सत्यमेव जयते

Report of the Comptroller and Auditor General of India



Union Government

Accounts of the Union Government

No. 1 for the year 2011-12

Report of the Comptroller and Auditor General of India

for the year ended March 2011

Union Government

Accounts of the Union Government

No. 1 for the year 2011-12

CONTENTS

Chapter No./ Para No.	Subject	Page
	Preface	*vii*
	Highlights	*ix*
1.	**Union Government Finances – An Overview**	1-35
1.1	Introductory	1
1.1.2	Performance in the current year on key financial parameters in comparison to recommendations of the Thirteenth Finance Commission	3
1.2	Resource Generation	3
1.2.1	Revenue Receipts	4
1.2.2	Gap between Budget Estimates and Finance Accounts of Key revenue related parameters	4
1.2.3	Tax revenue	5
1.2.4	Non-tax revenue	6
1.2.5	Non-debt capital receipts	8
1.3	Expenditure Analysis	9
1.3.1	Revenue and Capital expenditure	11
1.3.2	Plan and non-Plan expenditure	12
1.3.3	Analysis of Revenue expenditure	13
1.3.3(a)	Preponderance of Revenue expenditure	13
1.3.3(b)	Major components of Revenue expenditure	14
1.3.4	Analysis of Capital expenditure	17
1.3.5	Analysis of Plan expenditure	18
1.3.6	Major flagship programmes of the Government – actual expenditure in the past three years	18
1.3.7	Major Components of Plan expenditure	20
1.3.8	Proportion of grants-in-aid in Plan expenditure in key Ministries	21
1.3.9	Mode of delivery of Central Plan assistance to State/District level autonomous bodies/implementing agencies	22
1.3.10	Sectoral analysis of expenditure	23
1.4	Time Analysis of Expenditure	26
1.5	Debt & Deficit Indicators	29
1.5.1	Revenue Deficit	30
1.5.2	Fiscal Deficit	31
1.5.3	External Debt: Unutilised committed external assistance	32
1.6	Growth in Contingent Liabilities of the Union Government	33

Chapter No./ Para No.	Subject	Page
2.	**Comments on Accounts**	**36-76**
2.1	Issue of transparency	36
2.1.1	Non-inclusion of statements/information in the Union Finance Accounts as recommended by the Twelfth and Thirteenth Finance Commissions	36
2.1.2	Unascertainable unspent balances in the accounts of Implementing Agencies (IAs)	38
2.1.3	Opaqueness in Government Accounts	39
2.1.4	Public funds lying outside Government accounts	40
2.1.5	Understatement of customs receipts and short devolution to States	41
2.2	Observations with regard to Public Account	42
2.2.1	Universal Service Obligation Fund	42
2.2.2	Non-crediting of Clean Energy Cess in the Fund	44
2.2.3	Creation of Income Tax Welfare Fund	44
2.2.4	National Investment Fund (NIF)	46
2.2.5	Unauthorised operation of a fund dissolved by the Parliament	48
2.3	Integrity and Reconciliation Issues	49
2.3.1	Incorrect depiction of recoveries in reduction of expenditure	49
2.3.2	Discrepancy in balances of Employees' Pension Fund	51
2.3.3	Non-crediting of amount to the Security Redemption Fund	52
2.3.4	Non-opening of Warehousing Development and Regulatory Authority Fund	52
2.3.5	Discrepancy in balances of Special Deposit of Employees' Deposit Linked Insurance Scheme	53
2.3.6	Incorrect operation of Defined Contribution Pension Scheme for Government Employees	53
2.3.7	Inconsistency/Discrepancy in Statement Nos.10 and 11 of Finance Accounts with regard to investments	54
2.3.8	Inconsistency/Discrepancy in Statement of Finance Accounts and Appropriation Accounts	57
2.3.9	Incorrect depiction of transfer to Reserve Fund in Statement No.9	58
2.3.10	Incorrect depiction of Loan to Shipping Development Fund Committee	59
2.3.11	Understated accounting of external debt	59
2.3.12	Inconsistent depiction of external debt	60
2.3.13	Non-finalisation of terms and conditions of loans advanced	61
2.3.14	Non-allotment of numerical codes to minor head corresponding to the nomenclature of Programmes	61
2.3.15	Non-depiction of loans given by Union Government	62
2.3.16	Non-updation of loans advanced by the Union Government	63
2.3.17	Variation in the balances of guarantees	64
2.3.18	Variation in the depiction of guarantee fees	64
2.3.19	Operation of discontinued minor head	65
2.4	Outstanding Suspense balances and other observations	65

Chapter No./ Para No.	Subject	Page
2.4.1	Outstanding balances under major Suspense accounts	65
2.4.2	Large number of adverse balances under Debt, Deposit and Remittances (DDR) heads in Union Finance Accounts	72
2.4.3	Adverse balances under Debt, Deposit and Remittances (DDR) heads at Pr.AO level	72
2.4.4	Outstanding balances under the head 'Cheques and Bills'	73
2.4.5	Review of balances not carried out by Principal Accounts Offices	75
2.4.6	Departmentally Managed Government Undertakings- Position of Proforma Accounts	75
2.4.7	Losses and irrecoverable dues written off/waived	76
3.	**APPROPRIATION ACCOUNTS 2010-11: INTRODUCTION**	**77-80**
3.1 to 3.3	Constitutional provisions	77-78
3.4 to 3.6	Summary of total provision/actual disbursements	78-79
3.7 to 3.8	Charged and voted disbursements	80
	APPROPRIATION ACCOUNTS 2010-11: AN ANALYSIS	**81-103**
3.9 to 3.10	Grants/appropriations with excess disbursements	81-87
3.11	Minor/Sub head-wise excess expenditure	87
3.12 to 3.13	Saving of ₹ 100 crore or more (Sector-wise)	88
3.14 to 3.15	Surrender of savings (Grant-wise)	89
3.16	Surrender of savings on 31 March	90
3.17 to 3.18	Re-appropriation of funds	90
3.19	Injudicious re-appropriation to minor/sub-heads	91
3.20	Large supplementary grants due to unrealistic budgetary projections	91
3.21	Unnecessary cash supplementary grants	93
3.22	Unnecessary supplementary grants obtained under sub-heads	94
3.23	Persistent savings (Sub-head wise)	94
3.24	Savings of entire provision (Sub-head wise)	94
3.25	Savings of ₹ 100 crore or more under a sub-heads	95
3.26	Savings of ₹ 50 crore and above, constituting more than 40 *per cent* of budgeted provision (Minor/sub-head wise)	96
3.27	Rush of expenditure during March and last quarter of the financial year	96
3.28	Postal Services (Grant No. 13)	99
3.29	Surrender of unspent provisions on 31st March	100
3.30	Defence Services	101
3.31	Surrender of savings	102
4.	**APPROPRIATION ACCOUNTS: COMMENTS ON ACCOUNTS**	**104-128**
4.1	Breach of Article 114(3) of the Constitution of India	104
4.1.1	Expenditure incurred on interest on refunds of taxes	104
4.1.2	Expenditure incurred without legislative approval by the Department of Posts	105

Chapter No./ Para No.	Subject	Page
4.1.3	Expenditure incurred without legislative approval by the Defence Services-Air Force	106
4.1.4	Expenditure on payment of interest without authorisation of Parliament	106
4.1.5	Expenditure incurred on establishment expenditure on Regional Pay and Accounts Office, Dhanbad	107
4.2	Failure to obtain Legislative approval for augmenting provision	107
4.2.1	Augmentation of provision to object head 'Grants-in-aid'	107
4.2.2	Augmentation of provision to object head 'Subsidy'	111
4.3	Incorrect classification of expenditure under Revenue account instead of Capital account and vice versa	112
4.3.1	Misclassification of capital expenditure as revenue expenditure in Department of Space	112
4.3.2	Misclassification of capital expenditure as revenue expenditure in Department of Atomic Energy	114
4.3.3	Misclassification of revenue expenditure as capital expenditure in Department of Atomic Energy	114
4.4	Misclassification of expenditure under object heads and deficient sanction orders	116
4.4.1	Expenditure booked under 'Investments' instead of 'Major Works/Machinery and Equipment'	116
4.4.2	Incorrect booking of expenditure of ₹1,434 crore under the object head 'Interest'	117
4.4.3	Incorrect operation of object heads 'Other Charges' and 'Scholarship/Stipends' instead of 'Grants-in-aid'	117
4.4.4	Incorrect operation of object head 'Contributions' for booking expenditure under the programme- 'Technical and Economic Cooperation with Other Countries'	118
4.5	Lack of accounting integrity in Department of Posts and Department of Space	119
4.5.1	Department of Posts: Non-depiction of re-appropriation of provisions obtained for 'North-Eastern Region and Sikkim' to the 'functional head'	119
4.5.2	Department of Posts: Incorrect depiction of amounts of saving/excess under sub-heads in the Appropriation Accounts	120
4.5.3	Issue of deficient sanction orders by Department of Space	121
4.6	Obtaining irregular lump sum provision	122
4.7	Incorrect booking of expenditure under Non-functional head	123
4.8	Excess expenditure without adequate provision of funds	124
4.9	Write-off of Government loan without the approval of Parliament	125
4.10	Failure to obtain prior approval of Ministry of Finance	126
4.11	Deficient budgeting	126
4.11.1	Provisioning under withdrawn object head	126
4.11.2	Provisioning of expenditure for dissolved organisations	127

Chapter No./ Para No.	Subject	Page
4.12	Obtaining incorrect supplementary	127
5	**Review of Selected Grants**	**129-160**
	Grant No.35 - Transfers to State and Union Territory Governments (Ministry of Finance)	**129**
5.1	Introduction	129
5.2	Budget and expenditure	129
5.3	Surrender of savings	130
5.4	Persistent savings	130
5.5	Savings of ₹ 100 crore and above	131
5.6	Savings of entire provision (Sub head-wise)	132
5.7	Excess expenditure over available provision	132
5.8	Unnecessary supplementary grant	133
5.9	Large supplementary grants due to unrealistic budgetary projections	134
5.10	Non-reporting of re-appropriation of funds by ₹ five crore or more to the Parliament	135
5.11	Deficient Internal Audit	136
	Grant No.58- Department of Higher Education (Ministry of Human Resource Development)	**136**
5.12	Introduction	136
5.13	Budget and expenditure	137
5.14	Surrender of savings	137
5.15	Persistent savings	137
5.15 (a)	National Mission in Education through ICT	137
5.15 (b)	Upgradation of existing polytechnics and setting up of new ones	138
5.15 (c)	Community development through polytechnics (CDTP)	139
5.16	Unrealistic budgetary assumptions	139
5.17	Non-utilisation of entire provisions	139
5.18	Outstanding utilisation certificates	140
5.19	Unnecessary supplementary grants	140
5.20	Distortion of budget provision	141
5.21	Irregular budget provision under Banking Cash Transaction Tax	142
	Grant No.74 -Ministry of Power	**142**
5.22	Introduction	142
5.23	Budget and expenditure	143
5.24	Surrender of savings	143
5.25	Unnecessary supplementary grants	143
5.26	Distortion of budget provision	144
5.27	Non-utilisation of entire provision	145
5.28	Savings of ₹ 100 crore or more under a sub-head	145

Chapter No./ Para No.	Subject	Page
5.29	Persistent savings	146
5.30	Rush of expenditure during the last month and last quarter of the financial year	146
5.31	Outstanding utilisation certificates	146
5.32	Deficient internal audit	146
	Grant No. 81- Department of Rural Development (Ministry of Rural Development)	**147**
5.33	Introduction	147
5.34	Budget and expenditure	147
5.35	Surrender of savings	148
5.36	Savings of ₹ 100 crore or more under a sub-head	148
5.37	Unrealistic budgeting	148
5.38	Non-utilisation of entire funds	149
5.39	Persistent savings	149
5.39 (a)	Capacity Building and Technical Support	149
5.39 (b)	Provision of Urban Amenities in Rural Areas (PURA)	150
5.40	Absence of any internal audit control	150
5.41	Grants-in-aid and outstanding Utilisation Certificates	151
	Grant No.89 – Department of Space	**152**
5.42	Introduction	152
5.43	Budget and expenditure	152
5.44	Distortion of budget provision	152
5.45	Re-appropriation exceeding ₹ five crore not reported to Parliament	154
5.46	Surrender of savings	154
5.47	Savings of ₹ 100 crore or more under a sub-head	155
5.48	Unrealistic budgetary assumptions	155
5.49	Persistent savings	156
5.50	Savings of entire provision	156
5.51	Unnecessary supplementary grants	156
5.52	Deficient expenditure control mechanism	157
5.53	Outstanding utilisation certificates	158
5.54	**Conclusion**	158-160
	List of Appendices	161-162
	Appendices	163-267
	Glossary	268-271

PREFACE

This Report for the year ended March 2011 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 2011.

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

Union Government Finances and Accounts: 2010-11

This Report discusses the comments of the Comptroller and Auditor General of India on the accounts of the Union Government and analyses the finances of the Union Government for the year 2010-11. It also contains an analysis of the Appropriation Accounts and audit observations with regard to the accounts of the Union Government for the year 2010-11.

HIGHLIGHTS

C&AG's comments on Union Government Accounts

- The financial position of the Union Government in 2010-11 was characterised by a healthy growth of 32 *per cent* in revenue receipts on account of an accelerated growth of tax revenue after a period of low growth in the preceding two years and a substantial increase in non-tax receipts on account of auction of spectrum.

(Para 1.1.1, 1.2.3 and 1.2.4)

- Capital expenditure was 1.99 *per cent* of GDP, well below the three *per cent* level set out for the year in the fiscal consolidation plan of the Thirteenth Finance Commission. Of the total capital expenditure, 33 *per cent* was accounted for by Defence.

(Para 1.1.2 and 1.3.4)

- Analysis of Plan expenditure revealed that 77 *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 99 per cent was in the form of disbursement of grants-in-aid.

(Para 1.3.7 and 1.3.8)

- A time analysis of expenditure of Civil Ministries revealed that 22 *per cent* of the total expenditure was incurred in the month of March 2011. The bunching of expenditure in the case of non-Plan expenditure was even higher at 24 *per cent* of the total annual non-Plan expenditure in the last month of the financial year. The Ministry of Textiles and the Department of Heavy Industry spent as much as 63 and 60 *per cent* respectively of their total expenditure on the last day of March 2011.

(Para 1.4)

- For the year 2010-11, the Union Government transferred Central Plan assistance of ₹ 1,22,199 crore (as per revised estimates) 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 2.1.2)

- Universal Access Levy totalling ₹ 37,223.92 crore was collected during the period 2002-03 to 2010-11 by the Department of Telecommunications but transfers to and disbursements from the Universal Service Obligation Fund (USO Fund) were only ₹ 13,471.44 crore. There was, therefore, an understatement of the closing balance of the USO Fund by ₹ 23,752.48 crore. The levy amount being collected was, therefore, not being utilised for the intended purposes.

(Para 2.2.1)

- Due to shortcomings in the accounting procedure, the National Investment Fund (NIF) in the Public Account showed a 'nil' closing balance, though actually a balance of ₹ 1,814 crore was available as on 31 March 2011 in the Fund, which was being managed by asset management companies. Of the total income of ₹ 543.90 crore, earned from the investment of the amounts lying in the NIF, during the period 2008-11, and credited into the Consolidated Fund of India, an amount of only ₹ 288.12 crore was transferred to the Public Account for meeting expenditure on pre-identified initiatives, leaving a balance amount of ₹ 255.78 crore in the Consolidated Fund of India.

(Para 2.2.4)

- Continued unauthorised utilisation of balances from the Coal Mines Labour Housing and General Welfare Fund, even after 25 years of its dissolution in 1986 by an Act of Parliament, undermined the parliamentary authority over public expenditure.

(Para 2.2.5)

- Non-transfer of receipts of advance payments from assessees amounting to ₹ 145.47 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 2010-11. 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 2010-11.

(Para 2.1.5)

- In accordance with the provisions of Article 114(3) of the Constitution of India, no money should be withdrawn from the Consolidated Fund of India except under appropriations made by law. However, during 2010-11, there was total excess disbursements of ₹ 3,384 crore in nine segments of seven grants in civil Ministries; ₹ 3,053 crore in 15 segments of 10 grants/appropriations of the Ministry of Railways; ₹ 367 crore in one segment of one grant in the Department of Posts; and ₹ 4,239 crore in four segments of four grants of the Defence Services, which required regularization under Article 115 (1) (b) of the Constitution.

  (Para 3.9)

- Savings in a grant or appropriation is indicative of deficient budgeting as well as shortfall in performance. Savings of more than ₹ 100 crore had occurred in 70 cases of 51 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 70 cases was of the order of ₹ 6,69,718 crore.

  (Para 3.12 & Appendix III-E)

- In 33 sections of 26 grants/appropriations, persistent savings of ₹ 100 crore and more were noticed during the last three years (2008-2011). Some of the grants/appropriations with large persistent savings during the three year period were, Re-payment of Debt (₹ 7,69,805 crore), Transfers to State and Union Territory Governments (₹ 37,194 crore), Interest Payments (₹ 20,239 crore), Department of School Education & Literacy (₹ 10,459 crore), Police (₹ 8,363 crore), and Ministry of Road Transport & Highways (₹ 7,193 crore).

  (Para 3.13 & Appendix III-F)

- Article 114(3) of the Constitution of India provides that no money should be withdrawn from the Consolidated Fund of India except under appropriation made by law. An expenditure on interest on refunds amounting to ₹ 10,499 crore was incurred by the Central Board of Direct Taxes, without the authorisation of the Parliament in the year 2010-11. A total expenditure of ₹ 37,365 crore on interest payments had been incurred over the last five years without obtaining approval of the Parliament through necessary appropriations.

  (Para 4.1.1)

- The Department of Posts incurred expenditure in two instances (amounting to ₹ 65.71 crore and ₹ 0.28 crore) without obtaining any

authorisation of the Parliament in violation of Article 114(3) of the Constitution of India.

(Para 4.1.2)

- In Grant No. 34-Interest Payments for the year 2010-11, an expenditure of ₹ 95.13 lakh was incurred in violation of Article 114(3) of the Constitution of India, for which neither were any provisions available in the Detailed Demands for Grants nor were any supplementary demands for grants obtained.

(Para 4.1.4)

- 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 25 cases, across 14 grants, funds aggregating ₹ 698.82 crore were provided through re-appropriation by various Ministries/Departments during the financial year 2010-11 for augmenting provisions under 'grants-in-aid', without obtaining prior approval of the Parliament.

(Para 4.2.1)

- For augmentation of provisions in existing appropriations under the object head 'subsidy' 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 four cases, across four grants, funds aggregating ₹ 935.52 crore were provided through re-appropriation by the various Ministries/Departments during the financial year 2010-11 for augmenting the provision under 'subsidy' without obtaining prior approval of the Parliament.

(Para 4.2.2)

- The Department of Space and the Department of Atomic Energy made incorrect classification of revenue expenditure as capital expenditure and vice versa. The misclassifications resulted in overstatement of capital expenditure by ₹ 2,066.83 crore in one instance and understatement of capital expenditure by ₹ 604.63 crore in three instances. The overall impact on Government expenditure was an overstatement of capital expenditure of ₹ 1,462.20 crore. Correspondingly, revenue deficit was understated by an equivalent amount of ₹ 1,462.20 crore during the financial year 2010-11.

(Para 4.3.3)

- No lump-sum provision should 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. In four cases, across three grants of civil Ministries/Departments, a total lump-sum supplementary provisions totalling of ₹ 12,400 crore were obtained in the Supplementary Demands for Grants for the year 2010-11.

(Para 4.6)

- For writing off of Government loans above ₹ one lakh, prior approval of the Parliament is required. However, although prior approval of the Parliament was not obtained either through a budgetary provision or by way of a supplementary demand in the financial year 2010-11, loans and interest amounting to ₹582.21 crore, due from the National Projects Construction Corporation Ltd., were written off by the Ministry of Water Resources

(Para 4.9)

Chapter 1

AN OVERVIEW OF UNION FINANCES 2010-2011

The current year 2010-11 witnessed the growth rate of GDP increase to 8.8 *per cent* as compared to eight *per cent* for the previous year. The accounts for the financial year 2010-11 at the macro fiscal level indicate a healthy growth in revenue receipts, made possible primarily on account of a substantial increase in tax receipts after a period of low growth in the previous two years and also due to receipts from auction of spectrum. Revenue receipts increased by 32 *per cent* and stood at ₹ 9,32,686 crore. Increase in non-debt receipts coupled with a reduction in loans and advances given by the Union Government helped reduce the revenue and fiscal deficits. The preponderance of expenditure on grants-in-aid by the Government, both in the case of revenue expenditure and Plan expenditure, the spurt in expenditure on pension from ₹ 24,261 crore in 2007-08 to ₹ 57,405 crore in 2010-11, the very modest sums spent on capital expenditure other than on Defence and Transport characterized expenditure in the year. Plan expenditure revealed that in the 10 largest grants, most of the expenditure entailed release of grants-in-aid. There was also an increase in reliance on transfer of Central Plan assistance directly to States/district level autonomous bodies/implementing agencies, rather than to the State Governments. The time analysis of the expenditure of Civil Ministries revealed that there was lumping of expenditure in the month of March-in the case of non-Plan expenditure 24 *per cent* of the total expenditure was incurred in March, while in the case of Plan expenditure it was 18 *per cent*. Debt and deficit indicators witnessed an improvement in the financial year 2010-11.

1.1 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, while the Appropriation Accounts depict the budget provision, expenditure and the resultant excess/savings under each grant/appropriation.

Box 1.1 : Union Government funds and the Public Account

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

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 also made therefrom.

1.1.1 The year 2010-11 was characterised by a recovery in economic growth as measured by a Gross Domestic Product (GDP)[1] growth of 8.8 *per cent* over the previous year. The major economic concerns during the year included high inflation (mainly due to increase in

[1]As per a press note released by CSO on 31 May 2011, revised estimates of GDP at market prices at 2004-05 prices grew by 8.8 *per cent* over the previous year, while at current prices it grew by 20.2 *per cent*. Revised estimates of GDP have been adopted for purpose of comparability with previous years' reports.

food, fuel, metal and mineral prices) and lower industrial growth (electricity, gas, manufacturing, mining, and water supply). Against this backdrop, this chapter provides an analytical overview of the financial performance of the Union Government based on figures captured in the Finance Accounts. **Table 1.1** summarises the position of the Union Government's receipts, disbursements and borrowings for the year 2010-11.

Table 1.1: Summary of the current year's operations

(₹in crore)

Receipts		Derived Parameters	Disbursements	
Consolidated Fund of India (CFI)				
Revenue Receipts	932686 (704523)	**Revenue Deficit 253429** (352956)	Revenue Expenditure	1186115 (1057479)
Miscellaneous Capital Receipts	22846 (24581)		Capital Expenditure	140671 (100686)
Recovery of Loans	29253 (12733)		Loans and Advances	40641 (16115)
Total Non-Debt Receipts	984785 (741837)	**Fiscal Deficit 382642** (432443)	Actual Expenditure	1367427 (1174280)
Public Debt	3177106 (3405327)		Public Debt	2814774 (3085792)
Total CFI	4161891 (4147164)	**Deficit in CFI 20310** (Deficit 112908)	Total CFI	4182201 (4260072)
Contingency Fund				
Receipts	0		Appropriation	0
Public Account				
Small Savings	403485 (378377)		Small Savings	409615 (342105)
Reserves & Sinking Fund	120833 (101420)		Reserves & Sinking Fund	119886 (114998)
Deposits	105341 (102198)		Deposits	96979 (97849)
Advances	52360 (64855)		Advances	49290 (64006)
Suspense Account	18762 (9247)		Suspense Account	14209 (12022)
Remittances	6141 (4304)		Remittances	5800 (1153)
Total Public Account	706922 (660401)	**Surplus in Public Account 11143** (Surplus 28268)	Total Public Account	695779 (632133)
Opening Cash	10616 (95256)	**Decrease in Cash 9167** (84640)	Closing Cash	1449 (10616)
Public Account Surplus (Demand)		11143	Deficit in (CFI) (-) Decrease in Cash	
Incremental Liabilities (Supply)		365511	Surplus of (Debt+ Small Savings+ RF+ Deposits)	
Incremental Liabilities (Demand)		365511	Fiscal Deficit (-) Decrease in Cash (+) Net Disbursement of (Advances+ Suspense+ Remittances)	

Note: Figures in parenthesis indicate corresponding figures for 2009-10

There was reduction in deficit in the Consolidated Fund of India (CFI) as compared to the previous year. Increase in revenue receipts by 32 *per cent* contributed to a higher

receipts position compared to that of 2009-10. On the disbursement side, a considerable decrease in public debt repayment helped to contain the outgo from the CFI. These transactions are detailed in subsequent paragraphs of this chapter. There was no change in the Contingency Fund. In the case of the Public Account, where Government acts as a banker for public deposits, there was a reduced surplus this year, compared to the huge surplus last year. This was due to a considerable increase in outflows in small savings (20 *per cent*) and a five-fold increase in outward remittances. The closing cash balance was much lower than it was the previous year, which is taken as indicative of better cash management.

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

The main fiscal aggregates for the Union Government as a percentage of GDP and what was outlined by the Thirteenth Finance Commission report is tabulated as under:

Table 1.2 Summary of fiscal consolidation path for the Centre (Thirteenth Finance Commission)

(percentage of GDP)

Parameter	2010-11	2014-15	Actual performance as per Finance Accounts 2010-11
Revenue Deficit	3.2	-0.5	3.22
Non-Debt Capital Receipts	0.5	1.0	0.66
Capital Expenditure	3.0	4.5	1.99[2]
Fiscal Deficit	5.7	3.0	4.86
Debt (end of the year adjustment liabilities)	53.9	44.8	44.85

The non-debt capital receipts as a percentage of GDP exceed the target outlined by the Thirteenth Finance Commission of 0.5 for 2010-11 and approaching to path set for the year 2014-15. Capital expenditure fell considerably short of the targets visualized by the Thirteenth Finance Commission. The revenue deficit for the year 2010-11 is close to the target outlined by the Thirteenth Finance Commission. Debt as a percentage of GDP was contained at 44.85 for 2010-11.

1.2 RESOURCE GENERATION

An analysis of the revenue position (revenue receipts, capital receipts and gross accruals in the Public Account) indicates the following:

[2] For purposes of comparison, the actual capital expenditure in the Table conforms with the basis set out by Twelfth Finance Commission.

1.2.1 Revenue Receipts:

The year was characterised by a 32.5 *per cent* growth in gross revenue receipts (compared to the very low growth of 1.6 *per cent* in 2008-09 and 6.8 *per cent* in 2009-10). Due to a negative seven *per cent* growth in debt receipts, the share of gross revenue receipts in the total receipts increased from 17.5 *per cent* in the previous year to 22.6 *per cent* in the current year, indicating a fall in the dependence on debt to balance the budget.

Table 1.3: Share of receipts in GDP

(₹ in crore)

Year	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)	Net Debt Receipts @ (5)	Net Receipts from Treasury Bills (6)	Net Public Account Accruals (7)	Net Receipts (1+2+5+ 6+7)	Gross Receipts/ GDP @@ (8)	Net Receipts /GDP @@ (9)
2007-08	801226	49187	1868102	460981	3179496	633418	29154	35721	1548706	64	31
2008-09	814026	14075	2395765	584478	3808344	671488	30033	68862	1598484	68	29
2009-10	869355	37314	3405327	660401	4972397	882979	-2995	28268	1814921	76	28
2010-11	1151989	52099	3177106	706922	5088116	855104	7432	11143	2077767	65	26

**Includes figures of taxes and duties assigned to States (₹2,19,303 crore for 2010-11)*
@These are gross debt receipts net of receipts from treasury bills and Ways and Means Advances from RBI.

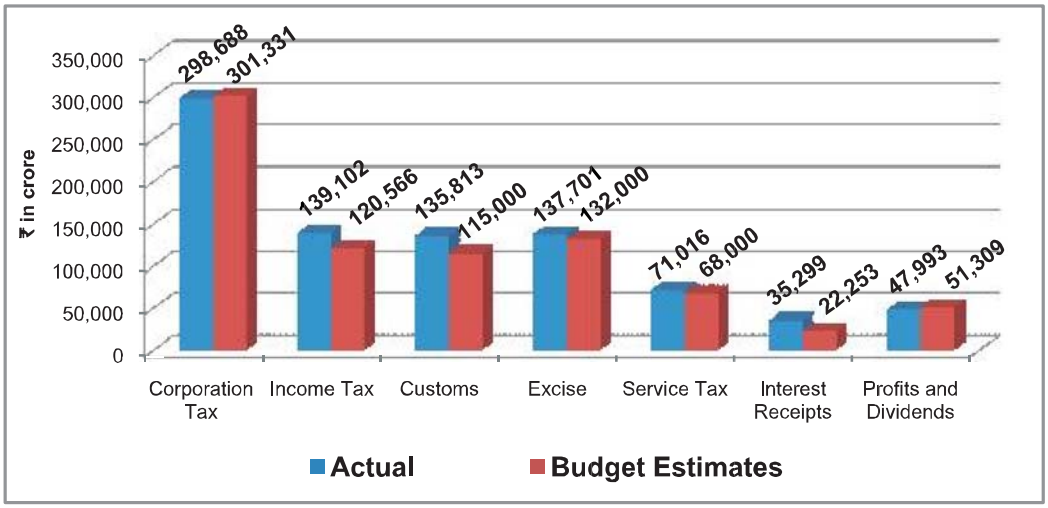
@@The Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation Bureau Press Note dated 31 May, 2011 has indicated that the Revised Estimate figures for GDP at current prices/Market prices for the year 2010-11 is ₹78,75,627crore. The related figures for the years 2007-08, 2008-09 and 2009-10 are ₹49,47,857 crore, ₹55,82,623 crore and ₹ 65,50,271 respectively. Figures are continually being revised by CSO and this data is meant for an indicative comparison of fiscal performance with macro-economic performance.

Table 1.3 indicates that while gross receipts as a percentage of GDP presents a healthy picture, when effective or net receipts are considered, the share of receipts as a *per cent* of GDP ratio is only 26 and has been falling steadily since the beginning of the Eleventh Plan period.

1.2.2 Gap between Budget Estimates and Finance Accounts of key revenue related parameters

Formulating realistic budgetary estimates is vital for expenditure control and cash and debt management. **Chart 1.1** indicates that all taxes except corporation tax exceeded the budget projections. Receipts under income tax and customs exceeded budget estimates by 15 and 18 *per cent* respectively. Interest receipts also exceeded budget estimates by 59 *per cent*.

Chart 1.1 Deviation of actual receipts from Budget estimates



1.2.3 Tax revenue

Table 1.4: Components of tax revenue (gross)

(₹ in crore)

Period	Total Gross Tax Revenue#	Corpo-ration Tax	Income Tax	Customs Duties	Excise Duties	Service Tax*	Others**
X Plan (2002-07) Average	323047	87602	51720	60497	100210	17373	5645
XI Plan (2007-12)							
2007-08	593147	192911	102659	104119	123611	51302	18545
2008-09	605298	213395	106075	99879	108613	60941	16395
2009-10	624528	244725	122417	83324	102991	58422	12649
2010-11	793308	298688	139102	135813	137701	71016	10988
Average Annual Rate of Growth (*per cent*)							
X Plan (2002-07)	21.31	31.59	18.83	17.36	9.60	73.21	68.93
XI Plan (2007-12)							
2007-08	25.27	33.67	36.71	20.61	5.10	36.45	47.62
2008-09	2.05	10.62	3.33	(-)4.07	(-)12.13	18.79	(-)11.59
2009-10	3.18	14.68	15.41	(-)16.58	(-)5.18	(-)4.13	(-)22.85
2010-11	27.03	22.05	13.63	62.99	33.70	21.56	(-)13.13

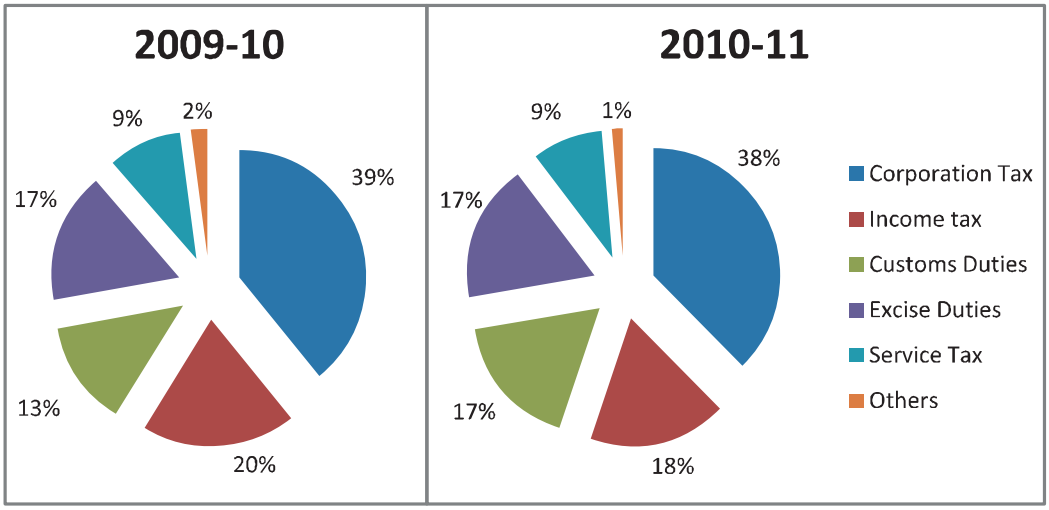
** Service tax was introduced in 1994-95*
Includes figures of taxes/duties assigned to States/UTs.
*** Other taxes include Hotel Receipts Tax, Interest Tax, Wealth Tax, Gift Tax, Fringe Benefit Tax, Securities Transactions Tax, Banking Cash Transaction Tax etc.*

While the overall tax revenue grew by 27 *per cent* in the current year, there was significant growth in indirect taxes. Customs duties grew by 63 *per cent* and excise

duties grew by over 34 *per cent,* reversing the negative growth trend of these taxes in the last two years. This, coupled with the high growth of corporation tax (22 *per cent*) and service tax (22 *per cent*), indicated a recovery in the business environment in the country. The gross tax revenue was buoyant. The growth of gross taxes was higher than the growth of GDP for the current year once again, indicating a reversal of the trend in the past two years of the economic slowdown.

It is evident from **Chart 1.2** below that during the years 2009-10 and 2010-11, corporation tax contributed the most towards the collection of tax revenue, with its share of total tax revenue remaining steady over the last two years. Share of customs duties with respect to the previous year recorded a significant growth, while the share of income tax as a percentage of total tax revenue witnessed a significant decline.

Chart 1.2: Components of tax revenue



1.2.4 Non-tax revenue

Table 1.5 shows that during the year 2010-11, the largest share of non-tax revenue (69 *per cent*) comes from user charges levied by various departments, which offer economic services to the general public. Interest receipts constituted 10 *per cent* of non-tax revenue, while dividends and profits accounted for around 14 *per cent*. There was considerable growth in non-tax revenue in the current year (46 *per cent*), mainly because of a phenomenal growth in tolls and revenue sharing agreements from roads and bridges (1697 *per cent* growth), from other communication services (659 *per cent* growth) and power sector receipts (13 *per cent* growth). There was negative growth in dividends and profits this year. This was mainly because the share of surplus profits from Reserve Bank of India showed a negative growth of 25 *per cent* compared to last year. Contributions from Railways and the share of profits from

nationalised banks showed a negative growth of 11 *per cent* and 16 *per cent* respectively when compared with those of the previous year.

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**
X Plan (2002-07) Average	154419	37023	24018	687	77953	14738
Relative share *(per cent)*	100	24	16	Negligible	50	10
XI Plan (2007-12)						
2007-08	208079	34612	34500	742	120998	17227
Relative share *(per cent)*	100	17	17	Negligible	58	8
2008-09	208728	30846	38608	540	118146	20588
Relative share *(per r cent)*	100	15	19	Negligible	57	10
2009-10	244827	35849	50250	713	133038	24977
Relative share *(per cent)*	100	15	21	Negligible	54	10
2010-11	358681	35299	47993	814	248252	26323
Relative share *(per cent)*	100.00	10	14	Negligible	69	7
Average Annual Rate of Growth						
X Plan (2002-07)	4.86	(-) 13.56	8.65	16.07	13.07	5.59
XI Plan (2007-12)						
2007-08	20.83	30.35	17.71	58.89	20.44	11.75
2008-09	0.31	(-)10.88	11.91	(-)27.22	(-)2.36	19.51
2009-10	17.29	16.22	30.15	32.04	12.60	21.32
2010-11	46.50	(-)1.53	(-)4.49	14.17	86.60	5.39

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 Public Sector Enterprises and Government departments like Railways, Posts, Shipping etc.

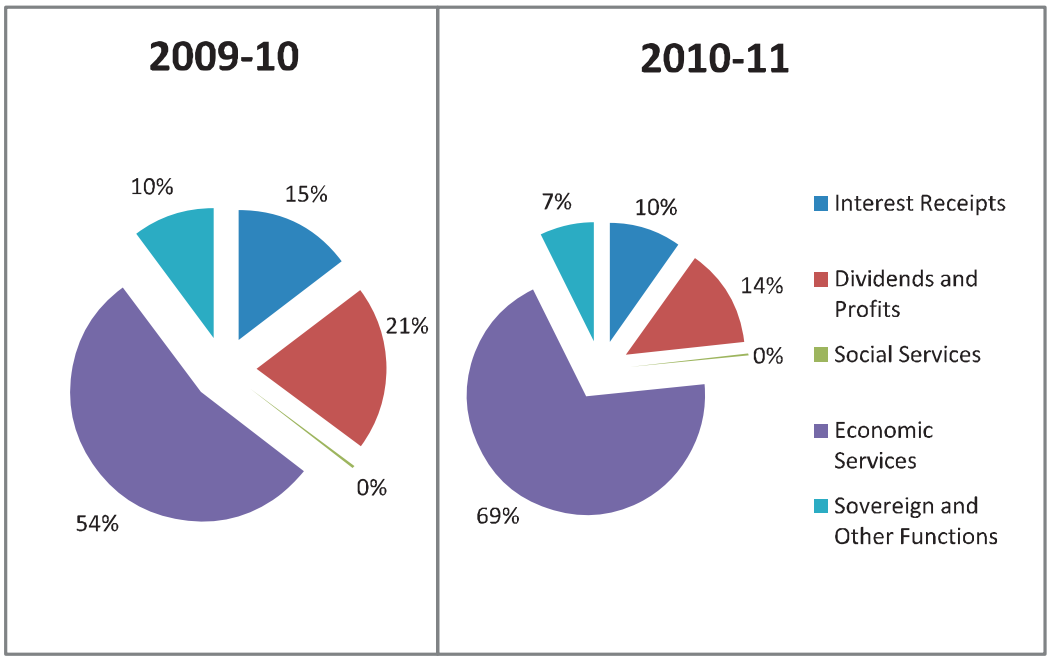
***** Fiscal services and other General Services (Police, Public Works, Stationery and Printing etc.)***

The increase in revenue on account of roads and bridges is mainly on account of tolls on roads levied in 2010-11 totalling ₹ 2,214 crore. These tolls were not levied during the earlier years.

The increase in revenue on account of other communication services is mainly on account of increase in the receipts of the Wireless and Planning Co-ordination Organisation from ₹ 3,810 crore in 2009-10 to ₹ 109,698 crore in 2010-11.

It is evident from **Chart 1.3** that during the years 2009-10 and 2010-11, receipts on economic services constituted a major chunk of non-tax revenue. The drastic increase in the share of non-tax receipts from economic services is on account of the auction of spectrum during 2010-11 and is to that extent, one-off in nature.

Chart 1.3: Components of non-tax revenue



1.2.5 Non-debt capital receipts

Non-debt capital receipts consist of miscellaneous capital receipts (disinvestment) and recovery of loans and advances. **Table 1.6** gives the details of non-debt capital receipts from disinvestment and recovery of loans and advances given by the Union Government to State and Union Territory Governments, Foreign Governments, Government corporations, non-government institutions and government servants. This table also indicates that but for the year 2008-09, actual realisation of the proceeds from disinvestment far exceeded the budget estimates. In the first four years of the Eleventh Plan, actual recovery of loans and advances far exceeded the budget estimates.

Table 1.6: Realisation from disinvestment and recovery of loans during the Eleventh Plan Period

Period	Disinvestment			Recovery of Loans		
	Budget Estimates	Actual Realisation	Percentage of Realisation	Budget Estimates	Actual Realisation	Percentage of Realisation
	(₹ in crore)			*(₹ in crore)*		
2007-08	1651	4387	265.72	3030	10391	342.94
2008-09	1165	22	1.89	5993	13509	225.41
2009-10	1120	23599	2107.05	5720	12733	222.61
2010-11	40000	22277*	55.69	6624	29253	441.62

Does not include receipts from bonus shares and other receipts aggregating ₹569 crore.

The break-up of disinvestment proceeds received during the year is given in **Table 1.7.**

Table 1.7: Disinvestment proceeds from sale of minority shareholdings in Central Public Sector Enterprises (CPSE) during 2010-11

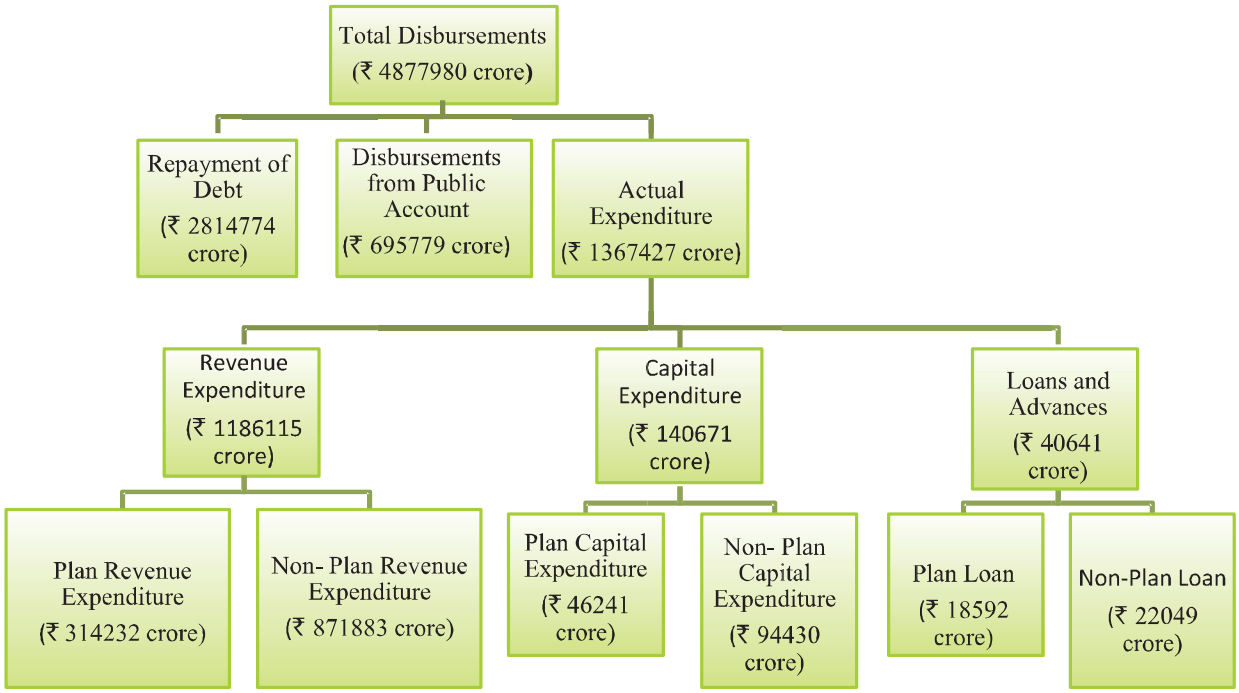
(₹ in crore)

S. No.	Name of CPSE	Value of realisation[3]
1.	Coal India Limited	15199.44
2.	Engineer India Limited	959.65
3.	Manganese Ore India Limited	618.76
4.	Power Grid Corporation of India Limited	3721.17
5.	Shipping Corporation of India	582.45
6.	Satluj Jal Vidyut Nigam Limited	1062.74
7.	Krishak Bharti Co-operative	116.79
8.	Jessop & Company Limited	15.54
	Total	**22276.54**

1.3 EXPENDITURE ANALYSIS

The aggregated disbursement of the Government of India from the Consolidated Fund of India and the Public Account was of the order of ₹ 48,77,980 crore. As depicted in **Box 1.2,** aggregate disbursement has three major components. Repayment of debt is the largest component of the total disbursements, accounting for 58 *per cent* of the total disbursements.

Box1.2: Components of Total Disbursements

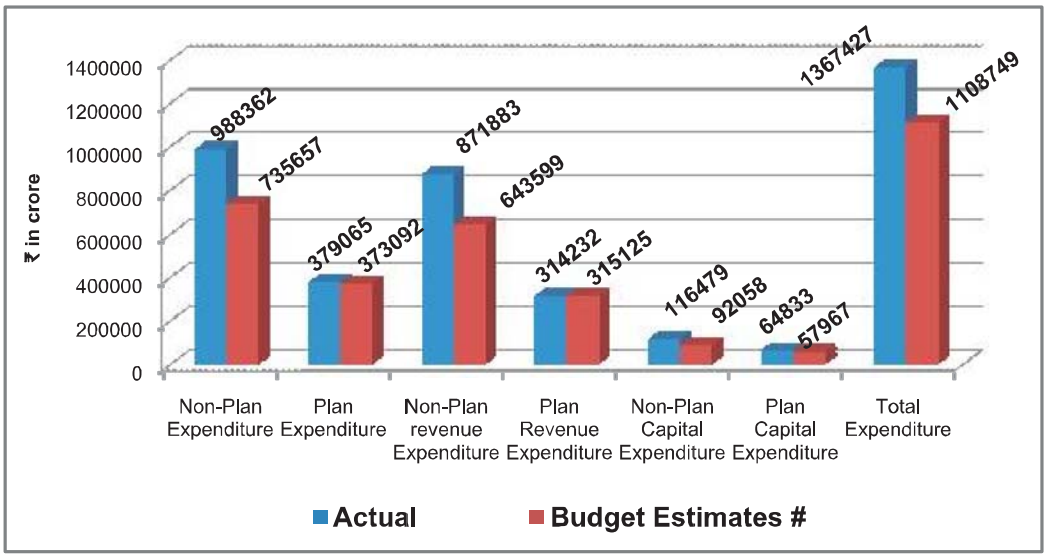


[3]As per information furnished by Controller General of Accounts and Union Finance Accounts 2010-11

In 2010-11, the total disbursements of the Government decreased by less than one *per cent*. In the current year, the Union Government disbursed 58 *per cent* of its expenditure in the form of debt repayments, 14 *per cent* towards payments in the Public Account and was left with just 28 *per cent* for current expenditure[4]. High debt repayment obligations resulted in less proportion of total expenditure being available for current operations.

As indicated in **Chart 1.4,** the total expenditure (excluding repayment of debt) increased by 23 *per cent* over the budget estimates, because non-Plan revenue expenditure increased by 35 *per cent* and non-Plan capital expenditure by nearly 27 *per cent*.

Chart 1.4: Comparison of Budget estimates (as per 'Budget at a Glance') and Finance Accounts 2010-11 on key expenditure parameters

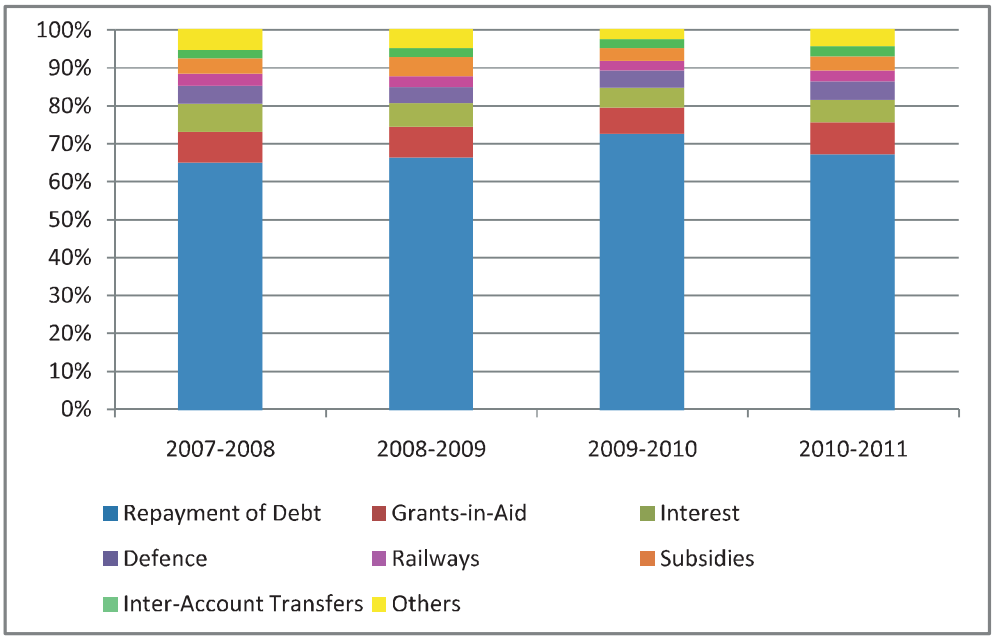


#As per 'Budget at a Glance'.
Note: Plan and non-Plan capital expenditure include disbursement of loans and advances

Chart No 1.5 shows that the bulk of expenditure from the CFI is for the repayment of public debt. In 2010-11, over 65 *per cent* of the total expenditure from the CFI was towards repayment of public debt. Grants-in-aid (including grants for creation of capital assets), which stood at about 6.5 *per cent* of the Government's expenditure in 2009-10 increased sharply by 21 *per cent* and constituted eight *per cent* of the Government's expenditure in 2010-11.

[4] During the Tenth Plan period, the Union Government had on an average, 33 *per cent* of the total expenditure available for current expenditure.

Chart 1.5: Break-up of expenditure from the Consolidated Fund of India



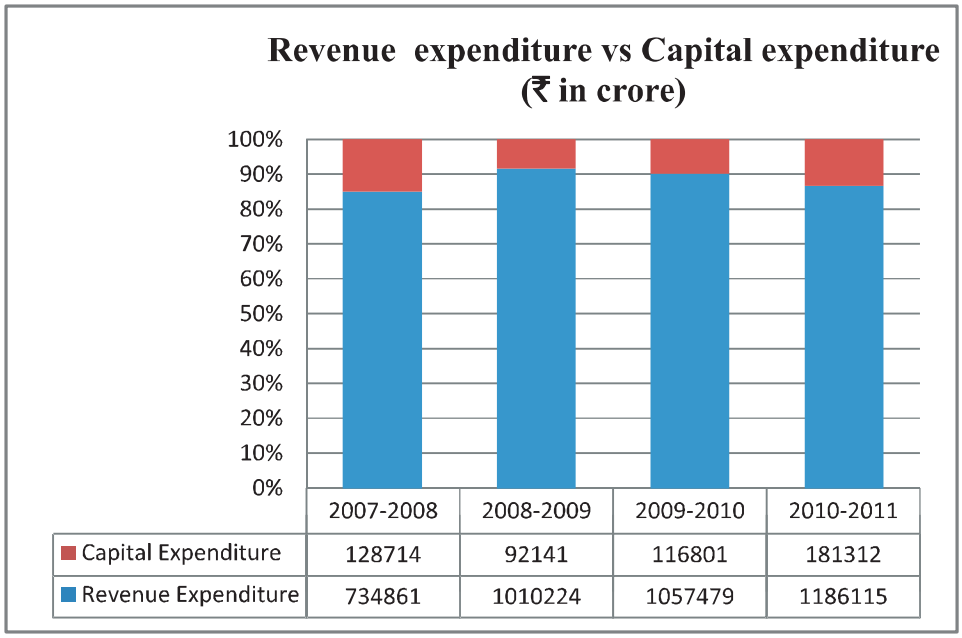
Note: Data extracted from' e-lekha' portal. Does not include journal entries[5]

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 Governments' 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 shares, and loans and advances given by the Government. **Chart 1.6** shows the dominance of revenue expenditure over capital expenditure.

[5]e-lekha is the core accounting IT solution used by the Controller General of Accounts. Journal entries refer to accounting adjustments carried out after the close of accounts, but before the finalization of accounts.

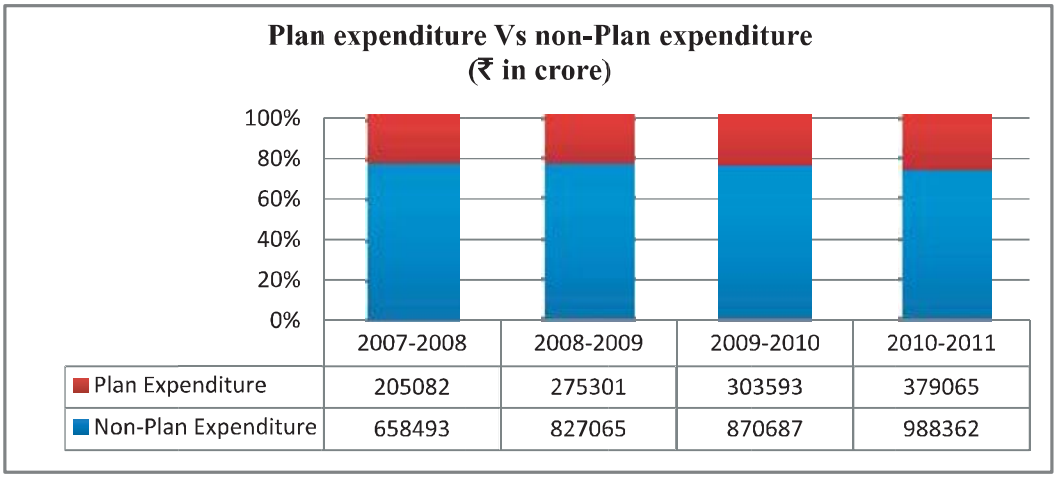
Chart 1.6: Comparison of revenue expenditure with capital expenditure



1.3.2 Plan and non-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 1.7** shows the break-up of the Government's Plan and non-Plan expenditure. In 2010-11, Plan expenditure as a proportion of actual expenditure increased from 25 *per cent* in 2009-10 to over 27 *per cent*. This was mainly due to a sharp 22 *per cent* increase in the expenditure on grants-in-aid (including grants-in-aid for capital creation).

Chart 1.7: Analysis of Plan expenditure and non-Plan expenditure



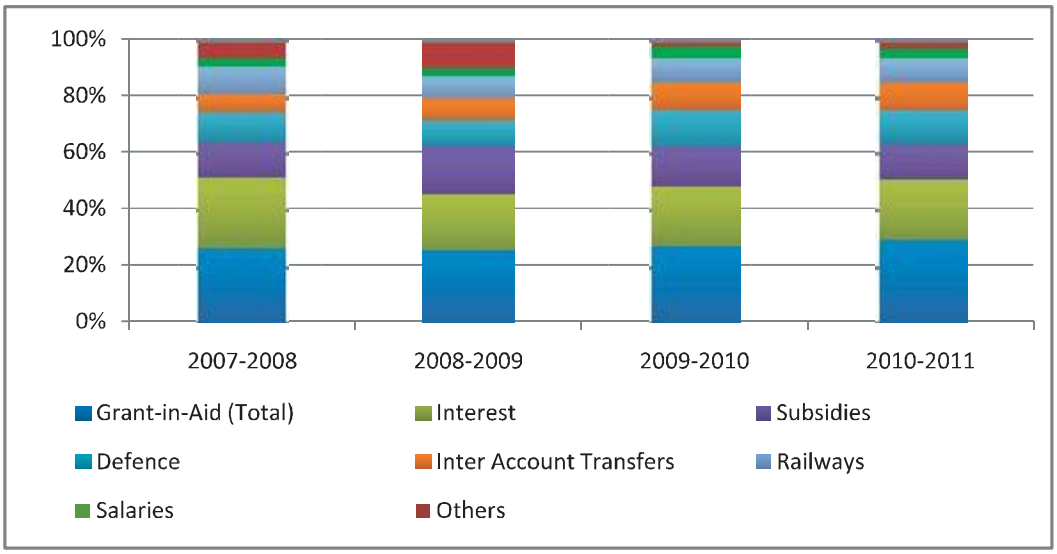
	2007-2008	2008-2009	2009-2010	2010-2011
Plan Expenditure	205082	275301	303593	379065
Non-Plan Expenditure	658493	827065	870687	988362

1.3.3 Analysis of Revenue expenditure

(a) Preponderance of Revenue expenditure

The 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 2010-11 was ₹ 11,86,115 crore. As shown in **Chart 1.8** below, grants-in-aid and subsidies have consistently shown a growth trend during th period 2007-11.

Chart 1.8: Main components of revenue expenditure



Note: Data extracted from 'e-lekha' portal. Does not include journal entries

During the Tenth Plan period, the average share of revenue expenditure to actual expenditure was around 87 *per cent*. The share of revenue expenditure increased to a high of around 92 *per cent* of expenditure in 2008-09, after which there was a gradual reduction to around 90 *per cent* in 2009-10 and around 87 *per cent* in the current year.

Committed and obligatory expenditure such as interest payments, pensions, salaries and defence-related expenditure take up a major share of revenue expenditure. During the Eleventh Plan period, interest payments grew at more than double the rate of growth during the Tenth Plan period, indicating greater reliance on debt to finance the budget. There was some moderation in the growth of interest payments in the current year (nine *per cent* compared to around 11.5 *per cent* in the previous two years). The Sixth Pay Commission award resulted in considerable growth in pay and allowances in 2008-09 (62 *per cent*) and in 2009-10 (38 *per cent*). However, in the current year, growth under this head was less than one *per cent*. Pension payments also had witnessed considerable growth in the past two years but the growth in the current year was of the order of one *per cent*. Defence expenditure, which accounts for around eight *per cent* of revenue expenditure, grew by two *per cent* in the current year.

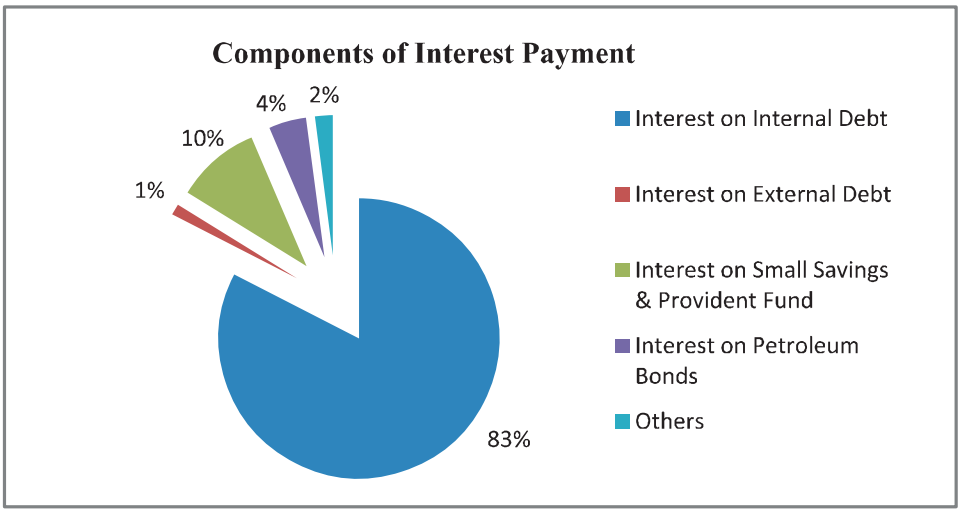
(b) Major components of Revenue expenditure

Grants-in-aid: Grants-in-aid both general and for capital creation are grants paid to State/Union Territory Governments, Foreign Governments or to bodies/authorities/ entities outside the Consolidated Fund of India. Grants are to be utilised for the purpose for which they are sanctioned, with the remaining unutilised amounts to be surrendered or adjusted in the future in case of recurring grants. In the context of new models of public delivery, grants-in-aid have come to assume a role of centrality. **Chart 1.8** indicates the grants-in-aid as the most significant component of revenue expenditure for civil ministries. The proportion of grants-in-aid to revenue expenditure stood at 27 *per cent* in 2007-08, which increased further to 30 *per cent* in the current year.

Interest Payments: As per **Chart 1.8,** 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 and interest payment on borrowings under market stabilisation scheme. The proportion of interest payments to revenue expenditure stood at 24.5 *per cent* in 2007-08, which declined to 20 *per cent* in the current year.

As shown in **Chart 1.9**, interest payments on account of internal debt accounts for 83 *per cent* of the total interest payments.

Chart 1.9: Main components of interest expenditure



Subsidies: Subsidies connote an 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 1.8** presents a picture of the subsidies, which the Government provided explicitly during the Tenth Plan period and the first four years of the Eleventh Plan period. Total subsidies grew by 37 *per cent* in the current year over 2010-11.

Table 1.8: Explicit Subsidies in the Union Government Budget

(₹in crore)

Period	Food	Fertilisers@	Fertilisers#	Petroleum Subsidy**	Others*	Total subsidies	Subsidies (A)	Subsidies (B)
Average Annual Values								
X Plan (2002-07)	23941^^	10969	5717	3971	2596	47194	1.42	9.42
XI Plan (2007-12)								
2007-08	31328	19556^	12934	2820	4288	70926	1.43	9.65
2008-09	43751	28048^	48555	2852	6502	129708	2.33	12.84
2009-10	58443	22184	39452	2951	6692	129722	1.98	12.27
2010-11	63844	24337	41500	38371	9695	177747	2.26	14.99

@ 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,*
***Does not include petroleum bonds for ₹20,554 crore, ₹75,942 crore and ₹10,306 crore issued during 2007-08, 2008-09 and 2009-10 respectively, to oil companies in settlement of their claims under the Administered Price Mechanism and towards compensation for under-recoveries on account of sale of sensitive petroleum products. Does not include expenditure of ₹12,000 crore during 2009-10 towards compensation for under-recoveries on account of sale of sensitive petroleum products.*
^Does not include the Special Bonds for ₹7,500 crore (₹3,500 crore for urea and ₹4,000 crore for decontrolled fertilisers) and ₹20,000 crore (₹3,000 crore for urea and ₹17,000 crore for decontrolled fertilisers) issued during 2007-08 and 2008-09, respectively, to fertiliser companies as compensation towards fertiliser subsidy.
(A) As a percentage of GDP *(B) As a percentage of Revenue expenditure*

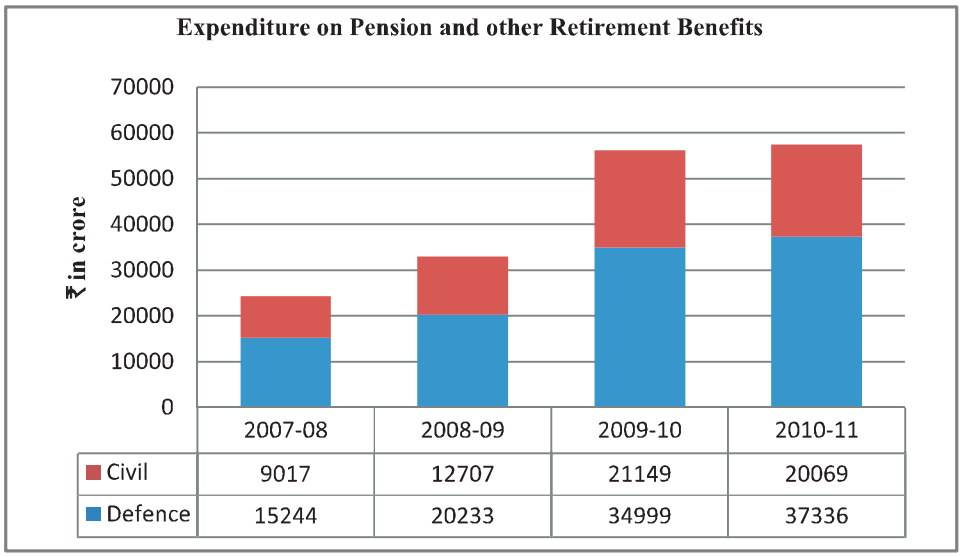
The reasons for the large increase in petroleum subsidies (₹ 35,420 crore) in 2010-11 is mainly attributable to (i) non-reckoning of subsidies of ₹ 12,000 crore in 2009-10 towards compensation for under-recoveries on account of sale of domestic LPG and kerosene (PDS) operations and increase by ₹ 12,694 crore in the current year towards the same purpose.

