

**Chap. 9.] CONSOLIDATION OF ESTIMATES AND SUBMISSION OF DEMANDS FOR GRANTS [9.7**

The amounts required for charged expenditure are shown separately and are not subject to vote but can nevertheless be discussed. There is usually one Demand for Grant in respect of each department but the Finance Minister may in exceptional circumstances, include in any one Demand for Grant provision for two or more departments or make a Demand for Grant in respect of expenditure which cannot readily be classified under particular departments.

The Demand is moved by the Minister-in-charge. The Vidhan Sabha has power to assent, or to refuse to assent to any Demand, or to assent to any Demand subject to a reduction of the amount specified therein. No demand for a grant shall be made except on the recommendations of the Governor.

Motions can be moved to reduce or omit any Grant but not to increase or alter the destination of a Grant. Notice of such motions is to be given not less than two days before the day appointed for the discussion of the Demand for Grant concerned, unless otherwise directed by the Speaker. Every such motion should indicate briefly in precise terms the purpose of the intended motion in the following form :—

Notice of motions to omit or reduce.

*Government Demand for Grant relating to Major Head.*

(Demand No. \_\_\_\_\_)

I, hereby give notice to move that the demand be reduced by Rs. \_\_\_\_\_ with respect to the item of Rs. \_\_\_\_\_

Rs. \_\_\_\_\_

\* \_\_\_\_\_

†Remarks \_\_\_\_\_

(See page \_\_\_\_\_ of the Detailed Budget Estimates.)

Date \_\_\_\_\_ 19 \_\_\_\_ Member, Vidhan Sabha.

\*Here insert the particulars of the item in which reduction is proposed.

†In the case of a motion for reduction of a nominal sum, the object for which the motion is to be moved should be specified in the space provided for remarks.

The Assembly office will send a copy of such notice to the Head of Department and the Administrative Secretary concerned. The Head of Department in consultation with the Administrative Secretary and the Minister-in-charge will arrange to get the reply to be given on behalf of Government settled without delay.

#### E.—APPROPRIATION BILL

9.8. After the voting of all the Demands for Grants has been completed, an Appropriation Bill is introduced to provide for the appropriation out of the Consolidated Fund of the State of all moneys required to meet (a) the grants made by the Assembly; and (b) the expenditure charged on the Consolidated Fund but not exceeding in any case the amount shown in the statement previously laid before the Legislature. The Bill has to go before both the Houses, but being a money Bill it originates in the Vidhan Sabha. Article 204(2) of the Constitution prohibits the moving of any amendment to an Appropriation Bill which has the effect of varying the amount or altering the destination of any grant made by the Assembly or of varying the amount of any expenditure charged on the Consolidated Fund. After the Appropriation Bill has been considered and passed by the Legislature, the Governor's assent to the Bill is obtained; and when that has been given, the amount shown in the Act assented to by the Governor and the Schedule thereto become the sanctioned grants for expenditure under the various Demands.

#### F.—VOTE ON ACCOUNT

9.9. Notwithstanding anything contained in the foregoing paragraphs, the Legislative Assembly has, under Article 206 of the Constitution, the power to make any grant in advance, in respect of the estimated expenditure for a part of any financial year, pending the completion of the procedure relating to the voting of such grants and the passing of the law referred to in paragraph 9.8 above, in relation to that expenditure.

## CHAPTER 10.—Communication and Distribution of Grants

### A—COMMUNICATION OF GRANTS

10.1. As soon as the Demands for Grants included in the annual financial statement have been voted by the Legislative Assembly and the payment from and the appropriation out of the Consolidated Fund of the State of the sums voted by the Assembly and the sums charged on that fund have been authorised by means of an Appropriation Act, the Finance Department will communicate the same to the Heads of Departments concerned. A copy of the latter communicating the grant should also be sent to the Accountant-General, Haryana, and the Administrative Secretary concerned. It should be indicated in the forwarding letter whether the demands have been voted *in toto*, whether any amounts have been omitted or reduced by the Assembly either through substantive or token cuts, and the purpose or object underlying each such cut.

10.2. For the purpose of financial control, the grant allotted under each major head of account is communicated under different minor heads of account and is distributed over such primary units of appropriation, as may have been prescribed for the purpose.

The following primary units of appropriation have been prescribed by the Finance Department :—

- (1) Pay of Officers.
- (2) Pay of Establishment.
- (3) Travelling Allowance.
- (4) Other Allowances and Honoraria.
- (5) Scholarships.
- (6) Contingencies.
- (7) Grant-in-aid.
- (8) Charges payable to other Government Departments, etc.
- (9) Charges recoverable from other Governments Departments, etc.
- (10) Reserve.

The Finance Department may also prescribe primary units other than those stated above.

Special primary units have been prescribed for expenditure chargeable to the heads controlled by Irrigation Department and the Heads 313 Forest—Conservancy and Works, 259—Public Works, 266—Pensions and other Retirement Benefits, 258—Stationery and Printing.

10.3. Should any grant referred to in paragraph 10.1 include provision for charges in England, the Finance Department while informing the Head of Department concerned of the details of the grant, will indicate the amounts allotted for charges in England on stores or otherwise.

The Finance Department will also communicate to the High Commissioner of India and the Director of Audits, Indian Accounts in the United Kingdom, the grants finally approved for expenditure in England under the different major and minor heads of account.

#### B.—NON COMMUNICATED SUPPLY

10.4. The following items included in the grants will not be communicated but will remain at the disposal of the Finance Department, and will be audited against expenditure of the State as a whole :—

- (1) Any reserve which is retained at the disposal of the Finance Department and which will not come before audit until released by the Finance Department. Such reserves are shown under the primary unit concerned and explicitly mentioned as "Reserve at the disposal of the Finance Department".
- (2) 333—Irrigation—Navigation Embankment and Drainage Works (Commercial), (ii)—Interest."
- (3) 249—Interest payments.
- (4) 248—Appropriation for Reduction or Avoidance of Debt.
- (5) 289—Relief on account of natural calamities.

- (6) 266—Pensions and other Retirement Benefits.
- (7) 265—Other Administration—Special Commissions of Enquiry.
- (8) 265—Other Administrative Services.

#### C.—NON-DISTRIBUTED SUPPLY

10.5. (a) The appropriations under the primary units "pay of officers" and "pay of establishment" need not be distributed where the officers and establishment are borne on cadres on a State basis and the provision for their pay exists under the same minor head. Where, however, the cadres are not organised on a State basis or provision exists under different heads or where the posts are isolated ones or are sanctioned in connection with temporary or special schemes, the appropriations under these units may be distributed among the various disbursing officers.

The same principle should be followed in regard to the appropriations under "fixed T.A." and "other allowances and honoraria—dearness allowance and compensatory allowances".

(b) No distribution should generally be made of the appropriations under the heads "Grant-in-aid" and "Scholarships" where the expenditure is watched by the Head of Department against the State allotments.

Appropriations under "Charges payable to other Government Departments, etc." or "Charges recoverable from other Government Departments, etc." are also not to be distributed.

(c) In respect of such items of expenditure as do not recur every month, e.g., dietary charges in jails, annual contributions, grants to Universities, purchase of arms and ammunition for the police force, purchase of uniforms, expenditure on special repairs and petty works, etc., the Head of Department has full discretion to decide whether he will distribute or retain the full appropriation under his own control, requiring the disbursing Officers who wish to spend money against it to apply to him for special allotment, as when the need arises.

## D.—DISTRIBUTED SUPPLY

10.6. (a) The Head of the Department shall, out of the supply allotted to him, distribute among the Controlling and disbursing officers concerned subordinate to him, in such manner as may appear to him suitable,—

- (i) any portion of the grant for "Travelling Allowance" other than "Fixed Travelling Allowance";
- (ii) any portion of the grant under the primary unit "Contingencies", including "Contract Contingencies".
- (iii) any portion of the grant under 'Works' or under the primary units "Other Allowances and Honorary", "Suspense" or "Reserve" as is not excluded from distribution by paragraph 10. above.

(b) The Head of the Department may, in carrying out such distribution, retain a portion of the grant as reserve in his own hands for distribution later in the year, as applications for additional appropriations are received. The distribution shall be carried out not later than the 1st May in each year. In communicating grants to disbursing officers, the Head of the Department should be careful to intimate the complete accounts classification of each class of expenditure with which the officer is concerned, i.e., the major and minor heads of the detailed head the primary units of appropriations and the secondary unit, if any, and the detailed head, if any. Steps should be taken by the Head of Department to impress on the disbursing officers the necessity for seeing that allotments are not exceeded without sanction being previously accorded. The Head of the Department will send to the Finance Department not later than the 1st May in each year copies of letters distributing to controlling and disbursing officers the appropriation placed at his disposal.

10.7. The proper authority to make grants for specific minor works is the Head of Department concerned. When the grants for the head 259—Public Works is communicated to it, the Public Works Department, Buildings and Roads Branch, will place the full allotment for minor works of a particular department at the disposal of the Head of the Department concerned and leave him to make grants for specific works as he thinks fit.

**CHAPTER 11.—The responsibility for watching the progress of revenue.**

**A.—DUTIES AND RESPONSIBILITIES OF DEPARTMENTAL OFFICERS.**

11.1. (a) The list of Appendix 'D' shows the Heads of Departments for the various heads of accounts. The Heads of departments have been required to maintain lists of controlling officers and disbursing/collecting officers.

(b) The duty of the collecting officers is to see that all income claimable is claimed, realized and paid in the treasury. Under rule 4.1 of the Punjab Financial Rules, Volume I, the Controlling Officer has to ensure that all sums due to Government are regularly and promptly assessed, realised and duly credited in the Government accounts. The duty of the Head of Department is to supervise the proceedings of the collecting officers and in particular to satisfy himself by a comparison of returns submitted by collecting officers with the statement of treasury credits furnished by the Accountant-General that the amounts reported as collected have been duly credited in the Government accounts.

Note.—Unless specially authorised by any rule or order made by competent authority no sums shall be credited as revenue by debit to a suspense head. The credit must follow and not precede actual realisation.

(c) All amounts remitted to the treasury shall be entered in a Remittance Book to be maintained by heads of offices in form S.T.R. 6. The challans on which the money is credited should be pasted in the Remittance Book against the relevant entries. In case their number is very large these should be placed in a separate file in the same consecutive order as the entries appear in the Remittance Book to facilitate their comparison with them.

(d) At the end of every month the Head of Office should prepare a consolidated receipt in the form given below and forward the same to the Treasury Officer for signatures so as to reach

him by the 2nd of the following month.

Consolidated Treasury Receipt.

\_\_\_\_\_ Treasury.

Received from the Officer-in-Charge \_\_\_\_\_ the sum  
of Rupees\* \_\_\_\_\_ for credit to Government account  
during \_\_\_\_\_ 198 .

Rupees\*\* \_\_\_\_\_

Dated the \_\_\_\_\_

Treasury Officer.

