

## Chapter 3: Budgetary Management

### 3.1 Budget Process

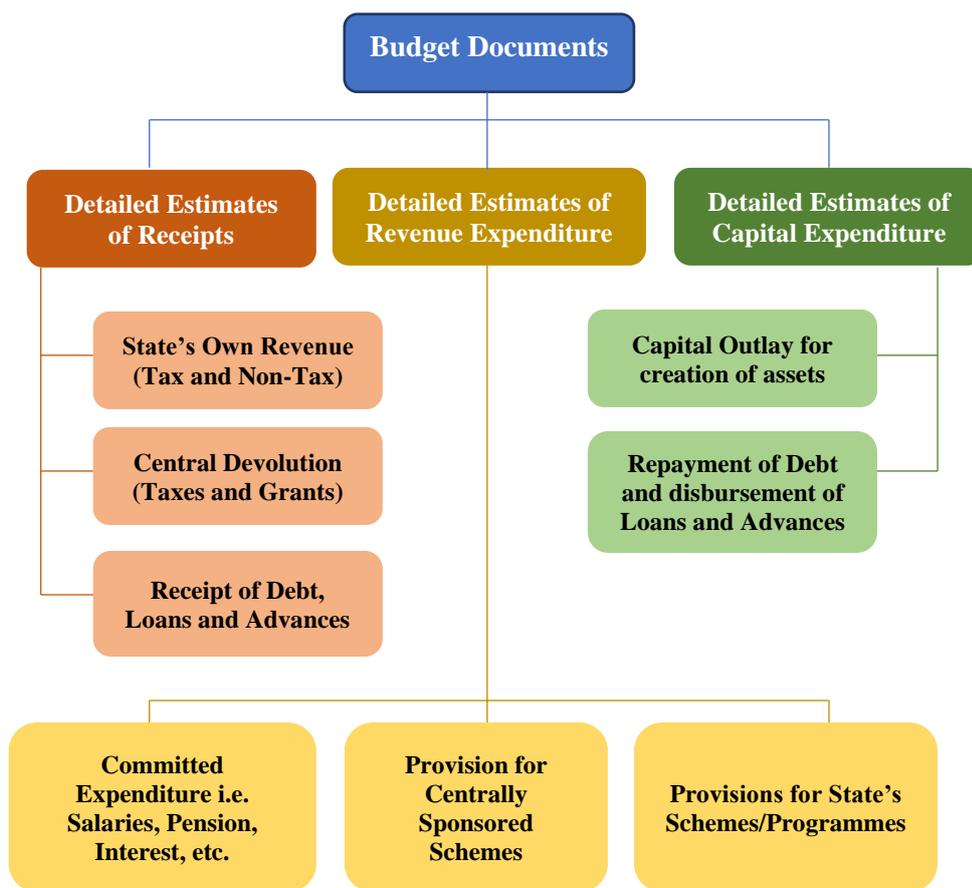
In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called “the annual financial statement (Budget)” is to be laid before the State Legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items<sup>1</sup> of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per the Punjab Budget Manual, as adopted by Haryana, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called ‘Demand for Grants’. In the Budget for financial year 2022-23, the State Government of Haryana introduced a major change in the budgetary process by clubbing 47 existing budgetary demands for grants into 20 budgetary demands for grants. This merger has resulted in aligning numerous departments as well as numerous major heads of these departments under the purview of one grant which provides the Finance Department more flexibility to transfer funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are required, to reduce the risk of excess disbursement over grants/appropriation which requires regularisation of the State Legislature under Article 205 of the Constitution of India. During the year 2022-23, there was no case of excess disbursement under any grant and appropriation (Para 3.3.6). The State budget comprises of the following documents as given in *Chart 3.1*.

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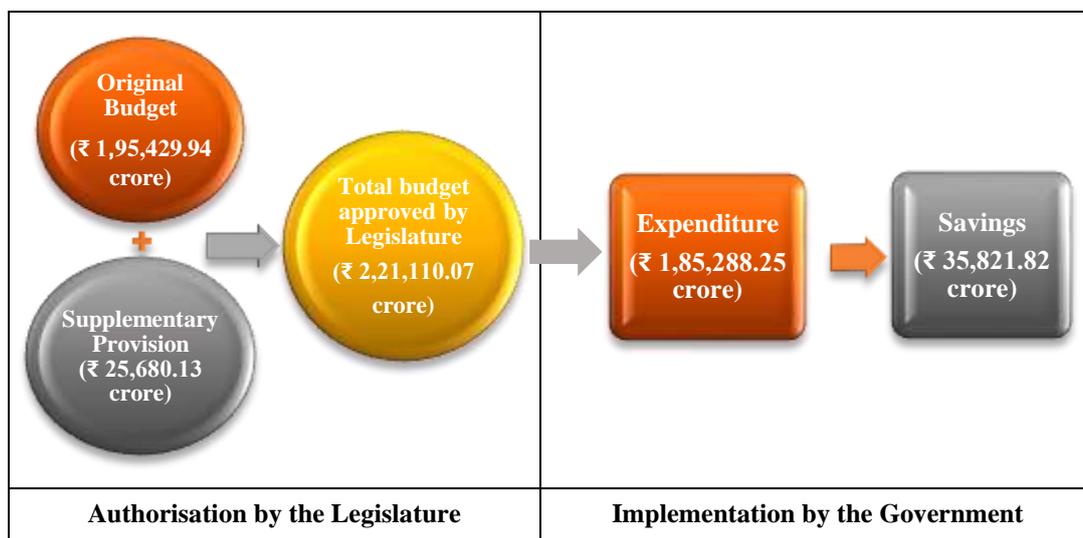
<sup>1</sup> **Charged expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted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

**Chart 3.1: Details of State Budget Documents**



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

**Chart 3.2: Total Budget Provision vis-à-vis expenditure during the year 2022-23**



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

### 3.1.1 SDG Budget allocation

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

#### (i) Gender budgeting

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

There is no Gender Budgeting in the State of Haryana. However, the State Government has aligned SDG 5 Gender Equality with its budget. Major focus areas vis-à-vis the budget provision and expenditure under Gender Equality (SDG 5) are Financial Assistance to Destitute Women and Widows, Integrated Child Development Services Scheme (WCD), *Ladli* (Social Security Pension Scheme), *Apni Betian Apna Dhan* renamed as *Aapki Beti Hamari Beti (Ladli)*, Financial assistance to Scheduled Caste families under *Apni Betian Apna Dhan* renamed as *Aapki Beti Hamari Beti (Ladli)* and *Mukhyamantri Vivah Shagun Yojana*.

As per the SDG budget allocation report 2022-23, 70 schemes/programmes were implemented by 13 different departments under Gender Equality (SDG-5). Out of these 70 schemes, an amount of ₹ 1,577.28 crore (83.69 per cent of total provision) was incurred in respect of 57 schemes implemented by the State Government against the budget provision of ₹ 1,884.54 crore. Details of Department-wise budget provision and expenditure under Gender Equality (SDG-5) in 2022-23 are given in *Table 3.1*.

**Table 3.1: Department-wise details of Budget provision and expenditure under Gender Equality (SDG-5) in 2022-23**

(₹ in crore)

Sr. No.	Department Name (Number of schemes)	Budget Provision	Expenditure
1.	Social Justice and Empowerment (5)	1,077.54	1,013.86
2.	Women and Child Development (29)	524.92	399.97
3.	Welfare of SCs, STs and OBCs (4)	91.22	63.89
4.	Registrar, Cooperative Societies, Haryana (1)	0.05	0.02
5.	Health (4)	2.47	1.87
6.	Director Urban Local Bodies (1)	0.10	0.00
7.	Education (Higher) (3)	2.10	1.50
8.	Education (Secondary) (5)	12.76	5.95
9.	Family Welfare (11)	19.88	10.63
10.	High Court (1)	30.00	0.00
11.	Police (4)	101.00	61.90
12.	Sainik and Ardh Sainik Welfare Department (1)	20.00	15.94
13.	Rural Development (1)	2.50	1.75
	<b>Total (70 schemes)</b>	<b>1,884.54</b>	<b>1,577.28</b>

Source: SDG Budget allocation report 2022-23 and expenditure figures furnished by Swarna Jayanti Haryana Institute for Fiscal Management.

As is evident from above table, out of 13 Departments, four Departments viz. Social Justice & Empowerment, Women & Child Development, Police and Welfare of SCs, STs and OBCs contributed more than 95 per cent of the Budget Estimate 2022-23 under Gender Equality (SDG 5).

It was further observed that out of 70 schemes, no budget provision was made under SDG-5 in respect of 13 schemes as detailed in *Table 3.2*.

**Table 3.2: Details of schemes in which no provision was made during the year 2022-23**

Sr. No.	Name of Department	Name of Scheme
1.	Women and Child Development	P-01-12-2235-02-001-97-99-N-V- Staff for headquarter (WCD) -Information Technology
2.		P-03-12-2235-02-103-66-51-N-V- Universalization of Women Helpline
3.		P-03-12-2235-02-103-69-51-N-V- Scheme for setting up One Stop Crises Centre for women
4.		P-03-12-4235-02-103-96-51-N-V- Construction of building setting up One Stop Crises Centre for women Scheme
5.		P-01-12-4235-02-103-99-51-N-V-Home-cum-Vocational Training Production Centres for Young Girls/Women and Destitute Women and Widows
6.	Health	P-01-14-2210-80-199-98-98-N-V- National Health Mission -Atal Janani Vahini Sewa
7.	Education (Secondary)	P-01-09-4202-01-202-98-51-N-V- Construction of separate girls toilets/hand pumps in Sr. Secondary/ High Schools (NABARD)
8.		P-02-12-2202-02-109-84-51-N-V- Construction and running of girls Hostel for Students of Secondary and Higher Secondary Schools in Educationally Backward Blocks
9.	Family Welfare	P-01-14-2211-51-001-99-51-N-V- State Family Planning Bureau
10.		P-01-14-2211-51-003-96-51-N-V- Promotional Training School for MPW (Female), Bhiwani
11.		P-01-14-2211-51-003-99-51-N-V- Regional Family Planning Training Centre Rohtak
12.		P-01-14-2211-51-102-99-51-N-V- Urban Family Welfare Services
13.	Police	P-03-05-2055-51-114-96-51-N-V- Crime and Criminal Tracking Network and System (CCTNS) RSB - Sainik and ArdhSainik Welfare Department

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

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

During 2022-23, budget provision of ₹ 2,175.09 crore was made for implementation of 42 schemes/programmes by eight different Departments under Climate Action (SDG-13). Out of these 42 schemes, only 29 schemes were implemented during the year 2022-23. Details of Department-wise budget provision and expenditure under Climate Action (SDG-13) in 2022-23 is given in **Table 3.3**.

**Table 3.3: Department-wise Budget provision and expenditure under Climate Action (SDG-13)**

(₹ in crore)

Sr. No.	Department Name (Number of Schemes)	Budget Provision	Expenditure
1	Agriculture and Farmer Welfare Department (6)	358.52	458.70
2	Land Records (2)	0.50	0.51
3	Environment and Climate Change (12)	15.61	5.69
4	Revenue (8)	717.13	139.23
5	Forests (3)	0.96	15.92
6	Directorate of Industries (1)	2.00	0.35
7	Irrigation and Water Resources Department (6)	1,076.47	837.51
8	Department of New and Renewable Energy (1)	3.90	3.38
<b>Total (42 Schemes)</b>		<b>2,175.09</b>	<b>1,461.29</b>

**Source: SDG Budget allocation report 2022-23 and expenditure figures furnished by Swarna Jayanti Haryana Institute for Fiscal Management.**

As is evident from the above table, out of eight Departments, three Departments viz. Irrigation and Water Resources, Revenue and Disaster Management and Agriculture & Farmers Welfare contributed more than 98 *per cent* of the Budget Estimate 2022-23 under Climate Action (SDG-13).

Out of these 42 schemes, 13 schemes were not implemented due to non-provision of budget under SDG-13 as detailed in **Table 3.4**.

**Table 3.4: Details of scheme in which provision was not made during the year 2022-23**

Sr. No.	Name of Department	Name of Scheme
1	Agriculture and Farmer Welfare Department	P-01-10-2401-51-111-91-51-N-V- Scheme for Weather Based Crop Insurance
2		P-02-10-2401-51-111-92-98-N-V- National Agriculture Insurance Scheme - SCSP Component
3		P-02-10-2401-51-111-92-99-N-V- National Agriculture Insurance Scheme - Normal Plan
4	Land Records	P-03-04-2029-51-103-97-99-N-V- Rationalisation of Minor Irrigation Statistics Headquarter staff - Information Technology

Sr. No.	Name of Department	Name of Scheme
5	Environment and Climate Change	P-01-10-3435-03-001-96-51-R-V- Performance Linked Outlay (PLO) of ENV-Environment (ENV-PLO-REV)
6		P-01-10-3435-03-188-99-51-R-V- Appellate Authority
7		P-01-10-3435-03-800-84-51-N-V- Climate Change Division
8		P-01-10-3435-03-800-88-98-N-V- State Environment Impact Assessment Authority -Establishment Expenses
9		P-01-10-3435-03-800-89-51-N-V- Setting up of Environment Training Institute at Gurugram
10	Revenue	P-03-04-2245-80-102-96-51-N-V- Apada Mitra- Training of community volunteers in Disaster Response
11		P-03-04-2245-80-102-97-51-N-V- Mock Exercise
12	Department of New and Renewable Energy	P-01-19-2810-51-103-99-51-N-V- Promotion of New & Renewable Energy for Urban Industrial & Commercial Applications
13	Power	P-03-19-2801-02-800-99-51-N-V- Global Environment Facility (GEF) grant by World Bank to HPGCL on reimbursement basis through the State Government

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

A summarised position of total budget provision, disbursement and savings with its further bifurcation into voted/charged during 2018-23 is given in **Table 3.5**.

