

CHAPTER-II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of voted grants and appropriations charged for different purposes, as specified in the schedules appended to the Appropriation Acts. These Accounts show the original budget estimates, 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 the budget. Appropriation Accounts thus, facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

2.1.2 Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure incurred under various grants is within the authorizations 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 incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2009-10 against 75 grants/ appropriations is given in **Table -2.1**.

Table-2.1: Summarized Position of Actual Expenditure vis-à-vis Original/Supplementary Provisions

(₹ in crore)

	Nature of expenditure	Original Grant/Appropriation	Supplementary Grant/Appropriation	Total	Actual expenditure	Saving (-) / Excess (+)
1	2	3	4	5	6	7
Voted	I Revenue	17,127.43	1,967.22	19,094.65	16,157.67	(-)2,936.98
	II Capital	3,629.40	208.94	3,838.34	2,998.86	(-)839.48
	III Loans and Advances	550.81	465.00	1,015.81	896.79	(-)119.02
Total Voted		21,307.64	2,641.16	23,948.80	20,053.32	(-)3,895.48
Charged	IV Revenue	1,394.78	33.74	1,428.52	1,412.94	(-)15.58
	V Capital	0.56	8.66	9.22	8.91	(-)0.31
	VI Public Debt-Repayment	789.29	0.00	789.29	651.57	(-)137.72
Total Charged		2,184.63	42.40	2,227.03	2,073.42	(-)153.61
	Appropriation to Contingency Fund (if any)	0.00	0.00	0.00	0.00	0.00
Grand Total		23,492.27	2,683.56	26,175.83	22,126.74	(-)4,049.09

(Source: Appropriation Accounts 2009-10)

The overall savings of ₹ 4,049.09 crore were the result of savings of ₹ 4,218.32 crore in 61 grants and 35 appropriations under the Revenue Section, 43 grants and four appropriations under the Capital Section and one

appropriation (Public Debt) under the Loan Section, offset by excess of ₹ 169.23 crore in seven grants and seven appropriations under the Revenue Section and three grants under the Capital Section.

The savings/excesses in all grants/appropriations were intimated (21 June 2010) to the Finance Department, requesting them to explain the significant variations. All the Controlling Officers were also requested to furnish reasons (June 2010). Out of 1006 sub-heads commented upon in the Appropriation Accounts (2009-10), explanations for variations were not received (October 2010) in respect of 916 sub-heads (savings: 745 sub-heads and excess: 171 sub-heads).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis allocative priorities

The outcome of appropriation audit reveals that in 17 cases, savings exceeded ₹ 10 crore in each case and also were more than 20 per cent of the total provisions as detailed in **Appendix-2.1**. Against the total savings of ₹ 4,218.32 crore, savings of ₹ 1,082.46 crore (25.66 per cent) occurred in just 11 cases relating to 10 grants as indicated in **Table -2.2**.

Table-2.2: List of grants with savings of ₹ 50 crore and above

(₹ in crore)							
Sl. No.	Grant No.	Name of Grant	Original	Supplementary/ Surrender (-)	Total	Expenditure	Savings (excluding surrender)
1	2	3	4	5	6	7	8
Revenue-Voted							
1	42	Public Works relating to Tribal Area Sub-Plan - Roads and Bridges	318.28	0.00	318.23	184.73	133.50
2	44	Higher Education	189.78	47.00	236.78	136.57	100.21
3	55	Expenditure pertaining to Women and Child Welfare	503.38	0.00/(-)45.00	458.38	307.19	151.19
4	69	Urban Administration and Development Department –Urban Welfare	351.11	0.00	351.11	257.95	93.16
5	81	Financial Assistance To Urban Bodies	611.79	58.80/(-)2.95	667.64	512.77	154.87
Capital-Voted							
6	21	Expenditure pertaining to Housing and Environment Department	296.17	0.01	296.18	216.21	79.97
7	24	Public Works-Roads and Bridges	378.65	29.10	407.75	283.71	124.04
8	38	Grants-in-aid received from the recommendation of Twelfth Finance Commission	74.68	105.17	179.85	118.46	61.39

1	2	3	4	5	6	7	8
9	67	Public Works-Buildings	228.98	4.65	233.63	181.49	52.14
10	68	Public Works relating to Tribal Area Sub-Plan-Buildings	125.98	1.61	127.59	53.67	73.92
11	81	Financial assistance to Urban Bodies	85.00	0.00	85.00	26.93	58.07
		Total	3,163.80	246.34/(-)47.95	3,362.14	2,279.68	1,082.46

(Source: Appropriation Accounts 2009-10)

Reasons for savings called for (June 2010) from the State Government were awaited (October 2010).

