

Financial Management and Budgetary Control

This Chapter outlines the Maharashtra Government's financial accountability and budgetary practices through audit of Appropriation Accounts. Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

The Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimate, supplementary grants, surrenders and re-appropriation 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 facilitates management of finances and monitoring of budgetary provisions and are therefore complementary to Finance Accounts.

2.1 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2008-09 against 332 grants/appropriations is as given in **Table 2.1**:

Table 2.1: Summarised Position of Actual Expenditure *vis-à-vis* Original/ Supplementary provisions

(Rupees in crore)						
	Nature of expenditure	Original grant/ appropriation	Supplementary grant / appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	67,822.19	12,545.99	80,368.18	63,749.05	(-) 16,619.13
	II Capital	15,625.94	6,979.00	22,604.94	22,627.69	(+) 22.75
	III Loans and Advances	2,332.02	360.44	2,692.46	1,398.14	(-) 1,294.32
Total Voted		85,780.15	19,885.43	1,05,665.58	87,774.88	(-) 17,890.70
Charged	IV Revenue	13,673.18	598.15	14,271.33	14,109.74	(-) 161.59
	V Capital	3.25	0.10	3.35	0.24	(-) 3.11
	VI Public Debt-Repayment	6,145.67	0.00	6,145.67	4,124.51	(-) 2,021.16
Total Charged		19,822.10	598.25	20,420.35	18,234.49	(-) 2,185.86
Appropriation to Contingency Fund (if any)		650.00	..	650.00	650.00	..
Grand Total		1,06,252.25	20,483.68	1,26,735.93	1,06,659.37	(-) 20,076.56

Note: The expenditure includes the recoveries adjusted as reduction of expenditure under revenue expenditure Rs 2,164.87 crore and capital expenditure Rs 3,872.27 crore.

The overall saving of Rs 20,076.56 crore was the result of saving of Rs 22,465.94 crore in 131 grants and 52 appropriations under Revenue Section, 78 grants and 14 appropriations under Capital Section, offset by excess of Rs 2,389.38 crore in 15 grants and 8 appropriations under Revenue Section and 23 grants and one appropriation under Capital Section.

The saving and excess were intimated to the Controlling Officers requesting them to explain the significant variations. Besides regular reminders, separate meetings were also held with the Controlling Officers of each department by the Accountant General (Accounts and Entitlement) during the period 1 June 2009 to 17 June 2009, in which they were again requested to furnish reasons for excess/saving. The reasons for saving/excess are still awaited from the concerned Controlling Officers.

2.2 Financial accountability and budget management

2.2.1 Appropriation *vis-à-vis* allocative priorities

The outcome of the appropriation audit reveals that in 24 cases, saving exceeded by Rs 10 crore in each case and also by more than 20 *per cent* of total provision (**Appendix 2.1**). Out of the total saving of Rs 22,465.94 crore, saving of Rs 18,068.78 crore (81 *per cent*)¹ occurred in 10 cases relating to 9 grants and 1 appropriation as indicated in **Table 2.2**. below :

Table 2.2 : List of Grants with saving of Rs 50 crore and above

(Rupees in crore)

Sr. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving
Revenue-Voted						
1.	C-6 Natural Calamities	514.43	607.01	1,121.44	853.40	268.04
2.	F-2 Urban Development and Other Advance Services	3,225.30	139.09	3,364.39	2,698.77	665.62
3.	G-2 Other Fiscal and Miscellaneous Services	10,612.04	0.91	10,612.95	176.21	10,436.74
4.	L-3 Rural Development Programmes	1,407.65	3,16.90	1,724.55	1,344.62	379.93
5.	O-3 Rural Employment	792.06	-	792.06	570.27	221.79
6.	O-4 Other Rural Development Programmes	1,327.59	-	1,327.59	0.08	1,327.51
7.	Q-3 Housing	1,796.49	57.53	1,854.02	625.41	1,228.61
Capital-Voted						
8.	K-11 Capital Expenditure on Energy	493.87	923.08	1,416.95	962.79	454.16
9.	O-9 Capital Outlay on Other Rural Development Programmes	1,425.58	21.32	1,446.90	459.29	987.61
Capital-Charged						
10.	G-8 Public Debt and Inter State Settlement	5,468.06	--	5,468.06	3,369.29	2,098.77
Total		--	--	--	--	18,068.78

