

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 Act. 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 authorised 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 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 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.

2.1.3 As per the Maharashtra Budget Manual (Budget Manual), (chapter IX), the Finance Department (FD) is responsible for preparation of the annual budget by obtaining estimates from various Departments. The departmental estimates of receipts and expenditure are prepared by the Controlling Officers on the advice of the heads of Departments and submitted to the FD by prescribed dates. The FD scrutinises the estimates and prepares the Detailed Estimates called 'Demand for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actuals as possible. This demands the exercise of the utmost foresight both in estimating revenue and anticipating expenditure. An avoidable extra provision in an estimate is as much a budgetary irregularity as an excess in the sanctioned expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither larger nor smaller. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees *etc.*

Deficiencies in preparation of the budget, management of expenditure and violation of the provisions of the Budget Manual noticed in audit have been discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2012-13 against 247 grants/appropriations is as given in **Table 2.1**.

Financial Management and Budgetary Control

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

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grants/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	119338.14	14891.87	134230.01	121536.84	(-)12693.17
	II Capital	26562.61	1156.80	27719.41	20777.68	(-) 6941.73
	III Loans and Advances	1508.87	195.40	1704.27	1415.94	(-) 288.33
Total Voted		147409.62	16244.07	163653.69	143730.46	(-) 19923.23
Charged	IV Revenue	21007.09	890.07	21897.16	21621.48	(-) 275.68
	V Capital	2.09	3.28	5.37	4.85	(-) 0.52
	VI Public Debt- Repayment	9597.92	0.54	9598.46	7044.02	(-) 2554.44
Total Charged		30607.10	893.89	31500.99	28670.35	(-) 2830.64
Appropriation to Contingency Fund		875.00	...	875.00	875.00	...
Grand Total		178891.72	17137.96	196029.68	173275.81	(-)22753.87

Source: Appropriation Accounts

Note: The expenditure excludes the recoveries adjusted as reduction of expenditure under revenue expenditure ₹ 4,422.35 crore and capital expenditure ₹ 3,384.55 crore as detailed in Appendix II of Appropriation Accounts

Supplementary provisions of ₹ 17,137.96 crore obtained during the year constituted 9.58 per cent of the original provision as against 8.84 per cent in the previous year.

The overall savings of ₹ 22,753.87 crore was the result of savings of ₹ 23,758.04 crore in 129 grants and 58 appropriations under the revenue section, 86 grants and 12 appropriations under the capital section, offset by excess of ₹ 1,004.16 crore in 33 grants and five appropriations.

As may be seen from **Table 2.1**, against the original provision of ₹ 1,78,891.72 crore, expenditure of only ₹ 1,73,275.81 crore was incurred, thereby requiring no supplementary funds. The actual savings of ₹ 22,753.87 crore includes 100 per cent of the supplementary budget of ₹ 17,137.96 crore and three per cent of the original provision, which clearly indicates inaccurate estimation of funds and lack of control mechanism. Cases where supplementary provisions proved unnecessary as the expenditure did not come up to the level of the original provisions are discussed in **Paragraph 2.3.6**.

The savings and excesses were intimated by the offices of the Accountants General (Accounts and Entitlements)⁴⁷ regularly to the Controlling Officers through monthly reports on expenditure. They also took up the matter after closure of the preliminary and final accounts in May and June 2013, requesting the Controlling Officers to explain the reasons for the significant variations, but no explanation was received (November 2013).

⁴⁷ Pr Accountant General (Accounts and Entitlements), Mumbai and Accountant General (Accounts and Entitlements), Nagpur

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation *vis-à-vis* allocative priorities

Appropriation Accounts revealed that savings in 42 cases exceeded ₹ 10 crore in each case and were more than 20 *per cent* of the respective budget provisions (Appendix 2.1). Out of the total savings of ₹ 22,753.87 crore, savings of ₹ 19,057.98 crore (84 *per cent*) occurred in 32 cases relating to 30 grants and two appropriations. The savings in these cases exceeded ₹ 100 crore in each case as detailed in Appendix 2.2.

Grants having saving of more than ₹ 1,000 crore are detailed below:

2.3.1.1 Grant Number “E-2 General Education”

Against the total provision of ₹ 29,089.99 crore, expenditure (₹ 27,997.85 crore) under the grant was well within the original provision of ₹ 28,332.21 crore. Thus, the supplementary provision (₹ 757.78 crore) proved unnecessary since the expenditure did not even come up to the original provision.

2.3.1.2 Grant Number “F-2 Urban Development Other Advance Services”

The grant closed with a saving of ₹ 1,609.44 crore. The savings mainly occurred due to surrender/ re-appropriation of grants in sub head 191(00)(48), 192(00)(67) and 191(00)(54) under the Major Head 2217. The reasons attributed for the savings were the revised estimates approved by the FD and non receipt of Central share.

2.3.1.3 Grant Number “G-2 Other Fiscal and Miscellaneous Services”

The grant closed with total savings of ₹ 2,200.97 crore. Under the Major Head 2075 Miscellaneous General Services, 103(00)(01) Directorate of Lotteries-Main Lottery, an amount of ₹ 89.28 crore was surrendered. Declaration of award of big prize money to tickets unsold in the conventional lottery Scheme and no demand for bumper draw of lottery, less sale of lottery tickets of conventional lottery and prizes declared in unsold tickets, less expenditure than anticipated and pending renewal for rental contracts were the reasons attributed for the surrender of the amount. The reasons for making budget estimate and surrendering the amounts at the end of the financial year continuously for the last six years from 2007-08 to 2012-13 had not been intimated (November 2013).

Further, the entire budget provision of ₹ 320 crore provided under the Major Head 2075 – Miscellaneous General Services, 800(00)(01) Lump sum provision for grants payable to local bodies as per recommendation of the State Finance Commission was surrendered in March 2013 due to pending decision in respect of grants payable to local bodies by the Government. This was the 15th successive year in which the entire budget provision was surrendered in the month of March. Reasons for making such huge budget provision continuously for the last 15 years had not been intimated (November 2013). The same has been commented upon in the Report on State Finances since 2008-09, but the irregularity still persists.

