

**Report of the  
Comptroller and Auditor General  
of India**

**for the year ended March 2002**

**Union Government  
Accounts of the Union Government  
No.1 of 2003**

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## PREFACE

This Report for the year ended March 2002 has been prepared for submission to the President under Article 151 of the Constitution.

The Report includes matters arising from test audit of the Finance Accounts and the Appropriation Accounts (excluding Railways) of the Union Government for the year ended March 2002. The observations arising from the audit of various financial transactions as well as performance audit of the Ministries have been included separately in Report No.2 and Report No.3.

Separate Reports are also presented to Parliament for Union Government: Autonomous Bodies (No.4), Scientific Departments (No.5), Defence Services – Army and Ordnance Factories (No. 6), Defence Services-Air Force and Navy (No. 7), Railways (No. 8 and 9), Indirect Taxes - Customs (No. 10), Central Excise (No.11) and Direct Taxes (No. 12 and 13).

## UNION GOVERNMENT FINANCES AND ACCOUNTS : 2001-2002

### HIGHLIGHTS

This Report discusses the finances of the Union Government in the year 2001-2002 and contains an analysis of the Appropriation Accounts of the same year. 2001-2002 also marks the end of the IX Five Year Plan (1997-2002). The Report, therefore, discusses the finances of the Union Government and trends in major fiscal indicators over three Plan periods *i.e.* from the VII Five Year Plan (1985-1990) to the end of the IX Five Year Plan.

- The year 2001-2002 ended with a deficit in the Consolidated Fund of India (CFI) amounting to Rs.40869 crore and a surplus in the Public Account amounting to Rs.42364 crore.
- The revenue deficit in 2001-2002 was Rs.110303 crore while the fiscal deficit amounted to Rs.155833 crore. The fiscal deficit amounted to 6.80 *per cent* of Gross Domestic Product (GDP) while the revenue deficit constituted 4.81 *per cent* of GDP.
- The total receipts of the Union Government in 2001-02 amounted to Rs.1037,629 crore. The Government's own receipts were Rs.342,500 crore constituting 35 *per cent* of total receipts. The balance came from borrowings and Public Accounts Receipts.
- While overall resources over the three Plan periods registered an increase, the performance of various resource components was uneven and fluctuated over different periods. During the IX Plan (1997-2002), the rate of growth of resource accrual decelerated to 7.02 *per cent* with wide annual fluctuations.
- The Tax-GDP ratio was around 8.70 *per cent* during the IX Plan period which is lower than the ratios registered in some non-OECD Asian countries. During the IX Plan, the overall tax buoyancy was less than one. The higher buoyancy in direct taxes was not able to off-set the deceleration in buoyancy of indirect taxes.
- Total non-tax revenue in 2001-02 amounted to Rs.131,061 crore. There was a sharp increase in the relative share of dividends and profits in the year while non-tax revenue from telecommunications ceased with the corporatisation of the sector. Non-tax revenue constituted around 5.7 *per cent* of GDP in 2001-02.
- The total expenditure of the Union Government in 2001-02 amounted to Rs.445,491 crore. While the long-term trend growth rate of total expenditure was 12.95 *per cent* during the three Plan periods, the average annual growth during the IX Plan period decelerated to 8.86 *per cent*.

- Capital Expenditure in 2001-02 was Rs.31295 crore while Revenue Expenditure was Rs.375582 crore. The average annual growth rate of Capital Expenditure during the IX Plan was 9.22 *per cent* while that of Revenue Expenditure was 10.40 *per cent*.
- Over the period 1985-2002, Plan Expenditure grew at an average annual rate of 10.19 *per cent*, while Non-plan Expenditure grew at the rate of 13.88 *per cent*. However, the IX Plan witnessed an acceleration in the growth of Plan Expenditure with an average annual rate of 13.49 *per cent* which exceeded the average annual growth rate of Non-plan Expenditure.
- Expenditure on Social Services amounted to Rs.16284 crore in 2001-02 while expenditure on Economic Services amounted to Rs.141354 crore. Within Social Services, expenditure on water supply sanitation and urban development recorded the highest trend growth rate during 1987-2002. Within Economic Services, expenditure on rural development and poverty alleviation programmes registered the highest trend growth rates during 1987-2002.
- The debt-GDP ratio in 2001-02 stood at 48.58 per cent. External debt accounted for 8.72 *per cent* while internal debt constituted 39.85 per cent of GDP. Debt redemption accounted for 91.72 *per cent* of debt receipts during the current year, signifying that debt sustainability continues to be a cause for concern.

## Chapter 1

### UNION GOVERNMENT FINANCES – AN OVERVIEW

**1.1** This chapter provides a broad perspective of the finances of the Union Government during the year 2001-02 and analyses critical changes in major fiscal aggregates in the context of prevalent trends over three Plan periods viz. from the VII Plan to the last year of the IX Plan (1985-2002).

**1.2** Table 1.1 summarises some key fiscal parameters relative to GDP during VII Plan (1985-90) and IX Plan (1997-2002) and in the last two years.

**Table 1.1: Broad Fiscal Parameters relative to GDP (*per cent*)**

	1985-90	1997-2002	Change	2000-2001	2001-2002	Change
Total Expenditure	23.44	19.62	-3.82	18.96	19.44	0.48
Revenue Expenditure	16.34	16.36	0.02	16.41	16.39	-0.02
Capital Expenditure	3.03	1.37	-1.66	1.22	1.37	0.15
Loans and Advances	4.07	1.89	-2.18	1.33	1.69	0.36
<b>Major Components of Revenue expenditure</b>						
Salary and Pensions	3.25	3.05	-0.20	3.10	2.67	-0.43
Interest Payments	3.18	4.72	1.54	4.94	4.98	0.04
<b>Components of Revenue receipts</b>						
Tax Revenue	10.53	8.70	-1.83	9.03	8.16	-0.87
Non Tax Revenue	6.09	6.08	-0.01	5.71	5.72	0.01
Total Revenue to the Union	13.95	12.45	-1.50	12.26	11.58	-0.68
Non Debt Capital receipts	1.30	0.90	-0.40	0.91	1.06	0.15
<b>Fiscal imbalances</b>						
Revenue deficit	2.39	3.91	1.52	4.15	4.81	0.66
Fiscal deficit	8.19	6.27	-1.92	5.79	6.80	1.01

**Box 1.1: Reporting Parameters**

Fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal and external debt, and revenue and fiscal deficits have been presented as percentage to the GDP at current market prices. The New GDP series with 1993-94 as base as published by the Central Statistical Organisation has been used. Data up to 1999-2000 are final estimates. For 2000-2001, CSO estimates have been used. Since the provisional estimates of 2001-02 did not indicate the GDP at market prices, the same was estimated using the rate of growth reported for GDP at factor cost. Past revisions in GDP data as indicated by CSO in National Accounts Statistics 2002 have also been incorporated.

For tax revenue, buoyancy estimates are given. The buoyancy indicates the responsiveness of a tax to percentage changes in the tax base. Here, buoyancies have been calculated with reference to the GDP series mentioned above.

For most series a Trend growth during 1985-2002 has been indicated. Further, trend growth over three Plans, i.e. the VII Plan (1985-90); VIII Plan (1992-97) and IX Plan (1997-2002) have also been indicated. While calculating these growth rates the first year of the Plan has been taken as the base year to estimate inter Plan growth rates. This process eliminates the "low base bias" of the year immediately preceding the plan. Annual growth has been indicated for the three most recent years, i.e. 1999-2000, 2000-01 and 2001-02.

For most series, ratios with respect to GDP have also been indicated. As in the case of growth rates, average ratios have been used for the period 1985-2002 and Plan periods separately for VII, VIII and IX Plans. Annual ratios of the three most recent years have also been indicated.

For per capita expenditure on Social and Economic services, mid-year estimates of population as given by National Accounts Statistics, 2002 have been used. For converting the expenditure at 1993-94 prices GDP deflators have been used.

**Finances of the Union Government: 2001-02**

**Box 1.2: Union Government Funds and the Public Account**

**Consolidated Fund**

All revenues received by the Union Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of India' established under Article 266(1) of the Constitution of India

**Contingency Fund**

Contingency Fund of India established under Article 267(1) of the Constitution is in the nature of an imprest placed at the disposal of the President to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by Parliament. Approval of the legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

**Public Account**

Besides the normal receipts and expenditure of Government which relate to the Consolidated Fund, certain other transactions enter Government Accounts, in respect of which Government acts more as a banker. Transactions relating to provident funds, small savings, other deposits, etc. are a few examples. The public monies thus received are kept in the Public Account set up under Article 266(2) of the Constitution and the related disbursements are made from it.

1.3 Table 1.2 summarises the position of the finances of the Union Government covering the budget estimates and actuals in terms of revenue receipts, capital receipts, public account receipts, and total disbursements. There was a significant variation between the budgeted figures and the actuals.

1.4 The imbalance in the revenue account was reflected in a revenue deficit, which was Rs 110,303 crore (4.81 per cent of GDP) as against the budgeted figure of Rs 78,821 crore. The overall imbalance resulted in a fiscal deficit, which was Rs 155,833 crore (6.80 per cent of GDP) as against the estimated fiscal deficit of Rs 116,314 crore. Over 70 per cent of the fiscal deficit was utilised to meet the revenue deficit. Tax and non-debt capital receipts also underperformed in comparison to budgetary expectations. While the deviation in revenue expenditure was moderate (1.05 per cent), capital expenditure fell significantly short (-23 per cent) of budget estimates.

**Table 1.2: Union Government Finances 2001-02 - Budget and Actual**

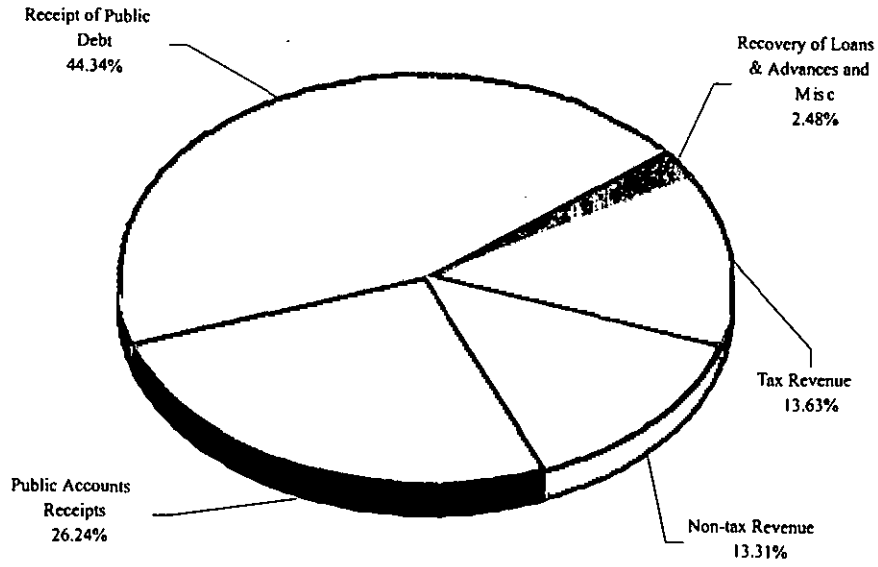
*(Rupees in crore)*

Budget Estimates	2000-01 Actuals	2001-2002		Deviation from Budget	Deviation* Per cent
		Budget Estimates	Actuals		
1 Total Receipts of the Union Government (7+8)	891297	886928	984787	97859	11.02
2 Revenue Receipts	256036	292857	265279	(-)27578	(-)9.42
Tax revenue	136915	165031	134219	(-)30812	(-)18.67
Non-tax revenue	119121	127826	131060	3234	2.53
3 Miscellaneous Capital receipts	2125	12000	3646	(-)8354	(-)69.62
4 Recovery of Loans and Advances	16799	17488	20733	3245	18.56
5 Total revenue and Non Debt receipts (2+3+4)	274960	322345	289658	(-)32687	(-)10.17
6 Public Debt receipt	366461	374723	436689	61966	16.54
7 Total receipts in the CFI (5+6)	641421	697068	726347	29279	4.20
8 Public Account Receipt	249876	189860	258440	68580	36.12
9 Total disbursement by the Union Government (15+16)	890099	886928	983292	96364	10.86
10 Revenue Expenditure	342647	371678	375582	3904	1.05
11 Capital Expenditure	25426	40647	31295	(-)9352	(-)23.00
12 Loans and Advances	27761	26334	38614	12280	46.63
13 Total expenditure of the Union Government (10+11+12)	395834	438659	445491	6832	1.56
14 Repayment of Public Debt	269512	285151	321725	36574	12.83
15 Total disbursement out of the CFI (13+14)	665346	723810	767216	43406	6.00
16 Public Account Disbursement	224753	163118	216076	52958	32.47
17 Revenue Deficit (10-2)	86611	78821	110303	31482	39.94
18 Fiscal Deficit (13-5)	120874	116314	155833	39519	33.98

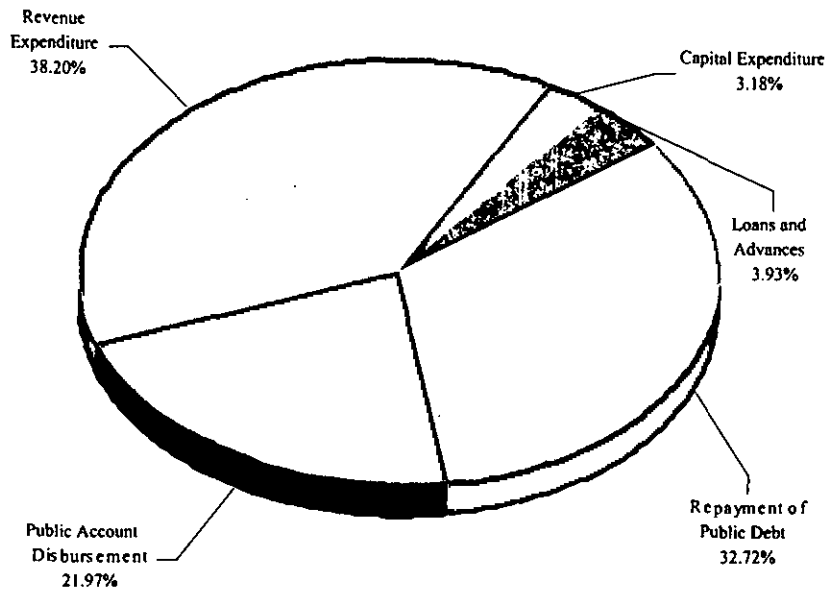
\*Deviation is estimated as (Budget Estimates-Actuals)/Budget Estimates x 100



### Receipts



### Disbursements



***Box No.1.3: Finance Accounts***

**Finance Accounts of the Union Government** present the accounts of receipts and disbursements of the Union for the year. Finance Accounts contain seventeen statements, as discussed below:

**Statement No 1** depicts major headwise details of entire receipts into and expenditures from the Consolidated Fund, Contingency Fund and Public Account, disclosing thereby the opening and closing cash balances

**Statement No 2** indicates the summary of debt position, which includes borrowings from internal debt , external debt and other obligations such as Small savings, Provident Funds, Reserve Funds, etc.

**Statement No 3** contains the summary of loans and advances granted by the Government to States/ UTs/ Foreign Government, etc.

**Statement No 4** reflects the guarantees given by the Union Government for repayment of borrowings and payment of interest thereon.

**Statement No 5** reflects the summary of balances on which Government has a liability to repay the money received or has a claim to recovery of the amount paid. The balance also represents transactions pending for adjustment such as suspense and remittance

**Statement No 6** details the percentage of receipts realised / expenditure incurred under different revenue heads in relation to total revenue receipts /expenditure.

**Statement No 7** indicates apportionment of total expenditure (Revenue and Capital) under charged and voted expenditure.

**Statement No 8** gives the detailed accounts of revenue and capital receipts up to the minor heads of accounts

**Statement No 9** gives the detailed accounts of revenue and capital expenditure up to the minor heads of accounts. It also indicates the details of plan, non- plan, charged and voted expenditure

**Statement No 10** gives the detailed accounts of capital expenditure upto the minor head for the current year and progressive capital expenditure booked to the end of the year.

**Statement No 11** shows the investments made by the Union Government in statutory corporations, Government Companies, Joint Stock Companies etc.

**Statement No 12** shows the service/activitywise progressive capital expenditure incurred upto the year and during the year.

**Statement No. 13** contains details of transactions relating to Debt, Deposit and Remittances by minor head.

**Statement No. 14** shows the minor headwise details of internal debt, external debt and other interest bearing obligations of government.

**Statement No. 14A** shows the loanwise details of internal debt raised, discharged and outstanding at the end of the year.

**Statement No. 15** gives the details of loans advanced and recovered during the year together with the closing balances.

**Statement No. 16** contains the details of the National Small Savings Fund.

### Union Government Finances 1985-2002 - Some Key Parameters

1.5 A detailed analysis of the Union Government finances covering revenue receipts, expenditure, fiscal imbalances and fiscal liabilities are contained in Chapters 2 to 5 of this Report. An overview of the key parameters is presented below.

#### Revenue Receipts

1.6 Table 1.3 indicates the rate of growth and relative share as percentage to GDP of the tax, non-tax and total revenue receipts (net of share of the States in union taxes) over the Plan periods.

**Table 1.3: Key Parameters of the Union Government Revenue Receipts**

*(per cent)*

Year	Tax Revenue		Non-Tax Revenue		Total Revenue to the Union		GDP Growth
	A	B	A	B	A	B	
1985-2002	12.99	9.60	14.72	5.99	13.68	13.07	14.76
VII Plan (1985-90)	15.97	10.53	15.21	6.09	15.88	13.95	15.28
VIII Plan (1992-97)	15.89	9.34	14.66	5.97	15.61	12.74	16.54
IX Plan (1997-2002)	9.00	8.70	8.00	6.08	8.12	12.45	10.51
<b>Annual Values</b>							
1999-2000	19.44	8.70	14.25	6.55	18.29	13.19	10.84
2000-01	9.81	9.03	-5.70	5.71	0.57	12.26	8.21
2001-02	-0.82	8.16	10.02	5.72	3.61	11.58	9.73

A:- Rate of Growth

B:- Relative Share as percentage to GDP

1.7 It would be observed that the average annual trend rate of growth of revenue receipts (including the tax and non-tax receipts) was comparatively lower than the growth of GDP. There was a deceleration in the growth rates over the Plans. As a result, the ratio of tax receipts to GDP declined from a trend average of 9.60 per cent (1985-2002) to 8.70 per cent during 1997-2002. Total revenue receipts to the Union as percentage to GDP also reached its peak at an average of 13.95 per cent during 1985-90 and then declined to an average of 12.45 per cent in 1997-2002. The decline was even sharper in the current year with revenue to GDP ratio reaching 11.58 per cent.

1.8 Tax revenue (inclusive of the States' share) of the Union witnessed a buoyancy of 0.888 during 1985-2002 indicating that for each percentage point increase in GDP, increase in tax revenue was only 0.88 per cent. While direct taxes had a buoyancy greater than one, a lower buoyancy of indirect taxes

## A Macro Economic Perspective: Some Broad Indicators

1.12 The Indian economy has been undergoing structural shifts with the share of agriculture and allied activities in GDP declining from an average of 34.14 *per cent* during 1985-90 to an average of 25.60 *per cent* during 1997-2001 (Table 1.7). As against this, the share of services has gone up from 45.39 *per cent* during 1985-90 to 52.32 *per cent* during 1997-2001.

**Table 1.7: Relative Sectoral Shares (per cent to GDP)**

	Agriculture and Allied	Industry	Services
1985-2001	30.37	21.42	48.21
VII Plan (1985-90)	34.14	20.47	45.39
VIII Plan (1992-97)	29.91	21.86	48.23
IX Plan (1997-2001)	25.60	22.08	52.32
<b>Annual Relative share</b>			
1999-2000	25.24	21.59	53.17
2000-01	24.22	22.06	53.71

Source: National Accounts Statistics 2002

1.13 The tax planning of the government does not seem to have adequately responded to these changes in the Indian economy. While the incidence of major central taxes like excise duty and corporation tax was the highest on the industrial sector, its contribution to GDP was around 20-22 *per cent* during the period 1985-2001. The services sector has not only constituted the largest segment of GDP, it has also witnessed the highest and the steadiest growth rate and offers itself as a more buoyant and less volatile source of tax revenue. However, its potential has remained largely untapped.

### Macro Indicators of the Five Year Plans (1985-2001)

1.14 The targets and achievement in terms of some key macro indicators for the VII, VIII and IX Plans are indicated in Table 1.8.

**Table 1.8: Macro Economic Targets & Achievements (per cent)**

Plan Period		GDP Growth (%)	Domestic Savings	Capital Formation *	Current Account Deficit	Implicit ICOR
VII 1985-90	ACTUAL	5.93	20.37	23.27	2.18	3.95
(1984-85 base)	TARGET	5.00	23.70	25.30	1.60	5.10
VIII 1992-97	ACTUAL	6.74	23.48	23.42	1.20	3.47
(1991-92 base)	TARGET	5.60	21.60	23.20	1.60	4.10
IX 1997-2001	ACTUAL	5.52	22.53	22.58	1.08	4.09
(1996-97 base)	TARGET	6.50	26.10	28.20	2.10	4.30

(\* Unadjusted for errors and omissions)

Source: National Accounts Statistics-2002 and relevant Plan Documents

1.15 During the VII and VIII Plans, GDP growth exceeded the Plan targets. In the IX Plan, in the first four years, there was a shortfall in achievement of the growth target. One of the contributing factors to this deceleration was a decline in the capital formation by the public sector and its negative savings.

**Table 1.9: Ratio of Savings and Capital Formation to GDP (*per cent*)**

	Gross Domestic Savings	Gross Capital Formation	Public Sector Savings	Public Sector Capital Formation	Current Account Deficit
1985-2001	22.24	23.07	1.27	8.52	1.51
VII Plan (1985-90)	20.37	23.27	2.39	10.11	2.18
VIII Plan (1992-97)	23.48	23.42	1.52	8.04	1.20
IX Plan (1997-2001)	22.84	22.53	-0.55	6.85	0.86
<b>Relative Annual share</b>					
1999-2000	23.17	23.28	-0.90	7.13	0.88
2000-01	23.39	22.90	-1.65	7.09	0.44

1.16 Public sector saving as percentage to GDP declined from an average of 2.39 *per cent* during 1985-90 to (-) 0.55 *per cent* during 1997-2001. Public sector capital formation also similarly declined from an average of 10.11 *per cent* of GDP to an average of 6.85 *per cent* over the same period. The current account deficit continued to supplement domestic savings and to facilitate larger capital formation. However, the continuous build up of foreign exchange reserves during the IX Plan did not let the current account deficit get translated in increased capital formation, constraining the GDP growth to that extent.

## Chapter 2

### RESOURCES: TRENDS AND COMPOSITION

#### Resources of the Union Government: 2001-02

2.1 Resources of the Union government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenue, non-tax revenue, grants-in-aid and contributions. Capital receipts comprise debt receipts from internal and external sources as well as accruals in the public account and non-debt receipts in the form of loans and advances recovered and proceeds from disinvestment. Table 2.1 below presents a summary of total receipts of the Union Government, which amounted to Rs 1,037,629 crore for the year 2001-02. Union Government's own receipts were Rs. 342,500 crore, constituting only 33 *per cent* of the total receipts. The balance came from borrowings and public account receipts.

**Table 2.1: Resources of the Union Government**

		<i>(Rupees in crore)</i>
I	Revenue Receipts	318,121
II	Capital receipts	719,508
	a. Miscellaneous Receipts	3646
	b. Recovery of Loans and Advances	20733
	c. Debt receipts	436,689
III	Public Account Receipts	258,440
Total Receipts		1037,629

*Note: Revenue receipts include Rs 52842 crore, share of taxes and duties assigned to the States and not reflected in the Union Government's Finance Accounts.*

#### Trends in Resources

2.2 During the last seventeen years extending over three Plan periods, overall resources of the Union Government increased at a trend rate of 11.68 *per cent*, from Rs 225,568 crore in 1985-86 to Rs 1,037,629 crore in 2001-02. However, the performance of various resource components was uneven and fluctuated over different periods as detailed in Table 2.2.

2.3 Resource accrual accelerated at a growth rate of 14.87 per cent during the VIII Plan (1992-97). During 1997-2002 (IX Plan), growth decelerated to 7.02 *per cent*, showing wide annual fluctuations. The decline was largely due to a sharp deceleration in the growth of revenue and debt receipts. The rate of growth of debt receipts fluctuated during 1997-2002, particularly due to the

creation of National Small Savings Fund (NSSF) in 1999-2000, which led to a sharp acceleration in growth rate in that year and an equally sharp deceleration a year later. Revenue receipts recorded a modest growth of only 3.24 *per cent* in 2000-01 and despite the low base, it did not accelerate in 2001-02, and recorded a growth of 3.38 *per cent*. Trend rate of growth of revenue receipts remained lower than the rate of growth of GDP during VIII and IX Five-Year Plans.

**Table 2.2: Components of Receipts: Trends**

*(Rupees in crore)*

Year	Revenue Receipts	Capital Receipts			Total Receipts	Gross Domestic product
		Non- Debt Receipts	Debt Receipts	Accruals in Public Account		
1985-1986	45314	3865	148329	28060	225568	277991
1995-1996	179845	8396	180965	113006	482212	1188012
1999-2000	298076	14274	560823	214736	1087937	1929641
2000-01	307724	18924	366461	249876	942985	2087988
2001-02	318121	24379	436689	258440	1037629	2291090
<b>Average Annual Trend Rate of Growth (<i>per cent</i>)</b>						
1985-2002	13.66	10.71	9.94	14.34	11.68	14.76
VII Plan (1985-1990)	15.70	9.35	-10.35	20.84	1.30	15.28
VIII Plan (1992-1997)	15.41	0.01	15.98	14.43	14.87	16.54
IX Plan (1997-2002)	8.58	18.24	2.22	13.76	7.02	10.51
<b>Annual Rate of Growth (<i>per cent</i>)</b>						
1999-2000	17.18	-25.12	41.87	34.36	31.31	10.84
2000-01	3.24	32.58	-34.66	16.36	-13.32	8.21
2001-02	3.38	28.83	19.16	3.43	10.04	9.73

2.4 Table 2.3 depicts the relative share of various components of resources. The share of revenue receipts increased from an average of 25.62 percent of total receipts during 1985-90 to 36.44 *per cent* during 1992-97. This ratio declined to an average of 30.16 *per cent* during 1997-2002. In 1999-2000 and 2000-01, this ratio witnessed a diverging trend due to the constitution of NSSF, which led to increase in gross receipts in 1999-2000 and decrease a year later with an inverse impact on this ratio. The relative share of revenue receipts reverted to its medium term average of a little over 30 *per cent* in 2001-02.

**Table 2.3: Relative Shares of Different Components of Total Receipts***(per cent)*

Period	Revenue Receipts	Capital Receipts			Total Receipts
		Non-Debt Receipts	Debt Receipts	Accruals in Public Account	
1985-2002	31.35	2.16	44.82	21.67	100.00
VII Plan (1985-90)	25.62	1.97	54.43	17.98	100.00
VIII Plan (1992-97)	36.44	2.25	37.74	23.57	100.00
IX Plan (1997-2002)	30.16	1.86	45.59	22.39	100.00
<b>Relative Share in the years</b>					
1999-2000	27.40	1.31	51.55	19.74	100.00
2000-01	32.63	2.01	38.86	26.50	100.00
2001-02	30.66	2.35	42.08	24.91	100.00

2.5 The relative share of debt, comprising market borrowings and other liabilities under the Consolidated Fund and public account accruals, was an average of 68 *per cent* during 1997-2002 (IX Plan). The share of non-debt capital receipts, comprising miscellaneous capital receipts, proceeds from disinvestment and recovery of loans and advances, averaged around 2 *per cent*.

#### **Access to Resources Relative to GDP**

2.6 Overall access to resources by the Union Government as percentage to GDP (Table 2.4) registered an increase in the IX Plan period i.e. 1997-2002. But while there was a decline in revenue receipt/GDP ratio, market borrowings and public account accruals increased. The sharp increase in the debt receipts/GDP ratio during this period was largely due to the shift of the public account liabilities to the Consolidated Fund. Neutralisation of the impact of NSSF, which did not create any fresh receipts to the Union government, resulted in a decline in this ratio to around 20 *per cent* during 1997-2002



**Table 2.4: Receipts as percentage to GDP**

Year	Revenue Receipts	Capital Receipts			Total Receipts
		Non-Debt Receipts	Debt Receipts	Accruals in Public Account	
1985-2002	15.60	1.09	24.51	10.79	51.99
VII Plan (1985-90)	16.62	1.30	38.28	11.54	67.74
VIII Plan (1992-97)	15.30	0.95	15.94	9.93	42.12
IX Plan (1997-2002)	14.78	0.90	22.62	10.94	49.24
<b>Relative Share in the years</b>					
1999-2000	15.45	0.74	29.06	11.13	56.38
2000-01	14.74	0.91	17.55	11.97	45.16
2001-02	13.89	1.06	19.06	11.28	45.29

2.7 In the Finance Accounts, the receipts and disbursements on account of Ways and Means Advances (WMA), 14-day Treasury Bills and public account operations by Governments appear on gross basis, inflating both receipts and disbursements. To arrive at a correct draft of resources by the Union government, these receipts need to be reckoned on net basis. Table 2.5 indicates the impact of this netting on total receipts, and the ratio of total receipts to GDP. Net draft of the Union government amounted to 24.91 per cent of GDP in 2001-02, an overall decline of over 4 percentage points in last five years.

**Table 2.5: Revised Receipts and its share to GDP**

*(Rupees in crore)*

	Current Receipts	Non-Debt Capital Receipts	Debt Receipts	Net Receipts of WMA	Net Receipts from Treasury Bills	Net Public Account Accruals	Total Receipts	Total Receipt/ GDP (Per cent)
1997-98	231807	10508	132466	2000	7998	59916	444695	29.21
1998-99	254369	19063	131819	1042	-880	40942	446355	25.64
1999-2000	298076	14274	132556	-2060	-4440	23345	461751	23.93
2000-01	307724	18924	152146	4413	1340	25123	509670	24.41
2001-02	318121	24379	187523	-219	-1553	42364	570615	24.91

Note: - In computing the Revised Total Receipts in 1999-2000, issue of securities of Rs 176,221 crore in favour of NSSF has also been deducted as this did not result in accrual of any additional receipts.

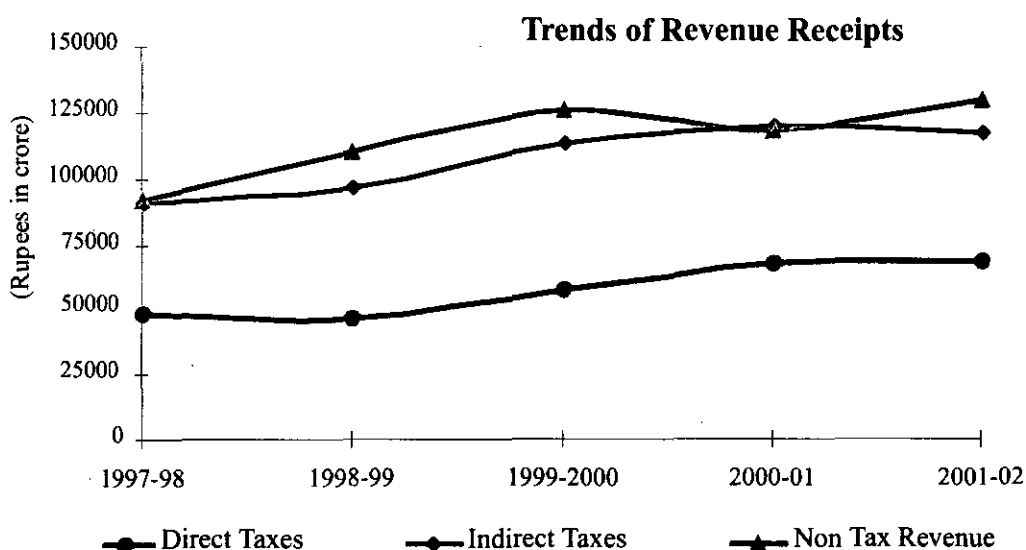
### Revenue Receipts: Movement of Major Aggregates

2.8 Overall revenue receipts of the Union Government increased over the three Plan periods with an average annual trend rate of 13.66 per cent as indicated in Table 2.6.

**Table 2.6: Composition & trends of Revenue Receipts**

(Rupees in crore)

Year	Direct Tax	Indirect Tax	Total Tax	Non-tax Revenue	Gross Revenue	States' Share	Net Revenue to the Union
1985-86	5603	23048	28651	16663	45314	7471	37843
1995-96	33564	77660	111224	68621	179845	29285	150560
1999-2000	57959	113794	171753	126323	298076	43481	254595
2000-01	68305	120298	188603	119121	307724	51688	256036
2001-02	69197	117863	187060	131061	318121	52842	265279
<b>Average Annual Trend Rate of growth (per cent)</b>							
1985-2002	18.75	10.98	12.99	14.72	13.66	13.53	13.68
VII Plan (1985-90)	16.29	15.89	15.97	15.21	15.70	14.73	15.88
VIII Plan (1992-97)	22.49	13.49	15.89	14.66	15.41	14.41	15.61
IX Plan (1997-2002)	11.66	7.59	9.00	8.00	8.58	11.05	8.12
<b>Average Annual Rate of Growth (per cent)</b>							
1999-2000	24.38	17.08	19.44	14.25	17.18	11.08	18.29
2000-01	17.85	5.72	9.81	-5.70	3.24	18.87	0.57
2001-02	1.31	-2.02	-0.82	10.02	3.38	2.23	3.61



2.9 There has been a deceleration in the average annual rate of growth of the revenue receipts from 15.41 *per cent* during 1992-97 (VIII Plan) to 8.58 *per cent* during 1997-2002. (IX Plan). The deceleration, which was more pronounced in the IX Plan, affected all segments of current revenue, viz. direct and indirect taxes and non-tax revenue.

2.10 In case of direct taxes, trend annual growth rate declined from 22.49 *per cent* during 1992-97 to just 11.66 *per cent* during 1997-2002. The higher growth of over 24 *per cent* in direct tax collections during 1997-98 on account of VDIS and later in 1999-2000 and 2000-01 could not be maintained in the current year and growth declined to 1.31 *per cent*. In case of indirect taxes, the decline was from 13.49 *per cent* to 7.59 *per cent* during this period.

2.11 Overall gross revenue of the Union Government had recorded its lowest growth of 3.24 *per cent* in 2000-01. However, despite a recovery in non-tax collections, decelerating growth rates in direct and indirect taxes led to only a moderate improvement in growth rate to 3.38 *per cent* in the current year. Net revenue accruing to the Union increased by 3.61 *per cent*.

2.12 Gross revenue of the Union Government as a percentage to GDP also witnessed continuous deceleration as may be seen from Table 2.7 below:

**Table 2.7: Revenue Receipts/GDP Ratio**

Year	Total Revenue receipts	Total Tax	Direct Tax	Indirect Tax	Non-tax Revenue	State Share	Net Revenue to Union
1985-2002	15.60	9.60	2.51	7.10	5.99	2.53	13.07
VII Plan (1985-90)	16.62	10.53	2.01	8.52	6.09	2.67	13.95
VIII Plan (1992-97)	15.30	9.34	2.62	6.71	5.97	2.56	12.74
IX Plan (1997-02)	14.78	8.70	3.03	5.67	6.08	2.33	12.45
<b>Relative Share in the Years</b>							
1999-2000	15.45	8.90	3.00	5.90	6.55	2.25	13.19
2000-01	14.74	9.03	3.27	5.76	5.71	2.48	12.26
2001-02	13.89	8.16	3.02	5.14	5.72	2.31	11.58

2.13 The gross revenue /GDP rate was 15.30 *per cent* during 1992-97 and declined to 14.78 *per cent* during 1997-2002. The gross revenue/GDP ratio in the current year was 13.89 *per cent*. The net revenue, after providing for the share of the States, as percentage to GDP declined to 11.58 *per cent* in the current year.

2.14 There was a moderate acceleration in direct tax/GDP ratio to 3.03 *per cent* during the IX Plan but indirect tax/GDP ratio declined sharply from an average of 8.52 *per cent* during 1985-90 to an average of 5.67 *per cent* during 1997-2002. The decline in the indirect tax/GDP ratio was not compensated by an increase in direct tax/GDP ratio for revenue neutrality.

2.15. The proceeds of tax revenue assigned to States as percentage to GDP declined to an average of 2.33 *per cent* during 1997-2002. In the current year, this ratio declined to 2.31 *per cent* compared to 2.48 *per cent* reached in the preceding year.

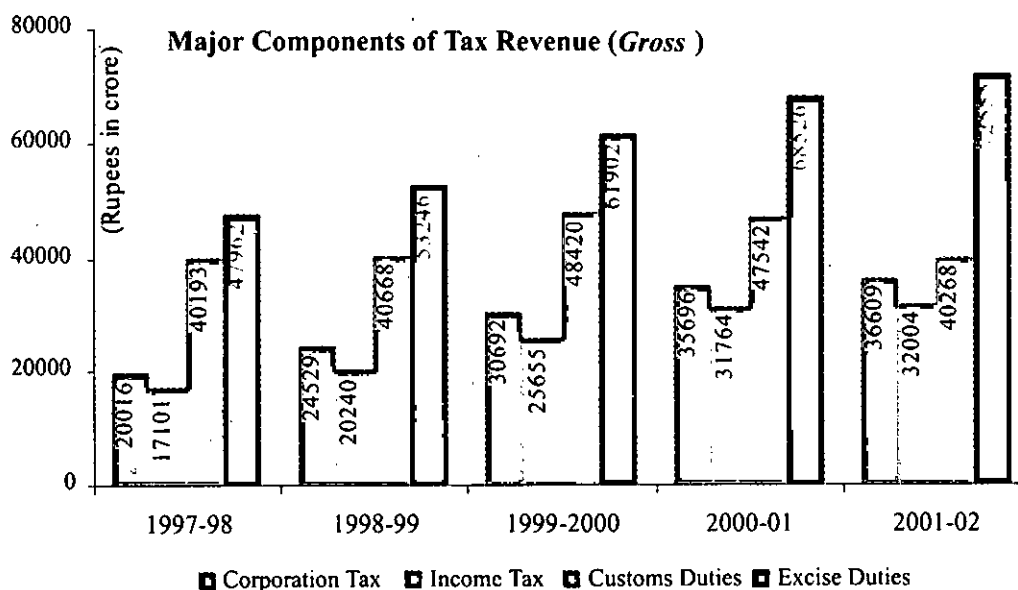
### Major Taxes: Relative Performance

2.16 The relative performance of different taxes changed significantly over the years (Table 2.8) with Corporation tax recording the highest trend growth of 18.87 *per cent* during 1985-2002.

**Table 2.8: Components of Tax Revenue (gross)**

(Rupees in crore)

	Corporation Tax	Income Tax	Customs Duties	Excise Duties	Service Tax	Others	Total
1985-86	2865	2511	9526	12956	0	793	28651
1995-96	16487	15592	35757	40187	861	2340	111224
1999-2000	30692	25655	48420	61902	2128	2956	171753
2000-01	35696	31764	47542	68526	2613	2462	188603
2001-02	36609	32004	40268	72555	3302	2322	187060
<b>Average Annual trend Rate of Growth (per cent)</b>							
1985-2002	18.87	18.18	10.37	11.28	0.00	9.71	12.99
VII Plan (1985-90)	14.28	19.34	17.31	14.56	0.00	16.74	15.97
VIII Plan (1992-97)	21.71	24.72	18.00	10.45	0.00	-2.50	15.89
IX Plan (1997-02)	17.15	18.58	1.61	11.41	19.19	-30.18	9.00
<b>Average Annual Rate of Growth (per cent)</b>							
1999-2000	25.13	26.75	19.06	16.26	8.74	-6.37	19.44
2000-01	16.30	23.81	-1.81	10.70	22.79	-16.71	9.81
2001-02	2.56	0.76	-15.30	5.88	26.37	-5.69	-0.82



2.17 During the VIII Plan, while the overall high growth in tax revenue was maintained, a significant contribution came from corporation and income tax. In the IX Plan, however, the high growth of earlier Plans could not be maintained. Deceleration in the growth rates became quite sharp and generally universal across all major taxes with the exception of service tax. Gross Tax collections witnessed, for the first time, a negative growth of 0.82 *per cent* in the current year.

### **Tax Buoyancy**

2.18 Three major factors that affect tax collections are the tax base, the tax rate and tax compliance, including the effectiveness of tax administration. Though the legal bases for various direct taxes differ and are too complex to be determined effectively due to exemptions and other concessions, the proxy tax base of the direct taxes, particularly the corporation and income tax is the non-agricultural GDP and for the indirect taxes of customs and excise duties imports and manufacturing value-added respectively. The collection of income tax is also related to the threshold level of income after which taxes become payable. This threshold level also decides the overall number of the tax assesseees, though their income profile would depend on the distribution of population (households) according to income. While there is no defined measure of tax compliance, it depends on the effectiveness of tax administration and three relevant proxy factors are speed of assessment, collection of arrears and enrolment of the potential taxpayers for tax assessment. Tax compliance is both voluntary and enforced. Voluntary compliance, however, is also dependent on effectiveness of the enforcement machinery and effective and deterrent penalties.

2.19 The buoyancy coefficients indicate the percentage increase in the tax revenue following a one percent increase in the GDP or the tax base. While a buoyancy of greater than one is desirable, a buoyancy of less than one indicates that the concerned tax may in fact be regressive because as income increases, a lower part of that increase gets taxed. Table 2.9 indicates the buoyancy of major taxes during 1985-2002.

2.20 GDP and its components are the bases for various taxes. Since the incidence of a tax falls on these specific components, these components are even more appropriate for the buoyancy estimates. In view of this, buoyancy of these taxes has been calculated with reference to GDP and also with reference to these more appropriate tax bases. For corporation and income tax, non-agricultural income has been taken as a more appropriate tax base. Similarly, for customs and excise duties, imports and GDP from the manufacturing sector have been taken as the alternate bases.

**Table 2.9: Buoyancy of Major Taxes**

	Gross Tax Revenue	Direct Taxes	Corporation Tax	Income Tax	Indirect Taxes	Customs Duties	Excise Duties
1985-2002	0.888	1.249	1.254	1.213	0.758	0.723	0.775
1985-2002#			1.181	1.142		0.572	0.777
VII Plan (1985-90)	1.039	1.085	0.946	1.251	1.028	1.111	0.955
VIII Plan (1992-97)	0.967	1.329	1.288	1.447	0.83	1.087	0.651
IX Plan (1997-2002)	0.856	1.073	1.594	1.702	0.845	0.188	1.077
<b>Annual Buoyancy</b>							
1999-2000	1.794	2.249	2.318	2.468	1.575	1.759	1.500
2000-01	1.196	2.175	1.987	2.902	0.697	-0.221	1.304
2001-02	-0.084*	0.135	0.263	0.078	-0.208*	-1.573*	0.604

# Buoyancy with alternate base.

\* Rate of growth of the tax collection was negative.

**2.21** Both the corporation and income tax had improved buoyancies over the Plan periods. Buoyancy of both corporation and income tax, however, declines with the alternate base, the non-agricultural income, which is a better proxy. Buoyancy for both customs and excise duties has remained below one. There has been a sharp fall in buoyancy of customs duties during 1997-2002, though there was hardly any change in the rates during this period. These duties had a buoyancy of greater than one during the VII and VIII Plans. Decline in the buoyancy during 1992-97 (VIII Plan) was only moderate. It is also evident that higher buoyancy in the direct taxes has not been able to offset the deceleration in buoyancy of indirect taxes, leading to an overall tax buoyancy of less than one.

**2.22** A considerable amount of revenue is forgone under various export promotion schemes, which reached 61.6 per cent of the total duties collected in 2001-02 as indicated in Table 2.10.

**Table 2.10: Customs duty forgone**

(Rupees in crore)

Year	Customs duty collected	Total duty forgone under export promotion schemes	Duty forgone as percent of customs receipts	Exports
1997-98	40193	13157	32.7	132703
1998-99	40668	15492	38.1	144436
1999-2000	48420	18166	37.5	162753
2000-01	47542	21658	45.6	205287
2001-02	40268	24799	61.6	214351

2.23 While exports have increased, the ratio of the rate of growth of exports to the rate of growth of duty foregone during this period was only 0.742 indicating that for each one *per cent* increase in revenue forgone, rate of growth of exports was only 0.74 *per cent*. During 2001-02, this ratio declined to 0.304 indicating that for each one *per cent* increase in duty foregone, exports increased by 0.30 *per cent* only.

2.24 The other indicator of adequacy and effectiveness of government's resource mobilisation efforts and its extent of realisation of the tax potential is the tax- GDP ratio. Table 2.11 gives the trends of this ratio over the Plans and on an annual basis for the most recent three years.

**Table 2.11: Tax/GDP Ratio of Major Taxes**

	Corporation Tax	Income Tax	Customs Duties	Excise Duties	Service Tax	Other Taxes
1985-2002	1.251	1.131	3.032	3.863		0.281
VII Plan (1985-90)	1.007	0.953	3.688	4.605		0.278
VIII Plan (1992-97)	1.294	1.190	2.909	3.634	0.038	0.270
IX Plan (1997-2002)	1.524	1.307	2.304	3.173	0.119	0.273
<b>Annual Tax/GDP Ratios</b>						
1999-2000	1.591	1.330	2.509	3.208	0.110	0.153
2000-01	1.710	1.521	2.277	3.282	0.125	0.118
2001-02	1.598	1.397	1.758	3.167	0.144	0.101

2.25 The tax/GDP ratio for both customs and excise duties has been declining. Average customs duties/GDP ratio, declined to 1.758 *per cent* by 2001-02. Similarly, the ratio for excise duties was 3.167 in 2001-02.

