सत्यमेव जयते

Report of the Comptroller and Auditor General of India for the year 2011-12



Union Government
Accounts of the Union Government
No. 1 of 2013
(Financial Audit)

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PREFACE

This Report for the year ended March 2012 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 2012.

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: 2011-12

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 2011-12. It also contains an analysis of the Appropriation Accounts and audit observations with regard to the accounts of the Union Government for the year 2011-12.

HIGHLIGHTS

C&AG's comments on Union Government Accounts

- The financial position of the Union Government in 2011-12 was characterised by a decrease of 2.40 *per cent* in revenue receipts primarily on account of a substantial reduction in non-tax receipts after an accelerated growth in the preceding year.

  (Para 1.1.1 and 1.2.4)

- Capital expenditure was 2.01 *per cent* of GDP, well below the 3.1 *per cent* level set out for the year in the fiscal consolidation plan of the Thirteenth Finance Commission. Of the total capital expenditure, 38 *per cent* was accounted for by Defence.

  (Para 1.1.2 and 1.3.4)

- Analysis of Plan expenditure of civil ministries revealed that 76 *per cent* of the total Plan expenditure was in the form of grants-in-aid payment. In three 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)

- Department of Telecommunication transferred to and disbursed from only ₹1,687.96 crore to the Universal Service Fund (USO Fund) out of the total receipts of ₹6,723.57 crore towards Universal Access Levy during the year 2011-12. This resulted in under-statement of the closing balance of the USO Fund by ₹5,035.61 crore for the financial year 2011-12. Resultantly, there was also overall under-statement of the closing balance of USO Fund of ₹21,839.45 crore as on 31 March 2012 after taking into account the reimbursement of license fees and spectrum charges to BSNL amounting to ₹6,948.64 crore over the period 2002-03 to 2005-06 for fulfilling rural obligation.

  (Para 2.2.1)

- Research and Development Cess totalling ₹3,453.55 crore was collected during the period 1996-97 to 2011-12. Out of this only

₹506.41 crore (14.66 *per cent*) was utilized towards objectives for levying the said cess.

(Para 2.2.2)

- On account of expenditure from the Beedi Workers Welfare Fund (Fund) being far in excess of the receipts, the balance in the Fund over the years had become adverse. There was a continuous adverse balance in the fund during the period 2007-08 to 2011-12, which steadily increased from (-) ₹24.56 crore in 2007-08 to (-) ₹205.75 crore in 2011-12.

(Para 2.2.3)

- Of the total income of ₹ 708.27 crore, earned from the investment of the amounts lying in the National Investment Fund (NIF), during the period 2008-12, and credited into the Consolidated Fund of India, an amount of only ₹ 419.37 crore was transferred to the Public Account for meeting expenditure on pre-identified initiatives, leaving a balance amount of ₹288.90 crore in the Consolidated Fund of India.

(Para 2.2.6)

- Non-transfer of receipts of advance payments from assessees amounting to ₹252.28 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 2011-12. 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 2011-12.

(Para 2.1.4)

- In accordance with the provisions of Article 114(3) of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of India except under appropriations made by law. However, during 2011-12, there was total excess disbursements of ₹6,545 crore in six segments of five grants in civil ministries; ₹1,048 crore in four segments of three grants/appropriations of the Ministry of Railways; ₹400 crore in two segments of one grant in the Department of Posts; and ₹568 crore in one segment of one grant of the Defence Services, which require regularization under Article 115(1)(b) of the Constitution.

(Para 3.4)

- 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 93 cases of 75 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 93 cases was of the order of ₹1,92,470 crore.

(Para 3.7 & Appendix III-E)

- In 36 sections of 29 grants/appropriations, persistent savings of ₹100 crore and more were noticed during the last three years (2009-12). Some of the grants/appropriations with large persistent savings during the three year period were, Re-payment of Debt (₹7,74,983 crore), Department of Rural Development (₹71,430 crore), Transfers to State and Union Territory Governments (₹43,105 crore), Department of Economic Affairs (₹28,699 crore), Ministry of Road Transport & Highways (₹10,557 crore) and Police (₹8,606 crore).

(Para 3.7 & Appendix III-F)

- In the grant of Ordnance Factories under the Ministry of Defence, the authorization obtained through the Appropriation Act(s) for the year 2011-12 was for an amount of ₹1,665.21 crore instead of an amount of ₹12,509.52 crore, which constituted the gross expenditure provision. This entailed a short authorisation of ₹10844.31 crore to be paid out of the Consolidated Fund of India.

(Para 4.1)

- Article 114(3) of the Constitution of India provides that no money shall be withdrawn from the Consolidated Fund of India except under appropriation made by law. An expenditure on interest on refunds amounting to ₹6,486 crore was incurred by the Central Board of Direct Taxes, without the authorisation of the Parliament during the year 2011-12. A total expenditure of ₹34,083 crore on interest payments had been incurred over the last five years without obtaining approval of the Parliament through necessary appropriations. Similarly, an expenditure of ₹29.19 crore was incurred on interest on refunds of taxes, treating it as reduction of revenue, by the Central Board of Excise and Customs for the last three years.

(Para 4.2 and 4.3)

- Director General of Hydrocarbons (DGH) and Petroleum Planning and Analysis Cell (PPAC) are incurring expenditure from funds not provided for through appropriation made by law, but from funds received from the Oil Industry Development Board (OIDB), which is a body corporate, outside the Government. During the financial year 2011-12 an expenditure of ₹67.35 crore was incurred by DGH and

PPAC, which was not authorized by Parliament through the grant of Ministry of Petroleum and Natural Gas.

(Para 4.4)

- 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 43 cases, across 25 grants/appropriations, ₹76.92 crore were incurred by various Ministries/Departments during the financial year 2011-12 by augmenting provision under '31-Grants-in-aid General' to various bodies/authorities without obtaining prior approval of the Parliament. Similarly, in seven cases across five grants ₹180.91 crore were augmented in violation of extant provisions and without prior approval of Parliament to the object head '35-Grants for creation of capital assets'

(Para 4.6 and 4.7)

- 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 seven cases, across four grants, ₹ 5833.81 crore were incurred by the various Ministries/Departments during the financial year 2011-12 by augmenting the provision under 'subsidy' without obtaining prior approval of the Parliament.

(Para 4.10)

- For augmentation of provisions in existing appropriations under the object heads 'major works' and 'machinery and equipment' 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 ₹2.5 crore, whichever is less. In 15 grants, ₹421.21 crore were incurred by the various Ministries/Departments during the financial year 2011-12 by augmenting the provision under these object heads without obtaining prior approval of the Parliament.

(Para 4.12)

- Various departments/ministries incorrectly classified revenue expenditure as capital expenditure and vice versa. The misclassifications resulted in an overstatement of capital expenditure by ₹463.82 crore and understatement of capital expenditure by ₹ 2172.73 crore. The overall impact on Government expenditure was an understatement of capital expenditure of ₹1708.91 crore.

Correspondingly revenue deficit was overstated by an equivalent amount of ₹1708.91 crore during the financial year 2011-12.

(Para 4.13, 4.14, 4.15 and 4.16)

- Rule 8 of the Delegation of Financial Powers Rules 1978 (DFPR) prescribes standard primary units of appropriation with the descriptions/definitions for the purpose of classification of expenditure up to the sixth tier i.e., object head. In 23 cases, across 18 grants/appropriations ₹69,759.64 crore were misclassified in these primary units of appropriation.

(Para 4.19)

- Sanction orders issued by the Department of Space, authorizing the incurrence of expenditure, do not distinctly specify the amount of expenditure to be debited separately to revenue and capital accounts and plan and non-plan under revenue and capital accounts. The sanction orders only specify the amount of expenditure to be classified up to the sub head level i.e. the fourth tier of classification, instead of giving complete directions 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 and classification of expenditure.

(Para 4.25)

- 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 three grants lump-sum supplementary provisions were obtained in violation of the provisions of General Financial Rules and the additionalities were distributed by the ministries/departments amongst schemes having distinct budget lines in the Detailed Demand for Grants. Further, as augmentations (₹308 crore) were made to the object heads 'grants-in-aid general' and 'grants for creation of capital assets', in terms of instructions of the Ministry of Finance these require prior approval of the Parliament.

(Para 4.26)

- The shifting paradigm of public service delivery has led to a steady increase in grants-in-aid expenditure so as to constitute, with the exception of debt repayments, the single largest item of expenditure for the grant. For substantial amounts of plan grants-in-aid expenditure to societies, NGOs, Trusts, the audit remit of the CAG is neither unfettered nor unrestricted. Amendments suggested to the CAG's

(DPC) Act, 1971 to bring in transparency and accountability are under consideration of the Government.

(Para 1.3.10, 6.1 and 6.3.2)

- For the year 2011-12, the Union Government transferred Central Plan assistance of ₹ 1,09,173 crore directly to State/district level autonomous bodies and authorities, societies, non-governmental organisations, etc., for implementation of Centrally Sponsored Schemes outside the State Government Budget. The aggregate amount of unspent balances in their accounts maintained outside Government accounts was unascertainable. The Government expenditure as reflected in the Accounts was, therefore, overstated to that extent.

(Para 6.3.1)

- Ministry of Rural Development booked an expenditure of ₹29,189.77 crore under the object head Grants for creation of capital assets for operationalisation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). As a large number of works did not result in creation of assets and the focus was on employment generation or minor improvements to existing assets, there is a strong case for not classifying the entire amount under 'Grants for creation of Capital Assets' in this flagship scheme.

(Para 6.4)

Chapter 1

AN OVERVIEW OF UNION FINANCES 2011-2012

1.1 Introductory

The annual accounts of the Union Government presented to the Parliament, consist of Finance Accounts and Appropriation Accounts. The Finance Accounts depict the statements of receipts into and payments from the Consolidated Fund, Contingency Fund and Public Account, 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 All revenues received by the Union Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one Consolidated Fund entitled the "Consolidated Fund of India" established under Article 266 (1) of the Constitution of India.	***Contingency Fund*** The Contingency Fund of India established under Article 267 (1) of the Constitution is in the nature of an imprest placed at the disposal of the President to enable him/her to make advances to meet urgent unforeseen expenditure, pending authorisation by the Parliament. Approval of the legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.
Public Account 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 2011-12 was characterised by deterioration in economic growth as measured by a Gross Domestic Product (GDP)[1] growth of 6.9 *per cent* over the previous year. The major economic concerns during the year included a weakening in industrial growth, high inflation (driven by non-food manufacturing items) and an adverse global economic environment.

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.

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[1]As per a press note released by CSO on 31 May 2012, revised estimates of GDP at market prices at 2004-05 prices grew by 6.9 *per cent* over the previous year, while at current prices it grew by 15.4 *per cent*. Revised estimates of GDP have been adopted for purpose of comparability with previous years' reports.

Table 1.1 summarises the position of the Union Government's receipts, disbursements and borrowings for the year 2011-12.

Table 1.1: Summary of the current year's operations

(₹in crore)

Receipts		Derived Parameters	Disbursements	
Consolidated Fund of India (CFI)				
Revenue Receipts*	910277 (932686)	**Revenue Deficit 394918** (253429)	Revenue Expenditure	1305195 (1186115)
Miscellaneous Capital Receipts	18088 (22846)		Capital Expenditure	139465 (140671)
Recovery of Loans	36818 (29253)		Loans and Advances	38404 (40641)
Total Non-Debt Receipts	965183 (984785)	**Fiscal Deficit 517881** (382642)	Actual Expenditure	1483064 (1367427)
Public Debt	4063177 (3177106)		Public Debt	3495929 (2814774)
Total receipts into CFI	5028360 (4161891)	**Surplus in CFI 49367** (Deficit 20310)	Total expenditure from CFI	4978993 (4182201)
Contingency Fund				
Receipts	0		Appropriation	0
Public Account				
Small Savings	372828 (403485)		Small Savings	358502 (409615)
Reserves & Sinking Fund	108076 (120833)		Reserves & Sinking Fund	102402 (119886)
Deposits	92993 (105341)		Deposits	93552 (96979)
Advances	35290 (52360)		Advances	40209 (49290)
Suspense Account	4894 (18762)		Suspense Account	56477 (14209)
Remittances	6586 (6141)		Remittances	2901 (5800)
Total Public Account	620667 (706922)	**Deficit in Public Account 33376** (Surplus11143)	Total Public Account	654043 (695779)
Opening Cash	1449 (10616)	**Increase in Cash 15991** (Deficit 9167)	Closing Cash	17440 (1449)
Public Account Deficit (Demand)		33376	Surplus in (CFI) (-) Increase in Cash	
Incremental Liabilities (Supply)		586689	Surplus of (Debt+ Small Savings+ RF+ Deposits)	
Incremental Liabilities (Demand)		586689	Fiscal Deficit (+) Increase in Cash (+) Net Disbursement of (Advances+ Suspense+ Remittances)	

**Excludes figures of taxes and duties assigned to States (₹2,55,414 crore for 2011-12).*

Note: (1) Figures in parenthesis indicate corresponding figures for 2010-11.

(2) Revenue Receipts and Revenue Expenditure for 2011-12 are understated by ₹6,494 crore due to incorrect depiction of expenditure incurred on interest on refunds of taxes as 'deduct revenue' instead of expenditure. For details, please refer para 4.2 and 4.3.

As seen from the above table, there was surplus in the Consolidated Fund of India (CFI) as compared to a deficit in the previous year. The surplus was achieved despite a 1.99 *per cent* decline in non-debt receipts and increase by ₹1,15,637 crore (8.46 *per cent*) in the actual expenditure of the Government. The main contributors to the surplus were a substantial increase of ₹ 8,86,071 crore (27.89 *per cent*) in the public debt receipts of the Government and decrease of ₹ 3,443 crore in capital expenditure (including loans and advances). 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 deficit this year, compared to the surplus last year.

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 Gross Domestic Product (GDP) and what was outlined by the Thirteenth Finance Commission (13th FC) report is tabulated as under:

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

(percentage of GDP)

Parameter	2011-12	2014-15	Actual performance as per Finance Accounts	
			2010-11	2011-12
Revenue Deficit	2.3	-0.5	3.30	4.46
Non-Debt Capital Receipts	0.6	1.0	0.68	0.62
Capital Expenditure	3.1	4.5	2.36	2.01[2]
Fiscal Deficit	4.8	3.0	4.99	5.85
Debt (end of the year adjustment liabilities)	52.5	44.8	46.03	46.88

As can be seen from the above table, except for non-debt capital receipts, none of the other financial parameters were close to the targets set out by the 13th FC for 2011-12. In fact, the revenue deficit for the year 2011-12 is nearly double the target outlined by the 13th FC. Disturbingly, when the fiscal parameters are compared with the previous year, a deterioration is evident in all the five parameters.

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

1.2 Resource Generation

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

1.2.1 Revenue Receipts:

The year was characterised by a marginal growth of 1.19 *per cent* in gross revenue receipts (compared to the very high growth of 32.51 *per cent* in 2010-11). Due to 27.89 *per cent* growth in gross debt receipts, the share of gross revenue receipts in the gross receipts decreased from 22.64 *per cent* in the previous year to 19.74 *per cent* in the current year, indicating a rise 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	77	28
2010-11	1151989	52099	3177106	706922	5088116	855104	7432	11143	2077767	66	27
2011-12	1165691	54906	4063177	620667	5904441	1276101	(-)5300	(-)33376	2458022	67	28

**Includes figures of taxes and duties assigned to States (₹2,55,414 crore for 2011-12). Exclusion of this component gives net revenue receipts of ₹9,10,277 crore reflected in Table 1.1.*

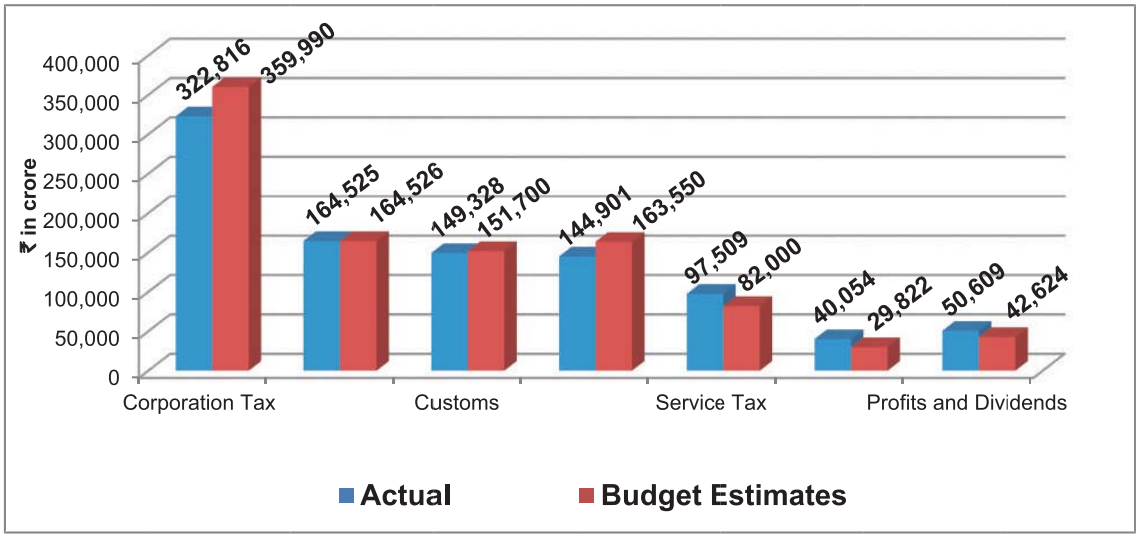
@These are gross debt receipts net of receipts from 14 days treasury bills and Ways and Means Advances from RBI.

@@The Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation Bureau Press Note dated 31 May, 2012 has indicated that the Revised Estimate figures for GDP at current prices/Market prices for the year 2011-12 is ₹88,55,797 crore. The related figures for the years 2007-08, 2008-09 , 2009-10 and 2010-11 are ₹49,47,857 crore, ₹55,82,623 crore, ₹64,57,352 crore and ₹76,74,148 crore respectively. Figures are continually being revised by CSO and this data is meant for an indicative comparison of fiscal performance with macro-economic performance.

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 service tax fell short of the budget projections. Receipts under both service tax and profit & dividend exceeded budget estimates by 19 *per cent*. Interest receipts also exceeded budget estimates by 34 *per cent*. In case of receipts related to income tax and customs, the actual receipts were very close to the budget estimates.

Chart 1.1 Deviation of gross actual receipts from Budget estimates



1.2.3 Tax revenue

Table 1.4: Components of tax revenue (gross)

(₹ in crore)

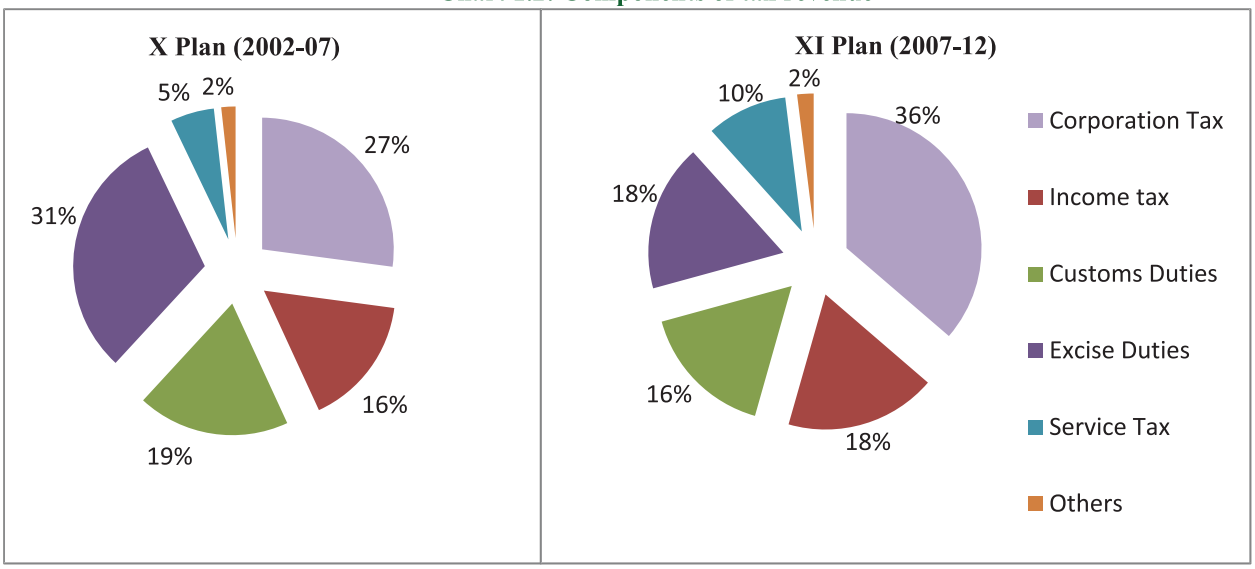
Period	Total Gross Tax Revenue#	Corporation Tax	Income Tax	Customs Duties	Excise Duties	Service Tax	Others*	GDP
X Plan (2002-07) Average	**323047**	**87602**	**51720**	**60497**	**100210**	**17373**	**5645**	**3317483**
XI Plan (2007-12) Average	**701080**	**254507**	**126956**	**114493**	**123563**	**67838**	**13723**	**6703555**
2007-08	593147	192911	102659	104119	123611	51302	18545	4947857
2008-09	605298	213395	106075	99879	108613	60941	16395	5582623
2009-10	624528	244725	122417	83324	102991	58422	12649	6457352
2010-11	793308	298688	139102	135813	137701	71016	10988	7674148
2011-12	889118	322816	164525	149328	144901	97509	10039	8855797
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**	14.18
XI Plan (2007-12)	**11.41**	**14.64**	**12.91**	**10.83**	**5.71**	**15.46**	**(-)15.02**	15.98
2007-08	25.27	33.67	36.71	20.61	5.10	36.45	47.62	15.50
2008-09	2.05	10.62	3.33	(-)4.07	(-)12.13	18.79	(-)11.59	12.83
2009-10	3.18	14.68	15.41	(-)16.58	(-)5.18	(-)4.13	(-)22.85	15.67
2010-11	27.03	22.05	13.63	62.99	33.70	21.56	(-)13.13	18.84
2011-12	12.08	8.08	18.28	9.95	5.23	37.31	(-) 8.64	15.40

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.*

As can be seen from **Table 1.4**, while the overall tax revenue grew by 12.08 *per cent* in the current year, there was significant growth in service tax, which grew by 37.31 *per cent*. The growth of gross taxes was lower than the growth of GDP for the current year, indicating a reversal of the trend in the last year. If the rate of growth of taxes is compared with GDP across the Tenth and Eleventh Plan period, it is seen that the rate of growth of tax in the Eleventh Plan has been slower than the rate of growth of GDP. This was due to significant slowdown in the rate of growth of collection of service tax, corporation tax and income tax.

Chart 1.2: Components of tax revenue



The comparison of the relative shares of tax revenues during the Tenth Plan and Eleventh Plan period as brought out in **Chart 1.2** above shows significant increase in share of corporation tax (by nine *per cent*) and of service tax (by five *per cent*); on the other hand there was a decrease in share of excise of duties (by 13 *per cent)*.

1.2.4 Non-tax revenue

Table 1.5 shows that during the year 2011-12, the largest share of non-tax revenue (57 *per cent*) comes from user charges levied by various departments, which offer economic services to the general public. Interest receipts constituted 15 *per cent* of non-tax revenue, while dividends and profits accounted for around 18 *per cent*. There was significant negative growth in non-tax revenue in the current year (22.89 *per cent*). This was mainly due to the drastic reduction in receipts from economic services (36.24 *per cent*) on account of decline in the receipts of the Wireless and Planning Co-ordination Organisation from ₹ 1,09,698 crore in 2010-11 to ₹ 5,183 crore in 2011-12.

When the relative share of the component of non-tax revenue in the Tenth Plan (2002-07) is compared with that of Eleventh Plan (2007-12), it is seen that the share of economic services has increased from 50 to 60 *per cent*, while there has been a matching decline in

the share of interest receipts from 24 to 14 *per cent*. The share of dividends and profits has been nearly constant in two Plan periods.

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

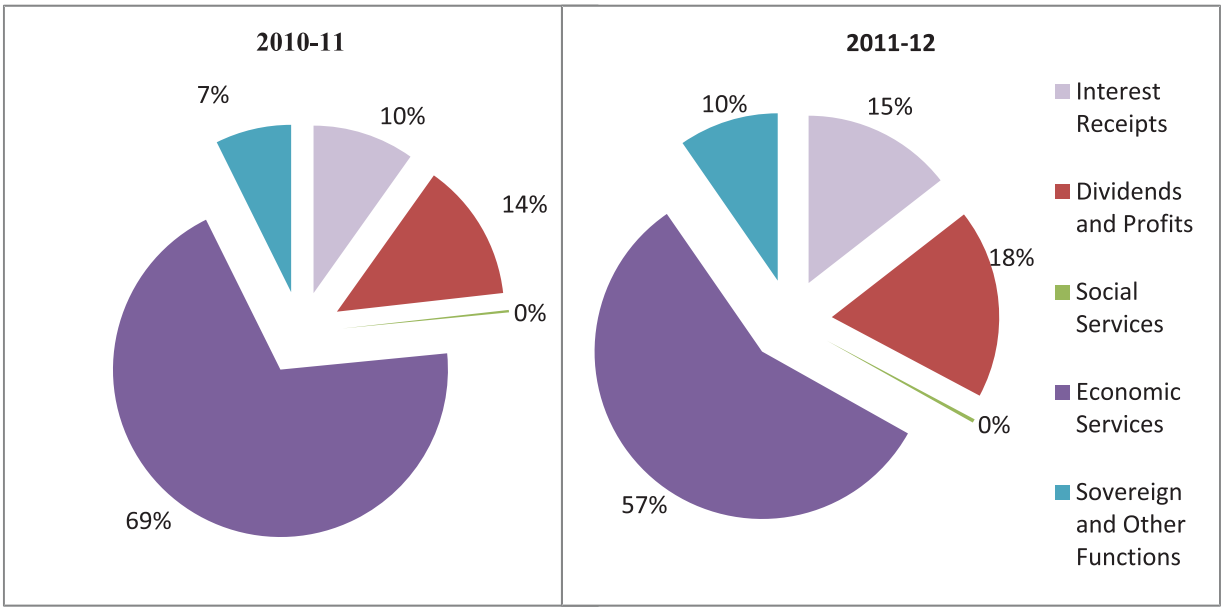
(₹ in crore)

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) Average	**259378**	**35332**	**44392**	**759**	**155743**	**23151**
Relative share *(per cent)*	**100**	**14**	**17**	**Negligible**	**60**	**9**
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 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	10	14	Negligible	69	7
2011-12	276573	40054	50609	988	158283	26639
Relative share *(per cent)*	100	15	18	Negligible	57	10
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)	**11.75**	**4.36**	**10.34**	**10.33**	**13.65**	**11.82**
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
2011-12	(-)22.89	13.47	5.45	21.38	(-)36.24	1.20

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 relative shares of the components of non-tax revenue have been depicted in **Chart 1.3** below. It is evident that during the years 2010-11 and 2011-12, receipts on economic services constituted a major chunk of non-tax revenue.

Chart 1.3: Components of non-tax revenue



1.2.5 Non-debt capital receipts

Non-debt capital receipts consist of miscellaneous capital receipts (bonus shares, disinvestment etc.) and recovery of loans and advances. **Table 1.6** gives the details of non-debt capital receipts from 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. As the table indicates in the last two years, i.e., 2010-11 and 2011-12, the actual realisation from disinvestments were significantly lower than the budget estimates. However, during the Eleventh Plan period, actual recovery of loans and advances exceeded the budget estimates consistently.

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

Period	Disinvestment			Recovery of Loans		
	Budget Estimates (BE)	Actual Realisation(AR)	Percentage of AR to BE	Budget Estimates(BE)	Actual Realisation(AR)	Percentage of AR to BE
	(₹in crore)			*(₹in crore)*		
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
2011-12	40000	14027*	35.07	16510	36818	223.00

**Does not include receipts from bonus shares and other receipts aggregating ₹4,060 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 2011-12

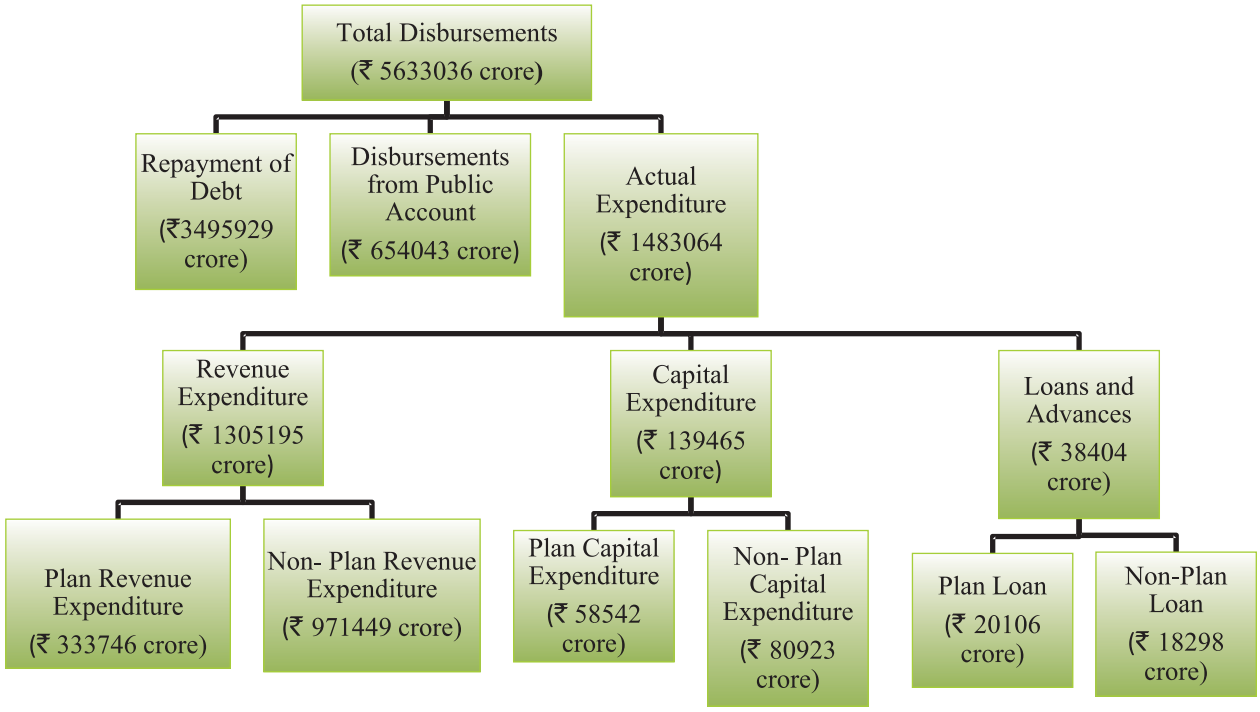
(₹ in crore)

Sl. No.	Name of CPSE	Value of realisation[3]
1.	Oil and Natural Gas Commission	12749.50
2.	Finance Corporation Limited	1144.55
3.	Vishakhapatnam Steel Project	100.00
4.	Cochin Shipyard Ltd.	20.00
5.	Metallurgical & Engineering Consultants Ltd.	12.60
6.	Slaughter House Corporation	0.71
	Total	**14027.36**

1.3 Expenditure Analysis

The total disbursements of the Government of India from the Consolidated Fund of India and the Public Account was of the order of ₹ 56,33,036 crore. As depicted in **Box 1.2,** total disbursement has three major components. Repayment of debt is the largest component of the total disbursements, accounting for 62 *per cent* of the total disbursements.

Box1.2: Components of Total Disbursements

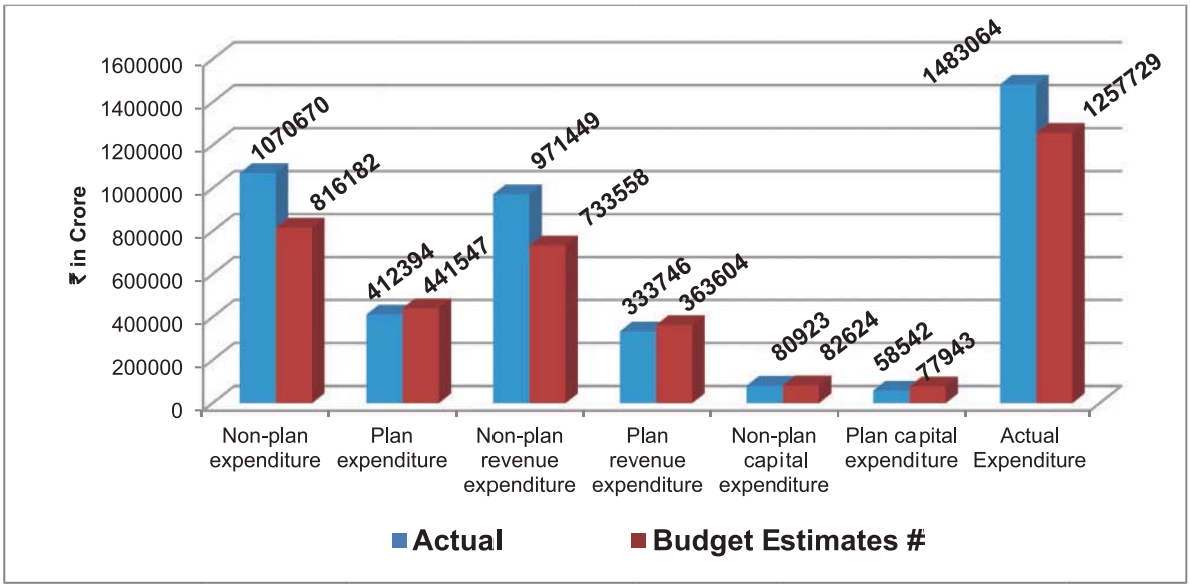


[3]As per information furnished by Controller General of Accounts and Union Finance Accounts 2011-12

In 2011-12, the total disbursements of the Government increased by 15.48 *per cent*. In the current year, the Union Government disbursed 62 *per cent* of its expenditure in the form of debt repayments, 12 *per cent* towards payments in the Public Account and was left with just 26 *per cent* for actual expenditure. High debt repayment obligations resulted in less proportion of actual expenditure being available for current operations.

When compared to the budget estimates**,** the actual expenditure was 18 *per cent* higher than the budget estimates. As can be seen from **Chart 1.4**, the excess non-Plan revenue expenditure was single-handedly responsible for the excess in actual expenditure.

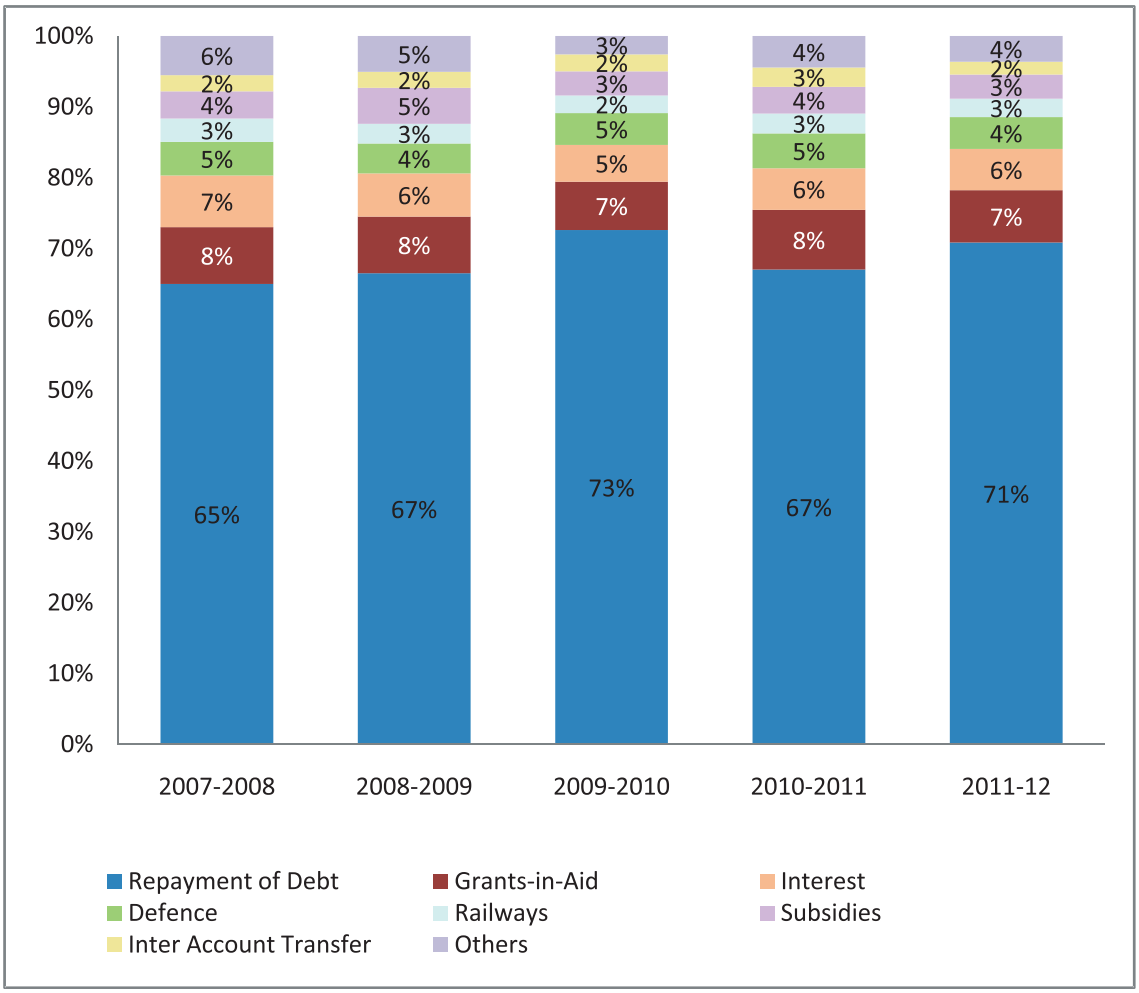
Chart 1.4: Comparison of Budget estimates (as per 'Budget at a Glance') and Finance Accounts 2011-12 on key expenditure parameters



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

Chart No 1.5 shows break-up of expenditure from the Consolidated Fund of India (CFI). As can be seen from the chart, the bulk of expenditure from CFI was towards repayment of public debt. The relative share of repayment of public debt increased from 67 *per cent* in 2010-11 to 71 *per cent* in 2011-12. On the other hand, the share of grants-in-aid (including grants-in-aid for creation of capital assets and for salary declined by one *per cent* and stood at seven *per cent* of the CFI in 2011-12.

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



Note: Data extracted from 'e-lekha'[4] portal. Does not include journal entries. Owing to misclassification, subsidies of ₹65,000 crore has not been reckoned.

Table 1.8 below, shows the shares of major components of disbursements made by the Government. As can be seen from the table, proportion of repayment of debt in the total disbursement has increased from 45.26 *per cent* during the Tenth Plan period to 59.63 *per cent* in the Eleventh Plan period. This consequently reduced the share of actual expenditure from 33.10 *per cent* to 27.13 *per cent*. Revenue expenditure as a proportion of actual expenditure has increased marginally from 87.27 *per cent* to 88.37 *per cent*. The

[4]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.

proportion of Plan expenditure to actual expenditure has increased marginally from 24.17 *per cent* in the Tenth Plan to 26.30 *per cent* in the Eleventh Plan.

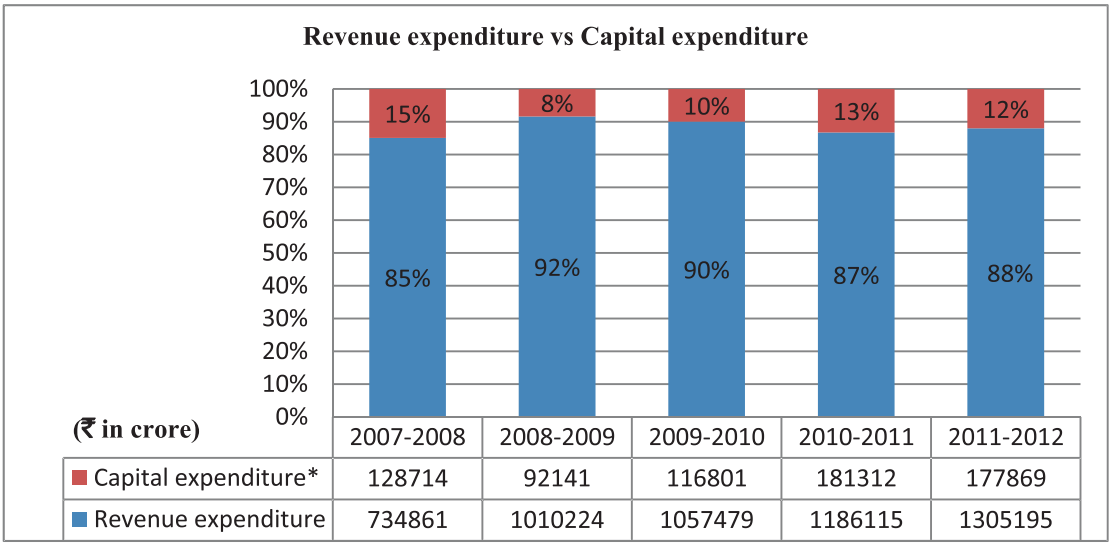
Table 1.8: Components of total disbursement during the Tenth and Eleventh Plan periods

Particulars	X Plan (2002-07)	XI Plan (2007-12)
Total Disbursements (TD) (in ***per cent***)	100.00	100.00
Components of TD as percentage of TD		
Repayment of Debt	45.26	59.63
Disbursements from Public Account	21.64	13.24
Actual Expenditure (AE)	33.10	27.13
Components of AE as percentage of AE		
Revenue Expenditure (RE)	87.27	88.37
Capital Expenditure (CE)	8.19	9.60
Loans and Advances (LA)	4.54	2.03
Components of RE as percentage of RE		
Plan Revenue Expenditure	20.29	24.75
Non- Plan Revenue Expenditure	79.71	75.25
Components of CE as percentage of CE		
Plan Capital Expenditure	38.22	32.98
Non- Plan Capital Expenditure	61.78	67.02
Components of LA as percentage of LA		
Plan Loan	73.29	61.97
Non-Plan Loan	26.71	38.03
Plan Expenditure ***as percentage of AE***	24.17	26.30
Non-Plan Expenditure ***as percentage of AE***	75.83	73.70

1.3.1 Revenue and Capital expenditure

Revenue expenditure is current expenditure, which does not result in the creation of assets. This is meant for normal running of the Government and includes maintenance expenditure, interest payments, subsidies and transfers etc. Grants given to State Governments or other bodies or authorities are also treated as revenue expenditure. Capital expenditure consists of payments for acquisition of assets, investment in shares, and loans and advances given by the Government. **Chart 1.6** shows the dominance of revenue expenditure over capital expenditure.

Chart 1.6: Comparison of revenue expenditure with capital expenditure



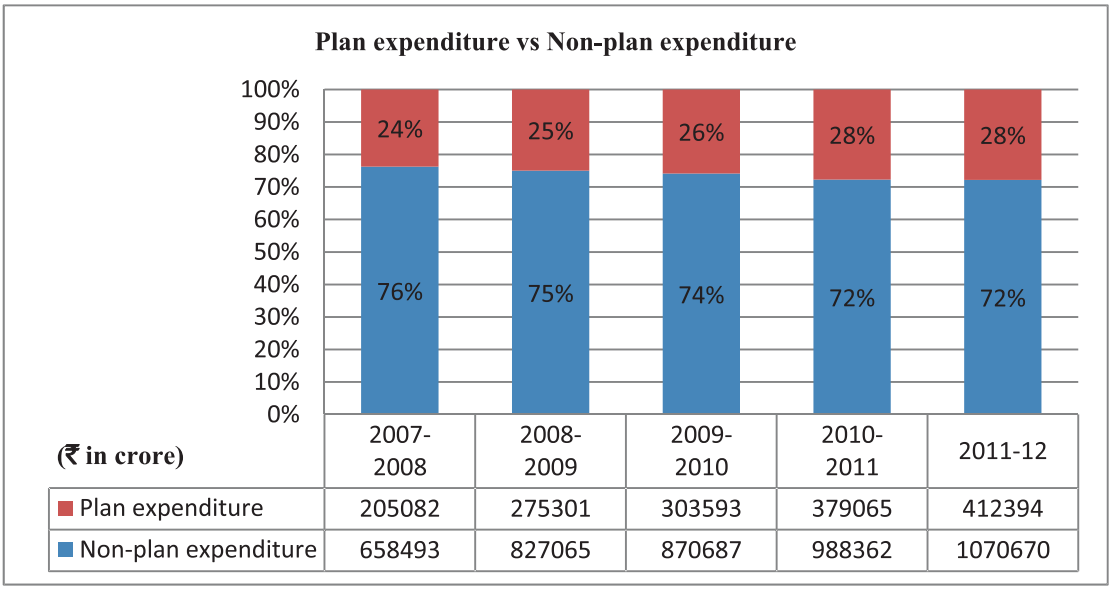
(₹ in crore)	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Capital expenditure*	128714	92141	116801	181312	177869
Revenue expenditure	734861	1010224	1057479	1186115	1305195

**includes Loans & Advances*

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. Plan expenditure as a proportion of actual expenditure remained stable at around 28 *per cent* in 2010-11 and 2011-12.

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



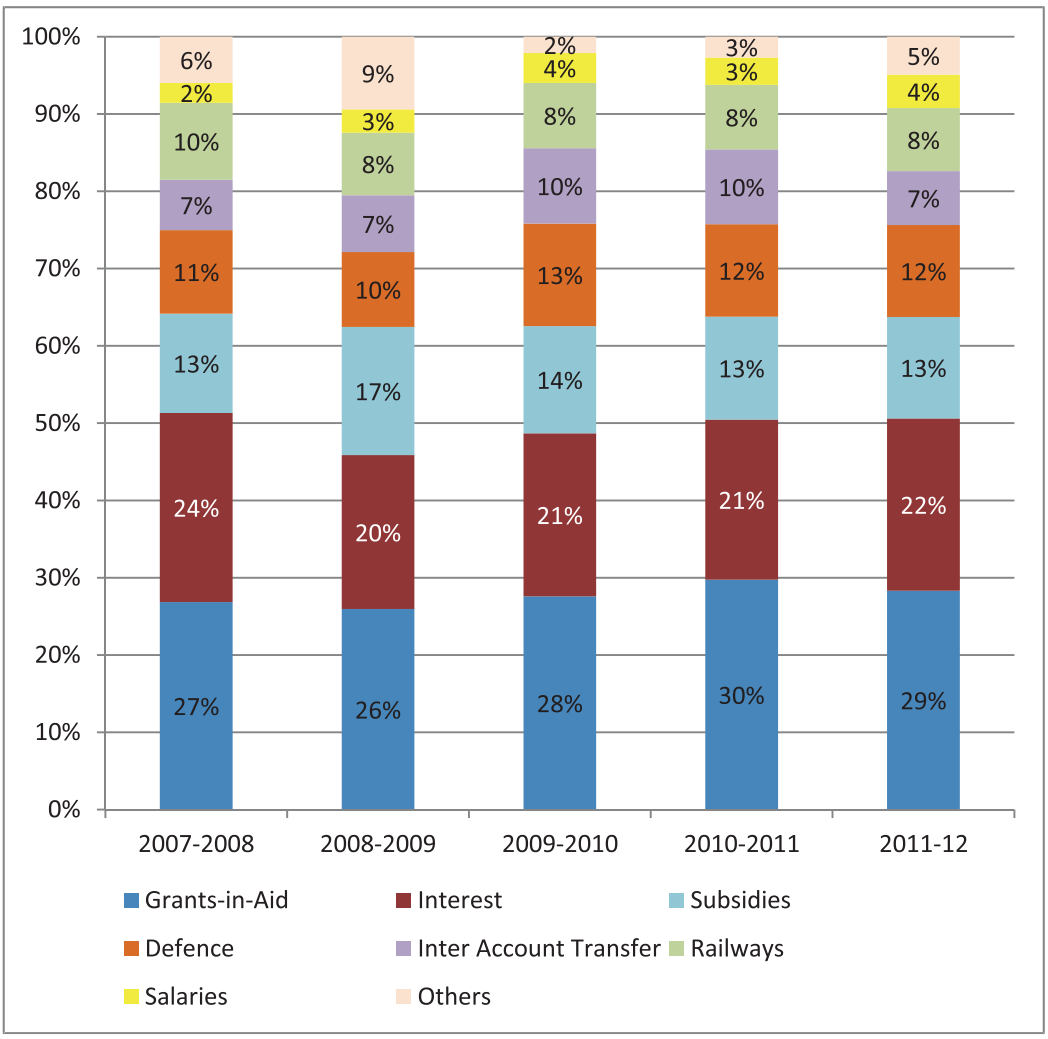
(₹ in crore)	2007-2008	2008-2009	2009-2010	2010-2011	2011-12
Plan expenditure	205082	275301	303593	379065	412394
Non-plan expenditure	658493	827065	870687	988362	1070670

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 2011-12 was ₹ 13,05,195 crore. As shown in **Chart 1.8** below, nearly two-thirds of the revenue expenditure was towards three components viz., grants-in-aid, interest payments and subsidies.

Chart 1.8: Main components of revenue expenditure



Note: Data extracted from 'e-lekha' portal. Does not include journal entries. Owing to misclassification, subsidies of ₹65,000 crore has not been reckoned.

During the Tenth Plan period, the average share of revenue expenditure to actual expenditure was around 87 *per cent,* which increased to an average of around 88 *per cent* during the Eleventh Plan period. 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 87 *per cent* in 2010-11 and 88 *per cent* in the current year.

The revenue expenditure grew by 10.04 *per cent* during the current year as against 12.16 *per cent* during 2010-11. 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 average rate of 11.98 *per cent*, which was more than double the rate of growth during the Tenth

Plan period (5.40 *per cent*), indicating greater reliance on debt to finance the budget. There was a substantial growth of interest payments in the current year (17 *per cent*). The Sixth Pay Commission award resulted in considerable growth in pay and allowances in 2008-09 (62 *per cent*). However, in the current year, growth under this head was 11 *per cent*. Defence expenditure, which accounts for around eight *per cent* of revenue expenditure, grew by 12 *per cent* in the current year.

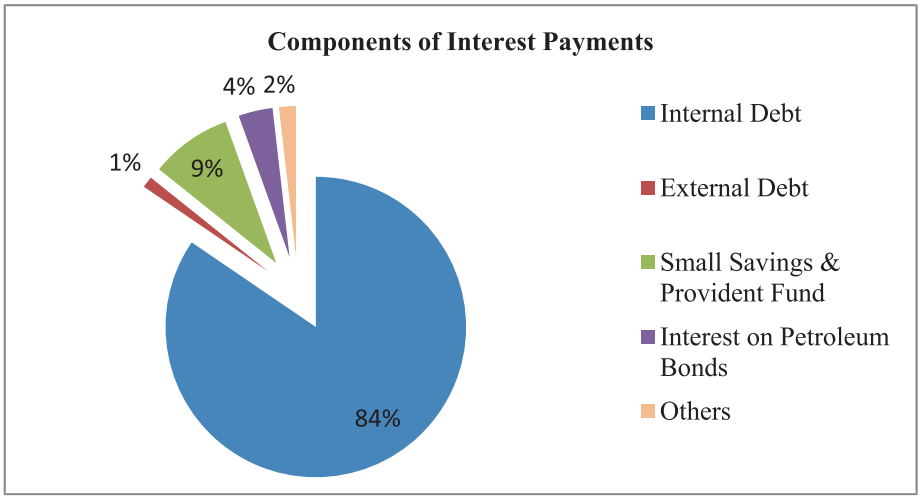
(b) Major components of Revenue expenditure

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 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 to 29 *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 22 *per cent* in the current year.

As shown in **Chart 1.9**, interest payments on account of internal debt (₹ 2,42,569 crore) is 84 *per cent* of the total interest payments (₹ 2,86,982 crore).

Chart 1.9:Main components of interest expenditure



Source: Union Government Finance Accounts 2011-12.
Total Interest payment: ₹2,86,982 crore; Internal Debt: ₹2,42,569 crore , External Debt:₹3,501 crore, Small Savings & Provident Fund:₹25,110 crore, Interest on Petroleum Bonds:₹10,551 crore, Others:₹5,251 crore

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 1.9** presents a picture of the subsidies, which the Government provided explicitly during the Tenth Plan period and the Eleventh Plan period. In the current year, total subsidies grew by nearly 23 *per cent* over 2010-11.

Table 1.9: Explicit Subsidies in the Union Government Budget

(₹in crore)

Period	Food	Fertilisers@ (Urea)	Fertilisers# (Decontrolled)	Petroleum Subsidy**	Others*	Total subsidies	Subsidies (A)	Subsidies (B)
X Plan (2002-07) Average	**23941^^**	**10969**	**5717**	**3971**	**2596**	**47194**	**1.42**	**9.42**
XI Plan (2007-12) Average	**54038**	**25610**	**35710**	**23095**	**6749**	**145202**	**2.17**	**13.71**
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	2.01	12.27
2010-11	63844	24337	41500	38371	9695	177747	2.32	14.99
2011-12	72822	33924	36108	68481	6567	217902	2.46	16.69

@ 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.*

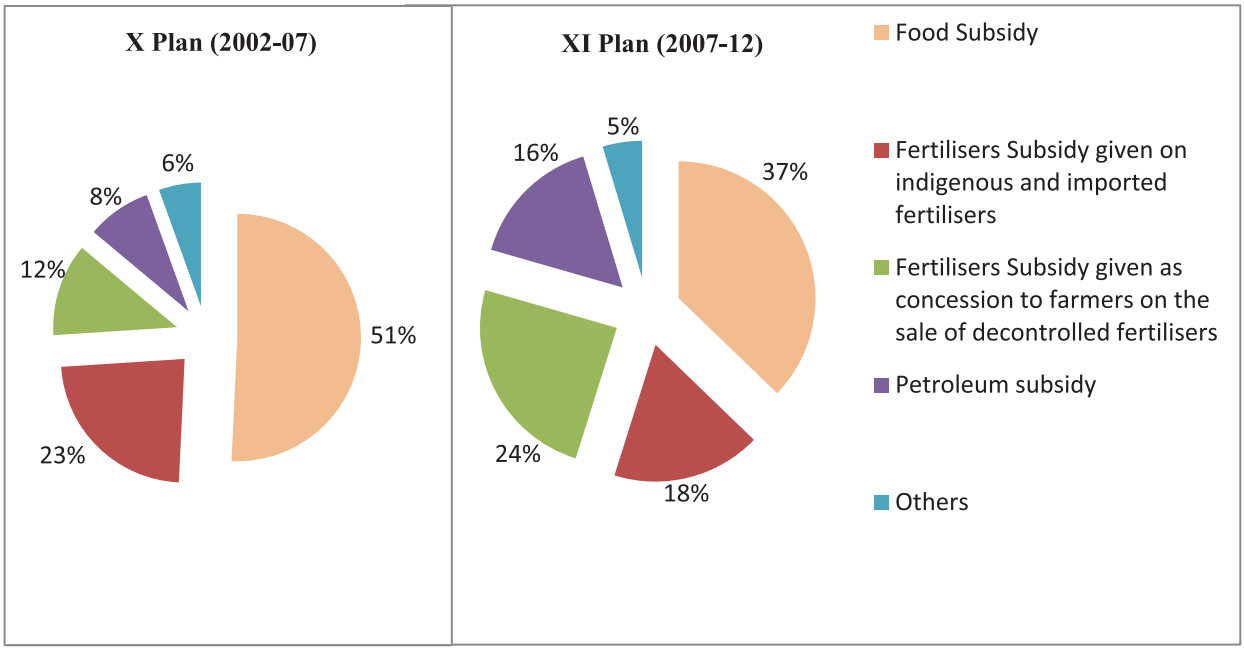
^Does not include the Special Bonds for ₹7,500 crore (₹3,500 crore for urea and ₹4,000 crore for decontrolled fertilisers) and ₹20,000 crore (₹3,000 crore for urea and ₹17,000 crore for decontrolled fertilisers) issued during 2007-08 and 2008-09, respectively, to fertiliser companies as compensation 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 (₹ 30,110 crore) in 2011-12 is mainly attributable to a steep increase by ₹ 30,000 crore towards compensation for under-recoveries on account of sale of domestic LPG and kerosene (PDS) operations.

The components of explicit subsidies provided by the Government in the Tenth Plan and Eleventh Plan are also depicted in pie **Chart 1.10** below. As seen from the chart and the table above, subsidies have increased significantly from an average 1.42 *per cent* of the GDP in Tenth Plan to 2.17 *per cent* in the Eleventh Plan. In fact, if the expenditure on petroleum bonds and fertilizer bonds for the years 2007-08, 2008-09 and 2009-10 are to be reckoned as subsidy, the subsidies as percentage of GDP in the eleventh plan increases from 2.17 *per cent* to 2.57 *per cent.* In 2011-12 the explicit subsidies provided by the Government formed 2.46 *per cent* of GDP. The share of food subsidies has declined from 51 *per cent* in the Tenth Plan to 37 *per cent* in the Eleventh Plan. The share of petroleum subsidies on the other hand has doubled from 8 *per cent* to 16 *per cent*.

Chart 1.10: Components of explicit subsidies

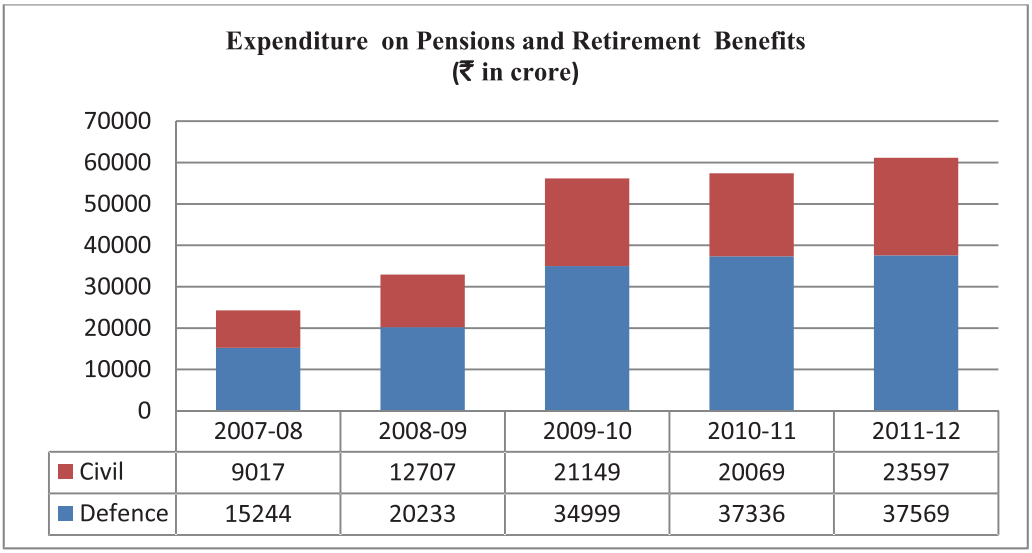


Subsidies are dispensed not only explicitly, i.e. through the budget but also by providing subsidised public services to the people. These kinds of subsidies are generally termed as implicit subsidies. Budgetary support to financial institutions and banks, inadequate returns from its investment in PSUs 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 1.9** 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 ₹ 61,166 crore, registering a growth of 152 *per cent* in the Eleventh Plan period. **Chart 1.11** shows the position for the period 2007-12. In the case of Defence pensions, during the Eleventh Plan period under consideration, pension payments increased by 146 *per cent* and stood at ₹ 37,569 crore, which was 61 *per cent* of the total pension payments made by the Union Government. The civil pensions stood at ₹ 9,017

crore, which increased to ₹ 23,597 crore registering a growth of 162 *per cent* in the Eleventh Plan period.

Chart 1.11: Expenditure on Pensions and other Retirement Benefits for the period 2007-12



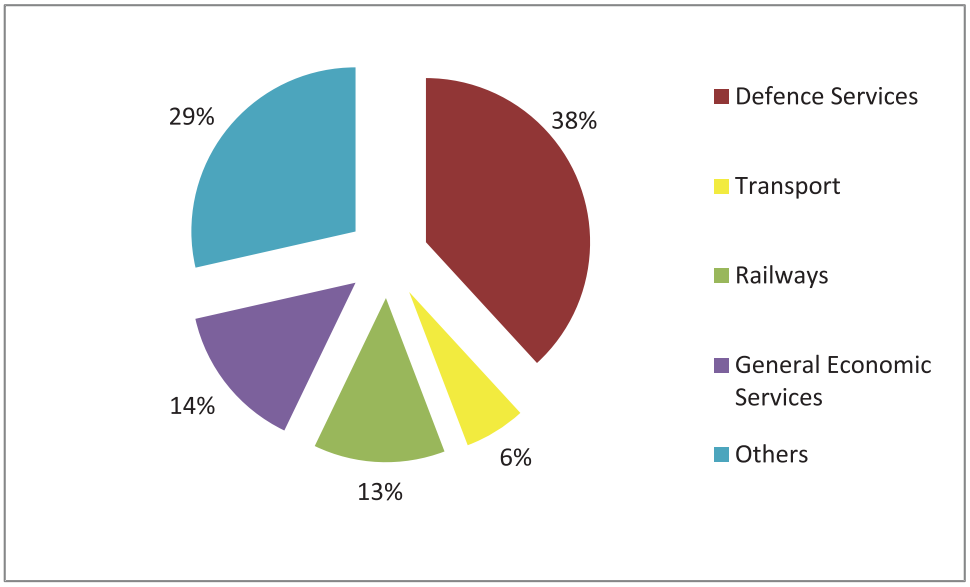
	2007-08	2008-09	2009-10	2010-11	2011-12
Civil	9017	12707	21149	20069	23597
Defence	15244	20233	34999	37336	37569

Defence Expenditure: The Defence sector revenue expenditure includes expenditure of the Army (₹ 71,795 crore), Navy (₹ 12,059 crore), Air Force (₹ 17,322 crore), Ordnance Factories (₹ 1,127 crore), Research and Development (₹ 5,321 crore), Defence Pension (₹ 37,569 crore) and the Ministry of Defence (₹ 14,920 crore). In 2011-12, 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 or enhancing the utility of existing assets, decreased by ₹ 3443 crore (2 *per cent*) over the previous year and stood at ₹ 1,77,869 crore in 2011-12.

Chart 1.12: Allocation of Capital Expenditure – Major Sectors (Percentage)



Defence Services: ₹67,902 crore, Transport: ₹10,713 crore, Railways: ₹23,013 crore, General Economic Services: ₹25,480 crore and Others: ₹50,761crore

Chart 1.12 indicates that Defence Services, Transport, Railways and General economic services accounted for 71 *per cent* of the capital expenditure in the current year.

- Under General Economic Services the expenditure was mainly attributable to ₹ 12,095 crore (i.e. 47 *per cent*) invested in 'Public Sector Undertakings', ₹ 4,054 crore (16 *per cent*) subscribed to the International Monetary Fund and ₹ 7,270 crore (more than 28 *per cent*) for loans advanced for Other General Economic Services.
- In case of 'Others', the major chunk of expenditure is mainly attributable to loans and advances to State Governments (₹ 10,016 crore), loans for procurement operations of Food Corporation of India under Targeted/ Public Distribution System 'Food storage and Warehousing' (₹ 10,000 crore), 'Capital outlay on Police' (₹ 5,524 crore) and loans for Delhi/Bangalore/Kolkata/Chennai Metro Rail Corporation Urban Development (₹ 3,463 crore).

1.3.5 Analysis of Plan expenditure

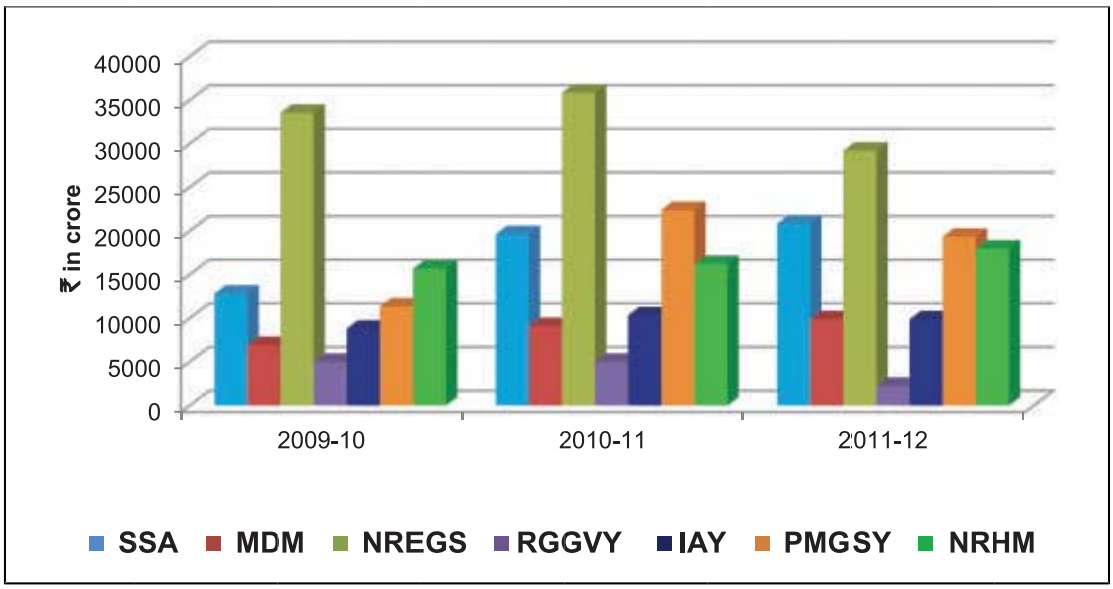
The total Plan expenditure of the Union in 2007-08 was ₹ 2,05,082 crore, which increased to ₹ 3,79,065 crore during 2010-11. This further increased to ₹ 4,12,394 crore during 2011-12, being 27.81 *per cent* of the actual expenditure. The top 10 grants (**Chart 1.16**) by

expenditure, accounted for 71.6 *per cent* of the total Plan expenditure of the Union Government in 2011-12. As was noted earlier, the plan expenditure of the Government increased from 24.17 *per cent* of actual expenditure in the Tenth Plan to 26.30 *per cent* in the Eleventh Plan.

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 1.13** shows the actual expenditure on major flagship programmes during the period 2009-12.

Chart 1.13: Actual expenditure on major flagship programmes during the Eleventh Plan



** SSA=Sarva Siksha Abhiyan, MDM=Mid-Day Meal Scheme, MGNREGS= Mahatma Gandhi 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 expenditure on the seven flagship schemes shown above has increased from ₹ 93,143 crore in 2009-10 to ₹ 1,18,649 crore in 2010-11 and then decreased to ₹109,379 crore in the current year. As can be seen from **Chart 1.13** and **Table 1.10**, major schemes like MGNREGS, RGGVY, IAY and PMGSY saw a decrease in expenditure when compared to the previous year and also in comparison to the Budget estimates.

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

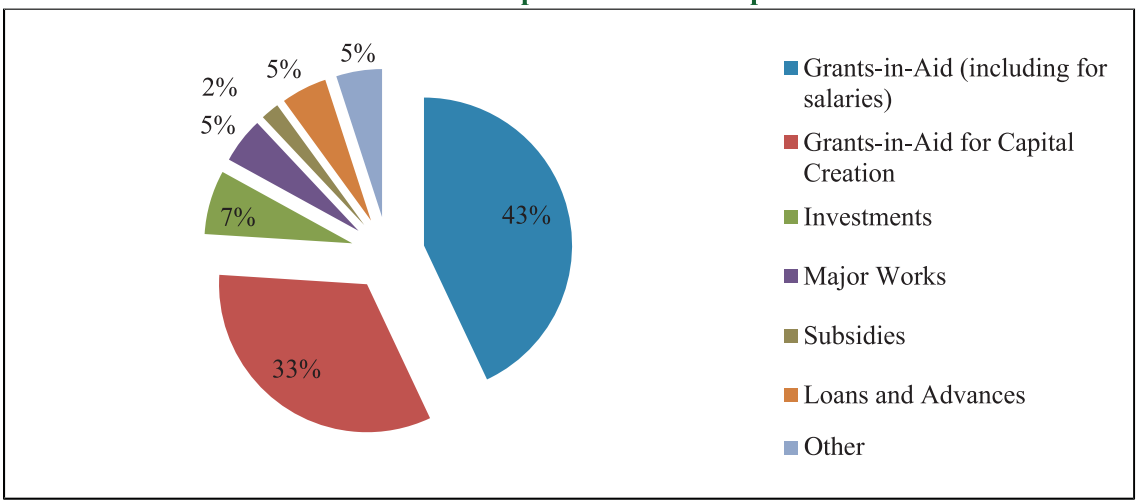
(₹ in crore)

Sl.No.	Programme	2009-10			2010-11			2011-12		
		BE	Actuals	Variation over BE (Percentage)	BE	Actuals	Variation over BE (Percentage)	BE	Actuals	Variation over BE (Percentage)
1	SSA	13100	12825	(-)2.10	15000	19637	30.90	20413	20841	2.10
2	MDM	8000	6932	(-)13.40	9440	9118	(-)3.40	10061	9891	(-)1.69
3	NREGS	39100	33538	(-)14.20	40100	35841	(-)10.60	40000	29213	(-)26.97
4	RGGVY	6300	5000	(-)20.64	5500	5000	(-)9.10	6000	2237	(-)62.72
5	IAY	8800	8800	-	10000	10337	3.40	10000	9872	(-)1.28
6	PMGSY	12000	11340	(-)5.50	12000	22400	86.70	20000	19342	(-)3.29
7	NRHM	15534	15670	(-)0.90	17138	16238	(-) 5.30	19838	17983	(-)9.35
	Total	**102834**	**93143**		**109178**	**118649**		**126312**	**109379**	

1.3.7 Major Components of Plan expenditure[5]

As can be seen from **Chart 1.14**, grants-in-aid, investments, loans and subsidies account for 89 *per cent* of Plan expenditure. Grants-in-aid during 2011-12 constituted 76 *per cent* of the total Plan expenditure in the case of civil ministries. Capital related Plan expenditure was as low as 12 *per cent* of the total Plan expenditure. Ministry-wise/grant-wise components of Plan expenditure are shown in **Annex I-A.**

Chart 1.14: Components of Plan expenditure

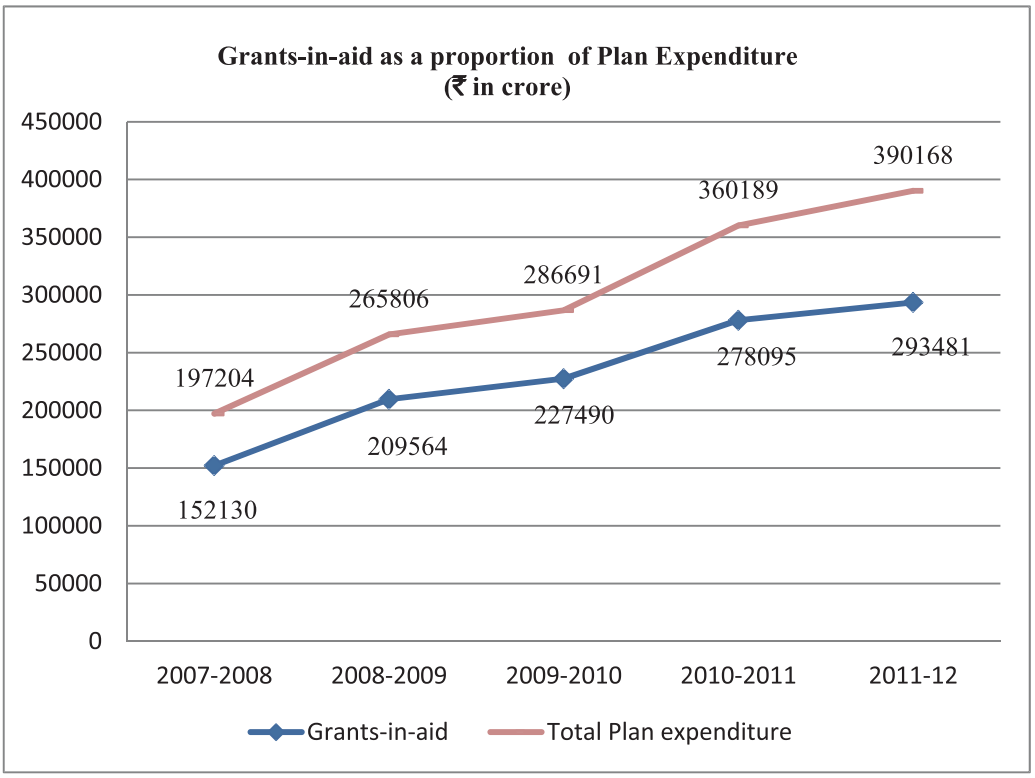


Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Posts and Railways). Does not include journal entries.

[5]Excluding grants pertaining to Posts and Railways

Chart No 1.15 shows grants-in-aid (including grants-in-aid for capital creation and for salary) as a proportion of the total Plan expenditure during the Eleventh Plan period. Grants-in-aid ranged between 75 and 79 *per cent* of the total Plan expenditure.

Chart 1.15: Grants-in-aid (including grants-in-aid for capital creation and for salary) as a proportion of total Plan expenditure

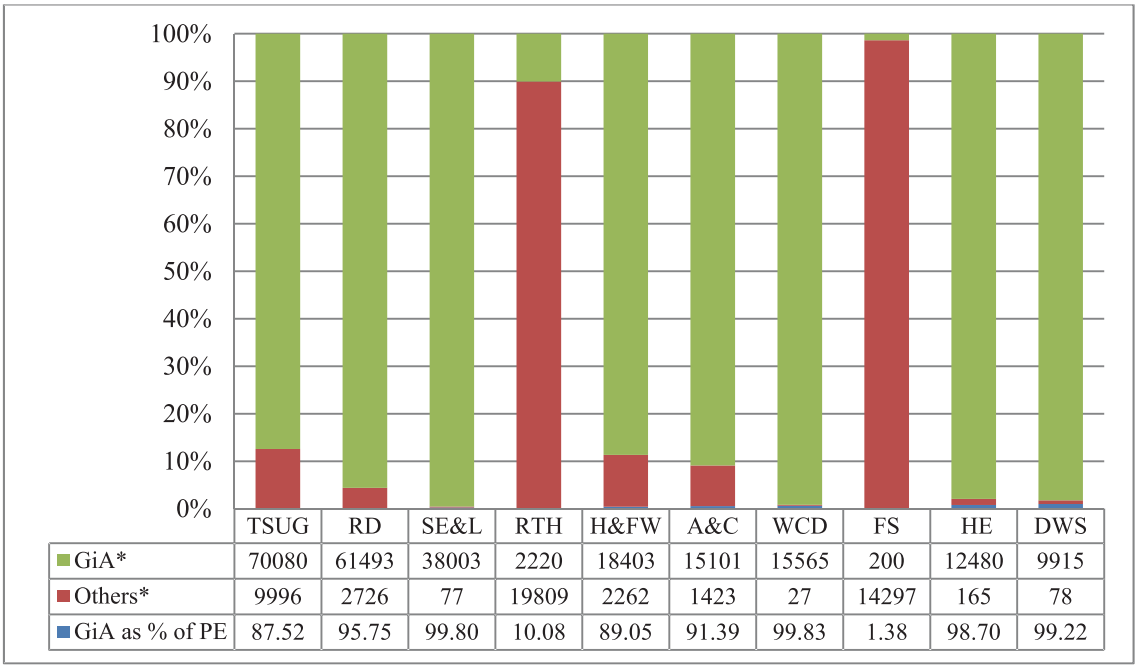


Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Posts and Railways). Does not include journal entries.