(e) Immediately on receipt of the Consolidated Receipt, it would be the duty of the Treasury Officer to compare the entries made therein with those of the Register of Receipts in form T.A.-2 maintained by him in respect of that particular Office under Article 35 of the Account Code, Volume II. The Treasury Officer will then send back by the 5th, the Consolidated Receipts to the Head of the Office concerned after affixing his signatures thereon in token of acceptance or pointing out the discrepancies, if any.

(f) The consolidated receipt when received back from the treasury should be filled under the orders of the Head of Office after the discrepancies, if any, have been reconciled.

#### B.—SUBMISSION OF RETURNS OF REVENUE COLLECTION

11.2. Except where a different procedure or the use of specific forms is specially prescribed (as for the Public Works and Forest Departments), the Heads of Departments will, for these purposes, be furnished monthly, or in some cases quarterly, by the collecting officers with returns in form B.M. 25 of estimated and actual collections under the heads for which they are responsible and by the Accountant-General with statements showing for each district the amounts credited under the same heads in the treasury accounts.

11.3. (a) Heads of Departments should bear in mind

\*in words.

\*\*in figures.



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that, while the Accounts Department of the Government is responsible for the correct rendering of the accounts of all sums actually paid into the treasury and credited to Government, that Department is not responsible for the correctness of the demand or for the correspondence of the amount that ought to be paid into the treasury with the amount actually realised. It should also be remembered that it is essential that the departmental returns submitted to Heads of Departments must not be compiled from returns prepared in the treasury. The Deputy Commissioners and collecting officers, generally, should personally satisfy themselves that their departmental returns are prepared quite independently of the treasury registers; and when for any reason it becomes necessary to compare departmental returns of revenue or receipts with the treasury registers, the comparison should only be made by the express order of the Deputy Commissioner or other collecting officer and the Treasury Officer.

(b) Tahsildars are responsible that the spirit of these instructions is observed by their clerks, and that the departmental returns are prepared independently of the accounts prepared by the Sub-Treasury Accountant. Before submitting the departmental returns the Tahsildar should satisfy himself that the figures agree with the sub-treasury accounts and have the departmental return verified by the Assistant/Sub-Treasury Officer. It is, however, the duty of the Tahsildar to secure that this verification takes place after the departmental accounts have been prepared and that the departmental accounts are not prepared from the sub-treasury figures.

11.4. Care should be taken that the classification in the departmental returns is recorded correctly in order that it may agree with that of the treasury accounts.

**C.—COMPARISON OF RETURNS WITH TREASURY FIGURES**

11.5. The figures shown in the returns should be compared carefully with those shown in the treasury statements supplied by the Accountant-General. The principal causes of discrepancies between departmental returns and treasury accounts besides the want of sufficient care in the preparation of the former are (1) breach of the rule 7 of the Punjab Treasury Rules which requires that collections should at once be paid into the treasury and should not be utilised for meeting any expenditure except

where specifically permitted, (2) difference in practice of stating the period to which the returns relate, and (3) mistakes of classification.

Taking the first two special causes of discrepancies above-noted together, collecting officers should carefully bear in mind that collections must not be kept out of the treasury, but should be paid in full without undue delay into the treasury funds to meet authorised charges connected with such collections being drawn separately from the treasury on a proper voucher. When, however, for any reason, whether in consequence of neglect or otherwise, money realised in one month is not paid into the treasury till the following month or has been drawn upon wholly or in part to meet authorised charges, the facts should be distinctly stated in the departmental returns for the months of realisation in order that the controlling officer may understand the reason for the short credit in the treasury accounts. It should also be observed that the departmental returns for each month must deal only with amounts realised in the month without reference to the period to which the realisation relates. Thus it may happen that income due in April of any year is not realised until July. In such a case the income should appear in the departmental accounts of July, not in those of April. In other words, the departmental returns of each month should be close with the last day of the month to which they relate, and having been once closed, should not be added to or altered in any way whatever. As regards sub-treasuries, the rule 3.20 of the Punjab Financial Rules, Volume I, regarding the formal closing of the accounts of the month should be carefully borne in mind.

#### D.—RECTIFICATION OF MISTAKES

11.6. If a mistake is discovered before submission of the departmental return to the controlling officer, the return may be corrected, intimation being at the same time sent to the treasury concerned in order that the wrong classification in the treasury books may be corrected. When, however, a mistake is discovered after submission of a departmental return, the correction should be made by a foot-note in the next return clearly explaining the mistake, and intimation of the error should also be sent to the treasury. Treasury Officers report separately to Accountant-General all errors of classification, whether originating in the Treasury or otherwise, and the Accountant-General

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forwards monthly to controlling officers alongwith his treasury returns a statement showing clearly all such corrections reported to his office, and also all additions to the treasury accounts of revenue and receipts made by adjustment in his office, such as cash recoveries of expenditure added to revenue instead of being deducted from charges. Controlling officers are thereby enabled to exercise an immediate and thorough check over all departmental returns submitted to them.

**E.—SUBMISSION OF ANNUAL CERTIFICATES TO FINANCE  
DEPARTMENT**

11.7. Each Head of Department should certify annually to Government in the Finance Department, by a separate letter to be submitted not later than the 1st October of the following financial year, that the comparison of departmental returns received from collecting officers with the Treasury statements supplied by the Accountant-General has been completely carried out for the previous year in respect of all heads of income for which he is responsible, and that all differences have been reconciled. This fact may be mentioned by the Head of Department in his annual report also.



## **CHAPTER 12.—Appropriations in Estimates and watch-over Progress of Expenditure.**

### **A.—APPROPRIATION IN ESTIMATES**

12.1 An appropriation is intended to cover all the charges, including the liabilities, if any, of past years to be paid during the year or to be adjusted in the accounts of the year. Such charges can be authorised at any time before, but not after, the expiry of the year. It is operative until the close of the financial year. Any unspent balance lapses and is not available for utilisation in the following year, except in so far as it has been anticipated and included in the estimates as laid down in Chapter 13.

### **B.—POWERS OF APPROPRIATION OUT OF ALLOTMENTS**

12.2 Out of the supply allotted to him in each primary unit of appropriation, the Head of Department and any subordinate officer to whom he has distributed supply have subject to any general or special orders, full power to appropriate sums to meet expenditure falling under that unit, provided that—

- (a) supply provided for “charged” items of expenditure must not be appropriate to votable items, and supply provided for “voted” items must not be appropriated to “charged” items;
- (b) supply must not be appropriated to meet any item of expenditure which has not received sanction by an authority empowered to sanction it;
- (c) supply shall be appropriated only to objects for which the grant is made;
- (d) no expenditure shall be incurred without previous approval of competent authority on objects the demands for which have been specifically refused or the provision for which has been specifically reduced either by the Legislature or by the Government;
- (e) supply shall not be appropriated towards expenditure which should be met from a contract contingent grant beyond the amount specified in the grant.

## C.—RESPONSIBILITY FOR CONTROL OVER EXPENDITURE

(i) *Responsibility of Heads of Departments and Controlling Officers*

12.3. (1) The \*Head of the Department is responsible for watching expenditure incurred against supply communicated to him. He will exercise general control over the actual expenditure incurred against grant communicated to controlling and disbursing officers, and particular control over the supply not distributed by him. The authority administering a grant, and not the Audit Department, is ultimately responsible for keeping expenditure within the grant. For this purpose the procedure laid down in paragraphs 12.9 to 12.12 should be adopted except in the Public Works and Forest Departments where the procedural control of expenditure is governed by the rules laid down in Appendices G.H. and J.

(2) All withdrawals made from the treasury shall be entered in a Bill Register given in Annexure by all Heads of Offices who are authorised to draw money from Treasury on bills signed by them. The register should be reviewed monthly by the Gazetted Officer-in-Charge of the Cash Branch, if any, or by the Head of Office himself. This register will enable the Head of Office to keep a complete watch over the bills from the time they are sent to the treasury for encashment to the time the amounts received from the treasury are finally disbursed.

(3) At the end of the month, a certificate in the form given below should be prepared by the Head of the Office and sent to the Treasury Officer along with the details of the bills drawn during the month for his signatures so as to reach him by the 2nd of the following month—

“I hereby certify that the total with draws from the Treasury on bills drawn by Shri \_\_\_\_\_ Officer-in-Charge \_\_\_\_\_ during 196 \_\_\_\_\_ amount to Rs. \_\_\_\_\_ (in words) \_\_\_\_\_.”  
Dated \_\_\_\_\_

Treasury Officer.

\*Note.—The Accountant-General, Haryana, is responsible for watching progress of expenditure against appropriations under the heads “266—Pensions and other Retirement Benefits”.

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(4) Immediately on receipt of the certificate referred to above, it will be the duty of the Treasury Officer to compare the entries made therein with those of the Register of Expenditure in form T.A.-3, maintained by him in respect of that particular office under Article 35 of the Account Code, Volume-II. The Treasury Officer will then send back the certificate to the Head of the Office concerned duly signed pointing out the discrepancies, if any, so as to reach the latter by the 5th of the month.

(5) The certificate on receipt from the treasury will be filed under the orders of the Head of the Office, after the discrepancies pointed out therein have been reconciled.

**12.4.** The Head of the Department is responsible for taking necessary steps to prevent expenditure in excess of a grant—

- (a) by transfer from one disbursing officer to another under his powers of appropriation within the primary unit of appropriation;
- (b) by exercise of his delegated powers of re-appropriation;
- (c) by application for an extra grant under the prescribed rules as soon as the necessity for this course becomes definitely clear.

Steps by  
H/O Dept

Where there are controlling officers, subordinate to the Head of Department this duty devolves upon them with reference to the supply communicated to them so far as powers of re-appropriation are delegated to them,—vide Chapter 14 of the Manual.

**(ii) Responsibility of Disbursing Officers**

**12.5.** The disbursing officer is directly responsible for the expenditure incurred against the grants allotted to him under each primary unit of appropriation. He shall keep a close watch over the progress of expenditure, and in no case should he allow the appropriation for any unit or an item subordinate to a unit the appropriation for which has been specifically reduced by the Assembly to be exceeded without

obtaining the approval of competent authority. He shall pay prompt attention to any warning received from the Head of Department or controlling officer and arrange to submit an application for an additional appropriation as soon as the necessity arises.

*(iii) Responsibility of Audit Office*

**12.6 (i)** The Audit Officer is required to watch progress of expenditure against—

- (1) the appropriation under each grant and where a grant comprises more than one major head under each major head as a whole; and
- (2) the appropriation for each minor head, for each sub-head (if any) and for each primary unit within a grant.

Appropriation should be in each case as modified by competent authority from time to time.

Note.—The Appropriation Audit by the Accountant-General, is not at present exercised beyond sub-heads of a grant of Appropriation fixed as units of appropriation for the purpose of Appropriation Accounts. In the case of Public Works Department expenditure appropriation audit is at present conducted in respect of all works or items of expenditure, the allotment for which whether individually or by Groups are provided separately for each division.