2.3.2 Persistent Savings

In seven cases during the last five years, there were persistent savings of more than ₹ 10 crore in each case as shown in **Table-2.3** and the savings ranged from three to 14 *per cent* of the total grants in the year 2009-10.

Table -2.3: List of grants having persistent savings during 2005-2010

(₹ in crore)

Sl. No.	Grant No.	Name of Grant	2005-06	2006-07	2007-08	2008-09	2009-10
			4	5	6	7	8
Revenue Voted							
1	06	Expenditure pertaining to Finance Department	307.07	251.49	393.06	142.68	208.59
2	19	Public Health and Family Welfare	46.77	86.12	99.97	106.10	53.15
3	20	Public Health Engineering	26.55	17.78	20.29	21.92	16.82
4	27	School Education	82.51	52.88	82.57	197.58	64.28
5	41	Tribal Areas Sub-Plan	94.58	124.79	238.89	258.32	212.90
6	64	Special Component Plan for Scheduled Castes	25.09	36.52	116.76	80.44	60.64
Capital Voted							
7	41	Tribal Areas Sub – Plan	59.40	90.57	69.34	116.26	117.83

(Source: Appropriation Accounts 2009-10)

2.3.3 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get excess over grants/appropriations regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is to be done after the completion of discussion of the Appropriation Accounts and the connected Audit Reports by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 1,124.83 crore for the years 2000-09 were still to be regularized as detailed in **Appendix-2.2**.

2.3.4 Excess over provisions during 2009-10 requiring regularization

Table-2.4 contains a summary of total excess over provision of funds in 10 grants and five appropriations amounting to ₹ 216.77 crore during 2009-10, requiring regularization under Article 205 of the Constitution.

Table -2.4: Excess over provisions requiring regularization during 2009-10
(₹ in crore)

Sl. No	Grant No.	Name of Grant	Total Grant/ Appropriation	Expenditure	Excess
1	2	3	4	5	6
Revenue Voted					
1	03	Police	920.79	1,007.95	87.16
2	22	Urban Administration and Development Department-Urban Bodies	1.88	1.93	0.05
3	23	Water Resources Department	214.09	220.37	6.28
4	24	Public Works-Roads and Bridges	328.11	349.71	21.60
5	25	Expenditure pertaining to Mineral Resources Department	75.08	77.41	2.33
6	49	Scheduled Caste Welfare	32.80	33.97	1.17
7	80	Financial Assistance to Three Tier Panchayati Raj Institutions	941.51	984.92	43.41
Revenue Charged					
8	03	Police	0.26	0.34	0.08
9	12	Expenditure pertaining to Energy Department	123.82	129.97	6.15
10	13	Agriculture	0.07	0.09	0.02
11	43	Sports and Youth Welfare	0.00*	0.14	0.14
12	67	Public Works-Buildings	0.10	0.12	0.02
Capital Voted					
13	6	Expenditure pertaining to Finance Department	0.21	3.29	3.08
14	64	Special Component Plan for Scheduled Castes	356.96	398.12	41.16
15	76	Externally aided projects pertaining to Public Works Department	300.00	304.12	4.12
Total			3,295.68	3,512.45	216.77

(Source: Appropriation Accounts 2009-10)

Reasons for excess over provisions called for (June 2010) from the State Government were awaited (October 2010).

2.3.5 Unnecessary/Inadequate supplementary provisions

Supplementary provisions aggregating ₹ 917.82 crore obtained in 30 cases (₹ 50 lakh or more in each case) during the year 2009-10, proved unnecessary as the expenditure did not even come up to the level of original provisions as detailed in **Appendix-2.3**.

* Appropriation of ₹ 10,000 only.

In five cases, supplementary provisions of ₹ 332.31 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate uncovered excess expenditure of ₹ 180.34 crore as shown in **Appendix-2.4**.

