

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

for the year 2013-14

**Union Government
Accounts of the Union Government
No. 1 of 2015
(Financial Audit)**



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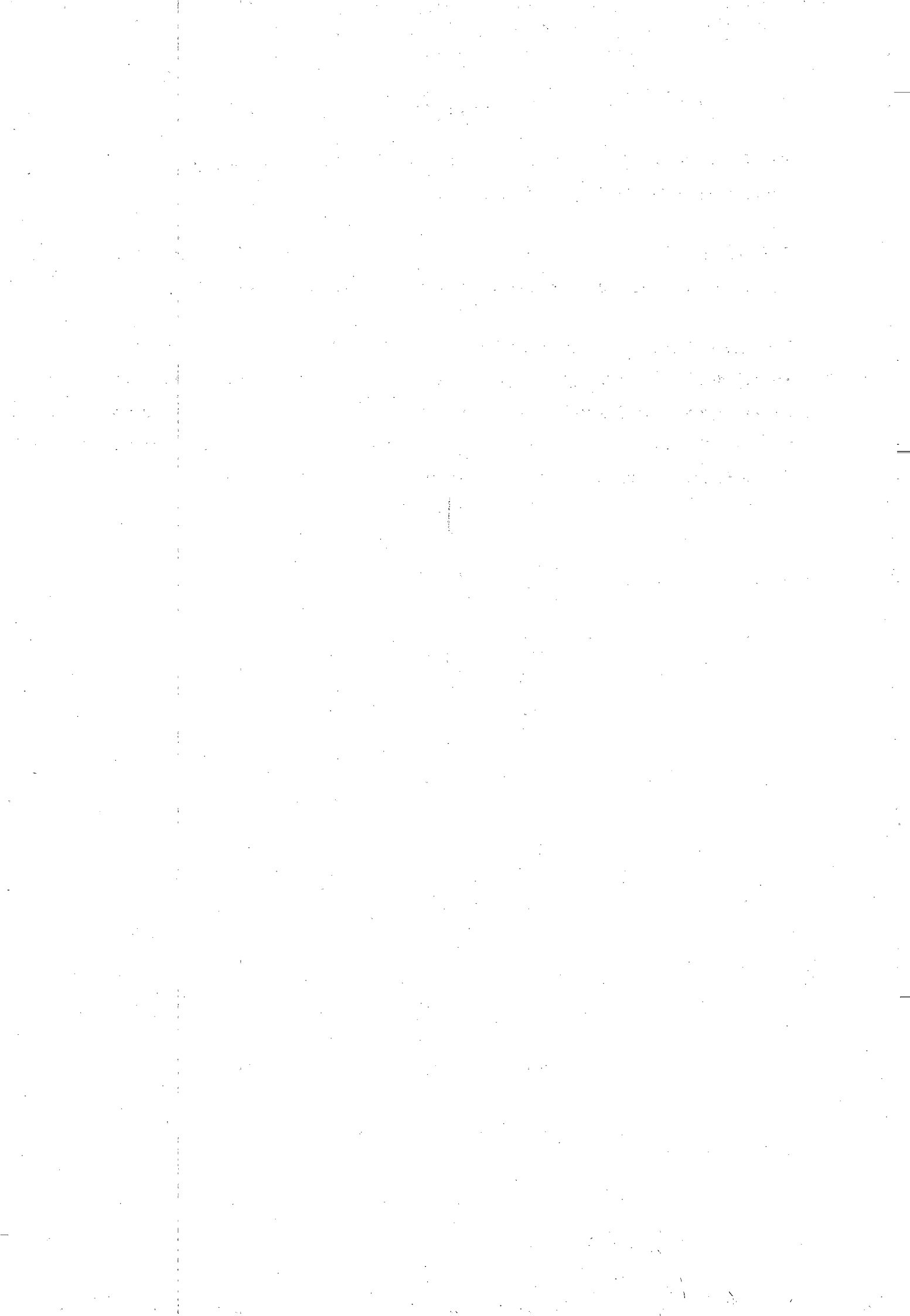
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PREFACE

This Report for the year ended March 2014 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 of the Union Government for the year ended March 2014.

The observations arising from the audit of various financial transactions of the Ministries are included in a separate report. Separate reports are also presented to Parliament for the Union Government: Scientific Departments, Defence Services – Army and Ordnance Factories, Defence Services–Air Force and Navy, Railways, Indirect Taxes – Customs, Central Excise and Service Tax and Direct Taxes.



HIGHLIGHTS

Union Government Finances and Accounts: 2013-14

This Report discusses the comments of the Comptroller and Auditor General of India (CAG) on the accounts of the Union Government and analyses the finances of the Union Government for the year 2013-14. It also contains an analysis of the Appropriation Accounts and audit observations with regard to the accounts of the Union Government for the year 2013-14.

HIGHLIGHTS

CAG's comments on Union Government Accounts

- The financial position of the Union Government in 2013-14 was characterised by an increase of 14 *per cent* in gross revenue receipts primarily on account of a substantial increase in both tax revenue receipts (10 *per cent*) and non-tax revenue receipts (28 *per cent*) over previous year.

(Para 1.2, 1.2.3 and 1.2.4)

- Capital expenditure was 1.76 *per cent* of GDP, well below the 3.9 *per cent* level set out for the year in the fiscal consolidation path set out by the Thirteenth Finance Commission. Of the total capital expenditure, 40 *per cent* was accounted for by Defence.

(Para 1.1.2 and 1.3.3)

- Analysis of plan expenditure of civil ministries revealed that 75 *per cent* of the total plan expenditure was in the form of grants-in-aid payment. In five of the 10 Ministries/ Departments incurring the largest plan expenditure, over 98 *per cent* was in the form of disbursement as grants-in-aid.

(Para 1.3.5 and 1.3.7)

- Out of the total receipts of ₹ 7,896.39 crore towards Universal Access Levy during the year 2013-14, the Department of Telecommunications transferred ₹ 2,163.45 crore to the Universal Service Obligation Fund (USO Fund) which was further disbursed towards the stated objectives. Non-transfer of balance amount in USO Fund resulted in under-statement of the closing balance of the USO Fund by ₹ 5,732.94 crore for the financial year 2013-14. Overall understatement of the closing balance in the USO Fund was of the order of ₹ 33,682.86 crore during 2002-03 to 2013-14.

(Para 2.2.1)

- Research and Development Cess aggregating ₹ 4,876.71 crore was collected during the period 1996-97 to 2013-14. Out of this only ₹ 542.41 crore (11.12 *per cent*) was utilized towards the objectives of levying the said cess.

(Para 2.2.2)

- On account of expenditure from the Beedi Workers Welfare Fund (Fund) being far in excess of the receipts, the balance in the Fund over the years had become adverse. There was a continuous adverse balance in the fund during the period 2008-09 to 2013-14, which steadily increased from (-) ₹ 53.51 crore in 2008-09 to (-) ₹ 194.16 crore in 2013-14.

(Para 2.2.3)

- Against the total collection of ₹ 1,30,599 crore as primary education cess in the CFI, only ₹ 1,19,197 crore was transferred to the Prarambhik Shiksha Kosh in Public Account for meeting expenditure on identified schemes during 2004-05 to 2013-14, leaving a balance amount of ₹ 11,402 crore in the Consolidated Fund of India.

(Para 2.2.4)

- Non-transfer of receipts of advance payments from assessee amounting to ₹ 222.56 crore from the Public Account to the Consolidated Fund of India (CFI), resulted in understatement of the customs receipts of the Government of India by an identical amount in 2013-14. As customs receipts formed part of the divisible pool of taxes to be shared between the centre and the states, non-crediting of the amount to the CFI implied short devolution of shareable taxes to states during the year 2013-14.

(Para 2.1.4)

- Central Board of Excise and Customs incurred irregular expenditures of ₹ 15.89 crore out of ₹ 23.42 crore from Customs & Central Excise Welfare Fund and ₹ 13.80 crore out of ₹ 43.01 crore from Special Equipment Fund. Thus, the irregular expenditure of ₹ 29.69 crore out of total expenditure of ₹ 66.43 crore was against the purpose/objectives for which the respective funds were created and also against the instructions of Ministry of Finance issued from time to time.

(Para 2.2.9)

- In accordance with the provisions of Article 114(3) of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of India (CFI) except under appropriations made by law. However, during 2013-14, there were excess disbursements of ₹ 3,493.06 crore over the authorisation from CFI (₹ 39.59 crore in three segments of three grants/appropriations in civil Ministries/Departments; ₹ 2,719.75 crore in 19 segments of 12 grants/appropriations of the Ministry of Railways; and ₹ 733.72 crore in four segments of three grants of the Defence Services), which require regularization under Article 115(1)(b) of the Constitution.

(Para 3.4)

- Saving in a grant or appropriation is indicative of deficient budgeting as well as shortfall in performance. Saving of more than ₹ 100 crore had occurred in 102 cases of 78 grants (including Civil, Posts, Railways and Defence Services), requiring submission of detailed explanatory notes to the Public Accounts Committee by the concerned Ministries/Departments. The aggregate savings in the 102 cases was of the order of ₹ 7,45,510 crore.

(Para 3.7 & Annexure 3.5)

- In 64 sections of 55 grants/appropriations, persistent savings of ₹ 100 crore and more were noticed during the last three years (2011-14). Some of the grants/appropriations with large persistent savings during the three year period were, Re-payment of Debt, Department of Economic Affairs, Department of Rural Development, Transfers to State and Union Territory Governments, Ministry of Power, Department of Revenue, Department of School Education & Literacy and Capital Outlay on Defence Services, etc.

(Para 3.7)

- Article 114(3) of the Constitution of India provides that no money shall be withdrawn from the Consolidated Fund of India except under appropriation made by law. An expenditure on interest on refunds amounting to ₹ 6,598 crore was incurred by the Central Board of Direct Taxes (CBDT), without the authorisation of the Parliament during the year 2013-14. A total expenditure of ₹ 42,903 crore on interest payments had been incurred over the last six years without obtaining approval of the Parliament through necessary appropriations.

(Para 4.1)

- Augmentation of provision by way of re-appropriation to 'grants-in-aid' to any body or authority from the Consolidated Fund of India can only be made with the prior approval of the Parliament. In 12 cases, across five grants, ₹ 110.71 crore was incurred by various Ministries/Departments during 2013-14 by augmenting provision under object head '31 Grants-in-aid-General' to various bodies/authorities without obtaining prior approval of the Parliament. Similarly, in five cases across three grants ₹ 171.99 crore was augmented in violation of extant provisions without prior approval of Parliament to the object head '35-Grants for creation of Capital Assets'. Further, in two cases across two grants, funds aggregating to ₹ 1.37 crore were augmented without prior approval of Parliament to the object head '36 Grants-in-aid Salaries'. All these excess expenditures attracted limitations of New Service/New Instrument of Service.

(Para 4.4.1, 4.4.2 and 4.4.3)

- For augmentation of provisions in existing appropriations under the object head 'subsidies' through re-appropriations, prior approval of the Parliament is required, if the additionality is more than 10 *per cent* of the appropriation already voted by the Parliament or ₹ 10 crore, whichever is less. In three cases in respect of Grant No. 12 pertaining to the Department of Industrial Policy and Promotion, ₹ 149.99 crore of excess expenditure was incurred during 2013-14 without obtaining prior approval of the Parliament. The excess expenditure attracted limitations of New Service/New Instrument of Service.

(Para 4.4.4)

- In regard to the cases of NS/NIS on augmentation under the object heads '52-Machinery and Equipment' and '53-Major Works' all cases relating to augmentation of funds above ₹ 2.5 crore or above 10 *per cent* of the appropriation already voted, whichever is less, would require prior approval of the Parliament, irrespective of the fact that the augmentation is for new works or for the existing works. In 60 cases across 11 grants, excess expenditure of ₹ 4863.57 crore was incurred by the Ministries/Departments during 2013-14 by augmenting the provision under these object heads without obtaining prior approval of the Parliament. These excess expenditures attracted limitations of New Service/New Instrument of Service.

(Para 4.4.5)

- As per Article 112(3)(f) of the Constitution of India any sums required to satisfy any judgment, decree or award of any court or arbitral tribunal shall be charged upon the Consolidated Fund of India. In two cases across two grants, expenditure of ₹ 124.26 crore of the nature of charged was incorrectly classified and booked as voted expenditure in violation of the Constitutional directives.

(Para 4.5)

- Various departments/ministries incorrectly classified revenue expenditure as capital expenditure and vice versa. The misclassifications resulted in an overstatement of capital expenditure by ₹ 3174.40 crore and understatement of capital expenditure by ₹ 1504.69 crore. The overall impact on Government expenditure was an overstatement of capital expenditure of ₹ 1,669.71 crore. Correspondingly revenue deficit was understated by an equivalent amount of ₹ 1,669.71 crore during the financial year 2013-14.

(Para 4.6.1, 4.6.2, 4.6.3 and 4.6.4)

- Rule 8 of the Delegation of Financial Powers Rules, 1978 prescribes standard primary units of appropriation with the descriptions/definitions for the purpose of classification of expenditure up to the sixth tier, i.e. object head. In 48 cases, across 23 grants/appropriations expenditure amounting to ₹ 3,873.43 crore were misclassified in a number of primary units of appropriation.

(Para 4.7.3)

- The shifting paradigm of public administration has entailed delivery of public goods through new and ever evolving methods. Grants-in-aid constituted, with the exception of debt repayment, as the single largest item of expenditure for the Union Government. Grants-in-aid constituted more than 28 *per cent* of the total revenue expenditure of the Union Government during 2013-14. For substantial amounts of plan grants-in-aid released to Societies, NGOs, Trusts, the audit remit of the CAG is fettered and restricted.

(Para 5.1, 5.2 and 5.3.2)

- For the year 2013-14, the Union Government transferred Central Plan assistance of ₹ 1,12,708 crore directly to State/district level autonomous bodies and authorities, societies, non-governmental organisations, etc., for implementation of Centrally Sponsored Schemes outside the State Government Budget. The aggregate amount of unspent balances in their accounts maintained outside Government accounts was unascertainable. The Government expenditure as reflected in the accounts was, therefore, overstated to that extent.

(Para 5.3.1)

- Detailed analysis of expenditure on grants-in-aid released by the Ministry of Social Justice & Empowerment and the Ministry of Micro, Small and Medium Enterprises revealed deficient control mechanisms and inadequate assurance with regard to the quality of the expenditure incurred.

(Para 5.5)

1: AN OVERVIEW OF UNION FINANCES 2013-14

1.1 Introductory

The annual accounts of the Union Government presented to the Parliament, consist of Finance Accounts and Appropriation Accounts. The Finance Accounts depict the statements of receipts into and payments from the Consolidated Fund, Contingency Fund and Public Account. The Appropriation Accounts depict expenditure compared with the amounts authorised by the Legislature and explanations for the resultant excesses/savings under each grant/appropriation.

Box 1.1: Union Government Funds and the Public Account

Consolidated Fund	<ul style="list-style-type: none">• 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 titled the “Consolidated Fund of India” established under Article 266 (1) of the Constitution of India.
Contingency Fund	<ul style="list-style-type: none">• The 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/her to make advances to meet urgent unforeseen expenditure, pending authorisation by the 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	<ul style="list-style-type: none">• Besides the normal receipts and expenditure of Government, which relate to the Consolidated Fund, certain other transactions enter Government Accounts, in respect of which the Government acts more as a banker. Transactions relating to provident funds, small savings, other deposits, etc. are a few examples.• The public moneys, thus, received are kept in the Public Account, set up under Article 266(2) of the Constitution and the connected disbursements are made therefrom.

1.1.1 The year 2013-14 was marked by improvement in economic growth as measured by Gross Domestic Product (GDP)¹, growth of 6.9 *per cent* as against 5.1 *per cent* in 2012-13. The Central Statistics Office (CSO) released a new GDP series that entailed shifting the base year from 2004-05 to 2011-12. The key estimate for the level of GDP for 2011-12 is actually 2 *per cent* lower than previously estimated².

Improvement was also observed on the fiscal front, with the fiscal deficit declining from 5.86 *per cent* of GDP in 2011-12 to 4.95 *per cent* in 2012-13 and 4.44 *per cent* in 2013-14. Much of this improvement, during 2013-14, has been

¹As per a press note released by CSO on 30th January, 2015, estimates of GDP at constant prices (2011-12) grew by 6.9 *per cent* over the previous year, while at current prices, it grew by 13.6 *per cent*.

²Economic Survey 2014-15.

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achieved by a growth of 14.73 per cent in non-debt receipt and a subdued growth of 10.73 per cent in actual expenditure over the previous year.

Against this backdrop, this chapter provides an analytical overview of the financial performance of the Union Government based on the figures contained in the Finance Accounts. **Table 1.1** summarises the position of the receipts, disbursements and borrowings of the Union Government for the year 2013-14.

Table 1.1: Summary of the current year's operations

(₹ in crore)

Receipts		Derived Parameters		Disbursements	
Consolidated Fund of India (CFI)					
Revenue Receipts*	1217794 (1055891)	Revenue Deficit 357303 (364582)	Revenue Expenditure	1575097 (1420473)	
Miscellaneous Capital Receipts	29368 (25889)		Capital Expenditure	168844 (150382)	
Recovery of Loans	24549 (26624)		Loans and Advances	31000 (32063)	
Total Non-Debt Receipts	1271711 (1108404)	Fiscal Deficit 503230 (494514)	Actual Expenditure	1774941 (1602918)	
Public Debt	3994966 (3968038)	483675	Public Debt	3511291 (3426893)	
Total receipts into CFI	5266677 (5076442)	Deficit in CFI 19555 (Surplus 46631)	Total expenditure from CFI	5286232 (5029811)	
Contingency Fund					
Receipts	0		Appropriation	0	
Public Account					
Small Savings	407541 (381315)		Small Savings	389826 (375092)	
Reserves & Sinking Fund	127520 (117117)		Reserves & Sinking Fund	124057 (117529)	
Deposits	113712 (113974)		Deposits	101028 (107536)	
Advances	37895 (33424)		Advances	25035 (37140)	
Suspense Account	2744 (11832)		Suspense Account	13110 (16275)	
Remittances	3548 (3122)		Remittances	1182 (2831)	
Total Public Account	692960 (660784)	Surplus in Public Account 38722 (4381)	Total Public Account	654238 (656403)	
Opening Cash	68451 (17439)	Increase in Cash Balance 19167 (51012)	Closing Cash	87618 (68451)	
Public Account Surplus (Supply)		38722	Deficit in CFI (+) Increase in Cash Balance		
Incremental Liabilities (Supply)		517537	Surplus of (Debt+ Small Savings+ Reserve Funds+ Deposits)		
Incremental Liabilities (Demand)		517537	Fiscal Deficit (+) Increase in Cash (-) Net Disbursement of (Advances+ Suspense+ Remittances)		

*Excludes figures of taxes and duties assigned to States (₹ 3,18,230 crore for 2013-14, ₹ 2,91,547 crore for 2012-13).

Note: (1) Figures in parenthesis indicate corresponding figures for 2012-13.

(2) Revenue Receipts and Revenue Expenditure for 2013-14 are understated by ₹ 6,598 crore due to incorrect depiction of expenditure incurred on interest on refunds of taxes as 'deduct revenue' instead of expenditure. For details, please refer para 4.1 of this report.

An increase of ₹ 1,61,903 crore (15.33 *per cent*) in net revenue receipt as against an increase of ₹ 1,54,624 crore (10.89 *per cent*) in revenue expenditure during 2013-14 over the previous year helped in reducing the revenue deficit of Union Government by ₹ 7,279 crore in 2013-14 over the previous year. However, fiscal deficit rose by ₹ 8,716 crore over the previous year owing to increased capital expenditure by ₹ 17,399 crore over the same period. Gross borrowing by the Government in the form of public debt during 2013-14 was higher by ₹ 26,928 crore over previous year.

A combined effect of deficit of ₹ 19,555 crore in Consolidated Fund of India (CFI) as well as a surplus of ₹ 38,722 crore in Public Account resulted in an increase of ₹ 19,167 crore in the cash balances of the Union Government at the end of financial year 2013-14.

1.1.2 Performance in the current year on key financial parameters in comparison to recommendations of the Thirteenth Finance Commission

The major fiscal aggregates for the Union Government as a percentage of Gross Domestic Product (GDP) compared with that outlined by the Thirteenth Finance Commission (13th FC) are tabulated as under:

Table 1.2: Recommended fiscal consolidation path and actual performance
(Percentage of GDP)

Parameter	Recommended by the Thirteenth Finance Commission				Actual performance as per Finance Accounts		
	2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14
Revenue Deficit	2.3	1.2	0.0	-0.5	4.47	3.65	3.15
Non-Debt Capital Receipts	0.6	0.8	0.9	1.0	0.62	0.53	0.48
Capital Expenditure	3.1	3.8	3.9	4.5	2.01	1.83	1.76
Fiscal Deficit	4.8	4.2	3.0	3.0	5.86	4.95	4.44
Debt (end of the year adjusted liabilities)	52.5	50.5	47.5	44.8	47.00	47.12	46.36

As can be seen from the above table, none of the financial parameters other than Debt were close to the targets set out by the 13th FC for 2013-14. The revenue deficit for the year 2013-14 was 3.15 *per cent* of GDP as against its complete elimination as outlined by the 13th FC. Deterioration was evident in non-debt Capital Receipt and Capital Expenditure also as compared with the previous year. The capital expenditure in current year was less than half of the target set by the 13th FC. Debt in current year stood at 46.36 *per cent* of GDP which was below the recommended target of 47.5 *per cent* and also witnessed 76 basis points reduction over the previous year.

1.2 Resource Generation

Revenue and Capital are two streams of receipts that constitute resource of the Union Government. Revenue receipts consist of tax revenue, non-tax revenue

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and Grants-in-aid from some external agencies. Capital receipts have two components - debt receipts, which create future repayment obligations and non-debt receipts, which constitute proceeds from disinvestment and recoveries of loans and advances, leading to reduction in the actual or potential asset base.

As can be seen from **Table 1.3**, Gross Receipt to GDP ratio has shown a steady decline in the last three years and stood at 55.34 *per cent* of GDP during 2013-14. The year 2013-14 was characterised by a growth of only 14 *per cent* in gross revenue receipt as compared to 15.59 *per cent* in 2012-13. However, gross receipts increased by 4.13 *per cent* in 2013-14 over the previous year. Gross debt-receipt to Gross receipt was 63.64 *per cent* for 2013-14 and was 65.82 *per cent* in 2012-13, indicating continued dependence on debt to balance the budget.

Table 1.3: Resources and GDP

(₹ in crore)

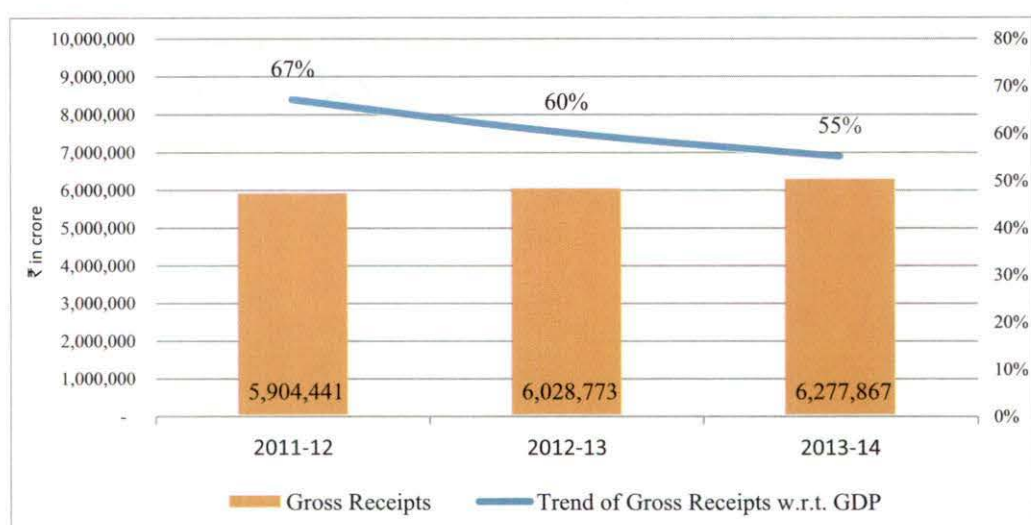
Period	Gross Revenue Receipts* (1)	Non-debt Capital Receipts (2)	Gross Debt Receipts (3)	Gross Accruals into Public Account (4)	Gross Receipts (1+2+3+4) (5)	GDP@ (6)	Gross Receipts/GDP (7)
2011-12	1165691 (20%)	54906 (1%)	4063177 (69%)	620667 (11%)	5904441	8832012	66.85
2012-13	1347438 (22%)	52513 (1%)	3968038 (66%)	660784 (11%)	6028773	9988540	60.36
2013-14	1536024 (24%)	53917 (1%)	3994966 (64%)	692960 (11%)	6277867	11345056	55.34

*Includes figures of taxes and duties assigned to States (₹ 3,18,230 crore for 2013-14). Exclusion of this component gives net revenue receipts of ₹ 12,17,794 crore reflected in **Table 1.1**.

Note: (1) Figures in parenthesis indicate percentage of Gross receipts.

@Source: Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation Press Note dated 30th January 2015.

Chart 1.1: Gross Receipts and trend with respect to GDP



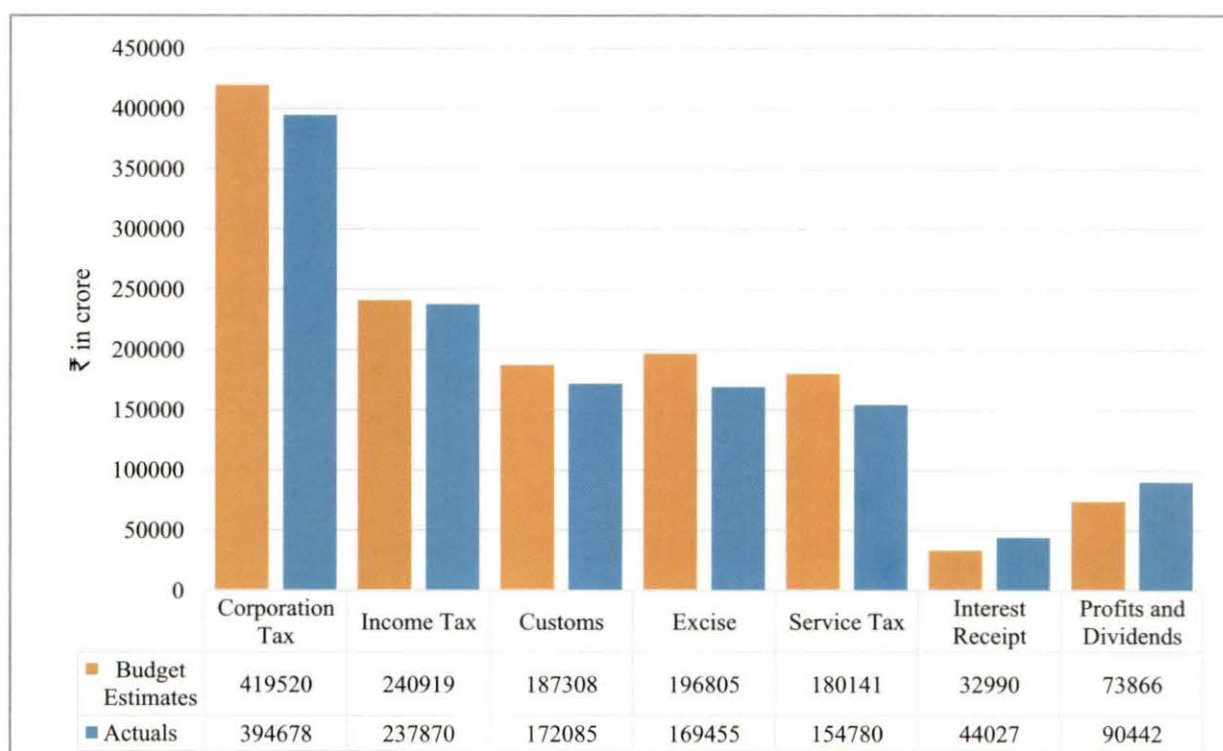
1.2.1 Revenue receipts

Revenue receipts with the broad components of tax and non-tax receipts are the most important sources of revenue as no future payment obligations are created by these receipts. Various components of revenue receipts are discussed in succeeding paras.

1.2.2 Gap between Budget Estimates and Actuals of key revenue components

Formulating realistic budgetary estimates is vital for expenditure control and cash and debt management. **Chart 1.2** indicates that gross receipts from tax revenue components were below the estimated level. Particularly, excise and service tax lagged behind the Budget Estimate (BE) by 13.90 per cent and 14.08 per cent respectively. Receipts from interest and profits and dividends in non-tax revenue sector exceeded the BE by 33.46 per cent and 22.44 per cent respectively.

Chart 1.2 Actuals of key revenue components vis-a-vis budget estimates



1.2.3 Tax revenue

Table 1.4: Components of tax revenue (gross)

(₹ in crore)

Period	Total Gross Tax Revenue#	Corporation Tax	Income Tax	Customs Duties	Excise Duties	Service Tax	Others*	GDP
2011-12	889118	322816	164525	149328	144901	97509	10039	8832012
2012-13	1036461	356326	196844	165346	175845	132601	9499	9988540
2013-14	1138996	394678	237870	172085	169455	154780	10128	11345056
Average Annual Rate of Growth (per cent)								
2011-12	12.08	8.08	18.28	9.95	5.23	37.31	(-) 8.64	--@
2012-13	16.57	10.38	19.64	10.73	21.36	35.99	(-)5.38	13.09
2013-14	9.89	10.76	20.84	4.08	(-)3.63	16.73	6.62	13.58

Includes figures of taxes/duties assigned to States/UTs.

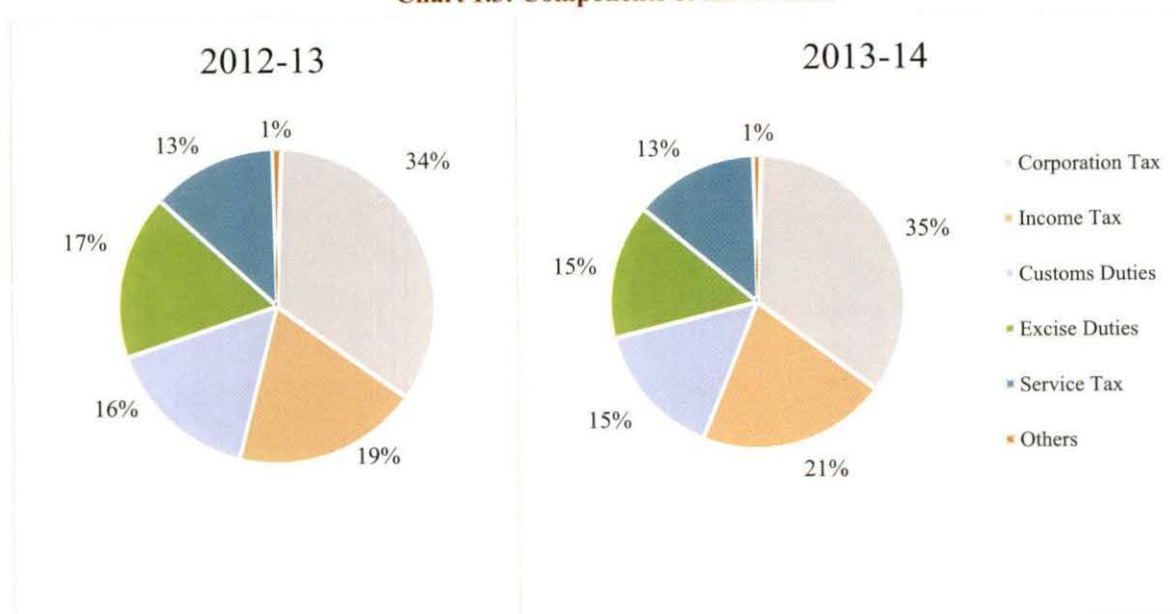
* Other taxes include Hotel Receipts Tax, Interest Tax, Wealth Tax, Gift Tax, Fringe Benefit Tax, Securities Transactions Tax, Banking Cash Transaction Tax etc.

@ Figure not available due to change in base year of GDP to 2011-12.

As can be seen from **Table 1.4**, despite a declining trend in rate of growth of excise duties from 21.36 *per cent* in 2012-13 to (-) 3.63 *per cent* in 2013-14, the growth in other components of tax revenue sector resulted in overall growth of 9.89 *per cent* in gross tax revenue. The growth of gross taxes was lower than the growth of GDP for the current year, indicating a reversal of the trend in the last year. Income tax and corporation tax continued to maintain the secular growth trend during 2011-14. The rate of growth of income tax (20.84 *per cent*) exceeded the rate of growth of tax revenue (9.89 *per cent*) in 2013-14. It also surpassed the rate of growth of GDP during last three consecutive years. The growth of service tax slowed down from 35.99 *per cent* in 2012-13 to 16.73 *per cent* in current year.

A comparison of relative shares of components of tax revenues during 2012-13 and 2013-14 as brought out in **Chart 1.3** shows a marginal increase in shares of income tax (two *per cent*) and corporation tax (one *per cent*). On the other hand there was a decrease in share of excise duty (two *per cent*) and customs duty (one *per cent*).

Chart 1.3: Components of tax revenue



1.2.4 Non-tax revenue

Table 1.5 shows that during the year 2013-14, the largest share of non-tax revenue (57 per cent) came from user charges levied by various departments, which offer economic services to the general public. Interest receipts constituted 11 per cent of non-tax revenue, while dividends and profits accounted for around 23 per cent. Annual rate of growth of non-tax revenue increased from 12.44 per cent in 2012-13 to 27.67 per cent in 2013-14. This was mainly due to significant increase (68.23 per cent) in receipts from dividends and profits as well as growth in the receipts of almost all components except social services over the previous year.

Receipts from social services witnessed growth of 387.75 per cent in 2012-13 over 2011-12 due to one time large receipt of ₹ 3,594 crore from social security and welfare measures but it declined by 72.69 per cent in 2013-14. Relative share of social services receipts to non-tax revenue receipts remained negligible.

Table 1.5: Non-tax revenue- relative composition of sub-components and trends

(₹ in crore)						
Period	Total Non-tax Revenue#	Interest Receipts	Dividends and Profits	Social Services	Economic Services	Sovereign and Other Functions**
2011-12	276573	40054	50609	988	158283	26639
Relative share (per cent)	100	15	18	Negligible	57	10
2012-13	310977	38860	53762	4819	184662	28874
Relative share(per cent)	100	13	17	2	59	9
2013-14	397028	44027	90442	1316	227661	33582
Relative share(per cent)	100	11	23	Negligible	57	9
Average Annual Rate of Growth						
2011-12	(-)22.89	13.47	5.45	21.38	(-)36.24	1.20
2012-13	12.44	(-)2.98	6.23	387.75	16.67	8.39
2013-14	27.67	13.30	68.23	(-)72.69	23.29	16.31

Note: Figures indicating relative shares have been rounded off to the nearest integer and hence, the total may not always add to 100. Negligible refers to figures where the share of the sub-component is less than 0.5 per cent of non-tax revenue. # includes Grants-in-aid and contributions by International Agencies.

Social Services: include education, health, water supply, sanitation, social security etc.

Economic Services: include dairy development, animal husbandry, fisheries, forestry, plantation, food storage and warehousing, agricultural and rural development programmes, user charges for irrigation, provision of energy, receipts of departmentally managed Government Undertakings, etc.

** Fiscal services and General Services (Police, Public Works, Defence, Others Administrative services, Grants-in-aid and Contributions etc.)

During 2013-14, receipts from dividends and profits was estimated at ₹ 73,866 crore, further scaled up to ₹ 88,188 crore at revised estimates stage, but actuals translated at ₹ 90,442 crore, leading to a growth of 68.23 per cent over the previous year. Under Economic Services, the main schemes/programme/functions responsible for the increase were (i) 'Profit Petroleum' which increased from ₹ 9,366.61 crore in 2012-13 to ₹ 11,368.67 crore in 2013-14 (21.37 per cent), (ii) Roads and Bridges – Tolls on Roads which increased from ₹ 3,894 crore in 2012-13 to ₹ 5,144.67 crore in 2013-14 (32.12 per cent), (iii) Other Communication Services which increased from ₹ 18,902 crore in 2012-13 to ₹ 40,113.76 crore in 2013- 14 (112.22 per cent).

1.2.5 Non-debt capital receipts

Non-debt capital receipts consist of miscellaneous capital receipts (bonus shares, disinvestment etc.) and recovery of loans and advances. **Table 1.6** gives the details of non-debt capital receipts from miscellaneous capital receipts 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. During 2012-13, the receipts from miscellaneous capital receipts, mostly disinvestment were closer to BE as compared to the current year. Recovery of loans, as in the previous years remained higher than the BE, indicating deficiency in the formulation of the estimates.

Table 1.6: Realisation from Non-Debt Capital Receipt

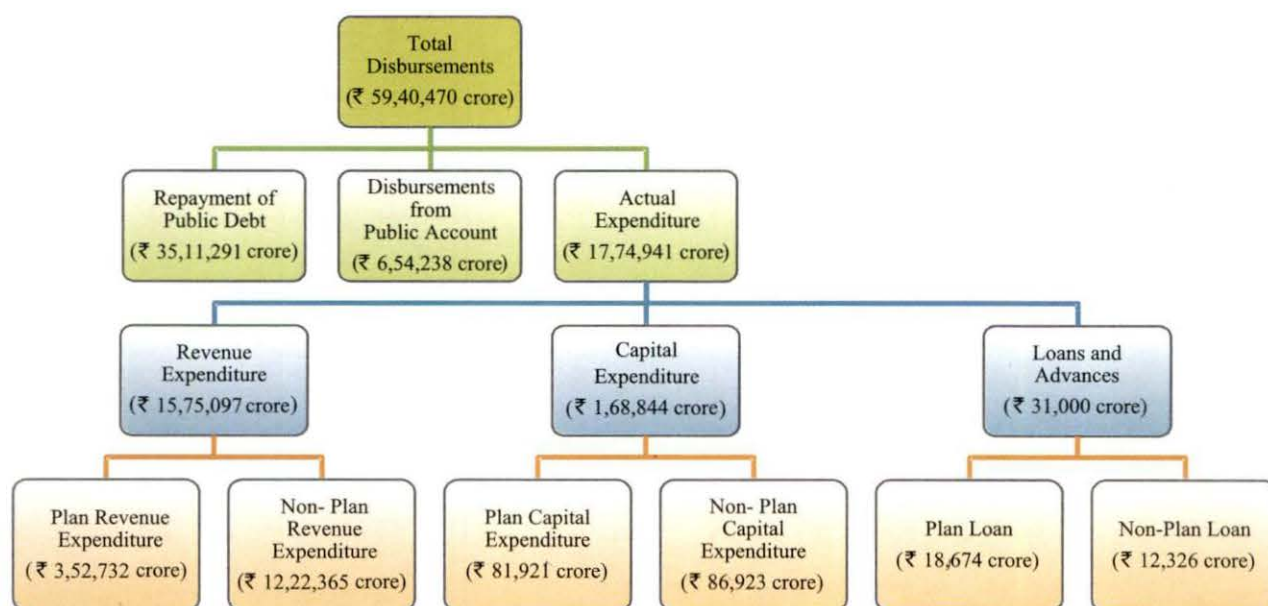
Period	Miscellaneous Capital Receipt			Recovery of Loans and Advances		
	Budget Estimates (BE)	Actual* Realisation (AR)	Percentage of AR to BE	Budget Estimates (BE)	Actual Realisation (AR)	Percentage of AR to BE
	₹ in crore			₹ in crore		
2011-12	40000	16471	41.18	26510	36818	138.88
2012-13	30000	25408	84.69	23095	26624	115.28
2013-14	55814	29368	52.62	22054	24549	111.31

*Does not include receipts from bonus shares.

1.3 Expenditure Analysis

The total disbursements of the Government of India from the Consolidated Fund of India and the Public Account for 2013-14 was of the order of ₹ 59,40,470 crore. As depicted in **Chart 1.4**, total disbursement has three major components.

Chart 1.4: Components of Total Disbursements



In 2013-14, the total disbursements of the Government increased by 4.47 per cent over the previous year's disbursements of ₹ 56,86,214 crore. Disbursement from CFI was 88.99 per cent (Repayments of public debt 59.11 per cent and actual expenditure 29.88 per cent). Remaining 11.01 per cent of disbursement was from public account.

Table 1.7 shows the share of major components of disbursements made by the Government. As can be seen from the table, components of total disbursement witnessed an improvement during 2011-14. Proportion of repayment of debt in the total disbursement has reduced from 62.06 per cent during 2011-12 to 59.11 per cent in 2013-14. This consequently increased the share of actual expenditure

from 26.33 *per cent* to 29.88 *per cent*. Public Account disbursement was stable at around 11 *per cent* during 2011-14. Revenue expenditure as a proportion of actual expenditure remained around 88 *per cent* during 2011-14. The proportion of Plan expenditure to actual expenditure has reduced from 27.81 *per cent* during 2011-12 to 25.54 *per cent* in 2013-14.

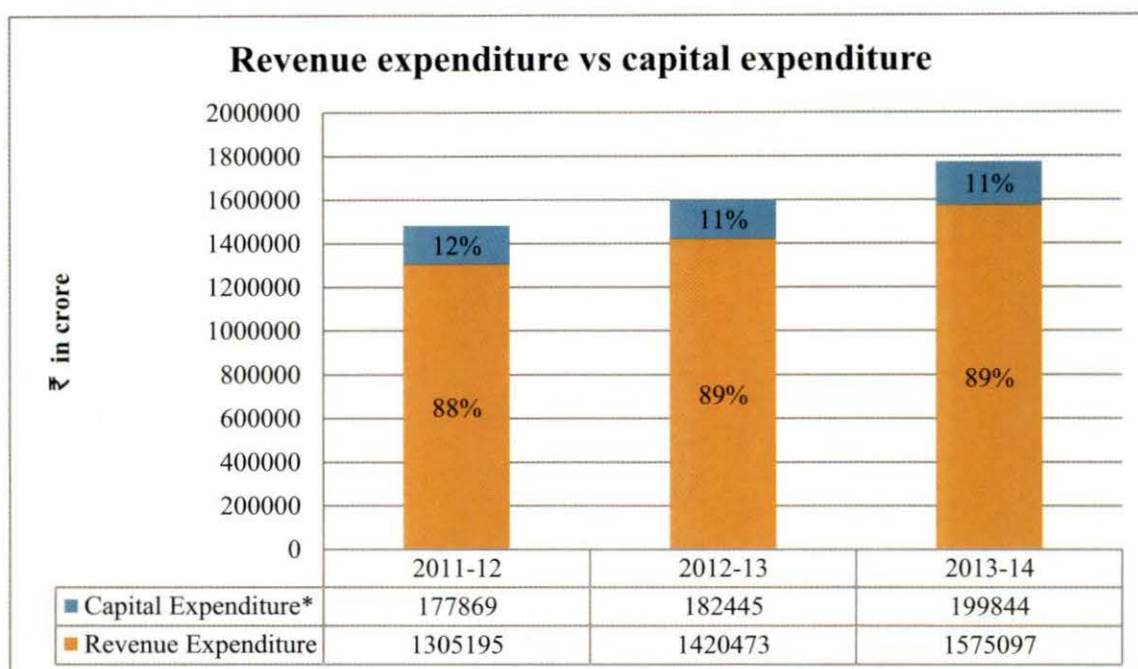
Table 1.7: Share of various components of total disbursement

Particulars	2011-12	2012-13	2013-14
Total Disbursements (TD) (in <i>per cent</i>)	100.00	100.00	100.00
Components of TD as percentage of TD			
Repayment of Debt	62.06	60.27	59.11
Disbursements from Public Account	11.61	11.54	11.01
Actual Expenditure (AE)	26.33	28.19	29.88
Components of AE as percentage of AE			
Revenue Expenditure (RE)	88.01	88.62	88.74
Capital Expenditure (CE)	9.40	9.38	9.51
Loans and Advances (LA)	2.59	2.00	1.75
Components of RE as percentage of RE			
Plan Revenue Expenditure	25.57	23.18	22.39
Non- Plan Revenue Expenditure	74.43	76.82	77.61
Components of CE as percentage of CE			
Plan Capital Expenditure	41.98	45.24	48.52
Non- Plan Capital Expenditure	58.02	54.76	51.48
Components of LA as percentage of LA			
Plan Loan	52.35	51.13	60.24
Non-Plan Loan	47.65	48.87	39.76
Plan Expenditure as percentage of AE	27.81	25.80	25.54
Non-Plan Expenditure as percentage of AE	72.19	74.20	74.46

1.3.1 Revenue and Capital expenditure

Revenue expenditure is current expenditure, which does not result in the creation of assets. This is meant for normal running of the Government and includes maintenance expenditure, interest payments, subsidies and transfers etc. Grants given to State Governments or other bodies or authorities are also treated as revenue expenditure. Capital expenditure consists of payments for acquisition of assets, investment in share capital, and loans & advances given by the Government. **Chart 1.5** shows the pre dominance of revenue expenditure over capital expenditure. In the year 2011-12 the share of capital expenditure was 12 *per cent* and revenue expenditure was at 88 *per cent*. However, in succeeding year the share of capital expenditure came down to 11 *per cent* and remained at the same level in 2013-14. In absolute terms, after a negative growth of 1.90 *per cent* in 2011-12, it registered annual growth of 9.54 *per cent* in 2013 - 14.

Chart 1.5: Comparison of Revenue expenditure with capital expenditure



*includes Loans & Advances

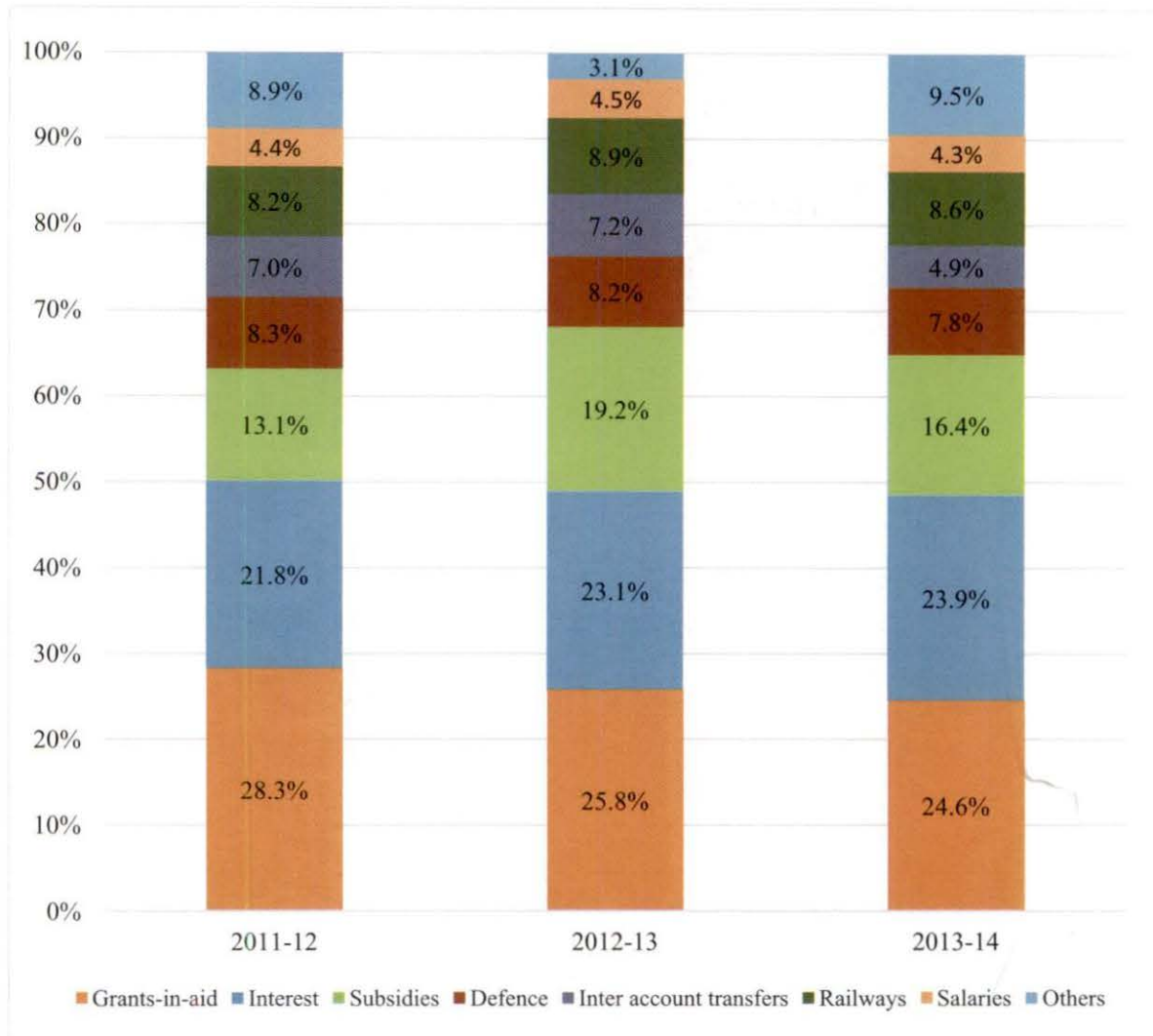
During 2012-13, the share of revenue expenditure to actual expenditure was around 88.62 *per cent*, which further increased marginally to 88.74 *per cent* during 2013 - 14.

1.3.2 Analysis of Revenue expenditure

(a) Preponderance of Revenue expenditure

As noted above, bulk of Government expenditure goes towards revenue expenditure, which does not usually result in fresh creation of assets for the Government and is meant for normal running and maintenance of Government machinery. The total revenue expenditure for the year 2013-14 was ₹ 15,75,097 crore. As shown in **Chart 1.6**, nearly two-third of the revenue expenditure was towards three components viz., Grants-in-aid, interest payments and subsidies.

Chart 1.6: Major components of revenue expenditure



Source: 'e-lekha' data dump provided on 24 November 2014. Does not include journal entries.

Note: Owing to misclassification, subsidies amounting to ₹ 65,000 crore have not been reckoned under subsidies during 2011-12. For expenditure on 'Interest', figures under object head '45' below major heads '2048' and '2049' have only been taken. 'Defence' excludes civil grants pertaining to Ministry of Defence. 'Others' netted of 'Deduct recoveries'.

The revenue expenditure grew by 10.89 per cent during the current year as against 8.83 per cent during 2012-13. Committed and obligatory expenditure such as interest payments, pensions, salaries and defence-related expenditure constitute a major share of revenue expenditure.

(b) Major components of Revenue expenditure

Grants-in-aid: Grants-in-aid both for general purposes and capital creation are given to State/Union Territory Governments and Foreign Governments. Grants are also given to bodies/authorities/entities from the Consolidated Fund of India for both the purposes and also for payment of salaries. Grants are to be utilised for the purpose for which they are sanctioned, with the remaining unutilised amounts to be surrendered or adjusted in future in case of recurring grants. In

the context of new models of public delivery, Grants-in-aid have become the most significant component of revenue expenditure for civil ministries as evident from **Chart 1.6**. The proportion of Grants-in-aid to revenue expenditure was as high as 28.3 *per cent* in 2011-12 but has come down to 24.6 *per cent* in 2013-14.

Interest Payments: As per **Chart 1.6**, interest payments are the second largest component of revenue expenditure. It provides for payment of interest on public debt, both internal and external and other interest bearing liabilities of the Government, which include insurance and pension funds, provident funds, reserve funds, deposits, interest on special securities issued to various Central Public Sector Enterprises etc. It also embraces expenditure on reduction or avoidance of debt. As per **Table 1.8**, the proportion of interest payments to revenue expenditure stood at 21.99 *per cent* in 2011-12, which increased to 25.09 *per cent* in the current year. The increasing share of interest payments is indicative of crowding out of other expenditure. The growth of interest payment in 2013-14 was 19.70 *per cent* against the growth of 15.05 *per cent* in 2012-13.

Table 1.8: Interest payment to revenue expenditure in the Union Government Finance Accounts

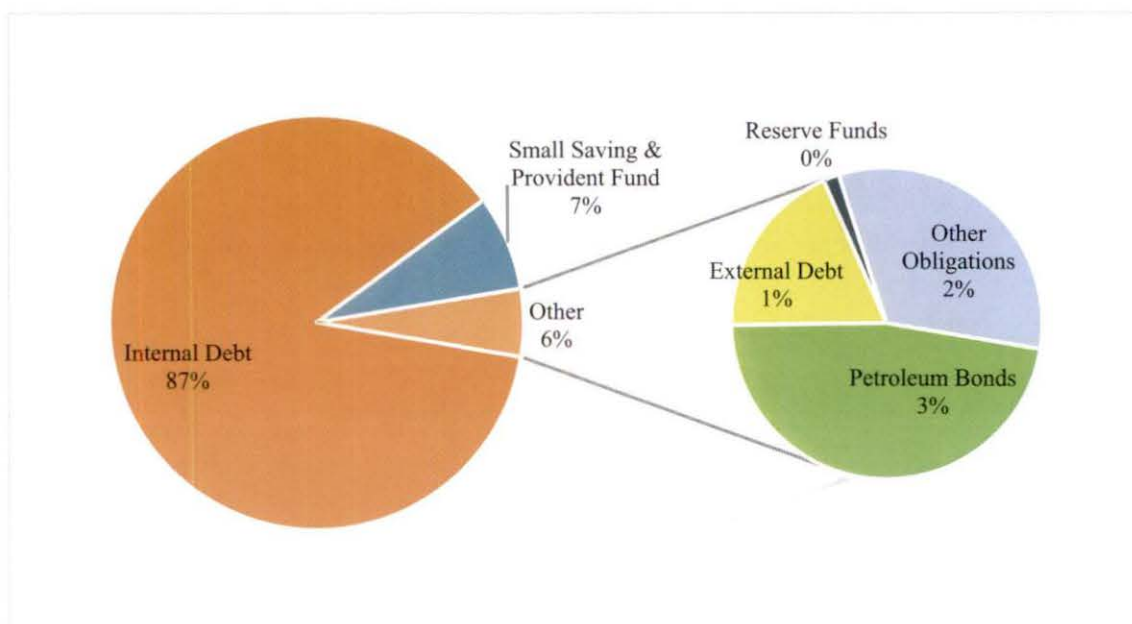
(₹ in crore)

Sl. No.	Interest payment*	Revenue expenditure	Proportion of interest payments to revenue expenditure
2011-12	286982	1305195	21.99
2012-13	330171	1420473	23.24
2013-14	395200	1575097	25.09

*Includes expenditure on reduction or avoidance of debt.

As shown in **Chart 1.7**, interest payments on account of internal debt (₹ 3,44,893 crore) is 87 *per cent* of the total interest payments.

Chart 1.7: Main components of interest expenditure



Source: Union Government Finance Accounts 2013-14.

Total Interest payment (including servicing of Debt) : ₹ 3,95,200 crore; Interest on Internal Debt: ₹ 3,44,893 crore, Interest on External Debt: ₹ 3,880 crore, Interest on Small Savings & Provident Fund: ₹ 29,426 crore, Interest on Petroleum Bonds: ₹ 9,849 crore, Interest on Reserve Fund: ₹ 342 crore and Interest on other obligations: ₹ 6,810 crore

Subsidies: Subsidies connote economic benefit (such as a tax allowance or duty rebate) or financial aid (such as a cash grant or soft loan) provided by a Government to reduce the market price of an item below its cost of production.

Table 1.9 presents a picture of the subsidies, which the Government provided explicitly. The bulk of the expenditure under this head is towards food, fertilizer and petroleum subsidies.

Table 1.9: Explicit Subsidies in the Union Government Budget

Period	Food	Fertilisers@ (Urea)	Fertilisers# (Decontrolled)	Petroleum Subsidy	Others*	Total subsidies	Subsidies	Subsidies
							(A)	(B)
(₹ in crore)							Percentage	
2011-12	72822	33924	36108	68481	6567	217902	2.47	16.69
2012-13	85000	35132	30576	96880	9591	257179	2.57	18.11
2013-14	92000	38038	29427	85378	9902	254745	2.25	16.17

@ Indicates the subsidies given on indigenous and imported fertilisers (Urea)

indicates the subsidies given as concession to farmers on the sale of decontrolled fertilisers.

* Others include interest subsidy, grants given to NAFED, compensation for exchange loss, subsidy for Haj Charters, etc.

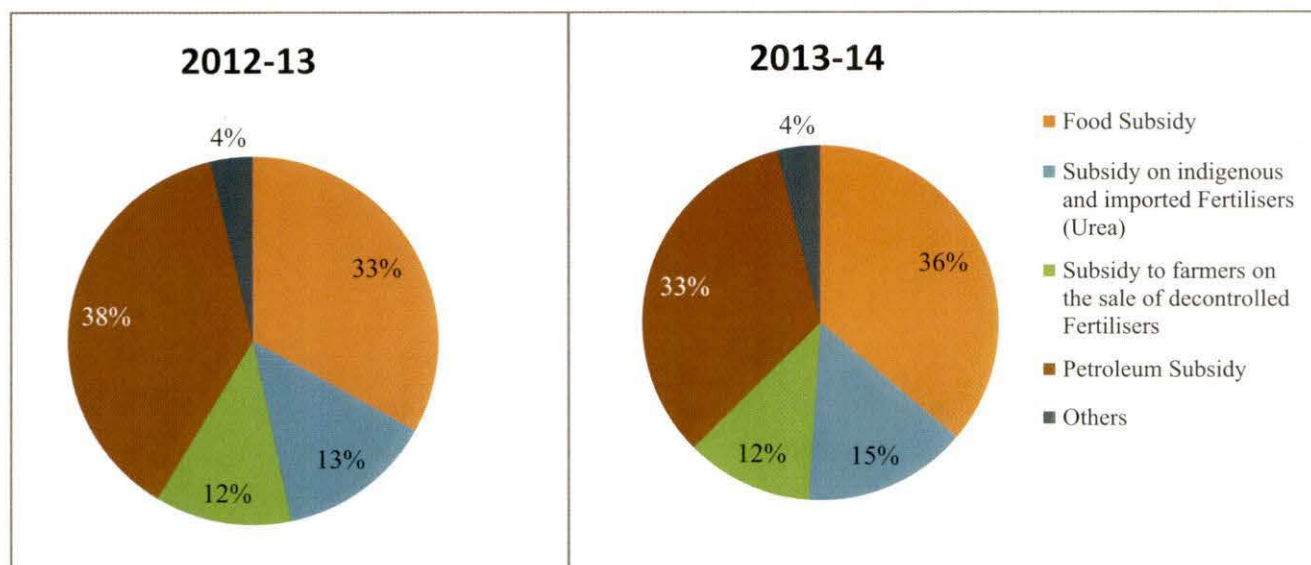
(A) As a percentage of GDP

(B) As a percentage of Revenue expenditure

Subsidies on decontrolled fertilisers and petroleum had decreased by ₹ 1,149 crore and ₹ 11,502 crore respectively in 2013-14 over previous year.

The components of explicit subsidies provided by the Government during 2013-14 and 2012-13 are also depicted in pie **Chart 1.8**. As seen from the **Chart 1.8** and the **Table 1.9**, subsidies have decreased marginally from an average 2.57 per cent of the GDP during 2012-13 to 2.25 per cent in 2013-14. In 2013-14 the explicit subsidies provided by the Government formed 2.25 per cent of GDP. The share of fertilisers (decontrolled) subsidies remained at the level of 12 per cent in 2012-13 and 2013-14. The share of petroleum subsidies has decreased from 38 per cent to 33 per cent. However, the share of food subsidies on the other hand has increased from 33 per cent to 36 per cent.

Chart 1.8: Components of explicit subsidies

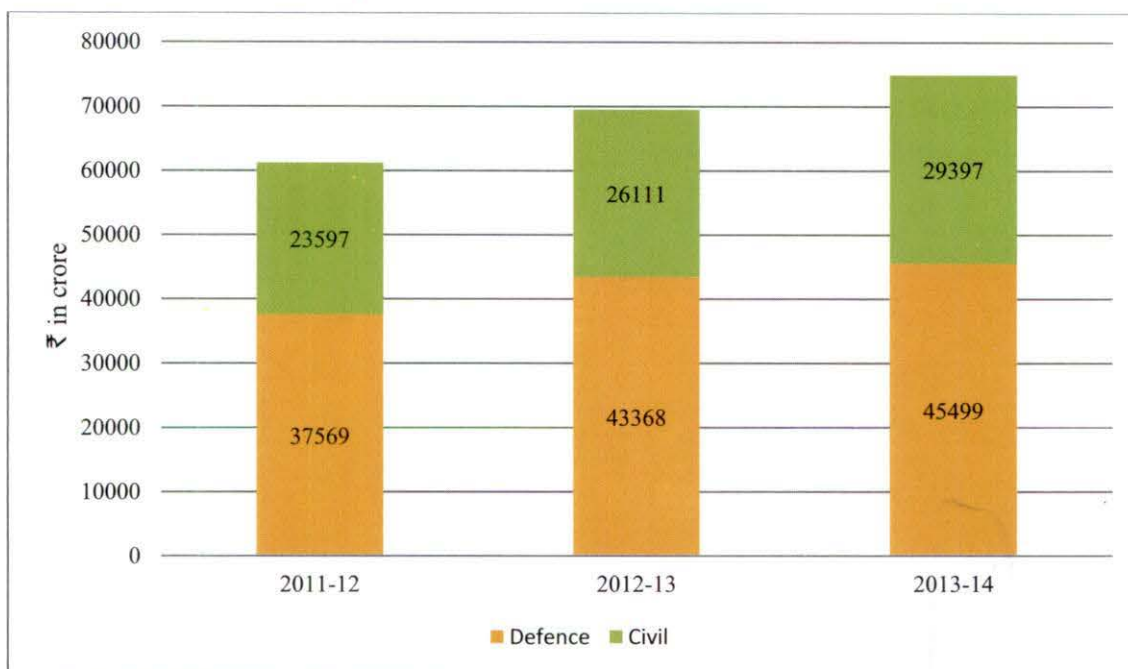


Subsidies are dispensed not only explicitly, i.e. through the Budget, but also by providing subsidised public services to the people. These kinds of subsidies are generally termed as implicit subsidies. Budgetary support to financial institutions and banks, inadequate returns from investment in PSUs 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. Subsidies presented in **Table 1.9** pertain to 'explicit subsidies' only, for which allocations are made in Union Budgets of the respective years.

Pension Payments: Expenditure on pensions and other retirement benefits increased from ₹ 61,166 crore in 2011-12 to ₹ 74,896 crore in 2013-14, registering a growth of 22.45 per cent in 2011-14. **Chart 1.9** shows the position for the period 2011-14. In the case of Defence pensions, during the last three years under consideration, pension payments increased by 21.11 per cent and stood at ₹ 45,499 crore. Defence pension payments comprised 61-62 per cent of the total pension payments made by the Union Government during the three year period. The civil pensions stood at ₹ 23,597 crore in 2011-12, which

increased to ₹ 29,397 crore in 2013-14, registering a growth of 24.58 *per cent* during the period under consideration (i.e. 2011-14).

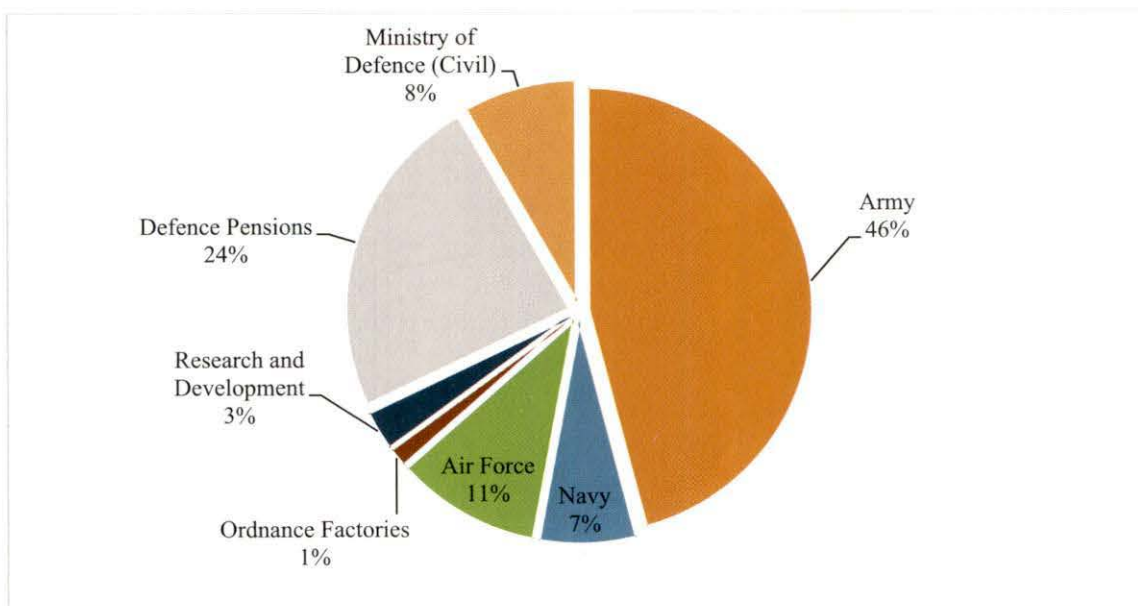
Chart 1.9: Expenditure on Pensions and other Retirement Benefits



Defence Expenditure: The Defence sector revenue expenditure includes expenditure of the Army (₹ 87,751 crore), Navy (₹ 13,472 crore), Air Force (₹ 20,160 crore), Ordnance Factories (₹ 2,811 crore), Research and Development (₹ 5,696 crore), Defence Pensions (₹ 45,499 crore) and the Ministry of Defence (₹ 15,733 crore)³ as shown in the **Chart 1.10**. In 2013-14, it stood at 12.13 *per cent* of the total revenue expenditure of the Central Government.

³ Source :- Appropriation Accounts of Grant-20 – Ministry of Defence

Chart 1.10: Revenue expenditure on Defence for the period 2013-14



1.3.3 Analysis of Capital account expenditure

Capital account expenditure (including loans and advances), which is indicative of expenditure on asset creation or enhancing the utility of existing assets, increased by ₹ 17,399 crore (9.54 per cent) over the previous year and stood at ₹ 1,99,844 crore (including ₹ 31,000 crore towards loans and advances) in 2013-14. The share of capital expenditure in the total expenditure has marginally increased from 9.38 per cent in 2012-13 to 9.51 per cent in 2013-14 (Table 1.7). However, the share of loans and advances by the Union Government decreased from 2 per cent to 1.75 per cent of total expenditure.

Chart 1.11: Capital account expenditure in 2013-14 – Major Sectors

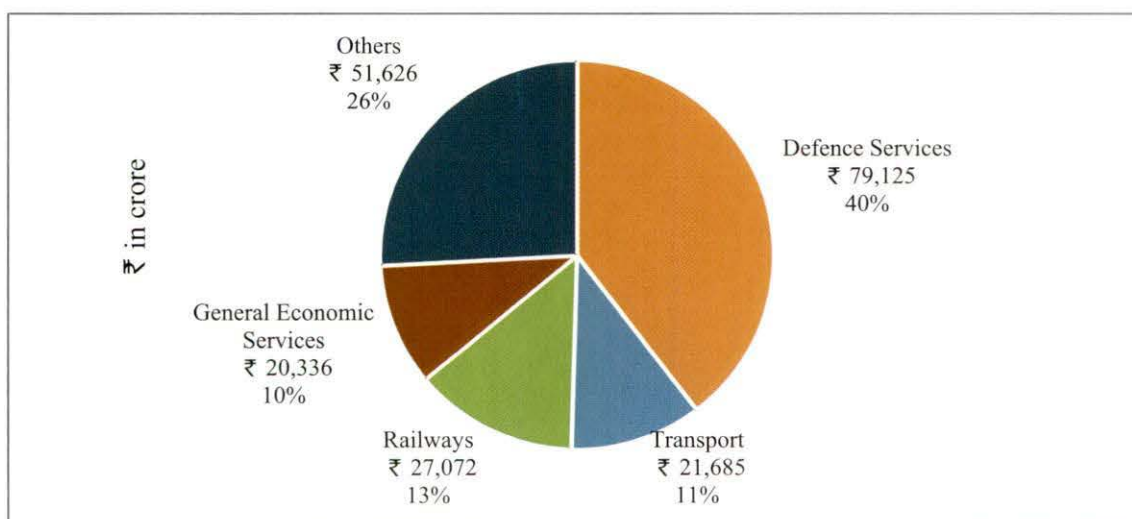


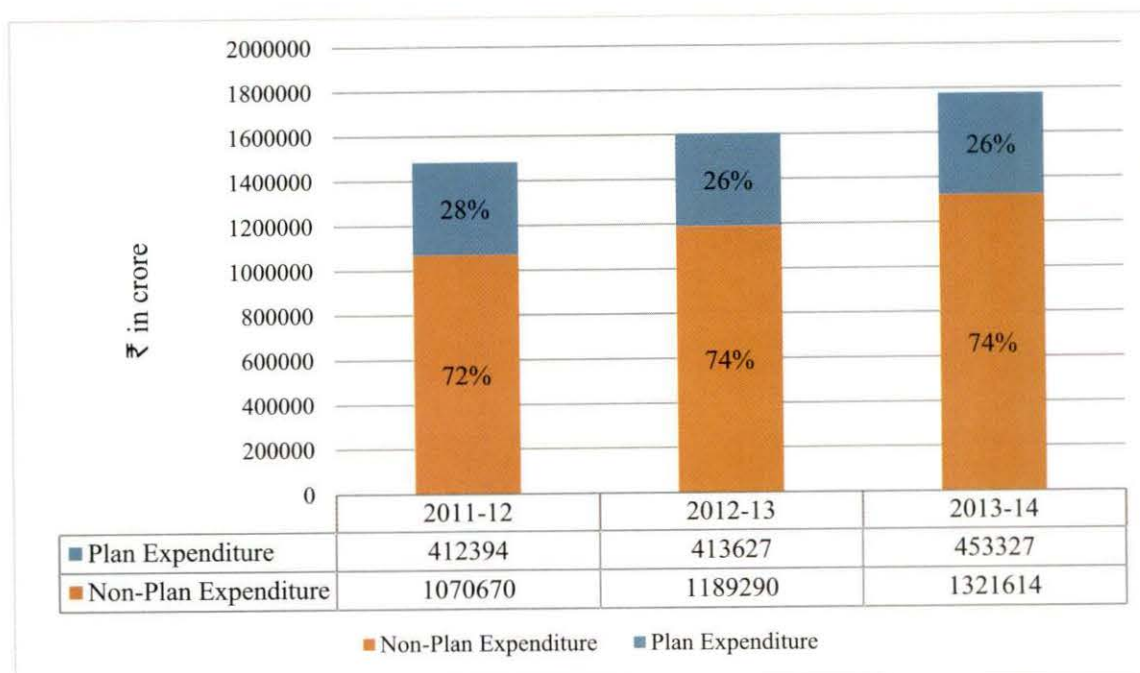
Chart 1.11 indicates that Defence Services, Transport, Railways and General Economic Services accounted for 74 per cent of the capital expenditure in the current year.

- Under General Economic Services, the expenditure of ₹ 16,100 crore (79 *per cent*) was as investment in ‘Public Sector and Other Undertakings, Banks’, ₹ 279 crore (1.37 *per cent*) as Investment in the Asian Development Bank and ₹ 231 crore (1.14 *per cent*) as Investment in the International Bank for Reconstruction and Development.
- In case of ‘Others’, the major chunk of expenditure was mainly attributable to Block loans under loans for State Plan scheme (₹ 11,000 crore) and loans to Local Bodies, Municipalities etc. under Urban Development (₹ 4,633 crore).

1.3.4 Analysis of Plan expenditure

The Finance Accounts provide a further dis-aggregation of expenditure into Plan and Non-plan. Plan expenditure normally relates to incremental developmental expenditure on new projects or schemes and involves both revenue and capital expenditure. Non-plan expenditure, on the other hand, is normally devoted to maintaining the levels of services already achieved. However, in both Plan and Non-plan expenditure, increase in capital expenditure relative to revenue expenditure is considered qualitatively more desirable as it leads to the extension of the social and economic infrastructure network and capital formation by the Government. **Chart 1.12** shows the break-up of the Government’s Plan and Non-plan expenditure. Plan expenditure as a proportion of actual expenditure was at 28 *per cent* during 2011-12 but declined to the level of 26 *per cent* in 2013-14.

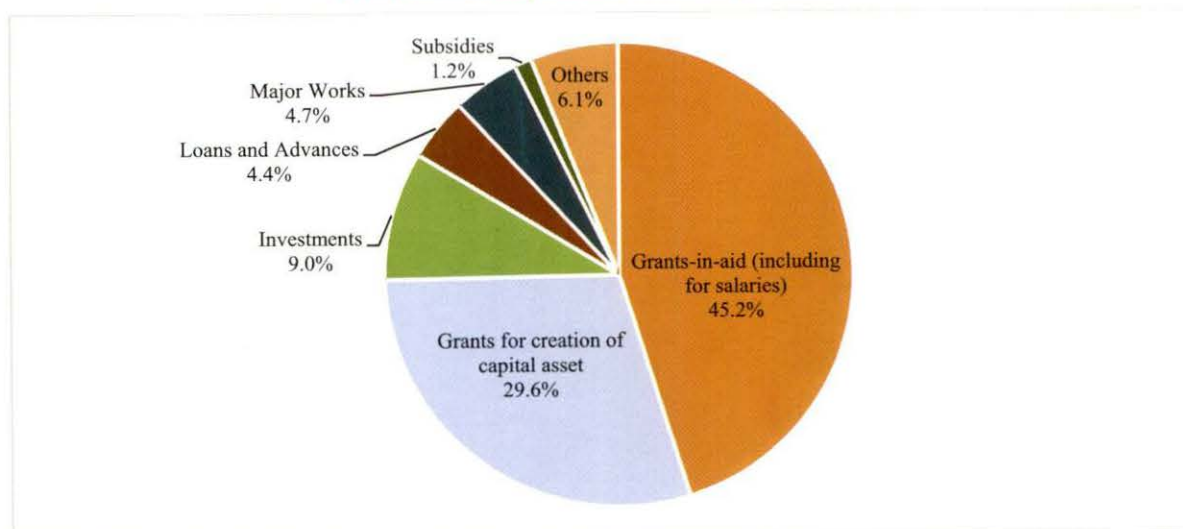
Chart 1.12: Analysis of Plan expenditure and non-Plan expenditure



1.3.5 Major Components of Plan expenditure

As can be seen from **Chart 1.13**, expenditure on Grants-in-aid, investments, loans and subsidies account for 89 *per cent* of Plan expenditure. Expenditure on Grants-in-aid during 2013-14 as compared to 2011-12, remained constant at 75 *per cent* of the total Plan expenditure in the case of civil ministries. Ministry-wise/Grant-wise components of Plan expenditure are shown in **Annexure 1.1**.

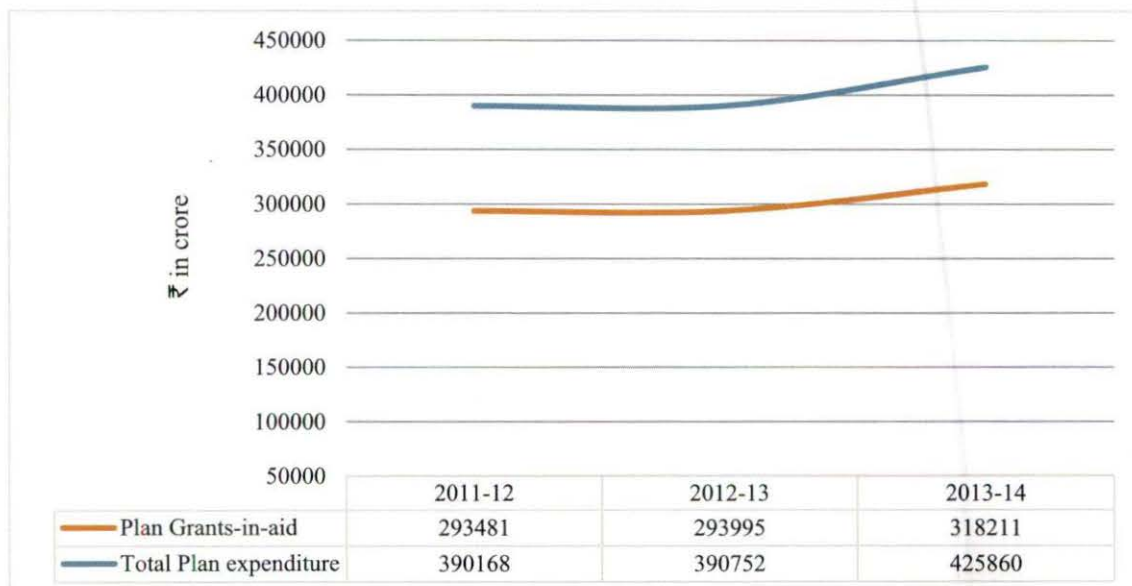
Chart 1.13: Components of Plan expenditure



Source: 'e-lekha' data dump provided on 24 November 2014 (other than for grants pertaining to Defence (nos. 22 to 27), Posts (no.13), Railways and Appropriation-Repayment of Debt (no.37)). Does not include journal entries, 'inter-account transfer' (OH-63) and 'deduct recoveries' (OH-70).

Chart 1.14 shows plan Grants-in-aid (including Grants-in-aid for capital creation and for salary) as a proportion of the total Plan expenditure during 2011-12 which 75.22 per cent, and declined to 74.72 per cent in 2013-14.

Chart 1.14: Plan Grants-in-aid as a proportion of total Plan expenditure

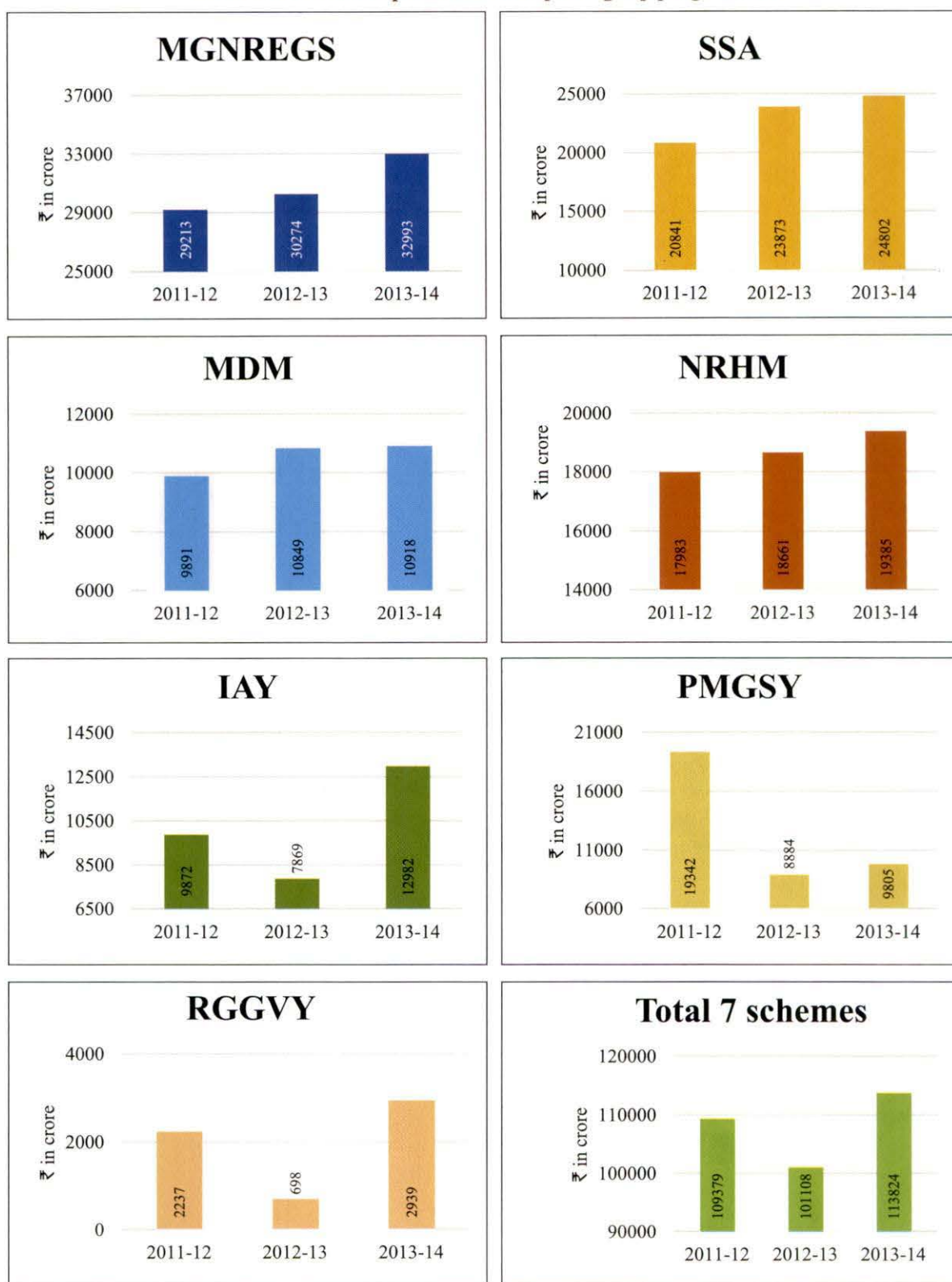


Source: 'e-lekha' data dump provided on 24 November 2014 (other than for grants pertaining to Defence, Posts and Railways). Does not include journal entries.

1.3.6 Major flagship programmes of the Government – actual expenditure in the past three years

The Union Government has been targeting key development priorities through flagship programmes. **Chart 1.15** shows the actual expenditure on major flagship programmes during the period 2011-14.

Chart 1.15: Actual expenditure on major flagship programmes



SSA=Sarva Siksha Abhiyan, MDM=Mid-Day Meal Scheme, MGNREGS= Mahatma Gandhi National Rural Employment Guarantee Scheme, RGGVY=Rajiv Gandhi Gramin Vidutikaran Yojana, IAY=Indira Awas Yojana, PMGSY=Pradhan Mantri Gram Sadak Yojana, NRHM= National Rural Health Mission

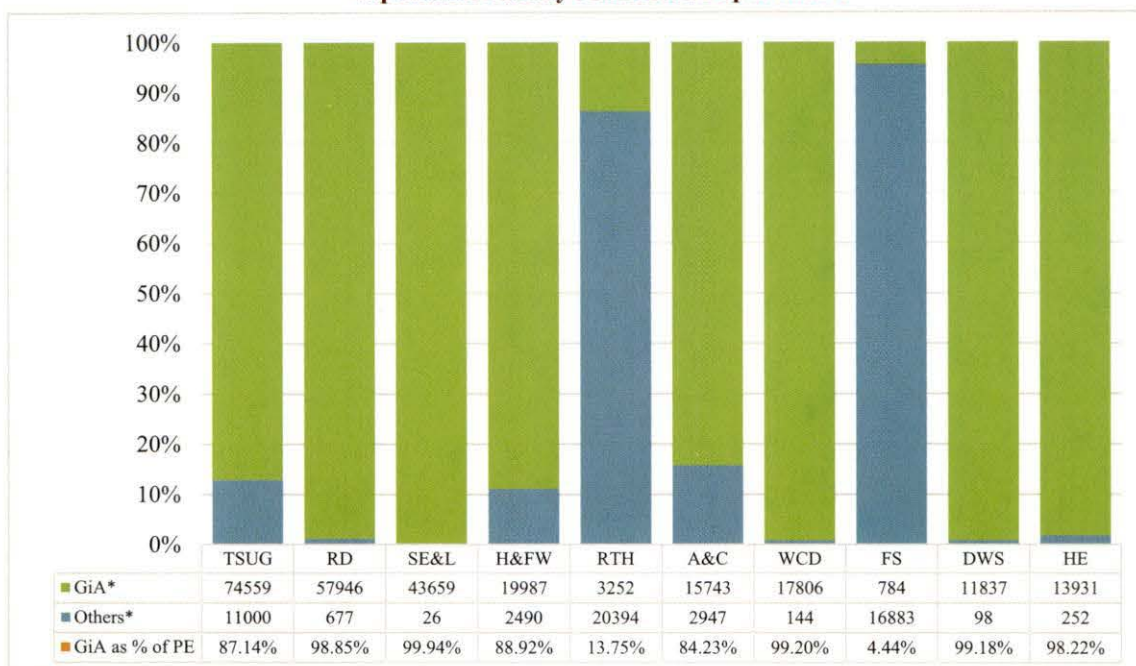
The expenditure on the seven flagship schemes shown in **Table 1.10** has decreased from ₹ 1,09,379 crore in 2011-12 to ₹ 1,01,108 crore in 2012-13 and then increased to ₹ 1,13,824 crore in 2013-14 (4.06 *per cent* over 2011-12). As can be seen from **Chart 1.15** and **Table 1.10**, all major schemes registered an increase in expenditure when compared to the previous year. However, the expenditure on these schemes decreased in comparison to the BE during 2013-14 and the maximum shortfall of 54.82 *per cent* has reported in PMGSY.

Table 1.10: Plan Expenditure on Major Flagship Programmes of the Union Government
(₹ in crore)

		SSA	MDM	MGNREGS	RGVY	IAY	PMGSY	NRHM	Total
2011-12	BE	20413	10061	40000	6000	10000	20000	19838	126312
	Actuals	20841	9891	29213	2237	9872	19342	17983	109379
	Variation over BE (in <i>per cent</i>)	2.10	(-1.69)	(-26.97)	(-62.72)	(-1.28)	(-3.29)	(-9.35)	(-13.41)
2012-13	BE	24243	11643	33000	4900	11075	24000	22799	131660
	Actuals	23873	10849	30274	698	7869	8884	18661	101108
	Variation over BE (in <i>per cent</i>)	(-1.53)	(-6.82)	(-8.26)	(-85.76)	(-28.95)	(-62.98)	(-18.15)	(-23.21)
2013-14	BE	26358	12879	33000	4500	15184	21700	23148	145769
	Actuals	24802	10918	32993	2939	12982	9805	19385	113824
	Variation over BE (in <i>per cent</i>)	(-5.90)	(-15.23)	(-0.02)	(-34.69)	(-14.50)	(-54.82)	(-16.26)	(-21.91)

1.3.7 Proportion of Grants-in-aid in Plan expenditure in key Ministries

Chart 1.16 shows the proportion of Grants-in-aid within Plan expenditure for the 10 Ministries/Departments with the largest Plan expenditure in 2013-14.

Chart 1.16: Grants-in-aid (including Grants-in-aid for capital creation) as a proportion of total Plan expenditure in key Ministries/Departments


* Amount ₹ in crore

Note: GiA=Grants-in-aid; PE=Plan Expenditure, RD=Rural Development, TSUG = Transfers to States and Union Territories Governments, SE&L = School Education and Literacy, RTH = Road Transport and Highways, H&FW = Health and Family Welfare, A&C = Agriculture and Co-operation, WCD = Women and Child Development, FS= Financial Services, DWS = Drinking Water Supply, HE = Higher Education,

Source: 'e-lekha' data dump dated 24 November 2014. Does not include journal entries. Excludes object heads for 'inter-account transfer' and 'deduct recoveries'.

As is evident, almost the entire Plan expenditure in the Ministries/Departments of Rural Development, School Education and Literacy, Women and Child Development, Drinking Water Supply and Higher Education involved disbursement of Grants-in-aid to bodies/authorities/State Governments.

1.3.8 Break-up of expenditure from the Consolidated Fund of India (e-lekha data)

As details of component wise expenditure are not available in the Finance Accounts, e-lekha has been used for supplementing some of the analyses in the succeeding paragraphs. e-lekha being used at Pay and Accounts Offices and other offline interfaces, provides a system of core accounting with integration of daily, monthly and annual accounting process for value added reporting and monitoring mechanism.

The expenditure figures in Finance Accounts are shown net of recoveries and thus, the figures from e-lekha, wherever adopted, have been netted of recoveries. Data of a number of components derived from e-lekha were at variance with the data available in Finance Accounts due to non-updation of e-lekha in time.