*(ii)* No further appropriation audit is required nor is the Audit Officer required to watch expenditure against the grants placed at the disposal of the disbursing officers by the Head of a Department. This is the task of the Head of the Department.

*(iii)* The Audit Officer has, further, to watch the progress of the expenditure against any item, provision for which has been specifically refused or reduced by the Assembly.

*(iv)* The Accountant-General will report to the Head of Department, when excess appears to be likely in the above case.

*(v)* As regards contract contingencies whenever a contract is made with any disbursing officer, expenditure should be watched against it as laid down in paragraph 14.2 of this Manual. As regards countersigned contingencies no appropriation audit is required but contingencies other than contract



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are secondary unit and the total expenditure has to be watched for the grant as a whole and under each minor head.

(vi) In the case of expenditure which is incorporated in the divisional accounts of the Public Works Department, the Accountant-General will conduct the audit of expenditure against the appropriation placed at the disposal of the disbursing officers with reference to the various primary units of appropriation. The excesses over such units, if more than Rs. 500 in each case, will be reported to the disbursing officers and the controlling officers concerned, cases involving large amounts being also reported to the Head of the Department.

(vi) *Responsibility of High Commissioner and Director of Audit Indian Accounts in the United Kingdom.*

12.7. The High Commissioner for India and the Director of Audit, Indian Accounts in the United Kingdom watch the progress of expenditure against the appropriations for charges in England under the several grants, both in respect of votable expenditure and expenditure charged on the Consolidated Fund of the State and to see that additional funds are provided in proper time to cover up any anticipated excess. In order to enable them adequately to discharge this duty, it is essential that administrative departments in India should send prompt intimation to the High Commissioner or the Director of Audits Indian Accounts, as the case may be, of any circumstances which are likely to affect the Budget estimates, e.g., when it can be foreseen that an officer who was not previously expected to go on leave in the financial year will do so or that a supplementary indent on the India Office for stores will be necessary.

(v) *Responsibility of Finance Department*

12.8. The Secretary to Government, in the Finance Department, is the Controlling Authority for watching the progress of expenditure against the grant for Loans and Advances bearing interest as a whole. The authorities named

below will furnish the Finance Department and the Accountant-General with statements not later than the 30th July, 30th October and 30th January in each year showing the progress of expenditure up to 30th June, 30th September and 31st December, respectively, against the grants for each class of loan separately :—

*Class of Loan**Authority who will submit statement.*

*Loans to Municipalities/Panchayats and advances to cultivators, etc.*

*Class I.—*

- |   |   |
|---|---|
| (a) Advances to cultivators other than that granted under the Canal and Drainage Act, VIII of 1873. | Financial Commissioner, Revenue.  |
| (b) Advances under the Canal and Drainage Act, VIII of 1873.  | Chief Engineer, Irrigation Works, Haryana   |
| (c) Loans to Village Panchayats under revenue earning schemes.                                      | Director, Panchayats, Haryana.  |
| (d) Loans and advances under the Community Development Programme.                                   | Commissioner, Agricultural Production and Rural Development and Secretary, Panchayat and Development, Department. |
| (e) Loans to Grape growers for grape orchards.  | Director, Agriculture, Haryana.   |
| (f) Advances for starting fruit orchards in Hilly areas.  | Ditto   |
| (g) Loans for the purchase of Dairy cattle.   | Director, Animal Husbandry, Haryana.  |
| (h) Loans under Feed and Fodder Development programme.  | Ditto   |
| (i) Loans to private breeders for purchase of animals.  | Ditto   |

*Class II.—*

- |   |                                  |
|---|----------------------------------|
| (i) Loans to land holders and other notabilities.         | Financial Commissioner, Revenue. |
| (ii) Loans under Land Acquisition and Development Scheme. | Estate Officer, Chandigarh.      |
| (iii) Loans to Harijans for purchasing evacuee lands.     | Under Secretary, Revenue.        |

*Class III.—*

- |   |  |
|---|--|
| (i) Loans to Municipalities and local bodies.                                       | Secretary to Government, Haryana. Local Government Department. |
| (iii) Loans to Harijans for purchasing National Water-Supply and Sanitation Scheme. | Ditto  |

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<i>Class of Loan</i>	<i>Authority who will submit statement.</i>
<i>Class IV.—</i>	<i>Miscellaneous loans and advances—</i>
1. Loans under Punjab State Aid to Industries Act, 1935.	Secretary to Government, Haryana, Industries Department.
2. Loans to Co-operative Societies of Industrial workers under subsidized Industrial Scheme.	Ditto
3. Loans to displaced Goldsmiths, small dealers/Refinery in gold.	Ditto
4. Advances under Co-operative Society Act, 1912	Registrar, Co-operative Societies, Haryana.
5. Loans to Co-operative Sugar Mills.	Ditto
6. Loans to Haryana State Co-operative Supply and Marketing Federation.	Ditto
7. Loans to deserving persons of Scheduled Castes/Scheduled Tribes and Backward Classes.	Secretary, Housing and Society Welfare Department.
8. Loans under Low Income Group Housing Scheme.	Ditto
9. Loans under Middle Income Group Housing Scheme.	Ditto
10. Loans to Housing and Urban Development Board.	Ditto
11. Loans under Slum Clearance Scheme.	Ditto
12. Loans under High Income Group Scheme.	Estate Officer, Chandigarh.
13. Loans for building houses at Chandigarh.	Ditto
14. Loans to Maryana State Electricity Board.	Secretary, Irrigation and Power, Haryana.
15. Loans to poor and deserving students of educational institutions.	Director, Public Instructions, Haryana.
16. Loans to poor and deserving students of Medical Institutions.	Director, Health Services, Haryana.
17. Loans to poor students of various Engineering Institutions.	Director, Technical Education, Haryana.
18. Loans for rehabilitation of displaced persons from Burma.	Under Secretary, Rehabilitation.

Within the grant for each class of loan such authority is responsible for watching the progress of expenditure.

**D.—REGISTER OF APPROPRIATION AND ACCOUNT  
OF EXPENDITURE.**

12.9. (1) On receipt of the appropriations from controlling officer, disbursing officer will open separate registers in form B.M.-26 by major and minor heads and sub-heads (where they exist) and note therein the appropriation so communicated for all primary units (and secondary units, if any) for which appropriation has been communicated. The appropriation should be noted in red ink at the top of the register under each head concerned.

(2) Whenever a bill is prepared for payment at the treasury, the complete accounts classification as shown in the statement of appropriation communicated to him should be entered therein by the disbursing officer, that is to say, the major and minor heads, sub-heads (if any) and the primary unit of appropriation, as also the secondary unit, if any, is prescribed, against which the amount of the bill is to be debited. If two primary or secondary units are included in the same bill, the amount under each unit should be indicated. This should be done on all bills, including those for "Pay of Officers" and "Pay of Establishment". All fixed allowances classifiable under "Other Allowances and Honoraria" should be drawn along with pay on the bills for "Pay of Officers" and "Pay of Establishment". Allowances and Honoraria other than fixed allowances should be drawn on separate bills.

In order to distinguish expenditure relating to "Plan" from "Non-Plan" expenditure separate bills marked conspicuously "Plan" or "Non-Plan" as the case may be should be drawn.

(3) When any bill is presented to the treasury for payment, a small slip (Bill extract) in form B.M.-27 giving a brief description of the charges and the amount of the bill will be attached thereto, duly signed by the disbursing officer. It will be returned to him as early as possible but in any case within a week, duly stamped "Paid" with the treasury seal, and with the number and date of the treasury voucher noted thereon. In the case of bills paid at sub-treasuries the bill extract forms should not be detached by the sub-treasury staff, but should be sent along with the bills to the district treasury, where the district Treasury Officer will assign the treasury number and date of the voucher and return the

bill extract form to the presenter of the bill. The Treasury Officer will prepare in duplicate a schedule showing the number, date and amount of vouchers, paid during the previous month for supplying on the 2nd of every month one copy to the disbursing officer (or to the controlling officer where he is his own disbursing officer) and also to the controlling officer concerned (or to the Head of Department where he is his own controlling officer). The disbursing officers will furnish a certificate to the controlling officers along with their monthly expenditure statements to the effect that entries have been checked with the treasury schedules and found correct.

(4) Disbursing officers will keep accounts in the appropriate registers in form B.M.-26, referred to in clause (1) above, in which will be entered every bill cashed at the treasury under its appropriate primary and secondary unit, if any, with quotations of the numbers and dates of the vouchers on which money has been drawn from the treasury. At the end of each month the expenditure against each primary or secondary unit will be totalled. The total expenditure will, at the same time, be deducted from the allotment shown at the top of each column, and the results brought forward to the account of the next month.

NOTE.—Owing to the method of payment adopted in treasuries, it is not possible to maintain departmental accounts of charges on account of the "discount allowed on the sale of stamps and plain paper", nor in regard to "refunds of the value of stamps". In the case of expenditure of this kind the departmental officers must, therefore, depend upon the treasury figures. There is no necessity in the case of expenditure on discount on the sale of stamps and refunds of the value of stamps for Departmental officers, to maintain separate accounts, and they may obtain their figures from the treasury.

(5) Should the allotment against any primary or secondary unit be increased or reduced by the controlling officer, the allotment figure will be corrected by plus or minus red ink entries.

(6) Should the disbursing officers receive information from their controlling officers or Heads of Departments (*vide* paragraph 12.20) that particular items have been misclassified, they will correct the accounts of expenditure and the available balances of the allotments by means of minus or plus entries in red ink.

(7) On the 5th of every month the disbursing officers will submit to their controlling officers statements of accounts

in form B.M.-26, being a copy of the register in that form, of the sums drawn by them from the treasury during the previous month under each primary and secondary unit, noting the numbers and dates of the treasury vouchers or cheques against each entry and supporting them by the individual slips (Bill Extracts, received back from the treasury, see clause (3) above.) This will be accompanied by an abstract in form B.M.-29.

Under the head "Contingencies" disbursing officers will continue to maintain their own accounts according to the details prescribed in the Punjab Financial Rules. But these details need not be communicated to controlling officers.

12.10. (a) The Controlling Officer for such parts of his budget as he retains under his own control will carry out the procedure detailed in clauses (1)—(4) the preceding paragraph.

(b) The Controlling Officer will maintain registers in form B.M.-28 separately for each minor head of account or subordinate head, if any. He will post monthly totals as received from disbursing officers in form B.M.-29 in this register, and will also post in it his own monthly expenditure. He will check the whole with the schedules received from treasury officers under clause (3) of paragraph 12.9 and with the account received in form B.M.-26 from disbursing officers, which they will submit with a certificate prescribed in clause (3) of paragraph 12.9. These figures will, if the Controlling Officer is not himself the Head of the Department, be reported in form B.M.-29, to the Head of Department.