2.3.6 Excessive/unnecessary/insufficient reappropriation of funds

A re-appropriation is a transfer of funds within a grant from one unit of appropriation, where savings are anticipated to another unit where additional funds are needed. It was noticed that in 143 schemes there were excess/savings of more than ₹ one crore after making re-appropriation, of which, in 23 schemes, the excess/savings were more than ₹ 20 crore as detailed in **Appendix-2.5**.

2.3.7 Substantial surrenders

Substantial surrenders (more than 50 *per cent* of the total provisions) were made in respect of 78 schemes on account of non-implementation or slow implementation. Out of the total provisions amounting to ₹ 535.30 crore for these schemes, ₹ 412.66 crore (77 *per cent*) was surrendered, which included *cent per cent* surrender in 22 schemes. Details are given in **Appendix-2.6**.

2.3.8 Surrender in excess of actual savings

In 11 cases, the amounts surrendered (₹ 50 lakh or more in each case) were in excess of the actual savings, indicating lack of or inadequate budgetary control. As against savings of ₹ 394.51 crore, the amount surrendered was ₹ 488.58 crore, resulting in excess surrender of ₹ 94.07 crore. Details are given in **Appendix-2.7**. The concerned departments did not furnish reasons/explanations regarding the surrenders (October 2010) in excess of the actual savings.

2.3.9 Anticipated savings not surrendered

According to paragraph 131 of the Chhattisgarh Budget Manual, a statement of anticipated savings should be submitted by all Controlling Officers so as to reach the Finance Department not later than 15 January each year. At the close of the year 2009-10, there were, however, 22 grants and two appropriations in which savings of more than ₹ one crore had occurred but no part of the same had been surrendered by the concerned departments. The total amount involved in these cases was ₹ 1,034.07 crore (25 *per cent* of the total savings) as detailed in **Appendix-2.8**.

Similarly, out of the savings of ₹ 2,107.65 crore under 15 other grants (after surrender, savings of ₹ one crore and above in each grant), amounts aggregating ₹ 1,044.24 crore (49.55 *per cent* of total savings) were not surrendered as detailed in **Appendix 2.9**.

Besides, in 25 cases (surrender of funds in excess of ₹ 10 crore in each case), ₹ 2,130.39 crore was surrendered on the last day of March 2010, indicating weak financial control, detailed in **Appendix-2.10**. As a result, these funds could not be utilized for other developmental purposes. The departments did

not furnish reasons/explanations regarding surrender of savings on the last day of the financial year.

2.3.10 Injudicious surrender

In five grants, there was expenditure of ₹ 1,714.79 crore against the provision of ₹ 1,667.98 crore, resulting in excess expenditure of ₹ 46.81 crore. Despite this, there was surrender of ₹ 47.54 crore which was injudicious, as detailed in **Table-2.5**.

Table -2.5: Injudicious surrender

(₹ in crore)

Sl. No	Grant No.	Name of Grants	Total provision	Expenditure	Excess expenditure	Amount surrendered
1	2	3	4	5	6	7
A - Revenue voted						
1	23	Water Resources Department	216.82	220.37	3.55	2.72
2	25	Expenditure pertaining to Mineral Resources Department	75.31	77.41	2.10	0.23
3	49	Scheduled Caste Welfare	33.07	33.97	0.90	0.27
4	80	Financial Assistance to Three-Tier Panchayati Raj Institutions	979.02	984.92	5.90	37.51
Total - A			1,304.22	1,316.67	12.45	40.73
B - Capital voted						
5	64	Special Component Plan for Scheduled Castes	363.76	398.12	34.36	6.81
Total - B			363.76	398.12	34.36	6.81
Grand Total (A+B)			1,667.98	1,714.79	46.81	47.54

(Source: Appropriation Accounts 2009-10)

2.3.11 Rush of expenditure

According to Rule 56(3) of the General Financial Rules, rush of expenditure, particularly in the closing month of the financial year, should be avoided. Contrary to this, in 19 Major Heads, expenditure during the last quarter was more than 50 per cent of the total expenditure and each expenditure exceeded ₹ 10 crore, while in 13 cases, the expenditure in the last month of the financial year was more than 50 per cent of the total expenditure as detailed in **Appendix-2.11**.