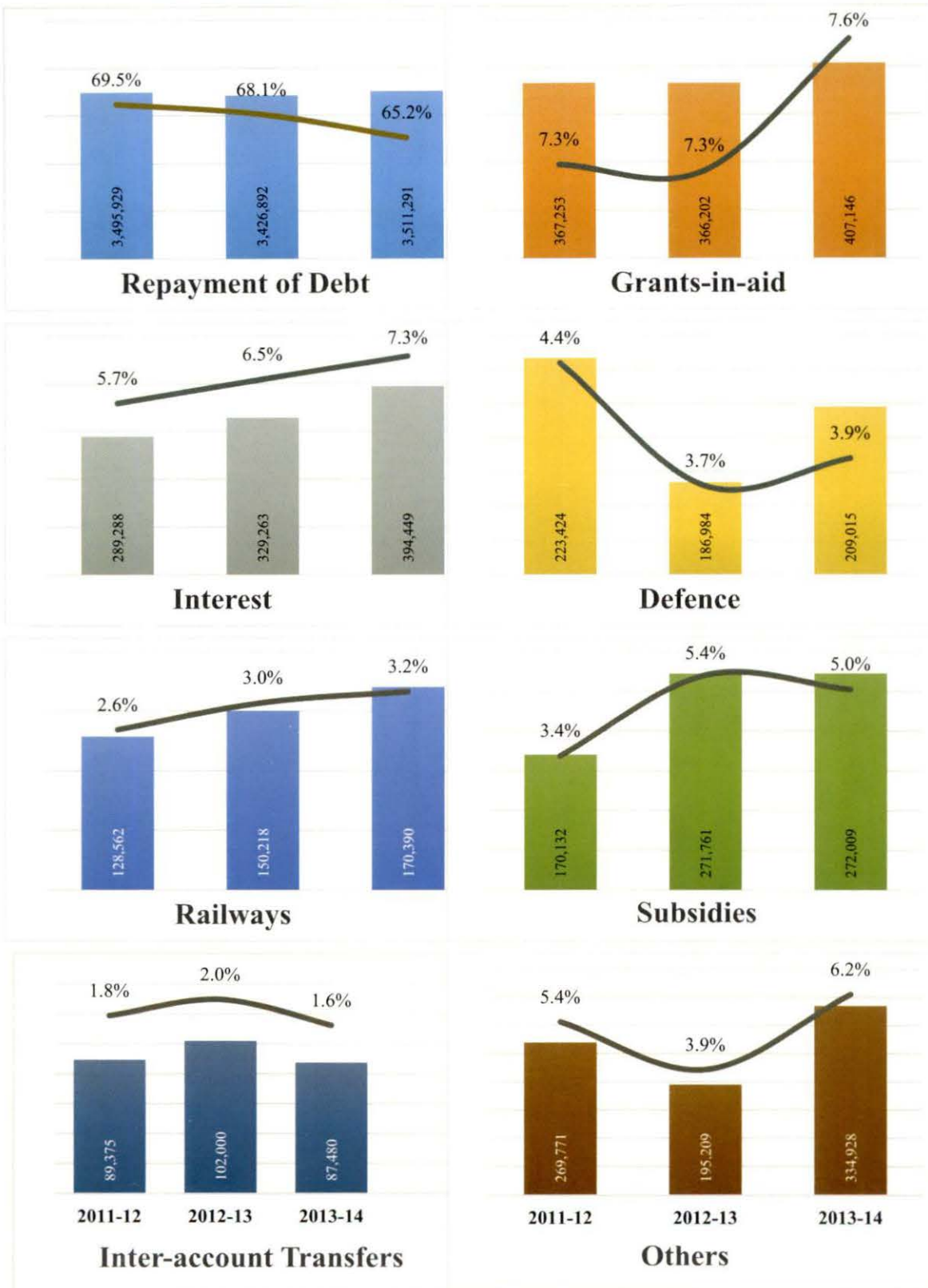
The largest component of expenditure from the Consolidated Fund of India (CFI) was towards the repayment of public debt. As can be seen from **Chart 1.17**, the share of repayment of public debt has decreased marginally from 68 *per cent* in 2012-13 to 65 *per cent* in 2013-14 of the total expenditure from CFI.

Expenditure on Defence increased from ₹ 1,86,984 crore in 2012-13 to ₹ 2,09,015 in 2013-14. Its share in total expenditure also increased marginally from 3.7 *per cent* to 3.9 *per cent* in this period. Details of Revenue expenditures of Defence services are depicted in **Chart 1.10**

Owing to misclassification of 'subsidies' of ₹ 65,000 crore in 2011-12 (as pointed out in C&AG's Report No.1 of 2013) to 'other charges', the share and expenditure on subsidies was seen as drastically increasing in year 2012-13. The expenditure on subsidies marginally rose and stood at ₹ 2,72,009 crore in 2013- 14.

In the case of Railways the aggregate expenditure had been rising continuously from 2.6 *per cent* in 2011-12 to 3.2 *per cent* in 2013-14.

Chart 1.17: Break-up of expenditure from the Consolidated Fund of India

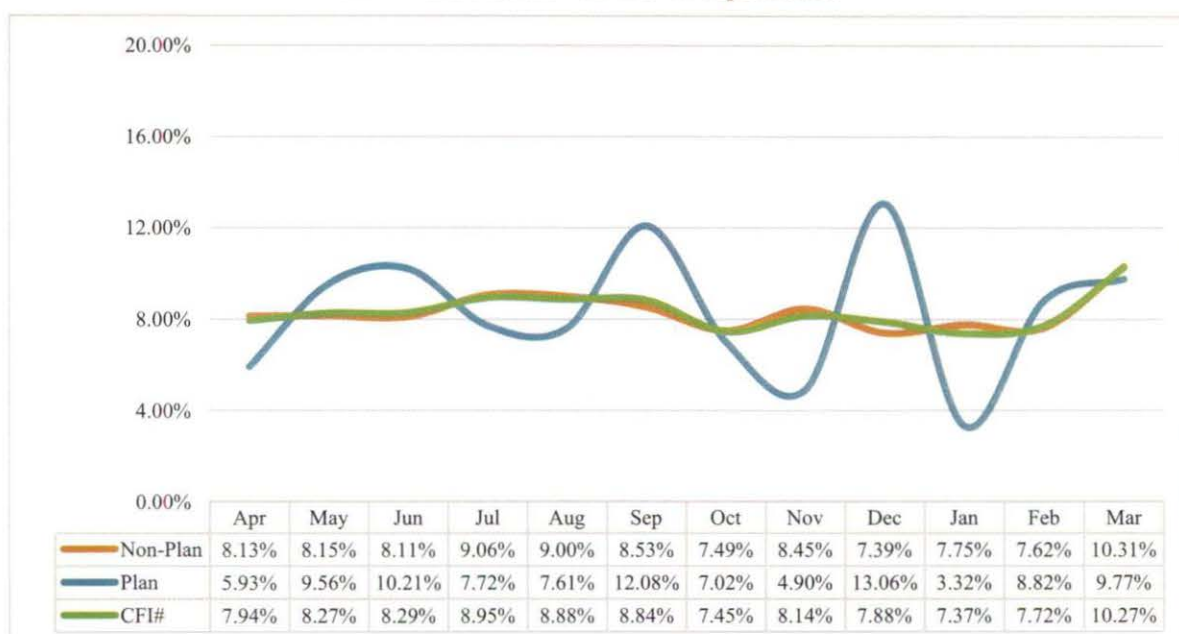


Source: 'e-lekha' data dump provided on 24 November 2014. Does not include journal entries. Notes: Amount in Chart is ₹ in crore. Trend line depicts the per cent share in total expenditure from CFI. Owing to misclassification, subsidies of ₹ 65,000 crore has not been reckoned under 'Subsidies' during 2011-12. For expenditure on 'Interest', figures under object head '45' below major heads '2048' and '2049' have only been taken. 'Defence' excludes civil grants pertaining to Ministry of Defence. 'Others' netted of 'deduct recoveries'.

1.4 Time Analysis of Expenditure

An important aspect of expenditure management is avoidance of lumping of expenditure towards the end of the year. The Ministry of Finance issued instructions to Ministries/Departments in September 2007 to restrict expenditure during the month of March and the last quarter of the financial year to 15 per cent and 33 per cent, respectively, of the budgeted estimates. **Chart 1.18** brings out how the total expenditure and within it, the Plan and non-Plan expenditure (for Ministries/Departments other than Defence, Railways and Posts & Telecommunications) have been disbursed through the financial year.

Chart 1.18: Month-wise flow of expenditure



CFI=Consolidated Fund of India (percentages of month-wise expenditure may not tally with Annexure 1.2 due to non-inclusion of 'inter-account transfer' in this chart)

Source: 'e-lekha' data dump provided on 24 November 2014 (other than for grants pertaining to Defence (Nos. 22 to 27), Posts (No.13), Railways and Appropriation-Repayment of Debt (No.37)). Does not include journal entries, 'inter-account transfer' (OH-63) and 'deduct recoveries' (OH 70).

An analysis of the total expenditure of the Government from the Consolidated Fund of India for the Civil Ministries⁴ shows that 10 per cent and 25 per cent of the total annual expenditure was incurred in March 2014 and last quarter of the year 2013-14. Both Plan and Non-Plan expenditure showed an increase in March 2014. Plan expenditure showed quarterly peaks in the months of June, September and December of 2013 and showed a pronounced increase in March 2014 to 10 per cent of the total Plan expenditure. Non-Plan expenditure, which averaged between 7 to 9 per cent of the annual expenditure every month,

⁴ Excluding Posts (Grant No. 13), Defence (Grant Nos. 22 to 27) and Repayment of debt (Grant No. 37).

showed a moderate increase in March 2014 to 10 *per cent* of the total non-Plan expenditure for the year.

Ministry/Department-wise time analysis: A disaggregated analysis in **Table 1.11** shows that in the case of nine grants, over 22 *per cent* of the total expenditure was incurred in March 2014. In the case of the Department of Revenue 80 *per cent* of the total expenditure of the year was incurred in March 2014. A detailed Ministry-wise/Grant-wise time analysis of expenditure is given in **Annexure 1.2**.

Table 1.11: Analysis of expenditure incurred in March 2014

(₹ in crore)

Grant No.	Grant Name	Total expenditure	Expenditure in March (including Supplementary Accounts)	Percentage of expenditure in March (including Supplementary Accounts)	Expenditure on last day of March	Percentage of expenditure on last day of March
42	Department of Revenue	2553.37	2037.65	80	1994.91	78
10	Ministry of Coal	1329.45	318.81	24	245.33	18
45	Department of Disinvestment	26.90	12.71	47	2.28	Negligible
51	Department of Heavy Industry	1377.19	500.81	36	229.71	17
88	Department of Shipping	1870.20	578.78	31	8.11	Negligible
12	Department of Industrial Policy and Promotion	1343.08	347.04	26	8.36	1
05	Nuclear Power Schemes	4057.38	1060.52	26	NA	NA
61	Ministry of Information and Broadcasting	2828.22	630.69	22	448.62	16
70	Ministry of Overseas Indian Affairs	84.80	18.82	22	11.54	14

Note: Data extracted from 'e-lekha' portal dated 24 November 2014 (other than for grants pertaining to Defence, Posts and Railways). Excluding figures of "Inter account Transfer" and "Deduct Recoveries". Does not include journal entries.

A further analysis in respect of Ministries where a significant amount was incurred on last day of the financial year revealed:

- That out of ₹ 2,037.65 crore incurred by the Department of Revenue in March 2014, an amount of ₹ 1,981.04 crore, was incurred under the object head 'Grants-in-aid'.

Object head-wise time analysis: As per the coding pattern of the Union Government Accounts, a sub-head represents the schemes, a detailed head represents the sub-schemes and the object head denotes the final heads (e.g. Salary, Wages, Pensionary Charges, Rewards etc.) on which expenditure is incurred. An examination of expenditure at the object head level in the Civil

Ministries revealed that there was significant lumping of expenditure at the end of the financial year in a number of object heads. In some of the object heads where substantial expenditure was incurred in the month of March 2014 have been depicted in **Table 1.12**:

Table 1.12: Analysis of expenditure on object heads booked in March 2014

(₹ in crore)

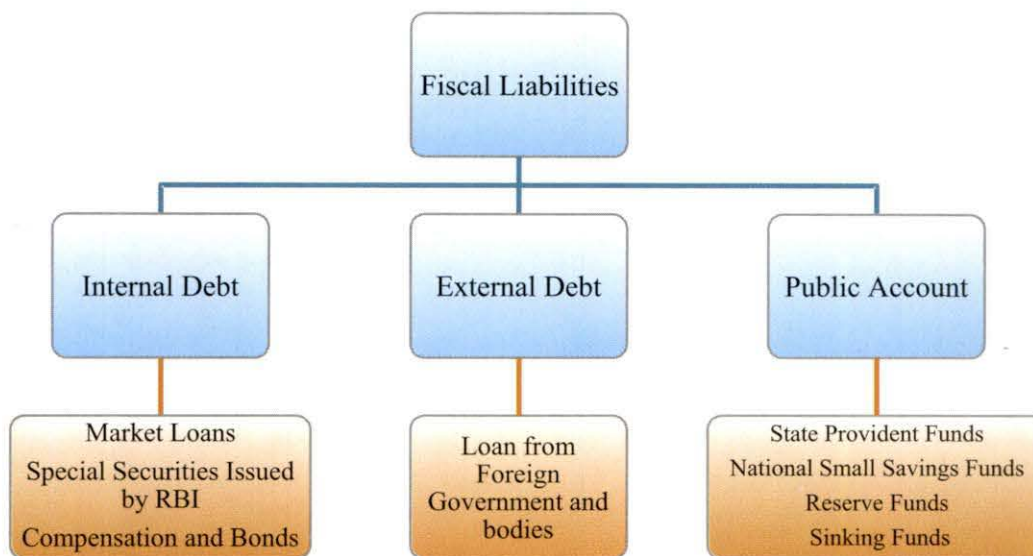
Object Head	Object Head Description	Total expenditure	Expenditure in March	Percentage of expenditure in March	Expenditure on last day of March	Percentage of total expenditure on last day of March
63	Inter-Account Transfer	87557.56	50680.46	58	10573.59	12
05	Rewards	58.76	27.31	46	6.90	12
28	Professional Services	3541.97	1532.71	43	78.48	2
52	Machinery and Equipment	4444.48	1455.49	33	142.19	3
26	Advertising and Publicity	1866.85	587.87	31	199.25	11
51	Motor Vehicles	500.54	136.60	27	35.41	7
30	Other Contractual Services	2063.38	513.96	25	24.38	1
27	Minor Works	5427.20	1304.70	24	434.17	8
25	Clothing and Tentage	593.62	132.22	22	22.88	4s

Note: Data extracted from 'e-lekha' portal dated 24 November 2014. Excludes grants pertaining to Defence (Grant Nos. 22 to 27), Posts (Grant No. 13), and Railways. Does not include journal entries.

The Government needs to examine the reasons for lumping of expenditure, particularly in the case of professional services, machinery and equipment, advertising and publicity and minor works at the end of the financial year.

1.5 Debt & Deficit Indicators

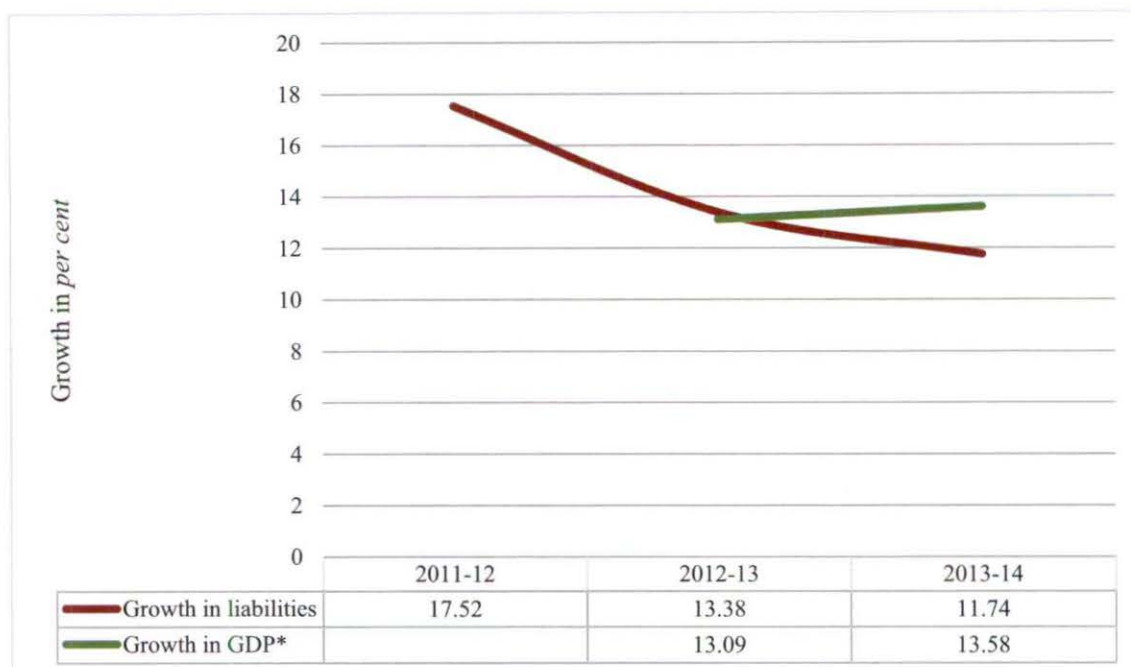
Box 1.2: Fiscal liabilities of Government of India



While reliance on debt to balance the budget cannot be avoided, the Union Government prudently set limits on borrowings through the Fiscal Responsibilities and Budget Management (FRBM) Act, 2003 and has also incentivised State Governments to set limits on their liabilities through fiscal reform legislations. The FRBM rules stipulate that the Central Government shall not assume additional liabilities (including external debt at current exchange rate) in excess of 9 *per cent* of GDP for the financial year 2004-05 and in each subsequent financial year the limit of 9 *per cent* of GDP was to be progressively reduced by at least one percentage point of GDP. Additional liabilities amounting to ₹ 5,52,724 crore raised in 2013-14 was 4.87 *per cent* of the GDP, which do not conform to the requirement of fiscal legislation. Since no minimum limits for additional borrowing has been prescribed under the FRBM legislation, there appears to be some lacuna in the legislation requiring attention.

Table 1.13 presents the total liability of Government both at current rate of exchange and at the historic rate (the rate at which the debt was originally contracted). The total liability at current rate as percentage of GDP has shown a declining trend. It has come down from 47 *per cent* in 2011-12 to 46.36 *per cent* in 2013-14. During 2012-13, the growth of debt stock had been faster than GDP growth indicating a worsening debt position. In 2013-14, the growth of debt stock was at 11.74 *per cent* as against the GDP's growth rate of 13.6 *per cent*. The level of debt stock in 2013-14 was 46.36 *per cent* of the GDP, well below the level of 47.5 *per cent* recommended by the Thirteenth Finance Commission for the relevant year.

Chart 1.19 Percentage Growth in Total Liabilities vs Growth in GDP



*Figure of GDP growth for 2011-12 not available due to change in base year of GDP to 2011-12.

Table 1.13: Fiscal Liabilities

(₹ in crore)

Period	Internal Debt of Union Government (1)	External Debt (at historic rates) (2)	Public Account* (3)	Total liabilities (at historic rates) (1+2+3)	External Debt (at current rates) (4)	Total liabilities (at current rates) (1+3+4)
2011-12	3230622 (36.58)	170088 (1.93)	597765 (6.77)	3998475 (45.27)	322897 (3.66)	4151284 (47.00)
2012-13	3764566 (37.69)	177289 (1.77)	610016 (6.11)	4551871 (45.57)	332004 (3.32)	4706586 (47.12)
2013-14	4240767 (37.38)	184581 (1.63)	644060 (5.68)	5069408 (44.68)	374483 (3.30)	5259310 (46.36)
Average Annual Rate of Shift in Relative Share						
2011-14	1.09	-8.09	-8.42	-0.65	-4.98	-0.69

Note: figures in parenthesis show percentage of GDP

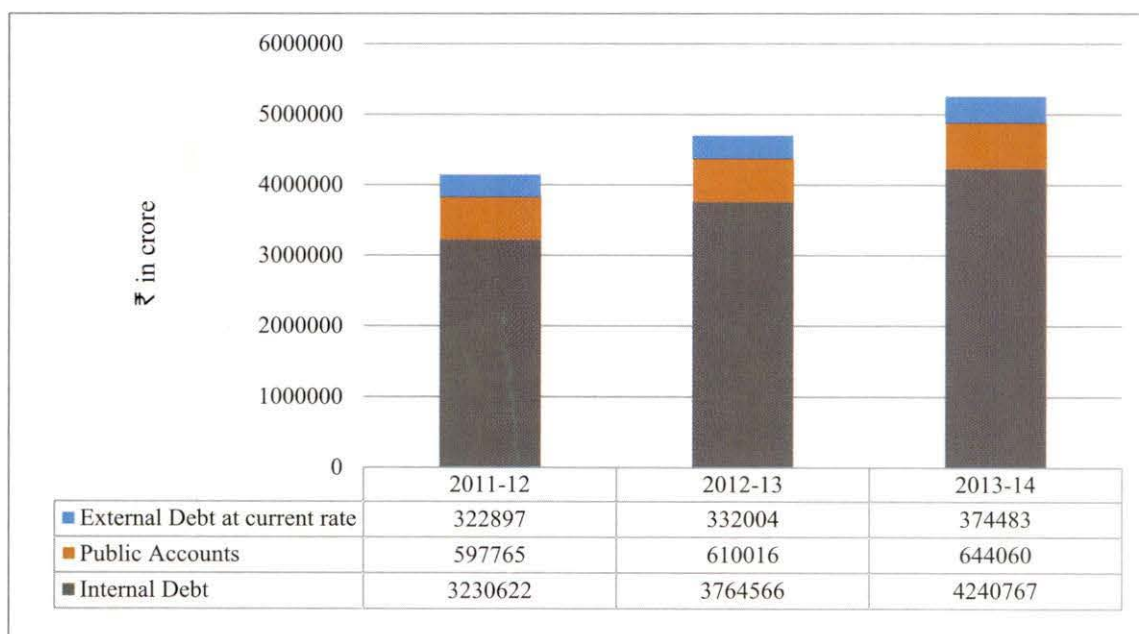
*Public Account liabilities since 1999-2000 exclude the liabilities on account of small savings to the extent invested in Special State Government Securities.

As on 31 March 2014, outstanding liability in Public Account had been reflected as ₹ 6,44,059.71 crore. However, the outstanding liability in Public Account works out at ₹ 12,68,854.39 crore, ₹ 11,12,803.27 crore on account of Small Savings, Provident Funds, etc., and ₹ 1,56,051.12 crore in the earmarked funds and deposits, which is merged with general cash balance of the Government. Of the outstanding liability of ₹ 11,12,803.27 crore on account of Small Savings, Provident Funds, etc., adjustment relating to investment of ₹ 5,19,145.06 crore in Special State Government Securities; ₹ 1,500 crore in India Infrastructure Finance Company Limited; ₹ 24,773.56 crore pertaining to Post Office

Insurance Fund with Private Fund Managers; and ₹ 79,376.06 crore of accumulated deficit in the operation of National Small Savings Funds had been made in the Union Finance Accounts to arrive at the net Public Account liability of ₹ 6,44,059.71 crore. Viewed in this background, the total outstanding liabilities of the Union Government as on 31 March 2014 at current rates stood at ₹ 58,84,104.65 crore, constituting 51.86 *per cent* of GDP.

As on 31 March 2014, internal debt of ₹ 42,40,767 crore constituted around 95.83 *per cent* of the total public debt of ₹ 44,25,348 crore. During the current financial year, Government has paid a sum of ₹ 3,44,893 crore as interest on internal debt. Over 82 *per cent* (₹ 2,84,444 crore) of interest paid on internal debt constituted interest on market loans bearing interest of varying rates. Of the interest paid on external debt (₹ 3,880 crore), nearly 86 *per cent* (₹ 3,319.51 crore) share of interest paid by India during 2013-14 was towards loans from only four entities, i.e. loans from the Government of Japan, International Development Association (IDA), International Bank for Reconstruction and Development (IBRD) and Asian Development Bank (ADB).

Chart 1.20 Component of Fiscal liabilities



It is evident from **Chart 1.20**, that the three components of fiscal liabilities registered continuous growth during the period 2011-14 but the annual growth particularly of external debt varied over the period. While the annual average rate of shift in the ratio of internal debt-GDP was 1.09 *per cent* with significant negative shift rates i.e. (-)8.42 *per cent* and (-)4.98 *per cent* for the other two components (**Table 1.13**).

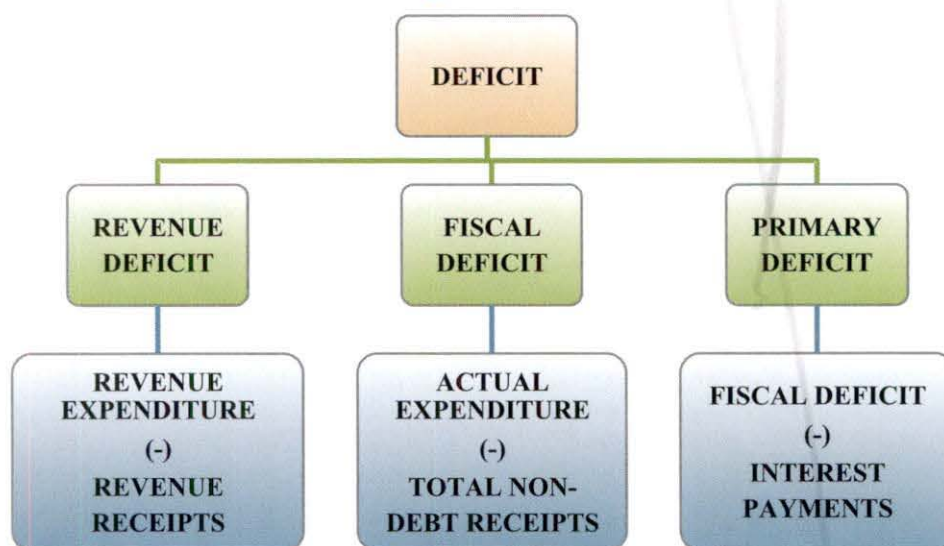
Table 1.14: Non-debt receipt and servicing of public debt

Year	Repayment of Principal of internal debt	Payment of interest on internal debt	Repayment of Principal of external debt	Payment of interest on external debt	Cost of servicing of public debt	Total non-debt receipts
2011-12	3482343	242569	13586	3501	3741999	965183
2012-13	3410785	281891	16108	4019	3712803	1108404
2013-14	3493167	344893	18124	3880	3860064	1271711

Table 1.14 shows that the servicing of public debt was ₹ 37,41,999 crore or 388 per cent of non-debt receipts during 2011-12 which decreased to 304 per cent in 2013-14. Further, the proportion of servicing of public debt to revenue receipts was 411 per cent during 2011-12, which has decreased to 317 per cent in 2013-14. In absolute terms, during 2013-14, the servicing of public debt increased by ₹ 1,47,261 crore while the total non-debt receipts increased by ₹ 1,63,307 crore as compared to the previous year.

1.5.1 Types of Deficit

Box 1.3: Types of Deficits



(a) Revenue Deficit

Revenue deficit represents the difference between revenue expenditure and revenue receipts. Revenue deficit leads to increase in borrowings without corresponding capital/asset formation. Borrowings resorted to meet revenue deficit, therefore, do not have any asset back-up and create an asset liability mismatch. For these reasons, revenue deficit is considered generally less desirable. Trends in revenue deficit and some of its key parameters are indicated in **Table 1.15**.

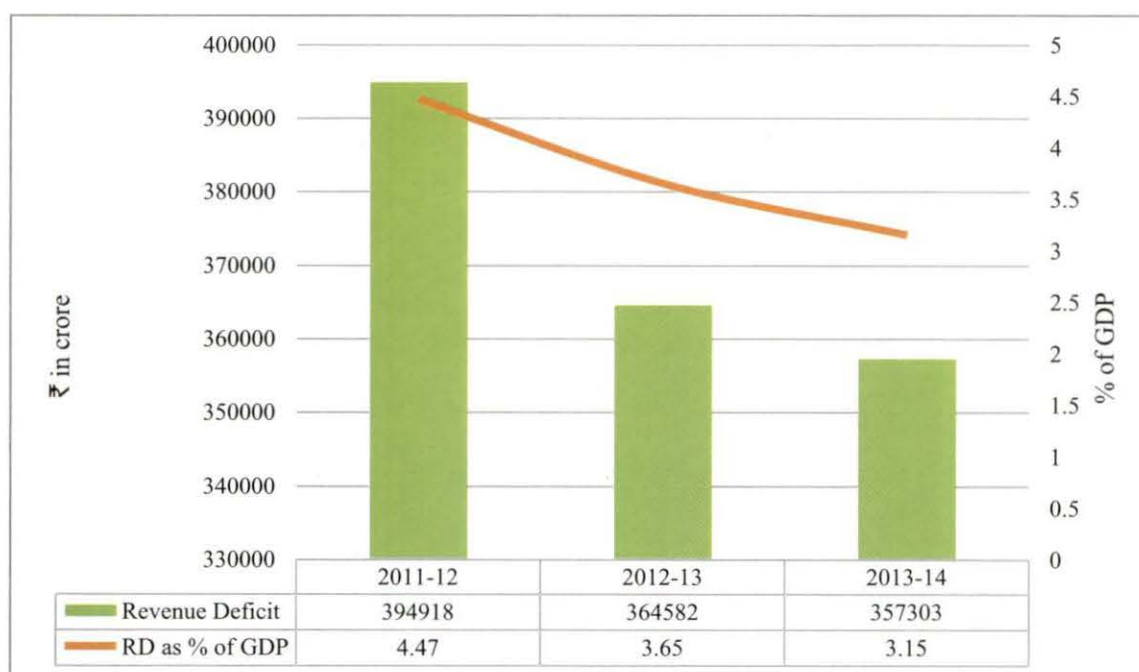
Table 1.15: Revenue deficit and its Parameters

Period	Revenue Receipt	Revenue Expenditure	Revenue Deficit	Revenue Deficit as percentage of		
				GDP	Revenue Receipt	Revenue Expenditure
(<i>₹ in crore</i>)						
2011-12	910277	1305195	394918	4.47	43.38	30.26
2012-13	1055891	1420473	364582	3.65	34.53	25.67
2013-14	1217794	1575097	357303	3.15	29.34	22.68

Table 1.15 indicates that the revenue deficit was at the level of ₹ 3,94,918 crore in 2011-12 and since then, it exhibited a declined trend and reduced to the level of ₹ 3,57,303 crore in 2013-14. The improvement in revenue deficit in the year 2013-14 was attributed to a 15.33 *per cent* increase in revenue receipts and 10.89 *per cent* increase in revenue expenditure over previous year.

In relation to GDP, revenue deficit reached to the level of 4.47 *per cent* in 2011-12. The ratio however, witnessed decelerating trend and reached to 3.15 *per cent* in 2013-14.

Chart 1.21 Revenue deficit and its percentage of GDP



(b) Fiscal Deficit

Fiscal deficit is the excess of actual expenditure over non-debt receipts. It also indicates the required borrowing of the Government and the increment to its outstanding debt. It normally represents the net incremental liabilities of the Government or its additional borrowings made to bridge the budgetary gap between revenue and expenditure. The shortfall can be met either by additional public debt (internal or external) or by the use of surplus funds from the Public

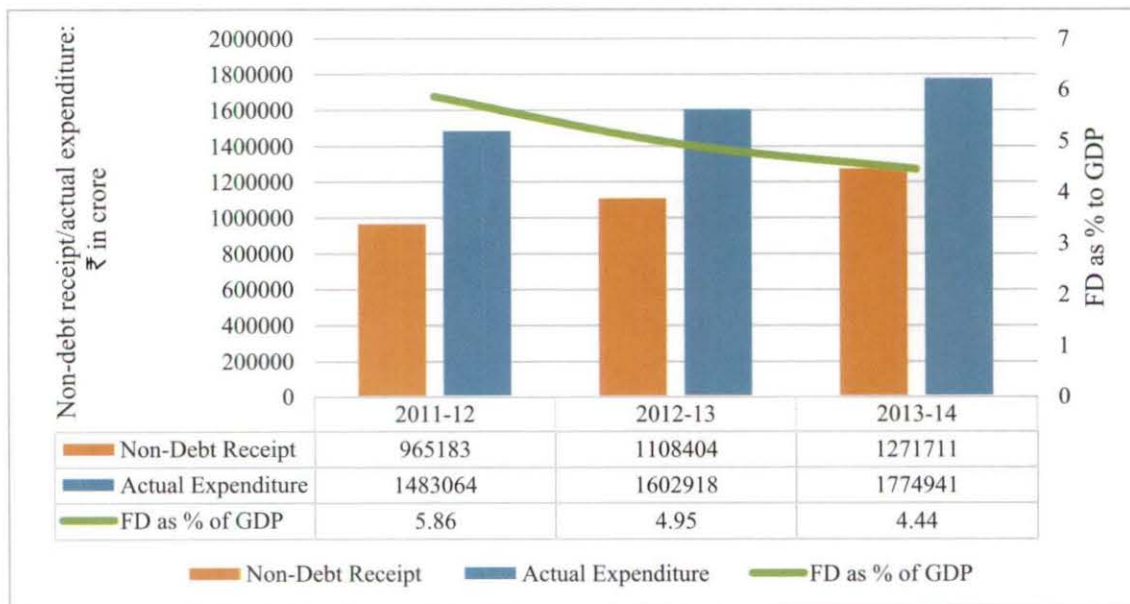
Account. Fiscal deficit trends along with the trends of the deficit relative to key fiscal parameters are indicated in **Table 1.16**.

Table 1.16: Fiscal Deficit and its Parameters

Period	Non-Debt Receipts	Actual expenditure	Fiscal Deficit	Fiscal Deficit as percentage of		
				GDP	Non-Debt Receipts	Actual Expenditure
(₹ in crore)						
2011-12	965183	1483064	517881	5.86	53.66	34.92
2012-13	1108404	1602918	494514	4.95	44.61	30.85
2013-14	1271711	1774941	503230	4.44	39.57	28.35

Fiscal deficit stood at ₹ 5,17,881 crore in 2011-12. The current year saw an improvement as the fiscal deficit was 4.44 *per cent* of the GDP as compared to the 4.95 *per cent* in 2012-13. Improvement in the ratio of fiscal deficit to the GDP during current year was mainly attributable to the increase of 14.73 *per cent* in total non-debt receipt against the increase of 10.73 *per cent* in actual expenditure.

Chart 1.22 Fiscal Deficit and its Parameters



If the bulk of fiscal deficit is for sustaining capital expenditure or for providing financial accommodation to entities for capital formation, such deficits may be considered desirable up to a point. **Table 1.17** presents the movement of components of fiscal deficit for the periods 2011-14.

Table 1.17: Components of fiscal deficit

(In per cent)

Period	Revenue Deficit	Net Capital Expenditure	Net Loans and Advances
2011-12	76.26	23.44	0.30
2012-13	73.73	25.17	1.10
2013-14	71.00	27.72	1.28

As can be seen from the above **Table 1.17** the bulk of the fiscal deficit was towards financing the revenue deficit. During 2011-14, there were improvements in the relative share of the net capital expenditure as a component of fiscal deficit. Net capital expenditure accounted for 29 *per cent* of fiscal deficit in 2013-14 and 71 *per cent* towards revenue deficit. The trend reveals that the interest payment, salary and pension payment (components of committed expenditure) absorb a major share of current revenue of the Government (non-debt receipt), these were 47.49 *per cent* of the total non-debt receipts for 2013-14.

Table 1.18 presents the rolling targets set for the key fiscal parameters – revenue and fiscal deficits for the year 2013-14 in the Medium Term Fiscal Policy Statement (MTFPS) placed along with the budgets in earlier years. In the budget of 2012-13, the targets of revenue and fiscal deficits for the current year were increased by 0.7 and 1.0 *per cent*, which were further increased to 3.3 and 4.8 *per cent* respectively in the budget estimates of 2013-14. In actual terms, both the revenue deficit and the fiscal deficit were below the ceiling as indicated in the budget estimates 2013-14.

Table 1.18: Outcome vis-à-vis Targets under FRBM Rules (As percentage of GDP)

Fiscal Indicator	Targets set in MTFPS 2011-12 for the year 2013-14	Targets set in MTFPS 2012-13 for the year 2013-14	BE in MTFPS 2013-14	Actual Levels
Revenue Deficit	2.1	2.8	3.3	3.15
Fiscal deficit	3.5	4.5	4.8	4.44

(c) Primary Deficit

Primary deficit is measured by subtracting the interest payments from fiscal deficit. It is a measure of current year's fiscal operation after excluding the liability of interest payment created due to borrowings undertaken in the past. The trend of primary deficit for last three years is shown in **Table 1.19**.

Table 1.19: Primary Deficit

Year	Fiscal Deficit	Total Interest Payments*	Primary Deficit	(₹ in crore)
				As per cent of GDP
2011-12	517881	286982	230899	2.61
2012-13	494514	330171	164343	1.65
2013-14	503230	395200	108030	0.95

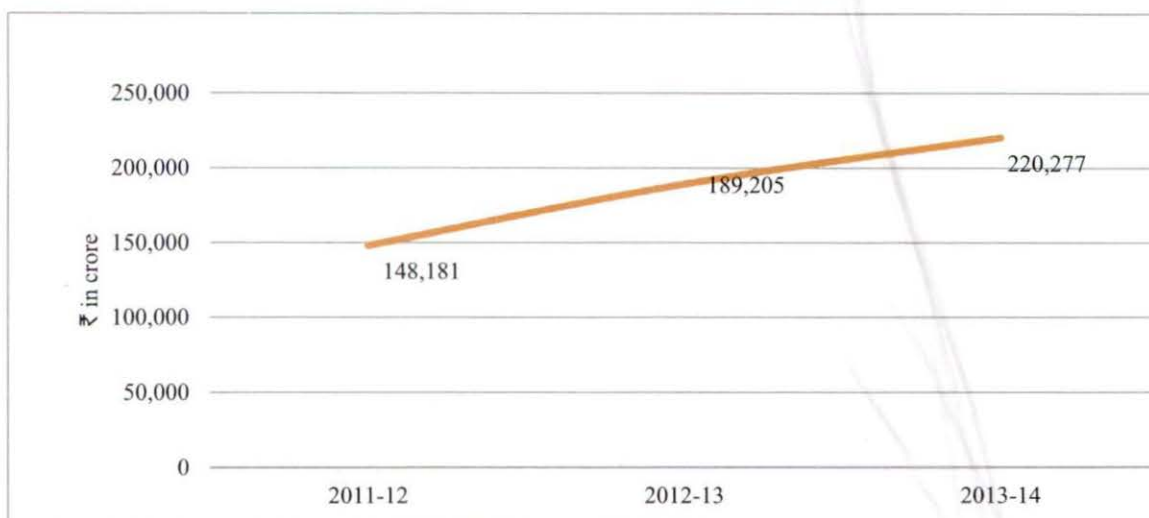
*Includes expenditure on reduction or avoidance of debt.

1.5.2 External Debt: Unutilised committed external assistance

As on 31 March 2014, unutilised committed external assistance was of the order of ₹ 2,20,277 crore. **Chart 1.23** shows the year-wise total undrawn balance of

external assistance from various sources. The sector-wise details from the office of the Controller of Aid Accounts & Audit indicates that there were large undrawn balances from committed external assistance in urban development (₹ 39,661 crore), atomic energy (₹ 30,110 crore), roads (₹ 28,586 crore), railways (₹ 20,275 crore), power (₹ 17,112 crore), water resource management (₹ 12,520 crore) and environment and forestry (₹ 11,634 crore).

Chart 1.23: Unutilised committed external assistance



Commitment charges on undrawn external assistance are 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 1.20** indicates charges paid to various bodies/governments during the three years period as commitment charges for rescheduling of drawal of assistance at later dates.

Table 1.20: Commitment Charges

(₹ in crore)					
Year	ADB	Japan	Germany	IBRD	Total
2011-12	42.30	20.82	6.24	13.92	83.28
2012-13	47.18	25.67	7.43	12.24	92.52
2013-14	47.46	49.99	9.78	10.09	117.32

Source: Controller of Aid Accounts & Audit

ADB=Asian Development Bank

IBRD=International Bank for Reconstruction and Development

This points towards continued inadequate planning, resulting in avoidable expenditure in the form of commitment charges amounting to ₹ 117.32 crore in 2013-14.

1.6 Growth in Contingent Liabilities of the Union Government

In terms of Article 292 of the Constitution, the Union Government may give guarantees within such limits, if any, as may be fixed by Parliament by law. Guarantees are given by the Union Government for (i) repayment of borrowings and payment of interest thereon, (ii) repayment of share capital and payment of minimum dividend, (iii) payment against agreements for supplies of materials and equipment on credit basis, etc., on behalf of Government companies/corporations, Railways, Union Territories, State Government, local bodies, joint stock companies, co-operative institutions etc. These guarantees constitute a contingent liability on the CFI. The sums guaranteed outstanding as on 31 March 2014 was ₹ 2,49,503 crore.

Contingent liabilities of the Union Government arise because all risks cannot be anticipated upfront. While guarantees do not form part of debt as conventionally measured, in the eventuality of default, they have the potential of aggravating the debt position of the Government. The issue of guarantees assumes significance in the context of the growing investment needs for infrastructure, participation by the private sector in such projects and the increasing probability of these guarantees being invoked. **Chart 1.24** and **Table 1.21** give the position regarding the maximum amount of guarantees, sums guaranteed outstanding and external guarantees outstanding at the end of the financial years 2011-14.

Chart: 1.24 Guarantees given by the Union Government

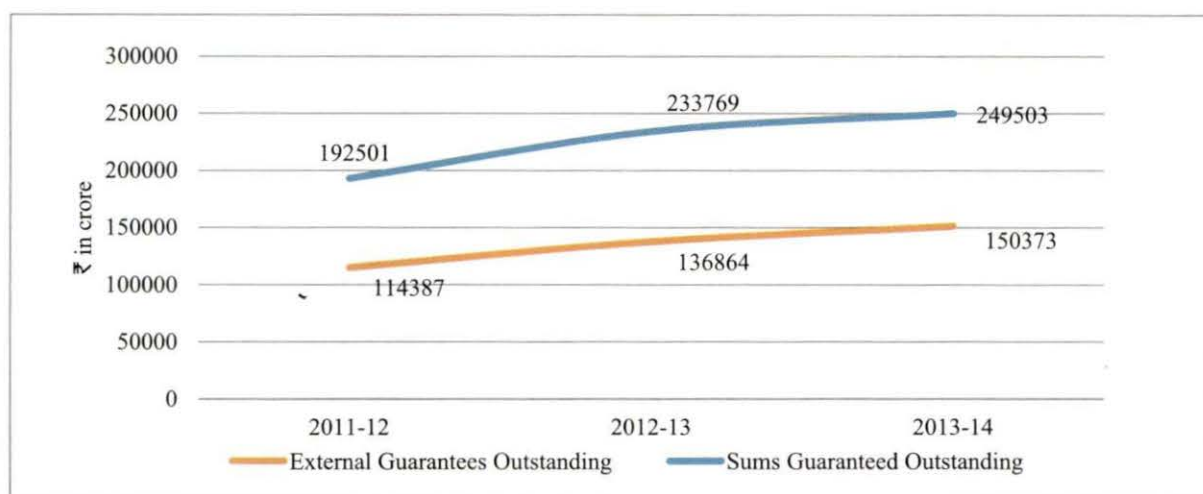


Table 1.21 : Guarantees given by the Union Government

	Maximum amount of guarantee	Sums Guaranteed Outstanding	External Guarantees Outstanding	Outstanding External Guarantees as a percentage of Total Outstanding Guarantees
2011-12	203056	192501	114387	59.42
2012-13	242915	233769	136864	58.55
2013-14	270629	249503	150373	60.27

Guarantees are usually given to enable borrowings from international agencies or to enable PSUs to borrow money from the market. In 2013-14, of the sums guaranteed outstanding as on 31 March, 2014 (₹ 2,49,503 crore), 60 *per cent* went towards loans from foreign lending institutions, 29 *per cent* went towards guarantees to RBI /banks/industrial financial etc. for repayment of principal and payment of interest, cash credit facility etc. and the remaining 11 *per cent* went towards guarantees for repayment of share capital, payment of minimum annual dividend and repayment of bonds, loans, debentures/counter guarantees etc. The major Ministries/Departments for whom guarantees were given by the Ministry of Finance were the Ministries/Departments of Consumer Affairs, Food and Public Distribution, Economic Affairs, Civil Aviation, Power, Telecommunications, New and Renewable Energy, External Affairs and Steel. Maintenance of upto date guarantee registers by Ministries becomes critical in determining the extent of risk to the Government.

As stipulated in Rule 3(3) of the FRBM Rules, 2004, the Central Government shall not give guarantees aggregating to an amount exceeding 0.5 *per cent* of the GDP in any financial year beginning with the financial year 2004-05. Further in compliance to Rule 6(1)(b) of FRBM Rules, 2004, the Central Government is required to make a disclosure with regard to guarantees at the time of presenting the annual financial statement in order to ensure greater transparency in its fiscal operation. As per this disclosure appended in the Receipt Budget 2014-15, guarantees amounting to ₹ 55,062.03 crore had been committed/approved by the Ministry of Finance for the financial year 2013-14, which is 0.49 *per cent* of the GDP. At the end of any financial year, guarantees, which are outstanding, have to be carried over for future years as they can be invoked at any time. Risk assessment of the likelihood of outstanding guarantees being invoked in a particular year therefore becomes critical while deciding the maximum amount of guarantee in any particular year.

The total outstanding guarantees were 2.20 *per cent* of the GDP in 2013-14 and 20.49 *per cent* of the revenue receipts that accrued to the Union Government in 2013-14.

2: COMMENTS ON ACCOUNTS

Comments relating to significant deficiencies in the presentation (accuracy, completeness and transparency) of the Union Finance Accounts are given in the succeeding paragraphs. The comments arising from Appropriation audit are included in Chapters 3, 4 and 5 of this Report. Observations on regularity, economy, efficiency and effectiveness of Government spending are incorporated in compliance and performance audit reports, being presented separately to the Parliament.

2.1 Issues of transparency

2.1.1 Non-inclusion of statements/information in the Union Finance Accounts as recommended by the Twelfth, Thirteenth and Fourteenth Finance Commissions

The Twelfth Finance Commission, in their Report submitted to the Government in November 2004, had recommended inclusion of eight additional statements/information in the Union Government accounts for greater transparency and informed decision making, pending transition from cash to accrual basis of accounting. The recommendation was accepted in principle by the Government.

The Thirteenth Finance Commission had observed that the Finance Accounts did not provide all the appendices and recommended (in para 7.134) that the list of appendices to the Finance Accounts be standardised, keeping in view the recommendations of the Twelfth Finance Commission and this be followed in all the States.

The Fourteenth Finance Commission in their Report of December 2014, while endorsing the views of the earlier Commissions for transition to accrual based accounting, reiterated (in para 17.14) inclusion of various statements in the Finance Accounts of Union and State Governments.

The additional statements recommended by the Twelfth Finance Commission were in respect of the following:

- (i) Subsidies given, both explicit and implicit;
- (ii) Expenditure on salaries by various departments/units;
- (iii) Detailed information on pensioners and expenditure on Government pensions;
- (iv) Committed liabilities in the future;
- (v) Debt and other liabilities as well as repayment schedule;
- (vi) Accretion to or erosion in financial assets held by the Government including those arising out of changes in the manner of spending by it;
- (vii) Implications of major policy decisions taken by the Government during the year or new schemes proposed

in the budget for future cash flows; and (viii) Maintenance expenditure with segregation of salary and non- salary portions.

Scrutiny of the Finance Accounts for the year 2013-14 disclosed that the statements as recommended by the Twelfth and Thirteenth Finance Commissions had not been included therein. It would be pertinent to mention that most of the States were appending all the above statements to their accounts except the statements relating to (a) committed liabilities in the future; and (b) implications of major policy decisions taken by the Government during the year or new schemes proposed in the budget for future cash flows.

This aspect was mentioned in the Reports of the Comptroller and Auditor General of India on the Accounts of the Union Government for the year ended 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 successively but no action has been taken by the Government even after a lapse of ten years.

As pointed out in the Reports of the Comptroller and Auditor General on the Accounts of the Union Government for the year 2010-11, the status of implementation of the recommendations of the Twelfth Finance Commission in the financial statements of State Governments is encouraging. However, there has been no compliance by Union Government in this regard.

The Controller General of Accounts (CGA) replied (March 2015) that most of these statements were already in public domain in e-lekha, Accounts at a Glance, Finance Accounts and various budget documents. Some of these statements relate to accrual accounting which could not be included in the existing structure of cash based accounting.

The reply of the CGA is not convincing as only one statement at No. (v) 'Debt and other liabilities as well as repayment schedule' is available in Finance Accounts. Ministry of Finance may set a specific time frame for inclusion of the above additional statements in the Union Finance Accounts.

2.1.2 Opaqueness in Government Accounts

Scrutiny of Union Government Finance Accounts for the year 2013-14 disclosed that under 16 Major Heads of accounts (representing functions of the Government) expenditure of ₹ 14,073.67 crore was classified under the Minor head '800-Other expenditure' alone in the accounts, constituting more than 50 per cent of the total expenditure recorded under the respective Major Heads. This indicates a high degree of opaqueness in the accounts. Some of the functions where opaqueness in expenditure exists are Other Social Services, Agricultural Financial Institutions, Flood Control and Drainage, Civil Aviation, North Eastern Areas, Capital Outlays on Soil and Water Conservation, Capital

Outlay on Non-Ferrous Mining and Metallurgical Industries, Capital Outlay on Other Communication Services and Capital Outlay on Foreign Trade and Export Promotion etc. Details of the 16 Major Heads are given in **Annexure 2.1.**

Expenditure on some significant initiatives such as expenditure on interest subvention for providing short-term credit to farmers (₹ 6,000 crore), Rajeev Gandhi Gramin Vidyutikaran Yojana (₹ 2,593.89 crore), subsidy to Assam Gas Cracker Complex (₹ 976.96 crore), subsidy for operation of Haj Charters (₹ 680 crore), Other Allied Activities (₹ 677.60 crore), National Thermal Power Corporation (₹ 536.30 crore), Scheme for Assistance for Infrastructure Development-Viability Gap Funding (₹ 450 crore) were not depicted distinctly in the Finance Accounts but were merged under the Minor head, 'Other Expenditure'.

This aspect was commented upon in the Reports of the Comptroller and Auditor General of India on the Accounts of the Union Government for the year ended 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 successively with the recommendation that the Government may conduct a comprehensive review of the structure of Government Accounts to address this deficiency for achieving greater transparency in financial reporting. As an interim measure, the CGA has inserted footnotes in the Finance Accounts, giving details of expenditure on significant initiatives merged under the Minor Head '800-Other Expenditure'. Instead of restructuring the accounts to reflect the current activities of the Government, piecemeal action of opening a few new Minor Heads for recording substantial expenditure of the Government distinctly, may not help.

The CGA replied (March 2015) that they had been advising continuously to various Ministries/Departments to exercise restraint while making provisions under the Minor head '800-Other Expenditure' at the stage of preparing BE/RE and new Minor heads may be opened in cases of substantial expenditure.

2.1.3 Public Fund lying outside Government Account

The Ministry of Finance, Department of Economic Affairs (DEA) directed all Ministries and Departments of the Government in January 2005¹ to ensure that funds of regulatory bodies were maintained in the Public Account.

Scrutiny of annual accounts of fourteen regulatory bodies and autonomous bodies which also act as regulators in their respective field, revealed that these

¹ Government of India, Ministry of Finance, Department of Economic Affairs (Budget Division), O.M.No.F.1(30)-B(AC)/2004 dated 7 January 2005

bodies had retained funds generated through fee charges, unspent grants received from Government of India, interest accrued on government grants, receipt of license fees, corpus fund, etc. aggregating ₹ 5,917.44 crore at the end of March 2014 outside the Government Account, contrary to the above instructions issued in January 2005. Details of such bodies and funds retained by them are depicted in **Annexure 2.2**.

In respect of regulatory bodies viz., the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority (IRDA) and Pension Fund Regulatory and Development Authority (PFRDA), this aspect was also commented upon in the Reports of the Comptroller and Auditor General on the Accounts of the Union Government for the years ended 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13.

The Ministry of Finance in its ATN stated (September 2011) that separate Funds with the nomenclatures 'The Securities and Exchange Board of India (SEBI) Fund' and 'The Insurance Regulatory and Development Authority (IRDA) Fund' respectively would be opened under Major Head '8235-General and other Reserve Fund' in the non-interest bearing section of the Public Account of India, for operationalising the fund in the Government Account. It subsequently added (February 2014) that 'as per Section-16 of IRDA Act', all Government fees and charges received by the Authority, all sums received by the Authority from such other source as may be decided upon by the Central Government would be part of the IRDA Fund. No action to bring the SEBI Fund and IRDA fund into Government Account, even after a lapse of more than two years, had been taken by the Ministry.

The Department of Economic Affairs (DEA), Ministry of Finance stated (December 2014) that the matter relating to SEBI general funds in Public Account had been referred to the Department of Legal Affairs for taking full and final view. The reply of DEA is not tenable as it has already taken the view of Department of Legal Affairs in July 2010 wherein Ministry of Law and Justice had opined that all funds received by SEBI are public money and all public money received on behalf of Government of India would be the part of the Public Account as defined under Article 266(2) of the Constitution of India. Sums realized by SEBI by way of penalties under Section 15JA of the SEBI Act, 1992, should be credited to the CFI.

In respect of Medical Council of India (MCI), Ministry of Health and Family Welfare replied (December 2014) that the surplus fund would be utilised for purchase of land for construction of staff quarters and sum of ₹ 50 crore had been transferred to MCI Staff Pension Fund Account in 2014-15.

Further, the Indian Nursing Council (INC) replied (March 2015) that it would utilize surplus fund for purchase of its own office building and it was envisaging a project 'Computer live register for nurses' at cost of ₹ 25 crore.

The reply of the Ministry with regard to MCI and the reply of INC are not tenable. Revenues generated by regulatory functions performed by these bodies should form part of the Government accounts and the expenditure incurred by these bodies should be brought within the ambit of budgetary process so as to pass through the Parliamentary scrutiny. Hence, surplus funds lying with the regulatory bodies should be brought into the Government accounts by framing appropriate accounting procedure/rules, on the lines of Central Electricity Regulatory Commission Fund, Telecom Regulatory Authority of India General Fund, etc. appearing in the Public Account.

2.1.4 Understatement of customs receipts and short devolution to States

As per the prescribed procedure, any advance customs receipts collected, which pertain to a future period have to be kept under a transitory suspense head² under the Public Account. The amounts are to be credited to the Consolidated Fund of India (CFI) in the year to which the advance duties collected from assesses pertain.

Scrutiny of the Finance Accounts revealed that ₹ 222.56 crore was available under the transitory suspense head as opening balance in financial year 2013-14. This was to be accounted for as customs receipts in the Consolidated Fund of India during financial year 2013-14. However, the amount remained booked under the suspense head. This resulted in an understatement of the customs receipts of the Government of India by ₹ 222.56 crore in financial year 2013- 14. The amount collected under customs receipts forms a part of the divisible pool of taxes, which is to be shared between the Centre and the States. Non-credit of this amount to the Consolidated Fund of India could imply short devolution of the amount as envisaged by the Finance Commission to States during the financial year 2013-14.

This matter was also commented upon in the Reports of the Comptroller and Auditor General of India on the Accounts of the Union Government for the year ended 2010-11, 2011-12 and 2012-13 but no corrective measures were taken up to clear the entire balance from the Public Account to the appropriate receipt head in CFI.

² 8658.136-Customs Receipts Awaiting Transfer to the Receipt Head

The Department of Revenue, CBEC stated (November 2014) that an amount of ₹ 143.44 crore had been cleared in April 2013. It further added that rigorous efforts were being made to clear the remaining balance under the said head.

2.2 Observations with regard to Public Account

2.2.1 Universal Service Obligation Fund

The Universal Service Obligation (USO) Fund³ was set up in April 2002 for achieving universal service objectives emphasized in the National Telecom Policy (NTP) 1999. The Indian Telegraph (Amendment) Act 2003 gave statutory status to the USO Fund and laid down that the fund is to be utilized exclusively for meeting the Universal Service Obligation by providing access to basic telegraph services, like, provision of public telecommunication and information services and provision of household telephones in rural and remote areas, as may be determined by the Central Government from time to time. It also envisaged creation of infrastructure for provision of mobile services in rural and remote areas, provision of broadband connectivity to villages in a phased manner and induction of new technological developments in the telecom sector in rural and remote areas, etc. The resources for meeting the USO Fund were to be raised through a 'Universal Access Levy' (UAL). The implementation of USO related activities was to be carried out by the eligible operators who get a subsidy as per the rules.

The fund is administered by the Department of Telecommunications (DoT). The levy received towards USO is first credited to the Consolidated Fund of India and subsequently, the Central Government credits the proceeds to the USO Fund in the Public Account of India from time to time, for being utilized exclusively towards the stated objectives and it is a non-lapsable Fund.

The issue of understatement of balances in USO Fund was commented upon in the Report of the Comptroller and Auditor General of India on Accounts of the Union Government for the year 2009-10, 2010-11, 2011-12 and 2012-13. The Public Accounts Committee (PAC) in their Fourteenth Report (Fifteenth Lok Sabha 2009-10) also disapproved the diversion of funds exclusively meant for USO activities to other programmes by the Ministry of Finance.

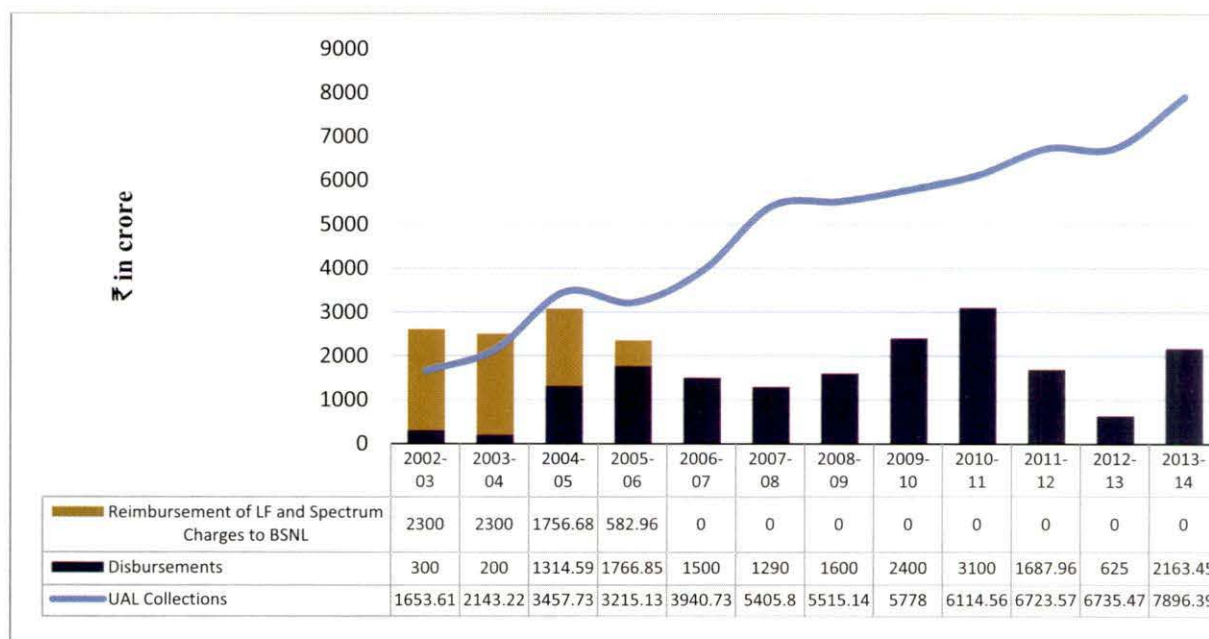
Despite CAG's audit observation on USO Fund during earlier years, it was noticed that DoT transferred only ₹ 2,163.45 crore to the USO Fund in the Public Account out of the total receipts of ₹ 7,896.39 crore towards Universal Access Levy during year 2013-14. The short transfer of levy resulted in under-

³ 8235.118 – USO Fund

statement of the closing balance of the USO Fund by ₹ 5,732.94 crore for the financial year 2013-14. The overall understatement of the closing balance in the USO Fund was to the tune of ₹ 33,682.86 crore as of 31 March 2014.

Further, against the total collection of levy of ₹ 58,579.35 crore during 2002-03 to 2013-14, disbursement of subsidy of only ₹ 24,896.49 crore (after taking into account the reimbursement of licence fees and spectrum charges to BSNL amounting to ₹ 6,948.64 crore over the period 2002-03 to 2005-06 for fulfilling rural obligation as exhibited) was made from the fund during these periods. The remaining levy of ₹ 33,682.86 crore was not transferred to the USO Fund and utilised for the purposes other than the stated objectives for which the levy was meant. The details of levy collected and their utilisation for USO purposes since its inception are shown in the **Chart 2.1**.

Chart 2.1: Universal Services Obligation Fund



The PAC in its recommendations contained in their Fourteenth Report (Fifteenth Lok Sabha 2009-10) had observed that the Government should not have any problem in crediting the full amount collected as UAL in the USO Fund especially when the proceeds to the fund were meant to be utilised exclusively for meeting Universal Service Obligation.

Thus, depiction of 'Nil' balance under USO Fund in the Finance Accounts of the respective years was in contravention of the recommendations of the PAC, which clearly stipulated that full amount collected as UAL should be credited to the USO Fund.

The Ministry of Communication and Information Technology, Department of Telecommunications in its reply (November 2014) stated that:

- i) The facts and figures are agreed upon but the transfer of entire collection under UAL to the USO Fund does not happen automatically. Instead, credit to the fund shall be amount as received through Parliamentary approvals as per the provisions of the Indian Telegraph (Amendment) Act, 2003.
- ii) The matter was taken up with the Ministry of Finance (MoF) during May 2012 communicating the concerns of PAC. It was submitted before the Committee that transfers to USO Fund are made based on the requirement and ability of the Department to spend in any financial year and the unutilized funds kept in Public Account add to the liability of the Government. While approving the amendment to IT Act, 1885, Cabinet had directed DoT to consult MoF while finalizing the amount to be transferred to USO Fund.
- iii) Further, MoF was again approached in this matter and MoF had intimated (January 2014) that Government had a commitment of ₹ 20,100 crore for implementation of National Optical Fibre Network (NOFN) to be financed out of USO Fund. As and when the scheme takes off, Government is bound to provide funds for this scheme through USO Fund. Cabinet Secretariat directed (July 2003) that DoT may consult MoF while finalizing the amount to be transferred to the USO Fund. Even the clause 9B of the IT Act 2003 states 'the sum of money received towards the Universal Obligation under Section 4 shall first be credited to the Consolidated Fund of India, and the Central Government may, if parliament by appropriation made by law in this behalf so provides, credit such proceeds to the Fund from time to time for being utilized exclusively for Universal Service Obligations.' It did not say all such proceeds would be credited to the Fund. Further keeping money locked in Public Account may not be the most prudent way to utilize resources and in view of this, MoF was not committing any violation of legal provision.
- iv) It is expected that the bulk of the accruals to USO Fund would be utilized in financing and implementing the presently ongoing schemes as well as new schemes of USO Fund such as NOFN, scheme for Mobile Communication Services in Left Wing Extremism affected areas and for North Eastern Region.

The reply of the Ministry/Department is not acceptable in view of the fact that being a specific purpose levy, the entire collection of levy, after initially being credited to the CFI, should have been transferred to the USO Fund in

the Public Account. After meeting the expenditure on the stated objectives under the scheme, the USO Fund should transparently reflect the unutilised balances.

2.2.2 Under-utilisation of cess collected under Research & Development Cess Fund

The Research and Development Cess Act was enacted in 1986 to provide for the levy and collection of a cess on all payments made for import of technology to encourage commercial application of indigenously developed technology and for adapting imported technology to wider domestic application and for matters connected therewith or incidental thereto. Section 3 of the Act provides for collection of cess at such rates not exceeding 5 *per cent* to be levied and collected on all payments made towards the import of technology, as the Central Government may, from time to time, specify, by notification, in the official gazette.

The Act enables the creation of a Fund for Technology Development and Application to be administered by Technology Development Board (TDB). The Fund is maintained outside Government accounts. The Fund is credited with the grants released by the Government of India out of the cess collected by the Government on the import of technology by the industrial concerns under the provisions of the Research and Development Cess Act, 1986, as amended in 1995. The research and development cess collection is administered by Department of Science & Technology. Section 4 of the Act requires the proceeds of the cess levied and collected to be credited initially to the Consolidated Fund of India and Government may, with the approval of the Parliament, pay to the Development Bank (erstwhile Industrial Development Bank of India in this case) such sums required to be utilized on the purposes of the fund.

From the figures given in **Table 2.1**, it is observed that cess to the extent of ₹ 4,876.71 crore were collected during the period from 1996-97 to 2013-14. Out of this, ₹ 542.41 crore (11.12 *per cent*) only was disbursed to TDB as Grants-in-aid during the same period. TDB, in turn, disbursed financial assistance and loans of ₹ 1,217.77 crore to industrial concerns attempting commercial applications of indigenous technology or adapting imported technology to wider domestic applications out of the funds made available by the Government.

Table 2.1: Collection of R&D cess and its utilisation

(₹ in crore)

Year	Collection of Cess	Grants released to TDB	Disbursement made by TDB to Industries
1996-97	80.13	29.97	Nil
1997-98	81.42	49.93	30.14
1998-99	81.10	27.99	36.99
1999-00	88.93	50.00	85.23
2000-01	98.91	62.79	101.73
2001-02	95.30	57.00	53.44
2002-03	99.47	56.00	107.11
2003-04	133.74	53.65	53.86
2004-05	53.98	48.10	57.91
2005-06	176.61	42.66	89.23
2006-07	186.56	4.32	74.98
2007-08	254.09	19.00	63.01
2008-09	310.33	0.00	81.60
2009-10	418.22	0.00	55.04
2010-11	592.22	5.00	64.19
2011-12	702.54	0.00	48.00
2012-13	685.62	22.50	116.21
2013-14	737.54	13.50	99.10
Total	4876.71	542.41	1217.77

From above table, it may be observed that the collection of cess under the Act is substantial. However, the utilisation of the cess proceeds for the intended objectives is not optimum. In turn the cess proceeds are being partly utilised to finance the revenue deficit of the Government over the years. The matter of under-utilisation of the proceeds for the desired objectives and the levy of cess at the rate being collected, was raised in previous years too; however, the trend remains the same.

2.2.3 Inconsistencies and continued adverse balance in Beedi Workers Welfare Fund

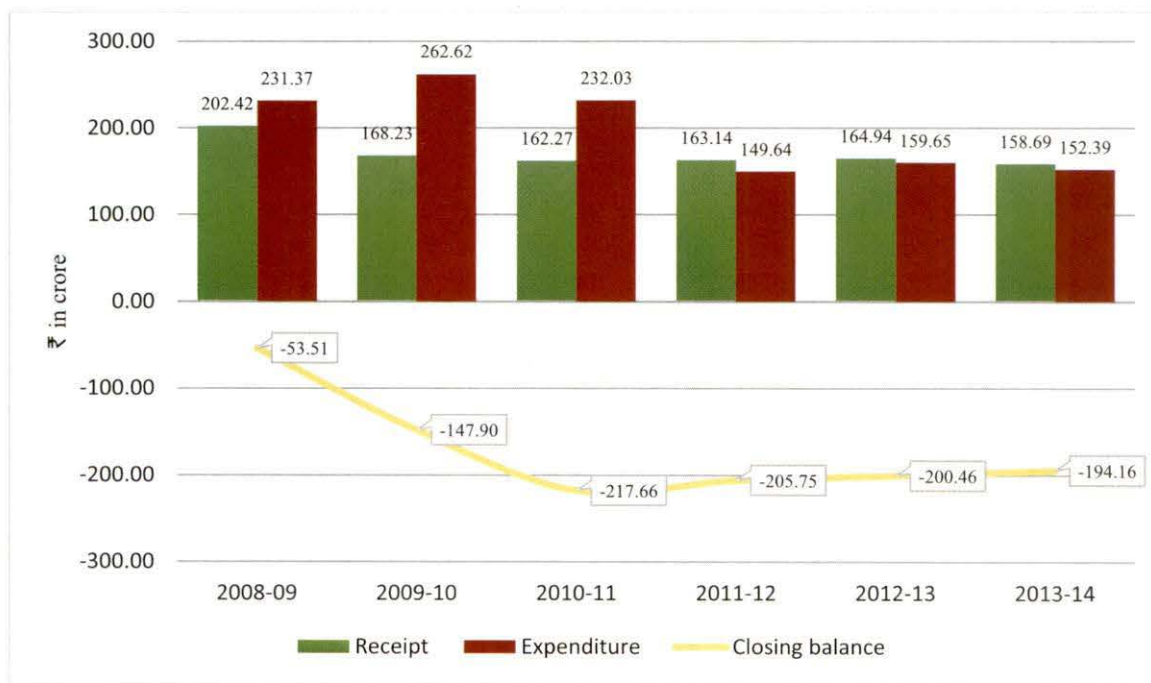
Beedi Workers Welfare Fund was created in the Public Account⁴ under Beedi Workers Welfare Fund Act, 1976 to provide for the financing of measures to promote the welfare of persons engaged in beedi establishments. For this purpose, the Government introduced a cess in the form of duty of excise on manufactured beedi. The collection of cess is initially credited to the CFI and subsequently transferred through the appropriation to the Beedi Workers Welfare Fund in the Public Account.

On account of expenditure from the fund being in excess of the receipts, the balance in the Beedi Workers Welfare Fund over the years had become adverse.

⁴ MH 8229.200 – Other Development and Welfare Fund

The aggregate position with regard to expenditure, receipts and closing balance in the Beedi Workers Welfare Fund during the period 2008-09 to 2013-14 is shown in the **Chart 2.2**.

Chart 2.2: Inconsistencies and continued adverse balance in Beedi Workers Welfare Fund



The chart above indicates that there was continuous adverse balance in the fund during the period 2008-09 to 2013-14, which steadily increased from ₹ (-)53.51 crore in 2008-09 to ₹ (-)205.75 crore in 2011-12. It decreased to ₹ (-)200.46 crore in 2012-13 and further to ₹ (-)194.16 crore in 2013-14.

This matter was also commented in the Report of the Comptroller and Auditor General on the Accounts of the Union Government for the year ended 2011-12 and 2012-13.

The Ministry of Labour and Employment agreed (February 2015) with the audit observation and stated that the Ministry was exploring further remedial measures to reduce the adverse balances in future.

2.2.4 Accountal of Education Cess

(a) Primary Education Cess

A non-lapsable fund for elementary education known as Prarambhik Shiksha Kosh⁵ (PSK) was created in 2005-06 under non-interest bearing section of the reserve funds in the Public Account. This fund is meant to meet the expenditure

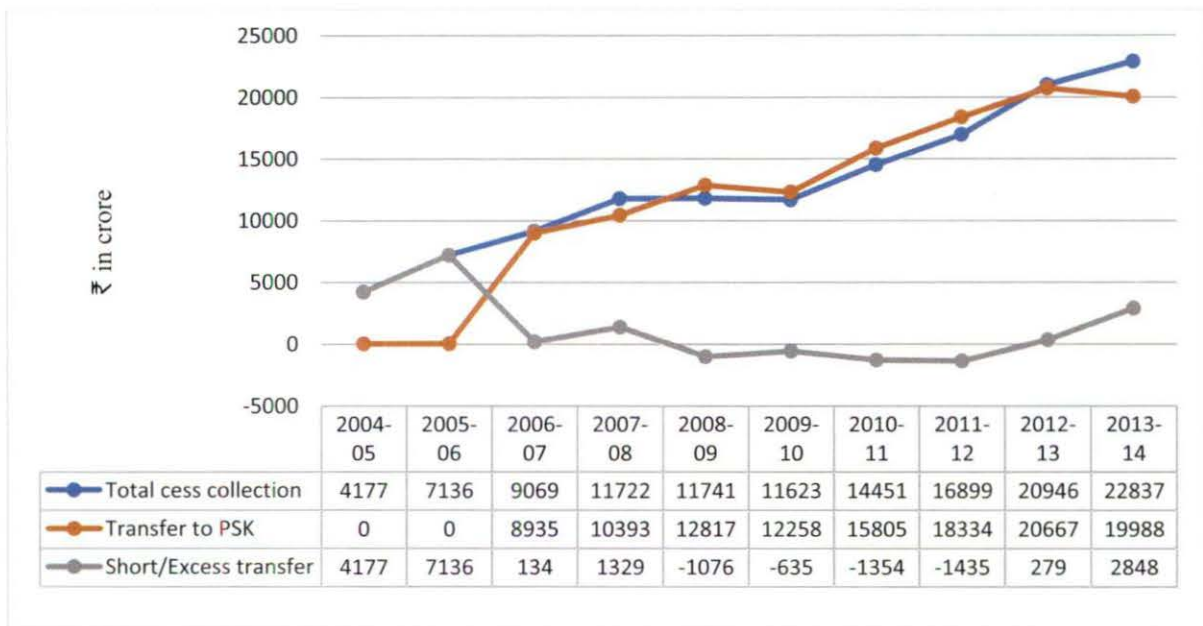
⁵ Major Head 8229.127 – Prarambhik Shiksha Kosh

requirement for elementary education under the schemes of Sarva Shiksha Abhiyaan and Mid-Day Meal Scheme. Through the Finance Act (No. 2) of 2004 a primary education cess of 2 *per cent* was levied on all central taxes. The cess collection is initially credited to the CFI and subsequently transferred after obtaining the Parliamentary authorisation to the PSK to finance the expenditure on elementary education.

Chief Controller of Accounts (CCA), Ministry of Human Resource Development is responsible for maintaining the accounts of the PSK in coordination with the CCA, Central Board of Direct Taxes and Central Board of Excise and Customs in the Department of Revenue.

Scrutiny of Union Finance Accounts for the period 2004-05 to 2013-14 revealed that against the total collection of ₹ 1,30,599 crore of primary education cess in the CFI, only ₹ 1,19,197 crore was transferred to the PSK, resulting in short transfer of ₹ 11,402 crore. During the period 2004-14, in some years the transfer was more than the cess collected, while in some years it was less than the cess collected as reflected in **Chart 2.3**. Thus, there is no reconciliation between the CCA of the Ministry of Human Resource Development and the CCA, Central Board of Direct Taxes/Central Board of Excise and Customs in the Department of Revenue.

Chart 2.3: Collection of primary education cess and its transfer to PSK



Negative figure shows excess transfer to PSK

(b) Secondary and Higher Education Cess

The Secondary and Higher Education Cess (SHEC) was introduced in the Finance Act, 2007 to fulfil the commitment of secondary and higher education.

Scrutiny of the Union Finance Accounts for the period 2006-14 revealed that a total collection of SHEC of ₹ 52,268.65 crore had been made. However, unlike the creation of PSK in the case of primary education cess, neither a designated fund was created to monitor the deposit of proceeds of SHEC thereto nor schemes identified on which the cess proceeds were to be spent. Consequently, the utilisation of cess for furthering the cause of secondary and higher education as envisaged in the Finance Act was not transparently ascertainable from the Union Accounts.

2.2.5 Incorrect depiction of transfer to Renewal Reserve Fund

In Grant No. 25-Ordinance Factory, a sum of ₹ 375 crore was transferred from Consolidated Fund of India (CFI) through the Head '2079.00.797- Transfer to Renewal & Replacement (RR) Fund' to the Public Account in the Head '8226.102' in Statement No. 13 of Union Finance Accounts for year 2013-14. Further, an expenditure of ₹ 697.01 crore on renewal and replacement was incurred under the Head '2079.00.106- Renewal and Replacement' and the amount was met from the Renewal and Replacement Fund in the Public Account.

However, in Statement No. 9 of Union Finance Accounts for FY 2013-14 a sum of ₹ (-)322.01 crore had incorrectly been shown as transferred from CFI to the Public Account under the Head 2079.00.797- Transfer to RR Fund by netting off the expenditure with the amount transferred. Even in the Statement of Central Transactions (SCT) of the Ministry of Defence, this transaction has been shown incorrectly. Instead of netting the transfer to the Public Account, the correct depiction of this transaction in SCT and in Statement No. 9 would have been (i) to transfer ₹ 375 crore to the Public Account; (ii) incur and book the actual expenditure of ₹ 697.01 crore on renewal and replacement to the appropriate Minor Head under the Major Head 2079; and (iii) operate the appropriate Minor Head 'deduct amount met from reserve fund' amounting to ₹ 697.01 crore under the Major Head 2079.

This accounting treatment would imply that expenditure of ₹ 697.01 crore were incurred on renewals and replacements in 2013-14, which had partly been financed to the extent of ₹ 322.01 crore from the balances already available in the earmarked fund, over and above the amount of ₹ 375 crore transferred in

2013-14 to the Renewal and Reserve Fund in Statement No. 13 of the Finance Accounts.

Comment on this issue had continuously been appearing in the CAG's Audit Reports (Para 2.3.9 of No.1 for the year 2011-12; Para 2.2.4 of No.1 of 2013; Para 2.2.4 of No.1 of 2014) but no corrective measures had been taken by the CGA in coordination with the Controller General of Defence Accounts in the Ministry of Defence.

2.2.6 National Clean Energy Fund

National Clean Energy Fund (NCEF) was established in 2010-11 for funding research and innovative projects in clean energy technology by levying a clean energy cess on coal produced in India and imported coal.

A total of ₹ 9,780.92 crore was collected as clean energy cess⁶ during the years 2010-11 to 2013-14. Against this, only ₹ 4,216.46 crore had been transferred to the National Clean Energy Fund⁷ in the Public Account, leading to short transfer of cess to the earmarked fund by ₹ 5,564.46 crore for achieving the desired objective, as given in **Table 2.2**.

Table 2.2: Clean Energy cess

(₹ in crore)

Year	Clean Energy Cess collected (0038.03.112)	Transferred to National Clean Energy Fund (2810.797)	Short transfer of Cess
2010-11	1066.46	--	1066.46
2011-12	2579.55	1066.46	1513.09
2012-13	3053.19	1500.00	1553.19
2013-14	3081.72	1650.00	1431.72
Total	9780.92	4216.46	5564.46

The issue despite being pointed out in CAG's Report No. 1 of 2013 and 2014, there was a short transfer of ₹ 1,431.72 crore in 2013-14.

The CGA replied (November 2014) that reply from the Ministry of Finance was still awaited, last reminder was sent in November 2014 and final position would be communicated in due course.

2.2.7 Irregular retention of balances under Mahila Samridhhi Yojna

For providing economic security to the rural women and to encourage saving habit among them, the Mahila Samridhhi Yojna (MSY) was started in October 1993 by the Department of Women and Child Development, being the nodal

⁶ MH 0038.03.112-Clean Energy Cess

⁷ MH 8235.129-National Clean Energy Fund

agency of the scheme. Under the scheme, the rural women of 18 years of age and above can open their saving account in the rural post office of their own area. The deposit was accounted in the Public Account under the head 8013.60.101 – Mahila Samridhi Yojna for Rural Women.

The scheme had since been discontinued in July 2001 with the stipulation that MSY account should either be converted into savings bank account or to close the account by allowing the withdrawal. However, it was noticed that an amount of ₹ 3.10 crore was lying under head '8013.60.101- Mahila Samridhi Yojna for Rural Women' as on 31 March 2014. No action has been taken either for conversion of accounts into saving bank accounts or for closure of accounts.

On being pointed out, the Department of Posts stated that the concerned PAOs have been instructed to take necessary action in this regard.

2.2.8 Income Tax Welfare Fund

Ministry of Finance, Department of Revenue created the Income Tax Welfare Fund (ITWF) with a corpus of ₹ 100 crore and transferred to the Fund over a period of three years in three tranches of ₹ 30 crore each in 2006-07 and 2007-08 and ₹ 40 crore in 2008-09. The Fund was created with the purpose of (i) promotion of welfare, recreation and other outdoor activities of officials of the Income Tax Department, (ii) providing financial help to officials during contingencies such as injuries or accidents, (iii) providing ex-gratia payment to families of deceased officials, (iv) providing different forms of medical maintenance including risk insurance for emergencies and serious distress to officials not fully reimbursable under CGHS reimbursement rules, and (v) construction/hiring/leasing/furnishing/ maintenance of holiday homes for the use of officials, etc. The interest accruing on the corpus fund and additional accretions as specified in para 3 of Income Tax Welfare Fund rules 2007 shall be used for meeting the expenditure on the above purposes.

The CAG had not agreed to the creation of the Fund on the ground that the activities proposed to be covered by the Fund could be included in the annual budget of the Department and be financed through the normal budgetary process. The creation of the Fund under interest-bearing section of the Public Account entailed recurring liability of interest to the exchequer, besides outgo of 10 *per cent* of excess amount received from auction over the consideration paid by the Government in case of pre-emptive purchase of property, which otherwise is credited to CFI. The utilisation of the Fund would not be reported through the standard object heads as is the case with the demand for grants presented in the Parliament and hence, the process would not be transparent. Further, the General Financial Rules (GFR) also do not permit expenditure from

public moneys for the benefit of a section of people or individuals unless the expenditure was in pursuance of recognised policy or customs. Further, if the objective was to cover officials/family members of officials who faced injury/death during search/seizure operations and provision of high risk insurance cover to the officials, provision could be made under a designated scheme of the Government of India or included in the existing provisions of any scheme for such purposes. The other purpose cited could be covered under the standard object heads "Rewards", "Medical treatment", "Office expenses", "Grants-in-aid" in the demand for grants of the Ministry.

The matter was commented upon in the CAG's Audit Report No.1 for the year 2008-09, 2010-11, 2011-12 and 2012-13. The Ministry, in its Action Taken Note of September 2010, stated that the Fund was created after extensive examination in January 1998. It added that the genesis of the creation of the Fund lay in the successful implementation of Voluntary Disclosure of Income Scheme-97 wherein an additional tax collection of about ₹ 10,700 crore was made over and above the normal tax collection. The Ministry further stated (June 2014) that the nature of the Fund was clearly brought out in connection with the budget proposals of 1998-99 presented to and agreed to by the Parliament; as such, approval would be against recognised policy or customs because cabinet decisions themselves reflect Government policy on any subject. It also added that in view of the extremely elaborate scheme of accounting devised by Pr. Chief Controller of Accounts in concurrence with the Controller General of Accounts, there was no reason to doubt that utilisation of Fund would not be reported through standard object heads as was the case with the demands for grants presented to the Parliament. It also drew a parallel with the similar fund available and operated by the Central Board of Excise and Customs. The Ministry also contended that since the fund had been created after extensive examination within the Government with regard to purpose and methodology of such expenditure, there was no justification for the Fund to be wound up. The Ministry clarified (September 2014) that no expenditure had been incurred out of the accumulated corpus of ₹ 100 crore and no interest had been credited into this Fund since its inception.

Audit observed that the CBDT had submitted a "Note for the Cabinet" in April 1998 seeking their approval for setting up ITWF. The Secretary (Revenue) in June 1998 had noted that proposal to create ITWF had been approved by the Cabinet as a part of the budget documents. However, the Secretary (Expenditure) in May 2003 turned down the proposal for want of clear approval of the Cabinet. Subsequently, the proposal was approved by the Secretary (Expenditure) in January 2006 on the grounds that the budget proposals undergo

debate and discussions in the Parliament, and hence it was to be taken as tacit approval of the Cabinet. However, there are no records in the CBDT indicating that the approval of the Cabinet in relation to the initial note submitted in April 1998 had come through. In the instant case, the procedure for obtaining the Cabinet approval for setting up of the Fund had been compromised and the stated approval cannot be construed as a categorical approval of the Cabinet.

The underlying purposes for the setting up of the Fund was promotion of staff welfare, recreation and other outdoor activities, to provide different forms of medical maintenance for emergencies, construction/hiring/leasing of holiday homes in places of tourist interest and departmental guest houses, advancement of supplementary loans to officers/staff of the department for construction/hiring of residential complexes etc. The propriety of the above expenditure proposed to be met from the Fund in respect of a section of employees remains questionable since the Government already has separate provisions or schemes for the benefit of all the Central Government Employees and their families, which also include the officers/staff of the Income Tax Department. The estimates of expenditure on proposed welfare measures can be financed through normal budgetary process of the Department by obtaining Parliamentary approval to the estimates under appropriate object heads, relevant to the nature of expenditure, as prescribed under Rule 8 of Delegation of Financial Powers Rules 1978 in the concerned Detailed Demands for Grants of the Department, without taking recourse to financing these expenditure from a designated welfare fund. Additional financial assistance for various items either over and above those provided by the Government under the common applicable rules or on altogether new objects is in violation of the standards of financial propriety. Further, the General Financial Rules also do not permit expenditure from public moneys for the benefit of a section of people or individuals. Mere existence of a Fund of an analogous character in another department is not a basis to constitute similar fund in other departments to incentivise and reward performance. Audit is of the opinion that there is no need to operate any ITWF in the Public Account and expenditure on welfare activities as contemplated by the department can be met through appropriate object heads and such expenditure can directly be debited to the Consolidated Fund of India if the expenditure fits into the schemes and meets the standards of financial propriety as prescribed in various financial rules. The ITWF opened in the Public Account may be closed and balance may be credited into the Consolidated Fund of India.

In response, the CBDT stated (December 2014) that the Department after taking into consideration the vetting comments of the Audit, had already submitted a

final ATN on the previous para to the Monitoring Cell, Department of Expenditure in June 2014. It further added that the para now proposed by Audit reiterated the earlier observation which had already been considered and replied to in the ATN.

The reply of the Ministry, however, does not recognize that Audit at any stage did not concur with the action of the Department to continue with the ITWF. In fact, even in response to the ATN, the vetting comments of Audit clearly advocated closure of the ITWF and crediting the balance available in the said fund into the Consolidated Fund of India, which should be complied with.

2.2.9 Customs and Central Excise Welfare Fund

Creation of Funds: As a part of liberalization of the policies and procedures relating to grant of rewards to the government servants, the government decided to create three funds, namely (i) Customs Welfare Fund, (ii) Performance Award Fund, and (iii) Customs Special Fund for acquisition of Anti Smuggling Equipment vide Ministry of Finance, Department of Revenue F.No.13011/3/85-Ad.V dated 30 March, 1985. The sanction of the President was accorded for the creation of three funds vide Ministry of Finance, Department of Revenue, Government of India letter No.711/8/86-Cus (AS), dated 20 January 1987. As per the modality, Pr. Account Office, Chief Controller of Accounts, Central Board of Excise and Customs (CBEC) is responsible to carry out transfer entry equal to the amount which has been sanctioned in the budget by the Government for these three funds, each financial year, by debiting the concerned Major Head.

Objectives of the Funds : The objectives of the fund were promotion of staff welfare, setting up of recreation clubs/libraries; scholarships for children of employees; subsidized transport facility; payment of ex-gratia in cases of death or injuries resulting from accident, operation or action; different forms of financial medical assistances; removal of difficulties caused by natural calamities like floods, earthquake, drought; and procurement of anti-smuggling equipments of specialized nature etc.

Mode of financing: The mode of financing the three Funds is by transfer of 10 *per cent* of the sale proceeds of confiscated goods by customs / excise and fines, penalties in offence cases realized and sustained in appeal/revision etc. since 1985-86 onwards as verified and confirmed by the Chief Controller of Accounts, CBEC and Financial Adviser to the Ministry of Finance. Distribution of the credits of 10 *per cent* amongst three Funds was one *per cent* to Customs Welfare Fund, four *per cent* to Performance Award Fund and five *per cent* to

Customs Special Fund for Acquisition of Anti Smuggling Equipments respectively.

Merger of Funds: Customs Welfare Fund and Performance Award Fund had been merged to make a single entity called Customs and Central Excise Welfare Fund vide Ministry's order No.712/1/2005-Cus-(AS), dated 12 October 2006. Further, with effect from 12 October 2006, the allocation of Funds between (i) Customs & Central Excise Welfare Fund and (ii) Special Fund for acquisition of Anti Smuggling Equipment has been in the ratio of 1:1, i.e. distribution of the credits of 10 *per cent* between two funds is five *per cent* each.

Accounting process of fund involves the following:

- CCA intimates value of confiscated goods, fines, penalties realized
- 10 *per cent* of the value transferred from Major Head 2037(Customs) to Minor Head- (Reserve Fund & Deposit Account) in DDG
- Ministry's sanction obtained for transfer of budgeted amount to PD Accounts managed by the Governing Body
- Proposals received from field formations under various schemes duly recommended by Advisory Committee
- Amount sanctioned by the Governing Body after concurrence of Integrated Finance Unit.

The details of sale proceeds of confiscated/seized goods and amount transferred during 2008-09 to 2013-14 to Funds are given in **Table 2.3**.

Table 2.3: Source of Fund

(₹ in crore)

Year	Value of Sale proceed of confiscated/ seizure of goods	10 <i>per cent</i> of value of sale proceeds	5 <i>per cent</i> transferred to Customs & Central Excise Welfare Fund	5 <i>per cent</i> transferred to Customs Special Equipment Fund
2008-09	105.25	10.52	5.26	5.26
2009-10	85.32	8.53	**4.27	**4.27
2010-11	0	0	0	0
2011-12	0	0	0	0
2012-13	70.82	*5.58	2.79	2.79
2013-14	0	0	0	0
Total	261.39	24.63	12.32	12.32

* As per Ministry letter dated 06 March 2013

** Difference in figure of ₹ 0.01 crore due to rounding off

The details of transactions and balances in the Funds during 2008-09 to 2013- 14 as provided by the CBEC are depicted in **Table 2.4**.

Table 2.4: Transactions of Funds

(₹ in crore)

Name of fund	Year	Opening Balance	Receipt	Disbursement	Closing Balance
Customs & Central Excise Welfare Fund	2008-09	108.94	5.26	2.24	111.96
	2009-10	111.96	4.27	2.89	113.34
	2010-11	113.34	0	2.81	110.53
	2011-12	110.53	0	2.75	107.78
	2012-13	107.78	2.79	6.92	103.65
	2013-14	103.65	0	5.81	97.84
		Total		12.32	23.42
Special Equipment Fund	2008-09	53.26	5.26	1.49*	57.03
	2009-10	57.03	4.27	14.04*	47.26
	2010-11	47.26	0	7.51*	39.75
	2011-12	39.75	0	4.15*	35.6
	2012-13	35.6	2.79	6.21*	32.18
	2013-14	32.18	0	9.61*	22.57
		Total		12.32	43.01

*Amount disbursed is sanctioned amount minus refund.

However, the figures provided by the CBEC in respect of above funds do not tally with the figures as appearing in Finance Accounts. For the year 2013-14, the opening balance, closing balance and transactions as per Finance Accounts are detailed in **Table 2.5** which shows wide variations between the two sets of records.