#### E. LIABILITY REGISTER

12.11. The disbursing officers will also maintain a Liability Register in form B.M.-26-A. This register will indicate the nature of liabilities and also the agency on which the indent is placed or demand is made together with estimated cost. This register will be posted as and when liability is incurred.

12.12. The disbursing officers should submit a monthly liability statement in form B.M.-26-A to the controlling officers commencing from the month of October in each financial year. The statement will be submitted on the 5th of the month, along with monthly statement in form B.M.-26. It should be progressive and indicate the position of outstanding

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liabilities up-to-date. The liability statement should include all the liabilities :—

- (i) which were in view at the time of the preparation of the Budget,
- (ii) which may be expected to occur during the course of the year although no specific information in regard to them is available at the time of preparation of the Budget, and
- (iii) which may be expected during the course of the financial year but debits in respect of which may not be received during the course of the year from other Accounts Offices.

The liability statement will not only facilitate the exercise of effective exchequer control over the progressive expenditure and the preparation of correct budget estimates but will also help in the elimination of cases of excesses over grants and of non-surrender of savings.

12.13. On receipt of the monthly statements of the expenditure and liabilities from the disbursing officers, the controlling officer should carefully examine each statement and satisfy himself that the new liabilities have been incurred under proper authority and that the expenditure *plus* the liabilities up-to-date are within the appropriation.

12.14. In cases where the controlling officer is not himself the Head of Department the liability statement will be submitted by the controlling officer to the Head of Department along with the monthly statement of expenditure in form B.M.-29.

12.15. The monthly liability statement should also be submitted by the Head of Department to the Finance Department by the 15th of the month in order to enable them to keep a proper watch over the ways and means position.

12.16. As statements of excesses and surrenders are required to be submitted to the Finance Department by the 1st December, it will not be possible for Heads of Departments to make use of liability statements for the months of December and January in connection with anticipated savings or excesses. With a view to determine savings or excesses on the basis of latest information available in the liability

statements, the Heads of Departments should send a special return to the Finance Department before the 15th of January each year indicating any changes required in the savings or excesses anticipated and shown in the statement of excesses and surrenders already submitted and justification therefor in a separate note.

#### F.—LEDGER ACCOUNT OF APPROPRIATION

12.17. The Heads of Departments should maintain a ledger account in form B.M.-31, which will show sums initially allotted, and supplementary grants, and on the other side deductions made by reappropriation. This account should be kept—

- (1) firstly for each major head as a whole, containing entries authorised by the Appropriation Act;
- (2) secondly, for each minor head as a whole, containing entries authorised by the Finance Department; and
- (3) thirdly, for each primary unit of appropriation.

The principal use of the ledger will be to serve as a check on the grants as shown in the monthly statements in form B.M.-29. It is also used in preparing the statements of excesses and surrenders.

#### G. SUBMISSION OF MONTHLY STATEMENTS OF EXPENDITURE BY HEADS OF DEPARTMENTS AND THEIR RECONCILIATION

12.18. The Head of the Department will prepare a monthly account in form B.M.-29, of the expenditure working up the total monthly expenditure under each primary and secondary unit. For this purpose, if he has controlling officers under him, he will consolidate the statements he receives from them. This statement will be prepared and forwarded to the Accountant-General so as to reach him by the 20th of the month following that to which the accounts relate. It should be accompanied by the disbursing officers' statements, in original, from which it has been compiled. It will be prepared separately for each minor head, or sub-head, if any, showing the expenditure against each primary or secondary unit. The Accountant-General will check this with his own accounts (which will be based on the vouchers received direct from the treasuries).

12.19. *Reconciliation of Departmental figures with those in Accountant-General's Books.*—(a) The Head of the Depart-



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[12.19]

ment and the Accountant-General will be jointly responsible for reconciling differences and correcting misclassifications. Any misclassification will be generally communicated to the Head of Department by the Accountant-General, and the former will pass them on, through the controlling officer, to the disbursing officer, with the necessary orders for correction. These will be made by a red ink entry in the column of remarks against the item reclassified and a plus and minus entry made in the register where it is maintained. This entry will run as follows : "Adjustment on account of re-classification in vouchers—dated—"

(b) This procedure does not apply to expenditure debitable to the heads detailed below :—

<i>Major Heads</i>	<i>Detailed Heads etc.</i>
All Major Heads	*Grant-in-aid, Contributions and Donations.
230—Stamps and Registration	Expenses on sale of stamps.
211—Parliament, State/ Union Territory Legislature	State/Union Territory Legislature.
	Travelling Allowance of the members of the Legislative Assembly.
277—Education	(1) Scholarships
	(2) Miscellaneous—Fees to Examiners for Departmental examinations.
Functional Major head concerned	Examinations—Other Allowance and Honoraria.
266—Pensions and other retirement benefits	The whole head.
258—Stationery and Printing	Discount on plain paper used with stamps.

\*Note.—It is unnecessary for disbursing officers to submit monthly statements showing expenditure against the grant for the Pasteur Institute, as the expenditure incurred against the grant is inevitable and is authorised by a large number of authorities. The Accountant-General will supply Secretary Medical and Public Health Departments, each month with figures of expenditure for the State as a whole.

Functional Major Head	(1) Cost of Books and Periodicals (2) Miscellaneous and Unforeseen Charges—Other Charges—Contingencies—Rewards for intelligence.
363—Other Miscellaneous Compensation and Assignments	*Miscellaneous expenses—Other Misc. Assignments compensation, contributions etc.,

For these heads, the figures booked in the office of the Accountant-General from the returns received from the treasuries should be accepted as correct, unless these can be shown to be obviously wrong. Heads of Departments will obtain from the accounts office the figures booked in its ledger as actuals. The usual system of obtaining statements of expenditure from disbursing officers should, however, continue to enable Heads of Departments to keep a check on the progress of expenditure pending receipt of the Accountant-General's figures. In the case of grant-in-aid and miscellaneous fees and allowances, a register should be maintained showing the sanctions to expenditure as they are given.

12.20. ~~Importance of Reconciliation~~.—The reconciliation of departmental figures with the booked figures in the office of the Accountant-General has two objects, viz.—

- (i) to ensure that the departmental accounts are sufficiently accurate to secure efficient departmental financial control; and
- (ii) to secure the accuracy of the accounts maintained in the Accounts Office from which the final published accounts are compiled.

It is therefore, very necessary that the reconciliation of the departmental figures with those booked in the office of the Accountant-General is carried out as early as possible. The Head of the Department may depute to the Accountant-General's office a clerk or Assistant every month for the purpose of reconciling discrepancies by personal discussion and verification. The person so deputed should take with

\*Note.—It is necessary for disbursing officers to submit monthly statements showing expenditure against the grant made out of the reserve on that account retained at the disposal of Finance Department as the expenditure generally consists of a single payment. The Accountant-General (who will be informed as and when such grants are made) will maintain an account of the various payments sanctioned from this allotment and an official of the Finance Department will in the third week of the months of October, January and April, compare with this account, the Register maintained in the Finance Department.

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*Precedence*  
 him the requisite records and statements and with the help of the Accountant-General's staff compare the departmental figures with those recorded in the Accountant-General's books. A statement of discrepancies should then be prepared in triplicate. The original statement will be kept in the Accountant-General's office and the second copy made over to the departmental staff and the third copy sent by post to the Head of the Department concerned with an endorsement signed by a gazetted officer of the Accountant-General's office. On the authority of this statement the Head of the Department will correct his statements and registers and also direct the Disbursing Officers concerned to make such corrections as are necessary in their accounts and registers.

12.21. The Accountant-General will communicate to the Head of Department any expenditure incurred under any of the heads for which the latter is responsible which may have reached the Accountant-General through the various "exchange accounts", e.g., expenditure incurred in another State communicated to the Accountant-General by the authorities of that State for inclusion in the accounts of the Haryana.

12.22. The Head of the Department (whether he is also controlling officer or not) will, without waiting for the verification of the accounts, send to the Finance Department by the 20th day of the month next but one after that to which the account relates, a statement in form B.M.-30 showing monthly expenditure by minor heads and sub-heads if any "charged" expenditure should be shown separately from "voted" expenditure and also the "Plan" and "Non-Plan". These figures will include those supplied to him by the Accountant-General.

**NOTE.**—Monthly statements required by this paragraph need not be submitted to the Finance Department under loans and advances bearing interest.

12.23. The Heads of the Department (whether he is also controlling officer or not) should take steps to maintain a separate watch over expenditure incurred from time to time on important but no-recurring objects, such as expenditure on account of dietary charges in jails or purchase of police

**\*NOTE.**—The Accountant-General, Haryana, watches the progress of expenditure chargeable to heads "266—Pension and Other Retirement Benefits" and submits statements in form B.M.-30 showing monthly expenditure.

uniforms. It is necessary to deal with such items separately from the ordinary monthly expenditure accounts since they only occur once or twice during the year. The Head of the Department will decide for himself what method he will adopt to watch such expenditure. In some cases he may prefer to keep the entire grant under his own control, and order disbursing officers who wish to spend money against it to apply to him for a special allotment. In other cases he may prefer to distribute the grant, and merely order his disbursing officers to report expenditure, against that particular allotment as soon as they incur it, no doubt separately from the ordinary monthly accounts of expenditure. Whatever method he adopts, he should take care to see that he is informed not only of actual expenditure against such grants, but of liabilities that have been incurred which must ultimately be met from such grants.

12.24. As the supply for casual temporary establishment entertained by subordinate officers is not distributed, and the expenditure is shown in a lump sum against the primary unit, "Pay of Establishment", Heads of Departments must make separate arrangements for controlling subordinate officers who have power of sanctioning such establishment. They should do this by informing them of the amount to which they are limited, and requiring them to send the copies of sanctions accorded by them.

## ANNEXURE

(Referred in para 12.3(2) )

1. Bill No.
2. Date
3. Particulars of the bill
  - (a) Salaries
  - (b) Dearness allowance
  - (c) Travelling Expenses
  - (d) Office Expenses
  - (e) Rents/Rates/Taxes
  - (f) Wages
  - (g) Miscellaneous
  - (h) Gross Amount
  - (i) Deductions
  - (j) Net Amount
4. Dated Signature of the Officer signing of the bill
- (5) Date of presentation at Sub-Treasury/Treasury
- (6) Token No.
- (7) Amount Assessed by Try.
- (8) Date of Endorsement
- (9) To whom endorsed
- (10) Dated Initials of Drawing Officer
- (11) Date of Receipt of Cash
- (12) Dated initials of Drawing Officer in Charge of the Cash Month of encashment.

2nd Month

3rd Month

Reference to bill No and date in which balance has been short drawn.

Amount of the bill.

Detailed heads of account etc.

