

**CHAPTER-3**  
**BUDGETARY MANAGEMENT**



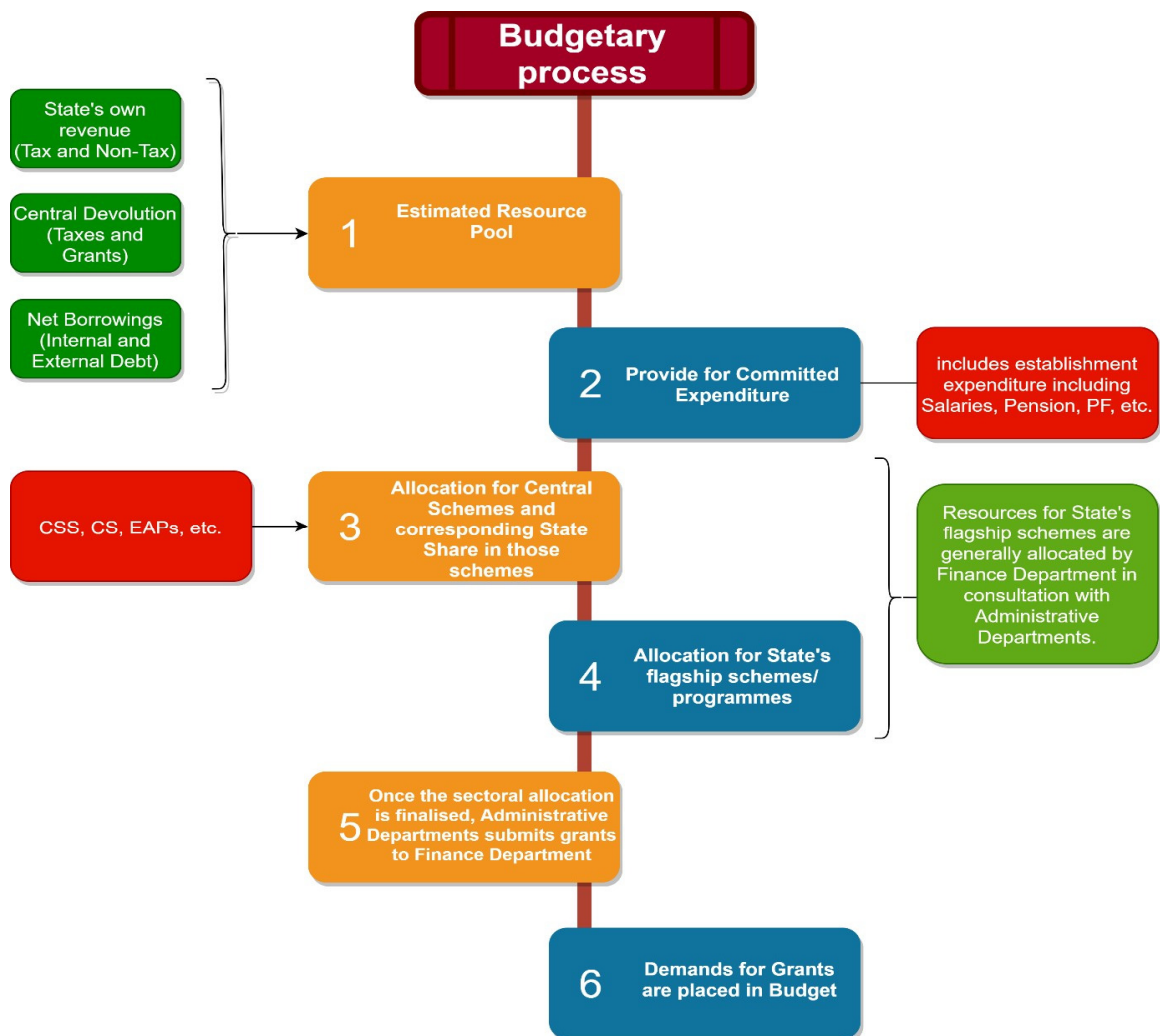
## CHAPTER-3

### BUDGETARY MANAGEMENT

This chapter deals with the review of integrity, transparency and effectiveness of the budgetary process and allocative priorities, including supplementary grants and the concomitant financial management.

#### 3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Budget glossary is given in *Appendix-3.1*. The budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to the Departments in framing their estimates for the next financial year. According to Uttarakhand Budget Manual, budget preparation process in the State is given in the figure below:



### **3.2 Budget Preparation Process**

The Finance Bill, Annual Financial Statement (Budget) and Demands for Grants are mandated by Article 199, 202 and 203 of the Constitution of India respectively.

Article 202 of Constitution of India requires laying of a statement of the estimated receipts and expenditure of the State for that year, as the "Annual Financial Statement" before the Legislature of the State. The Annual Financial Statement should show expenditure charged on consolidated fund and other expenditure separately. It shall also distinguish expenditure on revenue account from other expenditure.

The annual financial statement also called general budget is placed prior to the commencement of the financial year in the State Legislature in accordance with Article 202 of the Constitution. The estimates of receipts and disbursements in the Annual Financial Statement and of expenditure in the Demand for Grants are shown according to the classification under Article 150 of the Constitution.

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with provisions of Article 204 of the constitution. Supplementary or Additional Grant or Appropriation is provided during the course of a financial year, in accordance with Article 205 of the Constitution. It is the provision for meeting expenditure in excess of the budgeted amount.

In Uttarakhand, Finance Department has the responsibility for preparing the Budget:

- Under the rules made by the Governor under Article 166 (2) and (3) of the Constitution and the instructions issued there-under, the Finance Department has been charged with the responsibility to prepare a statement of estimated receipts and expenditure, to be laid before the Legislature in each year. Although the material is supplied by the Heads of Departments and other officers, the actual preparation of the estimates and the budget thus falls upon the Finance Department, and it is solely the business and responsibility of that department to finalise the estimates of receipts and disbursements.
- The State Government secures legislative approval for expenditure out of the Consolidated Fund of the State by presenting its annual Budget and Demands<sup>1</sup> for Grants/Appropriations.
- Supplementary or additional Grant/Appropriation is provided during the course of the financial year for meeting expenditure in excess of the originally budgeted amount.
- Further, the State Government also re-appropriates/re-allocates funds from various Units of Appropriation where savings are anticipated, to Units where additional expenditure is envisaged (within the Grant/Appropriation) during the year.

Finance Department, Government of Uttarakhand every year issues letter thereby giving outline for Budget preparation. For preparation of Budget for the year 2022-23, a letter was issued on 28 October 2021 which inter-alia provides that:

- The correctness of budget estimates and responsibility thereof is clearly described in Para 16 (Chapter 3) of Budget Manual. State Government accounts are generally

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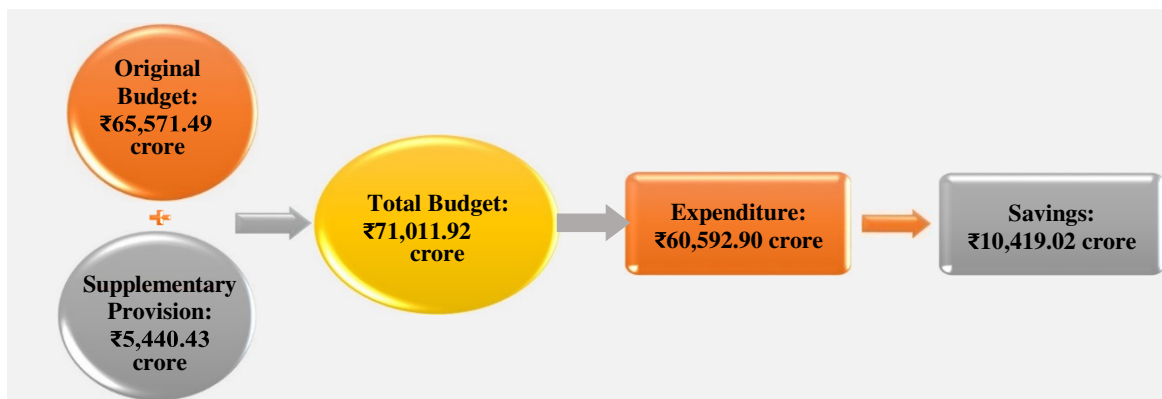
<sup>1</sup> There are 31 demands for Grants/Appropriations for 2022-23.

prepared on cash basis; therefore, the estimates should be framed after a careful and thorough consideration of all items of expenditure and of all sources of income and of every factor likely to affect the actual results.

- Para 17 (Chapter 3) of Budget Manual specifically provides that the budget estimates should, as a rule, be prepared on a gross and not on a net basis. The gross transactions in the case of both receipts and charges in each department should be entered separately. Receipts should be estimated on the receipt side and the expenditure on the expenditure side.
- The Heads of Departments and other estimating officers should prepare the estimates for each head of account with which they are concerned on the basis of the material obtained by them from subordinate officers and forward estimates to Administrative Departments with a copy to the Accountant General by the prescribed dates. The Accountant General furnishes the past actual, offers his comments, if any, and renders such assistance as may be reasonably asked for by the Finance Department.
- According to Para 31 (Chapter 5) of Budget Manual, lump-sum provision should not be generally made but where lump-sum provision is unavoidable, description of principal working head and related estimates should be given in remarks of the budget estimates.
- While estimating Capital Receipts, Recovery of Loan and Advances is a principal head. Therefore, while preparing these estimates, instalments of loans and advances given should be considered. The balance amount pending for recovery against previous outstanding loans and advances should be kept in view and their estimates should also be provided.
- Creation of new posts should not be made as far as possible and if it is unavoidable then creation of new posts should be limited to maximum one *per cent*.

The various components of budget are depicted in **Chart-3.1** below:

**Chart-3.1: Summary of Budget and Expenditure of Uttarakhand for the year 2022-23**



Authorisation by the Legislature

Implemented by the Government

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

### 3.2.1 Gender Budgeting

Gender Budgeting is the segmentation of Budgets to find out the gender-based outcomes of the Government Budget and it is the process of converting gender commitments into budgetary commitments. Gender Budget plays an important role in budgetary policy to fulfill the objective of equality. The allocation of resources for women and the quantification adequacy in the provisioned budget is assessed through gender budgeting. From the point of view of ensuring the participation of women in departmental schemes under the budget, it has been divided into two categories. The schemes which set the budget for 100 per cent women have been kept in category-1 and the schemes having more than 30 per cent have been kept in category-2.

Category wise Gender budget allocation and expenditure during 2022-23 is given in **Table-3.1** below:

**Table: 3.1 Gender Budgeting**

(₹ in crore)

Category	Allocation	Expenditure
Category-1	2,068.21	Information not provided by the State Government
Category-2	11,703.10	
<b>Total</b>	<b>13,771.31</b>	

Source: Gender Budget

### 3.2.2 Summary of total provisions, actual disbursements and savings during financial year

A summarised position of total budget provision, disbursement and saving/excess with its further bifurcation into voted/charged is given in **Table-3.2**.

**Table-3.2: Budget provision, disbursement and savings/excess during the financial year (2022-23)**

(₹ in crore)

Total Budget provision		Disbursements		Saving (-) /Excess (+)	
Voted	Charged	Voted	Charged	Voted	Charged
56,810.48	14,201.44	46,779.83	13,813.07	(-) 10,030.65	(-)388.37

Source: Appropriation Accounts.

### 3.2.3 Charged and voted disbursements.

Break-up of total disbursement into charged and voted during 2018-19 to 2022-23 is given in **Table-3.3**.

**Table-3.3: Disbursement and Savings/Excess during 2018-19 to 2022-23**

(₹ in crore)

Year	Disbursements		Saving/Excess	
	Voted	Charged	Voted	Charged
2018-19	34,617.56	14,778.29	(-) 4,950.03	(+) 6,308.38
2019-20	34,147.37	13,825.82	(-) 8,395.33	(+) 5,170.72
2020-21	38,726.01	1,3274.10	(-)9,201.42	(+)3,610.77
2021-22	41,619.58	9,074.77	(-)12,480.40	(-)1,837.65
2022-23	46,779.83	13,813.07	(-)10,030.65	(-)388.37

Source: Appropriation Accounts.

As it can be seen from above, there are consistent savings in the Voted segment during last five years 2018-19 to 2022-23 and consistent excesses in the Charged segment during

2018-19 to 2020-21. However, there is saving in the Charged segment during last two year 2021-22 to 2022-23.

### 3.2.4 Budget marksmanship

#### Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved.

**Table: 3.4: Aggregate Budget Outturn against Budget Estimates**

(₹ in crore)

Description	Original Budget approved (BE)	Actual Outturn	Difference between actual and BE*
(1)	(2)	(3)	(4)
Revenue	49,013.31	43,772.73	(-) 5,240.58
Capital	16,558.18	16,820.17	(+) 261.99
<b>Total</b>	<b>65,571.49</b>	<b>60,592.90</b>	<b>(-) 4,978.59</b>

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

In Revenue section, deviation in outturn compared with BE was (-) 10.69 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 26 grants, between  $\pm 25$  per cent and  $\pm 50$  per cent in five grants.