Table 2.5: Inconsistencies/Discrepancies in Finance Accounts (FA) and books of Department

(₹ in crore)

Name of fund	Opening Balance			Receipt			Disbursement			Closing Balance		
	As per FA	As per CBEC	Difference	As per FA	As per CBEC	Difference	As per FA	As per CBEC	Difference	As per FA	As per CBEC	Difference
Customs & Central Excise Welfare Fund	105.08	103.65	1.43	1.68	0	1.68	8.01	5.81	2.20	98.76	97.84	0.92
Special Equipment Fund	33.01	32.18	0.83	0	0	0	9.49	9.61	(-0.12)	23.52	22.57	0.95

A test check of expenditure financed from these two funds were conducted and the audit findings are summarised below:

(I) Customs & Central Excise Welfare Fund

- (i) In terms of Department of Pension & Pensioners Welfare O.M.No.38/37/08-P&PW(A), dated 2 September 2008 an ex-gratia lump sum compensation is payable to the families of Central Government civilian employees from Welfare Fund, who die during the performance of official duties, terrorist action, or natural calamity. It was noticed that out of Welfare Fund, the department made ex-gratia payment in 3 cases for ₹ 25 lakh in respect of death occurred due to

accident/attribution to violence of terrorists or in the course of performance of duties, ₹ 381.50 lakh ex-gratia payment in respect of 350 cases of natural death and ₹ 20.02 lakh in respect of 7 cases to sports persons during 2008-09 to 2013-14. However, payment of ₹ 381.50 lakh and ₹ 20.02 lakh were not covered under the DOPT notification for payment from Welfare fund and thus resulted in irregular payment.

- (ii) An expenditure of ₹ 715 lakh was incurred on setting up of a museum at Panaji, Goa to promote common man's awareness regarding history of the department out of the Welfare Fund, which could have been financed from normal budgetary process.
- (iii) During the period 2008-09 to 2013-14, an expenditure of ₹ 472.75 lakh was incurred in 919 cases of medical assistance/expenses on treatment from private hospitals out of the Welfare Fund. These employees were also covered under CGHS (MA)/CGHS Rules and the expenditure could have been financed from normal budgetary process.
- (iv) As per Department's letter No.712/1/2005-Cus (AS), dated 12.10.2006, the Performance Award Fund was merged with the Customs & Central Excise Welfare Fund in October 2006. Despite merger of the two funds, Performance Award Fund was continued to be reflected in the Finance Accounts upto 2013-14. Share of Welfare fund was also being transferred to the Performance Award Fund instead of Customs & Central Excise Welfare Fund irregularly till 2012-13 against the above order.

(II) Customs Special Equipment Fund

- (i) Ministry of Finance issued notification in December 1999 for "Procurement of anti-smuggling equipments of the specialized nature and vehicles for anti-smuggling/anti-evasion purpose within the shortest possible time." The Governing Body, Directorate of Logistics, Customs and Central Excise issued sanctions of ₹ 15 crore for maintenance/up-gradation of special equipment during the period 2008- 09 to 2013-14 out of Special Equipment Fund placed for procurement of equipment. The Financial Advisor (Finance) disagreed (March 2013) with the transaction stating that "Special Equipment Fund" was only meant for procurement of equipment. Maintenance expenditure should have been met from the Special Secret Fund (SSF), which would have required augmentation to the extent." The Department incurred expenditure of ₹ 13.49 crore for maintenance/ up-gradation of equipment which was irregular.

- (ii) Video Conferencing System was not classified as special equipment for anti-smuggling as per approved list of the Department. Expenditure of ₹ 0.32 crore was incurred irregularly out of special equipment fund for procurement and installation of video conference system at New Delhi and Chennai.
- (iii) As per Ministry of Finance, Department of Revenue instruction of 28 October, 2005 the balances lying in the saving bank/current account shall be transferred immediately to the Personal Deposit Account. Scrutiny of record revealed that the Directorate of Revenue Intelligence was allocated ₹ 15 crore out of Special Equipment Fund during the period 2008-09 to 2013-14. It was noticed that Directorate of Revenue Intelligence was still operating saving account instead of Personal Deposit Account. Thus, Directorate of Revenue Intelligence retained funds aggregating ₹ 15 crore outside the Government Accounts contrary to the above instructions issued in October 2005.
- (iv) The Governing Body, Directorate of Logistics, Customs and Central Excise disbursed ₹ 43.01⁸ crore for procurement of special anti-smuggling equipment or maintenance thereof during the period 2008- 09 to 2013-14. The Department furnished utilization certificate of ₹ 11.00 crore only. The utilization certificates in respect of sanctions of ₹ 32.01 crore were not furnished till November-2014.

Above test checks revealed that the Department incurred irregular expenditures of ₹ 15.89 crore out of ₹ 23.42 crore from Customs & Central Excise Welfare Fund and ₹ 13.80 crore out of ₹ 43.01 crore from Special Equipment Fund. Thus, the irregular expenditure of ₹ 29.69 crore out of total expenditure of ₹ 66.43 crore was against the purpose/objectives for which the respective funds were created and also against the instructions of Ministry of Finance issued from time to time.

Further, the Department procured a number of other anti-smuggling special equipment like Patrolling Marine Vessels, Container Scanners etc. out of normal budget, rather than from Special Equipment Fund. Thus, there were two sources for procurement in the Department, which could have been financed commonly from normal budgetary process.

Thus, it may be observed that almost all the welfare activities financed from the Welfare fund of the CBEC are already being extended to the Government employees of other Departments through the normal budgetary process and

⁸ Amount disbursed is sanctioned amount minus refund

under extant rules governing such expenditure, without creating any welfare fund in those Departments. As General Financial Rules do not allow expenditure from the public moneys for the benefit of a section of the people, the continuance of Customs and Central Excise Welfare Fund is not necessary. The welfare activities can be financed through the normal budgetary process of the Department.

2.2.10 Short transfer of cess to Central Road Fund (CRF) in Public Account

As per para 4 of the Central Road Fund Act, 2004 the proceeds of the cess levied under Section 3 shall first be credited to the Consolidated Fund of India, and the Central Government may, if Parliament by appropriation made by law in this behalf so provides, credit such proceeds to the CRF from time to time, after deducting the expenses of collection, for being utilized exclusively for the purposes of this Act.

Examination of Statement No. 8⁹ and Statement No. 13¹⁰ of Union Government Finance Accounts for the years 2009-10 to 2013-14 revealed that against the total collection of ₹ 92,224.39 crore, only ₹ 88,544.45 crore was transferred to the CRF (Head 8224.00.101) in Public Account as detailed in **Table 2.6**.

Table 2.6: Short transfer of cess to earmarked funds in Public Account

(₹ in crore)

Years	Excise duty on Motor Spirit	Excise duty on HSD Oil	Transfer to CRF	Short Transfer
2009-10	3487.07	12717.00	14400.00	1804.07
2010-11	3561.67	13639.39	16600.00	601.06
2011-12	3744.22	14617.83	18677.00	-314.95
2012-13	4098.00	15881.29	19433.73	545.56
2013-14	4712.00	15765.92	19433.72	1044.20
Total	19602.96	72621.43	88544.45	3679.94

Source: Union Government Finance Accounts (Heads : 0038.03.106 and 0038.03.107)

The additional excise duties on indigenous Motor Spirit and High Speed Diesel are levied and collected by Department of Revenue, Ministry of Finance. As is evident from the above table, this has resulted in short transfer of cess proceeds of ₹ 3,679.94 crore.

Department of Economic Affairs stated (January 2015) that figures of cess collection for Budget Estimates were received from Department of Revenue by Budget Division. Till now, the practice was to provide these estimates to

⁹ Statement No 8: Detailed Account of Revenue Receipts and Capital Receipts by Minor Heads.

¹⁰ Statement No 13: Statement of Receipts, Disbursements and Balances under heads of account relating to Debt, Deposits, Remittances and Contingency Fund

Planning Commission with the request that cess backed allocations were fully provided for. The Planning Commission and the Ministry/Department accordingly, made provision for transfer to fund and its scheme financing.

Since these are specific purpose cess, the entire cess collection should be transferred to the designated fund in the Public Account.

2.2.11 Non-closure of National Calamity Contingency Fund

National Disaster Response Fund (NDRF) was constituted as per Ministry of Home's Notification No 1995 dated 28 September 2010. According to para 4.1 of its guidelines, National Calamity Contingency Fund (NCCF) was to be merged with National Disaster Response Fund (NDRF). On scrutiny of Union Government Finance Accounts for 2013-14, it was noticed that the head 8235.119-National Calamity Contingency Fund is still being depicted with closing balance of ₹ 1,484.78 crore in Statement No-13.

Further, an amount of ₹ 3,546.07 crore has been shown as receipt under head 0038.03.108- National Calamity Contingent Duty and against this amount, ₹ 4,649.94 crore was transferred to the head 8235.125-National Disaster Response Fund in Statement No-13 resulting in excess transfer of duty of ₹ 1,103.87 crore into the said fund during the year 2013-14.

The CGA replied (October 2014) that a reference had been made to the Ministry and Audit would be informed accordingly.

2.3 Integrity and Reconciliation Issues

2.3.1 Discrepancy in balances of Employees' Pension Fund

As per the Employees' Pension Scheme, 1995, the Central Government's contribution to the Employees' Pension Fund is to be kept in the Public Account of the Government of India. The Ministry of Labour and Employment issues sanctions in respect of the Government's share of contribution (and for interest thereon) for necessary adjustments by the Pay and Accounts Office in the Union Government accounts. The copies of the sanctions are also forwarded to the Central Provident Fund Commissioner, New Delhi (Employees' Provident Fund Organisation, (EPFO)) for making necessary entries in its Annual Accounts. As such, the balances of the Government's share of pension contribution to the Employees' Pension Fund, as depicted in the Public Account and in the accounts of EPFO should agree.

Scrutiny of the records revealed that as per the annual accounts of EPFO for the year 2007-08, the closing balance of the Central Government's contribution (including interest) to the Pension Fund was ₹ 36,809.06 crore as against

₹ 36,939.04 crore depicted in the Union Government Finance Accounts for the year 2007-08. There was a difference of ₹ 129.98 crore in the two financial documents in that year.

The balance for the year 2013-14, as depicted in the Union Government Finance Accounts is ₹ 71,449.59 crore and as per balance sheet of EPFO the balance is ₹ 71,319.61 crore. Thus the same difference of ₹ 129.98 crore was continuing up to the end of the financial year 2013-14.

The Ministry of Labour and Employment replied (November 2011) that the sanction issuing authority in the Ministry had requested Reserve Bank of India to provide details of bookings made by it from 1971 and as soon as the details were received from them, full reconciliation between the Union Government Finance Accounts figures and those of the Annual Accounts of EPFO would be carried out. Necessary changes would be carried out in the Union Government Finance Accounts and/or Annual Accounts of EPFO, accordingly.

The Ministry further stated (December 2014) that necessary steps for reconciliation was being taken by EPFO, Ministry and RBI for early compliance.

However, despite this subject being commented upon in the CAG's Audit Report No.1 for the years 2008-09, 2010-11, 2011-12 and 2012-13 no discernible progress has been made to address this discrepancy.

2.3.2 Discrepancy in balances of Special Deposit of Employees' Deposit Linked Insurance Scheme

In Statement No.14¹¹ of the Finance Accounts for the financial year 2013-14, under the Special Deposit of Employees' Deposit Linked Insurance Scheme¹² in the Public Account, a credit balance of ₹ 1,594.61 crore was lying. However, as per the balance sheet of the Employees' Deposit Linked Insurance Scheme, 1976 (EDLI), maintained by the Employees' Provident Fund Organisation (EPFO), a sum of ₹ 6,922.94 crore had been shown as closing balance in the Public Account as on 31 March 2014. Thus, there was a difference of ₹ 5,328.33 crore in the two sets of figures.

This matter was also pointed out in the CAG's Audit Report No.1 for the year 2012-13 when there was a difference of ₹ 4,941.81 crore in these two sets of accounts. The Principal Accounts Office, Ministry of Labour and Employment

¹¹ Statement 14: Statement of debts and other interest bearing obligations of Government

¹² Head 8012.00.124-Special Deposit of Employees Deposit Linked Insurance Scheme

had stated (January 2012) that two Minor Heads¹³ were being operated for this purpose. Based on the reply of the Ministry, the balances under the two heads works out to ₹ 8,963.04 crore, an excess balance of ₹ 2,040.10 crore at the end of 2013-14. The Ministry also did not clarify the difference appearing in the books of the Government and that being shown in the books of EPFO.

The Ministry stated (December 2014) that as per Statement No 13 of the Finance Accounts available in the Principal Accounts Office, under head 8012.00.124-Employees Deposit Linked Insurance Scheme (EDLI), the balance was ₹ 1,594.61 crore. ₹ 6,922.94 crore pertained to the head 8342.00.120-Misc. Deposit (EDLI) during 2013-14. Thus, the two different sets of figures under different heads had been compared.

Reply of the Ministry is not tenable as the total under the above two heads as appearing in Finance Accounts 2013-14 becomes ₹ 8,963.04 crore (Head 8342.00.120 ₹ 7,368.43 crore + Head 8012.00.124 ₹ 1,594.61 crore), whereas in the books of EPFO the closing balance is ₹ 6,922.94 crore. There is a need to reconcile the balances in the Union Finance Accounts and in the books of EPFO.

2.3.3 Non-depiction of interest received

No interest has been shown as received under '8008.01.105-Interest on investment in other securities' in National Small Saving Fund (Appendix No. 1 to Statement No. 16) during 2013-14 whereas under the same head an income of ₹ 135 crore had been shown in 2012-13.

The CGA replied (October 2014) that the Cheque/Sanction for booking interest was received in Ministry of Finance after 31 March 2014 and as such it could not be incorporated in the accounts for 2013-14.

Reply is not tenable as the Department of Economic Affairs (DEA) should enquire before booking 'nil' interest as it was known to DEA that the investment during the year remained at ₹ 1500 crore under the head '8007.00.105-Investment in other Instruments' in Statement No-16 for 2013-14.

2.3.4 Non-crediting of amount to the Security Redemption Fund

The Union Government had invested ₹ 9,996 crore in the rights issue of the State Bank of India (SBI) in the financial year 2007-08. Instead of cash draw down, the Government created a liability in the Public Account by issuing

¹³ Heads 8342.00.120-Miscellaneous Deposits in Statement No.13 and 8012.00.124-Special Deposit of Employees Deposit Linked Insurance Scheme in Statement No.14

special securities¹⁴. These securities were to be redeemed on a future date by creation of a 'Security Redemption Fund', by transferring funds from the Consolidated Fund of India¹⁵ to the Public Account.

Scrutiny of the accounts revealed that during the years 2008-09 to 2013-14, a sum of ₹ 625 crore in each year had been booked as expenditure on account of contribution to the Security Redemption Fund. The amount of ₹ 3,750 crore should have been credited to the Security Redemption Fund in the Public Account with the sole purpose to retire the special securities of ₹ 9,996 crore to SBI on some future date.

The records of the Department of Economic Affairs revealed that the said Fund had not yet been created despite pointing out the matter in Audit Report No.1 for the year 2011-12 and 2012-13; resultantly an amount of ₹ 3,750 crore was lying under a suspense head till date.

Chief Controller of Accounts, Ministry of Finance stated (January 2015) that pending modification of the proposed accounting procedure of Security Redemption Fund (SRF) based on C&AG observations, a sum of ₹ 3,750 crore was booked under 'Suspense Account Civil'. Once the Minor Head for SRF is opened with the concurrence of C&AG, the amount would be transferred to that head.

Ministry may get the accounting procedure approved at the earliest and book the expenditure to the appropriate head for the sake of transparency in the accounts.

2.3.5 Incorrect depiction of loan to Shipping Development Fund Committee

The Shipping Development Fund Committee (SDFC) was abolished with effect from 1986 and its assets and liabilities stood transferred to the Central Government in terms of Section 4 of SDFC (Abolition) Act, 1986. Scrutiny of Statement No. 15 of Union Finance Accounts for the years 2010-11, 2011-12, 2012-13 and 2013-14, revealed that a net loan of ₹ (-)231.71 crore (Debit) as detailed in **Table 2.7**, was still being shown as outstanding against SDFC, though all assets and liabilities of SDFC had already been transferred to Central Government.

¹⁴ MH 8012.00.120-Special Securities issued to Nationalised Banks

¹⁵ MH 3465.01.190.04-Security Redemption Fund

Table 2.7: Incorrect depiction of loans to SDFC

Name of the Head	Amount (₹ in crore)
7052-01-101-Loans to Shipping Development Fund Committee	53.83 Dr.
7052-60-101-Loans to Shipping Development Fund Committee	8.59 Dr.
7052-02-101-Loans to Shipping Development Fund Committee	(-)294.13 Dr.
Total	(-)231.71 Dr.

Controller of Accounts, Department of Economic Affairs (DEA), Ministry of Finance stated (January 2015) that the Government of India appointed erstwhile SCICI Ltd, which subsequently merged with ICICI Bank Ltd, as its Designated Person to manage the SDFC portfolio and take such necessary steps as deemed fit to expedite recovery of loans from the Shipping/Fishing companies. It further added that ICICI Bank had remitted money in Government Accounts as principal and interest thereon without giving the details of the loans. The amount received from ICICI Bank were deposited in Government loan heads resulting in adverse balances in others. This matter was already taken up with ICICI Bank and Department of Financial Services for reconciliation.

However, the fact remains that the issue stands unresolved despite its being pointed out in Audit Report No. 1 for the year 2012-13.

2.3.6 Dormant Reserve Funds/Deposits/Other Fund

Reserve Funds and Deposits form a part of the Public Account, wherein the transactions in respect of which Government incurs a liability to repay the moneys received and the repayments thereof are recorded. Dormant funds/deposits constitute those funds or deposits which are not in operation for a long period of time. Since the creation of a reserve fund generally involves transfer of sum from Consolidated Fund of India into Public Account, the dormant funds in the Public Account should be closed and the closing balances therein should be transferred back to Consolidated Fund of India.

Scrutiny of Finance Accounts revealed 47 cases of reserve funds/deposits/other funds, which were lying dormant for period ranging from five to 26 years. These cases have been depicted in **Annexure 2.3**.

It is evident from the **Annexure 2.3** that the most of the cases involved meagre amounts and hence, their continuance does not appear to serve any logical purpose. These cases may be reviewed and considered for closure by crediting the balances to the Consolidated Fund of India.

The matter was commented upon in CAG's Audit Report No. 1 of 2013 and 2014, but no discernible action was taken.

The CGA replied (November 2014) that the dormant Reserve Funds were maintained by various departmental accounts organizations and the concerned accounting authorities had already been requested to review the dormant fund for liquidation/write off of the balances.

2.3.7 Understated accounting of external debt

External borrowings raised by the Government of India from lender countries or institutions abroad are recorded in Government Accounts at the historical rate of exchange, i.e. the rate prevailing on the date of transaction/receipt. On account of the subsequent variations in exchange rate, the repayments are higher than the amount payable as worked out on the basis of accounts. This overpayment is reflected in the account as negative closing balance every year. Rest of the loans, which have not yet been fully repaid, appear in the account with positive balances. Subsequently, when the external debt is aggregated, it gets understated due to netting of negative and positive balances.

Similarly, the balances of debt obtained from a particular country also do not reflect the correct figure of debt because one particular country lends loans for a number of projects which are accounted for separately. Of these, loans on some projects have already been paid off, yet payment on account of exchange variations is being made which are accounted for as negative balance. This negative balance, when aggregated, understates the balances of outstanding debt from that particular country as well.

Thus, the figure of external debt of ₹ 1,84,580.75 crore, as appearing in the Finance Accounts, does not reflect the actual dimension of outstanding external debt. As per note below the Statement No.14 of Union Finance Accounts, the external debt at the current rate at the end of March 2014 was ₹ 3,74,483.34 crore. Thus, the depiction of external debt in the accounts at historical rate of exchange is not a true reflection of liability.

In Report No.1 of 2013 and 2014, it was pointed out that a mechanism needs to be devised by the CGA to depict the actual dimension of the outstanding external debt appearing at historical rate of exchange. However, no progress has been made in this regard yet.

The CGA stated (October 2014) that a reference had been made to the Controller of Aid, Accounts and Audit.

2.3.8 Inconsistent depiction of external debt at current rate

Under the Minor Heads 6002-296 and 6002-298, loans of ₹ 6.15 crore and ₹ 0.01 crore have been depicted as outstanding to International Sugar

Organisation and Defence Certificate respectively as on 31 March 2014. However, statement showing foreign loans converted at current rates do not depict these loans. On the other hand, foreign loan at current rate from Italy amounting to ₹ 2.31 crore has not been mentioned under the head 6002-External Debt maintained at historical rate of exchange.

In respect of foreign loans from 'International Sugar Organisation' and 'Italy', the CGA replied (November 2014) that reference had been made to the Controller of Aid, Accounts and Audit.

In respect of foreign loan - Defence Certificate, the CGA replied (October 2014) that the balance pertained to Director of Audit, Central Revenue (DACR) and as such the same had not been shown under Statement of Foreign Loans in foreign currency.

2.3.9 Excess withdrawal from National Rural Employment Guarantee Fund

The Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MNREGA) aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work.

Scrutiny of Union Finance Accounts for the years 2010-11 to 2013-14 revealed variation of ₹ 5.29 crore between the disbursement made from the National Rural Employment Guarantee Funds (8232.00.101) in the Public Account and the amount actually expended and booked in CFI on NREGS head (2505.02.101). From the **Table 2.8**, it can be seen that the total disbursement from the fund in Public Account was ₹ 1,28,325.38 crore through head 8232.00.101 as against the total expenditure on scheme which was ₹ 1,28,320.09 crore. Thus the excess disbursement of ₹ 5.29 crore from the fund indicates the probable utilisation of funds on purposes other than the designated promise of the Government for enhancing the livelihood security of unskilled people in rural areas.

Table 2.8: Excess withdrawal from National Rural Employment Guarantee Fund

<i>(₹ in crore)</i>			
Year	Disbursement from Fund (8232.00.101)	Expenditure booked under NREGS head (2505.02.101)	Excess transfer from Fund.
2010-11	35841.49	35840.74	0.75
2011-12	29215.05	29212.92	2.13
2012-13	30274.72	30273.60	1.12
2013-14	32994.12	32992.83	1.29
Total	128325.38	128320.09	5.29

This matter was commented upon in CAG's Audit Report No. 1 for the year 2013 and 2014.

Ministry of Rural Development stated (February 2015) that the sanction was issued on 31 March every year after ascertaining the final requirement of funds which also included the authorizations in favour of other agencies such as DAVP, CPWD etc. The difference between the *Inter-Account Transfer* and the *Actual Expenditure* was due to the fact that expenditure was less than the authorization. Further, it was also stated that the actual expenditure against authorizations was informed to Principal Accounts Office, Ministry of Rural Development at the time of preparing the Statement of Central Transaction (after 31 March every year) and the MNREGA Division issued sanction on the basis of total authorization made during the year on 31 March every year. As regards the possibility of eliminating the difference, it was replied that Principal Accounts Office, Ministry of Rural Development will include the actual expenditure booked as on 31 March 2015 against the authorization and not the authorization figure itself. This would hopefully ensure that there was no such difference arising between inter-account transfer and the actual expenditure, except to the extent that the implementing agencies carry out some adjustment/correction through supplementary accounts.

2.3.10 Other discrepancies

(a) Incomplete depiction of investment in Statement No. 11 of Union Government Finance Accounts

Statement No. 11 of the Finance Accounts provides details of the investment of the Union Government in Statutory Corporations, Government Companies, Other Joint Stock Companies, Cooperative Banks and Societies etc. Scrutiny of the Statement for the financial year 2013-14 revealed a number of discrepancies with regard to disclosure, which are summarised in the **Table 2.9**. Moreover, as per para 4.2 of General Direction to List of Major and Minor Heads of Accounts (LMMHA), Minor Head 190-Investment in Public Sector and Other Undertakings is meant for investments in equity shares. However, in a few cases, investment in equity share has been made through Minor Head 800- Other expenditure, which is against the general direction.

Table 2.9: Discrepancies in disclosures of Government investment in PSUs

Sl. No.	Name of PSUs	Discrepancies	Reply of CGA/Ministry/Audit Remarks
1.	North Eastern Handicrafts and Handlooms Development Corporation Ltd.	An investment of ₹ 4 crore was made in 2013-14 but the detail was not shown in Statement No. 11 of Union Government Finance Accounts.	CGA replied (October 2014) that reference has been made to the Ministry of Development of North Eastern Region.
2.	Burn Standard Ltd. and Braithwaite Ltd.	These two entities were already liquidated and merged with the Bharat Bhari Udyog Ltd in the financial year 2010-11. However, from 2011-12 fresh investments have been shown in these two entities in Statement No. 11. This issue was also commented upon in para No. 2.3.10 of CAG's Report No. 1 of 2013 and para 2.3.14 (b) of CAG's Report No. 1 of 2014.	CGA replied (October 2014) that reference has been made to the Ministry of Railways. Similar reply was furnished by the CGA in 2012-13, without taking any remedial measure.
3.	Hindustan Shipyard Limited	Progressive investment as on 31 March 2014 was ₹ 304.01 crore as per Union Government Finance Accounts 2013-14, whereas the progressive investment as per Controller General of Defence Accounts (CGDA) was ₹ 301.99 crore.	CGA and CGDA may reconcile the difference in investment, which was also pointed out in CAG's Report No 1 of 2013 vide Para 2.3.10 (e).
4.	Hindustan Aeronautics Ltd., Bengaluru	Progressive investment as on 31 March 2014 was ₹ 120.54 crore as per Union Government Finance Accounts 2013-14 whereas the progressive investment as per CGDA was ₹ 482 crore.	CGDA stated (September 2014) that the matter had been taken up with the CGA and concerned Controller of Accounts. CGA and CGDA may reconcile the difference in investment.

The above discrepancies indicate that the 'Register of Investments' in Form CAM – 60 as required to be maintained by the Principal Accounts Office or the Pay and Accounts Office responsible for release of funds for investments are not being maintained properly, leading to deficient/delayed disclosure in the Accounts of the Union Government.

(b) Inconsistencies/discrepancies in Statement No. 15 of Union Government Finance Accounts

Section 3 of Statement No. 15 of Union Government Finance Accounts depicts the 'Repayments in arrears from Other Loanees Entities or Institutions'. Further, the additional disclosure in the Statement depicts the fresh Loans and Advances

made during the year. In a few cases, the interest on arrears of outstanding loans have neither been reflected nor qualified by any remark for not reflecting the same in Union Finance Accounts 2013-14. The details of such cases are given in **Table 2.10**.

Table 2.10: Inconsistencies/Discrepancies in Statement No. 15

Interest not reflected in respect of arrears of loans			
Sl. No.	Name of Entity	Total loans outstanding on 31 March 2014 (₹ in lakh)	Remark
1.	Shri Sitaram Sugar Co Baithalpur, Uttar Pradesh	347.53	The CGA replied (October 2014) that the matter had been taken up with the Ministry of Consumer Affairs, Food and Public Distribution and Audit would be informed accordingly.
2.	Deoria Sugar Mills, Deoria, Uttar Pradesh	362.87	
3.	Raja Bulan Sugar Ltd, Rampur, Uttar Pradesh	105.85	
Incomplete depiction in Section-3/Additional Disclosure			
	Discrepancies	Reply of CGA/Ministry	
4.	'Additional Disclosures' of Statement No. 15 of 2013-14 depicts the fresh Loans and Advances made to State Governments during the year. Information in respect of number of such loans made during the financial year has not been reflected and qualified by a footnote stating the information is awaited. Similar practice had also been adopted for the financial year 2012-13 defeating the purpose of additional disclosure	The CGA replied (October 2014) that the matter had been taken up with the Ministry of Finance	

(c) Non-finalisation of terms and conditions of loans advanced

The terms and conditions of loans advanced to the loanees have not been finalised as disclosed in Statement No. 15 of Finance Accounts 2013-14. The details are given in **Table 2.11**.

Table 2.11 : Institutions where terms and conditions of loans not finalised

(₹ in crore)

Name of Entity	Loan Amount	Earliest period to which pertains	Remarks
Rajiv Gandhi Cancer Institute and Research Centre, New Delhi, Ministry of Health and Family Welfare	29.29	1994-95	This issue was highlighted as early as in Report No. 1 of 2000. Even after a gap of 19 years of advancing the loan, the terms and conditions of loans had not been finalized. The CGA replied (October 2014) that the Ministry of Health and Family Welfare in June 2014 had taken up the matter with the Ministry of Finance for finalization of terms and condition.
Government of Maldives	624.40	2011-12	The loan was depicted first time in the additional disclosure of Statement No. 15 of Finance Accounts for 2013-14. CGA stated (October 2014) that the matter had been taken up with the Ministry of External Affairs.

2.4 Important factors affecting accuracy of accounts

The accuracy of Union Finance Accounts 2013-14 is adversely affected by factors like (i) large number of transactions under Suspense heads awaiting final classification, (ii) increasing number and magnitude of adverse balances under Debt, Deposit and Remittances (DDR) heads of accounts and (iii) persistent outstanding balances in Suspense heads awaiting clearance.

A general review of outstanding balances under Debt, Deposit, Remittance and Suspense heads was carried out for the last five years period in the office of CGA and six Principal Accounts Offices (Pr. AOs) viz. Central Board of Direct Taxes (CBDT), Ministry of Road, Transport and Highways, Department of Supply, Department of Economic Affairs, Controller of Aid, Accounts and Audit (CAA&A) and Ministry of External Affairs (MEA). These Pr. AOs were selected on the basis of concentration of balances and their accumulation over the years. The audit findings are reported below:

2.4.1 Outstanding balances under major Suspense Accounts

Certain intermediary/adjusting heads of accounts known as “Suspense heads” are operated in Government accounts to reflect 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. These heads of accounts are finally cleared by minus debit or minus credit when the amount under them is

booked to their respective final heads of accounts. If these amounts remain uncleared, the balances under the suspense heads would accumulate and would not reflect Governments' receipts and expenditure accurately.

The ledger for suspense balances is maintained by Pay and Accounts Offices (PAOs) sub/detailed head-wise, as may be necessary and by Principal Accounts Offices Minor Head wise on the basis of figures furnished by the PAOs periodically. The Chief Controller of Accounts of concerned Principal Accounts Office is required to review the suspense balances and report to the Controller General of Accounts (CGA) for monitoring purposes.

The aggregate net balance under suspense heads in the Union Finance Accounts including Civil, Defence, Railways, Posts and Telecommunication was ₹ 24,844.21 crore (Debit) as on 31 March 2014. This balance comprised of ₹ 3,257.64 crore (Debit) in respect of Civil, for Defence ₹ 16,496.03 crore (Debit), Railways ₹ 1,803.68 crore (Debit), for Postal ₹ 2,005.12 crore (Debit), for Telecommunications ₹ 148.06 crore (Debit) and ₹ 1,133.68 crore (Debit), in respect of Redemption of Government of India Compensation (Project Exports to Iraq) Bonds, 2001. The Finance Accounts reflect the net balances under Suspense Heads and, therefore, the real magnitude of outstanding under these heads does not get reported in the annual accounts of Government presented to the Parliament. The correct balances under these heads can be worked out only by aggregating the debit and credit balances separately under various Suspense heads. Netting of debit/credit balances leads to significant understatement of Suspense balances in the Finance Accounts. This understatement takes place both at the Minor Head as well as at Major Head level. The position of suspense balances under major suspense heads in respect of Civil Ministries (Major Head 8658) for the last five years is given in **Table 2.12**.

Table 2.12: Position of Suspense balances under major suspense heads in respect of civil Ministries

(₹ in crore)

Name of Head	2009-10		2010-11		2011-12		2012-13		2013-14	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
101-PAO Suspense	2880.09	1172.22	3374.13	1131.37	3213.12	740.00	3348.71	331.95	2737.37	156.44
Net	Dr 1707.87		Dr 2242.76		Dr 2473.12		Dr 3016.76		Dr 2580.93	
102-Suspense Accounts (Civil)	1942.11	1447.74	1943.09	9781.95	2050.60	3409.87	1200.82	4039.04	1194.54	4670.36
Net	Dr 494.37		Cr 7838.86		Cr 1359.27		Cr 2838.22		Cr 3475.82	
107-Cash Settlement Suspense Accounts	371.03	16.57	374.62	19.81	363.32	36.10	404.99	36.34	497.97	36.34
Net	Dr 354.46		Dr 354.81		Dr 327.22		Dr 368.65		Dr 461.63	
108-PSB Suspense	2435.52	1775.10	3091.85	1052.85	2881.34	1292.70	4352.63	1104.38	5969.95	2988.75
Net	Dr 660.42		Dr 2039.00		Dr 1588.64		Dr 3248.25		Dr 2981.20	

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109-Reserve Bank Suspense (HQ)	11.37	185.26	11.67	185.14	11.37	185.80	11.37	188.73	11.37	185.41
Net	Cr 173.89		Cr 173.47		Cr 174.43		Cr 177.36		Cr 174.04	
110-Reserve Bank Suspense Central Accounts Office	92.02	128.83	28.52	193.74	45.50	65.52	59.07	114.38	58.39	502.62
Net	Cr 36.81		Cr 165.22		Cr 20.02		Cr 55.31		Cr 444.23	
115- Suspense Accounts for Purchases etc. abroad	1894.85	--	940.82	--	661.19	-	504.63	52.00	1941.34	52.00
Net	Dr 1894.85		Dr 940.82		Dr 661.19		Dr 452.63		Dr 1889.34	
129-Material Purchase Settlement Suspense Accounts	195.25	143.11	202.22	102.16	208.56	86.30	213.35	87.01	212.08	78.32
Net	Dr 52.14		Dr 100.06		Dr 122.26		Dr 126.34		Dr 133.76	
136-Customs Receipts awaiting transfer to receipt head	--	145.47	--	252.28	--	249.50	-	222.56	--	223.26
Net	Cr 145.47		Cr 252.28		Cr 249.50		Cr 222.56		Cr 223.26	
138-Other Nominated Banks (Pvt. Sector Banks) Suspense Transaction Connected with War, 1939	2.88	100.70	36.28	294.80	5.82	243.39	1.38	481.96	51.98	593.43
Net	Cr 97.82		Cr 258.52		Cr 237.57		Cr 480.58		Cr 541.45	

It would be seen that net debit balances under Cash Settlement Suspense Account, Suspense Accounts for Purchases etc. Abroad and Material Purchase Settlement Suspense Accounts have increased by ₹ 1,537.11 crore in 2013-14 over the previous year. Similarly, net credit balances under Suspense Accounts Civil, Reserve Bank Suspense Central Accounts Office, Customs Receipt awaiting transfer to Receipt Head, and Other Nominated Banks (Private Sector Banks) head have increased by ₹ 1,088.09 crore in 2013-14 over the previous year. The year-wise break-up of the balances outstanding under the suspense Minor Heads was not maintained by the CGA hindering effective monitoring of clearance such balances.

(a) PAO Suspense

This Minor Head is operated for the settlement of inter-departmental and inter-Governmental transactions arising in the books of PAOs under the Union Government, PAOs of the Union Territories and the Accountants General. Transactions under this Minor Head represent either recoveries effected or payments made by an Accounts Officer on behalf of another Accounts Officer against whom the Minor Head 'PAO Suspense' has been operated. Credit under

the head is cleared by 'minus credit' when cheque is issued by the Accounts Officer in whose books initial recovery was accounted for. Debit under 'PAO Suspense' is cleared by 'minus debit' on receipt and realization of cheque from the Accounts Officer on whose behalf payments were made. Outstanding debit balance under this head would mean that payments have been made by the PAO on behalf of other PAO, which are yet to be recovered. Outstanding credit balance would mean that payments have been received by the PAO on behalf of other PAO, which are yet to be paid.

At the end of March 2014, the outstanding debit balance under this head was ₹ 2,737.37 crore and under credit it was ₹ 156.44 crore. Thus, an aggregated balance of ₹ 2,893.81 crore was awaiting clearance from this head. The outstanding balances were mainly in respect of Department of Supply ₹ 1,723.45 crore (Debit), Ministry of External Affairs ₹ 530.89 crore (Debit), Ministry of Home Affairs ₹ 118.56 crore (Debit) and Ministry of Road Transport and Highways ₹ 89.75 crore (Credit), indicating the payments made (Debit) or received (Credit) by these Departments/ Ministries on behalf of other PAOs which were yet to be recovered/ paid by them as on 31 March 2014. Large debit and credit balances under PAO suspense and their continuous accumulation indicated significant control deficiencies.

Test check of the accounts of Principal Accounts Offices revealed that in CBDT, ₹ 0.03 crore (Debit) and ₹ 3.99 crore (Credit) pertaining to the period prior to 1986-87 till 2013-14 were outstanding which included ₹ (-)358.34 crore (Debit) and ₹ 352.50 crore (Credit) pending settlement for more than five years. In Department of Economic Affairs, Ministry of Finance, balances of ₹ (-) 0.46 crore (Debit) and ₹ 1.68 crore (Credit) were outstanding at the end of the year 2013-14. In Ministry of External Affairs, balances of ₹ 530.89 crore (Debit) was outstanding at the end of the year 2013-14. In Ministry of Road Transport and Highways balance of ₹ 89.75 crore (Credit) were outstanding at the end of the year 2013-14. In Department of Supply balance of ₹ 1,723.35 crore (Debit) was outstanding at the end of the year 2013-14.

(b) Suspense Accounts (Civil)

This transitory Minor Head is operated for accounting of transactions, which cannot be taken to the final head of expenditure or receipt for want of certain information/ documents viz. vouchers, challans etc. This Minor Head is credited for recording receipts and debited for expenditure incurred. On receipt of the requisite information/ documents etc. the Minor Head is cleared by minus debit or minus credit by per contra debit or credit to the concerned Minor/sub-Minor /Minor Heads of accounts. Outstanding debit balances under this head would

mean payments made, which could not be debited to final expenditure head for want of details like vouchers etc. Outstanding credit balance would mean amounts received, which could not be credited to the final receipt head for want of details.

The outstanding balance under this Minor Head as on 31 March 2014 was ₹ 4,670.36 crore (Credit) and ₹ 1,194.54 crore (Debit). An aggregated balance of ₹ 5,864.90 crore was required to be handled individually for settlement, which had not been booked to their final heads of account. The major balances outstanding pertained to Department of Economic Affairs ₹ 3,959.93 crore (Credit), Department of Supply ₹ 597.57 crore (Debit), Ministry of External Affairs ₹ 598.14 crore (Credit) and High Commission ₹ 435.76 crore (Debit).

In Principal Accounts Office of CBDT, balance of ₹ 2.79 crore (Debit) and ₹ 0.40 crore (Credit) were outstanding at the end of 2013-14 which included debit balance of ₹ 2.39 crore (Debit) and credit balance of ₹ 0.15 crore (Credit) pending settlement more than five years.

(c) Suspense Accounts for Purchases etc abroad

The Minor Head 'Suspense accounts for purchases etc abroad' is operated in the books of the Controller of Aid, Accounts and Audit (CAA&A), Ministry of Finance (Department of Economic Affairs). The Government advises the donor to make payments directly to the supplier abroad against the supplies made to the project authorities/ importers and an equal amount is kept under the suspense head till the payment is received from the concerned line Ministry/Importer. The debit balance under this head indicates the amount, which is yet to be recovered from the importers/project authorities, although the Government has already made the payment for these imports.

In 2013-14, the outstanding debit balance under this head was ₹ 1,941.34 crore and credit was ₹ 52 crore. Major debtors as on 31 March 2014 were Helicopter Corporation of India Ltd. (₹ 67.24 crore), Pawan Hans Ltd. (₹ 57.44 crore), Pyrites, Phosphates and Chemicals Ltd. (₹ 24.95 crore), Coal India Ltd. (₹ 23.18 crore). It was also observed that ₹ 207.13 crore was outstanding from different organizations since 2005. A list showing the details of amounts outstanding since 2005 is given in **Annexure-2.4**.

It was noticed from the information made available by the CAA&A that subsequent payments had been made on behalf of various importers/project authorities while the payments for earlier purchases were still due from them. Concrete steps need to be taken by CAA&A for recovery of the outstanding amounts.

(d) Public Sector Bank Suspense (PSB Suspense)

In the Government accounting system, the designated banks conduct Government business on behalf of the Reserve Bank of India. When a cheque is issued for payment of a bill, the amount is debited to the final head of account. When the cheque is encashed by a public sector bank, it initially pays the amount from its own cash balance and then claims reimbursement from the Central Accounts Section (CAS), RBI Nagpur, which maintains the account of each Ministry/Department. Similarly, when Government receipts are paid into the designated/ accredited bank, it passes on the proceeds to the Central Accounts Section RBI Nagpur. As there is a time lag in booking of a Government Transaction carried out by the bank, in Government cash balances, the Minor Head 'Public Sector Bank Suspense' is operated in Government books to account for the transactions awaiting settlement. On receipt of accounts from (CAS) RBI, Nagpur the original booking under PSB Suspense is cleared by minus credit/ minus debit, as the case may be. Clearance of balances (both credit and debit) is required to be conducted within the minimum possible time otherwise the cash balance of government with RBI would present an erroneous position.

The outstanding PSB balance for the year ending 31 March 2014 aggregated to ₹ 5,969.95 crore (Debit) and ₹ 2,988.75 crore (Credit). Thus, an aggregated balance of ₹ 8,958.70 crore was required to be cleared at the end of March 2014. The departments against which major balances were outstanding were Department of Supply ₹ 278.16 crore (Debit), CBDT (Expenditure) ₹ 120.31 crore (Debit), Ministry of Road Transport and Highways ₹ 1,523.42 crore (Debit), Department of Economic Affairs ₹ 4.36 crore (Debit) and Ministry of External Affairs ₹ 578.79 crore (credit).

Test check of balances in Principal Accounts Offices revealed that in CBDT balance of ₹ (-)19,780.56 crore (Debit) and ₹ 30,148.52 crore (Credit) were outstanding at the end of the year 2013-14 which included debit balance of ₹ 1,962.74 crore and credit balance of ₹ (-)374.27 crore pending settlement from 7 to 25 years. In Ministry of Road Transport and Highways balance of ₹ 1,523.42 crore (Debit) were outstanding at the end of the year 2013-14. In Department of Economic Affairs, Ministry of Finance, balances of ₹ 2.11 crore (Debit) and ₹ (-)2.25 crore (Credit) were outstanding at the end of the year 2013-14. In Department of Supply, ₹ 278.16 crore (Debit) were outstanding at the end of the year 2013-14.

(e) Reserve Bank Suspense, Central Accounts Office (CAO)

This Minor Head is operated in the books of Union Government for payments of loans, Grants-in-aid, share of income tax and share of Union Excise Duty to the State Governments. When the payment is authorized, the respective expenditure head is debited and credit is afforded to this Suspense head. On receipt of monthly statements of accounts from RBI adjusting the account of Union Government, the Minor Head is minus credited by crediting '8675-Deposits with RBI-101 Central Civil'. At the time of repayment of loan and payment of interest thereon by the State Government, this suspense head is debited by crediting the loans/ interest head. On receipt of monthly statement of accounts from Central Accounts Section (CAS) RBI, Nagpur the suspense head is minus debited by contra debit to '8675-Deposits with RBI-101-Central Civil'. The outstanding balance under this Minor Head as on 31 March 2014 was ₹ 58.39 crore (Debit) and ₹ 502.62 crore (Credit) with aggregated balance of ₹561.01 crore to be cleared at the end of March 2014. The outstanding RBI (CAO) suspense balances were mainly against the Ministry of Road Transport and Highways ₹ 19.14 crore (Debit), Department of Supply ₹ 28.21 crore (Debit), Ministry of Urban Development ₹ 8.16 crore (Credit), Ministry of Shipping ₹ 367.99 crore (Credit) and Department of North Eastern Region ₹ 73.57 crore (Credit).

Test check of balances in Principal Accounts Offices revealed that in Department of Supply, a net debit balance of ₹ 28.21 crore was outstanding at the end of the year 2013-14. In Ministry of Road Transport and Highways a balance of ₹ 19.14 crore (Debit) was outstanding at the end of the year 2013-14. In Ministry of External Affairs, a balance of ₹ 0.71 crore (Debit) was outstanding at the end of the year 2013-14.

2.4.2 Large number of adverse balances under Debt Deposit and Remittance (DDR) Heads

Adverse balances are negative balances appearing under those heads of accounts, where there should not be a negative balance. For example, against the accounting head of any loan or advance, a negative balance will indicate more repayment than the original amount advanced.

In the Finance Accounts of the Union Government for the Year 2013-14, there are 78 cases of adverse balances under debt, deposit and remittances heads as given in **Annexure-2.5**. Of these, four cases became adverse during the year 2013-14 and remaining 74 cases were outstanding from earlier years. These included 42 cases outstanding for less than 5 years, 18 cases outstanding for more than 5 years, 10 cases for more than 10 years and 4 cases were more than

20 years old. Though the footnotes to the adverse balances in the Finance Accounts mentioned that the case were under investigation, the findings of such investigation by the CGA and subordinate offices and efforts made to clear them were not made available to Audit.

2.4.3 Outstanding balances under the head ‘Cheques and Bills’

This head is an intermediate accounting head for initial recording of transactions which are eventually to be cleared. Under the scheme of departmentalisation of accounts, payment of claims against Government is made by Pay and Accounts Offices of different Ministries/Departments by cheques drawn on branches of RBI or accredited banks.

When claims are preferred in the appropriate bill form to the PAO/departmental officer, the payment is authorized through issue of cheques, after exercising the prescribed checks and recording of pay order. At the end of each month, the Major Head ‘8670 – Cheques and Bills’ is credited by the total amount of the cheques delivered during the month. On receipt of Date-wise Monthly Statements (DMS)/ Monthly Statement of Balances from Public Sector Bank/ (CAS) RBI, Nagpur showing the payments made by them against the cheques issued, the head ‘8670 – Cheques and Bills’ is minus credited and credit is afforded to the Suspense Head ‘8658.108-PSB Suspense’/‘8675.101- Deposit with RBI-Central Civil’, as the case may be.

In the Union Finance Accounts for 2013-14 large balances are lying outstanding under the various Minor Heads of ‘Cheques and Bills’ as detailed in **Table 2.13**.

Table 2.13: Outstanding balances under the head ‘Cheques and Bills’

			(₹ in crore)
8670.101	Pre-audit Cheques	Credit	0.43
8670.102	Pay and Accounts Office Cheques	Credit	9018.07
8670.103	Departmental Cheques	Credit	845.19
8670.104	Treasury Cheques	Credit	4.62
8670.105	IRLA Cheques	Credit	0.59
8670.106	Telecommunication Accounts Cheques	Credit	1221.97
8670.107	Postal Cheques	Credit	11652.85
8670.108	Railway Cheques	Credit	3044.14
8670.109	Defence Cheques	Credit	1080.53
8670.110	Electronic Advices	Debit	4.44
8670.111	Pay and Accounts Offices Electronic Advices	Debit	637.96
8670.112	Pr. Controller of Communication Accounts Offices Electronic Advices	Credit	0.44

Rule 45 of Central Government Account (Receipts and Payments) Rules, 1983 envisages that a cheque shall be payable at any time within three months from

the date of issue. Further, Rule 47(2) envisages that cheques remaining unpaid for a period of six months after the month of their issue and not surrendered for renewal are to be reversed and cancelled by minus crediting '8670-Cheques and Bills' and minus debiting the functional Major/Minor Head to which the expenditure was originally debited and the amount is to be written back in the accounts.

Such large outstanding amounts under different Minor Heads reflect that the accounting authorities are not taking necessary action as required to be taken under the rules. To the extent the amounts are outstanding under the 'Cheques and Bills', the Government cash balance stands overstated and reflects erroneous position.

Test check in the Principal Accounts Offices revealed that 3,751 cheques amounting to ₹ 378.49 crore in MEA, 854 Cheques amounting to ₹ 7.13 crore in Department of Supply, 888 cheques amounting to ₹ 37,348.59 crore in Ministry of Road Transport and Highways and 11,622 cheques amounting to ₹ 16.31 crore in CBDT had remained unpaid for more than six months, but had not been cancelled by the Principal Accounts Offices as on 31 March 2014.

2.4.4 Review of balances not carried out by Principal Accounts Offices

As per Civil Accounts Manual, at the close of a financial year the PAOs shall review and verify the balances under various Debt, Deposit and Remittances (DDR) heads to ascertain, wherever necessary, whether the correctness of the balances is accepted by the person/ parties by whom the balances are owed or to whom these are due and are required to furnish annually by 15 September of each year to the Principal Accounts Office, a detailed statement showing the unreconciled differences and the cases where acceptance of balances are awaited. The Principal Accounts Office, in turn, is required to send a consolidated report of the Ministry/ Department as a whole to the Controller General of Accounts by 15 October of each year. The purpose of conducting this review is to ascertain the quality of maintenance of various books of accounts and reconcile the figures of Debt, Deposit and Remittances.

In respect of civil departments, the review of balances for the year 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 was completed only in 25, 21, 20, 20 and 11 departments respectively, out of a total 72 Pr. PAOs.

Large number of adverse balances in Finance Accounts for several years are reflective of the failure of the Pr. PAOs in carrying out timely reviews and follow up action.

The CGA replied (March 2015) that clearance of balances under suspense heads and adverse balances was an ongoing process and Ministries had been asked to take corrective action to liquidate/clear the suspense and adverse balances.

2.4.5 Departmentally managed Government Undertakings- Position of Proforma Accounts

Rule 84 of General Financial Rules, 2005 stipulate that the departmentally managed Government undertakings of commercial or quasi commercial nature will maintain subsidiary accounts and Proforma Accounts as may be prescribed by the Government in consultation with the CAG.

There were 38 departmentally managed Government undertakings of commercial or quasi commercial nature as of March 2014. The financial results of these undertakings are ascertained annually by preparing Proforma Accounts generally consisting of Trading Account, Profit and Loss Account and Balance Sheet. While the Government of India Presses prepare Proforma Accounts without Trading Account, Profit and Loss Account and Balance Sheet, the Department of Publications prepares only the Stores Accounts. Only three departmentally managed Government undertakings have prepared the proforma accounts for the financial year 2013-14. The position of availability of latest annual accounts, prepared by the departmentally managed undertakings, is given in **Annexure 2.6**.

Table 2.14 : Period for which Proforma Accounts are lying in arrears

Delay in preparation of Proforma Accounts	Financial Year of the account	No. of Undertakings
No delay	2013-14	3
One year	2012-13	4
2-5 years	2007-08 to 2011-12	27
6 years and more	2006-07 and before	4
Total		38

Table 2.14 shows that Proforma Accounts of 5 Undertakings were in delay for a period of one year, while 27 Undertakings had not prepared their accounts for the financial year from 2007-08 to 2011-12, a delay ranging from two to five years. In the case of Department of Publications, in the Ministry of Urban Development, the Proforma Accounts had not been prepared since the financial year 2000-01 onwards.

In the absence of availability of updated proforma account, the cost of services provided by these organisations, which are intended to be managed on

commercial basis, could not be ascertained. It was also not possible to work out performance indicators like return on investment, profitability etc. for their activities.

2.4.6 Losses and irrecoverable dues written off/waived

Rule 33 of General Financial Rules, 2005 envisages that any loss or shortage of public moneys, departmental revenue or receipts, stamps, opium, stores or other property held by, or on behalf of Government, irrespective of the cause of loss and manner of detection, shall be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and to the concerned Principal Accounts Officer, even when such loss has been made good by the party responsible for it. Petty losses of value not exceeding ₹ 2,000 need not be reported.

Statement of losses and irrecoverable dues written off /waived off during the year 2013-14 furnished by the Ministries/Departments, is given in **Annexure 2.7**. It will be seen from the Annexure that in 120 cases, ₹ 160.46 lakh were written off during 2013-14. During the year, recoveries waived and ex gratia payment made in 14,108 cases aggregated to ₹ 331.86 lakh.

3: APPROPRIATION ACCOUNTS: 2013-14

3.1 Constitutional provisions

Soon after the Lok Sabha passes the Demands for Grants under Article 113 of the Constitution of India, the Government introduces an Appropriation Bill under Article 114 to provide for appropriations out of the Consolidated Fund of India (CFI). The Appropriation Act passed by the Parliament authorises the Government to appropriate specified sums from the CFI for specified services. Parliament also sanctions supplementary or additional grants by the subsequent Appropriation Acts in terms of Article 115 of the Constitution. The Appropriation Acts authorise disbursements on services, 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 Articles 273, 275(1) and 293(2) of the Constitution. The Government prepares Appropriation Accounts every year indicating the details of the gross amounts on various services actually spent by the government vis-à-vis those authorised by the Appropriation Acts.

The Controller General of Accounts (CGA) prepares the Appropriation Accounts in respect of 99 grants and appropriations of Civil Ministries. The Ministries of Defence, Railways and the Department of Posts prepare the Appropriation Accounts of their respective grants. The Comptroller and Auditor General of India submits four 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 the Parliament. Details of demands for grants and appropriations of various Ministries during 2013-14 are as follows:

Ministry	Number of Demands for Grants/Appropriations
Civil	99
Defence	6
Posts	1
Railways	16
Total	122

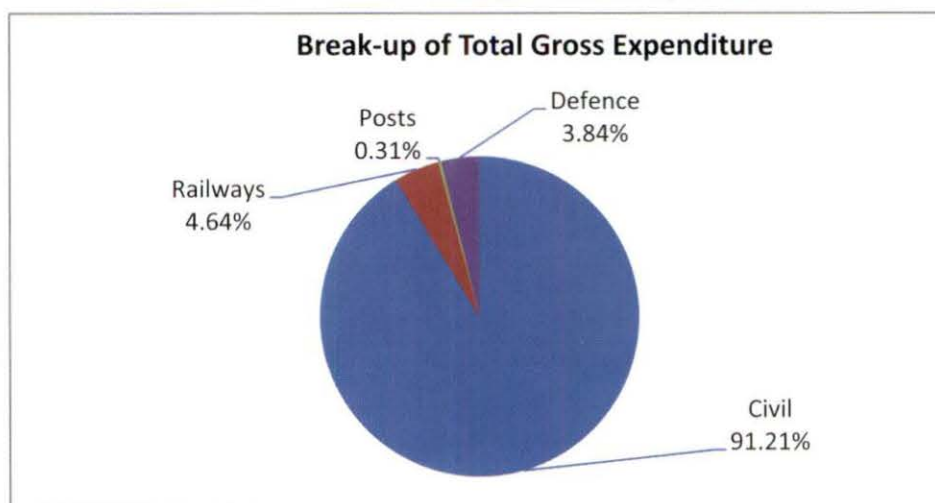
This Report contains audit observations on the Appropriation Accounts (Civil, Posts and Defence), including an analysis of expenditure in excess of allocation requiring regularisation by the Parliament, unspent provisions requiring explanation, irregular and injudicious re-appropriations, supplementary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

Grants-in-aid incurred in two selected Ministries. For facility of better appreciation of the sectoral features, grants/appropriations relating to Civil Ministries/Departments, Posts and Defence, have been dealt with comprehensively. References to Railways appropriations have been made, wherever necessary, in order to cover the appropriation process in totality. Audit findings on Railway appropriations are, however, available in the related separate Audit Report for the year ended 2013-14.

3.2 Summary of total provisions, actual disbursements and savings during 2013-14

Chart 3.1 below shows the break-up of expenditure between Civil Ministries/Departments, Posts, Railways and Defence during the financial year 2013-14. As can be seen from the chart, the bulk of the expenditure, 91.21 per cent, was incurred by the Civil Ministries, 4.64 per cent by Railways, 3.84 per cent by Defence, while the Posts accounted for 0.31 per cent of the total gross expenditure.

Chart 3.1: Break-up of expenditure between Civil Ministries/Departments, Railways, Posts and Defence during the financial year 2013-14



The **Table 3.1** below gives the break-up of expenditure between Civil Ministries/Departments, Railways, Posts and Defence during the year 2013-14.

Table 3.1: Expenditure under Charged and Voted during the year 2013-14

(₹ in crore)

Civil		Railways		Posts		Defence		Total	
49,90,058		2,53,939		17,066		2,09,788		54,70,851	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
1014393	3975665	253580	359	17065	1	209575	213	1494613	3976238
20.33%	79.67%	99.86%	0.14%	99.99%	0.01%	99.90%	0.10%	27.32%	72.68%

Table 3.2 below gives the total provisions (both Charged and Voted) and disbursements of the Government during the financial year 2013-14. **Annexure 3.1** presents the details of the summary of Appropriation Accounts of Civil Ministries, Posts, Railways and Defence Services.

Table 3.2: Provision, disbursement and savings during 2013-14

(₹ in crore)				
Departments	Total Provision	Disbursements	Savings (-) Excess (+)	Percentage of Savings/Excess as compared to Total Provision
Civil	5715817.89	4990057.83	(-) 725760.06	12.70
Posts	17310.37	17065.68	(-) 244.69	1.41
Defence Services	217648.54	209788.52	(-) 7860.02	3.61
Railways	264394.88	253938.75	(-) 10456.13	3.95
Grand Total	6215171.68	5470850.78	(-) 744320.90	11.98

Under the Civil Ministries/Departments, the net saving of ₹ 7,25,760 crore was due to saving of ₹ 7,25,800 crore in the 99 appropriations/grants and excess expenditure of ₹ 39.59 crore under three appropriations/grants pertaining to civil Ministries/Departments.

Out of the overall saving of ₹ 7,25,800 crore in Civil Ministries/Departments, major savings occurred in Grant No. 38-Appropriation-Repayment of Debt under Capital (Charged) section (₹ 5,02,957 crore), Grant No. 33-Department of Economic Affairs under Capital (Voted) section (₹ 63,463 crore), Grant No. 36-Transfers to State and Union Territory Governments under Revenue (Voted/Charged) sections (₹ 25,928 crore), Grant No. 83-Department of Rural Development under Revenue (Voted) section (₹ 15,817 crore), Grant No. 34-Department of Financial Services under Capital (Voted) section (₹ 14,017 crore), Grant No. 59-Department of School Education & Literacy under Revenue (Voted) section (₹ 10,153 crore) and Grant No. 42-Department of Revenue under Revenue (Voted) section (₹ 7,537 crore).

Of the overall excess expenditure of ₹ 39.59 crore, excess expenditure of ₹ 35.89 crore registered in Grant No. 20 – Ministry of Defence (Revenue Voted), ₹ 0.75 crore in Grant No. 21 – Defence Pensions (Revenue Charged) and ₹ 2.95 crore in Grant No. 32 – Ministry of External Affairs (Capital Voted).

There were savings in 201 sections of the 99 grants and excess in three sections of three grants under the grants/appropriations relating to Civil Ministries/Departments; savings in three sections of Posts; savings in 14 sections and excess in 19 sections of Railways¹ and savings in eight sections

¹ Grant No. 16 of Railways is having four Revenue and four Charged sections.

and excess in four sections of Defence Services. **Annexure 3.2** presents an abstract of the savings and excess.

3.3 Charged and voted disbursements

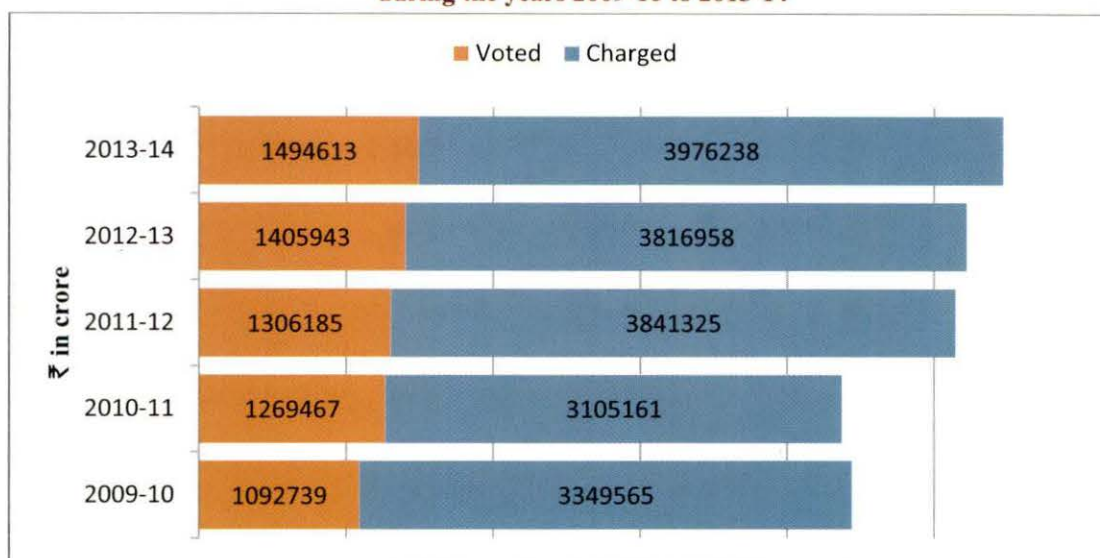
As per article 112(2) of the Constitution, a distinction is made between charged and voted expenditure. Charged expenditures are those expenditures as defined in Articles 112(3), 273, 275(1) and 293(2) of the Constitution. Estimates of charged expenditure are not subjected to the vote of the Parliament as enshrined in Article 113(1) of the Constitution but can be discussed in either House of the Parliament. **Annexure 3.3** contains the details of disbursements actually made against authorised demands (grants and appropriations) of the Civil Ministries/Departments for the years 2000-2014. During these years, 70 *per cent* to 81 *per cent* of the total disbursements for the Civil Ministries/Departments were charged on the Consolidated Fund of India.

During 2013-14, the total disbursements of ₹ 49,90,058 crore under the civil Ministries/Departments were higher by ₹ 1,96,592 crore as compared to the total disbursements of ₹ 47,93,466 crore during 2012-13. It had increased by 782 *per cent* from ₹ 5,66,042 crore in 2000-01. The charged disbursements increased by 881 *per cent* from ₹ 4,05,289 crore in 2000-01 to ₹ 39,75,665 crore in 2013-14 and voted disbursements increased by 531 *per cent* from ₹ 1,60,753 crore to ₹ 10,14,393 crore over the same period. The charged disbursement of the civil Ministries/Departments during 2013-14 was 80 *per cent* of the total disbursements.

Major charged disbursement comprised of Appropriation-Repayment of Debt ₹ 35,11,291 crore, Appropriation-Interest Payments ₹ 3,95,200 crore and Transfers to State and Union Territory Governments ₹ 64,904 crore. Since estimates of charged disbursements are not subject to vote by the Parliament, effectively the scope of financial control by Parliament is limited to about 20 *per cent* of the total disbursement of the Union civil Ministries /Departments.

Chart 3.2 depicts the preponderance of charged expenditure over voted expenditure in the Union Government during the last five years 2009-10 to 2013-14. However, viewed against the background of total disbursements amounting to ₹ 54,70,851 crore from the CFI including Civil, Posts, Defence Services and Railways, the percentage of charged disbursements was 73 *per cent* (₹ 39,76,238 crore) during the financial year 2013-14.

Chart 3.2: Disbursement under Charged and Voted sections during the years 2009-10 to 2013-14



APPROPRIATION ACCOUNTS 2013-14: AN ANALYSIS

3.4 Grants/appropriations with excess disbursements

Article 114(3) of the Constitution provides that no money be withdrawn from the Consolidated Fund of India except under appropriations made by law. Rule 52(3) of General Financial Rules, 2005 stipulates that no disbursements shall 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 through an advance from the Contingency Fund. **Table 3.3** presents the summary of excess disbursement of ₹ 3493,06,46,212 (₹ 3493.06 crore) over the authorisation from the CFI during 2013-14. There was an excess disbursement of ₹ 39,59,09,662 (₹ 39.59 crore) in three segments of three grants/appropriations in Civil Ministries/ Departments, ₹ 2719,75,41,729 (₹ 2,719.75 crore) in 19 segments of 12 grants/appropriations of Railways and ₹ 733,71,94,821 (₹ 733.72 crore) in four segments of three grants of Defence Services.

Table 3.3: Summary of excess disbursements over grants/appropriations

		(Amount in ₹)		
		Civil	Defence	Railways
Voted	Revenue	35,88,89,749	732,85,99,990	1854,69,72,730
	Capital	2,95,32,970	--	829,68,15,639
Charged	Revenue	74,86,943	85,94,831	22,39,52,699
	Capital	--	--	12,98,00,661
No of Grants/Appropriations		3	3	12
Segments		3	4	19
Total Excess		39,59,09,662	733,71,94,821	2719,75,41,729
Grand Total		3493,06,46,212		

The details of excess expenditure requiring regularisation under Article 115(1)(b) of the Constitution are given in **Table 3.4**.

Table 3.4: Details of excess disbursement over grants/appropriations

Sl. No	Description of Grant/Appropriation	Amount in ₹	Reasons for excess as stated by the Ministries/Departments
Civil			
Revenue (Voted)			
1.	20-Ministry of Defence	Grant Expenditure Excess 15696,62,00,000 15732,50,89,749 35,88,89,749	Reasons awaited (March 2015).
Revenue (Charged)			
2.	21-Defence Pensions	Appropriation Expenditure Excess 4,23,00,000 4,97,86,943 74,86,943	Mainly due to the compliance of decree of Hon'ble Court (Armed Forces Tribunal) which is an obligatory expenditure.
Capital (Voted)			
3.	32-Ministry of External Affairs	Grant Expenditure Excess 1893,50,00,000 1896,45,32,970 2,95,32,970	Excess was due to exchange rate variation.
Railways			
Revenue (Voted)			
1.	05-Repair and Maintenance of Motive Power	Grant Expenditure Excess 4397,04,93,000 4464,46,66,342 67,41,73,342	More drawl of stores from stock, more expenditure towards wages and materials, adjustment of more workshop debits due to more periodical overhaul (POH) activities and materialization of more contractual payments during the year, than anticipated.
2.	06-Repairs and Maintenance of Carriages & Wagons	Grant Expenditure Excess 10233,23,60,000 10330,64,11,236 97,40,51,236	Incurrence of more expenditure towards wages and material on POH, adjustment of more workshop debits, materialization of more contractual payments during the year, than anticipated.
3.	08- Operating Expenses-Rolling Stock and Equipment	Grant Expenditure Excess 8692,35,17,000 8797,44,55,905 105,09,38,905	Incurrence of more expenditure towards staff cost, more direct purchase and materialization of more contractual obligations, than anticipated.

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Sl. No	Description of Grant/ Appropriation	Amount in ₹		Reasons for excess as stated by the Ministries/Departments
4.	10-Operating Expenses – Fuel	Grant Expenditure Excess	28530,66,41,000 29214,21,50,268 683,55,09,268	Increase in prime cost of High Speed Diesel (HSD) Oil, more consumption of HSD Oil for more activity of diesel locos and more expenditure towards sales tax/excise duty and other taxes and levies during the year, than anticipated.
5.	13-Provident Fund, Pension & Other Retirement Benefits	Grant Expenditure Excess	24797,13,12,000 25529,56,50,190 732,43,38,190	Receipt of more debits from pension disbursing authorities on account of increase in dearness allowance, finalization of more number of death cum retirement gratuity cases, more expenditure towards leave encashment for pension optees and more Government contribution for newly defined contribution pension scheme, than anticipated.
6.	15-Dividend to General Revenues, Repayment of Loans taken from General Revenue and Amortisation of over capitalization.	Grant Expenditure Excess	7839,87,00,000 8008,66,61,789 168,79,61,789	Higher payment of dividend to General Revenues due to increase in the rate of dividend from 4 per cent to 5 per cent recommended by the Railway Convention Committee (2009) for the year 2013-14.
Revenue (Charged)				
7.	03-General Superintendence and Services	Appropriation Expenditure Excess	50,31,000 88,78,888 38,47,888	Materialization of more decretal payments, than anticipated.
8.	04-Repairs and Maintenance of Permanent Ways and Works	Appropriation Expenditure Excess	1,60,95,000 2,34,41,216 73,46,216	
9.	05-Repairs and Maintenance of Motive Power	Appropriation Expenditure Excess	0 4,76,961 4,76,961	
10.	06-Repairs and Maintenance of Carriages & Wagons	Appropriation Expenditure Excess	2,00,000 8,71,243 6,71,243	
11.	07-Repairs and Maintenance of Plant and Equipment	Appropriation Expenditure Excess	61,000 61,385 385	
12.	08-Operating Expenses- Rolling Stock and Equipment	Appropriation Expenditure Excess	11,56,000 51,52,570 39,96,570	
13.	09-Operating Expenses - Traffic	Appropriation Expenditure Excess	3,75,000 3,07,94,596 3,04,19,596	
14.	10-Operating Expenses - Fuel	Appropriation Expenditure Excess	61,38,40,000 78,92,23,182 17,53,83,182	
15.	11-Staff Welfare and Amenities	Appropriation Expenditure Excess	2,25,000 3,97,553 1,72,553	
16.	13-Provident Fund, Pension & Other Retirement Benefits	Appropriation Expenditure Excess	58,07,000 74,45,105 16,38,105	

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Sl. No	Description of Grant/ Appropriation	Amount in ₹	Reasons for excess as stated by the Ministries/Departments
Capital (Voted)			
17.	16-Assets-Acquisition, Construction and Replacement -Capital	Grant Expenditure Excess 69618,75,85,000 70448,44,00,639 829,68,15,639	Materialization of more contractual payment and stores bills, residual works, and other miscellaneous expenses to commensurate the progress of work, booking of more expenditure on new rails and Pre Stressed Concrete Sleepers, adjustment of more debits, payment of Capital component of leased assets to Indian Railway Finance Corporation, more procurement of Machinery & Plants items, variation in prices of raw materials, increase in consumption of fuel and more expenditure towards HSD oil, more procurement /receipts of stores for general purposes and adjustment of debits for stores over various zonal railways during the year than anticipated.
Capital (Charged)			
18.	16-Assets-Acquisition, Construction and Replacement -Capital	Appropriation Expenditure Excess 150,00,00,000 162,15,62,239 12,15,62,239	Materialization of more decretal payments, than anticipated.
19.	16-Railway Fund (Depreciation Reserve Fund, Development Fund, Capital Fund)	Appropriation Expenditure Excess 3,50,50,000 4,32,88,422 82,38,422	Materialization of more decretal payments, than anticipated.
Defence Services Revenue (Voted)			
1.	23 – Defence Services – Navy	Grant Expenditure Excess 13331,12,00,000 13451,52,30,532 120,40,30,532	To meet the requirement for pay and allowances, increased expenditure on petrol, oil and lubricants, maintenance and fighter pilot training in U.S. and for short ad-hoc courses.
2.	24 – Defence Services-Air Force	Grant Expenditure Excess 19929,17,00,000 20115,89,28,987 186,72,28,987	On account of payment on pay and allowances, additional requirement for maintenance of aircraft and other assets, replenishment of airborne and ground bases weapons, procurement of clothing and ration articles, procurement of Aviation Turbine Fuel, increased expenditure on electricity and water tariff, repair, maintenance and upkeep of buildings, payment of rents, rates and taxes.
3.	25 – Defence Ordnance Factories	Grant Expenditure Excess 3072,84,00,000 3498,57,40,471 425,73,40,471	Increased requirement for cantonment charges.

Sl. No	Description of Grant/Appropriation	Amount in ₹		Reasons for excess as stated by the Ministries/Departments
Revenue (Charged)				
4.	25 – Defence Ordnance Factories	Appropriation Expenditure Excess	8,40,00,000 9,25,94,831 85,94,831	Settlement of more number of court cases than anticipated.

Grants/Appropriations figure include Supplementary grants/appropriations, if any.

The detailed comments relating to grants of the Railways are included in the related separate Audit Report for the year 2013-14 of the Comptroller and Auditor General of India.

3.5 Persistent excess in grants

A scrutiny of the grants registering persistent excess for the five years period from 2009-10 to 2013-14 was undertaken. The scrutiny revealed that in 11 segments of nine grants/appropriations persistent excesses occurred in the year 2013-14 and at least in two years out of previous four years period for which analysis was made. The grant wise and year wise details of persistent excesses against authorisation are given in **Table 3.5** below:

Table 3.5: Persistent excess in grants/appropriations

(Amount in ₹)

Sl. No.	Description of Grant/Appropriation	2009-10	2010-11	2011-12	2012-13	2013-14
Civil						
Capital (Voted)						
1.	32 – Ministry of External Affairs Excess-Expenditure-Grant-	--	26,97,65,506 898,97,65,506 872,00,00,000	7,23,26,294 1398,23,26,294 1391,00,00,000	--	2,95,32,970 1896,45,32,970 1893,50,00,000
Civil						
Revenue (Charged)						
2.	21- Defence Pensions Excess-Expenditure-Appropriation-	--	10,74,960 35,74,960 25,00,000	28,54,467 82,54,467 54,00,000	3,99,60,400 4,81,60,400 82,00,000	74,86,943 4,97,86,943 4,23,00,000
Defence Services						
Revenue (Voted)						
3.	23- Defence Services - Navy Excess-Expenditure-Grant-	150,51,03,457 9586,21,03,457 9435,70,00,000	138,84,60,256 10141,36,60,256 10002,52,00,000	--	--	120,40,30,532 13451,52,30,532 13331,12,00,000

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Sl. No.	Description of Grant/Appropriation	2009-10	2010-11	2011-12	2012-13	2013-14
Railways						
Revenue (Voted)						
4.	05- Repair and Maintenance of Motive Power Excess-Expenditure-Grant-	90,87,30,288 3479,19,71,288 3388,32,41,000	75,06,60,832 3423,60,13,832 3348,53,53,000	--	--	67,41,73,342 4464,46,66,342 4397,04,93,000
5.	06- Repair and Maintenance of Carriages & Wagons Excess-Expenditure-Grant-	164,57,39,230 7857,06,14,230 7692,48,75,000	221,08,77,978 7799,58,75,978 7578,49,98,000	--	--	97,40,51,236 10330,64,11,236 10233,23,60,000
6.	08- Operating Expenses- Rolling Stock & Equipment Excess-Expenditure-Grant-	36,30,60,599 5983,59,00,599 5947,28,40,000	189,88,89,127 6156,81,96,127 5966,93,07,000	--	28,17,03,579 7888,94,97,579 7860,77,94,000	105,09,38,905 8797,44,55,905 8692,35,17,000
7.	10 – Operating Expenses - Fuel Excess-Expenditure-Grant-	--	398,08,55,127 16771,04,34,127 16372,95,79,000	--	658,82,43,046 22388,16,45,046 21729,34,02,000	683,55,09,268 29214,21,50,268 28530,66,41,000
8.	13- Provident Fund, Pension & other Retirement Benefits Excess-Expenditure-Grant-	1512,38,96,979 16911,20,69,979 15398,81,73,000	1403,97,51,918 16352,71,21,918 14948,73,70,000	769,61,68,663 18326,96,73,663 17557,35,05,000	981,95,20,896 21558,67,20,896 20576,72,00,000	732,43,38,190 25529,56,50,190 24797,13,12,000
Railways						
Revenue (Charged)						
9.	03- General Superintendence and Services Excess-Expenditure-Appropriation-	24,21,286 34,79,286 10,58,000	20,97,842 36,49,842 15,52,000	27,29,201 30,34,201 3,05,000	41,82,995 42,73,995 91,000	38,47,888 88,78,888 50,31,000
10.	08- Operating Expenses- Rolling Stock & Equipment Excess-Expenditure-Appropriation-	--	51,277 8,72,277 8,21,000	--	4,96,123 4,96,123 0	39,96,570 51,52,570 11,56,000
11.	13 – Provident Fund, Pension & other Retirement Benefits Excess-Expenditure-Appropriation-	--	--	4,09,113 62,67,113 58,58,000	15,63,329 73,83,329 58,20,000	16,38,105 74,45,105 58,07,000

A number of grants witnessing excesses year after year is a matter of concern. Despite Public Accounts Committee's recommendations to minimise the cases

of excesses, persistent excesses have been noticed in the above grants. Ministries/Departments did not make concerted efforts and devise effective mechanism with a view to observe financial discipline to avoid excess expenditure.

3.6 Minor/Sub head-wise excess expenditure

Rule 58(1) of General Financial Rules 2005 enjoins that a subordinate authority incurring the expenditure will be responsible for ensuring that the allotment placed at its disposal is not exceeded. Where any excess over the allotment is apprehended, the subordinate authority should obtain additional allotment before incurring the excess expenditure.

It was, however, observed from the Head-wise Appropriation Accounts for the year 2013-14 that in 68 minor/sub-heads of 24 grants, there was an excess expenditure of ₹ 5 crore and more, over the available provision. An aggregate expenditure of ₹ 5,048.92 crore was incurred which exceeded the available provisions under these minor/sub-heads, but the authority administering the concerned grant/appropriation did not issue re-appropriation orders to accommodate the final excess expenditure over the available provision, indicating laxity in budgetary control. Minor/sub-heads where excess expenditure occurred are listed in **Annexure 3.4**.

3.7 Saving of ₹ 100 crore or more in grants/appropriations

The Public Accounts Committee (10th Lok Sabha, 1990-91) in its 60th Report (paras 1.22 and 1.24) had observed that savings of ₹ 100 crore or above are indicative of defective budgeting as well as shortfall in performance in a Grant or Appropriation. The Committee had, therefore, desired that detailed note in respect of savings of ₹ 100 crore or above in a section of the grant for each year was required to be furnished to the Committee by the respective Ministry /Department.

Saving of more than ₹ 100 crore, which need a detailed explanatory note to the Public Accounts Committee (PAC), had occurred in 102 cases of 78 grants (including Civil, Posts, Railways and Defence Services) during the financial year 2013-14. Large savings were noticed in grants: Appropriation-Repayment of Debt (₹ 5,02,957 crore), Department of Economic Affairs (₹ 63,651 crore), Transfers to State and Union Territory Governments (₹ 26,928 crore), Department of Rural Development (₹ 15,817 crore), Department of Financial Services (₹ 14,764 crore), Department of School Education & Literacy (₹ 10,153 crore), Capital Outlay on Defence Services (₹ 7,592 crore), Department of Revenue (₹ 7,537 crore), Appropriation to Funds –

Depreciation Reserve Fund, Development Fund, Pension Fund and Capital Fund (Railways) (₹ 6,156 crore), Ministry of Planning (₹ 6,348 crore), Department of Health and Family Welfare (₹ 7,060 crore), Appropriation-Interest Payments (₹ 5,301 crore), Ministry of Power (₹ 5,450 crore), Ministry of Panchayati Raj (₹ 3,739 crore), Ministry of Drinking Water & Sanitation (₹ 3,325 crore), Department of Agricultural Research and Cooperation (₹ 3,317 crore), Department of Land Resources (₹ 3,277 crore), Ministry of Road Transport & Highways (₹ 3,484 crore), Police (₹ 4,360 crore), Ministry of Women and Child Development (₹ 2,601 crore), Department of Higher Education (₹ 2,417 crore), Department of Telecommunications (₹ 4,304 crore), etc. Savings under various grants/appropriations of ₹ 100 crore or more are detailed in **Annexure 3.5**.

Some of the reasons for savings were attributed by the Ministries/Departments as 'some of the schemes failed to take off', 'non-submission/delay in submission of Utilisation Certificates', 'receipt of less claims', 'non-approval/non-finalisation of projects/schemes', 'unspent balances lying with the State Governments', 'Receipt of less proposals from State Governments', etc.

Further, in 64 sections of 55 grants/appropriations, persistent savings of ₹ 100 crore and above, during the last three years (2011-12 to 2013-14), were noticed, details of which are given in **Annexure 3.6**. Some of the grants with large persistent savings were those pertaining to Ministry of Drinking Water & Sanitation, Department of Economic Affairs, Transfers to State and Union Territory Governments, Appropriation – Repayment of Debt, Department of Revenue, Department of Health and Family Welfare, Ministry of Home Affairs, Police, Department of School Education and Literacy, Department of Higher Education, Ministry of Panchayati Raj, Ministry of Power, Department of Rural Development, Department of Land Resources, Department of Space, Ministry of Textiles, Capital Outlay on Defence Services and Appropriation to Funds – Depreciation Reserve Fund, Development Fund, Pension Fund and Capital Fund (Railways).

3.8 Surrender of savings (Overall)

Rule 56 of General Financial Rules, 2005 provides that savings 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. Savings should also not be held in reserve for possible future excesses.

During the financial year 2013-14, under 201 segments of 99 grants/appropriations of Civil Ministries/Departments, there were savings of ₹ 7,25,800 crore. This was offset by excess expenditure of ₹ 40 crore under

three segments of three grants resulting in a net saving of ₹ 7,25,760 crore. The amounts surrendered by the Civil Ministries/Departments are shown in **Table 3.6**.

Table 3.6: Details of savings and surrender under Civil Ministries/Departments

(₹ in crore)

	Unspent Provision	Amount Surrendered	Amount Surrendered on 31 st March	Percentage of Amount Surrendered on 31 st March to Unspent Provision	Amount not Surrendered
Revenue					
Voted	111045.80	102827.82	99537.95	89.63	8217.98
Charged	13957.61	10592.70	10587.47	75.85	3364.91
Total: Revenue	125003.41	113420.52	110125.42	88.10	11582.89
Capital					
Voted	96791.04	93019.96	92390.11	95.45	3771.08
Charged	504005.20	506324.28	506201.17*	100.44*	(-) 2319.08*
Total: Capital	600796.24	599344.24	598591.28	99.63	3771.08
Grand Total	725799.65	712764.76	708716.70	97.65	15353.97

*Surrendered amount is more than unspent provision.

In 16 segments across 15 grants/appropriations, the amount surrendered exceeded the savings in the grants. This is indicative of poor budgetary management. Details of such cases are given in **Annexure 3.7**.

3.9 Surrender of savings on the last day of financial year (Grant-wise)

In 91 segments across 67 grants/appropriations, where savings of more than ₹ 100 crore had occurred, the Ministries/Departments concerned surrendered the savings on the last day of the financial year (i.e. 30th/31st March 2014) in violation of Rule 56 of the General Financial Rules, 2005. The details of savings, surrenders along with the amounts not surrendered, which stood lapsed at the close of the financial year, are given in **Annexure 3.8**.

3.10 Large supplementary grants due to unrealistic budgetary projections (exceeding 40 per cent of original provision)

Under Article 114 of the Constitution, the Parliament authorises the Government to appropriate specified sums from the Consolidated Fund of India. Parliament also authorises supplementary or additional grants by subsequent Appropriation Acts, in terms of Article 115 of the Constitution over and above the authorisation made previously for the purpose of that year under Article 114. While preparing the initial estimates of expenditures, Ministries/Departments are required to keep in view the trends of disbursements during the previous years and take due care so that provision for all inescapable and foreseeable expenditures is made in the estimates

before they are submitted to the Ministry of Finance. The Ministry of Finance, after due deliberations and pre-budget meetings/scrutiny, finalises the budget proposals.

If the amount authorised in accordance with the provision of Article 114 to be expended for a particular service for the current financial year is found to be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year, another statement (supplementary demand) in terms of Article 115(1)(a) is laid in the Parliament showing the estimated amount of that expenditure.

Table 3.7 below presents the supplementary provisions obtained by the Ministries of the Union Government and their percentage to the original provision during 2013-14.

Table 3.7: Ministry-wise Original and Supplementary Provisions
(₹ in crore)

Ministries	Original Provision	Supplementary Provision	Total Provision	Percentage of Supplementary to Original Provision
Civil	5651863.26	63954.63	5715817.89	1.13
Post	17309.48	0.89	17310.37	0.01
Defence	209282.80	8365.74	217648.54	4.00
Railways	257245.22	7149.66	264394.88	2.78
Total	6135700.76	79470.92	6215171.68	1.30

Further scrutiny revealed that a number of Ministries/Departments of the Central Government obtained supplementary grants/appropriations which were even higher than the original provisions. The cases where the supplementary provision exceeded 40 *per cent* of the original provision are detailed in **Table 3.8**.

Table 3.8: Details of large Supplementary Grants obtained due to unrealistic initial budgetary projections

Sl. No.	Description of grant/appropriation	Original Provision	Supplementary Provision	Percentage of Supplementary to Original Provision
Civil				
Revenue (Voted)				
1.	34-Department of Financial Services	7468.99	4000.00	54
2.	51- Department of Heavy Industry	461.41	469.56	102
3.	69-Ministry of New and Renewable Energy	1434.05	1214.16	85

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Sl. No.	Description of grant/appropriation	Original Provision	Supplementary Provision	Percentage of Supplementary to Original Provision
Revenue (Charged)				
4.	11-Department of Commerce	0.50	0.82	164
5.	20-Ministry of Defence	0.26	0.22	85
6.	21-Defence Pensions	0.69	3.54	513
7.	42-Department of Revenue	0.02	26.50	132500
8.	55-Police	9.94	8.18	82
Capital (Voted)				
9.	10-Ministry of Coal	50.00	1672.00	3344
10.	48-Department of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)	9.40	18.00	191
11.	51- Department of Heavy Industry	567.56	420.10	74
12.	67-Ministry of Mines	246.53	103.14	42
13.	69-Ministry of New and Renewable Energy	99.50	100.00	101
14.	94-Ministry of Tourism	2.00	1.00	50
Capital (Charged)				
15.	04-Atomic Energy	1.00	10.00	1000
16.	55-Police	2.92	4.59	157
17.	82-Ministry of Road Transport & Highways	10.00	20.00	200
18.	101-Department of Urban Development	26.00	22.70	87
Defence Services				
Revenue (Voted)				
19.	25-Defence Ordnance Factories(Voted)	1709.27	1363.57	80
Revenue (Charged)				
20.	24-Air Force (Charged)	3.70	50.40	1362
21.	25-Defence Ordnance Factories (Charged)	5.20	3.20	62

Large supplementary provisions indicate that the Ministries/ Departments did not prepare estimates of expenditure on a realistic basis and that the mechanism of holding pre-budget meetings and scrutiny by the Ministry of Finance for ensuring realistic budgetary projections did not have the desired effect.

Public Accounts Committee in their 92nd Report (15th Lok Sabha 2013-14), while regularising the excess expenditure incurred by the

Ministries/Departments of the Union Government over voted grants and charged expenditure for the financial year 2011-12, despite obtaining large amount of supplementary grants, had observed that the Ministry of Finance, should initiate a study of the best international practices on the modalities for ensuring greater conformity of expenditure to the budgetary provisions. The practice of the three supplementaries during the fiscal year in addition to the main budget undercuts the sanctity of budgetary provisions. In practice often even known expenditure outgoes are suppressed in the main budget to be provided for in subsequent supplementaries. The supplementary budget should normally be for unexpected items of expenditure or schemes taken up for compelling public interest. Based on other fiscal federal models, the Finance Ministry should evolve modalities and a framework which will enable the sanctity of budgetary provisions ensuring the reach and superintendence of Parliament on appropriation outgoes.

The position of original and supplementary grants obtained under civil Ministries/Departments and percentage of supplementary provision to the original provision from the year 2005-06 onwards is given in **Annexure 3.9**.

3.11 Unnecessary cash supplementary provision (grant-wise)

In eight grants/appropriations, as detailed in **Table 3.9** below, cash supplementary provisions aggregating to ₹ 722.48 crore were obtained during 2013-14 in anticipation of higher expenditure, but in three grants the final expenditure was even less than the original provisions. The unutilised cash supplementary provision was, therefore, unnecessary, indicative of deficient budgeting.

Instead of obtaining 'Cash Supplementary', the Ministries/Departments should have explored the possibility of utilising the savings available within the grant by obtaining 'Token' or 'Technical Supplementary', to avoid savings at the end of the year.

Table 3.9: Unnecessary cash supplementary leading to savings

(₹ in crore)

Sl. No.	Description of Grant/Appropriation	Original Provision	Supplementary Grant obtained	Cash Supplementary	Disbursements	Saving
Civil Grants						
1.	10-Ministry of Coal (Revenue voted)	497.70	100.01	100.00	568.45	29.26
2.	11-Department of Commerce (Revenue voted)	4383.77	58.08	4.00	4312.47	129.38
3.	19-Ministry of Culture (Revenue voted)	2023.00	102.06	2.00	1959.89	165.17

Sl. No.	Description of Grant/Appropriation	Original Provision	Supplementary Grant obtained	Cash Supplementary	Disbursements	Saving
4.	34-Department of Financial Services (Revenue voted)	7468.99	4000.00	500.00	10722.45	746.54
5.	51-Department of Heavy Industry (Capital voted)	567.56	420.10	44.16	829.08	158.58
6.	88-Ministry of Shipping (Revenue voted)	1392.28	299.36	41.35	1491.04	200.60
7.	91-Ministry of Statistics & Programme Implementation (Revenue voted)	4935.53	13.83	5.97	4839.77	109.59
8.	102-Public Works (Capital voted)	558.25	25.03	25.00	572.14	11.14
Total		21827.08	5018.47	722.48	25295.29	1550.26

Ministry of Finance should review such cases and consider issuing suitable guidelines to all Ministries and Departments in this regard.

3.12 Injudicious re-appropriation to minor/sub-heads (exceeding ₹ 5 crore)

Examination of the accounts revealed that in 21 cases across 14 grants/appropriations of Civil Ministries/Departments, Posts and Defence Services, re-appropriations aggregating ₹ 613.95 crore were injudicious, as the original provision under the minor/sub-heads to which augmentation was made by way of re-appropriation was more than adequate. As a result of injudicious re-appropriation, the final savings under the heads were more than the amount re-appropriated to these heads. The 21 cases, where injudicious re-appropriation exceeding ₹ 5 crore and more were made, are given in **Annexure 3.10**.

3.13 Injudicious re-appropriation from minor/sub-heads (exceeding ₹ 5 crore)

Similarly, scrutiny of the accounts revealed that in six cases across three grants/appropriations of Civil Ministries/Departments, Posts and Defence Services, re-appropriations of funds, aggregating ₹ 264.99 crore, were injudiciously made to other heads, as the final disbursement under each of these six minor/sub-heads was more than the original provision, even before re-appropriation. In each of these heads, the excess, over the available provision after re-appropriation, was more than the amount re-appropriated. The details of such injudicious re-appropriation exceeding ₹ 5 crore and more, are given in **Annexure 3.11**.

3.14 Unnecessary supplementary provision obtained under sub-heads

While obtaining supplementary provision, the Ministries/Departments reported to Parliament large additional requirement for different purposes under various schemes/activities, but finally they were unable to spend not only the entire supplementary provision or parts thereof but also the original budget provision. The details of seven minor/sub-heads across seven grants/appropriations where entire supplementary grant, together with part of original budget provision, remained unspent are given in **Annexure 3.12**.

