



**Report of the
Comptroller and Auditor General of India
for the year 2016-17**



**Union Government
Accounts of the Union Government
No. 44 of 2017
(Financial Audit)**

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

for the year 2016-17

**Union Government
Accounts of the Union Government
No. 44 of 2017
(Financial Audit)**

Table of Contents

Para No.	Title	Page No.
	Preface	ix
	Highlights	xi
Chapter-1: Overview of Union Finances 2016-17		
1.1	Introduction	1
1.1.1	Overview of Union Government Finances	1
1.1.2	Gross Domestic Product	3
1.2	Resource Generation	4
1.2.1	Revenue receipts	5
1.2.2	Revenue Receipts: Gross and Net	5
1.2.3	Components of revenue receipts: Gap between Actuals and Budget Estimates	6
1.2.4	Tax revenue	6
1.2.5	Tax-GDP ratio (in percentage terms)	8
1.2.6	Collection of Cess	8
1.2.7	Non-tax revenue	9
1.2.8	Non-debt capital receipts	12
1.2.9	Return on Investments	13
1.3	Expenditure Analysis	14
1.3.1	Sectoral Expenditure	15
1.3.2	Revenue Expenditure	16
(a)	Revenue Expenditure on General Services	16
(b)	Revenue Expenditure on Social Services	17
(c)	Revenue Expenditure on Economic Services	18
1.3.2.1	Trend of Major Revenue Expenditure	20
(a)	Interest Payments	20
(b)	Pension Payments	21
1.3.2.2	Management of Subsidies	21
1.3.3	Capital Expenditure	23
1.3.3.1	Expenditure as percentage of GDP (Revenue + Capital)	25
1.3.4	Transfer and Assistance to States/Union Territories	25
1.3.5	Major flagship programmes of the Government	26
1.3.6	Analysis of Outcome Budget and Gender Budgeting	27

(i)	Analysis of Select Outcome Budget	27
(ii)	Gender Budgeting	31
1.3.7	Welfare Schemes for Scheduled Caste, Scheduled Tribes, Children and North East Region	32
1.4	Deficits	33
(a)	Revenue Deficit	33
(b)	Fiscal Deficit	34
(c)	Primary Deficit	36
1.5	Debt Management	37
1.5.1	Repayment of Public Debt	40
1.5.2	Debt Sustainability	40
(a)	Liability-GDP Ratio	40
(b)	Debt-GDP Ratio	41
(c)	Ratio of Interest Payments to Revenue Receipts	42
(d)	Average Interest Cost	42
(e)	Maturity Profile of Market Loans	43
1.5.3	Unutilised committed external assistance	43
1.5.4	Performance vis-a-vis recommendations of the 14 th Finance Commission	44
1.6	Growth in Guarantees of the Union Government	45
1.7	Conclusion	47
Chapter-2: Comments on Finance Accounts		
2.1	Introduction	48
2.2	Issues of transparency	48
2.2.1	Opaqueness in Government Account	48
(a)	Opaqueness in Minor Head 800-Other Expenditure	48
(b)	Opaqueness in Minor Head 800-Other Receipts	49
2.2.2	Public Fund lying outside Government Account	49
(a)	Funds of Regulatory bodies lying outside Government Account	49
(b)	Retention of TRAI General Fund outside Government account	51
2.3	Observations with regard to Public Account	51
2.3.1	Under-utilisation of cess collected under Research & Development Cess Fund	51
2.3.2	Rashtriya Swachhata Kosh	52
2.3.3	Secondary and Higher Education Cess	53
2.3.4	National Clean Energy Fund	53
2.3.5	Short transfer of cess to Central Road Fund (CRF)	54

2.3.6	Short transfer of cess to other earmarked funds in Public Account	54
2.3.7	Discrepancies in amounts disbursed from Reserve Fund	55
2.3.8	Continued adverse closing balance in Beedi Workers Welfare Fund	56
2.3.9	Very old balances under '6001.106-Compensation and other Bonds'	57
2.4	Data Integrity and Reconciliation Issues	57
2.4.1	Transfer of ₹ 6,927 crore to CFI without Cabinet Approval	57
(a)	Transfer of ₹ 5,000 crore relating to the Security Redemption Fund to CFI	58
(b)	Transfer of ₹ 1,927 crore relating to National Security Fund to CFI	59
2.4.2	Improper accounting procedure for writing back from Reserve Funds	59
2.4.3	Dormant Reserve Funds and Deposits	60
2.4.4	Other discrepancies	61
2.4.4.1	Discrepancies in Guarantee Fees	61
(a)	Mismatch in depiction in Guarantee Fees	61
(b)	Short receipt of Guarantee Fees	61
2.4.4.2	Deficiencies in Statement No. 11 of Union Government Finance Accounts	62
(a)	Variation in depiction of Investment in Finance Accounts and Annexure-C in Appropriation Accounts.	64
(b)	Understatement of Investment of ₹ 1,182.39 crore	65
(c)	Incomplete information of investment	65
(d)	Shortfall in payment of dividends in respect of Statutory Companies	65
2.4.4.3	Interest Payment in arrear	66
2.4.4.4	Inconsistencies/discrepancies in Statement No. 15 of Union Government Finance Accounts	67
(a)	Discrepancies in accounting of Loans and Advances	67
(b)	Loans and Advances to Government Servants	67
(c)	Interest credited against the adverse balances of the Loans and Advances	68
(d)	Repayment against adverse balances of Loans and Advances	68
(e)	Difference in opening balance of Loans and Advances	69
(f)	Interest not reflected in respect of arrears of loans	69
(g)	Loans and advances in arrears for more than 20 years.	70
2.4.5	Understatement of the Customs Receipts	70
2.5	Important factors affecting accuracy of accounts	71
2.5.1	Outstanding balances under major Suspense Accounts	71
2.5.2	Large number of adverse balances under Debt, Deposit and Remittance (DDR) Heads	77
2.5.3	Outstanding balances under the head 'Cheques and Bills'	78

2.5.4	Review of balances not carried out by Principal Accounts Offices	79
2.6	Departmentally managed Government Undertakings- Position of Proforma Accounts	80
2.7	Losses and irrecoverable dues written off/waived	80
2.8	Conclusion	81
Chapter-3: Appropriation Accounts: 2016-17		
3.1	Introduction	82
3.2	Summary of total provisions, actual disbursements and savings during 2016-17	83
3.3	Charged and voted disbursements	84
3.4	Grants/Appropriations with excess disbursements	86
3.5	Persistent excess in Grants	88
3.6	Minor/Sub head-wise excess expenditure	88
3.7	Savings of ₹ 100 crore or more in Grants/Appropriations	89
3.8	Surrender of savings (Overall)	90
3.9	Surrender of savings on the last day of the financial year (Grant-wise)	91
3.10	Large supplementary Grants due to unrealistic budgetary projections (exceeding 40 per cent of original provision)	91
3.11	Unnecessary cash supplementary provision (Grant-wise)	93
3.12	Injudicious re-appropriation to minor/sub-heads (exceeding ₹ 5 crore)	95
3.13	Injudicious re-appropriation from minor/sub-heads (exceeding ₹ 5 crore)	95
3.14	Unnecessary supplementary provision obtained under sub-heads	95
3.15	Savings of entire provision (Sub-head wise)	95
3.16	Savings of ₹ 100 crore or more under a sub-head	97
3.17	Persistent savings (Sub-head wise)	99
3.18	Rush of expenditure during March and last quarter of the financial year	99
3.19	Persistent savings (Minor-head wise) in Defence Services Grants	102
3.20	Surrender of savings in Defence Services Grants	103
3.21	Conclusion	103
Chapter-4: Appropriation Accounts: Comments on Accounts		
4.1	Introduction	104
4.2	Breach of Article 114(3) of the Constitution of India- Expenditure incurred on interest on refunds of taxes by the CBDT	104
4.3	Failure to obtain legislative approval for augmenting provisions	105
4.3.1	Augmentation of provision to object head '31-Grants-in-aid-General'	105
4.3.2	Augmentation of provision to object head '35-Grants for Creation of Capital Assets'	107

4.3.3	Augmentation of provision to object head '36-Grants-in-aid-Salaries'	109
4.3.4	Augmentation of provision to object head '33-Subsidies'	109
4.3.5	Augmentation of provision to object head '53-Major Works'	111
4.4	Incorrect classification of expenditure under Revenue account instead of Capital account and vice-versa	112
4.4.1	Misclassification of capital expenditure as revenue expenditure	112
4.4.2	Misclassification of revenue expenditure as capital expenditure	113
4.4.3	Other cases of Misclassification	115
4.5	Other cases of misclassification	120
4.5.1	Non-operation of object head 'Grants-in-aid-Salaries'	120
4.5.2	Misclassification within object heads under the same section of the grant	121
4.5.3	Booking of 'Special Central Assistance' under incorrect minor head of account	131
4.6	Unauthorised augmentation through obtaining lump sum supplementary provision	132
4.7	Non-operation of detailed head '99-Information Technology' for booking of expenditure incurred on Information Technology	136
4.8	Mis-utilisation of Water Cess	137
4.9	Misclassification of expenditure due to non-operation of relevant sub-head	138
4.10	Misclassification of Salary Expenditure	140
4.11	Understatement of expenditure on Defence Pension	140
4.12	Misclassification of expenditure under Minor heads	140
Defence Grants		
4.13	Unauthorised transfer of fund from Capital Grant to Revenue Grant	141
4.14	Examination of selected vouchers of Ministry of Drinking Water and Sanitation for the year 2016-17	142
4.15	Conclusion	143
Chapter 5: Review of Selected Grants		
5.1	Grant No. 15: Ministry of Electronics and Information Technology	144
5.1.1	Introduction	144
5.1.2	Budget, Expenditure and Savings	144
5.1.3	Savings not surrendered and allowed to lapse	145
5.1.4	Large supplementary Grants due to unrealistic budgetary projections	146
5.1.5	Non-utilisation of entire provision under sub heads	147
5.1.6	Injudicious re-appropriation of funds to sub-head	148
5.1.7	Persistent Savings under sub-heads	148
5.1.8	Utilisation of funds	150

5.1.9	Cash management System	152
5.1.10	Budget provision for vacant posts	153
5.2	Grant No.25: Ministry of Drinking Water and Sanitation	153
5.2.1	Introduction	153
5.2.2	Budget, Expenditure and Savings	154
5.2.3	Large Supplementary Grants due to unrealistic budgetary projections	154
5.2.4	Un-necessary supplementary provisions obtained under sub-heads	155
5.2.5	Savings of entire provision	156
5.2.6	Saving of more than ₹ 10 crore (sub-head level)	156
5.2.7	Surrender of savings	157
5.3	Grant No. 61: Ministry of New and Renewable Energy	158
5.3.1	Introduction	158
5.3.2	Budget, expenditure and savings	158
5.3.3	Surrender of unspent provision at the fag end of the financial year	158
5.3.4	Savings of ₹ 100 crore or more	159
5.3.5	Large supplementary grants due to unrealistic budgetary projections	159
5.3.6	Savings of more than ₹ one crore (Sub-head level)	160
5.3.7	Rush of issuing orders of Re-appropriation at the fag end of the financial years	161
5.3.8	Outstanding Utilisation certificates (UCs)	162
5.4	Grant No. 95: Ministry of Urban Development	163
5.4.1	Introduction	163
5.4.2	Budget, Expenditure and Savings	163
5.4.3	Unnecessary Supplementary Grant	163
5.4.4	Delay in Surrender of Unspent Provision	164
5.4.5	Unrealistic Budgeting	164
5.4.6	Non-reconciliation of expenditure depicted in classified abstract and Control Register/Grant-in-aid-register	165
5.4.7	Outstanding Utilisation Certificates (UCs)	166
5.5	Conclusion	167
Annexures		
Annexure 1.1		169
Annexure 2.1		170
Annexure 2.2		171
Annexure 2.3		172
Annexure 2.4		173

Annexure 2.5	175
Annexure 2.6	176
Annexure 2.7	177
Annexure 2.8	179
Annexure 2.9	180
Annexure 2.10	183
Annexure 2.11	186
Annexure 3.1	187
Annexure 3.2	189
Annexure 3.3	190
Annexure 3.4	191
Annexure 3.5	194
Annexure 3.6	197
Annexure 3.7	201
Annexure 3.8	202
Annexure 3.9	205
Annexure 3.10	206
Annexure 3.11	207
Annexure 3.12	211
Annexure 3.13	213
Annexure 3.14	225
Annexure 4.1	227
Annexure 4.2	230
Annexure 5.1	246
Glossary	249

PREFACE

This Report for the year ended March 2017 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 2017.

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

HIGHLIGHTS

HIGHLIGHTS

This Report of the Comptroller and Auditor General of India (CAG) is on the accounts of the Union Government and analyses the finances of the Union Government for the year 2016-17. It also contains an analysis of the Appropriation Accounts and audit observations with regard to the accounts of the Union Government for the year 2016-17.

Chapter-1

- The financial position of the Union Government in 2016-17 was characterised by an increase of 14.50 *per cent* in gross revenue receipts primarily on account of increase in both tax revenue receipts (17.86 *per cent*) and non-tax revenue receipts (4.43 *per cent*) over the previous year.

(Para 1.2.2)

- The revenue expenditure grew by 8.63 *per cent* during 2016-17 as against 4.98 *per cent* in 2015-16. Expenditure on General Services constituted 47.92 *per cent* of the revenue expenditure in 2016-17.

(Para 1.3.2)

- Capital expenditure decreased by ₹ 29,394 crore (10.54 *per cent*) over the previous year and stood at ₹ 2,49,472 crore in 2016-17. The share of capital expenditure in total expenditure declined from 13.24 *per cent* in 2015-16 to 11.12 *per cent* in 2016-17.

(Para 1.3.3)

- The revenue deficit for the year 2016-17 was 2.09 *per cent* of GDP against 2.51 *per cent* of GDP in 2015-16. The revenue deficit of 2.09 *per cent* of GDP was below the level outlined by the Fourteenth Finance Commission. The Fiscal Deficit for the year 2016-17 was 3.54 *per cent* of GDP against 4.28 *per cent* of GDP in 2015-16.

(Paras 1.4 and 1.5.4)

- Public Account Liability works out to ₹ 15,19,728 crore after taking into account the level of liability of Small Savings, Provident Funds, etc., of ₹ 13,11,628 crore and ₹ 2,08,100 crore as other obligations.

(Para 1.5)

Chapter-2

- Opaqueness was noticed in 35 Major Heads relating to expenditure and receipts wherein more than 50 *per cent* of total expenditure and receipts under these heads were recorded under minor head 800-Other Expenditure/Other Receipts.

(Para 2.2.1)

- Fourteen regulatory bodies and autonomous bodies which also act as regulators in their respective field, had retained funds generated through fee charges, unspent grants received from Government of India, interest accrued on Government grants, receipt of license fees, corpus fund, etc. aggregating to ₹ 6,064.08 crore at the end of March 2017, outside the Government Account, contrary to the instructions issued by the Ministry of Finance in January 2005.

(Para 2.2.2-a)

- Research and Development Cess aggregating to ₹ 7,885.54 crore was collected during the period 1996-97 to 2016-17. Out of this, only ₹ 609.46 crore (7.73 *per cent*) was utilized towards the objectives of levying the said Cess.

(Para 2.3.1)

- Against the total collection of ₹ 83,497 crore as Secondary and Higher Education Cess (SHEC) in the Consolidated Fund of India during 2006-07 to 2016-17, no amount could be transferred to the earmarked fund in Public Account as neither the schemes were identified on which the cess proceeds were to be spent nor the designated fund was opened in the Public Account to deposit the proceeds of SHEC.

(Para 2.3.3)

- Due to expenditure from the Beedi Workers Welfare 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 2012-13 to 2016-17, which moved from (-) ₹ 200.46 crore in 2012-13 to (-) ₹ 210.97 crore in 2016-17.

(Para 2.3.8)

- Total loan of ₹ 2,62,177.59 crore was outstanding against State/UT Governments and other entities as on 31 March 2017. Out of this, repayment of ₹ 25,943.30 crore was in arrears ranging from one to 50 years which includes ₹ 11,302.46 crore in arrears for more than 20 years (cases of more than ₹ 10 crore).

[Para 2.4.4.4(g)]

Chapter-3

- In accordance with Article 114(3) of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of India (CFI) except by appropriations made by law. However, during 2016-17, there was an excess disbursement of ₹ 1,90,270.18 crore over the authorisation from the CFI, out of which an excess disbursement of ₹ 1,89,154.26 crore occurred in three segments of two Grants/Appropriations in Civil Ministries/Departments, ₹ 936.48 crore in one segment of one Grant of Posts, ₹ 146.31 crore in two segments of one Grant of Defence and ₹ 33.13 crore in six segments of three Grants of Railways. These excess disbursements require regularization under Article 115(1) (b) of the Constitution.

(Para 3.4)

- Saving of more than ₹ 100 crore occurred in 84 segments of 67 Grants (including Civil, Posts, Railways and Defence Services) amounting to ₹ 2,28,640 crore. Large savings were noticed in Grants: Department of Food and Public Distribution (₹ 53,478 crore), Ministry of Road Transport and Highways (₹ 46,838 crore), Department of Economic Affairs (₹ 13,355 crore), Department of Agriculture, Cooperation and Farmers Welfare (₹ 8,206 crore), Department of Financial Services (₹ 6,273 crore), Transfer to States (₹ 6,044 crore), Ministry of Power (₹ 5,623 crore), Department of Health and Family Welfare (₹ 4,387 crore), *Appropriation - Interest Payments* (₹ 4,268 crore) and Department of Fertilisers (₹ 4,009 crore).

(Para 3.7 and Annexure 3.5)

Chapter-4

- Article 114(3) of the Constitution of India stipulates 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 ₹ 2,598 crore was incurred by the Central Board of Direct Taxes, without the authorisation of Parliament during the year 2016-17. A total expenditure of ₹ 58,537 crore on interest payments had been incurred over the last nine years without obtaining approval of Parliament through necessary appropriations despite the recommendations of the Public Accounts Committee in their 66th and 96th Reports.

(Para 4.2)

- Augmentation of provision by way of re-appropriation to ‘Grants-in-aid’ to a body or an authority and to ‘Subsidies’ from the Consolidated Fund of India can only be made with the prior approval of Parliament. In nine cases, across seven Grants, ₹ 7.37 crore were incurred by various Ministries/Departments during 2016-17 by augmenting provision under object head ‘31-Grants-in-aid-General’ to various bodies/authorities without obtaining prior approval of Parliament. Similarly, in five cases across four Grants, ₹ 6.01 crore was augmented in violation of extant provisions without prior approval of Parliament to the object head ‘35-Grants for creation of Capital Assets’. Further, in Department of Empowerment of Persons with Disabilities, funds aggregating to ₹ 2.48 crore were augmented without prior approval of Parliament to the object head ‘36-Grants-in-aid Salaries’. In eight cases across four Grants, funds aggregating to ₹ 3,230.60 crore were augmented without prior approval of Parliament to the object head ‘33-Subsidies’. All these excess expenditures attracted limitations of New Service/New Instrument of Service (NS/NIS).

(Paras 4.3.1, 4.3.2, 4.3.3 and 4.3.4)

- In regard to the cases of NS/NIS on augmentation under the object head ‘53-Major Works, all cases relating to augmentation of funds above ₹ 2.5 crore or above 10 *per cent* of the appropriation already voted, require prior approval of Parliament, irrespective of the fact that the augmentation is for new works or for existing works. In Grant No. 48 pertaining to Police, excess expenditure of ₹ 9.31 crore was incurred during 2016-17 by augmenting the provision under the object head without obtaining prior approval of Parliament. This excess expenditure also attracted limitations of New Service/New Instrument of Service.

(Para 4.3.5)

- Various Departments/Ministries incorrectly classified revenue expenditure as capital expenditure and vice versa. The misclassifications resulted in under-statement of revenue expenditure by ₹ 2,229.40 crore and over-statement of revenue expenditure by ₹ 752.18 crore. The overall impact on Government expenditure was an under-statement of revenue expenditure by ₹1,477.22 crore for the year 2016-17 and over-statement of capital expenditure to that extent.

(Paras 4.4.1, 4.4.2 and 4.4.3)

- Rule 8 of the Delegation of Financial Powers Rules, 1978, prescribes standard primary units of appropriation with the descriptions/definitions for the purpose of classification of expenditure up to the sixth tier i.e. object head. In 46 cases across 14 Grants, expenditure amounting to ₹ 549.49 crore was misclassified between the primary units of appropriation.

(Para 4.5.2)

Chapter-5

- Detailed examination of Appropriation Accounts in respect of Ministry of Electronics and Information Technology, Ministry of Drinking Water and Sanitation, Ministry of New and Renewable Energy and Ministry of Urban Development for the period 2014-17 revealed large and persistent savings at sectional level and sub-head level, non-surrender and delay in surrender of savings, obtaining of large supplementary grants due to unrealistic budgetary projections, unnecessary supplementary grants under sub-heads, non-utilisation of entire provision at sub-head level, injudicious re-appropriations and outstanding utilisation certificates.

(Paras 5.1, 5.2, 5.3 and 5.4)

1: Overview of Union Finances 2016-17

1.1 Introduction

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

Box 1.1: Union Government Funds and the Public Account

Consolidated Fund	}	<ul style="list-style-type: none"> All revenues received by the Union Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one Consolidated Fund titled the “Consolidated Fund of India” established under Article 266 (1) of the Constitution of India.
Contingency Fund	}	<ul style="list-style-type: none"> The Contingency Fund of India established under Article 267 (1) of the Constitution is in the nature of an imprest placed at the disposal of the President to enable him/her to make advances to meet urgent unforeseen expenditure, pending authorisation by the Parliament. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.
Public Account	}	<ul style="list-style-type: none"> Besides the normal receipts and expenditure of Government, which relate to the Consolidated Fund, certain other transactions enter Government Accounts, in respect of which the Government acts more as a banker. Transactions relating to provident funds, small savings, other deposits, etc. are a few examples. The public moneys, thus, received are kept in the Public Account, set up under Article 266(2) of the Constitution and the connected disbursements are made therefrom.

1.1.1 Overview of Union Government Finances

This chapter provides an overview of the Accounts of the Union Government during the year 2016-17. It analyses critical changes in major fiscal aggregates in the context of prevalent trends over the period of five years beginning from 2012-13 to 2016-17.

Table 1.1 summarises the position of finances of the Union Government in terms of revenue receipts, capital receipts, public account receipts and the total disbursement.

Report of the CAG on
Union Government Accounts 2016-17

Table 1.1: Estimates and Actuals of Receipts and Disbursements 2016-17: Union Government

(₹ in crore)

Sl. No.		Budget Estimates (BE)	Revised Estimates (RE)	Actuals	Variation with reference to BE
1.	Total Receipt (7+8+9)	7588743	8886801	9112788	1524045 (20.08)
2.	Revenue Receipts	1632772	1677063	1615988	-16784 (-1.03)
	Tax revenue ¹	1060801	1095493	1107968	47167 (4.45)
	Non-tax revenue ²	571971	581570	508020	-63951 (-11.18)
3.	Miscellaneous Capital Receipts	56500	45500	47743	-8757 (-15.50)
4.	Recovery of Loans and Advances	22495	61686	40971	18476 (82.13)
5.	Total non-Debt Receipts (2+3+4)	1711767	1784249	1704702	-7065 (-0.41)
6.	Receipt of Public Debt	4915665	5971210	6134137	1218472 (24.79)
7.	Total receipts in the CFI (5+6)	6627432	7755459	7838839	1211407 (18.28)
8.	Contingency fund	0	0	0	0
9.	Public Account Receipt	961311	1131342	1273949	312638 (32.52)
10.	Total disbursement (16+17)	7581937	8927028	9103892	1521955 (20.07)
11.	Revenue Expenditure	1987285	1988720	1933018	-54267 (-2.73)
12.	Capital Expenditure	219146	243612	249472	30326 (13.84)
13.	Loans and Advances	39738	88382	60011	20273 (51.02)
14.	Total expenditure (11+12+13)	2246169	2320714	2242501	-3668 (0.16)
15.	Repayment of Public Debt	4406431	5491869	5678823	1272392 (28.88)
16.	Total disbursement out of the CFI (14+15)	6652600	7812583	7921324	1268724 (19.07)
17.	Public Account Disbursement	929337	1114445	1182568	253231 (27.25)
18.	Revenue Deficit (11-2)	354513	311657	317030	-37483 (-10.57)
19.	Fiscal Deficit (14-5)	534402	536465	537799	3397 (0.64)
<p>1. Does not include Taxes on Income assigned to States ₹ 5,70,337 crore (BE) and ₹ 6,08,000 crore (Actual) under Article 270 of the Constitution.</p> <p>2. Includes grants-in-aid and contributions.</p> <p>3. Figures in parentheses indicate percentage variation.</p>					

The miscellaneous capital receipts including disinvestments (₹ 47,743 crore) remained lower than the budget projections of ₹ 56,500 crore. On the expenditure side, capital expenditure exceeded (₹ 30,326 crore) what had been provided for in the budget.

The imbalance on the revenue account shows up in revenue deficit viz., which was ₹ 3,17,030 crore as against the budgeted figure of ₹ 3,54,513 crore, lower by 10.57 *per cent* of budgeted figure. Overall imbalance results in fiscal deficit of ₹ 5,37,799 crore as against the budgeted provision of ₹ 5,34,402 crore, which was 0.64 *per cent* higher than the budgeted figure. **Para 1.4** contains detailed comments on indicators of deficit.

1.1.2 Gross Domestic Product

The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation vide its press notes dated 31 January 2017 and 31 May 2017 released estimates of Gross Domestic Product (GDP). Estimates of GDP for 2012-13 to 2016-17 as detailed in **Table 1.2**¹ below.

Table 1.2: Gross Domestic Product 2016-17

GDP	2012-13	2013-14	2014-15	2015-16	2016-17 (PE)
At Constant Prices	9215125	9817822	10536984	11381002	12189854
<i>Percentage change over previous year</i>	5.48	6.54	7.33	8.01	7.11
At Current Prices	9946636	11236635	12445128	13682035	15183709
<i>Percentage change over previous year</i>	13.86	12.97	10.75	9.94	10.98

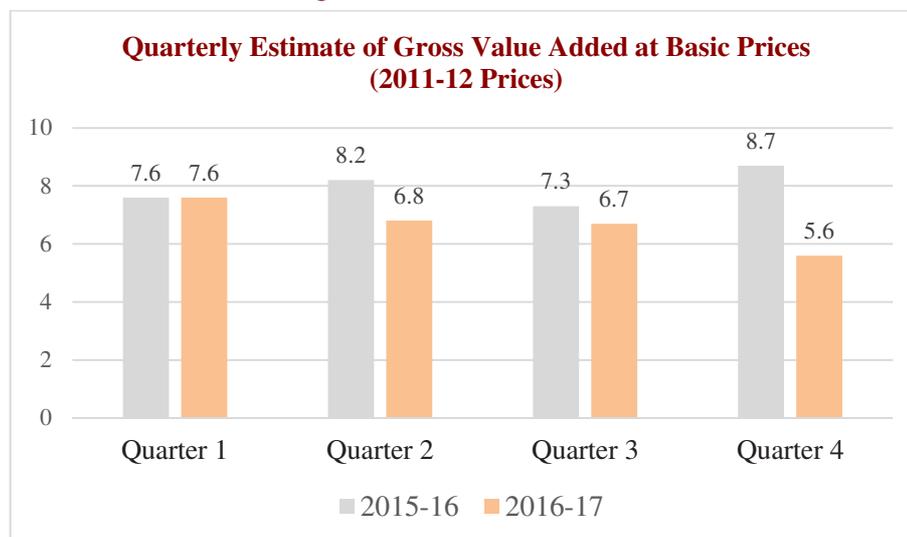
PE- Provisional Estimates.

GDP at constant prices (Base year 2011-12) for the year 2016-17 was estimated at ₹ 1,21,89,854 crore while the GDP for the year 2015-16 was estimated at ₹ 1,13,81,002 crore. The growth in GDP at constant prices declined to 7.11 *per cent* in 2016-17 against the growth rate of 8.01 *per cent* in 2015-16. A quarter-wise analysis of the Gross Value Added (GVA)² at constant prices (2011-12) indicates that the growth in the first quarter of 2016-17 was the same as in 2015-16 i.e., at 7.6 *per cent*. However, rates of growth in the subsequent three quarters in 2016-17 as compared with the corresponding quarters in 2015-16 witnessed a decline as shown in the **Chart 1.1** below.

¹ GDP estimates for 2012-13 and 2013-14 are taken from press note dated 31 January 2017 and the 2014-15 to 2016-17 from press note dated 31 May 2017.

² GDP net of taxes on product

Chart 1.1: Quarter-wise GVA in 2015-16 and 2016-17



As evident from above, the slowdown in GDP started from the second quarter and became more pronounced in the fourth quarter of 2016-17.

GDP at current prices for the year 2016-17 is estimated at ₹ 1,51,83,709 crore while the GDP for the year 2015-16 was estimated at ₹ 1,36,82,035 crore, showing a growth rate of 10.98 *per cent*. The growth of GDP at constant prices is lower in 2016-17 compared to the previous year. GDP at current prices, however, is higher in 2016-17 against the previous year. It should be noted that in this report, the GDP at current prices has been taken as base while analysing the various fiscal indicators as required under the Fiscal Responsibility and Budget Management (FRBM) Act, 2003.

1.2 Resource Generation

Revenue and capital are two streams of receipts that constitute resources of the Union Government. Revenue receipts consist of tax revenue, non-tax revenue and Grants-in-aid from external agencies. Capital receipts have two components - debt receipts, which create future repayment obligations and non-debt receipts, which constitute proceeds from disinvestment and recoveries of loans and advances, leading to reduction in the actual or potential asset base.

Table 1.3: Resources and GDP

(₹ in crore)

Period	Gross Revenue Receipts* (1)	Non-debt Capital Receipts (2)	Gross Debt Receipts (3)	Gross Accruals into Public Account (4)	Gross Receipts (1+2+3 +4) (5)	Gross Debt Receipt/Gross Receipt (in per cent) (6)	Gross Receipts/GDP ³ (in per cent) (7)
2012-13	1347438 (22)	52513 (1)	3968038 (66)	660784 (11)	6028773	65.82	60.61
2013-14	1536024 (24)	53917 (1)	3994966 (64)	692960 (11)	6277867	63.64	55.87
2014-15	1666717 (25)	64287 (1)	4218196 (62)	850506 (12)	6799706	62.03	54.64

³ Figure of GDP in Table 1.2 above.

Union Government Finances: Overview

2015-16	1942353 (26)	84010 (1)	4316950 (58)	1116692 (15)	7460005	57.87	54.52
2016-17	2223988 (23)	88714 (1)	6134137 (63)	1273949 (13)	9720788	63.10	64.02

*Includes figures of taxes and duties assigned to States (₹ 6,08,000 crore for current year). Net revenue receipts to the Centre is ₹ 16, 15,988 crore in current year, as reflected in **Table 1.1**.

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

As can be seen from **Table 1.3**, Gross receipt to GDP ratio showed a declining trend during 2012-13 to 2015-16, but improved over previous years in 2016-17 and stood at 64.02 per cent in 2016-17. The year 2016-17 was characterised by a growth of 14.50 per cent in gross revenue receipts as compared to 16.54 per cent in 2015-16. Ratio of gross debt receipts to gross receipts remained above the level of 60 per cent except in 2015-16 (57.87 per cent) which indicates continued dependence on debt to finance the Union Budget.

1.2.1 Revenue receipts

Revenue receipts, comprising tax and non-tax receipts, are the most important sources of revenue as no future payment obligations are created by these receipts. Components of revenue receipts are discussed in succeeding paras.

1.2.2 Revenue Receipts: Gross and Net

Table 1.4 presents an overview of the Union Government finances in relation to revenue receipts both gross and net.

Table 1.4: Revenue Receipts: Gross and Net

(₹ in crore)						
Period	Gross Tax Revenue	Share of States*	Net Tax Revenue s	Non-Tax Revenues#	Net Revenue Receipt	Gross Revenue Receipts
(1)	(2)=(3)+(4)	(3)	(4)	(5)	(6)=(4)+(5)	(7)= (2)+(5)
2012-13	1036461	291547	744914	310977	1055891	1347438
2013-14	1138996	318230	820766	397028	1217794	1536024
2014-15	1245136	337808	907328	421581	1328909	1666717
2015-16	1455891	506193	949698	486462	1436160	1942353
2016-17	1715968	608000	1107968	508020	1615988	2223988
Annual Rate of Growth (per cent)						
2012-13	16.57	14.15	17.55	12.44	16.00	15.59
2013-14	9.89	9.15	10.18	27.67	15.33	14.00
2014-15	9.32	6.15	10.55	6.18	9.12	8.51
2015-16	16.93	49.85	4.67	15.39	8.07	16.54
2016-17	17.86	20.11	16.67	4.43	12.52	14.50

includes Grant-in-aid and contributions from external Agencies

*The transfer to States in the form of share in central tax revenues as shown in Union Government Finance Accounts is subject to final ascertainment and certification under Article 279(1).

During 2016-17, gross tax revenue increased by 17.86 per cent over the previous year and also surpassed the growth of GDP at current prices of 10.98 per cent (**Table 1.2**).

The growth of non-tax revenues of the government showed high fluctuation during 2012-2017 ranging from 4.43 *per cent* in 2016-2017 to 27.67 *per cent* in 2013-14.

Growth in gross revenue receipts in 2016-17 was 14.50 *per cent* as compared to 16.54 *per cent* in 2015-16.

1.2.3 Components of revenue receipts: Gap between Actuals and Budget Estimates

Formulating realistic budgetary estimates is vital for expenditure control and cash and debt management. The chart below exhibits the key components of actual revenue receipts vis-à-vis BE.

Chart 1.2 Actuals of key Revenue Components vis-a-vis BE: 2016-17



Chart 1.2 indicates shortfall in the actual realisation in respect of budgeted target of all components, except Excise Duty and Service Tax. The realisation from Excise Duty and Service tax was higher by 19.71 *per cent* and 10.17 *per cent* respectively over the BE in the year 2016-17.

1.2.4 Tax revenue

Table 1.5 depicts components of direct and indirect tax revenue over the last five years in absolute terms as well as annual rate of growth.

Table 1.5: Components of tax revenue (gross)

(₹ in crore)

Period	Gross Tax Revenue#	Direct Taxes*				Indirect Taxes					GDP at current prices
		Corporation Tax	Income Tax	Other	Total	Customs Duties	Excise Duties	Service Tax	Others	Total	
2012-13	1036461	356326	196844	5819	558989	165346	175845	132601	3680	477472	9946636
2013-14	1138996	394678	237870	6048	638596	172085	169455	154780	4080	500400	11236635
2014-15	1245136	428925	258374	8493	695792	188016	189038	167969	4321	549344	12445128
2015-16	1455891	453228	280390	8394	742012	210338	287148	211415	4978	713879	13682035
2016-17	1715968	484924	340592	24285	849801	225370	380495	254499	5803	866167	15183709

Period	Gross Tax Revenue#	Direct Taxes*				Indirect Taxes					GDP at current prices
		Corporation Tax	Income Tax	Other	Total	Customs Duties	Excise Duties	Service Tax	Others	Total	
Annual Rate of Growth (per cent)											
2012-13	16.57	10.38	19.64	-12.44	13.16	10.73	21.36	35.99	8.46	20.84	13.86
2013-14	9.89	10.76	20.84	3.94	14.24	4.08	-3.63	16.73	10.87	4.80	12.97
2014-15	9.32	8.68	8.62	40.43	8.96	9.26	11.56	8.52	5.91	9.78	10.75
2015-16	16.93	5.67	8.52	-1.17	6.64	11.87	51.90	25.87	15.20	29.95	9.94
2016-17	17.86	6.99	21.47	189.31	14.53	7.15	32.51	20.38	16.57	21.33	10.98

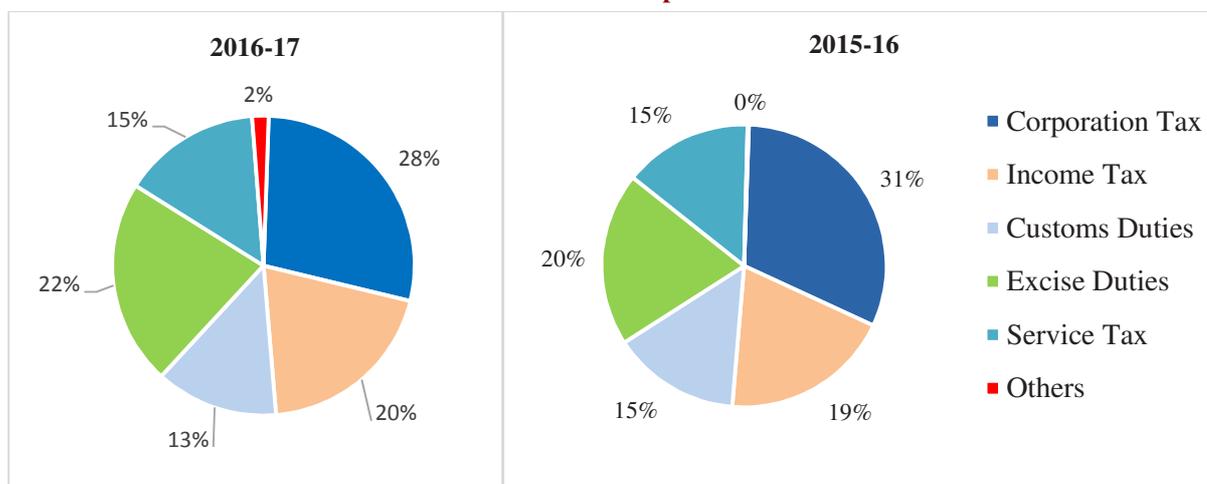
Includes figures of taxes/duties assigned to States/UTs.

*Direct Taxes includes Gross of Taxes on Income and Expenditure and Taxes on Property, Capital and other Transaction except Major Heads 0029-Land Revenue and 0030-Stamp and Registration Fees.

All components of direct tax registered a growth in 2016-17 in comparison to the previous year resulting in overall growth in direct tax of 14.53 per cent during 2016-17 as compared to the growth of 6.64 per cent in 2015-16. Income tax recorded the highest growth of 21.47 per cent in 2016-17 during the last five years. In the case of ‘Others’ which increased by 189.31 per cent during current year, it was mainly due to receipt of ₹ 15,162 crore under Income Declaration Scheme and Pradhan Mantri Garib Kalyan Yojana (₹ 10,098 crore), etc. In indirect taxes, though all components have increased in absolute term yet their growth rate has declined except ‘Others’ during 2016-17 over the previous year.

A comparison of relative shares of components of tax revenues during 2016-17 and 2015-16 (**Chart 1.3**) shows increase in share of excise duties (two per cent) and income tax (one per cent) and decrease in share of corporation tax (three per cent) and custom duties (two per cent). The share of service tax remained the same for both years.

Chart 1.3: Components of tax revenue



Zero per cent denotes value less than 0.5 per cent

1.2.5 Tax-GDP ratio (in percentage terms)

Tax-GDP ratio is the indicator of adequacy and effectiveness of Government's resource mobilization efforts and the extent of realisation of the tax potential.