Total subsidies as a percentage of GDP was 2.26 percentage points in the current year as against 1.98 percentage points in 2009-10. Subsidies as a percentage of revenue expenditure increased by almost three percentage points in the current year over 2009-10.

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 its investment in PSUs and inadequate recovery of user charges from the social and economic services that are provided by the Government fall in the category of implicit subsidies. Subsidies presented in **Table 1.8** pertain to 'explicit subsidies' only, for which allocations are made in Union Budgets of the respective years. These trends, therefore, present a partial picture as these are exclusive of the extra-budgetary liabilities created by the Union Government by issuing special bonds/securities to the concerned companies as compensation for under-recoveries of their products due to price control imposed by the Government in public interest. If these extra-budgetary liabilities are also treated as subsidies, the Union Government expenditure on subsidies would increase steeply and would more accurately represent the actual expenditure being incurred on subsidies.

Pension Payments: Expenditure on pensions and other retirement benefits increased from ₹ 24,261 crore in 2007-08 to ₹ 57,405 crore, registering a growth of 137 *per cent* in the four years. **Chart 1.10** shows the position for the period 2007-11. In the case of Defence pensions, during the four years under consideration, pension payments increased by 145 *per cent* and stood at ₹ 37,336 crore, which was 65 *per cent* of the total pension payments made by the Union Government. In the case of civil pensions, the rate of growth was 123 *per cent* during 2007-11.

Chart 1.10: Expenditure on Pensions and other Retirement Benefits for the period 2007-11



Defence Expenditure: The Defence sector revenue expenditure includes expenditure of the Army, Navy, Air Force, Ordnance Factories and the Ministry of Defence. In 2010-11, it stood at 12 *per cent* of the total revenue expenditure of the Central Government.

1.3.4 Analysis of Capital expenditure

Capital expenditure (including loans and advances), which is indicative of expenditure on asset creation, increased by ₹ 64,511 crore (55 *per cent*) over the previous year and stood at ₹ 1,81,312 crore in 2010-11. **Table 1.9** shows the departments/grants, which have witnessed large increases in capital expenditure.

Table 1.9: Cases of large increases in capital expenditure

(₹ in crore)

Sl. No.	Grant	2009-10	2010-11	Growth (Percentage)
1.	27 Capital Outlay on Defence Services	51112	62056	21
2.	32 Department of Economic Affairs	4619	10726	132
3.	33 Department of Financial Services	3266	22551	590

As is evident from the table above, increase in defence capital expenditure and investment in general financial and trading institutions by the Ministry of Finance was largely responsible for the spurt in capital expenditure during 2010-11.

Chart 1.11: Allocation of Capital Expenditure – Major Sectors (Percentage)

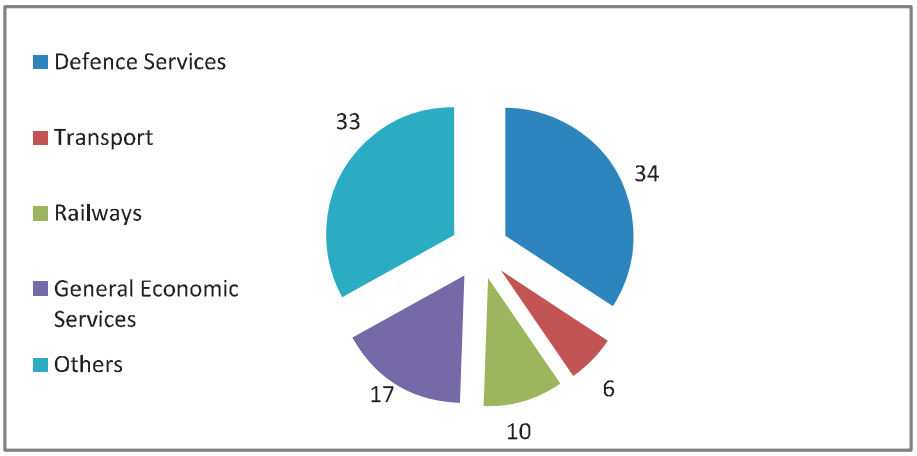


Chart 1.11 indicates that Defence Services, Transport, Railways and General economic services accounted for 67 *per cent* of the capital expenditure in the current year.

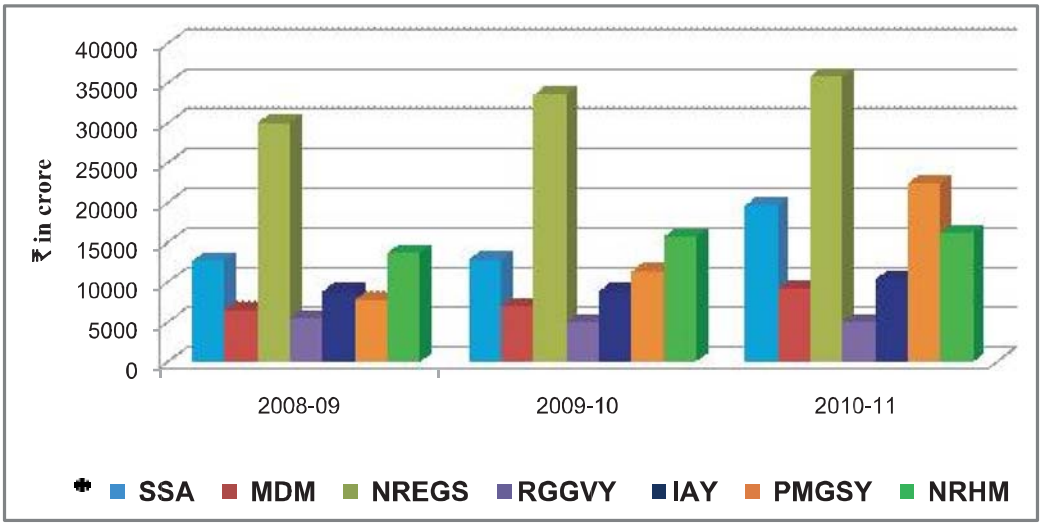
1.3.5 Analysis of Plan expenditure

The total Plan expenditure of the Union in 2007-08 was ₹ 2,05,082 crore, which increased to ₹ 3,03,593 crore during 2009-10. This further increased to ₹ 3,79,065 crore during 2010-11, being 27.27 *per cent* of the actual expenditure. The top 10 grants by expenditure, accounted for 75.4 *per cent* of the total Plan expenditure.

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 1.12** shows the actual expenditure on major flagship programmes during the period 2008-11.

Chart 1.12: Actual expenditure on major flagship programmes during the Eleventh Plan



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

The total expenditure on the seven flagship schemes shown above has increased from ₹ 83,849 crore in 2008-09 to ₹ 94,105 crore in 2009-10 and to ₹ 1,18,571 crore in 2010-11. It can be seen from **Chart 1.13** and from **Table 1.10** below that the PMGSY and SSA recorded the highest growth of 98 *per cent* and 53 *per cent* over the previous year in 2010-11.

Table 1.10: Major Flagship Programmes of the Government in the past three years- Actual expenditure versus Budget Estimates

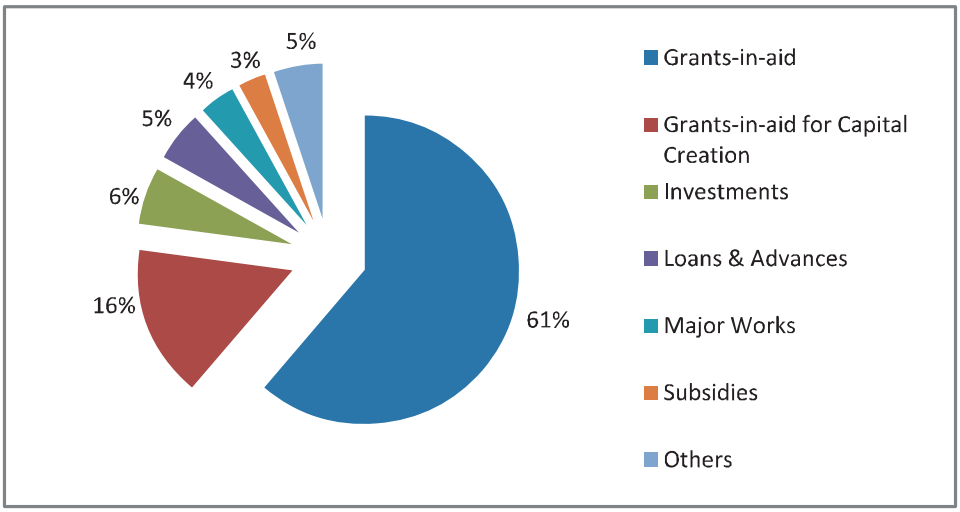
(₹ in crore)

Sl. No.	Programme	2008-09			2009-10			2010-11		
		BE	Actuals	Variation over BE (Percentage)	BE	Actuals	Variation over BE (Percentage)	BE	Actuals	Variation over BE (Percentage)
1	SSA	13100	12643	(-) 3.5	13100	12825	(-)2.10	15000	19637	30.9
2	MDM	8000	6531	(-) 18.4	8000	6932	(-)13.4	9440	9118	(-)3.4
3	NREGS	16000	29999	87.5	39100	33538	(-)14.2	40100	35841	(-)10.6
4	RGGVY	5055	5500	8.8	6300	5000	(-)20.64	5500	5000	(-)9.1
5	IAY	5400	8799	62.9	8800	8800	-	10000	10337	3.4
6	PMGSY	7530	7780	3.32	12000	11340	(-)5.5	12000	22400	86.7
7	NRHM	13838	12597	(-) 9.0	15534	15670	0.9	17138	16238	(-) 5.3

1.3.7 Major Components of Plan expenditure[6]

As can be seen from **Chart 1.13**, grants-in-aid, investments, loans and subsidies account for 95 *per cent* of Plan expenditure. Grants-in-aid during 2010-11 constituted 77 *per cent* of the total Plan expenditure in the case of civil ministries. Capital related Plan expenditure was as low as 15 *per cent* of the total Plan expenditure. Ministry-wise/grant-wise components of Plan expenditure are shown in **Appendix I-A.**

Chart 1.13: Components of Plan expenditure

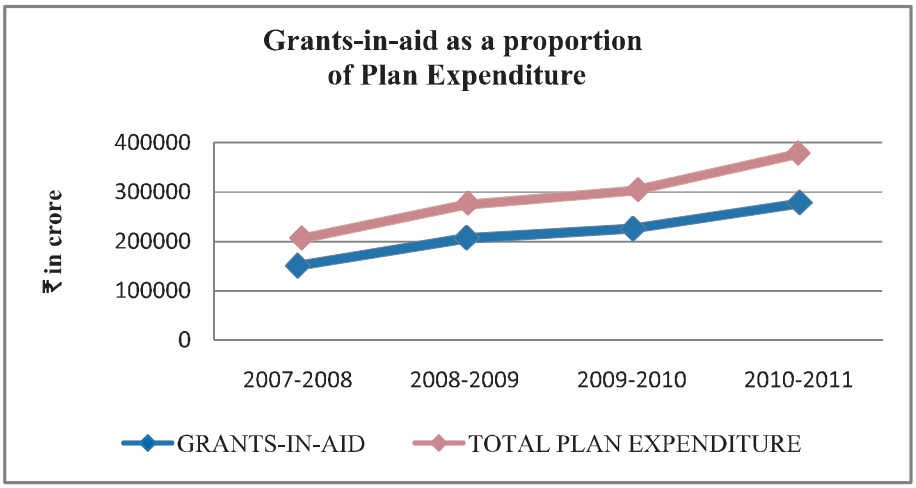


Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Posts, Telecommunications and Railways). Does not include journal entries. Excludes inter-account transfer and deduct recoveries

Chart No 1.14 shows grants-in-aid (including grants-in-aid for capital creation) as a proportion of the total Plan expenditure during the last four years. Grants-in-aid ranged between 77 and 79 *per cent* of the total Plan expenditure.

[6]Excluding grants pertaining to Posts, Telecommunication and Railways

Chart 1.14: Grants-in-aid (including grants-in-aid for capital creation) as a proportion of total Plan expenditure

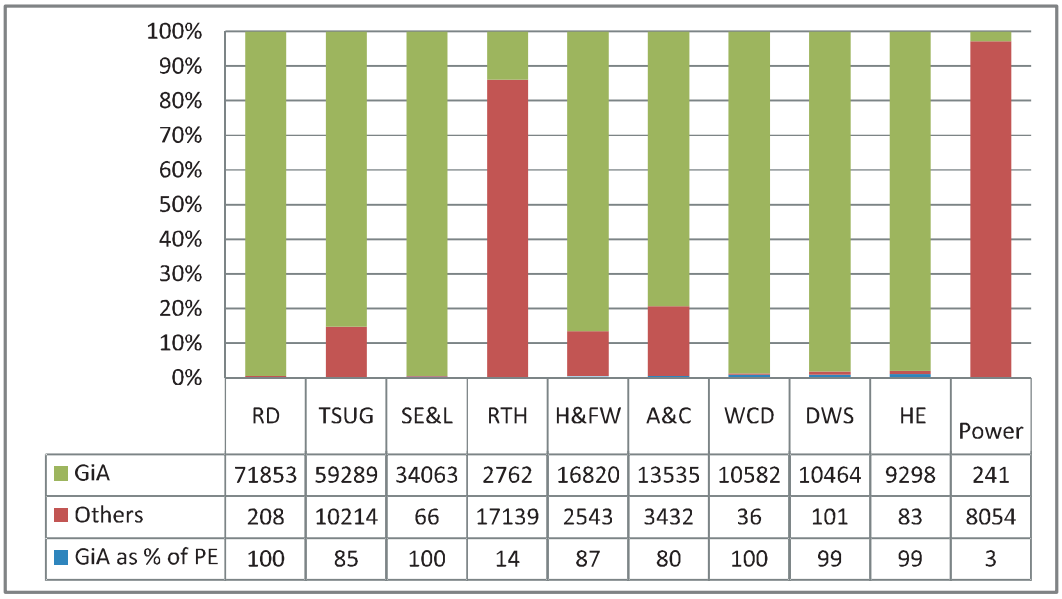


Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Posts, Telecommunications and Railways). Does not include journal entries.

1.3.8 Proportion of grants-in-aid in Plan expenditure in key Ministries

Chart 1.15 below shows the proportion of grants-in-aid within Plan expenditure for the 10 Ministries/Departments with the largest Plan expenditure in 2010-11.

Chart 1.15: Grants-in-aid (including grants-in-aid for capital creation) as a proportion of total Plan expenditure in key Ministries/Departments



	RD	TSUG	SE&L	RTH	H&FW	A&C	WCD	DWS	HE	Power
GiA	71853	59289	34063	2762	16820	13535	10582	10464	9298	241
Others	208	10214	66	17139	2543	3432	36	101	83	8054
GiA as % of PE	100	85	100	14	87	80	100	99	99	3

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, DWS = Drinking Water Supply, HE = Higher Education

Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Posts, Telecommunications and Railways). Does not include journal entries.

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

1.3.9 Mode of delivery of Central Plan assistance to State/District level autonomous bodies/implementing agencies

Table 1.11 below indicates that the proportion of direct transfer of Central Plan assistance to total Plan expenditure has steadily increased from 26.71 *per cent* in 2007-08 to 32.24 *per cent* in 2010-11.

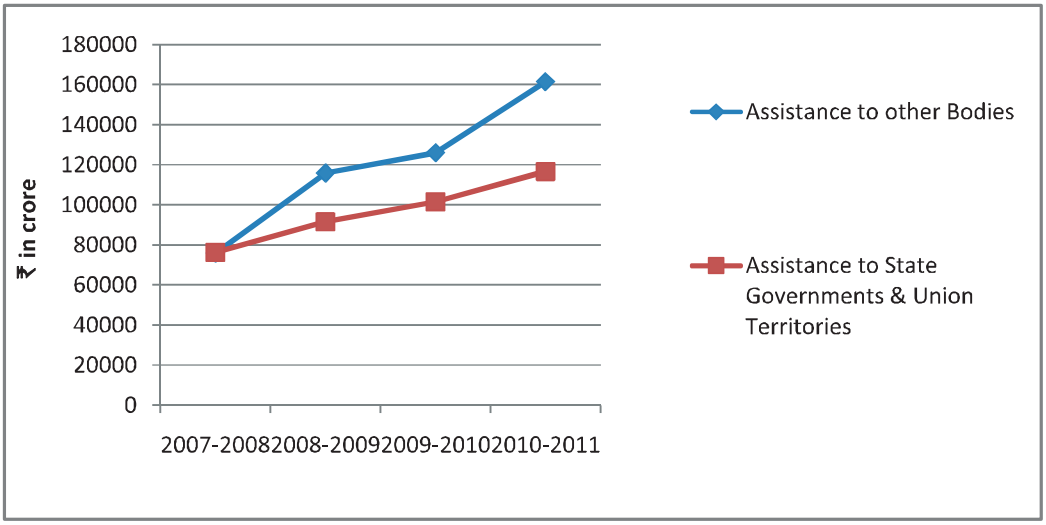
Table 1.11: Direct transfer of Central Plan assistance to State/District level autonomous bodies/implementing agencies

(₹ *in crore*)

Year	Amount of Direct Transfer (As in Expenditure Budget, Vol. I, Statement No.18)	Total Plan Expenditure	Percentage of Col. 2 to Col. 3
(1)	(2)	(3)	(4)
2007-08	54776	205082	26.71
2008-09	83224	275301	30.23
2009-10	90521	303593	29.82
2010-11	122198 (RE)	379065	32.24

Direct transfers vis-a-vis transfer through State Government: If the proportion of direct transfers is seen against the total amount of Plan grants-in-aid given by the Central Government, then in 2010-11, direct transfers stood at 58 *per cent* of the total Plan grants-in-aid. This is depicted in the chart **(Chart 1.16)** below. It is evident that transfers to bodies/authorities have become the more preferred method of resource transfer, compared to disbursement of grants to State Governments.

Chart 1.16 Proportion of direct transfers vs. transfers to States & Union Territories



Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Posts, Telecommunications and Railways). Does not include journal entries.

As seen from the chart above, the share of direct transfers in grants-in-aid has increased from 50 to 58 *per cent* in the last four years. A major concern repeatedly brought out by the Comptroller and Auditor General is that accounts of funds utilized by implementing agencies are not readily available and there is a need to ascertain whether there are unspent funds lying with these agencies. This issue has also been addressed in detail in Chapter-2.

1.3.10 Sectoral analysis of expenditure

Another way of analysing the overall expenditure of the Government could be in terms of expenditure of sectors viz. General Services, Social Services and Economic Services. **Table 1.12** shows the breakup of expenditure between these three services, as is evident from the table, expenditure on General and Economic Services was much larger than that on Social Services.

Table 1.12: Expenditure under various Services

(₹ in crore)

Period	General Services	Social Services	Economic Services
	(Revenue and Capital*)		
X Plan (2002-07)	259142	32634	192841
XI Plan (2007-12)			
2007-08	341459	63246	337115
2008-09	405086	90288	466578
2009-10	488154	103895	423181
2010-11	525494	125934	515607

General Services: It is evident from **Table 1.12** that the total expenditure of the Union Government on General Services, which includes administration and Defence, has increased from an average of ₹ 2,59,142 crore in the Tenth Plan period to ₹ 4,88,154 crore during 2009-10. In the current year, the expenditure was ₹ 5,25,494 crore. The increase in expenditure in 2010-11 over the previous year was mainly on account of substantial incremental expenditure in pension and other retirement benefits (₹ 1,257 crore), police (₹ 1,369 crore), Defence Services-Army (₹ 2,259 crore) and interest payments (₹ 20,923 crore).

Social Services: Expenditure of the Union Government on Social Services has increased from an average of ₹ 32,634 crore in the Tenth Plan period to ₹ 1,03,895 crore during 2009-10. In the current year, the expenditure was ₹ 1,25,934 crore.

Table 1.13: Expenditure (revenue and capital) on key sectors in Social Services

(₹ in crore)

Period	Education	Health
X Plan (2002-07)	14970	5379
XI Plan (2007-12)		
2007-08	25606	10938
2008-09	36499	14004
2009-10	41050	16260
2010-11	51382	19036
Average Annual Growth Rate *(per cent)*		
X Plan (2002-07)	23.90	28.92
XI Plan (2007-12)		
2007-08	10.37	28.53
2008-09	42.54	28.03
2009-10	12.47	16.11
2010-11	25.17	17.07

Table 1.13 above shows that within Social Services, the expenditure on the education sector saw a large increase from an average of ₹ 14,970 crore in the Tenth Plan period to ₹ 41,050 crore during 2009-10 and further to ₹ 51,382 crore in 2010-11. This was mainly on account of substantial incremental outlay of ₹ 6,812 crore in the current year in the SSA programme.

A moderate incremental expenditure was recorded in the current year in the health (₹ 2,776 crore) and water supply (₹ 4,221 crore) sectors over the previous year. Growth in the health sector was mainly on account of incremental outlay in the current year in education research and training in allopathy (₹ 255 crore), prevention and control of diseases (₹ 273 crore) and reproductive and child health programmes (₹ 329 crore). Growth in the water supply sector was mainly on account of incremental outlay in the current year in rural water supply programmes (₹ 2,634 crore) and the Indira Awas Yojana (₹ 1,537 crore).

Economic Services: The overall expenditure of the Union Government on Economic Services increased from an average of ₹ 1,92,841 crore in the Tenth Plan period to ₹ 4,23,181 crore during 2009-10 and further to ₹ 5,15,607 crore in 2010-11. **Table 1.14** shows the expenditure on major sectors within Economic Services.

Table 1.14: Expenditure (revenue and capital) on key sectors in Economic Services

(₹in crore)

Period	Water Supply	Transport	Agriculture & Allied Activities	Energy
X Plan (2002-07)	5492	75063	37275	19394
XI Plan (2007-12)				
2007-08	9523	108976	68802	30497
2008-09	15980	121077	139319	88487
2009-10	20540	142722	117571	36066
2010-11	24761	170005	134582	48934
Average Annual Growth Rate *(per cent)*				
X Plan (2002-07)	13.45	12.95	10.71	32.07
XI Plan (2007-12)				
2007-08	43.24	11.64	42.22	(-)13.64
2008-09	67.81	11.1	102.49	190.15
2009-10	28.54	17.88	(-)15.61	(-)59.24
2010-11	20.55	19.12	14.47	35.68

As the above table shows, expenditure on agricultural and allied activities also increased from an average of ₹ 37,275 crore in the Tenth Plan period to ₹ 1,17,571 in 2009-10, which further increased to ₹ 1,34,582 crore in 2010-11. The increase in the current year was primarily on account of incremental outlay in manures and fertilisers (₹ 2,030 crore), import of fertilisers (₹ 1,851 crore), food subsidies (₹ 5,998 crore) and assistance to the Indian Council of Agricultural Research (₹ 1,527 crore).

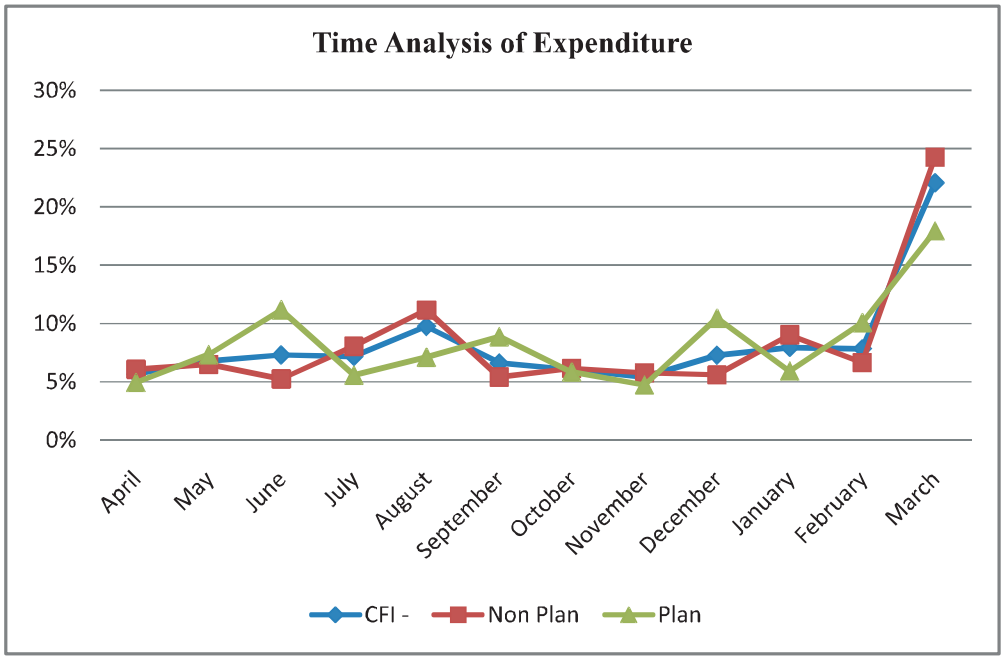
Expenditure on the energy sector increased from an average of ₹ 19,394 crore in the Tenth Plan period to ₹ 36,066 crore in 2009-10. In the current year, it further increased to ₹ 48,934 crore, mainly on account of incremental growth in payments to oil marketing companies as compensation for under recoveries in their domestic LPG and kerosene (Public Distribution System) operations (₹ 12,694 crore).

Expenditure on the transport sector increased from an average of ₹ 75,063 crore in the Tenth Plan period to ₹ 1,42,722 crore during 2009-10, which increased significantly to ₹ 1,70,005 crore in 2010-11. In the current year, the buoyancy in the transport sector was primarily on account of incremental outlay in PMGSY (₹ 11,060 crore), transfer to the Central Road Fund and the National Highways Permanent Bridges Fees Fund (₹ 3,823 crore), operating expenses-fuel (₹ 2,192 crore) and Appropriation to Funds (₹ 4,210 crore) in Indian Railways (Commercial Lines- working expenses).

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 1.17** below 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 1.17: Month-wise flow of expenditure



CFI=Consolidated Fund of India

Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Defence, Posts, Telecommunications and Railways). Does not include journal entries. Does not include expenditure on repayment of borrowings.

An analysis of the total expenditure of the Government from the Consolidated Fund of India for the Civil Ministries[7] shows that 22 *per cent* of the total annual expenditure of 2010-11 was incurred in March 2011. The main reason for this was the sharp increase in non-Plan expenditure in March 2011. Non-Plan expenditure, which averaged between 5-10 *per cent* of the annual expenditure every month, showed a sharp increase in March 2011 to 24 *per cent* of the total non-Plan expenditure for the year. Plan expenditure showed quarterly peaks in the months of

[7] Excluding Post and Telecommunications and repayment of debt

June, September and December of 2010 and March 2011 and showed a pronounced increase in March 2011 to 18 *per cent* of the total Plan expenditure.

Ministry/Department-wise time analysis: A disaggregated analysis in **Table 1.15** shows that in the case of 15 grants over 30 *per cent* of the total expenditure was incurred in March 2011. In the case of the Ministry of Textiles and the Department of Heavy Industry, 63 *per cent* and 60 *per cent* of the total expenditure of the year was incurred on the last day of March. A detailed Ministry-wise/grant-wise time analysis of expenditure is given in **Appendix I-B.**

Table 1.15: Analysis of the expenditure in March 2011

Grant No.	Grant Name	Total expenditure (₹ *in crore*)	Percentage of expenditure in March (including Supplementary Accounts)	Percentage of expenditure on last day of March
032	Department of Economic Affairs	16897	64	5
092	Ministry of Textiles	13046	64	63
049	Department of Heavy Industry	2109	60	60
072	Ministry of Petroleum and Natural Gas	38537	57	2
033	Department of Financial Services	57425	43	14
068	Ministry of Overseas Indian Affairs	68	49	31
073	Ministry of Planning	381	48	11
010	Ministry of Coal	451	41	2
041	Department of Revenue	15473	41	5
062	Law and Justice	855	37	31
016	Department of Consumer Affairs	702	34	10
006	Department of Chemicals and Petro-Chemicals	1229	34	2
056	Ministry of Housing and Urban Poverty Alleviation	828	32	13
027	Capital Outlay on Defence Services	62056	32	0
045	Ministry of Food Processing Industries	404	32	23

Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Defence, Posts, Telecommunications and Railways). Does not include journal entries.

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. Pay, DA, HRA, Rewards, Gratuity, 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 in the following cases in **Table 1.16**:

Table 1.16: Analysis of object head expenditure which took place in March 2011

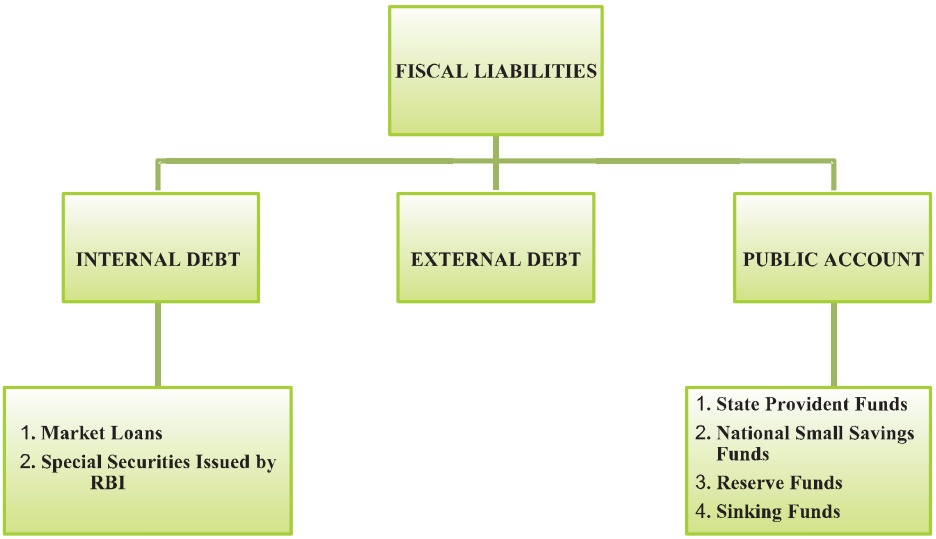
Object Head	Object Head Description	Total expenditure (₹*in crore*)	Percentage of expenditure in March (including Supplementary Accounts)	Percentage of total expenditure on last day of March
64	Write-offs/losses	9118	99	99
63	Inter-Account Transfer	113943	88	32
54	Investments	48328	64	8
50	Other Charges	54596	43	1
26	Advertising and Publicity	1418	42	17
27	Minor Works	4932	38	8
55	Loans and Advances	53773	37	13
05	Rewards	28	35	12
42	Lump sum Provision	136	32	19
53	Major Works	19445	32	11
52	Machinery and Equipment	3278	31	10

Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Defence, Posts, Telecommunications and Railways). Does not include journal entries.

The Government should examine the reasons for lumping of expenditure, particularly in the case of investments, other charges, advertising and publicity, minor works, major works and machinery and equipment at the fag end of the financial year.

1.5 DEBT& DEFICIT INDICATORS

Box-1.3 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 Reforms and Budget Management Act, 2003 and also incentivised State Governments to set limits on their liabilities through fiscal reform legislations. Fiscal liabilities refer to liabilities under both the Consolidated Fund and the Public Accounts Fund. **Table 1.17** indicates that compared to the Tenth Plan average, total liabilities as a percentage of GDP has shown a falling trend. This is mainly because GDP growth has been much higher than the growth in total liabilities in recent years. The Thirteenth Finance Commission has recommended that the Union Government should reduce its debt stock to 44.8 *per cent* of GDP by 2014-15.

Table 1.17: Fiscal Liabilities

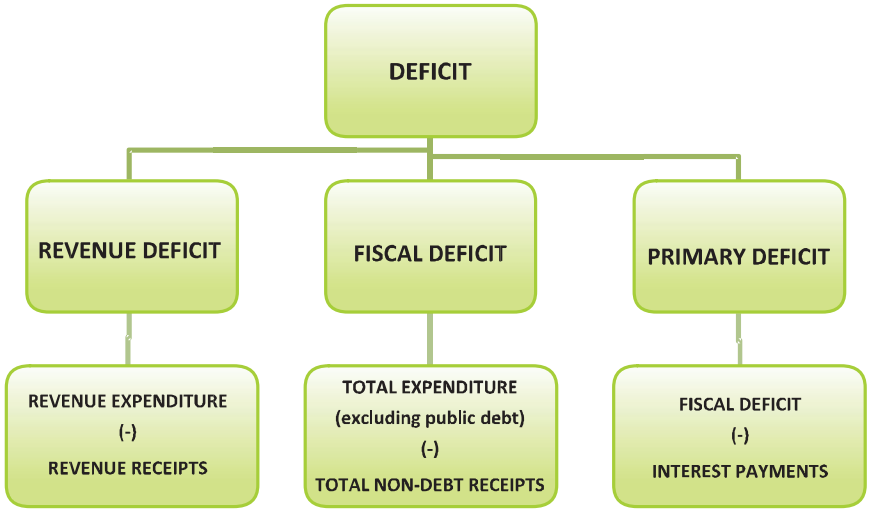
(₹ in crore)

Period	Internal Debt of Union Government	External Debt (at historic rates)	Public Account	Total liabilities (at historic rates)	External Debt (at current rates)	Total liabilities (at current rates)
X Plan Average (2002-07)	1274620 (38.42)	72715 (2.19)	368973 (11.12)	1716307 (51.74)	193395 (5.83)	1836987 (55.37)
XI Plan (2007-12)						
2007-08	1799651 (36.37)	112031 (2.26)	466602 (9.43)	2378284 (48.07)	210104 (4.25)	2476357 (50.05)
2008-09	2019841 (36.18)	123046 (2.20)	556235 (9.96)	2699122 (48.35)	264059 (4.73)	2840135 (50.87)
2009-10	2328339 (35.55)	134083 (2.05)	583279 (8.90)	3045701 (46.50)	249306 (3.81)	3160924 (48.26)
2010-11	2667115 (33.87)	157639 (2.00)	586458 (7.45)	3411212 (43.31)	278877 (3.54)	3532450 (44.85)

Note: figures in parenthesis show percentage of GDP

As on 31 March 2011, internal debt constituted around 94 *per cent* of the total public debt. Over 61 *per cent* interest paid on total debt raised inside India was from market loans bearing interest (of varying rates). Of the external debt, nearly 67 *per cent* share of interest paid by India during 2010-11 was towards loans from the International Development Association and loans from the Government of Japan.

Box- 1.4: Types of Deficits



1.5.1 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 1.18**.

Table 1.18: Revenue deficit and its Parameters

Period	Revenue Receipt	Revenue Expenditure	Revenue Deficit	Revenue Deficit as percentage of		
				GDP	Revenue Receipt	Revenue Expenditure
	(₹in crore)					
X Plan Average (2002-07)	394426	500825	106399	3.21	26.98	21.24
XI Plan (2007-12)						
2007-08	649426	734861	85435	1.73	13.16	11.63
2008-09	653847	1010224	356377	6.38	54.50	35.28
2009-10	704523	1057479	352956	5.39	50.10	33.38
2010-11	932686	1186115	253429	3.22	27.17	21.37

Table 1.18 indicates that in relation to GDP, on an average, the revenue deficit amounted to 3.2 *per cent* for the Tenth Plan period. In the current year, the position was similar to what it was in the Tenth Plan period but in the two years prior to this year, the revenue deficit had ballooned up primarily due to the Pay Commission awards and several demand boosting measures taken up as part of the counter-cyclical fiscal stimulus introduced by the Government. Similarly, the considerable improvement in the reduction of revenue deficit in the year 2010-11 can be attributed to a 32 *per cent* increase in revenue receipts.

1.5.2 Fiscal Deficit

Fiscal deficit is the excess of total expenditure over revenue receipts and non-debt capital receipts. It also indicates the total 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 1.19**.

Table 1.19: Fiscal Deficit and its Parameters

Period	Non-Debt Receipts	Total Expenditure	Fiscal Deficit	Fiscal Deficit as percentage of		
				GDP	Non-Debt Receipts	Total Expen-diture
	(₹in crore)					
X Plan Average (2002-07)	440415	573852	133437	4.02	30.30	23.25
XI Plan (2007-12)						
2007-08	698613	863575	164962	3.33	23.61	19.10
2008-09	667922	1102366	434444	7.79	65.04	39.41
2009-10	741837	1174280	432443	6.60	58.29	36.83
2010-11	984785	1367427	382642	4.86	38.86	27.98

Fiscal deficit as a percentage of GDP, non-debt receipts and total expenditure was much lower on an average in the Tenth Plan period than it was in the current year. However, there was considerable improvement in these ratios compared to 2008-09 and 2009-10.

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 1.20** presents the movement of components of fiscal deficit over the Tenth Plan period as well as for the first four years of the Eleventh Plan.

Table 1.20: Components of fiscal deficit

(*Per cent*)

Period	Revenue Deficit	Net Capital Expenditure	Net Loans and Advances
X Plan (2002-07)	79.74	31.22	-10.96
XI Plan (2007-12)			
2007-08	51.79	47.37	0.84
2008-09	82.03	17.72	0.25
2009-10	81.62	17.60	0.78
2010-11	66.23	30.79	2.98

The deficit indicators for 2010-11 show a visible improvement over 2009-10.

Table 1.21 below presents the targets set for the key fiscal parameters – revenue and fiscal deficits for the year 2010-11 in the Medium Term Fiscal Policy Statements (MTFPS) placed along with the budgets in earlier years. In the current year, both the revenue deficit and fiscal deficit were contained below the ceiling indicated in the budget estimates

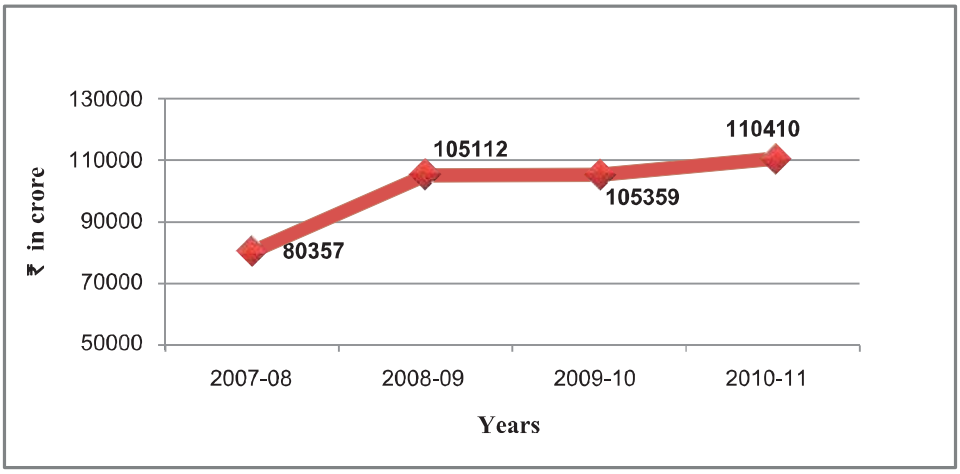
Table 1.21: Outcome vis-à-vis Targets under FRBM Rules (As percentage of GDP)

Fiscal Indicator	Targets set in MTFPS 2008-09 for the year 2010-11	Targets set in MTFPS 2009-10 for the year 2010-11	BE in MTFPS 2010 -11	Actual Levels
Revenue Deficit	0.0	3.0	4.0	3.22
Fiscal deficit	3.0	5.5	5.5	4.86

1.5.3 External Debt: Unutilised committed external assistance

As on 31 March 2011, unutilised committed external assistance was of the order of ₹ 1,10,410 crore. **Chart 1.18** 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 and Audit indicates that there were large undrawn balances in the urban development, railways, water resources, power, environment and forestry sectors.

Chart 1.18: Unutilised committed external assistance



Commitment charges on undrawn external assistance are to be paid on the amount of principal rescheduled for drawal on later dates. As there is no distinct head in the accounts for reflecting the payment of commitment charges, it is shown under the head 'interest obligation'. **Table 1.22** indicates charges paid to various bodies/governments during the first four years of the Eleventh Plan period as commitment charges for rescheduling of drawal of assistance at later dates. This points towards continued inadequate planning, resulting in avoidable expenditure in the form of commitment charges amounting to ₹ 108.79 crore in 2010-11, of which ₹ 22.87 crore pertained to the Supercritical Power Station at Krishnapatnam in Andhra Pradesh.

Table 1.22: Commitment Charges

(₹ in crore)

Year	ADB	Japan	Germany	IBRD	Total
2007-08	62.55	0.00	1.72	60.27	124.54
2008-09	62.62	0.00	4.17	50.58*	117.37
2009-10	53.26	0.00	5.57	27.28	86.11
2010-11	40.15	23.23	26.78	18.63	108.79

Source: Controller of Aid Accounts & Audit
ADB=Asian Development Bank
IBRD=International Bank for Re-construction and Development
****includes International Development Agency assistance***

1.6 Growth in Contingent Liabilities of the Union Government

Under Article 292 of the Constitution, the Union Government may give guarantees within such limits, if any, as may be fixed by Parliament by law. The statement here shows the position, as on 31 March 2011, of guarantees 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 maximum amounts of guarantees for which the Government entered into agreements and sums guaranteed outstanding on 31 March 2011 were ₹ 1,60,611 crore and ₹ 1,51,292 crore, respectively.

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. **Table 1.23** and **Chart 1.19** give the position regarding the maximum amount of guarantees, sums guaranteed outstanding and external guarantees outstanding at the end of the financial years in the Tenth Plan period and the first four years of the Eleventh Plan period.

Chart: 1.19 Guarantees given by the Union Government

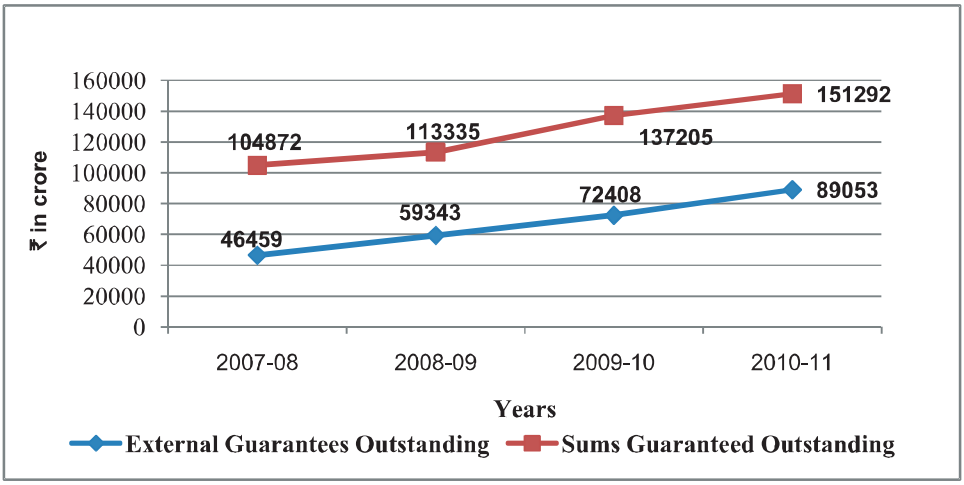


Table 1.23: Guarantees given by the Union Government

(₹ in crore)

Position at the end of the year	Maximum amount of guarantee	Sums Guaranteed Outstanding	External Guarantees Outstanding	Outstanding External Guarantees as a percentage of Total Outstanding Guarantees
(1)	(2)	(3)	(4)	(5)
2007-08	114001	104872	46459	44.30
2008-09	117659	113335	59343	52.36

Position at the end of the year	Maximum amount of guarantee	Sums Guaranteed Outstanding	External Guarantees Outstanding	Outstanding External Guarantees as a percentage of Total Outstanding Guarantees
2009-10	150437	137205	72408	52.76
2010-11	160611	151292	89053	58.86

Guarantees are usually given to enable borrowings from international agencies or to enable PSUs to borrow money from the market. In 2010-11, of the sums guaranteed as on 31 March, 2011(₹ 1,51,292 crore), 59 *per cent* went towards loans from foreign lending institutions, 36 *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 five *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 main Ministries which were allotted guarantees by the Ministry of Finance were the Ministries/Departments of Consumer Affairs, Economic Affairs, Civil Aviation, Power and Steel. Updated maintenance of 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 should 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. In the year 2010-11, the guarantees given totalled ₹ 22,746 crore, which was 0.29 *per cent* of 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 1.92 *per cent* of the GDP in 2010-11 and 16.22 *per cent* of the revenue receipts that accrued to the Union Government in 2010-11.

Chapter 2

COMMENTS ON ACCOUNTS

Comments relating to significant deficiencies in the presentation (accuracy, completeness and transparency) of the Union 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 Issue of transparency

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

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

The Twelfth Finance Commission, in their Report submitted to the Government in November 2004, had recommended the 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 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 expenditure 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 and Appropriation Accounts for the year 2010-11 disclosed that the statements as recommended by the Twelfth and Thirteenth

Finance Commissions had not been included in the accounts. It would be pertinent to mention that most of the States were appending all the above statements to their accounts except the statements indicated at (iv) and (vii).

It was mentioned in the Report of the Comptroller and Auditor General on the Accounts of the Union Government for the years 2007-08, 2008-09 and 2009-10 that the recommendations of the Twelfth Finance Commission to include the additional statements/information in the Union Government accounts had not been complied with, despite a lapse of six years. It was also recommended that the Ministry of Finance should set a specific time frame for inclusion of the above additional statements in the Union Finance Accounts. The Action Taken Note of the Ministry was still awaited as of February 2012.

The status of implementation of the recommendations of the Twelfth Finance Commission in the financial statements of State Governments is encouraging as a number of disclosures are being given in the financial statements of State Governments as given below:

Sl. No.	Description of Statement	Status of compliance by State Governments	Status of Compliance by Union Government
1.	Statement of subsidies given, both explicit and implicit	Introduced by 27 States in their Finance Accounts	Not complied with.
2.	Statement containing expenditure on salaries by various departments/units	Introduced by 27 States in their Finance Accounts	Not complied with.
3.	Statement of detailed expenditure on pensioners and expenditure on Government pensions	Details shown in the shape of notes in the Finance Accounts by 27 States	Not complied with.
4.	Statement containing data on committed liabilities in the future	Not complied with.	Not complied with.
5.	Statement containing information on debt and other liabilities as well as repayment schedule	Introduced by 27 States in their Finance Accounts	Not complied with.
6.	Statement showing accretion to or erosion in financial assets held by the Government including those arising out of changes in the manner of spending by the Government	Introduced by 27 States in their Finance Accounts	Not complied with.
7.	Statement showing implications of major policy decisions taken by the Government during the year or new schemes proposed in the budget for future cash flows	Introduced by four States in their Finance Accounts	Not complied with.
8.	Statement on maintenance expenditure with segregation of salary and non-salary portions	Introduced by 27 States in their Finance Accounts	Not complied with.

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

In recent years, there has been a paradigm shift in the Central Government's strategy for implementation of flagship programmes and other Centrally Sponsored Schemes (CSS) for poverty alleviation, health care, education, employment, sanitation etc,. Most of these schemes were earlier implemented on cost-sharing basis with transfer of Central shares to State Governments. The Union Government has now started transferring Central Plan assistance directly to State/district level autonomous bodies, societies, non-governmental organisations etc., for implementation of CSS outside the State Government budget (society mode). The State and district level implementing bodies keep these scheme funds in their accounts in banks outside Government Accounts.

For the year 2010-11, the Union Government made a provision for transfer of Central Plan assistance of ₹ 1,22,198.54[1] crore (as per revised estimate, which was about 31 *per cent* of the total Plan expenditure of the Government of India) directly to State/district level autonomous bodies and authorities, societies, non-governmental organisations, etc., for implementation of CSS. 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. The Government expenditure as reflected in the Accounts to that extent is, therefore, overstated. Also, the 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 created, no centralised data on expenditure incurred by IAs, no assurance on whether the utilisation certificates are authentic, large unspent balances remain 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 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

[1]As per Expenditure Budget 2011-12 (Volume-I), Statement -18

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

This subject was also commented upon in the Audit Report for the years 2007-08, 2008-09 and 2009-10 but no discernible steps had been taken to address the situation.

2.1.3 Opaqueness in Government Accounts

There is a global trend towards greater openness in Government finances. This is based on a belief that transparent budgetary and accounting practices can ensure that funds raised by the Government for public purposes will be spent as promised by the Government, while maximising the benefits derived from spending. One crucial component of a transparent system of accounting is that the forms of accounts in which the receipts and expenditure of the Government are reported to the legislature, are constantly reviewed and updated so that they truly reflect receipts and expenditure in respect of all major activities of the Government in a transparent manner for meeting the basic information needs of all the important stakeholders.

Scrutiny of Union Government Finance Accounts 2010-11 disclosed that a total of ₹ 18,373.78 crore under 24 Major Heads of accounts (representing functions of the Government) was classified under the Minor Head '800-Other expenditure' 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. Details of Major Heads such as Other Social Services, Agricultural Financial Institutions, Flood Control and Drainage, Civil Aviation, Capital Outlays on Other Administrative Services, Capital Outlays on Coal and Lignite, Capital Outlays on non-Ferrous Mining and Metallurgical Industries, Capital Outlay on Plantation, Capital Outlay on Other Communication Services, Capital Outlay on Oceanographic Research, and Capital Outlay on Foreign Trade etc., with substantial expenditure classified as 'Other Expenditure' are given in **Appendix-II A**.

Some significant expenditure items such as expenditure on the Rural Electrification Corporation for the Rajiv Gandhi Gramin Vidyutikaran Yojana (₹ 5,000 crore), the Mission Flexible Pool (₹ 4,168 crore), Interest subvention for providing short-term credit to farmers (₹ 3,531 crore), subsidy for Haj Charters (₹ 870 crore), National Population Register (₹ 1,529 crore), Enumeration under Census (₹ 845 crore) were not depicted distinctly in the Finance Accounts but were combined under the minor head, 'Other expenditure'.

This was commented upon in the CAG's Audit Report No. CA-13 for the year 2007-08, Report No. 1 for the year 2008-09 and Report No. 1 for the year 2009-10 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 Controller General of Accounts (CGA) has inserted footnotes in the Finance Accounts, giving details of significant expenditure covered under the Minor Head '800-Other Expenditure'. However, the restructuring of the accounts to reflect the current activities of the Government by way of opening of new heads of account and closure of obsolete heads of account has not been taken up by the Government to address the problem on a permanent basis.

The Ministry of Finance in its Action Taken Note of September 2010, stated that instructions in this regard had been issued by the CGA in January 2010 (instruction reiterated in January 2012) to the Controllers of the Accounts to exercise extreme caution while booking significant expenditure under the Minor Head '800- Other expenditure'. The Ministry further added that some new minor heads had been opened. However, details of these new heads had not been provided.

2.1.4 Public funds lying outside Government accounts

The Ministry of Finance, Department of Economic Affairs (DEA) directed all Ministries and departments of the Government in January 2005[2] to ensure that funds of regulatory bodies were maintained in the Public Account.

Scrutiny of the annual accounts of two regulatory bodies viz., the Securities and Exchange Board of India (SEBI) and the Insurance Regulatory and Development Authority (IRDA), revealed that these bodies had retained their surplus funds generated through fee charges, unspent grants received from

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

Government of India etc., aggregating ₹ 2,323.29[3] crore at the end of March 2011 outside the Government Account. The Finance Accounts of the Union Government, therefore, do not present a correct and complete picture of Government finances to the extent of funds of ₹ 2,323.29 crore lying outside Government accounts.

This subject was also commented upon in the CAG's Audit Report No. CA 13 for the year ended March 2008 and No.1 for the year 2008-09 and 2009-10.

The Ministry of Finance in its ATN of September 2011, stated that separate Funds with the nomenclatures 'The Securities and Exchange Board of India (SEBI) Funds' 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. The Budget Division of the Ministry had also requested the Office of the Chief Controller of Accounts to draw up the detailed accounting procedure based on the stated accounting guidelines/procedure.

2.1.5 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 head (8658-136-Customs Receipts Awaiting Transfer to the Receipt Heads) under the Public Account. The amounts are to be credited to the CFI in the year to which the advance duties collected from assesses pertain to.

Scrutiny of the Finance Accounts revealed that ₹ 145.47 crore was available under the head '8658-136-Customs Receipts Awaiting Transfer to the Receipt Heads' as the opening balance in 2010-11. This was to be accounted for as customs receipts in the CFI during 2010-11. However, the amount remained booked under the suspense head. This resulted in an understatement of the customs receipts of the Government of India by ₹ 145.47 crore in 2010-11. 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 CFI could imply short devolution of the amount as envisaged by the Finance Commission to States during the year 2010-11.

Further, examination of Statement No.8 of the Finance Accounts for the year 2010-11 revealed that advance tax of ₹ 5.63 crore, which was to be credited to the Public Account was still lying in the CFI under the Head '0037-106-Receipts of advance payments from assessees'.

[3]SEBI-₹ 1,617.43 crore, IRDA-₹ 705.86 crore.

2.2 Observations with regard to Public Account

2.2.1 Universal Service Obligation Fund

The Universal Service Obligation Fund (Major Head 8235 – General and other Reserve Funds, minor head 118) was set up in April 2002 for achieving universal service objectives emphasised in the National Telecom Policy (NTP) 1999. The Indian Telegraph (Amendment) Act 2003 gave statutory status to the Universal Service Obligation Fund (USO Fund) and laid down that the fund was to be utilised exclusively for meeting the Universal Service Obligation (USO) by providing access to basic telegraph services, like, provision of public telecommunications 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, creation of general infrastructure in rural and remote areas for development of telecommunication facilities, induction of new technological developments in the telecom sector in rural and remote areas, etc,.

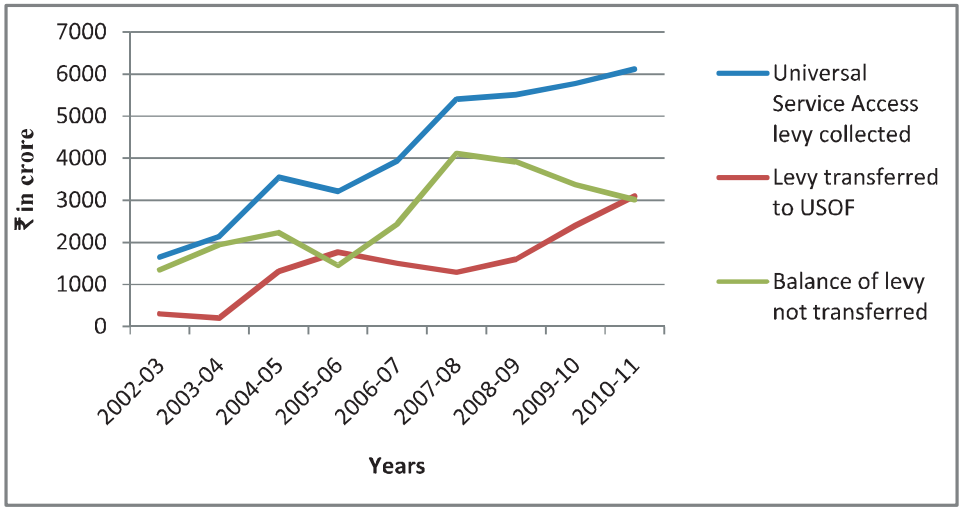
The resources for meeting the Universal Service Obligation (USO) were to be raised through a 'universal access levy' (UAL), which would be a percentage of the revenue earned by all the operators under various licences as decided by the Government, in consultation with the Telecom Regulatory Authority of India (TRAI). The implementation of USO related activities was to be carried out by the eligible operators to get a subsidy as per the rules. These telecom service providers were both public and private sector companies.

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 utilised exclusively for meeting USO. It is a non-lapsable Fund.

The Public Accounts Committee (PAC), in its recommendations contained in their Fourteenth Report (Fifteenth Lok Sabha), observed that the Government should not have any problem in crediting the full amount collected as UAL in the USO Fund and more so, when proceeds to the Fund were meant to be utilised exclusively for meeting Universal Service Obligation. The PAC desired that the proceeds to the USO Fund should not be diverted under any circumstances even temporarily, for purposes other than those for which funds was collected.

A total Universal Levy of ₹ 37,223.92 crore was collected during 2002-03 to 2010-11 by DoT but a disbursement of only ₹ 13,471.44 crore was made from the Fund during this period. Thus, the closing balance of the Fund as on 31 March 2011 should have been ₹ 23,752.48 crore as against the 'nil' balance shown under the Head 8235-General & Other Reserve Funds, 118-Universal Service Obligation Fund in the Public Account of India. There was, therefore, under-statement of the closing balance of the USO Fund by ₹ 23,752.48 crore. Further, short transfer of collection of Universal Levy to the USO Fund implied a lower revenue expenditure and resultantly, a lower revenue deficit. During the financial year 2010-11, the revenue deficit on this account was thus understated by ₹ 3,015 crore. Revenue deficit over the period mentioned above was understated by the amount of short transfer to the Fund.

Chart 2.1: Collection under Universal Access Levy and transfer to USOF



The Department of Telecommunications, in their reply, stated (January, 2012) that the sums of money received towards Universal Service Obligation be first credited to the CFI, and the Central Government, if the Parliament by appropriation made by law in this behalf so provided, credited such proceeds to the Fund from time to time for being utilised exclusively for meeting the Universal Service Collection. They further stated that DoT did not have the power to credit the collection under UAL into the Public Account. In response to the observation of Standing Committee on Information Technology, the Ministry of Finance (MoF) clarified that they had the authority to decide the quantum of funds to be transferred to the USO Fund and this was done on the basis of pending claims and the absorptive capacity of DoT. It was further stated that as the Government was committed to finance various flagship programmes of the Government, the resources could not be locked simply by lodging them in the Public Account.

The reply of the Department is not tenable. The Cess/UAL is being collected for a specific purpose under the law and in the instant case, for development of rural telephony. Hence, the expenditure must reflect the stated purpose of the cess collection.

The PAC in their 49th Report (Fifteenth Lok Sabha) again disapproved the diversion of the funds exclusively meant for USO activities to other programmes by the MoF, PAC impressed upon DoT that the USO Fund should be utilised essentially for USO activities in general and for provision and expansion of rural telephony in particular in accordance with the provisions of the Indian Telegraph (Amendment) Act, 2003. Further, DoT should obtain necessary approvals and transfer all the receipts on account of UAL to the USO Fund in the same year before closure of the financial year so that the fund balances are correctly reflected in the accounts. DoT may also ensure viable schemes for implementation of USO for rural and remote areas so that USO objectives are met and the fund balances are utilised for the purposes for which they are collected. It alsoso observed that instead of taking up the earlier recommendation of the PAC with the MoF, DoT furnished the stock reply which they received from the MoF to a similar recommendation of the Standing Committee on Information Technology. The PAC deplored such a callous approach and cautioned DoT to desist from such a casual attitude and non-serious approach while dealing with the recommendations of PAC.

2.2.2 Non-crediting of Clean Energy Cess in the Fund

A cess receipt of ₹ 1,066.46 crore on account of Clean Energy cess was booked in Statement No.8[4] of the Finance Accounts for the year 2010-11. As per the accounting procedure, the cess receipts were to be transferred to the National Clean Energy Fund in the Public Account. However, no such dedicated Fund had been opened in the Public Account, although the opening of the minor head[5] in the Public Account was notified in March 2011 by the Government. Non-transfer of clean energy cess to the dedicated fund for achieving the desired objective, i.e., funding research and innovative projects in clean energy technology, implied lower revenue expenditure, due to which, the revenue deficit for the financial year 2010-11 was understated by the corresponding amount.

2.2.3 Creation of Income Tax Welfare Fund

Ministry of Finance, Department of Revenue created the Income Tax Welfare Fund (ITWF) and transferred ₹ 100 crore to the Fund over a period of four

[4] Head 0038.03.112-Clean Energy Cess
[5] Head 8235.129-National Clean Energy Fund

years. 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, (v) construction/ hiring/leasing/furnishing/maintenance of holiday homes for the use of officials, etc,.

The Comptroller and Auditor General 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 the interest-bearing section of the Public Account entailed recurring liability of interest, which would not be subject to usual parliamentary financial control. 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) did 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 custom. 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 under the funds in existence for such purposes. The fund/scheme could be made applicable to officers/staff of other departments facing similar risks in official discharge of duties. The other purposes 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 and Report No. 1 for the year 2009-10. The Ministry, in its Action Taken Note of September 2010, stated that the fund was created after extensive examination and resultant approval by the Finance Minister 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. However, the creation of the fund was neither approved by the Parliament nor by the Cabinet. The General Financial Rules did not permit expenditure from public moneys for the benefit of a section of people or individuals and the utilisation of the fund would not be

reported through the standard object heads as is the case with the demands for grants presented in the Parliament and financial reporting to Parliament would be compromised.

Further, the Ministry stated (October 2011) 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 in August 2007.

In view of the foregoing, the continuance of the ITWF was untenable.

2.2.4 National Investment Fund (NIF)

In 2005, the Government created a 'National Investment Fund' (NIF), into which the proceeds from sale of minority shareholdings of the Government in profitable CPSEs was to be channelised. Selected asset management companies were entrusted with the management of the corpus of the Fund. The Fund was to be maintained in the Public Account, under the major heads 8452-National Investment Fund. The income from the Fund was to be used for investment in social sector projects and for capital investment in selected profitable and revivable public sector enterprises. As on 31st March, 2011, a total amount of ₹ 1,814[6] crore was transferred by the Government to NIF for further investment.

Though an amount of ₹ 1,814 crore was available in the Fund as on 31 March 2011, the closing balance at the end of year 2010-11 under the head 8452-National Investment Fund was shown as 'nil'. Such depiction led to confusion and opaqueness, indicating that the accounting procedure adopted was not accurate. In the interest of transparency, the accounting procedure must be suitably modified so as to reflect true balance in the NIF and also the investment made out of this Fund.

Ministry of Finance stated (November 2011) that as per approved accounting procedure, the amount credited under Major Head 8452 was to be debited at the time of placing it at the disposal of fund manager, which resulted in the Major Head showing a 'nil' balance. The Ministry further stated that the accounting procedure was being examined again to ensure that the two types of transactions were captured and depicted separately.

Further, as per the prescribed accounting procedure of NIF, the annual income from the invested portfolio with the fund managers was to be transferred in the ratio of 3:1 to the minor heads '101-Amount meant for expenditure on social sector schemes' and '102-Amount meant for revivable or profitable Public

[6] ₹ 1651 crore was transferred in the year 2007-08 and ₹ 163 crore in 2008-09.