2.4 Non-reconciliation of departmental figures

2.4.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per Rule 313 of the Chhattisgarh State Treasury Code, every drawing officer has to certify in each Abstract Contingent (AC) bill that Detailed Countersigned Contingent (DCC) bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective Controlling Officers for countersignature and transmission to the

Accountant General. DCC bills for only ₹ 5.49 crore were received during the period 2006-2010 against AC bills for ₹ 16.50 crore, leading to an outstanding balance of DCC bills for ₹ 13.96 crore (including ₹ 2.95 crore pending prior to 2006-07) as on 31 March 2010. Year-wise details are given in **Table-2.6**.

Table-2.6: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

(₹ in crore)

Year	Opening balance		AC bills received during year		DC bills during the year		Outstanding AC bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
Prior to 2006-07	-	-	-	-	-	-	275	2.95
2006-07	275	2.95	284	5.82	169	1.58	390	7.19
2007-08	390	7.19	98	1.43	3	0.13	485	8.49
2008-09	485	8.49	471	8.70	217	3.78	739	13.41
2009-10	739	13.41	30	0.55	-	-	769	13.96
Total	-	-	883	16.50	389	5.49	-	-

(Source: Information from office of the Accountant General A&E)

Major Head-wise pending DCC bills for the years up to 2009-10 are detailed in **Appendix-2.12**.

2.4.2 Unreconciled expenditure

To enable Controlling Officers of the departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, paragraphs 108 and 109 of the State Budget Manual stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (A&E). Even though non-reconciliation of departmental figures is being pointed out regularly in the Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2009-10. Thus, 71 out of 124 Controlling Officers did not (March 2010) reconcile their expenditure with that of the Accountant General (A&E).

2.4.3 Non-adjustment of temporary advances

Drawing and Disbursing Officers (DDOs) draw temporary advances for the purpose of meeting contingent expenditure either on the authority of standing orders or specific sanction of the State Government. According to the Rule 271 of Chhattisgarh State Financial Code, if any temporary advance is pending for more than three months, the Treasury Officer and Accounts Officer are required to write to the Head of Department concerned for adjustment within a month duly supported with vouchers. An advance pending for more than five months should be brought to the notice of the Government.

As of 31 March 2010, 82 cases of temporary advances aggregating ₹ 38.08 lakh pertaining to various Civil Departments, were pending for

adjustment by DDOs in the records of five treasuries[#] in the State. Year-wise advances pending for adjustment is given in **Table-2.7**.

Table-2.7: Year-wise details of Temporary advances pending (Civil Departments)

(₹ in lakh)

Sl.No	Advances pertaining to year	No. of Advances	Amount
1	2006-07	07	5.35
2	2007-08	16	23.22
3	2008-09	47	9.03
4	2009-10	12	0.48
Total		82	38.08

(Source: Information from office of the Accountant General A&E)

In addition to the above, 135 cases of temporary advances aggregating ₹ 162.71 lakh in Public Works, Public Health and Engineering and Water Resources Department were pending adjustment by DDOs as on 31 March 2010. Year-wise details of advances were not available.

2.5 Advances from Contingency Fund

The Contingency Fund of the State has been established in pursuance of clause (1) of Articles 267 and 283 (2) of the Constitution of India. Advances from the Fund are to be given only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is ₹ 40 crore. The following instances were observed where expenditure was incurred from the Contingency Fund though the expenditure was foreseeable in nature:

- An amount of ₹ 10 crore was sanctioned (19 June 2009) as advance for payment of State Share for National Agriculture Insurance Scheme 2008.
- An amount of ₹ 40.73 lakh was sanctioned (29 May 2009) as advance for installation of equipment to increase communication facilities for the Public Health Engineering Department.
- An amount of ₹ 38 lakh was sanctioned (19 Nov 2009) as advance to the Chhattisgarh Adivasi Vikas Programme.
- An amount of ₹ 26 lakh was sanctioned (03 December 2009) as advance for purchase of two Toyota (Corolla) cars for judges of the Chhattisgarh High Court.
- An amount of ₹ 10 lakh was sanctioned (07 October 2009) as advance for purchase of a vehicle for the Chhattisgarh State Election Commission.
- An amount of ₹ 9.99 lakh was sanctioned (20 September 2009) as advance for service charges to a private agency for maintenance of records of the Contributory Pension Scheme.