**Table 3.5: Disbursement and saving/excess during 2018-23**

(₹ in crore)

	Total Budget Provision		Disbursement		Saving	
	Voted	Charged	Voted	Charged	Voted	Charged
2018-19	1,07,759.20	33,973.70	90,304.44	31,058.32	17,454.76	2,915.38
2019-20	1,19,003.62	37,446.09	98,167.61	31,688.66	20,836.01	5,757.43
2020-21	1,27,589.40	52,415.44	95,535.91	46,873.19	32,053.49	5,542.25
2021-22	1,47,174.90	48,514.54	1,06,051.98	44,110.17	41,122.92	4,404.37
2022-23	1,45,926.23	75,183.84	1,11,846.45	73,441.80	34,079.78	1,742.04

Source: Appropriation Accounts of the respective years.

### 3.1.3 Budget marksmanship

#### (i) Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. The summarised position of actual outturn against the original approved budget during the financial year 2022-23 is given in **Table 3.6**.

**Table 3.6: Detail of actual outturn against the Original Budget**

(₹ in crore)

Description	Original Budget (BE)	Actual Outturn	Difference between Actual Outturn and BE*
Revenue	1,17,662.58	1,06,853.27	(-) 10,809.31
Capital	77,767.36	78,434.98	667.62
<b>Total</b>	<b>1,95,429.94</b>	<b>1,85,288.25</b>	<b>(-) 10,141.69</b>

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

In Revenue section, deviation in outturn compared with BE was (-) 9.19 per cent. In Capital section, deviation in outturn compared with BE was 0.86 per cent. The percentage deviation grant wise is as shown in **Table 3.7**.

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

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

### (ii) Expenditure composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition approved is given in **Table 3.8**.

**Table 3.8: Budget provision, revised estimate, disbursement and difference between actual and revised budget estimate during the financial year 2022-23**

(₹ in crore)

Description	Original Budget (BE)	Revised Estimate (RE)	Actual Outturn	Difference between BE and RE*	Difference between Actual and RE*
Revenue	1,17,662.58	1,16,457.53	1,06,853.27	(-) 1,205.05	(-) 9,604.26
Capital	77,767.36	82,462.30	78,434.98	4,694.94	(-) 4,027.32
<b>Total</b>	<b>1,95,429.94</b>	<b>1,98,919.83</b>	<b>1,85,288.25</b>	<b>3,489.89</b>	<b>(-) 13,631.58</b>

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

In Revenue section, deviation in outturn compared with RE was (-) 8.25 per cent. In Capital section, deviation in outturn compared with RE was (-) 4.88 per cent. The percentage deviation grant wise is as shown in **Table 3.9**.

**Table 3.9: Details of deviation between Revised Budget Estimates and Actual outturn**

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

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

The revised estimates for schemes during the year 2022-23 was assessed at ₹ 1,98,919.83 crore. An amount of ₹ 1,85,288.25 crore was spent on various schemes which was 93.15 per cent of the revised estimates. The cases in which approved budget outlay withdrawn in revised estimates, approved outlay was reduced in revised estimates or provision was made in approved outlay as well

as revised outlay but no expenditure was incurred in both conditions, etc. was discussed in the following sub-paras.

- (a) An amount of ₹ 6,585.02 crore in Twenty schemes (provision of ₹ five crore and above) was provided in approved outlay which was withdrawn in revised estimates due to non-implementation of the schemes. (**Appendix 3.1**).
- (b) Provision of ₹ 3,558.21 crore made for 41 schemes (provision of ₹ 10 crore and above) in approved outlay for 2022-23 was reduced to ₹ 694.05 crore in the Revised Estimates, but no expenditure was incurred under these schemes (**Appendix 3.2**).
- (c) Provisions of ₹ 476.50 crore were made for 17 schemes (provision of ₹ five crore and above) in approved outlay as well as in revised outlay, but no expenditure was incurred during the year 2022-23 (**Appendix 3.3**).
- (d) The provision of ₹ 2,654.63 crore made for 16 schemes (provision of ₹ 10 crore & above and less than 80 *per cent* of original provision) was increased to ₹ 3,566.02 crore against which expenditure of ₹ 1,107.11 crore was incurred during the year 2022-23 which was 41.70 *per cent* of the original estimates. The augmentation of funds through supplementary grants proved unnecessary as the total expenditure was less than the original estimates (**Appendix 3.4**).
- (e) Sixty-four schemes (provision of ₹ 50 crore & above and less than 80 *per cent* of revised estimate) for which the outlay of ₹ 12,875.12 crore approved for execution during 2022-23 was reduced to ₹ 7,558.73 crore in the revised estimates. Only ₹ 3,596.44 crore was spent on these schemes which was 47.58 *per cent* of the revised outlay (**Appendix 3.5**).
- (f) Ten schemes (provision of ₹ 10 crore & above and more than 120 *per cent* of revised estimate) for which provision of ₹ 660.50 crore was approved for execution during 2022-23 was reduced to ₹ 369.27 crore in the revised estimates, but expenditure of ₹ 500.16 crore was incurred which was 135.45 *per cent* of the revised estimate as detailed in **Appendix 3.6**.
- (g) Forty-nine schemes (provision of ₹ 10 crore & above and less than 80 *per cent* of original provision) for which provision of ₹ 4,040.40 crore was made in approved outlay as well as in the revised estimates, but expenditure of ₹ 2,487.20 crore (61.56 *per cent*) was incurred which was less than the provision made as detailed in **Appendix 3.7**.
- (h) The provision of ₹ 2,503.66 crore made for 27 schemes (provision of ₹ 10 crore & above and less than 80 *per cent* of revised estimate) was

increased to ₹ 4,325.11 crore against which expenditure of ₹ 2,724.36 crore was incurred during the year 2022-23. Further, augmentation of funds through supplementary grants proved excessive as the total expenditure of these schemes were 62.99 *per cent* of the revised estimates (**Appendix 3.8**).

- (i) Nine schemes (provision of ₹ 10 crore & above and more than 120 *per cent* of provision) for which provision of ₹ 422.24 crore was made in approved outlay as well as in revised estimates, but expenditure of ₹ 891.07 crore was incurred which was 111.03 *per cent* higher than the provision made as detailed in **Appendix 3.9**.
- (j) Scheme “Faridabad Smart City Limited [P-02-20-2217-80-190-99-51]” for which provision of ₹100 crore was made in the revised estimates, but expenditure of ₹ 196 crore was incurred which was 196 *per cent* higher than the provision made in the revised estimate during the year 2022-23.

### 3.2 Appropriation Accounts

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

Audit of appropriations by the CAG 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 Integrity of budgetary and accounting process

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

According to Article 150 of the Constitution of India, the accounts of the State are to be kept in the form as advised by the Comptroller and Auditor General of India. During 2022-23, the State Government of Haryana opened three new Sub Heads (under Capital section) in the budget, without seeking the advice of the Comptroller and Auditor General as required under the Constitution. The State Government provided budget of ₹ 1,110 crore under these heads and incurred expenditure of ₹ 519.33 crore under the Capital Section in these heads during 2022-23 as detailed in *Table 3.10*.

**Table 3.10: Operation of heads/Opening of New Sub Heads / Detailed Heads of Accounts without advice of CAG during the financial year 2022-23**

(₹ in crore)

Sr. No.	Name of the Scheme and Classification	Budget Provisions	Actual expenditure
1	Grant-in-aid to Municipality on the Recommendation of State Finance Commission (Unauthorised Scheme) [P-01-20-4217-60-051-87]	720.00	341.00
2	Grant-in-Aid to Municipalities for SC Component for State Finance Commission Devolution [P-01-20-4217-60-789-99]	280.00	158.33
3	Financial Assistance to Horticulture University [P-01-10-6401-51-800-90]	110.00	20.00
	<b>Total</b>	<b>1,110.00</b>	<b>519.33</b>

Source: Notes to Finance Accounts for the year 2022-23.

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

The matter has been taken up with Additional Chief Secretary (ACS), Finance Department by Principal Accountant General (A&E) Haryana time and again, but no reply has been received so far (December 2023).

#### 3.3.2 Unnecessary or excessive supplementary grants

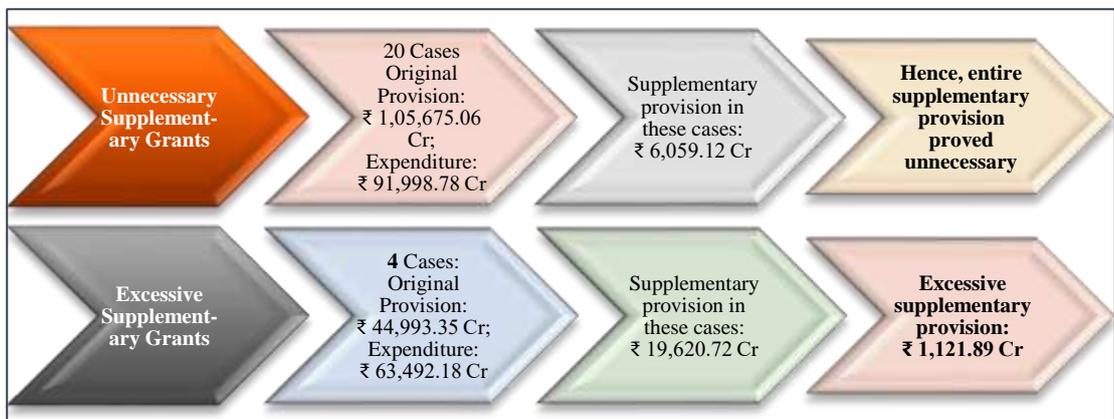
As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year,

can be made during the current financial year but not after the expiry of current financial year.

Supplementary provisions aggregating ₹ 6,059.12 crore obtained in 20 cases, involving ₹ 50 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the original provisions. In four cases, supplementary provision of ₹ 19,620.72 crore proved excessive as it was more than the requirement (₹ 18,498.83 crore) by ₹ 1,121.89 crore (*Appendix 3.10*).

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

**Chart 3.3: Unnecessary and Excessive Supplementary Provisions**



**Source: Appropriation Accounts**

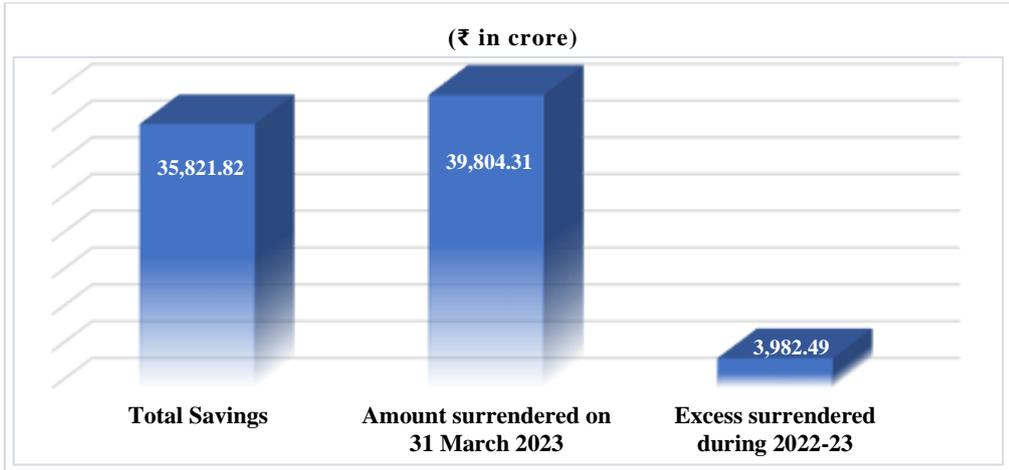
As such, the supplementary provisions were either unwarranted or excessive in a large number of cases. The Government may consider preparing realistic budget estimates to avoid large savings and supplementary provisions.

During the exit conference (November 2023), the ACS, Finance Department assured to examine the issue for future compliance.

### 3.3.3 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are required. During the year 2022-23, out of actual savings of ₹ 35,821.82 crore, an amount of ₹ 39,804.31 crore was surrendered through re-appropriation orders, resulting in excess surrender of ₹ 3,982.49 crore as shown in *Chart 3.4*.