In Capital section, deviation in outturn compared with BE was (+) 1.58 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 14 grants, between  $\pm 25$  per cent and  $\pm 50$  per cent in eight grants, between  $\pm 50$  per cent and  $\pm 100$  per cent in six grants and equal to 100 per cent and above in two grants. However, no provision was made in respect of one grant (Grant No. 2) of the Capital section.

#### Expenditure Composition Outturn

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

**Table: 3.5: Expenditure composition outturn against BE and RE**

(₹ in crore)

Description	Original Approved Budget (BE)	Revised (RE)	Actual Outturn	Difference Between BE and RE	Difference Between Actual and RE*
(1)	(2)	(3)	(4)	(5)	(6)
Revenue	49,013.31	49,594.24	43,772.73	580.93	(-) 5821.51
Capital	16,558.18	18,159.41	16,820.17	1601.23	(-) 1,339.24
<b>Total</b>	<b>65,571.49</b>	<b>67,753.65</b>	<b>60,592.90</b>	<b>2,182.16</b>	<b>(-) 7,160.75</b>

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

In Revenue section, deviation in outturn compared with RE was (-) 11.74 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 25 grants, between  $\pm 25$  per cent and  $\pm 50$  per cent in six grants.

In Capital section, deviation in outturn compared with RE was (-) 7.37 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 19 grants, between  $\pm 25$  per cent and  $\pm 50$  per cent in six grants, between  $\pm 50$  per cent and  $\pm 100$  per cent in three grants and equal to 100 per cent and above in two grants. No provision was, however, made in respect of one grant (Grant no. 2) of the Capital section.

### **3.3 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 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, management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

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

#### **3.3.1 Comments on integrity of budgetary and accounting process**

##### **3.3.1.1 Expenditure incurred with authority of law**

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 204 of the Constitution. Expenditure on new scheme should not be incurred on a scheme/service without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State. It was observed that during 2022-23 no scheme existed on which expenditure was incurred without budget provisions.

##### **3.3.2 Misclassification of capital expenditure as revenue expenditure and vice versa**

Misclassification of expenditures and receipts has a direct impact on the integrity of the financial statements. Article 202 of the Constitution prescribes that, 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" (or the "budget"), is to be laid before both the Houses of the State Legislature. The estimates of expenditure are classified under 'charged' (such expenditure as is not to be submitted to the vote of the Legislative Assembly under the provisions of the Constitution) and 'voted' items of expenditure separately. Annual



Financial Statement distinguishes expenditure on revenue accounts from other expenditure as explained in *Chapter-2*.

State financial rules categorize the primary units of appropriation. There are specific object heads meant for obtaining provision for acquisition of Capital Assets and other Capital Expenditure. These object heads pertaining to booking of expenditure of capital nature should correspond with capital major heads only.

Classification of expenditure of revenue nature as capital expenditure or vice-versa, results in overstatement/understatement of revenue expenditure and revenue deficit/surplus. Details of misclassification of expenditure during the year 2022-23 are given in **Table-3.6** below:

**Table-3.6: Details of misclassification of expenditure**

Sl. No.	Number of the Grant and Head of Account	Type of Misclassification	Amount (₹ in crore)	Remarks
1.	27, 2406	Booking of capital into revenue	14.71	Expenditure on major works and land purchase met from revenue expenditure.
2.	12, 2210		0.52	
	<b>Sub Total</b>		<b>15.23</b>	

Analysis of data revealed that an expenditure of ₹ 15.23 crore had been booked under revenue section. This expenditure should have been booked under the capital section as this expenditure pertained to the major works and land purchase.

During exit conference, the Government said that corrective measures will be taken.

### **3.3.3 Unnecessary or excessive supplementary grants**

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year as is necessary to meet-

- Expenditure on Schemes of New Expenditure to be taken up within the current financial year.
- Inadequacy of provision.
- Fresh expenditure but not technically Schemes of New Expenditure.
- Omissions of provision.

When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess by Re-Appropriation, the Secretary in the Department concerned proposes to the Finance Department for Supplementary or Additional Grant or Appropriation. In deserving cases which are unforeseen, and which cannot wait for provision by Supplementary or Additional Grant or Appropriation, advances from the Contingency Fund may be sanctioned in accordance with the provisions made in the Constitution and the relevant rules. The advances so sanctioned will have to be regularised by a Supplementary Grant or Appropriation and recouped to the

Contingency Fund. Considerable Re-Appropriation from one Sub Head to another must always be avoided. That fresh expenditure is unavoidable or imperatively necessary or that it will produce consequential economy or that it is essential for preserving the revenue or the public safety are reasonable justifications for introducing fresh expenditure during the course of the year. However, in such circumstances, it must be shown that the requirements could not have been foreseen and provided for in the budget. The process of Re-Appropriation is not designed merely to rectify omissions and lack of foresight.

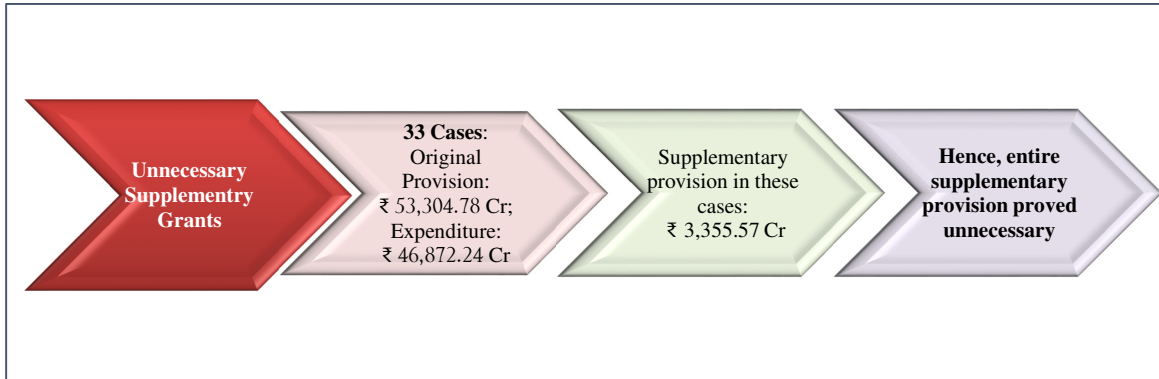
During the current year 2022-23, against total appropriation of ₹ 71,011.92 crore there was saving of ₹ 10,419.02 crore (14.67 per cent).

Details of cases where supplementary provision (₹ 10 crore or more in each case) proved unnecessary are detailed in **Table-3.7** below:

**Table-3.7: Details of cases where supplementary provision (₹ 10 crore or more in each case) proved unnecessary**

(₹ in crore)					
Sl. No.	Name of the Grant	Original	Supplementary	Actual Expenditure	Saving out of Provisions
<b>Revenue (Voted)</b>					
1.	03- Council of Ministry	48.80	10.50	38.15	21.15
2.	04-Judicial Administration	267.64	32.71	254.01	46.34
3.	06- Revenue and General Administration	2,080.92	112.07	1737.57	455.42
4.	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	10,874.35	336.42	10,378.74	832.03
5.	10- Police & Jail	2,377.05	24.41	2,186.01	215.45
6.	11 Education, Sports, Youth Welfare & Culture	10,014.99	82.18	9,103.26	993.91
7.	12-Medical, Health & Family Welfare	3,609.09	422.84	3,488.09	543.84
8.	13- Water Supply, Housing & Urban Development	891.56	91.49	888.09	94.96
9.	14-Information	127.09	51.70	167.26	11.53
10.	15-Welfare Schemes	2,669.31	316.55	2,285.00	700.86
11.	16-Labour & Employment	536.55	24.64	346.05	215.14
12.	17- Crop Husbandry & Research	1,155.30	38.63	959.41	234.52
13.	19-Rural Development	1161.44	250.34	1156.36	255.42
14.	22-Public Works	993.06	56.37	902.35	147.08
15.	23-Industries	360.61	30.00	325.25	65.36
16.	24 Transport	147.19	25.70	154.10	18.79
17.	25-Food	210.33	52.97	181.44	81.86
18.	29 -Horticulture Development	499.38	37.36	395.12	141.62
19.	30-Welfare of Scheduled Castes	1,702.85	36.08	1104.34	634.59
20.	31-Welfare of Scheduled Tribes	437.24	29.17	271.95	194.46
<b>Total</b>		<b>40,164.75</b>	<b>2,062.13</b>	<b>36,322.55</b>	<b>5,904.33</b>

Sl. No.	Name of the Grant	Original	Supplementary	Actual Expenditure	Saving out of Provisions
<b>Revenue (Charged)</b>					
1	07-Finance, Tax, Planning, Secretariat & Miscellaneous Services	6,271.34	200.00	5,217.68	1,253.66
<b>Total</b>		<b>6,271.34</b>	<b>200.00</b>	<b>5,217.68</b>	<b>1,253.66</b>
<b>Capital (Voted)</b>					
1	04-Judicial Administration	103.10	55.56	96.04	62.62
2	06- Revenue and General Administration	258.90-	15.45	234.20	40.15
3	11-Education, Sports, Youth Welfare & Culture	478.93	43.57	414.91	107.59
4	12-Medical, Health & Family Welfare	385.07	10.00	298.37	96.70
5	13-Water Supply, Housing & Urban Development	1219.29	294.67	1035.65	478.31
6	17- Crop Husbandry & Research	50.90	18.30	44.42	24.78
7	19-Rural Development	2,537.69	350.00	1,851.71	1,035.98
8	22-Public Works	1,345.80	220.00	1,235.14	330.66
9	23-Industries	87.46	72.10	120.40	39.16
10	28 Animal Husbandry	45.25	20.00	26.55	38.70
11	30 Welfare of Scheduled Castes	319.81	36.17	233.58	122.40
12	31 Welfare of Scheduled Tribes	139.59	13.18	107.08	45.69
<b>Total</b>		<b>6,868.69</b>	<b>1,093.44</b>	<b>5,332.01</b>	<b>2,630.12</b>
<b>Grand Total</b>		<b>53,304.78</b>	<b>3,355.57</b>	<b>46,872.24</b>	<b>9,788.11</b>



During exit conference, it was informed by the Government that the supplementary provisions are made in accordance with the legislative procedure for administrative needs and schemes of the time. Further, expenditure aspect will be monitored.

Details of cases where supplementary provision at scheme level (₹ 10 crore or more in each case) proved unnecessary are detailed in **Table-3.7(a)** below:

**Table-3.7(a): Details of cases where supplementary provision at scheme level (₹ 10 crore or more in each case) proved unnecessary**

(₹ in crore)

Grant No.	Name of the Scheme	Original	Supplementary	Re-appropriation	Total	Actual Expenditure	Saving out of Provisions
03	Chief Minister Discretionary Grant	30.00	10.00	0.00	40.00	28.85	11.15
04	Development of Infrastructural facilities for Judicial Works	80.00	50.00	0.00	130.00	80.00	50.00
06	Technical support and capacity development (World Bank Project AF)	210.00	10.00	0.00	220.00	187.00	33.00
07	Transfer of State Development Loans to Consolidated Debt Fund	200.00	200.00	0.00	400.00	100.00	300.00
12	National Urban Health Mission & PM Ayushman Bharat Health Infrastructure Mission	141.87	60.00	0.00	201.87	133.54	68.33
12	Medical College Allopathy	413.18	19.71	0.00	432.89	366.11	66.78
15	Honorarium given by the State Government on Integrated Child Development Scheme	160.28	24.44	0.00	184.72	151.46	33.26
15	Nanda Gaura Yojana	500.00	130.73	0.00	630.73	334.96	295.77
22	Work Done through Central Road Fund	340.00	70.00	0.00	410.00	334.34	75.66
29	Horticulture development	264.92	36.82	1.28	303.02	257.46	45.56
31	Integrated Child Development Project in ST areas (90 per cent CS) Saksham Anganwadi Service and Poshan 2.0	13.48	11.55	- 0.19	24.84	9.37	15.48
	<b>Total</b>	<b>2353.73</b>	<b>623.25</b>	<b>1.09</b>	<b>2978.07</b>	<b>1983.09</b>	<b>994.99</b>

Source: Budget Document and Appropriation Account

During the current year 2022-23, against total appropriation of ₹ 2,978.07 crore in these schemes there was saving of ₹ 994.99 crore (33.41 per cent). Against original appropriation of ₹ 2,353.73 crore, there was saving of ₹ 370.64 crore, therefore, supplementary provision of ₹ 623.25 crore proved unnecessary as saving of ₹ 994.99 crore was more than the supplementary provision of ₹ 623.25 crore.

### 3.4 Re-appropriations undertaken which require prior Legislative authorisation

Re-appropriation is the transfer of funds within a grant from one unit of appropriation where savings are anticipated, to another unit where additional funds are needed. No cases of Re-appropriation, which require prior Legislative authorisation, were noticed in Uttarakhand during the year 2022-23.