Sector Enterprises' below the major head '8453-Income and Expenditure Account of NIF' in the Public Account for meeting the investment objectives of expenditure on social sector schemes and capital investment in revivable or profitable Public Sector Enterprises.

The position of the annual income from the invested portfolio with the fund managers, booked as receipts under the minor head '1475-110' in Statement No.8[7] of the Union Finance Accounts for the years 2008-09, 2009-10 and 2010-11 was as detailed in **Table 2.1** below:

Table 2.1: Position of the annual income from the invested portfolio with the fund managers

Years	Income generated from NIF *(₹in crore)*
2008-09	84.81
2009-10	226.85
2010-11	232.24
Total	**543.90**

It is evident from the table above that a sum of ₹ 543.90 crore was collected during the period 2008-11. In the years 2008-09 and 2009-10, the receipts booked under the major head 1475-Other General Economic Services were not transferred to major head '8453-Income and Expenditure Account of NIF' for the respective years. In the year 2010-11, only ₹ 288.12 crore had been transferred to the minor head '101-Amount meant for expenditure on social sector schemes' below the major head '8453-Income and Expenditure Account of NIF', leaving the balance amount of ₹ 255.78 crore in the Consolidated Fund of India. Further, the entire amount of ₹ 288.12 crore had been credited only to the minor head '101-Amount meant for expenditure on social sector schemes' below the major head '8453-Income and Expenditure Account of NIF', leaving the minor head '102-Amount meant for revivable or profitable Public Sector Enterprises' unopened. This was in violation of the policy prescribing a proportion of 3:1 between the minor heads 101 and 102 below major head 8453.

Ministry of Finance stated (November 2011) that it was in the process of reconciliation of balances under NIF and the balance amount would be transferred by making appropriate provision in the third supplementary. The Ministry further added that the minor head '8453-102-Amount meant for revival or profitable Public Sector Enterprises' had been opened in the Public Account in October 2008. However, despite a lapse of two years, this minor head had not been depicted in the Finance Accounts for 2010-11.

[7] Statement 8-Detailed account of revenue receipts and capital receipts by minor heads

Similarly, a new minor head '3475-113-Fees to Portfolio Managers for management of investments from National Investment Fund(NIF)' had been opened in October 2008 but so far it has not been operated in the Finance Accounts, though the NIF scheme is in operation since 2007-08.

2.2.5 Unauthorised operation of a fund dissolved by the Parliament.

The Coal Mines Labour Housing and General Welfare Fund was established by an Act of Parliament in 1947. Cess levied by the Government on the dispatch of coal and coke was credited to the receipt head '0038 - Union Excise Duties' and part of the amount collected on account of this cess was being transferred to this fund under the Act. The Act of 1947 was repealed by another Act passed by the Parliament in 1986. The Act of 1986 dissolved the Coal Labour Housing Board and envisaged that with effect from October 1986, all moneys and cash balances lying to the credit of the housing account and the general welfare account of the 'Coal Mines Labour Housing and General Welfare Fund' constituted under the erstwhile Act shall become part of and be credited to the Consolidated Fund of India.

Scrutiny of the records revealed the following discrepancies in violation of the provision of the Act of Parliament, 1986:

(i) Despite winding up of the fund with effect from 1 October 1986 as envisaged in the Act, the amount lying in the credit of the aforesaid account was not credited to the Consolidated Fund of India. Instead, the balances in the fund continued to be operated under 8229- Development and Welfare Fund 114- Mines Welfare Fund on year to year basis and was being utilised unauthorisedly by the Regional Pay and Accounts Office, Dhanbad to meet its establishment expenditure bypassing the parliamentary authorisation.

(ii) Against the opening balance of ₹ 11.43 crore in the Fund in the Public Account, only ₹ 8.59 crore was transferred to the Consolidated Fund of India[8] till 2010-11. After incurring unauthorised expenditure of ₹ 16.76 lakh in the year 2010-11, the Fund still had a balance of ₹ 2.67 crore lying under the head, which was yet to be transferred to the Consolidated Fund of India.

(iii) The revenue expenditure of the Ministry of Coal amounting to ₹ 420.90 crore had been understated to the extent of ₹ 16.76 lakh as this amount had been met from Public Account out of 'Coal Mines Labour Housing & General Welfare Fund'.

[8] Head 0803.00.800 –Other Receipts

The Ministry had failed to implement the provisions of the Coal Mines Labour Welfare Fund (Repeal) Act, 1986 even after 25 years of the same being passed by the Parliament and continued to operate a dissolved fund to meet unauthorized expenditure, thus, undermining Parliament's authority over public expenditure. This issue was also commented upon in para No.2.8 in the last year's CAG's report on the accounts of the Union Government.

The matter was reported to the Ministry in November 2011. In its reply, the Ministry stated (December 2011) that the reason for not crediting the entire amount was that there were some differences in the figures of Principal Accounts Office and Regional Pay & Accounts Office, Dhanbad and the Ministry had directed them to reconcile the figures with the Principal Accounts Office and adjust the residual amount after carrying out the necessary corrections. Replies to other audit queries are still awaited. The reply of the Ministry needs to be viewed in the context of that the fund, which was to cease operations in 1986, was still continuing to operate for 25 years beyond the date of its closure.

2.3 Integrity and Reconciliation Issues

2.3.1 Incorrect depiction of recoveries in reduction of expenditure

(a) In September 2010, the Government notified the setting up of the National Disaster Response Fund (NDRF), in the Public Account. The existing National Calamity Contingency Fund was to be merged into the NDRF.

Scrutiny of Statement Nos.9 and 13 revealed that the Government continued to operate the NCCF and NDRF concurrently. An amount of ₹ 3,900.01 crore had been shown under the minor head 2245.80.902-Deduct amount met from National Calamity and Contingency Fund (NCCF). However, scrutiny of Statement No.13[9] revealed that, only ₹ 3,560 crore pertained to NCCF (minor head 8235-119) and the remaining ₹ 340.01 crore was provided from National Disaster Relief Fund (NDRF). Further, the authority for the opening of minor head '8235-125-National Disaster Response Fund (NDRF)' was not furnished. Hence, the opening of new minor head for NDRF, transferring funds thereto and meeting expenditure therefrom was irregular.

On this being pointed out, the CGA stated (October 2011) that a reference in this regard had been made to the Department of Economic Affairs and that Audit would be intimated on receipt of reply. In the meantime, CGA opened (in December 2011) a minor head 8235.125-National Disaster Response Fund

[9]Statement 13: Statement of receipts, disbursements and balances under debt, deposits remittances and contingency fund

(NDRF), effective from the financial year 2011-12. Thereafter, in January 2012, the CGA issued a corrigendum, to make the minor head effective from the financial year 2010-11. Not adhering to the prescribed procedure for opening the minor head resulted in improper and concurrent operation of NCCF and NDRF.

Supplementary acted upon incorrectly

(b) Examination of Grant No.35-Transfer to State and UT Governments for the financial year 2010-11 revealed that in the first batch of Supplementary Demands for Grants, the Ministry obtained authorisation for transferring ₹ 3,560 crore to the National Disaster Response Fund (NDRF) in the Public Account from the savings available within the same section of the Grant. However, against this authorisation, an amount of ₹ 3,560 crore was transferred to the National Calamity Contingency Fund (NCCF) in the Public Account.

The matter was brought to the notice (December 2011) of the Ministry and their reply is awaited (February 2012).

Payment from NDRF far in excess of available fund

(c) Examination of Grant No. 35-Transfer to State and UT Governments for the financial year 2010-11 revealed that in the first and third batches of the Supplementary Demands for Grants, authorisations were obtained for transferring ₹ 340.01 crore to NDRF in the Public Account and the amount was correctly transferred. However, against the transfer of ₹ 340.01 crore to the NDRF in the Public Account, a sum of ₹ 3,679.26 crore was booked as expenditure in the Consolidated Fund to be provided to States[10]. It was not clear that when only ₹ 340.01 crore existed in the NDRF in the Public Account, how could an amount of ₹ 3,679.26 crore be provided for as assistance to States from NDRF for calamities of severe nature.

Mismatch in financing of expenditure on calamity relief

(d) An expenditure of ₹ 500 crore was incurred as assistance to States[11]. This was to be met from amounts available in the NCCF. It was observed that while payment of ₹ 500 crore had been made from the Consolidated Fund, the corresponding disbursement in the Public Account to finance this expenditure was of the order of ₹ 3,560 crore.

[10] Head 2245.80.103.02-Assistance given to States from NDRF for Calamities of Severe Nature.
[11] Head 2245.80.103.01-Assistance to States from NCCF for Calamities of Severe Nature

The matter was brought to the notice (December 2011) of the Ministry and their reply is awaited (February 2012).

2.3.2 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 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, thus, a difference of ₹ 129.98 crore in the two financial documents. The same difference of ₹ 129.98 crore was continuing upto the current year 2010-11.

The Ministry had stated (January 2010) that the said difference of ₹ 129.98 crore had been identified and was due to the overlapping of figures of Employees' Deposits Linked Insurance Scheme (EDLI) under Employees' Pension Fund under the same Major Head 8342 in the accounts up to year 1990-91. It was stated that the correction would be reflected in the Finance Accounts for the year 2009-10 after final reconciliation. Despite giving the assurance, the correction was not carried out in the accounts for the year 2010-11 by the Ministry.

Further, the Ministry stated (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.

This subject was also commented upon in the Audit Report for the financial years 2008-09 and 2009-10, wherein the need for regular reconciliation to address this discrepancy was impressed upon.

2.3.3 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 special securities[12]. 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 India[13] to the Public Account.

Scrutiny of the accounts revealed that during the years 2009-10 and 2010-11, 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 ₹ 1,250 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.

However, the records of the office of the Chief Controller of Accounts, Department of Economic Affairs, revealed that the said Fund had not been created yet and the amount of ₹ 1,250 crore was lying under a suspense head.

2.3.4 Non-opening of Warehousing Development and Regulatory Authority Fund

In November 2009, the Warehousing Development and Regulatory Authority Fund[14] (WDRA Fund), effective from financial year 2009-10, was proposed to be opened in the Public Account.

However, the WDRA Fund was not opened/operated in the Public Account section of the Finance Accounts for the year 2010-11.

Further scrutiny of Statement No.9 of the Finance Accounts revealed that sums of ₹ 0.39 crore in 2009-10 and ₹ 4 crore in 2010-11 were booked as expenditure[15], which were eventually to be transferred to WDRA Fund in the respective years, but the amounts could not be transferred as the

[12] Head 8012.120-Special Securities issued to Nationalised Banks
[13] Head 3465.01.190.04-Security Redemption Fund
[14] Head 8235.127–Warehousing Development and Regulatory Authority Fund
[15] Head 2408.02.103-Assistance to Warehousing Development & Regulatory Authority

corresponding/intermediary heads[16] required to be opened for the purpose were not opened in the concerned statements of the Finance Accounts for the year 2010-11.

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

In Statement No.14[17] of the Finance Accounts for the financial year 2010-11, under the Special Deposit of Employees' Deposit Linked Insurance Scheme[18] in the Public Account, a credit balance of ₹ 1,160.83 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 ₹ 5,420.03 crore had been shown as deposited in the Public Account as on 31 March 2011.

On this being pointed out, the Principal Accounts Office, Ministry of Labour and Employment stated (January 2012) that two minor heads[19] with closing balances of ₹ 5,276.01 crore and ₹ 1,160.83 crore respectively were being operated for this purpose, adding that that the Balance Sheet of EPFO was not being maintained by them. The reply of the Ministry did not clarify the difference appearing in the books of the Government and that being shown in the books of EPFO.

However, the CGA intimated (January 2012) that a reference had been made to the Ministry to reconcile the aforesaid figures and to clarify the reasons for operating two minor heads for the purpose.

2.3.6 Incorrect operation of Defined Contribution Pension Scheme for Government Employees

As per the instructions issued by the Office of the CGA, the minor head 8342.117-Defined Contribution Pension Scheme for Government Employees was not to be operated for booking any fresh credits on account of Defined Contribution Pension Scheme with effect from 1 April 2008. Despite these instructions, there was a credit balance of ₹ 154.18 crore under the aforesaid head in the interest-bearing section of the Public Account of the Union Finance Accounts 2010-11. Since the balance was lying in the interest-bearing section, expenditure on account of interest amounting to ₹ 25.39 lakh

[16]Heads 2408.02.797 Transfer to Reserve Fund; and 2408.02.902-Deduct amount met from WDRA Fund
[17]Statement 14: Statement of debts and other interest bearing obligations of Government
[18] Head 8012.124-Special Deposit of Employees Deposit Linked Insurance Scheme
[19] 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

was also incurred[20], which could have been avoided by clearing the balances as per the extant instructions.

In the books of a number of Principal Accounts Offices of various Ministries/Departments, there were also balances in this head as detailed in the **Table 2.2** below, which reflected that the extant instructions on the issue had not been followed by these Ministries/Departments.

Table 2.2: Balances under the head 8324.117 in some Principal Accounts Offices

Sl. No.	Ministry/Principal Accounts Office	Balances as on 31 March 2011 *(₹in lakh)*	Reply of Principal Account Office
1	Department of Economic Affairs, Ministry of Finance	0.05	Reasons for balances outstanding under this head were called for but the reply was awaited.
2	Department of Revenue, Ministry of Finance	(-) 4.27	
3	Social Justice & Empowerment	0.62	
4	Culture	(-) 209.41	Ministry replied that the concerned Pay and Accounts Office, i.e. Archaeological Survey of India (ASI), New Delhi and Hyderabad had been asked to take necessary steps to clear the balances.
5	Central Board for Direct Taxes (CBDT), Ministry of Finance	(-) 28.95	Ministry replied that the reasons for keeping the said balance under the head would be submitted as and when received.
6	Central Board for Excise and Customs (CBEC), Ministry of Finance	(-) 25.09	Ministry replied that the reasons thereof were being ascertained from the concerned Pay and Accounts Office and the same would be intimated in due course.

2.3.7 Inconsistency/Discrepancy in Statement Nos. 10 and 11 of Finance Accounts with regard to investments

Examination of Statement No.11 of Finance Accounts, which shows the investment of the Union in the Central Public Sector Enterprises (CPSEs), etc., revealed a number of discrepancies with regard to the amount of investments appearing at the end of financial year 2010-11, as compared with the figures for the financial year 2009-10.

Additional information such as details in respect of dividend/interest received from the CPSEs; remarks column showing the up-to-date cumulative loss, in the cases of loss-making CPSEs; etc., had not been updated in a number of cases. For years together, the remarks included in Statement No.11 against

[20]Head 2049.03.117-Interest on Defined Contribution Pension Scheme

some of the entities had remained unchanged, although a number of such entities had gone into liquidation or had been liquidated /closed or voluntarily dissolved and ceased to exist. As a result, the financial statement does not reflect a true and fair state of affairs. The discrepancies are detailed in the **Table 2.3** below:

Table 2.3: Discrepancies in Investments in CPSEs

(₹ in crore)

Sl. No.	Name of CPSE	Investment at the end of 2010-11 as per Finance Accounts	Remarks
1.	Jessop and Co. Ltd, Kolkata	-	At the end of financial year 2007-08, the investment in CPSE was ₹ 34.56 crore. In the year 2008-09, the CPSE was deleted from Statement No.11, as the unit was completely disinvested. However, adjustment of only ₹ 15.54 crore was reflected in the year 2010-11 in Statement No.10. No clarification was furnished for not reflecting the effect of disinvestment in the respective year, and also short adjustment of ₹ 19.02 crore in the year 2010-11.
2.	State Trading Corporation of India Ltd. (STC)	546.14	In 2010-11, the shareholding of the Government in STC was increased by 58,97,800 shares of ₹ 10 each as compared to 2009-10. Similarly, bonus share was also increased by 51,29,33,400 shares of ₹ 10 each during the year. Thus, a fresh investment of ₹ 5.90 in equity shares and ₹ 512.93 crore in bonus shares had not been shown distinctly in the Finance Accounts of 2010-11.
3.	State Trading Corporation of India Ltd. (STC)	546.14	Bonus shares aggregating to ₹ 614.46 crore had been shown as allotted to the Government in Statement No.11 under these two CPSEs. But as per Statement No.8, capital receipt of only ₹ 101.53 crore had been shown towards value of bonus shares under the minor head 4000.01.102-Value of Bonus Shares, which pertained to Engineers India Ltd. This has resulted in under-statement of capital receipt by ₹ 512.93 crore in respect of bonus share issued by STC. Further, the value of bonus shares allotted had also not been incorporated in Statement No.10 resulting in under-statement of progressive capital outlay.
4.	Engineers India Ltd.	135.45	
5.	Manganese Ore India Ltd.	-	Bonus shares valuing ₹ 124.53 crore were allotted during 2006-07 to the Government. However, Statement Nos. 10 and 11 of Finance Accounts 2006-07 did not depict the issue of bonus shares resulting in under-statement of investment and capital expenditure during the period 2006-07 to 2010-11.
6.	Kudremukh Iron Ore Co. Ltd. (KIOCL)	628.14	A reduction of investment of ₹ 0.21 crore took place in Statement No.11 during 1995-96 on account of allocation of 2,06,770 equity shares to the employees of KIOCL. However, Statement 10 of Finance Accounts for 1995-96 did not depict the aforesaid reduction of investment resulting in over-statement of investment and capital expenditure during the period 1995-96 to 2010-11.

(₹ in crore)

Sl. No.	Name of CPSE	Investment at the end of 2010-11 as per Finance Accounts	Remarks
7.	National Aviation Company of India Ltd. (NACIL)	2145.00 (₹ 945 + ₹ 1200)	In the year 2007, the Government approved merger of NACIL, Air India and Indian Airlines. As per Finance Accounts for the year 2009-10, the aggregate investment in NACIL, Air India and Indian Airlines together stood at ₹ 1,386.02 crore. Against this amount the merged investment, upto the period 2009-10, was shown as ₹ 945 crore in the year 2010-11 (excluding fresh investment of ₹ 1,200 crore in 2010-11). Thus, there was under-statement of investment in NACIL by ₹ 441.20 crore. CGA stated that investment in NACIL up to 2009-10 had been arrived at by merging the paid-up capital (along with reserves) of both the companies and setting it off against the accumulated losses and inter-company dues. The reply of CGA is incorrect, because as per extant instructions budgetary authorisation was required for writing off the Government investment. Besides, the reduction of investment by ₹ 441.20 crore had also not been accounted for in Statement No. 10, resulting in overstatement of capital expenditure.
8.	Bharat Bhari Udyog Ltd	301.65	In Bharat Bhari Udyog Ltd., five CPSEs, viz., Burn Standard Co. Ltd.; Bharat Brakes & Valves Ltd.; Bharat Process & Mechanical Engineering Ltd.; Braithwaite and Co. Ltd.; and Lagan Jute Machinery Co. Ltd. were merged in 2010-11. The merged investment of six entities up to 2009-10 had been shown as ₹ 276.22 crore (excluding investment of ₹ 25.43 crore in 2010-11), instead of ₹ 182.12 crore in Finance Accounts 2010-11, an overstated investment of ₹ 94.10crore, which remained unexplained.
9.	Bharat Yantra Nigam Ltd. (BYNL)	-	After winding up of BYNL, with an investment of ₹ 150.78 crore up to 2009-10, its investment was transferred to six subsidiaries, viz., Bharat Heavy Plates Ltd.; Bharat Pumps and Vessels Compressors Ltd.; Bridge and Roof Co. Ltd.; Richardson and Cruddas Ltd.; Triveni Structurals Ltd; and Tungabhadra Steel Products Ltd. The aggregate investments of seven CPSEs up to the year 2009-10 worked out to ₹ 224.15 crore. However, against this the aggregate investments of six CPSEs up to 2009-10, had been shown as ₹ 209.51 crore in the Finance Accounts of 2010-11. Thus, differential investment of ₹ 14.64 crore in BYNL transferred to which six CPSEs, remained unexplained.
10.	Bharat Refractories Ltd. (BRL)	-	BRL with an investment of ₹ 26.43 crore up to 2009-10, was merged with Steel Authority of India Ltd. (SAIL) in 2010-11. But the investment of SAIL in 2010-11 had not been increased with the investment value of ₹ 26.43 crore in the BRL. The CGA forwarded a reply of Ministry of Steel stating (October 2011) that after waiver or adjustments or set off, investment held by the Government stood transferred to the transferee company at a token value of one rupee. The reply of CGA is incorrect, because as per extant instructions budgetary authorisation was required for writing off the Government investment. Further, the reduction of

(₹ in crore)

Sl. No.	Name of CPSE	Investment at the end of 2010-11 as per Finance Accounts	Remarks
			investment by ₹ 26.43 crore had not been accounted for in Statement No.10, resulting in overstatement of capital expenditure.
11.	Nationalised Banks	35024.20	The investment in Nationalised Banks for the period upto 2009-10 was ₹ 16,172.97 crore. In the Finance Accounts of 2010-11, the said investment up to 2009-10 had been shown as ₹ 14,906.97 crore. Thus, there was an under-statement of investment up to 2009-10 of ₹ 1,266 crore. The CGA in its reply (December 2011) forwarded the sanction of the Ministry of Finance stipulating the restructuring of paid-up capital of United Bank of India (UBI) by return of excess paid-up capital of ₹ 1,266 crore to the Government and simultaneous infusion of similar amount by the Government to the capital reserve of UBI. The sanction further added that it was only a change of equity capital under the same head of account involving no cash outgo. In view of the sanction order, the reduction of investment in current year's Statement No. 11 and in the last year's Statement No.10 under the head 5465-Investment in General Financial and Trading Institutions was not warranted.
12.	State Tribal Development Finance Corporation (STDFC)	36.50	In Finance Accounts of 2010-11, the investment in STDFC and NSTFC up to the period 2009-10 was overstated by ₹ 10.74 crore and ₹ 66.50 crore respectively as compared to the last year's Finance Accounts.
13.	National Scheduled Tribes Finance Corporation (NSTFC)	140.33	Another investment of ₹ 77.24 crore in 'Support to National /State Finance and Development Corporation' had also been depicted in Statement No.11 in the year 2010-11. It was not clarified as to whether this investment of ₹ 77.24 crore, was in fact the aggregate of the overstated investments in STDFC and NSTFC for the period 2001-02 to 2009-10.
14.	National Investment Fund (NIF)	550.33	Three new Joint Stock Companies (a) NIF, (b) NIF-Jeevan Bima Sahyog Asset Management Co. Ltd, and (iii) NIF UTI Asset Management Pvt Ltd were included in Statement No.11 in 2010-11. SBI Funds Management Pvt. Ltd.; Jeevan Bima Sahyog Asset Management Company Ltd.; and UTI Asset Management Pvt. Ltd. were asset management companies, managing the fund placed with them out of National Investment Fund set up in the Public Account and do not qualify as Joint Stock Companies to be included in Statement No.11.
15.	NIF–Jeevan Bima Sahyog Asset Management Company Ltd.	713.78	
16.	NIF–UTI Asset Management Pvt. Ltd.	550.33	

2.3.8 Inconsistency/Discrepancy in Statement of Finance Accounts and Appropriation Accounts

Comparison of Statements No.9 showing details of expenditure, No.11 showing details of investment of the Government in Central Public Sector Enterprises (CPSEs), and No.13 showing details of debt, deposit and

remittances in the Union Finance Accounts, with the Appropriation Accounts, revealed a number of discrepancies with regard to the expenditure, amount of investments and closing/opening balances, which are detailed in the **Table 2.4** below:

Table 2.4: Discrepancies between Finance Accounts and Appripriation Accounts

(₹ in crore)

Statement No.9						
Sl.No.	**Name of Head/CPSE**	**Amount as per Finance Accounts**		**Amount as per Appropriation Accounts**		**Remarks**
1.	2875.10.109-Ghazipur Alkaloid Works	47.60		52.77		Short booking of expenditure of ₹ 5.17 crore in the Finance Accounts.
2.	2875.01.110-Neemuch Alkaloid Works	46.15		75.65		Short booking of expenditure of ₹ 29.50 crore in the Finance Accounts.
3.	2049.03.104-Interest on State Provident Fund	7127.48		7126.06		Excess booking of expenditure of ₹ 1.42 crore in the Finance Accounts.
Statement No.11						
4.	Food Corporation of India	35.00		10.00		Investments made through minor heads other than '190-Investments in Public Sector and Other Undertakings' had been treated as investment in equity shares of CPSEs and included in the Statement No.11 of Finance Accounts, which was in contravention of para 4.2 of General Direction to List of Major and Minor Heads of Account.
5.	Engineers India Limited	84.68		101.53		
6.	National Thermal Power Corporation	Nil		105.19		
7.	National Finance Development Corporation for Weaker Section	155.00		40.00		
Statement No.13						*(₹ in thousand)*
8.	8229.115-Cine Workers Welfare Fund	**O/B**	**C/B**	**O/B**	**C/B**	There is difference of ₹ two thousands in the opening and closing balance of the fund in two financial statements.
		28693	11394	28691	11392	

In respect of discrepancies in respect of Statement No.11, the CGA stated (January 2012) that the Ministries had been advised to take budget provision under the 'minor head 190'.

2.3.9 Incorrect depiction of transfer to Reserve Fund in Statement No.9

In Grant No.25-Ordnance Factories for the financial year 20010-11, an expenditure of ₹ 600 crore was booked under the major head 2079-Transfer to Renewal Reserve Fund – Renewal Reserve Fund Ordnance Factories. Further,

an expenditure of ₹ 208 crore on renewals and replacements was incurred in this Grant[21], to be met from the Renewal and Reserve Fund.

The depiction of transaction in Statement No.13 of the Union Finance Accounts had been correctly reflected under the head 8226.102-Depreciation Reserve Funds of the Government Non-Commercial Departments. However, in Statement No.9 of the Union Finance Accounts, the transactions had been incorrectly reflected by showing transfer to reserve fund an amount of ₹ 392 crore thereby understating the amount of transfer by ₹ 208 crore.

2.3.10 Incorrect depiction of Loan to Shipping Development Fund Committee

The Shipping Development Fund Committee (SDFC) was abolished with effect from December 1986 and its assets and liabilities stood transferred to the Central Government in terms of Section 4 of SDFC (Abolition) Act, 1986. However, in Statement No.15 of Union Finance Accounts for the year 2009-10 and 2010-11, a net loan of (-) ₹ 231.70 crore, as detailed in **Table 2.5** below, was still being shown as outstanding against SDFC, though all assets and liabilities of SDFC had already been transferred to the Central Government.

Table 2.5: Loans outstanding against SDFC

(₹ in crore)

Sl. No.	Name of Head	Amount
1.	7052.01.101-Loans to Shipping Development Fund Committee (SDFC)	53.83
2.	7052.02.101-Loans to SDFC	(-)294.12
3.	7052.60.101-Loans to SDFC	8.59

On this being pointed out last year, the CGA stated (November 2010) that the matter had been referred to the Department of Economic Affairs for clarification.

2.3.11 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 changes 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. The rest of the loans, which have not yet been fully repaid, appear in the

[21] Head 2079.00.106-Renewal and Replacement

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 ₹ 1,57,639 crore, as appearing in the Finance accounts, does not reflect the actual dimension of outstanding external debt. As per the note below Statement No.14, the external debt at the current rate as at the end of March 2011 was ₹ 2,78,877 crore. Thus, the depiction of external debt in the accounts at historical rate of exchange is not a true reflection of the liability.

On this being pointed out last year, the CGA stated that the negative balances were on account of exchange variation that would be cleared only when the loans were fully repaid.

The CGA further stated (November 2011) that the concerned Pay and Accounts Office was booking the receipts and repayments of debt at the prevailing rate of exchange and this position was being depicted in the Finance Accounts. It also added that the depiction of external debt was as per the prescribed format in this regard.

The reply of the CGA is not tenable. A mechanism needs to be devised by the CGA to depict the actual dimension of the outstanding external debt at historical rate of exchange.

2.3.12 Inconsistent depiction of external debt

In Statement No.14, an amount of ₹ 119.50 crore had been depicted under the minor head '6002.233-Loan from the Government of Sweden' as on 31March 2011. Scrutiny of the statement showing country-wise loans at current rates, appended to Statement No.14, did not include loan from Government of Sweden.

The CGA stated (November 2011) that the reflection of loan to Government of Sweden was a misclassification that would be settled in next year's Finance Accounts.

2.3.13 Non-finalisation of terms and conditions of loans advanced

Statement No.3 of the Finance Accounts, which contains the details of loans advanced by the Union Government, showed that loans for ₹ 29.29 crore and ₹ 0.14 crore were advanced to Rajiv Gandhi Cancer Institute and Research Centre, New Delhi by Ministry of Health and Family Welfare and Departmental canteens by Ministry of Information and Broadcasting, respectively. The earliest period to which these loans related was 1994-95 and 1983-84, respectively. However, the terms and conditions of loans advanced had not yet been finalised.

It may be seen that even after a gap of 15-25 years of advancing these loans, the terms and conditions of loans have not been finalized. This reflected a laxity on the part of the administering Ministry with regard to the recovery and other aspects of these loans.

The CGA stated (October 2011) that the matter had been taken up with the Ministry of Health and Family Welfare and Ministry of Information and Broadcasting and that audit would be intimated of further development in this regard.

This issue was highlighted as early as in the Report No.1 of 2000 and at that time the reply of CGA was the same.

2.3.14 Non-allotment of numerical codes to minor head corresponding to the nomenclature of Programmes

In the chart of classification of Government accounts, the nomenclature of each transaction is preceded by numerical codes, which represent service/functions/scheme/object of the transaction to capture the transaction distinctly. In the following cases, no numerical codes have been allotted to minor heads corresponding to the nomenclature of the 'Programmes' in Statement Nos.10, 13 and 14 of Finance Accounts as detailed in **Table 2.6** below:

Table 2.6: Non-allotment of numerical codes

Sl.No.	Major Head	Sub-major Head	Nomenclature of Programme
Statement No.10			
1.	4216	01	Houses for Economically Weaker Section and other Service class
2.	4216	01	Houses for Scheduled Castes and Scheduled Tribes
3.	4216	02	Industrial Housing
4.	4216	02	Housing for shifting of dwellers of Labour colonies
5.	4216	02	Canteen Stores Department

Sl.No.	Major Head	Sub-major Head	Nomenclature of Programme
6.	4216	02	Removal of Jhuggi Jhonpri Scheme
7.	4216	02	Subsidised Industrial Housing Scheme
8.	4216	02	Schemes for Industrial Workers
9.	4216	02	Slum Improvement
10.	4216	02	Accommodation for Government Employees
11.	4216	02	D.D.A. for Acquisition and Development of Land
12.	4216	02	Housing for Oustees of Village, Attawa
13.	4701	01	Tikkarpara Naraj Dam
14.	4701	02	Daman Ganga Project
15.	4711	02	Daman Ganga Project
16.	4711	02	Dredging in River Brahmaputra
17.	4861	01	Final Enrichment Plant at Hazira
Statement No.13			
18.	8116		Railway-Loan to Branch Line Companies
Statement No.14			
19.	6002	00	Miscellaneous Stores for Border Roads Organisation received from the Government of Japan under deferred payment credit

On this being pointed out last year, the CGA stated (September 2010) that the matter had been taken up with the concerned Ministries/Departments for the allotment of new minor heads and that audit would be intimated of further progress in this regard. In the current year also, the reply (October 2011) of the CGA was same.

2.3.15 Non-depiction of loans given by Union Government

(a) In Statement No. 3 of the Finance Accounts 2009-10 (and for earlier years), loans disbursed to the under-mentioned Organisations, detailed in **Table 2.7** below, were reflected. However, the details of these loans have been deleted from the Statement No.3 for the year 2010-11 without assigning any indication as to whether the loans outstanding from these Organisations had been received back/written off during the year 2010-11.

Table 2.7: Non-depiction of loans in Finance Accounts-2010-11

Sl. No.	Name of the Ministry advancing the loan	Organisation	Period to which loan relates	Total amount of outstanding loan as on 31.3.2010 *(₹ in lakh)*
1.	Science and Technology	Indian Vaccine Corporation Ltd, Gurgaon	1993-94	547
2.	-do-	ABL Biotechnologies Pvt Ltd, Chennai	2005-06	45
3.	-do-	Bigtec Pvt Ltd, Bangalore	2005-06	21

Sl. No.	Name of the Ministry advancing the loan	Organisation	Period to which loan relates	Total amount of outstanding loan as on 31.3.2010 *(₹in lakh)*
4.	Water Resources	National Projects Construction Corp Ltd	1985-86	21944

The CGA stated (October 2011) that a reference in this regard had been made to concerned Ministries and that audit would be intimated on receipt of reply.

(b) In case of the under-mentioned loans and advances (**Table 2.8**) reflected in the Finance Accounts for the year 2010-11, there was no mention of the same in the Finance Accounts for the year 2008-09 and 2009-10 .

Table 2.8: Non-depiction of loans in Finance Accounts-2008-09 and 2009-10

Sl. No.	Name of the Ministry advancing the loan	Organisation	Period to which loan relates	Total loans outstanding as on 31 March 2011 *(₹in lakh)*
1.	Science and Technology	Institute of Molecular Medicine	2005-06	309
2.	-do-	Cadila Pharmaceuticals Ltd.	2006-07	190
3.	-do-	Promed Exports Pvt. Ltd.	2006-07	99
4.	-do-	Cell Max Pharma Pvt. Ltd.	2007-08	49
5.	-do-	Thirteen Herbs & Cure Pvt. Ltd.	2007-08	19

Non-depiction of above loans in the Finance Accounts from the respective years reflects that Ministries/Departments are not maintaining and updating the Register of Loans as has been manually prescribed.

The CGA stated (October 2011) that a reference in this regard had been made to concerned Ministries and that audit would be intimated on receipt of reply.

2.3.16 Non-updation of loan advanced by the Union Government

Statement No.3 of the Finance Accounts has over the years been depicting an identical amount of principal in arrears and total amount of outstanding loans to the States as detailed in **Table 2.9** below:

Table 2.9: Non-updation of loans in Finance Accounts

(₹ in lakh)

Name of the Ministry advancing the loan	States	Principal in arrears	Total Loan outstanding	Earlier period to which loan relates
Industry	Madhya Pradesh, Assam, Jammu and Kashmir, and Tripura	29.73	519.24	1992-93 to 1995-96

On this being pointed out, the CGA forwarded (December 2011) the reply of Ministry of Industry stating that the related records were not readily traceable and the progress was slow due to non-receipt of fresh reply from the concerned authorities.

2.3.17 Variation in the balances of guarantees

In Statement No.4[22] of the Finance Accounts, the opening balances of guarantees in the year 2010-11, when compared with the closing balances of the previous year contained variations, as detailed in **Table 2.10** below:

Table 2.10: Variation in the balances of guarantees

Sl. No.	Name of the Ministry/Department	Guarantees as on 31 March 2010		Guarantees as on 1 April 2011	
		(₹ in crore)			
		Amount	No. of Guarantees	Amount	No. of Guarantees
1.	Agriculture and Co-operation	521.66	7	259.69	6
2.	Heavy Industries@	605.81	21	772.90	25
3.	Heavy Industries@	263.99	5	137.28	2
4.	Consumer Affairs	5579.49	17	5579.22	17
5.	Telecommunications	Not shown	-	7.10	1

@These pertain to different categories of guarantees.

The CGA forwarded (October 2011) the replies of the concerned Ministries /Departments stating that the differences in the opening and closing balances of guarantees were attributable to recasting of the Statement for the last three years and inadvertent mistakes in the last year's Statement.

However, aforesaid variations in the outstanding balances of guarantees were not suitably explained in the Statement.

2.3.18 Variation in the depiction of guarantee fees

The guarantee fees received in 2010-11 as per Statement No.8 under the minor head '0075.108-Guarantee Fees' was ₹ 582.83 crore, which was at variance with that depicted in Statement No.4, showing guarantee fees of ₹ 530.06 crore. The two sets of figures appearing in different statements of the Finance Accounts required to be reconciled so as to reflect true and fair state of affairs of this receipt of the Government.

The CGA stated (October 2011) that a reference in this regard had been made to concerned Ministries and that Audit would be intimated on receipt of reply.

[22]Statement 4-Guarantees given by the Union Government

2.3.19 Operation of discontinued minor head

The minor head '111-Departmental Adjusting Account' under major head '8658-Suspense Accounts' became inoperative with effect from the accounts for the year 1982-83 in the books of Departmental Accounting Authorities. As per instructions issued by the CGA to the various accounts rendering authorities, the outstanding balances under this minor head was to be cleared by the end of 2008-09. However, in Statement No.13 of the Finance Accounts, the minor head continued to appear with an outstanding balance of ₹ 59.83 crore (Debit).

The CGA stated (October 2011) that all the concerned authorities were being asked to liquidate the balances.

2.4 Outstanding Suspense balances and other observations

The accuracy of the Union Finance Accounts 2010-11 is adversely affected by factors like (i) large number of transactions under Suspense heads awaiting final classification, (ii) magnitude of adverse balances under Debt, Deposit and Remittances (DDR) heads of accounts, and (iii) persistent outstanding balances on account of lack of timely action for their clearance.

A general review of outstanding balances under Debt, Deposit, Remittance and Suspense heads was carried out in the office of CGA and five Principal Accounts Offices (Pr.AOs) viz. Central Board of Direct Taxes, (CBDT), Central Pension Accounting Office (CPAO), Ministry of Home Affairs (MHA), Controller of Aid Accounts and Audit (CAA&A) and Ministry of Road Transport and Highways (MoRTH), for last five years These Pr.AOs were selected on the basis of concentration of balances and their accumulation over the years. The audit findings have been discussed in the succeeding paras.

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 Government's receipts and expenditure accurately.

The ledger for suspense balances is to be maintained by Pay and Accounts Offices (PAOs) sub/ detailed head-wise, as may be necessary, and by Pr.AOs minor head-wise on the basis of figures furnished by the PAOs periodically. The Chief Controller/Controller of Accounts (CCAs/CAs) of concerned Ministry/Department is required to review the suspense balances and report to CGA for monitoring purposes.

The aggregate net balance under the Suspense Heads in the Union Finance Accounts including Civil, Defence, Railways, Posts and Telecommunications was ₹ 10,862.85 crore (Debit) as on 31 March 2011. This balance comprised ₹ 2,929.13 crore (Credit) in respect of Civil Ministries, ₹ 8,081.47 crore (Debit) for Defence, ₹ 2,566.09 crore (Debit) relating to Railways, ₹ 1,325.58 crore (Debit) for Postal, ₹ 685.16 crore (Debit) for Telecommunication 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 outstandings under these heads does not get reported in the annual accounts of the 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 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 as detailed in **Table 2.11** below:

Table 2.11: Position of suspense balances under major suspense heads in respect of Civil Ministries

(₹in crore)

Name of Minor Head	2006-07		2007-08		2008-09		2009-10		2010-11	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
101-PAO Suspense	1844.33	692.30	2882.39	617.77	2512.92	524.57	2880.09	1172.22	3374.13	1131.37
Net	**(-) 1152.04**		**(-) 2264.62**		**(-)1988.35**		**(-) 1707.87**		**(-) 2242.76**	
102-Suspense Account (Civil)	1022.42	308.95	1087.28	10310.30	1608.78	1443.21	1942.11	1447.74	1943.09	9781.95
Net	**(-) 713.47**		**9223.02**		**(-) 165.57**		**(-)494.37**		**7838.86**	
107-Cash Settlement	383.18	16.57	362.14	16.58	349.49	16.57	371.03	16.57	374.62	19.81
Net	**(-) 366.61**		**(-) 345.56**		**(-) 332.92**		**(-) 354.46**		**(-) 354.81**	
108-PSB Suspense	4979.41	1029.07	6517.28	782.19	3526.51	1942.36	2435..52	1775.10	3091.85	1052.85
Net	**(-) 3950.34**		**5735.09**		**(-) 1584.16**		**(-) 660.42**		**(-) 2039.00**	

(₹in crore)

Name of Minor Head	2006-07		2007-08		2008-09		2009-10		2010-11	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
109-Reserve Bank Suspense (HQ)	259.05	185.11	11.37	190.89	11.37	190.04	11.37	185.26	11.67	185.14
Net	**(-) 73.94**		**179.52**		**178.67**		**173.89**		**173.47**	
110-Reserve Bank Suspense Central Accounts Office	116.12	294.59	209.18	48.57	339.41	47.09	92.02	128.83	28.52	193.74
Net	**178.48**		**(-) 160.61**		**(-) 292.32**		**36.81**		**165.22**	
115-Purchase etc., abroad	994.46	-	536.65	-	877.79	-	1894.85	-	940.82	-
Net	**(-) 994.46**		**(-) 536.65**		**(-) 877.79**		**(-)1894.85**		**(-) 940.82**	
129-Material Purchase Settlement	127.62	96.17	156.31	107.84	167.82	115.88	195.25	143.11	202.22	102.16
Net	**(-) 31.45**		**(-) 48.47**		**(-) 51.94**		**(-) 52.14**		**(-) 100.06**	
136-Custom Receipts Awaiting Transfer to Receipt Head	-	112.15	-	114.97	-	152.15	-	145.47	-	252.28
Net	**112.15**		**114.97**		**152.15**		**145.47**		**252.28**	
138-Other Nominated Banks (Private Sector Banks)	646.05	1449.94	2.34	170.68	1.55	40.38	2.88	100.70	36.28	294.80
Net	**803.89**		**168.34**		**38.83**		**97.82**		**258.52**	

Note: (-) represents debit balance.

It would be seen that debit balances under PAO Suspense, Suspense Account (Civil), and Material Purchase Settlement have increased in 2010-11 over the previous years. Similarly, credit balances under Suspense Account (Civil), Custom Receipt Awaiting Transfers to Receipt Head and Other Nominated Banks (Private Sector Banks) have also increased in 2010-11 over the previous years. The year-wise break-up of the balances outstanding under the suspense minor heads was not maintained by CGA, hindering effective monitoring of clearance of such balances.

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 a cheque is issued by the Accounts Officer in whose books the initial recovery was accounted for. Debit under 'PAO Suspense' is cleared by 'minus debit' on receipt and realisation of a cheque from the Accounts Officer on whose behalf the payment was 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.

In March 2011, the outstanding debit balance under this head was ₹ 3374.13 crore and the outstanding credit balance was ₹ 1,131.37 crore. The outstanding balances were mainly in respect of Ministry of Supply ₹ 1,969.19 crore (Debit); Department of Expenditure: ₹ 462.03 crore (Credit); Central Board of Direct Taxes (CBDT): ₹ 761.50 crore (Debit), Ministry of External Affairs: ₹ 340.38 crore (Debit); Ministry of Road Transport and Highways: ₹ 459.22 crore (Credit); Department of Atomic Energy ₹ 104.28 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 2011. The large debit and credit balances under PAO suspense and their continuous accumulation indicated significant control deficiencies.

Test check of the accounts of Pr.AOs revealed that in the CBDT, ₹ 317.93 crore (Debit) and (-) ₹ 443.57 crore (Credit) pertaining to the period from prior to 1986-87 up to 2010-11 were outstanding which included ₹ 358.34 crore (Debit) and (-) ₹ 758.24 crore (Credit) pending settlement for more than three years. In Ministry of Home Affairs, balances of ₹ 28.24 crore (Debit) and ₹ 32.75 crore (Credit) were outstanding at the end of the year 2010-11, which included debit balance of ₹ 0.27 crore pending for more than five years. The Pr.AOs did not provide any evidence regarding efforts made to clear the old balances.

Suspense Account (Civil)

This transitory minor head is operated for accounting of the transactions, which for the want of certain information/documents viz., vouchers, challans etc., cannot be taken to the final head of expenditure or receipt. 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 major/sub-major/minor heads of accounts. Outstanding debit balance 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 balances under this minor head as on 31 March 2011 was ₹ 9,781.95 crore (Credit) and ₹ 1,943.09 crore (Debit) indicating that receipts and expenditures of ₹ 11,725.04 crore, which were required to be handled individually for settlement, had not been booked to their final heads of account. The major balances outstanding pertained to Department of Economic Affairs ₹ 9,083.29 crore (Credit); Ministry of Home Affairs: ₹ 799.65 crore (Debit); Ministry of External Affairs: ₹ 597.78 crore (Credit); 'High Commission': ₹ 435.76 crore (Debit) and Department of Commerce (Supply Division): ₹ 597.66 crore (Debit). It was stated by the Pr.AO, DEA, that the main reason for the steep rise in outstanding balances was because the relevant minor heads were not opened for credit of ₹ 1,250 crore for Security Redemption Fund and ₹ 7000 crore for Special Bonds issued against securitization of balances under Postal Life Insurance. However, the reasons for not opening the minor heads were not furnished by the Pr AO.

Test check of the balances in Principal Accounts Offices revealed that in CBDT, balance of ₹ 8.45 crore (Debit) and ₹ 0.04 crore (Credit) were outstanding at the end of year 2010-11 which included debit balance of ₹ 6.57 crore and credit balance of ₹ 0.04 crore, which were pending settlement for more than three years. In the Ministry of Home Affairs, balances of ₹ 799.66 crore (Debit) and ₹ 0.01 crore (Credit) were outstanding since 2008-09. The Pr. AOs did not provide any evidence regarding efforts made to clear old outstanding balances.

Suspense account for purchases abroad

The minor head 'Suspense accounts for purchases 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 suppliers abroad against the supplies made to the project authorities/ importers and an equal amount is kept under the suspense head till the payments are received from the concerned line Ministry. 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 2010-11, the suspense accounts balance for purchases abroad was ₹ 940.82 crore (debit). Major debtors as on 31 March 2011 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) and seven Government Ministries/Departments (₹ 541.16 crore). It was also observed that ₹ 239.58 crore was outstanding from different organisations since 2002. A list showing the details of amounts outstanding since 2002 in respect of major importers is given in **Appendix II-B**. It was noticed from the information made available by the department 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 the recovery of the outstanding amounts.

Public Sector Bank Suspense

In the Government accounting system, 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 RBI (CAS), Nagpur, the original booking under PSB Suspense is cleared by (-) credit/(-) debit, as the case may be. These amounts are not reflected in the cash balance of the Government.

The outstanding PSB balance for the year ending 31 March 2011 aggregated ₹ 3,091.85 crore (Debit) and ₹ 1,052.85 crore (Credit). The departments against which major balances were outstanding were Department of Commerce (Supply Division) ₹ 277.39 crore (Debit); Central Pension

Accounting Office; ₹ 507.12 crore (Credit); Ministry of Road Transport & Highways: ₹ 106.93 crore (Credit); CBEC: ₹ 504.54 crore (Debit); Ministry of Home Affairs ₹ 466.65 crore (Debit); CBDT:₹ 955.62 crore (Debit) and Ministry of Agriculture ₹ 231.10 crore (Debit). It was observed that there was significant increase of outstanding balance during 2010-11 in the case of Ministry of Agriculture, Ministry of Home Affairs and CBEC. The Pr.AO Ministry of Home stated that the balances appearing under this head were mainly due to non-receipt of scrolls from the bank at the time of closing of the accounts.

Test check of balances in Pr.AOs revealed that in CBDT, balances of ₹ 86.98 crore (Debit) and (-) ₹ 868.64 crore (Credit) were outstanding at the end of the year 2010-11 which included debit balance of ₹ 43.15 crore and credit balance of ₹ 31.85 crore which were pending for more than 22 years. In CPAO, balances of (-) ₹ 24.41 crore (Debit) and ₹ 485.51 crore (Credit) were outstanding at the end of the year 2010-11, which included debit balance of ₹ 1.83 crore and credit balance of ₹ 94.20 crore, which were pending settlement for more than 10 years. In the Ministry of Home Affairs, balance of (-) ₹ 14.76 crore (Debit) and (-) ₹ 481.41 crore (Credit) were outstanding at the end of the year 2010-11 which included debit balance of (-) ₹ 0.70 crore and credit balance of (-) ₹ 0.04 crore, which were pending settlement for more than three years.

Reserve Bank Suspense, Central Accounts Office

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 authorised, the respective expenditure head is debited and credit is afforded to this 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 head is debited by crediting the loans/interest head. On receipt of monthly statement of accounts from RBI (CAS) Nagpur, the head is minus debited by per contra debit to 8675-Deposits with RBI-101-Central Civil. The outstanding balance under this minor head as on 31 March 2011 was ₹ 28.52 crore (Debit) and ₹ 193.74 crore (Credit). The outstanding RBI (CAO) suspense balances were mainly against the Ministry of Road Transport and Highways: ₹ 8.19 crore (Debit); Ministry of Urban Development: ₹ 7.53 crore (Credit); Department of Supply: ₹ 6.69 crore (Debit); Ministry of Shipping: ₹ 145.63 crore (Credit); Department of

Statistics: ₹ 4.15 crore (Credit) and Ministry of Social Justice and Empowerment: ₹ 4.12 crore (Credit).

Test check of balances in Pr.AOs revealed that in Ministry of Road Transport and Highways, a net debit balance of ₹ 8.19 crore was outstanding at the end of the year 2010-11. The year-wise debit and credit break-up of the balance was not maintained by the Pr.AO for effective monitoring of clearance of outstanding balances.

2.4.2 Large number of adverse balances under Debt, Deposit and Remittances (DDR) heads in Union Finance Accounts

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 2010-11, there were 47 cases of adverse balances under debt, deposit and remittances heads as given in **Appendix II-C**. Out of these, four balances became adverse during the year 2010-11 and 43 cases figured in the Finance Accounts of earlier years. These include 28 cases outstanding for more than five years, 13 for more than 10 years and four cases for more than 20 years. Though the footnotes to the adverse balances in the Finance Accounts mentioned that they were under investigation, the findings of such investigation by the CGA and subordinate offices and the efforts made to clear them were not made available to Audit.

2.4.3 Adverse balances under Debt, Deposit and Remittances (DDR) heads at Pr.AO level

Adverse balances at the minor head level represent the aggregate effect of the balances of various account circles taken together. At unit/account circle's level, adverse balances appear in the books of PAOs and Pr.AOs also. Many of these adverse balances get eclipsed since these balances get aggregated when the accounts of the accounting circles are consolidated. To find out the magnitude of the adverse balance at the unit level, Pr.AOs of Ministry of Home Affairs, CPAO, CBDT, Ministry of Road Transport and Highways and CAA&A were selected for detailed examination. This examination revealed that there were 12 heads of accounts with adverse balances at the end of year 2010-11, six of which have not been reflected in the 47 cases of adverse balances mentioned in para 2.4.2. The adverse balances noticed during the

audit of the Pr.AOs are given in **Appendix II-D.** The observations on the adverse balances in Pr.AOs are given below.

(i) Central Pension Accounting Office

Scrutiny of records in the Central Pension Accounting Office disclosed that there were adverse balances lying uncleared under the heads '7610-201-House Building Advance' (₹ 6.48 lakh-Credit) since 2010-11, '7610-202-01-Advance for purchase of Motor Conveyances' (₹ 0.61 lakh-Credit) since 2009-10 and under the head '7610-800-Other Advances (₹ 0.01 lakh-Credit) since 2004-05 at the end of the year 2010-11. The Controller of Accounts (Pension) stated that the adverse balances were due to recoveries effected against the advances taken from other account circles and the action would be taken to clear the adverse balances at the earliest.

(ii) Controller of Aid, Accounts and Audit

The adverse balances of ₹ 7107.44 crore in the accounts of Controller of Aid Accounts and Audit under the major head '6002 –External Debt' at the end of the year 20010-11 was due to exchange losses at the time of repayment of loans. An audit paragraph on this subject was included in the CAG's Report No. 1 for the year 2009-10. The Ministry, in their Action Taken Note, stated that a sum of ₹ 4560.11 crore had been written off and a continuous effort to write-off the adverse balances in respect of fully disbursed and repaid loans was being undertaken in a timely manner.

(iii) Controller of Accounts- Ministry of Home Affairs

Scrutiny of records in the office of the Controller of Accounts, Ministry of Home Affairs revealed that an adverse balance of ₹ 5.90 lakh (Credit) was lying under the head 7610-00-203- Advance for the purchase of other conveyances. The period since this amount was pending was not furnished by the Principal AO and it was stated that the adverse balance was being reconciled with the concerned PAOs and necessary action would be taken shortly. Further, there was an adverse balance of ₹ 0.05 lakh (Debit) under the head '8342-00-110- Telephone Application Deposit', which was lying uncleared for the last four years. The Pr.AO stated that the concerned PAO had been instructed to clear the amount lying unadjusted under the head.

2.4.4 Outstanding balances under the head 'Cheques and Bills'

This head is an intermediary accounting head for initial record 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 to the PAO/departmental officer, the payment is authorised 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. On receipt of Date-wise Monthly Statements (DMS)/Monthly Statements of Balances from Public Sector Bank/RBI (CAS), 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 head '8658-108-PSB Suspense/ 8675-101-Deposits with Reserve Bank-Central Civil', as the case may be.

In the Finance Accounts for 2010-11, large balances were lying outstanding under the following minor heads of 'Cheques and Bills' detailed below in **Table 2.12**:

Table 2.12: Outstanding balances under the following minor heads of 'Cheques and Bills'

(₹in crore)

Pre Audit Cheques	Cr	0.40
Pay and Accounts Office Cheques	Cr	11138.28
Departmental Cheques	Cr	1169.77
Treasury Cheques	Cr	4.56
IRLA Cheques	Cr	0.59
Telecommunication Accounts Cheques	Cr	1460.10
Postal Cheques	Cr	7395.21
Railway Cheques	Cr	2921.48
Defence Cheques	Cr	3344.06
Electronic Advices	Cr	35.20
Pay and Accounts Offices Electronic Advices	Cr	40.61

Rule 45 of Receipt and Payment Rules, 1983 envisages that a cheque shall be payable at any time within three months after the month 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 & 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. In reply, CGA in

October 2010, stated that instructions were being issued to the concerned CCAs to write back the cheques outstanding for more than three months.

Test check of the five Principal Accounts Offices revealed that 2,563 cheques amounting to ₹ 77.22 crore in MHA, 503 cheques amounting to ₹ 5.38 crore in Ministry of Road Transport & Highways (MoRTH), 12,192 cheques amounting to ₹ 31.72 crore in CBDT and 109 cheques amounting to ₹ 3.53 crore in CPAO had remained unpaid for more than six months but had not been cancelled by the Pr.AOs.

2.4.5 Review of balances not carried out by Principal Accounts Offices

As per the Civil Accounts Manual, at the close of a financial year, the PAOs shall review and verify the balances under various DDR heads and ascertain, wherever necessary, whether the correctness of the balances is accepted by the persons/parties by whom the balances are owned or to whom these are due and are required to furnish annually by 15 September each year, 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 for the Ministry/ Department as a whole to the CGA by 15 October 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, deposits and remittances.

In respect of civil departments, the review of balances for the year 2006-07, 2007-08, 2008-09 and 2009-10 was completed only in 26, 36, 40 and 21 departments respectively, out of a total of 68 Pr.AOs.

Failure to carry out review of balances and lack of timely action by the Pr.AOs is reflected in the adverse balances lying outstanding for many years as, brought out in the preceding paragraphs.

It is recommended that the Ministry of Finance may put in place a more effective control mechanism for constant review and timely action for clearance/settlement of balances under DDR and Suspense heads to improve accuracy and quality of Government Accounts.

2.4.6 Departmentally Managed Government Undertakings- Position of Proforma Accounts

The General Financial Rules 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 Comptroller and Auditor General of

India. There were 44 departmentally managed Government undertakings of commercial or quasi commercial nature as of March 2011. 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. The position of the summarized financial results of the departmentally managed undertakings on the basis of their latest available accounts is given in **Appendix II-E**.

From the appendix, it will be seen that the proforma accounts were in arrears in respect of undertakings for periods ranging from one to 12 years as shown in **Table 2.13** below:

Table 2.13: Period for which Proforma Accounts are lying in arrears

No. of years	Period	No. of undertakings
1-4	2007-08 to 2010-11	33
5-8	2003-04 to 2006-07	6
9-12	1999-2000 to 2002-03	1
	Total	**40**

In the absence of proforma accounts, 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.

2.4.7 Losses and irrecoverable dues written off/waived

Statement of losses and irrecoverable dues written off /waived off during the year 2010-11 furnished by the ministries/departments, is given in **Appendix II-F**. It will be seen from the annexure that in 25,469 cases, ₹ 5,600.26 lakh was written off during 2010-11. During the year, recoveries waived and ex gratia payment made in 1,837 cases aggregated ₹ 4,606.83 lakh.

Chapter 3

APPROPRIATION ACCOUNTS: 2010-11

Introduction

Constitutional provisions

3.1 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 can also sanction supplementary or additional grants by the subsequent Appropriation Acts in terms of Article 115 of the Constitution. The Appropriation Acts include the disbursements, which have been voted by Parliament under various grants in terms of Articles 114 and 115, and the disbursements, charged on the CFI in terms of Article 112(3) as well as Article 293(2) of the Constitution. The Government prepares Appropriation Accounts every year indicating the details of the gross amounts on various services actually spent by the government vis-à-vis those authorised by the Appropriation Acts.

3.2 The CGA prepares the Appropriation Accounts in respect of 98 grants and appropriations of Civil Ministries. The Ministries of Defence and Railways and the Department of Posts prepare the Appropriation Accounts of their respective grants. The 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 every year, to the President, who causes them to be laid before Parliament. Details of demands for grants and appropriations of various Ministries during 2010-11 are as follows:

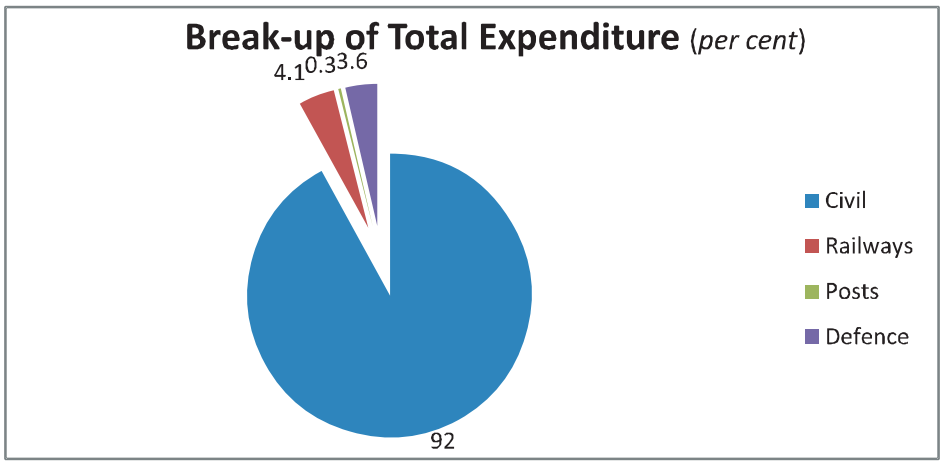
Sector of Activity	Number of Demands for Grants/Appropriations
Civil	98
Defence Services	6
Postal Services	1
Railways	16
Total	**121**

3.3 The Report contains audit observations on the Appropriation Accounts (Civil, Postal and Defence Services), including an analysis of expenditure in excess of allocation requiring regularisation by 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 the Ministries selected for in-depth examination. For facility of better appreciation of the sectoral features, all grants relating to Civil Ministries/Departments, Posts and Defence, appropriations 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 2010-11.

Summary of total provision/actual disbursements

3.4 **Chart 3.1** below shows the breakup of expenditure between Civil Ministries/Departments, Posts, Railways and Defence Services. As can be seen from the chart, the bulk of the expenditure, i.e. 92 *per cent,* was incurred by the Civil Ministries. Railways and Defence each accounted for four *per cent* of the total gross expenditure

Chart 3.1: Break-up of expenditure between Civil Ministries/Departments, Railways, Post and Defence Services during the financial year 2010-11



Expenditure under Charged and Voted during the year 2010-11

(₹ in crore)

Civil		Railway		Posts		Defence	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
918675	3104657	178088	418	14067	Nil.	158637	86
23%	77%	99.77%	0.23%	100%	Nil.	99.95%	0.05%

Table 3.1 gives the total provisions (both Charged and Voted) and disbursements of the Government during the financial year 2010-11. **Appendix-III-A** presents the details of the summary of Appropriation Accounts of Civil Ministries, Posts, Railways and Defence Services.

Table 3.1: Provision and disbursement during 2010-11

(₹ in crore)

Departments	Total Provision	Disbursements	Savings (-) Excess (+)	Percentage of Savings/Excess as compared to Total Provision
Civil	4683839	4023332	(-) 660507	14
Posts	13903	14067	(+) 164	01
Railways	181975	178506	(-) 3469	02
Defence Services	156127	158723	(+) 2596	02
Grand Total	**5035844**	**4374628**	**(-) 661216**	**13**

3.5 Under the Civil Ministries/Departments, the net saving of ₹ 6,60,507 crore was due to excess expenditure of ₹ 3,384 crore under seven grants and saving of ₹ 6,63,891 crore in the 96 grants/appropriations pertaining to civil Ministries/Departments. Out of the overall excess expenditure of ₹ 3,384 crore, ₹ 3,336 crore was on account of more payment of pension and other retirement benefit due to implementation of the one rank one pension scheme under grant No. 21-Defence Pension. Of the overall saving of ₹ 6,63,891 crore, savings of ₹ 5,83,785 crore were in grant No. 37-Appropriation-Re-payment of Debt under Capital (Charged) section, ₹ 17,919 crore in grant No. 81-Department of Rural Development under Revenue (Voted) section, ₹ 14,788 crore in grant No. 35-Transfers to State and Union Territory Governments under Revenue (Voted/Charged) and Capital (Charged) sections, ₹ 6,921 crore in grant No. 34-Appropriation-Interest Payments under Revenue (Charged) section, ₹ 5,798 crore in grant No. 74-Ministry of Power under Revenue/Capital (Voted) sections, ₹ 3,217 crore in grant No. 58-Department of Higher Education under Revenue (Voted) section and ₹ 2,716 crore in grant No. 53-Police under Revenue/Capital (Voted/Charged) sections. The gross saving in remaining grants/appropriations was ₹ 28,747 crore.

3.6 There were savings in 200 sections and excesses in nine sections under the grants/appropriations relating to Civil Ministries/Departments; savings in three sections and excess in one section of Posts; savings in 12 sections and excesses in 15 sections of Railways and savings in eight sections and excesses in four sections of Defence Services. **Appendix-III-B** presents an abstract of the details.

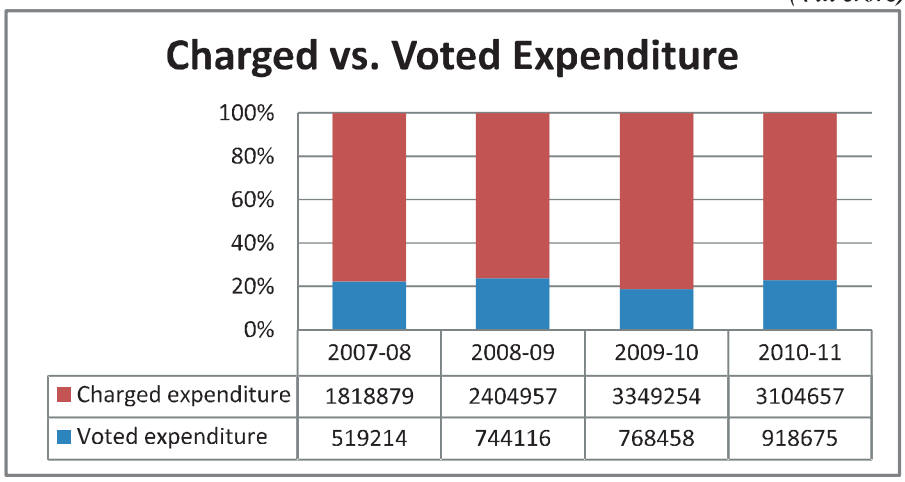
Charged and voted disbursements

3.7 As per constitutional requirements, a distinction is made between charged and voted expenditure. Charged expenditure is defined as all such expenditure as is not to be subjected to the vote of the Parliament under the various provisions of the constitution. **Appendix-III-C** contains the details of disbursements actually made against approved demands (grants and appropriations) of the Civil Ministries/Departments for the years 1999-2011. During these years, 70 to 81 *per cent* of the total disbursements for the Civil Ministries/Departments were charged on the Consolidated Fund of India.

