

## Chapter - 3

### Budgetary Management

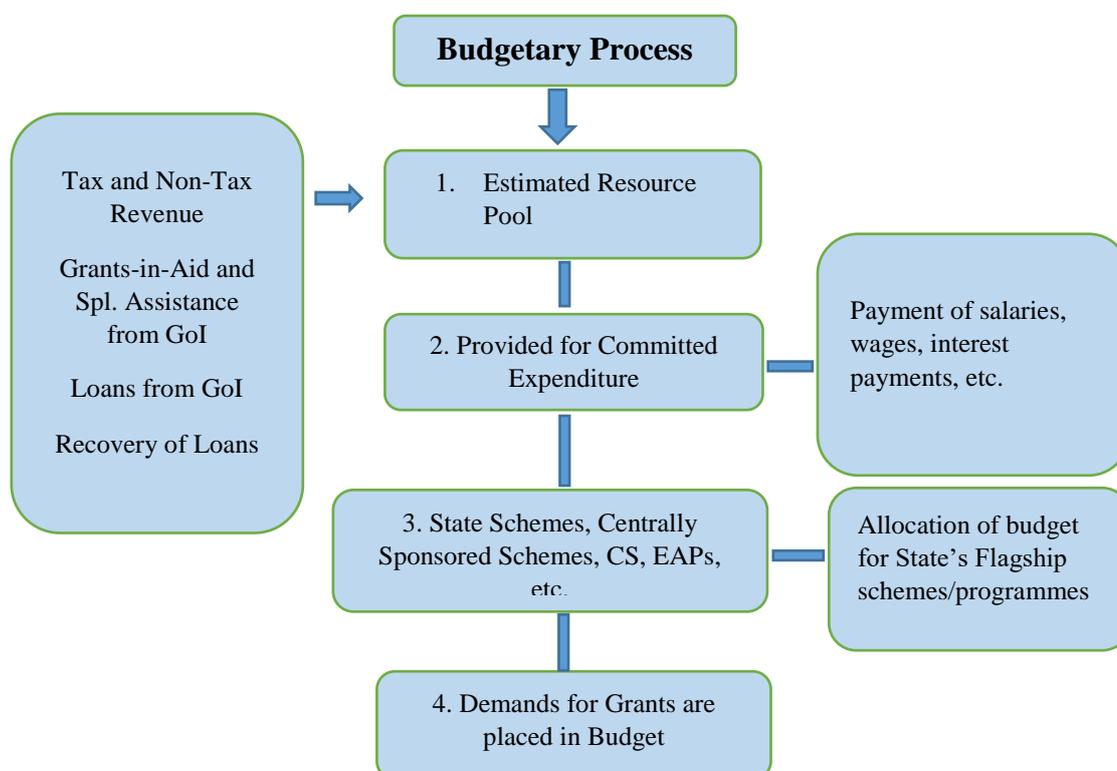
#### 3.1 Budget Process

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

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

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

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



CSS: Centrally Sponsored Schemes; CS: Central Schemes.

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



**Table 3.2: Disbursements and savings/excess during 2016-17 to 2020-21**

(₹ in crore)

Year	Provisions		Disbursements		Saving/Excess	
	Voted	Charged	Voted	Charged	Voted (in percentage)	Charged (in percentage)
2016-17	41753.68	5,675.59	32,884.90	4,735.87	8,868.78 (21.24)	939.72 (16.56)
2017-18	44159.42	5,042.66	36,369.86	4,789.56	7,789.57 (17.64)	253.09 (5.02)
2018-19	51,230.42	6946.72	39460.58	6,793.98	11,679.85 (22.8)	152.73 (2.2)
2019-20	57305.74	6874.94	45,632.91	5,877.12	11,672.83 (20.37)	997.82 (14.51)
2020-21	58932.64	6959.23	46,442.27	6453.49	12490.37 (21.19)	505.74 (7.27)

It can be seen from **Table 3.2**, that during 2016-17 to 2020-21 savings under the 'Voted' portion of the budget ranged between 17.64 to 22.80 *per cent* whereas the savings under the 'Charged' portion of budget ranged between 2.2 to 16.56 *per cent* over the same period.

### 3.2 Appropriation Accounts

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

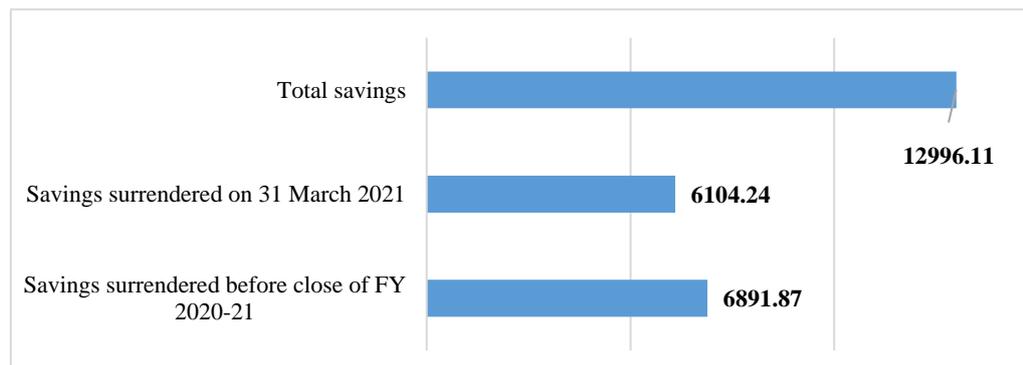
Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants are within the authorisation given under the Appropriation Act. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions. This chapter contains audit observations in respect of the Appropriation Accounts prepared by the Controller of Accounts, GNCTD for the year 2020-21.

Scrutiny of the Appropriation Accounts revealed that there was total saving of ₹ 12,996.11 crore (19.72 *per cent* of total budget of ₹ 65,891.87 crore) and an amount of ₹ 6,891.87 crore (53.03 *per cent*) was surrendered. 46.97 *per cent* of total saving lapsed due to not surrendering the savings on time and ₹ 6,104.24 crore was surrendered on 31 March.