Table 1.6 presents the trends of Gross Tax-GDP ratio over the period 2012-13 to 2016-17, which remained around 10 to 11 *per cent*.

Table 1.6: Tax /GDP ratio of major taxes

(in per cent)

Period	Gross Tax Revenue	Corporation Tax	Income Tax	Customs Duties	Excise Duties	Service Tax	Others*
2012-13	10.42	3.58	1.98	1.66	1.77	1.33	0.10
2013-14	10.14	3.51	2.12	1.53	1.51	1.38	0.09
2014-15	10.01	3.45	2.08	1.51	1.52	1.35	0.10
2015-16	10.64	3.31	2.05	1.54	2.10	1.55	0.10
2016-17	11.30	3.19	2.24	1.48	2.51	1.68	0.20

*Others includes Hotel Receipts Tax, Interest Tax, Other Taxes on Income and Expenditure, Stamps and Registration Fees, Securities Transaction Tax, Taxes on Sales, Trade, Other Taxes and Duties on Commodities and Services etc.

1.2.6 Collection of Cess

A cess is an additional tax levied by the Government to raise funds for a specific purpose. Cess collections are initially credited to the CFI. In the Union Finance Accounts, there exists a separate segregation of union excise non-shareable duties. An amount of ₹ 1,31,216 crore has been shown as union excise non-shareable duties in Union Government Finance Accounts for the Financial Year 2016-17. The total collection of cess during the period 2012-13 to 2016-17 is shown in **Table 1.7** below.

Table 1.7: Collection of Cess

(₹ in crore)

Year	Primary Education Cess	Higher and Secondary Education Cess	Clean Energy Cess	Cess on Crude oil	Road Cess	Others*	Total
2012-13	20946	9867	3053	14510	19979	2990	71345
2013-14	22837	11266	3082	14533	20478	4489	76685
2014-15	24219	11960	5393	14655	25122	4035	85384
2015-16	18783	9240	12676	14311	69540	7847	132397
2016-17	20220	10028	26117	12618	72400	30785	172168
Annual Rate of Growth (per cent)							
2012-13	23.95	22.31	18.33	78.65	8.81	-7.11	24.62
2013-14	9.03	14.18	0.95	0.16	2.50	50.13	7.48
2014-15	6.05	6.16	74.98	0.84	22.68	-10.11	11.34
2015-16	-22.45	-22.74	135.05	-2.35	176.81	94.47	55.06
2016-17	7.65	8.53	106.04	-11.83	4.11	292.32	30.04

*Others comprises Cess on Export, Infrastructure Cess, Cess on Coal and Coke, Cess on Jute, Cess on Tea, Cess on Copara, Swachh Bharat Cess, Krishi Kalyan Cess, Receipt under Research and Development Cess Act, 1986 etc.

Table 1.7 shows an overall growth in cess collection by 30.04 *per cent* during 2016-17. Clean Energy Cess showed a growth of 106.04 *per cent* during the same period. The growth in Primary Education Cess and Higher and Secondary Education Cess has increased by 7.65 *per cent* and 8.53 *per cent* respectively over the previous year. However, the growth in cess on crude oil has decreased by 11.83 *per cent*. The increase of 292 *per cent* in annual growth under 'Others' was primarily due to collection of Krishi Kalyan Cess (₹ 8,379 crore) and Swachh Bharat Cess (₹ 12,475 crore).

1.2.7 Non-tax revenue

Non tax revenues comprised of two components: income from sovereign functions like judiciary, police, currency and coinage and those arising from assets/investment or dividends or from user charges collected by Railways, Post and Departmental Undertakings. Composition of non-tax revenue is given in **Table 1.8** below.

Table 1.8: Composition of Non-tax revenue (Share and growth rate)

Period	Total Non-tax Revenue#	Interest Receipts	Dividends and Profits	Social Services	Economic Services	Sovereign and Other Functions**
						(₹ in crore)
2012-13	310977	38860	53762	4819	184662	28874
Relative share(<i>per cent</i>)	100	12.50	17.29	1.55	59.38	9.28
2013-14	397028	44027	90442	1316	227661	33582
Relative share(<i>per cent</i>)	100	11.09	22.78	0.33	57.34	8.46
2014-15	421582	48007	89861	1735	243512	38467
Relative share(<i>per cent</i>)	100	11.39	21.32	0.41	57.76	9.12
2015-16	486462	46325	112136	10100	279710	38191
Relative share(<i>per cent</i>)	100	9.52	23.05	2.08	57.50	7.85
2016-17	508020	43496	123021	11998	286597	42908
Relative share(<i>per cent</i>)	100	8.56	24.22	2.36	56.41	8.45
Annual Rate of Growth						
2012-13	12.44	(-)2.98	6.23	387.75	16.67	8.39
2013-14	27.67	13.30	68.23	(-)72.69	23.29	16.31
2014-15	6.18	9.04	(-)0.64	31.84	6.96	14.55
2015-16	15.39	(-)3.50	24.79	482.13	14.86	(-)0.72
2016-17	4.43	(-)6.11	9.71	18.79	2.46	12.35

includes Grant-in-aid and contributions from external Agencies.

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

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

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

In 2016-17, the largest share of non-tax revenue (56.41 *per cent*) came from user charges levied by various departments which offer Economic Services to the general public (**Table 1.8**). Interest receipts constituted 8.56 *per cent* of non-tax revenue (0.96 percentage points lower than the previous year), while dividends and profits accounted for 24.22 *per cent* (1.17 percentage points above previous year).

The non-tax revenue grew by 4.43 *per cent* during 2016-17 as against the growth of 15.39 *per cent* in 2015-16. This was mainly due to decline in the growth of all components of non-tax revenue except Sovereign and Other Functions.

Growth in Social Services of 18.79 *per cent* over previous year was mainly due to receipt of ₹ 3,428 crore in Social Security and Welfare services.

Receipts from Dividend and Profits witnessed a growth of 9.71 *per cent* during 2016-17 due to excess receipt of ₹ 13,297.97⁴ crore under the head 'Dividend from Public undertakings' over the previous year.

Receipts from Economic Services, Social Services and Dividend and Profits are the major constituents of non-tax revenue. The important components of Economic and Social sectors are given in **Table 1.9** below.

Table 1.9: Major components of revenues under Economic and Social Sector

(₹ in crore)

Period	Indian Railways-Commercial Lines	Petroleum	Road and Bridges	Other General Economic Services	Coal and Lignite	Medical and Public Health
2012-13	122953 (39.54)	14806 (4.76)	4007 (1.29)	3148 (1.01)	88 (0.03)	311 (0.10)
2013-14	138776 (34.95)	16525 (4.16)	5298 (1.33)	3368 (0.85)	136 (0.03)	345 (0.09)
2014-15	155904 (36.98)	14480 (3.43)	6103 (1.45)	4774 (1.13)	6179 (1.47)	348 (0.08)
2015-16	163497 (33.61)	9492 (1.95)	6889 (1.42)	5231 (1.08)	545 (0.11)	363 (0.07)
2016-17	161583 (31.81)	10797 (2.13)	7326 (1.44)	7802 (1.54)	433 (0.09)	413 (0.08)

Figures in the parentheses show percentage of non-tax revenue.

Under Economic Services, the main schemes/programme/functions responsible for the annual growth of 2.46 *per cent* (**Table 1.8**) were receipts from 'Petroleum', which increased from ₹ 9,492 crore in 2015-16 to ₹ 10,797 crore in 2016-17, 'Roads and Bridges' which increased from ₹ 6,889 crore to ₹ 7,326 crore and 'Other General Economic Services' which increased from ₹ 5,231 crore to ₹ 7,802 crore during the same period. However, revenue from 'Indian Railways (Commercial Lines)' and Coal & Lignite decreased in 2016-17 over previous year by ₹ 1,914 crore and ₹ 112 crore respectively.

The details of non-tax revenue received by way of dividends and profits are detailed in **Table 1.10**. It increased from ₹ 1,12,136 crore in 2015-16 to ₹ 1,23,021 crore in 2016-17.

⁴ ₹ 53,194.91 crore during 2016-17- ₹ 39,896.94 crore for 2015-16 under heads 0050.00.101

Table 1.10: Composition of Dividend and Profit*(₹ in crore)*

Period	Share of surplus profits from RBI	Dividends from Public Undertakings	Share of profit from nationalised Banks	Dividend from Others	Total Dividend and profits	Non Tax Revenue
2012-13	16010 (5.15)	30630 (9.85)	5656 (1.82)	1466 (0.47)	53762	310977
2013-14	33010 (8.31)	47333 (11.92)	8184 (2.06)	1915 (0.48)	90442	397028
2014-15	52679 (12.50)	32996 (7.83)	2456 (0.58)	1730 (0.41)	89861	421582
2015-16	65896 (13.55)	39897 (8.20)	4214 (0.87)	2129 (0.44)	112136	486462
2016-17	65876 (12.97)	53195 (10.47)	1445 (0.28)	2505 (0.49)	123021	508020

Figures in parentheses show percentage of Non Tax Revenue.

The share of dividend from Public Undertakings increased from ₹ 39,897 crore (8.20 per cent of non-tax revenue) in 2015-16 to ₹ 53,195 crore (10.47 per cent of non-tax revenue) in 2016-17. However, transfer of surplus profit from RBI, which was ₹ 65,896 crore (13.55 per cent of non-tax revenue) in 2015-16, decreased to ₹ 65,876 crore (12.97 per cent of non-tax revenue) in 2016-17.

The government account recognises transactions on the basis of 'as and when received'. Due to the difference in the financial year of the Union Government (April-March) and the Reserve Bank of India (RBI) (July-June), the RBI surplus of ₹ 65,876 crore declared for the year ended 30 June 2016 has been recognised in 2016-17. However, the surplus declared for the RBI's FY 2016-17 (1 July 2016 – 30 June 2017) by the RBI would be reflected in the Finance Accounts of the Government of India for the year 2017-18. As can be seen from **Table 1.10A** below, the share of surplus profits from RBI for its financial year ended 30 June 2017 declined to ₹ 30,663 crore from ₹ 65,876 crore in financial year ended 30 June 2016. The fall in surplus payable by RBI was due to the fall in its income as well as increase in expenditure on printing of currency notes and transfer to the RBI Contingency Fund.

The details of net income of RBI, expenditure and surplus transfer to Union Government up to the financial year ending 31 March 2018 is detailed in **Table 1.10A** below.

Table 1.10A: Surplus transferred by RBI

(₹ in crore)

Description	2013-14*	2014-15*	2015-16*	2016-17*	2017-18*
Net Income of RBI RBI Financial year (1 July 2016 to 30 June 2017)	45564	64617	79256	80870	61818
Expenditure	12549	11934	13356	14990	31155
Surplus transferred to the Union Government Govt. Financial year(1 April 2017 to 31 March 2018)	33010	52679	65896	65876	30663

* Refers to Financial Year of the Union Government

1.2.8 Non-debt capital receipts

Non-debt capital receipts consist of miscellaneous capital receipts (bonus shares, disinvestment, etc.) and recovery of loans and advances from States and Union Territories, Foreign Governments, Government corporations, non-government institutions and government servants. During the period 2012-13 to 2016-17, there was shortfall in miscellaneous capital receipts as compared to the BE. On the other hand, the recovery of loans and advances was significantly higher than the BE during the same period, (Table 1.11).

Table 1.11: Realisation from Non-Debt Capital Receipt

Period	Miscellaneous Capital Receipt			Recovery of Loans and Advances		
	BE	Actual*	Percentage of Actual to BE	BE	Actual	Percentage of Actual to BE
	(₹ in crore)			(₹ in crore)		
2012-13	30000	25408	84.69	23095	26624	115.28
2013-14	55814	29368	52.62	22054	24549	111.31
2014-15	63425	37737	59.50	22817	26547	116.35
2015-16	69500	42132	60.62	22714	41878	184.37
2016-17	56500	46249	81.86	22495	40971	182.13

Source: Annual Financial Statement and Union Government Finance Accounts.

*Does not include receipts from bonus shares.

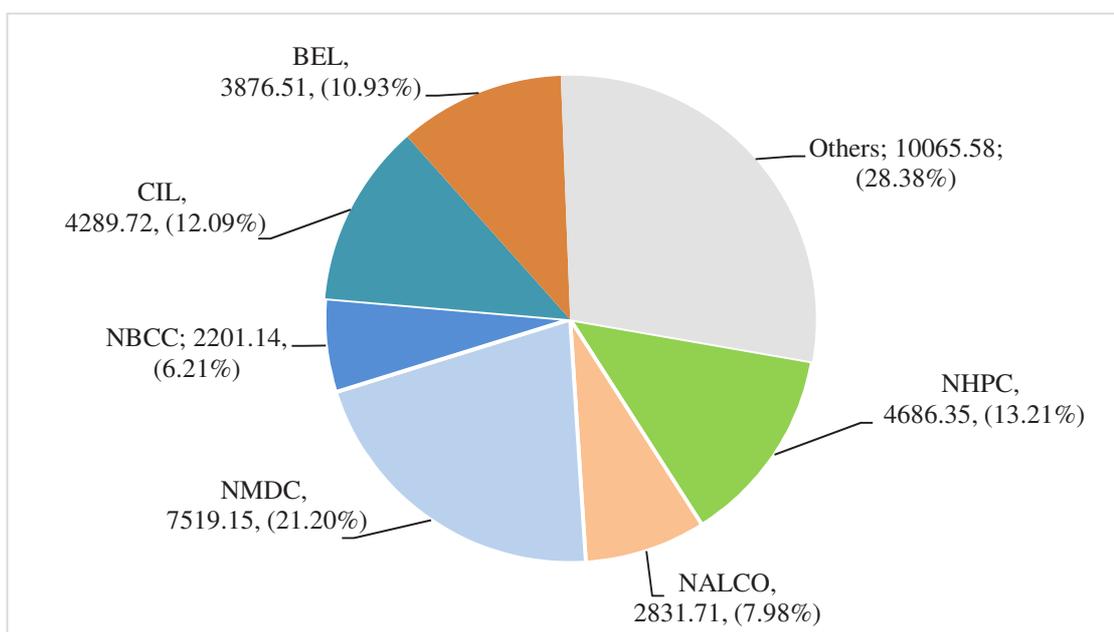
Disinvestment constitutes a major portion of the miscellaneous capital receipt. **Chart 1.4** indicates that only four units viz. NMDC Limited, NHPC Limited, Coal India Limited (CIL) and Bharat Electronics Limited (BEL) contributed 57.43 per cent (₹ 20,371.73 crore) of the total disinvestment proceeds of ₹ 35,470.16 crore.

Other Central Public Sector undertakings, equities of which were disinvested, were National Aluminium Company Limited (NALCO) (₹ 2831.71 crore, 7.98 per cent), NBCC (India) Limited (₹ 2,201.14 crore, 6.21 per cent) and others⁵ (₹ 10,065.58 crore, 28.38 per cent).

⁵ Others include IOCL, NTPC, HCL, MOIL, Engineers India, CONCOR, DCIL, Neyveli Lignite Corporation Ltd, GAIL, ONGC, PFC, REC, Oil India etc.

Chart 1.4: Component of disinvestment proceeds

(₹ in crore)



1.2.9 Return on Investments

The number of statutory corporations, government companies, other joint stock companies, co-operative banks and societies and international bodies. Ministry/Department wise along with dividend received during the year 2016-17 are given in **Table 1.12** below.

Table 1.12: Number of CPSEs paying dividend

(₹ in crore)

Ministry/Department	Number of CPSEs	Dividend received	Ministry/Departments	Number of CPSEs	Dividend received
Civil Aviation and tourism	4	1063	Coal	3	11018
Finance	9	3911	Industry	4	238
Petroleum and Natural Gas	8	19442	New and Renewable Energy	2	102
Steel & Mines	8	8283	Shipping	3	133
Railways	8	1406	Urban Affairs	3	344
Defence	8	1773	Atomic Energy	3	692
Power	8	8262*	Others**	37	67741
Total				108	124408

Source: Statement No 11 of Union Government Finance Accounts.

*Dividends of ₹25 crore pertains to DONER.

**Others includes State Co-operative Banks/Institutions and other units.

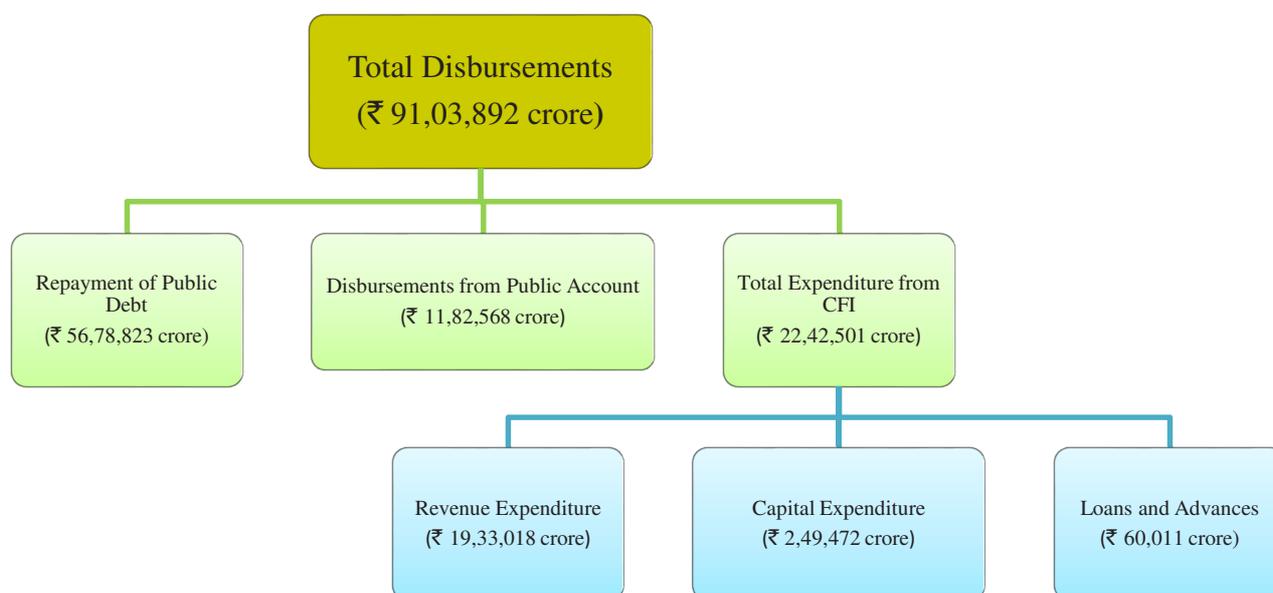
During 2016-17, the Union Government received a dividend of ₹ 1,24,408 crore from 108 Government companies and corporations against the total investment of ₹ 6,68,744.42 crore in 342 Central Public Sector Enterprises (CPSEs) which was 18.60 per cent of investment as on 31 March 2017. The progressive total

investment increased from ₹ 6,07,604.78 crore on 31 March 2016 to ₹ 6,68,744.42 crore on 31 March 2017. The major contributors of dividend were Reserve Bank of India (₹ 65,876 crore), Coal India Limited, (₹ 9,771 crore), Hindustan Zinc Ltd (₹ 6,664 crore), Oil and Natural Gas Corporation Ltd, (₹ 6,544 crore), Indian Oil Corporation Ltd. (₹ 6,231 crore), Bharat Petroleum Corporation of India Ltd. (₹ 3,098 crore), NTPC Ltd (₹ 2,507 crore), Life Insurance Corporation (₹ 2,502 crore), National Hydro Electric Power Corporation Ltd. (NHPC) (₹ 1,881 crore), Hindustan Petroleum Corporation Ltd (₹ 1,777 crore), Nationalised Banks (₹ 1,445 crore), Neyveli Lignite Corporation Ltd (₹ 1,183 crore), Rural Electrification Corporation Ltd (₹ 1,126 crore), and Airport Authority of India (₹ 1,042 crore).

1.3 Expenditure Analysis

The total disbursements from the Consolidated Fund of India and the Public Account were to the tune of ₹ 91,03,892 crore in 2016-17 as shown in **Box 1.2**.

Box 1.2: Components of Total Disbursements



During 2016-17, total disbursements increased by 30.67 per cent as compared to ₹ 69,66,982 crore in 2015-16. Of the total disbursement of ₹ 91,03,892 crore, disbursement from CFI was 87.01 per cent (towards repayment of public debt 62.38 per cent and total expenditure from CFI 24.63 per cent). Remaining 12.99 per cent of disbursement was from Public Account. The contribution of the Public Account was 16.13 per cent in 2015-16, which declined to 12.99 per cent in 2016-17.

Table 1.13 depicts that the share of total expenditure from CFI (does not include repayment of public debt) in total disbursements has decreased from 30.22 per cent

in 2015-16 to 24.63 per cent in 2016-17, though in absolute terms, it increased by ₹1,36,834 crore.

Table 1.13: Share of various components of total Disbursement

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Components of Total Disbursement					
Repayment of Public Debt	3426893 (60.27)	3511291 (59.11)	3707700 (56.70)	3737657 (53.65)	5678823 (62.38)
Disbursements from Public Account	656403 (11.54)	654239 (11.01)	922899 (14.11)	1123658 (16.13)	1182568 (12.99)
Total Expenditure from CFI (TE)	1602918 (28.19)	1774941 (29.88)	1909144 (29.19)	2105667 (30.22)	2242501 (24.63)
Components of Total Expenditure from CFI					
Revenue Expenditure (RE)	1420473 (88.62)	1575097 (88.74)	1695137 (88.79)	1779529 (84.51)	1933018 (86.20)
Capital Expenditure (CE)	150382 (9.38)	168844 (9.51)	172085 (9.01)	278866 (13.24)	249472 (11.12)
Loans and Advances (LA)	32063 (2.00)	31000 (1.75)	41922 (2.20)	47272 (2.24)	60011 (2.68)

Figures in parentheses show percentage of total disbursement/total expenditure

The proportion of repayment of public debt in the total disbursement has gone up from 53.65 per cent in 2015-16 to 62.38 per cent in 2016-17. Revenue expenditure as a proportion of the total expenditure increased from 84.51 per cent during 2015-16 to 86.20 per cent in 2016-17 whereas capital expenditure decreased from 13.24 per cent to 11.12 per cent during same period.

1.3.1 Sectoral Expenditure

In the accounts of the Union Government, expenditure is accounted under various heads which, in turn, are grouped into three sectors, namely General Services, Social Services and Economic Services.

Table 1.14 presents the details of sectoral expenditure. In relation to the total expenditure, General Services showed an increase from 47.42 per cent in 2012-13 to 53.07 per cent in 2016-17 while expenditure on Economic Services has remained between 40 to 44 per cent during the same period. In Social Services, the expenditure share remained below 10 per cent for the period of 2012-13 to 2016-17.

Table 1.14: Sectoral expenditure of Union Government

(₹ in crore)

Year	General Service		Social Service		Economic Service		Total
	Amount	As % of Total Expenditure	Amount	As % of Total Expenditure	Amount	As % of Total Expenditure	
2012-13	666406	47.42	124725	8.87	614306	43.71	1405437
2013-14	767915	49.14	142426	9.12	652316	41.74	1562657
2014-15	843093	54.16	68663	4.41	645003	41.43	1556759
2015-16	896486	50.56	100682	5.68	775879	43.76	1773047
2016-17	1025561	53.07	116023	6.01	790729	40.92	1932313

Notes: The sectoral classification excludes loans to Foreign Governments, State governments, UTs, loans to Government Servants and revenue expenditure on account of Grant in Aid which do not fall under any specific group.

1.3.2 Revenue Expenditure

Revenue expenditure is current expenditure, which does not result in creation of assets. In terms of activities, revenue expenditure could be classified as General Services (include administration and defence), Social Services and Economic Services. This also includes the Grant-in-Aid (GIA) and contributions to State, Union Territory and foreign Governments. **Table 1.15** below presents the sectoral components of revenue expenditure.

Table 1.15: Sectoral components of Revenue expenditure

(₹ in crore)

Period	General Services	Social Services	Economic Services	GIA and Contribution	Revenue Expenditure
2012-13	586927 (41.32)	116712 (8.22)	535434 (37.69)	181400 (12.77)	1420473 (100)
2013-14	679852 (43.16)	133981 (8.51)	561860 (35.67)	199404 (12.66)	1575097 (100)
2014-15	752908 (44.42)	59437 (3.50)	544682 (32.13)	338109 (19.95)	1695137 (100)
2015-16	804758 (45.22)	88444 (4.97)	569645 (32.01)	316682 (17.80)	1779529 (100)
2016-17	926181 (47.92)	97210 (5.03)	618626 (32.00)	291001 (15.05)	1933018 (100)
Annual rate of Growth (in per cent)					
2012-13	12.58	4.60	8.74	0.84	8.83
2013-14	15.83	14.80	4.94	9.93	10.89
2014-15	10.75	-55.64	-3.06	69.56	7.62
2015-16	6.89	48.80	4.58	-6.34	4.98
2016-17	15.09	9.91	8.60	-8.11	8.63

Figures in parentheses show percentage of Revenue Expenditure

Share of General Services in the revenue expenditure has been on the increase since 2012-13. It registered an increase from 41.32 per cent in 2012-13 and reached 47.92 per cent in 2016-17. The Economic Services has followed a decreasing trend and its share to revenue expenditure decreased from 37.69 per cent in 2012-13 to 32 per cent in 2016-17. Similarly, share of Social Services has decreased from 8.22 per cent to 5.03 per cent for the corresponding period.

Revenue expenditure grew from 4.98 per cent in 2015-16 to 8.63 per cent in 2016-17. Expenditure on 'GIA and Contribution' had registered an increase of 69.56 per cent in 2014-15. However, in financial year 2016-17, the expenditure on GIA and contribution declined by 8.11 per cent. The growth was also negative (-6.34 per cent) in the previous year.

(a) Revenue Expenditure on General Services

Table 1.16 presents the expenditure on major components of General Services and their annual growth during the period 2012-13 to 2016-17.

Table 1.16: Components of General Services*(₹ in crore)*

Period	Interest payments & Servicing of Debt	Administrative Services	Pension & Miscellaneous General Services	Defence Services	Others	Total
2012-13	330171	47201	80766	116485	12304	586927
2013-14	395200	53509	87552	129890	13701	679852
2014-15	425098	59698	107911	145146	15055	752908
2015-16	457270	66286	111285	151600	18317	804758
2016-17	504512	77510	149237	173025	21897	926181
Annual rate of Growth (in per cent)						
2012-13	15.05	11.60	10.83	8.23	6.50	12.58
2013-14	19.70	13.36	8.40	11.51	11.35	15.83
2014-15	7.57	11.57	23.25	11.75	9.88	10.75
2015-16	7.57	11.04	3.13	4.45	21.67	6.89
2016-17	10.33	16.93	34.10	14.13	19.55	15.09

The expenditure on interest payment constitutes 54.47 per cent of expenditure on General Services. The expenditure on interest payment showed an increase of ₹ 47,242 crore viz., 10.33 per cent over 2015-16. The share of Defence Services is 18.68 per cent of General Services and its annual growth 14.13 per cent in 2016-17 against 4.45 per cent in 2015-16.

In case of Pension & Miscellaneous General Services, expenditure was ₹ 1,11,285 crore in 2015-16, which increased to ₹ 1,49,237 crore (absolute increase of ₹ 37,952 crore) in 2016-17. Owing to very high growth in pension payment, the share of expenditure on pension to total expenditure on General Services increased to 16.11 per cent in 2016-17 from 13.83 per cent in 2015-16. The annual growth also increased to 34.10 per cent in 2016-17 from 3.13 per cent in 2015-16. The high growth of expenditure on pension is due to the implementation of Defence One-Rank-One-Pension (OROP) and also because of the implementation of the recommendations of the Seventh Central Pay Commission.

(b) Revenue Expenditure on Social Services

Expenditure on Social Services includes expenditure on Education, Sports, Art and Culture, Health and Family Welfare, Water Supply and Sanitation, Housing, Urban Development; Welfare of SCs, STs and OBCs, Labour and Labour Welfare, Social Security and Welfare and Nutrition and Relief for Natural Calamities. **Table 1.17** below reflects the priority of the Union Government on social and the trends in revenue expenditure as well as their services.

Table 1.17: Components of Social Services

(₹ in crore)

Period	Education, Sports, Art and Culture	Water Supply, Sanitation, Housing and Urban Development	Health and Family Welfare	Welfare of SC, ST, OBC and Minorities	Others	Total
2012-13	62741	22460	19503	348	11660	116712
2013-14	68480	26824	22358	606	15713	133981
2014-15	30636	1899	11142	1564	14196	59437
2015-16	33038	4654	13202	3377	34173	88444
2016-17	37880	13291	16943	2584	26512	97210
Annual rate of Growth (in per cent)						
2012-13	9.59	4.96	-0.12	-47.27	-8.48	4.60
2013-14	9.15	19.43	14.64	74.14	34.76	14.80
2014-15	-55.26	-92.92	-50.17	158.09	-9.65	-55.64
2015-16	7.84	145.08	18.49	115.92	140.72	48.80
2016-17	14.66	185.58	28.34	-23.48	-22.42	9.91

Under Social Services, the most important expenditure activity is Education, Sports, Art and Culture. Its share in the total expenditure on Social Services, however, declined from 53.76 *per cent* in 2012-13 to 38.97 *per cent* in 2016-17. Compared with previous year, the expenditure in Education, Sports, Art and Culture, Water Supply, Sanitation, Housing and Urban Development and Health and Family Welfare witnessed an increase of 14.66 *per cent*, 185.58 *per cent* and 28.34 *per cent* respectively in 2016-17.

In case of Water Supply and Sanitation, Housing and Urban Development, the growth is more than 100 *per cent* in 2015-16 and 2016-17. It was 185.58 *per cent* in 2016-17 on account of transfer of ₹ 10,000 crore to Rashtriya Swachhata Kosh and increase in expenditure on assistance to Local Bodies/Town Improvement Bodies.

(c) Revenue Expenditure on Economic Services

The trends in revenue expenditure on components of Economic Services as well as their annual growth during 2012-17 are presented in **Table 1.18**. This indicates the priority placed by the Union Government in areas of Energy, Industries, Transport and Agriculture and Allied Services.

Table 1.18: Components of Economic Services

(₹ in crore)

Period	Transport	Agriculture and Allied Services	Energy	Industries and Minerals	Others	Total
2012-13	158525	153714	105680	34775	82740	535434
2013-14	174475	159327	96622	40969	90467	561860
2014-15	190721	170066	75014	52990	55891	544682
2015-16	201625	202375	42475	53204	69966	569645
2016-17	197257	165331	48406	74591	133041	618626
Annual rate of Growth (in per cent)						
2012-13	6.56	8.18	27.17	(-)1.74	(-)0.37	8.74
2013-14	10.06	3.65	(-)8.57	17.81	9.34	4.94
2014-15	9.31	6.74	(-)22.36	29.34	(-)38.22	(-)3.06
2015-16	5.72	19.00	(-)43.38	0.40	25.18	4.58
2016-17	(-)2.17	(-)18.30	13.96	40.20	90.15	8.60

Government's spending in Energy Sector witnessed growth of 13.96 per cent in 2016-17 against negative growth of 43.38 per cent in 2015-16. This was primarily due to spending of the Union Government on its two functions namely 'New and Renewable Energy' and 'Power' which were increased by ₹ 6,249.30 crore and ₹ 2,150.89 crore respectively in 2016-17. The share of energy sector in total expenditure on Economic Services, however, declined from 19.74 per cent in 2012-13 to 7.82 per cent in 2016-17.

Spending in Industries and Minerals sector registered growth of 40.20 per cent in 2016-17 over the growth of 0.40 per cent in 2015-16 as the expenditure in 'Industry' increased substantially from ₹ 53,204 crore in 2015-16 to ₹ 74,591 crore in 2016-17 due to more expenditure on Fertilisers Subsidy and Consumer Industry.

On the other hand, spending in Agriculture and Allied Services and Transport Sectors witnessed negative growth of 18.30 per cent and 2.17 per cent respectively in 2016-17. In case of Agriculture and Allied Services, the negative growth was due to reduction in expenditure by 31 per cent in Crop Husbandry and by 18 per cent in Food Storage and Warehousing. For Transport, the negative growth was due to reduction in payments in General Reserves and Appropriation from Railways Surplus. In terms of expenditure on Economic Services, the most important expenditure item is transport. Its share was 29.61 per cent in 2012-13, which increased to 35.39 per cent in 2015-16 and declined to 31.89 per cent in 2016-17.

1.3.2.1 Trend of Major Revenue Expenditure

(a) Interest Payments:

This head 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 and interest on special securities issued to various Companies and Corporations. It also includes expenditure on reduction or avoidance of debt. The proportion of interest payments to revenue expenditure stood at 26.10 *per cent* in the current year (**Table 1.19** below). In relation to revenue receipts, the average share of interest payment was 31.75 *per cent* during 2012-13 to 2016-17.

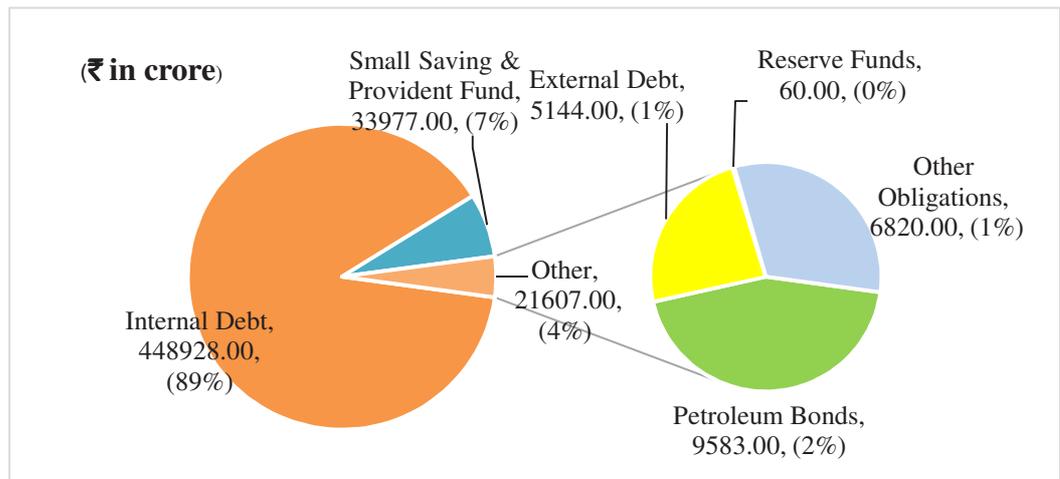
Table 1.19: Interest payment to revenue expenditure

Year	Interest Payments (IP)	Revenue Receipt (RR)	Revenue Expenditure (RE)	Growth of IP	Share of IP to RR	Share of IP to RE
	₹ in crore			in percentage		
2012-13	330171	1055891	1420473	15.05*	31.27	23.24
2013-14	395200	1217793	1575097	19.70	32.45	25.09
2014-15	425098	1328910	1695137	7.57	31.99	25.08
2015-16	457270	1436160	1779529	7.57	31.84	25.70
2016-17	504512	1615988	1933018	10.33	31.22	26.10

*In 2011-12, expenditure on interest payments was ₹2,86,982 crore.

Components of interest payments made in 2016-17 are shown in **Chart 1.5** below. Interest payments on account of internal debt is 89 *per cent* (₹ 4,48,928 crore) of the total interest payments (₹ 5,04,512 crore).

Chart 1.5: Main components of interest expenditure



Zero per cent denotes less than 0.5 per cent.

(b) Pension payments

Table 1.20 shows that expenditure on pensions and other retirement benefits increased from ₹ 1,32,880 crore in 2015-16 to ₹ 1,79,411 crore in 2016-17 viz., an increase of 35 *per cent* in 2016-17 over previous year. Defence Pension constituted 48.95 *per cent* of total pension payment (₹ 1,79,411 crore) in 2016-17, which registered increase of 45.80 *per cent* over the previous year. During the five years period, the defence pension payments remained between 43-49 *per cent* of total pension payments.

Table 1.20: Expenditure on Pension and other Retirement Benefits

(₹ in crore)					
year	Defence	Civil	Railways	Post	Total
2012-13	43368 (45.91)	26111 (27.64)	21021 (22.25)	3968 (4.20)	94468
2013-14	45499 (43.71)	29397 (28.24)	24761 (23.79)	4443 (4.27)	104100
2014-15	60450 (47.49)	33161 (26.05)	28642 (22.50)	5034 (3.95)	127287
2015-16	60238 (45.33)	36533 (27.49)	30701 (23.10)	5408 (4.07)	132880
2016-17	87826 (48.95)	43575 (24.29)	40463 (22.55)	7547 (4.21)	179411
Annual rate of Growth (in <i>per cent</i>)					
2012-13	NA	NA	NA	NA	
2013-14	4.91	12.58	17.79	11.97	10.20
2014-15	32.86	12.80	15.67	13.30	22.27
2015-16	-0.35	10.17	7.19	7.43	4.39
2016-17	45.80	19.28	31.80	39.55	35.02

Source: For Civil and Defence pensions, figures are from Finance Accounts (Major Head 2071). For Railways and Post, figures are from their Appropriation Accounts.

In cases of Railways and Post, pension payment grew by 31.80 *per cent* and 39.55 *per cent* during 2016-17 respectively. Civil pension, being 24.29 *per cent* of total pension payment, recorded 19.28 *per cent* of annual growth during the same period.

1.3.2.2 Management of Subsidies

Subsidies are dispensed not only explicitly, i.e. through the Budget, but also by providing subsidised goods and services to the people termed as implicit subsidy. **Table 1.21** presents details of the subsidies, which the Government provided explicitly through the budget.

Table 1.21: Explicit Subsidies in the Union Government Budget

Period	Food	Fertilisers@ (Urea)	Fertilisers# (Decontrolled)	Petroleum Subsidy	Others*	Total subsidies	Subsidie s as % of GDP	Subsidies as % of Revenue expenditure
	(₹ in crore)						Percentage	
2012-13	85000 (16.72)	35132 (3.56)	30576 (-15.32)	96880 (41.47)	9591 (46.05)	257179 (18.03)	2.59	18.11
2013-14	92000 (8.24)	38038 (8.27)	29427 (-3.76)	85378 (-11.87)	9902 (3.24)	254745 (-0.95)	2.27	16.17
2014-15	117671 (27.90)	50423 (32.56)	20667 (-29.77)	60269 (-29.41)	9269 (-6.39)	258299 (1.40)	2.08	15.24
2015-16	139419 (18.48)	50478 (0.11)	21938 (6.15)	29999 (-50.22)	16637 (79.49)	258471 (0.07)	1.89	14.52
2016-17	110173 (-20.98)	51257 (1.54)	15056* (-31.37)	27539 (-8.20)	28777 (72.98)	232802 (-9.93)	1.53	12.04

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

Indicates subsidies given for decontrolled fertilisers. Since 2011-12, it is nutrient based subsidy.

Figures in parentheses indicate percentage of annual growth.

*Others include interest subsidy, Price Stabilisation Fund in the Department of Consumer Affairs, movement of food grains and FPS Dealers margin under NFSA etc.

