# CHAPTER–II

## Budgetary Management

# Chapter-II: Budgetary Management

**This chapter reviews Government of National Capital Territory of Delhi's budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like injudicious re-appropriation, non-essential supplementary and large & persistent savings. It highlights weaknesses in financial planning, control and compliance, stressing the need for realistic budgeting, timely fund utilisation, etc.**

## 2.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called the Annual Financial Statement (Budget), is to be laid before State Legislature. Similarly, in accordance with Section 27 of GNCTD Act, 1991, the Lieutenant Governor shall cause to be laid before the Legislative Assembly, a statement of the estimated receipts and expenditure of the Government of National Capital Territory of Delhi (GNCTD) in respect of every financial year.

During the year 2024-25, GNCTD administered 15 grants/ appropriations. The estimates of the expenditure show 'charged' and 'voted' items[1] of expenditure separately and distinguish expenditure on revenue accounts from other expenditure. Legislative authorization is necessary before incurring any expenditure by GNCTD.

As per the GNCTD's Budget Manual, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. The GNCTD's budget majorly comprises the following documents:

- ✓ Annual Financial Statement
- ✓ Demand for Grants
- ✓ Others

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

## 2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the key for optimum utilization of resources, strengthens scheme implementation and achievement of fiscal targets. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

Details of total appropriation obtained from legislature of NCT of Delhi (actual expenditure and savings) are summarized in **Table 2.1**.

**Table 2.1 Actual expenditure vis-à-vis budget provision during the financial year 2024-25**

***(₹ in crore)***

| | Nature of Expenditure | Original Grant/ Approp-riation | Supplementary Grant/Approp-riation | Total Budget | Actual expenditure | Savings | Surrender during 2024-25 | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Amount | *Per cent* |
| Voted | I. Revenue | 57,655.70 | 1,414.32 | 59,070.02 | 47,081.85 | 11,988.17 | 7,672.31 | 64.00 |
| | II. Capital | 5,887.46 | 937.76 | 6,825.22 | 3709.19 | 3116.03 | 2,031.18 | 65.18 |
| | III. Loans & Advances | 4,255.51 | 2,318.57 | 6,574.08 | 2876.04 | 3698.04 | 1,550.93 | 41.94 |
| Total Voted | | 67,798.67 | 4,670.65 | 72,469.32 | 53,667.08 | 18,802.24 | 11,254.42 | 59.86 |
| Charged | I. Revenue | 3,314.83 | 35.28 | 3,350.11 | 3,285.70 | 64.41 | 6.61 | 10.26 |
| | II. Capital | 31.95 | 33.10 | 65.05 | 44.09 | 20.96 | 2.31 | 11.02 |
| | III. Public Debt | 4,914.33 | 0 | 4,914.33 | 4,914.32 | 0.01 | 0 | 0 |
| | IV. Loans & Advances | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Charged | | 8,261.11 | 68.38 | 8,329.49 | 8,244.11 | 85.38 | 8.92 | 10.45 |
| Appropriation to Contingency Fund (if any) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Grand Total** | **76,059.78** | **4,739.03** | **80,798.81** | **61,911.19** | **18,887.62** | **11,263.34** | **59.63** |

*Source: Appropriation Accounts*

***Note:*** *The expenditures shown above are gross figures without considering the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 381.73 crore) and Capital Heads (₹ 58.44 crore)*

GNCTD had envisaged ₹ 80,798.81 crore for spending on its activities/scheme against which the disbursement/expenditure was ₹ 61,911.19 crore, resulting in saving of ₹ 18,887.62 crore. Of the total savings of ₹ 18,887.62 crore, an amount of ₹ 11,263.34 crore was surrendered and the remaining ₹ 7,624.28 crore lapsed at the end of March 2025. Thus, 23.38 *per cent* of the budget authorized by the legislature could not be spent by GNCTD. Estimating expenditure much more than actual requirement was indicative of deficient budgeting exercise.

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

**Table 2.2: Original budget, revised estimates and actual expenditure during Financial Year 2020-21 to 2024-25**

***(₹ in crore)***

| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|
| Original Budget | 65,000.00 | 69,000.00 | 75,829.94 | 78,927.80 | 76,059.78 |
| Supplementary Budget | 891.87 | 3,081.08 | 3,298.34 | 2,990.43 | 4,739.03 |
| Total Budget (TB) | 65,891.87 | 72,081.08 | 79,128.28 | 81,918.23 | 80,798.81 |
| Revised Estimate (RE) | 59,000.00 | 67,000.00 | 72,500.00 | 74,900.00 | 69,500.00 |
| Actual Expenditure (AE) | 52,895.76 | 61,542.00 | 65,012.57 | 66,590.87 | 61,911.19 |
| Savings/excess | 12,996.11 | 10,539.08 | 14,115.71 | 15,327.36 | 18,887.62 |
| Percentage of supplementary to the original provision | 1.37 | 4.47 | 4.34 | 3.79 | 6.23 |
| Percentage of Savings/ Excess to the overall Provision | 19.72 | 14.62 | 17.84 | 18.71 | 23.38 |
| TB-RE | 6,891.87 | 5,081.08 | 6,628.28 | 7,018.23 | 11,298.81 |
| RE-AE | 6,104.24 | 5,458.00 | 7,487.43 | 8,309.13 | 7,588.81 |
| (TB-RE) as percentage of TB | 10.46 | 7.05 | 8.38 | 8.58 | 13.98 |
| (RE-AE) as percentage of TB | 9.26 | 7.57 | 9.46 | 10.14 | 9.39 |

