by widening & reconstruction in the Gurugram (5054-04-337-48-98)	0.00	8.41	8.41	8.22
4	Widening (5.50 m to 7.00m) Strengthening & IPB on (MES) from KM 0 to 11.50 m in Gurugram (5054-04-337-48-99)	0.00	9.19	9.19	4.67
	Total	**40.00**	**67.60**	**107.60**	**80.65**
	Insufficient Supplementary Grant				
5	Rural Roads under Road Works (3054-04-337-98)	400.00	310.00	710.00	841.23
6	District Roads under Road Works (3054-04-337-99)	40.00	60.00	100.00	112.76
	Total	**440.00**	**370.00**	**810.00**	**953.99**

Supplementary provision of ₹ 57.70 crore proved unnecessary in one case as the expenditure did not come up the level of original provisions. In three cases, supplementary provision of ₹ 67.60 crore proved excessive as it was more than the requirement. On the other hand, in two cases supplementary provision of ₹ 370 crore was not adequate to meet the requirements. This indicated that supplementary provisions were made without realistic assessment reflecting sub-optimal budgetary management.

2.5.3 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2024-25, re-appropriation orders under 20 grants (***Appendix 2.3***) amounting to ₹ 46,142.41 crore were issued. All re-appropriation orders were issued on 31 March 2025 which clearly indicates a lack of proactive monitoring of expenditure.

Audit noticed that in 37 schemes[18] (***Appendix 2.4***), reduction of provisions (more than ₹ three crore in each case) through re-appropriation orders proved injudicious as there was excess expenditure in these schemes. In six[19] schemes, reduction of provisions also proved injudicious as the expenditure did not come up to the level of original budget provision.

Audit also noticed that in five schemes[20], the augmentation of provision proved unnecessary because expenditure was either equal to or did not come up to the level of original budget provision. Similarly in eight schemes[21], the

[18] Sr. No. 2 to 19, 22 to 30, 32, 35 to 40, 42, 44, 45 and 47 of ***Appendix 2.4.***

[19] Sr. No. 33, 38, 48, 49, 52 and 55 of ***Appendix 2.4***.

[20] Sr. No. 1, 20, 21, 43 and 50 of the ***Appendix 2.4.***

[21] Sr. No. 31, 34, 41, 46, 51, 53, 54 and 56 of the ***Appendix 2.4.***

augmentation of provision proved insufficient, as the actual expenditure was more than the funds provided through re-appropriation.

Scheme-wise review of the budget and expenditure of the selected departments under Grant No. 12.

During review of scheme-wise budget and expenditure of the selected departments[22], it was observed that in 12 schemes (***Appendix 2.5***), reduction of provisions (more than ₹ three crore in each case) through re-appropriation orders proved injudicious as there was excess expenditure under these cases. Further, in two schemes (***Appendix 2.5***), the augmentation of provision proved injudicious because expenditure did not come up to the level of original/supplementary budget provision.

Scheme-wise review of the budget and expenditure of the selected departments under Grant No. 17.

During review of scheme-wise budget and expenditure of the selected departments (PWD (B&R) and Transport Department), it was observed that in 13 schemes (***Appendix 2.6***), reduction of provisions (more than ₹ three crore in each case) through re-appropriation orders proved injudicious as there was excess expenditure under these cases. In five schemes, reduction of provisions proved insufficient as the expenditure did not come up to the level of original budget provision. In three schemes (***Appendix 2.6***), the augmentation of provision proved insufficient, as the actual expenditure was more than the funds provided through re-appropriation.

Such instances reflect weak financial planning and inadequate monitoring in assessing fund requirements and ensuring effective utilisation of budgetary resources.

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

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

Analysis of grants and appropriations showed that in one grant (Grant No. 20-Town and Country Planning/Urban Estates (Urban Development)/Urban Local Bodies (Local Government)/ Development and Panchayat (Rural Development)/ Public

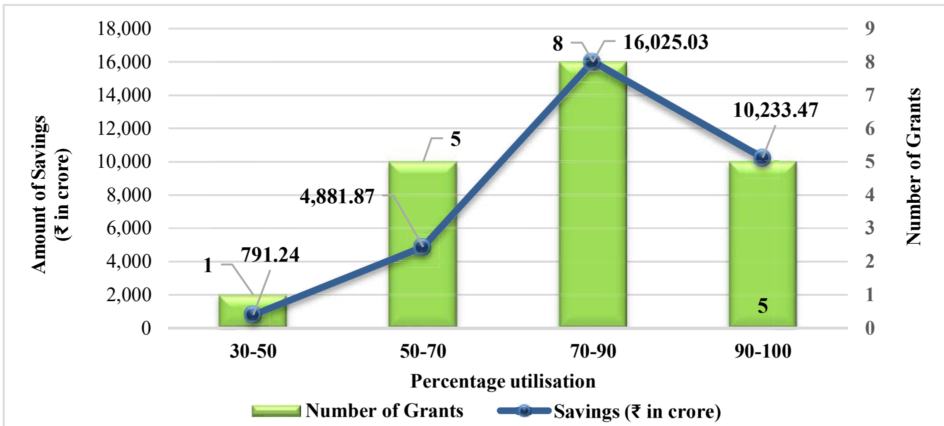
[22] (i) Elementary Education Department, (ii) Secondary Education Department, (iii) Higher Education Department, (iv) Technical Education Department and (v) Women and Child Development Department

Health Engineering) under the Capital Voted Section during the year 2024-25, savings (₹ 161.77 crore) (excluding surrenders) exceeded ₹ 100 crore.

Further, it was also observed that in 26 cases under 15 grants, there was persistent saving exceeding ₹ 100 crore in each case (***Appendix 2.7)*** during 2022-23 to 2024-25.

Detail of grants grouped by the percentage of utilisation along with total savings during 2024-25 have been shown in ***Appendix 2.8*** and ***Chart 2.4***.

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

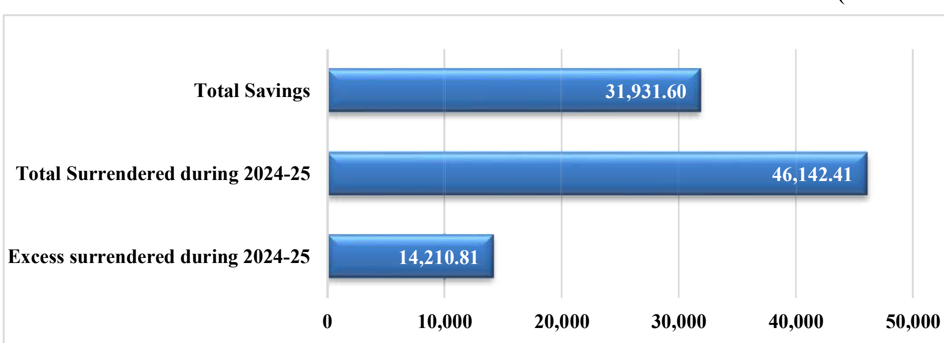


Source: Appropriation Accounts

Savings under 05 Grants and 02 Appropriations amounting to ₹ 6,676.69 crore (***Appendix 2.9)*** were not surrendered at all. Details of savings (exceeding ₹ 10 crore in each case) surrendered on the last day of March 2025 is given in ***Appendix2.10***.