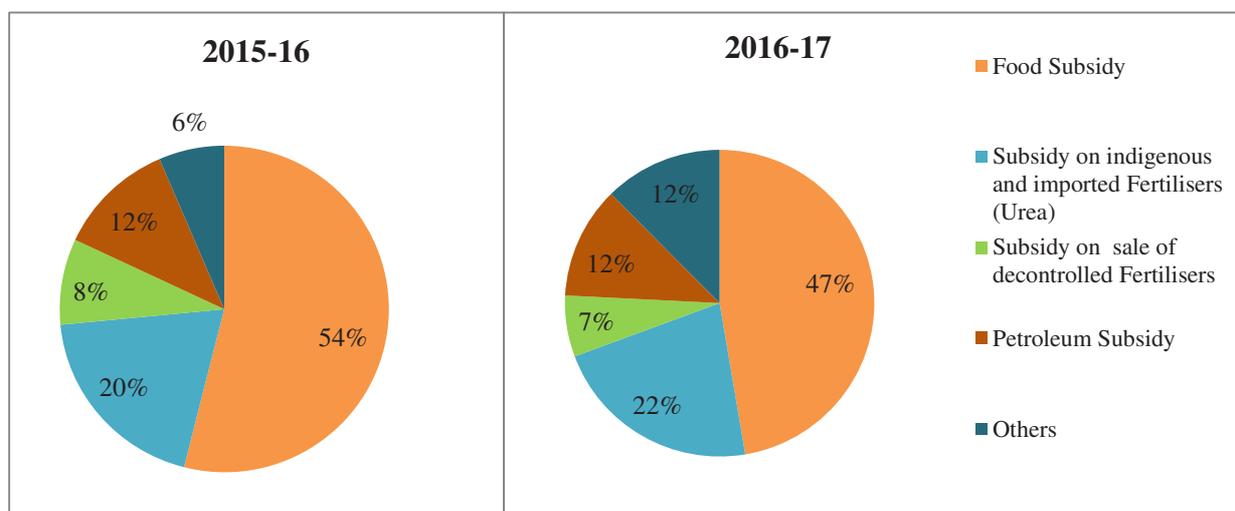
The bulk of the expenditure under this head is towards food, fertilizer and petroleum subsidies which are under the category of major subsidies. All components of major categories declined over the previous year, except 'Others'. Particularly, the petroleum subsidy has been decelerating since 2012-13 and reduced from ₹ 96,880 crore in 2012-13 to ₹ 27,539 crore in 2016-17. This resulted in containing the total expenditure on subsidy to its lowest level in last five years (2012-17). However, the expenditure under head 'Others' showed an increase of 73 per cent in 2016-17 over 2015-16 due to increase in expenditure on interest subsidy (₹ 17,000 crore), Price Stabilisation Fund in the Department of Consumer Affairs (₹ 6,900 crore) and movement of food grains and FPS Dealers margin under NFSA (₹ 2,500 crore) in 2016-17.

Total subsidy was almost at the same level in 2014-15 and 2015-16 but declined to ₹ 2,32,802 crore in 2016-17 from ₹ 2,58,471 crore in 2015-16 and registered a negative growth of 9.93 per cent in 2016-17. The level of subsidy reported in 2016-17 was the lowest in the last five years.

Share of expenditure on subsidies in revenue expenditure has also come down to 12.04 per cent from 18.11 per cent during the same period. As a percentage of GDP, the expenditure on subsidies has come down to 1.53 per cent in 2016-17 from 2.59 per cent in 2012-13.

Chart 1.6 presents the share of various components of subsidies. Out of the total subsidy expenditure of ₹ 2,32,802 crore in 2016-17, 47.32 per cent was on food, 28.48 per cent on fertilisers, 11.83 per cent on petroleum and 12.36 per cent on other subsidies.

Chart 1.6: Components of explicit subsidies



Receivables shown in the financial statements of the Corporations and Central Public Sector Undertakings working in the sectors of food, fertilisers and petroleum were correlated with the subsidy reimbursements made by the Union Government in the absence of complete information from the Ministries concerned. The accounts/records of Fertiliser and Chemicals Travancore Ltd (FACT), Brahmaputra Valley Fertilisers Corporation (BVFCL), National Fertilisers Ltd. (NFL), Rashtriya Chemical & Fertilizer (RCF) Ltd., Department of Food and Public Distribution, Ministry of Consumer Affairs and Ministry of Petroleum and Natural Gas (MoPNG) were examined and correlated in audit.

This examination brought out that an amount of ₹ 1,03,331.52 crore of subsidy claims (₹ 92,254.48 crore to FCI, ₹ 71,74.26 crore to Petroleum and ₹ 3902.78 crore to undertakings in the fertiliser sectors) have not been paid by the Union Government during financial year 2016-17 as depicted in **Annexure 1.1**. While arriving at the figure of ₹ 1,03,331.52 crore, claims submitted to the Government during the last quarter of 2016-17 have been excluded. Had these claims of three quarters been paid during the financial year, the total expenditure on subsidies would have been higher by ₹ 1,03,331.52 crore. Taking into account this figure, the expenditure on subsidies would have been 2.21 *per cent* of GDP in 2016-17, as against 1.53 *per cent* in 2016-17. Further, if outstanding subsidy claims are considered in totality including the past unpaid claims, but excluding the 4th quarter claims amounting to ₹ 1,87,863.42 crore, then the total subsidy expenditure would have been ₹ 4,20,665 crore in 2016-17, which works out to 2.77 *per cent* of GDP.

1.3.3 Capital Expenditure

Table 1.22 presents the summary of capital expenditure, which results in asset creation or enhancing the utility of existing assets of Union Government and annual rate of growth for the period of 2012-13 to 2016-17.

Table 1.22: Sectoral components of Capital Expenditure

(₹ in crore)

Period	2012-13	2013-14	2014-15	2015-16	2016-17
General Services	79479 (4.33)	88063 (10.80)	90185 (2.41)	91727 (1.71)	99380 (8.34)
Defence Services	70499 (3.82)	79125 (12.24)	81887 (3.49)	79958 (-2.36)	86371 (8.02)
Police	6123 (10.85)	6417 (4.80)	6035 (-5.95)	9177 (52.06)	8949 (-2.48)
Public Works	1270 (13.74)	1431 (12.66)	1076 (-24.78)	1001 (-6.97)	1501 (49.95)
Others	1587 (-3.00)	1090 (-31.32)	1187 (8.90)	1591 (34.04)	2559 (60.84)
Social Services	5102 (11.32)	3813 (-25.26)	4875 (27.85)	5407 (10.91)	5315 (-1.70)
Water Supply, Sanitation, Housing and Urban Development	3100 (14.86)	1909 (-38.42)	2880 (50.86)	3496 (21.39)	2780 (-20.48)
Health and Family Welfare	1353 (18.58)	1280 (-5.40)	938 (-26.72)	1025 (9.28)	1384 (35.02)
Others	649 (-0.13)	624 (-3.86)	1057 (69.40)	886 (-16.18)	1151 (29.91)
Economic Services	65801 (12.09)	76968 (16.97)	77025 (0.07)	181732 (135.94)	144777 (-20.33)
Transport	36361 (18.34)	48708 (33.96)	53154 (9.13)	68854 (29.54)	92446 (34.26)
Industries and Minerals	2305 (-11.31)	3230 (40.13)	4013 (24.26)	3634 (-9.44)	4140 (13.92)
Science, Technology and Environment	2438 (12.86)	3080 (26.33)	3188 (3.53)	4040 (26.73)	5230 (29.46)
Energy	1083 (-60.79)	733 (-32.36)	945 (28.92)	2105 (122.75)	4673 (122.00)
Others	23614 (15.43)	21217 (-10.15)	15725 (-25.89)	103099 (555.64)	38288 (-62.86)
Total	150382 (7.83)	168844 (12.28)	172085 (1.92)	278866 (62.05)	249472 (-10.54)

Figures in parentheses indicate growth in percentage.

Capital expenditure decreased by ₹ 29,394 crore and recorded a negative growth of 10.54 per cent over the previous year and stood at ₹ 2,49,472 crore in 2016-17. As a result of this, the share of capital expenditure in total expenditure has declined from 13.24 per cent in 2015-16 to 11.12 per cent in 2016-17 (Table 1.13).

Capital expenditure on Economic Services witnessed a negative growth of 20.33 per cent in 2016-17 as against the growth of 135.94 per cent in 2015-16. The

substantial fall was mainly attributable to ‘Others’ sector of Economic Services where capital expenditure declined by ₹ 64,811 crore (- 62.86 *per cent*) over the previous year.

Under General Services, Capital Expenditure under ‘Others’ has registered substantial growth of 60.84 *per cent* over the previous year.

1.3.3.1 Expenditure as percentage of GDP (Revenue + Capital)

Expenditure on Social and Economic Services relative to GDP indicates the priorities assigned to these sectors. Expenditure of the Union Government on Social and Economic Services together averaged 6.30 *per cent* of GDP during 2012-13 to 2016-17.

Table 1.23: Major components of expenditure as percentage of GDP

Period	Transport	Agriculture and Allied Services	Industries and Minerals	Education, Sports, Art and Culture	Health and Family Welfare	Water Supply, Sanitation, Housing and Urban Development
2012-13	1.96	1.56	0.37	0.63	0.21	0.26
2013-14	1.99	1.43	0.39	0.61	0.21	0.26
2014-15	1.96	1.37	0.46	0.25	0.10	0.04
2015-16	1.98	1.48	0.42	0.24	0.10	0.06
2016-17	1.91	1.10	0.52	0.25	0.12	0.11

Table 1.23 depicts that the share of expenditure on Social Services (*viz.* Education, Sports, Art and Culture, Medical and Public Health and Water Supply, Sanitation, Housing and Urban Development) to GDP have reduced from 1.10 *per cent* during 2012-13 to 0.48 *per cent* during 2016-17. Share of expenditure on Economic Services (*viz.* Agriculture, Transport and Industries) decreased from 3.89 *per cent* in 2012-13 to 3.53 *per cent* in 2016-17.

1.3.4 Transfer and Assistance to States/Union Territories

Under the cooperative federalism practised in India, financial resources are transferred from Union Government to the State/Union Territory Governments in the form of share in the net proceeds of the Union tax revenues under Article 270, and grants-in-aid and loans to the State and Union Territory Governments under Articles 273, 275 and 293 of the Constitution.

The Fourteenth Finance Commission (FFC) has viewed that tax devolution should be the primary route of transfer of resources to States. In reckoning the requirements of the States, the FFC, ignoring the plan and non-plan distinction, had perceived enhanced devolution of the divisible pool of taxes from 32 *per cent* to 42 *per cent* as a ‘compositional shift in transfers from grants to tax devolution’.

Financial year 2016-17 is the second year encompassing the five year (2015-16 to 2019-20) award period of FFC. **Table 1.24** below analyses the transfer of resources

to the State/Union Territory Governments from the Union Government during 2012-13 to 2016-17.

Table 1.24: Transfer and Assistance to States/UTs

(₹ in crore)

Sl. No.	Transfer to States/UTs	2012-13	2013-14	2014-15	2015-16	2016-17	Variation (%) of transfer vis-a-vis 2015-16
1.	Taxes and duties assigned to States						
1.1	Corporation Tax	104964	107296	118235	159742	195439	22.35
1.2	Income Tax	62840	70651	84431	110933	135831	22.44
1.3	Customs	48558	52054	54759	81248	84070	3.47
1.4	Excise	33000	36764	30920	67717	96001	41.77
1.5	Service Tax	42007	51170	49141	86138	96209	11.69
1.6	Other Taxes	178	295	322	415	450	8.43
	Total of Taxes and duties assigned to States (1)	291547	318230	337808	506193	608000	20.11
2.	Other Assistance to States/UTs						
2.1	Grants ⁶	177708	194119	333040	311196	285876	-8.14
2.2	Loans	14059	11090	12012	12576	17841	41.87
	Total (2)	191767	205209	345052	323772	303717	-6.19
	Total Transfer (1+2)	483314	523439	682860	829965	911717	9.85
3.	% of Total Transfer to Gross Tax revenue	40.63	45.96	54.84	57.01	53.13	-
4.	% of Total Transfer to Total Expenditure	30.15	29.49	35.77	39.42	40.66	-

From **Table 1.24** above, it would be seen that the total transfer to States/UTs have increased by 20.11 *per cent* in 2016-17 as compared to 2015-16. However, the Central transfer in form of Grant-in-aid to States/UTs Government has slipped by 8.14 *per cent*. The total transfer and assistance to States/UTs in the form of share in taxes, grants and loans increased by 9.85 *per cent* in 2016-17, as against the increase of 21.54 *per cent* in 2015-16.

The transfer to States in the form of share in central tax revenues as shown in Union Government Finance Accounts 2016-17 is subject to final ascertainment and certification under Article 279(1).

1.3.5 Major flagship programmes of the Government

The Union Government has been targeting key development priorities through flagship programmes. In July 2013, the Government reviewed the existing 137 Centrally Sponsored Schemes and restructured them into 66 Schemes, including 17 flagship programmes. Of the 17 flagship programmes, six major programmes have been analysed in **Table 1.25** below.

⁶ As per Appendix to Statement No 9 of Finance Accounts ₹ 3,04,745 crore were released in 2016-17 as GIA to State/UT Governments. However, the expenditure booked under Major Head 3601 and 3602 was ₹ 2,85,876 crore in 2016-17.

Expenditure on the six flagship schemes was more than the BE figures by 0.26 per cent in 2015-16 and 6.25 per cent in 2016-17. In 2016-17, actual expenditure on these flagship schemes was lower compared with the budgetary targets except in MGNREGS and IAY.

Table 1.25: Plan Expenditure on Major Flagship Programmes

(₹ in crore)

		MGNREGS	SSA	MDM	NRHM	IAY	PMGSY	Total
2012-13	BE	33000	24243	11643	22799	11075	24000	126760
	Actuals	30274	23873	10849	18661	7869	8884	100410
	Variation over BE (in per cent)	(-8.26)	(-1.53)	(-6.82)	(-18.15)	(-28.95)	(-62.98)	(-20.79)
2013-14	BE	33000	26358	12879	23148	15184	21700	132269
	Actuals	32993	24802	10918	19385	12982	9805	110885
	Variation over BE (in per cent)	(-0.02)	(-5.90)	(-15.23)	(-16.26)	(-14.50)	(-54.82)	(-16.17)
2014-15	provision	34000	27349	12828	10254	16000	9852	110283
	Actuals	32977	24068	10523	8468	11106	10738	97880
	Variation over BE (in per cent)	(-3.01)	(-12.00)	(-17.97)	(-17.42)	(-30.59)	8.99	(-11.25)
2015-16	BE	35721	21295	8964	8219	10025	14048	98272
	Actuals	36269	21613	9145	7984	10116	13400	98527
	Variation over BE* (in per cent)	1.53	1.49	2.02	(-2.86)	0.91	(-4.61)	0.26
2016-17	BE	38500	22500	9580	13437	15000	19000	118017
	Actuals	48215	21685	9475	12025	16071	17923	125394
	Variation over BE (in per cent)	25.23	(-3.62)	(-1.10)	(-10.51)	7.14	(-5.67)	6.25

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

1.3.6 Analysis of Outcome Budget and Gender Budgeting

(i) Analysis of select Outcome Budgets

1. Introduction

The Outcome Budget seeks to convert Outlays into Outcomes by planning expenditure and fixing appropriate targets and quantifying deliverables under each scheme. It defines the physical output of financial budget indicating the actual physical performance for the previous years and targeted performance of the Ministry during the current year.

Outcome Budgets for the years 2013-14 to 2016-17 of three Ministries i.e., Ministry of Drinking Water and Sanitation, Ministry of New and Renewable Energy and Ministry of Urban Development were selected for examination in

audit. Analysis of financial outlay and achievement of physical targets of two schemes of each Ministry was carried out as detailed below.

2. Financial outlay

(a) Ministry of Drinking Water and Sanitation

The financial outlay of the two schemes (a) National Rural Drinking Water Programme (NRDWP) and (b) Swachh Bharat Mission (Gramin) for the period 2013-14 to 2016-17 is detailed in the **Table 1.26** below.

Table 1.26: Financial outlay of NRDWP and SBM (G)

(₹ in crore)

Year	NRDWP				SBM(G)			Variation over BE
	Financial Outlays			Variation over BE	Financial Outlays			
	BE	RE	Actual		BE	RE	Actual	
2013-14	11000	9700	9697.27	(-) 1302.73 (11.82)	4098	2299	2250.32	(-) 1847.68 (45.09)
2014-15	11000	9250	9242.76	(-) 1757.24 (15.91)	4260	2850	2840.99	(-) 1419.01 (33.31)
2015-16	2611	4373	4369.55	(+) 1758.55 (67.48)	2625	6525	6524.52	(+) 3899.52 (148.55)
2016-17	5000	6000	5982.16	(+) 1302.73 (20.00)	9000	10500	10509.03	(+) 1509.03 (16.77)

Figures in parentheses indicate variation in percentage.

In NRDWP, actual expenditure was 12 per cent and 16 per cent less than BE during 2013-14 and 2014-15 respectively. It was more than BE by 67 per cent and 20 per cent during the years 2015-16 and 2016-17 respectively due to the reduction in the BE itself compared with the previous year. In SBM (G) too, the same expenditure pattern was followed as it was less than BE during 2013-14 and 2014-15 by 45 per cent and 33 per cent respectively. In the years 2015-16 and 2016-17, it was more by 149 per cent and 17 per cent over the BE respectively.

b) Ministry of New and Renewable Energy

The financial outlay of the two schemes (a) Small Hydro Power (SHP) and (b) Bagasse Cogeneration and Biomass Power (BCBP) for the period 2013-14 to 2016-17 is detailed in **Table 1.27** below.

Table 1.27: Financial outlay of the SHP and BCBP*(₹ in crore)*

Year	SHP				BCBP			
	Financial Outlays			Variation	Financial Outlays			Variation
	BE	RE	Actual		BE	RE	Actual	
2013-14	134.5	123.18	122.82	(-) 11.68 (8.68)	84	34.54	34.53	(-) 49.47 (58.89)
2014-15	100	108	107.99	(+) 7.99 (7.99)	52.25	25	25	(-) 27.25 (52.15)
2015-16	100	105	104.99	(+) 4.99 (4.99)	45	29	28.03	(-) 16.97 (37.71)
2016-17	112	125	124.70	(+) 12.70 (11.34)	30	17	10.29	(-) 19.71 (65.70)

Figures in parentheses indicate variation in percentage.

In SHP, no major variation in actual expenditure over BE was found. In case of BCBP, the actual expenditure remained considerably low in comparison to BE during the years 2013-14 to 2016-17.

(c) Ministry of Urban Development

The financial outlay of the two schemes (a) Heritage City Development and Augmentation Yojana (HRIDAY) and (b) Urban Infrastructure Development Scheme in Satellite Towns around seven mega cities (UIDSST) for the period 2013-14 to 2016-17 is detailed in the **Table 1.28** below.

Table No 1.28: Financial Outlay of HRIDAY & UIDSST*(₹ in crore)*

Year	HRIDAY				UIDSST			
	Financial Outlays			Variation	Financial Outlays			Variation
	BE	RE	Actual		BE	RE	Actual	
2013-14	NA	NA	NA	NA	78	70	69.03	(-) 8.97 (11.50)
2014-15	200	200	0.87	(-) 199.13 (99.57)	100	82	82.00	(-) 18 (18.00)
2015-16	200	200	27.26	(-) 172.74 (86.37)	100	70	70.00	(-) 30 (30.00)
2016-17	200	150	141.57	(-) 58.43 (29.22)	70	70	57.00	(-) 13 (18.57)
Total	600	550	169.70		348	292	278.03	

Figures in parentheses indicate variation in percentage.

For the year 2013-14, figures of BE and actual expenditure was not available for HRIDAY as the scheme was launched in January 2015. The scheme, during the years 2014-15 to 2016-17, has total expenditure of ₹ 169.70 crore against BE of ₹ 600 crore. In case of UIDSST, the actual expenditure remained between ₹ 57 crore and ₹ 82 crore during 2013-14 to 2016-17. The shortfall of actual expenditure to BE remained in the range of 12 per cent to 30 per cent during this period

3 Physical targets and achievement

(a) Ministry of Drinking Water and Sanitation-

(i) NRDWP

The physical targets and achievements of the two schemes viz., (a) National Rural Drinking Water Programme (NRDWP) and (b) Swachh Bharat Mission (Gramin) (SBM-G) for the period 2013-14 to 2016-17 is detailed in the **Table 1.29** and **Table 1.30** respectively.

Table 1.29: Physical targets and achievements of NRDWP

Year	NRDWP			
	Sub Schemes	Target	Achievements	Shortfall
2013-14	To provide for safe water in quality affected habitations	22000	16,649	5,351 (24.32)
	To provide safe water in habitations partially covered	75000	1,36,774	Achieved
2014-15	To provide for safe water in quality affected habitations	20000	15,588	4,412 (22.06)
	To provide safe water in habitations partially covered	75000	1,20,529	Achieved
2015-16	To provide safe water in rural area	56941	8,841	48,100 (84.47)
2016-17	To provide for safe water in quality affected habitations	54000	29,482	24518 (45.40)
	To provide safe water in habitations partially covered	8000	5,415	2585 (32.31)

Figures in parentheses indicate variation in percentage.

Targets for providing safe water in partially covered habitations were achieved only in the years 2013-14 and 2014-15, while the target for providing safe water in quality affected habitations was not achieved in any of the years. For the year 2015-16, the specific target for providing safe water in quality affected habitations and partially covered habitations were not fixed.

(ii) SBM (G)

Table 1.30: Physical targets and achievements of SBM (G)

Year	SBM (G)			
	Sub Schemes	Target	Achievements	Shortfall
2013-14	Household Toilet	6000000	4962000	1038000 (17.30)
	School Toilet	70000	37645	32355 (46.22)
2014-15	Household Toilet	5000000	5884000	Achieved
	School Toilet	30000	25267	4733 (15.78)
2015-16	Household Toilet	5000000	12664000	Achieved
	School Toilet	1500	1899	Achieved
2016-17	Household Toilet	15000000	21957000	Achieved
	School Toilet	1500	2911	Achieved

Figures in parentheses indicate variation in percentage.

In SBM (G), targets to provide the toilets in households and schools were achieved in the years 2015-16 and 2016-17.

(b) Ministry of New and Renewable Energy

The physical targets and achievements of the two schemes viz., (a) Small Hydro Power (SHP) and (b) Bagasse Cogeneration and Biomass Power (BCBP) for the period 2013-14 to 2016-17 is detailed in the **Table 1.31** below.

Table 1.31: Physical targets and achievements of SHP and BCBP

	SHP (in megawatt)			BCBP (in megawatt)		
	Targets	Achievement	Shortfall	Targets	Achievement	Shortfall
2013-14	300	171	129 (43.00)	405	NA	NA
2014-15	250	252	achieved	400	295.67	104.33 (26.08)
2015-16	250	219	31 (12.40)	400	304.85	95.15 (23.79)
2016-17	250	106	144 (57.60)	400	161.95	238.05 (59.51)

Figures in parentheses indicate variation in percentage.

Target for generating power under SHP project was achieved only in the year 2014-15.

In BCBP there was a shortfall in achieving the targets ranging from 24 *per cent* to 60 *per cent* during the period 2014-15 to 2016-17.

(c) Ministry of Urban Development

Ministry of Urban Development had not explicitly set annual physical targets in its Outcome Budget for the years 2013-14 to 2016-17.

(ii) Gender Budgeting

Gender budgeting was introduced in 2005-06. Gender Budget of the Union Government discloses expenditure proposed to be incurred within the overall budget on schemes which are designed to benefit women fully or partially. Schemes relating to gender budget were bifurcated in two categories viz. Part-A, schemes in which 100 *per cent* budget provisions were related to women and Part-B, schemes in which at least 30 *per cent* of budget provisions were related to women. Year-wise BE, RE and percentage of variation between BE and RE for the years from 2012-13 to 2016-17 are given in **Table 1.32** below.

Table 1.32: Gender budgetary allocations during 2012-17

Year	B E			R E			₹ in Crore	
	Part A	Part B	Total	Part A	Part B	Total	Variation (Diff in BE & RE)	% of variation
2012-13	22968.93	65173.87	88142.80	18878.48	59232.96	78111.44	(-)10031.36	(-)11.38
2013-14	27248.19	69885.51	97133.70	24285.11	61210.31	85495.42	(-) 11638.28	(-)11.98
2014-15	21887.61	75856.63	97744.24	17424.88	64168.04	81592.92	(-)16151.32	(-)16.52
2015-16	16657.11	62600.76	79257.87	11388.41	69860.71	81249.12	(+) 1991.25	(+)2.51
2016-17	19398.66	71371.14	90769.80	21179.12	75152.71	96331.83	(+)5562.03	(+) 6.13

(Source: Expenditure Profile 2017-18)

Table 1.32 shows that there was variation ranging from -16.52 per cent to 2.51 per cent in RE as compared to BE during 2012-13 to 2016-17 under the schemes designed to benefit women. In BE 2016-17, 27 Ministries/Departments/ Union Territory Governments have made allocations for gender budget. During 2012-13 to 2014-15, expenditure at RE stage was less than that of BE. However, RE was higher compared with BE during 2015-16 and 2016-17 (**Table 1.32 above**).

Out of total allocation at RE stage in Part A scheme amounting to ₹ 21,179.12 crore for the year 2016-17, ₹ 16,000 crore (76 per cent) was pertaining to only one scheme, i.e. Pradhan Mantri Awaas Yojana, against which the actual expenditure was ₹ 16,071 crore.

Out of 80 schemes of Part A, in 30 schemes, the amount budgeted for was less than rupees one crore.

Under Nirbhaya scheme in Part A, there was an allocation of ₹ 403.40 crore in BE for the financial year 2016-17 which increased to ₹ 592.89 crore in RE in functional heads. For Nirbhaya Fund at RE stage, ₹ 550 crore was budgeted for transfer to the fund and ₹ 1,135 crore was planned to be incurred on various schemes of women welfare from the fund. Against this, the actual expenditure under this scheme was ₹ 1,171.60 crore.

1.3.7 Welfare Schemes for Scheduled Castes, Scheduled Tribes, Children and North Eastern Region

Government had taken the initiative to make separate allocations for the development of Scheduled Castes (SCs) and Scheduled Tribes (STs) from the financial year 2011-12 with instructions to the Ministries/Departments not to re-appropriate the provisions, except to the same Minor Heads.

Further, for children below 18 years old, Government is committed to their development and welfare and made provisions meant specifically for their welfare. For the development of NER, special provision had been made in the budget.

Table 1.33 depicts schemes for development/welfare of SCs and STs, Welfare of Children and for North Eastern Region (NER).

Table 1.33: Development and Welfare schemes in 2016-17

Sl. No.	Schemes	No. of sub-schemes	No. of Ministries	BE	RE	% Variation over BE
				₹ in crore		
1.	Welfare of SCs	256	28	38832.63	40919.70	5.37
2.	Welfare of STs	261	36	24005.39	25602.08	6.65
3.	Welfare of Children	84	22	65758.45	66248.62	0.75
4.	NER	1	55	29124.79	32180.08	10.49

Although there was no major variation at RE stage in all the schemes put together, it was noticed that in 22 schemes for SCs and 19 schemes for STs, the amount was reduced ranging from 50 to 100 per cent at RE stage in contravention of instructions given to the Ministries/Departments.

Further, out of total 256 and 261 schemes for welfare of SCs and STs, there were no budget allocation in 36 and 42 sub-schemes respectively at BE stage during 2016-17.

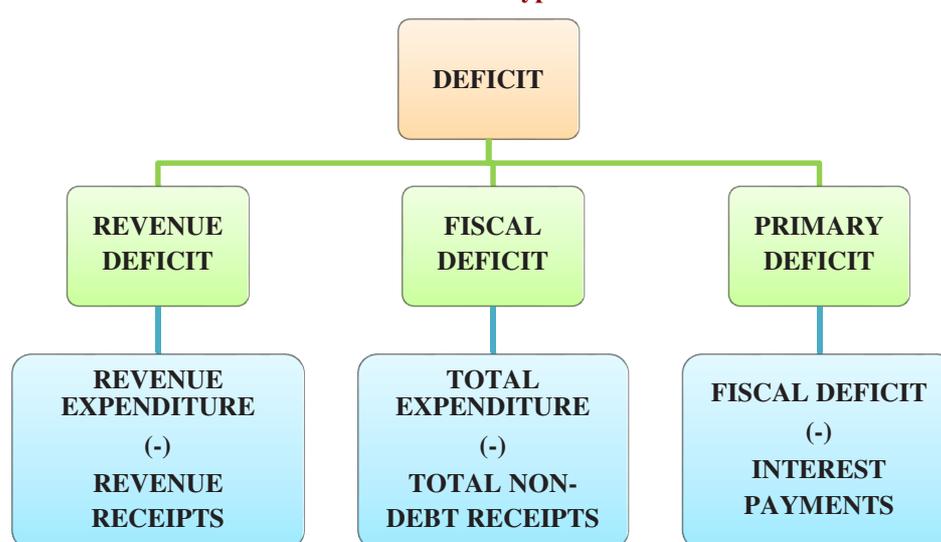
Similarly, out of total 84 schemes for welfare of children, variations in four schemes from BE to RE was ranging from (-) 89 per cent to 50 per cent.

Out of total 55 schemes for development of NER there were variations in eight schemes from BE to RE ranging from (-) 14 per cent to 108 per cent.

1.4 Deficits

Generally three types of deficits (**Box 1.3**) are used to assess the financial position of a Government, which are (i) Revenue Deficit, (ii) Fiscal Deficit and (iii) Primary Deficit.

Box 1.3: Types of Deficits



(a) Revenue Deficit

Revenue deficit represents the difference between revenue expenditure and revenue receipts. It leads to increase in borrowings without corresponding

capital/asset formation and thus create an asset liability mismatch. For these reasons, revenue deficit is generally considered less desirable.

Table 1.34 indicates that the revenue deficit decreased from ₹ 3,43,369 crore in 2015-16 to ₹ 3,17,030 crore in 2016-17. As percentage of GDP, revenue deficit declined from 2.51 *per cent* in 2015-16 to 2.09 *per cent* in 2016-17.

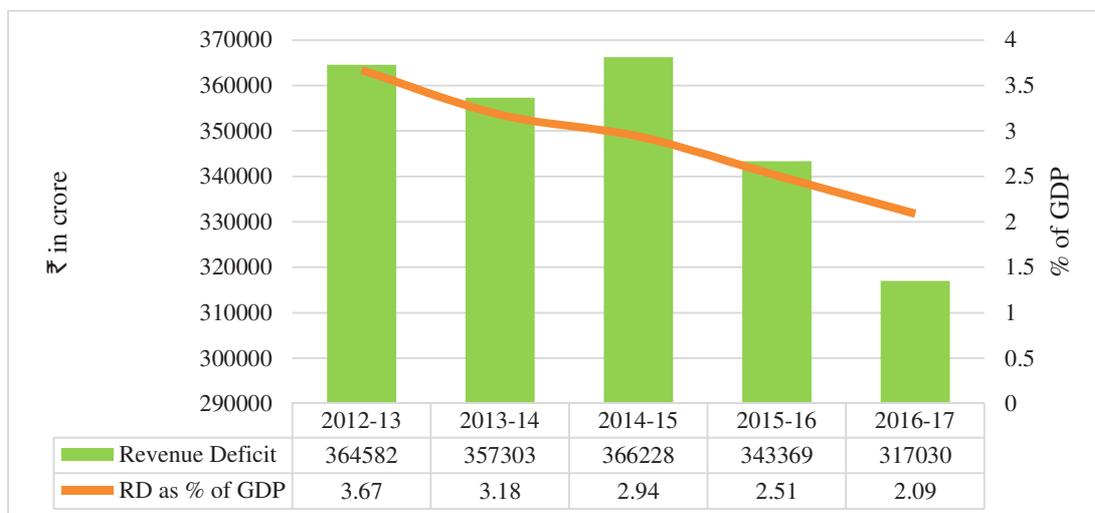
Table 1.34: Revenue deficit

(In per cent)

Period	Revenue Receipt	Revenue Expenditure	Revenue Deficit	Revenue Deficit as percentage of		
	<i>(₹ in crore)</i>			Revenue Receipt	Revenue Expenditure	GDP
2012-13	1055891	1420473	364582	34.53	25.67	3.67
2013-14	1217794	1575097	357303	29.34	22.68	3.18
2014-15	1328909	1695137	366228	27.56	21.60	2.94
2015-16	1436160	1779529	343369	23.91	19.30	2.51
2016-17	1615988	1933018	317030	19.62	16.40	2.09

Revenue deficit is illustrated graphically in the **Chart 1.7**.

Chart 1.7 Revenue deficit and its percentage of GDP



(b) Fiscal Deficit

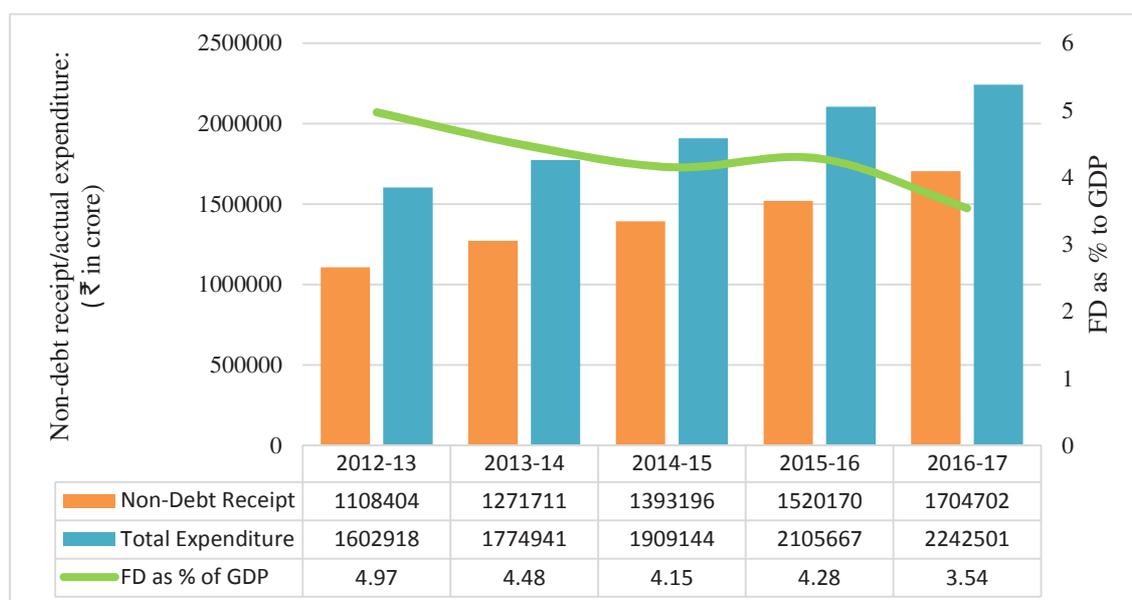
Fiscal deficit is the excess of total expenditure over non-debt receipts. It also indicates the required borrowing of the Government and the increment to its outstanding debt. It normally represents the net incremental liabilities of the Government or its additional borrowings made to bridge the budgetary gap between revenue and expenditure. The shortfall is met either by additional public debt (internal or external) borrowings or by the use of surplus funds from the Public Account as detailed in **Table 1.35**.

Table 1.35: Fiscal Deficit

Period	Non-Debt Receipts	Total expenditure	Fiscal Deficit	Fiscal Deficit as percentage of		
				Non-Debt Receipts	Total Expenditure	GDP
2012-13	1108404	1602918	494514	44.61	30.85	4.97
2013-14	1271711	1774941	503230	39.57	28.35	4.48
2014-15	1393196	1909144	515948	37.03	27.03	4.15
2015-16	1520170	2105667	585497	38.52	27.81	4.28
2016-17	1704702	2242501	537799	31.55	23.98	3.54

Table 1.35 indicates that fiscal deficit decreased from ₹ 5,85,497 crore in 2015-16 to ₹ 5,37,799 crore in 2016-17. As percentage to GDP, fiscal deficit was 3.54 *per cent* in 2016-17, as compared to 4.28 *per cent* in 2015-16.

Fiscal deficit is illustrated graphically in the **Chart 1.8**.

Chart 1.8 Fiscal Deficit and its Parameters


If the bulk of fiscal deficit is for sustaining capital expenditure or for providing financial accommodation to entities for capital formation, such deficits may be considered desirable up to a certain point.

Table 1.36: Share of Components of Fiscal Deficit

Period	(In per cent)		
	Revenue Deficit	Net Capital Expenditure	Net Loans and Advances
2012-13	73.73	25.17	1.10
2013-14	71.00	27.72	1.28
2014-15	70.98	26.04	2.98
2015-16	58.65	40.43	0.92
2016-17	58.95	37.51	3.54

As can be seen from **Table 1.36**, the bulk of the fiscal deficit was towards financing the revenue deficit. Out of the fiscal deficit of ₹ 5,37,799 crore, ₹ 3,17,030 crore (58.95 per cent) was on revenue account, which represents revenue deficit in 2016-17. Remaining share of fiscal deficit was on capital account. The share of revenue deficit increased marginally from 58.65 per cent in 2015-16 to 58.95 per cent in 2016-17. This was due to decrease in the share of net capital expenditure which decreased to 37.51 per cent in 2016-17 from 40.43 per cent in 2015-16. However, the share of net loans and advances rose to 3.54 per cent in 2016-17 in comparison to the 0.92 per cent in 2015-16.

Table 1.37 presents the source of financing the fiscal deficit of the Union Government.

Table 1.37: Sources of financing of Fiscal Deficit

(₹ in crore)

Year	Internal debt (Net)		External debt (Net)		Public Account (Net)		Cash draw down		Fiscal Deficit
	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	
2012-13	533944	107.97	7201	1.46	4380	0.89	-51011	-10.32	494514
2013-14	476383	94.67	7292	1.45	38721	7.69	-19166	-3.81	503230
2014-15	497564	96.44	12933	2.51	-72393	-14.03	77844	15.09	515948
2015-16	566544	96.76	12748	2.18	-6965	-1.19	13170	2.25	585497
2016-17	437317	81.32	17997	3.35	91381	16.99	-8896	-1.65	537799

As is evident from the table, fiscal deficit is financed mainly from net internal debt. In 2016-17, external debt and the Public Account were also used to improve the fiscal mismatch position of the Union Government.

(c) Primary Deficit

Primary deficit is measured by subtracting the interest payments from fiscal deficit. It is a measure of current year's fiscal operation after excluding the interest payments that had arisen due to borrowings undertaken in the past. The primary deficit as a percentage of GDP gradually declined from 1.65 per cent in 2012-13 to 0.22 per cent in 2016-17 as shown in **Table 1.38**. However, it was higher (0.94 per cent) in 2015-16 as compared to 2014-15.

Table 1.38: Primary Deficit

(₹ in crore)

Year	Fiscal Deficit	Total Interest Payments*	Primary Deficit	As per cent of GDP
2012-13	494514	330171	164343	1.65
2013-14	503230	395200	108030	0.96
2014-15	515948	425098	90850	0.73
2015-16	585497	457270	128227	0.94
2016-17	537799	504512	33287	0.22

*Includes expenditure on reduction or avoidance of debt.