2.26 Efforts have been made by the government to broaden and widen the tax base of direct taxes. The total number of direct tax assesseees increased from 13.17 million in 1997-98 to 26.38 million in 2001-02, at an average annual rate of 18.96 *per cent*. However, 92.3 *per cent* of these assesseees were non-corporate assesseees in the income group of less than Rs 2 lakh. As has been indicated in CAG's Report No 12 of 2003, not only were the number of assesseees in higher income brackets less, their rate of growth was only half of the increase in the number of such households as indicated by an independent survey conducted by NCAER. Further the increase in the number of assesseees in the lower income group was because of a reduction in the threshold level of income from 5.48 times of per capita income in 1985-86 to 2.51 times of per capita income in 2001-02. No significant improvement was observed in speed

of assessment, proportion of tax collected at post assessment levels, volume of arrears and its ratio to tax actually collected, etc. which are important parameters of the effectiveness of tax collection machinery.

**2.27** The ratio of tax and overall revenue Receipts to GDP in India has remained lower compared to the averages of the Asian countries, which as a group are also considered to have relatively lower tax/revenue-GDP ratios. As against an unweighted non-OECD Asian countries average central government revenue-GDP ratio of 18.1 *per cent* during 1990-94, the revenue GDP ratio in India was 12.9 *per cent*. Similarly, compared to an average tax GDP ratio of 13.2 *per cent* during this period, the ratio was 9.7 *per cent* in India. During 1995-99, both the revenue and tax GDP ratio for Asian countries declined with a similar experience in India. The revenue and tax-GDP ratios of some of the major non-OECD Asian countries are indicated in Table 2.12 below:

**Table 2.12: Revenue and Tax-GDP Ratio of Selected Non-OECD Asian Countries**

*(per cent of GDP)*

	1990-1994			1995-1999		
	Revenue	Total tax	Direct taxes	Revenue	Total tax	Direct Taxes
China	5.1	3.9	1.5	5.8	5.4	0.6
India	12.9	9.7	2.3	12.5	9.1	2.8
Indonesia	17.8	16.0	9.6	17.6	15.7	9.6
Malaysia	27.4	20.0	9.0	24.0	19.5	8.8
Philippines	17.8	15.2	5.0	18.1	16.0	6.4
Singapore	33.8	16.7	7.5	36.1	16.0	6.9
Sri Lanka	20.1	18.0	2.6	18.6	16.0	2.4
Thailand	18.4	16.7	5.0	17.6	15.7	5.4
Unweighted Average of Non-OECD Asian Countries	18.1	13.2	4.5	17.5	12.7	4.4

Source: IMF India Country Report 2002

**2.28** Compared to Indonesia, Malaysia, Philippines, Singapore, Sri Lanka and Thailand, the revenue and tax GDP ratio in India has been significantly low. In the last three years, there has been a further decline in revenue and tax-GDP ratio in India.

### Non-Tax Revenue

**2.29** Non-tax revenues of the Union Government consist mainly of returns on past investment including loans and advances and recovery of user charges



from the services provided. Non-tax revenue constituted a little over one third of the current revenue of the Union Government This ratio witnessed a gradual acceleration over the last three Plans (Table 2.13).

**Table 2.13: Non Tax Revenue- Relative Shares**

*(per cent)*

	Total Non-Tax Revenue	Interest Receipts	Dividends and Profits	Railways	Telecommunication	Posts	Others
1985-2002	38.51	27.87	6.63	33.75	10.68	2.31	18.76
VII Plan (1985-90)	36.63	27.08	3.07	38.50	8.20	2.81	20.34
VIII Plan (1992-97)	39.01	27.36	7.83	32.86	12.90	1.92	17.13
IX Plan (1997-2002)	41.14	29.58	9.85	28.30	10.96	2.09	19.23
<b>Annual Values</b>							
1999-2000	42.38	30.27	7.56	26.00	14.45	1.60	20.12
2000-01	38.71	30.83	11.40	29.20	8.54	2.77	17.27
2001-02	41.20	32.24	13.19	28.78	0.00	2.82	22.97

**2.30** Relative shares of the various components of non-tax revenue witnessed significant changes over the Plans. The share of interest receipts and dividends put together increased to an average of 39 *per cent* during 1997-2002. The share of Railways was only an average of 28.3 *per cent* during 1997-2002. There was a sharp increase in the relative share of dividends and profits to 13.19 *per cent* during 2001-02. Revenue from telecommunication ceased with the corporatisation of this sector.

**2.31** Major components of non-tax revenues and the observed growth rates over the sub periods of the Three Plans are indicated in Table 2.14. Interest receipts, dividends and revenue from railways constituted nearly three fourths of the overall non-tax revenue. Average annual trend rates of growth of various components of non-tax revenue varied across Plan periods. Though overall growth decelerated over plans and quite significantly during the IX Plan (1997-2002), interest receipts (except for a negative growth during 2000-01) had a better track record. Rate of growth of revenue from postal services also witnessed significant acceleration during 1997-2002.

Table 2.14: Composition of Non-Tax Revenue- Trends

(Rupees in crore)

	Total Non-Tax Revenue	Interest Receipts	Dividends and Profits	Railways	Telecommunication	Posts	Others
1985-1986	16663	4595	515	6591	1309	477	3176
1995-1996	68621	18429	5306	22374	9761	1150	11601
1999-2000	126323	38239	9553	32843	18257	2020	25411
2000-01	119121	36721	13575	34780	10175	3298	20572
2001-02	131061	42250	17290	37723	0	3697	30101
<b>Average Annual Trend Rate of Growth (per cent)</b>							
1985-2002	14.72	15.60	26.92	11.79	0.00	11.58	14.28
VII Plan (1985-90)	15.21	13.84	23.00	12.15	24.62	11.21	17.34
VIII Plan (1992-97)	14.66	14.32	30.01	11.62	26.68	2.91	8.88
IX Plan (1997-2002)	8.00	13.00	21.19	7.50	0.00	26.69	14.70
<b>Annual Rate of Growth (per cent)</b>							
1999-2000	14.25	27.14	1.51	11.25	2.89	17.24	15.00
2000-01	-5.70	-3.97	42.10	5.90	-44.27	63.27	-19.04
2001-02	10.02	15.06	27.37	8.46		12.10	46.32

**2.32** Revenues from dividends and profits recorded a healthy growth of 27.37 per cent in 2001-02 and a long-term trend growth of 26.92 per cent. Non-tax revenue from other sources also recorded a healthy growth of 46.32 per cent in 2001-02 and a trend growth of 14.28 per cent. The sharp increase in revenue from miscellaneous sources was due to receipt of Rs 6404 crore from licence fee from Bharat Sanchar Nigam Limited and other telecom operators in 2001-02.

**2.33** Overall trends, performance over the Plans and annual non-tax revenue/GDP ratios are indicated in Table 2.15 below:

Table 2.15: Non-Tax Revenue/GDP Ratio

(per cent)

	Total Non-Tax Revenue	Interest Receipts	Dividends and Profits	Railways	Telecommunication	Posts	Others
1985-2002	5.99	1.67	0.40	2.02	0.64	0.14	1.13
VII Plan (1985-90)	6.09	1.65	0.19	2.34	0.50	0.17	1.24
VIII Plan (1992-97)	5.97	1.63	0.47	1.96	0.77	0.12	1.02
IX Plan (1997-2002)	6.08	1.80	0.59	1.72	0.68	0.13	1.17
<b>Annual Tax/GDP Ratios</b>							
1999-2000	6.55	1.98	0.50	1.70	0.95	0.10	1.32
2000-01	5.71	1.76	0.65	1.67	0.49	0.16	0.99
2001-02	5.72	1.84	0.75	1.65	0.00	0.16	1.31

**2.34** Non-tax revenue as percentage to GDP increased to a level of 6.55 *per cent* in 1999-2000 due to increased revenue from telecommunication and petroleum. A decline in these revenues later led to a sharp fall in this ratio to around 5.7 *per cent* in 2000-01 and 2001-02.

### Non-Debt Capital Receipts

**2.35** Non-debt capital receipts consist of miscellaneous capital receipts (disinvestment) and recovery of loans and advances. Table 2.16 gives the details of non debt capital receipts from disinvestment and recovery of loans and advances given by the Union Government to State and Union Territory governments, foreign governments, government corporations, non-government institutions and government servants. This table also indicates the budget estimates and actual realisation of the proceeds from disinvestment along with actual recovery of loans and advances of the Union Government. The Government over a decade, was able to realise only 35.7 *per cent* of its cumulative budget estimates in this regard (disinvestment).

**Table 2.16: Realisation from Disinvestment & Recovery of Loans**

Year	Disinvestment			Recovery of Loans		
	Budget Estimates	Actual Realisation	Per cent Realisation	Budget Estimates	Actual Realisation	Per cent Realisation
	(Rupees in crore)			(Rupees in crore)		
1991-92	2500	3038	121.52	6778	7001	103.29
1996-97	5000	380	7.60	8184	8696	106.26
1998-99	5000	5369	107.38	11560	13189	114.09
1999-2000	10000	1723	17.23	13337	12551	94.11
2000-01	10000	1870	18.70	15839	16799	106.06
2001-02	12000	3028	25.23	17488	20733	118.56
1991-2002	66300	23671	35.70	114476	117360	102.56

**2.36** Other capital receipts consisted of market borrowing and accruals in the public accounts, which are debt creating in nature and are discussed in later chapters.

### Inadequate Returns on Investments

**2.37** **Appendix I** presents the details of investments by government in statutory corporations, government companies, other joint stock companies, co-operative banks and societies, international bodies, etc. along with dividend received during the year 2001-02. The progressive total investment (excluding the RBI) of the government in statutory corporations, government companies, other joint stock companies, co-operative banks and societies, international bodies etc. stood at Rs. 123566 crore as on 31 March 2002.

**2.38** The Union government received a dividend of Rs 7007.16 crore during 2001-02 on an investment of Rs 72921 crore (as on 31 March 2001) in 246 government companies and corporations, which was only 9.61 *per cent* of investment as against average interest of 10.48 *per cent* paid on its internal loans. This indicated implicit subsidy of 0.87 *per cent*. Out of 246 PSUs, 71 paid dividend to the Union government in 2001-02. The major contributors of dividend were Oil and Natural Gas Corporation (Rs 1319 crore), Indian Oil (Rs 607 crore), Gas Authority of India (Rs 228 crore), Hindustan Petroleum (Rs 173 crore), Bharat Petroleum (Rs 149 crore), Power Finance Corporation (Rs 150 crore), Mahanagar Telephone Nigam (Rs 159 crore), Oil India (Rs 140 crore), National Aluminium Company (Rs 225 crore), NTPC (Rs 747 crore), Neyveli Lignite Corporation (Rs 157 crore) and Videsh Sanchar Nigam Limited (Rs.1887 crore). In most of these cases, product prices were regulated/administered to a varying degree.

## Chapter 3

### APPLICATION OF RESOURCES: EXPENDITURE

**3.1** In this Report, 'total disbursements' include repayment of debt and public account payments, and the term 'total expenditure' denotes all expenditure, both revenue and capital, out of the Consolidated Fund of India, excluding the repayment of debt and public account payments. The government applied total resources of Rs 1,037,629 crore that it mobilised during 2001-02, to disbursements as shown in Table 3.1.

**Table 3.1: Application of Resources**

*(Rupees in crore)*

I	Resources available		1,037,629
II	Application of Resources		1,036,134
	a.	<b>Repayment of Debt</b>	321,725
		Internal Debt	312,536
		External Debt	9,189
	b.	<b>Discharge of liabilities on Public Account</b>	216,076
		Small Savings and Provident Fund	133,676
		Reserve Fund	16,396
		Deposits	61,881
		Others	4,123
	c.	<b>Actual Expenditure</b>	445,491
		Revenue Expenditure	375,582
		Capital Expenditure	31,295
		Loans and Advances	38,614
	d.	<b>Share of the States' in taxes</b>	52,842
III	Increase in Cash Balance		1,495*
	a.	Closing Cash Balance	5,348*
	b.	Opening Cash Balance	3,853

\* Adjustments due to rounding. Actual closing balance Rs 5348.30 crore and increase of cash balance Rs 1495.66

**3.2** The repayments of debt and discharge of Public Account liabilities accounted for 51.82 per cent of these resources, amounting to Rs 537,801 crore. After deducting interest payments amounting to Rs 114,173 crore and providing for the States' share of the taxes, the government was left with only about 32 per cent of the mobilised resources for other expenditures.

**Total Disbursement:**

3.3 The relative movements across the major expenditure groups and over different Plan periods was uneven as indicated in Table 3.2.

**Table 3.2: Components of Total Disbursement***(Rupees in crore)*

	Total Expenditure	States' share in taxes	Repayment of Debt	Disbursement in Public Account	Total Disbursement	GDP (Market Price)
1985-86	66112	7471	134312	18053	225948	277991
1995-96	222645	29285	139246	89381	480557	1188012
1999-2000	372619	43481	305088	367612	1088800	1929641
2000-01	395834	51688	269512	224753	941787	2087988
2001-02	445491	52842	321725	216076	1036134	2291090
<b>Average Annual Trend Rate of Growth (in per cent)</b>						
1985-2002	12.95	13.53	8.59	17.04	11.68	14.76
VII Plan (1985-90)	13.55	14.73	-13.22	24.61	1.24	15.28
VIII Plan (1992-97)	11.87	14.41	20.90	14.32	14.84	16.54
IX Plan (1997-2002)	8.86	11.05	-2.34	22.05	7.00	10.51
<b>Annual Rate of Growth (in per cent)</b>						
1999-2000	7.20	11.08	-5.45	209.24	31.45	10.84
2000-01	6.23	18.87	-11.66	-38.86	-13.50	8.21
2001-02	12.54	2.23	19.37	-3.86	10.02	9.73

3.4 During the IX Plan (1997-2002), the increase in total disbursement averaged 7.00 per cent per annum, which however remained lower than the growth in GDP, which had averaged 14.76 per cent during 1985-2002. The only component of disbursement, which grew faster than GDP, was the disbursement from public account. Total expenditure of the Union government had a long-term trend growth of 12.95 per cent during 1985-2002. There was, however, a continuous deceleration in this growth over the Plans, from an average annual growth of 13.55 per cent during 1985-90 (VII Plan) to an average annual growth of 8.86 per cent during 1997-2002 (IX Plan).

**Table 3.3: Disbursement Components: Relative Share (per cent)**

	Total Expenditure	States' Share in Taxes	Repayment of Debt	Disbursement from Public Account
1985-2002	42.07	5.10	35.54	17.29
VII Plan (1985-90)	35.99	4.11	47.28	12.63
VIII Plan (1992-97)	47.29	6.10	28.76	17.85
IX Plan (1997-2002)	40.14	4.77	33.73	21.35
<b>Annual Relative Share</b>				
1999-2000	34.22	3.99	28.02	33.76
2000-01	42.03	5.49	28.62	23.86
2001-02	43.00	5.10	31.05	20.85

3.5 The share of total expenditure, as a percentage of total disbursement declined to an average of 40.14 during 1997-2002. A similar trend was exhibited by the disbursement on account of the share of the States in Union taxes. The combined share of disbursement from Public account and repayment of debt, increased to an average of around 55 per cent during 1997-2002. In 2001-02, the ratio between the total expenditure including the share of the States in the Union taxes and discharge of debt was 48:52, more or less similar to the long-term trend ratio of 47:53. (Table 3.3)

#### **Expenditure: Main Aggregates**

3.6 Table 3.4 presents a summary of the total expenditure of the Union government (excluding repayment of debt) and the observed trend growth rates over the Plan periods.

**Table 3.4: Expenditure Components**

	Revenue Expenditure	Capital Expenditure	Loans & Advances	Total Expenditure
1985-86	43407	8900	13805	66112
1995-96	180291	17544	24810	222645
1999-2000	316237	29023	27359	372619
2000-01	342647	25426	27761	395834
2001-02	375582	31295	38614	445491
<b>Average Annual Trend Growth rate (per cent)</b>				
1985-2002	14.70	7.24	7.04	12.95
VII Plan (1985-90)	16.49	8.87	6.01	13.55
VIII Plan (1992-97)	14.64	-8.44	11.91	11.87
IX Plan (1997-2002)	10.40	9.22	-3.42	8.86
<b>Annual Rate of Growth (per cent)</b>				
1999-2000	14.67	15.17	-41.28	7.20
2000-01	8.35	-12.39	1.47	6.23
2001-02	9.61	23.08	39.09	12.54

**3.7** Appendix-II presents the figures of total expenditure during the last 26 years since 1976-77. Total expenditure of the Union Government (net of the States' share in taxes) increased nearly seven times in the last seventeen years, recording an average annual trend growth of 12.95 *per cent*. Capital expenditure and loans and advances, however, grew at a lower rate of 7.24 and 7.04 *per cent* respectively during this period. Comparison of the relative growth rates over the three Plan periods indicates that though the revenue expenditure had a decelerating growth trend, it was relatively more buoyant. It declined from an average of 16.49 *per cent* per annum during 1985-90 (VII Plan) to an average of 14.64 *per cent* during 1992-97 (VIII Plan) and further to an average of 10.40 *per cent* during 1997-2002 (IX Plan). Capital expenditure on the other hand recorded a negative growth during 1992-97. Growth rates of this component of expenditure remained under 10 *per cent* during the other two Plans. Loans and advances recorded a negative growth during 1997-2002 (IX Plan). Overall growth in aggregate expenditure was moderated due to a comparatively lower growth of these components.

**3.8** In 2001-02, both capital expenditure and Loans and advances, however, witnessed significantly high growth and their rate of growth also exceeded the rate of growth of revenue expenditure. Increase in loans and advances was due to higher Plan loans to States, loans to Prasar Bharati (these loans were advanced for its acquisition of capital assets of Information and Broadcasting Department and there was a matching negative entry for capital expenditure), advances to industries, minerals and urban development. Capital expenditure increased due to increased allocation to railways for their commercial lines, increased expenditure on road transport and general services, particularly defence. These increases offset the negative entry of recovery from Prasar Bharati.

#### **Expenditures: Plan and Non-Plan**

**3.9** Plan expenditure normally relates to incremental development expenditure and involves both revenue and capital expenditure. It is desirable, however, that the share of capital expenditure should be sustained in Plan expenditure. Non-plan expenditure, on the other hand, is normally devoted to maintaining the levels of services already achieved. Table 3.5 presents the growth and composition of Plan and non-Plan expenditure of the Union government.



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**Table 3.5: Components of Expenditure - Plan & Non plan**

*(Rupees in crore)*

	Plan				Non Plan			
	Total	Revenue	Capital	Loans	Total	Revenue	Capital	Loans & Advances
1985-86	20308	6960	6685	6663	45804	36447	2215	7142
1995-96	47224	29021	5786	12417	175421	151270	11758	12393
1999-2000	76213	46831	9400	19982	296406	269406	19623	7377
2000-01	82897	51204	11153	20540	312937	291443	14273	7221
2001-02	104807	61656	11219	31932	340684	313926	20076	6682
<b>Average Annual Trend Rate of Growth (per cent)</b>								
1985-2002	10.19	14.31	3.29	8.32	13.88	14.77	11.81	3.94
VII Plan (1985-1990)	8.22	15.07	-1.23	9.00	15.72	16.75	29.64	2.61
VIII Plan (1992-1997)	7.53	11.48	-4.45	7.28	13.24	15.27	-11.36	18.27
IX Plan (1997-2002)	13.49	14.50	4.56	15.71	7.63	9.69	13.12	-29.30
<b>Annual Growth Rate (per cent)</b>								
1999-2000	13.33	15.49	7.27	11.41	5.73	14.52	19.38	-74.26
2000-01	8.77	9.34	18.65	2.79	5.58	8.18	-27.26	-2.11
2001-02	26.43	20.41	0.59	55.46	8.87	7.71	40.66	-7.46

**3.10** Over the longer period, the lower average annual growth of plan expenditure is apparent. The average annual growth of Plan expenditure at 10.19 *per cent* during 1985-2002 was significantly lower than the Non-plan expenditure growth of 13.88 *per cent* during the same period. There was, however, some acceleration in the overall growth in Plan expenditure during the Ninth Plan and average annual rate of growth exceeded the growth of Non-plan expenditure. But this was due to acceleration in Plan revenue expenditure and increase in loans and advances. The rate of growth of Plan capital expenditure continued to remain much lower, indicating worsening of its relative position. Non-plan expenditure, on the other hand, increased at a much faster rate. Within the non-plan expenditure, revenue expenditure registered an even higher relative growth.

**3.11** The current year, however, witnessed a reversal of the earlier trend of growth in expenditure in certain components. There was an increase in plan loans and advances and non-plan capital expenditure. Growth in non-plan revenue expenditure also had a moderate deceleration. However, Plan capital expenditure virtually stagnated and non-plan loans and advances actually declined.

### Revenue Expenditure: Trend and Components

**3.12** A significant part of revenue expenditure is transfer payments, which are mostly committed. Interest payments, pensions, salary and wages and grants-in-aid to States and Union Territories, particularly the ones based on the recommendations of the Finance Commission, fall in this category. A part of revenue expenditure is also on account of the operating expenses of the departmental undertakings as their revenues are reckoned on gross basis.

**3.13** Table 3.6 gives the expenditure incurred on various components of revenue expenditure. Except for pensions and interest payments, average trend growth of other components was comparatively low. Expenditure on salaries recorded the highest growth of 33.84 *per cent* in 1997-98, consequent upon the implementation of the report of the Fifth Pay Commission. Growth has since tapered off. Average annual growth over the Plans also indicated deceleration in the growth in expenditure on salaries.

**Table 3.6: Revenue Expenditure and its Components**

*(Rupees in crore)*

	Revenue Expenditure	Salary	Interest Payments	Pensions*	Grants to States	Others
1985-86	43407	7454	7512	1350	6704	20387
1995-96	180291	23929	50045	6914	21287	78116
1999-2000	316237	45169	94593	18129	29012	129334
2000-01	342647	46103	103224	18496	36789	138035
2001-02	375582	42110	114173	18933	41493	158873
<b>Average Annual Trend Rate of Growth (<i>per cent</i>)</b>						
1985-2002	14.70	12.80	18.66	17.93	11.59	13.82
VII Plan (1985-90)	16.49	13.73	24.05	25.00	8.52	16.06
VIII Plan (1992-97)	14.64	12.10	17.44	15.65	5.60	16.55
IX Plan (1997-2002)	10.40	8.32	14.90	17.07	11.06	8.68
<b>Average Annual Rate of Growth (<i>per cent</i>)</b>						
1999-2000	14.67	7.94	21.46	32.39	15.67	10.27
2000-01	8.35	2.07	9.12	2.02	26.81	6.73
2001-02	9.61	#	10.61	2.36	12.79	15.10

\* includes Miscellaneous General Services

*Note:- The expenditure on Salary in this and other tables is as given by the Pay Research Unit of the Department of Expenditure for the Civilian Staff and as indicated for the defence non civilian persons by the Defence Department. For 2001-02, the salary expenditure for the Civilian staff is based on Revised Estimates as given in the Budget as actual figures are still awaited. The average annual growth in salary expenditure during 1997-2002, therefore, pertains to 1997-2001. The figures for 2001-02, not being the actuals, are to be treated as provisional*

**3.14** It is necessary to study the composition of revenue expenditure in terms of committed and other liabilities and their relation over time with the revenue expenditure and revenue receipts. Table 3.7 provides these details. Committed

expenditure here includes interest payments, salary and wages and pensions and miscellaneous expenditure.

**Table 3.7: Share of Committed Revenue Expenditure to Revenue Expenditure, Revenue Receipts and Non-Debt Receipts (per cent)**

	Revenue Expenditure			Revenue Receipts			Non-Debt Receipts		
	Interest	Others	Total	Interest	Others	Total	Interest	Others	Total
1985-2002	25.14	18.48	43.62	31.24	22.79	54.03	28.91	21.05	49.96
VII 1985-1990	19.43	19.87	39.30	22.77	23.27	46.04	20.84	21.29	42.13
VIII 1992-1997	27.40	17.07	44.47	33.54	20.89	54.43	31.24	19.46	50.70
IX 1997-2002	28.88	18.67	47.55	38.04	24.51	62.55	35.44	22.84	58.28
<b>Annual Values</b>									
1999-2000	29.91	20.02	49.93	37.15	24.87	62.02	35.18	23.54	58.72
2000-01	30.13	18.85	48.98	40.32	25.23	65.55	37.54	23.50	61.04
2001-02	30.40	16.25	46.65	43.04	23.01	66.05	39.42	21.07	60.49

*Note: Both revenue receipts and revenue expenditure are net of States' share in various taxes.*

**3.15** The increase in the share of the three committed liabilities over the plans is apparent. However, this was largely due to an increase in interest payments over the years.

### Management of Subsidies

**3.16** Subsidies account for a significant share of government expenditure and are generally advocated for merit goods. The general impact of the subsidies is to lower the price of goods or inputs, which in turn makes it more affordable and encourages greater production and consumption.

**3.17** Table 3.8 presents a picture of the subsidies, which the government provided explicitly during the VIII and IX Plans on major items.

**Table 3.8: Explicit Subsidies in the Union Government Budget**

*(Rupees in crore)*

	Food and Sugar	Fertilizers	Export Promotion	Others	Total subsidies	Subsidies/ GDP	Subsidies/ Revenue Expenditure
<b>Average Annual Values</b>							
VIII 1992-97	4976	6088	571	1834	13469	1.32	8.55
IX 1997-2002	11199	11376	552	2965	26091	1.36	8.33
<b>Annual Values</b>							
1999-2000	9435	13463	520	2491	25909	1.34	8.19
2000-01	12060	13811	621	1784	28276	1.35	8.25
2001-02	17499	8091	616	5772	31978	1.40	8.51

**3.18** In absolute terms, explicit subsidies increased from an average of

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Rs 13,469 crore during 1992-97 to an average of Rs 26,091 crore during 1997-2002. Relative to GDP, subsidies marginally increased from 1.32 per cent during 1992-97 (VIII Plan) to an average of 1.36 per cent during 1997-2002 (IX Plan). In 2001-02, subsidies reached 1.40 per cent of GDP and 8.5 per cent of revenue expenditure.

**3.19** In addition to explicit subsidies, the Union Government also bears expenditure in the nature of implicit subsidies. Budgetary support to financial institutions and Banks, inadequate returns from its investment in PSUs and inadequate recovery of user charges from the social and economic services that are provided by the government fall in the category of implicit subsidies. Implicit subsidy involved in providing postal services is discussed below as an illustrative case.

**3.20** According to the Department of Posts estimate, the average per unit cost and per unit revenue realised from different postal services during the year 2001-02 on the basis of projected traffic were as given in Table 3.9 below:

**Table 3.9 Per unit gain/loss in operation of postal services**

Sl. No	Services	Per unit cost (in paise)	Per unit revenue (in paise)	Unit Loss (-) Gain(+) (in paise)	Traffic Projected (in lakh)	Total loss/ gain (Rs in crore)	
						Loss	Gain
<b>(a) Classical Services</b>							
1.	Post cards	611.49	45.83	(-)565.66	2878.5	162.83	
2.	Letters	687.38	637.88	(-)49.5	9352.5	46.29	
3.	Registration	2995.36	1650.00	(-)1345.36	2375.5	319.59	
4.	Letter cards(Inland)	614.46	200.00	(-)414.46	4569.00	189.37	
5.	Money orders	4959.47	2090.69	(-)2868.78	1230.5	353.00	
6.	Newspapers (single)	799.90	37.40	(-)762.50	1071.5	81.70	
7.	Newspapers (bundle)	1565.76	88.46	(-)1477.30	198	29.25	
8.	Indian Postal Orders(IPOs)	1931.07	133.45	(-)1797.62	386.5	69.48	
9.	Printed Postcards	613.08	283.33	(-)329.75	1347.5	44.43	
10.	Value payable Post	2419.39	399.25	(-)2020.14	91.5	18.48	
11.	Other periodicals	1146.54	723.10	(-)423.44	152.00	6.44	
12.	Acknowledgements	573.67	283.33	(-)290.34	399.5	11.60	
13.	Book, Pattern and Sample Packets	802.09	713.30	(-)88.79	988.00	8.77	
14.	Telegraphic MOs	6321.78	2290.69	(-)4031.09	1.0	0.40	
15.	Printed books	1142.35	419.96	(-)722.39	193.5	13.98	
16.	Insurance	4394.70	6599.90	(+)2205.20	93		20.51
17.	Parcels	5872.15	5271.71	(-)600.44	695.5	41.76	
18.	Competition Post cards	423.04	483.33	(+)60.29	73.0		0.44
<b>(b) Value added Services</b>							
19.	Speed post	4120.04	4008.77	(-)111.27	378.00	4.21	
20.	Foreign mail	2463.23	3064.07	600.86	461.00		27.70
	<b>Total</b>					<b>1401.58</b>	<b>48.65</b>

3.21 The Department's overall net loss nearly doubled in the last five years, from Rs 687.86 crore in 1997-98 to Rs 1352.93 crore in 2001-02. Out of 20 services mentioned above, 17 services were rendered on loss basis in 2001-2002. The Speed Post services, which were stated to have made profit during the earlier year, made a loss in 2001-02. The net revenue budgetary support was Rs 1411.51 crore in 2001-02.

### Expenditure on Social and Economic Services

3.22 In terms of activities, overall expenditure is composed of general services, social services and economic services. The latter two categories are considered developmental in nature. Table 3.10 below indicates the trends in expenditure on social services and its various components.

**Table 3.10: Expenditure on Social services- Trends and Composition**

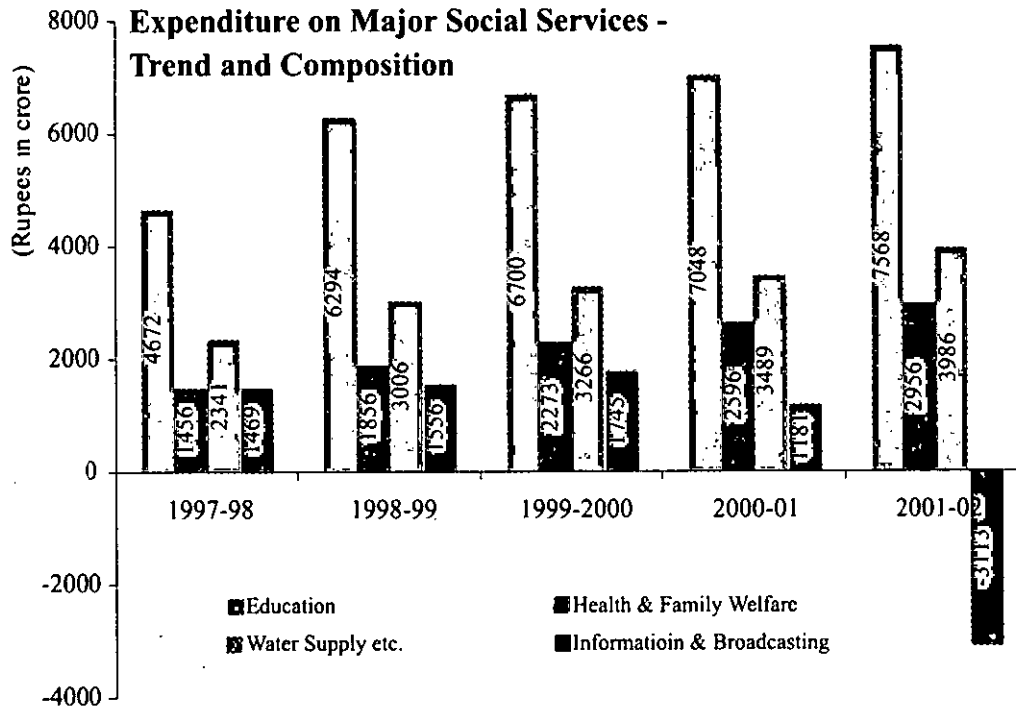
*(Rupees in crore)*

	Social Services	Education	Health	Water Supply	Information	Labour Welfare	Others
1987-1988	2965	1275	379	145	539	171	456
1995-1996	7964	3151	908	944	1077	492	1393
1999-2000	17785	6700	2273	3266	1745	844	2956
2000-01	18496	7048	2596	3489	1181	878	3305
2001-02	16284	7568	2956	3986	-3113	843	4045
<b>Average Annual Growth Rate (per cent)</b>							
1987-2002	15.44	15.01	15.68	25.98		11.54	21.32
1987-1990	12.19	8.34	17.51	59.47	17.45	26.45	-15.38
VIII Plan (1992-97)	19.61	16.02	11.39	35.64	12.93	9.52	36.63
IX Plan (1997-2002)	7.96	11.38	19.15	12.90		10.68	25.93
<b>Annual Growth Rate (per cent)</b>							
1999-2000	17.31	6.45	22.50	8.62	12.16	18.68	70.12
2000-01	4.00	5.19	14.19	6.83	-32.33	3.98	11.79
2001-02	-11.96	7.38	13.89	14.24		-4.00	22.39

*Note: Due to change in major heads, etc., expenditure on social services (Education, Sports, Art and Culture, Health and Family Welfare, Water Supply, Sanitation and Housing, Information and Broadcasting, Labour and Labour Welfare, others.) in 1985-87 has been omitted.*

3.23 The Overall social expenditure of the Union government increased from Rs 2965 crore in 1987-88 to Rs 16,284 crore in 2001-02, at an annual trend rate of 15.44 per cent. The expenditure on social services recorded its highest growth of 19.61 per cent during 1992-1997 (VIII Plan). Growth during 1997-2002 decelerated to 7.96 per cent. Within social services, expenditure on

water supply, sanitation and urban development recorded the highest trend growth of 25.98 per cent per annum during 1987-2002. This component however, experienced a decelerating growth trend over the Plans. Growth rate declined sharply from an average of 59.47 per cent during 1987-1990 to an average of 12.90 per cent during 1997-2002. Education and health, the sectors primarily linked to human resource development had a comparatively lower growth.



3.24 In 2001-02, expenditure on social services recorded a negative growth of 11.96 per cent due to a negative entry under the Information and Broadcasting component as the capital assets of the Department were transferred to Prasar Bharati. But even after netting this negative expenditure (recovery), the growth in expenditure on social services at 5.0 per cent was only moderate.

3.25 The expenditure on components of economic services is indicated in Table 3.11 below.

**Table 3.11: Expenditure on Economic Services- Trends and Composition**

*(Rupees in crore)*

	Economic Services	Agriculture & Allied	Rural Development	Energy	Industry & Minerals	Transport	Posts	Telecom	Others
1987-1988	27824	2955	317	2551	4900	11018	860	1770	3453
1995-1996	74292	10867	5645	3493	6896	26133	1864	10100	9295
1999-2000	120860	18865	5139	5675	13456	44018	3672	19005	11029
2000-01	122308	22255	4305	5802	13812	51157	4888	11820	8268
2001-02	141354	28294	6189	17043	13376	57163	5167	3739	10383
<b>Average Annual Growth Rate (per cent)</b>									
1987-2002	12.19	16.17	25.39	10.14	7.50	12.05	14.22	13.86	7.32
VII 1987-1990	22.44	22.00	179.25	17.87	18.13	16.36	7.52	31.65	25.97
VIII Plan (1992-97)	9.35	14.89	81.37	4.36	2.17	9.22	13.62	26.75	-9.69
IX Plan (1997-2002)	6.36	18.28	2.79	1.23	8.78	14.26	19.11	-27.41	-5.55
<b>Annual Growth Rate (per cent)</b>									
1999-2000	7.00	12.76	-0.78	13.53	22.62	20.69	9.37	3.91	-34.93
2000-01	1.20	17.97	-16.23	2.24	2.64	16.22	33.13	-37.80	-25.03
2001-02	15.57	27.13	43.77	193.74	-3.15	11.74	5.69	-68.37	25.58

*Note: Due to change in major heads, etc., expenditure on economic services (Agriculture, Irrigation, Flood Control, Special Area Programme, Rural Development, Energy (Power), Industry and Minerals, Transport, Posts, Communication and others) in 1985-87 has been omitted.*

**3.26** The overall expenditure on economic services increased from Rs.27824 crore in 1987-88 to Rs. 141,354 crore in 2001-02, at an annual trend growth rate of 12.19 per cent. Expenditure on economic services witnessed a decelerating trend with growth rates declining from an average of 22.44 per cent during 1987-1990 to an average of 6.36 per cent during 1997-2002.

**3.27** Within economic services, expenditure on various rural development and poverty alleviation programmes recorded the highest trend growth of 25.39 per cent. The average growth, however, decelerated to 2.79 per cent during 1997-2002, with negative growth being observed during 1999-2001. Telecom sector also witnessed a negative growth during 1997-2002, because of corporatisation of its activities. In the current year, economic services had a growth rate of 15.57 per cent, largely due to significantly high growth in agriculture, rural development and energy sectors.

**3.28** In terms of per capita expenditure, overall expenditure on social services at 1993-94 prices averaged Rs 79 (Table 3.12). Per capita expenditure, however, recorded an increase over the Plans and average annual rate of growth was 4.47 per cent. Expenditure on education and health

averaged Rs.32 and Rs.11 respectively during 1987-2002, increasing at an average rate of 4.09 *per cent* and 4.70 *per cent* respectively. During the IX Plan (1997-2002) expenditure on social services, however, recorded impressive growths. The decline in expenditure in the current year was due to recovery under the head 'Information and Broadcasting'. The other important component of social services, was expenditure on water supply, sanitation and urban development. Per capita expenditure on these services averaged Rs. 12 during 1987-2002. There was an upward trend in this category of expenditure.

**Table 3.12: Per Capita Expenditure on Social services  
(In Rupees at 1993-94 prices)**

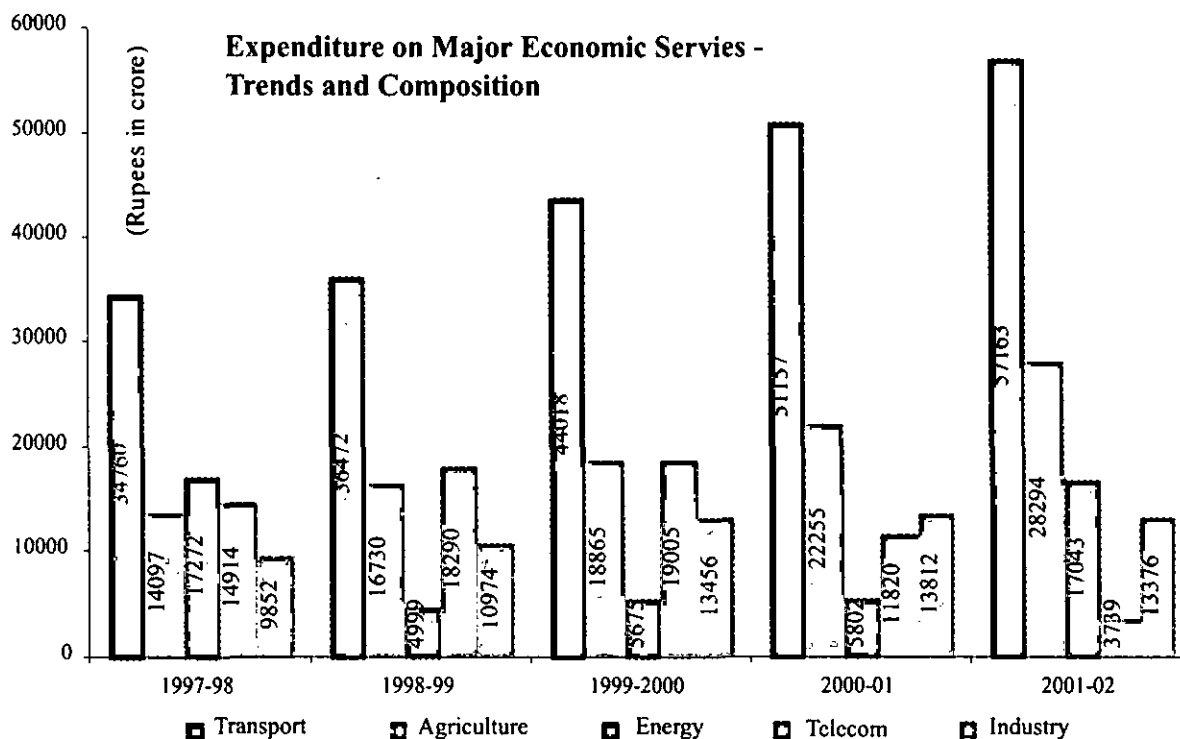
	Social Services	Education	Health	Water Supply	Information	Labour Welfare	Others
<b>Average Annual Values (In Rupees at 1993-94 prices)</b>							
1987-2002	79	32	11	12	9	5	11
1987-1990	67	28	9	5	12	5	8
VIII Plan (1992-97)	68	27	9	8	10	5	9
IX Plan (1997-2002)	104	42	14	21	4	5	18
<b>Average Annual rate of growth 1987-2002 (per cent)</b>							
1987-2002	4.47	4.09	4.70	14.02		0.95	9.79
<b>Annual Values</b>							
1999-2000	116	44	15	21	11	6	19
2000-01	114	44	16	22	7	5	20
2001-02	95	44	17	23	-18	5	24

**3.29** For the economic services, per capita expenditure at 1993-94 prices averaged Rs. 718 and the average annual increases in the expenditure was 1.54 *per cent* only (Table 3.13) Per capita expenditure on energy and industry and minerals had a negative trend growth. Overall expenditure on economic services recorded impressive growth during the IX plan (1997-2002) and per capita expenditure increased to Rs 825 in 2001-02. In the current year, growth in expenditure was quite significant in the energy and transport sectors.



**Table 3.13: Per Capita Expenditure on Economic Services  
(In Rupees at 1993-94 prices)**

	Economic Services	Agriculture	Rural Development	Energy	Industry & Minerals	Transport	Post	Telecom	Others
<b>Average annual Values (In Rupees at 1993-94 prices)</b>									
1987-2002	718	102	26	51	86	262	20	75	95
1987-1990	675	72	20	59	116	255	19	49	86
VIII Plan (1992-97)	693	96	31	31	74	243	16	82	121
IX Plan (1997-2002)	793	129	34	68	80	290	25	91	75
<b>Average Annual rate of growth 1987-2002 (per cent)</b>									
1987-2002	1.54	5.13	13.48	-0.32	-2.71	1.41	3.38	3.05	-2.87
<b>Annual Values</b>									
1999-2000	790	123	34	37	88	288	24	124	72
2000-01	756	138	27	36	85	316	30	73	51
2001-02	825	165	36	99	78	334	30	22	61



**3.30** Relative to GDP, expenditure on social services averaged 0.75 per cent of GDP during 1987-2002. (Table 3.14) The expenditure relative to GDP declined to an average of 0.66 per cent during 1992-97 (VIII Plan), though it later increased to 0.84 per cent during 1997-2002. Average annual rate of shift

in its relative share was 0.75 per cent. Education and health expenditure accounted for an average of 0.3 and 0.1 per cent of GDP, Both had a positive annual shift rate of 0.38 per cent and 0.96 per cent respectively during 1987-2002.

**Table 3.14: Expenditure on Social services Relative to GDP (per cent)**

	Social Services	Education	Health	Water Supply	Information	Labour Welfare	Others
<b>Average annual Values (In Rupees at 1993-94 prices)</b>							
1987-2002	0.75	0.30	0.10	0.10	0.09	0.05	0.10
1987-1990	0.80	0.34	0.11	0.06	0.15	0.05	0.09
VIII Plan (1992-97)	0.66	0.26	0.09	0.08	0.10	0.05	0.09
IX Plan (1997-2002)	0.84	0.34	0.11	0.17	0.04	0.04	0.14
<b>Average Annual rate of shift 1987-2002 (per cent)</b>							
1987-2002	0.75	0.38	0.96	9.95		-2.65	5.88

**3.31** Overall ratio of expenditure on economic services – GDP was 6.95 per cent during 1987-2002. (Table 3.15) However, over the Plans, there continued to be a deceleration in this ratio and average annual rate of shift in its share relative to GDP was (-) 2.08 per cent. This negative rate of shift was due to decline in the ratio of expenditure on energy, industry, transport, post, telecommunication and other economic services sectors. Only two activities viz. Agriculture and allied and rural development witnessed improvement in their expenditure relative to GDP and had a positive shift rates.

**Table 3.15: Expenditure on Economic Services Relative to GDP (per cent)**

	Economic Services	Agriculture	Rural Development	Energy	Industry	Transport	Post	Telecom	Others
<b>Average annual Values (In Rupees at 1993-94 prices)</b>									
1987-2002	6.95	0.97	0.24	0.50	0.86	2.54	0.19	0.71	0.95
1987-1990	8.00	0.86	0.23	0.70	1.37	3.03	0.22	0.57	1.02
VIII Plan (1992-97)	6.81	0.94	0.29	0.31	0.73	2.39	0.16	0.79	1.21
IX Plan (1997-2002)	6.38	1.03	0.27	0.55	0.64	2.32	0.20	0.75	0.61
<b>Average Annual rate of shift 1987-2002 (per cent)</b>									
1987-2002	-2.08	1.39	9.44	-3.87	-6.18	-2.20	-0.31	-0.63	-6.33

**Expenditure Management: Some other key parameters**

**3.32** Some additional parameters of Union Government expenditure management are indicated in the Table 3.16 below:

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**Table 3.16: Management of Expenditure- Some Key Parameters**

	Revenue Expenditure	Total Expenditure	Development Expenditure (DE)	Capital Expenditure	Plan Expenditure	Balance from Current Revenue	DE as % to Total Expenditure
	Buoyancy coefficients						
1985-2002	1.07	0.96	0.94	0.54	0.76	-9248	43.03
1987-1990	1.04	0.88	0.98	0.58	0.54	761	46.10
VIII Plan (1992-97)	0.94	0.82	0.71	-0.58	0.52	-2191	42.37
IX Plan (1997-2002)	1.28	1.01	0.75	1.05	1.54	-28622	40.68
1999-2000	0.80	0.49	0.56	1.03	0.90	-14811	40.16
2000-01	14.76	2.75	0.69	-5.47	3.87	-35407	38.25
2001-02	2.66	2.35	2.24	4.32	4.94	-48647	38.74

*Note:- Buoyancy of Revenue Expenditure is with reference to Revenue Receipts, while all others are with reference to Non-Debt Receipts. Development Expenditure is total expenditure on Social and Economic Services.*

**3.33** It may be important to examine the expenditure and its various components relative to the revenue receipts of the government. The buoyancy of the revenue expenditure with regard to revenue receipt during 1985-2002 marginally exceeded one. Further, in the IX Five-Year Plan, the buoyancy further increased to 1.28 compared to 0.94 during 1992-97 (VIII Plan). With revenue growth further moderating in the last two years, the buoyancy of the revenue expenditure further increased to 14.76 and 2.66 in 2000-01 and 2001-02 respectively. Average buoyancy of 1.28 during 1997-2002 indicated that for each one *per cent* increase in government's revenue, its revenue expenditure increased by 1.28 *per cent* or on an average 28 *per cent* faster than revenue receipts. In so far as the total expenditure is concerned, its overall buoyancy with reference to the non-debt receipts was 0.96 during 1985-2002. However in the IX Plan (1997-2002), it increased to 1.01 and in the last two years due to a moderate growth in receipt it went up further to 2.75 and 2.35 respectively. As against this, the development expenditure, Plan expenditure and capital expenditure, all of which are considered quality expenditures, had buoyancy coefficients of less than one. While in case of plan and capital expenditures, during 1997-2002, buoyancy became greater than one, in Plan expenditure, it was due to increase in loans and advances. Further, as a percentage to total expenditure, development expenditure had a decelerating trend over the plans. Government's Balance from Current Revenue (BCR), from a positive Rs 761 crore during 1987-1990 turned negative and averaged Rs (-) 28,622 crore during 1997-2002. These parameters of expenditure management indicate a continuing deterioration in the Government finances.