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

(₹ in crore)



Source: Appropriation Accounts

Against the actual savings of ₹ 31,931.60 crore, an amount of ₹ 46,142.41 crore was surrendered through re-appropriation orders, resulting in excess surrender of ₹ 14,210.81 crore (144.50 *per cent*) demonstrating that the Controlling officers are not monitoring/ reconciling the actual expenditure figures before final surrenders. This is indicative of inadequate budgetary control.

During Exit Conference, the Finance Department assured (19 February 2026) to examine the issue and take necessary steps in the forthcoming budget formulation/preparation.

Scheme-wise review of the budget and expenditure of the selected departments under Grant No. 12.

As per instructions issued by Finance Department, Haryana vide letter no. 2/5/2023-1B&C dated 30 October 2023 for preparation of Budget Estimates for 2024-25 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 45 schemes of selected Departments[23] , there were persistent savings ranging between 12 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 2022-23 to 2024-25; details are given in ***Appendix 2.11***.

2.5.5 Misclassification between Revenue Expenditure and Capital Expenditure

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

During the financial year 2024-25, the State Government had booked ₹ 2,566.60 crore as Capital Expenditure under six Grants. Audit examined the sanction orders and expenditure vouchers related to this booked amount. It was observed that the amount of ₹ 2,566.60 crore (***Appendix 2.12***) was expenditure towards grants- in-aid /financial assistance to various universities which was booked as loans. Further, without any terms and conditions regarding recovery of principal and interest these could not be treated as loans. In accordance with Note below Rule 30(1) of GAR 1990, this amount is to be classified as Revenue Expenditure, instead of Capital Expenditure. Therefore, expenditure of Revenue nature amounting to ₹ 2,566.60 crore had been booked under Capital Expenditure.

Thus, there was a misclassification of ₹ 2,566.60 crore, which resulted in understatement of Revenue Deficit to that extent.

2.5.6 Major policy pronouncements in Budget and Actual Expenditure

Major policy pronouncements in the Budget and Actual expenditure during 2024-25 are given in ***Table 2.8*** wherein it is evident that against the total budget

[23] Elementary Education, Secondary Education, Higher Education, Technical Education Departments: 28 and Women and Child Development Department: 17

provision of ₹ 18,420.86 crore, an expenditure of ₹ 15,402.91 crore (83.62 *per cent*) was incurred on these schemes during 2024-25, resulting in overall savings of ₹ 3,067.95 crore. Moreover, out of a total of 31 schemes, expenditure in 16 schemes was less than 50 *per cent* of the budget provision, while in four schemes, expenditure exceeded the budget provision by more than 10 *per cent*.

Table 2.8: Major policy pronouncements in budget and actual

(₹ in crore)

Sr. No.	Name of Scheme and Classification	OE	AE	S (-)/ E (+)
1.	Reimbursement of Market fee Plus GST under Price Support System to HAFED (2401-51-108-79-51)	300.00	75.00	(-) 225.00
2.	Scheme for Rashtriya Krishi Vikas Yojna (2401-51-109-80)	120.00	0.98	(-) 119.02
3.	Scheme for Promotion of crops and water conservation Diversification (2401-51-108-83)	200.00	38.19	(-) 161.81
4.	Deenbandhu Haryana Gram Uday Yojana (4515-51-101-99)	100.00	5.60	(-) 94.40
5.	Scheme for Sanitation under Swachh Bharat Mission (Gramin)-Normal Plan (2515-51-102-93-99)	100.00	17.83	(-) 82.17
6.	Scheme for the Establishment of Gou Seva Ayog (2403-51-102-69-51)	425.00	0.68	(-) 424.32
7.	Swaran Jayanti Integrated Aviation Hub at Hisar (5053-60-102-98-51)	450.00	411.96	(-) 38.04
8.	Supplementary Nutrition Programme (2236-02-101-95)	195.78	170.50	(-) 25.28
9.	Pradhan Mantri Fasal Bima Yojana (2401-51-111-90)	700.00	510.49	(-) 189.51
10.	Haryana Gramin Vikas Yojana (4515-51-101-97)	624.00	499.93	(-) 124.07
11.	Scheme for Technology Mission on Sugarcane (2401-51-108-81)	200.00	39.16	(-) 160.84
12.	Sub Mission on Agriculture Mechanization (2401-51-109-78)	100.00	0.00	(-) 100.00
13.	Mahatma Gandhi National Rural Employment Guarantee Scheme - Normal Plan (2505-02-101-99-99)	400.00	223.80	(-) 176.20
14.	NRDWP- Coverage Central (4215-01-102-98-99)	526.00	213.27	(-) 312.73
15.	Implementation of Pradhan Mantri Krishi Sinchayee Yojana- Per Drop More Crop (2705-51-190-94-51)	237.00	97.51	(-) 139.49
16.	Loan to the Haryana Agricultural University, Hisar (6416-51-190-99-51)	672.00	636.51	(-) 35.49
17.	Reconstruction/Renovation/ Replacement and Construction of Bridges and Structure on Canals & Drains (4700-80-800-97)	200.00	122.91	(-) 77.09
18.	Sarva Shiksha Abhiyan (2202-01-111-99)	665.80	593.89	(-) 71.91
19.	Mid-Day Meal for Primary School Children- (2202-01-112-99)	608.05	437.66	(-) 170.39
20.	Rashtriya Madhyamik Shiksha Abhiyan (RMSA) (2202-02-109-86-51)	591.13	426.69	(-) 164.44
21.	Pradhan Mantri Awas Yojna (Urban Normal) (2216-02-192-99)	150.00	1.04	(-) 148.96
22.	Setting up of power cogeneration and ethanol Plant in Cooperative Sugar Mills (6860-04-101-95-51)	200.00	0.00	(-) 200.00
23.	Development of Fresh Water Aquaculture Renamed as Pradhan Mantri Matsya Sampada Yojana (PMMSY) (2405-51-101-72-51)	166.06	33.08	(-) 132.98
24.	Implementation of AMRUT-II for Water Supply (4215-01-101-93-51)	656.00	172.09	(-) 483.91
25.	Mobilizing the resources for expanding coverage of micro irrigation under Micro Irrigation Fund (MIF) (2705-51-188-99-51)	100.00	25.00	(-) 75.00
26.	Crop Residue Management (CRM) component of RKVY (2401-51-109-74-51)	300.00	124.95	(-) 175.05
	Total	**8,986.82**	**4,878.72**	**(-) 4,108.10**
1	Construction of Roads in Haryana State-Construction strengthening /widening and improvement of roads for State Scheme (5054-03-337-88-99)	350.00	406.08	56.08
2	Installation of Solar Water Pumping System in the State (2810-51-101-98)	1,000.00	1,257.50	257.50
3	Opening /Up-gradation and strengthening of Veterinary Institutions (2403-51-101-62-51)	114.00	126.30	12.30
4	Old Age Samman Allowance Scheme (2235-60-102-98)	5,288.84	6,026.61	737.77
5	Financial Assistance to Destitute Women and Widow (2235-60-102-96)	2,681.20	2,707.70	26.50
	Total	**9,434.04**	**10,524.19**	**1,090.15**
	Total	**18,420.86**	**15,402.91**	**(-) 3,017.95**

Note: OE: Original Estimate (Original + Supplementary), AE: Actual Expenditure, S: Savings and E: Excess

Due to substantial savings of ₹ 3,017.95 crore, the State Government was unable to spend the intended amount of funds earmarked for major policy pronouncements related to many social and economic sector schemes in the Budget. The main reasons for the savings/excess as furnished by the concerned departments was less/non-receipt of claims/demand, less/non-receipt of funds/central share from GOI, non-finalisation of bills, sanction of new works, enrollment of more beneficiaries etc.

