

Most Immediate
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No. F.2(1)/2019-20/Fin.(B)/jsbudget/ 137-1320
FINANCE (BUDGET) DEPARTMENT
GOVT. OF N.C.T.OF DELHI

4th Level, A-Wing, Delhi Sectt.
I.P. Estate, New Delhi
Dated: 26/09/2019

OFFICE MEMORANDUM

SUB: REVISED ESTIMATES 2019-20 & BUDGET ESTIMATES 2020-2021.

The Finance Department has initiated the process of preparation of the Revised Estimates (RE) for 2019-2020 and Budget Estimates (BE) for 2020-2021. All the departments are, therefore, requested to submit the Revised Estimates 2019-2020 and Budget Estimates 2020-2021 in the prescribed proforma I to XIII in accordance with the provisions of the General Financial Rules, 2017 and detailed guidelines enclosed. The relevant forms are available on the website of the Finance Department for download. Annexure I to VII are for additional information relating to Scheme/Programme/Projects which will be sent to Planning Department.

2. With the merger of Plan and Non-Plan distinction of expenditure from 2017-18 onward, the focus of Budgeting and classification of expenditure comprises Revenue and Capital accounts only. Broadly the components of expenditure have been classified in (i) Establishment and Obligatory Expenditure (ii) Government Schemes/Projects including Autonomous Bodies (iii) Centrally Sponsored Schemes and (iv) Other Expenditure. The departments are required to formulate the estimates under these components in the prescribed format.

3. While submitting Revised Estimates for 2019-2020 and the Budget Estimates for 2020-2021, the department will ensure that the Budget Estimates are submitted in the prescribed format only. Separate formats to be used for each category.

4. Revised Estimates/Budget Estimates should be formulated taking a realistic assessment of the requirement of funds which are to be utilized by the department during the financial year. Some of the discrepancies which have continued to occur in framing of Budget Estimates by the departments are given below and it is requested that departments should take utmost care to avoid such recurring discrepancies:-

- I. Estimation of budget under Object Head 'Salaries' is based on sanctioned establishment strength and scales of pay but some of the departments have failed to realistically assess the requirement of their funds under the Object Head 'Salaries' resulting in either substantial savings or additional requirement of funds. As per Appendix-IV of GFR 2017 estimated strength and provisions thereof is a schedule incorporated in Detailed Demands for Grants. Therefore, department will ensure that the statement containing sanctioned establishment strength and budget provisions therefor should match with the other corresponding statements.
- II. There have been instances when Supplementary Demands for Grants were taken by the departments to incur expenditure on certain schemes/sub-schemes attracting the provisions of New Service/New Instrument of Service or savings were not available for Re-appropriation within the same section of Demand under their administrative control but actual expenditure incurred was less than the Original Budget Estimates for the financial year. Therefore, while projecting the estimates, unnecessary provisions

should be avoided. The Head of Department will ensure that the entire funds so projected will be utilised during the financial year.

- III. It has also been noticed that Re-appropriation of funds were taken by the Department but were not able to utilise even their original budget estimates. There were also cases where the actual expenditure at the close of financial year was found either in excess or short of budget provision. To avoid such situations, it is for the Departments to have a realistic view of its requirement of funds.
- IV. The wide variations between the Original Budget Estimates and the actual expenditure incurred lead to an obvious conclusion that the departments have not been able to properly anticipate/assess and project a realistic requirement of funds. Unrealistic assessment of funds is not conducive to a proper budgeting system and it invites adverse comments from Audit.
- V. Budget Estimates/Revised Estimates of a department means that projections are inclusive of all subordinate offices under their administrative control including the Autonomous Bodies/Grantee Institutions. Respective Head of Department shall obtain and assess the requirement of funds of Subordinate Offices/Grantee Institutions under its administrative control and a consolidated budget proposal for entire Department be submitted to the Finance Department. The Departments while doing internal assessment of Budget requirement of their Department, the Subordinate Offices/Grantee Institutions under their administrative control may be issued clear instructions in this regard. Budget proposals submitted directly by any such Subordinate Offices/Grantee Institutions will not be entertained.
- VI. Budget proposals should be prepared only on the prescribed format and should be signed by the Authorised Officer. Due care should be taken while preparing the Estimated Strength of Establishment and provisions thereof, Additional fund requirements proposed in Revised Estimates, Major Head wise and Object Head wise figure should match with the summary of budget provisions.
- VII. The figures of budgets provisions should be given in thousand of rupees only except where specifically mentioned otherwise. Total of Sub-Head / Minor-Head of a unit should match with the consolidated summary of Major Head.
- VIII. The proposal for opening of new head should contain the details of Major/Sub Major/Minor Heads details alongwith Sub-Head/Detailed Head and Object Head i.e. the Primary Unit of Appropriation of expenditure. The approval of the schemes and other relevant documents should also be enclosed with the proposal.
- IX. The Statement No.10 relates to Non-Tax Revenues of the department but it has been observed that the Departments do not reflect the relevant projections under Major Head wise upto Minor Head of Accounts. It may be please be ensured that the information is properly indicated upto Minor Head level.
- X. A soft copy in excel sheet in respect of the provisions of Estimated Strength of Establishment and provision therefor is also to be submitted in the prescribed format.