#### 3.4.1 Unnecessary/excessive re-appropriation

There were six cases where Re-appropriation was five crore and above and final savings were ₹ five crore or more than re-appropriated amount as shown in **Table-3.8**:

Table-3.8: Excess/unnecessary re-appropriation

(₹ in crore)

Sl. No.	Grant No. and Head of accounts	Provisions				Actual Expenditure	Final Savings
		Original	Supplementary	Re-appropriation	Total		
1	06 Revenue & General Administration 2245-Relief on account Natural Calamities 08-State Disaster Mitigation Fund 797-Transfer to reserve Fund 03- Expenditure from state Disaster Mitigation Fund	291.47	0.00	135.25	426.72	208.12	218.60
2	07 Finance, Tax, Planning Secretariat & Miscellaneous Services 4059-Capital Outlay on Public Works 80-General 800-Other Expenditure 01-Centrally Sponsored Scheme	1200.00	0.00	163.49	1363.49	1072.85	290.64
3	15-Welfare Schemes 2235-Social Security and Welfare 02 Social Welfare 102 Child Welfare 95 State Share in Centrally Sponsored Scheme	50.83	37.97	6.44	95.24	25.61	69.63
4	19-Rural Development 2505Rural Employment 02 Rural Employment Guarantee Scheme 101 National Rural Employment Guarantee Scheme 01 Centrally Sponsored Scheme	170.00	137.64	29.08	336.72	316.75	19.97
5	19-Rural Development 4515-Capital Outlay on Other Rural Development Programmes 102-Community Development 05- Payment for excess expenditure under PMGSY	20.00	0.00	80.00	100.00	4.61	95.39
6	29- Horticulture Development 2401- Crop Husbandry 119- Horticulture and Vegetable Crops 98 NABARD Funded	13.80	0.00	9.73	23.53	12.36	11.17

Source: Appropriation Account

During 2022-23, the State Government re-appropriated ₹ 3,033.67 crore within the grants as provided in the Uttarakhand Budget Manual. Out of this, an amount of ₹ 90.88 crore was re-appropriated on the last working day of the financial year 2022-23 (31 March 2023). These re-appropriations in six cases (of savings more than ₹ five crore) proved unnecessary. Further, one case of re-appropriation amounting to ₹ 2.00 crore from Revenue Voted to Revenue Charged was noticed during 2022-23 which was not permissible according to the Budget Manual of Government of Uttarakhand. However, no case of re-appropriation from Capital to Revenue and vice-versa was noticed during the year 2022-23.

During exit conference, the Government said that re-appropriations are made as per the circumstances where necessary such as possibility of getting budget from Government of India etc. to ensure that such a situation does not arise on the last working day of the financial year. Further regarding re-appropriation from revenue voted to revenue charged, the Government stated that recurrence of such lapses will be avoided in future.

### **3.5 Unspent amount and surrendered appropriations and/or large savings/surrenders**

Complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or slipshod estimating, it is not readily excusable. The golden rule for all Estimating Officers should be to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should, in checking the estimates, apply unrelentingly the proven and well-tried check of average of previous actuals with known or reasonably foreseeable facts which may modify that average.

No object is served by keeping back savings which should ideally be surrendered in time. For this reason, appropriations which are likely to remain unspent must be reported for surrender as early as possible. If this is not done, other spending Departments are deprived of the funds which they could have utilised. Surrenders are being made generally in the month of March, and a careful study of figures of expenditure incurred and watch over the progress of last month's expenditure should enable a Controlling Officer to fix upon his final requirements with a reasonable degree of exactness.

When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts that they can surrender. The aim should be to surrender as much as they can so as to keep the expenditure just within the modified Grant.

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls promote release of funds towards the end of the financial year and increase the propensity of the Departments to retain huge balances outside the Government account in Bank Accounts.

Details of grants having large savings (₹ 100 crore & above) are given below in **Table-3.9:**

**Table-3.9: Details of Grants having large savings (₹ 100 crore & above) during the year**  
(₹ in crore)

Sl. No.	Number and name of the grant	Original	Supplementary	Total	Actual Expenditure	Saving/ Excess	Savings as percentage of total grant	Savings excluding surrender
<b>Revenue (Voted)</b>								
1	6, Revenue & General Administration	2,080.92	112.07	2,192.99	1,737.57	455.42	20.77	455.42
2	7, Finance, Tax, Planning, Secretariat & Miscellaneous	10,874.35	336.42	11,210.77	10,378.74	832.03	7.42	832.03
3	10, Police & Jail	2,377.05	24.41	2,401.46	2,186.01	215.45	8.97	215.45
4	11 Education, Sports, Youth Welfare & Culture	10,014.99	82.18	10,097.17	9,103.26	993.91	9.84	993.91
5	12 Medical Health & Family Welfare	3,609.09	422.84	4,031.93	3,488.09	543.84	13.49	543.84
6	13 Water Supply, Housing & Urban Development	891.56	91.49	983.05	888.09	94.96	9.66	94.96
7	15 Welfare schemes	2,669.31	316.55	2,985.86	2,285.00	700.86	23.47	700.86
8	16 Labour & Employment	536.55	24.64	561.19	346.05	215.14	38.34	215.14
9	17 Crop Husbandry & Research	1,155.30	38.63	1,193.93	959.41	234.52	19.64	234.52
10	19 Rural Development	1161.44	250.34	1,411.78	1156.36	255.42	18.09	255.42
11	22-Public Works	993.06	56.37	1,049.43	902.35	147.08	14.02	147.08
12	29 Horticulture Development	499.38	37.36	536.74	395.12	141.62	26.39	141.62
13	30 Welfare of Scheduled Castes	1,702.85	36.08	1,738.93	1104.34	634.59	36.49	634.59
14	31 Welfare of Scheduled Tribes	437.24	29.17	466.41	271.95	194.46	41.69	194.46
<b>Total</b>		<b>39,003.09</b>	<b>1,858.55</b>	<b>40,861.64</b>	<b>35,202.34</b>	<b>5,659.30</b>	<b>13.85</b>	<b>5,659.30</b>
<b>Revenue (Charged)</b>								
1	7 Finance, Tax, Planning, Secretariat & Miscellaneous	6,271.34	200.00	6,471.34	5,217.68	1,253.66	19.37	1,253.66
<b>Total</b>		<b>6,271.34</b>	<b>200.00</b>	<b>6,471.34</b>	<b>5,217.68</b>	<b>1,253.66</b>	<b>19.37</b>	<b>1,253.66</b>

Sl. No.	Number and name of the grant	Original	Supplementary	Total	Actual Expenditure	Saving/ Excess	Savings as percentage of total grant	Savings excluding surrender
<b>Capital (Voted)</b>								
1	6, Revenue & General Administration	258.90	15.45	274.35	234.20	40.15	14.63	40.15
2	11 Education, Sports, Youth Welfare & Culture	478.93	43.57	522.50	414.91	107.59	20.59	107.59
3	13 Water Supply, Housing & Urban Development	1,219.29	294.67	1513.96	1,035.66	478.30	31.59	478.30
4	19 Rural Development	2537.70	350.00	2887.70	1851.72	1035.98	35.88	1,035.98
5	22-Public Works	1345.80	220.00	1565.80	1235.14	330.66	21.12	330.66
6	30 Welfare of Scheduled Castes	319.81	36.17	355.98	233.58	122.40	34.38	122.40
<b>Total</b>		<b>6,160.43</b>	<b>959.86</b>	<b>7,120.29</b>	<b>5,005.21</b>	<b>2,115.08</b>	<b>29.70</b>	<b>2,115.08</b>
<b>Grand Total</b>		<b>51,434.86</b>	<b>3,018.41</b>	<b>54,453.27</b>	<b>45,425.23</b>	<b>9,028.04</b>	<b>16.58</b>	<b>9,028.04</b>

Source: Appropriation Account.

As is evident from table above, Government sought supplementary budget of ₹ 3,018.41 crore in 21 cases under 14 grants which proved unnecessary as there was already a saving of ₹ 6,009.63 crore (11.68 per cent) against the Original Budget. The Government did not surrender any amount under these grants. The reasons for savings were not given by the State Government.

### 3.5.1 Grants/Appropriations with budget utilisation of less than 50 per cent

Details of Grants/Appropriation with budget utilisation of less than 50 per cent during 2022-23 are given in the **Table-3.10**.

**Table-3.10: Grants/Appropriations with budget utilisation of less than 50 per cent (in 2022-23)**

Sl. No.	Grant No & Name	2018-2019 (percentage)	2019-2020 (percentage)	2020-2021 (percentage)	2021-2022 (percentage)	2022-2023 (percentage)	Number of Years	Budget 2022-23 (in crore)	Total Budget of last 5 Years (₹ in crore)
1	01 Legislature (Capital Voted)	99.84	76.93	17.29	15.00	8.33	3	12.00	82.70
2	08 Excise (Capital Voted)	No budget allocated, hence no utilisation				0	1	2.00	2.00
3	09 Public Service Commission (Capital Voted)	100	100	17.42	0	20.30	2	7.00	16.28
4	15 Welfare Schemes (Capital Voted)	47.17	64.14	47.87	31.33	46.03	4	134.89	584.12



Sl. No.	Grant No & Name	2018-2019 (percentage)	2019-2020 (percentage)	2020-2021 (percentage)	2021-2022 (percentage)	2022-2023 (percentage)	Number of Years	Budget 2022-23 (₹ in crore)	Total Budget of last 5 Years (₹ in crore)
5	20 Irrigation & Flood (Capital Voted)	78.16	52.23	36.00	31.28	46.71	3	759.87	3,400.66
6	20 Irrigation & Flood (Revenue Charged)	No budget allocated, hence no utilisation				13.87	1	3.00	3.00
7	21 Energy (Capital Voted)	76.95	39.60	48.32	139.39	29.35	3	451.44	1,751.16
8	28 Animal Husbandry (Capital Voted)	32.88	35.15	29.32	26.71	40.69	5	65.25	189.60
9	29 Horticulture Development (Capital Voted)	31.55	74.04	119.26	76.12	43.28	2	36.10	96.89

As has been detailed in **Table-3.10** above, underutilisation (less than 50 per cent) of budgetary provision was noticed in eight grants. Further, analysis revealed that one Department viz Welfare Schemes was not able to utilise 50 per cent of the budget allocation in four out of the last five years and the Department of Animal Husbandry was not able to utilise 50 per cent of the budget allocation in the last five years.

### 3.5.2 Details of surrenders of funds in excess of ₹ one crore

Details of surrender of funds in excess of ₹ one crore at the end of March are given in **Table-3.11**

**Table-3.11: Details of surrender of funds in excess of ₹ one crore till 31<sup>st</sup> March**

(₹ in crore)

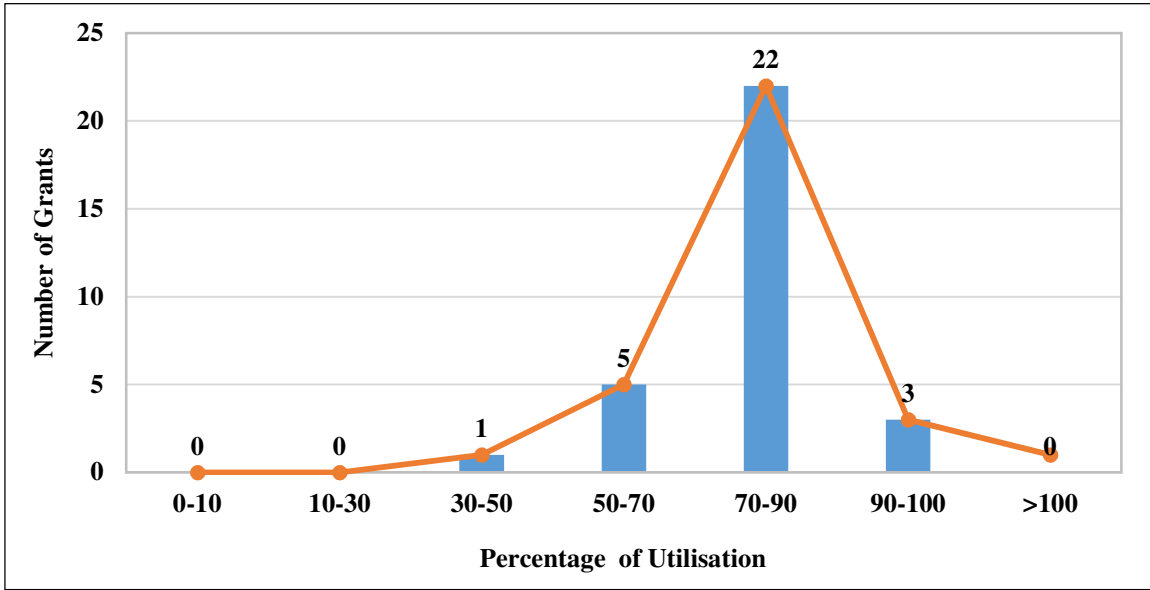
Sl. No.	Grant Number and Name	Original	Supplementary	Total provisions	Actual Expenditure	Saving (-) /Excess (+)	Amount Surrendered
-----NIL-----							

The State Government of Uttarakhand did not surrender any funds during the financial year 2022-23.