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

Chart 1.16 below shows the proportion of grants-in-aid within Plan expenditure for the 10 Ministries/Departments with the largest Plan expenditure in 2011-12.

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



	TSUG	RD	SE&L	RTH	H&FW	A&C	WCD	FS	HE	DWS
GiA*	70080	61493	38003	2220	18403	15101	15565	200	12480	9915
Others*	9996	2726	77	19809	2262	1423	27	14297	165	78
GiA as % of PE	87.52	95.75	99.80	10.08	89.05	91.39	99.83	1.38	98.70	99.22

** Amount ₹ in crore*

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

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

As is evident, almost the entire Plan expenditure in the Ministries/Departments of Secondary Education and Literacy, Women and Child Development, Drinking Water Supply and Rural Development 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 slightly increased from 26.71 *per cent* in 2007-08 to 26.47 *per cent* in 2011-12.

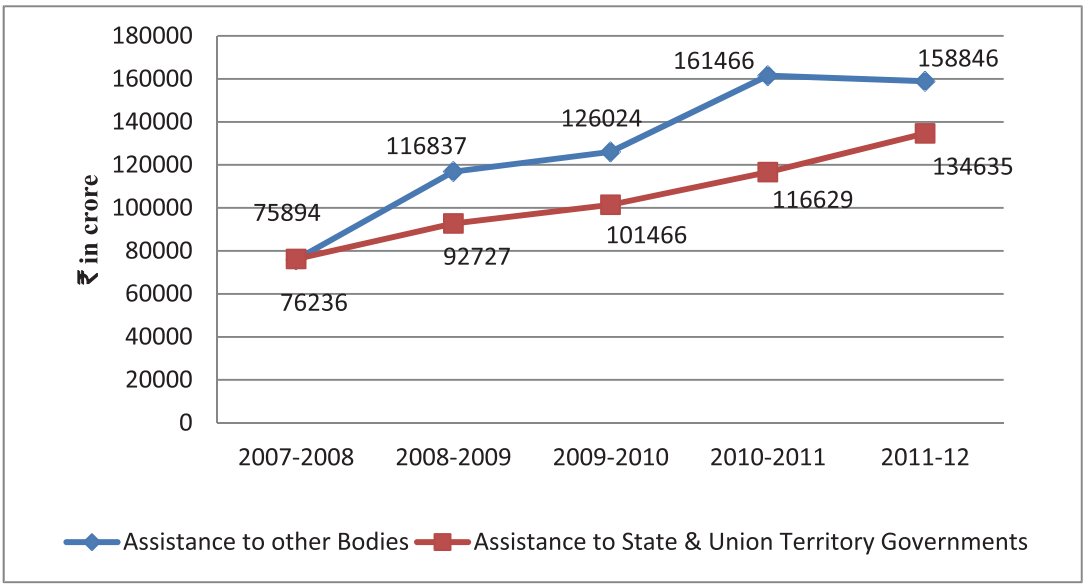
Table 1.11: Direct transfer of Central Plan assistance to State/District level Autonomous bodies/implementing agencies

(₹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	118740	379065	31.32
2011-12	109173	412394	26.47

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 2011-12, direct transfers stood at 54 *per cent* of the total Plan grants-in-aid. This is depicted in the chart **(Chart 1.17)** below. It is evident that transfers to bodies/authorities have become the preferred method of resource transfer, compared to disbursement of grants to State Governments.

Chart 1.17 Proportion of direct transfers vs. transfers to States & Union Territories



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

As seen from the chart above, the share of direct transfers in grants-in-aid was 55.05 *per cent* during the Eleventh Plan period. 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 discussed in detail in Chapter-6.

1.3.10 Object head-wise analysis of expenditure for the last five years

A Grant or Appropriation is distributed by standard objects under which it shall be accounted for. Each standard object, against which the provision for expenditure appears, constitutes a primary unit of Appropriation. This primary unit of Appropriation is called Object Head.

Five object heads on which largest expenditure was incurred during the past five years are given in **Table 1.12** below and trend of expenditure is shown in **Chart 1.18** following the table. Repayment of borrowings and grants-in-aid showed the largest growth in the period depicted.

Table 1.12: Five object heads on which largest expenditure was made during 2007-12

(₹ in crore)

Object Head	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
56-Repayment of Borrowings	16,04,110	21,64,561	30,85,792	28,02,774	34,95,929
Grants-in-Aid[6]	1,97,947	2,64,606	2,91,447	3,52,648	3,67,254
45- Interest	1,79,870	2,00,973	2,22,777	2,45,701	2,89,288
33- Subsidies	94,523	1,67,461	1,46,437	1,57,817	1,70,132*
63-Inter Account Transfer	56,444	73,663	1,02,074	1,13,943	89,436

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

** this figure does not include ₹65000 crore misclassified as Other Charges.*

[6]This includes all expenditure on three object heads viz. 31-Grants-in-Aid General, 35- Grants for creation of capital Assets, 36- Grants-in-Aid Salaries.

Chart: 1.18 Trend Analysis for five largest object heads during 2007-12

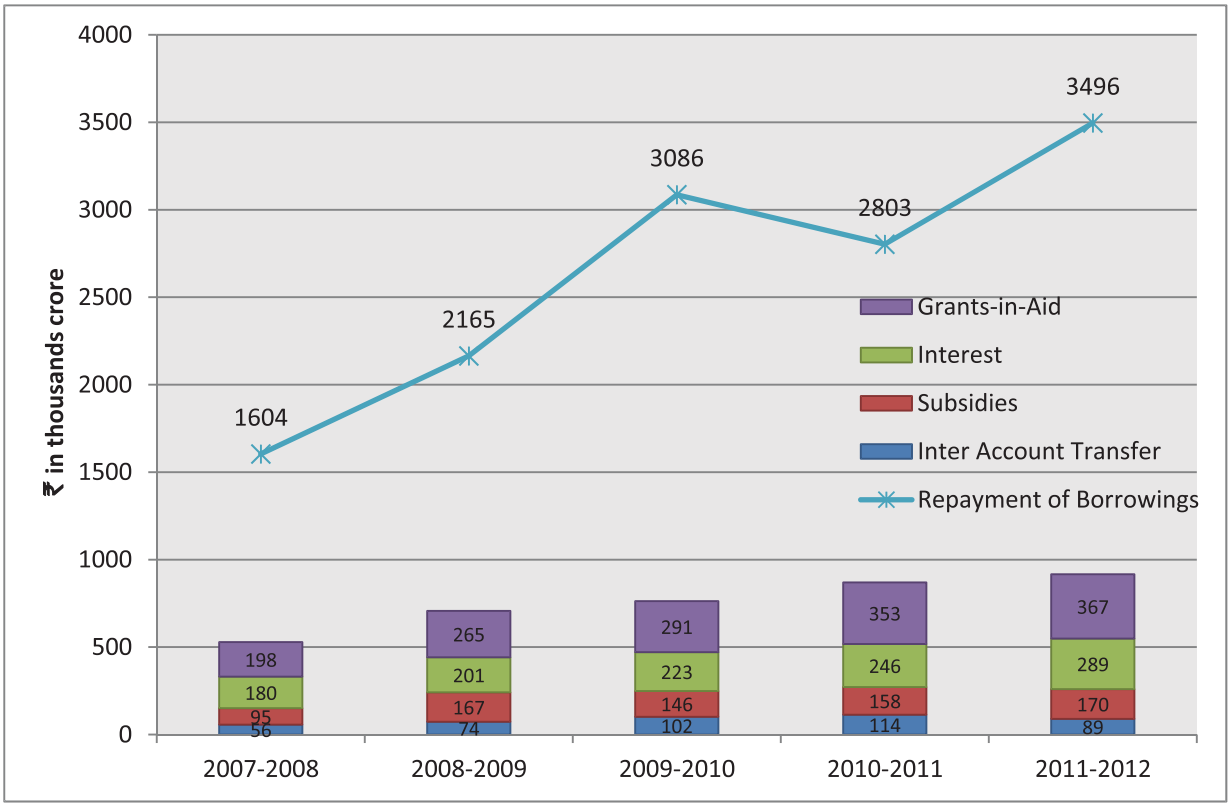


Chart 1.18 shows that single largest component of expenditure of Government of India is on repayment of its borrowings. Expenditure on repayment of borrowings almost doubled from ₹ 16,04,111 crore in year 2007-08 to ₹ 34,95,929 crore in year 2011-12. Other large components of expenditure of Union Government were on Grants-in-aid, Interest, Subsidies and Inter-account Transfer.

Object heads which recorded largest increases in booking of expenditure in 2011-12 over the previous years are given in table below:

Table 1.13: Five object heads which recorded largest increase over the previous year in 2011-12

(₹ in crore)

Object head	Exp in 2010-11	Exp in 2011-12	Growth in *Per cent*
12-Foreign Travel Expenses	394.33	1,080.97	174%
42-Lumpsum Provision	135.69	312.74	130%
22-Arms and Ammunitions	985.47	1,584.85	61%
50-Other Charges	54,595.71	79,423.84	45%
20-Other Administrative Expenses	645.69	927.87	44%

A further analysis revealed that:

- Expenditure on foreign travel increased by 174 *per cent* i.e. from ₹394.33 crore in year 2010-11 to ₹ 1,080.97 crore in the year 2011-12. A ministry/grant wise analysis reveals that in Grant related to Cabinet, expenses on foreign travel

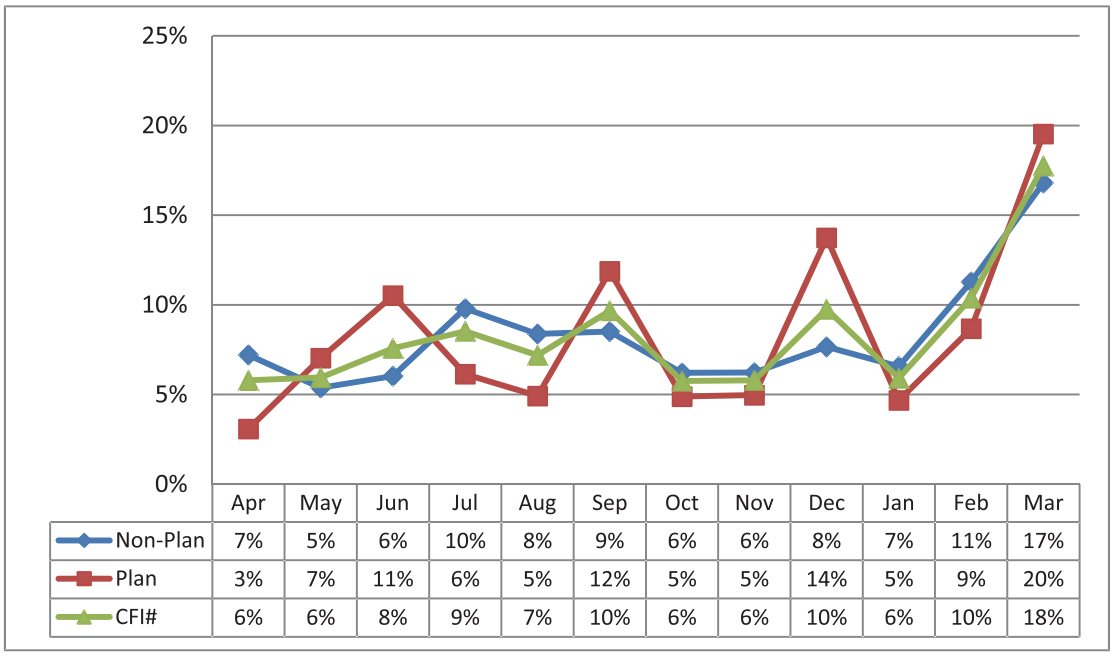
increased from ₹ 51.68 crore in year 2010-11 to ₹ 677.54 crore in year 2011-12 thus contributing in the overall nearly three fold increase in one year. As noted in para no. 4.19, the expenditure on foreign travel also includes an expenditure of ₹381.28 crore on payment for maintenance of aircraft used for VVIP travel which was incorrectly classified as foreign travel expenditure.

- Expenditure on lump sum provision increased from ₹ 135.69 crore in year 2010-11 to ₹ 312.74 crore in year 2011-12. The main reason of this was booking of ₹ 300 crore expenditure on lump sum provision by Department of Economic Affairs in year 2011-12. As per instructions contained in Delegation of Financial Power Rules, 1978 lump sum provision should not exceed ₹ 10 lakh and in all other cases break-up of expenditure must be given.
- It was seen that more than 98 *per cent* of the expenditure on Arms and Ammunitions was recorded in the grant related to Police in both the years, which increased from ₹ 981 crore in 2010-11 to ₹ 1,571 crore in 2011-12.
- The Ministry of Petroleum and Natural Gas and the grant relating to Pensions significantly contributed to increase of 45 *per cent* booking in expenditure under object head '50-Other Charges'. In 2011-12 the expenditure includes an amount of ₹ 65,000 crore which has been incorrectly classified as 'Other Charges' instead of 'Subsidy' as discussed in para no. 4.19.
- In case of object head relating to Other Administrative Expenses the increase was 44 *per cent* over the previous year which was spread across all the grants.

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 1.19** 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 1.19: Month-wise flow of expenditure



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Non-Plan	7%	5%	6%	10%	8%	9%	6%	6%	8%	7%	11%	17%
Plan	3%	7%	11%	6%	5%	12%	5%	5%	14%	5%	9%	20%
CFI#	6%	6%	8%	9%	7%	10%	6%	6%	10%	6%	10%	18%

CFI=Consolidated Fund of India
Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Defence, Posts, Railways and grant no.37 i.e. Appropriation-Repayment of Debt). Does not include journal entries, 'inter-account transfer' and 'deduct recoveries'.
percentages of month-wise expenditure from CFI may not tally with Annex I-B due to non-inclusion of 'inter-account transfer' in this chart

An analysis of the total expenditure of the Government from the Consolidated Fund of India for the Civil Ministries[7] shows that 18 *per cent* and 34 *per cent* of the total annual expenditure was incurred in March 2012 and last quarter of the year 2011-12. The main reason for this was the sharp increase in Plan expenditure in March 2012. Plan expenditure showed quarterly peaks in the months of June, September and December of 2011 and showed a pronounced increase in March 2012 to 20 *per cent* of the total Plan expenditure. Non-Plan expenditure, which averaged between 5 to 11 *per cent* of the annual expenditure every month, showed a sharp increase in March 2012 to 17 *per cent* of the total non-Plan expenditure for the year.

Ministry/Department-wise time analysis: A disaggregated analysis in **Table 1.14** shows that in the case of 16 grants over 23 *per cent* of the total expenditure was incurred in March 2012. In the case of the Department of Financial Services and the Department of Economic Affairs, 67 *per cent* and 56 *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 **Annex I-B.**

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

Table 1.14: Analysis of the expenditure in March 2012

Grant No.	Grant Name	Total expenditure (₹*in crore*)	Expenditure in March (including Supplementary Accounts) (₹*in crore*)	Percentage of expenditure in March (including Supplementary Accounts)	Expenditure on last day of March (₹*in crore*)	Percentage of expenditure on last day of March
033	Department of Financial Services	20824	15692	75%	14044	67%
032	Department of Economic Affairs	21455	12632	59%	11963	56%
082	Department of Rural Development	106841	52608	49%	43370	41%
088	Ministry of Shipping	1664	758	46%	699	42%
075	Ministry of Power	7091	3187	45%	2321	33%
074	Ministry of Planning	1330	437	33%	181	14%
073	Ministry of Petroleum and Natural Gas	70101	22740	32%	1	0%
069	Ministry of Indian Overseas Affairs	78	21	27%	6	8%
015	Department of Information Technology	2075	559	27%	399	19%
081	Ministry of Road Transport and Highways	38280	9919	26%	8632	23%
035	Transfer to States and Union Territories	136895	35191	26%	33125	24%
093	Ministry of Textiles	5057	1225	24%	791	16%
100	Lakshadweep	894	215	24%	133	15%
010	Ministry of Coal	402	96	24%	63	16%
053	Cabinet	1030	243	24%	146	14%
056	Transfer to Union Territory Governments	1489	349	23%	168	11%

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

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

- Out of ₹43,370 crore incurred by the Department of Rural Development on the last day of the March 2012, an amount of ₹43,316 crore, constituting 99.87 *per cent* was incurred on the three object heads viz. Inter Account Transfer (₹ 42,578 crore), Grants for creation of Capital Assets (₹ 551 crore) and Grants-in-Aid General (₹ 187 crore).

- Similarly, out of ₹ 14,044 crore incurred by the Department of Financial Services on the last day of the March 2012, an amount of ₹ 13,902 crore, constituting 98.98 *per cent* was incurred on the three object heads viz. Investments (₹ 13,095 crore which included ₹12,000 crore for recapitalisation of Public Sector Banks, ₹1,000 crore as subscription of share capital of NABARD and ₹95 crore as equity capital of LIC), Inter Account Transfer (₹ 625 crore) and Subsidies (₹ 182 crore which includes ₹127 crore as one *per cent* interest subvention on housing loans and ₹55 crore on interest subvention for providing short term credit to farmers)

- Similarly, out of ₹ 11,963 crore incurred by the Department of Economic Affairs on the last day of the March 2012, an amount of ₹ 10,754 crore, constituting 89.89 *per cent*, was incurred on the three object heads viz. Loans and Advances (₹7,270 crore as loan to IMF under New Arrangements to Borrow), Investments (₹ 2,468 crore including ₹2,445 crore for African Development Bank), and Subsidies (₹ 1,016 crore as subsidy to Railways towards dividend relief).

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 1.15**:

Table 1.15: Analysis of expenditure on object heads booked in March 2012

Object Head	Object Head Description	Total expenditure (*₹in crore*)	Expenditure in March (including Supplementary Accounts) (*₹in crore*)	Percentage of expenditure in March (including Supplementary Accounts)	Expenditure on last day of March (*₹in crore*)	Percentage of total expenditure on last day of March
64	Write off/Losses	2779	2689	97%	2689	97%
36	Grants-in-aid salaries	2049	1903	93%	1872	91%
63	Inter account Transfer	90975	*66131	73%	*66239	73%
54	Investments	35800	17734	50%	16815	47%
05	Rewards	37	17	45%	4	11%
60	Other Capital Expenditure	1789	739	41%	5	Negligible
25	Clothing and Tentage	448	171	38%	36	8%

* Expenditure figure of last day exceeds the expenditure figure for the month of March due to some entries made on account of recoveries during the month.

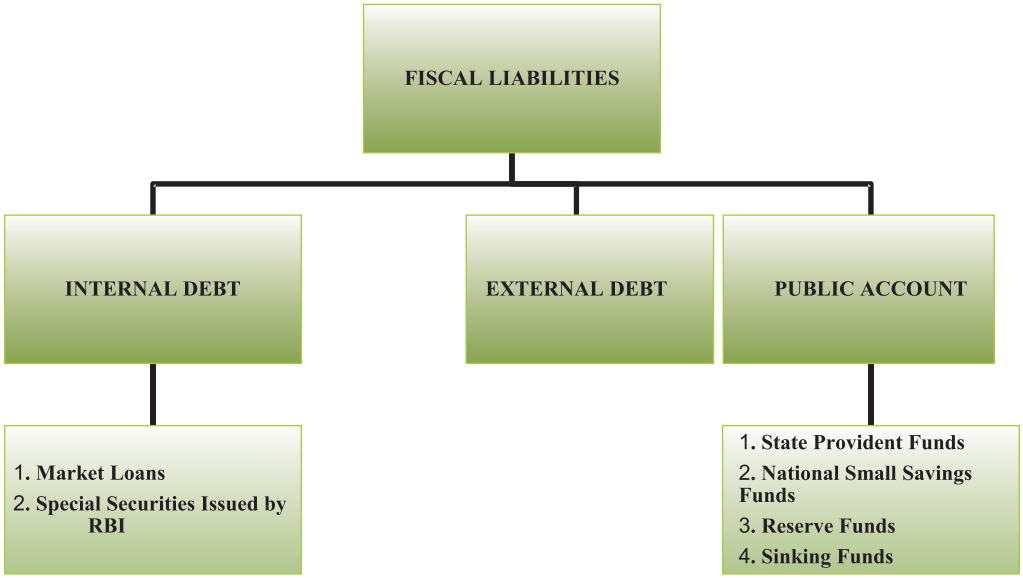
Object Head	Object Head Description	Total expenditure (₹*in crore*)	Expenditure in March (including Supplementary Accounts) (₹*in crore*)	Percentage of expenditure in March (including Supplementary Accounts)	Expenditure on last day of March (₹*in crore*)	Percentage of total expenditure on last day of March
16	Publications	411	147	36%	48	12%
42	Lump sum Provision	313	106	34%	45	14%
50	Other Charges	79445	24721	31%	875	1%
26	Advertising and Publicity	1558	486	31%	136	9%
53	Major Works	21266	6348	30%	4326	20%
20	Other Administrative Expenses	928	275	30%	17	2%

Note: Data extracted from 'e-lekha' portal (other than for grants pertaining to Defence (Gr-22 to 27), Posts (Gr-13), and Railways. Does not include journal entries.

The Government should examine the reasons for lumping of expenditure, particularly in the case of investments, other Capital expenditure, advertising and publicity, major works and other administrative expenses at the 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 (FRBM) Act, 2003 and also incentivised State Governments to set limits on their liabilities through fiscal reform legislations. The FRBM rules stipulate that the Central Government

shall not assume additional liabilities (including external debt at current exchange rate) in excess of 9 *per cent* of GDP for the financial year 2004-05 and in each subsequent financial year the limit of 9 *per cent* of GDP was to be progressively reduced by at least one percentage point of GDP. **Table 1.16** 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 1.16: 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(2002-07) Average	**1274620 (38.42)**	**72715 (2.19)**	**368973 (11.12)**	**1716307 (51.74)**	**193395 (5.83)**	**1836987 (55.37)**
XI Plan (2007-12) Average	**2409114 (35.94)**	**139377 (2.08)**	**558068 (8.32)**	**3106559 (46.34)**	**265049 (3.95)**	**3232230 (48.22)**
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 (36.06)	134083 (2.08)	583279 (9.03)	3045701 (47.17)	249306 (3.86)	3160924 (48.95)
2010-11	2667115 (34.75)	157639 (2.05)	586458 (7.64)	3411212 (44.45)	278877 (3.63)	3532450 (46.03)
2011-12	3230622 (36.48)	170088 (1.92)	597765# (6.75)	3998475 (45.15)	322897 (3.65)	4151284 (46.88)

Note: figures in parenthesis show percentage of GDP

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

As on 31.3.2012, Public Account liabilities stood at ₹ 11,16,542 crore, which includes ₹ 5,17,277 crore invested in special State Government securities and ₹ 1,500 crore invested in IIFCL from 2007-08.

As on 31 March 2012, internal debt constituted around 95 *per cent* of the total public debt. During the financial year, Government has paid a sum of ₹ 2,42,569 crore as interest on internal debt. Over 78 *per cent* (₹ 1,89,416 crore) of interest paid on internal debt constituted interest on market loans bearing interest (of varying rates). Of the interest paid on external debt (₹ 3,501 crore), nearly 68 *per cent* (₹ 2,382 crore) share of interest paid by India during 2011-12 was towards loans from the International Development Association and loans from the Government of Japan.

Table 1.17: Debt receipt and Debt repayment

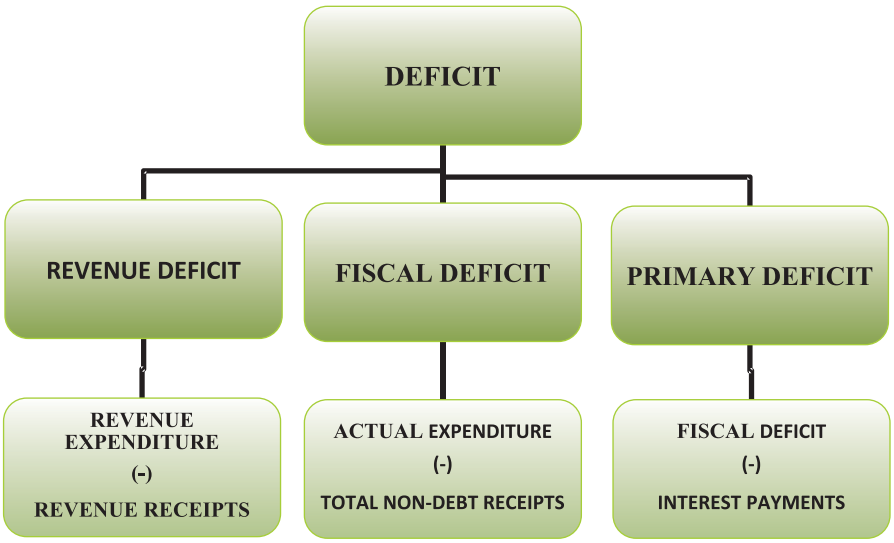
(₹ in crore)

Year	Repayment of Principal of internal debt	Repayment of interest on internal debt	Repayment of Principal of external debt	Repayment of interest on external debt	Total repayment of debt	Total non-debt receipts
2007-08	1596617	146800	7493	3927	1754837	698613
2008-09	2154553	164164	10007	4195	2332919	667922
2009-10	3074652	180504	11139	3629	3269924	741837
2010-11	2802999	201841	11774	3156	3019770	984785
2011-12	3482343	242569	13586	3501	3741999	965183

Table 1.17 shows the quantum of repayment of debt (principal and interest) vis-a-vis the non-debt receipts of the Government for the period 2007-08 to 2011-12. Repayment of debt was 251 *per cent* of non-debt receipts during 2007-08 and increased to 388 *per cent* in 2011-12. Further, the proportion of total repayment of debt to revenue receipts was to the extent of 270 *per cent* during 2007-08, which has increased to 411 *per cent* in 2011-12

1.5.1 Revenue Deficit

Box- 1.4: Types of Deficits



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 (2002-07) Average	**394426**	**500825**	**106399**	**3.21**	**26.98**	**21.24**
XI Plan (2007-12) Average	**770152**	**1058775**	**288623**	**4.31**	**37.48**	**27.26**
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	5.47	50.10	33.38
2010-11	932686	1186115	253429	3.30	27.17	21.37
2011-12	910277	1305195	394918	4.46	43.38	30.26

Table 1.18 indicates that in relation to GDP, on an average, the revenue deficit in the Eleventh Plan at 4.31 *per cent* was significantly higher than that in the Tenth Plan (3.21 *per cent*). Also, as seen from the table the revenue deficit increased in 2011-12 after showing a decline in 2010-11. The deterioration in revenue deficit in the year 2011-12 can be attributed to a 10.04 *per cent* increase in revenue expenditure and 2.40 *per cent* decrease in revenue receipts.

1.5.2 Fiscal Deficit

Fiscal deficit is the excess of actual expenditure over non-debt 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	Actual expenditure	Fiscal Deficit	Fiscal Deficit as percentage of		
				GDP	Non-Debt Receipts	Actual Expenditure
	(₹in crore)					
X Plan (2002-07) Average	**440415**	**573852**	**133437**	**4.02**	**30.30**	**23.25**
XI Plan (2007-12) Average	**811668**	**1198142**	**386474**	**5.77**	**47.61**	**32.26**
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	6.70	58.29	36.83
2010-11	984785	1367427	382642	4.99	38.86	27.98
2011-12	965183	1483064	517881	5.85	53.66	34.92

Just as in case of revenue deficit, the average fiscal deficit in the Eleventh Plan at 5.77 *per cent* was higher than in the Tenth Plan. The current year saw deterioration in the fiscal deficit as compared to the previous year.

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 Eleventh Plan period

Table 1.20: Components of fiscal deficit

(Per cent)

Period	Revenue Deficit	Net Capital Expenditure	Net Loans and Advances
X Plan (2002-07) Average	**79.74**	**31.22**	**(-)10.96**
XI Plan (2007-12) Average	**74.68**	**24.35**	**0.97**
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
2011-12	76.26	23.44	0.30

As can be seen from the above table the net capital expenditure in 2011-12 showed a significant decline over 2010-11.

Table 1.21 below presents the targets set for the key fiscal parameters – revenue and fiscal deficits for the year 2011-12 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 much above the ceiling indicated in the budget estimates

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

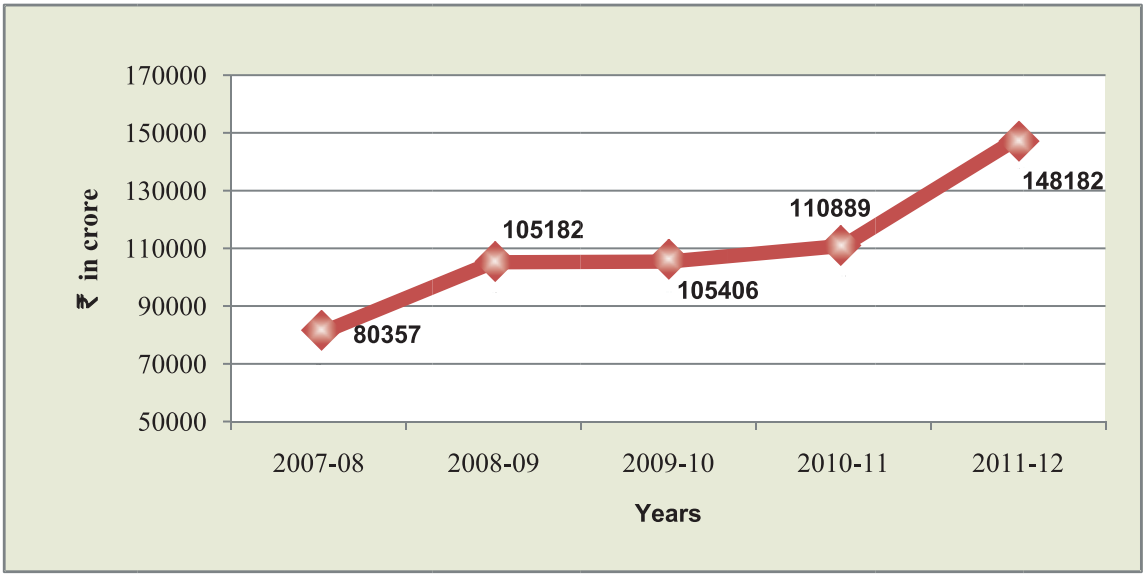
Fiscal Indicator	Targets set in MTFPS 2009-10 for the year 2011-12	Targets set in MTFPS 2010-11 for the year 2011-12	BE in MTFPS 2011-12	Actual Levels
Revenue Deficit	1.5	3.4	3.4	4.46
Fiscal deficit	4.0	4.8	4.6	5.85

1.5.3 External Debt: Unutilised committed external assistance

As on 31 March 2012, unutilised committed external assistance was of the order of ₹1,48,182 crore. **Chart 1.20** 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 (₹ 30,786 crore), roads (₹ 19,984 crore), water resources (₹ 12,945 crore), power (₹ 14,365 crore), environment and forestry (₹ 12,078 crore).

Chart 1.20: Unutilised committed external assistance



Commitment charges on undrawn external assistance are paid on the amount of principal rescheduled for drawal on later dates. As there is no distinct head in the accounts for reflecting the payment of commitment charges, it is shown under the head 'interest obligation'. **Table 1.22** indicates charges paid to various bodies/governments during 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 ₹ 83.29 crore in 2011-12.

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
2011-12	42.30	20.82	6.24	13.92	83.29

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 2012, 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 2012 were ₹ 2,03,056 crore and ₹ 1,92,501crore, 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 1.21** 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 Eleventh Plan period.

Chart: 1.21 Guarantees given by the Union Government

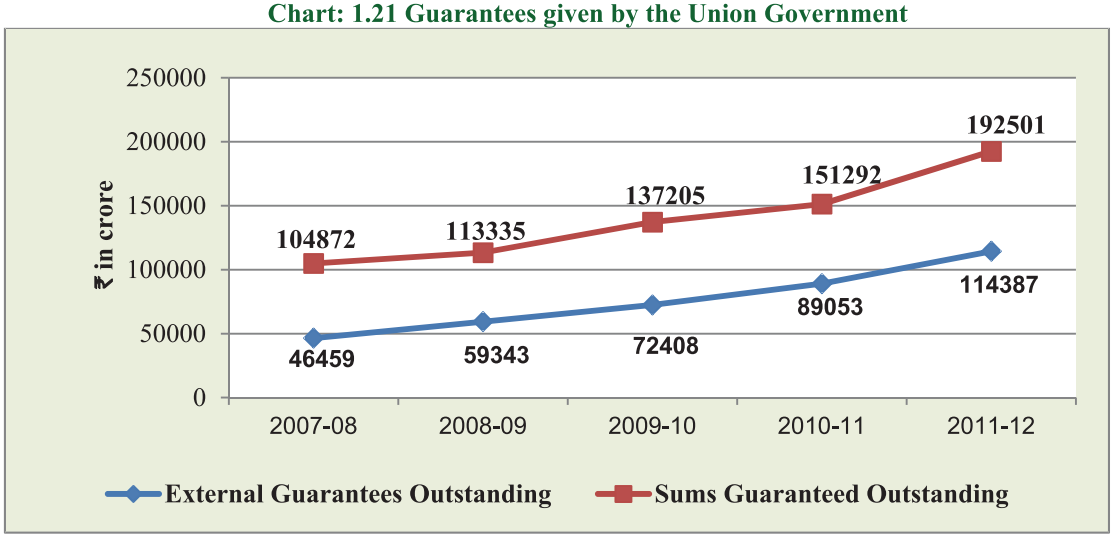


Table 1.23: Guarantees given by the Union Government

(₹in crore)

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
2009-10	150437	137205	72408	52.76
2010-11	160611	151292	89053	58.86
2011-12	203056	192501	114387	59.42

Guarantees are usually given to enable borrowings from international agencies or to enable PSUs to borrow money from the market. In 2011-12, of the sums guaranteed outstanding as on 31 March, 2012 (₹ 1,92,501 crore), 59 *per cent* went towards loans from foreign lending institutions, 35 *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 six *per cent* went towards guarantees for repayment of share capital, payment of minimum annual dividend and repayment of bonds, loans, debentures/counter guarantees etc. The major Ministries/Departments for whom guarantees were given by the Ministry of Finance were the Ministries/Departments of Consumer Affairs, 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, this percentage is worked out on the basis of net accretion of guarantees. In the year 2011-12, the guarantees given totalled ₹ 40,219 crore, which was 0.45 *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 (₹ 1,92,501 crore) were 2.17 *per cent* of the GDP in 2011-12 and 21.15 *per cent* of the revenue receipts that accrued to the Union Government in 2011-12.

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, 5 and 6 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 Parliament.

2.1 Issues 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 (in para 7.134) that the list of appendices to the Finance Accounts be standardised, keeping in view the recommendations of the Twelfth Finance Commission and 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 Accounts for the year 2011-12 disclosed that the statements as recommended by the Twelfth and Thirteenth Finance Commissions had not been included in the union accounts. It would be pertinent to mention that

most of the States were appending all the above statements to their accounts except the statements relating to (a) committed liabilities in the future and (b) implications of major policy decisions taken by the Government during the year or new schemes proposed in the budget for future cash flows.

It was mentioned in the Reports of the Comptroller and Auditor General on the Accounts of the Union Government for the year ended 2007-08, 2008-09, 2009-10 and 2010-11 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 seven 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 January 2013.

As pointed out in the last year's Audit Report, the status of implementation of the recommendations of the Twelfth Finance Commission in the financial statements of State Governments is encouraging. However, there has been no compliance by Union Government in this regard.

2.1.2 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 important stakeholders.

Scrutiny of Union Government Finance Accounts for the year 2011-12 disclosed that a total of ₹ 20,728.50 crore under 21 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 non-Ferrous Mining and Metallurgical Industries, 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 **Annex-II A**.

Some significant expenditure items such as expenditure on Heavy water pool management (₹ 5,900 crore), Interest subvention for providing short-term credit to farmers (₹ 3,283 crore), BPL survey (₹ 2,546 crore), Rural Electrification Corporation for Rajiv Gandhi Gramin Vidyutikaran Yojana (₹ 2,237 crore), subsidy to Assam Gas Cracker Complex (₹ 875 crore), subsidy for Haj Charters (₹ 606 crore), were not depicted distinctly in the Finance Accounts but were combined under the minor head, 'Other Expenditure'.

This was commented upon in the Reports of the Comptroller and Auditor General on the Accounts of the Union Government for the year ended 2007-08, 2008-09, 2009-10 and 2010-11 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'. Instead of restructuring the accounts to reflect the current activities of the Government, piecemeal action has been taken by the Controller General of Accounts to open a few new minor heads for recording substantial expenditure of the Government distinctly.

Despite the assurance given in this regard by Ministry of Finance (September 2010) in its Action Taken Note and reiterating of instructions by the CGA in January 2012 to the Controllers of Accounts to exercise extreme caution while booking significant expenditure under the Minor Head '800-Other expenditure', major restructuring in the account head is awaited to address the problem on a permanent basis.

2.1.3 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[1] to ensure that funds of regulatory bodies were maintained in the Public Account.

Scrutiny of annual accounts of four regulatory bodies viz., the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority (IRDA), Pension Fund Regulatory Development Authority (PFRDA), and Petroleum and Natural Gas Regulatory Board (PNGRB) revealed that these bodies had retained funds generated through fee charges, unspent grants received from Government of India, interest accrued on government grants, receipt of licensee fees, corpus fund, etc. aggregating ₹ 2,526.55[2] crore at the end of March

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

[2] SEBI –₹1,694.73 crore, IRDA-₹807.98 crore, PFRDA-₹4.64 crore and PNGRB-₹19.20 crore

2012 outside the Government Account contrary to the above instructions issued in January 2005.

This aspect was also commented upon in the Reports of the Comptroller and Auditor General on the Accounts of the Union Government for the years ended 2007-08, 2008-09, 2009-10 and 2010-11.

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) Fund' and 'The Insurance Regulatory and Development Authority (IRDA) Fund' respectively would be opened under Major Head '8235-General and other Reserve Fund' in the non-interest bearing section of the Public Account of India, for operationalising the fund in the Government Account. 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 Guideline/procedure. The Ministry should take further action to operationalise the above.

2.1.4 Understatement of customs receipts and short devolution to States

As per the prescribed procedure, any advance customs receipts collected, which pertain to a future period have to be kept under a transitory suspense head [3] under the Public Account. The amounts are to be credited to the Consolidated Fund of India (CFI) in the year to which the advance duties collected from assessees pertain to.

Scrutiny of the Finance Accounts revealed that ₹ 252.28 crore was available under the transitory suspense head as the opening balance in financial year 2011-12. This was to be accounted for as customs receipts in the Consolidated Fund of India during financial year 2011-12. However, the amount remained booked under the suspense head. This resulted in an understatement of the customs receipts of the Government of India by ₹ 252.28 crore in financial year 2011-12. The amount collected under customs receipts forms a part of the divisible pool of taxes, which is to be shared between the Centre and the States. Non-credit of this amount to the Consolidated Fund of India could imply short devolution of the amount as envisaged by the Finance Commission to States during the financial year 2011-12.

This matter was also commented upon in the Reports of the Comptroller and Auditor General on the Accounts of the Union Government for the year ended 2010-11.

[3] 8658-136-Customs Receipts Awaiting Transfer to the Receipt Heads

The CGA stated (January 2013) that an amount of ₹ 105.59 crore was transferred from the transitory suspense head and accounted for as customs receipts in the Consolidated Fund of India in the month of April 2011 as per prescribed procedure. It also added that the balance amount of ₹ 146 crore pertained to old period, which would be cleared in 2012-13.

2.2 Observations with regard to Public Account

2.2.1 Universal Service Obligation Fund

The Universal Service Obligation (USO) 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 USO Fund and laid down that the fund is to be utilized exclusively for meeting the Universal Service Obligation by providing access to basic telegraph services, like, provision of public 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 and induction of new technological developments in the telecom sector in rural and remote areas, etc. The resources for meeting the USO were to be raised through a 'universal access levy' (UAL). The implementation of USO related activities was to be carried out by the eligible operators to get a subsidy as per the rules.

The fund is administered by the Department of Telecommunication (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 and it is a non-lapsable Fund.

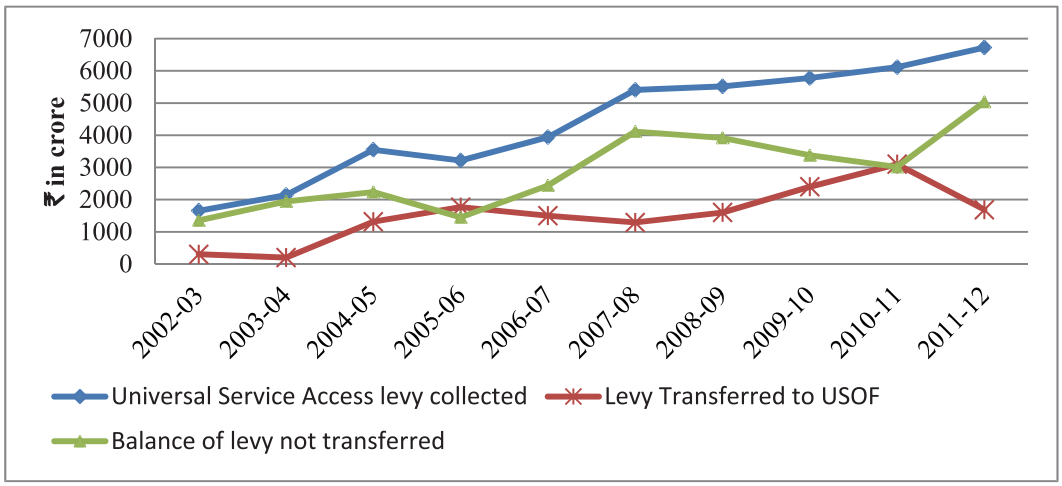
The issue of understatement of USO Fund was commented upon in the Report of the Comptroller and Auditor General on Accounts of the Union Government for the year ended 2010-11. The Public Accounts Committee (PAC) also disapproved the diversion of funds exclusively meant for USO activities to other programmes by the Ministry of Finance.

Despite C&AG's audit observation on USO Fund, DoT transferred only ₹ 1,687.96 crore to the USO Fund in the Public Account out of the total receipts of ₹ 6,723.57 crore towards Universal Access Levy during the year 2011-12 and the closing balance under the USO Fund was shown as 'Nil'. This resulted in under-statement of the closing balance of the USO Fund by ₹ 5,035.61 crore for the financial year 2011-12. Resultantly, there was also overall under-statement of the closing balance of USO Fund of ₹ 21,839.45 crore as on 31 March 2012 after

taking into account the reimbursement of license fees and spectrum charges to BSNL amounting to ₹ 6,948.64 crore over the period 2002-03 to 2005-06 for fulfilling rural obligation.

A graphical presentation of collection of Universal Access levy and its transfer to USOF over the years is depicted (**Chart 2.1**) below:

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



The Ministry in its reply (January 2013), while agreeing with the facts and figures included in the para, stated that the matter had been taken up with the Ministry of Finance (MoF). MoF opined that provisions for transfer to USOF were based on the requirement and ability of the Department to spend in any financial year and the unutilised funds kept in the Public Account added to the liability of the Government. Further, MoF also stated that the Cabinet had directed that DoT should consult MoF while finalising the amount to be transferred to the USOF.

The reply of the Ministry, therefore, admits that the DoT was not able to plan and spend the funds available under USOF. The Public Accounts Committee (PAC), in its recommendations contained in their Fourteenth Report (Fifteenth Lok Sabha), had observed that the Government should not have any problem in crediting the full amount collected as UAL in the USO Fund especially when proceeds to the Fund were meant to be utilised exclusively for meeting Universal Service Obligation.

Thus depiction of 'Nil' balance under USO Fund in the Finance Accounts for the year 2011-12 was in contravention of the recommendations of the PAC, which clearly stipulated that full amount collected as UAL should be credited to the USO Fund.

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

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

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

From the figures given in **Table 2.1** below, it is observed that funds to the extent of ₹ 3,453.55 crore were collected during the period from 1996-97 to 2011-12 by way of cess. Out of this, ₹ 506.41 crore (14.66 *per cent*) only was disbursed to TDB as grants in aid during the same period. TDB in turn disbursed financial assistance and loans of ₹ 1,002.46 crore to industrial concerns attempting commercial applications of indigenous technology or adapting imported technology to wider domestic applications out of the funds made available by the Government.

Table 2.1: Showing collection of cess and its utilisation

(₹ in crore)

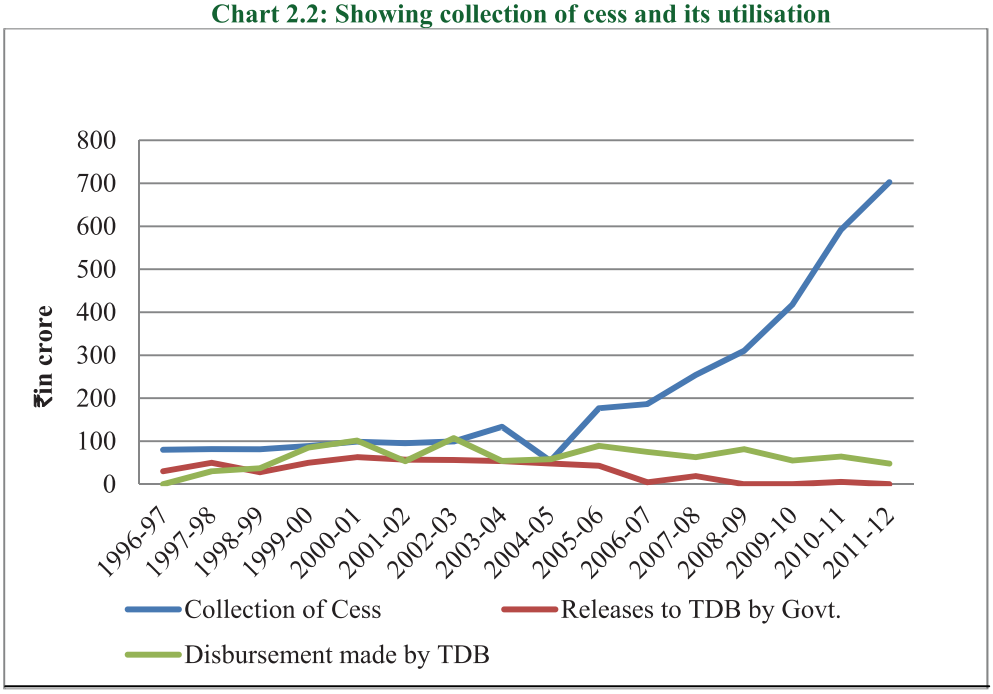
Year	Collection of Cess	Grants released to TDB	Disbursement made by TDB for technology development
1996-97	80.13	29.97	Nil
1997-98	81.42	49.93	30.14
1998-99	81.10	27.99	36.99
1999-00	88.93	50.00	85.23
2000-01	98.91	62.79	101.73
2001-02	95.30	57.00	53.44

(₹ in crore)

Year	Collection of Cess	Grants released to TDB	Disbursement made by TDB for technology development
2002-03	99.47	56.00	107.11
2003-04	133.74	53.65	53.86
2004-05	53.98	48.10	57.91
2005-06	176.61	42.66	89.23
2006-07	186.56	4.32	74.98
2007-08	254.09	19.00	63.01
2008-09	310.33	-	81.60
2009-10	418.22	-	55.04
2010-11	592.22	5.00	64.19
2011-12	702.54	-	48.00
Total	**3453.55**	**506.41**	**1002.46**

A graphical presentation of collection of cess and its utilisation over the years is depicted (**Chart 2.2**) below:

Chart 2.2: Showing collection of cess and its utilisation



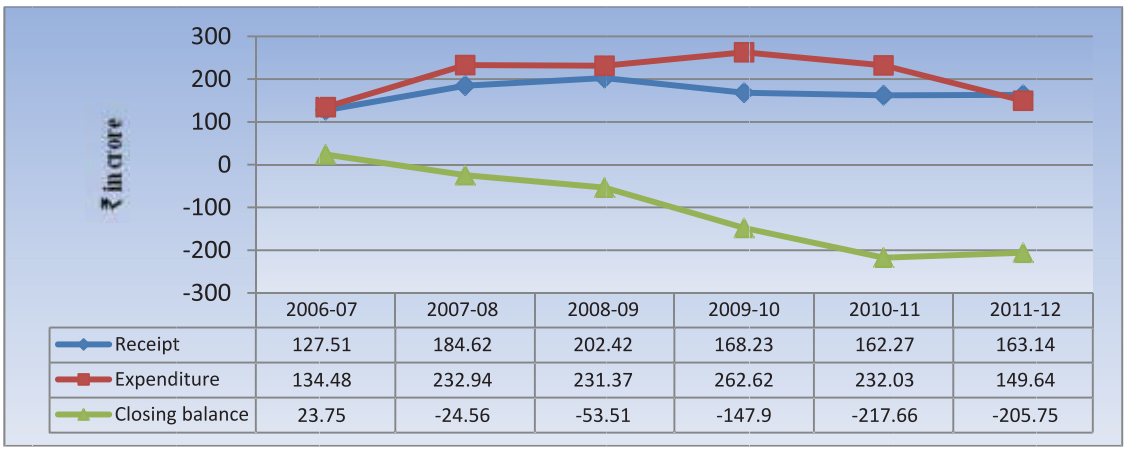
From above chart, it may be observed that the collection of cess under the Act is substantial. However, the utilisation of the cess proceeds for the intended objectives is not optimum. In turn the cess proceeds are being partly utilised to finance the revenue deficit of the Government over the years. Given the under-utilisation of the proceeds for the desired objectives, the levy of cess at the rate presently being collected needs a review.

2.2.3 Inconsistencies and continued adverse balance in Beedi Workers Welfare Fund

Beedi Workers Welfare Fund was created in the Public Account[4] by Beedi Workers Welfare Fund Act, 1976 to provide for the financing of measures to promote the welfare of persons engaged in beedi establishments. For this purpose, the Government introduced a cess in the form of duty of excise on manufactured beedis. The collection by way of this cess was to be credited to the Beedi Workers Welfare Fund in the Public Account.

The aggregate position with regard to expenditure, receipts and closing balance in the Beedi Welfare Fund during the period 2006-07 to 2011-12 is shown in **Chart 2.3** below:

Chart 2.3: Receipt, Expenditure and Adverse Balance in Beedi Workers Welfare Fund



	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Receipt	127.51	184.62	202.42	168.23	162.27	163.14
Expenditure	134.48	232.94	231.37	262.62	232.03	149.64
Closing balance	23.75	-24.56	-53.51	-147.9	-217.66	-205.75

Note: Closing balance of year 2011-12 is arrived at after reconciliation.

The chart above indicates that on account of expenditure from the fund being far in excess of the receipts, the balance in the Beedi Workers Welfare Fund over the years had become adverse. There was a continuous adverse balance in the fund during the period 2007-08 to 2011-12, which steadily increased from (-) ₹ 24.56 crore in 2007-08 to (-) ₹ 205.75 crore in 2011-12.

Further, an examination of the Appropriation Accounts of the Union Government for the years 2006-07 to 2011-12 revealed that there were discrepancies in the amounts transferred to the Beedi Workers Welfare Fund and expenditure met there from. This is detailed in **Table 2.2** below:

[4] 8229-200

Table 2.2: Beedi Workers Welfare Fund

(₹ in crore)

Year	Cess Receipt in Consolidated Fund of India	Transfer to Beedi Fund in Public Account		Expenditure from Beedi Fund in Public Account	
		Transfer (As per Appropriation Accounts)	Transfer (As per Head-wise Appropriation Accounts)	Expenditure met from the Fund (As per Appropriation Accounts)	Expenditure met from the Fund (As per Recovery Statement)
1	2	3	4	5	6
2006-07	175.33	127.51	126.37	134.48	133.97
2007-08	169.59	184.62	183.67	232.94	214.25
2008-09	183.60	202.42	201.45	231.37	231.37
2009-10	169.08	168.23	166.83	262.62	262.62
2010-11	166.37	162.27	160.92	232.03	233.62
2011-12	164.48	163.14	150.63	149.64	149.64

As would be seen from the table above, the figures of the amount transferred to the fund as per Appropriation Accounts were larger than the figures of amount transferred as per Head-wise Appropriation Accounts.

Similarly, the figures of expenditure as per Appropriation Accounts also differ from those as per recovery statement in three years. Since Appropriation Accounts are prepared by the CGA on the basis of the more detailed Head-wise Appropriation Accounts, it is not clear as to why different sets of figures were appearing in these Accounts.

2.2.4 Incorrect depiction of transfer to Renewal Reserve Fund

The Renewal Reserve Fund in the Public Account for financing the replacement of the ageing plants and machinery of Ordnance Factories, as on 1 April 2011, had an opening balance of ₹ 490 crore. The receipt in and disbursement from the Fund in the year 2011-12 was ₹ 325 crore and ₹ 311.42 crore respectively. The actual expenditure incurred from the Consolidated Fund of India under the specified head[5] was ₹ 310.25 crore. As per accounting procedure, an equivalent amount matching the expenditure had to be transferred from the Renewal Reserve Fund. However, the disbursement from the fund was in excess of the expenditure by ₹ 1.17 crore.

Further, as against the amount of ₹ 325 crore transferred to the Renewal Reserve Fund in Public Account, net amount of only ₹ 13.58 crore[6] was depicted under the expenditure head[7] in Consolidated Fund of India in the Finance Accounts.

Ministry stated (December 2012 and January 2013) that the expenditure of ₹ 1.17 crore had been incurred for purchase of plant and machinery under Renewals and

[5]Minor head '2079.106-Renewals and Replacements(RR)'
[6] (₹ 325 - ₹ 311.42)
[7] Head 2079.797

Replacements head, which had erroneously been booked to a different code head. Similar comments were included under C&AG's Report No-1 for the previous year 2010-11. Despite that, discrepancy has continued to persist during 2011-12.

2.2.5 Non-crediting of Clean Energy cess in the Fund

A total cess receipt of ₹ 3,646.01 crore (₹ 1,066.46 crore for the year 2010-11 and ₹ 2,579.55 crore for the year 2011-12) was collected on account of Clean Energy cess[8] as per the Union Government Finance Accounts. As per accounting procedure, the cess receipts were to be transferred to the National Clean Energy Fund (Fund) in the Public Account. Of the total receipts of ₹ 3,646.01 crore, only a sum of ₹ 1,066.46 crore was transferred to the earmarked fund. Thus, the non-transfer of remaining amount of ₹ 2,579.55 crore of the 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 2011-12 was understated by the corresponding amount.

The Ministry replied (November 2012) that the amount of ₹ 1,066.46 crore (cess collection pertaining to the financial year 2010-11) had been transferred to the Public Account as per Budget provision.

The reply is in contravention of the prescribed accounting procedure, which stipulates that in addition to the maintenance of the Proforma Account by Ministry of Finance, the entire cess levied would be transferred to the Fund so that the same could be effectively monitored through Finance Accounts.

2.2.6 National Investment Fund (NIF)

(i) 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 were 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[9]. 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 31 March, 2012, a total amount of ₹ 1,814[10] crore was transferred by the Government to NIF for further investment.

As per the prescribed accounting procedure of NIF, the annual income from the invested portfolio with the fund managers were to be booked as receipt in the

[8] Head 0038.03.112-Clean Energy Cess.
[9] Major head '8452-NIF'
[10] ₹ 1,651 crore was transferred in the year 2007-08 and ₹ 163 crore in 2008-09.

Consolidated Fund of India (CFI)[11] and then transferred in the ratio of 3:1 to the two prescribed heads in the Public Account[12].

Against a sum of ₹ 708.27 crore earned as income during the period 2008-12, only ₹ 419.37 crore had been transferred to the Public Account leaving the balance amount of ₹ 288.90 crore in the Consolidated Fund of India. Further, the sum of ₹ 419.37 crore was transferred entirely to only one minor head[13] in the Public Account, leaving the other head[14] unopened. This was in violation of the policy prescribing a proportion of 3:1 between the minor heads in the Public Account.

The Ministry of Finance had assured (November 2011) that reconciliation of balances under NIF was underway and the balance amount would be transferred by making appropriate provision in the third supplementary.

(ii) Under the revised accounting procedure, the disinvestment proceeds collected during the period 1 April 2009 to 31 March 2012 were to be transferred to NIF under the prescribed minor head[15] in the Public Account for the period from 1.4.2009 to 31.3.2012.

Scrutiny of the Union Finance Accounts 2011-12 revealed that the said minor head had not been opened and the transfers to / from NIF of ₹ 138.94 crore had been incorrectly booked to a different minor head[16].

The CGA stated (November 2012) that the new minor head had not yet been approved by CAG and that a reference was being made to its Code section. The reply is not tenable as the concurrence of CAG on the opening of new minor head was communicated to CGA in August 2011.

2.2.7 Stressed Assets Stabilisation Fund (SASF)

The Stressed Assets Stabilization Fund (SASF), a Special Purpose Vehicle (SPV), is a 'Trust' constituted by the Government of India pursuant to a provision in the Union Budget 2004-05 to purge stressed and non-performing assets (NPAs) of Industrial Development Bank of India (IDBI) of ₹ 9,000 crore in a cash-neutral transaction. ₹ 9,000 crore of zero-interest special securities loaned to SASF by the government were given to IDBI in lieu of the NPAs transferred.

As per the prescribed accounting procedure, the loan assistance provided to Stressed Assets Stabilisation Fund (SASF) is debited to the prescribed loan

[11] Minor head '1475.110' in Statement No.8
[12] Heads 8453.101 and 8453.102
[13] Head 8453.101
[14] Head 8453.102
[15] Head 8452.102
[16] Head 8452.101

head[17]. Simultaneously, the amount received by SASF is reinvested in special Government securities and the credit, therefore, is accounted for under the head[18] in the Public Account.

Further, the amount due for discharge of securities through redemption would be budgeted for as revenue expenditure[19] with an equivalent amount shown as recovery under the aforesaid loan head. Furthermore, the amount available under the aforesaid head in the Public Account would get dropped proforma at the close of the financial year.

Against the total closing balance of ₹ 9,100 crore depicted under the said head in the Public Account[20] during 2004-05 there was a total disbursement therefrom of ₹ 3759 crore during the period 2004-12. The closing balance as on 31 March 2012 was ₹ 5,341 crore. However, ₹ 100 crore included in the opening balance of this head did not pertain to SASF and was on account of 11.5% Government of India, Industrial Investment Bank of India, Special Security 2021.

The Ministry stated (January 2013) that this wrong transfer of ₹ 100 crore would be corrected in the year 2012-13.

2.2.8 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 three 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

[17] Head 6885.01.101
[18] Head 8012.126
[19] Head 2885
[20] During 2004-05, the amount of ₹ 9000 crore was credited to minor head '8012.104' and subsequently the entire amount of ₹ 7466 crore under minor head '8012.104' was transferred to minor head '8012.126' in 2006-07 through PPA to rectify misclassification of earlier years.

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 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 years 2010-11 and 2011-12. The Ministry, in its Action Taken Note of September 2010, stated that the fund was created after extensive examination in January 1998. It added that the genesis of the creation of the fund lay in the successful implementation of Voluntary Disclosure of Income Scheme-97 wherein an additional tax collection of about ₹ 10,700 crore was made over and above the normal tax collection. Ministry further stated (October 2012) 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.

The General Financial Rules does 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.

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

2.2.9 Short transfer of cess to earmarked Funds

Scrutiny of accounts of Ministry of Labour revealed that the cess collected on account of iron ore, limestone and dolomite and feature films during 2011-12 were not transferred in full to their earmarked funds (Mines Welfare Fund, Cine workers Welfare Fund) in Public Account. There was a short-transfer of ₹ 29.28 crore, as detailed below:

Table 2.3: Short transfer of cesses to their earmarked Funds

(₹ in crore)

Receipt of Cess		Transfer to Public Account		Short transfer to the fund
Name of Cess & Receipt Head	**Amount**	**Name of earmarked fund in Public Account and Head**	**Amount (*excluding direct receipt*)**	
Cess on iron ore 0038.04.110	18.18	Mines Welfare Fund 8229.114	19.00	
Cess on limestone and dolomite 0038.04.112	29.29			
Total	**47.47**		**19.00**	**28.47**
Cess on feature films 0038.04.130	2.31	Cine Workers Welfare Fund 8229.115	1.50	0.81
Total short transfer				**29.28**

**Source: Statement of Central Transactions of Ministry of Labour for the year 2011-12*

Ministry of Labour and Employment stated (November 2012) that Ministry of Finance (MoF) had been requested at RE stage to increase the provision in all Welfare Labour Funds as there were outstanding cess proceeds for transfer. However, the same was not acceded to by MoF.

2.2.10 Unutilised balance of a fund dissolved by Parliament, not credited to Consolidated Fund of India

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 that the balance amount lying in the credit of the aforesaid account was not transferred to the Consolidated Fund of India as envisaged in the Act. Instead, it continued to be operated under a head in the Public Account[21] on year to year basis and was being utilized by the Regional Pay

[21] Coal Welfare and Development Fund

and Accounts Office (RPAO), Dhanbad to meet its establishment expenditure. This was pointed out in the C&AG Audit Report No.1 for the year 2011-12. During the year 2011-12, no expenditure was incurred from this head. An amount of ₹ 2.67 crore was still lying under the Head as on 31 March 2012.

In December 2012, Principal Accounts Office, Ministry of Coal stated that as per records of RPAO, Dhanbad all the amounts lying under the aforesaid head in the Public Account had been transferred to the Consolidated Fund of India (₹ 8.59 crore). However, as per the records available at Principal Accounts Office and the figure reflected in the Appropriation Accounts, ₹ 11.26 crore was the available balance for transfer from the said head in the Public Account. Hence, as per the figures contained in the Appropriation Accounts previous an amount of ₹ 2.67 crore is still being shown as balance in the Public Account, which needs to be transferred to Consolidated Fund of India.

2.3 Integrity and Reconciliation Issues

2.3.1 Discrepancy in balances of Employees' Pension Fund

As per the Employees' Pension Scheme, 1995, the Central Government's contribution to the Employees' Pension Fund is to be kept in the Public Account of the Government of India. The Ministry of Labour and Employment issues sanctions in respect of the Government's share of contribution (and for interest thereon) for necessary adjustments by the Pay and Accounts Office in the Union Government accounts. The copies of the sanctions are also forwarded to the 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 up to the current year 2011-12.

On this matter being pointed out last year, Ministry of Labour had 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.

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

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

In Statement No.14[22] of the Finance Accounts for the financial year 2011-12, under the Special Deposit of Employees' Deposit Linked Insurance Scheme[23] in the Public Account, a credit balance of ₹ 1,294.21 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 ₹ 5,880.73 crore had been shown as deposited in the Public Account as on 31 March 2012. There is a difference of ₹ 4,586.52 crore in the two sets of figures.

On this matter being pointed out last year, the Principal Accounts Office, Ministry of Labour and Employment stated (January 2012) that two minor heads[24] were being operated for this purpose. However, 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. Further, the Controller General of Accounts (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.

Despite a lapse of nearly one year, further progress on the matter has not been intimated by CGA.

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[25]. 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[26] to the Public Account.

[22]Statement 14: Statement of debts and other interest bearing obligations of Government
[23] Head 8012.124-Special Deposit of Employees Deposit Linked Insurance Scheme
[24] 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
[25]Head 8012.120-Special Securities issued to Nationalised Banks
[26] Head 3465.01.190.04-Security Redemption Fund

Scrutiny of the accounts revealed that during the years 2008-09 to 2011-12, 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 ₹ 2,500 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 Department of Economic Affairs, revealed that the said Fund had not been created yet and the amount of ₹ 2,500 crore was lying under a suspense head.

The Ministry stated (November 2012) that the opening of minor head under '8235' for Security Redemption Fund was still in process and as a result the said amount could not be transferred to Public Account but kept under PAO (Civil) suspense head. Revised Accounting Procedure has already been submitted for approval.

Despite a lapse of nearly three years the amount of ₹ 2500 crore is still lying under a suspense head as the requisite minor head has not been opened.

2.3.4 Dormant Reserve Funds/Deposits/Other funds

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

Scrutiny of Finance Accounts revealed 55 cases of reserve funds/ deposits/other funds, which were lying dormant for periods ranging from three to 23 years. These cases have been depicted in **Annex II-B.**

On being pointed out, Controller General of Accounts did not clarify the reasons for these funds/deposits remaining dormant for such long periods. It is evident from the Annex that the most of the cases involved meagre amounts and hence, their continuance did not serve any logical purpose. The concerned authorities should, therefore, after a review, consider the closure of such funds/deposits by crediting the proceeds therein to Consolidated Fund of India.

2.3.5 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. Rest of the loans, which have not yet been fully repaid, appear in the account with positive balances. Subsequently, when the external debt is aggregated, it gets understated due to netting of negative and positive balances.

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

Thus, the figure of external debt of ₹ 1,70,087.61 crore, as appearing in the Finance accounts, do not reflect the actual dimension of outstanding external debt. As per note below Statement No. 14[27], the external debt at the current rate as at the end of March 2012 was ₹ 3,22,897 crore. Thus, the depiction of external debt in the accounts at historical rate of exchange is not a true reflection of liability.

On this being pointed out last year, the CGA stated 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. It was pointed out that a mechanism be devised by the CGA to depict the actual dimension of the outstanding external debt at historical rate of exchange. However, no progress has been shown in this regard yet.

The CGA stated (November 2012) that reference had been made to Controller of Aid, Accounts and Audit and that audit would be intimated on receipt of reply.

2.3.6 Inconsistent depiction of external debt at current rate

The Union Government Finance Accounts depict the position of outstanding external debt[28] at historical rate as well as at at current rate. Audit scrutiny revealed that the aggregate outstanding debt of ₹ 38,976.08 crore contracted from

[27] Statement 14: Statement of debts and other interest bearing obligations of Government
[28] Major head 6002-External Debt

three entities[29] had been shown at historical rate. However, these entities had not been reflected in the position of external debt at current rate. This has resulted in an under-statement of external debt at current rate.

The CGA stated (November 2012) that reference had been made to Controller of Aid, Accounts and Audit and that audit would be intimated on receipt of reply.

2.3.7 Non-depiction of loans given by Union Government

In Statement No. 3 of the Finance Accounts 2010-11 (and for earlier years), loans disbursed to the following Ministries/States/Organisations, detailed in **Table 2.4** below, were reflected. However, the details of these loans have been deleted from the Statement No.3 for the year 2011-12 without assigning any indication as to whether the loans outstanding from these Organisations had been received back/written off during the year 2011-12.

Table 2.4: Non-depiction of loans in Finance Accounts-2011-12

Sl. No.	Name of the Ministry advancing the loan	Organisation	Period to which arrears of loan relates	Total amount of outstanding loan as on 31.3.2012 *(₹ in crore)*
1	Chemicals and petro-Chemicals	Central Institute of Plastic Engineering and Technology	2007-08	47.34
2	Science and Technology	15 cases	1993-94 to 2007-08	59.26

The CGA stated (January 2013) that the reply was awaited from the Ministries.

2.3.8 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 were to be cleared by the end of 2008-09.

However, despite being repeatedly pointed out in Audit Report the minor head continued to appear in Statement No.13[30] of the Finance Accounts, with an outstanding debit balance of ₹ 36.26 crore.

The CGA stated (November 2012) that the audit observation had been forwarded to concerned Ministries/Departments and that audit would be intimated on receipt of their replies. It added that balances under this head pertained to 14 State Accountants General and had also requested for giving suitable directions to

[29] IBRD, Kuwait Fund and Sweden
[30] Statement 13: Statement of receipts, disbursements and balances under debt, deposits remittances and contingency fund

concerned State Accountants General to clear their respective balance under this head.

2.3.9 Non-updation of Guarantee Redemption Fund

As per Rule 251 of General Financial Rules 2005, in the event of invocation of guarantee, the obligation may be discharged by sanctioning loan equal to the amount of guarantee outstanding (with the approval of Budget Division, Ministry of Finance). However, any payment on this account would finally be charged to the Guarantee Redemption Fund maintained in the Public Account.

Ministry of Textiles discharged a guarantee of ₹ 1.50 crore invoked during the year. However, the invocation of the same has not been reflected in the head "8235.117-Guarantee Redemption Fund" in the Public Account in terms of the extant rules. The reflection of this transaction under the expenditure and loan statements in Finance Accounts[31] and the related heads in Appropriation Accounts could also not be ascertained.

The CGA stated (December 2012) that the reference had been made to the Ministry of Textiles and that the audit would be intimated on receipt of reply.

2.3.10 Other discrepancies

(a) Inconsistency/Discrepancy in Statement Nos. 9 & 10 of Finance Accounts with regard to amount booked as receipts/disbursement in Reserve Fund and other discrepancies.

(i) It has been noticed that amount transferred to Railway Development Fund (RDF) from Statement-9 & 10 and the amounts booked as receipts in RDF in the Public Account are not matching.

Table 2.5: Inconsistency in transfers to Reserve Fund

(₹ in crore)

Name of fund and head of account	Head of Account in Statement-9 & 10 showing transfers to Public Account	Amount transferred from Consolidated Fund of India	Amount booked as receipt in the Public Account	Difference
Railway Development Fund 8117.101	3006.102	610.00	3568.90	2958.90

The CGA stated (November 2012) that a reference had been made to Ministry of Railways and audit would be intimated on receipt of reply.

[31] Statement No.9 and 15

(ii) An expenditure of ₹ 29,212.92 crore was incurred on National Rural Employment Guarantee Scheme (NREGS). Against this an amount of ₹ 29,215.05 crore was transferred (as disbursement) from the National Rural Employment Guarantee Fund (NREGF) to meet the expenditure on NREGS. Thus, an excess expenditure of ₹ 2.13 crore had been met from Public Account in comparison to the expenditure booked in Consolidated Fund of India on NREGS head.

The Ministry stated (February 2013) that the saving of ₹ 2.13 crore was due to less expenditure incurred by the implementing agencies. Thus, the actual expenditure of ₹ 29,212.92 crore was incurred and debited in the Consolidated Fund.

The reply of Ministry is not satisfactory as it was not explained as to why there was an excess disbursement of ₹ 2.13 crore from NREGF and on which scheme the amount had been defrayed from this fund. The recoupment from fund does not precede but follows the expenditure. The expenditure on NREGS and the amount met from NREGF to finance the expenditure should be identical.

(b) Incorrect depiction of investment against liquidated entities

A fresh investment of ₹ 13 crore in Burn Standard Ltd and ₹ 6 crore in Braithwaite Ltd, respectively, had been depicted in the Finance Accounts for the year 2011-12. However, as per Finance Accounts 2011-12, these two Central Public Sector Enterprises had already been liquidated and merged with Bharat Bhari Udyog Ltd. in 2010-11.

The CGA in its reply (November 2012) stated that the Ministry of Railways had already been requested to explain the investment and audit would be intimated on the receipt of reply.

(c) Non-depiction of investment in Finance Accounts

An investment of ₹ 30 crore was made in 'Support for 50 seater Aircrafts services in NE Region' as reflected in Appropriation Accounts[32]. The effect of this investment had not been reflected in the Finance Accounts[33].

CGA stated (February 2013) that the Principal Accounts Office, Ministry of Development of North-Eastern Region had also not included this in their Statement-11 and that Audit would be intimated on the receipt of reply.

[32] Sub-head 4552-02-202
[33] Statement-11-Investments by Union Government

(d) Non-finalisation of terms and conditions of loan advanced

It may be seen from **Table 2.6** that even after a gap of 17 years of advancing the loan, the terms and conditions of loans had not been finalised. This reflected a laxity on the part of the administering Ministry with regard to the recovery and other aspects of these loans.

Table 2.6: Non-finalisation of terms and conditions of loan advanced

Name of the organisation	Aggregate loans advanced	Earliest period to which loan related
Rajiv Gandhi Cancer Institute and Research Centre, New Delhi	₹ 29.29 crore	1994-95

This year also CGA has replied (November 2012) that the outcome on the finalisation of terms and condition was still awaited.

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.

(e) Inconsistency/Discrepancy in Statement of Finance Accounts and Appropriation Accounts

Comparison of Statements 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 that in five cases, there was difference in amount of investment of ₹168.66 crore made between the two Accounts. These cases are detailed in **Annex II-C.**

2.4 Important factors affecting accuracy of accounts

The accuracy of Union Finance Accounts 2011-12 is adversely affected by factors like (i) large number of transactions under Suspense heads awaiting final classification, (ii) Increasing number and magnitude of adverse balances under Debt, Deposit and Remittances (DDR) heads of accounts, and (iii) persistent outstanding balances on account of lack of timely action for their clearance.

Audit conducted a general review of outstanding balances under Debt, Deposit, Remittance and Suspense heads and also carried out a detailed examination pertaining to the last five years in the office of CGA and six Principal Accounts Offices (Pr. AOs) viz Central Board of Direct Taxes (CBDT), Central Board of Excise and Customs (CBEC), Department of Supply, Ministry of Home Affairs (MHA), Controller of Aid Accounts and Audit (CAA&A) and Ministry of External Affairs (MEA).These Pr. AOs were selected on the basis of

concentration of balances and their accumulation over the years. The Audit findings are reported below:

2.4.1 Outstanding balances under major Suspense accounts

Certain intermediary/adjusting heads of accounts known as "Suspense heads" are operated in Government accounts to reflect transactions of receipts and payments, which cannot be booked to a final head of account due to lack of information as to their nature or for other reasons. These heads of accounts are finally cleared by minus debit or minus credit when the amount under them is booked to their respective final heads of accounts. If these amounts remain uncleared, the balances under the suspense heads would accumulate and would not reflect Governments' receipts and expenditure accurately.

The ledger for suspense balances is 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 basis of figures furnished by the PAOs periodically. The Chief Controller of Accounts of concerned Pr. Accounts Office is required to review the suspense balances and report to Controller General of Accounts (CGA) for monitoring purposes.

