

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 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 estimates, supplementary grants, surrenders and re-appropriations distinctly 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. Appropriation Accounts thus, facilitate management of finances and monitoring of budgetary provisions and are therefore, supplementary to Finance Accounts. The Karnataka Budget Manual contains the procedures for preparation of the estimates and budget, subsequent action in respect of the budget communication, distribution of grants, watching the progress of revenue and watching of actuals and control over expenditure.

2.1.2 Audit of appropriation by the Comptroller and Auditor General (CAG) of India seeks to ascertain whether expenditure actually incurred under various grants is within the authorization 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 law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2009-2010 against 29 grants/appropriations was as given in **Table 2.1**.

Table 2.1: Summarised position of actual expenditure *vis-à-vis* original/supplementary provision

Nature of expenditure		Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Unspent provision
Voted	I Revenue	42,223.79	8,130.64	50,354.43	43,839.82	6,514.61
	II Capital	11,950.85	3,519.88	15,470.73	12,677.74	2,792.99
	III Loans and advances	1,009.09	117.44	1,126.53	981.58	144.95
Total Voted		55,183.73	11,767.96	66,951.69	57,499.14	9,452.55
Charged	IV Revenue	5,683.59	81.62	5,765.21	5,629.78	135.43
	V Public debt-repayment	3,554.31	128.76	3,683.07	2,308.33	1,374.74
Total Charged		9,237.90	210.38	9,448.28	7,938.11	1,510.17
Grand Total		64,421.63	11,978.34	76,399.97	65,437.25	10,962.72

Source: Appropriation Accounts.

The overall unspent provision of ₹ 10,962.72 crore was the result of unspent provision of ₹ 11,878.14 crore in 27 grants and eight appropriations under revenue section and 24 grants under capital section offset by excess expenditure of ₹ 915.42 crore over provision in one grant and two appropriations under revenue section.

2.3 Financial accountability and budget management

2.3.1 Appropriation vis-à-vis allocative priorities

There were 22 cases of unspent provision, each exceeding ₹ 100 crore under 17 grants/appropriation, out of total unspent provision of ₹ 11,878.14 crore during 2009-10. Large unspent provision were in areas like urban development, water resources, debt servicing, public works, finance, agriculture and horticulture, energy, etc., as indicated in **Table 2.2**.

Table 2.2: Grants/appropriations with unspent provision of ₹ 100 crore and above
(₹ in crore)

	Grant	Provision			Expenditure	Unspent provision
		Original	Supple- mentary	Total		
1	01-Agriculture and Horticulture Revenue Voted	1,700.29	249.52	1,949.81	1,325.02	624.79
2	02-Animal Husbandry and Fisheries Revenue Voted	687.40	106.30	793.70	671.80	121.90
3	03-Finance Revenue Voted	5,581.41	2,105.75	7,687.16	5,955.99	1,731.17
4	07-Rural Development and Panchayat Raj Revenue Voted	1,567.21	600.11	2,167.32	1,695.96	471.36
	Capital Voted	1,564.90	416.88	1,981.78	1,467.52	514.26
5	09-Co-operation Revenue Voted	329.32	151.77	481.09	355.03	126.06
6	10-Social Welfare Revenue Voted	1,983.37	68.36	2,051.73	1,703.10	348.63
7	11-Women and Child Development Revenue Voted	1,585.76	17.53	1,603.29	1,337.45	265.84
8	16- Housing Revenue Voted	738.14	--	738.14	617.46	120.68
9	17 - Education Revenue Voted	8,701.88	82.82	8,784.70	8,370.15	414.55
10	18 - Commerce and Industries Revenue Voted	1,347.87	29.91	1,377.78	846.11	531.67
11	19- Urban Development Revenue Voted	4,367.61	219.67	4,587.28	3,339.22	1,248.06
	Capital Voted	1,286.66	300.00	1,586.66	1,327.32	259.34
12	20 - Public Works Revenue Voted	1,306.30	36.82	1,343.12	1,098.22	244.90
	Capital Voted	2,395.72	777.53	3,173.25	2,655.92	517.33
13	21 - Water Resources Capital Voted	4,504.79	415.32	4,920.11	3,936.40	983.71
14	22 - Health and Family Welfare Revenue Voted	1,946.48	115.16	2,061.64	1,854.31	207.33
15	24 - Energy Capital Voted	762.00	1,175.00	1,937.00	1,755.71	181.29
16	26 - Planning, Statistics, Science and					