2.3.1.4 Grant Number “O-10 Capital Outlay on Other Rural Development Programmes”

The grant closed with a saving of ₹ 2,156.94 crore. The savings mainly occurred due to surrender of grants under the Major Head 4515-Capital Outlay on Other Rural Development Programmes, 102(00)(01)-MLA/MLC’s Local Development Programme due to non-availability of land, non-completion of construction of auditorium and other works on account of water scarcity and non-receipt of proposals within stipulated time from MLA’s of Chandgad, Chandrapur, Latur, Nashik, Solapur and Thane districts. Similarly, in sub head 102(00)(02) funds were withdrawn by surrender/re-appropriation in March 2013 as the FD did not release funds for proposals received from district agencies as they were incomplete.

Further, the entire provision kept as lump provision under 800 (01)(01) under the Major Head 4515 were surrendered as funds were distributed to the respective administrative Departments through supplementary grants.

2.3.2 Persistent savings

In seven cases, during the last five years, there were persistent savings of more than ₹ 100 crore in each case, as shown in **Appendix 2.3**.

The persistent savings indicated that the budgetary controls in the Departments were not effective and previous years’ trends were not taken into account while allocating the funds for the year. A detailed analysis of this aspect in the selected grants is included in **Paragraph 2.4.3**.

2.3.3 Excess expenditure

During 2012-13, excess expenditure was incurred in 39 grants/appropriations aggregating ₹ 1,004.16 crore over the grants/appropriations authorized by the State Legislature. The excess expenditure requires regularisation under Article 205 of the Constitution. The details are given in **Appendix 2.4**.

2.3.4 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 discussions on the Appropriation Accounts by the Public Accounts Committee. However, the excess expenditure amounting to ₹ 7,389.85 crore in respect of 170 grants and 49 appropriations for the period from 2006-07 to 2011-12 was yet to be regularised as detailed in **Appendix 2.5**.

2.3.5 Expenditure without provisions

As per the Budget Manual, no expenditure is to be incurred on a Scheme/ service without provision of funds. It was, however, noticed that expenditure of ₹ 72.66 crore was incurred in 23 cases as detailed in **Appendix 2.6** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect. The reasons for incurring expenditure without budget provision had not been intimated by the various administrative Departments (November 2013).

In 13 cases⁴⁸ out of the 23 cases, it was observed that the entire provision of ₹ 717.22 crore was reduced to 'Nil' through re-appropriation. The decision proved injudicious in view of excess expenditure of ₹ 64.69 crore under various heads. A detailed analysis of this aspect in the selected grant is included in **Paragraph 2.4.4**.

2.3.6 Unnecessary/excessive/inadequate supplementary provisions

A supplementary grant or appropriation is an addition to the original authorized grant or appropriation. Para 170 of the Budget Manual specifies that great care should be taken in submitting proposals for supplementary appropriations, as the procedure for obtaining them involves considerable labour. After the close of the financial year, the supplementary appropriations found to be unnecessary or excessive will be commented as an irregularity in the Appropriation Accounts. Supplementary provisions aggregating ₹ 3,797.61 crore obtained in 70 cases involving ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the original provision as detailed in **Appendix 2.7**. A detailed analysis of this aspect in the selected grant is included in **Paragraph 2.4.5**.

In 14 cases, supplementary provision totalling ₹ 4,091.82 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate uncovered excess expenditure of ₹ 944.10 crore (**Appendix 2.8**).

2.3.7 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. Re-appropriation proved injudicious in view of excessive surrenders or insufficient augmentation and resulted in savings/excesses of ₹ one crore and above in 75 sub-heads as detailed in **Appendix 2.9**. In 11⁴⁹ cases, reduction of provisions through re-appropriation proved injudicious as the excess expenditure was more than the provisions reduced through re-appropriation. Similarly, in nine⁵⁰ cases, the re-appropriation of funds proved excessive as the savings were more than the funds provided through re-appropriation. A detailed analysis of this aspect in the selected grant is included in **Paragraph 2.4.6**.

2.3.8 Unexplained re-appropriations

According to Para 165 of the Budget Manual, the orders sanctioning re-appropriation of funds of ₹ 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, during scrutiny of re-appropriation orders issued by the administrative Departments, it was revealed that the reasons given for additional provision/withdrawal of provision in re-appropriation in respect of 192 (6.31 *per cent*) out of 3,041 items commented in the Appropriation Accounts were of general nature such as 'actual requirement', 'revised estimates, release of 90 *per cent* grants by the FD' *etc.* Besides, in 407 items (13.38 *per cent*), no specific reasons for

⁴⁸ Sr.Nos. 2,4,5,6, 14,16 to 23 of **Appendix 2.6**

⁴⁹ Sr.Nos. 11,27,36,37,48,50,51,52,70,72 and 74 of **Appendix 2.9**

⁵⁰ Sr.Nos. 3,13,25,54,61,64,69,73 and 75 of **Appendix 2.9**

Financial Management and Budgetary Control

additional provision/withdrawal of provision were furnished. This also goes against the principle of transparency stipulated in Section 6 of the Maharashtra Fiscal Responsibility and Budgetary Management Act.

2.3.9 Surrender in excess of actual savings/unnecessary surrenders

In 32 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 in these Departments. As against savings of ₹ 8,168.15 crore, the amount surrendered was ₹ 9,283.36 crore, resulting in excess surrender of ₹ 1,115.21 crore. Details are given in **Appendix 2.10**.

In 29 cases, it was noticed that a total amount of ₹ 79.00 crore was surrendered though excess expenditure of ₹ 979.12 crore was incurred under these grants. Instead of surrendering, the amounts should have been re-appropriated to the heads where excess expenditure was incurred. This indicated lack of proper budgetary control. Details are given in **Table 2.2**.