The aggregate net balance under suspense heads in the Union Finance Accounts including Civil, Defence, Railways, Post and Telecommunications was ₹ 19,556.65 crore (Debit) as on 31st March 2012. This balance comprised of ₹ 3,190.07 crore (Debit) in respect of Civil, for Defence ₹ 9,498.65 crore (Debit), relating to Railways ₹ 2,234.01 crore (Debit), for Postal ₹ 2,744.61 crore (Debit), for Telecommunication ₹ 755.63 crore (Debit) and ₹ 1,133.68 crore (Debit) in respect of Redemption of Government of India Compensation (Project Exports to Iraq) Bonds, 2001. The Finance Accounts reflect the net balances under Suspense Heads and, therefore, the real magnitude of outstanding under these heads does not get reported in the annual accounts of Government presented to the Parliament. The correct balances under these heads can be worked out only by aggregating the debit and credit balances separately under various Suspense heads. Netting of debit/credit balances leads to significant understatement of Suspense balances in the Finance Accounts. This understatement takes place both at the minor head as well as 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 are given below:

Table 2.7: Position of Suspense balances under major suspense head in respect of civil Ministries

(₹ in crore)

Name of Head	2007-08		2008-09		2009-10		2010-11		2011-12	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
101-PAO Suspense	2882.39	617.77	2512.92	524.57	2880.09	1172.22	3374.13	1131.37	3213.12	740.00
Net	**(-) 2264.62**		**(-) 1988.35**		**1707.87**		**(-) 2242.76**		**(-) 2473.12**	
102-Suspense Account (Civil)	1087.28	10310.30	1608.78	1443.21	1942.11	1447.74	1943.09	9781.95	2050.60	3409.87
Net	**9223.02**		**(-) 165.57**		**(-) 494.37**		**7838.86**		**1359.27**	
107-Cash Settlement Suspense Account	362.14	16.58	349.49	16.57	371.03	16.57	374.62	19.81	363.32	36.10
Net	**(-) 345.56**		**(-) 332.92**		**(-) 354.46**		**(-) 354.81**		**(-) 327.22**	
108-PSB Suspense	6517.28	782.19	3526.51	1942.36	2435.52	1775.10	3091.85	1052.85	2881.34	1292.70
Net	**(-)5735.09**		**(-) 1584.16**		**(-) 660.42**		**(-) 2039.00**		**(-) 1588.64**	
109-Reserve Bank Suspense (HQ)	11.37	190.89	11.37	190.04	11.37	185.26	11.67	185.14	11.37	185.80
Net	**179.52**		**178.67**		**173.89**		**173.47**		**174.43**	
110-Reserve Bank Suspense Central Accounts Office	209.18	48.57	339.41	47.09	92.02	128.83	28.52	193.74	45.50	65.52
Net	**(-) 160.61**		**(-) 292.32**		**36.81**		**165.22**		**20.02**	
115- Suspense Accounts for Purchases etc. Abroad	536.65	--	877.79	--	1894.85	--	940.82	--	661.19	-
Net	**(-) 536.65**		**(-) 877.79**		**(-) 1894.85**		**(-) 940.82**		**(-) 661.19**	
129-Material Purchase Settlement Suspense Account	156.31	107.84	167.82	115.88	195.25	143.11	202.22	102.16	208.56	86.30
Net	**(-) 48.47**		**(-) 51.94**		**(-) 52.14**		**(-) 100.06**		**(-) 122.26**	
136-Custom Receipts awaiting transfer to receipt head	--	114.97	--	152.15	--	145.47	--	252.28	--	249.50
Net	**114.97**		**152.15**		**145.47**		**252.28**		**249.50**	
138-Other Nominated Banks (Pvt. Sector Banks)	2.34	170.68	1.55	40.38	2.88	100.70	36.28	294.80	5.82	243.39
Net	**168.34**		**38.83**		**97.82**		**258.52**		**237.57**	

It would be seen that debit balances under Suspense Account (Civil), Reserve Bank Suspense, Central Accounts Office and Material Purchase Settlement Suspense Account have increased by ₹ 130.83 crore in 2011-12 over the previous

years. Similarly, credit balances under Cash Settlement Suspense Account, PSB Suspense and Reserve Bank Suspense (HQ) head have increased by ₹ 256.80 crore in 2011-12 over the previous years. The year-wise break-up of the balances outstanding under the suspense minor heads was not maintained by the CGA hindering effective monitoring of clearance such balances.

PAO Suspense

This minor head is operated for the settlement of inter-departmental and inter-Governmental transactions arising in the books of PAOs under the Union Government, PAOs of the Union Territories and the Accountants General. Transactions under this minor head represent either recoveries effected or payments made by an Accounts Officer on behalf of another Accounts officer against whom the minor head 'PAO Suspense' has been operated. Credit under the head is cleared by 'minus credit' when cheque is issued by the Accounts Officer in whose books initial recovery was accounted for. Debit under 'PAO Suspense' is cleared by 'minus debit' on receipt and realization of cheque from the Accounts Officer on whose behalf payments were made. Outstanding debit balance under this head would mean that payments have been made by the PAO on behalf of other PAO, which are yet to be recovered. Outstanding credit balance would mean that payments have been received by the PAO on behalf of other PAO, which are yet to be paid.

In March 2012, the outstanding debit balance under this head was ₹ 3,213.12 crore and under credit was ₹ 740.00 crore. The outstanding balances were mainly in respect of Department of Supply ₹ 2,325.29 crore (Debit), Central Board of Direct Taxes (Expenditure) ₹ 121.59 Crore (Debit), Ministry of External Affairs ₹ 402.97 crore (Debit), Central Board of Excise and Custom ₹ 19.67 crore (Credit), Ministry of Home Affairs ₹ 30.98 crore (Debit), Ministry of Road Transport and Highways ₹ 182.41 crore (Credit), Ministry of Health and Family Welfare ₹ 30.60 crore (Debit) and Finance (Expenditure) ₹ 284.97 crore (Credit) indicating the payment made (Debit) or received (Credit) by these department/ Ministries on behalf of other PAOs which were yet to be recovered/ paid by them as on 31 March 2012. The heavy 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 CBDT, ₹ 0.03 crore (Debit) and (-) ₹ 121.56 crore (Credit) pertaining to the period prior to 1986-87 till 2011-12 were outstanding which included ₹ 358.34 crore (Debit) and (-) ₹ 758.24 crore (Credit) pending settlement for more than four years. In Ministry of Home Affairs, balances of ₹ 67.73 crore (Debit) and ₹ 36.94 crore (Credit) were outstanding at the end of the year 2011-12 which included debit balance of ₹ 0.12 crore (Debit) pending settlement for more than four years. In Ministry of External Affairs, balances of ₹ 410.30 crore (Debit) and ₹ 7.33 crore (Credit) were

outstanding at the end of the year 2011-12, which included ₹ 20.55 crore (Debit) and ₹ 0.20 crore (Credit) pending settlement for more than four years. The Pr. AOs did not provide any evidence regarding efforts made to clear the old balances. In addition to this, the Department of Supply stated (November 2012) that year-wise break up of credit and debit balances under the head '8658- PAO Suspense' had not been maintained.

Suspense Account (Civil)

This transitory minor head is operated for accounting of the transactions, for want of certain information/ documents viz. vouchers, challans etc., which 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 balances under this head would mean payments made, which could not be debited to final expenditure head for want of details like vouchers etc. Outstanding credit balance would mean amounts received, which could not be credited to the final receipt head for want of details.

The outstanding balance under this minor head as on 31 March 2012 was ₹ 3,409.87 crore (Credit) and ₹ 2,050.60 crore (Debit) indicating the receipts and expenditure of ₹ 5,460.47 crore, which were required to be handled individually for settlement, had not been booked to their final heads of account. The major balances outstanding pertaining to Ministry of Home Affairs ₹ 932 crore (Debit), Department of Supply ₹ 597.62 crore (Debit), Ministry of External Affairs ₹ 598.10 crore (Credit), Central Board of Excise and Custom ₹ 2.31 crore (Debit) and Central Board of Direct Taxes ₹ 9.55 crore (Debit).

Test check of the balances in Principal Accounts Offices revealed that in CBDT, balance of ₹ 9.59 crore (Debit) and ₹ 0.04 crore (Credit) were outstanding at the end of year 2011-12 which included debit balance of ₹ 8.96 crore (Debit) and credit balance of ₹ 0.19 crore (Credit) pending settlement more than three years. The Pr. AOs did not provide any evidence regarding efforts 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 supplier abroad against the supplies made to the project authorities/ importers and an equal amount is kept under the suspense head till the payment is received from the concerned Line Ministry. 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 2011-12, suspense accounts balance for purchases abroad was ₹ 661.19 crore (Debit). Major debtors as on 31 March 2012 were Helicopter Corporation of India Ltd. (₹ 67.24 crore), Pawan Hans Ltd. (₹ 57.44 crore), Pyrites, Phosphates and Chemicals Ltd. (₹ 24.95 crore), Coal India Ltd. (₹ 23.18 crore). It was also observed that ₹ 238.88 crore was outstanding from different organisations since 2003. A list showing the details of amounts outstanding since 2003 is given in **Annex II-D.**

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 recovery of the outstanding amounts.

Public Sector Bank Suspense

In the Government accounting system, the designated banks conduct Government business on behalf of the Reserve Bank of India. When the 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 transitions awaiting settlement. On receipt of accounts from RBI (CAS), Nagpur the original booking under PSB Suspense is cleared by minus credit/ minus 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 2012 aggregated to ₹ 2,881.34 crore (Debit) and ₹ 1,292.70 crore (Credit). The department against which major balances were outstanding were Department of Commerce (Supply Division) ₹ 276.83 crore (Debit) CBEC ₹ 784.12 crore (Debit), CBDT (Expenditure) ₹ 795.69 crore (Debit), CPAO ₹ 789.61 crore (Credit), School Education and Literacy ₹ 124.99 crore (Credit), Health and Family Welfare ₹ 115.46 crore (Credit) and Ministry of Home Affairs ₹ 178.21 crore (Debit). It

was observed that there was significant increase of outstanding balance during 2011-12.

Test check of balances in Principal Accounts Offices revealed that in CBDT the outstanding PSB balance included debit balance of ₹ 1,945.56 crore and credit balance of (-) ₹ 364.37 crore credit pending settlement from 5 to 23 years. In CBEC the outstanding PSB balance included debit balance of (-) ₹ 100.67 crore and credit balance of ₹ 152.19 crore pending settlement for more than three years. In MHA, the outstanding PSB balance included (-) ₹ 0.75 crore (Debit) and ₹ 6 crore (Credit) pending settlement for more than 3 years. The Pr. A.O of MHA stated that the matter had been taken up with concerned PAOs/Regional PAOs and accredited bank for early settlement of the balances lying unadjusted.

Reserve Bank Suspense, Central Accounts Office (CAO)

This minor head is operated in the books of Union Government for payments of loans, grants-in-aid, share of income tax and share of Union Excise Duty to the State Governments. When the payment is 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 Central Accounts Section (CAS), Nagpur the head is minus debited by per contra debit to '8675-Depostis with RBI-101-Central Civil'. The outstanding balance under this minor head as on 31 March 2012 was ₹ 45.50 crore (Debit) and ₹ 65.52 crore (Credit). The outstanding RBI (CAO) suspense balances were mainly against the Ministry of Road Transport and Highways ₹ 7.77 crore (Debit), Department of Supply ₹ 23.07 crore (Debit), Ministry of Urban Development ₹ 7.53 crore (Credit), Ministry of Minority Affairs ₹ 7.13 crore (Credit) and Department of North Eastern Region ₹ 7.68 crore (Credit).

Test check of balances in Principal Accounts Offices revealed that in Department of Supply, a net debit balance of ₹ 23.07 crore was outstanding at the end of the year 2011-12. 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. Further, scrutiny of the Statement No. 13 in respect of CBDT revealed that against a 'nil' opening balance a disbursement of ₹ 3.63 crore was depicted which resulted in a debit balance of ₹ 3.63 crore under the head "8658.110-R.B.Suspense". The department stated that a couple of Zonal AOs had wrongly booked this amount under this head.

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

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

In the Finance Accounts of the Union Government for the year 2011-12, there are 44 cases of adverse balances under debt, deposit and remittances heads as given in **Annex II-E**. Of these, four balances became adverse during the year 2010-11 and the remaining 40 cases were outstanding in earlier years. These include 20 cases outstanding for the period 2005-10, 10 cases for the period 2000-05 and 10 cases for the period prior to 2000-01. Though the footnotes to the adverse balances in the Finance Accounts mentioned that those were under investigation, the findings of such investigation by the CGA and subordinate offices and efforts made to clear them were not made available to audit.

2.4.3 Outstanding balances under the head 'Cheques and Bills'

This head is an intermediately 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 during the month and the same amount debited in the '8658-Suspense'. On receipt of Date-wise monthly Statements (DMS)/ monthly Statement 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 '8658-108-PSB Suspense/ 8675-101-Deposit with RBI-Central Civil', as the case may be.

In the Finance Accounts for 2011-12 large balances are lying outstanding under the following minor heads of 'Cheques and Bills' as detailed below:

Table 2.8: Outstanding balances under the following minor heads of 'Cheques and Bills'

(₹ in crore)

Pre-audit Cheques	Debit	1668.25
Pay and Accounts Office Cheques	Credit	5030.43
Departmental Cheques	Credit	2090.00
Treasury Cheques	Credit	1673.21
IRLA Cheques	Credit	0.59

(₹ in crore)

Telecommunication Accounts Cheques	Credit	1264.13
Postal Cheques	Credit	10634.65
Railway Cheques	Credit	2630.36
Defence Cheques	Credit	1944.13
Electronic Advice	Debit	114.93
Pay and Accounts Offices Electronic advices	Credit	133.04

Rule 45 of Receipt and Payments 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 and Bills' and minus debiting the functional major/minor head to which the expenditure was originally debited and the amount is to be written back in the accounts.

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

Test check of the six Pr. AOs revealed that 7,524 cheques amounting to ₹ 93.67 crore in MHA, 5,085 cheques amounting to ₹ 186.34 crore in MEA, 8,194 cheques amounting to ₹ 48.45 crore in CBEC, 469 cheques amounting to ₹ 5.35 crore in Department of Supply and 12,107 cheques amounting to ₹ 25.28 crore in CBDT had remained unpaid for more than six months but had not been cancelled by the Pr. AOs and corresponding entry was not made in the concerned head of accounts.

2.4.4 Review of balances not carried out by Principal Accounts Offices

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

In respect of civil department, the review of balances for the year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 was completed only in 26, 36, 38, 22, 16 and 04 departments respectively, out of a total 72 Pr. AOs.

Failure to carry out review of balances and lack of timely action by the Pr. AOs is reflected in 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.

2.4.5 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 41 departmentally managed Government undertakings of commercial or quasi commercial nature as of March 2012. 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 prepares 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 enclosed **Annex II-F**.

From the annexure, it will be seen that the Proforma Accounts were in arrears in respect of undertakings for periods ranging from-one to twelve years shown below:

Table 2.9: Period for which Proforma Accounts are lying in arrears

No. of years	Period	No. of undertakings
1-4	2008-09 to 2011-12	29
5-8	2004-05 to 2007-08	4
9-12	2000-01 to 2003-04	2
	Total	**35**

In the absence of proforma account, the cost of services provided by these organisations, which are intended to be managed on commercial basis, could not be ascertained. It was also not possible to work out performance indicators like return on investment, profitability etc. for their activities.

2.4.6 Losses and irrecoverable dues written off/waived

Rule 33 of General Financial Rules, 2005 envisages that any loss or shortage of public moneys, departmental revenue or receipts, stamps, opium, stores or other

property held by, or on behalf of, Government irrespective of the cause of loss and manner of detection, shall be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer and to the concerned Principal Accounts Officer., even when such loss has been made good by the party responsible for it. Petty losses of value not exceeding Rupees two thousand need not be reported.

Statement of losses and irrecoverable dues written off /waived off during the year 2011-12 furnished by the ministries/departments, is given in the **Annex II-G.** It will be seen from the Annex that in 171 cases, ₹ 817.63 lakh were written off during 2011-12. During the year, recoveries waived and ex gratia payment made in 105 cases aggregated to ₹ 151.05 lakh.

Chapter 3

APPROPRIATION ACCOUNTS: 2011-12

3.1 Constitutional provisions

Soon after the Lok Sabha passes the Demands for Grants under Article 113 of the Constitution of India, the Government introduces an Appropriation Bill under Article 114 to provide for appropriations out of the Consolidated Fund of India (CFI). The Appropriation Act passed by the Parliament authorises the Government to appropriate specified sums from the CFI for specified services. Parliament 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.

The Controller General of Accounts (CGA) prepares the Appropriation Accounts in respect of 99 grants and appropriations of Civil Ministries. The Ministries of Defence, Railways and the Department of Posts prepare the Appropriation Accounts of their respective grants. The Comptroller and Auditor General of India submits four Appropriation Accounts pertaining to different sectors of activities of the government, *viz.* Civil, Defence, Posts and Railways, along with his Report under Article 151 of the Constitution, to the President every year, who causes them to be laid before Parliament. Details of demands for grants and appropriations of various Ministries during 2011-12 are as follows:

Sector of Activity	Number of Demands for Grants/Appropriations
Civil	99
Defence Services	6
Postal Services	1
Railways	16
Total	**122**

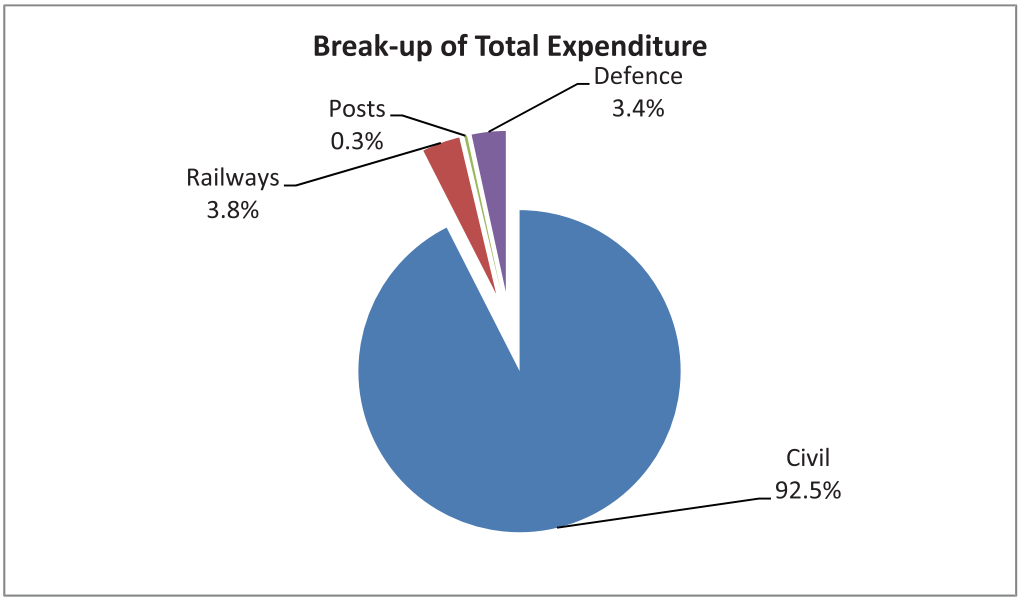
The Report contains audit observations on the Appropriation Accounts (Civil, Postal and Defence Services), including an analysis of expenditure in excess of allocation requiring regularisation by the Parliament, unspent provisions requiring explanation, irregular and injudicious re-appropriations, supplementary 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 2011-12.

3.2 Summary of total provision/actual disbursements

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, 93 *per cent,* was incurred by the Civil Ministries, four *per cent* by Railways, three *per cent* by Defence Services, while the Department of Posts accounted for 0.3 *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 2011-12



Expenditure under Charged and Voted during the year 2011-12

(₹ in crore)

Civil		Railway		Posts		Defence	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
921280	3840960	194736	261	14363	11	175805	93
19%	81%	99.87%	0.13%	99.92%	0.08%	99.95%	0.05%

Table 3.1 gives the total provisions (both Charged and Voted) and disbursements of the Government during the financial year 2011-12. **Annex 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 2011-12

(₹in crore)

Departments	Total Provision	Disbursements	Savings (-) Excess (+)	Percentage of Savings/Excess as compared to Total Provision
Civil	4935557	4762240	(-) 173317	4
Posts	14292	14374	(+) 82	01
Defence Services	178891	175898	(-) 2993	02
Railways	205213	194997	(-) 10216	05
Grand Total	**5333953**	**5147509**	**186444**	**03**

Under the Civil Ministries/Departments, the net saving of ₹1,73,317 crore was due to excess expenditure of ₹6,545 crore under five *appropriations*/grants and saving of ₹1,79,862 crore in the 96 appropriations/grants pertaining to civil Ministries/Departments. As stated by ministries/departments out of the overall excess expenditure of ₹6,545 crore, ₹3,569 crore was on account of receipt of more cases of Modified Assured Career Promotion (MACP) scheme, local discharge, pre-release cases, death cases, booking of pending pension scrolls received from banks to clear suspense, more earned leave encashments under grant No. 21- Defence Pensions. Of the overall saving of ₹1,79,862 crore, saving of ₹42,368 crore was in grant No. 82-Department of Rural Development under Revenue (Voted) section, ₹28,784 crore in grant No. 37-Appropriation-Repayment of Debt under Capital (Charged) section, ₹26,807 crore in grant No. 35-Transfers to State and Union Territory Governments under Revenue(Voted/Charged) and Capital(Voted/Charged) Sections, ₹12,983 crore in grant No. 32-Department of Economic Affairs under Revenue/Capital (Voted) sections, ₹7,968 crore in grant No. 75-Ministry of Power under Revenue/Capital (Voted) sections, ₹9,880 crore in grant No. 33-Department of Financial Services under Revenue (Voted) section and ₹8,082 crore in grant No. 41- Department of Revenue under Revenue (Voted) sections. The gross saving in remaining grants/appropriations was ₹42,990 crore.

There were savings in 203 sections and excess in six sections under the grants/appropriations relating to Civil Ministries/Departments; savings in two sections and excess in two sections of Posts; savings in 30 sections and excess in 4 sections of Railways and savings in 11 sections and excess in one section of Defence Services. **Annex III-B** presents an abstract of the details.

3.3 Charged and voted disbursements

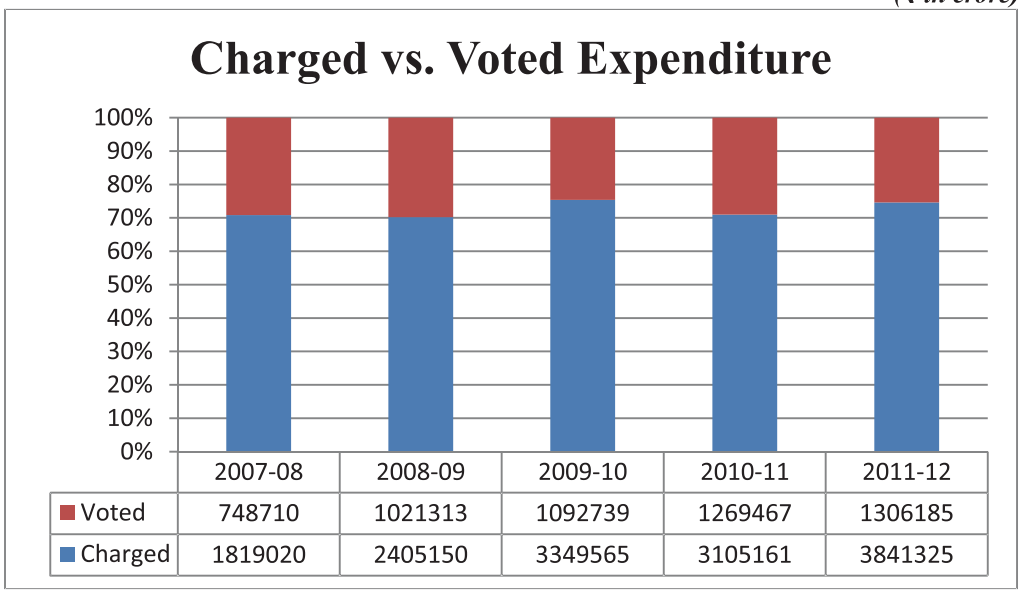
As per constitutional requirements, a distinction is made between charged and voted expenditure. Charged expenditure is defined as all such expenditure as is not to be subjected to the vote of the Parliament under the various provisions of the constitution. **Annex III-C** contains the details of disbursements actually made

against approved demands (grants and appropriations) of the Civil Ministries/Departments for the years 2000-2012. During these years, 70 *per cent* to 81 *per cent* of the total disbursements for the Civil Ministries/Departments were charged on the Consolidated Fund of India.

During 2011-12, the total disbursements of ₹47,62,240 crore under Civil Ministries/Departments were higher by ₹7,38,908 crore as compared to the total disbursements of ₹40,23,332 crore during 2010-11. It had increased by 741 *per cent* from ₹5,66,042 crore in 2000-01. The charged disbursements increased by 847 *per cent* from ₹4,05,289 crore in 2000-01 to ₹38,40,960 crore in 2011-12 and voted disbursements increased by 473 *per cent* from ₹1,60,753 crore to ₹9,21,280 crore over the same period. The charged disbursement of the civil Ministries/ Departments during 2011-12 was 81 *per cent* of the total disbursements. Charged disbursement comprised of Repayment of Debt ₹34,95,929 crore, Interest Payments of ₹2,87,182 crore and Transfers to State and Union Territory Governments ₹53,968 crore on account of grants under the proviso to Article 275(1) of the Constitution, block grants, loans for State Plan Schemes, etc. Since charged disbursements are not subject to vote by the Parliament, effectively the scope of financial control by Parliament is limited to about 19 *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 five years 2007-08 to 2011-12. However, viewed against the background of total disbursements amounting to ₹51,47,509 crore from the CFI including Civil, Posts, Defence Services and Railways, the percentage of charged disbursements was 75 *per cent* (₹38,41,325 crore) during the financial year 2011-12.

Chart 3.2: Expenditure under Charged and Voted sections during the year 2007-08 to 2011-12.

(₹ in crore)



	2007-08	2008-09	2009-10	2010-11	2011-12
Voted	748710	1021313	1092739	1269467	1306185
Charged	1819020	2405150	3349565	3105161	3841325

APPROPRIATION ACCOUNTS 2011-12: AN ANALYSIS

3.4 Grants/ appropriations with excess disbursements

Article 114(3) of the Constitution provides that no money be withdrawn from the Consolidated Fund of India except under appropriations made by law. Rule 52(3) of General Financial Rules, 2005 stipulates that no disbursements 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** below presents the summary of total excess disbursement of ₹8,561.42 crore over the authorisation from the CFI during 2011-12. There was an excess disbursement of ₹6545,33,40,727 (₹6,545.33 crore) in six segments of five grants/appropriations in Civil Ministries/Departments, ₹1048,14,00,392 (₹1,048.14 crore) in 4 segments of 3 grants/appropriations of Railways, ₹400,04,06,659 (₹400.04 crore) in two segments of one grant in Department of Posts and ₹567,90,83,321 (₹567.91 crore) in one segment of one grant 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

(Amount in ₹)

		Civil	Defence	Posts	Railways
Voted	Revenue	3570,25,13,393	567,90,83,321	400,03,82,246	1047,82,62,078
	Capital	7,23,26,294	-	-	-
Charged	Revenue	2967,85,01,040	-	-	31,38,314
	Capital	-	-	24,413	
No of Grants/ Appropriations		5	1	1	3
Total Excess		**6545,33,40,727**	**567,90,83,321**	**400,04,06,659**	**1048,14,00,392**

Table 3.3: Details of excess disbursement over grants/appropriations

Sl. No	Grant/ Appropriation	Amount in ₹		Reasons for excess as stated by the Ministries/Departments
Civil Revenue (Voted)				
1.	21-Defence Pension	Grant Expenditure Excess	33999,75,00,000 37568,56,46,182 3568,81,46,182	Due to receipt of more cases of Modified Assured Career Progression (MACP) Scheme, local discharge pre-release cases, death cases, booking of pending pension scrolls received from banks to clear suspense, more earned leave encashments.

Sl. No	Grant/ Appropriation	Amount in ₹		Reasons for excess as stated by the Ministries/Departments
2.	100– Lakshadweep	Grant Expenditure Excess	609,42,00,000 610,85,67,211 1,43,67,211	Due to non-accounting of payment made to Pay and Accounts Office, Director General of Supplies and Disposals in the monthly account of Public Works Department, Lakshadweep inadvertently.
Revenue (Charged)				
3.	*21-Defence Pensions*	*Appropriation* *Expenditure* *Excess*	*54,00,000* *82,54,467* *28,54,467*	*Due to implementation of Court/Tribunal judgment, award of more gallantry awards than assessed.*
4.	*34 - Interest Payments*	*Appropriation* *Expenditure* *Excess*	*284234,60,00,000* *287182,18,33,405* *2947,58,33,405*	*Due to enhanced borrowing and high rate of interest, inclusion of premium paid on issue of dated securities, shifting of investments from intermediate Treasury Bills to auction based Treasury bills by the State Governments etc.*
5.	*97 – Chandigarh*	*Appropriation* *Expenditure* *Excess*	*92,82,00,000* *112,80,13,168* *19,98,13,168*	*Due to requirement of additional funds towards pay and allowances, publication work and receipt of more medical claims.*
Capital (Voted)				
6.	31- Ministry of External Affairs	Grant Expenditure Excess	1391,00,00,000 1398,23,26,294 7,23,26,294	Due to requirement of additional funds towards ongoing construction work of Passport Office, Jawaharlal Nehru Bhawan and for ongoing construction projects in a number of countries.
Railways **Revenue (Voted)**				
7.	12- Miscellaneous Working Expenses	Grant Expenditure Excess	4109,87,22,000 4388,08,15,415 278,20,93,415	Due to adjustment of more debits and more expenditure towards compensation claims, more expenditure towards accident insurance and compensation, incurrence of more expenditure towards contractual payments to private caterers and clearance of outstanding bills of Indian Railway Catering and Tourism Corporation, more materialization of claims and adjustment of debits.

Sl. No	Grant/ Appropriation	Amount in ₹		Reasons for excess as stated by the Ministries/Departments
8.	13- Provident Fund, Pension & Other Retirement Benefits	Grant Expenditure Excess	17557,35,05,000 18326,96,73,663 769,61,68,663	Due to receipt of more debits from pension disbursing authorities, more payment towards ex-gratia pension, receipt of more debits towards family pension due to revision of family pension cases, finalization of more cases of death cum retirement gratuity, more expenditure on leave encashment for pension optees, more expenditure towards deposit linked insurance scheme.
Revenue (Charged)				
9.	*03-General Superintendence and Services*	*Appropriation* *Expenditure* *Excess*	*3,05,000* *30,34,201* *27,29,201*	*Due to materialization of more decretal payments than anticipated.*
10.	*13- Provident Fund, Pension & Other Retirement Benefits*	*Appropriation* *Expenditure* *Excess*	*58,58,000* *62,67,113* *4,09,113*	*Due to materialization of more decretal payments than anticipated.*
Department of Posts **Revenue (Voted)**				
11.	13-Postal Services	Grant Expenditure Excess	13762,33,00,000 14162,36,82,246 400,03,82,246	Due to leave encashment on availing LTC, grant of MACP, increase in Pay and Allowances, more retirement, Pension, Gratuities' to Extra Departmental Agents, Pension and Family Pension etc.
Capital (Charged)				
12.	*13-Postal Services*	*Appropriation* *Expenditure* *Excess*	*9,60,00,000* *9,60,24,413* *24,413*	*No reason has been furnished by the Department.*
Defence Services **Revenue (Voted)**				
13.	24-Defence Services-Air Force	Grant Expenditure Excess	16753,53,00,000 17321,43,83,321 567,90,83,321	Due to grant of MACP to service personnel, sanction of higher rate of Dearness allowance, enhancement of other allowances due to DA rate exceeded 50%, variations in strength and price escalation of ration commodities, change in rate of excise duty from 10.3% to 12.36% and deduction of LD Charges.

In grant No.25-Defence Services Ordnance Factories, an authorization for net amount of ₹1,651.81 crore was obtained and net expenditure of ₹1,427.94 crore

was incurred there against. The gross expenditure incurred was ₹12,130.72 crore. Thus, in this grant Ministry of Defence incurred expenditure in excess of authorization of Parliament by an amount of ₹10,478.91 crore. The aspect of incorrect authorisation from Parliament in this grant has been reported in detail in para 4.1 of this report. This in the view of audit would also require regularization of excess expenditure under Article 115(1)(b) of the Constitution.

The other details relating to grants of the Railways are mentioned in the related separate Audit Report for the year 2011-12 of the Comptroller and Auditor General of India.

3.5 Persistent excess in grants

A scrutiny of the grants registering persistent excess for the five years period from 2007-08 to 2011-12 was undertaken. The scrutiny revealed that in 12 grants/appropriations persistent excesses occurred in at least three years out of five years period for which analysis was made. The grant wise and year wise details of persistent excesses against allocations are given below:

Table 3.4: Persistent excess in grants/appropriations

(Amount in ₹)

Sl. No.	Grant No. and Name	2007-08	2008-09	2009-10	2010-11	2011-12
Civil Grants Revenue (Voted)						
1.	21- Defence Pensions	-				
	Excess-		**13,32,985**	**8999,54,01,305**	**3336,30,72,983**	**3568,81,46,182**
	Expenditure-		20233,08,32,985	34999,29,01,305	37336,05,72,983	37568,56,46,182
	Grant-		20232,95,00,000	25999,75,00,000	33999,75,00,000	33999,75,00,000
Department of Posts Revenue (Voted)						
2.	13- Postal Services	-	-			
	Excess-			**818,12,99,976**	**366,63,29,167**	**400,03,82,246**
	Expenditure-			13344,82,99,976	13793,26,29,167	14162,36,82,246
	Grant-			12522,67,00,000	13426,63,00,000	13762,33,00,000
Defence Services Revenue (Voted)						
3.	22- Defence Services- Army		-			-
	Excess-	**71,18,78,075**		**2464,11,11,895**	**2864,01,52,379**	
	Expenditure-	35481,28,78,075		62716,64,11,895	65001,95,52,379	
	Grant-	35410,10,00,000		60252,53,00,000	62137,94,00,000	
Railways Revenue (Voted)						
4.	04- Repairs and Maintenance of Permanent Ways and Works	-				-
	Excess-		**104,05,87,825**	**55,50,24,359**	**7,75,52,784**	
	Expenditure-		5944,26,92,825	7496,25,82,359	7386,56,17,784	
	Grant-		5840,21,05,000	7440,75,58,000	7378,80,65,000	

Sl. No.	Grant No. and Name	2007-08	2008-09	2009-10	2010-11	2011-12
5.	05- Repair and Maintenance of Motive Power	-				-
	Excess-		**95,24,56,565**	**90,87,30,288**	**75,06,60,832**	
	Expenditure-		2924,36,28,565	3479,19,71,288	3423,60,13,832	
	Grant-		2829,11,72,000	3388,32,41,000	3348,53,53,000	
6.	06- Repair and Maintenance of Carriages & Wagons	-				-
	Excess-		**149,69,22,039**	**164,57,39,230**	**221,08,77,978**	
	Expenditure-		6430,23,89,039	7857,06,14,230	7799,58,75,978	
	Grant-		6280,54,67,000	7692,48,75,000	7578,49,98,000	
7.	08- Operating Expenses-Rolling Stock & Equipment	-				-
	Excess-		**131,05,69,735**	**36,30,60,599**	**189,88,89,127**	
	Expenditure-		4711,59,77,735	5983,59,00,599	6156,81,96,127	
	Grant-		4580,54,08,000	5947,28,40,000	5966,93,07,000	
8.	12- Misc Working expenses		-			
	Excess-	**23,40,02,612**		**19,58,54,173**	**648,43,86,934**	**278,20,93,415**
	Expenditure-	2078,37,78,612		3177,23,12,173	4002,49,56,934	4388,08,15,415
	Grant-	2054,97,76,000		3157,64,58,000	3354,05,70,000	4109,87,22,000
9.	13- Provident Fund, Pension & other Retirement Benefits	-	-			
	Excess-			**1512,38,96,979**	**1403,97,51,918**	**769,61,68,663**
	Expenditure-			16911,20,69,979	16352,71,21,918	18326,96,73,663
	Grant-			15398,81,73,000	14948,73,70,000	17557,35,05,000
10.	15-Dividend to General Revenues, Repayment of Loans taken from General Revenues and Amortisation of Over-Capitalisation				-	-
	Excess-	**20,80,86,212**	**6,71,23,341**	**4,51,03,762**		
	Expenditure-	4902,92,86,212	4717,67,23,341	5543,34,03,762		
	Grant-	4882,12,00,000	4710,96,00,000	5538,83,00,000		
Railways Revenue (Charged)						
11.	*03- General Superintendence and Services*	-				
	Excess-		***1,04,322***	***24,21,286***	***20,97,842***	***27,29,201***
	Expenditure-		*9,52,322*	*34,79,286*	*36,49,842*	*30,34,201*
	Appropriation-		*8,48,000*	*10,58,000*	*15,52,000*	*3,05,000*
Railways Capital (Charged)						
12.	*16-Assets-Acquisition, Construction and Replacement – Capital*				-	-
	Excess-	***21,02,493***	***17,08,59,223***	***3,36,40,661***		
	Expenditure-	*21,36,13,493*	*39,28,59,223*	*64,38,40,661*		
	Appropriation-	*21,15,11,000*	*22,20,00,000*	*61,02,00,000*		

A number of grants witnessing excesses year after year is a matter of concern. Despite Public Accounts Committee's recommendations to minimise the cases of excesses, persistent excesses have been noticed in these grants. Ministries/Departments did not make concerted efforts and devise effective mechanism with a view to observe financial discipline to avoid excess expenditure.

3.6 Minor/Sub head-wise Excess expenditure

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

It was, however, observed from the Head-wise Appropriation Accounts for the year 2011-12 that in 53 minor/ sub-heads of 16 grants, there was an excess expenditure of ₹five crore and more, over the available provision. An aggregate expenditure of ₹18,609.65 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 **Annex III-D.**

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

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.

Saving of more than ₹100 crore, which need a detailed explanatory note to the Public Accounts Committee (PAC), occurred in 93 cases of 75 grants (including Civil, Posts, Railways and Defence Services) during the financial year 2011-12. Large savings were in a number of grants like: Department of Rural Development (₹42,368 crore), Repayment of Debt (₹28,785 crore),Transfers to State and Union Territory Governments (₹26,807 crore), Department of Economic Affairs (₹12,983 crore), Department of Financial Services (₹9,880 crore), Department of Revenue (₹8,082 crore), Ministry of Power (₹7,968 crore), Ministry of Road Transport and Highways (₹3,934 crore), Police (₹3,352 crore), Department of Space (₹2,835 crore), Department of Higher Education (₹2,336 crore), Department of Health and Family Welfare (₹3,047 crore), Department of

Commerce (₹2,086 crore), Ministry of Home Affairs (₹1,828 crore), Ministry of Statistics and Programme Implementation (₹1,762 crore), Ministry of Panchayati Raj (₹1,143 crore) Department of Telecommunications (₹1,082 crore), Department of Atomic Energy (₹1,061 crore), Ministry of Shipping (₹1,046 crore), Department of School Education and Literacy (₹1,009 crore) and Department of Drinking Water and Sanitation (₹1,008 crore) etc. **Annex III-E** indicates the details of savings under various grants/appropriations.

The savings were attributed by the Ministries/Departments as 'some of the schemes failed 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' and 'Receipt of less proposals from State Governments', etc.

Further, there were 36 sections of 29 grants/appropriations including capital section with persistent savings of ₹100 crore and more occurred during the last three years (2009-2012) are given in **Annex III-F.** Some of the grants with large persistent savings were, Grant no. 32- Department of Economic Affairs, 33- Department of Financial Services, 35- Transfers to State and UT Governments, 37- Repayment of Debt, 58- Department of School Education and Literacy, 59- Department of Higher Education, 75- Ministry of Power and 82- Department of Rural Development.

3.7.1 Incorrect budget provision resulting in saving of ₹10,000 crore

As per Article 293(2) of the Constitution of India, any sums required for the purpose of making loans to any State Government shall be charged on the Consolidated Fund of India.

Audit scrutiny of Grants No. 35 – Transfers to State and Union Territory Governments for the financial year 2011-12 revealed that the Ministry had incorrectly obtained a provision of ₹9,000 crore under the Major Head '7601 – Loans and Advances to State Governments' for Block Loans – Additional Central Assistance for externally aided projects under Capital (Voted) Plan Section, and ₹1,000 crore under the Major Head '7601 - Loans and Advances to State Governments' for Ways and Means Advances under Capital (Voted) Non-Plan Section.

During the course of the year, the Ministry continued to incur expenditure incorrectly under Capital (Voted) Section and issued incorrect sanction orders authorising incurrence of such expenditure. In August 2011 in the first Supplementary Demands for Grants Ministry, on realising the error in the initial provisioning, obtained supplementary of ₹9,000 crore Capital (Charged) Plan

Section and ₹1,000 crore Capital (Charged) Non-Plan Section under Major Head '7601 - Loans and Advances to State Governments'.

Through the office memorandum of January 2012, Ministry of Finance surrendered an amount of ₹10,000 crore from Capital (Voted) Section, being an unspent amount, treating the same as technical surrender to enabling it to utilise the funds available through first and second Supplementary Demands for Grants under the Capital (Charged) Section. In the said OM Ministry stated that a corrigendum to sanction orders issued under the loan component of ACA for EAPs under Major Head 7601 was being issued simultaneously so as to account for the amount to be booked under the Capital (Charged) instead of Capital (Voted) for the sanction orders issued up to 30 November 2011.

Thus, the entire unspent provision of ₹10,000 crore under Capital (Voted) Section of Major Head '7601 - Loans and Advances to State Governments' was due to incorrect provision made by the Ministry in breach of Article 293(2) of the Constitution.

3.8 Surrender of savings (Grant-wise)

Rule 56 of General Financial Rules, 2005 provides that savings in a grant or appropriation are to be surrendered to Government as soon as these are foreseen, without waiting for the last day of the year. Savings should also not be held in reserve for possible future excesses. During the financial year 2011-12, under 203 segments of 97 grants/appropriations of Civil Ministries/Departments, there were savings of ₹1,79,862 crore. This was offset by excess expenditure of ₹6,545 crore under six segments of five grants resulting in a net saving of ₹1,73,317 crore. The amounts surrendered are shown in **Table 3.5.**

Table 3.5: Details of savings and surrender

(₹ in crore)

	Unspent Provision	Amount Surrendered	Amount Surrendered on 31 March	Percentage of Amount Surrendered on 31March to Unspent Provision	Amount not Surrendered
Revenue					
Voted	105067.51	100383.21	98050.31	93	4827.17
Charged	5447.89	5431.38	5431.38	100	16.51
Total: Revenue	110515.40	105814.59	103481.69		4843.68
Capital					
Voted	37524.60	33529.16	30571.28	81	4000.74
Charged	31821.64	37006.51	37002.82	116	13.16
Total: Capital	69346.24	70535.67	67574.10		4013.90
Grand Total	**1,79,861.64**	**1,76,350.26**	**1,71,055.79**		**8,857.58**

Under the grants pertaining to Ministry of Personnel, Public Grievances, and Pensions, Ministry of External Affairs, Capital Outlay on Defence Services and Repayment of Debt, the amount surrendered exceeded the savings. **Annex III-G** gives the details. The Defence Pensions and Union Territory Lakshadweep under 'Revenue (Voted)' and Ministry of External Affairs under Capital (Voted), incurred an excess expenditure of ₹3,568.81 crore, ₹1.44 crore and ₹7.23 crore respectively (detailed in **Table 3.3**), which requires regularisation under Article 115(1) (b) of the Constitution. While the Ministries incurred excess expenditure, they simultaneously surrendered ₹0.29 crore, ₹0.29 crore and ₹1.60 crore respectively in March 2012. This is indicative of poor budgetary management particularly in the Ministry of External Affairs.

3.9 Surrender of savings on 31st March

In 44 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 30th/31st March 2012, along with the amounts which were not surrendered and allowed to lapse are given in **Annex III-H**.

3.10 Injudicious re-appropriation to minor/sub-heads

Test check of the accounts revealed that in 17 cases relating to nine grants/appropriations of Civil Ministries/Departments and Defence Services, re-appropriations aggregating ₹529.02 crore were injudicious, as the original provision under the minor/sub-heads to which augmentation was made by way of re-appropriation was more than adequate. Resultantly, the final savings under the sub-heads were more than the amount re-appropriated to these sub-heads. 17

cases, where re-appropriation exceeding ₹five crore and more have been made, are given in **Annex III-I.**

3.11 Injudicious re-appropriation from minor/sub-heads

Similarly, test check of the accounts revealed that in seven cases relating to five grants/appropriations of Civil Ministries/Departments and Defence Services, re-appropriations aggregating ₹164.14 crore were injudicious, wherein the final disbursements under each of these minor/sub-heads was more than the original provision before re-appropriation. In each of them, the excess over the final available provision after re-appropriation from these heads was more than the amount re-appropriated. Seven cases, where re-appropriation exceeding ₹five crore and more have been made, are given in **Annex III-J.**

3.12 Large supplementary grants due to unrealistic budgetary projections

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 2011-12 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 26 *per cent* to 412 *per cent* of the original provisions in some sections of the grants. These are detailed in **Table 3.6**. Large supplementary indicates 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.	06-Department of Chemicals and Petrochemicals	799.88	619.95	78
2.	07-Department of Fertilizers	53619.46	20980.00	39
3.	53-Cabinet	329.92	660.09	200
4.	73-Ministry of Petroleum and Natural Gas	23716.20	44838.11	189
5.	88-Ministry of Shipping	1447.93	638.61	44
6.	91-Ministry of Statistics and Programme Implementation	2505.79	2375.04	95
7.	92-Ministry of Steel	116.71	119.81	103
8.	99-Daman & Diu	855.69	221.00	26
9.	105-Ministry of Women and Child Development	12733.00	3450.04	27
10.	25-Defence Ordnance Factories	792.88	858.93	108
Capital (Voted)				
11.	10-Ministry of Coal	30.00	116.83	389
12.	30-Ministry of Environment and Forest	80.68	42.00	52
13.	31-Ministry of External Affairs	791.00	600.00	76
14.	32-Department of Economic Affairs	14683.56	11120.62	76
15.	33-Department of Financial Services	7814.00	6497.44	83
16.	52-Ministry of Home Affairs	28.85	24.60	85
17.	53-Cabinet	104.07	82.18	79
18.	66-Ministry of Mines	39.21	161.36	412
19.	73-Ministry of Petroleum and Natural Gas	Nil	1585.75	N/A
20.	93-Ministry of Textiles	88.27	106.18	120
Total			**95,137.22**	

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

3.13 Unnecessary cash supplementary grants

In 12 grants/appropriations, as detailed in **Table 3.7**, while cash supplementary provisions aggregating to ₹6,762.27 crore were obtained during 2011-12 in

anticipation of higher expenditure, but the final expenditure was less than even the original grants/appropriations. The entire cash supplementary grant obtained was, therefore, unnecessary, indicative of 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	Total Supplementary Grant obtained	Cash Supplementary	Actual Disbursements	Saving
Civil Grants						
1.	19-Ministry of Culture	1338.00	40.08	40.00	1310.80	67.28
2.	32-Department of Economic Affairs	21632.22	12242.59	1066.46	20891.45	12983.36
3.	33-Department of Financial Services	23705.94	6997.46	200.00	20823.04	9880.36
4.	54-Police	40019.99	3262.86	2000.70	39922.30	3360.54
5.	58-Department of School Education and Literacy	60088.58	70.07	70.00	59149.57	1009.08
6.	78-Rajya Sabha	224.35	33.02	33.02	220.59	36.78
7.	81-Ministry of Road Transport and Highways	40740.51	1516.54	476.82	38314.88	3942.17
8.	82-Departament of Rural Development	146909.72	2300.03	2300.00	106841.29	42368.46
9.	92-Ministry of Steel	117.71	119.81	118.82	80.98	156.54
10.	93-Ministry of Textiles	5855.75	437.94	419.89	5056.33	1237.36
11.	96-Andaman and Nicobar Islands	2715.76	50.41	35.56	2612.44	153.73
12.	99-Daman and Diu	1032.95	221.00	1.00	1210.42	43.53
Total			**27,291.81**	**6,762.27**		**75,239.19**

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

3.14 Unnecessary supplementary grants obtained under sub-heads

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 22 minor/sub-heads where entire supplementary grant together with part of original budget provision remained unspent are given in **Annex III-L.**

3.15 Persistent saving (Sub-head wise)

A detailed scrutiny of Appropriation Accounts revealed that during the years 2009-10 to 2011-12, under certain grants and appropriations persistent savings under a sub-head were noticed, which are indicative of poor budgeting or shortfall in performance or both, in respect of the concerned scheme being implemented by the Ministry/Department. The details of 11 sub-heads are given in **Annex III-M.**

3.16 Saving of entire provision (Sub-head wise)

In 86 sub-heads under various grants/appropriations, the entire provision amounting to ₹22,972.97 crore which were authorised by the Parliament remained unutilised by the Ministries/Departments. Savings of entire provision is indicative of the fact that the estimates were not prepared after adequate scrutiny of the projects/schemes. Major schemes which failed to take off or suffered due to non-utilisation of entire provision are:

- Under Department of Rural Development: 'Transfer to National Investment Fund' (₹8,448 crore);
- Under Department of Higher Education (Ministry of Human Resource Development): 'Improvement in the Pay Scales of University and College Teachers' (₹2,250 crore);
- Under Department of Financial Services (Ministry of Finance): 'Farmers Debt Relief Fund for implementation of Debt Waiver and Debt Relief Scheme for Farmers-2008' (₹2,000 crore), 'Revival of Long Term Co-operative Credit Structure' (₹1,000 crore) and 'Security Redemption Fund' (₹625 crore);
- Under Ministry of Power: 'Rajiv Gandhi Gramin Vidyutikaran Yojana' (₹600 crore) and 'National Electricity Fund' (₹250 crore);
- Under Ministry of Shipping: 'Loans to Port Trust' (₹194 crore);
- Under Department of Heavy Industry: 'Implementation of revival schemes of PSE's (₹150 crore);
- Under Ministry of Steel: 'Bisra Stone Lime Company Limited' (₹120 crore); and
- Under Ministry of Social Justice and Empowerment: 'Self-employment Scheme for Rehabilitation of Manual Scavengers' (₹98 crore).

The details/list of these sub-heads are given in **Annex III-N**.

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

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 are indicative of poor budgeting or shortfall in performance or both, in respect of the concerned scheme being implemented by the Ministry/Department. Necessary steps need to be taken by the Ministries/Departments to make their budgetary exercise more realistic, not only to minimise large scale variations between estimates and actuals but also to gainfully utilise the scarce resources. These Ministries/Departments are required to review their system of budgetary assumption and/or efficiency of their programme management. **Annex III-O** gives the details of 106 such large savings of ₹100 crore or more and constituting more than 10 *per cent* of the budgeted provision under a sub-head along with reasons given by respective Ministries/Departments.

Major savings occurred under the following programmes/schemes:

- Department of Rural Development: ₹10784.31 crore–'Assistance to District Rural Development Agencies/District Programme Co-ordinators and Others' (against budgeted provision of ₹39,974.08 crore) - due to availability of unspent balances of previous years and non receipt of adequate number of proposals from the State Governments;
- Department of Revenue: ₹7,827.42 crore –'Grants to States for Revenue loss due to phasing out of CST' (against budgeted provision of ₹12,000 crore) - due to receipt of less claims towards CST compensation from the State Governments;
- Department of Fertilisers: ₹5,700 crore –'Payment for concessional sale of imported decontrolled fertilisers' (against budgeted provision of ₹21,864.94 crore) - due to lesser imports till November 2011;
- Transfers to States and Union Territory: ₹5,184.22 crore – 'Jawahar Lal Nehru National Urban Renewal Mission' (against budgeted provision of ₹12,522 crore) – due to non-release of matching shares by State Governments, withdrawal of projects and delay in commencement of schemes;
- Transfers to States and Union Territory: ₹5,160.99 crore – 'Accelerated Irrigation Benefit Programme and other Water Resources Programme' (against budgeted provision of ₹12,620 crore) – due to slow off-take of funds by the State Governments;
- Department of Financial Services: ₹4,823.61 crore–'Relief/waiver of loans through lending Institutions against Agricultural Debt Waiver and Debt Relief Scheme, 2008' (against budgeted provision of ₹6,000 crore) due to receipt of less claims from Nodal Agencies as implementation period of the scheme is over;

- Transfers to States and Union Territory: ₹3,755.52 crore – 'National Investment Fund' (against budgeted provision of ₹7,732 crore) – due to less proceeds from disinvestment;
- Transfers to States and Union Territory: ₹2,066.08 crore –'Assistance to States from National Disaster Response Fund for calamities of severe nature'(against budgeted provision of ₹4,525 crore) – due to less release of funds on account of occurrence of fewer calamities of severe nature and availability of funds in CRF/SDRF accounts of States;
- Department of Commerce: ₹1,978.80 crore –'Assistance to Export Promotion and Market Development Organisations' (against budgeted provision of ₹3,050 crore) – due to receipt of ineligible claims owing to clarification issued by policy interpretation Committee, Directorate General of Foreign Trade; and
- Department of Financial Services: ₹1,585.30 crore –'Interest Subvention for Providing short term Credit to Farmers' (against budgeted provision of ₹4,868 crore) – due to receipt of less claims for reimbursement from the nodal agencies as the claims spilled over to the next year.

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

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**. Annex III-P** gives the details of 41 such cases with savings of ₹50 crore and above, constituting more than 40 *per cent* of the budgeted provision.

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

In terms of Rule 56(3) of General Financial Rules, 2005, rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and shall be avoided. The Ministry of Finance 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. Information regarding trend of expenditure for financial year 2011-12 was called for from ministries/departments by Audit.

However, based on information provided by ministries/departments, in cases detailed in **Table 3.8,** it has been noticed that major part of disbursement by some Ministries/Departments was made in the month of March 2012 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 2012 and/or last quarter of 2011-12

(₹ 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 as furnished by the Ministries/Departments
Civil							
1.	05-Nuclear Power Scheme	9396.38	1553.00	17	-	-	No reason has been furnished by Ministry.
2.	10-Ministry of Coal	498.72	85.43	17	219.37	44	No reason has been furnished by Ministry.
3.	18-Ministry of Corporate Affairs	238.94	48.04	20	-	-	No reason has been furnished by Ministry.
4.	32 – Department of Economic Affairs	21632.22	4474.29	21	-	-	No reason has been furnished by Ministry.
5.	33 – Department of Financial Services	23705.94	14515.48	61	16661.66	70	Expenditure during the month of March/last quarter of the financial year like plan expenditure as subsidies, capitalization, investment and mostly funds released in last batch of supplementary in March.
6.	34 – Appropriation-Interest Payments	272330.28	-	-	99354.63	36	No reason has been furnished by Ministry.
7.	35- Transfers to State and Union Territory Governments	148647.23	27996.29	19	-	-	No reason has been furnished by Ministry.
8.	38-Department of Expenditure	101.97	25.56	25	39.92	39	No reason has been furnished by Ministry.
9.	53- Cabinet	434.61	239.73	55	317.77	73	No reason has been furnished by Ministry.

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 as furnished by the Ministries/Departments
10.	56- Transfers to Union Territory Governments	2130.29	353.62	17	726.82	34	No reason has been furnished by Ministry.
11.	58-Department of School Education and Literacy	60088.58	11308.71	19	-	-	No reason has been furnished by Ministry.
12.	59-Department of Higher Education	21912.00	3800.22	17	-	-	No reason has been furnished by Ministry.
13.	61- Ministry of Labour and Employment	4029.64	744.40	18	1388.76	34	No reason has been furnished by Ministry.
14.	66 – Ministry of Mines	654.28	125.47	19	223.46	34	No reason has been furnished by Ministry.
15.	68-Ministry of New and Renewable Energy	1212.38	-	-	503.64	42	No reason has been furnished by Ministry.
16.	69 – Department of Overseas Indian Affairs	81.00	21.12	26	37.90	47	No reason has been furnished by Ministry.
17.	70-Ministry of Panchayati Raj	5250.65	943.18	18	1925.82	37	No reason has been furnished by Ministry.
18.	73 – Ministry of Petroleum and Natural Gas	23716.20	22739.16	96	38300.74	161	Supplementary demand of ₹30,000 crore and ₹14,838.12 crore were authorized in November 2011 and March 2012 respectively.
19.	74-Ministry of Planning	1676.00	436.91	26	789.25*	47	No reason has been furnished by Ministry.
20.	81 – Ministry of Road Transport and Highways	40740.51	8705.75	21	-	-	No reason has been furnished by Ministry.
21.	87-Department of Bio-technology	1426.92	252.07	18	-	-	No reason has been furnished by Ministry.
22.	88- Ministry of Shipping	2071.60	759.47	37	859.43	41	Out of ₹759.47 crore, ₹631.54 crore has been written off as per Supplementary III (HDPFL loan, interest and Penal Interest)
23.	91-Ministry of Statistics & Programme Implementation	2527.36	705.91*	28	1085.56	43	No reason has been furnished by Ministry.
24.	93-Ministry of Textiles	5855.75	1220.54	21	-	-	No reason has been furnished by Ministry.
25.	101-Department of Urban Development	6855.27	1097.49	16	-	-	No reason has been furnished by Ministry.
Defence Services							
26.	27-Capital Outlay on Defence Services	69,198.81	11,971.04	17	-	-	No reason has been furnished by Ministry.

** In these two cases, figures have been taken from e-lekha which do not include journal entries.*
the percentage in the columns may not agree with Annex I-B as the data sources differ.

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

3.20 Postal Services (Grant No. 13)

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 four 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
2011-12	527.74	210.23	317.51	60

As in the past three years, persistent savings under the Capital (Voted) section of the grant in the year 2011-12 too were primarily under the head 5201.00.104- "Mechanisation and Modernisation of Postal Services". Out of the budget allocation of ₹478.61 crore, only ₹178.84 crore could be spent, leaving an unspent amount of ₹299.77 crore. In reply the Department of Posts stated that due care will be taken to maintain the realistic budget provisions.

3.21 Defence Services

Scrutiny of the Appropriation accounts of Defence Services disclosed a persistent trend of savings during the years 2009-10 to 2011-12 under charged/voted segment of six grants as detailed in **Table 3.10.**

Table 3.10: Persistent savings during the years 2009-12

(₹in crore)

Grant No. Sub Major/Minor Head	2009-10	2010-11	2011-12	Contributory reasons as stated by the Ministry
22 - Defence Services - Army (Major Head 2076)				
109-Inspection Organisation (Charged)	0.31	0.32	0.22	No reasons were furnished.
113-National Cadet corps(charged)	2.19	2.19	2.15	Less finalisation of the court cases than anticipated.
113-National Cadet Corps (Voted)	107.26	234.10	244.63	Non-materialisation of contracted supplies.
800-Other expenditure (Charged)	2.54	6.86	8.90	Less finalisation of the court cases than anticipated.
800-Other expenditure (Voted)	28.35	142.83	246.90	Reduced expenditure under hot weather allowances, non-materialisation of expected claims and Misc. payments.
23-Defence Services – Navy				
111-Works(Charged)	0.06	3.05	2.56	Finalisation of lesser number of court cases than anticipated.
111-Works (Voted)	27.10	2.07	8.92	No explanation was given by Ministry.
24-Defence Services – Air Force				
800-Other Expenditure	49.75	64.47	52.06	Non-utilisation of funds by commands, due to non-fructification of supplies, non-materialisation of certain training activities etc.
25 – Defence Ordnance Factories				
004- Research and Development	7.92	0.05	4.29	Non-receipt of items by Ordnance Development Centres against committed supplies, spill over of payments against rate contract to next year etc.
106-Renewal and Replacement	71.76	117.18	14.75	Non-supply/delay in commissioning of Plant & Machinery.
110 – Stores	94.60	1336.20	246.03	Ministry gave only part explanation due to reduced expenditure, non-materialisation of foreign supplies, local supplies, IT supplies, higher recovery through sale of scrap etc.
111-Works	32.64	25.25	34.07	Non-completion of works, delay in progress of operational work due to inclement weather conditions, minor slippages of works/special repairs, delayed receipt of electricity bills etc.
26-Defence Services-Research and Development (Major Head- 2080)				
105-Transportation	20.46	1.81	12.19	Cumulative effect of marginal savings from labs/work center.
110-Stores	214.50	185.62	140.28	Deferment of contractual payments to foreign vendors, marginal Savings from labs/establishments.

Grant No. Sub Major/Minor Head	2009-10	2010-11	2011-12	Contributory reasons as stated by the Ministry
27 - Capital Outlay on Defence Services (Major Head- 4076)				
01-Army				
103-Other Equipments	1031.70	875.89	3895.78	No explanation was given by Ministry.
105-Military Farms	1.17	1.92	2.17	-do-
113-National Cadet Corps	23.70	25.67	22.35	-do-
02 – Navy				
104 – Joint Staff	135.32	409.59	150.40	Ministry replied that saving was due to withholding of part payment of the clients, non-completion of works, non-materialisation of supply of vehicles, non-fructification of some major schemes, technical slippages, slow progress of work, etc.

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

3.21.1 Surrender of savings

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 2011-12, under charged segments of one grants of Defence Services where surrenders were made for ₹0.21 crore, there was saving of ₹0.45 crore. Under voted segments of two grants of Defence Services, where surrenders were made for ₹3,344.36 crore, there was saving of ₹1,642.07 crore. Thus, overall ₹3,344.36 crore under two grants in voted segment and ₹0.21 crore under one grant in charged segment 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/ Excess(+)		Amount Surrendered on Last Date		Amount not Surrendered	
	Charged	Voted	Charged	Voted	Charged	Voted
22-Army	15.70	1341.79	-	-	15.70	1341.79
23-Navy	11.00	277.20	-	-	11.00	277.20
24-Air Force	2.65	(+)567.91	-	-	2.65	-
25-Defence Ordnance Factories	3.21	223.87	-	-	3.21	223.87
26-Research & Development	0.45	338.02	0.21	238.65	0.24	99.37

27-Capital Outlay on Defence Services	43.09	1304.05	-	3105.71	43.09	-
Total	**76.10**	**3484.93 (+)567.91**	**0.21**	**3344.36**	**75.89**	**1942.23**

In case of Grant No. 27-Capital Outlay on Defence Services, the Ministry of Defence surrendered ₹3,105.71 crore in March 2012 against available final savings of ₹1,304.05 crore in the Capital (Voted) section. This indicates deficient budgetary control mechanism in the Ministry.

3.21.2 Persistent excess expenditure over available provision

An analytical table on the persistent trend of financial budgetary control failure over the last three years in certain grants relating to Defence Services is detailed below:

Table 3.12: Persistent excess expenditure during the years 2009-12

(₹in crore)

Sl. No.	Description of Grant	Final Excess expenditure during 2009-10	Final Excess expenditure during 2010-11	Final excess expenditure during 2011-12
Major Head-2076 Grant No. 22 Defence Services –Army				
1.	103-Pay and Allowances and miscellaneous expenses of Auxiliary Forces	17.90	170.03	60.77
2.	104-Pay and Allowances of Civilians	130.90	175.08	26.83
3.	106-Military Farms	4.94	1.08	5.33
Major Head-2077 Grant No. 23 Defence Services –Navy				
4.	105-Transportation	17.54	31.36	10.77
5.	800-Other Expenditure	33.77	35.09	21.11
Major Head-4076 Grant No. 27-Capital Outlay on Defence Services				
01-Army				
6.	102-Heavy and Medium Vehicles	90.05	572.77	52.33
7.	103-Other Equipment	185.31	363.44	42.32
02-Navy				
8.	103-Other Equipment	5.58	67.65	130.26
9.	202-Construction Works	1.84	9.35	4.73
10.	204-Naval Fleet	35.00	249.00	965.25

Ministry failed to give appropriate justification as to how the Principal Controller of Defence Accounts/Controller of Defence Accounts had authorized excess expenditure more than the available provisions.

3.21.3 Surrender of funds over and above authorisation at the fag end of the year

In Grant No.27-Capital Outlay on Defence Services, a budget provision of ₹187.26 crore was obtained under minor head 052-Machinery and Equipment below sub major head 04-Ordnance Factories under major head 4076-Capital Outlay on Defence Services. On 31 March 2012 a sum of ₹192.77 crore was surrendered. It is not clear when authorization was only for ₹187.26 crore, how an amount of ₹192.77 crore, ₹5.51 crore more than the budget provision, was surrendered.

Ministry replied (September 2012) that surrender was due to reduction of requirement at revised estimates stage for various projects including recovery of advance of ₹166.34 crore for Nalanda project-payment made for BMCS plant to M/s IMI, sale of plant and machinery ₹10.00 crore, etc. Ministry added (January 2013) that surrender was due to encashment of bank guarantee based on DDP directive due to cancellation of order which was not anticipated while BE was projected.

The reply is not tenable in view of the fact that amount surrendered should not exceed budget provision.

Chapter 4

APPROPRIATION ACCOUNTS: COMMENTS ON ACCOUNTS

4.1 Incorrect authorisation obtained from Parliament for expenditure in Grant No. 25 – Defence Ordnance Factories

Article 114 of the Constitution of India states that a bill will be introduced 'to provide for the appropriation out of the Consolidated Fund of India of all moneys required to meet the grants so made by the House of People and the expenditure charged on the Consolidated Fund of India but not exceeding in any case the amount shown in the statement previously laid before Parliament'. The Bill so introduced will be based on the individual demand for grants. The Appropriation Act passed by Parliament provides for payment from the Consolidated Fund of India.

Audit scrutiny of Grant No.25 – Defence Ordnance Factories, for the financial year 2011-12 revealed that the Demand for Grants for the concerned grant, while indicating gross expenditure provision of ₹11,640.19 crore at the Budget Estimates, has sought for purposes of the Appropriation Bill an amount of ₹795.88 crore only by netting of provisions of recoveries. Through supplementary Demand for Grant an additional amount of ₹869.33 crore was obtained for the grant on Ordnance Factories during the course of the financial year. Thus while total sums required for authorization by Parliament for the financial year was ₹12,509.52 crore, however, the actual authorization obtained from Parliament for incurrence of expenditure during the financial was ₹1,665.21 crore.

The table below brings out the position.

(₹ in crore)

	Authorization obtained			Authorization Required		
Expenditure	**Original**	**Supplementary**	**Total**	**Original**	**Supplementary**	**Total**
Charged	3.00	10.40	**13.40**	3.00	10.40	**13.40**
Voted	792.88	858.93	**1,651.81**	11,637.19	858.93	**12,496.12**
Total			**1,665.21**			**12,509.52**

As a result of this Ministry has obtained an authorization of expenditure which is short by ₹10,844.31 crore from Parliament under Grant No. 25-Defence Ordnance Factories for the financial year 2011-12.

The Ministry stated (April 2013) that this practice has been authorised by the Ministry of Finance, Department of Expenditure in the year 1986. It further added that payments made to Ordnance Factory Board by the Services on account of supplies made to the Services are budgeted in the respective grants of the Defence Service Estimates and seeking approval for gross expenditure for Ordnance

Factories would amount to seeking approval of Parliament twice for the same amount. The Ministry further added that the matter should be viewed in overall perspective of the Defence Services Estimates, rather than one grant in isolation.

The reply of the Ministry is not tenable in view of the fact that the Demands for Grants are presented separately under Article 113 of the Constitution seeking the approval of Parliament for "gross" amounts of expenditure. Further, in all other grants of the Union Government legislative authorisation is being obtained for the gross amount without taking into account recoveries taken in reduction in expenditure.

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

Article 114(3) of the Constitution stipulates that no money shall be withdrawn from the Consolidated Fund of India 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 (CBDT) has been classifying interest on refunds of excess tax as reduction in revenue and this incorrect practice has been commented upon successively in CAG's Audit Report on Union Accounts as well as in CAG's Report on Direct Taxes, but no corrective action has been taken by the department.

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

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

Table 4.1: Expenditure on interest on refunds of taxes

(₹ in crore)

Year	Expenditure on interest on refunds
2007-08	4444
2008-09	5778
2009-10	6876*
2010-11	10499
2011-12	6486
Total	**34083**

** The department initially intimated the figure as ₹12,951 crore. Subsequently, after the report was placed in the Parliament, the department intimated this figure as ₹6,876 crore.*

As in the past no budget provision for interest on refunds was made in the Budget Estimates for the financial year 2011-12 and an expenditure on interest on refunds amounting to ₹6,486 crore was incurred by the Department, in contravention of provisions of the Constitution. Expenditure of the order of ₹34,083 crore on interest payments had been incurred over a period of last five years without obtaining approval of the Parliament through necessary appropriation.

On this being pointed out by Audit, the Department stated (February 2013) that audit objection on similar issue was raised by the Comptroller and Auditor General of India in Para 4.1.1 of his report No. 1 for the year 2011-12. Consequently, the issue is already under close examination of the Ministry of Finance. This being a policy matter, it is expected to be settled expeditiously in consultation with the Comptroller and Auditor General of India, Ministry of Law & Justice and Ministry of Finance.

4.3 Breach of Article 114(3) of the Constitution of India- Expenditure incurred on interest on refunds of taxes by the CBEC

During audit it was observed that a similar practice was also followed by the Central Board of Excise and Customs (CBEC) in respect of payment of interest on refunds. Expenditure of ₹7.51 crore and ₹29.19 crore during the year 2011-12 and for the three years period 2009-12 respectively was incurred on interest on refunds of taxes, treating it as reduction of revenue, by the Central Board of Excise and Customs. The three years detail is as follows:

Table 4.2: Expenditure on interest on refunds of taxes

(₹ in crore)

Years	Expenditure on interest on refunds		
	Central Excise	Service Tax	Total
2009-10	4.47	Negligible	4.47
2010-11	16.51	0.70	17.21
2011-12	6.91	0.60	7.51
TOTAL	**27.89**	**1.30**	**29.19**

Since payment of interest on refunds of taxes is an item of expenditure, as explained in para 4.2 and reiterated by the Public Accounts Committee, the budget provision for such item should be obtained in the relevant Demand of the Department and expenditure accordingly booked in the accounts.

4.4 Funding of two authorities from outside the Government.

Article 12 of the Constitution provides that the 'State' includes the Government and Parliament of India and the Government and Legislature of each of the States and all local or other authorities within the territory of India or under the control of Government of India. The Ministry of Law and Justice has clarified that the 'State' includes 'other authorities'. It embraces every public authority exercising statutory power, every authority created under statute and even a non statutory authority exercising public functions.

The Directorate General of Hydrocarbon (DGH) was set up (April 1993) under the administrative control of Ministry of Petroleum and Natural Gas by Government of India through a resolution for having a balanced regard for environment, technological and economic aspects of petroleum activity. DGH is responsible *inter alia* to regulate the preservation, upkeep and storage of data and samples pertaining to petroleum exploration, drilling and production of reservoirs, etc., and to cause the preparation of data packages for acreage on offer to companies.

Similarly, the Petroleum Planning and Analysis Cell (PPAC) was created (April 2002) after dismantling the administered pricing mechanism in petroleum sector. It is attached to the Ministry of Petroleum and Natural Gas and among other things it would assist in administration of subsidy on PDS kerosene and domestic LPG and freight subsidy for far-flung areas.

Both the Director General of Hydrocarbons (DGH) and Petroleum Planning and Analysis Cell (PPAC) are performing regulatory functions and are essentially authorities directly under the Government of India. They should therefore be funded from Consolidated Fund of India through regular appropriations made under the law. However, it was noticed in audit, that both these authorities were incurring expenditure from funds not provided for through appropriation made by law, but from funds received from the Oil Industry Development Board (OIDB), which is a body corporate, outside of the Government. During the financial year 2011-12 an expenditure of ₹67.35 crore was incurred by DGH and PPAC, which was not authorized by Parliament through the grant of Ministry of Petroleum and Natural Gas. The three years figures showing amounts released by Oil Industry Development Board to fund expenditure of DGH and PPAC are as under:-

Table 4.3: Funding of two authorities from outside the Government

(₹ in crore)

Year	Name of the organization	Grants released by the OIDB
2009-10	DGH	58.67
	PPAC	9.65
2010-11	DGH	51.35
	PPAC	10.95
2011-12	DGH	55.14
	PPAC	12.21
Total		**197.97**

This is an anomalous arrangement whereby the offices of DGH and PPAC which constitutes 'other authorities' within the meaning of Article 12 of the Constitution are funded by a body corporate, outside the government rather than through the grant of the Ministry of Petroleum and Natural Gas. This matter relating to funding of DGH through OIDB was referred in August 2009 to the Ministry of Petroleum and Natural Gas. The Ministry in its reply (August 2009) stated that the funding of DGH from the Consolidated Fund of India would be examined in consultation with the Ministry of Finance.

In January 2013, however, the Ministry replied that the funding of DGH and PPAC through Consolidated Fund of India or through OIDB is a policy decision. Government of India has taken a decision through a resolution in April 1993 to fund the DGH by grants from OIDB. Similarly, with regard to PPAC a decision was taken through a resolution in April 2002 that office expenditure and establishment expenditure in respect of 43 personnel of PPAC would be funded by grants from OIDB.

Given the nature of the two authorities, the function they perform, the provisions of Article 12 of the Constitution together with the view of Ministry of Law and Justice, there is a need to review the existing arrangements of expenditure authorisation for DGH and PPAC so that their expenditure is duly authorised by Parliament through the grant of the Ministry of Petroleum and Natural Gas.

4.5 Expenditure incurred without budget line

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

Audit scrutiny of head-wise appropriation accounts revealed that an amount of ₹138.10 crore was incurred across four grants without any budget provision available/provided by way of parliamentary authorisation as detailed in the following table.

Table 4.4: Expenditure incurred without budget line

Sl.No.	Grant No. and Head of Account	Amount (₹ in crore)	Reply of Department	Remarks
	20-Ministry of Defence (Civil)			
1.	Minor Head 2075.00.108 Canteen Stores Department (CSD)	133.93	Ministry stated (January 2013) that budget was allocated under the Object head '32-Contribution' and there was no provision made under Object head "Grants-in-aid". The expenditure, though, is being shown in the service code head allocated for grants-in-aid.	The Ministry's contention is not tenable because absence of any specific Service code Head for "32-Contribution" does not authorise the Ministry to book the expenditure under object head "31- Grants-in-aid".
2.	4075.00.107.01.00.53-Land, Acquisition of Land Booking Head(099/29) (Coast Guard Organisation)	2.63	Ministry stated (January 2013) that the expenditure has been booked under Acquisition of Land, though the budgetary allocation of ₹6.85 crore has been provided under MH 4075.00.107.03.00.53-Construction during the FY 2011-12. Both sub heads fall under one object class 6 (Acquisition of capital assets and other capital expenditure).	The reply of the Ministry is not tenable as the budget was approved by Parliament sub head-wise and not as object class wise. Further, the erroneous booking under code head 099/29 had been regretted by Ministry itself and the bookings for the financial year 2012-13 have now been rectified and booked under 099/30 and 099/31 in the month of December, 2012.
	24- Air Force			
3.	Grants-in-aid to Kendriya Sainik Board for Armed Forces Flag Day Fund	1.00	Ministry stated (January 2013) that the savings under one sub-head of the minor head - 800 had been re-appropriated to another sub-head under the same minor head at the revised estimates stage which had been approved by the Parliament under the second supplementary. It further stated that full powers of re-appropriations had been delegated to the Ministry of Defence and therefore the action was in order.	The view of the Ministry is not acceptable for the reason that in the second supplementary demand for grants funds were obtained for meeting expenditure on maintenance cost of the aircrafts for VVIP travel, court orders, salaries, transportation, etc. and did not include any provision for expenditure under 'Grants-in Aid'.
	90-Department of Space			
4.	5252.00.203.03.00.53 INSAT-4/GSAT Satellites (An expenditure of ₹54.22 lakh was incurred through re-appropriation under the head. In April 2012, after the close of the financial year, Department issued an amended re-appropriation order transferring the expenditure already booked under this scheme to another scheme "Navigational Satellite System" (head 5402.00.101.31. 00.53) to the extent of ₹50 lakh. The remaining ₹4.22 lakh was transferred to the project, "ISRO Satellite Centre" under Capital account (head 5402.00.101.08. 00.53).	0.54	The Department replied (August 2012) that the civil works was meant for testing various payloads of satellites including INSAT-4 and IRNSS projects. It added that since the facility was useful for testing the payloads of satellites of ISRO, the expenditure was initially booked under INSAT-4 project but subsequently the error was corrected by booking the expenditure under IRNSS project, when it was found that there was no provision under Major Works in the INSAT-4 project.	The reply of the Department is not tenable as the Department incurred an expenditure of ₹54.22 lakh on 'New Service" for which there was no budget line. Rule 59(1) of General Financial Rules, 2005 enjoins that re-appropriation exercise needs to be completed before the close of the financial year. The Department further stated that (February 2013) the audit observation has been noted for future compliance.
	Total	**138.10**		

Failure to obtain legislative approval for augmenting provisions

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

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 anybody or authority from the Consolidated Fund of India in all cases could only be made with the prior approval of the Parliament.