1.5 Debt Management

While reliance on debt to balance the budget may not be entirely avoidable, the Union Government sets limits on borrowings through the Fiscal Responsibility and Budget Management (FRBM) Act, 2003. The FRBM Rules stipulate that the Central Government shall not assume additional liabilities (including external debt at current exchange rate) in excess of nine *per cent* of GDP for the financial year 2004-05 and in each subsequent financial year, the limit of nine *per cent* of GDP was to be progressively reduced by at least one percentage point of GDP. **Box 1.4** below depicts the ‘Fiscal liabilities of Government of India’.

Box 1.4: Fiscal liability

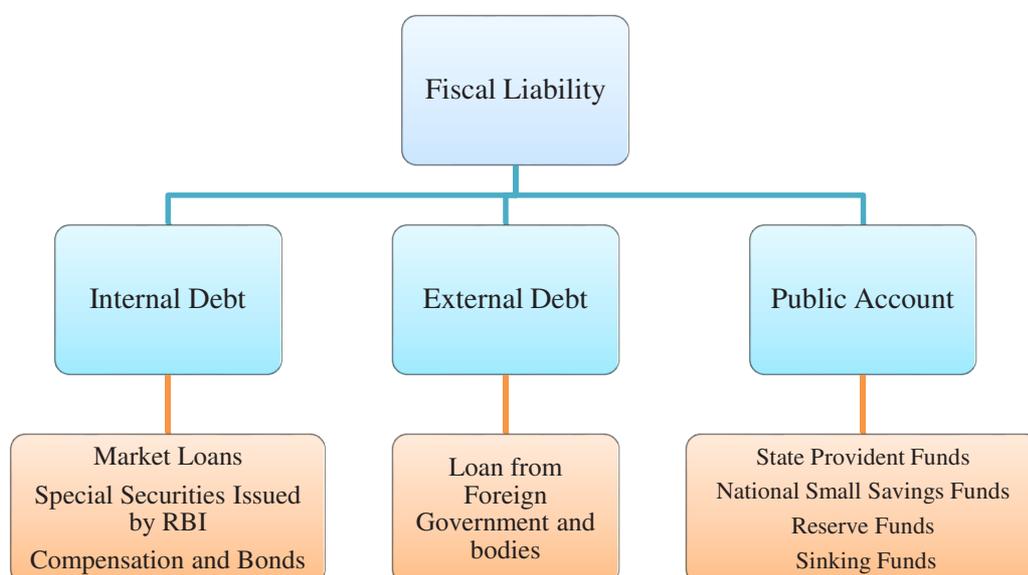


Table 1.39 presents the composition of internal debt, comprising of various instruments, viz. market loans, treasury bills, securities issued to international financial institutions, compensation and other bonds at the end of the respective financial years.

Table 1.39: Composition of Internal Debt

(₹ in crore)

Year	Market Loans	Treasury Bills	Securities issued to			Compensation and other bonds	Others	Total
			International financial institution	National Small Saving Fund	Postal Life Insurance			
2012-13	2984309 (79.27)	418185 (11.11)	32226 (0.86)	216806 (5.76)	20894 (0.56)	13823 (0.37)	78321 (2.07)	3764566 (100)
2013-14	3441641 (81.16)	425950 (10.04)	35181 (0.83)	229165 (5.40)	20894 (0.49)	13614 (0.32)	74322 (1.76)	4240767 (100)
2014-15	3891734	435129	46395	261391	20894	13426	69322	4738291

**Report of the CAG on
Union Government Accounts 2016-17**

Year	Market Loans	Treasury Bills	Securities issued to			Compensation and other bonds	Others	Total
			International financial institution	National Small Saving Fund	Postal Life Insurance			
	(82.13)	(9.18)	(0.98)	(5.52)	(0.44)	(0.28)	(1.47)	(100)
2015-16	4300102 (81.06)	485822 (9.16)	106726 (2.01)	313856 (5.92)	20894 (0.39)	11114 (0.21)	66321 (1.25)	5304835 (100)
2016-17	4649487 (80.98)	491372 (8.56)	108740 (1.89)	381291 (6.64)	20894 (0.36)	20325 (0.36)	69600 (1.21)	5741709 (100)

Figures in parentheses show percentage of total internal debt.

Market loans constitute more than 80 per cent of the internal debt. Treasury bills being the second largest mode of internal debt constitutes 8.56 per cent of the internal debt.

Table 1.40 presents the total fiscal liability of Government both at current rate of exchange and at the historical rate (the rate at which the debt was originally contracted).

Table 1.40: Total Fiscal Liability

(₹ in crore)

Period	Internal Debt of Union Government (1)	External Debt (at historical rate) (2)	Public Account Liabilities* (3)	Total liabilities (at historical rate) 4(1+2+3)	External Debt (at current rate) (5)	Total liabilities (at current rate) 6(1+3+5)
2012-13	3764566 (37.85)	177289 (1.78)	610016 (6.13)	4551871 (45.76)	332004 (3.34)	4706586 (47.32)
2013-14	4240767 (37.74)	184581 (1.64)	644060 (5.73)	5069408 (45.11)	374483 (3.33)	5259310 (46.81)
2014-15	4738291 (38.07)	197514 (1.59)	671010 (5.39)	5606815 (45.05)	366384 (2.94)	5775685 (46.41)
2015-16	5304835 (38.77)	210262 (1.54)	711608 (5.20)	6226705 (45.51)	406589 (2.97)	6423032 (46.95)
2016-17	5741709 (37.81)	228259 (1.50)	756448 (4.98)	6726416 (44.30)	408108 (2.69)	6906265 (45.48)

Note: Figures in parentheses 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 and some other instruments, as well as losses incurred in the National Small Savings Fund operations.

Total liability at current rate as percentage of GDP has shown a declining trend during 2012-17 except in 2015-16 during which it marginally increased by 0.54 percentage point and reached the level of 46.95 per cent. However, it declined and reached 45.48 per cent in 2016-17, the lowest ever level in the last five years. As on 31 March 2017, internal debt constituted 96.18 per cent of the total public debt (internal and external debt). However, reckoning the external debt at current rate of exchange, the ratio of internal debt constitutes 93.36 per cent of the public debt. The share of external debt is around than 3 per cent of total liabilities which

indicates that the liability would not be exposed to global volatilities. The level of debt stock in 2016-17 was 45.48 *per cent* of the GDP, which surpassed the level of 41.41 *per cent* recommended by the 14th Finance Commission (**Table 1.44**).

Table 1.41 brings out the position of the total fiscal liability taking into consideration both the netted as well as the actual figures of the Public Account Liabilities.

Table 1.41: Understatement of Total Fiscal Liability

(₹ in crore)

Period	Public Account Liabilities (as per netted figure)	Public Account Liabilities (Actual)	Understated amount (3-2)	Total netted Liabilities (at current rate)	Total Actual Liabilities (at current rate) (4+5)
1	2	3	4	5	6
2012-13	610016 (6.13)	1198214 (12.05)	588198	4706586 (47.32)	5294784 (53.23)
2013-14	644060 (5.73)	1268854 (11.29)	624794	5259310 (46.81)	5884104 (52.37)
2014-15	671010 (5.39)	1341220 (10.78)	670210	5775685 (46.41)	6445895 (51.79)
2015-16	711608 (5.20)	14,30,012 (10.45)	718404	6423032 (46.95)	7141436 (52.20)
2016-17	756448 (4.98)	1519728 (10.01)	763280	6906265 (45.48)	7669545 (50.51)

Note: Figures in parentheses show percentage of GDP.

As per the figures in the Finance Accounts, as on 31 March 2017, outstanding Public Account liabilities stood at ₹ 7,56,448 crore, (₹ 5,48,348 crore as Small Savings and Provident Fund and ₹ 2,08,100 crore as other obligations). This is due to Government excluding the liabilities of ₹ 7,63,280 crore that has been funded through investments from the obligation. However, taking into account the level of liability of Small Savings, Provident Funds, etc., of ₹ 13,11,628 crore and ₹ 2,08,100 crore as other obligations, Public Account Liability works out to ₹ 15,19,728 crore as brought out in column 3 of the **Table 1.41** in 2016-17 as against ₹ 14,30,012 crore in 2015-16. Accordingly, the total outstanding liability of the Union Government as on 31 March 2017, reckoning the external debt at current rate, stood at ₹ 76,69,545 crore, constituting 50.51 *per cent* of the GDP in 2016-17 as against ₹ 71,41,436 crore constituting 52.60 *per cent* of the GDP in 2015-16.

1.5.1 Repayment of Public Debt

During 2016-17, the Government paid a sum of ₹ 4,48,928 crore as interest on internal debt (Table 1.42). Over 82.55 per cent of interest paid on internal debt was interest on market loans (₹ 3,70,590 crore) bearing interest of varying rate. The interest paid on external debts was 5,144 crore. Nearly 91 per cent (₹ 4,701 crore) of interest on external debt was towards loans from only four entities, i.e. loans from the International Development Association (IDA), Government of Japan, International Bank for Reconstruction and Development (IBRD) and Asian Development Bank (ADB).

Table 1.42: Public Debt receipt and Repayment

(₹ in crore)

Year	Payment of internal debt		Payment of external debt		Total repayment of public debt	Total receipt of public debt	Total non-debt receipts
	Principal	Interest	Principal	Interest			
1	2	3	4	5	6 (2+3+4+5)	7	8
2012-13	3410785	281891	16108	4019	3712803	3968038	1108404
2013-14	3493167	344893	18124	3880	3860064	3994966	1271711
2014-15	3687099	371420	20601	3766	4082886	4218196	1393196
2015-16	3714352	405242	23305	3925	4146824	4316950	1520170
2016-17	5652628	448928	26195	5144	6132895	6134137	1704702

Total repayment of public debt was ₹ 61,32,895 crore in 2016-17 against the total non-debt receipt of ₹ 17,04,702 crore constituting more than 3.6 times of non-debt receipts. Further, the proportion of repayment of public debt to revenue receipts was 3.8 times in 2016-17.

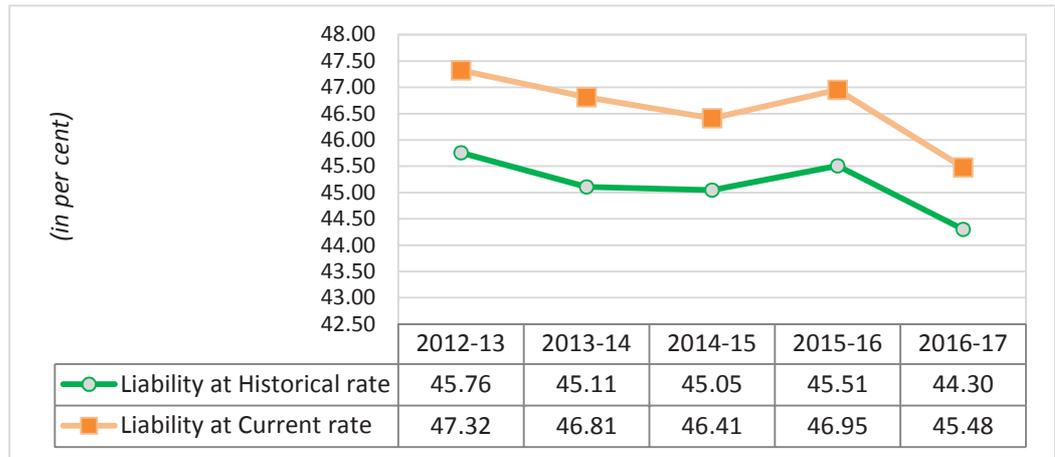
1.5.2 Debt Sustainability

Debt sustainability is generally measured in terms of level of debt, primary deficit and interest cost in relation to nominal GDP growth rate. A falling Debt/GDP ratio can be considered as leading towards stability. The ratio of interest payments to revenue receipts is also used to measure debt sustainability. In this section, assessment of the sustainability of total liability (public debt and other liabilities) has been made using trends observed in critical variables.

(a) Liability-GDP Ratio

The trend in the Liability-GDP ratio is an important indicator which signifies sustainability of the liability and is presented in Chart 1.9.

Chart 1.9: Trends in Liability –GDP ratio

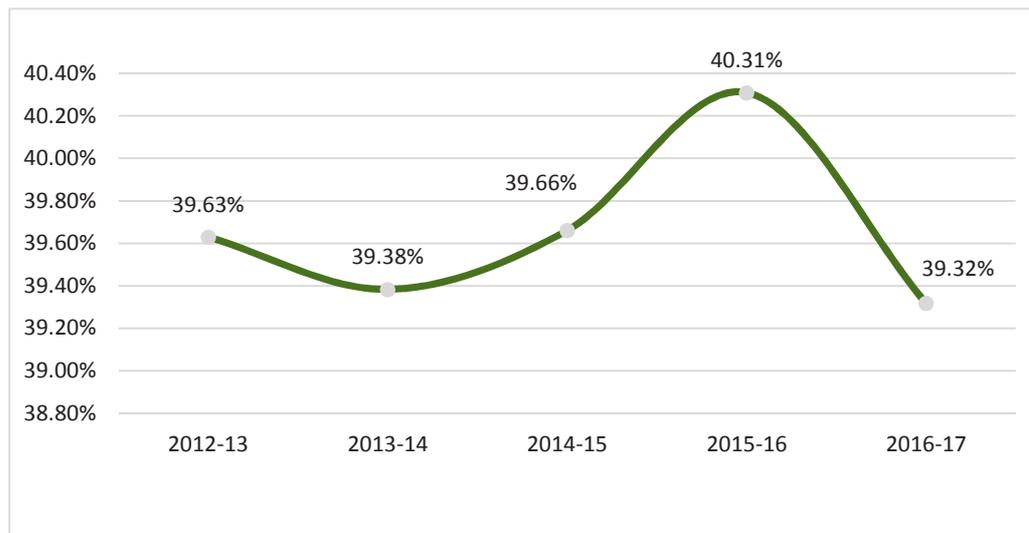


Union Government’s liability at current rate increased from ₹ 47,06,586 crore in 2012-13 to ₹ 69,06,265 crore in 2016-17. The Liability-GDP ratio decreased from 46.95 *per cent* in 2015-16 to 45.48 *per cent* in 2016-17. This analysis has not taken into account the understatement of liabilities in the Public Account as mentioned in **Table 1.40**, but for which the Liability-GDP ratio in 2016-17 would have been 50.51 *per cent*.

(b) Debt-GDP Ratio

The trend in the Debt-GDP ratio is an important indicator which signifies sustainability of the liability and is presented in **Chart 1.10**.

Chart 1.10: Trends in Debt–GDP ratio

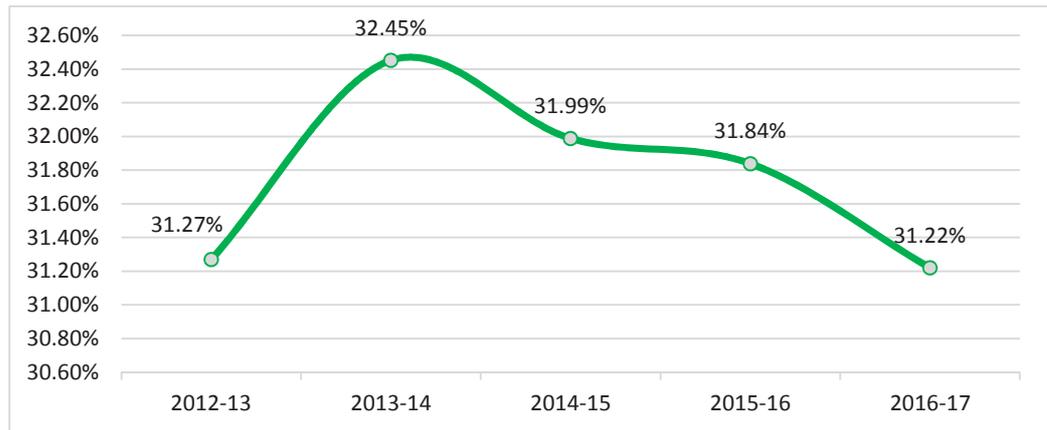


Union Government’s debt increased from ₹ 55,15,097 crore in 2015-16 to ₹ 59,69,968 crore in 2016-17 (**Tables 1.39 and 1.40**). However, the Debt-GDP ratio as percentage decreased from 40.31 *per cent* in 2015-16 to 39.32 *per cent* in 2016-17.

(c) Ratio of Interest Payments to Revenue Receipts

Interest cost of debt is another crucial indicator of the sustainability of the Government debt. The ratio of interest payment to revenue receipts (IP/RR) showed a declining trend for the Government from 2013-14 to 2016-17 (**Chart 1.11**).

Chart 1.11: Percentage of Interest Payments to Revenue Receipt



(d) Average Interest Cost

Average Interest Cost (AIC) is arrived at by dividing interest payments during a year with average debt stock⁷. A declining average interest cost augurs well for the stability of the government debt.

Chart 1.12: Average Interest Cost (AIC) and Nominal GDP growth

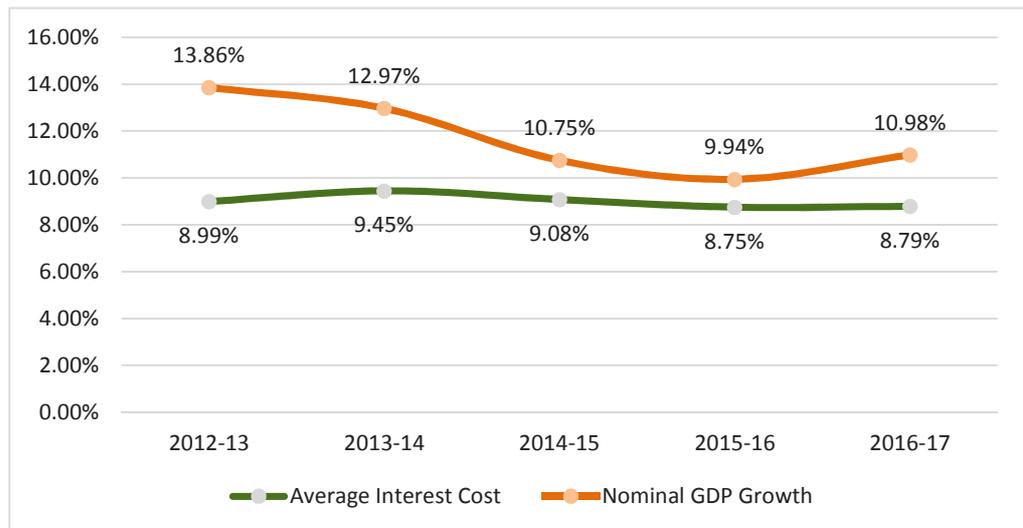


Chart 1.12 shows a downward movement in average interest cost from 2013-14 to 2015-16 which got reversed in 2016-17. It increased marginally from 8.75 per

⁷ Average debt stock is a simple average of outstanding debt at the beginning and at the end of the year.

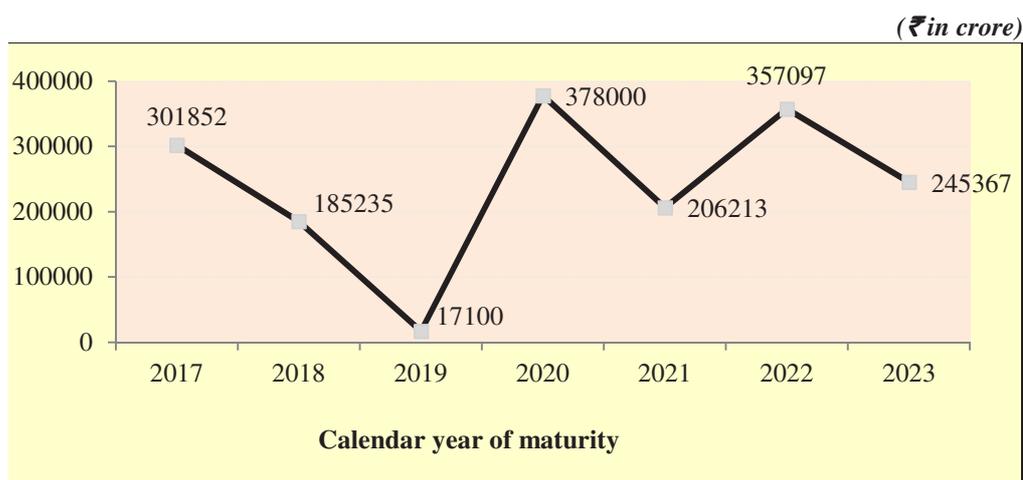
cent in 2015-16 to 8.79 per cent in 2016-17 as interest payment grew by 10.98 per cent in 2016-17 over previous year.

A comparison of AIC with nominal GDP growth rate reinforces the sustainability of public debt, as nominal growth rate in GDP has been above the average interest cost during 2012-17.

(e) Maturity Profile of Market Loans

Of the total outstanding liabilities of ₹ 69,06,265 crore in 2016-17, the internal debt accounted for ₹ 57,41,709 crore. Major component of internal debt is Market Loans which are dated securities and constitute ₹ 46,49,487 crore (80.98 per cent of internal debt). Maturity profile of market loans due for redemption within seven years is ₹ 16,90,864 crore (around 37 per cent of outstanding market loan) at the end of 2016-17 (**Chart 1.13**).

Chart 1.13: Maturity profile of Market Loans



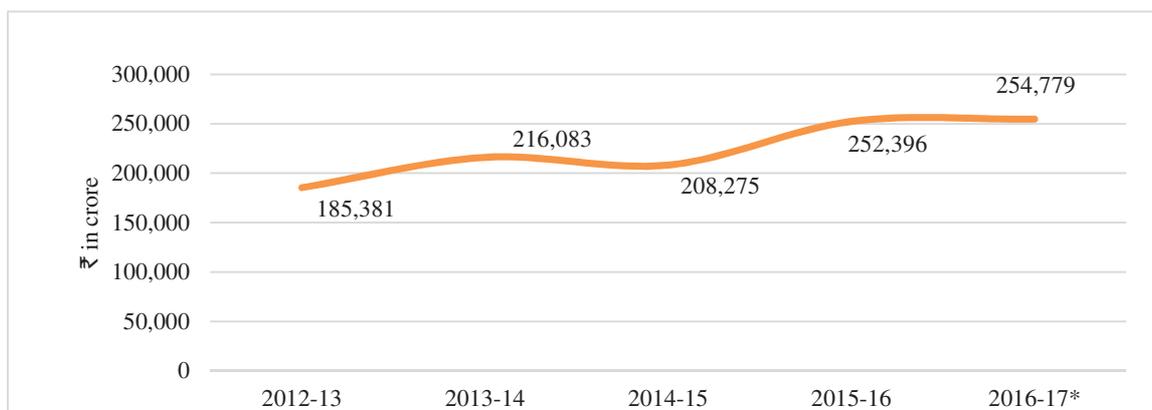
Source: Union Government finance Accounts for FY 2016-17

In the year 2016, the dated securities contracted with longest maturity tenor were of 39 years.

1.5.3 Unutilised committed external assistance

During 2016-17, the external debt at current exchange rate has been reported at ₹ 4,08,108 crore, while unutilized committed external assistance was to the tune of ₹ 2,54,779 crore as on 31 March 2017. Sector wise details obtained from the office of the Controller of Aid Accounts & Audit (CAAA) indicates that there were large undrawn balances of committed external assistance in the sectors of Urban Development (₹ 44,727 crore), Atomic Energy (₹ 30,916 crore), Power (₹ 19,696 crore), Railways (₹ 20,454 crore), Water Supply and Sanitation (₹ 25,111 crore), Water Resource Management (₹ 11,826 crore), Roads (₹ 36,895 crore) and Environment and Forestry (₹ 12,422 crore).

Chart 1.14: Unutilised committed external assistance



*Figures for the year 2016-17 is provisional. These have been provided by the CAAA.

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 1.43** indicates charges paid to the various Bodies/Governments during the five years period as commitment charges for rescheduling the drawal of assistance at later dates.

Table 1.43: Commitment Charges

(₹ in crore)

Year	Asian Development Bank	Japan	Germany	International Bank for Reconstruction & Development	Total
2012-13	47.62	25.67	7.43	12.23	92.95
2013-14	47.47	49.99	9.78	10.09	117.33
2014-15	49.21	46.11	8.47	6.74	110.53
2015-16	57.58	37.75	7.36	7.91	110.60
2016-17	60.39	35.30	9.17	16.95	121.81

The payment of commitment charges has been increasing since 2014-15 and reached its highest ever level of ₹ 121.81 crore in 2016-17. This points towards continued inadequate planning, resulting in avoidable expenditure on commitment charges.

1.5.4 Performance vis-a-vis recommendations of the 14th Finance Commission

The major fiscal aggregates of the Union Government during 2016-17, second year of award period compared with that outlined by the Fourteenth Finance Commission (14th FC), are tabulated in **Table 1.44**.

Table 1.44: Fiscal roadmap and Actual Performance

(Percentage of GDP)

Parameter	Recommended by the 14 th FC					Actual Performance as per Finance Accounts	
	2015-16	2016-17	2017-18	2018-19	2019-20	2015-16	2016-17
Revenue Deficit	2.56	2.25	1.79	1.36	0.93	2.51	2.09
Non-Debt Capital Receipts	0.61	0.65	0.70	0.76	0.82	0.61	0.58
Fiscal Deficit	3.60	3.00	3.00	3.00	3.00	4.28	3.54
Debt Stock (end of the year liabilities)	43.60	41.41	39.49	37.79	36.30	46.95	45.48

As can be seen from the above table, Revenue Deficit being 2.09 *per cent* of GDP remained below the target of 2.25 *per cent*. Fiscal Deficit (3.54 *per cent*) surpassed the target of three *per cent* of GDP in 2016-17. Debt Stock for the year 2016-17 was 45.48 *per cent* of GDP as against the target of 41.41 *per cent* of GDP.

1.6 Growth in Guarantees of the Union Government

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

Guarantees assume significance in the context of growing requirement of investments for infrastructure development and participation of the private sector in such projects. 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.

Guarantees are usually given to enable borrowings from international agencies or to enable PSUs to borrow money from the market. As stipulated in Rule 3(3) of the FRBM Rules, 2004, the Central Government shall not give guarantees aggregating to an amount exceeding 0.5 *per cent* of the GDP in any financial year beginning with the financial year 2004-05. Further in compliance to Rule 6(1)(b) of FRBM Rules, 2004, the Central Government is required to make a disclosure with regard to guarantees at the time of presenting the Annual Financial Statement in order to ensure greater transparency in its fiscal operation.

Chart 1.15 and **Table 1.45** respectively give the position regarding the maximum amount of guarantees, sums guaranteed outstanding and external guarantees outstanding at the end of the financial years 2012-17. Of the sums guaranteed outstanding as on 31 March, 2017, 71.20 *per cent* was towards loans from foreign lending institutions, 21.22 *per cent* towards guarantees to RBI /banks/industrial and financial institutions for repayment of principal and payment of interest, cash credit facility etc., and the remaining 7.58 *per cent* 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 in 2016-17 were the Ministries/Departments of Agriculture and Co-operation, Economic Affairs, Civil Aviation, Power, Telecommunications, New and Renewable Energy and External Affairs.

Chart 1.15: Guarantees given by the Union Government

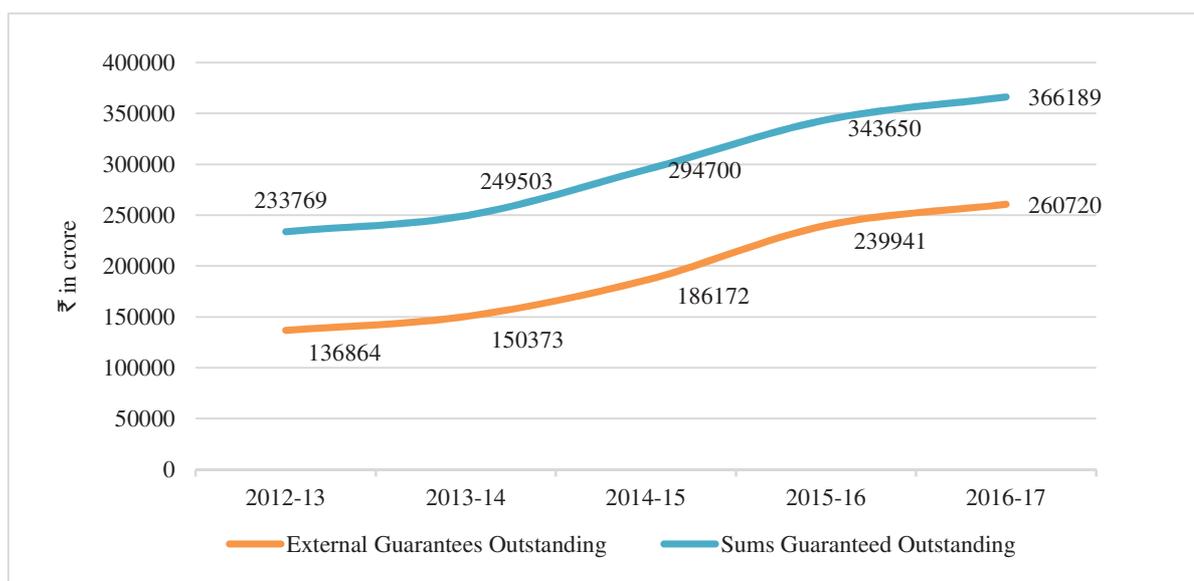


Table 1.45: Guarantees given by the Union Government

(₹ in crore)

Year	Maximum amount of guarantee	Sums Guaranteed Outstanding (Total)	External Guarantees Outstanding	Outstanding External Guarantees as a percentage of Total Outstanding Guarantees
2012-13	242915	233769	136864	58.55
2013-14	270629	249503	150373	60.27
2014-15	305519	294700	186172	63.17
2015-16	352519	343650	239941	69.82
2016-17	378592	366189	260720	71.20

The total outstanding guarantees as on 31 March 2017 stood at 2.41 *per cent* of the GDP and 22.66 *per cent* of revenue receipts that accrued to the Union Government in 2016-17.

In compliance to FRBM Act, the addition of guarantees during the year was ₹ 34,945.30 crore (0.23 *per cent* of GDP). However, net accretion of guarantees during the year 2016-17 was ₹ 22,541.84 crore, which was 0.15 *per cent* of GDP.

1.7 Conclusion

The year 2016-17 was marked by a slower growth in economy as estimates of GDP at constant prices (2011-12) declined to 7.11 *per cent* in 2016-17 against the growth rate of 8.01 *per cent* in 2015-16. A quarter-wise analysis of the Gross Value Added (GVA)⁸ at constant prices (2011-12) indicates that the growth in the first quarter of 2016-17 was the same as in 2015-16 i.e., at 7.6 *per cent*. However, rates of growth in the subsequent three quarters in 2016-17 as compared with the corresponding quarters in 2015-16 witnessed a decline. The slowdown in GDP started from the second quarter and became more pronounced in the fourth quarter of 2016-17. However, GDP at current prices in the year 2016-17 marked an improvement of 10.98 *per cent* as compared to 9.94 *per cent* in the previous year. Improvement was observed in both revenue deficit, which declined from 2.51 *per cent* in 2015-16 to 2.09 *per cent* in 2016-17 of GDP, and the fiscal deficit which declined from 4.28 *per cent* in 2015-16 to 3.54 *per cent* in 2016-17 in relation to GDP. Total liability at current exchange rate as percentage of GDP has decreased from 46.95 *per cent* in 2015-16 to 45.48 *per cent* in 2016-17. The growth of debt stock in 2016-17 over the previous year at 8.25 *per cent* was lower in comparison to growth of GDP at 10.98 *per cent* at current prices.

⁸ GDP net of taxes on product

2: Comments on Finance Accounts

2.1 Introduction

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

2.2 Issues of transparency

2.2.1 Opaqueness in Government Account

(a) Opaqueness in Minor Head 800-Other Expenditure

Scrutiny of Union Government Finance Accounts for the year 2016-17 revealed that under 13 Major Heads of accounts (representing functions of the Government), an expenditure of ₹ 5,078.62 crore, out of total expenditure of ₹ 6,193.77 crore, was classified under the Minor head '800-Other Expenditure' in the accounts. This constituted more than 50 *per cent* of the total expenditure recorded under the respective Major Heads. This resulted in opaqueness in the accounts, as 800-Other Expenditure classification does not reveal the purpose for which the expenditure was incurred. Some of the functions where such opaqueness existed are Capital Outlays on Other Communication Services, Flood Control and Drainage, Special areas Programmes (NER), Minor Irrigation and Non- Ferrous Mining and Metallurgical Industries. Details of the 13 Major Heads are given in **Annexure 2.1**.

A few cases where the expenditure was of higher value but constituted less than 50 *per cent* of the total expenditure were not depicted distinctly in the Finance Accounts but merged under the Minor head 'Other Expenditure'. These included National Mission for Justice Delivery and Legal Reforms (₹ 352.24 crore), Pakal Dul Project-Jammu Kashmir State Power Development Corporation Ltd (₹ 200 crore), Support to Central Public Sector Enterprise (₹ 5,377.14 crore), Development of Automobile Industries (₹ 576.87 crore), Awards to Distinguished Metallurgists (₹ 200.24 crore), Rural Electrification (₹ 598.78 crore), and OFC based Network for Defence Services (₹ 3,210 crore).

This aspect was commented upon in the Reports of the Comptroller and Auditor General of India on the Accounts of the Union Government for the years ended 2007-08 to 2015-16 with the recommendation that the Government may conduct a comprehensive review of the structure of Government Accounts to achieve greater transparency in financial reporting. However, instead of restructuring the accounts

to reflect the current activities of the Government by opening separate minor head for significant initiatives, the Controller General of Accounts (CGA) has inserted footnotes in the Finance Accounts, giving details of expenditure on significant initiatives merged under the Minor Head '800-Other Expenditure' as an interim measure.

(b) Opaqueness in Minor Head 800-Other Receipts

Scrutiny of Union Government Finance Accounts for the year 2016-17 revealed that under 22 Major Heads of accounts, receipts of ₹ 38,520.91 crore, out of total receipt of ₹ 62,046.77 crore were classified under the Minor head '800-Other Receipts'. This constitutes more than 50 *per cent* of the total receipts recorded under the respective Major Heads. This resulted in opaqueness in the accounts, as it does not bring out specific sources of revenue of the Government. Some of the functions where opaqueness in receipts exists are Defence Services-Research & Development, Other Rural Development Program, Coal & Lignite, Social Security & Welfare, Interest Receipts, Other Fiscal Services and Road Transport. Details of the 22 Major Heads are given in **Annexure 2.2**.

This aspect had been commented upon in the Report No. 34 of 2016 of the Comptroller and Auditor General of India on the Accounts of the Union Government for the year 2015-2016 with the recommendation that the Government may conduct a comprehensive review of the structure of Government Accounts and open separate minor heads for recording the transactions under significant stream of receipts for greater transparency in financial reporting.

2.2.2 Public Fund lying outside Government Account

In January 2005, the Ministry of Finance, Department of Economic Affairs (DEA) directed¹ all Ministries and Departments of the Government to ensure that funds of regulatory bodies were maintained in the Public Account. However, it was observed that funds of certain regulatory bodies and some funds of the Telecom Regulatory Authority of India are lying outside the Government Account as detailed below.

a) Funds of Regulatory bodies lying outside Government Account

Scrutiny of annual accounts of 14 regulatory bodies and autonomous bodies showed that these bodies had retained funds of ₹ 6,064.08 crore at the end of March 2017, that had been generated through fee charges, unspent grants received from Government of India, interest accrued on Government grants, receipt of license fees and corpus fund outside the Government Account. Details of 14 regulatory bodies are given in **Annexure 2.3**.

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

Such retention of funds outside Government Account had been commented upon in the Reports of the Comptroller and Auditor General on the Accounts of the Union Government for the years ended 2007-08 to 2015-16.

The Ministry of Finance in its Action Taken Notes (ATN) stated (September 2011) that separate funds with the nomenclatures 'The Securities and Exchange Board of India (SEBI) Fund' and 'The Insurance Regulatory and Development Authority (IRDA) Fund' would be opened for SEBI and IRDA respectively under Major Head '8235-General and other Reserve Fund' in the non-interest bearing section of the Public Account of India, for operationalising the funds in the Government Account.

In respect of SEBI and IRDA, the SEBI General Fund was opened in the Public Account effective from 2013-14.

Department of Economic Affairs (DEA) in its oral submission before the Public Accounts Committee with regard to SEBI stated (January 2016) that the matter has once again been referred to the Ministry of Law for final settlement of the issue. The Chairman, SEBI, stated in October 2016 that any insistence on keeping SEBI funds in Government account would seriously undermine the autonomy of SEBI and would militate against the basic canons of governance of markets by statutory regulators as envisaged under the SEBI Act. The reply was not accepted by Audit as the CGA had created the SEBI General Fund in the Government account in June 2014 effective from 2013-14. However, the fund had not been made operational even in the accounts of 2016-17.

In July 2017, DEA in its ATN stated that as per the opinion of the Ld. Attorney General of India dated 13 October 2014, "SEBI is not obliged to remit its fund from its General Fund to the Public Fund Account under Article 266(2) of the Constitution of India. Therefore, it would not be appropriate to deviate from the legislative intent of the Parliament as elucidated in Section 14 of SEBI Act, 1992". DEA added that in order to address the issue of accumulation of huge surplus funds, the department was considering to amend the SEBI Act to the effect that surplus funds of SEBI might be transferred to the Consolidated Fund of India as in the case of RBI.

Audit noted that DEA had already taken the view of Department of Legal Affairs in July 2010 wherein Ministry of Law and Justice had opined that all funds received by SEBI are public money and all public money received on behalf of Government of India would be part of Public Account as defined under Article 266(2) of the Constitution. However, the views of the Department of Legal Affairs, Ministry of Law, on the subsequent opinion of the Ld. Attorney General was awaited.

Further, the Office Memorandum F-1(30)-B(AC)/2004 dated 7 January 2005, paragraph 2(iv) of the Ministry of Finance stipulates that "funds of regulatory

bodies may also be maintained in the Public Account but operated in such a manner as will protect their independent status”. As such, keeping public money outside the Government account is in violation of Government instructions and undermines Parliamentary oversight.

(b) Retention of TRAI General Fund outside Government Account

Section 22 of TRAI Act, 1997, stipulates that:

- (1) There shall be constituted a Fund to be called the Telecom Regulatory Authority of India General Fund and there shall be credited thereto:
 - (a) all grants, fees and charges received by the Authority under this Act, and
 - (b) all sums received by the Authority from such other sources as may be decided upon by the Central Government.

According to the above provision, all these sums were to be credited to the TRAI General Fund maintained by the Department of Telecommunications under Public Account.

TRAI levied and collected ₹ 14.74 crore on account of penalty from telemarketers (₹ 0.20 crore), customer education fee (₹ 1.22 crore) and financial disincentive (₹ 13.32 crore) during 2016-17. However, these sums were retained by the TRAI and total amount was shown as ‘Current Assets’ in its accounts and credited in saving account. This resulted in understatement of receipts of Telecom Regulatory Authority of India General Fund under Public Account by ₹ 14.74 crore. This issue was also pointed out in C&AG’s Audit Report No. 50 of 2015 and Report No. 34 of 2016.

The Department stated (August 2017) that reference had been issued to TRAI to enquire whether the amount of fee, etc. received in financial year 2016-17 had been remitted to DoT; if not, the same would be remitted immediately to TRAI General Fund.