Bill Register of the Office—  
Amount disbursed in

\*Substituted vide No. 28/19/80—2 B & C Dt. 5-12-80.



## CHAPTER 13.—Statement of Excesses and Surrenders

### A.—OBJECTS OF STATEMENT OF EXCESSES AND SURRENDERS

13.1. [The Statement of excesses and surrenders is intended solely for the purpose of fixing the revised estimate of expenditure of the year after examination of the actual expenditure to date and for indicating what the surrenders or excesses are likely to be over the grants sanctioned.] It is not intended to be a means of making provision for additional funds the need for which may arise subsequent to the framing of the budget estimates. If a particular department anticipates an excess over its existing grant and reports the excess in its statement of excesses and surrenders it does not mean that the department has thereby provided for the additional funds that it will require. The correct procedure for all Heads of Departments who anticipate expenditure in excess of their grants is to report the facts to the Finance Department through their Administrative Departments. The Administrative Department will either propose a reappropriation within the grant as a whole or prepare a supplementary demand for submission to the Legislature in accordance with the rules contained in Chapter 14]

13.2. The statement of excesses and surrenders is, so far as expenditure is concerned, the chief source of information on which the Finance Department relies to determine whether the modified grant will be in excess or in defect of the actual expenditure. It is, therefore, the chief factor in fixing the closing balance of the current year, and since it is on the estimate of the closing balance that the loan requirements of Government are fixed, overestimates by Heads of Departments of excesses may, and probably will, result in Government borrowing more money than actually required and thus bearing for a series of years interest charges on a higher amount than was necessary. If Heads of Departments appreciate the fact that inaccurate estimates of excesses and surrenders do not merely cause inconvenience to the Finance Department but also cause definite loss to Government, the Finance Department believes that they will frame their estimates with the utmost care. Further, the statement of excesses and surrenders

furnishes the material on which Heads of Departments must base their demands for regrants and supplementary grants and also their surrenders for acceptance by the Finance Department.

It must be carefully noted that no amount out of the savings reported in the statement of Excesses and Surrenders and accepted by the Finance Department shall subsequently be utilised without its previous approval.

Savings coming to notice after the despatch of the final statement should be reported separately as soon as possible. All final savings must be surrendered to the Finance Department by 15th January. Surrenders made after that date will not be accepted.

**B.—SUBMISSION OF STATEMENT OF EXCESSES AND SURRENDERS BY HEADS OF DEPARTMENTS**

13.3. (a) By the 1st of December every year, the statements of excesses and surrenders will be submitted by Heads of Departments to the Finance Department in duplicate in Form B.M.-32 for complete major head unless a particular minor head or sub-head is controlled by a different Head of Department. The statement should show "charged" expenditure in red ink and separately from votable. It should also show the anticipated total expenditure and the resulting excesses over or surrenders from the modified grant for each primary unit. Under the primary unit contingencies, however, the figures for Contract Contingencies and Other Contingencies should be shown separately. Figures reported should be totalled in all columns by sub-heads and minor heads. The anticipated expenditure in respect of heads "Charges in England" and "Loss or Gain by Exchange" need not be suggested by Heads of Departments.

Expenditure on new schemes not contemplated in the budget as approved by the Legislature should not be included in the statement of excesses and surrenders unless specific approval of the Finance Department has been obtained thereto.

(b) Along with the statement of excesses and surrenders, Heads of Departments should submit a note on half margin explanatory of the excesses and surrenders. Each particular item of expenditure not provided for in the budget and the necessity for increased expenditure on sanctioned objects should be fully justified therein. The reasons for difference between the anticipated expenditure and the total



**Chap. 13.] STATEMENT OF EXCESSES AND SURRENDERS [13.3—13.5**

of last 12 months' figures appearing in column 7 of the statement should also be explained. In the explanatory note accompanying the second statement of excesses and surrenders, Heads of Departments should report whether any modifications are necessary in the demands for supplementary or token grants that have already been forwarded to the Finance Department and await presentation to the Legislature. In cases where modifications reported necessitate revision of the memorandum already submitted, a fresh memorandum explanatory of the revised demand should be furnished by Heads of Departments to the Finance Department along with the second statement of excesses and surrenders while forwarding the list of Excesses and Surrenders. The Heads of Departments should also review as a whole the grant or the portion of the grant allotted to them and explain briefly the reasons for the excess or the saving that may be anticipated in the grant or the portion of the grant as the case may be.

13.4. Every Head of Department will also send a copy of the statement of excesses and surrenders to the Administrative Department at the same time as he sends it to the Finance Department. The Secretary in the Administrative Department will forward that copy of the statement to the Finance Department as soon as possible but not later than a week after the receipt of the statement from the Head of Department, with any remarks or modifications he may wish to make. If he does not propose any change in the figures as proposed by the Head of Department, he will still submit his statement to the Finance Department.

13.5. Under the following heads of account the statement of Excesses and Surrenders is not required to be submitted :—

333—Irrigation Navigation, Embancement, drainage and Flood Control Projects.

249—Interest payments.

248—Appropriation for Reduction or Avoidance of Debt.  
(ii) Interest.

334—Power Projects.

T. Deposits and Advances. Part III—Advances not bearing interest—Advances Repayable.

The revised estimate in respect of these heads will be included and dealt with along with the budget estimates of the head concern.

13.6. As explained in paragraph 13.2 Heads of Departments will be precluded from using the surrenders, after their acceptance by the Finance Department, to meet excesses within the grant, unless consent of the Finance Department is first obtained. All reappropriations which are within the competence of the Heads of Departments and Administrative Departments should, therefore, be sanctioned before the submission of the statement of Excesses and Surrenders. If reappropriation cannot be made in time such sums as it is known will be definitely required may be retained for reappropriation within their powers.

C.—EXAMINATION BY FINANCE DEPARTMENT

13.7. (a) The Finance Department shall examine the statements of excesses and surrenders submitted by Heads of Departments in the light of progressive actuals and any other information in its possession.

(b) The revised estimate framed on the basis of the statements of Excesses and Surrenders will be communicated to Heads of Departments by the Finance Department by the 17th December, to enable them to take up the question of reappropriation and the like with the Finance Department. The reappropriation order should be prepared in the form given in Annexure to this chapter, and forwarded by Heads of Departments (other than Chief Engineer Public Works Department) to the Finance Department in triplicate for necessary action. The application for reappropriation required by Public Works Department Branches will be submitted for sanction to the Finance Department by the Chief Engineers in form B.M.-34. In these reappropriation orders, surrenders in the grant which are intended to be transferred to the sub-head 'Surrenders or withdrawals in the grant' shall also be indicated. The Finance Department will then sanction the necessary re-appropriations and also indicate the net surrenders, to be taken to the sub-head "Surrenders or withdrawals within the grant" and endorse a copy to the Accountant-General, Haryana. If any re-appropriation from the amount surrendered or withdrawn are authorised later, these will be communicated by the Finance Department in a letter to the Head of Department and a copy endorsed to the Accountant-General, Haryana. Such orders of re-appropriations will be effected by transferring the amount from the sub-head "Surrenders or withdrawals within the grant". This will result in a reduction of the amount appearing against this sub-head and a corresponding addition to the amount appearing against the sub-head the provision for which is being increased.

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In the case of excesses to be covered by supplementary demands or items of expenditure which require the approval of the Legislature, necessary schedule and memo. Shall be forwarded by Heads of Departments to the Finance Department, through the Administrative Secretary concerned as soon as after the orders of the Finance Department are received by Heads of Departments on the statement of excesses and surrenders and the Finance Department shall arrange to obtain the necessary funds from the legislature.

**D.—PASSING OF SAVINGS INTO REGRANTS**

13.8. (a) When, owing to unforeseen causes, it is not possible to utilise in full the provision included in the Budget or Supplementary grants for a specific object or scheme, the amount of the anticipated savings should be invariably shown in the statement of excesses and surrenders. If the Head of Department concerned desires that the whole or part of the anticipated saving should be passed, in the form of a regrant into the ordinary estimates of the following year, he must make a specific request to this effect in the statement of excesses and surrenders. In the case of Planning Schemes or other continuing new schemes provision for which is made through the Schedule of New Expenditure, the regrants required should be provided for in the Schedule of new expenditure as far as possible. In the absence of a specific request, the Finance Department will not provide for a regrant. A regrant will ordinarily be included in the estimates only if (a) it is covered by anticipated savings under the Major Head as a whole and (b) it relates to (i) a specific object or scheme, or (ii) a grant-in-aid, or (iii) contract contingencies.

(b) Sums passed into the Budget in the form of regrant (except under 'Works' including Extensions and Improvements under heads 43 and 44) will not be communicated at the time the ordinary grants voted by the Assembly in its Budget Session are communicated. Heads of Departments will as soon as possible after the close of the previous financial year, and after receipt by them of the March preliminary accounts, apply to the Finance Department for the allotment of the provisions for regrants. Ordinarily the object of a regrant is to enable the money, which was voted for, but could not be utilized on a particular object in the year in which it was originally voted, to be devoted to that object next year. It ought not, except in very exceptional cases, be diverted to

another object and it is generally objectionable to transfer funds which were voted as a non-recurring item to a purpose which will in effect be a recurring charge on Government. If the actual expenditure in the preceding year (a) under the major head as a whole and (b) on the object to which the regrant relates, was in defect on the modified grant by a sum which is not less than the amount of the regrant, then the Finance Department will allot the full provision of the regrant. If, however, the actual expenditure, in the preceding year (a) under the major head as a whole and (b) on the object to which the regrant relates was in defect of the modified grant by a sum less than the amount of the regrant, then the Finance Department may at its discretion reduce the regrant accordingly.

(c) Lapses reported under the Head 'Works' (including Extensions and Improvements under the heads 43 and 44) will be passed into the estimates of ordinary expenditure of the following year in the form of a 'Reserve for works in progress'. The total amount of this reserve must in the last resort be determined by the Finance Department with regard to the necessity for avoiding over-budgeting. It will cover not merely lapses which have been reported by officers and surrendered, but other unavoidable lapses which have occurred since the list of excess and surrenders was sent in, and applications for the regrant of lapsed expenditure, whether it has been included in the list of excesses and surrenders or not, will have the first call on this reserve. Disbursing Officers, should as soon as possible after the close of the financial year, apply for re-allotment to the extent to which it can be economically utilized in the new financial year. The object of these rules is to prevent hasty and unconsidered expenditure being incurred during the closing months of the year, and executive officers should be assured that failure to spend the total grant allotted to them will not, in ordinary circumstances, count against them in any way, and that while they should make every endeavour to foresee and surrender lapses in the lists of excesses and surrenders they should not hesitate to apply, if lapses have not been foreseen.