Savings and surrenders before close of the financial year 2020-21 is given in **Chart 3.3:**

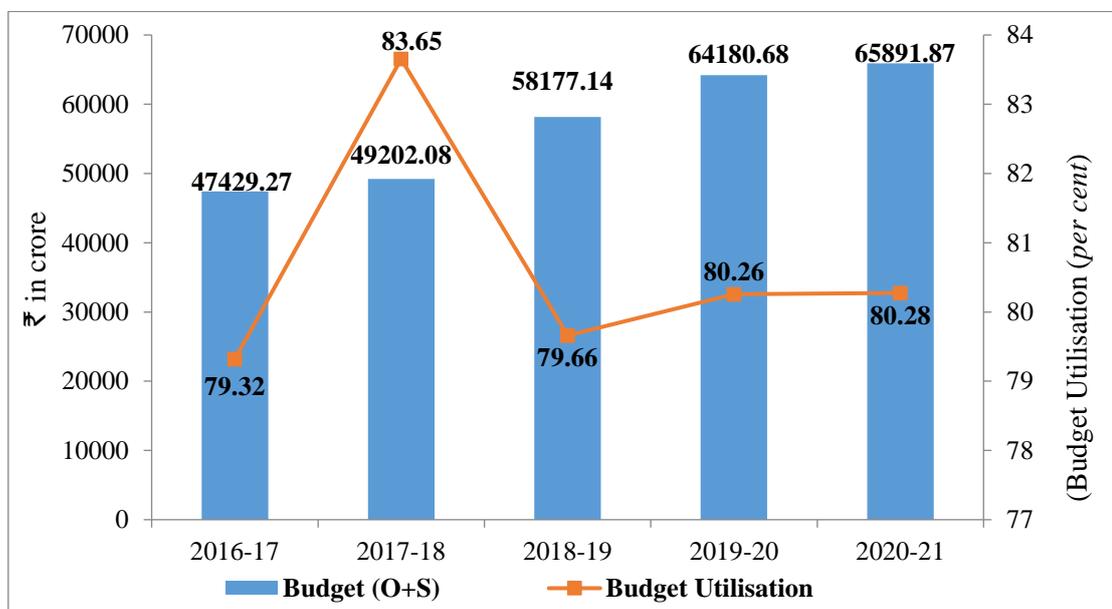
**Chart 3.3: Savings and Surrenders before closure of financial year 2020-21**

(₹ in crore)



The overall budget utilisation during 2016-17 to 2020-21 is given in **Chart 3.4.**

**Chart 3.4: Budget utilisation during 2016-17 to 2020-21**



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

#### 3.3.1 Unnecessary or excessive supplementary grants

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

Scrutiny of Appropriation Accounts for the year 2020-21 revealed that supplementary grants amounting to ₹ 604.36 crore in seven cases, as detailed in **Table 3.3**, were obtained in anticipation of higher/additional expenditure.

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

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

(₹ in crore)						
Sl. No.	Name and No. of the Grant	Original grant/ appropriation	Supplementary grant	Actual Provision	Exp.	Saving out of Provision
	<b>Revenue (Voted)</b>					
1	Grant No. 3 Administration of Justice	1,129.53	62.78	1,192.31	1028.58	163.73
2	Grant No. 5 Home	806.77	25.27	832.04	615.27	216.77
3	Grant No. 7 Medical and Public Health	6,345.62	101.4	6,447.02	5611.13	835.89
4	Grant No. 10 Development	3,062.08	280.52	3,342.60	2556.41	786.19
5	Grant No. 11 Urban Development and Public Works Department	9,700.44	87.93	9,788.37	9227.70	560.67
	<b>Total</b>	<b>21,044.44</b>	<b>557.9</b>	<b>21,602.34</b>	<b>19039.09</b>	<b>2563.25</b>
	<b>Revenue (Charged)</b>					
6	Grant No. 3 Administration of Justice	307.21	30.78	337.99	300.14	37.85
	<b>Total</b>	<b>307.21</b>	<b>30.78</b>	<b>337.99</b>	<b>300.14</b>	<b>37.85</b>
	<b>Capital (Voted)</b>					
7	Grant No. 7 Medical and Public Health <sup>1</sup>	266.94	15.68	282.62	115.75	166.87
	<b>Total</b>	<b>266.94</b>	<b>15.68</b>	<b>282.62</b>	<b>115.75</b>	<b>166.87</b>
	<b>Grand Total</b>	<b>21,618.59</b>	<b>604.36</b>	<b>22,222.95</b>	<b>19454.98</b>	<b>2767.97</b>

### 3.3.2 Unnecessary or excessive re-appropriation

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

Scrutiny of Appropriation Accounts for the year 2020-21 revealed that under 16 sub-heads spread across eight grants, there were final savings of more than ₹ 15 crore as detailed in **Table 3.4**. Re-appropriations were made unnecessarily, as the departments were not able to even utilise their existing grants fully and

<sup>1</sup> As per Re-appropriation order ₹ 15.20 crore were re-appropriated from Capital Section to Revenue Section of the Grant which needs clarification and has pointed out in the report separately

there was a cumulative non-utilisation (savings) of ₹ 940.02 crore against the re-appropriation of ₹ 401.57 crore.

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

Sl. No.	Grant No. and Name	Head of Account (Sub-Head-wise)	Provisions				Actual Expenditure	Final saving	Reasons for re-appropriation
			Original	Supplementary	Re-appropriation	Total			
<b>Revenue-Voted</b>									
1	03- Adminis- tration of Justice	2014.00.105.99 Session Courts	813.93	1.30	5.02	820.25	754.64	65.61	Engagement of more staff and increase in wages rates and more procurement
2		2235.01.800.92 Compensation for crime victims	50.00	14.84	5.16	70.00	53.70	16.30	Release of more grant
3	04- Finance	2043.00.101.98 Collection Charges	56.31	0.00	0.68	56.99	41.74	15.25	Filling of vacant posts
4	05-Home	2056.00.001.99 Jail Estt	368.81	25.23	54.99	449.03	281.68	167.35	Filling up vacant posts, revision of rates of wages, increase of Cost of Dietary and Non-Dietary items, receipt of arrears claim bills of deployment of forces in Tihar/Rohini/Mandoli Jail Complex and more procurement
5	06- Education	2203.00.105.86 Direction & admin	175.48	0.01	6.52	182.01	156.33	25.68	Filling of vacant post, provision for LTC, arrears of MACP/ACP, receipts of more bills, increase in tariff of electricity, water, telephone & pending bill of security and sanitation and more demand from institutes for disbursement of scholarship and stipend
6	07- Medical and Public Health	2210.01.800.84 Grant in-aid to Centralised Accident & Trauma service	95.00	0.01	29.99	125.00	74.25	50.75	Release of more grant
7		2210.01.110.86 Lok Nayak Hospital	511.13	0.01	39.99	551.13	509.04	42.09	Increase in minimum wages, engagement of additional outsource staff, increase in