Scrutiny of Appropriation Accounts vis-à-vis e-lekha data revealed that in 43 cases, across 25 grants/appropriations, expenditure aggregating ₹76.92 crore was incurred by various Ministries/Departments during the financial year 2011-12 by augmenting of provision under '31-Grants-in-aid General' to various bodies/authorities without obtaining prior approval of the Parliament. The table below gives detail of heads where augmentation was made under various grants/appropriations without approval of the Parliament.

Table 4.5: Augmentation of provision without prior approval of the Parliament under Grants-in-aid-General

Sl. No.	Description of Grant	Head of Account	Amount (₹ in crore)	Reply of the Department	Remarks
1.	4-Atomic Energy	2 cases*	15.68	Department stated (January 2013) that after augmentation of these two detailed heads, the budget provision of the sub-head was well within the approved budget estimates.	The reply is not tenable as determination of limits for augmentation is with reference to primary unit of appropriation i.e. object head and not sub-head.
2.	19-Culture	3 cases*	9.38	Reply awaited.	
3.	20-Ministry of Defence	2052.00.090.01.01.31 Department of Defence	0.95	Ministry stated (January 2013) that the augmentation under object head-Grants-in-aid had been done with the prior approval of Ministry of Finance.	The reply of the Ministry was not tenable as augmentation of grants-in-aid requires the prior approval of Parliament.
4.	22-Army	Grants-in-Aid to Institutions Code head 577/02 –(K)	1.50	Ministry stated (January 2013) that neither Delegation of Financial Powers Rules 1978 nor object head-wise classification prescribed therein are applicable to Defence Services Estimates.	Ministry's reply is not tenable as the instructions relating to NS/NIS[1] also applies to Defence.
5.	25-Defence Ordnance Factories	Grants-in-Aid to Schools Code head 810/12	0.89	Ministry replied (August 2012) that no supplementary was necessary as the additionality was met from the savings available within the grant.	The reply is not tenable as despite availability of savings within the grant, augmentation in grants-in-aid requires prior approval of Parliament.

[1] New Service/New Instrument of Service

Sl. No.	Description of Grant	Head of Account	Amount (₹ in crore)	Reply of the Department	Remarks
6.	28- Ministry of Development of North Eastern Region	2552.00.800.02.12.31 – Other Miscellaneous Items	2.00	Ministry while accepting the observation stated (March 2013) that instructions had since been issued for strict compliance in future.	
7.	29-Ministry of Earth Sciences	3403.00.200.04.00.31-COMAPS[2]	0.15	Reply awaited.	
8.		3403.00.200.14.00.31 TSSWS[3]	0.41	Reply awaited.	
9.	30-Ministry of Environment and Forests	2406.04.101.02.00.31 - Support to Regional Offices	0.11	Reply awaited.	
10.	31- Ministry of External Affairs	2061.00.800.11.09.31-Grants to Institutions	0.50	Ministry while accepting (January 2013) the audit observation regretted the error.	
11.	47-Department of AYUSH	2210.05.200.13.00.31-North-eastern Institutes of Ayurveda and Homeopathy	0.23	Reply awaited.	
12.	49- Department of AIDS Control	2210.06.101.33 – National AIDS Control Programme	2.86	Reply awaited.	
13.	53-Cabinet	2013.00.107.01.01.31 - Establishment	0.02	The Ministry stated (April 2013) that augmentation was done with the approval of Secretary (Expenditure).	The reply is not tenable as prior approval of Parliament was not obtained.
14.	57-Ministry of Housing and Urban Poverty Alleviation	2215.02.105.18.00.31 Development/Improvement of Sewerage system in North Eastern State.	13.90	The Ministry stated (April 2013) that funds were made available out of lump sum for one scheme of North-Eastern Region (NER) to another better performing scheme in NER.	The reply is not tenable as scheme specific parliamentary authorisation is obtained and any augmentation to another scheme requires prior approval of Parliament.
15.	60-Ministry of Information and Broadcasting	2220.01.800.07.00.31-Satyajit Ray Film and Television Institute, Kolkata	1.80	Reply awaited.	
16.	85-Department of Science and Technology	3425.01.001.01.00.31 – Grants-in-Aid General – Surveyor General	2.49	Reply awaited.	
17.	87-Department of Bio-technology	3425.60.200.17.02.31 – Human Resource Development	0.19	Reply awaited.	
18.	88-Ministry of Shipping	3051.80.004.01.00.31 – Other items (R&D Scheme)	0.08	Reply awaited.	

[2] Coastal Ocean Monitoring and Prediction System
[3] Tsunami and Storm Surge Warning System

Sl. No.	Description of Grant	Head of Account	Amount (₹ in crore)	Reply of the Department	Remarks
19.	90-Department of Space	3451.00.090.18.00.31 – Department of Space; 3402.00.101.01.00.31 – Vikram Sarabhai Space Centre (VSSC); and 3402.00.101.26.00.31 – ISRO Telemetry, Tracking & Command Network (ISTRAC)	0.63	Reply awaited.	
20.	96-Andaman & Nicobar Islands	3 cases*	2.25	Reply awaited.	
21.	97- Chandigarh	3 cases*	1.91	Reply awaited.	
22.	98-Dadra and Nagar Haveli	Ministry of Rural Development 2235.03.101.03.00.31-Grants-in-aid General – Assistance to implementing Agencies	0.02	Reply awaited.	
23.	99 –Daman and Diu	4 cases*	2.87	Reply awaited.	
24.	100– Lakshadweep	8 cases*	5.80	The Pr. PAO stated (March 2013) that these augmentations were made for payments of salary of staff including teachers transferred to Panchayat consequent upon devolution of powers. As the item was payment of salaries, it falls within the exempted category of new service.	The reply is not tenable as this expenditure is of the nature of grants-in-aid in the books of the Government.
25.	101-Department of Urban Development	2217.05.800.23.00.31 Urban Infrastructure Development in Satellite/Counter Magnet Cities	9.32	Reply awaited.	
26.	104-Ministry of Water Resources	2701.80.800.14.00.31 – Information, Education and Communication	0.98	Reply awaited.	
Total			**76.92**		

** Cases listed in Annex IV-A*

4.7 Augmentation of provision to object head 'Grants for creation of capital assets'

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 anybody or authority from the Consolidated Fund of India in all cases could only be made with the prior approval of the Parliament.

Audit noticed that in seven cases across five grants funds aggregating to ₹180.91 crore were augmented in violation of extant provision without prior approval of Parliament to the object head '35-Grants for creation of capital assets'.

Table 4.6: Augmentation of provision to object head 'Grants for creation of capital assets'

Sl. No.	Description of Grant	Head of Account	Amount (₹ in crore)
1.	46-Department of Health and Family Welfare	2210.06.800.31.03.35 Upgradation/strengthening of Nursing Services	77.04
2.	57-Ministry of Housing and Urban Poverty Alleviation	2216.02.190.14.00.35 Construction/ upgradation of Shelters for Urban Poor.	0.23
3.		3475.00.108.03.00.35 Employment Promotion/Poverty Alleviation	6.23
4.	60-Ministry of Information and Broadcasting	2221.80.102.01.00.35 Prasar Bharati	60.25
5.	93-Ministry of Textiles	2851.00.107.01.02.35 Grants towards Development of Silk Industries	8.95
6.	96-Andaman & Nicobar Islands	Department of Road Transport & Highways 3054.04.192.01.00.35-Port Blair Municipal Council	9.95
7.		Department of Road Transport & Highways 3054.04.196.01.00.35- Zilla Parishad	18.26
Total			**180.91**

The Ministry of Housing and Urban Poverty Alleviation stated (April 2013) that funds were made available out of lump sum for one scheme of north-eastern State (NER) to another better performing scheme in NER. The reply is not tenable as scheme specific parliamentary authorisation is obtained and any augmentation to another scheme requires prior approval of Parliament. Replies of the other concerned Ministries were, however, awaited.

4.8 Augmentation of provision to object head 'Grants-in-Aid Salaries'

Re-appropriation of funds from the head '31-Grants-in-aid-General' either to '35-Grants for Creation of Capital Assets' or to '36-Grants-in-aid-Salaries' by the Ministries/Departments are required to be made with prior approval of Parliament through Supplementary Demands for Grants. This procedure was to be adopted by all the Ministries/Departments based on the Office Memorandum dated 8 June 2010 issued by the Ministry of Finance, when the object head '35-Grants for Creation of Capital Assets' was introduced on 12 February 2010 in the list of Object Heads indicated below Government of India Decision No.1 below Rule 8 of Delegation of Financial Powers Rules, 1978.

Scrutiny of Appropriation Account of grant No. 105-Ministry of Women and Child Development for the FY 2011-12 revealed that the Ministry spent ₹30.90 crore under revenue section against the provision of ₹30.22 crore obtained through supplementary grants (token) in five sub-schemes under the scheme 2235.02.103.42- Central Social and Welfare Board.

Since all cases of augmentation of grants-in-aid required prior approval of parliament for expenditure from Consolidated Fund of India, Audit is of view that expenditure to the tune of ₹0.68 crore (₹30.90 crore - ₹30.22 crore) was unauthorized and without legislative approval.

The Ministry while regretting the lapse stated (August 2012) that excess expenditure was due to the fact that the expenditure was initially booked under the object head '31- Grants-in-aid General' and amount was later re-appropriated to newly created head 'Grants-in-aid Salaries'.

4.9 Augmentation of Grants-in-aid provision through a corrigendum by Ministry of Youth Affairs and Sports

Para 8.2 of the Budget Circular 2011-2012 issued in September 2010 by the Ministry of Finance, Department of Economic Affairs enjoins that all Ministries/Departments should ensure that the totals for each Major Head and the total provisions by Revenue and Capital Sections separately for 'charged' and 'voted' included in the Detailed Demands for Grants exactly correspond to the provisions included in the main Demands for Grants which are prepared by the Budget Division. Final print order for Detailed Demands for Grants should be given only after the reconciliation is completed.

Article 113 of the Constitution of India provides that the estimates of expenditure relating to the 'voted' portion shall be submitted to the Lok Sabha in the form of demands for grants. Further, The Detailed Demands for Grants are laid by the respective Ministries on the Table of Lok Sabha after the Demands for Grant is submitted to the Parliament, but well in advance of the date of discussion fixed for that Ministry's Demands. The Detailed Demands for Grants show the further break-up by reflecting the 'Object-head' wise expenditure. Plan and Non Plan provisions are also shown distinctly.

Examination of Appropriation Accounts for the year 2011-12 of the Ministry of Youth Affairs and Sports revealed that the Ministry issued a corrigendum in May 2011 to the Detailed Demands for Grants 2011-12 through which it altered the figures already included in the Detailed Demands for Grants and presented to the Parliament.

The Demands for Grants presented by the Ministry to the Parliament in terms of Article 113 of the Constitution at the time of Budget and Detailed Demands for Grants presented to the Parliament before the date of discussion fixed for that Ministry's Demands of Grants contained two sets of figures. The difference in the set of figures in the Demands for Grants and in the Detailed Demands for Grants was noticed under the heads '2204-Sports and Youth Services' and '3601-Grants-in-aid to State Governments', as detailed below:

(₹ in crore)

Major Head	Estimates included in the Demands for Grants	Estimates included in the Detailed Demands for Grants	Difference	Remarks
2204-Sports and Youth Services	779.23	632.64	146.59	Enhancement of ₹144.59 crore in Grants-in-aid-General and ₹2.00 crore in Scholarship.
3601-Grants-in-aid to State Governments	217.26	363.85	-146.59	Reduction of ₹146.59 crore in Grants-in-aid-General

Scrutiny in audit revealed that the Ministry through a corrigendum augmented Grants-in-aid General provision of ₹144.59 crore under major head '2204-Sports and Youth Services' and reduced the provision of grants-in-aid general under the major head '3601-Grants-in-aid to State Governments'.

The augmentation of ₹144.59 crore to body and authorities under major head '2204-Sports and Youth Services' by the Ministry of Youth Affairs and Sports through a corrigendum is therefore in violation of OM dated 25 May 2006. It was necessary for the Ministry to have augmented the provision pertaining to grants-in-aid, only with the prior approval of Parliament, by obtaining a suitable supplementary demand for grant.

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

Scrutiny of Appropriation Accounts vis-à-vis e-lekha data revealed that in seven cases, across four grants/appropriations, funds aggregating ₹5833.81 crore were incurred by the various Ministries/Departments during the financial year 2011-12 by augmenting the provision under the object head '33-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 below gives details of sub-heads where augmentation was made under various grants/appropriations without prior approval of the Parliament.

Table 4.7: 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 Fertilizers	2401.00.106.02.00.33 – Import of Urea	4500.00	Expenditure was incurred on the advice of Ministry of Finance and expenditure reported/would be reported to the Parliament.	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
2.		2852.03.101.01.00.33 – Payment under Fertilizers Retention Price Scheme	1200.00		

Sl. No.	Description of Grant	Head of Account	Amount (₹ in crore)	Reply of the Department	Remarks
3.		2401.00.129.04.00.33 – Compensation for loss on account of sale of fertilizer bonds for imported decontrolled fertilizers	117.05		executive orders to the Parliament are different from each other. The instant cases required the prior approval of the Parliament.
4.	68-Ministry of New and Renewable Energy	2810.00.101.01.02.33 Grid Interactive Renewable Power-Hydropower	15.70	The Ministry stated (March 2013) that funds in the head were made available through re-appropriations with the approval of competent authority.	The reply is not tenable since augmentation in excess of 10 *per cent* of the existing appropriation already voted by the Parliament or ₹10 crore, whichever is less, requires prior approval of Parliament.
5.	98-Dadra and Nagar Haveli (Ministry of Agriculture)	2401.00.103.23.00.33-Subsidy – Expenditure on Seeds	0.01	Reply awaited.	
6.		2401.00.105.16.00.33-Distrbution of Fertiliser	0.09	Reply awaited.	
7.	100 – Lakshadweep	Ministry of Consumer Affairs, Food and Public Distribution 3456.00.103.01.00.33 – Transport Subsidy	0.96	Reply awaited.	
Total			**5833.81**		

4.11 Augmentation of provision to object head 'Loans and Advances'

In accordance with the instructions issued by the Ministry of Finance in May 2006 (item 1B (ii)(b)(ii) of Annexure to OM dated 25 May 2006) augmentation of provision by way of re-appropriation to object head 'Loans and Advances' should be done with the prior approval of Parliament if the additional investment/loan to any existing company/corporation is above 20 *per cent* of appropriation already voted or ₹20 crore whichever is less, in respect of those companies whose paid up capital is above ₹50 crore.

Scrutiny of Appropriation Accounts of grant No. 101-Department of Urban Development and e-lekha data revealed that under the object head 55-Loans and Advances under one sub-head[4] though funds of ₹650 crore were provided but the expenditure of ₹671 crore incurred resulted in augmentation of ₹21 crore in violation of extant provision, without prior approval of Parliament.

The department stated (November 2012) that the excess re-appropriation occurred during 2011-12 had since been reported for regularisation by the Parliament through Supplementary Demands for Grants 2012-13. The reply is not tenable as prior approval of the Parliament through supplementary demands for grants is

[4] 6217.60.191.12 -Pass through assistance to Delhi Metro Rail Corporation from JBIC (Japan Bank of International Corporation)

needed in cases where financial limits of NS/NIS are attracted. Reporting of re-appropriation and prior approval of Parliament are different from each other.

4.12 Augmentation of provision to object head 'Major Works' and 'Machinery and Equipment'

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

Scrutiny of appropriation accounts revealed that in the following cases across 15 grants funds aggregating ₹421.21 crore were augmented by the various Ministries/Departments during the financial year 2011-12 without obtaining prior approval of Parliament, thereby attracting the limitations of New Service/New Instrument Service as detailed below:

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

Sl. No.	Description of Grant	Head of Account	Amount (₹ in crore)	Reply of the Department	Remarks
1.	4-Atomic Energy	70 cases* under Object head '52'	128.19	DAE stated (January 2013) that the cases are being brought to the notice of Ministry of Finance for reporting to Parliament.	The reply is not tenable as these cases require prior approval of Parliament before incurring the expenditure.
2.		45 cases* under object head '53'	84.36	DAE stated (January 2013) that the point raised by Audit is being noted for future compliance.	
3.	13-Department of Posts	3 cases* under OH 52	5.33	Reply awaited.	
4.	14-Department of Telecommunications	5275.00.101.02.02.53 – Major Works	0.07	Reply awaited.	
5.	30-Ministry of Environment and Forests	5425.00.208.06.04.53 National Museum of Natural History	1.46	Reply awaited.	
6.	31-Ministry of External Affairs	4059.60.051.17.05.53-External Affairs	6.31	The Ministry replied (October 2012) that excess expenditure was due to debits raised by CPWD and also committed payments for several on-going construction projects in various countries abroad.	The reply is not tenable as these cases require prior approval of Parliament before incurring the expenditure.
7.		4216.01.700.18.03.53-External Affairs	2.62		

Sl. No.	Description of Grant	Head of Account	Amount (₹ in crore)	Reply of the Department	Remarks
8.	41-Department of Revenue	4875.01.108.02.00.52 Buildings	0.04	The Department stated (March 2013) that it was felt that this was not expenditure on 'new work' but was on 'existing work' and therefore prior approval of Parliament was not taken.	The reply is not tenable in view of the clarification dated 21 May 2012 issued by Ministry of Finance.
9.	42-Direct Taxes	4075.00.204.00.00.53 – Acquisition of immovable properties under chapter XX-C of Income Tax Act, 1961	0.29	The Ministry stated (March 2013) that the head was utilised for maintenance and security of buildings already acquired and therefore does not attract the proviso of NS/NIS. However the matter was reported to Parliament.	The reply is not tenable in view of the clarification dated 21 May 2012 by Ministry of Finance.
10.	46-Department of Health and Family Welfare	4210.01.110.03.00.53 KSCH[5], New Delhi	0.83	Reply awaited.	
11.		4210.01.110.06.00.52 Safdarjung Hospital	4.38	Reply awaited.	
12.	72- Ministry of Personnel Public Grievances & Pensions	4055.00.800.05.02.53 Central Bureau of Investigation	17.17	Reply awaited.	
13.	90-Department of Space	10 cases* under OH 52	25.80	Reply awaited.	
14.		3 cases* under OH 53	5.04	The Department stated (November 2012) that audit observation will be complied in future.	
15.	96-Andaman and Nicobar Islands	14 cases* under OH 53	67.85	Reply awaited.	
16.	97-Chandigarh	6 cases* under OH 53	39.10	Reply awaited.	
17.	98-Dadra and Nagar Haveli	3 cases* under OH 53	2.35	Reply awaited.	
18.	Daman and Diu	Ministry of Urban Development 4215.01.800.01.00.53 Other Items	4.30	Reply awaited.	
19.	100 –Lakshadweep	8 cases* under OH 53	18.51	The Pr. PAO stated (March 2013) that these provisions were augmented within the head 'major works' and therefore, do not fall within the purview of the rules which prevent re-appropriation from 'major works' to any other unit.	The reply is not tenable in view of the clarification dated 21 May 2012 by Ministry of Finance.
20.		2 cases* under OH 52	7.21		
Total			**421.21**		

** Cases listed in Annex IV-B*

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

[5] Kalawati Saran Children's Hospital

expenditure. The principles for classifying the expenditure on Revenue account and Capital account should accordingly be adhered to.

4.13 Misclassification of capital expenditure as revenue expenditure

Rule 8 of the Delegation of Financial Powers Rules, 1978, categorizes the object class 6 (acquisition of Capital Assets and other Capital Expenditure) wherein the object heads viz. 51 to 56 and 60 are associated. These object heads[6] pertains to booking of expenditure of capital nature and therefore should be used under capital major heads only.

Audit scrutiny of Head-wise appropriation Accounts vis-à-vis e-lekha data for the year 2011-12 revealed the cases where these object heads were used with revenue major heads as shown in table below, thereby resulting in understatement of capital expenditure by ₹1521.34 crore.

Table 4.9: Misclassification of capital expenditure as revenue expenditure

Sl. No	Description of Grant	Major Head	Object Head Code	Expenditure (₹ in crore)	Reply of the Department	Remarks
1.	01-Department of Agriculture and Co-operation	2070	52	0.05	Reply awaited.	
2.		2401	51	0.07	Reply awaited.	
3.		2401	52	1.54	Reply awaited.	
4.		2435	52	0.17	Reply awaited.	
5.	03-Department of Animal Husbandry, dairying and Fisheries	2403	52	1.25	Reply awaited.	
6.			53	0.11	Reply awaited.	
7.		2404	53	0.49	Reply awaited.	
8.		2405	51	0.09	Reply awaited.	
9.			52	0.54	Reply awaited.	
10.	4-Atomic Energy	2852	51	2.86	DAE stated (December 2012) that this expenditure was mainly for functional requirement for maintenance and upkeep of the capital assets. It further stated that the Department is following the prevailing system of classification of Government Accounts.	If the DAE felt that expenditure was of maintenance nature it should have obtained provision under appropriate object head of revenue nature and book expenditure accordingly.
11.		2852	52	7.62		
12.		2852	60	0.40		
13.		3401	51	11.22		
14.		3401	52	1.68		
15.	15-Department of Information Technology	3451	51	0.38	Department stated that the audit observation has been noted for inclusion in the capital section of the grant from the next financial year onwards.	
16.		2852	52	19.56		
17.	16-Department of Consumer Affairs	3425	52	0.05	Reply awaited.	
18.		3475	52	21.96	Reply awaited.	

[6] Refer to Annex-C

Sl. No	Description of Grant	Major Head	Object Head Code	Expenditure (₹ in crore)	Reply of the Department	Remarks
19.	20-Ministry of Defence	2075	53	6.44	Ministry replied (January 2013) that the Object Head "Major Works" was being operated under Revenue Section since 1984-85 onwards. However, the CGDA stated that the allocation under the head had been made for operational expenses of Canteen Stores Department.	The reply was not tenable as Object Head '53-Major Works', being of object class-6 should only be used under capital account. Moreover, if the expenditure incurred was not for the object of acquiring assets of permanent nature or enhancing the utility of existing assets, appropriate object head corresponding to revenue major head should have been operated.
20.		2037	52	94.89	The Ministry stated that the controllers had been booking the expenditure in this regard against the budgetary allocations under MoD Civil grant since 2002-03.	The contention of the Ministry was not tenable as Object Head '52-Machinery and Equipment' is of capital class which should only be used under a capital Major Head.
21.	29-Ministry of Earth Sciences	3403	52	1.23	Ministry accepted (December 2012) audit observation and stated that the same would be correctly incorporated under Capital section in DDG for the year 2013-14.	
22.	32-Department of Economic Affairs	3054	53	1059.56	Reply awaited.	
23.	43-Indirect Taxes	2037 2038	52	13.72	Reply awaited.	
24.	46-Department of Health and family Welfare	2210	51	1.93	Department stated (January 2013) that expenditure on acquisition of intangible assets of temporary nature having their ephemeral value were not being classified as capital expenditure.	The reply is not tenable since the expenditure was finally booked to capital object heads.
25.			52	14.32		
26.	49- Department of Aids Control	2210	52	14.68	Department stated (November 2012) that this expenditure was incurred on procurement of blood bank refrigerators, deep freezers and other equipment for existent blood banks covered under on-going project of NACP[7]-III.	The reply is not tenable as operation of object head 52, being of object class 6, is meant for capital expenditure purpose and cannot be operated with revenue expenditure head(s).
27.	52-Ministry of Home Affairs	2052	52	2.26	Ministry stated (January 2013) that head was provisioned under Revenue head as purchase of Information Technology items were made from this head.	The reply is not tenable as operation of object head 52, being of object class 6, is meant for capital expenditure purpose and cannot be operated with revenue major head(s).
		3454	52	5.61		

[7] National AIDS Control Programme

Sl. No	Description of Grant	Major Head	Object Head Code	Expenditure (₹ in crore)	Reply of the Department	Remarks
28.	53-Cabinet	2013	52	0.75	Ministry stated (December 2012) that from the next financial year onwards corrective action will be taken.	
29.	54-Police	2055	52	62.00	Ministry stated (January 2013) that head was provisioned under revenue head as purchase of Information Technology items were made from this head.	The reply is not tenable as operation of object head 52, being of object class 6, is meant for capital expenditure purpose and cannot be operated with revenue major head(s).
30.	55-Other expenditure of MHA	2245	52	0.66		
31.	61-Ministry of Labour and Employment	2230	52	8.67	Reply awaited.	
32.	90-Department of Space	3252 3402	52 (15 cases)	33.81	Reply awaited.	
33.	91-Ministry of Statistics and Programme Implementation	3454	52	7.64	Reply awaited.	
34.	102-Public Works	2059	53	4.44	Reply awaited.	
35.	104-Ministry of Water Resources	2701 2702 2711 3075	51 52 53	118.60	Reply awaited.	
36.	105-Ministry of Women and Child Development	2236	51	0.09	Reply awaited.	
Total				**1521.34**		

Expenditure source: e-lekha

4.14 Misclassification of revenue expenditure as capital expenditure

Rule 8 of the Delegation of Financial Powers Rules, 1978, categorizes the object heads pertaining to class other than class 6 are of revenue in nature.

Audit scrutiny of Head-wise appropriation Accounts vis-à-vis e-lekha data for the year 2011-12 revealed the cases where object heads of revenue nature were being operated under capital major heads thereby resulting in understatement of revenue expenditure and revenue deficit of the Union Government by ₹129.11 crore as shown in table below:

Table 4.10:Misclassification of revenue expenditure as capital expenditure

Sl. No.	Description of Grant	Major Head	Object Head	Expenditure[8] (₹ in crore)	Reply of the Department	Remarks
1.	4- Atomic Energy	4861 5401	27	16.76	DAE stated (January 2013) that the expenditure is incurred and booked as per the functional requirements of the Plan Projects. It added that these plan projects are of developmental nature under which assets and facilities will be created for future use and during the currency of the projects, all expenditure whether capital or revenue is required to be booked under Capital and on completion of the projects the expenditure will be booked under revenue.	The reply is not tenable as the object head "Minor Works" is of revenue nature and cannot be operated under the capital major head(s).
2.	5-Nuclear Power Scheme	4801	12 21 28	3.43	Reply awaited.	
3.	52- Ministry of Home Affairs	4216	27	1.52	Reply awaited.	
4.	88-Ministry of Shipping	5051 5052	50	0.31	Reply awaited	
5.		5051	01	6.11	Reply awaited.	
6.		5052	50	31.84	Reply awaited.	
7.	94-Ministry of Tourism	5452	28	3.00	The Ministry stated (February 2013) that it would take up the issue of booking of the expenditure on project manager consultant under the head 'professional services' with Ministry of Finance before signing new agreement.	
8.	96- Andaman & Nicobar Islands	4401	21	2.80	Reply awaited.	
9.		4801	21	7.17	Reply awaited.	
10.	100-Lakshadweep	4235	01	0.01	Reply awaited.	
11.		4235	13	0.10	Reply awaited.	
12.		4851	27	0.06	Reply awaited.	
13.	101-Ministry of Urban Development	4217	32	50.00	Reply awaited.	
14.	104-Ministry of Water Resources	5075	01 03 06 11 13 20 43 50	6.00	Reply awaited.	
Total				**129.11**		

[8] *Source: e-lekha data*

4.15 Incorrect recording of expenditure on viability gap funding in capital section

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

Scrutiny of Appropriation Accounts of Grant No.32-Department of Economic Affairs for the year 2011-12 revealed that an amount of ₹300 crore representing assistance given for infrastructure projects in the form of viability gap funding was booked as expenditure under the capital section[9] of the grant. Since assistance as viability gap funding for infrastructure development provides financial support in the form of grants, one time or deferred, for projects undertaken through public private partnership mode with a view to make them commercially viable, booking of such expenditure in the capital section was irregular, as the assets created based on this expenditure do not qualify for ownership of Government. This expenditure should have been booked under the revenue section of the grant.

Thus, irregular booking of capital expenditure resulted in understatement of revenue expenditure with a consequential impact on revenue deficit, albeit marginal. It will also entail an overstated depiction in the successive years with regard to expenditure in the capital account reflected cumulatively in Statement No. 10 of Union Finance Accounts. Moreover, the provision of ₹300 crore obtained for this expenditure under the object head '42-Lumpsum provision' was in violation of extant instructions which stipulates that lump sum provision should not exceed ₹10 lakh. In all other cases break-up by other objects of expenditure must be given.

4.16 Other cases of Misclassification

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

Audit scrutiny of Head-wise appropriation Accounts vis-a-vis e-lekha data for the year 2011-12 revealed cases where expenditure of revenue nature was classified as capital expenditure or vice-versa thereby resulting in overstatement of revenue expenditure and revenue deficit of the Union Government by ₹616.68 crore as shown in table below:

[9] 5475.00.800.12.00.42

Table 4.11: Misclassification between different sections of the grant

Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department	Remarks
	Misclassification of revenue expenditure as capital expenditure				
1.	29-Ministry of Earth Sciences	27.11	'Operation & Maintenance' expenditure was wrongly provided and booked in capital head of account i.e. 5455 instead of revenue head of account in the financial year 2011-12.	While accepting the facts, Ministry stated (December 2012) that the term 'Operation & Maintenance' is being mentioned inadvertently as sub-head and is being changed to 'Observatories and Weather Stations' in DDG for the year 2013-14 and necessary directions are also being issued to concerned programme officers that 'Repair of Machinery & Equipment' as well as of 'Repair & Maintenance of Work' may be booked under the head 'Minor Works'.	
2.	32-Department of Economic Affairs	1.82	Payments representing the contributions made by the Government of India to African Development Fund were booked in capital section i.e. major head 5466 under object head 54-investments, instead of booking under the Revenue Section of the Grant against the object head '32 Contributions'.	The Ministry (February 2013) stated that it is in agreement with the audit observation and corrective action would be taken.	
3.	65-Ministry of Micro Small and Medium Enterprises	0.54	Expenditure on repairs and renovation of civil and electrical works of an office was booked under the Capital section i.e. major head 4059 and object head 53 instead of booking the same under Revenue section in proper object head 27.	Reply awaited.	
4.	66- Ministry of Mines	5.24	Payments made for Annual Maintenance charges (AMC) etc. was booked in capital section under major head 4853 and object head 52 instead of operating correct object head 13-office expenses under revenue major heads.	Reply awaited.	
Revenue expenditure understated by		**34.71**			
	Misclassification of capital expenditure as revenue expenditure				
5.	62-Election Commission	4.81	A supplementary grant was obtained (November 2011) to meet the expenditure on purchase of land from DDA and miscellaneous pre-construction work of India Institute for Democracy and Election Management (IIDEM) campus under MH 2015 (Elections) i.e. revenue section of the grant. The same was booked under Object head 28 instead of booking the same under capital section and object head 53-major works.	Reply awaited.	

Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department	Remarks
6.	65-Ministry of Micro Small and Medium Enterprises	0.63	Expenditure on Construction of Building of training-cum-product development centre for Agro and Food Processing Industries, under Professional Services Institutions and Programme was booked in the Revenue section (major head 2851 and object head 50) of the grant instead of booking this under the Capital section.	Reply awaited.	
7.	90-Department of Space	645.95	In 26 cases, an expenditure of ₹645.95 crore was booked incorrectly under the object head '21-Supplies and Materials' and '50-Other Charges' under the revenue section which should have been correctly booked under '60-Other Capital Expenditure' under capital section under specific order issued by the Department.	Reply awaited.	
Revenue expenditure overstated by		**651.39**			

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

Impact of misclassification:

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

The impact of incorrect classification of revenue expenditure as capital expenditure and vice versa was an overstatement of capital expenditure by ₹463.82[10] crore and understatement of capital expenditure by ₹2172.73[11] crore. The overall impact on Government expenditure was an understatement of capital expenditure of ₹1708.91 crore. Correspondingly revenue deficit was overstated by an equivalent amount of ₹1708.91 crore during the financial year.

4.17 Incorrect transaction passed through Consolidated Fund of India

Article 266 (1) of the Constitution of India provides that all revenues received by the Government of India, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled 'the Consolidated Fund of India'. Article 266(2) of the Constitution of India further provides that all other public moneys received by or on behalf of the

[10] ₹129.11 crore in para no. 4.14, ₹300 crore in para no. 4.15 and ₹34.71 crore in para 4.16
[11] ₹1521.34 crore in para no. 4.13 and ₹651.39 crore in para no. 4.16

Government of India shall be credited to the public account of India. Thus, in respect of all other public moneys received by it, the Government acts as a banker.

Ministry of Coal acquired coal bearing areas/lands on behalf of Coal India Limited as a deposit work. For this purpose, Coal India Limited deposits funds with the Ministry of Coal. Hence, for the amount of deposits made by the Coal India Limited, the Ministry would merely act as a banker.

Scrutiny of Appropriation Accounts in respect of Grant No.10 for the year 2011-12 of Ministry of Coal revealed that funds deposited by Coal India Limited for acquisition of coal bearing areas was treated as capital expenditure of the Government in the Consolidated Fund of India. An amount of ₹146.83 crore was paid by the Ministry of Coal to the land oustees in 2011-12 for acquisition of their land and the expenditure was booked as 'investment' under the capital account. This expenditure in the Consolidated Fund of India was netted out with receipt, which was shown as reduction of expenditure from the money deposited by Coal India Limited.

As the transaction was made by the Government on behalf of Coal India Limited, the expenditure so incurred should not have passed through the Consolidated Fund of India. Instead the said expenditure should have directly been routed through the Public Account. As a result of this treatment, the gross authorisation obtained by the Ministry of Coal from the Parliament and expenditure booked there against was overstated to the extent of ₹146.83 crore.

On being pointed out, Ministry of Coal stated (November 2012) that the audit observations regarding accounting of provisions under deduct recovery and expenditure under capital major heads had been noted. It was also assured that the funds received would be credited into Public Account and payment, if any, would be made by withdrawal from the same head, in consultation with Integrated Finance Division.

4.18 Non-operation of object head of Grants-in-Aid Salaries

Ministry of Finance, Department of Expenditure office memorandum dated 7 June 2011 notified introduction of new object head '36-Grants-in-aid-Salaries' with effect from 1 April 2011 in the list of object heads under object class-4 below Rule 8 of Delegation of Financial Powers Rules 1978. The new object head will include amounts released as grants-in-aid for payment of salaries. Ministries/Departments by obtaining a supplementary grant in the course of the financial year 2011-12, would make provision for grants-in-aid salaries in their grants.

Scrutiny of Appropriation Accounts for the year 2011-12 revealed that this object head was not operated in a number of Ministries test checked, as detailed below:

Table 4.12: Non-operation of detailed head 'Grants-in-Aid-Salaries'

Sl. No.	Grant No. & Name	Observation and reply of the Ministry
1.	9- Civil Aviation	An amount of ₹1.39 crore released to Airports Economic Regulatory Authority of India (an autonomous body) towards salaries of their staff was recorded under the object head '31 Grants-in-aid General' instead of under the object head '36 Grants-in-aid for Salaries' on the plea that the budget provision was obtained under the object head '31 Grants-in-aid' only.
2.	15- Department of Information Technology	Department of Information Technology had made a budget provision of ₹1948.63 crore under the object head- 31- Grants-in-aid- General for giving grants to various bodies/ authorities. Against this the actual expenditure incurred was ₹1122.60 crore. Audit noticed that an amount of ₹59.07 crore was paid to five bodies/ authorities for disbursement of salaries which was part of the total expenditure of ₹1122.60 crore, instead of operating the object head-36- Grants-in-aid Salaries for expenditure of ₹59.07 crore by obtaining supplementary provision. The Department replied that the circular relating to opening of object head 36-Grants-in-aid-salaries was circulated by Ministry of Finance during June 2011 by which time the Detailed Demands for Grants 2011-12 was printed and laid before the Parliament. Hence it was not possible to open the new object head during that year. However, this head has been opened and operationalised during the financial year 2012-13. The reply is not tenable as the OM dated 7 June 2011 clearly specifies that new object head '36 Grants-in-aid for Salaries' should be opened and operated with effect from 1 April 2011.
3.	18- Ministry of Corporate Affairs	An expenditure of ₹116.71 lakh incurred towards salaries of the personnel of Competition Commission of India (an autonomous body) was booked under the object head '01 salaries' on the plea that it relates to the salaries of erstwhile Director General (Investigation and Registration).
4.		An expenditure of ₹3 crore disbursed as salaries to Indian Institute of Corporate Affairs was booked under object head '31 Grants-in-aid (General)', instead under the object head '36 Grants-in-aid for Salaries'.
5.	57-Ministry of Housing and Urban Poverty Alleviation	Ministry had obtained a token supplementary provision for expenditure of ₹3.20 crore on 'Grants-in-aid –Salaries' to BMTPC[12]. Ministry instead booked the expenditure of ₹5.50 crore against the object head '31-Grants-in-aid General' without segregating the salaries portion separately. Ministry stated (March 2013) that all grants were released under 'Grants-in-Aid General' by omission.
6.	58-Department of School Education and Literacy	Audit noticed that more than 99 *per cent* (₹40,555 crore) of the total expenditure (₹40,641 crore) was incurred towards grants-in-aid. Out of the total grants disbursed an amount of ₹29,354 crore pertained to grants-in-aid disbursed to other bodies (other than States/UTs); however, no expenditure in the accounts was booked under the object head 36-Grants-in-aid-Salaries. The Department stated (March 2013) that as the intimation regarding bifurcation of salary component of institutions/autonomous bodies was not timely received, it was decided to implement the instructions from financial year 2012-13 onwards.
7.	59- Department of Higher Education	Audit noticed that more than 98 *per cent* (₹19,288 crore) of the total expenditure (₹19,575 crore) was incurred towards grants-in-aid. Out of the total grants disbursed an amount of ₹19,105 crore pertained to grants-in-aid disbursed to other bodies (other than States/UTs); however, no expenditure in the accounts was booked under the object head '36-Grants-in-aid-Salaries'.
8.	65- Ministry of Micro Small and Medium Enterprises	An expenditure of ₹157.36 crore incurred on the pensions, salaries, contingencies, pension etc of Khadi and Village Industries Commission (an autonomous institution) was booked under the object head '20 Other Administrative Expenses' instead of under the object head '36-Grants-in-aid for salaries'.

[12] Building Material and Technology Promotion Council

Sl. No.	Grant No. & Name	Observation and reply of the Ministry
9.	66- Ministry of Mines	An expenditure of ₹4 crore incurred on the salaries and wages etc. of National Institute of Miners' Health, Jawaharlal Nehru Aluminium Research Development & Design Centre and National Institute of Rock Mechanics was booked under the object head 31 Grants-in-aid General instead of under the object head '36 Grants-in aid -Salaries'. The Ministry stated (January 2013) that they had started the process to open the object head 36 for three autonomous bodies.
10.	88- Ministry of Shipping	An expenditure of ₹4 crore was booked under the object head '31 Grants-in-aid General' to National Ship Design and Research Centre (NSDRC), which also included ₹1.92 crore for meeting the salaries, etc. for the centre. This should have been booked under the object head '36-Grants-in-aid for Salaries' after obtaining the supplementary provision.
11.		Similarly, an amount of ₹10.29 crore provided as assistance to Central Inland Water Transport Corporation Limited (CIWTC) for payment of salaries was also booked under the object head '31-Grants-in-aid General' instead of under the object head '36-Grants-in-aid-Salaries'.
12.	90- Department of Space	The Department booked ₹127.66 crore as Grants-in-aid-General in respect of three grantees namely Semi-Conductor Laboratories (₹49.78 crore), Physical Research Laboratory (₹64.45 crore) and National Atmospheric Research Laboratory (₹13.43 crore). Department neither obtained any provision under the object head '35-Grants for Creation of Capital Assets' nor supplementary provision under the object head '36-Grants-in-aid Salaries', yet the grantee bodies incurred expenditure under three different categories (object heads 31, 35 and 36) in the year 2011-12 as intimated by the grantees. Department of Space replied (October 2012) that it had opened new object heads 31-Grants-in-aid General and 36-Grants-in-aid Salaries in its DDG from the year 2012-13.
13.	93- Ministry of Textiles	An expenditure of ₹225.46 crore was booked under the object head 31 Grants-in-aid General towards administrative expenses which primarily includes expenses towards salaries to the employees of Central Silk Board, instead of segregating the salaries portion separately and booking under the object head '36-Grants-in-aid Salaries'.

The extant instruction of the Ministry of Finance has, however, been complied with by only 15 civil Ministries/Departments of the Union Government and a sum of ₹2049 crore has been booked as expenditure incurred on object head '36-Grants-in-aid-Salaries' after following the due budgetary processes. Other Ministries/Departments have not adhered to the instructions issued by the Ministry of Finance to open object head '36-Grants-in-aid-Salaries' from the financial year 2011-12.

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

Rule 8 of the Delegation of Financial Powers Rules 1978 (DFPR) 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. Some of object heads and description of expenditure to be booked there under are given in **Annex IV-C**.

Audit noticed that in 23 cases, across 18 grants/appropriations funds aggregating ₹69,759.64 crore were misclassified in these primary units of appropriation i.e. object heads, which are detailed in table below:

Table 4.13: Misclassification within object heads

Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply	Remarks
1.	4-Atomic Energy	1.73	3401/ 50	Grants-in-aid to Universities Research Institutions, Societies and Non-Government Institutions was booked under the object heads 'Other Charges' and 'Scholarships/ Stipends' instead of operating the object head 'Grants-in-aid'.	DAE stated (October 2012) that apart from the object Head 'Grants-in-aid', the object heads viz. 'Other Charges' and 'Fellowship' were also operated under the Major Head 3401 and rules put no restrictions on operating any of the standard object heads for a scheme. Department further stated (January 2013) that the classification as pointed out by audit was being reviewed.	The reply is not tenable as the Indian Government Accounting Standard-2 stipulates that payments in the nature of assistance, donations or contributions made by one Government to another Government, body, institution or individual are to be classified as 'Grants-in-aid'.
2.		6.81	3401/ 34			
3.	6- Department of Chemicals and Petrochemicals	9.48	2852/ 31	Waiver of plan loan and interest in respect of Hindustan Insecticides Limited was incorrectly classified under Grants-in-aid-General which should have been classified under the object head '64-Write-off/losses'.	Reply awaited.	
4.	13-Department of Posts	8.00	3201/ 32	Grants to Postal Services Staff Welfare Board were booked under 'Contributions' instead of operating object head Grants-in-aid-General.	DoP stated that these heads of account were approved in e-lekha and Appendix-V of the Department of Posts. It added that Grants-in-aid were provided to local bodies/institutions/Autonomous bodies which were functioning as an independent unit. However, the changes in nomenclature as pointed out would be considered and shown in the next year Detailed Demands for Grants.	The reply was not acceptable as instead of making changes in nomenclature, DoP should obtain provision under correct object head as per description given in DFPR and classify expenditure accordingly.
5.		0.95	3201/ 50	Expenditure on annual membership fee of various international bodies like UPU, Berne, APPU Bangkok, etc. was booked under 50-Other Charges instead of 32-Contributions.		
6.	15-Department of Information Technology	0.45	3451/ 24	This expenditure on POL has been booked under object head-24 instead of correct object head- 13 'Office Expenses'.	The department replied that the comments of Audit had been noted for compliance from the next financial year onwards.	
7.	20-Ministry of Defence	1398.08	4047/ 54 2 cases	Expenditure related to 'Acquisition of Aircraft' and 'Acquisition of Ships and Fleets' was booked under 'Investments' instead of '52-Machinery and Equipment'.	The Ministry stated (July 2012 and January 2013) that consequent upon shifting of Budget Estimate of Coast Guard Organisation from the Ministry of Finance (Department of Revenue) to the Ministry of Defence in the year 2001, budgetary allocations were obtained under the head 54-Investments.	The reply is not tenable in view of clear description given in DFPR for the object head '52-Machinery and Equipment'.

Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply	Remarks
8.	31-Ministry of External Affairs	2429.21	3605/ 32	Since the nature of expenditure was grants to foreign governments for general/ specific purpose, it should have been correctly booked under the object head '31-Grants-in-aid-General'.	Reply awaited.	
9.	32-Department of Economic Affairs	0.09	2057/ 01	Amount was paid to Consultants and the correct OH should have been 28-Professional Services.	Reply awaited.	
10.		4.50	3475/ 31	Assistance was provided to various institutions like Madras School of Economics, Tripura University, Punjab University etc. for development of infrastructure and academic resources, which should have correctly been booked under 'grants for capital creation'.	The Ministry (February 2013) replied that the audit observation had been noted and the object head 35 Grants for creation of capital assets has been opened with effect from 2013-14.	
11.	33-Department of Financial Services	178.46	2235/ 45	Payment of interest to lending institutions on behalf of the farmers under Agriculture Debt Waiver and Debt Relief Scheme (ADWDRS), should have been recorded in the accounts either as subsidy or under a different object head instead of '45-Interest'. A similar observation was also included in the Report of the CAG on the accounts for the year 2010-11 of Union Government.	The Department stated (July 2012) that the object head was opened for this purpose with all requisite approvals and the expenditure was booked under this head from the year 2008-09 onwards. The Department added that Debt Waiver Scheme has been wound up with effect from 2011-12 and there may be no need to revise the object head at this juncture.	Audit is of the opinion that booking of this expenditure under interest does not conform to the provisions of the Delegation of Financial Powers Rules.
12.	41-Department of Revenue	0.02	4216/ 54	As per DFPR the correct classification in these cases should have been under object head 53-Major Works in the case of 'acquisition of ready-built accommodation/ flats', and 52-Machinery and Equipment in the case of 'acquisition of ships and fleets/anti-smuggling equipment' instead of booking these expenditure under 54-Investments.	Ministry stated (December 2012) that the observations made by the Audit had been noted and the correct Object Head would be indicated in the DDG for 2013-14.	
13.	42-Direct Taxes	256.53	4059/ 54		Reply awaited.	
14.		3.18	4216/ 54		Reply awaited.	
15.	43-Indirect Taxes	46.52	4047/ 54		The Ministry stated (December 2012) that the corrective action for depiction/classification of above provisions under the correct Object head had been taken from the financial year 2012-13, by booking the provisions under correct object heads.	
16.		0.81	4047/ 54			

Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply	Remarks
17.	53-Cabinet	381.28	2013/ 12	Payment for maintenance of Air-crafts used for VVIP travel was booked under Foreign Travel Expenses. The correct head should have been 50-Other Charges. **(Refer para no. 1.3.10)**	The Ministry stated (April 2013) that proposal for opening of a separate sub-head has been approved from the financial year 2013-14 onwards.	Incorrect classification of expenditure can lead to sub-optimal decision making. Hence the relevant head should have been opened during financial year 2011-12.
18.	65-Ministry of Micro Small and Medium Enterprises	17.10	2851/ 32	This amount was incurred towards creation of Credit Guarantee Fund and Portfolio Risk Fund and therefore was of the nature of investment and not contributions.	Reply awaited.	
19.	69-Ministry of Overseas Indian Affairs	10.65	2061/ 50 3 cases	Funds released to the Indian Council of Overseas Employment (ICOE), India Development Foundation (IDF) and Overseas Indian Facilitation Centre (OIFC) and classified under 50-Other Charges instead of classifying under 31-Grants-in-aid- General or 36-Grants-in-aid- Salaries or 35-Grants for creation of capital assets, as applicable.	The Ministry stated (December 2012) that a proposal for the same had already been sent to Pr. CCA.	
20.	73-Ministry of Petroleum and Natural Gas	65000.00	2802/ 50	The nature of expenditure incurred involved payment to oil marketing companies as compensation for uncovered cost in their domestic LPG and Kerosene (PDS) operations. It should have been correctly classified under the object head '33-Subsidies.	Ministry stated (January 2013) that since inception of the scheme the expenditure was incurred under the same head, however, this discrepancy was pointed out by the Department of Expenditure in August 2011 and rectified from financial year 2012-13.	Although necessary correction was carried out in financial year 2012-13, it was observed that the entire provision was made in lump-sum, instead of making provision company wise.

Sl. No.	Grant	Amount (₹ in crore)	Major/ Object head debited	Audit Observation	Reply	Remarks
21.	93-Ministry of Textiles	3.99	2851/ 50	Ministry has released an amount of ₹3.99 crore as a grants-in-aid to Textile Research Associations/KSPDC/District Trade and Industries Centres for meeting recurring expenditure of Power loom Service Centres run by them and booked the expenditure under the object head '50 Other charges' instead of booking under object head 31 Grants-in-aid-General.	The Ministry stated (December 2012) that relevant Grants- in -aid object heads would be opened from the year 2013-14.	
22.	97-Chandigarh	1.26	32[13]	Provision for investment in equity in four PSUs/Corporations has been obtained and final booking of expenditure has been made under the object head '32-Contribution' instead of correct object head '54-Investments'.	Reply awaited.	
23.	101-Department of Urban Development	0.54	2216/ 52	Since the expenditure is apparently incurred on purchase of minor tools the same should be booked under '27 Minor works'.	Ministry of Urban Development stated (in November 2012) that the audit observation to correct the classification had been noted and will be taken into accounts in DDG for 2013-14	
	Total	**69759.64**				

Note: Underlined figure indicate charged portion of grant

4.20 Incorrect booking of expenditure under non-functional head in Ministry of Home Affairs

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.

[13]Chandigarh Scheduled Castes Financial Development Corporation (4225.80.190.03.00.32), share capital of Delhi Financial Corporation (4885.01.190.05.00.32), investment in share capital of other Cooperatives (4425.00.108.01.00.32) and investment in Chandigarh Child and Women Development Corporation (4235.02.190.01.00.32)

Audit scrutiny of Grant no. 54-Police for the year 2011-12 revealed that an expenditure of ₹106.73 crore was booked by Ministry of Home Affairs under the major head 4552 as detailed below.

Table 4.14: Booking of expenditure under Non-Functional heads

(₹ in crore)

Head	Provision	Expenditure
4552.00.129.01 Residential Buildings.	95.23	95.23
4552.00.130.01 Residential Buildings.	10.00	5.49
4552.00.131.01 Residential Buildings.	6.09	6.01
Total		**106.73**

The booking of expenditure to the non-functional head was un-authorized in terms of provisions stated above.

The Ministry stated (November 2012) that it was felt that this head (2552), which was originally considered as non-functional, has since become functional after getting entire 15 digit code. The reply is not tenable as allocation of 15 digit code was meant to facilitate the re-appropriation of provision to the corresponding functional head.

4.21 Expenditure incurred without prior authorization by Department of Atomic Energy

As per Rule 58(2) of General Financial Rules, 2005 if honouring of a claim is certain to produce an excess over the allotment or appropriation at the disposal of the disbursing officer, he should take the orders of the administrative authority before authorizing payment. The administrative authority will arrange to provide funds either by re-appropriation or by obtaining a Supplementary Grant or an advance from the Contingency Fund.

During scrutiny of consolidated monthly Accounts for the year 2011-12 at the Principal Accounts Office of Department of Atomic Energy, it was observed that the actual expenditure exceeded the available provision by ₹192.76 crore in 45 cases **(**detailed in **Annex IV-D)** during the period from June 2011 to February 2012. In all these cases, the re-appropriation order was issued only on 31 March 2012.

The Department of Atomic Energy, thus, incurred expenditure of ₹192.76 crore in excess of the available provision, without necessary prior authorization.

Department stated (January 2013) that since the payments are made by the Pay and Accounts Officers attached to the units headed by the Head of the Department, Principal Accounts Office is not in a position to comment whether approval of higher administrative authority was taken before exceeding budget

estimate. Department added that as per Rule 59(1) of GFR re-appropriation of funds from one primary unit of appropriation to another such unit within a grant or appropriation may be sanctioned by a competent authority at any time before the close of the financial year and thus the re-appropriation orders issued on the last working day was in order.

The reply is not tenable as provisions of GFR enjoin that provision of funds should be available before the expenditure is incurred.

4.22 Unauthorized augmentation through incorrect re-appropriation by Ministry of Law and Justice

Rule 59 (1) of General Financial Rules, 2005 stipulate that re-appropriation of funds from one primary unit of appropriation to another such unit within grant or appropriation may be sanctioned by a competent authority at any time before close of the financial year to which such grant or appropriation relates.

Audit scrutiny of Head-wise Appropriation Accounts of Grant no. 63- Ministry of Law and Justice revealed that the Ministry of Law and Justice re-appropriated funds to the tune of ₹77.53 crore from major head 2014-Administration of Justice to major head 3601-Grants-in-Aid to the State Governments in June 2012 as 'Grants-in aid-General' for scheme 'Infrastructural facilities for Judiciary'. The Department approached (June 2012) the Ministry of Finance for getting ex-post facto approval for re-appropriation of funds of ₹77.53 crore and the Ministry of Finance approved it as a case of *fait accompli* in June 2012.

Thus re-appropriation order was issued after close of financial year in violation of the provision of GFR ibid.

The matter was referred to Ministry in October 2012, the reply was, however, awaited.

4.23 Re-appropriation of funds from lump sum provision for North Eastern Region and Sikkim to other than functional heads in DoT

Ministry of Finance in consultation with Department of Development of North Eastern Region (DONER) issued instructions barring re-appropriation of funds from lump sum provision in the North Eastern Region and Sikkim to other projects/schemes outside the region. Expenditure should be undertaken on project/schemes in the region itself.

DoT re-appropriated ₹51.58 crore earmarked for North Eastern Region and Sikkim on the penultimate day of financial year to Pension (Non-Plan). Ministry of Finance approved such re-appropriation in contravention of its own instructions. Thus the very purpose of lump sum provisions of 10 *per cent* of Central Plan allocation for projects/schemes in North Eastern Region and Sikkim

was defeated. The funds re-appropriated from 2552 – North East Areas to 2071 – Pensions and other retirement benefits is shown in the table below.

Table 4.15:Re-appropriation

(₹ in crore)

From (Plan)	Amount	To (Non-Plan)	Amount
2552-North Eastern Areas 00 208 Secretariat Economic Services General Administration-Department of Telecommunications 01-Centre for Development of Telematics	11.58	2071- Pensions and other Retirement Benefits 01-Civil 101-Superannuation and Retirement Allowance 01-Ordinary Pensions	51.58
2552-North Eastern Areas 00498 Other Communication Services Compensation to Service Providers for USO 01-Compensation to Service Providers for USO	40.00		
Total	**51.58**		**51.58**

DoT stated (August 2012) that provision for ₹51.58 crore meant for North East areas could not be transferred to Non-Lapsable Central Pool of Resources for NE region as certain USO schemes were not implemented in 2011-12 and due to non-implementation of 'Security Research and Monitoring Schemes' because of belated receipt of approval by CCEA[14]. It was further stated that provision of ₹35 crore has been made in BE of 2012-13 for the above mentioned schemes for NE Areas. DoT has also stated that the observation of audit was noted for future guidance and henceforth the available sharing would be transferred to NLCPR[15].

4.24 Defence Services: Incorrect depiction of amounts of savings/excess

The Appropriation Accounts of the Union Government are intended to provide the grant-wise details of the gross expenditure separately for revenue charged/voted and capital charged/voted. The Appropriation Accounts also contain information on savings/excess and an explanation for the incurrence of such saving/excess.

In hundred out of 106 grants of the Union Government pertaining to Ministries/departments under Civil, Defence and Posts for the financial year 2011-12 explanation for incurrence of saving/excess has been given in the appropriation accounts with reference to the original and supplementary provisions.

In the case of appropriation accounts of Defence Services, the amount of such excess/saving is worked out on the basis of final grant, viz., Original + Supplementary +/-Re-appropriation. Since, through the Appropriation Accounts reporting to Parliament is made on the sums expended in a year compared with the provision authorized by it, the saving/ excess should be worked out with reference to the original and supplementary provisions only.

[14] Cabinet Committee on Economic Affairs
[15] Non-Lapsable Central Pool of Resources

On being pointed out, the Ministry of Defence stated (January 2013) that explanation for saving/excess in a minor head are recorded on the basis of final grant (Original+ Supplementary +/-Re-appropriation) and practice is being followed since long. Any shift from the established procedure will revoke the flexibility available for the services to re-appropriate funds within the available grants for optimal utilization required for ensuring operation preparedness of the armed forces.

The reply of the Department is not tenable in view of the fact that 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 and any savings/ excesses should be worked out only with reference to the provisions authorized by the Parliament. The depiction of excess and savings and its explanation also has no bearing on powers of re-appropriation available to the Ministry.

4.25 Issue of deficient sanction orders in Department of Space

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

Examination of Appropriation Accounts of Grant No. 90-Department of Space revealed that the estimates of expenditure in the Detailed Demands for Grants were prepared with full accounts classification up to the object head level on revenue and capital accounts separately for plan and non-plan expenditure, as is the prevalent practice in other Ministries/ Departments of the Union Government. However, the sanction orders issued by the Department of Space, authorizing the incurrence of expenditure, do not distinctly specify the amount of expenditure to be debited separately to revenue and capital accounts and plan and non-plan under revenue and capital accounts. The sanction orders only specify the amount of expenditure to be classified up to the sub head level i.e. the fourth tier of classification, instead of giving complete directions 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 and classification of expenditure.

In absence of the details of classification in the sanction orders, it was not clear how the accounts are prepared and compiled by showing classification up the sixth tier in revenue and capital accounts. Scanned copies of two such sanctions

are available in **Annex IV-E**. Illustrative cases of financial sanction orders issued are detailed below:-

Table 4.16: Illustrative cases of financial sanction orders issued by Department of Space

(₹ in crore)

Sanction No and date	Name of the Project (Head of Account)	Sanctioning Authority	Amount
C.12031/1/07-III dt. 19.07.2011	Pre project activities for Indian Manned Mission (3402/5402: 00.101.43/35)	Space Commission	50.00
C.12031/1/11-III dt. 27.01.2012	GSAT 14 Communication Satellite Project (3252/5252: 00.053.06/03)	Space Commission	45.00
		Total	**95.00**

The matter was also commented upon as para No.4.5.3 in the CAG's Audit Report No.1 for the year 2011-12 on the accounts for the year 2010-11 but no discernible action has been taken by the Department.

However, in March 2012 and August 2012, Department replied that the project sanction orders are issued up to four tier since all the project expenditure is considered as whole plan for a long period and at the initial stage the allocation cannot be identified against the object heads and as such sanction orders were issued up to sub head level. Department added in January 2013 that it would specify full accounts classification up to object head level on revenue and capital accounts separately for plan and non-plan expenditure only in the sanction order of major works with effect from 01 February 2013.

The reply is not acceptable in view of provision contained in the General Financial Rules, 2005. The estimates of expenditure in the Detailed Demands for Grants are up to the object head level, hence the sanction orders issued for incurring expenditure should indicate the details of the classification relevant to grant or appropriation wherefrom such expenditure is to be met up to the final head/unit of appropriation.

4.26 Unauthorised augmentation through obtaining lump sum supplementary 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. Further, in accordance with instructions issued by the Ministry of Finance in May 2006, augmentation of provision 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 for the year 2011-12 of three grants revealed that though there were distinct budget lines (each under general component, special component plan for Scheduled Castes and Tribal Area Sub-Plan component) for line items as detailed in table below, yet lump sum supplementary/token supplementary provisions were obtained without giving amount specific break-up for each component distinctly.

Table 4.17: Lump sum supplementary provision

(₹ in crore)

Grant No.	Scheme	Provision*	Expenditure	Excess
2-Department of Agricultural Research and Education	Crop Science 2415.01.796.01.00.35	Nil	0.27	0.27
	Other Natural Resource Management Institutes Research 2415.02.796.01.00.35	Nil	0.09	0.09
	Animal Science Institutes 2415.03.796.01.00.35	Nil	2.80	2.80
	National Agriculture Innovation Project/Externally Aided Projects 2415.01.796.02.00.31	15.00	29.70	14.70
59-Department of Higher Education	Grants to Central Universities 2202.03.789.03.02.35	222.50	278.50	56.00
	Grants to Central Universities 2202.03.796.03.02.35	111.25	152.25	41.00
	Rashtriya Sanskrit Sansthan 2202.05.789.05.00.35	0.64	1.24	0.60
	Rashtriya Sanskrit Sansthan 2202.05.796.05.00.35	0.32	0.62	0.30
	Grants to Indian Institute of Science, Bangalore 2203.00.789.04.00.31	3.90	8.40	4.50
	Grants to Indian Institute of Science, Bangalore 2203.00.796.04.00.31	1.95	4.20	2.25
61-Ministry of Labour and Employment	Rashtriya Swasthya Bima Yojana 2230.01.789.06.01.31	42.31	189.75	147.44
	Rashtriya Swasthya Bima Yojana 2230.01.796.06.01.31	26.38	64.43	38.05
	Total			**308.00**

** Provision includes original provision, provision under non-functional head pertaining to NER and provisions obtained by way of supplementary grant.*

Thus, lump sum supplementaries were obtained in violation of the provisions of General Financial Rules and the additionalities were distributed amongst schemes having distinct budget lines in the Detailed Demand for Grants. Further, as augmentations (₹308 crore) were made to the object heads 'grants-in-aid general' and 'grants for creation of capital assets', in terms of instructions of the Ministry of Finance these require prior approval of the Parliament.

The Department of Agriculture Research and Education stated (February 2013) that there was no separate allocation for tribal area sub plan in supplementary demand for grants and the same was reflected in the allocation of scheme, to

which it pertain, as per statement of budget estimates (SBE). The reply is not tenable as in the other grant (viz. Department of Agriculture Co-operation) of this Ministry, amount specific distinct supplementary provision had been obtained for similar schemes each under general component, special component plan for Scheduled Castes and Tribal Area Sub-Plan components.

4.27 Obtaining lump sum supplementary provision

During scrutiny of Grant No. 54- Police for the year 2011-12 it was noticed that lump sum supplementary provisions of ₹240 crore (first supplementary) was obtained for additional expenditure under Machinery and Equipment (General) and ₹1500 crore (second supplementary) for additional expenditure on salary without giving amount specific break-up for each police force. As distinct line items were available for machinery and equipment/salary in the DDG for each police force, amount specific supplementary for each line item should have been obtained.

4.28 Obtaining lump sum provision under object heads

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

During the examination of Appropriation Accounts, for the year 2011-12 it was observed that in the following cases, lump sum provision was obtained instead of obtaining scheme wise itemized amounts of Parliamentary approval as was incumbent under the extant rules.

Table 4.18:Lumpsum Provisions

Sl.No.	Grant No.	Head of Account	Amount (₹ in crore)	Remarks
1.	33-Department of Financial Services	3475 Other General Economic Services-00-105 Regulation of Joint Stock Companies	0.50	Regular payment of salaries, medical expenses, travel expenses and other office expenses of the office of Assistant Court liquidator was booked in the Revenue section of the grant against the object head 42 lump sum provision.
2.	88-Ministry of Shipping	3056 Inland Water Transport -00-003-Training and Research	1.00	Amounts released to Inland Waterways Authority of India (an autonomous body under the Ministry) for conducting technical studies was booked against the object head '42 lump sum provision' instead of under '31 Grants-in-aid (general)' as per rules. The Principal Chief Controller of Accounts, Ministry stated (January 2013) that it was not possible to quantify either the number of studies or training programmes relating to operations and maintenance of Inland Water Transport system or fund required in advance to arrive at the definite allocation for this purpose.

4.29 Expenditure without adequate provisioning of funds in Department of Space

According to Rule 58(2) of General Financial Rules, 2005, if honouring of a claim is certain to produce an excess over the allotment or appropriation at the disposal of the disbursing office, he should take the orders of the administrative authority before authorizing the payment of the claim. The administrative authority will arrange to provide funds either by re-appropriation or by obtaining a Supplementary Grant or an advance from the Contingency Fund.

Audit scrutiny of consolidated monthly accounts for the year 2011-12 at the Principal Accounts Office of Department of Space, revealed that the actual expenditure in 14 instances exceeded the available provision prior to issue of the re-appropriation order, as detailed below:-

Table 4.19: Cases where expenditure incurred in excess of provision prior to issue of re-appropriation

(₹ in lakh)

Sub-head	Object head	Plan/ Non Plan	Budget Provision	Actual Expenditure	Month in which the expenditure exceeded available provision	Expenditure exceeded the provision before re-appropriation	Fund provided through re-appropriation order on 31 March 2012
3402.00.101.10 ISAC	01-Salaries	Plan	6129.00	6582.48	February 2012	453.48	453.70
3402.00.101.10 ISAC	12-Foreign Travel Expenses	Plan	35.00	55.79	October 2011	20.79	21.00
3402.00.101.10 ISAC	21-Supplies and Materials	Plan	282.00	2049.75	May 2011	1767.75	1767.80
3402.00.101.10 ISAC	27-Minor Works	Plan	50.00	166.91	November 2011	116.91	117.00
3402.00.101.10 ISAC	50-Other Charges	Plan	37.00	186.42	April 2011	149.42	149.50
3402.00.101.10 ISAC	52 M&E	Plan	82.00	220.97	July 2011	138.97	139.00
3402.00.101.35 RISAT-1	21 Supplies & Materials	Plan	1.00	23.24	July 2011	22.24	21.50
5402.00.101.18 ISTRAC	53 Major works	Plan	44.00	189.93	June 2011	145.93	146.00
5402.00.101.20 PSLV C	52 M&E	Plan	300.00	891.57	June 2011	591.57	592.00
5402.00.101.40 SARAL	52 M&E	Plan	386.00	434.63	December 2011	48.63	49.00
5402.00.103.02 Astrosat 1&2	52 M&E	Plan	5.00	49.67	June 2011	44.67	45.00
5402.00.103.04 MeghaTropiques	52 M&E	Plan	4.00	42.46	August 2011	38.46	39.00
5402.00.103.04 MeghaTropiques	60 Other Capital Exp.	Plan	83.00	406.20	June 2011	323.20	324.00
5402.00.283.01 VSSC	53 Major works	Plan	325.00	517.99	December 2011	192.99	193.00
Total						**4055.01**	

Department of Space therefore incurred expenditure of ₹40.55 crore in excess of the available provision in violation of the extant Rules. Department of Space stated (August 2012) that owing to complex nature of space technology and developmental uncertainties, in the last quarter of the financial year a thorough review is undertaken to ascertain the cash flow requirements during the end of the financial year. DOS added that, after the final assessment of spendability of funds, the re-appropriation orders are issued with the approval of Member Finance in March.

Reply of Department is not tenable as the same is against the provisions of the extant Rules.

Department further stated (February 2013) that it is in the process of implementing a digital workflow system and its Project Director had been requested to include sufficient checks in the software so as to restrict the booking of expenditure to the extent of budget provision.

4.30 Expenditure without adequate provisioning of funds in Department of Telecommunications

A review of Head-wise Appropriation Accounts and relevant re-appropriation orders revealed that DoT issued re-appropriation orders on the last working day (30 March 2012) of the financial year. It was noticed that prior to this, no re-appropriation order were issued during the year. From the 'e-lekha' database of the DoT, it was observed that in two instances (Table 4.20), expenditure was incurred over and above the available provision and the re-appropriation orders for the same were issued on 30 March 2012.

Table 4.20: Expenditure without provisioning of funds

(₹ in crore)

Head of Account	Original & Supplementary provision	Expenditure up to January 2012	Expenditure as percentage of sanctioned provision
2071.01.101.01 Ordinary Pensions	1799.02	2054.34	114
2071.01.105.02 Family Pensions	306.98	327.49	107

Thus expenditure was incurred without adequate provision of funds.

DoT stated (February 2013) that the expenditure for January 2012 could be ascertained only in the middle of February 2012 as DoT had several units to compile the expenditure and based on the projections for Revised Estimates-Budget Estimates, the re-appropriation from Plan to Non-Plan heads was processed and sent to Ministry of Finance on 3 February 2012 and the approval obtained on 22 February 2012. They further stated that observations of the audit are being followed for Revised Estimates 2012-13 onwards.

The reply was not tenable as the augmentation of provision to the relevant heads, schemes should have been obtained well before incurring the expenditure by DoT.

4.31 Department of Posts

Audit Examination of Grant No.13-Department of Posts for the financial year 2011-12 revealed a number of financial deficiencies, which have been summarized in the succeeding paragraphs.

4.31.1 Expenditure incurred without a budget line

Article 114(3) of the Constitution of India provides that no money shall be withdrawn from the Consolidated Fund of India except under appropriation made by law. Examination of head-wise appropriation accounts revealed that an amount of ₹7.75 crore was incurred in five cases without any budget provision available/provided by way of parliamentary authorisation as detailed in the following table.

Table 4.21: Expenditure incurred without budget line

(₹ in crore)

Sl.No.	Head of Account	Amount	Reply of Department	Remarks
1.	3201-08-101-01-Payment of charges to Reserve Stamps Office, Kolkata (Original provision ₹0.02 lakh was re-appropriated to some other head. However, an expenditure of ₹6.61 crore was incurred.)	6.61	The DoP replied that amount was wrongly booked and necessary action is being taken to rectify the wrong booking.	The reply is incorrect, as in the explanatory note the reason for excess has been stated as clearance of unexpected bills.
2.	5201.00.104.31 – Computerisation and Modernisation of Philately	0.05	Reply not furnished.	
3.	5201.00.104.37 – Computerisation of Administrative Offices	0.57		
4.	5201.00.104.53 – Insurance Operations	0.36		
5.	5201.00.104.15– Establishment of Print Mail System in major cities (Original provision of ₹1.40 crore was re-appropriated to some other head, resulting in Nil provision under this head.)	0.16		
Total		**7.75**		

4.31.2 Financial indiscipline by the Department of Posts

In terms of Rule 10 of Delegation of Financial Powers Rules, 1978 all re-appropriations, irrespective of the fact that these are made on the basis of

estimates approved by the Finance Ministry, having the effect of increasing the budget provision by ₹5 crore or more under a sub-head shall be made only with the prior approval of Secretary (Expenditure).

Audit scrutiny revealed that during the financial year 2011-12 Department of Post re-appropriated ₹31.68 crore to the scheme 'Social Security and Welfare Programmes- Service Discharge Benefit Scheme for Gramin Dak Sewaks' from the scheme 'Postal Network-Gramin Dak Sewak- salaries' despite the refusal of the re-appropriation proposal of the Department by the Ministry of Finance. No budget provision was available under the scheme Service Discharge Benefit Scheme for Gramin Dak Sewaks.

The Department stated (October 2012) that the sub-head was newly opened, which was approved by the Cabinet during 2011-12 and as such requirement to allocate the funds like salary and pension was mandatory.

The reply is not acceptable. Department should have obtained a supplementary provision for this expenditure. Further issuance of re-appropriation order by the Department inspite of rejection of the proposal by the Ministry of Finance is tantamount to financial indiscipline and constitutes a serious break down of the manner in which financial powers are exercised within the government.

4.31.3 Non issuance of re-appropriation orders

Rule 59 of General Financial Rules 2005 provides that subject to the provisions of Rule 10 of the Delegation of Financial Powers Rules, 1978, and also subject to such other general or specific restrictions as may be imposed by the Finance Ministry in this behalf, re-appropriation of funds from one primary unit of appropriation to another such unit within a grant or appropriation, may be sanctioned by a competent authority at any time before the close of the financial year to which such grant or appropriation relates and the copy of re-appropriation order should be endorsed to the Accounts Officer.

In Department of Posts only in those cases of re-appropriation, where prior approval of Ministry of Finance is required, sanction orders are issued. In all other cases, including re-appropriation of funds from non-functional head to functional head, sanction of the competent authority for re-appropriation of funds from one primary unit of appropriation to another such unit is obtained in file only and no re-appropriation orders are issued.

Thus, non-issuance of re-appropriation order violates the provisions of Rule 59 of General Financial Rules, 2005.

Chapter 5

REVIEW OF SELECTED GRANTS

This chapter contains detailed analysis of the Appropriation Accounts of selected grants covering a period of three years from 2009-10 to 2011-12. The analysis encompasses comments on 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 Capital Outlay on Defence Services, Ministry of Road Transport & Highways and Ministry of Women & Child Development have been selected for detailed scrutiny in audit and the findings have been included in this chapter.

Grant No.27-Capital Outlay on Defence Services

5.1 Introduction

Capital Outlay on Defence Services is an important grant relating to modernization of the Defence Forces. This grant deals with the capital Expenditure of all the services viz. Army, Navy, Air Force, besides fulfilling the capital requirements of Defence Ordnance Factories, Research and Development, Inspection Organisation, and Technology Development. Presently there are eight sub-major heads under this Grant.

The main objective of this grant is to meet the modernization needs of Defence Forces. The grant *inter-alia* includes provisions for expenditure on aircrafts and aero-engines, heavy and medium vehicles, other equipment, construction works, naval fleet and dockyards, special projects, Rashtriya Rifles, National Cadet Corps, Ordnance Factories, Research and Development Organisation, Inspection Organisation and Technology Development.

5.2 Budget and expenditure

The overall position of budget provisions which is entirely of capital nature, actual disbursements and savings during the last three years is detailed below:

Table 5.1: Year-wise budget and expenditure

(₹ in crore)

Year	Budget Provision				Actual Disbursement		(-)Savings/ (+)Excess	
	Original		Supplementary					
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
2009-10	54779.62	44.38	-	65.77	51019.42	92.95	(-)3760.20	(-)17.20
2010-11	59963.20	36.80	813.01	22.88	62011.53	44.47	(+)1235.32	(-)15.21
2011-12	69148.01	50.80	-	50.71	67843.96	58.42	(-)1304.05	(-)43.09

5.3 Distortion of budget provision

Scrutiny revealed that the Ministry had made large re-appropriations of funds by exercising delegated powers of re-appropriation thereby altering the original provision approved by the Parliament substantially as detailed below:

Table 5.2: Distortion of budget provision

(₹ in crore)

Year	Budget Provision	Number of Re-appropriation orders issued	Amount of Re- appropriation orders transferring Funds from Minor Heads	Amount of Re- appropriation orders transferring fund to Minor Heads
2009-10	54889.77	1	4261.07 (4 items of Minor Heads)	4261.07 (15 items of Minor Heads)
2010-11	60835.89	1	6242.83 (20 items of Minor Heads)	6242.83 (16 items of Minor Heads)
2011-12	69249.52	1	5560.11 (6 items of Minor Heads)	5560.11 (14 items of Minor Heads)

From the above it is evident that during the years 2009-10 to 2011-12, re-appropriation orders were issued involving ₹16064.01 crore, substantially altering the initial authorisation made by the Parliament. A few minor heads, where the distortions were apparent during financial year 2011-12 are as under:

i) Under the sub-major head 01-Army, 102-Heavy and Medium Vehicles, against the original provision of ₹952.88 crore, an additional amount of ₹1268.31 crore was re-appropriated to this head. The additionality over the original provision was 133 *per cent.* However, the actual expenditure was ₹2273.52 crore, an excess expenditure of ₹52.33 crore than the available provision.

ii) Under the sub-major head 02-Navy, 101-Aircraft and Aero-engine, against the original provision of ₹2974.96 crore, an additional amount of ₹1245.06 crore was re-appropriated to this head, resulting in an additionality over the original provision by 42 *per cent*. However, the actual expenditure was ₹4335.85 crore, an excess expenditure of ₹115.83 crore than the available provision.

iii) Under the sub-major head 02-Navy, 103-Other Equipments, against the original provision of ₹2108.69 crore, an additional amount of ₹343.87 crore was re-appropriated to this head, resulting in augmentation over the original provision by 16 *per cent*. However, the actual expenditure was ₹2582.81 crore, an excess expenditure of ₹130.26 crore than the available provision.