*Source: Budget At A Glance and Appropriation Accounts of the respective years*

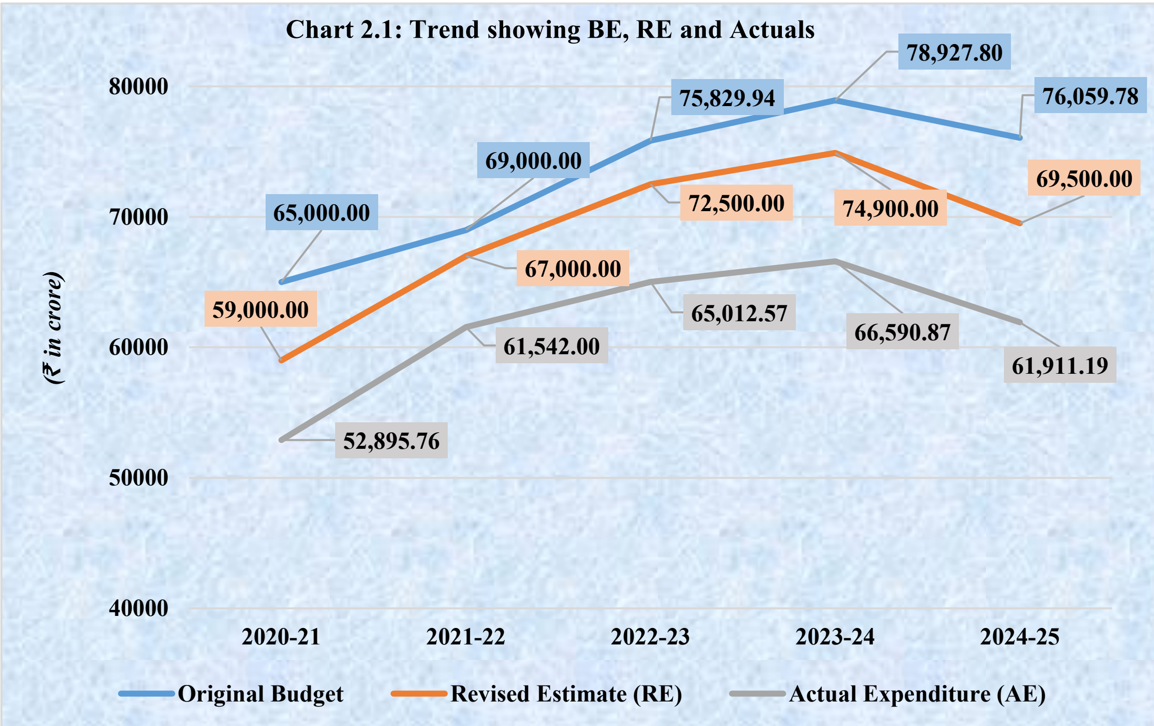



**Table 2.2** and **Chart 2.1** show that over the years from 2020-21 to 2024-25, RE was always lower than TB of GNCTD. The gap between RE and TB showed an increasing trend during the last four years i.e. 2021-22 (7.05 *per cent*) to 2024-25 (13.98 *per cent*). The supplementary provisions during the years 2020-21 to 2024-25 constituted 1.37 *per cent* to 6.23 *per cent* of the original provisions. However, the supplementary provisions proved unnecessary as the expenditure did not come up even to the level of original budget provisions. The overall savings ranged from 14.62 *per cent* to 23.38 *per cent* of the budget provisions during the period 2020-2025.

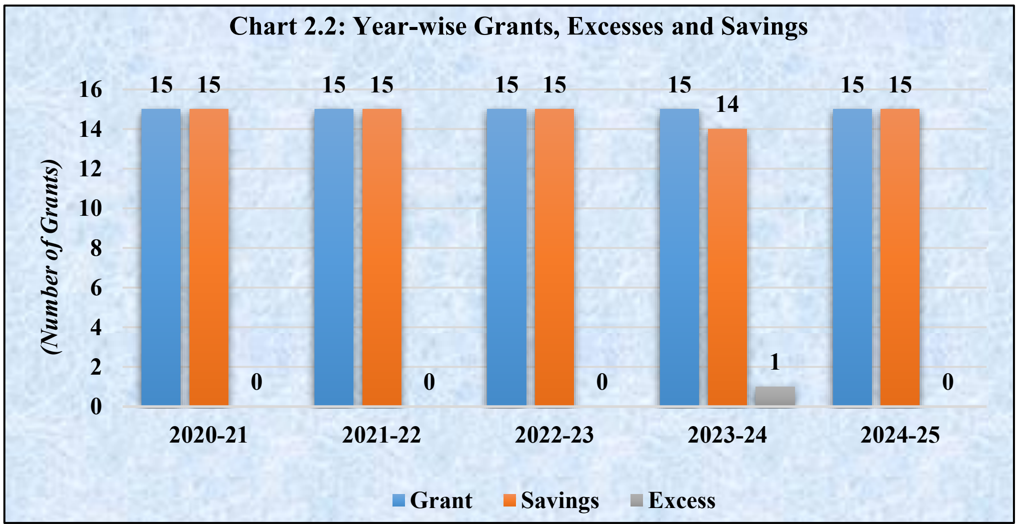
Further, actual expenditure consistently remained below the RE across all five years, indicating continued inefficiency in expenditure planning. The RE–AE gap was to the tune ₹ 6,104.24 crore in 2020-21 and ₹ 7,588.81 crore in 2024-25, showing that even mid-year corrections through RE were not fully aligned with actual spending capacity.

## 2.3 Budget marksmanship

### 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.

A year-wise analysis of grants, excesses[2] and savings provides valuable insights into the efficiency of budget execution and financial management by GNCTD. It has been depicted in **Chart 2.2.**




The expenditure composition outturn for FY 2024-25 is given in **Table 2.3**.

**Table 2.3: Expenditure composition overall deviation FY 2024-25**

*(₹ in crore)*

| Section | Overall Deviation (*per cent*) | Range of Deviation (*per cent*) | Number of Grants |
|---|---|---|---|
| Revenue (voted) | 20.29 | 0 to 25 | 06 |
| | | + 25 to 50 | 04 |
| | | + 50 to 100 | 02 |
| | | No provision | 03 |
| Capital (Voted) | 50.85 | 0 to 25 | 00 |
| | | + 25 to 50 | 02 |
| | | + 50 to 100 | 10 |
| | | No provision | 03 |

2 *"Excesses" refer to more expenditure over budget provisions.*

(₹ *in crore)*

| Section | Overall Deviation (*per cent*) | Range of Deviation (*per cent*) | Number of Grants |
|---|---|---|---|
| Revenue (Charged) | 1.92 | 0 to 25 | 02 |
| | | + 25 to 50 | 05 |
| | | + 50 to 100 | 05 |
| | | No provision | 03 |
| Capital (Charged) | 0.42 | 0 to 25 | 02 |
| | | + 25 to 50 | 01 |
| | | + 50 to 100 | 02 |
| | | No provision | 10 |

From the above table it can be seen that in Revenue (Voted) section, overall deviation in outturn compared with sanctioned budget was 20.29 *per cent*. This was due to deviation ranging up to 25 *per cent* in six grants, from +25 *per cent* to 50 *per cent* in four grants and from +50 to 100 *per cent* in two grants. No provision was, however, made in respect of three grants in Revenue voted section. Similarly, Revenue charged section, overall deviation in outturn compared with sanctioned budget was 1.92 *per cent*. This was due to deviation ranging up to 25 *per cent* in two grants, from +25 *per cent* to 50 *per cent* in five grants and from +50 to 100 *per cent* in five grants. No provision was, however, made in respect of three grants in Revenue charged section.

In Capital (Voted) Section, overall deviation in outturn compared with sanctioned budget was 50.85 *per cent*. This was due to deviation ranging from +25 *per cent* to 50 *per cent* in two grants, from +50 to 100 *per cent* in ten grants. No provision was, however, made in respect of three grants in Capital voted section. Similarly, Capital charged section, overall deviation in outturn compared with sanctioned budget was 0.42 *per cent*. This was due to deviation ranging up to 25 *per cent* in two grants, from +25 *per cent* to 50 *per cent* in one grants, from +50 to 100 *per cent* in two grants. No provision was, however, made in respect of ten grants in Capital charged section.