3.15 Saving of entire provision (Sub-head wise)

In 133 sub-heads across 47 grants/appropriations, the entire provision (₹ 10 crore and above) aggregating to ₹ 93,447.67 crore, authorised by the Parliament could not be spent by the Ministries/Departments and remained unutilised. Out of above entire savings ₹ 56,000 crore pertained to subscription to International Monetary Fund; and ₹ 21,000 crore for transfer to Public Account in Social and Infrastructure Development Capital Fund (₹ 7,000 crore) and National Investment Fund (₹ 14,000 crore).

Savings of entire provision is indicative of the fact that the estimates were not prepared after adequate scrutiny of the projects/schemes. Major schemes which failed to take off or suffered due to non-utilisation of entire provision are:

- Appropriation – Interest Payment: ‘Interest/Discount paid on Market Stabilization Scheme - Deposit of Money in the Bank’ (₹ 1,630.38 crore);
- Department of Heavy Industry: ‘National Automotive Testing and R&D Infrastructure Project’ (₹ 341.94 crore);
- Department of Rural Development: ‘Extension of Rashtriya Suraksha Bima Yojana (RSBY) to MGNREGS workers’ (₹ 200 crore);
- Ministry of Science & Technology: ‘Fund for Inclusive Innovations for Common Man’ (₹ 200 crore);
- Ministry of Social Justice & Empowerment: ‘Welfare of Scheduled Castes- Economic Development’ (₹ 100 crore);
- Andaman and Nicobar Islands (through Ministry of Communication & Information Technology): ‘Laying of under-sea optical fiber cable between Mainland and A & N Islands’ (₹ 153 crore);
- Ministry of Women & Child Development: ‘Hostels for Working Women (WWH)’ (₹ 200.01 crore); and

- Police (Ministry of Home Affairs): ‘Assistance to Delhi Police for Modernization’ (₹ 100 crore).

The details of sub-heads where entire provision of ₹ 10 crore and above remained unutilised are given in **Annexure 3.13**.

3.16 Saving of ₹ 100 crore or more under a sub-head

Scrutiny of Appropriation Accounts revealed that in certain grants and appropriations large savings of ₹ 100 crore or more, under a sub-head, were noticed which are indicative of poor budgeting or shortfall in performance or both, in respect of the concerned scheme being implemented by the Ministry/Department. Necessary steps need to be taken by the Ministries/Departments to make their budgetary exercise more realistic, not only to minimise large scale variations between estimates and actuals but also to gainfully utilise the scarce resources. These Ministries/Departments are required to review their system of budgetary assumption and/or efficiency of their programme management. **Annexure 3.14** gives the details of 166 such large savings of ₹ 100 crore or more and constituting more than 10 *per cent* of the budgeted provision under a sub-head along with reasons given by respective Ministries/Departments.

Major savings occurred under the following programmes/schemes:

- **Appropriation-Repayment of Debt:** ₹ 2,57,575 crore under ‘Ways and Means Advances’ (against the budgeted provision of ₹ 5,00,000 crore) due to less utilization of ways and means advances and overdraft owing to surplus in cash balance of Government of India.
- **Transfer to State and Union Territory Governments:** ₹ 8,332 crore under ‘Accelerated Irrigation Benefit Programme and other Water Resources Programme’ (against the budgeted provision of ₹ 12,962 crore) due to receipt of less proposals from the Ministry of Water Resources and reduction of provision at revised estimates stage by the Ministry of Finance; ₹ 6,441 crore under ‘Jawahar Lal Nehru National Urban Renewal Mission’ (against the budgeted provision of ₹ 14,000 crore) due to non-receipt of Utilisation Certificates and Reform Agenda from the State Governments.
- **Department of Revenue:** ₹ 7,359.49 crore under ‘Compensation to State Government for Revenue Loss due to phasing out of CST’ (against the budgeted provision of ₹ 9,300 crore) due to receipt of less claims towards CST compensation from the State Governments.

- **Department of Rural Development:** ₹ 6,524.69 crore under ‘Assistance to District Rural Development Agencies/Other Executing Agencies etc.’ (against the budgeted provision of ₹ 11,221.69 crore) and ₹ 3,584.83 crore under ‘EAP Component’ (against the budgeted provision of ₹ 4,266 crore) - due to availability of unspent balances of previous year with State Governments, receipt of less proposals from implementing agencies and reduction of provision at revised estimates stage by the Ministry of Finance.
- **Department of Fertilizers:** ₹ 4,805.54 crore under ‘Import of Urea’ (against the budgeted provision of ₹ 20,158.84 crore) due to softening of urea prices in international market and import of less quantity of urea.
- **Department of School Education & Literacy:** ₹ 4,440.76 crore under ‘Funds for Transfer to Prarambhik Shiksha Kosh’ (against the budgeted provision of ₹ 24,429 crore) due to less collection of education cess.
- **Department of Agricultural and Co-operation:** ₹ 3,054.43 crore under ‘Rashtriya Krishi Vikas Yojana’ (against the budgeted provision of ₹ 10,054.46 crore) due to non-finalization of proposals, less receipt of viable proposals and availability of unspent balance of previous years.
- **Ministry of Panchayati Raj:** ₹ 2,399.30 crore under ‘Grants for Backward Regions’ (against the budgeted provision of ₹ 4,216.50 crore) due to less receipt of viable proposals and reduction of provision at revised estimates stage by the Ministry of Finance.

3.17 Persistent saving (Sub-head wise)

A scrutiny of Appropriation Accounts revealed that during three years period 2011-12 to 2013-14, across 18 grants and appropriations persistent savings under 23 sub-heads were noticed, which is indicative of poor budgeting or shortfall in performance or both, in respect of the concerned scheme being implemented by the Ministry/Department. The details of 23 sub-heads are given in **Annexure 3.15**.

3.18 Rush of expenditure during March and last quarter of the financial year

In terms of Rule 56(3) of General Financial Rules, 2005, rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and shall be avoided. The Ministry of Finance has also issued instructions to Ministries/Departments in September 2007 to restrict expenditure during the month of March and the last quarter of the financial year to 15 *per cent* and 33 *per cent*, respectively, of the budgeted estimates.

Some Ministries/Departments sought clarification from the Ministry of Finance about these expenditure ceilings, to which the Ministry of Finance reiterated (January 2013) that restriction of these ceilings in last quarter/month were to be enforced both scheme-wise and demand-wise as a whole subject to revised estimates ceilings. Information regarding trend of expenditure for financial year 2013-14 was called for from Ministries/Departments by Audit.

Based on information provided by Ministries/Departments, in cases detailed in **Table 3.10** below, it has been noticed that major part of disbursement by some Ministries/Departments was made in the month of March 2014 and/or during last quarter of the financial year in contravention of the provisions of Rules and extant instructions.

Table 3.10: Rush of expenditure during March 2014 and/or last quarter of 2013-14

(₹ in crore)

Sl. No.	Descriptions of the Grants	Budget Estimates (revised estimates)	Expenditure in March	Percentage of expenditure in March#	Expenditure incurred during last quarter	Percentage of expenditure during last quarter#	Reasons as furnished by the Ministries/Departments
Civil							
1.	9-Ministry of Civil Aviation	5882.22 (6985.40)	1181.43	20 (17)	1199.98	--	Ministry of Finance provided additional budget of ₹ 1000.00 crore under Plan and ₹ 103.12 crore under Non-Plan through 3 rd Supplementary Grant. The notification for actual use of additional budget was issued by M/o Finance on 05.03.2014. Accordingly expenditure limitation of 15 per cent for March and 33 per cent for the last quarter could not be maintained.
2.	10-Ministry of Coal	547.70 (2319.00)	318.71	58 (14)	850.73	155 (37)	Due to late receipt of supplementary grants, the expenditure exceeded the prescribed 33 per cent limit in the last quarter of the financial year.
3.	12-Department of Industrial Policy and Promotion	1716.29 (1355.77)	350.76	20 (26)	511.78	30 (38)	Ministry of Finance allocated ₹ 303.80 crore in the month of February 2014 to Delhi-Mumbai Industrial Corridor (DMIC) projects and the expenditure was incurred during March 2014.
4.	45- Department of Disinvestment	63.24 (30.00)	12.71	20 (42)	14.57	23 (49)	Department stated that an amount of ₹ 4.64 crore was adjusted against Advertising and Publicity (new object head) and ₹ 1.97 crore was book adjustment in the month of March 2014.

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Sl. No.	Descriptions of the Grants	Budget Estimates (revised estimates)	Expenditure in March	Percentage of expenditure in March#	Expenditure incurred during last quarter	Percentage of expenditure during last quarter#	Reasons as furnished by the Ministries/Departments
5.	51- Department of Heavy Industry	1028.97 (1542.04)	500.80	49 (32)	684.83	67 (44)	Grant-in-aid to Hindustan Engineering Corporation for ₹ 182.43 crore and to Hindustan Paper Corporation Ltd. for ₹ 47.23 crore could be released only in the month of February and March 2014 respectively after following due procedure. In respect of Lumpsum provision for implementation of Voluntary Retirement Scheme/ Voluntary Separation Scheme (VRS/VSS) etc. for ₹ 116.86 crore and loans for HMT Ltd. for ₹ 27.06 crore, Ministry of Finance relaxed the expenditure ceiling for the last quarter and March 2014.
6.	54-Cabinet	403.00 (375.00)	29.10	--	229.04	57 (61)	Higher expenditure in last quarter was due to one-time releases of ₹ 183.30 crore based on receipt of claim from Air India towards maintenance of PM's aircraft.
7.	70-Ministry of Overseas Indian Affairs	115.79 (97.88)	18.82	16 (19)	28.12	--	A large chunk of expenditure on account of celebration of <i>Pravasi Bhartiya Divas</i> , Awareness & media campaign, Overseas Citizenship of India (OCI), Scholarship Program for Diaspora Children (SPDC) etc., booked in the last quarter.
8.	74-Ministry of Petroleum and Natural Gas	65188.41 (85566.13)	10482.07	16 (12)	30025.62	46 (35)	The releases under the budget heads "Payment to Oil Marketing Companies (OMCs) as compensation for under recoveries in their domestic LPG and Kerosene (PDS) operations", "Payment to OMCs for Direct Transfer of Subsidy of LPG Scheme" and "Payment to OMCs for Project Management Expenditure for Direct Transfer of Subsidy of LPG Scheme" were authorized by Ministry of Finance. Relaxation had also been allowed by Ministry of Finance.
9.	88-Ministry of Shipping	2050.67 (2092.03)	562.69	27 (27)	628.50	--	Pr.AO stated that supplementary Grant of ₹ 153.03 crore and ₹ 146.33 crore received in the month of March 2014 and ₹ 151.21 crore and ₹ 146.33 crore were booked in respective heads in March 2014.
Defence Services							
10.	23-Defence Services (Navy)	12394.43 (13363.94)	2013.73	16 (15)	4525.41	37 (34)	Reason awaited (March 2015)

Figures in parenthesis indicate percent with respect to revised estimates.

-- Expenditure within the prescribed limits

Note: The percentage in the columns may not agree with Annexure 1.2 as these percentages have been calculated with respect to Budget estimates (subject to revised estimates). The percentages in Annexure 1.2, on the other hand, are percentages with respect to total expenditure.

Since the funds released in March to various organisations cannot be constructively spent during the year, which closes on the last day of the same month, it is not possible to conclude whether these funds were applied during the same year for the purpose for which they were authorised.

3.19 Defence Services

3.19.1 Persistent savings

Scrutiny of the Appropriation accounts of Defence Services disclosed a persistent trend of savings (more than ₹ 5 crore) during the years 2011-12 to 2013-14 under charged/voted segment of six grants as detailed in **Table 3.11** below.

Table 3.11: Persistent savings during the years 2011-14

(₹ in crore)

Sl. No.	Description of Grant Sub Major/Minor Head	2011-12	2012-13	2013-14
22 – Defence Services – Army (Major Head 2076)				
1.	110 – Stores (Voted)	451.90	1197.52	750.98
2.	113 – NCC (Voted)	244.63	286.33	16.44
3.	800 – Other Expenditure (Voted)	246.90	490.67	462.22
23 – Defence Services – Navy (Major Head – 2077)				
4.	104 – Pay & Allowances of Civilians (Charged)	7.18	2.00	10.31
5.	104 – Pay & Allowances of Civilians (Voted)	658.17	295.87	17.37
6.	105 – Transportation (voted)	81.94	19.51	42.82
24 – Defence Services – Air Force (Major Head – 2078)				
7.	800 – Other Expenditure (Voted)	52.06	118.49	130.81
25 – Defence Ordnance Factories (Major Head – 2079)				
8.	001 – Direction & Administration (Voted)	4.41	6.09	8.56
9.	004 – Research & Development (Voted)	4.29	21.96	27.25
10.	053 – Maintenance – Machinery and Equipment (Voted)	6.22	2.69	7.33
11.	054 – Manufacture (Voted)	33.42	125.01	24.96
12.	105 – Transportation (Voted)	0.02	34.99	31.65
13.	110 – Stores (Voted)	246.03	781.41	1130.47
26 – Defence Services – Research and Development (Major Head – 2080)				
14.	004 – Research/Research & Development (Voted)	132.09	632.89	85.28
15.	105 – Transportation (Voted)	12.19	26.74	51.04
27 – Capital Outlay on Defence Services (Major Head – 4076)				
01 – Army				
16.	050 – Land (Charged)	17.26	16.35	17.18
17.	050 – Land (Voted)	131.31	14.89	26.89
18.	101 – Aircraft & Aero-engine (Voted)	686.66	745.58	317.65
19.	103 – Other Expenditure (Voted)	3895.78	1591.85	2033.47
20.	105 – Military Farms (Voted)	2.17	6.64	9.18
21.	107 – Ex-Servicemen Contributory Health Scheme (Voted)	34.04	33.17	19.10
22.	113 – NCC (Voted)	22.35	49.31	4.82
23.	202 – Construction Works (Voted)	656.88	1350.22	477.92
02 – Navy				
24.	102 – Heavy and Medium Vehicles (Voted)	12.88	12.55	48.37

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25.	202 – Construction Works (Voted)	34.82	77.31	125.60
26.	205 – Naval Dockyards (Voted)	72.51	287.66	1378.84
03 – Air Force				
27.	050 – Land (Charged)	4.78	7.67	9.58
28.	050 – Land (Voted)	17.45	70.22	46.21

The persisting trend of large savings in the aforesaid heads of grants are indicative of over-estimation of the requirement of funds or poor planning for procurement and projects, poor contract management, lack of an internal control system and failure to take effective remedial measures to avoid persistent savings.

3.19.2 Surrender of savings in Defence Services grants

The savings in a grant or appropriation are required to be surrendered as soon as these are foreseen without waiting till the end of the year. Further, savings should also not be held in reserve for possible future excesses. During 2013-14 under charged segments of two grants, surrenders of ₹ 13.87 crore, was made against a saving of ₹ 23.81 crore. Under Voted segment of one grant, surrender was made for ₹ 7,854.78 crore against saving of ₹ 7,592.40 crore. Thus, overall ₹ 7,854.78 crore under one grants in Voted segment and ₹ 13.87 crore under two grants in Charged segment were surrendered on the last day of the financial year as detailed in **Table 3.12**.

Table 3.12: Details of savings and surrender

Grant/ Appropriation	Savings		Amount Surrendered on last day of the financial year		Amount not surrendered (Lapsed)	
	Charged	Voted	Charged	Voted	Charged	Voted
22-Army	50.23	879.63	--	--	50.23	879.63
23-Navy	12.09	--	--	--	12.09	--
24-Air Force	9.73	--	--	--	9.73	--
26-Research & Development	0.54	25.86	0.15	--	0.39	25.86
27-Capital Outlay on Defence Services	23.27	7592.40	13.72	7854.78	9.55	--
Total	95.86	8497.89	13.87	7854.78	81.99	905.49

In the case of Grant No. 27-Capital Outlay on Defence Services (Voted), the Ministry of Defence surrendered ₹ 7,854.78 crore against the available savings of ₹ 7,592.40 crore. This indicates deficient budgetary control mechanism in the Ministry.

4: APPROPRIATION ACCOUNTS: COMMENTS ON ACCOUNTS

4.1 Continuing breach of Article 114(3) of the Constitution of India- Expenditure incurred on interest on refunds of taxes by the CBDT

Article 114(3) of the Constitution stipulates that no money shall be withdrawn from the Consolidated Fund of India (CFI) except under appropriation made by law. Payment of interest on refunds of excess tax is a charge on the Consolidated Fund of India and is, therefore, payable only after having been authorised under the due appropriation made by law. Rule 8 of the Delegation of Financial Powers Rules, 1978, describes 'Interest' as the primary unit of appropriation for classification of interest expenditure.

The Department of Revenue/Central Board of Direct Taxes (CBDT) has been classifying interest on refunds of excess tax as reduction in revenue and this incorrect practice has been commented upon successively in CAG's Audit Report on Union Government Accounts as well as in CAG's Report on Direct Taxes, but no corrective action has been taken by the Department.

This issue was examined by the Public Accounts Committee (PAC) and the Committee in their 66th Report (15th Lok Sabha 2012-13) had observed that there was no valid ground as to why the Department could not make broad estimates of expenditure on interest liability on tax refunds based on the studied trends of the past. The Department itself had admitted that in terms of Article 266 of the Constitution, it had no legal authority to withdraw the 'interest' on excess tax collected/refunds without recourse of Appropriation law passed by the Parliament. Further, the Committee reminded the Department that Article 114(3) of the Constitution clearly mandates that no money shall be withdrawn from the Consolidated Fund of India except under 'Appropriation' made by the Legislature.

In their follow-up Report (96th Report of 15th Lok Sabha 2013-14) the PAC reiterated their earlier recommendation that the Ministry of Finance devise a procedure in conformity with the Constitutional provisions and the Financial Rules so that interest payments on tax refunds are shown in the Annual Financial Statement and Demand for Grants and receive Parliamentary approval as ordained by the Constitution.

As in the past, no budget provision for interest on refunds was made in the Budget Estimates for the financial year 2013-14 and an expenditure on interest on refunds amounting to ₹ 6,598 crore was incurred by the Department, in contravention of provisions of the Constitution. Expenditure of ₹ 42,903 crore on interest

payments had been incurred over a period of last six years without obtaining approval of the Parliament through necessary appropriation, as detailed in **Table 4.1** below:

Table 4.1: Expenditure on interest on refunds of taxes
(₹ in crore)

Year	Expenditure on interest on refunds
2008-09	5778
2009-10	6876
2010-11	10499
2011-12	6486
2012-13	6666
2013-14	6598
Total	42903

The Ministry of Finance, Department of Revenue reiterated (February 2015) its earlier stand that the classification of interest on refunds of excess tax as reduction in revenue by the Ministry is in conformity with the Constitutional Provisions and in no manner dilutes or negates Parliamentary control of public purse.

The reply of the Ministry is not acceptable as the interest on refund of excess tax is an item of expenditure and cannot be treated as a reduction in revenue.

4.2. Expenditure incurred without a budget line

Article 114(3) of the Constitution of India provides that no money shall be withdrawn from the Consolidated Fund of India except under appropriation made by law.

Audit scrutiny of Head-wise Appropriation Accounts of Grant No. 20 revealed that an amount of ₹ 171 crore was incurred without any budget provision provided by way of Parliamentary authorisation, as detailed below in **Table 4.2**.

Table 4.2: Expenditure incurred without budget line

Grant No. and Head of Account	Amount (₹ in crore)	Reply of Ministry	Remarks
20-Ministry of Defence (Civil)			
2075.00.108.01.01.31 (code 098/55) Directorate of Canteen Services	171.00	Controller General of Defence Accounts (CGDA) stated (December 2014) that from FY 2014-15 onwards the booking and expenditure of Canteen Trade Surplus and Quantitative Discount (QD) would be undertaken under head of account 2075.00.108.01.01.31 (Grants-in-aid-General).	The action taken by the Ministry had been verified from DDG for the year 2014-15.
Total	171.00		

4.3 Transfer of funds to non-public fund by way of Quantitative Discount (QD)

The Canteen Stores Department (CSD) was created to provide easy access to quality products of daily use, at prices lower than market rates to the soldiers, ex-servicemen and their families. The CSD is a departmental commercial

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undertaking under the Ministry of Defence and is financed through the budgetary process. Budget provisions for CSD are contained in the civil grant of the Ministry of Defence.

The CSD has 34 depots strategically located across India. The CSD puts its operation in close proximity to 3600 Unit Run Canteens (URCs), which are regimental institutions. URCs indent stores from the base depot in Mumbai or the accredited area depot. CSD also assists the URCs by way of soft loans and quantitative discounts (QDs). The URCs are outside the purview of the Parliamentary financial oversight. Neither the budget documents nor the proforma accounts of CSD reflect the operation of the URCs.

The CSD provides QD in the form of free stores to all the Unit Run Canteens. The cost of the free stores by way of QD is booked in the Government accounts in the civil grant of Ministry of Defence. QD is calculated at 4.5 *per cent* in respect of goods on which CSD loads a profit margin of six *per cent* and 3.5 *per cent* in respect of goods on which CSD loads a profit margin of five *per cent*.

Audit scrutiny of Grant No. 20 -Ministry of Defence (Civil) revealed that ₹ 1,423.28 crore was transferred from Consolidated Fund of India through the Object Head '50-Other Charges' to URCs in the form of QD during the period from 2009-10 to 2013-14, as detailed in **Table 4.3** below:

Table 4.3: Details of QD transferred to URCs

(₹ in crore)

Year	Budget Provision under OH '50-Other Charges'	Actual expenditure under 'Other Charges' (QD)
2013-14	375.00	331.83
2012-13	300.00	651.64
2011-12	210.00	223.52
2010-11	210.00	0
2009-10	200.00	216.29
Total		1423.28

Thus, assistance to URCs in the form of QD from CFI by using the object head '50-Other Charges' was not in conformity with the provision of General Financial Rules (GFRs) and Delegation of Financial Power Rules (DFPRs), which require that any such transfers should be in form of Grants-in-aid. Since the accounts of URCs are outside the Government accounts, assistance to URCs should be given in the form of Grants-in-aid.

Office of the Controller General of Defence Accounts (CGDA) stated (February 2014) that the booking of expenditure towards QD was done under the punching/imprest code head 'Other Charges' every year since the new Accounting System had been adopted by CSD from 1989-90. The provision of budget and expenditure was booked under the head of accounts 2075.00.108.00.00.50-'Other Charges'.

The fact remains that an amount of ₹ 331.83 crore was transferred to non-public fund of URCs through object head 'Other Charges' during the year 2013-14. The

expenditure on account of QD should have been correctly booked under object head '31-Grants-in-aid-General'.

CGDA stated (December 2014) that the matter had been examined in the 79th Executive Committee meeting of Board of Control Canteen Services (BOCCS) (March 2014) and it was decided to merge two Code Heads viz. 'Contribution-Canteen Trade Surplus' and 'Other Charges-Quantitative Discount(QD)' into one Code Head 'Grants-in-aid'. Accordingly, funds for CSD were projected for FY 2014-15 for the above heads under 'Grants-in-aid'.

The action taken by the Ministry was verified from the Detailed Demands for Grant (DDG) for the year 2014-15 and found to be correct.

4.4 Failure to obtain legislative approval for augmenting provisions

4.4.1 Augmentation of provision to object head '31-Grants-in-aid-General'

In accordance with instructions issued by the Ministry of Finance in May 2006 relating to financial limits to be observed in determining cases relating to New Service (NS)/New Instrument of Service (NIS), augmentation of provision by way of re-appropriation to the object head 'Grants-in-aid' to any body or authority from the Consolidated Fund of India in all cases could only be made with the prior approval of the Parliament.

Scrutiny of Appropriation Accounts alongwith *e-lekha* data revealed that in 12 cases across five grants, expenditure aggregating ₹ 110.71 crore was incurred by various Ministries/Departments during the financial year 2013-14 by augmenting of provision under object head '31-Grants-in-aid-General' to various bodies/authorities without obtaining prior approval of the Parliament thereby attracting the limitations of NS/NIS. The table below gives details of heads where augmentation was made under various grants/appropriations without approval of the Parliament.

Table 4.4: Augmentation of provision to object head '31-Grants-in-aid-General'

Sl. No.	Head of Account	BE*	NE*	SA*	TA*	TE*	Amount
		(₹ in crore)					
Grant No. 04- Department of Atomic Energy							
1.	3401.00.800.06.04.31 Atomic Energy Education Society	2.25	-	-	2.25	3.25	1.00
2.	3401.00.800.06.05.31 Atomic Energy Education Society	9.20	-	-	9.20	10.90	1.70
Grant No. 20-Ministry of Defence (Civil)							
3.	2052.00.092.03.01.31 Defence Estate Organisation (code 094/83)	174.05	-	51.64	225.69	233.00	7.31
Grant No. 26- Defence (Research and Development)							
4.	Aeronautical Research and Development Board (code 852/02)	0.80	-	-	0.80	21.58	20.78

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Sl. No.	Head of Account	BE*	NE*	SA*	TA*	TE*	Amount
		(₹ in crore)					
5.	Naval Research Board (code 852/03)	1.43	-	-	1.43	6.00	4.57
6.	Armament Research Board (code 852/04)	0.22	-	-	0.22	1.71	1.49
7.	Life Sciences Research Board (code 852/05)	1.08	-	-	1.08	2.62	1.54
8.	Extramural Research & Intellectual Property Rights (code 852/06)	2.30	-	-	2.30	60.00	57.70

The Ministry of Defence stated (November 2014) that the total allocation for Grants-in-aid is reflected in Defence Service Estimates Volume-II and only the portion relating to non-government bodies is reflected under Annexure 'E'. It would be erroneous to misconstrue the allocations reflected in Annexure 'E' as the total allocation for Grants-in-aid available to the various Defence Research Boards.

The reply of the Ministry is not acceptable as only Annexure-'E' of Defence Service Estimates is approved by the Parliament and the details under the Defence Service Estimate Volume-II which carries different information are not approved by the Parliament.

Grant No. 60- Department of Higher Education

9.	3601.04.189.02.01.31 Rashtriya Uchcha Shiksha Abhiyan (RUSA)	-	52.64	-	52.64	65.57	12.93
10.	3601.04.789.43.02.31 RUSA	-	11.55	-	11.55	12.69	1.14
11.	3601.04.796.09.02.31 RUSA	-	5.81	-	5.81	6.34	0.53

The Department of Higher Education stated (January 2015) that the transfer to States and Union Territory Governments are exempt from limits of NS/NIS provided the scheme is not new as per the Ministry of Finance OM dated 25 May 2006 and augmentation of the provision under the said head of account was made by the way of re-appropriation with the approval of the Ministry of Finance.

The reply is not acceptable as the RUSA Scheme was launched in the year 2013 (as per information available on the Department's website) and also the scheme was not shown in the Detailed Demands for Grants (DDG) for the 2012-13. Hence, any augmentation of funds should have been done with the prior approval of the Parliament.

Grant No. 61- Ministry of Information and Broadcasting

12.	2220.01.105.01.01.31 Film Division	0.03	-	-	0.03	0.05	0.02
Total							110.71

* BE= Budget Estimates, NE= Provision for development of North Eastern Region under MH 2552/4552/6552, SA= authorisation/approval of Parliament obtained through Supplementary Demand for grants, TA = Total authorisation, TE= Total expenditure (as per classified abstract/e-lekha data dump)

4.4.2 Augmentation of provision to object head '35-Grants for Creation of Capital Assets'

In accordance with instructions issued by the Ministry of Finance in May 2006 relating to financial limits to be observed in determining cases relating to New Service/ New Instrument of Service, augmentation of provision by way of re-appropriation to the object head 'Grants-in-aid' to anybody or authority from the Consolidated Fund of India in all cases could only be made with the prior approval of the Parliament.

Audit noticed that in five cases across three Grants, funds aggregating to ₹ 171.99 crore were augmented in violation of extant provision without prior approval of Parliament to the object head '35-Grants for creation of Capital Assets', attracting limitations of NS/NIS.

Table 4.5: Augmentation of provision to object head 'Grants for creation of Capital Assets'

Sl. No.	Head of Account	BE*	NE*	SA*	TA*	TE*	Amount
		(₹ in crore)					
Grant No. 04- Department of Atomic Energy							
1.	3401.00.004.15.08.35 Institute for Plasma Research, Gandhinagar	475.00	-	-	475.00	498.00	23.00
Grant No. 60- Department of Higher Education							
2.	3601.04.189.02.01.35 RUSA	-	22.56	-	22.56	137.76	115.20
3.	3601.04.789.43.02.35 RUSA	-	4.95	-	4.95	26.66	21.71
4.	3601.04.796.09.02.35 RUSA	-	2.49	-	2.49	13.34	10.85
<p>The Department of Higher Education stated (January 2015) that the transfer to States and Union Territory Governments are exempt from limits of NS/NIS provided the scheme is not new as per the Ministry of Finance OM dated 25 May 2006 and augmentation of the provision under the said head of account was made by the way of re-appropriation with the approval of the Ministry of Finance.</p> <p>The reply is not acceptable as the RUSA Scheme was launched in the year 2013 (as per information available on the Department's website) and also the scheme was not shown in the DDG for the 2012-13. Hence, any augmentation of funds should have been done with the prior approval of the Parliament.</p>							
Grant No. 89- Ministry of Social Justice & Empowerment							
5.	2225.01.789.09.00.35 Special Component Plan for SCs- Girls Hostel	8.00	1.00	7.00	16.00	17.23	1.23
<p>The Ministry of Social Justice & Empowerment stated (December 2014) that the re-appropriation of excess amount of ₹ 1.23 crore was done from Major head-2552 (North Eastern Region) in respect of which the Ministry had full powers.</p> <p>The reply is not tenable as the re-appropriation from Major Head-2552 can be done to the respective functional head for the same scheme under the same sector viz. "General", "Special Component Plan for SCs" and "Tribal Area Sub Plan" for which distinct provisions are obtained from the Parliament under the functional head as well as the non-functional heads (i.e. Major Head 2552).</p>							
Total							171.99

* BE= Budget Estimates, NE= Provision for development of North Eastern Region under MH 2552/4552/6552, SA= authorisation/approval of Parliament obtained through Supplementary Demand for grants, TA = Total authorisation, TE= Total expenditure (as per Classified abstract/e-lekha data dump)

4.4.3 Augmentation of provision to object head '36-Grants-in-aid-Salaries'

The Ministry of Finance vide its OM dated 7 June 2011 opened a new object head '36- Grants-in-aid-Salaries' with effect from 01 April 2011 with the object of uniquely depicting the expenditure on grants-in-aid for payment of salaries. The Ministry further clarified vide its OM dated 21 May 2012 that augmentation of provision under the object head '36-Grants-in-aid-Salaries' through re-appropriation requires prior approval of the Parliament through Supplementary Demands for Grants.

Audit noticed that in two cases across two grants, funds aggregating to ₹ 1.37 crore were augmented in violation of extant provision, without prior approval of Parliament to the object head '36-Grants-in-aid- salaries' attracting limitations of NS/NIS.

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Table 4.6: Augmentation of provision to object head 'Grants-in-Aid Salaries'

Sl. No.	Head of Account	BE*	NE*	SA*	TA*	TE*	Amount
		(₹ in crore)					
Grant No. 32- Ministry of External Affairs							
1.	2061.00.800.20.00.36 Indian Council of World Affairs	1.24	-	-	1.24	1.31	0.07
The Ministry of External Affairs stated (January 2015) that the excess expenditure was unavoidable being Salaries. The re-appropriation could not be effected because the Parliamentary approval thereof was inadvertently not obtained.							
Grant No. 99- Daman and Diu							
2.	Department of Higher Education 2202.02.110.06.00.36 Grants-in-aid to Private Schools	7.00	-	-	7.00	8.30	1.30
Total							1.37

* BE= Budget Estimates, NE= Provision for development of North Eastern Region under MH 2552/4552/6552, SA= authorisation/approval of Parliament obtained through Supplementary Demand for grants, TA = Total authorisation, TE= Total expenditure (as per Classified abstract/e-lekha data dump)

4.4.4 Augmentation of provision to object head '33-Subsidies'

In accordance with instructions issued by the Ministry of Finance in May 2006, for augmentation of provision in the existing appropriation under the object head 'subsidies' through re-appropriation, prior approval of the Parliament is required, if the additionality is more than 10 per cent of the existing appropriation already voted by the Parliament or ₹ 10 crore, whichever is less.

Scrutiny of Appropriation Accounts alongwith e-lekha data revealed that in three cases in Grant No. 12 pertaining to the Department of Industrial Policy and Promotion (DIPP), funds aggregating ₹ 149.99 crore were incurred by the Department during the financial year 2013-14 by augmenting the provision under the object head '33-Subsidies' without obtaining prior approval of the Parliament. **Table 4.7** gives details of sub-heads where augmentation was made without prior approval of the Parliament attracting limitations of NS/NIS.

Table 4.7: Augmentation of provision to object head 'Subsidies'

Sl. No.	Head of Account	BE*	NE*	SA*	TA*	TE*	Amount
		(₹ in crore)					
Grant No. 12-Department of Industrial Policy and Promotion (DIPP)							
1.	2885.02.101.04.00.33 Central Interest Subsidy Scheme	-	-	-	-	17.88	17.88
2.	2885.02.101.10.00.33 Capital Investment Subsidy	-	-	-	-	131.65	131.65
3.	2885.02.101.05.00.33 Comprehensive Insurance Scheme for North East	-	-	-	-	0.46	0.46
Note: Though a provision of ₹ 149.99 crore was made under 2552.00.238.07.00.33 Package for North East States, however, scheme-wise break-up under non-functional head had not been provided, as required in terms of Budget Division OM. No.F.2(66)-B(CDN)/2001 dated 14 September 2005.							
Total							149.99

* BE= Budget Estimates, NE= Provision for development of North Eastern Region under MH 2552/4552/6552, SA= authorisation/approval of Parliament obtained through Supplementary Demand for grants, TA = Total authorisation, TE= Total expenditure (as per Classified abstract/e-lekha data dump)

DIPP stated (July 2014) that a lump sum provision for subsidies under North East Industrial Investment and Promotion Policy (NEIIPP) in the non-functional head 2552.00.238.07.00.33 without any break-up was done with the intent to have greater leverage in the release of subsidy under various schemes of NEIIPP as per the demand that may mature during the year.

The reply is not tenable as the DIPP had in the past provided the scheme-wise break-up under non-functional head distinctly corresponding to schemes under functional heads in DDG for the year 2010-11 and 2011-12. Moreover, since augmentation under object head 'Subsidies' requires prior approval of Parliament, scheme-wise break-up needs to be disclosed.

The matter was also pointed out in CAG's Report No.1 of 2014, where the lump sum provision of subsidy were distributed between two schemes. However, in the financial year 2013-14 the same were distributed amongst three schemes.

DIPP also stated (November 2014) that it had decided to allocate funds separately for the various components under NEIIPP viz. Capital, Interest and Insurance in future i.e. from financial year 2015-16 onwards, preferably in the ratio 70:20:10 of the allocated budget.

4.4.5 Augmentation of provision to object heads 'Major Works' and 'Machinery and Equipment'

The Ministry of Finance in reference to OM dated 25 May 2006 regarding 'Guidelines on financial limits relating to New Service/New Instrument of Service (NS/NIS)' clarified (21 May 2012 and 5 October 2012) that in regard to the cases of NS/NIS on augmentation under the object heads '52-Machinery and Equipment' and '53-Major Works' all cases relating to augmentation of funds above ₹ 2.5 crore or above 10 per cent of the appropriation already voted, whichever is less, would require prior approval of the Parliament, irrespective of the fact that the augmentation is for new works or for the existing works.

Scrutiny of Appropriation Accounts revealed that in the following 60 cases across 11 grants funds aggregating ₹ 4,863.57 crore were augmented by the various Ministries/Departments during the financial year 2013-14 without obtaining prior approval of Parliament, thereby attracting the limitations of New Service/New Instrument Service as detailed below:

Table 4.8: Augmentation of provision to object heads 'Major Works' and 'Machinery and Equipment'

Sl. No.	Head of Account	BE*	NE*	SA*	TA*	TE*	Amount
		(₹ in crore)					
Grant No. 04-Department of Atomic Energy							
1.	4861.01.208.74.00.53 Ageing Management and System Up-gradation in operating HWPs	18.21	-	3.82	22.03	24.53	2.50

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Sl. No.	Head of Account	BE*	NE*	SA*	TA*	TE*	Amount
		(₹ in crore)					
2.	4861.60.105.12.00.53 Support System for Waste Management Facility at Kalpakkam	0.35	-	-	0.35	0.41	0.06
3.	4861.60.202.44.00.53 Augmentation of Waste Management Facilities	2.40	-	0.28	2.68	2.97	0.29
4.	4861.60.203.24.00.53 Augmentation of Infrastructure Facilities at Kalpakkam	2.58	-	-	2.58	3.30	0.72
5.	4861.60.204.01.24.53 Board of Radiation and Isotope Technology	2.00	-	-	2.00	2.41	0.41
6.	5401.00.206.54.00.53 Performance Enhancement of Indus-2 with Insertion Devices and Up-gradation of Various Sub-systems	0.10	-	0.05	0.15	0.45	0.30
7.	5401.00.206.67.00.53 R&D Activities for High Energy Proton Linac Based Spallation Neutron Source	0.10	-	0.10	0.20	0.43	0.23
8.	4861.60.203.47.00.52 2 MGd RO Desalination Plant at Kalpakkam	14.50	-	-	14.50	17.51	3.01
9.	5401.00.201.01.02.52 Reactor Development Programme	0.50	-	0.30	0.80	1.20	0.40
10.	5401.00.201.92.00.52 R & D Facilities	11.92	-	-	11.92	15.96	4.04
11.	5401.00.400.03.12.52 AMD-Laboratories and Other Plan Schemes	1.05	-	-	1.05	1.55	0.50
Grant No. 09 – Ministry of Civil Aviation							
12.	5053.80.001.01.01.53 Director General of Civil Aviation	7.00	-	-	7.00	11.76	4.76
The Ministry of Civil Aviation stated (January 2015) that this is a continuous project, however, the clarification issued by Ministry of Finance in May 2012 on enhancing budgetary provision have been noted for future compliance.							
Grant No. 27-Capital Outlay on Defence Services							
13.	Navy-Aircraft and Aero Engines	6708.71	-	-	6708.71	7745.95	1037.24
14.	Air Force- Aircraft and Aero Engines	25539.59	-	-	25539.59	29069.00	3529.41
15.	Air Force-Heavy and Medium Vehicle	2.82	-	-	2.82	58.81	55.99
The Ministry stated (November 2014) that the original allocation under the Minor Head 101-Aircraft and Aero- engine remained unchanged and no augmentation was done. Further, these Minor Heads did not fall under the list of heads mentioned in the Ministry of Finance instruction of 25 th May 2006 requiring prior approval of Parliament.							
This reply of the Ministry is not acceptable as separate budget line for 'Aircraft and Aero-engine' exists in Defence Service Estimates of 2013-14 under Army, Navy and Air Force, and the financial limits of augmentation apply separately for each budget line. Further, all procurements under 'Aircraft and Aero-engine' and 'Heavy and Medium Vehicles' falls under the category of 'Machinery and Equipment', as such the financial limits of augmentation prescribed in Ministry of Finance OM of 25 May 2006 equally applies to Defence, subject to considerations of security. Thus, excess expenditure of ₹ 4,622.64 crore incurred over the authorised provisions required the prior approval of the Parliament.							

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Sl. No.	Head of Account	BE*	NE*	SA*	TA*	TE*	Amount
		(₹ in crore)					
Grant No. 53- Ministry of Home Affairs							
16.	4059.80.201.03.00.53 Human Rights Commission	0.50	-	-	0.50	0.64	0.14
<p>The Ministry stated (October 2014) that the amount of ₹ 0.14 crore was augmented by way of re-appropriation on the basis of savings available under the same section of the Grant and it was within the permissible limit. The augmentation was done with the approval of the competent authority and was reported to the Parliament in the third and final batch of Supplementary Demand for Grants.</p> <p>The reply is not acceptable as the Ministry of Finance OM of 25 May 2006 and subsequent clarifications issued thereon clearly provided that the augmentation of provision under the object head 'Major Works'/'Machinery and Equipment' above ₹ 2.5 crore or above 10 per cent of the appropriation already voted, whichever is less, requires prior approval of the Parliament.</p>							
Grant No. 55- Police							
17.	4055.00.212.10.02.52 Delhi Police-Induction of Latest Technology and Capacity Building	1.00	-	-	1.00	3.49	2.49
18.	4055.00.205.01.00.53 Industrial Security Force-Office Buildings	60.98	-	-	60.98	63.74	2.76
19.	4055.00.205.02.00.53 Industrial Security Force-Residential Buildings	34.12	-	-	34.12	37.04	2.92
20.	4055.00.212.09.01.53 Delhi Police-Modernisation of Traffic & Communication Network of Delhi Police	4.00	-	-	4.00	4.96	0.96
21.	4055.00.201.02.00.53 Residential Buildings	144.93	-	2.50	147.43	159.30	11.87
22.	4055.00.203.01.04.52 Directorate General of Border Security Force	26.62	-	-	26.62	142.86	116.24
23.	4055.00.214.01.03.53 Border Management-Indo-Bangladesh Border Works	250.00	-	-	250.00	260.58	10.58
24.	4055.00.201.01.00.53 Office Buildings	644.77	-	-	644.77	649.65	4.88
<p>The Principal Accounts Office, Ministry of Home Affairs stated (October 2014) that in one case token supplementary was obtained, authorisation for additional expenditure over and above BE provision were issued to Border Security Force in view of urgency and the proposals for re-appropriation of funds were sent to the Ministry of Finance. However, Ministry of Finance did not communicate their approval till the close of financial year. In all other cases, bookings have been done by external agencies.</p>							
Grant No. 90-Department of Space							
25.	5252.00.203.03.00.52 INSAT-4/GSAT Satellites	10.42	-	-	10.42	26.15	15.73
26.	5402.00.101.31.00.52 Navigation Satellite System(NSS)	30.88	-	-	30.88	42.53	11.65
27.	5402.00.283.07.00.53 Central Management	4.52	-	-	4.52	7.01	2.49
28.	3402.00.101.01.00.52 Vikram Sarabhai Space Centre (VSSC)	5.00	-	-	5.00	6.78	1.78
29.	5402.00.101.20.00.52 Polar Satellite Launch Vehicle-Continuation (PLSV- C) Project	7.00	-	-	7.00	8.25	1.25
30.	3402.00.101.02.00.52 ISRO Inertial System Unit	0.50	-	-	0.50	1.45	0.95
31.	5252.00.203.03.00.53 INSAT-4/GSAT Satellites	0.26	-	-	0.26	0.99	0.73

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Sl. No.	Head of Account	BE*	NE*	SA*	TA*	TE*	Amount
		(₹ in crore)					
32.	5402.00.103.05.00.52 Atmospheric Science Programme	1.00	-	-	1.00	1.62	0.62
33.	5402.00.102.06.00.53 Disaster Management Support	0.83	-	-	0.83	1.37	0.54
34.	3402.00.101.25.00.52 Satish Dhawan Space Centre-SHAR	0.13	-	-	0.13	0.37	0.24
35.	5402.00.101.35.00.52 Manned Mission Initiative/Human Space Flight Programme	0.25	-	-	0.25	0.42	0.17
<p>The Department of Space stated (December 2014) that the Ministry of Finance OM dated 21 May 2012 did not indicate about the augmentation of funds under the object head 'Machinery & Equipment'. The reply was not acceptable as the OM dated 25 May 2006 and subsequent clarifications dated 21 May 2012 and 5 October 2012 clarified that 'New Works' includes Land, Building and/or Machinery.</p> <p>The Department also stated that augmentation under the object head 'Major Works' pointed out by Audit, was not in order since the same did not exceed the upper limit of ₹ 2.5 crore.</p> <p>The reply of the Department was not acceptable as the above referred Ministry of Finance OM and subsequent clarifications issued thereon clearly provided that the augmentation of provision under the object head 'Major Works'/'Machinery and Equipment' above ₹ 2.5 crore or above 10 per cent of the appropriation already voted, whichever is less, requires prior approval of the Parliament. But in above cases, no Parliamentary approval was obtained.</p>							
Grant No. 96- Andaman and Nicobar Islands							
36.	Ministry of Home Affairs 4055.00.208.06.00.52 - Coastal Security Surveillance Scheme	0.48	-	-	0.48	0.67	0.19
37.	Ministry of Road Transport and Highways 5054.04.337.02.01.53 - Rural Roads	7.00	-	-	7.00	9.45	2.45
38.	Ministry of Urban Development 4059.80.051.04.00.53- General Administration	11.15	-	-	11.15	13.54	2.39
39.	4216.01.106.05.00.53 -General Pool Accommodation-Building	11.41	-	-	11.41	13.92	2.51
40.	4217.60.051.01.00.53 - Construction of Non-Road Side Drain in Port Blair Area	1.00	-	-	1.00	1.73	0.73
41.	4225.02.800.01.00.53- Buildings	0.13	-	-	0.13	1.07	0.94
42.	4801.06.800.01.00.53- Buildings	0.50	-	-	0.50	1.98	1.48
Grant No. 98- Dadra and Nagar Haveli							
43.	Ministry of Home Affairs 4055.00.207.01.00.53 District Police	1.00	-	-	1.00	3.15	2.15
44.	4055.00.208.01.00.53 Indian Reserve Battalion	0.51	-	-	0.51	1.61	1.10
45.	4055.00.211.01.00.53 Police Housing-Building	0.51	-	-	0.51	1.01	0.50
46.	Ministry of Environment & Forests 4406.01.070.06.00.53 Communication and Buildings-Construction	3.01	-	-	3.01	5.02	2.01
47.	Ministry of Micro, Small and Medium Enterprises 4851.00.101.02.00.53 Development of New Industrial Estates	1.50	-	-	1.50	2.28	0.78
48.	Ministry of Urban Development 4216.01.106.05.00.53 -General Pool Accommodation-Buildings	1.30	-	-	1.30	2.79	1.49

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Sl. No.	Head of Account	BE*	NE*	SA*	TA*	TE*	Amount
		(₹ in crore)					
<p>The UT Administration of Dadra and Nagar Haveli stated (February 2015) that the augmentation under these heads was made from the savings available under the other major heads of the same object head 'Major Works'. It was further stated that as per Ministry of Finance OM dated 25 May 2006, the determination of financial limits will be with reference to Primary Unit of Appropriation for 'New Service/New Instruments of Service'. Besides, augmentation of said funds was not for new works but for ongoing works already included in BE.</p> <p>The reply is not acceptable as separate budget line exists for each item of expenditure and approval of the Parliament has to be obtained for each item separately. The financial limit is applicable to both new works and ongoing works in accordance with Ministry of Finance OM dated 25 May 2006 and subsequent clarification dated 21 May 2012.</p>							
Grant No. 99- Daman and Diu							
49.	Ministry of Agriculture 4401.00.800.12.00.53 Buildings	0.70	-	-	0.70	1.20	0.50
50.	Ministry of Tourism 5452.01.103.01.00.52 Tourist Transport-Daman and Diu	0.20	-	-	0.20	0.27	0.07
51.	5452.01.103.01.00.53 Tourist Transport-Daman and Diu	7.18	-	-	7.18	8.20	1.02
52.	Ministry of Urban Development 4210.03.796.02.00.53 Construction of Building under Tribal Area Sub-Plan	0.02	-	-	0.02	0.27	0.25
53.	4215.01.800.01.00.53 Other Items	3.74	-	-	3.74	5.74	2.00
54.	4801.05.095.01.00.53 Buildings-Daman and Diu	1.90	-	-	1.90	3.90	2.00
55.	4058.00.103.04.00.53 Government Presses-Construction	0.05	-	-	0.05	0.08	0.03
56.	4059.80.052.02.00.52-Purchases	0.21	-	-	0.21	0.33	0.12
57.	Ministry of Water Resource 4711.02.103.01.00.53 Construction of Sea Walls	0.80	-	-	0.80	3.30	2.50
Grant No. 101- Department of Urban Development							
58.	4216.01.700.07.03.53 Home Affairs-Buildings	0.30	-	-	0.30	0.45	0.15
<p>The Ministry of Urban Development stated (October 2014) that it did not augment provision under the head 'Major Works'. Thus, excess expenditure had been incurred under this object head without prior approval of the Parliament through Supplementary Demands for Grants during the year 2013-14.</p>							
Grant No. 102- Public Works							
59.	4059.80.051.07.01.53 Audit-Buildings	75.00	-	-	75.00	77.86	2.86
60.	4059.80.051.10.01.53 Finance(Revenue)-Buildings	130.00	-	-	130.00	134.50	4.50
<p>The Ministry of Urban Development stated (October 2014) that the works for which expenditure had been incurred were old and ongoing works and not the new works. The reply of the Ministry is not in accordance with the clarification dated 21 May 2012 of Ministry of Finance, which states that the financial limit is applicable also to ongoing works.</p>							
Total							4863.57

* BE= Budget Estimates, NE= Provision for development of North Eastern Region under MH 2552/4552/6552, SA= authorisation/approval of Parliament obtained through Supplementary Demand for grants, TA = Total authorisation, TE= Total expenditure (as per Classified abstract/e-lekha data dump)

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4.5 Incorrect classification of charged expenditure as voted expenditure

Article 112(3)(f) of the Constitution of India enjoins that any sums required to satisfy any judgment, decree or award of any court or arbitral tribunal shall be charged upon the Consolidated Fund of India.

In the following two cases, expenditure amounting to ₹ 124.26 crore of the nature of charged was incorrectly classified and booked in the Appropriation Accounts for 2013-14 as voted expenditure, as against charged expenditure in violation of the Constitutional directives.

Table 4.9: Misclassification of charged expenditure as voted expenditure

Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Ministry
Misclassification of Charged Expenditure as Voted Expenditure				
1.	56-Other Expenditure of Ministry of Home Affairs	1.21	Grants were released to Government of Mizoram for payment of rental compensation to the land owners for occupation of their land by the security forces, in pursuance to the orders of the Hon'ble Guwahati High Court, Aizwal Bench. The expenditure was incorrectly booked under revenue voted, instead of revenue charged section.	The Ministry stated (October 2014) that the orders of the Court were received from the State Government when the Supplementary Grants had already been exhausted and there were inadequate funds to meet the demand from re-appropriation. It further added that to satisfy the urgency and unavoidable circumstances, such release were entertained.
2.	97-Chandigarh	123.05	Incorrect provision was obtained and expenditure towards payment of enhanced compensation to land owners owing to decision of Hon'ble District Court/High Court, Chandigarh was booked under capital voted section, instead of capital charged section.	Reply awaited (February 2015).
Total		124.26		

4.6 Incorrect classification of expenditure under Revenue account instead of Capital account and vice versa

Article 112(2) of the Constitution of India stipulates that the Annual Financial Statement shall distinguish expenditure on revenue account from other expenditure. The principles for classifying the expenditure on Revenue account and Capital account should accordingly be adhered to.

Cases of incorrect classification of expenditure of revenue nature as capital expenditure and vice versa were pointed out in CAG's Report No. 1 for the financial years 2010-11, 2011-12 and 2012-13. However, a number of Ministries/Departments have continued to obtain incorrect Parliamentary authorisation, leading to misclassification in booking of final expenditure as discussed in succeeding paragraphs.

4.6.1 Misclassification of capital expenditure as revenue expenditure

Rule 8 of the Delegation of Financial Powers Rules, 1978, categorizes the object class six for acquisition of Capital Assets and other Capital Expenditure, wherein the object heads viz. 51 to 56 and 60 are grouped. These object heads¹ pertain to booking of expenditure of capital nature and therefore should correspond with capital major heads only.

Audit scrutiny of Head-wise Appropriation Accounts alongwith *e-lekha* data for the year 2013-14 revealed cases where these object heads were used with revenue major heads as shown in table below, resulting in understatement of capital expenditure by ₹ 1,297.08 crore, if these expenditures were incurred towards acquisition of capital assets and other capital expenditure.

Table 4.10: Misclassification of expenditure of capital nature as revenue expenditure

Sl. No	Description of Grant	Major Head	Object Head	Expenditure (₹ in crore)	Reply of the Department/Ministry
1.	1-Department of Agriculture and Co-operation	2401	51	0.01	The Department stated (December 2014) that provision for object heads '51-Motor Vehicles' and '52-Machinery and Equipment' has been made under Capital Section from the FY 2014-15.
2.			52	0.31	
3.			52	0.02	
4.	14-Department of Telecommunications	3275	51	0.11	The Department stated (September 2014) that the provision/booking of funds had been done as per past practice as the expenditure related to wear and tear of Machinery Equipment and Motor Vehicle. The reply is not tenable as the object heads operated by the Department are not meant for booking expenditure on wear and tear.
5.			52	1.40	
6.	16-Department of Consumer Affairs	3425	52	0.02	The Department stated (December 2014) that the booking of expenditure of the nature of maintenance of Machinery and Equipment under the object head has been discontinued with effect from the year 2014-15.
7.				3475	
8.	20- Ministry of Defence	2037 (Code 041/14)	52	58.03	Controller General of Defence Accounts (CGDA) stated (December 2014) that the case for deletion of object head (2037.00.102.06.01.52) had been taken up with effect from FY 2015-16.

¹ Refer to Annexure 4.1 for details and description of object heads.

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Sl. No	Description of Grant	Major Head	Object Head	Expenditure (₹ in crore)	Reply of the Department/Ministry
9.	20- Ministry of Defence	2075 (Code 098/61)	53	6.79	<p>CGDA stated (December 2014) that Canteen Stores Department was operating four heads of accounts for Works and Capital Expenditure viz. 2075.00.108.01.01.27-Minor Works, 2075.00.108.01.01.53-Major Works, 4075.00.107.03.00.53-Capital Outlay on Land and Building-Major Works and 4216.02.800.01.01.53- Capital outlay for Construction- Minor Works.</p> <p>The booking of expenditure under various works is compiled in these heads of accounts.</p> <p>The reply is not acceptable as an object head –‘53’ of Capital Class should not be operated with revenue major heads.</p>
10.	28-Ministry of Development of North Eastern Region	2052	52	0.01	The Ministry stated (September 2014) that the matter has already been taken up and necessary corrections have been made.
11.	33-Department of Economic Affairs	3054	53	1102.45	The Department stated (October 2014) that budget estimates for 2014-15 have been made under object head ‘50-Other Charges’.
12.	44-Indirect Taxes	2037	52	14.23	The Ministry of Finance stated (January 2015) that action had already been taken to correct the depiction in the Detailed Demands for Grants for the year 2014-15.
13.		2038	52	0.32	
14.	47-Department of Health and Family Welfare	2210	51	0.01	The Department stated (January 2015) that the expenditure was booked by the cheque drawing DDOs inadvertently in the revenue section and due care would be taken in future not to repeat such irregularities.
15.		2210/ 2211	52	0.96	
16.	55-Police	2055	52	0.48	<p>The Principal Accounts Office, Ministry of Home Affairs stated (September 2014) that the expenditure was erroneously booked under this head and mistake was noted at a belated stage. Hence, correction could not be carried out.</p> <p>It was further stated (October 2014) that use of object head ‘52-Machinery & Equipment’ has been discontinued under Major head 2055 in the revenue section.</p>

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Sl. No	Description of Grant	Major Head	Object Head	Expenditure (₹ in crore)	Reply of the Department/Ministry
17.	62-Ministry of Labour and Employment	2230	52	2.24	The Ministry stated (December 2014) that the misclassification had been appearing for past many years. However, the scheme was going to be closed soon.
18.	90-Department of Space	3252	52	0.21	Accepting the audit observation, the Department stated (September 2014/December 2014), it had constituted a committee for issue of 'Compendium on booking of Expenditure'.
19.		3402	52	18.50	
20.	91- Ministry of Statistics and Programme Implementation.	3454	52	0.05	The Ministry stated (October 2014 and January 2015) that all the divisions had already been requested for correct booking of expenditure.
21.	104-Ministry of Water Resources	2701	51/52/53	22.80	Reply awaited (February 2015).
22.		2702	51/52/53	29.40	
23.		2711	51/52	5.01	
24.		3075	52	0.29	
Total				1297.08	

Expenditure figures source: e-lekha data dump/consolidated abstracts.

4.6.2 Misclassification of revenue expenditure as capital expenditure

Rule 8 of the Delegation of Financial Powers Rules, 1978 (DFPRs), categorizes the object heads falling in other than object class 6 and 7 broadly as revenue in nature. Accordingly, these object heads should ordinarily not correspond with the capital major heads.

Audit scrutiny of Head-wise Appropriation Accounts alongwith *e-lekha* data for the year 2013-14 revealed a number of cases where object heads of revenue nature were incorrectly operated with capital major heads. These misclassifications resulted in understatement of revenue expenditure of the Union Government by ₹ 1,253.55 crore as shown in **Table 4.11**, if these expenditures were not incurred towards acquisition of capital assets and other capital expenditure.

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Table 4.11: Misclassification of revenue expenditure as capital expenditure

Sl. No.	Description of Grant	Major Head	Object Head	Expenditure (₹ in crore)	Reply of the Department/Ministry
1.	04-Department of Atomic Energy	4861	27	56.17	The Department stated (January 2015) that Heavy Water (head 4861.01) being the asset of Government of India, all expenses which go into production of Heavy Water were classified under capital head. As regards, Atomic Minerals Division (head 4861.02) the works under capital head are mainly to carry out survey and prospecting work by providing temporary infrastructure and therefore operated under 'Minor Works'. The reply may be viewed in light of the Rule 8 of the DFPRs, which categorises the object head pertaining to class other than class 6 as revenue in nature. The object head '27-Minor Works' is kept in Class-3 and hence may not be booked under capital section.
2.	33-Department of Economic Affairs	5465	32	250.00	The Department stated (October 2014) that the matter would be dealt in consultation with Budget Division and decision would be informed separately.
3.		5475	50	0.02	The Department stated (October 2014) that the issue regarding booking of expenditure under object head '50-Other Charges' would be examined separately with Public Private Partnership Cell and Budget Division.
4.	53-Ministry of Home Affairs	4216	27	3.62	The Ministry stated (October 2014) that the said misclassification had now been rectified by opening two new head of account i.e., 'Minor Works' and 'Office Expenses' in the revenue section under Major head "2070" in consultation with the Ministry of Finance.
5.	55- Police	4055	50	838.80	The Principal Accounts Office, Ministry of Home Affairs stated (October 2014) that there is no restriction on the use of the object head of class 1 to 5 under the capital section of the grant. The reply is not acceptable as Rule 8 of the DFPRs, categorizes the object heads falling in other than object class 6 and 7 broadly as revenue in nature. Accordingly, these object heads should ordinarily not correspond with the capital major heads.
6.	88-Ministry of Shipping	5051	50	0.36	Reply awaited (February 2015).
7.		5052	50	0.41	

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Sl. No.	Description of Grant	Major Head	Object Head	Expenditure (₹ in crore)	Reply of the Department/Ministry
8.	88-Ministry of Shipping	5051	01/06/ 11/13/ 20/26	7.00	The Principal Chief Controller of Accounts of the Ministry stated (September 2014) that the matter was examined by the Ministry and necessary provisions to charge the expenditure on staff to Revenue head had been made under the head 3051 in the Detailed Demand for Grants for the year 2014-15.
9.	94-Ministry of Tourism	5452	28	2.00	The Ministry of Tourism stated (October 2014) that it would take up the issue of booking of the expenditure on Project Management Consultant under the head "Professional services" with the Ministry of Finance before signing of any new agreement.
10.	96-Andaman and Nicobar Islands	4059	28	0.05	Reply awaited (February 2015).
11.		4401	21	5.48	
12.		4406	50	0.38	
13.		4801	50	0.55	
14.		4801	21	76.70	
15.		4801	43	0.63	
16.		5052	50	1.66	
17.		5452	50	3.38	
18.	104-Ministry of Water Resources	5075	01/03/ 06/11/ 13/20/ 43/50	6.34	Reply awaited (February 2015).
Grand Total				1253.55	

4.6.3 Incorrect recording of expenditure on viability gap funding in capital section amounting to ₹ 450 crore

Rule 31 of Government Accounting Rules, 1990 read with Rule 79 of the General Financial Rules, 2005 stipulate that any expenditure incurred for creation of concrete assets of permanent or intermittent character shall be classified as capital expenditure. The ownership of the asset created shall also rest with the Government to qualify the expenditure on its creation and classified in capital section of the grant.

Further, Para 4 of Appendix 3 referred in Rule 48 of the General Financial Rules, 2005 stipulates that no lump sum provision shall be made in the Budget except where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project/scheme which has been accepted in principle for being taken up in the financial year. Rule 8 of the DFPRs stipulates that object head '42-Lump sum provision' should be used to record expenditure in respect of schemes whose provision does not exceed ₹ 10 lakh.

During scrutiny of the Appropriation Accounts alongwith Consolidated Abstract and Detailed Demand for Grants of Grant No. 33 pertaining to the Department of Economic Affairs for the year 2013-14, it was observed that an expenditure of ₹ 450 crore representing assistance for infrastructure projects in the form of

Viability Gap Funding (VGF) was booked in the capital section of the grant. Since assistance as VGF for infrastructure development provides financial support in the form of Grants, one time or deferred, for projects undertaken through Public Private Partnership mode with a view to make them commercially viable, booking of such expenditure under the head 5475-Capital Outlay on Other General Economic Services – 800 Other Expenditure, 12-Assistance for Infrastructure Development Viability Gap Funding, against the object head '42-Lump sum provision', was contrary to the rules cited above. This expenditure should have been booked under the revenue section of the grant.

Moreover, the provision of ₹ 678 crore obtained for expenditure under the object head '42 – Lump sum provision' was in violation of extant instructions which stipulate that lump sum provision should not exceed ₹ 10 lakh. In all other cases, break-up by other objects of expenditure must be given. The matter was also pointed out in the CAG's Report No.1 of 2013 and 2014, but no steps have been taken to obtain the provision under correct head.

The Department stated (October 2014) that this was actually classic capital expenditure; where capital expenditure is for asset creation this would, had the project been viable, been financed by the concessionaire, been his capital expenditure that is passed on as a grant to the concessionaire. It further stated that Government Accounting Rules read with GFR itself stipulate that capital expenditure incurred for creation of concrete asset of permanent or intermittent character shall be classified as capital expenditure. The ownership of the asset created shall also rest with Government to qualify the expenditure on its creation and classified in capital section of the grant.

The Department may revisit their reply in the light of the recommendations of the Committee, under the Chairmanship of Shri C. R. Sundaramurti, constituted to review the list of Major and Minor Heads of Accounts of the Union and States, wherein VGF has been classified as revenue expenditure. This report is, however, under consideration of the Government for implementation.

4.6.4 Other cases of Misclassification

Rule 79 of General Financial Rules, 2005 stipulates that charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order, as also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses shall be classified as revenue expenditure.

Audit scrutiny of Head-wise Appropriation Accounts alongwith *e-lekha* data for the year 2013-14 revealed a number of cases, where expenditure of revenue nature was classified as capital expenditure or vice-versa, resulting in overstatement/understatement of revenue expenditure and also having an impact

on revenue deficit of the Union Government by ₹ 1,263.24 crore, as shown in table below:

Table 4.12: Misclassification between different sections of the grant

Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department/Ministry
Misclassification of revenue expenditure as capital expenditure				
1.	11- Department of Commerce	108.50	The Department released an amount of ₹ 108.50 crore to Footwear Design and Development Institute (FDDI) for establishment of new branches of FDDI (at Patna, Hyderabad and Guna in Madhya Pradesh) and for expansion and upgradation of FDDI Training centre (at Chhindwara). The amount was booked in accounts in capital section of the grant under the object head 'Major Works' (5453.80.800.10.01.53) instead of booking under object head '35-Grants for creation of Capital Assets' in the revenue section of the grant.	Reply awaited (February 2015).
2.		1.00	The Department released an amount of ₹ 1.00 crore to FDDI for establishment of Campus Networking Centre (FDDI-CNC) and Centre of Excellence for Leather goods etc., which was booked in accounts in capital section of the grant under the object head 'Major Works' (5453.80.800.10.02.53) instead of booking under '35-Grants for creation of Capital Assets' in the revenue section of the grant.	Reply awaited (February 2015).
3.	14-Department of Telecommunications	211.51	The Department paid an amount of ₹ 211.51 crore to BSNL as bandwidth hiring charges for AFNET (Air Force Network) which was incorrectly booked under object head '60-Other Capital Expenditure' under Capital Major Head- 5275 instead of object head '28- Professional Services' under Revenue Major Head-3275.	The Department stated (February 2015) that the Ministry of Finance did not approve the proposal for re-appropriation of funds from Capital to Revenue as there was no provision in GFRs. The reply is not acceptable as the reply is not related to audit observation pointing out misclassification during 2013-14.
4.	33-Department of Economic Affairs (DEA)	1.34	Expenditure representing the subscription made by the Government of India to African Development Fund was booked in the capital section of Grant under the object head '54-Investment' (5466.00.205.02.00.54). The nature of expenditure being contribution, should have been correctly classified under the revenue section of the Grant against the object head '32-Contributions'. The matter was also pointed out in CAG's Report No. 1 of 2014.	The Department stated (October 2014) that the matter regarding booking of expenditure under object head 54 under revenue section would be examined separately with Multilateral Institutions (MI) Division and Budget Division. Audit pointed out booking of expenditure under object head- '32' in revenue section, and not under object head- '54'.

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Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department/Ministry
5.		1000.00	<p>Expenditure incurred in the 'National Skill Certification and Monetary Reward Scheme' of National Skill Development Corporation (NSDC) was booked in accounts in the capital section of the Grant (5465.01.190.24.03.54). These funds were provided to NSDC to extend training facilities to motivate youth of the country to develop different skills in order to boost their employability and productivity and not for enhancement of the capital of the NSDC.</p> <p>This expenditure should have been correctly classified under the revenue section of the Grant against the object head '32-Contributions'.</p>	The Department stated (October 2014) that provision for 'National Skill Certification and Monetary Reward Scheme' has been made under revenue section of the grant in the DDG 2014-15.
6.	85-Department of Science and Technology	0.21	The Department incurred an expenditure of ₹ 0.21 crore towards maintenance of building which was incorrectly booked in the capital section under object head '53- Major Works' instead of booking it under object head '27-Minor Works' in the revenue section of the grant.	The Department stated (December 2014) that the utilisation of budget under any specific code head (Major/Minor) are carried out after concurrence of Controller of Accounts/IFD. However the point raised by Audit had been rectified during 2014-15 as per advice of Controller of Accounts.
7.		0.13	The Department incurred an expenditure of ₹ 0.13 crore towards computer table, low height chambers, low height almirah and booked these under object head '53- Major Works' in the capital section instead of booking it under object head '13-Office Expenses' in the revenue section of the grant.	Reply awaited (February 2015).
8.	88-Ministry of Shipping	55.98	The Ministry disbursed an amount of ₹ 55.98 crore to Indian Maritime University (Chennai), a Central Institute, for the construction and development of new campus, which was incorrectly booked in capital section under object head '53- Major Works' instead of classifying it under the object head '35-Grants for creation of Capital Assets' in revenue section of the grant.	The Principal Chief Controller of Accounts of the Ministry stated (September 2014) that the matter was examined in the Ministry and necessary provisions were made in the Detailed Demands for Grants for 2014-15 against the object head '35-Grants for creation of Capital Assets' under Revenue major head '3052'.
9.	90-Department of Space	1.66	The Department incurred an expenditure of ₹ 1.66 crore towards licence fee and royalty to Department of Telecommunications for its remote sensing satellites which was incorrectly booked under object head '60-Other Capital Expenditure' and '52-Machinery and Equipment' in the capital section instead of object head '50-Other Charges' under revenue section of the grant.	Accepting the audit observation, the Department stated (September/December 2014), it had constituted a committee for issue of 'Compendium on booking of Expenditure'.

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Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department/Ministry	
10.	90-Department of Space	0.23	The Department incurred an expenditure of ₹ 0.23 crore towards maintenance charges of S-Band High Power Amplifier which was incorrectly booked under object head '52-Machinery and Equipment' in capital section instead of object head '27-Minor Works' in revenue section of the grant.		
11.		8.89	The Department incurred an expenditure of ₹ 8.89 crore towards electricity charges which was incorrectly booked under object head '60-Other Capital Expenditure' in capital section instead of object head '13-Office Expenses' in revenue section of the grant.		
12.		0.63	The Department incurred an expenditure of ₹ 0.63 crore on grants-in-aid for creation of Capital assets under Atmospheric Science Project (ASP) to NARL (An autonomous body) which was incorrectly booked under object head - '60-Other Capital Expenditure' in capital section instead of object head '35- Grants for creation of Capital assets' in revenue section of the grant.		The Department stated (December 2014) that ASP programme is implemented by various units/autonomous bodies. Therefore, funds released under this project to NARL (an autonomous body under it) for procurement of capital equipment was booked under Other Capital Expenditure. The reply is not tenable as funds released by a Government Department to any outside agency for procurement of capital equipment under a project/programme/scheme is required to be booked under Object Head '35- Grants for creation of Capital Assets'.
13.		80.77	The Department incurred an expenditure of ₹ 80.77 crore towards 'Contractual Satellite Tracking Services' provided by NASA which was incorrectly booked under Object head - '60-Other Capital Expenditure' in capital section instead of object head '30- Other Contractual Services' in revenue section of the grant.		Accepting the audit observation, the Department stated (September/December 2014), it had constituted a committee for issue of 'Compendium on booking of Expenditure'.
Revenue expenditure understated by ₹ 1,470.85 crore.					

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Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department/Ministry
Misclassification of Capital expenditure as Revenue expenditure				
1.	85-Department of Science and Technology	1.03	The Department incurred an expenditure of ₹ 1.03 crore towards fee for execution of lease deed of land procured at NOIDA, UP for construction of National Centre for Medium Range Weather Forecasting (NCMRWF) complex which was incorrectly booked in the revenue section under object head '14-Rent, Rates and Taxes' instead of object head '53-Major Works' in capital section of the grant.	The Department stated (December 2014) that the payment was made for Rent & Taxes and amount related with the extension of lease was waived off by the competent authority of NOIDA. Therefore, the payment had been made properly being the amount raised by the NOIDA authority related with the Rent & Taxes and leased land. The purpose mentioned in the sanction was 'for lease' and hence, the reply is factually incorrect. Also, the expenditure incurred was of capital nature as the construction work of the building was not complete by then.
2.	90-Department of Space	198.14	The Department of Space in its order dated 16 April 2007 clarified that expenditure on 'supplies and materials' and 'other charges' in case of satellites, having life of more than one year (including launch services for such satellites) was classifiable as 'Other Capital Expenditure'. However, an expenditure of ₹ 198.14 crore was booked incorrectly under the object head '21-Supplies and Materials' and '50-Other Charges' in revenue section, which should have been correctly booked under '60-Other Capital Expenditure' in capital section as per the extant orders.	Accepting the audit observation, the Department stated (September/December 2014), it had constituted a committee for issue of 'Compendium on booking of Expenditure'.
3.		8.44	Expenditure on acquisition of equipment (three cases ²) was classified in Revenue Section under object head '21-Supplies and Materials' instead of object head '52- Machinery and Equipment' in the Capital section.	
Revenue expenditure overstated by ₹ 207.61 crore.				
Overall Impact: Understatement of revenue expenditure by ₹ 1,263.24 crore.				

Such types of misclassification dilute the accountability and defeat the very purpose of achieving transparency, completeness, integrity, consistency and comparability in accounting and, therefore, urgent action is required to ensure that they do not recur.

Impact of misclassification:

Deviation by the Ministries/Departments from following the principles of classification as specified in Article 112(2) of the Constitution of India has the effect of either understatement or overstatement of revenue deficit of the Government.

² 3402.00.101.01.00.21, 3402.00.800.01.00.21, 3402.00.101.33.00.21

The impact of incorrect classification of revenue expenditure as capital expenditure and vice versa was overstatement of capital expenditure by ₹ 3,174.40 crore and understatement of capital expenditure by ₹ 1,504.69 crore. The overall impact on Government expenditure was an overstatement of capital expenditure of ₹ 1,669.71 crore. Correspondingly revenue deficit was understated by an equivalent amount of ₹ 1,669.71 crore during the financial year 2013-14.

4.7 Other cases of misclassification within same section of the grant/appropriation

4.7.1 Incorrect transactions passed through Consolidated Fund of India instead of Public Accounts of India

Article 266 (1) & (2) of the Constitution of India provides that all revenues received by the Government of India, all loans raised by that Government by issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one Consolidated Fund to be entitled "the Consolidated Fund of India". Besides the normal receipts and expenditure of that Government, which relate to the Consolidated Fund, certain other transactions enter the Government Accounts, in respect of which the Government acts more as a banker/transferor. The public moneys thus received are kept in the Public Account, and the connected disbursements are also made there from.

Scrutiny of Appropriation Accounts in respect of Grant No. 10 pertaining to the Ministry of Coal for the year 2013-14 revealed that ₹ 761 crore was deposited by Coal India Limited (CIL) with the Ministry for acquisition of coal bearing areas on their behalf. An expenditure of ₹ 761 crore was incurred for acquisition of coal bearing areas in the capital head of account 4803.00.800.01.00.54 from the CFI and expenditure was netted out with receipts from CIL. Since the coal bearing areas were acquired against specific deposit made by CIL, the transaction should not have passed through the Consolidated Fund of India. The matter was also pointed out in the CAG's Report No. 1 of 2013 and 2014.

The Ministry of Coal stated (September 2014) that for the financial year 2013-14 the modalities for booking of the expenditure in Public Account instead of Consolidated Fund of India were under process. There was no outgo of funds from CFI.

Similarly, scrutiny in respect of Grant No. 76 pertaining to the Ministry of Power for the year 2013-14 revealed that an amount ₹ 301.45 crore deposited by National Thermal Power Corporation (NTPC) to the Ministry for acquisition of coal bearing areas on their behalf had been treated as reduction in capital expenditure incurred from the Consolidated Fund of India, instead of passing the transaction through Public Account as deposit work. Since the coal bearing areas

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were acquired against specific deposit made by NTPC, the transaction should not have passed through the Consolidated Fund of India.

The Ministry stated (December 2014) that the expenditure was incurred against fund provided by NTPC and the same was related to payment of compensation to the land oustees under section 17 of the Coal Bearing Areas (Acquisition and Development) Act, 1957 for the land acquired in respect of coal block allotted to NTPC by Ministry of Coal. Hence the above expenditure was routed through Demands for Grants of Ministry of Power without any net outgo from CFI.

The reply of the Ministry is not tenable as the transaction does not conform to extant provision of the Constitution of India, which provides for routing such transaction through Public Account of India.

4.7.2 Non-operation of object head ‘Grants-in-aid-Salaries’

The Department of Expenditure, Ministry of Finance introduced a new object head ‘36-Grants-in-aid-Salaries’ with effect from 1 April 2011 in the list of object heads under object class-4 below Rule 8 of Delegation of Financial Powers Rules 1978.

Scrutiny of Appropriation Accounts for the year 2013-14 revealed that the object head was not operated by the following Ministries/Departments, as detailed below.

Table 4.13: Non-operation of object head ‘Grants-in-aid-Salaries’

Sl. No.	Grant No. & Name	Audit observation and reply of the Ministry/Department
1.	12-Department of Industrial Policy and Promotion	<p>The National Manufacturing Competitiveness Council (NMCC) is an autonomous body vide Department of Industrial Policy and Promotion (DIPP) Notification dated 6 October 2004. An expenditure of ₹ 2.40 crore incurred towards establishment expenses of NMCC was booked under the object head ‘01-Salaries’, ‘03-Overtime allowance’, ‘06-Medical treatment’, ‘13 Office expenses’, etc. in the revenue section of the grant under the sub head 2852.80.800.19. The allocation/expenditure in respect of salary should have been classified under the object head ‘36-Grants-in-aid-Salaries’.</p> <p>DIPP referring to the provision of Rule 206 of GFRs stated (September 2014) that NMCC had not yet been registered under the Societies Registration Act, 1860 and hence the budgetary provision had not been provided under grants-in-aid. In view of audit comments, NMCC has been directed to get itself registered under the Societies Registration Act, 1860 immediately.</p> <p>DIPP further stated (November 2014) that the Council would be provided budgetary allocation under Object head ‘36-Grants-in-aid-Salaries’ for the next financial year 2014-15.</p>
2.	14-Department of Telecommunications	<p>The Department released an amount of ₹ 224.25 crore to Centre for Development of Telematics (C-DOT). Out of the total grant received, an amount of ₹ 126.44 crore was disbursed as salaries and staff benefits by C-DOT. However, the entire amount of ₹ 224.25 crore was booked by the Department as ‘Grants-in-aid-General’ instead of segregating it into object head ‘31-Grants-in-aid-General’ and ‘36-Grants-in-aid-Salaries’.</p> <p>The Department stated (February 2015) that a new object head ‘36-Grants-in-aid-Salaries’ has been opened in the DDG for the year 2015-16 to accommodate the expenditure for salaries paid by C-DOT.</p>

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Sl. No.	Grant No. & Name	Audit observation and reply of the Ministry/Department
3.	15- Department of Electronics and Information Technology	<p>The Department released grants of ₹ 20.31 crore for Capacity Building Management Cell in National e-Governance Division (NeGD) of Media Lab Asia, which is a company registered under Section 25 of Companies Act 1956. Of this, ₹ 13.29 crore was used by NeGD towards payment of manpower cost, honorarium, interview expenditure, etc. However, the entire amount of ₹ 20.31 crore was booked by the Department as 'Grants-in-aid-General' instead of segregating it into object head '31-Grants-in-aid- General' and '36-Grants-in-aid-Salaries'.</p> <p>The Department stated (December 2014) that as per description of object head '36-Grants-in-aid-Salaries', expenditure/provision under this head would include amounts released as grants-in-aid for payment of salaries. It was also stated that Department released grants-in-aid of ₹ 20.31 crore to NeGD for implementation of capacity building schemes especially for the working of State e-Governance Mission Teams (SeMTs) and these funds were further used by NeGD for functioning of Capacity Building Cell and works allotted to this Cell. Thus, the release of funds was not directly meant for payment of salaries.</p> <p>However, the fact remains that a major portion of the grant was spent on payment of salaries and hence operation of object head '36-Grants-in-aid-Salaries' was required for proper apportionment of the expenditure.</p>
4.	18- Ministry of Corporate Affairs	<p>The Ministry released a grant of ₹ 2.37 crore to Indian Institute of Corporate Affairs (IICA) as salaries and booked it under the head of account 3475.00.800.79.00.31 'Grants-in-aid-General' instead of object head '36 Grants-in-aid-Salaries'.</p> <p>Similarly, a grant of ₹ 15.66 crore to Competition Commission of India (CCI) for payment of salaries was released and booked under the head of account 3451.00.090.05.06.31 'Grants-in-aid-General' instead of '36 Grants-in-aid-Salaries'.</p> <p>The Ministry stated (October 2014) that a new object head 'Grant in aid Salaries' has been created for IICA and CCI with effect from financial year 2014-15 and Grants for Salary are being released in that head.</p>

4.7.3 Misclassification within Object heads under the same section of the grant

Rule 8 of the Delegation of Financial Powers Rules, 1978 prescribes standard primary units of appropriation with the descriptions/definitions for the purpose of classification of expenditure. List of object heads and description of expenditure to be booked thereunder are given in **Annexure-4.1**.

Audit noticed that in 48 cases across 23 grants/appropriations, funds aggregating ₹ 3,873.43 crore were misclassified between the primary units of appropriation i.e. object heads, which are detailed in **Table 4.14**.

Table 4.14: Misclassification within object heads in the same section of grant

Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
1.	04- Department of Atomic Energy	1.07	3401/50	The Department incurred an expenditure of ₹ 1.07 crore on assistance to Universities, Research Institutions, Societies and Non-Government Institutions which was incorrectly booked under object head '50-Other Charges' instead of object head '31-Grant-in-aid-General'.	The Department stated (January 2015) that the observations of audit had been noted and complied from 2014-15 onwards.

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Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
2.		8.98	3401/34	The Department incurred an expenditure of ₹ 8.98 crore on assistance to Universities, Research Institutions, Societies and Non-Government Institutions and incorrectly booked the amount under object head '34-Scholarship/Stipends' instead of Object head '31-Grant-in-aid-General'.	
3.	07- Department of Fertilizers	0.77	2852/50	An expenditure of ₹ 0.77 crore was incurred on payment of outsourced personnel and engagement of consultants, which was booked under the object head '50-Other Charges' instead of object head '28-Professional Services'.	The Department stated (November 2014) that the concern of Audit had been noted and it would be ensured that payment to outsourced personnel and engagement of consultants would be booked in the '28-Professional Services' from the financial year 2015-16.
4.	10- Ministry of Coal	7.00	2230/32	An expenditure of ₹ 7.00 crore on account of administrative charges to Coal Mines Provident Fund Organisation and ₹ 260.20 crore on account of research and development, exploration, environmental measures and subsidence control, detailed drilling purposes were incurred and classified incorrectly under the object head '32-Contribution'. These expenditure should have been correctly classified under the object head '31-Grants in aid-General' under the respective major heads being specific assistance towards coal and lignite sector.	The Ministry stated (September 2014) that matter relating to booking of expenditure under the object head 'Contribution' is under consideration.
5.		260.20	2803/32	The matter was also pointed out in CAG's Report No.1 of 2014	
6.	11- Department of Commerce	38.37	3453/31	Grants-in-aid of ₹ 38.37 crore released to Indian Institute of Foreign Trade (IIFT) for meeting expenditure on construction of Kolkata campus was booked in the accounts under the object head '31-Grants-in-aid-General' instead of classifying the expenditure under the object head '35-Grants for creation of Capital Assets'.	The Principal Accounts Office of the Department stated (September 2014) that the correct object head of account would be shown in the Detailed Demands for Grants 2015-16 in consultation with the Administrative Division.

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Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
7.	12- Department of Industrial Policy & Promotion	1.76	2070/50	An expenditure of ₹ 0.22 crore on consultancy fees for external experts, and ₹ 1.54 crore on Datacom usage charges, rental charges of leased lines of BSNL and completion of tender job of server were incorrectly booked in accounts under the object head '50 - Other Charges'. The correct classification in these cases should have been '28 Professional Services' for expenditure on consultancy fees and '13-Office Expenses' for expenditure on Datacom usage charges, rental charges of leased lines of BSNL etc.	DIPP stated (September 2014) in response to audit comments that during the financial year 2013-14, only 'Other Charges' object head 2070.00.117.01.04.50 was available and others were not created. The object heads 'Office Expenses', 'Professional Services' had since been created for the financial year 2014-15 and therefore the same discrepancies will not be repeated.
8.	13- Department of Posts (Postal Service)	12.51	3201/50	The Department incurred an expenditure of ₹ 12.51 crore on payments towards manufacturing cost of Post Cards and envelopes/Cost of Printing IPOs and conveyance and freight charges of stamps and postal stationery which was incorrectly booked under object head '50-Other Charges' instead of object head '28-Professional Services'.	The Department stated (January 2015) that the observations have been noted for future guidance and compliance.
9.		1.22	3201/13	The Department incurred an expenditure of ₹ 1.22 crore for organising exhibitions which was incorrectly booked under object head '13-Office Expenses' instead of object head '26-Advertising and Publicity'.	
10.		0.13	3201/50	The Department incurred an expenditure of ₹ 0.13 crore on organising seminars and workshops for promotion of philately which was incorrectly booked under object head '50-Other Charges' instead of object head '20-Other Administrative Expenses'.	
11.		1.22	3201/50	The Department incurred an expenditure of ₹ 1.22 crore on advertising and publicity which was incorrectly booked under object head '50-Other Charges' instead of object head '26-Advertising and Publicity'.	
12.		0.70	3201/20	The Department incurred an expenditure of ₹ 0.70 crore on up-gradation and upkeep of National Philately Museum/Philately Bureau/ Philately Counters which was incorrectly booked under object head '20-Other Administrative Expenses' instead of object head '27- Minor Works'.	

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Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
13.		0.46	3201/50	The Department incurred an expenditure of ₹ 0.46 crore on grants to re-creation clubs which was incorrectly booked under object head '50-Other Charges' instead of object head '31-Grants-in-aid- General'.	
14.		19.74	3201/50	The Department incurred an expenditure of ₹ 19.74 crore toward Central Government Health Scheme(CGHS) which was incorrectly booked under object head '50-Other Charges' instead of object head '28-Professional Services'.	
15.		2.73	3201/50	The Department incurred an expenditure of ₹ 2.73 crore on printing of special commemorate Postage Stamps which was incorrectly booked under object head '50-Other Charges' instead of object head '28- Professional Services'.	
16.	14- Department of Telecommunications	0.19	3451/32	The Department released grant amounting to ₹ 0.19 crore to Telecom Welfare Fund and booked the same under Object Head '32-Contributions' instead of '31-Grants-in-aid-General'.	The Department stated (February 2015) that the provision of BE/RE 2014-15 has already been made under the head of accounts 3451.00.091.07.01.31 – (Grants-in-aid-General) in DDG for the year 2014-15.
17.		2163.45	3275/50	The Department booked expenditure amounting to ₹ 2163.45 crore as settlement of subsidy claims to BSNL, BBNL and other Telecom Service Provider (TSPs) under the object head '50-Other Charges' instead of '33-Subsidy'.	The Department stated (February 2015) that a new object head '33-Subsidy' has been opened under the head of accounts 3275.00.103.01.00 in DDG for the year 2015-16.
18.		0.12	3451/50	The Department booked an expenditure of ₹ 0.12 crore as payment to Government of India Press, ISP (Nasik) and private press for publication of Detailed Demand of Grant and Annual Report under object head '50-Other Charges' instead of '16-Publications'.	The Department stated (February 2015) that a new object head '16-Publications' has been opened under the head of accounts 3451.00.091.08.04 and 3451.00.091.08.05 in DDG for the year 2015-16.
19.	15- Department of Electronics and Information Technology	1.09	2852/50	The Department incurred an expenditure of ₹ 96.77 lakh as subscription to M/s Gartner India Research and Advisory Private Limited and ₹ 12.52 lakh towards India's contribution to ESCAP/ APCICT (Regional Institutions of UNESCAP) for the year 2013-14 and incorrectly booked this expenditure under the object head '50-Other Charges' instead of object head '32-Contribution'.	The Department stated (December 2014) that recommendation of Audit had been complied with in the DDG for the year 2014-15 and membership fees for subscribing services of international agencies, etc. would be booked under the object head '32-Contribution' during the 2014-15.

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Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
20.	18- Ministry of Corporate Affairs	36.78	3451/50	<p>The Ministry booked an expenditure of ₹ 36.78 crore, incurred on the modernisation, computerization and networking under the object head '50-Other Charges'. The activities were components of service delivery project whereby service provider is required to make upfront investment of hardware, software and networking etc. and render services. The expenditure should have been segregated and classified under object heads '13-Office Expenses' and '28-Professional Services'.</p>	<p>The Ministry stated (August 2014) that necessary corrections in booking the expenses under the object head '28-Professional Services' would be made with effect from the year 2015-16.</p> <p>The reply of the Ministry is not tenable since expenditure on hardware and software items are also to be booked under '13-Office Expenses'.</p> <p>The Ministry emphasized (October 2014) that the budget head 'Modernization, Computerization and Networking' has been created for Mission Mode Project of e-Governance, whereby, Service Provider was entrusted to create infrastructure in BOT (Built-Operate-Transfer) model to deliver services. Any hardware procured for the project remained a property of such service provider. Only at the end of Project cycle in January 2013, the assets have been taken-over by the Ministry for handing over to the new Service Provider for next six years. In fact the new Service provider is likely to replace most of the hardware due to technological obsolescence.</p> <p>The contention of the Ministry does not preclude it to classify the expenditure on hardware items etc. under the object head '13-Office Expenses'. Moreover, the definition of the object head '28- Professional Services' is definite as per extant rules and it does not include the expenditure on these items.</p>
21.	28-Ministry of Development of North Eastern Region	3.00	3601/28	<p>The Ministry released grants of ₹ 3.00 crore under Major Head '3601- Transfer to State Government' which was incorrectly booked under object head '28-Professional Services' instead of object heads meant for grants.</p>	<p>Reply awaited (February 2015).</p>

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Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
22.	33- Department of Economic Affairs	12.50	3475/31	A grant of ₹ 12.50 crore disbursed to National Council of Applied Economic Research (NCAER), New Delhi for the purpose of construction for NCAER's campus was booked in accounts under the revenue section of the grant under the object head '31-Grants in aid General' instead of under the object head-'35 Grants for creation of capital assets'.	The Department stated (October 2014) that the expenditure was for conversion of loan into Grants-in-aid and the amount was booked under object head '31-Grants-in-aid-General' during 2013-14. The purpose of grant generally becomes clear only after receiving complete proposals from the organization which is quite often late in the year. However, in future, object head '35-Grants for creation of Capital Assets' would be operated for creation of capital assets. The Department (January 2015) accepted the audit observation.
23.	47-Ministry of Health and Family Welfare	16.00	2210/32	The Ministry booked an expenditure of ₹ 16.00 crore on account of Rashtriya Arogya Nidhi to various government hospitals for assistance to poor patients which was incorrectly booked under object head '32-Contribution' instead of object head '31-Grants-in-aid-General'.	The Ministry stated (December 2014) that classification of expenditure appears to be appropriate in view of the nature of the scheme under which the amount was provided for taking care of severe diseases of poor people. The reply is not acceptable as financial assistance should have been appropriately classified as grants-in-aid. The object head '32-Contribution' is to be used more appropriately for booking of contribution paid by the Government of India as membership fee or otherwise.
24.	54-Cabinet	183.30	2013/12	An expenditure of ₹ 183.30 crore on maintenance of aircraft was incorrectly booked under object head '12-Foreign Travel Expenses (FTE)'. As the nature of expenditure is maintenance of aircraft, the same is not eligible to be classified under '12-FTE' and correct head appears to be '50 - Other Charges'. The same was also pointed out in the CAG's Report No. 1 of 2014.	The Ministry stated (December 2014) that the correct object head viz. '50-Other Charges' had been incorporated in the DDG for the year 2014-15.
25.	55- Police	731.94	3601/31	An amount of ₹ 731.94 crore was sanctioned for 60 different construction works under object head '31-Grant-in-aid-General' as detailed in Annexure 4.2 instead of object head-'35 Grant-for creation of Capital Assets.	The Principal Accounts Office, Ministry of Home Affairs stated (October 2014) that the Budget Section does not have any information on the final intended objective of the grants being provided to various State Governments and other organisations. However, the matter had taken up with the concerned divisions.