**Chart 3.4: Savings and surrenders close of financial year 2022-23**



Re-appropriation proved injudicious in view of excessive surrenders or insufficient augmentation and resulted in excess expenditure over appropriation of ₹ 5,610.58 crore in 73 sub-heads and savings over ₹ 2,243.20 crore under 24 sub-heads in cases where the appropriation was more than ₹ five crore in each case as detailed in **Appendix 3.11**. Excesses/Savings were more than ₹ 10 crore under 74 sub-heads. In five<sup>2</sup> cases, reduction of provisions through re-appropriation proved injudicious, as the actual expenditure was more than the original and supplementary provisions and in 17<sup>3</sup> cases, original provision was surrendered through re-appropriation, resulting in incurring of expenditure without budget provision. In five<sup>4</sup> cases, the re-appropriation of funds proved unnecessary, as the savings were more than the funds provided through re-appropriation. Similarly in 11<sup>5</sup> cases, the re-appropriation of funds proved insufficient, as the actual expenditure was more than the funds provided through re-appropriation.

### 3.3.4 Non-surrendering and excess surrendering of funds

At the close of the year 2022-23, in 37 cases funds of more than ₹ 10 crore in each case were surrendered. In these cases, the total provision was ₹ 2,20,820.72 crore and actual expenditure was ₹ 1,85,016.31 crore resulting in savings of ₹ 35,804.41 crore. Out of these savings, ₹ 39,792.80 crore was surrendered (**Appendix 3.12**) resulting in excess surrender by ₹ 3,988.39 crore than the actual saving. This indicated inadequate budgetary and financial control.

Further analysis revealed that in seven cases against the savings of ₹ 12,341.79 crore, ₹ 1,428.12 crore was not surrendered which was against the provisions

<sup>2</sup> Sr. No. 1, 26, 29, 54 and 86 of **Appendix 3.11**.

<sup>3</sup> Sr. No. 5, 7, 8, 11, 16, 18, 19, 20, 21, 22, 23, 24, 40, 41, 55, 66 and 78 of **Appendix 3.11**.

<sup>4</sup> Sr. No. 2, 34, 46, 53 and 72 of the **Appendix 3.11**.

<sup>5</sup> Sr. No.14, 27, 31, 32, 35, 37, 44, 47, 80, 87 and 88 of the **Appendix 3.11**.

of paragraph 13.2 of Punjab Budget Manual (also applicable to Haryana). In 28 cases, ₹ 28,837.70 crore was surrendered against the savings of ₹ 23,421.19 crore resulting in excess surrender of ₹ 5,416.51 crore. In two cases, full amount of the savings of ₹ 41.43 crore was surrendered. Reasons for less/excess surrendering of funds were not intimated by the State Government.

### 3.3.5 Savings

As per para 5.3 of Punjab Budget Manual as applicable to Haryana, complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or unrealistic estimating, it is a matter of concern. All estimating officers should strive to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should consider this while exercising final check on the estimates.

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

#### (i) Savings vis-à-vis allocations

There were overall savings of ₹ 35,821.82 crore. Out of these, in 27 cases, savings were ₹ 35,452.21 crore registering savings of more than ₹ 100 crore in each case (*Appendix 3.13*). In these 27 cases, against the total provision of ₹ 2,19,554.72 crore actual expenditure was ₹ 1,84,102.51 crore and savings were ₹ 35,452.21 crore. The cases in which there was substantial savings of more than ₹ 500 crore have been listed in *Table 3.11*.

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

(₹ in crore)

Sr. No.	Grant No.	Original	Supplementary	Total	Actual	Saving
<b>Revenue (Voted)</b>						
1	4	2,416.83	0.00	2,416.83	1,809.54	607.29
2	5	7,503.92	668.04	8,171.96	6,700.69	1,471.27
3	6	13,530.83	0.00	13,530.83	12,841.46	689.37
4	10	5,453.59	105.37	5,558.96	4,140.84	1,418.12
5	11	1,586.16	538.90	2,125.06	1,088.45	1,036.61
6	12	20,330.10	1,766.06	22,096.16	19,046.99	3,049.17
7	14	7,126.03	229.63	7,355.66	6,298.23	1,057.43
8	15	1,822.02	187.43	2,009.45	1,183.25	826.20
9	16	10,335.24	178.13	10,513.37	9,556.08	957.29
10	17	4,224.54	439.69	4,664.23	3,628.54	1,035.69
11	19	9,714.30	876.63	10,590.93	10,060.93	530.00
12	20	10,025.05	1,007.10	11,032.15	8,551.69	2,480.46
	<b>Total</b>	<b>94,068.611</b>	<b>5,996.98</b>	<b>100,065.59</b>	<b>84,906.69</b>	<b>15,158.90</b>

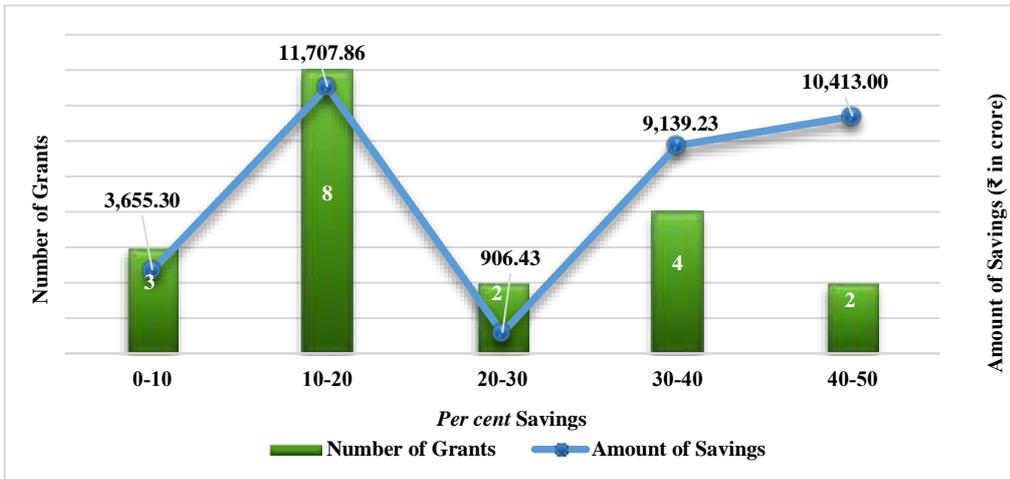
Sr. No.	Grant No.	Original	Supplementary	Total	Actual	Saving
<b>Revenue (Charged)</b>						
13	6	21,161.48	1.00	21,162.48	20,095.57	1,066.91
	<b>Total</b>	<b>21,161.48</b>	<b>1.00</b>	<b>21,162.48</b>	<b>20,095.57</b>	<b>1,066.91</b>
<b>Capital (Voted)</b>						
14	10	1,256.88	8.10	1,264.98	618.33	646.65
15	11	16,416.60	0.00	16,416.60	11,006.11	5,410.49
16	12	1,850.18	30.00	1,880.18	1,007.26	872.92
17	14	1,803.29	155.00	1,958.29	1,424.39	533.90
18	17	4,765.31	350.00	5,115.31	4,611.63	503.68
19	19	4,256.49	30.00	4,286.49	2,154.20	2,132.29
20	20	9,469.56	0.00	9,469.56	2,399.56	7,070.00
	<b>Total</b>	<b>39,818.31</b>	<b>573.10</b>	<b>40,391.41</b>	<b>23,221.48</b>	<b>17,169.93</b>
<b>Capital (Charged)</b>						
21	8	35,052.21	18,536.00	53,588.21	53,021.27	566.94
	<b>Total</b>	<b>35,052.21</b>	<b>18,536.00</b>	<b>53,588.21</b>	<b>53,021.27</b>	<b>566.94</b>
	<b>Grand Total</b>	<b>1,90,100.61</b>	<b>25,107.08</b>	<b>2,15,207.69</b>	<b>1,81,245.01</b>	<b>33,962.68</b>

Source: Appropriation Accounts

Further scrutiny of savings in the above mentioned grants revealed that during 2022-23 in 79 schemes (other than salary/establishments), the savings were more than ₹ 100 crore (*Appendix 3.14*). Savings of such a magnitude are indicative of defective budgeting.

*Chart 3.5* categorises the grants/appropriations according to percentage of savings against budgetary allocations.

**Chart 3.5: Number of grants<sup>6</sup>/Appropriations grouped by the percentage of savings alongwith total savings in each group**



Source: Appropriation Accounts

**(ii) Persistent savings**

Further scrutiny of grants and appropriations showed that during the last five years, seven grants in Revenue Voted and 10 grants under Capital Voted showed persistent savings of more than ₹ 10 crore which were also 10 per cent or more

<sup>6</sup> The Grant No.9-Contingency Fund was not included in which no budget provision was made in this Grant.

of the total grants. Details of grants with savings during the year 2018-19 to 2022-23 are given in **Table 3.12**.

**Table 3.12: Grants indicating persistent savings**

(₹ in crore)

Sr. No.	Number and name of the Grant	Amount of savings				
		2018-19	2019-20	2020-21	2021-22	2022-23
<b>Revenue (Voted)</b>						
1	3-General Administration/ Elections	88.44 (19)	209.71 (31)	163.35 (28)	144.22 (21)	353.66 (37)
2.	5-Home / Prisons /Home Guard and Civil Defence/ Administration of Justice (High Court / Prosecution/ AGOT/Legal Service Authority)	923.82 (16)	662.16 (11)	1,210.85 (18)	2,013.93 (25)	1,471.27 (18)
3.	10-Mines and Geology/ Agriculture/ Horticulture/ Animal Husbandry and Dairy Development/ Fisheries/ Forest and Wildlife/ Ecology and Environment	1,261.76 (29)	1,950.83 (41)	2,137.11 (35)	2,029.07 (32)	1,418.12 (26)
4.	13-Sports and Youth Welfare/ Art and Culture/ Tourism	126.17 (28)	238.79 (42)	268.32 (58)	301.31 (47)	185.00 (31)
5.	15-Labour/ Employment/ Skill Development & Industrial Training	235.23 (26)	278.09 (23)	601.36 (39)	661.08 (33)	826.20 (41)
6.	18-Information and Publicity/ Electronics & Information Technology/ Printing and Stationery	268.91 (45)	147.25 (32)	117.63 (34)	121.90 (30)	223.88 (42)
7	20-Urban Development (Town & Country Planning/ Urban Estates) / Local Government (ULB & Fire Services) / Rural and Community Development (Rural Development/ Development & Panchayats)/ Public Health Engineering Department	3,663.80 (30)	4,427.37 (33)	6,478.12 (39)	8,495.14 (50)	2,480.46 (22)
<b>Capital (Voted)</b>						
8	5-Home / Prisons /Home Guard and Civil Defence/ Administration of Justice (High Court / Prosecution / AGOT/Legal Service Authority)	154.20 (38)	180.30 (44)	259.20 (49)	119.33 (36)	150.05 (35)
9	6-Finance/ Planning and Statistics	310.14 (44)	172.39 (42)	200.58 (65)	153.58 (37)	325.05 (59)
10	7-Loans and Advances by State Government	1,256.31 (62)	373.02 (22)	286.82 (24)	1,162.11 (55)	251.89 (20)
11.	12-Education (Higher/ Secondary/ Elementary)/ Technical Education/ Women and Child Development	177.01 (68)	227.84 (93)	1,432.43 (80)	128.11 (21)	872.92 (46)
12.	13-Sports and Youth Welfare/ Art and Culture/ Tourism	27.92 (29)	25.16 (23)	76.91 (37)	72.42 (34)	66.24 (26)
13.	14-Health/ DMER/ AYUSH/ ESI/ FDA	422.80 (75)	371.78 (54)	516.71 (40)	523.91 (37)	533.90 (27)
14	15-Labour/ Employment/ Skill Development & Industrial Training	53.44 (78)	32.14 (42)	60.71 (45)	72.61 (61)	36.01 (49)
15	16-Welfare of SCs and BCs/ Social Justice & Empowerment/Welfare of Ex-Servicemen	13.04 (38)	24.02 (91)	31.77 (80)	30.96 (83)	49.74 (81)
16	18-Information and Publicity/ Electronics & Information Technology/ Printing and Stationery	31.23 (59)	10.00 (19)	11.89 (13)	11.29 (13)	20.28 (11)
17	20-Urban Development (Town & Country Planning/ Urban Estates) / Local Government (ULB & Fire Services) / Rural and Community Development (Rural Development/ Development & Panchayats)/ Public Health Engineering Department	390.68 (12)	1,484.55 (42)	2,154.19 (57)	1,065.80 (22)	7,070.00 (75)

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

Further scrutiny during the last three years from 2020-21 to 2022-23, 61 schemes under Revenue and Capital Heads showed persistent savings in which provision (Original Estimate + Supplementary Estimate) was ₹ 10 crore & above and savings was more than 50 per cent of total provision. The details of schemes are given in **Appendix 3.15**.

### 3.3.6 Excess expenditure and its regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn

from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article. Further, as per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

During the year 2022-23, there was no case of excess disbursement under any grants and appropriation. However, excess disbursements of ₹ 238.79 crore pertaining to the years 2019-20 to 2021-22 as shown in **Table 3.13**, are yet to be got regularised by the State Legislature (September 2023).