## 2.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants (voted and charged) for different purposes as specified in the schedules appended to the Appropriation Act passed under sections 29 and 30 of the GNCTD's Act, 1991. Appropriation Accounts are on ***gross basis***. These Accounts distinctly depict the original budget provision, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorized by the Appropriation Act in respect of both charged and voted items of budget.

Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants are within the authorization 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 so incurred is in conformity with the law, relevant rules, regulations and instructions.

## 2.5 Budgetary and accounting process

### Brief

Of the total 40 cases of savings exceeding ₹ 100 crore across all the grants, top 20 cases were checked with respect to departmental records and the reasons for savings in respect of these cases were found to be matching. However, in one case (MH 4217.60.050.95- Development of unauthorised colonies), a difference of ₹ 0.90 crore in savings was noticed between the departmental records and Appropriation Accounts.

Further, 'Grant No. 11-Urban Development and Public Works', was selected for detailed examination for reviewing the trend over the last three years. Under this grant, the reasons for injudicious re-appropriation, persistent savings and rush of expenditure were also checked with reference to departmental records and found to be matching.

### 2.5.1 Excess expenditure and its regularisation

As per Article 205 of the Constitution of India, it is mandatory for GNCTD 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.

### (A) Regularisation of excess expenditure of previous financial years

Excess disbursements pertaining to previous years pending regularisation from the Legislature of NCT of Delhi are shown in **Table 2.4**.

**Table 2.4: Excess expenditure requiring regularisation**

***(₹ in crore)***

| Year | Grant No./ Appropriation | Grant/Appropriation details | Excess expenditure requiring regularisation |
|---|---|---|---|
| 2023-24 | 13 | Pensions-(Revenue-Voted) | 0.68 |
| **Total** | | | **0.68** |

*Source: Appropriation Accounts of the respective year*

To strengthen the legislative oversight over the expenditure from Consolidated Fund of GNCTD, this excess expenditure needs to be regularised at the earliest and measures to contain recurrence of such excess may be taken by GNCTD.

### 2.5.2 Supplementary Grants rendered non-essential

Section 30 of the GNCTD's Act, 1991 prescribes the requirements of a supplementary or additional grant or appropriation to cater the requirements in excess of the original provisions.

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

It was noticed that in 12 instances of eight grants **(Appendix-2.1)**, where supplementary provisions of ₹ 2,710.16 crore were made, the expenditure did not come up to even original provisions during the year 2024-25, which proved that the supplementary provisions was non-essential.

### 2.5.3 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2024- 25, re-appropriation orders under 11 grants amounting to ₹ 3,883.10 crore were issued. Re-appropriation orders amounting to ₹ 4.30 crore were issued on 31 March 2025.

Scrutiny of Appropriation Accounts for the year 2024-25 revealed that under 16 sub-heads (**Appendix-2.2**) spread across six Grants (wherein there were final savings of more than ₹ 15 crore in each case) augmentation of provision proved unnecessary, as the expenditure was either equal to or did not come up to the level of original/supplementary budget provision. Further, injudicious re-appropriation resulted into cumulative non-utilization (savings) of ₹ 1,445.72 crore (including the re-appropriation of ₹ 889.10 crore) which was indicative of deficient budgeting exercise.

Further, detailed review of Appropriation Accounts for 'Grant No. 11-Urban Development and Public Works' for the period 2022-23 to 2024-25 revealed that in 31 sub-heads the re-appropriation amounting to ₹ 252.51 crore (2022-23) under six sub-heads, ₹ 358.71 crore (2023-24) under 16 sub-heads and ₹ 556.54 crore under nine sub-heads (2024-25) of Revenue and Capital Voted Section proved unnecessary as the departments could not utilise their original/supplementary grants in full and out of these, in 26 instances the departments could not utilise even their original grants in full **(Appendix-2.3)**.

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

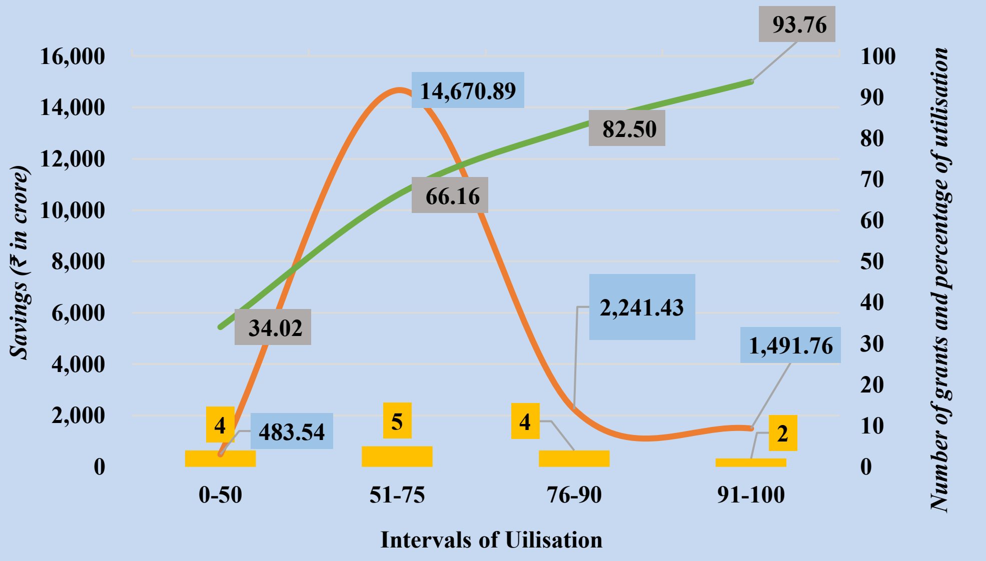
Budget proposals should strive to optimize all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce under-utilization of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

The analysis of grants and appropriations showed that in eight cases (under six grants), total provision was of ₹ 67,786.67 crore, actual expenditure was ₹ 51,195.16 crore and savings were ₹ 16,591.51 crore during the year 2024-25. The savings (after surrenders) exceeding ₹ 100 crore in each case were of ₹ 6,748.82 crore (**Appendix 2.4**).

Further, it was also observed that in eight cases under seven grants, there was persistent saving exceeding ₹ 100 crore in each case (**Appendix-2.5**) during 2020-21 to 2024-25.