The large saving/surrender under "Other Fiscal and Miscellaneous Services" was mainly due to closure of two digit lottery (Rs 568.33 crore out of the provision of Rs 648.26 crore), non-commencement of on-line lottery (entire provision of Rs 150 crore surrendered) and pending the decision of grants payable to Local Bodies as per the recommendation of the State Finance Commission (entire provision of Rs 1,800 crore surrendered).

The saving under "Rural Development Programmes" was mainly due to non-approval of the layout of Rashtriya Gram Vikas Yojana/ Backward Regional Grant Fund by District Planning

¹ exceeding Rs 100 crore in each case

Commissions, as Committees were not established in many districts (Rs 276.94 crore) and non-receipt of funds from the Central Government for the Scheme (Rs 17.81 crore).

2.2.2 Persistent saving

In 15 cases, during the last five years there was persistent saving of more than Rs 10 crore in each case (**Table 2.3**).

Table 2.3: List of grants indicating persistent saving during 2004-09

(Rupees in crore)

Sr. No.	No and Name of the grant	Amount of saving (Per cent to total grant)				
		2004-05	2005-06	2006-07	2007-08	2008-09
Revenue - Voted						
1.	B 01 Police Administration	219.97 (9.16)	62.22 (2.57)	230.86 (8.10)	287.82 (8.68)	149.08 (3.90)
2.	B 03 Transport Administration	14.58 (5.61)	19.48 (5.11)	301.17 (77.46)	21.74 (5.64)	10.40 (1.34)
3.	C 01 Revenue and District Administration	47.12 (10.04)	67.24 (12.62)	66.24 (12.33)	50.24 (9.13)	48.31 (7.62)
4.	C 04 Secretariat and Other General Services	27.44 (51.64)	20.17 (41.28)	42.09 (67.00)	64.25 (80.47)	25.83 (61.22)
5.	D 04 Animal Husbandry	292.23 (29.71)	11.68 (4.64)	35.02 (9.94)	77.73 (7.22)	10.12 (2.98)
6.	G 02 Other Fiscal and Miscellaneous Services	3899.96 (84.25)	3498.93 (80.90)	2458.37 (74.78)	3039.87 (99.22)	10436.74 (98.34)
7.	H 06 Public Works Administrative and Functional Buildings	65.73 (7.94)	16.40 (1.92)	46.34 (4.61)	56.45 (5.43)	51.16 (4.13)
8.	J 01 Administration of Justice	16.55 (6.73)	11.17 (4.10)	28.51 (9.18)	26.39 (7.83)	10.90 (2.82)
9.	L 03 Rural Development Programmes	156.27 (15.26)	283.29 (22.53)	178.55 (11.62)	329.95 (18.94)	379.93 (22.03)
10.	L 05 Compensation and Assignments	23.56 (7.25)	13.43 (4.31)	22.69 (7.52)	44.76 (15.33)	39.52 (15.11)
11.	Q 03 Housing	34.39 (12.35)	50.89 (15.99)	77.16 (18.75)	162.67 (16.06)	1228.61 (66.27)
12.	X 01 Social Security and Nutrition	62.38 (10.72)	27.75 (4.29)	131.26 (15.44)	92.75 (9.16)	150.60 (13.64)
13.	Y 02 Water Supply and Sanitation	198.45 (13.80)	199.99 (11.36)	48.73 (3.28)	170.30 (9.25)	67.01 (11.47)
Capital Voted						
14.	H 09 Capital Outlay on Removal of Regional Imbalance	53.60 (52.98)	18.55 (4.57)	15.87 (3.48)	64.13 (14.93)	33.82 (16.28)
15.	V 03 Capital Expenditure on Social Services	111.84 (50.23)	176.77 (49.39)	123.96 (36.00)	160.88 (58.41)	32.42 (12.32)

The persistent saving indicate that the budget controls in the departments were not adequate and satisfactory.