3.8 During 2010-11, the total disbursements of ₹ 40,23,332 crore under Civil Ministries/Departments were less by ₹ 94,380 crore as compared to the total disbursements of ₹ 41,17,712 crore during 2009-10. It had increased by 569 *per cent* from ₹ 6,01,838 crore in 1999-2000. The charged disbursements increased by 585 *per cent* from ₹ 4,53,196 crore in 1999-2000 to ₹ 31,04,657 crore in 2010-11 and voted disbursements increased by 518 *per cent* from ₹ 1,48,642 crore to ₹ 9,18,675 crore over the same period. The charged disbursements of the civil Ministries/Departments during 2010-11 were mainly on account of Interest Payments of ₹ 2,44,743 crore, which was nine *per cent* higher as compared to ₹ 2,23,701 crore for 2009-10, Repayment of Debt ₹ 28,14,774 crore and Transfers to State and Union Territory Governments ₹ 41,728 crore on account of grants under the proviso to Article 275(1) of the Constitution, block grants, loans for State Plan Schemes etc. which constituted 77 *per cent* of the total disbursements. Since charged disbursements are not subject to vote by the Parliament, effectively the scope of financial control by Parliament is limited to about 23 *per cent* of the total disbursement in the Civil Ministries/Departments. **Chart 3.2** depicts the preponderance of charged expenditure over voted expenditure in Civil Ministries/Departments during the last four years 2007-08 to 2010-11. However, viewed against the background of total disbursements amounting to ₹ 43,74,628 crore from the CFI including Civil, Posts, Defence Services and Railways, the percentage of charged disbursements was 71 *per cent* (₹ 31,05,161 crore) during the financial year 2010-11.

Chart 3.2: Expenditure under Charged and Voted sections during the year 2007-08 to 2010-11.

(₹in crore)



	2007-08	2008-09	2009-10	2010-11
Charged expenditure	1818879	2404957	3349254	3104657
Voted expenditure	519214	744116	768458	918675

Appropriation Accounts 2010-11: An Analysis

Grants/appropriations with excess disbursements

3.9 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 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 3.2** presents the summary of total excess disbursement of ₹ 11,042.87 crore over the authorisation from the CFI during 2010-11. There was an excess disbursement of ₹ 3,384,10,33,885 (₹ 3,384.10 crore) in nine segments of seven grants/appropriations in Civil Ministries/Departments, ₹ 3,052,78,77,064 (₹ 3,052.79 crore) in 15 segments of 10 grants/ appropriations of Railways, ₹ 366,63,29,167 (₹ 366.63 crore) in one segment of one grant in Department of Posts and ₹ 4,239,34,42,172 (₹ 4,239.34 crore) in four segments of four grants of Defence Services. These are detailed in **Table 3.3** and require regularisation under Article 115(1)(b) of the Constitution.

Table 3.2: Summary of excess disbursements over grants/appropriations

(Figure in ₹)

		Civil	Defence	Posts	Railways
Voted	Revenue	33504302488	30028612635	3666329167	30432496034
	Capital	335641437	12353194576	-	-
Charged	Revenue	1089960	11634961	-	95381030
	Capital	-	-	-	-
No of Grants/ Appropriations		7	4	1	10
Total Excess		**33841033885**	**42393442172**	**3666329167**	**30527877064**

Table 3.3: Details of excess disbursement over grants/appropriations

Sl. No	Grant/ Appropriation	Figure in ₹		Reasons for variation as stated by the Ministries/Departments
Civil Revenue (Voted)				
1.	21-Defence Pension	Grant Expenditure Excess	339997500000 373360572983 33363072983	Excess was due to implementation of one rank one pension scheme, more number of retirees and booking of pending pension scrolls received from banks, to clear amount under suspense and due to encashment of Earned Leave at the credit of retirees.
2.	31- Ministry of External Affairs	Grant Expenditure Excess	62479700000 62542933514 63233514	Requirement of additional funds towards salaries, office expenses, renovation of old buildings, payment of enhanced insurance premium for officials posted in Afghanistan, revision of foreign allowance and pay of local staff in Missions, evacuation of Indians from Libya owing to civil disturbances, committed payments for Punatsangchhu and Mangdechhu Hydroelectric Power Projects in Bhutan, and requirement of additional funds towards committed payment of various ongoing projects in Nepal.

Sl. No	Grant/ Appropriation	Figure in ₹		Reasons for variation as stated by the Ministries/Departments
3.	101– Public Works	Grant Expenditure Excess	10712600000 10790595991 77995991	Requirement of additional funds for payment of enhanced salaries, Dearness Allowance, implementation of Modified Assured Career Progression Schemes (MACPS) and clearance of payment of local bodies towards electricity, Property Tax, etc.
Revenue (Charged)				
4.	*21-Defence Pension*	*Appropriation* *Expenditure* *Excess*	*2500000* *3574960* *1074960*	Implementation of one rank one pension scheme and payment of retirement dues to more number of retirees.
5.	*80-Ministry of Road Transport & Highways*	*Appropriation* *Expenditure* *Excess*	*Nil.* *15000* *15000*	Expenditure incurred to defray the cost of Writ Petition (Civil).
Capital (Voted)				
6.	11-Department of Commerce	Grant Expenditure Excess	6829900000 6895575990 65675990	Re-appropriation of funds from the Major Head '4552' to functional heads for utilisation on projects/schemes for the benefit of North Eastern Region and Sikkim, booking of expenditure by Ministry of Urban Development under the ongoing schemes and excessive expenditure incurred by some Cheque Drawing and Disbursing Officers.
7.	31- Ministry of External Affairs	Grant Expenditure Excess	8720000000 8989765506 269765506	Requirement of additional funds for purchase of Chancery building in Sydney, clearance of payments for Punatsangchhu-I and Mangdechhu Hydroelectric Power Projects in Bhutan.
8.	72-Ministry of Petroleum and Natural Gas	Grant Expenditure Excess	1015300000 1015314000 14000	Requirement of additional equity investment in Engineers India Limited (EIL) on account of receipt of bonus shares from EIL.
9.	102-Stationery and Printing	Grant Expenditure Excess	1300000 1485941 185941	Requirement of additional funds for clearing outstanding claims of the previous year.

Sl. No	Grant/ Appropriation	Figure in ₹		Reasons for variation as stated by the Ministries/Departments
Railways **Revenue (Voted)**				
10.	03-General Superintendence & Services	Grant Expenditure Excess	43522333000 43574432897 52099897	Incurrence of more expenditure on staff and arrear on implementation of MACPS, advertising bills and materialization of decretal payments.
11.	04- Repairs and Maintenance of Permanent Way and Works	Grant Expenditure Excess	73788065000 73865617784 77552784	Incurrence of more expenditure on staff and arrear on implementation of MACPS, contractual payments, drawal of stores from stock, expenditure on repairs and plantation of trees, etc.
12.	05- Repairs and Maintenance of Motive Powers	Grant Expenditure Excess	33485353000 34236013832 750660832	Incurrence of more expenditure on staff and arrear on implementation of MACPS, contractual payments, drawal of stores from stock, Periodical Overhaul (POH) debits, and increase in POH cost.
13.	06 -Repairs and Maintenance of Carriages and Wagons	Grant Expenditure Excess	75784998000 77995875978 2210877978	Incurrence of more expenditure on staff cost, contractual payments, direct purchase due to increase in special repairs, drawal of stores from stock, adjustment of wages and material on POH, increase in POH activity, large expenditure on running repairs and maintenance of power cars, and running repairs in workshop for sick lines.
14.	07-Repairs and Maintenance of Plant and Equipment	Grant Expenditure Excess	41271166000 41669143327 397977327	Incurrence of more expenditure on staff cost, salaries and contingencies, contractual payments, direct purchase, drawal of stores from stock, expenditure towards line wire, data circuit and telephone line, etc.
15.	08- Operating Expenses -Rolling Stock and Equipments	Grant Expenditure Excess	59669307000 61568196127 1898889127	Incurrence of more expenditure on staff cost, contractual payments, expenditure on procurement of linen and bed rolls, and adjustments of debits.

Sl. No	Grant/ Appropriation	Figure in ₹		Reasons for variation as stated by the Ministries/Departments
16.	10- Operating Expenses-Fuel	Grant Expenditure Excess	163729579000 167710434127 3980855127	More expenditure on Sales Tax and Excise Duty, expenditure on High Speed Diesel Oil, receipt of more debits, and expenditure on electricity for Traction Services.
17.	11-Staff Welfare and Amenities	Grant Expenditure Excess	35010122000 35549566110 539444110	Receipt of more claims of tuition fee, disbursement of educational assistance to railway employees, incurrence of expenditure on staff cost and arrears on implementation of MACPS, expenditure on purchase and maintenance of medical equipments, and contribution to Staff Benefit Fund.
18.	12- Miscellaneous Working Expenses	Grant Expenditure Excess	33540570000 40024956934 6484386934	Incurrence of more expenditure on staff cost, adjustments of debits, expenditure on compensation claims, and consumer awards, direct caterers and clearance of outstanding bills of Indian Railways Catering and Tourism Corporation, more expenditure towards rent, rates and taxes, and materialization of claims.
19.	13- Provident Fund, Pension Fund & Other Retirement Benefits	Grant Expenditure Excess	149487370000 163527121918 14039751918	Receipt of more debits from pension disbursing authorities on account of implementation of Sixth pay Commission, payment of ex-gratia pension, receipt of more debits towards family pension, finalization of cases of Death Cum Retirement Gratuity, leave encashment, and expenditure on government contribution.
Revenue (Charged)				
20.	*03-General Superintendence and Services*	*Appropriation* *Expenditure* *Excess*	*1552000* *3649842* *2097842*	Materialization of decretal payments more than anticipated.
21.	*06-Repairs and Maintenance of Carriages & Wagons*	*Appropriation* *Expenditure* *Excess*	*969000* *1425116* *456116*	Materialization of decretal payments more than anticipated.
22.	*07- Repairs and Maintenance of Plant & Equipment*	*Appropriation* *Expenditure* *Excess*	315000 464045 149045	Materialization of decretal payments more than anticipated.

Sl. No	Grant/ Appropriation	Figure in ₹		Reasons for variation as stated by the Ministries/Departments
23.	*08-Operating Expenses-Rolling Stock & Equipment*	*Appropriation* *Expenditure* *Excess*	821000 872277 51277	Materialization of decretal payments more than anticipated.
24.	*12-Miscelleous Working Expenses*	*Appropriation* *Expenditure* *Excess*	2919460000 3012086750 92626750	Materialization of decretal payments more than anticipated.
Department of Posts **Revenue (Voted)**				
25.	13-Postal Services	Grant Expenditure Excess	134266300000 137932629167 3666329167	Pay and hike in Dearness Allowance, implementation of GDS Committee Report, MACP due to implementation of Sixth Pay Commission Report and excess payment of superannuation and retirement benefits including payment of family pension more than anticipated.
Defence Services **Revenue (Voted)**				
26.	22-Defence Services-Army	Grant Expenditure Excess	621379400000 650019552379 28640152379	Hike in Dearness Allowance more than anticipated, accretion of new formations, additional expenditure towards movement of personnel, hiring of civilian labour and machinery, increase in purchase rate, increased demand for hay, exchange rate variation, supply of stores more than budgeted, release of advance payment for procurement of certain ammunition, passive night vision devices, and contractual obligations etc.
27.	23-Defence Services-Navy	Grant Expenditure Excess	100025200000 101413660256 1388460256	Certain unforeseen obligatory payments, increase in temporary duty, permanent duty, contractual payments, foreign travel of Service and civilian personnel.
Revenue (Charged)				
28.	*25-Defence – Ordnance Factories*	*Appropriation* *Expenditure* *Excess*	*36500000* *48134961* *11634961*	Fructification of land acquisition cases more than anticipated.
Capital (Voted)				
29.	27-Capital outlay on Defence Services	Grant Expenditure	607762100000 620115294576	Fructification of land acquisition cases more than

Sl. No	Grant/ Appropriation	Figure in ₹		Reasons for variation as stated by the Ministries/Departments
		Excess	12353194576	anticipated, enhanced deliveries of certain systems, initial advances/enhanced deliveries/payments in environmental control, modernization of safety, security in Ammunition Depots, other schemes viz. Shakthi, Sujav, maturity of high value cases, enhanced deliveries/payments due to higher progress and incurrence more expenditure than anticipated under projects towards the close of the financial year, exchange rate variation, booking of letter of credit on account of foreign payments including taxes, booking of expenditure with respect to committed shipyard payments, revised requirement of funds for certain schemes contracted with Hindustan Aeronautical Limited, increased requirements due to committed liabilities, greater progress in certain works than anticipated, issue of Government sanction after finalization of Modified Appropriation at the end of March 2011 and obligatory expenditure incurred.

3.10 The other details relating to grants of the Railways are mentioned in the related separate Audit Report for the year 2010-11 of the Comptroller and Auditor General of India.

Minor/Sub head-wise excess expenditure

3.11 Pay and Accounts Officers can make payment in excess of the budget allotment under any sub-head or primary unit, on receipt of an assurance from the Head of the Department controlling the grant that necessary funds to accommodate the disbursements would be provided by issue of re-appropriation orders, etc. It was, however, observed from the Head-wise Appropriation Accounts for the year 2010-11 that in 51 minor/sub-heads of 15 grants, there was an excess expenditure of ₹ five crore and more, over the available provision. An aggregate expenditure of ₹ 67,521.17 crore had 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 **Appendix-III-D.**

Saving of ₹ 100 crore or more (Sector-wise)

3.12 The Public Accounts Committee, in its 60th Report (10th Lok Sabha), had desired that each year, a detailed explanatory note in respect of savings of ₹ 100 crore or above in any section of a grant shall be furnished by the respective Ministry/Department, to the Committee. Further, saving in a grant or appropriation would be indicative of deficient budgeting as well as shortfall in performance.

Savings of more than ₹ 100 crore, which need a detailed explanatory note to the Public Accounts Committee (PAC), occurred in 70 cases of 51 grants (including Civil, Posts, Railways and Defence Services) during the financial year 2010-11. Large savings were in areas like: Repayment of Debt (₹ 5,83,785 crore), Department of Rural Development (₹ 17,919 crore), Transfers to State and Union Territory Governments (₹ 14,788 crore), Interest Payments (₹ 6,921 crore), Ministry of Power (₹ 5,797 crore), Department of Higher Education (₹ 3,217 crore), Department of Economic Affairs (₹ 3,126 crore), Police (₹ 2,716 crore), Department of Financial Services (₹ 2,444 crore), Ministry of Planning (₹ 1,585 crore), Ministry of Road Transport and Highways (₹ 1,535 crore) and Nuclear Power Scheme (₹ 1,052 crore) etc. **Appendix-III-E** indicates the details of savings under various grants/appropriations.

The savings were attributed by the Ministries/Departments to 'some of the schemes failing to take off', 'delay in submission of Progress Report/Utilisation Certificates', 'slow pace of expenditure by the implementing agencies', 'Unspent balances lying with the State Governments', 'Receipt of less proposals from State Governments', etc.

3.13 Further, 33 sections of 26 grants/appropriations including 12 capital sections with persistent savings of ₹ 100 crore and more which occurred during the last three years (2008-2011) are given in **Appendix III-F.** Some of the grants with large persistent savings were, Grant Nos. 34-Interest Payments, 35-Transfer to State and Union Territory Governments, 37-Repayment of Debt, 53-Police, 57-Department of School Education & Literacy and 80-Ministry of Road Transport & Highways.

Surrender of savings (Grant-wise)

3.14 Rule 56 of the 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 2010-11, under 200 segments of 96 grants/appropriations of Civil Ministries/Departments, there were savings of ₹ 6,63,891 crore. This was offset by excess expenditure of ₹ 3,384 crore under nine segments of seven grants resulting in a net saving of ₹ 6,60,507 crore. The amounts surrendered are shown in **Table 3.4.**

Table 3.4: Details of savings and surrenders

(₹ in crore)

	Unspent Provision	Amount Surrendered	Amount Surrendered on 31 March	Percentage of Amount Surrendered on 31 March to Unspent Provision	Amount not Surrendered
Revenue					
Voted	55802.84	51851.06	50956.40	91	4094.45
Charged	8117.15	8965.85	8965.85	100	13.61
Total: Revenue	63919.99	60816.91	59922.25		4107.06
Capital					
Voted	14969.40	10325.97	8087.59	54	4292.35
Charged	585001.40	640217.66	640217.36	100	11.37
Total: Capital	599970.80	650543.63	648304.95		4303.72
Grand total	**663890.79**	**711360.54**	**708227.20**		**8410.78**

3.15 Under the grants pertaining to Department of Pharmaceuticals, Ministry of Civil Aviations, Department of Industrial Policy and Promotion, Ministry of External Affairs, Ministry of Statistics and Programme Implementation, Interest Payments and Repayment of Debt, the amount surrendered exceeded the savings. **Appendix-III-G** gives the details. The Ministry of External Affairs under 'Revenue (Voted)' and Ministry of Defence, under 'Capital outlay on Defence Services, incurred excess expenditure of ₹ 6.32 crore and ₹ 1,235.32 crore respectively (detailed in **Table 3.3**), which required regularisation under Article 115(1) (b) of the Constitution. While the Ministries incurred excess expenditure, they simultaneously surrendered ₹ 135.67 crore and ₹ 26.30 crore respectively in March 2011. This was indicative of poor budgetary management in the Ministry of External Affairs.

Surrender of savings on 31 March

3.16 Fifty five cases, where major savings (more than ₹ 100 crore) in a grant/appropriation were noticed and which were eventually surrendered by the concerned Ministries/Departments on 31 March 2011, along with the amounts which were not surrendered and allowed to lapse are given in **Appendix III-H**.

Re-appropriation of funds

3.17 For disbursements, a grant or appropriation is budgeted upto the standard object head under which it is accounted. The competent authority can approve re-appropriation of funds between primary units of appropriation viz. object head within a grant or appropriation before the close of the financial year to which such grant or appropriation relates, subject to restrictions laid down in the Delegation of Financial Power Rules, 1978. Re-appropriation of funds should be made only when it is known or anticipated that the appropriation for the unit from which funds are to be transferred will not be utilised in full or that unspent provision can be effected in the unit of appropriation.

3.18 Test check of Appropriation Accounts with reference to re-appropriation orders for 2010-11 revealed that heavy re-appropriations of funds were made by the Ministries/Departments between different primary units of appropriation, defeating the purpose/activity as authorised by the Parliament. Some of the grants, where large re-appropriation of funds (more than ₹ 1,000 crore) were made are shown in **Table 3.5.**

Table 3.5: Statement showing details of large Re-appropriation

(₹ in crore)

Sl. No.	Description of Grant	Total Provision	Amount Re-appropriated	Percentage of amount Re-appropriated as compared to Total Provision
1.	1-Department of Agriculture and Co-operation	17860.07	1753.02	10
2.	2-Department of Agricultural Research and Education	5393.81	2086.99	39
3.	7-Department of Fertilizers	66075.01	1790.84	03
4.	33-Department of Financial Services	59869.10	3476.32	06
5.	34-Appropriation-Interest Payments	251664.01	7783.44	03
6.	35-Transfers to State and UT Governments	128041.28	6484.70	05

Sl. No.	Description of Grant	Total Provision	Amount Re-appropriated	Percentage of amount Re-appropriated as compared to Total Provision
7.	46-Department of Health & Family Welfare	25363.21	3066.04	12
8.	53-Police	36563.85	1450.24	04
9.	55-Transfers to Union Territory Governments	1996.11	1177.74	59
10.	74-Ministry of Power	16558.46	1756.95	11
11.	80-Ministry of Road Transport and Highways	38901.18	2775.43	07
12.	81-Department of Rural Development	148225.53	4617.90	03
13.	83-Department of Drinking Water and Sanitation	10583.80	1565.04	15
14.	104-Ministry of Women & Child Development	11070.55	2200.15	20
		Total:	**41984.80**	

Injudicious re-appropriation to minor/sub-heads

3.19 Test check of the accounts revealed that in 12 cases relating to nine grants/appropriations of Civil Ministries/Departments, re-appropriations aggregating ₹ 236.70 crore were injudicious, as the original provision under the sub-heads to which augmentation was made by way of re-appropriation was more than adequate. Resultantly, the final savings under the sub-heads were more than the amounts re-appropriated to these sub-heads. Nine cases, where re-appropriation exceeding ₹ five crore and more were made, are given in **Appendix-III-I.**

Large supplementary grants due to unrealistic budgetary projections

3.20 Under Article 114 of the Constitution, the Parliament authorises the Government to appropriate specified sums from the Consolidated Fund of India. Parliament can also authorise supplementary or additional grants by subsequent Appropriation Acts, in terms of Article 115 of the Constitution. While preparing the 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. Scrutiny of the Appropriation Accounts for the year 2010-11 revealed that a large number of

Ministries/Departments of the Central Government obtained supplementary grants/appropriations much in excess of the original provisions. The supplementary provisions ranged from 32 *per cent* to 1,110 *per cent* of the original provisions in some sections of the grants. These are detailed in **Table 3.6.** Large supplementaries 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 Ministry of Finance for ensuring realistic budgetary projections did not have the desired effect.

Table 3.6: Statement showing details of large Supplementary Grants due to unrealistic budgetary projections

(₹ in crore)

Sl. No.	Description of Grant	Original Provision	Supplementary Provision	Percentage of Supplementary Provision to Original Provision
Revenue (Voted)				
1.	02-Department of Agricultural Research & Education	3825.55	1568.26	41
2.	06-Department of Chemicals and Petrochemicals	393.31	1248.01	317
3.	11-Department of Commerce	3300.56	2694.09	82
4.	14-Department of Telecommunications	7925.92	2649.59	33
5.	15-Department of Information Technology	2546.00	1012.03	40
6.	16-Ministry of Consumer Affairs	457.66	233.77	51
7.	21-Defence Pension	24999.75	9000.00	36
8.	49-Department of Heavy Industry	375.01	1155.24	308
9.	51-Ministry of Home Affairs	3195.12	1037.54	32
10.	62-Law and Justice	672.17	268.54	40
11.	72-Ministry of Petroleum and Natural Gas	3179.00	35278.00	1110
12.	92-Ministry of Textiles	5478.94	7821.30	143
Capital (Voted)				
13.	17-Department of Food and Public Distributions	10973.06	10000.02	91
14.	18-Department of Corporate Affairs	46.00	49.36	107
15.	32-Department of Economic Affairs	1850.40	11327.16	612
16.	33-Department of Financial Services	17325.00	5857.12	34
17.	49-Department of Heavy Industries	506.70	231.48	46
18.	59-Ministry of Information and Broadcasting	334.54	189.10	57
19.	65-Ministry of Mines	39.79	40.00	101

(₹ in crore)

Sl. No.	Description of Grant	Original Provision	Supplementary Provision	Percentage of Supplementary Provision to Original Provision
20.	92-Ministry of Textiles	129.14	108.53	84
Total			**91769.14**	

The position of original and supplementary grants obtained under civil Ministries/Departments and percentage of supplementary provision to the original provision from the year 2004-05 onwards are given in **Appendix-III-J.**

Unnecessary cash supplementary grants

3.21 In 14 sections relating to 13 grants/appropriations, as detailed in **Table 3.7**, while cash supplementary provisions aggregating ₹ 15,186.89 crore were obtained during 2010-11 in anticipation of higher expenditure, the final expenditure was less than even the original grants/appropriations. The entire supplementary grant obtained was, therefore, unnecessary, indicating deficient budgeting.

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

Table 3.7: Savings more than the cash supplementary grant/appropriation

(₹in crore)

Sl. No.	Grant/Appropriation	Original Provision	Cash Supplementary Grant obtained	Actual Disbursements	Savings
Civil Revenue – Voted					
1.	35-Transfer to State and Union Territory Governments	78269.81	4379.00	71525.15	12463.68
2.	52-Cabinet	334.32	21.50	287.04	68.78
3.	58-Department of Higher Education	16690.00	2000.00	15566.76	3216.58
4.	60-Ministry of Labour and Employment	3165.00	270.67	3058.25	377.43
5.	64-Ministry of Micro, Small and Medium Enterprises	2636.40	30.25	2556.81	110.37
6.	81-Department of Rural Development	137880.16	7337.50	130299.16	17918.55

(₹ in crore)

Sl. No.	Grant/Appropriation	Original Provision	Cash Supplementary Grant obtained	Actual Disbursements	Savings
7.	90-Ministry of Statistics and Programme Implementation	2138.66	149.13	1979.18	308.66
8.	97-Dadra & Nagar Haveli	1581.45	32.24	1438.66	175.03
9.	103-Ministry of Water Resources	1020.52	30.00	929.43	121.13
10.	105-Ministry of Youth Affairs and Sports	2355.43	22.45	1724.83	653.08
Capital – Voted					
11.	04-Atomic Energy	2928.02	80.00	2495.98	512.07
12.	53-Police	6822.57	604.00	4960.00	2466.59
13.	54-Other Expenditure of the Ministry of Home Affairs	136.41	36.73	86.15	86.99
14.	105-Ministry of Youth Affairs and Sports	1209.57	193.42	1119.75	283.24
Total			**15186.89**		

Unnecessary supplementary grants obtained under sub-heads

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

Persistent savings (Sub-head wise)

3.23 A detailed scrutiny of Appropriation Accounts revealed that during the years 2008-09 to 2010-11, under certain grants and appropriations, persistent savings under a sub-head were noticed, which was 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 sub-heads are given in **Appendix III-L.**

Savings of entire provision (Sub-head wise)

3.24 In 31 sub-heads under various grants/appropriations, the entire provision authorised by the Parliament remained unutilised by the Ministries/Departments. Savings of the 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: Acquisition cost of Reserve Bank of India stake in National Housing Bank in the Department of Financial Services (₹ 450 crore), National Electricity Fund in Ministry of Power (₹ 227.64 crore), Undersea Cabling between Land and Andaman & Nicobar in Department of Telecommunications (₹ 161.84 crore) and Khadi Reform Development Package (Asian Development Bank Assistance) in Ministry of Micro, Small and Medium Enterprises (₹ 128.25 crore). The details of sub-heads are given in **Appendix III-M**.

Savings of ₹ 100 crore or more under a sub-head

3.25 A detailed scrutiny of Appropriation Accounts revealed that under certain grants and appropriations large savings of ₹ 100 crore or more, under a sub-head were noticed, which was 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. **Appendix III-N** gives the details of 60 such large savings of ₹ 100 crore or more, constituting more than 10 *per cent* of the budgeted provision under a sub-head.

Major savings occurred under the following programmes:

- ₹ 6,334.16 crore –'Jawahar Lal Nehru National Urban Renewal Mission' due to short or non-release of matching share by State governments, withdrawal of projects and delay in commencement of scheme,

- ₹ 5,000.59 crore –'Transfer to National Investment Fund' due to shortfall in realisation of receipt under the fund,

- ₹ 2,382.77 crore –'Re-capitalisation of Public Sector Banks through World Bank loan' due to transfer of funds to the new Plan scheme,

- ₹ 1,460.89 crore –'Research' under the grant of Police due to non-materialisation of proposals owing to non-receipt of approval from the competent authority,

- ₹ 1,348.05 crore –'Assistance to Export Promotion and Market Development Organisations' due to ineligibility of claims in view of

clarification by Policy Interpretation Committee, Director General of Foreign Trade;

- ₹ 1,229.68 crore –'OFC based network for Defence Services' due to non- implementation of Army and Navy segments under OFC scheme.

Savings of ₹ 50 crore and above, constituting more than 40 *per cent* of budgeted provision (Minor/sub-head wise)

3.26 The budget circulars issued by the Ministry of Finance every year stipulate that while framing the estimates, due note be taken of the past performance, the stages of formulation/implementation of the various schemes, the institutional capacity of the implementing agencies to implement the scheme, the constraints on spending by the spending agencies etc,. The objective is to minimise the scope for avoidable surrenders at a later stage. Further, no provision should normally be made in the budget without completion of pre-budget scrutiny of the projects/schemes. Where, however, provision has been made without necessary scrutiny, such scrutiny should be completed and appropriate approvals obtained before the commencement of the financial year, at the latest by the time budget is passed by the Parliament. Scrutiny of the head-wise Appropriation Accounts revealed that the Ministries/Departments made excessive provisions under various minor/sub-heads, which ultimately resulted in large savings and surrenders at the end of the year. **Appendix III-O** gives the details of 34 such cases with savings of ₹ 50 crore and above, constituting more than 40 *per cent* of the budgeted provision.

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

3.27 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 have 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.

However, in the cases detailed in **Table 3.8,** it has been noticed that the major part of disbursements by some Ministries/Departments was made in the month of March 2011 and/or during last quarter of the financial year, in contravention of the provisions of Rules and extant instructions.

Table 3.8: Rush of expenditure during March 2011 and/or last quarter of 2010-11

(₹ in crore)

Sl. No.	Descriptions of the Grants	Budget Estimates	Expenditure in March*	Percentage of expenditure in March	Expenditure incurred during last quarter	Percentage of expenditure during last quarter	Reasons/remarks furnished by the Ministries/Departments
	Civil						
1.	02-Department of Agriculture Research & Education	3825.55	#	#	1677.54	44	Approval of expenditure in third batch of Supplementary Grant.
2.	06-Department of Chemicals and Petro-Chemicals	420.00	423.73*	101	636.69*	152	Release of ₹ 284 crore to Assam Gas Cracker Project in March 2011.
3.	09-Ministry of Civil Aviation	2885.04	#	#	1489.00	52	Release of capital budget to Air India and Haj subsidy.
4.	11-Ministry of Commerce	3984.55	1047.55	26	1829.74	46	Provision of funds in the third batch of Supplementary Grant.
5.	14-Department of Information Technology	2707.00	806.54	30	#	#	Awaited
6.	19-Ministry of Culture	1238.00	231.38	19	414.16	#	The expenditure was mainly due to flow of funds emanating as a result of final Supplementary Demands for Grants 2010-11 under which funds of ₹ 3,264 lakh were made available during March.
7.	28 – Ministry of Development of North Eastern Region	1859.33	416.16	22	671.78	36	The Ministry stated that the expenditure normally picks up after expiry of monsoon session i.e. during December-March every year, delay on the part of State Governments to submit firm proposals with all necessary clearances and also delay in vetting of draft proposals submitted by the State Governments by the concerned line Ministries/Departments etc.
8.	44-Department of Disinvestment	63.36	18.42	29	37.88	60	Completion of Disinvestment transaction in the month of March.

(₹ in crore)

Sl. No.	Descriptions of the Grants	Budget Estimates	Expenditure in March*	Percentage of expenditure in March	Expenditure incurred during last quarter	Percentage of expenditure during last quarter	Reasons/remarks furnished by the Ministries/Departments
9.	47-Department of AYUSH	964.00	267.76	28	341.32	35	The additional release over and above the permissible limit of 15 *per cent* was due to the fact that majority of the releases were related to funds received after passing of third and final batch of Supplementary Grant 2010-11.
10.	48-Department of Health Research	660.00	117.50	18	247.70	38	The Department has accepted the facts and assured compliance in the future.
11.	49- Department of Heavy Industry	881.71	1262.07*	143	1333.53*	151	The amount obtained in third batch of Supplementary Grant.
12.	55- Transfers to Union Territory Governments	1991.10	357.68	18	#	#	Time taken for mapping of all Plan Schemes under Central Plan Monitoring Scheme (CPMS). Releases of funds were kept in abeyance till the mapping of heads was completed.
13.	57-Department of School Education and Literacy	47772.88	21093.30	44	24172.75	51	No reason was furnished by the Department.
14.	58-Department of Higher Education	16690.00	#	#	10463.34	63	Reply from the Department was awaited.
15.	59-Ministry of Information & Broadcasting	2604.25	537.52	21	#	#	Funds for the additional expenditure on constructions of building and other items of capital nature of various media units were utilised in the month of March 2011 after obtaining the approval of third and final batch of Supplementary Grant for the financial year 2010-11.
16.	69-Ministry of Panchayati Raj	5170.71	1569.07	30	1807.65	35	Obtaining of Supplementary Grant of ₹ 1,520 crore in March 2011.
17.	90-Ministry of Statistics & Programme Implementation	2148.35	711.38	33	972.99	45	Reply from the Ministry was awaited.

(₹ in crore)

Sl. No.	Descriptions of the Grants	Budget Estimates	Expenditure in March*	Percentage of expenditure in March	Expenditure incurred during last quarter	Percentage of expen-diture during last quarter	Reasons/remarks furnished by the Ministries/Departments
18.	92-Ministry of Textiles	5608.08	8439.97*	151	8580.27*	153	Write off of outstanding loan in March through third batch of Supplementary Grant.
19.	100-Department of Urban Development	5989.21	1248.15	21	2152.29	36	Sanction of funds in third batch of Supplementary Grant.
Defence Services							
20.	26-Defence services-Research and Development	5260.42	1309.59	25	1979.31	38	Ministry did not assign specific reasons for rush of expenditure.
21.	27-Capital Outlay on Defence Services	60000.00	19489.41	32	26680.89	44	-Do -

**Expenditure exceeded the budget Estimates as supplementary provisions were obtained.*
#Expenditure was within the prescribed limits

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.

Postal Services (Grant No. 13)

3.28 The Public Accounts Committee in its 60th Report (10th Lok Sabha) had desired that each year a detailed explanatory note in respect of savings of ₹ 100 crore or above in any section of a grant shall be furnished by the respective Ministry/Department, to the Committee. Further, saving in a grant or appropriation is indicative of deficient budgeting as well as shortfall in performance.

Further, savings in a grant or appropriation indicate that the expenditure could not be incurred as estimated and planned. Savings as shown in Appropriation Accounts in real terms denote unspent amounts, which are indicative of poor budgeting or shortfall in performance of the Department under various schemes. The persistent savings in the Capital (Voted) section for the past three years are depicted in **Table 3.9.**

Table 3.9: Persistent savings under Capital (Voted) section

(₹ in crore)

Year	Budget provision including Supplementary Grant	Actual Expenditure	Savings	Percentage
2008-09	426.61	244.30	182.31	43
2009-10	388.91	261.66	127.25	33
2010-11	474.55	273.65	200.90	42

As in the past four years, persistent savings under the Capital (Voted) section of the grant in 2010-11 too were primarily under the head 5201.00.104- "Mechanisation and Modernisation of Postal Services". Out of the budget allocation of ₹ 441.45 crore, only ₹ 246.92 crore was spent, leaving an unspent amount of ₹ 194.53 crore.

Surrender of unspent provisions on 31 March

3.29 According to the provisions of Rule 56 of General Financial Rules, 2005, unspent provisions in a grant or appropriation are to be surrendered to Government as soon as these are foreseen without waiting for the last day of the year. Unspent provisions should not be held in reserve for possible future excesses.

During scrutiny of Head-wise Appropriation Accounts, it was noticed that ₹ 174.35 crore were surrendered on 28 March 2011. Reasons cited for surrenders were 'Funds surrendered due to reduction of outlay by Ministry of Finance at RE stage'.

Department of Posts replied that the Plan expenditure in Revised Estimates 2010-11 was restricted to ₹ 480 crore but it had made best efforts to avoid the ongoing projects and schemes getting adversely impacted, which led to delay in surrender of funds. It was further stated that such types of occurrence would not be repeated in future. The reply of the department is not acceptable as the department should not have waited for the closure of the financial year for the surrender of funds after the reduction of outlay at RE stage.

Defence Services

3.30 Scrutiny of the Appropriation accounts of Defence Services disclosed a persistent trend of savings during the years 2008-09 to 2010-11 in 17 minor heads under Voted segment of six grants as detailed in **Table 3.10**.

Table 3.10: Persistent savings during the years 2008-11[@]

(₹ in crore)

Grant No Major/ Minor Head	2008-09	2009-10	2010-11	Contributing reasons/remarks furnished by the Ministry
22- Defence Services-Army (Major Head 2076)				
113-National Cadet Corps	84.33	107.26	234.10	No reasons were furnished by the Ministry.
800-Other Expenditure	45.06	28.35	142.83	No reasons were furnished by the Ministry.
23-Defence Services-Navy(Major Head 2077)				
106-Repair and Refits	332.26	13.48	18.70	No reasons were furnished by the Ministry.
24- Defence Services - Air Force (Major Head 2078)				
800 – Other Expenditure	28.07	49.75	64.47	No reasons were furnished by the Ministry.
25-Defence Ordnance Factories (Major Head 2079)				
004-Research and Development	0.79	7.92	0.05	Delay in completion of project.
106-Renewal and Replacement	23.78	71.76	117.18	No reasons were furnished by the Ministry.
111-Works	9.53	32.64	25.25	No reasons were furnished by the Ministry.
800-Other Expenditure	73.95	136.06	20.34	No reasons were furnished by the Ministry.
26-Defence Services-Research and Development (Major Head 2080)				
105-Transportation	13.52	20.46	1.81	No reasons were furnished by the Ministry.
110-Stores	69.81	214.50	185.62	No reasons were furnished by the Ministry.
27-Capital Outlay on Defence Services (Major Head 4076) **01-Army**				
103-Other Equipments	2379.52	1031.70	875.89	No reasons were furnished by the Ministry.
105-Military Farms	3.21	1.17	1.92	No reasons were furnished by the Ministry.
113-National Cadet Corps	20.34	23.70	25.67	No reasons were furnished by the Ministry.
02 – Navy				
104 – Joint Staff	139.67	135.32	409.59	No reasons were furnished by the Ministry.
03 – Air Force				
103-Other Equipments	1986.71	1574.14	2202.46	No reasons were furnished by the Ministry.
206-Special Projects	30.06	19.56	67.32	No reasons were furnished by the Ministry.

(₹ in crore)

Grant No Major/ Minor Head	2008-09	2009-10	2010-11	Contributing reasons/remarks furnished by the Ministry
202-Construction Works	5.62	195.40	269.34	No reasons were furnished by the Ministry.

@ Unspent provision/savings calculated with reference to budget provision (i.e. Original and Supplementary grant excluding re-appropriation in respect of all the three years, which is a departure from the earlier practice)

The persisting trends of large savings in the aforesaid heads of grants are indicative of an 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.

Surrender of savings

3.31 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 as per Financial Regulations. During 2010-11, under charged segments of two grants of Defence Services where surrenders were made for ₹ 2.03 crore, there was saving of ₹ 5.32 crore. Under voted segments of two grants of Defence Services, where surrenders were made for ₹ 919.11 crore, there was saving of ₹ 1,549.63 crore. Thus, overall ₹ 921.74 crore under three grants in voted segment and ₹ 2.03 crore under two grants in charged segments were surrendered on the last day of the financial year, which was contrary to the rule as per details appended below in **Table 3.11.**

Table 3.11: Details of savings and surrender

(₹ in crore)

Grant/Appropriation	Savings		Amount Surrendered on last Date		Amount not Surrendered	
	Charged	Voted	Charged	Voted	Charged	Voted
22-Army	28.88	-	-	-	28.88	-
23-Navy	4.11	-	1.45	-	2.66	-
24-Air Force	1.21	624.71	0.58	310.66	0.63	314.05
25-Defence Ordnance Factories	-	924.92	-	608.45	-	316.47
26-R & D	0.14	43.78	-	-	0.14	43.78
27-Capital Outlay on Defence Services	15.21	-	-	2.63	15.21	-
TOTAL	**49.55**	**1593.41**	**2.03**	**921.74**	**47.52**	**674.30**

In the case of Capital Outlay on Defence Services Grant, the Ministry of Defence on the one hand made an excess disbursement of ₹ 1,235.32 crore which requires regularisation under Article 115(1)(b) of the Constitution of India.

Chapter 4

APPROPRIATION ACCOUNTS: COMMENTS ON ACCOUNTS

4.1 Breach of Article 114(3) of the Constitution of India

4.1.1 Expenditure incurred on interest on refunds of taxes

Article 114(3) of the Constitution stipulates that no money shall be withdrawn from the Consolidated Fund of India 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 primary unit of appropriation for classification of interest expenditure.

The Department of Revenue/Central Board of Direct Taxes has been classifying the interest on refunds of excess tax as reduction in revenue and this incorrect practice has been commented upon in the last two years' CAG's Report on Union Accounts as well as in CAG's Report on Direct Taxes for the year 2008 and in earlier years also, but no corrective action has been taken by the department.

The expenditure on interest on refunds of taxes for the last five years is as follows:

Table 4.1: Expenditure on interest on refunds of taxes

Years	Expenditure on interest on refunds of taxes (₹ in crore)
2006-07	3693
2007-08	4444
2008-09	5778
2009-10	12951
2010-11	10499
Total	**37365**

Audit scrutiny revealed, that as in the past, no budget provision for interest on refunds was made in the Budget Estimates for the financial year 2010-11 and an expenditure on interest on refunds amounting to ₹ 10,499 crore was incurred by the Department, in contravention of Article 114(3) of the Constitution. Expenditure of the order of ₹ 37,365 crore on interest payments had been incurred over a period of the last five years without obtaining approval of the Parliament through the necessary appropriations.

The Department, in their reply (March 2012) have sought to continue with the existing practice of treating interest payments on the refunds as a reduction from gross tax collection. The reasons advanced by the Department are that providing for such expenditure through the budget would be administratively burdensome, apart from the fact that the amounts to be paid as interest is of a highly variable nature leading to inaccuracies in estimation. It has further stated that interest on refunds, being a statutory obligation, is not an operational expenditure like salary, office expenses, etc.

The reply of the Department is not tenable in view of the fact that the classification of transactions relating to expenditure as laid down in the Delegation of Financial Powers Rules, 1978 clearly defines interest as an item of expenditure. It is also notable that in the Budget of 2001-02, under the Demand No.34-Direct Taxes, a provision of ₹ 92 crore was obtained under the 'interest on refunds of excess tax'. The expenditure on this item has since increased to 114 times in the financial year 2010-11, to ₹ 10,499 crore.

4.1.2 Expenditure incurred without legislative approval by the Department of Posts

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. Department of Posts in two instances incurred expenditure without obtaining any authorisation of the Parliament.

(a) In the first instance, an expenditure of ₹ 65.71 crore[1] was incurred without any budget provision/supplementary provision on the implementation of the Mahatma Gandhi National Rural Employment Guarantee scheme (MGNREGS).

On this being pointed out in Audit, the Department stated (January 2012) that the expenditure of ₹ 65.71 crore on account of MGNREGS was incurred by them 'on operational cost for payment of wages to workers under the scheme through Post Office Savings Bank Account'. It further stated that the Ministry of Finance, while conveying its approval (January 2010), advised the Department that the entire fund will come from the administrative expenses part of the budget of Ministry of Rural Development. Accordingly, the Department is incurring expenditure under MGNREGS on behalf of Ministry of Rural Development, which would reimburse the expenditure. It further stated that it is vigorously pursuing the reimbursement.

The reply of the Department is not tenable in view of the fact that the expenditure on MGNREGS has been booked by the Department of Posts

[1] Sub-head 3201.02.104.05-Other Items

under the head 3201-Postal Services, which is meant for accounting expenditure on postal services and not for the said scheme.

(b) In the second instance, an expenditure of ₹ 0.28 crore[2] was incurred without any budget provision/supplementary provision under the scheme Work of Consumer Price Index Rural Data Collection.

On this being pointed out by Audit, the Department stated that the work was done on behalf of the Ministry of Statistics and Programme Implementation under an agreement that the expenditure on this score will be borne by them. Further, while enclosing a copy of authorisation letter (2 February 2011) from the Ministry of Statistics and Programme Implementation, the Department of Post stated that they had received the amount due in this regard from the Ministry of Statistics and Programme Implementation.

The reply of the Department needs to be viewed in the context of the fact that it correctly incurred an expenditure of ₹ 6.31 crore under the scheme on behalf of the Ministry of Statistics and Programme Implementation. However, it also spent an amount of ₹ 0.28 crore from the head 3201-Postal Services, for which there was no legislative authorisation.

4.1.3 Expenditure incurred without legislative approval by the Defence Services-Air Force

During examination of Grant No.24-Defence Services-Air Force, it was observed that an expenditure of ₹ 11 crore[3] was incurred on grants-in-aid to Kendriya Sainik Board for Armed Forces Flag Day Funds without any parliamentary authorisation, which was in violation of Article 114(3) of the Constitution.

4.1.4 Expenditure on payment of interest without authorisation of Parliament

In Grant No. 34-Interest Payments for the year 2010-11, a sum of ₹ 95.13 lakh under the following two sub-heads were incurred for which neither any provisions were available in the Detailed Demands for Grant nor were any supplementary demands for grants obtained. Thus, the expenditure of ₹ 95.13 lakh was incurred without any authorisation of the Parliament.

[2] Sub-head 3201.02.101.15-Work of Consumer Price Index Rural Data Collection
[3] Head 2078.00.800-Other Expenditure (P-Grants-in-aid to Institutions)

Table 4.2: Cases of expenditure without authorisation of Parliament

(₹ in lakh)

Sl. No.	Minor/sub-head	Budget Provision	Actual Expenditure
1.	2049.05.105.07-Interest on National	Nil	93.64
	Fund for Control of Drug Abuse		
2.	2049.01.111-Interest on Gold Bonds 1998	Nil	1.49

The matter was referred to the Department in December 2011. The Department, in its reply, stated (December 2011) that the opening of the sub-head was sanctioned by the Ministry of Finance in June 2011 and that the expenditure was incurred due to payment of interest on demand which could not be raised at revised estimate stage. As regards expenditure of ₹ 1.49 lakh, it was made against the delayed claims raised by the investors. The provision was not made in the Detailed Demands for Grants, as the scheme was no more in operation.

The reply of the Department is not tenable in view of the fact that no Department is allowed to incur any expenditure without the authorisation of the Parliament.

4.1.5 Expenditure incurred on establishment expenditure on Regional Pay and Accounts Office, Dhanbad

In para No.2.8 of CAG's Audit Report No.1 for the year 2010-11, Audit had pointed out an unauthorised expenditure of ₹ 10.43 crore on establishment related expenditure of Regional Pay and Accounts Office, Dhanbad, out of Coal Mines Labour Housing and General Welfare Fund.

Scrutiny of Appropriation Accounts of Grant No.10-Ministry of Coal for the financial year 2010-11 revealed that an expenditure of ₹ 16.76 lakh was incurred on establishment related expenditure of Regional Pay and Accounts Office, Dhanbad, for which no budgetary provision was obtained by the Ministry. Instead of obtaining parliamentary authorisation through the budgetary process, the expenditure of ₹ 16.76 lakh was met from the Coal Mines Labour Housing and General Welfare Fund, lying in the Public Account. Although, the Coal Mines Labour Housing and General Welfare Fund established by an Act of Parliament in 1947, was repealed by an Act passed by the Parliament in 1986, the balance in the Fund was not transferred to the Consolidated Fund of India as envisaged in the Act of 1986. Instead, on a year to year basis, it was being utilised by the Regional Pay and Accounts Office, Dhanbad to meet its establishment expenditure.

4.2 Failure to obtain legislative approval for augmenting provision

4.2.1 Augmentation of provision to object head 'Grants-in-aid'

In accordance with instructions issued by the Ministry of Finance in May 2006, 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 Parliament.

Scrutiny of Appropriation Accounts revealed that in 25 cases, across 14 grants/appropriations, funds aggregating ₹ 698.82 crore were provided through re-appropriation by various Ministries/Departments during the financial year 2010-11 for augmenting of provision under 'grants-in-aid' to various bodies/authorities without obtaining prior approval of the Parliament. **Table 4.3** below gives detail of sub-heads where augmentation was made under various grants/appropriations without approval of the Parliament.

Table 4.3: Augmentation of provision without prior approval of the Parliament under Grants-in-aid to Bodies/Authorities

Sl. No.	Description of Grant	Head of Account	Amount *(₹ in crore)*	Reply of the Department	Remarks
1.	5-Nuclear Power Scheme	2801.03.800.03-Rajasthan Atomic Power Station	0.30	Department replied that a supplementary of ₹ 3.88 crore was obtained in second supplementary. Of this, ₹ 3.58 crore was for the scheme 'operation and maintenance' and ₹ 0.30 crore was for Rajasthan Atomic Power Station.	The reply of the Department is not tenable because the supplementary of ₹ 3.88 crore was obtained for 'establishment related expenditure' and not for 'grants-in-aid'. Thus, the object head 'grants-in-aid' was irregularly augmented without prior approval of the Parliament.
2.	17-Department of Food & Public Distribution	2408.02.800.03-Construction of Food Storage Godowns in NE Region by State Government	0.71	Ministry replied that the amount had been spent on Arunachal Pradesh and was less than ₹ one crore hence prior approval of the Parliament was not required in terms of note below item II(E) of the Annexure to OM dated 25.5.2006.	The reply is not tenable since any augmentation in grants-in-aid provision to a body/ authority requires prior approval of the Parliament.
3.	19-Ministry of Culture	2205.00.107.20-Modernization of Museums in Metro Cities	1.20	Initially the Ministry had accepted the lapse, but later on stated that it had delegated powers with regard to the re-appropriation to grants-in-aid, under schemes operated by it.	Reply of the Ministry is not tenable, as there exist several examples in this grant, where prior approval of the Parliament had been obtained through supplementary grants for augmenting grants-in-aid.

Sl. No.	Description of Grant	Head of Account	Amount (₹ in crore)	Reply of the Department	Remarks
4.	20-Ministry of Defence	2052.00.090.01-Department of Defence	0.88	Ministry replied that supplementary grant of ₹ 55.21 crore was obtained under the head 2052 adding that Ministry of Finance never conveys object head wise supplementary grant.	The reply is not tenable since supplementary of ₹ 55.21 crore was obtained for salaries and other establishment related expenditure, and not for grants-in-aid.
5.		2052.00.090.03-Defence Estate Organisation (DEO)	36.79	No reply has been received.	
6.	28-Ministry of Development of North Eastern Region	2552.00.489.01-Preservation and Promotion of Art and Culture in NE States	1.13	No reply has been received.	
7.		2552.00.800.23-Disaster Management System for NER (NEC-DOS) and Earthquake Risk Evaluation/Awareness /Studies	0.19		
8.		2552.00.800.36-Partial Support for construction of Working Women's Hostel in New Delhi	0.42		
9.	33-Department of Financial Services	2416.00.800.01-Grants to National Bank for Agricultural and Rural Development	30.00	Department stated that approval of Secretary (Expenditure) was obtained. However, prior approval of the Parliament could not be taken inadvertently.	
10.	35-Transfers to State and Union Territory Governments	2245.80.103.01-Assistance to State from NCCF for calamity of severe nature	500.00	No reply has been received.	
11.	45-Ministry of Food Processing Industries	2408.01.103.08-Technology Upgradation, Establishment, Modernisation of Food Processing Industries	0.74	Ministry had admitted the lapse.	
12.		2408.01.103.13-Scheme for Infrastructure Development	2.00		

Sl. No.	Description of Grant	Head of Account	Amount (₹ *in crore*)	Reply of the Department	Remarks
13.		2408.01.103.10-Milk Based Industries-Scheme for Quality Assurance, Codex Standards, Research & Development and other Promotional Activities	1.64		
14.		2408.01.103.07-Horticulture Based Industries-Scheme for Human Resources Development	0.27		
15.	46-Department of Health & Family Welfare	2210.06.003.11-Development of Nursing Services	4.47	Ministry replied that the re-appropriations have been reported to the Parliament. Further, the amount was less than ₹ one crore, hence prior approval of the Parliament was not required	The reply is not tenable since any augmentation in grants-in-aid provision to a body/ authority requires the prior approval of the Parliament.
16.		2552.00.284.04-Mission Flexible Pool	15.00		
17.		2552.00.288.01-National Vector Borne Disease Control Programme	78.03		
18.	56-M/o Housing and Urban Poverty Alleviation	2215.02.105.18-Development/Improvement of Sewerage System in North Eastern State	0.15	Ministry replied that funds were re-appropriated from the budget provision under Major Head 2552 and in both the cases it is less than 10% or ₹ one crore of the available fund.	The amount objected was over and above the provision available in Major Head 2552.
19.		3475.00.108.03-Employment Promotion/Poverty Alleviation	0.32		
20.	89-Department of Space	3402.00.101.39-Semi Conductor Laboratory	4.15	Department has admitted the lapse.	
21.	96-Chandigarh	2202.03.104.03-Grants-in-aid to Private Colleges	0.14	No reply has been received.	
22.	98-Daman & Diu	2202.01.196.01-Panchayats	1.93	No reply has been received.	
23.		3054.04.196.04-Panchayats	1.34		

Sl. No.	Description of Grant	Head of Account	Amount (₹ in crore)	Reply of the Department	Remarks
24.	100-Department of Urban Development	2217.05.800.24-Urban Infrastructure Development Project	15.74	Ministry stated that under the Major Head 2552, total fund available was ₹ 92 crore. Re-appropriation to the functional head was made from Major Head 2552.	The reply is not acceptable in view of the fact that under the corresponding scheme in the Major Head 2552, only ₹ 47 crore was available. Against this availability, ₹ 62.74 crore was spent on a similar scheme under the Major Head 3601 and Major Head 2217.
25.		2217.80.001.05-Grants to Delhi Metro Rail Corporation	1.28	Ministry stated that in second supplementary a sum of ₹ 2.56 crore was projected to meet 50 *per cent* of the cost of metro tickets.	The reply is not acceptable because supplementary of only ₹ 1.28 crore was obtained to meet 50 *per cent* of the cost of metro tickets.
Total			**698.82**		

4.2.2 Augmentation of provision to object head 'Subsidy'

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 appropriation already voted by the Parliament or ₹ 10 crore, whichever is less.

Scrutiny of Appropriation Accounts revealed that in four cases, across four grants/appropriations, funds aggregating ₹ 935.52 crore were provided through re-appropriation by the various Ministries/Departments during the Financial Year 2010-11 for augmenting the provision under the object head 'subsidy' in violation of the extant provisions, without obtaining prior approval of the Parliament, thereby attracting the limitations of New Service/New Instrument of Service. **Table 4.4** gives details of sub-heads where augmentation was made under various grants/appropriations without approval of the Parliament.

Table 4.4: Augmentation of provision on 'subsidy' without prior approval of the Parliament

Sl. No.	Description of Grant	Head of Account	Amount (₹ in crore)	Reply of the Department	Remarks
1.	7-Department of Fertilisers	2401.00.106.02-Import of Urea	895.95	Department stated that the expenditure was incurred on the advice of Ministry of Finance and	Prior approval of Parliament through Supplementary Demands for Grants in cases where financial limits of NS/NIS are attracted, and reporting of cases of re-appropriation of funds through executive orders to the Parliament

				reported to Parliament.	are different from each other. The instant case required the prior approval of the Parliament.
2.	32– Department of Economic Affairs	3075.60.101.02-Reimbursement of Losses of Railways on Operating Strategic Railway Lines	34.38	No reply has been received.	
3.	54-Other Expenditure of the Ministry of Home Affairs	3053.01.191.01-Payment for Helicopter Services in North Eastern Region	4.99	Ministry replied that re-appropriation was made after obtaining prior approval of the Parliament through Supplementary.	The maximum expenditure that could have been incurred was ₹ four crore, being 10 *per cent* of the appropriation. In the instant case, the additional amount spent was ₹ 4.99 crore.
4.	99-Lakshadweep	3456.00.103.01-Transport subsidies	0.20	No reply has been received.	
Total			**935.52**		

4.3 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.

4.3.1 Misclassification of capital expenditure as revenue expenditure in Department of Space

(a) Rule 8 of the Delegation of Financial Powers Rules, 1978, categorises the object head 'Other Capital Expenditure' under the Object Class-6 (acquisition of Capital Assets and other Capital Expenditure). Further, Department of Space's order dated 16 April 2007 also specified that expenditure on 'Supplies and Materials' and 'Other Charges', in the case of satellites, having life of more than one year, was classifiable as 'Other Capital Expenditure' under the Capital account.

However, examination of expenditure booked in the 'e-lekha' database under Grant No. 89-Department of Space, revealed that in six cases[4], an aggregate amount of ₹ 522.06 crore had been incorrectly accounted for as revenue

[4] 3402.00.101.04.00.21 (₹ 225.25 crore); 3402.00.101.06.00.21(₹ 80.48 crore); 3402.00.101.33.00.21(₹ 197.15 crore); 3402.00.101.34.00.21(₹ 4.47 crore); 3402.00.101.38.00.21(₹ 2.30 crore); and 3402.00.101.43.00.21(₹ 12.41 crore).

expenditure under the object head '21-Supplies and Materials', which should have been correctly classified as '60-Other Capital Expenditure' under capital account in terms of extant instructions.

On this being pointed out, the Department replied (March 2012) that expenditure incurred on procured launch services[5] were classified as 'Capital'. It added that the expenditure incurred towards 'supplies and materials' and 'other charges' incurred on Indian Space Research Organisation's (ISRO) launch vehicle programme such as PSLV, GSLV, which are not specific to any satellite, were continued under revenue account.

The reply is not acceptable due to the fact that the department itself stated in its reply that the expenditure incurred on procured launch vehicle was to be classified as capital expenditure. Therefore, the expenditure incurred on the ISRO's launch vehicle programme which was meant for launching the satellites, was also to be capitalized, in conformity with the guidance as contained in the Delegation of Financial Power Rules.

(b) The Department's order ibid further specified that all machinery and equipment (including software, etc.) shall be classified as capital under the object head 'Machinery and Equipment' irrespective of the value. However, under the revenue head, the operation of object head 'Machinery and Equipment' would be limited only for 'office equipments'.

Examination of Grant No.89-Department of Space, revealed that amounts of ₹ 32.75 crore and ₹ 0.10 crore had been incorrectly classified as 'Machinery and Equipment' and 'Motor Vehicles' respectively under the revenue head, which should have been classified under the Capital account.

On this being pointed out by Audit, the Department, while partially accepting the audit contention, replied (February 2012) that expenditure booked under the object head 'Machinery and Equipment' in the revenue section mainly consisted of procurement of tools, spares, canteen & medical equipments, personal computers, etc., which were of capital nature but of short term use. It further stated that at a few places, items of capital nature were also booked, and it would issue suitable instructions to the Department of Space/ISRO centre/units/projects for booking expenditure appropriately under the revenue and capital sections. As regards booking of expenditure incurred on motor vehicles under revenue heads, the department stated that some of its centres had inadvertently made the budget provision in the year 2010-11 in the

[5]Expenditure incurred on foreign launch vehicles such as 'Arianspace' to launch ISRO's satellites

Revenue Plan portion, which would be rectified in the budget estimates of 2012-13.

4.3.2 Misclassification of capital expenditure as revenue expenditure in Department of Atomic Energy

As per Rule 8 of the Delegation of Financial Powers Rules, 1978, object heads such as Motor Vehicles, Machinery and Equipment, Major Works, Investment, Loans and Advances and Other Capital Expenditure fall under Object Class-6 (Acquisition of Capital assets and other capital expenditure). However, on review of detailed Head-wise Appropriation Accounts of Grant No.4-Department of Atomic Energy, it was observed that an aggregate expenditure of ₹ 49.72 crore, had been incorrectly classified as revenue expenditure, which should have been correctly classified under the capital account, as detailed in the table below:

Table 4.5: Expenditure of capital nature booked in revenue head

Sl. No.	Object Head	Amount (₹ in crore)
1.	Machinery and Equipment	19.51
2.	Motor Vehicles	13.10
3.	Other Capital Expenditure	17.11
Total		**49.72**

On this being pointed out, the Department stated (February 2012) that the capital nature of expenditure booked under revenue heads, were mainly for functional requirement for maintenance and upkeep of the capital assets and hence, the accounts maintained in the Department were in order.

The reply of the Department is not acceptable in view of the fact that the object heads mentioned in the table above, pertained to expenditure on acquisition of capital assets and other capital expenditure as per Rule 8 of Delegation of Financial Powers Rules, 1978, and accordingly should have been classified under capital account.

4.3.3 Misclassification of revenue expenditure as capital expenditure in Department of Atomic Energy

Rule 79 of the General Financial Rules, 2005, provides that subsequent charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order and 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. However, examination of Grant No. 4-Atomic Energy revealed that an aggregate expenditure of ₹ 2,066.83 crore had been incorrectly

classified as capital expenditure as against revenue expenditure, in violation of the extant rules. The details of such expenditure classified incorrectly in the capital account were as under:

Table 4.6: Expenditure of revenue nature booked under capital head

Sl No	Object Head	Amount (₹ *in crore*)
1.	Salaries	148.55
2.	Wages	1.04
3.	Overtime Allowance	4.33
4.	Domestic Travel Expenses	6.05
5.	Foreign Travel Expenses	1.18
6.	Office Expenses	68.71
7.	Rent, Rates and Taxes	1.69
8.	Supplies and Materials	1512.33
9.	P.O.L.	2.06
10.	Advertising and Publicity	1.56
11.	Minot Works	77.11
12.	Professional Services	152.58
13.	Grants-in-Aid General	4.63
14.	Scholarship/Stipend	0.27
15.	Contributions	11.34
16.	Other Contractual Services	73.40
Total		**2066.83**

On this being pointed out, the Department stated (February 2012) that the expenditure of revenue nature booked under capital side for the object heads, like, salaries, foreign travel expenses, office expenses, professional services, etc., were the expenditure incurred for the approved Plan projects and these object heads under the Plan projects were sanctioned as per financial/functional requirements.

The reply of the Department is not acceptable as the bookings made were in contravention of Rule 79 of General Financial Rules, 2005. Since the expenditure was incurred for maintenance of assets/projects which were already commissioned and operational from the last several years, the expenditure should have been classified as revenue expenditure.

Impact of misclassification:

Any deviation by the departments to follow the principles of classification as specified in Article 112(2) of the Constitution of India would have the effect of either understatement or overstatement of revenue deficit of the Government.

The impact of incorrect classification of revenue expenditure as capital expenditure and vice versa was an overstatement of capital expenditure by ₹ 2,066.83 crore in one case and understatement of capital expenditure by

₹ 604.63 crore in three cases. The overall impact on Government expenditure was an overstatement of capital expenditure of ₹ 1,462.20 crore. Correspondingly revenue deficit was understated by an equivalent amount of ₹ 1,462.20 crore during the financial year.

4.4 Misclassification of expenditure under object heads and deficient sanction orders

4.4.1 Expenditure booked under 'Investments' instead of 'Major Works/Machinery and Equipment'

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'. As per description/definition of object head '52-Machinery and Equipment', it includes machinery, equipment, apparatus, etc. other than those required for the running of an office and special tools and plants acquired for specific works. Further, as per description/definition of the object head '53-Major Works', this also includes cost of acquisition of land and structures. No description/definition exists for the object head '54-Investments'.