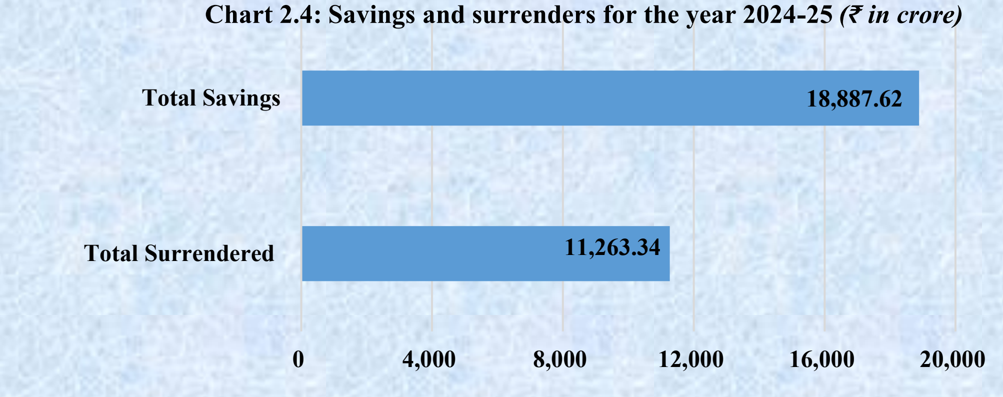
Detail of grants grouped by the percentage of utilisation along with total savings during 2024-25 has been shown in **Appendix 2.6** and **Chart 2.3**.

**Chart 2.3: The distribution of number of Grants/Appropiations grouped by the percentage of utilisation alongwith total savings**




It was noticed that savings in 20 cases under ten Grants amounting to ₹ 7,590.45 crore (**Appendix 2.7**) were not surrendered at all. No surrender was accepted on the last day of March 2025.

**Chart 2.4: Savings and surrenders for the year 2024-25 *(₹ in crore)***




*Source: Appropriation Accounts*

Further, detailed review of Appropriation Accounts for 'Grant No. 11- Urban Development and Public Works' for the period 2022-23 to 2024-25 revealed that there was persistent savings exceeding ₹ 10 crore in each case (**Appendix-2.8**).

The repeated pattern of re-appropriation followed by under-utilization reflects inadequate forecasting and planning, lack of real-time expenditure tracking and weak internal controls and oversight.

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

Several policy initiatives taken up by the Government are wholly or partially not executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, non-release of budget, etc.

Audit noticed that in 32 schemes under seven grants, there was revised outlay of ₹ 1,517.85 crore (₹ two crore or more in each scheme) but no expenditure was incurred resulting in non-implementation of schemes as shown in **Appendix-2.9**.

Top five Schemes which did not take off due to non-utilisation of the entire revised provision were – (i) Subordinate Debt to DMRC for repayment to JICA Loan (₹ 951.00 crore) (ii) PM Ayushman Bharat Health Infrastructure Mission (Central Share Scheme) (₹ 150.00 crore) (iii) Grant-in-Aid to School of Specialized Excellence (₹ 40.02 crore) (iv) Assistance to State Agencies for Inter-State Movement of Food grains and FPS Dealers Margin under NFSA (State Share) (₹ 40.00 crore) (v) Grant-in-Aid to Delhi Technological University (₹ 39.00 crore). These schemes were flagship or strategic initiatives and their non-implementation reflects serious lapses in execution planning.

Further, in 34 schemes under seven grants, an approved outlay of ₹ 2,961.33 crore was fully withdrawn in revised outlay (**Appendix-2.10**) which highlighted initial allocations being made without readiness for execution and absence of feasibility assessments before budget announcements.

Detailed review of 'Grant No.11 – Urban Development and Public Works' for last three years 2022-23, 2023-24 and 2024-25 revealed that provision was made in various sub-heads but no expenditure was incurred resulting in non-implementation of schemes as shown in **Appendix-2.11.** There were also instances of provisions made in the approved outlay being fully withdrawn in revised outlay, as shown in **Appendix-2.12,** during the years 2022-23, 2023-24 and 2024-25.

### 2.5.6 Non-adherence to the quarterly expenditure limit

Rule 62(3) of GFR, 2017 provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided.

**Table 2.5: Rush of Expenditure during FY 2024-25**

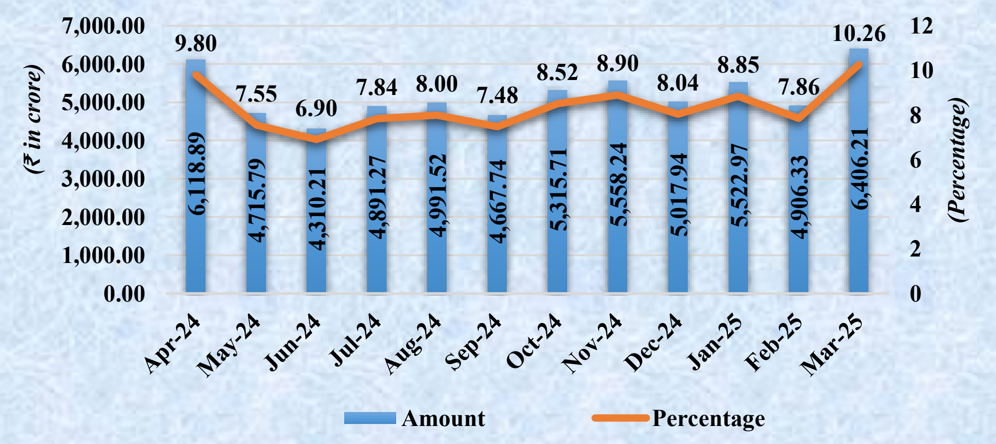
| | Amount (*₹ in crore*) | Percentage of Total Expenditure in the year |
|---|---|---|
| Last Quarter of the year (Jan to Mar-2025) | 14,784.62 | 23.88 |
| Last month of the year (March-25) | 4620.04 | 7.46 |
| Last day of the year (31st March 2025) | 440.17 | 0.71 |