									sudden demand in consumable and medicines due to COVID-19 pandemic etc.
8		2210.01.110.72 700 Bedded Hospital at Burari	0.00	10.08	10.71	20.79	2.89	17.90	Provision kept for new hospital
9	09- Industries	3456.00.102.87 Mukhya Mantri Ghar Ghar Rashan Yojana	0.00	56.47	43.53	100.00	0.00	100.00	New scheme to be implemented from January'21
10		2053.00.093.95 Secretary Revenue	43.81	0.01	3.48	47.30	28.77	18.53	Procurement of PT san storage
11	10- Developm ent	2235.60.200.62 Ex- gratia payment to Defence/Delhi Police/Para Miliary/Home guard & Civil Defence Personal dying in operation/war	35.00	0.01	29.99	65.00	16.00	49.00	Receipt of more proposals for ex-gratia payment
12		2245.05.101.99 Delhi Disaster Respose Fund (centre share	0.00	161.50	4.99	166.49	5.00	161.49	Receipt of funds from GOI for creation of Delhi Disaster Response Fund
13		2406.01.102.95 Administration Management & training of personnel	6.19	0.01	46.06	52.26	5.50	46.76	Filling of vacant posts, receipt of more bills, induction of training, hiring of vehicle, etc.
<b>Total</b>			<b>2,155.66</b>	<b>269.48</b>	<b>281.11</b>	<b>2,706.25</b>	<b>1,929.54</b>	<b>776.71</b>	
<b>Capital-Voted</b>									
14	07 Medical and Public Health	4210.01.110.96 G.B.Pant Hospital	10.50	0.02	66.48	77.00	9.12	67.88	Procurement of more motor vehicle/machinery & equipments
15	11-Urban Developm ent and Public Works Departme nt	4801.05.800.91 Purchase of land	15.00	0.01	49.99	65.00	5.84	59.16	Payment for purchase of more land
<b>Total</b>			<b>25.50</b>	<b>0.03</b>	<b>116.47</b>	<b>142.00</b>	<b>14.96</b>	<b>127.04</b>	
<b>Revenue-Charged</b>									
16	03- Administ ration of Justice	2014.00.102.97 Direction & Admn.	303.00	26.83	3.99	333.82	297.55	36.27	Receipt of more bills and more procurement
<b>Total</b>			<b>303.00</b>	<b>26.83</b>	<b>3.99</b>	<b>333.82</b>	<b>297.55</b>	<b>36.27</b>	
<b>Grand Total</b>			<b>2,484.16</b>	<b>296.34</b>	<b>401.57</b>	<b>3,182.07</b>	<b>2,242.05</b>	<b>940.02</b>	

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

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

As per Rule 62 (2) of General Financial Rules 2017, savings as well as provisions that cannot be profitably utilised should be surrendered immediately when they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses. There were overall savings of ₹ 12,996.11 crore, which was 19.72 per cent of total budget of ₹ 65,891.87 crore. Out of this, in eight cases there were savings of more than ₹ 500 crore in each case (Table 3.5). Against the total provision of ₹ 53,737.57 crore actual expenditure was ₹ 43,176.68 crore and savings were ₹ 10,560.89 crore.

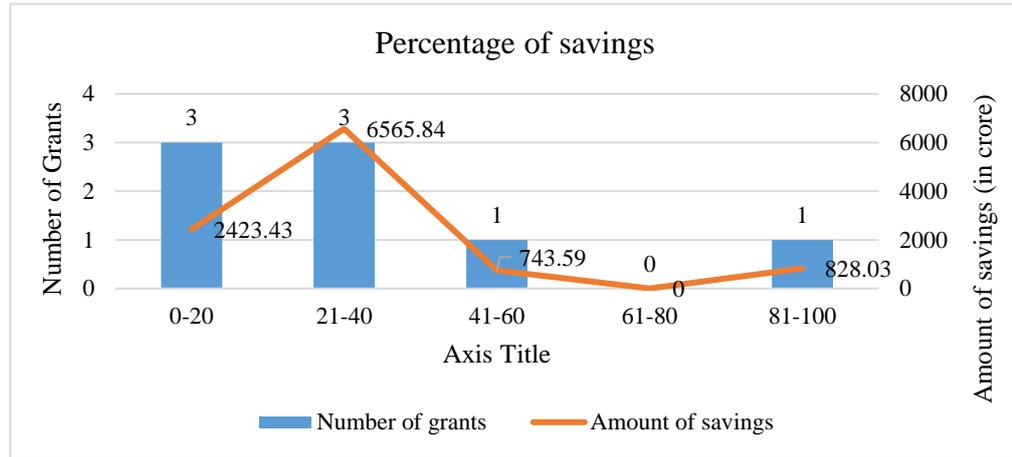
**Table 3.5: Details of grants having large savings (savings above ₹ 500 crore) during the year 2020-21**

(₹ in crore)								
Sl. No.	Grant No. and Name	Original grant/Appropriation	Supplementary grant/Re-appropriation	Total grant/Appropriation	Actual expenditure	Savings	Surrender	Savings excluding surrender
<b>Revenue-Voted</b>								
1	Grant No. 6 Education	13,349.38	0.38	13,349.76	9,823.16	3,526.60	2,187.75	1,338.85
2	Grant No. 7 Medical and Public Health	6,330.42	116.60	6,447.02	5,611.14	835.88	0.05	835.83
3	Grant No. 8 Social Welfare	8,458.12	0.33	8,458.45	7,431.57	1,026.88	261.71	765.18
4	Grant No. 10 Development	3,062.08	280.52	3,342.60	2,556.41	786.19	0.57	785.62
5	Grant No. 11 Urban Development and Public Works Department	9,700.44	87.93	9,788.37	9,227.70	560.67	0.67	560.00
<b>Total</b>		<b>40,900.44</b>	<b>485.76</b>	<b>41,386.2</b>	<b>34,649.98</b>	<b>6,736.22</b>	<b>2,450.75</b>	<b>4,285.48</b>
<b>Capital-Voted</b>								
6	Grant No. 8 Social Welfare	1,650.86	0.01	1,650.87	907.28	743.59	711.48	32.11
7	Grant No. 10 Development	1,015.93	0.00	1,015.93	187.90	828.03	774.01	54.02
8	Grant No. 11 Urban Development and Public Works Department	9,684.34	0.23	9,684.57	7,431.52	2,253.05	1,866.96	386.09
<b>Total</b>		<b>12,351.13</b>	<b>0.24</b>	<b>12,351.37</b>	<b>8,526.7</b>	<b>3,824.67</b>	<b>3,352.45</b>	<b>472.22</b>
<b>Grand Total</b>		<b>53,251.57</b>	<b>486.00</b>	<b>53,737.57</b>	<b>43,176.68</b>	<b>10,560.89</b>	<b>5,803.20</b>	<b>4,757.70</b>

Further, it can be seen from the Table 3.5, despite significant savings of more than ₹ 500 crore and above out of original budget provision, supplementary provisions were obtained (except serial no. 7).