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Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
26.	57-Transfer and to UT Government	255.67	3602/31	<p>The Ministry of Home Affairs released funds/additional central assistance of ₹ 255.67 crore to Government of NCT of Delhi for implementation of various projects such as Setting up of Sewage Treatment Plant, Rehabilitation of Trunk Sewer, Detailed Project Reports on Relocation of Slums under Jawaharlal Nehru National Urban Rural Mission (JNNURM)/Basic Services to the Urban Poor(BSUP) Scheme.</p> <p>The entire amount had been booked under the object head '31-Grants-in-aid-General' instead of object head '35-Grants for creation of Capital Assets'.</p>	The Ministry stated (October 2014) that the observation had been noted for compliance.
27.	58-Ministry of Housing and Urban Poverty Alleviation	2.38	2215/31	An expenditure of ₹ 2.38 crore released to National Building Construction Corporation (NBCC), New Delhi for the construction of slum area development for Hnahthial in Mizoram was incorrectly booked under the object head '31-Grants-in-aid-General' instead of object head '35-Grants for creation of Capital Assets'.	The Ministry stated (December 2014) that the view of Audit has been taken care of and the spending divisions had been advised accordingly for classifying such expenditures under object head '35-Grants for creation of Capital Assets'. This reflection will be categorically made in the DDG for the year 2015-16.
28.		22.58	2216/31	An expenditure of ₹ 22.58 crore released to National Building Construction Corporation (NBCC), New Delhi for construction of market complex for rehabilitation of vendors in Assam, shopping centre for rehabilitation of evicted hawkers and housing scheme for urban poor in Tripura was incorrectly booked under the object head '31-Grants-in-aid-General' instead of object head '35-Grants for creation of Capital Assets'.	
29.	66-Ministry of Micro, Small and Medium Enterprises (MSME)	10.78	2851/20	Grants-in-aid of ₹ 10.78 crore released to Khadi and Village Industries Commission (KVIC) for meeting expenditure towards payment of travel expenses and contingencies expenses was booked in accounts under the object head '20-Other Administrative Expenses' instead of classifying them under the object head '31- Grants-in-aid- General' in the revenue section of the Grant.	The Ministry stated (September/November 2014) that the budget provision for travelling and contingencies kept under the object head '20- Other Administrative Expenses' would be transferred to object head '31-Grants-in-Aid-General' in the 1 st Batch of Supplementary Grant 2014-15.

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Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
30.		0.56	2851/50	An expenditure of ₹ 0.56 crore for conducting Skill Development Training Programmes through MSME Development Institute was booked in accounts under the object head '50-Other Charges' instead of classifying the expenditure under the object head '20-Other Administrative Expenses'.	The Ministry stated (September 2014) that Development Commissioner (MSME) in its BE 2014-15 has made the allocation of funds under 'Other Administrative Expenses' in place of 'Other Charges'.
31.		4.42	2851/32	The Ministry released an amount of ₹ 4.42 crore under the International Cooperation Scheme (IC Scheme) and booked it under object head '32- Contributions'. Since the scheme activities include deputation of MSME business delegations to other countries, participation in international exhibitions, trade fairs, seminars and conferences, etc. for exploring new areas of technology up-gradation of Indian micro, small and medium enterprises, this expenditure should have been correctly classified under object head '31-Grants-in-aid General'.	The Ministry stated (March 2015) that clarification was being obtained from the Budget and Account Section for booking of expenditure related to IC scheme under the object head '31-Grants-in-aid General' instead of object head '32-Contribution'.
32.	70- Ministry of Overseas Indian Affairs	3.58	2061/50	The Ministry incurred an expenditure of ₹ 3.58 crore as grants to Indian Development Foundation (IDF) and Overseas Indian Facilitation Centre(OIFC) which was incorrectly booked under object head '50-Other Charges' instead of object heads meant for grants.	The Ministry stated (October 2014) that funds released to IDF and OIFC were of operational expenses and for running the development programmes/activities of the Ministry and the proposal for opening new heads for booking the grants/funds released to IDF and OIFC under object head '31-Grants-in-aid-General' and '36-Grants-in-aid-Salaries' had been moved.
33.	74- Ministry of Petroleum and Natural Gas	1.00	3451/28	An expenditure of ₹ 1.00 crore incurred towards payment of membership fee of India to International Energy Forum Secretariat, Saudi Arabia was incorrectly booked in accounts under the object head '28-Professional Services' instead of '32-Contributions'. The matter was also pointed out in CAG's Report No. 1 of 2014. During 2013-14, expenditure sanction was issued initially for debiting the expenditure under object head '32-Contribution'. However, the release made by the Ministry could not be operated due to non-obtaining of token supplementary, a corrigendum of sanction order was issued on 31 st March 2014 for debiting the expenditure to object head '28-Professional Services'. Thus, the expenditure of ₹1.00 crore was incorrectly classified under the object head '28-Professional Services'.	The Ministry stated (December 2014) that the provision has been made under Object head '32-Contributions' from 2014-15.

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Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
34.	85- Department of Science and Technology	1.32	3425/31	The Department released grants amounting to ₹ 13.50 crore to Technology Development Board (an Autonomous Body) of which ₹ 0.11 crore was for salaries of permanent employees and ₹ 1.21 crore was for salaries of other employees which were incorrectly booked under object head '31-Grants-in-aid-General' instead of segregating it under object head '36-Grant-in-aid-Salaries' and '28-Professional Services' respectively.	-
35.	90- Department of Space	0.38	5402/60	Capital equipment (supply and installation of Automated Weather Station) procured by PAO, ISRO HQ and machinery & equipment by PAO-ISTRAC amounting to ₹ 14 lakh and ₹ 24 lakh respectively, were incorrectly booked under object head '60-Other Capital Expenditure' instead of object head '52-Machinery and Equipment'.	The Department stated (December 2014), it had constituted a committee for issue of 'Compendium on booking of Expenditure'.
36.		1.40	3402/21	The Department booked an amount of ₹ 1.40 crore under the object head '50-Other Charges' which was later transferred to object head '21-Supplies and Material' vide transfer entry no. 6359 (26 March 2014) (ICF Accounts) since sufficient budget provision was not available under object head '50-Other Charges'.	
37.		0.49	3402/50	The Department incurred an expenditure of ₹ 0.49 crore on IPR consultancy services which was incorrectly booked under object head - '50-Other Charges' instead of object head '28-Professional Services'.	
38.		0.12	3402/50	The Department incurred an expenditure of ₹ 0.12 crore on Annual Maintenance Charges (AMC) which was incorrectly booked under Object head '50-Other Charges' instead of object head '27-Minor Works'.	
39.		1.70	3402/50	The Department incurred an expenditure of ₹ 1.70 crore on contribution to Centre for Space Science and Technology Education in Asia and the Pacific (CSSTEAP) which was incorrectly booked under object head - '50-Other Charges' instead of object head '32- Contribution'.	

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Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
40.		5.05	3402/50	The Department incurred an expenditure of ₹ 5.05 crore on contribution to SAARC Meteorological Research Centre (SMRC), Dhaka which was incorrectly booked under object head – ‘50-Other Charges’ instead of object head ‘32- Contribution’.	The Department stated (December 2014), it had constituted a committee for issue of ‘Compendium on booking of Expenditure’.
41.		0.94	3402/50	The Department incurred an expenditure of ₹ 0.94 crore on contractual services which was incorrectly booked under Object head – ‘50-Other Charges’ instead of object head ‘30 - Other Contractual Services’.	
42.		5.38	3402/ 13, 20, 27 and 50	The Department incurred an expenditure of ₹ 5.38 crore on subsidy to PAO-VSSC(C), ISAC (C), ISRO HQrs and ISTRAC which was incorrectly booked under various object heads instead of object head ‘33- Subsidy’.	
43.		18.01	3402/ 27, 50	The Department incurred an expenditure of ₹ 18.01 crore on ‘Contractual Satellite Tracking Services’; of which ₹ 16.65 crore and ₹ 1.36 crore were incorrectly booked under Object head– ‘50-Other Charges’ and ‘27-Minor Works’ respectively instead of object head ‘30- Other Contractual Services’.	
44.		3.13	3402/50	The Department incurred an expenditure of ₹ 3.13 crore on grants to Physical Research Laboratory(PRL), Ahmedabad (an autonomous body) which was incorrectly booked under object head – ‘50-Other Charges’ instead of object heads meant for grants.	
					The Department stated (December 2014) ISRO Geosphere Biosphere Project (IGBP) is implemented by various units/autonomous bodies under it. Therefore, funds released under this project to its autonomous bodies cannot be treated as grants-in-aid. The reply is not tenable as funds released by Government Department to any autonomous body or any outside agency for a project/programme/ scheme is required to be booked under object heads meant for grants.
45.		2.91	3402/50	The Department incurred an expenditure of ₹ 2.91 crore on grants to various central autonomous bodies, authorities, institutes which was incorrectly booked under Object head – ‘50-Other Charges’ instead of object heads meant for grants.	The Department stated (December 2014), it had constituted a committee for issue of ‘Compendium on booking of Expenditure’.

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Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply/rebuttal
46.		5.30	3402/50	The Department incurred an expenditure of ₹ 4.30 crore and ₹ 1.00 crore on grants to National Atmospheric Research Laboratory(NARL) and Semi-Conductor Laboratory(SCL) (Both autonomous bodies) respectively under Atmospheric Science Project(ASP) which were incorrectly booked under Object head – ‘50-Other Charges’ instead of object heads meant for grants.	The Department stated (December 2014) that ASP is implemented by various units/autonomous bodies under it. Therefore, funds released under this project to its autonomous bodies cannot be treated as grants-in-aid. The reply is not tenable as funds released by a Government Department to any autonomous body or any outside agency for a project/programme/ scheme is required to be booked under object heads meant for grants.
47.	93-Ministry of Textiles	17.87	2852/31	Amount released to M/s ITI Ltd for construction of Training Centre & Residential Hostel at NIFT centre at Rae Bareli, U.P. was incorrectly booked in the accounts under the object head ‘31-Grants-in-aid-General’ instead of classifying this expenditure under the object head ‘35-Grants for creation of Capital Assets’.	The Ministry stated (December 2014) that the matter was being taken up with the concerned Administrative Division.
48.	102-Public Works	3.23	2059/53	Expenditure incurred on making arrangements for Republic day celebrations and on the items of works which had not resulted in creation of assets of permanent nature were booked in accounts under object head ‘53 Major Works’. The correct object head for classification in this case would have been ‘27-Minor Works’ in the revenue section of the grant.	The Ministry stated (October 2014) that the provision under Major head 2059.01.051.01.00.53 was meant for the temporary structures made during the Republic Day and Independence Day celebration every year. These structures are removed on the conclusion of the celebrations and do not form any asset. As is evident from the reply of the Ministry that the expenditure was incurred on temporary structures, the provision should have been obtained under the object head ‘27-Minor Works’ and expenditure booked accordingly. Further, the object head ‘53-Major Works’ should not be operated in the revenue section of the grant being of the nature of Object Class 6 (Acquisition of capital assets and other capital expenditure).
Total		3873.43			

4.7.4 Operation of object head ‘Contribution’ for booking aid to other Countries

Rule 8 of the Delegation of Financial Powers Rules, 1978 prescribes standard primary units of appropriation with the descriptions/definitions for the purpose of correct classifications of expenditure. Grants-in-aid disbursed to anybody/

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authority are classified under object heads 31-Grants-in-aid-General, 35-Grants for creation of Capital Assets, 36-Grants-in-aid-Salaries while expenditure on membership of international bodies, etc. is classified under 32-Contributions.

Scrutiny of Appropriation Accounts and Detailed Demands for Grants of Grant No. 32 pertaining to the Ministry of External Affairs for the year 2013-14 revealed that despite being pointed out in the Audit Report of the CAG on Union Government Accounts for the financial years 2008-09, 2010-11, 2011-12 and 2012-13, an expenditure of ₹ 3,640.04 crore in 15 cases, as detailed in the **Table 4.15**, had been incorrectly booked and classified at primary unit of appropriation under the object head '32-Contributions'. Since the nature of expenditure was grants to foreign governments for general/specific purpose, it should have been correctly booked under the object heads meant for grants.

Table 4.15: Details of Grants to Foreign Governments during 2013-14

(₹ in crore)			
Sl. No.	Classification	Description	Expenditure
1.	3605.00.101.07.01.32	Technical Aid to South & South East Asia	6.86
2.	3605.00.101.09.00.32	Aid to Bangladesh	604.66
3.	3605.00.101.10.02.32	Aid to Bhutan (Punatsangchhu-I HEP)	617.67
4.	3605.00.101.10.03.32	Aid to Bhutan (Mangdechhu HEP)	250.77
5.	3605.00.101.10.04.32	Aid to Bhutan (Punatsangchhu-II HEP)	251.00
6.	3605.00.101.11.00.32	Aid to Nepal	381.37
7.	3605.00.101.12.00.32	Aid to Sri Lanka	420.80
8.	3605.00.101.13.00.32	Aid to Maldives	9.67
9.	3605.00.101.14.00.32	Aid to Myanmar	164.86
10.	3605.00.101.15.00.32	Aid to Other Developing Countries	61.28
11.	3605.00.101.16.00.32	Aid to Disaster Relief	14.58
12.	3605.00.101.20.00.32	Aid to African Countries	251.92
13.	3605.00.101.25.00.32	Aid to Eurasian Countries	14.30
14.	3605.00.101.32.00.32	Aid to Latin American Countries	4.99
15.	3605.00.101.33.00.32	Aid to Afghanistan	585.31
Total			3640.04

The Ministry in its reply to para 4.19 of Report No. 1 of the CAG on Union Government Accounts for the year 2011-12 stated that the object heads in major head 3605 under which provisions were obtained were the same as those which prevailed in 2010-11. As per the DFPR the object head 'Contributions' has been defined "to include expenditure on membership of International bodies". It is only an inclusive definition and not an exhaustive definition. Rule 206 of the GFR states that as a general principle grants-in-aid can be given to a person or a public body or an institution having a distinct legal entity. Thus, grants-in-aid including scholarships may be sanctioned by an authority competent to do so under the DFPR to Autonomous organizations, Voluntary organization or Non-Government Organisation carrying out activities which promote the welfare schemes and programmes of the Government, Educational and other institutions by way of scholarships or stipends to the students, Urban and Rural local self-government institutions, Co-operative societies and Societies or clubs set up by Government

servants to promote amongst themselves social, cultural and sports activities as recreational avenue. From the definitions, the assistance extended to foreign governments by way of execution of projects is not covered under the object head 'Grants-in-aid-General'.

The contention of the Ministry that assistance extended to foreign government is not covered under the object head 'Grants-in-aid General' in terms of Rule 206 of General Financial Rules, 2005 (GFR) is incorrect in view of the fact that Rule 211(2) of GFR states that a 'foreign state' is eligible for any grant and/or loan. Hence, budgetary provision for aid/assistance to be provided to the foreign governments by the Ministry of External Affairs under the scheme 'Aid to Foreign Governments' below the function 'Technical and Economic Cooperation with other Countries' and programme 'Cooperation with Other Countries', should have been obtained under the appropriate primary unit of appropriation and expenditure in the accounts booked accordingly.

The Ministry while reiterating their earlier reply furnished with regard to para 4.19 of Report No.1 of 2013 further added (April 2014) that if the observation of Audit was acceded to, any augmentation under aid heads would require prior Parliamentary approval, which would not be a practical solution. The Ministry reiterated (October 2014) their earlier reply furnished in April 2014.

The reply of the Ministry is not tenable as aid to foreign government should be classified as 'Grants-in-aid'. Any augmentation in provision of 'Grants-in-aid', if required, has to be made as per the extant rules/instructions.

4.7.5 Booking of 'Special Central Assistance' under incorrect minor head of account

The Special Central Assistance (SCA) is provided by the Ministry of Tribal Affairs to the State Governments as an additive to the State Tribal sub plan. While the funds allocated for 'Tribal Area Sub Plan' are required to be booked under specific minor head of account i.e. '796- Tribal Area Sub Plan', a distinct minor head code i.e. 794 is earmarked for the purpose of booking of 'Special Central Assistance for Tribal Sub Plan' in the general directions to the list of major and minor heads of accounts.

Audit noticed that out of the total provision of ₹ 1200 crore, ₹ 1050 crore was released by the Ministry of Tribal Affairs as 'Special Central Assistance for Tribal Sub Plan' in the year 2013-14 and booked this expenditure under the minor head '796-Tribal Area Sub Plan' in Grant No. 95- Ministry of Tribal Affairs. The same was required to be provisioned and booked under the minor head '794-Special Central Assistance for Tribal Sub Plan' as prescribed in the extant instructions.

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The matter was also pointed out in para 4.7.5 of the CAG's Report No.1 on Union Government Accounts for the financial years 2012-13.

The Ministry stated (October 2014) that the observation had been noted and Minor Head '794-Special Central Assistance for Tribal Sub-Plan' would be taken up for inclusion in Detailed Demand for Grant for the year 2015-16.

4.7.6 Booking under incorrect minor head of account

Rule 72 of the General Financial Rules 2005 stipulates that as a general rule classification of the transactions in the Government shall have closer reference to the functions, programmes and activities of the Government, rather than the department in which the expenditure occurs. The major heads of account generally correspond to the functions of the Government, while the minor heads identify the programmes undertaken to achieve the objectives of the functions.

- (i) Scrutiny of Appropriation Accounts of Grant No.14 of the Department of Telecommunications for the year 2013-14 revealed that an amount of ₹ 23.11 crore was paid to various International Organisations as contributions and the said amount was incorrectly booked under minor head '800-Other Expenditure' instead of minor head '798-International Co-operation'.

The Department stated (February 2015) that the minor head '798-International Co-operation' had been opened in DDG for the year 2014-15 and provision had already been made in BE 2014-15.

- (ii) Further, in Grant No.14 of the Department of Telecommunications an expenditure of ₹ 485.88 crore was incurred on Directorate, Telecommunication Engineering Centre (TEC), Centre for Development of Telematics (C-DOT) and Telecom Enforcement Resource & Monitoring (TERM) cells, etc. which were other than the attached offices of the Department of Telecommunications, but the expenditure was booked under the minor head '091-Attached Offices'.

As per the note contained in the List of Major and Minor Heads of Accounts, the minor head '091-Attached Offices' is used for recording expenditure on attached offices of the Government of India.

The Department stated (September 2014) that the process of opening the correct head of account was under consideration with the office of the CGA. It, further, stated (February 2015) that accounts of the Department had already been finalized and hence it was not possible to rectify misclassification in the accounts for the year 2013-14.

4.8 Issue of deficient sanction orders in Department of Space

Rule 48 of General Financial Rules, 2005 read with Appendix-3 and 4 provides detailed guidelines with regard to preparation of estimates of expenditure with full accounts classification up to the object head level by an organisation. Further, Rule 25(1) of General Financial Rules, 2005 enjoins that all sanctions to the expenditure shall indicate the details of the provisions in the relevant grant or appropriation wherefrom such expenditure is to be met.

Detailed Demands for Grants of Grant No. 90-Department of Space for the year 2013-14 contained the estimates of expenditure with full accounting classification up to the object head level, showing the plan and non-plan expenditure under the revenue and capital section separately.

However, scrutiny of the sanction orders issued by the Department revealed that the correct head of accounts showing the full classification from where the amount should be debited, was not distinctly mentioned. Instead, classification up to sub-head level (i.e fourth level of classification) only was mentioned in all the sanction orders issued by the Department. Details of test-checked sanctions orders are as given below:

Table 4.16: Details of test-checked financial sanction orders

S.No.	Sanction No. & Date	Name of the Project (Head of Account)	Sanctioning Authority	Amount (₹ in crore)
1.	C.19011/3/2013-Sec.3 dated 10 October 2013	Realization of Second Vehicle Assembly Building at Satish Dhawan Space Centre, Sriharikota. 3402.00.101.25	Cabinet Secretariat	363.95
2.	C.19011/3/2012-Sec.3 dated 17 July 2013	GSAT-16 Communication Satellite and Launch Services. 3252.00.053.13/14, 5252.00.203.09/10	Cabinet Secretariat	865.50
3.	C.19011/2/2012-Sec.3 dated 17 July 2013	GSAT-15 Communication Satellite and Launch Services. 3252.00.053.11/12, 5252.00.203.07/08	Cabinet Secretariat	859.50
4.	C.19013/48/2012-Sec.3 dated 12 August 2013	Future Space Based Surveillance (SBS) Programme	Cabinet Secretariat	4640.86
Total				6729.81

It was also seen that in sanction order at Sl. No. 4, accounting classification of head of account to which the amount would be debited was not mentioned at all.

In absence of full accounting classification, the sanction orders issued by the Department were deficient and did not give clear directions with regard to correct booking and classification of expenditure.

The matter was also commented upon in CAG's Audit Report No.1 for the year 2010-11, 2011-12 and 2012-13, but no discernible action has been taken by the Department.

The Department reiterated (September 2014/January 2015) their earlier reply that the project sanction orders are issued up to fourth tier since all the project expenditure is considered as whole plan for a long period and at the initial stage the allocation cannot be identified against the object heads and as such sanction orders were issued up to sub-head level.

The reply of the Department is against the provisions contained in General Financial Rules, 2005. The Parliament approves the gross provisions/estimates of expenditure up to the object head level of classification in the Detailed Demands for Grants. Accordingly the sanction orders issued for incurring expenditure should conform to the provision authorised indicating the details of classification relevant to grant or appropriation wherefrom such expenditure is to be met up to the object head level.

4.9 Unauthorised augmentation through obtaining lump sum supplementary provision

Special Component Plan for the Scheduled Castes and the Tribal Sub-Plan for the Scheduled Tribes were initiated by Government as intervention strategies to cater exclusively to Scheduled Castes and Scheduled Tribes respectively. Such plans are meant to ensure benefits to these special groups by guaranteeing funds from all related development sectors in proportion to the size of their respective population. The basic objective of both these sub-plans is to channelise the flow of outlays and benefits from the general sectors in the Central Ministries/Departments for the development of Scheduled Castes and Scheduled Tribes, both in physical and financial terms. An initiative was taken to make separate allocations for the Scheduled Castes Sub Plan (SCSP) and Tribal Sub Plan (TSP) as part of the plan allocations from the financial year 2011-12. Government devised a proper accounting mechanism to account for such allocations by opening dedicated Minor Head 'Special Component for Scheduled Castes (Code 789)' and 'Tribal Sub Plan (Code 796)'. Accordingly, in the Detailed Demands for Grants of the Central Ministries/Departments provision under a plan scheme is obtained distinctly with separate budget lines for 'general plan', 'special component for scheduled castes' and 'tribal area sub plan'. The provisions made under 'special component for scheduled castes' and 'tribal sub plan' are not allowed to be re-appropriated, except to the same Minor Heads in other schemes under SCSP and TSP, thereby preventing any possibility of diversion.

Para 4 of Appendix-3 (containing instructions for preparation of Budget) below Rule 48 of GFR-2005 provides that no lump sum provision will be made in the Budget except where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project/scheme, which has been accepted in principle for being taken up in the financial year.

Scrutiny of Appropriation accounts alongwith Consolidated Abstract of Grant No. 58 pertaining to the Ministry of Housing and Urban Poverty Alleviation for the year 2013-14 revealed that Cabinet Committee on Economic Affairs (CCEA) approved the Scheme 'Rajiv Rin Yojana (RRY)' in September 2013. The Ministry obtained (December 2013) a token supplementary provision of ₹ 50 crore for RRY scheme under Object head '33-Subsidies' from savings available in the same section of the Grant, without giving amount specific component-wise break-up under General Component, Special Component Plan for Scheduled Castes and Tribal Areas Sub-Plan.

The lump sum supplementary of ₹ 50 crore was apportioned amongst three components of the scheme, without amount specific prior approval of the Parliament. As the expenditure attracted the limitations of New Service/New Instruments of Service in terms of Budget Division OM dated 25 May 2006, being the expenditure incurred on subsidy, amount specific prior approval of the Parliament distinctly for three schemes were necessary but the same was not obtained. The details of expenditure incurred are as under:

Table 4.17: Unauthorised distribution of lump sum supplementary provision
(₹ in crore)

Grant No.	Scheme/Heads	Provision				Expenditure
		BE*	NE*	TA*	SA*	
58- Ministry of Housing & Urban Poverty Alleviation	Rajiv Rin Yojna (RRY) 2216.02.789.05.00.33	0.00	0.00	0.00	0.00	11.25
	Rajiv Rin Yojna (RRY) 2216.02.796.05.00.33	0.00	0.00	0.00	0.00	1.20
	Rajiv Rin Yojna (RRY) (General Component) 2216.02.190.15.00.33	0.00	0.00	0.00	50.00	37.55
Total					50.00	50.00

* BE= Budget Estimates, NE= Provision for development of North Eastern Region under MH 2552/4552/6552, SA= authorisation/approval of Parliament obtained through Supplementary Demand for grants, TA = Total authorisation

The Ministry stated (December 2014) that the Ministry of Finance permitted the opening of heads and provided the Supplementary Demands after the Parliamentary approval. Subsequently, proposal for re-appropriation from the savings available in the Grant was sent to the Ministry of Finance to augment funds under the three heads. Accordingly the provisioning and release of funds was operationalised during the year 2013-14. Hence the intention as well as the earmarking of funds against the mandatory SCSP and TSP components was taken care of very seriously, while the distribution of funds had been mandated to be 22.5 per cent and 2.4 per cent of the budget provision.

The reply of the Ministry does not address the audit point that when there was a mandatory earmarking of funds for Special Component Plan for Scheduled Caste

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and Tribal Area Sub Plan, the Ministry should have obtained amount specific approval for each component distinctly, instead of obtaining lump-sum supplementary provisions from the Parliament, as all the three components had distinct budget lines.

4.10 Obtaining lump sum provision under object head

Rule 8 of Delegation of Financial Power Rules stipulates that provision under the head lump sum (object head 42) will include expenditure in respect of scheme/sub-scheme/organization where the provision does not exceed ₹ 10 lakh. In all other cases break-up of expenditure must be given.

Examination of Appropriation Accounts of Grant No. 53 pertaining to the Ministry of Home Affairs for the year 2013-14 revealed that in the following cases, lump sum provisions exceeding ₹ 10 lakh were obtained, instead of obtaining Parliamentary approval with complete break-up of expenditure as was incumbent under the extant rules.

Table 4.18: Lump sum Provisions

Sl. No.	Head of Account	Provision	Expenditure
		(₹ in crore)	
1.	2070.00.105.17.00.42	0.45	0.33
2.	2070.00.105.18.00.42	0.70	0.98
3.	2070.00.105.19.00.42	0.60	0.87
4.	2070.00.119.03.09.42	0.15	0.14
5.	2070.00.119.03.11.42	0.32	0.24

The Ministry stated (October 2014) that from the current year 2014-15 all the cases of lump sum provisions had been replaced by other functional object heads.

4.11 Retention of Government Money outside Government Accounts

Article 114 and 115 of the Constitution authorises withdrawal of specified sums from the Consolidated Fund of India for incurring expenditure on services for the relevant financial year. Further, in terms of Rule 11 of the Receipt and Payment Account Rules, 1983 moneys may not be withdrawn from the Government Account other than against cheques issued by an Accounts Officer on an account opened in his favour, or by a cheque drawing DDO on an assignment account opened in his favour, at a specified branch of the accredited bank. Such accounts shall be opened under the orders of the Financial Adviser of the Department in consultation with the Controller General of Accounts (CGA). There are no provisions in Government accounting and financial rules to retain public funds outside Government accounts.

The Department of Space (DOS) and its unit Indian Space Research Organisation (ISRO) has the primary responsibility of promoting development of space science and technology towards achieving self-reliance and for space applications facilitating all round development of the country for which various development

projects are undertaken from time to time. Realizations of most of the projects involve developmental contracts and purchase order for the design, manufacture, supply, installation and commissioning of various space consumables used in the space missions.

Scrutiny of Grant No. 90 pertaining to the Department of Space revealed that the Department accorded sanction to its two units viz., Vikram Sarabhai Space Centre (VSSC) and Liquid Propulsion Systems Centre (LPSC) to open escrow³ accounts in the State Bank of India (SBI) branches to execute its 16 contracts/purchase orders. The Department and ISRO centres entered into a tripartite agreement with SBI and contractor(s) to operate an escrow accounts to run these projects.

Further scrutiny revealed that since 2002-03 VSSC and LPSC had transferred an amount of ₹ 718.67 crore out of the Consolidated Fund of India to the State Bank of India(SBI) in 16 escrow accounts and earned interest amounting to ₹ 79.15 crore as detailed in **Annexure-4.3**.

Audit observed that withdrawal of sums from the Consolidated Fund of India and transfer to banks by opening of escrow accounts to allow amounts to be spent over extended time periods is a violation of Parliamentary authorisation. Hence, retention of public funds amounting to ₹ 206.98 crore as of 31 March 2014 outside Government account was irregular and in violation of Rule 56 which provides that unutilised provision at the close of the financial year stands lapsed.

To a similar observation made for the period ending March 2013, the Department replied (April 2014) that out of remaining five accounts, one account was under final reconciliation and were expected to be closed in April 2014 and the remaining 4 accounts would continue for a limited period in 2014-15 as the work in respect of these were currently in progress.

The Department stated (February 2015) that the remaining four accounts would also be closed by April 2015.

4.12 Non-disclosure of expenditure incurred on Information Technology

To ensure common standardization of heads of classification and to facilitate the monitoring of expenditure incurred by various Ministries/Departments, on 'Information Technology', Ministry of Finance vide its OM No.15 (4)/B (D)/2003 dated 9 July 2003 had decided, to place 'Information Technology' at 'detailed head' level at the fifth level of classification in Detailed Demands for Grants with standard code, i.e. '99' to serve the purpose of consolidating the expenditure incurred by a Ministry/Department for furthering the use of information

³ Escrow account is a trust account held in borrower's name in a bank to pay obligations such as property taxes, insurance premia, etc. where money has to be physically transferred to the bank before release of payment and the bank would disburse the money to the contractor on pro-rata basis on submission of certain documents as proof of completion of various contractual obligations

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technology, including acquisition of hardware, software, maintenance, development of software, training, etc.

Audit scrutiny of the Appropriation Accounts of Grant No. 90 pertaining to Department of Space for the year 2013-14 revealed that an expenditure of ₹ 5.40 crore was incurred on computer/ software/ hardware purchases by the following PAOs but the expenditure was not booked at the detailed head level '99-Information Technology' under various major/minor heads as required under extant orders.

Table 4.19: Details of expenditure incurred on computer during 2013-14
(₹ in crore)

No.	Name of the Centre	Expenditure
1.	PAO ISRO HQ	1.27
2.	PAO VSSC (Centre)	3.66
3.	PAO ISTRAC	0.28
4.	PAO ISAC (Centre)	0.19
Total		5.40

Accepting the audit observation, the Department stated (September/December 2014) that appropriate guidelines would be obtained from the Ministry of Finance for opening the detailed head '99-Information and Technology' in Detailed Demand for Grants for the year 2015-16. Reply of the Department is not convincing as this OM is the part of budget circular issued every year by the Ministry of Finance to all Ministries/Departments for preparation of estimates.

4.13 Defence Services (Grants 22 to 27)

4.13.1 Obtaining incorrect technical supplementary provision

Para 3.2 of the Budget Manual 2010 issued by the Ministry of Finance states that there are three occasion when a technical supplementary is sought (a) surrender of fund from one of the four sections and utilizing the same in other section within the Demand, (b) transfer of a scheme from one Demand to another Demand resulting in surrender of the amount from the Demand which has transferred the scheme and utilization of the same in the other Demand, where the scheme has been transferred, and (c) waivers/write offs.

The Ministry of Defence has six Demands for Grants, five in revenue section and one in capital section. During the scrutiny of Appropriation Accounts 2013-14 of Defence Services, it was observed that incorrect technical Supplementary Demands for Grants was obtained from the Parliament through third and final batch aggregating to ₹ 8,365.70 crore (₹ 183.42 crore in Revenue Charged and ₹ 8,182.28 crore in Revenue Voted) in five revenue demands of grants. These technical supplementary provisions were obtained out of savings available in Grant No. 27-Capital Outlay on Defence Services. The details of incorrect

supplementary provisions obtained in five revenue demands for grants are as under.

Table 4.20: Obtaining incorrect supplementary provision

Description of the Demand	Technical supplementary obtained (₹ in crore)	
	Revenue (Charged)	Revenue (Voted)
22-Defence Services-Army	110.00	4711.37
23-Defence Services-Navy	19.82	949.69
24-Defence Services-Air Force	50.40	1032.51
25-Defence Ordnance Factories	3.20	1363.56
26-Defence Services-Research and Development	0.00	125.15
Total	183.42	8182.28

Thus, transfer of funds aggregating ₹ 8,365.70 crore through technical supplementary from Demand No. 27 to Demand Nos. 22 to 26 was incorrectly proposed by the Ministry of Defence and also incorrectly admitted by the Ministry of Finance, leading to obtaining irregular supplementary provision from one Demand to another Demand in violation to conditions prescribed in para 3.2 of the Budget Manual.

The Ministry of Defence in its reply (August 2014) stated that technical supplementary in question was vetted by the Ministry of Finance. It further added that unlike civil grants, the Defence Service Estimates do not have four sections, but only two section in each grant. Grant Nos. 22 to 26 are purely revenue grants with voted and charged sections, while Grant No. 27 is entirely capital grant with voted and charged sections. The Ministry also stated that as explained in the Budget Manual, technical supplementary is required when savings in one section are to be utilised on another or savings from one demand are to be utilised in another.

The reply of the Ministry is not tenable in view of the fact that savings in Demand No.27-Capital Outlay on Defence Services cannot be utilised in other five Demands of the Ministry, as there was no transfer of any scheme from Demand No.27 to any of the five other demands.

Further, in compliance to the third Supplementary Demands for Grants, the Ministry of Defence was required to surrender an amount of ₹ 8,365.70 crore from Demand No. 27-Capital Outlay on Defence Services. However, Ministry surrendered only ₹ 7,868.50 crore, a short surrender by ₹ 497.20 crore. The amount of short surrender was utilised partly to bridge the gap between the reduced provision of ₹ 78,375.03 crore and actual expenditure of ₹ 79,125.05 crore incurred in Demand No. 27-Capital Outlay on Defence Services in 2013-14.

5: GRANTS-IN-AID: AN ANALYSIS

5.1 Introduction

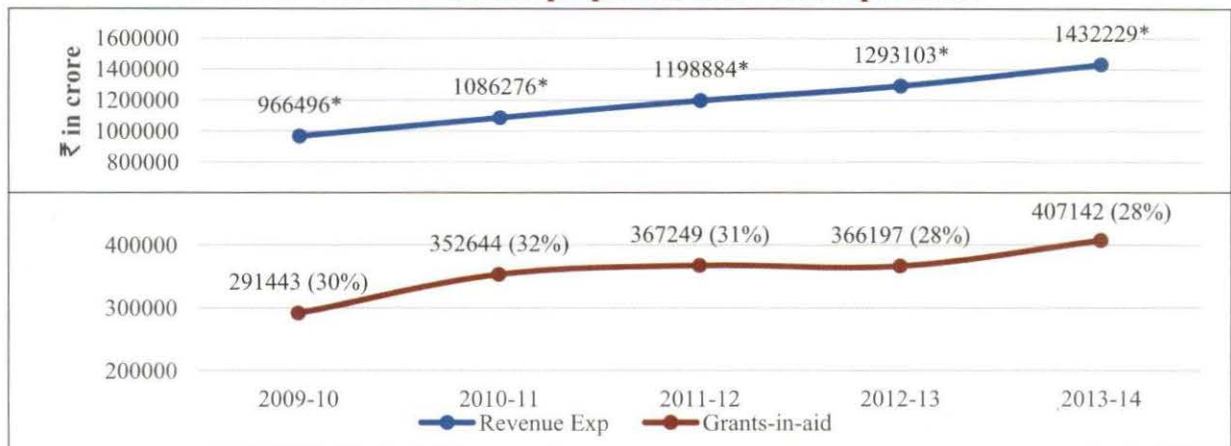
The shifting paradigm of public administration has entailed delivery of public goods through new and ever evolving methods. Grants-in-aid have emerged as a significant mode of spending for the Union Government for delivery of public goods. In fact, during the financial year 2013-14, grants-in-aid constituted, with the exception of debt repayments, the single largest item of expenditure for the Union Government.

Grants-in-aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-aid are given by the Union Government to State Governments and/or Panchayati Raj Institutions. Union Government also gives substantial funds as grants-in-aid to other agencies, bodies and institutions. Similarly, the State Governments also disburse grants-in-aid to agencies, bodies and institutions such as universities, hospitals, co-operative institutions and others. The grants so released are utilized by these agencies, bodies and institutions for meeting day-to-day operating expenses and for creation of capital assets, besides delivery of services.

5.2 Trend of Expenditure

Grants-in-aid may be given in cash or in kind, but have to be always accounted for as revenue expenditure in the books of the grantor irrespective of the purpose for which it has been given. During the period 2009-10 and 2013-14 expenditure on grants-in-aid ranged between 28 to 32 *per cent* of the revenue expenditure of the Union Government as depicted in the chart below.

Chart 5.1: Grants-in-aid as a proportion of revenue expenditure



Source: e-lekha data dump provided by O/o CGA. Data includes expenditure, net of recoveries, of Civil, Posts and Defence grants but excludes 'Railways' (including Object Head-70-Deduct recoveries).

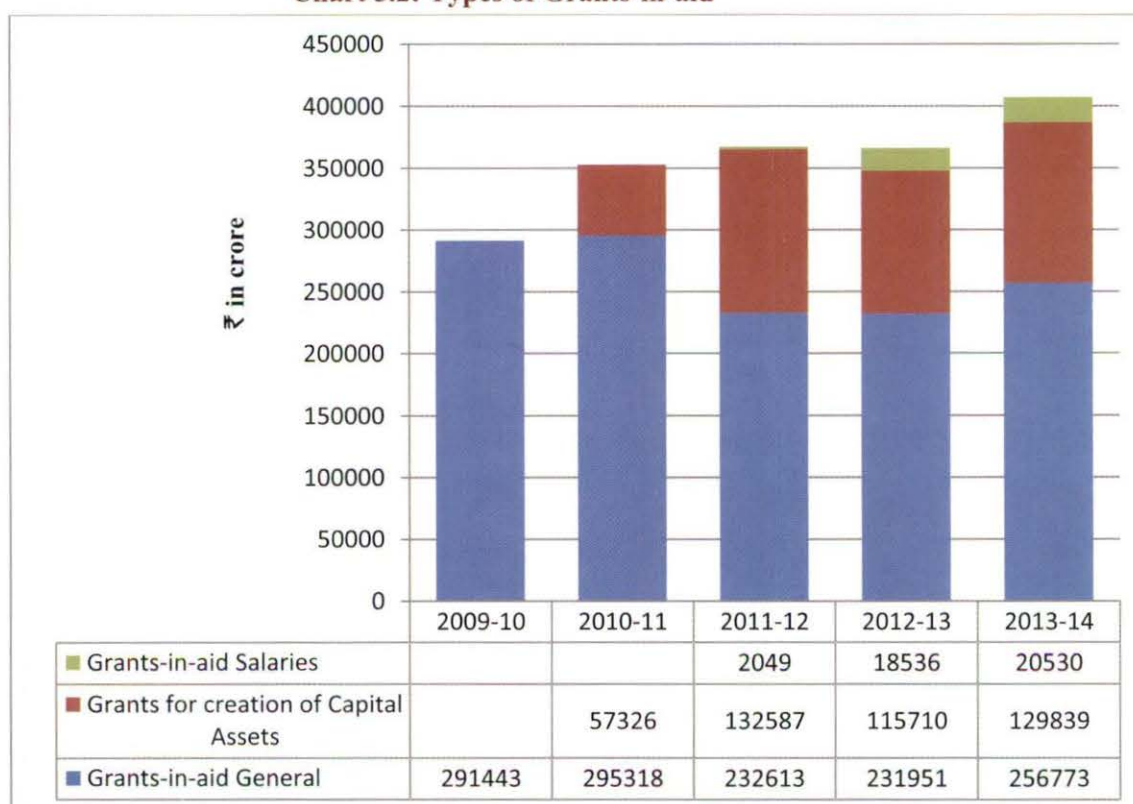
* Figures as per Finance Accounts (in crore)- ₹9,68,250 (2009-10), ₹10,89,434 (2010-11), ₹11,98,950 (2011-12), ₹12,94,292 (2012-13), ₹14,31,883 (2013-14).

Over the five years 2009-10 to 2013-14, grants-in-aid in absolute terms have grown by 40 per cent and the revenue expenditure also grew up by 48 per cent.

Grants-in-aid expenditure is exhibited in the budget and accounts at the lowest level of disaggregation, viz., as an object head. Up to 2008-09, expenditure of Union Government on grants-in-aid was recorded under a single object head 31-Grants-in-aid. However, currently three separate object heads are being operated to capture this expenditure. These are object head 31-Grants-in-aid General; 35-Grants for Creation of Capital Assets; and 36-Grants-in-aid Salaries. The object head '35-Grants for creation of Capital Assets' was opened from the financial year 2009-10 and the nomenclature of existing object head '31-Grants-in-aid' was modified from financial year 2010-11 to read as '31-Grants-in-aid General'. Further, the object head '36-Grants-in-aid-Salaries' was opened from the financial year 2011-12.

The graph below depicts the different types of grants-in-aid given by the Union Government in the last five years.

Chart 5.2: Types of Grants-in-aid



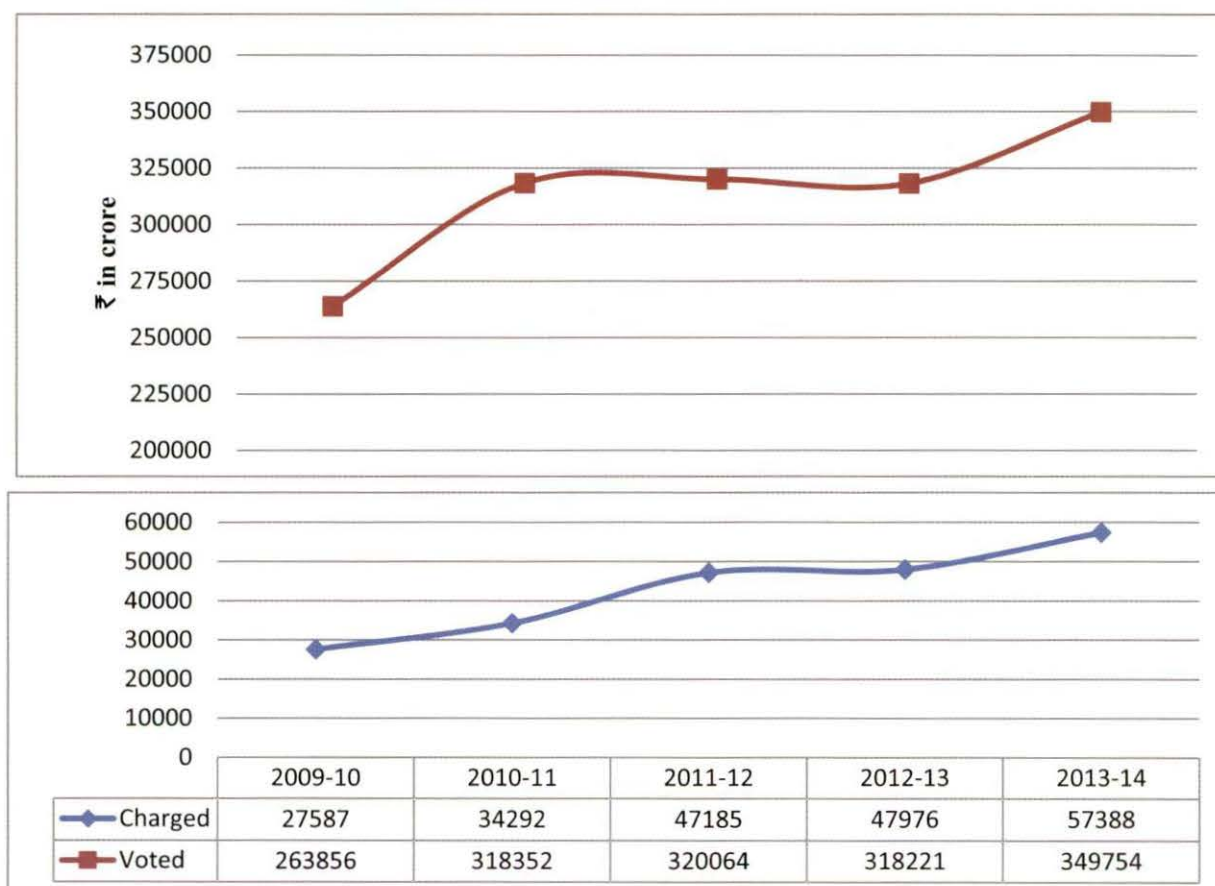
Source: e-lekha data dump. Data includes expenditure for all Civil, Posts and Defence grants but excludes 'Railways'. (excluding grants-in-aid misclassified in Capital Account.)

5.2.1 Charged and Voted Grants-in-aid

Of the total grants-in-aid expenditure for the financial year 2013-14, charged expenditure constituted about 14 per cent. These grants, which are non-plan in nature, are made in terms of Article 275(1) of the Constitution.

The chart below shows the break-up of grants-in-aid into charged and voted over a five year period.

Chart 5.3: Charged and Voted Grants-in-aid



Source: e-lekha data dump. Data includes expenditure for all Civil, Posts and Defence grants but excludes 'Railways'. (excluding grants-in-aid misclassified in Capital Account.)

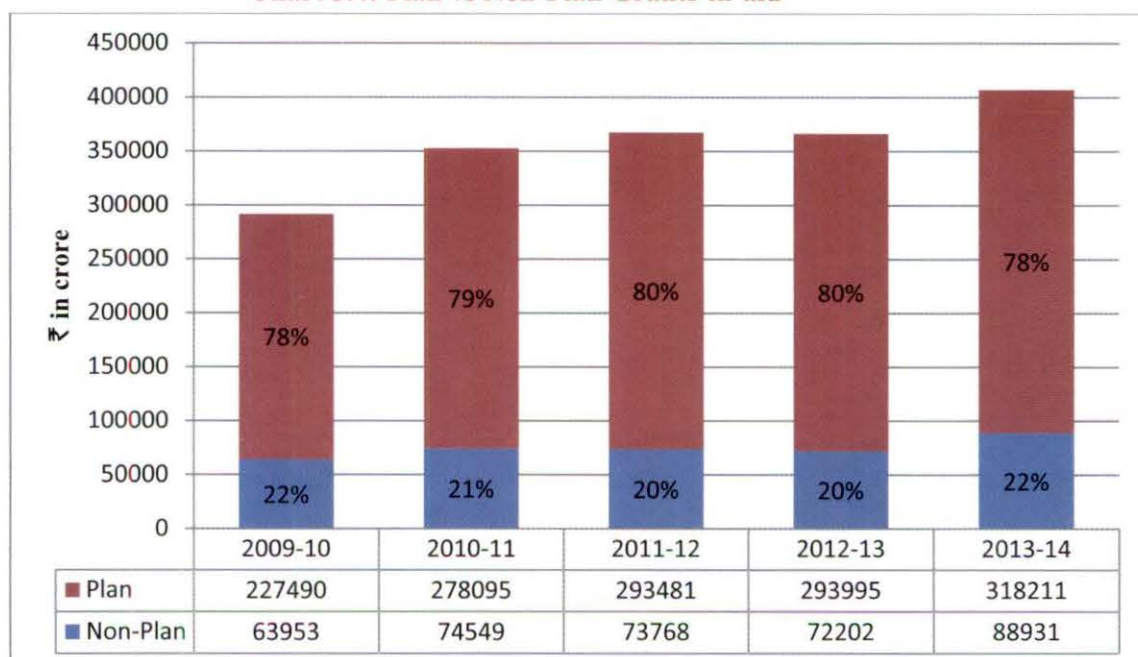
Charged grants-in-aid for the year 2013-14 were released, mainly, in two demands viz. Transfers to State and Union Territory Governments and Ministry of Tribal Affairs. Out of charged grants of ₹ 57,388 crore, grants of ₹ 53,905 crore was given to State Governments for Demand No. 36. The grants under Article 275(1) of the Constitution are essentially for non-plan revenue deficit of States, elementary education, environment, improving outcomes, maintenance of roads and bridges, local bodies, calamity relief, etc. Similarly, the Ministry of Tribal Affairs provides plan grants for schemes under Article 275(1) of the Constitution for creating critical infrastructure projects in tribal areas and for the welfare of scheduled tribes.

5.2.2 Plan and Non-plan grants

Grants-in-aid are given by the Union Government both for execution of plan schemes and for other purposes. The **Chart 5.4** shows the break-up of grants-in-aid under plan and non-plan category. Grants-in-aid given for execution of plan schemes, account for bulk of the grants-in-aid. The share of plan grants-in-aid

ranged between 78 to 80 per cent of total grants-in-aid during 2009-10 to 2013-14.

Chart 5.4: Plan vs Non-Plan Grants-in-aid



Source: e-lekha data dump (November 2014). Excluding Grants-in-aid misclassified in Capital Account. Data includes expenditure for all Civil, Posts and Defence grants but excludes 'Railways'.

During the five year period 2009-10 to 2013-14, plan grants have witnessed a growth of 40 per cent, while the non-plan grants have increased by 39 per cent.

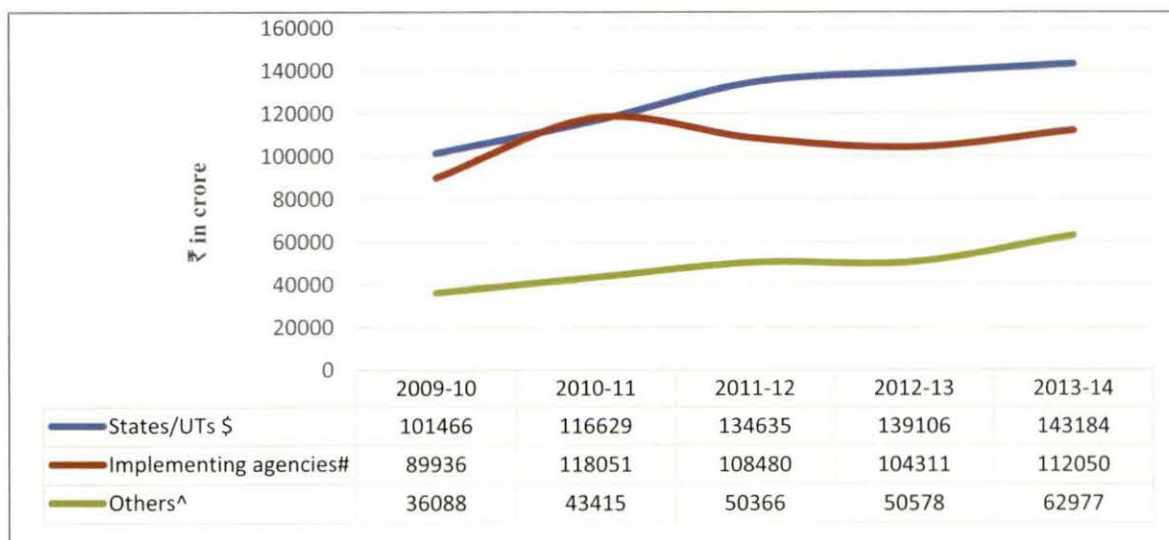
5.3 Changing nature of plan grants-in-aid expenditure

Beginning mid-nineties, the Union Government has been following the practice of transferring money required for implementation of several centrally sponsored schemes directly into the bank accounts of implementing agencies which are societies, autonomous bodies, non-government organisations, etc. This mode of transfer is often referred to as 'society mode'. Such entities are both at the State and District level and their funds are outside the Consolidated Fund of the State. The other mode of transfer of grants of the Union Government is through the State Governments and is referred to as 'treasury mode', which entails crediting of amount so transferred into the Consolidated Fund of the States in conformity with Article 266 of the Constitution of India. The amount so credited is then appropriated out of Consolidated Fund of the States through legislative authorisation. This mode of transfer is supported by a robust accounting system that tracks down expenditure up to the final head of accounting wherein vouchers for each transaction are available with the treasury and the State Accountant General. This well-developed accounting framework ensures proper financial management and provides oversight on quality of expenditure.

The quantum of transfer of grants through the society mode has increased sharply. From the first year for which comparable data is available, viz. financial year

2006-07, the expenditure booked in the accounts of the Union Government has been of the order of ₹ 43,816 crore¹. During the year 2013-14, this figure has increased to ₹ 1,12,708 crore¹ an increase of nearly two and half times. The chart below shows the break-up of grants-in-aid released through the treasury mode to States/UTs, society mode directly to implementing agencies and through the functional heads of the Ministries to other bodies/authorities.

Chart 5.5: Plan Grants-in-aid to State Governments and other agencies



\$-Data Source: e-lekha data dump (November 2014). It does not include journal entries. Data includes expenditure for all Civil, Posts and Defence grants but excludes 'Railways'.

#Data Source: Statement No.18 of Expenditure Budget, Volume-I

^ Balancing Figure

One of the major motivations for setting up state and district level agencies, outside the Consolidated Fund of States for transfer of funds for implementation of centrally sponsored schemes was to prevent such transfers to be utilised by the States for their ways and means purposes. The justification for releases through the society mode on the ground of amounts being utilised for ways and means purposes no longer holds good as a large number of State Governments are having a sizeable cash surplus in the recent years.

Further, this system was implemented to provide greater delegation and flexibility to the implementing agencies in spending public funds to achieve the programme objectives. However, the corresponding strengthening of accountability framework did not take place. In the decentralized society/ implementing agency mode, the responsibility for control of waste and abuse of authority has become diffused.

It was noted that as a part of larger exercise to rationalise various developmental and social assistance efforts, the existing Centrally Sponsored/Additional Central Assistance schemes were restructured into 66 schemes in terms of Planning

¹ Direct release to implementing agencies under revenue section in the years 2006-07 and 2013-14 were ₹ 43,372 crore and ₹ 1,12,050 crore respectively.

Commission's Office Memorandum of July 2013. The Office Memorandum envisaged that from the financial year 2014-15 funds for all Centrally Sponsored Schemes as well as additional central assistance associated with these 66 schemes will be transferred through the Consolidated Fund of the States concerned in phased manner.

5.3.1 Unascertainable unspent balances in the accounts of Implementing Agencies (IAs)

In the year 2013-14, the Union Government released ₹ 1,12,708² crore directly to State/district level autonomous bodies and authorities, societies, non-governmental organisations, etc., for implementation of Centrally Sponsored Schemes. Since the funds are not being spent by the Implementing Agencies (IAs) in the same financial year, there remain substantial amounts of unspent funds in their accounts. The aggregate amount of the unspent balances, in the accounts of the IAs kept outside Government accounts, is not readily ascertainable. Government expenditure as reflected in the Accounts to that extent is, therefore, overstated. Also, Government Accounts do not disclose the exact amount of direct releases.

The Rangarajan Committee on the Efficient Management of Public Expenditure (Committee) observed several drawbacks in the implementation of the society mode. The drawbacks included non-uniform accounting framework for IAs, lack of assurance and accounting of assets so created, absence of centralised data on expenditure incurred by IAs, absence of assurance on whether the utilisation certificates were authentic, large unspent balances remaining as float outside the system and the CAG's audit jurisdiction not being comprehensive over all sub-grantees.

The Committee also observed that the benefits of routing funds through the treasury mode could not be over-emphasised. It added that while this mode may not address all the ills plaguing the system, it was definitely better than a system with multiple agencies and players over whom the 'State' had little control. The Thirteenth Finance Commission had also stated that the optimal solution would be to route funds through the State Budgets so that the treasury system could report utilisation of funds and the State Government could monitor implementation of schemes.

The Committee further recommended that the switchover to complete treasury mode of transfer of funds may be made straight-forward, possibly beginning with all new schemes from the Twelfth Five Year Plan onwards. For existing schemes, a short transition period was required for necessary adjustment. However, till a complete switchover to the treasury mode was done, accounting, submission of

² As per Expenditure Budget 2015-16 (Volume-I), Statement -18

utilisation certificates and auditing of the schemes under the Society mode had to be rationalised.

This subject has also been commented upon successively in the CAG's Audit Report beginning from Report No. CA-13 for the year 2007-08.

The Department of Expenditure in their reply (January 2014) to the Public Accounts Committee admitted that parking of funds required for development or social assistance is unacceptable, not only because of the high cost of borrowing in a deficit financing situation, but also because the activities to be carried out with these funds are adversely affected. The Department further added that during revised estimates meetings, unspent balances lying with the implementing agencies are carefully examined and Ministries have been advised to bring down the quantum of such balances. Further, instructions have also been issued (November 2012) for not releasing any grants to autonomous bodies/NGOs/institution and organization at Central/State/Local Body level (Other than State Government) if those bodies have not submitted all utilization certificates in respect of grants released by the Central Government. The Department also stated that Central funds for 66 restructured schemes will be transferred through the Consolidated Fund of the States in a phased manner from 2014-15. Accordingly Union Budget for 2014-15 did not provide any funds towards direct transfer of central plan assistance to state/district level autonomous bodies/implementing agencies.

5.3.2 CAG's audit arrangements in the case of grants-in-aid expenditure

Public Service delivery especially in the social sector is characterized by increasingly complex inter-relationships between Government agencies, different levels of Government, and the private sector including non-governmental organizations. In recent years, there has been a paradigm shift in the Central Government strategy for implementation of flagship programmes and other centrally sponsored schemes, which constitutes a significant proportion of plan expenditure.

The Union Government maintains a database of all grants-in-aid released to various agencies under the plan schemes for the Civil Ministries/Departments excluding Ministry of External Affairs, Department of Atomic Energy and Department of Space. The database is called the Public Financial Management System (PFMS) (formerly Central Plan Scheme Monitoring System-CPSMS). Based on PFMS data made available to Audit, the broad categories of grants-in-aid expenditure were analysed. The details of grants released as captured in PFMS, together with the existing public audit arrangements in terms of the principal categories of recipients are given in the **Table 5.1**.

Table 5.1: Category-wise Plan grants released during 2013-14 and audit mandate

Category	Amount released (₹ in crore)	Audit Mandate of CAG in terms of CAG's (Duties, Powers and Conditions of Service) Act, 1971
Central Government Institutions*	1229.87	Section 14, 15 & 20
State Governments / Union Territories	142103.13	Section 13
Central Government Public Sector Undertakings	6512.93	Section 19(1)
State Public Sector Undertakings	2934.74	Section 19(1)
Statutory Bodies	6589.42	Section 19(2) & (3)
Local Bodies	3996.32	Section 14, 15 & 20 and under Technical Guidance and Support (TGS)
Registered Societies (Government Autonomous Bodies)	144316.56	Section 14, 15 & 20
Registered Societies (Non-Governmental Organisations)	1836.46	Section 14, 15 & 20
Private sector Companies	1604.03	Section 14, 15 & 20
State Government Institutions	2629.08	Section 13, 14, 19 & 20
International Organisations	45.37	--
Individuals	22.92	--
Trusts	626.64	--
State Government Drawing and Disbursing Officers	35.47	--
Total	314482.94	

Source: Data furnished by O/o CGA as per PFMS.

** The category name (agency type) depicted in database is 'Central Government' only. Other category descriptions in agency types have been adopted as depicted in PFMS database.*

- In above table, the first five categories represent government or public sector entities, where the audit remit of the CAG of India is unambiguous. In these cases, the mode of transfer is supported by a robust accounting system and especially expenditure relating to State and UT Governments can be tracked down to its finality, where vouchers for each individual transaction are available with the State Accountants General.
- A substantial amount of the plan funds is also being released to registered societies/Non-Government Organisations/Trusts. Most of these institutions are not under the direct audit jurisdiction of the CAG. The CAG's (Duties, Powers and Conditions of Service) Act 1971, stipulate that the audit of bodies or authorities substantially funded by Government can be audited by CAG only if the assistance by way of grant or loan is not less than ₹ 25 lakh and the amount of such assistance is not less than 75 per cent of the total expenditure of that body or authority. Alternatively, CAG can take up the audit of those institutions with the previous approval of the President of India if the assistance given to those institutions is not less than ₹ 1 crore. Thus for CAG to take up the audit of these bodies which are substantially funded by the Government, the details of the total expenditure of the grantee institution are required to satisfy that the

grant/assistance given by the Government exceeds 75 *per cent* of total expenditure of that institution. This requires Annual Accounts of those entities to be made available to the CAG. Regulations on Audit and Accounts notified in November 2007 contain a provision that the Governments and heads of departments which sanction grants and/or loans to bodies or authorities shall furnish to the audit office by end of July every year a statement of such bodies and authorities to which grants and/or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating- (a) the amount of assistance; (b) the purpose for which the assistance was sanctioned; and (c) the total expenditure of the body or authority. However, currently the Government does not have a mechanism to obtain the Annual Accounts of the bodies substantially funded by it for forwarding these accounts to the CAG. This limits timely conduct of the audit of such entities and also reporting of audit results to Parliament by the CAG.

- Some of the flagship programmes and scheme guidelines envisage routing government assistance through intermediaries, whereby the principal grantee body or authority assigns a part or whole of the amount to sub-grantees for actual expenditure and programme delivery. Various autonomous bodies and societies receiving government funding are audited under Sections 14, 15, 19 and 20 of the CAG's (DPC) Act, 1971. However, the existing provisions do not have any specific provisions for audit of sub-grantees, implementing agencies, societies etc., receiving grants either directly or indirectly from the Consolidated Fund.
- Further, a substantial number of registered societies/ Non-Government Organisations/ Trusts are just first level grantees. They are not directly involved in the implementation of the plan scheme. They in turn give grants to the implementing agencies. Such sub-grantees do not directly fall within the audit jurisdiction of the CAG.
- In the case of local bodies like Panchayati Raj Institutions and urban bodies, like Corporations and Municipalities, the CAG is not the primary auditor in most of the States but has been providing technical guidance and supervision/support to the primary auditors.

Thus for a substantial amount of expenditure relating to grants-in-aid, the power of the CAG audit is fettered and restricted. This has implications on the larger issue of accountability of public expenditure.

5.4 Utilisation Certificates (UCs)

The effectiveness and utilization of grants-in-aid released by the Central Government is monitored through the mechanism of utilization certificates. Rule 209 of General Financial Rules 2005 prescribes the principles and procedures for

award of grants-in-aid to any grantee. The sanctioning authority is required to maintain a register of grants in form GFR 39. Rule 212 of General Financial Rules 2005 envisages monitoring of utilization of the grants so released through the mechanism of utilization certificate to be submitted by the grantee as prescribed in Form GFR 19A. The UCs are required to be submitted by the grantees within twelve months of the closure of the financial year. Rule 212(3) of GFR provides for submission of achievement-cum-performance reports by the grantee bodies to the administrative Ministry/ Department.

Details with regard to outstanding UCs as on 31 March 2014 were called for from all civil Ministries/Departments. The details as made available by the concerned Ministries/Departments, are shown in table below.

Table 5.2: Outstanding Utilisation Certificates

Sl. No.	Name of Ministry	No. of UCs outstanding	Amount of UCs (₹ in crore)
1.	Ministry of Agriculture	3089	12380.20
2.	Department of Atomic Energy	616	40.38
3.	Ministry of Chemicals and Fertilisers	38	64.84
4.	Ministry of Culture	3248	245.09
5.	Ministry of Health and Family Welfare	6724	16192.46
6.	Ministry of Food Processing Industries	2704	483.59
7.	Ministry of Youth Affairs and Sports	7100	1439.31
8.	Department of Heavy Industries	21	526.42
9.	Ministry of Human Resource Development	3889	9954.21
10.	Department of Personnel and Trainings	27	0.71*
11.	Ministry of Minority Affairs	332	136.12
12.	Ministry of Social Justice and Empowerment	10046	653.26
13.	Ministry of Micro, Small and Medium Enterprises	242	75.90
14.	Ministry of Urban Development	150	280.90
15.	Ministry of Housing and Urban Poverty Alleviation	343	591.08
16.	Ministry of Tribal Affairs	164	365.93
17.	Ministry of Mines	4	1.59
18.	Department of Space	281	17.30
19.	Ministry of Consumer Affairs, Food & Public Distribution	90	19.26
20.	Ministry of Labour & Employment	596	90.73
21.	Ministry of Women & Child Development	4611	312.72
	Total	44315	43872.00

*figure pertaining to period 2008-09 to 2012-13 only.

In 21 Ministries/Departments, 44315 UCs involving ₹ 43,872 crore which were due on 31st March 2014 were outstanding as of January 2015. UCs are the only mechanism for the Ministries to verify that the money has been utilized for the

purpose for which it was given. Large number of outstanding UCs indicates poor monitoring and follow-up mechanisms in the Ministries/Departments concerned.

5.5 Detailed examination of expenditure on grants-in-aid in the Ministry of Social Justice & Empowerment and the Ministry of Micro, Small and Medium Enterprises

The expenditure incurred on grants-in-aid in two ministries viz. Ministry of Social Justice & Empowerment and Ministry of Micro, Small and Medium Enterprises was reviewed in audit to derive an assurance with regard to the sanctioning and monitoring mechanism of grants, quality and effectiveness of the expenditure incurred, etc. The results arising out of such review are discussed in succeeding paragraphs.

5.5.1 Audit Approach

Substantial part of the total expenditure of the Ministry of Social Justice & Empowerment and the Ministry of Micro, Small and Medium Enterprises is incurred towards grants-in-aid. Expenditure on grants-in-aid of both the Ministries have been reviewed to derive an assurance with regard to the quality of expenditure incurred. In this process, apart from the records made available and reply/data furnished by the Ministries, information/data as contained in *e-lekha* and PFMS dump have also been made use of. The review has been undertaken with the objective to assess:

- Existence of robust principles and procedures in the Ministries for award of grants;
- Existence of department specific rules and regulations as specified in General Financial Rules, 2005;
- Sanctioning of grants-in-aid by following prescribed rules, regulations, principles and procedures;
- Adherence to instructions contained in the General Financial Rules, 2005, Budget Circulars and other instructions issued by the Ministry of Finance governing release of grants-in-aid;
- Even flow of expenditure on grants-in-aid in the course of the year; and
- Existence of effective evaluation and monitoring mechanism in the Ministries with regard to the timely utilisation of grants-in-aid, examination of utilisation certificates to ensure the quality of expenditure incurred out of the grants released.

Grant No. 89- Ministry of Social Justice & Empowerment

5.5.2 Introduction

The Ministry of Social Justice & Empowerment has two Departments, Department of Social Justice & Empowerment and Department of Disability Affairs.

(A) Department of Social Justice & Empowerment

The mandate of the Department of Social Justice and Empowerment is to implement specially tailored schemes for the improvement and empowerment of disadvantaged groups of citizens from scheduled castes (SCs), other backward classes (OBCs), senior citizens, victims of substance (alcohol and drug) abuse, transgender persons and beggars.

The Department attempts to achieve the above mandate through:

- Educational, economic and social development and empowerment of SCs and OBCs and;
- Provision of necessary support and services for senior citizens and victims of substance abuse.

The following autonomous bodies/institutions are under administrative control of the Department of Social Justice and Empowerment:

a) National Commissions

- National Commission for Scheduled Castes (Constitutional Body)
- National Commission for Backward Classes (Statutory body)
- National Commission for Safai Karamcharis (Non-Statutory body)

b) Foundations

- Dr. Ambedkar Foundation
- Babu Jagjivan Ram National Foundation

c) Corporations

- National Scheduled Caste Finance and Development Corporation, New Delhi
- National Safai Karamcharis Finance and Development Corporation, New Delhi
- National Backward Classes Finance and Development Corporation, New Delhi

(B) Department of Disability Affairs

The Department of Disability Affairs in the Ministry facilitates rehabilitation and empowerment of persons with disabilities. These include persons with visual, hearing, speech, locomotor and mental disabilities.

The Department undertakes following measures to achieve its objectives:

- Physical rehabilitation, which includes early detection and intervention, counselling and medical rehabilitation and assistance in

procuring appropriate aids and appliances for reducing the effect of disabilities;

- Educational rehabilitation including vocational education;
- Economic rehabilitation;
- Social empowerment;
- Improving Internal Efficiency/Responsiveness/Service Delivery among professionals/personnel; and
- Advocating empowerment of Persons with Disabilities through awareness generation among different sections of the society.

The following statutory bodies, corporations and national institutes are under the administrative control of the Department of Disability Affairs:

Statutory Bodies

- (i) The Rehabilitation Council of India
- (ii) The Chief Commissioner for Persons with Disabilities
- (iii) The National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities.

Corporations

- (i) The National Handicapped Finance and Development Corporation
- (ii) Artificial Limbs Manufacturing Corporation, Kanpur

National Institutes

- (i) Pt. Deen Dayal Upadhyay Institute for Physically Handicapped, New Delhi
- (ii) National Institute for the Orthopaedically Handicapped, Kolkata
- (iii) National Institute of Visually Handicapped, Dehradun
- (iv) National Institute of Mentally Handicapped, Secundrabad
- (v) Ali Yavar Jung National Institute for the Hearing Handicapped, Mumbai
- (vi) Swami Vivekanand National Institute of Rehabilitation, Training and Research, Cuttack
- (vii) National Institute for the Empowerment of Persons with Multiple Disabilities, Chennai
- (viii) The Indian Sign Language Research and Training Centre, New Delhi.

5.5.3 Budget and Expenditure

The Revenue expenditure of the Ministry increased from ₹ 4,849.08 crore in 2011-12 to ₹ 5,217.35 crore in 2013-14. The Plan and Non-plan expenditure of the Ministry constituted 98 *per cent* and 2 *per cent* respectively during all the years 2011-12 to 2013-14.

Expenditure on grants-in-aid is one of the major components of the revenue expenditure of the Ministry. During the period 2011-12 to 2013-14 more than 99 *per cent* of the plan revenue expenditure was on grants-in-aid, whereas in non-

plan expenditure, it ranged between 53.16 *per cent* to 55.13 *per cent* as detailed in the table below:

Table 5.3: Provision and Expenditure on Revenue Account

(₹ in crore)

Year	Provision		Expenditure		Expenditure on Grants-in-aid		Per cent of Grants-in-aid as compared to actual expenditure	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
2011-12	5105.02	78.03	4764.71	84.37	4733.89	46.51	99.35	55.13
2012-13	5615.02	93.31	4677.75	91.10	4640.54	48.43	99.20	53.16
2013-14	6320.03	100.34	5119.56	97.79	5061.52	52.97	98.87	54.17

Source: Information furnished by the Ministry

The disaggregation of expenditure on grants by object heads '31 Grants-in-aid General'; '35 Grants for creation of Capital Assets'; and '36 Grants-in-aid-Salaries' for 2011-12 to 2013-14 is as under.

Table 5.4: Object head-wise expenditure

(₹ in crore)

Particulars	2011-12	2012-13	2013-14	Total
31-Grants-in-aid-General	4665.84 (97.60 %)	4580.51 (97.69 %)	4975.25 (97.28 %)	14221.60
35-Grants for creation of Capital Assets	106.98	61.57	87.67	256.22
36-Grants-in-aid Salaries	7.58	46.89	51.57	106.04
Total	4780.40	4688.97	5114.49	14583.86

Source: DDG/expenditure figure furnished by the Ministry.

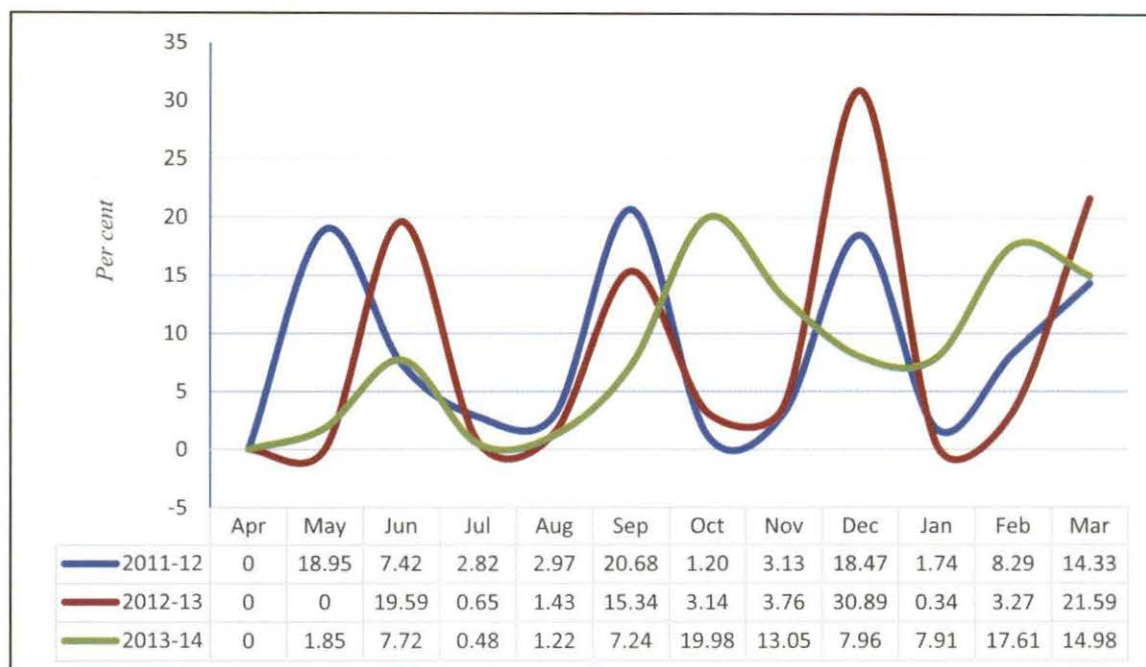
More than 97 *per cent* of the grants were given under the head Grants-in-aid General.

5.5.4 Month-wise flow of expenditure on grants-in-aid

As per rule 212(1) of the General Financial Rules, 2005, the Ministry or Department should ensure even flow of expenditure on grants-in-aid throughout the year.

The flow of plan expenditure of the Ministry in the course of the year was examined with the help of *e-lekha* data base. It was observed that the Ministry had not adhered to the above provision while releasing grants-in-aid during the years 2011-12 to 2013-14. The **Chart 5.6** presents the monthly flow of plan expenditure on grants-in-aid.

Chart 5.6: Flow of Plan expenditure

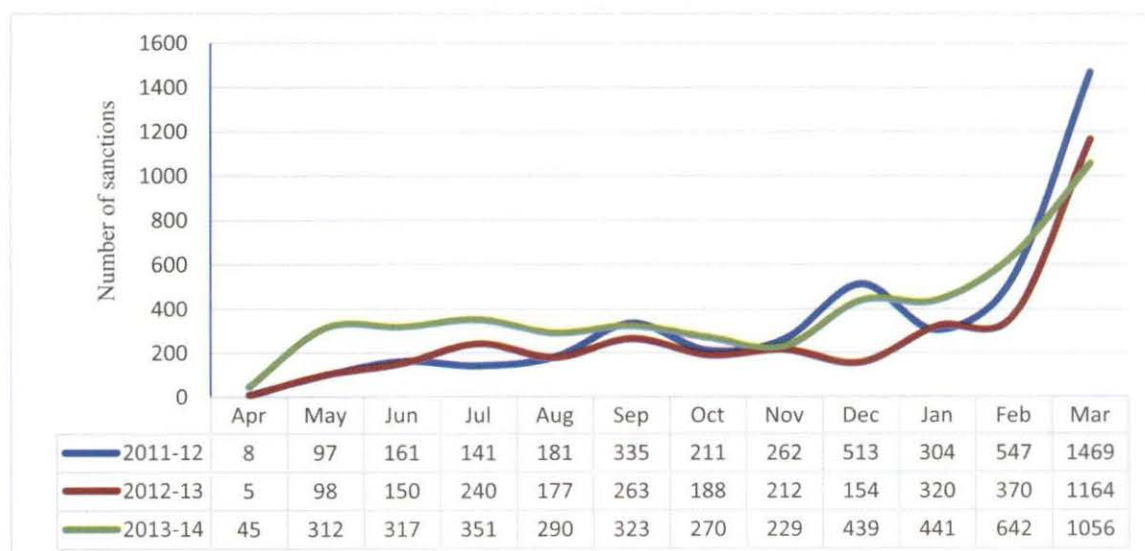


Source: e-lekha data dump.

From above chart it is evident that flow of monthly expenditure was not even throughout the year during 2011-12 to 2013-14. Large part of plan expenditure was incurred in the month of September (20.68 per cent) in 2011-12, December (30.89 per cent) in 2012-13 and October (19.98 per cent) in 2013-14, whereas negligible expenditure was incurred in the months of April, July, August and January during the three years period.

An analysis of PFMS data in the **Chart 5.7** revealed that majority of the sanctions too were generated in the month of March during 2011-12 to 2013-14, instead of being a round the year exercise.

Chart 5.7: Flow of sanctions generated (from PFMS data)



Source: PFMS data

5.5.5 Grants sanctioned and released in terms of entities – Public Sector Undertakings, Autonomous Bodies and Registered Societies etc.

The CGA maintains a database of grants-in-aid released to various agencies under the plan schemes. The details of plan grants-in-aid released during 2011-12 to 2013-14, analyzed from PFMS in terms of principal categories of recipients, are given in the table below:

Table 5.5: Expenditure in terms of recipients

Name of agency	2011-12		2012-13		2013-14	
	Grants sanctioned	Grants released	Grants sanctioned	Grants released	Grants sanctioned	Grants released
Central Government Institutions	2.75	1.75	9.36	7.22	32.32	16.05
Central Government Public Sector Undertakings	78.59	43.59	129.96	77.21	112.28	106.72
Registered Societies (Government Autonomous Bodies)	303.96	200.74	133.10	76.38	195.09	164.37
Registered Societies (Non-Governmental Organisations)	219.72	184.21	143.45	112.44	195.93	159.48
State Government/UTs	4866.96	4259.52	4968.95	4324.64	5534.04	4581.65
State Government Institutions	0.60	0.54	36.52	4.16	7.94	6.52
State Government Public Sector Undertakings	0.81	0.71	0.75	0.74	7.08	7.08
Statutory Bodies	95.76	42.07	45.44	26.61	31.04	27.63
Trusts	0.72	0.68	0.91	0.45	1.81	1.76
Local bodies	0.39	0.27	0.16	0.06	0.14	0.14
Individuals	0.03	0.03	0.03	0	0.02	0.01
Private sector companies	0	0	0	0	0.82	0.71
Total:	5570.29	4734.11	5468.63	4629.91	6118.51	5072.12

Source: Data furnished by Ministry as per PFMS.

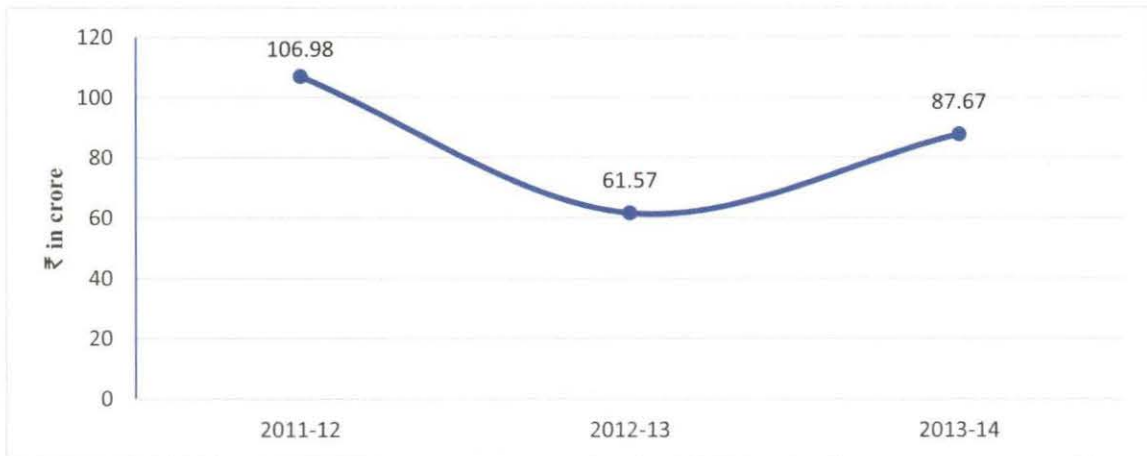
As per the budget circular issued by the Ministry of Finance, the Ministry is required to enclose a schedule in the Detailed Demands for Grants (DDG) showing provisions included in budget estimates for payment of grants-in-aid to Non-Government bodies. The lists of private and voluntary organizations receiving grants-in-aid more than ₹ 5 lakh for the year 2011-12 and 2012-13 enclosed in the DDG (2013-14 and 2014-15) were largely at variance with the number of institutions disclosed in the PFMS data. The details are given in the **Table 5.6**.

Table 5.6: Number of private/voluntary organisations receiving grants-in-aid

more than ₹ 5 lakh		
Year	As per DDG	As per PFMS
2011-12	1032	934
2012-13	766	724

5.5.6 Non maintenance of data of capital assets created by the grantees out of government grants

From the financial year 2009-10, a new object head 'Grants for creation of Capital Assets' was introduced to distinctly account for the grants released to the grantee bodies for creation of capital assets. During the years 2011-12 to 2013-14, the Ministry released grants of the order of ₹ 256.22 crore, for creation of capital assets as shown below:

Chart 5.8: Grants for creation of Capital Assets

Analysis of PFMS data for the year 2011-12 to 2013-14 revealed that the Ministry released grants for creation of capital assets (object head-35) to Autonomous Bodies and Universities out of provision made for this purpose in the budget.

During 2013-14, out of total grants of ₹ 87.67 crore, ₹ 24.63 crore and ₹ 19.80 crore was released to autonomous bodies/National Institutes and Universities respectively. The Ministry has invariably been including a clause in the sanction order that the assets created shall not be disposed of without the approval of the Ministry. However, information could not be furnished to Audit regarding existence of a centralized records/database, viz. name of the grantee, details of assets created, amount of grant actually utilized for creation of capital assets, ownership of the capital assets, geographical location of the capital assets so created, etc.

In absence of such details, assurance could not be derived that the expenditure booked under this head actually resulted in creation of capital assets for which the grant was sanctioned. Further, it is not clear how the Ministry is ensuring that the

grantee bodies are not disposing of the assets created out of these grants without its approval, in absence of any inventory existing in the Ministry.

5.5.7 Non-maintenance of grants-in-aid register

In terms of rule 212(4)(a) of GFR and Para 4.27.2 of Civil Accounts Manual, a Register of Grants shall be maintained by the sanctioning authority in the format given in Form GFR-39 and CAM-28 with a view to guard against the possibility of double payment. No bill should be signed unless it has been noted in the Register of Grants against the relevant sanction. This also facilitates watching of payments in instalments, if any, in the case of lump sum sanctions.

However, it has been noted that the Ministry has not maintained the Register of Grants released to various Autonomous Bodies/Agencies etc. during the year 2011-12 to 2013-14 in the prescribed form. In absence of maintenance of the prescribed register, proper monitoring and timely release of grants against the sanction could not be ensured and also cases of double payment of grant could not be ruled out. However, Register was maintained by different divisions.

5.5.8 Shortcomings in authorisation process

a) Delay between authorisation and release of grants

As per para 2.3.1 of Civil Accounts Manual, bills should be passed for payment and cheques issued within a maximum of seven working days of their receipt. Effort should be made for passing the bills and making payments within a shorter period and the Pr.CCA/CCA/CA should lay down norms in this regard as well as personally monitor their compliance. In addition, bills indicated as 'Immediate' by a Drawing and Disbursing Officer should be attended urgently, so that the cheques are issued on either the same or the next day.

Analysis of PFMS data revealed that there were substantial delays in issue of cheques to grantee institutions ranging from eight days to more than 120 days during the years 2011-12, 2012-13 and 2013-14 as detailed in the table below:

Table 5.7: Delay in release of grants-in-aid

(₹ in crore)

Delay in days	2011-12		2012-13		2013-14	
	No. of sanction orders	Amount	No. of sanction orders	Amount	No. of sanction orders	Amount
08-30	168	13.59	409	118.92	1044	89.02
31-60	16	1.01	22	2.33	213	9.93
61-90	2	0.14	5	1.70	47	5.37
91-120	0	0	2	0.07	4	0.13
More than 120 days	0	0	1	0.05	5	0.25
Total	186	14.74	439	123.07	1313	104.70

Data Source- PFMS online database

b) Non-disclosure of information relating to grantee bodies on the Ministry's website

As per rule 209 of General Financial Rules, 2005, the institution or organization seeking grants-in-aid should certify that it has not obtained or applied for grants for the same purpose or activity from any other Ministry or Department of the Government of India or State Government. Further, note below the rule envisaged that in order to obviate duplication in grants-in-aid, each Ministry or Department should maintain a list of institutions or organizations along with details of amount and purpose of grants given to them on its Website.

No such list has been maintained, containing institutions or organizations along with details of amount and purpose of grants released to organizations, etc. and uploaded on the website of the Ministry. However, there is a link "Grants-in-aid to NGOs" available on the website of the Ministry but it was not operational.

In absence of such details, the possibility of duplication of disbursement of grants-in-aid to an organization for similar purpose cannot be ruled out.

c) Memorandum of Understanding not entered into with organisations

As per rule 208 (vii) of General Financial Rules, 2005, all organisations receiving grants-in-aid of more than ₹ 5 crore per annum, should enter into a memorandum of understanding (MoU) with the Administrative Ministry or Department, spelling out clearly the output targets in terms of details of programme of work and qualitative improvement in output, along with commensurate input requirements. The output targets, given in measurable units of performance, should form the basis of budgetary support extended to these organisations.

Test check revealed that during the years 2011-12 to 2013-14 grants of more than ₹ 5 crore were released by the Ministry to the following Institutes/organisations but the Memorandum of Understanding was not entered into by the Ministry with these organisations. Moreover, the sanction orders also did not specify the requirement of entering into any MoU.

Table 5.8: Release of grants without any MoU

Name of the Organisation	(₹ in crore)			
	2011-12	2012-13	2013-14	Total
Pt. Deendayal Upadhyay Institute for the Physically Handicapped (IPH)	15.40	11.87	16.48	43.75
National Institute for Visually Handicapped (NIVH)	17.11	24.50	29.93	71.54
Ali Yavar Jung National Institute for the Hearing Handicapped (NIHH)	14.17	17.96	21.47	53.60
National Institute for Empowerment of Persons with Multiple Disabilities (NIEPMD)	8.54	7.69	9.26	25.49
National Institute for the Orthopaedically Handicapped (NIOH)	14.05	10.70	17.26	42.01

National Institute for the Mentally Handicapped (NIMH)	11.85	8.43	17.42	37.70
Swami Vivekanand National Institute of Rehabilitation Training and Research (NIRTAR)	14.92	18.34	22.60	55.86
National Institute of Social Defence	6.25	6.09	10.00	22.34
Total	102.29	105.58	144.42	352.29

The Ministry stated (September 2014) that no MOU had been signed in the case of National Institutes.

d) Non-disclosure of required information in Utilisation certificates

Note 2 below Rule 212(1) of General Financial Rules, 2005, states that in respect of central autonomous organisations, the utilisation certificate shall disclose separately the actual expenditure incurred and the loans and advances given to suppliers of stores and assets, construction agencies, staff (for house building and purchase of conveyance, etc.) which should be treated as unutilised grants but allowed to be carried forward. While regulating the grants for the subsequent year, the amount carried forward shall be taken into account.

Test check of utilisation certificates furnished by autonomous bodies/institutions to the Ministry revealed that loans and advances of ₹ 26.54 crore paid by the institutions, as detailed in **Annexure-5.1**, to suppliers, construction agencies, staff members, etc., during the years 2011-12 and 2012-13 were given but separate disclosure with regard to the actual expenditure incurred and the loans and advances given which do not constitute expenditure was not furnished. Thus, in the absence of the required information the Ministry treated the entire grants as utilized.

5.5.9 Variation in sources of data relating to plan expenditure on grants-in-aid

Indian Government Accounting Standard-2 prescribes the standards for accounting and classification for Grants-in-aid in the financial statements of the Government with an aim to remove any difficulties experienced in adherence to the appropriate principles of accounting and classification of Grants-in-aid by way of appropriate disclosures in the Financial Statements of Government. Information in respect of expenditure on grants-in-aid is available on *e-lekha*, PFMS and Detailed Demand for Grants.

Table 5.9 presents a comparison of total expenditure on plan head and grants-in-aid (plan) released to States/UT Government/Bodies/Authorities during the year 2011-12 to 2013-14 as contained in three sources of data and information provided by the Ministry.