2.2.3 Excess Expenditure

In 6 cases, expenditure aggregating Rs 4,059.12 crore exceeded the approved provisions by Rs 10 crore or more in each case and also by more than 20 per cent of the total provision resulting in excess expenditure of Rs 1,879.68 crore (79 per cent of total excess). Reasons for excess expenditure were still awaited. Details are given in **Table 2.4**.

Table 2.4: Excess expenditure more than Rs 10 crore and 20 per cent of total provision

(Rupees in crore)			
No and name of the Grant / Appropriation	Total Grant / Appropriation	Expenditure	Percentage of excess expenditure
K-0 Internal Debt of State Government	-	101.86	101.86
M-4 Capital Outlay on Food	2122.83	3882.72	82.90
O-18 District Plan – Sindhudurg (Capital Section)	13.32	16.15	21.25
O-20 District Plan – Satara (Capital Section)	18.76	22.63	20.63
O-21 District Plan – Sangli (Capital Section)	18.75	24.41	30.19
O-31 District Plan – Parbhani	5.78	11.35	96.37
Total		4059.12	

2.2.4 Expenditure without provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of Rs 118.91 crore was incurred in 16 cases as detailed in **Appendix 2.2** without any provision in the original estimates/ supplementary demand and without any re-appropriation orders to this effect.

2.2.5 Drawal of funds to avoid lapse of budget grant

As per provisions of the Maharashtra Treasury Rules, 1968 read with Rule 57 of Bombay Financial Rules, 1959, no money shall be drawn from the treasury unless it is required for immediate disbursement. Government allotted (February 2009) Rs 2.50 crore to the Collector, Gondia for incurring expenditure on road works damaged due to flood in 2006 under Major Head 2245 Natural Calamities with directives to utilise the same before the end of financial year 2008-09. The Collector, Gondia (President of District Disaster Management Authority), even though he was aware that the funds could not be utilised during 2008-09, withdrew the amount on 31 March 2009 and handed over (April 2009) the cheque to the Executive Engineer, Employment Guarantee Scheme (Public Works), Gondia for execution of damaged road works.

Thus, the drawal of funds amounting to Rs 2.50 core, which was not to be utilised before closure of financial year 2008-09, was done to avoid lapse of budget grant. This violated Rule 282(2) of the Maharashtra Treasury Rules.

2.2.6 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation 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 (PAC). However, the excess expenditure amounting to Rs 6,666.16 crore for the years 2002-03 to 2007-08 was yet to be regularised as detailed in **Appendix 2.3**. The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised below:

Table 2.5: Excess over provisions relating to previous years requiring regularisation

(Rupees in crore)

Year	Number of		Amount of excess over provision	Status of Regularisation
	Grants	Appropriations		
2002-03	12	17	2,542.87	Yet to be regularised by PAC.
2003-04	11	15	1,015.24	-do-
2004-05	9	17	407.35	-do-
2005-06	19	15	1,156.99	-do-
2006-07	16	13	956.30	-do-
2007-08	11	10	587.41	-do-
Total	78	87	6,666.16	

Source: Appropriation Accounts

2.2.7 Excess over provisions during 2008-09 requiring regularisation

During 2008-09, excess expenditure was incurred in 38 grants aggregating to Rs 2,389.38 crore over the grant/appropriation authorised by the Legislature. The excess expenditure requires regularisation under Article 205 of the Constitution. The details are in **Appendix 2.4**.

2.2.8 Unnecessary/excessive/inadequate supplementary provision

In 34 cases, supplementary provision of Rs 10 lakh or more in each case aggregating to Rs 796.51 crore obtained during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.5**.

Scrutiny revealed that out of 34 cases indicated in **Appendix 2.5**, in one case under Appropriation E-1, Rs 34.98 crore had been obtained for adjustment of interest on provident fund of teaching and non-teaching staff of private primary schools for the years 2003-04 and 2007-08. In another case under Grant F-2, an amount of Rs 139.09 crore was obtained as supplementary provision for making payment to the Sant Gadge Maharaj Mandir Trust for construction works of Cultural Value Education Centre at Amravati and providing more funds to the municipal corporations for development of basic amenities in the Municipal Corporation Areas.