Scrutiny of Appropriation Accounts of Grant No. 42-Direct Taxes and Grant No.43-Indirect Taxes for the year 2010-11 revealed that in four cases involving expenditure of more than ₹ 20 crore, instances of incorrect classification of provision and expenditure was observed. In these cases, the expenditure related to 'Acquisition of Ready-built Accommodation/Flats' and 'Acquisition of Ships and Fleets'. As per the extant Rule, the correct classification in the above two cases should have been '53-Major Works' and '52-Machinery and Equipment' instead of '54-Investments'. This resulted in misclassification of ₹ 1,681.43 crore. The details are shown in **Table 4.7.**

Table 4.7: Expenditure booked under 'Investment' instead of 'Major Works/Machinery and Equipment'

(₹ in crore)

Sl. No.	Description of Grant	Description of expenditure	Budget Allocation	Actual expenditure	Reply of the Department
1.	42-Direct Taxes	4059.01.800.01.00.54-Acquisition of Ready-built Accommodation-Investments	1663.00	1527.23	The Department replied (January 2012) that the practice of classification of provision for 'Acquisition of Ships and Fleets', Ready built office accommodation and Ready built residential accommodation' under the object head '54-Investments' had been ongoing in the past. Action has been initiated to correct this depiction
2.		4216.01.111.01.00.54-Acquisition of Ready-built Flats-Investments	15.01	43.41	
3.	43-Indirect Taxes	4047.00.037.03.01.54-Acquisition of Ships and Fleets-Investments	48.00	21.87	
4.		4059.01.800.01.00.54-Acquisition of Ready-built	132.00	88.92	

(₹ in crore)

Sl. No.	Description of Grant	Description of expenditure	Budget Allocation	Actual expenditure	Reply of the Department
		Accommodation-Investments			and from the financial year 2012-13 for all new works regarding purchase of land or construction thereon, acquisition of ships and fleets, the object head 'Investments' will be replaced by 'Major Works' and 'Machinery and Equipment'.
Total			**1858.01**	**1681.43**	

4.4.2 Incorrect booking of expenditure of ₹ 1,434 crore under the object head 'Interest'

Examination of Grant No.33-Department of Financial Services revealed that an expenditure on relief/waiver of loans through lending institutions against Agricultural Debt Waiver and Debt Relief Scheme 2008 had been classified under the object head 'Other Charges'. However, expenditure on account of payment of interest to lending institutions amounting to ₹ 1,434 crore had been classified incorrectly under the object head 'Interest'.

Rule 8 of the Delegation of Financial Powers Rules, 1978, provides that the object head 'Interest' will include interest on capital and discount of loans. Since the major head servicing the relief/waiver is a revenue major head- '2235-Social Security and Welfare', providing an amount of ₹ 1,434 crore under the object head 'Interest' did not appear to conform to the provisions of Delegation of Financial Powers Rules and amounted to misclassification of expenditure of ₹ 1,434 crore under 'Interest'.

In reply, the Department of Expenditure stated (January, 2012) that the head of account along with classification of the expenditure as 'interest' was duly approved by the Budget Division of the Department as well as by the office of the Controller General of Accounts and expenditure from this head of account was also incurred in 2008-09 and 2009-10.

The reply of the Department is not tenable in view of the fact that the object head 'interest' should include 'interest on capital and discount of loans' only.

4.4.3 Incorrect operation of object heads 'Other Charges' and 'Scholarship/Stipends' instead of 'Grants-in-aid'

The Department of Atomic Energy provides grants-in-aid for 'Assistance to Universities Research Institutions, Societies and Non-Government Institutions'. Expenditure booked under Grant No. 4-Department of Atomic

Energy revealed that in three[6] cases, an amount of ₹ 10.59 crore was incorrectly incurred towards payment to Bodies/Institution and was booked under the object heads 'Other Charges' and 'Scholarship/Stipends' instead of operating the object head 'Grants-in-aid'.

Since under the scheme of 'Assistance to Universities Research Institutions, Societies and Non-Government Institutions', the entities involved were grantee bodies, the provisioning and booking of expenditure under the heads 'Other Charges' and 'Scholarship/Stipends' was incorrect.

On this being pointed out, the Department replied (February 2012) that expenditure on exhibition, fellowships, symposia, etc., were not of the nature of grants-in-aid and were part of the Government expenditure.

The reply of the Department is not acceptable as under the scheme of 'Assistance to Universities Research Institutions, Societies and Non-Government Institutions', the entities receiving Government funds were grantee bodies. Hence, provisioning of expenditure under the heads 'Other Charges' and 'Scholarship/Stipends' was not correct.

4.4.4 Incorrect operation of object head 'Contributions' for booking expenditure under the programme- 'Technical and Economic Cooperation with Other Countries'

As per Rule 8 of the Delegation of Financial Powers Rules, 1978, the object head 'Contributions' is generally intended to record expenditure on membership of international bodies. The definition of 'Contributions' provides that 'this will also include expenditure on membership of International bodies'.

Examination of Grant No.31-Ministry of External Affairs revealed that in 18 sub-heads under the Major Head '3605-Technical and Economic Cooperation with Other Countries', an expenditure of ₹ 2,539.07 crore had been incorrectly booked and classified at primary unit of appropriation as 'Contributions'. Since the nature of expenditure of ₹ 2,539.07 crore was grants to foreign Governments for general/specific purpose, it should appropriately had been classified as 'Grants-in-aid General' at primary unit of appropriation. Incidentally, the Ministry had correctly classified an expenditure of ₹ 181.73 crore as 'Contributions' to various international bodies/authorities under the minor head 2061.00.798-International Cooperation.

[6] Head 3401.00.004.08.03.50 (₹ 1.44 crore); 3401.00.004.08.05.34 (₹ 5.71 crore); and 3401.00.004.08.07.50 (₹ 3.44 crore)

This aspect was highlighted in para No. 2.12 in the CAG's Audit Report on the Accounts of the Union for the financial year 2008-09, but no corrective measure has been taken by the Ministry to rectify this misclassification.

The Ministry replied (February 2012) that financial assistance extended by Ministry under this head went beyond simple arrangement of funds to extending technical and other kind of assistance to the beneficiary wherever possible, which could not be entirely confined under 'Grants-in-aid-General' and could not be equated with contributions.

The reply of the Ministry is not acceptable because the funds released by the Ministry were in the form of grants-in-aid to foreign countries and not as contribution.

4.5 Lack of accounting integrity in Department of Posts and Department of Space

Fiscal data – both expenditure and receipts, reported by the Government, should meet certain qualitative benchmarks so as to provide assurance to the Parliament and the public about the integrity of the figures. In the case of the Department of Posts and the Department of Space, there were major issues relating to quality of data, thereby raising various issues of transparency and integrity. These are detailed in the succeeding paragraphs.

4.5.1 Department of Posts: Non-depiction of re-appropriation of provisions obtained for 'North-Eastern Region and Sikkim' to the 'functional head'

The Department of Posts, in its Plan budget, had provided for ₹ 121.15 crore under the head 2552-North-Eastern Areas and ₹ 39.30 crore under the head 4552-Capital Outlay on North-Eastern Areas towards lump-sum provision during the financial year 2010-11, to be re-appropriated during the course of the year to functional heads for incurring expenditure.

Examination of Detailed Appropriation Accounts and Grant No.13-Postal Services of Department of Posts for the financial year 2010-11 revealed that although the provisions for 'North-Eastern Region and Sikkim' were obtained and break-ups reflected up to the primary units of appropriation in the Detailed Demands for Grants, the augmentation of provisions under the concerned functional heads were effected without the issue of any re-appropriation order. Instead, provisions for 'North-Eastern Region and Sikkim' were merged with the provisions obtained under the functional heads of the Department of Posts.

This irregular practice, besides being in contravention of extant instructions, also led to variations in the provisions already approved by the Parliament under the concerned functional heads. There was also no assurance that expenditure had indeed been incurred for the purpose intended, in absence of any authorised re-appropriation.

On this being pointed out by Audit, the Department of Posts stated (January 2012) that the provisions obtained for 'North-Eastern Region and Sikkim' under Major Heads 2552-North Eastern Areas/4552-Capital Outlay on North Eastern Areas were already merged with departmental functional heads viz. Major Heads 3201-Postal Services/5201-Capital Outlay on Postal Services as per Ministry of Finance direction dated 21 April 2010. The Department also issued a re-appropriation order dated 12 January 2012, conveying approval of the Secretary (Posts) for re-appropriation of funds of ₹ 120.75 crore from Major Head '2552-North-Eastern Areas' to Major Head 3201-Postal Services and ₹ 8.28 crore from Major Head '4552-Capital Outlay on North-Eastern Areas' to Major Head '5201-Capital Outlay on Postal Services'.

The reply of the Department is contradictory to the clarification obtained by them from the Ministry of Finance, which had reiterated the correct procedure.

Further, the 'lump-sum' re-appropriation order dated 12 January 2012 issued by the Department was *ab initio* invalid as it was issued after the close of the financial year. This was in contravention of Rule 59(1) of the General Financial Rules, 2005, which stipulated that re-appropriation of funds could be sanctioned by a competent authority at any time before the close of the financial year to which such grant or appropriation related.

Thus, in the absence of specific re-appropriation orders to augment the functional head of expenditure, there was lack of assurance on the expenditure of ₹ 129.03 crore, which was shown to have been spent on North-Eastern Areas during the financial year 2010-11

4.5.2 Department of Posts: Incorrect depiction of amounts of saving/excess under the sub-heads in the Appropriation Accounts

Examination of Appropriation Accounts of Grant No.13-Postal Services of Department of Posts for the financial year 2010-11 disclosed that below 'Notes and Comments', while explaining the saving/excess in a sub-head, the amount of such saving/excess was being worked out on the basis of the final provision [(Original + Supplementary +/- Re-appropriation) – Expenditure]. This practice was at variance with the accepted practices followed in respect of civil grants. Since the Demands for Grants, Detailed Demands for Grants and Supplementary Demands for Grants are the only documents approved by

Parliament, the saving/excess are required to be worked out on the basis of legislative authorisation only (Original + Supplementary - Expenditure).

On this being point out in Audit, the Department of Posts stated (January 2012) that explanations for saving/excess in a sub-head and final provision there under were recorded on the basis of provision (Original + Supplementary +/- Re-appropriation), as per procedure laid down in Rule 6.41 of the Postal Accounts Manual, Volume I.

The reply of the Department of Posts is not acceptable in view of the fact that Para 6.41 of the Postal Accounts Manual, clearly stipulates that the Postal Appropriation Accounts are accounts of expenditure of the Government for each financial year compared with the amount of voted grants and charged appropriation, as specified in the schedules appended to the Appropriation Act, passed by the Parliament. This being the case, the accounts should have explained savings/excesses with reference to the provisions that had been passed by the Parliament, viz., the Original and Supplementary amounts.

4.5.3 Issue of deficient sanction orders by Department of Space

Examination of Detailed Demands for Grants for the year 2010-11 of Grant No.89-Department of Space revealed that they were prepared by showing the estimates of expenditure on Revenue and Capital accounts separately under Plan and Non-Plan up to the sixth tier of classification, i.e. up to the object head level, as was the practice obtaining in other Ministries/Departments of the Government.

On examination of the sanction orders issued by the Department of Space, it was observed that they did not distinctly specify the amount of expenditure to be debited to revenue and capital accounts, i.e., show the amounts to be debited to revenue account and capital account separately. Even the Plan and Non-Plan bifurcation of the expenditure to be booked under revenue and capital accounts was not specified in the sanction orders. Further, the sanction orders specified the amount of expenditure to be classified only up to the fourth tier of classification, i.e. the sub-head level, instead of giving comprehensive direction up to the sixth tier of classification. Thus, the sanction orders issued by the authorities in the Department of Space were deficient, as they did not give clear directions with regard to proper booking/classification of expenditure.

In the absence of the details of classification in the sanction orders, it was not clear how the accounts were prepared and compiled by showing classification upto the sixth tier and Plan/Non-Plan segregation in revenue and capital accounts.

The matter was taken up with the Department and their reply is awaited (February 2012).

4.6 Obtaining irregular lump sum provision

Para 4 of Appendix-3 (containing instructions for preparation of Budget) below Rule 48 of General Financial Rules, 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.

During the examination of Appropriation Accounts, it was observed that in the following four cases, across three grants of Civil Ministries/Departments, lump-sum supplementary provisions totaling ₹ 12,400 crore were obtained in the Supplementary Demands for Grants for the year 2010-11, instead of obtaining scheme-wise itemized amounts of parliamentary approval, as was incumbent, under the extant rules.

Table 4.8: Lump sum provision obtained in the supplementary demands for grants

(₹ in crore)

Sl. No.	Description of Grant	Head of Account	Funds allocated	Remarks
1.	14-Department of Telecommunications	2071-Pension and Other Retirement Benefits	1200	₹ 1200 crore was distributed among six sub-heads (four under 'Ordinary Pensions' and one each under 'Family Pensions' and 'Government Contribution'). The segregation of amount could have been explained by nomenclature in respect of minor head, viz. Superannuation & Retirement Allowances, Commuted Value of Pension, Gratuities and Leave Encashment Benefits (where the sub-head is Ordinary Pensions) and separately for sub-heads 'Family Pensions' and 'Government Contribution' in the Supplementary Grant.
2.	21-Defence Pensions	2071-Pensions and other retirement benefits	9000	Supplementary grant was obtained for meeting additional expenditure on account of increased requirement for payment of pension, family pension, gratuity, etc. and for implementation of Government's orders on improvement in pension of pre 1.1.2006 Personnel Below Officers Rank pensioners and also increase in number of new retirees.
3.	53-Police	2055-Police	2000	Additional salary related expenditure of Central Para Military Forces (CPMFs) without giving the break-up of

(₹ in crore)

Sl. No.	Description of Grant	Head of Account	Funds allocated	Remarks
				requirement for each CPMF.
4.		4055-Capital Outlay on Police	200	For meeting additional requirement of office buildings without giving the specific details of requirement sub-head-wise.
Total			**12400**	

The Ministry of Defence (MoD) in its reply stated (December 2011) that additional requirement was projected to the Ministry of Finance minor/sub-head-wise, but the Ministry of Finance obtained the supplementary grant omitting item-wise detail, from the Parliament.

Department of Telecommunications, in its reply, stated (January 2012) that the requirement of Supplementary Demand for Grants was submitted to the Ministry of Finance in certain prescribed proforma wherein the requirements of funds were to be proposed Major Head-wise. Since 'Pension and other Retirement Benefits' came under the Major Head 2071, the requirements under different minor heads were clubbed under the Major Head 2071 and proposed to Ministry of Finance.

The Ministry of Home Affairs (MHA) stated (December 2011) that they had sent the requirement forces-wise to Ministry of Finance, indicating the amounts separately in respect of each object head. The Ministry of Finance, however, omitted item-wise details of additional salaries/office buildings related expenditure of Central Para Military Forces.

The matter was referred (January 2012) to the Ministry of Finance by Audit in view of replies received from MoD and MHA. Ministry of Finance in their reply stated (February 2012) that the supplementary for ₹ 9,000 crore in respect of MoD was obtained indicating the requirement for payment under the various schemes falling under pensions. The reply of the Ministry of Finance is not tenable in view of the fact that amount specific requirements under various schemes of pensions were not obtained from the Parliament, as projected by the MoD in their requirement.

4.7 Incorrect booking of expenditure under Non-functional head

As per extant instructions of the Ministry of Finance, unless specifically exempted from doing so, all Ministries/Departments are required to make a provision of 10 *per cent* of their 'Central Plan' allocation for projects/schemes in the 'North-Eastern Region and Sikkim'. The funds for development of the 'North Eastern Region and Sikkim' are to be provided for under the Major

Heads '2552-North-Eastern Areas', '4552-Capital Outlay on North-Eastern Areas' and '6552-Loans for North-Eastern Areas'. These funds are subsequently re-appropriated to the functional heads of accounts for the purpose of incurring the expenditure. Further, instructions issued by Controller General of Accounts in January 2011 provide that no expenditure is to be booked directly under the major heads meant for North-Eastern Areas.

During the examination of Appropriation Accounts, it was observed that in following two cases across two grants of Ministry of Home Affairs, a total expenditure of ₹ 180.41 crore was incorrectly booked under the non-functional major heads meant for North-Eastern Areas directly in contravention of extant instructions instead of re-appropriating the funds to the functional heads of accounts and incurring the expenditure therefrom.

Table 4.9:Cases showing expenditure booked in the Major Heads meant for North-Eastern Areas

(₹ in crore)

Sl. No.	Description of Grant	Description of Head	Budget Allocation	Actual expenditure	Reply of the Ministry
1.	51-Ministry of Home Affairs	2552- North-Eastern Areas	92.00	83.07	The Ministry in its reply stated that the expenditure was booked under the newly opened sub-head 2552.00.501.01-'Registrar General of India' to book the expenditure incurred on account of census related work in the North-Eastern Areas.
2.	53-Police	4552-Capital Outlay on North-Eastern Areas	98.00	97.34	The Ministry stated (February 2012) that expenditure was incurred on residential building schemes in North-Eastern Areas and conforms to the instruction of Ministry of Finance.
Total				**180.41**	

Thus, direct booking of expenditure was incorrectly made to the non-functional heads in contravention of the extant instructions issued by the Ministry of Finance.

4.8 Excess expenditure without adequate provision of funds

4.8.1 A review of Head-wise Appropriation Accounts of Grant No. 98-Daman and Diu and relevant re-appropriation orders revealed that the Ministry of Home Affairs, in the course of third Supplementary Demands for Grants, obtained approval of the Parliament for incurring additional expenditure of ₹ two crore, against the initial provision of ₹ 484.50 crore, for operation,

maintenance/repairs of electricity sub-station, under the Major Head 2801-Power. However, the Head-wise Appropriation Accounts incorrectly reflected the supplementary amount as ₹ 79 crore. The total expenditure incurred against the line item[7] was ₹ 563.20 crore, against the legislative authorisation of ₹ 486.50 crore. Thus, incurrence of an expenditure of ₹ 76.70 crore was without the appropriate authority.

The matter was brought to the notice of the Ministry and their reply is awaited (February 2012).

4.8.2 Review of Grant No.103-Ministry of Water Resources for the financial year 2010-11 revealed that on the last day of the financial year, the Ministry had issued a consolidated re-appropriation order, superseding all previous re-appropriation orders issued during the course of the year. From the 'e-lekha' database of the Ministry, it was observed that in 76 instances, up to 30 March 2011, an aggregate expenditure of ₹ 33.60 crore was incurred over and above the available provisions, but funds for the same were provided only on 31 March 2011, by issuing the consolidated re-appropriation order. Thus, excess expenditure of ₹ 33.60 crore was incurred as on 30 March 2011 without any provision of funds.

The matter was brought to the notice of the Ministry and their reply is awaited (February 2012).

4.9 Write-off of Government loan without the approval of Parliament

As on 31 March 2010, a sum of ₹ 219.44 crore of loan and ₹ 646.60 crore of interest were outstanding as arrears (earliest period of arrears related to the year 1985-86) from the National Projects Construction Corporation Ltd. (NPCC), a Public Sector Undertaking under the Ministry of Water Resources.

The arrears of loan and interest outstanding from NPCC were converted into equity, based on a decision (December 2008) taken by the Cabinet Committee on Economic Affairs. As per sanction order dated 2 February 2011, an amount of ₹ 646.90 crore (₹ 219.44 crore loan and ₹ 427.46 crore interest as on 5 February 2009) was to be converted into equity by writing down to 10 *per cent* of value. Out of ₹ 866.04 crore outstanding as on 31 March 2010, only ₹ 646.90 crore was converted into equity, leaving an outstanding amount of ₹ 219.14 crore (₹ 866.04 crore – ₹ 646.90 crore). However, as per Statement No. 3 of the Finance Accounts for the year 2010-11, only ₹ 8.46 crore was shown as outstanding, without any explanation as to the remaining amount of ₹ 210.68 crore. Thus, equity of ₹ 64.69 crore was created out of an

[7] Head 2801.05.800.01-Maintenance and Repairs

outstanding amount of ₹ 646.90 crore and balance amount of ₹ 582.21 crore was written off.

Although, the Ministry had taken approval of the Parliament for a token provision of ₹ one lakh in the demand for grants of 2009-10 under the head '4701.80.190.01.02.54-Investments' for conversion of loan into equity in respect of NPCC in pursuance to provision contained in Rule 96 of General Financial Rules, 2005, no approval of the Parliament was obtained by the Ministry to write off the loan and interest amounting to ₹ 582.21 crore. In terms of Ministry of Finance's order dated 25 May 2006, enunciating guidelines on financial limits for determining cases relating to New Service/New Instrument of Service, for write off of Government Loans above ₹ one lakh, prior approval of Parliament was necessary. However, neither was prior approval of Parliament obtained through supplementary nor budgetary provision obtained in the financial year 2010-11, yet loan and interest amounting to ₹ 582.21 crore due from NPCC were written off by the Ministry.

The matter was brought to the notice of the Ministry and their reply is awaited (February 2012).

4.10 Failure to obtain prior approval of Ministry of Finance

Rule 10(6)(a) of Delegation of Financial Powers Rules, 1978, provides that no re-appropriation shall be made from and to the provision for secret expenditure without the previous consent of the Ministry of Finance.

Examination of Appropriation Accounts of Grant No.53-Police and related records in the Ministry of Home Affairs revealed that during the year 2010-11, the Ministry had augmented provision of Secret Service Expenditure under NE Division from ₹ 2.35 crore (RE) to ₹ 3.35 crore by diverting the funds of J&K Division without the approval of Ministry of Finance, as is required under Rule 10(6)(a) of Delegation of Financial Powers Rules, 1978.

The matter was brought to the notice of the Ministry of Finance (August 2011) and Ministry of Home Affairs (January 2012) and their reply is awaited (February 2012).

4.11 Deficient budgeting

4.11.1 Provisioning under withdrawn object head

Examination of Detailed Demands for Grants of the following Grants/Ministry revealed that budget provisions under the object head '17-Banking Cash Transaction Tax' were made by the Ministries during the year 2010-11,

although the Banking Cash Transaction Tax had been withdrawn in April 2009 by the Central Board of Direct Taxes. However, no expenditure was incurred against the budget provision under this object head.

Table 4.10: Provisioning under Banking Cash Transaction Tax

(₹in lakh)

Grant No.	Budget provision made	Actual expenditure	Saving
19-Ministry of Culture	5.00	-	5.00
51-Ministry of Home Affairs	0.03	-	0.03
53-Police	24.00	-	24.00
105-Ministry of Youth Affairs and Sports	0.30	-	0.30

The matter was brought to the notice of the Ministries concerned. The Ministries, in their replies, stated that the information regarding withdrawal of Banking Cash Transaction was not received by them, hence the requirement was projected and the Ministry of Finance allocated the fund. They further stated that no provision would be made under this head during the year 2012-13.

4.11.2 Provisioning of expenditure for dissolved organisations

Examination of Grant No. 18-Ministry of Corporate Affairs for the year 2010-11 revealed that although the MRTP Commission and the Director General of Investigation & Registration (DGI&R) were dissolved by the Government of India in October 2009, in the budget estimates of 2010-11, provisions of ₹ 3.72 crore and ₹ 1.56 crore respectively were got authorised from the Parliament, which were eventually re-appropriated/surrendered.

On this being point out in audit, the Ministry stated that while the matter of dissolution of the office of MRTP Commission and DGI&R was under consideration of the Government, the status of their officers and employees was not made clear as to where they will be adjusted. Further, decision about the utility of office premises and other infrastructure like staff cars, computers, electrical installation etc. was also not taken. In view of these uncertainties, the Budget Estimates for 2010-11 were proposed to the Ministry of Finance in November 2009.

4.12 Obtaining incorrect supplementary

Examination of Grant No. 32-Department of Economic Affairs for the year 2010-2011 revealed that a supplementary provision was obtained under Major Head '2052-Secretariat-General Services' for making a payment of ₹ 2.40 crore towards India's contribution to South-South Experience Exchange Trust

Fund (SEETF). However, in Head-wise Appropriation Accounts, ₹ 2.26 crore was booked as expenditure under the Major Head '3466-International Financial Institutions', because the sub-head 'Contribution to South-South Experience Exchange Trust Fund (SEETF)' existed under Major Head 3466.

Thus, Ministry incorrectly obtained the supplementary of ₹ 2.40 crore under the Major Head '2052-Secretariat-General Services', while the scheme existed under the Major Head '3466-International Financial Institutions'.

The matter was brought to the notice of the Ministry (December 2011) and their reply is awaited (February 2012).

Chapter 5

REVIEW OF SELECTED GRANTS

This chapter contains audit observations on the Appropriation Accounts of selected grants (Civil) covering a period of three years, including an analysis of unspent provision, irregular and injudicious re-appropriations, supplementary provisions made without requirement including an in-depth study of persistent savings due to non-implementation of schemes, etc. Grants of Transfers to State and Union Territory Governments; Department of Higher Education; Ministry of Power; Department of Rural Development; and Department of Space have been selected for detailed scrutiny in audit and the findings have been included in this chapter.

Grant No. 35-Transfers to State and Union Territory Governments

(Ministry of Finance)

Introduction

5.1 The grant includes provision for grants payable to States under Article 275(1) of the Constitution, on the basis of recommendations of the Finance Commission, block grants for State Plan Schemes, short term Ways and Means advances to States and assistance from the National Disaster Response Fund (NDRF). The Plan Finance I Division of the Ministry of Finance operates the grants and makes an assessment of borrowing requirements of the State Governments, which involves fixing of borrowing ceilings, issuing of permission for borrowing under Article 293(3) of the Constitution of India, monitoring of the ways and means position of the States in close co-ordination with the Reserve Bank of India, debt write-off etc. The important schemes for which funds are being provided under the Plan include Accelerated Irrigation Benefits Programme, Jawaharlal Nehru National Urban Renewal Mission, Externally Aided Projects, National Social Assistance Programme, Border Area Development Programme, Hill Area/Western Ghats Development Programme, National E-Governance Programme, Backward Regions Grant Fund Scheme etc.

Budget and expenditure

5.2 The overall position of budget provisions, actual disbursements and savings during the last three years is detailed in **Table 5.1.**

Table 5.1:Year-wise budget & expenditure

(₹in crore)

Year	Budget Provision		Disbursement		Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2008-09	101598.22	8029.00	91701.55	7029.00	9896.67	1000.00
2009-10	111660.19	8825.00	101152.18	7824.06	10508.01	1000.94
2010-11	116627.84	11413.44	103039.34	10213.75	13588.50	1199.69

Surrender of savings

5.3 Rule 56(2) of the General Financial Rules, 2005 provides that savings in a grant or appropriation are to be surrendered to the Government as soon as these are foreseen without waiting for the end of the financial year. No savings should be held in reserve for possible future excesses.

Scrutiny of records for the year 2008-11 revealed that the Ministry surrendered savings on the last day of the year in all the three years under review, in contravention of the extant rule as detailed in **Table 5.2.**

Table 5.2: Surrender of Savings

(₹in crore)

Year	Savings		Amount Surrendered		Date of Surrender
	Revenue	Capital	Revenue	Capital	
2008-09	9896.67	1000.00	9896.68	1000.00	31-03-2009
2009-10	10508.01	1000.94	9758.02	1000.94	31-03-2010
2010-11	13588.50	1199.69	13588.48	1199.69	31-03-2011

Had the above savings been surrendered as soon as these were foreseen, the amounts could have been fruitfully utilized in other schemes/projects of the Government.

Persistent savings

5.4 As per para 3.2.4 of the budget circular issued by the Ministry of Finance, while framing the estimates, due note should be taken of the past performance, the stage of formulation/implementation of various schemes, the institutional capacity of the implementing agencies to implement the scheme as scheduled, the constraints on spending by the spending agencies, and most importantly, the quantum of government assistance lying with the recipients unutilised/unaccounted for etc. with a view to minimising the scope for available surrenders at a later stage.

Scrutiny of head-wise Appropriation Accounts of the grant for the years 2008-11 revealed that there were entire/large savings during these years which reflected

deficient budgeting by the Ministry. A few schemes affected by large persistent savings are detailed below:

Table 5.3: Persistent savings

(₹ in crore)

Minor/sub-head	Year	Budget Provisions	Actual Expenditure	Savings (Percentage)	Reasons attributed by the Ministry
3601.01.104.05-Grants for Local Bodies	2008-09	7623.14	5398.67	2224.47 (29)	Non-receipts of Utilisation Certificates from local bodies.
	2009-10	7026.85	5706.46	1320.39 (19)	Non-fulfillment of conditions by some State Governments.
	2010-11	8182.00	7842.77	339.23 (4)	-do-
3601.02.101.27-National E-Governance Action Plan (NEGAP)	2008-09	469.37	284.21	185.16 (39)	Non-release of some installment as the nodal Ministry did not submit some of their proposal under this Plan.
	2009-10	469.37	117.69	351.68 (75)	Receipt of less proposals from the Ministry of Information Technology.
	2010-11	190.00	131.44	58.56 (31)	-do-
7601.06.200–Other Ways and Means Advances	2008-09	1000.00	--	1000.00 (100)	Non-receipt of proposal from State Governments.
	2009-10	1000.00	--	1000.00 (100)	-do-
	2010-11	1000.00	--	1000.00 (100)	-do-

Savings of ₹ 100 crore and above

5.5 As per Rule 48(2) of the General Financial Rules, 2005, and also annual instructions as contained in the budget circular issued by the Ministry of Finance, Ministries/Departments are required to prepare their budget estimates keeping in view the disbursement trends during the previous years and other relevant factors, such as economy instructions issued by the Ministry of Finance from time to time.

Scrutiny of head-wise Appropriation Accounts for the years 2008-11 revealed that the Ministry made excessive provisions under various heads, resulting in large provisions remaining unutilised during these years and were either re-appropriated to other heads or surrendered, defeating the very purpose for which the budget provisions were passed by the Parliament. **Appendix V-A** gives the details of 14 such cases where savings of ₹ 100 crore and above constituting more than 10 *per cent* of the budget provision were noticed.

Large savings affected the objectives for which the budget provisions were passed by the Parliament. Had the Ministry correctly the expenditure in these sub-heads while formulating budget proposals, the large savings could have been avoided.

Savings of entire provision (Sub head-wise)

5.6 Scrutiny of head-wise Appropriation accounts for the period 2008-09 to 2010-11 revealed that in five cases, entire provisions remained unutilised as detailed in **Table 5.4.**

Table 5.4: Savings of entire provisions

(₹in crore)

Year	Sub-head	Budget Provision	Savings	Reasons
2008-09	3601.01.114.01–Assistance for development of Golden Temple Complex	27.50	27.50	Non-receipt of proposals from Ministry of Home Affairs.
	3601.02.101.13–Additional Central Assistance	636.87	636.87	Rectification of typing error committed at the time of obtaining supplementary grant.
2009-10	3601.02.101.43–Additional Central Assistance for Infrastructure Suppo for opening Bank Branches in unbanked blocks	100.00	100.00	Non-receipt of proposals from the concerned Ministry.
	3601.02.101.41 – Additional Central Assistance for Desalination Plant at Chennai	300.00	300.00	Non-submission of Utilisation Certificates by the Government of Tamil Nadu.
2010-11	3601.01.104.15–Grants-in-aid for National Disaster Response Force	250.00	250.00	Non-operationalisation of recommendation of Thirteenth Finance Commission(FC-XIII).

Saving of entire provisions reflects inadequate scrutiny during the stage of preparation of the budget estimates and while seeking supplementary demands.

Excess expenditure over available provision

5.7 In terms of Appendix-14 to Rule 57 and 63 of the General Financial Rules 2005, the Pay and Accounts office (PAO) is required to ensure that no payment is made in excess of the budget allotment under any sub-head or primary unit of appropriation. In cases where payment of a bill/claim would lead to excess over the provision under any unit of appropriation, the payment may be made by the Pay and Accounts Office only on receipt of an assurance in writing from the Ministry/Head of Department controlling the grant that the expenditure involved is not on a New Service, or New Instrument of Service; that necessary funds to accommodate the expenditure will be provided for in time by issue of re-appropriation order, etc., that a note to the effect has been kept for further action,

and that the grant as a whole (i.e., separately under Revenue and Capital Sections) is not likely to be exceeded.

Scrutiny of head-wise Appropriation Accounts for the year 2009-10 revealed that in one case detailed below, the PAO had made payment in excess of budget provision without any re-appropriation order to accommodate the final excess expenditure. This reflected ineffective control at the level of PAO as well as on the part of Head of Department controlling the grant.

Table 5.5-Excess expenditure over available provision

(₹ in crore)

Year	Sub-head	Budget Provisions	Available Provisions	Actual Expenditure	Excess Expenditure
2009-10	2245.80.103.01-Assistance to State from NCCF for calamities of severe nature	O 2500.00 S 1200.00 R -1098.48	2601.52	3261.52	660.00

Unnecessary supplementary grant

5.8 The Ministry of Finance, in its Office Memorandum of August 1996, while taking into consideration, the observations made by the Public Accounts Committee in its 88th Report (10th Lok Sabha), directed all Ministries/Departments to ensure that supplementary grants were obtained in emergent cases only. The Ministry further directed that supplementary demands should be restricted and confined to genuine unforeseen expenditure which could not be envisaged at the time of preparation of the annual budget or to meet the requirements of decisions or developments which had taken place after the approval of the budget, i.e., post-budget decisions and not for continuing schemes and programmes.

Audit scrutiny of the Appropriation Accounts for the period 2008-09 revealed that the Ministry obtained supplementary grants in anticipation of higher disbursement but the entire supplementary provisions remained unutilized at the end of the year as detailed in **Table 5.6.**

Table 5.6: Unnecessary supplementary grant

(₹in crore)

Year	Sub-head	Original Provision	Supplementary Grant	Actual Disbursement	Savings
2008-09	3601.02.101.01-Normal Central Assistance	17991.98	500.00	15948.17	2543.81
	3601.02.101.13-Additional Central Assistance	--	636.87	--	636.87

Large supplementary grants due to unrealistic budgetary projections

5.9 Under Article 114 of the Constitution of India, Parliament authorises the Government to appropriate specified sums from the Consolidated Fund of India. In terms of Article 115 of the Constitution, additional grants are obtained through supplementary demands for grants, which are authorised by Parliament. While preparing the 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 provisions for all inescapable and foreseeable expenditure are 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.

Scrutiny of the Head-wise Appropriation Accounts for the year 2008-09 and 2010-11 revealed that in two cases, the Ministry obtained supplementary grants much in excess of the original provisions ranging from 444 *per cent* to 1,000 *per cent* of the original provisions as detailed in **Table 5.7.**

Table 5.7: Large supplementary grants due to unrealistic budgetary projections

(₹in crore)

Sub-Head	Year	Original Provision	Supplementary Grant	Percentage of Supplementary Grant
3601.02.101.06-Additional Central Assistance for Externally Aided Projects	2008-09	682.50	3029.50	444
2075.00.795.03-Loans to State Governments Written off	2010-11	100.00	1000.00	1000

This indicates that the Ministry did not prepare its initial estimates of expenditure on a realistic basis.

Non-reporting of re-appropriation of funds by ₹ five crore or more to the Parliament

5.10 As per Rule 10(6) of the Delegation of Financial Power Rules, all re-appropriation orders issued during the financial year which have the effect of increasing the budget provisions under a sub-head or standard object head by more than 25 *per cent* of the budget estimate or ₹ five crore, whichever is more, shall be reported to the Parliament along with the last batch of Supplementary Demands for grants of the financial year.

Scrutiny of Head-wise Appropriation Accounts for the period 2009-11 revealed that the following re-appropriation orders were issued by the Ministry to increase the provisions by more than ₹ 5 crore or more in the sub-heads but were not reported to the Parliament along with the last batch of supplementary demands of the financial year as detailed in **Table 5.8**. The last batch of Supplementary Demands for grants for the years 2009-10 and 2010-11 were passed by the Parliament on 22.3.2010 and 17.3.2011 respectively.

Table 5.8: Non-reporting of re-appropriation of funds of ₹ five crore or more to the Parliament

(₹ in crore)

Sl. No.	Sub-heads	Amount Re-appropriated	Date of Re-appropriation Orders Issued
2009-10			
1.	3601.01.110.08-One time grant to Government of Arunachal Pradesh	100.00	06.01.2010
2.	3601.02.101.06-Additional Central Assistance for externally aided projects	1000.00 1446.76	06.01.2010 04.02.2010
3.	3601.02.101.07-Additional Central Assistance for Others Projects	600.00 851.97	04.02.2010 12.03.2010
4.	3601.02.101.12-Special Plan Assistance	1585.00 1751.00 400.00	29.12.2009 04.02.2010 12.03.2010
5.	3601.01.101.40-Long Term Reconstruction Assets Damaged during 2005-06 floods	179.64 135.95	06.01.2010 04.02.2010
2010-11			
1.	3601.01.104.12-Grants-in-aid for Heritage Conservations	18.46	15.02.2011
2.	3601.01.104.13-Grants-in-aid for States Specific	194.40	15.02.2011
3.	3601.02.101.04-Special Central Assistance-Border Area Development	56.00	15.02.2011
4.	3601.02.101.06- Additional Central Assistance for externally aided projects	198.75 250.00	15.02.2011 03.03.2011
5.	3601.02.101.07- Additional Central Assistance for Others Projects	736.47	15.02.2011
6.	3601.02.101.08-Special Central Assistance	1000.00 200.00	15.02.2011 30.03.2011
7.	3601.02.101.12- Special Plan Assistance	1878.00	15.02.2011

The Ministry replied (September 2011) that the re-appropriation of funds for the financial years 2009-10 and 2010-11 had not been reported to the Parliament earlier and the same would be done before the next batch of the supplementary demand.

Deficient Internal Audit

5.11 The Internal Audit wing of the Finance Ministry functions under the administrative control of the Chief Controller of Accounts, Ministry of Finance. The details of internal audit conducted during the last three years against the targets fixed by the Chief Controller of Accounts in respect of the Ministry are as under:

Table 5.9: Deficient Internal Audit Control

Year	Target fixed (No. of Divisions /Units Planned for Audit)		No. of Divisions/Units Actually Audited		Percentage of Shortfall	
	Internal Audit Wing	Banking & Financial Institutions	Internal Audit Wing	Banking & Financial Institutions	Internal Audit Wing	Banking & Financial Institutions
2008-09	64	32	49	27	23	16
2009-10	66	31	36	26	45	16
2010-11	72	27	43	26	40	4

The above table indicates that the internal control mechanism of the Ministry was not satisfactory as the shortfalls ranged from 23 to 45 *per cent* in the Internal Audit wing and from four to 16 *per cent* in Banking and Financial Institutions against the targeted units during the years 2008-09 to 2010-11.

Grant No.58- Department of Higher Education (Ministry of Human Resource Development)

Introduction

5.12 The Ministry of Human Resource Development was established in 1985 with a view that the people of the country are a valuable resource and the growth process should be based on integrated development of the citizen. The Ministry has two Departments, namely, the Department of School Education and Literacy and the Department of Higher Education.

The main objectives of the Department of Higher Education are to lay down the national policy on education, planned development of university & higher education and technical education, development of Indian languages, scholarships to deserving students, promotion of books and administration of the Copyrights Act and international co-operation in the field of education, including with UNESCO.

Budget and expenditure

5.13 The overall position of budget provisions, actual disbursements and savings under the grant for the last three years is given in **Table 5.10.**

Table 5.10: Year-wise budget and expenditure

(₹in crore)

Year	Budget Provision		Actual Disbursement		Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2008-09	11407.63	Nil	11222.49	Nil	185.14	Nil
2009-10	15516.17	100.00	13963.57	100.00	1552.60	Nil
2010-11	18783.34	Nil	15566.76	Nil	3216.58	Nil

Surrender of savings

5.14 Scrutiny of head-wise Appropriation Accounts for the years 2008-11 revealed that contrary to the extant orders, the Department surrendered savings on the last day of the financial year in all the three years under review as detailed in **Table 5.11.**

Table 5.11: Surrender of savings

(₹in crore)

Year	Savings		Amount Surrendered		Date of Surrender
	Revenue	Capital	Revenue	Capital	
2008-09	185.14	--	156.50	--	31.03.2009
2009-10	1552.60	--	1369.76	--	31.03.2010
2010-11	3216.58	--	3162.88	--	31.03.2011

Persistent savings

5.15 Scrutiny of Appropriation Accounts revealed that there remained persistent unspent provisions under the revenue section of the grant during the years 2008-11. Large unspent provisions under the grant reflected deficient budgeting by the Department. Details of sub-heads where savings were noticed are given in **Appendix V-B**. A few schemes affected by large persistent savings are discussed below:

(a) National Mission in Education through ICT

The National Mission on Education through Information and Communication Technology (ICT) has been envisaged as a Centrally Sponsored Scheme to leverage the potential of ICT, in teaching and learning process for the benefit of all the learners in Higher Education Institutions in any time anywhere mode.

Scrutiny of records revealed that pace of implementation of the scheme during 2008-11 was slow and savings ranged from 20 to 67 *per cent* of the total provisions as detailed in **Table 5.12**.

Table 5.12: National Mission in Education through ICT

(₹in crore)

Year	Total Provision	Actual Disbursement	Savings	Percentage	Reasons
2008-09	451.80	361.03	90.77	20	Delay in receipt of approval of the scheme.
2009-10	810.00	270.88	539.12	67	Slow pace of implementation of the scheme owing to release of funds only for pilot projects.
2010-11	810.00	459.96	350.04	43	Slow pace of implementation of the scheme owing to release of funds only for pilot projects.

(b) Upgradation of existing polytechnics and setting up of new ones

Scheme of setting up of new polytechnics and strengthening of existing polytechnics was launched in 2008 to encourage vocational education and skill development. The scheme provided for setting up of 1,000 polytechnics; strengthening of 500 existing polytechnics; construction of women's hostels in 500 polytechnics; and revamping of community polytechnic schemes and increasing number of polytechnics from 669 to 1,000.

Analysis in **Table 5.13** below revealed that implementation of scheme was not up to expectations as during the periods 2008-11 savings under the scheme ranged from 64 to 100 *per cent* of the approved provisions.

Table 5.13: Scheme of upgradation of existing polytechnics and setting up of new polytechnics

(₹in crore)

Year	Total Provision	Actual Disbursement	Savings	Percentage of savings	Reasons
2008-09	9.00	Nil	9.00	100	Non receipt of approval of the scheme from Competent Authority.
2009-10	45.00	16.30	28.70	64	Reduction in amount of grant to beneficiary and receipt of less number of proposals from existing/New Polytechnics.
2010-11	220.00	37.40	182.60	83	Reduction in amount of grant to beneficiary and receipt of less number of proposals from existing/New Polytechnics.

(c) Community development through polytechnics (CDTP)

The scheme was designed to provide non-formal, short-term, employment-oriented skill development programmes, to various sections of the community, mainly the rural, unorganized and under privileged sections by harnessing the infrastructure available with the existing polytechnics. The scheme was to be implemented through 1,000 All India Council of Technical Education (AICTE) approved polytechnics, across the nation by offering various employment-oriented courses based on local demands and needs.

Scrutiny of the records revealed that the Department made the budget proposal without making any assessment of actual requirement of funds during 2008-11. Resultantly, funds ranging from 66 to 95 *per cent* of the sanctioned provisions remained unspent as detailed in **Table 5.14**. The reason given by the Department for savings was receipt of less number of proposals from polytechnics; which shows that the scheme had been planned without any proper assessment.

Table 5.14: Scheme of Community Development through Polytechnics (CDTP)

(₹ in crore)

Year	Budget Provision	Expenditure	Savings	Percentage of savings	Reasons for Savings
2008-09	17.54	0.85	16.69	95	Receipt of less number of proposals from Polytechnics.
2009-10	141.30	48.14	93.16	66	-do-
2010-11	144.00	30.57	113.43	79	Reduction in amount of grants to beneficiaries and receipt of less number of proposals from existing/new Polytechnics.

Unrealistic budgetary assumptions

5.16 Scrutiny of the Appropriation Accounts revealed that under various sub-heads, entire/large parts of the provisions remained unutilised during the period 2009-11 and were surrendered/re-appropriated to other heads, defeating the purpose for which the budget provisions were passed by the Parliament. Savings of ₹ 40 crore and above are shown in **Appendix V-C**.

Non-utilisation of entire provisions

5.17 Scrutiny of the Appropriation Accounts for the years 2008-11 revealed that in six cases, the entire provision under the sub-heads remained unutilized as detailed in **Appendix V-D** due to non finalization of the scheme, suggesting that budget provisions were obtained without getting the schemes finalized.

Outstanding utilisation certificates

5.18 As per Rule 212(1) of the General Financial Rules 2005, certificates of actual utilization of the grants received for the purposes for which they were sanctioned are required to be submitted within 12 months of the closure of the financial year by the institution or organization concerned. Where the certificates are not received within the prescribed period, the Ministry/Departments will be at liberty to blacklist such institution or organization for the purpose of release of any future grants.

Scrutiny of the records relating to outstanding certificates revealed that 2,022 Utilization Certificates (UCs) involving ₹ 1,91,708.52 crore were outstanding in respect of grants-in-aid released by the Department up to 31 March 2010 as detailed in **Appendix V-E**. The earliest period from when UCs were outstanding was 1977-78.

The Department replied (December 2011) that it was regularly monitoring the receipt of UCs from the grantee institutions. It further stated that a data base had been created and necessary steps were being taken to ensure that no fresh grants were released to the institutions against whom UCs for past grants were still pending.

Unnecessary supplementary grants

5.19 While obtaining a Supplementary Grant, a Department has to keep in view the resources available or likely to be available during the financial year and exercise due caution while forecasting its additional budgetary requirement of funds. Resorting to Supplementary Demands should be in exceptional and urgent cases only.

Scrutiny of the Appropriation Accounts for the period 2008-11 revealed that the Department of Higher Education obtained supplementary grants in anticipation of higher disbursements as detailed below:

Table 5.15: Unnecessary supplementary grants

(₹in crore)

Year	Budget Estimates (Revenue-Voted)	Supplementary Grant	Actual Disbursement	Savings
2008-09	10852.87	554.76	11222.49	185.14
2009-10	15429.00	87.17	13963.57	1552.60
2010-11	16690.00	2093.34	15566.76	3216.58

From the above table, it is evident that during the years 2009-10 and 2010-11, the savings were more than the Supplementary Grants sought by the Department. Sub-head-wise details where the Department obtained

supplementary grants in anticipation of higher expenditure, but the final expenditure was less than even the original grants/appropriations are given in **Appendix V-F.**

Distortion of budget provision

5.20 Based on the observations contained 147th Report of the Public Accounts Committee (Eighth Lok Sabha), the Ministry of Finance issued instructions that the delegated powers of re-appropriation of funds should be exercised by the Ministries/Departments in such a manner so that the original objectives for which the provisions were made under various sub-heads were not substantially altered by exercise of the power of re-appropriation.

Scrutiny of re-appropriation orders issued during the years 2008-11 revealed that the Department made large re-appropriations of funds between the different primary units of appropriation, defeating the original purpose/activity for which the approvals were obtained as detailed in **Table 5.16** below:

Table 5.16: Distortion of budget provisions

(₹in crore)

Year	Budget Provision	Number of Re-appropriation Orders Issued	Amount of Re-appropriation Orders transferring the Funds 'from' Sub-heads	Amount of Re-appropriation Orders transferring Funds 'to' Sub-heads	Amount Surrendered	Expenditure
2008-09	11407.63	99	1519.99	1363.49	156.50	11222.49
2009-10	15516.17	101	3056.97	1687.21	1369.76	13963.57
2010-11	18783.34	123	10607.05	7444.17	3162.88	15566.76

From the table above, it is evident that during the year 2010-11, 123 re-appropriation orders were issued involving ₹ 18,051.22, crore thereby substantially altering the initial authorisation made by the Parliament. A few sub-heads where the distortions were apparent are explained in detail below:-

a) Under the sub-head 2202.03.102.10- 'University Grant Commission, Central Universities', against a total provision of ₹ 7,429.11 crore authorized by the Parliament ₹ 2,629.82 crore was re-appropriated (in six instances) from this scheme to some other schemes while ₹ 3,420.10 crore was again re-appropriated (in 14 instances) into this scheme from other schemes, leaving a net impact of re-appropriation to this scheme of the tune of ₹ 790.28 crore.

b) Under the sub-head 2202.05.103.01- 'Rashtriya Sanskrit Sansthan', against a total provision of ₹ 67.73 crore authorised by the Parliament, ₹ 3.09 crore was re-appropriated from this scheme (in one case) to some other scheme and ₹ 23.85 crore was again re-appropriated (in seven instances) into

this scheme from other schemes, leaving a net impact of re-appropriation into this scheme to the tune of ₹ 20.76 crore.

c) Under the sub-head 2202.80.800.40-'National Mission in Education through ICT', against a total provision of ₹ 810 crore authorized by the Parliament, ₹ 386.73 crore was re-appropriated (in five instances) from this scheme to some other schemes and ₹ 39.09 crore was again re-appropriated (in three instances) into this scheme from other schemes, leaving a net impact of re-appropriation from this scheme to the tune of ₹ 347.64 crore.

d) Under the sub-head 2203.00.105.04-'Grant for Quality Improvement Programme-Community Polytechnics', against a total provision of ₹ 144 crore authorized by the Parliament, ₹ 143.44 crore was re-appropriated (in three instances) from this scheme to some other schemes and ₹ 30.74 crore was again re-appropriated (in four instances) into this scheme from other schemes, leaving a net impact of re-appropriation from this scheme to the tune of ₹ 112.70 crore.

e) Under the sub-head 2203.00.112.05- 'Indian Institute of Technology', against a total provision of ₹ 1,599.66 crore authorized by the Parliament, ₹ 686.47 crore was re-appropriated from this scheme to some other schemes and ₹ 1,029.52 crore was again re-appropriated (in nine instances) into this scheme from other schemes, leaving a net impact of re-appropriation to this scheme to the tune of ₹ 343.05 crore.

Irregular budget provision under Banking Cash Transaction Tax

5.21 Examination of Detailed Demands for Grants revealed that the Department made a total provision of ₹ six lakh (₹ two lakh each) under the object head '17-Banking Cash Transaction Tax' during the years 2009-10, 2010-11 and 2011-12 although the Banking Cash Transaction Tax had been withdrawn by the Central Board of Direct Taxes in April 2009. However, no expenditure was incurred against the budget provision under this object head. The Department did not furnish any reasons for making provision for expenditure, for payment towards a tax that had been withdrawn.

Grant No.74 -Ministry of Power

Introduction

5.22 The Ministry of Power is responsible for development, perspective planning, policy formulation, processing of projects for investment decisions, monitoring of the implementation of power projects, training and manpower development as well as administration and enactment of legislation in regard to thermal and hydro-power generation, transmission and distribution.

Budget and expenditure

5.23 The overall position of budget provisions, actual disbursements and savings under the grant for the last three years is given in **Table 5.17.**

Table 5.17: Budget & expenditure

(₹ in crore)

Year	Budget Provision		Actual Disbursement		Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2008-09	6121.05	409.57	5868.19	377.82	252.86	31.75
2009-10	10851.66	1916.00	8525.99	1579.76	2325.67	336.24
2010-11	11418.97	5139.49	7581.43	3179.73	3837.54	1959.76

Surrender of savings

5.24 From the details of amounts surrendered during 2008-11 as given in **Table 5.18,** it could be seen that savings were surrendered on the last day of the financial year against the provision of extant Rules.

Table 5.18: Surrender of savings

(₹ in crore)

Year	Savings		Amount Surrendered		Date of Surrender
	Revenue	Capital	Revenue	Capital	
2008-09	252.86	31.75	245.66	31.74	31.03.2009
2009-10	2325.67	336.24	2323.20	333.59	31.03.2010
2010-11	3837.54	1959.76	3832.88	1458.82	31.03.2011

Had the above savings been surrendered as soon as these were foreseen, the amounts could have been fruitfully utilized in other schemes/projects of the Government.

Unnecessary supplementary grants

5.25 Audit scrutiny of the Appropriation Accounts for the years 2008-09 to 2010-11 revealed that the Ministry had obtained Supplementary Grants under the following sub-heads in anticipation of higher disbursement, but the entire and/or large portion of the Grants remained unutilized at the end of the year. The supplementary grants obtained proved to be unnecessary to the extent that they remained unutilised as detailed in **Table 5.19**, indicating that the instructions of the Ministry of Finance were not followed.

Table 5.19: Unnecessary supplementary grants

(₹ in crore)

Year	Sub-head	Original Provision	Supplementary Grant obtained	Actual Disbursement	Savings
2008-09	2801.80.004.02-Central Power Research Institute	50.00	9.29	29.11	30.18
	2801.80.800.02-Central Electricity Authority	40.11	10.83	48.48	2.46
	3451.00.090.03-Ministry of Power	14.09	3.10	16.15	1.04
2010-11	4801.02.190.02- National Thermal Power Corporation of India	Nil	710.65	105.19	605.46
	2801.80.797.02-Transfer to Central Electricity Regulatory Commission Fund	Nil	31.80	Nil	31.80

Distortion of budget provision

5.26 Based on the observations contained in the 147th Report of Public Accounts Committee (Eighth Lok Sabha), the Ministry of Finance issued instructions that the delegated powers of re-appropriation of funds should be exercised by the Ministries/Departments in such a manner so that the original objective for which the provisions were made under various sub-heads were not substantially altered by exercise of power of re-appropriation.

Scrutiny of re-appropriation orders issued during the year 2008-11 revealed that the Ministry made large re-appropriations of funds between different primary units of appropriation, defeating the original purpose/activity for which the approvals were obtained as detailed below:

Table 5.20: Distortion of budget provision

(₹ in crore)

Year	Budget Provision	Number of Re-appropriation Orders Issued	Amount of Re-appropriation Orders transferring Funds from Sub-heads	Amount of Re-appropriation Orders transferring Funds 'to' Sub-heads	Surrendered Amount	Expenditure
2008-09	6530.62	17	1820.78	1543.38	277.40	6246.01
2009-10	12767.66	29	3945.37	1288.58	2656.79	10105.75
2010-11	16558.46	24	7048.65	1756.95	5291.70	10761.16

From the above, it is evident that during the year 2010-11, 24 re-appropriation orders were issued, involving ₹ 8,805.60 crore, substantially altering the initial authorisation made by the Parliament. A few sub-heads, where the distortions were apparent are explained below:

a) In sub-head 2801.06.800.03-'Rural Electrification Corporation', against a total provision of ₹ 4,852 crore authorized by the Parliament, ₹ 1,074.21 crore was re-appropriated (in five instances) from this scheme to some other schemes while ₹ 1,144.63 crore was again re-appropriated (in eight instances) into this scheme from other schemes, leaving a net impact of re-appropriation to this scheme amounting to ₹ 70.42 crore.

b) In sub-head 2801.80.800.02-'Central Electricity Authority', against a total provision of ₹ 60.64 crore authorised by the Parliament, ₹ 9.23 crore was re-appropriated (in eight cases) from this scheme to some other schemes and ₹ 4.78 crore was again re-appropriated (in six instances) into this scheme from other schemes, leaving a net impact of re-appropriation into this scheme amounting to ₹ 4.45 crore.

Non-utilisation of entire provision

5.27 The head-wise Appropriation Accounts for the years 2008-11 revealed that the entire provisions under the sub-heads remained unutilised and were surrendered, defeating the purpose for which they were passed by the Parliament as detailed in **Table 5.21.**

Table 5.21: Non-utilization of entire provisions

(₹ in crore)

Sl. No.	Sub-Head	Year	Original Provision	Savings
1.	2801.80.797.02-Transfer to Central Electricity Regulatory Commission Fund	2010-11	31.80	31.80
2.	2801.80.800.11- Central Electricity Regulatory Commission	2010-11	4.00	4.00
3.	2801.80.800.29-National Electricity Fund	2010-11	227.64	227.64

Savings of ₹ 100 crore or more under a sub-head

5.28 Scrutiny of Appropriation Accounts revealed that savings of ₹ 100 crore or more under a sub-head was noticed which was indicative of poor budgeting or shortfall in performance or both, in respect of the concerned scheme being implemented by the Ministry. Necessary steps need to be taken by the Ministry to make its budgetary exercise more realistic not only to minimise large scale variations between estimates and actuals but also to gainfully utilise the scarce resources. The Ministry should also review its system of budgetary assumptions or/and efficiency of its programme management. **Appendix V-G** gives the details of seven such cases where savings of ₹ 100 crore or more occurred under sub-heads.

Persistent savings

5.29 Scrutiny of the head-wise Appropriation Accounts revealed that under various sub-heads, there were persistent savings, both under Revenue and Capital sections of the grant during the last three years and these were re-appropriated to other heads or surrendered, defeating the purpose for which the budget provisions were passed by the Parliament. The sub-heads depicting saving of ₹ 10 crore and more are detailed in **Appendix V-H**.

Rush of expenditure during the last month and last quarter of the financial year

5.30 Ministry of Finance issued instructions in December 2006 to restrict expenditure during the last quarter of the financial year to 33 *per cent* of the budget amount. Further, as per Rule 56(3) of General Financial Rules 2005, rush of expenditure, particularly in the closing months of the financial year, is to be regarded as a breach of financial propriety and should be avoided. It was, however, noticed that the Ministry did not follow the instructions of the Ministry of Finance and incurred huge expenditure of ₹ 1,456.33 crore (23 *per cent*) in March 2009 and ₹ 3,435.75 crore (54 *per cent*) during the last quarter of the financial year 2008-09 against the total original budgeted allocation of ₹ 6,395.76 crore.

Outstanding utilisation certificates

5.31 As per Rule 212(1) of the General Financial Rules, 2005, the certificates of actual utilization of the grants received for the purpose for which they were sanctioned are required to be submitted within 12 months of the closure of the financial year by the institution or organization concerned. Where the certificate is not received within the prescribed period, the Ministry/Department is at liberty to blacklist such institution or organization for the purpose of release of any future grants. Test check of the records indicates that four UCs involving ₹ 39.91 crore were outstanding in respect of grants-in-aid released by the Ministry during 2009-10.

Deficient internal audit

5.32 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. The scope and function of the internal audit organization depend on the nature of work, the number of subordinate offices, the strength of establishment, nature and quantum of expenditure etc.

The Internal Audit wing of the Ministry functions under the administrative control of the Controller of Accounts and is responsible for conducting internal audit of the units under the Ministry of Power. The details of internal audit conducted during the years 2009-10 and 2010-11 are detailed in **Table 5.22**

Table 5.22: Deficient internal audit control

Year	Total No. of units under Audit Jurisdiction	No. of unit Planned to be Audited	Actual Number of units Audited	Percentage Shortfall (percentage)
2009-10	25	25	20	20
2010-11	25	25	15	40

The information relating to internal audit for the year 2008-09 was neither made available to Audit nor included in the Annual Report of the Ministry. As is evident from the above table, there were shortfalls of 20 *per cent* and 40 *per cent* against the targeted units to be audited during the years 2009-10 and 2010-11 respectively which indicates that the internal control mechanism in the Ministry was deficient.

GRANT NO. 81- DEPARTMENT OF RURAL DEVELOPMENT (Ministry of Rural Development)

Introduction

5.33 The Ministry of Rural Development consists of three Departments, namely (i) Department of Rural Development (ii) Department of Land Resources and (iii) Department of Drinking Water and Sanitation. The Department of Rural Development implements schemes for generation of self-employment and wage employment, provision of housing to the rural poor and construction of rural roads. The Department also provides support services such as assistance for strengthening of DRDA administration, training and research, human resource development, development of voluntary action etc. for proper implementation of the programmes. It also undertakes Information Education and Communication (IEC) activities to promote awareness about rural development programmes in rural areas.

Budget and expenditure

5.34 The overall position of budget provision, actual disbursements and savings under the grant during the last three years is given in **Table 5.23.**

Table 5.23: Budget & expenditure

(₹ in crore)

Year	Budget Provision		Actual Disbursement		Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2008-09	90930.42	0.50	90926.93	0.50	3.49	--
2009-10	122505.30	7.29	111362.38	7.24	11142.92	0.05
2010-11	148217.71	7.82	130299.16	--	17918.55	7.82

Surrender of savings

5.35 Contrary to the General Financial Rules, the Department surrendered amounts on the last day of the financial years 2008-11 as detailed in **Table 5.24.**

Table 5.24: Surrender of savings

(₹ in crore)

Year	Unspent Provision		Amount Surrendered		Date of Surrender
	Revenue	Capital	Revenue	Capital	
2008-09	3.49	-	1.65	-	31.03.2009
2009-10	11142.92	0.05	11139.37	-	31.03.2010
2010-11	17918.55	7.82	17906.69	7.82	31.03.2011

Had the above savings been surrendered as soon as these were foreseen, these amounts could have been gainfully utilized in other schemes/projects of the Government.

Savings of ₹ 100 crore or more under a sub-head

5.36 Scrutiny of Appropriation Accounts revealed that there were savings of ₹ 100 crore or more under a sub-head which was indicative of poor budgeting or shortfall in performance or both, in respect of the concerned scheme being implemented by the Department. Necessary steps need to be taken by the Department to make its budgetary exercise more realistic, not only to minimize large scale variations between its estimates and actuals but also to gainfully utilize the scarce resources. The Department is required to review its system of budgetary assumption or/and efficiency of its programme management. **Appendix V-I** gives details of four such cases where savings of ₹ 100 crore or more constituting more than 10 *per cent* had occurred under a sub-head during the year 2009-10 and 2010-11.

Unrealistic budgeting

5.37 Scrutiny of head-wise Appropriation Accounts revealed that under various sub-heads, large provisions remained unutilized during the period

2008-11 which were re-appropriated to other heads/surrendered at the end of year, defeating the very purpose for which the budget provisions were passed by the Parliament. **Appendix V-J** gives details of nine such cases where savings of ₹ 10 crore and more had occurred.

Non-utilisation of entire funds

5.38 Scrutiny of head-wise Appropriation Accounts for the years 2008-11 revealed that in four cases, the entire provision under the sub-heads remained unutilized as detailed in **Appendix V-K**. This indicates that the budget estimates for these schemes were prepared without adequate scrutiny.

Persistent savings

5.39 Scrutiny of the head-wise Appropriation Accounts revealed that there remained persistent savings during the years 2008-11. Large savings under the grant reflected deficient budgeting by the Department. A few schemes affected by large persistent savings are detailed in **Table 5.25** and discussed below:

Table 5.25: Persistent savings

(₹ in crore)

Sl No	Sub-head	Year	Budget Provision	Actual Expenditure	Savings	Saving as a Percentage of BE
1.	2501.06.101.13 - Marketing	2008-09	20.00	8.00	12.00	60
		2009-10	10.00	5.52	4.48	45
2.	2505.02.101.09- Capacity Building and Technical Support	2009-10	1300.00	8.36	1291.64	99
		2010-11	100.00	30.16	69.84	70
3.	2515.00.800.23- Provision of Urban Amenities in Rural Areas (PURA)	2008-09	27.00	0.01	26.99	100
		2009-10	27.00	-	27.00	100
		2010-11	111.20	66.20	45.00	40

a) Capacity Building and Technical Support

Operational Guidelines (2008) of the Mahatma Gandhi National Rural Employment Guarantee Act, envisages provision for capacity building and Technical Resource Support. The Act makes it mandatory for the State Governments to make available to the District Programme Coordinator and the Programme Officer, necessary staff and technical support as may be necessary for the effective implementation of the scheme. There shall be full funding by the Government of India for management support at the District, Block and Gram Panchayat level. Basic training on core issues pertinent to the Act and guidelines was to be arranged by the State Government with priority accorded to its key functionaries, specially the District Programme Coordinator, Programme Officer, Panchayati Raj Institutions.