Table 5.9: Details of total expenditure and Grants-in-aid released under plan*(₹ in crore)*

Year	As per DDG		As per e-lekha		As per PFMS		As per information provided by Ministry	
	Total plan expenditure	Plan grants-in-aid released	Total plan expenditure	Plan grants-in-aid released	Total plan expenditure	Plan grants-in-aid released	Total plan expenditure	Plan grants-in-aid released
2011-12	5009.71	4734.36	4944.95	4734.36	4983.73	4734.11	4764.71	4733.89
2012-13	4880.40	4640.53	4848.61	4640.54	4851.87	4629.91	4677.75	4640.54
2013-14	5417.69 [#]	5072.38 [#]	5417.69	5072.38	5398.47	5072.12	5119.56	5061.52

[#]Figures taken from statement of Grant Transaction for the year 2013-14 provided by Pr.A.O/Ministry

The fact that the three sources of data and information provided by the Ministry reflect a variation on key aggregates, points to serious deficiencies in compiling the information and disclosing the same by the Controller General of Accounts in the Ministry of Finance. Given these variations, the integrity of the data on plan grants-in-aid expenditure is doubtful.

5.5.10 Monitoring of grants released

a) Peer review of autonomous organizations

Rule 208(v) of General Financial Rules provides for existence of a mechanism of external or peer review of autonomous organizations every three or five years depending on the size and nature of activity. Such a review should focus, inter alia, on whether the objectives for which the autonomous organization was set up have been or are being achieved; continuation of the activities of the organisation either because they are no longer relevant or have been completed or substantial failure in achievement of the objectives; whether user charges for the services provided are levied at appropriate rates; scope for maximising internal resource generation so that dependence upon government budgetary support is minimised, etc.

It has been noticed that there are more than 22 autonomous organisations/institutions/commissions/corporations functioning under the administrative control of the Ministry of Social Justice & Empowerment. The bodies are regularly receiving plan and non-plan grants-in-aid. The bodies detailed below received grants aggregating ₹ 378.37 crore from the Ministry during 2011-12 to 2013-14, but no information regarding external or peer review of these bodies has been provided by the Ministry.

Table 5.10: Details of few bodies, peer review of which not conducted*(₹ in crore)*

Name of the organisation	2011-12	2012-13	2013-14	Total
Pt. Deendayal Upadhyay Institute for the Physically Institute(IPH)	15.40	11.87	16.48	43.75
National Institute for Visually Handicapped (NIVH)	17.11	24.50	29.93	71.54
Ali Yavar Jung National Institute for the Hearing Handicapped (NIHH)	14.17	17.96	21.47	53.60

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National Institute for Empowerment of Persons with Multiple Disabilities (NIEPMD)	8.54	7.69	9.26	25.49
National Institute for the Orthopaedically Handicapped (NIOH)	14.05	10.70	17.26	42.01
National Institute for the Mentally Handicapped (NIMH)	11.85	8.43	17.42	37.70
Swami Vivekanand National Institute of Rehabilitation Training and Research (NIRTAR)	14.92	18.34	22.60	55.86
National Institute of Social Defence	6.25	6.09	10.00	22.34
National Commission for Backward Classes	2.44	4.52	4.85	11.81
Rehabilitation Council of India	3.64	4.06	3.57	11.27
Dr. Ambedkar Foundation	1.00	1.00	1.00	3.00
Total	109.37	115.16	153.84	378.37

The Ministry stated (September 2014) that the functioning/assessment of performance of National Institutes is reviewed periodically in review meetings held under the Chairmanship of Minister (SJ&E) and Secretary (DA). The functioning of National Institutes is also reviewed by the Parliamentary Standing Committee on Social Justice & Empowerment from time to time.

However, no report of such review was provided by the Ministry. Moreover, regarding other Autonomous Bodies/Corporations no information was furnished by the Ministry.

b) Performance-cum-achievement reports not submitted

General Financial Rules 212(3)(i) stipulates that the grantee institutions or organizations should be required to submit performance-cum-achievement reports soon after the end of the financial year. A time limit may in this regard be prescribed by the sanctioning authority concerned and this requirement should be included in the grants-in-aid sanction order.

As per sanction orders all the autonomous bodies/agencies/institutes, etc which have been sanctioned grants-in-aid by the Ministry were supposed to submit the performance-cum-achievement reports within prescribed time limit. However, no mechanism exists in the Ministry to monitor the receipt of performance-cum-achievement reports soon after the close of the financial year, as no such report was found on record. In absence of such reports, it is not clear how the performance of grantee organizations was monitored/assessed by the Ministry.

c) Deficient Internal Oversight

The scheme of departmentalisation of Union Government accounts provides for setting up of an efficient Internal Audit organisation to ensure accuracy in accounts and efficiency in the operation of the accounting set up.

The Internal Audit Wing carries out audit checks to ensure that various field formations are complying with the rules, policies and procedures established by the Government of India in general and the Ministry concerned in particular. Apart from checking the accuracy of accounting and financial records maintained by various field offices, observance of rules and regulations, control weaknesses, etc., the internal audit would look into performance aspects as well and would

evaluate the actual utilisation of the fund released and the schemes implemented to check that the intended objectives have been achieved.

Rule 212(1) of GFR also states that reports submitted by the internal audit parties of the Ministry or Department and inspection reports received from Indian Audit and Accounts Department and the performance reports, if any, received for the year should also be looked into while sanctioning further grants.

The Internal Audit Wing of the Ministry functions under the administrative control of the Controller of Accounts of the Ministry of Social Justice & Empowerment and is responsible for conducting internal audit of the units including Autonomous Bodies/Institutions, etc. under the Ministry. The details of audit/inspection conducted during the years 2011-12 to 2013-14 by the Internal Audit Wing are given in table below:

Table 5.11: Details of Internal Audit

Year	Total number of units under audit jurisdiction	Number of units planned to be audited	Actual number of units audited
2011-12	43*	3	1
2012-13	43*	4	-
2013-14	43*	6	6

*24 DDOs and 19 autonomous bodies/institutions

It is evident that out of 43 units, only 3, 4 and 6 units were planned for audit in the year 2011-12, 2012-13 and 2013-14 respectively. However, only one and six units were audited during the year 2011-12 and 2013-14 respectively. No audit was conducted during the year 2012-13. Despite almost entire expenditure being incurred by the Ministry on grants-in-aid, the internal oversight mechanism is not commensurate with the size of the expenditure and activities of the Ministry. In absence of a strong and effective internal oversight, it could not be ascertained in audit as to how the Ministry ensures compliance of rules, regulations and extant instructions on the subject by the grantee bodies in their day to day functioning and delivery of the programmes.

The Ministry stated (September 2014) that all the approved units could not be undertaken for audit in view of resource constraints.

d) Non-reporting of details to Parliament through annual reports

Rule 212(2)(i) & (ii) of General Financial Rules, 2005 provides that the annual reports and accounts of private and voluntary organizations receiving recurring grants-in-aid to the tune of ₹ 25 lakh and above and non-recurring grants-in-aid to the tune of ₹ 50 lakh and above should be laid on the Table of the House within nine months of the close of the succeeding financial year of the grantee organisations.

Test check revealed that recurring grants and non-recurring grants were released by the Ministry during the year 2011-12 and 2012-13 to a number of private and voluntary organizations as per details given below:

Table 5.12: Details of payments of grants-in-aid

Year	Recurring Grants- in- aid (₹ 25 lakh and above)		Non-recurring Grants-in-aid (₹ 50 lakh and above)	
	Number of Private /voluntary Organization	Amount	Number of Private/ voluntary organization	Amount
2011-12	163	169.79	5	11.59
2012-13	58	22.62	10	10.08

(₹ in crore)

Source: PFMS online database.

Information relating to presentation of Annual Report and Annual Accounts of private/voluntary organisations to the Parliament was not provided by the Ministry. In the absence of this it could not be ensured in audit that the compliance of above provision was being made by the Ministry.

e) Outstanding Utilisation Certificates (UCs)

Rule 212(1) of GFR, 2005 prescribes that in respect of non-recurring grants to an institution or organisation, a certificate of actual utilization of grants received for the purpose for which it was sanctioned in Form GFR 19-A, should be insisted upon in the order sanctioning the grants-in-aid. In respect of recurring grants, the UCs should also disclose whether the specified, quantified and qualitative targets that should have been reached against the amount utilised, were in fact reached, and if not, the reasons thereof. UCs should contain an output based performance assessment instead of input based performance assessment. In recurring grants, Ministry or Department concerned should release any amount sanctioned for the subsequent financial year only after UCs in respect of grants of preceding financial year is submitted.

The UCs should be submitted within twelve months of the closure of the financial year by the institution or organisation concerned. Receipt of such UCs shall be scrutinised by the Ministry or Department concerned. Where such certificate is not received from the grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such institution or organisation from any future grant, subsidy or other type of financial support from the Government. This fact should also be put on the website referred to in the Note under Rule 209(1) of GFR.

Further, Office Memoranda³, issued by Department of Expenditure, Ministry of Finance, on the issue of expenditure management envisage that no amount shall be released to any entity (including state Government) which had defaulted in furnishing utilisation certificate for grants-in-aid released by the Central Government without prior approval of Ministry of Finance. The OMs also enjoin

³ No. 7(1)/E-Coord/2011 dated 11 July 2011; No. 7(1)E.Coord/2012 dated 31 May 2012

that the sanction order must clearly specify either that the payee has no UCs as due for rendition under the rules or that the payments has been authorised by the Department of Expenditure.

Scrutiny of records in the Ministry revealed that 10,337 number of UCs aggregating ₹ 787.74 crore were outstanding as on 18 September 2014 in respect of grants-in-aid released by the Ministry up to 2012-13 as detailed in **Annexure-5.2.**

Age-wise analysis revealed that UCs amounting to ₹ 35.61 crore (4.52 *per cent*) were pending for adjustment for more than 20 years, ₹ 265.31 crore (33.68 *per cent*) for 11 years to 20 years, ₹ 354.12 crore (44.95 *per cent*) for 6 years to 10 years and ₹ 132.71 crore (16.85 *per cent*) for the last 5 years. The earliest period of the grants sanctioned for which utilisation certificate is outstanding pertains as far back as to the year 1987-88.

The Ministry did not make any special efforts to reduce the pendency of the outstanding utilisation certificates. Since the receipt of UCs is the only mechanism to vouch that the funds have been utilised for the intended purpose, the Ministry should put in place a strong mechanism to ensure timely receipt of UCs. The possibility of fraud/misappropriation of funds cannot be ruled out in cases where the grantee organisations have abnormally delayed submission of UCs.

Grant No. 66- Ministry of Micro, Small and Medium Enterprises

5.5.11 Introduction

Micro, Small and Medium Enterprises (MSMEs) sector has emerged as a highly vibrant and dynamic sector of the Indian economy. This sector plays crucial role in providing large employment opportunities at comparatively lower capital cost than large industries, and helps in industrialisation of rural and backward areas, thereby, reducing regional imbalances and assuring a more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and contribute enormously to the socio-economic development of the country.

The primary responsibility of promotion and development of MSMEs is that of the State Governments. However, the Government of India supplements the efforts of the State Governments through various initiatives. The role of the Ministry of Micro, Small and Medium Enterprises is to assist the States in their efforts to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario.

The Ministry has one attached office, viz. Office of the Development Commissioner (MSME), which assists the Ministry in formulating, coordinating,

implementing and monitoring different policies and programmes for the promotion and development of MSMEs in the country.

The following autonomous organisations and national level entrepreneurship development institutes are under administrative control of the Ministry:

(a) Autonomous Organisations

- National Small Industries Corporation Limited (NSIC)
- Khadi and Village Industries Commission (KVIC)
- Coir Board

(b) National Level Entrepreneurship Development Institutes

- National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida,
- National Institute for Micro, Small and Medium Enterprises (NI-MSME), Hyderabad
- Indian Institute of Entrepreneurship (IIE), Guwahati.

5.5.12 Provision and Expenditure on Revenue Account

The revenue expenditure of the Ministry has increased from ₹ 2,162.23 crore in 2011-12 to ₹ 2,550.69 crore in 2013-14. Expenditure on grants-in-aid is one of the major components of the revenue expenditure of the Ministry. During the period 2011-12 to 2013-14 expenditure on grants-in-aid ranged between 72 to 82 *per cent* of the plan revenue expenditure, whereas for non-plan grants-in-aid expenditure, it ranged between 5 to 57 *per cent*, as detailed in **Table 5.13** given below:

Table 5.13: Provision and Expenditure on Revenue Account

(₹ in crore)

Year	Provision		Expenditure		Expenditure on Grants-in-aid		Per cent of Grants-in-aid as compared to actual expenditure	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
2011-12	2534.04	300.50	1860.83	301.40	1524.34	15.48	82	05
2012-13	2752.02	319.86	2151.72	287.55	1720.05	126.01	80	44
2013-14	2899.02	311.93	2196.89	353.80	1579.30	200.79	72	57

Source: DDG, Appropriation Accounts and e-lekha data dump

5.5.13 Object head-wise expenditure on grants

The disaggregation of the expenditure on grants by object head '31-Grants-in-aid-General'; '35-Grants for creation of capital assets'; and '36-Grants-in-aid-Salaries' for 2011-12 to 2013-14 is detailed in **Table 5.14**.

Table 5.14: Object head-wise expenditure

Particulars	(₹ in crore)			
	2011-12	2012-13	2013-14	Total
31-Grants-in-aid General	1481.16 (96.19 %)	1657.36 (89.78 %)	1548.13 (86.97 %)	4686.65
35-Grants for Creation of Capital Assets	58.66	67.99	96.32	222.97
36-Grants-in-aid Salaries	0.00	120.71	135.64	256.35
Total	1539.82	1846.06	1780.09	5165.97

Source: e-lekha data dump

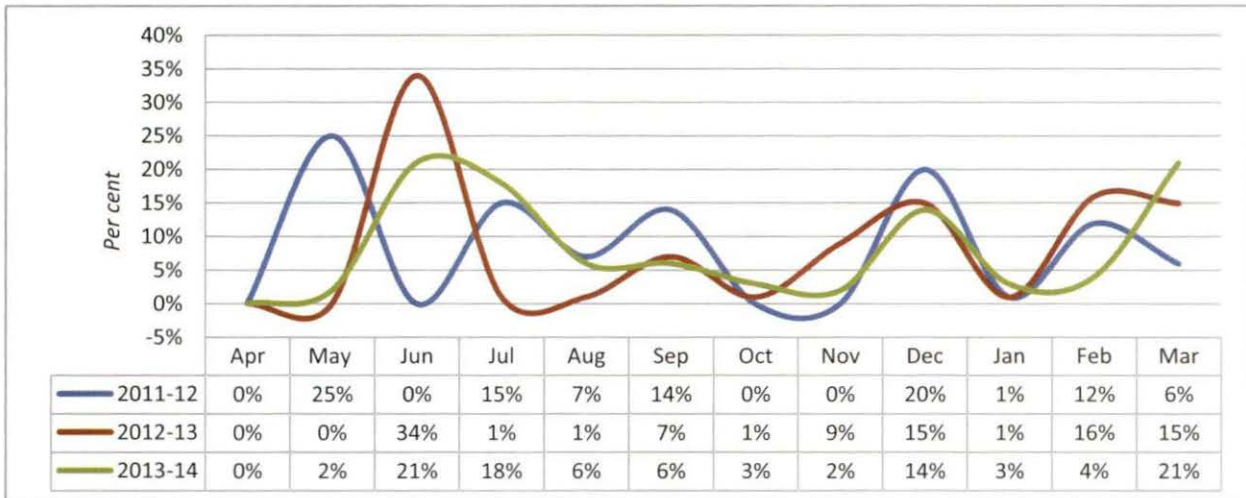
From above it emerged that the expenditure on ‘Grants-in-aid-General’ constituted 96 per cent in 2011-12, 90 per cent in 2012-13 and 87 per cent in 2013-14 of the total expenditure on grants.

5.5.14 Month-wise flow of expenditure on grants-in-aid

As per rule 212(1) of the General Financial Rules (GFRs), the Ministry or Department should ensure even flow of expenditure throughout the year.

It was however, observed that the Ministry had not adhered to the above provision of the GFRs while releasing grants-in-aid during the period 2011-12 to 2013-14 as is evident from the **Chart 5.9**. In the financial years 2011-12 to 2012-13, release of grants was at its peak in the month of May and June respectively, while for the financial year 2013-14, the release of grants peaked up in the months of June and March. In addition jumps were seen in the month of December in all these years.

Chart 5.9: Month-wise release of grants-in-aid



Source: e-lekha data dump

5.5.15 Expenditure in terms of entities-Public Sector Undertakings, Autonomous Bodies, Registered Societies etc.

The details of plan grants-in-aid released during the period 2011-12 to 2013-14 as analysed from PFMS data base in terms of the principal categories of recipients are given in **Table 5.15**.

Table 5.15: Expenditure in terms of recipients

(₹ in crore)

Name of agency	2011-12		2012-13		2013-14	
	Grants sanctioned	Grants released	Grants sanctioned	Grants released	Grants sanctioned	Grants released
Central Government Institutions	0.00	0.00	0.06	0.06	0.00	0.00
Central Government Public Sector Undertakings	78.46	78.46	103.59	61.01	63.17	63.17
Registered Societies (Government Autonomous Bodies)	128.62	125.66	160.72	146.00	237.78	223.63
Registered Societies (Non-Governmental Organisations)	1.42	1.26	4.20	2.09	4.19	3.92
State Government/UTs	7.67	6.95	0.69	0.00	0.00	0.00
State Government Institutions	0.28	0.15	0.13	0.13	1.07	1.07
State Government Public Sector Undertakings	30.26	24.85	26.34	20.14	42.46	31.92
Statutory Bodies	1405.13	1284.18	2582.59	1486.85	1399.96	1254.13
Trusts	0.32	0.20	0.61	0.61	0.41	0.36
Local bodies	0.00	0.00	0.00	0.00	0.02	0.02
Individuals	0.00	0.00	0.00	0.00	0.00	0.00
Private sector companies	0.14	0.14	1.31	1.10	1.00	0.94
International Organisations	5.85	1.95	0.00	0.00	0.00	0.00
Total	1658.15	1523.80	2880.24	1717.99	1750.06	1579.16

Source: Information furnished by the Principal Accounts Office, Ministry of MSME as per PFMS data (March 2015)

As per the Budget Circular issued by the Ministry of Finance every year, a statement showing grants-in-aid exceeding ₹ 5 lakh (recurring) or ₹ 10 lakh (non-recurring) actually sanctioned to private organizations/ institutions/individuals is required to be accompanied with the Detailed Demand for Grants. Further a statement showing provisions included in Budget Estimates for payment of Grants-in-aid to non-government bodies is also required to be accompanied with the Detailed Demand for Grants.

In the course of audit it was observed that the Ministry released grants-in-aid between ₹ 10 lakh to ₹ 25 lakh, aggregating ₹ 0.41 crore, ₹ 1.37 crore and ₹ 4.44 crore during the years 2011-12 to 2013-14 respectively to private institutions/organizations (**Annexure 5.3**). However, the information was not included in the Detailed Demand for Grants of the Ministry for the years 2011-12 to 2013-14.

5.5.16 Non assurance of creation of capital assets worth ₹ 222.97 crore by the grantees out of the Grants released by the Ministry

From the financial year 2009-10, a new object '35-Grants for creation of capital assets' was introduced by the Government to distinctly account for the grants released to the grantee bodies for creation of capital assets.

The Ministry released ₹ 222.97 crore under the object head 'Grants for creation of capital assets' during the period from 2011-12 to 2013-14. The Ministry had been including a clause in the sanction orders that the assets created out of the grants shall not be disposed of without the approval of the Ministry.

However, no centralized records/database viz. name of the grantee, details of assets created including nature of assets created, amount of grants actually utilized for creation of capital assets, ownership of such assets etc. were maintained by the Ministry.

As there were no records available with the Ministry in respect of capital assets created by the grantee, assurance could not be derived that the expenditure of ₹ 222.97 crore booked under this head actually resulted in creation of capital assets for which the grant was sanctioned. Further, in absence of any inventory details, it is not clear how the Ministry was ensuring that the grantee bodies were not disposing off the assets created out of these grants without its approval as stipulated in the sanction orders.

The Ministry in its reply (October 2014) stated that such details were reflected in the sanction order/final approval in respect of the office of the Development Commissioner (MSME) and in respect of Coir Division, centralized records/database were maintained by the Coir Board. It was further stated that the observation of the audit would be taken in account in future. The KVIC Division stated (November 2014) that such details are maintained by the Khadi & Village Industries Commission. However, the fact remains that no centralized records/database containing all the relevant details were maintained by the Ministry.

5.5.17 Memorandum of Understanding (MoU) not signed for Grants released above ₹ 5 crore

As per Rule 208(vii) of General Financial Rules, 2005, all organizations receiving budgetary support of more than ₹ 5 crore per annum are required to enter into a MoU with the Administrative Ministry or Department, spelling out clearly the output targets in terms of details of programme of work and qualitative improvement output along with commensurate input requirements. The output targets, given in measurable units of performance, should form the basis of budgetary support extended to these organizations.

During the years 2011-12 to 2013-14, grants-in-aid aggregating ₹ 559.03 crore were released to the following institutions/organizations for administrative purposes but no MoU was entered into by the Ministry with the grantee bodies although budgetary support of more than ₹ 5 crore per annum was given to each of them.

Table 5.16: MoU not signed with Institutions

S. No.	Name of the organization	Year			Total
		2011-12	2012-13	2013-14	
1.	Khadi and Village Industries Commission*	157.36	160.65	192.17	510.18
2.	Coir Board	14.98	14.97	18.90	48.85
	Total	172.34	175.62	211.07	559.03

**the amount is inclusive of releases made to KVIC under object head 20 for administrative purpose*

The Ministry stated (October/November 2014) that there was no practice of signing MoU between the Ministry and respective grantees. Reply of the Ministry is not tenable as these are the standing instructions of GFRs. The Ministry should take necessary action in this regard.

5.5.18 Delay between authorization and release of grants

Para 2.3.1 of Civil Accounts Manual provides that the bills should be passed for payment and cheques issued within a maximum of seven working days of their receipt. Effort should be made for passing the bills and making payments within a shorter period and the Pr.CCA/CCA/CA⁴ should lay down norms in this regard as well as personally monitor their compliance. In addition, bills indicated as 'Immediate' by Drawing and Disbursing officer should be attended urgently, so that the cheques are issued either the same or the next day.

Test check revealed that there were delays ranging from eight days to more than 30 days from the date of receipt of bills to date of issue of cheques during the year 2011-12 to 2013-14 as detailed in **Table 5.17**:

Table 5.17: Details of gap between authorization and actual release of grants

(₹ in crore)

Delay	2011-12		2012-13		2013-14		Total	
	No. of sanction order	Amount	No. of sanction order	Amount	No. of sanction order	Amount	No. of sanction order	Amount
8 days to 1 month	19	9.81	17	45.02	6	1.25	42	56.08
1-3 month	0	0.00	1	0.01	3	0.13	4	0.14
Total	19	9.81	18	45.03	9	1.38	46	56.22

5.5.19 Grants released without taking into account unspent balance of ₹ 438.45 crore

As per rule 209 (6) (iii) of GFRs, when recurring grants-in-aid are sanctioned to the same Institution or Organization for the same purpose, the unspent balance of the previous grant should be taken into account in sanctioning the subsequent grant. Further rule 212(1) also envisages that in respect of recurring grants, Ministry or Department concerned should release any amount sanctioned for the subsequent financial year only after Utilization Certificate on provisional basis in respect of grants of preceding financial year is submitted by the Institution or Organization concerned.

During the years 2011-12 to 2013-14, the Ministry released recurring grants-in-aid of ₹ 4,507.86 crore to the following three institutions without taking into account the unspent balance of ₹ 438.45 crore already available with these institutions.

⁴ Principal Chief Controller of Accounts/Chief Controller of Accounts/Controller of Accounts

Table 5.18: Grants released without taking into account unspent balances*(₹ in crore)*

Name of the Organization	Unspent grant as on	Amount of unspent grants (As per Audited Annual Accounts)	Year of release	Amount of recurring grant released		
				Plan	Non-Plan	Total
Coir Board	31.3.2011	9.80	2011-12	23.54	14.98	38.52
	31.3.2012	10.45	2012-13	17.76	14.97	32.73
	31.3.2013	1.84	2013-14	8.26	18.90	27.16
	Total	22.09				98.41
National Small Industries Corporation Limited	31.3.2011	13.54	2011-12	78.46	0.00	78.46
	31.3.2012	37.08	2012-13	61.01	0.00	61.01
	31.3.2013	11.60	2013-14	57.98	0.00	57.98
	Total	62.22				197.45
Khadi and Village Industries Commission	31.3.2011	N.A.*	2011-12	1257.44	0.00	1257.44
	31.3.2012	195.74	2012-13	1462.21	110.54	1572.75
	31.3.2013	158.40	2013-14	1200.42	181.39	1381.81
	Total	354.14				4212.00
	Grand Total	438.45				4507.86

*Annual accounts of the KVIC for the period 2010-11 were not furnished to Audit.

The Ministry stated (October/November 2014) that unspent balances available with the Coir Board and National Small Industries Corporation would be taken into account while subsequent release of grants-in-aid. The KVIC division in their reply stated that unspent balance of the funds released upto the last release in respect of all the plan schemes except Pradhan Mantri Employment Generation Programme lying with the implementing agencies was taken into account while processing the proposals for release of further funds to the agency. However, the quantum of unspent balance adjusted in the releases would be reflected in the sanction order in future as suggested by the Audit.

5.5.20 Non-disclosure of expenditure incurred on loans and advances in the Utilization Certificates

Note 2 below Rule 212 (1) of GFRs, states that in respect of Central Autonomous Organizations, the Utilization Certificate shall disclose separately the actual expenditure incurred and the Loans and Advances given to suppliers of stores and assets, to construction agencies, to staff (for house building and purchase of conveyance, etc.), which do not constitute expenditure at that stage. These shall be treated as unutilized grants but allowed to be carried forward. While regulating the grants for the subsequent year, the amounts carried forward shall be taken into account.

Audit scrutiny revealed that during the years 2012-13 and 2013-14, grants-in-aid of ₹ 1,611.75 crore and ₹ 1,454.07 crore respectively were released to the organizations as detailed below in **Table 5.19**. However, these organizations while furnishing the utilization certificates in respect of the grants for the year 2012-13 did not disclose the loans and advances of ₹ 1,774.84 crore disbursed as

on 31 March 2013 out of the grants so received. The Ministry neither asked the grantee nor ascertained the same from the annual audited accounts of the grantees before releasing further grants of ₹ 1,454.07 crore during 2013-14.

Table 5.19: Details of expenditure incurred on loans and advances

Name of the organization	Grants released during 2012-13	Loans and advances disbursed as of 31 March 2013 (as per Annual Accounts)	Grants released during 2013-14
Khadi and Village Industries Commission	1576.71	1769.68	1386.07
Coir Board	35.04	5.16	68.00
Total	1611.75	1774.84	1454.07

(₹ in crore)

The Ministry in its reply (October 2014) stated that utilization certificate towards expenditure incurred by the Coir Board on loans and advances would be insisted upon in future.

The Ministry further stated (November 2014) that during 2012-13 and 2013-14, no loans and advances were released to KVIC and all Utilization Certificates for grants-in-aid released during 2012-13 were received from KVIC before releasing grants for 2013-14. The reply is not acceptable as provisions of the GFRs relate to release of loans and advances disbursed by the grantee from the Government grants-in-aid and not to the loans and advances released by the government to Grantee institutions.

5.5.21 Utilization Certificates (UCs)

Rule 212(1) of GFRs, prescribes that in respect of non-recurring grants to an Institution or Organization, a certificate of actual utilization of the grants received for the purpose for which it was sanctioned in Form GFR 19-A, should be insisted upon in the order sanctioning the grants-in-aid. In respect of recurring grants, the UCs should also disclose whether the specified, quantified and qualitative targets that should have been reached against the amount utilized, were in fact reached, and if not, the reasons therefor. UCs should contain an output based performance assessment instead of input based performance assessment. In respect of recurring grants, Ministry or Department concerned should release any amount sanctioned for the subsequent financial year only after UCs in respect of grants of preceding financial year is submitted.

Further the UCs should be submitted within twelve months of the closure of the financial year by the Institution or Organization concerned. Receipt of such certificate shall be scrutinized by the Ministry or Department concerned. Where such certificate is not received from the grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such Institution or Organization from any future grant, subsidy or other type of financial support from the Government. This fact should also be put on the website referred to in the Note under Rule 209 (1).

As per details furnished by Ministry, 242 number of UCs aggregating ₹ 75.90 crore were outstanding as on 31 March 2014 as detailed in **Annexure 5.4**. The earliest period of the grants sanctioned for which UC is outstanding pertains to the year 2005-06. Further, during test check of records no such case, wherein the Ministry had blacklisted the defaulter organization, came to the notice of audit.

The receipt of the UCs is the only mechanism to vouch that the funds have been utilized for the intended purpose. The Ministry should put in place a strong mechanism to ensure timely submission of UCs by the grantee bodies.

5.5.22 Non submission of performance-cum-achievement report and annual audited statements

As per Rule 212(3) of GFRs, the grantee institutions or organizations are required to submit performance-cum-achievement reports soon after the end of the financial year. A time limit in this regard may be prescribed by the sanctioning authority concerned. In the case of recurring Grants, submission of performance-cum-achievement reports should usually be insisted upon in all cases.

During 2011-12 to 2012-13, the Ministry released recurring grants aggregating ₹ 284.89 crore to the following institutions/organizations. However, the Ministry did not have any mechanism in place to ensure that the performance-cum-achievement reports in respect of earlier grants were submitted by the grantees within the stipulated time frame though sanction orders issued by the Ministry contained a clause that the performance-cum-achievement reports should be submitted by the date/period specified therein.

Table 5.20: Details of institutes for which review of performance-cum-achievement reports were not conducted

(₹ in crore)

Name of the institute/ organization	Recurring grants released		
	2011-12	2012-13	Total
National Small Industries Corporation Limited	78.46	61.01	139.47
Coir Board	25.91	19.23	45.14
National Institute of Entrepreneurship and Small Business Development	25.89	23.35	49.24
National Institute for Micro, Small and Medium Enterprises	11.11	14.37	25.48
Indian Institute of Entrepreneurship	13.77	11.79	25.56
Total	155.14	129.75	284.89

Source: PFMS

The Ministry stated (October 2014) that it would be ensured that the performance cum achievement reports are submitted by the grantees at the end of the financial year and instructions would be issued to grantees for compliance.

5.5.23 Preparation of Budgets without adequate proposals from the grantee bodies

Rule 209(6) (ii) of GFRs provides that in order to avoid delay in sanction or release of grants-in-aid to the grantee Institutions, the Ministry or Department should impress upon Institution or Organization desiring grants from

Government, to submit their requirement with supporting details by the end of October in the year preceding the year for which the grants-in-aid is sought. The Ministry or Department should finalize the examination of their requests with the utmost expedition and make the necessary budget provision where it is decided to sanction grants. The Institution or Organization should be informed of the result of their requests by April of the succeeding year.

Audit scrutiny revealed that the Ministry did not adhere to the above provisions in the following three schemes implemented through Khadi and Village and Industries Commission. Out of total budget provision of ₹ 473.88 crore for the years 2011-12 to 2013-14, the entire provision could not be released by the Ministry. Savings of the entire provision are indicative of the fact that the provisions made by the Ministry were not as per the actual requirements projected by the grantees but on the basis of past trends and projections which resulted in such large savings.

Table 5.21: Savings against the budget provision

(₹ in crore)

S. No.	Name of the scheme	Year	Budget provision	Actual amount released	Savings	Percentage of savings as compared to budget provision
1.	Khadi Reform and Development Programme	2011-12	192.00	0.00	192.00	
		2012-13	50.00	0.00	50.00	
		2013-14	50.00	0.00	50.00	
		Total	292.00	0.00	292.00	
2.	Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	2011-12	20.00	0.00	20.00	
		2012-13	55.42	0.00	55.42	
		2013-14	55.46	0.00	55.46	
		Total	130.88	0.00	130.88	
3.	Scheme for Enhancing Productivity and Competitiveness of khadi Industry and Artisans	2011-12	21.00	0.00	21.00	
		2012-13	15.00	0.00	15.00	
		2013-14	15.00	0.00	15.00	
		Total	51.00	0.00	51.00	
		G. Total	473.88	0.00	473.88	

The Ministry stated (November 2014) that funds could not be released under the scheme of Khadi Reform and Development Programme due to non-fulfilment of the conditions laid down in the policy matrix. It was further stated that the remaining two schemes were proposed to be merged in the SFURTI scheme together with other small schemes of the KVIC but due to delay in appraisal of the revamped SFURTI, no funds could be released during 2011-12 to 2013-14.

5.5.24 Discrepancies in maintenance of Register of Grants

In terms of rule 212(4) of GFRs and Para 4.27.2 of Civil Accounts Manual, a register of grants shall be maintained by the sanctioning authority in the format given in GFR-39 and CAM-28 respectively with a view to guard against possibility of double payment. No bill should be signed unless it has been noted

in this register against the relevant sanction. This also facilitates watching of payments in instalments, if any, in the case of lump sum sanctions.

It was observed that register of grants were maintained by the respective divisions of the Ministry. However, essential information, such as conditions attached to the grant, due date of receipt of UCs and statements of accounts, actual date of receipt of UCs and statements of accounts, details of unspent balance, etc. were not entered in the register. Thus, the state of maintenance of basic records for disbursement of grants was not proper, impacting monitoring the sanctions/disbursements/utilizations of the grants.

The Ministry stated (October 2014) that instructions to all divisions of the Ministry for compliance of audit observation would be issued.

5.5.25 Non-disclosure of information relating to grantee bodies on the Ministry's website

Rule 209(1) of GFRs governing the principles and procedure for award of grants-in-aid stipulates that the institution or organization seeking grants-in-aid should also certify that it has not obtained or applied for grants for the same purpose or activity from any other Ministry or Department of the Government of India or State Government. The note below the aforesaid rule also envisaged that in order to obviate duplication in grants-in-aid, each Ministry or Department should maintain a list of institutions or organizations along with details of amount and purpose of grants given to them on its web site.

It was observed that no list containing institutions or organizations alongwith details of amount and purpose of grants was found to be uploaded on the website of the Ministry of MSME. Non-uploading of such list on the website by the Ministry is in contravention of the provisions of the GFRs. Further, it could not be ascertained as how the Ministry of MSME was ensuring that there was no duplication in receipt of grants in aid by the grantee for the same purpose.

The Ministry stated (October 2014) that instructions to all divisions of the Ministry for compliance of audit observation would be issued.

5.5.26 Non-reporting of details to Parliament through annual reports

Rule 212 (2) of GFRs provides that all Ministries or Departments of Government of India should include in their annual report a statement showing the quantum of funds provided to the private and voluntary organizations in the shape of recurring grants from ₹ 10 lakh to ₹ 25 lakh, and the purpose for which they were utilized, for the information of the Parliament. Similarly, in the case of organizations receiving one-time non-recurring grants from ₹ 10 lakh to ₹ 50 lakh, all Ministries or Departments of Government of India should include in their annual reports, statements showing the quantum of funds provided to each of these organizations and the purpose for which the funds were utilized, for the information of the Parliament.

In the course of audit of the Ministry it was observed that although the Ministry of MSME released grants-in-aid between ₹ 10 lakh to ₹ 25 lakh, aggregating ₹ 0.41 crore, ₹ 1.37 crore and ₹ 4.44 crore during the years 2011-12 to 2013-14 respectively to private institutions/organizations, as detailed in **Annexure 5.3**, details thereof were not included in the annual reports of the Ministry submitted to the Parliament.

The Ministry stated (October 2014) that instructions to all divisions of the Ministry for compliance of audit observation would be issued.

5.5.27 Peer Review of autonomous organizations

Rule 208(v) of GFRs provides for existence of a mechanism of external or peer review of autonomous organizations every three or five years depending on the size and nature of activity. Such a review should focus, inter alia, on the objective for which the autonomous organization was set up and whether these objectives have been or are being achieved; continuation or otherwise of the activities of the organization either because they are no longer relevant or have been completed or there was substantial failure in achievement of objectives; whether user charges for the services provided are levied at appropriate rates; scope for maximizing internal resources generation so that the dependence upon government budgetary support is minimized, etc.

During 2011-12 to 2013-14, the Ministry of MSME released grants-in-aid aggregating to ₹ 4,380.65 crore to the following autonomous bodies but no external or peer review of these bodies, was ever conducted by the Ministry.

Table 5.22: Autonomous organizations of which peer review not conducted

(₹ in crore)					
S. No.	Name of the Autonomous body	2011-12	2012-13	2013-14	Total
1	Khadi & Village Industries Commission	1257.44	1576.71	1386.07	4220.22
2	Coir Board	41.53	35.04	68.00	144.57
3	Mahatma Gandhi Institute of Rural Industrialization	4.48	2.81	8.57	15.86
	Grand total	1303.45	1614.56	1462.64	4380.65

The Ministry stated (October 2014) that the provisions of GFRs with regard to peer review of Coir Board would be adhered to in future. The Ministry in its subsequent reply (November 2014) stated that evaluation of various plan schemes of KVIC and MGIRI had been conducted by an independent agency. The reply is not tenable as the same is not related to the audit point.

5.5.28 Deficient Internal Oversight

The scheme of departmentalization of Union Government Accounts provides for setting up of an efficient internal audit organization to ensure accuracy in accounts and efficiency in the operation of the accounting set up.

As per rule 212(1) of the GFRs, reports submitted by the internal audit parties of the Ministry or Department and inspection reports received from Indian Audit and Accounts Department should also be looked into while sanctioning further grants.

The details of internal audit/inspection conducted during the year 2011-12 to 2013-14 by the internal audit wing of the Ministry of MSME in respect of grants released to bodies/authorities are given in **Table 5.23**:

Table 5.23: Details of internal audit conducted

Year	Number of units under audit jurisdiction (as reported by the internal audit wing)	Number of units planned for audit	Number of units audited	Number of units remained unaudited	Percentage of shortfall
2011-12	63	10	8	2	20
2012-13	63	3	0	3	100
2013-14	63	4	1	3	75

It was observed that in spite of more than 75 per cent of the total expenditure being incurred by the Ministry only on grants-in-aid, the internal oversight mechanism was not commensurate with the size of expenditure and activities of the Ministry. In absence of a strong and effective internal oversight, it could not be ascertained in audit as to how the Ministry ensured compliance to rules and regulations and extant instructions on the subject by the grantee bodies in their day to day functioning and delivery of the programme.

In its reply (September 2014), the Ministry admitted the fact that the internal audit wing had not conducted review of grants-in-aid released by the Ministry.

5.5.29 Non creation of Corpus Fund

As per rule 208(iv) of GFRs, instead of giving recurring grants, wherever possible, the Ministry or Department may consider creating a Corpus Fund, the returns on investment of which, along with their internally generated resources should enable the autonomous organization to meet its revenue expenditure.

The Ministry had been disbursing grants-in-aid to the following institutions/organizations for administrative purpose regularly without having explored the possibility to a Corpus Fund so as to meet the revenue expenditure part of the autonomous bodies from the returns on investment of the fund.

Table 5.24: Creation of Corpus Fund not considered

S. No.	Name of the organization	Year			Total
		2011-12	2012-13	2013-14	
1.	Khadi and Village Industries Commission*	157.36	160.65	192.17	510.18
2.	Coir Board	14.98	14.97	18.90	48.85
	Total	172.34	175.62	211.07	559.03

*The amount is inclusive of releases made to KVIC under object head 20 for administrative purpose

The Ministry in its reply (October 2014) stated that provisions of GFRs with regard to creation of corpus fund in respect of Coir Board would be adhered to in

future. In respect of KVIC division, the Ministry further stated (November 2014) that the audit observations would be examined in consultation with other divisions of the Ministry for creating a corpus fund before issuing suitable instructions in this regard.

5.5.30 Pattern of assistance not laid down by the Internal Finance Wing

As per rule 209(2) of GFRs, the Internal Finance Wing of the Ministry or Department concerned should lay down the rules or pattern of assistance under the broad guidelines on grants-in-aid and loans in GFRs and instructions issued by the Ministry of Finance from time to time. All sanctions of grants-in-aid issued by Ministry of the Central Government should conform to the pattern of assistance or rules governing such grants-in-aid.

It was observed in audit that though the Ministry of MSME released grants-in-aid to the tune of ₹ 5,165.97 crore to various institutions/organizations during the period 2011-12 to 2013-14, the internal finance wing did not lay down any such rules or pattern of assistance as required under the provisions of GFRs while releasing the grants-in-aid.

The Ministry in its reply (September 2014) while admitting the fact stated that the internal finance wing on its own has not laid down any criteria or pattern for disbursement of grants in aid by the Ministry. It was further stated that the proposals received from various divisions were examined keeping in view the criteria/norms of assistance given as per the guidelines of the respective schemes, GFRs provisions, instructions issued by the Ministry of Finance etc.

5.6 Conclusion

The shifting paradigm of public service delivery has led to a steady increase in grants-in-aid expenditure and with the exception of debt repayments, it is the single largest item of expenditure. As per *e-lekha* in 2013-14, more than 28 per cent (₹ 4,07,142 crore) of the revenue expenditure of the Union Government constituted expenditure on grants-in-aid. Out of this, ₹ 3,18,211 crore was plan grants and ₹ 88,931 crore non-plan. Substantial amounts of plan grants are released to grantees such as societies, NGOs, Trusts, etc., on which the power of the CAG audit is fettered and restricted.

For the year 2013-14, the Union Government transferred central plan assistance of ₹ 1,12,708 crore directly to State/district level autonomous bodies and authorities, societies, non-governmental organisations, etc., for implementation of Centrally Sponsored Schemes outside the State Government budget. The aggregate amount of unspent balances in their accounts maintained outside Government accounts was unascertainable. The Government expenditure as reflected in the accounts was, therefore, overstated to that extent.

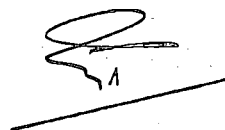
Keeping in view the volume of expenditure on grants-in-aid, an in-depth examination of existing control mechanisms relating to this item of expenditure was conducted. For this purpose, expenditure on grants-in-aid in two Ministries, viz. the Ministry of Social Justice & Empowerment and the Ministry of Micro, Small and Medium Enterprises was selected for review mainly with reference to the process of sanctioning grants, profile of grantee organisation, databases of grantees maintained by the Ministry/Department, integrity of expenditure incurred out of the grants and existence of internal control mechanisms.

The analysis brought to light the deficiencies in internal monitoring system such as non-conducting of external peer reviews of grantee organisations, non-submission of performance-cum-achievement reports, non-reporting of details to Parliament through annual reports, etc. It was noted that selected Ministries were not aware of the quantity and value of assets created by the grantee bodies out of the grants released to them. There was a huge pendency of utilisation certificates from the various grantee organisations. It was also noted that grants were released to grantee organisations without considering unspent balances and pending utilisation certificates of previous years.

Hence, there is an urgent need to improve the existing monitoring and reporting mechanism of the expenditure on grants-in-aid, which is released by the Government of India to various bodies and authorities for delivery of public goods and services.

New Delhi

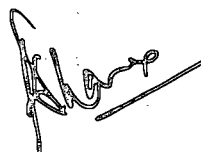
Dated : 27 April 2015



(SATISH LOOMBA)

**Director General of Audit,
Central Expenditure**

Countersigned

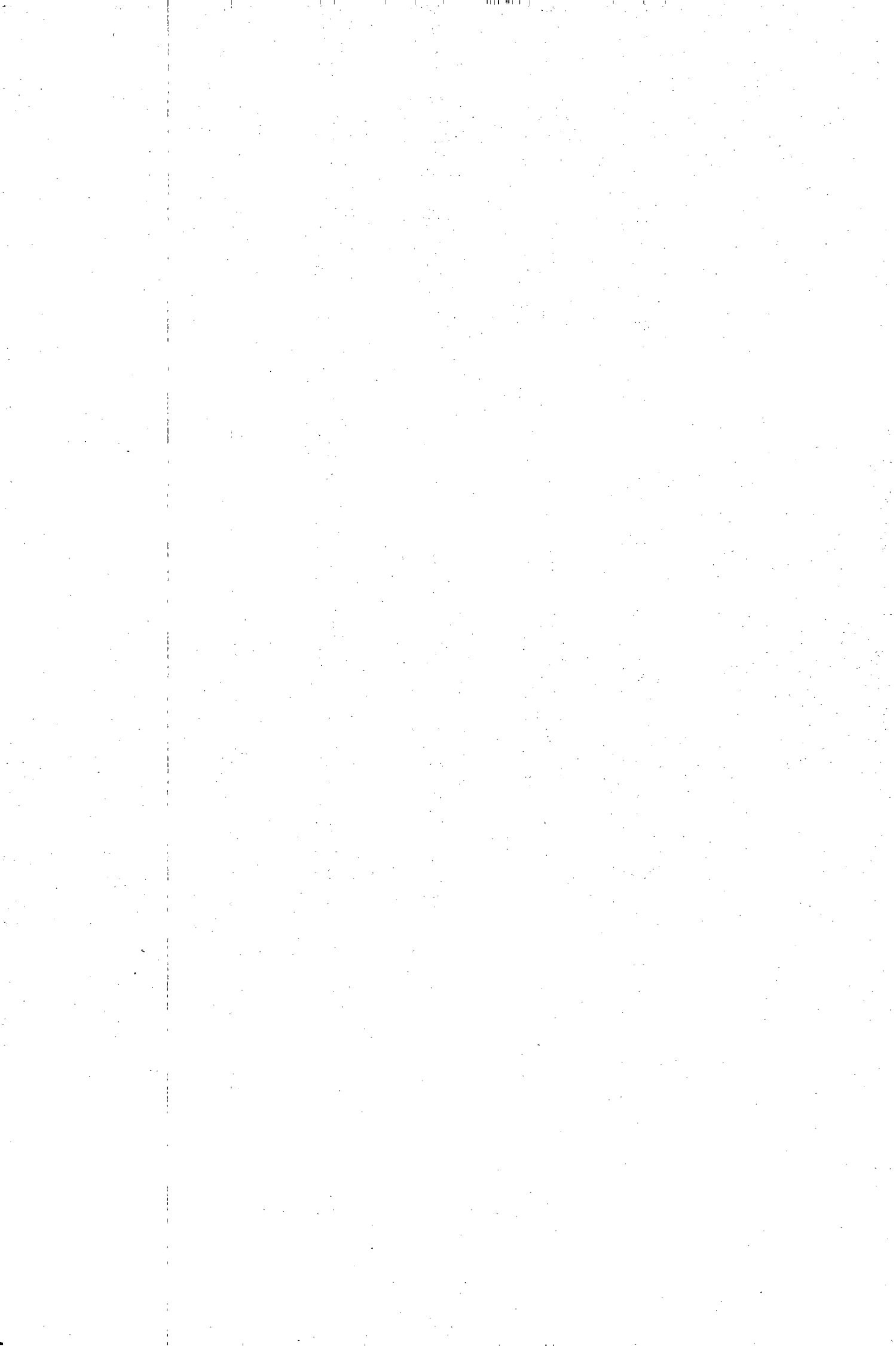


New Delhi

Dated : 28 April 2015

(SHASHI KANT SHARMA)

Comptroller and Auditor General of India



ANNEXURES

Report of the CAG on
Union Government Accounts 2013-14

Annexure 1.1

(Refer to paragraph 1.3.5)

Grant-wise analysis of components of Plan Expenditure*

Object head →	31	35	36	33	53	54	55	Others	Grand total
Grant ↓	Grants-in-aid-General	Grants for creation of capital assets	Grants-in-aid-Salaries	Subsidies	Major works	Investments	Loans and advances		
1 - Department of Agriculture and Cooperation									
Expenditure (₹ in crore)	15696.62	37.56	9.20	0.00	17.08	0.00	24.66	2905.50	18690.62
Percentage of Total Plan Expenditure	84%	0%	0%	0%	0%	0%	0%	16%	100%
2 - Department of Agricultural Research and Education									
Expenditure (₹ in crore)	1073.04	658.88	868.05	0.00	0.00	0.00	0.00	-149.17	2450.80
Percentage of Total Plan Expenditure	44%	27%	35%	0%	0%	0%	0%	-6%	100%
3 - Department of Animal Husbandry, Dairying and Fisheries									
Expenditure (₹ in crore)	1619.96	0.00	2.18	0.00	6.51	0.00	0.00	120.01	1748.66
Percentage of Total Plan Expenditure	93%	0%	0%	0%	0%	0%	0%	7%	100%
4 - Department of Atomic Energy									
Expenditure (₹ in crore)	127.45	1264.64	0.00	0.00	860.43	40.00	0.00	1180.67	3473.18
Percentage of Total Plan Expenditure	4%	36%	0%	0%	25%	1%	0%	34%	100%
5 - Nuclear Power Schemes									
Expenditure (₹ in crore)	20.00	0.00	0.00	0.00	0.00	289.60	0.00	272.02	581.62
Percentage of Total Plan Expenditure	3%	0%	0%	0%	0%	50%	0%	47%	100%
6 - Department of Chemicals and Petro-Chemicals									
Expenditure (₹ in crore)	6.06	174.37	0.00	976.96	0.00	0.00	0.00	0.55	1157.94
Percentage of Total Plan Expenditure	1%	15%	0%	84%	0%	0%	0%	0%	100%

* Source : e-lekha data dump furnished by CGA in November 2014

§ Due to rounding off of figures, percentage of 'Total Plan Expenditure' may not add to 100 per cent.

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Object head →	31	35	36	33	53	54	55	Others	Grand total
Grant ↓	Grants-in-aid-General	Grants for creation of capital assets	Grants-in-aid-Salaries	Subsidies	Major works	Investments	Loans and advances		
7 - Department of Fertilisers									
Expenditure (₹ in crore)	0.19	0.00	0.00	0.00	0.00	0.00	0.00	2.13	2.32
Percentage of Total Plan Expenditure	8%	0%	0%	0%	0%	0%	0%	92%	100%
8 - Department of Pharmaceuticals									
Expenditure (₹ in crore)	50.75	13.15	0.00	0.00	0.00	0.00	9.22	-4.93	68.18
Percentage of Total Plan Expenditure	74%	19%	0%	0%	0%	0%	14%	-7%	100%
9 - Ministry of Civil Aviation									
Expenditure (₹ in crore)	0.00	122.44	0.00	0.00	16.36	6012.00	0.00	32.18	6182.98
Percentage of Total Plan Expenditure	0%	2%	0%	0%	0%	97%	0%	1%	100%
10 - Ministry of Coal									
Expenditure (₹ in crore)	0.00	0.00	0.00	261.07	0.00	0.00	0.00	261.63	522.70
Percentage of Total Plan Expenditure	0%	0%	0%	50%	0%	0%	0%	50%	100%
11 - Department of Commerce									
Expenditure (₹ in crore)	504.29	39.37	0.00	429.50	849.64	100.00	0.00	14.41	1937.21
Percentage of Total Plan Expenditure	26%	2%	0%	22%	44%	5%	0%	1%	100%
12 - Department of Industrial Policy and Promotion									
Expenditure (₹ in crore)	78.48	516.71	14.63	470.02	9.00	0.00	0.00	20.65	1109.49
Percentage of Total Plan Expenditure	7%	47%	1%	42%	1%	0%	0%	2%	100%
14 - Department of Telecommunications									
Expenditure (₹ in crore)	224.25	0.00	0.00	0.00	3.45	0.00	0.00	2404.46	2632.16
Percentage of Total Plan Expenditure	9%	0%	0%	0%	0%	0%	0%	91%	100%
15 - Department of Electronics and Information Technology									
Expenditure (₹ in crore)	1010.26	58.80	133.80	0.00	9.40	0.00	0.00	640.76	1853.03
Percentage of Total Plan Expenditure	55%	3%	7%	0%	1%	0%	0%	35%	100%
16 - Department of Consumer Affairs									
Expenditure (₹ in crore)	10.04	29.53	0.00	0.00	5.22	0.00	0.00	135.29	180.08

**Report of the CAG on
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Object head →	31	35	36	33	53	54	55	Others	Grand total
Grant ↓	Grants-in-aid-General	Grants for creation of capital assets	Grants-in-aid-Salaries	Subsidies	Major works	Investments	Loans and advances		
Percentage of Total Plan Expenditure	6%	16%	0%	0%	3%	0%	0%	75%	100%
17 - Department of Food and Public Distribution									
Expenditure (₹ in crore)	184.45	0.00	2.55	0.00	0.49	3.00	0.00	0.92	191.42
Percentage of Total Plan Expenditure	96%	0%	1%	0%	0%	2%	0%	0%	100%
18 - Ministry of Corporate Affairs									
Expenditure (₹ in crore)	18.23	0.00	0.00	0.00	2.15	0.00	0.00	0.00	20.38
Percentage of Total Plan Expenditure	89%	0%	0%	0%	11%	0%	0%	0%	100%
19 - Ministry of Culture									
Expenditure (₹ in crore)	881.75	141.31	32.69	0.00	31.84	0.00	0.00	290.75	1378.34
Percentage of Total Plan Expenditure	64%	10%	2%	0%	2%	0%	0%	21%	100%
28 - Ministry of Development of North Eastern Region									
Expenditure (₹ in crore)	105.77	1494.45	0.00	0.00	157.45	4.00	60.00	-40.57	1781.10
Percentage of Total Plan Expenditure	6%	84%	0%	0%	9%	0%	3%	-2%	100%
29 - Ministry of Drinking Water and Sanitation									
Expenditure (₹ in crore)	11837.24	0.00	0.00	0.00	0.00	0.00	0.00	97.59	11934.83
Percentage of Total Plan Expenditure	99%	0%	0%	0%	0%	0%	0%	1%	100%
30 - Ministry of Earth Sciences									
Expenditure (₹ in crore)	645.92	26.88	24.96	0.00	43.27	0.00	0.00	134.98	876.00
Percentage of Total Plan Expenditure	74%	3%	3%	0%	5%	0%	0%	15%	100%
31- Ministry of Environment and Forests									
Expenditure (₹ in crore)	934.00	550.43	94.24	0.00	36.66	0.00	0.00	193.22	1808.55
Percentage of Total Plan Expenditure	52%	30%	5%	0%	2%	0%	0%	11%	100%
32 - Ministry of External Affairs									
Expenditure (₹ in crore)	0.00	0.00	0.00	0.00	0.00	0.00	1468.49	1281.50	2749.99
Percentage of Total Plan Expenditure	0%	0%	0%	0%	0%	0%	53%	47%	100%
33 - Department of Economic Affairs									

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Object head →	31	35	36	33	53	54	55	Others	Grand total
Grant ↓	Grants-in-aid-General	Grants for creation of capital assets	Grants-in-aid-Salaries	Subsidies	Major works	Investments	Loans and advances		
Expenditure (₹ in crore)	0.00	0.00	0.00	0.00	1102.45	1000.00	0.00	3300.00	5402.45
Percentage of Total Plan Expenditure	0%	0%	0%	0%	20%	19%	0%	61%	100%
34 - Department of Financial Services									
Expenditure (₹ in crore)	784.18	0.00	0.00	0.00	0.00	16882.78	0.00	0.00	17666.96
Percentage of Total Plan Expenditure	4%	0%	0%	0%	0%	96%	0%	0%	100%
36 - Transfers to State and Union Territory Governments									
Expenditure (₹ in crore)	45955.60	28603.17	0.00	0.00	0.00	0.00	10999.75	0.00	85558.52
Percentage of Total Plan Expenditure	54%	33%	0%	0%	0%	0%	13%	0%	100%
39 - Department of Expenditure									
Expenditure (₹ in crore)	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00
Percentage of Total Plan Expenditure	100%	0%	0%	0%	0%	0%	0%	0%	100%
40 - Pensions									
Expenditure (₹ in crore)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46 - Ministry of Food Processing Industries									
Expenditure (₹ in crore)	464.36	39.98	9.00	0.00	0.00	0.00	0.00	13.90	527.24
Percentage of Total Plan Expenditure	88%	8%	2%	0%	0%	0%	0%	3%	100%
47 - Department of Health and Family Welfare									
Expenditure (₹ in crore)	16442.43	2829.95	714.61	0.00	827.82	0.00	0.00	1661.84	22476.65
Percentage of Total Plan Expenditure	73%	13%	3%	0%	4%	0%	0%	7%	100%
48 - Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homeopathy									
Expenditure (₹ in crore)	284.89	143.23	74.05	0.00	15.71	0.00	0.00	35.63	553.51
Percentage of Total Plan Expenditure	51%	26%	13%	0%	3%	0%	0%	6%	100%
49 - Department of Health Research									
Expenditure (₹ in crore)	401.41	69.00	99.00	0.00	0.00	0.00	0.00	0.21	569.62
Percentage of Total Plan Expenditure	70%	12%	17%	0%	0%	0%	0%	0%	100%
50 - Department of AIDS Control									

Report of the CAG on
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Object head →	31	35	36	33	53	54	55	Others	Grand total
Grant ↓	Grants-in-aid-General	Grants for creation of capital assets	Grants-in-aid-Salaries	Subsidies	Major works	Investments	Loans and advances		
Expenditure (₹ in crore)	693.77	0.00	0.00	0.00	0.18	0.00	0.00	779.21	1473.16
Percentage of Total Plan Expenditure	47%	0%	0%	0%	0%	0%	0%	53%	100%
51 - Department of Heavy Industry									
Expenditure (₹ in crore)	47.23	0.66	0.00	0.00	0.00	358.50	90.46	1.43	498.28
Percentage of Total Plan Expenditure	9%	0%	0%	0%	0%	72%	18%	0%	100%
52 - Department of Public Enterprises									
Expenditure (₹ in crore)	5.31	0.00	0.00	0.00	0.00	0.00	0.00	1.11	6.42
Percentage of Total Plan Expenditure	83%	0%	0%	0%	0%	0%	0%	17%	100%
53 - Ministry of Home Affairs									
Expenditure (₹ in crore)	0.00	0.00	0.00	0.00	0.64	0.00	0.00	536.27	536.91
Percentage of Total Plan Expenditure	0%	0%	0%	0%	0%	0%	0%	100%	100%
55 - Police									
Expenditure (₹ in crore)	707.68	597.00	0.00	0.00	4408.02	0.00	0.00	257.42	5970.13
Percentage of Total Plan Expenditure	12%	10%	0%	0%	74%	0%	0%	4%	100%
56 - Other Expenditure of the Ministry of Home Affairs									
Expenditure (₹ in crore)	18.91	200.66	0.00	0.00	6.95	0.00	0.00	62.77	289.29
Percentage of Total Plan Expenditure	7%	69%	0%	0%	2%	0%	0%	22%	100%
57 - Transfers to Union Territory Governments									
Expenditure (₹ in crore)	1225.63	0.00	0.00	0.00	0.00	0.00	9.96	-3.93	1231.66
Percentage of Total Plan Expenditure	100%	0%	0%	0%	0%	0%	1%	0%	100%
58 - Ministry of Housing and Urban Poverty Alleviation									
Expenditure (₹ in crore)	854.47	0.00	3.00	50.10	0.00	0.00	0.00	169.01	1076.58
Percentage of Total Plan Expenditure	79%	0%	0%	5%	0%	0%	0%	16%	100%
59 - Department of School Education and Literacy									
Expenditure (₹ in crore)	35097.81	7982.80	578.10	0.00	0.00	0.00	0.00	25.71	43684.41
Percentage of Total Plan Expenditure	80%	18%	1%	0%	0%	0%	0%	0%	100%

Report of the CAG on
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Object head →	31	35	36	33	53	54	55	Others	Grand total
Grant ↓	Grants-in-aid-General	Grants for creation of capital assets	Grants-in-aid-Salaries	Subsidies	Major works	Investments	Loans and advances		
60 - Department of Higher Education									
Expenditure (₹ in crore)	5561.99	7806.03	562.56	0.00	0.00	0.00	0.00	252.25	14182.83
Percentage of Total Plan Expenditure	39%	55%	4%	0%	0%	0%	0%	2%	100%
61 - Ministry of Information and Broadcasting									
Expenditure (₹ in crore)	91.62	360.40	0.00	0.00	12.96	0.00	0.00	250.25	715.22
Percentage of Total Plan Expenditure	13%	50%	0%	0%	2%	0%	0%	35%	100%
62 - Ministry of Labour and Employment									
Expenditure (₹ in crore)	491.85	65.61	0.00	0.00	0.00	0.00	0.00	1036.55	1594.00
Percentage of Total Plan Expenditure	31%	4%	0%	0%	0%	0%	0%	65%	100%
64 - Law and Justice									
Expenditure (₹ in crore)	5.00	895.00	0.00	0.00	0.00	0.00	0.00	40.68	940.68
Percentage of Total Plan Expenditure	1%	95%	0%	0%	0%	0%	0%	4%	100%
66 - Ministry of Micro, Small and Medium Enterprises									
Expenditure (₹ in crore)	1479.20	96.32	3.77	459.06	5.15	70.00	0.00	137.75	2251.25
Percentage of Total Plan Expenditure	66%	4%	0%	20%	0%	3%	0%	6%	100%
67 - Ministry of Mines									
Expenditure (₹ in crore)	10.97	0.03	0.00	0.00	0.00	0.00	0.00	519.69	530.69
Percentage of Total Plan Expenditure	2%	0%	0%	0%	0%	0%	0%	98%	100%
68 - Ministry of Minority Affairs									
Expenditure (₹ in crore)	2015.77	947.30	0.00	0.00	0.00	0.00	0.00	44.42	3007.49
Percentage of Total Plan Expenditure	67%	31%	0%	0%	0%	0%	0%	1%	100%
69 - Ministry of New and Renewable Energy									
Expenditure (₹ in crore)	731.15	0.00	1.20	655.14	18.00	181.00	0.00	-1204.56	381.93
Percentage of Total Plan Expenditure	191%	0%	0%	172%	5%	47%	0%	-315%	100%
71 - Ministry of Panchayati Raj									
Expenditure (₹ in crore)	557.96	2873.80	0.00	0.00	0.00	0.00	0.00	29.70	3461.46

**Report of the CAG on
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Object head →	31	35	36	33	53	54	55	Others	Grand total
Grant ↓	Grants-in-aid-General	Grants for creation of capital assets	Grants-in-aid-Salaries	Subsidies	Major works	Investments	Loans and advances		
Percentage of Total Plan Expenditure	16%	83%	0%	0%	0%	0%	0%	1%	100%
73 – Ministry of Personnel, Public Grievances and Pensions									
Expenditure (₹ in crore)	3.85	5.25	0.00	0.00	61.14	0.00	0.00	130.64	200.89
Percentage of Total Plan Expenditure	2%	3%	0%	0%	30%	0%	0%	65%	100%
75 - Ministry of Planning									
Expenditure (₹ in crore)	10.86	0.25	0.00	0.00	106.08	0.00	0.00	1536.85	1654.03
Percentage of Total Plan Expenditure	1%	0%	0%	0%	6%	0%	0%	93%	100%
76 - Ministry of Power									
Expenditure (₹ in crore)	82.47	2917.86	0.00	35.00	66.57	393.79	1316.67	-290.27	4522.09
Percentage of Total Plan Expenditure	2%	65%	0%	1%	1%	9%	29%	-6%	100%
82 – Ministry of Road Transport and Highways									
Expenditure (₹ in crore)	18.33	3233.62	0.00	0.00	8934.78	11627.45	0.00	-168.05	23646.13
Percentage of Total Plan Expenditure	0%	14%	0%	0%	38%	49%	0%	-1%	100%
83 – Department of Rural Development									
Expenditure (₹ in crore)	6826.56	51109.18	10.60	0.00	0.00	0.00	0.00	676.75	58623.08
Percentage of Total Plan Expenditure	12%	87%	0%	0%	0%	0%	0%	1%	100%
84 – Department of Land Resources									
Expenditure (₹ in crore)	2468.32	0.00	0.00	0.00	0.00	0.00	0.00	19.41	2487.73
Percentage of Total Plan Expenditure	99%	0%	0%	0%	0%	0%	0%	1%	100%
85 – Department of Science and Technology									
Expenditure (₹ in crore)	1387.90	475.86	319.50	0.00	5.54	0.00	7.19	25.24	2221.22
Percentage of Total Plan Expenditure	62%	21%	14%	0%	0%	0%	0%	1%	100%
86 – Department of Scientific and Industrial Research									
Expenditure (₹ in crore)	634.55	728.60	228.90	0.00	0.00	4.00	4.00	2.76	1602.82
Percentage of Total Plan Expenditure	40%	45%	14%	0%	0%	0%	0%	0%	100%
87 – Department of Biotechnology									

**Report of the CAG on
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Object head →	31	35	36	33	53	54	55	Others	Grand total
Grant ↓	Grants-in-aid-General	Grants for creation of capital assets	Grants-in-aid-Salaries	Subsidies	Major works	Investments	Loans and advances		
Expenditure (₹ in crore)	755.25	400.93	86.70	0.00	0.00	0.00	0.00	32.84	1275.71
Percentage of Total Plan Expenditure	59%	31%	7%	0%	0%	0%	0%	3%	100%
88 – Ministry of Shipping									
Expenditure (₹ in crore)	5.34	129.08	0.00	0.00	293.52	0.00	50.00	13.08	491.03
Percentage of Total Plan Expenditure	1%	26%	0%	0%	60%	0%	10%	3%	100%
89 – Ministry of Social Justice and Empowerment									
Expenditure (₹ in crore)	4981.42	87.66	3.31	0.00	0.00	302.55	0.00	42.76	5417.69
Percentage of Total Plan Expenditure	92%	2%	0%	0%	0%	6%	0%	1%	100%
90 – Department of Space									
Expenditure (₹ in crore)	83.41	99.15	0.00	0.00	282.61	0.00	0.00	3532.76	3997.93
Percentage of Total Plan Expenditure	2%	2%	0%	0%	7%	0%	0%	88%	100%
91 – Ministry of Statistics and Programme Implementation									
Expenditure (₹ in crore)	378.60	3955.92	2.02	0.00	3.52	0.00	0.00	94.89	4434.95
Percentage of Total Plan Expenditure	9%	89%	0%	0%	0%	0%	0%	2%	100%
92 – Ministry of Steel									
Expenditure (₹ in crore)	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00
Percentage of Total Plan Expenditure	100%	0%	0%	0%	0%	0%	0%	0%	100%
93 – Ministry of Textiles									
Expenditure (₹ in crore)	952.99	423.69	0.00	1729.83	7.63	0.00	0.00	15.39	3129.53
Percentage of Total Plan Expenditure	30%	14%	0%	55%	0%	0%	0%	0%	100%
94 – Ministry of Tourism									
Expenditure (₹ in crore)	75.41	560.83	0.00	0.00	0.00	0.00	0.00	178.79	815.04
Percentage of Total Plan Expenditure	9%	69%	0%	0%	0%	0%	0%	22%	100%
95 – Ministry of Tribal Affairs									
Expenditure (₹ in crore)	2290.24	1443.61	22.33	0.00	0.00	60.50	0.00	4.19	3820.88
Percentage of Total Plan Expenditure	60%	38%	1%	0%	0%	2%	0%	0%	100%

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Object head →	31	35	36	33	53	54	55	Others	Grand total
Grant ↓	Grants-in-aid-General	Grants for creation of capital assets	Grants-in-aid-Salaries	Subsidies	Major works	Investments	Loans and advances		
96 – Andaman and Nicobar Islands									
Expenditure (₹ in crore)	82.61	51.18	13.05	5.23	276.45	0.31	0.00	1155.17	1583.99
Percentage of Total Plan Expenditure	5%	3%	1%	0%	17%	0%	0%	73%	100%
97 - Chandigarh									
Expenditure (₹ in crore)	149.77	0.00	1.00	0.03	228.86	0.00	0.00	212.61	592.27
Percentage of Total Plan Expenditure	25%	0%	0%	0%	39%	0%	0%	36%	100%
98 – Dadra and Nagar Haveli									
Expenditure (₹ in crore)	139.29	180.85	0.00	1.29	148.33	40.00	1.29	106.65	617.70
Percentage of Total Plan Expenditure	23%	29%	0%	0%	24%	6%	0%	17%	100%
99 – Daman and Diu									
Expenditure (₹ in crore)	118.24	20.63	1.75	2.30	181.44	0.20	0.00	180.70	505.26
Percentage of Total Plan Expenditure	23%	4%	0%	0%	36%	0%	0%	36%	100%
100 - Lakshadweep									
Expenditure (₹ in crore)	83.25	0.00	0.51	2.54	146.11	0.05	0.00	127.74	360.21
Percentage of Total Plan Expenditure	23%	0%	0%	1%	41%	0%	0%	35%	100%
101 – Department of Urban Development									
Expenditure (₹ in crore)	30.49	314.71	0.00	0.00	384.86	885.00	4632.66	29.96	6277.67
Percentage of Total Plan Expenditure	0%	5%	0%	0%	6%	14%	74%	0%	100%
102 – Public Works									
Expenditure (₹ in crore)	0.00	0.00	0.00	0.00	138.80	0.00	0.00	19.85	158.64
Percentage of Total Plan Expenditure	0%	0%	0%	0%	87%	0%	0%	13%	100%
104 – Ministry of Water Resources									
Expenditure (₹ in crore)	183.44	0.00	0.00	0.00	128.02	0.00	0.00	219.27	530.73
Percentage of Total Plan Expenditure	35%	0%	0%	0%	24%	0%	0%	41%	100%
105 – Ministry of Women and Child Development									
Expenditure (₹ in crore)	16824.71	962.92	17.98	0.00	0.00	0.00	0.00	144.24	17949.85

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Object head →	31	35	36	33	53	54	55	Others	Grand total
Grant ↓	Grants-in-aid-General	Grants for creation of capital assets	Grants-in-aid-Salaries	Subsidies	Major works	Investments	Loans and advances		
Percentage of Total Plan Expenditure	94%	5%	0%	0%	0%	0%	0%	1%	100%
106 – Ministry of Youth Affairs and Sports									
Expenditure (₹ in crore)	631.64	121.93	244.77	0.00	0.87	0.00	0.00	13.25	1012.48
Percentage of Total Plan Expenditure	62%	12%	24%	0%	0%	0%	0%	1%	100%
Grand Total	188167.89	125863.13	4180.01	5078.06	19841.96	38254.73	18674.35	25799.38	425859.51
<i>Per cent</i> of Total Plan Expenditure	44%	30%	1%	1%	5%	9%	4%	6%	100%

Annexure 1.2
(Refers to paragraph 1.4)
Grant-wise Time Analysis of Expenditure[#]

	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	Jan-2014	Feb-2014	Mar-2014	Total
1 – Department of Agriculture and Cooperation													
Expd. During the Month (₹ in crore)	434.90	847.89	4785.68	962.09	1837.44	2845.11	471.81	693.26	2825.93	701.22	1418.37	1203.89	19027.58
Percentage of Annual Expenditure	2%	4%	25%	5%	10%	15%	2%	4%	15%	4%	7%	6%	100%
2 – Department of Agricultural Research and Education													
Expd. During the Month (₹ in crore)	940.25	0.42	1533.06	0.42	539.48	30.75	1193.20	0.37	0.42	550.67	-69.50	160.40	4879.94
Percentage of Annual Expenditure	19%	0%	31%	0%	11%	1%	24%	0%	0%	11%	-1%	3%	100%
3 – Department of Animal Husbandry, Dairying and Fisheries													
Expd. During the Month (₹ in crore)	43.83	121.83	424.76	112.87	234.87	276.12	53.72	219.02	185.07	67.83	228.78	180.49	2149.17
Percentage of Annual Expenditure	2%	6%	20%	5%	11%	13%	2%	10%	9%	3%	11%	8%	100%
4 – Department of Atomic Energy													
Expd. During the Month (₹ in crore)	1030.27	940.11	652.60	1020.40	850.27	1005.33	804.35	719.41	705.17	948.87	785.13	866.25	10328.16
Percentage of Annual Expenditure	10%	9%	6%	10%	8%	10%	8%	7%	7%	9%	8%	8%	100%
5 – Nuclear Power Schemes													
Expd. During the Month (₹ in crore)	115.41	215.51	133.59	234.76	1066.92	335.75	137.51	183.53	251.34	214.14	108.40	1060.52	4057.38
Percentage of Annual Expenditure	3%	5%	3%	6%	26%	8%	3%	5%	6%	5%	3%	26%	100%
6 – Department of Chemicals and Petro-Chemicals													
Expd. During the Month (₹ in crore)	4.13	981.90	4.13	51.87	23.28	10.49	3.81	62.70	15.60	4.53	40.69	5.61	1208.73
Percentage of Annual Expenditure	0%	81%	0%	4%	2%	1%	0%	5%	1%	0%	3%	0%	100%
7 – Department of Fertilisers													
Expd. During the Month (₹ in crore)	7368.26	5990.86	14163.87	9524.03	5893.66	3831.86	4252.27	3773.86	4221.50	8447.17	2099.04	1736.66	71303.05
Percentage of Annual Expenditure	10%	8%	20%	13%	8%	5%	6%	5%	6%	12%	3%	2%	100%
8 – Department of Pharmaceuticals													
Expd. During the Month (₹ in crore)	1.75	2.50	9.31	13.78	3.19	5.46	18.95	1.86	21.54	4.76	3.42	26.97	113.48

[#] Source : e-lekha data dump furnished by CGA in November 2014. Excluding figures of “Inter account Transfer” and “Deduct Recoveries”

§ Due to rounding off of figures, percentage of ‘Total Plan Expenditure’ may not add to 100 per cent.

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	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	Jan-2014	Feb-2014	Mar-2014	Total
Percentage of Annual Expenditure	2%	2%	8%	12%	3%	5%	17%	2%	19%	4%	3%	24%	100%
9 - Ministry of Civil Aviation													
Expd. During the Month (₹ in crore)	811.77	3108.00	210.65	227.26	212.34	689.68	167.65	150.79	175.51	7.14	11.80	1182.01	6954.59
Percentage of Annual Expenditure	12%	45%	3%	3%	3%	10%	2%	2%	3%	0%	0%	17%	100%
10 - Ministry of Coal													
Expd. During the Month (₹ in crore)	3.07	8.83	121.07	74.50	1.93	257.13	-6.19	10.13	8.21	1.82	530.15	318.81	1329.45
Percentage of Annual Expenditure	0%	1%	9%	6%	0%	19%	0%	1%	1%	0%	40%	24%	100%
11 - Department of Commerce													
Expd. During the Month (₹ in crore)	91.56	1080.76	524.94	663.99	401.09	492.31	214.16	330.42	426.44	227.85	211.42	598.48	5263.43
Percentage of Annual Expenditure	2%	21%	10%	13%	8%	9%	4%	6%	8%	4%	4%	11%	100%
12 - Department of Industrial Policy and Promotion													
Expd. During the Month (₹ in crore)	22.30	93.89	160.88	34.41	169.87	69.16	40.03	25.16	230.93	41.10	108.32	347.04	1343.08
Percentage of Annual Expenditure	2%	7%	12%	3%	13%	5%	3%	2%	17%	3%	8%	26%	100%
13 - Department of Posts													
Expd. During the Month (₹ in crore)	1296.82	1352.10	1353.24	1411.56	1381.14	1353.72	1801.57	1397.39	1422.27	1342.75	1387.54	1642.73	17142.82
Percentage of Annual Expenditure	8%	8%	8%	8%	8%	8%	11%	8%	8%	8%	8%	10%	100%
14 - Department of Telecommunications													
Expd. During the Month (₹ in crore)	400.86	525.89	701.59	2119.58	449.18	554.51	500.23	469.02	528.92	776.74	542.54	1055.15	8624.21
Percentage of Annual Expenditure	5%	6%	8%	25%	5%	6%	6%	5%	6%	9%	6%	12%	100%
15 - Department of Electronics and Information Technology													
Expd. During the Month (₹ in crore)	91.88	95.94	512.85	304.06	171.97	283.20	144.21	78.00	111.64	86.90	128.48	157.15	2166.27
Percentage of Annual Expenditure	4%	4%	24%	14%	8%	13%	7%	4%	5%	4%	6%	7%	100%
16 - Department of Consumer Affairs													
Expd. During the Month (₹ in crore)	8.85	14.97	157.10	21.11	21.78	23.62	12.05	12.58	79.68	22.08	21.05	45.22	440.08
Percentage of Annual Expenditure	2%	3%	36%	5%	5%	5%	3%	3%	18%	5%	5%	10%	100%
17 - Department of Food and Public Distribution													
Expd. During the Month (₹ in crore)	16768.34	7504.42	15231.59	10000.26	10347.19	9191.32	10440.30	6101.41	2369.73	1524.26	128.42	13740.99	103348.23
Percentage of Annual Expenditure	16%	7%	15%	10%	10%	9%	10%	6%	2%	1%	0%	13%	100%

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	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	Jan-2014	Feb-2014	Mar-2014	Total
18 - Ministry of Corporate Affairs													
Expd. During the Month (₹ in crore)	13.62	20.25	24.82	8.96	22.43	25.88	19.35	25.66	9.88	16.10	24.99	17.29	229.22
Percentage of Annual Expenditure	6%	9%	11%	4%	10%	11%	8%	11%	4%	7%	11%	8%	100%
19 - Ministry of Culture													
Expd. During the Month (₹ in crore)	76.42	156.48	319.56	156.41	77.83	374.14	93.29	70.83	181.35	99.13	126.80	259.47	1991.73
Percentage of Annual Expenditure	4%	8%	16%	8%	4%	19%	5%	4%	9%	5%	6%	13%	100%
20 - Ministry of Defence													
Expd. During the Month (₹ in crore)	384.13	852.21	1292.11	280.10	2067.38	1559.30	1381.40	1841.49	1164.42	1112.90	1526.70	3366.85	16828.99
Percentage of Annual Expenditure	2%	5%	8%	2%	12%	9%	8%	11%	7%	7%	9%	20%	100%
21 - Defence Pensions													
Expd. During the Month (₹ in crore)	3403.62	588.49	4133.72	4090.57	4062.10	4145.18	5024.38	3856.19	3959.11	3784.70	3938.09	4513.38	45499.54
Percentage of Annual Expenditure	7%	1%	9%	9%	9%	9%	11%	8%	9%	8%	9%	10%	100%
22 - Defence Services- Army													
Expd. During the Month (₹ in crore)	9714.37	6437.76	6271.55	7233.54	7208.62	7308.13	8358.33	6598.61	7548.05	7027.45	7476.30	6567.84	87750.54
Percentage of Annual Expenditure	11%	7%	7%	8%	8%	8%	10%	8%	9%	8%	9%	7%	100%
23 - Defence Services- Navy													
Expd. During the Month (₹ in crore)	833.30	931.89	679.74	1240.71	1017.63	1051.97	956.34	1022.91	1200.59	1078.90	1433.67	2024.59	13472.26
Percentage of Annual Expenditure	6%	7%	5%	9%	8%	8%	7%	8%	9%	8%	11%	15%	100%
24 - Defence Services -Air Force													
Expd. During the Month (₹ in crore)	1500.56	1574.13	1601.37	1672.10	1779.88	1330.13	1644.37	1690.31	1613.52	1583.86	1400.03	2770.00	20160.27
Percentage of Annual Expenditure	7%	8%	8%	8%	9%	7%	8%	8%	8%	8%	7%	14%	100%
25 - Defence Ordnance Factories													
Expd. During the Month (₹ in crore)	756.00	1395.33	764.60	632.72	450.58	-194.78	107.66	391.76	-503.53	90.78	-43.21	-1037.09	2810.82
Percentage of Annual Expenditure	27%	50%	27%	23%	16%	-7%	4%	14%	-18%	3%	-2%	-37%	100%
26 - Defence Services - Research and Development													
Expd. During the Month (₹ in crore)	419.13	383.72	406.58	445.93	415.84	397.43	1089.80	414.65	422.03	413.13	390.16	497.94	5696.32
Percentage of Annual Expenditure	7%	7%	7%	8%	7%	7%	19%	7%	7%	7%	7%	9%	100%

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	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	Jan-2014	Feb-2014	Mar-2014	Total
27 - Capital Outlay on Defence Services													
Expd. During the Month (₹ in crore)	2679.59	13712.98	6166.71	5069.00	4675.10	7982.62	7460.17	5157.59	12403.60	4713.84	4527.29	4576.58	79125.05
Percentage of Annual Expenditure	3%	17%	8%	6%	6%	10%	9%	7%	16%	6%	6%	6%	100%
28 - Ministry of Development of North Eastern Region													
Expd. During the Month (₹ in crore)	2.88	60.27	334.59	115.61	114.90	385.94	47.71	118.09	240.16	26.84	169.85	261.79	1878.63
Percentage of Annual Expenditure	0%	3%	18%	6%	6%	21%	3%	6%	13%	1%	9%	14%	100%
29 - Ministry of Drinking Water and Sanitation													
Expd. During the Month (₹ in crore)	1.32	1.43	2300.39	253.22	529.37	1860.52	28.41	764.40	2285.34	1122.84	1016.34	1777.45	11941.03
Percentage of Annual Expenditure	0%	0%	19%	2%	4%	16%	0%	6%	19%	9%	9%	15%	100%
30 - Ministry of Earth Sciences													
Expd. During the Month (₹ in crore)	48.29	50.39	175.12	307.88	112.54	38.86	81.14	65.58	117.15	50.95	93.61	106.65	1248.15
Percentage of Annual Expenditure	4%	4%	14%	25%	9%	3%	7%	5%	9%	4%	8%	9%	100%
31- Ministry of Environment and Forests													
Expd. During the Month (₹ in crore)	29.42	102.01	207.96	399.08	147.60	227.19	112.11	45.51	540.62	96.28	138.03	112.99	2158.80
Percentage of Annual Expenditure	1%	5%	10%	18%	7%	11%	5%	2%	25%	4%	6%	5%	100%
32 - Ministry of External Affairs													
Expd. During the Month (₹ in crore)	430.97	1510.94	1551.72	854.40	639.28	1102.96	782.89	952.27	954.55	952.48	808.81	1266.08	11807.35
Percentage of Annual Expenditure	4%	13%	13%	7%	5%	9%	7%	8%	8%	8%	7%	11%	100%
33 - Department of Economic Affairs													
Expd. During the Month (₹ in crore)	14.46	170.20	806.09	597.15	1213.60	518.16	308.26	1064.06	2306.98	558.12	487.68	3933.68	11978.43
Percentage of Annual Expenditure	0%	1%	7%	5%	10%	4%	3%	9%	19%	5%	4%	33%	100%
34 - Department of Financial Services													
Expd. During the Month (₹ in crore)	9.58	23.04	1555.19	40.68	3251.10	1711.63	1111.64	15.54	13786.33	954.08	207.58	4314.08	26980.45
Percentage of Annual Expenditure	0%	0%	6%	0%	12%	6%	4%	0%	51%	4%	1%	16%	100%
35 - Appropriation – Interest Payments													
Expd. During the Month (₹ in crore)	19150.54	23603.34	29475.05	38541.43	31956.51	32949.05	25464.01	31403.90	34981.38	38130.34	36986.06	52745.97	395387.59
Percentage of Annual Expenditure	5%	6%	7%	10%	8%	8%	6%	8%	9%	10%	9%	13%	100%

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	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	Jan-2014	Feb-2014	Mar-2014	Total
36 - Transfers to State and Union Territory Governments													
Expd. During the Month (₹ in crore)	5421.16	5268.40	8001.17	17101.52	11157.39	14869.60	6645.45	10918.82	17093.46	6155.00	19709.34	22160.38	144501.68
Percentage of Annual Expenditure	4%	4%	6%	12%	8%	10%	5%	8%	12%	4%	14%	15%	100%
37 - Loans to Government Servants etc													
Expd. During the Month (₹ in crore)	0.24	0.33	6.99	19.47	21.28	22.22	21.54	14.97	10.50	10.83	8.22	28.02	164.61
Percentage of Annual Expenditure	0%	0%	4%	12%	13%	13%	13%	9%	6%	7%	5%	17%	100%
38 - Appropriation-Repayment of Debt													
Expd. During the Month (₹ in crore)	298530.87	304941.07	257670.24	308502.52	322806.30	300203.10	265677.93	317606.88	256928.89	272741.91	262963.92	342717.69	3511291.32
Percentage of Annual Expenditure	9%	9%	7%	9%	9%	9%	8%	9%	7%	8%	7%	10%	100%
39 - Department of Expenditure													
Expd. During the Month (₹ in crore)	18.37	-1.92	7.68	17.16	6.38	16.02	10.37	6.86	10.21	7.18	6.67	19.66	124.63
Percentage of Annual Expenditure	15%	-2%	6%	14%	5%	13%	8%	6%	8%	6%	5%	16%	100%
40 - Pensions													
Expd. During the Month (₹ in crore)	2596.06	1055.15	1740.83	2182.92	1559.02	1709.73	2065.85	1435.38	1711.85	1806.38	2458.74	2520.37	22842.29
Percentage of Annual Expenditure	11%	5%	8%	10%	7%	7%	9%	6%	7%	8%	11%	11%	100%
41 - Indian Audit and Accounts Departments													
Expd. During the Month (₹ in crore)	373.61	258.42	225.71	235.97	218.07	224.24	267.30	230.48	231.95	228.49	223.36	-31.70	2685.89
Percentage of Annual Expenditure	14%	10%	8%	9%	8%	8%	10%	9%	9%	9%	8%	-1%	100%
42 - Department of Revenues													
Expd. During the Month (₹ in crore)	90.94	39.09	28.85	53.66	34.70	28.27	29.53	44.12	34.58	79.49	52.51	2037.65	2553.37
Percentage of Annual Expenditure	4%	2%	1%	2%	1%	1%	1%	2%	1%	3%	2%	80%	100%
43 - Direct Taxes													
Expd. During the Month (₹ in crore)	388.11	290.31	268.25	293.03	335.36	602.79	335.34	252.19	288.86	311.80	276.87	438.37	4081.28
Percentage of Annual Expenditure	10%	7%	7%	7%	8%	15%	8%	6%	7%	8%	7%	11%	100%
44 - Indirect Taxes													
Expd. During the Month (₹ in crore)	474.34	322.07	289.43	302.20	279.66	310.09	347.23	284.05	306.25	298.48	305.71	234.36	3753.88
Percentage of Annual Expenditure	13%	9%	8%	8%	7%	8%	9%	8%	8%	8%	8%	6%	100%

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	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	Jan-2014	Feb-2014	Mar-2014	Total
45 - Department of Disinvestment													
Expd. During the Month (₹ in crore)	0.88	1.32	0.70	1.37	3.91	2.04	0.65	0.44	1.00	1.44	0.42	12.71	26.90
Percentage of Annual Expenditure	3%	5%	3%	5%	15%	8%	2%	2%	4%	5%	2%	47%	100%
46 - Ministry of Food Processing Industries													
Expd. During the Month (₹ in crore)	1.93	49.76	56.53	31.86	16.36	216.53	6.74	16.81	22.53	39.44	38.22	45.23	541.94
Percentage of Annual Expenditure	0%	9%	10%	6%	3%	40%	1%	3%	4%	7%	7%	8%	100%
47 - Department of Health and Family Welfare													
Expd. During the Month (₹ in crore)	405.39	4429.17	4637.80	2757.37	1077.14	3805.24	1080.62	1330.25	2046.78	753.60	3357.35	3134.51	28815.23
Percentage of Annual Expenditure	1%	15%	16%	10%	4%	13%	4%	5%	7%	3%	12%	11%	100%
48 - Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homeopathy													
Expd. During the Month (₹ in crore)	2.17	51.29	63.54	133.27	61.01	143.21	25.77	7.16	102.67	27.13	37.29	77.04	731.56
Percentage of Annual Expenditure	0%	7%	9%	18%	8%	20%	4%	1%	14%	4%	5%	11%	100%
49 - Department of Health Research													
Expd. During the Month (₹ in crore)	0.00	133.79	249.85	17.89	0.00	198.07	8.40	0.01	50.26	124.60	45.38	45.84	874.08
Percentage of Annual Expenditure	0%	15%	29%	2%	0%	23%	1%	0%	6%	14%	5%	5%	100%
50 - Department of AIDS Control													
Expd. During the Month (₹ in crore)	2.09	2.43	12.97	284.25	75.86	394.44	289.19	151.27	41.81	33.73	46.69	138.43	1473.16
Percentage of Annual Expenditure	0%	0%	1%	19%	5%	27%	20%	10%	3%	2%	3%	9%	100%
51 - Department of Heavy Industry													
Expd. During the Month (₹ in crore)	2.02	1.43	59.91	38.05	76.40	490.22	1.71	13.56	4.02	4.09	184.96	500.81	1377.19
Percentage of Annual Expenditure	0%	0%	4%	3%	6%	36%	0%	1%	0%	0%	13%	36%	100%
52 - Department of Public Enterprises													
Expd. During the Month (₹ in crore)	1.11	1.11	0.79	0.69	2.46	2.21	1.19	0.62	0.81	1.10	2.21	1.09	15.39
Percentage of Annual Expenditure	7%	7%	5%	4%	16%	14%	8%	4%	5%	7%	14%	7%	100%
53 - Ministry of Home Affairs													
Expd. During the Month (₹ in crore)	59.10	46.54	73.36	49.48	221.28	65.63	190.18	47.43	69.40	46.07	238.39	173.17	1280.02
Percentage of Annual Expenditure	5%	4%	6%	4%	17%	5%	15%	4%	5%	4%	19%	14%	100%