**Table 3.13: Excess expenditure relating to previous years requiring regularisation**

(₹ in crore)

Year	Grant No./ Appropriation	Name of Grant/ Appropriation	Total Provision	Expenditure	Amount of excess required to be regularized as commented in Appropriation Account
2019-20	08	Buildings and Roads	1,172.78	1,299.78	127.00
	23	Food and Supplies	432.34	458.73	26.39
2020-21	35	Tourism	29.01	50.94	21.93
2021-22	07	Planning and Statistics	46.90	110.33	63.43
	23	Food and Supplies	0.20	0.24	0.04
	<b>Total</b>		<b>1,681.23</b>	<b>1,920.02</b>	<b>238.79</b>

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

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

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

The total provision for expenditure in 2022-23 was ₹ 2,21,110.07 crore. The actual gross expenditure during the year was ₹ 1,85,288.25 crore. This resulted in savings of ₹ 35,821.82 crore (16.20 per cent) in 2022-23 of which ₹ 39,804.31 crore (111.12 per cent) was surrendered. The details are given in **Table 3.14**.

**Table 3.14: Summarised position of Actual Expenditure vis-à-vis Budget (Original/Supplementary) provisions during the year 2022-23**

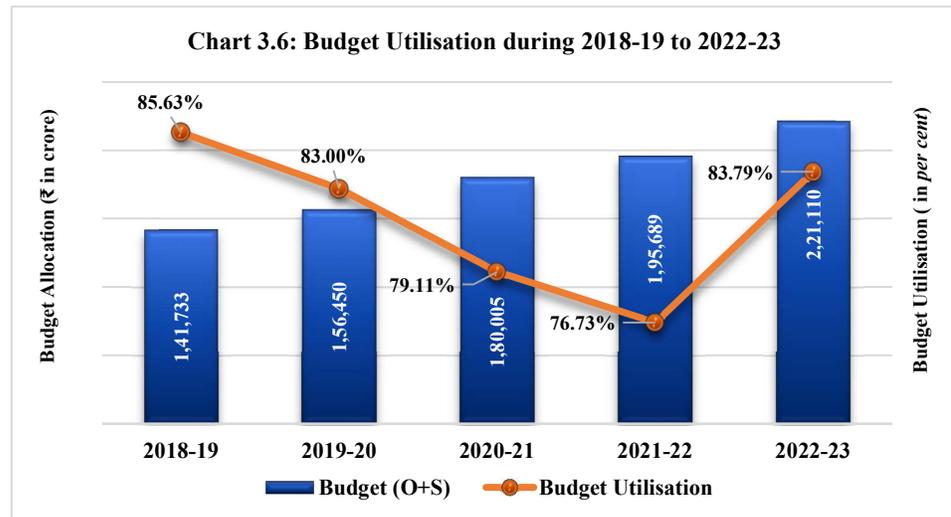
(₹ in crore)

Nature of expenditure	Original grant/Appropriation	Supplementary grants/appropriation	Total	Actual expenditure	Savings	Surrender during 2022-23	
						Amount	Percentage
Voted	I Revenue	96,238.25	1,02,421.23	86,465.82	15,955.41	17,162.68	107.57
	II Capital	38,943.56	39,671.68	22,918.56	16,753.12	17,320.53	103.39
	III Loans and Advances	3,661.59	3,833.32	2,462.07	1,371.25	1,539.11	112.24
<b>Total Voted</b>	<b>138,843.40</b>	<b>7,082.83</b>	<b>1,45,926.23</b>	<b>1,11,846.45</b>	<b>34,079.78</b>	<b>36,022.32</b>	<b>105.70</b>
Charged	IV Revenue	21,424.33	21,485.63	20,387.45	1,098.18	3,356.40	305.63
	V Capital	110.00	110.00	33.07	76.93	75.82	98.56
	VI Public Debt Repayment	35,052.21	18,536.00	53,588.21	53,021.28	566.93	349.77
<b>Total Charged</b>	<b>56,586.54</b>	<b>18,597.30</b>	<b>75,183.84</b>	<b>73,441.80</b>	<b>1,742.04</b>	<b>3,781.99</b>	<b>217.10</b>
<b>Grand Total</b>	<b>1,95,429.94</b>	<b>25,680.13</b>	<b>2,21,110.07</b>	<b>1,85,288.25</b>	<b>35,821.82</b>	<b>39,804.31</b>	<b>111.12</b>

Source: Appropriation Accounts.

**Note:** The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 447.06 crore) and Capital Heads (₹ 11,286.68 crore).

Supplementary provision of ₹ 25,680.13 crore constituted 13 per cent of the original provision as well as in the previous year. Budget utilisation during the years 2018-19 to 2022-23 is given in *Chart 3.6*.



The State Government prepared the original budget of ₹ 1,95,429.94 crore for revenue expenditure, capital expenditure and disbursement of loans and advances for the year 2022-23 and revised it to ₹ 1,98,919.83 crore, against which actual expenditure was ₹ 1,85,288.25 crore. The data on original budget, revised estimate, and actual expenditure for the period 2018-19 to 2022-23 is given in *Table 3.15* and the trend is shown in *Chart 3.7*.

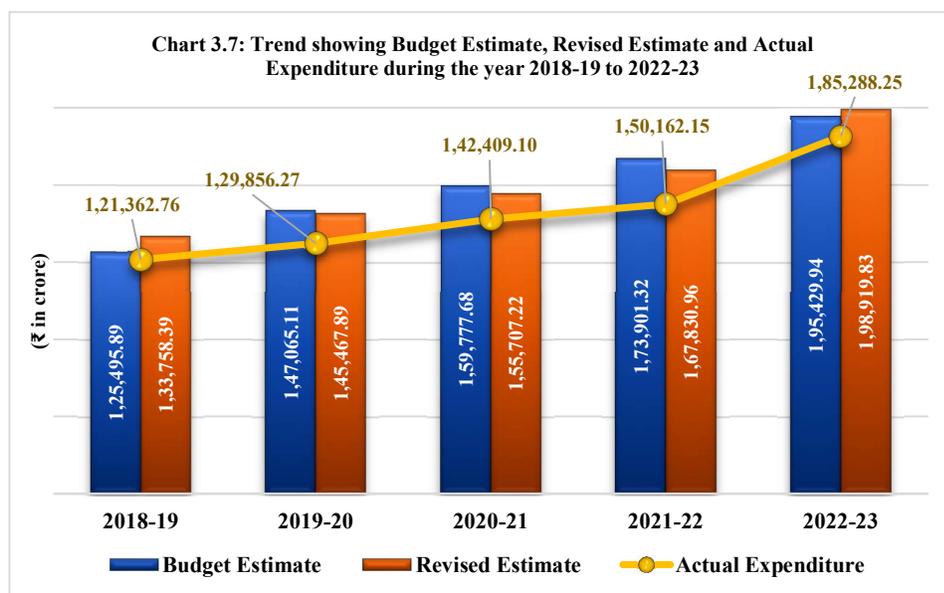
Table 3.15: Original budget, revised estimate and actual expenditure during 2018-23

(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Original Budget	1,25,495.89	1,47,065.11	1,59,777.68	1,73,901.32	1,95,429.94
Supplementary Budget	16,237.01	9,384.60	20,227.16	21,788.12	25,680.13
Total Budget (TB)	1,41,732.90	1,56,449.71	1,80,004.84	1,95,689.44	2,21,110.07
Revised Estimate (RE)	1,33,758.39	1,45,467.89	1,55,707.22	1,67,830.96	1,98,919.83
Actual Expenditure (AE)	1,21,362.76	1,29,856.27	1,42,409.10	1,50,162.15	1,85,288.25
Saving	(-) 20,370.14	(-) 26,593.44	(-) 37,595.74	(-) 45,527.29	(-) 35,821.82
Percentage of Supplementary to the original Provision	12.94	6.38	12.66	12.53	13.14
Percentage of overall saving/ Excess to the overall provision	(-) 14.37	(-) 17.00	(-) 20.89	(-) 23.27	(-) 16.20
TB-RE	7,974.51	10,981.82	24,297.62	27,858.48	22,190.24
RE-AE	12,395.63	15,611.62	13,298.12	17,668.81	13,631.58
(TB-RE) as % of TB	5.63	7.02	13.50	14.24	10.04
(RE-AE) as % of TB	8.75	9.98	7.39	9.03	6.17

Source: Budget Documents and Appropriation Accounts for respective years

During the period 2018-19 to 2022-23, the revised estimates was always lower than the total budget. As such, the supplementary provisions during the periods 2018-19 to 2022-23 proved unnecessary since the expenditure did not come up even to the level of original budget provisions during the same periods as shown in *Chart 3.7*.



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

### 3.4.2 Major policy pronouncements in budget and actual expenditure

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

**Table 3.16: Major policy pronouncements in budget and actual expenditure during 2022-23**

(₹ in crore)

Sr. No.	Name of the Scheme and Classification	Budget Provisions (O+S)	Actual expenditure	Savings (+)/ Excess (-)
1	Scheme for Management of Crop Residue (2401-51-113-82)	100.00	31.17	68.83
2	Scheme for Rashtriya Krishi Vikas Yojna (2401-51-109-80)	200.00	53.45	146.55
3	Construction of Roads in Haryana State-Construction strengthening /widening and improvement of roads for State Scheme (5054-03-337-88-99)	150.00	125.22	24.78
4	Scheme for Promotion of crops Diversification (2401-51-108-83)	160.00	473.69	-313.69
5	Financial Assistance to Panchayati Raj Institutions on the recommendation of State Finance Commission (4515-51-101-96)	820.00	205.20	614.80
6	Deenbandhu Haryana Gram Uday Yojana (4515-51-101-99)	200.00	34.71	165.29
7	Scheme for Sanitation under Swachh Bharat Mission (Gramin)-Normal Plan (2515-51-102-93-99)	300.00	11.07	288.93
8	Financial Assistance to Horticulture University (6401-51-800-90)	110.00	20.00	90.00
9	Installation of Solar Water Pumping System in the State (2810-51-101-98)	400.00	297.91	102.09
10	Financial Assistance to Destitute Children (2235-02-102-99)	400.00	380.39	19.61
11	Old Age Samman Allowance Scheme (2235-60-102-98)	4,350.00	4,216.90	133.10
12	Supplementary Nutrition Programme (2236-02-101-95)	120.00	89.01	30.99
13	Financial Assistance to Haryana Agricultural University, Hisar (6416-51-190-99)	696.87	428.85	268.02
14	Pradhanmantri Fasal Bima Yojana (2401-51-111-90)	600.00	416.39	183.61
15	Haryana Gramin Vikas Yojana (HGVY) (4515-51-101-97)	500.00	98.68	401.32
16	Scheme for Technology Mission on Sugarcane (2401-51-108-81)	150.00	85.04	64.96
17	Sub Mission on Agriculture Mechanization (2401-51-109-78)	200.00	102.85	97.15
18	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) - Normal Plan (2505-02-101-99-99)	450.00	178.16	271.84
19	Loan for Warehousing and Cold Storage (6408-02-190-99)	120.00	97.89	22.11
20	Creation Up-gradation Maintenance of Industrial Infrastructure Renamed as Development of Infrastructure under New Enterprises Promotion Policy 2015 (2851-51-101-95)	150.00	24.03	125.97
21	Reconstruction/Renovation /Replacement and Construction of Bridges and Structure on Canals & Drains (4700-80-800-97)	200.00	150.72	49.28
22	Sarva Shiksha Abhiyan (2202-01-111-99)	500.00	483.50	16.50
23	Mid-Day Meal for Primary School Children- (2202-01-112-99)	380.70	310.00	70.70
24	Rashtriya Madhyamik Shiksha Abhiyan (RMSA) (2202-02-109-86-51)	404.00	386.66	17.34
25	Sports Infrastructure Scheme (4202-03-102-99)	100.00	99.56	0.44
26	Financial Assistance to Destitute Women and Widow (2235-60-102-96)	2,000.00	1,910.82	89.18
	<b>Total</b>	<b>13,761.57</b>	<b>10,711.87</b>	<b>3,049.70</b>

**Source: Finance Accounts and Appropriation Accounts**

As evident from above, against the total budget provision of ₹ 13,761.57 crore, expenditure of ₹ 10,711.87 crore (77.84 per cent) only was incurred on these schemes during 2022-23. Out of a total of 26 schemes, in nine schemes, the expenditure was less than 50 per cent of the budget provision and in one scheme expenditure was incurred in excess against the budget provision. The reasons of savings/excess for these schemes are discussed in **Table 3.17**.

**Table 3.17: Details of reasons for savings/excess**

Name of the Scheme and Classification	Reasons for savings/excess
Scheme for Management of Crop Residue (2401-51-113-82)	Lesser number of claims for subsidies.
Scheme for Rashtriya Krishi Vikas Yojna (2401-51-109-80)	Lesser funds released by the GoI.
Scheme for Promotion of crops Diversification (2401-51-108-83)	More claims of subsidies received than anticipated and thus excess expenditure.
Financial Assistance to Panchayati Raj Institutions on the recommendation of State Finance Commission (4515-51-101-96)	Late elections of Panchayat Raj Institutions i.e. after a lapse of six months of financial year 2022-23.
Deenbandhu Haryana Gram Uday Yojana (4515-51-101-99)	Less funds received from NABARD (National Bank for Agriculture and Rural Development).
Scheme for Sanitation under Swachh Bharat Mission (Gramin)- Normal Plan (2515-51-102-93-99)	Non-receipt of funds from GoI.
Haryana Gramin Vikas Yojana (HGVY) (4515-51-101-97)	Non-finalisation of work outlay.
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) - Normal Plan (2505-02-101-99-99)	Less funds received from GoI.
Creation Up-gradation Maintenance of Industrial Infrastructure Renamed as Development of Infrastructure under New Enterprises Promotion Policy 2015 (2851-51-101-95)	Non-completion of eligibility milestones by special purpose vehicles of the clusters and non-receipt of claims of stare up warehousing incubation centers.