	Grant	Provision			Expenditure	Unspent provision
		Original	Supple- mentary	Total		
	Technology					
	Revenue Voted	424.77	280.82	705.59	559.83	145.76
	Capital Voted	126.00	---	126.00	13.00	113.00
17	29 – Debt Servicing					
	Revenue Charged	5,578.00	79.80	5,657.80	5,272.15	385.65
	Capital Charged	3,554.31	128.76	3,683.07	2,308.33	1,374.74
	Total	52,040.19	7,357.83	59,398.02	48,466.00	10,932.02

Source: Appropriation Accounts.

Major heads of account under which the unspent provision was more than ₹ 25 crore in these 17 grants / appropriations are detailed in **Appendix 2.1**.

The reasons furnished by eight departments for unspent provision under a few major heads of account are given below;

Agriculture and Horticulture

- Unspent provision of ₹ 62.10 crore under major head ‘2401’ – Crop Husbandry was due to late receipt of sanction from the Government.
- Unspent provision of ₹ 1,311.43 crore under the major head ‘2401’ - Crop Husbandry was due to transfer of officers and staff on deputation to other departments and non-filling up of vacant posts.

Housing

- Unspent provision of ₹ 66.99 crore was due to shortfall in progress of works under the major head ‘2216’- Housing.

Education

- Unspent provision of ₹ 27.92 crore under the major head ‘2202’- General Education was due to receipt of approval of only 109 colleges to be brought under Grant-in-Aid code as against 314 colleges proposed.

Commerce and Industries

- Non-release of ₹ 5 crore by the State Government, non-release of Central share ₹ 5.66 crore and short release of ₹ 5.54 crore by the State Government were the reasons for saving under the major head ‘2851’- Village and Small Industries.
- Shortfall in identification of beneficiaries for releasing subsidies due to shortage of staff was the reason for saving under major head ‘2852’ – Industries.

Urban Development

- Unspent provision of ₹ 225 crore under the major head ‘2217’- Urban Development, was due to non-receipt of request for release of funds under Karnataka Municipal Reforms – EAP by the implementing Agency.
- Unspent provision of ₹ 23.39 crore under the Scheme – Sub-Mission for Basic Services for Urban Poor and ₹ 60.52 crore under the Scheme Urban Infrastructure Development for Small and Medium Town (UIDSSMT) was

due to shortfall in release of Central share under the major head '2217'- Urban Development.

Water Resources

- Unspent provision of ₹ 300 crore was due to non-receipt of sanction from the Central Government for certain projects under Accelerated Irrigation Benefit Programmes (AIBP) under the major head '4701'- Capital Outlay on Major and Medium Irrigation.

Debt Servicing

- Under the major head '6003'- Internal Debt of the State Government, provision of ₹ 1,350 crore remained unutilized due to non-availing of ways and means advances / overdraft from the Reserve Bank of India during the year.
- Short receipt of assistance was the reason for the unspent provision of ₹ 37.99 crore under the major head '6004'- Loans and Advances from the Central Government.

2.3.2 Unspent provision due to non / late receipt of funds/sanctions

There was unspent provision aggregating ₹ 255.65 crore in 38 cases relating to nine grants due to non / short / late release of funds and non / late receipt of sanctions from the Government (**Appendix 2.2**).

2.3.3 Persistent unspent provision

In three grants, there was persistent unspent provision of more than ₹ 100 crore in each case during the last five years as detailed in **Table 2.3**.

Table 2.3: Persistent unspent provision

(₹ in crore)

Sl. No	Major head	Year				
		2005-06	2006-07	2007-08	2008-09	2009-10
1	03 –Finance (Revenue Voted)	1,492.33	2,297.35	228.53	854.49	1,731.17
	2070-800-11					
	Filling up of vacant posts (District Sector)	121.75	111.99	110.73	450.00	400.00
2	19 –Urban development (Revenue Voted)	258.75	1,092.32	1,194.95	1,608.50	1,248.07
	2217-05-191-1					
	Bangalore Metropolitan Regional Development Authority	199.15	195.00	319.24	503.45	577.40
3	29 –Debt servicing (Capital Charged)	1,491.85	555.02	1,320.70	1,379.28	1,374.74
	6003-110-1					
	Clean and Secured Ways and Means Advances	1,000.00	1,000.00	921.87	1,000.00	1,000.00
	6003-110-2					
	Over draft with Reserve Bank of India	350.00	350.00	350.00	350.00	350.00

Source : Appropriation Accounts.