Scrutiny revealed that ₹ 1,400 crore was provided in the Budget Estimates during the years 2009-10 and 2010-11, out of which only ₹ 38.52 crore was utilised, leaving a major portion of funds ₹ 1,361.48 crore viz. 97 *per cent* remaining unutilized mainly due to less receipt of proposals from State Governments and non-finalisation of Expenditure Finance Committee memos. This indicates that while budgetary authorization was obtained for this very important item of capacity building, there was failure to operationalise it.

b) Provision of Urban Amenities in Rural Areas (PURA)

Under the scheme, holistic and accelerated development of compact areas around a potential growth centre in a Gram Panchayat (or a group of Gram Panchayats) through Public Private Partnership (PPP) framework is done for providing livelihood opportunities and urban amenities to improve the quality of life in rural areas. Scrutiny revealed that ₹ 27 crore was provided in the Budget Estimates during the years 2008-09 and 2009-10 but the entire provisions (100 *per cent*) remained unutilized due to non-approval of the scheme from the Expenditure Finance Committee/Cabinet. This indicates that the budgetary authorization was obtained without getting the scheme approved from the competent authority. During 2010-11 also, ₹ 45 crore (40 *per cent*) remained unspent due to cuts imposed by the Ministry of Finance at the Revised Estimate stage and non-finalization of projects received from various organization.

Absence of any internal audit control

5.40 After departmentalization of Union Government Accounts, an efficient internal audit organization is necessary to ensure accuracy in accounts and efficiency in the operation of the accounts set up. Internal Audit organizations have accordingly been set up in most of the Ministries/Departments. The scope and function of the internal audit organizations depend on the nature of work, the number of subordinate offices, the strength of establishment, nature and quantum of expenditure etc. Further, each Ministry/Department should draw up a Manual of Internal Audit specifying the duties and functions of the organization, with particular reference to the prevailing conditions in the Ministry/Department.

The Internal Audit Wing of the Ministry of Rural Development under the administrative control of the Chief Controller of Accounts (CCA) is responsible for conducting internal audits of the units under the Department. The details of internal audit conducted during the period 2008-11 are given in **Table 5.26.**

Table 5.26: Deficient internal audit control

Year	Total no of Units under Audit Jurisdiction	No. of Units Planned to be Audited	Actual no. of Units Audited	Shortfall in Percentage
2008-09	-	-	-	-
2009-10	785	-	26	97
2010-11	785	-	15	98

The above table indicates that there was complete absence of internal control mechanism in the Department as no targets were fixed for audit during the period 2008-09 to 2010-11 and no unit was taken up for internal audit during 2008-09. Further, there were shortfalls of 97 and 98 *per cent* against the total auditee units during the years 2009-10 and 2010-11 respectively due to shortage of staff.

In the absence of internal audit of units, effective implementation of a number of schemes such as the Mahatma Gandhi National Rural Employment Guarantee scheme being implemented by the Department could not be properly checked.

Grants-in-aid and outstanding Utilisation Certificates

5.41 The Plan provision and expenditure of the Department of Rural Development is centered about entirely on transfer of grants to bodies/authorities. **Table 5.27** below brings out the position.

Table 5.27: Statement showing total Expenditure (Plan) and expenditure on Grants-in-aid of Department of Rural Development

Year	Total Plan expenditure *(₹in crore)*	Plan Expenditure on Grants-in-aid *(₹in crore)*	Percentage of Expenditure on Grants-in-aid as compared to total Plan Expenditure
2008-09	56850.08	56692.85	99.72
2009-10	56594.96	56445.24	99.74
2010-11	72061.10	71853.16	99.71

In view of the centrality of grants-in-aid expenditure in the overall budget of the Department of Rural Development, there is need for close monitoring of the amounts released for grants-in-aid and their utilisation. As per Rule 212(1) of the General Financial Rules 2005, the certificates of actual utilization of the grants received for the purpose for which they were sanctioned are required to be submitted within 12 months of the closure of the financial year by the institution or organization concerned. Where the certificate is not received within the prescribed period, the

Ministry/Departments will be at liberty to blacklist such institution or organization for the purpose of release of any future grant.

Scrutiny of the records of the Department revealed that 1,348 UCs were outstanding involving ₹ 5,638.80 crore as on 31 March 2010 in respect of grants-in-aid released by the Department upto 2009-10. From year-wise details given in **Appendix V-L,** it would be seen that the earliest period to which the outstanding Utilization Certificate relates pertained to the year 2000-01.

Grant No.89 – Department of Space

Introduction

5.42 The Department of Space (DoS) and its constituent units are responsible for planning and execution of national space activities. Its primary objective is to promote the development and application of space science and technology for the socio-economic benefits of the nation.

Budget and expenditure

5.43 The overall position of the budget provisions, actual disbursements and savings under the grant for the last three years is given in **Table 5.28.**

Table 5.28: Budget & Expenditure

(₹ in crore)

Year	Budget Provision		Actual Disbursement		Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2008-09	2515.47	1784.55	2425.00	1068.58	90.47	715.97
2009-10	2907.88	2051.16	2876.87	1286.09	31.01	765.07
2010-11	3100.76	2677.28	2557.51	1924.72	543.25	752.56

Distortion of budget provision

5.44 Based on the observations contained in the 147th Report of Public Accounts Committee (Eighth Lok Sabha), the Ministry of Finance issued instructions that the delegated powers of re-appropriation of funds should be exercised by the Ministries/Departments in such a manner so that the original objective for which the provisions were made under various sub-heads were not substantially altered by the exercise of power of re-appropriation.

Scrutiny of re-appropriation orders issued during the years 2008-11 revealed that the Department had made large re-appropriations of funds between the different primary units of appropriation altering the original purpose/activity for which the approvals were obtained as detailed in **Table 5.29** below:

Table 5.29: Distortion of budget provision

(₹ in crore)

Year	Budget Provision	Number of Re-appropriation Orders Issued	Amount of Re-appropriation Orders transferring Funds from Sub-heads	Amount of Re-appropriation Orders transferring Fund to Sub-heads	Surrendered Amount	Expenditure
2008-09	4300.02	2	1200.25	399.27	800.98	3493.58
2009-10	4959.04	2	1196.58	404.58	792.00	4162.96
2010-11	5778.04	27	1925.59	660.30	1265.29	4482.23

From the above, it is evident that during the year 2010-11, 27 re-appropriation orders were issued involving ₹ 2,585.89 crore, substantially altering the initial authorisation made by the Parliament. A few sub-heads, where the distortions were apparent are explained as detailed below:-

a) In sub-head 3402.00.102.01-'Space Applications Centre', against a total provision of ₹ 200.82 crore authorized by the Parliament, ₹ 11.37 crore was re-appropriated from this scheme to some other scheme while ₹ 16.62 crore was again re-appropriated into this scheme from other scheme, leaving a net impact of re-appropriation to this scheme to the tune of ₹ 5.25 crore.

b) In sub-head 3402.00.102.02-'Development and Educational Communication Unit (DECU)', against a total provision of ₹ 81.59 crore authorised by the Parliament, ₹ 61.18 crore was re-appropriated/surrendered from this scheme to some other scheme and ₹ 0.75 crore was again re-appropriated into this scheme from other scheme, leaving a net impact of re-appropriation into this scheme to the tune of ₹ 60.43 crore.

c) In sub-head 5402.00.101.17-'Satish Dhawan Space Centre (SDSC-SHAR)', against a total provision of ₹ 188.83 crore authorized by the Parliament, ₹ 78.02 crore was re-appropriated from this scheme to some other scheme and ₹ 8.28 crore was again re-appropriated into this scheme from other scheme, leaving a net impact of re-appropriation from this scheme to the tune of ₹ 69.74 crore.

d) In sub-head 5402.00.101.31-'Navigation Satellite System', against a total provision of ₹ 227.71 crore authorized by the Parliament, ₹ 180.19 crore was re-appropriated/surrendered from this scheme to some other scheme and ₹ 79.83 crore was again re-appropriated into this scheme from other scheme, leaving a net impact of re-appropriation from this scheme to the tune of ₹ 100.36 crore.

Re-appropriation exceeding ₹ five crore not reported to Parliament

5.45 As per Rule 10(6) of the Delegation of Financial Power Rules, all re-appropriation orders issued during the financial year which have the effect of increasing the budget provisions under a sub-head or standard object head by more than 25 *per cent* of the budget estimate or ₹ five crore, whichever is more shall be reported to the Parliament along with the last batch of Supplementary Demands for grants of the financial year.

Since the requirement of prior approval of the Secretary (Expenditure) is a residuary provision to be used in cases which could not be reported to the Parliament, it is expected that this provision was to be used by Department sparingly. However, Department issued 44 re-appropriation orders as per details given in **Appendix V-M** in a routine manner with the approval of Member (Finance), Space Commission during the years 2008-09, 2009-10 and 2010-11.

Audit observed that the Department issued re-appropriation orders in 42 cases on 31 March with the approval of the Member of Finance, Space Commission, making it impossible to be reported to the Parliament along with last batch of supplementary Demands for Grants. In respect of remaining two cases, mentioned at Sl. No. 4 and 36, during 2008-09 and 2010-11 respectively re-appropriations exceeding ₹ five crore were made by the Department even without the approval of Member of Finance, Space Commission.

Surrender of savings

5.46 Contrary to the General Financial Rules, the Department surrendered the savings at the fag end of the financial year. The details of amounts surrendered during 2008-11 are given below:

Table 5.30: Surrender of savings

(₹ in crore)

Year	Savings		Amount Surrendered		Amount not Surrendered		Date of Surrender
	Revenue	Capital	Revenue	Capital	Revenue	Capital	
2008-09	90.47	715.97	82.39	713.59	3.08	2.38	20.03.2009
2009-10	31.01	765.07	29.12	762.88	1.89	2.19	19.03.2010
2010-11	543.25	752.56	531.99	733.30	11.26	19.26	21.03.2011

Had the above savings been surrendered as soon as these were foreseen, these could have been gainfully utilised.

Savings of ₹ 100 crore or more under a sub-head

5.47 Scrutiny of Appropriation Accounts revealed that under the grant, savings of ₹ 100 crore or more under a sub-head were noticed which was indicative of poor budgeting or shortfall in performance or both, in respect of the concerned schemes being implemented by the Department. Necessary steps need to be taken by the Department to make its budgetary exercise more robust not only to minimise large scale variations between estimates and actual to gainfully utilise the scarce resources but also to ensure that intended objectives are achieved as planned. The Department is thus required to review its system of budgetary assumptions or/and efficiency of its programme management. **Appendix V-N** gives the details of nine such sub-heads where savings of ₹ 100 crore or more were noticed.

Unrealistic budgetary assumptions

5.48 Scrutiny of the Appropriation Accounts revealed that under various sub-heads, large parts of the provisions remained unutilised during the period 2008-11 and were surrendered/re-appropriated to other heads, defeating the purpose for which the budget provisions were passed by the Parliament. Savings of ₹ 50 crore and above, constituting more than 40 *per cent* of the budgeted provision are detailed in **Appendix V-O**.

Due to unrealistic budgeting in the Department, a programme viz. "Manned Mission Initiatives/Human Space Flight Programme" could not take off as the major portion of the budget allocation remained unutilized due to non-approval of the scheme. The Department obtained budget provisions of ₹ 20 crore and ₹ 210 crore under sub-heads 3402.00.101.43 respectively when the programme was not approved by the competent authority in 2009-10. Against this, an expenditure of ₹ 19.02 crore and 5.98 crore had been incurred on Revenue and Capital sections of the Program respectively. The Department surrendered only ₹ 200 crore out of unspent provision of ₹ 204.02 crore from Capital section. Similarly, the budget provision of ₹ 100 crore and ₹ 50 crore was also obtained during the 2010-11. Out of this, an expenditure of ₹ 12.90 crore and ₹ 6.37 crore respectively were incurred on Revenue and Capital sections.

Thus, the Department persistently obtained grants of ₹ 230 crore and ₹ 150 crore against which it incurred expenditure of ₹ 25 crore and ₹ 19.27 crore respectively was incurred on an unapproved programme during 2009-10 and 2010-11.

It is not clear why the Department had incurred this amount when the scheme was not taken up due to its non-approval.

Persistent savings

5.49 Scrutiny of head-wise Appropriation Accounts revealed that there were persistent savings under the Revenue as well as the Capital sections of the grant during the last three years. Large savings under the grant reflected deficient budgeting as detailed in **Appendix V-P.**

Savings of entire provision

5.50 Scrutiny in audit revealed that during the years 2008-09 to 2010-11, the entire budget provision under different sub-heads remained unutilised as per details given in **Appendix V-Q**.

Savings of entire provision reflect that the Budget Estimates/Supplementary Demands sought from Parliament were not prepared after adequate pre-budget scrutiny of projects/schemes.

Unnecessary supplementary grants

5.51 While obtaining Supplementary Grants, the Department reported to the Parliament large amounts of additional requirement for different purposes under various schemes/activities but finally was unable to spend not only the entire Supplementary Grants or parts thereof but also the original budget provision. Examination of the grant for the period under review revealed that during the year 2008-09, the entire supplementary grant together with part of original budget provision remained unspent as shown in **Table 5.31**.

Table 5.31: Unnecessary supplementary grants

(₹ in crore)

Sl No.	Sub-head	Original Provision	Supple-mentary Provision	Actual Disburse-ment	Savings	Remarks
2008-09						
1.	3252.00.053.06– INSAT 4 Satellite	80.00	15.00	23.53	71.47	Original provision itself was adequate in fact it was more than three times of expenditure.
2.	3402.00.101.04 – PSLV Continuation Projects	170.00	0.75	160.47	10.28	Original provision itself was adequate.
3.	3402.00.101.11– Laboratory for Electro-Optics Syatems (LEOS)	22.59	0.75	19.03	4.31	Original provision itself was adequate.
4.	3402.00.101.38– Navigation Satellite System	18.00	0.50	14.45	4.05	Original provision itself was adequate.
5.	3402.00.102.05– National Natural Resources Management System	28.23	0.50	21.60	7.13	Original provision itself was adequate.

Deficient expenditure control mechanism

5.52 Scrutiny of the records revealed that no expenditure control is exercised in the Principal Accounts Office (Pr. AO) as there was excess expenditure over the budget estimates. During the period under review i.e. 2008-11, it was observed that the expenditure exceeded the budget estimates as early as in the month of May during the year 2008-09 under various centres/projects. The excess expenditure which was incurred over and above the budget estimates in the respective years was authorised by issue of re-appropriation orders only on 31 March by the Department. The cases of excess expenditure observed in audit over and above the budget estimates in some of the sub-heads are given in **Appendix V-R**. No reconciliation of expenditure figures between Pr.AO and PAOs/DDOs was done at any time during the period covered under the review. Thus, there was no mechanism to control expenditure by the Pr.AO over PAOs and Drawing and Disbursing Officers of the centres/projects where the expenditure incurred was in excess of the budget estimates.

Re-appropriation orders were issued by the Department on the last day of the financial year, obviously to cover the excess expenditure already incurred un-authorisedly by the Centres without proper re-appropriation before incurring

the expenditure. Where any excess over the allotment was apprehended, the subordinate authority/ disbursing officer should have obtained additional allotment/ obtained orders of the administrative authority before incurring the excess expenditure and should not, on his own authority, authorise any payment in excess of the funds placed at his disposal. The procedure followed in DoS was against the provisions contained in Rule 58(2) of the General Financial Rules, 2005.

Outstanding utilisation certificates

5.53 The Indian Space Research Organisation (ISRO) had evolved a programme through which financial support by release of grant was provided to Institutes for conducting research and development activities. Certificates of utilisation of grants were required to be furnished by the Institutes to ensure that the grants had been properly utilised for the purpose for which these were sanctioned. Test check revealed that as on 31st March 2011, 442 UCs were outstanding involving an amount of ₹ 32.79 crore in respect of grants released by the Department up to 2009-10. From year-wise details given in **Appendix V-S,** it would be seen that the earliest period to which the outstanding UCs related pertained to the year 1976-77**.**

Conclusion

5.54 The fiscal position of the Union Government during the financial year 2010-11 witnessed a distinct improvement on account of the substantial growth of 27 *per cent* in the tax receipts, after a period of low growth in the previous two years. The substantial receipts from the auction of spectrum constituting 1.4 *per cent* of GDP also boosted the revenue position of the Government. The robust growth of revenue receipts helped in the reduction of revenue deficit and fiscal deficit by 2.2 *per cent* and 1.7 *per cent* of the GDP respectively in the fiscal 2010-11. Capital expenditure was relatively small as in the past and well below the levels envisaged by the Thirteenth Finance Commission. Plan expenditure was primarily in the nature of disbursement of grants-in-aid. In five of the 10 Ministries/ Departments incurring the largest Plan expenditure, over 99 *per cent* was in the form of disbursement of grants-in-aid. In the case of the Department of Rural Development, where over 99 *per cent* of the Plan expenditure was in the form of grants-in-aid, the lack of expenditure on capacity building and technical support programmes together with deficiencies in internal audit ranging from 97 to 100 *per cent* during the years 2008-09 to 2010-11, along with the presence of substantial pending utilisation certificates highlighted the risks that needed to be addressed by the Department. Another feature of Plan expenditure was an increase in reliance on transfer of Central Plan assistance directly to States and district level autonomous bodies/implementing agencies rather than through the State

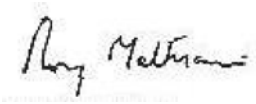
Governments. Time analysis of the expenditure of Civil Ministries revealed that there was lumping of expenditure in the month of March. In the case of non-Plan expenditure, 24 *per cent* of the total expenditure was incurred in March, while in the case of Plan expenditure, it was 18 *per cent*.

Systemic deficiencies with regard to the completeness and accuracy of the Union Government Accounts were noticed in the course of audit of the accounts of the Union Government. There was a short transfer of ₹ 3,015 crore and ₹ 1,066 crore of cess collected under the Universal Access levy to the Universal Service Obligation Fund (USOF) and Clean Energy cess to the National Clean Energy Fund respectively. Since 2002-03, the total amount of short-transfer of cess collected for the Universal Service Obligation Fund had been of the order of ₹ 23,752 crore. In the case of a number of Funds, which were to be maintained in the Public Account viz. Security Redemption Fund, Employees Pension Fund, Special Deposit of Employees Deposit Linked Insurance Scheme, and Defined Contribution Pension Scheme for Government Employees, a range of unreconciled issues were noticed, which impinged on the integrity of the Accounts.

Examination of the Appropriation Accounts for the year 2010-11 revealed that there was total excess disbursements of ₹ 3,384 crore in nine segments of seven grants in Civil Ministries; ₹ 3,053 crore in 15 segments of 10 grants/appropriations of the Ministry of Railways; ₹ 367 crore in one segment of one grant in the Department of Posts and ₹ 4,239 crore in four segments of four grants in Defence Services, which required regularization under Article 115 (1) (b) of the Constitution. Further, serious breaches such as violation of Article 114(3) of the Constitution; unauthorized augmentation of funds under grants-in-aid and subsidies without prior approval of Parliament; misclassification of expenditure from revenue to capital account and vice versa; classification of expenditure under incorrect object heads, etc., were noticed. Notable is the case of the Department of Revenue/Central Board of Direct Taxes incurring an expenditure of over ₹ 10,499 crore on an expenditure item viz. interest on refunds of taxes during the financial year 2010-11 without the authorisation of the Parliament as was necessary under Article 114(3) of the Constitution. There were serious breaches committed by Ministries/Departments inasmuch as legislative approval had not been obtained by a number of them while augmenting provisions in respect of cases where such approval was essential. Excess expenditure, without prior approval of the Parliament in the case of grants-in-aid and subsidies was observed in 25 cases involving 14 Ministries/Departments. There also existed serious issues relating to the integrity of the accounts rendered by the Department of Posts and Department of Space.

Detailed examination of certain grants viz. Transfers to State and Union Territory Governments, Department of Higher Education, Ministry of Power, Department of Rural Development and Department of Space revealed weaknesses in execution of the budgets in selected grants. The recurring findings of Audit in the detailed analyses were poor budgetary management in terms of large savings, surrenders at the fag end of the year, instances of obtaining supplementary grants when the original provision was sufficient and deficient/non-existent internal audit.

In terms of Rule 64 of General Financial Rules, 2005, the Secretaries of Ministries/Departments in their capacity as the Chief Accounting Authorities of the Ministries/Departments are responsible and accountable for the financial management of their Ministries/Departments and have to ensure that the public funds appropriated for their Ministries/Departments are used for the purposes for which they were meant. The Report points to the need for greater attention to be exercised by these authorities for strengthening financial management and internal controls in the respective areas of their operation.



New Delhi
Dated : 23 March, 2012

(ROY MATHRANI)
Director General of Audit,
Central Expenditure

Countersigned



New Delhi
Dated : 23 March, 2012

(VINOD RAI)
Comptroller and Auditor General of India

LIST OF APPENDICES

Sl. No.	Appendix No.	Title of the Appendix	Page No.
1.	I-A	Grant-wise Analysis of Components of Plan Expenditure	163
2.	I-B	Grant-wise Time Analysis of Expenditure	182
3.	II-A	Details of revenue and capital expenditure under minor head '800-Other Expenditure' in 2010-11	196
4.	II-B	Outstanding Amount of suspense account for purchases abroad (since 2002)	197
5.	II-C	Adverse balances under Debt, Deposit and Remittances heads	198
6.	II-D	Adverse balances noticed during the audit of selected Pr.AOs of. (CBDT), (CPAO), (MHA), (CAA&A) and (MRTH)	200
7.	II-E	Summarised financial results of Departmentally Managed Government Undertakings	201
8.	II-F	Statement of losses and irrecoverable dues written off/waived during 2009-10	209
9.	III-A	Authorisation and disbursements	210
10.	III-B	Net Savings in Grants/Appropriations.	212
11.	III-C	Year-wise proportion of Charged and Voted Disbursements under Civil Ministries/Departments	213
12.	III-D	Statement showing cases of excess expenditure without adequate re-appropriation of fund (₹ five crore and more)	214
13.	III-E	Statement showing savings of ₹ 100 crore or more under various Grants/Appropriations	218
14.	III-F	Statement showing persistent savings of ₹ 100 crore or more under Grants/Appropriations	221
15.	III-G	Cases where the amounts surrendered were more than the savings	224
16.	III-H	Cases where major portion of savings were surrendered on 31 March 2011 and the details of amount lapsed	225
17.	III- I	Significant cases of major appropriation which were injudicious on account of non-utilisation (Re-appropriation of amount of ₹ five crore and more)	228
18.	III- J	Position of Original and Supplementary Grants/Appropriations	229
19.	III- K	Statement showing unnecessary Supplementary Grants under Minor/sub-heads	230
20.	III - L	Statement showing persistent savings under a sub-head	232
21.	III- M	Statement showing cases of savings of ₹ 10 crore and above where entire provision remained unspent	233
22.	III- N	Statement showing cases of unrealistic budgetary assumptions under a sub-head (Savings of ₹ 100 crore and above constituting more than 10 *per cent* of the budgeted provision)	235

Sl. No.	Appendix No.	Title of the Appendix	Page No.
23.	III- O	Statement showing cases of unrealistic budgetary assumptions (Savings of ₹ 50 crore and above, constituting more than 40 *per cent* of the budgeted provision under a Minor/sub-head)	241
24.	V- A	Savings of ₹ 100 crore and above (constituting more than 10 *per cent* of the budgeted provision) in grant No. 35-Transfers to State & Union Territory Governments	243
25.	V- B	Persistent savings in the Department of Higher Education	245
26.	V- C	Unrealistic budgetary assumptions in the Department of Higher Education	246
27.	V- D	Non-utilisation of the entire provisions in the Department of Higher Education	247
28.	V- E	Outstanding Utilisation Certificates in the Department of Higher Education	248
29.	V- F	Unnecessary Supplementary Grants in the Department of Higher Education	249
30.	V- G	Savings of ₹ 100 crore or more under a sub-head in the Ministry of Power	250
31.	V- H	Persistent savings in the Ministry of Power	251
32.	V- I	Savings of ₹ 100 crore or more in a sub head in the Department of Rural Development	253
33.	V- J	Unrealistic budgeting in the Department of Rural Development	254
34.	V- K	Non utilisation of entire funds in the Department of Rural Development	255
35.	V- L	Outstanding Utilisation Certificates in the Department of Rural Development	256
36.	V- M	Re-appropriation exceeding ₹ five crore not reported to Parliament in the Department of Space	257
37.	V- N	Savings of ₹ 100 crore or more under a sub-head in the Department of Space	260
38.	V-O	Statement showing cases of unrealistic budgetary assumptions in the Department of Space (Savings of ₹ 50 crore and above and constituting more than 40 *per cent* of the budgeted provision)	262
39.	V- P	Persistent savings in the Department of Space	263
40.	V- Q	Savings of entire provision in the Department of Space	265
41.	V- R	Expenditure control mechanism in the Department of Space	266
42.	V- S	Outstanding Utilisation Certificates in the Department of Space	267

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
001 Department of Agriculture and Cooperation								
Expenditure	13446	89	0	16	12	0	3490	17053
% of Total Plan Expenditure	79%	1%	0%	0%	0%	0%	20%	100%
002 Department of Agricultural Research and Education								
Expenditure	2520	0	0	0	0	0	9	2529
% of Total Plan Expenditure	100%	0%	0%	0%	0%	0%	0%	100%
003 Deptt. of Animal Husbandry, Dairying and Fisheries								
Expenditure	859	83	0	0	8	0	155	1105
% of Total Plan Expenditure	78%	8%	0%	0%	1%	0%	14%	100%
004 Atomic Energy								
Expenditure	2	866	92	0	604	0	1018	2581
% of Total Plan Expenditure	0%	34%	4%	0%	23%	0%	39%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
005 Nuclear Power Schemes								
Expenditure	0	0	315	62	6	0	325	708
% of Total Plan Expenditure	0%	0%	44%	9%	1%	0%	46%	100%
006 Department of Chemicals and Petro-Chemicals								
Expenditure	5	78	0	0	0	797	1	880
% of Total Plan Expenditure	1%	9%	0%	0%	0%	91%	0%	100%
007 Department of Fertilisers								
Expenditure	1	0	0	209	0	0	3	214
% of Total Plan Expenditure	1%	0%	0%	98%	0%	0%	2%	100%
009 Ministry of Civil Aviation								
Expenditure	0	276	1253	32	1	0	14	1576
% of Total Plan Expenditure	0%	17%	79%	2%	0%	0%	1%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
010 Ministry of Coal								
Expenditure	0	0	0	0	0	157	218	375
% of Total Plan Expenditure	0%	0%	0%	0%	0%	42%	58%	100%
011 Department of Commerce								
Expenditure	568	0	15	0	675	412	14	1683
% of Total Plan Expenditure	34%	0%	1%	0%	40%	24%	1%	100%
012 Department of Industrial Policy and Promotion								
Expenditure	166	286	0	0	10	540	37	1038
% of Total Plan Expenditure	16%	28%	0%	0%	1%	52%	4%	100%
015 Department of Information Technology								
Expenditure	2191	0	0	0	1	0	836	3029
% of Total Plan Expenditure	72%	0%	0%	0%	0%	0%	28%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
016 Department of Consumer Affairs								
Expenditure	11	24	0	0	10	0	143	188
% of Total Plan Expenditure	6%	13%	0%	0%	5%	0%	76%	100%
017 Department of Food and Public Distribution								
Expenditure	5	5	35	0	2	0	18	65
% of Total Plan Expenditure	7%	8%	54%	0%	3%	0%	28%	100%
018 Ministry of Corporate Affairs								
Expenditure	5	0	0	0	81	0	0	87
% of Total Plan Expenditure	6%	0%	0%	0%	94%	0%	0%	100%
019 Ministry of Culture								
Expenditure	380	88	0	0	35	0	226	729
% of Total Plan Expenditure	52%	12%	0%	0%	5%	0%	31%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
028 Ministry of Development of North Eastern Region								
Expenditure	80	1358	40	60	37	0	44	1619
% of Total Plan Expenditure	5%	84%	2%	4%	2%	0%	3%	100%
029 Ministry of Earth Sciences								
Expenditure	559	4	0	0	55	0	150	768
% of Total Plan Expenditure	73%	1%	0%	0%	7%	0%	20%	100%
030 Ministry of Environment and Forests								
Expenditure	1146	785	0	0	31	0	219	2182
% of Total Plan Expenditure	53%	36%	0%	0%	1%	0%	10%	100%
031 Ministry of External Affairs								
Expenditure	0	0	0	484	0	0	316	800
% of Total Plan Expenditure	0%	0%	0%	61%	0%	0%	39%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
032 Department of Economic Affairs								
Expenditure	0	0	0	0	932.81	0	125	1057.81
% of Total Plan Expenditure	0%	0%	0%	0%	88%	0%	12%	100%
033 Department of Financial Services								
Expenditure	0	0	7430	0	0	0	0	7430
% of Total Plan Expenditure	0%	0%	100%	0%	0%	0%	0%	100%
035 Transfers to State and Union Territory Governments								
Expenditure	59289	0	0	10214	0	0	0	69503
% of Total Plan Expenditure	85%	0%	0%	15%	0%	0%	0%	100%
038 Department of Expenditure								
Expenditure	2	0	0	0	0	0	7	10
% of Total Plan Expenditure	24%	0%	0%	0%	0%	0%	76%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
045 Ministry of Food Processing Industries								
Expenditure	274	0	0	0	103	0	18	394
% of Total Plan Expenditure	69%	0%	0%	0%	26%	0%	5%	100%
046 Department of Health and Family Welfare								
Expenditure	16331	489	0	0	759	8	1776	19362
% of Total Plan Expenditure	84%	3%	0%	0%	4%	0%	9%	100%
047 D/o of Ayurveda,Yoga & Naturo,Unani,Siddha & Homeo								
Expenditure	441	341	10	0	0	0	57	849
% of Total Plan Expenditure	52%	40%	1%	0%	0%	0%	7%	100%
048 Department of Health Research								
Expenditure	426	85	0	0	0	0	4	515.124
% of Total Plan Expenditure	83%	17%	0%	0%	0%	0%	1%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
049 Department of Heavy Industry								
Expenditure	3	232	35	1	0	0	1	273
% of Total Plan Expenditure	1%	85%	13%	0%	0%	0%	0%	100%
050 Department of Public Enterprises								
Expenditure	9	0	0	0	0	0	1	9
% of Total Plan Expenditure	94%	0%	0%	0%	0%	0%	6%	100%
051 Ministry of Home Affairs								
Expenditure	45	0	0	0	8	0	1687	1740
% of Total Plan Expenditure	3%	0%	0%	0%	0%	0%	97%	100%
053 Police								
Expenditure	275	0	0	0	467	0	32	774
% of Total Plan Expenditure	36%	0%	0%	0%	60%	0%	4%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
054 Other Expenditure of the Ministry of Home Affairs								
Expenditure	19	0	0	0	0	0	9	28
% of Total Plan Expenditure	68%	0%	0%	0%	0%	0%	32%	100%
055 Transfers to Union Territory Governments								
Expenditure	1121	0	0	0	0	0	0	1121
% of Total Plan Expenditure	100%	0%	0%	0%	0%	0%	0%	100%
056 Ministry of Housing and Urban Poverty Alleviation								
Expenditure	796	0	0	0	0	13	13	821
% of Total Plan Expenditure	97%	0%	0%	0%	0%	2%	2%	100%
057 Department of School Education and Literacy								
Expenditure	25370	8693	0	0	0	0	88	34151
% of Total Plan Expenditure	74%	25%	0%	0%	0%	0%	0%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
058 Department of Higher Education								
Expenditure	4422	4875	0	0	0	0	178	9476
% of Total Plan Expenditure	47%	51%	0%	0%	0%	0%	2%	100%
059 Ministry of Information and Broadcasting								
Expenditure	177	0	3	416	71	0	123	790
% of Total Plan Expenditure	22%	0%	0%	53%	9%	0%	16%	100%
060 Ministry of Labour and Employment								
Expenditure	938	13	0	300	0	0	104	1354
% of Total Plan Expenditure	69%	1%	0%	22%	0%	0%	8%	100%
062 Law and Justice								
Expenditure	150	0	0	0	0	0	126	276
% of Total Plan Expenditure	54%	0%	0%	0%	0%	0%	46%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
064 Ministry of Micro, Small and Medium Enterprises								
Expenditure	1633	80	0	1	2	281	275	2272
% of Total Plan Expenditure	1	0	0	0	0	0	0	1
065 Ministry of Mines								
Expenditure	10	0	0	0	0	0	218	228
% of Total Plan Expenditure	0	0	0	0	0	0	1	1
066 Ministry of Minority Affairs								
Expenditure	962	912	115	0	0	0	20	2009
% of Total Plan Expenditure	48%	45%	6%	0%	0%	0%	1%	100%
067 Ministry of New and Renewable Energy								
Expenditure	636	0	50	0	3	265	28	982
% of Total Plan Expenditure	65%	0%	5%	0%	0%	27%	3%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
069 Ministry of Panchayati Raj								
Expenditure	6636	21	0	0	0	0	33	6689
% of Total Plan Expenditure	99%	0%	0%	0%	0%	0%	0%	100%
071 M/o Personnel, Public Grievances and Pensions								
Expenditure	2	3	0	0	108	0	82	195
% of Total Plan Expenditure	1%	1%	0%	0%	55%	0%	42%	100%
072 Ministry of Petroleum and Natural Gas								
Expenditure	36	0	0	0	0	0	0	36
% of Total Plan Expenditure	100%	0%	0%	0%	0%	0%	0%	100%
073 Ministry of Planning								
Expenditure	14	4	0	0	50	0	243	311
% of Total Plan Expenditure	5%	1%	0%	0%	16%	0%	78%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
074 Ministry of Power								
Expenditure	241	0	150	3027	2	5027	154	8602
% of Total Plan Expenditure	3%	0%	2%	35%	0%	58%	2%	100%
080 Ministry of Road Transport and Highways								
Expenditure	18	2744	10064	80	7479	0	66	20450
% of Total Plan Expenditure	0%	13%	49%	0%	37%	0%	0%	100%
081 Department of Rural Development								
Expenditure	41091	30762	0	0	0	0	208	72061
% of Total Plan Expenditure	57%	43%	0%	0%	0%	0%	0%	100%
082 Department of Land resources								
Expenditure	2593	0	0	0	0	0	18	2612
% of Total Plan Expenditure	99%	0%	0%	0%	0%	0%	1%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
083 Department of Drinking Water Supply								
Expenditure	10464	0	0	0	0	0	101	10565
% of Total Plan Expenditure	99%	0%	0%	0%	0%	0%	1%	100%
084 Department of Science and Technology								
Expenditure	1878	0	0	25	10	0	0	1933
% of Total Plan Expenditure	97%	0%	0%	1%	0%	0%	0	100%
085 Department of Scientific and Industrial Research								
Expenditure	1591	0	2	2	1	0	2	1596
% of Total Plan Expenditure	100%	0%	0%	0%	0%	0%	0%	100%
086 Department of Biotechnology								
Expenditure	1103	0	0	0	0	0	18	1121
% of Total Plan Expenditure	98%	0%	0%	0%	0%	0%	2%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
087 Department of Shipping								
Expenditure	6	135	0	81	292	1	50	563
% of Total Plan Expenditure	1%	24%	0%	14%	52%	0%	9%	100%
088 Ministry of Social Justice and Empowerment								
Expenditure	3819	120	225	0	0	0	22	4186
% of Total Plan Expenditure	91%	3%	5%	0%	0%	0%	1%	100%
089 Department of Space								
Expenditure	95	0	0	0	203	0	3305	3603
% of Total Plan Expenditure	3%	0%	0%	0%	6%	0%	92%	100%
090 M/o Statistics and Programme Implementation								
Expenditure	45	1548	0	0	3	0	57	1653
% of Total Plan Expenditure	3%	94%	0%	0%	0%	0%	3%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
091 Ministry of Steel								
Expenditure	27	0	0	0	0	0	0	27
% of Total Plan Expenditure	100%	0%	0%	0%	0%	0%	0%	100%
092 Ministry of Textiles								
Expenditure	1371	0	0	0	24	2783	63	4241
% of Total Plan Expenditure	32%	0%	0%	0%	1%	66%	1%	100%
093 Ministry of Tourism								
Expenditure	22	646	0	0	0	1	329	997
% of Total Plan Expenditure	2%	65%	0%	0%	0%	0%	33%	100%
094 Ministry of Tribal Affairs								
Expenditure	1620	1444	70	0	0	0	3	3136
% of Total Plan Expenditure	52%	46%	2%	0%	0%	0%	0%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
095 Andaman and Nicobar Islands								
Expenditure	70	43	0	0	269	3	534	918
% of Total Plan Expenditure	8%	5%	0%	0%	29%	0%	58%	100%
096 Chandigarh								
Expenditure	39	0	0	0	294	0	128	462
% of Total Plan Expenditure	9%	0%	0%	0%	64%	0%	28%	100%
097 Dadra and Nagar Haveli								
Expenditure	93	0	2	0	86	1	76	257
% of Total Plan Expenditure	36%	0%	1%	0%	33%	0%	30%	100%
098 Daman and Diu								
Expenditure	43	0	10	0	60	0	54	167
% of Total Plan Expenditure	26%	0%	6%	0%	36%	0%	32%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
099 Lakshadweep								
Expenditure	25	0	0	1	67	8	220	321
% of Total Plan Expenditure	8%	0%	0%	0%	21%	2%	69%	100%
100 Department of Urban Development								
Expenditure	332	33	1602	3422	281	0	115	5784
% of Total Plan Expenditure	6%	1%	28%	59%	5%	0%	2%	100%
101 Public Works								
Expenditure	0	0	0	0	164	0	9	174
% of Total Plan Expenditure	0%	0%	0%	0%	95%	0%	5%	100%
103 Ministry of Water Resources								
Expenditure	236	0	0	0	97	0	198	531
% of Total Plan Expenditure	44%	0%	0%	0%	18%	0%	37%	100%

Appendix 1-A
(Refers to Paragraph 1.3.7)
Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Objet head number	31	35	54	55	53	33	Others	Grand Total
Nomenclature of object head	**Grant-in-Aid**	**Grant-in-Aid for Creation of Capital Assets**	**Investments**	**Loans & Advances**	**Major Works**	**Subsidies**		
104 Ministry of Women and Child Development								
Expenditure	10572	10	0	0	0	0	47	10629
% of Total Plan Expenditure	99%	0%	0%	0%	0%	0%	0%	100%
105 Ministry of Youth Affairs and Sports								
Expenditure	1525	0	0	431	4	0	102	2062
% of Total Plan Expenditure	74%	0%	0%	21%	0%	0%	5%	100%
Total Plan Expenditure	220912	57183	21518	18893	13403	10295	18381	360585
% of Total Plan Expenditure	61%	16%	6%	5%	4%	3%	0	100%

*Data extracted from e-lekha, data in March 2010 includes data from supplementary accounting months, all amounts are net amounts, does not include amounts booked under inter account transfers and deduct recoveries.

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
001 Department of Agriculture and Cooperation													
Expd. During The Month	167	1537	2263	2985	312	2040	793	820	2638	425	902	2364	17245
Percentage of Annual Expd.	1%	9%	13%	17%	2%	12%	5%	5%	15%	2%	5%	14%	100%
002 Department of Agricultural Research and Education													
Expd. During The Month	599	584	0	607	2	946	549	428	0	776	339	556	5386
Percentage of Annual Expd.	11%	11%	0%	11%	0%	18%	10%	8%	0%	14%	6%	10%	100%
003 Deptt. of Animal Husbandry, Dairying and Fisheries													
Expd. During The Month	57	54	158	161	84	299	79	69	94	55	118	254	1481
Percentage of Annual Expd.	4%	4%	11%	11%	6%	20%	5%	5%	6%	4%	8%	17%	100%
004 Atomic Energy													
Expd. During The Month	515	479	462	523	591	533	654	638	611	490	706	1022	7224
Percentage of Annual Expd.	7%	7%	6%	7%	8%	7%	9%	9%	8%	7%	10%	14%	100%
005 Nuclear Power Schemes													
Expd. During The Month	4	8	223	284	182	417	178	131	241	240	170	642	2720
Percentage of Annual Expd.	0%	0%	8%	10%	7%	15%	7%	5%	9%	9%	6%	24%	100%
006 Department of Chemicals and Petro-Chemicals													
Expd. During The Month	2	12	14	214	15	3	29	3	303	62	149	424	1229
Percentage of Annual Expd.	0%	1%	1%	17%	1%	0%	2%	0%	25%	5%	12%	34%	100%
007 Department of Fertilisers													
Expd. During The Month	2837	3665	1771	7283	6299	6250	6018	3961	7661	4912	2373	9062	62094
Percentage of Annual Expd.	5%	6%	3%	12%	10%	10%	10%	6%	12%	8%	4%	15%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
008 Department of Pharmaceuticals													
Expd. During The Month	1	20	35	1	10	1	1	9	1	2	1	18	102
Percentage of Annual Expd.	1%	19%	35%	1%	10%	1%	1%	9%	1%	2%	1%	18%	100%
009 Ministry of Civil Aviation													
Expd. During The Month	13	6	28	7	228	501	9	239	7	1208	6	276	2527
Percentage of Annual Expd.	1%	0%	1%	0%	9%	20%	0%	9%	0%	48%	0%	11%	100%
010 Ministry of Coal													
Expd.. During The Month	2	1	1	-26	9	2	2	80	31	21	118	184	424
Percentage of Annual Expd.	1%	0%	0%	-6%	2%	0%	0%	19%	7%	5%	28%	43%	100%
011 Department of Commerce													
Expd. During The Month	113	399	959	542	577	251	310	105	222	134	650	1013	5274
Percentage of Annual Expd.	2%	8%	18%	10%	11%	5%	6%	2%	4%	3%	12%	19%	100%
012 Department of Industrial Policy and Promotion													
Expd. During The Month	21	163	215	25	35	271	17	175	66	50	24	121	1184
Percentage of Annual Expenditure	2%	14%	18%	2%	3%	23%	1%	15%	6%	4%	2%	10%	100%
015 Department of Information Technology													
Expd. During The Month	56	100	98	65	148	1215	67	51	271	38	144	855	3107
Percentage of Annual Expd.	2%	3%	3%	2%	5%	39%	2%	2%	9%	1%	5%	28%	100%
016 Department of Consumer Affairs													
Expd. During The Month	9	8	16	6	83	46	18	27	80	32	117	239	682
Percentage of Annual Expd.	1%	1%	2%	1%	12%	7%	3%	4%	12%	5%	17%	35%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
017 Department of Food and Public Distribution													
Expd. During The Month	13479	10305	3810	8653	6253	3499	6386	393	2675	6874	868	22595	85790
Percentage of Annual Expd.	16%	12%	4%	10%	7%	4%	7%	0%	3%	8%	1%	26%	100%
018 Ministry of Corporate Affairs													
Expd. During The Month	19	6	16	23	29	31	8	18	58	7	25	28	270
Percentage of Annual Expd.	7%	2%	6%	8%	11%	12%	3%	7%	22%	3%	9%	11%	100%
019 Ministry of Culture													
Expd. During The Month	79	62	145	79	102	165	104	112	79	72	117	206	1322
Percentage of Annual Expd.	6%	5%	11%	6%	8%	12%	8%	8%	6%	5%	9%	16%	100%
028 Ministry of Development of North Eastern Region													
Expd. During The Month	3	12	195	16	169	45	88	92	349	123	133	416	1641
Percentage of Annual Expd.	0%	1%	12%	1%	10%	3%	5%	6%	21%	7%	8%	25%	100%
029 Ministry of Earth Sciences													
Expd. During The Month	40	88	116	118	159	109	77	48	55	42	43	201	1095
Percentage of Annual Expd.	4%	8%	11%	11%	14%	10%	7%	4%	5%	4%	4%	18%	100%
030 Ministry of Environment and Forests													
Expd. During The Month	35	49	272	124	177	426	174	73	329	153	281	515	2608
Percentage of Annual Expd.	1%	2%	10%	5%	7%	16%	7%	3%	13%	6%	11%	20%	100%
031 Ministry of External Affairs													
Expd. During The Month	403	448	339	529	1023	550	387	635	812	444	402	1188	7159
Percentage of Annual Expd.	6%	6%	5%	7%	14%	8%	5%	9%	11%	6%	6%	17%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
032 Department of Economic Affairs													
Expd. During The Month	25	23	613	111	4057	-4937	281	41	1858	139	-1005	10799	12004
Percentage of Annual Expd.	0%	0%	5%	1%	34%	-41%	2%	0%	15%	1%	-8%	90%	100%
033 Department of Financial Services													
Expd. During The Month	8	5	1507	4199	201	473	2312	1399	-735	11452	8	24494	45323
Percentage of Annual Expd.	0%	0%	3%	9%	0%	1%	5%	3%	-2%	25%	0%	54%	100%
034 Appropriation - Interest Payments													
Expd. During The Month	14589	18308	10837	18153	28624	17833	13524	20031	12357	26117	30732	33685	244791
Percentage of Annual Expd.	6%	7%	4%	7%	12%	7%	6%	8%	5%	11%	13%	14%	100%
035 Transfers to State and Union Territory Governments													
Expd. During The Month	4800	6190	11645	9721	10738	6172	6329	4737	7222	9264	9613	19818	106250
Percentage of Annual Expd.	5%	6%	11%	9%	10%	6%	6%	4%	7%	9%	9%	19%	100%
036 Loans to Government Servants etc.													
Expd. During The Month	1	6	13	18	27	26	26	38	151	-139	13	56	236
Percentage of Annual Expd.	0%	2%	6%	8%	12%	11%	11%	16%	64%	-59%	6%	24%	100%
037 Appropriation - Repayment of Debt													
Expd. During The Month	261898	289293	241152	279175	224395	222414	175796	197634	215575	192753	213707	300983	2814774
Percentage of Annual Expd.	9%	10%	9%	10%	8%	8%	6%	7%	8%	7%	8%	11%	100%
038 Department of Expenditure													
Expd. During The Month	7	4	6	4	6	22	5	5	5	7	5	18	93
Percentage of Annual Expd.	7%	4%	6%	5%	7%	23%	5%	6%	5%	8%	5%	19%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
039 Pensions													
Expd. During The Month	1029	1163	1215	1083	1264	1487	1196	1209	1282	1305	1342	2369	15944
Percentage of Annual Expd.	6%	7%	8%	7%	8%	9%	8%	8%	8%	8%	8%	15%	100%
040 Indian Audit and Accounts Department													
Expd. During The Month	289	162	167	170	164	165	202	168	169	177	171	123	2128
Percentage of Annual Expd.	14%	8%	8%	8%	8%	8%	9%	8%	8%	8%	8%	6%	100%
041 Department of Revenue													
Expd. During The Month	135	1149	19	342	2710	24	2648	957	941	51	32	6418	15427
Percentage of Annual Expd.	1%	7%	0%	2%	18%	0%	17%	6%	6%	0%	0%	42%	100%
042 Direct Taxes													
Expd. During The Month	272	185	196	791	199	237	234	240	257	211	430	1014	4267
Percentage of Annual Expd.	6%	4%	5%	19%	5%	6%	5%	6%	6%	5%	10%	24%	100%
043 Indirect Taxes													
Expd. During The Month	382	234	230	226	229	230	295	227	269	241	241	295	3097
Percentage of Annual Expd.	12%	8%	7%	7%	7%	7%	10%	7%	9%	8%	8%	10%	100%
044 Department of Disinvestment													
Expd. During The Month	1	0	5	5	6	6	1	1	1	1	18	18	63
Percentage of Annual Expd.	1%	1%	7%	7%	9%	9%	2%	2%	2%	2%	29%	29%	100%
045 Ministry of Food Processing Industries													
Expd. During The Month	1	66	20	35	21	77	6	8	21	14	5	128	403
Percentage of Annual Expd.	0%	16%	5%	9%	5%	19%	1%	2%	5%	3%	1%	32%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
046 Department of Health and Family Welfare													
Expd. During The Month	375	1041	4759	1012	1520	2648	518	925	3334	775	2889	2968	22765
Percentage of Annual Expd.	2%	5%	21%	4%	7%	12%	2%	4%	15%	3%	13%	13%	100%
047 D/o of Ayurveda,Yoga & Naturo,Unani,Siddha & Homeo													
Expd. During The Month	39	15	138	85	191	85	35	70	11	39	33	270	1010
Percentage of Annual Expd.	4%	1%	14%	8%	19%	8%	3%	7%	1%	4%	3%	27%	100%
048 Department of Health Research													
Expd. During The Month	87	0	178	20	0	142	0	0	0	130	0	118	675
Percentage of Annual Expd.	13%	0%	26%	3%	0%	21%	0%	0%	0%	19%	0%	17%	100%
049 Department of Heavy Industry													
Expd. During The Month	1	1	244	1	10	237	94	53	129	1	69	1262	2101
Percentage of Annual Expd.	0%	0%	12%	0%	0%	11%	4%	3%	6%	0%	3%	60%	100%
050 Department of Public Enterprises													
Expd. During The Month	1	1	1	1	6	1	0	0	2	1	1	3	17
Percentage of Annual Expd.	5%	5%	7%	3%	35%	6%	3%	3%	10%	5%	3%	16%	100%
051 Ministry of Home Affairs													
Expd. During The Month	120	150	1265	120	125	174	177	365	584	121	130	872	4202
Percentage of Annual Expd.	3%	4%	30%	3%	3%	4%	4%	9%	14%	3%	3%	21%	100%
052 Cabinet													
Expd. During The Month	30	7	19	38	11	35	23	32	22	25	25	41	309
Percentage of Annual Expd.	10%	2%	6%	12%	4%	11%	7%	10%	7%	8%	8%	13%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
053 Police													
Expd. During The Month	3151	2842	2390	2912	3393	2500	3169	2792	2801	2618	2609	2348	33526
Percentage of Annual Expd.	9%	8%	7%	9%	10%	7%	9%	8%	8%	8%	8%	7%	100%
054 Other Expenditure of the Ministry of Home Affairs													
Expd. During The Month	61	75	87	86	110	133	111	164	101	122	104	232	1387
Percentage of Annual Expd.	4%	5%	6%	6%	8%	10%	8%	12%	7%	9%	8%	17%	100%
055 Transfers to Union Territory Governments													
Expd. During The Month	0	0	550	0	335	55	78	162	57	0	94	358	1688
Percentage of Annual Expd.	0%	0%	33%	0%	20%	3%	5%	10%	3%	0%	6%	21%	100%
056 Ministry of Housing and Urban Poverty Alleviation													
Expd. During The Month	2	3	54	65	97	75	142	19	102	4	2	264	828
Percentage of Annual Expd.	0%	0%	6%	8%	12%	9%	17%	2%	12%	0%	0%	32%	100%
057 Department of School Education and Literacy													
Expd. During The Month	281	2549	10058	1377	2541	1369	1538	3034	5302	1424	1656	5304	36433
Percentage of Annual Expd.	1%	7%	28%	4%	7%	4%	4%	8%	15%	4%	5%	15%	100%
058 Department of Higher Education													
Expd. During The Month	23	1568	1301	434	1344	1695	747	1758	2688	136	1740	2039	15472
Percentage of Annual Expd.	0%	10%	8%	3%	9%	11%	5%	11%	17%	1%	11%	13%	100%
059 Ministry of Information and Broadcasting													
Expd. During The Month	33	271	225	64	386	394	66	35	401	97	39	538	2547
Percentage of Annual Expd.	1%	11%	9%	3%	15%	15%	3%	1%	16%	4%	2%	21%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
060 Ministry of Labour and Employment													
Expd. During The Month	48	193	105	85	1409	142	91	145	334	120	159	-24	2806
Percentage of Annual Expd.	2%	7%	4%	3%	50%	5%	3%	5%	12%	4%	6%	-1%	100%
061 Election Commission													
Expd. During The Month	3	2	2	2	2	2	2	2	2	2	2	1	23
Percentage of Annual Expd.	12%	7%	7%	7%	7%	10%	9%	11%	7%	9%	10%	5%	100%
062 Law and Justice													
Expd. During The Month	11	10	43	29	37	131	18	31	16	16	187	320	850
Percentage of Annual Expd.	1%	1%	5%	3%	4%	15%	2%	4%	2%	2%	22%	38%	100%
063 Appropriation - Supreme Court of India													
Expd. During The Month	13	7	7	7	8	10	10	7	8	8	8	6	98
Percentage of Annual Expd.	13%	7%	7%	7%	8%	10%	10%	7%	8%	8%	8%	6%	100%
064 Ministry of Micro, Small and Medium Enterprises													
Expd. During The Month	17	1	348	116	272	564	106	115	312	14	180	507	2553
Percentage of Annual Expd.	1%	0%	14%	5%	11%	22%	4%	5%	12%	1%	7%	20%	100%
065 Ministry of Mines													
Expd. During The Month	64	47	64	63	42	65	50	46	43	42	43	79	648
Percentage of Annual Expd.	10%	7%	10%	10%	6%	10%	8%	7%	7%	6%	7%	12%	100%
066 Ministry of Minority Affairs													
Expd. During The Month	2	35	134	132	197	274	118	189	396	70	174	299	2020
Percentage of Annual Expd.	0%	2%	7%	7%	10%	14%	6%	9%	20%	3%	9%	15%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
067 Ministry of New and Renewable Energy													
Expd. During The Month	41	80	143	48	84	149	43	41	154	40	69	94	986
Percentage of Annual Expd.	4%	8%	14%	5%	9%	15%	4%	4%	16%	4%	7%	10%	100%
068 Ministry of Overseas Indian Affairs													
Expd. During The Month	2	1	1	2	7	3	5	2	6	3	3	33	68
Percentage of Annual Expd.	3%	2%	2%	3%	10%	4%	7%	3%	8%	4%	5%	49%	100%
069 Ministry of Panchayati Raj													
Expd. During The Month	3	82	119	800	986	628	208	134	1918	237	1	1571	6689
Percentage of Annual Expd.	0%	1%	2%	12%	15%	9%	3%	2%	29%	4%	0%	23%	100%
070 Ministry of Parliamentary Affairs													
Expd. During The Month	1	1	0	1	1	1	0	1	0	1	1	1	8
Percentage of Annual Expd.	11%	11%	6%	9%	9%	8%	6%	9%	6%	7%	9%	10%	100%
071 M/o Personnel, Public Grievances and Pensions													
Expd. During The Month	56	38	40	88	42	46	53	78	55	44	61	121	723
Percentage of Annual Expd.	8%	5%	6%	12%	6%	6%	7%	11%	8%	6%	8%	17%	100%
072 Ministry of Petroleum and Natural Gas													
Expd. During The Month	2	1	406	229	14228	306	193	257	300	361	274	21979	38537
Percentage of Annual Expd.	0%	0%	1%	1%	37%	1%	1%	1%	1%	1%	1%	57%	100%
073 Ministry of Planning													
Expd. During The Month	12	12	28	0	20	16	14	20	16	16	46	181	381
Percentage of Annual Expd.	3%	3%	7%	0%	5%	4%	4%	5%	4%	4%	12%	48%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
074 Ministry of Power													
Expd. During The Month	546	6	341	493	18	2636	9	-72	1413	9	2136	868	8403
Percentage of Annual Expd.	6%	0%	4%	6%	0%	31%	0%	-1%	17%	0%	25%	10%	100%
075 Appro.-Staff, Household & Allow. of the President													
Expd. During The Month	3	2	2	2	2	2	3	3	2	2	2	8	32
Percentage of Annual Expd.	9%	5%	6%	6%	6%	5%	8%	9%	6%	7%	8%	24%	100%
076 Lok Sabha													
Expd. During The Month	31	25	23	23	26	23	31	28	56	26	29	44	367
Percentage of Annual Expd.	8%	7%	6%	6%	7%	6%	8%	8%	15%	7%	8%	12%	100%
077 Rajya Sabha													
Expd. During The Month	24	11	12	12	13	12	13	16	14	24	17	23	190
Percentage of Annual Expd.	13%	6%	6%	6%	7%	6%	7%	8%	7%	12%	9%	12%	100%
078 Appropriation - Union Public Service Commission													
Expd. During The Month	18	9	13	16	11	10	11	8	9	9	12	17	142
Percentage of Annual Expd.	12%	7%	9%	12%	8%	7%	8%	6%	6%	6%	8%	12%	100%
079 Secretariat of the Vice-President													
Expd. During The Month	0	0	0	0	0	0	0	0	0	0	0	1	3
Percentage of Annual Expd.	10%	6%	7%	6%	6%	5%	7%	7%	6%	6%	14%	20%	100%
080 Ministry of Road Transport and Highways													
Expd. During The Month	2177	1848	709	729	502	3680	580	3447	952	777	3988	5012	24402
Percentage of Annual Expd.	9%	8%	3%	3%	2%	15%	2%	14%	4%	3%	16%	21%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
081 Department of Rural Development													
Expd. During The Month	9937	4730	8642	1703	4029	3262	7996	1426	5262	6996	8340	9787	72109
Percentage of Annual Expd.	14%	7%	12%	2%	6%	5%	11%	2%	7%	10%	12%	14%	100%
082 Department of Land resources													
Expd. During The Month	90	439	351	81	241	335	185	120	163	118	174	322	2618
Percentage of Annual Expd.	3%	17%	13%	3%	9%	13%	7%	5%	6%	5%	7%	12%	100%
083 Department of Drinking Water Supply													
Expd. During The Month	159	1409	1600	435	882	117	139	39	2363	469	1317	1640	10570
Percentage of Annual Expd.	2%	13%	15%	4%	8%	1%	1%	0%	22%	4%	12%	16%	100%
084 Department of Science and Technology													
Expd. During The Month	104	106	236	182	84	591	84	87	203	132	175	294	2279
Percentage of Annual Expd.	5%	5%	10%	8%	4%	26%	4%	4%	9%	6%	8%	13%	100%
085 Department of Scientific and Industrial Research													
Expd. During The Month	1	489	4	978	3	12	1	739	7	4	530	214	2983
Percentage of Annual Expd.	0%	16%	0%	33%	0%	0%	0%	25%	0%	0%	18%	7%	100%
086 Department of Biotechnology													
Expd. During The Month	9	30	131	76	72	306	26	28	82	47	127	211	1145
Percentage of Annual Expd.	1%	3%	11%	7%	6%	27%	2%	2%	7%	4%	11%	18%	100%
087 Department of Shipping													
Expd. During The Month	30	48	197	73	55	69	81	304	123	56	215	310	1561
Percentage of Annual Expd.	2%	3%	13%	5%	4%	4%	5%	19%	8%	4%	14%	20%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
088 Ministry of Social Justice and Empowerment													
Expd. During The Month	4	43	719	124	93	950	31	368	869	45	485	513	4244
Percentage of Annual Expd.	0%	1%	17%	3%	2%	22%	1%	9%	20%	1%	11%	12%	100%
089 Department of Space													
Expd. During The Month	326	450	256	597	253	487	274	235	316	297	250	741	4482
Percentage of Annual Expd.	7%	10%	6%	13%	6%	11%	6%	5%	7%	7%	6%	17%	100%
090 M/o Statistics and Programme Implementation													
Expd. During The Month	38	36	487	237	146	158	118	73	174	53	91	371	1982
Percentage of Annual Expd.	2%	2%	25%	12%	7%	8%	6%	4%	9%	3%	5%	19%	100%
091 Ministry of Steel													
Expd. During The Month	4	1	11	4	2	13	3	11	29	3	3	16	102
Percentage of Annual Expd.	4%	1%	11%	3%	2%	13%	3%	11%	29%	3%	3%	16%	100%
092 Ministry of Textiles													
Expd. During The Month	54	1297	274	155	81	1244	93	252	986	30	118	8412	12997
Percentage of Annual Expd.	0%	10%	2%	1%	1%	10%	1%	2%	8%	0%	1%	65%	100%
093 Ministry of Tourism													
Expd. During The Month	7	75	97	36	99	173	50	41	251	32	21	173	1055
Percentage of Annual Expd.	1%	7%	9%	3%	9%	16%	5%	4%	24%	3%	2%	16%	100%
094 Ministry of Tribal Affairs													
Expd. During The Month	2	186	342	110	270	994	36	149	152	305	232	376	3152
Percentage of Annual Expd.	0%	6%	11%	3%	9%	32%	1%	5%	5%	10%	7%	12%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
095 Andaman and Nicobar Islands													
Expd. During The Month	133	140	121	137	216	128	156	194	157	315	167	265	2130
Percentage of Annual Expd.	6%	7%	6%	6%	10%	6%	7%	9%	7%	15%	8%	12%	100%
096 Chandigarh													
Expd. During The Month	239	236	198	193	-144	216	247	157	96	165	291	214	2108
Percentage of Annual Expd.	11%	11%	9%	9%	-7%	10%	12%	7%	5%	8%	14%	10%	100%
097 Dadra and Nagar Haveli													
Expd. During The Month	19	11	23	29	16	22	18	24	49	12	11	117	349
Percentage of Annual Expd.	5%	3%	7%	8%	4%	6%	5%	7%	14%	3%	3%	33%	100%
098 Daman and Diu													
Expd. During The Month	9	16	16	15	24	17	23	20	22	15	24	69	268
Percentage of Annual Expd.	3%	6%	6%	6%	9%	6%	8%	7%	8%	5%	9%	26%	100%
099 Lakshadweep													
Expd. During The Month	10	27	24	71	85	38	67	35	70	142	61	144	776
Percentage of Annual Expd.	1%	4%	3%	9%	11%	5%	9%	5%	9%	18%	8%	19%	100%
100 Department of Urban Development													
Expd. During The Month	80	1134	96	103	914	552	774	132	623	87	821	1256	6572
Percentage of Annual Expd.	1%	17%	1%	2%	14%	8%	12%	2%	9%	1%	12%	19%	100%
101 Public Works													
Expd. During The Month	140	106	129	121	119	130	127	134	161	124	110	135	1535
Percentage of Annual Expd.	9%	7%	8%	8%	8%	8%	8%	9%	10%	8%	7%	9%	100%

Appendix I-B
(Refers to Paragraph 1.4)
Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Total
102 Stationery and Printing													
Expd. During The Month	1	9	10	6	11	9	10	8	8	11	15	-13	85
Percentage of Annual Expd.	2%	11%	11%	7%	12%	11%	11%	10%	9%	13%	17%	-15%	100%
103 Ministry of Water Resources													
Expd. During The Month	80	63	62	98	67	90	108	95	98	70	78	64	972
Percentage of Annual Expd.	8%	6%	6%	10%	7%	9%	11%	10%	10%	7%	8%	7%	100%
104 Ministry of Women and Child Development													
Expd. During The Month	12	2765	60	2595	34	53	633	135	1131	449	1408	1413	10688
Percentage of Annual Expd.	0%	26%	1%	24%	0%	0%	6%	1%	11%	4%	13%	13%	100%
105 Ministry of Youth Affairs and Sports													
Expd. During The Month	3	71	214	96	693	956	25	197	120	14	69	0	2841
Percentage of Annual Expd.	0%	2%	8%	3%	24%	34%	1%	7%	4%	1%	2%	14%	100%
Total Expd. During The Year	320660	359650	316870	353596	325441	290992	238358	253715	291011	275061	294916	517584	3837855
Percentage of Annual Expd.	8%	9%	8%	9%	8%	8%	6%	7%	8%	7%	8%	13%	100%

Data extracted from e-lekha, data in March 2010 includes data from supplementary accounting months, all amounts are net amounts