Further, under 68 schemes, the budget provision (₹ 10 crore and above) of ₹ 4,248.33 crore was fully withdrawn in revised outlay as per details given in ***Appendix 2.13***.

Scheme-wise review of the budget and expenditure of the selected departments[24] under Grant No. 12.

Review of Grant No. 12 revealed that Budget provision (above ₹ one crore) amounting to ₹ 273.32 crore made under 18 schemes remained unutilised at the end of the year (2024-25) as detailed in ***Table 2.9***.

Table 2.9: Details of entire provision remained unutilised under Grant No. 12

(₹ in crore)

Sr. No.	Scheme Name	Budget provision
1.	2202-01-101-95-51-N-V- Expansion of Facilities Classes VI-VIII (Full time)	20.00
2.	2202-01-199-99-51-N-V- PM SHRI (PM Schools for Rising India) Scheme	64.65
3.	2202-01-789-93 PM SHRI (PM Schools for Rising India) Scheme	7.50
4.	2202-02-110-98-51 Grant-in-aid to Non-Government Secondary Schools (Salary Grant)	3.00
5.	2202-04-200-97-51 Sakshar Bharat Scheme renamed as Padhna Likhna Abhiyan renamed as New India Literacy Programme (NILP)	10.00
6.	2203-51-105-55-51-N-V- Community Development Through Polytechnics	1.20
7.	2203-51-105-82-51-N-V- Modernisation of existing Polytechnic	1.00
8.	2203-51-105-89-51-N-V- Setting up of new Govt. Polytechnics in the State.	2.00
9.	2203-51-112-92-51-N-V- Establishment of National Institute of Fashion Technology, Panchkula	10.00
10.	2235-02-102-69-51-N-V- Rajiv Gandhi National Creche Scheme Renamed as National Creche Scheme	20.00
11.	2235-02-102-73-51-N-V- Integrated Child Protection Scheme (ICPS) Renamed as Mission Vatsalya	55.00
12.	Scheme for Adolescent Girls [2236-02-101-89]	2.05
13.	Scheme for Poshan Abhiyan [P-02-12-2236-80-102-99-51]	26.40
14.	4202-01-202-97-51 Construction of Sr. Secondary and High Schools Buildings under NABARD	40.00
15.	4235-02-102-96-51-N-V- Construction of JJBs And CWCs (SAP)	5.50
16.	4235-02-102-99-99-N-V- Construction of Anganwadi Centres -NABARD Contribution	1.00
17.	4235-02-103-95-51-N-V- Construction of Protection Houses (Suraksha Grah) for Combating Honour Killing	3.00
18.	4235-02-103-96-51-N-V- Construction of building setting up One Stop Crisis Centre for women Scheme	1.02
	Total	**273.32**

The entire budgetary provision of these schemes was re-appropriated and no expenditure was incurred under these schemes. Further, it was also noticed that

[24] (i) Elementary Education Department, (ii) Secondary Education Department, (iii) Higher Education Department, (iv) Technical Education Department and (v) Women and Child Development Department

out of the above 18 schemes, four schemes[25] were not implemented during last three years (2022-23 to 2024-25) and three schemes[26] were also not implemented during 2023-24 and 2024-25. The main reasons for non-utilisation as furnished by the concerned Departments were non-receipts of the claims/demands under these schemes, grant/share not received from GoI, etc. As many of these schemes have major social sector component it is imperative that State Government may take proactive measures to ensure allocation of intended amount and sanction/utilisation of the same.

Scheme-wise review of the budget and expenditure of the selected departments under Grant No. 17.

Review of selected departments (PWD (B&R) & Transport Department) under Grant No. 17 revealed that Budget provision (above ₹ one crore) amounting to ₹ 182.50 crore made under five schemes remained unutilised at the end of the year (2024-25) as detailed in given in ***Table 2.10***.

Table 2.10: Details of entire provision remained unutilised under Grant No. 17

(₹ in lakh)

Sr. No.	Scheme Name	Budget provision
1.	3055-201-96 F-Other Expenditure	125.50
2.	5054-04-101-84-97 Construction of Bridges and Railway Over Bridges under NABARD scheme	15.00
3.	5054-04-337-47 Creation of Urban Infrastructure under Urban Infrastructure Development Fund (UIDF)) of National Housing Bank	10.00
4.	5054-04-337-49-99 Upgradation of rural roads in Ambala Circle CFC under Rural Road under PMGSY Scheme	22.00
5.	5054-80-190-99 Equity Capital to Haryana Rail Infrastructure Development	10.00
	Total	**182.50**

The entire budgetary provision of these schemes was re-appropriated and no expenditure was incurred under these schemes. The main reasons for non-utilisation as furnished by the concerned Departments were less/non-sanction of projects/ non-receipts of demand receipts/expenditure as per receipt of funds from GOI etc.

This indicates that budgetary allocations were based on unrealistic proposals and deprived the benefits intended to flow of the proposed expenditure on infrastructure creation/maintenance.

2.5.7 Non-adherence to the Quarterly Expenditure Limit

Rule 62(3) of the General Financial Rules 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.

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash

[25] Sr. No. 6, 7, 8, 14.

[26] Sr. No. 9, 10, 16.

crunches. The State Government has prescribed 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.

Analysis of ***Table 2.11*** and ***Chart 2.7*** below reveals that expenditure of the State Government during 4th quarter at 28.96 *per cent* was within the prescribed limit of 30 *per cent.*

Table 2.11: Rush of Expenditure during FY 2024-25

	Amount (₹ in crore)	Percentage of Total Expenditure in the year
Last Quarter of the year (January to March 2025)	40,061	28.96
Last month of the year (March 2025)	17.988	13.00

Trend of total Monthly receipts (Revenue Receipts, Capital Receipts and cash balance) and expenditure during financial year 2024-25 is shown in ***Chart 2.6*** and ***Chart 2.7***.