## Chapter 4

### DEFICITS: MANAGEMENT OF FISCAL IMBALANCES

4.1 The budget deficit is an instrument of fiscal management. The different facets of the budget deficit indicate the different nature of fiscal imbalances. The annual budget indicates three types of deficits, viz. revenue, fiscal, and primary. This chapter discusses the nature and magnitude of these deficits, their trend over time and the manner of financing these deficits.

4.2 Table 4.1 presents the break-up of the deficit during 2001-02. There was a deficit in the CFI amounting to Rs 40869 crore and a surplus in the Public Account amounting to Rs 42364 crore. The excess of this surplus amounting to Rs 1495 crore represented the addition to the closing cash balances.

**Table 4.1: Deficits in Government Account**

*(Rupees in crore)*

CONSOLIDATED FUND					
Receipt	Amount			Disbursement	Amount
Revenue	265,279	Revenue deficit	110,303	Revenue	375,582
Non-debt Capital Receipts	3,646			Capital	31,295
Recovery of loans & advances	20,733			Disbursement of Loans & advances	38,614
Sub total CFI (other than public debt)	289,658			Sub total CFI (other than Public Debt)	445,491
Public debt	436,689	Fiscal deficit	155,833	Public debt repayment	321,725
<b>Total (CFI)</b>	<b>726,347</b>	<b>A: Deficit in CFI</b>	<b>40,869</b>		<b>767,216</b>
PUBLIC ACCOUNT					
Small savings, provident funds etc.	160,535			Small savings, provident funds etc.	133,676
Reserve Fund	19,168			Reserve Fund	16,396
Deposits & Advances	73,550			Deposits & Advances	61,881
Suspense & miscellaneous	3,822			Suspense & miscellaneous	3,455
Remittances	1,365			Remittances	668
<b>Total Public Account</b>	<b>258,440</b>	<b>B: Surplus in Public Account:</b>	<b>42,364</b>		<b>216,076</b>
Increase in cash balance {B-A} = 1,495					
<ol style="list-style-type: none"> <li>1. Includes Security Deposits of Railways, Telephone Application Deposits, Postal Deposits, Forest Advances, Departmental Advances etc.</li> <li>2. Includes Depreciation Reserve Funds – Railways, Revenue Reserve Funds – Railways, Sugar Development Funds, Mines Welfare Funds, National Renewal Funds etc.</li> <li>3. Includes amounts awaiting final adjustments in the accounts like Pay and Accounts Office Suspense, Suspense Account P&amp;T, Defence, Railways and Tele-communication, Coinage Accounts, Cheques and Bills etc.</li> <li>4. Includes money in transit like Money Orders, RBI Remittances, Small Coin Depot remittances, Mint remittances etc</li> </ol>					

4.3 The surpluses and deficits in Consolidated Fund or Public Account only indicate the excess of receipts or disbursements in these accounts and these do not constitute fiscal deficits or surpluses. Fiscal deficit of the Union Government indicates the excess of its total expenditure consisting of revenue and capital expenditures and loans and advances over its non-debt receipts. In the year 2001-02, total expenditure of the Union government at Rs 445,491 crore exceeded its non-debt receipts by Rs 155,833 crore. The fiscal deficit, at this level, was 6.80 *per cent* of GDP. The Union government resorted to borrowings from internal and external sources as also from the Public Account to meet this deficit.

4.4 There was also a revenue deficit as revenue receipts fell short of the revenue expenditure by Rs 110,303 crore. Revenue deficit accounted for nearly 71 *per cent* of the fiscal deficit and was 4.81 *per cent* of GDP.

#### **Deficits: Trends**

4.5 Fiscal imbalances are both transient and structural. Transient imbalances result from temporary mismatches in revenue and expenditures of the Union Government, management of which requires accommodation in the nature of ways and means advances. These transient mismatches, largely of a cyclical nature, may at times go beyond an accounting time frame of a year, but there could be an automatic correction and over time these may be self-liquidating. However, persisting imbalances are structural and more difficult to address. These may arise from the inability to raise revenues or contain expenditure or a combination of both. As was indicated in the previous two chapters, fiscal imbalances was largely due to poor tax compliance and inadequate returns/user charges on government's investment/services though there was an expenditure contraction relative to GDP over the last seventeen years.

4.6 Fiscal deficit represents the draft of the Union Government from the economy and a net transfer of resources in its favour. This transfer, however, results in creation of fiscal liabilities for the Union government. This makes the issue of debt sustainability critically dependent on the fiscal deficit and the application of resources. Fiscal deficit and current account deficit are also inter-linked and existence of the former essentially spills over to the latter.

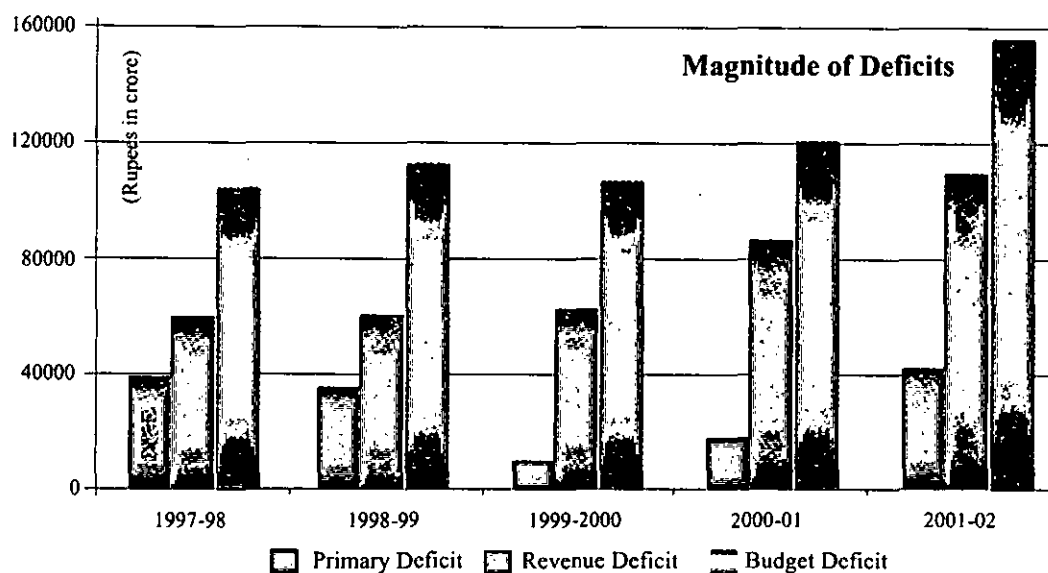
4.7 Table 4.2 indicates the trend in various facets of fiscal imbalances together with the trends of revenue and expenditure. **Appendix-III** presents deficit for the last 26 years. Revenue deficit of the Union government increased from Rs 5,564 crore in 1985-86 to Rs 110,303 crore in 2001-02 nearly twenty times in seventeen years (1985-2002), at an annual trend rate of 19.01 *per cent*. Revenue deficit was not only a permanent feature of the Union government finances, it rose faster compared to both revenue receipts and revenue expenditure.

**Table 4.2: Magnitude of Deficits**

(Rs in crore)

	Revenue Receipts	Non-Debt Receipts	Revenue Expenditure	Total Expenditure	Interest Payments	Revenue Deficit	Fiscal Deficit	Primary Deficit
1985-86	37843	41708	43407	66112	7512	5564	24404	16892
1995-96	150560	158956	180291	222645	50045	29731	63689	13644
1999-2000	254595	268869	316237	372619	94593	61642	103750	9157
2000-2001	256036	274960	342647	395834	103224	86611	120874	17650
2001-2002	265279	289658	375582	445491	114173	110303	155833	41660
<b>Average Annual Trend Rate of Growth (per cent)</b>								
1985-2002	13.68	13.46	14.70	12.95	18.66	19.01	11.88	1.64
VII Plan (1985-90)	15.88	15.33	16.49	13.55	24.05	20.33	10.33	2.37
VIII Plan (1992-97)	15.61	14.51	14.64	11.87	17.44	10.88	6.42	-19.36
IX Plan (1997-2002)	8.12	8.74	10.40	8.86	14.90	17.29	9.00	-5.48
<b>Annual Rate of Growth (per cent)</b>								
1999-2000	18.29	14.76	14.67	7.20	21.46	1.77	-8.43	-74.14
2000-2001	0.57	2.27	8.35	6.23	9.12	40.51	16.51	92.75
2001-2002	3.61	5.35	9.61	12.54	10.61	27.35	28.92	136.03

Negative signs have been omitted for all deficits.



**4.8** Fiscal deficit recorded a comparatively lower growth of 11.88 per cent during 1985-2002. In absolute terms it increased nearly six fold from Rs 24,404 crore in 1985-86 to Rs 155833 crore in 2001-02. The comparatively lower growth in fiscal deficit was due to a relatively lower

growth of capital expenditure, which moderated the growth in total expenditure of the Union government. Primary deficit, which indicates fiscal deficit net of the interest payments, showed a negative trend growth. But this was due to a much faster increase in interest payments, which averaged 18.66 *per cent* per annum during 1985-2002. **Appendix-III** presents the fiscal deficits and interest payments for the last 26 years.

**4.9** The comparative picture of the three deficits over the Five-Year plans indicates a mixed trend. Revenue deficit witnessed a deceleration in the average annual growth rates during the VIII Plan (1992-97) compared to the earlier plan. However, during the IX Plan (1997-2002), growth further accelerated.

**4.10** In 2001-02, all the three variants of deficit witnessed significant increases. In case of revenue deficit, the increase was of the order of 27.35 *per cent*, as against a modest growth of 1.77 *per cent* in 1999-2000. The fiscal deficit grew by 28.92 *per cent* in 2001-02. In the primary deficit, the rate of growth at 136.03 *per cent* was even higher. All these indicated a further deterioration in the fiscal situation in 2001-02 and increasing fiscal imbalances.

### Revenue Deficit

**4.11** Revenue deficit represents government's dis-saving and inter-temporally, a shift to present consumption. Of the three variants of deficit, persistent revenue deficit is considered most undesirable in view of its adverse impact on capital formation by the government.

**4.12** Table 4.3 summarises the magnitude of the revenue deficit relative to revenue receipts, revenue expenditure and GDP over the plans and during the last three years.

**Table 4.3: Revenue Deficit Relative to GDP, Revenue Receipts & Expenditure**  
(*per cent*)

	GDP	Revenue Receipts	Revenue Expenditure
1985-2002	3.03	23.51	18.78
VII Plan (1985-90)	2.39	17.14	14.62
VIII Plan (1992-97)	2.85	22.45	18.22
IX Plan (1997-02)	3.91	31.62	23.88
<b>Annual Relative Share (<i>per cent</i>)</b>			
1999-2000	3.19	24.21	19.49
2000-01	4.15	33.83	25.28
2001-02	4.81	41.58	29.37

4.13 Revenue deficit increased from an average of 2.39 *per cent* of GDP during the VII Plan (1985-90) to an average of 3.91 *per cent* during the IX Plan (1997-2002). It was around 17 *per cent* of the revenue receipts and around 15 *per cent* of revenue expenditure during 1985-90, which increased to 32 *per cent* of revenue receipts and 24 *per cent* of revenue expenditure during 1997-2002. The ratio of revenue deficit to revenue receipts/expenditure indicates the increase/ decrease in revenue receipts/expenditure that was needed to have current expenditure being fully met by current receipts without net dis-saving by the government.

4.14 There was a further deterioration of the revenue deficit situation in 2001-02. It reached a level of 4.81 *per cent* of GDP and accounted for 29.37 *per cent* of revenue expenditure. As percentage to revenue receipts, revenue deficit reached 41.58 *per cent* indicating that revenue receipts needed to increase by nearly 42 *per cent* to finance the entire revenue expenditure. The growing revenue deficit indicated increasing dependence on debt for meeting even the current expenses.

#### Fiscal Deficit

4.15 Table 4.4 indicates the ratio of fiscal deficit to GDP, non-debt receipts and total expenditure over the Plans and during the last three years.

**Table 4.4: Ratio of Fiscal deficit to GDP, Non-debt Receipts and Total Expenditure**  
(*per cent*)

	GDP	Non-Debt Receipts	Aggregate Expenditure
1985-2002	6.91	48.74	32.60
VII Plan (1985-90)	8.19	53.74	34.92
VIII Plan (1992-97)	6.22	45.59	31.06
IX Plan (1997-2002)	6.27	47.08	31.92
<b>Annual Relative Share (<i>per cent</i>)</b>			
1999-2000	5.38	38.59	27.84
2000-01	5.79	43.96	30.54
2001-02	6.80	53.80	34.98

4.16 The ratio of fiscal deficit to GDP however, showed a decelerating trend over the Plans. It declined from an average of 8.19 *per cent* of GDP during 1985-90 (VII Plan) to an average of 6.27 *per cent* during 1997-2002 (IX Plan). Fiscal deficit financed nearly 35 *per cent* of total expenditure during 1985-90. This ratio marginally declined to 31.92 *per cent* during 1997-2002. As a percentage to non-debt receipts, fiscal deficit declined from an average of



53.74 *per cent* during 1985-90 to an average of 47.08 during 1997-2002. This ratio indicates the increase in non-debt receipts that would have been needed to meet the expenditure levels.

4.17 In 2001-02, the fiscal deficit/GDP ratio at 6.80 *per cent* was only marginally lower compared to the trend value. However, it worsened compared to a level of 5.38 *per cent* reached in 1999-2000. Fiscal deficit financed 34.98 *per cent* of total expenditure, as against 27.84 *per cent* in 1999-2000 and reached a level higher than the average of 1985-90 (VII Plan). This level of fiscal deficit triggered the economic reforms during the early 1990s.

4.18 It is necessary to study the components of fiscal deficit and their movement over the Plan periods.

**Table 4.5: Components of Fiscal Deficit- Relative Share**

	Revenue Deficit	Capital Expenditure*	Loans and Advances*
1985-2002	45.36	24.85	29.79
VII Plan (1985-90)	29.43	36.82	33.75
VIII Plan (1992-97)	45.91	28.25	25.84
IX Plan (1997-2002)	62.42	19.53	18.05
<b>Annual Relative Share (per cent)</b>			
1999-2000	59.41	26.31	14.28
2000-01	71.65	19.28	09.07
2001-02	70.78	17.74	11.48

\*Capital expenditure is net of Capital receipts and Loans and Advances are net of recoveries of Loans and Advances

4.19 Revenue deficit accounted for 45.36 *per cent* of the fiscal deficit over 1985-2002. This ratio witnessed a continuous increase over the Plans. From an average of 29.43 *per cent* during 1985-90, it increased to 62.42 *per cent* during 1997-2002. Ideally, even capital expenditure of the Government should be financed from revenue surpluses. Continuous recourse to fiscal deficit for meeting the current expenses is not desirable as it indicates the proportion of liabilities, which are not backed up by assets.

4.20 In 2001-02, revenue deficit accounted for 70.78 *per cent* of the fiscal deficit. Capital expenditure accounted for 17.74 *per cent* and the balance 11.48 *per cent* was utilized for making loans and advances. Expenditure financed by borrowings during the last 26 years is given in **Appendix-IV**.

### Primary Deficit

4.21 Table 4.6 indicates the ratio of primary deficit to GDP, non-debt receipts of the Union Government and revenue expenditure. Primary deficit/GDP ratio declined from an average of 5.02 *per cent* during 1985-90 to a level of 1.55 *per cent* in 1997-2002. After an improvement in the primary deficit/GDP ratio in 1999-2000, there was a slippage in two successive years. In the current year also primary deficit more than doubled and stood at 1.82 *per cent* of GDP.

**Table 4.6: Primary deficit- Selected Ratios**

Period/Year	GDP	Non Debt Receipts	Revenue Expenditure
1985-2002	2.87	19.83	17.72
VII Plan (1985-90)	5.02	32.90	30.78
VIII Plan (1992-97)	1.96	14.35	12.39
IX Plan (1997-2002)	1.55	11.64	9.45
<b>Annual Values</b>			
1999-2000	0.47	3.41	2.90
2000-01	0.85	6.42	5.15
2001-02	1.82	14.38	11.09

*Non-Debt Receipts of the Union Government include – Revenue Receipts (net of the share of the States' in Union taxes) and the non-debt capital receipts.*

4.22 Improvement in primary deficit would indicate a better outlook for the future, as the revenue receipts and non-debt capital receipts would cover current operations as interest payments are for the liabilities incurred in the earlier years. Existence of the primary deficit indicates that even the interest on past fiscal liabilities had to be funded through fresh borrowings to that extent. In 2001-02, the primary deficit increased sharply and shortfall in non-debt receipt to meet the current expenditure (total expenditure – interest payment) increased from 6.42 *per cent* in 2000-01 to 14.38 *per cent*. As percentage to revenue expenditure also, primary deficit reached 11.09 *per cent* compared to 2.90 *per cent* in 1999-2000.

## Chapter 5

### MANAGEMENT OF FISCAL LIABILITIES

**5.1** Fiscal liabilities of the Union Government arise due to borrowings from internal or external sources and withdrawals from the public account maintained by the government. Government is required to incur these liabilities to meet resource requirements for repayment of debt; discharge of liabilities on the public account, capital expenditure and such revenue requirements as may remain uncovered by revenue and non-debt capital receipts.

**5.2** Management of these fiscal liabilities calls for working out a suitable mix of alternative debt instruments, such as internal debt, external debt, withdrawals from public account and borrowing from the Central bank. Internal debt puts pressure on the interest rates and may lead to crowding out of private investment as this leads to a transfer of resources in favour of the government. External debt has a bearing on the exchange rate and its servicing requires access to lender country's currency through export of goods and services. Borrowing from the RBI may influence money supply and inflation. Owing to interdependence of economic variables, the effects of borrowing from any channel may spread to various sectors and prices.

#### Aggregate Fiscal Liabilities: Trends and Composition

**5.3** Table 5.1 presents aggregate liabilities of the government including internal debt and external debt reckoned both at the current rate of exchange and at the historic rate (the rate at which the debt was originally contracted) and the Public Account at the end of the financial year over the last seventeen years. **Appendix-V** gives the total liability of the government for the last 26 years since 1976-77.

**Table 5.1: Aggregate Fiscal Liabilities- Trends & Composition**

*(Rupees in crore)*

	Internal Debt	External Debt*	Total Debt	Public Account Liabilities	Total liabilities	External Debt	Total liabilities
						<i>(Historic Rate)</i>	
1985-86	71039	18153	89192	48293	137485	18153	137485
1995-96	307869	148583	456452	247115	703567	51249	606233
1999-2000	714254	186075	900329	219720	1120049	58437	992419
2000-01	803698	190017	993715	245127	1238842	65945	1114770
2001-02	913061	199897	1112958	286582	1399540	71546	1271189
<b>Average Annual Trend Rate of growth (in per cent)</b>							
1985-2002	16.70	18.54	17.11	11.95	15.62	8.66	14.58
VII Plan (1985-90)	16.65	11.95	15.74	21.97	18.04	11.95	18.04
VIII Plan (1992-97)	14.13	5.88	11.27	14.80	12.48	5.95	13.62
IX Plan (1997-02)	25.42	5.05	20.34	-7.05	11.85	6.77	12.80
<b>Annual rate of growth (in per cent)</b>							
1999-2000	55.37	4.58	41.20	-41.39	10.62	2.07	11.28
2000-01	12.52	2.12	10.37	11.56	10.61	12.85	12.33
2001-02	13.61	5.20	12.00	16.91	12.97	8.49	14.03

\* at current exchange rate

Note: External debt prior to 1990-91 is at historic rate and as such growth rates prior to that are not strictly comparable.

5.4 Aggregate fiscal liabilities have grown over ten times in the last seventeen years from Rs 137,485 crore in 1985-86 to Rs 1,399,540 crore in 2001-02, at an average trend rate of around 16 *per cent*. The annual average growth of aggregate fiscal liabilities declined to 11.85 *per cent* during IX Plan (1997-2002). Growth of external debt sharply decelerated to less than an average of six *per cent* during VIII and IX Plan periods. Liabilities on Public Account grew at an average trend rate of 11.95 *per cent* during 1985-2002. The growth turned negative during 1997-2002, due to the creation of NSSF in 1999-2000 and issue of debt securities for the outstanding balances.

5.5 In 2001-02, fiscal liabilities of the Union Government increased by 12.97 *per cent*, compared to the long-term trend growth of 15.62 *per cent*. Increase in external debt liabilities at current exchange rate was 5.20 *per cent*. This rate of increase was, however, lower than the rate of growth of external liabilities reckoned at the historic rate (8.49 *per cent*), because of two reasons. Firstly, for the external loans, which have not yet been fully paid, exchange losses on account of the depreciation are still to be adjusted. This results in carrying of negative external debt liabilities for these loans in Finance Accounts. The external debt liabilities at the current exchange rate do not show negative balances. Secondly, as the external debt at the current rates is higher in volume, rate of growth for a similar increase in absolute terms would be lower. The combined effect of these two factors was greater than the effect of depreciation, which would increase the absolute value of debt. Liabilities on account of internal debt and Public Account recorded a growth of 13.61 and 16.91 *per cent* respectively.

#### **Fiscal Liabilities relative to GDP**

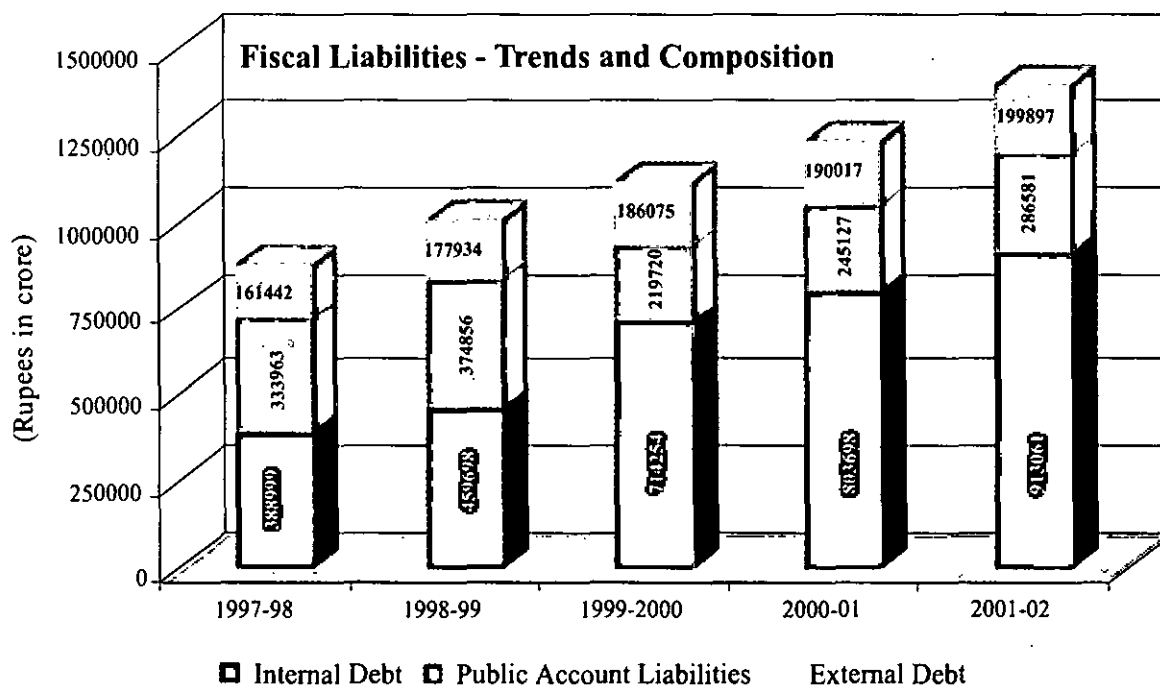
5.6 Table 5.2 gives the overall fiscal liabilities of the Union Government relative to GDP. Debt-GDP ratio (debt inclusive of the public account liabilities and with external debt at current exchange rate) peaked during 1991-92 when it reached 65.43 *per cent* of GDP. In the last three years, fiscal liabilities – GDP ratio again worsened and started increasing at rates faster than the GDP rates. The long term tendency of the ratio of fiscal liabilities to GDP ratio was of acceleration with an average annual rate of shift of 0.75 *per cent* during 1985-2002. At the historic exchange rate, overall fiscal liabilities were a little over 55 *per cent* of GDP. However external debt when reckoned at the current exchange rate increased these liabilities by around 6 *per cent*. External debt liabilities are now less than 9 *per cent* of GDP, while internal debt and liabilities on account of Public account together have reached 52 *per cent* of GDP.

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**Table 5.2: Fiscal Liabilities Relative to GDP**

*(in per cent)*

	Internal debt	External Debt	Total Debt	Public Account Liabilities	Total liabilities	External Debt	Total liabilities
						<i>(Historic Rate)</i>	
1985-2002	28.77	10.04	38.81	19.44	58.25	4.91	53.12
VII Plan (1985-90)	27.14	6.31	33.45	20.12	53.57	6.31	53.57
VIII Plan (1992-97)	26.52	13.70	40.22	21.17	61.39	4.89	52.59
IX Plan (1997-02)	33.46	9.66	43.12	15.82	58.94	3.25	52.53
<b>Annual Relative Share</b>							
1999-2000	37.01	9.64	46.66	11.39	58.04	3.03	51.43
2000-01	38.49	9.10	47.59	11.74	59.33	3.16	53.39
2001-02	39.85	8.72	48.58	12.51	61.09	3.12	55.48



5.7 It would be appropriate to look at debt relative to the revenue receipts of the Union Government. Table 5.3 gives the ratio of outstanding fiscal liabilities as percentage to the non-debt receipts, revenue receipts and uncommitted receipts.

**Table 5.3: Outstanding Liabilities as percentage to Non-Debt Receipts, Revenue Receipts and Uncommitted Receipts**

	Non-Debt Receipts	Revenue Receipts	Uncommitted Receipts
1985-2002	414	448	1010
VII Plan (1985-90)	351	384	714
VIII Plan (1992-97)	449	482	1061
IX Plan (1997-02)	442	475	1281
<b>Average Annual rate of Shift in the Ratio (per cent)</b>			
1985-2002	1.90	1.71	4.78
<b>Annual Relative Share</b>			
1999-2000	417	440	1158
2000-01	451	484	1404
2001-02	483	528	1554

*Note: Non-Debt Receipts are Revenue Receipts (net of the States' share in taxes) and non-debt capital receipts. Uncommitted receipts are the Revenue Receipt (net of the States' share in taxes) minus the committed liabilities of salary, pensions and interest payments.*

**5.8** It would be evident from the table above that debt-receipts ratios were increasing sharply in recent years. While the debt- GDP ratio in 2001-02 was still lower than the average of 1992-97 (VIII Plan), current debt receipts ratio had overtaken the values that existed during 1992-1997. The ratio of debt to revenue receipts increased to 528 *per cent* in 2001-2002 and that with non-debt receipts to a level of 483 *per cent*. The ratio of debt to uncommitted receipts also continued to increase over the plans. All the three ratios rose very sharply in the last two years, with values significantly above the trends. Outstanding liabilities grew much faster compared to the receipts. Rate of growth of revenue receipts in 2000-01 and 2001-02 was just 0.57 and 3.61 *per cent* respectively compared to a growth of 10.61 and 12.97 *per cent* in fiscal liabilities. Non-debt receipts at 2.27 and 5.35 *per cent* in last two years grew at much lower rates than debt.

### **Fiscal Liabilities - Relative Share**

**5.9** Internal debt accounts for nearly 65 *per cent* of the total liabilities of the Union Government. Liabilities on Public Account constituted another 20 *per cent* and external debt constitutes the balance 15 *per cent*. Table 5.4 indicates the relative share of various components of fiscal liabilities and shifts in their shares over the three Plan periods.

**Table 5.4: Fiscal Liabilities – Relative Share (in per cent)**

	Internal Debt	External Debt	Total Debt	Liabilities in Public Account
1985-2002	49.54	16.93	66.48	33.52
VII Plan (1985-90)	50.69	11.81	62.49	37.51
VIII Plan (1992-97)	43.24	22.22	65.46	34.54
IX Plan (1997-02)	56.65	16.41	73.07	26.93
<b>Relative Annual Share</b>				
1999-2000	63.77	16.61	80.38	19.62
2000-01	64.87	15.34	80.21	19.79
2001-02	65.24	14.28	79.52	20.48

### Debt Sustainability

**5.10** Debt (inclusive of the public account liabilities) is considered sustainable if the debt/GDP ratio does not grow to explosive proportion. A necessary condition for this stability is also that the average interest rate on total debt should be less than the rate of growth of GDP.

**5.11** The debt/GDP ratio of the Union Government shows wide annual fluctuation. The average annual rate of increase in its share relative to GDP was 0.75 per cent during 1985-2002. The rates of increase in Union Government's liabilities relative to GDP further accelerated in the last two years and were 61.09 per cent of GDP in 2001-02. The average interest rate (nominal) on total debt over time, as indicated in Table 5.5 remained lower than the rate of growth of GDP at the market prices during 1985-2002. However, in the last two years, rate of growth of GDP remained lower than the average interest rates on internal debt. This violated the necessary condition of debt sustainability. Further with a large debt overhang, moderation/softening of interest rates failed to make much impact on the interest burden of the government.

**Table 5.5: Average Interest Rate on fiscal liabilities (in per cent)**

	Internal Debt	External debt	Total Debt	Rate of growth of GDP	Interest Spread
1985-2002	8.94	7.04	7.99	14.76	5.82
VII Plan (1985-90)	7.37	4.68	7.02	15.28	7.91
VIII Plan (1992-97)	9.29	8.75	7.84	16.54	7.25
IX Plan (1997-02)	10.39	7.48	9.02	10.51	0.12
<b>Annual Interest Rate and growth rate of GDP (per cent)</b>					
1999-2000	10.79	7.87	9.34	10.84	0.05
2000-01	10.58	7.55	9.22	8.21	-2.37
2001-02	10.48	6.50	9.22	9.73	-0.75

Note: - Debt includes the outstanding liabilities on public account.

Average interest rate is = Interest paid/Outstanding Liabilities at the beginning of the year\*100

**5.12** A positive spread between rate of growth of GDP and the average interest rate alone may not suffice for sustainability, because it does not ensure that the initial stock of debt would be equal to the discounted value of the primary surpluses in the future. Alternatively, debt sustainability may mean such primary surpluses as may annually be necessary which at a given discount rate would make them equal to the initial stock (current) of debt. The rationale for such an analysis is that the redemption of debt would need generation of primary surpluses by the government. Table 5.6 gives the required annual primary surplus at varying discount rates and over different time horizons of debt liquidation.

**Table 5.6: Required Primary Surplus (Rupees in crore)**

Discount Factor	Time Horizon			
	10 years	15 years	20 years	30 years
9.0 per cent	218,090	173,636	153,324	136,235
9.5 per cent	222,914	178,794	158,825	142,315
10.0 per cent	227,783	184,015	164,400	148,472
10.5 per cent	232,699	189,297	170,045	154,699

**5.13** Union Government had a negative primary surplus (primary deficit) during 1985-2002, which averaged 2.87 per cent of GDP. Primary surplus was a negative Rs 41,660 crore in 2001-02 or equal to 1.82 per cent of GDP. The generation of the primary surplus of the order indicated above at varying discount rates and over different time horizons would need non-debt revenue receipt of the Union Government to increase to around 20-23 per cent of GDP and faster than its expenditure, from the present level of 11.58 per cent in 2001-02.

**5.14** Another issue in debt sustainability is the ratio of the debt redemption to total debt receipts. A higher ratio would indicate that to the extent debt receipts were used in debt redemption, there was less net accrual of resources. Table 5.7 gives the ratio of debt redemption to debt receipts during 1985-2002, over three plan periods and the three most recent years.

**Table – 5.7: Ratio of Debt redemption to Debt Receipts**

	Debt Receipts	Debt Repayment		Debt Repayment/ Debt Receipts	Debt Repayment (2) / Debt Receipts
		(Principal)	(Principal+ Interest)		
	<i>(Rs in crore) (Annual Average)</i>			<i>(per cent)</i>	
1985-2002	305153	237777	283956	77.92	93.05
VII Plan (1985-90)	175347	145194	157202	82.80	89.65
VIII Plan (1992-97)	266443	203787	248066	76.48	93.10
IX Plan (1997-02)	530341	411106	502208	77.52	94.70
<b>Annual Values</b>					
1999-2000	650587	545668	640261	83.87	98.41
2000-01	485037	367378	470602	75.74	97.02
2001-02	524176	366629	480802	69.94	91.72

*Debt receipt and payments are average of the years indicated and is net of Ways and Means Advances.*



5.15 If debt receipts were used to create income-generating assets, it would enhance debt-servicing capabilities. However, between 1985-2002, over 45 *per cent* of the incremental liabilities had no matching assets as these liabilities were used to meet the excess of revenue expenditure over revenue receipts.

### Ways and Means Advances

5.16 The Union Government and the Reserve Bank of India signed an agreement in March 1997 to discontinue issuing ad-hoc treasury bills to replenish Union Government's cash balance with effect from 1 April 1997. The Union Government could now meet temporary mismatches between receipts and expenditure through Ways and Means Advances (WMA) provided by the RBI, with their size and cost being determined on the basis of mutual agreement. Amounts drawn beyond the WMA limit are to be treated as overdraft. When 75 *per cent* of the WMA are utilised, RBI would float fresh government securities. Table 5.8 gives details of cumulative amounts of WMA obtained by the Union Government for the last five years.

**Table 5.8: Ways and Means Advances**

*(Rupees in crore)*

Year	Opening Balance	Addition during the Year	Discharge during the Year	Outstanding Ways and Means Advances
1997-98	--	17239	15239	2000
1998-99	2000	92257	91215	3042
1999-2000	3042	124972	127032	982
2000-01	982	131300	126887	5395
2001-02	5395	170953	171172	5176

5.17 The system of WMA was introduced with a view to imposing fiscal discipline on the government. The government resorted to the advances on a continuous basis for the major part of the year because of mismatches in expenditure and receipts.

### Unutilised Committed External Assistance

5.18 As on 31 March 2002, unutilised committed external assistance was of the order of Rs 62,565 crore. Much of the unutilised external assistance was for projects in the infrastructure sector (details in **Appendix-VI**). Table 5.9 shows the year wise unutilised committed external assistance.

**Table 5.9 Unutilised Committed External Assistance**

*(Rupees in crore)*

Year	Amount
1990-91	50551
1995-96	48574
1999-2000	56917
2000-01	56920
2001-02	62565

**5.19** Commitment charges on undrawn external assistance are to be paid on the amount of principal rescheduled for drawal on later dates. As there is no distinct head in the accounts for reflecting the payment of commitment charges, it is shown under the head interest obligation. Table 5.10 indicates charges paid to various bodies/governments during 1990-02 as commitment charges for rescheduling of drawal of assistance at a later date. This points to continued inadequate planning in this regard.

**Table 5.10: Commitment Charges**

*(Rupees in crore)*

Year	ADB	France	Germany	IBRD	Sweden	Total
1990-91	7.73	1.34	2.63	31.14	19.89	62.73
1995-96	35.37	0.30	2.43	20.12	0.72	58.94
1998-99	22.83	0.21	0.66	23.89	--	47.59
1999-2000	15.71	0.36	0.37	25.33	--	41.77
2000-01	13.52	0.27	0.19	26.25	--	40.23
2001-02	12.84	0.22	0.76	34.64	--	48.46

*Source: External Assistance Brochure 2001-02*

### Growth in Contingent Liabilities of the Union Government

**5.20** Government gives guarantees to promote certain economic enterprises by reducing the credit risk for investors, especially in those activities where the nature of investment is characterised by long gestation periods. While guarantees do not form part of debt as conventionally measured, in the eventuality of default, this has the potential of aggravating the debt position of the government. The issue of guarantees assumes significance in the context of the growing need for infrastructure and participation by the private sector in projects requiring large investments and its increasing probability of being invoked, which could convert these contingent liabilities into actual payment obligations. Table 5.11 gives the position regarding the maximum amount of guarantees and sums guaranteed and outstanding at the end of the financial year during 1991-92 to 2001-02.

**Table 5.11: Guarantees Given by Union Government**

*(Rupees in crore)*

Position at the end of the year	Maximum amount of guarantee	Sums Guaranteed Outstanding	External Guarantees Outstanding	External Guarantees Outstanding as % to sums Guaranteed Outstanding
1991-92	55063	46744	20908	44.73
1995-96	94761	65573	29345	44.75
1998-99	125210	74606	36530	48.96
1999-2000	144438	83954	47663	56.77
2000-01	135678	86862	55664	64.08
2001-02	168712	96859	57006	58.85
Annual Rate of Growth	11.85	7.56	10.55	

5.21 Outstanding guarantees recorded a trend growth of 7.56 per cent during 1991-2002. These contingent liabilities as on 31 March 2002 were nearly 7 per cent of the aggregate fiscal liabilities of the Union Government. Total outstanding guarantees were nearly 4 per cent of GDP and 36 per cent of the revenue receipts that accrued to the union.

5.22 Ministries/Departments of the government are required to levy guarantee fee at the rate of one per cent on internal and 1.2 per cent on external borrowings as per the instructions of the Union Government. Guarantee fee is to be levied on the date of guarantee and thereafter on 1 April every year. Where the guarantee fees is not paid on due date, it should be charged at double the normal rate. Table 5.12 indicates that the recoveries of guarantee fee have not been made effectively resulting in short recoveries.

**Table 5.12: Guarantee Fee**

(Rupees in crore)

Year	Sums guaranteed outstanding			Guarantee fee due			Total guarantee fee received	As per cent to total outstanding guarantee
	Internal	External	Total	Internal	External	Total		
1991-92	25836	20908	46744	258	251	509	2	--
1995-96	36228	29345	65573	362	352	714	167	0.25
1998-99	38076	36530	74606	381	438	819	320	0.43
1999-2000	36291	47663	83954	363	572	935	280	0.33
2000-01	31197	55664	86862	312	668	980	542	0.62
2001-02	39853	57006	96859	399	684	1083	484	0.50

5.23 As a result of the sharp rise in debt servicing, an overwhelming proportion of the total disbursement out of the CFI is charged on the Fund, i.e., it is not subject to vote by Parliament. During 2001-02, out of a total disbursement of Rs 767,216 crore, only 38 per cent was voted by the Parliament. 62 per cent of the total disbursement was applied towards debt service obligations, i.e., loan repayment and interest payment.

## Chapter 6

### APPROPRIATION ACCOUNTS 2001-02: INTRODUCTION

#### Constitutional provisions

6.1 The government introduces an Appropriation Bill to provide for appropriation out of the Consolidated Fund of India (CFI), as per provisions of Article 114 of the Constitution of India, soon after the House of the People passes the demands for grants under Article 113. The Appropriation Act passed by Parliament contains the authority to appropriate the specified sums from the CFI for the specified services. Parliament can also sanction supplementary or additional grants by subsequent Appropriation Acts in terms of Article 115 of the Constitution. The Appropriation Acts include the disbursements, which have been voted by Parliament under various grants in terms of Articles 114 and 115, and the disbursements, charged on the CFI in terms of Article 112 (3) as well as Article 293 (2) of the Constitution. The government prepares Appropriation Accounts every year indicating the details of gross amounts on various services actually spent by government vis-à-vis those authorised by the Appropriation Acts.

6.2 The Controller General of Accounts (CGA) prepares the Appropriation Accounts in respect of 94 grants and appropriations of civil ministries. The Ministries of Defence and Railways and the Department of Posts prepare the Appropriation Accounts of their respective grants. The CAG submits four different appropriation accounts pertaining to different sectors of activities of the government, viz. Civil, Defence, Posts and Railways, along with his Report under Article 151 of the Constitution, to the President every year, who causes them to be laid before Parliament. Details of demands for grants and appropriations of various ministries during 2001-02 were as follows:

Sector of activity	Number of demands for grants/appropriations
Civil	94
Defence Services	5
Postal Services	1
Railways	16
<b>Total:</b>	<b>116</b>

6.3 This Report contains audit observations on the Appropriation Accounts (Civil, Postal and Defence Services), including an analysis of expenditure in excess of allocation requiring regularisation by Parliament, unspent provisions requiring explanation, irregular and injudicious re-appropriations, supplementary provisions made without requirement by some Ministries,

expenditure on new instruments of service, unrealistic budgeting and detailed observations in respect of the Ministries selected for in-depth examination. For facility of better appreciation of sectoral features, all grants relating to civil departments, posts and defence appropriation have been dealt with comprehensively. References to Railway appropriation have been made, wherever necessary, in order to cover wholly the appropriation process. Audit findings on railway appropriations are, however, available in Audit Report No. 8 of 2003.

### A summary

6.4 Appendix-VII presents a summary of Appropriation Accounts of Civil Ministries/Departments, Postal, Defence Services and Railways of gross sums expended during the year ended March 2002 relative to the corresponding sums authorised in the schedules appended to the various Appropriation Acts passed by Parliament during the year 2001-02. Table 6.1 gives the total provision and actual disbursements under Civil Ministries, Department of Posts and Defence Services during 2001-02.

**Table 6.1: Provision and Disbursements under Civil, Posts and Defence: 2001-02**

*(Rupees in crore)*

Provision *		Disbursements		
<b>A Civil</b>				
Original	622120.57			
Supplementary	77694.27			
Total gross provision	699814.84	Total gross Disbursements	675523.99	
Recoveries in reduction of disbursements				
(Estimated)	16748.25	(Actual)	14209.04	
Total net provision	683066.59	Total net Disbursements	661314.95	
Voted and charged provisions and disbursements				
	Provision		Disbursements	
	Voted	Charged	Voted	Charged
Revenue	179070.50	131190.89	169841.96	128048.40
Capital	39065.83	350487.62	31732.43	345901.20
Total: gross	218136.33	481678.51	201574.39	473949.60
Recoveries in reduction of disbursements	16747.53	0.72	14189.68	19.36
<b>Total: net</b>	<b>201388.80</b>	<b>481677.79</b>	<b>187384.71</b>	<b>473930.24</b>

\* Exclusive of the figures of railways

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<b>B Posts</b>				
Original	5397.00			
Supplementary	5.87			
Total gross provision	5402.87	Total gross Disbursements		5252.52
Recoveries in reduction of disbursements				
(Estimated)	88.00	(Actual)		85.98
Total net provision	5314.87	Total net Disbursements		5166.54
Voted and charged provisions and disbursements				
	Provision		Disbursements	
	Voted	Charged	Voted	Charged
Revenue	5289.62	0.02	5194.56	0.03
Capital	107.38	5.85	51.92	6.01
Total: gross	5397.00	5.87	5246.48	6.04
Recoveries in reduction of disbursements	88.00	--	85.98	--
<b>Total: net</b>	<b>5309.00</b>	<b>5.87</b>	<b>5160.50</b>	<b>6.04</b>
<b>C Defence</b>				
Original	64067.73			
Supplementary	539.91			
Total gross provision	64607.64	Total gross Disbursements		56326.20
Recoveries in reduction of disbursements				
(Estimated)	405.39	(Actual)		326.29
Total net provision	64202.25	Total net Disbursements		55999.91
Voted and charged provisions and disbursements				
	Provision		Disbursements	
	Voted	Charged	Voted	Charged
Revenue	44633.04	14.08	40109.08	10.21
Capital	19946.49	14.03	16196.54	10.37
Total: gross	64579.53	28.11	56305.62	20.58
Recoveries in reduction of disbursements	405.39	--	326.29	--
<b>Total: net</b>	<b>64174.14</b>	<b>28.11</b>	<b>55979.33</b>	<b>20.58</b>

6.5 Out of the overall unspent provision of Rs 24290.85 crore in the grants pertaining to civil ministries/departments, Rs 2733.84 crore was on account of less than the budgeted drawal of 14, 91 and 182 days treasury bills which resulted in repayments, which were less than the budgeted amounts. Excluding this, the effective unspent provision was Rs 21557.01 crore. Out of this, Rs 189.78 crore was attributable to less interest payment on these treasury bills for the reasons stated above. If both the provision and unspent amounts for repayment of debt are ignored, the civil ministries ended with an aggregate unspent provision of Rs 20237.21 crore.

6.6 There were net unspent provisions and excess under the grants/appropriations in 206 sections and excess in 5 sections relating to Civil ministries, unspent provision and excess each in 2 sections of Posts, unspent provisions in 10 sections of Defence Services and unspent provision in 25 sections and excess in 8 sections of Railways. **Appendix VIII** presents the details.

#### **Charged and Voted disbursement**

6.7 **Appendix-IX** contains the details of the disbursements actually made against approved demands (grants and appropriations) of the civil ministries for the years 1991-02. During these years, 66 to 77 *per cent* of the total disbursements for the civil ministries was charged on the Consolidated Fund of India.