Appendix II-A

(Refers to paragraph 2.1.3)

Details of revenue and capital expenditure under minor head '800-Other Expenditure' in 2010-11

(₹in crore)

Sl. no.	Major head	Total expenditure under the Major head	Expenditure under minor head 800- Other Expenditure	Percentage of "Other Expenditure" to "Total Expenditure"
1.	2079-Defence Services-Ordnance factories	870.29	582.78	67
2.	2250-Other Social Services	39.55	38.93	98
3.	2407-Plantation	773.05	530	69
4.	2416-Agricutlural Financial Institutions	3840.01	4565.84	119
5.	2711-Flood Control and Drainage	178.34	177.30	99
6.	2801-Power	8542.07	5423.62	64
7.	2803-Coal and Lignite	380.32	208.00	55
8.	3053-Civil Aviation	1333.44	1247.83	94
9.	3454-Census surveys and statistics	3284.92	2574.31	78
10.	4059-Public Works	2576.77	1624.59	63
11.	4070-Capital outlay on Other Administrative Services	72.26	65.06	90
12.	4075- Capital outlay on Misc General Services	3.11	2.17	70
13.	4402-Capital Outlay on Soil and Water Conservation	1.44	0.84	58
14.	4403-Capital Outlay on Animal Husbandry	5.46	4.41	81
15.	4407-Capital Outlay on Plantations	15.00	15.00	100
16.	4711- Capital outlay on Flood Control	15.13	10.31	68
17.	4803- Capital outlay on Coal and Lignite	2.73	2.73	100
18.	4853- Capital outlay on non-Ferrous Mining and Metallurgical Industries	76.00	76.00	100
19.	4859-Capital Outlay on Telecommunication &Electronic Industries	18.84	17.34	92
20.	5275-CapitalOutlay on Other Communication Services	93.12	90.21	97
21.	5403-Capital Outlay on Oceanographic Research	13.16	11.43	87
22.	5453-Capital Outlay on Foreign Trade	671.68	674.56	100
23.	5455- Capital Outlay on Meteorology	115.17	75.56	66
24.	5475- Capital Outlay on Other General Economic Services	463.98	354.96	77
Total		**23385.84**	**18373.78**	

Appendix II-B

(Refers to paragraph 2.4.1)

Outstanding Amount of suspense account for purchases abroad (since 2002)

(₹ in thousand)

Sl. No.	Name of the Importer	No. of Loans	Amount
1.	Road & Building Deptt. Gujarat	1	1104
2.	Family Health Supply, Maharashtra	1	218
3.	Tamil Nadu State Electricity Board	1	5198
4.	Mysore Cement Ltd.	1	4326
5.	Ministry of Railways	2	8399
6.	Pyrites Phosphates & Chemicals Ltd.	2	249513
7.	Rail Coach Factory, Kapurthala	1	1895
8.	Railway Board	1	13138
9.	Rail coil spring	1	7111
10.	Ministry of Water Resources	2	5233
11.	Pawan Hans Ltd.	1	574384
12.	Department of telecommunication	6	14737
13.	The Fertilizers & Chemicals Travancore Ltd.	1	341
14.	Indian Farmers Fertilizer Cooperative Ltd	3	14257
15.	Lady Harding Medical College & Associated Hospital	1	9962
16.	Ministry of Health & Family welfare	1	136
17.	Ministry of Home Affairs, New Delhi	1	2255
18.	Ministry of Road Transport and Highways	4	290029
19.	National Capital Territory of Delhi	1	48297
20.	Ministry of Road Transport and Highways-Technical	3	6027
21.	Cochin Port Trust	1	3648
22.	Delhi Electric Supply Undertaking, Delhi	1	78009
23.	Bhilai Steel Plant	1	1200
24.	Coal India Limited (WB)	3	231832
25.	CMAL-DL	1	348
26.	Jhanjra Bhilai Steel Plant	1	906
27.	OIL and Natural Gas Commission	2	59427
28.	Andhra Pradesh State Electricity Board	1	47476
29.	Helicopter Corporation of India	1	672356
30.	KRIBHCO Rain Farming & Eastern & Western Ghat Project	1	7079
31.	Ministry of Finance, Department of Economic Affairs	1	4560
32.	District Poverty Initiative Project	1	14630
33.	Government of India, Disinvestment Commission	1	17805
		Total	**2395836**

Appendix II-C

(Refers to paragraph 2.4.2)

Adverse balances under Debt, Deposit and Remittances heads

(₹in thousands)

Sl No	Head of Account (Major/Minor Head)		Balance as on 31.3.2011		Period from which balances became adverse
Statement No. 13					
1.	8115.00.101	Depreciation Reserve Fund Railway Commercial Lines	Dr.	25380478	2009-10
2.	8117.00.101	Railway Development Fund – Commercial Lines	Dr.	19981734	2009-10
3.	8118-00-106	Railway capital fund	Dr	3252349	2010-11
4.	8121-00-103	Railway Pension Fund Commercial Lines	Dr	13722403	2009-10
5.	8229.00.200	Other Development & Welfare Fund	Dr.	2192487	2007-08
6.	8231.00.102	Railway Safety Fund (Strategic)	Dr.	1	2004-05
7.	8336.00.101	Security Deposits	Dr.	6435	2007-08
8.	8443.00.111	Other Departmental Deposits	Dr.	604777	2006-07
9.	8445.00.104	Railway Deposits – Trust Interest Account	Dr.	198265	2005-06
10.	8445.00.800	Railway Deposits – Other Deposits	Dr.	7696451	2005-06
11.	8446.00.800	Postal Deposits – Other Deposits	Dr.	165599	2005-06
12.	8448.00.102	Deposits of Local Funds – Municipal Funds	Dr.	3	2007-08
13.	8448.00.104	Deposits of Local Funds – Funds of Insurance Association of India	Dr.	291	Pre 1976-77
14.	8451.00.101	Bhopal Gas Leak Disaster Relief Fund –Claims and Relief Fund	Dr.	9300495	2005-06
15.	8451.00.102	Claims and Relief Fund Investment Account	Cr.	9202162	2005-06
16.	8550.00.101	Civil Advances – Forest Advances	Cr.	9951	1995-96
Statement No. 14					
17.	6002-207	Loans from the European Economic Community	Dr.	619722	2000-01
18.	6002-208	Loans from the Government of France	Dr.	21810494	2000-01
19.	6002-223	Loans from the Government of Swiss Confederation and Swiss Bank	Dr.	14736	2010-11
20.	6002-226	Loans from the Agency for International Development USA	Dr.	9217660	1995-96
21.	6002-227	Loans from Government of USA under PL-480 convertible local currency credits	Dr.	6727217	1995-96

Appendix II-C

(Refers to paragraph 2.4.2)

Adverse balances under Debt, Deposit and Remittances heads

(₹in thousands)

Sl No	Head of Account (Major/Minor Head)		Balance as on 31.3.2011		Period from which balances became adverse
22.	8013-01-101	Deposit Scheme for Retiring Government Employees, 1989	Dr.	629909	2007-08
Statement No. 15					
23.	6202.01.203	University & Higher Education	Cr.	1568	2004-05
24.	6215.02.800	Other Loans	Cr.	17334	2001-02
25.	6216-80-190	Loans to Public Sector and other Undertakings	Cr	2	2008-09
26.	6216-80-800	Other Loans	Cr	11763	2010-11
27.	6225.01.800	Other Loans	Cr.	829	1994-95
28.	6245.01.101	Gratuitous Relief	Cr.	830	1986-87
29.	6245.02.101	Gratuitous Relief	Cr.	2157	1997-98
30.	6402.102	Soil Conservation	Cr.	7368	1995-96
31.	6402.203	Land Reclamation and Development	Cr.	592	2007-08
32.	6404.800	Other Loans	Cr.	4450811	2004-05
33.	6405.106	Mechanisation of fishing crafts	Cr.	423	2006-07
34.	6425.108	Loans to other cooperatives	Cr.	3947940	2003-04
35.	6515.102	Community Development	Cr.	55	1986-87
36.	6801.201	Hydel Generation	Cr.	3068415	2004-05
37.	6801.205	Transmission and Distribution	Cr.	1030499	2005-06
38.	6851.102	Small Scale Industries	Cr.	3204	2006-07
39.	7052.02.101	Loans to SDFC	Cr.	2941226	2002-03
40.	7053-190	Loans to Public Sector and other Undertakings	Cr.	64237	2010-11
41.	7425.800	Other loans	Cr.	3074	2005-06
Loans and Advances to State Governments.					
42.	7601.07	Karnataka	Cr.	4805	2006-07
43.	7601.07	Kerala	Cr.	1213	2006-07
Loans to Government servants etc					
44.	7610.203	Advances for purchase of other conveyances	Cr.	28860	2004-05
Statement No.16					
45.	8002-00-101	Post Office Certificates	Dr.	1356118	1999-2000
46.	8002-00-103	Treasury Savings Deposit Certificates	Dr.	6962	1976-77
47.	8002-00-105	Savings Certificates Bank Series	Dr	189	2007-08

Appendix II-D

(Refers to paragraph 2.4.3)

(i) List of adverse balances in selected Pr AOs

(₹in thousand)

Name of the Department	Sl No.	Head of account	Amount	Balance
Controller aid Accounts and Audit	1.	6002- External Debt 207-EEC	619722	Dr
	2.	6002- External Debt 208-France	21811121	Dr
	3.	6002- External Debt 214- IFAD	32683980	Dr
	4.	6002- External Debt 223- Swiss bank	14736	Dr
	5.	6002- External Debt 226-US Aid	9217660	Dr
	6.	6002- External Debt 227-US PL480	6727217	Dr
	Total under head 6002-External Debt		**71074436**	**Dr**
	7.	8449-120-Miscellaneous Deposits	33833	Dr
CPAO	8.	7610-201- HBA	648	Cr
	9.	7610-202-01- MCA	61	Cr
	10.	7610-800-Other Advances	1	Cr
Ministry of Home Affairs	11.	8342-00-110- Other Deposits- Telephone Application Deposits	5	Cr
	12.	7610-00-203- Advance for the purchase of other Conveyance	590	Cr

(ii) Adverse balances noticed in selected Pr AOs but not reflected in Consolidated Finance Accounts

(₹in thousand)

Name of the Department	Sl No.	Head of account	Amount	Balance
Controller aid Accounts and Audit	1.	6002- External Debt 214- IFAD	32683980	Dr
CPAO	2.	8449-120-Miscellaneous Deposits	33833	Dr
	3.	7610-201- HBA	648	Cr
	4.	7610-202-01- MCA	61	Cr
	5.	7610-800-Other Advances	1	Cr
Ministry of Home Affairs	6.	8342-00-110- Other Deposits- Telephone Application Deposits	5	Cr

Appendix II-E

(Refers to Paragraph 2.4.6)

Summarised financial results of Departmentally Managed Government Undertakings

(₹in lakh)

Sl. No.	Name of the Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit(+) Loss(-)	Interest on Government Capital	Total return	%age of total return to mean Capital	Remarks
MINISTRY OF AGRICULTURE										
1.	Delhi Milk Scheme	2009-10	3968.33	23375.79	2790.61	(-)3808.41	194.65	(-) 3613.76	NA	
2.	Ice-cum Freezing Plant, Kochi	2009-10	448.00	1775.86	81.30	(-)25.14	51.52	108.06	Nil	
DEPARTMENT OF ATOMIC ENRGY										
3.	Nuclear Fuel Complex Hyderabad	2009-10	58729.45	34039.90	24644.28	(-)616.03	6671.36	6055.33	10.55	Provisional
4.	Heavy Water Board, Mumbai	2009-10	1000081.81	40035.33	110473.23	(-)24330.36	89152.68	64822.32	5.91	provisional
MINISTRY OF DEFENCE										
5.	Canteen Stores Department	2008-09	48	2797.59	3782.67	10781.50	9587.59	20369.09	19.14	
MINISTRY OF FINANCE										
6.	Government Alkaloid Works, Neemuch	2010-11	1818.75	1003.74	808.72	2088.00	130.20	2088.00	126.85	1646.02♣

♣Mean Capital

Appendix II-E

(Refers to Paragraph 2.4.6)

Summarised financial results of Departmentally Managed Government Undertakings

(₹in lakh)

Sl. No.	Name of the Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit(+) Loss(-)	Interest on Government Capital	Total return	%age of total return to mean Capital	Remarks
7.	Government Alkaloid Works, Ghazipur	2009-10	654.08	297.61	358.60	38.65	121.87	160.52	11.09	1447.43♣
8.	Government Opium Factory, Ghazipur	2009-10	444.26	435.75	316.00	(-)306.97	240.47	(-)66.5	(-)2.33	2855.89♣
9.	Government Opium Factory, Neemuch	2010-11	677.72	396.27	281.45	954.39	473.42	954.39	15.95	5985.10♣
MINISTRY OF HEALTH AND FAMILY WELFARE										
10.	Central Research Institute, Kasauli	2006-07	987.19	287.49	127.61	(-)177.02	129.69	396.82	25.70	
11.	Government Medical store Depot, Kolkata	2007-08	1972.85	48.87	35.79	(-) 40.99	67.18	26.19	2.75	952.84♣
12.	Government Medical store Depot, Hyderabad	2009-10	3403.52	113.69	6.94	(-)94.57	-	4087.59	120.09	

♣Mean Capital

Appendix II-E

(Refers to Paragraph 2.4.6)

Summarised financial results of Departmentally Managed Government Undertakings

(₹in lakh)

Sl. No.	Name of the Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit(+) Loss(-)	Interest on Government Capital	Total return	%age of total return to mean Capital	Remarks
13.	Government Medical store Depot, Karnal	2009-10	99..92	23.83	1.87	(-)430.32	-	483.68	-	
14.	Government Medical store Depot, New Delhi	2008-09	29.86	21.19	133.74	(+)527.97		(+)527.97	1768.31	
15.	Government Medical store Depot, Mumbai	2006-07	16.18	7.21		(+)121.52				
16.	Vegetable Garden of Central Institute of Psychiatry, Kanke, Ranchi	2010-11	0.31	0.26	.0026	0.770	0.166	1.06	75.60	
MINISTRY OF INFORMATION AND BROADCASTING										
17.	Film Division, Mumbai	2009-10	8478.59	2105.53	4445.19	(-)4984.07	944.18	-	-	

Appendix II-E

(Refers to Paragraph 2.4.6)

Summarised financial results of Departmentally Managed Government Undertakings

(₹in lakh)

Sl. No.	Name of the Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit(+) Loss(-)	Interest on Government Capital	Total return	%age of total return to mean Capital	Remarks
MINISTRY OF NEW AND RENEWABLE ENERGY										
18.	Indian Renewable Energy Development Agency Ltd	2010-11	58960.00	4097.24	1772.63	13417.60 (profit after tax)	2684.00 (Dividend)	2684.00	4.75%	*Dividend
MINISTRY OF POWER										
19.	Badarpur Thermal Station, New Delhi	2005-06	42673.00	10445.00	35625.00	3100.00	863.00	3963.00	9.29	BTPS has been merged with NTPC since 30 June 2006
20.	Electricity Department, Andaman and Nicobar Islands	2002-03	19729.62	3715.92	257.22	(-)10091.28	2564.17	(-)7527.11	(-)39.97	-
21.	Electricity Department, Lakshadweep	2008-09	11599.68	9307.29	2292.38	(-)4670.00	941.29	614.82		
MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGH WAYS										
22.	Directorate of Lighthouses and Lightships, Noida	2009-10	21308	21308	9840	4105	527	4632	43.48	

Appendix II-E

(Refers to Paragraph 2.4.6)

Summarised financial results of Departmentally Managed Government Undertakings

(₹in lakh)

Sl. No.	Name of the Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit(+) Loss(-)	Interest on Government Capital	Total return	%age of total return to mean Capital	Remarks
23.	Chandigarh Transport Undertaking	2007-08	11886.90	4057.30	1961.21	(-)1805.94	590.77	(-)1215.17	(-)18.72	
24.	State Transport Service, Andaman & Nicobar Islands	2008-09	3438.25	1209.27	1848.35	(-)9917.87	3426.79	(-)2491.08	(-)6.11	
25.	Andaman Ferry service	2002-03	26092.38	3373.67	5486.23	(-) 32.74	(-) 2553.32	(-) 2586.06	(-) 9.91	-
26.	Goa Ship Yard Ltd	2005-06	1487.00	8927.00	4381.00	2822.00	-	327.00	22.00	
27.	Marine Department (Dockyard) Andaman and Nicobar Islands	2003-04	2884.55	205.10	61.60	(-) 4166.22	(-) 289.41	(-) 4455.63	(-)154.47	
28.	Shipping Services, Andaman and Nicobar Islands	2003-04	28873.79	10613.10	1695.94	(-) 32275.33	21953.38	(-) 10321.95	(-) 35.75	

Appendix II-E
(Refers to Paragraph 2.4.6)
Summarised financial results of Departmentally Managed Government Undertakings

(₹in lakh)

Sl. No.	Name of the Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit(+) Loss(-)	Interest on Government Capital	Total return	%age of total return to mean Capital	Remarks
MINISTRY OF URBAN DEVELOPMENT										
29.	Department of Publications	2000-01 and onwards	-	-	-	-	-	-	-	Instead of Proforma accounts, the publications department prepares stores accountswhich have been audited upto 1999-2000. The Ministry decided in November 2001 to change over the accounting system to commercial pattern of accounts. The department has still not changed over.
30.	Government of India Press, Ring Road New Delhi	2008-09	388	NA	18	0	19	NA	NA	
31.	Government of India Press, Rashtrapati Bhavan New Delhi	2007-08	58.24	-	2.72		2.84			

Appendix II-E

(Refers to Paragraph 2.4.6)

Summarised financial results of Departmentally Managed Government Undertakings

(₹in lakh)

Sl. No.	Name of the Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit(+) Loss(-)	Interest on Government Capital	Total return	%age of total return to mean Capital	Remarks
32.	Government of India Press, Nilokheri	2008-09	134	1170	0	0	0	0	0	
33.	Government of India Press, Faridabad	2008-09	873	259	33	0	30	926	106	
34.	Government of India Press, Shimla	2008-09	151.52	12.87	1.15	-	-	1.15	4	
35.	Government of India Press, Coimbatore	2008-09	0	0	130	0	0	0	0	
36.	Government of India Text Book Press, Bhubaneswar	2008-09	249	39	1	0	0	281	112	
37.	Government of India Text Book Press, Mysore	2008-09	0	57	0	0	0	80	0	
38.	Government of India Press, Kolkata	2007-08	79	18	5	-	3	4	0.05	

Appendix II-E

(Refers to Paragraph 2.4.6)

Summarised financial results of Departmentally Managed Government Undertakings

(₹in lakh)

Sl. No.	Name of the Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit(+) Loss(-)	Interest on Government Capital	Total return	%age of total return to mean Capital	Remarks
39.	Government of India Press, Koratty	2007-08	222	131	11	-	40	1588	363	
40.	Government of India Press, Nasik	2009-10	1045.70	734.14	351.52	-	-	-	-	
41.	Government of India Press, Aligarh	2007-08	314	162	163	-	15	928	-	
42.	Government of India Text Book Press, Chandigarh	2007-08	6865	182	92	-	12	547	100	
43.	Government of India Press, Gangtok	2007-08	4	7	-	-	-	4	5	
44.	Government of India Press, Satragachi	2006-07	52	0	6	0	2	24	5	

Appendix II-F

(Refers to Paragraph 2.4.7)

Statement of losses and irrecoverable dues written off/waived during 2010-11

(₹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
Atomic Energy					34	9.74				
Commerce					3	0.02	4	0.02		
Urban Development									11	25.92
Rural Development							3	4412.00		
Petroleum & Natural Gas					823	0.88				
Information Technology					1	0.11				
Space					12	5.11				
Post & Telecommunication			761	4613.70	23635	137.32	10	1.15	45	9.13
Statistic & Programme Implementation.									1	10.00
Agriculture & Co-operation.					2	0.08			1	3.72
Industrial Policy & Promotion (IPP).					7	0.03	2	0.01	0	0
Law , Justice, Supreme Court of India									2	0.03
Indian Council for Agricultural Research					68	16.04				
Power					10	1.78				
Defence Services	10	4.40	10	2.22	84	806.96				
Shipping							2	18.65	1753	126.10
PAO, Andaman & Nicobar Administration					4	0.10			2	.04
Environment & Forest					1	0.72				
Science & Technology, RPAO, Survey of India			1	0.08	1	0.02			1	0.06
ICMR, M/o Health & Family Welfare					2	0.95				
Total	**10**	**4.40**	**772**	**4616**	**24687**	**979.86**	**21**	**4431.83**	**1816**	**175**

APPENDIX-III-A
(Refers to paragraph 3.4)
Authorisation and disbursements

(₹ in crore)

Nature of Disbursements	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Disbursements	Saving Excess(+)
A – Civil					
Voted					
I. Revenue	729197.60	135175.83	864373.43	811921.02	52452.41
II. Capital	67431.96	20496.45	87928.41	75145.97	12782.44
III. Loans and Advances	22739.38	11022.50	33761.88	31608.49	2153.39
Total	**819368.94**	**166694.78**	**986063.72**	**918675.48**	**67388.24**
Charged					
IV. Revenue	287616.77	131.19	287747.96	279630.92	8117.04
V. Capital	35.17	2.33	37.50	27.83	9.67
VI. Public Debt	3382664.56	15894.59	3398559.15	2814774.11	583785.04
VII. Loans and Advances	8180.44	3250.00	11430.44	10223.75	1206.69
Total	**3678496.94**	**19278.11**	**3697775.05**	**3104656.61**	**593118.44**
Grand Total	**4497865.88**	**185972.89**	**4683838.77**	**4023332.09**	**660506.68**
Recoveries in reduction of disbursements			147208.27	128227.86	18980.41
Total Net Provision			**4536630.50**	**3895104.23**	**641526.27**
Total Net Disbursement				**3895104.23**	
B – Posts					
Voted					
I. Revenue	11328.68	2097.95	13426.63	13793.26	(+)366.63
II. Capital	329.55	145.00	474.55	273.65	200.90
Total	**11658.23**	**2242.95**	**13901.18**	**14066.91**	**(+)165.73**
Charged					
III. Revenue	0.10	1.10	1.20	0.41	0.79
IV. Capital	--	0.67	0.67	0.08	0.59
Total	**0.10**	**1.77**	**1.87**	**0.49**	**1.38**
Grand Total	**11658.33**	**2244.72**	**13903.05**	**14067.40**	**(+)164.35**
Recoveries in reduction of disburser	436.65	129.93	566.58	485.72	80.86
Total Net Provision			**13336.47**		
Total Net Disbursement				**13581.68**	

APPENDIX-III-A
(Refers to paragraph 3.4)
Authorisation and disbursements

(₹ in crore)

Nature of Disbursements	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Disbursements	Saving Excess(+)
C - Defence Services					
Voted					
I. Revenue	91492.50	3723.37	95215.87	96625.32	(+) 1409.45
II. Capital	59963.20	813.01	60776.21	62011.53	(+) 1235.32
Total	**151455.70**	**4536.38**	**155992.08**	**158636.85**	**(+) 2644.77**
Charged					
III. Revenue	21.63	53.44	75.07	41.89	33.18
IV. Capital	36.80	22.88	59.68	44.46	15.22
Total	**58.43**	**76.32**	**134.75**	**86.35**	**48.40**
Grand Total	**151514.13**	**4612.70**	**156126.83**	**158723.20**	**(+) 2596.37**
Recoveries in reduction of disbursements			361.46	274.12	87.34
Total Net Provision			**155765.37**		
Total Net Disbursement				**158449.08**	
D – Railways					
Voted	176040.49	5500.32	181540.81	178087.92	3452.89
Charged	176.01	258.43	434.44	417.87	16.57
Total	**176216.50**	**5758.75**	**181975.25**	**178505.79**	**3469.46**
Recoveries in reduction of disbursements			61827.01	63439.98	(+) 1612.97
Total Net Provision			**120148.24**		
Total Net Disbursement				115065.81	
Total CFI **Voted**	**1158523.36**	**178974.43**	**1337497.79**	**1269467.16**	**68030.63**
Total CFI **Charged**	**3678731.48**	**19614.63**	**3698346.11**	**3105161.32**	**593184.79**
Grand Total CFI	**4837254.84**	**198589.06**	**5035843.90**	**4374628.48**	**661215.42**
Total recoveries in reduction of expenditure			**209963.32**	**192427.68**	**17535.64**
Total expenditure as per Appropriation Account (CFI)			**4825880.58**	**4182200.80**	**643679.78**
Difference with the Figures of Finance Accounts				**0.01**	
Total disbursement from CFI as per Finance Account				**4182200.79**	

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

APPENDIX-III-B

(Refers to Paragraph 3.6)

Net savings in Grants/Appropriations

(₹in crore)

Grants and Appropriations affected	Unspent provision		Excess		Net saving Net Excess (+)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
A - Civil						
Voted	55802.84	14969.40	3350.43	33.56	52452.41	14935.84
No. of grants	89	65	3	4		
Charged	8117.15	585001.40	0.11	-	8117.04	585001.40
No. of Appropriations	34	12	2	-		
B - Posts						
Voted	-	200.90	366.63	-	(+) 366.63	200.90
No. of grants	-	1	1	-		
Charged	0.79	0.59	-	-	0.79	0.59
No. of Appropriation	1	1	-	-		
C - Defence Services						
Voted	1593.41	-	3002.86	1235.32	(+) 1409.45	(+) 1235.32
No. of grants	3	-	2	1		
Charged	34.35	15.21	1.16	-	33.19	15.21
No of Appropriations	4	1	1	-		
D – Railways						
Voted	4273.44	2222.69	3043.21	-	1230.23	2222.69
No. of grants	5	1	10	-		
Charged	3.76	22.36	9.55	-	(+) 5.79	22.36
No of Appropriations	5	1	5	-		

APPENDIX-III-C

(Refers to Paragraph 3.7)

Year-wise proportion of Charged and Voted Disbursements under Civil Ministries/Departments

(₹in crore)

		Authorisation			Disbursements				
Sl. No	Year	Voted	Charged	Total	Voted	Charged	Total	Percentage of	
								Voted	Charged
1.	1999-2000	157780	512075	669855	148642	453196	601838	25	75
2.	2000-01	173677	530530	704207	160753	405289	566042	28	72
3.	2001-02	218136	481679	699815	201574	473950	675524	30	70
4.	2002-03	230649	547152	777801	213833	504119	717952	30	70
5.	2003-04	254328	564275	818603	231100	599889	830989	28	72
6.	2004-05	278555	703835	982390	252254	724942	977196	26	74
7.	2005-06	330051	1193138	1523189	301269	1288817	1590086	19	81
8.	2006-07	449178	1635986	2085164	415785	1670413	2086198	20	80
9.	2007-08	551115	1894750	2445865	519214	1818879	2338093	22	78
10.	2008-09	780316	2440552	3220868	744116	2404957	3149073	24	76
11.	2009-10	830706	3525606	4356312	768458	3349254	4117712	19	81
12.	2010-11	986064	3697775	4683839	918675	3104657	4023332	23	77

APPENDIX-III-D

(Refers to paragraph 3.11)

Statement showing cases of excess expenditure without adequate re-appropriation of funds (₹ *five* crore and more)

(₹ in crore)

Sl. No.	Minor/Sub-head		Provision	Actual Expenditure	Final Excess Expenditure
Civil					
11–Department of Commerce					
1.	5453.00.800.08-Scheme for Central Assistance for Developing Export Infrastructure and Other Allied Activities	O R	623.98 39.00	669.41	6.43
14–Department of Telecommunications					
2.	2071.01.101.01- Ordinary Pensions	O S	1154.83 575.25	1740.19	10.11
20- Ministry of Defence					
3.	2055.00.104.02–Charges paid in respect of J & K Light Infantry	O S	554.68 103.34	698.67	40.65
21-Defence Pensions					
4.	2071.02.101.01-Pension and other Retirement Benefits	O S R	22062.04 7748.65 37.37	33037.58	3189.52
5.	2071.02.102.03-Leave Encashment	O R	155.16 (-) 48.28	124.99	18.11
6.	2071.02.103.03-Leave encashment	O S R	139.25 1.43 100.21	252.30	11.41
31–Ministry of External Affairs					
7.	2061.00.101.01-Management and Establishment	O S R	1307.48 4.24 27.22	1388.95	50.01
8.	2061.00.103.01-Discretionary Expenditure	O S R	1200.00 60.00 (-) 110.00	1191.75	41.75
9.	2061.00.800.03-Other Schemes	O	4.25	57.05	52.80
10.	3605.00.101.10-Aid to Bhutan	O S	915.60 335.40	1330.55	79.55
11.	3605.00.101.11-Aid to Nepal	O	151.00	167.86	16.86
12.	3605.00.101.14-Aid to Myanmar	O R	90.00 (-) 25.00	74.00	9.00
13.	3605.00.101.20-Aid to African Countries	O R	150.00 (-) 60.00	96.90	6.90
14.	4059.60.051.17-External Affairs	O S	275.00 25.00	315.09	15.09

APPENDIX-III-D

(Refers to paragraph 3.11)

Statement showing cases of excess expenditure without adequate re-appropriation of funds (₹ *five* crore and more)

(₹ in crore)

Sl. No.	Minor/Sub-head	Provision		Actual Expenditure	Final Excess Expenditure
15.	7605.00.097.00-Loans to Government of Bhutan	O S	378.40 93.60	484.05	12.05
34-App.-Interest Payments					
16.	2049.01.101-Interest on Market Loans	O R	167837.23 (-) 7704.17	161834.19	1701.13
17.	2049.01.110-Interest on 364 Treasury Bills	O R	3063.00 (-) 450.00	2627.04	14.04
18.	2049.01.116- 14 days Treasury bills	O R	5107.00 (-)1195.00	4049.06	137.06
19.	2049.02.216- Interest on Loans from the IBRD	O R	649.19 (-) 349.07	313.36	13.24
20.	2049.03.104.04- State Railway Provident Fund	O R	1368.76 172.99	1562.82	21.07
37-Repayment of Debt					
21.	6001.00.115- 14 days Treasury bills	O R	2655760.00 (-)503867.00	2209868.22	57975.22
39-Pensions					
22.	2071.01.115.01- Ordinary Pensions	O R	1100.00 (-) 40.00	1085.37	25.37
53-Police					
23.	2055.00.121.01-Indo-Bangladesh Border Works	O R	60.00 (-) 10.00	59.78	9.78
24.	4055.00.202.01-Office Buildings	O R	90.00 2.49	117.19	24.70
25.	4055.00.202.02-Residential Buildings	O R	108.00 6.41	120.68	6.27
26.	4055.00.204.01-Office Buildings	O R	100.00 2.48	114.07	11.59
27.	4055.00.213.01-Office Buildings	O R	80.00 2.48	116.00	33.52
28.	4055.00.214.02-Indo-Pak Border Works	O R	197.04 (-) 63.80	146.89	13.65
74-Ministry of Power					
29.	2801.06.800.03-Rural Electrification Corporation – For Rajiv Gandhi Gramin Vidyutikaran Yojana	O R	4852.00 70.42	5000.00	77.58
90-Ministry of Statistics and Programme Implementation					
30.	2553.00.101.01-Grant Assistance	O S R	1580.00 120.00 (-) 175.00	1533.32	8.32
101–Department of Public Works					
31.	2059.01.104.01- Payment of Rent, Rates and Taxes to local bodies, etc.	O	112.00	117.56	5.56

APPENDIX-III-D

(Refers to paragraph 3.11)

Statement showing cases of excess expenditure without adequate re-appropriation of funds (₹ *five* crore and more)

(₹ in crore)

Sl. No.	Minor/Sub-head	Provision		Actual Expenditure	Final Excess Expenditure
32.	2059.80.001.02-Execution	O R	373.01 (-) 7.19	371.75	5.93
Department of Posts					
13-Postal Services					
33.	3201.02.101.01- Existing Post Offices		4414.65	4679.88	265.23
34.	3201.02.101.04- Premium Product Services		97.70	103.96	6.26
35.	3201.02.102.01-Mail Sorting		790.12	817.16	27.04
36.	3201.02.104.05-Other Items		--	65.71	65.71
37.	3201.04.102.02 -Postal Accounts Offices Circle		253.22	259.02	5.80
38.	3201.07.101.01- Superannuation and Retirement allowances		1540.00	1546.25	6.25
39.	3201.07.104– Gratuities		401.00	417.82	16.82
40.	3201.07.104-Family Pensions		626.00	680.37	54.37
41.	3201.07.110- Government Contribution to defined New Pension Scheme		44.99	51.90	6.91
Defence Services **22-Defence Services-Army**					
42.	2076.00.101-Pay and Allowances of Army	O S	31598.62 823.40	34682.77	2260.75
43.	2076.00.103-Pay and Allowances and Misc. Expenses of Auxilliary Forces	O	592.59	762.62	170.03
44.	2076.00.104-Pay and Allowances of Civilians	O S	2730.81 145.53	3051.42	175.08
45.	2076.00.105-Transportation	O S	1416.85 114.00	1871.03	340.18
46.	2076.00.109-Inspection Organisation	O	565.03	590.73	25.70
47.	2076.00.110-Stores	O S	11228.54 668.56	12144.48	247.48
48.	1076.00.112-Rashtriya Rifles	O S	2933.40 150.43	3098.71	14.88

APPENDIX-III-D

(Refers to paragraph 3.11)

Statement showing cases of excess expenditure without adequate re-appropriation of funds (₹ *five* crore and more)

(₹ in crore)

Sl. No.	Minor/Sub-head		Provision	Actual Expenditure	Final Excess Expenditure
23 – Defence Services- Navy					
49.	2077.00.101-Pay and Allowances of Navy	O S	2451.90 10.10	2444.48	17.52
50.	2077.00.105-Transportation	O S	240.00 23.42	287.78	24.36
51.	2077.00.110-Stores	O S	3079.95 210.16	3436.64	146.53
				Total	**67521.17**

APPENDIX-III-E

(Refers to paragraph 3.12)

Statement showing savings of ₹ 100 crore or more under various Grants/appropriations

(₹ in crore)

Sl. No	Name and No. of Grant	Budget Allocation	Saving	Percentage of Saving in comparison with Budget Allocation
Civil				
Revenue – Voted				
1.	1-Department of Agriculture & Co-operation	17776.21	471.03	03
2.	3-Department of Animal Husbandry, Dairying and Fisheries	1749.63	265.53	15
3.	4- Atomic Energy	5096.90	257.71	05
4.	6-Department of Chemical and Petrochemicals	1641.32	413.75	25
5.	9-Ministry of Civil Aviation	1475.36	235.63	16
6.	11-Department of Commerce	5994.65	1388.81	23
7.	14-Department of Telecommunication	10575.51	298.37	03
8.	15- Department of Information Technology	3558.03	578.06	16
9.	17-Department of Food and Public Distribution	66607.36	281.14	0.5
10.	20-Ministry of Defence	11895.28	436.97	04
11.	28-Ministry of Development of North East Region	1618.34	118.58	07
12.	29-Ministry of Earth Sciences	1079.67	109.93	07
13.	32- Department of Economic Affairs	6845.63	674.55	10
14.	33- Department of Financial Services	36686.98	1812.23	05
15.	35 -Transfers to State and UT Governments	83988.83	12463.68	15
16.	42- Direct taxes	2844.98	147.02	05
17.	46-Department of Health and Family Welfare	24142.17	875.44	04
18.	51-Ministry of Home Affairs	4232.66	135.18	03
19.	53-Police	29125.04	248.67	01
20.	55-Transfers to Union Territory Governments	1924.11	307.80	16
21.	56- Ministry of Housing and Urban Poverty Alleviation	1007.07	178.83	18
22.	57-Department of School Education & Literacy	53330.83	783.89	01
23.	58- Department of Higher Education	18783.34	3216.58	17
24.	59 - Ministry of Information and Broadcasting	2269.70	206.06	09
25.	60- Ministry of Labour and Employment	3435.68	377.43	11
26.	64 - Ministry of Micro, Small and Medium Enterprises	2667.18	110.37	04
27.	66-Ministry of Minority Affairs	2500.37	594.40	24
28.	73 - Ministry of Planning	1866.25	1585.40	85
29.	74-Ministry of Power	11418.97	3837.54	34
30.	80- Ministry of Road Transport and Highways	18474.45	589.81	03
31.	81- Department of Rural Development	148217.71	17918.55	12

APPENDIX-III-E

(Refers to paragraph 3.12)

Statement showing savings of ₹ 100 crore or more under various Grants/appropriations

(₹ in crore)

Sl. No	Name and No. of Grant	Budget Allocation	Saving	Percentage of Saving in comparison with Budget Allocation
32.	87-Ministry of Shipping	1654.44	489.53	30
33.	88-Ministry of Social Justice and Empowerment	4374.05	338.88	08
34.	89-Department of Space	3100.26	542.78	18
35.	90- Ministry of Statistics and Programme Implementation	2287.84	308.66	13
36.	92 -Ministry of Textiles	13300.24	482.83	04
37.	97- Dadra and Nagar Haveli	1613.69	175.03	11
38.	100-Department of Urban Development	1183.24	125.67	11
39.	103-Ministry of Water Resources	1050.56	121.13	12
40.	104-Ministry of women and child development	11070.55	370.56	03
41.	105-Ministry of Sports & Youth Affairs	2377.91	653.08	27
Revenue – Charged				
42.	34-Appropriation-Interest Payments	251664.01	6921.19	03
43.	35-Transfers to State & UT Governments	32639.01	1124.81	03
Capital – Voted				
44.	4-Atomic Energy	3008.05	512.07	17
45.	5-Nuclear Power Schemes	1450.41	1052.15	73
46.	9-Ministry of Civil Aviation	1428.70	141.06	10
47.	14-Department of Telecommunication	1684.95	1591.83	94
48.	28-Ministry of Development of North Eastern Region	241.00	100.23	42
49.	29-Ministry of Earth Sciences	284.29	155.96	55
50.	32-Department of Economic Affairs	13177.56	2451.67	19
51.	33-Department of Financial Services	23182.12	631.49	03
52.	42-Direct Taxes	1679.01	106.73	06
53.	43- Indirect Taxes	264.20	141.11	53
54.	46-Department of Health and Family Welfare	1221.04	265.79	22
55.	53-Police	7426.59	2466.59	33
56.	60-Ministry of Labour & Employment	763.40	453.67	59
57.	74-Ministry of Power	5139.49	1959.76	38
58.	80-Ministry of Road Transport & Highways	20418.53	945.36	05
59.	89-Department of Space	2676.88	752.16	28
60.	105-Ministry of Youth Affairs & Sports	1402.99	283.24	20
Capital – Charged				
61.	35-Transfers to State and UT Governments	11413.44	1199.69	11
62.	37-Appropriation - Repayment of Debt	3398559.15	583785.03	17
Defence Services **Revenue - Voted**				
63.	24-Defence Services – Air Force	15802.41	624.71	04
64.	25-Defence Ordnance Factories	1998.34	924.92	46

APPENDIX-III-E

(Refers to paragraph 3.12)

Statement showing savings of ₹ 100 crore or more under various Grants/appropriations

(₹ in crore)

Sl. No	Name and No. of Grant	Budget Allocation	Saving	Percentage of Saving in comparison with Budget Allocation
Department of Posts				
Capital - Voted				
65.	13-Postal Services	474.55	200.90	42
Railways				
Revenue -Voted				
66.	14-Appropriation to Funds – DRF, DF, PF and CF	25283.09	2533.20	10
67.	15-Dividend to General Revenues, Repayment of Loans taken from General Revenues and Amortisation of over-Capitalisation	6698.46	1667.21	25
Capital - Voted				
68.	16-Assets- Acquisition, Construction and Replacement – Capital	48528.08	745.58	02
69.	16-Assets- Acquisition, Construction and Replacement – Railway Fund	15465.19	856.19	06
70.	16- Assets- Acquisition, Construction and Replacement – Railway Safety Fund	1698.40	596.96	35
Total:			**669718.35**	

APPENDIX-III-F

(Refers to paragraph 3.13)

Statement showing persistent savings of ₹100 crore or more under various Grants/ Appropriations

(₹in crore)

Name & No. of Grant	Year	Budget Allocation	Savings during the Year	Percentage of Saving in comparison with Budget Allocation
Civil Revenue (Voted)				
1-Department of Agriculture and Co-operation	2008-09	10737.62	696.62	06
	2009-10	12045.53	155.13	01
	2010-11	17776.21	471.03	03
3-Department of Animal Husbandry, Dairying, and Fisheries	2008-09	1382.66	183.24	13
	2009-10	1564.99	333.09	21
	2010-11	1749.63	265.53	15
4-Atomic Energy	2008-09	3579.75	153.15	04
	2009-10	4719.57	150.80	03
	2010-11	5096.90	257.71	05
15-Department of Information Technology	2008-09	389.08	257.57	66
	2009-10	2484.02	883.56	36
	2010-11	3558.03	578.06	16
17- Department of Food and Public Distribution	2008-09	45345.03	276.69	01
	2009-10	60143.60	225.61	<0.5
	2010-11	66607.36	281.14	<0.5
35 – Transfers to State and Union Territory Governments	2008-09	67205.80	2662.90	04
	2009-10	77266.11	5708.01	07
	2010-11	83988.83	12463.68	15
46 – Department of Health and Family Welfare	2008-09	18342.12	1474.84	08
	2009-10	21024.27	603.64	03
	2010-11	24142.17	875.44	04
53 – Police	2008-09	21659.71	883.98	04
	2009-10	27094.73	285.92	01
	2010-11	29125.04	248.67	01
56-Ministry of Housing and Urban Poverty Alleviation	2008-09	857.17	183.57	21
	2009-10	857.97	276.21	32
	2010-11	1007.07	178.83	18
57 – Department of School Education & Literacy	2008-09	40960.93	4906.88	12
	2009-10	43090.62	4767.74	11
	2010-11	53330.83	783.89	01
58-Department of Higher Education	2008-09	11407.63	185.14	02
	2009-10	15516.17	1552.60	10
	2010-11	18783.34	3216.58	17
59-Ministry of Information and Broadcasting	2008-09	1735.93	120.41	07
	2009-10	2120.06	219.75	10
	2010-11	2269.70	206.06	09
64-M/o of Micro, Small and Medium Enterprises	2008-09	1984.76	136.36	07
	2009-10	2023.04	335.07	17
	2010-11	2667.18	110.37	04
73-Ministry of Planning	2008-09	636.83	554.01	87

APPENDIX-III-F

(Refers to paragraph 3.13)

Statement showing persistent savings of ₹100 crore or more under various Grants/ Appropriations

(₹in crore)

Name & No. of Grant	Year	Budget Allocation	Savings during the Year	Percentage of Saving in comparison with Budget Allocation
	2009-10	474.89	334.23	70
	2010-11	1866.25	1585.40	85
74-Ministry of Power	2008-09	6121.05	252.86	04
	2009-10	10851.66	2325.67	21
	2010-11	11418.97	3837.54	34
80-Ministry of Road Transport and Highways	2008-09	13924.23	171.02	01
	2009-10	16895.19	3098.99	18
	2010-11	18474.45	589.81	03
87-Ministry of Shipping	2008-09	1069.75	154.19	14
	2009-10	1442.46	613.26	43
	2010-11	1654.44	489.53	30
92- Ministry of Textiles	2008-09	5664.82	276.59	05
	2009-10	11858.22	298.08	03
	2010-11	13300.24	482.83	04
Revenue (Charged)				
34-Appropriation – Interest Payments	2008-09	207465.02	6321.66	03
	2009-10	230697.40	6996.56	03
	2010-11	251664.01	6921.19	03
35 – Transfers to State and UT Governments	2008-09	34392.42	7233.77	21
	2009-10	34394.08	4800.00	14
	2010-11	32639.01	1124.81	03
Capital (Voted)				
42-Direct Taxes	2008-09	203.00	119.51	59
	2009-10	618.00	608.70	98
	2010-11	1679.01	106.73	06
43 –Indirect Taxes	2008-09	315.20	183.94	58
	2009-10	290.00	204.86	71
	2010-11	264.20	141.11	53
46-Department of Health and Family Welfare	2008-09	931.70	189.94	20
	2009-10	1700.77	996.18	59
	2010-11	1221.04	265.79	22
53 – Police	2008-09	5344.51	2225.51	42
	2009-10	7521.81	2252.10	30
	2010-11	7426.59	2466.59	33
80-Ministry of Road Transport & Highways	2008-09	13895.76	400.07	03
	2009-10	16153.00	1987.90	12
	2010-11	20418.53	945.36	05
89-Department of Space	2008-09	1784.20	715.71	40
	2009-10	2050.76	764.67	37
	2010-11	2676.88	752.16	28
Capital (Charged)				
35-Transfers to State and UT	2008-09	8029.00	1000.00	12

APPENDIX-III-F

(Refers to paragraph 3.13)

Statement showing persistent savings of ₹100 crore or more under various Grants/ Appropriations

(₹in crore)

Name & No. of Grant	Year	Budget Allocation	Savings during the Year	Percentage of Saving in comparison with Budget Allocation
Governments	2009-10	8825.00	1000.94	11
	2010-11	11413.44	1199.69	11
37-Appropriation-Repayment of Debt	2008-09	2188167.71	23607.19	01
	2009-10	3248205.07	162413.18	05
	2010-11	3398559.15	583785.03	17
Department of Posts- **Capital (Voted)**				
13-Postal Services	2008-09	426.61	182.31	43
	2009-10	388.81	127.19	33
	2010-11	474.55	200.90	42
Railways **Revenue (Voted)**				
14-Approriation to Funds – DRF, DF, PF and CF	2008-09	28386.74	6429.96	23
	2009-10	21417.26	4301.51	20
	2010-11	25283.09	2533.20	10
Capital (Voted)				
16-Assets- Acquisition, Construction and Replacement – Capital	2008-09	34445.85	537.20	02
	2009-10	45101.76	2020.71	04
	2010-11	48528.08	745.58	02
16-Assets- Acquisition, Construction and Replacement – Railway Fund	2008-09	16739.10	1723.38	10
	2009-10	16983.14	2815.59	17
	2010-11	15465.19	856.19	06
16- Assets- Acquisition, Construction and Replacement – Railway Safety Fund	2008-09	1299.91	734.56	57
	2009-10	1456.88	649.98	45
	2010-11	1698.40	596.96	35

APPENDIX-III-G

(Refers to paragraph 3.15)

Cases where the amounts surrendered were more than the savings

(₹ in crore)

Sl. No	Name & No. of Grant/Appropriation	Total Savings	Amount surrendered
Civil Revenue -Voted			
1.	7-Department of Fertilizers	1.59	1.76
2.	8-Department of Pharmaceuticals	83.09	83.31
3.	9-Ministry of Civil Aviation	235.63	235.89
4.	12-Department of Industrial Policy and Promotion	45.28	47.08
5.	31-Ministry of External Affairs	6.32#	135.67
6.	90-Ministry of Statistics & Programme Implementations	308.66	309.94
Revenue-Charged			
7.	34-Appropriation-Interest Payments	6921.19	7783.44
Capital-Charged			
8.	37-Repayment of Debt	583785.03	639012.68
Defence Services Revenue -Voted			
9.	27-Capital Outlay on Defence Services	1235.32 @	26.30

Excess expenditure of ₹ 6.32 crore.

@-Excess expenditure of ₹ 1,235.32 crore.

Appendix-III-H

(Refers to paragraph 3.16)

Cases where major portion of savings were surrendered on 31 March 2011 and the details of amount lapsed

(₹in crore)

Sl. No	Name and No. of Grant/Appropriation	Amount of Saving	Amount Surrendered	Amount Surrendered on 31st March 2011	Percentage of amount surrendered on 31st March in comparison with savings	Amount not surrendered and lapsed
Civil						
Revenue (Voted)						
1.	1-Department of Agriculture & Co-operation	471.03	406.95	406.95	86	64.08
2.	3-Department of Animal Husbandry, Dairying and Fisheries	265.53	194.50	194.50	73	71.03
3.	4-Atomic Energy	257.71	114.17	114.17	44	143.54
4.	6-Department of Chemicals and Petrochemicals	413.75	413.70	413.70	100	0.05
5.	11-Department of Commerce	1388.81	970.21	970.21	70	418.60
6.	14-Department of Telecommunication	298.37	73.46	73.46	25	224.91
7.	15-Department of Information Technology	578.06	444.00	444.00	77	134.06
8.	17 – Department of Food and Public Distribution	281.14	276.69	276.69	98	4.45
9.	20-Ministry of Defence	436.97	75.70	75.70	17	361.27
10.	28-Ministry of Development of North East Region	118.58	112.00	112.00	94	6.58
11.	29-Ministry of Earth Sciences	109.93	84.15	84.15	77	25.78
12.	32 – Department of Economic Affairs	674.55	518.15	518.15	77	156.40
13.	33-Department of Financial Services	1812.23	1810.16	1810.16	100	2.07
14.	35 – Transfers to State and UT Governments	12463.68	12463.66	12463.66	100	0.02
15.	42-Direct taxes	147.02	113.14	113.14	77	33.88
16.	46 – Department of Health and Family Welfare	875.44	419.24	419.24	48	456.20
17.	51-Ministry of Home Affairs	135.18	Nil	Nil	--	135.18
18.	53 – Police	248.67	Nil.	Nil.	--	248.67
19.	55-Transfers to Union Territory Governments	307.80	307.80	307.80	100	--
20.	56- Ministry of Housing and Urban Poverty Alleviation	178.83	130.80	130.80	73	48.03
21.	57 – Department of School Education & Literacy	783.89	725.83	725.83	93	58.06
22.	58 – Department of Higher Education	3216.58	3162.88	3162.88	98	53.70

Appendix-III-H

(Refers to paragraph 3.16)

Cases where major portion of savings were surrendered on 31 March 2011 and the details of amount lapsed

(₹in crore)

Sl. No	Name and No. of Grant/Appropriation	Amount of Saving	Amount Surrendered	Amount Surrendered on 31st March 2011	Percentage of amount surrendered on 31st March in comparison with savings	Amount not surrendered and lapsed
23.	59 -Ministry of Information and Broadcasting	206.06	185.07	185.07	90	20.99
24.	60-Ministry of Labour and Employment	377.43	285.37	285.37	76	92.06
25.	64- Ministry of Micro, Small and Medium Enterprises	110.37	95.04	95.04	86	15.33
26.	66-Ministry of Minority Affairs	594.40	587.71	587.71	99	6.69
27.	73-Ministry of Planning	1585.40	1572.80	1572.80	99	12.60
28.	80- Ministry of Road Transport and Highways	589.81	127.71	127.71	22	462.10
29.	81- Department of Rural Development	17918.55	17906.69	17906.69	100	11.86
30.	87-Ministry of Shipping	489.53	437.75	437.75	89	51.78
31.	88-Ministry of Social Justice and Empowerment	338.88	331.20	331.20	98	7.68
32.	90-Ministry of Statistics and Programme Implementation	308.66	309.94	309.94	100	--
33.	92- Ministry of Textiles	482.83	289.49	289.49	60	193.34
34.	97- Dadra and Nagar Haveli	175.03	175.00	175.00	100	0.03
35.	100-Department of Urban Development	125.67	106.25	106.25	85	19.42
36.	104-Ministry of Women & Child Development	370.56	364.63	364.63	98	5.93
37.	105-Ministry of Youth Affairs and Sports	653.08	610.50	610.50	93	42.58
Revenue – Charged						
38.	34 – Appropriation-Interest Payments	6921.19	7783.44	7783.44	112	--
39.	35-Transfers to State & UT Governments	1124.81	1124.81	1124.81	100	--
Capital – Voted						
40.	4-Atomic Energy	512.07	451.68	451.68	88	60.39
41.	5-Nuclear Power Scheme	1052.15	1051.82	1051.82	100	0.33
42.	14-Department of Telecommunication	1591.83	1588.26	1588.26	100	3.57
43.	29-Ministry of Earth Sciences	155.96	106.40	106.40	68	49.56
44.	32-Department of Economic Affairs	2451.67	0.19	0.19	Nil	2451.48
45.	33-Department of Financial Service	631.49	631.49	631.49	100	--
46.	42-Direct Taxes	106.73	103.84	103.84	97	2.89
47.	43-Indirect Taxes	141.11	139.50	139.50	99	1.61

Appendix-III-H

(Refers to paragraph 3.16)

Cases where major portion of savings were surrendered on 31 March 2011 and the details of amount lapsed

(₹in crore)

Sl. No	Name and No. of Grant/Appropriation	Amount of Saving	Amount Surrendered	Amount Surrendered on 31st March 2011	Percentage of amount surrendered on 31st March in comparison with savings	Amount not surrendered and lapsed
48.	46- Department of Health and Family Welfare	265.79	216.81	216.81	82	48.98
49.	53 -Police	2466.59	2172.67	2172.67	88	293.92
50.	60-Ministry of Labour and Employment	453.67	451.55	451.55	100	2.12
51.	80– Ministry of Road Transport & Highways	945.36	222.73	222.73	24	722.63
52.	105-Ministry of Youth Affairs and Sports	283.24	281.75	281.75	99	1.49
Capital-Charged						
53.	35 – Transfers to State and UT Governments	1199.69	1199.69	1199.69	100	--
54.	37 – Appropriation - Repayment of Debt	583785.03	639012.68	639012.68	109	--
Defence services Revenue(Voted)						
55.	25-Defence Ordnance Factories (Voted)	924.92	608.45	608.45	66	316.47

APPENDIX III-I

(Refers to paragraph 3.19)

Significant cases of major appropriation which were injudicious on account of non-utilisation (Re-appropriation of amount of ₹ five crore and more)

(₹in crore)

Sl. no.	Nam &Number of Grant/Appropriation	Sub-Head	Amount of Re-appropriation to the Sub-head	Final savings under Sub-head after Re-appropriation
Civil				
1.	3-Department of Animal Husbandry, Dairying and Fisheries	2403.00.101.29-National Animal Disease Reporting System (NADRS)	10.74	48.91
2.	4-Atomic Energy	2852.09.202.01-Fuel Fabrication Facilities	10.49	25.46
3.	14-Department of Telecommunications	2071.01.105.02-Family Pensions	17.85	38.32
4.	20-Ministry of Defence	2075.00.108-Canteen Stores Department	10.91	381.73
5.	34-Interest Payments	2049.03.109.10-Special Deposits of Provident Superannuation Gratuity Fund (Charged)	104.01	119.95
6.	37-Repayment of Debt	6001.00.105.07-African Development Bank	14.21	15.21
7.		6001.00.106.24-8% Relief Bonds, 2002	22.61	26.42
8.	46-Department of Health and Family Welfare	2210.06.101.08-National Vector Borne Disease Control Programme	12.23	127.58
9.		2210.06.107.01-Central Research Institute, Kasauli	11.16	26.26
10.		4210.01.110.06-Safdarjung Hospital, New Delhi	9.48	10.44
11.	80-Ministry of Road Transport and Highways	3451.00.090.11- Ministry of Road Transport and Highways	7.51	32.59
12.	92-Ministry of Textiles	2851.00.104.25-Marketing Support and Services	5.50	9.88
Total			**236.70**	**-**

APPENDIX-III-J

(Refers to paragraph 3.20)

Position of Original and Supplementary Grants/Appropriations

(₹ in crore)

Year	Provision	Revenue		Capital					Total
				Voted		Charged			
		Voted	Charged	Capital	Loans & Advances	Public Debt	Capital	Loans & Advances	
2004-05	Original	215854	151300	23148	14669	342119	32	28899	776021
	Supplementary	22539	78	599	1744	180366	1	1041	206368
	Percentage	10	-	3	12	53	3	4	27
2005-06	Original	260249	164936	25972	6302	601477	53	1179	1060168
	Supplementary	34784	612	1101	1643	420204	4	4674	463022
	Percentage	13	-	4	26	70	8	396	44
2006-07	Original	310212	176989	33434	5517	1098308	80	5174	1629714
	Supplementary	90637	5146	8800	577	349582	6	702	455450
	Percentage	29	3	26	10	32	8	14	28
2007-08	Original	360510	195865	75302	4831	1611646	4322	238	2252714
	Supplementary	89998	16937	17730	2744	62573	35	3134	193151
	Percentage	25	9	24	57	4	1	1317	9
2008-09	Original	437377	243991	38329	5019	1745575	38	5073	2475402
	Supplementary	285013	113	10158	4419	442593	7	3162	745465
	Percentage	65	-	27	88	25	18	62	30
2009-10	Original	667430	268467	52991	8667	1880843	42	6642	2885082
	Supplementary	81044	49	17953	2621	1367362	1	2200	1471230
	Percentage	12	-	34	30	73	2	33	51
2010-11	Original	729198	287617	67432	22739	3382665	35	8180	4497866
	Supplementary	135176	131	20496	11023	15895	2	3259	185973
	Percentage	19	-	30	48	-	6	40	4

Appendix III-K

(Refers to paragraph 3.22)

Statement showing unnecessary Supplementary Grant under Minor/sub-heads

(₹ in crore)

Sl. No.	Name & No. of Grant/Appropriation	Minor head/ Sub-head	Budget Provision	Supplementary Obtained	Actual disbursement	Saving	Reasons attributed by the Ministry/Department
Civil							
1.	4-Atomic Energy	2852.09.101.02-Board of Radiation and isotope Technology	40.95	3.41	40.74	3.62	Non receipt of supplies Cobalt-60 as per delivery schedule & economy measures.
2.		3401.00.004.01-Bhabha Atomic Research Centre	625.59	36.32	619.20	42.71	Requirement of less funds towards supplies and materials, non realisation of procurement orders, spill over of payment towards maintenance and spares and economy measures.
3.		3401.00.004.05-Tata Institute of Fundamental Research	423.50	2.30	389.16	36.64	Delay in procurement of items, appointment of consultants and placement of high value purchase orders and non-receipt of sanction for various projects.
4.		3401.00.004.08-Assistance to Universities Research Institutions Societies and Non-Government Institutions	154.00	11.60	131.28	34.32	Delay in finalisation of projects and non release of funds to cancer hospitals on the recommendations of Apex Committee and grants to fellowships & projects.
5.		3401.00.004.19-National Institute of Science, Education & Research	55.00	3.00	23.00	35.00	Delay in finalisation of tender documents for construction work.
6.		3401.00.104.03-Bhabha Atomic Research Centre	111.90	9.57	110.72	10.75	Non-finalisation of consultancy contract for computerization and economy measures.
7.	11-Department of Commerce -do-	3451.00.090.02-Department of Commerce	62.30	3.40	58.39	7.31	Completion of Projects by Tata Consultancy Services Ltd. and non-finalisation of pay fixation cases, etc.
8.		3453.00.102.01-Trade Commissioners	100.60	5.62	98.11	8.11	Non-filling up of vacant posts in Commercial Missions Abroad.
9.	20-Ministry of Defence	2052.00.090.01-Department of Defence	81.05	4.75	78.99	6.80	Non filling up of vacant posts, late receipt of bill from counsellor (Cord) through MEA and non-finalisation of Court/CAT cases.

Appendix III-K

(Refers to paragraph 3.22)

Statement showing unnecessary Supplementary Grant under Minor/sub-heads

(₹ in crore)

Sl. No.	Name & No. of Grant/Appropriation	Minor head/ Sub-head	Budget Provision	Supplementary Obtained	Actual disbursement	Saving	Reasons attributed by the Ministry/Department
10.	31-Ministry of External Affairs	2052.00.090.02-Ministry of External Affairs	234.05	2.04	226.13	9.96	Non filling-up of vacant posts, less local tours, late/non receipt of bills, non-payment of airfreight bills etc.
11.	46-Department of Health & Family Welfare	2210.06.101.08-National Vector Borne Disease Control Programme	388.83	100.02	373.50	115.35	Non-finalisation of procurement of Long Lasting Insecticidal Net.
12.		2211.00.109.07-Procurement of Drugs & Equipments (Other than Vaccines etc.)	200.00	25.00	177.70	47.30	Non-approval of the scheme for procurement of Sanitary Napkins.
13.	52-Cabinet	4055.00.206.03-General	75.00	17.00	13.83	78.17	Non-finalisation for purchase of motor vehicles and machinery equipments for Special Protection Group.
14.	54- Other Expenditure of the Ministry of Home Affairs	2235.60.107.03-Central Government Pension	O 580.00 R 136.20	9.95	710.81	120.86	Less funds for disbursement of Pensions by the Central Pension Accounting Office.
15.		3601.01.146.01-Enhanced Compensation for death, injury, damage to properties damage to uninsured Commercial/Industrial properties in 1984 riots	O 20.00 R 4.90	4.96	24.90	4.96	Non-settlement/finalisation of reimbursement claims received from various States.
16.		4250.00.101.08-National Disaster Response Force	O 100.71	36.73	72.97	64.47	Non-finalisation of some project details and withholding of payment to Common Wealth Games.
17.	94-Ministry of Tribal Affairs	3601.02.104.02-Scheme under Tribal Sub Plan (Charged)	O 960.50 R 35.64	6.87	931.73	35.64	Non-submission of proposals along with Physical financial progress report by some of the States and re-appropriation of funds for creation of Capital Assets.
Defence Services							
18.	27-Capital Outlay on Defence Services	4076.01.050-Land	52.54	300.00	44.72	307.82	No reason given by the Ministry for the saving, since after taking into account re-appropriation of ₹ 333.07 crore, there was an excess of ₹ 25.25 crore.