2.3.4 Excess expenditure

In 11 cases, expenditure in excess of ₹ 25 crore of the budget provision was incurred under eight major heads of account pertaining to nine grants. (**Appendix 2.3**).

2.3.5 Persistent excess expenditure

Persistent excess expenditure over provision was incurred under four major heads of account pertaining to four grants during the last five years (**Appendix 2.4**).

2.3.6 Expenditure without provision

An expenditure of ₹ 17.20 crore was incurred in 57 cases under 19 grants without provision, which includes an amount of ₹ 15.83 crore incurred towards reimbursement of medical expenses (**Appendix 2.5**). The State Government replied (October 2010) that, to capture the expenditure on reimbursement of medical charges exclusively, on an experimental basis, a scheme head was created in 2009-10. Instructions were also issued to book the expenditure under the scheme even without provision and that the expenditure has to be counted against salary unit of appropriation and not against the scheme. However, the contention of the Government that it is not a unit of appropriation but requires to be merged under salaries is not acceptable as it consists of different object heads.

Excess expenditure 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 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 done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

2.3.7 Excess over provision relating to previous years

The excess expenditure aggregating ₹ 8,574.19 crore for the years 1989-90 to 2008-09 was yet to be regularized (**Appendix 2.6**).

2.3.8 Excess over provision during 2009-10

Details of excess expenditure of ₹ 915.42 crore incurred against one grant and two appropriations during 2009-10 required to be regularized are given in **Table 2.4**.

Table 2.4: Excess expenditure over provision requiring regularization during 2009-10

(Amount in Rupees)					
S	Grant		Provision	Expenditure	Excess
1.	08	Forest, Ecology and Environment	11,13,50,000	2,71,61,88,578	2,60,48,38,578
2.	14	Revenue			
		(Revenue Voted)	52,02,43,14,000	58,57,36,40,822	6,54,93,26,822
		(Revenue Charged)	1,10,32,000	1,10,84,719	52,719
Total			52,14,66,96,000	61,30,09,14,119	9,15,42,18,119

Source : Appropriation Accounts.

- ❖ Amount transferred from Consolidated Fund to the Karnataka Forest Development Fund in Public Account was more than the provision. This

resulted in excess over provision under Grant 8 – Forest, Ecology and Environment.

- ❖ Non-provision in the budget to account for the transfer of NCCF grants from Consolidated Fund to Public Account was the reason for excess over provision under Grant No.14 – Revenue.

2.3.9 New service/New instrument of service

Article 205 of the Constitution provides that expenditure on a ‘New Service’ not contemplated in the Annual Financial Statement (Budget) can be incurred only after its specific authorisation by the Legislature. The Government issued orders based on recommendations of Public Accounts Committee laying down various criteria for determining items of ‘New Service/New Instrument of Service’. These, *inter alia*, stipulate that the expenditure over the grant/appropriation exceeding twice the provision or Rupees one crore, whichever is more, should be treated as an item of ‘New Service’.

In 33 cases involving 11 grants, expenditure totaling ₹ 1,881.19 crore which should have been treated as ‘New Service/New Instrument of Service’ was incurred without the approval of the Legislature (**Appendix 2.7**).

Supplementary provision

Supplementary provision (₹ 11,978.34 crore) made during the year constituted 19 *per cent* of the original provision (₹ 64,421.63 crore) which is more than the previous year.

2.3.10 Unnecessary supplementary provision

Supplementary provision of ₹ 192.96 crore made under 54 detailed / object heads relating to 10 out of 14 test checked grants proved unnecessary (**Appendix 2.8**).

2.3.11 Excessive supplementary provision

Supplementary grant of ₹ 417.30 crore obtained under 62 detailed heads relating to 11 out of 14 test checked grants proved excessive resulting in unutilised provision of ₹ 154.04 crore (**Appendix 2.9**).

