

# Chapter II

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## **Budget and Utilisation**

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## Chapter II – Budget and Utilisation

- Utilisation Certificates were submitted by the SERP to the GoI and GoT stating that the entire amount of grants-in-aid for pension disbursement was utilised even though unutilised amounts were retained in the bank accounts.
- Pensions to 2.30 lakh beneficiaries per month on an average remained undisbursed during April 2018 to March 2021.

### 2.1 Financial outlay

#### 2.1.1 Budget and Expenditure

State Government makes budget provision in the annual Budget Estimates for Aasara Pensions scheme, along with provision for 100 *per cent* share of GoI under NSAP. Funds are drawn from Government Account by CRD and transferred to the Nodal Bank account of CEO, SERP. Details of funds allocated in the budget, expenditure incurred in Government account for the period from 2018-19 to 2020-21 are shown in the **Table-2.1**.

**Table-2.1: Budget allotment and expenditure during 2018-2021**

(₹ in crore)

Year	Budget Allotment			Expenditure*		
	GoI Share	State share	Total	GoI Share	State share	Total
2018-19	210	5,157	5,367	109	5,056	5,165
2019-20	413	9,350	9,763	343	8,353	8,696
2020-21	333	11,725	12,058	347	8,885	9,232
<b>Total</b>	<b>956</b>	<b>26,232</b>	<b>27,188</b>	<b>799</b>	<b>22,294</b>	<b>23,093</b>

Source: Budget Estimates and Appropriation Accounts of respective years

\* Expenditure is booked in Government Account as and when the funds are drawn by the Commissioner, Rural Development and transferred to the Nodal Bank account of SERP irrespective of actual benefit disbursement to the beneficiaries.

#### 2.1.2 Direct Benefit Transfer to the beneficiaries

Expenditure figures booked under Government Account reflect as receipts in the Nodal Bank account of SERP. Details of amounts paid to the beneficiaries by SERP through DBT mode (CBS: 45 *per cent* and DoP: 55 *per cent*) and manual mode during the audit period are shown in **Table-2.2**.

**Table-2.2: Details of amounts paid to the beneficiaries during 2018-2021**

(₹ in crore)

Year	Direct Benefit Transfer			Manual	Grand Total
	Bank	DoP	Total		
2018-19	2,196.62	2,777.81	4,974.43	0.59	4,975.02
2019-20	3,884.51	4,825.36	8,709.87	0.63	8,710.50*
2020-21	4,386.51	5,317.96	9,704.47	0.60	9,705.07*
<b>Total</b>	<b>10,467.64</b>	<b>12,921.13</b>	<b>23,388.77</b>	<b>1.82</b>	<b>23,390.59</b>

Source: Report R5.1(b) from Aasara Portal;

\*Expenditure was more than receipts due to available balances with SERP

According to paragraph 17.1 of Telangana Budget Manual, an appropriation authorised by the Legislature is operative only until the close of the financial year; any unspent balance lapses and is not available for utilisation in the following year. However, unutilised amounts were retained in the bank account of SERP (2018-19: ₹455.17 crore; 2019-20: ₹933.94 crore; and 2020-21: ₹550.29 crore), without remittance back into Government Account. Despite having balances at the end of each year, Utilisation Certificates (UCs) were submitted to the GoI and GoT in a routine manner by CEO, SERP stating that 'the entire amount of grants-in-aid received was utilised for the purpose for which it was released'.

Department in its reply stated (June 2022) that the amounts were meant for next cycle disbursement and advance UCs were given to enable submission of bills by the CRD in anticipation of fund releases. UCs to GoI were communicated in the format prescribed. Reply is not acceptable as this practice is against the provisions of Budget Manual.

### 2.1.3 Pension amounts remaining undisbursed

The releases made by SERP towards pensions for the beneficiaries, amounts disbursed and remained undisbursed in March 2019, March 2020 and March 2021 are given in Tables-2.3, 2.4 and 2.5.

**Table-2.3: Total Beneficiaries and pension amounts released**

Month and Year	Bank		Department of Posts		Manual		Total	
	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)
March 2019	17,36,021	18589.52	22,00,170	26163.96	330	3.68	39,36,521	44757.15
March 2020	17,20,260	36774.72	21,44,244	50290.46	247	5.59	38,64,751	87070.77
March 2021	16,93,117	36268.40	20,66,322	48182.59	196	4.63	37,59,635	84455.62

**Table-2.4: Beneficiaries and amounts disbursed**

Month and Year	Bank		Department of Posts		Manual		Total	
	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)
March 2019	17,31,163	18334.21	18,57,915	21989.76	326	3.64	35,89,404	40327.60
March 2020	17,19,843	36765.92	20,32,924	47467.70	241	5.59	37,53,008	84239.20
March 2021	16,91,882	36242.43	18,64,042	43251.34	192	4.55	35,56,116	79498.32

**Table-2.5: Beneficiaries and amounts remaining undisbursed**

Month and Year	Bank		Department of Posts		Manual		Total	
	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)	No. of beneficiaries	Amount (₹ in lakh)
March 2019	4,858	255.32	3,42,255	4174.20	4	0.04	3,47,117	4429.56
March 2020	417	8.81	1,11,320	2822.76	6	0.00	1,11,743	2831.57
March 2021	1,235	25.97	2,02,280	4931.25	4	0.08	2,03,519	4957.30

Source: Report R5.1(b) from Aasara Portal

Note: Details in the above tables related to one month (March) only

The average monthly pension amount released by SERP to the bank accounts of individuals and disbursing agencies (DoP and MPDOs) for the period from July 2019 to March 2021 was ₹862 crore<sup>10</sup>. Monthly average of the undisbursed amounts worked out to ₹45 crore (5 per cent). The undisbursed amounts are later remitted back to SERP's bank account. Further, on an average, pensions to 2.30 lakh (6 per cent out of 38.87 lakh) beneficiaries per month remained undisbursed, during April 2018 to March 2021.

Government attributed (June 2022) the non-disbursement of released pension amounts to deaths/permanent migrations/non-turning up of beneficiaries/bank rejections for various reasons. Further, undisbursed amounts would be released for three months for beneficiaries who did not turn up, after which their status would be treated as 'permanent migration' and pension, thereafter, would be stopped.

## 2.2 Conclusion

Unutilised amounts at the end of the financial year were retained in the Nodal Bank account of SERP without remittance into Government Account, in violation of the provisions of Budget Manual. Utilisation certificates submitted by the SERP to GoI and State Government did not reflect the balances available with the SERP.

<sup>10</sup> ₹453 crore from April 2018 to June 2019 at old rates