Appendix III-L

(Refers to paragraph 3.23)

Statement showing persistent savings under a sub-heads

(₹ in crore)

Sl. No.	Sub-Head	Year	Budget Provision	Actual Expenditure	Savings	Percentage of Savings to Budget Provision
Grant No. 32-Department of Economic Affairs						
1.	5475.00.800.12-Assistance for Infrastructure Development	2008-09	92.10	54.07	38.03	41
		2009-10	150.00	45.85	104.15	69
		2010-11	480.26	125.00	355.26	74
Grant No. 35-Transfers to State and Union Territory Governments						
2.	3601.02.101.01-Normal Central Assistance	2008-09	18491.98	15948.17	2543.81	14
		2009-10	19110.61	17442.05	1668.56	09
		2010-11	21728.00	20007.67	1720.33	08
Grant No. 42-Direct Taxes						
3.	4059.01.800.01-Acquisition of Ready build Accommodation	2008-09	198.00	82.88	115.12	46
		2009-10	602.00	7.42	594.58	99
		2010-11	1663.00	1527.23	135.77	08
Grant No. 52- Cabinet						
4.	4055.00.206.03- General	2008-09	68.00	29.31	38.69	57
		2009-10	68.00	38.96	33.04	49
		2010-11	92.00	13.83	78.17	85
Grant No. 56-Ministry of Housing and Urban Poverty Alleviation						
5.	2216.02.190.12 – Scheme for housing the urban poor	2008-09	95.00	--	95.00	100
		2009-10	180.59	0.83	179.76	99
		2010-11	200.00	12.83	187.17	94
Grant No. 59-Ministry of Information and Broadcasting						
6.	2221.80.102.01-Prasar Bharti	2008-09	1345.01	1218.94	126.07	09
		2009-10	355.84	134.85	220.99	62
		2010-11	1757.10	1578.23	178.87	10
Grant No. 80- Ministry of Road Transport and Highways						
7.	3601.02.105.01-Grants for State Roads	2008-09	2105.82	2072.98	32.84	02
		2009-10	1988.55	1340.26	648.29	33
		2010-11	2635.52	2396.57	238.95	09
Grant No. 87– Ministry of Shipping						
8.	2852.06.102.21-Subsidy to non-central PSU Shipyards and Private Sector Shipyards	2008-09	60.00	-	60.00	100
		2009-10	370.53	77.06	293.47	79
		2010-11	588.30	128.19	460.11	78
Grant No. 92-Ministry of Textiles						
9.	2852.08.202.27-Integrated Textile Parks	2008-09	425.00	279.59	145.41	34
		2009-10	377.00	260.80	116.20	31
		2010-11	350.00	158.78	191.22	55

Appendix III-M

(Refers to paragraph 3.24)

Statement showing cases of savings of ₹ 10 crore and above where entire provision remained unspent

(₹in crore)

Sl. No.	Sub-head	Budget provision	Actual Disbursement	Saving
Civil				
Grant No. 6-Department of Chemicals and Petrochemicals				
1.	6857.01.190.03-Hindustan Insecticides Ltd.	20.01	-	20.01
Grant No. 14-Department of Telecommunications				
2.	5275.00.800.02-Under sea Cabling between Land and Andaman & Nicobar	161.84	-	161.84
Grant No. 28-Ministry of Development of North Eastern Region				
3.	3601.05.101.05-North Eastern Road Project	68.00	-	68.00
Grant No. 29-Ministry of Earth Sciences				
4.	5425.00.800.06-National Centre for Medium Range Weather Forecasting	14.00	-	14.00
Grant No. 33-Department of Financial Services				
5.	3465.01.190.01-Assistance to Public Sector Banks	50.00	-	50.00
6.	5465.01.190.23-Acquisition cost of RBI stake in National Housing Bank (NHB)	450.00	-	450.00
Grant No. 46- Department of Health and Family Welfare				
7.	4210.04.200.11-National AIDS Control Programme	25.00	-	25.00
8.	4210.04.200.14- Programme for Blood & Blood Products	10.00	-	10.00
Grant No. 49- Department of Heavy Industry				
9.	2852.06.103.28-Interest subsidy on bank finance to Public Sector Enterprises for implementation of Voluntary Retirement Scheme	15.00	-	15.00
10.	2852.06.103.42- Modernization of Capital Goods Sector	24.00	-	24.00
11.	4858.60.190.11-Investment in HMT Ltd.	10.02	-	10.02
12.	4858.60.190.20- Lump sum provision for Restructuring of PSEs	25.00	-	25.00
13.	6854.60.800.01-Implementation of Revival schemes of PSEs	150.00	-	150.00
14.	6858.60.190.07-Implementation of Voluntary Retirement scheme (VRS) & payment of statutory dues	250.00	-	250.00
Grant No. 57-Department of School Education and Literacy				
15.	2202.02.800.55-Information & Communication Technology in schools	25.65	-	25.65
16.	3601.04.180.01-Vocationalisation of Education	17.30	-	17.30

Appendix III-M

(Refers to paragraph 3.24)

Statement showing cases of savings of ₹ 10 crore and above where entire provision remained unspent

(₹in crore)

Sl. No.	Sub-head	Budget provision	Actual Disbursement	Saving
Grant No. 60—Ministry of Labour and Employment				
17.	6552.00.106.01-Upgradation of 1396 Government I.T.I's through Public Private Partnership	15.00	-	15.00
Grant No. 62-Law & Justice				
18.	4070.00.001.04-Acquisition of Land and Construction of Building for Income Tax Appellate Tribunal	15.00	-	15.00
Grant No. 64-Ministry of Micro, Small and Medium Enterprises				
19.	2851.00.105.06-Khadi Reform Development Package (ADB Assistance)	128.25	-	128.25
Grant No. 66-Ministry of Minority Affairs				
20.	2235.02.200.16-Scheme for Leadership Development of Minority Women	13.30	-	13.30
21.	4552.00.108.03-National Minorities Development and Finance Corporation	11.50	-	11.50
Grant No. 73- Ministry of Planning				
22.	4059.01.051.07-Unique Identification Authority of India	50.00	-	50.00
Grant No. 74-Ministry of Power				
23.	2801.80.800.29-National Electricity Fund (NEF)	227.64	-	227.64
Grant No. 81– Department of Rural Development				
24.	3601.03.456.07-BPL Survey	145.07	-	145.07
Grant No. 88-Ministry of Social Justice and Empowerment				
25.	2235.02.107.07-Assistance to Voluntary Organisations/Panchayati Raj Institutions for construction of old aged homes	10.00	-	10.00
26.	3601.04.362.02-Construction of Old Age Homes	77.50	-	77.50
Grant No. 104- Ministry of Women & Child Development				
27.	2235.02.103.28-National Credit Fund for women	15.00	--	15.00
28.	2235.02.103.55- Relief to and Rehabilitation of Rape Victims	36.00	-	36.00
29.	2235.02.103.61-National Mission for Empowerment of Women	40.00	--	40.00
30.	3601.04.358.01- World Bank ICDS-IV Project	37.98	-	37.98
31.	3601.04.358.02- World Bank ICDS-IV Project-Externally Aided Component	88.00	-	88.00

Appendix III-N

(Refers to paragraph 3.25)

Statement showing cases of unrealistic budgetary assumptions under a sub-head
(Savings of ₹ 100 crore and above constituting more than 10 *per cent* of the budgeted provision)

(₹ in crore)

Sl. No.	Sub-head	Budget provision	Actual Disburse-ment	Savings	Reasons attributed by the Ministry/Department
Grant No. 1-Department of Agricultural and Co-operation					
1.	2401.00.110.05-Payment to GIC/AIC for Implementation of National Agricultural Insurance Scheme (NAIS)	3161.99	2660.00	501.99	Receipt of less claims
2.	2401.00.800.02-Grant to National Agricultural Cooperative Marketing Federation of India Limited for MIS/PSS	425.00	98.00	327.00	Non procurement under PSS owing to prices of commodities ruled above minimum support price.
Grant No. 4-Atomic Energy					
3.	4861.60.190.02-Uranium Corporation of India Limited	203.00	91.69	111.31	Requirement of less funds towards equity investments owing to non-approval of project.
Grant No. 5-Nuclear Power Scheme					
4.	4801.03.190.02-Bharatiya Nabhikiya Vidhyut Nigam Limited	1400.00	315.00	1085.00	Spill over of major activities to 2011-12 in view of technological difficulties encountered during manufacturing and assembly and delay in finalization of orders owing to non-availability of suppliers.
Grant No. 6-Department of Chemicals and Petrochemicals					
5.	2852.05.205.01-Bhopal Gas Leak Disaster (Processing of claims) Act, 1985	673.44	332.81	340.63	Delay in appointment of Welfare Commissioners for disbursement of ex-gratia and non-identification of a number of victims' nominees in 30 *per cent* cases.
Grant No. 7-Department of Fertilisers					
6.	2852.03.101.01-Payment under Fertilizers Retention Price Scheme	15380.00	13640.00	1740.00	Non-receipt of anticipated bills from fertilizer companies.
Grant No. 9-Ministry of Civil Aviation					
7.	3053.80.800.18-Grants-in-aid to AAI for Other Crucial Areas	415.00	171.00	244.00	Late or non approval of various projects including 'GAGAN' and reduction of provision at revised estimates stages.
Grant No. 11-Department of Commerce					
8.	3453.00.194.03-Assistance to Export Promotion and Market Development Organisations	3583.55	2235.50	1348.05	Ineligibility of claims owing to view of clarification by Policy interpretation Committee, Director General of Foreign Trade.
Grant No. 14-Department of Telecommunications					
9.	3451.00.091.03-Centre for Development of Telematics	250.00	63.71	186.29	Non-receipt of approval for Security Research & Monitoring Scheme from Cabinet Committee on Economic Affairs.
10.	5275.00.800.03-OFC based network for Defence Services	1319.66	89.98	1229.68	Non-implementation of Army and Navy segment under OFC scheme.

Appendix III-N

(Refers to paragraph 3.25)

Statement showing cases of unrealistic budgetary assumptions under a sub-head
(Savings of ₹ 100 crore and above constituting more than 10 *per cent* of the budgeted provision)

(₹ in crore)

Sl. No.	Sub-head	Budget provision	Actual Disburse-ment	Savings	Reasons attributed by the Ministry/Department
Grant No. 15-Department of Information Technology					
11.	2852.07.202.60-Electronic Governance	927.00	264.15	662.85	Non-receipt of utilisation certificates and cut imposed on Plan provisions by the Ministry of Finance at RE stage.
Grant No. 17-Department of Food and Public Distributions					
12.	2408.01.800.01-Subsidy for maintenance of Buffer Stocks of Sugar	200.00	88.00	112.00	Receipt of deficient claims, non-receipt of UCs from the Sugar Mills and reduction in estimated cost of buffer stock owing to lower rate of interest.
Grant No. 32-Department of Economic Affairs					
13.	3075.60.101.01-Payment to Railways	2829.88	2013.26	816.62	Revised rate of dividend recommended by the Railways Convention Committee (RCC).
14.	5475.00.800.12-Assistance for Infrastructure Development	480.26	125.00	355.26	Requirement of less funds by the sponsoring authorities.
Grant No. 33-Department of Financial Services					
15.	2885.01.101.06-1% Interest subvention on Housing Loans	700.00	38.54	661.46	Receipt of less claims from the Nodal Agencies.
16.	4416.00.190.03-Contribution of Government's share for recapitalization of Regional Rural Banks having negative networth	350.00	66.49	283.51	Non-release of Central Government share owing to non-release of proportionate share by some State Governments and sponsor Banks to the Regional Rural Banks.
17.	4885.01.190.15-Equity support to India Infrastructure Finance Company Ltd.	500.00	200.00	300.00	Release of equity support being restricted to present authorised capital owing to non-increase to authorised capital of Company.
18.	5465.01.190.30-Recapitalisation of Public Sector Banks through World Bank loan	15000.00	12617.23	2382.77	Transfer of funds to the new plan scheme.
Grant No. 34-Appropriation-Interest Payments					
19.	2049.01.110-Interest on 364 days Treasury Bills (Charged)	3063.00	2627.04	435.96	Lower volume of investment.
20.	2049.01.115-Interest on Ways & Means Advances (Charged)	676.00	131.93	544.07	Improvement in cash position of the Government.
21.	2049.01.116-14 days Treasury bills (Charged)	5107.00	4049.06	1057.94	Shifting of investments from intermediate treasury bills to auction based treasury bills by state governments.
22.	2049.02.216-Interest on Loans from IBRD (Charged)	649.19	313.36	335.83	Exchange rate variation.
23.	2049.02.249-Interest on Loans from Asian Development Bank (Charged)	478.74	235.69	243.05	Exchange rate variation.

Appendix III-N

(Refers to paragraph 3.25)

Statement showing cases of unrealistic budgetary assumptions under a sub-head
(Savings of ₹ 100 crore and above constituting more than 10 *per cent* of the budgeted provision)

(₹ in crore)

Sl. No.	Sub-head	Budget provision	Actual Disburse-ment	Savings	Reasons attributed by the Ministry/Department
24.	2049.03.108.06-Postal Insurance and Life Annuity Fund (Charged)	2050.00	1625.19	424.81	Less deposits
Grant No. 35-Transfer to State and UT Governments					
25.	3601.02.101.36-Jawahar Lal Nehru National Urban Renewal Mission	11619.00	5284.84	6334.16	Short or non-release of matching shares by State Governments, withdrawal of projects and delay in commencement of schemes.
26.	3601.02.797.01-Transfer to National Investment Fund	7732.01	2731.42	5000.59	Shortfall in realization of receipt under the fund.
27.	3601.02.101.26-Accelerated Irrigation Benefit Programme and other Water Resources Programme	11500.00	8757.53	2742.47	Receipt of less proposals from Ministry of Water Resources
Grant No. 46-Department of Health and Family Welfare					
28.	2210.05.105.26-Cancer Research	164.06	43.97	120.09	Change in funding pattern to grantee bodies
29.	2210.06.101.08-National Vector Borne Disease Control Programme	488.85	373.50	115.35	Non-finalisation of the procurement of Long Lasting Insecticidal Net
30.	3601.04.246.01-Supply of RCH Drugs & Equipments	176.01	72.04	103.97	Less cost adjustment of supplies made to States and non-approval of scheme for procurement of Sanitary Napkins.
Grant No. 53-Police					
31.	3601.01.117.03-Special Assistance to States	1370.00	999.06	370.94	Non-finalisation of proposals for procurement of helicopters from MOD, non-receipt of bills of airlifting charges and non-receipt of demands from Punjab Government.
32.	4055.00.203.01-Directorate General of Border Security Force	845.00	663.20	181.80	Due to non-materialisation of proposals and non-supply of stores by the suppliers.
33.	4055.00.214.01-Indo-Bangladesh Border Works	944.74	464.09	480.65	Non-materialisations of proposals and slow progress of work by the executing agencies, non-acquisition of land, etc.
34.	4055.00.216.09-Research	2400.00	939.11	1460.89	Non-materialisation of proposals owing to non-receipt of approval from the competent authority.
Grant No. 54-Other Expenditure of the Ministry of Home Affairs					
35.	2245.80.102.04-National Disaster Management Authority	190.42	43.78	146.64	Non-finalisation of some project details, non-materisalisation of some proposals and procurements, economy measures, non-filling up of vacant posts and non receipt of clearance for minor work proposals from the Ministry.

Appendix III-N

(Refers to paragraph 3.25)

Statement showing cases of unrealistic budgetary assumptions under a sub-head
(Savings of ₹ 100 crore and above constituting more than 10 *per cent* of the budgeted provision)

(₹ in crore)

Sl. No.	Sub-head	Budget provision	Actual Disburse-ment	Savings	Reasons attributed by the Ministry/Department
Grant No. 55-Transfers to Union Territory Governments					
36.	3602.02.101.01-National Capital Territory of Delhi	1233.81	943.48	290.33	Less recommendation of funds for release by the Department of Information Technology & reduction of provision at revised estimates stage.
Grant No. 56-Ministry of Housing and Urban Poverty Alleviation					
37.	2216.02.190.12 – Scheme for housing the urban poor	200.00	12.83	187.17	Receipt of less claim from the primary lending (PLI) agencies.
Grant No. 57-Department of School Education and Literacy					
38.	2202.01.112.10-Cost of Food Grains	300.00	153.73	146.27	Restriction of expenditure from National Investment Fund, less proposal for reimbursement from FCI and non-receipt of verified grain bills from States.
39.	2202.04.200.14-Adult Education and Skill Development Scheme	1050.10	370.68	679.42	Receipt of less proposals from State Governments.
40.	3601.04.188.01-Strengthening of Teachers Training Institutions	428.70	323.56	105.14	Scheme being under revision and transfer of funds to newly created object head 'Creation of Capital Assets'
Grant No. 59-Ministry of Information and Broadcasting					
41.	2221.80.102.01-Prasar Bharti	1757.10	1578.23	178.87	50 *per cent* of the total allocation of Common Wealth Games to Prasar Bharti has been re-allocated under Plan Capital in compliance with decision of CCEA's.
Grant No. 60-Ministry of Labour and Employment					
42.	2230.03.800.13-Skill Development Initiative	137.80	21.68	116.12	Non-filling up of vacant posts and non-completion of work of web portal by consultants.
43.	6250.60.202.01-Upgradation of 1396 Government ITI's through Public Private Partnership	735.00	300.00	435.00	Receipt of less number of complete proposals.
Grant No. 66-Ministry of Minority Affairs					
44.	3601.04.378.04-Multi Sectoral Development Programme for Minorities	1223.20	912.54	310.66	Non-receipt of adequate proposals from State Governments.
Grant No. 73-Ministry of Planning					
45.	3454.02.206.01-Unique Identification Authority of India	1719.50	172.61	1546.89	Non-filling up of vacant posts, delay in setting up of regional offices, holding of less conferences/workshops and non-execution of construction work by CPWD due to non-allotment of land.

Appendix III-N

(Refers to paragraph 3.25)

Statement showing cases of unrealistic budgetary assumptions under a sub-head
(Savings of ₹ 100 crore and above constituting more than 10 *per cent* of the budgeted provision)

(₹ in crore)

Sl. No.	Sub-head	Budget provision	Actual Disburse-ment	Savings	Reasons attributed by the Ministry/Department
Grant No. 74-Ministry of Power					
46.	2801.06.797.01-Transfer to National Investment Fund	5000.00	2000.00	3000.00	Non achievement of target of disinvestment.
47.	4801.02.190.02-National Thermal Power Corporation of India	710.65	105.19	605.46	Requirement of less funds towards disbursement for acquisition of land of coal bearing areas.
48.	6801.00.190.04-Loans to Power Finance Corporation	3230.00	2246.42	983.58	Non-willingness of some states to draw the loan for Part-B owing to availability of cheaper loan from other sources and drawal of 2nd tranche of loan of part-A projects by only few States.
Grant No. 80- Ministry of Road Transport and Highways					
49.	3055.00.004.20-Road Safety	180.00	60.49	119.51	Delay in approval of scheme for setting up Model Drivers Training School, non-finalisation of specification for Road Safety equipments and ambulances.
50.	5054.01.337.03 – Works under BRDB	3005.48	2541.92	463.56	Reduction in targets
Grant No. 88-Ministry of Social Justice and Empowerment					
51.	3601.04.343.07-Pradhan Mantri Adrash Gram Yojana	388.00	97.00	291.00	Non-approval of modification in scheme by Planning Commission
					Grant No. 92-Ministry of Textiles
52.	2851.00.800.40-Development of Mega Clusters	145.00	34.08	110.92	Late implementation of scheme and less receipt of viable proposals from the implementing agencies.
53.	2852.08.202.02-Assistance for Research and Development	234.65	127.74	106.91	Less receipt of demand from the implementing agencies.
54.	2852.08.202.27-Integrated Textile Parks	350.00	158.78	191.22	Non completion of infrastructure of some textile parks.
Grant No. 97-Dadra & Nagar Haveli					
55.	2801.05.800.02-Operation and Maintenance	1353.55	1177.40	176.15	Decrease in purchase cost of power from Central Power Generating Stations.
Grant No. 100-Department of Urban Development					
56.	2217.05.800.23-Urban Infrastructure Development in Satellite/Counter Magnet Cities	200.00	69.99	130.01	Receipt of less demand from the State Governments, Union Territories and implementing agencies.
Grant No. 104-Ministry of Women and Child Development					
57.	3601.04.356.06-Indira Gandhi Matritva Sahyog Yojana (CMB Scheme)	344.00	111.60	232.40	Delay in receipt of approval of scheme from the Planning Commission.

Appendix III-N

(Refers to paragraph 3.25)

Statement showing cases of unrealistic budgetary assumptions under a sub-head
(Savings of ₹ 100 crore and above constituting more than 10 *per cent* of the budgeted provision)

(₹ in crore)

Sl. No.	Sub-head	Budget provision	Actual Disburse-ment	Savings	Reasons attributed by the Ministry/Department
58.	3601.04.358.07-Integrated Child Protection Scheme (ICPS)	240.00	93.37	146.63	Delay in sighing of MOU and non-receipt of detailed proposals from the States.
59.	3601.04.358.08-Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG)	882.00	325.65	556.35	Delay in receipt of proposals from the States owing to late launch of the scheme in November 2010.
Grant No. 105-Ministry of Youth Affairs & Sports					
60.	2204.00.104.42-Commonwealth Games	886.43	419.46	466.97	Receipt of less demand from various federations and non-receipt of details of completed works and final account from CPWD, non release of payment to ECIL pending receipt of clarification from Home Ministry.

Appendix III-O

(Refers to paragraph 3.26)

Statement showing cases of unrealistic budgetary assumptions (Savings of ₹ 50 crore and above, constituting more than 40 *per cent* of the budgeted provision under a Minor/Sub-head)

(₹ in crore)

Sl. No.	Minor/Sub-head	Budget provision	Actual Disbursement	Savings	Percentage of saving to budget provision
Civil					
Grant No. 3 - Department of Animal Husbandry, Dairying & Fisheries					
1.	2403.00.101.06-Foot and Mouth Diseases Control Programme	81.86	28.10	53.76	66
Grant No. 4-Atomic Energy					
2.	5401.00.201.84-Additional BARC Campus	70.00	13.88	56.12	80
Grant No. 6-Department of Chemicals and Petrochemicals					
3.	2852.04.800.01-Central Institute of Plastics Engineering and Technology (CIPET)	153.48	74.55	78.93	51
Grant No. 17- Department of Food & Public Distribution					
4.	2408.01.102.08-Subsidy to State Government and UT Administration for Implementation of a Pilot scheme on introduction of Smart Card based delivery of essential commodities under TPDS	65.18	0.92	64.26	99
5.	2408.01.800.01-Subsidy for Maintenance of Buffer stocks of sugar	200.00	88.00	112.00	56
Grant No. 29-Ministry of Earth Sciences					
6.	5455.00.800.03-Modernisation of IMD	149.00	67.98	81.02	54
Grant No. 32-Department of Economic Affairs					
7.	5466.00.207.04-India's Contribution towards lending Resources of IMF	63.67	2.85	60.82	96
Grant No. 33-Department of Financial Services					
8.	2235.60.102.03-Swavalamaban Scheme to encourage people from unorganized sector to join New Pension System	110.00	53.50	56.50	51
Grant No. 41-Department of Revenue					
9.	2875.01.108.02-Purchase of Opium	246.60	107.56	139.04	56
10.	3601.01.113.05-Grants to States for VAT related Expenditure	375.00	203.99	171.01	46
Grant No. 43- Indirect Taxes					
11.	4047.00.037.03-Preventive and other Functions	121.00	33.20	87.80	73
Grant No. 52-Cabinet					
12.	4055.00.206.03- General	92.00	13.83	78.17	85
Grant No. 53-Police					
13.	4055.00.201.04-Modernisation	77.16	13.48	63.68	83
Grant No. 80– Ministry of Road Transport & Highways					
14.	3054.02.800.02 – Road Work	103.25	47.51	55.74	54

Appendix III-O

(Refers to paragraph 3.26)

Statement showing cases of unrealistic budgetary assumptions (Savings of ₹ 50 crore and above, constituting more than 40 *per cent* of the budgeted provision under a Minor/Sub-head)

(₹in crore)

Sl. No.	Minor/Sub-head	Budget provision	Actual Disbursement	Savings	Percentage of saving to budget provision
Grant No. 81–Department of Rural Development					
15.	2515.00.105.01-Grants to Council for Advancement of Peoples Action & Rural Technology	100.00	50.00	50.00	50
16.	2515.00.800.23-Provision of Urban Amenities in Rural Areas (PURA)	111.20	66.20	45.00	40
Grant No. 83- Department of Drinking Water and Sanitation					
17.	2215.02.105.17-Nirmal Gram Puraskar	100.00	45.87	54.13	54
Grant No. 87– Ministry of Shipping					
18.	2852.06.102.10-Ship Building Subsidy	160.00	70.92	89.08	56
19.	2852.06.102.21-Subsidy to non-central PSU Shipyards and Private Sector Shipyards	588.30	128.19	460.11	78
Grant No. 90-Ministry Statistics and Programme Implementation					
20.	3601.03.432.04-India Statistical Strengthening Project (Modernization of Statistical System in India)	80.00	14.32	65.68	82
Grant No. 92-Ministry of Textiles					
21.	2852.08.202.15-Cotton Technology Mission	141.00	63.85	77.15	55
22.	2852.08.202.35-Human Resource Development Scheme	131.49	41.72	89.77	68
Grant No. 95-Andaman and Nicobar Islands					
23.	2801.04.800.03-Purchase of Power	100.00	18.22	81.78	82
Grant No. 100- Department of Urban Development					
24.	2217.05.191.05-ADB Loan Assistance	87.50	18.36	69.14	79
Grant No. 103- Ministry of Water Resources					
25.	2701.80.004.08-Hydrology Project	53.00	27.22	25.78	49
Grant No. 105-Ministry of Youth Affairs and Sports					
26.	2204.00.104.45-Assistance to Promotion of Sports Excellence	161.00	91.16	69.84	43
27.	3601.03.168.05-Urban Sports Infrastructure (erstwhile NYKKA)	73.00	12.50	60.50	83
Defence Services **27-Capital Outlay on Defence Services**					
28.	4076.01.050-Land	352.54	44.72	307.82	87
29.	4076.01.107-Ex-Servicemen Contributory Health Scheme	37.00	2.82	34.18	92
30.	476.01.112-Rashtriya Rifles	91.41	4.24	87.17	95
31.	4076.01.113-National Cadet Corps	28.79	3.12	25.67	89
32.	4076.02.050-Land (Charged)	0.58	0.19	0.39	67
33.	4076.02.050-Land (Voted)	22.78	5.85	16.93	74
34.	4076.02.104-Joint Staff	798.70	389.11	409.59	51

Appendix-V-A

(Refer to paragraph 5.5)

Savings of ₹ 100 crore and above (constituting more than 10 *per cent* of the budgeted provision) in Grant No. 35-Transfers to State & Union Territory Governments

(₹ in crore)

Year	Sub-head	Budget Provision	Actual Expenditure	Saving (percentage)	Reasons for Savings
2008-09	3601.01.104.08-Grant-in-aid for Health Sector	1569.58	774.64	794.94 (51)	Non-fulfillment of conditions by some State Governments.
	3601.01.104.10-Grant-in-aid for Maintenance of Public Buildings	1692.76	873.95	818.81 (48)	-do-
	3601.01.104.13-Grant-in-aid for States specific Needs	2679.03	1499.25	1179.78 (44)	-do-
	3601.02.101.24-Nutrition Programme for Adolescent Girls (NPAG)	162.77	23.32	139.45 (86)	Receipts of less proposals from Planning Commission/Concerned Ministries.
2009-10	3601.01.104.10-Grant-in-aid for Maintenance of Public Buildings	2047.00	994.43	1052.57 (51)	Non-fulfillment of conditions by some State Government.
	3601.02.101.19–Accelerated Power Development Programme (APDRP)	350.00	156.06	193.94 (55)	Requirement of less funds owing to shifting of the Scheme from State Plan to Central Plan
	3601.02.101.24-Nutrition Programme for Adolescent Girls (NPAG)	162.77	49.55	113.22 (70)	Receipts of less proposals from Ministry of Women and Child Development.
	3601.02.101.36–JawaharLal Nehru National Urban Renewal Mission	11618.62	6124.02	5494.60 (47)	Receipts of less/incomplete proposals from the concerned Ministries.
	3601.02.101.42–Additional Central Assistance for Accelerated Programme of Restoration and Regeneration of Forest Cover	500.00	81.66	418.34 (84)	Shifting of the Scheme from State Plan to Central Plan.
2010-11	3601.02.101.36–JawaharLal Nehru National Urban Renewal Mission	11619.00	5284.84	6334.16 (55)	Short or non-release of matching share by State governments withdrawal of Project and delay in commencement of scheme.
	3601.01.104.18-Grants-in-aid for Governance- (Charged)	1791.20	1368.94	422.26 (24)	Non-fulfillment of conditions in the guidelines for release and utilisation of grant for incentive for issuing Unique Identifications recommended by Thirteenth Finance Commission by some State Governments.
	3601.02.101.21-National Social Assistance Programme including Annapurna	5710.00	5110.00	600.00 (11)	Receipt of less proposals from Ministry of Rural Development.

Appendix-V-A

(Refer to paragraph 5.5)

Savings of ₹ 100 crore and above (constituting more than 10 *per cent* of the budgeted provision) in Grant No. 35-Transfers to State & Union Territory Governments

(₹ in crore)

Year	Sub-head	Budget Provision	Actual Expenditure	Saving (percentage)	Reasons for Savings
	3601.02.101.26-Accelerated Irrigation Benefit Programme and other Water Resources Programme	11500.00	8757.53	2742.47 (24)	Receipt of less proposals from Ministry of Water Resources
	3601.01.104.15-Grants-in-aid for National Disaster Response Force	250.00	-	250.00 (100)	Non-Operationalisation of recommendations of Thirteenth Finance Commission

Appendix-V-B

(Refer to paragraph 5.15)

Persistent savings in the Department of Higher Education

(₹ in crore)

Sub-head (Name of the scheme)	Year	Available Provision	Actual Expenditure	Savings
2251.00.090.17- Department of Higher Education	2009-10	76.25	60.09	16.16
	2010-11	75.90	57.65	18.25
2202.80.107.18-Scholarship for College and University student	2008-09	45.00	30.40	14.60
	2009-10	99.00	58.85	40.15
2202.80.800.40-National Mission in Education through ICT	2008-09	451.80	361.03	90.77
	2009-10	810.00	270.88	539.12
	2010-11	810.00	459.96	350.04
2203.00.105.13-Upgradation of existing/setting up of new Polytechnics	2009-10	45.00	16.30	28.70
	2010-11	220.00	37.40	182.60
2203.00.112.38-Setting up of New Indian Institute of Information Technology	2008-09	21.40	-	21.40
	2009-10	54.00	-	54.00
	2010-11	14.00	-	14.00
2203.00.105.04-Grants for Quality Improvement Programme - Community Development through Polytechnics	2008-09	17.54	0.85	16.69
	2009-10	141.30	48.14	93.16
	2010-11	144.00	30.57	113.43

Appendix-V-C

(Refer to paragraph 5.16)

Unrealistic budgetary assumptions in the Department of Higher Education

(₹ in crore)

Sl. No.	Sub-head (Name of Scheme)	Budget Provision	Actual Expenditure	Savings	Percentage of Savings as compared to Budget Provision	Reasons Attributed by the Department
2009-10						
1.	2202.80.107.18-Scholarship for College and University Students	99.00	58.85	40.15	41	Receipt of less number of proposals from State/Union Territory Governments.
2.	2203.00.105.04- Grants for Quality Improvement Programme-Community Polytechnics	141.30	48.14	93.16	66	Receipt of less number of proposals from the State Governments and existing polytechnics.
3.	2203.00.105.14-Women's Hostel in Polytechnics	90.00	41.80	48.20	54	Receipt of less number of proposals from the State Governments and women hostels in polytechnics.
4.	2202.80.800.40-National Mission in Education through ICT	810.00	270.88	539.12	67	Slow pace of implementation of the scheme owing to release of funds only
5.	2203.00.112.48-Setting up of New Indian Institutes of Technology	400.00	248.50	151.50	38	Non-finalisation of transfer of land for permanent campus to IITs in five cases.
2010-11						
6.	2202.03.800.15-Education Loan Interest Subsidy	500.00	203.28	296.72	59	Receipt of less proposals and scheme being at initial stage of implementation.
7.	2202.80.800.40-National Mission in Education through ICT	810.00	459.96	350.04	43	Slow pace of implementation of scheme owing to release of funds only for pilot projects.
8.	2203.00.105.04-Grants for Quality Improvement Programme-Community Polytechnics	144.00	30.57	113.43	79	Reduction in amount of grant to beneficiary and receipt of less number of proposals from existing/new Polytechnics
9.	2203.00.105.13-Upgradation of existing/setting up of new polytechnics	220.00	37.40	182.60	83	-do-
10.	2203.00.112.48-Setting up of new Indian Institutes of Technology	400.00	250.00	150.00	38	Slow pace of expenditure and reduction of Plan provision.
11.	2203.00.112.52-Technical Education Quality Improvement Project of Government of India (EAP)	219.98	5.00	214.98	98	Non-finalisation of selection of participating institutions
12.	3601.01.166.01-Improvement in the Pay scale of University and College Teachers	2250.01	5.85	2244.16	100	Receipt of less reimbursement proposals from the state Governments

Appendix-V-D

(Refer to paragraph 5.17)

Non-Utilisation of entire provisions in the Department of Higher Education

(₹ in crore)

Sl. No.	Sub-head	Budget Provisions	Savings	Reasons Attributed by the Department
2008-09				
1.	2203.00.112.28-Support to Distance Education and web-based Learning	20.00	20.00	Non-finalisation of Scheme
2009-10				
2.	2203.00.112.38-Setting up of New Indian Institutes of Information Technology	54.00	54.00	Non-finalisation of Scheme
3.	3601.01.166.01-Improvement in the Pay Scales of University and College Teachers	250.01	250.01	Non-finalisation of proposals received from State Government.
2010-11				
4.	2202.03.800.16-Establishment of Tribunals Accreditation Authority, NCHER and National Finance Corporation	40.00	40.00	Non-finalisation of Scheme
5.	2203.00.112.38-Setting up of New Indian Institutes of Information Technology	14.00	14.00	-do-
6.	2203.00.112.50- Setting up of Indian Institute of Engineering, Science and Technology (IIEST)	15.00	15.00	-do-

Appendix-V-E

(Refer to paragraph 5.18)

Outstanding Utilisation Certificates in the Department of Higher Education

(₹ in crore)

Year	No. of UCs due	Amount of UCs due	No. of UCs received	Amount of UCs received	No. of Outstanding UCs	Outstanding Amount
1977-78	178	235.75	177	232.25	1	3.50
1978-79	329	649.03	306	619.768	23	29.26
1979-80	177	354.76	161	336.44	16	18.32
1980-81	184	450.53	175	433.33	9	17.20
1981-82	191	569.186	180	548.08	11	21.10
1982-83	303	836.26	271	768.61	32	67.66
1983-84	321	824.94	302	788.63	19	36.31
1984-85	408	1440.06	393	1411.51	15	28.56
1985-86	850	27381.224	773	26999.20	77	382.02
1986-87	467	2518.12	441	2423.16	26	94.96
1987-88	1211	11803.30	1120	11311.79	91	491.51
1988-89	1385	21806.25	1309	21446.89	76	359.36
1989-90	1188	20802.32	1113	20287.09	75	515.23
1990-91	349	2026.19	337	2014.44	12	11.75
1991-92	948	55674.34	908	55376.37	40	297.96
1992-93	1213	43192.44	1168	42765.28	45	427.15
1993-94	1704	91816.263	1647	91262.94	57	553.33
1994-95	884	52638.57	867	52516.24	17	122.33
1995-96	952	96444.93	932	96264.34	20	180.59
1996-97	1075	183969.54	1055	183698.78	20	270.76
1997-98	1178	249134.58	1149	248797.31	29	337.27
1998-99	1165	262789.44	1133	262619.45	32	169.99
1999-2000	1934	356298.75	1844	355916.69	90	382.05
2000-01	1676	359792.34	1594	359141.32	82	651.02
2001-02	1786	407997.96	1700	407256.37	86	741.59
2002-03	1778	368720.18	1618	367092.85	160	1627.33
2003-04	1901	450355.02	1762	448302.32	139	2052.71
2004-05	2244	495161.48	2096	491005.80	148	4155.68
2005-06	1353	553706.49	1136	552374.88	217	1331.61
2006-07	944	650551.15	874	644168.20	70	6382.95
2007-08	696	607999.71	661	606537.81	35	1461.89
2008-09	971	1081784.96	869	1030091.56	102	51693.40
2009-10	444	968207.34	294	851415.17	150	116792.17
Total	**32387**	**7427933.40**	**30365**	**7236224.88**	**2022**	**191708.52**

Appendix-V-F

(Refer to paragraph 5.19)

Unnecessary Supplementary Grants in the Department of Higher Education

(₹ in crore)

Sl. No.	Sub-head	Original Grant	Supplementary Grant obtained	Actual Expenditure	Savings
2010-11					
1.	3601.01.166.01- Improvement of pay scale of University and College Teachers	250.01	2000.00	5.85	2244.16
2008-09					
2.	2203.00.102.02-Grants to Indian Institute of Science Bangalore	221.00	12.67	208.97	24.70
3.	2203.00.112.16-National Institute of Industrial Engineering Mumbai	51.00	3.24	47.90	6.34
4.	2203.00.112.18-School of Planning and Architecture	27.00	1.94	16.05	12.89
5.	2203.00.112.19-Sant Longowal Institute of Engineering and Technology	32.00	2.75	27.63	7.12

Appendix-V-G

(Refer to paragraph 5.28)

Savings of ₹ 100 crore or more under a sub-head in the Ministry of Power

(₹ in crore)

Sl. No.	Sub-Head	Year	Budget Provision	Actual Expenditure	Savings	Remarks
1.	2801.02.102.02-Operation & Maintenance	2008-09	320.76	99.88	220.88	Non reconciliation of the outstanding liabilities between Badarpur Thermal Power Station and the concerned parties.
		2009-10	149.59	26.57	123.02	-do-
2.	4801.01.190.03-Tehri Hydro Development Corporation	2008-09	111.00	Nil	111.00	Deployment of internal resources
3.	2801.06.800.03-Rural Electrification Corporation for Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY)	2009-10	6300.00	5000.00	1300.00	Slow progress of the scheme.
4.	6801.00.190.04-Loans to Power Finance Corporation	2009-10	1477.00	1331.46	145.54	Slow progress of the scheme
		2010-11	3230.00	2246.42	983.58	Non-willingness of some states to draw the loans for Part-B
5.	2801.06.797.01-Transfer to National Investment Fund	2010-11	5000.00	2000.00	3000.00	Due to non achievement of target of disinvestment
6.	2801.80.800.29-National Electricity Fund	2010-11	227.64	Nil	227.64	Non approval of the scheme by the competent authority.
7.	4801.02.190.02-National Thermal Power Corporation of India	2010-11	710.65	105.19	605.46	Requirement of less funds towards disbursement for acquisition of land of coal bearing areas

Appendix-V-H
(Refer to paragraph 5.29)
Persistent savings in the Ministry of Power

(₹in crore)

Sl. No.	Sub-head	Year	Budget Provision	Actual Expenditure	Savings	Reasons
1.	2801.02.102.02-Operation & Maintenance	2008-09	320.76	99.88	220.88	Non reconciliation of the outstanding liabilities between Badarpur Thermal Power Station and the concerned parties.
		2009-10	149.59	26.57	123.02	-do-
		2010-11	24.80	5.54	19.26	Requirement of less funds for diverted wagons to Railways and reconciliation of the outstanding liabilities between Badarpur Thermal Power Station and Railways.
2.	2801.80.004.02-Central Power Research Institute	2008-09	59.29	29.11	30.18	Non-approval of new schemes.
		2009-10	55.00	41.50	13.50	-do-
		2010-11	78.19	61.51	16.68	Non-finalization of the proposal of participation in the National High Power Test Laboratory Limited for implementation of online test facilities of transformers.
3.	2801.80.800.15-Bureau of Energy Efficiency	2008-09	90.31	61.30	29.01	Non-approval of scheme by the competent authority.
		2009-10	82.00	57.84	24.16	Alteration in methodology of Bachat Lamp Yojana
4.	2801.80.800.27-Energy Conservation	2009-10	56.00	18.00	38.00	Reduction of provision at revised estimate stage owing to decision of providing funds for energy conservation mission during 2010-11 and 2011-12 by Expenditure Finance Committee.
		2010-11	143.94	127.24	16.70	Pending certain clearance of the project NMEEE.
5.	6801.00.190.04-Loans to Power Finance Corporation	2009-10	1477.00	1331.46	145.54	Slow progress of the scheme owing to stringent condition of conversion of loan into grant, lack of competency of distribution utilities in SCADA implementation and delayed submission of detailed project reports for approval of steering committee.

Appendix-V-H

(Refer to paragraph 5.29)

Persistent savings in the Ministry of Power

(₹ in crore)

Sl. No.	Sub-head	Year	Budget Provision	Actual Expenditure	Savings	Reasons
		2010-11	3230.00	2246.42	983.58	Non-willingness of some States to draw the loans for Part-B owing to availability of cheaper loan from other sources and drawal of 2nd tranche of loan of Part-A projects by few States.

Appendix-V-I

(Refer to paragraph 5.36)

Savings of ₹100 crore or more in a sub-head in the Department of Rural Development

(₹in crore)

Sl. No.	Sub-head	Budget Provision	Actual Disbursement	Savings	Reasons stated by the Department
2009-10					
1.	2505.02.101.02-Assistance to District Rural Development agencies/ District Programme coordinators and others	37778.63	33506.61	4272.02	Availability of unspent balances of previous years with the State Governments.
2.	2505.02.101.09-Capacity Building & Technical Support	1300.00	8.36	1291.64	Less receipt of proposal from State Government towards capacity buildings and technical support and non finalization of EFC memo during the year.
3.	3054.04.338.07-EAP Component	1350.00	810.00	540.00	Collection of less diesel cess and reduction of provision at revised estimates stage.
2010-11					
4.	2505.02.101.02-Assistance to District Rural Development Agencies/ District Programme Coordinators and others	39981.35	35793.00	4188.35	Non receipt of adequate number of proposals from the State Governments owing to availability of unspent balances.

Appendix-V-J

(Refer to paragraph 5.37)

Unrealistic budgeting in the Department of Rural Development

(₹ in crore)

Sub-Head	Budget Provisions	Actual Expenditure	Savings	Percentage of Saving
2008-09				
2515.00.800.23- Provision for urban amenities in Rural Areas (PURA)	27.00	0.01	26.99	100
2501.06.101.13 -Marketing	20.00	8.00	12.00	60
2009-10				
2505.02.101.09 -Capacity Building & Technical Support	1300.00	8.36	1291.64	99
2515.00.800.23 -Provision of Urban Amenities in Rural Areas (PURA)	27.00	-	27.00	100
3054.04.338.07- EAP Component	1350.00	810.00	540.00	40
2010-11				
3601.03.456.07 -BPL Survey	145.07	-	145.07	100
2505.02.101.09 -Capacity Building and Technical Support	100.00	30.16	69.84	70
2515.00.105.01 -Grants to Council for Advancement of People's Action and Rural Technology	100.00	50.00	50.00	50
2515.00.800.23 -Provision for Urban Amenities in Rural Areas (PURA)	111.20	66.20	45.00	40

Appendix-V-K

(Refer to paragraph 5.38)

Non-utilisation of entire funds in the Department of Rural Development

(₹ in crore)

Sl. No.	Sub-head	Budget Provision	Actual Expenditure	Savings	Reasons stated by the Department
2008-09					
1.	2515.00.800.23 - Provision for urban amenities in Rural Areas (PURA)	27.00	0.01	26.99	Non receipt of approval of scheme from Expenditure Finance Committee/ Cabinet.
2009-10					
2.	2515.00.800.23- Provision for Urban Amenities in Rural Areas (PURA)	27.00	-	27.00	Entire provision remained unutilized due to non receipt of approval from Expenditure Finance Committee/Cabinet.
2010-11					
3.	3601.03.456.07- BPL Survey	145.07	-	145.07	Entire provision remained unutilized due to non finalization of modalities for implementation of the programme.
4.	4515.00.103.06- Swaranjayanti Gram Swarozgar Yojana	7.82	-	7.82	Entire provision remained unutilized due to non commencement of construction work.

Appendix-V-L

(Refer to paragraph 5.41)

Outstanding utilisation certificates in the Department of Rural Development

(₹in crore)

Sl. No.	Year	No. of UCs due	Amount of UCs due	No. of UCs received	Amount of UCs received	UCs outstanding	Amount of outstanding UCs
1.	2000-01	1	0.40	-	-	1	0.40
2.	2001-02	3	0.47	-	-	3	0.47
3.	2002-03	7	0.66	-	-	7	0.66
4.	2003-04	12	1.24	-	-	12	1.24
5.	2004-05	6	0.52	-	-	6	0.52
6.	2005-06	18	2.22	-	-	18	2.22
7.	2006-07	16	12.94	-	-	16	12.94
8.	2007-08	133	188.75	63	33.52	70	155.23
9.	2008-09	759	1695.20	582	1107.10	177	588.10
10.	2009-10	2565	81790.93	1527	76913.91	1038	4877.02
Total		**3520**	**83693.33**	**2172**	**78054.53**	**1348**	**5638.80**

Appendix-V-M

(Refer to paragraph 5.45)

Re-appropriation exceeding ₹ five crore not reported to Parliament in the Department of Space

(₹ in crore)

Sl. No.	Sub-head	Budget Provision	Amount Re-appropriated
2008-09			
1.	3402.00.101.01 – Vikram Sarabhai Space Centre	294.99	64.89
2	3402.00.101.10 – ISRO Satellite Centre	170.86	69.06
3.	3402.00.101.25 – Satish Dhawan Space Centre – SHAR	166.53	37.36
4.	3402.00.101.26 - ISRO Telemetry, Tracking and Command Network	56.19	5.70
5.	3402.00.102.01 – Space Applications Centre	142.13	22.44
6.	3402.00.102.11 – National Remote Sensing Centre	30.00	25.66
7.	3402.00.103.01 – Physical Research Laboratory	51.44	9.14
8.	5252.00.203.02 – INSAT 3 Satellites	7.00	7.97
9.	5402.00.101.04- GSLV Mk III Development	103.00	5.44
10.	5402.00.101.17 – Satish Dhawan Space Centre – SHAR	79.44	40.12
11.	5402.00.101.18 – ISRO Telemetry, Tracking and Command Network	14.09	6.60
			7.51
12.	5402.00.102.07 – National Remote Sensing Centre	5.00	13.66
13.	5402.00.103.03 – Indian Lunar Mission-Chandrayaan 1 & 2	74.15	44.80
2009-10			
14.	3402.00.101.25 – Satish Dhawan Space Centre – SHAR	221.28	18.68
15.	3402.00.101.33 – GSLV Operational project	257.71	5.45
16.	3402.00.103.12 – Atmospheric Science Programme	20.96	7.84
17.	3402.00.001.01 – Indian Space Research Organisation Hqrs.	51.28	6.84

Appendix-V-M
(Refer to paragraph 5.45)
Re-appropriation exceeding ₹ five crore not reported to Parliament in the Department of Space

(₹ in crore)

Sl. No.	Sub-head	Budget Provision	Amount Re-appropriated
18.	3402.00.101.01 – Vikram Sarabhai Space Centre	446.92	18.91
19.	3402.00.101.09 – Liquid Propulsion Systems Centre	234.60	12.77
20.	3402.00.101.10 – ISRO Satellite Centre	259.39	11.74
21.	3402.00.102.01 - Space Applications Centre	191.97	17.32
22.	3402.00.102.11 – National Remote Sensing Centre	104.23	17.76
23.	5252.00.203.02 – INSAT 3 Satellites	6.94	9.75
24.	5402.00.101.01 Vikram Sarabhai Space Centre	157.75	16.38
25.	5402.00.101.08 – ISRO Satellite Centre	45.13	10.30
26.	5402.00.101.31 – Navigational Satellite System	248.04	14.25
27.	5402.00.101.33 – Advanced Communication Satellite	4.00	6.25
28.	5402.00.102.01 – Space Application Centre	51.67	94.36..
29.	5402.00.102.04 – Regional Remote Sensing Satellite Service Centres	11.06	7.06
30.	5402.00.800.01 – Central Management	12.60	8.28
2010-11			
31.	3252.00.053.06 – INSAT 4/ GSAT satellite	59.04	29.46
32.	3402.00.101.01 – Vikram Sarabhai Space Centre	426.91	28.33
33.	3402.00.101.09 – Liquid Propulsion Systems Centre	221.09	9.38
34.	3402.00.101.10 – ISRO Satellite Centre	250.43	11.18
35.	3402.00.101.25 – Satish Dhawan Space Centre – SHAR	191.54	35.40
36.	3402.00.101.26 – ISRO Telemetry, Tracking and Command Network	64.59	5.92

Appendix-V-M

(Refer to paragraph 5.45)

Re-appropriation exceeding ₹ five crore not reported to Parliament in the Department of Space

(₹ in crore)

Sl. No.	Sub-head	Budget Provision	Amount Re-appropriated
37.	3402.00.102.01 – Space Application Centre	200.82	16.62
38.	3402.00.102.11 – National Remote Sensing Centre	125.18	5.66
39.	5252.00.203.04 – INSAT 4/ GSAT Launch Services	255.20	146.13
40.	5402.00.101.17 Satish Dhawan Space Centre – SHAR	188.83	8.28
41.	5402.00.101.30 – OCEANSAT 2 & 3	1.10	5.85
42.	5402.00.101.31 – Navigational Satellite System	227.71	79.83
43.	5402.00.102.01 – Space Application Centre	84.13	5.87
44.	5402.00.800.02 – Special Indigenisation/ Advance Ordering	200.00	260.00

Appendix-V-N

(Refer to paragraph 5.47)

Savings of ₹ 100 crore or more under a sub-head in the Department of Space

(₹ in crore)

Sl. No.	Sub-head	Budget Provision	Actual Disburse-ment	Savings	Reasons attributed by the Ministry/ Department
2008-09					
1.	5402.00.800.02– Special Indigenisation/Advance ordering	330.00	50.00	280.00	Phasing out of expenditure on up-gradation of VLSI fabrication facilities for development of semi-conductor devices units in SCL, Chandigarh based on actual progress.
2009-10					
2.	5252.00.203.03– INSAT 4 Satellite	282.04	154.04	128.00	Phasing out of payments on procurement of components/ material for GSAT 10 & GSAT 12 based on progress status.
3.	5402.00.101.35– Manned Mission Initiative/Human Space programme	210.00	5.98	204.02	Non-approval of the programme by the Government.
4.	5402.00.101.37 – Semi-cryogenic Engine Development	140.00	18.55	121.45	Delay in finalisation of estimate in respect of construction of building for fueldraulic lab at VSSC, Thiruvananthapuram.
5.	5402.00.800.02– Special Indigenisation/ Advanced ordering	201.00	60.00	141.00	Phasing out expenditure on up-gradation of VLSI facility based on the actual progress.
2010-11					
6.	3402.00.101.44 - IIST	140.00	10.00	130.00	Phasing out of expenditure on construction of few academic blocks of IIST to the next financial year.
7.	5252.00.203.03 – INSAT4/ GSAT satellites	259.06	131.50	127.56	Phasing out of payments on procurement of components/ material for GSAT 9, GSAT 10 & GSAT 12 projects based on progress status.

Appendix-V-N

(Refer to paragraph 5.47)

Savings of ₹ 100 crore or more under a sub-head in the Department of Space

(₹ in crore)

Sl. No.	Sub-head	Budget Provision	Actual Disburse-ment	Savings	Reasons attributed by the Ministry/ Department
8.	5402.00.101.31– Navigation Satellite Systems	227.71	125.99	101.72	Phasing out of expenditure on spacecraft and payload sub-system material/ component and phasing out expenditure on IRNSS Ground segment equipment/ facilities based on procurement status.
9.	5402.00.101.37-Semi-Cryogenic Engine Development	208.18	1.15	207.03	Phasing out of expenditure on Semi-cryo test facilities based on procurement status.

Appendix-V-O
(Refer to paragraph 5.48)
Statement showing cases of unrealistic budgetary assumptions in the Department of Space
(Savings of ₹ 50 crore and above, constituting more than 40 *per cent* of the budgeted provision)

(₹ in crore)

Sl. No.	Sub-head	Budget Provision	Actual Disbursement	Savings	Percentage of Savings to Budget Provision
2008-09					
1.	3252.00.053.06-INSAT-4 Satellite	95.00	23.53	71.47	75
2.	3402.00.101.43-Manned Mission Initiatives/Human Space Flight Programme	100.00	29.92	70.08	70
3.	5402.00.800.02-Special Indigenisation/Advanced Ordering	330.00	50.00	280.00	85
2009-10					
4.	5252.00.203.03-INSAT-4 Satellites	282.04	154.04	128.00	45
5.	5402.00.101.35-Manned Mission initiatives/Human Space Flight Programme	210.00	5.98	204.02	97
6.	5402.00.103.03-Indian Lunar Mission – Chandrayanna-1&2	84.62	14.74	69.88	83
7.	5402.00.800.02- Special Indigenisation/Advance Ordering	201.00	60.00	141.00	70
2010-11					
8.	3402.00.101.43 -Manned Mission Initiative/ Human Space Flight Programme	100.00	12.90	87.10	87
9.	3402.00.101.44– IIST	140.00	10.00	130.00	93
10.	3402.00.102.02- DECU	81.59	21.11	60.48	74
11.	5252.00.203.02- INSAT -3 satellites	76.80	16.77	60.03	78
12.	5402.00.101.31- Navigation satellite system	227.71	125.99	101.72	45
13.	5402.00.101.33- Advanced Communication satellite	117.00	18.41	98.59	84
14.	5402.00.101.37- Semi-Cryogenic Engine Development	208.18	1.15	207.03	99
15.	5402.00.103.03- Indian Lunar Mission Chandrayaan 1&2	95.37	22.73	72.64	76

Appendix-V-P
(Refer to paragraph 5.49)
Persistent savings in the Department of Space

(₹ in crore)

Sl. No	Sub-head	Year	Budget Provisions	Actual Disbursements	Savings
1.	3252.00.053.06-INSAT-4 Satellites	2008-09	95.00	23.53	71.47
		2009-10	40.96	27.99	12.97
2.	3402.00.101.06- GSLV Mk-III Development	2008-09	167.00	154.97	12.03
		2009-10	135.86	121.97	13.89
		2010-11	101.96	82.56	19.40
3.	3402.00.101.43–Manned Mission Initiative/ Human Space Flight Programme	2008-09	100.00	29.92	70.08
		2010-11	100.00	12.90	87.10
4.	3402.00.101.44 – IIST	2009-10	175.00	145.00	30.00
		2010-11	140.00	130.00	10.00
5.	3402.00.101.45-Semi Cryogenic Engine Development	2008-09	15.00	4.27	10.73
		2010-11	41.82	9.30	32.52
6.	3402.00.102.02 - DECU	2009-10	56.88	20.77	36.11
		2010-11	81.59	21.11	60.48
7.	3402.00.102.10–Disaster Management Support	2008-09	50.00	12.23	37.77
		2009-10	30.00	7.20	22.80
		2010-11	31.07	17.26	13.81
8.	5252.00.203.03-INSAT-4 Satellites	2008-09	200.00	141.43	58.57
		2009-10	282.04	154.04	128.00
		2010-11	259.06	131.50	127.56
9.	5252.00.203.04-INSAT-4 Launch Services	2008-09	60.00	--	60.00
		2009-10	50.00	--	50.00
10.	5252.00.204.01- INSAT MCF	2008-09	29.59	18.88	10.71
		2009-10	35.18	17.93	17.25
		2010-11	16.98	6.63	10.35
11.	5402.00.101.01- VSSC	2008-09	173.50	146.36	27.14
		2010-11	154.43	124.65	29.78
12.	5402.00.101.04-GSLV Mk III	2008-09	103.00	64.99	38.01
		2009-10	81.14	56.23	24.91
13.	5402.00.101.07- LPSC	2008-09	33.96	10.08	23.88
		2009-10	49.10	25.11	23.99
		2010-11	75.67	34.62	41.05
14.	5402.00.101.08- ISAC	2008-09	69.46	29.93	39.53

Sl. No	Sub-head	Year	Budget Provisions	Actual Disbursements	Savings
		2010-11	169.47	126.15	43.32
15.	5402.00.101.31-Navigation Satellite System	2008-09	252.00	152.20	99.80
		2009-10	248.04	201.49	46.55
		2010-11	227.71	125.99	101.72
16.	5402.00.101.35-Manned Mission Initiative/Human Space Flight Programme	2008-09	25.00	4.90	20.10
		2009-10	210.00	5.98	204.02
		2010-11	50.00	6.37	43.63
17.	5402.00.101.37–Semi Cryogenic Engine Development	2009-10	140.00	18.55	121.45
		2010-11	208.18	1.15	207.03
18.	5402.00.101.38–Earth Observation New Mission	2008-09	45.00	0	45.00
		2010-11	34.00	0	34.00
19.	5402.00.102.01- SAC	2008-09	52.19	25.77	26.42
		2010-11	84.13	61.62	22.51
20.	5402.00.102.07 - NRSC	2009-10	36.83	24.83	12.00
		2010-11	98.31	68.84	29.47
21.	5402.00.103.03-Chandrayaan- 1 & 2	2009-10	84.62	14.74	69.88
		2010-11	95.37	22.73	72.64
22.	5402.00.800.02–Special Indigenisation & Advanced Ordering	2008-09	330.00	50.00	280.00
		2009-10	201.00	60.00	141.00

Appendix-V-Q

(Refer to paragraph 5.50)

Savings of entire provision in the Department of Space

(₹in crore)

Sl. No.	Head of Account	Budget Provision	Actual Expendi-ture	Savings	Reasons stated by Department
2008-09					
1.	3402.00.101.41-Advanced Communication Satellite	15.00	0	15.00	Non-approval of the project.
2.	3402.00.101.46-Earth Observation – New Missions	20.00	0	20.00	Non-formulation of DMSAR-I, TES-Hyperspectral and Cartosat 3 Projects .
3.	3402.00.103.13-Small Satellite for Atmospheric Studies	10.00	0	10.00	Non-approval of project.
4.	5252.00.203.04-INSAT-4 Launch Services	60.00	0	60.00	Reduction in insurance charges for INSAT-4G satellite owing to launch being rescheduled for 2009-10
5.	5402.00.101.38-Earth Observations – New Missions	45.00	0	45.00	Non-formulation of DMSAR-I, TES-Hyperspectral and Cartosat 3 Projects .
2009-10					
6.	5252.00.203.04-INSAT-4 Launch Services	50.00	0	50.00	Reduction in insurance charges for INSAT 4G satellite and postponement of GSAT-10 launch services.
2010-11					
7.	3402.00.101.48-GSLV MK-III operational	10.00	0	10.00	Project report is under preparation for obtaining approval.
8.	5402.00.101.38-Earth Observation- New Mission	34.00	0	34.00	Delay in obtaining approval of DMSAR-I, TES-Hyperspectral and Cartosat 3 projects.

Appendix-V-R

(Refer to paragraph 5.52)

Expenditure control mechanism in the Department of Space

(₹in lakh)

Head of Account (Revenue & Capital)	Budget Estimates	Final grant as of March	Cumulative Expenditure	Month in which Expenditure exceeded the BE (percentage)
2008-09				
3402.00.101.07-CUS Project	10.00	70.00	45.37	May 2008 (453)
3402.00.001.01-ISRO Headquarters (Direction & Administration)	2470.00	3850.00	3033.35	Sept. 2008 (123)
3252.00.053.04/5252.00.203.02-INSAT 3 Satellite	990.00	2080.00	1186.24	Oct. 2008 (120)
5402.00.283.07-Central Management	1094.00		1120.54	Nov. 2008 (102)
Central Management (RE)	1377.00	1191.00	1836.39	Feb 2009 (133)
3451.00.090.18-Department of Space	546.00	705.00	548.09	Jan 2009 (101)
3402.00.101.10/5402.00.101.08-ISAC	21585.00	27075.29	21607.13	Jan 2009 (100)
3402.00.101.25/5402.00.101.17-SDSC-SHAR	23799.00	33102.00	25469.79	Jan 2009 (107)
3402.00.101.35/5402.00.101.27-RISAT-I	2500.00	2770.00	2607.52	Jan 2009 (104)
2009-10				
3252.00.053.04/5252.00.203.02-INSAT 3 Satellite	860.00	1693.00	1085.95	Aug.2009 (126)
3402.00.101.35/5402.00.101.27-RISAT-I	500.00	720.00	510.84	Nov.2009 (102)
3402.00.103.12-Atmospheric Science programme	2096.00	2880.00	2764.46	Dec.2009 (132)
5402.00.283.07-Central Management	1911.00	2759.00	2083.06	Dec.2009 (109)
3451.00.090.18-DOS	745.00	909.00	777.45	Jan. 2010 (104)
3402.00.101.41/5402.00.101.33-Advanced Communication Satellite	500.00	1025.00	601.33	Jan.2010 (120)
3402.00.001.01-ISRO Headquarter (Direction & Administration)	5128.00	5812.00	5413.79	Feb.2010 (106)
3402.00.102.06/5402.00.102.02-Regional Remote Sensing Service Centres (RRSSCs)	2189.00	3202.00	2482.06	Feb.2010 (113)
Other Programmes	45.00	68.00	50.42	Feb.2010 (112)
2010-11				
3252.00.053.065252.00.203.03-INSAT 4 Satellites	31810.00	22500.00	38474.98	July 2010 (121)
3402.00.800.01/5402.00.800.02-Special Indigenisation	23179.00	47561.00	40317.14	Sept.2010 (174)
5252.00.203.04-INSAT 4 Launch Services	25620.00	40143.00	36004.78	Oct. 2010 (141)
3402.00.101.42/5402.00.101.30-Oceansat 2&3	160.00	740.00	600.55	Dec.2010 (375)

Appendix-V-S

(Refer to paragraph 5.53)

Outstanding Utilisation Certificates in the Department of Space

(₹in lakh)

Year	No. of Outstanding Utilisation Certificates	Amount
1976-77	1	0.05
1979-80	1	0.05
1980-81	1	0.38
1981-82	1	0.03
1982-83	5	0.69
1983-84	1	0.02
1984-85	3	0.97
1985-86	1	0.05
1986-87	6	1.35
1987-88	4	4.88
1989-90	2	0.07
1991-92	1	0.15
1993-94	2	1.28
1998-99	1	0.20
1999-2000	2	1.30
2000-01	5	59.87
2001-02	9	132.29
2002-03	16	170.45
2003-04	30	251.88
2004-05	30	409.93
2005-06	46	143.36
2006-07	33	101.84
2007-08	33	206.93
2008-09	68	633.31
2009-10	140	1157.19
Total	**442**	**3278.52**

GLOSSARY

14 days auction Treasury Bill	:	A scrip of 14 days duration introduced from June 1997. Auction for this instrument is held weekly at a pre-determined cut off price.
14 days intermediate Treasury Bill	:	A scrip of 14 days duration introduced from June 1997, to enable the State Government, commercial banks and other specific bodies to invest their temporary surplus funds.
364 days auction Treasury Bill	:	An instrument of borrowing introduced from April 1992 of 364 days duration. Auction for this instrument is held fortnightly at a pre-determined cut off price.
91 days auction Treasury Bill	:	An instrument of borrowing introduced from January 1993. Auction for this instrument is held weekly at a pre-determined cut off price.
***Ad hoc* Treasury Bill**	:	A scrip of 91 days duration created by RBI in its favour, on behalf of Union Government, as and when the cash balance of the Government falls below the level of ₹ 50 crore. Whenever the Government's cash balance has a surplus, *ad hoc treasury bills* were cancelled in such amounts to maintain the agreed level. This scrip was discontinued from 1 April 1997.
Appropriation	:	Appropriation means assignment to meet specified expenditure of funds included in a primary unit of appropriation
Appropriation Accounts	:	Appropriation Accounts present the total amount of funds (original and supplementary) authorised by the Parliament in the budget grants under each voted grants and charged appropriation *vis-a-vis* the actual expenditure incurred against each 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.
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.
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 factor cost	:	Gross Domestic Product at factor cost measures GDP at the cost of the factors used to produce it, i.e. at the incomes earned by those factors. It is obtained from the GDP at market prices by deducting indirect taxes and adding subsidies.
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. It is equal to the value of all final goods and services produced in the country in a given period. The evaluation can be done at current prices or at prices prevailing in a base year.
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.

M3	:	This is broad money defined as the sum of currency with the public, demand deposits and time deposits with the banks, and 'other' deposits with the RBI.
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.
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.
Reserve Money	:	This is the monetary base. It is the sum of net RBI credit to Government, RBI's claims on commercial and cooperative banks, RBI's credit to the commercial sector, net foreign exchange of the RBI, Government's currency liabilities to the public *minus* the net non-monetary liabilities of the RBI.
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.
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.
Tap Treasury Bill	:	A scrip of 91 days duration by which Government borrows money. This scrip was intended for investment by commercial banks of their surplus. This scrip was discontinued from 1 April 1997.
Treasury Bills	:	An instrument issued by the Reserved Bank of India on behalf of the Union Government to raise short term loans intended to fill transient resource gaps.
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.