Table 2.2: Surrender of grants in cases of excess expenditure

(₹ in crore)

Grant number	Name of the grant/appropriation	Total grant	Excess	Amount surrendered
C-6	Relief on account of Natural Calamities	4284.25	812.36	62.51
G-3	Other Fiscal and Miscellaneous Services	18248.59	65.27	8.33
H-3	Housing	465.27	3.54	0.47
O-14	District Plan-Mumbai City (Revenue Section)	44.03	3.88	0.52
O-18	District Plan-Ratnagiri (Revenue Section)	89.82	1.76	0.14
O-20	District Plan-Pune (Revenue Section)	203.41	8.07	0.20
O-21	District Plan-Satara (Revenue Section)	131.80	3.70	0.0001
O-22	District Plan-Sangli (Capital Section)	40.08	5.46	0.0002
O-23	District Plan-Solapur (Capital Section)	52.61	4.62	0.0006
O-24	District Plan-Kolhapur (Capital Section)	57.65	5.47	0.0012
O-25	District Plan-Nashik (Capital Section)	63.32	9.93	0.0003
O-26	District Plan-Dhule (Revenue Section)	78.85	0.57	0.0009
O-27	District Plan-Jalgaon (Capital Section)	63.18	0.80	0.04
O-28	District Plan-Ahmednagar (Capital Section)	50.55	4.98	0.0001
O-30	District Plan-Aurangabad (Revenue Section)	131.31	1.11	0.01
O-30	District Plan-Aurangabad (Capital Section)	33.69	1.10	1.11
O-32	District Plan-Parbhani (Revenue Section)	66.92	0.0069	0.0010
O-34	District Plan-Beed (Revenue Section)	110.22	3.91	1.23
O-35	District Plan-Latur (Revenue Section)	102.80	0.91	0.0013
O-36	District Plan-Osmanabad (Revenue Section)	85.43	1.33	0.0009
O-37	District Plan-Hingoli (Capital Section)	19.74	0.68	0.01
O-38	District Plan-Nagpur (Revenue Section)	119.26	2.03	0.18
O-40	District Plan-Bhandara (Revenue Section)	59.48	0.73	0.0010
O-41	District Plan-Chandrapur (Revenue Section)	80.10	4.28	0.06
O-43	District Plan-Gondiya (Capital Section)	15.33	0.76	0.30
O-46	District Plan-Yavatmal (Revenue Section)	1.30	5.34	0.24
O-47	District Plan-Buldhana (Revenue Section)	104.02	1.20	1.15
W-1	Interest Payments	109.42	25.27	2.38
X-2	Secretariat-Social Services	2.62	0.05	0.11
	TOTAL	24914.78	979.1169 <i>i.e. 979.12</i>	78.9976 <i>i.e. 79.00</i>

Source: Appropriation Accounts

2.3.10 Anticipated savings not surrendered

As per Para 173 of the Budget Manual, spending Departments are required to surrender grants/appropriations or portions thereof to the FD as and when savings are anticipated. Further, surrender of funds should be done as soon as these are foreseen without waiting for the end of the financial year, to enable the FD to utilise the funds on other Schemes.

At the close of the year 2012-13 no part of the savings, which occurred in 23 cases (₹ 442.11 crore), had been surrendered by the Departments concerned (**Appendix 2.11**). Similarly, out of total savings of ₹ 7,722.41 crore under 36 other grants/appropriations, with savings of ₹ one crore and above in each grant/appropriation, ₹ 7,275.91 crore only were surrendered, leaving a balance of ₹ 446.50 crore (six per cent of total savings) which were not surrendered at all (**Appendix 2.12**).

Besides, in 87 cases, savings in excess of ₹ 10 crore, aggregating ₹ 17,712.85 crore (**Appendix 2.13**) were surrendered on the last two working days of March 2013, indicating inadequate financial control as well as non-utilisation of these funds for other development purposes.

2.3.11 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 107 sub-heads, expenditure exceeding ₹ 10 crore and also more than 50 per cent of the total expenditure for the year was incurred in March 2013. **Table 2.3** presents 27 major heads where 53 to 100 per cent expenditure was incurred during the last quarter. In all these major heads, expenditure incurred in March 2013 was also to the extent of 51 to 100 per cent.

Table 2.3: Rush of expenditure during the last quarter and last month of 2012-13

(₹ in crore)

Sr. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2013	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2059 Public Works	14.37	14.37	100.00	14.28	99.37
2	2070 Other Administrative Services	0.15	0.15	100.00	0.15	100.00
3	2075 Miscellaneous General Services	177.14	99.34	56.08	98.87	55.81
4	2202 General Education	0.28	0.19	67.86	0.15	53.57
5	2203 Technical Education	1.46	1.26	86.30	0.97	66.44
6	2204 Sports and Youth Services	258.75	158.16	61.12	131.27	50.73
7	2210 Medical and Public Health	3.22	2.90	90.06	2.19	68.01
8	2216 Housing	468.81	295.45	63.02	278.40	59.38
9	2230 Labour and Employment	1.99	1.95	97.99	1.63	81.91
10	2235 Social Security and Welfare	0.96	0.63	65.63	0.52	54.17
11	2245 Relief on account of Natural Calamities	5096.77	3483.54	68.35	3199.27	62.77
12	2403 Animal Husbandry	2.20	2.19	99.55	1.90	86.36
13	2405 Fisheries	1.20	1.18	98.33	0.96	80.00
14	3051 Ports and Light Houses	1.05	0.99	94.29	0.99	94.29

Financial Management and Budgetary Control

(1)	(2)	(3)	(4)	(5)	(6)	(7)
15	4217 Capital Outlay on Urban Development	170.63	162.97	95.51	157.97	92.58
16	4236 Capital Outlay on Nutrition	60.00	60.00	100.00	60.00	100.00
17	4250 Capital Outlay on Other Social Services	6.41	5.05	78.78	4.51	70.36
18	4402 Capital Outlay on Soil and Water Conservation	748.87	470.02	62.76	382.09	51.02
19	4425 Capital Outlay on Co-operation	159.62	84.97	53.23	84.96	53.23
20	4701 Capital Outlay on Major and Medium Irrigation	81.27	81.18	99.89	80.82	99.45
21	4711 Capital Outlay on Flood Control Projects	23.39	22.11	94.53	21.56	92.18
22	5452 Capital Outlay on Tourism	0.40	0.40	100.00	0.40	100.00
23	6003 Internal Debt of the State Government	116.78	76.02	65.10	76.02	65.10
24	6217 Loans for Urban Development	47.03	44.93	95.53	38.59	82.05
25	6401 Loans for Crop Husbandry	4.59	4.59	100.00	4.59	100.00
26	7475 Loans for Other General Economic Services	179.02	179.02	100.00	179.02	100.00
27	7610 Loans to Government Servants etc.	77.58	54.10	69.73	50.25	64.77

Source: Appropriation Accounts, Monthly Civil Accounts for March 2013, Information from Pr. Accountant General (Accounts and Entitlements)-I and Accountant General (Audit)-II, Nagpur

Uniform flow of expenditure is the primary requirement of proper budgetary control which is lacking in the major heads as shown in **Table 2.3**, indicating deficient financial management. A detailed analysis of this aspect in the selected grant is included in **Paragraph 2.4.7**.