(d) Heads of Departments are advised to over-estimate rather than under-estimate the requirements for regrants. The fact that they have applied for a regrant, in the list of excesses and surrenders does not prevent them from spending

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with the consent of the Finance Department as much of the ordinary allotment as they are able to spend with due regard to economy during the current year. If, on the other hand, owing to unforeseen causes, the amount they are able to spend is less than they anticipated, their failure to apply for an adequate regrant may seriously embarrass them in the following year, since insufficient or no provision will then exist for the unexpended portion of the original grant. While the Finance Department can without difficulty make the necessary reduction in the case of a regrant the amount of which is proved later by the figures of actual expenditure to have been overestimated, it cannot ordinarily make the necessary provision without a supplementary demand for a regrant the amount of which has in the first place been underestimated. Appreciation of these facts by Heads of Departments will save both of them and the Finance Department avoidable trouble and inconvenience.

13.9. Special instructions, peculiar to the Irrigation and Building and Roads Branches of the Public Works Department, will be found in Appendices G and H respectively of this volume.

1. The first of the three main points of the report is that the Government should take steps to ensure that the public sector is not a drain on the economy. This is achieved by ensuring that the public sector is self-financing, and that it does not rely on the Treasury for its operating costs. The second point is that the Government should ensure that the public sector is efficient and effective. This is achieved by ensuring that the public sector is subject to the same standards of efficiency and effectiveness as the private sector. The third point is that the Government should ensure that the public sector is accountable to the public. This is achieved by ensuring that the public sector is subject to the same standards of accountability as the private sector.

2. The second of the three main points of the report is that the Government should ensure that the public sector is efficient and effective. This is achieved by ensuring that the public sector is subject to the same standards of efficiency and effectiveness as the private sector.

**ANNEXURE**

(Referred to in paragraph 13.7(b))

Application for reappropriation of sanctioned grants for the year\_\_\_\_\_

**MAJOR HEAD**\_\_\_\_\_

From	Amount	Reasons for savings	To	Amount	Reasons for Excesses
Minor head and sub-head for appropriation accounts etc.	Rs.		Minor head and sub-head for appropriation accounts etc.	Rs.	

**HEAD OF DEPARTMENT.**

No.                      Dated                      196 .

These appropriations are hereby sanctioned.

Secretary to Government, Haryana,  
Finance Department.

To

- (i) Accountant-General, Haryana.
- (ii) Head of Department (concerned).





**CHAPTER 14.—Expenditure not provided for in the Budget  
Estimates—Reappropriations—Supplementary  
Estimates and excess grants**

**A.—GENERAL**

14.1. No expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorised by the Appropriation Act for a financial year, except after obtaining additional funds by reappropriation, supplementary grant or appropriation or an advance from the contingency fund of the State as explained in succeeding paragraphs.

14.2. In cases where additional expenditure is necessitated in a grant by a change in the accounts classification, Finance Department will authorise the expenditure to be incurred and a supplementary appropriation will be presented to the Legislature if it is found that savings under the grant concerned are not sufficient to meet the additional expenditure under the head of account concerned.

**B.—EXCESS OVER CONTRACT GRANTS**

14.3. (a) From the budget point of view an excess over a contract grant has to be treated in the same way as an excess over any other secondary unit except that only the Minister can by re-appropriation add to the allotment for contract grants. It has in the first place to be dealt with in the manner laid down in paragraph 14.11 *et seq* for 'Applications for re-appropriations'.

(b) Excess over contract grants have, however, another aspect. These involve a breach of an agreement with Government which requires that expenditure has not to exceed a certain amount, and disbursing officers are expected not to require additional allotments. Heads of Departments have small reserves to meet urgent cases, and cannot add to the total allotment for contract grants by re-appropriation and should endeavour to avoid applications for additional appropriations. They are further liable to be called to account for

an excess over their total contract allotment. Therefore apart from the question of appropriation, excesses over a contract grant require the attention of Heads of Departments from a disciplinary point of view, and each Head of Department should as soon as the accounts for the year are closed, consider whether excesses over contract grants are justified and take action accordingly. Excesses in the grant of a Head of Department will be reported by the Accountant-General and will be dealt with by Government in the Administrative Department in consultation with the Finance Department.

#### C.—RE-APPROPRIATIONS

14.4. Re-appropriation which implies the transfer of funds from one unit of appropriation to another within a grant, is only permissible when it is known or anticipated that the appropriation for the unit from which funds have to be diverted will not be utilised in full, or, that savings can be effected in the appropriation for that unit. In no case it is permissible to re-appropriate from a unit with the intention of restoring the diverted appropriation to that unit when savings become available under other units later in the year.

#### D.—RE-APPROPRIATION WHERE NOT ADMISSIBLE

\*14.5. Re-appropriations are not permissible—

- (i) from one Grant/Appropriation to another (e.g. between "2—General Administration and 3—Home");
- (ii) from the "Charged" to the "Voted" section or vice versa;
- (iii) to provide for new expenditure, whether voted or charged (for explanation of the expression New Expenditure see para 2.29), until such expenditure has been authorised by an Appropriation Act;
- (iv) to increase or provide for expenditure on an item the provision for which was specifically reduced or disapproved by the Assembly either through a substantive or a token cut;
- (v) after the close of the financial year; and
- (vi) from a capital head to a revenue head within the same grant and vice versa.

\*Amend vide No. 1271—2 B & C—75/10169, Dated 24-3-1975.

**Chap. 14.] EXPENDITURE NOT PROVIDED FOR IN THE [14.6—14.9**  
**BUDGET ESTIMATES—REAPPROPRIATION—**  
**SUPPLEMENTARY ESTIMATES AND**  
**EXCESS GRANTS**

14.6. If an appropriation under a unit is reduced by re-appropriation sanctioned by a competent authority or by resumption, the expenditure debitable to the unit should be restricted to the reduced appropriation. No authority subordinate to the one which sanctioned the reduction in the original appropriation may increase the appropriation in the exercise of its own powers of re-appropriation, unless the previous consent of the authority which reduced the appropriation has been obtained. If the authority be the Government in the Finance Department, the sanction should be applied for, when necessary, through the Government in the Administrative Department concerned.

14.7. As the Demands for Grants, whether original or supplementary, placed before the Legislature are for gross expenditure without taking into account deductions on account of recoveries, credits on account of recoveries of expenditure must be ignored for the purposes of sanctioning re-appropriation of funds or obtaining supplementary grants.

14.8. Subject to the restrictions mentioned in paragraph 14.5 above, any re-appropriation within a grant from one major, minor or subordinate head to another may be sanctioned by the Finance Department:

Provided that the Planning Department shall be consulted before sanctioning any re-appropriation which has the effect of increasing the ceiling for a plan scheme allotted by that Department for a particular financial year.

14.9. Subject to the restrictions mentioned in paragraphs 14.5 and 14.6 above, the Finance Department has delegated the power of re-appropriation within a grant between heads subordinate to a minor head in respect of both "Voted" and "Charged" expenditure to the extent noted below.

(1) & (2) deleted \*

(3) To the Heads of Departments mentioned in Appendix D subject to the following further restrictions in addition to those

stated in (1) above—

\*(i) Savings from “salaries” shall not be re-appropriated to other standard objects of expenditure.

(ii) Re-appropriation shall not be made to increase provision for any standard object of expenditure other than “Salaries”.

Exceptions. (i) Re-appropriation between the sub-heads ‘Buildings’ under the minor heads relating to one department, subordinate to a functional major head included in the Demand of ‘Buildings and Roads’, can be sanctioned by the Chief Engineer, PWD, Buildings and Roads Branch.

(ii) Re-appropriations between the sub-heads subordinate to a minor head can be sanctioned by the Chief Engineer, PWD (B & R) in respect of the following minor heads.

Major/Sub-Major Heads

Minor Heads

259—Public Works

(i) Maintenance and Repairs

459—Capital Outlay on Public Works

(ii) Furnishings.

283—Housing-C-Govt. Residential Buildings

(iii) Lease charges

483—Capital Outlay on Housing-Govt. Residential Buildings

(iv) Machinery and Equipment

(v) Suspense

237—Roads and Bridges

All minor heads except

537—Capital Outlay on Roads and Bridges

(i) Direction and Administration

(ii) Planning and Research and

(iii) Other Expenditure.

\*\*\* (iii) Re-appropriation between the standard objects of

\*Amended vide No. 1271—2 B & C—75/10169 Dated 24.3.75

\*\*Amended vide No. 2729—2B&C—76/26176 effective from 76-77

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BUDGET ESTIMATES—REAPPROPRIATION—  
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[14.9

expenditure 'Major works', 'Minor Works', 'Material and Supplies', and Machinery and Equipment' subordinate to a minor head under the major head '313—Forests', can be sanctioned by the Chief Conservator of Forests."

(4) Subject to the provisions mentioned below, the Finance Department has delegated the powers of re-appropriations within a grant between heads subordinate to a major head in respect of expenditure both 'voted' and 'charged' to the Administrative Department.

- (i) Savings from "Salaries" shall not be re-appropriated to other standard objects of expenditure but savings under other standard objects of expenditure can be re-appropriated to the standard object 'Salaries'.
- (ii) Savings from 'Travel Expenses' can be re-appropriated to the standard object 'Office Expenses' and *vice versa*.
- (iii) For re-appropriation to increase provision by 'Salaries' 'Travel' expenses & Office Expenses' the Administrative Department should have recourse to the normal procedure which requires prior approval of the Finance Department.

**NOTE.—(1)** No re-appropriation will be made from Plan side to Non-Plan side or *vice-versa*.

**\*Note.—(2)** Diversion of funds from one sub-head of development to another and from one scheme to another under the same sub-head of development, can be made only with the prior approval of Planning Department.

- (iv) If re-appropriation involves a recurring liability, that is to say, a liability which extends beyond the financial year in question, it should not exceed the extent visualised in the relevant State Five-Year Plan or in an appropriate project, if any, in the case of Non-Plan Schemes ;
- (v) no appropriation will be made from the savings due to full or partial abandonment or postponement of a scheme which finds a place in the Supplementary Estimates.

\*Amended vide No. 2729—2 B & C 76/26176 Dated 21.7.76 with effect from financial year 1975—77.

14.10. A copy of each order of re-appropriation sanctioned by any authority will be furnished to the Finance Department and the Accountant-General, Haryana.

**E.—INSTRUCTIONS FOR THE PREPARATION, SUBMISSION, ETC., OF APPLICATIONS, FOR REAPPROPRIATION.**

14.11. An application for additional appropriation will be prepared in form B.M. 33 (or for the Public Works Department in form B.M. 34) and will set forth the particular primary unit of appropriation (also a secondary unit where prescribed) the provision for which has been or is likely to be exceeded. If the amount shown in column 2 of form B.M. 33 includes any additional appropriation already sanctioned during the year, the number and date of the order sanctioning it should be quoted. The application shall be numbered and dated by the disbursing officer and forwarded to the following officers in succession :—

- (a) Controlling Officer ;
- (b) Head of Department ;
- (c) Secretary to Government in the Administrative Department concerned ;
- (d) Secretary to Government, Finance Department, provided that if at any point in the chain an officer is able to sanction a reappropriation, he shall do so in accordance with the powers delegated to him. Similarly if at any point in the chain an officer considers that the application should be modified or rejected, he shall modify or reject it.