2.3 Observations with regard to Public Account

2.3.1 Under-utilisation of Cess collected under Research & Development Cess Fund

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

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

It was observed that cess amounting to ₹ 7,885.54 crore was collected during the period 1996-97 to 2016-17, out of which, ₹ 609.46 crore (7.73 per cent) were disbursed to TDB as Grants-in-aid during the same period. In 2016-17, against a total collection of ₹ 1,187.24 crore, ₹ 30.30 crore, viz 2.55 per cent only was given as grant to the TDB. TDB, in turn, disbursed financial assistance and loans of ₹ 1,407.49 crore to industrial concerns attempting commercial applications of indigenous technology or adapting imported technology for wide domestic applications out of the funds made available by the Government.

The matter of under-utilisation of the proceeds for the desired objectives and the levy of cess at the rate being collected had been raised in previous years' CAG's Audit Reports also.

In response, the TDB stated (June 2017) that R&D cess has not been released to TDB by the Ministry. They added that the TDB had also approached the Ministry of Science and Technology on various occasions seeking additional budget allocation from R&D Fund. However, till June 2017 no further funds had been allocated to TDB.

Non-release of R&D cess fund to the TDB has resulted in under-utilisation of cess.

2.3.2 Rashtriya Swachhata Kosh

Notification of Ministry of Drinking Water and Sanitation dated 11th February, 2016, stipulates that Swachh Bharat Cess (Cess) levied at the rate of 0.5 per cent on all services, should be credited to a dedicated non-lapsable fund '8235.135-Rashtriya Swachhata Kosh' (RSK). It further lays down that RSK shall be maintained by the Ministry of Drinking Water and Sanitation and all proceeds of the cess shall be credited to RSK after due approval of Parliament. The proceeds of cess thus transferred to RSK will be utilised by (i) Ministry of Drinking Water and Sanitation and (ii) Ministry of Urban Development. Further, funds accruing into

RSK would be distributed between two sub-missions i.e. Swachh Bharat Mission (Gramin) and Swachh Bharat Mission (Urban) in the ratio of 80:20.

Scrutiny of Finance Accounts for the period 2015-16 and 2016-17 revealed that against the total collection of ₹ 16,401.13 crore (₹ 3,925.74 crore for 2015-16 and ₹ 12,475.39 crore for 2016-17), only ₹ 12,400 crore (₹ 2,400 crore for 2015-16 and ₹ 10,000 crore for 2016-17) has been credited to RSK. This has resulted in short transfer of cess proceeds of ₹ 4,001.13 crore into RSK. The rules stipulated that the resources of RSK was to be distributed in the ratio of 80:20 between Swachh Bharat Mission (Gramin) and Swachh Bharat Mission (Urban). However, the Ministry of Drinking Water and Sanitation expended the entire amount on Swachh Bharat Mission (Gramin) without leaving any provision for Swachh Bharat Mission (Urban). Further, during 2016-17, since the opening balance of the RSK was adverse by an amount of ₹ 159.42 crore, expenditure of the entire amount of receipt of ₹ 12,400 crore in 2015-16 and 2016-17 resulted in ₹ 159.38 crore remaining adverse balance.

2.3.3 Secondary and Higher Education Cess

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

Scrutiny of the Union Finance Accounts for the period 2006-07 to 2016-17 revealed that a total collection of SHEC of ₹ 83,497 crore has been made and is being credited in the CFI without creating any reserve fund in Public Account.

Unlike the creation of Prarambhik Siksha Kosh in the case of primary/elementary education cess, for the SHEC neither a Fund was designated to deposit the proceeds of SHEC nor were schemes identified on which the cess proceeds were to be spent. Consequently, the commitment of furthering Secondary and Higher Education Cess as envisaged in the Finance Act was not transparently ascertainable.

The matter of non-creation of Fund and non-identification of schemes was raised in previous years' Report but the trend is persistent.

2.3.4 National Clean Energy Fund

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

A total of ₹ 53,967.23 crore was collected as Clean Energy Cess² during the years 2010-11 to 2016-17. Against this, only ₹ 15,483.21 crore (28.69 per cent) had been transferred through head of account 2810.797-Transfer to Reserve Fund to the

² MH 0038.03.112-Clean Energy Cess

National Clean Energy Fund³ in the Public Account, resulting in short transfer of Cess to the earmarked Fund by ₹ 38,484.02 crore (71.31 per cent).

The Ministry stated (August 2017) stated that the transfer to NCEF is done keeping in view the absorption/utilisation capacity of the Ministries/ Departments. The Ministry added that the Standing Committee on Finance had recommended in its Report No. 2 (16th Lok Sabha) on the Demand for Grants 2014-15 to transfer the unutilised funds/funds kept idle for more than two years to Consolidated Fund of India so that these funds could be utilised for other prioritised schemes.

The above reply of the Ministry is not tenable since the funds generated through levy of clean energy cess is required to be transferred to the Fund (maintained in the Public Account of India) by making budget provision under CFI.

The issue had been pointed out in CAG's Report No. 1 of 2013, 2014, Report No. 50 of 2015 and Report No. 34 of 2016 but no perceptible action has been taken.

2.3.5 Short transfer of Cess to Central Road Fund (CRF)

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

Examination of Statement No. 8 of Union Government Finance Accounts for the years 2010-11 to 2016-17 revealed that against the total collection of ₹ 2,43,081.78 crore, only ₹ 1,94,951.07 crore was transferred to the CRF (Head 8224.00.101) in Public Account resulting in short transfer of ₹ 48,130.71 crore.

Since the cess is levied for a specific purpose, the entire cess collection should be transferred to the designated Fund in the Public Account. Comment on this issue has been continuously reported in the CAG's Audit Reports No. 1 of 2013, 2014, 2015, CAG's Audit Report No. 50 of 2015 and Report No. 34 of 2016.

2.3.6 Short transfer of Cess to other earmarked funds in Public Account

Scrutiny of Statements No. 8 and 13 of Union Government Finance Accounts for the financial year 2016-17 showed that Cess amounting to ₹ 8,376.76 crore collected on certain items during the year were not transferred fully to the earmarked funds in the Public Account. The details of short transfer of cess of are given in **Table 2.1**.

³ MH 8235.129-National Clean Energy Fund

Table 2.1: Short transfer of Cess

(₹ in crore)

Sl. No.	Receipt of Cess		Transfer to Public Account		Short transfer
	Name of Cess/Receipt head	Amount	Name of Fund	Amount	
1.	Primary Education Cess	20219.88	Prarambhik Siksha Kosh (8229.127)	19732.47	487.41
2.	Cess on Sugar (0038.04.119)	2881.61	Sugar Development Fund (8229.00.105)	2312.81	568.80
3.	Krishi Kalyan Cess (0028.507/0044.507)	8379.16	Krishi Kalyan Kosh (8235.00.141)	3596.28	4782.88
4.	Cess on Tea (0038.04.103)	62.28	Development Fund for Tea Sector (8229.126)	0.00	62.28
5.	Swachh Bharat Cess (0044.506)	12475.39	Rashtriya Swachhata Kosh (8235.135)	10000.00	2475.39
Total		44018.32		35641.56	8376.76

In case of short transfer of Krishi Kalyan Cess, the Ministry of Agriculture stated (August 2017) that due to non-approval of head of accounts under major head 2416 and 2435, the entire provision obtained in supplementary grant was surrendered. In case of short transfer of Swachh Bharat Cess, Ministry (September 2017) stated that balance amount will be transferred in 2017-18.

2.3.7 Discrepancies in amounts disbursed from Reserve Fund

All “deduct expenditure met from the Reserve Fund” appearing in the statements of recoveries in the Head-wise Appropriation Accounts should be tallied with the disbursement from the Public Account under the corresponding head of accounts in Statement No. 13 of Finance Accounts to ensure that the same amount has been recorded as expenditure therein.

Table 2.2: Discrepancies in amounts disbursed from Reserve Fund

(₹ in crore)

Amount met from the fund			Amount disbursed from Public Account		Difference
Head/Name in Statement No. 9 & 10		Amount	Name of fund	Amount	
Amount met from Central Road Fund	3054.01.903, 3054.04.903, 3054.80.903, 3601.02.903, 3601.02.907, 3602.02.903, 5054.01.903.	48590.38	Central Road Fund (8224.00.101)	48974.16	383.78
Amount met from National Highways Permanent Bridges Fee Fund	5054.01.902	7572.29	National Highways Permanent Bridges Fees Fund (8225.01.101)	7574.63	2.34

As brought out in **Table 2.2** above, an amount of ₹ 383.78 crore and ₹ 2.34 crore have been disbursed more from the Central Road Fund and the National Highways Permanent Bridges Fees Fund respectively.

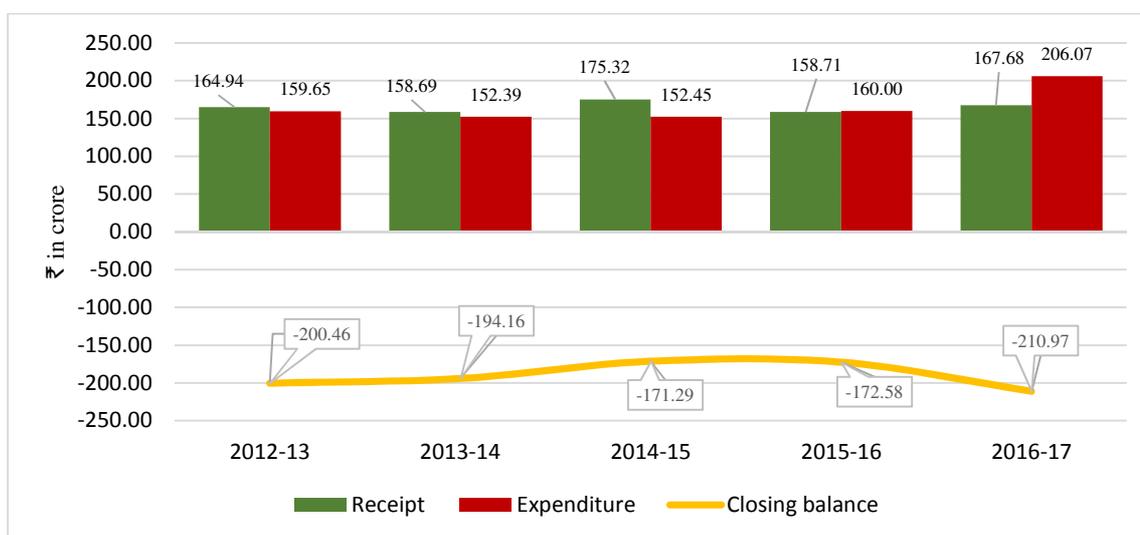
Ministry of Road Transport and Highway stated (October 2017) that these were due to misclassification and would be corrected in financial year 2017-18.

2.3.8 Continued adverse closing balance in Beedi Workers Welfare Fund

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

On account of expenditure from the Fund being in excess of the receipts, the balance in the Beedi Workers Welfare Fund over the years had become adverse. The aggregate position with regard to expenditure, receipts and closing balance in the Beedi Workers Welfare Fund during the period 2012-13 to 2016-17, as disclosed in the earmarked Fund account appended with Appropriation Account of the Ministry of Labour and Employment, is shown in **Chart 2.1**.

Chart 2.1: Continued adverse closing balance in Beedi Workers Welfare Fund



The chart above indicates that there was continuous adverse closing balance in the Fund during the period 2012-13 to 2016-17, which increased from (-) ₹ 200.46 crore in 2012-13 to (-) ₹ 210.97 crore in 2016-17.

This matter was also commented in the Report of the Comptroller and Auditor General on the Accounts of the Union Government for the years ended 2011-12 to 2015-16.

⁴ MH 8229.200 – Other Development and Welfare Fund

Ministry admitted in its reply (June 2017) that the adverse balance under this fund was due to higher provision in expenditure than receipts.

2.3.9 Very old balances under ‘6001.106-Compensation and other Bonds’

Scrutiny of Statements No. 14 and 14-A of Finance Accounts for the year 2016-17 revealed that an amount of ₹ 19.21 crore was lying under ‘Compensation and Other Bond Suspense Accounts’ in Statements No. 14-A, out of which, an amount of ₹ 2.36 crore pertaining to the years 1965 or before had been appearing against various types of bonds as shown in **Table 2.3**.

Table 2.3: Very old balances under ‘6001-106-Compensation and other Bonds’

(₹ in crore)

Sl. No.	Name of Bonds	Credit Balance as on 31-3-2017
1.	PP Bonds 1963	0.57
2.	PP Bonds 1964	0.61
3.	5 year Interest free prize Bonds 1965	1.18
Total		2.36

The Department of Posts stated (August 2017) that these were very old balances appearing in Finance Accounts and were a part of compensation and bonds under the credit head ‘6001.106-Internal Debt-Compensation and other Bond’ of Central Government. Further, the details of the bonds were not available.

The reply is not acceptable as unclaimed balances of these bonds are usually retained in Government Accounts for 20 years from the date of their maturity after which the balances are transferred to Revenue by credit to the head '0075.800-Miscellaneous General Services-Other Receipts'. Corrective action should have been taken by the department for settlement of these old balances.

2.4 Data Integrity and Reconciliation Issues

2.4.1 Transfer of ₹ 6,927 crore to CFI without Cabinet Approval

Point 8 under heading ‘Disposal of the Business of the Government of India’ in Section 1: ‘Some introductory Issues’ of “Handbook on writing Cabinet Notes” published by the Government of India, Cabinet Secretariat, stipulates that proposals to vary or reverse a decision previously taken by the Cabinet are required to be placed before the Cabinet.

(a) Transfer of ₹ 5,000 crore relating to the Security Redemption Fund to CFI

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 (under the Major Head 8012.00.120-Special Securities issued to Nationalized Banks). These securities were to be redeemed at a future date by creation of a 'Security Redemption Fund'(SRF) by transferring funds from the Consolidated Fund of India (MH 3465.01.797 – Transfer to Reserve Fund) to the Public Account.

During the years 2008-09 to 2015-16, an annual sum of ₹ 625 crore had been booked as expenditure on account of contribution to the Security Redemption Fund. The cumulative balance of ₹ 5,000 crore was kept under Suspense Head. The funds were not credited to SRF in the Public Account despite being pointed out in C&AG Audit Reports for the years 2011-12, 2013-14, 2014-15 and 2015-16.

The Ministry of Finance, Department of Financial Services, in its ATN stated (May 2017) that SRF was to be created in the Public Account of India towards redemption of securities issued to SBI against subscription to the Rights Issue of equity shares in the Bank. The SRF was not formally constituted in the Public Account for want of authorized Head of Account. It added that the Controller General of Accounts (CGA) had not agreed to the creation of the fund in Public Account stating that creation of separate fund for redemption of securities may not be required as this fund will create another credit liability and therefore suggested that redemption can take place from Public Accounts directly. Budget Division of DEA (March 2017) proposed to the Chief Controller of Accounts to write back the entire cumulative balance of ₹ 5,000 crore from Public Account to Consolidated Fund of India in the current financial year and also requested to credit the amount kept under the Suspense head in the CFI under the Major Head 1475 – Other General Economic Services.

Scrutiny of the accounts revealed that DEA booked the entire amount as revenue receipt under Major Head '1475.00.800- Other General Economic Services- as Other Receipt' during the year 2016-17. The action of the DEA is not acceptable as CGA had suggested to redeem securities directly from Public Account without creation of separate fund for such redemption. It had not recommended to write back the entire cumulative balance of ₹ 5,000 crore from Public Account to CFI.

Moreover, the decision to write back the cumulative balance from Public Account of India to Consolidated Fund was not in line with the Cabinet decision (November 2007) where it was decided that amount available in the Fund on the date of maturity of SLR, would be utilized for redemption of these securities.

(b) Transfer of ₹ 1,927 crore relating to the National Social Security Fund to CFI

As a follow up to 'The Un-organized Sector Workers' Social Security Act, 2008', a National Social Security Fund (NSSF) for un-organized sector workers was set up in 2010-11 with an initial allocation of ₹ 1,000 crore. The Ministry of Labour & Employment was the nodal Ministry for implementing the budget announcement on NSSF. The fund was to be used for schemes formulated for welfare of un-organised sector workers. A Committee was constituted for recommending the schemes to be funded from the NSSF.

The fund was to be transferred from the CFI to the NSSF in the Public Account under the Major Head 8235-'General and other Reserve Funds' in the sub head 128 -'National Social Security Fund for Un-organised Sector Workers'. The amount recommended by the Committee for administering schemes and approved by the Cabinet / Cabinet Committee on Economic Affairs (CCEA) was to be provided in the Demand for Grants of different Ministries/Departments against the identified schemes. The amount so provided for particular schemes was to be drawn from NSSF by the concerned Ministry and classified under the functional head.

Scrutiny revealed that no budget provision for NSSF was made during the year 2016-17. Funds lying in the NSSF could not be utilized since its inception, i.e. 2010-11 to 2015-16, and unutilized fund accumulated to ₹ 1,927 crore.

Audit observed that during the year 2016-17, the entire unutilized/accumulated amount of ₹ 1,927 crore lying in Public Account under NSSF was written back to CFI in March 2017 by the Department of Economic Affairs and was credited to the Minor Head '0235.60.800- Social Security and Welfare-Other Receipts'. In this regard, the DEA was asked to inform whether approval of the Cabinet was obtained before the amount of ₹ 1,927 crore was written back to CFI. Their reply was awaited.

2.4.2 Improper accounting procedure for writing back from Reserve Funds

The Union Government has decided to transfer the balances from Reserve Funds to CFI. In the case of Mines Welfare Fund and Cine Workers Welfare Fund, the funds have been closed owing to abolition of cesses.

Table 2.4: Improper accounting procedure for writing back from Reserve Funds

(₹ in crore)

Sl No.	Fund	Receipt During 2016-17	Disbursement During 2016-17	Remark
1.	8229.114-Mines Welfare Fund	-314.55	22.44	An amount of ₹ 336.99 crore (₹ 314.55 crore through minus receipt and ₹ 22.44 crore through disbursement) was credited to CFI.
2.	8229.115-Cine Workers Welfare Fund	-6.44	0.95	An amount of ₹ 7.39 crore (₹ 6.44 crore through minus receipt and ₹ 0.95 crore through disbursement) was credited to CFI.
3.	8235.113-National Renewal Fund	-17.70	0.00	An amount of ₹ 17.70 crore through minus receipt was credited to CFI under head 0852.
4.	8235.128-National Social Security Fund for Unorganised Labour	0.00	1927.00	An amount of ₹ 1,927 crore through disbursement was credited to CFI.
5.	8235.200-Other Funds	0.00	1500.00	An amount of ₹ 1,500 crore through disbursement was credited to CFI under head 0235.60.800.
Total		-338.69	3450.39	

As brought out in **Table 2.4**, an amount of ₹ 3,789.08 crore (₹ 338.69 crore + ₹ 3,450.39 crore) was transferred back from reserve funds in Public Account through minus receipt as well as disbursement and shown as non-tax receipt to the Union Government during 2016-17. Thus, accounting authorities have adopted two different procedure for transfer of funds.

CGA stated (September 2017) that there was no specific accounting procedure as such for refund from the Public Account to the CFI. The case was dealt with on case to case basis in the Ministry/Departments in consultation with DEA, Ministry of Finance.

2.4.3 Dormant Reserve Funds and Deposits

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. Creation of Reserve Fund generally involves transfer of sum from the Consolidated Fund of India into Public Account to be utilised for specific purposes. On the other hand, deposits of the Government is made by the depositor as a security and/or to get some work executed by the Government on behalf of the depositor. Dormant funds/deposits constitute those funds or deposits which are not in operation for a long period of time and might have outlived their utility. Such dormant funds/deposits in the Public Account need to be closed and the balances therein transferred back to Consolidated Fund of India.

Scrutiny of Finance Accounts showed that 40 funds/deposits⁵ having aggregate balance of ₹ 703.68 crore at the end of 2016-17, as contained in **Annexure 2.4**, were lying dormant for period ranging from eight to 28 years. In most of the cases, small balances are lying and their continuance does not appear to serve any purpose. These cases need to be reviewed and considered for closure by crediting the balances to the Consolidated Fund of India.

The CGA stated (September 2017) that it had been writing to the concerned accounting authorities. Ministry of Home affairs, Ministry of Agriculture and Farmer Welfare and Department of CAAA have accepted the cases of dormant Reserve Funds.

2.4.4 Other discrepancies

2.4.4.1 Discrepancies in Guarantee Fees

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 on behalf of Government Companies/Corporations, Railways, UTs/States Government, local bodies, etc. Against these guarantees, Union Government receives guarantee commission/fee from the Guarantee.

(a) Mismatch in depiction of Guarantee Fees

Statement No. 4 shows a sum of ₹ 983.12 crore as guarantee commission/fees received during 2016-17 whereas Statement No. 8 depicts a figure of ₹ 988.53 crore, under head 0075.108-Guarantee fee.

CGA replied (September 2017) that difference in guarantee fee between Statement No. 4 and Statement No.8 is due to difference in figures provided by Ministry of Power and matter has been taken up with the Ministry of Power.

(b) Short receipt of Guarantee Fees

In seven Ministries/Departments, there is short receipt of guarantee fee by an amount of ₹ 1,021.02 crore during 2016-17 as depicted in **Table 2.5**. below.

Table 2.5: Short receipt of Guarantee Fee

<i>(₹ in crore)</i>			
Ministry/Department	Guarantee Fee receivable	Guarantee Fee received	Short receipt of Guarantee Fee
Revenue	8.00	0.00	8.00
Industry	15.97	2.53	13.44
Pharmaceuticals	77.95	0.00	77.95
Civil Aviation	1036.05	117.15	918.90
Economic Affairs	177.54	174.94	2.6
MSME, National Small Industries Corporation Limited	0.32	0.24	0.08
Commerce	0.05	0.00	0.05
Total	1315.88	294.86	1021.02

⁵ nine reserve funds, 26 deposits and five other liabilities

CGA replied (August 2017) that the issue of short receipt of guarantee fee was best known to Ministries/Department concerned.

2.4.4.2 Deficiencies in Statement No. 11 of Union Government Finance Accounts

Statement No. 11 of the Union Government Finance Accounts provides details of investments in Statutory Corporations, Government Companies, Other Joint Stock Companies, Cooperative Banks and Societies, like year of investment, type and number of share, face value of share, total amount invested, percentage of Government share and amount of dividend/interest receipt during the year in Discrepancies in Government investment in CPSEs

The following discrepancies have been found in Statement No.11 for FY 2016-17⁶ as detailed in **Table 2.6**.

Table 2.6: Discrepancies in Government investment in CPSEs

Sl. No.	Name of PSUs	Observation	Remarks
1.	Bharat Dynamic Ltd. Hyderabad	Progressive investment as on 31 March 2017 was ₹ 97.75 crore as per Union Government Finance Accounts 2016-17, whereas the progressive investment as per Controller General of Defence Account (CGDA) was ₹ 122.18 crore.	CGDA stated (October 2017) that the increase in investment of Union Government of India in Bharat Dynamics Ltd. from ₹ 97.75 crore as on 31.03.2016 to ₹ 122.18 crore as on 31.03.2017 was on account of bonus shares issued during 2016-17. Reply of CGDA is not acceptable as observation was regarding difference in figures of CGDA & CGA, which still remains unreconciled.
2.	Mazgaon Dock Ltd Mumbai	Progressive investment as on 31 March 2017 was ₹ 199.20 crore as per Union Government Finance Accounts 2016-17, whereas the progressive investment as per CGDA was ₹ 249 crore.	CGDA stated (October 2017) that the total paid up share capital of Mazgaon Dock Ltd is ₹ 249 crore as on 31.03.2017 which is due to the bonus Shares issued in the ratio of 1:4 during FY 2016-17 by capitalizing Capital Redemption Reserve (CRR), though the cost of investment to the Government remains at ₹ 199.20 crore. Reply of CGDA is not acceptable as observation was regarding difference in figures of CGDA & CGA, which still remains unreconciled

⁶ Wherever figures for 2016-17 are not available, comparison has been done for 2015-16.

3.	Braithwaite and Co Ltd	The Ministry of Corporate Affairs, Govt. of India, by certificate dated November 18, 2015 issued by the office of the Registrar of Companies, Kolkata, West Bengal, has changed the name of the Company to "The Braithwaite Burn and Jessop Construction Company Limited" with effect from November 18, 2015 pursuant to Rule 29 of the Company Incorporation Rules-2014. Hence, the name needs to be checked and corrected.	CGA stated (August 2017) that the Ministry of Railways in its Statement 11 had shown the company by its old name. Changes in the draft UGFA 2016-17 would be carried out after M/o Railways propose for the same. A reference had been made to M/o Railways. On receipt of reply, Audit would be intimated.	
4.	GEDSL Pvt Ltd	The full name to be provided and the face value of the shares to be given. Its impact in Statement No. 10 may be elucidated.	CGA stated (August 2017) that the reference had been made to M/o Railways. On receipt of reply, Audit would be intimated.	
	Name of PSUs	Face value of Government share (₹ in crore)		Remarks
		As per Statement No.11 of Finance Accounts of 2015-16	As per Annual Accounts of CPSE of 2015-16	
5.	Hindustan Organic Chemicals Limited	309.50	39.48	Overstatement of Government's investment by ₹ 270.02 crore at the end of 2015-16 in Statement No. 11.
6.	The Fertilizers and Chemicals Travancore Limited.	637.77	582.36	Overstatement of Government's investment by ₹ 55.41 crore at the end of 2015-16 in Statement No. 11.
7.	Andrew Yule and Company Limited	85.90	58.70	Overstatement of Government's investment by ₹ 27.20 crore at the end of 2015-16 in Statement No. 11.
8.	Scooters India Limited	168.61	80.03	Overstatement of Government's investment by ₹ 88.58 crore at the end of 2015-16 in Statement No. 11.
9.	Power Grid Corporation of India Limited	2925.01	3028.84	Understatement of Government's investment by ₹ 103.83 crore at the end of 2015-16 in Statement No. 11.
10.	Hindustan Teleprinters Ltd, Chennai	18.90	3.90	There has been overstatement by ₹ 15.00 crore at the end of 2015-16 in Statement No. 11.
11.	Bharat Broad band Network Ltd	59.95	60.00	There has been understatement by ₹ 0.05 crore at the end of 2015-16 in Statement No. 11.
		As per Statement No.11 of Finance Accounts of 2016-17	As per Annual Accounts of CPSE of 2016-17	
12.	Indian Telephone Industries Ltd, Bengaluru	542.09	530.89	In comparison with the CPSE, there has been overstatement by ₹ 11.20 crore at the end of 2016-17 in Statement No. 11
13.	Mahanagar Telephone Nigam Ltd	354.37	354.38	In comparison with the CPSE, there has been understatement by ₹ 0.006 crore at the end of 2016-17 in Statement No. 11.

Expeditious efforts need to be made by the CGA, including co-ordination with the concerned administrative Ministries, to address the deficiency brought out.

(a) Variation in depiction of Investment in Finance Accounts and Annexure C of Appropriation Accounts

Statement No. 11 of Union Government Finance Accounts and Annexure -C of Appropriation Accounts for financial year 2016-17 show the investment of the Union Government. On comparison of the two, it was found that there was variation in the amount depicted as investment as detailed in **Table 2.7** below.

Table 2.7:- Variation in depiction of Government Investment

(₹ in crore)

Sl. No.	Ministry	Name of company	Investment		Reply of CGA (November 2017)
			UGFA	Annexure- C	
1.	Finance	SIDBI	Nil	100.00	It was not taken as investment in its Statement No. 11 by Ministry of Finance, therefore, not reflected in Finance Accounts.
2.	New and Renewable Energy	Grid Interactive Renewable Power	Nil	100.00	As per the SCT, investment was made under the head 4810.00.190 and the expenditure was met by booking under 4810.00.902. But it was not taken as investment in its Statement No. 11 by Ministry of New & Renewable Energy. Therefore, it did not form part of Statement No. 11 of Finance Accounts.
3.	Petroleum and Natural Gas	Gas Authority of India	Nil	450.00	It was not taken as investment in its Statement No. 11 by Ministry of Petroleum & Natural Gas, therefore, not reflected in Finance Accounts as well. It was pointed out to the Ministry of P&NG but no reply was received.
4.	Power	NTPC	40.00	45.66	Investment in Tehri Hydro was made under the head 4801.01.190. Investment in Annexure 'C' pertains to bookings made under the head 4801.02.190 which was met by recovery under the same minor head. Since, it was not taken as investment in its Statement No. 11 by Ministry of Power, therefore, not reflected in Finance Accounts.
5.	Social Justice & Empowerment	National Handicapped Finance and Development Corporation	30.00	22.80	Additional investment of ₹ 7.20 crore was made under the following heads: 4235.02.789- ₹ 4.80 crore 4235.02.796- ₹ 2.40 crore.

(b) Understatement of investment of ₹ 1,182.39 crore

Security Printing & Minting Corporation of India Ltd. (SPMCIL) was established in January 2006 to manage four India Government Mints, two Currency Presses, two Security Presses and one Security Paper Mill (which were earlier being managed directly by the Ministry of Finance, Government of India). Assets and Liabilities of those entities, prevailing as on 09 February 2006, were taken over in the books of the SPMCIL. The difference arising out of such transfer of Assets & Liabilities was to be paid/adjusted as decided by Ministry of Finance. After a lapse of nine years, the Department of Economic Affairs (February 2015) finalized its capital structure. Accordingly, total liability of ₹ 2,364.88 crore (payable by the SPMCIL) was divided into 50 *per cent* Government Equity of ₹ 1,182.44 crore and 50 *per cent* loan of ₹ 1,182.44 crore (repayable in 25 years).

In respect of Government Equity of ₹ 1,182.44 crore, during the year 2016-17, DEA reflected the amount of Equity in SPMCIL as ₹ 1,182.44 crore in Statement No. 11, whereas in Statement No. 11 of Union Government Finance Accounts, it was depicted as ₹ 0.05 crore, which resulted in understatement of investments to the tune of ₹ 1,182.39 crore.

(c) Incomplete information of investment

There are 28 cases of incomplete information in respect of investment in Statement No. 11 as detailed in **Annexure 2.5**.

CGA stated (August 2017) that these information were to be furnished by the concerned Ministries/Department, who have made the investment. Every year during review they are requested to furnish the requisite information. Pending receipt of the requisite information, a footnote to this effect is inserted in the statement.

Inserting footnote every year of pending information does not give complete information of investments of the Union Government.

(d) Shortfall in payment of Dividends in respect of Statutory Companies

As per para 4.3 of the Guidelines on Capital Restructuring of CPSEs issued by Ministry of Finance vide OM.No.5/2/2016-Policy dated 27 May 2016, every CPSE would pay a minimum annual dividend of 30 *per cent* of Profit After Tax (PAT) or five *per cent* of the net worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions. However, Telecommunication Consultants India Ltd (TCIL) and Indian Telephone Industries Ltd (ITI Ltd) did not comply with these guidelines resulting in shortfall in payment of dividends amounting to ₹ 89.51 crore during 2015-16 as depicted in **Table 2.8** below.

Table 2.8: Shortfall in dividend declared by Government Companies

(₹ in crore)

Sl. No. (1)	Name of CPSE (2)	Paid up Capital (GOI Share)# (3)	Profit After Tax (4)	Dividend declared during 2015-16 (5)	30% of PAT (6)	Net worth (7)	5 % of Net worth (8)	Minimum dividend to be declared (9)	Shortfall (10) = (9)-(5)
1	TCIL	59.20	36.52	3.652	10.956	463.68	23.18	23.18	19.53
2	ITI Ltd	270.09	251.19	Nil	69.98 ⁷	Negative	NA	69.98	69.98

*Stand alone accounts have been considered in respect of TCIL.

#source: Union Government Finance Accounts 2015-16

The matter was referred (September 2017) to the Ministry of Communication. However, their reply was awaited (October 2017).

2.4.4.3 Interest payment in arrear

Section 1 of Statement No. 3 of Union Government Finance Accounts consists of loans and advances by the Union Government to the (i) State Governments, (ii) UT Governments, (iii) Foreign Government, (iv) Government Corporations, Non-Government Institutions, Local Funds, Cultivators etc. and (v) Government Servants and the interest in arrears against them.

Arrear of interest payment in respect of State Governments and UT Government have been increasing since 2013-14. **Table 2.9** below shows the interest payments in arrears from 2013-14 to 2016-17.

Table 2.9: Interest payment in arrears

(₹ in crore)

Year	State Governments	UT Governments	Other Loanees (Government Corporations, Non-Government Institutions, Local Funds, Cultivators etc.)
2013-14	1098.03	0.00	19092.48
2014-15	1389.29	302.77	46831.21
2015-16	1479.56	618.22	41073.88
2016-17	1488.21	927.48	31727.64

During 2016-17, increase in arrears was ₹ 8.65 crore and ₹ 309.26 crore against State and UT Governments respectively. In case of Other Loanees, arrears had reduced during 2016-17 by ₹ 9,346.24 crore. However, this constitutes 92.93 per cent of the total interest of ₹ 34,143.33 crore in arrears.

CGA stated (August 2017) that the figures appearing in the Statement No. 3 were based on the information furnished by the Ministries/Departments.

⁷ Government has 94.8 per cent in ITI ltd. Dividend comes 92.87% of 30% of PAT (₹ 251.19 crore).

2.4.4.4 Inconsistencies/discrepancies in Statement No. 15 of Union Government Finance Accounts

Statement No. 15 of Union Government Finance Accounts consists of loans and advances by the Union Government in three sections alongwith additional disclosures. Section 1 comprises details of loan and advance made to Ministries, Section 2 comprises repayments in arrears from States/UTs Government and Section 3 includes repayments in arrears from Other Loanees Entities or Institutions and additional disclosures encompass fresh loans and advances made during the year. Discrepancies noticed in the Statement No. 15 have been discussed in succeeding paras.

a) Discrepancies in accounting of Loan and Advances

Section -1 of Statement No. 15 revealed that there was an adverse opening balance of ₹ 28,397.01 lakh in the head of account '6860.04.797- Transfer to RF/Deposit Accounts' since 2000-01. An amount of ₹ 55,000 lakh was disbursed under this minor head during 2016-17 where there was already adverse opening balance of ₹ 28,397.01 lakh in the head of account. There should not have been transfer from the head where there was already adverse balance.

Ministry of Consumer Affairs confirmed (February 2017) the transfer of ₹ 55,000 lakh to the Fund.

b) Loans and Advances to Government Servants

Sums advanced or loans granted to the Government servants appear in the account with positive balance every year. In few cases, over- repayment of loan made by the government servants is reflected in the account as negative closing balance. Subsequently, when the loans and advances are aggregated, they turn positive and understated as well.

Head "7610- Loans to Government Servants etc." in Statement No. 15 of Union Government Finance Accounts for 2016-17 shows ₹ 331.02 crore and ₹ 194.25 crore as opening and closing balances respectively for the financial year 2016-17.

Further, during the audit of Statement of the Central Transactions (SCTs) of the Ministries, it was noticed that in nine Ministries, there were adverse balances against head 7610-Loans to Government Servant due to over-repayment.

Due to netting of the figure, Union Government Finance Accounts did not reflect the actual figure in Statement No. 15. Cases of the adverse closing balances have been shown in **Annexure 2.6**.

Ministry of Skill Development and Entrepreneurship stated (July 2017) that the adverse balances represented more recoveries against the loan and advances subscribed by Government Servant.

Ministry of Food Processing Industries stated (September 2017) that the adverse balance had arisen due to adjustment of recoveries against booking of “Other Advance”.

Ministry of Information and Broadcasting confirmed (September 2017) adverse balances and stated that all Pay and Accounts Offices had been directed to take effective steps to clear adverse balances under head 7610.

The replies reflect the inadequate control of the Ministries in respect of accumulation of loans and advances to government servants.

c) Interest credited against the adverse balances of Loans and Advances

Section 1 of Statement No. 15 revealed that in some cases though the loan and advances have adverse balance yet interests have been shown as received against them. **Table 2.10** shows cases in which interest was credited against the adverse principal amount of the loans and advances.

Table 2.10: Interest credited against the adverse balances of the Loans and Advances

(₹ in lakh)

Sl. No.	Heads	Balance as on 01.04.2016	Balance as on 31.03.2017	Interest credited
1.	6216.02.190-Loans to Public sector and Other Undertakings	-5474.51	-5792.67	430.62
2.	6401.00.104-Agricultural Farms	-1.41	-2.57	7.65
3.	6405.00.106-Mechanisation of Fishing Crafts	-5.32	-5.32	0.66
4.	7610.00.203-Advances for purchase of Other Conveyance	-3936.59	-3927.07	229.79

CGA stated that the reference had been made to the concerned Ministries/Departments.

(d) Repayment against adverse balances of Loans and Advances

In some cases, though the loan and advances had carried adverse balance, yet repayments have been made shown against them. **Table 2.11** shows six cases in which repayments have been made against the adverse principal amount of the loan and advance resulting in further increase of adverse balances.

Table 2.11: Repayment against adverse balances of Loans and Advances

(₹ in lakh)

Sl. No.	Heads	Balance as on 01.04.2016	Repayment of loans during the year	Balance as on 31.03.2017
1.	6215.02.800-Sewerage and Sanitation	-208.55	4.11	-212.66
2.	6216.02.190-Loans to Public Sector and Other Undertakings	-5474.51	318.16	-5792.67
3.	6401.00.104-Agricultural Farms	-1.41	1.16	-2.57
4.	6402.00.102-Soil Conservation	-77.52	0.66	-78.18
5.	6425.00.108-Loans to Other Co-operatives	-8807.18	67.89	-8835.07*
6.	7610.00.203-Advances for purchase of Other Conveyances	-3936.59	10.78	-3927.07*

* In Sl. No. 5 and 6, ₹40 lakh and ₹20.38 lakh respectively were received as loan during the year from the Government of India by the respective agencies.

In respect of Sl. No. 1, Ministry of Urban Development stated (September 2017) that it was on account of misclassification. It added that the records were very old and misplaced and they would be settled as soon as possible.

In respect of other cases, the CGA stated (September 2017) that the matter had been taken up with the concerned Ministry/Department.

(e) Difference in opening balance of Loan and Advances

Scrutiny of section 1 of Statement No. 15 for the year 2016-17 revealed that there were difference in opening balance of loans in the books of Chief Controller of Accounts (CCA) and the Controller General of Accounts (CGA) in the two ministries. **Table: 2.12** show the details of differences.

Table: 2.12 Difference in opening balance of Loan and Advances

(₹ in crore)				
Ministry	Particulars	Head	OB	CB
New and Renewable Energy	CCA	6810.00.190-Loans to Public	272.44	264.13
	CGA	Sector and Other Undertakings	203.90	195.59
Shipping	CCA	7051.00.190- Loans to Public	812.69	783.37
	CGA	Sector and Other Undertakings	218.08	188.76

CGA stated (August 2017) that the concerned Ministries had been asked to reconcile the figures.

(f) Interest not reflected in respect of arrears of loans

Section 3 of Statement No. 15 revealed that in respect of some State Governments and entities, principal amount of the loans advanced were in arrears while the interest against these loans in arrears have not been reflected. Details of such cases are given in **Table 2.13**.