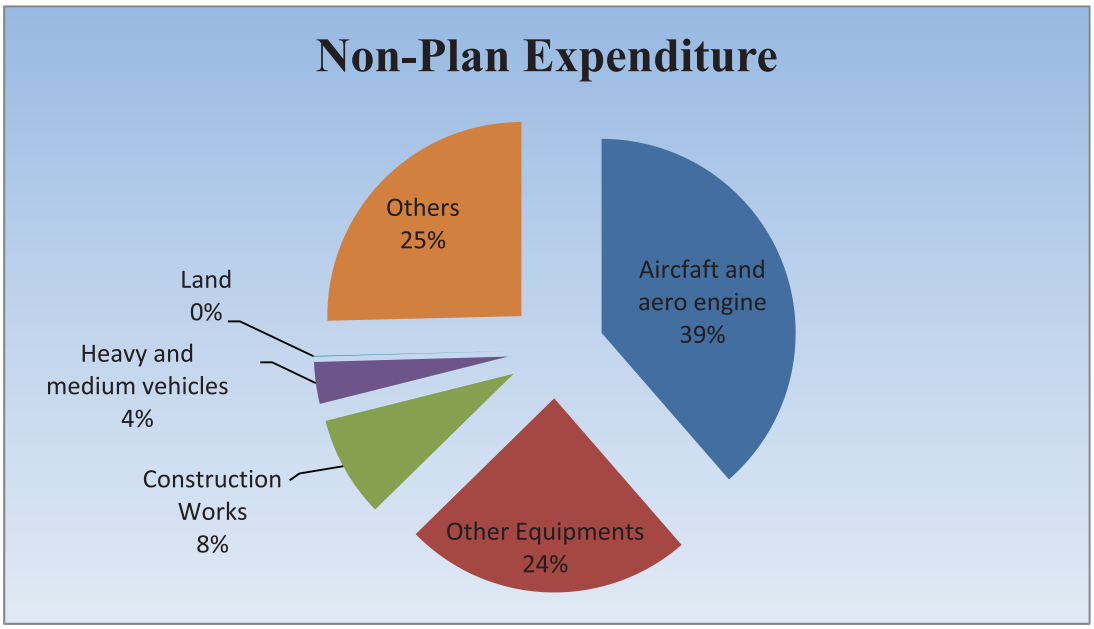
iv) Under the sub-major head 02-Navy, 204-Naval Fleet, against the original provision of ₹7320.02 crore, an additional amount of ₹2035.35 crore was re-appropriated to this head, resulting in an additionality over the original provision by 28 *per cent*. However, the actual expenditure was ₹10320.62 crore, an excess expenditure of ₹965.25 crore than the available provision.

v) Under the sub-major head 03-Air Force, 103-Other Equipments, against the original provision of ₹6279.82 crore, an additional amount of ₹380.38 crore was re-appropriated to this head, resulting in an additionality over the original provision by 6 *per cent*. However, the actual expenditure was ₹6787.64 crore, an excess expenditure of ₹127.45 crore than the available provision.

5.4 Major components of expenditure pertaining to the grant

As can be seen from the following chart that during 2011-12, Land, Aircraft and Aero-engine, Heavy and Medium vehicles, other equipments, Construction Works constituted 75 *per cent* of the total expenditure relating to the grant under review.

Chart 5.1: Components of Capital grant Expenditure



5.5 Surrender of savings

Scrutiny of head-wise Appropriation Accounts revealed that contrary to the provision of General Financial Rules 56 (2), the Ministry surrendered its savings on the last day of the financial years 2009-10 to 2011-12 as detailed below:

Table 5.3: Surrender of savings

Year	Savings (-)		Amount surrendered		Date of surrender
	Voted	Charged	Voted	Charged	
	(₹ in crore)				
2009-10	(-)3760.20	(-) 17.20	3851.77	9.48	31-03-10
2010-11	(+)1235.32	(-) 15.21	2.63	-	31-03-11
2011-12	(-)1304.05	(-) 43.09	3105.71	-	30-03-12

From the above table, it is evident that the budget management under this grant was not prudent as amount surrendered under voted section in three years were more than the savings effected in the grant. In the year 2010-11, even though there was an excess of ₹1235.32 crore under voted section, an amount of ₹ 2.63 crore was surrendered.

The surrenders during the years under review were made on the last day/fag end of the financial year yet they were inaccurate as surrendered amounts were more than the savings.

5.6 Persistent Savings

Scrutiny of Appropriation Accounts revealed that during the years 2009-10 to 2011-12, large provisions remained unutilized and were re-appropriated to other heads defeating the purpose for which the budget provisions were passed by the Parliament. Large unspent provisions under the grant reflected deficient budgeting by the Ministry. Minor Heads affected by large persistent savings are detailed in **Annex V-A**.

5.7 Savings of ₹ 100 crore and above

Scrutiny revealed that the Ministry made excessive provisions under various heads, resulting in large provisions remaining unutilised which were either re-appropriated to other heads or surrendered, defeating the very purpose for which the budget provisions initially provided for by the Parliament.

Savings of ₹ 100 crore or more under Minor heads as shown in **Annex V-B** were indicative of poor budgeting or shortfall in performance or both. The Ministry may review its system of budgetary assumptions or/and efficiency of its programme management.

5.8 Unnecessary Supplementary Grant

Audit scrutiny revealed that Ministry had obtained Supplementary grants of ₹563 crore in year 2010-11 under two Minor Heads in anticipation of higher disbursements, but the entire supplementary grant remained unutilised at the end

of the year. The supplementary grants obtained as detailed below proved to be unnecessary, indicating that the instructions of the Ministry of Finance were not followed.

Table 5.4: Unnecessary Supplementary grants

(₹in crore)

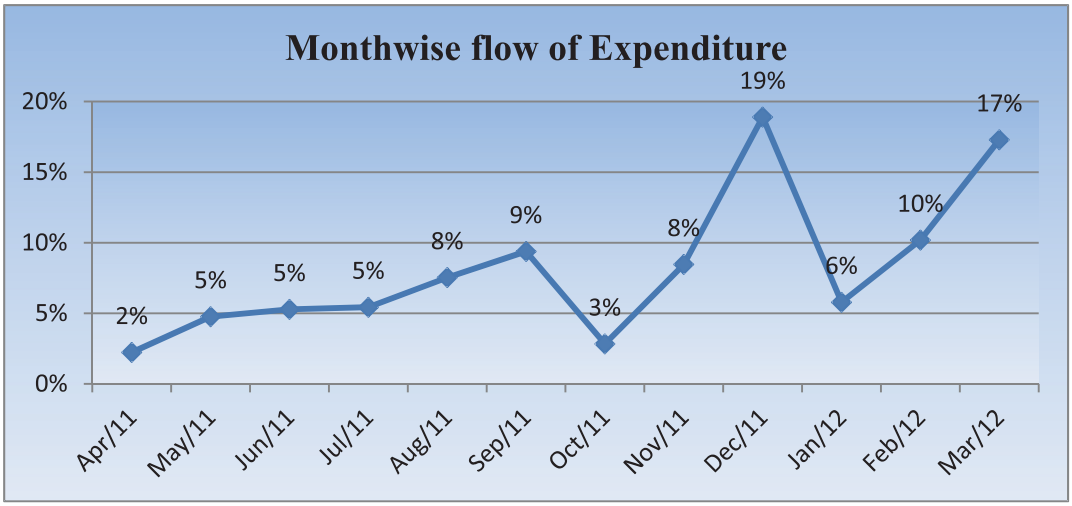
Year	Minor Head	Original Provision	Supplementary Grant obtained	Actual Disbursement	Savings
2010-11	Sub Major Head 01-Army050-Land(Voted)	52.54	300.00	44.72	307.82
-do-	202-Construction Works	4718.20	263.00	4074.65	906.55

It can be seen that in both the cases the entire supplementary demand and part of Original provision remained unspent. The Ministry should thus review its system of budgetary assumptions, adequacy of supplementary vis-à-vis original budget thoroughly.

5.9 Time Analysis of Expenditure

An important aspect of expenditure is avoidance of lumping of expenditure towards the end of the year. The chart below explains how the total expenditure of the Capital Outlay on Defence Services Grant has been disbursed through the financial year 2011-12.

Chart 5.2: Month-wise flow of expenditure



Note: percentage may not add up to 100 due to rounding.

5.10 Rush of expenditure in the last quarter/month of the year

Scrutiny revealed that the Ministry, contrary to the instructions of Ministry of Finance, incurred heavy expenditure during the period 2009-10 to 2011-12 during last quarter/month of the year as detailed below:

Table 5.5: Rush of Expenditure

Year	Budget Estimates	Expenditure in March	Percentage of expenditure in March	Expenditure incurred during last quarter	Percentage of expenditure during last quarter of financial year
	(₹in crore)			*(₹in crore)*	
2009-10	54824.00	17796.46	32	24034.37	44
2010-11	60000.00	19489.41	32	26680.89	44
2011-12	69198.81	11971.04	17	23023.62	33

Even though the year 2011-12, witnessed an improvement in the flow of expenditure vis-à-vis the years 2009-10 & 2010-11, it was notable that in the last six months of the financial year the expenditure was to the tune of 64 *per cent*, showing clear intra-year skewness in the spending pattern of the grant.

Grant No. 81- Ministry of Road Transport & Highways

5.11 Introduction

The Ministry is entrusted with the task of formulating and administering, in consultation with other Central Ministries/Departments, State Governments/UT Administrations, organisations and individuals, policies for road transport, national highways and transport research with a view to increasing the mobility and efficiency of the road transport system in the country. The Ministry has two wings: Roads wing and Transport wing. Roads wing deals with development and maintenance of national highways in the country. Transport wing deals with matters relating to road transport, legislation and administration of various Acts governing motor vehicles and road transport.

5.12 Budget & expenditure

The overall position of budget provision, actual disbursement and unspent provisions during the years 2009-12 is detailed below:

Table 5.6: Budget and Expenditure

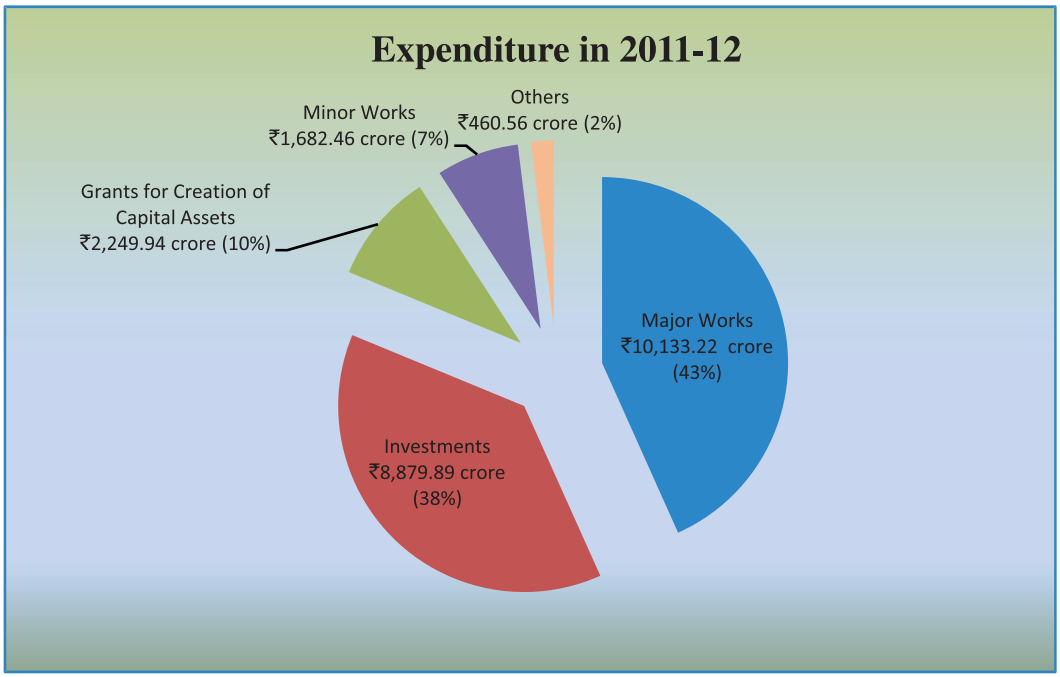
(₹in crore)

Year	Budget provision		Disbursement		Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2009-10	16896.57	16162.62	13796.82	14171.85	3099.75	1990.77
2010-11	18474.45	20426.73	17884.65	19473.82	589.80	952.91
2011-12	20026.47	22230.58	19374.64	18940.24	651.83	3290.34

5.13 Object head wise analysis of total expenditure

Object head wise analysis of total expenditure was carried out through e-lekha data base and five largest Object Heads and residuary Object heads merged under 'Others' are shown as below:

Chart 5.3: Object Head-wise Analysis



Note: Data Source: e-lekha; does not include journal entries; Object head 63-Inter Account Transfer and 70-Deduct Recoveries excluded.

A large chunk of expenditure (43 *per cent*) is incurred on major works mainly towards development of national highways, strategic and border roads. Around 38 *per cent* of the total expenditure is incurred towards investment (in the form of equity) in National Highways Authority of India which is a body/ authority. Most of the grants-in-aid booked in the account represent grants given to State Governments, Union Territories, and Border Road Transport Department mainly for creation of capital assets i.e., for formation, up gradation of the roads.

5.14 Surrender of unspent provisions on 31st March

Scrutiny revealed that contrary to the General Financial Rules, the Ministry surrendered savings on the last day of financial year during the last three years as detailed below:

Table 5.7: Surrender of Savings

Year	Savings		Amount surrendered		Date of surrender
	Revenue	Capital	Revenue	Capital	
	(₹in crore)				
2009-10	3099.75	1990.77	2539.92	1780.54	31.03.10
2010-11	589.80	952.91	127.71	223.43	31.03.11
2011-12	651.83	3290.34	40.74	2512.27	31.03.12

5.15 Savings not surrendered and allowed to lapse

Audit observed that during the years 2009-12, large amount of savings of ₹3350.79 crore was not surrendered and allowed to lapse as detailed below:

Table 5.8: Savings not surrendered

(₹ in crore)

Year	Savings not surrendered under Revenue section	Savings not surrendered under Capital section	Total savings not surrendered
2009-10	559.83	210.23	770.06
2010-11	462.09	729.48	1191.57
2011-12	611.09	778.07	1389.16
	Total		3350.79

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

5.16 Persistent Savings

Scrutiny of Appropriation Accounts for the years from 2009-12 revealed that there were persistent savings under the sub-heads, detailed in **Annex V-C**, during the last three years which indicated deficient financial management.

5.17 Non-utilisation of entire provision

Test check revealed that under a number of Sub-heads/Schemes, as detailed in **Annex V-D**, provisions remained unutilized during the period 2009-12 and were re-appropriated to other heads, defeating the purpose for which the original budget provisions were passed by the Parliament.

Due to non-utilization of the provisions, the schemes most affected were 'Roads in Pondicherry' and 'Roads of interstate or Economic importance'.

5.18 Savings of ₹ 100 crore or more

The Public Accounts Committee in its 60th report (10th Lok Sabha) had observed that savings of ₹100 crore or above in any section of a Grant or appropriation are indicative of deficient budgeting as well as shortfall in performance. It was therefore decided by the committee that each year a detailed explanatory note in respect of savings of ₹100 crore or above shall be furnished by the respective Ministry/Department to them.

Audit observed that there were savings of ₹100 crore or above in the voted portion of both revenue and capital section of grant during the years 2009-12 as detailed below:

Table 5.9: Savings of ₹100 crore or more

(₹in crore)

Year	Savings under Revenue section (Voted)	Savings under Capital section (Voted)
2009-10	3098.99	1987.90
2010-11	589.81	945.36
2011-12	651.83	3282.64

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

Scrutiny of Appropriation Accounts for the years 2009-12 revealed that under the sub-heads detailed in **Annex V-E**, there was large saving of more than ₹100 crore which was indicative of poor budgeting.

5.20 Unnecessary Supplementary Grants in Capital (Voted) Section

During the years 2009-12, though Supplementary Grants were obtained in Capital (voted) Section of the grant in anticipation of higher expenditure, but the total expenditure was less than even the original grants. This indicates lack of monitoring and expenditure control.

Table 5.10: Unnecessary Supplementary Grants in Capital (Voted) section

Year	Original Provision	Supplementary provision	Total provision	Actual disbursements	Savings	Percentage of savings to Supplementary provision
	(₹in crore)					
2009-10	15842.00	311.00	16153.00	14165.10	1987.90	639
2010-11	19826.56	591.97	20418.53	19473.17	945.36	160
2011-12	21490.00	731.38	22221.38	18938.74	3282.64	449

5.21 Unnecessary Supplementary Grants in Sub-heads

During the years 2009-12, in following cases, though Supplementary Grants were obtained in anticipation of higher expenditure, entire Supplementary Grant obtained under a sub-head remained unspent which shows lack of monitoring:

Table 5.11: Unnecessary Supplementary Grants

(₹in crore)

Year	Sub Head	Original provision	Supplementary Grant	Expenditure	Savings
2009-10	5054.02.337.03-Works under BRDB (Voted)	1460.00	156.00	1304.26	311.74
2011-12	3054.02.337.05-Maintenance by Border Roads wing	176.34	3.33	173.74	5.93
	5054.01.190.01-National Highways Authority of India	10342.89	731.37	8879.89	2194.37

5.22 Large Supplementary grant due to un-realistic budgeting

Scrutiny of Appropriation Accounts for the years 2009-12 revealed that large Supplementary Grants were obtained in following sub-heads which indicates that the Ministry did not prepare original estimates of expenditure on a realistic basis.

Table 5.12 Large supplementary grants

Year	Head of Account	Original provision	Supplementary grant	Percentage of supplementary grants to original provision
		(₹in crore)		
2009-10	4552.00.127.01-Road Development works under Roads wing and BRDB	311.00	52.00	17
	5054.02.337.03-Works under BRDB (Voted)	1460.00	156.00	11
2010-11	3054.01.337.01-Maintenance by Roads Wing	1032.86	1000.00	97
	3601.02.105.01-Grants for State Road	1819.17	816.35	45
2011-12	3054.01.337.01-Maintenance by Roads wing	983.25	300.00	31
	3054.80.797.01-Transfer to National Highways Permanent Bridges Fees Fund	2190.50	305.00	14

5.23 Injudious re-appropriation of funds to Sub-heads

Scrutiny revealed that re-appropriation of funds to the following sub-heads was injudicious as the original provision under the sub-heads was more than adequate. Consequently, final savings under the sub-heads were more than the amount re-appropriated to sub-heads as detailed below:

Table 5.13: injudious re-appropriation of funds

(₹in crore)

Year	Sub Head	Original provision	Re-appropriation (+)	Expenditure	Savings with relation to original
2009-10	3451.00.090.11-Ministry of Road Transport & Highways	98.21	4.96	87.02	11.19
2010-11	3451.00.090.11-Ministry of Road Transport & Highways	331.97	7.51	306.88	25.09
	3054.01.052.01-Maintenance of Machinery & Equipments	0.50	1.30	0.19	0.31
	3054.02.800.01-Bhutan Compensatory Allowance	7.90	0.58	5.67	2.23
2011-12	3054.02.337.05-Maintenance by Border Roads wing	176.34	8.64	173.74	2.60
	3054.02.337.06 – Roads maintenance other than National Highways	443.32	5.21	380.92	62.40

5.24 Misclassification of Capital expenditure as Revenue expenditure

As per Rule 8 of Delegation of Financial Power Rules, 1978, Object head 'Machinery and Equipments' fall under Object Class-6 (Acquisition of Capital assets & other Capital expenditure). However, it was observed that during the years 2009-10 to 2011-12 an expenditure of ₹ 0.56 crore had incorrectly been classified as revenue expenditure as detailed below:

Table 5.14: Misclassification of expenditure

(₹in crore)

Major Head	Object Head	Year	Budget provision	Expenditure
3054-Roads and Bridges	52-Machinery &Equipments	2009-10	2.00	0.37
		2010-11	0.50	0.19
		2011-12	2.00	Nil
	Total			**0.56**

The Ministry stated (October 2012) that the budget provision under the Major Head-3054 in respect of Machinery and Equipments have been kept for the purpose of maintenance of machineries & equipments relating to National Highways Works. The reply of the Ministry is not tenable. Instead of Object Head 52-Machinery and Equipments, the provisions could have been obtained and expenditure booked under the Object head 27-Minor works (which includes expenditure on repairs and maintenance of works, Machinery and Equipments).

5.25 Misclassification of Revenue expenditure as Capital expenditure

As per General Financial Rule 79, significant expenditure incurred for acquiring tangible assets of permanent nature shall be classified as capital expenditure. Subsequent charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in running order and also other expenses incurred for the day to day running of the organization including establishment and administrative expenses are to be classified as revenue expenditure. However it was observed that during the period 2009-10 to 2011-12 revenue expenditure of ₹5.22 crore had incorrectly been classified as capital as detailed below:

Table 5.15: Misclassification of expenditure

(₹in crore)

Major Head	Sl. No.	Object Head	Year	Expenditure
5054-Capital outlays on Roads and Bridges	1.	11-Domestic travel expenses	2009-10	1.20
			2010-11	1.34
			2011-12	1.71
		Total		4.25
	2.	20 - Other Administrative expenses	2009-10	0.04
			2010-11	0.68
			2011-12	0.25
		Total		**0.97**
		Grand total		**5.22**

In respect of Object Head-11-Domestic travel expenses, the Ministry replied (October 2012) that the expenditure under Major Head 5054-Supervision of National Highways was booked by all the regional Pay and Accounts Offices (National Highways) for inspection of National Highways inspected by the Regional officer (Civil) situated all over India.

For expenditure of revenue nature, Ministry ought to obtain provision under revenue major heads and book the expenditure accordingly.

5.26 Booking of expenditure with '00-Object head'

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 and all the DDOs were to comply with these instructions scrupulously. During the test check of the e-Lekha data provided by the CGA, it was observed that an expenditure of ₹68.78 lakh was booked under the capital section of the grant against the object head-'00' which does not exist and not covered by the extant rules.

5.27 Expenditure incurred prior to date of re-appropriation

Test check of Appropriation Accounts revealed that during the year 2011-12, there was a nil budget provision under the Head 3055.00.004.24.01.35-Grants for creation of Capital assets. Token Supplementary was obtained by the Ministry in the second batch of Supplementary Grants (November 2011) for setting up of Inspection & Maintenance Centres (₹84 crore). It was observed that though the funds of ₹84 crore were re-appropriated to the above Head on 5 March 2012, yet an amount of ₹ 1.50 crore had already been incurred up to 22 February 2012 (as observed from e-lekha) i.e. prior to date of re-appropriation.

Hence expenditure of ₹1.50 crore was incurred without availability of provision on the date of expenditure

5.28 Parking of Funds outside the Government Accounts

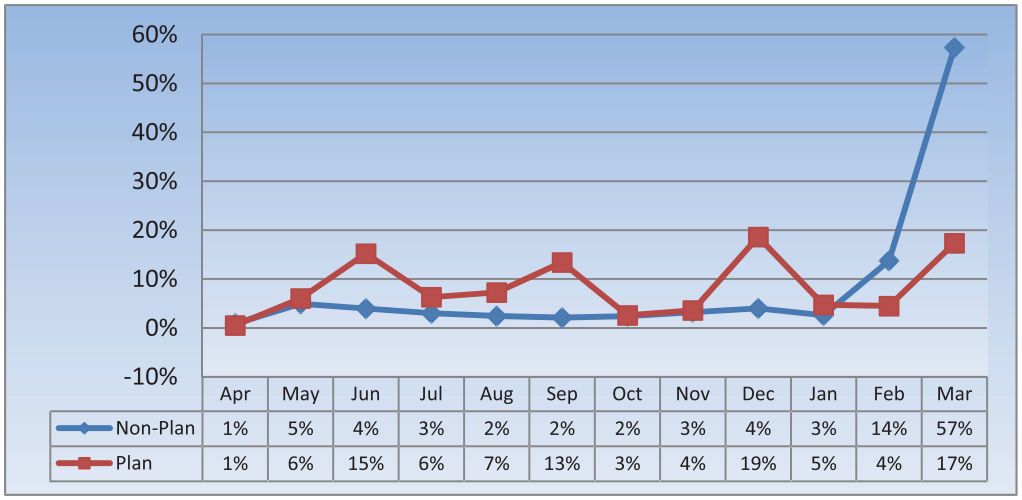
The Ministry of Finance issued instructions in July 2011 that the pace of expenditure during the month of March should be restricted to 15 *per cent* of the budget estimates. The instructions also indicate that payments in the last month should be only for goods and services actually procured and for reimbursement of expenditure already incurred but not for advance payments albeit some exceptions are allowed. The Ministry of Road Transport & Highways (MORTH) as part of providing budgetary support to National Highways Authority of India (NHAI) for incurring expenditure on development of National Highways (annuity expenditure), operation and maintenance of National Highways, and for repayment of loans etc. released an amount of ₹2692.89 crore in 2011-12 to

NHAI. Out of this amount of ₹2692.89 crore, ₹1105.78 crore, which is 41.06 *per cent* of the total amount, was released by the Ministry to NHAI in the month of March, (₹451.57 crore on 29 March 2012 and ₹654.21 crore on 27 March 2012) despite the fact that the NHAI balance sheet showed that it had already parked the funds in fixed deposits over years. The NHAI parked these funds released in March 2012 amounting to ₹1000 crore in fixed deposits. Release of funds to NHAI in the month of March not only indicates that there is deficiency in monthly expenditure plan of the Ministry but also resulted in parking of funds outside the Government account.

5.29 Trend of expenditure

Rules envisage that the expenditure should be spread throughout the year and it shall the responsibility of the Controlling Officers to monitor the progress of expenditure and assess the likely hood of any savings or excesses every month. However, as could be seen from the chart the expenditure was not evenly spread throughout the year.

Chart 5.4: Trend of Expenditure during the Year 2011-12



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Non-Plan	1%	5%	4%	3%	2%	2%	2%	3%	4%	3%	14%	57%
Plan	1%	6%	15%	6%	7%	13%	3%	4%	19%	5%	4%	17%

Source: e-lekha does not include journal entries. Object head '63-Inter-account Transfer' and '70-Deduct Recoveries' excluded.

The chart points to the fact that non-plan expenditure which ranged between one to five *per cent* during the first ten months of the year, suddenly jumped to 14 *per cent* in February 2012 and 57 *per cent* in March 2012. In the last quarter, non-plan expenditure works out to as much as 74 *per cent* of the total non-plan expenditure. The main reason for spurt in month of March was booking of ₹1670 crore for major works under Border Roads Development Board. The plan expenditure during 2011-12 did not witness a rush in the last quarter. There were, however, quarterly spurts observed in plan expenditure in the month of June, September, December and March.

5.30 Rush of expenditure

The Ministry of Finance have issued instructions in September 2007 to restrict expenditure during the month of March and last quarter of the financial year to 15% and 33% respectively of the budgeted estimates. Contrary to this, huge expenditure was made in the month of March and last quarter of financial years 2010-11 and 2011-12 as detailed below:

Table 5.16: Rush of expenditure

Year	Budget estimates (original allocation for the whole grant) (₹ in crore)	Expenditure in March (₹ in crore)	Percentage of expenditure in March (in comparison with budget estimates)	Expenditure incurred during last quarter (₹ in crore)	Percentage of expenditure(in comparison with budget estimate during last quarter of financial year)
2010-11	35925.30	8632.85	24	13790.38	38
2011-12	40740.51	8705.75	21	#	#

Expenditure was within the prescribed limits.

5.31 Large expenditure on last day of financial year

Analysis of e-lekha database revealed that under the following object heads, large expenditure was booked on the last day of the financial year, i.e. 31 March 2012.

Table 5.17 Large expenditure on 31st March

Sl. No.	Object Head	Expenditure during 2011-12	Expenditure on 31st March 2012	Percentage of expenditure incurred on 31st March to total expenditure
		(₹ in crore)		
1.	35-Grants for creation of Capital assets	2249.94	697.40	30
2.	63-Inter Account transfers	14874.69	4299.81	29
3.	53-Major works	10133.22	2713.12	20
4.	54-Investments	8879.89	654.21	7

It was also seen that expenditure of ₹8,632 crore was incurred on 31 March 2012 which constituted 23 *per cent* of total expenditure under this grant during 2011-12.

5.32 Deficient Internal Audit

The Internal Audit Wing of Ministry of Road Transport & Highways functions under the administrative control of the Principal Chief Controller of Accounts, Ministry of Shipping, Road Transport and Highways. Details of Internal Audit conducted during the last three years against the target fixed in respect of the Ministry are as under:

Table 5.18 Deficient Internal Audit

Year	Total no. of units under Audit jurisdiction	No. of units planned to be audited	Actual no. of units audited	Percentage of shortfall
2009-10	339	155	121	22
2010-11	309	148	107	28
2011-12	339	152	99	35

The above details indicate that there was shortfall ranging from 22 to 35 *per cent* against the targeted units during the years 2009-12.

Grant No. 105-Ministry of Women and Child Development

5.33 Introduction

The Ministry of Women and Child Development is the nodal Ministry for the advancement of women and children. The Ministry formulates plans, policies and programmes; enacts/ amends legislation, guides and coordinates the efforts of both governmental and non-governmental organisations working in the field of Women and Child Development. Besides, the Ministry implements certain innovative programmes for women and children, which covers welfare and support services, training for employment and income generation, awareness generation and gender sensitization. These programmes play a supplementary and complementary role to the other general developmental programmes in the sectors of health, education, rural development etc. All these efforts are directed to ensure that women are empowered both economically and socially and thus become partners in national development along with men.

5.34 Budget and expenditure

The overall position of budget provisions, actual disbursements and savings during the period 2009-10 to 2011-12 is detailed below:

Table 5.19: Year-wise budget and expenditure

(₹in crore)

Year	Budget provision		Actual disbursement		Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2009-10	8628.02	Nil	8558.10	Nil	69.92	Nil
2010-11	11070.55	Nil	10699.99	Nil	370.56	Nil
2011-12	16183.04	Nil	15676.06	Nil	506.98	Nil

5.35 Non-reconciliation of expenditure

As per Rule 52 (5) of the General Financial Rules, 2005, the Head of Department and the Accounts Officer shall be jointly responsible for the monthly reconciliation of the figures given in the accounts maintained by the Head of the Department with those appearing in the Accounts Officer's book.

Scrutiny of records revealed that there was difference between figures of actual savings and reported to Ministry of Finance in Revenue Section as detailed below which resulted into less surrender of savings by the Ministry.

Table 5.20: Non-reconciliation of expenditure

(₹in crore)

Year	Actual savings	Savings Reported to MoF	Difference
2009-10	69.92	66.61	3.31
2010-11	370.56	364.63	5.93
2011-12	506.98	499.66	7.32

As shown above, the two sets of figures for savings points out that there exists no system of monthly reconciliation of the figures given in the accounts maintained by the Head of the Department with those appearing in the books of Pay and Accounts Office.

Ministry stated that difference in amount of surrender and actual savings was due to variation in expenditure at different stages of appropriation account.

Reply is not tenable as difference in two sets of accounts was due to non-reconciliation of figures with PAO. Had the savings been surrendered as soon as these were foreseen, the amount could have been fruitfully utilized in other/projects of the Government.

5.36 Major components of expenditure

Table below shows expenditure on grants-in-aid (including grants-in-aid general, capital creation and salary), which as a proportion of the total expenditure during the period 2009-12 ranged between 99 and 100 *per cent*.

Table 5.21: Major components of expenditure

(₹in crore)

	Expenditure			Grant-in-aid		
Year	Plan	Non-Plan	Total	Plan (*per cent*)	Non-Plan (*per cent*)	Total (*per cent*)
2009-10	8484.43	73.67	8558.10	8448.89 (100)	39.90 (54)	8488.79 (99)
2010-11	10634.70	71.23	10705.93	10572.32 (99)	37.13 (52)	10609.45 (99)
2011-12	15597.15	78.91	15676.06	15565.03 (100)	41.50 (53)	15606.53 (100)

Note: For years 2009-10 and 2010-11 figures have been taken from DDG 2011-12 and 2012-13 respectively. Figures of expenditure for 2011-12 have been taken from e-lekha

5.37 Surrender of savings

Scrutiny of records for the year 2009-12 revealed that the Ministry surrendered its savings on the last day of the year in all the three years under review, in contravention of extant rule as detailed below:

Table 5.22: Surrender of Savings

Year	Budget Provision	Actual Disbursement	Unspent Provision	Amount Surrendered	Date of Surrender
	(₹in crore)				
2009-10	8628.02	8558.10	69.92	66.61	31.03.2010
2010-11	11070.55	10699.99	370.56	364.63	31.03.2011
2011-12	16183.04	15676.06	506.98	499.66	31.03.2012

Since, the savings was surrendered on the last day of the financial years, it displays inefficient system of monitoring of expenditure in as much as the savings were not foreseen by the Ministry well in time. Moreover, the Ministry had not surrendered ₹3.31 crore, ₹5.93 crore and ₹7.32 crore and these were allowed to lapse during the years 2009-10, 2010-11 and 2011-12 respectively.

The Ministry stated (January 2013) that proposals from the implementing agencies were received throughout the year and it is not possible to estimate the surplus funds till almost near the closure of financial years. Funds are surrendered when it becomes clear that there is no possibility of utilization.

The reply is not tenable in view of the enabling provision in the GFR which states that savings as well as provisions that cannot be utilised should be surrendered immediately as these are foreseen without waiting till the end of the year.

5.38 Persistent savings

Scrutiny of the appropriation accounts revealed that there were persistent savings under the revenue section of the grant during the years 2009-12 as per **Annex V-F** and were re-appropriated to other heads defeating the purpose for which the budget provisions were passed by the Parliament. Large unspent provisions under the grant reflected deficient budgeting by the Ministry. A few schemes affected by large persistent savings[1] are discussed below:

a) Integrated Child Protection Scheme (ICPS)

The Integrated Child Protection Scheme (ICPS) is expected to significantly contribute to the realization of Government/State responsibility of creating a system that will efficiently and effectively protect children by putting in place and strengthening necessary structures and mechanisms for effective implementation of the scheme at national, regional, state and district level.

Scrutiny of records revealed that the pace of implementation of the scheme during 2009-12 was slow and savings ranged from 29 to 62 *per cent* of the total provisions as detailed below:

[1] The figures in AnnexV-F may not tally with the figures of savings in individual schemes as savings in heads pertaining to North Eastern Region have not been included in the Annex.

Table 5.23: Persistent Savings in Integrated Child Protection Scheme (ICPS)

Year	Total provision	Actual disbursement	Savings	Percentage of savings to total provision
	(₹ in crore)			
2009-10	60.00	42.63	17.37	29
2010-11	300.00	115.11	184.89	62
2011-12	270.00	177.30	92.70	34

b) Priyadarshni

The scheme aims to empowering women and adolescent girls by helping them establish sustainable grass-roots institutions and by ensuring that they have access to microfinance and business development services. It is intended to promote diversification of women's opportunities for livelihood, both on-farm and off-farm, and it supports development of a sustainable livelihood base for women that will be integrated into the wider economy.

Scrutiny of records revealed that implementation of the scheme was not up to the expectations because savings under the scheme ranged from 80 to 100 *per cent* of the total provisions during 2009-12 as detailed in table below:

Table 5.24: Persistent savings in Priyadarshni scheme

Year	Total provision	Actual disbursement	Savings	Percentage of savings to total provision
	(₹ in crore)			
2009-10	27.00	0.04	26.96	100
2010-11	29.79	5.90	23.89	80
2011-12	26.10	0.15	25.95	99

c) National Mission of Empowerment of Women

The National Mission for Empowerment of Women (NMEW) was launched on International Women's Day in the year 2010 with the aim to strengthen overall processes that promote all-round development of women. It has the mandate to strengthen the inter-sector convergence, facilitate the process of coordinating all the women's welfare and socio-economic development programmes across ministries and departments. The Mission aims to provide a single window service for all programmes run by the Government for Women under aegis of various Central Ministries.

Scrutiny of records revealed that the pace of implementation of the scheme was slow and savings ranged from 81 to 100 *per cent* during the period 2009-12 as detailed below:

Table 5.25: Persistent savings in National Mission for Empowerment of Women (NMEW)

Year	Total provision	Actual disbursement	Savings	Percentage of savings to total provision
	(₹ in crore)			
2009-10	1.00	Nil	1.00	100
2010-11	40.00	Nil	40.00	100
2011-12	40.00	7.63	32.37	81

d) Rajiv Gandhi Scheme for Empowerment of Adolescent Girls

Rajiv Gandhi Scheme for Empowerment of Adolescent Girls called SABLA aims at empowering adolescent girls (AGs) of 11-18 years with focus on out-of-school girls by improvement in their nutritional and health status and upgrading various skills like home skills, life skills and vocational skills. The scheme also aims at equipping the girls on family welfare, health hygiene etc. and information and guidance on existing public services along with aiming to mainstream out of school girls into formal or non-formal education. For the nutrition provision, 11-14 years out of school AGs and all girls of 15-18 years would be covered since Mid-day meals do not cover 15-18 years girls.

Scrutiny of records revealed that the Ministry made budget proposal without making any assessment of actual requirement of funds during 2009-12 which resulted in funds ranging from 19 to 100 *per cent* remained unspent as detailed below:

Table 5.26: Persistent Savings in Rajiv Gandhi Scheme for empowerment of adolescent girls (SABLA)

(₹ in crore)

Year	Total provision	Actual disbursement	Savings	Percentage of savings to total provision
	(₹ in crore)			
2009-10	110.00	Nil	110.00	100
2010-11	1000.00	329.51	670.49	67
2011-12	727.80	589.81	137.99	19

e) Indira Gandhi Matritva Sahyog Yojana (CMB[2] Scheme)

The Indira Gandhi Matritva Sahyog Yojana Scheme is a special intervention designed to target pregnant and lactating mothers on a pilot basis. The main objectives of the scheme are to improve the health and nutrition status of pregnant and lactating women and infants by promoting appropriate practices, care and service utilisation during pregnancy, safe delivery and lactation.

[2] Conditional Maternity Benefit

Scrutiny of records revealed that implementation of the scheme was not up to the expectations because savings noticed under the scheme ranged from 43 to 100 *per cent* during the period of 2009-12 as detailed below:

Table 5.27: Persistent Savings in Indira Gandhi Matritva Sahyog Yojana

Year	Total provision	Actual disbursement	Savings	Percentage of savings to total provision
	(₹ in crore)			
2009-10	4.00	Nil	4.00	100
2010-11	390.00	116.24	273.76	70
2011-12	511.00	289.82	221.18	43

The Ministry attributed the reasons of persistent unspent provisions to non-receipt of complete proposals from the concerned organisations/states.

The Ministry also stated (January 2013) that the budget allocations were not lowered in the subsequent years inspite of savings in the previous years under the schemes mentioned above, as more expenditure was anticipated due to the fact that the schemes were new and were picking up slowly. However, care would be taken in future to be more realistic.

The reply of the Ministry is not tenable as there were persistent savings under various schemes which indicates that in spite of unspent provisions in the previous years under these schemes, the Ministry did not make the budget estimates more realistic to avoid large savings in the subsequent years.

5.39 Non-utilization of entire provision

Scrutiny of appropriation accounts for the years 2009-12 revealed that the entire provisions of ₹10 crore or more remained unutilized under the sub-heads explained in **Annex V-G**. Savings of entire provision is indicative of the fact that the estimates were not prepared after adequate pre-budget scrutiny of the projects and schemes. The Ministry attributed these savings to non-approval of the schemes. A few such schemes are discussed below:

(A) RELIEF TO AND REHABILITATION OF RAPE VICTIMS

On the directions of the Supreme Court of India to constitute Board to compensate the financial losses suffered by the rape victims, Committee of Secretaries (COS) decided in March 2006 to implement the Supreme Court's judgement and approached the Planning Commission in March 2006 for in-principle approval to implement the scheme 'Relief to and rehabilitation of Rape victims'. The Ministry circulated draft note for the Expenditure Finance Committee for comments in July 2010 only. Entire provision of ₹239.02 crore allocated during the period 2009-10 to 2011-12 remained unutilized as the Planning Commission withheld its formal approval to the new scheme.

(B) SWAYAMSIDHA

Swayamsidha is an integrated scheme for women's empowerment. It is based on formation of women into Self Help Groups (SHGs) and aims at their empowerment through awareness generation, economic empowerment and convergence of various schemes. First phase of the scheme was ended on 31 March 2008. The Ministry obtained in-principle approval from the Planning commission in April 2007 to launch Phase –II of the scheme. The Ministry circulated draft note in April 2009 for the Expenditure Finance Committee for continuation of the scheme as Swayamsidha Phase –II. Furthermore, entire provisions of ₹28 crore allocated during the period 2009-10 to 2011-12 remained unutilized as the Planning Commission did not support the proposal.

(C) NATIONAL CREDIT FUND FOR WOMEN (RMK)

Rashtriya Mahila Kosh (RMK) was set up as a society in 1993. To study and recommend strategies for speedy socio-economic development and historic empowerment of women, the Hon'ble President of India constituted a Committee of Governors in September 2008 which recommended that RMK be upgraded as Development Bank for women with an enhanced corpus of ₹3000 crore. Subsequently, a Group of Ministries recommended that RMK may be restructured with appropriate enhancement of its authorized and paid up capital so that it can function as a single window facilitator for women SHGs. Following this Governing Body headed by Minister of WCD decided in February 2010 to convert it to government owned 'Non-Deposit taking-Systemically Important Government Company'. The Ministry circulated Memorandum for the Expenditure Finance Committee in August 2011. The entire provision of ₹15 crore and ₹100 crore remained unutilized during 2010-11 and 2011-12 respectively as the Ministry failed to obtain approval from the competent authority to restructure of funds.

(D) WORLD BANK ICDS IV PROJECT

The project is premised to bring about basic reforms in ICDS design and implementation and to build essential managerial and technical capacities at centre and state levels to support the implementation of the reforms. In-principle approval of the Planning Commission was received in September 2009 but the Ministry circulated draft memorandum for Expenditure Finance Committee (EFC) in April 2011 and revised EFC in March 2012 only. Under this project entire provision of ₹126 crore and ₹330 crore remained unutilized during 2010-11 and 2011-12 respectively as the Ministry failed to obtain the final approval of the Planning Commission.

(E) NATIONAL NUTRITION MISSION

The National Nutrition Mission (NNM) under the chairmanship of Prime Minister was set up in July, 2003. No meeting of the NNM could take place despite requests from WCD to PMO. However, three meetings of the Executive Committee of NNM were held during the period 2004-2008. Later PMO notified Prime Minister's National Council on India's Nutrition challenges in October 2008 and advised WCD Ministry to rescind the notification of July 2003 constituting the NNM which did not take place. In compliance of the decision taken by the Prime Minister's National Council on India's Nutrition challenges, the approval of Expenditure Finance Committee (EFC) was obtained in March 2012 for the nationwide Information, Education and Communication (IEC) campaign against malnutrition. But the 'in principle' approval of the Planning Commission is still awaited. Thus the entire provision of ₹100 crore allocated during 2011-12 remained unutilized.

The Ministry while confirming (January 2013) the audit observation stated that the entire provision remained unutilised under the above schemes mentioned in the letter due to non-receipt of the final approval from the competent authority. The budget allocation was kept under the scheme as the approval was anticipated during the year.

Thus, the Ministry did not prepare its estimates taking into account whether the scheme is approved by the competent authority resulting in persistent saving of whole provision under the schemes. This trend also reflects that scrutiny of budget estimates submitted by Ministry to Ministry of Finance was also not fool proof it allowed budgeting for such schemes which have not been approved in principle by the competent authority. Savings of entire provision has also provided an unintended cushion to the Ministry to divert the unutilised fund to some schemes by utilising its power of re-appropriation of savings in the same section of the grant.

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

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. **Annex V-H** gives the details of four such cases where savings of Rs.100 crore or more occurred under sub-heads. Necessary steps need to be taken to make its budgetary exercise more realistic not only to minimise large scale variations between estimates and actual but also to gainfully utilise the scare resources. The Ministry should also review its system of budgetary assumptions or/and efficiency of its programme management.

The Ministry attributed (January 2013) the reasons of savings under various heads to delay in approval of the scheme by Planning commission, non-receipt of proposal from states, non-implementation of the schemes by the States etc. which is not satisfactory as the Ministry should have prepared the budget conservatively keeping in view the final approval pending with other bodies and slow implementation of the new schemes by the States.

5.41 Large supplementary grants due to unrealistic budgetary provisions

Under Article 114 of the Constitution of India, the Parliament authorises the Government to appropriate specified sums from the consolidated fund of India. In term of article 115 of the Constitution, additional grants are obtained through supplementary demands for grants, which are authorized by the Parliament. While preparing the estimates of expenditure, Ministries/Departments are required to keep in view the trends of disbursements during the previous years and take due

care so that all inescapable and foreseeable expenditure are made in the estimates before they are submitted to the Ministry of Finance.

Scrutiny of the Head-wise Appropriation accounts revealed that in four cases, the Ministry obtained large supplementary grants ranging from 18 *per cent* to 143 *per cent* of the original provisions as detailed below:

Table 5.28: Large supplementary grants due to unrealistic budgetary provisions

Sl. No.	Sub-head	Original provision	Supplementary grant	Percentage of supplementary grant
		(₹ in crore)		
2009-10				
1.	2552.00.124.04-Integrated Child Development Services	678.70	120.00	18
2.	3601.04.358.05-Integrated Child Development Services	5911.21	1080.00	18
2011-12				
3.	2552.00.124.04-Integrated Child Development Services	240.51	345.00	143
4.	3601.04.358.05-Integrated Child Development Services	6331.45	3093.25	49

This indicates that the Ministry did not prepare its initial estimates of expenditure on a realistic basis. The Ministry stated (January 2013) that the supplementary grant was required to meet the committed liabilities i.e. payment of salary/honorarium to ICDS functionaries.

Reply of the Ministry is not tenable as the fact remains that the initial budgeting was not realistic and hence, huge amount of supplementary grants was required.

5.42 Misclassification of expenditure of capital nature as revenue expenditure

Rule 8 of the Delegation of Financial Powers Rules, 1978, categorizes the object head '51-Motor Vehicle' under the Object Class-6 (acquisition of Capital Assets and other Capital expenditure).

However, scrutiny of classified abstract for the years 2009-12 revealed that an amount of ₹26.03 lakh under Major-Head 2236 had been incorrectly booked under 'Motor Vehicle' under the Revenue head which should have been classified under the Capital head as detailed below:

Table 5.29: Misclassification of capital expenditure as revenue expenditure

(₹in lakh)

Year	Major head	Object head	Budget provision	Amount of Expenditure
2009-10	2236	51	15.00	9.13
2010-11	2236	51	15.00	7.60
2011-12	2236	51	10.00	9.30
Total				**26.03**

5.43 Non-disclosure of break-up of lump sum provision

Rule 8 of Delegation of Financial Power Rules, 1978 stipulates that lump sum provision (object head 42) will include expenditure in respect of scheme/sub-scheme/organization where the provision does not exceed ₹10 lakh. In all other cases break-up of expenditure must be given. Scrutiny revealed that the Ministry made provision exceeding ₹10 lakh during all the three years and booked expenditure under object head 42-lumpsum provision as detailed below but did not provide break-up of expenditure.

Table 5.30: Lump provision in Grant No. 105

(₹in lakh)

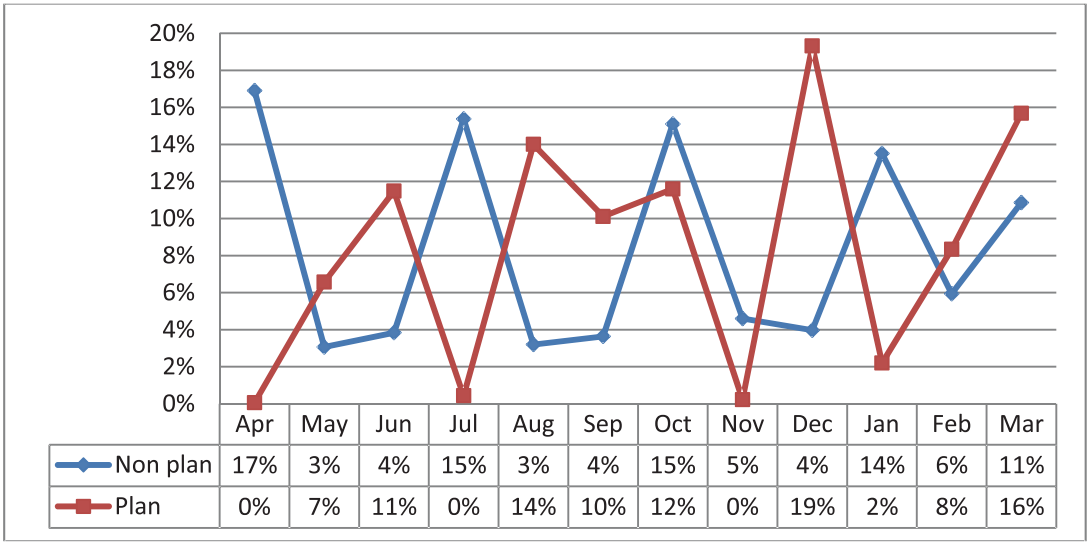
Year	Object-head	Provision	Expenditure
2009-10	2235.02.103.17.00.42	20.00	8.74
2010-11	2235.02.103.17.00.42	20.00	16.00
2011-12	2235.02.103.17.00.42	720.00	45.04

The Ministry stated (January 2013) that break-up of expenditure under this object head cannot be given. It was however, added that expenditure of meetings/conferences and other miscellaneous items was being booked under this object head for many years. The Ministry also regretted its lapse and stated that this kind of expenditure will be booked under the object head 'Other Administrative Expenses' from next year onwards.

5.44 Rush of expenditure

An important aspect of expenditure management is avoidance of lumping of expenditure towards the end of the year. The following chart brings out how the total expenditure and within it plan and non-plan expenditure have been disbursed through the financial year.

Chart 5.5: Trend Analysis



Note: percentage may not add up to 100 due to rounding.

This chart shows that 82 *per cent* of total expenditure incurred on the grant was incurred in the six months, i.e., June, August, September, October, December 2011 and March, 2012 and balance was incurred in the remaining six months. Plan and Non-Plan-wise analysis shows that under the Non-Plan 72 *per cent* of the expenditure was incurred in five months, i.e., April, July, October 2011, January and March 2012. The department should examine the reasons for lumping of expenditure.

Details of budget estimates and expenditure incurred in the month of March and during last quarter of the financial years 2010-11 and 2011-12 are as under:

Table 5.31: Rush of expenditure

Object-head	Budget Estimates	Total Expenditure	Percentage of expenditure in March (including supplementary account)	Percentage of expenditure in the last quarter (including supplementary account)
	(₹ in crore)			
2010-11				
6- Medical Treatment	0.44	0.33	18	-
12- Foreign Travel Expenses	0.73	0.75	22	40
13- Office Expenses	3.60	3.69	17	35
14 – Rent, Rates and taxes	0.50	1.30	188	188
26- Advertisement and Publicity	0.01	0.01	100	100
32 –Contributions	13.90	11.32	28	81
50- Other Charges	65.93	39.29	44	53
2011-12				
2- Wages	0.20	0.62	45	95
6- Medical Treatment	0.65	0.38	15	-
14 – Rent, Rates and taxes	0.50	3.67	132	598
16- Publications	0.12	0.13	25	-
31-Grants-in-aid- General	12371.29	15544.49	19	-
32 –Contributions	13.90	10.54	28	-

Source: e-lekha for 2010-11 and 2011-12

Note: The percentages in above table has been calculated w.r.t Budget estimates

Besides above, the Ministry also released ₹89.82 crore, ₹602.95 crore and ₹607.35 crore on the last day of financial year 2009-10, 2010-11 and 2011-12 respectively.

The Ministry while regretting (January 2013) the rush of expenditure stated that the care would be taken in future.

5.45 Deficient cash management: non-compliance to MEP Instructions

Ministry of Finance issued instructions in December 2006 regarding cash management in Central Government, which *inter alia* provide that:

- In respect of each Demand for Grant, Monthly Expenditure Plan (separately for Plan and Non-Plan Expenditure) (MEP) would be worked out and included as an annex to the Detailed Demand for Grant in respect of the said Demand for Grant.
- MEP would form the basis of Quarterly Expenditure Allocation (QEA). The Department/Ministries concerned may not issue cheques beyond the Quarterly Expenditure Allocation (which would be equal to the sum of provisions under Monthly Expenditure Plan) without prior consent of Ministry of Finance (Cash Management Cell, Budget Division).
- Savings, if any, incurred under the Quarterly Expenditure Allocations (QEA) would not be available for automatic carry forward to the next quarter. The Department/Ministry may, however, approach Ministry of finance for revalidation of such savings through modification in the Monthly Expenditure Plan (MEP) and thereby the Quarterly Expenditure Allocations.

QEA plan prepared on the basis on MEP and the actual expenditure incurred under each quarter for the period 2009-12 are given below:

Table 5.32: Deficient Cash Management

(₹ in crore)

Year	Quarter	Allocation (Plan)	Expenditure	Savings (-)/ Excess (+)
2009-10	First (ending June)	2210	1879.73	(-) 330.27
	Second (ending September)	1530	1859.97	(+) 329.97
	Third (ending December)	1860	1665.55	(-) 194.45
	Fourth (ending March)	1750+1200♣ =2950	3079.18	(+) 129.18
2010-11	First (ending June)	3000	2812.51	(-) 187.49
	Second (ending September)	2500	2669.21	(+) 169.21
	Third (ending December	2750	1886.09	(-) 863.91
	Fourth (ending March)	2750	3266.89	(+) 516.89

Year	Quarter	Allocation (Plan)	Expenditure	Savings (-)/ Excess (+)
2011-12	First (ending June)	3500	2826.27	(-) 673.73
	Second (ending September)	2825	3819.19	(+) 994.19
	Third (ending December	3160+3450♣ =6610	4862.22	(-)1747.78
	Fourth (ending March)	3165	4089.47	(+) 924.47

The above table reveals that expenditure was not consistent with the QEA Plan in all the quarters. In the second quarter of 2011-12, the Ministry incurred excess expenditure beyond the modified Quarterly Expenditure Allocation without prior consent of the Ministry of Finance which reflects their deficient financial control and management.

The Ministry stated (January 2013) that efforts will be made to adhere to MEP and QEP as far as possible.

5.46 Deficient Internal Audit

The internal audit of the Ministry of Women and Child Development is under the control of the Chief Controller of Accounts (CCA), Ministry of Human Resource Development, who is also in charge of Accounts and Pay and accounts functions. Thus, the internal audit function is not independent. The internal audit was conducted by only four officials of the CCA, who also audit six other Ministries.

Scrutiny of records of the internal audit wing revealed that the internal audit system is deficient as discussed below:

- Ministry had 30 auditable units viz, 15 divisions in the Ministry, six autonomous bodies, one attached office (Food and Nutrition Board, Delhi), four Pay & Accounts offices, one DDO (cash) and three Deputy Technical Advisors. However, the CCA had identified only nine units against the existing 30 units for audit.
- The Internal audit Wing conducted audit of only eight units (four units each in 2010-11and 2011-12) during the period 2009-12.
- The internal audit wing did not prepare the annual audit plan with reference to all auditable units, their expenditure, materiality and risk analysis.
- Internal audit manual and auditing standards lying down internal auditing guidelines had not been prepared.
- There were 175 paras outstanding as of August 2012 but the Ministry had not taken effective remedial measures to settle these outstanding paras.

♣ Supplementary grant

Internal Audit Wing of the Ministry of Human Resource Development stated that only 15 units are auditable i.e. nine units and six autonomous bodies. The reply is factually incorrect as the internal audit wing has 30 auditable units however, it has mapped nine units. Moreover, internal audit wing had been preparing audit plan taking into account only nine units instead of 15 units as identified by them.

5.47 Outstanding utilization certificates

Ministry of Finance notified (May 2011) the Indian Government Accounting Standards (IGAS) 2-"Accounting and Classification of Grant-in-aid". The objective of the IGAS 2 is to prescribe the appropriate principles for accounting and classification of GIA in the Financial Statements of Government both as a grantor as well as grantee. Further, as per these standards, Ministries are required to make appropriate disclosures in the Financial Statements with view to remove any difficulties experienced in adherence to the appropriate principles of accounting and classification of Grant-in-aid.

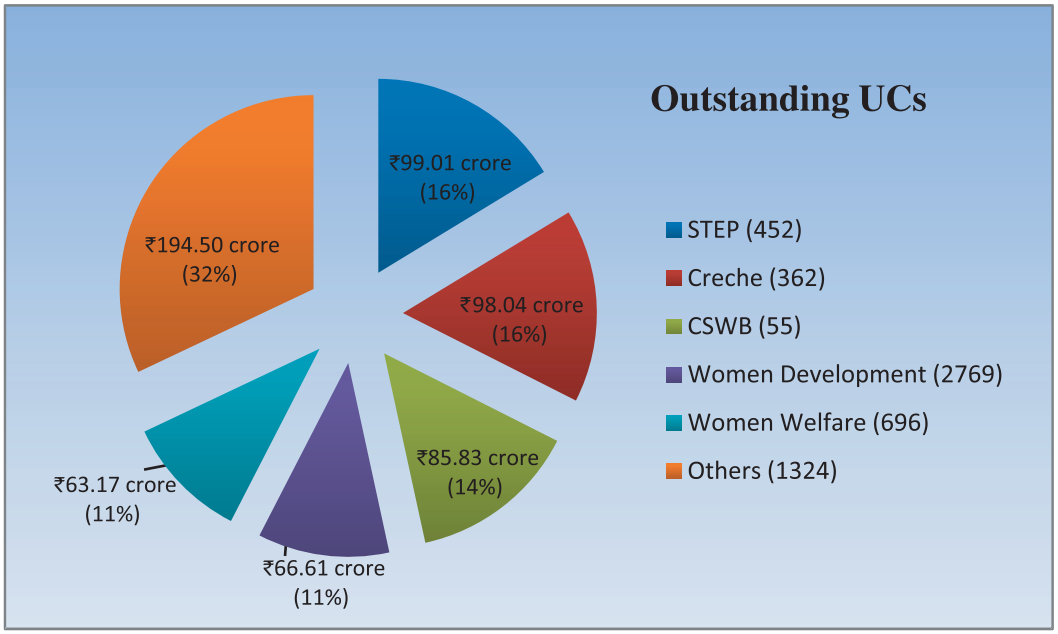
As per Rule 212 (1) of the General Financial Rules 2005, the certificates of actual utilization of the grants received for the purpose for which they were sanctioned are required to be submitted within 12 months of the closure of the financial year by the institution or organization concerned. The purpose of furnishing the utilization certificates is to ensure that the grants had been utilized properly for the purpose for which these were sanctioned and where the grants were released with certain conditions; the prescribed conditions had been fulfilled. Where the certificate is not received within the prescribed period, the Ministry/State Government will be at liberty to blacklist such institution or organization from any such grant, subsidy or other financial support.

Scrutiny of records for outstanding utilization certificates maintained by the Pay and Account Office of the Ministry of Women and Child Development disclosed the following:

- Though most (99 *per cent*) of the expenditure as discussed in para 5.36 is on Grants-in-aid it was noticed that the Ministry was not maintaining the records of the grantees category as per IGAS-2 requirement and no disclosures as prescribed were found on records.
- There were 5658 UCs involving an amount of ₹607.16 crore were outstanding in respect of grant-in-aid released by the Ministry up to 2011-12 as per **Annex V-I**. The earliest period of the grants sanctioned for which utilization certificate is outstanding pertains as back as to the year 1986-87.
- Further the Ministry neither initiated any action to blacklist the defaulter institutions/organisations nor made any efforts to reduce the pendency of the outstanding utilization certificates.

The division wise details of outstanding utilization certificates disclosed that five divisions namely STEP[3], Women Development, Women Welfare, Crèche and CSWB[4] accounted for around 77 *per cent* of the total outstanding utilisation certificates and 68 *per cent* of the amount of outstanding UCs as shown in pie-chart below.

Chart 5.6: Outstanding Utilisation Certificates



The Ministry stated (August 2012 and January 2013) that no correspondence for reconciliation of pending utilization certificates was made directly with the divisions, however, the concerned Bureau heads were requested to reconcile the outstanding UCs.

[3] Support to Training and Employment Programme
[4] Central Social Welfare Board

Chapter 6

GRANTS-IN-AID: AN ANALYSIS

6.1 Introduction

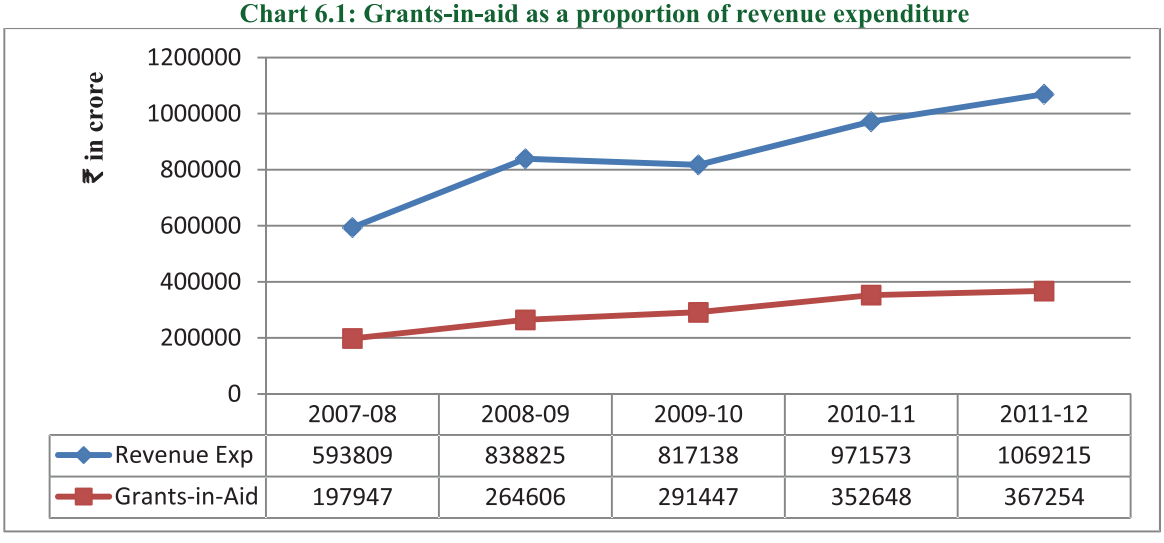
The shifting paradigm of public administration has entailed delivery of public good through new and ever evolving methods. Grants in aid have come to stay as a significant type of expenditure of the Union Government. In fact during the financial year 2011-12, they constitute, with the exception of debt repayments, the single largest item of expenditure for the Government.

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

6.2 Trend of Expenditure

Grants-in-aid may be given in cash or in kind, but has to be always accounted for as revenue expenditure in the books of the grantee irrespective of the purpose for which it has been given. During the period 2007-08 and 2011-12 grant-in-aid accounted for 33 to 36 *per cent* of the revenue expenditure of the Union Government. The expenditure on grant-in-aid vis-a-vis revenue expenditure has been depicted in the chart below.

Chart 6.1: Grants-in-aid as a proportion of revenue expenditure



	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Exp	593809	838825	817138	971573	1069215
Grants-in-Aid	197947	264606	291447	352648	367254

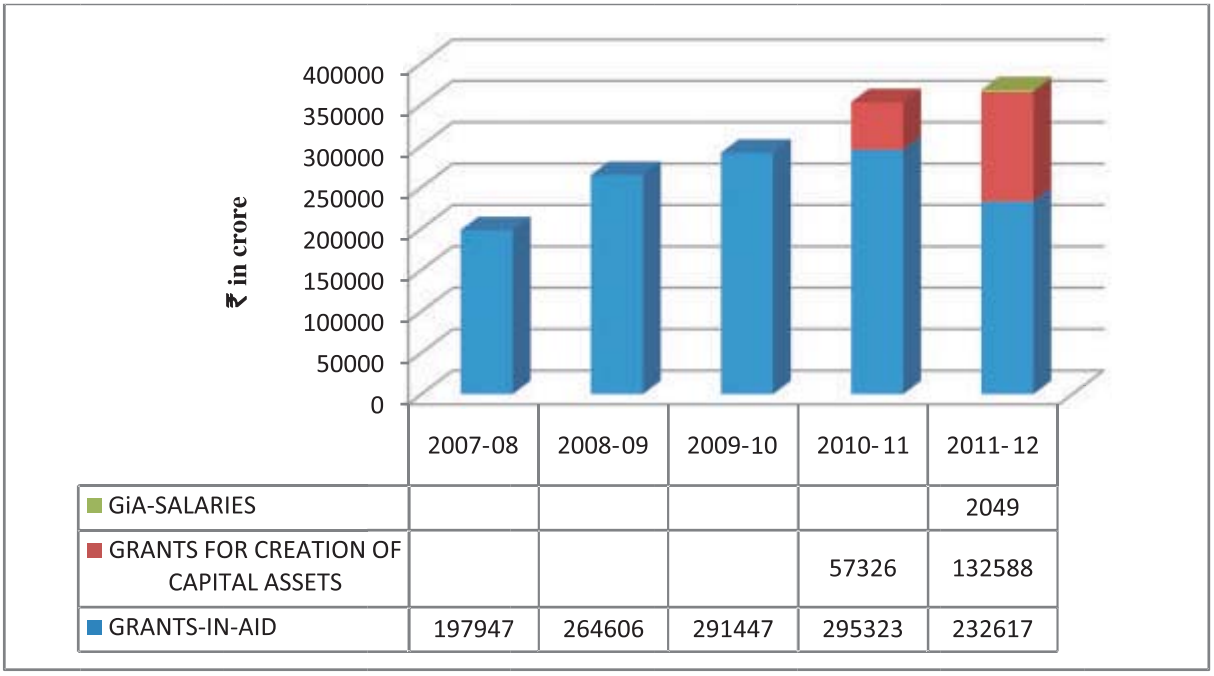
Note: Data Source: e-lekha. It does not include journal entries. Above data is for civil ministries, i.e. excluding Department of Posts, Defence Services and Railways.

Over the five years 2007-08 to 2011-12 Grants-in-aid have grown by 85.5 *per cent*, at a higher rate compared with the growth of total revenue expenditure of 80.1 *per cent*.

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

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

Chart 6.2: Types of Grant-in-aid

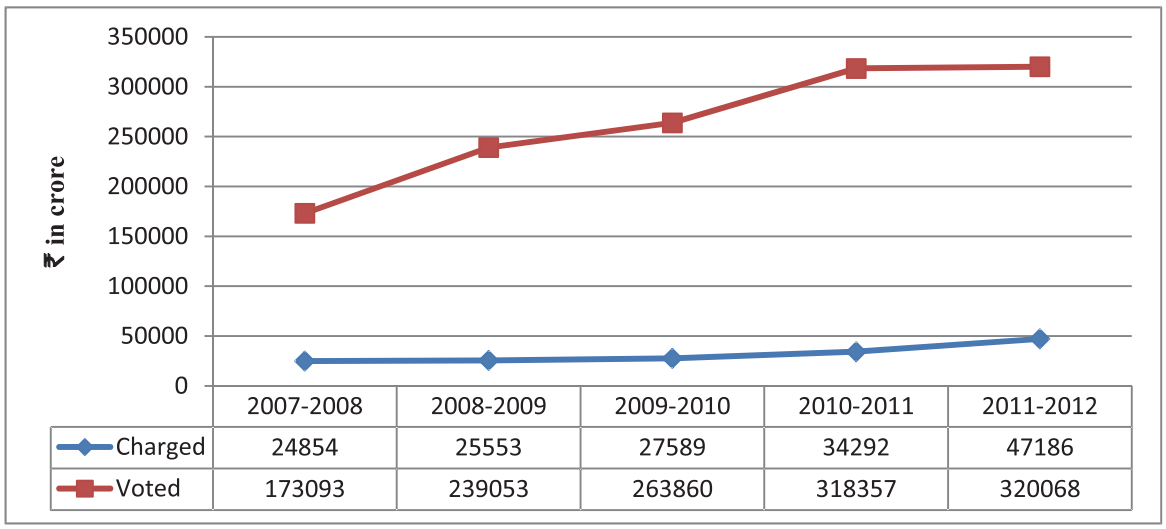


Note: Data Source: e-lekha. It does not include journal entries. Above data is for civil ministries, i.e. excluding Department of Posts, Defence Services and Railways.

6.2.1 Charged and Voted Grants-in-aid

Of the total grants in aid expenditure for the financial year 2011-12, charged expenditure constituted about 12.84 *per cent*. These grants, which are non plan in nature, are made in terms of Article 275(1) of the Constitution. The table below shows the break-up of grants-in-aid into charged and voted over a five year period.

Chart 6.3: Charged and Voted Grants-in-aid



	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Charged	24854	25553	27589	34292	47186
Voted	173093	239053	263860	318357	320068

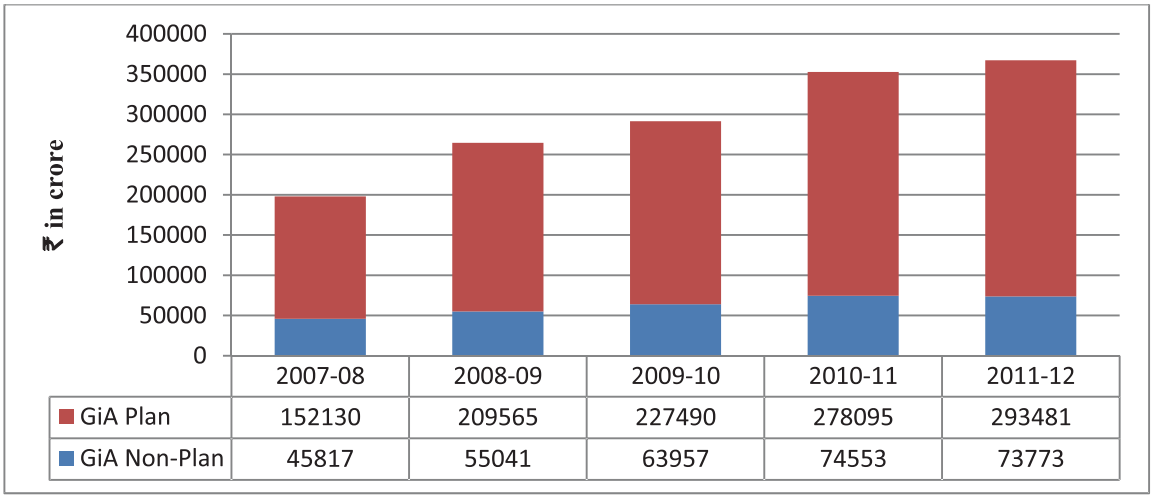
Note: Data Source: e-lekha. It does not include journal entries. Above data is for civil ministries, i.e. excluding Department of Posts, Defence Services and Railways.

Charged grants in aid for the year 2011-12 were essentially released in two grants viz Transfers to State and Union Territories, and Ministry of Tribal Affairs. Grants of ₹43,972 crore given to State Governments are based on recommendations of the Thirteenth Finance Commission. The grants recommended by the Thirteenth Finance Commission under Article 275(1) of the Constitution are essentially for non-plan revenue deficit of States, elementary education, environment, improving outcomes, maintenance of roads and bridges, local bodies, calamity relief. Similarly, the Ministry of Tribal Affairs provides grants for schemes under Article 275(1) of the Constitution for creating critical infrastructure projects in tribal areas and for the welfare of scheduled tribes.

6.2.2 Plan & Non Plan grants

Grants-in-aid are given by the Union Government both for execution of plan schemes and for other purposes also. The chart below shows the breakup of grants-in-aid by plan and non-plan. As can be seen from the chart, Grants-in-aid given for execution of plan schemes, account for bulk of the Grants-in-aid. The share of plan grants-in-aid ranged between 77 to 80 *per cent* of total Grants-in-aid during 2007-08 to 2011-12.

Chart 6.4: Plan vs Non-Plan Grants-in-aid



	2007-08	2008-09	2009-10	2010-11	2011-12
GiA Plan	152130	209565	227490	278095	293481
GiA Non-Plan	45817	55041	63957	74553	73773

Note: Data Source: e-lekha. It does not include journal entries. Above data is for civil ministries, i.e. excluding Department of Posts, Defence Services and Railways.

During the five year period 2007-08 to 2011-12, plan grants has witnessed an increase of 93 *per cent* while the non-plan grants has increased by 61 *per cent*.

6.3 Changing nature of plan grants-in-aid expenditure

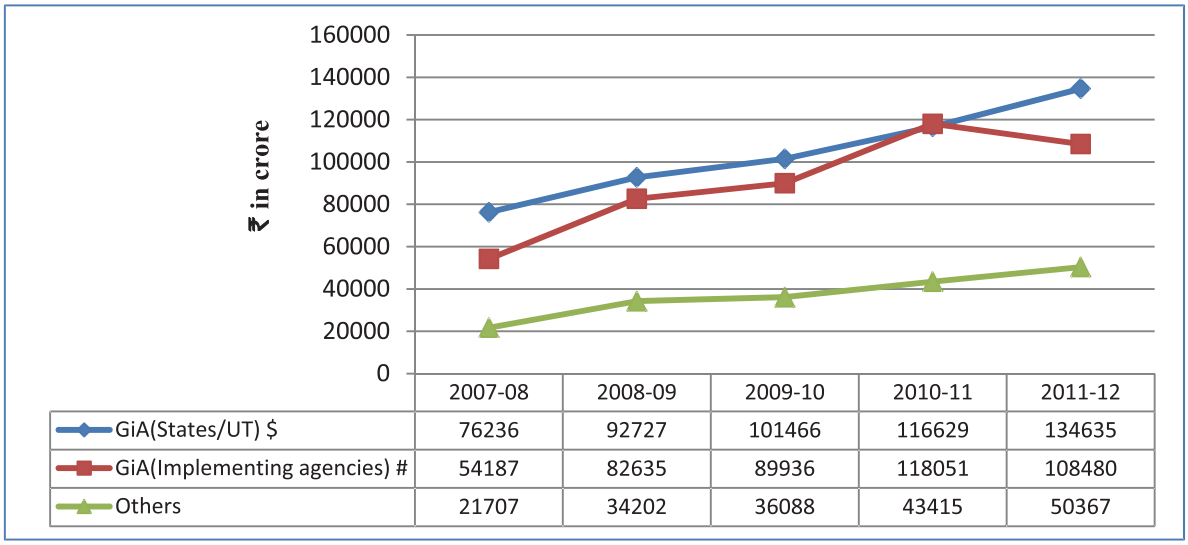
Beginning the mid nineties the Union Government has been following the practice of transferring money required for implementation of several centrally sponsored schemes directly into the bank accounts of implementing agencies which are societies, autonomous bodies, non-government organisations, etc.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

The quantum of transfer of grants through the society mode has increased sharply. From the first year for which comparable data is available, viz. financial year 2006-07 the expenditure booked in the accounts of the Union Government has been of the order of ₹43,816 crore♣. During the year 2011-12, this figure has increased to ₹1,09,173 crore♣, an increase of two and half times. The chart below shows the breakup of grants-in-aid releases through the treasury

♣ Direct release to IAs under revenue section in the years 2006-07 and 2011-12 were ₹43,372 crore and ₹1,08,480 crore respectively

mode to States/UTs, society mode directly to implementing agencies and through the functional heads of the Ministries to other bodies/authorities.