2.4 Outcome of review of selected grants

Audit conducted (November 2013) a review of budgetary procedure and control over expenditure of two grants *i.e.* D-5 'Dairy Development' and H-6 'Public Works and Administrative and Functional Buildings'. Important points noticed during the audit are detailed in the following paragraphs:

2.4.1 Introduction

Grant No. D-5 consists of Major Head 2404- Dairy Development, which includes the budget provision for the Government Milk Schemes all over Maharashtra. Grant No. H-6 envisage the budget provision for office establishment, repairs and maintenances and minor works which covers nine Major Heads namely Public Works (2059), General Education (2202), Technical Education (2203), Art and Culture (2205), Medical and Public Health (2210), Urban Development (2217), Labour and Employment (2230), Animal Husbandry (2403) and Fisheries (2405). The major expenditure under this grant *i.e.* more than 90 *per cent* was booked under the Major Head '2059- Public Works' during the last three financial years 2010-11 to 2012-13.

The overall position of budget provisions, actual disbursements and savings under the grant for the last three years is shown in **Table 2.4**.

Financial Management and Budgetary Control

Table 2.4: Overview of grants D-5 and H-6

(₹ in crore)

Year	Total grant or Appropriation	Actual Expenditure	Savings	Percentage of saving
Grant No. D-5				
2010-11	721.70	512.88	208.82	28.93
2011-12	708.13	533.93	174.20	24.60
2012-13	662.91	620.10	42.81	6.46
Grant No. H-6				
2010-11	1728.15	1594.53	133.62	7.73
2011-12	1683.45	1566.53	116.92	6.95
2012-13	2154.09	1926.63	227.46	10.56

Source: Appropriation Accounts

2.4.2 Substantial savings under sub heads

As per Budget Manual, the budget estimates should be prepared with great care so that the budget estimates may neither be inflated nor under pitched.

Scrutiny of the Appropriation Accounts revealed that under Grant No. D-5 and Grant No. H-6, out of the total 189 and 115 sub-heads respectively commented on regarding savings occurred during the years 2010-11 to 2012-13, there were 12 such sub heads where savings was more than ₹ one crore as detailed in **Table 2.5**.

Table 2.5: Scheme wise savings of more than ₹ one crore

(₹ in crore)

Sr. No	Year	Sub Head	Total grant	Expenditure	Saving
Grant No. D-5					
1.	2010-11	2404-00-201(00)(03) Dairy Development, Greater Mumbai Milk Scheme, Greater Mumbai Milk Scheme-Processing	57.10	56.08	1.02
2.	2011-12	2404-00-201(00)(03) Dairy Development, Greater Mumbai Milk Scheme, Greater Mumbai Milk Scheme-Processing	57.60	55.52	2.08
Grant No. H-6					
3.	2010-11	2059-80-001 (15)(02) Public Works, Direction and Administration, Superintending Engineer, Public Works (PW) Circle, Pune Execution	50.04	47.47	2.57
4.	2010-11	2059-80-001(38)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Gadchiroli	18.44	9.25	9.19
5.	2011-12	2210-01-800(00)(02) Medical and Public Health, Urban Health Services-Allopathy, Other Expenditure, Director Of Medical Education And Research	1.70	0.65	1.05
6.	2011-12	2059-80-001 (17)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Kolhapur, Execution	38.26	36.99	1.27
7.	2011-12	2059-80-001 (29)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Osmanabad, Execution	53.87	51.05	2.82

Financial Management and Budgetary Control

Sr. No	Year	Sub Head	Total grant	Expenditure	Saving
8.	2012-13	2059-80-001 (02)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Mumbai, Execution	51.58	50.18	1.40
9.	2012-13	2059-80-001(03)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Thane, Execution	44.57	43.05	1.52
10.	2012-13	2059-80-001 (22)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Nasik Execution	47.66	45.13	2.53
11	2012-13	2059-80-001(21)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Ahmednagar, Execution	36.47	35.36	1.11
12.	2012-13	2059-80-001(18)(02) Public Works, General, Direction and Administration, Superintending Engineer, PW Circle, Solapur, Execution	29.98	28.19	1.79

Source: Appropriation Accounts

During test check of records of the Dairy Development Commissioner, it was noticed that in the year 2010-11, the Greater Mumbai Milk Scheme – Processing incurred expenditure of ₹ 56.08 crore as against the total grant of ₹ 57.10 crore thus there was a net saving of ₹ 1.02 crore. Similarly, in the year 2011-12, under the same Scheme expenditure of ₹ 55.52 crore was incurred as against the total grant of ₹ 57.60 crore incurring a net saving of ₹ 2.08 crore.

The Department stated (November 2013) that the saving was due to reporting of expenditure without considering the reduction of expenditure through oversight.

While test check of records of the office of Superintending Engineer (SE), PW Circle, Nasik, revealed that the circle office incurred the expenditure of ₹ 45.13 crore as against the total grant of ₹ 47.66 crore resulting in savings of ₹ 2.53 crore. Similarly during the test check of records of the SE, PW Circle, Solapur, it was noticed that the circle office incurred the expenditure of ₹ 28.19 crore as against the total grant of ₹ 29.98 crore with a savings of ₹ 1.79 crore.

The SE, PW Circle, Nasik stated (August 2013) that due to retirement of large number of officials during the year 2012-13, there was a savings under the head. The SE, PW Circle, Solapur attributed (August 2013) the reason to non-filling of vacant posts, non passing of bills of arrears of sixth pay commission and medical bills by treasuries.

Substantial savings indicated that expenditure could not be incurred as estimated and there was lack of control over budget estimate and expenditure.

2.4.3 Persistent savings

As per Paragraph 158 of the Budget Manual, it is necessary for the controlling officer to examine the reasons underlying the savings and to exercise better control over expenditure in future and thus prevent over budgeting.