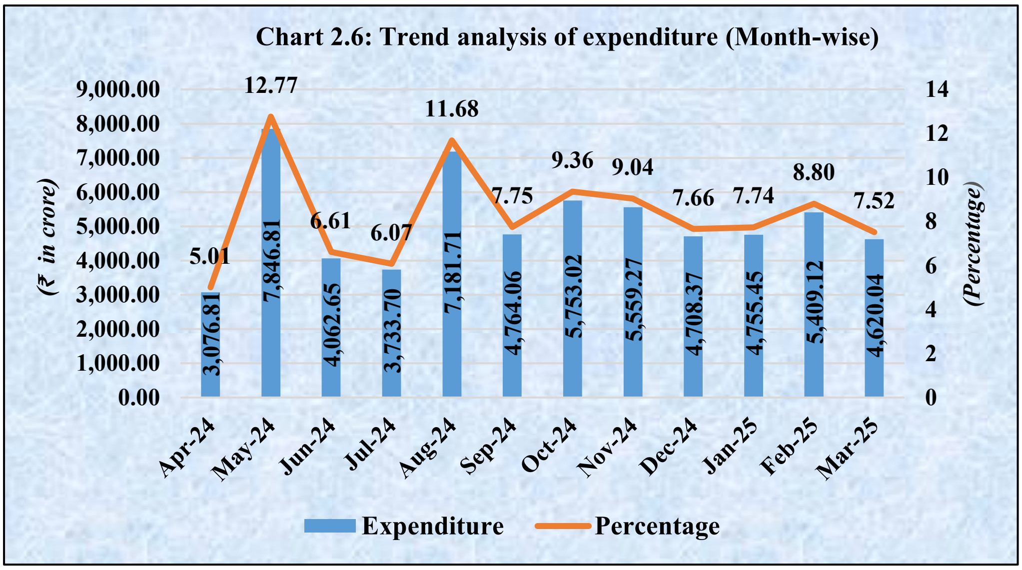
Audit noticed that in 15 sub-heads under five grants, out of total expenditure of ₹ 827.64 crore, expenditure of ₹ 606.23 crore was incurred in last Quarter of 2024-25 and ₹ 597.92 crore in March 2025 which ranged from 50 to 85.12 *per cent* of the total expenditure as detailed in **Appendix-2.13**.

Further, audit noticed that in 6 sub-heads under three grants entire expenditure of ₹ 216.01 crore was incurred in March 2025 as detailed in **Appendix-2.14**.

Trends of total monthly receipts and expenditure during financial year 2024-25 are shown in **Charts 2.5** and **2.6**.

**Chart 2.5: Trend analysis of receipts (Month wise)**






Monthly expenditure depicted in **Chart 2.6** indicates a somewhat uniform trend.

Audit noticed that in 18 sub-heads under 'Grant No. 11- Urban Development and Public Works' **(Appendix-2.15)** expenditure ranging from 51 to 100 *per cent* was incurred in last month during the years 2022-23 to 2024-25. Further, during 2024-25, rush of expenditure was noticed in only one sub-head and in this case approximately 100 *per cent* expenditure of total sanctioned budget was incurred in last month of the year. Incurring expenditure at the fag end of the year can compromise the quality and effectiveness of spending and increases the risk of financial irregularities.

Furthermore, the monthly trend of expenditure in Major Head 2217-Urban Development under 'Grant No. 11- Urban Development and Public Works' is as under:

***(₹ in crore)***

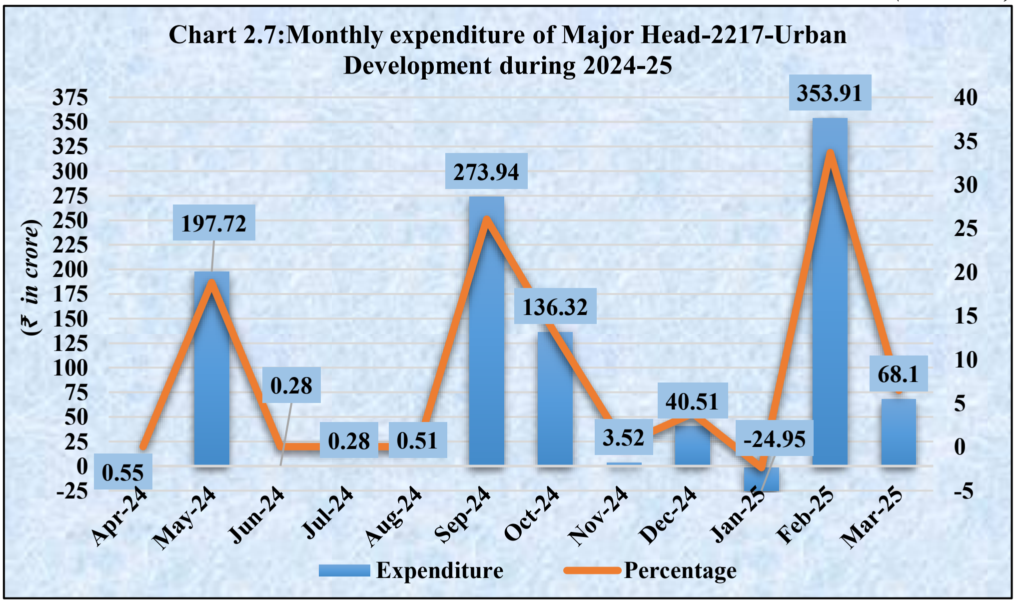


**Chart 2.7** shows a mixed trend of expenditure with abnormal hikes during the months of May 2024, September 2024 and February 2025.

## 2.6 Implementation of selected Centrally Sponsored Schemes in the GNCT of Delhi

To verify the utilisation of grants-in-aid received from GoI, under Centrally Sponsored Schemes, five schemes were selected for detailed study.

**Table 2.6: Centrally Sponsored Schemes (CSS)**

| Centrally Sponsored Schemes | Unspent balance as on 31.03.2025 (as percentage of total funds released by the treasury to SNA during 2024-25) | Delay in transfer of Central/ GNCTD Share to SNA Account (Avoidable interest liability leviable @ 7 *per cent* per annum)* | Interest earned on SNA funds not remitted** | GoI share release to treasury of GNCTD (+) Excess/ (-) Less | State share release to GNCTD treasury (+) Excess/(-) Less |
|---|---|---|---|---|---|
| 1. PM Poshan | ₹ 68.34 crore (32.83 *per cent*) | 9 days (₹ 4.14 lakh) | ₹ 20.00 lakh | (-)8.12 crore | (-)6.78 crore |
| 2.Swachh Bharat Mission (SBM) - Urban | ₹ 68.25 crore (34.40 *per cent*) | 48 days (₹ 4.60 lakh) 23 days (₹ 77.91 lakh) | ₹ 1.03 crore | (+) 174.13 crore | (-) 28.62 crore |
| 3. Indira Gandhi National Widow Pension scheme | ₹ 43.43 crore (222.77 *per cent*) | - | - | (-) 8.47 crore | 0 |
| 4. Saksham Anganwadi and Poshan 2.0 | ₹ 45.31 crore (9.57 *per cent*) | 27 days (₹ 8.30 lakh) | ₹ 3.59 lakh | (+) 10.93 crore | (+) 172.36 crore |
| 5. PMMVY | ₹ 7.61 crore (14.70 *per cent*) | 16 days (₹ 0.10 lakh) | ₹ 5.23 lakh | (+) 11.38 crore | (+) 4.71 crore |

* *Compliance required under GoI guidelines of February 2023*
***Compliance required under GoI guidelines of June 2021*

Thus, for the five sampled schemes examined in audit, a total of 24.49 *per cent* of the funds received by the departments remained unspent. Besides, due to delays in the transfer of central/state shares by GNCTD for these schemes, as per the relevant rules for the schemes, GNCTD had to bear interest cost @ 7 *per cent* per annum. Thus, an avoidable interest liability of ₹ 0.95 crore had been created by GNCTD, which has yet to be remitted to the GoI account. Additionally, as per GoI Guidelines of 2021, interest earned on funds in SNA had to be remitted back into the Consolidated Fund of India (CFI). However, for the five schemes examined in audit, interest earned of ₹ 1.32 crore had not been remitted back into CFI.