**Source: Appropriation Accounts**

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

### 3.4.3 Pronouncements of various schemes and funds in budget speech

During scrutiny of the Budget speech document of 2022-23, it was noticed that various schemes, as detailed in **Table 3.18**, were proposed to be implemented during the financial year. However, these schemes were not found listed in the Budget document (2022-23) indicating that no provision was against these schemes.

**Table 3.18: Details of various schemes in which no provision was made**

Sr No.	Name of Scheme given in budget
1.	Prime Minister's Jeevan Jyoti Bima Yojna (PMJJBY)
2.	Dwivarthik Jal Prabandhan Yojana
3.	Sushma Swaraj Award
4.	Haryana Matrushakti Udyamita Scheme
5.	Crop Cluster Development Program
6.	Pragatisheel Kisan Krishi Darshan
7.	Dual System of Training
8.	State Mini Revamped Scheme fund for Regeneration of traditional industries.
9.	Programme to Accelerate Development for MSME Advancement [PADMA]
10.	Laghu Udyamita Samarthan Nidhi
11.	Vivadon ka Samadhan

**Source: Budget speech 2022-23 and Budget document 2022-23**

Further, the Government proposed to set up three dedicated funds: (1) Climate & Sustainable Development Fund, (2) Research & Innovation Fund and (3) Venture Capital Fund. On scrutiny of the budget documents, it was noticed that no budget provision was made against these funds.

The matter was referred (September 2023) to the State Government for their comments. The ACS, Finance Department stated (October 2023) that on receipt of proposals of setting up of said funds from Departments concerned, new schemes would be opened from PAG (A&E) Haryana. However, the fact remains that the State Government failed to fulfil their own proposals announced in the budget speech.

#### 3.4.4 Rush of expenditure

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

Rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided. Contrary to this, in respect of 21 heads under nine grants/appropriations listed in **Appendix 3.16**, expenditure exceeding ₹ 10 crore and more than 50 per cent of the total expenditure for the year was incurred during the last quarter of the year.

In these cases, out of the expenditure of ₹ 15,375.54 crore incurred during the year 2022-23, expenditure of ₹ 4,566.78 crore (29.70 per cent) was incurred during the month of March 2023. As such, against the target of 30 per cent for last quarter, 29.70 per cent expenditure was incurred in one month only and 59.44 per cent in the last quarter. Audit scrutiny revealed that under 21 Major Heads as given in **Appendix 3.16**, the expenditure incurred during 4<sup>th</sup> quarter of the year ranged between 50 per cent and 100 per cent against the target of 30 per cent. It was further observed that out of total expenditure of ₹ 6,764.86 crore in respect of Major Head 2801-Power under Grant No. 19, ₹ 3,556.53 crore (53 per cent) was incurred in the 4<sup>th</sup> quarter.

The grant-wise allocation and expenditure incurred during the quarters and in the month of March 2023 was analysed. It was observed that in three grants<sup>7</sup> in the 1<sup>st</sup> quarter, nine grants<sup>8</sup> in the 2<sup>nd</sup> quarter, four grants<sup>9</sup> in the 3<sup>rd</sup> quarter and

<sup>7</sup> Grant No. 5, 14 and 20.

<sup>8</sup> Grant No. 1, 2, 3, 5, 6, 12, 13, 15 and 16.

<sup>9</sup> Grant No. 10, 15, 17 and 19.

seven grants<sup>10</sup> in the last quarters, the above directions of the Finance Department were not adhered. The quarterly details of expenditure incurred across all grants are shown in **Appendix 3.17**.

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

### 3.5 Review of selected Grants

#### Introduction

A review of budgetary procedure and control over expenditure in respect of two selected grants i.e., Grant 10<sup>11</sup> and Grant 19<sup>12</sup> was conducted wherein magnitude of variation in original grants, supplementary demands and actual expenditure were analysed.

#### 3.5.1 Review of Grant No. 10

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

**Table 3.19: Budget and expenditure under Grant No. 10**

(₹ in crore)

Nature of Expenditure		Original Provision	Supplementary	Total	Actual expenditure	Saving (in per cent)
Revenue	Voted	5,453.60	105.37	5,558.97	4,140.84	(-) 1,418.13 (26)
	Charged	1.58	0	1.58	1.00	(-) 0.58 (37)
Capital <sup>13</sup>	Voted	1,256.88	8.10	1,264.98	618.33	(-) 646.65 (51)
<b>Grand Total</b>		<b>6,712.06</b>	<b>113.47</b>	<b>6,825.53</b>	<b>4,760.17</b>	<b>(-) 2,065.36 (30)</b>

From the above Grant No. 10, two departments i.e. (i) Forest & Wildlife and (ii) Agriculture & Farmers Welfare Department were selected for further review.

Two Major Heads i.e. 2402-Soil & Water Conservation<sup>14</sup> and 2406- Forest & Wildlife pertain to Forest & Wildlife Departments and six Major Heads i.e., 2401-Crop Husbandry, 2402-Soil and Water Conservation<sup>15</sup>, 2415-Agricultural Research and Education, 2435-Other Agricultural Programmes and 4401-Capital Outlay on Crop Husbandry pertain to Agriculture and Farmers Welfare

<sup>10</sup> Grant No. 2, 4, 13, 17, 18, 19 and 20.

<sup>11</sup> Mines and Geology/Agriculture/Horticulture/Animal Husbandry and Dairy Development/ Fisheries/Forest and Wildlife/Ecology & Environment.

<sup>12</sup> Irrigation/Industries & Commerce/MSME/Supplies & Disposal/Power & Renewal Energy/ Science & Technology

<sup>13</sup> Includes Loans for Crop Husbandry under MH 6401, Loans for Animal Husbandry under MH 6403 and Loans to Agricultural Financial Institutions under MH 6416.

<sup>14</sup> Includes MH 2402-001-99, 2402-102-87, 2402-102-90, 2402-102-91 and 2402-800-98 only.

<sup>15</sup> Excluding Major Heads mentioned at footnote no. 10.

Department in which expenditure was incurred on various schemes by these departments during the year 2022-23.

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

### Audit findings

#### (i) Budget and Expenditure

The overall position of the budget provisions, actual expenditure and savings/excesses under the functional Heads of the two selected Departments for the last three years (2020-21 to 2022-23) is given in **Table 3.20**.

**Table 3.20: Budget and expenditure of selected departments**

(₹ in crore)

Year	Nature of expenditure	Original	Supplementary	Total	Expenditure	Excess (+)/ Saving (-) (in per cent)
<b>Forest and Wildlife Department</b>						
2020-21	Revenue (Voted)	548.50	0	548.50	481.73	(-) 66.77 (12)
	Revenue (Charged)	0.70	0	0.70	0.37	(-) 0.33 (47)
	<b>Total</b>	<b>549.20</b>	<b>0.00</b>	<b>549.20</b>	<b>482.10</b>	<b>(-) 67.10 (12)</b>
2021-22	Revenue (Voted)	655.17	165.05	820.22	528.15	(-) 292.07 (36)
	Revenue (Charged)	0.70	0	0.70	0.69	(-) 0.01 (1)
	<b>Total</b>	<b>655.87</b>	<b>165.05</b>	<b>820.92</b>	<b>528.84</b>	<b>(-) 292.08 (36)</b>
2022-23	Revenue (Voted)	807.05	37.32	844.37	538.72	(-) 305.65 (36)
	Revenue (Charged)	1.20	0	1.20	0.86	(-) 0.34 (28)
	<b>Total</b>	<b>808.25</b>	<b>37.32</b>	<b>845.57</b>	<b>539.58</b>	<b>(-) 305.99 (36)</b>
<b>Agriculture and Farmers Welfare Department</b>						
2020-21	Revenue (Voted)	3,612.63	430.22	4,042.85	2,348.08	(-) 1,694.77 (42)
	Revenue (Charged)	0.08	0	0.08	0.02	(-) 0.06 (75)
	Capital (Voted)	10.00	0	10.00	1.77	(-) 8.23 (82)
	<b>Total</b>	<b>3,622.71</b>	<b>430.22</b>	<b>4,052.93</b>	<b>2,349.87</b>	<b>(-) 1,703.06 (42)</b>
2021-22	Revenue (Voted)	3,301.07	587.04	3,888.11	2,603.64	(-) 1,284.47 (33)
	Revenue (Charged)	0.08	0	0.08	0.01	(-) 0.07 (88)
	Capital (Voted)	10.01	50.00	60.01	2.23	(-) 57.78 (96)
	<b>Total</b>	<b>3,311.16</b>	<b>637.04</b>	<b>3,948.20</b>	<b>2,605.88</b>	<b>(-) 1,342.32 (34)</b>
2022-23	Revenue (Voted)	3,233.98	0.01	3,233.99	2,495.37	(-) 738.62 (23)
	Revenue (Charged)	0.08	0	0.08	0.05	(-) 0.03 (38)
	Capital (Voted)	10.01	0	10.01	31.97	21.96 (219)
	<b>Total</b>	<b>3,244.07</b>	<b>0.01</b>	<b>3,244.08</b>	<b>2,527.39</b>	<b>(-) 716.69 (22)</b>

During scrutiny of the budget and expenditure of two selected departments, it was observed that savings ranged between ₹ 67.10 crore and ₹ 305.99 crore in Forest and Wildlife Department and between ₹ 716.69 crore and ₹ 1,703.06 crore in Agriculture and Farmers Welfare Department against the budget provisions during the financial years from 2020-21 to 2022-23. Percentage of the above savings ranged between 12 and 36 per cent in Forest and Wildlife Department and between 22 and 42 per cent in Agriculture and Farmers Welfare Department against the budget provisions during the same period. Reasons for savings in some schemes were as follows (as stated by the departments):

- **Scheme for Technology Mission on Sugarcane:** Saving of ₹ 64.96 crore was due to the fact that subsidy bill of ₹ 56.47 crore could not be got approved from the Finance Department as the same was submitted by the Agriculture Department on the last day of the financial year 2022-23 (June 2023).
- **Scheme for the strengthening of Haryana Kisan Kalyan Pradhikaran:** Against the budget provision of ₹ 45 crore, only expenditure of ₹ 2.33 crore was incurred thereby leaving saving of ₹ 42.67 crore. Savings were mainly due to non-conducting training programme, non-filling up of vacant posts and non-finalisation of tender process.
- **Performance linked outlay:** Saving of ₹ 449 crore (Agriculture & Farmers Welfare Department: ₹ 424 crore and Forest & Wildlife Department: ₹ 25 crore) was due to non-implementation of scheme. It was observed that ₹ 25 crore had been transferred to other heads and ₹ 214.79 crore had been reallocated to other schemes of the grant.

**(ii) Entire provision remained unutilised**

During scrutiny of records of two selected departments under Grant No. 10, it was observed that budget provision amounting to ₹ 19.80 crore made under four schemes remained unutilised at the end of the year (2022-23) (above budget provision of ₹ one crore) as detailed in **Table 3.21**.

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

(₹ in crore)

Sr. No.	Scheme Name	Budget provision
1.	2401-119-63-Scheme for Horticulture crop insurance in Haryana renamed as <i>Mukhyamantri Bagwani</i> Bima Yojana	10.00
2.	2401-119-71-Scheme for National Project on Promotion of Organic Farming renamed as Organic Farming and Zero budget natural farming practices	5.10
3.	2406-01-102-74-Integrated Forest Protection	1.70
4.	2406-02-110-87-Conservation and Wetland in Haryana under the National Plan for conservation of Aquatic Eco Systems	3.00
	<b>Total</b>	<b>19.80</b>

The entire provision of the budget made for the above mentioned schemes was finally reappropriated and no expenditure was incurred under these schemes.

On being pointed out by Audit, the Forest and Wildlife Department replied (August 2023) that savings were mainly due to non-sanction of funds under Centrally Sponsored Schemes from GoI. Reasons for saving in Agriculture and Farmer Welfare Department were due to non-implementation of the schemes.

**(iii) Unrealistic re-allocation of budget**

During the year 2022-23, funds amounting to ₹ 2.61 crore were re-allocated from the scheme 'PLO for Agriculture and Farmers welfare Department' to six schemes and from the 'Scheme for management of crop residue' to another scheme as detailed in **Table 3.22**.