In 6 cases, supplementary provision of Rs 2,099.94 crore proved insufficient by more than Rs 1 crore each leaving an aggregate uncovered excess expenditure of Rs 286.02 crore (**Appendix 2.6**).

2.2.9 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 needed. Injudicious re-appropriation proved excessive or insufficient and resulted in saving/excess of over Rs 1 crore in 49 sub-heads as detailed in **Appendix 2.7**.

Scrutiny revealed that under the Grant N-3, re-appropriation of Rs 43.99 crore was made towards a newly opened sub-head Indira Gandhi National Old Age scheme by transferring the funds from other sub-heads. The final saving of Rs 119.09 crore, reasons for which were not furnished, indicated that the re-appropriation was unnecessary. In another case, under Grant M-4, re-appropriation of Rs 319.37 crore was made towards capital outlay on food storage and warehousing due to increase in credit limit under the scheme for purchase and distribution of palm oil. Final saving of Rs 63.57 crore without assigning any specific reason indicated that re-appropriation was partly unnecessary.

2.2.10 Unexplained re-appropriations

According to Paragraph 165 of the Maharashtra Budget Manual, the orders sanctioning re-appropriation of funds of Rs 500 and above and those which involve some novel or special feature should briefly specify reasons for the additions to and deductions from the sub-heads affected by them. However, on scrutiny of re-appropriation orders issued by the Finance Department revealed that the reasons given for additional provision/withdrawal of provision in re-appropriation in respect of 521 (43 *per cent*) out of 1,216 items commented in the Appropriation Accounts, orders were of general nature such as 'actual requirement', 'economy measures' etc. **Besides, in 127 cases, no reasons for additional provision/withdrawal of provision were mentioned. This also goes against the principle of transparency stipulated in Section 6 of Fiscal Responsibility and Budgetary Management Act.**

2.2.11 Substantial surrenders

In respect of 165 sub-heads entire provision was surrendered on account of non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to Rs 10,201.43 crore in these 165 schemes, Rs 10,202.13 crore were surrendered.

2.2.12 Surrender in excess of actual saving

In 16 cases, the amount surrendered (Rs 50 lakh or more in each case) was in excess of actual saving indicating lack of or inadequate budgetary control in these departments. As against saving of Rs 10,909.94 crore, the amount surrendered was Rs 11,394.92 crore resulting in excess surrender of Rs 484.98 crore. Details are given in **Appendix 2.8**.

Scrutiny revealed that under the Grant No. K 7 Industries, Rs 173.78 crore were surrendered as saving occurred under nine sub-heads (Major heads 2851, 2852 and 2853) while excess expenditure of Rs 172.57 crore under other sub-heads (Major heads 2851, 2852 and 2853) was incurred within the same grant. Therefore, the surrender amount was a set-off against the excess expenditure. Hence, the saving appearing under the grant was less than the actual surrender amount.

Instead of surrendering the amount, it could have been re-appropriated to the heads where excess expenditure was incurred. This indicated lack of proper budgetary control.

2.2.13 Anticipated saving not surrendered

As per the Maharashtra Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the saving are anticipated. During 2008-09, no part of the savings, occurred in 32 cases (Rs 930.26 crore) had been surrendered by the concerned departments. (**Appendix 2.9**).

Similarly, out of total saving of Rs 8,038.20 crore under 65 other grants/ appropriations (saving of Rs 1 crore and above in each grant/appropriation) Rs 2,391.99 crore (30 *per cent* of total saving) was not surrendered (**Appendix 2.10**). Besides, in 54 cases, (surrender of funds in excess of Rs 10 crore), Rs 15,882.60 crore were (**Appendix 2.11**) surrendered on the last two working days of the year indicating inadequate financial control. Due to late surrender, these funds could not be utilised for other development purposes.

2.2.14 Rush of expenditure

According to the Bombay Financial Rules, 1959, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 96 sub-heads, expenditure exceeding Rs 10 crore and also more than 50 *per cent* of the total expenditure for the year was incurred in March 2009. **Table 2.6** also presents the major heads where more than 50 *per cent* expenditure was incurred either during the last quarter or during the last month of the financial year.