The distribution of the number of grants/appropriations (Table 3.5) grouped by the percentage of savings shows (Chart 3.5) that in three grants savings were 21 to 40 per cent of the total provisions amounting to ₹ 6,565.84 crore. However, in one grant (Capital voted section of Grant no. 10-Development) there was saving of ₹ 828.03 crore (81.50 per cent).

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



Audit further noted that in 9 grants there were total savings of ₹10,197.33 crore, out of which total amount of ₹ 6,881.68 crore (more than ₹10 crore) was surrendered at the end of March as detailed in **Table 3.6**:

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

Sl. No.	Grant No. and Name	Original grant/Appropriation	Supplementary grant/Re-appropriation	Total grant/Appropriation	Actual expenditure	Savings	Surrender
(₹ in crore)							
<b>Revenue-Voted</b>							
1	Grant No. 2 General Administration	918.98	0.04	919.02	447.21	471.81	45.40
2	Grant No. 4 Finance	315.58	0.06	315.64	228.64	87.00	22.93
3	Grant No. 6 Education	13,349.38	0.38	13,349.76	9,823.16	3,526.60	2,187.75
4	Grant No. 8 Social Welfare	8,458.12	0.33	8,458.45	7,431.57	1,026.88	261.71
<b>Total</b>		<b>23,042.06</b>	<b>0.81</b>	<b>23,042.87</b>	<b>17,930.58</b>	<b>5,112.29</b>	<b>2,517.79</b>
<b>Revenue-Charged</b>							
5	Grant No. 7 Medical and Public Health	27.05	0.04	27.09	0.25	26.84	18.89
6	Grant No. 15 Public Department	3,061.88	0.00	3,061.88	2,873.83	188.05	188.04
<b>Total</b>		<b>3,088.93</b>	<b>0.04</b>	<b>3,088.97</b>	<b>2,874.08</b>	<b>214.89</b>	<b>206.93</b>
<b>Capital-Voted</b>							
7	Grant No. 4 Finance	4.00	262.01	266.01	5.67	260.34	256.51
8	Grant No. 5 Home	115.30	0.00	115.30	10.83	104.47	90.32
9	Grant No. 6 Education	388.14	0.01	388.15	120.27	267.88	174.30
10	Grant No. 7 Medical and Public Health	282.14	0.48	282.62	115.76	166.86	37.45
11	Grant No. 8 Social Welfare	1,650.86	0.01	1,650.87	907.28	743.59	711.48
12	Grant No. 10 Development	1,015.93	0.00	1,015.93	187.90	828.03	774.01

13	Grant No. 11 Urban Development and Public Works Department	9,684.34	0.23	9,684.57	7,431.52	2,253.05	1,866.96
<b>Total</b>		<b>13,140.71</b>	<b>262.74</b>	<b>13,403.45</b>	<b>8,779.23</b>	<b>4,624.22</b>	<b>3,911.03</b>
<b>Capital-Charged</b>							
14	Grant No. 15 Public Department	3,511.10	0.00	3,511.10	3,265.17	245.93	245.93
<b>Total</b>		<b>3,511.10</b>	<b>0.00</b>	<b>3,511.10</b>	<b>3,265.17</b>	<b>245.93</b>	<b>245.93</b>
<b>Grand Total</b>		<b>42,782.80</b>	<b>263.59</b>	<b>43,046.39</b>	<b>32,849.06</b>	<b>10,197.33</b>	<b>6,881.68</b>

The grants where less than 50 per cent of the budget was utilized are shown in **Table 3.7:**

**Table 3.7: Original Grants/Appropriations (more than ₹200 crore) in which budget utilisation was less than 50 per cent**

Sl. No.	Grant No and Name	Percentage of budget utilisation					Number of years	Budget 2020-21	Total Budget for 5 years
		2016-17	2017-18	2018-19	2019-20	2020-21			
1.	2-General Administration Department	54.70	67.51	38.85	74.74	49.21	2	935.10	3,233.12
2.	4-Finance	70.81	39.81	24.00	53.19	40.28	3	581.75	4,194.11

It can be seen that, there were two grants (2-General Administration Department and 4-Finance) wherein two to three years' budget utilisation was less than 50 per cent during the last five years i.e. 2016-17 to 2020-21.

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

#### 3.4.1 Lump-sum budgetary provisions

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

Audit noted that GNCTD made total lump-sum budgetary provision of ₹ 213.06 crore under four grants against which expenditure of ₹ 186.85 crore was made. Lump-sum provisions without identifying the exact object of expenditure vitiates transparency. Further, as per sub rule 6 of Rule 3 of Delegation of Financial Power Rules, 1978 no lump-sum provision shall ordinarily be made in the budget except for works costing less than ₹ 10 lakh. However, Audit noted that in 18 cases under four Grants, as detailed in **Table 3.8**, the amount had exceeded the prescribed limit of ₹ 10 lakh. Moreover, it has also been noticed that similar lump-sum provisions under sub-heads of Grant No. 10 and Grant No. 11 were also made in previous year.