6.8 The total disbursements of the civil ministries increased by 274 *per cent* from Rs 180575 crore in 1991-92 to Rs 675524 crore during 2001-02. The charged disbursements increased by 287 *per cent* from Rs 122373 crore to Rs 473950 crore and voted disbursements increased by 246 *per cent* from Rs 58202 crore to Rs 201574 crore. The charged disbursements of civil ministries during 2001-02 was mainly on account of interest payments (Rs 114173 crore, i.e. 11 *per cent* higher than Rs 103224 crore for 2000-01), repayment of debt (Rs 321725 crore), transfers to State and Union Territory governments mainly on account of block grants, loans for state plan schemes, loans to States and UTs against net small savings collection, loans for rural electrification etc. excluding share of net collection of income tax (Rs 36135 crore) and others (Rs 1916 crore); and, constituted 70 *per cent* of the total disbursements.

6.9 Since charged disbursements are not subject to vote by Parliament, effectively the scope of financial control by Parliament is limited to about 30 *per cent* of the total disbursement in the civil ministries. However, viewed against the background of the total disbursements from the CFI (gross -

Rs 801228 crore), the percentage of charged disbursements was 59 *per cent* (Rs 474010 crore). If the disbursement on salary and allowances, which is largely inflexible, is also added to it, about 25 *per cent* of the total disbursement of the Consolidated Fund of India is effectively subject to the vote of Parliament.

**6.10** A few cases noticed during test check of 20 grants, involving increased provisions through reappropriation of savings in excess of rupees one crore are detailed in **Appendix-X**. It also includes 28 cases, involving increased provision of Rupees one crore and 25 *per cent* of the sanctioned provision. **Appendix-XI** presents the details of original and supplementary grants/appropriations for the years 1996-02.

### **Disbursements**

**6.11** During 2001-02, the total disbursements of Rs 675524 crore were Rs 109482 crore higher than the total disbursements of Rs 566042 crore during 2000-01. The voted and charged disbursements increased by 25 *per cent* and 17 *per cent* respectively over the preceding year. 68 *per cent* of the charged disbursements pertained to repayment of debt and 24 *per cent* to interest payments. Charged disbursements were 70 *per cent* of the total disbursements under civil ministries. This included interest payments and repayment of debt, which accounted for 65 *per cent* of the total disbursements under civil ministries.

**6.12** The details given in **Appendix-XII** would indicate that major part of disbursements on grants-in-aid to State/Union Territory governments, capital outlay and investments, were made in the month of March. Since the funds released in March/last quarter of the financial year to various organisations cannot be constructively spent during the year, it is not possible to conclude whether these funds were applied during the same year for the purpose for which they were authorised.



## Chapter 7

### APPROPRIATION ACCOUNTS 2001-02: AN ANALYSIS

#### Excess disbursements over grants/appropriations

7.1 As per Article 114(3) of the Constitution, no money is to be withdrawn from the CFI except under appropriations made by law passed in accordance with the provisions of this Article. Further, GFR 71 stipulates that no disbursements be made which might have the effect of exceeding the total grant or appropriation authorised by Parliament for a financial year except after obtaining a supplementary grant or an advance from the Contingency Fund. Table 7.1 contains the summary of total excess over the authorisation from the CFI, while Appendix-XIII presents the details of excess expenditure over the sanctioned provision under civil ministries from 1991-92 onwards. During 2001-02, there was an excess disbursement of Rs 8786703678 (i.e. Rs 878.67 crore) in five segments of five grants in civil ministries, Rs 216.41 crore under 10 segments of 8 grants/appropriations of Railways and Rs 0.17 crore under one grant of postal services as detailed in Table 7.2 require regularisation under Article 115 (1) (b) of the Constitution.

**Table 7.1: Summary of excess disbursements over grants/appropriations**

		<i>(In Rupees)</i>			
		Civil	Defence	Railways	Posts
<i>Voted</i>	Revenue	-	-	2154470532	-
	Capital	8502210401	-	-	-
<i>Charged</i>	Revenue	283919677-	-	4913576	95000
	Capital	573600-	-	4753778	1583000
Total Excess		8786703678	-	2164137886	1678000
No of Grants/ Appropriations		5	-	8	1
<b>Total</b>		<b>10952519564</b>			

**Table 7.2: Details of excess disbursement over grants/appropriations**

Sl. No	Grant/ Appropriation	Rupees	Contributory reasons as stated by Government
<b>Civil: Revenue-Charged</b>			
1.	26-Interest Payments	Appropriation Expenditure Excess	Due to more payment of interest following higher market borrowing, hike in notified amount, increased recourse to ways and means advances etc.
		114144350000 1141727419677 283919677	

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Sl. No	Grant/ Appropriation		Rupees	Contributory reasons as stated by Government
<b>Capital-Voted</b>				
2.	12-Deptt. Of Telecommunications	Grant	502000000	Due to more clearance of unadjusted transactions/ balances of previous years from remittances/ suspense head for transferring the reconciled assets/ liabilities to Bharat Sanchar Nigam Limited
		Expenditure	6163647956	
		Excess	1143647956	
3.	25-Payments to Financial Institutions	Grant	51839500000	To provide additional loans for transferring National Industrial Credits.
		Expenditure	59153086493	
		Excess	7313586493	
4.	80-Urban Development	Grant	12925300000	To provide additional funds for improving the quality of civic services in the urban local bodies owing to increase in urban population.
		Expenditure	12970275952	
		Excess	44975952	
<b>Capital - Charged</b>				
5.	44-Other Expenditure of Ministry of Home Affairs	Appropriation	122100000	To clear the equity portion of Ranganadi Transmission line project in anticipation of the approval of the Ministry of Finance
		Expenditure	122673600	
		Excess	573600	
<b>Railways: Revenue-Voted</b>				
6.	12-Miscellaneous Working Expenses	Grant	15052567000	Details are in Report No 8 of 2003 (Railways)
		Expenditure	15111180417	
		Excess	58613417	
7.	15-Dividend to General Revenues	Grant	13853054000	-do-
		Expenditure	15948911115	
		Excess	2095857115	
<b>Revenue-Charged</b>				
8.	3-General Supdt. and Services	Appropriation	677000	-do-
		Expenditure	1087031	
		Excess	410031	
9.	4-Repairs & Maintenance of Permanent Way and Works	Appropriation	1828000	-do-
		Expenditure	3137800	
		Excess	1309800	
10.	7-Repairs & Maintenance of Plant & Equipments	Appropriation	112000	-do-
		Expenditure	495181	
		Excess	383181	
11.	9-Operating Expenses - Traffic	Appropriation	666000	-do-
		Expenditure	2662760	
		Excess	1996760	

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Sl. No	Grant/ Appropriation		Rupees	Contributory reasons as stated by Government
12.	11-Staff Welfare and Amenities	Appropriation	135000	-do-
		Expenditure	948804	
		Excess	813804	
<b>Capital-Charged</b>				
13.	16-Capital-Assets, acquisition, construction and replacement	Appropriation	153654000	-do-
		Expenditure	155315592	
		Excess	1661592	
14.	16-Railway Safety Fund	Appropriation	--	-do-
		Expenditure	139186	
		Excess	139186	
15.	16-Special Railway Safety Fund	Appropriation	--	-do-
		Expenditure	2953000	
		Excess	2953000	
<b>Posts: Revenue-Charged</b>				
16.	11-Postal Services	Appropriation	250000	Due to more court judgement cases than anticipated
		Expenditure	345000	
		Excess	95000	
<b>Capital-Charged</b>				
17.	11-Postal Services	Appropriation	58500000	Due to increase in the amount of curt decree and court judgement in land acquisition.
		Expenditure	60083000	
		Excess	1583000	

7.2 The details of excess disbursements as also other details relating to grants of the Railways are mentioned in Report No. 8 of 2003 of the CAG.

#### **Deficient control by Pay and Accounts Offices**

7.3 As per the provisions of Annexure A to note 3 under Rule 66 of GFR, it is an important part of the function of the Accounts Offices to see that no payment is made in excess of the budget allotment under any sub-head or primary unit of appropriation. In cases where the existing provision is not sufficient to cover the payment, Pay and Accounts Office (PAO) can make payment only on receipt of an assurance in writing from the head of the department controlling the grant that necessary funds to accommodate the disbursements will be provided by issue of re-appropriation orders etc. Test check of head-wise appropriation accounts for the year 2001-02 revealed 69 cases of 25 grants and appropriations, detailed in Appendix-XIV, where the PAO of the ministries made payments of Rs 8610.65 crore in excess of the available provisions though Department did not issue any re-appropriation order to accommodate the final excess expenditure over the available provisions, indicating deficient financial management and ineffective expenditure control by the PAOs.

### Erroneous depiction of figures

7.4 A scrutiny of appropriation accounts of grant no. 12 – Department of Telecommunication revealed that under two sub-heads of Major Head “5225-Capital Outlay on Telecommunication Services, minus expenditure of Rs 544.38 lakh (Rs 98.38 lakh –Telephone Exchange (Manual) and Rs 446.00 lakh –Coaxial Cable System) was shown. The reasons for such minus expenditure were attributed to rectification of misclassification of two schemes/projects/components and not on account of recovery of expenditure incurred during the previous years. The details of these balances lying for adjustment are still awaited.

### Unspent provisions

7.5 Unspent provisions in a grant or appropriation indicate either poor fiscal marksmanship, or shortfall in performance or both. As already mentioned the overall unspent provision in the budget of government (other than posts, railways and defence) totalled Rs 24290.85 crore. Out of this, unspent provision of Rs 2733.84 crore was due to less discharge of 14, 91 and 182 days treasury bills consequent upon less issue of the treasury bills than what was estimated. The total unspent provision also included Rs 189.78 crore on account of less payment of interest on treasury bills for the same reason. Excluding these two, the effective unspent provision was Rs 21367.23 crore. Table 7.3 presents a summary of unspent provisions under various grants/appropriations.

**Table 7.3: Summary of grants and appropriations  
with unspent provision of over Rs 20 crore**

	Above Rs 100 crore			Below Rs 100 crore but above Rs 20 crore		
	Cases	Grants	Appropriations	Cases	Grants	Appropriations
Civil	37	29	2	43	39	1
Post	-	-	-	2	1	-
Defence	4	4	-	1	1	-
Railways	10	8	-	4	4	-

7.6 Scrutiny of the Appropriation Accounts revealed that certain grants and appropriations relating to Transfers to State and Union Territory governments, Ministry of Coal, Defence Pensions, Department of Rural Development, Repayment of Debt, Ministry of Human Resource Development, Ministry of Social Justice and Empowerment, Department of Health, Department of Family Welfare, Ministry of Non-conventional Energy

Sources, Ministry of Shipping, Atomic Energy, Ministry of Power, Currency, Coinage and Stamps, Road Transport and Highways etc. have been registering unspent provisions which are not only persistent but display an increasing trend which continued during the year 2001-02. Such large-scale unspent provisions are indicative of the need on the part of these ministries to review their budgetary assumptions or/and efficiency of their programme management.

### Unspent Provision of Rs. 100 crore or more

7.7 Unspent provisions of more than Rs 100 crore, which need detailed explanatory note to the Public Accounts Committee, occurred in 37 cases of 29 grants and two appropriations during 2001-02. Large unspent provisions were in developmental areas like health, education, family welfare, rural development, surface transport and highways, shipping and power. The contributory reasons attributed for the unspent provision by the ministries/departments reveal that some of the schemes in these areas as planned during the year, failed to take off. **Appendix-XV** indicates the details of the unspent provisions and the main contributory reasons as given by the department.

### Unspent Provision between Rs 20 crore and Rs 100 crore

7.8 There were 43 sections of 39 grants/appropriations, where unspent provision in each case was less than Rs 100 crore but in excess of Rs 20 crore which aggregated to Rs 1989.86 crore. **Appendix-XVI** has the details.

### Defence Services

Details of unspent provisions exceeding Rs 20 crore noticed in the Voted Section of various Minor Heads for the reasons shown against each are given in Table 7.4.

**Table 7.4: Unspent provisions**

*(Rupees in crore)*

Grant No. Minor Head	Final Grant or appropriation (Voted)	Unspent provisions (%)	Contributory reasons as stated by the Ministry
<b>15 – Defence Services-Army</b>			
104-Pay & Allowances of Civilians	1226.29	42.33 (3.45)	Sanction of lesser DA and Bonus than anticipated
105-Transportation	1029.17	47.33 (4.60)	Lesser Movement of Troops/ relief movement on account of 'OP Parakram'
108-R&D Organisation	2383.56	34.65 (1.45)	Non-materialisation of certain commitments against a special scheme

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<b>Grant No. Minor Head</b>	<b>Final Grant or appropriation (Voted)</b>	<b>Unspent provisions (%)</b>	<b>Contributory reasons as stated by the Ministry</b>
110-Stores	9559.18	278.07 (2.91)	Non-fructification of certain Contracts, less drawal of FOL and revision of supply target of Vehicles by DGOF
800-Other Expenditure	589.39	47.60 (8.08)	Less expenditure on Tele Charges, Telegrams issued and Conservancy charges.
<b>16-Defence Services -Navy</b>			
104-Pay & Allowances of Civilians	537.08	38.36 (7.14)	Delay in approval of cases for regularisation of casual labourers and less expenditure on Pay & Allowances
<b>17-Defence Services-Air Force</b>			
110- Stores	4300.00	130.27 (3.03)	Non-finalisation of certain Contracts for Repair, non-receipt of Spares and non-fructification of certain Procurements
<b>18-Defence Ordnance Factories</b>			
054-Manufacture	1800.00	28.67 (1.59)	Non-payment of arrears on account of Assured Career Progression Scheme
110-Stores	2912.54	40.93 (1.41)	Less expenditure against Foreign Purchase and delay in receipt of Documents from Supply Depot
<b>19-Capital Outlay on Defence Services</b>			
<b>01-Army</b>			
101-Air craft and Aero-engine	300.02	38.96 (12.99)	Less expenditure due to slippages in deliveries
103-Other Equipments	4167.53	508.71 (12.21)	Non-fructification of various proposals and delay in delivery of certain Supplies
106-Rolling Stock	125.00	69.72 (55.78)	Non-fructification of certain proposals
<b>02-Navy</b>			
103-Other Equipments	540.29	34.87 (6.45)	Delay in conclusion of certain contracts/agreements and non-receipt of certain Bills

The large unspent amount reflects either over provisioning of funds or the non-utilisation of funds as estimated and planned under these minor heads of grants by the Ministry of Defence.

### **Unrealistic budgetary assumptions**

7.9 Test check of some of the head-wise appropriation accounts revealed that unspent provisions under sub-heads detailed in **Appendix-XVII** were attributed to availability of unspent balance of the previous year with the implementing agencies\ non-receipt of proposals etc. The reasons given are not tenable as the Ministries\Departments were required to take into account the amount of unspent balance of the previous year with the implementing agencies and actual demands at the time of framing budget estimates for 2001-02.

7.10 Similarly, under sub-heads indicated in **Appendix-XVIII** the unspent provisions were attributed to "economy in expenditure" or "cut imposed by Ministry of Finance at revised estimates stage". The reasons were too general and non-specific because the Ministry of Finance had imposed cut on 'Non-Plan' expenditure whereas under these schemes most of the provision was for Plan expenditure. The reasons furnished for non-utilisation were not correct.

7.11 Further, in respect of sub-heads mentioned in **Appendix-XIX** the unspent provisions were attributed to non-approval/finalisation of schemes/projects/plans/codal formalities etc. and also non-filling up of vacant posts. The Finance Ministry, in its annual budget circular, had emphasized the necessity of avoiding lumpsum provisions on schemes and getting the schemes cleared well before their inclusion in the budget. It is evident that these instructions, repeated every year, were not adhered to by departments. Resultantly, provisions were made under these sub-heads without completion of pre-budget scrutiny of the projects/schemes/activities and most of these provisions remained unutilised.

### **Surrender of unspent provision**

7.12 'Surrender' is a budgetary device by which the portion of grant or appropriation not utilised by the spending department is communicated to the Ministry of Finance and accepted by the latter, which can be reallocated to any other sector. According to the provisions of GFR 69, unspent provisions in a grant or appropriation are to be surrendered to government as soon as these are foreseen without waiting for the last day of the year. Unspent provision should also not be held in reserve for possible future excess. During 2001-02, under 206 segments of 94 grants/appropriations, there was an unspent provision of Rs 25169.52 crore. Out of this, Rs 878.67 crore were offset by excess under five segments of five grants resulting in a net unspent provision of Rs 24290.85 crore. Out of the gross unspent provision of Rs 25169.52 crore, the amounts surrendered are shown in Table 7.5.

**Table 7.5: Details of unspent provision and surrender**

<i>(Rupees in crore)</i>				
	Gross unspent provision	Amount surrendered	Amount surrendered on last date	Amount not surrendered
<b>Revenue</b>				
Voted	9228.54	7821.92	4534.88	1406.65
Charged	3142.49	3606.85	3599.49	--
<b>Total: Revenue</b>	<b>12371.03</b>	<b>11428.77</b>	<b>8134.37</b>	<b>942.29</b>
<b>Capital</b>				
Voted	7333.40	7768.12	1087.43	-
Charged	4586.42	9625.08	9618.49	-
<b>Total: Capital</b>	<b>11919.82</b>	<b>17393.20</b>	<b>10705.92</b>	<b>-</b>
<b>Grand total</b>	<b>24290.85</b>	<b>28821.97</b>	<b>18840.29</b>	<b>-</b>

7.13 Unspent provision of Rs 2733.84 crore was due to lesser discharge and cancellation of 14, 91 and 182 days treasury bills. The major amounts (more than Rupees forty crore) not surrendered pertained to the Department of Agriculture and Cooperation (Rs 64.76 crore), Loans to Government Servants (Rs 132.17 crore), Direct Taxes (Rs 133.89 crore), Indirect Taxes (Rs 191.92 crore), Department of Health (Rs 115.49 crore), Police (Rs 163.68 crore), Ministry of Road Transport and Highways (Rs 286.50 crore), Atomic Energy (Rs 52.48 crore), Ministry of Shipping (Rs 154.41 crore), Department of Commerce (Rs 51.46 crore), Department of Animal Husbandry and Dairying (Rs 75.76 crore), Department of Economic Affairs (Rs 95.13 crore), Pensions (Rs 231.20 crore), Department of Family Welfare (Rs 770.76 crore), Ministry of Textiles (Rs 70.31 crore), Department of Culture (Rs 62.19 crore), Ministry of Water Resources (Rs 75.53 crore), Nuclear Power Schemes (Rs 56.71 crore), Department of Space (Rs 45.39 crore) and Currency, Coinage and Stamps (Rs 107.40 crore), Department of Scientific and Industrial Research (Rs 70.31 crore), Ministry of Defence (Rs 62.74 crore) and Public Works (Rs 40.19 crore).

7.14 On the other hand, under the grants pertaining to Department of Fertilisers, Other Expenditure of Ministry of Home Affairs, Interest Payments, Ministry of Home Affairs, Ministry of Civil Aviation, Department of Indian Systems of Medicines and Homeopathy, Ministry of Power, Department of Economic Affairs etc., the amount surrendered exceeded the amount of unspent provision under the segments of the grants. The major portion of excess surrender was under grant no 29- Repayment of Debt amounting to Rs.5046 crore. Appendix-XX gives the details.



### **Re-appropriation of funds**

7.15 A grant or appropriation for disbursements is distributed by sub-heads or standard objects under which it is accounted. The competent executive authorities can approve re-appropriation of funds between primary units of appropriation within a grant or appropriation before the close of the financial year to which such grant or appropriation relates. Re-appropriation of funds should be made only when it is known or anticipated that the appropriation for the unit from which funds are to be transferred will not be utilised in full or that unspent provision can be effected in the unit of appropriation.

7.16 In the developmental and welfare areas such as Agriculture (Rs 510 crore), Fertilizers (Rs 331 crore), Pension (Rs 203 crore), Health (Rs 322 crore), Interest Payments (Rs 1640 crore), Department of Elementary Education and Literacy (Rs 216 crore), Department of Secondary Education and Higher Education (Rs 166 crore), Direct Taxes (Rs 194 crore); Department of Rural Development (Rs 3398 crore), Department of Drinking Water Supply (Rs 184 crore), Textiles (Rs 230 crore), Atomic Energy (Rs 173 crore), Space (Rs 237 crore), heavy re-appropriations of funds were mainly from welfare activities to establishment related activities, payment of grants-in-aid and other non-developmental activities because sufficient fund under these activities could not be got authorised at budget stage.

### **Injudicious re-appropriation to sub-heads**

7.17 Test check of the accounts revealed that in 21 cases of 17 grants/appropriations as detailed in **Appendix-XXI**, re-appropriations aggregating Rs 499.62 crore were injudicious, as the original provision under the sub-heads to which funds were transferred by re-appropriation was more than adequate. Consequently, the final savings under the sub-heads were more than the amount re-appropriated to these sub-heads. The position of similar injudicious re-appropriations in respect of grants relating to Railways has been included in the concerned Audit Report.

### **Injudicious re-appropriation from sub-heads**

7.18 Similarly in 13 sub-heads of 8 grants/appropriations as indicated in **Appendix-XXII**, there was injudicious re-appropriation aggregating to Rs 297.20 crore wherein the final disbursements under each of them was more than the original provision before re-appropriation. In each of them, the excess over the final provision after re-appropriation from these heads was more than the amounts re-appropriated.

### **Irregular re-appropriation**

7.19 As per the extant instructions of Ministry of Finance issued at the instance of the Public Accounts Committee (Eighth Lok Sabha) vide its recommendation in its 147th Report, any re-appropriation order issued during the year which has the effect of increasing the budget provision by more than 25 *per cent* or Rs one crore whichever is more, under a sub-head should be reported to Parliament along with the last batch of supplementary demands. In exceptional cases, any order of re-appropriation issued by the ministries/departments after presentation of the last batch of supplementary demands, exceeding the above limit requires prior approval of the Secretary/Additional Secretary, Department of Expenditure.

7.20 Test check of appropriation accounts for 2001-02 revealed that there were 426 sub-heads/cases of 71 grants/appropriations to which re-appropriation in excess of Rupees one crore was made. Out of these, in 221 sub-heads/cases involving 62 grants/appropriations, the re-appropriation exceeded 25 *per cent* of the budget provision; and, were required to be reported to Parliament through the last batch of supplementary demands for grants. Only in 74 cases, was such re-appropriation reported to Parliament and in respect of the remaining 147 cases the approval of Secretary (Expenditure) was obtained at the end of the financial year instead of reporting the re-appropriation to Parliament. In most of these cases, the ministries/departments did not explain as to why they were not in a position to report the re-appropriations to Parliament.

### **Re-appropriation without prior approval of Secretary (Expenditure)**

7.21 Ministry of Finance had prescribed that all re-appropriations which would have the effect of increasing the budget provision by rupees one crore or more under a sub-head should be made only with the prior approval of Secretary (Expenditure) even if the amount re-appropriated was within 25 *per cent* of the provision covered under the limit governing re-appropriation mentioned in the preceding paragraph.

7.22 Sample check of appropriation accounts for 2001-02 revealed that there were 205 sub-heads under which re-appropriation in excess of rupees one crore but not exceeding 25 *per cent* of the budget provision was made where prior approval of Secretary (Expenditure) was required to be obtained. However, in the cases mentioned in Table 7.6, re-appropriation exceeded Rs one crore but prior approval of Secretary (Expenditure) was not obtained.

**Table 7.6: Cases where prior approval of Secretary (Expenditure) was not obtained for re-appropriation.**

Sl. No.	No and Name of grant	Major Head	Sub-head	Amount (Rs in crore)
1.	3-Deptt. Of Animal Husbandry & Dairying	3601-Grants in aid to State Govts.	Development of fresh water aqua culture	O. 9.97 R. 1.70
2.		-do-	Development of fisheries and aqua culture in hill regions	O. 0.60 R. 3.40
3.	38-Deptt. Of Health	2210-Medical and Public Health	Grants to ICMR	O. 167.30 R. 3.13
4.		-do-	Grants to Lala Ram Sarup Institute of TB and Allied Diseases	O. 13.10 R. 1.25
5.		3601-Grants-in-aid to State Govts.	Assistance towards expenditure on hospitalisation of poor	O. 4.00 R. 1.08
6.		-do-	National Anti Malaria Programme (Rural) (General Component)	O. 47.79 R. 64.34
7.		4210-Capital Outlay on Medical and Public Health	National Anti-Malaria Programme	O. 150.87 R. 18.73
8.	40-Department of Family Welfare	3601-Grant-in-Aid to States Govt.	Free supply of family planning material	O. 113.00 R. 2.58
9.	48-Deptt. Of Women and Child Development	3601-Grants in aid to State Govts.	Grants under training programme of ICDS	O. 34.70 R. 15.00
10.	54-Law and Justice	2014-Administration of Justice	Department of Legal Affairs	O. 4.95 R. 2.64
11.		3601-Grants-in-aid to State Govts.	Grants for infrastructural facilities for judiciary	O.58.30 R. 6.63
12.	64-Ministry of Power	2801-Power	Central Electricity Authority	O.28.31 R. 1.72

Sl. No.	No and Name of grant	Major Head	Sub-head	Amount (Rs in crore)
13.	68-Deptt. Of Science and Technology	3425-Other Schemes	Information Technology	O. ----- R 1.64
14.	86-Ministry of Youth Affairs and Sports	2204-Sports and Youth Affairs	National Re-construction Corps	O. 10.80 R 1.18
15.		-do-	Scheme for assisting, promising sports persons and sporting personnels	O. 1.00 R 1.40
16.		3601- Grants-in-aid to State Govts.	Schemes of grants for creation of sports infrastructures	O. 6.25 R 2.48

O=Original provision      R=Re-appropriation

### Issue of re-appropriation orders after the close of the financial year

**7.23** In terms of Rule 69 of GFR, the Departments of Central Governments shall surrender to the Finance Ministry before the close of the financial year all the anticipated savings noticed in the Grants/Appropriation controlled by them. The Finance Ministry shall communicate the acceptance of such surrenders as are accepted by them to the Audit Officer/Accounts Officer as the case may be, before the close of the year. It was, however, noticed that the Department of Fertilisers (Grant No.6) after the close of financial year re-appropriated an additional amount of Rs 20 crore to Major Head – 4855 – Investments in Hindustan Fertilisers Limited from the Major Head – 4552 – Capital Outlay on North-Eastern Areas vide letter dated 27 August 2002. The expenditure of Rs 20 crore shown against the Major Head – 4552 in the head-wise Appropriation Accounts was also withdrawn. Such amendments/addition to the amount already re-appropriated by issue of any order after the close of financial order is in contravention of provisions of Rule 10(2) of delegation of financial power

### Utilisation of Supplementary Grants

**7.24** The position of original and supplementary grants obtained under civil ministries and percentage of supplementary provision to the original provision from 1996-97 onwards is given in **Appendix-XI**. Details of supplementary grants (civil) obtained during 2001-02 are given in Table 7.7.

**Table 7.7: Supplementary Grant Obtained during 2001-02 in Civil Ministries**

Section	Amount
<i>(Rupees in crore)</i>	
<b>Voted</b>	
Revenue	20256.12
Capital	3841.78
Loans and Advances	9620.00
<b>Charged</b>	
Revenue	13.30
Capital	0.98
Public Debt	40628.00
Loans and advances	3334.09
<b>Total</b>	<b>77694.27</b>
Number of grants/appropriations	73

Supplementary provision obtained but not utilised

16 grants (17 cases)      Rs 1202.01 crore

### Unnecessary supplementary grant

**7.25** In 17 cases relating to 16 grants as detailed in Table 7.8, although the supplementary provisions were obtained during 2001-02 in anticipation of higher expenditure, the final expenditure was less than even the original grants/appropriations. Thus, the entire amount of supplementary provision aggregating to Rs 1202.01 crore proved to be unnecessary.

**Table 7.8: Unspent provision more than supplementary grant/ appropriation**

Sl. No.	Grant/appropriation	Original provision	Supplementary grant obtained	Actual disbursements	Unspent provision
<i>(Rupees in crore)</i>					
<b>Revenue – Voted</b>					
1.	2-Department of Agriculture and Co-operation	1389.05	7.04	1376.67	19.42
2.	3-Department of Animal Husbandry and Dairying	448.58	3.89	376.71	75.76
3.	4-Deptt. Of Food Processing Industries	59.12	0.43	56.98	2.57
4.	6-Deptt. Of Fertilisers	14719.19	356.64	13098.07	1977.76

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Sl. No.	Grant/appropriation	Original provision	Supplementary grant obtained	Actual disbursements	Unspent provision
5.	9-Department of Commerce	1313.72	25.40	1287.66	51.46
6.	23-Deptt. Of Economic Affairs	1696.87	46.34	1648.11	95.10
7.	38-Deptt. Of Health	2363.72	60.51	2332.94	91.29
8.	40-Deptt. Of Family Welfare	4787.33	78.82	4095.39	770.76
9.	51-Ministry of Information and Broadcasting	1290.25	1.00	1150.55	140.70
10.	54-Law and Justice	430.14	2.85	393.66	39.33
11.	58-Ministry of Mines	419.73	102.22	398.81	123.14
12.	61-Ministry of Personnel, Public Grievances and Pensions	212.98	2.00	183.20	31.78
<b>Revenue – Charged</b>					
13.	23-Deptt. Of Economic Affairs	-	1.70	-	1.70
14.	24-Currency, Coinage and Stamps	1.22	0.19	0.03	1.38
<b>Capital – Voted</b>					
15.	64-Ministry of Power	2765.29	140.44	2324.04	581.69
16.	74-Ministry of Road Transport and Highways	5383.34	73.52	5170.36	286.50
<b>Capital-Charged</b>					
17.	1-Deptt. Of Agriculture and Cooperation	236.00	5.00	200.96	40.04
<b>Total</b>			<b>1202.01</b>		

**Unrealistic estimation of expenditure/revised estimates**

7.26 While obtaining token supplementary grant of Rs one lakh, the Ministries/Departments reported to Parliament large amounts of additional requirement for different purposes under the following schemes/activities (as shown in Table 7.9) but finally the Ministries/Departments were unable to spend even the original budget provision.

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**Table 7.9: Unrealistic estimation of expenditure reported to Parliament**

*(Rupees in crore)*

Grant	Sub-head/ Scheme	Original provision	Additional requirement reported to parliament	Actual disburse ment	Unspent out of Original provision	Reasons for non- utilisation	
<b>Capital-Voted</b>							
1	34-Direct Taxes	Acquisition of ready built accommodation	85.00	18.00	52.00	33.00	Non-finalisation of various proposals for purchase of ready built office buildings
2	-do-	Acquisition of ready built flats	25.00	11.50	20.71	4.29	Non-finalisation of various proposals for purchase of ready built office flats
3	43-Police	Residential Buildings	75.85	15.00	66.61	9.24	Slow progress of construction work by CPWD
4	-do-	Indo-Pak Border Works	98.80	1.50	70.34	28.46	Non-availability of report on surveillance system and slow erection of barbed wire fencing work due to unprovoked firing
5	81-Public Works	Construction- Buildings	30.26	4.00	29.80	0.46	Non-issue of administrative approval and expenditure sanction for the purchase of land

**Ministry of Health and Family Welfare (Grant No. 38 – Department of Health)**

**Expenditure on “New Service/New Instrument of Service”**

7.27 On the recommendations of the Public Accounts Committee, Government has prescribed financial limits for different categories of expenditure beyond which the additional expenditure constitutes ‘New Service/New Instrument of Service’ and requires prior approval of Parliament.

As per Government of India Decision No. 1 below Rule 10 of Delegation of Financial Powers Rules, 1978, additional grants-in-aid in excess of Rs 10 lakh

or 10 *per cent* of the budget provision or Rs 2 crore, whichever is less, to statutory and other public institutions, attracts the limitations of New Service/New Instrument of Service and requires prior approval of Parliament.

Scrutiny of grant No. 38 –Department of Health revealed that against the sanctioned provision of Rs 167.30 crore the Ministry released Rs 170.63 crore to Indian Council of Medical Research, New Delhi. The additional release of Rs 3.33 crore exceeded the limit of Rs 2.00 crore and attracted the provisions of ‘New Instrument of Service’ and requires regularisation.

### Persistent Unspent Provision

#### Ministry of Information and Broadcasting (Grant No. 51)

7.28 Scrutiny of the Appropriation Accounts of Grant No. 51- Information & Broadcasting for the last three years revealed that under the sub-head Film and Television Institute of India, Pune, there was persistent unspent provision, which ranged between 35 and 49 *per cent*. Table 7.10 indicates the details.

**Table 7.10 Details of budget provision, actual expenditure and unspent provision**

*(Rupees in lakh)*

Year	Budget provision & supplementary	Actual expenditure	Savings	Percentage
1999-2000	1030.25	530.25	500.00	49
2000-2001	1117.37	729.52	387.85	35
2001-2002	1072.44	644.13	428.31	40

#### Postal Services (Grant No.11)

7.29 The persistent savings in the Capital (voted) section for the past three years are depicted in Table 7.11.

**Table 7.11 Persistent unspent provision under Capital (voted) section**

*(Rupees in crore)*

Year	Budget provision & supplementary	Actual expenditure	Savings	Percentage
1999-2000	83.42	67.38	16.04	19
2000-2001	98.82	52.80	46.02	47
2001-2002	107.38	51.92	55.46	52

The Ministry in their action taken note attributed (July 2002) the savings to delay in identification of project specifications, long time taken in various procedural and codal formalities before according approval and inadequate monitoring systems. The Ministry added that the system of monitoring and control over various schemes/activities under the Plan had been strengthened



and each head of the division reviewed the progress of the projects once every quarter.

The savings rose about three times from Rs 16.04 crore (19 *per cent*) in 1999-2000 to Rs 55.46 crore (52 *per cent*) in 2001-02. As in 2000-01, savings under capital section in 2001-02, too were primarily under the head "5201 -104 - Mechanisation and Modernisation of Postal Services". Out of total saving of Rs 55.46 crore, saving of Rs 44.62 crore was alone under Mechanisation and Modernisation scheme. It needs detailed investigation, as some critical activities planned and budgeted for, could not take off for the last two years. The main reasons for these savings as indicated by the department were delays in submission of debit vouchers from DGS&D, late receipt of EFC approval for multipurpose counter machines, dropping of TMO project, hold up in payment for VSAT pending clearance of performance and non-clearance of MIS scheme, non-supply of vehicles ordered during the last quarter of the financial year and non- receipt of bills from building contractors.

#### Defence Services (Grant Nos.15,16,17 and 19)

7.30 Scrutiny of Appropriation Accounts of Defence Services disclosed a persisting trend of unspent provision during the years 1999-02 under voted segment of four grants as per details in Table 7.12.

**Table 7.12 Persistent unspent provision**

*(Rupees in crore)*

Grant	Unspent Provision		
	1999-2000	2000-01	2001-02
Defence Services-Army	109.14	2488.91	2908.45
Defence Services-Navy	106.46	355.24	681.15
Defence Services-Air Force	138.60	636.02	853.69
Capital Outlay on Defence Services	381.92	5534.13	3749.95

The persisting large unspent provisions in the grants of Army, Navy and Air Force also reflected an increasing trend over the years.

#### Misclassification of expenditure

7.31 A scrutiny of explanations for variations under the grants furnished by the Ministry of Defence revealed that expenditure of Rs 88.00 lakh was erroneously booked to Capital Works head of Inspection Organisation instead of capital works of an Ordnance Factory, resulting in excess expenditure under Inspection Organisation.

## Chapter-8

### REVIEW OF SELECTED GRANTS

#### Grant No. 22 - Ministry of External Affairs

##### Introduction

8.1 The articulation of Government of India's position on policy issues of bilateral, regional and multilateral concern remained the core area of focus for the Ministry. A major portion of the Ministry of External Affairs' budget is accounted for by various aid and assistance programmes for neighbouring and other developing countries.

8.2 The main sources of Ministry of External Affairs' revenue are Passport and visa fees, apart from other receipts.

##### Overall position

8.3 The budget provision, actual disbursements and unspent provision under voted portion of the grant during the last three years are shown below:

Table 8.1 Overall position of grant during 1999-02

(Rupees in crore)

Year	Total Provision		Actual disbursement		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
1999-2000	1965.39	284.02	1880.28	252.87	85.11	31.15
2000-01	2220.68	405.02	2149.21	339.64	71.47	65.38
2001-02	2535.73	347.66	2354.68	269.87	181.05	77.79

8.4 The unspent provision under revenue heads during the three years ranged between 3 and 7 percent, while in case of capital heads the unspent provision during the same period ranged between 11 and 22 percent.

##### Unspent provision and excess over provision

8.5 Under the voted portion of the grant, the gross unspent provision was partly offset by excess disbursement under other heads resulting in net unspent provision during 1999-02 as shown below:

**Table 8.2: Unspent amount and excess leading to net unspent provision**

*(Rupees in crore)*

Year	Gross unspent provision		Unspent provision offset by excess		Net unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
1999-2000	86.73	33.15	1.62	2.00	85.11	31.15
2000-01	76.95	72.01	5.48	6.63	71.47	65.38
2001-02	261.59	90.82	80.54	13.03	181.05	77.79

### Surrender of unspent provision

8.6 Rule 69 of the General Financial Rules provide that unspent provisions in a grant or appropriation are to be surrendered to the Government as soon as these are foreseen without waiting for the end of the financial year. Unspent provision should also not be held on reserve for any possible future excess. However, contrary to this, the Ministry surrendered the amount towards the end of the financial years. The amounts surrendered under the voted portion of the grant during 1999-02 are shown in the Table below:

**Table 8.3: Surrender of funds during 1999-02**

*(Rupees in crore)*

Year	Unspent provision		Amount surrendered		Date of surrender
	Revenue	Capital	Revenue	Capital	
1999-00	85.11	31.15	20.04	18.72	31.3.2000
2000-01	71.47	65.38	4.05	65.33	31.3.2001
2001-02	181.05	77.79	79.54	50.52	28.3.2002

### Unrealistic Budgeting

8.7 As per instructions contained in Rule 53 of the General Financial Rules, ministries/departments are required to prepare their estimates keeping in view the trends of disbursements during the previous years and other relevant factors like the economy instructions issued by the Ministry of Finance.

8.8 Non-adherence to the rule led to injudicious appropriation of funds resulting in large scale saving and surrenders under various heads. A few examples for the three-year period i.e. 1999-02 are shown in **Appendix-XXIII**.

### Injudicious re-appropriation of funds

8.9 Test check of the accounts revealed that re-appropriation to the following sub heads was injudicious as the original provision under the subheads, to which the funds were transferred by re-appropriation, was more than adequate. Consequently, the final savings under the sub-heads were more than the amount re-appropriated to these heads

**Table 8.4: Injudicious re-appropriation of funds**

*(Rupees in thousand)*

Major Head and Sub-head		Total grant	Actual expenditure	Saving (-)	
<b>1999-2000</b>					
2061.00.800.01 Demarcation of Boundaries	O	21702	22535	18715	3820
	R	833			
2061.00.800.03 Other Schemes	O	10678	11154	5976	5178
	R	476			
<b>2000-2001</b>					
2061.00.800.13 Special Grants to Missions	O	12700	13147	10976	2171
	R	447			
<b>2001-2002</b>					
2061.00.104.02 India Japan Eminent Persons Group	S	50	1582	33	1549
	R	1532			
2061.00.105.01 Central Passport and Emigration Organization	O	984778	996647	942569	54078
	R	11869			
2061.00.798.04 Contribution to SAARC Secretariat	O	25000	26010	4454	21556
	R	1010			
3605.00.101.16 Aid to Disaster Relief	O	70000	71010	50793	20217
	R	1010			
7605.00.098 Loans to Govt. of Bangladesh	O	1054500	1188000	786128	401872
	R	133500			

8.10 In the sub-heads indicated below, there was injudicious re-appropriation as the final disbursement under each of them was more than the original provision, before re-appropriation from them. In each of them, the excess expenditure over the provision, after re-appropriation, exceeded the amount re-appropriated to other sub-heads.

**Table 8.5: Injudicious re-appropriation of funds**

*(Rupees in thousand)*

Major Head and Sub-head		Total grant	Actual expenditure	Excess (+)
<b>2000-2001</b>				
3605.00.101.19 -SCAAP Programmes	O	50000	40000	51858
	R	(-) 10000		
<b>2001-2002</b>				
3605.00.101.10- Aid to Bhutan	O	4820000	4625600	5072496
	R	(-) 194400		
3605.00.101.18- SAARC Programme	O	23625	16151	24434
	R	(-) 7474		

### Rush of expenditure

8.11 Rush of disbursements, particularly in the closing month of the financial year, is to be regarded as a breach of financial regularity and should be avoided. Contrary to this, disbursements ranging from 12 to 93 percent of the total disbursements were made during January – March. Expenditure incurred during the month of March in past three years under the major heads as shown in Table 8.6 was 9 to 65 percent of the total expenditure.

**Table 8.6: Rush of disbursements during the last quarter and during the month of March of the financial year**

*(Rupees in crore)*

Major Head	Total expenditure			Total expenditure			Total expenditure		
	1999-2000	Last quarter	March 2000	2000-2001	Last quarter	March 2001	2001-2002	Last quarter	March 2002
2052-Secretariat General Service	87.98	24.63 (28)	10.49 (12)	107.98	35.24 (33)	19.24 (18)	118.68	36.95 (31)	15.35 (13)
2061-External Affairs	1219.50	441.72 (36)	269.78 (22)	1380.54	581.50 (42)	376.50 (27)	1604.16	677.51 (42)	368.01 (23)
3605-Technical & Economic Cooperation with other Countries	572.80	302.26 (53)	163.58 (29)	660.69	366.49 (55)	247.45 (37)	631.84	375.95 (60)	264.50 (42)
4059-Capital Outlay on Public Works	63.49	40.39 (64)	25.53 (40)	53.65	31.52 (59)	14.94 (28)	25.43	16.94 (67)	14.12 (65)
4216-Capital Outlay on Housing	13.83	1.72 (12)	1.19 (9)	26.13	24.21 (93)	8.51 (33)	8.39	3.52 (42)	2.18 (26)
7605-Advances to Foreign Governments	175.55	69.80 (40)	45.16 (26)	259.86	140.35 (54)	70.66 (27)	236.05	107.55 (46)	77.34 (33)

*Note: Figures in brackets denote percentage*

**Sub-heads affected by large unspent provisions**

8.12 A scrutiny of the Appropriation Accounts for the years 1999-2002 revealed that the Ministry ended with large unspent provisions indicative of unrealistic budgeting assumptions and slackness in implementing the schemes/activities of the Ministry. Schemes/subheads under which large unspent provisions occurred are shown below. It would be seen that the percentage of unspent provision ranged between 38 and 92 percent during the last three years.

**Table 8.7: Sub-heads affected by large unspent provisions**

(Rupees in crore)

Major Head and Sub head	Total Provision	Actual disbursement	Unspent Provision	Reasons advanced by the Ministry
<b>1999-2000</b>				
2061.00.798.01 Commonwealth	3.78	2.12	1.65 (44)	Saving was due to less contribution as assessed by recipient organizations
2061.00.800.03 Other Schemes	1.12	0.60	0.52 (46)	Non incurring of expenditure on certain items envisaged earlier
3605.00.101.20 Aid to African Countries	4.00	1.70	2.30 (58)	Less aid commitments during the year made at political level
3605.00.101.24 Investment promotion and publicity programme	0.53	0.27	0.26 (49)	Non-materialization of publicity of special supplement and development of website and lesser number of investment promotions seminars
<b>2000-2001</b>				
3605.00.101.15 Aid to other Developing Countries	3.32	0.91	2.41 (73)	Non-utilization of funds on aid to Afghanistan due to prevailing conditions in Afghanistan and due to less aid commitments
<b>2001-2002</b>				
2061.00.798.04 Contribution to SAARC Secretariat	2.60	0.45	2.16 (83)	Anticipated activities not taking place in various SAARC Countries
2061.00.798.05 Council for Security Cooperation in Asia and Pacific	0.30	0.12	0.18 (60)	No reasons given
2061.00.800.08 Expenditure on Haj	2.33	0.73	1.60 (69)	Saving was due to debiting of the expenditure on the airfare of deputationists relating to Haj programmes to Mission's budget
3605.00.101.14 Aid to Myanmar	20.75	1.76	18.99 (92)	Non-materialization of some activities/projects due to disturbed political situation in the region
3605.00.101.23 Multilateral Economic Relation programme	3.22	0.44	2.78 (86)	Less expenditure under ASEAN India Cooperation project owing to procedural delay
3605.00.101.25 Aid to Central Asia	1.52	0.95	0.57 (38)	Non-materialization of earlier envisaged aid enhancement to Central Asia

Note: Figures in brackets denote percentage

### Persistent Unspent provision

8.13 There were persistent unspent provisions during 1999-02 under the subheads as given below:

**Table 8.8: Persistent Unspent provision**

*(Rupees in crore)*

Major Head and Sub head	1999-2000	2000-01	2001-02
2061.00.101-Embassies and Missions	1.19	6.67	36.12
2061.00.103.01-Discretionary Expenditure	38.84	29.82	54.04
2061.00.105.01-Central Passport and Emigration Organization	8.92	4.85	4.22
2061.00.800.07-Special Delegations	-	2.69	4.75
3605.00.101.10-Aid to Bhutan	3.65	4.75	25.25
3605.00.101.11-Aid to Nepal	1.14	2.49	69.47
3605.00.101.12-Sri Lanka-Other Aid Programmes	0.34	7.15	12.66
3605.00.101.13 Aid to Maldives	3.52	5.76	3.47
4059.60.051.17-Construction-External Affairs	2.86	5.01	41.77
7605.00.098-Loans to Government of Bangladesh	9.25	1.67	26.84

### Persistent excess expenditure

8.14 There was persistent excess expenditure during 1999-2002 under the sub heads as given below:

**Table 8.9: Persistent excess expenditure**

*(Rupees in crore)*

Major Head and Sub head	1999-2000	2000-01	2001-02
2052.00.090.02-Ministry of External Affairs	0.26	0.8	3.12
2061.00.798.03-United Nations Organization	0.39	----	2.39
3605.00.101.17-ITEC Programme	0.32	2.99	9.03
3605.00.101.18-SAARC Programme	0.04	0.24	0.83
3605.00.101.19-SCAAP Programmes	----	0.19	1.94
4216.01.700.18-External Affairs	----	6.63	3.59
7605.00.097-Loans to Government of Bhutan	2.00	--	9.44

### Re-appropriation without approval of Secretary (Expenditure)

8.15 Scrutiny of Appropriation accounts for the year 2001-02 revealed that under sub head 2061-External Affairs-Central Passport and Emigration Organisation re-appropriation of Rs 1.19 crore, which was in excess of Rs 1

crore was made for which the prior approval of Secretary (Expenditure) was not obtained.