### 2.6.1 Single Nodal Agency

During examination of the reports of the PFMS Portal for the year 2024-25, audit noted the following:

i. As per information available on the PFMS portal, ₹ 1,484.05 crore was released to treasury of NCT of Delhi by GoI but only ₹ 1,308 crore were transferred to Single Nodal Agency (SNA) account by GNCTD in 2024-25 resulting in less transfer of ₹ 176.05 crore. In two CSS, GoI transferred ₹ 178.50 crore to GNCTD against which GNCTD released only ₹ 140.31 crore to State Treasury/PAO, resulting in short transfer of ₹ 38.19 crore to the State Treasury.

ii. As per PFMS SNA 01 report, there were unspent balances of ₹ 902.83 crore in SNA accounts during 2024-25.

iii. On one hand GNCTD transferred funds of ₹ 254.26 crore in excess of its proportionate state share in nine CSS and on the other hand GNCTD transferred less funds amounting to ₹ 309.27 crore in nine centrally sponsored schemes with respect to its proportionate state share resulting in overall short transfer of ₹ 55.01 crore.

iv. There was a delay ranging from 31 to 365 days in transferring Central Share to SNA accounts, resulting in an avoidable and as yet undischarged liability on account of penal interest amounting to ₹ 5.27 crore at the end of Financial Year 2024-25.

### 2.6.2 Single Nodal Agency-SPARSH

Ministry of Finance, Department of Expenditure, PFMS Division letter No F. No. 1 (27)/PFMS/2020 dated 13 July 2023 envisages that the GNCTD shall designate a Single Nodal Agency (SNA) for implementing each State Linked Scheme (SLS) corresponding to a CSS. Existing SNAs under the 'SNA model' may also be designated as SNAs under SNA- SPARSH model. Further, in view of Rule 230 (7) of GFR 2017 which prescribes that "The principles of 'just in time release' should be applied for releases in respect of all payments to the extent possible" and to bring about more efficiency in cash management at both Centre and States level, it had been decided to introduce an alternative fund flow mechanism named SNA - SPARSH for CSS funds through an integrated framework of PFMS, State IFMIS and e-Kuber platform of Reserve Bank of India (RBI) in a progressive manner.

In response to an audit enquiry (December 2025) with regard to status of on-boarding of Centrally Sponsored Schemes on SNA-SPARSH, Finance

Department stated (December 2025) that

- State Linked Scheme (SLS)–wise Drawing Accounts for all schemes have been opened with the Reserve Bank of India.
- API integration of PFMS, State IFMIS and the e-Kuber platform of RBI has been completed.
- All Non-DBT schemes and Account-based DBT (Direct Benefit Transfer) schemes have been configured, mapped and successfully on-boarded onto the SNA SPARSH platform of PFMS.
- Mother sanctions have been received in respect of certain Centrally Sponsored Schemes and payments under these schemes are being processed accordingly.
- Integration of IFMIS software with the National Payments Corporation of India (NPCI) for implementation of Aadhaar-based DBT schemes is at the final stage of completion.
- Necessary directions issued to the implementing Departments for on-boarding of Aadhaar-based DBT schemes onto the SNA-SPARSH platform.

## 2.7 Review of selected Grant ('Grant No. 11- Urban Development and Public Works')

A review of budgetary procedure and control over expenditure in respect of 'Grant No. 11- Urban Development and Public Works' was conducted, wherein variations in original grants, supplementary demands and actual expenditure were analyzed.

### a) Introduction:

A review of budgetary procedure and control over expenditure in respect of 'Grant No. 11- Urban Development and Public Works', GNCTD for the years 2022-23 to 2024-25 was conducted to ascertain compliance with budgeting processes, monitoring of funds and control mechanism within the grant. The grant includes the following heads of account, namely, (i) 2052- Urban Development Department, (ii) 2216- Housing, (iii) 2059- Public Works, (iv) 2210- Medical and Public Health, (v) 2235- Land & Building Department, (vi) 2052- Power Department and (vii) 2810- New and Renewable Energy.

### b) Budget and Expenditure:

The overall position of Budget provisions, expenditure incurred and savings under the 'Grant No. 11- Urban Development and Public Works' for the last three years is given in **Table 2.7**.

**Table 2.7: Budget and Expenditure**

*(₹ in crore)*

| Year | Section | Total Provisions | Expenditure | Unutilised Provision (percentage) |
|---|---|---|---|---|
| 2022-23 | Revenue (Voted) | 12,093.35 | 10,207.46 | 1,885.89 (15.59%) |
| | Capital (Voted) | 12,494.11 | 9,038.52 | 3,455.59 (27.66%) |
| | Capital (Charged) | 60.00 | 39.52 | 20.48 (34.13%) |
| 2023-24 | Revenue (Voted) | 13022.9 | 11,063.79 | 1,959.11 (15.04%) |
| | Capital (Voted) | 12,552.21 | 7,405.78 | 5,146.43 (41.00%) |
| | Capital (Charged) | 125.00 | 124.97 | 0.03 (0%) |
| 2024-25 | Revenue (Voted) | 14,128.42 | 10,364.82 | 3,763.60 (26.64%) |
| | Capital (Voted) | 8,462.32 | 4,810.81 | 3,651.51 (43.15%) |
| | Capital (Charged) | 31.25 | 31.24 | 0.01 (0%) |

*Source: Appropriation Accounts*

**Table 2.7** shows unutilised budget provisions under Capital (Voted) ranged from 27.66 *per cent* (2022-23) to 43.15 *per cent* (2024-25), which reflects under-utilization of resources by GNCTD and indicative of persistent deficient planning by the department. The Revenue (Voted) savings for the three years ranged from 15.04 *per cent* to 26.64 *per cent*.