Table 3.8: Details of lump sum provisions made during the year 2020-21

(₹ in crore)

Sl. No	Grant No and Name	Head of Account	Lump sum provision	Expenditure from lump sum provision	Stated purpose
1.	3-Administration of Justice (Revenue – Voted)	2014.00.105.97.00.42	1.20	0.02	Computerisation of District and Session Courts
2.	7-Public Health & Medical (Revenue – Voted)	2210.06.800.70.00.42	10.00	1.05	Introduction of Hospital Management information system
3.	10-Development (Capital –Voted)	5425.00.208.84.00.42	0.15	0.00	Horticulture works
4.	11-Urban Development and Public Works Department (Capital –Voted)	4055.00.212.90.00.42	1.00	0.68	Delhi Forensic Science Laboratory
5.		4059.60.051.80.90.42	67.23	67.22	Infrastructural facilities for Judiciary
6.		4070.00.800.89.00.42	15.00	13.43	Central Jail Building
7.		4202.01.800.97.00.42	8.00	6.75	renovation work in existing buildings
8.		4202.02.105.87.00.42	0.70	0.39	Govt. Engineering College, Jaffarpur
9.		4202.02.105.85.00.42	0.75	0.58	Engineering College at Geeta Colony
10.		4202.02.105.88.00.42	1.50	1.17	G.B.Pant Engineering College
11.		4202.03.800.89.00.42	49.58	43.44	Development of Play Grounds, sports complex and swimming pools etc.
12.		4202.04.101.99.00.42	1.45	1.20	College of Art
13.		4202.04.104.96.00.42	4.50	1.72	Archives Department
14.		4210.03.102.98.00.42	2.50	1.01	Development of health care services of homoeopathic
15.		4235.02.101.87.00.42	1.00	0.76	Development of home for mentally retarded
16.		4235.02.104.94.00.42	4.00	3.46	Old Age Home
17.		4235.02.800.90.00.42	2.50	2.07	Provision of additional facilities in the existing buildings (PWD)
18.	5054.04.800.99.00.42	42.00	41.90	Construction of Roads and Bridges	
<b>Grand Total</b>			<b>213.06</b>	<b>186.85</b>	

Source: Principal Accounts Office, GNCTD

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

#### 3.5.1 Budget projection and gap between expectation and actual

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

Scrutiny of Appropriation Accounts for the year 2020-21 revealed that the departments could utilize ₹ 52,895.76 crore against the total provision of ₹ 65,891.87 crore and savings of ₹ 6,104.24 crore (46.97 per cent) were surrendered in March out of total saving of ₹ 12,996.11 crore. The details are given in **Table 3.9**:

**Table 3.9: Summarised position of actual expenditure vis-à-vis original/ supplementary provisions**

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary Grant/ appropriation	Total	Actual expenditure	Net of Saving(-)	Surrender during March	
							Amount	Percentage
<b>Voted</b>	I. Revenue	44655.56	843.91	45499.47	37646.07	7853.40	5329.41	67.86
	II. Capital	9997.80	(-669.61)	9328.19	4705.81	4622.38	709.34	15.35
	III. Loans and Advances	3419.63	685.35	4104.98	4090.39	14.59	14.59	100.00
<b>Total voted</b>		<b>58072.99</b>	<b>859.65</b>	<b>58932.64</b>	<b>46442.27</b>	<b>12490.37</b>	<b>6053.34</b>	
<b>Charged</b>	I. Revenue	3414.91	32.18	3447.09	3188.28	258.81	50.80	19.63
	II. Capital	1.00	0.04	1.04	0.04	1.00	0.10	10.00
	Public Debt	3511.10	0.00	3511.10	3265.17	245.93	0	0
	III. Loans and Advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total charged</b>		<b>6927.01</b>	<b>32.22</b>	<b>6959.23</b>	<b>6453.49</b>	<b>505.74</b>	<b>50.90</b>	<b>10.06</b>
<b>Appropriation to Contingency Fund (if any)</b>			0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total</b>		<b>65000.00</b>	<b>891.87</b>	<b>65891.87</b>	<b>52895.76</b>	<b>12996.11</b>	<b>6104.24</b>	<b>46.97</b>

Source: Appropriation Accounts.

The original budget of ₹65,000 crore prepared by GNCTD for the year 2020-21 was revised to ₹65,891.87 crore against which actual expenditure was ₹ 52,895.76 crore. Details of original budget, revised budget estimates and actual expenditure for the period 2016-17 to 2020-21 are given in **Table 3.10**:

**Table 3.10: Original budget, revised estimates and actual expenditure during 2016-17 to 2020-21**

	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Original Budget</b>	46,600.00	48,000.00	53,000.01	60,000.00	65000.00
<b>Supplementary Budget</b>	829.27	1,202.08	5,177.13	4,180.68	891.87
<b>Revised Estimate</b>	47,429.27	49,202.08	58,177.14	64,180.68	65891.87
<b>Actual Expenditure</b>	37,620.77	41,159.42	46,344.56	51,510.03	52895.76
<b>Saving /excess</b>	9,808.50	8,042.66	11,832.58	12,670.65	12996.11
<b>Percentage of Saving</b>	20.68	16.35	20.34	19.74	19.72
<b>Percentage of supplementary to the original provision</b>	1.78	2.50	9.77	6.97	1.37

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

It can be seen from **Table 3.10**, that during 2016-17 to 2020-21 the percentage of overall savings vis-à-vis total provision ranged between 16.35 per cent to 20.68 per cent.

The GNCTD's revenue expenditure (actuals) vis-à-vis figures of BE under Major heads of accounts for the year 2020-21 is given in **Table 3.11**.

**Table 3.11: GNCTD's Revenue Expenditure (actuals) vis-à-vis figures of BE for the year 2020-21**

Expenditure head (Major heads of Accounts)	BE (₹ in crore)	Actuals (₹ in crore)	Difference between BE and Actuals	Percentage (+) Excess (-) Shortfall
<b>Fiscal services</b>				
State Excise	51.24	24.77	(-)26.47	(-)51.66
Taxes on vehicles	288.26	174.90	(-)113.36	(-)39.33
Collection charges under GST	135.42	69.19	(-)66.23	(-)48.91
<b>Administrative services</b>				
Jails	530.21	293.30	(-)236.91	(-)44.68
Public works	512.93	690.00	(+)177.07	(+)34.52
<b>Social services</b>				
General Education	12948.56	9265.00	(-)3,683.56	(-)28.45
Medical and Public health	8474.29	5790.40	(-)2,683.89	(-)31.67
Water supply and sanitation	1630.50	1891.57	(+)261.07	(+)16.01
Urban Development	1034.69	830.29	(-)204.40	(-)19.75
Social security and Welfare	3685.36	3011.25	(-)674.11	(-)18.29
<b>Economic Services</b>				
Civil supplies	449.28	513.31	(+)64.03	(+)14.25
Flood control and Drainage	281.34	210.54	(-)70.80	(-)25.17
Power	3117.41	2956.34	(-)161.07	(-)5.17
Roads and Bridges	536.80	449.50	(-)87.30	(-)16.26
Road Transport	4744.25	4095.86	(-)648.39	(-)13.67

It can be seen from the **Table 3.11**, there were shortfall (more than 25 per cent) in 'General Education', 'Medical and Public Health', and 'Flood control and Drainage'

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

Several policy initiatives taken up by the Government were partially or fully not executed due to non-approval of scheme guidelines/modalities, non-

commencement of works for want of administrative sanction, non-release of budget, etc. This deprives the beneficiaries of intended benefits. Savings in such schemes deprives other departments of the funds which they could have utilised.