14.12. (a) When the application is for expenditure on a definite scheme or work which necessitates an additional appropriation, a letter recommending it should accompany the application for additional appropriation. In all other cases, the reasons for the insufficiency of the appropriation and remarks regarding re-appropriation should be given in the form by the disbursing officer and also, if necessary, by the controlling officer and the Head of the Department. No separate reappropriation statement or covering letter is required in such cases.

**Chap. 14.] EXPENDITURE NOT PROVIDED FOR IN THE [14.12—14.14**  
**BUDGET ESTIMATES—REAPPROPRIATIONS—**  
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(b) Each officer in forwarding the application should endeavour to suggest a source of reappropriation. When disbursing and controlling officers and Heads of Departments are not in a position to suggest any source, the Head of Department, if satisfied that the grant for the minor head as a whole will be sufficient to meet the total expenditure, will allot funds to the disbursing officer concerned and communicate to audit that the source of reappropriation will be conveyed later, adding a certificate that the Head of Department has satisfied that the minor head grant will be sufficient to meet the total expenditure. The Head of Department will keep record of such cases in a register and as soon as he has prepared the statement of excesses and surrenders, he will communicate the final orders to the Accountant-General, and the Finance Department.

14.13. (a) When a Head of Department or other authority subordinate to Government sanctions an additional appropriation by reappropriation, he should forward the application in original as sanctioned by him to the Accountant-General and at the same time inform by a letter the controlling and the disbursing officer of the reappropriation sanctioned by him. The letter should be endorsed to the Administrative Department and Finance Department for information.

(b) When the application for additional appropriation is sanctioned by the Administrative Department or the Finance Department it will be returned in original to the Head of Department, who shall forward it to Accountant-General, and at the same time inform the controlling and the disbursing officer of the reappropriation sanctioned.

(c) Reappropriation within a primary unit shall not be communicated to the Accountant-General.

14.14. If it is discovered after the submission of the statement of excesses and surrenders that more excesses are likely to occur for which additional funds can be found by reappropriation requiring the sanction of Finance Department, formal applications for the same should be submitted without delay but the Finance Department will ordinarily not be able to entertain any such applications after the 15th March.

14.15. (a) When any reappropriation involves expenditure in England, a letter informing the High Commissioner for India and the Director of Audit, Indian Accounts in the United Kingdom, London of the change in their estimates is issued by the Finance Department.

(b) Transfers of appropriation from India to England or *vice versa* are similarly intimated by the Finance Department. All such orders are endorsed to the Accountant-General by the Finance Department.

#### F.—SUPPLEMENTARY APPROPRIATIONS

14.16. (a) A Supplementary grant or appropriation is an addition to the total authorised grant or appropriation for a financial year and has to be obtained in the manner prescribed in Article 205 (1)(a) of the Constitution, passing through the same stages of legislative procedure as the original grant or appropriation.

(b) Proposals for supplementary appropriations are objectionable in principle and free resort to them indicates on the one hand, bad estimating or unprudent administration and on the other hand ; impairs the proper management of the State finances. It is obvious that an equitable and well considered distribution of the total funds available for expenditure in any particular year can only be made at the time when the requirements of Government are being comprehensively considered, i.e., at the time of preparation of the annual estimates. The legislature has further a right to expect that except for sudden, unexpected and urgent demands the budget estimates as presented to it before the beginning of the year should eventually be realised. Even the fact that circumstances often unexpectedly increase the revenue since the budget estimates were prepared, does not in itself justify the presentation of supplementary appropriations. The justification for presentation of supplementary appropriations can accordingly only rest upon circumstances which are exceptional.

14.17. (a) In theory proposals for supplementary appropriations should be submitted as soon as a department knows that it cannot find funds for the purpose within the existing grant but in practice it is probable that a department will not know this till the statement of excesses and surrenders has been prepared and examined. Heads of Departments are accordingly advised that



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unless they are certain before the preparation of the statement that funds would not be available, they should, as far as possible, postpone the submission of applications for supplementary appropriations till the date of submission of the statement for excesses and surrenders. Applications for supplementary appropriations which involve expenditure on 'new services' should, however, be submitted as soon as the necessity of expenditure arises.

(b) Before submitting proposals for supplementary appropriations Heads of Departments should carefully examine whether the additional expenditure cannot be met from normal savings or by special economies or curtailment of expenditure under other heads of the grants. They should also keep in view in this connection that if after the close of the year any supplementary appropriation actually obtained is found to be unnecessary it will be regarded as a financial irregularity and the Accountant-General will draw attention to it in his audit report on the appropriation accounts and the Head of Department concerned will have to explain the matter before the Committee on Public Accounts.

(c) Proposals for supplementary appropriations should be submitted to Government in the Administrative Department concerned except those relating to charges in England in respect of

which proposals will be forwarded direct to the Finance Department by the High Commissioner for India. The Administrative Departments will examine the proposals received by them, and forward them with their recommendations to the Finance Department. In regard to the proposals for supplementary appropriations received direct from the High Commissioner for India, Finance Department will examine them with the statements of excesses and surrenders and see if they cannot be met wholly or in part from the India portion of the grants. The last date for the submission of proposals for supplementary appropriations to the Finance Department is 10th February.

**14.18. Supplementary grants or appropriations are required in the following cases :—**

(i) when the amount included in a grant or appropriations ]

(voted or charged section) authorised by the Appropriation Act is found to be insufficient for the year ; or

(ii) when need has arisen for incurring expenditure whether, voted or charged, upon some new service, scheme or item not contemplated in the Appropriation Act for the year, even though it can be met wholly or in part by reappropriations within the amount authorised under the Grant or the Appropriation ; or

(iii) when it is desired to obtain the prior approval of the Legislature to a scheme involving large financial commitment, even though little or no expenditure on that account is anticipated in the current year.

In cases falling under clause (ii), a token sum of Rs. 10 or the amount actually required, as the case may be, should be included in the supplementary statement of expenditure, while in cases falling under clause (iii) only a token sum of Rs 10 need be included.

**14.19.** If a supplementary estimate is for increased provision in respect of a sanctioned object, the authority concerned should show—

- (a) why the need for the increased provision could not be foreseen at the time when the original departmental estimate was framed, and
- (b) that in the absence of such provisions serious inconvenience or serious loss or damage would be caused to the public service.

A supplementary estimate for increased provision will not be presented unless condition (b) is fulfilled. Failure to fulfil condition (a) (whether condition (b) is fulfilled or not) is a financial irregularity and may involve a report to the Committee on Public Accounts.

Normally in such cases an application for a supplementary appropriation will not be accepted, unless it is quite clear that funds cannot be found by legitimate postponement of expenditure for which provision already exists.

**Chap. 14.] EXPENDITURE NOT PROVIDED FOR IN THE [14.20--14.22  
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**14.20.** If a supplementary estimate is required for some new expenditure not contemplated in the budget, the authority concerned must show either—

- (a) that the expenditure has been newly imposed by statute or by order of a court of law, or other competent authority ; or
- (b) that urgent necessity has arisen for the proposed expenditure the postponement of which would (i) involve extra expenditure ultimately, or (ii) be administratively impossible or would be against any accepted policy.

The Finance Department must necessarily agree to the presentation of supplementary estimate in case (a), while in case (b) its presentation will depend on the urgency of the proposed expenditure.

**14.21.** The principles enunciated in paragraphs 14.19 and 14.20 apply also to an application for a supplementary estimate in respect of any demand to which the Assembly has previously refused its assent or the amount of which the Assembly has reduced either by a reduction of the whole grant or by the omission or reduction of any of the items of expenditure of which the grant is composed.

**14.22.** When after consulting the Finance Department it is decided that a supplementary or a token appropriation is necessary, the Administrative Department concerned will submit to the Finance Department an application for the supplementary or token appropriation required in form B.M.-35 for proposals other than works and in form B.M.-36 for proposals for works. Before an application for supplementary appropriation for works is sent to the Finance Department, the Public Works Department should be required to say how much of the proposed works can be completed and paid for within the current financial year if started as soon as the Assembly has voted the money. With the application the Administrative Department concerned should forward a memorandum explaining fully the justification for the supplementary appropriation. This memorandum should generally be on the lines of a note and should be self-contained.

14.23. (a) Applications for supplementary appropriations will be consolidated by the Finance Department in the same manner as the original budget is prepared. They will be arranged in the order of grants numbers and will, in addition to the amounts for which demands for grants are to be presented to the legislature includes sums which are charged on the revenue of the State.

(b) Before presentation to the Legislature the supplementary estimates are considered in the Council of Ministers. For this purpose Finance Department will arrange to have a meeting of the Council of Ministers fixed about a week before the date of presentation of the supplementary estimates.

14.24. Token appropriations should be taken at their face value and the amounts, however, small should be added to the grants for the service heads concerned. The reappropriation to be made will, therefore, be the total sum required less the amount of the token appropriation.

14.25. The supplementary grants and appropriations relating to charges in England will be communicated by the Finance Department also to the High Commission of India and the Director of Audit, Indian Accounts in the United Kingdom, London.

#### G.—EMERGENT EXPENDITURE—CONTINGENCY GRANT

14.26. Sometimes a need may arise for incurring unforeseen expenditure of an urgent nature before it can be approved by the Legislature. In such a case an advance may be sanctioned from the Contingency Fund established under the Punjab Contingency Fund Act, for meeting such expenditure pending the authorisation by the Legislature through an Appropriation Act. The procedure to be followed for obtaining an advance from the Contingency Fund and its recoupment to the Fund shall be as laid down in the Punjab Contingency Fund Rules which appear as an Annexure to Chapter XVII of Punjab Financial Rules, Volume, I.

NOTE.—No token advance is permissible from the Contingency Fund.

14.27. Such expenditure as is recouped to the Contingency Fund during the same financial year, will be wiped off from the Fund and only the expenditure which is not recouped before the end of the year will remain outstanding under the Contingency Fund and be carried forward to the next financial year. When budgeting in the next financial year, for the amount to be recouped

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to the Contingency Fund in respect of the expenditure for which Supplementary Funds were not provided during the course of the year, the provision should be made under the major, minor and detailed head concerned, under which the expenditure was incurred in the previous year from the Contingency Fund.

**14.28.** For purposes of Appropriation Accounts, the amount met by advances from the Contingency Fund which are not subsequently reimbursed to the Fund during the year by taking a vote of the Legislature will not be included in the figure of expenditure but will be mentioned by a suitable note below the appropriation account of the grant concerned.

**14.29.** All bills for such expenditure shall conspicuously be labelled as pertaining to the Contingency Fund, quoting the order sanctioning the advance from the Fund, and the usual classification of expenditure on the bills shall also invariably be given by the disbursing officers.