Chart 2.6: Trend analysis of receipts (Month-wise)

(₹ in crore)

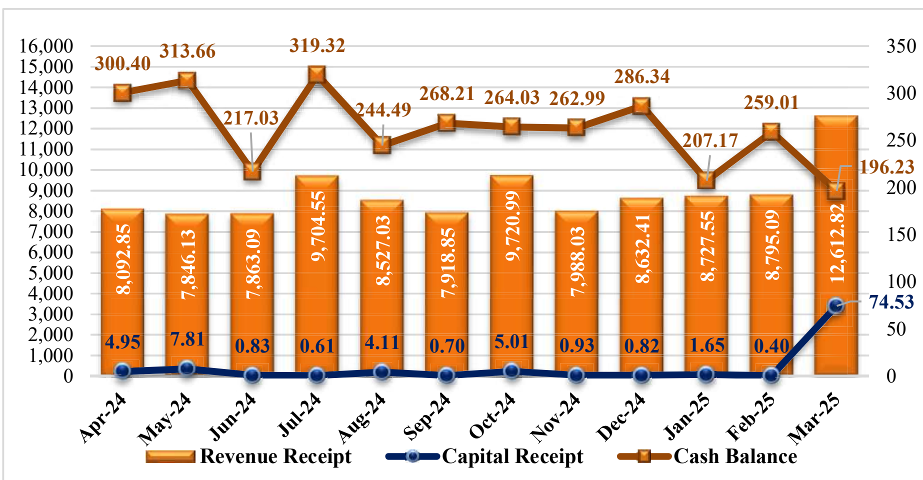
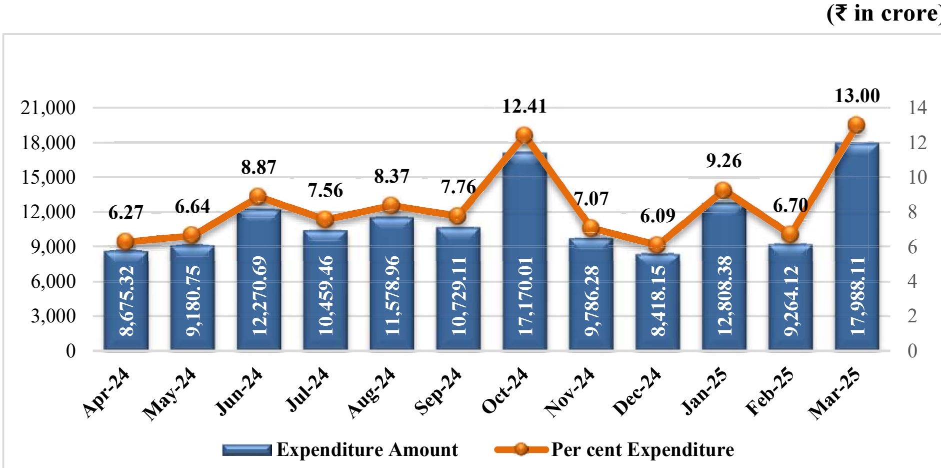


Chart 2.7: Trend analysis of expenditure (Month-wise)

(₹ in crore)



The financial analysis reveals a total expenditure of ₹ 1,38,329.34 crore with significant monthly variations ranging from ₹ 8,765 crore in April 2024 to an exceptional peak of ₹ 17,988 crore in March 2025. The spending pattern shows considerable volatility throughout the year, with an average monthly expenditure of ₹ 11527 crore. Notably, March 2025 represents the highest single-month expenditure at 13 *per cent* of the total annual spending. Further, the chart also reveals seasonal trends, with October 2024 showing another significant spike at ₹ 17,170 crore (12.41 *percent*), suggesting potential cyclical patterns in expenditure behaviour.

Further, scrutiny of Major Head-wise expenditure under 20 Grants, it was observed that against the prescribed limit of 30 *per cent* for the 4th quarter of the year, the expenditure was between 31.10 *per cent* and 100 *per cent* (under 46 Major Heads for 16 grants) as detailed in ***Appendix 2.14***. In these cases, out of the expenditure of ₹ 26,275.87 crore incurred during the year 2024-25, expenditure of ₹ 7,698.44 crore (29.30 *per cent*) was incurred during the month of March 2025. As such, against the target of 30 *per cent* for last quarter, 29.30 *per cent* expenditure was incurred in only one month and 45.63 *per cent* in the last quarter. This indicates that the directions of the Finance Department regarding an even flow of expenditure across quarters were not adhered to by the different departments of the State.

Scheme-wise review of the budget and expenditure of the selected departments under Grant No. 12.

Out of total expenditure of ₹ 3,541.80 crore under 26 schemes in selected four[27] departments and ₹ 464.52 crore under 16 schemes in Women and Child Development Department, expenditure of ₹ 2,004.54 crore (57 *per cent*) and ₹ 301.39 crore (65 *per cent*) was incurred (more than ₹ two crore and above 30 *per cent*) in the last quarter of the year. Further, expenditure of ₹ 1,350.17 crore (38 *per cent*) in four[28] departments and ₹ 237.86 crore (51 *per cent*) in Women and Child Development Department was incurred during the month of March 2025 as detailed in ***Appendix 2.15***. Incurring expenditure in the last quarter especially in the month of March indicates inadequate budgetary monitoring and control.

The matter was referred (July 2025) to the concerned departments for their comments. Education Department (Elementary) stated (July 2025) that rush of

[27] (i) Elementary Education Department, (ii) Secondary Education Department, (iii) Higher Education Department and (iv) Technical Education Department.

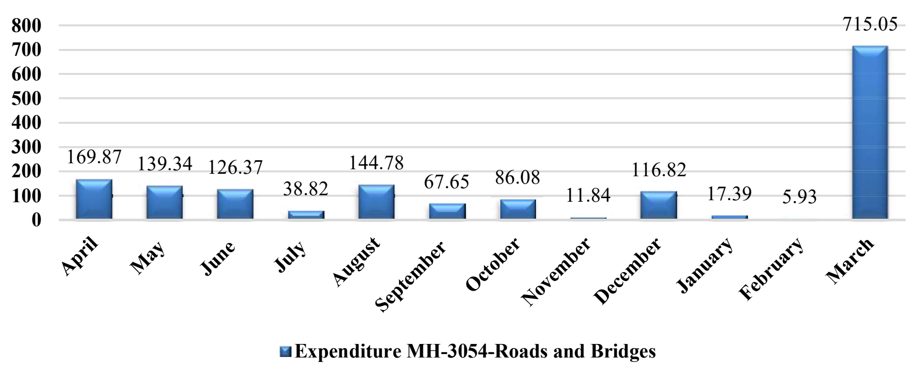
[28] (i) Elementary Education Department, (ii) Secondary Education Department, (iii) Higher Education Department and (iv) Technical Education Department.

expenditure in the 4th quarter of the year was due to the Finance Department relaxed the capping limit in February 2025 and releasing the 2nd and 3rd installments in 4th quarter for the session 2024-25. Replies of the Higher Education, Technical Education and Women and Child Development Departments are awaited (October 2025).

Scheme-wise review of the budget and expenditure of the selected departments under Grant No. 17.

Out of total expenditure of ₹ 238.11 crore under five schemes in Public Works Department (B&R) and ₹ 242.34 crore under two schemes in Transport Department, expenditure of ₹ 123.84 crore (52 *per cent*) and ₹ 215.18 crore (89 *per cent*) was incurred (more than ₹ two crore and above 30 *per cent*) in the last quarter of the year. Further, expenditure of ₹ 28.96 crore (12 *per cent*) in Public Works Department (B&R) and ₹ 127.17 crore (52 *per cent*) in Transport Department was incurred during the month of March 2025 as detailed in ***Appendix 2.16***. Incurring expenditure in the last quarter especially in the month of March indicates poor budgetary monitoring and control.