## c) Non-surrender of Savings:

As per Rule 62 (2) of General Financial Rules 2017, savings as well as provisions that cannot be profitably utilized should be surrendered immediately when they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses. The position of savings and surrenders under 'Grant No. 11- Urban Development and Public Works' during the period 2022-23 to 2024-25 was as under:

**Table: 2.8: Non- surrender of savings under 'Grant No. 11- Urban Development and Public Works'**

*(₹ in crore)*

| Year | Savings | | | Amount surrendered (in Percentage) | | |
|---|---|---|---|---|---|---|
| | Revenue (Voted) | Capital (Voted) | Capital (Charged) | Revenue (Voted) | Capital (Voted) | Capital (Charged) |
| 2022-23 | 1,885.89 | 3,455.59 | 20.48 | 913.21 (48.42) | 2,917.58 (84.43) | 5.00 (24.41) |
| 2023-24 | 1,959.11 | 5,146.43 | 0.03 | 453.63 (23.15) | 3,187.42 (61.93) | 0.00 (0.00) |
| 2024-25 | 3,763.60 | 3,651.51 | 0.01 | 2,859.9 (75.99) | 2,130.46 (58.34) | 0.00 (0.00) |

*Source: Appropriation Accounts*

## 2.8 Contingency Fund

The Contingency Fund of GNCTD was established under the Government of National Capital Territory of Delhi Act, 1991 and GNCTD made the Contingency Fund of the NCT of Delhi (Rules), 2018 for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of GNCTD for meeting unforeseen expenditure. The fund is recouped when Legislature of NCT of Delhi authorizes the additional expenditure. The corpus of the Fund is ₹ 100.00 crore.

### 2.8.1 Advances from Contingency Fund

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

During FY 2024-25, an amount of ₹ 49.61 crore was withdrawn as an advance by Medical & Public Health, Education and Social Welfare Departments from the Contingency Fund in respect of 2210-Medical And Public Health, 2202- General Education, 4235- Capital Outlay on Social Security Welfare, 2235- Social Security Welfare and 2211- Family Welfare schemes/ programmes. The amounts were fully recouped till the end of the FY 2024-25. Major Head wise details of the expenditure incurred, are given in **Table 2.9**.

**Table 2.9: Major Head-wise Expenditure**

***(₹ in crore)***

| Sl. No. | Major Heads | Amount |
|---|---|---|
| 1 | 2210-Medical and Public Health | 0.01 |
| 2 | 2202- General Education, | 15.75 |
| 3 | 4235- Capital Outlay on Social Security Welfare, | 31.08 |
| 4 | 2235- Social Security Welfare | 2.64 |
| 5 | 2211- Family Welfare | 0.13 |
| **Total** | | **49.61** |

Details of schemes in which amounts were withdrawn as advances from the Contingency Fund, are given in **Table 2.10**.

**Table 2.10: Details of schemes in which amount was withdrawn as an advance from Contingency Fund**

*(₹ in crore)*

| Sl. No. | Nomenclature of the scheme | Date of sanction | Original budget | Supple-mentary budget | Total | Expendi-ture | Savings / Excess | Advance from Contingency fund |
|---|---|---|---|---|---|---|---|---|
| 1 | Demand No. 07: Medical and Public Health- 2210- Medical & Public Health | 08.07.2024 & 18.03.2025 | 0.00 | 0.01 | 0.01 | 0.01 | 0.00 | 0.01 |
| 2 | Demand No. 06: Education- 2202- General Education | 20.09.2024 | 5.00 | 15.00 | 20.00 | 15.75 | 4.25 | 15.75 |
| 3 | Demand No. 08 : Social Welfare - 4235- Capital outlay on social security & welfare | 16.11.2024 | 0.00 | 32.00 | 32.00 | 31.08 | 0.92 | 31.08 |
| 4 | Demand No. 08: Social Welfare- 2235- Social security & welfare | 30.05.2024 & 18.03.2025 | 0.00 | 2.64 | 2.64 | 2.64 | 0.00 | 2.64 |
| 5 | Demand No. 07: Health and Family Welfare- 2211- Family Welfare | 15.10.2024 | 0.00 | 0.13 | 0.13 | 0.13 | 0.00 | 0.13 |
| **Total** | | | **5.00** | **49.78** | **54.78** | **49.61** | **5.17** | **49.61** |

The aforesaid schemes do not give the impression of unforeseen and emergent character justifying the drawal of funds from Contingency Fund.

## 2.9 Voucher Audit irregularities

For the audit of vouchers, five Pay and Accounts offices namely PAO-VI, X, XI, XII and XXII (operating the grant chosen for detailed review, i.e. 'Grant No.11- Urban Development and Public Works' were selected for the detailed audit of vouchers through Monetary Unit Sampling. No substantive observations were detected in two PAOs and the major audit observations in the remaining three PAOs are as under:

### 2.9.1 Pay and Accounts Office-VI

#### i) Release of MLALAD fund without verification of conditional requirements

The Department of Urban Development, GNCTD, releases funds to various executing agencies for implementation of works under the **MLALAD Scheme**. As per the terms and conditions of the scheme, funds are to be released in three instalments:

- **First instalment:** 25 *per cent* of the estimated cost at the time sanction of project/scheme.
- **Second instalment:** 50 *per cent* of the tendered amount (after adjusting the first instalment of 25 *per cent*) upon award of work and submission of a proposal to the Urban Development Department.
- **Final instalment:** The remaining 50 *per cent* amount at the time of completion of the work.

Scrutiny of vouchers related to fund releases to BSES Rajdhani Power Ltd. during the financial year 2024-25 showed deviations from the above prescribed conditions. The deviations in release of funds indicate inadequate scrutiny of supporting documents and non-adherence to the conditional requirements stipulated under the scheme before disbursement of funds, as detailed below:

**Table 2.11: Excess release of funds**

*(₹ in crore)*

| Sl. No. | Beneficiary Name | Bill No./ dated | Estimated Cost | Fund to be released as per scheme | Fund released | Excess release |
|---|---|---|---|---|---|---|
| 1 | BSES Rajdhani Power Ltd. | GIA-902/20-09-2024 ***(Jangpura)*** | 1.99 | 0.50 ( First instalment- 25 *per cent* ) | 1.12 | 0.62 |
| 2 | | GIA-903/20-09-2024 ***(Jangpura)*** | 1.99 | 0.50 (2nd instalment of 50 *per cent* less 1st instalment) | 0.37 | (-)0.13 |
| 3 | | GIA-2074/18-12-2024 ***(Najafgarh)*** | 1.85 | 0.46 ( 1st Instalment- 25 *per cent* ) | 1.03 | 0.57 |

#### ii) Release of funds without verification of supporting documents

Para 3.1.1 of Civil Accounts Manual specifies that as a general rule, all payments in the departmentalized system of accounting are to be made only by the Pay and Accounts Offices (PAOs) of the Ministry/Department after proper pre-check.