**H.—EXCESS GRANTS AND APPROPRIATIONS**

**14.30.** Under clause 1 (b) and 2 of Article 205 of the Constitution if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, demand for such excess amount has to be presented to the Legislature and is to be dealt with in the same way as if it were a demand for a grant.

**14.31.** A demand for an excess grant differs from a demand for a supplementary grant in that, while the latter is essentially a demand for a grant the need for which is foreseen during the currency of a year and is presented in the year to which it relates, a demand for an excess grant is presented to regularize expenditure incurred in excess of the grant made in a past year. A demand for an excess grant can be laid before the Legislative Assembly only after all the expenditure of the year has been audited and the Appropriation Accounts of the year have been compiled by the officers of the Comptroller and Auditor-General of India and considered by the Committee on Public Accounts. The work of compilation of the appropriation accounts by the Accountant-General and their consideration by the Committee on Public Accounts however, take

some time. In practice, therefore, it is not possible to present a demand for an excess grant until about two years after the expiry of the financial year to which it relates and until the recommendations of the Committee on Public Accounts are received.

14.32. The same principles and procedure apply to an excess in the total appropriation for charged expenditure under the heads of accounts included within a grant or under the separate charged appropriations relating to "Interest on debt and other obligations" and "Reduction or avoidance of debt", the only difference being that an excess in respect of charged expenditure does not require the vote of the Assembly.

*Not in course*

**CHAPTER 15.—Finance and Appropriation Accounts—  
Committee on Public Accounts—Statement of  
Excess Expenditure**

**A—APPROPRIATION AND FINANCE ACCOUNTS**

15.1. The Appropriation Accounts and the Audit Reports thereon are prepared by the Comptroller and Auditor-General of India for each year in accordance with the provisions of para 11(4) of the Audit and Accounts Order, 1936, as adapted by the India (Provisional Constitution) Order, 1947. Their object is to present the audited accounts of all the expenditure of the year, whether voted or charged, in the form of a separate appropriation account for each Grant/Charged Appropriation, with any important observations which it is considered necessary to make as a result of the audit investigation. They also include the comments deemed to be necessary to make upon the results of the audit of trading, manufacturing and profit and loss account and balance-sheets kept in respect of Government Commercial or quasi-commercial concerns and upon the examination of accounts of receipts and of stores and stock. The report of the Director of Audit, Indian Accounts in the United Kingdom, relating to transactions in the United Kingdom affecting the Haryana Government, is also embodied in the Appropriation Accounts of the Grants/Charged Appropriations concerned. In order that only agreed statements of facts and completed cases are included in the reports, a convention exists between the Comptroller and Auditor-General and the State Government whereby cases relating to any previous year which become ready for inclusion after the last report was written are included in the report of a subsequent year.

15.2. Besides the Appropriation Accounts, Comptroller and Auditor-General of India also compiles the Finance Accounts of the State Government in respect of each financial year. This compilation presents the accounts of the receipts and outgoings of the Government for the year together with a report on the financial results disclosed by the different accounts and other data coming under examination; that is to say, both the revenue and capital accounts, the accounts of the debt and the liabilities and assets of the Government as deduced from the balances recorded in its books and other information.

15.3 (a) Appropriation Accounts mainly depend on the explanations furnished by the Heads of Departments concerned to

the Audit Office as to the causes of variations between the appropriation and the expenditure. In order that the Heads of Departments may be able to furnish the necessary explanations immediately on receipt of a reference from the Accountant-General they are advised to examine the figures appearing in their accounts, soon after the close of the year and make references to subordinate authorities in cases where reasons for variations have to be obtained from them. It is possible that in certain cases the accounts of Heads of Departments may differ from the figures furnished by the Accountant-General, for the purposes of explanation. In cases where there may be appreciable discrepancies, Heads of Departments should furnish immediately to the Accountant-General the explanation of variations on the basis of the figures in their accounts and take up with him simultaneously the question of discrepancies. On the settlement of differences revised explanations should be furnished by the Heads of Departments, if necessary. The explanations should in no case be withheld pending settlement of discrepancies.

(b) The Accountant-General for his Report on the Appropriation Accounts requires explanations of all important differences (a) between the grant or appropriation under a sub-head as originally sanctioned and its final figures as modified by supplementary appropriations, surrenders, withdrawals and re-appropriations and (b) between the final figures and the actual expenditure under the sub-head, whether saving or excess. Explanations should also be given, where possible, of apparent failures to exercise adequate control over expenditure such as cases where a reappropriation to or from a sub-head (or surrender from a sub-head) merely enhanced the original saving or excess for that sub-head, as the case may be. The explanation should be precise and informative and vaguely worded phrases such as "due to over-estimating," "covered by reappropriation", "reappropriation proved unnecessary or inadequate" should be avoided. It is for example, no adequate explanation of a saving under "purchase of stores" to state that "fewer stores were purchased" or "delay occurred in procuring stores". The reasons for the smaller purchase or delay should be given. Similarly if an excess occurs under travelling allowances" it should be explained why additional "travelling allowance could not have been foreseen and provision made to cover its cost and why it was necessary. In regard to surrenders Heads of Departments should note that where they give a reasonable explanation to Accountant-General regarding



surrenders accepted by the Finance Department for incorporation in the Appropriation Accounts, the Public Accounts Committee will not normally ask for a further explanation. On the other hand if a Head of Department has not shown a surrender and his expenditure is less than its appropriation to a considerable extent, the Public Accounts Committee will invariably call for a detailed explanation of the lack of budgeting control.

No amounts or percentages are prescribed for explaining the variations in the Appropriation Accounts between the expenditure and the grant, but the Accountant-General will have full discretion in the matter so that he may include in the Appropriation Accounts explanations of variations only in those cases which in his view, are likely to be required by the Public Accounts Committee.

(e) The Finance Department will furnish to audit the following information :—

- (i) Amount voted by the Vidhan Sabha and included in the original schedule of authorised expenditure (see paragraph 10.1, also).
- (ii) Cases in which reductions are made by the Vidhan Sabha in demands for grants.
- (iii) Appropriation to meet expenditure charged on the revenues of the State included in the original schedule of authorised expenditure.
- (iv) The number of supplementary grants taken during the year and the total amount voted by the Vidhan Sabha under them, reduction made by the Vidhan Sabha, and the number of supplementary charged on the revenues of the State and the total amount thereof.
- (v) Cases in which a demand being presented to them the Vidhan Sabha decline to provide funds for expenditure on a particular purpose.
- (vi) Measures taken or proposed to be taken to prevent over-estimating of expenditure and to secure improvement in control over expenditure in general or in any department in particular.

- (vii) Cases in which funds are voted by the Vidhan Sabha subject to a valid condition or restriction imposed by them.
- (viii) Measures adopted during the year under report and since then, which can be calculated to increase revenue or to effect reduction in expenditure.
- (ix) Any general measures of importance taken during the year with a view to remedying financial irregularities.

Besides these cases, if a resolution or other motion is passed by the Vidhan Sabha expressing direct disapproval of expenditure on a specified purpose, the Finance Department will bring it to the notice of the Audit Department.

The Finance Department will send all communications indicated above to the audit officer who will then be responsible for noting in the audit report on appropriation accounts any case in which expenditure is incurred in defiance of any expression of opinion by the Assembly, with the Finance Department has communicated to that officer.

#### B.—FINANCIAL IRREGULARITIES

15.4. It is difficult to circumscribe by any definition the meaning of the term "financial irregularity", but it may be laid down that the vast majority of financial irregularities fall under one or other of the following headings—

- (a) expenditure incurred without sufficient sanction;
- (b) expenditure incurred without sufficient appropriation;
- (c) reappropriation within a grant, which is not made in accordance with the rules sanctioned by the Finance Department.
- (d) expenditure on a "new service", not covered by a vote of the Vidhan Sabha unless the requisite funds have been arranged by obtaining an advance from the Contingency Fund before incurring expenditure;
- (e) defective or inaccurate budgeting which includes—
  - (i) provision for the same item of expenditure under two or more budget heads made inadvertently,

**Chap. 15.] FINANCE AND APPROPRIATION ACCOUNTS—**  
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- (ii) omission to provide in the estimate for all sanctioned charges and charges that can be foreseen;
- (iii) provision under wrong budget head;
- (iv) treatment of new items as ordinary items of expenditure;
- (v) supplementary demands obtained unnecessarily or in excess of the amount required for repayment to the Contingency Fund, i.e., for recouping the expenditure incurred from the Contingency Fund in the previous years;
- (vi) over-estimating and under-estimating;
- (f) defective control of expenditure resulting in—
  - (i) unnecessary or excessive supplementary grants;
  - (ii) unnecessary or excessive re-appropriations;
  - (iii) injudicious re-appropriations and surrenders causing excess over allotments;
  - (iv) unspent and unsurrendered appropriations;
  - (v) unremedied or uncovered excesses; and
  - (vi) late allotments.
- (g) breaches of the provisions of the financial rules and rules in other authorised codes;
- (h) loss of public money or property due to fraud, neglect or mis-appropriation;
- (i) misclassification of expenditure;
- (j) drawal of money from treasuries which is not required for immediate disbursement;
- (k) abandonment of revenue without proper sanction, e.g., sale of public property below market rates or reduction of dues payable under a licence or lease, without the sanction of the Competent Authority in each case;
- (l) any large claim against another Government, Local body or other outside party, allowed to remain outstanding for an unduly long time;

- (m) any irregularity connected with a contract such as—
  - (i) placing of a contract without obtaining competitive tenders in an open and public manner;
  - (ii) acceptance without adequate reason of a tender other than lowest;
  - (iii) inadequate scrutiny of tendered rates before acceptance;
  - (iv) unsuitability of the form of contract;
  - (v) failure to complete all necessary formalities connected with a contract including the obtaining of sanction to the expenditure before permitting the contractor to start work;
  - (vi) deviation from contract terms in favour of the contractor;
  - (vii) other omissions to enforce conditions of a contract such as those which require the deposit of security for due fulfilment or the payment of penalty for failure to fulfil it;
- (n) any irregularity connected with purchases, such as—
  - (i) purchases which contravene the rules for the supply of articles for the public service;
  - (ii) purchases largely in excess of requirements;
  - (iii) purchase of materials of inferior quality;
- (o) any extraordinary or apparently unnecessary expenditure such as—
  - (i) payments made as acts of grace except when permitted by any rule or order;
  - (ii) compensation paid for damage sustained except in cases in which a claim for such damage could be enforced in a court of law or in which such compensation is admissible under any rule or order;
  - (iii) payments in excess of amounts admissible under statute, contract or rule;
  - (iv) payments necessitated by failure to enforce the terms of a contract;
  - (v) irrecoverable balances of advance payments made on account of services, etc., which were ultimately not rendered;