During the period from 2010-13 persistent savings were noticed as detailed in **Table 2.6.**

Table 2.6: Scheme wise persistent savings

(₹ in crore)

Sr. No.	Description	Year	Total grant	Expenditure	Saving	Total Saving
Grant No. D-5						
1.	2404-00-201(00)(02) Dairy Development, Greater Mumbai Milk Scheme, Greater Mumbai Milk Scheme- Procurement	2010-2011	93.01	93.01	--(Saving of only ₹ 1000)	0.72
		2011-2012	71.06	70.86	0.20	
		2012-2013	52.65	52.13	0.52	
2.	2404-00-201(00)(03) Dairy Development, Greater Mumbai Milk Scheme, Greater Mumbai Milk Scheme- Processing	2010-2011	57.10	56.08	1.02	3.90
		2011-2012	57.60	55.52	2.08	
		2012-2013	59.33	58.53	0.80	
3.	2404-00-201(00)(04) Dairy Development, Greater Mumbai Milk Scheme, Greater Mumbai Milk Scheme- Distribution	2010-2011	23.08	22.73	0.35	1.55
		2011-2012	22.25	21.47	0.78	
		2012-2013	22.10	21.68	0.42	
Grant No. H-6						
4.	2059-80-001 (18)(02) Public Works, General, Direction and Administration, Superintending Engineer, Public Works Circle, Solapur- Execution	2010-2011	25.10	24.23	0.87	3.89
		2011-2012	28.05	26.82	1.23	
		2012-2013	29.98	28.19	1.79	
5.	2059-80-001 (17)(02) Public Works, General, Direction and Administration, Superintending Engineer, Public Works Circle, Kolhapur	2010-2011	35.43	35.06	0.37	1.75
		2011-2012	38.26	36.99	1.27	
		2012-2013	41.20	41.19	0.01	
6.	2059-80-001 (13)(02) Public Works, General, Director and Administration, Superintending Engineer, Spl. Pro. Circle, Aurangabad Execution	2010-2011	10.05	9.87	0.18	0.86
		2011-2012	11.18	10.61	0.57	
		2012-2013	10.99	10.88	0.11	
7.	2059-80-001 (55)(01) Public Works, General, Director and Administration, Architecture	2010-2011	3.74	3.64	0.10	0.40
		2011-2012	4.12	3.94	0.18	
		2012-2013	4.29	4.17	0.12	
8.	2210-800 -01(00)(04) Medical and Public Health, Urban Health Services - Allopathy, Other Expenditure, Buildings, Minor Work Financed from Discretionary Grants, Joint Director of Health Service (Medical), Mumbai	2010-2011	0.90	0.77	0.13	0.36
		2011-2012	0.85	0.79	0.06	
		2012-2013	1.60	1.43	0.17	

Source: Appropriation Accounts

Financial Management and Budgetary Control

The Superintending Engineer, PW Circle, Solapur stated (August 2013) that due to non filling of vacant posts, non-passing of bills of arrears of sixth pay commission and medical bills by treasuries, savings occurred.

Reply is not acceptable as persistent savings indicated that the process of preparation of budget estimates were unrealistic and there was lack of financial control by the Controlling Officers.

2.4.4 Expenditure without provision

As per the Paragraph 159 of the Budget Manual, no expenditure was to be incurred on a Scheme/service without provision of funds. It was, however noticed in the Appropriation Account for the year 2012-13, in respect of Grant No. H-6, under the sub head "2059-80-052 - Public Works, General, Machinery and Equipment, State Sector, Purposive Grants to Zilla Parishads under Section 182 of the Maharashtra Zilla Parishads and Panchayat Samitis Act 1961, that an amount of ₹ 2.35 crore was incurred though no provision was made.

2.4.5 Unnecessary supplementary provision

Para 170 of the Budget Manual specifies that great care should be taken in submitting proposals for supplementary appropriations, as the procedure for obtaining them involves considerable labour.

In respect of Grant No. D-5, improper estimation of available funds under the grant before proposing for supplementary demand led to saving in the years 2010-11 and 2011-12 as detailed in **Table 2.7**.

Table 2.7: Overall position of Grant No. D 5 for 2010-11 and 2011-12

(₹ in crore)

Year	Original provision	Supplementary provision	Expenditure	Saving
2010-11	714.20	7.00	512.51	208.69
2011-12	702.63	5.00	533.43	174.20

Source: Appropriation Accounts

The Department stated (June 2013) that under Supplementary I for the year 2010-11, ₹ five crore for construction of security boundary wall at Aarey Milk Colony and in Supplementary II - ₹ two crore for establishment of Dairy Farm Park and under Supplementary I for the year 2011-12, ₹ five crore for repair works of Aarey Milk Colony, Worli and Kurla Dairy was obtained as there was no provision and which was necessary before arriving at the final saving under the grant.

The reply of the Department is not acceptable as the funds could have been made available through re-appropriation with proper estimation of available savings.

2.4.6 Unnecessary re-appropriation of funds

Paragraph 177 of the Budget Manual stipulates that savings remaining unsurrendered or unutilised and excess remaining uncovered by re-appropriation of savings or supplementary grants at the end of the year should not as a rule, occur and cannot be justified unless they are due to circumstances beyond the control of the departmental officers concerned.

Financial Management and Budgetary Control

On scrutiny of Appropriation Accounts it was noticed that unnecessary re-appropriation orders were issued resulting in excess expenditure as shown in **Table 2.8**.