### 3.5.3 Distribution of the number of Grants/Appropriations grouped by the percentage of utilisation

Details of distribution of the number of Grants/Appropriations grouped by the percentage of utilisation are given in the **Chart-3.2** below:

Chart-3.2: Distribution of the number of Grants/Appropriations grouped by the percentage of utilisation



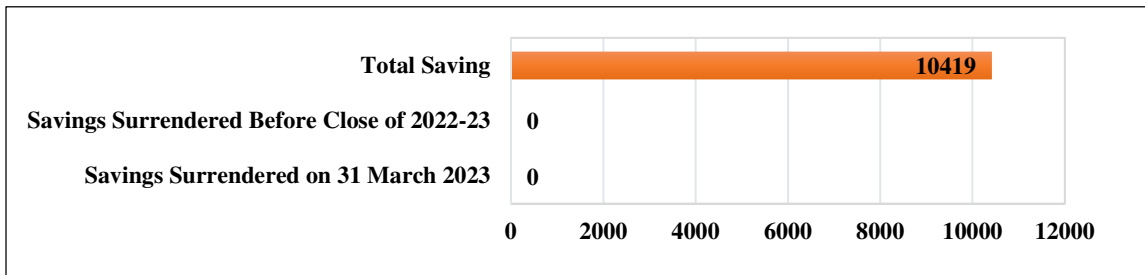
As is evident from chart above, in 22 Grants/Appropriations, the utilisation was between 70 to 90 *per cent* and in 5 grants, the utilisation was between 50 to 70 *per cent*, in one Grants/Appropriation utilisation was below 50 *per cent* and in three Grants/Appropriations namely, 07- Finance, Tax, Planning, Secretariat & Miscellaneous, 10-Police and Jail and 14-Information utilisation was above 90 *per cent* of the budget allocations.

### 3.5.4 Details of savings and surrenders before close of financial year 2022-23

Details of savings and surrenders before close of financial year 2022-23 are given in **Chart-3.3**:

Chart-3.3: Savings and surrenders before close of financial year 2022-23

(₹ in crore)

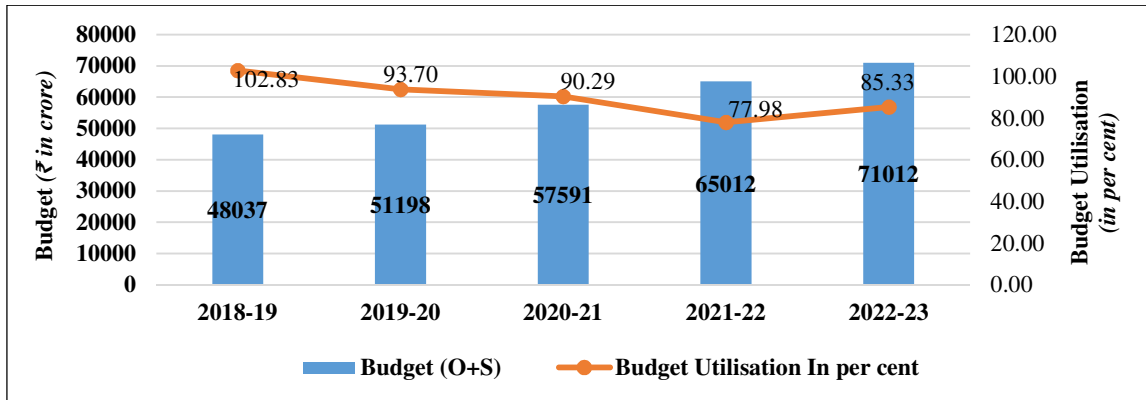


As is evident from above, there was a saving of ₹ 10,419 crore as compared to budget figures during the year 2022-23. However, the various Government departments did not propose any amount for surrender and no amount was surrendered by any department during 2022-23.

### 3.5.5 Budget allocation and its utilisation

Budget allocation (original & supplementary) and its utilisation is given in **Chart-3.4** below:

Chart: 3.4 Budget utilisation during 2018-19 to 2022-23



### 3.6 Excess expenditure and its regularisation

Article 205(1) (b) of the Constitution provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess. This implies that it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature for the Financial year.

Although no time limit for regularisation of excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee. Failure to do so is in contravention of constitutional provisions and defeats the objective of ensuring accountability by the Legislature of the executive over utilisation of public money.

#### 3.6.1 Excess expenditure relating to 2022-23

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose. The summary of excess expenditure over the provision of the financial year is given in **Table-3.12**.

Table 3.12 Summary of excess disbursement over Grant/Appropriation during 2022-23

(₹ in crore)	
	Name of department/Grant
	<b>07- Finance, Tax, Planning, Secretariat &amp; Miscellaneous</b>
Capital Charged	896.53
<b>Total Excess</b>	<b>896.53</b>

Source: Appropriation Account.

#### 3.6.2 Details of Major Head wise disbursement over the authorisation

According to para 151 of Uttarakhand Budget Manual, under sub-clauses (b) of clause (1) and (2) of Article 205 of the Constitution of India, if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, demand for such excess amount has to be presented to the Legislative Assembly and is to be dealt with in the same way as if it were a demand for a grant.

Details of Major Head-wise disbursement over the authorisation from the Consolidated Fund of the State during the financial year 2022-23 are given in **Table-3.13**.

**Table-3.13: Major Head wise excess disbursement over the authorisation from the Consolidated Fund of State**  
(₹ in crore)

Sl. No.	Grant No.	Major Head	Major Head Description	Total provision	Re-appropriation	Total	Expenditure	Excess	Reasons for excess stated by the Department
1	2	3	4	5	6	7 = 5+6	8	9 = 8-7	10
1.	07	2052	Secretariat-General Services.	3.50	(-)0.23	3.27	4.06	0.79	Reasons not provided by the Department.
2.	07	6003	Internal debt of the State Government	7497.03	0.00	7497.03	8412.58	915.55	
3.	07	7615	Miscellaneous Loan	7578.24	0.00	7578.24	8474.77	896.53	
4.	24	7055	Loan for Road Transport	22.47	(-)16.47	6.00	17.76	11.76	
<b>Total</b>								<b>1824.63</b>	

Source: - Detailed Appropriation Accounts

### 3.6.3 Persistent excesses in certain Grants

A number of grants witness excess expenditure year after year. The persistent excess expenditure indicates that the budgetary control in the department as well as oversight by the Finance Department were ineffective and budget estimates were not prepared on realistic basis. Such repeated excess expenditure is in violation of the will of the State Legislature. Strictly, not a single rupee can be spent without prior legislative authorisation and, therefore, this has been a serious lapse on part of executives. Persistent excesses may be due to improper estimation at the time of preparation of budget. Persistent excesses were noticed in one grant during 2018-19 to 2022-23 is given in **Table-3.14** below:

**Table 3.14: Details of excess noticed in one grants during 2018-19 to 2022-23**

Sl. No.	Description of Grant/Appropriation	2018-19	2019-20	2020-21	2021-22	2022-23
01	<b>Grant No.-07: Finance, Tax, Planning, Secretariat &amp; Miscellaneous (Capital Charged)</b>					
	Total Grant	3,182.00	2,876.31	3,503.31	No Excess	7,578.24
	Expenditure	10,230.14	9,096.03	8,269.59		8,474.77
	Total Excess	7,048.14	6,219.72	4,766.28		896.53
	Excess under WMA	7,072.64	5,865.36	4,561.42		1,195.47

Source:- Appropriation Accounts

As is evident from the table above, persistent excess were noticed in the Grant No. 07 Finance, Tax, Planning, Secretariat and Miscellaneous over period 2018-19 to 2020-21 and 2022-23. It was noticed that this persistent excess occurred due to major portion of excess in Ways and Means Advances during these years. The Government has not furnished any reasons for this.

### 3.6.4 Regularisation of excess expenditure of previous financial years

Paragraph 121 of Chapter XIII of the Uttarakhand Budget Manual envisages that if after the close of the year, it is revealed, through the Appropriation Accounts, that any expenditure was incurred under any Grant or Charged Appropriation in excess of the final appropriation for that year under that Grant or Charged Appropriation, the excess expenditure should be regularised, on the basis of the recommendation of the Committee on Public Accounts, by presenting to the Legislative Assembly, demands for excess grants as required under Article 205 (1) (b) of the Constitution. However, excess expenditure amounting to ₹ 47,758.16 crore pertaining to previous years from 2005-06 to 2021-22 was yet to be regularised by the State Legislature. Out of ₹ 47,758.16 crore, ₹ 27,722.40 crore pertains to excess under Ways and Means Advances and ₹ 19,041.88 crore pertains to excess under Grant number 17,25 and 29. The excess expenditure in Ways and Means Advances under Grant No. 7 (Finance, Tax, Planning, Secretariat and Miscellaneous Services) was due to repayment of Loans under Ways and Means Advances more than the Budget estimates. Further, excess expenditure reflected under Grant No. 17 (Agriculture Works and Research), Grant No. 25 (Food) and Grant No. 29 (Horticulture Development) was due to the fact that Budget estimates were prepared after netting of recoveries ( budget estimates were prepared on net basis rather than on gross basis).

The year-wise amount of excess expenditure pending regularisation is summarised in **Table-3.15**, **Table-3.15 (A)** and **Table-3.15 (B)**.

**Table-3.15: Details of year-wise amount of excess expenditure pending regularisation**

(₹ in crore)

Year	Grant No./ Appropriation	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
2005-06	7	7,8,17,20,22,25 & 29	663.50	Not yet regularised
2006-07	6	7,17,20,22,25 & 29	935.92	
2007-08	6	7,17,20, 22,25 & 29	733.79	
2008-09	6	7,17,20,22,25 & 29	1,146.41	
2009-10	7	7,17,18,21,22,25 & 29	1,007.49	
2010-11	9	10,12,15,17,20,21,22,25 & 29	1,295.40	
2011-12	5	7,17,22,25 & 29	1,611.40	
2012-13	7	12,14,17,21,22,25 & 29	1,835.34	
2013-14	3	22,25 & 29	1,837.15	
2014-15	4	17,22, 25 & 29	1,922.80	
2015-16	4	17, 22, 25 & 29	2,334.24	
2016-17	4	07, 17, 25 & 29	5,457.33	
2017-18	6	07,17,20,22,25 & 27	6,413.38	
2018-19	3	07,19 & 25	8,464.98	
2019-20	03	07,17 & 25	7,214.48	
2020-21	06	07,17,18,19,25 & 29	4,884.55	
2021-22	--	---	0.00	
<b>Total</b>			<b>47,758.16</b>	

Source: Appropriation Accounts.

**Table 3.15 (A): Details of year-wise amount of excess expenditure under Grant no. 17, 25 & 29 pending regularisation**

(₹ in crore)

Year	No. of Grants	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
2005-06	3	17,25 and 29	492.66	Not yet regularised
2006-07	2	17, and 25	408.31	
2007-08	3	17,25 and 29	386.78	
2008-09	3	17,25 and 29	580.44	
2009-10	3	17,25 and 29	931.04	
2010-11	3	17,25 and 29	1,240.96	
2011-12	3	17,25 and 29	1,306.09	
2012-13	3	17,25 and 29	1,828.36	
2013-14	2	25 and 29	1,780.56	
2014-15	3	17,25 and 29	1,763.02	
2015-16	3	17,25 and 29	2,218.20	
2016-17	3	17,25 and 29	2,270.88	
2017-18	2	17, and 25	1,326.11	
2018-19	1	25	1,414.04	
2019-20	2	17, and 25	994.76	
2020-21	3	17,25 and 29	99.67	
<b>Total</b>			<b>19,041.88</b>	

**Table 3.15 (B): Details of year-wise amount of excess expenditure under WMA pending regularisation**

(₹ in crore)

Year	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
2006-07	07	376.14	Not yet regularised
2007-08	07	311.94	
2008-09	07	475.86	
2009-10	07	199.81	
2010-11	07	5.87	
2011-12	07	431.17	
2016-17	07	3,291.28	
2017-18	07	5,130.91	
2018-19	07	7,072.64	
2019-20	07	5,865.36	
2020-21	07	4,561.42	
<b>Total</b>		<b>27,722.40</b>	

Source: Appropriation Accounts.

The State Government has not furnished any reasons for these excesses. Therefore, this is in violation of Articles 204 and 205 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

During exit conference, the Government stated that the excess were of purely accounting in nature. The budgetary allocations under WMA are kept minimal so as not to inflate budget. It's essential for the Government to address excesses through transparent and accountable fiscal management practices while ensuring long-term planning and budgetary discipline.

### 3.7 Grant-in-aid for creation of capital asset

Grants-in-aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-aid are given for specified purpose of supporting an institution including construction of assets.

As per Indian Government Accounting Standards 2 (IGAS 2), Grants-in-aid disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditure irrespective of the purpose for which the funds disbursed as Grants-in-aid are to be spent by the grantee, except in cases where it has been specifically authorised by President on the advice of the Comptroller and Auditor General of India.

It has been seen that Grants-in-aid for capital assets are sometimes classified as capital expenditure. This leads to understatement of revenue deficit.