**Table 3.22: Details of funds re-allocated in Agriculture and Farmer Welfare Department (₹ in crore)**

Sr. No.	Details of schemes from where funds were re-allocated and schemes to which funds were provided	Original Budget	Funds provided through re-allocation	Expenditure	Reasons for re-allocation
<b>1</b>	<b>Re-allocated from: P-01-10-2401-001-94-51-N-V-Performance Linked Outlay (PLO) for Agriculture and Farmers Welfare Department (AGR-PLO-REV)</b>				
i	P-01-10-2401-51-107-99-51-R-V- Plant Protection Operation	17.04	0.33	16.07	Payment of rent and medical claims
ii	P-01-10-2401-51-108-94-51-R-V- Sugarcane Development in Haryana	13.44	0.42	12.90	
iii	P-01-10-2401-51-108-98-51-R-V- High Yielding Varieties Programme in Haryana	29.96	0.20	26.06	Medical claims
iv	P-01-10-2401-51-109-99-51-R-V- Agriculture demonstration and propaganda	88.55	0.40	75.81	Payment of rent and medical claims
v	P-01-10-2402-51-102-99-51-R-V-Scheme for the Soil Conservation and Water Management on Agricultural Land in Haryana	26.84	0.51	24.73	Travelling allowances and medical claims
vi	P-01-10-2435-01-101-99-98-R-V-Development and grading of Agriculture produce	2.24	0.05	1.72	Medical claims
<b>2</b>	<b>Re-allocated from: P-01-10-2401-51-113-82-51-N-V Scheme for management of crop residue</b>				
i	P-01-10-2401-51-113-96-51-N-V Scheme for Agriculture Engineering Service	8.00	0.70	4.27	Machinery and Equipment
	<b>Total</b>		<b>2.61</b>		

It can be seen that actual expenditure was less than the original budget provision. Thus, in these cases, unnecessary re-allocation of funds was made without assessing the actual requirement of funds.

**(iv) Unnecessary/excessive Supplementary Grants**

Supplementary grants are obtained from to cover the excess that may be anticipated after mid-term review of the requirements of additional funds under the grants/appropriations during the financial year.

During scrutiny of the budget and expenditure of two selected departments under Grant No. 10, it was observed that supplementary budget provision proved unnecessary/excessive as the total expenditure was lesser than the original or supplementary grant in Forest & Wildlife Department as shown in **Table 3.23**.

**Table 3.23: Detail of unnecessary or excessive supplementary grants**

(₹ in crore)

Classification and Name of the scheme	Original	Supplementary	Expenditure
P-01-10-2406-01-102-71-51-R-V- Herbal Nature Park	10.00	5.00	7.33
P-02-10-2406-01-102-64-51-R-V-National Afforestation Programme	0.01	27.30	15.92

As is evident from the table, supplementary provisions were made without assessing the actual requirement of funds.

The Forest & Wildlife Department replied (August 2023) that as per the Chief Minister's announcement for creation of OXY-VAN<sup>16</sup> in Panchkula and Karnal districts, a provision under supplementary demand was made but due to capping for restricting the expenditure within 30 per cent of total expenditure in the last quarter, the amount could not be spent.

**(v) Persistent savings**

In 17 sub heads (Forest & Wildlife Department: 5 and Agriculture & Farmers, Welfare Department: 12), there were persistent savings ranging between 10.35 and 100 per cent of the total provision, which was indicating non-achievement of the projected financial outlays, inefficient planning and unrealistic estimation in the respective years during 2020-21 to 2022-23 as per details given in **Appendix 3.18**.

On being pointed out by Audit, Forest & Wildlife Department replied (August 2023) that due to non-filling up of the vacant posts during the year, non-receipt of sanctions under Centrally Sponsored Schemes from Government of India and due to capping for restricting the expenditure within 30 per cent of total expenditure in the last quarter the amount could not be spent. The reply was not tenable as the budget proposals were made in an un-realistic manner without taking into consideration the earlier years' budget/savings.

**(vi) Excess surrender than savings**

In two selected departments under Grant No. 10, an expenditure of ₹ 473.62 crore was incurred against the provision of ₹ 894.72 crore during 2022-23 (**Table 3.24**). However, the departments had surrendered ₹ 460.35 crore through re-appropriation orders. Therefore, the excess surrender of ₹ 39.25 crore reflected poor financial management.

<sup>16</sup> OXY-VAN (Oxygen Forest) is a scheme for the creation of Forest area/Green corridor for the specified area (180 acres) in two districts.

**Table 3.24: Details of schemes in which there was excess over original provision after surrender**

(₹ in crore)

Name of scheme	Original provision	Expenditure	Savings	Amount Surrendered	Excess surrendered than savings
1	2	3	4	5	6 = 4-5
P-01-10-2401-51-108-81-51-N-V- Scheme for Technology (Mission on Sugarcane)	150.00	85.04	64.96	93.36	28.40
P-01-10-2401-51-109-99-51-R-V- Agriculture demonstration and propaganda	88.57	75.81	12.76	13.20	0.44
P-02-10-2401-51-109-80-51-R-V- Scheme for Rashtriya Krishi Vikas Yojna	200.00	53.46	146.54	146.90	0.36
P-01-10-2401-51-113-82-51-R-V- Scheme for Management of Crop Residue	100.00	31.17	68.83	72.87	4.04
P-01-10-2401-51-119-65-51-R-V- Scheme for Integrated Horticulture Development in Haryana State	85.00	70.87	14.13	17.15	3.02
P-01-10-2401-51-119-97-51-R-V- Scheme for various Horticulture Activities in Haryana	83.40	64.13	19.27	19.68	0.41
P-02-10-2401-51-789-97-51-R-V- Scheme for Rashtriya Krishi Vikas Yojna for Scheduled Castes	30.00	15.43	14.57	15.02	0.45
P-01-10-2406-01-070-97-51-R-V- Communication and Buildings	5.00	3.61	1.39	1.70	0.31
P-01-10-2406-02-110-93-51-R-V- Wildlife Protection in Multiuse area	8.50	5.74	2.76	3.48	0.72
P-01-10-2406-02-800-98-51-R-V- Extension of Zoo and Deer Parks	7.00	5.49	1.51	1.95	0.44
P-01-10-2406-04-103-96-51-R-V- Net Present Value of Forest Land	137.25	62.87	74.38	75.04	0.66
<b>Total</b>	<b>894.72</b>	<b>473.62</b>	<b>421.10</b>	<b>460.35</b>	<b>39.25</b>

The Forest and Wildlife Department replied (January 2024) that the Department had surrendered funds as per savings, but the re-appropriation orders of Finance Department had shown surrendered amount more than actual savings. The reply was not tenable as surrender of funds was taken up by the Department with Finance Department vide letter dated 17 April 2023 whereas the reappropriation orders were issued by Finance Department in March 2023.

The Agriculture and Farmer Welfare Department replied (January 2024) that the funds were surrendered from the savings against the revised estimates and not against the original budget estimates.

**(vii) Rush of expenditure**

Scrutiny of records of two selected departments, it was observed that out of total expenditure of ₹ 942.09 crore, expenditure of ₹ 550.98 crore (58 per cent) was incurred (more than ₹ one crore and above 40 per cent) in the last quarter of the year under 20 schemes. Further, expenditure of ₹ 160.40 crore (17 per cent) was incurred during the month (March 2023) as detailed in **Table 3.25**.

**Table 3.25: Rush of expenditure in selected two departments under Grant No. 10**  
(₹ in crore)

Sr. No.	Name of Scheme	Total Expenditure	Expenditure during last quarter (in per cent)	Expenditure during March 2023 (in per cent)
1	2401-51-105-96 Scheme for Quality Agriculture Inputs	3.50	1.48 (42)	1.06 (30)
2	2401-51-108-80 Scheme for promotion of Cotton Cultivation in Haryana State	7.93	5.56 (70)	0.19 (2)
3	2401-51-109-93 Scheme for strengthening of Agriculture Extension infrastructure	26.96	12.34 (46)	3.86 (14)
4	2401-51-111-90 Pradhan Mantri Fasal Bima Yojana	416.39	238.66 (57)	2.18 (1)
5	2401-51-113-82 Scheme for Management of Crop Residue	31.17	22.24 (71)	5.34 (17)
6	2401-51-119-54 On Farm & Marketing Support to Horticulture Farmers	59.86	25.60 (43)	10.00 (17)
7	2401-51-119-65 Scheme for Integrated Horticulture Development in Haryana State	70.87	41.97 (59)	12.22 (17)
8	2401-51-190-99 Bhavantar Bharpayee Yojana in Haryana State	20.30	10.30 (51)	10.30 (51)
9	2401-51-789-89 Scheme for providing to the group of farmers and SC farmers	19.80	19.80 (100)	19.80 (100)
10	2401-51-789-98 Integrated Horticulture Development Plan Scheme for Scheduled Castes Families	7.00	4.56 (65)	1.25 (18)
11	2402-51-101-97 Scheme for Integrated Waster-shed Development and Management project in the State	55.91	25.63 (46)	8.22 (15)
12	2402-51-102-86-99 Scheme for Pilot Project for the reclamation of Saline Soil and Waterlogged Land in the State	14.04	6.55 (47)	5.01 (36)
13	2402-51-102-87 Enumeration of trees and cutting of Branches of trees on Roads	11.16	10.03 (90)	7.15 (64)
14	2402-51-102-90 Soil Conservation on Water-shed basis for training, afforestation of special sites	4.68	3.98 (85)	3.95 (84)
15	2406-01-101-97 Protection of Forests	11.00	10.35 (94)	10.05 (91)
16	2406-01-102-71 Herbal Nature Park	7.33	5.31 (72)	2.49 (34)
17	2406-01-800-99 Payment of water charges to Irrigation Department for canal water	7.74	7.23 (93)	7.26 (94)
18	2406-04-103-96 Net Present Value of Forest Land	62.87	41.46 (66)	17.73 (28)
19	2406-04-103-99 Compensatory Afforestation	71.61	32.59 (46)	7.01 (10)
20	4401-51-113-97 Construction of Agriculture/Horticulture office Building Renamed as Scheme for creation/Purchase of Capital Assets	31.97	25.34 (79)	25.33 (79)
	<b>Total</b>	<b>942.09</b>	<b>550.98 (58)</b>	<b>160.40 (17)</b>

Forest and Wildlife Department replied (January 2024) that expenditure was incurred in the previous quarters whereas bills were cleared by Finance Department in the last quarter and March 2023. Agriculture and Farmer Welfare Department replied (January 2024) that many activities were done in the second and third quarters of the financial year but due to verification and processing of bills the expenditure could be incurred only in the last quarter.

**(ix) Parking of Government funds in Bank Accounts**

Rule 2.10 (b) 5 of the Punjab Financial Rules Volume-I provides that the authorities incurring expenditure should see that no money is withdrawn from the treasury unless it is required for immediate disbursement or has already been paid out of the permanent advance. It is not permissible to draw advances from the treasury for the execution of works, the completion of which likely to take a considerable time.

During scrutiny of records of selected Divisional Forest Offices for the year 2022-23, it was observed that funds amounting to ₹ 2.31 crore were lying in the bank accounts of four DFOs in four schemes as detailed in **Table 3.26**.

Table 3.26: Details showing non-utilisation of funds.

(₹ in crore)

Sr. No.	Name of the Scheme	Divisional Forest Office	Bank Account Number	Balance as on 31 March 2023
1	Nagar Van Yojna	Karnal	110085006660	0.13
		Morni (Pinjore)	110085401743	0.83
2	CAMPA	Jind	50100382666880	0.14
		Faridabad	120002449747	0.28
3	Rural Mission	Morni (Pinjore)	24880100014016	0.71
4	Shivalik Development Agency		067010100505956	0.22
<b>Total</b>				<b>2.31</b>

It was observed during scrutiny of the records of the Directorate of Agriculture & Farmers Welfare Department, Panchkula that an amount of ₹ 370.61 crore was lying in the 22 bank accounts which were being operated by the Department.

Out of these 22 bank accounts, in one bank account (HDFC 50100284310855-Central Nodal Account), a minimum balance of ₹ 82.22 crore meant for 'Crop Residue Management Scheme' remained un-utilised from 1 April 2022 to 9 August 2022 and further ₹ 226.84 crore from 11 August 2022 to 31 March 2023 leading to parking of funds during this period.

It was further observed that the State Government constituted Haryana Kisan Kalyan Pradhikaran by enacting Haryana Kisan Kalyan Pradhikaran Act, 2018 to formulate and undertake humanistic and holistic welfare-based approach to address the difficulties faced by the farmers of the State. The main function of the Pradhikaran is to take policy decision in respect of welfare of farmers, including landless farmers and their families.

Under this Act, a scheme namely "Scheme for the strengthening of Haryana Kisan Kalyan Pradhikaran" was formulated by the State Government under which a provision of ₹ 200 crore and ₹ 85 crore was made in 2020-21 and 2021-22 respectively but no expenditure was incurred till August 2022.

It was observed during audit that Haryana Kisan Kalyan Pradhikaran (Pradhikaran) requested (June 2022) the Finance department to provide funds of ₹ 45 crore under grant-in-aid for the purpose of incurring expenditure. The Finance Department allotted (August 2022) budget of ₹ 28.98 crore under grant-in-aid. Out of ₹ 28.98 crore, the Pradhikaran demanded (August 2022) funds of ₹ 2.20 crore and the Department released ₹ 2.20 crore to the Pradhikaran. Expenditure of ₹ 2.33 crore was incurred against the budget provision of ₹ 45 crore. 98 per cent of expenditure of Pradhikaran was incurred on salaries and other administrative expenses *i.e.*, POL, purchase of car, building renovation etc. and only 2 per cent of expenses was incurred on the activities of the Pradhikaran.