Chart 6.5: Grants-in-aid to State Governments and other agencies



	2007-08	2008-09	2009-10	2010-11	2011-12
GiA(States/UT) $	76236	92727	101466	116629	134635
GiA(Implementing agencies) #	54187	82635	89936	118051	108480
Others	21707	34202	36088	43415	50367

$-Data Source: e-lekha. It does not include journal entries.
#-Data Source: Statement No.18 of Expenditure Budget, Volume-I.

One of the major motivations for setting up state and district level agencies, outside the Consolidated Fund of States for transfer of funds for implementation of centrally sponsored schemes was to prevent such transfers to be utilised by the States for their ways and means purposes. The justification for releases through the society mode on the ground of amounts being utilised for ways and means purposes no longer holds good. In fact many state governments have accumulated sizeable cash surpluses in the recent years. As on 31 March 2012, a review of cash balances of 28 states revealed that there was a total of ₹1,64,036 crore[1] available as cash balance with the state governments.

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

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

In the year 2011-12, the Union Government released ₹ 1,09,173[2] crore directly to State/district level autonomous bodies and authorities, societies, non-governmental organisations, etc., for implementation of Centrally Sponsored Schemes. Since the funds are not being spent by the Implementing Agencies (IAs) in the same financial year, there remain substantial amounts of unspent funds in their accounts. The aggregate amount of the unspent balances, in the accounts of the IAs kept outside Government accounts, is not readily ascertainable.

[1] Figures are provisional and include investment from earmarked funds
[2] As per Expenditure Budget 2013-14 (Volume-I), Statement -18

Government expenditure as reflected in the Accounts to that extent is, therefore, overstated. Also, Government Accounts do not disclose the exact amount of direct releases.

The Rangarajan Committee on the Efficient Management of Public Expenditure (Committee) observed several drawbacks in the implementation of the society mode. The drawbacks included non-uniform accounting framework for IAs, lack of assurance and accounting of assets created, no centralised data on expenditure incurred by IAs, no assurance on whether the utilisation certificates were authentic, large unspent balances remaining as float outside the system and the CAG's audit jurisdiction not being comprehensive over all sub-grantees.

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

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

This subject was also commented upon in the CAG's Audit Report No. CA-13 for the year 2007-08, Report No. 1 for the years 2008-09, 2010-11 and 2011-12 but no discernible steps had been taken to address the situation.

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

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

The Union Government maintains a database of all grants-in-aid released to various agencies under the plan schemes of the government. The database is called the Central Plan Scheme Monitoring System or CPSMS. Based on the limited access made available to audit of the CPSMS portal[3], the broad categories of grants in aid expenditure were analysed. The details of expenditure together with the existing public audit arrangements in terms of the principal categories of recipients are given in the table below.

[3] www.cpsms.nic.in

Table 6.1: Showing category-wise plan grants and audit mandate

Category	Plan grants released in 2011-12 (₹ in crore)	Percentage to total Grants in aid (Plan)	Audit Mandate of CAG in terms of CAG's (Duties, Powers and Conditions of Service) Act, 1971
Central Government Bodies / Institutes	1,116.90	0.34%	Section 14, 15 & 20
State Governments / UTs	1,42,156.11	43.47%	Section 13
Central Government PSUs	13,397.62	4.10%	Section 19(1)
State PSUs	2,950.79	0.90%	Section 19(1)
Statutory Bodies	21,157.63	6.47%	Section 19(2) & (3)
Local Bodies	2,579.40	0.79%	Section 14, 15 & 20 and under Technical Guidance and Support (TGS)
Registered Societies (Govt. ABs)	1,38,934.66	42.49%	Section 14, 15 & 20
Registered Societies (NGOs) and Trusts	2,178.38	0.67%	Section 14, 15 & 20
Private sector Companies#	1,546.46	0.47%	Section 14, 15 & 20
State Government Institutions	931.95	0.28%	Section 13, 14, 19 & 20
Others	60.96	0.02%	--
Total Plan Grants in Aid	3,27,010.86	100.00	

Source: Data taken from CPSMS website as on 18 January 2013.

Refers to such Companies that are in receipt of grants-in-aid from the Consolidated Fund of India.

- An analysis of the data for 2011-12 extracted from the CPSMS web portal showed that only 44 *per cent* of plan grants-in-aid had been given to State Governments / UTs.

- In the table 6.1 above, the first five categories represent government or public sector entities. In such cases the audit remit of the CAG of India is unambiguous. In these cases the mode of transfer is supported by a robust accounting system. Out of above five categories 79 *per cent* of expenditure relating to State and UT Governments can be tracked down to the final head of expenditure, where vouchers for each individual transaction are available with the State Accountants General.

- A substantial amount (over 43 *per cent* or over ₹1,41,000 crore in 2011-12) of the plan funds is being released to registered societies/Non-Government Organisations/Trusts. Most of these institutions are not under the direct audit jurisdiction of the CAG. The CAG's (Duties, Powers and Conditions of Service) Act 1971, stipulate that the audit of bodies or authorities substantially funded by Government can be audited by CAG only if the assistance by way of grant or loan is not less than ₹25 lakh and the amount of such assistance is not less than 75 *per cent* of the total expenditure of that body or authority. Alternatively CAG can take up the audit of those institutions with the previous approval of the President of India or Governor of the State if the assistance given to those institutions is not less than ₹1 crore. Thus for CAG to take up the audit of these bodies which are substantially funded by the Government, the details of the total expenditure of the grantee institution is required to satisfy that the grant/assistance given by the Government exceeds 75 *per cent* of total expenditure of that institutions. This requires Annual Accounts of those entities to be made available to the CAG. Currently the Government does not have a mechanism to obtain the Annual Accounts of the bodies substantially funded by it and forward these accounts to the CAG. This

limits timely conduct of the audit of such entities and also reporting of audit results to Parliament by the CAG.

- Some of the flagship programmes and scheme guidelines envisage routing government assistance through intermediaries with the immediate grantee body or authority assigning a part or whole of the amount to sub-grantees for actual expenditure and programme delivery. Various autonomous bodies and societies receiving government funding are audited under Section 14, 15, 19 and 20 of the CAG's (DPC) Act, 1971. However, the existing provisions do not have any specific provisions for audit of sub-grantees, implementing agencies, societies etc., receiving grants either directly or indirectly from the Consolidated Fund.

- In case of certain schemes like MGNREGS the Government has made it mandatory for all implementing agencies to allow CAG access to their books of accounts. However, in most cases there is no such executive order let alone a legal/ statutory mandate. Audit of these institutions is primarily being conducted by the chartered accountants appointed by the governing bodies of those institutions. This audit has an inherent weakness of lack of independence coupled with reporting limitations to Parliament. The issue assumes significance in the backdrop of lack of appropriate institutional arrangements governing accounting policies, format of accounting statements or disclosure requirements for most of these institutions.

- Further, a substantial number of registered societies/ Non-Government Organisations/ Trusts are just first level grantees. They are not directly involved in the implementation of the plan scheme. They in turn give grants to the implementing agencies. Such sub-grantees do not directly fall within the audit jurisdiction of the CAG.

- In the case of local bodies like Panchayati Raj Institutions and urban bodies like Corporations and Municipalities, the CAG is not the primary auditor in most of the States but has been providing technical guidance and supervision/support to the primary auditors.

Thus for a substantial amount of expenditure relating to grants in aid the audit remit of the CAG is neither unfettered nor unrestricted. The quantification of the extent of restriction placed on CAG's audit is not possible in view of the limited access provided to Audit of the CPSMS database. This has implication on the larger issue of accountability of public expenditure.

Considering that the function of public audit is to bring about transparency and accountability, amendments were suggested (November 2009) to the existing provisions of CAG's (DPC) Act, 1971 to confer on CAG the mandate of audit of these bodies. It was, inter-alia proposed to audit all bodies and authorities receiving grants directly from the Consolidated Fund and also other such body/authority that are in-turn financed substantially by the grantees receiving grants. Similarly, amendments were proposed to bring contractual agreement and other partnership arrangement such as PPP within the ambit of CAG audit to ensure that the interest

of the government by way of sharing of revenue, concession etc. is protected and to ensure that the funds have been utilised for the purpose for which it has been provided.

The matter is still under consideration of the Government.

6.3.3 Plan Expenditure data: Issues of integrity and availability

Grants in aid expenditure has in recent years become the largest component of plan expenditure. During the financial year 2011-12 grants in aid expenditure constituted 76 *per cent* of total plan expenditure of civil ministries of the Union Government. Within plan grants-in-aid expenditure, grants-in-aid to states, registered societies, implementing agencies, bodies and institutions constitutes a significant quantum of expenditure. The Central Ministries have been releasing funds directly to the implementing agencies (Societies, Autonomous Bodies, NGOs, etc.) for implementation of major programmes of the Central Government instead of routing them through State Governments.

With a view to monitoring releases under all plan schemes and also to capture the information relating to the expenditure incurred under the schemes, Central Plan Scheme Monitoring System (CPSMS) was set up. The Central Plan Scheme Monitoring System(CPSMS) is intended to track and report the expenditure incurred against releases made by Central Government to various States/Agencies down to the last level of programme implementation along with the generation of State/ District/ Block/ Village/ Implementing Agency wise report on fund flow, expenditure and unutilized amounts under each central plan schemes. It was also stated that the CPSMS aimed to leverage the banking network to interlink the releases made from Centre to State and other implementing agencies and minimize the discrepancies in data and information on fund position at all levels of scheme implementation and eventually bring about increased transparency in the payment system to the last intended beneficiary.

In Central Civil Ministries, the CPSMS has been fully operational and all releases are being captured through generation of unique sanction IDs. Time series report on scheme-wise, state-wise, agency-wise and geographical destination wise releases was stated to be available for all 785 active plan schemes (viz. Central Sector/Centrally Sponsored/Additional Central Assistance linked to State Plans) on real time basis.

Further, as per the Indian Government Accounting Standards-2, the details of total funds released as Grants-in-Aid are mandated to be disclosed in the Finance Accounts of respective years. Accordingly in the year 2011-12 such disclosure has been made through an appendix to Statement No. 9 of the Finance Accounts. Besides this the grants-in-aid information is also maintained through e-lekha portal.

A comparison of the information maintained and disclosed by the Government in these three sets of data revealed substantial variance in total releases of grants in aid by the Government. The following table illustrates the difference in three different data sources.

Table 6.2: Differences in three data sources in the financial year 2011-12

(₹ in crore)

	As per Finance Accounts Appendix to Statement no.9	As per e-lekha data dump	As per CPSMS website
Plan Grants in aid released to State Governments /UTs	1,25,902	1,34,635	1,42,156
Total Plan grants released	2,41,668	2,93,481	3,27,011

The fact that three sources of data reflect a wide variation on key aggregates relating to plan expenditure points to serious deficiencies in compiling the information and disclosing the same.

Given the magnitude of the transfers Audit requisitioned (May 2012) the CPSMS data dump from the Controller General of Accounts so as to obtain an assurance about the fairness in accounting of amounts transferred under plan schemes. After protracted correspondence, incomplete data of CPSMS was provided after nine months in February 2013. In the absence of essential details such as category of the agency receiving the funds, geographical location of such agency, actual date of release, etc., Audit was unable to analyse the state wise and agency type wise releases made for implementing plan programmes/schemes. Even the time analysis of the data was not possible from the data made available. Thus the correctness of the CPSMS data also could not be verified. Given the difference in the three sets of data compiled by the Controller General of Accounts in the Ministry of Finance, the integrity of the data provided to Audit on plan expenditure was doubtful.

Controller General of Accounts stated (April 2013) that Audit's figure of plan grants-in-aid as per e-lekha might have been inclusive of the figure of loans given to States. In respect of figures for plan grants-in- aid released to State /UT Governments as per CPSMS, Controller General of Accounts added that this figure is inclusive of expenditure on object heads 'Subsidies', 'Investments' and 'Loans and Advances'.

The figures relating to plan grants-in-aid to State /UT Governments were re-verified from the Finance Accounts. The plausible explanation offered for the higher figure of ₹8,732.51 crore as per e-lekha stemming from loans to State Governments is factually incorrect, since in the case of plan loans to State Governments, the figure generated through the accounts is ₹10,016 crore.

The reply of the Controller General of Accounts confirms that the data arising out of differing sources within its organisation does not provide assurance of accuracy. Indeed, using data which lacks integrity for purpose of management of public expenditure and decision making, is fraught with serious risks.

6.4 Grants for creation of capital assets

From financial year 2009-10 the Central Government opened a new object head (primary unit of appropriation) called 'Grants for creation of capital assets'. This object head was to record expenditure on grants released for creation of capital assets. Expenditure recorded under this head has been rapidly increasingly – from around ₹57,000 crores in 2010-11, it increased to over ₹1,32,000 crore in 2011-12.

A cardinal principle of accounts is that for an asset to be recorded in the entity books the ownership of the asset must lie with the entity. However, in several cases it has been noticed that grants booked under this head do not result in the creation of the capital assets or the ownership of the asset does not rest with the Government. A case in point are grants given under MGNREGA.

Audit scrutiny of Grant of 'Rural Development' and documents relating to Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) revealed that Ministry of Rural Development booked an expenditure of ₹29,189.77 crore under the object head Grants for creation of capital assets for operationalisation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

The following issues were noted in this regard:

a) A large number of works undertaken under MGNREGA did not result in creation of fruitful assets as they were abandoned midway. In the performance audit of MGNREGS (Report No. 6 of 2013), covering the period 2007-12, it was seen that works amounting to ₹209.57 crores were abandoned midway. Further, works amounting to ₹4070.76 crore were incomplete and did not result in creation of assets.

b) As per schedule I of MGNREGA, it is permissible to carry out certain works in the lands of the beneficiaries – provision of irrigation facility, plantation, horticulture, land development to land owned by households belonging to the SC/ST, or to land of the beneficiaries of land reforms, or to land of the beneficiaries under the Indira Awas Yojana/BPL families. In case of works undertaken on beneficiaries land or works which resulted in creation of assets the ownership of the asset was not with the government.

c) A large number of works did not result in creation of assets as the focus was on employment generation or minor improvements to existing assets. In the performance audit of MGNREGS (Report No. 6 of 2013), covering the period 2007-12, it was seen that works amounting ₹6547.35 crores did not result in creation of durable assets.

The Ministry stated (June 2012) that employment generation under MGNREGA results in creation of social and community assets and therefore the entire budget was kept under the grants for creation of capital assets.

In the light of the Audit findings, there is a strong case for not classifying the entire amount under "Grants for creation of Capital Assets" in this flagship scheme. An exercise to ascertain the nature of expenditure in all cases where amounts are being classified as grants for creation of capital assets is called for.

6.5 Utilisation Certificates (UCs)

The effectiveness and utilization of grants-in-aid released by the Central Government is monitored through the mechanism of utilization certificates. Rule 209 of General Financial Rules 2005 prescribes the principles and procedures for award of grants-in-aid to any grantee, and the sanctioning authority is required to maintain a register of grants in form GFR 39. Rule 212 of General Financial Rules 2005 covers monitoring of utilization of the grants so released through the mechanism of utilization certificate prescribed in GFR 19A. The UCs are required to be submitted by the grantees within twelve months of the closure of the financial year. Rule 212(3) of GFR provides for submission of achievement-cum-performance reports by the grantee bodies to the administrative Ministry/ Department.

Position of pending UCs made available by the ministries/departments is shown in table below.

Table 6.3: Details of UCs outstanding

Name of Ministry	No. of UCs outstanding	Amount of UCs (₹ in lakh)
Ministry of Agriculture	1085	3,60,779.98
Department of Atomic Energy	312	3,370.22
Ministry of Power	12	16,195.08
Ministry of Food Processing Industries	3195	55,399.30
Department of Personnel and Training	21	135.26
Pensions and Pensioners Welfare	3	1.80
Department of Consumer Affairs	45	150.62
Department of Food and Public Distribution	66	5,066.97
Ministry of Panchayati Raj	248	77,531.56
Ministry of Culture	3316	27,081.76
Department of Youth Affairs	4083	11,201.06
Department of Sports	2183	62,309.56
Ministry of Women and Child Development	5110	31,151.71
Ministry of Minority Affairs	74	599.95
Ministry of Social Justice and Empowerment	9792	99,650.02
Ministry of Rural Development	1439	2,79,533.00
Department of Public Enterprises	5	126.58
Department of Heavy Industries	15	39,690.00
Department of Chemicals and Petrochemicals	33	5,633.00
Department of Pharmaceuticals	10	908.00
Ministry of Micro, Small and Medium Enterprises	235	16,789.63
Department of Higher Education	2328	1,13,175.34

Name of Ministry	No. of UCs outstanding	Amount of UCs (₹ in lakh)
Department of School Education and Literacy	1369	5,28,535.25
Ministry of Labour and Employment	682	2,693.27
Ministry of Petroleum and Natural Gas	3	6,072.02
Ministry of Shipping	9	568.42
Ministry of Urban Development	204	43,795.40
Ministry of Housing and Urban Poverty Alleviation	246	57,881.11
Ministry of Mines	8	164.06
Department of Space	302	1,993.34
Total	**36433**	**18,48,183.27**

In 30 Ministries/Departments 36,433 UCs involving ₹18,481.83 crore were outstanding as on 31 March 2012. UCs are the only mechanism for the ministries to verify that the money has been utilized for the purpose for which it was given. The large number of pending UCs indicates the poor monitoring and follow-up mechanisms in the Ministries.

New Delhi
Dated : 22 April 2013

(ROY MATHRANI)
Director General of Audit,
Central Expenditure

Countersigned

New Delhi
Dated : 22 April 2013

(VINOD RAI)
Comptroller and Auditor General of India

Annex I-A

(Refers to Paragraph 1.3.7)

Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Object head code	31	35	36	33	53	54	55		
Nomenclature of object head	Grants-in-aid General	Grants for Creation of Capital Assets	Grants-in-aid Salaries	Subsidies	Major Works	Investments	Loans and Advances	Others	Grand Total
001 Department of Agriculture and Cooperation									
Expenditure	15051.38	49.15	0	0	15.50	0	30.24	1410.39	16556.66
% of Total Plan Expenditure	90.91%	0.30%	-	-	0.09%	-	0.18%	8.52%	100.00%
002 Department of Agricultural Research and Education									
Expenditure	2430.02	400.59	0	0	0	0	0	0.99	2831.60
% of Total Plan Expenditure	85.82%	14.15%	-	-	-	-	-	0.04%	100.00%
003 Department of Animal Husbandry, Dairying and Fisheries									
Expenditure	1077.12	0.01	0	0	10.27	0	0	155.72	1243.12
% of Total Plan Expenditure	86.65%	-	-	-	0.83%	-	-	12.53%	100.00%
004 Atomic Energy									
Expenditure	120.37	929.26	0	0	695.87	0	0	1166.31	2911.81
% of Total Plan Expenditure	4.13%	31.91%	-	-	23.90%	-	-	40.05%	100.00%
005 Nuclear Power Schemes									
Expenditure	0	0	0	0	3.11	875.00	0	499.92	1378.03
% of Total Plan Expenditure	-	-	-	-	0.23%	63.50%	-	36.28%	100.00%
006 Department of Chemicals and Petrochemicals									
Expenditure	12.60	48.24	0	875.44	0	0	0	0.35	936.63
% of Total Plan Expenditure	1.35%	5.15%	-	93.47%	-	-	-	0.04%	100.00%
007 Department of Fertilizers									
Expenditure	1.35	0	0	0	0	0	217.49	3.46	222.30
% of Total Plan Expenditure	0.61%	-	-	-	-	-	97.84%	1.56%	100.00%
008 Department of Pharmaceuticals									
Expenditure	12.32	22.61	0	0	0	0	5.21	0.19	40.33
% of Total Plan Expenditure	30.55%	56.06%	-	-	-	-	12.92%	0.47%	100.00%

Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Object head code	31	35	36	33	53	54	55		
Nomenclature of object head	Grants-in-aid General	Grants for Creation of Capital Assets	Grants-in-aid Salaries	Subsidies	Major Works	Investments	Loans and Advances	Others	Grand Total
009 Ministry of Civil Aviation									
Expenditure	0	124.41	0	0	16.34	1200.95	0.95	14.79	1357.44
% of Total Plan Expenditure	-	9.17%	-	-	1.20%	88.47%	0.07%	1.09%	100.00%
010 Ministry of Coal									
Expenditure	0	0	0	143.11	0	0	0	184.46	327.57
% of Total Plan Expenditure	-	-	-	43.69%	-	-	-	56.31%	100.00%
011 Department of Commerce									
Expenditure	420.38	32.33	0	587.39	736.08	0	0	28.02	1804.20
% of Total Plan Expenditure	23.30%	1.79%	-	32.56%	40.80%	-	-	1.55%	100.00%
012 Department of Industrial Policy and Promotion									
Expenditure	150.30	219.35	0	629.50	1.24	0	0	45.72	1046.11
% of Total Plan Expenditure	14.37%	20.97%	-	60.18%	0.12%	-	-	4.37%	100.00%
014 Department of Telecommunications									
Expenditure	1744.88	126.00	0.00	0.00	0.00	4.59	0.00	0.00	1875.47
% of Total Plan Expenditure	93.04%	6.72%	-	-	-	0.24%	-	-	100.00%
015 Department of Information Technology									
Expenditure	1113.88	57.54	0	0	0.83	0	0	858.85	2031.10
% of Total Plan Expenditure	54.84%	2.83%	-	-	0.04%	-	-	42.29%	100.00%
016 Department of Consumer Affairs									
Expenditure	5.86	26.07	0	0	15.06	0	0	128.63	175.62
% of Total Plan Expenditure	3.34%	14.84%	-	-	8.58%	-	-	73.25%	100.00%
017 Department of Food and Public Distribution									
Expenditure	2.81	11.96	1.20	0	0	61.94	0	13.26	91.17
% of Total Plan Expenditure	3.08%	13.12%	1.32%	-	-	67.94%	-	14.54%	100.00%
018 Ministry of Corporate Affairs									
Expenditure	3.00	0	0	0	24.99	0	0	0	27.99
% of Total Plan Expenditure	10.72%	-	-	-	89.28%	-	-	-	100.00%

Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Object head code	31	35	36	33	53	54	55		
Nomenclature of object head	Grants-in-aid General	Grants for Creation of Capital Assets	Grants-in-aid Salaries	Subsidies	Major Works	Investments	Loans and Advances	Others	Grand Total
019 Ministry of Culture									
Expenditure	424.09	58.12	0	0	20.81	0	0	245.99	749.01
% of Total Plan Expenditure	56.62%	7.76%	-	-	2.78%	-	-	32.84%	100.00%
028 Ministry of Development of North Eastern Region									
Expenditure	114.50	1360.63	0	0	138.89	30.00	60.00	29.63	1733.65
% of Total Plan Expenditure	6.60%	78.48%	-	-	8.01%	1.73%	3.46%	1.71%	100.00%
029 Ministry of Earth Sciences									
Expenditure	633.69	15.00	0	0	45.01	0	0	125.02	818.72
% of Total Plan Expenditure	77.40%	1.83%	-	-	5.50%	-	-	15.27%	100.00%
030 Ministry of Environment and Forests									
Expenditure	1113.88	478.42	0	0	94.30	0	0	198.79	1885.39
% of Total Plan Expenditure	59.08%	25.38%	-	-	5.00%	-	-	10.54%	100.00%
031 Ministry of External Affairs									
Expenditure	0	0	0	0	0	0	791.00	312.78	1103.78
% of Total Plan Expenditure	-	-	-	-	-	-	71.66%	28.34%	100.00%
032 Department of Economic Affairs									
Expenditure	0	0	0	0	1059.56	0	0	300.00	1359.56
% of Total Plan Expenditure	-	-	-	-	77.93%	-	-	22.07%	100.00%
033 Department of Financial Services									
Expenditure	200.00	0	0	0	0	14297.43	0	0	14497.43
% of Total Plan Expenditure	1.38%	-	-	-	-	98.62%	-	-	100.00%
035 Transfers to States and Union Territory Governments									
Expenditure	35989.85	34090.58	0	0	0	0	9995.36	0	80075.79
% of Total Plan Expenditure	44.94%	42.57%	-	-	-	-	12.48%	-	100.00%
038 Department of Expenditure									
Expenditure	2.45	0	0	0	1.03	0	0	0	3.48
% of Total Plan Expenditure	70.40%	-	-	-	29.60%	-	-	-	100.00%

Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Object head code	31	35	36	33	53	54	55	Others	Grand Total
Nomenclature of object head	Grants-in-aid General	Grants for Creation of Capital Assets	Grants-in-aid Salaries	Subsidies	Major Works	Investments	Loans and Advances		
039 Pensions									
Expenditure	0	0	0	0	0	0	0	0	0.00
% of Total Plan Expenditure	-	-	-	-	-	-	-	-	-
045 Ministry of Food Processing Industries									
Expenditure	418.96	80.00	0	0	0	0	0	19.88	518.84
% of Total Plan Expenditure	80.75%	15.42%	-	-	-	-	-	3.83%	100.00%
046 Department of Health and Family Welfare									
Expenditure	16890.46	1326.85	186.03	4.42	952.44	28.00	0	1277.05	20665.25
% of Total Plan Expenditure	81.73%	6.42%	0.90%	0.02%	4.61%	0.14%	-	6.18%	100.00%
047- Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)									
Expenditure	294.14	190.08	70.69	0	0	24.00	0	32.56	611.47
% of Total Plan Expenditure	48.10%	31.09%	11.56%	-	-	3.93%	-	5.32%	100.00%
048 Department of Health Research									
Expenditure	404.49	70.00	81.10	0	0	0	0	8.91	564.50
% of Total Plan Expenditure	71.66%	12.40%	14.37%	-	-	-	-	1.58%	100.00%
049 Department of AIDS Control									
Expenditure	747.83	0	0	0	0.18	0	0	556.95	1304.96
% of Total Plan Expenditure	57.31%	-	-	-	0.01%	-	-	42.68%	100.00%
050 Department of Heavy Industry									
Expenditure	355.38	0	0	0	0	0	0	1.66	357.04
% of Total Plan Expenditure	99.53%	-	-	-	-	-	-	0.47%	100.00%
051 Department of Public Enterprises									
Expenditure	8.40	0	0	0	0	0	0	0.58	8.98
% of Total Plan Expenditure	93.49%	-	-	-	-	-	-	6.51%	100.00%
052 Ministry of Home Affairs									
Expenditure	131.43	0	0	0	2.00	0	0	1371.18	1504.61
% of Total Plan Expenditure	8.74%	-	-	-	0.13%	-	-	91.13%	100.00%

Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Object head code	31	35	36	33	53	54	55		
Nomenclature of object head	Grants-in-aid General	Grants for Creation of Capital Assets	Grants-in-aid Salaries	Subsidies	Major Works	Investments	Loans and Advances	Others	Grand Total
054 Police									
Expenditure	400.38	0	0	0	3796.01	0	0	119.13	4315.52
% of Total Plan Expenditure	9.28%	-	-	-	87.96%	-	-	2.76%	100.00%
055 Other Expenditure of the Ministry of Home Affairs									
Expenditure	13.94	69.85	0	0	0	0	0	15.55	99.34
% of Total Plan Expenditure	14.04%	70.31%	-	-	-	-	-	15.66%	100.00%
056 Transfers to Union Territory Governments									
Expenditure	848.39	0	0	0	0	0	0	0	848.39
% of Total Plan Expenditure	100.00%	-	-	-	-	-	-	-	100.00%
057 Ministry of Housing and Urban Poverty Alleviation									
Expenditure	887.6	30.04	0	5.09	0	0	0	31.10	953.83
% of Total Plan Expenditure	93.06%	3.15%	-	0.53%	-	-	-	3.26%	100.00%
058 Department of School Education and Literacy									
Expenditure	25075.62	12927.13	0	0	0	0	0	119.76	38122.51
% of Total Plan Expenditure	65.78%	33.91%	-	-	-	-	-	0.31%	100.00%
059 Department of Higher Education									
Expenditure	5387.87	7092.24	0	0	0	0	0	236.26	12716.37
% of Total Plan Expenditure	42.37%	55.77%	-	-	-	-	-	1.86%	100.00%
060 Ministry of Information and Broadcasting									
Expenditure	17.85	142.75	0	0	101.89	8.63	329.46	171.03	771.61
% of Total Plan Expenditure	2.31%	18.50%	-	-	13.20%	1.12%	42.70%	22.17%	100.00%
061 Ministry of Labour and Employment									
Expenditure	1269.06	70.29	0	0	0	0	517.50	115.40	1972.25
% of Total Plan Expenditure	64.35%	3.56%	-	-	-	-	26.24%	5.85%	100.00%
063 Law and Justice									
Expenditure	590.20	0	0	0	0	0	0	87.82	678.02
% of Total Plan Expenditure	87.05%	-	-	-	-	-	-	12.95%	100.00%

Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Object head code	31	35	36	33	53	54	55	Others	Grand Total
Nomenclature of object head	Grants-in-aid General	Grants for Creation of Capital Assets	Grants-in-aid Salaries	Subsidies	Major Works	Investments	Loans and Advances		
065 Ministry of Micro, Small and Medium Enterprises									
Expenditure	1465.67	58.66	0	268.22	1.46	155.00	1.00	68.28	2018.29
% of Total Plan Expenditure	72.62%	2.91%	-	13.29%	0.07%	7.68%	0.05%	3.38%	100.00%
066 Ministry of Mines									
Expenditure	10.67	0	0	0	0.01	0	0	357.81	368.49
% of Total Plan Expenditure	2.90%	-	-	-	-	-	-	97.10%	100.00%
067 Ministry of Minority Affairs									
Expenditure	1363.79	779.55	0	0	0	115.00	0	25.07	2283.41
% of Total Plan Expenditure	59.73%	34.14%	-	-	-	5.04%	-	1.10%	100.00%
068 Ministry of New and Renewable Energy									
Expenditure	880.48	0	0	366.84	15.3	55.00	0	34.62	1352.24
% of Total Plan Expenditure	65.11%	-	-	27.13%	1.13%	4.07%	-	2.56%	100.00%
070 Ministry of Panchayati Raj									
Expenditure	4027.96	49.00	0	0	0	0	0	30.08	4107.04
% of Total Plan Expenditure	98.07%	1.19%	-	-	-	-	-	0.73%	100.00%
072 Ministry of Personnel, Public Grievances and Pensions									
Expenditure	1.66	3.00	0	0	51.62	0	0	104.80	161.08
% of Total Plan Expenditure	1.03%	1.86%	-	-	32.05%	-	-	65.06%	100.00%
074 Ministry of Planning									
Expenditure	13.70	2.18	0	0	26.07	0	0	1215.87	1257.82
% of Total Plan Expenditure	1.09%	0.17%	-	-	2.07%	-	-	96.67%	100.00%
075 Ministry of Power									
Expenditure	180.68	18.83	0	2237.31	0.38	192.43	2161.57	56.21	4847.41
% of Total Plan Expenditure	3.73%	0.39%	-	46.15%	0.01%	3.97%	44.59%	1.16%	100.00%
081 Ministry of Road Transport and Highways									
Expenditure	17.58	2202.21	0	0	8302.84	8879.89	0	87.50	19490.02
% of Total Plan Expenditure	0.09%	11.30%	-	-	42.60%	45.56%	-	0.45%	100.00%

Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Object head code	31	35	36	33	53	54	55	Others	Grand Total
Nomenclature of object head	Grants-in-aid General	Grants for Creation of Capital Assets	Grants-in-aid Salaries	Subsidies	Major Works	Investments	Loans and Advances		
082 Department of Rural Development									
Expenditure	6540.89	54951.92	0	0	0	0	0	2726.16	64218.97
% of Total Plan Expenditure	10.19%	85.57%	-	-	-	-	-	4.25%	100.00%
083 Department of Land Resources									
Expenditure	2398.85	3.01	0	0	0	0	0	16.98	2418.84
% of Total Plan Expenditure	99.17%	0.12%	-	-	-	-	-	0.70%	100.00%
084 Department of Drinking Water and Sanitation									
Expenditure	9914.64	0	0	0	0	0	0	78.24	9992.88
% of Total Plan Expenditure	99.22%	-	-	-	-	-	-	0.78%	100.00%
085 Department of Science and Technology									
Expenditure	1274.12	730.51	91.17	0	9.57	0	27.29	34.68	2167.34
% of Total Plan Expenditure	58.79%	33.71%	4.21%	-	0.44%	-	1.26%	1.60%	100.00%
086 Department of Scientific and Industrial Research									
Expenditure	960.04	844.65	16.70	0	0.68	2.5	2.5	1.53	1828.60
% of Total Plan Expenditure	52.50%	46.19%	0.91%	-	0.04%	0.14%	0.14%	0.08%	100.00%
087 Department of Biotechnology									
Expenditure	730.82	437.02	0	0	0	0	0	14.55	1182.39
% of Total Plan Expenditure	61.81%	36.96%	-	-	-	-	-	1.23%	100.00%
088 Ministry of Shipping									
Expenditure	2.81	113.33	0	1.00	152.97	0	0	60.66	330.77
% of Total Plan Expenditure	0.85%	34.26%	-	0.30%	46.25%	-	-	18.34%	100.00%
089 Ministry of Social Justice and Empowerment									
Expenditure	4627.38	106.98	0	0	0	245.00	0	30.35	5009.71
% of Total Plan Expenditure	92.37%	2.14%	-	-	-	4.89%	-	0.61%	100.00%
090 Department of Space									
Expenditure	70.82	0	0	0	143.62	0	0	2577.16	2791.60
% of Total Plan Expenditure	2.54%	-	-	-	5.14%	-	-	92.32%	100.00%

Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Object head code	31	35	36	33	53	54	55		
Nomenclature of object head	Grants-in-aid General	Grants for Creation of Capital Assets	Grants-in-aid Salaries	Subsidies	Major Works	Investments	Loans and Advances	Others	Grand Total
091 Ministry of Statistics and Programme Implementation									
Expenditure	154.09	2516.68	0	0	4.36	0	0	95.03	2770.16
% of Total Plan Expenditure	5.56%	90.85%	-	-	0.16%	-	-	3.43%	100.00%
092 Ministry of Steel									
Expenditure	9.63	0	0	0	0	0	0	0	9.63
% of Total Plan Expenditure	100.00%	-	-	-	-	-	-	-	100.00%
093 Ministry of Textiles									
Expenditure	859.55	388.63	0	2934.09	19.40	0	0	73.81	4275.48
% of Total Plan Expenditure	20.10%	9.09%	-	68.63%	0.45%	-	-	1.73%	100.00%
094 Ministry of Tourism									
Expenditure	30.18	705.63	0	0.01	1.00	0	0	316.72	1053.54
% of Total Plan Expenditure	2.86%	66.98%	-	-	0.09%	-	-	30.06%	100.00%
095 Ministry of Tribal Affairs									
Expenditure	2084.00	1460.05	5.50	0	0	70.00	0	4.33	3623.88
% of Total Plan Expenditure	57.51%	40.29%	0.15%	-	-	1.93%	-	0.12%	100.00%
096 Andaman and Nicobar Islands									
Expenditure	86.33	76.31	0	3.42	339.52	0.19	0	799.29	1305.06
% of Total Plan Expenditure	6.61%	5.85%	-	0.26%	26.02%	0.01%	-	61.25%	100.00%
097 Chandigarh									
Expenditure	25.54	0	0	0.01	443.85	0.06	0	158.79	628.25
% of Total Plan Expenditure	4.07%	-	-	-	70.65%	0.01%	-	25.27%	100.00%
098 Dadra and Nagar Haveli									
Expenditure	43.43	26.85	0	0.66	107.80	0	0.17	53.03	231.94
% of Total Plan Expenditure	18.72%	11.58%	-	0.29%	46.48%	-	0.07%	22.86%	100.00%
099 Daman and Diu									
Expenditure	73.87	25.00	0	0.11	108.95	4.7	0.05	112.08	324.76
% of Total Plan Expenditure	22.75%	7.70%	-	0.03%	33.55%	1.45%	0.01%	34.51%	100.00%

Grant-wise Analysis of Components of Plan Expenditure*

(₹ in crore)

Object head code	31	35	36	33	53	54	55	Others	Grand Total
Nomenclature of object head	**Grants-in-aid General**	**Grants for Creation of Capital Assets**	**Grants-in-aid Salaries**	**Subsidies**	**Major Works**	**Investments**	**Loans and Advances**		
100 Lakshadweep									
Expenditure	33.70	0	0	3.91	131.18	0.15	0.29	213.65	382.88
% of Total Plan Expenditure	8.80%	-	-	1.02%	34.26%	0.04%	0.07%	55.80%	100.00%
101 Department of Urban Development									
Expenditure	35.88	337.54	0	0	347.53	1715.09	3483.04	93.41	6012.49
% of Total Plan Expenditure	0.60%	5.61%	-	-	5.78%	28.53%	57.93%	1.55%	100.00%
102 Public Works									
Expenditure	0	0	0	0	134.02	0	0	10.91	144.93
% of Total Plan Expenditure	-	-	-	-	92.48%	-	-	7.52%	100.00%
104 Ministry of Water Resources									
Expenditure	186.40	0	0	0	163.43	0	0	236.34	586.17
% of Total Plan Expenditure	31.80%	-	-	-	27.88%	-	-	40.32%	100.00%
105 Ministry of Women and Child Development									
Expenditure	15535.88	11.57	17.58	0	0	0	0	32.12	15597.15
% of Total Plan Expenditure	99.61%	0.07%	0.11%	-	-	-	-	0.21%	100.00%
106 Ministry of Youth Affairs and Sports									
Expenditure	848.33	0	0	0	1.15	0	0	32.28	881.76
% of Total Plan Expenditure	96.21%	-	-	-	0.13%	-	-	3.66%	100.00%
Total									
Expenditure	**167111.20**	**125772.60**	**469.97**	**8060.53**	**18238.09**	**27960.96**	**17623.10**	**19640.41**	**384876.86**
Total % of Total Plan Expenditure	**43.42%**	**32.68%**	**0.12%**	**2.09%**	**4.74%**	**7.26%**	**4.58%**	**5.10%**	**100.00%**

*Data extracted from e-lekha. Data for March 2012 includes data from supplementary accounting months. Data does not include amounts booked under inter account transfers (object head 63) and deduct recoveries (object head 70).

Annex I-B

(Refers to Paragraph 1.4)

Grant-wise Time Analysis of Expenditure*

(₹ in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
001- Department of Agriculture and Cooperation													
Expd. during the Month	31	1551	3185	930	548	2460	501	748	2348	1076	1193	2180	16751
Percentage of Annual Expd.	0%	9%	19%	6%	3%	15%	3%	4%	14%	6%	7%	13%	100%
002- Department of Agricultural Research and Education													
Expd. during the Month	815	0	974	0	378	390	172	917	21	20	642	658	4987
Percentage of Annual Expd.	16%	0%	20%	0%	8%	8%	3%	18%	0%	0%	13%	13%	100%
003- Department of Animal Husbandry, Dairying and Fisheries													
Expd. during the Month	71	101	132	138	115	359	40	60	190	53	235	164	1658
Percentage of Annual Expd.	4%	6%	8%	8%	7%	22%	2%	4%	11%	3%	14%	10%	100%
004- Atomic Energy													
Expd. during the Month	613	507	487	677	565	606	804	489	679	686	637	1288	8038
Percentage of Annual Expd.	8%	6%	6%	8%	7%	8%	10%	6%	8%	9%	8%	16%	100%
005- Nuclear Power Schemes													
Expd. during the Month	87	187	6153	172	120	448	148	122	195	177	116	1553	9478
Percentage of Annual Expd.	1%	2%	65%	2%	1%	5%	2%	1%	2%	2%	1%	16%	100%
006- Department of Chemicals and Petrochemicals													
Expd. during the Month	35	64	425	1	2	197	257	21	207	31	23	12	1275
Percentage of Annual Expd.	3%	5%	33%	0%	0%	15%	20%	2%	16%	2%	2%	1%	100%
007- Department of Fertilizers													
Expd. during the Month	3340	5896	6378	4882	7121	5498	7975	6295	11230	7183	538	8474	74810
Percentage of Annual Expd.	4%	8%	9%	7%	10%	7%	11%	8%	15%	10%	1%	11%	100%
008- Department of Pharmaceuticals													
Expd. during the Month	1	12	4	3	1	2	10	19	12	5	1	7	77
Percentage of Annual Expd.	2%	15%	5%	4%	1%	3%	12%	24%	16%	7%	1%	9%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
009- Ministry of Civil Aviation													
Expd. during the Month	10	5	257	260	708	228	19	312	16	12	15	198	2040
Percentage of Annual Expd.	0%	0%	13%	13%	35%	11%	1%	15%	1%	1%	1%	10%	100%
010- Ministry of Coal													
Expd. during the Month	2	2	2	51	94	2	2	20	1	33	97	96	402
Percentage of Annual Expd.	1%	0%	0%	13%	23%	0%	1%	5%	0%	8%	24%	24%	100%
011- Department of Commerce													
Expd. during the Month	61	252	642	148	178	582	203	156	1250	287	268	451	4478
Percentage of Annual Expd.	1%	6%	14%	3%	4%	13%	5%	3%	28%	6%	6%	10%	100%
012- Department of Industrial Policy and Promotion													
Expd. during the Month	21	249	74	190	29	95	23	50	156	42	134	174	1237
Percentage of Annual Expd.	2%	20%	6%	15%	2%	8%	2%	4%	13%	3%	11%	14%	100%
014- Department of Telecommunications													
Expd. during the Month	762	587	1837	779	1275	1231	860	695	-1312	620	490	923	8747
Percentage of Annual Expd.	9%	7%	21%	9%	15%	14%	10%	8%	-15%	7%	6%	11%	100%
015- Department of Information Technology													
Expd. during the Month	58	51	89	55	47	462	44	66	410	64	170	559	2075
Percentage of Annual Expd.	3%	2%	4%	3%	2%	22%	2%	3%	20%	3%	8%	27%	100%
016- Department of Consumer Affairs													
Expd. during the Month	8	18	36	46	28	40	22	51	107	25	46	81	508
Percentage of Annual Expd.	2%	3%	7%	9%	5%	8%	4%	10%	21%	5%	9%	16%	100%
017- Department of Food and Public Distribution													
Expd. during the Month	22081	315	3217	12019	1119	14388	29	1478	2617	11548	2626	12986	84423
Percentage of Annual Expd.	26%	0%	4%	14%	1%	17%	0%	2%	3%	14%	3%	15%	100%
018- Ministry of Corporate Affairs													
Expd. during the Month	12	14	17	19	20	32	10	18	14	8	19	46	229
Percentage of Annual Expd.	5%	6%	7%	8%	9%	14%	4%	8%	6%	4%	8%	20%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
019- Ministry of Culture													
Expd. during the Month	73	189	158	111	70	111	50	56	109	89	81	213	1310
Percentage of Annual Expd.	6%	14%	12%	8%	5%	8%	4%	4%	8%	7%	6%	16%	100%
020- Ministry of Defence													
Expd. during the Month	226	199	1854	2208	1084	1581	1	1091	1428	993	931	3324	14920
Percentage of Annual Expd.	2%	1%	12%	15%	7%	11%	0%	7%	10%	7%	6%	22%	100%
021- Defence Pensions													
Expd. during the Month	3183	2939	3355	3417	3099	3049	0	2333	157	2672	4039	9326	37569
Percentage of Annual Expd.	8%	8%	9%	9%	8%	8%	0%	6%	0%	7%	11%	25%	100%
028- Ministry of Development of North Eastern Region													
Expd. during the Month	3	187	325	100	143	119	169	43	223	93	60	292	1757
Percentage of Annual Expd.	0%	11%	18%	6%	8%	7%	10%	2%	13%	5%	3%	17%	100%
029- Ministry of Earth Sciences													
Expd. during the Month	43	45	41	108	152	173	73	123	44	105	83	184	1174
Percentage of Annual Expd.	4%	4%	4%	9%	13%	15%	6%	10%	4%	9%	7%	16%	100%
030- Ministry of Environment and Forests													
Expd. during the Month	48	39	104	120	97	224	286	244	521	110	76	401	2270
Percentage of Annual Expd.	2%	2%	5%	5%	4%	10%	13%	11%	23%	5%	3%	18%	100%
031- Ministry of External Affairs													
Expd. during the Month	532	869	633	451	600	574	674	496	454	1038	612	938	7871
Percentage of Annual Expd.	7%	11%	8%	6%	8%	7%	9%	6%	6%	13%	8%	12%	100%
032- Department of Economic Affairs													
Expd. during the Month	12	48	762	1242	169	2356	364	128	2770	19	953	12632	21455
Percentage of Annual Expd.	0%	0%	4%	6%	1%	11%	2%	1%	13%	0%	4%	59%	100%
033- Department of Financial Services													
Expd. during the Month	9	186	6	35	41	127	411	2144	26	49	2098	15692	20824
Percentage of Annual Expd.	0%	1%	0%	0%	0%	1%	2%	10%	0%	0%	10%	75%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
034- Appropriation- Interest Payments													
Expd. during the Month	15395	22080	14525	19325	33872	22842	22553	22008	14402	13	62097	37421	286533
Percentage of Annual Expd.	5%	8%	5%	7%	12%	8%	8%	8%	5%	0%	22%	13%	100%
035- Transfers to States and Union Territory Governments													
Expd. during the Month	4354	5260	5904	8686	11895	11578	8936	10417	12066	11552	11056	35191	136895
Percentage of Annual Expd.	3%	4%	4%	6%	9%	8%	7%	8%	9%	8%	8%	26%	100%
036- Loans to Government Servants, etc.													
Expd. during the Month	1	3	10	15	25	25	9	14	11	10	10	27	160
Percentage of Annual Expd.	0%	2%	6%	9%	16%	16%	6%	9%	7%	6%	6%	17%	100%
038- Department of Expenditure													
Expd. during the Month	14	5	12	5	12	6	5	6	14	6	9	26	120
Percentage of Annual Expd.	11%	4%	10%	4%	10%	5%	4%	5%	11%	5%	7%	22%	100%
039- Pensions													
Expd. during the Month	1210	1202	1689	1396	1515	1218	1262	1396	1358	1760	1358	2604	17968
Percentage of Annual Expd.	7%	7%	9%	8%	8%	7%	7%	8%	8%	10%	8%	14%	100%
040- Indian Audit and Accounts Department													
Expd. during the Month	321	183	196	188	183	197	207	189	181	187	186	134	2352
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	174	30	95	239	230	401	519	36	3326	49	47	114	5260
Percentage of Annual Expd.	3%	1%	2%	5%	4%	8%	10%	1%	63%	1%	1%	2%	100%
042- Direct Taxes													
Expd. during the Month	299	234	287	230	268	328	239	239	227	238	263	387	3239
Percentage of Annual Expd.	9%	7%	9%	7%	8%	10%	7%	7%	7%	7%	8%	12%	100%
043- Indirect Taxes													
Expd. during the Month	417	247	245	257	242	263	293	249	279	264	284	200	3240
Percentage of Annual Expd.	13%	8%	8%	8%	7%	8%	9%	8%	9%	8%	9%	6%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
044- Department of Disinvestment													
Expd. during the Month	1	8	1	5	3	1	3	1	0	5	2	5	35
Percentage of Annual Expd.	2%	23%	2%	13%	10%	3%	9%	2%	1%	14%	7%	14%	100%
045- Ministry of Food Processing Industries													
Expd. during the Month	1	13	31	23	32	16	16	102	126	7	50	110	527
Percentage of Annual Expd.	0%	2%	6%	4%	6%	3%	3%	19%	24%	1%	9%	21%	100%
046- Department of Health and Family Welfare													
Expd. during the Month	421	854	5055	1687	661	2733	1309	1664	4000	647	3658	3160	25849
Percentage of Annual Expd.	2%	3%	20%	7%	3%	11%	5%	6%	15%	3%	14%	12%	100%
047- Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)													
Expd. during the Month	9	42	50	45	7	85	29	28	227	16	90	155	783
Percentage of Annual Expd.	1%	5%	6%	6%	1%	11%	4%	4%	29%	2%	12%	20%	100%
048- Department of Health Research													
Expd. during the Month	0	283	0	110	0	0	0	114	15	43	95	86	746
Percentage of Annual Expd.	0%	38%	0%	15%	0%	0%	0%	15%	2%	6%	13%	12%	100%
049- Department of AIDS Control													
Expd. during the Month	1	182	318	37	16	293	14	28	127	10	105	174	1305
Percentage of Annual Expd.	0%	14%	24%	3%	1%	22%	1%	2%	10%	1%	8%	13%	100%
050- Department of Heavy Industry													
Expd. during the Month	2	1	2	357	52	3	86	1	40	6	117	17	684
Percentage of Annual Expd.	0%	0%	0%	52%	8%	1%	13%	0%	6%	1%	17%	2%	100%
051- Department of Public Enterprises													
Expd. during the Month	1	1	6	1	1	2	1	1	1	1	1	2	19
Percentage of Annual Expd.	5%	5%	36%	3%	3%	11%	6%	3%	3%	3%	9%	12%	100%
052- Ministry of Home Affairs													
Expd. during the Month	49	49	1148	43	72	62	42	38	711	60	515	335	3124
Percentage of Annual Expd.	2%	2%	37%	1%	2%	2%	1%	1%	23%	2%	16%	11%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
053- Cabinet													
Expd. during the Month	37	45	24	24	32	192	98	229	27	33	46	243	1030
Percentage of Annual Expd.	4%	4%	2%	2%	3%	19%	10%	22%	3%	3%	4%	24%	100%
054- Police													
Expd. during the Month	4401	3347	3279	3331	2967	3416	3518	2993	3038	3253	3002	3376	39921
Percentage of Annual Expd.	11%	8%	8%	8%	7%	9%	9%	7%	8%	8%	8%	8%	100%
055- Other Expenditure of the Ministry of Home Affairs													
Expd. during the Month	82	135	140	87	112	140	187	114	104	111	102	318	1632
Percentage of Annual Expd.	5%	8%	9%	5%	7%	9%	11%	7%	6%	7%	6%	19%	100%
056- Transfers to Union Territory Governments													
Expd. during the Month	0	0	119	191	58	189	22	94	89	291	87	349	1489
Percentage of Annual Expd.	0%	0%	8%	13%	4%	13%	1%	6%	6%	20%	6%	23%	100%
057- Ministry of Housing and Urban Poverty Alleviation													
Expd. during the Month	1	4	1	15	174	102	19	25	422	9	63	126	961
Percentage of Annual Expd.	0%	0%	0%	2%	18%	11%	2%	3%	44%	1%	7%	13%	100%
058- Department of School Education and Literacy													
Expd. during the Month	12	8979	5830	5602	1625	3037	1104	1686	15479	1966	2528	11303	59151
Percentage of Annual Expd.	0%	15%	10%	9%	3%	5%	2%	3%	26%	3%	4%	19%	100%
059- Department of Higher Education													
Expd. during the Month	12	55	3106	1464	670	3783	1600	408	2688	117	1949	3795	19647
Percentage of Annual Expd.	0%	0%	16%	7%	3%	19%	8%	2%	14%	1%	10%	19%	100%
060- Ministry of Information and Broadcasting													
Expd. during the Month	35	35	57	1097	118	237	57	98	268	30	382	171	2585
Percentage of Annual Expd.	1%	1%	2%	42%	5%	9%	2%	4%	10%	1%	15%	7%	100%
061- Ministry of Labour and Employment													
Expd. during the Month	43	323	263	94	1452	113	96	94	174	396	212	751	4011
Percentage of Annual Expd.	1%	8%	7%	2%	36%	3%	2%	2%	4%	10%	5%	19%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
062- Election Commission													
Expd. during the Month	4	3	2	3	2	2	2	2	6	3	2	4	35
Percentage of Annual Expd.	11%	9%	6%	8%	5%	6%	7%	6%	18%	7%	6%	10%	100%
063- Law and Justice													
Expd. during the Month	14	9	13	154	72	164	34	20	94	88	196	167	1025
Percentage of Annual Expd.	1%	1%	1%	15%	7%	16%	3%	2%	9%	9%	19%	16%	100%
064- Appropriation- Supreme Court of India													
Expd. during the Month	15	9	9	11	8	9	10	9	9	8	9	4	110
Percentage of Annual Expd.	14%	8%	8%	10%	7%	8%	10%	8%	8%	8%	8%	3%	100%
065- Ministry of Micro, Small and Medium Enterprises													
Expd. during the Month	16	410	54	202	202	353	34	15	365	176	254	238	2319
Percentage of Annual Expd.	1%	18%	2%	9%	9%	15%	1%	1%	16%	8%	11%	10%	100%
066- Ministry of Mines													
Expd. during the Month	70	50	60	65	51	125	52	48	58	53	46	126	804
Percentage of Annual Expd.	9%	6%	7%	8%	6%	16%	6%	6%	7%	7%	6%	16%	100%
067- Ministry of Minority Affairs													
Expd. during the Month	3	267	48	158	142	149	70	202	382	85	340	450	2296
Percentage of Annual Expd.	0%	12%	2%	7%	6%	6%	3%	9%	17%	4%	15%	20%	100%
068- Ministry of New and Renewable Energy													
Expd. during the Month	81	79	116	117	105	186	49	40	97	91	213	192	1366
Percentage of Annual Expd.	6%	6%	8%	9%	8%	14%	4%	3%	7%	7%	16%	14%	100%
069- Ministry of Overseas Indian Affairs													
Expd. during the Month	2	6	3	2	4	12	2	5	4	2	15	21	78
Percentage of Annual Expd.	3%	7%	4%	3%	5%	16%	3%	6%	5%	2%	20%	27%	100%
070- Ministry of Panchayati Raj													
Expd. during the Month	2	8	629	341	123	81	373	168	456	300	682	943	4106
Percentage of Annual Expd.	0%	0%	15%	8%	3%	2%	9%	4%	11%	7%	17%	23%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
071- Ministry of Parliamentary Affairs													
Expd. during the Month	1	1	1	1	1	1	1	1	1	1	1	1	12
Percentage of Annual Expd.	10%	8%	9%	6%	13%	8%	7%	7%	9%	8%	8%	7%	100%
072- Ministry of Personnel, Public Grievances and Pensions													
Expd. during the Month	55	52	47	57	53	57	59	66	68	48	62	97	721
Percentage of Annual Expd.	8%	7%	7%	8%	7%	8%	8%	9%	9%	7%	9%	13%	100%
073- Ministry of Petroleum and Natural Gas													
Expd. during the Month	2	2	208	20550	281	1678	241	339	8498	15096	466	22740	70101
Percentage of Annual Expd.	0%	0%	0%	29%	0%	2%	0%	0%	12%	22%	1%	32%	100%
074- Ministry of Planning													
Expd. during the Month	18	20	24	30	58	82	49	180	79	317	36	437	1330
Percentage of Annual Expd.	1%	2%	2%	2%	4%	6%	4%	14%	6%	24%	3%	33%	100%
075- Ministry of Power													
Expd. during the Month	14	158	174	149	8	1117	384	67	1738	27	68	3187	7091
Percentage of Annual Expd.	0%	2%	2%	2%	0%	16%	5%	1%	25%	0%	1%	45%	100%
076- Appropriation- Staff, Household and Allowances of the President													
Expd. during the Month	4	3	2	2	2	2	3	2	2	0	5	2	29
Percentage of Annual Expd.	13%	9%	8%	7%	8%	7%	9%	7%	8%	0%	16%	8%	100%
077- Lok Sabha													
Expd. during the Month	42	29	35	29	31	29	30	36	36	32	30	56	415
Percentage of Annual Expd.	10%	7%	8%	7%	7%	7%	7%	9%	9%	8%	7%	13%	100%
078- Rajya Sabha													
Expd. during the Month	21	14	15	16	16	19	15	19	18	19	18	31	221
Percentage of Annual Expd.	9%	6%	7%	7%	7%	9%	7%	8%	8%	9%	8%	14%	100%
079- Appropriation- UPSC													
Expd. during the Month	17	14	9	12	10	12	11	9	9	12	8	23	146
Percentage of Annual Expd.	11%	10%	6%	8%	7%	8%	7%	6%	6%	8%	5%	16%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
080- Secretariat of the Vice-President													
Expd. during the Month	0	0	0	0	0	0	0	0	0	0	0	0	0
Percentage of Annual Expd.	11%	7%	7%	7%	8%	9%	10%	8%	8%	9%	9%	6%	100%
081- Ministry of Road Transport and Highways													
Expd. during the Month	3660	1368	3118	4848	1509	2696	4121	825	3784	1021	1411	9919	38280
Percentage of Annual Expd.	10%	4%	8%	13%	4%	7%	11%	2%	10%	3%	4%	26%	100%
082- Department of Rural Development													
Expd. during the Month	7101	4327	6133	2674	2242	8307	2482	3294	9386	1440	6847	52608	106841
Percentage of Annual Expd.	7%	4%	6%	3%	2%	8%	2%	3%	9%	1%	6%	49%	100%
083- Department of Land Resources													
Expd. during the Month	2	3	148	295	142	834	164	35	360	105	106	233	2427
Percentage of Annual Expd.	0%	0%	6%	12%	6%	34%	7%	1%	15%	4%	4%	10%	100%
084- Department of Drinking Water and Sanitation													
Expd. during the Month	1	11	451	778	597	2751	69	73	2763	-41	664	1881	9998
Percentage of Annual Expd.	0%	0%	5%	8%	6%	28%	1%	1%	28%	0%	7%	19%	100%
085- Department of Science and Technology													
Expd. during the Month	128	45	342	108	104	514	279	87	275	82	201	358	2523
Percentage of Annual Expd.	5%	2%	14%	4%	4%	20%	11%	3%	11%	3%	8%	14%	100%
086- Department of Scientific and Industrial Research													
Expd. during the Month	1	422	411	1	824	16	1	10	827	6	586	111	3216
Percentage of Annual Expd.	0%	13%	13%	0%	26%	0%	0%	0%	26%	0%	18%	3%	100%
087- Department of Biotechnology													
Expd. during the Month	2	38	164	52	37	370	39	30	84	52	89	252	1209
Percentage of Annual Expd.	0%	3%	14%	4%	3%	31%	3%	2%	7%	4%	7%	21%	100%
088- Ministry of Shipping													
Expd. during the Month	19	23	25	42	34	41	47	148	426	64	37	758	1664
Percentage of Annual Expd.	1%	1%	1%	3%	2%	2%	3%	9%	26%	4%	2%	46%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
089- Ministry of Social Justice and Empowerment													
Expd. during the Month	5	902	365	172	197	1061	60	175	920	134	405	697	5093
Percentage of Annual Expd.	0%	18%	7%	3%	4%	21%	1%	3%	18%	3%	8%	14%	100%
090- Department of Space													
Expd. during the Month	319	246	269	288	265	288	254	293	361	317	340	552	3792
Percentage of Annual Expd.	8%	6%	7%	8%	7%	8%	7%	8%	10%	8%	9%	15%	100%
091- Ministry of Statistics and Programme Implementation													
Expd. during the Month	36	94	375	178	136	461	342	156	260	208	172	706	3124
Percentage of Annual Expd.	1%	3%	12%	6%	4%	15%	11%	5%	8%	7%	5%	23%	100%
092- Ministry of Steel													
Expd. during the Month	4	3	16	3	3	18	4	3	12	3	1	8	78
Percentage of Annual Expd.	5%	4%	20%	4%	4%	22%	5%	4%	15%	4%	2%	10%	100%
093- Ministry of Textiles													
Expd. during the Month	76	488	1139	46	83	338	618	63	527	291	163	1225	5057
Percentage of Annual Expd.	2%	10%	23%	1%	2%	7%	12%	1%	10%	6%	3%	24%	100%
094- Ministry of Tourism													
Expd. during the Month	4	69	163	103	83	122	65	93	163	15	116	119	1115
Percentage of Annual Expd.	0%	6%	15%	9%	7%	11%	6%	8%	15%	1%	10%	11%	100%
095- Ministry of Tribal Affairs													
Expd. during the Month	2	303	273	37	356	1019	18	32	586	80	232	702	3640
Percentage of Annual Expd.	0%	8%	7%	1%	10%	28%	0%	1%	16%	2%	6%	19%	100%
096- Andaman and Nicobar Islands													
Expd. during the Month	187	203	149	260	224	196	214	192	162	181	260	403	2631
Percentage of Annual Expd.	7%	8%	6%	10%	9%	7%	8%	7%	6%	7%	10%	15%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
097- Chandigarh													
Expd. during the Month	228	177	181	260	387	261	190	188	156	238	111	252	2629
Percentage of Annual Expd.	9%	7%	7%	10%	15%	10%	7%	7%	6%	9%	4%	10%	100%
098- Dadra and Nagar Haveli													
Expd. during the Month	142	103	123	136	157	190	173	178	17	210	357	203	1989
Percentage of Annual Expd.	7%	5%	6%	7%	8%	10%	9%	9%	1%	11%	18%	10%	100%
099- Daman and Diu													
Expd. during the Month	58	67	71	89	88	133	88	102	152	97	125	141	1211
Percentage of Annual Expd.	5%	6%	6%	7%	7%	11%	7%	8%	13%	8%	10%	12%	100%
100- Lakshadweep													
Expd. during the Month	24	167	50	55	74	47	37	55	93	38	39	215	894
Percentage of Annual Expd.	3%	19%	6%	6%	8%	5%	4%	6%	10%	4%	4%	24%	100%
101- Department of Urban Development													
Expd. during the Month	91	504	517	111	622	1623	258	90	1118	443	386	1099	6862
Percentage of Annual Expd.	1%	7%	8%	2%	9%	24%	4%	1%	16%	6%	6%	16%	100%
102- Public Works													
Expd. during the Month	166	121	141	124	143	144	155	130	136	120	125	186	1691
Percentage of Annual Expd.	10%	7%	8%	7%	8%	9%	9%	8%	8%	7%	7%	11%	100%
103- Stationery and Printing													
Expd. during the Month	27	16	16	18	16	21	18	15	16	17	18	40	238
Percentage of Annual Expd.	11%	7%	7%	8%	7%	9%	7%	6%	7%	7%	8%	17%	100%
104- Ministry of Water Resources													
Expd. during the Month	97	66	78	101	84	80	78	103	67	90	60	162	1066
Percentage of Annual Expd.	9%	6%	7%	10%	8%	8%	7%	10%	6%	8%	6%	15%	100%
105- Ministry of Women and Child Development													
Expd. during the Month	22	1027	1794	80	2186	1580	1821	38	3016	354	1305	2454	15677
Percentage of Annual Expd.	0%	7%	11%	1%	14%	10%	12%	0%	19%	2%	8%	16%	100%

Grant-wise Time Analysis of Expenditure*

(₹in crore)

	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Total
106- Ministry of Youth Affairs and Sports													
Exp. during the Month	2	6	284	34	18	73	41	115	144	75	110	84	986
Percentage of Annual Expd.	0%	1%	29%	3%	2%	7%	4%	12%	15%	8%	11%	9%	100%
Total Expenditure	**68041**	**66319**	**84738**	**99108**	**80421**	**107995**	**67568**	**64078**	**120731**	**65833**	**115755**	**263945**	**1204532**
Percentage of Annual Expenditure	**6%**	**5%**	**7%**	**8%**	**7%**	**9%**	**6%**	**5%**	**10%**	**5%**	**10%**	**22%**	**100%**

**** Data extracted from e-lekha. Data in March 2012 includes data from supplementary accounting months. Data excludes figures of deduct recoveries.***

Annex II-A

(Refers to paragraph 2.1.2)

Details of revenue and capital expenditure under minor head '800-Other Expenditure' in 2011-12

Sl. No.	Major head	Total expenditure under the major head	Expenditure under minor head 800- Other Expenditure	Percentage of expenditure in minor head as compared to major head
		(₹in crore)		
1.	2079-Defence Services-Ordnance Factories	1,126.72	658.77	58
2.	2250-Other Social Services	48.65	48.48	100
3.	2416-Agricultural Financial Institutions	2,176.81[1]	3,402.70	156
4.	2515-Other Rural Development Programmes	3,694.08	2,778.76	75
5.	2711-Flood Control and Drainage	167.33	165.97	99
6.	2801-Power	12,109.24	8,565.95	71
7.	2803-Coal and Lignite	333.27	173.17	52
8.	3053-Civil Aviation	934.14	827.22	89
9.	3454-Census Surveys and Statistics	4,024.67	2,511.66	62
10.	4070-Capital Outlay on Other Administrative Services	13.40	12.37	92
11.	4402-Capital Outlay on Soil and Water Conservation	0.44	0.32	73
12.	4403-Capital Outlay on Animal Husbandry	11.75	5.84	50
13.	4408-Capital Outlay on Food, Storage and Warehousing	63.48	61.24	96
14.	4853- Capital Outlay on Non-Ferrous Mining and Metallurgical Industries	202.46	198.46	98
15.	4859-Capital Outlay on Telecommunication & Electronic Industries	7.55	5.05	67
16.	5275-Capital Outlay on Other Communication Services	57.87	54.01	93
17.	5403-Capital Outlay on Oceanographic Research	5.87	3.84	65
18.	5452-Capital Outlay on Tourism	53.41	33.13	62
19.	5453-Capital Outlay on Foreign Trade	735.19	682.65	93
20.	5455- Capital Outlay on Meteorology	93.00	61.92	67
21.	5475- Capital Outlay on Other General Economic Services	734.82	476.99	65
Total		**23,241.97**	**20,728.50**	

[1] Total expenditure under the major head is less than the expenditure booked under the minor head '800' due to adjustment of unspent balances of ₹1265.66 crore in minor head '912'.

Annex II-B

(Refers to Paragraph 2.3.4)

Statement showing dormant reserve funds/deposits

Sl No	Nomenclature of the head	Nature of the fund	Balance as on 31 March 2012 (₹ in thousands)	Dormant since
1.	8116-Revenue Reserve Funds	Reserve	82,68,94	2001-02
2.	8118.105-Telecommunication Capital Reserve Fund	Reserve	6	2001-02
3.	8121.119-Staff Benefit Fund (Railways)--Investment Accounts	Reserve	1,00	1999-2000
4.	8121.111-Contingency Reserve Fund—Electricity	Reserve	1,30,75	2006-07
5.	8223.101-Famine Relief Fund	Reserve	3	2008-09
6.	8229.101-Development Funds for Educational Purposes	Reserve	7	2002-03
7.	8229.102-Development Funds for Medical and Public Health Purposes	Reserve	60	2002-03
8.	8229.103-Development Funds for Agricultural Purposes	Reserve	6	2002-03
9.	8229.106-Industrial Development Funds	Reserve	1,28	2006-07
10.	8229.108-Mining Areas Development Funds	Reserve	1,02	2002-03
11.	8229.117 National Bio- technological Core Fund	Reserve	3,25,13	2002-03
12.	8230.101-Special Railway Safety Fund (Commercial)	Reserve	581,12,02	2008-09
13.	8230.102-Special Railway Safety Fund (Strategic)	Reserve	16,66,24	2007-08
14.	8235.101-General Reserve Funds of Government Commercial Departments/Undertakings	Reserve	75,86	2008-09
15.	8235.104-Railway Safety Works Fund	Reserve	40,74,41	2003-04
16.	8235.105-General Insurance Fund	Reserve	261,32,01	2005-06
17.	8235.113-Nationl Renewal Funds	Reserve	17,70,20	2008-09
18.	8235.110-Food Grain Reserve Funds	Reserve	14	2002-03
19.	8337.103-Contributory Indian Railways Conference Association Employees' Provident Fund- Investment Account	Deposit	65,12	2001-02
20.	8337.104-Non-contributory Indian Railways Conference Association Employees' Provident Fund- Investment Account	Deposit	50	2001-02
21.	8342.104-Coal Mines Pension Scheme, 1998	Deposit	2946,84,64	2006-07
22.	8342.107-Deposits towards Payment of Estate Duty.	Deposit	1,31	2008-09
23.	8342.110-Telephone Application Deposits	Deposit	223,98,01	2005-06
24.	8342.111-Telex Application Deposits	Deposit	7,93,06	2003-04
25.	8342.114-Leased Telecommunication facility Deposits	Deposit	1,69,47	2001-02
26.	8342.108-Deposits of Income Tax, Super Tax, Excess Profits, Tax and Surcharge	Deposit	1,21,61	2001-02

27.	8443.114-Export Trade Deposits	Deposit	15,25,27	1988-89
28.	8443.122-Mines Labour Welfare Deposits	Deposit	23,35	1988-89
29.	8443.127- Deposits of Local Bodies for meeting claims of contractors/employees/pensioners etc. who have migrated to Pakistan	Deposit	21,07	1996-97
30.	8443.130-Provident Societies Liquidation Accounts	Deposit	13	2008-09
31.	8445.102-Deposits of Branch Line Companies	Deposit	65	1992-93
32.	8447-Telecommunication Deposits 800-Other Deposits	Deposit	49,82,05	2005-06
33.	8448.103-Cantoment Funds	Deposit	1	2000-01
34.	8448.111-Medical and Charitable Funds	Deposit	52	1988-89
35.	8448-Deposits of Local Funds 120-Other Funds	Deposit	2,26	2004-05
36.	8449.104-Deposits of Mines Provident Funds	Deposit	16,01	1988-89
37.	8449.106-Accounts under Indo- U.S. Agreement 1974	Deposit	16	1991-92
38.	8449.107-Deposits of Income Tax, Super Tax, Excess Profit Tax including Interest and Surcharge	Deposit	1,33,93	1991-92
39.	8449.108-Deposits of Local Bodies for discharge of Loans	Deposit	32,97	2000-01
40.	8449.113-Oil seeds and vegetable Oil Development Fund	Deposit	3,66,13	1999-2000
41.	8449.118-Advance Deposits for Japanese Grants aided Projects	Deposit	1,03,60	1995-96
42.	8449.119-Advance Deposits for A.D.B. assisted Project	Deposit	84,05,30	2004-05
43.	8450.101-Balance of Pondicherry	Deposit	40,12,90	2008-09
44.	8450.102-Balance of Goa, Daman and Diu	Deposit	16,30,26	1988-89
45.	8450.104-Balance of Arunachal Pradesh	Deposit	56,82,51	1988-89
46.	8450.105-Balance of Mizoram	Deposit	124,41,38	1988-89
47.	8009.01.103-ICS Provident Fund	Other Liabilities	2,01	1999-2000
48.	8009.03.102-Transferred Railways Personnel Provident Fund	Other Liabilities	35,36	2000-01
49.	8010.105-Other Trusts	Other Liabilities	19,23	1999-2000
50.	8010.102-Endowment by the Late King of Oudh	Other Liabilities	91,04	1992-93
51.	8010.104-Endowments for Charitable and Educational Institutions	Other Liabilities	12	2008-09
52.	8011.102-Family Pension Funds	Other Liabilities	6,10	2008-09
53.	8011.106-Other Insurance and Pension Funds	Other Liabilities	62,86	2008-09
54.	8012.103-Special Securities issued to Rural Electrification Corporation	Other Liabilities	162,83,05	1988-89
55.	8012.115-Deposits by the General Insurance Corporation and its Subsidiaries	Other Liabilities	708,40,75	2006-07

Annex II-C

(Refers to Paragraph 2.3.10(e))

Discrepancies between Finance Accounts and Appropriation Accounts

(₹in crore)

Sl.No.	Name of Head/CPSE	Amount of Investment made during 2011-12/Reserve fund		Remarks
		As per Finance Accounts	As per Appropriation Accounts	
Statement No.11				
1.	Repatriates Co-operative Finance and Development Bank	Nil	13.18	Investments in the Co-operatives the correct minor head for obtaining provision/booking of expenditure should be '195-investment in Co-operatives'. In Grant No-55, an investment of ₹ 13.18 crore (head 4235.01.105.02.54) has been made in Repatriates Co-operative Finance and Development Bank, which was in contravention of para 4.2 of General Direction to List of Major and Minor Heads of Account.
2.	Food Corporation of India	61.94	2.00	Excess amount of ₹ 59.94 crore was wrongly reflected as investment in Finance Accounts as the same related to construction of godown.
3.	National Thermal Power Corporation of India	Nil	147.43	
4.	National Finance Development Corporation for weaker sections	Nil	70.00	
5.	Hindustan Shipyard Limited	304.00 (Progressive investment as on 31March 2012 as per Finance Accounts)	301.99 (Progressive investment as on 31 March 2012 as per CGDA)	For difference of ₹ 2.01 crore, CGDA replied (August 2012) that authorised capital was ₹ 304 crore and paid up capital was ₹ 301.99 crore and this aspect was clarified (October 2011) to the CGA.