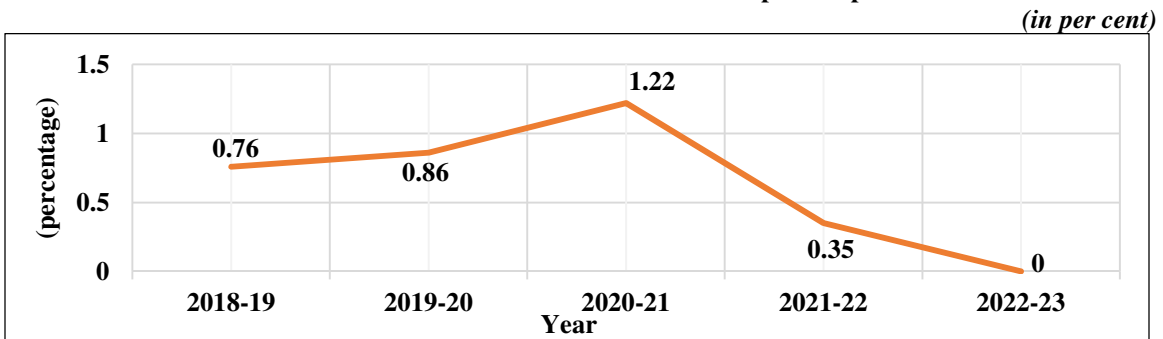
Details of Grants-in-aid classified as Capital Expenditure for the period 2018-19 to 2022-23 are given in the **Table-3.16**.

**Table-3.16: Details of Grants-in-aid classified as Capital Expenditure**

Particulars	₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
GIA booked as Capital Expenditure	47.00	46.00	80.00	26.00	0.00
Total Capital Expenditure	6, 184.00	5, 414.00	6, 538.00	7,533.00	8,195.00
Share of GIA in Capital Expenditure (in per cent)	0.76	0.86	1.22	0.35	0.00
Impact on Revenue Deficit (-)/Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	(-) 1, 027	(-) 2, 182	(+)1, 034	(+)4,102	(+)5,310

Details of share of Grants-in-aid in Capital Expenditure is given in the **Chart-3.5** below:

**Chart-3.5: Details of share of Grants-in-aid in Capital Expenditure**



The State Government has continued to book Grants-in-aid as capital expenditure over the period 2018-19 to 2021-22. This has resulted in understatement of revenue deficit for the year 2018-19 and 2019-20 and overstatement of revenue surplus for the year 2020-21 and 2021-22. However, no Grants-in-aid was booked as capital expenditure during 2022-23.

**Comments on transparency of budgetary and accounting process: Lump Sum budgetary provisions**

As per Para 31 (Chapter 5) of Budget Manual, it is provided that Lump Sum provisions should not, as a rule, be made in the estimates. However, Uttarakhand Government made Lump Sum Budgetary provision of ₹ 789.18 crore during 2022-23 for schemes like Lump Sum Grant for Chief Minister’s announcement, Lump Sum amount for implementation of District Plan.

Further, the Government incurred an expenditure of ₹ 3,861.44 crore under object head “Other Departmental Expenditure” despite availability of 24 object heads.

**3.8 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 competing developmental needs. Excessive savings in some departments deprive other departments of the funds which they could have utilised.

The summarised position of original and supplementary provision *vis-à-vis* actual expenditure during 2022-23 in respect of 31 Grants/Appropriations is given in **Table-3.17**.

**Table-3.17: Summarised position of Original/Supplementary Provisions *vis-à-vis* Actual Expenditure during 2022-23**

(₹ in crore)

	Nature of expenditure	Original Grant/Appropriation	Supplementary Grant/Appropriation	Total	Actual expenditure	Net of Savings (-) Excess (+)	Surrender during March	
							Amount	Per cent
<b>Voted</b>	I. Revenue	42,594.08	2,072.46	44,666.54	38,434.43	(-)6,232.11		
	II. Capital	10,840.27	1,154.00	11,994.27	8,251.77	(-)3,742.50		
	III. Loans & Advances	149.67	0.00	149.67	93.63	56.04		
	<b>Total</b>	<b>53,584.02</b>	<b>3,226.46</b>	<b>56,810.48</b>	<b>46,779.83</b>	<b>(-)10,030.65</b>		
<b>Charged</b>	IV. Revenue	6,419.23	203.97	6,623.20	5,338.30	(-)1,284.90	0	0
	V Capital	0	0	0	0	0		
	VI Public Debt- Repayment	5,568.24	2,010.00	7,578.24	8,474.77	(+)896.53		
	<b>Total</b>	<b>11,987.47</b>	<b>2213.97</b>	<b>14,201.44</b>	<b>13,813.07</b>	<b>388.37</b>		
	Appropriation to Contingency Fund (if any)	0	0	0	0	0		
	<b>Grand Total</b>	<b>65,571.49</b>	<b>5,440.43</b>	<b>71,011.92</b>	<b>60,592.90</b>	<b>10,419.02</b>		

Source: Appropriation Accounts.

As shown above, there was an overall net saving of ₹ 10,419.02 crore from budgetary figures which was the result of saving of ₹ 11,315.55 crore in Grants and Appropriations, offset by excess of ₹ 896.53 crore. Further, no surrenders were made during the year 2022-23.



Details of Original Budget, Revised Estimate and Actual Expenditure during 2018-19 to 2022-23 are given in **Table-3.18**.

**Table-3.18: Original Budget, Revised Estimate and Actual Expenditure during 2018-19 to 2022-23**

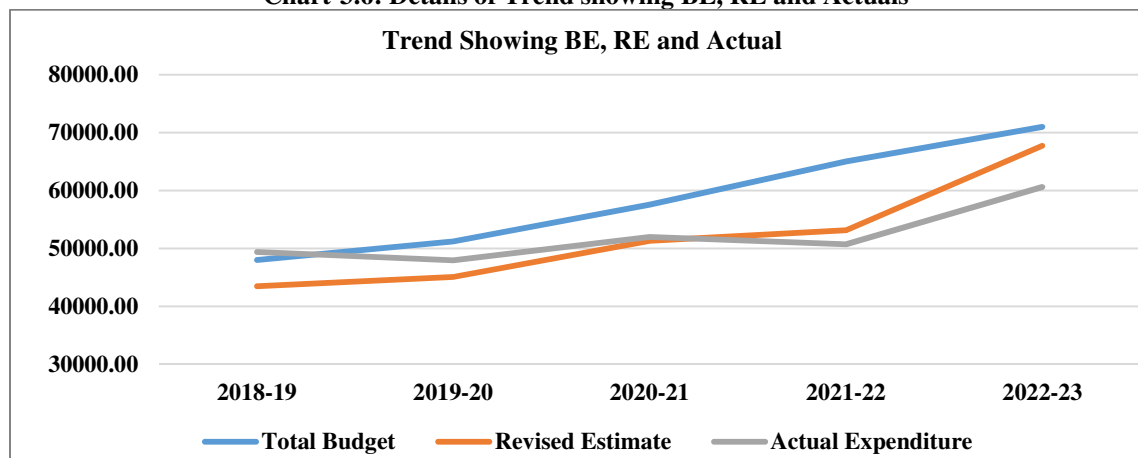
(₹ in crore)

	2018-19	2019-20	2020-21	2021- 22	2022-23
Original Budget	45, 585.09	48, 663.90	53, 526.97	57,937.83	65,571.49
Supplementary Budget	2, 452.40	2, 533.90	4,063.79	7,074.57	5,440.43
Total Budget (TB)	48,037.49	51,197.80	57,590.76	65,012.40	71,011.92
Revised Estimate (RE)	43,460.93	45,081.50	51, 343.15	53,130.62	67,753.65
Actual Expenditure (AE)	49,395.84	47,973.19	52, 000.11	50,694.35	60,592.90
Saving (-) /Excess(+)	(+) 1, 358.35	(-)3, 224.61	(-)5, 590.65	(-)14318.05	(-)10,419.02
Percentage of Supplementary to the Original Provision	5.38	5.21	7.59	12.21	8.30
Percentage of overall Saving/Excess to the overall provision	NA	6.30	9.71	22.02	14.67
TB-RE	4,576.56	6,116.30	6,247.61	11,881.78	3,258.27
RE-AE	(+)5,934.91	(+)2,891.69	(+)656.96	(-)2,436.27	(-)7,160.75
(TB-RE) as per cent of TB	9.53	11.95	10.85	18.28	4.59
(RE-AE) as per cent of TB	(+) 12.35	(+) 5.65	(+)1.14	(-)3.75	(-)10.08

Source: - Appropriation Accounts and Budget documents of respective years.

Table 3.18 shows that supplementary provision of ₹ 5,440.43 crore during 2022-23 constituted 8.30 per cent of the original provision as against 12.21 per cent in the previous year.

**Chart-3.6: Details of Trend showing BE, RE and Actuals**



From the above **Table-3.18**, it can be seen that over the years from 2018-19 to 2022-23, the Revised Estimate (RE) was always lower than the Total Budget (TB) of the State. The gap between the RE and the TB showed an increasing trend wherein during the first four years, the gap was in the range of 9.53 per cent to 18.28 per cent. However, during the current year 2022-23 it sharply declined to 4.59 per cent indicating larger/smaller estimation error.

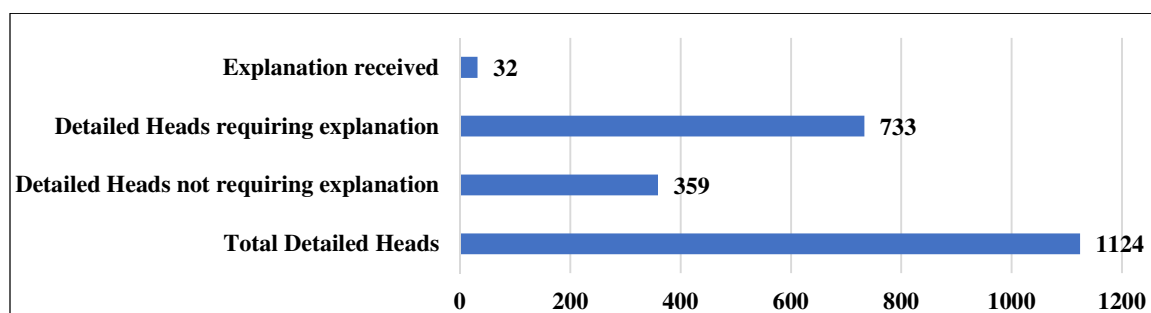
In terms of percentage, the RE was 9.53 per cent lower than the TB in 2018-19 which increased to 18.28 per cent in 2021-22. However, it declined to 4.59 per cent in 2022-23.

Further, the percentage of Actual Expenditure (AE) during the period 2018-19 to 2020-21 was also higher than the RE and it ranged between 1.14 *per cent* to 12.35 *per cent* during the period 2018-19 to 2020-21. Further, the percentage of AE during the years 2021-22 and 2022-23 was lower than RE by 3.75 *per cent* and 10.08 *per cent* respectively. As such, the supplementary provision was required in the year 2018-19 because AE was higher than the original provision. However, during the years 2019-20 to 2022-23 supplementary provisions proved unnecessary since the expenditure did not come up even to the level of original budget provisions.

This reflects that budgetary allocations were based on unrealistic proposals as Budget Estimates of the State were always inflated, and the Actual Expenditure was less than the budgetary provisions during the last four years.

A summary of Explanation for variation in Appropriation accounts is given in the **Chart-3.7** below:

**Chart-3.7: Summary of Explanation for Variation in Appropriation Accounts**



During 2022-23, the State Government booked the expenditure under 1,124 detailed heads below different Major Heads of accounts under 31 Grants and Appropriations. Out of 1,124 detailed heads, variation (20 *per cent* or more) against the total budget provision was noticed in 765 detailed heads. Out of 765 detailed heads explanation was received only in 32 detailed heads. However, 733 detailed heads further required explanation. Further, out of 1,124 detailed heads justification was not required in respect of 359 detailed heads, as the variation in these detailed heads were below 20 *per cent*.

### **3.9 Supplementary budget and opportunity cost**

At times, while obtaining supplementary provision, the Departments report to legislature for large additional requirement for different purposes under various schemes/activities; but finally, they are unable to spend not only the entire supplementary provision or parts thereof but also the original budget provision. At the same time, some of the schemes remain incomplete for want of funds. Thus, the intended benefits of the unfinished schemes are not extended to the public in such cases. Further, this leads to escalation of project cost.

The Government also announces several new policies/schemes for implementation through the Finance Minister (FM) Budget Speech and other budget documents which are either for that Financial Year *i.e.*, one-time activity or are of recurring nature.

Details of un-utilised funds under capital voted section are given in **Table-3.19**.