- XI. Form IX-A to C contains information relating to item wise breakup of Office Contingency, Supplies and Materials and Other Charges. The figures of these statements should match with statement of consolidated figures reflected in the other relevant statement.
- XII. Proposals for implementation of Centrally Sponsored Schemes are submitted to the Nodal Ministry in Government of India by the departments concerned implementing the scheme. It is for the implementing Department to ensure that necessary budget provisions under the Receipt & Expenditure in corresponding functional head are proposed by them. It has been observed that some of the Department submit proposals for Opening of New Heads for implementation of New Scheme only when the funds have been received from Nodal Ministry in Government of India resulting in delay in implementation of schemes.
5. Lump-sum budget provisions are subject to instructions under Object Class 5 (Other Expenditure) GID (1) below Rule 8 of DFPR 1978. Items of work or Object Class of expenditure are as per the sanctioned scheme/programme. Therefore, the Department will take necessary action for classification of expenditure wherever the existing budget provisions have been made under Lumpsum in Budget Estimates. No Lumpsum provisions will be considered for inclusion in the Budget Estimates 2020-2021.
6. Accounting and Classification of Expenditure of Grant-in-aid is under three component i.e. Grants-in-aid-General, Grants for creation of Capital Assets and Grants-in-aid-Salaries. It is for the Departments to ensure that realistic assessment of the provisions under each object head is made to avoid unnecessary Supplementary.
7. Budget proposals under Centrally Sponsored Schemes (CSS) are to be submitted in a separate statement. Proposal for opening of new head, if any, should be accompanied by Object Head(s) of expenditure and provision there under alongwith other relevant documents.
8. To facilitate the monitoring of expenditure on Information & Technology a common standardized Detailed Sub-Head (Sub-Scheme) - 99 has been provided for booking of expenditure. All the departments have been informed from time to time to ensure that for classification of expenditure on Information & Technology appropriate action should be taken for opening of Detailed Sub-Head 99 in their demands. In spite of these instructions, the department incurring expenditure on Information & Technology has not been making provisions for the same. Departments may please ensure that Detailed Sub-Head (Sub-Scheme) - 99 is available in their demand for incurring expenditure alongwith budget provision under appropriate Object Head.
9. Integrated Financial Advisors (IFA) are posted/attached with all the departments. All budget proposals should be got examined from IFA before submission to Finance Department.
10. It has been noticed that in some cases the nomenclature of the scheme/programme has been modified while in the detailed demand for grants it contain as in original sanction. The Departments are requested to provide a copy of relevant notification in respect of the scheme/programme for change in the detailed demand for grants, if any.

11. In certain cases, the name of the Department has been changed and the old name still exists in detailed demands for grants. The Department will provide necessary details of notification under which the change has taken place.


12. The Departments are also requested to check the details relating to their departments in the detailed demands for grants and for any correction both in Hindi and English should be provided mentioning the full details. Similarly, any change in the classification of expenditure should also be pointed out alongwith the relevant documents.

13. The name and designation of the Authorized Officer who may be contacted for any information/clarification on budget proposals should be intimated alongwith his Mobile/Landline Number.

14. The Revised Estimates 2019-2020 and Budget Estimates 2020-2021 may please be sent to the Joint Secretary Finance (Budget) on or before 09.10.2019 positively. A set of budget proposal relating to schemes/programmes/projects alongwith 07 formats (Annexure I to VII) may also be sent to Director (Planning), GNCT of Delhi, Delhi Secretariat, New Delhi.

15. The pre-budget/RE meetings will start from 3rd week of October 2019 for which the dates and time will be communicated separately.

16. This issued with the approval of the Hon'ble Dy.CM/Finance Minister, GNCT of Delhi.


(Neeraj Bharti)
Special Secretary (Finance)

20/9/2019

Encls. As above.

1. All Principal Secretaries/Secretaries/Head of Departments, GNCT of Delhi.
2. The Director (Planning) Department, GNCT of Delhi.

Copy for information to the:-

- Chief Secretary, GNCT of Delhi.
- Secretary to Lt. Governor, GNCT of Delhi.