Table 2.13: Interest not reflected in respect of arrears of loans

Sl. No.	Name of Entity	Total loans outstanding on 31 March 2017 (₹ in Crore)	Remark
1.	Gujrat	3.16	CGA stated (August 2017) that the concerned Ministries had been asked to reconcile the figures.
2.	Himachal Pradesh	0.12	
3.	Karnataka	2.34	
4.	Kerala	1.39	
5.	Madhya Pradesh	4.61	
6.	Maharashtra	8.24	
7.	Odisha	1.26	
8.	Punjab	0.27	
9.	Tamil Nadu	7.40	
10.	Shri Sitaram Sugar Co Baithalpur, Uttar Pradesh	3.48	The Ministry of Consumer Affairs and Food & Public Distribution stated (September 2017) that the files relating to the cases were
11.	Deoria Sugar Mills, Deoria, Uttar Pradesh	3.63	

Sl. No.	Name of Entity	Total loans outstanding on 31 March 2017 (₹ in Crore)	Remark
12.	Raja Bulan Sugar Ltd, Rampur, Uttar Pradesh	1.06	nearly 26 years old and they were not readily traceable. This matter was also highlighted in Audit Report No. 50 of 2015 and Report No. 34 of 2016.
13.	Hindustan Machine Tool Ltd	54.60	CGA stated (July 2017) that the matter had been taken with the Ministry for clarification.

(g) Loans and advances in arrears for more than 20 years.

Statement No. 3 and Sections 2 and 3 of Statement No. 15- Loans and Advances made by the Union Government for the year 2016-17 showed that total loan outstanding against State/UT Governments and other entities as on 31 March 2017 was ₹ 2,62,177.59 crore. Out of this, repayment of ₹ 25,943.30⁸ crore was shown as loans and advances in arrears ranging from 1 to 50 years. Further, out of the amount of ₹ 25,943.30 crore, ₹ 11,302.46 crore (43.57 per cent) had been in arrears for more than 20 years (cases of more than ₹ 10 crore) on account of non-recovery. Further, an amount of ₹ 25,540.37 crore being the interest on principal amount for the same period also remained in arrears. This shows that a significant amount of loans and advances repayments in arrears (**Annexure 2.7**).

CGA stated (July 2017) that the reasons for non-recoveries of principal and interest amount were called from the concerned Ministry/ Department.

2.4.5 Understatement of Customs Receipts

As per the prescribed procedure, advance customs receipts pertaining to a future period, are kept under a suspense head (8658.136-Custom Receipts awaiting transfer to Receipt Head) in the Public Account. The advance receipts are credited to the Consolidated Fund of India in the year to which it pertains.

Scrutiny of the Finance Accounts revealed that ₹ 19.73 crore were available under the suspense head as the opening balance in financial year 2016-17. This was to be accounted for as customs receipts in the CFI. However, a sum of only ₹ 1.27 crore was cleared during 2016-17 and closing balance of ₹ 18.46 crore remained booked under the suspense head. This resulted in understatement of the customs receipts of the Government of India by ₹ 18.46 crore in financial year 2016-17.

Central Board of Excise and Custom stated (August 2016) that booking under this head was a continuous process and this amount will be transferred to final head during 2017-18.

⁸ ₹ 1,850.22 crore is outstanding against States, ₹ 2,078.82 crore against UTs and ₹ 22,014.26 crore is outstanding against Loanee Entities or Institutions

Reply of the CBEC is not tenable as there has been no receipt under this head since 2014-15 and the entire closing balances of ₹ 20.75 crore during 2014-15 should have been transferred to CFI in 2015-16 itself.

2.5 Important factors affecting accuracy of accounts

The accuracy of Union Finance Accounts 2016-17 is adversely affected by factors like (i) large number of transactions under Suspense heads awaiting final classification and (ii) increasing number and magnitude of adverse balances under Debt, Deposit and Remittances (DDR) heads of accounts.

Review of outstanding balances under major suspense accounts for the year 2016-17 was conducted in the office of Controller General of Accounts and six Principal Accounts Offices viz. Department of Supply, Ministry of External Affairs, Central Board of Excise and Custom (CBEC), Ministry of Road Transport & Highways, Ministry of Urban Development and Controller of Aid Accounts and Audit (CAA&A). These offices were selected on the basis of concentration of balances and their accumulation over the years. The audit findings are detailed below in the succeeding paragraphs:

2.5.1 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 un-cleared, 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 Principal AOs minor head wise on the basis of figures furnished by the PAOs periodically. The Chief Controller of Accounts of concerned Principal Accounts Office is required to review the suspense balances and report to the CGA for monitoring purposes.

The aggregate net balance under suspense heads in the Union Finance Accounts including Civil, Defence, Railways, Posts and Telecommunication was ₹ 41,284.70 crore (Debit) as on 31 March 2017. This balance comprised of ₹ 13,695.59 crore (Debit) in respect of Civil, ₹ 20,214.59 crore (Debit) for Defence, ₹ 2,042.77 crore (Debit) for Railways, ₹ 4,302.83 crore (Debit) for Postal, ₹ 104.76 crore (Credit) for Telecommunication and ₹ 1,133.68 crore (Debit) in respect of Redemption of Government of India Compensation (Project Exports to Iraq) Bonds, 2001.

The Finance Accounts reflect the net balances under suspense heads and therefore the real magnitude of outstanding balances under these heads does not get reported in the annual accounts of Government presented to 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 under-statement of suspense balances in the finance accounts. This under-statement 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 three years is given in **Table 2.14** below.

Table 2.14: Suspense balances under Major Suspense Heads in respect of Civil Ministries
(₹ in crore)

Head	2014-15		2015-16		2016-17	
	Debit	Credit	Debit	Credit	Debit	Credit
101-PAO Suspense	2532.65	532.93	2630.22	588.76	2295.24	1113.97
Net	Dr 1999.72		Dr 2041.46		Dr 1181.27	
102-Suspense Account (Civil)	1130.15	5292.32	1175.93	5982.81	1134.11	533.76
Net	Cr 4162.17		Cr 4806.88		Dr 600.35	
107-Cash Settlement Suspense Account	497.80	36.34	413.60	36.33	384.88	36.34
Net	Dr 461.46		Dr 377.27		Dr 348.54	
108-PSB Suspense	3688.87	3222.01	5982.12	2273.08	11061.70	957.22
Net	Dr 466.86		Dr 3709.04		Dr 10104.48	
109-Reserve Bank Suspense (HQ)	11.59	185.07	12.31	297.06	12.28	185.07
Net	Cr 173.48		Cr 284.75		Cr 172.79	
110-Reserve Bank Suspense Central Accounts Office	51.17	1158.25	56.15	541.24	59.93	575.01
Net	Cr 1107.08		Cr 485.09		Cr 515.08	
115- Suspense Accounts for Purchases etc. Abroad	978.30	--	1991.46	--	2653.36	--
Net	Dr 978.30		Dr 1991.46		Dr 2653.36	
129-Material Purchase Settlement Suspense Account	210.27	66.86	212.32	61.09	207.99	60.79
Net	Dr 143.41		Dr 151.23		Dr 147.20	
136-Custom Receipts awaiting transfer to receipt head	--	20.75	--	19.73	-	18.46
Net	Cr 20.75		Cr 19.73		Cr 18.46	
138-Other Nominated Banks (Pvt. Sector Banks) Suspense Transaction connected with war, 1939	5.60	550.22	196.20	607.33	28.46	729.71
Net	Cr 544.62		Cr 411.13		Cr 701.25	

It would be seen that debit balances under Suspense Account (Civil), three heads *viz.* PSB Suspense, RBI Suspense Central Account Office and Suspense Account for Purchases Abroad, have increased in 2016-17 over the previous year. Similarly, Credit balances under PAO Suspense, Reserve Bank Suspense Central Accounts Office and Other Nominated Banks Suspense Account have increased in 2016-17 over the previous year. The year-wise break-up of the balances outstanding under the suspense minor heads was not maintained by the CGA hindering effective monitoring of clearance of such balances.

(a) PAO Suspense

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

At the end of March 2017, outstanding debit and credit balances under this head were ₹ 2,295.24 crore and ₹ 1,113.97 crore respectively. Thus, an aggregated balance of ₹ 3,409.21 crore was awaiting clearance from this head.

The outstanding balances were mainly from Department of Supply ₹ 1,060.28 crore (Debit), Ministry of External Affairs ₹ 575.60 crore (Debit), Department of Atomic Energy ₹ 172.80 crore (Credit), Department of Space ₹ 504.13 crore (Credit) and Ministry of Road Transport & Highways ₹ 407.25 crore (Credit) indicating the payment made (Debit) or received (Credit) by these Departments/ Ministries on behalf of other PAOs which were yet to be recovered/ paid by them as on 31 March 2017. The heavy debit and credit balances under PAO suspense indicated significant control deficiencies.

(b) Suspense Accounts (Civil)

This transitory minor head is operated for accounting of the transactions which cannot be taken to the final head of expenditure or receipt for want of certain information/ documents *viz.* vouchers and challans. This minor head is credited for

recording receipts and debited for expenditure incurred. On receipt of the requisite information/ documents, the minor head is cleared by minus debit or minus credit by per contra debit or credit to the concerned minor/sub-minor /minor heads of accounts. Outstanding debit balances under this head would mean payments made, which could not be debited to final expenditure head for want of details like vouchers, etc. Outstanding credit balance would mean amounts received which could not be credited to the final receipt head for want of details.

The outstanding balance under this minor head as of 31 March 2017 was ₹ 533.75 crore (Credit) and ₹ 1,134.11 crore (Debit). An aggregated balance of ₹ 1,667.86 crore was required to be handled individually for settlement. The major balances outstanding pertained to Information and Broadcasting ₹ 20.34 crore (Credit), Department of Supply ₹ 596.92 crore (Debit), Ministry of External Affairs ₹ 333.31 (Credit) and High Commission ₹ 435.76 crore (Debit).

(c) Cash Settlement Suspense Account

In accordance with the instructions contained in Note (4) below the Major Head 8658.00.107- Cash Settlement Suspense Account in the list of Major Minor Head of the Accounts and instructions issued by Ministry of Finance, year after year in this regard, Central PAOs (except Cabinet Secretariat) are not permitted to operate the minor head 8658-00-107-Cash Settlement Suspense Account. As per above cited provisions, it should have been ensured that no new accretions appeared under this head during 2016-17 but old items could be cleared by operating the minor head. Further, it was also instructed to all accounting authorities that all accumulation under this minor head be cleared till the end of financial year 2016-17.

The outstanding balance under this minor head as of 31 March 2017 was ₹ 384.88 crore (Debit) and ₹ 36.34 crore (Credit). An aggregated balance of ₹ 421.22 crore was required to be handled individually for settlement, which had not been booked to the final heads of account. The major balances outstanding pertained to Ministry of Urban Development ₹ 153.63 crore (Debit) and NCT, Delhi ₹ 177.49 crore (Debit).

However, it was noted that balances were lying outstanding against 31 accounting authority under this minor head which were to be cleared by the end of financial year 2016-17. Over and above clearing the outstanding, Ministry of Urban Development and the NCT Delhi were operating the suspense balances, which is a contravention of the instructions issued by Ministry of Finance.

(d) Suspense Account for purchases abroad

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

In 2016-17, the outstanding debit balance under this head was ₹ 2,653.36 crore. Major debtors as on 31 March 2017 were Pyrites, Phosphates and Chemicals Ltd. ₹ 24.95 crore and Coal India Ltd. ₹ 23.18 crore. It was also observed that ₹ 104.87 crore was outstanding from 38 organizations up to 2007. The details of outstanding amount is given in **Annexure-2.8**.

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

(e) Public Sector Bank Suspense (PSB Suspense)

In the Government accounting system, the designated banks conduct government business on behalf of the Reserve Bank of India. When a cheque is issued for payment of a bill, the amount is debited to the final head of account. When the cheque is encashed by a Public Sector Bank, it initially pays the amount from its own cash balance and then claims reimbursement from the Central Accounts Section (CAS), RBI Nagpur, which maintains the account of each ministry/department. Similarly, when government receipts are paid into the designated/ accredited bank, it passes on the proceeds to the Central Accounts Section RBI, Nagpur. As there is a time lag in booking of a government transaction carried out by the bank in government cash balances, the minor head 'Public Sector Bank Suspense' is operated in government books to account for the transitions awaiting settlement. Clearance of balances (both credit and debit) is required to be conducted within the minimum possible time. Otherwise, the cash balance of government with RBI would present an erroneous picture.

The outstanding PSB balance for the year ending March 2017 aggregated to ₹ 11,061.70 crore (Debit) and ₹ 957.22 crore (Credit). The aggregate balance of ₹ 12,018.92 crore was required to be cleared at the end of March 2017.

The departments against which major balances were outstanding were Central Board of Direct Taxes (CBDT) (Expenditure) ₹471.64 crore (Credit), Central

Pension Accounting Office (CPAO) ₹ 3,598.50 crore (Debit), Skill Development and Entrepreneurship ₹ 975.75 crore (Debit), Department of Supply ₹ 285.57 crore (Debit), Ministry of Road Transport and Highways ₹ 300.01 crore (Debit), Central Board of Excise and Custom (CBEC) ₹ 576.73 crore (Debit), Ministry of Minority Affairs ₹ 1,165.51 crore (Debit), Ministry of Health & Family Welfare ₹ 233.25 crore (Debit), Ministry of Culture ₹ 368.47 crore (Debit), Department of Coal ₹ 218.41 crore (Debit), Ministry of Information & Technology ₹ 813.33 crore (Debit), Social Education & Literacy ₹ 191.70 crore (Credit), Ministry of Youth Affairs & Sports ₹ 126.87 crore (Debit) and Higher Education ₹ 113.93 crore (Debit).

On further analysis, it was observed that there was an increase in closing balances of PSB Suspense in respect of Ministry of Minority Affairs, Central Pension Accounting Office, Central Board of Excise and Customs as brought out in **Table 2.15**. below.

Table 2.15: Increase in the Debit balances under Public Sector Bank

(₹ in crore)

Name of PAO/Department	Opening Balance	Receipt	Disbursement	Closing Balance
Ministry of Minority Affairs	68.29	(-)1235.93	(-)2.13	(-)1165.51
CPAO	780.82	(-)4421.81	(-) 42.49	(-)3598.50
Central Board of Excise and Customs	(-)527.08	(-)118.30	(-)68.65	(-)576.73

The Ministry of Minority Affairs stated (September 2017) that the balance increased due to payment /authorizations made by PAO during last week of the financial year. Balances lying under this head were due to non-timely incorporation of e-scroll of DBT payment because of technical error on the part of Bank/PFMS. Matter was pursued with the bank for reconciliation.

The Central Pension Accounting Office accepted (September 2017) that the facts and stated that efforts are being made to minimize the suspense balances.

The CBEC stated (September 2017) that there was not much increase under this head.

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

This minor head is operated in the books of the Union Government for payments of loans, grants-in-aid, share of income tax and share of union excise duty to the state governments. When the payment is authorized, the respective expenditure head is debited and credit is afforded to this suspense head. On receipt of monthly statement of accounts from RBI adjusting the account of Union Government, the MH 8675-Deposits with RBI – 101 - Central Civil is cleared by minus credit. At

the time of repayment of loan and payment of interest thereon by the State Government, this suspense head is debited by crediting the loans/interest head. On receipt of monthly statement of accounts from RBI Central Accounts Section (CAS), Nagpur, minus debit is effected by contra debit to the MH '8675-Depostis with RBI-101-Central Civil'.

The outstanding balances under this minor head as on 31 March 2017 was ₹ 59.93 crore (Debit) and ₹ 575.01 crore (Credit) with aggregated balance of ₹ 634.94 crore to be cleared by the end of March 2017. The outstanding RBI (CAO) suspense balances were mainly against the Ministry of Shipping ₹ 367.99 crore (Credit), Ministry of Commerce ₹ 115.00 crore (Credit), Department of Supply ₹ 37.68 crore (Debit) and Ministry of Road Transport and Highways ₹ 8.19 crore (Debit).

Thus, accumulation of large suspense balances in the accounts led to mismatch of cash balance position in the books of the Union Government as depicted in Finance Accounts, in comparison to cash balance available in the books of Reserve Bank of India.

2.5.2 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 2016-17, there were 76 cases of adverse balances under debt, deposit and remittances heads as given in **Annexure-2.9**. Eight cases became adverse during 2016-17 and remaining 68 cases were outstanding from earlier years. These included 38 cases outstanding for more than one year up to five years, 10 cases for more than five years up to 10 years and 20 cases for more than 10 years old.

Though the adverse balances in the Finance Accounts were qualified by the CGA through footnotes that the adverse balances were under investigation but the findings of such investigations by the CGA and its subordinate offices and efforts made to clear them were not made available to audit.

The CGA stated (October 2017) that the Principal Pay and Accounts Offices of Ministries/Departments were instructed to review and liquidate/clear the adverse/suspense balances under various heads. It was added that while reviewing of the material of Finance Accounts for the year 2016-17 they were asked to clear the adverse balances under DDRs heads.

2.5.3 Outstanding balances under the head ‘Cheques and Bills’

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

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

In the Finance Accounts for 2016-17, large balances were lying outstanding under the various minor heads of ‘Cheques and Bills’ as detailed in **Table 2.16** below.

Table 2.16: Outstanding balances under the head ‘Cheques and Bills’

<i>(₹ in crore)</i>			
8670.101	Pre-audit Cheques	Credit	0.43
8670.102	Pay and Accounts Office Cheques	Credit	4466.07
8670.103	Departmental Cheques	Credit	2309.76
8670.104	Treasury Cheques	Debit	0.06
8670.105	IRLA Cheques	Credit	0.59
8670.106	Telecommunication Accounts Office Cheques	Credit	865.76
8670.107	Postal Cheques	Credit	20721.53
8670.108	Railway Cheques	Credit	4098.43
8670.109	Defence Cheques	Credit	649.74
8670.110	Electronic Advices	Credit	365.59
8670.111	Pay and Accounts Offices Electronic Advices	Credit	6210.88
8670.112	Principal Controller of Communication Accounts Offices Electronic Advice	Credit	54.92
8670.113	Treasury Electronic Advices	Credit	5.21
8670	Cheques and Bills (Total)	Credit	39748.85

Rule 45 of Central Government Account (Receipts and Payments) Rules, 1983 envisages that a cheque shall be payable at any time within three months from the date of issue. Further, Rule 47(2) envisages that cheques remaining unpaid for a period of six months after the month of their issue and not surrendered for renewal are to be reversed and cancelled by minus crediting ‘8670-Cheques and Bills’ and minus debiting the functional major/minor head to which the expenditure was originally debited and amount is to be written back in the accounts.

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

Test check in the Principal Accounts Offices revealed that 3,425 cheques amounting to ₹ 59.92 crore in Ministry of External Affairs, 40 cheques amounting to ₹ 0.05 crore in Department of Supply, 965 cheques amounting to ₹ 164.61 crore in Ministry of Road Transport and Highways and 13,191 cheques amounting to ₹ 141.59 crore in Central Board of Excise and Customs remained unpaid for more than six months.

In the case of Ministry of Urban Development, the details of outstanding cheques for more than six months were not made available to audit.

The CGA stated (October 2017) that the Principal Pay and Accounts Offices of Ministries/Departments were instructed to review and liquidate/clear the adverse/suspense balances under various heads. It was further added that while reviewing the material of Finance Accounts for the year 2016-17, they were asked to clear the balances under Cheques and Bills.

2.5.4 Review of balances not carried out by Principal Accounts Offices

As per the Civil Accounts Manual, at the close of a financial year the PAOs shall review and verify the balances under various Debt, Deposit and Remittance (DDR) heads to ascertain whether the correctness of the balances is accepted by the persons/parties by whom the balances are owed or to whom these are due. The accounting authorities are required to furnish annually by 15 September of each year to the Principal Accounts Office, a detailed statement showing the un-reconciled 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 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 DDR.

In respect of civil departments, the review of balances for the years 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 was completed only in 48, 46, 45, 50 and 57 departments respectively out of a total 70 Principal Accounts Offices.

Large numbers of adverse balances in Finance Accounts for several years are reflective of the failure of the Principal Accounts Offices in carrying out timely reviews and take follow up action.

2.6 Departmentally managed Government Undertakings- Position of Proforma Accounts

Rule 84 of the General Financial Rules, 2017, stipulates that departmentally managed government undertakings of commercial or quasi commercial nature will maintain subsidiary accounts and Proforma Accounts as may be prescribed by the Government in consultation with the Comptroller and Auditor General of India. The financial results of these undertakings are ascertained annually by preparing Proforma Accounts generally consisting of Trading Account, Profit and Loss Account and Balance Sheet. While the Government of India Presses prepare Proforma Accounts without Trading Account, Profit and Loss Account and Balance Sheet, the Department of Publications prepares only the Store Accounts.

Audit received information in respect of 81 departmentally managed Government undertakings of commercial or quasi commercial nature as contained in **Annexure 2.10**. Out of these, accounts were lying in arrears in 55 undertakings as of March 2017 as depicted in **Table 2.17** below.

Table 2.17: Period for which Proforma Accounts are lying in the arrears

Sl. No.	No. of undertakings	Financial year of the account	No. of Years in arrears
1.	31	2015-16	1
2.	14	2012-13 to 2014-15	2-4
3.	5	2008-09 to 2011-12	5-8
4.	5	2007-08 and before	9 years or more
Total	55		

Proforma Accounts of 31 Undertakings were delayed for a period of one year. In respect of 14 Undertakings, accounts were delayed from two to four years. In case of Port Management Board, Andaman and Nicobar Islands, Ministry of shipping, the Proforma Accounts had not been prepared since the financial year 1991-92 onwards.

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

2.7 Losses and irrecoverable dues written off/waived

Rule 33 of the General Financial Rules, 2017, 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 ten thousand need not be reported.

Statement of losses written off and recovery waived off during 2016-17 were called from 67 Ministries/Departments. However, information was made available by only 44 Ministries/Departments. Out of 44, in 10 Ministries/ Departments, 98 cases of losses amounting to ₹ 250.79 lakh were written off and recoveries amounting to ₹ 1.36 lakh in five cases were waived off, as detailed in **Annexure 2.11**.

2.8 Conclusion

There are significant deficiencies relating to disclosures, accuracy, completeness, and transparency in the Union Finance Accounts for 2016-17. Many of these discrepancies are recurring without any noticeable corrective actions taken by the concerned accounting authorities though commented upon in previous Audit Reports. Several Regulatory Bodies acting as 'State' within the meaning of the Constitution of India, maintained large amount of funds outside the Government Accounts. Specific purpose cess being collected was not credited to the earmarked funds whenever created in the Public Account. Under-utilisation of Cess collected was also noticed. There were several cases of discrepancies in the figures reflecting the government's holding in the equity base of the Statutory Corporations, Government Companies, Other Joint Stock Companies, Cooperative Banks, Societies, etc. A large proportion of loans advanced by Union Government to States/UTs Government and other entities were not being recovered and the repayments due from these entities were in arrears for more than 20 years. Accumulation of large suspense balances in the accounts led to mismatch of cash balance position in the books of the Union Government as depicted in the Finance Accounts in comparison to cash balance available in the books of Reserve Bank of India. In respect of Debt, Deposit and Remittance Heads where balances are carried over from year to year, the accounts and transactions were not maintained and tracked in a proper manner in a number of Ministries/Departments leading to a large number of adverse balances in the concerned head of accounts and accumulation of suspense balances. Proforma Accounts of 50 Undertakings were delayed ranging from one to eight years and Proforma Accounts of five Undertakings were delayed for more than nine years.

3: APPROPRIATION ACCOUNTS: 2016-17

3.1 Introduction

The Appropriation Act passed by Parliament authorises the Government to appropriate specified sums from the Consolidated Fund of India (CFI) for identified services. Parliament also sanctions supplementary or additional Grants by subsequent Appropriation Acts in terms of Article 115 of the Constitution. The Appropriation Acts authorise disbursements on services, which have been voted by Parliament under various Grants in terms of Articles 114 and 115, and the disbursements, charged on the CFI in terms of Article 112(3) as well as Articles 273, 275 and 293 of the Constitution. The Government prepares Appropriation Accounts every year indicating the details of the gross amounts on various services actually spent vis-à-vis those authorised by the Appropriation Acts.

The Controller General of Accounts (CGA) prepares the Appropriation Accounts in respect 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, viz. Civil, Defence, Posts and Railways, along with his Audit Reports thereon under Article 151 of the Constitution to the President every year who causes them to be laid before the Parliament. Details of Demands for Grants/Appropriations of various Ministries during 2016-17 are as follows:

Ministry	Number of Demands for Grants/Appropriations
Civil	95
Defence	2
Posts	1
Railways	16
Total	114

This Chapter contains audit observations on the Appropriation Accounts (Civil, Posts and Defence) including an analysis of expenditure in excess of allocation requiring regularisation by the Parliament, unspent provisions requiring explanation, irregular and injudicious re-appropriations, supplementary provisions obtained without requirement by some Ministries and unrealistic budgeting. The excesses as well as savings in respect of Grants/Appropriations relating to Civil Ministries/Departments, Posts and Defence have been dealt with in this Chapter. Audit findings on Railway Appropriations are available in the related Audit Report for the year 2016-17. However, references to Railways

appropriations have been made, wherever necessary, in order to cover the appropriation process in totality.

3.2 Summary of total provisions, actual disbursements and savings during 2016-17

Chart 3.1 below shows the break-up of expenditure in Ministries/Departments-Civil, Posts, Railways and Defence during the financial year 2016-17. The bulk of the total gross expenditure i.e., 92.95 per cent, was incurred by the Civil Ministries, while 3.94 per cent was incurred by Railways, 2.81 per cent by Defence and 0.30 per cent by Department of Posts.

Chart 3.1: Break-up of expenditure between Civil Ministries/Departments, Posts, Defence and Railways during the financial year 2016-17

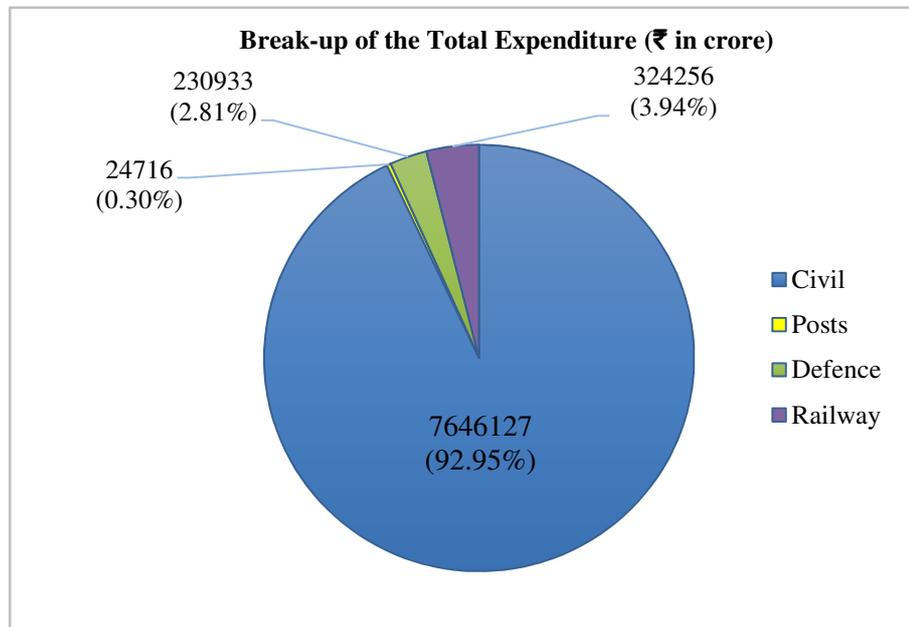


Table 3.1 gives the expenditure in Civil Ministries/Departments, Posts, Defence and Railways during the year 2016-17.

Table 3.1: Expenditure under Charged and Voted during the year 2016-17

(₹ in crore)									
Civil		Posts		Defence		Railways		Total	
7646127		24716		230933		324256		8226032	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
1343888	6302239	24713	3	230740	193	323849	407	1923190	6302842
17.58%	82.42%	99.99%	0.01%	99.92%	0.08%	99.87%	0.13%	23.38%	76.62%

Table 3.2 gives the total provisions (both Charged and Voted) and disbursements of the Government during the financial year 2016-17. **Annexure 3.1** presents the details of the summary of Appropriation Accounts of Civil Ministries, Posts, Railways and Defence Services.

Table 3.2: Provision, disbursement and savings during 2016-17

(₹ in crore)

Departments	Total Provision	Disbursements	Savings (-) Excess (+)	Percentage of Saving /Excess as compared to Total Provision
Civil	7647199.05	7646126.71	(-)1072.34	0.01
Posts	23832.36	24716.30	(+)883.94	3.71
Defence Services	233639.90	230932.73	(-)2707.17	1.16
Railways	362110.10	324255.89	(-) 37854.21	10.45
Grand Total	8266781.41	8226031.63	(-) 40749.78	0.49

Under the Civil Ministries/Departments, the net saving of ₹ 1,072.34 crore was due to saving of ₹ 1,90,226.60 crore in 93 Appropriations/Grants and excess expenditure of ₹ 1,89,154.26 crore under two Appropriations/Grants.

Out of the overall saving of ₹ 1,90,226.60 crore in Civil Ministries /Departments, savings of more than ₹ 10,000 crore occurred in Grant No. 17-Department of Food and Public Distribution (₹ 53,478 crore), Grant No. 74-Ministry of Road Transport and Highways (₹ 46,838 crore), and Grant No. 29-Department of Economic Affairs (₹ 13,355 crore).

The overall excess expenditure of ₹ 1,89,154.26 crore in Civil Ministries /Departments, occurred in Grant No. 33 – Appropriation-Repayment of Debt (₹ 1,86,954.42 crore) and Grant No. 21 – Defence Pension (₹ 2,199.84 crore).

There were savings in 194 number of segments¹ of the 93 Grants/Appropriations and excess in three number of segments of two Grants under the Grants/Appropriations relating to Civil Ministries/Departments, savings in two segments and excess in one segment of one grant of Posts, savings in two segments and excess in two segments of two grants of Defence and savings in 26 segments and excess in six segments of 16 grants of Railways². **Annexure 3.2** presents an abstract of the savings and excess.

3.3 Charged and voted disbursements

As per Article 112(2) of the Constitution, a distinction is made between Charged and Voted expenditure. Charged expenditures are defined in Articles 112(3), 273, 275(1) and 293(2) of the Constitution. Estimates of Charged expenditure are not subject to the vote of Parliament as enshrined in Article 113(1) of the Constitution but can be discussed in either House of the Parliament. **Annexure 3.3** contains the details of disbursements actually made against authorised demands (Grants and Appropriations) of the Civil Ministries/Departments for the period 2000-01 to 2016-17.

¹ There are four segments viz. Revenue Voted, Revenue Charged, Capital Voted and Capital Charged in each Grant/Appropriation.

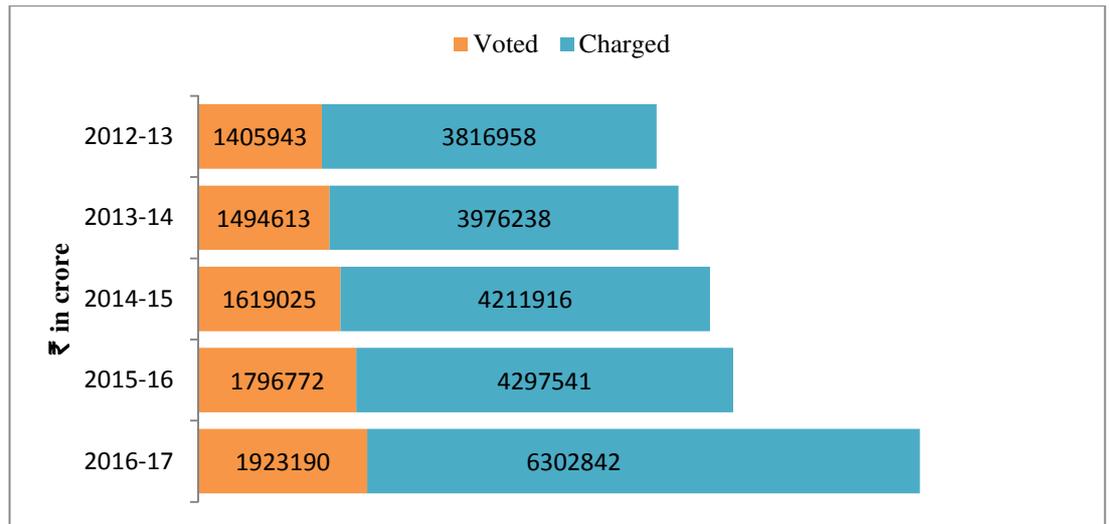
² Grant No. 16 of Railways is having three Voted and three Charged Segments.

During 2016-17, the total disbursements of ₹ 76,46,127 crore under the civil Ministries/Departments were higher by ₹ 21,16,654 crore (38.28 per cent) as compared to the total disbursements of ₹ 55,29,473 crore during 2015-16. It had increased by 59.51 per cent from ₹ 47,93,466 crore in 2012-13. The charged disbursements increased by 65.14 per cent from ₹ 38,16,395 crore in 2012-13 to ₹ 63,02,239 crore in 2016-17 and voted disbursements increased by 37.54 per cent from ₹ 9,77,071 crore to ₹ 13,43,888 crore over the same period. The charged disbursement of the civil Ministries/Departments during 2012-13 was 80 per cent of the total disbursements which increased to 82 per cent during 2016-17.

In 2016-17, the major charged disbursement comprised of *Appropriation-Repayment of Debt* (₹ 56,78,823 crore), *Appropriation-Interest Payments* (₹ 5,04,515 crore) and *Transfers to States* (₹ 1,13,314 crore). Since estimates of charged disbursements are not subject to vote by Parliament, effectively the scope of financial control by Parliament is limited to about 18 per cent of the total disbursement of the Union civil Ministries /Departments.

Viewed against the background of total disbursements amounting to ₹ 82,26,032 crore from the CFI including Civil, Posts, Defence Services and Railways, the percentage of charged disbursements was 77 per cent (₹ 63,02,842 crore) during the financial year 2016-17.

Chart 3.2: Disbursement under Charged and Voted sections during the years 2012-13 to 2016-17



APPROPRIATION ACCOUNTS 2016-17: AN ANALYSIS

3.4 Grants/Appropriations with excess disbursements

Article 114(3) of the Constitution provides that no money shall be withdrawn from the Consolidated Fund of India except under appropriations made by law. Rule 52(3) of General Financial Rules (GFR), 2005, stipulates that no disbursements shall be made which might have the effect of exceeding the total Grant or Appropriation authorised by Parliament for a financial year except after obtaining a supplementary Grant or through an advance from the Contingency Fund. There was an excess disbursement of ₹ 1,90,270.18 crore over the authorisation from the CFI during 2016-17 out of which an excess disbursement of ₹ 1,89,154.26 crore occurred in three segments of two Grants/Appropriations in Civil Ministries/Departments, ₹ 936.48 crore in one segment of one Grant of Posts, ₹ 146.31 crore in two segments of one Grant of Defence and ₹ 33.13 crore in six segments of three Grants of Railways.

The details of excess expenditure requiring regularisation under Article 115(1)(b) of the Constitution are given in **Table 3.3**.

Table 3.3: Details of excess disbursement over Grants/Appropriations

Sl. No	Description of Grant/ Appropriation	Amount in ₹	Reasons for excess as stated by the Ministries/Departments
Civil Revenue (Voted)			
1.	21 –Defence Pension	Grant Expenditure Excess 856246000000 878241577250 21995577250	Due to requirement of additional funds owing to increased rate of relief of Pensions/Growth in Pensions and implementation of various Government Orders/7th CPC orders for revision of pensions; and booking of pending pension scrolls received from banks to clear amount under suspense on the instruction of Ministry of Finance, Department of Economic Affairs (Budget Division) OM No. 2 (10)-B (AC)/2017 dated 05.09.2017.
Revenue (Charged)			
2.	21 -Defence Pensions	<i>Appropriation</i> <i>Expenditure</i> <i>Excess</i> 13600000 16408608 2808608	<i>Due to implementation of Court Judgments.</i>
Capital (Charged)			
3.	33 -Appropriation – Repayment of Debt	<i>Appropriation</i> <i>Expenditure</i> <i>Excess</i> 54918687800000 56788231993269 1869544193269	<i>Due to higher volume of amount withdrawn by the State Governments in the last days of the financial year to meet their financial obligations.</i>
Posts Revenue (Voted)			
4.	13 -Department of Posts	Grant Expenditure Excess 232724100000 242088875842 9364775842	Due to payment of committed liabilities of salary and pension on account of implementation of 7 th CPC.

Sl. No	Description of Grant/ Appropriation	Amount in ₹	Reasons for excess as stated by the Ministries/Departments	
Defence				
Capital (Voted)				
5.	23 -Capital Outlay on Defence Services	Grant Expenditure Excess	784995662000 786041132013 1045470013	Due to payment of Customs and Excise duties; Committed Liabilities payment in respect of Cabinet Committee of Secretaries approved Contracts for Rockets for Smerch, payment of excise duty by Director General of Ordnance Factories as well as advance payment in respect to emergency procurement, committed liabilities payment for rolling stock, additional requirement sought for carry over works, China Study Group(CSG) Roads, Infra Development in Eastern Sector and Married Accommodation Project, land acquisition from Government of West Bengal at Diamond Harbor (Mouza Dakshinpur), enhancement of requirement in respect of specialist and general purpose vehicles, higher outgo due to payment of Customs duty on imported equipment, substantial increase in expenditure under Annual Maintenance Work Plan, Married Accommodation Projects and other Capital works during the last quarter of the Financial year, additional expenditure for progressing Strategic Projects, obligatory contractual payments released through letter of Credit in respect of 15 Heavy Light Helicopter, 51 Mirage & Interim Maintenance Services schemes, MiG 21 up-gradation, custom duty introduced on Defence Goods and Exchange Rate Variations.
Capital (Charged)				
6.	23 -Capital Outlay on Defence Services	Appropriation Expenditure Excess	895838000 1313471564 417633564	Due to settlement of more court cases than anticipated.
Railways				
Revenue (Charged)				
7.	4 -Repairs and Maintenance of Permanent Ways and Works	Appropriation Expenditure Excess	17161000 17938229 777229	Due to materialisation of more decretal payments, than anticipated.
8.	7 -Repairs and Maintenance of Plant and Equipment	Appropriation Expenditure Excess	7145000 7197739 52739	
Capital (Voted)				
9.	16 -Railway Safety Fund (RSF)	Grant Expenditure Excess	107803000000 108027229844 224229844	Due to materialisation of more store debits than anticipated, more materialisation of contractual payments than anticipated and better progress of works.

**Report of the CAG on
Union Government Accounts 2016-17**

Sl. No.	Description of Grant/Appropriation	Amount in ₹		Reasons for excess as stated by the Ministries/Departments
Capital (Charged)				
10.	16 -Capital	Appropriation Expenditure Excess	2200043000 2280518428 80475428	Due to materialisation of more decretal payments, than anticipated.
11.	16 -Railway Safety Fund (RSF)	Appropriation Expenditure Excess	170872000 192285542 21413542	
12.	16 - Railways Funds (Depreciation Reserve Fund, Development Fund and Capital Fund)	Appropriation Expenditure Excess	206755000 211154326 4399326	

Note: Grants/Appropriations figures include Supplementary Grants/Appropriations, if any.