**Table-3.19: Details of un-utilised funds under capital voted section**

(₹ in crore)

Sl. No.	Number/ Name of the Grant	Original allocation	Supplementary	Total	Actual expenditure	Unutilised funds
<b>Capital (Voted)</b>						
1	04- Judicial Administration	103.10	55.56	158.66	96.04	62.62
2	06-Revenue and General Administration	258.90	15.45	274.35	234.20	40.15
3	11-Education, Sports, Youth Welfare & Culture	478.93	43.57	522.50	414.91	107.59
4	12- Medical Health & Family Welfare	385.07	10.00	395.07	298.37	96.70
5	13- Water Supply, Housing & Urban Development	1219.29	294.67	1513.96	1035.66	478.30
6	17-Crop Husbandry & Research	50.90	18.30	69.20	44.42	24.78
7	18- Co-operative	82.00	5.00	87.00	73.00	14.00
8	19/Rural Development	2537.69	350.00	2887.69	1851.71	1035.98
9	22- Public Works	1345.80	220.00	1565.80	1235.14	330.66
10	23-Industries	87.46	72.10	159.56	120.40	39.16
11	28- Animal Husbandry	45.25	20.00	65.25	26.55	38.70
12	30- Welfare of Scheduled Castes	319.81	36.17	355.98	233.58	122.40
13	31- Welfare of Scheduled Tribes	139.59	13.18	152.77	107.08	45.69
<b>Total</b>		<b>6950.69</b>	<b>1098.44</b>	<b>8049.13</b>	<b>5675.02</b>	<b>2374.11</b>

Source: Appropriation Account

Due to unavailability of data from State Government in respect of schemes/projects which could not be completed for want of funds during the year, it could not be ascertained in audit whether savings of ₹ 2,374.11 crore under capital section could have been utilised for the completion of those schemes/projects.

### 3.10 Adherence of Financial Power in relation to re-appropriation

Audit analysis of re-appropriation orders revealed that all the re-appropriations were issued by the Finance Department, Government of Uttarakhand. Re-appropriations to the tune of ₹ 3,033.67 crore was made within the Grant and within the schemes contemplated in the Original Budget. However, one case of re-appropriation amounting to ₹ 2.00 crore from Revenue Voted to Revenue Charged was noticed during 2022-23. However, no case of re-appropriation from Capital to Revenue and vice-versa was noticed during the year 2022-23. No case of re-appropriation was made after the close of the financial year.

### 3.11 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the Uttarakhand Government are wholly or partially 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.

It was observed that under nine schemes (₹ 10 crore or more in each scheme) there was revised outlay of ₹ 365.07 crore but no expenditure was incurred resulting in non-implementation of schemes as shown in **Table-3.20** below:

**Table-3.20: Details of the scheme for which provision (₹ 10 crore and above) was made but was either withdrawn or no expenditure was incurred**

(₹ in crore)				
Sl. No.	Grant No.	Name of the Scheme	Approved Outlay (O+S)	Revised Outlay (after re-appropriation)
1	01-Legislature	Construction of Summer Legislative Assembly in Gairsen.	10.00	0.01
2	07-Finance, Tax, Planning, Secretariat, and Miscellaneous Services	Market Loan received in the financial Year 22-23	300.00	300.00
3		Interest on State Disaster response Fund	55.00	55.00
4	11-Education, Sports, Youth Welfare & Culture	Grant to Shrine Board	10.00	10.00
5	12-Medical, Health & Family Welfare	Eja-Boi Shagun Scheme for Maternity in the State	1,489.95	0.01
6	13-Water Supply Housing & Urban Development	Infrastructure Work in Gairsen	10.00	0.01
7	15-Welfare Schemes	Chief Minister Anganwadi Building Construction & Up-gradation Scheme	20.00	0.01
8	27-Forest	support to Tiger Foundation	12.00	0.01
9	29-Horticulture Development	Import of Seedling for Dense Plantation	14.00	0.02
<b>Total</b>			<b>1,920.95</b>	<b>365.07</b>

Source: Budget document 2022-23 & 2023-24

Further, under six schemes, there was approved outlay of ₹ 274.75 crore which was fully withdrawn in revised outlay as shown in **Table-3.21** below: This reflects that budgetary allocations were based on unrealistic proposals.

**Table-3.21: Details of the scheme for which provisions (₹ five crore and above) was made but were withdrawn fully through re-appropriation**

(₹ in crore)

Sl. No.	Grant No.	Name of the Scheme	Approved Outlay	Reasons for withdrawal
1	07- Finance, Tax, Planning, Secretariat, and Miscellaneous Services	Project Funded by USDAID	40.00	Reduction in provision through reappropriation by ₹ 40.00 crore was due to saving in Grants-in-aid other than salary
2.		Retirement Benefits of different Departments State Employees & Officials (One Time)	200.00	Due to saving in Pension / Gratification/other Retirement Benefits
3	12-Medical, Health & Family Welfare	Establishment of Nursing College	6.85	Due to Saving in Major Works
4	13-Water Supply Housing & Urban Development	Water Meter in Urban areas.	11.00	Due to Saving in Equipment, Machine & Accessories.
5	17-Crop Husbandry & Research	Integrated Agricultural Village Scheme	12.00	Due to Saving in Other departmental Expenditure
6	24-Transport	Establishment of ISBT at Haldwani (SPA)	5.00	Reduction in provision through reappropriation by ₹ 5.00 crore was due to saving in Major Works
<b>Total</b>			<b>274.75</b>	

### 3.12 Rush of expenditure

Paragraph 183 of chapter XVII of Uttarakhand Budget Manual stipulates that rush of expenditure in the closing month of the financial year should be avoided. For sound financial management, uniform pace of expenditure should be maintained. Contrary to this, expenditure exceeding 50 per cent of the total expenditure for the year 2022-23 was incurred in March 2023 in respect of 8 Major Heads as listed in **Table-3.22** below:

**Table-3.22: Major Heads where more than 50 per cent of expenditure was incurred in March alone (In percentage)**

(₹ in crore)

Sl. No.	Major Head	Description	Ist Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	Expenditure in March	Expenditure in March as percentage of total expenditure
1	2801	Power	0	0.06	0.03	0.40	0.49	0.38	77.55
2	4059	Capital Outlay on Public Works	99.19	196.58	59.64	1199.53	1554.94	834.23	53.65
3	4225	Capital Outlay on Welfare of Schedule Castes, Scheduled Tribes, Other Backward Classes and Minorities	0.48	0.85	0.63	55.03	56.99	41.49	72.80
4	4235	Capital Outlay on Social Security and Welfare	15.76	0	0.26	27.55	43.57	26.38	60.55

Sl. No.	Major Head	Description	Ist Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	Expenditure in March	Expenditure in March as percentage of total expenditure
5	4403	Capital Outlay on Animal Husbandry	1.40	2.71	0	13.46	17.57	10.97	62.44
6	4406	Capital Outlay on Forestry and Wild Life	0	2.66	7.88	46.06	56.60	38.97	68.85
7	4701	Capital Outlay on Medium Irrigation	0	0.15	1.01	4.70	5.86	4.31	73.55
8	4711	Capital Outlay on Flood Control Projects	2.20	34.07	28.52	113.49	178.28	94.06	52.76
<b>Total</b>			<b>119.03</b>	<b>237.08</b>	<b>97.97</b>	<b>1,460.22</b>	<b>1,914.30</b>	<b>1,050.79</b>	<b>54.89</b>

The monthly pace of expenditure was not uniform as was required under the Uttarakhand Budget Manual, as 76.28 per cent of expenditure under eight Major Heads was incurred in the last quarter of the financial year 2022-23 while as 54.89 per cent of expenditure was incurred in the month of March, 2023.

During exit conference, the Government intimated that corrective measures will be taken in future.

Government funds should be spent evenly throughout the year. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalances and temporary cash crunches arising out of unanticipated heavy expenditure. The State Government has not prescribed any quarter-wise percentages for incurring expenditure during the year, so as to regulate the expenditure in a phased manner. The quarterly details of expenditures incurred across all Grants are shown in the following table:

Table-3.23: Statement showing Quarter Wise Expenditure for all Major Heads in all Grants during 2022-23

(₹ in crore)

Grant No.	Description	Allocation during 22-23	Expenditure					Total Expenditure during 22-23	Expenditure in 4 <sup>th</sup> Qtr as percentage of Total Expenditure	Expenditure in March 23 as percentage of Total Expenditure
			1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	In March			
1	Legislature	96.83	15.12	18.65	18.08	18.52	5.70	70.37	26.31	8.10
2	Governor	14.98	3.55	2.59	3.24	3.58	1.43	12.96	27.62	11.03
3	Council of Ministry	109.50	2.88	10.36	29.07	43.58	26.80	85.89	50.74	31.20
4	Judicial Administration	526.80	89.67	138.21	87.21	89.74	32.49	404.83	22.17	8.03
5	Election	97.87	4.77	28.87	20.28	30.60	19.98	84.52	36.20	23.64
6	Revenue and General Administration	2469.97	137.37	848.66	188.83	799.36	139.79	1974.22	40.49	7.08

Grant No.	Description	Allocation during 22-23	Expenditure					Total Expenditure during 22-23	Expenditure in 4 <sup>th</sup> Qtr as percentage of Total Expenditure	Expenditure in March 23 as percentage of Total Expenditure
			1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	In March			
7	Finance, Tax, Planning, Secretariat & Miscellaneous Services	26796.48	4188.14	4291.42	6153.64	10605.12	4247.71	25238.32	42.02	16.83
8	Excise	40.42	7.76	7.96	9.37	7.39	3.29	32.48	22.75	10.13
9	Public Service Commission	75.63	29.53	15.40	7.36	9.10	2.75	61.39	14.82	4.48
10	Police & Jail	2447.96	568.46	525.04	565.36	573.20	274.30	2232.06	25.68	12.29
11	Education, Sports, Youth Welfare & Culture	10619.67	2085.25	2183.55	2712.17	2537.22	1239.12	9518.19	26.66	13.02
12	Medical, Health & Family Welfare	4427.01	746.01	1105.98	833.94	1100.54	616.99	3786.47	29.07	16.29
13	Water Supply, Housing & Urban Development	2497.01	169.31	508.27	380.98	865.17	322.60	1923.73	44.97	16.77
14	Information	179.79	20.35	27.46	40.75	78.70	65.52	167.26	47.05	39.17
15	Welfare Schemes	3120.75	342.04	752.53	418.29	834.22	496.76	2347.08	35.54	21.17
16	Labour & Employment	629.97	69.40	143.11	94.07	87.80	45.48	394.38	22.26	11.53
17	Crop Husbandry & Research	1263.14	147.08	317.72	261.43	253.93	180.73	980.16	25.91	18.44
18	Co-Operative	211.80	33.81	101.36	25.56	25.17	11.38	185.90	13.54	6.12
19	Rural Development	4299.48	320.92	612.32	1060.90	1013.94	361.41	3008.08	33.71	12.01
20	Irrigation & Flood	1329.19	93.72	202.32	188.18	365.32	200.37	849.54	43.00	23.59
21	Energy	482.75	3.00	21.06	61.99	63.11	6.39	149.16	42.31	4.28
22	Public Works	2626.02	289.04	419.96	497.44	937.37	579.74	2143.81	43.72	27.04
23	Industries	550.18	57.02	60.17	78.53	249.94	96.94	445.66	56.08	21.75
24	Transport	362.75	31.31	58.22	83.29	120.93	61.31	293.75	41.17	20.87
25	Food	587.30	14.23	337.43	-4.51	119.60	106.38	466.75	25.62	22.79
26	Tourism	357.09	55.3	30.81	54.69	171.05	50.66	311.85	54.85	16.24
27	Forest	943.24	122.44	139.56	243.09	309.36	147.27	814.45	37.98	18.08
28	Animal Husbandry	559.42	72.98	107.52	117.94	132.33	73.92	430.77	30.72	17.16
29	Horticulture Development	574.83	71.68	98.92	72.08	161.98	74.73	404.66	40.03	18.47
30	Welfare of Scheduled Castes	2094.91	141.58	251.50	319.37	625.46	368.98	1337.91	46.75	27.58
31	Welfare of Scheduled Tribes	619.18	47.50	60.21	88.77	182.57	100.90	379.05	48.17	26.62
<b>Total</b>		<b>71,011.92</b>	<b>9,981.22</b>	<b>13,427.14</b>	<b>14,711.39</b>	<b>22,415.90</b>	<b>9,961.82</b>	<b>60,535.65<sup>2</sup></b>		

Source: VLC Data

The above table revealed that out of 31 Grants, in three Grants expenditure of 50 per cent and above was incurred in the fourth quarter as percentage of Total Expenditure, while as

<sup>2</sup> This excludes and amount of ₹ 57.25 crore towards recoveries.

in 11 Grants expenditure of 40 *per cent* and above was incurred in the fourth quarter as percentage of Total Expenditure during 2022-23.

Out of 31 Grants, in 11 Grants expenditure of 20 *per cent* or more was incurred in March 2023 as percentage of Total Expenditure incurred during 2022-23.

Due to non-availability of quarter wise expenditure limit prescribed by the State Government, compliance to the quarterly expenditure could not be commented upon.

### 3.13 Review of selected grants

#### 3.13.1 Outcome of Review of Selected Grants

A review of receipts and expenditure under Grant Number 15: Welfare Schemes, 16: Labour and Employment for the period 2020-21 to 2022-23 revealed the following position.