Audit found that in 88 sub-heads under nine Grants (₹ one crore or above in each case), the entire provision of ₹ 864.82 crore remained unutilised by the departments or was remitted back to Government before the closure of the financial year 2020-21 (**Appendix 3.1**).

Savings of the entire provision was indicative of the fact that the estimates were not prepared after adequate scrutiny of the projects/schemes. Schemes which did not take off due to non-utilisation of the entire provision were – GIA to Delhi Police Service Society for implementation of Safe City Project for safety of women by Delhi Police (Nirbhaya Fund) (CSS) (₹ 284.50 crore), Delhi Model of Governance for outreach programme (₹ 21.00 crore), Post matric Scholarship for SC Students (CSS ) (₹ 10.00 crore), Mukhya Mantri Vidhyatri Pratibha Yojana (₹ 78.00 crore), Mukhya Mantri Ghar Ghar Roshan Yojana (₹ 100.00 crore), and Disposal of legacy waste dumped at various dampening sites (₹ 50.00 crore).

Further, it was observed that in 46 sub-heads of seven grants (₹ one crore or above in each case), provision of ₹ 1,002.55 crore was made in the original budget (**Appendix 3.2**) but the amount was completely withdrawn in the revised outlay for the financial year 2020-21.

### **3.5.3 Rush of expenditure**

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

It was noticed that out of the total expenditure of ₹ 52,468.04<sup>2</sup> crore during 2020 21, expenditure of ₹ 21,019.73 crore (31.90 *per cent* of B.E) was incurred in the last quarter, whereas ₹ 11,815 crore (17.93 *per cent* of B.E) was incurred during the month of March, 2021. Besides, Audit noted that the expenditure in 41 sub-heads under eight grants which ranged between 50 *per cent* and 100 *per cent* was incurred in March.

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

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<sup>2</sup> Excluding recoveries of ₹ 427.72 crore

**ii) Sub-heads where entire expenditure was incurred in March 2021**

Audit noted that in 13 sub-heads under five grants the entire expenditure of ₹ 2,621.37 crore was incurred in March 2021 as detailed in **Table 3.12**:

**Table 3.12: Entire expenditure incurred in the month of March**

Sl. No.	Grant No. and name	Head of Account (up to Sub-Head)	100 per cent expenditure during March (₹ in crore)	
1	6 - Education	2202.02.113.95.00.01 Samgra Shiksha- Teachers Education (State Share)	17.50	
2	7 - Medical and Public Health	2210.01.200.76.00.31 GIA for India Covid-19	221.34	
3	8 - Social Welfare	2225.01.277.71.00.50 Reimbursement of Tuition fee in Public School	11.39	
4		3055.00.190.99.00.33 Subsidy to DTC for concessional passes	78.82	
5		5055.00.190.78.00.54 Installation of CCTV Cameras in DTC and Cluster Buses (State Share)	75.59	
6		5055.00.190.80.00.54 Equity Capital to M.R.T. Authority	500.00	
7		7055.00.190.92.00.55 Interest free Subordinate Debts towards State Taxes to DMRC	125.00	
8		7055.00.190.94.00.55 Loan to MRTS for reimbursement of Central Taxes	125.00	
9		10 - Development	4515.00.103.93.00.53 Village Development Board for works under Integrated Development of Rural Villages	38.88
10		11 - Urban Development and Public Works	5054.04.101.82.00.53 Extension of Flyover from Aashram to DND	12.85
11	6215.01.191.80.00.55 Loans to DJB for Wazirabad WTP		15.00	
12	6217.60.789.94.00.55 Loan to DUSIB for In-situ Rehabilitation Plan		500.00	
13	7615.00.200.75.00.55 Loans to Delhi Jal Board for ways and Means support		900.00	
<b>Total</b>			<b>2621.37</b>	

Source: Principal Accounts Office, GNCTD

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

Audit noted that in 28 sub-heads under eight grants, an expenditure of ₹ 2,104.89 crore ranging between 52.46 to 99.93 per cent of the total expenditure was incurred in March 2021 as depicted in **Table 3.13**:

**Table 3.13: Grants with more than 50 per cent of expenditure in March alone**

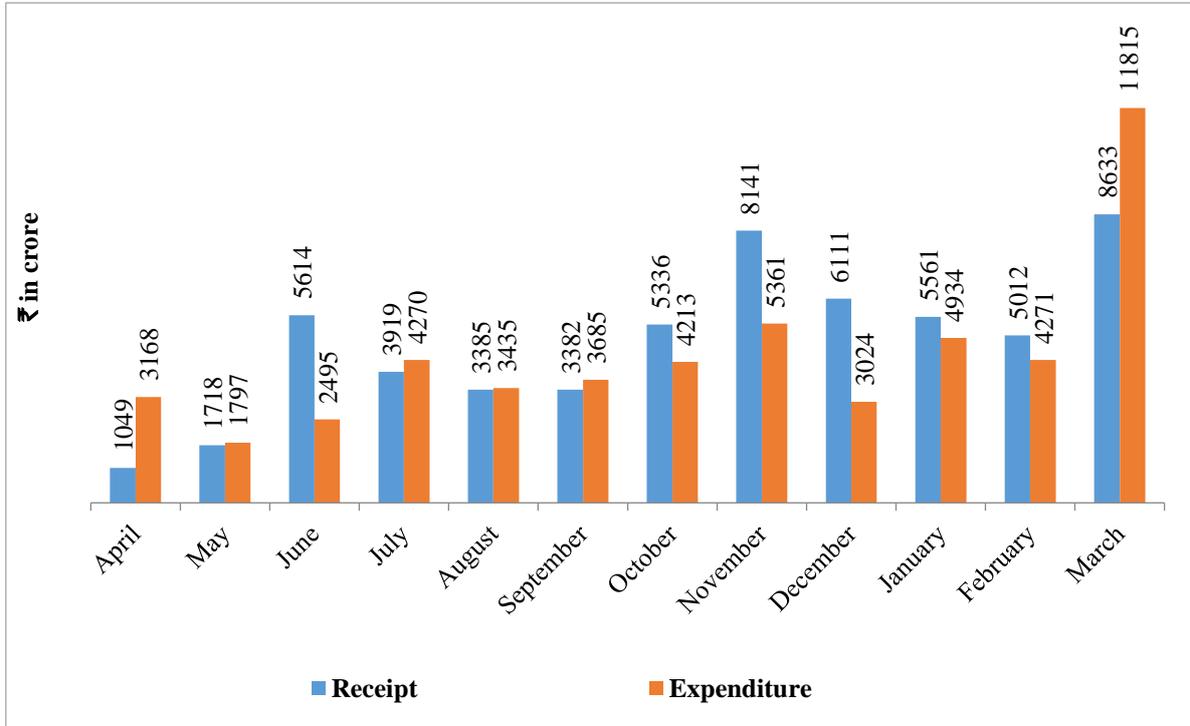
(₹ in crore)