Table 2.8: Unnecessary re-appropriation where excess expenditure was incurred

(₹ in crore)

Sr. No.	Year	Description of the Head of Account	Original grant	Amount re-appropriated	Total grant (4-5)	Actual Expen-diture	Excess Expen-diture (6-7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Grant No. D-5							
1.	2010-11	2404-00-204(00)(03) Dairy Development, Government Milk Scheme, Miraj, Government Milk Scheme-Miraj – Processing	10.50	(-)3.16	7.34	7.39	(+)0.05
2.	2010-11	2404-00-224(00)(02) Dairy Development, Government Milk Scheme, Parbhani, Government Milk Scheme, Parbhani-Procurement	6.87	(-)1.21	5.65	5.85	(+)0.20
3.	2011-12	2404-00-209(00)(02) Dairy Development, Government Milk Scheme, Dhule, Government Milk Scheme, Dhule-Procurement	7.16	(-)3.09	4.07	4.82	(+)0.76
4.	2012-13	2404-00-001(03)(03) Dairy Development, Direction and Administration, District Offices	10.42	(-)1.36	9.05	9.11	(+)0.06
5.	2012-13	2404-00-217(00)(02) Dairy Development, Government Milk Scheme, Khopoli, Raigad, Government Milk Scheme, Khopoli, Raigad-Procurement	10.45	(-)4.56	5.89	5.93	(+)0.05
Grant No. H-6							
6.	2012-13	2059-80-001(29) (02) Public Works, General, Direction and Administration, Superintending Engineer, Public Works Circle, Osmanabad Execution	66.16	(-)12.80	53.36	53.58	(+)0.22
7.	2012-13	2059-80-001 (43) (02) Public Works, General, Direction and Administration, Superintending Engineer, Pune Regional (Elect) Circle, Pune Execution	10.52	(-)1.41	9.11	9.85	(+)0.74
8.	2012-13	2059-80-001 (53) (01) Public Works, General, Direction and Administration, Direction, Public Works Department (Proper)	3.53	(-) 0.86	2.67	5.82	(+)3.15

Source: Appropriation Accounts

Reasons attributed by Department for re-appropriation of funds were (i) less expenditure on salaries, (ii) less procurement of milk and (iii) reduction of grant in revised estimates by FD.

Further, during test-check of records of office of the SE, PW Circle, Osmanabad, it was noticed that in sub head 2059-80-001(29) (02) there was excess expenditure of ₹ 0.22 crore. The SE, PW Circle, Osmanabad replied (August 2013) that the reasons for excess expenditure would be obtained from the division offices and the compliance thereof would be submitted shortly. The reply is awaited.

2.4.7 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 the provisions of the rule, it was noticed that under the Grant No. H-6, expenditure ranging from 64 *per cent* to 100 *per cent* was made in the month of March during the financial year 2012-13.

During test check of records in the office of Joint Director of Health Service (Medical), Mumbai it was noticed that under sub head 2210-800- 01(00)(04) the expenditure of ₹ 1.01 crore out of ₹ 1.41 crore (71.63 *per cent*) was incurred in the month of March 2013. The Joint Director of Health Service (Medical), Mumbai stated (August 2013) that Executive Engineers might have incurred more expenditure in the month of March.

Uniform flow of expenditure is the primary requirement of proper budgetary control which is lacking in the above sub heads, indicating deficient financial management by the Department.

2.4.8 Analysis of budget speech for the years 2010-11, 2011-12 and 2012-13

The Budget Speech presented for the years 2010-11, 2011-12 and 2012-13 by the Government of Maharashtra for the implementation of various Schemes was scrutinised with the actual budget allocation made. The discrepancies noticed thereof in the various Schemes are detailed as follows.

Grant No. D-5

A provision of ₹ 70 crore for fishing jetty and infrastructure facility programme at 30 places in five coastal districts of the state was made in the budget of 2010-11. These construction activities were to be completed by 2011-12. In the first phase, 19 projects were to be taken up. However, out of ₹ 20.61 crore provided for the said purpose during 2010-11, only ₹ 15.47 crore was expended and only two works were completed while 17 works were still in progress.

Thus, the facilities as promised in the budget speech could not be delivered in time, depriving the benefits intended to the beneficiaries.

For the year 2011-12, a provision of ₹ 20 crore for Contract Poultry Farming, was proposed as an ancillary activity for farmers to increase their income but expenditure of ₹ 1.80 crore was made as only two districts availed of this Scheme. The Department stated that response was received only in Kolhapur and Nasik districts.

Thus, though the Scheme was intended for the benefit of the farmers of the State, only two districts could take the benefit of the Scheme.

The Scheme for supply of milch animals and goat units was started from the year 2011-12 with 50 *per cent* subsidy for general category beneficiaries and 75 *per cent* subsidy for the Scheduled Caste and Scheduled Tribe beneficiaries. For this Scheme ₹ 35.65 crore was proposed in the year 2012-13.

Though the Scheme was to be implemented under the 11th Five Year Plan, the sanction to implement the Scheme was given by the State Government only in January 2013 under the 12th Five Year Plan. The actual expenditure incurred under the Scheme was ₹ 25.68 crore.

The sanction to implement the Scheme issued at the end of the financial year (January 2013) had resulted in non-achievement of the intended benefit to the beneficiaries and also the fund allocated could not be utilised fully.

2.5 Other observations

2.5.1 Fund lying outside Government account for more than five years.

It was observed from the records of the Commissioner of Police, Mumbai that ₹ 7.50 crore deposited with Maharashtra State Police Housing and Welfare Ltd (MSPHWCL) based on two sanctions ₹ two crore in March 2008 and ₹ 5.50 crore in July 2008 for construction of 140 quarters for police men at Wadibunder was lying unused as of June 2013. Though MSPHWCL accorded administrative approval of ₹ 15.77 crore for this work and awarded it a contractor in June 2010, the work could not be started due to non-settlement of lease renewal pending with Mumbai Port Trust (MbPT) from 1971.

Thus, lack of coordination among Home Department, MbPT and MSPHWCL resulted in blocking of ₹ 7.50 crore released in 2008. The objective of construction of quarters for police men was also not achieved.

2.5.2 Misclassification of loan recovery as revenue receipt.

Maharashtra Jeevan Pradhikaran (MJP) undertakes works/projects related to Water Supply on behalf of local bodies. For this purpose, MJP raised loans from Life Insurance Corporation (LIC) on behalf of ULBs. An amount of ₹ 296.50 crore was due (December 2009) to be paid to LIC. UDD in its ThFC guidelines (October 2010) decided to appropriate portion of ThFC grant due to the ULBs against which the loans are outstanding. In November 2011 State Government agreed for a one time settlement (OTS) of ₹ 190 crore for repayment of the loan to LIC. The details of the amount paid and recovered are shown in **Table 2.9**.