8.16 As per provisions of Annexure A to note 3 under Rule 66 of GFR, it is an important part of the function of the Accounts Offices to see that no payment is made in excess of the budget allotment under any sub-head or primary unit of appropriation. In cases where the existing provision is not sufficient to cover the payment, Pay and Accounts Office (PAO) can make payment only on receipt of an assurance in writing from the head of the department controlling the grant that necessary funds to accommodate the disbursements will be provided by issue of re-appropriation orders etc. Test check of head-wise appropriation accounts for the year 2001-02 revealed that in 3 cases given below the PAO of the Ministry made payments in excess of the available provision though Department did not issue any re-appropriation order to accommodate the final excess expenditure over the available provisions, indicating ineffective expenditure control by the PAO.

**Table 8.10: Cases of excess expenditure of Rs 1 crore and more**

Sl. No.	Sub-head	Provision		Actual expenditure	Final excess expenditure	
		Original	Available			
1.	Ministry of External Affairs	O	119.86	115.26	118.38	3.12
		R	(-) 4.60			
2.	Aid to Bhutan	O	482.00	462.56	507.25	44.69
		R	(-) 19.44			
3.	Aid to African Countries	O	5.25	5.25	7.51	2.26

### **Grant No. 65 – Department of Rural Development**

#### **Introduction**

8.17 The Department of Rural Development implements schemes for generation of self-employment and wage employment, provision of housing and minor irrigation assets to the rural poor as also social assistance schemes. The department also provides support services and other quality inputs such as assistance for strengthening of DRDA Administration, Panchayati Raj institutions, training and research, human resource development, development of voluntary action etc. for the proper implementation of the programmes.



### Overall position

8.18 The overall position of budget provisions, actual disbursement and unspent amount during the last three years is as under:

**Table 8.11: Overall position**

*(Rupees in crore)*

Year (Voted)	Total provision		Actual disbursement		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
1999-2000	2765.69	-	2640.28	-	125.41	-
2000-01	6679.04	100.00	5959.96	100.00	719.08	-
2001-02	13246.05	100.00	13034.10	50.00	211.95	50.00

### Unspent amount and excess over provision

8.19 Under the voted portion of the revenue section of the grant, gross unspent provision was partly offset by excess disbursement under other heads resulting in net unspent provisions during the last three years as shown below:

**Table 8.12: Unspent amount and excess over provision**

*(Rupees in crore)*

Year	Gross unspent provision	Excess disbursement	Net unspent provision
1999-2000	148.44	23.03	125.41
2000-01	1316.23	597.15	719.08
2001-02	3525.07	3313.12	211.95

8.20 Such large unspent provisions are indicative of the need to review budgetary assumptions or/and efficiency of the programme management. Major cases of unspent provisions and excess are shown in **Appendix-XXIV**.

### Surrender of unspent provisions

8.21 Scrutiny of the Appropriation Accounts revealed that the ministry surrendered funds ranging from Rs 125.18 crore to Rs 715.05 crore on the last date of the financial year during the period 1999-2002, as shown below:

**Table 8.13: Surrender of unspent provisions**

*(Rupees in crore)*

Year	Dates of approval of Revised Estimates	Date of surrender of unspent provision	Amount surrendered
1999-2000	5.2.2000	31.3.2000	125.18
2000-01	22.01.2001	31.3.2001	715.05
2001-02	09.01.2002	31.3.2002	257.85

**Rush of disbursements**

8.22 Rush of disbursements, particularly in the closing month of the financial year is to be regarded as breach of financial regularity and should be avoided. Contrary to this, disbursements were made in January to March during 2001-02 under the Major Heads as shown below:

**Table 8.14: Cases of rush of disbursements**

*(Rupees in crore)*

Major Head	Total expenditure	Expenditure in March (%)	Expenditure during last quarter (%)
2515 Water supply and Sanitation	295.06	65.59 (22%)	149.00 (50%)
3054 Roads and Bridges	5000.00	4032.98 (81%)	5000.00 (100%)

**Grant No. 85 – Ministry of Social Justice and Empowerment**

**Introduction:**

8.23 The Ministry is responsible for the welfare of the disadvantaged and marginalized sections of the society such as Scheduled Castes, minorities, Backward Classes, children in need of care and protection, aged persons, persons with disabilities and victims of drug abuse. The subject of Scheduled Tribes was transferred to the Ministry of Tribal Affairs, which was created in October 1999.

**Overall Position**

8.24 The position of budget provision, actual disbursement and unspent provision of the grant during the last three years is shown below:

**Table 8.15: Overall Position**

*(Rupees in crore)*

Year	Total provision		Actual disbursements		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
1999-2000	1732.14	219.02	1573.57	208.52	158.57	10.50
2000-01	1220.05	187.36	1087.80	76.63	132.25	110.73
2001-02	1305.12	100.17	1174.54	93.86	130.58	6.31

### Rush of disbursements in March/last quarter of the financial year

8.25 Rush of disbursements, particularly in the closing month of the financial year is to be regarded as breach of financial regularity and should be avoided. Contrary to this, large disbursements were made in the last quarter/March during 1999-2002 under the Major Heads as shown below:

**Table 8.16: Cases of rush of disbursements**

*(Rupees in crore)*

Year	Major Head	Disbursement			
		During the year	During March	During last quarter	Percentage in March / last quarter
1999-2000	2225	139.45	90.33	99.56	65 / 71
	2235	196.68	82.65	115.68	42 / 59
	3601	1206.46	445.27	716.53	37 / 59
	4225	190.25	126.61	127.46	67 / 67
	4235	10.00	10.00	10.00	100 / 100
2000-01	2225	100.87	68.13	72.75	68 / 72
	2406	16.17	4.41	5.75	27 / 36
2001-02	2225	73.31	15.55	25.21	21 / 34
	2406	17.43	4.41	6.73	25 / 39
	3602	2.20	0.72	1.44	33 / 65

### Delay in surrender of unspent provision

8.26 A scrutiny of Appropriation Accounts revealed that the Ministry had surrendered the unspent provisions at the fag end of the financial years during the last three years as shown below:

**Table 8.17: Surrender of unspent provision**

*(Rupees in crore)*

Year	Amount surrendered	Date of surrender of unspent provision
1999-2000	145.21	31-3-2000
2000-01	167.45	21-3-2001
	65.55	31-3-2001
2001-02	103.14	26-3-2002
	32.26	31-3-2002

### Unrealistic Budgeting

**8.27** As per the instructions contained in Rule 53 of the General Financial Rules, Ministries/Departments are required to prepare their estimates keeping in view the trends of disbursements during the previous years and other relevant factors like the economy instructions issued by the Ministry of Finance.

**8.28** A scrutiny of the Appropriation Accounts revealed that under the sub-heads as shown in **Appendix-XXV**, provisions remained unutilised during the period 1999-2002 and were re-appropriated to other heads defeating the original purpose for which the budget provisions were passed by Parliament.

### Unspent provisions and excess leading to net unspent provision

**8.29** The gross unspent provisions during the last three years were partly offset by excess disbursements under other heads resulting in net unspent provision of more than Rs 100 crore.

**Table 8.18: Unspent provisions**

*(Rupees in crore)*

Year	Gross unspent provision	Unspent provision offset by excess disbursement	Net unspent provision	% age to total provision
<b>Revenue (voted)</b>				
1999-2000	162.43	28.13	134.30	8
2000-01	189.63	57.38	132.25	11
2001-02	219.29	88.71	130.58	10
<b>Capital (voted)</b>				
2000-01	118.36	7.63	110.73	59

**8.30** A few cases of major unspent provision were as under:

**Table 8.19: Major unspent provisions**

*(Rupees in crore)*

Sl. No.	Name of sub-head	Total provision	Actual disbursement	Unspent provision	Reasons advanced by the Ministry
<b>2001-02</b>					
<b>2225-Welfare of Scheduled Castes/Tribes and Other Backward Classes</b>					
1.	National Scheme of Liberation and Rehabilitation of Scavengers	74.00	9.20	64.80	Unspent balances of earlier years lying with States/UTs

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Sl. No.	Name of sub-head	Total provision	Actual disbursement	Unspent provision	Reasons advanced by the Ministry
2.	Grant to Non-Government Institutions for running Pre-examination Training Centres for Scheduled Castes/Tribes	5.80	.56	4.24	Non-receipt of proposals, owing to late revision of scheme
<b>3601 Grants-in-aid to State Governments</b>					
3.	Upgradation of merit of Scheduled Castes/Tribes students through extra coaching	40.00	1.01	38.99	Non-revision of the scheme
4.	Coaching and Allied Schemes	3.50	0.42	3.08	Late revision of scheme
5.	Boys and Girls Hostels	13.50	8.12	5.38	Non-receipt of sufficient proposals
<b>2000-01</b>					
<b>2225-Welfare of Scheduled Castes/Tribes and Other Backward Classes</b>					
6.	Assistance to voluntary organisations for Scheduled Castes	26.00	22.47	3.53	Less receipt of proposal from NGOs
7.	National Scheme of Liberation and Rehabilitation of Scavengers	67.50	60.92	6.58	Less receipt of adequate proposal from States/UTs
8.	Lumpsum provision for schemes for benefit of NE region	135.00	--	135.00	Entire provision remained unutilised due to decision taken by cabinet to allocate 2% of fund to SC Division
9.	Post Matric Scholarship Scheme	129.60	113.84	15.76	Non-release of grant to State Governments owing to unspent balance with them
10.	Prevention and Control of Juvenile Maladjustments	11.57	10.50	1.07	Non-receipt of proposal from State Governments owing to huge unspent balances with them.

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Sl. No.	Name of sub-head	Total provision	Actual disbursement	Unspent provision	Reasons advanced by the Ministry
<b>1999-2000</b>					
<b>2225-Welfare of Scheduled Castes/Tribes and Other Backward Classes</b>					
11.	Assistance to voluntary organisations for Scheduled Tribes	30.00	15.22	14.78	Less receipt of recommendation from District Collectors and Secretaries
<b>2235 Social Security and Welfare</b>					
12.	Welfare of Handicapped - Other Schemes	138.87	106.54	32.33	Non-approval by Standing committee
13.	Kasturba Gandhi Swatantrata Vidyalaya	50.00	--	50.00	No decision on implementation of the Scheme.

**8.31** Few cases of excess expenditure over sanctioned grant were as under:

**Table 8.20: Cases of excess expenditure over sanctioned grant**

*(Rupees in crore)*

Sl. No.	Name of the sub-head	Sanctioned provision	Actual disbursement	Excess	Reasons for excess
<b>2001-02</b>					
<b>2235 Social Security and Welfare</b>					
1.	Welfare of Handicapped - Other Schemes	203.88	218.16	14.28	Augmentation of corpus fund of National Trust for mentally retarded
2.	Education Work for Prohibition and Drug Abuse	20.26	22.50	2.24	Release of grants to NGO of NE States
3.	Handling, clearance of duty-free consignments under bilateral agreement	3.00	8.00	5.00	Clearing of pending bills and forwarding charges
<b>3601 Grants-in-aid to State Governments</b>					
4.	Welfare of Scheduled Castes Special Central Assistance for Scheduled Castes Component Plan	405.45	451.76	46.31	Excess was due to augmentation of funds in this scheme.
<b>2000-01</b>					
<b>2235 Social Security &amp; Welfare</b>					
5.	Welfare of Handicapped - Other Schemes	196.88	205.21	8.33	Coverage of more district referral centres in three States

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Sl. No.	Name of the sub-head	Sanctioned provision	Actual disbursement	Excess	Reasons for excess
6.	Education Work for Prohibition and Drug Abuse	18.51	20.64	2.13	Release of grants to NGOs of NE States
<b>3601 Grants-in-aid to State Governments</b>					
7.	Welfare of Scheduled Castes Special Central Assistance for Scheduled Castes Component Plan	419.50	448.39	28.89	Release of grants-in-aid to NE States
8.	Girls Hostels	7.60	10.87	3.27	More demands from State Governments
<b>1999-2000</b>					
<b>2235 Social Security and Welfare</b>					
9.	Handling and clearance of duty free consignments under bilateral agreements	3.70	8.21	4.51	Clearance of previous arrears of transport from SCM Co.
<b>2406 Forestry and Wild Life</b>					
10.	Wildlife Preservation - Animal Welfare	10.49	15.55	5.06	More demands from voluntary organisation and salary of Animal Welfare Board.
<b>3601 Grants-in-aid to State Governments</b>					
11.	Welfare of Scheduled Centres Special Central assistance for SC Component Plan	433.50	434.95	1.45	Receipt of more proposals from State Governments of Gujarat, Orissa, Rajasthan and Jammu & Kashmir
12.	Post Matric Scholarship Scheme	72.00	83.92	11.92	More demands from State Government of Andhra Pradesh

**Non-utilisation of entire funds**

**8.32** The entire provision under 12 sub-heads out of 22 in 1999-2000; under 11 sub-heads out of 21 in 2000-01 and under 9 sub-heads out of 17 in 2001-02 remained unutilised. **Appendix XXV** indicates the details. It was, thus, indicative of the fact that the budget estimates were not based on adequate review of the trend of disbursements in the past years.

**Persistent unspent provision**

**8.33** Some of the welfare schemes, most affected by unspent provision were as under:-

### **National Scheme of Liberation and Rehabilitation of Scavengers**

8.34 The National Scheme of Liberation and Rehabilitation of Scavengers was launched in 1991-92, with a view to liberate the scavengers dealing manually with night soil and filth and with the objective of providing financial assistance to scavengers for their training and rehabilitation in other alternate occupation.

8.35 During the year 2001-02, while a budget provision of Rs 74 crore was made, only Rs 9.20 crore was disbursed for the activities of the scheme, resulting in an unspent provision of Rs 64.80 crore, which constitute 87.6 per cent of the total provision. The major unspent provision indicates that there had been major shortfall in achieving the objectives envisaged in the scheme.

### **Assistance to Homes for infants and young children for promotion in-country adoption**

8.36. The scheme of assistance to Homes for infants and young children was launched with the objective of providing homes inside the country to children who become destitute at a very early age and to promote in-country adoption. The scheme was to be implemented through registered non-governmental organisations.

8.37 The budget provision, actual disbursement and the unspent provision during the years 1999-2002 were as under: -

**Table 8.21: Unspent provisions**

*(Rupees in crore)*

Year	Sanctioned provision	Actual disbursement	Unspent provision
1999-2000	2.00	1.57	0.43
2000-01	2.70	1.88	0.82
2001-02	4.50	1.58	2.92

8.38 Persistent unspent provision under the scheme indicates that there had been slackness in implementation of the scheme. The Ministry attributed the unspent provision to less receipt of proposals from NGOs.

### **Scheme for street children**

8.39 The scheme for street children is an integrated programme under Child Welfare and juvenile justice projects aimed at providing non-institutional support necessary for the wholesome development of street children. The programme provides for shelter, health care etc. and seeks to protect them against abuse and exploitation.



8.40 The budget provision, actual disbursement and unspent provision during the last three years were as under.

**Table 8.22: Unspent provisions**

*(Rupees in crore)*

Year	Sanctioned provision	Actual disbursement	Unspent provision
1999-2000	9.00	7.84	1.16
2000-01	9.50	7.24	2.25
2001-02	10.80	8.05	2.75

8.41 The persistent unspent provision during the last three years indicates that more efforts are required to implement the programme successfully.

#### **Grants-in-aid to Welfare Institutions**

##### **National Backward Classes Finance and Development Corporation**

8.42 The National Backward Classes Finance and Development Corporation was set up in January 1992 with the objective of providing concessional finance to the members of the Backward Classes living below the poverty line for their socio-economic development. Budget provisions of Rs 15.16 crore and Rs 68.10 crore was made during 2001-02 and 2000-01 respectively, but the entire amount remained unutilised. This was attributed to availability of unspent balance of the previous year with the Corporation.

##### **National Handicapped Finance and Development Corporation**

8.43 The objective of the National Handicapped Finance and Development Corporation includes providing concessional finance for disabled persons, upgrading of their skills, etc.

8.44 Budget provisions of Rs 9 crore and Rs 12 crore were allocated during the year 2001-2002 and 2000-2001 respectively for release of grants to the Corporation. No amount was released/utilized during these two years due to availability of unspent balance of the previous year with the Corporation.

#### **Persistent unspent provisions**

8.45 Under the sub-heads shown in **Appendix-XXVI** the budget provisions remained either unutilised or were re-appropriated to other sub-heads which indicated that the funds authorized by Parliament were not fully utilized for the scheme/activities under the said sub-heads.

## Chapter 9

### QUALITY OF GOVERNMENT ACCOUNTS

9.1 The Controller General of Accounts (CGA), in the Department of Expenditure, Ministry of Finance is the apex accounting authority for Union civil accounts. He is responsible for consolidation of monthly accounts of the Union government and for overseeing the observance of the required standards of accounting by the Central civil accounts offices. He obtains the details from the Controllers of accounts of the civil ministries for preparation of annual accounts of the union government, viz. summary civil appropriation accounts, and finance accounts including summary transactions of defence, railway, post and telecommunications.

#### Variation in book figure and accounts figure of RBI

9.2 Table 9.1 indicates the position of unreconciled balances for the last five years. The net cumulative difference of Rs 209 crore, which was mainly due to (i) non-receipt/delayed receipt of bank scrolls; (ii) non-receipt/delayed receipt of clearance memos and inter-government adjustments; (iii) mistakes in put through statements/misclassification, in accounts in government balances with those of RBI remaining unreconciled..

Table 9.1: Unreconciled balances

(Rupees in crore)

Year	Deposits with RBI		
	As per Finance Accounts	As per RBI	Difference
1997-98	3289	2679	610
1998-99	3525	2927	598
1999-2000	2661	2223	438
2000-01	3858	3623	235
2001-02	5353	5144	209

#### Outstanding balances in suspense heads

9.3 The RBI is the banker of the government and other authorised public sector banks function as the RBI's agents while handling government transactions. In government books certain transactions of receipts and payments, which cannot be booked to a final head of account due to lack of information as to their nature, or for other reasons are booked in intermediate heads of account known as 'suspense heads' pending their final classification.

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Table 9.2 presents outstanding balances in suspense heads as on 31 March 2002. The quality of maintenance of accounts needs to be improved to ensure that the balances in the suspense heads are kept to the bare minimum and to suitably annotate Finance Accounts, at respective places, as to the reasons.

**Table 9.2: Outstanding balances under major suspense heads**

*(Rupees in crore)*

Heads of account	Net Balance as on 31 March				
	1998	1999	2000	2001	2002
1. Suspense (PAO Suspense)	Dr. 201.60	Dr. 10.11	Cr. 281.11	Dr. 318.75	Dr. 565.12
2. Suspense Accounts (Civil)	Dr. 488.82	Dr. 529.89	Dr. 794.84	Dr. 506.94	Dr. 289.94
3. Suspense Accounts (Postal)	Dr. 760.17	Dr. 471.38	Dr. 93.97	Dr. 100.99	Cr. 7.47
4. Suspense Accounts (Defence)	Dr. 1621.72	Dr. 2417.07	Dr. 111.11	Cr. 628.67	Cr. 643.73
5. Suspense Accounts (Railways)	Dr. 163.79	Dr. 286.60	Dr. 175.26	Dr. 372.79	Dr. 568.02
6. Suspense Accounts (Telecom)	Dr. 1398.71	Dr. 1586.46	Dr. 1563.57	Dr. 923.75	Dr. 658.92
7. Public Sector Bank Suspense	Dr. 498.86	Dr. 742.77	Dr. 806.43	Dr. 586.55	Cr. 51.91
8. Suspense Account for purchases abroad	Dr. 1336.52	Dr. 1850.71	Dr. 1895.20	Dr. 1675.43	Dr. 697.45
9. Reserve Bank Suspense (HQ)	Cr. 369.32	Cr. 369.38	Cr. 173.52	Cr. 172.20	Cr. 172.26
10. Reserve Bank Suspense (CAO)	Cr. 23.94	Cr. 55.86	Dr. 67.85	Dr. 38.64	Cr. 8.69
11. Cash settlement Suspense	Dr. 258.15	Dr. 226.16	Dr. 222.18	Dr. 224.53	Dr. 206.97
12. Discount sinking fund	Dr. 3218.69	Dr. 1967.60	Dr. 794.94	0	0
13. Others	Dr. 1238.23	Dr. 930.49	Dr. 837.62	Dr. 1208.25	Dr. 1196.73
<b>Total</b>	<b>Dr. 10792.00</b>	<b>Dr. 10594.00</b>	<b>Dr. 6908.34</b>	<b>Dr. 5155.75</b>	<b>Dr. 3299.09</b>

### Adverse Balances

**9.4** Adverse balances arise largely due to accounting errors or accounting situations arising out of rationalisation of the classification of accounts or administrative re-organisation, which break up one accounting unit into many. For example, against the accounting head of any loan or advance, a negative balance will indicate more repayment than the original amount advanced. The Union finance accounts for the year 2001-02 indicated 51 cases of adverse balances, as shown in **Appendix-XXVII**. Out of these, 13 balances became adverse during the year 2001-02. Out of 38 old cases, two balances are adverse ever since 1976-77, i.e. pre departmentalised period and 36 balances are adverse from 1979-80 to 2000-01. The CGA stated in October 2002 that all items under adverse balances are under investigation and action is being taken in stages to liquidate the balances. It would be desirable to provide suitable explanatory memoranda in the Finance Accounts as to the specific nature of the transactions leading to the adverse balance and progress of

clearance in each case, to improve the quality of accounts, including those cases as might have been hidden during consolidation.

### Outstanding under 'Cheques and Bills'

**9.5** This head is an intermediary accounting device for initial record of transactions, which are eventually to be cleared/withdrawn. Under the scheme of departmentalisation of accounts, payment of claims against government is made by the PAOs of different Ministries/Departments by cheques drawn on branches of the RBI or PSU Banks accredited to the Ministry/Department. When claims are preferred in the appropriate bill form to the PAO/Departmental Officer, the payment is authorised through issue of cheques, after exercising the prescribed checks and recording of pay order by the PAO/Departmental officer. At the end of each month, the major head 8670-Cheques and Bills is credited by the total amount of the cheques delivered. On receipt of date-wise monthly statement and monthly statement of balances from Public Sector Banks and RBI Central Accounts Section, Nagpur, the head '8670-Cheques and Bills' is minus-credited and credit is afforded to 8658-108-PSB Suspense or 8675-101 Deposit with Reserve Bank-Central Civil, as necessary. Table 9.3 shows that there were large outstanding balances under the minor heads 'cheques and bills' in the Finance Accounts for 2001-02, which had the effect of overstating the government cash balance.

**Table 9.3: Outstanding balances under minor heads 2001-02**

<i>(Rupees in crore)</i>		
1. Pre-audit cheques	Cr.	0.51
2. Pay and Accounts Offices Cheques	Cr.	6209.75
3. Departmental Cheques	Cr.	99.68
4. Treasury Cheques	Cr.	4.62
5. IRLA Cheques	Cr.	0.59
6. Telecommunication Accounts Office Cheques	Cr.	1076.99
7. Postal Cheques	Cr.	5024.39
8. Railway Cheques	Cr.	691.46
9. Defence Cheques	Cr.	4114.24
10. Electronic Advices	Dr.	120.44

## Chapter-10

### MANAGING GOVERNMENT FINANCES: A GENERAL EVALUATION

#### Summary Indicators of Fiscal Performance

**10.1** Table 10.1 presents a summarized position of government finances over 1985-2002, with reference to certain key indicators that would help assess the adequacy and effectiveness of available resources, highlight areas of concern, and capture important facets of government finances.

**10.2** The revenue receipt/GDP ratio, the first indicator, indicates the adequacy of the present flow of resources for the provision of current services. Revenue receipts comprise both tax and non-tax receipts and also captures the element of recovery of user charges for social and economic services provided by the government. The second indicator of adequacy of resources is the tax-GDP ratio, a sub-set of the revenue receipts. This ratio indicates the government's access to such resources for which there is no direct service provision obligation. There is a marked decline in these ratios during the VIII and IX Plans indicating a declining adequacy of resources. The revenue receipt-GDP ratio recorded a steep fall in 2001-02. Compared to the average level of 13.95 *per cent* during 1985-90, the overall decline was more than 2 percentage points, which works out to a trend annual growth of (*minus*) 0.94 *per cent*.

**10.3** The buoyancy of taxes also declined from 1.039 during 1985-90 to 0.856 during 1997-2002. In the current year, it was negative as tax collections recorded a negative growth. A decline in buoyancy indicated that for each one *per cent* increase in GDP, tax collections were increasing at comparatively lower rates. The ratio of committed expenditure to revenue receipts is also an indicator of the adequacy of resources for capital formation, maintenance of assets already created and availability of funds for non-salary, non-interest purposes. This ratio moved upwards by nearly 20 percentage points from an average of 46.04 *per cent* during 1985-90 to 66.05 *per cent* in 2001-02.

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**Table 10.1 Summary of Indicators of Fiscal Performance**

	Revenue Receipt/ GDP	Tax/GDP	Committed Expenditure/ Total expenditure	Interest Payments/ revenue Receipts	Committed Expenditure/ Revenue Receipts	Total Expenditure/ GDP	Development Expenditure/ Total Exp <sup>*</sup>
	1	2	3	4	5	6	7
1985-2002	13.07	9.60	33.74	31.24	54.03	21.06	43.03
VII Plan (1985-90)	13.95	10.53	27.45	22.77	46.04	23.44	46.10
VIII Plan (1992-97)	12.74	9.34	34.91	33.54	54.43	19.91	42.37
IX Plan (1997-02)	12.45	8.70	39.69	38.04	62.55	19.62	40.68
Annual Values							
1999-2000	13.19	8.90	42.37	37.15	62.02	19.31	40.16
2000-2001	12.26	9.03	42.40	40.32	65.55	18.96	38.25
2001-02	11.58	8.16	39.33	43.04	66.05	19.44	38.74
	Fiscal deficit/ GDP	Revenue Deficit/ GDP	Primary Deficit/GDP	Revenue Deficit/ Fiscal Deficit	Per Capita Expenditure on Economic Services	Per Capita Expenditure on Social Services	Capital Expenditure/ GDP
	8	9	10	11	12	13	14
1985-2002	-6.91	-3.03	-2.87	45.36	718	79	2.16
VII Plan (1985-90)	-8.19	-2.39	-5.02	29.43	675	67	3.03
VIII Plan (1992-97)	-6.22	-2.85	-1.96	45.91	693	68	2.03
IX Plan (1997-01)	-6.27	-3.91	-1.55	62.42	793	104	1.37
Annual Values							
1999-2000	-5.38	-3.19	-0.47	59.41	790	116	1.50
2000-2001	-5.79	4.15	-0.85	71.65	756	114	1.22
2001-02	-6.80	-4.81	-1.82	70.78	825	95	1.37
	Internal Liabilities/ GDP	Total# Liabilities/ GDP	Average Interest Rate (internal debt)	Average Interest Rate (Total debt)	Debt <sup>⊕</sup> Repayment/ Debt Receipts	Balance from Current Revenue	Buoyancy of Taxes
	15	16	17	18	19	20	21
1985-2002	48.21	58.25	8.94	7.99	92.94	-9248	0.888
VII Plan (1985-90)	47.26	53.57	7.37	7.02	89.65	761	1.039
VIII Plan (1992-97)	47.69	61.39	9.29	7.84	93.10	-2191	0.967
IX Plan (1997-01)	49.28	58.94	10.39	9.02	94.48	-28622	0.856
Annual Values							
1999-2000	48.40	58.04	10.79	9.34	98.41	-14811	1.794
2000-2001	50.23	59.33	10.58	9.22	97.02	-35407	1.196
2001-02	52.37	61.09	10.48	9.22	91.72	-48647	-0.084

<sup>⊕</sup> Includes payment of interest Excludes Loans and Advances  
# at current exchange rate from 1991-92 and at historic rates prior to that

**10.4** The share of committed expenditure to total expenditure of the government indicates the extent of flexibility. A rising ratio would indicate a reduced availability of resources for new activities. The increase in this ratio

over the years, indicates a decline in government's fiscal flexibility. The ratio of interest payments to revenue receipts indicates the extent of availability of resources for current services. This ratio also increased by over 20 percentage points by 2001-02 compared to the VII Plan average pointing to a lower availability of resources for application to current services. The ratios of development expenditure to total expenditure and the capital expenditure to GDP also indicate a declining trend. Increasingly, a larger proportion of Government expenditure was incurred on non-developmental activities and Government was spending less for asset creation.

10.5 The ratios of deficits to GDP and the ratio of revenue deficit to the fiscal deficit indicate the vulnerability of the Union finances. Finances become vulnerable to the extent that fiscal deficit is not used for creating assets, as there is no addition to the repayment capacity since there is no asset back up for the liabilities incurred. This ratio increased from an average of 29.43 *per cent* during 1985-90 to 70.78 *per cent* in 2001-02, an increase of over 40 percentage points in a little over a decade. The continuous increase in fiscal deficit along with an increasing ratio of revenue deficit is in sharp contrast to the long-term target of complete elimination of revenue deficit by March 2006 and reduction of fiscal deficit GDP ratio to 2 *per cent* by then, as enunciated in the draft Fiscal Responsibility and Budget Management Bill (FRBM), 2000.

10.6 Debt redemption, inclusive of interest as a percentage of borrowing also indicates the degree of autonomy in utilizing available resources for capital formation and investment. The higher this ratio, lower is the amount available from borrowings for application for these activities. This ratio, at 91.72 in 2001-02, though it showed a marginal improvement over the long-term trend of 92.94 *per cent*, was still very high.

10.7 Sustainability of debt is the key issue in the assessment of government finances. The higher the debt to GDP ratio, the higher is likely to be the cost at which the government is able to borrow. Columns 17 and 18 of Table 10.1 give the movement of average interest rate on internal and total liabilities. Average interest rate on internal liabilities increased from an average of 7.37 *per cent* during 1985-90 to 10.48 percent in 2001-02. The average interest rate on internal liabilities exceeded the GDP growth in the last two years. This has made debt sustainability a critical issue. Further due to the overhang of debt, government could not derive much benefit from the softening of interest rates.

10.8 A reduction in the debt-GDP ratio is called for in the context of debt sustainability. The Eleventh Finance Commission had suggested a reduction of 5 percentage points in the debt-GDP ratio within five years time. The

FRBM, 2000 also envisages a reduction in total liabilities (including external debt at current exchange rate) of the Centre to no more than 50 *per cent* of GDP by March 2011. However, in the last three years, debt/GDP ratio increased significantly and reached 61.09 *per cent* in 200-02, which was nearly 3-percentage points higher than the trend average. The increasing debt-GDP ratio would make it increasingly difficult to attain the desirable level, consistent with sustainability, unless additional remedial measures are taken for medium term adjustment.

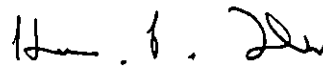
10.9 Compared to the period 1985-90, 16 of the 21 fiscal performance indicators show a worsening of the situation in 2001-02. The combined index of these fiscal indicators would be 0.848 in 2001-02 compared to one in 1985-90 indicating a deceleration of around 16 *per cent* in the overall fiscal health index of the Union government.

10.10 These issues and others pointed out elsewhere in the Report call for various measures of reform in government finances and accounts, including budgetary operations of the government.

New Delhi

Date

21 MAR 2002



(H.P. DAS)

Director General of Audit,  
Central Revenues

Countersigned



(VIJAYENDRA N. KAUL)

Comptroller and Auditor General  
of India

New Delhi

Date

21 MAR 2002



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**Appendix-I**  
(Refers to Paragraph 2.37)  
**Returns on Investment\***

*(Rupees in crore)*

Sl No	Investment at the end of the year	1997-98	1998-99	1999-00	2000-01	2001-02
1	Public Sector Undertakings & Statutory Corporations					
i	Total Investment	57119.91	60098.78	68714.24	72921.05	95727.73
ii	Share of dividend	1819.98	2383.57	3973.37	3179.49	7007.16
iii	Percentage of dividend	3.19	3.97	5.78	4.36	7.32
2	Nationalised Banks					
i	Total investment	15846.36	13672.62	13375.55	13375.55	14675.55
ii	Share of profits	314.52	384.19	394.86	464.88	504.88
iii	Percentage of profits	1.98	2.81	2.95	3.48	3.44
3	Life Insurance Corporation of India					
i	Total investment	5.00	5.00	5.00	5.00	5.00
ii	Share of surplus profits	199.87	235.70	267.95	161.39	93.00
iii	Percentage of surplus profits	3997.40	4714.00	5359.00	3228.20	1868.80
4	General Insurance Corporation					
i	Total Investment	215.00	215.00	215.00	215.00	215.00
ii	Share of dividend	64.50	64.50	64.50	64.50	43.00
iii	Percentage of dividend	30.00	30.00	30.00	30.00	20.00
5	Industrial Development Bank of India					
i	Total investment	500.00	500.00	500.00	500.00	500.00
ii	Share of surplus profits	169.95	218.51	218.51	243.76	171.78
iii	Percentage of profits	33.99	43.70	43.70	48.75	34.36
6	State Co-operative Banks and other banks					
i	Total Investment	1979.24	2232.50	2450.50	2551.11	2651.15
ii	Dividend received	31.30	41.29	43.70	42.06	45.13
iii	Percentage of dividend	1.58	1.85	1.78	1.65	1.70
7	Co-operative Societies					
i	Total Investment	699.23	700.91	703.02	703.69	704.80
ii	Dividend received	80.78	105.68	111.47	68.62	74.19
iii	Percentage of dividend	11.55	15.08	15.86	9.75	10.53
8	Cooperative Credit Societies					
i	Total Investment	0.10	0.11	0.11	0.11	0.11
ii	Dividend received	NA	NA		NA	NA
iii	Percentage of dividend	NA	NA		NA	NA

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*(Rupees in crore)*

Sl No	Investment at the end of the year	1997-98	1998-99	1999-00	2000-01	2001-02
9	International Bodies					
i	Total Investment	1092.84	1122.21	1285.32	1400.73	1431.71
10	Under Construction					
i	Total Investment	6314.65	7649.39	7649.44	7649.44	7654.48
<b>I</b>	<b>Total Investment</b>	<b>83772.33</b>	<b>86196.52</b>	<b>94898.18</b>	<b>99321.68</b>	<b>123565.57</b>
<b>II</b>	<b>Dividend received</b>	<b>2680.90</b>	<b>3433.44</b>	<b>5074.36</b>	<b>4224.72</b>	<b>7939.58</b>
<b>III</b>	<b>Percentage of dividend/ profits</b>	<b>3.20</b>	<b>3.98</b>	<b>5.35</b>	<b>4.25</b>	<b>6.43</b>

\* Excludes Reserve Bank of India

**Appendix-II**

(Refers to Paragraph 3.7)

**Total Expenditure of Union Government**

*(Rupees in crore)*

Year	Revenue	Capital	Loans & Advances	Total
1976-77	12286	1851	3517	17654
1977-78	13414	2243	4155	19812
1978-79	15265	2418	5666	23349
1979-80	17948	2439	4720	25107
1980-81	21096	3983	5664	30743
1981-82	23996	4299	6248	34543
1982-83	28813	4858	9769	43440
1983-84	33730	6276	9005	49011
1984-85	39758	7843	10173	57774
1985-86	49032	8900	13805	71737
1986-87	57911	10991	13431	82333
1987-88	65895	10523	13794	90212
1988-89	76415	11340	15205	102960
1989-90	90138	13399	17370	120907
1990-91	102964	13387	20708	137059
1991-92	116091	13911	18703	148705
1992-93	132794	20586	17619	170999
1993-94	152317	24650	21874	198841
1994-95	177699	19266	23898	220863
1995-96	198302	17544	24810	240656
1996-97	226372	15704	29035	271111
1997-98	277732	20225	35471	333428
1998-99	300456	25200	46594	372250
1999-00	343195	29023	27359	399577
2000-01	342647	25426	27761	395834
2001-02	375582	31295	38614	445491

**Appendix-III**

(Refers to Paragraph 4.7 and 4.8)

**Revenue, Fiscal, Primary Deficits and Interest Payment**

*(Rupees in crore)*

Year	Revenue Deficit	Fiscal Deficit	Primary Deficit	Interest	Percentage of Col. 5 to Col. 3
(1)	(2)	(3)	(4)	(5)	(6)
1976-77	(+) 280	4080	2706	1374	33.68
1977-78	(+) 429	4110	2589	1521	37.00
1978-79	(+) 292	5988	4159	1829	30.54
1979-80	696	6391	4181	2210	34.58
1980-81	1702	8888	6284	2604	29.30
1981-82	293	8667	5472	3195	36.86
1982-83	1254	12473	8535	3938	45.44
1983-84	2398	13934	9139	4795	38.44
1984-85	3498	17785	11811	5974	42.87
1985-86	5564	24404	16892	7512	42.24
1986-87	7579	27875	18629	9246	37.89
1987-88	9137	28273	17022	11251	40.36
1988-89	10515	32007	17729	14278	44.61
1989-90	11914	37222	19465	17757	47.71
1990-91	18561	45887	24389	21498	46.85
1991-92	16261	38835	12239	26596	68.48
1992-93	18574	47140	16065	31075	65.92
1993-94	32715	71676	34935	36741	51.26
1994-95	31029	62079	18019	44060	70.97
1995-96	29731	63689	13644	50045	78.58
1996-97	32654	68242	8764	59478	87.16
1997-98	59433	104621	38984	65637	62.74
1998-99	60567	113298	35416	77882	68.74
1999-00	61642	103750	9157	94593	91.18
2000-01	86611	120874	17650	103224	85.40
2001-02	110303	155833	41660	114173	73.27

**Appendix-IV**  
(Refers to Paragraph 4.20)  
**Expenditure financed by borrowings**

*(Rupees in crore)*

Year	Revenue	Capital	Loans and Advances	Total
1976-77	--*	1850	2230	4080
1977-78	--*	2243	1867	4110
1978-79	--*	2404	3584	5988
1979-80	696	2436	3259	6391
1980-81	1702	3983	3203	8888
1981-82	293	4299	4075	8667
1982-83	1254	4822	6397	12473
1983-84	2398	6276	5260	13934
1984-85	3498	7843	6444	17785
1985-86	5565	8900	9940	24405
1986-87	7579	10990	9306	27875
1987-88	9137	10523	8613	28273
1988-89	10515	11340	10152	32007
1989-90	11914	13399	11909	37222
1990-91	18561	13387	13939	45887
1991-92	16261	10873	11701	38835
1992-93	18574	18625	9941	47140
1993-94	32715	24698	14263	71676
1994-95	31029	13659	17391	62079
1995-96	29731	16147	17811	63689
1996-97	32654	15249	20339	68242
1997-98	59433	19313	25875	104621
1998-99	60567	19326	33405	113298
1999-00	61642	27299	14808	103749
2000-01	86611	23301	10962	120874
2001-02	110303	27649	17881	155833

\* There was a revenue surplus of Rs 280 crore, Rs 429 crore and Rs 292 crore during 1976-77, 1977-78 and 1978-79 respectively.

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**Appendix-V**  
(Refers to Paragraph 5.3)  
**Total liability of the Union Government**

*(Rupees in crore)*

Year	Internal Debt	External Debt		Public Account		Total Liability	
		At historical rate	At current rate	Small Savings, Provident Fund etc.	Reserve Fund & Deposits	At historical rate	At current rate
1976-77	14458	8611	*	7709	2830	33608	*
1977-78	18996	8985	*	9130	3062	40173	*
1978-79	19855	9373	*	10756	3499	43483	*
1979-80	24319	9964	*	12486	3445	50214	*
1980-81	30864	11298	*	13953	3633	59748	*
1981-82	35653	12328	*	16578	3626	68185	*
1982-83	46939	13682	*	19887	4364	84872	*
1983-84	50264	15120	*	23874	6003	95261	*
1984-85	58537	16636	*	29705	8563	113441	*
1985-86	71039	18153	*	36859	11433	137484	*
1986-87	86312	20299	*	44928	15006	166545	*
1987-88	98646	23223	*	54528	19165	195562	*
1988-89	114498	25746	*	68536	20991	229771	*
1989-90	133193	28343	*	87065	19592	268193	*
1990-91	154004	31525	*	107107	21922	314558	*
1991-92	172750	36948	109608	121500	23464	354662	427322
1992-93	199100	42269	120813	136802	23752	401923	480467
1993-94	245712	47345	127798	160355	24556	477968	558421
1994-95	266467	50928	142389	192222	28993	538610	630071
1995-96	307869	51249	148583	213435	33680	606233	703567

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Year	Internal Debt	External Debt		Public Account		Total Liability	
		At historical rate	At current rate	Small Savings, Provident Fund etc.	Reserve Fund & Deposits	At historical rate	At current rate
1996-97	344475	54239	149077	239042	37919	675675	770513
1997-98	388998	55332	161442	291867	42097	778294	884404
1998-99	459696	57254	177934	333261	41595	891806	1012486
1999-00	714254	58437	186075	172212	47508	992411	1120049
2000-01	803698	65945	190017	186592	58535	1114770	1238842
2001-02	913061	71546	199897	213449	73133	1271189	1399540

\* Current rate of exchange is not available.



**Appendix-VI**

(Refers to Paragraph 5.18)

**Unutilised external assistance – Sector-wise**

*(Rupees in crore)*

Sl. No.	Sector	Unutilised external assistance at current rate
1.	Power	19058.99
2.	Roads	11114.60
3.	Social	9275.06
4.	Urban Development	8139.81
5.	Water Resources Management	6073.73
6.	Agriculture and Rural Development	4685.72
7.	Environment and Forestry	1250.85
8.	Others	690.13
9.	Railways	526.31
10.	Energy (Non-conventional)	452.02
11.	Structure adjustment/Fast disb.	365.48
12.	Infrastructure sector (General)	316.09
13.	Infrastructure sector (Telecom)	282.10
14.	Industry and Finance	188.35
15.	Coal	62.90
16.	Fertilizer	42.28
17.	Infrastructure sector (Port)	40.47
<b>Total</b>		<b>62564.89</b>

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**Appendix-VII**  
(Refers to Paragraph 6.4)  
**Authorisation and Disbursements**

(Rupees in crore)

Nature of disbursements	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual disburse- ments	Unspent provision
<b>A - Civil</b>					
<b>Voted</b>					
I. Revenue	158814.38	20256.12	179070.50	169841.96	9228.54
II. Capital	20389.10	3841.78	24230.88	17136.37	7094.51
III. Loans and Advances	5214.95	9620.00	14834.95	14596.06	238.89
<b>Total</b>	<b>184418.43</b>	<b>33717.90</b>	<b>218136.33</b>	<b>201574.39</b>	<b>16561.94</b>
<b>Charged</b>					
IV. Revenue	131177.59	13.30	131190.89	128048.40	3142.49
V. Capital	34.94	0.98	35.92	22.56	13.36
VI. Public Debt	285150.44	40628.00	325778.44	321724.80	4053.64
VII. Loans and Advances	21339.17	3334.09	24673.26	24153.84	519.42
<b>Total</b>	<b>437702.14</b>	<b>43976.37</b>	<b>481678.51</b>	<b>473949.60</b>	<b>7728.91</b>
<b>Grand Total</b>	<b>622120.57</b>	<b>77694.27</b>	<b>699814.84</b>	<b>675523.99</b>	<b>24290.85</b>
<b>B - Posts</b>					
Voted	5396.98	0.02	5397.00	5246.48	150.52
Charged	0.02	5.85	5.87	6.04	(0.17)*
<b>Total</b>	<b>5397.00</b>	<b>5.87</b>	<b>5402.87</b>	<b>5252.52</b>	<b>150.35</b>
<b>C - Defence Services</b>					
Voted	64042.62	536.91	64579.53	56305.62	8273.91
Charged	25.11	3.00	28.11	20.58	7.53
<b>Total</b>	<b>64067.73</b>	<b>539.91</b>	<b>64607.64</b>	<b>56326.20</b>	<b>8281.44</b>
<b>D - Railways</b>					
Voted	66062.35	3101.34	69163.69	64091.45	5072.15
Charged	26.87	15.34	42.21	34.23	7.98
<b>Total</b>	<b>66089.22</b>	<b>3116.68</b>	<b>69205.90</b>	<b>64125.77</b>	<b>5080.13</b>
<b>Total</b>	<b>Voted 319920.38.</b>	<b>37356.17</b>	<b>357276.55</b>	<b>327218.03</b>	<b>30058.52</b>
<b>CFI</b>	<b>Charged 437754.14</b>	<b>44000.56</b>	<b>481754.70</b>	<b>474010.45</b>	<b>7744.25</b>
<b>Grand Total</b>	<b>757674.52</b>	<b>81356.73</b>	<b>839031.25</b>	<b>801228.48</b>	<b>37802.77</b>
<b>CFI</b>					

Note: In demands for grants, provision for the charged disbursements is called appropriation and for voted disbursements, it is called grant.