2.3.12 Inadequate supplementary provision

Supplementary provision of ₹ 300.45 crore obtained under 29 detailed heads relating to eight out of 14 test checked grants proved insufficient leaving uncovered excess expenditure of ₹ 208.43 crore. (**Appendix 2.10**).

Reappropriation of funds

A grant or appropriation for disbursements is distributed by sub-head / detailed head / object head under which it is accounted for. The competent executive authority may approve reappropriation of funds between the primary units of appropriation within a grant or appropriation before the close of the financial year to which such grant or appropriation relates. Reappropriation of funds should be made only when it is known or anticipated that the appropriation for the unit from

which funds are to be transferred will not be utilised in full or will result in unspent provision in the unit of appropriation.

2.3.13 Injudicious reappropriation of funds

In 62 cases, reappropriation of funds was made injudiciously resulting either in un-utilised provision or excess over provision of more than ₹ 25 lakh in each case (**Appendix 2.11**).

- In six cases, additional funds of ₹ 16.79 crore provided through reappropriation proved insufficient as the final expenditure exceeded the provision by ₹ 4.57 crore.
- In 33 cases, the unutilised provision was not properly assessed as even after the withdrawal of ₹ 269.09 crore through reappropriation, ₹ 1,407.11 crore remained unutilised.
- In 21 cases, additional funds of ₹ 481.90 crore provided by reappropriation resulted in overall unutilised provision of ₹ 52.93 crore and the reappropriation made was unnecessary.
- In two cases, withdrawal of ₹ 18.46 crore through reappropriation resulted in final expenditure exceeding the net provision by ₹ 2.96 crore.

2.3.14 Defective reappropriation

During 2009-10, 350 reappropriation orders for an amount of ₹ 2,305.45 crore were issued of which, 31 reappropriation orders for ₹ 45.30 crore were not considered in accounts. These orders were found either exceeding the power of sanction or not self balancing or not signed by the competent authority or the reappropriation was between different grants. (**Appendix 2.12**).

Surrender of unspent provision

Spending departments are required to surrender the grants/appropriations or a portion thereof to the Finance Department as and when the unspent provision is anticipated.

2.3.15 Unspent provision not surrendered

In the case of nine grants/appropriations, the entire unspent provision aggregating ₹ 846.40 crore was not surrendered (**Appendix 2.13**).

Further, in the case of 25 other grants/appropriations, there was only partial surrender and around 28 *per cent* (₹ 2,538.04 crore) of the total unspent provision (₹ 9,149.13 crore) was not surrendered. Details are given in **Appendix 2.14**. Besides, in 26 grants where surrender of funds was in excess of ₹ one crore, ₹ 1,961.16 crore were surrendered on the last two working days of financial year indicating inadequate financial control (**Appendix 2.15**).

2.3.16 Substantial surrenders

Out of the total provision of ₹ 2,062.40 crore in 50 cases, ₹ 1,849.16 crore (90 per cent) were surrendered, which included cent per cent surrender in 13 cases (₹ 1,440.99 crore). Illustrative cases are given in **Appendix 2.16**. These surrenders were stated to be due to non-receipt or late receipt of sanctions from Government, non-receipt of claims/bills, non-finalization of contracts, economy measures etc.

2.3.17 Rush of expenditure

The financial rules require that expenditure should be evenly distributed throughout the year. The rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial rules. Contrary to the financial rules, in 17 cases listed in **Appendix 2.17**, the expenditure during the last month ranged between 26 and 89 per cent of the total expenditure during the year.

2.4 Contingency Fund

The Contingency Fund of the State has been established under the Contingency Fund Act, 1957 in terms of provisions of Articles 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 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 ₹ 80 crore.

During 2009-10, 12 sanctions aggregating ₹ 39.53 crore were issued. A review of the operations of the Contingency Fund disclosed the following;

- ❖ One sanction involving an amount of ₹ 2.14 crore issued in December 2009 was not acted upon.
- ❖ In four other cases, sanction was issued for ₹ 2.99 crore against which amount withdrawn was ₹ 1.64 crore. The amount drawn in these cases was 20 to 68 per cent of the amount sanctioned as detailed in **Table 2.5**.