Annex II-D

(Refers to paragraph 2.4.1)

Outstanding amount under suspense account for purchases abroad (since-2003)

(₹in thousands)

S.No.	Name of the Importer	No. of cases	Amount
1.	Road and Building Department. Gujarat	1	11,04
2.	Tamil Nadu State Electricity Board	1	51,98
3.	Family Health Support Maharashtra	1	2,18
4.	Mysore Cement Ltd.	1	43,26
5.	Ministry of Railways	2	83,99
6.	Pyrites Phosphates & Chemicals Ltd.	2	24,95,13
7.	Rail Coach Factory (Kapurthala)	1	18,95
8.	Railway Board	1	1,31,38
9.	Rail Coil Spring	1	71,11
10.	Ministry of Water Resources	2	52,33
11.	Pawan Hans Ltd.	1	57,43,84
12.	Department of Telecommunications	6	1,47,37
13.	The Fertilizers & Chemicals Travancore Limited	1	3,41
14.	Indian Farmers Fertilizer Co-operative Limited	3	1,42,57
15.	Lady Harding Medical College & Associated Hospital	1	99,62
16.	Ministry of Health &Family Welfare	1	1,36
17.	Ministry of Home Affairs	1	22,55
18.	Ministry of Road Transport and Highways	4	29,07,62
19.	Ministry of Road Transport and Highways-Technical	4	1,60,94
20.	National Capital Territory of Delhi	1	4,82,97
21.	Cochin Port Trust	1	36,48
22.	Delhi Electric Supply Undertaking, Delhi	1	7,80,09
23.	Bhilai Steel Plant	1	12,00
24.	Coal India Ltd (WB)	3	23,18,32
25.	CMAL-DL	1	3,48
26.	Jhanjra Bhilai Steel Plant	1	9,06
27.	AP State Electricity Board, AP	1	4,74,76
28.	Helicopter Corporation of India	1	67,23,56
29.	KRIBHCO Rain Farming & Eastern & Western Ghat Project	1	70,79
30.	Oil and Natural Gas Commission	2	5,94,27
31.	Ministry of Finance, Department of Economic Affairs	1	45,60
32.	District Poverty Initiative Project	1	1,46,30
Total		**51**	**238,88,31**

Annex II-E

(Refers to paragraph 2.4.2)

Adverse balances under Debt, Deposits and Remittances heads

(₹in thousands)

Sl.No.	Head of Account (Major /Minor Head)		Balance as on 31 March 2012		Period from which balances become adverse
Statement No.13					
1.	8115.00.101	Depreciation Reserve Funds – Railway Commercial Lines	Debit	2619,04,96	2009-10
2.	8117.00.101	Railway Development Fund – Commercial Lines	Debit	780,10,49	2009-10
3.	8118.00.106	Railway Capital Fund	Debit	325,23,49	2010-11
4.	8121.00.103	Railway Pension Fund – Commercial Lines	Debit	1619,80,29	2009-10
5.	8229.00.200	Other Development and Welfare Fund	Debit	205,74,29	2007-08
6.	8231.00.102	Railway Safety Fund (Strategic)	Debit	1	2004-05
7.	8336.00.101	Security Deposits	Debit	64,88	2007-08
8.	8443.00.111	Other Departmental Deposits	Debit	52,76,67	2006-07
9.	8445.00.104	Railway Deposits-Trust Interest Account	Debit	19,82,65	2005-06
10.	8445.00.800	Railway Deposits-Other Deposits	Debit	769,83,29	2005-06
11.	8446.00.800	Postal Deposits-Other Deposits	Debit	15,86,61	2005-06
12.	8448.00.102	Deposits of Local Funds-Municipal Funds	Debit	3	2007-08
13.	8448.00.104	Deposits of Local Funds-Funds of Insurance Association of India	Debit	2,91	Pre-1976-77
14.	8451.00.101	Bhopal Gas Leak Disaster Relief Fund-Claims and Relief Funds	Debit	930,46,57	2005-06
15.	8451.00.102	Claims and Relief Fund Investment Account	Credit	920,21,62	2005-06
16.	8550.00.101	Civil Advances-Forest Advances	Credit	3,73	1995-96
Statement No. 14					
17.	6002.00. 207	Loans from the European Economic community	Debit	69,27,09	2000-01
18.	6002.00. 208	Loans from the Government of France	Debit	2402,77,06	2000-01
19.	6002.00. 223	Loans from the Government of Swiss Confederation and Swiss Bank	Debit	5,52,37	2010-11
20.	6002.00. 226	Loans from the Agency for International Development USA	Debit	560,14,46	1995-96
21.	6002.00. 227	Loans from the Government of USA under PL -480 convertible local currency Credits	Debit	437,20,93	1995-96
22.	8013.01.101	Deposit Scheme for Retiring Government Employees,1989	Debit	64,90,14	2007-08
Statement No.15					
23.	6202.01. 203	University & Higher Education	Credit	15,68	2004-05

(₹in thousands)

Sl.No.	Head of Account (Major /Minor Head)		Balance as on 31 March 2012		Period from which balances become adverse
24.	6215.02.800	Other Loans	Credit	1,77,10	2001-02
25.	6216.80.190	Loan to Public Sector and other Undertakings	Credit	2	2008-09
26.	6216.80.800	Other Loans	Credit	1,18,44	2010-11
27.	6225.01.800	Other Loans	Credit	8,29	1994-95
28.	6245.01.101	Gratuitous Relief	Credit	8,30	1986-87
29.	6245.02.101	Gratuitous Relief	Credit	21,57	1997-98
30.	6402.00.102	Soil Conservation	Credit	74,96	1995-96
31.	6402.00.203	Land Reclamation and Development	Credit	5,92	2007-08
32.	6404.00.800	Other Loans	Credit	464,23,31	2004-05
33.	6405.00.106	Mechanisation of Fishing Crafts	Credit	5,32	2006-07
34.	6425.00.108	Loan to other Co-operatives	Credit	396,36,90	2003-04
35.	6515.00.102	Community Development	Credit	99	1986-87
36.	6801.00.201	Hydel Generation	Credit	306,84,15	2004-05
37.	6801.00.205	Transmission & Distribution	Credit	114,53,23	2005-06
38.	6851.00.102	Small Scale Industries	Credit	32,22	2006-07
39.	7053.00.190	Loans to Public Sector and other Undertakings	Credit	37,75,37	2010-11
40.	7052.02.101	Loans to SDFC	Credit	294,12,24	2002-03
41.	7425.00.800	Other Loans	Credit	30,74	2005-06
Advances to Foreign Governments					
42.	7610.00.203	Advances for Purchase of other Conveyance	Credit	37,45,13	2004-05
Statement No. 16					
43.	8002.00.103	Treasury Saving Deposits Certificates	Debit	69,62	1976-77
44.	8002.00.105	Savings Certificates Bank Series	Debit	1,89	2007-08

Annex II-F

(Refers to Paragraph 2.4.5)

Summarised financial results of Departmentally Managed Government Undertakings 2011-12 *(₹in lakh)*

Sl. No.	Name of Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit/ (-)Loss	Interest on Government Capital	Total return	Percentage of total return to mean capital	Remarks
MINISTRY OF AGRICULTURE										
1.	Delhi Milk Scheme	2011-12	4168.24	23363.67	3037.70	(-)2423.71	75.15	(-)2348.56	NA	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 ENERGY										
3.	Nuclear Fuel Complex, Hyderabad	2010-11	63526.59	36936.74	25024.97	6586.55	7963.12	14549.67	23.58	Provisional
4.	Heavy Water Plant, Mumbai	2010-11	1023511.11	37617.72	116572.73	-25128.01	91504.52	66376.51	5.74	Provisional
MINISTRY OF DEFENCE										
5.	Canteen Stores Department	2008-09	48.00	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♣
7.	Government Alkaloid Works, Ghazipur	2009-10	654.08	297.61	358.59	36.04	121.87	157.91	10.91	1447.43♣

Summarised financial results of Departmentally Managed Government Undertakings 2011-12 *(₹in lakh)*

Sl. No.	Name of Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit/ (-)Loss	Interest on Government Capital	Total return	Percentage of total return to mean capital	Remarks
8.	Government Opium Factory, Ghazipur	2009-10	444.26	145.25	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	
13.	Government Medical Store Depot, New Delhi	2008-09	29.86	21.19	133.74	(+)527.97		(+)527.97	1768.31	
14.	Government Medical Store Depot, Mumbai	2006-07	16.18	7.21	-	121.52	-	-	-	
15.	Vegetable Garden of Central Institute of Psychiatry, Kanke, Ranchi	2011-12	0.31	0.25	0.0024	0.737	0.081	1.32	74.46	

Summarised financial results of Departmentally Managed Government Undertakings 2011-12 *(₹in lakh)*

Sl. No.	Name of Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit/ (-)Loss	Interest on Government Capital	Total return	Percentage of total return to mean capital	Remarks
MINISTRY OF INFORMATION AND BROADCASTING										
16.	Film Division, Mumbai	2009-10	8478.59	6550.72	4445.19	(-)4984.07	944.18	-	-	-
MINISTRY OF POWER										
17.	Electricity Department, Andaman and Nicobar Islands	2010-2011	42708.30	34826.26	242.68	(-) 208686.32	3221.46	(-)205464.86	(-)504.50	-
18.	Electricity Department, Lakshadweep	2008-09	11599.68	9307.29	2292.38	(-)4670.00	941.29	614.82		
MINISTRY OF SHIPPING										
19.	Directorate of Lighthouses and Lightships, Noida	2009-10	21308.00	21308.00	9840.00	4105.00	527.00	4632.00	43.48	
20.	Andaman Ferry Service	2002-03	26092.38	3373.67	5486.23	(-) 32.74	(-) 2553.32	(-) 2586.06	(-) 9.91	
21.	Shipping Services, Andaman and Nicobar Islands	2003-04	28873.79	10613.10	1695.94	(-) 32275.33	21953.38	(-) 10321.95	35.75	
22.	Marine Department (Dockyard) Andaman and Nicobar Islands	2003-04	2884.55	205.10	61.60	(-) 4166.22	(-) 289.41	(-) 4455.63	(-)154.47	

Summarised financial results of Departmentally Managed Government Undertakings 2011-12 *(₹in lakh)*

Sl. No.	Name of Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit/ (-)Loss	Interest on Government Capital	Total return	Percentage of total return to mean capital	Remarks
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS										
23.	Chandigarh Transport Undertaking	2008-09	12694.35	4568.71	2420.39	(-)2415.46	670.94	(-)1744.52	(-)14.93	
24.	State Transport Service, Andaman & Nicobar Islands	2008-09	3438.25	1209.27	1848.35	(-)9917.87	3426.79	(-)2491.08	(-)6.11	
MINISTRY OF URBAN DEVELOPMENT										
25.	Department of Publications	2000-01 and onwards								Instead of Proforma accounts, the department prepares stores accounts which have been audited up to 1999-2000. The Ministry decided in November 2001 to change over the accounting system to commercial pattern of accounts, which is yet to be changed.
26.	Government of India Press, Minto Road, New Delhi	2010-11	445.00	-	1119.00	-	21.00	1174.00	263.97	
27.	Government of India Press, Ring Road, New Delhi	2010-11	365.00	-	28.00	-	18.00	NA	NA	

Summarised financial results of Departmentally Managed Government Undertakings 2011-12 *(₹in lakh)*

Sl. No.	Name of Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit/ (-)Loss	Interest on Government Capital	Total return	Percentage of total return to mean capital	Remarks
28.	Government of India Press, Rashtrapati Bhavan, New Delhi	2010-11	54.00	-	3.00		3.00			
29.	Government of India Press, Nilokheri	2011-12	99.00	-	139.00	0	0	0	0	
30.	Government of India Press, Faridabad	2010-11	682.00	418.00	35.00	-	23.00	1636.00	239.71	Sale of waste paper/scrap etc shown as profit
31.	Government of India Press, Shimla	2011-12	196.00	53.00	8.00	-	-	8.00	4.00	
32.	Government of India Press, Coimbatore	2010-11	-	-	177.00	0	0	0	0	
33.	Government of India Text Book Press, Bhubaneswar	2011-12	306.00	3.00	1.00	-	-	72.00	23.64	
34.	Government of India Text Book Press, Mysore	2010-11	53.00	57.00	2.00	-	-	223.00	414.00	
35.	Government of India Press, Kolkata	2009-10	75.00	17.00	5.00	-	6.00	7.00	9.11	

Summarised financial results of Departmentally Managed Government Undertakings 2011-12 *(₹in lakh)*

Sl. No.	Name of Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit/ (-)Loss	Interest on Government Capital	Total return	Percentage of total return to mean capital	Remarks
36.	Government of India Press, Koratty	2010-11	338.00	115.00	14.00	-	36.00	755.00	225.00	
37.	Govenmet India press, Nasik	2011-12	1077.00	642.00	390.00	-	55.00	1679.00	-	
38.	Government of India Press, Aligarh	2010-11	241.00	142.00	187.00	-	12.00	1219.00	-	
39.	Government of India Text Book Press, Chandigarh	2010-11	28.00	30.00	96.00	-	1.00	601.00	1036.00	
40.	Government of India Press, Gangtok	2007-08	4.00	7.00	-	-	-	4.00	5.00	
41.	Government of India Press, Satragachi	2010-11	356.00	3.00	48.00	-	43.00	1491.00	418.00	

♣ *Figure represents Mean Capital*

Annex II-G

(Refers to Paragraph 2.4.6)

Statement of losses and irrecoverable dues written off/waived during 2011-12

(₹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	0	0	0	0	25	8.00	0	0	0	0
Urban Development					0	0	0	0	16	92.07
Space	0	0	0	0	3	0.20	0	0	2	2.00
Post & Telecommunication			13	4.61	21	6.37	8	10.72	75	20.34
Defence Services	2	1.24	26	37.58	70	187.50	0	0	0	0
Lok Sabha Secretariat.	0	0	0	0	2	0.12	0	0	0	0
Rajya Sabha Secretariat.	0	0	0	0	0	0	1	0.01	0	0
M/o Water Resources	0	0	0	0	4	0.26	1	24.78	0	0
Divisional Forest Officer South Andaman	0	0	0	0	03	3.91	0	0	02	1.13
CBEC	0	0	0	0	1	10.00	0	0	0	0
Health & Family Welfare					1	557.84				
Total	**2**	**1.24**	**39**	**42.190**	**130**	**774.20**	**10**	**35.51**	**95**	**115.54**
Losses written off: cases 171; amount ₹ 817.63							**Recovery waived & Ex-gratia payment made: cases 105; ₹ 151.05**			

Annex III-A

(Refers to paragraph 3.2)

Authorisation and Disbursements

(₹in crore)

Nature of Disbursements	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Disbursements	Savings Excess(+)
A – Civil					
Voted					
I. Revenue	830435.92	101993.96	932429.88	830932.62	101497.26
II. Capital	76475.34	11763.20	88238.54	63966.25	24272.29
III. Loans and Advances	29917.22	9709.29	39626.51	26381.43	13245.08
Total	**936828.48**	**123466.45**	**1060294.93**	**921280.30**	**139014.63**
Charged					
IV. Revenue	325521.27	11941.15	337462.42	334982.38	2480.04
V. Capital	36.20	16.61	52.81	33.34	19.47
VI. Public Debt	3155216.93	369496.27	3524713.20	3495928.70	28784.50
VII. Loans and Advances	13.00	13020.20	13033.20	10015.53	3017.67
Total	**3480787.40**	**394474.23**	**3875261.63**	**3840959.95**	**34301.68**
Grand Total	**4417615.88**	**517940.68**	**4935556.56**	**4762240.25**	**173316.31**
Recoveries in reduction of disbursements			147847.68	101947.89	45899.79
Total Net Provision			**4787708.88**	**4660292.36**	**127416.52**
Total Net Disbursement				**4660292.36**	
B – Posts					
Voted					
I. Revenue	13522.26	240.07	13762.33	14162.37	(+)400.04
II. Capital	518.12	0.02	518.14	200.63	317.51
Total	**14040.38**	**240.09**	**14280.47**	**14363.00**	**(+)82.53**
Charged					
III. Revenue	0.10	1.49	1.59	1.54	0.05
IV. Capital	--	9.60	9.60#	9.60#	(+)#
Total	**0.10**	**11.09**	**11.19**	**11.14**	**0.05**
Grand Total	**14040.48**	**251.18**	**14291.66**	**14374.14**	**(+)82.48**
Recoveries in reduction of disbursements	695.11		695.11	458.64	
Total Net Provision			**13596.55**		
Total Net Disbursement				**13915.50**	

Actual excess of ₹24,413/=

(₹in crore)

Nature of Disbursements	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Disbursements	Savings Excess(+)
C - Defence Services					
Voted					
I. Revenue	99715.50	9858.57	109574.07	107961.10	1612.97
II. Capital	69148.01	-	69148.01	67843.96	1304.05
Total	**168863.51**	**9858.57**	**178722.08**	**175805.06**	**2917.02**
Charged					
III. Revenue	35.23	32.24	67.47	34.46	33.01
IV. Capital	50.80	50.71	101.51	58.42	43.09
Total	**86.03**	**82.95**	**168.98**	**92.88**	**76.10**
Grand Total	**168949.54**	**9941.52**	**178891.06**	**175897.94**	**2993.12**
Recoveries in reduction of disbursements			362.88	371.85	(+)8.97
Total Net Provision			**178528.18**		
Total Net Disbursement				**175526.09**	**3002.09**
D – Railways					
Voted	197279.90	7641.05	204920.95	194736.32	10184.63
Charged	221.78	70.25	292.03	260.76	31.27
Total	**197501.68**	**7711.30**	**205212.98**	**194997.08**	**10215.90**
Recoveries in reduction of disbursements			65047.92	65738.36	(+) 690.44
Total Net Provision			**140165.06**		
Total Net Disbursement				**129258.72**	
Total CFI **Voted**	**1317012.27**	**141206.16**	**1458218.43**	**1306184.68**	**152033.75**
Total CFI **Charged**	**3481095.31**	**394638.52**	**3875733.83**	**3841324.73**	**34409.10**
Grand Total CFI	**4798107.58**	**535844.69**	**5333952.26**	**5147509.41**	**186442.85**
Total recoveries in reduction of expenditure			**213953.59**	**168516.74**	**45436.85**
Total expenditure as per Appropriation Account (CFI)			**5119998.67**	**4978992.67**	**141006.00**
Difference with the Figures of Finance Accounts				**0.01**	
Total disbursement from CFI as per Finance Account				**4978992.68**	

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

Annex III-B

(Refers to Paragraph 3.2)

Net savings in Grants/Appropriations

(₹in crore)

Grants and Appropriations affected	Unspent provision		Excess		Net savings Net Excess (+)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
A – Civil						
Voted	105067.51	37524.60	3570.25	7.23	101497.26	37517.37
No. of grants	91	70	2	1	-	-
Charged	5447.89	31821.64	2967.85	-	2480.04	31821.64
No. of Appropriations	32	10	3	-	-	-
B – Posts						
Voted	-	317.51	400.04	-	(+) 400.04	317.51
No. of grants	-	1	1	-	-	-
Charged	0.05	-	-	-	0.05	-
No. of Appropriation	1	-	-	-	-	-
C - Defence Services						
Voted	2180.88	1304.05	567.91	-	1612.97	1304.05
No. of grants	4	1	1	-	-	-
Charged	33.01	43.01	-	-	33.01	43.01
No of Appropriations	5	1	-	-	-	-
D – Railways						
Voted	5457.19	5775.26	1047.83	-	4409.36	5775.26
No. of grants	13	1*	2	-	-	-
Charged	10.16	21.43	0.31	-	9.85	21.43
No of Appropriations	9	1*	2	-	-	-

* Four segments of one grant

Annex III-C

(Refers to Paragraph 3.3)

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.	2000-01	173677	530530	704207	160753	405289	566042	28	72
2.	2001-02	218136	481679	699815	201574	473950	675524	30	70
3.	2002-03	230649	547152	777801	213833	504119	717952	30	70
4.	2003-04	254328	564275	818603	231100	599889	830989	28	72
5.	2004-05	278555	703835	982390	252254	724942	977196	26	74
6.	2005-06	330051	1193138	1523189	301269	1288817	1590086	19	81
7.	2006-07	449178	1635986	2085164	415785	1670413	2086198	20	80
8.	2007-08	551115	1894750	2445865	519214	1818879	2338093	22	78
9.	2008-09	780316	2440552	3220868	744116	2404957	3149073	24	76
10.	2009-10	830706	3525606	4356312	768458	3349254	4117712	19	81
11.	2010-11	986064	3697775	4683839	918675	3104657	4023332	23	77
12.	2011-12	1060295	3875262	4935557	921280	3840960	4762240	19	81

Annex III-D

(Refers to paragraph 3.6)

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					
14–Department of Telecommunications					
1.	2071.01.101.01- Ordinary Pensions	O R	1799.02 820.16	2670.08	50.90
21-Defence Pensions					
2.	2071.02.101.01-Pension and other Retirement Benefits	O R	29649.34 27.29	32929.45	3252.82
3.	2071.02.101.03-Leave Encashment	O R	1074.19 (-) 18.50	1070.94	15.25
4.	2071.02.102.01- Pension and Other Retirement Benefits	O R	964.81 (-) 35.74	1049.74	120.67
5.	2071.02.102.03-Leave Encashment	O R	92.31 35.84	137.01	8.86
6.	2071.02.103.01- Pension and other Retirement Benefits	O R	2053.03 (-) 44.55	2182.05	173.57
31–Ministry of External Affairs					
7.	2061.00.101.01-Management and Establishment	O R	1364.97 25.83	1499.46	108.66
34-Appropriation-Interest Payments					
8.	2049.01.101-Interest on Market Loans	O S R	179290.19 3000.00 (+)3020.76	189416.34	4105.39
9.	2049.02.230- Interest on Loans from the Government of USSR	O R	233.85 (+)41.52	281.13	5.76
10.	2049.03.104.04- State Railway Provident Fund	O R	1654.39 (-)43.45	1765.13	154.19
37-Appropriation – Repayment of Debt					
11.	6001.00.115- 14 days Treasury bills	O R	2500566.00 (-) 397758.00	2109690.77	6882.77
39-Pensions					
12.	2071.01.101.01- Ordinary Pensions	O S R	8800.57 452.43 145.49	9482.97	84.48
13.	2071.01.104.01- Ordinary Pensions	O R	2216.85 (-) 150.00	2107.37	40.52
14.	2071.01.105.02- Family Pensions	O S R	1895.45 124.15 230.40	2340.33	90.33
54-Police					
15.	2055.00.103.01-Establishment & Administration	O S R	2451.58 240.00 (-) 8.93	2723.59	40.94
16.	2055.00.105.01-Directorate General of Border Security Force	O S R	7367.65 511.03 34.01	7894.51	18.18
17.	4055.00.202.04-General	O	65.00	76.33	11.33
55-Other Expenditure of the Ministry of Home Affairs					
18.	2235.60.107.03-Central Government Pension	O R	717.00 0.08	821.03	103.95

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
97-Chandigarh					
19.	2014.00.102.02-Establishment	O S R	86.17 4.03 0.72	110.90	19.98
20.	4406.01.101.01-Acquisition of Land	O R	1.00 0.10	23.65	22.55
101-Department of Urban Development					
21.	2216.07.053.05-Other Maintenance Expenditure	O	42.00	48.56	6.56
102–Department of Public Works					
22.	2059.01.053.04-Other Maintenance Expenditure	O	177.53	185.73	8.20
Department of Posts					
13-Postal Services					
23.	3201.01.101.01 – Circle Offices		192.00	203.81	11.81
24.	3201.01.101.03 – Postal Divisions (Voted)		342.61	387.18	44.57
25.	3201.02.101.01- Existing Post Offices		4829.58	5074.62	245.04
26.	3201.02.101.04- Premium Product Services		104.47	112.12	7.65
27.	3201.02.102.01-Mail Sorting		836.67	894.24	57.57
28.	3201.02.103.04-M.M.S. for ordinary services (Voted)		82.10	91.25	9.15
29.	3201.03.101.01 - SBCO		109.91	115.10	5.19
30.	3201.04.102.02 – Postal Accounts Offices Circle		259.96	268.13	8.17
31.	3201.07.101.01 – Superannuation and Retirement Allowances		1578.85	1697.91	119.06
32.	3201.07.102.01 – Commuted Value of Pension		280.87	314.54	33.67
33.	3201.07.104.01 – Gratuities to EDA		3.40	49.01	45.61
34.	3201.07.110.01 - Government Contribution to defined New Pension Scheme		56.24	86.33	30.09
35.	3201.08.101.01 – Payment of charges to Reserve Stamps Office, Kolkata		0.00	6.61	6.61
Defence Services **22-Defence Services-Army**					
36.	2076.00.104-Pay and Allowances of Civilians	O S R	3237.85 156.19 (-) 59.66	3361.21	26.83
37.	2076.00.106- Military Farms	O S R	237.06 5.00 (+) 69.01	316.40	5.33

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
38.	2076.00.111-Works	O S R	5114.72 397.06 (+) 167.64	5708.68	29.26
23 – Defence Services- Navy					
39.	2077.00.105- Transportation	O R	434.58 (-) 92.71	352.64	10.77
40.	2077.00.112 – Joint Staff	O S R	1082.06 99.39 (-) 11.67	1214.19	44.41
41.	2077.00.800-Other Expenditure	O S R	271.37 0.01 (-) 12.26	280.23	21.11
24 – Defence Services-Air Force					
42.	2078.00.101-Pay and Allowances of Air Force	O R	6344.06 (+) 43.41	6740.69	353.22
43.	2078.00.104-Pay and Allowances of Civilians	O S R	790.80 15.00 (-)42.50	791.11	27.81
44.	2078.00.110- Stores	O R	6696.42 (+)40.36	6930.74	193.96
27 – Capital Outlay on Defence Services					
45.	4076.01.101- Aircraft and Aero-engine	O R	2291.60 (-) 724.11	1604.94	37.45
46.	4076.01.102- Heavy and Medium Vehicles	O R	952.88 (+) 1268.31	2273.52	52.33
47.	4076.01.103- Other Equipments	O R	10855.96 (-) 3938.10	6960.18	42.32
48.	4076.02.101-Aircraft and Aero-engine	O R	2974.96 (+) 1245.06	4335.85	115.83
49.	4076.02.103- Other Equipments	O R	2108.69 (+) 343.86	2582.81	130.26
50.	4076.02.204- Naval Fleet	O R	7320.02 (+) 2035.35	10320.62	965.25
51.	4076.02.205- Naval Dockyards	O R	720.26 (-) 144.50	647.75	71.99
52.	4076.03.101- Aircraft and Aero-engine	O R	22055.61 (-) 2230.37	20229.21	403.97
53.	4076.03.103- Other Equipments	O R	6279.81 (+) 380.38	6787.64	127.45
				Total	**18,609.65**

ANNEX III-E

(Refers to paragraph 3.7)

Statement showing savings of ₹100 crore or more under various grants/appropriations

Sl. No	Grant No. and Controlling Ministry/Department	Budget Allocation	Savings	Percentage of Budget Allocation
		(₹in crore)		
Civil				
Revenue – Voted				
1.	1-Department of Agriculture & Co-operation	17450.74	745.54	4
2.	3-Department of Animal Husbandry, Dairying and Fisheries	2021.25	373.79	18
3.	4- Atomic Energy	5636.46	242.10	4
4.	6-Department of Chemical and Petrochemicals	1419.83	145.26	10
5.	8-Department of Pharmaceuticals	190.51	117.92	62
6.	9-Ministry of Civil Aviation	1010.70	191.22	19
7.	11-Department of Commerce	5629.41	1891.18	34
8.	12-Department of Industrial Policy and Promotion	1481.05	247.33	17
9.	14-Department of Telecommunications	8745.83	111.54	1
10.	15- Department of Information Technology	2871.23	936.08	33
11.	16- Department of Consumer Affairs	588.40	104.04	18
12.	20-Ministry of Defence	13403.35	107.09	1
13.	28-Ministry of Development of North Eastern Region	1631.58	107.71	7
14.	29-Ministry of Earth Sciences	1284.96	211.33	16
15.	30-Ministry of Environment and Forests	2661.36	500.85	19
16.	32- Department of Economic Affairs	8070.63	984.86	12
17.	33- Department of Financial Services	16391.96	9880.35	60
18.	35 -Transfers to State and UT Governments	91403.62	8476.79	9
19.	41- Department of Revenue	13339.02	8082.07	61
20.	46-Department of Health and Family Welfare	26912.38	2130.62	8
21.	47-Department of Ayurveda, Yoga & Naturopathy, Unani, Sidha and Homoeopathy (AYUSH)	1064.08	303.75	29
22.	49-Department of AIDS Control	1699.00	385.32	23
23.	52-Ministry of Home Affairs	4921.61	1828.47	37
24.	54-Police	34802.56	369.33	1
25.	56-Transfers to Union Territory Governments	2058.29	641.90	31
26.	57-Ministry of Housing and Urban Poverty Alleviation	1107.63	147.14	13
27.	58-Department of School Education & Literacy	60158.65	1009.08	2
28.	59-Department of Higher Education	21981.74	2335.60	11
29.	61-Ministry of Labour and Employment	3789.20	299.77	8
30.	63-Law and Justice	1417.28	391.64	28
31.	65-Ministry of Micro, Small and Medium Enterprises	2834.54	672.31	24
32.	67-Ministry of Minority Affairs	2751.01	568.23	21
33.	70 – Ministry of Panchayati Raj	5250.66	1143.21	22
34.	75-Ministry of Power	12018.97	7281.05	61

Statement showing savings of ₹100 crore or more under various grants/appropriations

Sl. No	Grant No. and Controlling Ministry/Department	Budget Allocation	Savings	Percentage of Budget Allocation
		(₹in crore)		
35.	81-Ministry of Road Transport and Highways	20026.47	651.83	3
36.	82- Department of Rural Development	149209.75	42368.46	28
37.	83-Department of Land Resources	2706.20	280.44	10
38.	84-Department of Drinking Water and Sanitation	11005.24	1007.54	9
39.	85-Department of Science and Technology	2695.91	212.00	8
40.	86-Department of Scientific and Industrial Research	3378.52	169.50	5
41.	87-Department of Biotechnology	1426.96	218.53	15
42.	88-Ministry of Shipping	2086.54	653.89	31
43.	89-Ministry of Social Justice and Empowerment	5183.05	333.97	6
44.	90-Department of Space	3676.97	916.54	25
45.	91-Ministry of Statistics and Programme Implementation	4880.83	1761.88	36
46.	92-Ministry of Steel	236.52	155.54	66
47.	93-Ministry of Textiles	6099.24	1220.55	20
48.	101-Department of Urban Development	1232.54	151.30	12
49.	104-Ministry of Water Resources	1150.06	166.20	14
50.	105-Ministry of Women and Child Development	16183.04	506.98	3
51.	106-Ministry of Youth Affairs and Sports	1117.01	132.30	12
Revenue – Charged				
52.	35-Transfers to State & UT Governments	49298.62	5325.95	11
53.	95-Ministry of Tribal Affairs	3311.25	100.01	3
Capital – Voted				
54.	4-Atomic Energy	3448.86	818.98	24
55.	5-Nuclear Power Schemes	1087.40	190.12	17
56.	9-Ministry of Civil Aviation	1393.00	172.59	12
57.	11-Department of Commerce	930.98	194.90	21
58.	14-Department of Telecommunications	1027.96	970.09	94
59.	29-Ministry of Earth Sciences	284.20	183.23	64
60.	32-Department of Economic Affairs	25804.18	11998.50	46
61.	35-Transfers to State and UT Governments	10000.00	10000.00	100
62.	42-Direct Taxes	905.70	644.70	71
63.	46-Department of Health & Family Welfare	1989.13	916.16	46
64.	50-Department of Heavy Industries	439.92	148.05	34
65.	53-Cabinet	186.25	115.04	62
66.	54-Police	8464.47	2983.03	35
67.	60-Ministry of Information and Broadcasting	596.17	150.32	25
68.	61-Ministry of Labour & Employment	746.00	223.53	30
69.	74-Ministry of Planning	731.62	480.12	66
70.	75-Ministry of Power	3041.81	687.43	23
71.	81-Ministry of Road Transport & Highways	22221.38	3282.64	15
72.	88-Ministry of Shipping	623.68	392.46	63
73.	90-Department of Space	2948.19	1918.03	65
74.	96-Andaman and Nicobar Islands	604.33	136.97	23

Statement showing savings of ₹100 crore or more under various grants/appropriations

Sl. No	Grant No. and Controlling Ministry/Department	Budget Allocation	Savings	Percentage of Budget Allocation
		(₹ in crore)		
Capital – Charged				
75.	35-Transfers to State and UT Governments	13000.00	3004.64	23
76.	37-Appropriation - Repayment of Debt	3524713.20	28784.50	1
Railways **Revenue -Voted**				
77.	2-Miscellaneous Expenditure (General)	683.03	121.63	18
78.	3-General Superintendence and Services	4996.02	330.96	7
79.	4-Repairs and Maintenance of Permanent Way and Works	8154.65	360.09	4
80.	7-Repairs and Maintenance of Plant &Equipment	4672.96	251.96	5
81.	9-Operating Expenses-Traffic	13440.32	146.84	1
82.	10-Operating Expenses-Fuel	18980.79	134.73	1
83.	14-Appropriation to Funds-Provident Fund, Depreciation Reserve Fund, Development Fund, Pension Fund, Capital Fund	28068.41	2802.84	10
84.	15-Dividend to General Revenues, Repayment of Loans taken from General Revenue and Amortisation of over-capitalisation	6734.72	1078.69	16
Capital - Voted				
85.	16- Assets- Acquisition, Construction and Replacement -Capital	54215.47	1510.81	3
86.	16-Assets- Acquisition, Construction and Replacement-Railway Safety Fund	1998.40	669.87	34
87.	16-Railway Funds (Depreciation Reserve Fund, Capital Fund, Development Fund)	15137.70	3565.24	24
Defence Services **Revenue - Voted**				
88.	22-Defence Services-Army	73174.45	1341.79	02
89.	23-Defence Services-Navy	12335.02	277.20	02
90.	25-Defence Ordnance Factories	1651.81	223.87	14
91.	26-Defence Services-Research and Development	5659.26	338.02	06
Capital(Voted)				
92.	27-Capital Outlay on Defence Services	69148.01	1304.05	02
Department of Posts **Capital - Voted**				
93.	13-Postal Services	518.14	317.51	61
		Total	192470.01	

ANNEX III-F

(Refers to paragraph 3.7)

Statement showing persistent savings of ₹100 crore or more under various grants/appropriations

Grant No. and Controlling Ministry/Department	Year	Budget Allocation	Savings during the Year	Percentage to the Budget Allocation
		(₹in crore)		
Civil				
Revenue (Voted)				
1-Department of Agriculture and Co-operation	2009-10	12045.53	155.13	01
	2010-11	17776.21	471.03	03
	2011-12	17450.74	745.54	04
3-Department of Animal Husbandry, Dairying, and Fisheries	2009-10	1564.99	333.09	21
	2010-11	1749.63	265.53	15
	2011-12	2021.25	373.79	18
4-Atomic Energy	2009-10	4719.57	150.80	03
	2010-11	5096.90	257.71	05
	2011-12	5636.46	242.10	04
15-Department of Information Technology	2009-10	2484.02	883.56	36
	2010-11	3558.03	578.06	16
	2011-12	2871.23	936.08	33
32-Department of Economic Affairs	2009-10	5636.44	308.66	05
	2010-11	6845.63	674.55	10
	2011-12	8070.63	984.86	12
33-Department of Financial Services	2009-10	36471.54	1872.72	05
	2010-11	36686.98	1812.23	05
	2011-12	16391.96	9880.35	60
35 – Transfers to State and Union Territory Governments	2009-10	77266.11	5708.01	07
	2010-11	83988.83	12463.68	15
	2011-12	91403.62	8476.79	09
46 – Department of Health and Family Welfare	2009-10	21024.27	603.64	03
	2010-11	24142.17	875.44	04
	2011-12	26912.38	2130.62	08
54 – Police	2009-10	27094.73	285.92	01
	2010-11	29125.04	248.67	01
	2011-12	34802.56	369.33	01
57-Ministry of Housing and Urban Poverty Alleviation	2009-10	857.97	276.21	32
	2010-11	1007.07	178.83	18
	2011-12	1107.63	147.14	13
58 – Department of School Education & Literacy	2009-10	43090.62	4767.74	11
	2010-11	53330.83	783.89	01
	2011-12	60158.65	1009.08	02
59-Department of Higher Education	2009-10	15516.17	1552.60	10
	2010-11	18783.34	3216.58	17
	2011-12	21981.74	2335.60	11
61 – Ministry of Labour and Employment	2009-10	2702.67	185.26	07
	2010-11	3435.68	377.43	11
	2011-12	3789.20	299.77	08
65-Ministry of Micro, Small and Medium Enterprises	2009-10	2023.04	335.07	17
	2010-11	2667.18	110.37	04

Statement showing persistent savings of ₹100 crore or more under various grants/appropriations

Grant No. and Controlling Ministry/Department	Year	Budget Allocation	Savings during the Year	Percentage to the Budget Allocation
		(₹in crore)		
	2011-12	2834.54	672.31	24
75-Ministry of Power	2009-10	10851.66	2325.67	21
	2010-11	11418.97	3837.54	34
	2011-12	12018.97	7281.05	61
81-Ministry of Road Transport and Highways	2009-10	16895.19	3098.99	18
	2010-11	18474.45	589.81	03
	2011-12	20026.47	651.83	03
82-Department of Rural Development	2009-10	122505.30	11142.92	09
	2010-11	148217.71	17918.55	12
	2011-12	149209.75	42368.46	28
88-Ministry of Shipping	2009-10	1442.46	613.26	43
	2010-11	1654.44	489.53	30
	2011-12	2086.54	653.89	31
91-Ministry of Statistics and Programme Implementation	2009-10	2104.75	150.04	07
	2010-11	2287.84	308.66	13
	2011-12	4880.83	1761.88	36
93-Ministry of Textile	2009-10	11858.22	298.08	03
	2010-11	13300.24	482.83	04
	2011-12	6099.24	1220.55	20
Revenue (Charged)				
35 – Transfers to State and UT Governments	2009-10	34394.08	4800.00	14
	2010-11	32639.01	1124.81	03
	2011-12	49298.62	5325.95	11
Capital (Voted)				
04-Atomic Energy	2009-10	2605.55	109.10	04
	2010-11	3008.05	512.07	17
	2011-12	3448.86	818.98	24
32-Department of Economic Affairs	2009-10	16899.91	12280.57	73
	2010-11	13177.56	2451.67	19
	2011-12	25804.18	11998.50	46
42-Direct Taxes	2009-10	618.00	608.70	98
	2010-11	1679.01	106.73	06
	2011-12	905.70	644.70	71
54 – Police	2009-10	7521.81	2252.10	30
	2010-11	7426.59	2466.59	33
	2011-12	8464.47	2983.03	35
75 – Ministry of Power	2009-10	1916.00	336.24	18
	2010-11	5139.49	1959.76	38
	2011-12	3041.81	687.43	23
81-Ministry of Road Transport & Highways	2009-10	16153.00	1987.90	12
	2010-11	20418.53	945.36	05
	2011-12	22221.38	3282.64	15
90-Department of Space	2009-10	2050.76	764.67	37
	2010-11	2676.88	752.16	28
	2011-12	2948.19	1918.03	65

Statement showing persistent savings of ₹100 crore or more under various grants/appropriations

Grant No. and Controlling Ministry/Department	Year	Budget Allocation	Savings during the Year	Percentage to the Budget Allocation
		(₹in crore)		
Capital (Charged)				
35-Transfers to State and UT Governments	2009-10	8825.00	1000.94	11
	2010-11	11413.44	1199.69	11
	2011-12	13000.00	3004.64	23
37-Appropriation-Repayment of Debt	2009-10	3248205.07	162413.18	05
	2010-11	3398559.15	583785.03	17
	2011-12	3524713.20	28784.50	01
Department of Posts- Capital (Voted)				
13-Postal Services	2009-10	388.81	127.19	33
	2010-11	474.55	200.90	42
	2011-12	518.14	317.51	61
Railways Revenue (Voted)				
14-Approriation to Funds – DRF, DF, PF and CF	2009-10	21417.26	4301.51	20
	2010-11	25283.09	2533.20	10
	2011-12	28068.41	2802.84	10
Capital (Voted)				
16-Assets- Acquisition, Construction and Replacement – Capital	2009-10	45101.76	2020.71	04
	2010-11	48528.08	745.58	02
	2011-12	54215.47	1510.81	03
16-Assets- Acquisition, Construction and Replacement – Railway Fund	2009-10	16983.14	2815.59	17
	2010-11	15465.19	856.19	06
	2011-12	15137.70	3565.24	24
16- Assets- Acquisition, Construction and Replacement – Railway Safety Fund	2009-10	1456.88	649.98	45
	2010-11	1698.40	596.96	35
	2011-12	1998.40	669.87	34
Defence Services Revenue (Voted)				
25 – Defence Ordnance Factories	2009-10	3833.02	553.04	14
	2010-11	1998.34	924.92	46
	2011-12	1651.81	223.87	14

Annex III-G

(Refers to paragraph 3.8)

Cases where the amounts surrendered were more than the savings

(₹in crore)

Sl. No	Grant/Appropriation	Savings under the section	Amount surrendered
Civil Revenue –Voted			
1.	5 – Nuclear Power Schemes	40.25	40.81
2.	21 – Defence Pensions	@	0.29
3.	31-Ministry of External Affairs	38.99	140.36
4.	55 – Other Expenditure of Ministry of Home Affairs	75.92	116.29
5.	100 – Lakshadweep	*	0.29
Capital-Voted			
6.	18 – Ministry of Corporate Affairs	1.91	2.00
7.	31 – Ministry of External Affairs	#	1.60
8.	72 – Ministry of Personnel, Public Grievances and Pensions	17.49	20.97
9.	102 – Public Works	66.13	66.26
Capital – Charged			
10.	37 – Repayment of Debt	28784.50	33982.53
Defence Services Capital –Voted			
11.	27-Capital Outlay on Defence Services	1304.05	3105.71

@ Excess expenditure of ₹ 3,568.81 crore

* Excess expenditure of ₹ 1.44 crore

Excess expenditure of ₹ 7.23 crore

Annex III-H

(Refers to paragraph 3.9)

Cases where major portion of savings were surrendered on 31st March 2012 and the details of amount lapsed

Sl. No	Description of Grant	Amount of savings	Amount surrendered	Amount surrendered on 30/31 March 2012	Percentage of amount surrendered on 31 March in comparison with savings	Amount not surrendered and lapsed
		(₹in crore)				*(₹in crore)*
Civil						
Revenue (Voted)						
1.	1-Department of Agriculture & Co-operation	745.54	690.16	690.16	92.57	55.38
2.	6-Department of Chemicals and Petrochemicals	145.26	145.22	145.22	99.97	0.04
3.	8-Department of Pharmaceuticals	117.92	117.84	117.84	99.93	0.08
4.	11-Department of Commerce	1891.18	1882.96	1882.96	99.57	8.22
5.	12-Department of Industry Policy and Promotion	247.33	238.81	238.81	96.56	8.52
6.	14-Department of Telecommunications	111.54	Nil	Nil	--	111.54
7.	28-Ministry of Development of North Eastern Region	107.71	101.27	101.27	94.02	6.44
8.	30-Ministry of Environment and Forests	500.85	416.84	36.84	7.36	84.01
9.	31 – Ministry of External Affairs	38.99	140.36	140.36	359.99	NA
10.	32 – Department of Economic Affairs	984.86	415.86	415.86	42.23	569.00
11.	33-Department of Financial Services	9880.35	9878.06	9878.06	99.98	2.29
12.	35 – Transfers to State and UT Governments	8476.79	7949.70	7949.70	93.78	527.09
13.	41-Department of Revenue	8082.07	8058.83	8058.83	99.71	23.24
14.	46 – Department of Health and Family Welfare	2130.62	1642.07	1642.07	77.07	488.55
15.	49-Department of AIDS Control	385.32	324.36	324.36	84.18	60.96
16.	52-Ministry of Home Affairs	1828.47	1698.11	1698.11	92.87	130.36
17.	56-Transfers to Union Territory Governments	641.90	571.07	571.07	88.97	70.83
18.	58 – Department of School Education & Literacy	1009.08	966.32	966.32	95.76	42.76
19.	59 – Department of Higher Education	2335.60	2283.24	2283.24	97.76	52.36
20.	65 – Ministry of Micro, Small and Medium Enterprises	672.31	587.85	587.85	87.44	84.46
21.	70-Ministry of Panchayati Raj	1143.21	1142.64	1142.64	99.95	0.57
22.	75- Ministry of Power	7281.05	7270.61	7270.61	99.86	10.44
23.	82- Department of Rural Development	42368.46	42342.11	42342.11	99.94	26.35
24.	83-Department of land Resources	280.44	278.27	278.27	99.23	2.17

Cases where major portion of savings were surrendered on 31st March 2012 and the details of amount lapsed

Sl. No	Description of Grant	Amount of savings	Amount surrendered	Amount surrendered on 30/31 March 2012	Percentage of amount surrendered on 31 March in comparison with savings	Amount not surrendered and lapsed
		(₹in crore)				*(₹in crore)*
25.	84- Department of Drinking Water and Sanitation	1007.54	1006.57	1006.57	99.90	0.97
26.	85-Department of Science and Technology	212.00	190.88	190.88	90.04	21.12
27.	89-Ministry of Social Justice and Empowerment	333.97	327.72	327.72	98.13	6.25
28.	92-Ministry of Steel	155.54	155.44	155.44	99.94	0.10
29.	106-Ministry of Youth Affairs and Sports	132.30	126.05	126.05	95.28	6.25
Revenue – Charged						
30.	35 – Transfers to State & UT Governments	5325.95	5325.95	5325.95	100	-
Capital – Voted						
31.	11-Department of Commerce	194.90	192.02	177.02	90.83	2.88
32.	14-Department of Telecommunications	970.09	962.23	962.23	99.19	7.86
33.	32 – Department of Economic Affairs	11998.50	10238.52	10238.52	85.33	1759.98
34.	35 – Transfers to State & UT Governments	10000.00	10000.00	10000.00	100.00	-
35.	42-Direct taxes	644.70	641.73	641.73	99.54	2.97
36.	46-Department of Health & Family Welfare	916.16	765.22	765.22	83.52	150.94
37.	54 – Police	2983.03	2512.69	2512.69	84.23	470.34
38.	60 – Ministry of Information & Broadcasting	150.32	149.66	149.66	99.56	0.66
39.	74- Ministry of Planning	480.12	303.58	303.58	63.23	176.54
40.	75- Ministry of Power	687.43	686.59	686.59	99.88	0.84
Capital-Charged						
41.	35 – Transfers to State and UT Governments	3004.64	3004.64	3004.64	100.00	-
42.	37 – Appropriation – Repayment of Debt	28784.50	33982.53	33982.53	118.06	NA
Defence services Revenue(Voted)						
43.	26-Research and Development	338.02	238.65	238.65	70.60	99.37
44.	27-Capital outlay on Defence Services	1304.05	3105.71	3105.71	238.16	NA

Annex III-I

(Refers to paragraph 3.10)

Significant cases of major re-appropriation which were injudicious on account of non-utilisation (Re-appropriation of amount of ₹ five crore and more)

(₹ in crore)

Sl. No.	Number and name of grant	Sub-Head	Amount of re-appropriation to the sub-head	Final savings under sub-head after re-appropriation
Civil				
1.	4-Atomic Energy	2852.09.800.06-DAE – Project	19.99	20.00
2.	20-Ministry of Defence	2055.00.104.02-Charges paid in respect of J&K Light Infantry (JAKLI)	16.81	38.58
3.	29-Ministry of Earth Science	3403.00.102.01-Polar Science	13.00	31.12
4.	34-Interest Payments	2049.03.108.02-Family Pension-cum-life Assurance Funds for Industrial Workers	140.61	542.66
5.		2049.03.108.03-Central Government Employees Group Insurance Scheme	8.75	21.18
6.	54-Police	2055.00.114.01-Inter-State Police Wireless Scheme	6.00	6.28
7.		4055.00.216.10-Intelligence Bureau	57.19	65.83
8.	57-Ministry of Housing and Urban Poverty Alleviation	3601.04.435.01-Swaran Jayanti Shahari Rojgar Yojana	6.55	13.34
9.	81-Ministry of Road Transport and Highways	3054.02.337.05-Maintenance by Border Roads Wing	8.64	14.57
10.		3054.02.337.06-Roads Maintenance Other than National Highways	5.21	67.61
11.	93-Ministry of Textiles	2852.08.796.02-Technical Up-gradation Fund Scheme	8.10	8.10
12.	22-Defence Services-Army	2076.00.101- Pay & Allowances of Army	43.79	1106.89
13.		2076.00.112-Rashtriya Rifles	44.41	147.74
14.	23-Defence Services-Navy	2077.00.101-Pay & Allowances of Navy-Voted	53.17	93.32
15.		2077.00.111-Works-Voted	12.15	21.07
16.	25-Defence Ordnance Factories	2079.00.054-Manufacture-Voted	72.65	106.07
17.		2079.105-Transportation-Voted	12.00	12.02
Total			**529.02**	

Annex III-J

(Refers to paragraph 3.11)

Significant cases of major re-appropriation from the sub-head/minor head which were injudicious on account of final excess expenditure under the sub-head (Re-appropriation of amount of ₹ five crore and more)

(₹ in crore)

Sl. No.	Number and name of grant	Sub-Head	Amount of re-appropriation from the sub-head	Final excess expenditure under sub-head
Civil				
1.	21-Defence Pensions	2071.02.102.01-Pension and Other Retirement Benefits	35.74	120.67
2.		2071.02.103.01- Pension and Other Retirement Benefits	44.55	173.58
3.	31-Ministry of External Affairs	2061.00.798.03-United Nations Organisation	7.54	8.60
4.	34-Appropriation-Interest Payments	2049.03.104.04-State Railway Provident Fund	43.45	154.19
5.	54-Police	2055.00.103.01-Establishment and Administration	8.93	40.94
Defence Services				
6.	23-Defence Services-Navy	2077.00.112 – Joint Staff	11.67	44.41
7.		2077.00.800 – Other Expenditure	12.26	21.11
	Total		**164.14**	

Annex III-K

(Refers to paragraph 3.12)

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	
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
2011-12	Original	830436	325521	76476	29917	3155217	36	13	4417616
	Supplementary	101994	11941	11763	9709	369496	17	13020	517940
	Percentage	12	4	15	32	12	47	100154	12

Annex III-L

(Refers to paragraph 3.14)

Statement showing unnecessary Supplementary Grant under Minor/sub-heads

Sl. No.	Grant no. and name	Minor head/ Sub-head	Provision	Supplementary provision	Actual disbursement	Savings	Reasons attributed by the Ministry/ Department
			(₹ in crore)				
Civil							
1.	20-Ministry of Defence	4047.00.037.01-Coast Guard Organisation	1600.00	0.01	1575.38	24.63	Non fructification of new acquisition scheme of 06 OPVs owing to delay in finalisation of REP format under DPP etc.
2.	37-Appropriation-Repayment of Debt	6001.00.105.06-African Development Fund	22.12	1.82	14.71	9.23	Less encashment of Securities.
3.		6001.00.106.15-9% Relief Bonds, 1987	0.43	1.58	0.06	1.95	Less claims for payments.
4.		6001.00.106.18-9% Relief Bonds, 1993	0.20	0.57	0.01	0.76	Receipt of less claims for payments.
5.		6001.00.106.19-10% Relief Bonds, 1995	3.44	2.40	0.43	5.41	Receipt of less claims for payments.
6.		6001.00.106.22-8.5% Relief Bonds, 2001	17.59	23.07	5.37	35.29	Receipt of less claims for payments.
7.		6001.00.106.24-8% Relief Bonds, 2002	29.25	27.64	9.31	47.58	Receipt of less claims for payments.
8.		6001.00.106.28-7% Saving Bonds, 2002 (Non.Taxable)	5.81	8.16	3.04	10.93	Receipt of less claims for payments.
9.		6001.00.106.30-8% Saving Bonds, 2003 (Taxable)	13000.00	163.25	12862.79	300.46	Receipt of less claims for payments.
10.		6001.00.106.31-6.5% Saving Bonds, 2003 (Non-Taxable)	46.28	32.36	20.03	58.61	Receipt of less claims for payments.
11.		6001.00.112-10% Relief Bonds, 1993	0.67	0.09	0.02	0.74	Receipt of less claims for payments.
12.	39-Penions	2071.01.115.01-Orindinary Pensions	1210.00	100.00	1172.44	137.56	Receipt of less claims.

Statement showing unnecessary Supplementary Grant under Minor/sub-heads

Sl. No.	Grant no. and name	Minor head/ Sub-head	Provision	Supplementary provision	Actual disbursement	Savings	Reasons attributed by the Ministry/ Department
			(₹ in crore)				
13.	53-Cabinet	4055.00.206.03-General	84.11	82.18	62.25	104.04	Non finalisation of procurement proposal for purchase of machinery, equipment for special investigation unit and communication system.
14.	54-Police	2055.00.001.04-National Intelligence Grid	39.69	139.21	10.98	167.92	Non filling up of vacant posts and non-finalisation of various schemes
15.		2055.00.001.06-Intelligence Bureau	909.62	75.00	857.14	127.48	Non filling up of vacant posts and non-finalisation of proposals, non-completion of codal formalities for setting up of "R&T" project and reduction of provision at revised estimates stage.
16.	81- Ministry of Road Transport & Highways	3054.02.337.05-Maintenance by Border Roads Wing	176.34	3.33	173.74	5.93	Reduction in target of resurfacing and Flood Damage Repairs owing to handing over of certain stretches of National Highways to National Highways Authority of India/State Public Work Department for Maintenance.
17.		5054.01.190.01-National Highways Authority of India	10342.89	731.37	8879.89	2194.37	Availability of unspent balances, raising of funds by National Highways Authority of India through Infrastructure Bond and economy measure.
18.	Grant No. 91-Ministry Statistics and Programme Implementation	3454.02.800.04-Programme Implementation	5.40	5.00	2.91	7.49	Non finalisation of proposal towards professional services studies and conducting of less conferences, seminar and tours

Statement showing unnecessary Supplementary Grant under Minor/sub-heads

Sl. No.	Grant no. and name	Minor head/ Sub-head	Provision	Supplementary provision	Actual disbursement	Savings	Reasons attributed by the Ministry/ Department
			(₹ in crore)				
19.	Grant No. 92-Ministry of Steel	2852.01.105.33-Bisra Stone Lime Company Limited	-	119.81	-	119.81	Non receipt of approval from the Cabinet for modification from waiver to grant in aid to discharge the income tax liability.
20.	Grant No. 103 Department of Stationery & Printing	4058.00.103.02-Printing Presses	0.13	3.55	0.02	3.66	Non-finalisation of process for purchase of Ambulance (Motor Vehicle).
Defence Services							
21.	22-Defence Services- Army	2076.00.110 – Stores	12688.10	206.00	12442.20	451.90	Less finalisation of Court cases than anticipated.
22.		2076.00.800-Other Expenditure (Charged)	12.00	6.50	9.60	8.90	Less finalisation of Court cases than anticipated.

Annex III-M

(Refers to paragraph 3.15)

Statement showing persistent savings under sub-heads

Sl.No.	Sub-Head	Year	Budget Provision	Actual Expenditure	Savings	Percentage of Savings to Budget Provision
			(₹in crore)			
15-Department of Information Technology						
1.	2852.07.202.60-Electronics Governance	2009-10	810.00	328.05	481.95	60
		2010-11	927.00	264.15	662.85	72
		2011-12	865.14	199.89	665.25	77
17-Department of Food and Public Distribution						
2.	2408.01.800.01 – Subsidy for Maintenance of Buffer Stocks of Sugar	2009-10	300.00	123.94	176.06	59
		2010-11	200.00	88.00	112.00	56
		2011-12	50.00	11.49	38.51	77
Grant No. 32-Department of Economic Affairs						
3.	5475.00.800.12-Assistance for Infrastructure Development - Viability Gap funding	2009-10	150.00	45.85	104.15	69
		2010-11	480.26	125.00	355.26	74
		2011-12	499.37	300.00	199.37	40
Grant No. 35-Transfers to State and Union Territory Governments						
4.	3601.02.101.26 – Accelrated Irrigation Benefit Programme and Other Water Resources Programme	2009-10	9700.00	8524.39	1175.61	12
		2010-11	11500.00	8757.53	2742.47	24
		2011-12	12620.00	7459.01	5160.99	41
Grant No. 41- Department of Revenue						
5.	3601.01.113.05 – Grants to States for VAT related expenditure	2009-10	418.50	149.00	269.50	64
		2010-11	375.00	203.99	171.01	46
		2011-12	224.00	120.36	103.64	46
Grant No. 42 – Direct Taxes						
6.	4059.01.800.01 - Acquisition of Ready Build Accommodation	2009-10	602.00	7.42	594.58	99
		2010-11	1663.00	1527.23	135.77	08
		2011-12	877.70	256.53	621.17	71
Grant No. 53- Cabinet						
7.	4055.00.206.03- General	2009-10	68.00	38.96	33.04	49
		2010-11	92.00	13.83	78.17	85
		2011-12	166.29	62.25	104.04	63
Grant No. 55-Other Expenditure of Ministry of Home Affairs						
8.	2245.80.102.04 – National Disaster Management Authority	2009-10	88.06	36.92	51.14	58
		2010-11	190.42	43.78	146.64	77
		2011-12	348.22	110.62	237.60	68
Grant No. 81- Ministry of Road Transport and Highways						
9.	3601.02.105.01-Grants for State Road	2009-10	1988.55	1340.26	648.29	33
		2010-11	2635.52	2396.57	238.95	09
		2011-12	2159.26	1924.50	234.76	11

Statement showing persistent savings under sub-heads

Sl.No.	Sub-Head	Year	Budget Provision	Actual Expenditure	Savings	Percentage of Savings to Budget Provision
			(₹in crore)			
Grant No. 88– Ministry of Shipping						
10.	2852.06.102.21-Subsidy to non-central PSU Shipyards and Private Sector Shipyards	2009-10	370.53	77.06	293.47	79
		2010-11	588.30	128.19	460.11	78
		2011-12	542.11	122.42	419.69	77
Grant No. 93-Ministry of Textiles						
11.	2852.08.202.27-Integrated Textile Parks	2009-10	377.00	260.80	116.20	31
		2010-11	350.00	158.78	191.22	55
		2011-12	287.00	77.43	209.57	73

Annex III-N

(Refers to paragraph 3.16)

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	Savings
Civil				
Grant No. 1-Department of Agriculture and Co-operation				
1.	2425.00.108.21 – Interest Subvention on loans provided by NCDC to Co-operatives	80.00	-	80.00
2.	2425.00.108.22 – Rehabilitation and reconstruction of Co-operatives	25.00	-	25.00
3.	3601.04.451.02 – National Mission on Seeds	16.50	-	16.50
Grant No. 3-Department of Animal Husbandry, Dairying and Fisheries				
4.	2404.00.789.03-National Dairy Plan	20.00	-	20.00
Grant No. 4-Atomic Energy				
5.	4861.60.190.02-Uranium Corporation of India Limited	154.00	-	154.00
6.	4861.60.203.60-Additional Spent Fuel Storage Facility, Tarapur	10.00	-	10.00
7.	4861.60.203.44-Fast Reactor Fuel Cycle Facility (FRFCF)	150.00	-	150.00
Grant No. 5-Nuclear Power Scheme				
8.	4801.03.800.40-Advanced Heavy Water Reactor (AHWR-I)	10.00	-	10.00
9.	6801.00.206.01-Loans to Nuclear Power Corporation of India Limited	24.00	-	24.00
Grant No. 6 – Department of Chemicals and Petrochemicals				
10.	6857.01.190.03-Hindustan Insecticides Limited	20.01	-	20.01
Grant No. 9 – Ministry of Civil Aviation				
11.	3053-80-800-17 Grants-in-aid to AAI for NE Region	73.48	-	73.48
Grant No. 10 – Ministry of Coal				
12.	2803-00-800-02 Environmental Measures and Subsidence Control	50.58	-	50.58
Grant No. 11- Ministry of Commerce				
13.	4407-01-800-03 Capital Contribution to SPTF Contribution	15.00	-	15.00
Grant No. 17-Department of Food and Public Distribution				
14.	2408.01.102.08-Subsidy to State Government and UTs Administration of a Pilot scheme on introduction of Smart Card based delivery of essential commodities under TPDS	36.18	-	36.18
Grant No. 28-Ministry of Development of North Eastern Region				
15.	3601.05.101.05-North Eastern Road Project	68.00	-	68.00
16.	4552.00.214.02-Relief and rehabilitation of camp dwellers in Kokrajhar and Bongaigaon District of Assam	15.00	-	15.00

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	Savings
Grant No. 32 – Department of Economic Affairs				
17.	5465-02-190-09 Security Printing and Minting Corporation of India Limited (SPMCIL)	400.00	-	400.00
18.	5466-00-207-04 India's Contribution towards lending Resources of IMF	50.00	-	50.00
Grant No. 33 – Department of Financial Services				
19.	2235-60-797-01 Farmers Debt Relief Fund(FDRF) for implementation of Debt Waiver and Debt Relief Scheme for Farmers-2008	2000.00	-	2000.00
20.	2416-00-800-07 Revival of Long Term Cooperative Credit Structure	1000.00	-	1000.00
21.	3465-01-190-04 Security Redemption Fund	625.00	-	625.00
22.	3465-01-190-05 Financial support to the Banks for opening 'No Frills' accounts under Swabhiman Scheme as part of Financial Inclusion Plan (FIP)	50.00	-	50.00
23.	5465-01-190-32 World Bank Assistance to small Industries Development Bank of India (SIDBI) to improve access to Microfinance in India under World Bank Assisted Microfinance Project.	14.00	-	14.00
Grant No. 34 – Appropriation-Interest Payments				
24.	2048.00.200.13- Payment of premium on buyback of Government Securities	100.00	-	100.00
25.	2049.01.126- Interest/Discount paid on Market Stabilisation Scheme Deposit of Money in the Bank	946.48	-	946.48
26.	2049.05.105.04- Interest on Railway Capital Reserve Fund	30.84	-	30.84
27.	2049.60.101.09- Coal Mines Deposit Linked Insurance Fund	12.99	-	12.99
Grant No. 35-Transfer to State and UT Governments				
28.	7601.06.200- Other Ways and Means Advances(Charged)	3000.00	-	3000.00
Grant No. 45- Ministry of Food Processing Industries				
29.	4408.01.103.15-Scheme for Strengthening of Institution	95.50	-	95.50
Grant No. 46- Department of Health and Family Welfare				
30.	2210.06.789.02-Health Insurance	15.00	-	15.00
31.	2210.06.796.04-Health Insurance	10.00	-	10.00

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	Savings
32.	2210.06.800.29-Emergency Medical Relief (Avian Flu)	22.00	-	22.00
33.	2210.06.800.32-Health Insurance (Urban Health Mission)	65.00	-	65.00
34.	4210.04.200.10-Strengthening/Creation of Paramedical Institute	73.00	-	73.00
35.	4216.01.700.57- Strengthening/Creation of Paramedical Institute	12.00	-	12.00
Grant No. 47- Department of Ayurveda, Yoga & Naturopathy, Unani, Sidha and Homoeopathy (AYUSH)				
36.	2210.02.789.03-Development of AYUSH Hospital and Dispensaries and Mainstreaming of AYUSH	15.00	-	15.00
Grant No. 48- Department of Health Research				
37.	2210.06.003.13-Research in Medicine and Health	15.00	-	15.00
Grant No. 50 - Department of Heavy Industry				
38.	2852.06.103.28 Interest subsidy on bank finance to PSEs for implementation of VRS	14.00	-	14.00
39.	6854.60.800.01 Implementation of revival schemes of PSEs	150.00	-	150.00
40.	6858.60.190.07 Implementation of Voluntary Retirement Schemes (VRS) and Payment of statutory dues.	250.00	-	250.00
Grant No. 54-Police				
41.	2055.00.001.10-Training & Development	44.98	-	44.98
42.	4055.00.201.04-Modernization	15.79	-	15.79
Grant No. 55- Other Expenditure of the Ministry of Home Affairs				
43.	4250.00.101.07-National Institute of Disaster Management	12.50	-	12.50
Grant No. 57 – Ministry of Housing and Urban Poverty Alleviation				
44.	2216.02.789.01 Scheme for Housing the Urban poor	11.25	-	11.25
Grant No. 58-Department of School Education and Literacy				
45.	3601.04.789.32-Elementary Education-Other Grants	34.50	-	34.50
46.	3601.04.796.22- Elementary Education-Other Grants	18.62	-	18.62
Grant No. 59—Department of Higher Education				
47.	2202.03.800.16-Establishment of Tribunals, Accreditation Authority, NCHER and National Finance	50.00	-	50.00
48.	2203.00.112.38-Setting up of New Indian Institutes of Information Technology	22.48	-	22.48
49.	3601.01.166.01-Improvement in the Pay Scales of University and College Teachers	2250.00	-	2250.00

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	Savings
Grant No. 61—Ministry of Labour and Employment				
50.	3601.04.321.04-Skill Development initiative	39.82	-	39.82
Grant No. 65-Ministry of Micro, Small and Medium Enterprises				
51.	2851-00-105-06 Khadi Reform Development Programme (ADB assistance)	128.25	-	128.25
52.	2851-00-200-10 Scheme of Fund for Regeneration of Traditional Industries	13.36	-	13.36
53.	2851-00-200-14 Scheme for Enhancing Productivity and Competitiveness of Khadi Industries and Artisans	14.05	-	14.05
54.	2851-00-789-13 Khadi Reform Development Programme (ADB assistance) -SC Sub Plan	28.80	-	28.80
55.	2851-00-796-13 Khadi Reform Development Programme (ADB assistance)- Tribal Sub Plan	15.75	-	15.75
Grant No. 67 – Ministry of Minority Affairs				
56.	2235.02.200.16-Scheme for Leadership Development of Minority Women	13.48	-	13.48
Grant No. 73 – Ministry of Petroleum and Natural Gas				
57.	2802.80.800.09 Rajiv Gandhi Institute of Petroleum Technology	39.00	-	39.00
Grant No. 75-Ministry of Power				
58.	2801.06.789.01 Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY)	600.00	-	600.00
59.	2801.80.797.01 Transfer to National Investment Fund	52.00	-	52.00
60.	2801.80.800.29 National Electricity Fund (NEF)	249.57	-	249.57
Grant No. 82– Department of Rural Development				
61.	2216.03.797.01-Transfer to National Investment Fund	8448.00	-	8448.00
62.	2515.00.105.01-Grants to Council for Advancement of Peoples's Action and Rural Technology	100.00	-	100.00
63.	3601.03.456.07-BPL Survey	19.99	-	19.99
Grant No. 85-Department of Science and Technology				
64.	3425.60.600.03-Payment against receipt under R&D Cess	25.00	-	25.00
65.	3425.60.789.02-Research and Development Support	15.00	-	15.00
66.	3425.60.796.03- Research and Development Support	14.00	-	14.00
67.	3425.06.796.05-National Mission on Nano Science and Nano Technology	10.00	-	10.00

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	Savings
Grant No. 88-Ministry of Shipping				
68.	5051-01-104-07 Other Expenditure	35.01	-	35.01
69.	5075-60-800-06 Sethusumudram Ship Canal Project	10.00	-	10.00
70.	7051-01-190-02 Loans to port Trust	193.70	-	193.70
Grant No. 89-Ministry of Social Justice and Empowerment				
71.	2225.01.789.10-Self Employment Scheme for Rehabilitation of Manual Scavengers	98.00	-	98.00
72.	2225.01.789.20-Dr. B.R. Ambedkar National Centre	10.00	-	10.00
Grant No. 90- Department of Space				
73.	3252.00.053.05-INSAT 3 Launch Services	75.00	-	75.00
74.	3402.00.101.44-Indian Institute of Space Science & Technology (IIST)	100.00	-	100.00
75.	3402.00.101.48-GSLV Mk III Operational	75.00	-	75.00
76.	5402.00.101.29-GSAT4/GSAT4R/GSAT 11EM	49.00	-	49.00
77.	5402.00.101.30-Oceansat 2 & 3	47.25	-	47.25
Grant No. 92-Ministry of Steel				
78.	2852.01.105.33 Bisra Stone Lime Company Limited	119.81	-	119.81
Grant No. 93 – Ministry of Textiles				
79.	2852.08.202.31 Foreign Investment Promotion Scheme	10.00	-	10.00
80.	2852-08-789-01 National Institute of Fashion Technology	10.00	-	10.00
81.	2852-08-789-03 Scheme for Integrated Textile Park	10.00	-	10.00
82.	2852-08-789-04 Jute Technology Mission	10.00	-	10.00
83.	2852-08-789-09 Technical Textiles including Jute	10.00	-	10.00
Grant No. 101 – Department of Urban Development				
84.	2217-05-191-09- National Mission on Sustainable Habitats (NMSH)	50.00	-	50.00
85.	2217-80-191-33 World Bank-Capacity Building for Urban Development	20.25	-	20.25
86.	7601-04-318-01 North Eastern Region Urban Development Project (NERUDP)	20.20	-	20.20
	Total	**22,972.97**		

Annex III-O

(Refers to paragraph 3.17)

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)

Sl. No.	Minor/ Sub-head	Budget provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹in crore)			
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)	400.00	300.00	100.00	Receipt of less reimbursement claims
2.	2401.00.800.02-Grant to NAFED for MIS/PSS	200.00	1.66	198.34	Non-receipt of reimbursement claims from National Agricultural Co-operative Marketing Federation of India Limited.
Grant No. 4-Atomic Energy					
3.	3401.00.004.05-Tata Institute of Fundamental Research	510.39	359.08	151.31	Delay in procurement of items, appointment of consultants and receipt of statutory permission
4.	3401.00.004.15-Institute for Plasma Research, Gandhi Nagar	564.48	451.64	112.84	Delay in land acquisition process
Grant No. 5-Nuclear Power Scheme					
5.	4801.03.190.02-Bharatiya Nabhikiya Vidhyut Nigam Limited	1025.00	875.00	150.00	Spillover of major activities to 2012-13 owing to technical difficulties encountered during manufacturing and assembly
Grant No. 7-Department of Fertilisers					
6.	2401-00-105-15 Payment for concessional sale of imported decontrolled fertilizers	21864.94	16164.94	5700.00	Lesser Imports till November, 2011.
7.	2852.03.129.02-Compensation for loss of account of sale of fertilizer bonds under fertilizers retention price scheme	200.00	77.44	122.56	Lesser requirement of funds towards compensation for loss on account on bonds based on bond wise/company wise reconciled bills.
Grant No. 9-Ministry of Civil Aviation					
8.	5053-80-800-01 Civil Aviation Security	107.00	6.39	100.61	Non-receipt of no objection certificate from Ministry of Urban Development for construction of Bureau of Civil Aviation Security Headquarter Building and non-finalization of proposal relating to purchase of radiological equipment and advance imaging technology.
Grant No. 11-Department of Commerce					
9.	3453-00-194-03 Assistance to Export Promotion and Market Development Organisations	3050.00	1071.20	1978.80	Receipt of ineligible claims owing to clarification issued by policy interpretation Committee, Directorate General of Foreign Trade.

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)

Sl. No.	Minor/ Sub-head	Budget provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹in crore)			
10.	5453-80-800-08 Scheme for Central Assistance for Developing Export Infrastructure and other Allied Activities	730.96	619.54	111.42	Reduction of provision at revised estimates stage owing to slow pace of implementing agencies of project and were not expected to be finished during the year.
Grant No. 14-Department of Telecommunications					
11.	3275.00.103.01-Compensation to Service Providers	1882.44	1687.96	194.48	Non-finalization of Wireless Broadband Scheme and disallowing of claims for uncovered Village Public Telephones (VPTs) phase-II, non-provision of Solar Photo Voltaic (SPV) Modules and Charge indicators and shortfall in roll out.
12.	3275.00.797.01-Transfer to Universal Service Obligation fund	2100.00	1687.96	412.04	Non-finalization of Wireless Broadband Scheme and disallowance of claims for uncovered Village Public Telephones Phase-II owing to shortfall in roll out and non-provision of solar Photo Voltaic (SPV) Modules and Charge Indicators.
13.	5275.00.800.03-OFC based network for Defence Services	900.00	50.00	850.00	Non-implementation of Optical Fibre Cable Scheme By Army and Navy segment.
Grant No. 15-Department of Information Technology					
14.	2852.07.202.60-Electronic Governance	865.14	199.89	665.25	Non-filling up of vacant posts, non-receipt of viable proposals, Utilisation Certificates and cut imposed at revised estimates stage by the Ministry of Finance owing to non-finalisation of externally aided project.
Grant No. 31-Ministry of External Affairs					
15.	2061.00.800.11-Grants to Institutions	142.83	5.56	137.27	Opening of new sub-heads for entities and delay in commencement of works scheduled for some of the projects.
16.	3605.00.101.12-Sri Lanka- Other Aid Programmes	290.00	181.94	108.06	Delay in the regulatory approvals relating to the housing project.
17.	3605.00.101.14-Aid to Myanmar	190.00	67.40	122.60	Delay in project relating to supply of tractors and delay in signing of MOU with Myanmar Govt. for Rhi-Tiddim Road Project.
Grant No. 32-Department of Economic Affairs					
18.	3075-60-101-01- Payment to Railways	3022.61	2034.37	988.24	Less subsidy to Railways for dividend relief based on capital work in progress.

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)

Sl. No.	Minor/ Sub-head	Budget provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹in crore)			
19.	4046-00-208-01- Coins	1584.80	1225.00	359.80	Restricting the cost of coins to the costs worked out by the consultants of Security Printing and Minting Corporation of India Limited (SPMCIL)
20.	5466-00-207-01 Subscription to International Monetary Fund	11729.41	2444.53	9284.88	Less subscription to International Monetary Fund (IMF) (In securities)
21.	5475-00-800-12 Assistance for Infrastructure Development Viability Gap Funding	499.37	300.00	199.37	Delay in implementation of Mumbai Metro Line 2 project.
Grant No. 33-Department of Financial Services					
22.	2235-04-101-02 Relief/Waiver of loans through lending Institutions against Agricultural Debt Waiver and Debt Relief Scheme,2008	6000.00	1176.39	4823.61	Receipt of less claims from Nodal Agencies as implementation period of the scheme is over.
23.	2235-04-101-03 Payment of Interest to lending Institutions towards Agricultural Debt Waiver and Debt Relief Scheme,2008	287.00	178.46	108.54	Receipt of less claims from Nodal Agencies as implementation period of the scheme was over.
24.	2235-60-102-03 Swavalamaban Scheme to encourage people from unorganized sector to join New Pension System (NPS)	220.00	40.00	180.00	Slow enrolment under the scheme.
25.	2416-00-800-02 Interest Subvention for Providing short term Credit to Farmers	4868.00	3282.70	1585.30	Receipt of less claims for reimbursement from the nodal agencies as the claims spilled over to the next year.
26.	2885-01-101-06 1 % interest subvention on Housing Loans	500.00	300.00	200.00	Receipt of less claims from Nodal Agencies.
27.	4885-01-190-15 Equity support to India Infrastructure Finance Company Ltd. (IIFCL)	1000.00	500.00	500.00	Reduction of provision at revised estimates stage owing to improvement in financial position of the Company.
Grant No. 34-Appropriation-Interest Payments					
28.	2049-01-116 Interest on 14 Day Treasury Bills	4900.00	3795.52	1104.48	Shifting of investment from intermediate treasury bills to auction based treasury bills by the State Governments.
29.	2049-01-125 Special G.O.I. Securities issued to NSSF against reinvestment of sums received on redemption of Special Central/State Governments' Securities	9698.49	7408.13	2290.36	Less investment in Government of India Securities.
30.	2049-01-200-03 Compensation and other Bonds	4221.04	3601.93	619.11	Receipt of less claims from the scheme holders.