Table 2.9: Details of adjustment from ThFC grants against settlement of loans

(₹ in crore)

Sr. No.	Year	Amount paid to LIC (From ThFC grant)	OTS by State Govt	Major Head under which the Expenditure/ Receipt booked	Major Head under which the Expenditure/ Receipt should have booked
1	2010-11	65.47		2217	2217
2	2011-12		190	4215	6215
3	2011-12	55.54		0075	Deduct Debit 6215
4	2012-13	15.87		0075	Deduct Debit 6215
	Total	136.88	190		

Source: Information received from Directorate of Municipal Administration

From the above table it can be seen that:

- ₹ 136.88 crore has been appropriated from ThFC grants due to various ULBs against their outstanding loans for water supply projects.

Financial Management and Budgetary Control

- the OTS during the 2011-12 was incorrectly classified under the Major Head 4215-Capital Outlay on Water Supply and Sanitation instead of Major Head 6215 Loans to Water Supply and Sanitation contrary to the provisions of the note below Rule 30(1) of Government Accounting Rules 1990.
- the recovery made from ThFC grant during 2011-12 and 2012-13 amounting to ₹ 71.41 crore was also incorrectly classified under the receipt Major Head 0075 – Miscellaneous General Service, though it was not an actual receipt of State Government.
- Thus there was an overstatement of ₹ 190 crore under Capital outlay in 2011-12 and ₹ 71.41 crore under receipt head during 2011-12 and 2012-13.

2.6 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 character, 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 ₹ 150 crore, which was temporarily raised from time to time to ₹ 650 crore. The balance at the beginning of the year (2012-13) was ₹ 500 crore. During the year 2012-13, ₹ 9.62 crore drawn from contingency fund have not been recouped to the fund till the close of the year. The closing balance of the fund as on 31 March 2013 was ₹ 640.38 crore.

During 2012-13, 48 sanctions were issued for ₹ 1,107.08 crore, however, 29 sanctions for ₹ 307.30 crore were withdrawn from the Contingency Fund. A few illustrative cases listed in **Appendix 2.14** show that the character of expenditure for which the Departments obtained advances from Contingency Fund was foreseeable. Therefore, the drawal of funds from the Contingency Fund was irregular. A case scrutinized in detail is given below.

An advance of ₹ 22.15 crore was sanctioned in June 2012 from the Contingency Fund towards sanction for purchase of arms and ammunitions. Though Government of India in Ministry of Home Affairs allocated ₹ 22.15 crore during the year 2011-12 for the said purpose but GRs for drawal were issued only on the last day of the financial year *i.e.* on 31 March 2012 and expenditure could not be incurred and hence, the budget provision lapsed. As a result, Government had to resort to withdrawal from the contingency fund during 2012-13. Though the amount of ₹ 22.15 crore was recouped vide GR (November 2012), the utilisation of contingency fund was contrary to the provisions of the Budget Manual.

2.7 Misclassification of expenditure especially from grants in aid

It was noticed that during 2012-13, 'Grants-in-aid' of ₹ 744.02 crore (13 cases) and 'Subsidies' of ₹ 13.05 crore (one case), released by the State Government had been classified and booked under capital expenditure heads. Instead of revenue expenditure heads of accounts, resulting in overstatement of the revenue surplus by ₹ 757.07 crore.

2.8 Outcome of inspection of Treasuries

The major irregularities noticed during inspection of 33 district treasuries including 323 sub-treasuries in Maharashtra and the Pay and Accounts Office, Mumbai by the Principal Accountant General (Accounts and Entitlements), I, Maharashtra, Mumbai and the Accountant General (Accounts and Entitlements), II, Maharashtra, Nagpur during 2012-13 are brought out in the following paragraph:

2.8.1 Transfer of funds to Personal Deposit Accounts

As per Rule 495(b) of the Maharashtra Treasury Rules, 1968, (MTR) the Government is authorized to open Personal Deposit (PD) Accounts in order to deposit money by transferring funds from the Consolidated Fund for specific purposes. Generally, administrators⁵¹ are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Government accounts (Consolidated Fund). However, as on 31 March 2013, 6,242 PD Accounts showed a total balance of ₹ 6,529.40 crore, which was not transferred back to the Consolidated Fund as can be seen from **Table 2.10**.

Table 2.10: Status of the PD Accounts as on 31 March 2013

Sr.No	Particulars	Nos.	Amount involved (₹ in crore)
1.	PD Accounts existing at the beginning of the year 2012-13	6650	6533.47
2.	PD Accounts opened during the year 2012-13	59	1.05
3.	PD Accounts closed at the end of the year 2012-13	467	5.12
4.	PD Accounts existing at the close of the year 2012-13	6242	6529.40

Source: Finance Accounts

Apart from the opening and closing of PD Accounts (₹ 1.05 crore and ₹ 5.12 crore respectively), receipts (including receipts from sources other than Consolidated Fund of the State) of ₹ 14,735.01 crore and payments of ₹ 199.51 crore, had also taken place in PD Accounts during 2012-13. Out of ₹ 13,315.58 crore transferred to PD Accounts (Major Head 8443-106- Personal Deposits) during the year, ₹ 199.51 crore (1.50 per cent) were transferred in March 2013 alone.

The aggregate amount of the unspent balances in the accounts of the administrators was not readily ascertainable as such funds also included receipts from sources other than the Consolidated Fund of the State.

Out of 6,242 PD Accounts existing at the close of 2012-13, only 1,873 PD Accounts were reconciled by departmental officers with the Treasury offices/Accounting offices. As 30 per cent of the PD Accounts were reconciled during the year 2012-13 the internal control was weak in management of PD Accounts.

2.8.1.1 Irregular retention of Government revenue and expenditure outside the Consolidated Fund

As per Article 266 and 284 of the Constitution revenue receipts of the Government shall form part of the Consolidated Fund. In terms of Rule 488

⁵¹ Personal Deposit/Personal Ledger Account holders

Financial Management and Budgetary Control

of MTR, revenue receipts of the Government cannot be credited to deposit head when receipt head of account is known. Rule 50 of Accounting Rules of Treasuries, 1992 is in consonance with the above provisions.