Table 2.5: Contingency Fund sanctions not fully utilised

Sl. No.	Head of account	Reference to sanction	Amount		Utilisation (Per cent)
			Sanctioned	Drawn	
1	2406-Forest and Wildlife	FD 11 CF 2009 dated 22-09-2009	0.25	0.05	20
2	3456-Civil Supplies	FD 02 CF 2010 dated 12-01-2010	0.28	0.14	50
3	2052-Secretariat General Services	FD 04 BCF 2010 dated 08-01-2010	0.50	0.11	22
4	2403- Animal Husbandry	FD 06 BCF 2010 dated 04-03-2010	1.96	1.34	68

2.5 Errors in budgeting

Errors in budgeting of ₹ 22.27 crore due to classification under voted instead of charged category (one case) and obtaining supplementary provision under the grant other than the grant under which original provision was made (three cases) were noticed. Further, there were three cases of error in budgeting involving an amount of ₹ 225.88 crore due to not taking into account the correction slips to 'List of Major and Minor head' (**Appendix 2.18**).

2.6 Outcome of review of selected grants

A review of budgetary procedures followed and expenditure controls exercised in respect of two grants viz, Agriculture and Horticulture and Commerce and Industries revealed the following.

2.6.1 No expenditure against budget provision

Rule 108 of the Karnataka Budget Manual (KBM) requires that the budget estimates should be as close and accurate as possible and the provision to be included in respect of each item should be based on what is expected to be paid or spent during the year. However, the budget provision proved unnecessary as no expenditure was incurred against the provision made in the cases detailed in **Table 2.6**.

Table 2.6: No expenditure against budget provision

(₹ in crore)		
Grant	Head of Account	Budget Provision
01 Agriculture and Horticulture	2401-796-2-00-423-Tribal Sub Plan	5.00
	2401-1-44-059- Other Expenses	0.10
	2401-00-2- 422-Spl Component Plan	10.83
	2401-0-2- 423 Tribal Sub Plan	4.17
	2401-00-196-1-01-300 Lump sum provision to ZP	0.47
	2402 -00 -198-1- 01-Block Grant	
	-404	0.10
	-406	0.15
	-413	0.30
	-418	0.41
	-420	0.41
	-451	0.30
	- 466	0.25
	- 452	0.03
		2415-01-277-0-01-101 Grants In Aid
	TOTAL GRANT NO. 01	32.51
18 Commerce and Industries	2852-08-201-0-07-423-Tribal Sub Plan	3.24
	2852-08-202-1-05-243- Interest on Capital	0.18
	TOTAL GRANT NO. 18	3.42

2.6.2 Excess expenditure over provision

According to Rule 229 of KBM, the authority administering a grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned grant or appropriation. There were, however, cases of expenditure incurred in excess of provision ranging from 13 to 150 *per cent* indicating unrealistic budget proposals as detailed in **Table 2.7**.

Table 2.7: Excess expenditure against budget provision

(₹ in crore)					
Grant	Head of Account	Budget Provision	Expenditure incurred	Excess	Percent of excess
01 Agriculture and Horticulture	2402 – 00 – 198 – 1				
	- 407 Mysore	0.20	0.50	0.30	150
	-412 Mandya	0.25	0.45	0.20	80
	- 463 Haveri	0.25	0.38	0.13	53
	2415 – 01– 277 – 0 – 01				
	- 101 Grants In Aid (Plan)	77.64	87.64	10.00	13
	2415 – 80 – 004 – 3 - 01				
	- 101 Grants In Aid (Plan)	7.70	10.70	3.00	39
TOTAL GRANT NO. 01		85.59	98.72	13.13	15
18 Commerce and Industries	2851-102-051 General expenses (plan)	1.14	1.45	0.31	27
	2851- 00-102 -14 -003				
	Pay staff	2.29	3.00	0.71	31
TOTAL GRANT NO. 18		3.43	4.45	1.02	30

2.6.3 Huge unspent provision

According to Rule 83 of KBM, the estimates should be framed after a careful and thorough consideration of all items of expenditure and of all sources of income, so that they may neither be inflated nor under pitched and are as accurate as possible. There were, however, unspent provision ranging between 21 and 88 *per cent* of the budget provision as detailed in **Appendix 2.19**.