[#] Dantewada, Dhamtari, Jashpur, Raigarh and Rajnandgaon.

- An amount of ₹ 5.50 lakh was sanctioned (23 April 2009) as advance for expenses on the stay of members of the Thirteenth Finance Commission in Chhattisgarh State.

2.6 Personal Deposit Accounts

Personal Deposit (PD) Accounts are created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. There were 375 PD Accounts in 19 district treasuries and 44 sub-treasuries in operation. Of these, 371 PD Accounts were not closed as on 31 March 2010 and the balance of ₹ 15.79 crore was not transferred back to their respective Service Heads. During test check of the records of treasuries by Accountant General (A&E), it was found that 84 PD Accounts involving ₹ 16.22 crore were not operated for more than three years. Of these, one PD Account having a balance of ₹ 15.01 crore, was inoperative since April 2001.

2.7 Outcome of review of selected Grant

Comments on Expenditure and Budgetary Control

Test check of records pertaining to Grant No.24 and scrutiny of Appropriation Accounts for the year 2009-10 revealed the following:-

2.7.1 Lack of proper/defective preparation of budget estimate

The summary of the allotment and expenditure of Grant 24, in the financial year 2009-10, is shown in the following **Table-2.8**.

Table-2.8: Summary of Allotment and Expenditure

(₹ in lakh)

Sl. No.	Items	Total Grant or Appropriation	Actual Expenditure	Excess(+)/Saving(-)	
				Amount	In per cent
1	Revenue Voted	32,810.61	34,971.14	2,160.53	6.58
2	Revenue Charged	500.00	318.84	(-)181.16	(-)36.23
3	Capital Voted	40,775.35	28,371.59	(-)12,403.76	(-)30.42
4	Capital Charged	1.30	0.00	(-)1.30	(-)100.00
Total		74,087.26	63,661.57	(-)10,425.69	

(Source: Appropriation Accounts 2009-10)

Scrutiny of records showed that lack of proper analysis during the budget preparations resulted in excessive provision of ₹ 1.81 crore under the Revenue Charged section and less provision of ₹ 21.61 crore under the Revenue Voted section. The average expenditure for the last three years in the Capital Voted section was ₹ 322.07 crore (**Table-2.9**), despite which an allotment of ₹ 407.75 crore was made in the year 2009-10, resulting in a saving of ₹ 124.04 crore. It was also observed that no part of the savings mentioned in **Table-2.8** was surrendered.

Table-2.9: Comparison of expenditure figures of last three years with 2009-10

(₹ in lakh)

Sl. No	Items	Expenditure					
		2006-07	2007-08	2008-09	Average Exp. of three years	Total allotment of 2009-10	Actual Exp. of 2009-10
1	Revenue Voted	25,798.21	34,096.39	31,537.67	30,477.42	32,810.61	34,971.14
2	Revenue Charged	104.04	50.70	251.43	135.39	500.00	318.84
3	Capital Voted	28,333.92	35,610.39	32,676.75	32,207.02	40,775.35	28,371.59
4	Capital Charged	0.36	19.82	--	10.09	1.30	--

(Source: Appropriation Accounts)

Substantial savings of ₹ 159.08 crore were noticed in 20 cases (₹ 10 lakh and above in each case) as detailed in **Appendix -2.13**. Thus, a major portion of the allotments remained unutilized and were not put to use for the concerned schemes. On this being pointed out in audit, the department stated (September 2010) that the savings occurred mainly due to delays in approval of administrative sanctions.

In five other schemes, there was excess expenditure amounting to ₹ 54.87 crore as detailed in **Appendix-2.14**.

2.7.2 Non reconciliation of expenditure figures

Paragraphs 108 and 109 of the Budget Manual require that the total monthly expenditure figures should be reconciled between the Controlling Officer of the department and the Accountant General (A&E).

Scrutiny of the expenditure figures showed that under some accounting heads, expenditure figures of the department differed from the figures of the Accountant General (A&E). The details are shown in **Table -2.10**.