Sl. No.	Grant No.	Description (Head of Account)	Total expenditure					Total expenditure in March 2021	
			1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	Amount	Percentage
1	2 - General Administration	2051.00.103.98.00.50	0.00	0.15	0.51	23.71	24.37	20.28	83.22
2	3 -Administration of Justice	2015.00.106.99.00.13	0.00	0.00	0.60	16.58	17.18	15.34	89.27
3	3 -Administration of Justice	2235.01.800.92.00.31	0.00	0.00	12.50	41.20	53.70	41.20	76.72
4	3 -Administration of Justice	4059.01.051.82.00.53	0.00	0.00	0.00	16.01	16.01	16.00	99.93
5	5 - Home	2056.00.001.99.00.28	0.17	0.19	0.24	51.94	52.54	51.80	98.59
6	6 - Education	2202.01.113.97.00.31	0.00	12.00	23.38	66.69	102.07	66.69	65.33
7	6 - Education	2202.01.113.98.00.31	0.00	10.67	16.07	53.14	79.87	53.14	66.53
8	6 - Education	2202.01.113.98.00.36	0.00	3.30	0.00	28.80	32.10	28.80	89.72
9	7 - Medical and Public Health	4210.01.110.97.00.52	1.11	2.25	4.20	17.55	25.10	15.92	63.43
10	8 - Social Welfare	2235.02.103.33.00.50	0.10	1.01	8.81	70.70	80.61	60.84	75.47
11	8 - Social Welfare	2235.02.789.96.00.50	3.52	3.19	4.44	29.43	40.58	26.21	64.60
12	8 - Social Welfare	3055.00.190.93.00.33	0.00	27.54	17.20	57.45	102.18	57.45	56.22
13	8 - Social Welfare	3055.00.190.94.00.33	0.00	35.59	19.02	60.26	114.86	60.26	52.46
14	10 - Development	4711.03.800.99.00.53	0.00	0.00	0.00	89.87	89.87	87.71	97.59
15	11 - Urban Development and Public Works	2217.04.789.99.00.31	0.00	0.00	0.00	18.00	18.00	12.00	66.67
16	11 - Urban Development and Public Works	4059.01.051.75.00.53	0.00	0.00	0.00	21.91	21.91	12.46	56.86
17	11 - Urban Development and Public Works	4217.60.050.95.00.53	0.00	0.00	297.15	693.11	990.26	691.06	69.79
18	11 - Urban Development and Public Works	4217.60.051.96.00.53	0.00	0.00	1.80	36.21	38.01	30.03	79.02
19	11 - Urban Development and Public Works	4217.60.789.98.00.53	0.00	0.00	4.98	16.28	21.25	15.18	71.41
20	11 - Urban Development and Public Works	5054.04.337.97.00.53	0.00	0.64	6.64	12.52	19.80	12.52	63.23
21	11 - Urban Development and Public Works	6215.01.191.72.00.55	0.00	12.50	0.00	37.50	50.00	37.50	75.00
22	11 - Urban Development and Public Works	6215.01.191.74.00.55	0.00	5.00	0.00	15.00	20.00	15.00	75.00
23	11 - Urban Development and Public Works	6215.01.191.75.00.55	0.00	22.50	0.00	67.50	90.00	67.50	75.00
24	11 - Urban Development and Public Works	6215.01.191.76.00.55	0.00	25.00	0.00	65.00	90.00	65.00	72.22
25	11 - Urban Development and Public Works	6215.01.191.78.00.55	0.00	25.00	0.00	55.00	80.00	55.00	68.75

26	11 - Urban Development and Public Works	6215.01.191.79.00.55	0.00	40.00	0.00	120.00	160.00	120.00	75.00
27	11 - Urban Development and Public Works	6215.02.191.85.00.55	0.00	15.00	0.00	45.00	60.00	45.00	75.00
28	11 - Urban Development and Public Works	6215.02.191.86.00.55	0.00	0.00	0.00	550.00	550.00	325.00	59.09
<b>Total</b>			<b>4.90</b>	<b>241.52</b>	<b>417.52</b>	<b>2,376.35</b>	<b>3040.27</b>	<b>2,104.89</b>	

Source: Principal Accounts Office, GNCTD

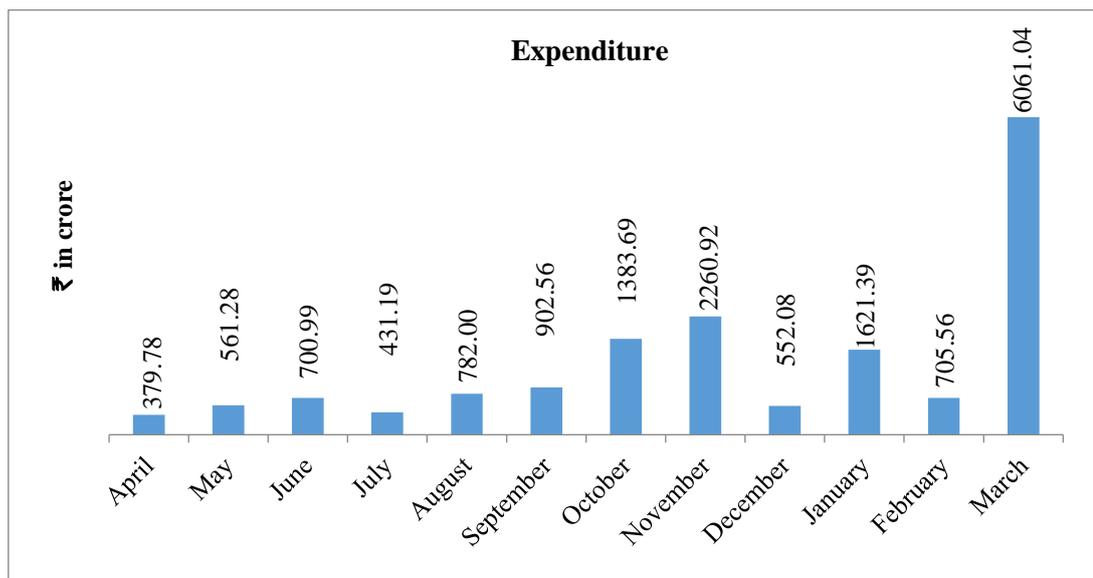
**Chart 3.6: Monthly receipts and expenditure during the FY 2020-21**