Further, ₹ 1.05 crore was still lying (31 March 2023) in the bank account of the Pradhikaran which shows that ₹ 2.33 crore was not fully utilised in the current financial year.

Drawing of funds and their retention in bank account resulted in deferment/deprivation of the expenditure on priority items that were linked with development activities.

Reasons for non-utilisation/parking of funds were sought (June/July 2023) from the concerned DFOs and Director, Agriculture and Farmers Welfare Department. Their replies were awaited (September 2023).

**(x) Non-submission of Utilisation Certificates**

Scrutiny of records of State Forest Development Agency (SFDA) o/o Principal Chief Conservator of Forest (PCCF) office revealed that out of total Grant in aid of ₹ 10.71 crore for the financial year 2017-18, SFDA intimated that UCs of ₹ 3.85 crore were submitted to A&E office. UCs of the balance amount of ₹ 6.86 crore for the financial year 2017-18 and ₹ 18.97 crore for the period 2019-20 to 2021-22 were yet to be furnished.

The Department stated (August 2023) that due to non-revalidation of grant by the GoI, the unspent amount of ₹ 6.86 crore had been lying in the account (along with interest earned) and action was being taken to return the unspent amount to the Centre/State government on proportional basis.

**(xi) Detailed Contingent bills awaited**

As per provisions contained in Rule 4.49 (4) of Punjab Treasury Rules and Subsidiary Treasury Rules (Volume-I), Detailed Contingent (DC) bills are required to be submitted by the end of the next month following in which the Abstract Contingent (AC) bills were drawn by Drawing and Disbursing Officers.

- For three AC bills amounting to ₹ two lakh pertaining to three offices of Forest and Wildlife Department, which were drawn during June 2019 to October 2022, DC bills had not been submitted till 15 June 2023. The details of these AC bills are given in **Table 3.27**.

**Table 3.27: Details of pending DC bills**

Sr. No	Name of DDO	Major Head	Voucher No.	Submission of AC bill	Amount (₹ in lakh)
1	Principal Chief Conservator of Forests Haryana, Panchkula	2406	94	June 2019	1.00
2	District Forest Officer, Research and Training Pinjore	2406	154	August 2022	0.70
3	Divisional Forest Officer, Forest Division, Sonipat	2406	7	October 2022	0.30
<b>Total</b>					<b>2.00</b>

- For three AC bills amounting to ₹ 13.97 lakh pertaining to three offices of Agriculture & Farmers Welfare Department, which were drawn during August 2020 to December 2022, DC bills were not submitted/ submitted with delay during 2022-23. The details of these AC bills are given in **Table 3.28**.

**Table 3.28: Details of pending DC bills**

Sr. No	Name of DDO	Major Head	Voucher No.	Date of submission of AC bill/ Due date for submission of DC bill	Amount (₹ in lakh)	Date of submission of DC bill	Delay in submission of DC bills till 30 June 2023 (in days)
1	Soil Testing Officer, Tohana	2401	175	31 August 2020/ 30 September 2021	11.50	Not submitted	1,003
2	Joint Director of Agriculture (soil testing), Karnal	2402	71	22 October 2021/ 21 November 2021	2.37	6 June 2023	562
3	Director, Agriculture & Farmers Welfare, Panchkula	2401	286	16 December 2022/ 15 January 2023	0.10	28 June 2023	164
<b>Total</b>					<b>13.97</b>		

Out of three DC bills, two DC bills were submitted with delays between 164 and 562 days whereas in one case, DC bill of ₹ 11.50 lakh was not submitted by the Department till 28 June 2023 even after 1,003 days had elapsed. Further, DC bill shown at Sr. No. 3 was adjusted on being pointed out by Audit.

**(xii) Operation of bank accounts without approval of Finance Department**

During the course of audit of records of Director, Agriculture & Farmers Welfare Department, Haryana, Panchkula, it was observed that eight bank accounts were being operated without approval of the Finance Department, Haryana which was in contravention of the instructions issued by Finance Department. As on 31 March 2023, a huge amount of ₹ 71.53 crore was lying in these eight accounts as detailed in **Appendix 3.19**.

The matter was referred (June 2023) to the Department for their comments, but their replies were awaited (September 2023).

**3.5.2 Review of Grant No. 19**

The overall position of the funds allotted, expenditure incurred and savings/excesses under the functional heads under Grant No. 19 are given in **Table 3.29**.

**Table 3.29: Budget and expenditure under Grant No. 19**

(₹ in crore)

Nature of Expenditure		Original Provision	Supplementary	Total	Actual expenditure	Saving (in per cent)
Revenue	Voted	9,714.30	876.63	10,590.93	10,060.93	(-) 530.00 (5)
Capital	Voted	4,256.50	30.00	4,286.50	2,154.20	(-) 2,132.30 (50)
	Charged	60.00	0	60.00	4.38	(-) 55.62 (93)
<b>Grand Total</b>		<b>14,030.80</b>	<b>906.63</b>	<b>14,937.43</b>	<b>12,219.51</b>	<b>(-) 2,717.92 (18)</b>

From the above Grant No. 19, two departments i.e. (i) Energy & Power Department and (ii) Irrigation and Water Resources Department were selected for further review.

Five Major Heads i.e. 2801-Power, 2810-New and Renewable Energy, 3425-Other Scientific Research, 4801-Capital Outlay on Power Projects and 4810-Capital Outlay on New and Renewable Energy pertain to Energy & Power Department and eight Major Heads i.e., 2700-Major Irrigation, 2701-Medium Irrigation, 2702-Minor Irrigation, 2705-Command Area Development, 4700-Capital outlay on Major Irrigation, 4701-Capital outlay on Medium Irrigation, 4702-Capital outlay on Minor Irrigation and 4711-Capital outlay on Flood Control Projects pertain to Irrigation & Water Resources Department in which expenditure was incurred on various schemes by these departments during the year 2022-23.

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

**Audit findings****(i) Budget and Expenditure**

The overall position of the budget provisions, actual expenditure and savings/excesses under the functional Heads of the selected two Departments for the last three years (2020-21 to 2022-23) is given in **Table 3.30**.

**Table 3.30: Budget and expenditure of selected departments**

(₹ in crore)

Year	Nature of expenditure	Original	Supplementary	Total	Expenditure	Excess (+)/ Saving (-) (in per cent)
<b>Irrigation &amp; Water Resources Department</b>						
2020-21	Revenue (Voted)	2,654.68	0	2,654.68	1,521.67	(-) 1,133.01 (43)
	Capital (Voted)	2,155.87	0	2,155.87	1,327.45	(-) 828.42 (38)
	Capital (Charged)	150.00	0	150.00	33.20	(-) 116.80 (78)
<b>Total</b>		<b>4,960.55</b>	<b>0.00</b>	<b>4,960.55</b>	<b>2,882.32</b>	<b>(-) 2,078.23 (42)</b>
2021-22	Revenue (Voted)	3,066.14	15.00	3,081.14	2,034.93	(-) 1,046.21 (34)
	Capital (Voted)	1,915.02	0	1,915.02	1,759.41	(-) 155.61 (8)
	Capital (Charged)	100.00	0	100.00	15.36	(-) 84.64 (85)
<b>Total</b>		<b>5,081.16</b>	<b>15.00</b>	<b>5,096.16</b>	<b>3,809.70</b>	<b>(-) 1,286.46 (25)</b>
2022-23	Revenue (Voted)	2,687.78	200	2,887.78	2,407.19	(-) 480.59 (17)
	Capital (Voted)	3,388.66	0	3,388.66	2,136.68	(-) 1,251.98 (37)
	Capital (Charged)	60.00	0	60.00	4.38	(-) 55.62 (93)
<b>Total</b>		<b>6,136.44</b>	<b>200.00</b>	<b>6,336.44</b>	<b>4,548.25</b>	<b>(-) 1,788.19 (28)</b>
<b>Energy and Power Department</b>						
2020-21	Revenue (Voted)	6,710.29	997.02	7,707.31	5,810.91	(-) 1,896.40 (25)
	Capital (Voted)	785.85	0	785.85	550.09	(-) 235.76 (30)
<b>Total</b>		<b>7,496.14</b>	<b>997.02</b>	<b>8,493.16</b>	<b>6,361.00</b>	<b>(-) 2,132.16 (25)</b>
2021-22	Revenue (Voted)	6,452.78	2894.81	9,347.59	7,143.61	(-) 2,203.98 (24)
	Capital (Voted)	763.41	0	763.41	10.41	(-) 753.00 (99)
<b>Total</b>		<b>7,216.19</b>	<b>2,894.81</b>	<b>10,111.00</b>	<b>7,154.02</b>	<b>(-) 2,956.98 (29)</b>
2022-23	Revenue (Voted)	6,481.77	546.62	7,028.39	7,095.42	67.03 (1)
	Capital (Voted)	847.83	0	847.83	8.00	(-) 839.83 (99)
<b>Total</b>		<b>7,329.60</b>	<b>546.62</b>	<b>7,876.22</b>	<b>7,103.42</b>	<b>(-) 772.80 (10)</b>

It was observed that savings ranged between ₹ 1,286.46 crore and ₹ 2,078.23 crore in Irrigation & Water Resources Department and between ₹ 772.80 crore and ₹ 2,956.98 crore in Energy & Power Department during the financial years from 2020-21 to 2022-23. Percentage of the above savings ranged between 25 and 42 per cent in Irrigation & Water Resources Department and between 10 and 29 per cent in Energy & Power Department during the same period. Some schemes where savings occurred were as follows:

- **Development of village ponds renamed as Development/Restoration of ponds:** Against the budget provision of ₹ 504.12 crore, expenditure of only ₹ 128.86 crore was incurred thereby leaving savings of ₹ 375.26 crore (74.44 per cent). Savings were mainly because the work of development of various ponds as per target could not be executed due to technical/site issues.
- **Implementation of Pradhan Mantri Krishi Sichayee Yojana-Per Drop More Crop:** Against the budget provision of ₹ 509.60 crore, expenditure of ₹ 340 crore was incurred thereby leaving savings of ₹ 169.60 crore (33.28 per cent). Savings were mainly due to less funds received from GoI.

- **Installation of Solar Water Pumping System in the State:** Against the budget provision of ₹ 400 crore, expenditure of ₹ 297.91 crore was incurred thereby leaving savings of ₹ 102.09 crore (25.52 per cent). Savings were mainly due to non-finalisation of tenders by the Ministry of Renewable Energy (GoI).
- **Performance linked outlay:** No expenditure was made against the budget provision of ₹ 500 crore related to PLO in Irrigation & Water Resources Department and the provision was not surrendered by the Department.
- **Investments in Public Sector and Other Undertakings:** Against the budget provision of ₹ 767.83 crore, only ₹ eight crore was released by the Government for Equity Capital in Public Section and Other Undertaking pertaining to Energy & Power Department. However, out of ₹ eight crore, an amount of ₹ four crore pertained to 2021-22. Thus, savings of ₹ 759.83 crore (98.96 per cent) were mainly due to less investment in PSUs.

This indicated lack of realistic financial planning and weak financial control. The Departments ignored the budgetary controls laid down in the Punjab Budget Manual and Finance Department and failed to exercise overall financial control over the State budget, which resulted in deprivation of funds for other development purposes.

**(ii) Entire provision remained unutilised**

During scrutiny of records of the two selected departments under Grant No. 19, it was observed that budget provision amounting to ₹ 183.50 crore made under nine schemes remained unutilised at the end of the year (2022-23) (above budget provision of ₹ one crore) as detailed in **Table 3.31**.

**Table 3.31: Details of entire provision remained unutilised under Grant No. 19**

(₹ in crore)

Sr. No.	Scheme Name	Budget provision	Reason for surrender of entire provision
1	2700-80-190-94-51 Upper Yamuna River Board	2.00	Surrender of entire provision was due to less sanctioning of works under maintenance scheme.
2.	2702-03-103-96-51 Operation & Maintenance of Various Infrastructure for Development of Ground Water.	5.00	Surrender of entire provision was due to less sanctioning of works under maintenance scheme
3.	4700-11-800-97-51 Dam Rehabilitation & Improving Project (DRIP) for Bhakra Beas Management Board	8.00	Surrender of entire provision was due to non-receipt of demand from Bhakra Beas management Board (BBMB) for implementation of Dam Rehabilitation and Improving Project (DRIP).
4.	4700-15-800-97-51 B.M.L.-Hansi Branch-Butana Branch Multipurpose Link Channel	1.00	Surrender of entire provision was due to non-utilisation of token provision kept in anticipation of Hon'ble Supreme Court decision.
5.	4701-80-800-95-51 Recommendation of Finance Commission for Rehabilitating and existing Canal Network, Remodeling and Rehabilitation of Water Courses	87.50	Surrender of funds was due to non-finalisation of guidelines by the Government of India

Sr. No.	Scheme Name	Budget provision	Reason for surrender of entire provision
6.	4810-51-101-99-99-Installation of Solar Power Plants in Goshalas in the State	5.00	Surrender of entire provision was due to non-finalisation of Tender/Rate Contract of various schemes by Supplies and Disposal department
7.	5425-51-600-98-51-Setting up of Science Centre at Ambala Cantt.	25.00	Surrender of entire provision was due to non-finalisation of Tender/Rate Contract with Public Works Department (Buildings & Roads)
8.	5425-51-600-99-51-Setting up of Science City at Sonipat	50.00	Surrender of entire provision was due to non-finalisation of land purchase deal
	<b>Total</b>	<b>183.50</b>	

The entire provision of the budget made for the above mentioned schemes were finally reappropriated and no expenditure was incurred under these schemes. Further, it was also noticed that out of the above eight schemes, two schemes (Sr. 4 and 8) was not implemented last three years (2020-21 to 2022-23).