Chart 2.8: Month-wise expenditure under Major Head 3054-Roads and Bridges (₹ in crore)



Source: Office of the Pr. Accountant General (A&E), Haryana

2.6 Single Nodal Agency

Ministry of Finance, Government of India, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank. The State Government is required to transfer the Central Share received, to the concerned SNA's account, along with the corresponding State share.

As per the State Government, an amount of ₹ 2,372.74 crore being Central share was received during the year in its Treasury account. As on 31 March 2025, the State Government transferred Central share of ₹ 2,254.81 crore and State share of ₹ 4,175.71 crore to the SNAs. Out of total transfer of ₹ 6,430.52 crore, ₹ 20.84 crore was transferred through AC Bills, ₹ 3,262.64 crore through Grants-in-aid bills, ₹ 3,147.04 crore through Fully Vouched Contingent Bills. However, detailed vouchers and supporting documents of actual expenditure were not received by Principal Accountant General (Accounts and Entitlements) office from the SNAs, in absence of which the extent of utilisation could not be examined in audit.

As against the Central Share of ₹ 2,372.74 crore, the transfer was ₹ 2,254.81 crore leading to short transfer of ₹ 117.93 crore and thus to this extent the cash balance was overstated. However, as per SNA 01 report from the PFMS-SNA portal, the State Government transferred Central share of ₹ 1,878.51 crore and State share of ₹ 1,687.43 crore to the SNAs. The difference between the figures intimated by the State Government and SNA-01 report of PFMS-SNA is under reconciliation. It was further informed by the State Government and as per the SNAs report, ₹ 1,006.30 crore was lying unspent in the bank accounts of SNAs as on 31 March 2025.

2.7 Single Nodal Agency-SPARSH

As per the revised procedure notified by the Ministry of Finance, State Governments are required to transfer both the Central and State share of funds to the Single Nodal Agency (SNA) Account under the SNA-SPARSH model. However, during Audit it was observed that the State continues to adopt varied modes of transfer such as Grants-in-Aid (GIA) Bills, Abstract Contingent (AC) Bills, Fully Vouched Contingent Bills. Further, detailed vouchers and supporting documents of actual expenditure were not received by Office of the Principal Accountant General (Accounts and Entitlements) from the SNAs.

Under the SNA-SPARSH model, each State must designate an SNA for implementing every State-Linked Scheme corresponding to a Centrally Sponsored Scheme (CSS) and all releases are to be routed exclusively through the Public Financial Management System (PFMS). Upon onboarding, existing SNA accounts must be closed and return unspent balances Central share to the Consolidated Fund of India and the State share to the respective State Consolidated Fund. Further, all SNAs and Implementing Agencies must be registered in the State Integrated Financial Management Information System (IFMIS) and funds are to be released on a just-in-time basis directly to beneficiaries or vendors, without routing through Personal Deposit (PD) accounts or other intermediary accounts, thereby promoting improved cash management and transparency.

In Haryana, a total of 33 CSS {with 72 State Linked Schemes (SLS)} have been identified for onboarding onto the SNA-SPARSH platform as on

31 March 2025. Of these, 16 CSS (47 SLS) have already been successfully on-boarded, indicating substantial progress in the migration process.

However, 11 CSS (14 SLS) as on 31 March 2025 are yet to be on-boarded and are pending at various administrative levels, reflecting the need for continued coordination between the State Departments and the respective line Ministries. Additionally, six CSS (11 SLS) have been identified occurring outside the modal of SNA-SPARSH as on 31 March 2025.

The remaining schemes need to be prioritized for early migration to ensure full compliance with the Ministry's directions and to achieve seamless fund flow management under SNA-SPARSH.

2.8 Other issues noticed in Detailed Review of Selected grants

2.8.1 Review of Grant No. 12

The overall budgetary provisions, actual expenditure and savings under various functional heads of Grant No. 12 are given in ***Table 2.12***.

Table 2.12: Budget and expenditure under Grant No. 12

(₹ in crore)

Nature of Expenditure		Original Provision	Supplementary	Total	Actual expenditure	Saving (in *per cent*)
Revenue	Voted	21,277.08	460.22	21,737.30	19,815.56	(-) 1,921.74 (9)
Capital[29]	Voted	1,780.70	3.00	1,783.70	1,162.29	(-) 621.41 (35)
Grand Total		**23,057.78**	**463.22**	**23,521.00**	**20,977.85**	**(-) 2,543.15 (11)**

Source: Appropriation Account.

Under Grant No. 12, four[30] Major Heads pertain to Education (Elementary, Secondary, Higher and Technical), while three[31] Major Heads pertain to Women and Child Development Department.

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

Audit findings

(i) Budget and Expenditure

The overall position of the Budget provisions, actual expenditure and savings/excesses under various functional Heads of the selected

[29] Includes Loans for Education, Sports, Art and Culture under MH 6202.

[30] 2202-General Education, 2203-Technical Education, 4202-Capital outlay on Education and 6202-Loans for Education, Sports, Art and Culture.

[31] 2235-Social Security and Welfare, 2236-Nutrition, 4235-Capital outlay on Social Security and Welfare.

departments[32]/heads for the last three years (2022-23 to 2024-25) is given in ***Table 2.13***.

Table 2.13: Budget and expenditure of selected Departments

(₹ in crore)

Year	Nature of expenditure	Original	Supplementary	Total	Expenditure	Excess (+)/ Saving (-) (in *per cent*)	Amount Surrendered
Elementary Education, Secondary Education, Higher Education, Technical Education Department and Women and Child Development Department							
2022-23	Revenue (Voted)	18,462.72	1,705.60	20,168.32	17,652.59	(-) 2,515.73 (12)	2,733.05
	Capital[33] (Voted)	1,698.32	30.00	1,728.32	937.13	(-) 791.19 (46)	890.97
2023-24	Revenue (Voted)	19,151.37	129.09	19,280.46	16,450.37	(-) 2,830.09 (15)	2,760.05
	Capital[33] (Voted)	1,200.40	942.36	2,142.76	1,651.28	(-) 491.48 (23)	485.88
2024-25	Revenue (Voted)	19,428.84	266.95	19,695.79	18,203.80	(-) 1,491.99 (8)	1,759.17
	Capital[33] (Voted)	1,560.18	0	1,560.18	1,100.56	(-) 459.62 (29)	523.01
Women and Child Development Department							
2022-23	Revenue (Voted)	1,867.38	60.46	1,927.84	1,394.39	(-) 533.45 (28)	411.63
	Capital (Voted)	151.86	0	151.86	70.12	(-) 81.74 (54)	83.57
2023-24	Revenue (Voted)	1,923.75	67.89	1,991.64	1,388.68	(-) 602.96 (30)	547.11
	Capital (Voted)	123.00	24.73	147.73	37.61	(-) 110.12 (75)	120.64
2024-25	Revenue (Voted)	1,813.22	193.27	2,006.49	1,599.46	(-) 407.03 (20)	200.72
	Capital (Voted)	125.52	3.00	128.52	61.73	(-) 66.79 (52)	77.88

Analysis of the budget and expenditure of the selected Departments revealed that:

- During 2022-23 to 2024-25, the selected Education Departments[34] (MH 2202 and 2203) recorded unutilised budget provisions/savings between ₹ 1,491.99 crore (8 *per cent*) and ₹ 2,830.09 crore (15 *per cent*). Similarly, the Women and Child Development Department (MH 2235 and 2236) reported savings between ₹ 407.03 crore (20 *per cent*) and ₹ 602.96 crore (30 *per cent*) for the same period.