Table 2.6 : Rush of expenditure during the last quarter and last month of 2008-09

(Rupees in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2009	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	3,201.76	1,650.38	51.55	1,206.92	37.70
2	2425 Co-operation	2,996.35	1,983.59	66.20	1,915.94	63.94
3	2501 Special Programmes for Rural Development	221.88	169.45	76.37	152.03	68.52
4	2515 Other Rural Development Programmes	872.11	579.17	66.41	402.37	46.14
5	3456 Civil Supplies	0.06	0.05	83.33	0.04	66.67
6	4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	682.19	539.95	79.15	512.15	75.07
7	4402 Capital Outlay on Soil and Water Conservation	575.80	447.03	77.64	364.66	63.33
8	6217 Loans for Urban Development	18.04	12.09	67.02	8.37	46.40
9	6225 Loans for Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	76.09	57.30	75.31	54.65	71.82
10	6245 Loans for Relief on account of Natural Calamities	0.07	0.07	100.00	0.07	100.00
11	6401 Loans for Crop Husbandry	2.10	2.10	100.00	2.10	100.00

Source: Appropriation Accounts

It was seen that under the major head 2425- Co-operation, 64 per cent of the total expenditure was incurred in the month of March 2009. Similarly, under major head 2501 Special programmes for Rural Development 69 per cent of the total expenditure was incurred in the month of March 2009. This shows that there was a lack of uniform flow of expenditure during the year which is the primary requirement of proper budgetary control indicating deficient financial management.

2.2.14.1 Failure to spend as per cash flow projected to Legislature

In order to enforce better control and fiscal discipline over expenditure Government directed (July 2005) all departmental heads to project monthly expenditure as per approved budget estimates in the form of 'cash flow statement' (CFS). Government also clarified in June 2006 that the unspent amount projected in the CFS of a particular month would not be available in the next month for spending by the department concerned.

Test check of projected CFS for the 12 months during 2008-09 and the actual expenditure under 13² major heads of accounts of three department (Public Works Department, Revenue & Forests Department and Water Resources Department) in central audit *vis-a-vis* their CFS

2 2406 Forestry and Wildlife, 4406 Capital Outlay on Forestry and Wildlife, 2059 Public Works, 2216 Housing, 3054 Roads and Bridges, 4059 Capital Outlay on Public Works, 4216 Capital Outlay on Housing, 5054 Capital Outlay on Roads and Bridges, 2701 Major and Medium Irrigation, 2702 Minor Irrigation, 4701 Capital Outlay on Major and Medium Irrigation, 4702 Capital Outlay on Minor Irrigation, 4801 Capital Outlay on Power Project

showed that the percentile variation of excess over projections in CFS is ranging between 26 to 96101 indicating that the departments had neither considered the pattern of average monthly expenditure during past three years nor had projected the monthly cash flow requirement realistically. Excess of expenditure over the projections in the CFS for the year as a whole are shown in **Table 2.7**. Projected cash flow by these departments thus proved unrealistic.

Table 2.7 : Percentage variation of actual expenditure to projected monthly CFS

Department	Purpose of Expenditure	Major heads of account	Percentage of actual expenditure to projected CFS (range during 12 months of 2008-09)
Revenue and Forests	Forestry and Wildlife	2406	26 to 551
	Capital Outlay on Forestry and Wildlife	4406	55 to 20375
Public Works	Public Works	2059	30 to 363
	Housing	2216	27 to 852
	Roads and Bridges	3054	33 to 508
	Capital Outlay on Public Works	4059	38 to 217
	Capital Outlay on Housing	4216	55 to 176
	Capital Outlay on Roads and Bridges	5054	29 to 180
	Water Resources	Major and Medium Irrigation	2701
	Minor Irrigation	2702	44 to 822
	Capital Outlay on Major and Medium Irrigation	4701	43 to 96101
	Capital Outlay on Minor Irrigation	4702	52 to 10650
	Capital Outlay on Power Projects	4801	58 to 605

2.3 Non-reconciliation of departmental figures

2.3.1 Pendency in submission of detailed contingent bills against abstract contingent bills

As per the Maharashtra Treasury Rules, 1968, detailed contingent (DC) bills are to be submitted within one month of the drawal of abstract contingent (AC) bills. Scrutiny revealed that DC bills had not been submitted by the Controlling Officers to the Accountant General for a total amount of Rs 1,482.86 crore drawn on 35,734 AC bills upto March 2009. Year-wise details are given in **Table 2.8**.