It may be observed from the above table/graph that month-wise receipts of GNCTD ranged between 1.81 per cent (April) to 14.92 per cent (March) of the total receipt of ₹ 57,860 crore while month-wise expenditure of GNCTD ranged between 3.43 per cent (May) to 22.52 per cent (March) of the total expenditure of ₹ 52,468 crore during the year 2020-21.

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

**Chart 3.7: Month wise expenditure of Grant No. 11 Urban development and Public Works with very high percentage of expenditure in March 2021**



Audit observed that the Urban Development and Public Works Department (Grant No. 11) incurred 37.09 *per cent* of total expenditure in the last month of the financial year 2020-21. The rush of expenditure at the fag end of the financial year reflects poor budgeting and financial control.

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

NCT of Delhi had approved outlay of ₹ 348.68 crore which was revised to ₹ 335.29 crore under the Centrally Sponsored Schemes (GIA) under 17 Sub-heads of eight Grants.

Audit observed that against ₹ 335.29 crore only ₹ 8.53 crore were received (₹ 1.00 crore, ₹ 2.53 crore and ₹ 5.00 crore received on 16 September 2020, 15 March 2021 and 31 March 2021 respectively) during the year. Details in **Appendix 3.3**.

#### **3.5.5 Outcome of Grant no. 9-‘Industries’**

A review of budgetary procedure and control over expenditure in respect of Grant No.9 - ‘Industries’ for the period 2018-19 to 2020-21 was conducted to ascertain compliances with budgeting processes, monitoring of funds and control mechanism within the grant. The grant was assigned to ‘Industries Department’, ‘Employment Department’, Labour Department’, ‘Food and Civil Supplies and Consumer Affairs’ and ‘Weight and Measures Department’. During the review the following issues were noticed.

- (i) The overall position of Budget provision, expenditure incurred and savings under the Grant for the last three years is given in **Table 3.14**:

Table 3.14: Budget and Expenditure

(₹ in crore)

Year	Provision		Expenditure incurred		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
2018-19	447.03	0.14	159.57	0.00	287.46	0.14
2019-20	454.63	0.14	204.67	0.01	249.96	0.13
2020-21	796.12	0.06	639.46	0.00	156.66	0.06

- (ii) In one case during the year 2020-21 a provision of supplementary grant of ₹ 56.47 crore was made while the final expenditure was nil, making the supplementary grant unnecessary.
- (iii) Re-appropriation in nine cases proved unnecessary, as the departments were not able to utilise fully their original grants. As a result, there were savings of ₹ 115.88 crore in these cases.
- (iv) There were persistent savings of ₹ 50 lakh or more in four cases/sub-heads under the grant during the period 2018-19 to 2020-21 which indicates unrealistic budgeting and deficient management. The savings were due to not filling of vacant post, non-drawal of salaries of newly joined Jr. Assistant for want of document verification, purchase-proposal not materialized etc.
- (v) Scrutiny of section-wise Appropriation accounts of the grant for the years 2018-19 to 2020-21 revealed persistent savings of 19 to 64 *per cent* in revenue voted section and 93 to 100 *per cent* in revenue charged section while savings in Capital voted section were 91 to 97 *per cent* of the total grant indicating unrealistic budgeting and deficient financial provision.
- (vi) In 10, 6, and 15 sub-heads, the entire provision remained un-utilised during the years 2018-19, 2019-20 and 2020-21 respectively, due to non-starting of work by PWD, absence of estimates for renovation, non-finalization of scheme due to pandemic etc. Savings of the entire provision was indicative of the fact, that estimates were prepared without adequately assessing the actual requirement and improper scrutiny of relevant projects/schemes.
- (vii) Rule 62(3) of GFR, 2017 provides that rush of expenditure, particularly in the closing months of the financial year, is regarded as a breach of financial propriety and should be avoided. Contrary to this, expenditure was incurred in 2 and 5 sub-heads by the departments in the last quarter of the financial years 2018-19 and 2019-20 and ranged between 72.22 to 74.55 *per cent* and 90 to 100 *per cent* of the total expenditure while in 3 sub-heads, the department during the year 2020-21 incurred 100 *per cent* expenditure in the last quarter of financial year.

### **3.5.6 Other irregularities**

Audit of Grant no. 01 to 15 of GNCT of Delhi for the Financial Year 2020-21 of Appropriation Accounts revealed the following audit findings:

1. The funds of ₹ 15.00 crore were re-appropriated from Head “3456.00.102.98.00.50 - Streamlining of public distribution system with focus upon below poverty line” to “3456.00.102.88.00.50-Mukhya Mantri Corona Sahayata Yojna” in Grant/Demand no. 09. However, Grant Statement was only reflecting the supplementary grant of ₹ 33.45 crore and re-appropriated amount of ₹ 15.00 crore was not reflected in the appropriation account.

The matter was reported to the Finance Department in October 2021 but no reply has been received (November 2021).

2. As per sl. no.4 of Government of India’s Decisions under Rule 10 of DFPR, re-appropriation of funds from revenue to capital and vice-versa can be allowed only after the approval of Legislature.

Scrutiny of re-appropriation orders for the year 2020-21 revealed that the funds of ₹ 15.20 crore were re-appropriated from capital -voted to revenue - voted in grant no 07. The approval of the Legislature was not provided by the Principal Accounts Office.

The matter was reported to the Finance Department in October 2021 but no reply has been received (November 2021).

### **3.6 Recommendations**

1. Government needs to formulate a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources;
2. An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of the budget to ensure that savings are curtailed, large savings within the grant/appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.