- Under the Revenue Section, out of the total savings, amounts of ₹ 70.04 crore (2023-24) in the selected Departments (Elementary, Secondary, Higher, Technical Education under MH 2202 and 2203) and ₹ 121.82 crore (2022-23), ₹ 55.85 crore (2023-24), ₹ 206.31 crore (2024-25) in the Women and Child Development Department (MH 2235 and 2236) remained un-surrendered. Moreover, the selected Departments (Elementary, Secondary, Higher, Technical Education under MH 4202 and 6202) surrendered amounts of ₹ 217.32 crore in 2022-23 and ₹ 267.18 crore in 2024-25 in excess of the available savings.

- During the period 2022-23 to 2024-25, supplementary provisions under the Revenue Section were rendered unnecessary, as actual expenditure in both selected departments did not come even up to the original budget provision.

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32 (i) Elementary Education Department, (ii) Secondary Education Department, (iii) Higher Education Department, (iv) Technical Education Department and (v) Women and Child Development Department

33 Includes only Loans for Education Department under MH 6202 of Grant No. 12.

34 Elementary, Secondary, Higher and Technical Education Departments

- In the Capital Section, the selected Departments (Elementary, Secondary, Higher, Technical Education under MH 4202 and 6202) recorded savings ranging between ₹ 459.62 crore and ₹ 791.19 crore, while the Women and Child Development Department (MH 4235) registered savings ranging between ₹ 66.79 crore and ₹ 110.12 crore during the period 2022-23 to 2024-25.

The primary reasons as stated by the concerned Departments for the savings were non-filling of vacant posts, non/less receipt of demand/claims, less engagement of contractual employees, non-finalisation of proposals, less purchase of items, etc.

(ii) Savings vis-à-vis allocations

As per instructions issued by Finance Department, Haryana vide letter no. 2/5/2023-1B&C dated 30 October 2023 for preparation of Budget Estimates for 2024-25 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.

Review of scheme Budget and expenditure of the selected Departments[35] revealed that in 31 schemes, an expenditure of ₹ 368.17 crore (27 *per cent*) was incurred against the budget provision of ₹ 1,352.29 crore, while the Women and Child Development Department spent ₹ 167.56 crore (26 *per cent*) in 19 schemes against the budget provision of ₹ 648.25 crore (***Appendix 2.17***). Moreover, out of these 50 schemes, 37 schemes recorded savings more than 50 *per cent* against their allocated Budget.

The departments attributed the savings to several factors including non-finalisation of works, less demand, reduced grants/ non-receipt of grants from the GOI, non-clearance of departmental proposals, less demand under newly introduced schemes, pending utilisation certificates from field offices for the previous year, delays in tender finalisation, etc.

The Departments not only ignored the budgetary controls laid down in the Punjab Budget Manual and Finance Department but also failed to exercise overall monitoring and financial control over the State Budget, which resulted in deprivation of funds for other development purposes.

(iii) Release of funds at the fag end of the year leading non-utilization

Rule 2.10 (b) 5 of Punjab Financial Rules Volume-I 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

[35] Elementary Education, Secondary Education, Higher Education, Technical Education Departments

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.

During review of expenditure pertaining to Education Department under Grant No. 12, it was noticed that an amount of ₹ 108.47 crore was sanctioned (during July 2024 to February 2025) under PM SHRI Scheme, Rashtriya *Madhyamik* Shiksha Abhiyan and for miscellaneous construction works. The amount was drawn from the treasury at the fag end of financial year (dated 30/31 March 2025) and transferred to State Project Director (SPD), Haryana School Shiksha Pariyojna Parishad (HSSPP).

The Elementary Education Department replied that bills were submitted timely but released by the Treasury at fag end of March 2025. However, reasons for holding bills by Treasury were not given. Release of funds at the fag end of the year defeats the purpose of timely utilisation of funds.

(iv) Operation of bank accounts without approval of Finance Department

As per directions issued by Finance Department[36] (May 2024), all the bank accounts being operated by the head of the department in their (designation) or in the name (designation) of any other officer working in the department had to be closed and the amount lying in the said bank account had to be deposited in the State treasury unless permission has been granted by the Finance Department after 1 April 2014.

Audit noticed that a bank account is being operated by the Women and Child Development Department without approval of Finance Department which is in violation of the instructions issued by the Finance Department as details given in ***Table 2.14***.

Table 2.14: Detail of Bank Account

Sr. No.	Name of Bank	Bank A/c no.	Name of Scheme	Nature of A/c	Balance s on 31 March 2025
1	HDFC	50100467147689	Juvenile Justice Fund	Saving	3,06,86,541

The matter was referred (July 2025) to the Department for their comments. Reply is awaited (December 2025).

(v) Parking of funds

Scrutiny of the records relating to grant no 12-Women and Child Development Department revealed that an amount of ₹ 169.50 crore was laying in 17 SNA/Bank

36 Letter no. 28/21/2012-5B&C dated 29-05-2014 of Finance Department, Government of Haryana

Accounts of Directorate, Women and Child Development Department as on 31 March 2025 (***Appendix 2.18***).

The matter was brought to the notice of the Department for their comments. Reply is awaited (December 2025).

(vi) Delay in opening of SNA

Ministry of Finance, Government of India (GoI) had issued instructions vide Office Memorandum, F No.1(13)/PFMS/FCD/2020 dated 23 March 2021 regarding procedure for release of funds under Centrally Sponsored Scheme (CSS). These instructions became effective w.e.f 1 July 2021. Further, Ministry of Finance, Government of India (GoI) had again issued (March 2022) instructions wherein it was provided that before releasing grant of CSS for 2022-23, it had to be ensured that the entire grant of central share of CSS fund released to the State till 31 March 2022 has been transferred to Single Nodal Account (SNA) and corresponding State share in full has been credited to the SNA. Interest accrued in the SNA account has been deposited in the Consolidated Fund of India. Funds available in the bank accounts of SNA should not be more than 25 *per cent* of the amount likely to be released under a CSS to a State in 2022-23.

Ministry of Skill Development and Entrepreneurship, Government of India, sanctioned (June 2021) ₹ one crore as CSS grant to the State of Haryana (Technical Education Department) for the component 'Community Development Through Polytechnic' (CDTP) for 10 Government Polytechnics. The recurring financial assistance for subsequent years was payable after receipts of UCs for previous year. It was observed that SNA account was opened on 28 February 2024 by the Department while as the grant was released during FY2021-22. During the review of the grant, it was observed that out of the ₹ one crore released by GoI for 2021-22, an unspent amount of ₹ 70.93 lakh (73.93 *per cent*) was deposited by the department into the SNA account between February 2024 and March 2025. Due to this underutilisation, the Department did not receive any grant-in-aid under the CDTP scheme after FY 2021-22, resulting in a substantial unspent balance remaining in the SNA account.

(vii) Non-remittance of interest earned on Grants in Government accounts

Government of India, Ministry of Finance instructed (March 2022) that the interest earned from the funds released should be mandatorily remitted to the respective Consolidated Funds on a pro-rata basis in terms of Rule 230(8) of GFR, 2017.