#### Grant Number 15 Welfare Schemes

This Grant pertains to Welfare Schemes being operated in the State of Uttarakhand and is headed by Secretary Social Welfare and Women and Child Development. Under this Grant, the Departments of Director Social Welfare, Director Women Welfare and Integrated Child Development Scheme and Soldier welfare are functioning. These Departments implement welfare schemes for upliftment of Scheduled Caste, Scheduled Tribes, other Backward Classes, Women's welfare, disabled and weaker sections of the society. It mainly, implements pension plans, scholarships, marriage grants, Atal Awas Yojana to SC, pension to helpless, old aged and disabled.

#### A. Revenue Expenditure

The overall revenue expenditure showed increase during 2021-22 by 10.12 *per cent* and further increased by 38.85 *per cent* during 2022-23 over the previous year, as summarised in the **Table-3.24**.

**Table-3.24: Summarised position of actual expenditure *vis-à-vis* original provision during 2020-21 to 2022-23**

(₹ in crore)

Major Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in expenditure over last year
2225-Welfare of Schedule Castes, Scheduled Tribes, Other Backward Classes and Minorities 2235-Social Security and Welfare 2251-Secretariat-Social Services	2018-19	1,594.74	114.69	1,709.43	1,341.83	367.60	21.50	--
	2019-20	1,748.77	110.44	1,859.21	1,444.05	415.16	22.38	7.62
	2020-21	1,890.59	82.36	1972.95	1494.45	478.50	24.25	3.49
	2021-22	1,880.83	462.61	2343.44	1645.71	697.73	29.77	10.12
	2022-23	2,669.31	316.55	2985.86	2285.00	700.86	23.47	38.85
<b>Total</b>		<b>9,784.24</b>	<b>1,086.65</b>	<b>10,870.89</b>	<b>8,211.04</b>	<b>2,659.85</b>	<b>24.47</b>	<b>-</b>

Source: Appropriation Accounts.



It is evident from the above that there were persistent savings during 2018-19 to 2022-23. There was unnecessary supplementary provision of ₹ 1086.65 crore in 2018-19 to 2022-23, as against the original allotment of ₹ 9,784.24 crores, the actual expenditure was ₹ 8,211.04 crores as such there was already a saving of ₹ 1,573.20 crores in these years. Further, in six sub head/schemes under Social Security and Welfare<sup>3</sup> (Child Welfare CSS, Honorarium given by the State Govt. on integrated Child Development Scheme, State share in Child Welfare CSS, Women Welfare CSS, Nanda Gaura Yojana and Soldier Welfare) the supplementary provision of ₹ 229.37 crore was unnecessary as the final savings under these subheads/schemes were ₹ 650.89 crore<sup>4</sup> which was more than the supplementary provisions.

Test check of expenditure incurred under certain Major Heads below this grant for the last three years showed that the pattern of expenditure varied during these years. The variation of more than ₹ 20 crore has been taken as base. The details are shown in **Table-3.25** below:

**Table-3.25: Trends of major variations in expenditure over previous years in grant**

Sl. No.	Scheme Name <sup>5</sup>	Expenditure (in lakh)			Variation (in lakh)		Variation in per cent	
		Financial Year	2020-21	2021-22	2022-23	2021-22	2022-23	2021-22
1	Child Welfare-Central Plan / Centrally Sponsored Scheme	33,715.09	39,943.47	25538.46	6228.38	14405.01	18.47	-36.06
2	Child Welfare-Under ICDS Projects State Honorarium (State Plan)	8048.12	10740.67	15146.24	2692.55	4405.57	33.46	41.02
3	Women's Welfare-Nanda Gaura Yojana	10496.96	6000.00	33496.22	-4496.96	27496.22	-42.84	458.27
4	Pensions Under Social Security Schemes-Old Age Pension Under Social Securities	44566.39	35252.73	44535.05	-9313.66	9282.32	-20.90	26.33

Source: Detailed Appropriation Accounts.

### B. Capital Expenditure

The overall capital expenditure decreased by 53.66 per cent during 2021-22 and increased by 84.19 per cent during 2022-23 over the previous year, as summarised below in **Table-3.26**.

<sup>3</sup> (2235-02-102-01, ₹ 25.92 Crore, 2235-02-102-03, ₹ 24.44 crore, 2235-02-102-95, ₹ 37.97 crore, 2235-02-103-01, ₹ 7.76 crore, 2235-02-103-29, ₹ 130.73 crore and 2235-60-200-03, ₹ 2.55 crore)

<sup>4</sup> (2235-02-102-01, ₹ 239.54 Crore, 2235-02-102-03, ₹ 33.26 crore, 2235-02-102-95, ₹ 69.63 crore, 2235-02-103-01, ₹ 7.76 crore, 2235-02-103-29, ₹ 295.77 crore and 2235-60-200-03, ₹ 4.93 crore)

<sup>5</sup> 2235-02-102-01, 2235-02-102-03, 2235-02-103-29 and 2235-60-102-05

**Table-3.26: Summarised position of actual expenditure vis-à-vis original /supplementary provision during 2020-21 to 2022-23**

(₹ in crore)

Major Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in expenditure over last year
4225-Capital Outlay on Welfare of Schedule Castes, Scheduled Tribes, Other Backward Classes and Minorities	2018-19	71.29	9.00	80.29	37.87	42.42	52.83	--
	2019-20	88.90	20.46	109.36	70.14	39.22	35.86	85.21
	2020-21	123.50	28.48	151.98	72.75	79.23	52.13	3.72
	2021-22	107.60	0.00	107.60	33.71	73.89	68.67	-53.66
4235-Capital Outlay on Social Security and Welfare 4250-Capital Outlay on Other Social Services	2022-23	134.89	0.00	134.89	62.09	72.80	53.97	84.19
<b>Total</b>		<b>526.18</b>	<b>57.94</b>	<b>584.12</b>	<b>276.56</b>	<b>307.56</b>	<b>52.65</b>	<b>-</b>

Source: Appropriation Accounts.

It is evident from the above table, that there were persistent savings in the years, 2018-19 to 2022-23. During the period 2018-19 to 2022-23, supplementary provisions of ₹ 57.94 crore proved unnecessary as the original provision (₹ 526.18 crore) was far more than the actual expenditure of ₹ 276.56 crore.

### C. Non-utilisation of entire provision

Test check of sub-heads/schemes revealed that there was persistent savings during the period 2020-21 to 2022-23 in one welfare scheme as the department had not been able to utilize the entire budget allocation during these three years. Details are given in **Table-3.27**.

**Table-3.27: Summarised position of non-utilisation of entire provision during 2020-21 to 2022-23**

(₹ in lakh)

Sl. No.	Year	Name of the Scheme	Head of Account	Original	Supplementary	Saving
1.	2020-21	Welfare of Minorities Education Scholarship to minority community student from class 1 to 10	2225-04-277-02	203.00	0.00	203.00
2	2021-22	Welfare of Minorities, Education Scholarship to minority community student from class 1 to 10.	2225-04-277-02	203.00	0.00	203.00
3	2022-23	Welfare of Minorities, Education Scholarship to minority community student from class 1 to 10.	2225-04-277-02	203.00	0.00	203.00
<b>Total</b>						<b>609.00</b>

Source: Detailed Appropriation Accounts.

During exit conference, the Government stated that the matter will be taken up with the concerned department.

### D. Central and State Schemes under the Grant:

Expenditure under Central and State Schemes under the Grant (₹ five crore and more) is given in **Table-3.28**.

Table-3.28 Central Scheme Expenditure (₹ five crore and more)

(₹ in crore)

Sl. No.	Name of Scheme	Head of Account	Amount received from GoI (PFMS)	Budget Provision	Amount Released To H.O.D	Expenditure	Saving
1.	Indira Gandhi Rashtriya Vridha pension	2235-03-101-01-00-57	105.98	59.81	59.81	59.81	0.00
2.	Post matric Scholarship for OBC Students	2225-03-102-01-02-45	14.99	11.09	6.73	6.73	4.36

In the Indira Gandhi Rashtriya Vridha Pension Scheme, the entire budget provision of ₹ 59.81 crore was disbursed to the Head of the Department by 31 March 2023, and this entire sum was utilised, leaving no unspent balance by year-end. However, while the Central Government released a total of ₹ 105.98 crore throughout the year, a lesser amount was actually disbursed to the Head of the Department.

Similarly, under the Post-Matric Scholarship for OBC Students, despite a budget provision of ₹ 11.09 crore, the Central Government released ₹ 8.01 crore on 28 December 2022 and ₹ 6.98 crore on 30 March 2023. However, the State Government only released ₹ 6.73 crore to the Director of Social Welfare on 01 February 2023, despite having received the full amount from the Central Government. Consequently, the Head of the Department utilised the entire ₹ 6.73 crore received from the State Government.

During exit conference, the Government accepted the facts and stated that balance amount might have been given from State Schemes as advance.

The following State schemes (₹ five crore and more) were analysed for intent of budget and expenditure during 2022-23.

Table-3.29: State Scheme Expenditure (₹ five crore and more)

(₹ in crore)

Sl. No.	Name of Scheme	Head of Account	Budget Provision	Amount Released To H.O.D	Expenditure	Saving
1.	Divyang Pension, Tilu Rauteli Pension, Dwarf Pension for disabled children from birth to 18 years	2235-02-101-20-00-57	116.05	116.05	114.71	1.34
2.	Indira Gandhi Rashtriya Vridha pension	2235-03-101-95-00-57	229.19	229.19	229.19	0.00
3.	Old-age pension under social security	2235-60-102-05-00	403.53	403.03	401.56	1.47
4.	Farmer scheme pension	2235-60-102-06-00	34.17	34.17	33.84	0.33

Sl. No.	Name of Scheme	Head of Account	Budget Provision	Amount Released To H.O.D	Expenditure	Saving
5.	Indira Gandhi Rashtriya Divyang Vidhawa Pension State Share	2235-03-102-95-02	35.88	32.12	32.12	0.00
6.	Destitute widows Pension	2235-02-103-15-00-57	246.79	246.79	238.87	7.92
7.	Grant for fooding facilities to women whose Husbands have Abandoned/ destitute women, mentally challenged	2235-02-103-20-00-57	9.97	9.97	9.60	0.36

Source: Budget document & Appropriation Account

In State Schemes at Serial No. 1, 3 and 4, the savings occurred due to less number of applications received during the year. In two schemes, i.e., Destitute Widow pension (Sl. No.6) and Grant for fooding facilities to women whose husbands have abandoned them/destitute women, Mentally Challenged Women (Sl. No. 7) the savings were due to the fact that amount was received by them at the end of the financial year (i.e., on 31 March 2023).

#### E. DDO own Account Transfer

Every expenditure booked in the Annual Accounts needs to be checked for assurance of final execution of the fund. Upon reviewing of IFMS data and other documents, it was revealed that an amount of ₹ 514.41 crore (2235- ₹ 508.83 crore and 2225- ₹ 5.58) was transferred by DDO's into their own accounts under this Grant during 2022-23. These own bank account transfers are also required to be monitored.

#### F. Receipts

The overall position of revenue receipts under Major Head 0235 of the selected grant during 2020-21 to 2022-23 is summarised in **Table-3.30**.

**Table-3.30: Position of revenue receipts under Major Head 0235 of the Grant**

(₹ in crore)

Head of Account	Year	BE	RE	Actual Receipts	Excess (+)/Shortfall (-) from RE	Per cent variation to RE
0235-Social Security and Welfare	2020-21	0.61	0.71	7.83	7.12	1002.82
	2021-22	0.76	32.76	31.57	-1.19	-3.63
	2022-23	0.84	1.95	1.06	-0.89	-45.64

Source: Budget and Finance Accounts

However, test check of certain heads revealed lower/higher estimation in the subsequent years as compared to actual receipts in previous years as given in **Table-3.31**.

Table-3.31: Summarised position of Receipts during 2020-21 to 2022-23

(₹ in crore)

Sl. No.	Head of Account	Year	BE	RE	Actual Receipts	Excess (+)/	Percentage variation to RE
						Shortfall (-)	
1	0235-60-800-Other Receipt	2020-21	0.61	0.71	7.83	7.12	1002.82
		2021-22	0.76	32.76	31.57	-1.19	-3.63
		2022-23	0.84	1.95	1.06	-0.89	-45.64

Source: Budget and Finance Accounts.

Analysis of receipts under Grant Number 15 showed that there is only one Minor Head i.e. 800-Other Receipts, under which the receipts are booked.

### Grant Number 16: Labour & Employment

This Grant is being operated by Secretary Labour and Employment. In the context of commitments under the constitutional, statutory and conventions of the International Labour Organisation, details of the major functions and responsibilities of the department are as follows:-

To ensure enforcement of various labour laws enacted by the Central and State Government. Industrial Planning (Standing Orders) Act, especially regarding minimum wage and salary payment, workers' compensation payment, equal wage payment to male and female workers for equal work, ensuring maternal benefits as well as complaints of sexual harassment at workplaces. To ensure necessary action under:

- i. To ensure gratuity payment, bonus payment, benefits of inter-state and contract workers etc. and social security benefits to the workers.
- ii. To ensure compliance with the relevant laws and instructions of the Honorable Supreme Court for the abolition of child/bondage system.
- iii. Role in promoting Ease of doing Business
  - a. Enforcement of Various Labour Acts.
  - b. Help for maintaining industrial peace in the State.
  - c. Registration /Licensing under various Labour Acts.
  - d. Payments after settlement of claims under various Labour Acts.
  - e. Identification of child labours and taking action in respect of violators and admission of identified child labours to schools etc.