CFI: Consolidated Fund of India

\* Excess

**Appendix-VIII**  
(Refers to Paragraph 6.6)  
**Net Unspent Provision in Grants/Appropriations**

*(Rupees in crore)*

Grants and Appropriations affected	Unspent provision		Excess		Net unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
<b>A - Civil</b>						
Voted	9228.54	7333.40	-	850.22	9228.54	6483.18
No. of grants	89	70		3		
Charged	3142.49	4586.42	28.39	0.06	3114.10	4586.36
No. of Appropriations	32	15	1	1		
<b>B - Posts</b>						
Voted	95.06	55.46	-	-	95.06	55.46
No. of grants	1	1				
Charged			0.01	0.16		
No. of Appropriations			1	1		
<b>C - Defence Services</b>						
Voted	4523.96	3749.95		-	4523.96	3749.95
No. of grants	4	1				
Charged	3.87	3.66	-	-	3.87	3.66
No. of Appropriations	4	1				
<b>D - Railways</b>						
Voted	2508.52	2779.08	215.45	-	2293.07	2779.08
No. of grants	13	5	2	-	-	-
Charged	8.12	0.84	0.49	0.48	7.63	0.36
No. of Appropriations	6	1	5	1	-	-

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**Appendix-IX**  
(Refers to Paragraph 6.7)  
**Proportion of Charged and Voted Disbursements**

(Rupees in crore)

Sl. No	Year	Authorisation			Disbursements			%age of Voted	%age of Charged
		Voted	Charged	Total	Voted	Charged	Total		
<b>A. Civil</b>									
1.	1991-92	63814	142537	206351	58202	122373	180575	32	68
2.	1992-93	74367	141321	215688	68904	134672	203576	34	66
3.	1993-94	88069	203866	291935	82497	188621	271118	30	70
4.	1994-95	94380	254781	349161	87054	216958	304012	29	71
5.	1995-96	96720	282079	378799	90196	231831	322027	28	72
6.	1996-97	107583	313320	420903	96316	280355	376671	26	74
7.	1997-98	145613	486038	631651	132239	452232	584471	23	77
8.	1998-99	139083	504105	643188	139488	468679	608167	23	77
9.	1999-00	157780	512075	669855	148642	453196	601838	25	75
10.	2000-01	173677	530530	704207	160753	405289	566042	28	72
11.	2001-02	218136	481679	699815	201574	473950	675524	30	70
<b>B. Posts</b>									
	2001-02	5397	6	5403	5246	6	5252	100	--
<b>C. Defence Services</b>									
	2001-02	64580	28	64608	56306	20	56326	100	--

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**Appendix-X**  
(Refers to Paragraph 6.10)

**Instances of additional allocation and the percentage to original allocation**

(Rupees in crore)

Sl. No.	Sub-head	Authorised Allocation	Additional Allocation made through re-appropriation	Percentage to authorised allocation	Reasons
<b>Grant No. 22-Ministry of External Affairs</b>					
1.	Central Passport and Emigration Organisation	98.48	1.19	1	More expenditure on computerisation of passport offices, more expenditure on printing forms etc.
2.	SCAAP Programme	4.10	2.00	49	Increase in the number of foreign trainees and also increase in airfare and hotel tariff.
3.	Loans to Govt. of Bangladesh	105.45	13.35	13	More loans to purchase of finished goods from India, as a part of bilateral agreement.
<b>Grant No. 23-Department of Economics Affairs</b>					
4.	Loan to Myanmar - New Credit	10.00	8.20	82	More receipt of claims from exporters.
<b>Grant No. 24-Currency, Coinage &amp; Stamps</b>					
5.	Imports of coins from abroad	250.00	23.00	9	More funds for import of coins and exchange rate variation.
<b>Appropriation No. 26-Interest Payments</b>					
6.	Interest on Market Loans	54668.00	286.99	1	Higher market borrowing than anticipated.
7.	Discount on Treasury Bills -91 days Treasury Bills	161.00	179.00	111	Hike in notified amount from Rs 100 crore to Rs 250 crore per auction
8.	Interest on Ways & Means Advances	438.00	85.00	19	Increase in ways and means advances.
9.	Compensation and Other Bonds	1301.92	71.10	5	Actual requirement under various relief of bonds schemes.
10.	Management of Debt.	157.00	43.00	27	More claims from RBI for management charges and floatation charges etc.
11.	Interest on loans from Government of France	101.32	1.52	1	Addition of new repayment schedule.

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Sl. No.	Sub-head	Authorised Allocation	Additional Allocation made through re-appropriation	Percentage to authorised allocation	Reasons
12.	Interest on loan from Federal Republic of Germany	100.29	4.59	5	Upward exchange rate movement
13.	Interest on Loan from IDA	654.89	14.98	2	More drawal than anticipated.
14.	Interest on Loan from Govt. of Netherlands	47.99	1.81	4	Upward movement of exchange rate vis-à-vis rupee.
15.	Interest on loan from ADB.	779.08	9.96	1	Introduction of new loans for which budget provisions was not made.
16.	Special Deposit of ESIC	287.94	68.45	24	Less than anticipated withdrawal from the fund resulting in more payment of interest.
17.	Special deposit of Provident Superannuation Gratuity Fund	10500.00	800.00	8	Spill over payments pertaining to previous years.
18.	Interest on deposits schemes for retiring employees of Public Sector Undertakings	3.00	7.00	233	More collection under the scheme.
19.	Other Expenses relating to deposit scheme for retiring employees	0.02	1.30	6500	Increase in the anticipated collection under the deposit scheme for retiring employees resulted in upward revision of estimates for payment of other charges
20.	Interest on Railway Depreciation Reserve Funds	5.37	10.89	203	Higher appropriation than withdrawal so the net assertion to the fund increased during the year.
21.	Interest on Railway Pension Fund	7.94	1.30	16	-do-
22.	Interest u/s 18(6) of Sick Textiles Undertaking (Nationalisation) Act, 1974	0.00	2.36	-	Re-calculation of interest in accordance with statutory provisions which were earlier inadvertently misinterpreted.
23.	Interest u/s. 16(3) of Swadeshi Cotton Mills Co. Ltd.	0.00	12.37	-	-do-

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Sl. No.	Sub-head	Authorised Allocation	Additional Allocation made through re-appropriation	Percentage to authorised allocation	Reasons
24.	Interest on Deposits of National Backward, Classes Finance Development Corporation	7.00	4.00	57	Late release of deposits to National Backward Classes Finance Development Corporation than anticipated.
25.	Interest on deposits scheme for retiring Govt. employees	27.00	23.00	85	Due to more collection under the scheme
<b>Grant No. 27-Transfer to State and UT Governments</b>					
26.	Assistance to States from NCCF for calamities of severe nature	0.00	1368.68	-	Release of funds linked to occurrence of natural calamity.
27.	Additional External Assistance for Externally aided Projects	3555.00	297.34	8	Release based on reimbursement received from external agencies.
28.	Special Central Assistance to Manipur	0.00	326.70		Decision made at the fag end of the year to sanction special central assistance to Manipur.
29.	Accelerated Irrigation Benefit Programme	2000.00	601.98	30	Excess release recommended under normal and fast tract programme approval by Cabinet.
30.	Central Assistance for Non-lapsable Pool of Resources for NE and Sikkim	0.00	48.05	-	As per release on the recommendations made by Planning Commission.
<b>Grant No. 33-Deptt. of Revenue</b>					
31.	Neemuch Opium Factory Management	9.00	1.09	12	Higher apportionment expenditure of Central Bureau of Narcotics on Neemuch Opium Factory.
32.	Ghazipur Alkaloid Works Management	13.22	3.89	29	Diversion of imported Codeine Phosphate from Neemuch Works.
33.	Ghazipur Alkaloid Works -Other expenditure	5.13	2.71	53	Higher procurement cost of opium and basic raw materials.

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Sl. No.	Sub-head	Authorised Allocation	Additional Allocation made through re-appropriation	Percentage to authorised allocation	Reasons
34.	Neemuch Alkaloid Works - Other expenditure	10.02	4.75	47	Higher procurement cost of opium basic raw materials.
<b>Grant No. 34-Direct Taxes</b>					
35.	Research, Statistics & Publication	23.43	8.47	36	Clearance of bills of various Govt. Presses and purchase of other equipments.
36.	Income Tax- Commissions and their offices	879.23	24.99	3	Filling up of more posts and purchases of office equipments.
37.	Zonal Accounts Offices of Principal Chief Controller of Accounts	11.57	2.88	25	Computerisation in ZAO's.
<b>Grant No. 35-Indirect Taxes</b>					
38.	Sea Customs - Major Ports	114.74	4.48	4	Lump sum payment made to Deptt. of Posts on foreign parcels
39.	Union Excise Duties - Direction and Administration Inspection	8.07	1.84	23	Centralized payment on computerization of newly created commissionerates
40.	Commissonerates	254.63	6.81	2	More demand for the newly created offices.
41.	Pay & Accounts offices, (CE) of Principal CCA, CBEC	9.76	3.17	32	More requirement for computerization of PAO 2000
<b>Grant No 38-Department of Health</b>					
42.	National Leprosy Control Programme	51.64	1.51	3	Additional expenditure by leprosy control societies
43.	Grants to Lala Ramswarup Institute of TB and Allied Diseases	13.10	1.25	10	Construction of OPD block of the Institute
44.	Assistance for Hospitalisation of poor	4.00	1.08	27	Additional expenditure by Govt of A.P.
45.	Clearance and Handling of International stores	2.45	1.87	76	Clearance of old outstanding dues of DGS&D, Mumbai



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Sl. No.	Sub-head	Authorised Allocation	Additional Allocation made through re-appropriation	Percentage to authorised allocation	Reasons
<b>Grant No. 41-Ministry of Home Affairs</b>					
46.	Sectt.- Ministry of Home Affairs	59.99	2.39	4	Payment made to Ministry of Defence, reimbursement of expenditure on Gurudwara elections and expenditure on the criminal justice system reforms committee etc.
<b>Grant No. 42-Cabinet</b>					
47.	Tour expenses-Cabinet Ministers	26.00	11.00	42	Receipt of bills from Air India in respect of the tours of last year and increase in number of tours.
<b>Grant No. 43-Police</b>					
48.	Indo Pak Border Works	21.60	6.35	29	Increase in cost of index.
49.	Assam Rifles Direction and Administration	650.87	17.66	3	Meeting of liability of previous years, procurement of vehicles ordinance and signal systems.
50.	Special Police-Charges paid in respect of J&K Light Infantry	192.97	7.37	4	Increase in court cases on all sectors.
51.	Director General of Border Security Force	2190.95	40.53	2	Procurement of arms and ammunitions clearance of pending liabilities, hike in petroleum prices etc.
52.	Delhi Police-Direction and Administration.	69.86	12.49	18	Clearance of pending claims and increase in cost index.
53.	Education & Training	9.36	1.75	19	Settlement of pending claims, hiring of vehicles and procurement of equipments
54.	District Police	268.93	11.49	4	Transfer of higher grade incumbents to from other units, hike in electricity charges, more payment of legal charges etc.

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Sl. No.	Sub-head	Authorised Allocation	Additional Allocation made through re-appropriation	Percentage to authorised allocation	Reasons
<b>Grant No. 44-Other Expenditure of Ministry of Home Affairs</b>					
55.	Grants in aid to Medical Colleges Institutions Regional Institute of Medical Sciences Imphal	20.00	1.50	8	Meeting the expenditure of committed liabilities.
56.	Schemes of North Eastern Council-Special Development Projects	141.10	2.00	1	Adaptation of zero based budgeting system and completing of on going schemes as per Planning Commission's advise.
57.	Civic Action Programme in North Eastern Region	5.00	1.90	38	Requirement of additional funds for providing civic amenities to people living near the CPMF campus.
<b>Grant No. 45-Transfer to Union Territory Governments</b>					
58.	Block Loan NCT of Delhi	256.30	3.06	3	Additional fund for Pradhan Mantri Gramodyog Yojna/ Gramodyog Sadak Yojna/ Road Development
<b>Grant No.46-Department of Elementary Education and Literacy</b>					
59.	Sarva Shiksha Abhiyan	482.94	14.86	3	Release of more fund to State Govts.
<b>Grant No. 48- Department of Women and Child Development</b>					
60.	Grants under Training programme of ICDS	34.70	15.00	43	More fund required for ICDS Training programme by State Govts.
<b>Grant No. 51-Information &amp; Broadcasting</b>					
61.	Directorate of Advertising and Visual Publicity	56.46	1.53	3	More tour, publicity activity and cost of stationary
62.	Transfer to Journalist Welfare Funds	1.00	4.00	400	Enhanced initial contribution to the fund
63.	Prasar Bharati	4384.51	15.62	-	Inherent expenditure for NE region.
<b>Grant No. 78-Department of Culture</b>					
64.	Grants to Other Cultural Institutions	48.94	2.77	6	Requirement of more funds for Udaya Sankar Centenary Celebration, Purchase of Technical Equipments, etc.
65.	Indian Museum Calcutta	7.20	1.00	14	More requirement of funds for transportation/ mounting of exhibits, hospitality of guests/artist.

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Sl. No.	Sub-head	Authorised Allocation	Additional Allocation made through re-appropriation	Percentage to authorised allocation	Reasons
<b>Grant No. 85-Social Justice &amp; Empowerment</b>					
66.	Handling, Clearance of Duty-free Consignment under bi-lateral Agreements	3.00	5.00	167	Clearance of pending bills and forwarding charges for foreign gift items.
67.	Welfare of SCs-Special Central Assistant for SCs-Component Plan	405.45	46.31	11	Meeting the gap of requirements of States
68.	Prevention and Control of Juvenile maladjustments	10.91	3.64	33	Increase in rates of maintenance grants for inmates
69.	Scheduled Casts and Scheduled Tribes Finance and Development Corporation	10.00	15.00	150	More proposals for release of funds to eligible schedule caste beneficiary
<b>Grant No. 86-Ministry of Youth Affairs and Sports</b>					
70.	Scheme for Assisting Promising Sports Persons and Supporting Personnel	1.00	1.40	140	Receipt of more number of viable proposals.
71.	Scheme for creation of sports infrastructures	6.25	2.48	40	Transfer of funds for North-Eastern Area.
72.	Grants to Sports Federation	17.50	12.42	71	Preparation of teams for First Afro Asian Games

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**Appendix-XI**  
(Refers to Paragraphs 6.10 and 7.24)  
**Position of Original and Supplementary Grants/Appropriations**

(Rupees in crore)

Year	Provision	Revenue		Capital					Total
		Voted	Charged	Voted		Charged			
				Capital	Loans & Advances	Public Debt	Capital	Loans & Advances	
1996-97	Original	86187	87431	9042	6790	201914	9	22202	413575
	Supplementary	4378	55	767	418	-	11	1698	7327
	Percentage	5	0.1	8	6	-	122	8	2
1997-98	Original	94519	97177	9907	6258	227229	8	25150	460248
	Supplementary	30641	62	3507	781	130735	4	5673	171403
	Percentage	32	0.1	35	12	58	50	23	37
1998-99	Original	109434	105200	18600	6724	359080	16	29687	628741
	Supplementary	3329	32	43	953	-	23	10068	14448
	Percentage	3	0.03	0.23	14	-	144	34	2
1999-00	Original	118638	121084	18582	5638	360893	107	17963	642905
	Supplementary	12780	8438	1545	597	-	16	3573	26949
	Percentage	11	7	8	11	-	15	20	4
2000-01	Original	132204	153591	14185	5775	354767	25	21216	681763
	Supplementary	19672	19	486	1355	-	6	906	22444
	Percentage	15	-	3	23	-	24	4	3
2001-02	Original	158814	131178	20389	5215	285150	35	21339	622120
	Supplementary	20256	13	3842	9620	40628	1	3334	77694
	Percentage	13	-	19	184	14	3	16	13

**Appendix-XII**

(Refers to Paragraph 6.12).

**Rush of Expenditure during the Month of March/Last Quarter of the Financial Year 2001-2002**

<i>(Rupees in crore)</i>						
Sl. No.	Description of the Grant and Major Head	Total expenditure under major head	Expenditure in March	Percentage of expenditure in March to total expenditure	Expenditure during last quarter of the financial year	Percentage of expenditure in last quarter to total expenditure
<b>1 – Department of Agriculture and Cooperation</b>						
1.	2425 - Co-operation	32.66	20.42	63	20.73	63
2.	2435 - Other Agricultural Programmes	44.95	21.65	48	26.77	60
3.	4401 - Capital Outlay on Crop husbandry	5.64	2.28	40	4.44	79
<b>3 – Department of Animal Husbandry &amp; Dairying</b>						
4.	2403 - Animal Husbandry	88.13	49.92	57	60.51	69
5.	4403 - Capital outlay on Animal Husbandry	0.45	0.45	100	0.45	100
6.	4404 - Capital outlay on Dairy Development	1.93	1.46	76	1.73	90
7.	4405 - Capital outlay on Fisheries	2.26	2.26	100	2.26	100
<b>4 – Department of Food Processing Industries</b>						
8.	2408 - Food Storage and Warehousing	22.06	12.08	55	16.43	74
<b>5 – Department of Chemicals and Petrochemicals</b>						
9.	2852 - Industries	50.01	-	-	27.88	56
10.	6857 - Loan for Chemicals & Pharmaceutical Industries	172.23	-	-	88.40	51
<b>6. Department of Fertilizers</b>						
11.	3475 - Other General Economic Services	356.62	356.62	100	356.62	100
<b>7 – Ministry of Civil Aviation</b>						
12.	5053 - Capital Outlay on Civil Aviation	27.23	25.14	92	25.16	92
<b>8. Ministry of Coal</b>						
13.	2230 - Labour & Employment	29.95	-	-	20.40	68
<b>9 – Department of Commerce</b>						
14.	3601 - Grants-in-aid to State Governments	84.77	44.02	52	54.43	64
<b>20 – Department of Disinvestment</b>						
15.	3451-Secretariat Economic Services	7.51	3.51	47	4.68	62

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<b>23-Department of Economic Affairs</b>						
16.	2070-Other Administrative Services	22.63	6.98	31	10.42	46
17.	3054- Road and Bridges	600.00	600.00	100	600.00	100
18.	3075-Other Transport Services	896.10	896.10	100	896.10	100
19.	3475-Other General Economic Services	32.31	23.05	71	23.45	73
<b>24-Currency, Coinage and Stamps</b>						
20.	2046-Currency, Coinage and Mints	556.87	121.78	22	224.92	40
21.	2047-Other Fiscal Services	216.46	54.49	25	84.91	39
<b>25-Payments to Financial Institutions (Ministry of Finance)</b>						
22.	2075-Miscellaneous General Services	125.00	125.00	100	125.00	100
23.	3052-Shipping	0.03	0.03	100	0.03	100
24.	3465-General Financial and Trading Institutions	300.00	300.00	100	300.00	100
25.	3466-International Financial Institutes	0.45	0.45	100	0.45	100
26.	3475-Other General Economic Services	1403.40	996.25	71	997.31	71
27.	4885-Other Capital Outlay on Industries and Minerals	100.00			100.00	100
28.	5465-Investment in General Financial and Trading Institutions	1300.00	1300.00	100	1300.00	100
29.	5466-Investment in International Financial Institutions	30.98	10.70	35	10.70	35
<b>27-Transfers to State and Union Territory Governments (Ministry of Finance)</b>						
30.	2075-Miscellaneous General Services	4.19	4.19	100	4.19	100
31.	2245-Relief on account of Natural Calamities	3618.68	2118.68	59	2368.68	65
32.	3601-Grants-in-aid to State Governments.	28864.34	8682.62	30	20629.65	71
33.	3602-Grants-in-aid to Union Territory Governments	325.00	325.00	100	325.00	100
<b>30-Department of Expenditure</b>						
34.	4070-Capital Outlay on Other Administrative Services	3.65	2.35	64	2.68	73
35.	4216-Capital Outlay on Housing	2.97	2.97	100	2.97	100

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<b>34-Direct Taxes</b>						
36.	4059- Capital Outlay in Public Works	52.00	34.00	65	34.00	65
<b>35-Indirect Taxes</b>						
37.	4047-Capital Outlay on Other Fiscal Services	229.58	144.56	63	173.77	76
38.	4059-Capital Outlay on Public Works	1.94	-	-	1.85	95
39.	4216-Capital Outlay on Housing	10.82	5.62	52	6.33	59
<b>36 Department of Consumer Affairs</b>						
40.	2852 - Industries	1.94	-	-	1.94	100
<b>38 - Department of Health</b>						
41.	3601-Grants-in-aid to State Governments	357.66	122.42	34	170.74	48
42.	3602-Grants-in-aid to U.T. Governments	2.78	2.31	83	2.49	90
43.	3606-Aid Materials and Equipments	25.30	17.30	68	18.30	72
44.	4210-Capital Outlay on Medical and Public Health	267.91	63.03	24	105.83	40
<b>39-Department of ISM &amp; H</b>						
45.	2251-Secretariat Social Service	3.32	1.07	32	1.49	45
46.	2210-Medical and Public Health	110.13	33.78	31	53.18	48
47.	3601-Grants-in-aid to State Government	11.00	4.65	42	11.00	100
<b>40-Department of Family Welfare</b>						
48.	2211-Family Welfare	1296.35	739.16	57	993.40	77
49.	3606-Aid Material and Equipments	57.29	57.29	100	57.29	100
<b>41-Ministry of Home Affairs</b>						
50.	3454-Census, Surveys and Statistics	144.48	54.32	38	78.98	55
51.	4059 Capital Outlay on Public Works	22.24	9.50	43	11.40	51
52.	4216-Capital Outlay on Housing	2.66	0.74	28	1.33	50
<b>42-Cabinet</b>						
53.	4055-Capital Outlay on Police	6.56	2.02	31	4.55	69
<b>43-Police</b>						
54.	3601-Grants-in-aid to State Governments	1073.66	235.79	22	753.00	70
55.	4055-Capital Outlay on Police	634.87	122.14	19	556.98	88

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<b>44-Other Expenditure of Ministry of Home Affairs</b>						
56.	2056-Jails	0.37	0.22	59	0.29	79
57.	2250-Other Social Services	1.70	1.28	75	1.40	82
58.	3475-Other General Economic Services	1.22	0.53	43	0.53	43
59.	3601-Grants-in-aid to State Governments	187.63	65.43	35	109.32	58
<b>45-Transfers to Union Territory Governments</b>						
60.	3602-Grants-in-aid to Union Territory Governments	603.70	-	-	373.36	62
<b>46-Department of Elementary Education and Literacy</b>						
61.	2251-Sectt. Social Services	3.42	1.67	49	2.10	61
62.	3601-Grants-in-aid to State Governments	1153.42	208.80	18	491.50	43
<b>47-Department of Secondary Education and Higher Education</b>						
63.	2013-Council of Ministers	0.01	0.01	100	0.01	100
64.	2203-Technical Education	1185.46	651.61	55	479.27	40
65.	2204-Sports and Youth Services	0.60	0.36	60	0.21	35
66.	3601-Grants-in-aid to State Governments	272.58	220.86	81	176.92	65
<b>48-Department of Women and Child Development</b>						
67.	2235-Social Security and Welfare	191.48	85.31	45	101.40	53
68.	3602-Grants-in-aid to Union Territory Governments	9.86	2.98	30	3.27	33
<b>49 Department of Public Enterprises</b>						
69.	2852 - Industries	6.80	4.97	73	5.30	78
<b>50 Department of Heavy Industry</b>						
70.	2852 - Industries	313.97	-	-	239.09	76
71.	4854 - Mineral Industries	1.87	1.87	100	1.87	100
72.	4858 - Capital outlay on Engineering Industries	684.60	-	-	683.20	100
73.	4860 - Capital outlay on Consumer Industries	9.14	9.14	100	9.14	100
<b>51-Ministry of Information and Broadcasting</b>						
74.	4220-Capital Outlay on Information and Publicity	7.87	3.39	43	4.65	59
<b>53-Ministry of Labour</b>						
75.	6250-Loans for Other Social Services	0.06	0.06	100	0.06	100



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<b>54-Law and Justice</b>						
76.	2014-Administration of Justice	33.31	23.98	72	26.25	79
77.	2070-Other Administrative Services	5.25	2.31	44	2.73	52
78.	3602-Grants-in-aid to U.T. Governments	4.85	-	-	2.48	51
<b>58 Ministry of Mines</b>						
79.	4853 - Capital Outlay on Metallurgical Industries	96.25	86.25	90	86.25	90
<b>61-Ministry of Personnel, Public Grievances and Pensions</b>						
80.	4055-Capital outlay on Police	0.12	0.12	100	0.12	100
81.	4059-Capital Outlay on Public Works	1.28	0.01	1	0.69	54
<b>63-Ministry of Planning</b>						
82.	5475-Capital Outlay on Other General Economic Services	4.32	3.40	79	3.40	79
<b>64 Ministry of Power</b>						
83.	3601 - Grants-in-aid to state Governments	10.58	10.50	99	10.50	99
<b>65 Department of Rural Development</b>						
84.	3054 - Roads & Bridges	5000.00	4032.98	81	5000.00	100
85.	4216 - Capital outlay on Housing	50.00	-	-	50.00	100
<b>71 Ministry of Small Scale Industries and Agro and Rural Industries</b>						
86.	2851 - Village and Small Industries	703.63	-	-	371.71	53
87.	3601 - Grants-in-aid to state Governments	3.72	-	-	2.29	62
88.	4851 - Capital outlay on Village and Small Industries	2.80	2.09	75	2.58	92
<b>72-Ministry of Statistics and Programme Implementation</b>						
89.	5475-Capital Outlay on Other General Economic Services	4.74	2.41	51	3.62	76
<b>75 Ministry of Shipping</b>						
90.	3051 - Ports & Lighthouses	408.33	171.99	42	388.28	95
91.	3056 - Inland Water Transport	476.67	444.46	93	448.50	94
92.	5052 - Capital outlay on Shipping	28.61	22.92	80	24.46	85
<b>76 Ministry of Textiles</b>						
93.	3453 - Foreign Trade & Export Promotion	2.94	2.16	73	2.28	78
94.	3601 - Grants-in-aid to state Governments	80.49	44.10	55	49.22	61

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95.	4851 - Capital outlay on Village & Small Industries	14.00	8.89	63	10.01	71
<b>78-Department of Culture</b>						
96.	2205-Art and Culture	431.38	101.21	23	179.87	42
97.	3601-Grants-in-aid to State Governments	2.40	1.47	61	1.96	82
<b>83 Department of Urban Employment &amp; Poverty Alleviation</b>						
98.	2216 - Housing	82.61	75.22	91	77.49	93
99.	4552 - Capital outlay on North Eastern Arcas	33.00	33.00	100	33.00	100
100.	3601 - Grants-in-aid to state Governments	42.70	24.24	57	30.79	72
101.	3602 - Grants-in-aid to union Territory Govts.	1.91	1.91	100	1.91	100
<b>84 Ministry of Water Resources</b>						
102.	2705 - Command Area Development	1.40	-	-	1.00	71
103.	3601 - Grants-in-aid to state Governments	187.15	117.46	63	156.97	84
104.	4701 - Capital outlay on MMI	3.48	2.72	78	3.00	86
105.	4702 - Capital outlay on MI	1.93	1.45	75	1.45	75
106.	4711 - Capital outlay on FC	3.06	3.00	98	3.00	98
<b>86 - Ministry of Youth Affairs and Sports</b>						
107.	2204-Sports and Youth Services	273.20	109.20	40	143.70	53
108.	3601 - Grants-in-aid to State Governments	35.38	22.83	65	24.27	69
109.	3602-Grants-in-aid to U.T. Governments	0.08	0.08	100	0.08	100
110.	4202-Capital Outlay on Sports, Arts and Culture	1.80	0.95	53	0.95	53
<b>87-Atomic Energy</b>						
111.	5401-Capital Outlay on Atomic Energy Research	249.89	48.20	19	249.89	100
<b>88-Nuclear Power Schemes</b>						
112.	4801-Capital on Power Projects	908.45	541.56	60	550.87	61
<b>Defence Services</b>						
113.	15-Defence Services-Army	28865.10	7758.30	27	NA	NA
114.	16-Defence Services - Navy	3649.08	622.25	17	NA	NA
115.	17-Defence Services-Air Force	7068.90	1853.13	26	NA	NA
116.	19-Capital Outlay on Defence Services	16206.91	8182.65	50	NA	NA

**Appendix-XIII**

(Refers to Paragraph 7.1)

**Excess Disbursement over the sanctioned provision**

*(Rupees in crore)*

	<b>Year</b>	<b>No of cases</b>	<b>Amount</b>
<b>A</b>	<b>CIVIL</b>		
	1991-92	6	39.24
	1992-93	6	28.26
	1993-94	7	6.72
	1994-95	7	47.03
	1995-96	2	8.44
	1996-97	8	67.29
	1997-98	2	13.66
	1998-99	56	11112.77
	1999-00	2	0.57
	2000-01	1	0.44
	2001-02	5	878.67
<b>B</b>	<b>POSTS</b>		
	2001-02	2	0.17

**APPENDIX XIV**  
(Refers to Paragraph 7.3)  
**Statement Showing Cases of Expenditure without Re-appropriation of  
Fund (Exceeding Excess of Rs One Crore and More)**

<i>(Rupees in crore)</i>				
Sl. No.	Sub-head	Provision	Actual expenditure	Final excess expdr without re-appropriation
<b>2-Department of Agricultural Research and Education</b>				
1.	Research Institutes	O      80.04 S      0.09 R      6.74	94.71	7.84
<b>12-Department of Telecommunications</b>				
2.	Secretariat- Ministry of Communication	O      5.37 R      (-)1.39	8.27	4.29
3.	Maintenance	O      1.00 R      (-) 0.50	8.75	8.25
4.	Commuted value of Pension	O      100.03 R      (-) 41.20	108.00	49.17
5.	Gratuities	O      132.87 R      (-)74.67	135.45	77.25
6.	Leave Encashment benefits	O      25.10 R      7.72	52.76	19.94
7.	Other Pensions	O      5.34 R      (-) 4.64	6.36	5.66
8.	Capital Outlay on Telecommunication Services	S      500.00	616.36	116.36
<b>23-Department of Economic Affairs</b>				
9.	Loans to Government of Seychelles - New Credit	O      1.00	2.83	1.83
10.	Loans to Government of Vietnam- New Credit -1995	O      35.00 R      (-)24.88	11.12	1.00
11.	Loans to Government of Sri Lanka New Credit-1994	O      46.00 R      (-) 7.00	40.42	1.42
<b>24-Currency, Coinage &amp; Stamps</b>				
12.	Operation and Maintenance	O      57.50 R      (-) 19.51	49.64	11.65
<b>25-Payment to Financial Institutions</b>				
13.	Industrial Development Bank of India	O      148.07	152.07	4.00
14.	Industrial Development Bank of India	S      643.29	1157.02	513.73
15.	Small Industrial Development Bank of India	1 S      345.19	2172.80	827.61

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<i>(Rupees in crore)</i>					
Sl. No.	Sub-head		Provision	Actual expenditure	Final excess expdr without re-appropriation
<b>26-Interest Payments</b>					
16.	Interest on Market Loans	O	54668.00		
		R	286.99	55023.98	68.99
17.	Discount on Treasury Bills -91 days Treasury Bills	O	161.00		
		R	179.00	344.62	4.62
18.	Compensation and Other Bonds	O	1301.92		
		R	71.10	1463.78	90.76
19.	Bonds against Iraq Exports	O	135.49		
		R	(-)110.89	55.72	31.12
20.	Interest on loans from International Development Association	O	654.89		
		R	14.99	671.90	2.02
21.	Interest on loans from the IBRD	O	1507.24		
		R	(-)198.16	1312.84	3.76
22.	Interest on loans from the Government of Japan	O	1008.65		
		R	(-)37.97	978.19	7.51
23.	Interest on loans from Asian Development Bank	O	779.09		
		R	9.96	812.22	23.17
24.	General Provident Fund	O	2116.59		
		R	(-)306.16	2038.85	228.42
25.	State Railway Provident Fund	O	850.31		
		R	(-)246.79	744.04	140.52
26.	Postal Insurance and Life Annuity Fund	O	500.00		
		R	(-)100.00	506.06	106.06
27.	Bonus for undisbursed pay of India Ranks	O	42.79	47.59	4.80
28.	Interest on Deposit Scheme for Retiring Government Employees	O	27.00		
		R	23.00	58.79	8.79
29.	Interest on Deposit Scheme for Retiring Employees of Public Sector Undertakings	O	3.00		
		R	7.00	11.14	1.14
30.	Railway Depreciation reserve fund	O	5.37		
		R	10.89	24.05	7.79
31.	Railway Pension Fund	O	7.94		
		R	1.30	16.97	7.73
32.	Interest/Incentive on Mahila Samridhi Yojna	O	3.00		
		R	(-)0.50	8.18	5.68
<b>27-Transfer to State and Union Territory Governments</b>					
33.	Normal Central Assistance	O	9222.54		
		R	(-)942.35	8367.69	87.50
<b>28-Loans to Government servants etc.</b>					
34.	Advances for purchase of Other Motor Conveyance	O	100.00	106.36	6.36

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<i>(Rupees in crore)</i>					
Sl. No.	Sub-head		Provision	Actual expenditure	Final excess expdr without re-appropriation
<b>29-Repayment of Debt</b>					
35.	14 –Days Treasury Bills	O	81400.00		
		R	(-)7307.00	79766.16	5673.16
36.	International Fund for Agricultural Development	O	6.00		
		R	5.48	13.58	2.10
37.	Loans from the Government of France	O	198.46		
		R	11.70	211.28	1.12
38.	Loans from the International Development Association	O	2025.23		
		R	(-)1.45	2027.48	3.70
39.	Loans from the Government of Japan	O	1726.70		
		R	(-) 129.46	1604.02	6.78
<b>31-Pension</b>					
40.	Ordinary Pension	O	2699.29		
		R	(-)249.00	2462.20	11.91
41.	Deposit Linked Insurance Scheme GPF	O	28.93	30.18	1.25
<b>38-Department of Health</b>					
42.	Setting up of Dispensaries/Hospitals	O	324.00		
		R	31.04	356.49	1.46
43.	Safdarjung Hospital, New Delhi	O	79.90		
		R	5.00	87.03	2.13
44.	Grants to North Eastern Indira Gandhi Regional Institute of Health and Medical Science, Shillong	R	25.34	29.00	3.66
45.	National Aids Control Programme	O	180.00		
		R	44.47	226.60	2.13
<b>43-Police</b>					
46.	Assam Rifles – Direction & Administration	O	650.87		
		R	17.66	671.52	2.99
<b>44-Other Expenditure of the Ministry of Home Affairs</b>					
47.	Central Govt. Pension	O	214.00		
		R	(-)30.00	196.78	12.78
48.	Modernisation of Prison Administration	O	7.00		
		R	(-)2.41	6.78	2.19
49.	Power Development Survey & Investigation		--	6.25	6.25
<b>52-Ministry of Information &amp; Technology</b>					
50.	Assistance from Govt. of Norway (NORAID)		--	3.05	3.05
<b>54-Law and Justice</b>					
51.	Grant for Infrastructural facilities for judiciary	O	58.30		
		R	6.62	70.05	5.12

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<i>(Rupees in crore)</i>				
Sl. No.	Sub-head	Provision	Actual expenditure	Final excess expdr without re-appropriation
<b>58-Ministry of Mines</b>				
52.	Hindustan Copper Ltd.	O 10.00	95.00	85.00
<b>64-Ministry of Power</b>				
53.	Operation and Maintenance	O 930.11	982.78	6.67
		S 46.00		
54.	Rural Electrification for Poor Kutirjyoti Programme	O 63.00	55.00	7.00
		R (-)15.00		
55.	National Hydro Electric Power Corporation Ltd.	O 943.25	1157.33	258.26
		S 18.06		
		R (-)62.24		
<b>78-Department of Culture</b>				
56.	Archaeological Exploration and Excavation	O 9.41	5.87	1.59
		R (-)5.13		
<b>80-Urban Development</b>				
57.	Government Residential Building – General Pool Accommodation – Maintenance and Repairs	O 167.82	178.85	6.59
		S 4.44		
58.	Other Housing Direction and Administration-Maintenance and Repairs	O 41.00	44.50	3.50
59.	Govt. Residential Buildings – General Pool Accommodation – Urban Development Construction	O 79.50	82.83	3.33
60.	Other Housing – Finance (Revenue)	O 37.32	71.79	1.79
		S 32.68		
<b>81-Public Works</b>				
61.	Capital Outlay on Public Works – General Construction – Finance Revenue	O 40.00	60.98	3.92
		S 16.46		
		R 0.60		
<b>85-Ministry of Social Justice and Empowerment</b>				
62.	Animal Welfare	O 16.09	18.88	1.64
		R 1.15		
<b>87-Department of Atomic Energy</b>				
63.	Accelerator Programme Expansion	O 12.00	14.80	1.31
		R 1.49		
<b>88-Nuclear Power Schemes</b>				
64.	PFBR-Phase-II Development of Indigenous Capability for MA	O 15.77	9.33	1.53
		R (-)7.97		
				<b>8610.65</b>

**Appendix XV**

(Refers to Paragraph 7.7)

**Details of schemes affected due to unspent provision exceeding Rs 100 crore under a grant/appropriation**

*(Rupees in crore)*

Sl. No.	Grant No. and Controlling Ministry	Amount of unspent provision	Percentage to the total provision
<b>Revenue-Voted</b>			
1.	<b>6- Department of Fertilizers</b>	1977.76	13
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Payments for concessional sale of indigenous decontrolled fertilizers (Rs.548.98 crore)	Receipt of less than anticipated claims from dealers/manufacturers and less off take of fertilizer than estimated by the department owing to decline in prices of imported fertilizers and less import of urea.	
ii.	Import of Fertilizers (Rs.869.49 crore)		
2.	<b>14- Defence Pensions</b>	281.62	3
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Army - Pension & Other Retirement Benefits (Rs.346.39 crore)	Less number of retirees and also receipt of less than anticipated number of Family Pension cases.	
ii.	Air force – Pensions & Other Retirement Benefits (Rs.56.56 crore)		
3.	<b>Defence Services</b>		
<b>Grants affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	15-Defence Services - Army (Rs 2908.45 crore)	Embodiment of lesser number of troops, sanction of lesser DA and Bonus, lesser movement of troops, non-materialisation of certain schemes, non-fructification of certain contracts and shortfall in DGOF Supplies.	
ii.	16-Defence Services - Navy (Rs 681.15 crore)		
iii.	17-Defence Services - Air Force (Rs 853.69 crore)	Non-payment of arrears, delay in settlement of cases of ACP schemes, less expenditure on Pay & Allowances and hiring of transport, delay in conclusion of certain contracts, less progress of works, late receipt of tariff bills and delay in completion of refits of a ship. Decrease in Strength, sanction of lesser DA, less expenditure under Air Transportation-Charges, non-finalisation of certain contracts, non-materialisation of anticipated Supplies, non-receipt of certain bills and less booking of landing charges by Embassies/Mission abroad.	



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Sl. No.	Grant No. and Controlling Ministry	Amount of unspent provision	Percentage to the total provision
<b>4.</b>	<b>22-External Affairs</b>	<b>181.05</b>	<b>7</b>
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Special Diplomatic Expenditure – Discretionary Expenditure (Rs.54.04 crore)	Shortfall in requirement of funds as assessed at the highest level, slow pace of work on the projects viz. Mahendrapur, Tanakpur Link Road, Embankment construction work on Lalbakiya Bagamati, Khandol and Kamla, optical fibre work alongwith East-West highway educational & technology assistance programmes with other developmental projects etc. due to difficult local security situation in the region	
ii.	Aid to Nepal (Rs.69.47 crore)		
<b>5.</b>	<b>24 – Currency, Coinage and Stamps</b>	<b>140.83</b>	<b>15</b>
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Currency Note Press – Management (Rs.25.04 crore)	Less payment of overtime allowances and incentive, delay in supply of water marked papers by foreign supplier, less procurement of material and non-payment of electricity & water charges, non-filling of vacant posts, receipt of less bills of Municipal Tax/RTO etc. and non-finalisation for introduction of CISF.	
ii.	Bank Note Press – Operation & Maintenance (Rs.38.96 crore)		
iii.	India Security Press, Nasik – Management (Rs. 23.02 crore)		
<b>6.</b>	<b>27 – Transfers to State and Union Territory Governments</b>	<b>265.82</b>	<b>1</b>
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Non-Plan Grants –General – (Relief on account of National Calamities ) – Assistance to state from National Calamity Contingency Fund for Calamities (Rs.2000.00 crore)	Post-budget decision to provide assistance to State Governments from functional head 2245 – Relief on account of natural calamities. Transfer of less funds to the National Calamity Contingency Fund based on revised estimation of immediate relief assistance as occurrence of calamity. Cut in central assistance on account of shortfall in achievement of plan, withholding of one percent central assistance for non-submission of audited expenditure for the period ensuing 1995-96 and actuals/anticipated plan expenditures and approval of revised outlays by the Planning Commission. Release of less fund owing to receipt of less recommendations from the Ministry of Urban Development and availability of unspent balances with state governments. Release of central assistance only to those State Governments who met conditions laid by the Ministry of Power.	
ii.	General – Transfer to the Reserve Funds & Deposit Account – Transfer to National Calamity Contingency Fund (Rs.500.00 crore)		
iii.	Grants for State Plan Schemes – Block Grants – Normal Central Assistance (Rs.987.54 crore)		
iv.	Slum Development (Rs.69.48 crore)		
v.	Accelerated Power Development Programme (Rs.878.25 crore)		

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Sl. No.	Grant No. and Controlling Ministry	Amount of unspent provision	Percentage to the total provision
7.	31 – Pensions	231.20	5
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Superannuation and Retirement Allowances (Rs.237.09 crore)	Receipt of less claims than anticipated and surrender of funds owing to reduction of provisions at the revised estimates stage by the Ministry of Finance.	
ii.	Leave Encashment – Ordinary Pensions (Rs.67.29 crore)		
8.	34 – Direct Taxes	133.89	13
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Interest paid on refunds of excess tax (Rs.92.00 crore)	Post-budget decision to treat interest on refunds as an outgo from the gross tax collection and not to be shown as expenditure for collection.	
ii.	Direction and Administration –Organisation and Management Services (Rs.31.63 crore)	Clearance of less proposals for computerisation by the Committee on non-plan expenditure.	
9.	35- Indirect Taxes	191.52	13
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
Interest on refunds – interest (Rs.138.00 crore)		Change in policy	
10.	37 –Department of Food and Public Distribution	122.34	1
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Food – Food subsidies-Subsidy to State Governments on Decentralised Procurement of foodgrains (Rs.113.00 crore).	Lesser off-take by the states and also bifurcation of State Governments of MP & UP.	
ii.	Other expenditure – Reimbursement of losses to State Trading Corporation in its trading operations on Government Account. (Rs.42.01 crore)	Reduction in price of edible oils in the international/domestic markets and also less import of edible oils.	
11.	40 – Department of Family Welfare	770.76	16
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Maternity and Child Health Project – Reproductive and Child Health Project (Rs.354.52 crore)	Reduction of provisions at revised estimates stage by the Ministry of Finance and less procurement on account of procedural delays and non-payment to procurement agencies under the project viz. Hospital Services Consultancy Corporation (India) Ltd. and Hindustan Latex Limited on account of non-settlement of advances advanced to them.	
ii.	Other Expenditure – Innovation in Family Planning Services project for Uttar Pradesh (Rs.40.87 crore)	Unanticipated delays in procurement of Reproductive and Child Health supplies and non-supply of equipments.	
iii.	Family Welfare – Maternity and Child Health – Reproductive and Child Health Project (Rs.40.34 crore)		
iv.	Strengthening of National Immunisation Programme and Polio Eradication (Rs.39.90 crore)		
12.	43 – Police	329.29	4
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Central Reserve Police – Direction & Administration (125.02 crore)	Non-filling of vacant posts, less deployment of Rapid Action Force Units, movement of battalions in less expensive locality, non-materialisation of	
ii.	Industrial Security Force – Direction &		

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Sl. No.	Grant No. and Controlling Ministry	Amount of unspent provision	Percentage to the total provision
iii.	Administration (Rs.25.37 crore) Special Assistance of States (Rs.194.81 crore)	proposals of tents/durries, medicines for Medical Store Depot, non-procurement of hardwares, less payment overseas allowance to Kosowa contingents, non-receipt of consignment of Automatic Grenade Launchers owing to delay in custom clearance and non-receipt of claims from the DGS & D. Non-finalisation of proposals for purchase of hydraulic platform, radio trunking system, Police Network Systems, late approval of equipment for disaster management, decrease in rates of ration items, economy cut imposed by the Ministry of Finance, non-receipt of reimbursable claims from the Directorate of Audio and Visual Publicity, less filling up of vacant posts and non-supply of computer by the executive agencies. Receipt of less claim from State Governments and non-finalisation of proposals for purchase of helicopters.	
<b>13.</b>	<b>44 – Other Expenditure of the Ministry of Home Affairs</b>	<b>103.57</b>	<b>17</b>
	<b>Schemes / Projects / Activities most affected by unspent provision</b>	<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Rehabilitation – Relief and Rehabilitation of persons affected by Indo-Pak Conflict, 1971 – Displaced persons from Pak occupied Kashmir and Chhamb Niabat Area – (Rs.14.00 crore)	Non-receipt of reimbursable claims from the State Government of J & K owing to non-identification of genuine claimants by the Committee. Decrease in the number of freedom fighters.	
ii.	Other Social Security & Welfare Programmes Swatantrata Sainik Samman Pension Schemes – Central Government Pension (Rs.17.22 crore).	Reduction in the number of borrowers, non-receipt of recommendations of State Government alongwith necessary certificates for release of funds to various banks/financial institutions and post-decision to request the Department of Industrial Policy & Promotion to include the provision of the scheme in the schemes implemented by them.	
iii.	Other Expenditure – Debt Relief Scheme for the borrowers in the State of J & K (Rs.44.82 crore)		
<b>14.</b>	<b>46 – Department of Elementary Education and Literacy</b>	<b>264.16</b>	<b>7</b>
	<b>Schemes / Projects / Activities most affected by unspent provision</b>	<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Grants for Centrally Sponsored Plan Schemes – Non-formal Education- Elementary Education – Education Guarantee Scheme and Alternative Innovative Education – Non-formal Education Programme – Education Guarantee Scheme and Alternative Innovative Education (Rs.30.00 crore)	Non-release of grants owing to availability of unspent balances with the State Governments. Receipt of less than anticipated proposals owing to Operationalisation of the scheme first time during the year. Release of less grants to State Governments owing to availability of unspent balances with them.	
ii.	Non-formal Education/Education Guarantee Scheme and Alternative Innovative Education (Rs.280.88 crore)		
iii.	Elementary Education – Teachers Training – Strengthening of Teacher Training Institutions (Rs.29.22 crore)		

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15.	47 – Department of Secondary Education and Higher Education	122.34	3
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Assistance to Non-Government Secondary Schools, Kendriya Vidyalaya Sangthan (Rs.33.86 crore)	Adjustment of unspent balances and economy instructions issued by the Ministry of Finance. Reduction of allocation in pursuance of economy instructions issued by the Ministry of Finance. Receipt of less eligible proposals from the State Governments. Availability of unspent balances with the Community Polytechnics.	
ii.	University Grants Commission (Rs.30.30 crore)		
iii.	Non-Plan Grants – Technical Education – Assistance to Non-Government Technical Colleges and Institutes – Revision of Pay Scales of Teachers of Technical Institutions – Assistance to Institutions /Cells in States (Rs.42.61 crore)		
iv.	Grants for Quality Improvement Programme – Community Polytechnics (Rs.20.45 crore)		
16.	51 – Ministry of Information & Broadcasting	140.70	11
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	General – Prasar Bharti (Rs.112.61)	Shortfall in requirement of funds under Jammu & Kashmir Special package.	
17.	53 – Ministry of Labour	222.33	20
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Social Security for Labour – Employee's – Pension Scheme, 1995 (Rs.165.00 crore)	Reduction of Government share of contribution following reduction in Employer's Share of contribution.	
18	58-Ministry of Mines	123.14	24
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i	Other Expenditure –Grants to Bharat Gold Mines Ltd.-(Rs.78.62 crore)	Non-payment of retirement benefits to employees of the company as the case is subjudice with High Court of Karnataka.	
19.	59 – Ministry of Non-Conventional Energy Sources	112.62	27
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i	Solar Photo Voltaic GEF grant for ISCC Project (Rs.92.00 crore)	Non-finalisation of engineering project construction-cum operation and maintenance contractor by Rajasthan State Power Corporation Ltd. for 140 MW integrated Solar Combined Cycle Power Project at Mathania ..	