As on 11 July 2025, an interest amount of ₹ 18.09 crore has been received in 16 SNA accounts. Out of ₹ 18.09 crore, only ₹. 7.49 crore of interest earned on Government Grants was remitted to respective Consolidated Fund by the Department as details given in ***Table 2.15***.

Table 2.15: Details of interest credited and deposited in Government Account

Sr. No.	Name of Scheme	(upto 11 July 2025) (₹ in lakh)		
		Total interest credited in SNA	Interest deposited as Central Share	Balance amount of interest
1.	Upgradation/Construction of Aaganwari Centre	76.44	17.76	58.68
2.	Aaganwari Services	445.52	184.33	261.19
3.	Financial Assistance to Scheduled Castes Anganwadi Workers/helper	30.99	18.45	12.54
4.	Supplementary Nutrition Programme	371.71	101.93	269.78
5.	Supplementary Nutrition Programme for Scheduled Castes	27.06	13.29	13.77
6.	Scheme for Adolescent Girls	5.11	1.01	4.10
7.	Scheme for Poshan Abhiyan	134.07	70.04	64.03
8.	Integrated Child Protection Scheme (ICPS) Renamed as Mission Vatsalya	253.54	105.12	148.42
9.	Non-Institutional/Care Sponsorship/Foster Care/After Care	2.21	0.00	2.21
10.	Scheme for Beti Bachao Beti Padhao	17.73	0.79	16.94
11.	Women Helpline	1.36	0.55	0.81
12.	One Stop Crisis Centre for Women	8.02	2.97	5.05
13.	Mahila Shakti Kendra Renamed as Hub for Empowerment of Women	44.42	28.65	15.77
14.	Pradhan Mantri Matru Vandana Yojana	348.73	203.76	144.97
15.	Haryana State Creche Scheme (Palna)	39.95	0.00	39.95
16.	Anganwadi-cum-creche (Palna)	2.04	0.00	2.04
Total		**1,808.90**	**748.65**	**1,060.25**

The matter was brought to the notice of the Department for their comments. Reply is awaited (December 2025).

2.8.2 Review of Grant No. 17

The overall budgetary provisions, actual expenditure and savings under various functional heads of Grant No. 17 are given in ***Table 2.16***.

Table 2.16: Budget and expenditure under Grant No. 17

(₹ in crore)

Nature of Expenditure		Original Provision	Supplementary	Total	Actual expenditure	Saving (in *per cent*)
Revenue	Voted	5,336.17	787.70	6,123.87	5,750.69	(-) 373.18 (6)
	Charged	0.05	0.00	0.05	0.00	(-) 0.05 (100)
Capital[37]	Voted	5,191.56	22.60	5214.16	3,287.61	(-) 1,926.55 (37)
	Charged	80.00	0.00	80.00	72.88	(-) 7.12 (9)
Grand Total		**10,607.78**	**810.30**	**11,418.08**	**9,111.18**	**(-) 2,306.90 (20)**

Source: Appropriation Account.

Under Grant No. 17, two[38] Major Heads, *i.e.* pertain to Public Works Department (Building and Roads), while two[39] Major Heads *i.e.* pertain to Transport Department.

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

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37 Includes Loans for Education, Sports, Art and Culture under MH 6202.

38 3054-Roads and Bridges, 5054-Capital outlay on Roads and Bridges.

39 3055-Road Transport, 5055-Capital outlay on Road Transport.

Audit findings

(i) Budget and Expenditure

The overall position of the Budget provisions, actual expenditure and savings/ excesses under various functional Heads of the two selected Departments for the last three years (2022-23 to 2024-25) is given in ***Table 2.17.***

Table 2.17: Budget and expenditure of selected Departments

(₹ in crore)

Year	Nature of expenditure	Original	Supplementary	Total	Expenditure	Excess (+)/ Saving (-) (in *per cent*)	Amount Surrendered
Public Works Department (Building and Roads)							
2022-23	Revenue (Voted)	1,033.01	43.00	1,076.01	650.37	(-) 425.64 (40)	107.83
	Capital (Voted)	2,040.37	0.00	2,040.37	3,657.38	(+) 1,617.01 (179)	0.00
	Capital (Charged)	50.00	0.00	50.00	28.70	(-) 21.30 (43)	20.15
2023-24	Revenue (Voted)	1,530.81	500.00	2,030.81	1,346.26	(-) 684.55 (34)	626.63
	Capital (Voted)	2,505.00	693.28	3,198.28	2,610.92	(-) 587.36 (18)	586.11
	Capital (Charged)	50.00	100.00	150.00	133.55	(-) 16.45 (11)	15.29
2024-25	Revenue (Voted)	1,133.91	420.00	1,553.91	1,639.94	(+) 86.03 (106))	(R) 91.79
	Capital (Voted)	2,987.00	17.60	3,004.60	2,347.01	(-) 657.59 (22)	687.66
	Capital (Charged)	80.00	0.00	80.00	72.88	(-) 7.12 (9)	9.83
Transport Department							
2022-23	Revenue (Voted)	2,470.55	318.66	2,789.21	2,412.77	(-) 376.44 (13)	485.74
	Capital (Voted)	281.56	350.00	631.56	447.19	(-) 184.37 (29)	251.32
2023-24	Revenue (Voted)	2,978.71	0.00	2,978.71	2,574.54	(-) 404.17 (14)	497.23
	Capital (Voted)	402.55	0.00	402.55	371.94	(-) 30.61 (8)	30.61
2024-25	Revenue (Voted)	2,925.36	87.70	3,013.06	2,827.47	(-) 185.59 (6)	345.63
	Capital (Voted)	401.55	0.00	401.55	136.65	(-) 264.90 (66)	362.54

Analysis of the budget and expenditure of the two selected Departments revealed that:

- Under Revenue Section, Public Works Department (B&R) recorded unutilised budget provisions/savings of ₹ 425.64 crore in 2022-23 and ₹ 684.55 crore in 2023-24, but expenditure incurred was in excess of ₹ 86.03 crore during 2024-25. Transport Department reported savings between ₹ 185.59 crore (six *per cent*) and ₹ 404.17 crore (14 *per cent*) during the period 2022-25.

- Under the Revenue Section, out of the total savings, amounts of ₹ 317.81 crore (2022-23), ₹ 57.92 crore (2023-24) in the PWD (B&R) remained un-surrendered. However, Transport Department surrendered the amounts between ₹ 93.06 crore and ₹ 160.04 crore during 2022-25 in excess of the available savings.

- Supplementary provisions under the Revenue Section were rendered unnecessary during 2022-23 in both departments, during 2023-24 in PWD (B&R) and during 2024-25 in Transport Department, as actual expenditure in both selected departments did not come even up to the original budget provision. On the other hand, in 2024-25, supplementary provision of ₹ 420 crore was not adequate to meet the requirement in PWD (B&R) Department.

- In the Capital Section, excess expenditure of ₹ 1,617.01 crore was incurred in 2022-23 and recorded savings of ₹ 587.36 crore in 2023-24 and ₹ 657.59 crore by the PWD (B&R). Transport Department recorded savings ranging between ₹ 30.61 crore and ₹ 264.90 crore during the period 2022-23 to 2024-25.