### (iii) *Excessive/unrealistic re-appropriation of funds*

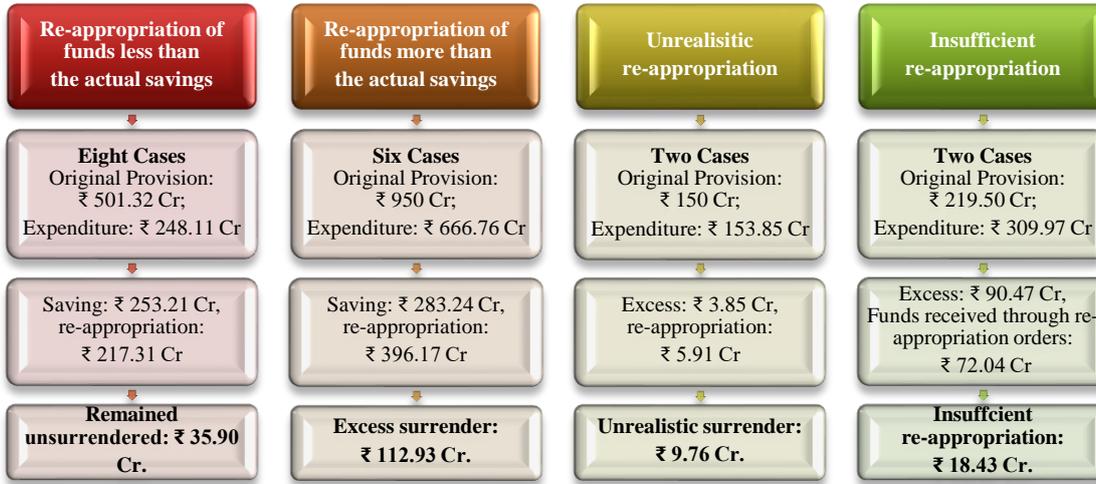
Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are required. During the year 2022-23, out of actual savings of ₹ 2,560.99 crore, an amount of ₹ 2,431.30 crore was surrendered through re-appropriation order of two selected department, resulting in un-surrender of ₹ 129.69 crore.

In eight cases, reduction of provisions through re-appropriation proved injudicious, as the actual expenditure was less than the original provisions which resulted in funds of ₹ 35.90 crore remaining un-surrendered. In six cases, the re-appropriation of funds proved excessive, as the surrendered funds were more than the actual savings which resulted in excess surrender of ₹ 112.93 crore. In two cases, the re-appropriation of ₹ 9.76 crore proved unrealistic, as the actual expenditure of ₹ 3.85 crore was more than the original provision.

Further, in two cases, the augmentation of funds of ₹ 18.43 crore proved insufficient, as the actual expenditure was more than the funds provided through original and re-appropriation orders. As such, the re-appropriation of funds was either unwarranted or excess in some cases.

The details of unrealistic, excess and insufficient re-appropriation cases is given in *Chart 3.8*.

**Chart 3.8: Unrealistic, excess and insufficient re-appropriation cases**



Source: Appropriation Accounts

**(iv) Unrealistic budgeting and re-allocation of funds**

During the period 2020-23, it was noticed that in six cases, funds were re-allocated from one scheme to other schemes as detailed in **Table 3.32**.

**Table 3.32: Details of cases depicting unrealistic budgeting**

(₹ in crore)

Sr. No.	Name of scheme having excess unrealistic budget provision	Name of scheme to which funds re-allocated	Funds re-allocated
<b>2020-21</b>			
1.	P-01-24-2700-80-190-96-51-N-V-Development of Village Ponds renamed as development/restoration of ponds (Budget: ₹ 1,002 crore, Expenditure: ₹ 6.46 crore)	P-01-24-2700-80-800-95-51-N-V-Operation and Maintenance of Bridges and structure on Canal and Drains (Budget: ₹ 2.50 crore, Expenditure: ₹ 0.86 crore)	50.00
<b>2021-22</b>			
2.	P-01-24-2700-80-190-96-51-N-V-Development of Village Ponds renamed as development/restoration of ponds (Budget: ₹ 802 crore, Expenditure: ₹ 128.52 crore)	P-01-24-2700-02-101-97-51-N-V-Energy Charges (Budget: ₹ 50 crore, Expenditure: ₹ 101.25 crore)	55.00 <sup>17</sup>
3.		P-01-24-2700-80-800-95-51-N-V- Operation and Maintenance of Bridges and structure on Canal and Drains (Budget: ₹ 2.50 crore, Expenditure: ₹ 2.96 crore)	10.00
<b>2022-23</b>			
4.	P-01-24-2700-80-190-96-51-N-V-Development of Village Ponds renamed as development/restoration of ponds (Budget: ₹ 504.12 crore, Expenditure: ₹ 128.86 crore)	P-01-24-2700-04-800-98-51-N-V-Energy Charges (Budget: ₹ 48 crore, Expenditure: ₹ 49.04 crore)	7.20
5.		P-01-24-2701-08-101-97-51-N-V-Energy Charges (Budget: ₹ 13.75 crore, Expenditure: ₹ 13.79 crore)	1.75
6.		P-01-24-2701-10-101-97-51-N-V-Energy Charges (Budget: ₹ 17 crore, Expenditure: ₹ 16.47 crore)	3.00

During scrutiny of six proposals of re-allocating funds from one scheme to another scheme, audit noticed that:

- During the period 2020-23, Budget provision was made in the scheme ‘2700-80-190-96-51-N-V-Development of Village Ponds renamed as

<sup>17</sup> ₹ 30 crore on 10 January 2022 and ₹ 25 crore on 28 February 2022.

development/restoration of ponds' but expenditure was incurred between one and 26 *per cent* during the same period. Further, it was noticed that re-allocation of funds from this scheme to another schemes were made during the period 2020-23 which indicates that budget estimates were not prepared appropriately as well as proposals of re-allocation of funds were also not prepared on realistic basis.

- In Sr. No. 1 and 6, there was no need to re-allocate the funds from another scheme as expenditure was less than the original provision.
- In Sr. No. 2 to 5, excess funds were re-allocated against the actual requirement of funds.

Thus, unnecessary re-allocation of funds from one scheme to other scheme were made without assessing the actual requirement of funds.

**(v) Unnecessary supplementary grant**

Against the original provision of ₹ 746.52 crore under Major Head 2705 in Irrigation & Water Resources Department, expenditure of ₹ 665.39 crore was incurred. Supplementary grant of ₹ 200 crore was obtained which proved to be unnecessary as ₹ 265.53 crore was surrendered through re-appropriation on 31 March 2023. There was no need for obtaining the supplementary grant as the actual expenditure in this Major Head remained far below the original budget provision. Thus, the supplementary provision of ₹ 200 crore was made without assessing and evaluating the actual requirement.

**(v) Rush of expenditure**

During scrutiny of records of the selected departments, it was observed that out of total expenditure of ₹ 8,806.21 crore, expenditure of ₹ 4,686.97 crore (53 *per cent*) was incurred (more than ₹ one crore and above 40 *per cent*) in the last quarter of the year under 26 schemes. Further, expenditure of ₹ 1,585.98 crore (18 *per cent*) was incurred during the month (March 2023) as detailed in **Table 3.33**.

**Table 3.33: Rush of expenditure in selected two department under Grant No. 19****(₹ in crore)**

Sr. No.	Name of Scheme	Expenditure		
		Total	During last quarter (in per cent)	During March 2023 (in per cent)
1	2700-02-101-97 Energy Charges	102.09	51.63 (51)	10.22 (10)
2	2701-10-101-98 Other Maintenance Works	2.58	1.13 (44)	0.54 (21)
3	2705-51-188-99 Mobilising the Resources for Expanding Coverage of Micro Irrigation under Micro Irrigation Fund	124.99	94.99 (76)	58.99 (47)
4	2705-51-190-94 Implementation of Pradhan Mantri Krishi Sinchayee Yojana-Per Crop More Crop	340.00	176.80 (52)	176.80 (52)
5	2705-51-190-95 Area Development Programme for Canal Area	190.00	112.75 (59)	50.00 (26)
6	2705-51-789-97 Implementation of Pradhan Mantri Krishi Sinchayee Yojana-Per Crop More Crop (SCSP)	10.40	10.40 (100)	10.40 (100)
7	2801-05-190-95-98 Dakshin Haryana Bijli Vitran Nigam	1.10	1.10 (100)	0.57 (52)
8	2801-05-190-98 Subsidy for Subsidised Tariff to Domestic Consumers	483.00	483.00 (100)	-
9	2801-05-800-99 Assistance for Rural Electrification to HVPNL/HPGCL	6,280.07	3,071.74 (49)	871.69 (14)
10	2810-51-101-98 Installation of Solar Water Pumping System in the State	297.91	172.97 (58)	113.62 (38)
11	2810-51-190-99 Supporting programme for promotion of New and Renewable Energy Source and Energy Conservation	2.00	1.10 (55)	1.10 (55)
12	4700-13-800-98 Construction of Canal Rehabilitation of Canal Network	214.21	94.72 (44)	51.21 (24)
13	4700-80-190-97 Contribution of State Capital Share towards Upper Yamuna River Board (UYRB)	66.21	66.21 (100)	63.57 (96)
14	4700-80-800-97 Reconstruction/Renovation/Replacement and Construction of Bridges and Structure on Canals and Drains	150.72	68.64 (46)	31.90 (21)
15	4701-07-789-99 Improvement of old/existing Channels under RIDF (NABARD) for Scheduled Castes Population in the State	141.51	65.34 (46)	44.60 (32)
16	4701-07-800-97 Micro Irrigation under Irrigation Efficiency Scheme under NABARD	66.63	30.12 (45)	21.64 (32)
17	4701-07-800-98 NABARD-Construction of Canal	169.87	76.15 (45)	53.50 (32)
18	4701-25-800-99 Branches supply of Treated Waste Water for Irrigation Purpose	103.22	42.59 (41)	17.61 (17)
19	4701-80-052-99 Institutional Strengthening Data Collection, etc.	2.74	2.74 (100)	2.74 (100)
20	4701-80-800-98 Payment of Enhanced Land compensation under Court Orders	4.38	2.27 (52)	1.83 (42)
21	4702-51-102-98 Scheme for Development of Ground Water and Other Allied Activities	1.95	1.95 (100)	0.81 (41)
22	4711-01-789-99 Flood Protection, Restoration and Disaster Management in Scheduled Castes population Area in the State	50.63	50.63 (100)	2.64 (5)
	<b>Total</b>	<b>8,806.21</b>	<b>4,678.97 (53)</b>	<b>1,585.98 (18)</b>

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

### 3.6 Conclusion

The budgetary system of the State Government was not upto the mark, as overall utilisation of budget was 84 per cent of total grants and appropriations during 2022-23. Supplementary provisions were also not on realistic basis as in 24 cases the supplementary provisions were either unnecessary or excessive. Budgetary allocations were based on unrealistic proposals as out of total 20 grants, in eight grants savings were more than 20 per cent. In seven grants under Revenue Voted Section and 10 grants under Capital Voted Section there were persistent savings of more than 10 per cent over the last five years.

Excess disbursements of ₹ 238.79 crore pertaining to the years 2019-22 are yet to be regularised by the State Legislature under Article 205 of the Constitution.

In 26 major policy pronouncements relating to agriculture, rural development, education and financial assistance to destitute women and widow, etc. the expenditure was ₹ 10,711.87 crore (78 *per cent*) against the budget provision of ₹ 13,761.57 crore. Out of a total of 26 schemes, in nine schemes, the expenditure was less than 50 *per cent* of the budget provision and in one scheme expenditure was incurred in excess against the budget provision.

There was rush of expenditure at fag end of the year. In 21 heads under nine grants/appropriations, 30 *per cent* of the total expenditure during 2022-23 was incurred in the month of March 2023.

### **3.7 Recommendation**

1. Government may consider preparing realistic budget estimates to avoid large savings and supplementary provisions.
2. Government may consider strict compliance of provisions of budget manual in preparation of supplementary provisions and ensure transparency in estimation for avoiding unrealistic supplementary provisions.
3. Government may consider formulating strategies for actual execution of major policy decisions and development schemes in the State at the time of preparing budgetary estimates.
4. The State Government may consider devising suitable mechanism for adhering to quarter-wise percentage limits for incurring expenditure.