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Sl. No.	Grant No. and Controlling Ministry	Amount of unspent provision	Percentage to the total provision
20.	<b>64 – Ministry of Power</b>	109.04	6
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i	Thermal Power Generation – Badarpur Thermal Power Station – General (Rs.20.85 crore)	Release of less funds to Badarpur Thermal Power Station owing to realisation of less of reciprocal receipts from DVB.	
ii	Rural Electrification – Other Expenditure – Rural Electrification for Poor Kutirjyoti Programme (Rs.8.00 crore)	Release of less funds to the Rural Electrification Corporation owing to receipt of less claims/demands from the various State Electricity Boards.	
iii	Other Expenditure – Provision for Energy Conservation and Utilisation (Rs.7.71 crore)	Non-approval of the new schemes by the Government.	
21.	<b>65 – Department of Rural Development</b>	211.95	2
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	National Old Age Pension Scheme – Assistance to implementing agencies (Rs.64.71)	Post-budget decision of the Ministry in consultation with the Planning Commission to reduce allocation for the concerned scheme.	
ii.	National Family Benefit Scheme – Assistance to Implementing agencies (Rs.57.52 crore)	Cut imposed at the revised estimates stage by the Ministry of Finance and receipt of less proposals for release of funds from State Governments.	
iii.	Social Welfare – Other Grants – Annapurna (Rs.197.55 crore)		
22.	<b>71 – Ministry of Small Scale Industries and Agro and Rural Industries</b>	206.94	23
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Research and Development – Provision for Implementation of S & T Plan (Rs.10.21 crore)	Non-approval of some of the S & T schemes by the competent authority.	
ii.	Opening of Tool Rooms (Rs.9.05 crore)	Non-procurement of planned machinery/equipments.	
iii.	Technology upgradation (Rs.24.51 crore)	Slow progress of implementation of the Credit Linked Capital/Subsidy Scheme for SSIS being implemented by Small Industries Development Bank of India.	
iv.	Khadi and Village Industries – Khadi and Village Industries Commission (Rs.181.69 crore)	Availability of unspent balances of previous years with commission under khadi gram and village Industries grant.	
v.	Grant for Central Plan Schemes – Village and Small Industries – Small Scale Industries – Collection of Statistics of Small Scale Industries (Rs.22.80 crore)	Delay in starting preparatory work relating to 3 <sup>rd</sup> census of SSI units.	

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Sl. No.	Grant No. and Controlling Ministry	Amount of unspent provision	Percentage to the total provision
23.	<b>74 – Ministry of Road Transport and Highways</b>	833.27	15
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Road Works – Maintenance by Road Wing (Rs.61.07 crore)	Reduction of provision at revised estimates stage, non-issue of letter of credit in time by State Governments and non-reimbursement of claims of state Public Works Department being inadmissible. Non-receipt of utilisation certificates for grants released earlier and receipt of further proposals for release of grants from State Governments. Non-receipt of proposals for Inter-State or Economic importance Scheme from Union Territory Governments pending receipt of detailed estimates by them.	
ii.	Grants for State Plan Schemes – Grants from Central Road Fund – Grants for State Roads (Rs.623.00 crore)		
iii.	Grants for Centrally Sponsored Plan Schemes – Grants from Central Road Fund – Roads of Inter-State or Economic importance (Rs.92.31 crore)		
24.	<b>85 – Ministry of Social Justice and Empowerment</b>	130.58	10
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	National Scheme of Liberation and Rehabilitation of Scavengers (Rs.64.80 crore)	Release of less funds owing to availability of unspent balances with States/UTs Scheduled Castes – Development Corporations and non-approval of revision of the Scheme by the Planning Commission. Non-materialisation of new scheme of merit linked scholarship to minorities students owing to non-approval of the scheme by the Planning Commission. Non-revision of scheme in view of reservation expressed by the Planning Commission being the last year of Ninth Five years Plan. Non-receipt of sufficient proposals complete in all respects from State Governments.	
ii.	Other Expenditure – Grants-in-aid to Maulana Azad Education Foundation (Rs.18.00 crore)		
iii.	Grants for Central Plan Schemes – Welfare of Scheduled Castes – Education – upgradation of merit of Scheduled Castes and Scheduled Tribes Students through Extra Coaching. (Rs.38.99 crore)		
iv.	Welfare of Backward Classes Education – Boys and Girls Hostels (Rs.5.38 crore)		
<b>Revenue-Charged</b>			
25	<b>27 – Transfer to State and Union Territory Government</b>	3143.12	20
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Grants for upgradation of services and special problems (Rs 316.80 crore)	Release of less funds to State Governments, owing to non-receipt of utilisation certificates from them and non-submission of their Medium Term Fiscal Reforms Programme to the Ministry of Finance and non-finalisation of Medium Term Fiscal Reform Programme of certain states by the Monitoring Committee.	
ii.	Grants to cover deficits on Revenue Account (Rs 918.32 crore)		
iii.	Grants for local bodies (Rs 469.92 crore)		
iv.	Centre's contribution to Incentive funds (Rs 1367.65 crore)		

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<b>Capital-Voted</b>			
26	8-Ministry of Coal	307.95	79
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Loans to Public Sector and Other Undertakings (Rs 314.10 crore)	Non-release of loans as expenditure was met by the company from its internal resources	
27.	Defence Services		
<b>Grants affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	19-Capital Outlay on Defence Services (Rs 3749.95 crore)	Non-materialisation of certain contracts, slippages in deliveries, non-fructification of various proposals and delay in delivery of certain Supplies, delay in conclusion of certain contracts and non-receipt of certain Bills, deferred/rescheduled delivery of Equipments, postponement of payment of a Project and non-materialisation of certain supplies against a 'Special Scheme'	
28.	24-Currency, Coinage and Stamps	107.40	13
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Purchase of Metal-Metals (Rs 75.06 crore)	Non-purchase of nickel owing to delay in finalising the contract, receipt of less than anticipated coin blanks/metals and delayed receipt of bills. Non-finalisation of procurement process for coining presses, engraving machine and coin packing system	
ii.	Mints Plants & Machinery (Rs 19.56 crore)		
29	28-Loans to Government Servants etc.	132.17	17
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	House Building Advances (Rs 118.82 crore)	Receipt of less than anticipated applications for loans from Govt. servants	
ii.	Advances for purchase of Motor Conveyances (Rs 8.84 crore)		
iii.	Other Advances (Rs.4.38 crore)		
30	30-Department of Expenditure	4997.94	100
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Other Expenditure – Lump sum provision for funding plan schemes and projects of Ministry/Deptt. (Rs 5000.00 crore)	Non-provision at the revised estimates stage for additional plan allocation owing to non-realisation of disinvestments receipts as estimated	
31.	38-Department of Health	115.49	30
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Other Expenditure – Provision for Projects/ Schemes for the development of North-Eastern Region (Rs 72.50 crore)	As no projects/schemes of capital nature was operative in the region. Less demand for commodity assistance under Programmes by State Govts, delay in procurement of anti TB drugs and non-materialisation of procurement of binocular microscopes in time.	
ii.	Bulk purchase of Material and Equipment for national tuberculosis control programmes (Rs 29.48 crore)		

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Sl. No.	Grant No. and Controlling Ministry	Amount of unspent provision	Percentage to the total provision
32.	40-Department of Family Welfare	174.95	100
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Other Expenditure – Provision for Projects/ schemes of North-Eastern Areas & Sikkim (Rs 174.95 crore)	Non-implementation of any activity under Family Welfare Programme in the North-Eastern Areas including Sikkim.	
33.	43-Police	163.68	20
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Other Expenditure – Project/ Scheme for the benefit of North-Eastern Region & Sikkim (Rs 17.85 crore)	Non/slow execution of construction work by CPWD	
ii.	Office Buildings (Rs 15.07 crore)	Slow progress in the construction of border fencing owing to modification in design of security fencing as an operational requirement of BSF and slowed down of work of fencing and road in Tripura and Mizoram owing to heavy rainfall.	
iii.	Residential Buildings (Rs 38.34 crore)		
iv.	Indo-Bangladesh Border Works (Rs 21.59 crore)	Non-availability of report on Surveillance system, pendency in modification of design by the Ministry of Defence, reduction of deposit money by the Gujarat State Electricity Board and slow erection of barbed wire fencing work on the border owing to unprovoked firing by Pak Rangers	
v.	Indo-Pak Border Works (Rs 28.46 crore)		
34.	64-Ministry of Power	581.69	20
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Other Expenditure – Projects/Schemes for the benefit of North-Eastern Region and Sikkim etc. (Rs 416.77 crore)	Slow progress of the scheme, delay in approval of the new scheme and also incurring of expenditure under the head '4801.01.190.01 without issue of re-appropriation order from this head as per directions of Ministry of Finance	
ii.	Hydel Generation – Investment in Public Sector and Other Undertakings- Tehri Hydro Development Corporation Limited (Rs 38.74 crore)	Deferment of award of civil package owing to delay in closure of diversion tunnels T3 & T4.	
iii.	Rural Electrification – Loans to Rural Electrification Corporation (Rs 410.00 crore)	Merger of scheme with Pradhan Mantri Gramodyog Yojna.	
35.	74-Ministry of Road Transport and Highways	286.50	5
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Road Works – Works under Roads Wing (Rs 33.65 crore)	Reduction of provision at the revised estimates stage, non-issue of letter of credit, non-reimbursement of claims of State Public Works departments being admissible and slow progress of ongoing work.	
ii.	Permanent Bridges – Work Financed from National Highways Permanent Bridges Fees Fund (Rs 65.63 crore)	Shortfall in requirement of funds owing to availability of unspent funds with the state governments under National Highways (others) works	



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Sl. No.	Grant No. and Controlling Ministry	Amount of unspent provision	Percentage to the total provision
36.	<b>75-Ministry of Shipping</b>	154.41	48
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	River Training Works-Other River Training Works – Payment to Calcutta Port Trust (Rs 75.00 crore)	Late approval of the scheme by the Cabinet Committee on Economic Affairs. Receipt of less claims from	
ii.	Minor Ports-Other Small Ports-Construction of Landing facilities and Jetties (Rs 18.52 crore)	Andaman/Lakshadweep Harbour works, non-sanction of revised cost estimates for construction of break-water and wharf at Kalpeni and Androth and construction of office building at Mumbai	
iii.	Overseas Shipping – Other Expenditure-Survey Vessels (Rs 32.56 crore)	Non-approval of the proposal by the Finance Wing of the Ministry and non-sanction of revised cost of estimates	
iv.	Major Ports – Loans for Public Sector and other undertakings – Loans to Port Trust (Rs 31.31 crore)	Shortfall in requirement of funds owing to wrong certification of contractor's bill and non-finalisation of North-Eastern Plan schemes.	
37.	<b>87-Atomic Energy (Department of Atomic Energy)</b>	173.93	17
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Heavy Water Plant, Tuticorin (Rs 12.88 crore)	Extending the shutdown period of the plant, less consumption of utilities and	
ii.	Heavy Water Plant, Manuguru (Rs 28.01 crore)	postponement of purchase of fire tender next year, price reduction of Naptha and also no upward revision of power tariff rates as expected.	
iii.	Feed Stock Materials (Rs.26.71 crore)	Reduction in consumption of coal due to receipt of better quality and less consumption of utilities due to strike of employees.	
iv.	Augmentation of facilities for Plutonium based fuels (Rs.8.92 crore)	Reassessment of requirement	
v.	6300-M 3/d Combined MSF-RO desalination plant to be set up at PHWR, Kalpakkam (Rs 10.69 crore)	Slow progress of civil works for laboratory and service building and delay in procurement of laser flash etc.	
vi.	Revamping of Power Reactor Fuel Processing plant (Rs 27.91 crore)	Delay in delivery Schedule of materials and Supplies like Membrane and MSF Plant material, late receipt of manpower sanction for the housing provision, delay in work, sea water intake and steam supply by M/s. Larsen and Tubro Ltd.	
vii.	New Technology Development Project (Rs 43.15 crore)	Rescheduling of equipment like centrifugal pumps and delay in finalisation of works contracts etc.	
viii.	Trombay Township Project (Rs 8.27 crore)	Postponement of major works on account of delay in award of consultancy contract for SFSFS and AWTFs etc. Deferment of purchase of ready built flats from M/s Air India etc.	

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Sl. No.	Grant No. and Controlling Ministry	Amount of unspent provision	Percentage to the total provision
38.	88-Nuclear Power Schemes	154.43	14
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Nuclear Power Generation – Loans to Nuclear Power Corporation of India Ltd. (Rs 212.09 crore)	Restricting of expenditure towards detailed Project report work and rescheduling of advance payments towards the orders for working document and long delivery items to next year.	
<b>Capital - Charged</b>			
39	27-Transfers to State and Union Territory Governments	473.84	2
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Additional Central Assistance for other Projects (Rs 100.00 crore)	Non-allocation of funds for any projects of state Govts. by the Planning Commission.	
ii.	Loans to State for Rural Electrification (Rs 175.00 crore)	Change in the pattern of release to state Governments for Rural Electrification.	
iii.	Loans to States Plan Schemes- Block Loans – Normal Central Assistance (Rs 854.85 crore)	Cut in central assistance on account of shortfall in achievement of plan, withholding of one percent in central assistance for non-submission of audited expenditure for the period ensuing 1995-96/non-submission of actuals/anticipated plan expenditure and approval of revised outlay by the Planning Commission	
iv.	Other Programme of Gramodaya (Rs 298.12 crore)	Release of loans only to those State Governments who fulfilled conditions for release of loans.	
v.	Accelerated Power Development Programme (Rs 578.25 crore)	Release of less loans owing to receipt of less recommendations from the Ministry of Power as few State Governments met conditionalities laid down for release of loans.	
40	29-Repayment of Debt (Ministry of Finance)	4053.64	1
<b>Schemes / Projects / Activities most affected by unspent provision</b>		<b>Contributory reasons stated by the Ministry/Department</b>	
i.	Treasury Bills and connected securities issued to Reserve Bank of India - 91 days Treasury Bills (Rs 100.00 crore)	Date of auction/issue i.e. 31.3.2002 being Sunday of financial year.	
ii.	Ways and Means Advances (Rs 435.00 crore)	Lower recourse to ways and means advances by the Govt. of India	
iii.	182 days Treasury Bills (Rs 1000.00 crore)	Discontinuance of issuance of treasury bills from 14.5.2001	
iv.	14 days Treasury Bills (Rs 1633.84 crore)	Prepayment of redemption on 31.3.2001 on the advice of Reserve Bank of India as 1.4.2001 being a Public Holiday.	
v.	12.08% Government of India Compensation (Project to Iraq), Bond, 2001 (Rs 528.40 crore)	Favourable revaluation factor.	
vi.	Loans from the International Bank for Reconstruction and Development (Rs.251.21 crore)	Less payment of loans owing to favourable exchange rate.	
vii.	Loans from Govt. of Japan (Rs 122.68 crore)		

**Appendix XVI**

(Refers to Paragraph 7.8)

**Unspent provision between Rs 20 crore and Rs 100 crore**

*(Rupees in crore)*

Sl. No.	Grant No./Description of grant (Controlling Ministry/Department)	Amount of unspent provision
<b>Revenue-Voted</b>		
1.	<p>1 Department of Agriculture and Co-operation (Ministry of Agriculture)</p> <p><b>Schemes / Projects / Activities most affected by unspent provision</b> Crop Husbandry – Commercial Crops-Intensive Cotton Development Programme (Rs 20.76 crore) Crop Husbandry (Other Grants) (Rs 71.19 crore)</p>	64.76
2.	<p>3 Department of Animal Husbandry and Dairying (Ministry of Agriculture)</p> <p><b>Schemes / Projects / Activities most affected by unspent provision</b> Procurement (Rs 16.53 crore) Processing (Rs 4.40 crore) Development of Marine &amp; Fisheries (Rs 2.65 crore)</p>	75.76
3.	<p>9 Department of Commerce (Ministry of Commerce and Industry)</p> <p><b>Schemes / Projects / Activities most affected by unspent provision</b> Assistance for Export Promotion and Market Development Organisations (Rs 34.33 crore) Foreign Trade and Export Promotion (Rs 53.48 crore)</p>	51.46
4.	<p>13 Ministry of Defence</p> <p><b>Schemes / Projects / Activities most affected by unspent provision</b> Defence Accounts Department (Rs 60.45 crore) Defence Estate Organisation (Rs 4.32 crore)</p>	62.74
5.	<p>23 Department of Economic Affairs</p> <p><b>Schemes / Projects / Activities most affected by unspent provision</b> Other Subsidy to Railways towards dividend payment to Railways (Rs 63.37 crore) Secretariat (Rs 5.48 crore) Other Expenditure Exchange loss under NRI Bonds (Rs 7.54 crore)</p>	95.13
6.	<p>33 Department of Revenue</p> <p><b>Schemes / Projects / Activities most affected by unspent provision</b> Purchase of Opium (Rs 78.09 crore) Neemuch Alkaloid Works Management (Rs 7.38 crore) Neemuch Opium Factory – Purchase of Opium (Rs 9.17 crore)</p>	98.62

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		<i>(Rupees in crore)</i>
Sl. No.	Grant No./Description of grant (Controlling Ministry/Department)	Amount of unspent provision
7.	38 Department of Health <b>Schemes / Projects / Activities most affected by unspent provision</b> All India Institute of Medical Science, New Delhi (Rs 16.80 crore) Grants to Institute of Medical Education and Research – Chandigarh (Rs 15.76 crore) National Anti-Malaria Programme (Rs 16.34 crore) National T.B. Control Programme (Rs 12.49 crore) National Institute of Biological Standardisation and Quality Control (Rs 19.30 crore) National T.B. Control Programme (EAC) (Rs 10.37 crore)	91.29
8.	39 Department of Indian Systems of Medicine and Homeopathy <b>Schemes / Projects / Activities most affected by unspent provision</b> Setting up of National Board for Medicinal Plants (Rs 4.35 crore) State Drugs Testing Laboratories/Pharmacies (Rs 7.50 crore)	34.12
9.	41 Ministry of Home Affairs <b>Schemes / Projects / Activities most affected by unspent provision</b> Other Expenditure-Intelligence Bureau (Rs 8.20 crore) Computerisation of Census Data (Rs 21.59 crore) Enumeration (Rs 31.64 crore)	98.02
10.	42 Cabinet <b>Schemes / Projects / Activities most affected by unspent provision</b> Secretariat Main (Rs 20.91 crore) Special Protection Group – Establishment (Rs 16.80 crore)	42.19
11	54 Law and Justice <b>Schemes / Projects / Activities most affected by unspent provision</b> Secretariat – Department of Legal Affairs (Rs 2.15 crore) National Legal Service Authority (Rs 3.76 crore) Other Expenditure – Expenditure on Electronic Voting Machine (Rs 37.71 crore)	39.33
12	61 Ministry of Personnel, Public Grievances and Pensions <b>Schemes / Projects / Activities most affected by unspent provision</b> Secretariat – Ministry of Personnel, Public Grievances and Pensions (Rs 3.28 crore) Criminal Investigation and Vigilance – Central Bureau of Investigation (Rs 2.21 crore) Lal Bahadur Shastri National Academy of Administration (Rs 2.24 crore) Other Training Schemes (Rs 12.08 crore) UNDP Project for capacity building in Public Administration (Rs 11.99 crore)	31.78
13	63 Ministry of Planning <b>Schemes / Projects / Activities most affected by unspent provision</b> National Commission on Population (Rs 50.58 crore)	56.78

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		<i>(Rupees in crore)</i>
Sl. No.	Grant No./Description of grant (Controlling Ministry/Department)	Amount of unspent provision
14	66 Department of Land Resources <b>Schemes / Projects / Activities most affected by unspent provision</b> Desert Development Programme – Other Expenditure – Grants to District Level Agencies (Rs 8.12 crore) National Wastelands Development Board (Rs 6.82 crore) Technology Development, Extension and Training (Rs 3.53 crore)	84.65
15	67 Department of Drinking Water Supply <b>Schemes / Projects / Activities most affected by unspent provision</b> <i>Water Supply – Rural Water Supply Programme</i> Assistance from WHO/UNICEF etc. (Rs 2.84 crore) Management Information System and Computerisation (Rs 4.01 crore) Sewerage and Sanitation- Sanitation Services Grants to District Water and Sanitation Committees Mission, DRDAs etc (Rs 5.99 crore) <i>Grants for Centrally Sponsored Plan Schemes</i> Water Supply, Rural Water Supply Programme Management Information System and Computerisation (Rs 4.52 crore)	87.52
16.	68 Department of Science and Technology <b>Schemes / Projects / Activities most affected by unspent provision</b> Secretariat – Department of Science and Technology (Rs 3.02 crore) Survey of India Direction and Administration – Surveyor General (Rs 2.34 crore) Topographical Surveys – Survey Parties (Rs 8.86 crore) Publication of Maps, Charts, Reports etc. Map Publication Offices (Rs 3.12 crore) Assistance to Other Scientific Bodies Grants-in-aid to Scientific Institutions/Professional Bodies (Rs 8.80 crore) Grants-in-aid for Research and Development (Rs 2.74 crore) Other Schemes National Centre for Medium Range Weather Forecasting (NCMRWF) (Rs 4.19 crore) Payment against receipts under Research and Development Cess (Rs 6.00 crore) Research and Development Programmes (Rs 2.06 crore) Other Meteorological Services (Rs 2.22 crore) Satellite Services (Rs 4.66 crore) Observatories and Weather Stations (Rs 4.72 crore)	60.14
17.	69 Department of Scientific and Industrial Research <b>Schemes / Projects / Activities most affected by unspent provision</b> Assistance to Council of Scientific and Industrial Research Scientists Pool (Rs 2.42 crore) Research Schemes, Scholarship and Fellowships (Rs 6.52 crore) National Laboratories (Rs 14.79 crore) Residential Buildings (Rs 4.63 crore) Modernisation (Rs 10.32 crore)	44.09

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		<i>(Rupees in crore)</i>
Sl. No.	Grant No./Description of grant (Controlling Ministry/Department)	Amount of unspent provision
18.	75 Ministry of Shipping <b>Schemes / Projects / Activities most affected by unspent provision</b> Major Ports- Assistance to Port Trust- Maintenance and dredging in Haldia Channel by Calcutta Port Trust (Rs 48.15 crore) Light houses – Working Expenses Management (Rs 1.97 crore) Operation and Maintenance (Rs 5.79 crore) General – Research and Development Other items (R&D Scheme) (Rs 4.84 crore) Maritime Development (1.90 crore)	65.41
19.	76 Ministry of Textiles <b>Schemes / Projects / Activities most affected by unspent provision</b> Handloom Industries Weavers Service Centre (Rs 2.31 crore) Handicraft Industries-Assistance to Ambedkar Artesian Cluster Development (Rs 2.30 crore) Textiles Textile Labour Rehabilitation Scheme (Rs 2.70 crore) Transfer to Reserve Fund Deposit Account Transfer to Industrial Development Fund –Jute Special Development Fund (Rs 4.54 crore) Non-Plan Grants-Village and Small Industries-Handloom Industries – Special Rebate/MDA on Sale of Handloom Cloth (Rs 16.91 crore) Grants for Centrally Sponsored Plan Scheme – Village and Small Industries-Handloom Industries – Deen Dayal Hathkargha Protsahan Yojana (Rs 2.41 crore)	70.31
20	78 Department of Culture <b>Schemes / Projects / Activities most affected by unspent provision</b> Public Libraries – National Library, Calcutta (Rs 3.85 crore) Archaeological Survey and Executions (Rs 3.54 crore) Central Archaeological Museum (Rs 1.89 crore)	62.19
21	79 Ministry of Tribal Affairs <b>Schemes / Projects / Activities most affected by unspent provision</b> Education Complex in Low Literacy Pockets for Development of Women Literacy in Tribal Areas (Rs 3.01 crore) Vocational Training in Tribal Areas (Rs 4.50 crore)	36.38
22	80 Urban Development <b>Schemes / Projects / Activities most affected by unspent provision</b> Sewerage and Sanitation-Sanitation Services – Low Cost Sanitation for Liberation of Scavengers (Rs 29.80 crore) General –Direction and Administration – Urban Transport Planning (Rs 5.75 crore)	34.17
23.	81 Public Works <b>Schemes / Projects / Activities most affected by unspent provision.</b> Stocks (Rs 25.07 crore) Miscellaneous Works Advances (Rs 7.10 crore) Direction (Rs 4.24 crore) Execution (Rs 12.59 crore)	40.19

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		<i>(Rupees in crore)</i>
Sl. No.	Grant No./Description of grant (Controlling Ministry/Department)	Amount of unspent provision
24.	82 Stationery and Printing <b>Schemes / Projects / Activities most affected by unspent provision</b> Government Presses –Printing Presses (Rs 22.25 crore) Purchase and supply of Stationery Stores – Controller of Stationery (Rs 9.61 crore)	23.90
25.	83 Department of Urban Employment and Poverty Alleviation <b>Schemes / Projects / Activities most affected by unspent provision</b> Grants for Centrally Sponsored Plan Schemes- Other General Economic Services-Urban Oriented Employment Programme-Swaran Jayanti Shahari Rojgar Yojana (Rs 122.50 crore)	84.68
26.	84 Ministry of Water Resources <b>Schemes / Projects / Activities most affected by unspent provision</b> Data Collection – Central Water Commission (Rs 4.67 crore) Research Central Water and Power Research Station (Rs 1.69 crore) Consultancy –Central Water Commission (Rs 1.95 crore) Other Expenditure Central Water Commission (Rs 2.35 crore) Evaluation Studies of Command Area Development Project (Rs 1.36 crore) Flood Control - Other Expenditure Central Water Commission (Rs 4.53 crore) Other Schemes (Rs 1.42 crore) Pagladia Dam Project (Rs 9.50 crores) River Training Works – Farakha Projects – Farakha Barrage (Rs.1.67 crore) Grants for Centrally Sponsored Plan Schemes – Command Area Development - Other Grants – Command Area Development (Rs.35.56 crore)	75.53
27.	87 Atomic Energy <b>Schemes / Projects / Activities most affected by unspent provision</b> Telecommunication and Electronics Industries –Electronics – Electronics Corporation of India Ltd. for Implementation of Voluntary Retirement Scheme and Training of Personnel Programme (Rs.5.00 crores) Atomic Energy Industries Isotope – Board of Radiation and Isotope Technology (Rs.4.59 crore) Nuclear Fuel Complex Fuel Fabrication Facilities (Rs 30.19 crore) Stainless Steel Seamless Tube Plant (Rs.4.07 crore) Fuel Reprocessing Fuel Reprocessing Plant, Kalpakkam (Rs.2.14 crore) Research and Development – Institute of Plasma Research, Gandhi Nagar (Rs.20.19 crore)	52.48
28.	88 Nuclear Power Schemes <b>Schemes / Projects / Activities most affected by unspent provision</b> Rajasthan Atomic Power Station – Operation and Maintenance (Rs.26.32 crore) Other Expenditure – Heavy Water Pool Management (Rs.35.00 crore)	56.71

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		<i>(Rupees in crore)</i>
Sl. No.	Grant No./Description of grant (Controlling Ministry/Department)	Amount of unspent provision
29.	90 Department of Space <b>Schemes / Projects / Activities most affected by unspent provision</b> Space Technology ISRO Inertial Systems Unit (Rs.2.60 crore) PSLV – Continuation Project (Rs.23.24 crore) Geo Synchronous Satellite Launch Vehicle (GSLV) Project (35.38 crore) Cryogenic Upper Stage (CUS) Project (Rs.4.62 crore) ISRO Satellite Centre (ISAC) (12.93 crore) IRS P5 (Cartosat) (Rs.15.31 crore) IRS P6 (Resourcesat) (Rs.11.10 crore) IRS-IIA (Cartosat –2) Satellites (6.06 crore) G.SAT-2 (Rs.15.96 crore) METSAT (Rs.32.74 crore) Space Applications Space Applications Centre (Rs.7.74 crore) Development and Educational Communication Unit (DECU) – (Rs.3.32 crore) Space Sciences – India Millennium Mission.(Rs.4.65 crore) Other Expenditure – Special Indigenisation/Advance ordering (Rs.12.47 crore)	45.39
<b>Capital Voted</b>		
30.	9 Department of Commerce <b>Schemes / Projects / Activities most affected by unspent provision</b> “Kandla Special Economic Zone” (Rs.2.41 crore)	26.75
31.	22 Ministry External Affairs <b>Schemes / Projects / Activities most affected by unspent provision</b> Other Building –Construction –External Affairs” (Rs.41.77 crore) Government Residential Buildings (Rs.18.61 crore) Loans to Government of Bangladesh (Rs.26.84 crore)	77.79
32.	23 Department of Economic Affairs <b>Schemes / Projects / Activities most affected by unspent provision</b> Loans to Government of Vietnam – New Credit 1995 (Rs.23.88 crore) Loans to Government of Mauritius – New Credit, 1994 (Rs.3.87 crore) Loans to Government of Sri Lanka – New Credit, 1994 (Rs.5.58 crore)	42.21
33.	34 Direct Taxes <b>Schemes / Projects / Activities most affected by unspent provision</b> Office Buildings – Other Expenditure –Acquisition of Ready –Built Accommodation” (Rs.33.01 crore).	31.38
34.	35 – Indirect Taxes <b>Schemes / Projects / Activities most affected by unspent provision</b> Customs –Coast Guard organisation (Rs.15.48 crore) Acquisition of Ready Built Accommodation (Rs.4.06 crore) Residential Buildings for Customs and Central Excise Employees – Acquisition of Ready Built Flats (Rs.23.18 crore)	42.77
35.	37 Department of Food and Public Distribution <b>Schemes / Projects / Activities most affected by unspent provision</b> Rehabilitation/Modernisation of Sugar Mills” (Rs.71.47 crore) Sugar Mills for Cane Development” (Rs.12.48 crore)	90.09
36.	44 Other Expenditure of the Ministry of Home Affairs <b>Schemes / Projects / Activities most affected by unspent provision</b> Other Expenditure –Housing for North Eastern Council Staff (Rs.8.15 crore) Power Development Survey and Investigation (Rs 16.98 crore)	24.89
37.	50 Department of Heavy Industry <b>Schemes / Projects / Activities most affected by unspent provision</b>	42.32



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		(Rupees in crore)
Sl. No.	Grant No./Description of grant (Controlling Ministry/Department)	Amount of unspent provision
	Other Engineering Industries – Investment in Public Sector and Other Undertakings – Investment in Bharat Yantra Nigam Ltd. (Rs.4.15 crore) Loans to Hindustan Cables Ltd. – (Rs.10.50 crore)	
38.	51 Ministry of Information and Broadcasting <b>Schemes / Projects / Activities most affected by unspent provision</b> Multi-Storeyed Building of Films Division (Rs.1.06 crore) Setting up of Film and Television Institute at Calcutta – Acquisition of Land and Construction of Building (1.58 crore)	31.88
39.	65 Department of Rural Development <b>Schemes / Projects / Activities most affected by unspent provision</b> Rural Housing – Investment in Public Sector and Other Undertakings – Housing and Urban Development Corporation (40.00 crore)	50.00
40.	72 Ministry of Statistics and Programme Implementation <b>Schemes / Projects / Activities most affected by unspent provision</b> Statistics – Modernisation of Statistical System in India (50.00 crore)	61.85
41.	90 Department of Space <b>Schemes / Projects / Activities most affected by unspent provision</b> Space Crafts – INSAT-3 Satellites (Rs.8.24 crore) Space Technology Vikram Sarabhai Space Centre (VSCC) (Rs.27.87 crore) ISRO Inertial Systems Unit (IISU) (Rs.1.64 crore) Liquid Propulsion Systems Centre (LPSC) (Rs.28.35 crore) ISRO Satellite Centre (ISAC) (Rs 30.26 crore) Laboratory For Electro optics Systems (LEOS) (Rs.2.40 crore) Sriharikota Centre (Rs.1.87 crore) Second Launch Pad and Common Facilities (Rs.3.78 crore) Space Applications Development and Educational Communication Unit (DECU) (Rs.10.29 crore) Other Expenditure – Central Management (Rs.15.26 crore)	88.41
42.	96 Andaman and Nicobar Islands <b>Schemes / Projects / Activities most affected by unspent provision</b> Water supply – Rural Water Supply (Rs.2.70 crore) Rural Electrification: Direction and Administration (Rs.1.93 crore) Tribal Area Sub Plan (Rs.1.55 crore) General: Acquisition and Expansion of Tonnage- Purchase of Ships (Rs.20.40 crore) Tribal Area Sub plan – Purchase of Ships (Rs.15.42 crore) Airports – Aerodromes (Rs.5.93 crore)	33.84
<b>Capital -Charged</b>		
43.	1 Department of Agriculture & Co-operation (Ministry of Agriculture) <b>Schemes / Projects / Activities most affected by unspent provision</b> Loans for Central Plan Schemes –Crop Husbandry (Rs.1.73 crore) Loans to Other Co-operatives – Loans (Rs.2.00 crore)	40.04

**1989.86**

**Appendix-XVII**

(Refers to Paragraph 7.9)

**Provisioning without assessing actual requirement/unused balances /non receipt  
of proposals/recommendations/postponement of requirement**

(Rupees in crore)

Sl. No.	Sub-head	Budget Estimates	Actual disbursements	Unspent provision
<b>Grant No 9</b>				
1.	3601.04.406.05 Scheme for Central Assistance to the States for Developing Export Infrastructure and other allied activities	97.00	43.52	53.48
<b>Grant No.23-</b>				
2.	2075.00.800.10 Economic Reforms Programme	3.80	1.95	1.85
3.				
<b>Grant No.25</b>				
4.	2885.01.800.01-Grants to Industrial Credit and Investment Corporation of India	62.90	30.08	32.82
5.	2885.01.800.02- Grant to Industrial Finance Corporation of India	42.00	35.27	6.73
<b>Grant No.34</b>				
6.	2020.00.001.03- Organisation and Management of Services	42.15	10.52	31.63
<b>Grant No.38</b>				
7.	2210.06.003.11- Development of Nursing Services	21.50	12.00	9.50
<b>Grant No.43</b>				
8.	4055.00.201.01- Office Buildings	84.90	69.83	15.07
9.	4055.00.201.02- Residential Buildings	85.00	46.66	38.34
10.	4055.00.212.01-Office Buildings	29.00	25.50	3.50
11.	4055.00.800.01- Directorate of Coordination (Police-Wireless)	3.42	0.94	2.48
12.	4055.00.800.03- Indo-Bangladesh Border Works	100.00	78.41	21.59
<b>Grant No.47</b>				
13.	2202.05.001.01- Directorate of Hindi	5.01	3.80	1.21
14.	2202.80.001.09 – Educational Institutions Abroad	3.72	2.47	1.25
15.	2202.80.004.07 – Financial Assistance on Intellectual Property Right	2.80	0.79	2.01
16.	3601.03.157.02 – National Scholarships Scheme.	1.90	0.02	1.88
17.	3601.03.161.03 – Financial assistance for Modernisation of Madrasa Education	10.00	2.00	8.00
18.	2202.02.004.01- Grants to National Council of Educational Research & Training	41.20	38.37	2.83
20.	2202.02.110.01 Kendriya Vidyalaya Sangathan	596.10	562.24	33.86

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Sl. No.	Sub-head	Budget Estimates	Actual disbursements	Unspent provision
21.	2202.02.110.03- Educational facilities to Tibetan Refugee Children	17.55	14.03	3.52
22.	2202.02.110.02- Population Education project	3.50	1.15	2.35
23.	2202.02.110.08- Vocationalisation of Education	1.00	-	1.00
24.	2202.02.800.34- INSAT Cell & Assistance to Specialized Institutions	9.00	7.61	1.39
25.	2202. 03. 102.01- Establishment of National University (IGNOU)	61.00	54.06	6.94
26.	2203.00.001.04- All India council for Technical Education	125.42	108.62	16.80
27.	2203.00.003.05- Board of Apprenticeship Training	3.35	2.61	0.74
28.	2203.00.003.09- Programme for Apprenticeship Training- Scholarship and Stipends	24.00	18.92	5.08
29.	2203.00.105.04 –Grants for Quality Improvement Programme	52.90	32.46	20.44
30.	2203.00.112.03- Grants to Regional Engineering Colleges	150.00	139.67	10.33
31.	2203.00.112.17- National Institute for Foundry & Forge Technology, Ranchi	8.49	6.88	1.61
32.	2203.00.112.18- School of Planning and Architecture	8.50	7.24	1.26
33.	3601.03.171.02 –Area Intensive programme for Educationally Back-ward Minorities	20.00	15.29	4.71
<b>Grant No.48</b>				
34.	2235.02.102.06 – Balwadi Nutrition Programme	1.51	0.11	1.40
35.	2235.02.102.18 – Integrated Child Development Services	10.00	3.93	6.07
36.	2235.02.103.14 – Assistance to Voluntary Organisation for setting up short stay homes	12.84	6.03	6.81
37.	3601.04.356.02 – Indira Mahila Yojna	19.25	6.73	12.52
<b>Grant No 50</b>				
38.	2852.06.103.30- Guarantee fee subsidy as part of revival package for HMT Ltd.	4.69	3.73	0.96
39.	2852.08.215.06- Interest subsidy as part of financial restructuring of Hindustan Paper Corporation Ltd.	3.88	2.68	1.20
40.	4858.60.190.05- Investment in Instrumentation Ltd.	2.50	1.75	0.75
41.	4858.60.190.09- Investment in Bharat Yantra Nigam Ltd.	6.15	2.00	4.15
42.	4858.60.190.10- Investment in Bharat Bhari Udyog Nigam Ltd.	5.50	--	5.50
43.	4558.60.190.13- Investment in Hindustan Cables Ltd.	6.75	--	6.75

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Sl. No.	Sub-head	Budget Estimates	Actual disbursements	Unspent provision
44.	4860.60.216.02- Investment in Hindustan Photo Films Mfg,Co. Ltd.	1.50	--	1.50
<b>Grant No.51</b>				
45.	2220.01.800.01-National Film Archive of India	2.31	1.55	0.76
46.	2220.01.800.02-Children Film Society of India (NCYP)	4.70	3.37	1.33
47.	2220.60.003.01-Indian Institute of Mass Communication	6.16	5.07	1.09
<b>Grant No.54</b>				
48.	2014.00.800.03- International Center for Alternative Dispute Resolution (ICADR)	2.50	1.00	1.50
<b>Grant No. 76</b>				
49.	2851.00.103.15- Scheme for Handloom Export Development	5.00	3.23	1.77
50.	3601.01.726.01- Special Rebate/MDA on Sale of Handloom Cloth	19.00	2.09	16.91
51.	3601.04.726.01- Assistance to Handloom Weavers under Welfare Package Scheme	5.00	4.00	1.00

**Appendix-XVIII**

(Refers to Paragraph 7.10)

**Heads under which reasons for unutilisation have been attributed to economy  
measure/less procurement of material**

*(Rupees in crore)*

Sl. No.	Sub-head	Budget Estimates	Actual disbursements	Unspent provision
<b>Grant No.9</b>				
1.	3453.00.102.01- Trade Commissioners	63.50	61.21	2.29
2.	3453.00.194.03-Assistance for Export Promotion and Market Development Organisations	650.00	615.67	34.33
<b>Grant No.23</b>				
3.	2047.00.800.19 Payment of commission on repayment of loan	7.00	3.44	3.56
<b>Grant No. 24</b>				
4.	2046.00.102.02- Operation and Maintenance	134.00	95.04	38.96
5.	4046.00.102.02- Plant and Machinery	20.00	8.10	11.90
<b>Grant No.38</b>				
6.	4210.01.800.02- Purchase of Material in India & Abroad	50.00	31.51	18.49
7.	4210.04.101.09- Bulk Purchase of Material and Equipment for National Tuberculosis Control Programme	53.00	23.52	29.48
<b>Grant No.51</b>				
8.	2220.01.800.07-Satyajit Ray Film & Television Institute, Kolkata	4.94	3.08	1.86

**Appendix-XIX**

(Refers to Paragraph 7.11)

**Provisioning without completing codal formalities/approval of the  
activities/finalizing the proposals/non-filling of posts**

(Rupees in crore)

Sl. No.	Sub-head	Budget provision	Actual disbursement	Unspent provision
<b>Grant No 9</b>				
1	3453.00.101.01- Director General of Foreign Trade	37.94	36.27	1.67
<b>Grant No 23</b>				
2	2052.00.090.09 Department of economic Affairs	35.10	29.62	5.48
3	2070.00.800.22 Debts Recovery Tribunals	13.46	11.08	2.38
<b>Grant No. 24</b>				
4	2047.00.105.04- Management	78.89	55.87	23.02
5	2047.00.800.05- Central Stamp Store	7.42	5.25	2.17
6	4046.00.103.02- Plant and Machinery	5.00	2.91	2.09
7	4046.00.107.02- Plant and Machinery	25.00	5.44	19.56
<b>Grant No.38</b>				
8	2210.06.001.02- Port Health Establishment including Airport Organisation	8.95	5.66	3.29
9	2210.06.101.07.- National Institute of Communicable Diseases	23.53	15.36	8.17
10	2210.06.101.08- National Anti Malaria Programme	57.24	40.90	16.34
11	2210.06.101.39- National Programme for Control and Treatment of Occupational Diseases	4.50	1.12	3.38
12	2210.06.102.05- Administration and Prevention of Food Adulteration	8.95	5.89	3.06
13	2210.06.107.03- National Institute of Biological Standardisation and Quality Control	23.15	3.85	19.30
14	2210.06.112.05-All India Institute of Hygiene and Public Health ,Calcutta	8.79	4.86	3.93
<b>Grant No.43</b>				
15	2055.00.004.01- Bureau of Police Research & Development	4.75	3.66	1.09
16	2055.00.101.03- Central Forensic Science Laboratory	16.09	13.64	2.45
17	2055.00.101.05- Govt. Examiner of Questioned Documents	5.38	3.13	2.25
18	2055.00.102.01- Direction & Administration	1900.69	1775.67	125.02
19	2055.00.105.02- Border Check Posts	52.00	41.74	10.26
20	2055.00.106.01- Direction & Administration	95.98	79.80	16.18

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Sl. No.	Sub-head	Budget provision	Actual disbursement	Unspent provision
21	2055.00.107.01- Direction & Administration	843.88	818.51	25.37
22	2055.00.114.01- Inter-State Police Wireless Scheme	31.94	17.50	14.44
23	3601.01.117.03- Special Assistance to States	742.47	547.66	194.81
24	4055.00.800.02- Central Forensic Science Laboratory	8.36	0.96	7.40
<b>Grant No.47</b>				
25	2202.03.800.13 – Free Education for Girls	1.00	-	1.00
26	2202.05.103.07 Grants to Rashtriya Ved Vidya Pratishthan	3.00	0.66	2.34
27	2202.05.103.11 – Grants to Deemed Sanskrit Universites – Rastriya Sanskrit Sansthan CBSE and NGO's	2.50	1.47	1.03
28	2203.00.105.06-World Bank Project for improvement of Polytechnic Education	2.50	1.45	1.05
29	3601.01.186.01- Revision of Pay Scales of Teachers of Technical Institutions – Assistance to Institutions/Cells in States	85.00	42.39	42.61
30	3601.04.179.02 – Educational Technology Programme.	4.70	0.01	4.69
<b>Grant No.48</b>				
31	2235.02.103.03 – Assistance to Voluntary Organisations for Hostels for Working Women	8.98	4.96	4.02
32	3601.04.356.03 – Balika Smridhi Yojna	24.80	13.02	11.78
<b>Grant No.50</b>				
33	4858.60.190.07- Investment in Heavy Engineering Corporation ltd	1.89	--	1.89
34	4860.05.190.02- Investment in Nepa ltd.	5.40	--	5.40
<b>Grant No.51</b>				
35	2220.01.105.01-Films Division	29.47	25.61	3.86
36	2220.01.800.05- Directorate of Film Festivals	7.77	4.93	2.84
37	2220.60.103.01-Prss Information Bureau	19.82	18.39	1.43
<b>Grant No.53</b>				
38	2230.01.101.07- Chief Labour Commissioner (Central) and Regional Labour Commissioners	16.13	13.08	3.05
39	2230.01.106.02- Health	7.93	4.99	2.94
40	2230.01.107.02-Health	4.76	2.99	1.77
41	2230.01.109.01-Housing	10.95	8.82	2.13
42	2230.01.109.04-Health	29.87	23.43	6.44
43	2230.01.111.02-Employees Pension Scheme 1995	650.00	485.00	165.00