Table-2.10: Schemes with differences between figures of the Accountant General (A&E) and the Public Works Department

(₹ in lakh)

Classification	Budget Provision	Expenditure as per AG (A&E) office	Expenditure as per Department	Difference in percentage (Less(+)/ Excess(-))
3054-03-337-4090 Special Repairs	900.00	885.94	705.79	20.33
3054-03-337-0948 Central Road Fund	0.10	2.66	Nil	100.00
3054-05-337-801-0165 Construction of roads of Inter State or economic importance	700.00	281.17	382.30	-35.97
3054-80-001-2301 Direction and Administration Pro-rata share of establishment from Grant No. 67 -Major Head 2059- Public Works	5,159.37	8,909.54	Nil	100.00
3054-80-052-0692 Pro-rata share of tools and plant charges transferred from Grant No.67 Major Head 2059 Public works	448.64	16.15	Nil	100.00
5054-04-800-0101-5041 Survey of Major Roads	25.00	8.22	10.01	-21.78

(Source: Appropriation Accounts & Departmental figures)

On this being pointed out in audit, the department stated (September 2010) that reconciliation had been conducted but the reasons for difference in figures had not been mentioned.

2.7.3 Rush of expenditure

According to Rule 56(3) of the General Financial Rules, rush of expenditure, particularly in the closing month of the financial year should be avoided. According to the figures provided by the department, the total expenditure trend revealed that 31 per cent and 17 per cent of the total expenditure occurred in the last quarter and last month of the year respectively as shown in **Table-2.11**. However, in nine schemes, more than 35 per cent of the total expenditure occurred in the last quarter and in three schemes, even more than 50 per cent of the total expenditure occurred during the last month of the financial year as detailed in **Appendix-2.15**.

On this being pointed out in audit, the department stated (September 2010) that expenditure in the month of March was mainly due to delay in the tendering processes and non-execution of works during the rainy season.

Table- 2.11: Disproportionate expenditure in the last quarter

(₹ in lakh)

Sl. No.	Items	Total expenditure during the year	Expenditure		Percentage of Expenditure	
			During Jan-March 2010	During March-2010	During Jan-March 2010	During March-2010
1	Grant 24	54,441.68	16,910.71	9,025.76	31.06	16.58
2	Amount of Schemes in Grant 24 where rush of expenditure was noticed	23,268.10	10,385.22	5,893.59	44.63	25.33

(Source: Departmental figures)

2.7.4 Insufficient reappropriation

Scrutiny of budget and expenditure figures revealed that in two schemes, savings of ₹ 70.27 crore occurred due to insufficient re-appropriation as detailed in **Table-2.12** below.

Table-2.12: Schemes with insufficient re-appropriations

(₹ in lakh)

Sl. No	Schemes	Original Budget	Reappropriation	Expenditure	Saving	Percentage
1	5054-04-800-0101-1513-Construction of Major District Roads	8,489.00	(-)1,800.00	2,057.66	4,601.34	69.24
2	5054-03-101-0101-3775-Construction of Railway overbridge	5,200.00	(-)1,100.00	1,704.32	2,395.68	58.43

(Source: Departmental figures)

2.8 Conclusion

During 2009-10, expenditure of ₹ 22,126.74 crore was incurred against total grants and appropriations of ₹ 26,175.83 crore, resulting in savings of ₹ 4,049.09 crore. The overall savings were the net result of savings of ₹ 4,218.32 crore, offset by excess of ₹ 169.23 crore. The excess required regularization under Article 205 of the Constitution of India. In 91 cases, surrender of funds amounting to ₹ 2,272.75 crore were made on the last working day of the financial year, while in 22 grants and two appropriations, savings amounting to ₹ 1,034.07 crore (savings of ₹ one crore and above) were not surrendered. In 11 cases, a total amount of ₹ 94.07 crore (amount surrendered in excess was ₹ 50 lakh or more in each case) was surrendered in excess of the actual savings. Similarly, out of the total savings of ₹ 2,107.65 crore (savings of ₹ one crore and above) under 15 other grants, only ₹ 1,063.41 was surrendered.

2.9 Recommendations

- Budgetary control should be strengthened in all the Government departments.
- Issuance of re-appropriation/surrender orders at the end of the financial year should be avoided.