3.5 Persistent excess in Grants

A scrutiny was undertaken of the Grants registering persistent excess for the five years period from 2012-13 to 2016-17. The scrutiny revealed that persistent excesses occurred during the period 2012-13 to 2016-17 in the Revenue charged segment of one Appropriation. The Grant wise and year wise details of persistent excesses against authorisation are given in **Table 3.4** below.

Table 3.4: Persistent excess in Grants/Appropriations

Sl. No.	Description of Grant/Appropriation	2012-13	2013-14	2014-15	2015-16	2016-17
Amount in ₹						
Civil Revenue (Charged)						
1.	Defence Pensions					
	Appropriation-	8200000	42300000	100000000	30000000	13600000
	Expenditure-	48160400	49786943	145450236	31465728	16408608
	Excess-	39960400	7486943	45450236	1465728	2808608

Persistent excess in the Grant of Defence Pensions is a matter of concern. Despite recommendations of the Public Accounts Committee to minimise the cases of excesses, persistent excesses have been noticed in the Grant. Ministry needs to ensure concerted efforts and devise effective mechanisms to observe financial discipline to avoid excess expenditure.

3.6 Minor/Sub head-wise excess expenditure

Rule 58(1) of GFR 2005 stipulates that a Subordinate Authority incurring 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 2016-17 that there was an excess expenditure of ₹ five crore and more over the available provision in 56 minor/sub-heads of 14 Grants. Though, an aggregate expenditure of ₹ 1,97,132.09 crore was incurred which exceeded the available provisions under these minor/sub-heads, the authority administering the concerned Grant/Appropriation did not issue re-appropriation orders to accommodate the final excess expenditure over the available provision, indicating laxity in budgetary control. Minor/sub-heads where excess expenditure occurred are listed in **Annexure 3.4**.

3.7 Savings of ₹ 100 crore or more in Grants/Appropriations

The Public Accounts Committee (10th Lok Sabha, 1993-94) in its 60th Report (paras 1.22 and 1.24) had observed that savings of ₹ 100 crore or above are indicative of defective budgeting as well as shortfall in performance in a Grant or Appropriation. The Committee had desired that detailed note in respect of savings of ₹ 100 crore or above in a segment of the Grant for each year should be furnished to the Committee by the respective Ministry /Department.

Savings of more than ₹ 100 crore, which need a detailed explanatory note to the Public Accounts Committee (PAC), had occurred in 84 segments of 67 Grants (including Civil, Posts, Railways and Defence Services) during the financial year 2016-17. Large savings³ were noticed in Grants: Department of Food and Public Distribution (₹ 53,478 crore), Ministry of Road Transport and Highways (₹ 46,838 crore), Department of Economic Affairs (₹ 13,355 crore), Department of Agriculture, Cooperation and Farmers Welfare (₹ 8,206 crore), Department of Financial Services (₹ 6,273 crore), Transfer to States (₹ 6,044 crore), Ministry of Power (₹ 5,623 crore), Department of Health and Family Welfare (₹ 4,387 crore), *Appropriation - Interest Payments* (₹ 4,268 crore) and Department of Fertilisers (₹ 4,009 crore). Savings⁴ under various Grants/Appropriations of ₹ 100 crore or more aggregating ₹ 2,28,639.60 crore are detailed in **Annexure 3.5**.

Some of the reasons for savings, as attributed by the Ministries/Departments, are 'delay in finalisation /non-finalisation of scheme', 'receipt of non-viable/less proposals', 'non-finalisation of proposals', 'reduction of provisions at revised estimates stage by the Ministry of Finance and economy measures', 'availability of unspent balance of previous year with the State Governments/ implementing agencies', 'non-filling up of vacant posts' and 'non-receipt of Utilisation Certificates'.

³ Entire saving in a Grant/Appropriation

⁴ Savings also include mandatory cuts imposed by Ministry of Finance as a part of economy measures and the figures in the bracket present total savings.

Further, persistent savings of ₹ 100 crore and above during the last three years (2014-15 to 2016-17) were noticed in 51 number of segments of 43 Grants/Appropriations. Details are given in **Annexure 3.6**.

3.8 Surrender of savings (Overall)

Rule 56 of General Financial Rules, 2005, provides that savings in a Grant or Appropriation are to be surrendered to Government as soon as these are foreseen without waiting for the last day of the year. Savings should also not be held in reserve for possible future excesses.

During the financial year 2016-17, there were savings of ₹ 1,90,226.60 crore under 194 segments of 93 Grants/Appropriations of Civil Ministries/Departments. This was offset by excess expenditure of ₹ 1,89,154.26 crore under three segments of two Grants resulting in a net saving of ₹ 1,072.34 crore. The amounts surrendered by the Civil Ministries/Departments are shown in **Table 3.5**.

Table 3.5: Details of savings and surrender under Civil Ministries/Departments

(₹ in crore)

	Savings	Amount Surrendered	Amount Surrendered on 31 st March	Percentage of Amount Surrendered on 31 st March to Amount surrendered	Amount not Surrendered
Revenue					
Voted	125878.69	103813.79	103795.77	99.98	22064.90
Charged	9501.24	3671.99	3671.99	100.00	5829.25
Total: Revenue	135379.93	107485.78	107467.76	99.98	27894.15
Capital					
Voted	54330.12	46443.42	46129.26	99.32	7886.70
Charged	516.55	281.18	281.18	100.00	235.37
Total: Capital	54846.67	46724.60	46410.44	99.33	8122.07
Grand Total	190226.60	154210.38	153878.20	99.78	36016.22

The above table shows that the savings of ₹ 36,016.22 crore under Civil Ministries/Departments was not surrendered which was 18.93 per cent of total savings. Further, almost the entire surrendered amount was surrendered on the last day of March 2017. The date of issue of Audit Order by the Ministry of Finance accepting the surrenders proposed by the line Ministries/Departments has been taken into account while compiling the above table irrespective of the date of proposed surrender by the Ministries/Departments. This amount could have been utilised/allotted for other Schemes/Programmes if the amount had been surrendered in time.

In seven segments across seven Grants/Appropriations of Civil Ministries/Departments, the amount surrendered exceeded the savings in the Grants. This is indicative of poor budgetary management. Details of such cases are given in **Annexure 3.7**.

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

In 67 segments across 51 Grants/Appropriations, where savings of more than ₹ 100 crore had occurred, the Ministries/Departments concerned surrendered the savings on the last day of the financial year (i.e. 31st March 2017) in violation of Rule 56 of the General Financial Rules, 2005. The details of savings and surrenders, along with the amounts not surrendered which stood lapsed at the close of the financial year, are given in **Annexure 3.8**.

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

Under Article 114 of the Constitution, the Parliament authorises the Government to appropriate specified sums from the Consolidated Fund of India. Parliament also authorises supplementary or additional Grants by subsequent Appropriation Acts, in terms of Article 115 of the Constitution over and above the authorisation made previously for the purpose of that year under Article 114. While preparing the initial estimates of expenditures, Ministries/Departments are required to keep in view the trends of disbursements during the previous years and take due care to ensure that provision for all inescapable and foreseeable expenditures is made in the estimates before they are submitted to the Ministry of Finance. The Ministry of Finance, after due deliberations and pre-budget meetings/scrutiny, finalises the budget proposals.

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

Table 3.6 presents the supplementary provisions (includes cash, token and technical) obtained by the Ministries/Departments of the Union Government and their percentage to the original provision during the year 2014-15 to 2016-17.

Table 3.6: Status of Supplementary Grants against Original provision

Sector	2014-15			2015-16			2016-17		
	O	S	% of S to O	O	S	% of S to O	O	S	% of S to O
Civil	5784779.10	40796.22	0.71	5920371.35	208252.50	3.52	6356009.21	1291189.84	20.31
Defence	245664.72	8335.55	3.39	263395.38	746.18	0.28	227085.52	6554.38	2.89
Posts	18659.85	350.57	1.88	19830.91	701.75	3.54	23528.86	303.50	1.29
Railways	293728.54	5871.48	2.00	337237.92	1130.88	0.34	357332.90	4777.20	1.34
Total	6342832.21	55353.82	0.87	6540835.56	210831.31	3.22	6963956.49	1302824.92	18.71

O – Original; S - Supplementary

There is a continuous upward trend in the supplementary provision in the case of Civil Grants. In case of Defence and Railways, a downward trend in 2015-16 is followed by an upward trend in 2016-17 whereas an upward trend in 2015-16 is followed by declining trend in 2016-17 in case of Department of Posts.

Audit scrutiny revealed that a number of Ministries/Departments of the Central Government obtained supplementary Grants/Appropriations which were even higher than the original provisions in the respective Demands. The cases where the supplementary provision was more than ₹ 100 crore and exceeded 40 per cent of the original provision are detailed in **Table 3.7**.

Table 3.7: Details of large Supplementary Grants

(₹ in crore)

Sl No.	Description of Grant	Original Provision	Supplementary Provision	Percentage of Supplementary Provision to Original Provision
Revenue (Voted)				
1.	10 -Ministry of Coal	361.00	195.36	54
2.	14 -Department of Telecommunications	18355.96	9448.10	51
3.	16 -Department of Consumer Affairs	1239.81	6071.01	490
4.	29 -Department of Economic Affairs	12335.39	5969.28	48
5.	44 -Department of Heavy Industry	392.87	5709.15	1453
6.	47 -Cabinet	419.64	226.36	54
7.	58 -Ministry of Micro, Small and Medium Enterprises	3454.22	1697.94	49
8.	86 -Ministry of Steel	85.62	242.53	283
9.	87 -Ministry of Textiles	4574.30	2021.36	44
Capital (Voted)				
10.	8 -Department of Pharmaceuticals	0.10	100.00	100000
11.	9 -Ministry of Civil Aviation	1780.20	930.72	52
12.	11-Department of Commerce	100.00	116.00	116
13.	15 -Department of Electronics and Information Technology	239.11	110.01	46
14.	17 -Department of Food and Public Distribution	10601.60	40550.01	382
15.	44 -Department of Heavy Industry	907.13	1367.29	151
16.	66 -Ministry of Petroleum and Natural Gas	2.00	2450.00	122500
17.	68 -Ministry of Power	3721.82	1789.85	48
18.	74 -Ministry of Road Transport and Highways	54707.00	31972.70	58

Sl No.	Description of Grant	Original Provision	Supplementary Provision	Percentage of Supplementary Provision to Original Provision
19.	87 -Ministry of Textiles	20.52	168.10	819
20.	95 -Ministry of Urban Development	11405.42	5820.06	51
Capital (Charged)				
21.	32 -Transfers to States	12600.00	5500.00	44
22.	91 -Chandigarh	50.00	200.00	400

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

The Public Accounts Committee in their 92nd Report (15th Lok Sabha 2013-14), while regularising the excess expenditure incurred by the Ministries/Departments of the Union Government over Voted Grants and Charged Expenditure for the financial year 2011-12 despite obtaining large amount of supplementary Grants, had observed that the Ministry of Finance should initiate a study of the best international practices on the modalities for ensuring greater conformity of expenditure to the budgetary provisions. The practice of seeking supplementaries during the fiscal year in addition to the main budget undermines the sanctity of budgetary provisions. In practice, even known expenditure outgoes are often not reflected in the main budget but sought through subsequent supplementaries. The supplementary budget should normally be for unexpected items of expenditure or schemes taken up for compelling public interest.

Further, the Public Accounts Committee in their 19th Report (16th Lok Sabha 2014-15) had asked Ministry of Finance as to whether any guidelines have been issued for the Ministries/Departments to make their demands for Supplementary Grants on a realistic basis before presenting the same to Parliament so that additional provisions are commensurate with the actual requirement of funds. The Ministry of Finance (Department of Economic Affairs) had submitted that extant orders/instructions and the letters, calling for the Supplementary Demands for Grants issued by Ministry of Finance reiterate the need for assessing the requirement of funds in a realistic manner before seeking the approval of Parliament through Supplementary Demands for Grants.

3.11 Unnecessary cash supplementary provision (Grant-wise)

In 22 cases across 20 Grants, as detailed in **Table 3.8**, cash supplementary provisions aggregating to ₹ 11,481.10 crore were obtained during 2016-17 in anticipation of higher expenditure, but in 18 Grants the final expenditure was even less than the original provisions. The unutilised cash supplementary

**Report of the CAG on
Union Government Accounts 2016-17**

provision was, therefore, unnecessary, indicating deficient budgeting. Instead of obtaining 'Cash Supplementary', the Ministries/Departments should have explored the possibility of utilising the savings available within the Grant by obtaining 'Token' or 'Technical Supplementary', to avoid savings at the end of the year.

Table 3.8: Unnecessary cash supplementary leading to savings

(₹ in crore)

Sl. No.	Grant/Appropriation	Original Provision	Total Supplementary Grant obtained	Cash Supplementary	Actual Disbursements	Saving
Civil Grants						
Revenue Voted						
1.	1 -Department of Agriculture, Cooperation and Farmers Welfare	35952.83	12826.55	3826.48	40595.11	8184.27
2.	3 -Department of Animal Husbandry, Dairying and Fisheries	2395.45	100.07	100.00	2368.30	127.22
3.	17 -Department of Food and Public Distribution	142102.51	291.83	27.56	116008.39	26385.95
4.	20 -Ministry of Defence (Misc)	56449.44	4564.73	1068.36	58043.18	2970.99
5.	28 -Ministry of External Affairs	11679.63	600.03	600.00	11159.50	1120.16
6.	29 -Department of Economic Affairs	12335.39	5969.28	60.00	6721.32	11583.35
7.	37 -Department of Revenue	11868.99	45.03	38.00	11024.12	889.90
8.	42 -Department of Health and Family Welfare	38899.71	2813.34	1281.78	37859.65	3853.40
9.	51 -Department of School Education and Literacy	63826.65	342.13	342.04	62636.69	1532.09
10.	53 -Ministry of Information and Broadcasting	4036.06	77.36	77.35	3933.85	179.57
11.	66 -Ministry of Petroleum and Natural Gas	29158.62	81.16	81.14	27780.29	1459.49
12.	81 -Ministry of Skill Development and Entrepreneurship	1770.55	368.75	368.72	1544.10	595.20
13.	82 -Department of Social Justice and Empowerment	6226.95	30.50	3.44	6204.22	53.23
14.	84 -Department of Space	4155.38	300.28	1.14	4452.80	2.86
15.	85 -Ministry of Statistics and Programme Implementation	4724.83	7.01	6.99	4248.16	483.68
16.	89 -Ministry of Tribal Affairs	768.14	2.03	1.50	723.95	46.22
17.	95 -Ministry of Urban Development	15502.67	2621.05	2521.00	15395.49	2728.23
18.	97 -Ministry of Women and Child Development	17878.12	417.25	217.18	17067.61	1227.76
Revenue Charged						
19.	20 -Ministry of Defence (Misc)	15.24	1.45	0.75	5.03	11.66
Capital Voted						
20.	36 -Indian Audit and Accounts Department	11.50	2.69	2.69	9.15	5.04
21.	48 -Police	9035.51	842.99	842.98	8868.18	1010.32

Sl. No.	Grant/Appropriation	Original Provision	Total Supplementary Grant obtained	Cash Supplementary	Actual Disbursements	Saving
Capital Charged						
22.	48 –Police	6.66	12.00	12.00	5.73	12.93
Total				11481.10		

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

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

Examination of the accounts revealed that in 18 cases across 12 Grants/Appropriations of Civil Ministries/Departments and Defence Services, re-appropriations aggregating to ₹ 1,277.00 crore were injudicious as the original provision under the minor/sub-heads to which augmentation was made by way of re-appropriation was adequate. As a result of such injudicious re-appropriation, the final savings under the heads were more than the amount re-appropriated to these heads. The 18 cases, where injudicious re-appropriation exceeding ₹ 5 crore and more were made, are given in **Annexure 3.9**.

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

Similarly, scrutiny of the accounts revealed that in 10 cases across four Grants/Appropriations of Civil Ministries/Departments, Posts and Defence, re-appropriations of funds aggregating to ₹ 1,033.00 crore were injudiciously made to other heads which resulted in disbursement, which was more than the sanctioned provision. In each of these heads, the excess expenditure was more than the amount re-appropriated. The details of such injudicious re-appropriation exceeding ₹ 5 crore and more, are given in **Annexure 3.10**.

3.14 Unnecessary supplementary provision obtained under sub-heads

While obtaining supplementary provision, the Ministries/Departments reported to Parliament large additional requirement for different purposes under various schemes/activities, but finally they were unable to spend not only the entire supplementary provision but even some part of the original budget provision. The details of 34 minor/sub-heads across 18 Grants/Appropriations where supplementary is more than ₹ five crore and entire supplementary Grant, together with part of original budget provision, remained unspent are given in **Annexure 3.11**.

3.15 Savings of entire provision (Sub-head wise)

In 40 sub-heads across 20 Grants/Appropriations, the entire provision (₹ 50 crore and above) aggregating to ₹ 1,25,305.38 crore, authorised by the

Parliament could not be spent by the Ministries/Departments and remained unutilised.

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

- *Appropriation – Repayment of Debt:* ‘Cash Management Bills’ (₹ 1,00,000 crore) – due to non-utilisation of Cash Management Bills; and ‘Special Securities issued to R.B.I. for maintenance of Value account in respect of India Millennium Deposits’ (₹ 443 crore) – due to claims already adjusted earlier;
- Department of Agriculture, Cooperation and Farmers Welfare: ‘Adjustment of Provision’ (₹ 5,204 crore) – due to non-approval of the scheme;
- Department of Economic Affairs: ‘Payment to Railways’ (₹ 4,301 crore) – due to non-release of subsidy to Railways; ‘Loans to IMF under New Arrangements to Borrow (NAB)’ (₹ 1,486 crore) – due to requirement of less funds by RBI for providing loans to IMF under New Arrangements to Borrow; and ‘Interest equalization support for Indian companies’ (₹ 500 crore) – due to non-commencement of drawdown under the scheme owing to nil disbursement by EXIM bank;
- Ministry of Urban Development: ‘Transfer to Rashtriya Swachhata Kosh’ (₹ 2,300 crore) – due to inadvertent provisioning of budget under the head;
- Department of Food and Public Distribution: ‘Central Assistance to States for meeting expenditure on Intra-State movement, handling of food grains and FPS Dealers' margin under NFSA’ (₹ 2,200 crore) – due to transfer of provision from Central Sector Schemes to functional heads;
- Department of Health and Family Welfare: ‘Material Assistance for Strengthening of National Immunisation Programme and Polio Eradication’ (₹ 1,870 crore) – due to non-materialisation of the scheme;
- *Appropriation - Interest Payments:* ‘Cash Management Bills’ (₹ 1,000 crore) – due to non-issuance of Cash Management Bills owing to availability of surplus funds;

- Transfers to States: ‘Grants to autonomous councils, area covered under sixth schedule’ (₹1,000 crore) – due to non-receipt of proposals owing to pending utilisation certificates; and
- Department of Financial Services: ‘Security Redemption Fund’ (₹ 625 crore) – due to decision of writing back the balances.

The details of sub-heads where entire provision of ₹ 50 crore and above remained unutilised are given in **Annexure 3.12**.

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

Scrutiny of Appropriation Accounts revealed that in certain Grants and appropriations, large savings of ₹ 100 crore or more, under a sub-head, were noticed which is indicative of poor budgeting or shortfall in performance or both, in respect of the concerned scheme being implemented by the Ministry/Department. Necessary steps need to be taken by the Ministries/Departments to make their budgetary exercise more realistic, not only to minimise large scale variations between estimates and actuals but also to gainfully utilise the scarce resources. These Ministries/Departments are required to review their system of budgetary assumption and/or efficiency of their programme management. **Annexure 3.13** gives the details of 124 such large savings of ₹ 100 crore or more and constituting more than 10 *per cent* of the sanctioned provision under a sub-head along with reasons given by respective Ministries/Departments.

Major savings occurred under the following programmes/schemes:

- **Appropriation-Repayment of Debt:** ₹ 3,36,511 crore under ‘Ways and Means Advances from Reserve Bank of India’ (against the budgeted provision of ₹ 5,00,000 crore) due to less utilisation of Ways & Means Advances and overdraft.
- **Department of Food and Public Distribution:** ₹ 27,000 crore under ‘Ways and Means Advance payable to Food Corporation of India (FCI)’ (against the budgeted provision of ₹ 50,000 crore) due to requirement of less funds by FCI owing to loans granted through other channel and; ₹ 25,250 crore under ‘Subsidy payable to FCI and other on food grain transactions’ (against the budgeted provision of ₹ 1,03,585 crore) due to reduction in subsidy payable to FCI and reduction of provision at RE stage by the Ministry of Finance.
- **Ministry of Road Transport and Highways:** ₹ 19,743 crore under ‘Block Grant for transfer to Central Road Fund’ (against the budgeted provision of ₹ 29,847 crore) and ₹ 7,500 crore under ‘Transfer to

National Highways Permanent Bridges Fees Fund' (against the budgeted provision of ₹ 7,544 crore) due to re-classification of provision from Revenue to Capital Section as per directions of the Ministry of Finance and; ₹ 5,807 crore under 'Grants for State Road' (against the budgeted provision of ₹ 10,833 crore) due to reduction of Central Road Fund Cess at Revised Estimates stage by the Ministry of Finance owing to slow progress of ongoing projects, receipt of less proposals towards creation of new roads from State Governments and non-receipt of Utilisation Certificates; ₹ 5,033 crore under 'Transfer to Central Road Fund' (against the budgeted provision of ₹ 33,137 crore) due to change in funding pattern and re-classification of provision from Revenue to Capital Section as per direction of the Ministry of Finance and; ₹ 4,743 crore under 'National Highways Authority of India' (against the budgeted provision of ₹ 19,653 crore) due to amendment of Central Road Fund Act, revision of distribution formula, transfer of some projects to State Public Works Departments, reduction of Central Road Fund Cess at revised estimates stage owing to slow progress of works and non-receipt of bills from contractors in time.

- **Department of Economic Affairs:** ₹ 5,500 crore under 'Transfer to Senior Citizen Welfare Fund' (against the budgeted provision of ₹ 5,889 crore) due to receipt of less proposals from Ministry of Social Justice and Empowerment for implementation of welfare schemes for senior citizens and; ₹ 3,985 crore under 'Transfer to National Investment and Infrastructure Fund (NIIF)' (against the budgeted provision of ₹ 4,000 crore) due to decrease in the activities of National Investment and Infrastructure Fund.
- **Department of Financial Services:** ₹ 4,530 crore under 'National Investment Fund' (against the budgeted provision of ₹ 4,625 crore) due to reduction in realization of disinvestment receipts than estimated and consequent less transfer to National Investment Fund.
- **Department of Fertilisers:** ₹ 4,257 crore under 'Nutrient based Subsidy Policy' (against the budgeted provision of ₹ 23,100 crore) due to receipt of less claims towards indigenous Phosphatic and Potassic (P&K) Fertilisers.
- **Ministry of Petroleum and Natural Gas:** ₹ 4,020 crore under 'Direct Benefit Transfer for LPG (DBTL)' (against the budgeted provision of ₹ 17,020 crore) due to contraction of sales volume and giving-up of subsidy on LPG by more customers.

- **Appropriation - Interest Payments:** ₹ 3,352 crore under ‘Discount on Treasury Bills - 91 Days Treasury Bills’ (against the budgeted provision of ₹ 13,864 crore) due to softening of interest rates and lower volume of issuances.
- **Transfers to States:** ₹ 3,000 crore under ‘Grants for Local Bodies’ (against the budgeted provision of ₹ 48,868 crore) due to non-submission of Utilisation Certificates and non-existence of duly constituted local bodies.

3.17 Persistent savings (Sub-head wise)

Scrutiny of Appropriation Accounts revealed that during the three years period 2014-15 to 2016-17, there were persistent savings of ₹ 100 crore or more and constituting more than 10 *per cent* of the sanctioned provision under 15 sub-heads across 12 Grants and Appropriations, which is indicative of poor budgeting or shortfall in performance or both, in respect of the concerned scheme/activity item being implemented by the Ministry/Department. The details of 15 sub-heads are given in **Annexure 3.14**.

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

In terms of Rule 56(3) of General Financial Rules, 2005, rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and should be avoided. The Ministry of Finance had 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.

Based on information provided by Ministries/Departments, in 12 cases as detailed in **Table 3.9**, it has been noticed that major part of disbursement was made in the month of March 2017 and/or during last quarter of the financial year in contravention of the provisions of Rules and extant instructions.

Table 3.9: Rush of expenditure during March 2017 and/or last quarter of 2016-17

<i>(₹ in crore)</i>							
Sl. No.	Descriptions of the Grants	Budget Estimates (revised estimates)	Expenditure in March	Percentage of expenditure in March#	Expenditure incurred during last quarter	Percentage of expenditure during last quarter#	Reasons as furnished by the Ministries/Departments
Civil							
1.	8 -Department of Pharmaceuticals	211.40 (211.40)	125.31	59.28 (59.28)	132.37	62.62 (62.62)	Reply awaited.

**Report of the CAG on
Union Government Accounts 2016-17**

Sl. No.	Descriptions of the Grants	Budget Estimates (revised estimates)	Expenditure in March	Percentage of expenditure in March#	Expenditure incurred during last quarter	Percentage of expenditure during last quarter#	Reasons as furnished by the Ministries/ Departments
2.	18 -Ministry of Corporate Affairs	344.43 (414.57)	78.68	22.84 (18.98)	141.99	41.22 (34.25)	The Ministry stated in July 2017 that the allocation in BE was ₹ 344.43 crore and supplementary allocation under 1 st , 2 nd , and 3 rd batch of supplementary was ₹ 75.51 crore. It may be noted that ceiling of last quarter and the last month do not apply to the supplementary allocations.
3.	20 -Ministry of Defence (Misc)	68537.63 (74040.74)	13617.35	19.87 (18.39)	22792.20	33.26	Reply awaited.
4.	30 -Department of Financial Services	33755.52 (36765.00)	16367.68	48.49 (44.52)	22279.77	66.00 (60.60)	The Ministry stated in July 2017 that condition of 33% and 15% in the last quarter and last month respectively has not been breached as the major expenditure has been made on the basis of 2 nd and 3 rd batch of supplementary demand for grants for the year 2016-17.
5.	37 -Department of Revenue	11925.01 (11108.36)	4627.92	38.81 (41.66)	4713.89	39.53 (42.44)	The Department stated that it was due to scheduled release of CST compensation to State and UTs for revenue loss due to phasing out of CST/VAT compensation.
6.	41-Ministry of Food Processing Industries	636.02 (729.00)	177.32	27.88 (24.32)	246.50	38.76 (33.81)	The Ministry stated that as the approval for additional funds, through 3 rd batch of Supplementary grant, was received in March 2017, so the expenditure could be incurred in March 2017 only.

Appropriation Accounts: 2016-17

Sl. No.	Descriptions of the Grants	Budget Estimates (revised estimates)	Expenditure in March	Percentage of expenditure in March#	Expenditure incurred during last quarter	Percentage of expenditure during last quarter#	Reasons as furnished by the Ministries/ Departments
7.	43-Department of Health Research	1144.80 (1344.80)	26.94	--	510.94	44.63 (37.99)	The department stated that approval for release of additional fund to ICMR, through 2 nd Batch of Supplementary Grant, was received in January 2017, so the release of grant to ICMR could be processed thereafter only.
8.	47-Cabinet	419.64 (646.00)	35.35	--	239.66	57.11 (37.10)	The department stated that RE 2016-17 was increased and the additional amount was obtained in 2 nd Batch of Supplementary Grant and it was made available in January 2017. Hence, there is large expenditure in last quarter of FY 2016-17.
9.	55-Election Commission	121.52 (146.00)	51.21	42.14 (35.08)	64.70	53.24 (44.32)	The Department stated that the fund for Capital expenditure has been received through supplementary budget in the last quarter of the financial year and, accordingly, expenditure incurred in the last quarter of the financial year.
10.	81-Ministry of Skill Development and Entrepreneurship	1804.28 (2173.00)	515.66	28.58 (23.73)	613.86	34.02	The Ministry stated that flagship programme of the Ministry i.e. Prime Minister Kaushal Vikas Yojana (PMKVY) envisaged only one-time final payment on successful completion of training. Hence, there was delay in pace of expenditure.

**Report of the CAG on
Union Government Accounts 2016-17**

Sl. No.	Descriptions of the Grants	Budget Estimates (revised estimates)	Expenditure in March	Percentage of expenditure in March#	Expenditure incurred during last quarter	Percentage of expenditure during last quarter#	Reasons as furnished by the Ministries/ Departments
11.	86 -Ministry of Steel	85.62 (438.11)	399.36	466.00 (91.16)	407.42	475.85 (92.99)	The Ministry stated in July 2017 that the amount was provided by Ministry of Finance in the 3 rd batch of supplementary as grants and could be released in the month of March.
Defence							
12.	23 -Capital Outlay on Defence Services	78586.68 (71700.00)	12897.19	16.41 (17.99)	25230.48	--	Reply awaited.

- Figures in parenthesis indicate percent with respect to Revised Estimates.

In the above cases, some Ministries stated that the amount was provided by Ministry of Finance in the supplementary grants and could be released in the last quarter of the financial year. Hence, the expenditure could be incurred only in the last quarter/March 2017.

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

3.19 Persistent savings (Minor-head wise) in Defence Services Grants

Scrutiny of the Appropriation accounts of Defence Services disclosed a persistent trend of savings (more than ₹ 100 crore) during the years 2014-15 to 2016-17 under minor heads of two Grants as detailed in **Table 3.10**.

Table 3.10: Persistent savings during the years 2014-17

Sl. No.	Description of Grant Major/Sub-Major/Minor Head	2014-15	2015-16	2016-17
<i>(₹ in crore)</i>				
22-Defence Services (Revenue)				
1.	2076.00.101-Pay and Allowances of Army (Voted)	209.11	916.04	243.23
2.	2078.00.111 -Works (Voted)	197.08	160.62	294.59
23 -Capital Outlay on Defence Services				
3.	4076.01.102 -Heavy & Medium Vehicles (Voted)	1385.50	336.98	1051.86
4.	4076.02.104 -Joint Staff (Voted)	384.92	200.38	158.99
5.	4076.03.103- Other Equipments (Voted)	7133.62	2594.42	982.85

The persisting trend of large savings in the aforesaid heads of Grants is indicative of over-estimation of the requirement of funds.

3.20 Surrender of savings in Defence Services Grants

The savings in a Grant or Appropriation are required to be surrendered as soon as these are foreseen without waiting till the end of the year. Further, savings should also not be held in reserve for possible future excesses. During 2016-17, in Grant no. 22 – Defence Services (Revenue) under the charged segment, ₹ 7.07 crore were surrendered against the saving of ₹ 29.71 crore and under the voted segment ₹1,781.82 crore were surrendered against the saving of ₹2,823.77 crore. In Grant No.23-Capital outlay on Defence Services, under the voted segment, surrender of ₹ 4,489.15 crore was made against nil savings. The entire surrendered amount of ₹ 6,278.04 crore was surrendered on the last day of the financial year as detailed in **Table 3.11**.

Table 3.11: Details of savings and surrender

(₹ in crore)

Grant/Appropriation	Savings		Amount Surrendered on the last day of the financial year		Amount not surrendered (Lapsed)	
	Charged	Voted	Charged	Voted	Charged	Voted
22-Defence Services (Revenue)	29.71	2823.77	7.07	1781.82	22.64	1041.95
23 -Capital Outlay on Defence Services	--	--	--	4489.15	--	--
Total	29.71	2823.77	7.07	6270.97	22.64	1041.95

3.21 Conclusion

Excess disbursements aggregating ₹ 1,90,270 crore in 12 segments of Grants/Appropriations, were made by the various Ministries/Departments of the Union Government, over and above the authorisation made in the Appropriation Act during the year 2016-17. These excess expenditures are required to be regularised in terms of Article 115(1)(b) of the Constitution. Grant/Appropriation of Defence Pensions has persistently been incurring excess expenditure over and above the authorisation. Other deficiencies, viz., savings of large amount (over ₹ 100 crore) in different segments of Grants/Appropriations aggregating ₹ 2,28,640 crore, obtaining supplementary Grants of large amount during the course of the year which eventually remained unutilised, surrender of savings on the last day of the financial year, indicate that there is need to re-orient the initial budget formulation process and to strengthen the monitoring mechanism of implementation of the budget.

4: APPROPRIATION ACCOUNTS: COMMENTS ON ACCOUNTS

4.1 Introduction

Constitutional provisions relating to financial matters, Delegation of Financial Powers Rules (DFPRs) 1978, General Financial Rules, 2005(GFRs) and other standing instructions issued by the Ministry of Finance, are the guiding principles for sound financial management of government finances and expenditure incurred from government accounts.

Audit finding arising from scrutiny of the Appropriation Accounts are brought out in this chapter.

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

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

The Central Board of Direct Taxes (CBDT) in the Department of Revenue classifies interest on refunds of excess tax as reduction in revenue. Successive CAG's Audit Reports on Union Government Accounts as well as CAG's Reports on Direct Taxes have commented on this incorrect practice. However, no corrective action has been taken by the Department.

The Public Accounts Committee (PAC) in their 66th Report (15th Lok Sabha 2012-13) had observed that there was no valid ground as to why the Department could not make broad estimates of expenditure on interest liability on tax refunds based on past trends. The Department 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 to appropriation passed by the Parliament. The Committee reminded the Department that Article 114(3) of the Constitution clearly mandates that no money shall be withdrawn from the Consolidated Fund of India except under 'Appropriation' made by the Legislature.

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

As in the past, no budget provision for interest on refunds was made in the Budget Estimates for the financial year 2016-17 and expenditure on interest on refunds amounting to ₹ 2,598 crore was incurred by the Department in contravention of provisions of the Constitution and in disregard of the recommendations of the PAC. Expenditure of ₹ 58,537 crore on interest payments had been incurred over a period of last nine years without obtaining approval of the Parliament through necessary appropriation, as detailed in **Table 4.1** below.

Table 4.1: Expenditure on interest on refunds of taxes

(₹ in crore)

Year	Expenditure on interest on refunds
2008-09	5,778
2009-10	6,876
2010-11	10,499
2011-12	6,486
2012-13	6,666
2013-14	6,598
2014-15	5,332
2015-16	7,704
2016-17	2,598
Total	58,537

The Department stated (January 2017) that on the basis of opinion of the Attorney General holding the current practice of treating interest on refund as reduction of revenue and with the approval of the Ministry of Finance, recommendations of the PAC were not accepted.

Audit observed that the PAC had considered the opinion rendered by the Ld. Attorney General and of the Ministry of Law & Justice and Ministry of Finance and had reiterated in its 96th Report (15th Lok Sabha) that “the Department of Revenue has no option but to seek ex ante or ex post facto Parliamentary approval for interest payments on tax refunds”. The Government should devise an appropriate head of accounts for provisioning and reporting expenditure of interest on tax refund. PAC had observed that an opinion ultimately is an opinion and it is for the Committee to decide what the correct procedure is.

4.3 Failure to obtain legislative approval for augmenting provision

4.3.1 Augmentation of provision to object head ‘31-Grants-in-aid-General’

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

Scrutiny of Appropriation Accounts along with Consolidated Abstract/*e-lekha* data revealed that expenditure aggregating ₹ 7.37 crore was incurred during the

financial year 2016-17 by augmenting of provision under object head '31-Grants-in-aid-General' to various bodies/authorities without obtaining prior approval of the Parliament thereby attracting the limitations of NS/NIS as detailed below.

Table 4.2: Augmentation of provision to object head 'Grants-in-aid-General'

Sl. No.	Head of Account	BE*	NE*	SA*	SA under NE*	TA*	TE*	Excess over TA
		(₹ in crore)						
Grant No. 16- Department of Consumer Affairs								
1.	2852.80.101.04.00.31 Setting up of Gold Hallmarking/ Assaying Centres in India	0.90	0.10	0.00	0.00	1.00	1.18	0.18
While accepting the audit observation, the Department stated (September 2017) that the overall expenditure in the grant was within the available provision. The observation had been noted for future and due care would be taken in future to avoid such excess of expenditure.								
Grant No.20-Ministry of Defence (Misc)								
2.	3054.02.800.01.00.31 Bhutan Compensatory Allowances (BRO)	7.00	-	-	-	7.00	7.03	0.03
3.	3054.02.800.02.00.31 Road Works (BRO)	22.84	-	-	-	22.84	22.89	0.05
The Ministry accepted and stated (October 2017) that the excess expenditure was less than five <i>per cent</i> . The reply is not tenable as any augmentation of provision to this object head requires prior approval of the Parliament.								
Grant No. 28- Ministry of External Affairs								
4.	2061.00.800.11.02.31 Indian Society of International Law	0.05	0.00	0.00	0.00	0.05	0.07	0.02
The Ministry stated (August 2017) that the expenditure of ₹ 1.83 lakh was incorrectly booked under the said head of accounts and the O/o CGA has been requested for rectification of misclassification through Journal Entry.								
Grant No. 52 Department of Higher Education								
5.	2203.00.796.40.04.31 National Initiative for Technology Transfer (Tribal Sub plan Component)	0.00	0.00	0.00	0.00	0.00	0.06	0.06
The Department stated (August 2017) that after taking a token supplementary of this scheme, augmentation of the funds was made through re-appropriation. The reply is not acceptable as the token supplementary grant was obtained for the said scheme under the general component and not the Tribal Sub-Plan component.								
Grant No.58- Ministry of Micro, Small and Medium Enterprises								
6.	2851.00.105.15.03.31 Development of Khadi, Village and Coir Industries	8.00	0.90	0.00	0.00	8.90	8.93	0.03
Reply was awaited (October 2017)								
Grant No. 83- Department of Empowerment of Persons with Disabilities								
7.	2235.02.101.01.09.31 (Non-Plan) Expansion and Improvement of National Institutes for the Blind, Deaf, Mentally Retarded and the Orthopaedically Handicapped- Schemes for funding to National Institutes	4.35	0.00	1.67	0.00	6.02	6.19	0.17

**Appropriation Accounts:
Comments on Accounts**

Sl. No.	Head of Account	BE*	NE*	SA*	SA under NE*	TA*	TE*	Excess over TA
		(₹ in crore)						
8.	2235.02.101.10.16.31 (Plan) Other Schemes-Deendayal Disabled Rehabilitation Scheme	30.32	4.50	0.00	0.00	34.82	34.91	0.09
Reply was awaited (October 2017)								
Grant No. 85- Ministry of Statistics and Programme Implementation								
9.	3454.02.204.19.05.31 Capacity Development (Capacity Development of CSO and Institutional Development & Capacity Building)-Support for Statistical Strengthening.	0.00	0.00	25.00	0.00	25.00	31.74	6.74
<p>The Ministry stated (August 2017) that the said head of account was augmented by obtaining a token supplementary of ₹ 1.00 lakh. Subsequently ₹ 25.00 crore was re-appropriated to '3454.02.204.19.05.31' for meeting initial requirements. Further, ₹ 6.74 crore were also re-appropriated, as demanded by concerned Division, from Major head 2552 of same scheme and from 'Economic Census' a sub scheme with the approval of the Competent Authority. Therefore, the total amount available under the said head of accounts was ₹ 31.74 crore. The Ministry reiterated the same reply in October 2017.</p> <p>The reply is not acceptable as re-appropriation from non-functional Major Head 2552 to the functional head should be done for the same scheme. In this case, provision of ₹ 5.00 crore under scheme 'Statistics-Capacity Development (Capacity Development of NSSO-Grants-in-aid to the states for carrying out Central NSS Sample work in North-Eastern Region) - Support for Statistical strengthening' was re-appropriated to a different scheme i.e. 'Capacity Development (Capacity Development of CSO and Institutional Development & Capacity Building) - Support for Statistical Strengthening.</p>								
Total								7.37

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

4.3.2 Augmentation of provision to object head '35-Grants for creation of Capital Assets'

Ministry of Finance vide its OM dated 12 February 2010 introduced a new object head '35-Grants for creation of Capital Assets' with effect from the financial year 2009-10 with the objective of uniquely depicting the expenditure on grants for creation of capital assets at the level of primary unit of appropriation. The Ministry clarified vide its OM dated 21 May 2012 that augmentation of provision to object head through re-appropriation requires prior approval of Parliament through Supplementary Demands for Grants.