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Sl. No.	Sub-head	Budget provision	Actual disbursement	Unspent provision
44	2552.00.800.14-Lum sum Provision for Schemes on North Eastern Estates	7.25	-	7.25
<b>Grant No.54</b>				
45	2052.00.090.06- Department of Legal Affairs	12.49	10.34	2.15
<b>Grant No. 64</b>				
46	2801.80.003.01- Central Electricity Authority	5.62	2.05	3.57
47	2801.80.004.03- Central Electricity Authority (Transfer of Technology in Hydro Development)	3.60	--	3.60
48	2801.80.800.03- Provision for Energy Conservation & Utilisation	9.60	1.89	7.71
49	3601.03.760.02-Incentive Scheme for recharging transmission and distribution losses	4.50	0.15	4.35
50	4801.01.201.01 Contribution to the Resources Gap in sharing of contribution of MP	36.27	--	36.27
51	4801.80.190.02 Power Trading Corporation	50.00	--	50.00
52	4801.80.800.03 Central Electricity Authority	4.41	1.19	3.22
<b>Grant No. 76</b>				
53	2851.00.103.02- Weavers Service Centre	16.10	13.79	2.31
54	2851.00.104.01 Development Commissioner for Handicrafts	3.87	2.90	0.97
55	2851.00.104.13- Welfare and Other Schemes	2.50	1.58	0.92
56	2852.08.797.01- Transfer to Industrial Development Fund-Jute Special Development Fund	5.00	0.46	4.54



**APPENDIX-XX**

(Refers to Paragraph 7.14)

**I. Instances of cases where the amount greater than 20 percent of the unspent provision and rupees one crore not surrendered:**

(Rupees in crore)

Sl. No	Grant No and name	Total unspent provision	Provision surrendered	Provision not surrendered	Percentage of amount not surrendered
<b>Revenue - Voted</b>					
1.	1-Department of Agriculture and Cooperation	64.76	44.55	20.21	31
2.	2-Agricultural Research & Education	19.42	--	19.42	100
3.	4-Deptt. of Food Proc. Industries	2.57	0.30	2.27	88
4.	8-Ministry of Coal	1.90	0.77	1.13	59
5.	10-Deptt. of Industrial Policy and Promotion	17.69	12.74	4.95	28
6.	12-Deptt. of Telecommunications	32.33	1.85	30.48	94
7.	20-Department of Disinvestments	0.83	0.66	0.17	20
8.	21-Ministry of Environment & Forests	7.93	1.11	6.82	86
9.	23-Department of Economic Affairs	95.13	9.36	85.77	90
10.	25-Payment to Financial Institutions	8.51	4.63	3.88	46
11.	30-Deptt. of Expenditure	2.86	2.07	0.79	28
12.	31-Pensions	231.20	150.00	81.20	35
13.	34-Direct Taxes	133.89	75.13	58.76	44
14.	35-Indirect Taxes	191.52	138.00	53.52	28
15.	40- Deptt. of Family Welfare	770.76	555.15	215.61	28
16.	49-Deptt. of Public Enterprises	1.25	0.85	0.40	32
17.	50-Deptt of Heavy Industry	2.63	1.89	0.74	28
18.	52-Ministry of Information & Technology	3.44	--	3.44	100
19.	55-Election Commission	1.00	0.01	0.99	99
20.	62-Ministry of Petroleum & Natural Gas	0.86	0.14	0.72	84
21.	69-Deptt. of Scientific & Industrial Research	44.09	30.44	13.65	31
22.	70-Deptt. of Bio-Technology	0.77	0.30	0.47	61
23.	72-Ministry of Statistics & Programme Implementation	12.36	9.76	2.60	21

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Sl. No	Grant No and name	Total unspent provision	Provision surrendered	Provision not surrendered	Percentage of amount not surrendered
24.	73-Ministry of Steel	0.77	0.40	0.37	48
25.	76-Ministry of Textiles	70.31	54.58	15.73	22
26.	77-Deptt. of Tourism	6.49	2.68	3.81	59
27.	78-Deptt. of Culture	62.19	39.87	22.32	36
28.	81-Public Works	40.19	23.54	16.65	41
29.	82-Stationery & Printing	23.90	18.55	5.35	22
30.	84-Ministry of Water Resources	75.53	58.08	17.45	23
31.	86-Ministry of Youth Affairs and Sports	6.47	4.53	1.94	30
32.	87-Atomic Energy	52.48	8.03	44.45	85
33.	88-Nuclear Power Scheme	56.71	0.10	56.61	100
34.	90-Deptt. of Space	45.39	33.04	12.35	27
35.	92-Rajya Sabha	5.76	3.86	1.90	33
36.	96-Andaman & Nicobar	15.23	8.46	6.77	44
37.	97-Chandigarh	4.92	3.85	1.07	22
38.	98-Dadar & Nagar Haveli	1.80	0.69	1.11	62
39.	99-Daman & Diu	4.80	3.51	1.29	27
40.	100-Lakshadweep	8.06	5.45	2.61	32
<b>Revenue – Charged</b>					
41.	9-Deptt. of Commerce	0.09	--	0.09	100
42.	14-Defence Pensions	0.06	--	0.06	100
43.	21-Ministry of Environment & Forests	0.01	--	0.01	100
44.	23-Deptt. of Economic Affairs	1.70	--	1.70	100
45.	31-Pensions	2.66	--	2.66	100
46.	76-Ministry of Textiles	1.02	--	1.02	100
47.	94-Appn-UPSC	3.92	3.02	0.90	23
<b>Capital-Voted</b>					
48.	1-Deptt. of Agriculture and Cooperation	4.43	2.14	2.29	52
49.	24-Currency, Coinage & Stamps	107.40	84.44	22.96	21
50.	28-Loans to Govt. Servants	132.17	--	--	100
51.	34-Direct Taxes	31.38	15.44	15.94	51
52.	38-Deptt. of Health	115.49	89.75	25.74	22
53.	41-Ministry of Home Affairs	3.25	1.10	2.15	66
54.	42-Cabinet	2.82	1.63	1.19	42
55.	43-Police	163.68	117.62	46.06	28
56.	53—Ministry of Labour	6.23	0.18	6.05	97

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57.	54-Law & Justice	4.80	--	4.80	100
58.	74-Ministry of Road Transport and Highways	286.50	121.94	164.56	57
59.	75-Ministry of Shipping	154.41	118.11	36.30	24
60.	81-Public Works	5.13	--	5.13	100
61.	84-Ministry of Water Resources	1.93	--	1.93	100
<b>Capital-Charged</b>					
62.	64- Ministry of Power	4.80	2.94	1.86	39
63.	74-Ministry of Road Transport & Highways	4.82	--	4.82	100
64.	80-Ministry of Urban Development	1.89	1.33	0.56	30

**II. Instances of cases where the amount surrendered more than the amount of saving**

*(Rupees in crore)*

Sl. No	Grant/Appropriation	Total unspent provision	Amount surrendered
<b>Revenue-Voted</b>			
1	44-Other Expenditure of Ministry of Home Affairs	103.57	109.97
<b>Revenue -Charged</b>			
2.	26-Interest Payments	(+)28.39	450.55
3.	41-Ministry of Home Affairs	0.04	0.05
<b>Capital-Voted</b>			
4.	7-Ministry of Civil Aviation	14.83	15.12
5.	23-Department of Economic Affairs	42.21	45.03
6.	39-Department of Indian Systems of Medicines and Homeopathy	5.71	7.00
7.	44-Other Expenditure of the Ministry of Home Affairs	24.89	32.42
8.	64-Ministry of Power	581.69	583.23
<b>Capital-Charged</b>			
9.	29-Repayment of Debt	4053.64	9099.64

**Appendix-XXI**

(Refers to Paragraph 7.17)

**Significant Cases of Major Re-appropriations which were Injudicious on Account of  
Non-utilisation  
(Cases of re-appropriation of amount more than Rs. 50.00 lakh only mentioned)**

(Rupees in lakh)

Sl. No.	Number and nature of grant	Major head	Sub-head	Amount of re-appropriation to the sub-head	Final unspent provision under the sub-head after re-appropriation
<b>Civil</b>					
1.	6-Department of Fertilizers	2852 Industries	Payment under Fertilizers Retention Price Scheme	18792.00	21275.15
2.	12-Department of Tele-communication	2071-Pensions and Other Retirements Benefits	Superannuation and Retirement Allowances	12599.68	12663.02
3.	-do-	-do-	Compassionate Allowance	1416.00	1484.33
4.	23-Department of Economic Affairs	3075-Other Transport Services	Payment to Railways	649.00	6985.84
5.	24-Currency, Coinage and Stamps	2046-Currency, Coinage and Mints	Other Expenditure	1362.53	1742.44
6.	26-Interest Payments	2049-Interest Payments	Management of Debt	4300.00	4413.07
7.	34-Direct Taxes	2020-Collection of Taxes on Income and Expenditure	Commissioners and their offices	2499.27	4532.32
8.	38-Department of Health	3601-Grants-in-aid to State Governments	Assistance to wards expenditure on Hospitalisation of the poor	108.00	208.00
9.	40-Department of Family Welfare	2211-Family Welfare	Expenditure in Union Territories without legislatures	56.00	105.77
10.	-do-	-do-	Other Items	290.16	295.63
11.	-do-	-do-	Social Marketing of Oral Pills	64.41	116.81
12.	43-Police	2055-Police	Charges paid in respect of Jammu and Kashmir Light Infantry	737.00	983.96
13.	74-Ministry of Road Transport and Highways	5054-Capital Outlay on Roads and Bridges	Works under Road Wing	59.97	93.62
14.	77-Department of Tourism	3452-Tourism	Market Research	52.50	148.35

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*(Rupees in lakh)*

Sl. No.	Number and nature of grant	Major head	Sub-head	Amount of re-appropriation to the sub-head	Final unspent provision under the sub-head after re-appropriation
15.	87-Department of Atomic Energy	5401-Capital Outlay on Atomic Energy Research	Metallurgy	154.00	156.83
16.	88-Nuclear Power Schemes	2801-Power	PHWR Fuel for other stations	2708.00	3312.88
<b>Posts</b>					
17.	11-Postal Services	3201-Postal Network	Opening of new post offices/ appointment EDAs in Tribal Areas	95.00	193.81
18.	-do-	-do-	Amenities to staff –dispensaries	71.50	146.52
<b>Defence Services</b>					
19.	15-Defence Services – Army	2076-Army	Other Expenditure	2829.00	4760.00
20.	16-Defence Services – Navy	2077-Navy	Works	598.00	1764.00
21.	17-Defence Services – Air Force	2078-Air force	Transportation	520.00	703.00
				<b>49962.02</b>	

**Appendix-XXII**  
(Refers to Paragraph 7.18)  
**Cases of re-appropriation from sub-heads under which the expenditure finally  
showed excess over the balance provision**

*(Rupees in lakh)*

Sl. No.	Number and nature of grant	Major head	Sub-head	Amount of re-appropriation from the sub-head	Amount of excess under the sub-head after re-appropriation
1.	12-Department of Telecommunications	3451-Secretariat Economic Services	i) Secretariat – Ministry of Communications	139.00	429.12
2.	-do-	-do-	ii) Maintenance	50.00	824.58
3.	-do-	2071-Pensions and Other Retirement Benefits	iii) Commuted Value of Pension	4119.94	4917.27
4.	-do-	-do-	iv) Gratuities	7467.29	7725.11
5.	-do-	-do-	v) Other Pensions	464.04	565.89
6.	13-Ministry of Defence	2075-Miscellaneous General Services	Directorate of Canteen Services	339.24	611.62
7.	23-Department of Economic Affairs	3475-Other General Economic Services	Transfer to Reserve Funds	96.00	667.41
8.	24-Currency, Coinage and Stamps	4046-Capital Outlay on Currency, Coinage and Mint	Bank Note Press-Buildings	80.00	99.11
9.	25-Payment to Financial Institutions	4552-Capital Outlay on North Eastern Area	Project/Scheme for the benefit of North Eastern Region and Sikkim	545.00	545.00
10.	26-Interest Payments	2049-Interest Payments	Postal Insurance and Life Annuity Fund	10000.00	10606.39
11.	-do-	-do-	Interest/Incentive on Mahila Samridhi Yojna	50.00	567.89
12.	29-Repayment of Debt	6002-External Debt	Loans from the International Development Associations	145.50	369.83
13.	64-Ministry of Power	4801-Capital Outlay on Power Projects	National Hydro Electric Power Corporation Ltd.	6224.00	25826.00
				<b>29720.01</b>	

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**Appendix XXIII**  
(Refers to Paragraph 8.8)  
Excessive provisions resulting in large savings and surrenders

(Rupees. in thousand)

Major Head and Sub head	Budget provision	Actual Expenditure	Savings/ Surrender (-)	Percentage of saving
<b>1999-2000</b>				
2052.00 800.02 Departmental Canteens	4200	3405	795	19
2061.00.003.01 Foreign Service Training Institute	20000	10740	9260	46
2061.00.104.01 International Conferences/ Meetings	10000	282	9718	97
2061.00.106.01 Entertainment of Dignitaries	180000	162150	17850	10
2061.00.798.01 Commonwealth	38430	21226	17204	45
2061.00.798.02 Other International Organisations	48585	11263	37322	77
2061.00.798.04 Contribution to SAARC Secretariat	21500	16123	5377	25
2061.00.800.12 Special Programmes	16500	7088	9412	57
3605.00.101.09 Aid to Bangladesh	150000	6236	143764	96
3605.00.101.11 Aid to Nepal	650000	423913	226087	35
3605.00.101.13 Aid to Maldives	100000	24819	75181	75
3605.00.101.14 Aid to Myanmar	350000	206589	143411	41
3605.00.101.15 Aid to other developing countries	85000	33088	51912	61
3605.00.101.16 Aid to Disaster Relief	85000	34335	50665	60
3605.00.101.20 Aid to African Countries	110000	17009	92991	85
3605.00.101.21 Grant in aid to International & Other Aid Funds	1000	----	1000	100
3605.00.101.23 Multilateral Economic Relation Programme	35000	7948	27052	77
3605.00.101.24 Investment Promotion and Publicity Programme	8400	2715	5685	68
3605.00.101.25 Aid to Central Asia	10000	5657	4343	43
4059.60.051.17 External Affairs	700000	634943	65057	9

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Major Head and Sub head	Budget provision	Actual Expenditure	Savings/ Surrender (-)	Percentage of saving
4216.01.700.18 External Affairs	300000	138260	161740	54
<b>2000-2001</b>				
2052.00.800.02 Departmental Canteens	4200	3404	796	19
2601.00.103.01 Discretionary Expenditure	5149900	4771839	378061	7
2061.00.104.01 International Conferences/Meetings	10000	320	9680	97
2061.00.105.01 Central passport and Emigration Organization	884100	797534	86566	10
2061.00.798.02 Other International organizations	41750	14474	27276	65
2061.00.798.04 Contribution to SAARC Secretariat	22000	17487	4513	21
2061.00.800.01 Demarcation of Boundaries	34093	20212	13881	41
2061.00.800.03 Other Schemes	11274	6907	4367	39
2061.00.800.08 Expenditure on Haj	25500	20988	4512	18
2061.00.800.09 Expenditure relating to other pilgrimage abroad	3500	2649	851	24
2061.00.800.10 External Affairs Hostels	9715	8531	1184	12
2061.00.800.12 Special programmes	18000	12406	5594	31
3605.00.101.09 Aid to Bangladesh	100000	50170	49830	50
3605.00.101.11 Aid to Nepal	650000	422499	227501	35
3605.00.101.12 Sri Lanka-Other Aid Programmes	145000	53543	91457	63
3605.00.101.13 Aid to Maldives	100000	12584	87416	87
3605.00.101.14 Aid to Myanmar	235000	59699	175301	75
3605.00.101.15 Aid to other Developing Countries	58800	9149	49651	84
3605.00.101.16 Aid for Disaster Relief	75000	44485	30515	41
3605.00.101.20 Aid to African Countries	70000	30756	39244	56
3605.00.101.23 Multilateral Economic Relation Programme	35000	12692	22308	64



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Major Head and Sub head	Budget provision	Actual Expenditure	Savings/ Surrender (-)	Percentage of saving
3605.00.101.24 Investment Promotion and Publicity Programme	8600	5169	3431	40
4059.00.051.17 External Affairs	700000	536482	163518	23
7605.00.098 Loans to Govt. of Bangladesh	750000	590757	159243	21
<b>2001-2002</b>				
2052.00.800.02 Departmental Canteens	4410	3028	1382	31
2061.00.800.01 Demarcation of Boundaries	39000	27122	11878	30
2061.00.800.03 Other Schemes	10244	6979	3265	32
2061.00.800.07 Special Delegations	210000	162484	47516	23
2061.00.800.08 Expenditure on Haj	24000	7322	16678	69
2061.00.800.09 Expenditure related to other Pilgrimage abroad	3500	2545	955	27
2061.00.800.10 External Affairs Hostels	10117	7799	2318	23
2061.00.800.12 Special Programmes	28568	14944	13624	48
3605.00.101.09 Aid to Bangladesh	90000	393	89607	99
3605.00.101.11 Aid to Nepal	1090000	395296	694704	64
3605.00.101.12 Sri Lanka-Other Aid Programmes	160000	33409	126591	79
3605.00.101.13 Aid to Maldives	87500	52811	34689	40
3605.00.101.14 Aid to Myanmar	207500	17629	189871	92
3605.00.101.23 Multilateral Economic Relation Programme	44625	4405	40220	90
3605.00.101.24 Investment Promotion and Publicity Programme	8558	5447	3111	36
3605.00.101.25 Aid to Central Asia	22188	9495	12693	57
4059.60.051.17 External Affairs	672000	254275	417725	62

**Appendix-XXIV**  
(Refers to Paragraph 8.20)  
**Unspent Provision**

(Rupees in crore)

Sl. No.	Major/Sub-head	Total Provision (O+S)	Actual Disbursement	Un-spent Provision	Reasons advanced by the department for unspent provision/excess over provision
<b>1999-2000</b>					
<b>I. Unspent provision</b>					
1.	2215-Water Supply and Sanitation-Accelerated Rural Water Supply Programme	1.83	1.09	0.74	10% mandatory cut imposed by Ministry of Finance on non-salary secretariat expenditure etc.
2.	Rajiv Gandhi National Drinking Water Mission	5.00	3.00	2.00	Less proposals for release of funds from states/implementing agencies etc. and cut imposed at RE stage.
3.	Research	1.50	0.53	0.97	Cut imposed at RE stage etc.,
4.	Monitoring and Evaluation	1.00	0.10	0.90	-do-
5.	Information, Education and Communication	3.50	0.08	3.42	-do-
6.	Management information system and Computerization	5.00	2.84	2.16	-do-
7.	Sanitation Services Assistance from WHO/UNICEF	2.75	1.25	1.50	-do-
8.	2515- Other Rural Development Programmes Panchayat Development and Training	1.75	1.00	0.75	Receipt pf less no. of proposals for release of funds etc.
9.	Promotion of Voluntary Schemes and Social Action Programme	26.00	13.00	13.00	Less receipt of huge proposals and huge ipening balances with CAPART
10.	3601- Grants in aid to State Governments Accelerated Rural Water Supply Programme	1229.88	1158.56	71.32	-do-
11.	Information, Education and Communication	2.00	0.74	1.26	Cut imposed at RE stage
12.	Sewerage and Sanitation Services	105.80	90.60	15.20	-do-
<b>II. Excess</b>					
1.	2235- Social Security and Welfare- Assistance to implementing agencies	52.38 S-0.01	67.27	14.88	For meeting committed liabilities under the scheme
2.	3601- Grant in aid to State Governments - Strengthening of	2.00	3.00	1.00	Receipt of more proposals for release of funds from state Governments.

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	Extension Training/Centres				
3.	Establishment/strengthening of Regional Training Centres for Research and Training	1.00	3.00	2.00	Receipt of more proposals from State Governments of UP, Orissa, Tripura, etc.,
4.	Panchayat Development and Training	1.00	2.00	1.00	For providing orientation training to newly elected members of Panchayat.
<b>2000-01</b>					
<b>I. Unspent provision</b>					
1.	2216- Housing- Other Expenditure –Rural Building Centres	3.00	1.56	1.44	Receipt of lesser proposals for release of funds from states
2.	Innovative Stream	1.00	8.73	1.27	-do-
3.	Credit- Cum-Subsidy Component	82.00	26.98	55.02	-do-
4.	2235- Social Security and Welfare- Annapurna.	90.00	0.80	89.20	Funds were released to state Govt. instead of releasing the funds to DRDA/implementing agencies as per the post budget decision of cabinet.
5.	2501- Special Programme for Rural Development – Subsidy to DRDAs and others	869.46 S-0.01	529.48	339.99	Cut imposed at RE stage.
6.	Pilot projects of innovative nature	2.00	-	2.00	Non-receipt of proposal from any state Government for taking up the project.
7.	UNDP- Assistance community Based Pro-poor initiative	20.00	9.16	10.84	Proposals worth Rs 9.16 crore only were approved by UNDP, as against the original commitment.
8.	2505- Rural Employment-Jawahar Gram Samridhi Yojana	1481.64	1382.15	99.49	Cut imposed at RE stage owing to large opening balances with the implementing agencies/State Govt.
9.	2515- Other Rural Development Programmes- Promotion of Voluntary Schemes and Social Action Programme- Organization of Beneficiaries.	3.60	2.00	1.60	Less receipt of viable projects by CAPART for Non-Governmental organization
10.	DRDA Administration	198.00	165.51	32.49	Cut imposed at RE stage owing to large opening balances with the state Govt./implementing agencies.
11.	2552- North-Eastern Areas- Provision for projects/schemes for the benefit of N.E. Region and Sikkim.	676.00	-	676.00	Post budget decision by the Ministry of Finance to provide funds to respective functional heads and less requirement of funds by N.E. states.
<b>II. Excess</b>					
1.	2216- Housing- Indira Awaas Yojana/Samagra Awaas Yojana	1344.00 S- 0.01	1526.14	182.13	Additional requirement of Orissa State on account of super cyclone and other draught hit states and re-appropriation functional head 2552.

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2.	2235- Social security and Welfare- National Old Age Pension Scheme- Assistance to implementing agencies	402.00 S- 0.01	439.76	37.75	Actual requirement of funds for N.E. Region including Sikkim.
3.	Assistance to National Family Benefit Scheme	173.50	187.27	13.77	-do-
4.	Assistance to National Maternity Benefit Scheme	66.00	71.38	5.38	-do-
5.	2505- Rural Employment- Grants to District Level Agencies	1168.22 S- 0.01	1417.52	249.29	Re-appropriation from the functional head and post budget decision to release the funds under EAS for meeting the additional requirement of drought hit states under Food for Work Programme.
6.	2515- other Rural Development Programme- Promotion of Voluntary Schemes and Social Action Programme	11.70	13.00	1.30	Re-appropriation to this functional head on the basis on actual requirement of funds for N.E. Region including Sikkim.
7.	3601- Grant-in- aid to State Government - Annapurna	Nil	98.30	98.30	Re-appropriation to functional head and also due to the fact that more proposals for release of funds received from the state Governments.

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**I. Unspent provision**

1.	3451- Sectt. Economic Services- Deptt. of Rural Development	10.22	8.79	1.43	Non-filling up of vacant posts and 10% cut imposed by M/o Finance.
2.	2216- Housing - Rural Building Centre	3.00	0.78	2.22	Receipt of lesser proposals for release of funds from implementing agencies
3.	Credit - cum-subsidy component	30.00	8.10	21.90	Receipt of inadequate proposals from implementing agencies
4.	National Mission for Rural Housing	1.00	0.04	0.96	Non-finalization of report by committee on Housing Mission
5.	2235- Social Security and Welfare - Assistance to implementing agencies	525.00	460.28	64.72	Decision of the Ministry in consultation with planning Commission for reduction of provision under NOAPS by Rs. 105 crore and correspondingly increased the allocation under Rural Housing.
6.	National Family Benefit Scheme	224.40	166.88	57.52	Post budget decision of the Ministry and Planning Commission to reduce allocation for NSAP from Rs. 835 crore to Rs. 635 Crore.
7.	2552-North Eastern Areas- Provisions for Projects/schemes for the benefit on N.E. Regions and Sikkim.	660.50 S-10.00	-	670.50	Less requirement of funds by N.E. Region including Sikkim.
8.	3601-Grants in aid to State Govt.- Pradhan Mantri Gram Sadak	2500.00 S-0.01	-	2500.01	Cabinet decision to transfer on the PMGSY into 100% Centrally Sponsored Scheme.

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	Yojana				
9.	Other R.D. Programme Panchayat Development and Training	3.75	2.30	1.45	Less proposal received from state Governments.
10.	Social Welfare- Other Grants- Annapurna	269.00	71.45	197.55	Cut imposed at RE stage and less receipt of proposal from State Governments.
11.	Jawahar Gram Samridhi Yojana	2.50	0.47	2.03	Less proposal received from State Governments.
12.	4216- Capital Outlay on Housing- Investment in Public Sector and other undertaking	90.00	50.00	40.00	Less receipt of proposals for release of funds from Housing and Urban Development Ltd.
13.	4552- Capital outlay on North Eastern Areas- Other Expenditure	10.00	-	10.00	Non -requirement of funds form various North Eastern States.
<b>II. Excess</b>					
1.	2216 Rural Housing- Indira Awas Yojana	1240.30 S- 306.01	1876.75	330.44	Construction of houses for the earth quake and cyclone effected rural areas in Gujarat and Orissa committed liabilities of Prashar Bharti and Re-appropriation of Rs. 1.26 crore from MH 2552.
2.	2501- special programme for R.D.- subsidy to DRDA and others	436.50 S-0.01	503.93	67.42	More proposals from various well performing districts in state/UTs and for meeting committed liabilities on organizing SARAS and re-appropriation from MH 2552
3.	Information, Education and Communication	3.00	22.01	19.01	For clearing of outstanding liability of Prasar Bharati
4.	2505- Rural Employment- Jawahar Gram Samrithi Yojana	1481.64 S-225.00	1893.46	186.82	Actual requirement of funds from N.E. Region Sikkim.
5.	Grants to Distt. Level Agencies	1438.22 S-275.00	1896.28	183.06	-do-
6.	2515- Other R.D. Programme- Strengthening of RTC for Research and Training	6.00 S-0.88	6.88	0.88	-do-
7.	Communication Cell	9.35	27.93	18.58	To clear the outstanding liability of Prasar Bharati
8.	Grants to CAPART	27.00 S-0.01	30.00	2.99	Re-appropriation from functional head and additional requirement to clear the outstanding liabilities to Prasar Bharati.
9.	3054- Roads and Bridges- Pradhan Mantri Gram Sadak Yojana	S-0.01	2500.00	2499.99	Cabinet decision to transform the PMGSY into 100% centrally sponsored scheme

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**Appendix XXV**  
(Refers to Paragraph 8.28)  
Sub-heads of unrealistic budgeting

(Rupees in thousand)

Sl. No.	Major Head/sub-head	Total provision	Amount re-appropriated to other heads	Percentage of re-appropriation
<b>1999-2000</b>				
1.	222501 – Coaching Allied Schemes (Pre-examination & Training)	5.00	5.00	100
2.	222501 – Book Banks	5.00	5.00	100
3.	222501 – Special Education Development Programme for girls belonging to SCs of very low literacy level	500.00	430.00	86
4.	222502 – National Commission for Scheduled Tribes	10.00	10.00	100
5.	222502 – Boys Hostels	50.00	50.00	100
6.	222502 – Girls Hostels	50.00	50.00	100
7.	222502 – Assistance to voluntary organizations for Scheduled Tribes	3000.00	1500.00	50
8.	222502 – Establishment of Ashram Schools in Tribal Sub-Plan Areas	20.00	20.00	100
9.	222502 – Education Complex in Low Literacy Pockets for development of Women literacy in Tribal Areas	900.00	680.00	76
10.	222502 – Village Grain Banks	400.00	300.00	75
11.	222503 – Coaching for Backward Classes	250.00	245.00	98
12.	222503 – Shelter for Nomadic Communities	30.00	30.00	100
13.	223502 – Kasturba Gandhi Swatantrata Vidyalaya	5000.00	5000.00	100
14.	360103 – Preparation of Multi Sector Plan in Minorities concentrated Districts	250.00	250.00	100
15.	360104 – Coaching & Allied Schemes	255.00	130.42	51
16.	360104 – Employment of Handicapped	141.00	70.00	50
17.	360104 – Girls Hostel	1150.00	608.00	53
18.	360104 – Establishment of Ashram Schools in Tribal Sub-Plan Areas	1480.00	948.00	64
19.	360204 – Girls Hostels	100.00	100.00	100
20.	360204 – Prevention and Control of Juvenile Maladjustments	50.00	50.00	100
21.	225801 – State Backward Classes Corporation	50.00	50.00	100
22.	423502 – National Handicapped Finance and Development Corporation	2000.00	1000.00	50

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Sl. No.	Major Head/sub-head	Total provision	Amount re-appropriated to other heads	Percentage of re-appropriation
<b>2000-01</b>				
1.	222501 – Coaching Allied Schemes (Pre-examination Training)	3.00	3.00	100
2.	222501 – Book Banks	3.00	3.00	100
3.	222501 – Special Education Development Programmes for girls belonging to SCs of very low literacy level	200.00	189.48	95
4.	222503 – Coaching for Backward Classes	250.00	247.00	99
5.	222503 – Residential Schools for Boys and girls	1.00	1.00	100
6.	2225808 – Centenary Celebration of Baba Sahab Dr. B.R. Ambedkar	100.00	100.00	100
7.	2225808 Scholarship to students of SCs, STs and other categories for studies abroad	113.00	53.00	47
8.	223502 – Office of the Chief Commissioner of Handicapped	100.00	63.00	63
9.	223501 – Grants-in-aid to voluntary organizations etc. for services for children in need of care and protection in Assam	1.00	1.00	100
10.	223502 – Central Adoption Resource Agency	200.00	130.00	65
11.	223502 – Assistance to Voluntary organizations for construction of old age homes etc.	239.00	139.00	58
12.	360103 – Upgradation of merit of SCs & STs students through extra coaching	100.00	53.64	53
13.	360103 – Preparation of Multi-Sector Plan in Minorities concentration districts	150.00	139.00	93
14.	360203 – Welfare of SC-SCA for SC component Plan	325.00	149.81	46
15.	360204 – Other Schemes	144.00	75.28	52
16.	360204 – Girls Hostels	20.00	20.00	100
17.	360204 – Prevention and Control of journals Maladjustments	50.00	50.00	100
18.	4225801 – National SC & ST Finance and Development Corporation	3150.00	3150.00	100
19.	4225801 – National Backward Classes Finance & Development Corporation	6810.00	6810.00	100
20.	423502 – National Handicapped Finance & Development Corporation	1200.00	1200.00	100
21.	4875601 – Artificial Limbs Manufacturing Corporation	675.00	675.00	100

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Sl. No.	Major Head/sub-head	Total provision	Amount re-appropriated to other heads	Percentage of re-appropriation
<b>2001-02</b>				
1.	222501 – Coaching Allied Schemes (Pre-examination Training)	10.00	10.00	100
2.	2225.01 – Book Banks	3.00	3.00	100
3.	222501 – National Scheme of Liberation and Rehabilitation of Scavengers	7400.00	6480.18	88
4.	222580 – Grants to Non-Govt. Institutions for running Pre-examination Training Centres for SCs/STs	580.00	423.88	73
5.	2225.80 – Grants to Maulana Azad Education Foundation	2100.00	1800.00	86
6.	2225.80 – Scholarship to students of SCs & STs and other category for study abroad	113.00	66.00	58
7.	223502 – Assistance to Homes for infant and young children for promotion in-country adoption	450.00	250.00	56
8.	223502 – Prevention and control of Juvenile Maladjustments	4.00	4.00	100
9.	223502 – Contribution to U.N. Inter Regional Crime and Justice Research Institute	2.00	2.00	100
10.	360103 – Upgradation of Merit of SCs & STs students through extra coaching	4000.00	3898.80	97
11.	360103 – Preparation of Multi-Sector Plan in Minorities concentration Districts	10.00	10.00	100
12.	360104 – Coaching and Allied Schemes	350.00	308.02	88
13.	360203 – Welfare of SCs- Special Central Assistance for SC component Plan	200.00	150.00	75
14.	360204 Girls Hostel	50.00	50.00	100
15.	4225801 – National Backward Classes Finance and Development Corporation	1516.00	1516.00	100
16.	4225801 – State Backward Classes Corporation	1.00	1.00	100
17.	4235.02 – National Handicapped Finance and Development Corporation	900.00	900.00	100



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**Appendix XXVI**  
(Refers to Paragraph 8.45)  
**Cases of persistent unspent provision**

(Rupees in lakh)

Sl. No.	Major head/Sub-head	1999-2000			2000-2001			20001-2002		
		Total Provision	Unspent Provision		Total Provision	Unspent Provision		Total provision	Unspent provision	
			Re-appropriation	Saving		Re-appropriation	Saving		Re-appropriation	Saving
1.	222501 – Boys Hostel	110.00	10.00	20.00	80.00	--	45.00	500.00	55.00	5.15
2.	222501 – Post Matric Scholarships	10.00	8.18	1.48	10.00	8.32	1.68	6.00	3.50	0.62
3.	222503 – Coaching for Backward Classes	250.00	245.00	2.02	250.00	245.00	2.00	135.00	56.00	12.22
4.	222580 – National Commission for SCs and STs	603.00	40.36	17.59	625.00	31.40	39.18	660.00	44.00	39.33
5.	222580 – scholarship to student of SCs, STs and other categories for studies abroad	172.00	72.00	19.83	113.00	53.00	6.56	113.00	66.00	0.44
6.	223502 – National Institute of Social Defence	240.00	23.00	52.34	271.00	5.50	26.16	320.00	64.15	21.25
7.	223502 – Central Adoption Resource Agency	100.00	50.00	2.13	200.00	130.00	23.21	180.00	70.00	15.00
8.	223502 – Assistance to Homes for infants and young children for promotion of in-country adoption	200.00	25.00	17.89	270.00	50.00	32.00	450.00	250.00	42.11
9.	223502 – Scheme for the Street Children	900.00	90.00	25.76	950.00	174.00	51.69	1080.00	274.00	0.74
10.	422580 – National Backward Classes Finance and Development Corporation	--	--	--	6810.00	6810.00	--	1516.00	1516.00	--
11.	423502 – National Handicapped Finance and Development Corporation	2000.00	1000.00	--	1200.00	1200.00	--	900.00	900.00	--

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**Appendix-XXVII**  
(Refers to Paragraph 9.4)  
**Adverse Balances**

(Rupees in thousands)

Sl. No.	Head of Account (Major/Minor)	Balance (As on 31 March 2002)	Period from which balances became adverse
<b>Statement No. 13</b>			
1.	8115-00-101- Depreciation Reserve Funds – Railway Commercial Line	Dr. 3597985	1998-99
2.	8235-00-101- General Reserve Funds of Govt. Commercial Department/ Undertaking	Dr. 569	1999-2000
3.	8443-109- Forest Deposits	Dr. 10086	2001-02
4.	8443-00-110- Deposits of Police Fund	Dr. 3254	1996-97
5.	8443-00-118- Deposits of fees received by Govt. servants for work done for private bodies	Dr. 7248	2001-02
6.	8443-00-119- Companies liquidation Accounts	Dr. 262173	2001-02
7.	- Fund of Insurance Association of India	Dr. 2.91	Pre 1976-77
8.	8550-00-101- Forest Advances	Cr. 18286	1997-98
9.	86700-00-110- Electronic Advances	Dr. 1204351	2001-02
<b>Statement No. 14</b>			
10.	- Loans from the Federal Austrian Government	(-) 129881	1997-98
11.	- Loans from the Government of the Kingdom of Belgium	(-) 1225468	1996-97
12.	6002-204- Loans from the Government of Canada	(-) 1320947	1999-00
13.	6002-206- Loans from the Government of Demark	(-) 674207	1999-00
14.	- Loans from the European Economic Community	(-) 408883	2001-02
15.	6002-00-208- Loans from the Govt. of France	(-) 193590	2001-02
16.	6002-212- Loans from the Government of Italy	(-) 860737	2001-02
17.	- Loans from Kuwait Fund for Arab Economic Development	(-) 2770840	1994-95
18.	- Loans from the Government of Netherlands	(-) 8368138	1996-97
19.	- Loans from the organisation of Petroleum Exporting Countries Special Fund	(-) 316844	1994-95
20.	- Loans from the Government of Swiss Bank of Swiss confederation	(-) 297985	2001-02
21.	- Loans from Saudi Fund for Development.	(-) 450814	1994-95

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Sl. No.	Head of Account (Major/Minor)	Balance (As on 31 March 2002)	Period from which balances became adverse
22. -	Loans from the Agency for International Development U.S.A.	(-) 28970553	1995-96
23. -	Loans from Government of USA under PL 480 Convertible Local Currency Credits	(-) 5991083	1995-96
24. -	Other miscellaneous Loans from the Government of U.S.A.	(-) 843912	1998-99
25. -	Loans from the Government of Russian Federation	(-) 6319984	1998-99
<b>Statement No. 14A</b>			
26. 6001-00-106-	Special Bearer Bonds, 1991	(-) 111458	1995-96
<b>Statement No. 15</b>			
27.	Other Loans	(-) 1876	1986-87
28.	Other Loan	(-) 11783	2001-02
29.	Other Loans	(-) 738	1994-95
30.	Gratuitious Relief	(-) 803	1986-87
31.	Gratuitious Relief	(-) 2156	1997-98
32.	Other Loans	(-) 13444	1986-87
33.	Soil Conservation	(-) 4537	1995-96
34.	Other Loans	(-) 6428	1994-95
35.	Procurement and Supply	(-) 186	1999-00
36.	Community Development	(-) 451	1986-87
37.	Rural Works Programmes	(-) 1	1986-87
38.	Other Loans	(-) 4	1988-89
39.	Small Scale Industries	(-) 6715	2001-02
40.	Other Loan	(-) 22	1994-95
41.	Loans to S.D.F.C	(-) 3067.76	2001-02
42. -	Loans to Public Sector and other undertaking	(-) 39753	2001-02
43. -	Loans for Central Plan Schemes (Chattisgarh)	(-) 6544	2001-02
44. 3-	Loans from Central Plan Scheme (Jharkand)	(-) 3	2000-01
45. -	Loans for Central Plan Schemes (Jharkhand)	(-) 1301	2000-01
46.	Loan for central Plan Scheme (Uttarachal)	(-) 746	2000-01

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Sl. No.	Head of Account (Major/Minor)	Balance (As on 31 March 2002)	Period from which balances became adverse
<b>Statement No. 16</b>			
47.	8001-00-104- Cumulative Time Deposits	(-) 480537	1994-95
48.	8002-00-101- Post office certificates	(-) 11747196	1999-00
49.	8002-00-103- Treasury Saving Deposit Certificates	(-) 6962	Pre 1976-77
50.	8002-00-104- Defence Saving Certificates	(-) 298108	1988-89
51.	8002-00-106- National Development Bonds	(-) 10284	1982-83

## GLOSSARY

- 14 days auction Treasury Bill** : A scrip of 14 days duration introduced from June 1997. Auction for this instrument is held weekly at a pre-determined cut off price.
- 14 days intermediate Treasury Bill** : A scrip of 14 days duration introduced from June 1997, to enable the State Government, commercial banks and other specific bodies to invest their temporary surplus funds.
- 364 days auction Treasury Bill** : An instrument of borrowing introduced from April 1992 of the duration of 364 days. Auction for this instrument is held fortnightly at a pre-determined cut off price.
- 91 days auction Treasury Bill** : An instrument of borrowing introduced from January 1993. Auction for this instrument is held weekly at a pre-determined cut off price.
- Ad hoc Treasury Bill** : A scrip of 91 days duration created by RBI in its favour on behalf of Union Government, as and when the cash balance of the Government fall below the level of Rs 50 crore. Whenever the Government's cash balance had a surplus, *ad hoc* were cancelled in such amounts to maintain the agreed level. This scrip was discontinued from 1 April 1997.
- Appropriation** : Appropriation means assignment to meet specified expenditure of funds included in a primary unit of appropriation
- Appropriation Accounts** : Appropriation Accounts present the total amount of funds (original and supplementary) authorised by the Parliament in the budget grants under each voted grants and charged appropriation *vis-a-vis* the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Parliament.
- Appropriation Act** : When appropriation bill has been passed by the Parliament, it is presented to the President. After the assent by the President to the bill, it becomes an Act.
- Appropriation Bill** : As soon as may be after the grants under article 113 have been made by Lok Sabha, a bill to provide for the appropriation out of the Consolidated Fund of India of all money required to meet (a) the grants so made by Lok Sabha (b) the expenditure charged upon Consolidated Fund of India but not exceeding in any case the amount shown in the statement previously laid before the Parliament is introduced.
- Capital Expenditure** : It consists of payment for acquisition of assets, investment in shares, and loans and advances given by the government.
- Capital Receipts** : Capital receipts comprise loans raised by the government from the public, borrowing from the Reserve Bank of India and loans taken from foreign governments, recoveries of loans by the government, proceeds of disinvestments etc.
- Charged Appropriation** : Sum required to meet expenditure 'Charged' on Consolidated Fund under Article 112 (3) of the Constitution is called charged Appropriation.

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<b>Consolidated Fund of India (CFI)</b>	: The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFI is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).
<b>Contingency Fund of India</b>	: Parliament has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the President to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Parliament by law under Article 115 or Article 116 of the Constitution.
<b>Debt service</b>	: Payments to creditor(s) of matured principal and of interest. It, usually, includes service charges, etc.
<b>Demand for Grants</b>	: Demand for Grants is for gross amount of expenditure to be incurred and shows recoveries to be taken in reduction of expenditure separately by way of foot notes, presented to Parliament at two levels. The main Demands for Grants are presented by the Ministry of Finance along with the Annual Financial Statement. The detailed Demands for Grants are laid on the table of Lok Sabha by the concerned ministries a few days in advance of the discussion of respective ministry's demand in that House.  : As the Demands for Grants are for gross expenditure and the Annual Financial Statement gives the net amount to be expended under each head, the total of the two should be reconciled after adjustment of the recoveries taken in accounts in reduction of gross expenditure.
<b>Excess Grant</b>	: In cases, where expenditure in individual 'segment' of grant/appropriation, i.e. Revenue (Charged), Revenue (Voted), Capital (Charged) and Capital (Voted) exceeds the authorisation as such, the grant/appropriation is termed as excess grant.
<b>External Debt</b>	: Debt contracted by the Government from abroad, mostly in foreign currency viz., loan from World Bank, IBRD, IDA, etc.
<b>Fiscal Deficit</b>	: It is the excess of total expenditure including loans net of repayments over revenue receipts and non debt capital receipts. It also indicates the total borrowing of the government, and the increment to its outstanding debt.
<b>GDP at factor cost</b>	: Gross domestic product at factor cost measures GDP at the cost of the factors used to produce it, i.e. At the incomes earned by those factors. It is obtained from the GDP at market prices by deducting indirect taxes and adding subsidies.
<b>GDP at market Prices</b>	: Gross domestic product at market prices indicates the value of all final expenditure on the goods and services produced within the country. It is equal to the value of all final goods and services produced in the country in a given period. The evaluation can be done at current prices or at prices prevailing in a base year.

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<b>Internal Debt</b>	:	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
<b>M3</b>	:	This is broad money defined as the sum of currency with the public, demand deposits and time deposits with the banks, and 'other' deposits with the RBI.
<b>Major Head</b>	:	The main unit of classification in accounts is known as Major Head. A four digit code has been allotted to the Major Head, the first digit indicating whether the major head is a Receipt head or Revenue expenditure head or Capital expenditure head or Loan head.
<b>Minor Head</b>	:	Three digit code has been allotted to the Minor Head starting from "001" under each sub Major head/Major head (where there is no sub major head).
<b>New Service</b>	:	Government has prescribed certain financial limits for different categories of expenditure through re-appropriation, beyond which the expenditure constitutes "New service / New instrument of service".
<b>Original Grant</b>	:	The amount provided for any service in the Annual Financial Statement in a financial year is called original grant or appropriation.
<b>Primary Deficit</b>	:	Fiscal deficit minus interest payments gives primary deficit. It can be interpreted as the excess of non interest expenditure of the government over its revenue receipts and non debt capital receipts.
<b>Public Account</b>	:	All moneys other than those included in the Consolidated Fund, received by or on behalf of Government of India are credited to the Public Account of India [Article 266 (2) of the Constitution of India]. It includes transactions relating to 'debt' other than those included in the Consolidated Fund of India. Public Account transactions are not subject to vote/appropriation by Parliament and the balances are carried forward.
<b>Public Debt (of India)</b>	:	Borrowing by the Government of India internally as well as externally.
<b>Re-appropriation</b>	:	Means the transfer of funds from one Primary unit of appropriation to another such unit.
<b>Reserve Money</b>	:	This is the monetary base. It is the sum of net RBI credit to government, RBI's claims on commercial and cooperative banks, RBI's credit to the commercial sector, net foreign exchange of the RBI, government's currency liabilities to the public <i>minus</i> the net non-monetary liabilities of the RBI.
<b>Revenue Deficit</b>	:	This is equal to the excess of revenue expenditure over revenue receipts.
<b>Revenue Expenditure</b>	:	This is meant for normal running of governments' maintenance expenditures, interest payments, subsidies and transfers etc. It is current expenditure which does not result in the creation of assets. Grants given to State governments or other parties are also treated as revenue expenditure even if some of the grants may be meant for creating assets.

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- Revenue Receipts** : These include proceeds of taxes and duties levied by the government, interest and dividend on investments made by the government, fees and other receipts for services rendered by the government.
- Stock** : A form of Government security held as stock certificate and not transferable by endorsement and delivery but by executing a transfer deed and by registering the transfer in the books of the Public Debt Office.
- Supplementary Grant** : If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution.
- Surrender of unspent provision** : Departments of the Central Government are to surrender to the Finance Ministry, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Ministry is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year.
- Tap Treasury Bill** : A scrip of 91 days duration by which Government borrows money. This scrip was intended for investment by commercial banks of their surplus. This scrip was discontinued from 1 April 1997.
- Treasury Bills** : An instrument issued by the Reserve Bank of India on behalf of the Union Government to raise short term loans intended to fill transient resource gaps.
- Unspent provision** : When expenditure falls short of budget provision, it results into unspent provision.
- Voted Grant** : Sum required to meet other expenditure for which vote of Parliament is required under Article 113 (2) of the Constitution is called voted grant.