Scrutiny of vouchers showed that each voucher contained only a copy of the sanction order of expenditure. To ensure proper verification and compliance before releasing funds, it is essential that copies of all relevant supporting documents are furnished with each voucher. Instances of such deficiencies are detailed below:

**Table 2.12: Release of funds without verification of supporting documents**

| Sl. No. | Object Head Code | Description of Vouchers | No. of vouchers | Beneficiaries | Required document(s) |
|---|---|---|---|---|---|
| 1. | 73 | Release of funds for execution of works under the MLALAD Scheme | 99 | PAO-22, DUSIB, DJB, MCD, BSES Rajdhani Power Ltd. | Authorisation of sanction, Fund Utilization & Payment, Physical Verification & Geo-tagging |
| 2. | 31 | Release of GIA-General | 15 | DUSIB, NDMC, MCD, DCB, DJB | Pattern of Assistance, Utilisation Certificates (UCs) (Except DUSIB & DCB), authorisation of sanction |
| 3. | 33 | Release of Subsidy | 01 | DJB | Reconciliation of subsidy accounts, details of unspent balance/expenditure along with the UCs, Cabinet-approved certificate confirming that the subsidy amount has been utilised for the intended beneficiaries |
| 4. | 35 | Release of GIA Creation of Capital Asset | 08 | DJB, SBM(UD), AMRUT, MCD | Pattern of Assistance, UCs, details of geo-spatial/geotagging in respect of capital project |
| 5. | 36 | Release of GIA-Salaries | 01 | MCD | Pattern of Assistance, UCs |

In its response, the Department stated (September 2025) that payments are being made to Government Bodies, hence, supporting documents are retained by the executing agency and verified by the Urban Development Department. The reply of department is not acceptable as Pay and Accounts Offices are entrusted with the role of financial custodians not merely processors of payments. Releasing funds solely on the basis of expenditure sanction, without verifying execution and supporting documentation, constitutes a procedural lapse and undermines financial accountability.

## 2.9.2 Pay and Accounts Office-X & XII

### i) Short/Non-Deduction of TDS under Section 194-C of the Income Tax Act, 1961

Section 194C of the Income Tax Act, 1961 provides that tax be deducted at source (TDS) from payments made to contractors for carrying out any work, including supply of labour at the rate of (*i*) one *per cent* where the payment is being made or credit is being given to an individual or a Hindu undivided family; (*ii*) two *per cent* where the payment is being made or credit is being given to a person other than an individual or a Hindu undivided family. No deduction is required if a single payment does not exceed ₹ 30,000 or the aggregate payments in a financial year do not exceed ₹ 1,00,000.

Scrutiny of vouchers related to contingent bills and manpower hiring revealed instances of short deduction and non-deduction of TDS, in violation of the provisions of Section 194C of the Income Tax Act. The details of such cases are summarized below:

**Table 2.13: Short/Non-deduction of TDS**

***(in ₹)***

| Sl. No. | Name of Vendor | Bill no./Date | Amount of bills | TDS required to be recovered | TDS deducted | Short deduction |
|---|---|---|---|---|---|---|
| 1. | M/s Armament Security Services | 781/17-2-2025 | 25,249 | 505.00 | 428.00 | 77.00 |
| | | 805/24-2-2025 | 1,75,854 | 3,517.00 | 2,981.00 | 536.00 |
| 2. | M/s Krishna HR Solutions | CB-141/10-06-2024 | 37,500 | 750.00 | 0.00 | 750.00 |
| **Total** | | | | **4,772.00** | **3,409.00** | **1,363.00** |

The GNCTD (October 2025) accepted the observation and assured that such instances will not happen in future.

### ii) Non-adherence to Standard Numeric Codes and discrepancies in expenditure booking

The Principal Accounts Office directed (July 2014) all Heads of Departments to adopt uniform sanction orders and ensure strict adherence to the standardized 15-digit numeric codes in all sanction orders to maintain consistency and accuracy in accounting and expenditure booking. Further, Rule 25 (1) of General Financial Rule 2017 stipulates provision of funds for sanction. As per rule, all sanctions to the expenditure shall indicate the details of the provisions in the relevant grant or appropriation wherefrom such expenditure is to be met.

Scrutiny of vouchers related to medical reimbursement claims showed deviations from the prescribed instructions. In several cases, sanction orders were issued with alphanumeric or incomplete codes instead of the prescribed 15-digit Standard Numeric Codes. Further examination also showed that in some instances as indicated below, the codes mentioned in the sanction orders differed from those under which the expenditure was actually booked by the PAO, indicating non-uniformity.

**Table 2.14: Non-adherence to Standard numerical codes**

| Sl. No. | Bill No./Date | Name of Beneficiary | Code Mentioned in Sanction Order | Standard Numeric Code / Booking Code |
|---|---|---|---|---|
| 1 | MB-192 / 14.06.2024 | Tohit Khan, LDC | 2059-Medical | 205980001880006 |
| 2 | MB-261 / 29.11.2024 | Subham Yadav, JE (Civil) | Medical | 205980001880006 |
| 3 | MB-444 / 12.01.2025 | Anil Singh Yadav, AE (Civil) | 2059 Public Works (Medical) | 205980001880006 |
| 4 | MB-192 / 10.10.2024 | Pawan Kumar, EE (Civil) | Medical | 205980001880006 |
| 5 | MB-76 / 13.05.2024 | Vikas Rana, Chief Engineer | 205900095980006 | 205980001880006 |
| 6 | MB-616 / 03.03.2025 | Prakash Chand Meena, EE (Civil) | 205900095980006 | 205980001880006 |

As evident from the above, sanction orders were not issued in accordance with the prescribed 15-digit standard numerical code. This not only reflects non-compliance with codified provisions but also increases the risk of misclassification of expenditure and inconsistencies in budget control and reporting.

The GNCTD (October 2025) accepted the observation and assured that such instances will not happen in future.

## 2.10 Conclusion

- During 2024-25, GNCTD utilized 76.62 *per cent* of the total grants and appropriations authorized by the legislature, while the remaining 23.38 *per cent* remained unspent.

- The supplementary provisions of ₹ 2,710.16 crore proved unnecessary as the expenditure did not come up even to the level of the original provisions.

- Under 32 schemes, there was an approved outlay of ₹ 487.22 crore which was revised to ₹ 1,517.85 crore, but no expenditure was incurred. Further, under 34 schemes, there was approved outlay of ₹ 2,961.33 crore which was fully withdrawn through re-appropriation orders, thereby depriving the beneficiaries of the intended benefits.

- There was rush of expenditure at fag end of the year. Under 15 sub-heads, more than 50 *per cent* of the expenditure was incurred in the month of March 2025.

## 2.11 Recommendations

*Government should*

*(i)* *prepare realistic budget estimates, backed with correct assessment for availability of resources and potential to expend, to avoid large savings and supplementary provisions;*

*(ii)* *ensure greater accuracy in estimation so as to obviate the need for unnecessary supplementary provisions;*

*(iii)* *consider formulating strategies for actual execution of major policy decisions in the NCT of Delhi at the time of preparing budgetary estimates; and*

*(iv)* *adhere to quarterly targets fixed for incurring expenditure through periodic monitoring to avoid rush of expenditure towards end of the year and also ensure proper utilization of savings through timely surrender.*