#### A. Revenue Expenditure

The overall revenue expenditure increased during 2021-22 by 0.35 per cent and further increased by 2.98 per cent during 2022-23 over the previous year, as summarised below in Table-3.32.

**Table-3.32: Summary of actual expenditure vis-à-vis original provision during 2020-21 to 2022-23**  
(₹ in crore)

Major Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in expenditure over last year
2210-Medical and Public Health 2230-Labour, Employment and Skill Development	2018-19	342.92	25.25	368.17	221.60	146.57	39.81	--
	2019-20	386.68	48.54	435.22	288.78	146.44	33.65	30.32
	2020-21	355.23	135.37	490.60	334.85	155.75	31.75	15.95
	2021-22	394.92	0.74	395.66	336.03	59.63	15.07	0.35
	2022-23	536.55	24.65	561.20	346.05	215.15	38.34	2.98
<b>Total</b>		<b>2,016.30</b>	<b>234.55</b>	<b>2,250.85</b>	<b>1,527.31</b>	<b>723.54</b>	<b>32.15</b>	<b>--</b>

Source: Appropriation Accounts

It is evident from the above table that there were persistent savings during 2018-19 to 2022-23. During this period, supplementary provision of ₹ 234.55 crore proved unnecessary as the original provision (₹ 2,016.30 crore) was more than the actual expenditure of ₹ 1,527.31 crore. Test-check of expenditure incurred under certain Major Heads below this grant for the last three years showed that the pattern of expenditure varied during these years.

### B. Capital Expenditure

The overall Capital Expenditure showed an increase of 42.68 per cent during 2021-22 as compared to 2020-21 and decrease of 5.49 per cent in 2022-23 over the previous year, as summarised below in **Table-3.33**.

**Table-3.33: Summarised position of actual expenditure vis-à-vis original provision during 2020-21 to 2022-23**

Major Head of Account	Year	Original Provision	Supplementary Provision	Total	Actual Expenditure	Saving	In per cent	
							Saving	Variation in expenditure over last year
4259-Capital Outlay on Public Works 4216-Capital Outlay on Housing	2018-19	12.00	2.00	14.00	10.96	3.04	21.71	--
	2019-20	15.34	0.00	15.34	4.22	11.12	72.49	-61.50
	2020-21	35.00	10.00	45.00	35.85	9.15	20.33	749.53
	2021-22	92.01	25.00	117.01	51.15	65.86	56.29	42.68
	2022-23	68.77	0.00	68.77	48.34	20.43	29.71	(-)5.49
<b>Total</b>		<b>223.12</b>	<b>37.00</b>	<b>260.12</b>	<b>150.52</b>	<b>109.60</b>	<b>42.13</b>	

Source: Appropriation Accounts.

It is evident from the above that there were persistent savings during 2018-19 to 2022-23. During this period, supplementary provision of ₹ 37.00 crore proved unnecessary as the original provision (₹ 223.12 crore) was more than the actual expenditure of ₹ 150.52 crore. There was no inappropriate expenditure pattern at sub head level within the Minor Heads of the Grant for schemes outlays of more than ₹ 20 crore.

**C. Non-utilisation of the entire provision**

Test check of certain sub-heads revealed that the Department did not utilize the entire provision during 2020-21 to 2022-23 at the end of the year (₹ one crore and above) as given in **Table-3.34**.

**Table-3.34: Summarised position of non-utilisation of entire provision during 2020-21 to 2022-23***(₹ in lakh)*

Sl. No.	Year	Name of the Scheme	Head of Account	Original	Supplementary	Saving
1	2020-21	Chief Manister Shikshuta scheme	2230-03-102-05	200.00	0.00	200.00
2		General Training NABARD Funded	4216-80-003-98	600.00	0.00	600.00
3	2021-22	Chief Minister Shikshuta scheme.	2230-03-102-05	200.00	0.00	200.00
4	2022-23	Labour Welfare Central Plan / Centrally Sponsored Scheme	2430-01-103-01	450.00	0.00	450.00
5		Training of Craftsmen and Supervisors Central Plan / Centrally Sponsored Scheme	2230-03-003-01	2,277.73	0.00	2,277.73
6		Training of Craftsmen and Supervisors State Share in CSS	2230-03-003-95	180.17	0.00	180.17
7		Apprenticeship Training CSS	2230-03-102-01	2,400.00	0.00	2,400.00

*Source: Detailed Appropriation Accounts*

During exit conference, the Government accepted the facts and stated that matter will be taken up with the concerned departments.

**D. Central Schemes under the Grant:**

Expenditure under Central Schemes under the Grant (₹ four crore and more) is given in **Table-3.35**.

**Table-3.35: Central Scheme Expenditure (₹ four crore and more)***(₹ in crore)*

Sl. No	Name of Scheme	Head of Account	Budget Provision	Expenditure	Saving
1	Work force development for model economy	4059-60-051-97-01-53	50.00	35.00	15.00
2	Construction of ITI Building	4216-80-003-98-01-53	14.77	9.91	4.86
3	Work force development for model economy	2230-03-003-97-01-56	150.00	10.00	140.00

*Source: Appropriation Account.*

In Work Force Development for Model Economy, savings occurred due to upgradation/change of standards and material was not received in the year 2022-23. Due to non-submission of Utilisation Certificate the funds were not released to the construction agency as such savings occurred in the construction of ITI building. In respect of Work force development for Model Economy at Sl. No.-3, no reasons were furnished by the department for savings.

### E. DDO own Account Transfer

Every expenditure booked in the Annual Accounts needs to be checked for assurance of final execution of the fund. Upon reviewing of IFMS data and other documents, it was revealed that an amount of ₹ 22.62 crore (2210- ₹ 22.62 crore) was transferred by DDO's into their own accounts under this Grant during 2022-23. These own bank account transfers are also required to be monitored.

### F. Receipts

The overall position of revenue receipts under Major Head 0210 and 0230 of the grant during 2020-21 to 2022-23 is summarised in **Table-3.36**.

**Table-3.36: Position of revenue receipts under 0210, 0230, Major Head of the grant**

(₹ in crore)

Head of Account		BE	RE	Actual Receipts	Excess (+)/Shortfall (-)	Percentage variation to RE
0210-Medical and Public Health	2020-21	125.67	130.67	168.62	37.95	29.04
	2021-22	131.67	161.67	177.85	16.18	10.01
	2022-23	145.29	209.17	188.50	-20.67	-9.88
0230- Labour, Employment and Skill Development	2020-21	29.26	12.26	15.28	3.02	24.63
	2021-22	15.26	13.70	7.44	-6.26	-45.69
	2022-23	14.39	14.43	16.27	1.84	12.75

Source: Budget and Finance Accounts.

However, test check of certain heads revealed lower/higher estimation in the subsequent years as compared to actual receipts in previous years based on receipt ₹ 10 crore and above as given in **Table-3.37**.

**Table-3.37: Position of Receipts under Major Head-0210, 0230**

(₹ in crore)

SI No.	Head of Account	Year	BE	RE	Actual Receipts	Excess (+)/	Percentage variation to RE
						Shortfall (-)	
1.	0210-01-020 (Receipts from patients for Hospital and dispensary services)	2020-21	13.25	13.25	12.54	-0.71	-5.36
		2021-22	11.25	11.25	9.97	-1.28	-11.38
		2022-23	12.38	11.25	12.09	0.84	7.47
2.	0210-01-101 (Receipts from Employees State Insurance Scheme)	2020-21	3.20	6.20	85.07	78.87	1272.10
		2021-22	70.20	77.20	123.93	46.73	60.53
		2022-23	77.22	120.20	95.62	-24.58	-20.45
3.	0210-01-800 (Other Receipts)	2020-21	60.54	60.54	5.56	-54.98	-90.82
		2021-22	2.54	2.54	11.48	8.94	351.97
		2022-23	3.24	7.04	13.42	6.38	90.63
4.	0210-03-105 (Allopathy)	2020-21	42.00	42.00	56.81	14.81	35.26
		2021-22	42.00	55.00	19.77	-35.23	-64.05
		2022-23	46.20	55.00	55.29	0.29	0.53
5.	0230-00-104 (Fees realised under Factories Act)	2020-21	6.00	2.00	6.66	4.66	233.00
		2021-22	6.00	6.00	2.62	-3.38	-56.33
		2022-23	6.60	6.00	10.09	4.09	68.17

Source: Budget and Finance Accounts

Analysis of receipts under Grant Number 16 showed that there are five Minor Heads in two<sup>6</sup> Major Heads under which the receipts are booked.

<sup>6</sup> 0210-Medical and Public Health, 0230-Labour, and Employment.



### 3.14 Central and State Schemes Expenditure

The following Central and State programmes/Schemes were chosen and checked to assess budget intent for the year 2022-23.

**Table-3.38 Central Scheme Expenditure**

(₹ in crore)

Sl. No.	GoI Scheme Name	Budget	Release from GoI	Allocation to DDO in State	Total Allocation	Expenditure	Savings (-) / Excess (+)
1	Grants in Aid for State Disaster Response Fund	1,884.05	787.20	0.00	787.20	874.40	(+)87.20
2	Additional Central Assistance for Externally Aided Project	1,431.08	949.18	6.55	955.73	703.10	(-)252.63
3	Flexible pool for RCH and Health system strengthening, National Health Programme & National Urban Health Mission	1,253.94	432.52	124.19	556.71	887.15	(+)330.44
4	Pradhan Mantri Gram Sadak Yojana	2,307.00	1,297.16	0.00	1,297.16	1,483.78	(+)189.62
5	Samagra Shiksha	1,621.23	704.39	0.00	704.39	553.47	(-)150.92
6	Saksham Anganwadi Poshan 2.0	799.35	425.84	43.69	469.53	308.04	(-)161.49
<b>Total</b>		<b>9,296.65</b>	<b>4,596.29</b>	<b>174.43</b>	<b>4,770.72</b>	<b>4,809.94</b>	<b>(+) 39.22</b>

Source: PFMS Data

During the year 2022-23, the State Government received ₹ 4,596.29 crore from Central Government against budget estimate of ₹ 9,296.65 crore in respect of six major Schemes and ₹ 174.43 crore was allocated to DDOs from State funds. Expenditure of ₹ 4,809.94 crore was incurred which was 100.82 per cent of the total allocation of ₹ 4,770.72 crore during the year.

**Table-3.39: State Scheme Expenditure**

(₹ in crore)

State Programmes/Schemes			
Sl. No.	Name of Scheme	Budget Provision	Expenditure
1	Eeja -Boi Shagun Scheme for Pregnant in State.	14.90	0.00
2	Nanda Gaura Scheme.	630.73	334.96
3	Veer Chandra Singh Garhwali Tourism Self Employment Scheme.	11.00	8.08

Source: Finance Accounts

The data in above table in respect of State Programmes/Schemes show varying levels of expenditure, with the Nanda Gaura Scheme and Veer Chandra Singh Garhwali Tourism Self Employment Scheme having a notable utilisation of funds, while as Eeja -Boi Shagun Scheme for Pregnant in State reported nil expenditure, which needs to be addressed. Further, the State Government should periodically collect, analyse and use information to

actively manage performance, maximize positive impacts of these programs and minimize the risk of adverse impacts.

In summary, the analysis of budget provisions and expenditures suggests that most GoI programs and schemes are adequately funded, indicating a strong budgetary intent in various sectors. However, some state schemes have not utilised their allocated funds fully, which may require further attention and monitoring.

### **3.15 Conclusion**

- During 2022-23, there was an overall saving of ₹ 10,419.02 crore against the total grants and appropriations of ₹ 71,011.92 crore.
- Supplementary provision of ₹ 3,355.57 crore obtained in 33 cases proved unnecessary. Re-appropriation of funds in six cases was made injudiciously resulting in savings of more than five crore over provisions.
- One case of re-appropriation amounting to ₹ 2.00 crore from Revenue Voted to Revenue Charged was noticed during 2022-23 which was not permissible according to the Budget Manual of Government of Uttarakhand.
- Excess expenditure amounting to ₹ 47,758.16 crore (including Ways and Means Advance ₹ 27,722.40 crore and ₹19,041.88 crore of Grant No. 17, 25 and 29) pertaining to the years 2005-06 to 2021-22 was done without Legislative approval, yet to be regularised by the State Legislature.
- Expenditure of ₹ 15.23 crore had been booked under revenue section. This expenditure should have been booked under the capital section as this expenditure pertained to the major works and land purchase, which ordinarily ought to have been booked under the capital section.

### **3.16 Recommendations**

- *The State Government should be more realistic in its budgetary estimates and ensure efficient control mechanisms to curtail savings;*
- *The State Government may assess the savings and surrender the amount well before the close of the financial year so that they can be effectively utilised in other areas/schemes.*