Table 2.8 : Pendency in submission of DC bills against AC bills

Year in which drawn	No of AC bills	Amount outstanding
Upto 2000-01	18,820	190.04
2001-02	4,617	44.53
2002-03	5,305	43.78
2003-04	540	22.85
2004-05	608	392.87
2005-06	726	333.11
2006-07	853	76.63
2007-08	1,140	40.30
2008-09	3,125	338.75
Total	35,734	1,482.86

Source: Vouchers compiled by PAG (A & E).

Department-wise pending DC bills for the years up to 2008-09 is detailed in **Appendix 2.12**.

2.3.2 Un-reconciled expenditure

To exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Maharashtra Budget Manual stipulate that expenditure recorded in the books of the Controlling Officers be reconciled by them every month with that recorded in the books of the Accountant General. Even though, non-reconciliation of Departmental figures is being pointed out regularly in Audit Report, lapses on the part of Controlling Officers in this regard continued to persist during 2008-09. In respect of 29 Departments expenditure to the extent of Rs 81,343.17 crore remained un-reconciled till April 2009. Details in respect of amount exceeding Rs 10 crore remained un-reconciled during 2008-09 in respect of the following 27 Departments as given in **Appendix 2.13**.

In the last five years except in 2005-06, 16³ departments were persistently defaulting. In 2005-06, only 2⁴ departments defaulted.

2.4 Advances from contingency fund

The Contingency Fund of the State has been established under the Bombay Contingency Fund Act, 1956, in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent nature, postponement of which, till its authorisation by the Legislature would be undesirable. The Fund is in the nature of an imprest and its corpus is Rs 150 crore which was temporarily raised to Rs 350 crore with effect from 4 June 2008 vide Ordinance No. IV of 2008 and further to Rs 400 crore with effect from 18 February 2009 vide Ordinance No. I of 2009. The balance at the beginning of the year was Rs 91.06 crore with an un-recouped balance of Rs 58.94 crore. During the year 2008-09, advances drawn but not recouped to the fund amounted to Rs 1.93 crore. The closing balance of the Fund as on 31 March 2009 was Rs 398.07 crore.

During 2008-09, 90 sanctions were issued for withdrawal of Rs 757.50 crore from the Contingency Fund. A few illustrative cases listed in **Appendix 2.14** show that the nature of expenditure for which the department obtained advances from Contingency Fund was foreseeable.

2.5 Conclusion

The overall saving of Rs 20,076.56 crore was the net result of saving of Rs 22,465.94 crore offset by excess of Rs 2,389.38 crore. This excess requires regularisation under Article 205 of the constitution of India. In 54 cases, surrender of funds amounting to Rs 15,882.60 crore (more than Rs 10 crore in each case) was made on the last working day of the financial year, while in 65 grants/appropriations saving of Rs 2,391.99 crore (Rs 1 crore and above) were not surrendered. In 16 cases, Rs 11,394.92 crore surrendered in excess of actual saving. In 49 cases, augmentation/reduction of provision by re-appropriation proved either in excess of requirement or insufficient or unnecessary. In respect of 29 Departments expenditure to the extent of Rs 81,343.17 crore remained un-reconciled till April 2009.

3 Agriculture, Animal Husbandry, Dairy Development & Fisheries; Co-operation, Marketing & Textiles; Environment; Finance; General Administration; Higher & Technical Education; Home; Industries Energy & Labour; Planning; Public Health; Public Works; Revenue & Forests; Rural Development and Water Conservation; School Education & Sports; Water Resources and Water Supply & Sanitation

4 Public Health and Revenue & Forests