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54 - Cabinet													
Expd. During the Month (₹ in crore)	15.62	11.48	14.18	29.76	22.94	15.86	11.26	10.03	9.77	191.66	8.39	29.10	370.06
Percentage of Annual Expenditure	4%	3%	4%	8%	6%	4%	3%	3%	3%	52%	2%	8%	100%
55 - Police													
Expd. During the Month (₹ in crore)	5143.91	4269.60	4119.48	4052.65	3559.86	5888.77	4947.29	3605.64	3791.78	3790.27	4309.35	2895.09	50373.67
Percentage of Annual Expenditure	10%	8%	8%	8%	7%	12%	10%	7%	8%	8%	9%	6%	100%
56 - Other Expenditure of the Ministry of Home Affairs													
Expd. During the Month (₹ in crore)	153.09	50.78	186.48	143.21	131.62	368.84	147.52	102.54	112.38	112.03	150.01	221.83	1880.33
Percentage of Annual Expenditure	8%	3%	10%	8%	7%	20%	8%	5%	6%	6%	8%	12%	100%
57 - Transfers to Union Territory Governments													
Expd. During the Month (₹ in crore)	0.00	171.97	381.42	79.78	97.70	97.70	107.04	318.93	206.34	0.00	332.98	26.73	1820.59
Percentage of Annual Expenditure	0%	9%	21%	4%	5%	5%	6%	18%	11%	0%	18%	1%	100%
58 - Ministry of Housing and Urban Poverty Alleviation													
Expd. During the Month (₹ in crore)	1.90	1.37	3.41	117.37	323.56	70.52	8.39	3.16	263.65	2.76	75.36	214.79	1086.24
Percentage of Annual Expenditure	0%	0%	0%	11%	30%	6%	1%	0%	24%	0%	7%	20%	100%
59 - Department of School Education and Literacy													
Expd. During the Month (₹ in crore)	8462.75	4586.67	3165.64	3614.07	1128.04	6810.00	3151.86	1978.14	5191.97	1844.49	4305.11	2750.40	46989.12
Percentage of Annual Expenditure	18%	10%	7%	8%	2%	14%	7%	4%	11%	4%	9%	6%	100%
60 - Department of Higher Education													
Expd. During the Month (₹ in crore)	10.41	2280.52	3043.98	1108.23	3697.04	1913.60	1116.70	2818.63	2179.35	324.62	3338.33	2701.22	24532.62
Percentage of Annual Expenditure	0%	9%	12%	5%	15%	8%	5%	11%	9%	1%	14%	11%	100%
61 - Ministry of Information and Broadcasting													
Expd. During the Month (₹ in crore)	42.98	45.58	48.17	341.74	1049.90	416.50	65.20	37.24	57.45	46.78	45.97	630.69	2828.22
Percentage of Annual Expenditure	2%	2%	2%	12%	37%	15%	2%	1%	2%	2%	2%	22%	100%
62 - Ministry of Labour and Employment													
Expd. During the Month (₹ in crore)	53.80	76.27	2016.56	220.24	72.02	497.92	59.31	139.38	246.63	51.57	334.76	359.95	4128.42
Percentage of Annual Expenditure	1%	2%	49%	5%	2%	12%	1%	3%	6%	1%	8%	9%	100%

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63 – Election Commission													
Expd. During the Month (₹ in crore)	7.06	3.40	3.04	12.74	2.65	3.37	4.08	9.58	5.15	4.68	4.04	5.79	65.56
Percentage of Annual Expenditure	11%	5%	5%	19%	4%	5%	6%	15%	8%	7%	6%	9%	100%
64 - Law and Justice													
Expd. During the Month (₹ in crore)	18.42	113.55	34.92	443.13	344.77	114.46	207.62	23.61	18.47	13.11	123.47	403.93	1859.46
Percentage of Annual Expenditure	1%	6%	2%	24%	19%	6%	11%	1%	1%	1%	7%	22%	100%
65 – Appropriation- Supreme Court of India													
Expd. During the Month (₹ in crore)	16.83	12.43	10.03	10.78	9.77	12.00	12.32	11.79	10.34	10.59	10.37	6.64	133.89
Percentage of Annual Expenditure	13%	9%	7%	8%	7%	9%	9%	9%	8%	8%	8%	5%	100%
66 - Ministry of Micro, Small and Medium Enterprises													
Expd. During the Month (₹ in crore)	17.97	154.52	627.76	418.54	124.45	142.92	80.30	48.90	367.88	62.80	101.59	478.49	2626.12
Percentage of Annual Expenditure	1%	6%	24%	16%	5%	5%	3%	2%	14%	2%	4%	18%	100%
67 - Ministry of Mines													
Expd. During the Month (₹ in crore)	204.89	58.50	63.90	50.36	151.26	154.36	71.18	54.26	70.02	58.46	67.14	33.07	1037.41
Percentage of Annual Expenditure	20%	6%	6%	5%	15%	15%	7%	5%	7%	6%	6%	3%	100%
68- Ministry of Minority Affairs													
Expd. During the Month (₹ in crore)	2.04	39.33	123.33	121.61	439.32	446.13	394.66	167.46	733.58	112.10	399.55	47.63	3026.74
Percentage of Annual Expenditure	0%	1%	4%	4%	15%	15%	13%	6%	24%	4%	13%	2%	100%
69 - Ministry of New and Renewable Energy													
Expd. During the Month (₹ in crore)	3.68	59.94	464.45	92.55	72.00	114.73	92.89	47.13	149.03	4.39	3.98	528.75	1633.52
Percentage of Annual Expenditure	0%	4%	28%	6%	4%	7%	6%	3%	9%	0%	0%	32%	100%
70 – Ministry of Overseas and Indian Affairs													
Expd. During the Month (₹ in crore)	2.02	1.66	13.94	8.23	3.80	6.90	3.30	12.52	4.31	3.53	5.77	18.82	84.80
Percentage of Annual Expenditure	2%	2%	16%	10%	4%	8%	4%	15%	5%	4%	7%	22%	100%
71 - Ministry of Panchayati Raj													
Expd. During the Month (₹ in crore)	1.07	1.09	7.45	130.45	113.84	1025.59	1085.85	63.80	403.30	149.25	341.90	138.49	3462.08
Percentage of Annual Expenditure	0%	0%	0%	4%	3%	30%	31%	2%	12%	4%	10%	4%	100%

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72 – Ministry of Parliamentary Affairs													
Expd. During the Month (₹ in crore)	1.37	0.89	1.07	0.76	0.79	0.88	1.01	1.08	1.24	0.84	0.90	0.54	11.36
Percentage of Annual Expenditure	12%	8%	9%	7%	7%	8%	9%	9%	11%	7%	8%	5%	100%
73 – Ministry of Personnel, Public Grievances and Pensions													
Expd. During the Month (₹ in crore)	70.63	92.15	68.63	77.86	73.99	102.56	90.03	66.92	77.39	69.44	70.27	87.96	947.83
Percentage of Annual Expenditure	7%	10%	7%	8%	8%	11%	9%	7%	8%	7%	7%	9%	100%
74 – Ministry of Petroleum and Natural Gas													
Expd. During the Month (₹ in crore)	2.63	1.73	22468.09	15292.11	8276.73	8245.59	281.64	325.71	493.34	8775.93	10772.18	10482.72	85418.39
Percentage of Annual Expenditure	0%	0%	26%	18%	10%	10%	0%	0%	1%	10%	13%	12%	100%
75 - Ministry of Planning													
Expd. During the Month (₹ in crore)	17.92	106.63	63.32	103.17	111.23	352.05	75.90	138.42	141.59	171.41	239.03	212.72	1733.38
Percentage of Annual Expenditure	1%	6%	4%	6%	6%	20%	4%	8%	8%	10%	14%	12%	100%
76 - Ministry of Power													
Expd. During the Month (₹ in crore)	19.30	451.49	1393.47	19.59	8.42	1379.37	281.02	193.13	1028.26	110.01	335.91	293.72	5513.69
Percentage of Annual Expenditure	0%	8%	25%	0%	0%	25%	5%	4%	19%	2%	6%	5%	100%
77 - Appropriation – Staff Household and Allowances of the President													
Expd. During the Month (₹ in crore)	3.80	3.55	3.52	3.10	2.60	3.02	3.14	3.17	3.11	3.28	2.81	3.61	38.71
Percentage of Annual Expenditure	10%	9%	9%	8%	7%	8%	8%	8%	8%	8%	7%	9%	100%
78 – Lok Sabha													
Expd. During the Month (₹ in crore)	53.45	36.75	30.79	40.69	51.07	33.96	41.50	31.17	36.31	39.84	40.99	60.06	496.57
Percentage of Annual Expenditure	11%	7%	6%	8%	10%	7%	8%	6%	7%	8%	8%	12%	100%
79 – Rajya Sabha													
Expd. During the Month (₹ in crore)	27.39	28.92	17.66	22.79	21.51	21.03	19.40	17.62	24.26	19.68	32.89	45.05	298.19
Percentage of Annual Expenditure	9%	10%	6%	8%	7%	7%	7%	6%	8%	7%	11%	15%	100%
80 – Appropriation – Union Public Service Commission													
Expd. During the Month (₹ in crore)	15.36	20.84	6.91	20.55	16.06	11.43	14.33	12.36	13.60	17.31	10.89	6.97	166.63
Percentage of Annual Expenditure	9%	13%	4%	12%	10%	7%	9%	7%	8%	10%	7%	4%	100%
81 – Secretariat of the Vice – President													
Expd. During the Month (₹ in crore)	0.37	0.29	0.27	0.26	0.25	0.27	0.32	0.33	0.38	0.34	0.37	0.11	3.56

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Percentage of Annual Expenditure	10%	8%	8%	7%	7%	8%	9%	9%	11%	9%	10%	3%	100%
82 – Ministry of Road Transport and Highways													
Expd. During the Month (₹ in crore)	91.68	1091.21	2483.83	3140.33	1037.34	4427.30	1358.04	3776.54	2755.98	1403.87	3140.21	3971.01	28677.35
Percentage of Annual Expenditure	0%	4%	9%	11%	4%	15%	5%	13%	10%	5%	11%	14%	100%
83 – Department of Rural Development													
Expd. During the Month (₹ in crore)	7214.61	12054.82	5250.63	2721.55	5370.32	5105.94	7433.43	1712.61	2251.75	1519.90	2994.32	5036.41	58666.28
Percentage of Annual Expenditure	12%	21%	9%	5%	9%	9%	13%	3%	4%	3%	5%	9%	100%
84 – Department of Land Resources													
Expd. During the Month (₹ in crore)	1.16	135.87	311.18	106.75	492.16	692.81	8.49	126.31	62.74	11.62	310.46	236.39	2495.94
Percentage of Annual Expenditure	0%	5%	12%	4%	20%	28%	0%	5%	3%	0%	12%	9%	100%
85 – Department of Science and Technology													
Expd. During the Month (₹ in crore)	55.46	273.50	403.27	330.24	385.25	544.06	172.97	36.06	142.08	61.67	160.19	45.47	2610.22
Percentage of Annual Expenditure	2%	10%	15%	13%	15%	21%	7%	1%	5%	2%	6%	2%	100%
86 – Department of Scientific and Industrial Research													
Expd. During the Month (₹ in crore)	539.39	2.64	270.42	7.33	854.40	7.77	2.21	388.17	430.15	3.26	646.84	6.95	3159.54
Percentage of Annual Expenditure	17%	0%	9%	0%	27%	0%	0%	12%	14%	0%	20%	0%	100%
87 – Department of Biotechnology													
Expd. During the Month (₹ in crore)	3.47	127.46	129.37	128.16	131.73	289.86	50.32	46.91	117.25	90.67	48.46	127.68	1291.32
Percentage of Annual Expenditure	0%	10%	10%	10%	10%	22%	4%	4%	9%	7%	4%	10%	100%
88 – Ministry of Shipping													
Expd. During the Month (₹ in crore)	21.87	33.09	150.18	130.78	86.64	333.04	240.59	117.28	73.47	57.57	46.89	578.78	1870.20
Percentage of Annual Expenditure	1%	2%	8%	7%	5%	18%	13%	6%	4%	3%	3%	31%	100%
89 – Ministry of Social Justice and Empowerment													
Expd. During the Month (₹ in crore)	6.67	113.74	449.23	36.16	83.37	479.61	1036.98	752.94	419.23	415.79	937.30	788.87	5519.90
Percentage of Annual Expenditure	0%	2%	8%	1%	2%	9%	19%	14%	8%	8%	17%	14%	100%
90 – Department of Space													
Expd. During the Month (₹ in crore)	682.18	367.21	417.74	443.73	384.20	382.32	495.32	832.81	428.34	308.78	232.95	193.37	5168.95
Percentage of Annual Expenditure	13%	7%	8%	9%	7%	7%	10%	16%	8%	6%	5%	4%	100%

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91 – Ministry of Statistics and Programme Implementation													
Expd. During the Month (₹ in crore)	153.86	536.06	391.55	569.48	331.76	357.65	308.50	342.01	506.87	494.78	720.62	130.23	4843.37
Percentage of Annual Expenditure	3%	11%	8%	12%	7%	7%	6%	7%	10%	10%	15%	3%	100%
92 – Ministry of Steel													
Expd. During the Month (₹ in crore)	4.37	3.53	14.15	3.65	3.36	8.99	3.81	5.87	13.95	3.32	3.47	9.54	78.02
Percentage of Annual Expenditure	6%	5%	18%	5%	4%	12%	5%	8%	18%	4%	4%	12%	100%
93 – Ministry of Textiles													
Expd. During the Month (₹ in crore)	64.73	140.52	817.99	135.92	114.92	1069.79	97.23	97.65	442.20	53.28	333.01	587.74	3954.98
Percentage of Annual Expenditure	2%	4%	21%	3%	3%	27%	2%	2%	11%	1%	8%	15%	100%
94 – Ministry of Tourism													
Expd. During the Month (₹ in crore)	5.31	16.50	99.54	35.34	76.29	373.57	28.19	45.75	68.98	33.25	79.78	166.70	1029.20
Percentage of Annual Expenditure	1%	2%	10%	3%	7%	36%	3%	4%	7%	3%	8%	16%	100%
95 – Ministry of Tribal Affairs													
Expd. During the Month (₹ in crore)	2.69	499.56	498.81	89.31	464.01	597.05	210.88	246.23	273.46	180.57	282.77	494.01	3839.35
Percentage of Annual Expenditure	0%	13%	13%	2%	12%	16%	5%	6%	7%	5%	7%	13%	100%
96 – Andaman and Nicobar Islands													
Expd. During the Month (₹ in crore)	249.12	270.90	167.14	398.26	225.94	429.51	214.87	233.10	230.78	218.17	234.54	301.97	3174.31
Percentage of Annual Expenditure	8%	9%	5%	13%	7%	14%	7%	7%	7%	7%	7%	10%	100%
97 - Chandigarh													
Expd. During the Month (₹ in crore)	178.00	296.41	323.29	261.41	239.99	206.90	305.17	368.02	192.96	232.03	238.82	363.61	3206.60
Percentage of Annual Expenditure	6%	9%	10%	8%	7%	6%	10%	11%	6%	7%	7%	11%	100%
98 – Dadra and Nagar Haveli													
Expd. During the Month (₹ in crore)	29.58	28.82	158.65	31.26	115.51	122.59	33.91	69.54	34.63	44.29	32.01	38.66	739.46
Percentage of Annual Expenditure	4%	4%	21%	4%	16%	17%	5%	9%	5%	6%	4%	5%	100%
99 – Daman and Diu													
Expd. During the Month (₹ in crore)	216.25	88.72	141.47	93.05	111.79	259.58	104.53	116.06	85.29	83.19	90.64	40.63	1431.21
Percentage of Annual Expenditure	15%	6%	10%	7%	8%	18%	7%	8%	6%	6%	6%	3%	100%

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100 - Lakshadweep													
Expd. During the Month (₹ in crore)	94.40	57.76	79.43	124.08	69.30	73.04	53.07	67.91	103.16	62.80	90.76	71.86	947.57
Percentage of Annual Expenditure	10%	6%	8%	13%	7%	8%	6%	7%	11%	7%	10%	8%	100%
101 – Department of Urban Development													
Expd. During the Month (₹ in crore)	115.74	160.23	480.29	965.13	759.06	1064.93	170.97	1470.77	150.48	127.41	1568.28	267.73	7301.02
Percentage of Annual Expenditure	2%	2%	7%	13%	10%	15%	2%	20%	2%	2%	21%	4%	100%
102 – Public Works													
Expd. During the Month (₹ in crore)	192.93	185.90	218.62	196.33	153.97	159.63	210.49	141.42	139.80	151.50	139.67	114.96	2005.21
Percentage of Annual Expenditure	10%	9%	11%	10%	8%	8%	10%	7%	7%	8%	7%	6%	100%
103 – Stationery and Printing													
Expd. During the Month (₹ in crore)	27.01	17.28	17.20	16.92	35.06	16.60	23.43	16.41	17.61	16.57	15.42	5.67	225.18
Percentage of Annual Expenditure	12%	8%	8%	8%	16%	7%	10%	7%	8%	7%	7%	3%	100%
104 – Ministry of Water Resources													
Expd. During the Month (₹ in crore)	109.51	94.31	106.00	118.01	99.11	73.22	90.91	67.02	105.86	69.50	100.77	60.49	1094.71
Percentage of Annual Expenditure	10%	9%	10%	11%	9%	7%	8%	6%	10%	6%	9%	6%	100%
105 – Ministry of Women and Child Development													
Expd. During the Month (₹ in crore)	9.54	2954.18	2672.48	2358.26	4390.76	818.92	724.08	546.19	1307.16	92.35	286.81	1877.85	18038.59
Percentage of Annual Expenditure	0%	16%	15%	13%	24%	5%	4%	3%	7%	1%	2%	10%	100%
106 – Ministry of Youth Affairs and Sports													
Expd. During the Month (₹ in crore)	3.54	86.05	139.63	137.20	69.35	246.55	76.41	18.19	86.72	143.57	39.00	97.57	1143.78
Percentage of Annual Expenditure	0%	8%	12%	12%	6%	22%	7%	2%	8%	13%	3%	9%	100%
Total Expd. During the Month (₹ in crore)	401714.53	423668.57	426716.29	459894.08	457293.20	453725.05	377155.74	423973.95	401829.07	381324.22	396587.37	524956.53	5128838.61
Total percentage of Annual Expenditure)	8%	8%	8%	9%	9%	9%	7%	8%	8%	7%	8%	10%	100%

Annexure 2.1
(Refer to paragraph 2.1.2)

Details of revenue and capital Major heads under which Minor head '800-Other Expenditure' was operated in 2013-14 and in which expenditure of more than 50 per cent of the total expenditure under the Major head had been booked

Sl. No.	Major head	Total expenditure under the Major head	Expenditure under minor head 800- 'Other Expenditure'	Percentage of expenditure in Minor head as compared to Major head
<i>(₹ in thousand)</i>				
1.	2250- Other Social Services	803501	801232	100*
2.	2416- Agricultural Finance Institutions	60811292 ¹	60841830	100*
3.	2552- North Eastern Areas	988671	983121	99
4.	2801- Power	87825099	43625036	50
5.	2711- Flood Control and Drainage	2033503	2009353	99
6.	2875- Other Industries	5681426	3038000	53
7.	3053- Civil Aviation	10001867	9034707	90
8.	4070- Capital Outlay on Other Administrative Services	125702	77641	62
9.	4402- Capital Outlay on Soil and Water Conservation	12094	11600	96
10.	4405- Capital Outlay on Fisheries	148706	80407	54
11.	4552- Capital Outlay on North Eastern Areas	836803	634700	76
12.	4853- Capital Outlay on Non-Ferrous Mining and Metallurgical Industries	3449587	3449587	100
13.	4859- Capital Outlay on Telecommunication and Electronic Industries	179369	139369	78
14.	5275- Capital Outlay on other Communication Services	2165280	2118926	98
15.	5453- Capital Outlay on Foreign Trade and Export Promotion	8496418	7896418	93
16.	5475- Capital Outlay on Other General Economic Services	9545503	5994783	63
Total		193104821	140736710	

*percentages rounded off

¹ Total expenditure under the Major head is less than the expenditure booked under the Minor head '800' due to deduct recovery of over payment of ₹ 6,49,506 thousand.

Annexure 2.2
(Refer to paragraph 2.1.3)

Funds of Regulators/Autonomous bodies outside Government Accounts

Sl. No.	Name of Regulators/Autonomous bodies	Type of Investments / Capital Fund	Amount (₹ in crore)
1.	Securities and Exchange Board of India	Surplus fund/Corpus fund	1574.48
2.	Insurance Regulatory and Development Authority	Surplus fund	1131.84
3.	Pension Fund Regulatory and Development Authority	Capital/Corpus fund	3.08
4.	Medical Council of India	1. Investment from own resources fund 2. Building Fund	312.52
5.	Dental Council of India	Investment from own resources fund	88.92
6.	Pharmacy Council of India	1. Building fund 2. Professional Development fund 3. For Earning Higher rate of Interest	20.04
7.	Indian Nursing Council	Investment from own resources fund	61.32
8.	Central Council of Homeopathy	Application fund	1.05
9.	Central Council of Indian Medicines	Public Deposit Accounts	5.51
10.	Food Safety and Standards Authority of India	Capital/Corpus fund	58.30
11.	All India Council of Technical Education	FDR General with Bank	681.50
12.	University Grant Commission	Saving Bank A/cs	831.24
13.	Central Board of Secondary Education	FDR/GRF	1141.08
14.	Veterinary Council of India	Fixed Deposit (Exam Fund)	6.56
Total			5917.44

Annexure 2.3
(Refer to paragraph 2.3.6)

Statement Showing Dormant Reserve Funds/Deposits/Others

Sl. No.	Nomenclature of the Head	Nature of the Fund	Balance as on 31 March 2014 (₹ in thousand)	Dormant since
1.	8116.102-Railway Revenue Reserve Funds-Investment Accounts	Reserve	10,99	2001-02
2.	8116.XXX-Railway-Loan to Branch Line Companies	Reserve	11,77	2001-02
3.	8116.105-Telecommunication Revenue Reserve Fund	Reserve	82,91,70	2001-02
4.	8118.105-Telecommunication Capital Reserve Fund	Reserve	6	2001-02
5.	8121.119-Staff Benefit Fund (Railways)--Investment Accounts	Reserve	1,00	1999-2000
6.	8121.111-Contingency Reserve Fund—Electricity	Reserve	1,30,75	2006-07
7.	8223.101-Famine Relief Fund	Reserve	3	2008-09
8.	8229.101-Development Funds for Educational Purposes	Reserve	7	2002-03
9.	8229.102-Development Funds for Medical and Public Health Purposes	Reserve	60	2002-03
10.	8229.108-Mining Areas Development Funds	Reserve	1,02	2002-03
11.	8229.117 National Bio- technological Core Fund	Reserve	3,25,13	2002-03
12.	8230.101-Special Railway Safety Fund (Commercial)	Reserve	581,12,02	2008-09
13.	8230.102-Special Railway Safety Fund (Strategic)	Reserve	16,66,24	2007-08
14.	8235.101-General Reserve Funds of Government Commercial Departments/Undertakings	Reserve	75,86	2008-09
15.	8235.104-Railway Safety Works Fund	Reserve	40,74,41	2003-04
16.	8235.105-General Insurance Fund	Reserve	2,61,32,01	2005-06
17.	8235.113-Nationl Renewal Funds	Reserve	17,70,20	2008-09
18.	8337.103-Contributory Indian Railways Conference Association Employees' Provident Fund- Investment Account	Deposit	65,12	2001-02
19.	8342.107-Deposits towards Payment of Estate Duty	Deposit	1,31	2008-09
20.	8342.110-Telephone Application Deposits	Deposit	2,23,98,01	2005-06
21.	8342.111-Telex Application Deposits	Deposit	7,93,06	2003-04
22.	8342.114-Leased Telecommunication Facility Deposits	Deposit	1,69,47	2001-02
23.	8342.108-Deposits of Income Tax, Super Tax, Excess Profits, Tax and Surcharge	Deposit	1,21,61	2001-02
24.	8443.114-Export Trade Deposits	Deposit	15,25,27	1988-89

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Sl. No.	Nomenclature of the Head	Nature of the Fund	Balance as on 31 March 2014 (₹ in thousand)	Dormant since
25.	8443.122-Mines Labour Welfare Deposits	Deposit	23,35	1988-89
26.	8443.127- Deposits of Local Bodies for meeting claims of contractors/employees/pensioners etc. who have migrated to Pakistan	Deposit	21,07	1996-97
27.	8443.130-Provident Societies Liquidation Accounts	Deposit	13	2008-09
28.	8445.102-Deposits of Branch Line Companies	Deposit	65	1992-93
29.	8448.103-Cantonment Funds	Deposit	1	2000-01
30.	8448.111-Medical and Charitable Funds	Deposit	52	1988-89
31.	8448-Deposits of Local Funds 120-Other Funds	Deposit	2,26	2004-05
32.	8449.104-Deposits of Mines Provident Funds	Deposit	16,01	1988-89
33.	8449.106-Accounts under Indo- U.S. Agreement 1974	Deposit	16	1991-92
34.	8449.107-Deposits of Income Tax, Super Tax, Excess Profit Tax including Interest and Surcharge	Deposit	1,33,93	1991-92
35.	8449.108-Deposits of Local Bodies for discharge of Loans	Deposit	32,97	2000-01
36.	8449.113-Oil Seeds and Vegetable Oil Development Fund	Deposit	3,66,13	1999-2000
37.	8449.118-Advance Deposits for Japanese Grants aided Projects	Deposit	1,03,60	1995-96
38.	8450.101-Balance of Pondicherry	Deposit	40,12,90	2008-09
39.	8450.102-Balance of Goa, Daman and Diu	Deposit	16,30,26	1988-89
40.	8450.104-Balance of Arunachal Pradesh	Deposit	56,82,51	1988-89
41.	8450.105-Balance of Mizoram	Deposit	1,24,41,38	1988-89
42.	8009.01.103-ICS Provident Fund	Other Liabilities	2,01	1999-2000
43.	8010.105-Other Trusts	Other Liabilities	19,23	1999-2000
44.	8010.102-Endowment by the Late King of Oudh	Other Liabilities	91,04	1992-93
45.	8010.104-Endowments for Charitable and Educational Institutions	Other Liabilities	12	2008-09
46.	8011.102-Family Pension Funds	Other Liabilities	6,10	2008-09
47.	8012.103-Special Securities issued to Rural Electrification Corporation	Other Liabilities	162,83,05	1988-89
Total			16654710	

Annexure 2.4

(Refer to paragraph 2.4.1)

Outstanding amount of Suspense Account for purchases etc. abroad (since 2005)

(₹ in thousand)

Sl. No.	Name of the Importer	No. of cases	Amount
1.	Road and Building Department Gujarat	1	1104
2.	Family Health Support, Maharashtra	1	218
3.	Mysore Cement Ltd.	1	4326
4.	Ministry of Railways	2	8399
5.	Pyriites, Phosphates and Chemicals Ltd.	2	249513
6.	Rail Coach Factory (Kapurthala)	1	1895
7.	Railway Board	1	13138
8.	Rail coil spring	1	7111
9.	Ministry of Water Resources	2	5233
10.	Pawan Hans Ltd.	1	574384
11.	Department of Telecommunications	6	14737
12.	The Fertilizers & Chemicals Travancore Limited	1	341
13.	Indian Farmers Fertilizer Co-operative Limited	3	14257
14.	Ministry of Home Affairs	1	2255
15.	Ministry of Road Transport and Highways	3	3952
16.	Ministry of Road Transport and Highways- Technical	3	15292
17.	National Capital Territory of Delhi	1	48297
18.	Cochin Port Trust	1	3648
19.	Delhi Electric Supply Undertaking, Delhi	1	78009
20.	Bhillai steel Plant	1	1200
21.	Coal India Ltd (West Bengal)	3	231832
22.	CMAL-DL	1	348
23.	Jhanjra Bhilai Steel Plant	1	906
24.	Oil and Natural Gas Commission	2	59427
25.	Andhra Pradesh State Electricity Board, Andhra Pradesh	1	47476
26.	Helicopter Corporation of India	1	672356
27.	KRIBHCO Rain Farming & Eastern & Western Ghat Project	1	7079
28.	Ministry of Finance, Deptt. of Economic Affairs	1	4560
Total		45	2071293

Annexure 2.5
(Refer to paragraph 2.4.2)

Adverse balances under Debt, Deposit and Remittances heads

Sl. No.	Head of Account (Major /Minor Head)		Balance as on 31.03.2014 (₹ in thousand)	Period from which balances become adverse
Statement No-13				
1.	8115.00.101	Depreciation Reserve Funds – Railways (Commercial Lines)	Debit 18518233	2009-10
2.	8121.00.103	Railway Pension Fund –Commercial Lines	Debit 17909001	2009-10
3.	8229.00.121	Performance Award Fund	Debit 38	2013-14
4.	8229.00.200	Other Development and Welfare Fund	Debit 1941602	2007-08
5.	8443.00.111	Other Departmental Deposits	Debit 464250	2006-07
6.	8445.00.104	Railway Deposits-Trust Interest Account	Debit 198265	2005-06
7.	8445.00.800	Railway Deposits-Other Deposits	Debit 11235792	2005-06
8.	8446.00.800	Postal Deposits-Other Deposits	Debit 144456	2005-06
9.	8448.00.102	Deposits of Local Funds-Municipal Funds	Debit 3	2007-08
10.	8448.00.104	Deposits of Local Funds-Funds of Insurance Association of India	Debit 291	Pre-1976-77
11.	8451.00.101	Bhopal Gas Leak Disaster Relief Fund-Claims and Relief Funds	Debit 9313410	2005-06
12.	8451.00.102	Bhopal Gas Leak Disaster Relief Fund- Claims and Relief Fund Investment Account	Credit 9218721	2005-06
13.	8550.00.101	Forest Advance	Credit 15887	2013-14
14.	8550.00.103	Other Departmental Advance	Credit 129148	2013-14
15.	8670.00.110	Electronic Advices	Debit 44380	2013-14
16.	8670.00.111	Cheques and Bills Pay & Account Offices Electronic Advices	Debit 6379554	2011-12
Statement No-14				
17	6002.00. 207	Loans from the European Economic Community	Debit 858540	2000-01
18	6002.00. 208	Loans from the Government of France	Debit 16912526	2000-01
19	6002.00. 223	Loans from the Government of Swiss Confederation and Swiss Bank	Debit 147944	2010-11
20	6002.00. 226	Loans from the Agency for International Development USA	Debit 7993721	1995-96
21	6002.00. 227	Loans from the Government of USA under PL-480 convertible local currency Credits	Debit 5243700	1995-96

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Sl. No.	Head of Account (Major /Minor Head)		Balance as on 31.03.2014 (₹ in thousand)		Period from which balances become adverse
Statement No-14 A					
22	6001.00.105	Securities issued to International Financial Institution, International Bank for Reconstruction and Development	Debit	404339	2010-11
23	6001.00.105	Securities issued to International Financial Institution, International Fund for Agriculture Development	Debit	200120	2002-03
24	6001.00.106	Compensation and Other Bonds-7% Saving Bond 2002	Debit	135646	2009-10
Statement No-15					
25.	6202.01. 203	University & Higher Education	Credit	1568	2004-05
26.	6215.02.800	Other Loan	Credit	19307	2001-02
27.	6216.80.190	Loan to Public Sector and other Undertakings	Credit	2	2008-09
28.	6216.80.800	Other Loans	Credit	11934	2010-11
29.	6225.01.800	Other Loans	Credit	829	1994-95
30.	6245.01.101	Gratuitous Relief	Credit	830	1986-87
31.	6245.02.101	Gratuitous Relief	Credit	2157	1997-98
32.	6402.00.102	Soil Conservation	Credit	7656	1995-96
33.	6402.00.203	Land Reclamation and Development	Credit	592	2007-08
34.	6404.00.800	Other Loans	Credit	4642331	2004-05
35.	6405.00.106	Mechanization of fishing crafts	Credit	532	2006-07
36.	6416.00.190	Loans to Public Sector and other Undertaking	Credit	212775	2012-13
37.	6425.00.108	Loan to other Co - operatives	Credit	3978040	2003-04
38.	6515.00.102	Community development	Credit	173	1986-87
39.	6801.00.201	Hydel Generation	Credit	3068415	2004-05
40.	6801.00.205	Transmission & Distribution	Credit	1312491	2005-06
41.	6851.00.102	Small Scale Industries	Credit	4638	2006-07
42.	7052.02.101	Loans to Shipping Development Fund Committee	Credit	2941305	2011-12
43.	7053.00.190	Loans to Public Sector and other Undertakings	Credit	377537	2010-11
44.	7425.00.800	Other Loans	Credit	3074	2005-06
45.	7475.00.102	Trading Institutions	Credit	25000	2011-12

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Sl. No.	Head of Account (Major /Minor Head)		Balance as on 31.03.2014 (₹ in thousand)		Period from which balances become adverse
46.	7601.01.436	Crop Husbandry-Commercial Crops	Credit	1	2012-13
47.	7601.03.413	Co-operation- Loans to other Co-operatives	Credit	4184	2012-13*
48.	7601.03.501	Soil and Water Conservation- Soil Conservation Schemes	Credit	2123	2012-13*
49.	7601.03.576	Animal Husbandry- Cattle and Buffalo Development	Credit	11	2012-13*
50.	7601.03.601	Dairy Development	Credit	29	2012-13*
51.	7601.03.727	Village and Small Industries- Small Scale Industries	Credit	139	2012-13*
52.	7601.03.786	Flood Control- Other Loans	Credit	71707	2012-13*
53.	7601.03.787	Anti-Sea Erosion Projects-Other Loans	Credit	1239	2012-13*
54.	7601.04.267	Water Supply- Other Loans	Credit	149604	2012-13*
55.	7601.04.312	Urban Development-Integrated Development of Small/Medium Towns	Credit	191427	2012-13*
56.	7601.04.360	Welfare of Scheduled Tribes- Other Loans	Credit	408	2012-13*
57.	7601.04.411	Co-operation Credit Cooperatives	Credit	32522	2012-13*
58.	7601.04.413	Other Co-operatives	Credit	1686	2012-13*
59.	7601.04.436	Crop Husbandry-Commercial Crops	Credit	131283	2012-13*
60.	7601.04.443	Crop Husbandry- Other Loans	Credit	336715	2012-13*
61.	7601.04.501	Soil and Water Conservation-Soil conservation Schemes	Credit	96229	2012-13*
62.	7601.04.579	Animal Husbandry-Sheep and Wool Development	Credit	175	2012-13*
63.	7601.04.601	Dairy Development	Credit	36	2012-13*
64.	7601.04.726	Village and Small Industries- Handloom Industries	Credit	6960	2012-13*
65.	7601.04.727	Village and Small Industries Small-scale Industries	Credit	853	2012-13*
66.	7601.04.729	Village and Small Industries- Coir Industry	Credit	354	2012-13*
67.	7601.04.747	Village and Small Industries-Other Village Industries	Credit	1088	2012-13*
68.	7601.04.786	Flood Control-Other loans	Credit	4730	2012-13*
69.	7601.04.825	Roads of Inter-State or Economic Importance-Road Works	Credit	17910	2012-13*
70.	7601.04.826	Roads of Inter-State or Economic Importance-Machinery and Equipment	Credit	555	2012-13*

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Sl. No.	Head of Account (Major /Minor Head)		Balance as on 31.03.2014 (₹ in thousand)		Period from which balances become adverse
71.	7601.04.871	Inland Water Transport-Other Loans	Credit	897	2012-13*
72.	7601.07.800	Other Loans	Credit	1580	2012-13
73.	7602.04.412	Cooperation-Consumer Cooperatives	Credit	14	2012-13
74.	7605.00.071	Loans to Government of Mozambique	Credit	1	2012-13
75.	7605.00.094	Loans to Government of Mauritius.	Credit	24670	2012-13
76.	7610.00.203	Advances for Purchase of other Conveyances	Credit	388530	2004-05
Statement No-16					
77	8002.00.103	Treasury Saving Deposits Certificates	Debit	6962	1976-77
78	8002.00.105	Saving Certificates-Bank Series	Debit	189	2007-08

**Adverse balance is due to write off of balances as per the recommendation of 13th Finance Commission and pending adoption by the Ministry of Finance.*

Annexure 2.6
(Refer to paragraph 2.4.5)

Availability of Annual Proforma Accounts

Sl. No.	Name of Undertaking	Period of Accounts last prepared
MINISTRY OF AGRICULTURE		
1.	Delhi Milk Scheme	2012-13
2.	Ice-cum Freezing Plant, Kochi	2009-10
DEPARTMENT OF ATOMIC ENERGY		
3.	Nuclear Fuel Complex, Hyderabad	2010-11
4.	Heavy Water Board, Mumbai	2010-11
MINISTRY OF DEFENCE		
5.	Canteen Stores Department	2013-14
MINISTRY OF FINANCE		
6.	Government Alkaloid Works, Neemuch	2010-11
7.	Government Alkaloid Works, Ghazipur	2009-10
8.	Government Opium Factory, Ghazipur	2009-10
9.	Government Opium Factory, Neemuch	2010-11
MINISTRY OF HEALTH AND FAMILY WELFARE		
10.	Central Research Institute, Kasauli	2006-07
11.	Vegetable Garden of Central Institute of Psychiatry, Kanke, Ranchi	2011-12
MINISTRY OF INFORMATION AND BROADCASTING		
12.	Film Division, Mumbai	2009-10
13.	National Film Development Corporation Limited	2013-14
MINISTRY OF POWER		
14.	Electricity Department, Andaman and Nicobar Islands	2011-12
15.	Electricity Department, Lakshadweep	2009-10
MINISTRY OF SHIPPING		
16.	Directorate of Lighthouses and Lightships, Noida	2011-12
17.	Andaman Ferry Service	2004-05
18.	Shipping Services, Andaman and Nicobar Islands	2009-10
19.	Marine Department (Dockyard) Andaman and Nicobar Islands	2003-04
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS		
20.	Chandigarh Transport Undertaking	2009-10
21.	State Transport Service, Andaman & Nicobar Islands	2013-14
MINISTRY OF URBAN DEVELOPMENT		
22.	Department of Publications	2000-01 and onwards
23.	Government of India Press, Minto Road, New Delhi	2011-12
24.	Government of India Press, Ring Road, New Delhi	2011-12
25.	Government of India Press, Rashtrapati Bhavan, New Delhi	2011-12
26.	Government of India Press, Nilokheri	2011-12
27.	Government of India Press, Faridabad	2011-12
28.	Government of India Press, Shimla	2011-12
29.	Government of India Press, Coimbatore	2012-13

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Sl. No.	Name of Undertaking	Period of Accounts last prepared
30.	Government of India Text Book Press, Bhubaneswar	2007-08
31.	Government of India Text Book Press, Mysore	2011-12
32.	Government of India Press, Kolkata	2011-12
33.	Government of India Press, Koratty	2012-13
34.	Government India press, Nasik	2012-13
35.	Government of India Press, Aligarh	2011-12
36.	Government of India Text Book Press, Chandigarh	2011-12
37.	Government of India Press, Gangtok	2007-08
38.	Government of India Press, Satragachi Howrah	2011-12

Annexure 2.7
(Refer to paragraph 2.4.6)

Statement of losses and irrecoverable dues written off/waived during 2013-14

(₹ in lakh)

Name of Ministry/ Department	Write off of losses and irrecoverable dues due to									
	Failure of system		Neglect/fraud etc.		Other reasons		Waiver of recovery		Ex-gratia Payment	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Department of Atomic Energy	0	0	0	0	22	12.03	0	0	0	0
Department of Space	0	0	0	0	7	0.37	0	0	0	0
Lok Sabha Secretariat	0	0	0	0	1	0.06	0	0	0	0
Ministry of Water Resources	0	0	0	0	34	0.81	0	0	0	0
Central Board of Excise and Customs	0	0	0	0	0	0	0	0	5	7.00
Ministry of Heavy Industry & Public Enterprises, Department of Heavy Industry	0	0	0	0	0	0	1	0.02	0	0
Ministry of Agriculture, Department of Agriculture & Co-operation	0	0	0	0	1	0.35	0	0	0	0
Ministry of Power	0	0	0	0	0	0	1	0.02	0	0
Deputy Commissioner North & Middle Andaman, Mayabunder	0	0	0	0	0	0	0	0	6099	126.95
Deputy Commissioner South Andaman	0	0	0	0	0	0	0	0	7997	187.65
Ministry of Shipping	0	0	0	0	4	1.27	0	0	2	0.20
Ministry of Home Affairs	0	0	0	0	3	12.50	0	0	0	0
Ministry of Defence	3	1.09	11	9.02	34	122.96	-	-	03	10.02
Total	3	1.09	11	9.02	106	150.35	2	0.04	14106	331.82
Losses written off: cases 120; amount ₹160.46							Recovery waived & Ex-gratia payment made: cases 14108; amount ₹ 331.86			

Annexure 3.1
(Refer to paragraph 3.2)
Authorisation and Disbursements

(₹ in crore)

Nature of Disbursements	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Disbursements	Savings(-) Excess(+)
A – Civil					
Voted					
I. Revenue	983713.42	40468.74	1024182.16	913172.25	(-) 111009.91
II. Capital (including Loans and Advances)	190317.09	7691.20	198008.29	101220.20	(-) 96788.09
Total	1174030.51	48159.94	1222190.45	1014392.45	(-) 207798.00
Charged					
III. Revenue	451533.83	15682.40	467216.23	453259.37	(-) 13956.86
IV. Capital (including Loans and Advances and Public Debt)	4026298.92	112.29	4026411.21	3522406.01	(-) 504005.20
Total	4477832.75	15794.69	4493627.44	3975665.38	(-) 517962.06
Grand Total	5651863.26	63954.63	5715817.89	4990057.83	(-) 725760.06
Recoveries in reduction of disbursements			120951.06	99599.58	
Total Net Provision			5594866.83		
Total Net Disbursement				4890458.25	

B – Posts					
Voted					
I. Revenue	16875.97	0.00	16875.97	16796.44	(-) 79.53
II. Capital	433.31	0.00	433.31	268.30	(-) 165.01
Total	17309.28	0.00	17309.28	17064.74	(-) 244.54
Charged					
III. Revenue	0.20	0.22	0.42	0.27	(-) 0.15
IV. Capital	0.00	0.67	0.67	0.67	0.00
Total	0.20	0.89	1.09	0.94	(-) 0.15
Grand Total	17309.48	0.89	17310.37	17065.68	(-) 244.69
Recoveries in reduction of disbursements			680.58	593.19	
Total Net Provision			16629.79		
Total Net Disbursement				16472.49	

Report of the CAG on
Union Government Accounts 2013-14

(₹ in crore)

Nature of Disbursements	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Disbursements	Savings(-) Excess(+)
C - Defence Services					
Voted					
I. Revenue	122472.65	8182.30	130654.95	130482.32	(-) 172.63
II. Capital	86685.29	0.02	86685.31	79092.91	(-) 7592.40
Total	209157.94	8182.32	217340.26	209575.23	(-) 7765.03
Charged					
III. Revenue	69.44	183.42	252.86	181.14	(-) 71.72
IV. Capital	55.42	0.00	55.42	32.15	(-) 23.27
Total	124.86	183.42	308.28	213.29	(-) 94.99
Grand Total	209282.80	8365.74	217648.54	209788.52	(-) 7860.02
Recoveries in reduction of disbursements			646.08	773.26	
Total Net Provision			217002.46		
Total Net Disbursement				209015.26	

D – Railways					
Voted	256939.00	7022.27	263961.27	253579.94	(-) 10381.33
Charged	306.22	127.39	433.61	358.81	(-) 74.80
Total	257245.22	7149.66	264394.88	253938.75	(-) 10456.13
Recoveries in reduction of disbursements			110619.22	83652.48	
Total Net Provision			153775.66		
Total Net Disbursement				170286.27	

Total						
Total	Voted	1657436.73	63364.53	1720801.26	1494612.36	(-) 226188.90
CFI	Charged	4478264.03	16106.39	4494370.42	3976238.42	(-) 518132.00
Grand Total CFI		6135700.76	79470.92	6215171.68	5470850.78	(-) 744320.90
Total recoveries in reduction of expenditure				232896.94	184618.51	48278.43
Total expenditure as per Appropriation Account (CFI)				5982274.74	5286232.27	696042.47
Difference with the Figures of Finance Accounts					0.00	
Total disbursement from CFI as per Finance Account					5286232.27	

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

Annexure 3.2
(Refer to paragraph 3.2)
Net savings in Grants/Appropriations

Grants and Appropriations affected	Unspent provision		Excess		Net savings(-) Net Excess (+)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
A – Civil						
Voted (₹ in crore)	111045.80	96791.04	35.89	2.95	(-) 111009.91	(-) 96788.09
No. of grants	92	67	1	1	--	--
Charged (₹ in crore)	13957.61	504005.20	0.75	0.00	(-) 13956.86	(-) 504005.20
No. of Appropriations	30	12	1	--	--	--
B – Posts						
Voted (₹ in crore)	79.53	165.01	--	--	(-) 79.53	(-) 165.01
No. of grants	1	1	--	--	--	--
Charged (₹ in crore)	0.15	0.00	--	--	(-) 0.15	(-) 0.00
No. of Appropriations	1	--	--	--	--	--
C - Defence Services						
Voted (₹ in crore)	905.49	7592.40	732.86	--	(-) 172.63	(-) 7592.40
No. of grants	2	1	3	--	--	--
Charged (₹ in crore)	72.58	23.27	0.86	--	(-) 71.72	(-) 23.27
No. of Appropriations	4	1	1	--	--	--
D – Railways						
Voted (₹ in crore)	8231.17	4834.53	1854.70	829.68	(-) 6376.47	(-) 4004.85
No. of grants	9	1	6	1	--	--
Charged (₹ in crore)	110.05	0.13	22.40	12.98	(-) 87.65	12.85
No. of Appropriations	1	1	10	1	--	--

Annexure 3.3
(Refer to paragraph 3.3)
Year-wise proportion of Charged and Voted Authorization and Disbursements under Civil Ministries/Departments

(₹ in crore)

Sl No.	Year	Authorization			Disbursements			Percentage of	
		Voted	Charged	Total	Voted	Charged	Total	Voted	Charged
1.	2000-01	173677	530530	704207	160753	405289	566042	28	72
2.	2001-02	218136	481679	699815	201574	473950	675524	30	70
3.	2002-03	230649	547152	777801	213833	504119	717952	30	70
4.	2003-04	254328	564275	818603	231100	599889	830989	28	72
5.	2004-05	278555	703835	982390	252254	724942	977196	26	74
6.	2005-06	330051	1193138	1523189	301269	1288817	1590086	19	81
7.	2006-07	449178	1635986	2085164	415785	1670413	2086198	20	80
8.	2007-08	551115	1894750	2445865	519214	1818879	2338093	22	78
9.	2008-09	780316	2440552	3220868	744116	2404957	3149073	24	76
10.	2009-10	830706	3525606	4356312	768458	3349254	4117712	19	81
11.	2010-11	986064	3697775	4683839	918675	3104657	4023332	23	77
12.	2011-12	1060295	3875262	4935557	921280	3840960	4762240	19	81
13.	2012-13	1155063	4190305	5345368	977071	3816395	4793466	20	80
14.	2013-14	1222190	4493627	5715817	1014393	3975665	4990058	20	80

Annexure 3.4

(Refer to paragraph 3.6)

**Statement showing cases of excess expenditure without
adequate re-appropriation of funds
(₹5 crore and above)**

(₹ in crore)

Sl No.	Minor/Sub-head	Provision	Actual Expenditure	Final Excess Expenditure
Civil				
11 - Department of Commerce				
1.	2407.01.789.01-Tea Board	O 20.00 R (-)18.60	10.00	8.60
2.	3453.00.102.01-Trade Commissioners	O 121.35 R (+)10.90	142.24	9.99
14 - Department of Telecommunications				
3.	2071.01.101.01-Ordinary Pensions	O 2938.00 S 336.27 R (+)6.18	3322.99	42.54
20 - Ministry of Defence				
4.	2037.00.102.06- Coast Guard Organisation	O 1054.81 R (-)36.68	1047.73	29.60
5.	2052.00.092.02- Defence Accounts Departments (DAD)	O 1137.41 R (-)111.16	1037.14	10.89
6.	2055.00.104.02- Charges paid in respect of J&K Light Infantry (JAKLI)	O 885.32 R (-)70.30	873.25	58.23
7.	4047.00.037.01- Coast Guard Organisation	O 1775.00 R (-)715.00	1070.22	10.22
21 - Defence Pensions				
8.	2071.02.101.01 - Pension and other Retirement Benefits	O 38542.47 S 683.06 R (+)81.44	39394.52	87.55
9.	2071.02.102.03 - Leave Encashment	O 184.14 S 0.26 R (-)21.41	168.56	5.57
10.	2071.02.103.03 - Leave Encashment	O 183.78 S 33.92 R (+)43.97	277.45	15.78
32 - Ministry of External Affairs				
11.	2061.00.101.01 - Management and Establishment	O 1683.22 S 0.0025 R (+)173.99	1975.86	118.65
12.	2061.00.103.01 - Discretionary Expenditure	O 1319.99 S 0.0025 R (+)100.00	1432.08	12.09
35 - Appropriation-Interest Payments				
13.	2049.03.104.01 - General Provident Fund	O 5662.60 S 310.80	5982.69	9.29
14.	2049.03.109.09 - Special Deposits of Employee's State Insurance Corporation	O 773.33	841.00	67.67
15.	2049.03.110.01 - Bonus for undistributed Pay of India Ranks	O 37.76 R (-)30.76	14.67	7.67

**Statement showing cases of excess expenditure without
adequate re-appropriation of funds
(₹5 crore and above)**

(₹ in crore)

Sl No.	Minor/Sub-head	Provision	Actual Expenditure	Final Excess Expenditure
16.	2049.05.103 - Interest on Railway Development Fund	O 141.67 R (+)57.09	206.84	8.08
17.	2049.05.105.01 - Railway Pension Fund	O 13.67 R (-)13.02	10.35	9.70
18.	2049.05.105.04 - Interest on Railway Capital Reserve Fund	O 33.43 R (-)31.30	14.63	12.50
19.	2049.05.105.08 - Interest on Price Stabilisation Fund	O 62.00 R (-) 27.99	68.01	34.00
38 - Appropriation-Repayment of Debt				
20.	6001.00.115.14 Days Treasury Bills	O 2413650.00 R (-)233650.00	2183501.92	3501.92
40 - Pensions				
21.	2071.01.101.01- Ordinary Pensions	O 11110.10 S (+)687.00	11932.83	135.73
22.	2071.01.102.01- Ordinary Pensions	O 1750.00 R (-)150.00	1610.76	10.76
23.	2071.01.104.01-Ordinary Pensions	O 2300.00	2327.25	27.25
24.	2071.01.105.02-Family Pensions	O 2513.05 S 779.00 R (+)162.43	3477.59	23.11
44 - Indirect Taxes				
25.	2037.00.102.05-Directorate of Revenue Intelligence	O 62.05 S 0.01 R (+)1.60	70.91	7.25
47 - Department of Health & Family Welfare				
26.	2211.00.109.07-Procurement of Drugs and Equipment (Other than Vaccines etc.)	O 287.50 R (-)213.40	83.73	9.63
27.	3601.04.796.03-FW-Direction & Administration	O 537.13 R (-)20.41	527.40	10.68
55 - Police				
28.	2055.00.001.07- Bureau of Immigration	O 220.71 S 25.01 R (-)1.06	255.00	10.34
29.	2055.00.119.01- Direction & Administration	O 3882.19 S 141.19 R (-)3.29	4070.27	50.18
30.	4055.00.201.02- Residential Buildings	O 144.93 S 0.01 R (+)2.49	159.30	11.87
31.	4055.00.213.01-Office Buildings	O 273.04 R (-)163.00	123.18	13.14
59 - Department of School Education & Literacy				
32.	3601.04.187.06-Assistance to States	O 8005.16 R (-)831.73	7257.71	84.28
62 - Ministry of Labour & Employment				
33.	2230.01.111.05-Social Security for unorganized sector workers Scheme	O 790.30 R (-)134.68	662.67	7.05

**Statement showing cases of excess expenditure without
adequate re-appropriation of funds
(₹5 crore and above)**

(₹ in crore)

Sl No.	Minor/Sub-head		Provision	Actual Expenditure	Final Excess Expenditure
82 – Ministry of Road Transport and Highways					
34.	3054.02.337.05- Maintenance by Border Roads Wing	O R	158.60 (-32.26)	140.73	14.39
35.	3054.02.800.02- Road Work	O S R	88.58 0.01 (-6.59)	87.43	5.43
93 – Ministry of Textiles					
36.	2852.08.600.04-Jute	O S R	62.79 0.02 (+66.40)	143.94	14.73
95 – Ministry of Tribal Affairs					
37.	3601.04.796.27-Welfare of Scheduled Tribes-Education (Charged)	O R	1004.39 (-4.57)	1008.10	8.28
102 – Public Works					
38.	2059.01.104.01-Payment of Rent, Rates & Taxes to local bodies etc.	O R	142.00 (+6.93)	167.32	18.39
39.	4059.01.051.01-Buildings	O R	154.00 (-25.99)	134.32	6.31
104 – Ministry of Water Resources					
40.	2701.80.002.01-Central Water Commission	O R	95.02 (-12.18)	88.64	5.80
105 – Ministry of Women and Child Development					
41.	2235.02.102.18-Integrated Child Development Services (ICDS)	O R	42.00 (-24.01)	24.07	6.08
Postal Services					
13 - Department of Posts					
42.	3201.01.101.01-Circle Offices	O R	215.66 (+0.37)	223.55	7.52
43.	3201.01.101.03-Postal Divisions	O R	384.61 (+22.85)	458.33	50.87
44.	3201.01.101.04-R.M.S.Divisions	O R	77.26 (-0.40)	87.64	10.78
45.	3201.02.103.01-Rail	O R	99.53 (-8.88)	98.40	7.75
46.	3201.02.104.01-Research and Development	O R	217.12 (-176.05)	48.07	7.00
47.	3201.03.101.03-Small Savings Work in Head Post Offices	O R	250.31 (-45.14)	216.47	11.30
48.	3201.03.101.08-Postal Life Insurance Branch Circle Offices	O R	58.83 (+3.91)	70.89	8.15
49.	3201.04.101.01-Cost of Pay & Allowances of Audit Staff	O	70.00	84.57	14.57
50.	3201.05.053.03-Building Establishment	O R	41.41 (+1.83)	48.59	5.35
51.	3201.07.101.03-Payment to Pensioners of Erstwhile Combined P&T	O R	8.20 (+3.80)	18.56	6.56

**Statement showing cases of excess expenditure without
adequate re-appropriation of funds
(₹5 crore and above)**

(₹ in crore)

Sl No.	Minor/Sub-head	Provision	Actual Expenditure	Final Excess Expenditure
52.	3201.60.102.02-Interest on Extra Departmental Agents Group Insurance	O 10.00	16.37	6.37
53.	5201.00.104.08-Modernisation and Computerisation of Post Offices-Voted	O R 242.02 (-)-58.81	193.53	10.32
54.	5201.00.101.03-Mail Motor Vehicles for ordinary services	O R 15.00 (-)-10.64	9.45	5.09
Defence Services				
23 - Defence Services-Navy				
55.	2077.00.106 - Repairs & Refits	O R 710.00 (-) 153.08	592.63	35.71
56.	2077.00.110 - Stores	O S R 4053.38 507.50 (+)25.00	4618.95	33.07
57.	2077.00.111 - Works	O S R 749.01 66.02 (+)165.38	1030.22	49.81
58.	2077.00.800 - Other Expenditure	O R 348.50 (+)1.00	368.01	18.51
24 - Defence Services-Air Force				
59.	2078.00.104 - Pay and Allowances of Civilians	O S R 895.76 31.24 (+)0.05	950.31	23.26
60.	2078.00.105 - Transportation	O R 851.45 (-)-215.37	661.28	25.20
26 - Defence Services- Research & Development				
61.	2080.00.111 - Works	O S R 552.10 61.20 (+)50.00	669.10	5.80
27 - Capital Outlay on Defence Services				
62.	4076.01.050 - Land	O R 141.00 (-)-33.25	114.11	6.36
63.	4076.01.103 - Other Equipments	O R 9757.86 (-)-2047.86	7724.39	14.39
64.	4076.02.050 - Land (Voted)	O R 20.00 (-)-14.34	20.84	15.18
65.	4076.02.104 - Joint Staff	O R 738.11 (-)-104.48	650.34	16.71
66.	4076.02.202 - Construction Works	O R 641.25 (-)-158.19	515.65	32.59
67.	4076.02.205 - Naval Dockyards	O R 2011.17 (-)-1419.52	632.33	40.68
68.	4076.03.050 - Land	O R 90.00 (-)-85.00	43.79	38.79
Total				5048.92

Annexure 3.5
(Refer to paragraph 3.7)
**Statement showing savings of ₹ 100 crore or above
under various grants/appropriations**

Sl No.	Description of grant/appropriation	Total Provision	Savings	Percentage of total provision
		(₹ in crore)		
Civil Revenue – Voted				
1.	01-D/o Agricultural Research & Cooperation	22299.40	3317.48	15
2.	02-D/o Agricultural Research & Education	5729.20	849.26	15
3.	03-D/o Animal Husbandry Dairy & Fisheries	2534.50	394.49	16
4.	04-D/o of Atomic Energy	6636.39	197.70	03
5.	05-D/o Nuclear Power Scheme	4054.87	289.19	07
6.	06-D/o Chemicals & Petrochemicals	1332.98	124.25	09
7.	07-D/o Fertilizers	72629.72	1326.67	02
8.	11-D/o Commerce	4441.85	129.38	03
9.	12-D/o Industrial Policy & Promotion	1509.32	175.27	12
10.	14-D/o Telecommunications	12629.14	2010.10	16
11.	15-D/o Electronics and Information Technology	2872.50	849.55	30
12.	16-D/o Consumer Affairs	582.95	152.13	26
13.	19-M/o Culture	2125.06	165.17	08
14.	28-M/o Development of North Eastern Region	1847.98	193.80	10
15.	29-M/o Drinking Water & Sanitation	15265.70	3324.67	22
16.	30-M/o Earth Science	1492.54	334.54	22
17.	31-M/o Environment and Forests	2815.66	715.93	25
18.	33-D/o Economic Affairs	10291.10	188.59	02
19.	34-D/o Financial Services	11468.99	746.54	07
20.	36-Transfer to State and Union Territory Governments	101945.69	17698.36	17
21.	42-D/o Revenue	10117.20	7536.54	74
22.	43-Direct Taxes	3771.91	136.63	04
23.	44-Indirect Taxes	3860.78	129.40	03
24.	46-M/o Food Processing Industries	719.14	177.20	25
25.	47-D/o Health & Family Welfare	33012.35	5474.46	17
26.	48-D/o Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)	1249.62	533.77	43
27.	49-D/o Health Research	1008.02	133.94	13
28.	50-D/o AIDS Control	1782.01	309.03	17
29.	51-D/o Heavy Industry	930.97	382.86	41
30.	53-M/o Home Affairs	2108.55	876.91	42
31.	55-Police	45609.12	1599.04	04
32.	56-Other Expenditure of the M/o Home Affairs	1969.15	128.76	07
33.	57-Transfers to Union Territory Governments	2263.43	524.80	23
34.	58-M/o Housing and Urban Poverty Alleviation	1468.06	381.82	26
35.	59-D/o School Education & Literacy	77130.05	10152.69	13
36.	60-D/o Higher Education	26950.08	2417.46 ¹	09
37.	61-M/o Information & Broadcasting	3006.89	200.12	07
38.	62-M/o Labour and Employment	5254.97	849.56	16

¹ UGC released ₹ 594.58 crore as advanced grant to 25 Central Universities for the year 2014-15.

**Statement showing savings of ₹ 100 crore or above
under various grants/appropriations**

Sl No.	Description of grant/appropriation	Total Provision	Savings	Percentage of total provision
		(₹ in crore)		
39.	64-Law and Justice	1971.17	112.77	06
40.	66-M/o Micro, Small & Medium Enterprises	3210.95	660.26	21
41.	68-M/o Minority Affairs	3410.99	384.25	11
42.	69-M/o New & Renewable Energy	2648.21	1214.03	46
43.	71-M/o Panchayati Raj	7200.70	3738.62	52
44.	74-M/o Petroleum & Natural Gas	85566.13	147.74	0.17
45.	75-M/o Planning	7181.53	5798.92	81
46.	76-M/o Power	8045.87	4309.22	54
47.	82-M/o Road Transport & Highways	17203.60	533.44	03
48.	83-D/o Rural Development	113304.88	15817.28	14
49.	84-D/o Land Resources	5772.86	3276.92	57
50.	85-D/o Science and Technology	3372.22	776.36	23
51.	86-D/o Scientific and Industrial Research	3561.31	409.77	12
52.	87-D/o Bio-technology	1502.07	210.75	14
53.	88-M/o Shipping	1691.64	200.60	12
54.	89-M/o Social Justice and Empowerment	6420.37	1203.02	19
55.	90-D/o Space	3052.21	324.53	11
56.	91-M/o Statistics and Programme Implementation	4949.36	109.59	02
57.	93-M/o Textiles	5519.98	1592.79	29
58.	94-M/o Tourism	1355.32	328.12	24
59.	95-M/o Tribal Affairs	443.74	146.39	33
60.	97-Chandigarh	2922.51	120.73	04
61.	101-D/o Urban Development	1281.32	166.59	13
62.	104-M/o Water Resources	1902.13	906.47	48
63.	105-M/o Women and Child Development	20640.02	2601.43	13
Revenue – Charged				
64.	35-Appropriation-Interest Payments	400500.66	5301.07	01
65.	36-Transfer to State & Union Territory Governments	62134.40	8229.86	13
66.	95-M/o Tribal Affairs	3856.58	375.08	10
Capital – Voted				
67.	04-Atomic Energy	4111.36	1180.55	29
68.	07-D/o Fertilizers	253.48	253.48	100
69.	10-M/o Coal	1722.00	961.00	56
70.	12- D/o Industrial Policy & Promotion	311.00	302.00	97
71.	14- D/o Telecommunications	2510.30	2293.77	91
72.	20-M/o Defence (Civil)	1838.42	742.03	40
73.	28-M/o Development of North Eastern Region	353.01	128.56	36
74.	30-M/o Earth Sciences	201.13	110.98	55
75.	33-D/o Economic Affairs	69431.73	63462.80	91
76.	34-D/o Financial Services	30900.40	14017.40	45
77.	43-Direct Taxes	590.00	144.00	24
78.	44-Indirect Taxes	149.26	126.95	85
79.	47-D/o Health & Family Welfare	2862.69	1585.55	55
80.	51-D/o Heavy Industry	987.66	158.58	16
81.	55-Police	9106.00	2760.84	30

**Statement showing savings of ₹ 100 crore or above
under various grants/appropriations**

Sl No.	Description of grant/appropriation	Total Provision	Savings	Percentage of total provision
		(₹ in crore)		
82.	68-M/o Minority Affairs	120.00	120.00	100
83.	75-M/o Planning	900.00	549.23	61
84.	76-M/o Power	2918.05	1141.02	39
85.	82-M/o Road Transport & Highways	32264.15	2950.74	09
86.	88-M/o Shipping	658.42	279.27	42
87.	90-D/o Space	3738.96	1297.91	35
88.	96-Andaman and Nicobar Islands	671.82	272.19	41
89.	97-Chandigarh	549.19	163.77	30
90.	101-D/o Urban Development	6945.08	863.04	12
Capital – Charged				
91.	36-Transfer to State & Union Territory Governments	12000.00	1000.25	08
92.	38-Appropriation - Repayment of Debt	4014248.55	502957.23	13
Defence Services				
Revenue – Voted				
93.	22-Defence Services-Army	88599.71	879.63	01
Capital – Voted				
94.	27-Capital Outlay on Defence Services	86685.31	7592.40	09
Postal Services				
Capital – Voted				
95.	13-D/o Posts	433.31	165.01	38
Railways				
Revenue – Voted				
96.	3-General Superintendence and Services	5920.43	276.77	05
97.	4-Repairs and Maintenance of Permanent Ways and Works	9477.84	308.22	03
98.	9-Operating expenses –Traffic	17173.95	388.88	02
99.	11-Staff Welfare and Amenities	4816.69	311.40	06
100.	12-Miscellaneous Working Expenses	4889.00	694.65	14
101.	14-Appropriation to Funds- Depreciation Reserve Fund, Development Fund, Pension Fund, Capital Fund and Debt. Service Fund	42661.80	6156.40	14
Capital – Voted				
102.	16-Assets- Acquisition, Construction and Replacement - Railway Funds	16249.85	4788.64	29
Total			745509.80	

Annexure 3.6
(Refer to paragraph 3.7)

**Statement showing persistent savings of ₹ 100 crore or above
under various grants/appropriations**

Sl No.	Description of grant/appropriation	Year	Total Provision	Savings	Percentage of the total provision
			(₹ in crore)		
Civil Revenue (Voted)					
1.	Department of Agriculture and Co-operation	2011-12	17450.74	745.54	04
		2012-13	20466.80	2480.33	12
		2013-14	22299.40	3317.48	15
2.	Department of Animal Husbandry, Dairying, and Fisheries	2011-12	2021.25	373.79	18
		2012-13	2338.60	197.69	08
		2013-14	2534.50	394.49	16
3.	Atomic Energy	2011-12	5636.46	242.10	04
		2012-13	5564.05	233.31	04
		2013-14	6636.39	197.70	03
4.	Department of Chemicals & Petrochemicals	2011-12	1419.83	145.26	10
		2012-13	1764.00	100.78	06
		2013-14	1332.98	124.25	09
5.	Department of Commerce	2011-12	5629.41	1891.18	34
		2012-13	4054.85	186.76	05
		2013-14	4441.85	129.38	03
6.	Department of Industrial Policy & Promotion	2011-12	1481.05	247.33	17
		2012-13	1494.19	173.78	12
		2013-14	1509.32	175.27	12
7.	Department of Telecommunications	2011-12	8745.83	111.54	01
		2012-13	11587.39	3985.03	34
		2013-14	12629.14	2010.10	16
8.	Department of Electronics & Information Technology	2011-12	2871.23	936.08	33
		2012-13	2877.54	1117.86	39
		2013-14	2872.50	849.55	30
9.	Department of Consumer Affairs	2011-12	588.40	104.04	18
		2012-13	614.42	135.60	22
		2013-14	582.95	152.13	26
10.	Ministry of Development of North Eastern Region	2011-12	1631.58	107.71	07
		2012-13	1750.33	236.34	14
		2013-14	1847.98	193.80	10
11.	Ministry of Drinking Water & Sanitation	2011-12	11005.24	1007.54	09
		2012-13	14005.25	925.97	07
		2013-14	15265.70	3324.67	22
12.	Ministry of Earth Science	2011-12	1284.96	211.33	16
		2012-13	1464.45	406.00	28
		2013-14	1492.54	334.54	22
13.	Ministry of Environment and Forests	2011-12	2661.36	500.85	19

**Statement showing persistent savings of ₹ 100 crore or above
under various grants/appropriations**

Sl No.	Description of grant/appropriation	Year	Total Provision	Savings	Percentage of the total provision
			(₹ in crore)		
		2012-13	3012.34	1091.15	36
		2013-14	2815.66	715.93	25
14.	Department of Economic Affairs	2011-12	8070.63	984.86	12
		2012-13	9199.72	1587.03	17
		2013-14	10291.10	188.59	02
15.	Department of Financial Services	2011-12	16391.96	9880.35	60
		2012-13	8535.26	1270.16	15
		2013-14	11468.99	746.54	07
16.	Transfers to State and Union Territory Governments	2011-12	91403.62	8476.79	09
		2012-13	105786.55	21476.42	20
		2013-14	101945.69	17698.36	17
17.	Department of Revenue	2011-12	13339.02	8082.07	61
		2012-13	1167.05	371.53	32
		2013-14	10117.20	7536.54	74
18.	Department of Health & Family Welfare	2011-12	26912.38	2130.62	08
		2012-13	30685.78	5109.84	17
		2013-14	33012.35	5474.46	17
19.	Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)	2011-12	1064.08	303.75	29
		2012-13	1161.23	406.04	35
		2013-14	1249.62	533.77	43
20.	Department of AIDS Control	2011-12	1699.00	385.32	23
		2012-13	1751.56	436.85	25
		2013-14	1782.01	309.03	17
21.	Ministry of Home Affairs	2011-12	4921.61	1828.47	37
		2012-13	2925.38	1345.01	46
		2013-14	2108.55	876.91	42
22.	Transfer to Union Territory Governments	2011-12	2058.29	641.90	31
		2012-13	2154.89	305.68	14
		2013-14	2263.43	524.80	23
23.	Ministry of Housing and Urban Poverty Alleviation	2011-12	1107.63	147.14	13
		2012-13	1163.01	226.46	19
		2013-14	1468.06	381.82	26
24.	Department of School Education & Literacy	2011-12	60158.65	1009.08	02
		2012-13	70559.80	4691.40	07
		2013-14	77130.05	10152.69	13
25.	Department of Higher Education	2011-12	21981.74	2335.60	11
		2012-13	25379.08	4868.65	19
		2013-14	26950.08	2417.46	09
26.	Ministry of Labour and Employment	2011-12	3789.20	299.77	08
		2012-13	4634.46	807.90	17
		2013-14	5254.97	849.56	16
27.	Law and Justice	2011-12	1417.28	391.64	28

**Statement showing persistent savings of ₹ 100 crore or above
under various grants/appropriations**

Sl No.	Description of grant/appropriation	Year	Total Provision	Savings	Percentage of the total provision
			(₹ in crore)		
		2012-13	1515.60	331.98	22
		2013-14	1971.17	112.77	06
		2011-12	2834.54	672.31	24
28.	Ministry of Micro, Small and Medium Enterprises	2012-13	3071.88	632.60	21
		2013-14	3210.95	660.26	21
		2011-12	2751.01	568.23	21
29.	Ministry of Minority Affairs	2012-13	3054.70	980.02	32
		2013-14	3410.99	384.25	11
		2011-12	5250.66	1143.21	22
30.	Ministry of Panchayati Raj	2012-13	5350.76	1413.49	26
		2013-14	7200.70	3738.62	52
		2011-12	12018.97	7281.05	61
31.	Ministry of Power	2012-13	10949.40	9200.23	84
		2013-14	8045.87	4309.22	54
		2011-12	20026.47	651.83	03
32.	Ministry of Road Transport and Highways	2012-13	22495.36	2836.25	13
		2013-14	17203.60	533.44	03
		2011-12	149209.75	42368.46	28
33.	Department of Rural Development	2012-13	129923.04	26266.79	20
		2013-14	113304.88	15817.28	14
		2011-12	2706.20	280.44	10
34.	Department of Land Resources	2012-13	3208.20	214.66	07
		2013-14	5772.86	3276.92	57
		2011-12	2695.91	212.00	08
35.	Ministry of Science & Technology	2012-13	2842.89	340.10	12
		2013-14	3372.22	776.36	23
		2011-12	3378.52	169.50	05
36.	Department of Scientific and Industrial Research	2012-13	3475.10	529.44	15
		2013-14	3561.31	409.77	12
		2011-12	1426.96	218.53	15
37.	Department of Biotechnology	2012-13	1500.40	217.56	15
		2013-14	1502.07	210.75	14
		2011-12	2086.54	653.89	31
38.	Ministry of Shipping	2012-13	1403.45	566.08	40
		2013-14	1691.64	200.60	12
		2011-12	5183.05	333.97	06
39.	Ministry of Social Justice and Empowerment	2012-13	5708.33	939.48	16
		2013-14	6420.37	1203.02	19
		2011-12	3676.97	916.54	25
40.	Department of Space	2012-13	3575.94	761.47	21
		2013-14	3052.21	324.53	11
		2011-12	4880.83	1761.88	36
41.	Ministry of Statistics and Programme Implementation	2012-13	4926.36	461.50	09
		2013-14	4949.36	109.59	02
		2011-12	6099.24	1220.55	20
42.	Ministry of Textiles	2011-12	6099.24	1220.55	20

**Statement showing persistent savings of ₹ 100 crore or above
under various grants/appropriations**

Sl No.	Description of grant/appropriation	Year	Total Provision	Savings	Percentage of the total provision
			(₹ in crore)		
		2012-13	7775.70	3513.98	45
		2013-14	5519.98	1592.79	29
43.	Department of Urban Development	2011-12	1232.54	151.30	12
		2012-13	1321.73	232.27	18
		2013-14	1281.32	166.59	13
		2011-12	1150.06	166.20	14
44.	Ministry of Water Resources	2012-13	1937.32	966.23	50
		2013-14	1902.13	906.47	48
		2011-12	16183.04	506.98	03
45.	Ministry of Women and Child Development	2012-13	18584.03	1547.22	08
		2013-14	20640.02	2601.43	13
		Revenue (Charged)			
46.	Transfers to State and UT Governments	2011-12	49298.62	5325.95	11
		2012-13	58357.46	13104.04	22
		2013-14	62134.40	8229.86	13
47.	Ministry of Tribal Affairs	2011-12	3311.25	100.01	03
		2012-13	3627.80	905.69	25
		2013-14	3856.58	375.08	10
Capital (Voted)					
48.	Atomic Energy	2011-12	3448.86	818.98	24
		2012-13	3822.32	1240.57	32
		2013-14	4111.36	1180.55	29
49.	Department of Economic Affairs	2011-12	25804.18	11998.50	46
		2012-13	58961.13	52110.34	88
		2013-14	69431.73	63462.80	91
50.	Direct Taxes	2011-12	905.70	644.70	71
		2012-13	809.29	384.78	48
		2013-14	590.00	144.00	24
51.	Department of Health and Family Welfare	2011-12	1989.13	916.16	46
		2012-13	2298.32	998.37	43
		2013-14	2862.69	1585.55	55
52.	Police	2011-12	8464.47	2983.03	35
		2012-13	9333.60	2999.21	32
		2013-14	9106.00	2760.84	30
53.	Ministry of Planning	2011-12	731.62	480.12	66
		2012-13	515.80	256.69	50
		2013-14	900.00	549.23	61
54.	Ministry of Power	2011-12	3041.81	687.43	23
		2012-13	5464.22	235.64	04
		2013-14	2918.05	1141.02	39
55.	Ministry of Road Transport & Highways	2011-12	22221.38	3282.64	15
		2012-13	24643.50	5610.90	23
		2013-14	32264.15	2950.74	09
56.	Ministry of Shipping	2011-12	623.68	392.46	63
		2012-13	583.09	217.55	37
		2013-14	658.42	279.27	42

**Statement showing persistent savings of ₹ 100 crore or above
under various grants/appropriations**

Sl No.	Description of grant/appropriation	Year	Total Provision	Savings	Percentage of the total provision
			(₹ in crore)		
57.	Department of Space	2011-12	2948.19	1918.03	65
		2012-13	3138.22	1096.57	35
		2013-14	3738.96	1297.91	35
58.	Andaman and Nicobar Islands	2011-12	604.33	136.97	23
		2012-13	739.25	269.91	36
		2013-14	671.82	272.19	41
Capital (Charged)					
59.	Transfers to State and UT Governments	2011-12	13000.00	3004.64	23
		2012-13	12000.00	1347.30	11
		2013-14	12000.00	1000.25	08
60.	Appropriation-Repayment of Debt	2011-12	3524713.20	28784.50	01
		2012-13	3786074.35	359181.41	09
		2013-14	4014248.55	502957.23	13
Postal Services					
Capital (Voted)					
61.	Department of Posts	2011-12	518.14	317.51	61
		2012-13	615.77	470.18	76
		2013-14	433.31	165.01	38
Defence Services					
Revenue (Voted)					
62.	Defence Services- Army	2011-12	73174.45	1341.79	02
		2012-13	79980.55	463.60	01
		2013-14	88599.71	879.63	01
Capital (Voted)					
63.	Capital Outlay on Defence Services	2011-12	69148.01	1304.05	02
		2012-13	79526.99	9043.67	11
		2013-14	86685.31	7592.40	09
Railways					
Revenue (Voted)					
64.	Appropriation to Funds – Depreciation Reserve Fund, Development Fund, Pension Fund, Capital Fund and Debt. Service Fund	2011-12	28068.41	2802.84	10
		2012-13	43567.00	7730.75	18
		2013-14	42661.80	6156.40	14

Annexure 3.7

(Refer to paragraph 3.8)

Cases where the amounts surrendered were more than the savings

(₹ in crore)

Sl No.	Description of grant/appropriation	Savings under the section	Amount Surrendered	Excess Surrendered
Civil Revenue –Voted				
1.	06- Department of Chemicals & Petrochemicals	124.25	124.36	0.11
2.	08- Department of Pharmaceuticals	99.37	99.50	0.13
3.	10- Ministry of Coal	29.26	29.27	0.01
4.	32-Ministry of External Affairs	39.59	125.02	85.43
5.	45- Department of Disinvestment	36.34	38.26	1.92
6.	67- Ministry of Mines	54.07	54.58	0.51
7.	71- Ministry of Panchayati Raj	3738.62	3738.84	0.22
Revenue –Charged				
8.	41- Indian Audit & Accounts Department	0.77	0.85	0.08
9.	95- Ministry of Tribal Affairs	375.08	383.26	8.18
Capital-Voted				
10.	15-Department of Electronics & Information Technology	36.19	38.01	1.82
11.	44-Indirect Taxes	126.95	127.40	0.45
12.	67-Ministry of Mines	4.71	6.17	1.46
13.	98-Dadra and Nagar Haveli	49.14	49.17	0.03
Capital-Charged				
14.	38-Appropriation - Repayment of Debt	502957.23	505198.94	2241.71
15.	93- Ministry of Textiles	35.34	35.35	0.01
Defence Services Capital –Voted				
16.	27-Capital outlay on Defence Services	7592.40	7854.78	262.38

Annexure 3.8
(Refer to paragraph 3.9)
**Cases where major portion of savings were surrendered on
30th/31st March 2014 and the details of amount lapsed**

Sl No.	Description of grant/appropriation	Savings	Amount surrendered	Amount surrendered on 30/31 March 2014	Percentage of amount surrendered on 30/31 March in comparison with savings	Amount not surrendered and lapsed
Civil Revenue (Voted)						
1.	1-Department of Agriculture & Co-operation	3317.48	3281.05	3281.05	99	36.43
2.	2- Department of Agricultural Research & Education	849.26	848.46	848.46	100	0.80
3.	3- Department of Animal Husbandry Dairying & Fisheries	394.49	364.28	364.28	92	30.21
4.	4-Atomic Energy	197.70	177.57	177.57	90	20.13
5.	5-Nuclear Power Schemes	289.19	182.33	182.33	63	106.86
6.	6-Department of Chemicals and Petrochemicals	124.25	124.36	124.36	100	*
7.	7-Department of Fertilizers	1326.67	674.29	674.29	51	652.38
8.	11-Department of Commerce	129.38	58.13	58.13	45	71.25
9.	12-Department of Industrial Policy and Promotion	175.27	155.24	155.24	89	20.03
10.	14- Department of Telecommunication	2010.10	1695.55	1695.55	84	314.55
11.	15-Department of Electronics and Information Technology	849.55	836.40	6.78	01	13.15
12.	16- Department of Consumer Affairs	152.13	137.01	137.01	90	15.12
13.	19-Ministry of Culture	165.17	104.60	104.60	63	60.57
14.	28-Ministry of Development of North Eastern Region	193.80	192.94	1.94	01	0.86
15.	29-Ministry of Drinking Water and Sanitation	3324.67	3311.90	3311.90	100	12.77
16.	30-Ministry of Earth Sciences	334.54	297.16	5.27	02	37.38
17.	31-Ministry of Environment and Forests	715.93	582.69	8.94	01	133.24
18.	33-Department of Economic Affairs	188.59	10.92	10.92	06	177.67
19.	34-Department of Financial Services	746.54	745.96	745.96	100	0.58
20.	36-Transfers to State and Union Territory Governments	17698.36	17548.30	17548.30	99	150.06
21.	42-Department of Revenue	7536.54	7524.16	7524.16	100	12.38
22.	43-Direct Taxes	136.63	117.95	117.95	86	18.68
23.	44-Indirect Taxes	129.40	19.17	19.17	15	110.23

**Cases where major portion of savings were surrendered on
30th/31st March 2014 and the details of amount lapsed**

Sl No.	Description of grant/appropriation	Savings	Amount surrendered	Amount surrendered on 30/31 March 2014	Percentage of amount surrendered on 30/31 March in comparison with savings	Amount not surrendered and lapsed
						(₹ in crore)
24.	46-Ministry of Food Processing Industries	177.20	176.88	176.88	100	0.32
25.	47-Department of Health and Family Welfare	5474.46	5223.90	5223.90	95	250.56
26.	48-Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha & Homoeopathy (AYUSH)	533.77	500.96	500.96	94	32.81
27.	49-Department of Health Research	133.94	130.84	130.84	98	3.10
28.	50-Department of AIDS Control	309.03	296.29	296.29	96	12.74
29.	51-Department of Heavy Industry	382.86	52.82	52.82	14	330.04
30.	53-Ministry of Home Affairs	876.91	695.18	695.18	79	181.73
31.	55-Police	1599.04	500.23	500.23	31	1098.81
32.	56-Other Expenditure of the Ministry of Home Affairs	128.76	54.81	54.81	43	73.95
33.	57-Transfers to Union Territory Governments	524.80	524.79	524.79	100	0.01
34.	58-Ministry of Housing & Urban Poverty Alleviation	381.82	271.12	271.12	71	110.70
35.	59-Department of School Education & Literacy	10152.69	7172.35	7172.35	71	2980.34
36.	60-Department of Higher Education	2417.46	2361.72	2361.72	98	55.74
37.	61-Ministry of Information & broadcasting	200.12	191.86	191.86	96	8.26
38.	62-Ministry of Labour and Employment	849.56	745.96	745.96	88	103.60
39.	64-Law and Justice	112.77	20.47	20.47	18	92.30
40.	66-Ministry of Micro, Small and Medium Enterprises	660.26	636.00	636.00	96	24.26
41.	68-Ministry of Minority Affairs	384.25	378.48	378.48	98	5.77
42.	69-Ministry of New & Renewable Energy	1214.03	1115.57	1115.57	92	98.46
43.	71-Ministry of Panchayati Raj	3738.62	3738.84	3738.84	100	*
44.	74-Ministry of Petroleum & Natural Gas	147.74	147.74	147.74	100	--
45.	75-Ministry of Planning	5798.92	5783.09	5783.09	100	15.83
46.	76-Ministry of Power	4309.22	4308.98	4308.98	100	0.24
47.	82-Ministry of Road Transport & Highways	533.44	451.53	451.53	85	81.91
48.	83-Department of Rural Development	15817.28	15810.12	15810.12	100	7.16

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**Cases where major portion of savings were surrendered on
30th/31st March 2014 and the details of amount lapsed**

Sl No.	Description of grant/appropriation	Savings	Amount surrendered	Amount surrendered on 30/31 March 2014	Percentage of amount surrendered on 30/31 March in comparison with savings	Amount not surrendered and lapsed
49.	84-Department of Land Resources	3276.92	3276.85	3276.85	100	0.07
50.	85-Department of Science and Technology	776.36	770.89	--	--	5.47
51.	87-Department of Biotechnology	210.75	209.87	24.87	12	0.88
52.	88-Ministry of Shipping	200.60	186.32	186.32	93	14.28
53.	89-Ministry of Social Justice and Empowerment	1203.02	1190.58	1190.58	99	12.44
54.	90-Department of Space	324.53	322.38	322.38	99	2.15
55.	91-Ministry of Statistics & Programme Implementation	109.59	109.23	109.23	100	0.36
56.	93-Ministry of Textiles	1592.79	1339.93	1339.93	84	252.86
57.	94-Ministry of Tourism	328.12	306.99	306.99	94	21.13
58.	95-Ministry of Tribal Affairs	146.39	146.11	146.11	100	0.28
59.	97-Chandigarh	120.73	117.20	117.20	97	3.53
60.	101-Department of Urban Development	166.59	61.59	61.59	37	105.00
61.	104-Ministry of Water Resources	906.47	771.80	771.80	85	134.67
62.	105-Ministry of Women and Child Development	2601.43	2574.02	2574.02	99	27.41
Revenue – Charged						
63.	35-Appropriation-Interest Payments	5301.07	1972.26	1972.26	37	3328.81
64.	36-Transfers to State & Union Territory Governments	8229.86	8229.86	8229.86	100	--
65.	95-Ministry of Tribal Affairs	375.08	383.26	383.26	102	*
Capital – Voted						
66.	4-Atomic Energy	1180.55	1154.38	1154.38	98	26.17
67.	7- Department of Fertilizers	253.48	253.48	253.48	100	--
68.	12-Department of Industrial Policy and Promotion	302.00	301.99	301.99	100	0.01
69.	14- Department of Telecommunications	2293.77	2152.16	2152.16	94	141.61
70.	20-Ministry of Defence	742.03	729.56	729.56	98	12.47
71.	28-Ministry of Development of North Eastern Region	128.56	127.06	10.52	08	1.50
72.	30-Ministry of Earth Science	110.98	90.05	--	--	20.93
73.	33-Department of Economic Affairs	63462.80	62523.67	62523.67	99	939.13

**Cases where major portion of savings were surrendered on
30th/31st March 2014 and the details of amount lapsed**

Sl No.	Description of grant/appropriation	Savings	Amount surrendered	Amount surrendered on 30/31 March 2014	Percentage of amount surrendered on 30/31 March in comparison with savings	Amount not surrendered and lapsed
						(₹ in crore)
74.	34-Department of Financial Services	14017.40	14017.40	14017.40	100	--
75.	43-Direct taxes	144.00	120.94	120.94	84	23.06
76.	44-Indirect Taxes	126.95	127.40	127.40	100	*
77.	47-Department of Health & Family Welfare	1585.55	1480.47	1480.47	93	105.08
78.	51-Department of Heavy Industry	158.58	111.15	111.15	70	47.43
79.	55-Police	2760.84	1719.88	1719.88	62	1040.96
80.	68-Ministry of Minority Affairs	120.00	120.00	120.00	100	--
81.	75-Ministry of Planning	549.23	543.50	543.50	99	5.73
82.	76-Ministry of Power	1141.02	1141.02	1141.02	100	--
83.	82-Ministry of Road Transport & Highways	2950.74	2876.09	2876.09	97	74.65
84.	88-Ministry of Shipping	279.27	263.26	263.26	94	16.01
85.	90-Department of Space	1297.91	1297.65	1297.65	100	0.26
86.	96-Andaman and Nicobar Islands	272.19	271.57	271.57	100	0.62
87.	97-Chandigarh	163.77	163.77	163.77	100	--
88.	101-Department of Urban Development	863.04	803.17	803.17	93	59.87
Capital-Charged						
89.	36-Transfers to State and UT Governments	1000.25	1000.25	1000.25	100	--
90.	38-Appropriation – Repayment of Debt	502957.23	505198.94	505198.94	100	--
Defence Services						
Capital (Voted)						
91.	27-Capital Outlay on Defence Services	7592.40	7854.78	7854.78	103	*

* Amount Surrendered was more than Savings

Note : For reckoning the date of surrender, the date of audit order, i.e. the date when a surrender is approved by Ministry of Finance, has been taken.