Further, during scrutiny of records in the office of Engineer-in-Chief, PWD (B&R), it was observed that no initial demand was submitted for allocation of budget in four schemes[40] but an amount of ₹ 92 crore was allocated by Finance Department in Budget 2024-25; any supporting record explaining provision of budget of ₹ 92 crore was not made available to Audit. Incidentally, against budget provision of ₹ 92 crore, only ₹ 1.27 crore was spent.

During review of schemes, it was found that in four schemes as given in ***Table 2.18*** (Sr. No. 1 to 4) against the departmental proposal of ₹ 1,720 crore, the Finance Department allocated only ₹ 1,210 crore while actual expenditure was ₹ 1,453.92 crore. Further, in three schemes (Sr. No. 5 to 7), the departmental proposal was not realistic as against the budget proposal of ₹ 90.65 crore, actual expenditure was only ₹ 13.88 crore.

Table 2.18: Allotted budget against the departmental budget proposals

Sr. No.	Name of the Scheme	Departmental Budget Proposals	Allotted budget by Finance Department	Actual Expenditure
Departmental budget proposals reduced but expenditure incurred in excess against the allocated budget				
1.	3054-04-337-98 Rural Roads	900.00	710.00[41]	841.23
2	3054-04-337-99 District Roads	300.00	100.00[42]	112.76
3	5055-03-101-81-99 Construction of Bridges and Railway Over Bridges under State Scheme	80.00	50.00	93.85
4.	5055-03-337-88-99 Construction strengthening/ widening and improvement of roads for State Scheme	440.00	350.00	406.08
	Total	**1,720.00**	**1,210.00**	**1,453.92**
Departmental budget proposals reduced but utilise a small portion of allocated budget				
5.	3054-01-337-98 Relief for toll charges for road users of National Highways in the State of Haryana	0.20	0.10	Nil
6.	3054-01-337-99 Maintenance and Repair of National Highway Works	0.45	0.30	0.02
7.	5054-04-789-99-99 State Contribution under Construction/ Widening & Strengthening / Special Repair of roads in the Scheduled Castes Population area	90.00	70.00	13.86
	Total	**90.65**	**70.40**	**13.88**

(ii) Savings vis-à-vis allocations

Review of Budget and expenditure of the selected Departments revealed that the PWD (B&R) incurred an expenditure of ₹ 523.53 crore (45 *per cent*) in

40 (i) State Share for Construction of New Railway Lines in Haryana, (ii) Maintenance and Upgradation of Rural Roads in Ambala Circle CFC (SFC) (iii) Investment Equity Capital to Haryana Rail Infrastructure Development Corporation, (iv) Creation of Urban Infrastructure under UIDF of National Housing Bank

41 Original Budget: ₹ 400 crore + Supplementary: ₹ 310 crore.

42 Original Budget: ₹ 40 crore + Supplementary: ₹ 60 crore.

15 schemes against the budget provision of ₹ 1,166.19 crore, while the Transport Department spent ₹ 339.78 crore (52 *per cent*) in four schemes against the budget provision of ₹ 655.69 crore (***Appendix 2.19***). Moreover, out of these 19 schemes, eight schemes recorded savings more than 50 *per cent* against their allocated Budget which indicated that unrealistic Budget allocation.

(iii) Persistent savings

In six schemes (PWD (B&R): 4 and Transport Department: 2), there were persistent savings ranging between 16 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 2022-23 to 2024-25; details are given in ***Appendix 2.20***.

(iv) Misclassification of capital expenditure as revenue and vice versa

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

During scrutiny of records of the Engineer-in-Chief, PWD (B&R) and Provisional Division, Bhiwani, Audit noticed that expenditure of ₹ 62.91[43] crore incurred on construction/ re-construction, widening, strengthening and improvement of roads was incorrectly booked under the Revenue Section 3054 instead of the Capital Section 5054. Such works directly result in the creation or enhancement of durable public infrastructure and therefore meet the criteria for capital expenditure.

Audit also observed that ₹ five crore was transferred in April 2024 from Capital Head 5054 to the PMGSY SNA account for routine maintenance of PMGSY roads in Panchkula, which is revenue expenditure and thus should have been instead booked under Major Head 3054.

(v) Misclassification of voted expenditure as charged expenditure

As per Article 202(3) of the Constitution, any sums required to satisfy judgments, decrees or awards of any court or arbitral tribunal are charged on the Consolidated Fund of the State. However, incidental expenditure such as legal expenses or legal fee for arbitration is of voted nature and not of charged nature.

Audit noted that expenditure of ₹ 2.97 crore was booked in 2024–25 under Head 5054-80-800-99-51 Research & Development (Charged) towards arbitration fees, legal expenses, consultancy charges and related payments. Booking of voted expenditure as charged was therefore irregular. Further, it was observed that arbitration fees amounting to ₹ 1.19 crore out of ₹ 2.97 crore relating to

[43] EIC office: ₹ 42.60 crore and PD Bhiwani: ₹ 20.31 crore during audit period.

various building-related works such as hospital buildings, educational institutions, PWD rest house, staff quarters, health centers, and other building infrastructure in different districts were incorrectly booked under Major Head 5054 (Charged) instead of the appropriate building-related major heads as applicable.

2.9 Contingency Fund

The Contingency Fund of Government of Haryana was established under the Haryana Contingency Fund Act, 1966, and the State Government made the Haryana Contingency Fund Rules, 1967 for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State of Haryana for meeting unforeseen expenditure. The fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund is ₹ 1,000 crore.

2.9.1 Advance from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable.

During FY 2024-25, an amount of ₹ 148.93 crore was withdrawn as an advance by Public Works (Buildings and Roads) Department from the Contingency Fund in respect of construction, strengthening, widening and improvement of roads and construction of bridges/railway over bridges under State schemes schemes/ programmes as detailed in ***Appendix 2.21***. The amounts were not recouped till the end of the FY 2024-25. Major Head detail of the expenditure incurred from Contingency fund, is given in ***Table 2.19.***

Table 2.19: Major Head-wise detail of expenditure incurred from Contingency fund

(₹ in crore)

Sl. No.	Major Heads	Amount
1	5054- Capital Outlay on Roads and Bridges	148.93
Total		**148.93**

The advances during FY 2024-25 were irregular, avoidable and indicative of weak financial management, as adequate budget provision existed in two schemes and the expenditure was neither unforeseen nor emergent. Drawal of funds from the Contingency Fund for non-emergent purposes, and non-recoupment of the same during the financial year, violates the provisions of the Haryana Contingency Fund Act, 1966.

2.10 Conclusions

The overall utilisation of Budget provisions was 87.05 *per cent* of total grants and appropriation during the year 2024-25. Supplementary provisions were also not made on realistic basis as in 23 cases the supplementary provisions were non-essential. Reduction of provisions (more than ₹ three crore in each case) through re-appropriation orders in 37 schemes proved injudicious as there was excess expenditure in these schemes. Though there was no excess expenditure over authorisation during 2024-25. Excess expenditure amounting to ₹ 1,335.24 crore pertaining to FY 2023-24 is pending for regularisation by the State Legislature under Article 205 of the Constitution of India.

2.11 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.