2.6.4 Injudicious supplementary provision

In the following heads of account, huge supplementary provision was sought during the year. However, at the end of 2009-10 huge amounts remained unspent indicating injudicious supplementary provision as detailed in **Table 2.8**.

Table 2.8: Injudicious supplementary provision

(₹ in crore)

Grant	Head of Account	Budget original	Supplementary Reappropriation / surrender(-)	Total Budget	Expenditure	Unspent provision	Per cent
01 Agriculture and Horticulture	2401-00-108-30-059 -Other expenses	10.00	15.00	25.00	15.57	9.43	38
	2401-00-108-35-100 - Financial Assistance	3.00	3.32 (-)0.29	6.03	4.83	1.20	20
	2401-00-2-05-422 -Special Component Plan	11.85	(-) 0.05	11.80	8.84	2.96	25
	2401-800-1-10-422 -Special Component Plan	83.87	(-)0.24	83.63	48.63	35.00	42
	TOTAL GRANT NO.01	108.72	17.75	126.46	77.87	48.59	38
18 Commerce and Industries	2851-00-102-0-14-071 -Building expenses (NP)	0.44	0.19	0.63	0.20	0.43	68
	2851-00-102-68-100 -Financial Assistance	48.47	(-)3.88	44.59	28.97	15.62	35
	2851-00-102-69-059 -Other expenses (Plan)	7.68	5.28	12.96	9.85	3.11	24
	TOTAL GRANT NO.18	56.59	1.59	58.18	39.02	19.15	33

2.6.5 Huge surrenders indicating unrealistic budget estimates

In cases detailed in **Table 2.9**, there were huge surrenders which indicated that the original budget estimates were unrealistic.

Table 2.9: Huge surrenders indicating unrealistic budget estimates

(₹ in crore)

Grant	Head of Account	Original provision	Surrender	Total provision	Expenditure	Unspent provision	Per cent
01 Agriculture and Horticulture	2401-00-110-0-09-106 Subsidy for Crop Loan	250.00	210.00	40.00	40.00	Nil	84
	2401-00-800-1-44-106 -Subsidies (Plan)	19.90	10.02	9.88	9.39	0.49	50
	2401-00-800-1-53-059 -Other expenses	2.00	1.72	0.28	0.28	Nil	86
	2401-00-800-1-58-133 -Special Development Plan	40.00	18.92	21.08	21.08	Nil	47
	TOTAL GRANT NO.01	311.90	240.66	71.24	70.75	0.49	77

2.6.6 Rush of expenditure

Rule 56(3) of the General Financial Rules stipulate that the expenditure should be evenly spread in all the months of a financial year and rush of expenditure during the last quarter of the year should be avoided as far as possible.

Review of expenditure statement for the year 2009-10 revealed that huge expenditure between 34 and 100 *per cent* was incurred in the month of March 2010 compared to other months during the year as detailed in **Appendix 2.20**.

2.7 Conclusion

Against total provision of ₹ 76,399.97 crore during 2009-10, an expenditure of ₹ 65,437.25 crore was incurred. This resulted in an unspent provision of ₹ 10,962.72 crore (14 *per cent*). An excess expenditure of ₹ 915.42 crore incurred during 2009-10 and ₹ 8,574.19 crore relating to the period 1989-90 to 2008-09 required regularisation under Article 205 of the Constitution. Expenditure aggregating ₹ 1,881.19 crore in 33 cases which should have been treated as 'New Service/New instrument of service' was incurred without the approval of the Legislature. While, supplementary provision of ₹ 192.97 crore in 54 cases was unnecessary, reappropriation of funds in 62 cases was made injudiciously resulting in either unutilised provision or excess over provision. In 26 grants, ₹ 1,961.16 crore was surrendered in the last two working days of the financial year. Contingency Fund drawals sanctioned, were not utilised ranging from 20 to 68 *per cent*.

2.8 Recommendations

Budgetary control should be strengthened in all departments. Excessive /unnecessary supplementary and reappropriation of funds should be avoided. The reappropriation of funds at the close of the financial year also requires to be avoided. Excess of expenditure over the budget provisions for ₹ 8,574.19 crore needs to be regularized by the State Legislature. Contingency Fund should be sanctioned only to the extent required, so as to avoid non-drawal of the amount sanctioned.