Annexure 3.9
(Refer to paragraph 3.10)
**Position of Original and Supplementary Grants/Appropriations
in Civil Ministries/Department**

(₹ in crore)

Year	Provision	Revenue		Capital		Total
		Voted	Charged	Voted	Charged	
2005-06	Original	260249	164936	32274	602709	1060168
	Supplementary	34784	612	2744	424882	463022
	Percentage	13	-	9	70	44
2006-07	Original	310212	176989	38951	1103562	1629714
	Supplementary	90637	5146	9377	350290	455450
	Percentage	29	3	24	32	28
2007-08	Original	360510	195865	80133	1616206	2252714
	Supplementary	89998	16937	20474	65742	193151
	Percentage	25	9	26	4	9
2008-09	Original	437377	243991	43348	1750686	2475402
	Supplementary	285013	113	14577	445762	745465
	Percentage	65	-	34	25	30
2009-10	Original	667430	268467	61658	1887527	2885082
	Supplementary	81044	49	20574	1369563	1471230
	Percentage	12	-	33	73	51
2010-11	Original	729198	287617	90171	3390880	4497866
	Supplementary	135176	131	31519	19156	185982
	Percentage	19	-	35	1	4
2011-12	Original	830436	325521	106393	3155266	4417616
	Supplementary	101994	11941	21472	382533	517940
	Percentage	12	4	20	12	12
2012-13	Original	919615	387306	159441	3798124	5264486
	Supplementary	71562	4844	4444	31	80881
	Percentage	8	1	3	-	2
2013-14	Original	983713	451534	190317	4026299	5651863
	Supplementary	40469	15682	7691	112	63954
	Percentage	4	3	4	-	1

Annexure 3.10
(Refer to paragraph 3.12)
Re-appropriation to minor /sub-head
which were injudicious on account of non-utilisation
(Re-appropriation exceeding ₹ 5 crore and more)

(₹ in crore)

Sl No.	Description of grant/appropriation	Minor /Sub-Head		Total Provision	Amount of re-appropriation to the head	Final savings under the head
Civil						
1.	4-Atomic Energy	4861.01.207.01-Production From Heavy Water Plants	O	996.00	39.00	86.72
2.	11- Department of Commerce	3453.00.101.01 - Director General Foreign Trade	O	94.80	10.47	11.71
3.	19-Ministry of Culture	2205.00.102.04- Other Schemes	O S	353.46 100.01	7.84	18.24
4.	33-Department of Economic Affairs	2052.00.090.09-Department of Economic Affairs	O S	93.36 10.67	11.20	13.39
5.		7475.00.800.10-Loans to IMF under New Arrangement to Borrow (NAB)	O S	0.01 1830.01	99.98	443.95
6.	38-Appropriation- Repayment of Debt	6001.00.106.24 - 8% Relief Bonds, 2002 (Non-taxable)	O	13.31	9.85	13.58
7.		6001.00.106.31 - 6.5% Savings Bonds, 2003 (Non-Taxable)	O	13.46	16.88	19.79
8.	40-Pensions	2071.01.117.01-Government Contribution	O S	1300.00 300.00	50.00	54.48
9.	44-Indirect Taxes	2038.00.001.03-National Academy of Customs, Excise and Narcotics (NACEN)	O	59.15	5.66	7.47
10.		2038.00.101.01-Commissionerates	O	2270.41	14.40	53.96
11.	47-Department of Health & Family Welfare	2210.05.105.31-Grants to Post-Graduate Institute of Medical Education & Research, Chandigarh	O	635.00	9.75	10.25
12.		2210.05.105.33- Regional Post-Graduate Centre, Jawaharlal Institute of Post-Graduate Medical Education & Research, Puducherry	O	345.00	37.75	42.42
13.	55-Police	2055.00.102.01-Establishment	O S	10495.53 540.89	103.01	256.25
14.		2055.00.105.01- Directorate General of Border Security Force	O S	9663.11 595.00	110.30	194.30
15.		2055.00.105.03- Indo-Tibetan Border Police	O S	2630.83 352.23	27.45	30.95
16.		2055.00.118.01-Direction and Administration	O S	244.52 6.73	5.04	12.52
17.	56-Other Expenditure of the Ministry of Home Affairs	2070.00.109.03-Civic Action Programme	O S	32.30 0.01	5.23	8.38

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Sl No.	Description of grant/appropriation	Minor /Sub-Head		Total Provision	Amount of re-appropriation to the head	Final savings under the head
18.	105- Ministry of Women and Child Development	2236.80.102.08-National Nutrition Mission (NNM)	O	105.00	10.85	31.05
Postal Service						
19.	13-Department of Posts	3201.07.108.01- Leave Encashment Benefits	O	250.10	7.90	19.25
Defence Services						
20.	22-Defence Services-Army	101 – Pay and Allowances of Army (Voted)	O S	47429.22 2427.82	22.29	314.25
21.	23-Defence Services-Navy	104 – Pay and allowances of Civilians (Voted)	O S	1590.00 42.97	9.10	26.47
Total					613.95	

Annexure 3.11
(Refer to paragraph 3.13)
**Re-appropriation from the minor/ sub head resulting into final excess
expenditure**
(Re-appropriation exceeding ₹ 5 crore and more)

(₹ in crore)

Sl No.	Description of grant/ appropriation	Sub-Head		Total Provision	Amount of re-appropriation from the head	Final excess expenditure under head
Civil						
1.	35-Appropriation-Interest Payments	2049.05.101.01-Railway Depreciation Reserve Fund	O	6.62	5.87	24.55
2.		2049.05.105.08-Interest on Price Stabilization Fund	O	62.00	27.99	34.00
Postal Services						
3.	13-Department of Posts	3201.02.101.01-Existing Posts Offices	O	5790.54	201.55	244.85
4.		3201.02.103.04-Departmental Mail Motor Services For Ordinary Services	O	103.60	9.43	12.82
5.		3201.02.103.06-Others	O	186.94	5.81	10.99
Defence Services						
6.	27 – Capital Outlay on Defence Services	4076.02.050 – Land	O	20.00	14.34	15.18
Total					264.99	

Annexure 3.12
(Refer to paragraph 3.14)

Unnecessary Supplementary Grant under Minor/sub-heads

Sl No.	Description of grant/ appropriation	Minor / Sub-head	Original Provision	Supplementary provision	Disbursement	Savings	Reasons attributed by the Ministry/ Department
			(₹ in crore)				
Civil							
1.	9-Ministry of Civil Aviation	3053.80.001.01-Director General Civil Aviation	36.09	0.86	31.91	5.04	Receipt of less number of bills/claims towards medical treatment, domestic travel expenses and minor works, hiring of less number of professionals and non-finalization of projects on time.
2.	35-Appropriation Interest Payments	2049.01.116-14 days Treasury Bills	5500.00	1650.00	3616.53	3533.47	Due to lower volume of investment by State Governments in Intermediate Treasury Bills of Central Government.
3.	47-Department of Health & Family Welfare	2210.06.101.46-Flexible pool for communicable Diseases New	Nil	34.55	--	34.55	Due to delay in approval of authorization of payment by the competent authority.
4.	69-Ministry of New & Renewable Energy	2810.00.104.01-R&D in New and Renewable Energy Technologies	112.00	5.40	91.88	25.52	Due to non-submission of utilisation certificate by the implementing institutions.
5.	85-Department of Science and Technology	3425.60.200.65-Fund for inclusive Innovations for Common Man	--	200.00	--	200.00	Due to cut imposed by the Ministry of Finance owing to delay in finalization of Expenditure Finance Committee (EFC) and Cabinet approval.
Defence Services							
6.	22-Defence Services-Army	113 – National Cadet Corps	880.62	10.28	874.46	16.44	Due to reduced expenditure on stores and training.
7.	23-Defence Services-Navy	104 – Pay and Allowances of Civilians	10.00	6.31	6.00	10.31	Due to lower expenditure and booking than anticipated.

Annexure 3.13
(Refer to paragraph 3.15)

Entire provision remaining unspent (₹ 10 crore and above)

(₹ in crore)

Sl No.	Description of grant/appropriation and Sub-head	Budget provision	Savings
Civil			
Grant No. 1-Department of Agriculture and Cooperation			
1.	2401.00.111.28-National Centre for Crop Statistics	10.00	10.00
2.	2401.00.789.13-Grants-in-aid to National Horticulture Board	30.00	30.00
Grant No. 2-Department of Agriculture Research and Education			
3.	2415.01.796.02-National Agricultural Innovation Project/Externally Aided Project	17.00	17.00
4.	2415.80.120.02-Grants-in-aid to Central Agricultural University, Bundelkhand	50.00	50.00
5.	2415.80.120.03-Grants-in-aid to Central Agricultural University, Bihar	30.00	30.00
Grant No. 3-Department of Animal Husbandry, Dairying and Fisheries			
6.	3602.04.632.01-Development of Marine Fisheries, Infrastructure & Post Harvest Operations	12.00	12.00
Grant No. 4-Atomic Energy			
7.	2852.09.200.05-General Services Organization, Tarapur	29.22	29.22
8.	2852.09.200.06-Common Services, Kalpakkam	13.27	13.27
9.	2852.09.203.02-Power Reactor Fuel Reprocessing Plant at Tarapur	36.01	36.01
10.	2852.09.203.03- Fuel Reprocessing Plant, Kalpakkam	64.83	64.83
11.	2852.09.203.09-Power Reactor Fuel Reprocessing	15.00	15.00
12.	2852.09.800.06-DAE-Project	40.00	40.00
13.	4861.60.103.10-DAE Projects	11.00	11.00
14.	5401.00.283.05-Tata Institute of Fundamental Research	16.00	16.00
15.	5401.00.800.25-Development of Global Centre for Nuclear Energy Partnership	22.00	22.00
16.	5401.00.800.29-Mega Science Project	40.00	40.00
Grant No. 5-Nuclear Power Scheme			
17.	2801.03.103.01-Operational Expenses of Waste Immobilization Plant at Tarapur	32.05	32.05
18.	2801.03.103.02- Operational Expenses of Waste Management Facilities at Kalpakkam	14.19	14.19
19.	2801.03.103.03- Operational Expenses of Waste Management Facilities at Tarapur	12.18	12.18
20.	6801.00.206.01-Loans to Nuclear Power Corporation of India Limited	24.00	24.00
Grant No. 6 – Department of Chemicals and Petrochemicals			
21.	6857.01.190.04- Hindustan Organic Chemicals Limited (HOCL)	10.01	10.01
Grant No. 7 – Department of Fertilizers			
22.	6855.00.190.02-Fertilizers and Chemicals Travancore Limited	211.43	211.43
23.	6855.00.190.08-Madras Fertilizers Limited	17.00	17.00

Entire provision remaining unspent (₹ 10 crore and above)

(₹ in crore)

Sl No.	Description of grant/appropriation and Sub-head	Budget provision	Savings
Grant No. 12- Department of Industrial Policy and Promotion			
24.	4059.01.201.03-Exhibition-Cum-Convention Centre, Dwarka	300.00	300.00
Grant No. 14- Department of Telecommunications			
25.	3275.00.796.02-Compensation to Service Providers for Universal Service Obligation	13.20	13.20
26.	5275.00.800.01-Telecom Engineering Centre	11.00	11.00
Grant No. 28-Ministry of Development of North Eastern Region			
27.	4552.00.202.03-Support for Fifty Seater Aircrafts' Services in NE Region	10.01	10.01
28.	4552.00.215.02-Integrated Development of Small and Medium Towns in NE Region.	70.00	70.00
29.	4552.00.800.29-Development of Renewable Energy in North Eastern States	15.00	15.00
Grant No. 30-Ministry of Earth Science			
30.	3455.00.001.05-Airborne Platform	30.00	30.00
Grant No. 31-Ministry of Environment & Forests			
31.	3435.04.789.01-Prevention of Pollution of National Rivers	13.00	13.00
Grant No. 33 – Department of Economic Affairs			
32.	5466.00.207.05-Subscription to International Monetary Fund (In Securities)	42000.00	42000.00
33.	5466.00.207.06-Subscription to International Monetary Fund (In Cash)	14000.00	14000.00
34.	5475.00.797.01-Transfer to Social and Infrastructure Development Capital Fund	7000.00	7000.00
Grant No. 34 – Department of Financial Services			
35.	5465.01.797.01-National Investment Fund	14000.00	14000.00
Grant No. 35 – Appropriation-Interest Payments			
36.	2049.01.126- Interest/Discount paid on Market Stabilization Scheme - Deposit of Money in the Bank	1630.38	1630.38
37.	2049.03.108.06- Postal Insurance and Life Annuity Fund	150.00	150.00
38.	2049.60.111.-Interest on Special Securities issued against securitization of balance under Postal Life Insurance	1730.70	1730.70
Grant No. 36-Transfer to State and UT Governments			
39.	7601.06.200- Other Ways and Means Advances(Charged)	1000.00	1000.00
Grant No. 42-Department of Revenue			
40.	3601.01.110.05-Compensation to States for Revenue Loss due to introduction of VAT	51.00	51.00
Grant No. 47- Department of Health and Family Welfare			
41.	2210.05.800.05-Grants to National Board of Examination	30.00	30.00
42.	2210.06.101.43-National Programme for Health Care for the Elderly	57.76	57.76
43.	2210.06.104.08-Strengthening of State Drug Regulatory System	57.76	57.76

Entire provision remaining unspent (₹ 10 crore and above)

(₹ in crore)

Sl No.	Description of grant/appropriation and Sub-head	Budget provision	Savings
44.	2210.06.789.01-National Programme for Prevention and Control of cancer, Diabetes, Cardiovascular Diseases and stroke	73.75	73.75
45.	2210.06.789.07-National Mental Health Programme	30.31	30.31
46.	2210.06.789.08-Assistance for Capacity Building for Trauma Centers	13.44	13.44
47.	2210.06.789.09-National Programme for Health Care for the Elderly	20.20	20.20
48.	2210.06.789.14- Strengthening of State Food Regulatory System	11.11	11.11
49.	2210.06.789.15-Strengthening of State Drug Regulatory System	20.20	20.20
50.	2210.06.796.03-National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke	39.78	39.78
51.	2210.06.796.09-National Mental Health Programme	16.35	16.35
52.	2210.06.796.11-National Programme for Health Care for the Elderly	10.90	10.90
53.	2210.06.796.17-Strengthening of State Drug Regulatory System	10.90	10.90
54.	2210.06.800.39-Health Insurance (CGEIPS)	50.00	50.00
55.	2210.06.800.40-Emergency Medical Services	14.20	14.20
56.	3601.04.246.01-Supply of Reproductive and Child Health (RCH) Drugs & Equipments	56.81	56.81
57.	4210.03.105.16-Human Resources for Health	40.00	40.00
58.	4210.04.200.22-Health Sector Disaster Preparedness and Management	65.00	65.00
59.	4210.04.200.24-Strengthening of existing branches & establishment of 27 branches of NCDC	30.00	30.00
60.	4210.80.190.05-HLL Life Care Limited	135.00	135.00
Grant No. 48- Department of Ayurveda, Yoga & Naturopathy, Unani, Sidha and Homoeopathy (AYUSH)			
61.	2210.02.789.03-Hospitals & Dispensaries (under NRHM including AYUSH flexi pool)	14.45	14.45
62.	2210.05.101.12-Development and up-gradation of AYUSH Institutions/Colleges	34.00	34.00
Grant No. 51 - Department of Heavy Industry			
63.	2852.06.103.42 – Modernization of Capital Goods Sector	70.00	70.00
64.	2852.80.003.12- National Automotive Testing and R & D Infrastructure Project	341.94	341.94
Grant No. 55-Police			
65.	2055.00.115.09-Assistance to Delhi Police for Modernization	100.00	100.00
66.	2055.00.800.10-Modernization of Police Force of the Union Territories without Legislature	41.20	41.20
67.	3602.01.116.01-Strengthening of Police Organization in UTs with Legislature	13.20	13.20
68.	4055.00.214.04-Indo-Myanmar Border Works	15.00	15.00
69.	4055.00.214.06-Indo-Bhutan Border Works	40.00	40.00
Grant No. 56 –Other Expenditure of the M/o Home Affairs			
70.	3601.01.347.01-Rehabilitation Grants	25.01	25.01

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(₹ in crore)

Sl No.	Description of grant/appropriation and Sub-head	Budget provision	Savings
71.	4250.00.101.07-National Institute of Disaster Management	15.00	15.00
Grant No. 60-Department of Higher Education			
72.	2202.03.789.15-National Mission on Teachers and Teaching	13.50	13.50
73.	2202.03.800.20-National Mission on Teachers and Teaching	69.75	69.75
74.	2203.00.112.62-Support for Skill-based Higher Education including Community Colleges	23.27	23.27
Grant No. 61-Ministry of Information & Broadcasting			
75.	2251.00.800.06-National Centre of Excellence for Animation, Gaming and Special Effects	11.00	11.00
76.	2251.00.800.11-National Film Heritage Mission	20.00	20.00
Grant No. 64-Law and Justice			
77.	2014.00.104.01-Grants for Infrastructural Facilities for Judiciary	20.00	20.00
78.	3602.04.891.01-Grants for Infrastructural Facilities for Judiciary	40.01	40.01
Grant No. 66-Ministry of Micro, Small and Medium Enterprises			
79.	2851.00.105.06 -Khadi Reform Development Package (ADB assistance)	34.90	34.90
80.	2851.00.200.10-Scheme of funds for Regeneration of Traditional Industries	38.73	38.73
81.	2851.00.200.14-Scheme for Enhancing Productivity and Competitiveness of Khadi Industries and Artisans	10.47	10.47
82.	2851.00.796.30 -India Inclusive Innovation Fund (Erstwhile National Innovation Fund)	21.00	21.00
Grant No. 68-Ministry of Minority Affairs			
83.	4225.04.190.01- National Minorities Development and Finance Corporation	108.00	108.00
Grant No. 73-Ministry of Personnel, Public Grievances and Pensions			
84.	4059.80.051.37-Central Information Commission	10.00	10.00
Grant No. 74-Ministry of Petroleum and Natural Gas			
85.	2802.80.106.03-Rajiv Gandhi Institute of Petroleum Technology	41.00	41.00
86.	3601.01.457.01-Assistance to State-Establishment of Institutional mechanism for direct transfer of subsidy in cash for PDS Kerosene beneficiaries	90.00	90.00
87.	3602.01.457.01-Assistance to UTs-Establishment of Institutional mechanism for direct transfer of subsidy in cash for PDS Kerosene beneficiaries	20.00	20.00
Grant No. 75-Ministry of Planning			
88.	3475.00.800.97-New Programmes-Central Plan	5000.00	5000.00
Grant No. 76-Ministry of Power			
89.	2801.80.800.29-National Electricity Fund (NEF)	151.92	151.92
90.	2801.80.800.33-Financial Support for Debt restructuring of DISCOMs	1500.00	1500.00
Grant No. 82-Ministry of Road Transport & Highways			
91.	3054.04.337.07- Grants from Central Road Fund to U.T. Governments without legislature	13.80	13.80

Entire provision remaining unspent (₹ 10 crore and above)

(₹ in crore)

Sl No.	Description of grant/appropriation and Sub-head	Budget provision	Savings
92.	3602.04.105.01- Roads of Inter-State or Economic Importance	18.36	18.36
Grant No. 83-Department of Rural Development			
93.	2501.06.102.03-Mahila Kisan Sashktikaran Pariyojana	64.83	64.83
94.	2501.06.789.03- Mahila Kisan Sashktikaran Pariyojana	41.27	41.27
95.	2501.06.796.03- Mahila Kisan Sashktikaran Pariyojana	28.90	28.90
96.	2505.02.101.14-Extension of Rashtriya Suraksha Bima Yojana (RSBY) to MGNREGS workers	200.00	200.00
97.	2515.00.105.01-Grants to Council for Advancement of People's Action and Rural Technology	15.00	15.00
Grant No. 84-Department of Land Resources			
98.	3602.03.467.05-National Land Records Modernization Programme	10.84	10.84
Grant No. 85-Department of Science & Technology			
99.	3425.60.200.63-Super Computing Facility & Capacity Building	95.12	95.12
100.	3425.60.200.65-Fund for inclusive Innovations for Common Man	200.00	200.00
Grant No. 86-Department of Scientific and Industrial Research			
101.	3425.60.151.14-CSIR Initiatives for inclusive Participative and Collaborative Research & Development	10.00	10.00
102.	3425.60.151.15-National Civil Aircraft Development	10.00	10.00
Grant No. 88-Ministry of Shipping			
103.	5051.01.106.01 Transport Facilities & Fleet	30.00	30.00
Grant No. 89-Ministry of Social Justice and Empowerment			
104.	2225.01.789.21-Dr.B.R.Ambedkar National Memorial	14.00	14.00
105.	3601.03.789.15-Social Welfare-Welfare of Handicapped	18.50	18.50
106.	3601.04.362.03- Post Matric Scholarship for Student with Disabilities	22.00	22.00
107.	3601.04.789.18-Welfare of Scheduled Castes- Economic Development	100.00	100.00
Grant No. 90-Department of Space			
108.	3252.00.053.12 -GSAT -15 Satellite Launch Services	10.00	10.00
109.	3252.00.053.14 -GSAT -16 Satellite Launch Services	10.00	10.00
110.	5252.00.203.11 -GSAT -17 Satellite & Follow on Missions	85.00	85.00
Grant No. 92-Ministry of Steel			
111.	2852.80.800.34- Development of Technology for Cold Rolled Grain Oriented (CRGO) Steel Sheets & other Value Added Innovative Steel Products (New Component)	32.00	32.00
Grant No. 93-Ministry of Textiles			
112.	2851.00.104.33-Special Scheme for North Eastern Region	15.27	15.27
113.	2851.00.108.13-Scheme for In-situ Up-Gradation of Plain Powerloom	29.90	29.90
114.	2852.08.202.56-Integrated Processing Development Scheme	43.40	43.40
115.	2852.08.789.02-Technology Upgradation Fund Scheme	100.25	100.25
116.	2852.08.789.03-Scheme for Integrated Textile Park	11.00	11.00

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(₹ in crore)

Sl No.	Description of grant/appropriation and Sub-head	Budget provision	Savings
117.	2852.08.796.02-Technology Upgradation Fund Scheme	19.00	19.00
Grant No. 94-Ministry of Tourism			
118.	3452.01.102.06- Assistance for large Revenue Generating Projects	25.00	25.00
119.	3452.80.800.14-Incentive to accommodation Infrastructure	10.00	10.00
120.	3602.04.826.01-Product/Infrastructure Development for Destination and Circuit	10.00	10.00
Grant No. 96-Andaman and Nicobar Islands			
121.	5225.04.209.01-Laying of Under-sea Optical Fiber Cable between Mainland and A & N Islands	153.00	153.00
Grant No. 98-Dadra & Nagar Haveli			
122.	5425.00.208.02-Building	10.00	10.00
Grant No. 101-Department of Urban Development			
123.	2217.05.191.09- National Mission on Sustainable Habitat (NMSH)	10.00	10.00
Grant No. 104-Ministry of Water Resources			
124.	2701.80.001.02-Human Resources Development/Capacity Building	38.01	38.01
125.	2701.80.800.19-Irrigation Management Programme	40.00	40.00
126.	3601.02.101.50-Bodward Parisar Sinchan Yojana Project of Maharashtra	12.41	12.41
Grant No. 105-Ministry of Women and Child Development			
127.	2235.02.102.38-Girl Child District Plan of Action	13.50	13.50
128.	2235.02.103.28-National Credit Fund for Women	18.00	18.00
129.	2235.02.103.62-Women's Helpline	18.00	18.00
130.	3601.04.356.01-Hostels for Working Women	200.01	200.01
131.	3601.04.356.07-Restorative Justice for Rape Victims	67.50	67.50
132.	3601.04.356.10-Implementation of Protection of Women from Domestic Violence Act	59.50	59.50
133.	3601.04.358.10-Scheme for Holistic Development of Adolescent Boys	16.00	16.00
		Total	93447.67

Annexure 3.14

(Refer to paragraph 3.16)

Savings of more than ₹ 100 crore and constituting more than 10 per cent of the sanctioned provision under a sub-head

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 1-Department of Agriculture and Co-operation					
1.	2401.00.119.41-National Mission on Micro Irrigation	1134.01	968.43	165.58	Due to availability of unspent balances of previous years with the implementing agencies.
2.	2401.00.789.18-National Mission on Micro Irrigation	360.00	167.33	192.67	Due to non-finalization of proposals, receipt of less proposals and availability of unspent balances of the previous years with the implementing agencies and requirement of less funds towards land based activities owing to most of scheduled castes families in Punjab and Haryana being landless.
3.	3601.02.446.01-Rashtriya Krishi Vikas Yojana	10054.46	7000.03	3054.43	Due to non-finalization of proposals less receipt of viable proposals, and availability of unspent balance of previous years.
Grant No.2-Department of Agriculture Research and Education					
4.	2415.01.150.03-I.C.A.R. Headquarter Administration including Agricultural Scientist Recruitment Board, Directorate of Information and Publication in Agricultural, Intellectual Property Rights Management and Consortia Research Platform	516.31	225.02	291.29	Due to reduction of provisions at revised estimates stage owing to delay in finalization of Expenditure Finance Committee of XII plan.
5.	2415.01.150.10-National agricultural innovation project/Externally Aided projects/Schemes	368.00	235.00	133.00	Due to reduction of provisions at revised estimates stage owing to receipt of less proposals/sub-projects.
Grant No.3-Department of Animal Husbandry, Dairying & Fisheries					
6.	2404.00.111.02-Procurement	371.97	257.02	114.95	Due to economy measures.
Grant No. 4-Atomic Energy					
7.	3401.00.004.05-Tata Institute of Fundamental Research	655.76	514.80	140.96	Due to rescheduling of the project.
8.	3401.00.004.07-Tata Memorial Centre	476.04	340.91	135.13	Due to postponement of some activities to next financial year and slow progress of work.
9.	4861.60.190.02-Uranium Corporation of India Limited	145.00	40.00	105.00	Due to non-receipt of environmental and administrative clearances for projects.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
10.	4861.60.203.44-Fast Reactor Fuel Cycle Facility (FRFCF)	263.00	8.51	254.49	Due to requirement of less funds towards professional services, office expenses and motor vehicles, and owing to non-receipt of financial sanction.
Grant No. 5-Nuclear Power Scheme					
11.	2801.03.101.07-Boiling Water Reactor Fuel for Tarapur Atomic Power Station	180.85	6.30	174.55	Due to less import of BWR fuel.
12.	2801.03.800.04-Neighborhood Development Project in Kudankulam	150.00	20.00	130.00	Due to slow progress in works at field level for construction of houses in thirteen villages at Radhapuram and Vallioor Blocks.
Grant No. 7-Department of Fertilizers					
13.	2401.00.106.02-Import of Urea	20158.84	15353.30	4805.54	Due to softening of urea prices in international market and import of less quantity of urea.
Grant No. 10-Ministry of Coal					
14.	4803.00.800.01-Acquisition of Coal Bearing Areas	1722.00	761.00	961.00	Due to non-finalization of proposals for acquisition of coal bearing areas.
Grant No. 11-Department of Commerce					
15.	3453.00.194.03-Assistance to Export Promotion and Market Development Organizations	1350.00	1192.23	157.77	Due to non-admissibility of reimbursement of claims owing to policy change under terminal excise duty.
Grant No. 14-Department of Telecommunications					
16.	2071.01.102.01-Ordinary Pensions	925.00	686.67	238.33	Due to receipt of less claims.
17.	2071.01.104.01-Ordinary Pensions	1191.47	1043.27	148.20	Due to receipt of less claims.
18.	3275.00.103.01-Compensation to Service Providers	2683.80	2163.45	520.35	Due to non-approval of scheme for providing mobile Services in Left Wing Extremist affected areas.
19.	3275.00.797.01-Transfer to Universal Service Obligation Fund	3000.00	2163.45	836.55	Due to non-achievement of desired target by participating Central Public Sector Undertakings and delay in tender process/execution of work.
20.	5275.00.800.03-Optical Fiber Cable based Network for Defence Services	2180.50	211.51	1968.99	Due to non-implementation of scheme under Optical Fiber Cable.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 15-Department of Electronics and Information Technology					
21.	2852.07.202.60-Electronic Governance	523.61	332.45	191.16	Due to non-receipt of utilisation certificate, non-release of state shares by some states and cut imposed at revised estimates stage by the Ministry of Finance.
Grant No. 29-Ministry of Drinking Water & Sanitation					
22.	2215.01.789.01- National Rural Drinking Water Programme	2345.48	2013.69	331.79	Due to reduction of provision at revised estimates stage by the Ministry of Finance and economy measures.
23.	2515.02.105.21-Total Sanitation Campaign	2470.80	1507.56	963.24	Due to requirement of less funds by the implementing agencies owing to delay in receipt of utilization certificates from the State Governments and reduction of provision at revised estimates stage by the Ministry of Finance
24.	2215.02.789.01- Total Sanitation Campaign	937.20	505.99	431.21	Due to reduction of provision at revised estimates stage by the Ministry of Finance
25.	2215.02.796.01- Total Sanitation Campaign	426.00	229.99	196.01	Due to reduction of provision at revised estimates stage by the Ministry of Finance
Grant No. 31-Ministry of Environment and Forests					
26.	3435.04.103.03-Prevention and Control of Water Pollution (Cess)	250.00	134.92	115.08	Due to non-receipt of utilisation certificates from State Pollution Control Boards (SPCBs) and economy measures.
Grant No. 32-Ministry of External Affairs					
27.	2061.00.798.07-Nalanda International University	125.00	9.15	115.85	Due to non-commencement of construction work owing to delay in tendering.
28.	3605.00.101.14-Aid to Myanmar	450.00	164.86	285.14	Due to delay in finalization of tender and award of work to contractors/consultants owing to local conditions and delay in handing over to site for construction by the local government and site related challenges, strikes, riots and delay in statutory approvals by the Government of Myanmar resulted in slow progress of the project.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 33-Department of Economic Affairs					
29.	2235.60.797.02-National Social Security Fund for unorganized Sector Workers	609.55	200.00	409.55	Due to non-finalization of schemes and economy measures.
30.	5465.01.190.24-National Skill Development Corporation (NSDC)	1500.00	1250.00	250.00	Due to requirement of less funds towards contribution to technical assistance scheme of National Skill Development Corporation.
31.	5475.00.800.12-Assistance for Infrastructure Development –Viability Gap Funding	678.00	450.00	228.00	Due to receipt of less claims from the sponsoring authorities for various projects.
Grant No. 34-Department of Financial Services					
32.	2885.01.101.06- 1% Interest Subvention on Housing Loans	200.00	80.00	120.00	Due to reduction of provision at revised estimates stage by the Ministry of Finance.
33.	3465.01.190.06- Financial Support to Small Industries Development Bank of India (SIDBI)	700.00	200.00	500.00	Due to non-clearance of cabinet decision by Election Commission for setting up Credit Guarantee Fund for factoring, owing to General Election and enforcement of model code of conduct.
Grant No. 35-Appropriation-Interest Payments					
34.	2048.00.200.13- Payment of premium on buyback of Government Securities	2000.00	687.48	1312.52	Due to lower volume of switching and buy back of securities.
35.	2049.01.115-Interest on Ways & Means Advances	2000.00	251.73	1748.27	Due to improvement in cash position of the Government.
36.	2049.01.116- 14 Days Treasury Bills	7150.00	3616.53	3533.47	Due to lower volume of investment by State Governments in intermediate treasury bills of Central Government.
37.	2049.01.122- Interest on Investment in Special Government of India securities issued against net collections of small savings from 1999-2000	3837.63	2951.29	886.34	Due to receipt of less claims from scheme holders.
38.	2049.01.200.03- Compensation and other Bonds	1284.15	874.19	409.96	Due to less investment in Government of India Securities and receipt of less claims from the investors.
39.	2049.02.216-Interest on Loans from International Bank for Reconstruction and Development	603.69	388.79	214.90	Due to exchange rate variation.
40.	2049.02.249- Interest on Loans from Asian Development Bank	501.79	356.63	145.16	Due to exchange rate variation.
41.	2049.03.104.02-Other State Provident Funds	3361.11	2442.27	918.84	Due to less net accretion to the fund.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 36-Transfer to State and Union Territory Governments					
42.	3601.01.104.09-Grants-in-aid for Maintenance of Roads & Bridges (Charged)	5175.00	4600.00	575.00	Due to non-fulfillment of the prescribed terms and conditions by some State Governments.
43.	3601.01.104.13- Grants-in-aid for States Specific Needs Grants-in-aid for Creation of Capital Assets (Charged)	6723.75	3594.86	3128.89	Due to non-fulfillment of the prescribed terms and conditions by some State Governments.
44.	3601.01.104.17- Grants-in-aid for Environment (Charged)	2500.00	1050.48	1449.52	Due to non-fulfillment of the prescribed terms and conditions by some State Governments.
45.	3601.01.104.18- Grants-in-aid for Governance (Charged)	3629.02	1879.35	1749.67	Due to non-fulfillment of the prescribed terms and conditions by some State Governments.
46.	3601.02.101.26-Accelerated Irrigation Benefit Programme and other Water Resources Programme	12962.00	4630.00	8332.00	Due to receipt of less proposals from the Ministry of Water Resources and reduction of provision at revised estimates stage by the Ministry of Finance.
47.	3601.02.101.35-Backward Regions Grants fund (BRGF)	5000.00	3530.52	1469.48	Due to non-receipt of recommendation from the Planning Commission.
48.	3601.02.101.36- Jawahar Lal Nehru National Urban Renewal Mission	14000.00	7559.00	6441.00	Due to non-receipt of Utilization Certificates and Reform Agenda from the State Governments.
49.	3601.02.101.49- Other Additional Central Assistance (ACA)	540.00	166.00	374.00	Due to non-receipt of recommendation from the Planning Commission.
Grant No. 38- Appropriation-Repayment of Debt					
50.	6001.00.105.02-International Monetary Fund (IMF)	2514.98	1443.60	1071.38	Due to less transactions under Financial Transaction plan of IMF.
51.	6001.00.106.30-8% Savings Bonds, 2003 (Taxable)	1063.60	429.45	634.15	Due to receipt of less claims from the bond holders.
52.	6001.00.114-Ways and Means Advances	500000.00	242425.00	257575.00	Due to less utilization of ways and means advances and overdraft owing to surplus in cash balance of Government of India.
Grant No. 40- Pensions					
53.	2071.01.115.01- Ordinary Pensions	1450.00	1290.81	159.19	Due to receipt of less claims.
Grant No. 42-Department of Revenue					
54.	3601.01.110.07-Compensation to State Government for Revenue Loss due to phasing out of Central Sales Tax (CST)	9300.00	1940.51	7359.49	Receipt of less claims towards CST compensation from the State Governments.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 43-Direct Taxes					
55.	4059.01.202- Acquisition of Ready-built Accommodation	547.00	430.25	116.75	Due to non-finalization of proposals for purchase/acquisition of office building.
Grant No. 46-Ministry of Food Processing Industries					
56.	3601.04.552.03-National Mission on Food Processing	150.00	29.72	120.28	Due to non-receipt of viable proposals from North Eastern States and reduction of provision at revised estimates stage by the Ministry of Finance.
Grant No. 47-Department of Health and Family Welfare					
57.	2210.05.105.50-Human Resources for Health	625.08	27.44	597.64	Due to non-receipt of Utilization Certificate and non-taking off of a few sub schemes.
58.	2210.05.789.07- Human Resources for Health	232.68	5.50	227.18	Due to non-taking off of the scheme.
59.	2210.05.796.07- Human Resources for Health	125.53	3.00	122.53	Due to non-taking off of the scheme.
60.	2210.06.001.09-Flexible Pool for Communicable Diseases	920.59	538.49	382.10	Due to less procurements and requirement of less funds towards advertising and publicity, hiring of professionals and other establishment related items.
61.	2210.06.101.42-National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke	210.79	3.90	206.89	Due to reduction of provision at revised estimates stage owing to slow progress in work related to infrastructural development.
62.	2210.06.101.47- Flexible Pool for Non-Communicable Diseases	514.57	206.85	307.72	Due to non-submission of utilization certificates.
63.	2210.06.789.18- Flexible Pool for Non-Communicable Diseases	173.75	37.16	136.59	Due to non-submission of utilization certificates.
64.	2211.00.001.05-National Rural Health Mission (NRHM)-Reproduction and Child Health (RCH) Flexible Pool	858.80	687.37	171.43	Due to slow progress in procurement of supplies.
65.	2211.00.789.07-NRHM-RCH Flexible Pool	2331.30	2044.51	286.79	Due to declaration of less number of days as National Immunization days and Sub-National Immunization days and reduction of provision of revised estimates stage by the Ministry of Finance.
66.	3601.04.263.74-Flexible pool for Communicable Diseases	225.32	98.92	126.40	Due to availability of unspent balances of previous year.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
67.	3606.00.237.05-Material Assistance for Strengthening of National Immunization Programme and Polio Eradication	332.36	159.43	172.93	Due to receipt of less aid material from Donor agency.
68.	4210.01.110.07-Dr.Ram Manohar Lohia Hospital, New Delhi	150.00	42.78	107.22	Due to slow progress in major works and less procurement of vehicles/equipments.
69.	4210.01.800.07-Institutions of higher learning as per Oversight Committee	195.00	65.00	130.00	Due to slow progress in major works and less procurement of vehicles/equipments.
70.	4210.03.105.12-Establishment of AIIMS type Super-Specialty Hospitals-cum-Teaching Institutions and upgrading of State Government Hospitals	1475.00	803.58	671.42	Due to slow progress in major works and less procurement of vehicles/equipments and non-settlement of bills owing to time barred claims.
71.	4216.01.700.51-Establishment of AIIMS type Super-Specialty Hospitals-cum-Teaching Institutions and upgrading of State Govt. Hospitals	250.00	71.24	178.76	Due to slow progress of implementation of the schemes and non-submission of claims/bills by the contractors.
Grant No. 48- Department of Ayurveda, Yoga & Naturopathy, Unani, Sidha and Homoeopathy (AYUSH)					
72.	2210.02.200.30-Hospitals & Dispensaries (under NRHM including AYUSH flexi pool)	191.97	0.88	191.09	Due to non-receipt of Utilization Certificates.
Grant No. 53-Ministry of Home Affairs					
73.	3454.02.800.08-National Population Register (NPR)	1045.27	459.44	585.83	Due to non-receipt of proposals for National Population Register from the Planning Commission and reduction of provision at revised estimates stage and shifting of biometric enrolment under State Government to UIDAI and non-completion of scheme for storage of NPR Data.
Grant No. 55-Police					
74.	2055.00.001.06- Intelligence Bureau	1151.28	1026.29	124.99	Due to non-filling-up of vacant posts, non-completion of codal formalities for setting up of 'R & T' Project, non-receipt of claims and requirement of less funds towards minor work.
75.	2055.00.800.11-Crime & Criminal Network Systems	276.25	135.00	141.25	Due to requirement of less funds by the State Governments.
76.	3601.01.116.01-Strengthening of State Police Organizations	1310.00	766.38	543.62	Due to requirement of less funds by the State Governments.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
77.	4055.00.210.09-Central Armed Police Force Institute of Medical Science	194.25	27.54	166.71	Due to non-finalization of proposals for construction of Institute Building.
78.	4055.00.214.02-Indo-Pak Border Works	230.00	86.72	143.28	Due to slow progress of works by Central Public Works Department owing to firing at border areas.
79.	4055.00.214.03-Indo-China Border	300.00	178.74	121.26	Due to slow progress of works owing to inclement weather conditions.
80.	4055.00.214.05-Indo-Nepal Border Works	890.00	750.00	140.00	Due to slow progress of works owing to clement weather conditions.
81.	4055.00.214.07-Setting up of Integrated Check Posts	250.00	32.69	217.31	Due to delay in acquisition of land and slow progress of construction works.
82.	4055.00.216.04-Central Forensic-Science Laboratory	147.73	12.33	135.40	Due to non-finalization of proposals and delay in finalization of Expenditure Finance Committee proposals for Plan Scheme and economy measures.
Grant No. 56-Other Expenditure of the Ministry of Home Affairs					
83.	2245.80.102.04-National Disaster Management Authority	387.48	251.58	135.90	Due to non-finalization of proposals and approval of Standing Finance Committee and economy measures.
Grant No. 57-Transfer to Union Territory Government					
84.	3602.02.101.01-National Capital Territory of Delhi	1075.31	582.52	492.79	Due to less recommendation for release of funds under Jawaharlal Nehru National Urban Renewal Mission Projects by the Ministry of Urban Development, Ministry of Housing and Urban Poverty Alleviation and reduction of provision at revised estimates stage by the Ministry of Finance.
Grant No. 59- Department of School Education & Literacy					
85.	2202.01.789.02-Sarva Shiksha Abhiyan	5287.96	4711.59	576.37	Due to receipt of less number of viable proposals from implementing agencies of the state Governments.
86.	2202.01.797.01-Funds for Transfer to Prarambhik Shiksha Kosh	24429.00	19988.24	4440.76	Due to less collection of education cess.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
87.	2202.02.110.17-Rashtriya Madhyamik Shiksha Abhiyan	2484.70	2054.31	430.39	Due to receipt of less proposals from the State Governments and economy measures.
88.	2202.02.789.07- Rashtriya Madhyamik Shiksha Abhiyan(RMSA)	785.70	624.60	161.10	Due to receipt of less number of proposals from implementing agencies of the State Governments.
89.	2202.04.200.14-Adult Education & Skill Development Scheme	356.10	209.66	146.44	Due to receipt of less number of viable proposals from implementing agencies of the State Governments.
Grant No. 60-Department of Higher Education					
90.	2202.03.102.14-Rashtriya Uchcha Shiksha Abhiyan(RUSA)	300.80	6.51	294.29	Due to receipt of less number of viable proposals being a new scheme and delay in approval by the Cabinet.
91.	2202.80.800.40-National Mission in Education through Information Communication Technology (ICT)	263.48	93.31	170.17	Due to receipt of less number of viable proposals and reduction of provision at revised estimates stage by the Ministry of Finance.
92.	3601.04.175.04-Support for the Polytechnics in the States	446.01	245.91	200.10	Due to receipt of less number of viable proposals and reduction of provision at revised estimates stage by the Ministry of Finance.
Grant No. 62-Ministry of Labour & Employment					
93.	2230.03.800.13-Skill Development (Merged)	298.15	125.15	173.00	Due to non-receipt of utilization certificates and less proposals from States.
Grant No. 66-Ministry of Micro, Small & Medium Enterprises					
94.	2851.00.200.16-Prime Minister's Employment Generation Programme	924.60	813.45	111.15	Due to delay in getting the relaxation for continuation of the scheme owing to its late evaluation and appraisal.
Grant No. 68- Ministry of Minority Affairs					
95.	3601.04.378.04-Multi-Sectoral Development Programme for Minorities in selected Minority Concentration Districts	1086.25	949.28	136.97	Due to cut imposed at revised estimate stage by the Ministry of Finance owing to non-receipt of viable proposals from the State Governments.
Grant No. 69- Ministry of New & Renewable Energy					
96.	2810.00.101.01-Grid Interactive Renewable Power	1136.14	592.39	543.75	Due to reduction of provision at revised estimates stage by the Ministry of Finance.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
97.	2810.00.101.02- Off-Grid/Distributed and Decentralized Renewable Power	846.94	524.27	322.67	Due to delay in continuation of scheme from XIth Plan to XIIth Plan period owing to non-availability of suitable proposals and reduction of provision at revised estimates stage by the Ministry of Finance.
Grant No. 71- Ministry of Panchayati Raj					
98.	3601.02.471.01- Grants for Backward Regions	4216.50	1817.20	2399.30	Due to less receipt of viable proposals and reduction of provision at revised estimates stage by the Ministry of Finance.
99.	3601.02.789.01- Other Rural Development Programme Panchayati Raj	1008.94	434.00	574.94	
100.	3601.02.796.01- Other Rural Development Programme Panchayati Raj	1274.56	548.80	725.76	
Grant No. 75-Ministry of Planning					
101.	3454.02.206.01-Unique Identification Authority of India	1819.00	1194.68	624.32	Reduction of provision at revised estimates stage by the Ministry of Finance owing to non-receipt of claims from agencies involved with preparation of Aadhaar cards.
102.	3475.00.800.83- Public Finance Management System (earlier name- Plan Accounting & Public Finance Management System)	160.99	59.95	101.04	Non-filling up of vacant posts and non-establishment of State Project Monitoring unit owing to delay in approval of the scheme by the Cabinet
103.	5475.00.112.38-Unique Identification Authority of India	800.00	349.78	450.22	Reduction of provision at revised estimates stage by the Ministry of Finance owing to slow pace of civil works and less procurement of computer hardware, machinery and equipment.
Grant No. 76 -Ministry of Power					
104.	2801.06.789.01-Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	709.36	344.63	364.73	Due to non-approval of some projects, non-drawl of final installment by Project Implementing agencies in 209 closed projects owing to non-fulfillment of requisite conditionalities and slow progress of works under 10 th and 11 th Plan including Phase-II in the States of Chhattisgarh, Uttar Pradesh, Madhya Pradesh, Bihar and Jharkhand.
105.	2801.06.800.03-Rural Electrification Corporation for Rajiv Gandhi Gramin Vidyutikaran Yojana	3331.94	2593.89	738.05	

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
106.	2801.80.004.02-Central Power Research Institute	298.73	17.76	280.97	Due to non-approval of the scheme by Expenditure Finance Committee /Standing Finance Committee.
107.	2801.80.800.15-Bureau of Energy Efficiency	189.41	64.12	125.29	Due to non-finalization of the proposed scheme and non-receipt of utilization certificates from different State Designated Agencies.
108.	2801.80.800.27-Energy Conservation	564.45	16.00	548.45	Due to non-finalization/delay in approval of the scheme 'National Mission on Enhanced Energy Efficiency'.
109.	4801.01.190.03-Tehri Hydro Development Corporation	133.72	30.00	103.72	Due to non-initiation of work owing to non-issuance of Government Order by the Government of Uttarakhand for diversion of forest land for these projects.
110.	4801.02.190.02-National Thermal Power Corporation Limited	474.00	301.45	172.55	Due to frequent stoppage of work owing to poor law and order situation in coal block areas, non-approval of Relief and Rehabilitation plan for mining area of Talaipalli coal block by the State Government of Chhattisgarh and pending approval of transfer of land.
111.	4801.05.001.04-Construction of 220 KV Transmission Line from Srinagar to Leh via Kargil	226.00	65.40	160.60	Due to delay in approval of the scheme by the Cabinet Committee on Economic Affairs.
112.	6801.00.190.06-National Hydro Electric Power Corporation	995.83	628.01	367.82	Due to reduction of provision at revised estimates stage by the Ministry of Finance.
Grant No. 82 -Ministry of Road Transport & Highways					
113.	3054.01.337.01-Maintenance by Roads Wing	1925.32	1725.01	200.31	Due to finalization of less proposals and reduction in targets of formation, surfacing and permanent works.
114.	5054.01.337.01-Works under Roads Wing	3704.83	2533.17	1171.66	Due to non-finalization of loan with World Bank, slow progress of work and receipt of less proposals from the State Governments.
115.	5054.01.337.03- National Highways (NHs) Original Works	3024.50	2673.30	351.20	Due to slow progress of the work.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

SI No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
116.	5054.01.796.01-Special Programme for Development of Road Connectivity (NH and State Roads) in Naxalite Affected Areas	800.00	359.34	440.66	Due to poor response to some tenders owing to the area being naxalite affected.
117.	5054.02.337.03-Works under Border Roads Development Board (BRDB)	2799.92	2231.13	568.79	Due to reduction in resurfacing targets, procurement of less stores, non-finalization of Land Acquisition and non-receipt of forest clearances in time.
Grant No. 83-Department of Rural Development					
118.	2501.06.102.01-Aajeevika-Programme Component	1418.81	756.12	662.69	Due to receipt of less proposals, availability of unspent balances with State Governments and reduction of provision at revised estimates stage by the Ministry of Finance.
119.	2501.06.102.02-Aajeevika-Externally Aided Projects Component	600.00	314.48	285.52	Due to receipt of less proposals from the State Governments.
120.	2501.06.789.02-Aajeevika-National Rural Livelihood Mission	855.96	397.97	457.99	Due to receipt of less proposals, availability of unspent balances with State Governments and reduction of provision at revised estimates stage by the Ministry of Finance.
121.	2501.06.796.02-Aajeevika- National Rural Livelihood Mission	599.23	288.33	310.90	Due to availability of unspent balances of previous year with State Governments, receipt of less proposals from implementing agencies, and reduction of provision at revised estimates stage by the Ministry of Finance.
122.	3054.04.338.01-Assistance to District Rural Development Agencies/Other Executing Agencies etc.	11221.69	4697.00	6524.69	
123.	3054.04.338.07-EAP Component	4266.00	681.17	3584.83	
Grant No. 84- Department of Land Resources					
124.	2501.05.101.07-Integrated Watershed Management Programme	3611.51	1787.39	1824.12	Due to less receipt of viable proposals and reduction of provision at revised estimates stage by the Ministry of Finance.
125.	2501.05.789.01-Integrated Watershed Management Programme	872.69	250.00	622.69	
Grant No. 85- Department of Science & Technology					
126.	3425.60.200.64-National Geographic Information System	189.88	1.00	188.88	Due to cut imposed at revised estimates stage by the Ministry of Finance owing to delay in finalization of the programme by Expenditure Finance Committee.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 88- Ministry of Shipping					
127.	2852.06.102.21 Subsidy to non-central PSU Shipyards and Private Sector Shipyards	300.00	179.40	120.60	Due to non-receipt of complete proposals from shipyards and receipt of less claim for shipbuilding subsidy.
128.	5051.01.104.07-Other Expenditure	200.00	50.00	150.00	Due to non-approval of dredging proposals.
Grant No. 89-Ministry of Social Justice and Empowerment					
129.	2225.01.789.10-Self Employment Scheme for Rehabilitation of Manual Scavengers	557.00	35.00	522.00	Due to non-receipt of adequate proposals from the implementing agencies.
130.	3601.03.789.08-Welfare of Scheduled Castes-Economic Development	1028.00	789.78	238.22	Due to non-receipt of adequate proposals from some State Governments.
Grant No. 90-Department of Space					
131.	3252.00.053.08-Service charges for Leasing INSAT/GSAT Transponders	200.00	52.45	147.55	Due to less service charges to M/s Antrix towards leasing of INSAT/GSAT transponders.
132.	5402.00.101.07- Liquid Propulsion Systems Centre (LPSC)	240.18	135.23	104.95	Due to postponement of expenditure owing to reduction of provision at revised estimates stage by the Ministry of Finance.
133.	5402.00.101.17-Satish Dhawan Space Centre – SHAR (SDSC- SHAR)	241.34	115.64	125.70	Due to delayed sanction of MOTR Project and reduction of provision at revised estimates stage by the Ministry of Finance.
134.	5402.00.101.20-Polar Satellite Launch Vehicle Continuation (PSLV-C) Project	325.00	88.95	236.05	Due to delay in approval of PSLV C36- C50 Projects and less requirement of less funds towards launching the commercial satellites SPOT-6 & SPOT-7.
Grant No. 93-Ministry of Textiles					
135.	2852.08.202.13 –Modernization and Technical Up-gradation (TUFS)	2280.75	1730.59	550.16	Due to less receipt of viable proposals from the implementing agencies.
136.	2852.08.202.27-Integrated Textiles Parks	284.50	110.98	173.52	Due to less receipt of viable proposals from the implementing agencies and non-completion of infrastructure of Textiles parks.
137.	2852.08.202.35-Human Resource Development Scheme	220.00	86.03	133.97	Due to less receipt of viable proposals from the implementing agencies

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
Grant No. 94-Ministry of Tourism					
138.	3452.80.104.01-Direct Expenditure	448.20	292.60	155.60	Due to receipt of less proposals & non-completion of global campaign for promotion and publicity by overseas offices and delay in commencing in media campaign activities in India/Abroad.
Grant No. 95-Ministry of Tribal Affairs					
139.	2225.02.796.08-Welfare of Scheduled Tribes-Education	119.50	15.99	103.51	Due to non-receipt of adequate/complete proposals and utilization certificates from UT Administration, University Grants Commission and other Implementing Agencies and cut imposed at revised estimates stage by the Ministry of Finance.
140.	3601.02.796.01-Welfare of Scheduled Tribes –Grant under proviso to Article 275(1) of the Constitution (charged)	2517.00	2147.14	369.86	Due to cut imposed at revised estimates stage by the Ministry of Finance.
Grant No. 97- Chandigarh					
141.	5055.00.102.01- Chandigarh Transport Undertaking	112.35	0.19	112.16	Due to non-finalization of tenders for purchases of new buses by the Transport Department.
Grant No. 101-Department of Urban Development					
142.	4217.60.190.03- Delhi Metro Rail Corporation	650.00	514.50	135.50	Due to receipt of less demand from the implementing agencies.
143.	4217.60.190.08- Other Metro Projects	470.98	300.00	170.98	
144.	6217.60.191.12- Pass through Assistance to Delhi Metro Rail Corporation for JBIC	1750.00	1570.51	179.49	
145.	6217.60.191.18- Sub-ordinate Debt-Interest free loan	1132.03	799.45	332.58	
Grant No. 104 Ministry of Water Resources					
146.	2701.80.800.18-Implementation of National Water Mission	108.13	0.71	107.42	Due to non-completion of approval process by the Expenditure Finance Committee and the Cabinet.
147.	2702.02.005.16-Ground Water Management and Regulation	232.50	87.34	145.16	Due to non-finalization of purchase process by DGS&D and construction of less number of exploratory wells.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
148.	2711.01.800.29-Flood Forecasting	130.00	24.67	105.33	Due to non-completion of approval process by Expenditure Finance Committee and non-materialization of procurement process for purchase of machinery.
Grant No. 105 Ministry of Women and Child Development					
149.	3601.04.356.06-Indira Gandhi Matritva Sahyog Yojana (IGMSY) erstwhile Conditional Maternity Benefit Scheme (CMBS)	359.68	185.93	173.75	Due to non-receipt of quarterly progress report and statement of expenditure from the State Governments.
150.	3601.04.561.01-National Nutrition Mission (NNM)	164.00	38.21	125.79	Due to delay in finalization of scheme.
Postal Services					
Grant No.13-Department of Posts					
151.	3201.02.104.01-Research and Development	217.12	48.07	169.05	Due to reduction in Plan expenditure during the financial year 2013-14.
152.	3201.07.102.01-Commuted Value of Pensions	418.90	315.63	103.27	Due to settlement of less pension cases than expected.
Defence Services					
Grant No. 22 – Defence Services-Army					
153.	2076.00.800 – Other Expenditure	2233.20	1770.98	462.22	Mainly a result of efforts to curtail expenditure to meet more urgent requirements of funds for Ration, Fuel Oils And Lubricants (FOL) and Ex-Servicemen Contributory Health Scheme (ECHS).
Grant No. 23 – Defence Services-Navy					
154.	2077.00.106 –Repairs & Refits	710.00	592.63	117.37	Due to reduced requirement of funds based on progress of individual cases for minor repair of ships, submarines and aircrafts.
Grant No. 24 – Defence Services-Air Force					
155.	2078.00.105-Transportation	851.45	661.28	190.17	Due to restriction on foreign travel and strict enforcement of economy measures such as air travel by class lower than entitlement.
156.	2078.00.800-Other Expenditure	473.66	342.85	130.81	Mainly done in an effort to reprioritize expenditure on repair, maintenance and upkeep of infrastructure.

Savings of more than ₹ 100 crore and constituting more than 10 per cent of the sanctioned provision under a sub-head

Sl No.	Minor/ Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 25 – Defence Ordnance Factories					
157.	2079.00.800- Other Expenditure	934.01	794.97	139.04	Due to non-finalisation of contract for TOT of 125 MM Fin Stabilized Armour Piercing Discarding Sabot (FSAPDS), reduced requirement of Electricity and Water charges and implementation of austerity measures.
Grant No. 27 –Capital Outlay on Defence Services					
01-Army					
158.	4076.01.101 – Aircraft and Aero Engine	1527.79	1210.14	317.65	Due to cut imposed by Ministry of Finance at Revised Estimate (RE) stage.
159.	4076.01.102 –Heavy & Medium Vehicles	2024.37	1325.20	699.17	Due to cut imposed by Ministry of Finance at RE stage and downward revision of DGOF targets.
160.	4076.01.103 – Other Equipments	9757.86	7724.39	2033.47	Due to cut imposed by Ministry of Finance at RE stage and reduction of DGOF targets.
161.	4076.01.202 – Construction Works	4343.29	3865.37	477.92	Due to cancellation of contracts under DGMAP, the outgo did not progress as planned.
02- Navy					
162.	4076.02.202 – Construction Works	641.25	515.65	125.60	Due to reduced expenditure incurred under MAP.
163.	4076.02.204-Naval Fleet	11772.26	8150.99	3621.27	Due to slippage of payment in respect of P 71 and deferment of payments due to cut imposed by Ministry of Finance.
164.	4076.02.205-Naval Dockyards	2011.17	632.33	1378.84	Due to lower trend of expenditure under Project Varsha and Project Amber.
03- Air Force					
165.	4076.03.103 – Other Equipments	11505.65	7761.08	3744.57	Due to re-prioritising allocation in the light of cut imposed in order to meet urgent liabilities under Minor Head 101.
166.	4076.03.206- Special Projects	650.15	348.33	301.82	Due to slow progress of works owing to problems with the Contractors especially in EAC and SWAC which led to less expenditure.

Annexure 3.15
(Refer to paragraph 3.17)
Statement showing persistent savings under sub-heads

Sl No.	Sub-Head	Year	Budget Provision	Actual Expenditure	Savings	Percentage of Savings to Budget Provision
			(₹ in crore)			
Grant No.4-Atomic Energy						
1.	4861.60.190.02-Uranium Corporation of India Limited	2011-12	154.00	--	154.00	100
		2012-13	216.00	--	216.00	100
		2013-14	145.00	40.00	105.00	72
2.	4861.60.203.44-Fast Reactor Fuel Cycle Facility (FRFCF)	2011-12	150.00	--	150.00	100
		2012-13	580.00	--	580.00	100
		2013-14	263.00	8.51	254.49	97
Grant No.15-Department of Electronics and Information Technology						
3.	2852.07.202.60-Electronics Governance	2011-12	865.14	199.89	665.25	77
		2012-13	752.83	375.05	377.78	50
		2013-14	523.61	332.45	191.16	37
Grant No. 32- Ministry of External Affairs						
4.	3605.00.101.14-Aid to Myanmar	2011-12	190.00	67.40	122.60	65
		2012-13	302.21	121.88	180.33	60
		2013-14	450.00	164.86	285.14	63
Grant No. 35-Appropriation Interest Payments						
5.	2049.01.116-14 days Treasury Bills (charged)	2011-12	4900.00	3795.52	1104.48	23
		2012-13	5200.00	4285.65	914.35	18
		2013-14	7150.00	3616.53	3533.47	49
Grant No. 36-Transfers to State and Union Territory Governments						
6.	3601.01.104.18-Grants-in-aid for Governance	2011-12	2028.82	723.23	1305.59	64
		2012-13	3528.82	1636.10	1892.72	54
		2013-14	3629.02	1879.35	1749.67	48
7.	3601.02.101.26-Accelerated Irrigation Benefit Programme and Other Water Resources Programme	2011-12	12620.00	7459.01	5160.99	41
		2012-13	14242.00	6503.58	7738.42	54
		2013-14	12962.00	4630.00	8332.00	64
8.	3601.02.101.36-Jawahar Lal Nehru National Urban Renewal Mission	2011-12	12522.00	7337.78	5184.22	41
		2012-13	12522.00	5287.77	7234.23	58
		2013-14	14000.00	7559.00	6441.00	46
9.	7601.06.200-Other Ways and Means Advances	2011-12	3000.00	--	3000.00	100
		2012-13	1000.00	--	1000.00	100
		2013-14	1000.00	--	1000.00	100
Grant No. 40-Pensions						
10.	2071.01.115.01-Ordinary Pensions	2011-12	1310.00	1172.44	137.56	11
		2012-13	1440.00	1283.64	156.36	11
		2013-14	1450.00	1290.81	159.19	11
Grant No. 47- Department of Health and Family Welfare						
11.	2211.00.109.07-Procurement of Drugs and Equipment (Other than Vaccines etc.)	2011-12	250.00	21.53	228.47	91
		2012-13	287.65	44.87	242.78	84
		2013-14	287.50	83.73	203.77	71
12.	3601.04.246.01- Supply of RCH Drugs and Equipments	2011-12	160.50	3.44	157.06	98
		2012-13	164.16	22.81	141.35	86
		2013-14	56.81	--	56.81	100

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Statement showing persistent savings under sub-heads

Sl No.	Sub-Head	Year	Budget Provision	Actual Expenditure	Savings	Percentage of Savings to Budget Provision
			(₹ in crore)			
Grant No. 48- Department of Ayurveda, Yoga & Naturopathy, Unani, Sidha and Homoeopathy (AYUSH)						
13.	2210.02.200.30-Hospitals & Dispensaries (under NRHM including AYUSH flexi pool)	2011-12	228.00	93.43	134.57	59
		2012-13	234.00	71.95	162.05	69
		2013-14	191.97	0.88	191.09	100
Grant No. 53- Ministry of Home Affairs						
14.	3454.02.800.08-National Population Register	2011-12	2731.16	1328.60	1402.56	51
		2012-13	1754.82	759.43	995.39	57
		2013-14	1045.27	459.44	585.83	56
Grant No. 56-Other Expenditure of Ministry of Home Affairs						
15.	2245.80.102.04-National Disaster Management Authority	2011-12	348.22	110.62	237.60	68
		2012-13	183.31	151.67	31.64	17
		2013-14	387.48	251.58	135.90	35
Grant No. 57-Transfer to Union Territory Governments						
16.	3602.02.101.01-National Capital Territory of Delhi	2011-12	1192.73	582.30	610.43	51
		2012-13	1031.61	800.34	231.27	22
		2013-14	1075.31	582.52	492.79	46
Grant No. 60- Department of Higher Education						
17.	2202.80.800.40-National Mission in Education through ICT	2011-12	657.74	295.41	362.33	55
		2012-13	592.86	149.12	443.74	75
		2013-14	263.48	93.31	170.17	65
Grant No. 75- Ministry of Planning						
18.	5475.00.112.38-Unique Identification Authority of India	2011-12	700.00	245.75	454.25	65
		2012-13	457.00	248.66	208.34	46
		2013-14	800.00	349.78	450.22	56
Grant No. 76- Ministry of Power						
19.	2801.06.800.03-Rural Electrification Corporation for Rajiv Gandhi Grameen Viduytikaran Yojana	2011-12	4726.70	2237.31	2489.39	53
		2012-13	3810.00	647.73	3162.27	83
		2013-14	3331.94	2593.89	738.05	22
Grant No. 82- Ministry of Road Transport and Highways						
20.	5054.02.337.03-Works under BRDB	2011-12	2611.77	2207.77	404.00	15
		2012-13	2630.71	2350.70	280.01	11
		2013-14	2799.92	2231.13	568.79	20
Grant No. 88- Ministry of Shipping						
21.	2852.06.102.21-Subsidy to non-central PSU Shipyards and Private Sector Shipyards	2011-12	542.11	122.42	419.69	77
		2012-13	400.00	220.00	180.00	45
		2013-14	300.00	179.40	120.60	40
Grant No. 89- Ministry of Social Justice and Empowerment						
22.	3601.03.789.08-Welfare of Scheduled Castes-Economic Development	2011-12	757.00	656.40	100.60	13
		2012-13	1174.00	872.05	301.95	26
		2013-14	1028.00	789.78	238.22	23
Grant No. 90- Department of Space						
23.	5402.00.101.17-Satish Dhawan Space Centre – SHAR (SDSC- SHAR)	2011-12	182.96	78.08	104.88	57
		2012-13	224.84	92.35	132.49	59
		2013-14	241.34	115.64	125.70	52

Annexure 4.1

(Refer to paragraph 4.7.3)

**Object heads and their descriptions as contained in Rule 8 of Delegation of
Financial Power Rules, 1978**

Object head	Description
Object Class 1 (Personnel Services and Benefits)	
01- Salaries	It will include pay, allowances in all forms of personnel including honoraria and leave encashment except travel expenses (other than leave travel concession). This object classification will also be utilized for recording expenditure on emoluments and allowances of Heads of States and other high dignitaries including sumptuary allowances.
02- Wages	It will include wages of labourers and of staff at present paid out of contingencies.
03- Overtime Allowance	Amount paid to a Non-Gazetted Government servant for performing official duties beyond office hours in addition to his working hours.
04- Pensionary Charges	It will include donations to service funds and contributory provident funds in addition to payments of pensions and gratuity in all forms to Government servants, Members of Parliament, freedom fighters, etc. This will, however, not include social security expenditure such as old age pension, etc.
05- Rewards	It will include amount paid to Government servants only as per schemes, if any, operative in Ministries/Departments.
06- Medical Treatment	It will include amount paid towards medical reimbursement to Government servants/Pensioners.
Object Class 2 (Administrative Expenses)	
11- Domestic Travel Expenses	It will cover all expenses on account of travel on duty in India including conveyance and fixed travelling allowances but excluding leave travel concessions which would be part of salaries. This will also include T.A./D.A. to non-official members on account of travel in India.
12- Foreign Travel Expenses	It will cover all expenses on account of travel on duty outside India including deputation of Scientists abroad. This will also include the expenditure on T.A./D.A. to non-official members going on tour abroad.
13- Office Expenses	It will include all contingent expenses for running an office such as furniture, postage, purchase and maintenance of office machines and equipments, liveries, hot and cold weather charges (excluding wages of staff paid from contingencies), telephones, electricity and water charges, stationery, printing of forms, purchase and maintenance of staff cars and other vehicles for functional purposes like ambulance, vans, etc. This will also include POL expenses on vehicles for office use.
14-Rents, Rates and Taxes	It will include payment of rent for hired buildings, municipal rates and taxes, etc. It will also include lease charges for land.
15- Royalty	Description not available in Delegation of Financial Powers Rules, 1978.
16- Publications	It will include expenditure on printing of office codes, manuals and other documents, whether priced or unpriced but will exclude expenditure on printing of publicity material. This will also include discount to agents on sale of publications, etc.
20- Other Administrative Expenses	It will include expenditure on Departmental canteen hospitality/ entertainment expenses, gifts and expenditure on conducted tours, expenditure on conferences/ seminars/ workshops, etc., and expenditure on other training programmes.
Object Class 3 (Contractual Services and Supplies)	
21- Supplies and Materials	It will include expenditure on materials and supplies, stores and equipment, etc.
22- Arms and Ammunition	It will include expenditure on arms and ammunition of police and other Paramilitary Establishments.
23- Cost of ration	It will include expenditure on ration of Police and other Paramilitary Establishments.

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Object head	Description
24- POL	It will include expenditure on POL of Police and other paramilitary vehicles. It will also include expenditure on POL of transport vehicles used for field activities, but will exclude those used for running an office.
25- Clothing and Tentage	It will include expenditure on clothing and tentage of Police and Paramilitary Establishments.
26- Advertising and Publicity	It will include commission to agents for sale and printing of publicity material. This would also include expenditure on exhibitions, fairs.
27- Minor works	It will also record expenditure on repairs and maintenance of works, machinery and equipment.
28- Professional services	It will include charges of legal services, consultancy fees, fees to staff artists, remuneration to the examiners, invigilators, etc., for conducting examinations, remuneration to casual artistes, by the All India Radio, Doordarshan and all other types of remunerations. It will also include payments for services rendered, supplies made by other departments such as Railways, Police, etc., a distinction being made in respect of supplies made, services rendered for running of an office in which case the expenditure will be recorded under expenses.
30- Other contractual Services	It will include expenditure on service or commitment charges and notional value of gifts received, etc.
Object Class 4 (Grants, etc.)	
31- Grants-in-aid- General	Description not available in Delegation of Financial Powers Rules, 1978.
32- Contributions	It will also include expenditure on membership of International bodies.
33- Subsidies	Description not available in Delegation of Financial Powers Rules, 1978.
34- Scholarships/ Stipend	Description not available in Delegation of Financial Powers Rules, 1978.
35- Grants for creation of Capital Assets	It will include amounts released as grants for the creation of capital assets.
36- Grants-in-aid- Salaries	It will include amounts released as Grants-in-aid for payment of salaries.
Object Class 5 (Other Expenditure)	
41- Secret Service Expenditure	Description not available in Delegation of Financial Powers Rules, 1978.
42- Lumpsum provision	It will include expenditure in respect of schemes/sub-schemes/organizations where the provision does not exceed ₹ 10 lakh. In all other cases, break-up by other objects of expenditure must be given.
43- Suspense	Description not available in Delegation of Financial Powers Rules, 1978.
44- Exchange variations	The difference in the rate of exchange at the time of receipt of loan/ advances from foreign sources and repayment thereof shall be debited under this object head under the concerned service expenditure head.
45- Interest	It will include interest on capital and discount on loans.
46- Central State Transfer of Resources	Description not available in Delegation of Financial Powers Rules, 1978.
50- Other Charges	It will include payment out of discretionary grants. Other discounts, customs duty compensation, awards and prizes, etc. Any other expenditure which cannot be classified under any of these specified object heads will be debited to this head.
Object Class 6 (Acquisition of capital assets and other capital expenditure)	
51- Motor Vehicles	Include purchase and maintenance of transport vehicles used for functional activities (e.g. ambulance vans) which are distinct from those used for running an office.
52- Machinery and Equipment	It will include machinery equipment, apparatus, etc., other than those required for the running of an office and special tools and plants acquired for specific works.
53- Major Works	It will also include cost of acquisition of land and structures
54- Investments	Description not available in Delegation of Financial Powers Rules, 1978.
55- Loans and advances	It will include all loans and advances granted to other Governments. Public Sector Enterprises. Undertakings and other Government Bodies, etc., but will exclude repayments of borrowings.

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Object head	Description
56- Repayment of borrowings	Description not available in Delegation of Financial Powers Rules, 1978.
60- Other Capital Expenditure	Description not available in Delegation of Financial Powers Rules, 1978.
Object Class 7 (Accounting Adjustments)	
61- Depreciation	Description not available in Delegation of Financial Powers Rules, 1978.
62- Reserves	Description not available in Delegation of Financial Powers Rules, 1978.
63- Inter-Account Transfer	It will include transfer to and from reserve fund, etc., write back from capital to revenues.
64- Write-off/ losses	It will include write-off of irrecoverable loans, losses will include trading losses.
70- Deduct recoveries	Description not available in Delegation of Financial Powers Rules, 1978.

Annexure 4.2
(Refer to paragraph 4.7.3)
**Expenditure booked under Grants-in-aid General instead of Grants for creation
of Capital Assets**

(₹ in crore)

Sl No.	State/UT	Sanction No.	Grant No.	Subject/Purpose	Sanctioned Amount
1.	Tamil Nadu	0.0021011/17/2013-PM-I dated 24.9.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	64.71
2.	Punjab	VI-21011/15/2013-PM-I dated 24.9.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	30.50
3.	Haryana	1-12020/84/2013-NCB-II dated 06.3.2014	55	For procurement of IT equipment for strengthening enforcement capabilities for combating illicit traffic in Narcotic Drugs	0.04
4.	Maharashtra	23012/39/2013-PC/2 dated 21.1.2014	55	Setting up of Counter Insurgency and Anti-Terrorist School (CIAT)	1.50
5.	Madhya Pradesh	VI-21011/12/2013-PM-I dated 24.9.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	50.37
6.	Gujarat	VI-21011/05/2013-PM-I dated 23.12.2013	55	Scheme for Modernization of State Police Forces '2013-14- release of Grants- in-aid to State Government of Gujarat non plan activities'	0.38
7.	Gujarat	VI-21011/05/2013-PM-I dated 11-11-2013	55	Scheme for Modernization of State Police Forces '2013-14- release of Grants-in-Aid to State Government of Gujarat non plan activities'	21.19
8.	Gujarat	VI-21011/05/2013-PM-I dated 24-09-2013	55	Scheme for Modernization of State Police Forces '2013-14- release of Grants-in-aid to State Government of Gujarat non plan activities'	47.51
9.	Odisha	VI-21011/53/2013-PM-I dated 06.03.2014	55	Scheme for modernization of State Police Forces, Release of Grants-in-aid to Odisha for construction activities under plan-HS/HM contingency reserve	5.77
10.	Odisha	VI-21011/14/2013-PM-I dated 06.12.2013	55	Scheme for modernization of State Police Forces, Release of Grants-in-aid to Odisha for purchase of equipment as per the approved action plan under the Non-plan Head	13.16
11.	Odisha	23012/39/2013-PC/3 dated 04 Oct 2013	55	Release of Grants-in-aid to Odisha Government for counter insurgency and Anti-terrorist School (CIAT) during 2013-14	2.00
12.	Odisha	VI-21011/14/2013-PM-I dated 26.09.2013	55	Scheme for Modernization of State Police Forces '2013-14- release of Grants-in-aid to State Government of Odisha under plan head for construction activities'	28.98

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(₹ in crore)

Sl No.	State/UT	Sanction No.	Grant No.	Subject/Purpose	Sanctioned Amount
13.	Odisha	18015/29(ODS)/2013-NM.IV dated 25.07.2013	55	Release of Grants-in-aid to Government of Odisha under scheme for SIS for upgradation/critical gap filling of special forces to effectively combat LWE for the financial year 2013-14.	16.22
14.	Odisha	16011/5/2005-PF.IV dated 24.06.2013	55	For raising of 6 th India Reserve (IR BN) by Government of Odisha – release of funds – Grants-in-aid.(4 th instalment)	3.35
15.	Odisha	16011/5/2005-PF.IV dated 24.06.2013	55	For raising of 6 th India Reserve (IR BN) by Govt. of Odisha – release of funds –Grants-in-aid.(3 rd instalment)	3.35
16.	Odisha	16011/5/2005-PF.IV dated 24.06.2013	55	For raising of 6 th India Reserve (IR BN) by Government of Odisha – release of funds – Grants-in-aid.(2 nd instalment)	3.35
17.	Odisha	16011/5/2005-PF.IV dated 24.06.2013	55	For raising of 6 th India Reserve (IR BN) by Government of Odisha – release of funds – Grants-in-aid.(1 st instalment)	2.85
18.	Karnataka	VI-21011/10/2013-PM-I dated 24.09.2013	55	Scheme for Modernization of State Police Forces '2013-14- release of Grants-in-aid to State Government of Karnataka under plan head for construction activities	71.27
19.	Karnataka	16011/6/2006.PF.IV dated 10.12.2013	55	For raising of 2 nd India Reserve (IR BN) by Government of Karnataka – release of funds – Grants-in-aid.(1 st instalment)	3.35
20.	Kerala	VI-21011/11/2013-PM-I dated 24.9.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	29.94
21.	Himachal Pradesh	VI-21011/07/2013-PM-I dated 7.10.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	2.96
22.	Himachal Pradesh	VI-21011/07/2013-PM-I dated 26.9.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	3.55
23.	Himachal Pradesh	16011/23/2004-PF.IV dated 24.6.2013	55	Raising of 4 th Indian Reserve Bns	3.00
24.	Himachal Pradesh	16011/23/2004-PF.IV dated 24.6.2013	55	Raising of 6 th Indian Reserve Bns (4 th instalment)	1.55
25.	Himachal Pradesh	16011/23/2004-PF.IV dated 24.6.2013	55	Raising of 6 th Indian Reserve Bns (3 rd instalment)	1.21
26.	Goa	21011/04/2013-PM-I dated 6.2.2014	55	Purchase of equipment under non-plan activities under Scheme for Modernization of State Police forces	0.86
27.	Goa	VI-21011/04/2013-PM-I dated 26.9.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	1.90
28.	Chhattisgarh	18015/29(Chh)/2013-NM.IV dated 21.11.2013	55	Releases under Special Infrastructure Scheme for up gradation/critical gap filling of special Forces	16.34
29.	Chhattisgarh	23012/39/2013-PC/1 dated 4.10.2013	55	Setting up of Counter Insurgency and Anti-Terrorist School (CIAT)	2.00

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(₹ in crore)

SI No.	State/UT	Sanction No.	Grant No.	Subject/Purpose	Sanctioned Amount
30.	Chhattisgarh	VI-21011/03/2013-PM-I dated 24.9.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	18.05
31.	Andhra Pradesh	18015/29(AP0/2013-NM.IV dated 25.7.2013	55	Releases under Special Infrastructure Scheme for upgradation/critical gap filling of special Forces	9.99
32.	Sikkim	6/18/2013-NE.I dated 6.2.2014	55	Purchase of equipment	1.50
33.	Sikkim	6/18/2013-NE.I dated 21.11.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	3.29
34.	Meghalaya	6/14/2013-NE.I dated 23.09.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	6.97
35.	Uttar Pradesh	I-12020/84/2013-NCB-II dated 6.3.2014	55	For procurement of IT equipment for strengthening enforcement capabilities for combating illicit traffic in Narcotic Drugs	0.23
36.	Uttar Pradesh	VI-21011/18/2013-PM-I dated 24.12.2013	55	Purchase of equipment under Plan Head of the scheme for Modernization of State Police Forces	53.30
37.	Uttarakhand	VI-21011/53/2013-PM-I dated 6.3.2014	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	2.08
38.	Uttarakhand	VI-21011/19/2013-PM-I dated 9.12.2013	55	Purchase of equipment under Plan Head of the scheme for Modernization of State Police Forces	2.84
39.	Uttarakhand	VI-21011/19/2013-PM-I dated 30.9.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	6.26
40.	Manipur	8/9/2012-NE-1 dated 15.5.2013	55	Construction of Camps under SRE	5.29
41.	Arunachal Pradesh	VI-21011/53/2013-PM-I dated 6.3.2014	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	1.62
42.	Nagaland	I-12020/84/2013-NCB-II dated 6.3.2014	55	For procurement of equipment for strengthening enforcement capabilities for combating illicit traffic in Narcotic Drugs	0.36
43.	Nagaland	VI-21011/53/2013-PM-I dated 6.3.2014	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	3.99
44.	Nagaland	6/16/2013-NE.I dated 11.12.2013	55	Purchase of equipment under Plan Head of the scheme for Modernization of State Police Forces	9.06
45.	Nagaland	6/16/2013-NE.I dated 21.11.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	19.96
46.	Nagaland	23012/39/2013-PC/4 dated 4.10.2013	55	Setting up of Counter Insurgency and Anti-Terrorist School (CIAT)	1.00

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SI No.	State/UT	Sanction No.	Grant No.	Subject/Purpose	Sanctioned Amount
47.	Tripura	VI-21011/53/2013-PM-I dated 6.3.2014	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	3.24
48.	Tripura	6/17/2013-NE.I dated 21.11.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	14.57
49.	Tripura	9/14/2012-NE.I dated 22.7.2013	55	Construction for accommodation of police under SRE	3.54
50.	Assam	6/19/2013-NE.I dated 27.12.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	0.09
51.	Mizoram	I-12020/84/2013-NCB-II dated 6.3.2014	55	For procurement of equipment for strengthening enforcement capabilities for combating illicit traffic in Narcotic Drugs	0.30
52.	Mizoram	VI-21011/53/2013-PM-I dated 6.3.2014	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	3.00
53.	Mizoram	6/15/2013-NE.I dated 6.2.2014	55	Purchase of equipment under Plan Head of the scheme for Modernization of State Police Forces	1.62
54.	Jharkahand	23012/39/2013/PC/2 dated 4.10.2013	55	Setting up of Counter Insurgency and Anti Terrorist School (CIAT)	2.00
55.	Jharkahand	18015/29(JH)/2013-NM.IV dated 25.7.2013	55	Releases under Special Infrastructure Scheme for up gradation/critical gap filling of special Forces	16.52
56.	Bihar	18015/29(BH)/2013-NM.IV dated 21.11.2013	55	Releases under Special Infrastructure Scheme for upgradation/critical gap filling of special Forces	15.06
57.	Jammu & Kashmir	VI-21011/53/2013-PM-I dated 6.3.2014	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	5.30
58.	Jammu & Kashmir	23012/39/2013-PC/1 dated 21.1.2014	55	Setting up of Counter Insurgency and Anti Terrorist School (CIAT)	1.50
59.	Jammu & Kashmir	VI-21011/03/2013-PM-I (CR) dated 17.1.2014	55	Purchase of equipment under Plan Head of the scheme for Modernization of State Police Forces	12.13
60.	Jammu & Kashmir	VI-21011/08/2013-PM-I dated 24.9.2013	55	Construction activities under Plan Head of the scheme for Modernization of State Police Forces	74.12
Total					731.94

Annexure-4.3
(Refer to paragraph 4.11)

The details of escrow accounts in operation in the Department of Space

Sl No.	Sanction No. and date	Amount sanctioned (₹ in crore)	Purpose & Name of Scheme	Details of Bank	Balance on 31 March 2014 (₹ in lakh)	Interest Earned (₹ in lakh)
In respect of Liquid Propulsion Systems Centre (LPSC)						
1	3/5(5)/2002-III 27/3/2003 and 3/5/7/2002-III 28/3/2003	40.66	Establishment of a Liquid Hydrogen Plant M/s Andhra Sugar Ltd., Thanuku.	SBI, Valiamala, Thirvananthapuram	0.00	738.80
2	13015/5/2010 Sec-3 (Vol.II) 27/3/2010	9.71	Realisation of Cu-Cr-Zr-Ti Copper Alloy plates for Cryo and Semicryo activities M/s Non-ferrous Material Technology Development Centre (NFTDC), Hyderabad	SBI, Valiamala, Thirvananthapuram	1.74	237.79
In respect of Vikram Sarabhai Space Centre (VSSC)						
3	B.12011/11/2009-Sec.2 21/12/2009	18.00	Establishment of EB Melting Furnace at Midhani	SBI, Kanchanbagh	1453.16	86.35
4	C.13011/24/2010-11 29/3/2010	28.14	Establishment of Niobium Production Facility	SBI, Nacharam Branch, Hyderabad	1292.98	100.96
5	C.13011/19/2010-11 24/3/2010 and No.C.13011/2010-11/ 4/3/2011	23.74	Establishment of Sodium Chlorate Manufacturing facility at TCC, Kochi	SBI, Aluva Branch, Aluva	0.00	162.31
6	3/1/2/2004-III 18/2/2004 3/1/2/2004-III 21/7/2004	15.60	Procurement of Vacuum Induction Furnace with Chemical Vapour Deposition provision and SiC coating from Hind High Vacuum, Bangalore	SBI, Peenya Industrial. Branch, Bangalore	0.00	350.63
7	C.13011/19/2006-Sec.3 24/3/2006	31.13	Establishment of Aluminium Alloy Cast House and Supply of Billets	SBI, Balco Township Branch, Korba	0.00	221.45
8	3/1/10/2003 dt. 01.10.2003 C.13011/5/2003-III C.13011/5/2003-Sec.3 30/3/2009	39.50	Facility augmentation and Sheets by Balco	SBI, Balco Township Branch, Korba	0.00	218.70
9	C.13011/5/2006-Sec.3 dt 20/2/2006 13011/5/2006/Sec-	143.13	Setting up of Titanium sponge plant by KMML	SBI, Commercial, Branch, Kollam	0.00	3734.22

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SI No.	Sanction No. and date	Amount sanctioned (₹ in crore)	Purpose & Name of Scheme	Details of Bank	Balance on 31 March 2014 (₹ in lakh)	Interest Earned (₹ in lakh)
	3 dt 31/3/2010					
10	3/1/12/2005-III dt. 15/3/2005	31.01	Procurement of Vacuum System from Hind High Vacuum	SBI, Peenya Industrial Branch, Bangalore	0.00	191.29
11	3/1/15/2001-III dt 27/3/2002 3/1/(15)/2001-III dt 24/3/2003 3/1/(15)/2001-III dt 24/3/2004 C.13011/1/2001-Sec dt 31/3/2008	75.40	Establishment of Ring Rolling Mill by Bay-Forge Ltd.	SBI, Commercial Branch, Chennai	0.00	46.50
12	3/1/5/03-III dt. 01/12/2003 3/1/5/01-III (Vol.II) 22/2/2005 C.13011/1/2001-Sec dt 17/1/2006 C.13011/1/2001-III dt 7/11/2006	20.00	Procurement of raw materials mill by Bay-Forge Ltd.	SBI, Overseas, Chennai	2000.00	11.33
13	C.13011/42/2006-III dt 20/2/2007	2.75	Facility augmentation at SIFL	SBI, Valiamala	0.00	0.21
14	3/1/19/2005-III dt 28/3/2005 13011/39/2005-III dt 28.1.2009	159.50	Design, fabrication of wind tunnel system by L&T	SBI, CAG Branch, Mumbai	15950.00	426.42
15	3/1/2005 dt 10/3/2005	20.10	Procurement of High Pressure System by Neuman & Esser	SBI, Chinchwad, Pune	0.00	200.61
16	3/1/10/04-III dt 27/3/2004 3/1/10/2004-III dt 24/3/2005 3/1/10/2004-III dt 20/1/2006	60.30	Facility augmentation at MIDHANI	SBI, Chandrayanagutta Branch, Hyderabad	0.00	1187.18
		718.67			20697.88	7914.75

Annexure 5.1

(Refer to paragraph 5.5.8 (d))

**Statement showing advances paid to construction agencies, staff members, suppliers etc.
but not shown separately in the UCs.**

(₹ in lakh)

Sl. No.	Institutes	2011-12	2012-13	Total
1	Pandit Deendayal Upadhyay Institute for the Physically Handicapped (IPH)	42.82	127.05	169.87
2	National Institute for Visually Handicapped (NIVH)	109.92	97.81	207.73
3	Ali Yavar Jung National Institute for the Hearing Handicapped (NIHH)	86.87	79.13	166.00
4	National Institute for Empowerment of Persons with Multiple Disabilities (NIEPMD)	703.20	105.58	808.78
5	National Institute for the Orthopaedically Handicapped (NIOH)	48.81	103.74	152.55
6	National Institute for the Mentally Handicapped (NIMH)	232.20	255.41	487.61
7	National Institute of Social Defence	35.02	600.74	635.76
8	Rehabilitation Council of India	17.39	8.06	25.45
	Total	1276.23	1377.52	2653.75

Annexure 5.2

(Refer to paragraph 5.5.10 (e))

Year-wise outstanding Utilisation Certificates in the Ministry of Social Justice & Empowerment

Financial Year	No. of outstanding UCs	Total amount of UCs pending (₹ in lakh)
1987-1988	208	156.02
1988-1989	519	618.68
1989-1990	247	338.64
1990-1991	432	459.71
1991-1992	462	517.35
1992-1993	332	585.04
1993-1994	545	885.68
1994-1995	690	1202.47
1995-1996	790	1303.37
1996-1997	395	754.65
1997-1998	430	9582.84
1998-1999	306	1075.40
1999-2000	238	2169.03
2000-2001	217	3623.17
2001-2002	335	4056.92
2002-2003	213	1098.86
2003-2004	306	1664.34
2004-2005	551	3271.39
2005-2006	422	1495.42
2006-2007	252	6779.39
2007-2008	758	13902.30
2008-2009	427	9963.09
2009-2010	108	616.01
2010-2011	267	2763.94
2011-2012	310	2633.94
2012-2013	577	7256.76
	10337	78774.41

Annexure 5.3

(Refer to paragraphs 5.5.15 and 5.5.26)

Grants-in-aid between ₹ 10 lakh to ₹ 25 lakh released to private and voluntary organizations, not reported to Parliament through Annual Report of the Ministry

(₹ in lakh)

S. No.	Agency Name	2011-12	2012-13	2013-14
1.	Manav Utthan Seva Charitable Trust	14.12	--	--
2.	North East Voluntary Association of Rural Development	15.96	--	--
3.	Vanitha Jyothi Mahila Sangam	11.10	--	--
4.	BBN Industries Association	--	10.00	--
5.	Biotech Consortium India Limited	--	17.50	--
6.	Village People Development Charitable Trust	--	10.55	--
7.	Janhit Foundation	--	20.00	--
8.	OAZONE	--	13.90	--
9.	D.K.T.E. Society's Textile and Engineering Institute	--	10.50	11.70
10.	St. Peters Institute of Higher Education and Research	--	12.46	--
11.	Sri Vishnu Educational Society	--	10.56	--
12.	Confederation of Indian Industry HQ	--	13.74	--
13.	Panchal Ceramic Association Vikas Trusts	--	18.00	--
14.	Gem & Jewellery Trade Council of India	--	--	11.80
15.	Maharashtra Economic Development Council	--	--	15.00
16.	Sharda University (a unit of Sharda Education Trust)	--	--	13.29
17.	Vidya Sagar Charitable Trust	--	--	12.03
18.	JPS Associates (P) Limited	--	--	20.98
19.	KIIT Technology Business Incubator	--	--	24.59
20.	All India Society of Education	--	--	10.00
21.	Antenna Trust	--	--	13.94
22.	Association of Industries Madhya Pradesh	--	--	10.01
23.	Axiom Social Service Society	--	--	13.96
24.	Confederation of Women Entrepreneurs	--	--	15.60
25.	Development for Education Service and Poor People Organization	--	--	13.53
26.	Fibreglass Industries Association of Andhra Pradesh	--	--	17.53
27.	Gujarat Chamber of Commerce & Industry	--	--	11.72
28.	Hosur Small and Tiny Industries Association	--	--	10.28
29.	Jamnagar Factory Owner's Association	--	--	18.46
30.	Federation of Indian Women Entrepreneurs	--	--	10.00
31.	Mepco Schlenk Engineering College Committee Sivakasi	--	--	24.47
32.	Mother Social Service Trust	--	--	10.80
33.	NIFT Tea Knitwear Fashion Institute	--	--	17.99
34.	Offset Printers' Association, Ludhiana	--	--	11.58
35.	Rural Area Development Organization	--	--	11.73
36.	Sahayog Apang Bahuuddeshya Sanstha	--	--	16.30
37.	Social Development Organization	--	--	11.63
38.	Society for Human Advancement and Rural Education	--	--	25.00
39.	Swyan Udyogi Nari	--	--	12.80
40.	The South India Corrugated Box Manufacturer's Association	--	--	10.33
41.	Welfare Association of Lady Entrepreneurs	--	--	23.92
42.	Zion Welfare Trust	--	--	12.57
	Total	41.18	137.21	443.54

Annexure 5.4

(Refer to paragraph 5.5.21)

**Year-wise outstanding utilization certificates as on 31st March 2014 in the Ministry of
Micro, Small and Medium Enterprises**

(₹ in lakh)

Financial Year	No. of outstanding UCs	Amount
2005-06	1	1.00
2006-07	1	1.25
2007-08	1	0.95
2008-09	8	5.43
2009-10	37	143.20
2010-11	70	699.05
2011-12	29	335.41
2012-13	95	6403.45
Total	242	7589.74

GLOSSARY

- 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 grant or appropriation and the saving 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 the 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.
- Consolidated Fund of India (CFI)** : 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.).
- Contingency Fund of India** : 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.

PFMS(formerly known as CPSMS)	:	The Public Financial Management System (formerly known as Central Plan Scheme Monitoring System (CPSMS)) is a software which is being implemented by the Office of Controller General of Accounts in partnership with National Informatics Centre. The software has established a common transaction-based on-line fund management and payment system and MIS for the Plan Schemes of Government of India. The platform has now been extended to State Governments for effecting payments of plan funds received directly at the State Treasuries.
Debt service	:	Payments to creditor(s) of matured principal and of interest. It usually includes service charges, etc.
Demand for Grants	:	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 footnotes, presented to Parliament at two levels. The 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 account in reduction of gross expenditure.
e-lekha	:	This is the electronic payment and accounting software solution for the Civil Accounts with the objective of improving efficiency and accuracy of accounting process. It provides a system of core accounting with integration of daily, monthly and annual accounting process for value added reporting and monitoring mechanism.
Excess Grant	:	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.
External Debt	:	Debt contracted by the Government from abroad, mostly in foreign currency viz., loan from World Bank, IBRD, IDA, etc.
Fiscal Deficit	:	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.
GDP at market Prices	:	Gross Domestic Product at market prices indicates the value of all final expenditure on the goods and services produced within the country in a given period. The evaluation can be done at current prices or at prices prevailing in a base year.
Internal Debt	:	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 of India.
Major Head	:	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.

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Minor Head	:	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).
New Service	:	Refers to expenditure beyond certain limit arising out of a new policy decision not brought to the notice of the Parliament earlier, including a new activity or a new form of investment.
New Instrument of Service	:	A large expenditure beyond a certain limit arising out of an important expansion of an existing activity.
Original Grant	:	The amount provided for any service in the 'Annual Financial Statement' in a financial year is called original grant or appropriation.
Primary Deficit	:	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.
Public Account	:	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.
Public Debt (of India)	:	Borrowing by the Government of India internally as well as externally.
Re-appropriation	:	The transfer of funds from one primary unit of appropriation to another such unit.
Revenue Deficit	:	This is equal to the excess of revenue expenditure over revenue receipts.
Revenue Expenditure	:	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.
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.

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- 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 saving** : Departments of the Central Government are to surrender to the Finance Ministry, before the close of the financial year, all the anticipated savings 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.
- Saving** : When expenditure falls short of budget provision, it results into saving.
- 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.