The Government on the ground of making adequate funds available to the Hospitals, authorized (November 1999 and December 2008), the heads of Government Hospitals under their control to open Personal Ledger Accounts (PLAs) in their names for keeping the fees received from the patients and utilisation of the same for repair and maintenance of hospital buildings, vehicle, machinery and equipments, purchase of life saving medicines in emergency and medical equipments essential for patients, office expenses like telephone bills, electricity bills, *etc.*, in violation of above constitutional provisions and Rules. An instance of irregular retention of such Government funds in PLA was mentioned in **Paragraph 3.6.2** of the Report of the C&AG on State Finances for the year 2011-12. But the irregularity continued during current year.

The revenue so collected, spent and unutilised balances in PLAs in the 14 District Treasuries (including Sub Treasuries) in the Western Maharashtra and Pay and Accounts Office, Mumbai during the last two years were as shown in **Table 2.11**.

Table 2.11: Revenue collected by hospitals and kept in PLA

(₹ in crore)

Year	Amount credited to PLA	Expenditure incurred from the PLA	Unspent balance in the PLAs
2011-12	59.71	53.81	85.27
2012-13	59.71	49.96	95.02

Source: Information furnished by District Treasuries

The FD, while accepting (June 2012) that such arrangements should not be made as a matter of course, further stated that the need for smooth delivery of services required the government to take such decisions as per the exigency of the situation. The reply of the FD is not acceptable as expenditure is to be incurred as per the budget passed by the legislature and above procedure circumvent legislative control over expenditure.

2.8.1.2 Inoperative PLA for more than three years

As per provisions of MTR and Maharashtra Treasury Manual, PD/PLA which are inoperative for more than three continuous Accounting years should be closed and balance at the credit of such accounts should either be paid to the PLA holder or credited to the Consolidated Fund of the State.

It was noticed during treasury inspection that in 251 cases PLA's were not operated by the administrators since last three years resulting in unutilised balance of ₹ 5.13 crore lying idle in the PLAs. However, these accounts were not closed and balance credited to Government Accounts.

2.8.1.3 Non-reconciliation in PD/PLA accounts balances

As per para 589 of Maharashtra Treasury Manual, Treasury Officer is required to obtain a certificate of balance at the end of each year from the administrator of PLA. After obtaining such balance certificates difference, if any, is required to be reconciled with the treasury figure and balance certificate after

reconciliation with the treasury should be forwarded to Principal Accountant General (Accounts and Entitlements)-I, Maharashtra, Mumbai for confirmation.

It was noticed in treasury inspection that:

- a) In 310 cases, there was a difference between the administrator balance and treasury/PAO balance.
- b) In 306 cases, there was a difference between the treasury balance and sub-treasury balance.
- c) In 224 cases, there was a difference between the Sub-Treasury Officers' balance and administrators' balance.

Besides, 677 administrators out of 3298 have not furnished the certificates of balances as on March 2012 to Treasury Officers/PAO

2.8.1.4 Instances of unspent balances retained in PLA

- Permission to open PLAs are given with the conditions that unspent balance at the end of the financial year is to be credited to the Consolidated Fund of the State. This was not done in the following cases:
- Government of Maharashtra, Home Department in July 2011 had permitted RTO/Dy. RTO to open PLA to credit an amount of ₹ 50 for sending driving license by post to licensee. Unspent balance of ₹ 21.37⁵² lakhs was not credited to the Consolidated Fund of State.
- PLA in the name of Additional Chief Secretary, Home Department, was opened for one year in April 2011 to credit the amount of grant-in-aid drawn on AC Bills in connection with purchase of arms required by the police. Unspent balance of ₹ 101.86 crore at the end of 31 March 2012 was not credited to the Consolidated Fund.
- PLA in the name of Director, Directorate of Maharashtra Fire Services, was opened in November 2011 for incurring expenditure for strengthening of Fire Protection Services. Unspent balance of ₹ 8.08 crore at the end of 31 March 2012 was not credited to the Consolidated Fund.
- PLA opened in March 2009 in the name of Executive Director, GMIDC, Aurangabad, had an amount of ₹ 198.06 crore as unspent as on March 2013. The amount was deposited by the Department under the head 8443 – Civil Deposit, 800 – Other Expenditure, 106 – Personal Deposit (8443508300) for incurring expenditure on share capital contribution works of NABARD, AIBP, RRR Schemes received at the end of March 2013. However after the lapse of the financial year the unspent balance was neither surrendered nor revalidated. Thus, release of Capital Fund at the end of the financial year resulted in its non-utilisation and its parking in PLA. This also inflated the current year's expenditure as well as liability of Government in Public Accounts to the extent of ₹ 198.06 crore.

⁵² Dy RTO/Ahmednagar (₹ 10.86 lakh), Dy RTO/Pen (₹ 5.91 lakh) and RTO/Panvel (₹ 4.60 lakh)

2.8.2 Overpayment of pension

Overpayment of pensionary benefits of ₹ 1.95 crore was made during 2012-13 on account of incorrect calculation of dearness relief, non-adjustment of provisional Death-cum-Retirement Gratuity, non-reduction of family pension from the specific dates mentioned in the pension payment orders *etc.* Of this, only ₹ 0.09 crore has been recovered upto July 2013. Thus, a balance of ₹ 1.86 crore was still outstanding.

2.9 Conclusion

The overall savings of ₹ 22,753.87 crore were the net result of savings of ₹ 23,758.04 crore, set off by excess of ₹ 1,004.16 crore. This excess expenditure requires regularisation by the State Legislature. Anticipated savings of ₹ 17,712.85 crore were surrendered on the last two working days of the financial year. In 32 cases, ₹ 9,283.36 crore was surrendered against the actual savings of ₹ 8,168.15 crore, which resulted in excess surrender of ₹ 1,115.21 crore. There was rush of expenditure (51 to 100 *per cent*) under 27 major heads. Instances of Government receipts being kept in Personal Ledger Account without crediting the same to Consolidated Fund of the State was noticed in two Departments.

2.10 Recommendation

- All Departments should closely monitor the expenditure against the allocations and incurring of excess expenditure over the grants should be avoided.
- Surrender of funds should be done well before the close of the year so as to enable the Government to utilize the funds on other Schemes.
- Release of funds at the end of the year should be avoided.
- Due care should be taken in submitting proposals for supplementary appropriations.
- Government should ensure that all Government receipts are credited in Consolidated Fund of the State.