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➤ **IMPORTANT POINTS TO BE KEPT IN MIND AT THE TIME OF FORMULATING EXPENDITURE ESTIMATES.**

REVISED ESTIMATES :-

The framing of Revised Estimates for the current year always precedes estimation for the ensuing year. Revised Estimates are required to be framed with great care to include only those items of expenditure which are likely to materialise for payment during the current year, on the basis of the (i) actual expenditure recorded during the current financial year, compared with the actual for corresponding period for the previous financial year, (ii) seasonal character or otherwise of the nature of expenditure, (iii) sanction for expenditure and orders of re-appropriation already issued or contemplated and (iv) any other relevant factor, decision or development, (vi) Cognizance of already allocated additional fund under the object head.

BUDGET ESTIMATES :-

Budget Estimates are prepared containing Revenue and Capital classification of expenditure. Estimation will be based on what is expected to be paid under each sanction, during the ensuing year, including arrears of previous years, if any. Due attention to economy instruction is required to be given while all inescapable and foreseeable expenditure are provided for, care is to be taken that the estimates are not influenced by undue optimism.

LUMP-SUM PROVISION :-

Normally, no lump-sum provision is made in the Budget except where urgent measures are to be provided for meeting emergent situation or for meeting preliminary expenses on a scheme/project which has been accepted in principle for being taken up in the financial year. In such cases also the provision is to be limited to the requirement of preliminary expenses and for such initial outlays, as for example, collection of material, recruitment of skeleton staff etc. In all other cases break-up by other objects of expenditure must be given.

TOKEN DEMANDS :-

Provision for 'Token' Demand is not to be made in the Budget Estimates for the purpose of seeking approval in principle for big schemes without having the full financial implications worked out and approved by the appropriate authorities.

ESTABLISHMENT CHARGES :-

The estimates of establishment charges are to be framed taking into account the trend over preceding three years and other relevant factors like changes in rates of pay, allowances, number of posts, their filling and the economy instructions issued from time to time.

NEW SCHEMES :-

The provision of funds under the new schemes, which are required to be included for the first time either in the Revised Estimates for 2019-2020 or in Budget Estimates 2020-2021 may please be got approved from the Competent Authority. This would enable the Finance (Budget) Department to include the provisions there for in the Revised Estimates/Budget Estimates, as the case may be.

PROPOSALS RELATING TO WORKS:-

The proposals relating to works may be formulated in consultation with PWD. PWD will make the required provision in the estimates.

ADDITIONAL EXPENDITURE:-

Any additional expenditure of whatsoever nature which might include payment of D.A., Bonus etc. for the year 2019-20 has to be contained within the Revised Estimates for the current financial year.

CHARGED EXPENDITURE :-

It has been observed in the past that the Departments do not project their requirements in respect of 'Charged Expenditure' likely to arise during the course of the financial year. This places the Finance Department in an embarrassing situation when the Departments come forward for allocation of additional funds under charged heads. It would, therefore, be more appropriate if the requirement for charged expenditure is assessed having regard to the litigation cases going on in the courts and reflected under the appropriate head of accounts accordingly so as to save the administration from an awkward position in the event of non-availability of funds to defray courts decrees. The projections under the charged expenditure should be matched by corresponding savings under the voted portion of expenditure in respect of heads controlled by your Department. There should be no occasion for additional provisions in the estimates of the current financial year.

VACANT POSTS :-

No provision should be made in the establishment budget for post which are lying vacant for over one year or more and likewise no provision should be kept in respect of such posts which have been kept in abeyance or where the continuation of temporary post has not been allowed by the Finance Department. However, the provisions may be kept for such of the captive posts which have been sanctioned and are likely to be filled before the close of the current financial year that too for the period the posts in question are likely to remain filled up so as to avoid chances of eventual saving due to the vacant post not being filled up.

ECONOMY INSTRUCTIONS :-

The economy instructions issued from time to time should also be kept in view while framing the budget proposals for Revised Estimates 2019-2020 and the Budget Estimates 2020-2021.

PROPOSALS OF REVENUE RECEIPTS :-

The budget proposals in respect of Revenue Receipts (Non-Tax) would be submitted in statement no. X. It may be please be ensured that the information is properly indicated upto Minor Head level. The Tax Revenue receipts proposals would continue to be submitted as per the existing procedure in statement no. X.

NEW SERVICE/NEW INSTRUMENT OF SERVICE:-

Wherever the proposed estimates attract, the limitation of New Service/New Instrument of Service, the fact is to be specifically highlighted.

VARIATIONS:-

The variation between Budget Estimate 2019-2020 and Revised Estimates 2019-2020 and Budget Estimate 2020-2021 should be explained in detail and supported by adequate data. The reasons for variations should be specific and not general in nature like based on actual, minor variations, based on trends etc.

ABSTRACT NOMINAL ROLLS:-

The abstract of Nominal Rolls (Statement -III & IV) should be prepared Major Head wise as in the Book of Demands for Grants. Further form No.XII should match with the details as incorporated in these statements.