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)

Sl. No.	Minor/ Sub-head	Budget provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
31.	2049-02-216 Interest on Loans from the IBRD	600.92	350.02	250.90	Exchange rate variation.
32.	2049-02-249 Interest on Loans from Asian Development Bank	352.83	234.50	118.33	Exchange rate variation.
33.	2049-03-108-06 Postal Insurance and Life Annuity Fund	1742.59	989.96	752.63	Less payment.
34.	2049-03-110-01 Bonus for undisbursed Pay of India Ranks	253.45	83.73	169.72	Less accretion of pay of India Ranks.
35.	2049-60-109-04 7.00 % Fertiliser Companies G.o.I. Special Bonds, 2022	700.00	514.70	185.30	Non-buyback of special bonds issued to fertilizer companies.
36.	2049-60-109-05 6.20 % Fertiliser Companies G.o.I. Special Bonds, 2022	248.00	78.91	169.09	Non-buyback of special bonds to fertilizer companies.
37.	2049-60-109-06 6.65% Fertiliser companies G.o.I. Special bonds, 2023	399.00	186.67	212.33	Non-buyback of special bonds to fertilizer companies.
Grant No. 35-Transfer to State and UT Governments					
38.	2075.00.795.03-Loans to State Governments Written off	500.00	38.00	462.00	Non-fulfillment of the prescribed terms and conditions for award of Debt Waiver by some State Governments.
39.	2245.80.103.02-Assistance to State From National Disaster Response Fund for calamities of severe nature	4525.00	2458.92	2066.08	Less release of funds on account of occurrence of fewer calamities of severe nature and availability of funds in CRF/SDRF accounts of State
40.	2245.80.797.02-Transfer to National Disaster Response Fund	4525.00	3997.92	527.08	The fact that in pursuance of RE-2011-12 actual accrued amount accredited to the Reserve Funds and Deposit Account has been transferred.
41.	3601.01.104.18- Grant-in-aid for Governance	2028.82	723.23	1305.59	Non fulfillment of conditions laid down by Thirteenth Finance Commission by some State Governments.
42.	3601.02.101.26-Accelerated Irrigation Benefit Programme and other Water Resources Programme	12620.00	7459.01	5160.99	Slow off-take of funds by State Governments.
43.	3601.02.101.27-National E-Governance Action Plan (NEGAP)	190.00	41.37	148.63	Receipt of less proposals from Department of Information Technology.
44.	3601.02.797.01-National Investment Fund	7732.00	3976.48	3755.52	Less proceeds from Dis-investment.

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)

Sl. No.	Minor/ Sub-head	Budget provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹in crore)			
45.	3601.02.101.36- Jawahar Lal Nehru National Urban Renewal Mission	12522.00	7337.78	5184.22	Non-release of matching shares by State Governments, withdrawal of Projects and delay in commencement of schemes
Grant No. 37- Repayment of Debt					
46.	6001.00.105.02-International Monetary Fund	2592.87	1403.00	1189.87	Less encashment of securities
47.	6001.00.115- 14 Days Treasury Bills	2500566.00	2109690.77	390875.23	Shifting of investment from ITBs to Auction Treasury Bills by State Governments.
Grant No. 39- Pensions					
48.	2071.01.102.01- Ordinary Pensions	1875.00	1540.45	334.55	Receipt of less scrolls/claims
49.	2071.01.115.01- Ordinary Pensions	1310.00	1172.44	137.56	Receipt of less claims
Grant No. 41-Department of Revenue					
50.	3601.01.110.07-Grants to States for Revenue loss due to phasing out of CST	12000.00	4172.58	7827.42	Receipt of less claims towards CST compensation from the State Governments
51.	3601.01.113.05-Grants to States for VAT related Expenditure	224.00	120.36	103.64	Slow progress of implementation of MMP-CT Project by the State Governments
Grant No. 42-Direct Taxes					
52.	4059.01.800.01-Acquisition of Ready-built Accommodation	877.70	256.53	621.17	Non-finalisation of proposals for purchase of property
Grant No. 46-Department of Health and Family Welfare					
53.	2211.00.109.07-Procurement of Drugs and Equipments (Other than Vaccines etc.)	250.00	21.53	228.47	Non-approval of scheme for procurement of drugs & equipments.
54.	3601.04.246.01-Supply of RCH Drugs and Equipments	160.50	3.44	157.06	Availability of unspent balances with the implementing agencies and less procurement of RCH drugs and equipments.
55.	3601.04.246.02-Routine Immunisation Programme	356.00	239.43	116.57	Availability of unspent balances with the implementing agencies.
Grant No. 47- Department of Ayurveda, Yoga & Naturopathy, Unani, Sidha and Homoeopathy (AYUSH)					
56.	2210.02.200.30-Development of AYUSH Hospitals & Dispensaries and main streaming of AYUSH	228.00	93.43	134.57	Non-receipt of Utilisation Certificate from State
Grant No. 52-Ministry of Home Affairs					
57.	3454.02.800.08-National Population Register	2731.16	1328.60	1402.56	Non-finalisation of Plan schemes and non-receipt of claims from State Government and less tour undertaken
Grant No. 54-Police					
58.	2055.00.115.08-Assistance of State Police Organisation in Kind	400.00	250.00	150.00	Non-finalization of Proposals

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)

Sl. No.	Minor/ Sub-head	Budget provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹in crore)			
59.	2055.00.800.11-Crime & Criminal Network System	384.50	193.80	190.70	Non-finalization of Proposals and reduction of provision at revised estimates stage by the Ministry of Finance
60.	4055.00.201.02-Residential Building	538.00	244.53	293.47	Delayed acquisition of EPC Projects and non-filling up of consultants
61.	4055.00.202.02-Residential Building	250.00	106.99	143.01	Non-finalization of proposals
62.	4055.00.203.01-Directorate General of Border Security Force	1182.21	839.67	342.54	Non-finalization of proposals
63.	4055.00.213.02-Residential Building	313.00	102.67	210.33	Non-finalization of proposals
64.	4055.00.216.09-Research	1885.00	623.00	1262.00	Non-finalization of proposals/ schemes
Grant No. 55-Other Expenditure of the Ministry of Home Affairs					
65.	2245.80.102.04-National Disaster Management Authority	348.22	110.62	237.60	Non filling up of vacant post of Project Management Unit, non finalization of some Plan schemes and procurement of "Video Wall".
Grant No. 56-Transfers to Union Territory Governments					
66.	3602.02.101.01- National Capital Territory of Delhi	1192.73	582.30	610.43	Less recommendation of funds release for Jawaharlal Nehru Urban Renewal Mission project by the implementing Ministries.
Grant No. 59-Department of Higher Education					
67.	2202.80.800.40-National Mission in Education through ICT	657.74	295.41	362.33	Receipt of less number of viable proposals.
68.	2203.00.112.52-Technical Education Quality Improvement Project of Government of India (EAP)	165.00	34.55	130.45	Receipt of less number of viable proposals and delay in selection of eligible institutions.
Grant No. 63-Law and Justice					
69.	2014.00.800.09-Computerisation of District and Subordinate Courts	265.00	86.41	178.59	Reduction of provision at revised estimates stage and release of less funds to the State Governments.
70.	2014.00.800.16-Assistance to State Governments for establishing and operating Gram Nyayalayas	145.00	4.46	140.54	Reduction of provision at Revised estimates stage and less demand and non receipt of utilization certificates from the State Governments.
Grant No.-73- Ministry of Petroleum and Natural Gas					
71.	2802-80-102-04 Subsidy to oil companies for supply of Natural Gas to North Eastern Region	564.00	458.00	106.00	Slow growth of Natural Gas in North Eastern Region.
Grant No. 74-Ministry of Planning					
72.	5475.00.112.38-Unique Identification Authority of India	700.00	245.75	454.25	Non-procurement of planned & projected items and non-completion of some projects

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)

Sl. No.	Minor/ Sub-head	Budget provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 75 -Ministry of Power					
73.	2801-06-797-01 Transfer to National Investment Fund	5000.00	2086.04	2913.96	Non achievement of the target fixed for disinvestment.
74.	2801-06-800-03 Rural Electrification Corporation for Rajiv Gandhi Gramin Vidyutikaran Yojana	4726.70	2237.31	2489.39	Delay in implementation of ongoing Projects in North Eastern and Naxal affected areas and pending forest and railways clearances.
75.	6801-00-190-06 - National Hydro Electric Power Corporation	812.61	398.44	414.17	Requirement of less funds towards Nimboo Bazgo and Kishanganga Projects
Grant No. 82-Department of Rural Development					
76.	2501.06.101.21-Mahila Kisan Sashktikaran Pariyojana	180.00	75.43	104.57	Non submission of claims by the project implementing agencies.
77.	2505.02.101.02-Assistance to District Rural Development Agencies/District Programme Coordinators and other	39974.08	29189.77	10784.31	Availability of unspent balances of previous years and non receipt of adequate number of proposals from the State Governments.
78.	2505.02.797.02-Transfer to National Investment Fund	18768.00	7831.53	10936.47	Revision in the estimated collection of disinvestments receipts in the revised estimates by the Ministry of Finance.
Grant No. 88-Ministry of Shipping					
79.	2852-06-102-21 Subsidy to non-central PSU Shipyards and Private Sector Shipyards	542.11	122.42	419.69	Receipt of incomplete proposals for claiming subsidies.
Grant No. 89-Ministry of Social Justice and Empowerment					
80.	3601.03.789.08-Welfare of Scheduled Castes-Economic Development	757.00	656.40	100.60	Receipt of less proposals from the State Governments.
Grant No. 90-Department of Space					
81.	3252.00.053.06-INSAT 4/GSAT Satellites	227.44	94.26	133.18	Phasing out of expenditure based on project schedule of GSAT-6, GSAT-6A, GSAT-9 and GSAT-10 and leasing of transponders
82.	3402.00.800.01-Special Indigenization/advance ordering	218.76	8.98	209.78	Postponement of procurement of components/materials and sub systems for launch vehicle programmes.
83.	5252.00.203.03-INSAT-4/GSAT Satellites	629.66	135.33	494.33	Non taking up of work related to INSAT/GSAT follow on satellites (GSAT-15 and 16) based on programmatic considerations.

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)

Sl. No.	Minor/ Sub-head	Budget provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹in crore)			
84.	5402.00.101.01-Vikram Sarabhai Space Centre (VSSC)	228.67	126.00	102.67	Phasing out of expenditure towards facility replacement and augmentation of Advance Thermovac Facility, 200 Kv Transmission Electron Microscope, CVI Furnace, Vibration Machine and development of facility for nozzle and combustor performance evaluation, etc. based on procurement status.
85.	5402.00.101.17-Satish Dhawan Space Centre – SHAR (SDSC- SHAR)	182.96	78.08	104.88	Delay in obtaining approval for Multi Object Tracking Radar (MOTR) and Second Vehicle Assembly Building and postponement of expenditure on launch facilities infrastructure based on actual delivery schedule.
86.	5402.00.101.33-Advanced Communication Satellite (GSAT-11 including launch services)	402.45	37.71	364.74	Postponement of payment towards launch services contract, postponement of expenditure on test and fabrication facilities and spacecraft materials and components based delivery schedule.
87.	5402.00.101.38-Earth Observation-New Mission (TES Hyper spectral, DMSAR-1, Cartosat-3,ENVISAT, SCATSAT, RISAT-3, Future Eo Mission and GISAT)	181.25	9.69	171.56	Delay in obtaining approval of TES-Hyper spectral, DMSAR-1 and Cartosat-3 Projects.
88.	5402.00.102.01-Space Application Centre (SAC)	182.34	56.70	125.64	Fabrication of equipments phase– 2 facilities argumentation, site hindrance and as per physical progress of site development at Bhopal Campus and expenditure earmarked for advanced actions towards realization of future microwave payloads.
Grant No. 91-Ministry of Statistics and Programme Implementation					
89.	2553.00.101.01-Grant Assistance	3950.00	2507.68	1442.32	Less Demand/non-completion of work by District Authorities under Member of Parliaments Local Area Development Scheme.
90.	3601.03.432.02-Economic Census	143.58	10.99	132.59	Deferment of Economic Census owing to delay in completion of Social-Economic & Caste Survey.
Grant No. 93-Ministry of Textiles					
91.	2852-08-202-13 Technology Up-gradation Fund Scheme	3062.80	2768.53	294.27	Less receipt of viable proposals from the implementing agencies and also due to receipt of less claims.

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)

Sl. No.	Minor/ Sub-head	Budget provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
92.	2852-08-202-16 Procurement of Cotton by Cotton Corporation of India under Price Support	200.00	21.50	178.50	Less receipt of viable proposals from cotton industries on price support.
93.	2852-08-202-27 Integrated Textile Parks	287.00	77.43	209.57	Receipt of less viable proposals from the implementing agencies and non-completion of infrastructure of Textiles parks.
Grant No. 101-Department of Urban Development					
94.	6217-60-191-17 Pass through Assistance to Other Metro Project	1451.00	1290.00	161.00	Receipt of less demand from the implementing agencies and non – sanctioning of new projects.
Defence Services Grant No. 22 – Defence Services-Army					
95.	2076.00.113 – N.C.C.	956.29	711.66	244.63	Less expenditure under items as some procurement could not be materialized.
96.	2076.00.800 – Other Expenditure	1891.08	1644.18	246.90	Less booking of conservancy charges, pay and allowances of conservancy staff.
Grant No. 23 – Defence Services-Navy					
97.	2077.00.104 – Pay and Allowances of Civilians	2360.43	1702.26	658.17	Non finalization of payment towards Over Time Allowances arrears which were factored in MA stage.
Grant No. 26 – Defence Services-Research and Development					
98.	2080.00.004 – Research/Research Development	1116.00	983.91	132.09	Cumulative effect of savings from various R & D Boards.
Grant No. 27 –Capital Outlay on Defence Services 01-Army					
99.	4076.01.050 - Land	147.00	15.69	131.31	No reason has been furnished by the Ministry.
100.	4076.01.101 – Aircraft and Aero Engine	2291.60	1604.94	686.66	No reason has been furnished by the Ministry.
101.	4076.01.103 – Other Equipments	10855.96	6960.18	3895.78	No reason has been furnished by the Ministry.
102.	4076.01.202 – Construction Works	4707.20	4050.32	656.88	Slow pace of expenditure and progress of MAP projects.

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)

Sl. No.	Minor/ Sub-head	Budget provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
02- Navy					
103.	4076.02.104 – Joint Staff	928.71	778.31	150.40	Technical slippages and non-completion/slow progress of works
03 – Air Force					
104.	4076.03.202 – Construction Works	1342.50	1152.44	190.06	Slow progress of works due to scarcity of materials, rehabilitation of involved population, delay in approval process, delay in tendering action etc.
04 – Defence Ordnance Factories					
105.	4076.04.052 – Machinery and Equipment	187.26	(-) 13.14	200.40	Non commissioning of acid plants and NC Plant at Nalanda Project, due to delay in final commissioning of and non-acceptance of CNC water jet cutting machine and side lift truck six ton in P.D.I.
Department of Posts					
13- Postal Services					
106.	3201.02.101.10 – Gramin Dak Sevak	2407.00	2120.49	286.51	The reason that provision was made on the basis of demands received from Circles and actual of January, 2012.

Annex III-P

(Refers to paragraph 3.18)

Statement showing cases of unrealistic budgetary assumptions (Savings of ₹ 50 crore and above and constituting more than 40 *per cent* of the budgeted provision under a sub-head)

Sl. No.	Minor/Sub-head	Budget provision	Actual Disbursement	Savings	Percentage of savings to budget provision
		(₹ in crore)			
Civil					
Grant No. 1 - Department of Agriculture and Co-operation					
1.	2401.00.110.09-Modified National Agriculture Insurance Scheme	150.00	62.15	87.85	59
2.	2401.00.796.13-Horticulture Mission for North East and Himalayan States	125.00	70.17	54.83	44
3.	2401.00.800.38-National e-Governance Plan-Agriculture	50.50	0.48	50.02	99
Grant No. 3 - Department of Animal Husbandry, Dairying & Fisheries					
4.	2403.00.101.25-Preparedness, Control and Containment of Avian Influenza	60.23	0.0023	60.23	100
5.	2404.00.102.15-National Dairy Plan	68.96	4.00	64.96	94
Grant No. 4-Atomic Energy					
6.	4861.60.204.01-Board of Radiation and Isotope Technology	73.20	11.23	61.97	85
7.	5401.00.201.84-Additional BARC Campus	80.00	6.47	73.53	92
Grant No. 8-Department of Pharmacuticals					
8.	2852-05-206-02 National Institute of Pharmaceuticals Education & Research (NIPER)	132.32	58.57	73.75	56
Grant no. 12- Department of Industrial Policy and Promotion					
9.	2852-80-800-14 Industrial Infrastructure upgradation Scheme	115.00	28.06	86.94	76
10.	2875-60-190-01 Grants to Delhi Mumbai Industrial Corridor Development Corporation	175.00	87.00	88.00	50
Grant No. 14-Department of Telecommunication					
11.	3275.00.102.01-Monitoring Services	71.71	19.15	52.56	73
Grant No. 17- Department of Food & Public Distribution					
12.	6860.04.190.03- Loans for Rehabilitation/ Modernisation of Sugar Mills	200.00	117.56	82.44	41
Grant No. 29-Ministry of Earth Sciences					
13.	5455.00.102.02-Aviation Meterology	55.50	1.39	54.11	97
Grant No.37-Repayment of Debt					
14.	6001.00.106.31- 6.5 % Savings Bonds, 2003 (Non-taxable)	78.64	20.03	58.61	75
Grant No.39-Pensions					
15.	2071.01.111.01-Member of Parliament	152.10	75.38	76.72	50
Grant No. 46- Department of Health and Family Welfare					
16.	2210.06.800.08-Health Sector Disaster Preparedness and Management	58.50	0.02	58.48	100

Statement showing cases of unrealistic budgetary assumptions (Savings of ₹ 50 crore and above and constituting more than 40 *per cent* of the budgeted provision under a sub-head)

Sl. No.	Minor/Sub-head	Budget provision	Actual Disbursement	Savings	Percentage of savings to budget provision
		(₹in crore)			
Grant No. 54 – Police					
17.	2055.00.001.07-Bureau of Immigration	206.46	124.55	81.91	40
18.	2055.00.119.14-Modernisation of Traffic & Communication Network of Delhi Police	95.00	19.52	75.48	79
19.	4055.00.214.07-Setting up of Integrated Check Posts	140.00	79.85	60.15	43
20.	4055.00.215.03-Assistance to State/UT's for Costal Security	170.00	92.64	77.36	46
21.	4055.00.216.04-Central Forensic-Science Laboratory	60.35	7.67	52.68	87
Grant No.-57-Ministry of Housing and Urban Poverty Alleviation					
22.	2217-05-191-04 Jawaharlal Nehru National Urban Renewal Mission	80.00	21.51	58.49	73
Grant No.58-Department of School Education and Literacy					
23.	3601.04.789.34-Secondary Education – Other Grants	65.87	12.39	53.48	81
Grant No.59-Department of Higher Education					
24.	2202.03.789.07-Educational Loan Interest Subsidy	96.00	37.99	58.01	60
25.	2202.80.789.05-National Mission in Education through ICT	127.30	56.42	70.88	56
Grant no. 75-Ministry of Power					
26.	2801-80-004-02 Central power Research Institute	163.41	64.00	99.41	61
27.	2801-80-800-15 Bureau of Energy Efficiency	123.80	62.00	61.80	50
28.	2801-80-800-27 Energy Conservation	130.80	49.99	80.81	62
Grant No. 88- Ministry of Shipping					
29.	3051-01-108-02 River Dredging and Maintenance of River Hooghly by Calcutta Port Trust	129.78	41.96	87.82	68
30.	5051-02-200-05 Post Tsunami Works	96.00	43.74	52.26	54
Grant No. 89- Ministry of Social Justice and Empowerment					
31.	3601.03.359.03-Schemes for Implementation of Persons with Disabilities Act 1995	75.00	14.49	60.51	81
Grant No. 90-Department of Space					
32.	3402.00.101.43-Manned Mission Initiative /Human Space Flight Programme	65.64	9.23	56.41	86
33.	3402.00.101.45-Semi Cryogenic engine development	89.41	18.80	70.61	79
34.	3402.00.102.02-Development & Educational Communication Unit (DECU)	83.34	16.93	66.41	80

Statement showing cases of unrealistic budgetary assumptions (Savings of ₹ 50 crore and above and constituting more than 40 *per cent* of the budgeted provision under a sub-head)

Sl. No.	Minor/Sub-head	Budget provision	Actual Disbursement	Savings	Percentage of savings to budget provision
		(₹in crore)			
35.	3402.00.102.05-National Natural Resources Management System (NNRMS)	74.82	23.60	51.22	68
36.	5252.00.203.04-INSAT-4/GSAT Launch Services	55.90	2.26	53.64	96
37.	5402.00.101.31-Navigation Satellite System	186.23	97.49	88.74	48
38.	5402.00.101.37-Semi cryogenic engine development	60.59	9.49	51.10	84
Grant No. 91-Ministry Statistics and Programme Implementation					
39.	3454.02.204.23-Economic Census	54.43	3.93	50.50	93
Grant No. 93-Ministry of Textiles					
40.	2852-08-202-02 Assistance for Research and Development	170.65	83.08	87.57	51
Grant No. 101- Department of Urban Development					
41.	2217-05-800-23 Urban Infrastructure Development in Satellite/Counter Magnet Cities	135.00	69.57	65.43	48

Annex IV-A

(Refer Para No. 4.6 and Table 4.5)

Details of cases of augmentation in Grants-in-aid General

(₹ in crore)

Sl. No.	Grant	Head	Amount
1.	4-Atomic Energy	3401.00.004.08.01.31-Assistance to Universities Research Institutions Societies and Non-Govt. Institutions	1.99
2.		3401.00.004.08.02.31-Assistance to Universities Research Institutions Societies and Non-Govt. Institutions	13.69
3.	19-Ministry of Culture	2205.00.102.03.15.31 -Central Institute of Himalayan Cultural Studies	5.70
4.		2205.00.102.04.02.31 -Assistance to Dance, Drama and Theatre ensemble	2.07
5.		2205.00.102.04.18.31 -Development of Cultural Organisations	1.61
6.	96-Andaman & Nicobar Islands	Ministry of Home Affairs 2225.02.796.05.00.31 Grant to Andaman Adim Janjaati Vikas Samiti	0.99
7.		Ministry of Rural Development-2215.01.196.01.00.31 Zilla Parishad	0.92
8.		Ministry of Rural Development-2215.02.198.01.00.31 Aids to Gram Panchayat	0.34
9.	97- Chandigarh	Ministry of Agriculture-2401.00.109.05.00.31-Demonstration and Training	0.04
10.		Ministry of Micro, Small and Medium Enterprises-2851.00.105.01.00.31-Grants-in-Aid General to U.T. Khadi and Village Industries Board	0.07
11.		Ministry of Tourism-3452.80.104.09.00.31-Development of Food Crafts Industries	1.80
12.	99 –Daman and Diu	Ministry of Urban Development-2217.05.192.01.00.31 – Daman & Diu Municipal Council	0.06
13.		Ministry of Agriculture-2405.00.196.02.00.31 – Panchayats	0.06
14.		Ministry of Power-2801.05.192.01.00.31 – Municipalities	0.10
15.		Ministry of Road Transport and Highways-3054.04.196.04.00.31 – Panchayats	2.65
16.	100 –Lakshadweep	Department of Higher Education-2202.80.001.03.00.31 – Directorate of Education	4.58
17.		Ministry of Youth Affairs & Sports-2204.00.102.07.00.31 – National Cadet Corps.	0.15
18.		Ministry of Health & FW-2210.06.198.01.00.31 – Panchayats	0.12
19.		Ministry of Social Justice & Empowerment-2235.02.190.01.00.31 – State Social Welfare Advisory Board	0.03
20.		Ministry of Social Justice & Empowerment-2235.02.198.01.00.31 – Panchayats	0.05
21.		Ministry of Women and Child Development-2236.02.101.07.00.31 – Procurement and Distribution	0.67
22.		Ministry of Rural Development-2402.00.198.01.00.31 – Panchayats	0.02
23.		Ministry of Environment and Forests-3435.60.198.01.00.31 – Panchayats	0.18

Annex IV-B

(Refer Para No. 4.12 and Table 4.8)

Details of cases of augmentation in Major Works and Machinery & Equipment

(₹ in crore)

Sl. No	Head of Account	Nomenclature	Amount
	4-Atomic Energy		
1.	4861.02.201.01.08.52	Survey & Prospecting	0.49
2.	4861.60.105.11.00.52	Thorium Storage Facility at Trombay	1.60
3.	4861.60.105.16.00.52	Waste Treatment Facility	5.00
4.	4861.60.201.39.00.52	Up-gradation of BARC GSO Services at Tarapur	0.75
5.	4861.60.203.29.00.52	Development of in-Cell/Process Gadgets for Therapeutic Radiopharmaceuticals and Sealed Sources	0.15
6.	4861.60.203.42.00.52	Pre-Project Activities of FRFCF	3.01
7.	4861.60.203.43.00.52	Providing Independent Safety System for DFRP for Refurbishment of Coral Facility	0.94
8.	4861.60.203.46.00.52	Demo Facility for Sodium Bonded Metallic Fuel Fabrication	3.05
9.	4861.60.203.47.00.52	2 MGD RO Desalination Plant at Kalpakkam	1.25
10.	4861.60.203.52.00.52	Upgradation of Fuel Processing Facilities at Trombay & Tarapur	0.50
11.	4861.60.203.55.00.52	Development of Technology and Adoption in-Waste Management and Reprocessing Plants	0.51
12.	4861.60.203.57.00.52	Centralisation and Upgradation of Utility and Services and Instrumentation and Control Systems for Reprocessing and Waste Management Plants At Kalpakkam	3.02
13.	4861.60.204.01.15.52	Board of Radiation and Isotope Technology	0.26
14.	4861.60.204.01.18.52	Board of Radiation and Isotope Technology	1.00
15.	4861.60.204.01.19.52	Board of Radiation and Isotope Technology	0.97
16.	4861.60.204.01.20.52	Board of Radiation and Isotope Technology	0.20
17.	5401.00.201.01.03.52	Reactor Development Programme	0.34
18.	5401.00.201.02.01.52	Front End Fuel Cycle Performance	2.06
19.	5401.00.201.02.02.52	Front End Fuel Cycle Performance	1.70
20.	5401.00.201.03.01.52	Back End Fuel Cycle Programme	1.62
21.	5401.00.201.05.01.52	Safety and Environment Related Programme	4.68
22.	5401.00.201.06.01.52	Biology and Health Care Programme	0.74
23.	5401.00.201.06.02.52	Biology and Health Care Programme	1.02
24.	5401.00.201.10.01.52	Accelerator and Ads Programme	6.26
25.	5401.00.201.13.01.52	Special Materials Development and Other Special Programme	40.82
26.	5401.00.201.14.01.52	Spectroscopy and Synchrotron Utilisation Programme	1.84
27.	5401.00.201.17.01.52	High Temperature Material Development Programme	1.03
28.	5401.00.201.17.03.52	High Temperature Material Development Programme	0.42
29.	5401.00.201.25.01.52	Physical Science Programme	0.71
30.	5401.00.201.70.00.52	Liquid He/He Refrigeration System and Fuel Cell Development	1.25
31.	5401.00.201.78.00.52	Advanced Research in Molecular Biology and Study of Radiation Effects on Human Health	0.06
32.	5401.00.202.47.00.52	Providing Infrastructure for SNM Storage and Fuel Assembly in FBTR Complex	0.83
33.	5401.00.202.51.00.52	Kamini and PFBR Experiments and Collaboration	0.17
34.	5401.00.202.53.00.52	Civil Engineering Design of FBR	0.65
35.	5401.00.202.54.00.52	State-of-Art and Modern Design office	0.12
36.	5401.00.202.55.00.52	Materials Development and Characterisation	0.80
37.	5401.00.202.57.00.52	Design and Development of I&C Systems for FBR	2.07
38.	5401.00.202.62.00.52	Fast Reactor Fuel Chemistry	0.46

Sl. No	Head of Account	Nomenclature	Amount
39.	5401.00.202.64.00.52	Development of Technologies for Inspection, Irradiation Experiments and Remote Handling for FBRs and Fuel Cycle Facilities	6.27
40.	5401.00.202.65.00.52	Radiological Safety Studies	0.91
41.	5401.00.202.66.00.52	Engineering Safety	0.45
42.	5401.00.202.67.00.52	Environmental and Industrial Safety	0.44
43.	5401.00.202.69.00.52	Modernisation of Safety Critical Instrumentation of Kamini Reactor	0.46
44.	5401.00.202.73.00.52	Process Control with Pulsating Sensors	0.08
45.	5401.00.202.74.00.52	Centre for Advanced Visualization and Computational Intelligence	0.65
46.	5401.00.202.75.00.52	Basic Research in Materials Science and Condensed Matter Physics	0.32
47.	5401.00.202.77.00.52	Gene Expression Studies	0.34
48.	5401.00.202.81.00.52	Fast Reactor Training Centre	0.19
49.	5401.00.202.82.00.52	Advanced Digital Library	1.84
50.	5401.00.202.83.00.52	Comprehensive Projects, Materials, Finance and Human Resource Management through Automation and Integration of Software Systems	0.42
51.	5401.00.206.25.00.52	Accelerator and Laser Development for Industrial Applications	1.81
52.	5401.00.206.36.00.52	Improvements in Indus Accelerators	1.15
53.	5401.00.206.40.00.52	Proton Synchrotron Sub-Systems	0.70
54.	5401.00.206.41.00.52	Infrastructure for Evaluation and Qualification of Advanced Accelerator Sub-Systems	1.22
55.	5401.00.206.42.00.52	Participation in Advanced International Accelerator Programme like X-Ray Free Electron Laser (XFEL) and International Linear Collider (ILC)	1.12
56.	5401.00.206.43.00.52	Development of Narrow Line Width Tunable Laser System and Applications	4.46
57.	5401.00.206.46.00.52	High Power Lasers for Engineering Applications	2.05
58.	5401.00.206.47.00.52	Research in Frontier Areas of Physics with Lasers	2.29
59.	5401.00.206.48.00.52	Material Research and Development for Devices	0.85
60.	5401.00.400.02.29.52	Variable Energy Cyclotron Centre	0.71
61.	5401.00.400.02.45.52	Variable Energy Cyclotron Centre	0.64
62.	5401.00.400.02.47.52	Variable Energy Cyclotron Centre	0.18
63.	5401.00.400.02.50.52	Variable Energy Cyclotron Centre	0.26
64.	5401.00.400.02.52.52	Variable Energy Cyclotron Centre	0.03
65.	5401.00.400.03.05.52	AMD - Laboratories and Other Plan Schemes	1.68
66.	5401.00.400.03.06.52	AMD - Laboratories and Other Plan Schemes	0.20
67.	5401.00.400.03.07.52	AMD - Laboratories and Other Plan Schemes	1.20
68.	5401.00.400.03.08.52	AMD - Laboratories and Other Plan Schemes	1.64
69.	5401.00.400.03.10.52	AMD - Laboratories and Other Plan Schemes	0.02
70.	5401.00.800.17.00.52	Enhancement of Anunet and DAE Grid	1.26
71.	4861.01.208.61.00.53	Revamping and Modernisation of HWP, Manuguru	7.76
72.	4861.01.208.62.00.53	Revamping and Modernisation of HWP, Thal Vaishat	1.86
73.	4861.01.208.65.00.53	Augmenting The Existing Facilities at Talcher for Meeting the Reqirement of New Activities	0.06
74.	4861.60.105.14.00.53	Augmentation of HLW Management Facilities of Tarapur	0.49
75.	4861.60.201.38.00.53	Physical Protection System for NRG Facilities at Trombay,Tarapur and Kalpakkam	0.41
76.	4861.60.201.39.00.53	Upgradation of BARC GSO Services at Tarapur	1.80
77.	4861.60.202.32.00.53	Upgradation of NFC Facilities	1.47
78.	4861.60.202.34.00.53	Desalination Plant for NZOSP	0.07
79.	4861.60.203.42.00.53	Pre-Project Activities of FRFCF	3.37

Sl. No	Head of Account	Nomenclature	Amount
80.	4861.60.203.45.00.53	Rerouting of Approach Road & Services To Enable To Work On FRFCF	1.45
81.	4861.60.203.47.00.53	2 MGD RO Desalination Plant at Kalpakkam	0.92
82.	4861.60.203.48.00.53	Comprehensive Security System for Kalpakkam Complex	11.86
83.	4861.60.203.52.00.53	Upgradation of Fuel Processing Facilities at Trombay&Tarapur	8.36
84.	4861.60.203.57.00.53	Centralisation and Upgradation of Utility and Services and Instrumentation and Control Systems for Reprocessing and Waste Management Plants at Kalpakkam	3.73
85.	4861.60.203.59.00.53	Integration of Nuclear Recycle Facilities and Renovation of Process Auxiliary Systems at Tarapur and Kalpakkam	1.00
86.	5401.00.201.06.02.53	Biology and Health Care Programme	0.12
87.	5401.00.201.06.03.53	Biology and Health Care Programme	0.78
88.	5401.00.201.10.01.53	Accelerator and ADS Programme	1.02
89.	5401.00.201.26.02.53	Infrastructure Development Programme	2.16
90.	5401.00.201.49.00.53	Back End Fuel Cycle Development Studies	2.08
91.	5401.00.202.44.00.53	Civil Infrastructure and Enchancement of Medical Facilities	2.01
92.	5401.00.202.55.00.53	Materials Development and Characterisation	0.52
93.	5401.00.202.56.00.53	Fuel Fabrication	0.13
94.	5401.00.202.57.00.53	Design and Development of I&C Systems for FBR	0.26
95.	5401.00.202.66.00.53	Engineering Safety	0.12
96.	5401.00.202.67.00.53	Environmental and Industrial Safety	0.18
97.	5401.00.202.82.00.53	Advanced Digital Library	0.66
98.	5401.00.202.85.00.53	Providing Infrastructure Facilities at IGCAR Plant Site	1.40
99.	5401.00.202.86.00.53	Augmentation of Electrical Services for IGCAR	5.69
100.	5401.00.206.25.00.53	Accelerator and Laser Development for Industrial Applications	2.30
101.	5401.00.206.42.00.53	Participation in Advanced International Accelerator Programme like X-Ray Free Electron Laser (XFEL) and International Linear Collider (ILC)	0.24
102.	5401.00.206.44.00.53	Instrumentation and Optics Related To Lasers	0.25
103.	5401.00.206.46.00.53	High Power Lasers for Engineering Applications	2.35
104.	5401.00.206.47.00.53	Research in Frontier Areas of Physics with Lasers	0.16
105.	5401.00.206.48.00.53	Material Research and Development for Devices	0.89
106.	5401.00.206.49.00.53	Scientific Computing Infrastructure	0.05
107.	5401.00.283.08.00.53	Raja Ramanna Centre for Advanced Technology	0.25
108.	5401.00.283.15.02.53	Directorate of Construction Services and Estate Management	0.03
109.	5401.00.283.15.22.53	Directorate of Construction Services and Estate Management	5.89
110.	5401.00.400.02.31.53	Variable Energy Cyclotron Centre	0.51
111.	5401.00.400.02.32.53	Variable Energy Cyclotron Centre	8.65
112.	5401.00.400.03.05.53	AMD - Laboratories and Other Plan Schemes	0.05
113.	5401.00.400.03.07.53	AMD - Laboratories and Other Plan Schemes	0.32
114.	5401.00.400.03.10.53	AMD - Laboratories and Other Plan Schemes	0.30
115.	5401.00.800.12.00.53	AERB Expansion Project	0.38
	13-Department of Posts		
116.	5201.00.104.23.99.52	Business Expansion (Speed Post)	1.81
117.	5201.00.104.28.99.52	Infrastructure for Parcel Post Hub	0.89
118.	5201.00.104.33.99.52	Postal Accounts Management	2.66
	90-Department of Space		
119.	3402.00.101.04.00.52	Polar Satellite Launch Vehicle (PSLV) Continuation Project	2.08
120.	3402.00.101.10.00.52	ISRO Satellite Centre (ISAC)	1.39
121.	3402.00.101.11.00.52	Laboratory for Electro-Optics Systems (LEOS)	0.24
122.	3402.00.101.33.00.52	GSLV Operational (GSLV-O) Project	0.22
123.	3402.00.101.45.00.52	Semi Cryogenic Engine Development	1.03
124.	5402.00.101.07.00.52	Liquid Propulsion Systems Centre (LPSC)	13.60

Sl. No	Head of Account	Nomenclature	Amount
125.	5402.00.101.20.00.52	Polar Satellite Launch Vehicle Continuation (PSLV- C) Project	5.92
126.	5402.00.101.40.00.52	Saral	0.49
127.	5402.00.103.02.00.52	Astrosat 1 & 2	0.45
128.	5402.00.103.04.00.52	Megha-Tropiques	0.38
129.	5402.00.101.02.00.53	ISRO Inertial Systems Unit (IISU)	1.65
130.	5402.00.101.18.00.53	ISRO Telemetry, Tracking and Command Network (ISTRAC)	1.46
131.	5402.00.283.01.00.53	Vikram Sarabhai Space Centre (VSSC)	1.93
	96-Andaman and Nicobar Islands		
132.	Ministry of Urban Development	4055.00.207.05.00.53-Major Works - Other Civil Works	4.86
133.		4055.00.208.05.00.53 – India Reserve Battalion	6.00
134.		4059.80.051.02.00.53 – Other Departments	2.50
135.		4059.80.051.04.00.53 – General Administration	3.14
136.		4216.01.106.05.00.53 – Building	5.11
137.		4401.00.800.12.00.53 – Building	1.74
138.		5052.80.800.01.00.53 – Building	4.95
139.	Ministry of Environment & Forests	4406.01.070.01.00.53 – Building	2.82
140.		4406.01.105.01.00.53 – Other Schemes	1.41
141.	Ministry of Water Resources	4711.02.103.01.00.53 – Construction of Sea Walls	1.04
142.	Department of Shipping	5051.02.200.01.00.53 – Construction of Jetties	2.60
143.		5051.02.796.01.00.53 – Construction of Jetties	4.10
144.	Department of Road Transport & Highways	5054.04.337.02.02.53 – Rural Roads	5.58
145.	Ministry of Communication and Information Technology	5225.04.209.01.00.53 – Laying of Under Sea Optical Fibre Cable between Mainland	22.00
	97-Chandigarh		
146.	Department of Home Affairs	4059.60.051.20.00.53-Administration of Justice	6.21
147.	Ministry of Environment and Forests	4406.01.101.01.00.53-Acquisition of land	22.65
148.	Department of Higher Education	4202.01.202.05.00.53-Buildings	3.18
149.	Ministry of Youth Affairs and Sports	4202.03.800.05.00.53-Buildings	1.32
150.	Ministry of Labour and Employment	4250.00.203.01.00.53-Buildings	0.32
151.	Ministry of Urban Development	4217.01.051.01.00.53-Other Schemes	5.42
	98-Dadra and Nagar Haveli		
152.	Department of Higher Education	4202.01.202.05.00.53-- Buildings	1.30
153.	Ministry of Micro Small and Medium Enterprises	4851.00.101.02.00.53-– Development of New Industrial Estates	0.65
154.	Ministry of Urban Development	4216.01.106.05.00.53- Buildings	0.40
	100 –Lakshadweep		
155.	Ministry of Urban Development	4055.00.208.01.00.53 – Buildings	2.53
156.		4055.00.211.01.00.53 – Buildings	0.36
157.		4059.80.051.26.00.53 – Buildings	3.88
158.		4202.01.203.02.00.53 – Buildings	1.22
159.		4235.02.103.03.00.53 – Working Women's Hostel	0.43
160.		4851.00.800.06.00.53 – Buildings	0.47
161.	Ministry of Health & FW	4210.02.800.01.00.52 – Headquarters and Hospitals	5.35
162.	Ministry of Agriculture	4405.00.105.02.00.52 – Fish Market	1.86
163.	Ministry of Shipping	5052.02.201.02.00.53 – Berthing Facilities	4.95
164.	Ministry of Road Transport & Highways	5054.04.337.03.00.53 – Construction of Link Roads	4.67

Annex IV-C

(Refer Para No.4.19)

Details of object heads

Object head	Description
01- Salaries	It will include pay, allowances in all forms of personnel including honoraria and leave encashment except travel expenses (other than leave travel concession). This object classification will also be utilized for recording expenditure on emoluments and allowances of Heads of States and other high dignitaries including sumptuary allowances.
13- Office expenses	It will include all contingent expenses for running an office such as furniture, postage, purchase and maintenance of office machines and equipments, liveries, hot and cold weather charges (excluding wages of staff paid from contingencies), telephones, electricity and water charges, stationery, printing of forms, purchase and maintenance of staff cars and other vehicles for functional purposes like ambulance, vans, etc. This will also include POL expenses on vehicles for office use.
20- Other Administrative expenses	It will include expenditure on Departmental canteen hospitality/ entertainment expenses, gifts and expenditure on conducted tours, expenditure on conferences/ seminars/ workshops, etc., and expenditure on other training programmes.
21- Supplies and Materials	It will include expenditure on materials and supplies, stores and equipment, etc.
27- Minor works	It will also record expenditure on repairs and maintenance of works, machinery and equipment.
28- Professional services	It will include charges of legal services, consultancy fees, fees to staff artists, remuneration to the examiners, invigilators, etc., for conducting examinations, remuneration to casual artistes, by the All India Radio, Doordarshan and all other types of remunerations. It will also include payments for services rendered, supplies made by other departments such as Railways, Police, etc., a distinction being made in respect of supplies made, services rendered for running of an office in which case the expenditure will be recorded under expenses.
31- Grants-in-aid- General	Description not available in Delegation of Financial Powers Rules, 1978.
32- Contributions	It will also include expenditure on membership of International bodies.
33- Subsidies	Description not available in Delegation of Financial Powers Rules, 1978.
34-Scholarships/ Stipend	Description not available in Delegation of Financial Powers Rules, 1978.
35- Grants for creation of capital assets	It will include amounts released as grants for the creation of capital assets.
36- Grants-in-aid- Salaries	It will include amounts released as grants-in-aid for payment of salaries.
44- Exchange variations	The difference in the rate of exchange at the time of receipt of loan/ advances from foreign sources and repayment thereof shall be debited under this object head under the concerned service expenditure head.
45- Interest	It will include interest on capital and discount on loans.
50- Other charges	It will include payment out of discretionary grants. Other discounts, customs duty compensation, awards and prizes, etc. Any other expenditure which cannot be classified under any of these specified object heads will be debited to this head.
52- Machinery and equipment	It will include machinery equipment, apparatus, etc., other than those required for the running of an office and special tools and plants acquired for specific works.
53-Major Works	It will also include cost of acquisition of land and structures
54- Investments	Description not available in Delegation of Financial Powers Rules, 1978.
55- Loans and advances	It will include all loans and advances granted to other Governments. Public Sector Enterprises. Undertakings and other Government Bodies, etc., but will exclude repayments of borrowings.
60- Other capital expenditure	Description not available in Delegation of Financial Powers Rules, 1978.
64- Write-off/ losses	It will include write-off of irrecoverable loans, losses will include trading losses.

Annex IV-D

(Refer Para No. 4.21)

Excess expenditure over available provision

(₹ in crore)

Sl. No.	Sub-head	Object head	Budget Provision	Actual Expenditure	Expenditure exceeded provision before re-appropriation
1.	4861.60.105.11.00	52	2.30	3.90	1.60
2.	4861.60.105.14.00	53	1.00	1.49	0.49
3.	4861.60.105.16.00	52	10.00	15.00	5.00
4.	4861.60.201.39.00	53	3.20	5.00	1.80
5.	4861.60.202.32.00	53	1.70	3.17	1.47
6.	4861.60.203.29.00	52	0.05	0.20	0.15
7.	4861.60.203.47.00	52	1.00	2.25	1.25
8.	4861.60.203.47.00	53	2.90	3.82	0.92
9.	4861.60.203.48.00	53	11.36	23.22	11.86
10.	4861.60.203.52.00	53	5.95	14.31	8.36
11.	4861.60.203.57.00	21	10.00	12.75	2.75
12.	4861.60.203.57.00	52	11.00	14.02	3.02
13.	4861.60.203.57.00	53	3.00	6.73	3.73
14.	4861.60.203.58.00	21	0.50	24.47	23.97
15.	5401.00.201.02.01	21	5.00	13.66	8.66
16.	5401.00.201.02.02	52	5.51	7.21	1.70
17.	5401.00.201.03.01	21	2.70	4.03	1.33
18.	5401.00.201.06.04	21	1.00	2.13	1.13
19.	5401.00.201.09.01	21	3.00	5.90	2.90
20.	5401.00.201.10.01	21	3.50	6.55	3.05
21.	5401.00.201.10.01	52	4.16	10.42	6.26
22.	5401.00.201.10.01	53	2.00	3.02	1.02
23.	5401.00.201.13.01	21	6.00	16.02	10.02
24.	5401.00.201.13.01	52	11.85	52.67	40.82
25.	5401.00.201.14.01	52	5.89	7.73	1.84
26.	5401.00.201.15.01	53	1.98	5.88	3.90
27.	5401.00.201.25.01	52	1.78	2.49	0.71
28.	5401.00.202.50.01	52	3.70	4.55	0.85
29.	5401.00.202.64.01	52	2.50	8.77	6.27
30.	5401.00.202.65.01	52	0.90	1.81	0.91
31.	5401.00.202.82.01	53	0.74	1.40	0.66
32.	5401.00.206.25.01	53	2.50	4.80	2.30
33.	5401.00.206.36.01	52	2.50	3.65	1.15
34.	5401.00.206.41.01	52	1.75	2.97	1.22
35.	5401.00.206.42.01	21	1.35	3.21	1.86
36.	5401.00.206.42.01	52	1.00	2.12	1.12
37.	5401.00.206.43.01	52	1.00	5.46	4.46
38.	5401.00.206.46.01	21	2.50	8.80	6.30
39.	5401.00.206.46.01	53	1.20	3.55	2.35
40.	5401.00.206.47.01	52	11.50	13.79	2.29
41.	5401.00.206.47.01	53	0.16	0.32	0.16
42.	5401.00.283.15.19	27	5.80	11.63	5.83
43.	5401.00.400.02.43	53	0.85	2.85	2.00
44.	5401.00.400.03.05	52	12.00	13.68	1.68
45.	5401.00.400.03.08	52	1.60	3.24	1.64
	Total				**192.76**

Annex IV-E

(Refer Para No. 4.25)

Scanned copy of sanction orders issued by Department of Space

No. C.12031/1/2007-Sec.III
Government of India
Department of Space
****

Antariksh Bhavan,
New BEL Road,
Bangalore – 560 231.

July 19, 2011.

The Director,
Vikram Sarabhai Space Centre,
Thiruvananthapuram.

Sir,

Subject : Projects – Pre-Project activities for Indian Manned Mission Initiative – enhancement of funding to sustain the development of critical technologies – reg

***

I am directed to convey sanction of the President to an additional expenditure not exceeding ₹ 50 Crores (Rupees Fifty Crores only) with an FE element of ₹ 13 crores towards enhancement of funding to sustain the development of critical technologies for Pre-Project activities for Indian Manned Mission Initiative, as per the cost break-up given below :

Sl. No.	Description	Amount (₹ in lakhs) FE	TOTAL
1.	Crew module System	900	3050
2.	ECLSS & Flightsuit	100	600
3.	Crew Escape System	300	1350
	TOTAL	1300	5000

1.2 The above sanction is in addition to ₹ 95 crores financial sanction of even number dated 09.05.2007 and thereby the total sanctioned amount for Pre-Project activities for Indian Manned Mission Initiative will become ₹ 145 crores with an FE component of ₹ 60 crores.

2. The expenditure involved is debitable to "3402.00.101.43 – Space Research – Space Technology – Manned Mission Initiatives" under Revenue and "5402.00.101.35" – Capital Outlay on Space Research – Space Technology – Manned Mission Initiatives" for which the grant number for the current financial year is '90 – Department of Space".

3. This issues with the approval of Space Commission.

Yours faithfully,

(Sandhya Venugopal Sharma)
Director (Projects)

PDA/SD BANGALORE
Inward No. 0-150
Date 20-7-11

P-2

C.12013/1/2011-Sec. 3
Government of India
Department of Space
***

Antariksh Bhavan,
New BEL Road,
Bangalore 560 231.

January 27, 2012

The Director,
ISRO Satellite Centre,
Bangalore - 560 017.

Sir,

Subject : GSAT – 14 Communication Satellite Project – Financial Sanction – reg.
***

I am directed to convey sanction of the President for incurring an expenditure not exceeding ₹ 45 Crores (Rupees Forty Five Crores only) with a foreign exchange component of ₹ 18 Crores (Rupees Eighteen Crores Only) for GSAT-14 Spacecraft as per the break-up given below :-

₹ in Crores

SL. NO.	PROJECT ELEMENT	TOTAL	FE
1.	Thermal	2.00	1.00
2.	Propulsion	4.00	2.00
3.	Composite Elements	2.00	1.00
4.	Power Systems	8.00	4.00
5.	TTC-BB	1.50	0.50
6.	TTC-RF	1.00	1.00
7.	AOCE	1.50	0.50
8.	Inertial Systems	2.00	1.00
9.	Sensors	2.00	1.00
10.	AIT	3.00	1.00
11.	Mission	2.00	1.00
12.	Project Management	8.00	4.00
13.	Salary & Administration	8.00	0.00
	Total	45.00	18.00

-2-

2. GSAT-14 Spacecraft is a low cost experimental communication satellite which is envisaged to be launched onboard Geo-Synchronous Satellite Launch Vehicle (GSLV), using indigenous Cryogenic Upper Stage. The spacecraft will have 6 Ku-Band and 6 extended C-band transponders.

3. The expenditure involved is debitable to '3252.00.053.06 – Satellite Systems – Operation & Maintenance – INSAT-4/GSAT Satellites' under Revenue and '5252.00.203.03 – Capital Outlay on Satellite Systems – Spacecrafts – INSAT-4/GSAT Satellites' under Capital for which the grant number during the current financial year is "90 – Department of Space".

4. This issues with the approval of Space Commission.

Yours faithfully,

(K. Hariharan)
Under Secretary (Projects)

Copy forwarded to :-

1. Principal Director of Audit, Scientific Departments, DGACR Building, Inderprastha New Delhi.
2. Deputy Director, O/o Principal Director of Audit, Scientific Departments, Branch Office, Bangalore.
3. Directors of all ISRO Centres/Units.
4. Scientific Secretary, ISRO, Bangalore.
5. Project Director, GSAT-14, ISAC, Bangalore.
6. Director, SCNPO, ISRO HQ, Bangalore.
7. Director, BEA, ISRO HQ, Bangalore.
8. Chief Controller of Accounts, DOS, Bangalore.
9. Head Accounts & IFA of all Centres.
10. Sr. Accounts Officer, ISRO HQ.
11. Director (Budget), DOS/DS(Vig.)/DS(Par.),
12. Sr. Head, Internal Audit, ISRO HQ.
13. AO, Section-II, DOS, Bangalore.
14. Guard File.

Annex V-A

(Refer to paragraph 5.6)

Persistent savings under Capital Outlay on Defence Services

Sl. No.	Sub-Major Head/Minor Head	Year	Budget Provision	Actual Expenditure	Savings	Reasons attributed by the Ministry
			(₹ in crore)			
1.	01-Army 050-Land	2009-10	51.99	40.95	11.04	Non-finalisation of land acquisition cases, charged funds etc.
		2010-11	352.54	44.72	307.82	Ministry has not given any reasons.
		2011-12	147.00	15.69	131.31	-do-
2.	103-Other Equipments	2009-10	11121.24	10089.54	1031.70	-do-
		2010-11	10463.55	9587.66	875.89	-do-
		2011-12	10855.96	6960.18	3895.78	-do-
3.	105-Military Farms	2009-10	7.50	6.33	1.17	Non-receipt of sanction.
		2010-11	7.50	5.58	1.92	Ministry has not given any reasons.
		2011-12	7.50	5.33	2.17	Non-finalisation of purchase of plant & Machinery.
4.	107-ECHS	2009-10	37.00	5.91	31.09	Ministry has not given any reasons.
		2010-11	37.00	2.82	34.18	Lower expenditure than projected at Final Estimated stage.
		2011-12	37.00	2.96	34.04	Ministry has not given any reasons.
5.	113-NCC	2009-10	27.30	3.60	23.70	Less debit raised by the State Accountant General on account of Camp Expenditure and delay in sanction of cases due to limited financial power of DGNCC.
		2010-11	28.79	3.12	25.67	Non-execution of work in desired time and delay in procurement of micro light.
		2011-12	25.50	3.15	22.35	Lower expenditure than anticipated.
6.	202-Construction Works	2009-10	4718.20	3087.09	1631.11	Chief Accounting Officer's surrendering of funds and transfer of funds by HQ Western Command.
		2010-11	4981.20	4074.65	906.55	Ministry has not given any reasons.
		2011-12	4707.20	4050.32	656.88	Slow pace of expenditure and progress of MAP project.

7.	02-Navy 104-Joint Staff	2009-10	408.13	272.81	135.32	Non-utilisation of funds by Senior Finance Controller, non-supply of vehicles by Central Vehicle Depot, Delhi Cantt.
		2010-11	798.70	389.11	409.59	Withholding of partial payment of thin clients and also non-completion of works on time
		2011-12	928.71	778.31	150.40	Technical slippage and non-completion/ slow progress of work.
8.	03-Air Force 202-Construction Works	2009-10	1100.00	904.59	195.41	Slow progress of work by contractor, non-commencement of Central AC project with VRF for Vayu Bhawan, change in scope of work and delay in tenders.
		2010-11	1425.54	1156.20	269.34	Ministry has not given any reasons.
		2011-12	1342.50	1152.44	190.06	Slow progress of work, rehabilitation of involved population, delay in tendering, long lead time for new works to start construction activities.

Annex V-B

(Refer to paragraph 5.7)

Savings of ₹ 100 crore or more under a Minor Head

Year/ Sl. No.	Minor Head	Budget Provision	Actual Disbursement	Savings	Reasons
		(₹ in crore)			
2009-10 1.	**Major Head 4076** Sub-Major Head 01-Army 101-Aircraft and Aero-engine	1020.62	138.09	882.53	Ministry did not give any reasons.
2.	103-Other Equipments	11121.24	10089.54	1031.70	Ministry did not give any reasons for the savings since after taking into account re-appropriation, they have arrived at an excess figure.
3.	202-Construction works	4718.20	3087.09	1631.11	Ministry gave reasons for ₹22.55 crore only attributing it to the internal transfer of funds from new capital works to carry over capital works, procedural delays in materialisation of supply orders, refusal by contractors to take mobilisation advances in the last quarter of the year
4.	Sub Major Head 02-Navy 205-Naval Dockyard	1036.67	719.63	317.04	Ministry did not give any reasons.
5.	Sub Major Head 03-Air Force 103-Other Equipment	6891.53	5317.39	1574.14	-do-
6.	Sub Major Head 04-Defence Ordnance factories 052-Machinery and Equipment	445.13	97.39	347.74	Ministry gave reasons for saving of ₹ 20.73 crore only due to reduction in Nalanda Project and due to non-supply of plant and machinery by the year end.
2010-11 7.	Sub Major Head 01-Army 050-Land	(O) 52.54 (S) 300.00 352.54	44.72	307.82	Ministry did not give explanation since they arrived at an excess after taking into account re-appropriation amount.
8.	101-Aircraft and Aero-engine	586.59	61.85	524.74	Ministry gave reasons for ₹49.74 crore only attributing it to non-materialisation of AMC of Unmanned Aerial vehicles heron.
9.	103-Other Equipments	10463.55	9587.66	875.89	No explanation given by the Ministry.
10.	202-Construction Works	(O)4718.20 (S) 263.00 4981.20	4074.65	906.55	-do-

Year/ Sl. No.	Minor Head	Budget Provision	Actual Disbursement	Savings	Reasons
		(₹ in crore)			
11.	Sub Major Head 02-Navy 104-Joint staff	798.70	389.11	409.59	Withholding of partial payment of the clients and also non-completion of some works in time.
12.	Sub Major Head 03-Air Force 103-Other Equipments	8241.53	6039.07	2202.46	Shortfall in progress of certain new schemes.
13.	202-Construction Works	1425.54	1156.20	269.34	No explanation given.
14.	Sub Major Head 04-Defence Ordnance Factories 052-Machinery and Equipment	556.30	315.79	240.51	Higher receipts on account of sale of machinery and equipments.
2011-12 15.	Sub-Major Head 01-Army 050-Land	147.00	15.69	131.31	No reasons given since Ministry have taken into account re-appropriation and arrived at an excess.
16.	103-Other equipment	10855.96	6960.18	3895.78	-do-
17.	202-Construction Works	4707.20	4050.32	656.88	Slow pace of expenditure and progress of MAP projects.
18.	Sub-Major Head -02-Navy 104-Joint Staff	928.71	778.31	150.40	Technical slippages and non-completion/ slow completion of works.
19.	Sub-Major Head 03-Air Force 202-Construction Works	1342.50	1152.44	190.06	Slow progress of work, rehabilitation of work, delay in approval process and long lead time for new works to start constructions.

Annex V-C
(Refer to paragraph 5.16)
Persistent savings

Sl. No.	Sub Head	Year	Budget provision (O+S)	Actual Expenditure	Savings	Percentage of savings to budget provision	Reasons for savings attributed by Ministry
			(₹ in crore)				
1.	3054.01.052.01-Maintenance of machinery & equipments	2009-10	2.00	0.37	1.63	82	Receipt of less proposal from the State Government and late submission of expenditure bills along with requisite vouchers for repair of central machines, to their State AGs.
		2010-11	0.50	0.19	0.31	62	-do-
		2011-12	2.00	-	2.00	100	Non-receipt of proposal from the State Government.
2.	3054.01.101.01-Cost of collection of fees payable to States/ UTs	2009-10	0.50	0.07	0.43	86	Reimbursement of claim from the State governments for the previous years only.
		2010-11	0.50	0.02	0.48	96	Not furnished.
		2011-12	0.50	-	0.50	100	Not furnished.
3.	5054.01.052.02-Machinery & equipments	2009-10	15.00	0.35	14.65	98	Non finalization of procurement plan and non-receipt of bills for procurement of Drum Mix Plant and Hydraulic Excavator.
		2010-11	15.00	0.01	14.99	100	Receipt of less number of proposals and non-finalization of tendering process for some machines.
		2011-12	5.00	-	5.00	100	Receipt of less proposals and non-finalization of procurement plan.
4.	3054.04.337.07-Grants from Central Road Fund to UT Governments without legislature	2009-10	12.11	-	12.11	100	Non-receipt of UCs and fresh proposals from the UT Governments.
		2010-11	11.09	2.18	8.91	80	Receipt of less number of proposals.
		2011-12	13.15	2.89	10.26	78	Slow progress of work and less number of UCs received.
5.	3055.00.004.21-National data base Network	2009-10	56.00	0.02	55.98	100	Non-completion of the procedure for award of studies and less demand from NIC.
		2010-11	30.00	0.20	29.80	99	-do-
		2011-12	50.00	6.00	44.00	88	Less demand from NIC and non-awarding of new study project.
6.	3055.00.004.24-Inspection and maintenance centre	2009-10	10.00	-	10.00	100	Non-finalization of the Scheme.
		2010-11	54.00	2.55	51.45	95	Receipt/finalization of less number of proposals.
		2011-12	84.01	12.43	71.58	85	Less demand from State Government and non-approval of the Scheme in time.
7.	3055.00.004.25-Improving and	2009-10	35.00	-	35.00	100	Non-approval of the Scheme by Ministry of Finance.

Sl. No.	Sub Head	Year	Budget provision (O+S)	Actual Expenditure	Savings	Percentage of savings to budget provision	Reasons for savings attributed by Ministry
			(₹in crore)				
	strengthening of public transport system	2010-11	35.00	17.44	17.56	50	Receipt of less proposals and non-approval of the Scheme by Ministry of Finance.
		2011-12	40.00	19.84	20.16	50	Poor response from many states due to poor financial condition of State Road Transport Corporation and their unwillingness to contribute mandatory 50% of the states share as provided under the Scheme.
8.	3054.01.337.03-National Highways Tribunals	2009-10	2.40	0.34	2.06	86	Non-filling of vacant posts.
		2010-11	1.77	0.34	1.43	81	-do-
		2011-12	1.77	0.33	1.44	81	Non-filling of vacant posts and less demand from National Highways Tribunals.
9.	3054.80.004.01-Highway Research	2009-10	7.00	4.23	2.77	40	Non-achievement of desired progress by research agencies and receipt of less proposals.
		2010-11	7.50	0.98	6.52	87	Slow progress of work by research agencies.
		2011-12	7.00	0.64	6.36	91	Slow progress of ongoing research Schemes and receipt of less proposals.
10.	3055.00.004.20-Road safety	2009-10	79.00	21.04	57.96	73	Delay in approval of the Scheme for setting up of Model Driver Training School, non-finalization of specification for road safety equipments and ambulances.
		2010-11	180.00	60.49	119.51	66	-do-
		2011-12	225.00	77.61	147.39	66	Non-approval of the Scheme for setting up of Model Driver Training School and non-finalization of the tenders for procurement.
11.	5054.01.337.01-Works under Roads wing (charged)	2009-10	6.00	5.32	0.68	11	Receipt of less number of proposals from implementing agencies.
		2010-11	6.00	0.21	5.79	97	Receipt of less number of proposals from implementing agencies.
		2011-12	7.00	0.45	6.55	94	-do-
12.	5054.02.337.03-Works under BRDB (charged)	2009-10	3.62	1.44	2.18	60	Non-finalisation of court cases.
		2010-11	2.20	0.43	1.77	80	-do-
		2011-12	2.20	1.05	1.15	52	Non-finalisation of land acquisition and net present value payment.

Annex V-D

(Refer to paragraph 5.17)

Non-utilisation of entire provision

Year	Sl.No.	Sub-head/Schemes	Budget provision	Savings	Reasons
			(₹ in crore)		
2009-10	1.	3054.04.337.07-Grants from Central Road Fund to UT Governments without legislature	12.11	12.11	Non-receipt of UCs and fresh proposals from the UT Government.
	2.	3054.04.798.01-Permanent International Association of Road Congress, Paris	0.06	0.06	Not furnished.
	3.	3055.00.004.24- Inspection & Maintenance Centre	10.00	10.00	Non-finalization of the Scheme.
	4.	3055.00.004.25- Improving and Strengthening of Public Transport System	35.00	35.00	Non-approval of the Scheme by Ministry of Finance.
	5.	3055.00.004.26- National Road Safety Board	72.00	72.00	Non-approval of the proposal by the Cabinet.
	6.	3601.04.106.01-Roads of Economic importance	53.00	53.00	Non-receipt of Utilisation certificate and change in funding pattern.
	7.	3602.02.105.01-Roads in Delhi	60.00	60.00	Non-receipt of Utilisation certificates.
	8.	3602.02.105.02-Roads in Pondicherry	9.40	9.40	Non-receipt of Utilisation certificates.
	9.	3602.04.105.01-Roads of Inter-State or Economic Importance	16.03	16.03	Non-receipt of proposal from the Union territories.
2010-11	1.	3054.01.337.04-Highway Administrations	2.00	2.00	Highways administration work yet to start.
	2.	3054.04.798.01-Permanent International Association of Road Congress, Paris	0.06	0.06	Not furnished.
	3.	3055.00.004.26-National Road safety Board	1.00	1.00	Non-finalization of the Scheme.
	4.	3601.04.106.01-Roads of Economic Importance	20.00	20.00	Non-receipt of Utilisation certificates.
	5.	3601.03.821.01-Roads works under Roads wing	5.00	5.00	Due to reduction in targets and transfer of Road Strategic to Ministry of Defence.
	6.	3602.04.105.01-Roads of Inter-State or Economic Importance	14.67	14.67	Non-receipt of proposal
2011-12	1.	3054.01.052.01-Maintenance of Machinery & equipments	2.00	2.00	Non-receipt of proposal from State Government.
	2.	3054.01.101.01-Cost of collection of fees payable to States/UTs	0.50	0.50	Not furnished.
	3.	3054.01.337.04-Highway Administrations	2.00	2.00	No claim received from the State government as Highways administration work yet to start.
	4.	3055.00.004.26-National Road Safety Board	1.00	1.00	Non setting up of the Board.
	5.	3602.02.105.01-Roads in Delhi	65.13	65.13	Non-receipt of Utilisation certificates from the State Government.
	6.	3602.02.105.02-Roads in Pondicherry	10.21	10.21	Non-receipt of Utilisation certificates from the State Government.
	7.	5054.01.052.02-Machinery & Equipments	5.00	5.00	Receipt of less proposals and non-finalization of procurement plan.

Annex V-E

(Refer to paragraph 5.19)

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

(₹ in crore)

Year	S.No.	Sub-head	Budget		Expenditure	Savings
			Original	Supplementary		
2009-10	1.	3054.80.797.02-Block Grant for transfer to Central road fund	10878.51	-	9389.76	1488.75
	2.	3601.01.821.02-Road works under BRDB (Voted)	1618.01	-	1173.27	444.74
	3.	3601.02.105.01-Grants for State Road	1988.55	-	1340.26	648.29
	4.	3601.04.105.01- Roads of Inter State or Economic Importance	213.97	-	104.35	109.62
	5.	5054.01.190.01-National Highways Authority of India	8578.45	-	7404.70	1173.75
	6.	5054.02.337.03-Works under BRDB (Voted)	1460.00	156.00	1304.26	311.74
2010-11	1.	3054.01.337.01-Maintenance by Roads Wing	1032.86	1000.00	1876.38	156.48
	2.	3055.00.004.20-Road Safety	180.00	-	60.49	119.51
	3.	3601.02.105.01-Grants for State Road	1819.17	816.35	2396.57	238.95
	4.	5054.02.337.03-Works under BRDB (Voted)	3005.48	-	2541.92	463.56
2011-12	1.	3055.00.004.20-Road Safety	225.00	-	77.61	147.39
	2.	3601.02.105.01-Grants for the State road	2159.26	-	1924.50	234.76
	3.	5054.01.190.01-National Highways Authority of India	10342.89	731.37	8879.89	2194.37
	4.	5054.01.337.01-Works under Roads wing (Voted)	4853.47	-	4289.16	564.31
	5.	5054.02.337.03-works under BRDB (Voted)	2611.77	-	2207.77	404.00

Annex V-F

(Refers to paragraph 5.38)

Persistent savings

(₹ in crore)

Sl. No.	Sub-head	Year	Provision	Actual expenditure	Savings/ *(per cent)*	Reasons given by the Ministry
1	2235.02.102.18-Integrated Child Development Services (ICDS)	2009-10	34.59	15.39	19.20 (56)	Receipts of less viable proposals from States and UTs and non-holding of award function for anganwadi workers and availability of unspent balances with Life Insurance Corporation.
		2010-11	25.20	19.13	6.07 (24)	Late receipt of inward claims from the Union Territories of Chandigarh & Dadra Nagar Haveli.
		2011-12	28.52 (S) 2.00	20.05	10.47 (34)	Delay in receipt of claims from union Territory of Delhi and Dadar Nagar Haveli.
2	2235.02.102.35-Integrated child Protection Scheme (ICPS)	2009-10	12.00	9.33	2.67 (22)	Delay in finalization of MOU by the states.
		2010-11	22.00	18.29	3.71 (17)	Non-setting up of Central Project support Unit and non- receipt of demand from Central Adoption Resource Agency and NIPCCD.
		2011-12	39.00	23.53	15.47 (40)	Receipt of less viable proposals from implementing agencies.
3	2235.02.102.36-Conditional cash transfer scheme for girl child with insurance cover	2009-10	10.00	5.00	5.00 (50)	Non-receipt of proposals from some states.
		2010-11	10.00	1.83	8.17 (82)	Non-receipt of utilisation certificates and bank details from some blocks where scheme is being implemented on pilot basis.
		2011-12	10.00	Nil	10.00 (100)	Non-receipt of viable proposal from the States Governments.
4	2235.02.103.57-Priyadarshni	2009-10	27.00	0.04	26.96 (100)	Late formalization of loan agreement with International Fund for Agriculture Development and non-completion of Annual Work Plan-I NABARD.
		2010-11	29.79	5.90	23.89 (80)	Delay in selection of blocks and resource NGOs & field NGOs for field level implementation of the scheme.
		2011-12	26.10	0.15	25.95 (99)	Non-receipt of final approval from the Planning Commission.
5	2235.02.103.61-National Mission for empowerment of women	2009-10	1.00	Nil	1.00 (100)	Delay in finalization of scheme.
		2010-11	40.00	Nil	40.00 (100)	Delay in finalization of scheme.
		2011-12	13.00	2.08	10.92 (84)	Non-recruitment of manpower for the State Resource Centre for women (SRCW) by the State government.
6	2235.02.800.21-Information Mass education and Publication	2009-10	45.00	18.21	26.79 (60)	Non-organisation of major event namely 'Vatsalya mela'.
		2010-11	45.00	29.80	15.20 (34)	Non-taking off of some programmes owing to poor quality of audio visuals produced.
		2011-12	45.00	17.53	27.47 (61)	Non-implementation of media plan 2010-11.

(₹ in crore)

Sl. No.	Sub-head	Year	Provision	Actual expenditure	Savings/ *(per cent)*	Reasons given by the Ministry
7	3601.04.356.06-Indira Gandhi Matritva Sahyog Yojana (CMB Scheme)	2009-10	3.00	Nil	3.00 (100)	Non-finalization/non-receipt of approval from the competent authority.
		2010-11	344.00	111.60	232.40 (68)	Delay in receipt of approval of scheme from the Planning Commission.
		2011-12	376.60	244.72	131.88 (35)	Non-implementation of a new scheme by the State Government.
8	3601.04.358.07-Integrated child Protection Scheme (ICPS)	2009-10	35.00	33.30	1.70 (5)	Delay in finalization of MOU by the states.
		2010-11	240.00	93.37	146.63 (61)	Delay in signing of Memorandum Of Understandings and non-receipt of detailed proposals from the States.
		2011-12	196.00	150.17	45.83 (23)	Less receipt of viable proposals from State Governments.
9	3601.04.358.08-Rajiv Gandhi scheme for empowerment of adolescent girls (RGSEAG)	2009-10	97.00	Nil	97.00 (100)	Non-finalization of the scheme owing to non-receipt of approval from the competent authority.
		2010-11	882.00	325.65	556.35 (63)	Delay in receipt of proposals from the States owing to late launch of the scheme in Nov., 2010.
		2011-12	533.60	483.99	49.61 (9)	The reason that being a new scheme, the states were not able to utilize the funds released to them fully as they were setting up of system for implementation and monitoring.
10	3602.04.358.06-Integrated child Protection Scheme (ICPS)	2009-10	7.00	Nil	7.00 (100)	Delay in finalization of Memorandum Of Understanding with states.
		2010-11	8.00	3.45	4.55 (57)	Delay in signing of Memorandum Of Understanding and receipt of detailed proposals from the UTs.
		2011-12	8.00	3.60	4.40 (55)	Less receipt of viable proposals from Union territories.
11	3602.04.358.07-Rajiv Gandhi scheme for empowerment of adolescent girls (RGSEAG)	2009-10	1.40	Nil	1.40 (100)	Non-finalization of the scheme owing to non-receipt of approval from the competent authority.
		2010-11	15.00	3.64	11.36 (76)	Delay in receipt of demand from the Union Territories owing to late launch of the scheme in November 2010.
		2011-12	8.20	3.95	4.25 (52)	Non-implementation of a new scheme by the State Governments.

Annex V-G

(Refers to paragraph 5.39)

Non-utilization of entire provisions

(₹10 crore or more under the sub-head)

(₹ in crore)

Sl. No.	Sub-head	Budget Provision	Savings	Reasons attributed by the Ministry
2009-10				
	2235.02.103.55-Relief to and rehabilitation of rape victims	53.10	53.10	Non finalisation of scheme.
	3601.04.356.04-Swayamsidha	13.55	13.55	Non-receipt of final approval from the competent authority
	3601.04.358.08-Rajiv Gandhi scheme for empowerment of adolescent girls (RGSEAG)	97.00	97.00	Non-finalization of the scheme owing to non-receipt of approval from the competent authority.
2010-11				
	2235.02.103.28-National credit fund for women (RMK)	15.00	15.00	The limit of corpus could not be raised because of restructuring of funds.
	2235.02.103.55-Relief to and rehabilitation of rape victims	36.00	36.00	Delay in receipt of approval of the scheme from the Planning Commission.
	2235.02.103.61-National Mission for empowerment of women	40.00	40.00	Delay in finalization of scheme.
	3601.04.358.01-World Bank ICDS IV project	37.98	37.98	Non-receipt of final approval from the competent authority.
	3601.04.358.02-World Bank ICDS IV project-Externally Aided component.	88.00	88.00	-do-
2011-12				
	2235.02.102.24-World Bank ICDS IV project	75.00	75.00	Non-receipt of final approval from the Planning Commission.
	2235.02.102.36-Conditional cash transfer Scheme for Girl Child with insurance cover	10.00	10.00	Non-receipt of viable proposal from the States Governments.
	2235.02.103.28-National credit fund for women (RMK)	90.00	90.00	Restructuring of funds as non-banking financial company was under process.
	2236.80.800.05-National nutrition mission	43.00	43.00	Non-receipt of final approval from the Planning Commission.
	3601.04.356.07-Relief to and rehabilitation of Rape victims	122.70	122.70	Non-receipt of final approval from the Planning Commission.
	3601.04.358.01-World Bank ICDS IV project	78.00	78.00	Non-receipt of final approval from the Planning Commission.
	3601.04.358.02-World Bank ICDS IV project-Externally Aided component.	175.00	175.00	Non-receipt of final approval from the Planning Commission.
	3601.04.561.01-National nutrition mission	46.00	46.00	Non-receipt of final approval from the Planning Commission.

Annex V-H

(Refer to paragraph 5.40)

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

(₹ in crore)

Sl. No.	Sun-head	Year	Original provision	Actual expenditure	Unspent provision	Reasons given by the ministry
1	3601.04.356.06-Indira Gandhi Matritva Sahyog Yojana (CMB Scheme)	2010-11	344.00	111.60	232.40	Delay in receipt of approval of scheme from the Planning Commission.
2	3601.04.358.07-Integrated Child Protection scheme (ICPS)	2010-11	240.00	93.37	146.63	Delay in signing of Memorandum Of Understandings and non-receipt of detailed proposals from the States.
3	3601.04.358.08- Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG)	2010-11	882.00	325.65	556.35	Delay in receipt of proposals from the States owing to late launch of the scheme in Nov., 2010.
4	3601.04.356.06- Indira Gandhi Matritva Sahyog Yojana (CMB Scheme)	2011-12	376.60	244.72	131.88	Non-implementation of a new scheme by the State Government.

Annex V-I

(Refers to paragraph 5.47)

Outstanding Utilisation Certificates

Details of division wise pending Utilisation Certificates as of August 2012

Sl. No.	Division	No. of outstanding utilization certificates	Amount of outstanding UCs *(₹in crore)*
1.	STEP	452	99.01
2.	Swadhar	419	27.10
3.	Swashakti	12	13.44
4.	Swawlamban	22	0.81
5.	Swayamsidha	20	2.84
6.	Women development	2769	66.61
7.	Women Hostel	62	19.33
8.	Women welfare	696	63.17
9.	Research	225	1.94
10.	Child protection	198	13.91
11.	Rashtriya Mahila Kosh (RMK)	4	0.49
12.	CARA	62	9.45
13.	Crèche	362	98.04
14.	CW-I	101	20.17
15.	CW-II	165	33.23
16.	NIPCCD	13	22.21
17.	Gender budgeting	4	0.17
18.	Care and WFP Projects	3	3.17
19.	IMY	2	0.05
20.	ME	1	0.51
21.	CW	8	0.53
22.	CSWB	55	85.83
23.	SSH	2	24.97
24.	SSH-II	1	0.18
	Total	**5658**	**607.16**

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.