Scrutiny revealed that funds aggregating to ₹ 6.01 crore were augmented in violation of the extant provision without prior approval of Parliament to the object head '35-Grants for creation of Capital Assets', attracting limitations of NS/NIS.

Table 4.3: Augmentation of provision to object head 'Grants for creation of Capital Assets'

Sl. No.	Head of Account	BE*	NE*	SA*	SA under NE*	TA*	TE*	Excess over TA
(₹ in crore)								
Grant No.12- Department of Industrial Policy and Promotion								
1.	2852-80-800-26-00-35 Project based support to Autonomous Institutions	38.07	31.98	50.00	0.00	120.05	120.07	0.02
<p>The Department stated (September 2017) that the provision for North East was ₹ 32.00 crore and not ₹ 31.98 crore. (Grant-in-aid-General: ₹ 0.01 crore, Grants for creation of Capital Assets: ₹ 31.98 crore and Grants-in-aid-Salaries: ₹ 0.01 crore). Therefore, there was no excess.</p> <p>The reply is not acceptable as the observation is regarding augmentation under the object head 35-Grants for creation of Capital Assets for which the budget provision under 2552.00.147 08.00.35 was ₹ 31.98 crore.</p>								
Grant No. 42- Department of Health and Family Welfare								
2.	2211.00.800.20.00.35 Forward Linkages to NRHM	0.00	25.00	0.00	0.00	25.00	27.54	2.54
<p>The Department stated (October 2017) that amount of ₹ 27.54 crore was re-appropriated from Major head-2552 to the functional head of accounts-2211.00.800.20.00.35. Excess of ₹ 2.54 crore was met by way of re-appropriation of savings from lump-sum provision as a whole under the Grant for the benefit of Scheme/Programme for NER, as per delegation of power in terms of Department of Expenditure's order dated 12 June 2001.</p> <p>The reply is not acceptable as augmentation of provision to 'object head-35' attracts limitation of NS/NIS and hence prior approval of the Parliament should have been obtained in terms of Ministry of Finance's O.M issued in May 2006.</p>								
Grant No. 52-Department of Higher Education								
3.	2203.00.796.08.03.35 Indian Institute of Technology Hyderabad (EAP) (Tribal Sub plan Component)	0.75	0.00	0.00	0.00	0.75	1.50	0.75
<p>The Department stated (August 2017) that after taking a token supplementary of this scheme, augmentation of the funds was made through re-appropriation.</p> <p>The reply is not acceptable as the token supplementary grant was obtained for the said scheme under the general component and not the Tribal Sup Plan component.</p>								
Grant No. 83- Department of Empowerment of Persons with Disabilities								
4.	2235.02.101.01.09.35 (Plan) Expansion and Improvement of National Institutes for the Blind, Deaf, Mentally Retarded and the Orthopaedically Handicapped- Schemes for funding to National Institutes	11.00	0.00	0.00		11.00	12.62	1.62
5.	2235.02.796.03.04.35 (Plan) Social Welfare-Welfare of Handicapped-National Institute for Disabled	4.52	0.00	0.00		4.52	5.60	1.08
Reply was awaited (October 2017)								
Total								6.01

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

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

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

Scrutiny of Appropriation Accounts along with Statement of Grant Transaction/*e-lekha* data for the year 2016-17 revealed that in Grant No.83 pertaining to the Department of Empowerment of Persons with Disabilities, excess expenditure aggregating to ₹ 2.48 crore was incurred during the financial year 2016-17 by augmenting the provision under the object head '36-Grants-in-aid- salaries' without the approval of the Parliament in violation of the extant order.

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

Sl. No.	Head of Account	BE*	NE*	SA*	SA under NE*	TA*	TE*	Excess over TA
		(₹ in crore)						
Grant No. 83- Department of Empowerment of Persons with Disabilities								
1.	2235.02.101.01.09.36 (Plan) Expansion and Improvement of National Institutes for the Blind, Deaf, Mentally Retarded and the Orthopedically Handicapped- Schemes for funding to National Institutes	29.92	0.00	0.00	0.00	29.92	32.40	2.48
Reply was awaited (October 2017)								
	Total							2.48

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

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

In accordance with instructions issued by the Ministry of Finance in May 2006 for augmentation of provision in the existing appropriation under the object head 'subsidies' through re-appropriation, prior approval of the Parliament is required if the additionality is more than 10 per cent of the existing appropriation already voted by the Parliament or ₹ 10 crore whichever is less. The Ministry had clarified on 21 May 2012 that all cases for augmentation of funds (either through re-appropriation of funds or additionality) under the object head 'Subsidies' require prior approval of the Parliament through the supplementary demands for grants, without any exemption.

Scrutiny of Appropriation Accounts along with *e-lekha* data revealed that funds aggregating to ₹ 3,230.60 crore across four grants were incurred during the financial year 2016-17 by augmenting the provision under the object head '33-Subsidies' without obtaining prior approval of the Parliament as depicted in **Table 4.5** below.

Table 4.5 : Augmentation of provision to object head 'Subsidies'

Sl. No.	Head of Account	BE*	NE*	SA*	SA under NE*	TA*	TE*	Excess over TA
		(₹ in crore)						
Grant No. 7- Department of Fertilizers								
1.	2852.03.101.06.03.33 Payment of Imported Urea Subsidies	11000.00	0.00	0.00	0.00	11000.00	11256.59	256.59
<p>The Ministry stated (August 2017) that the reason for excess was unexpected receipt of proposals and huge carryover liability. Ministry added (September 2017) that recovery of ₹ 4,100.00 crore on account of sale of imported Urea had been added under Major Head-2401 erroneously. The budgetary allocation in DDG 2016-17 in respect of imported urea subsidy was ₹15,100.00 crore including recovery of ₹ 4,100.00 crore. However, in order to match the figures of DDG with DG, allocation in respect of imported urea subsidy was changed from ₹ 15,100.00 crore to ₹ 11,000.00 crore.</p> <p>The reply is not acceptable as the figure of original budget provision as per DDG was ₹ 15,100.00 crore for which a corrigendum dated 31 March 2017 was issued by the Ministry stating Budget provision as ₹ 11,000.00 crore and any augmentation of provision under the object head 'Subsidies' requires prior approval of the Parliament.</p>								
Grant No. 12-Department of Industrial Policy and Promotion (DIPP)								
2.	2885.02.101.15.03.33 Central Interest Subsidy Scheme	0.01	0.00	0.00	0.00 [#]	0.01	41.05	41.04
3.	2885.02.101.15.04.33 'Comprehensive Insurance Scheme'	0.01	0.00	0.00	0.00	0.01	6.55	6.54
4.	2885.02.101.15.08.33 'Capital Investment Subsidy'	0.01	0.00	0.00	0.00	0.01	122.41	122.40
5.	2885.02.101.15.02.33 Freight Subsidy	0.01	0.00	0.00	0.00	0.01	18.84	18.83
<p>[#] A provision of ₹ 234.97 crore was made under 2552.00.238.09-Industrial Development of backward and remote Area. However, scheme wise break up under non-functional head corresponding to functional head had not been provided as required in terms of Budget Division OM No. F.2 (66)-B(CDN)/2001 dated 14 September 2005.</p> <p>Department stated (September 2017) that the DDG 2016-17 clearly showed that there were four token provisions of ₹ 1 lakh each for four components of the subsidies and a lumpsum provision of ₹ 188.81crore which was intended to be split among four components of NEIPP subsidies.</p> <p>The original DDG did not show the break-up of the NEIPP subsidy provision but that is the essence of the budgetary scheme of lumpsum provision for the benefit of NE region. If the Departments know beforehand all the details at the Budget stage, there would be no need to have lumpsum provisions. It is a beneficial budgetary practice to provide flexibility to the department to disburse different types of subsidies to industrial units depending upon claims lodged, verified and found eligible under the scheme.</p> <p>The reply is not tenable as it does not conform to the budget circular 2016-17. Para 3.2.3 of the budget circular 2016-17 issued by the Ministry of Finance stipulates that budget provisions towards projects/scheme for development of North Eastern Region and Sikkim have, hitherto, been provided as 'lump sum' under the Major Head '2552-North Eastern Region' for eventual re-appropriation to appropriate functional heads of expenditure. However, such lump sum provision should be disintegrated upto object head level, corresponding to different functional major/sub-major/minor heads, indicating the details, in the Detailed Demands for Grants and provided for under the Major Head '2552-North Eastern Region' for eventual re-appropriation.</p> <p>However, in the instant case the lump sum provisions have not been disintegrated upto object head level, corresponding to different functional major/sub-major/minor heads, indicating the details, in the Detailed Demands for Grants for eventual re-appropriation. It was observed in Audit that the above mechanism was adopted by the Ministry during 2010-11 and 2011-12.</p>								
Grant No.14-Department of Telecommunications								
6.	3275.00.103.01.01.33 Compensation to Service Provider-Bharat Net	0.00	0.00	2830.06	0.00	2830.06	5600.00	2769.94

**Appropriation Accounts:
Comments on Accounts**

Sl. No.	Head of Account	BE*	NE*	SA*	SA under NE*	TA*	TE*	Excess over TA
		(₹ in crore)						
7.	3275.00.103.01.02.33 Compensation to Service Provider-Universal Service Obligation Fund	0.00	0.00	1620.68	0.00	1620.68	1625.94	5.26
<p>The Department stated (August 2017) that amount of ₹ 1,000 crore, ₹ 1,000 crore and ₹ 552.14 crore was sanctioned by the Parliament in the first, second and third batch of Supplementary Demands for Grants respectively. Further, ₹ 2,460.86 crore was re-appropriated to 3275.00.103.01.01.33-Bharat. As supplementary grant was passed by the Parliament there does not seem to be any need to take token supplementary grant for new detailed head 3275.00.103.01.01-Bharat-Net. The reply is not tenable as any augmentation of provision under the object Head 'Subsidies' requires prior approval of the Parliament before any re-appropriation from savings in terms of Ministry of Finance OM dated 21 May 2012.</p>								
Grant No. 66- Ministry of Petroleum & Natural Gas								
8.	2802.80.102.12.00.33 Other Subsidy payable including NE Region	7094.21	0.00	1676.49	0.00	8770.70	8780.70	10.00
<p>The Ministry stated (August 2017) that amount of ₹ 10.00 crore was provided by way of re-appropriation order as there was utilisable savings in another head. Ministry added (October 2017) that this provision for seeking prior approval of the Parliament has been noted for compliance in future.</p>								
Total								3230.60

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

4.3.5 Augmentation of provision to object heads '53-Major Works'

The Ministry of Finance with 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) that in regard to the cases of NS/NIS on augmentation under the object head '53-Major Works' all cases relating to augmentation of funds above ₹ 2.50 crore or above 10 per cent of the appropriation already voted, 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 of Grant No. 48 pertaining to the Police revealed that funds aggregating to ₹ 9.31 crore were augmented during the financial year 2016-17 without obtaining prior approval of Parliament, thereby attracting the limitations of New Service/New Instrument Service as detailed in **Table 4.6** below.

Table 4.6: Augmentation of provision to object head ‘Major Works’

Sl. No.	Head of Account	BE*	NE*	SA*	SA under NE*	TA*	TE*	Excess over TA
Grant No. 48- Police								
1.	4055.00.216.01.02.53 National Intelligence Grid- Office Building	59.00	0.00	0.00	0.00	59.00	68.31	9.31
<p>The Ministry stated (August 2017) that prior approval of the Parliament for additional expenditure under object head ‘Office Building’ of ₹ 224.87 crore was obtained in the Second Batch of Supplementary Demands for Grants, which also included the additional requirement of (National Intelligence Grid) NATGRID. The re-appropriation orders were, then, issued with the approval of the Secretary (Expenditure). However, when the supplementary was distributed among the various heads of account, the entry for NATGRID was inadvertently left out.</p> <p>The reply is not acceptable as the object head ‘Major Work’ attracted limitations of NS/NIS and each item of expenditure has a separate budget line. Hence, specific approval should have been obtained from the Parliament for each item of expenditure.</p>								
	Total							9.31

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

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

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

4.4.1 Misclassification of capital expenditure as revenue expenditure

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

Audit scrutiny of Head-wise Appropriation Accounts along with *e-lekha* data for the year 2016-17 revealed cases where these object heads were used with revenue major heads as shown in **Table 4.7** below, resulting in overstatement of revenue expenditure by ₹ 27.87 crore and understatement of capital expenditure to that extent.

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

Table 4.7: Misclassification of expenditure of capital nature as revenue expenditure

Sl. No.	Description of Grant	Major Head (Revenue)	Object Head (Capital)	Expenditure (₹ in crore)	Reply of the Department/Ministry
1.	4-Department of Atomic Energy	2852	51/52/60	14.04	Reply was awaited (October 2017)
2.		3401	51/52	11.94	Reply was awaited (October 2017)
3.	14-Department of Telecommunications	3275	51	0.08	The Department accepted and stated (September 2017) that all the heads required to be shifted from capital to revenue and vice-versa are available in the DDG-2017-18 except on object head-‘51-Motor Vehicle’ in Capital section for which matter was being taken up with Budget Division, Ministry of Finance for opening of new object head.
4.	58-Ministry of Micro, Small and Medium Enterprises	2851	51/52	1.75	The Ministry stated (August 2017) that the administrative division had been asked to submit a proposal for opening of corresponding heads to enable booking of expenditure under the Capital Section instead of Revenue section from the financial year 2017-18.
5.	85- Ministry of Statistics and Programme Implementation	3454	52	0.06	While accepting the observation, the Ministry stated (August 2017) that necessary instructions had already been issued to concerned divisions and action would be taken to obtain correct budget provision in DDG 2017-18 through Supplementary demand and re-appropriation.
Total				27.87	

Expenditure figures source: Consolidated abstracts.

4.4.2 Misclassification of revenue expenditure as capital expenditure

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

Audit scrutiny of Head-wise Appropriation Accounts along with Consolidated Abstract/*e-lekha* data for the year 2016-17 revealed that object heads of revenue nature were incorrectly operated with capital major heads in some cases. These misclassifications resulted in understatement of revenue expenditure by ₹ 152.54 crore and overstatement of capital expenditure to that extent as depicted in **Table 4.8** below.

Table 4.8: Misclassification of revenue expenditure as capital expenditure

Sl. No.	Description of Grant	Major Head (Capital)	Object Head (Revenue)	Expenditure (₹ in crore)	Reply of the Department/Ministry
1.	4-Department of Atomic Energy	4861	27	51.18	Reply was awaited (October 2017).
2.		5401	27	1.79	
3.	14-Department of Telecommunications	5275	11/13/28	2.43	The Department accepted and stated (September 2017) that necessary provisions was being made in the remaining head to the extent funds are available and for other heads technical supplementary would be obtained in second batch of Supplementary Grant 2017-18. Further, instructions have been issued to the concerned units not to incur any further expenditure under the objected heads. Necessary corrections would be carried out in the DDG-2018-19.
4.	20-Ministry of Defence(Misc)	4076	50/43	20.98	Office of CGDA replied (August 2017) that before rationalization, expenditure was booked under Capital Section and consequent upon rationalization, same was being booked under object head '50-Other Charges' and '43-Suspense' in the Capital section. The Ministry also accepted the irregularities which were due to rationalization of grant. It also contended that creation of 15 digit code on account of merger had the approval of O/o DGA (DS). The reply is not tenable as the budget provision was required to be obtained in the revenue section after the rationalization of grant.

**Appropriation Accounts:
Comments on Accounts**

Sl. No.	Description of Grant	Major Head (Capital)	Object Head (Revenue)	Expenditure (₹ in crore)	Reply of the Department/Ministry
5.	74-Ministry of Road Transport and Highways	5054	11/13/20	10.01	<p>Ministry stated (September 2017) that</p> <p>(i) to implement this scheme a number of project implementation units have been opened in NER by the Ministry. For this purpose, additional staff, accommodation, office furniture, other office equipment were required and it was not possible to accommodate the corresponding expenditure with the funds available under the Secretariat head of the Ministry.</p> <p>(ii) To facilitate inspection by the officers of the Ministry so as to ensure quality of implementation a portion of the 3 per cent of the contingencies i.e. 0.2 per cent was retained for this purpose</p> <p>(iii) Office expenses 5054.01.337.04.99.13-sub-head 01.99.50-Information Technology under major head 5054 was opened for making expenditure on procurement of IT related hardware and software for National Highways office/division/RO</p> <p>The reply of the Ministry is not acceptable as Rule 8 of the Delegation of Financial Powers stipulate that object heads falling under class 6 shall be for acquisition of capital assets and other capital expenditure whereas the object heads 11-DTA, 13-OE and 20-Other Administrative Expenses falls under the object class 2 i.e. Administrative Expenses, hence should have been used under revenue major heads.</p>
6.	80- Ministry of Shipping	5051	50	0.75	The Ministry stated (September 2017) that action had been initiated to rectify misclassification of revenue expenditure and to open a new budget head.
		5052	13	5.40	
7.	89-Ministry of Tribal Affairs	4225	35	60.00	While accepting the observation, the Ministry stated (August 2017) that during the current financial year 2017-18, necessary rectification had been made and the capital grant of ₹60.00 crore had been provisioned under object head '54- Investment'.
Total				152.54	

4.4.3 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 along with *e-lekha* data for the year 2016-17 revealed a number of cases, where expenditure of revenue nature was classified as capital expenditure or vice-versa, resulting in overstatement/understatement of revenue expenditure as depicted in **Table 4.9** below.

Table 4.9: Misclassification between different sections of the grant

Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department/Ministry
Misclassification of revenue expenditure as capital expenditure				
1.	11- Department of Commerce	38.77	Grants-in-aid of ₹38.77 crore released to various Board, Authorities and Autonomous Bodies under the scheme 'Assistance to States for Developing Export Infrastructure and Allied Activities' (ASIDE) was booked in Capital head of account 5453.80.800.12.01.53- 'Major works'. The correct object head should have been '35-Grants for creation of capital assets' in the Revenue section of the grant.	The department stated (August, 2017) that ASIDE Scheme had been discontinued w.e.f 01 April 2017. The erstwhile ASIDE scheme was being implemented from 2002-03 to 2016-17, the funds for ASIDE were allocated under Capital Major Head 5453 and utilized accordingly. The reply of the Department needs to be seen in the context that the observation is on yearly appropriation accounts and not on scheme as such.
2.	18-Ministry of Corporate Affairs	3.74	An expenditure of ₹3.74 crore towards renovation of the hired space was booked under the head of account '5475.00.800.09.00.53' (Major works) in the capital section of the grant. As the items of works carried out had not resulted in creation of assets of permanent nature, the booking should have been done under object head '27-Minor Works' in the revenue section of the grant.	The Ministry stated (September 2017) that the audit observation had been noted and necessary action had been initiated.
3.	20-Ministry of Defence (Misc)	2031.71	An expenditure of ₹ 2031.71 crore incurred by Border Road Organisation (BRO) on account of road maintenance other than National Highways, security cover and air-lift charges was incorrectly booked under object head '53-Major Works' in the capital section (5054.02.337.03.00.53). The items of expenditure being of revenue nature should have been booked under appropriate object head(s) in the revenue section of the grant.	The reply was awaited (October 2017).

**Appropriation Accounts:
Comments on Accounts**

Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department/Ministry
4.	84-Department of Space	0.19	An expenditure of ₹ 19.42 lakh towards procurement of back chair, table, sofa, computer table was incorrectly booked by PAO, ISTRAC under the object head '52-Machinery & Equipment' instead of object head '13-Office Expenses'.	The reply was awaited (October 2017).
5.		0.11	An expenditure of ₹11.26 lakh towards spectrum charges for S-Band Doppler Weather Radar (DWR) was incorrectly booked by PAO ISTRAC under the object head '52-Machinery & Equipment' under capital section instead of object head '30-Other Contractual Services' in the Revenue Section.	
6.		0.28	An expenditure of ₹28.47 lakh towards communication link charges was incorrectly booked by PAO ISTRAC under the object head '52 - Machinery and Equipment' in the capital section instead of booking it under object head '30-Other Contractual Services' in the Revenue Section.	
7.		0.78	An expenditure of ₹78.22 lakh towards the procurement of projector and screen was incorrectly booked by PAO ISTRAC under the object head '52 - Machinery and Equipment' in the capital section instead of booking it under object head '13-Office Expenses' in the Revenue Section.	
8.		84-Department of Space	0.35	
9.	0.11		An expenditure of ₹10.88 lakh towards procurement of desktop computers was incorrectly booked by PAO ISTRAC under the object head '52 - Machinery and Equipment' in the Capital section instead of booking it under object head '13- Office Expenses' in the Revenue Section.	

Report of the CAG on
Union Government Accounts 2016-17

Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department/Ministry
10.	84-Department of Space	0.32	An expenditure of ₹32.04 lakh towards, supply, installation and commissioning of CCTV storage was incorrectly booked by PAO ISTRAC under the object head '52 – Machinery and Equipment' in the Capital section instead of booking it under object head '13– Office Expenses' in the revenue section.	The reply was awaited (October 2017)
11.		0.22	An expenditure of ₹21.60 lakh towards payment of Annual Maintenance Charges of NX/Ideas/TC/View/Solid Edge Software was incorrectly booked by PAO ISAC (Centre) under the object head '52 – Machinery and Equipment' in the Capital section which should have been booked under '27– Minor Works' in the revenue section.	
12.		0.13	An expenditure of ₹13.23 lakh towards Annual Maintenance Charges of Electronic Design Automation Tools was incorrectly booked by PAO ISAC (Project) under the object head '52 – Machinery and Equipment' in the Capital section' which should have been booked under '27– Minor Works' in the revenue section.	
13		0.15	An expenditure of ₹14.58 lakh towards Warranty payment of Cortex-CRT-XL Equipment for the period of six months was incorrectly booked by PAO ISAC (Project) under the object head '60 – Other Capital Expenditure' in the capital section instead of booking it under object head '27– Minor Works' in the revenue section.	
Revenue expenditure understated by ₹ 2,076.86 crore.				

**Appropriation Accounts:
Comments on Accounts**

Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department/Ministry
Misclassification of Capital expenditure as Revenue expenditure				
1.	20-Ministry of Defence (Misc)	17.71	An expenditure of ₹17.71 crore pertaining to Centrally Adjusted APS items was incorrectly booked by BRO under object head '01-Salaries' in the revenue section instead of booking the same under appropriate object in the capital section of the grant.	O/o CGDA stated (August 2017) that proper classification would be done from FY 2017-18.
2.	56- Ministry of Law and Justice	425.35	An amount of ₹425.35 crore incurred on account of purchase of EVMs was booked under object head '28-Professional Service' in the revenue section of the grant instead of booking it under object head '52-Machinery and Equipment' in the capital section of the grant.	While accepting the observation, the Legislative Department, Ministry of Law and Justice, stated (September 2017) the Ministry of Finance had taken a decision to book the said amount under capital section during the pre-budget meeting, held on 20 October 2016, for the year 2017-18 onwards.
3.	61-Ministry of New and Renewable Energy	0.68	The Ministry had authorized an amount of ₹67.87 lakh to CPWD, M/o Urban Development for activities related to construction of 'Atal Akshay Urja Bhawan' and booked the same under object head '13-Office Expenses' in the revenue section instead of booking it under object head '53-Major Works' in the capital section of the grant.	The Ministry stated (August 2017) that the amount of ₹67.87 lakh could not be adjusted/ booked to the capital head due to technical issues in PFMS. The reply is not tenable as the Ministry did not propose any Journal/ Transfer Entry for rectification of error in the accounts.
4.	84-Department of Space	272.10	An expenditure of ₹ 272.10 crore on account of mission consumables was incorrectly booked under the object head '21-Supplies and Materials'(Major Head-3402) in the revenue section instead of object head '60-Other Capital Expenditure' in the capital section as per the extant orders.	Reply was awaited (October 2017).
5.		5.00	An expenditure of ₹ 5.00 crore on account of mission consumables was incorrectly booked under the object head '50-Other Charges' (Major Head-3402) in the revenue section instead of object head '60-Other Capital Expenditure' in the capital section as per the extant orders.	
6.		0.47	An expenditure of ₹47.15 lakh towards procurement of Air Boosting System was incorrectly booked by PAO ISAC (Centre) under the object head '21 – Supplies and Materials' in the revenue section instead of object head '52-Machinery & Equipment' in the capital section.	

Sl. No.	Grant	Amount (₹ in crore)	Audit Observation	Reply of the Department/Ministry
7.	87-Ministry of Textiles	3.00	An expenditure of ₹3.00 crore for construction of office building for Marketing and Service Extension Centre and craft museum, Jaipur, functioning under the office of the Development Commissioner (Handicraft) which is an attached office of the Ministry of Textiles, was booked under the object head '35-Grants for creation of Capital Assets' in the revenue section instead of booking it under object head '53-Major Works' in the capital section.	Reply was awaited (October 2017).
Revenue expenditure overstated by ₹ 724.31 crore.				

Impact of misclassification:

The impact of incorrect classification of revenue expenditure as capital expenditure and vice-versa was understatement of revenue expenditure by ₹ 2,229.40 crore and overstatement of revenue expenditure by ₹ 752.18 crore. The overall impact on the government expenditure was understatement of revenue expenditure by ₹ 1,477.22 crore. Correspondingly revenue deficit of the financial year 2016-17 was understated by an equivalent amount of ₹ 1,477.22 crore.

4.5 Other cases of misclassification

4.5.1 Non-operation of object head 'Grants-in-aid-Salaries'

The Ministry of Finance vide its OM dated 7 June 2011 introduced a new object head '36- Grants-in-aid-Salaries' with effect from 01 April 2011 under object class-4 below Rule 8 of Delegation of Financial Powers Rules 1978.

Scrutiny of Appropriation Accounts of Grant No.96 pertaining to Ministry of Water Resources, River Development & Ganga Rejuvenation for the year 2016-17 revealed that the object head '36-Grants-in-aid-Salaries' was not operated. The Ministry had released grants amounting to ₹ 64.18 crore and ₹ 31.56 crore to National Water Development Agency (NWDA) and National Institute of Hydrology (NIH) respectively under the object head '31-Grants-in-aid-General' during the year 2016-17. As amounts of ₹ 54.51 crore and ₹ 22.20 crore, had been utilized for the purpose of salaries by NWDA and NIH respectively, the Ministry should have segregated the grants under object head '31' and '36' as required under extant rules.

Ministry stated (July/August 2017) that the observation has been noted for future compliance.

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

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

Scrutiny revealed that funds aggregating ₹ 549.49 crore were misclassified between the primary units of appropriation i.e. object heads, as detailed in **Table 4.10** below.

Table 4.10: Misclassification within object heads in the same section of grant

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
1.	6-Department of Chemicals and Petrochemicals	0.34	2852/31	An expenditure amounting to ₹ 0.34 crore (₹0.22 crore + ₹0.12 crore) towards payment of fee to M/s Grant Thornton India Pvt. Limited –Programme Manager for devising operational guidelines for the Scheme for setting up of Plastic Park, was booked under the object head ‘31-Grants-in-aid-General’ instead of booking it under object head ‘28-Professional Services’.	The Ministry noted (August 2017) the audit observation for future compliance.
2.	15- Ministry of Electronics & Information Technology	1.10	2852/31	Out of the total budget allocation of ₹110.30 crore under 2852.07.202.85.16.31- (Digital India Programme-R&D in Information Technology/ Electronics/ CCBT-Grants-in-aid-General) released to IT Research Academy (ITRA), an amount of ₹1.10 crore was used by ITRA for payment of salaries to its employees. The grants utilized for the purpose of payment of salaries should have been correctly classified by the Ministry under object head ‘36-Grants-in-aid-Salaries’.	The Ministry stated that ‘Grants-in-aid-Salaries’ are earmarked for only those organizations/ institutions which receive recurring grants. As far as non-recurring grants is concerned, the grants is released either as Grants-in aid-General or Grants for creation of Capital assets for implementation of various projects. The reply is not tenable as object head ‘36 Grant-in-aid-Salaries’ is specifically meant for classification of grant in aid for payment of salaries and any payment towards salaries should have been classified under object head-36.

**Report of the CAG on
Union Government Accounts 2016-17**

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
3.	15- Ministry of Electronics & Information Technology	0.53	3451/13	<p>An amount of ₹ 53.05 lakh was sanctioned for payment of electricity charges for National Informatics Centre (NIC), Bangalore. This also included electricity charges for the NIC, Data Centre/National Knowledge Network (NKN) and Network Centre. The expenditure was booked under object head '13-Office Expenses' (3451.00.091.13.01.13).</p> <p>NKN is a separate scheme of the Ministry and is implemented by National Informatics Centre Services Incorporation (NICSI)/NIC through grants-in-aid given by the Ministry. Thus, the booking of expenditure for electricity charges of NKN under object head 13-Office expenses by NIC was not in order.</p>	Reply was awaited (October 2017).
4.		0.42	2852/13,50 3451/50	The expenditure of ₹0.42 crore incurred on account of payment for legal services availed by the Ministry was incorrectly booked under Object heads '13-Office Expenses' and '50- Other Charges' instead of object head '28-Professional services'.	The Ministry stated that the audit comment has been noted for future compliance. However, it is noteworthy that sometimes a few cases crop in when it is neither possible to open appropriate heads nor delay the payment/release of fund. Keeping in view the exigencies, funds from similar object heads or "Other Charges" are exceptionally used.
5.		0.01	2852/50	An amount of ₹ 1.15 lakh was disbursed to a private company and was incorrectly booked under object head '50-Other Charges' in the revenue section. As the financial support given to applicants was a reimbursement to obtain international patent and Patent is an intangible capital asset. Hence, this expenditure should have been correctly classified under object head '35-Grants for creation of Capital Assets.'	The Ministry stated that payments made to the private company were in lieu of obtaining international patent. It is one type of fees that has been reimbursed and therefore, grants-in-aid may not be released for this purpose. The observations of the audit report will, however, be complied with in future.

**Appropriation Accounts:
Comments on Accounts**

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
6.	16-Department of Consumer Affairs	7.99	3475/52	The Department made centralized purchases of machinery & equipment to States/UTs and booked the expenditure amounting to ₹ 7.99 crore incorrectly under the object head '52-Machinery & Equipment' in the revenue section of the Grant instead of booking it under object head '35 –Grants for creation of Capital Assets'.	<p>The Department stated (September 2017) that prior to 2007-08, funds for strengthening of weight & Measures Infrastructure were released by the Department of State/UTs as Grants-in-aid under the revenue Major Heads- 2552 and 3602, so that the State/UTs can procure the Machinery & Equipment themselves. But later Department decided to centralize the scheme and supply machinery & equipment to state/UTs directly. Accordingly funds were required to be provided under "Machinery and Equipment" in the Capital side under the head- 4552 and 5475.</p> <p>As Machinery procured would be the property of the states and UT Governments, the expenditure will be revenue expenditure in the Centre's book and Capital Expenditure in States/UTs books. Hence, the department made the provision for Machinery & Equipment under Revenue head 3475 instead of capital head.</p> <p>However, steps are being taken for appropriate budgetary corrections.</p>
7.	20-Ministry of Defence(Misc)	266.11	5054/53 (Code Head-069/04)	An expenditure of ₹ 266.11 crore incurred on Category 'A'-Stores/Equipment, which was required to be booked under object '52- Machinery & Equipment', was incorrectly booked by BRO under object head '53-Major Works' in the capital section of the grant.	<p>O/o CGDA stated (August 2017) that object head '53-Major Works' was opened with the approval of O/o DGA (DS).</p> <p>The reply is not acceptable as the approval for object head '53-Major Works' had been given with specific condition that Category 'A'-Stores & Equipment, should not be classified under object head '53'.</p>
8.		9.33	2076/21 (Code Head-366/00)	An expenditure of ₹ 9.33 crore was incorrectly booked under object head '21-Supplies and Material' instead of object head '13-Office Expenses'.	While accepting the observation, O/o CGDA stated (August 2017) that discrepancies would be rectified and object head '13-Office Expenses' would be used in DDG 2017-18.

**Report of the CAG on
Union Government Accounts 2016-17**

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
9.	44 - Department of Heavy Industry	1.07	2852/31	An expenditure of ₹ 1.07 crore was released to Science Engineering & Technological Upliftment (SETU) Foundation under the Scheme "Enhancement of Competitiveness in the Indian Capital Goods Sector" for setting up Common Engineering Facilities Centre. The expenditure was booked in accounts under the object head '31-Grants-in-aid-General' instead of booking it under the object head '35-Grant for Creation of Capital Assets'.	The Department stated (August 2017) that the fund of ₹ 1.07 crore was released to SETU Foundation as a first installment of the total project cost of ₹ 27.81 crore and most of the expenditure was of general kind/purpose. It, further, stated that in the financial year 2017-18, the funds under the scheme have been kept under the head Grants-in-aid for creation of capital assets. However, there was misclassification within the object head during 2016-17.
10.	44 - Department of Heavy Industry	7.18	2852/31	Grant-in-aid of ₹7.18 crore released to Non-ferrous Materials Technology Development Centre was utilized for Capital equipment and was booked in accounts under the object head '31-Grant-in-aid General' instead of correctly classifying under Object Head '35-Grants for creation of capital assets'.	The Department stated (August 2017) that the observation had been noted for future compliance.
11.		21.10	2852/31	Grants-in-aid of ₹21.10 crore released to Himachal Road Transport Corporation for purchase of 25 Electric Buses under FAME India Scheme was booked in accounts under the object head '31-Grants-in-aid-General' instead of correctly classifying it under the object head '35-Grant for Creation of Capital Assets'.	The Department stated (August 2017) that the observation had been noted for future compliance.

**Appropriation Accounts:
Comments on Accounts**

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
12.	57- Supreme Court of India	0.94	2014/33	An expenditure amounting to ₹94.41 lakh related to salary of canteen staff was provisioned and booked under object head-‘33-Subsidies’ instead of booking it under object head ‘01- Salaries.	<p>It was stated (September 2017) that the Budget of Supreme Court Registry is divided into two heads (1) Salaries (2) Non-Salary. Non-Salary is further divided into eight sub-heads out of which “Supreme Court Departmental Canteen” is one of them. Till the year 2003-04, it was shown as “subsidies” and from the financial year 2004-05, the expenditure, pertaining to the employees of the Departmental Canteen, was booked under ‘Supreme Court Departmental Canteen/ Departmental Canteen’. This Registry has been getting the Budget Grant for ‘Supreme Court Departmental Canteen’ under the Non-Salary Head till date. Therefore, the amount had been booked accordingly.</p> <p>The reply is not acceptable as the provisioning and booking of the salary of canteen staff should be done under object head ‘01-Salaries’ as per DFPRs.</p>
13.	58 - Ministry of Micro, Small and Medium Enterprises	39.04	2851/31	Grants-in-aid of ₹ 39.04 crore, released to Khadi and village Industries Commission (KVIC) under the scheme ‘Interest Subsidy Eligibility Certificate’ (ISEC) for the purpose of meeting any interest charged by banks over the interest paid by the Khadi institutions, was booked in accounts under the object head ‘31-Grants-in-aid-General’ instead of classifying the amount correctly under the object head ‘33 – Subsidies’.	The Ministry stated (August 2017) that the proposal for opening of separate budget head under the object head ‘33-Subsidies’ would be submitted in the 2 nd batch of Supplementary Demand for Grants 2017-18 and after approval from Ministry of Finance, the funds released under ISEC under the Object Head ‘31-Grants-in-aid-General’ would be transferred to the Object Head ‘33-Subsidies’

**Report of the CAG on
Union Government Accounts 2016-17**

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
14.	58 - Ministry of Micro, Small and Medium Enterprises	3.00	2851/31	Grants-in-aid of ₹ 3.00 crore released to National Small Industries Corporation Ltd. for procurement of machines equipment for modernization of training facilities at its Training Centers was booked under the Object Head '31-Grants- in-aid-General' instead of correctly classifying under the Object Head '35-Grants for creation of capital assets'.	The Ministry stated (August 2017) that expenditure was booked under Object Head 31-Grants in aid General in view of the decision taken in the meeting chaired by Secretary according to which, since the infrastructure projects including equipment for training etc. aim at creating facilities, which are utilised by all the categories of beneficiaries like General, SC, ST and Others, the requirement of funds could be apportioned in the ratio of budget allocation under the above categories. The reply is not acceptable. As per sanction orders, the expenditure is of capital nature and therefore should have been booked under the Object Head '35-Grants for creation of Capital Assets'
15.		4.98	2851/32	An expenditure of ₹4.98 crore incurred on International Co-operation Scheme was booked in accounts under the Object Head '32-Contributions'. As the expenditure was incurred in the form of grants to organizations, registered societies etc., for general/specific purpose, it should have been correctly classified under the object head '31-Grants-in-aid-General'.	The Ministry stated (August 2017) that the administrative division has opened new object head '31 Grants-in-aid-General' for booking of expenditure from the financial year 2017-18.
16.	66-Petroleum & Natural Gas	100.00	2802/31	Grants-in-aid of ₹100.00 crore released to Rajiv Gandhi Institute of Petroleum Technology for capital expenditure was booked under the object head '31-Grants-in-aid- General' instead of classifying the expenditure correctly under the object head '35-Grants for creation of Capital Assets'.	The Ministry stated (September 2017) that there was no deliberate misclassification within object head and necessary corrective action has been duly undertaken. Ministry added (October 2017) that necessary action has been initiated to define the object head as 35- Grants for creation of Capital Assets.

**Appropriation Accounts:
Comments on Accounts**

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
17.	68- Ministry of Power	15.00	2801/31	Grants-in-aid of ₹15.00 crore released to National Power Training Institute (NPTI) for setting up of new Power Training Institutes at Shivpuri, Madhya Pradesh and at Alappuzha, Kerala was booked under the object head '31-Grants-in-aid-General' instead of classifying correctly under the object head '35-Grants for creation of capital assets'.	The Ministry stated (August 2017) that the misclassification of object head within the same section of the grant in respect of NPTI had been corrected in Detailed Demands for Grants for 2017-18.
18.	74- Ministry of Road Transport and Highways	7.64	3054/50	An amount of ₹ 7.64 crore i.e. ₹6.98 crore released to Indian Academy of Highway Engineering for the work of "Traffic Performance Evaluation and Optimization of Highways in Delhi using simulation analysis" and a payment of ₹ 0.66 crore to M/s Telecommunications Consultants India Ltd. (TCIL) towards 70 per cent payment for preparation of Detailed Project Report(DPR) for all three solar powered toll plazas, had been classified under the object head '50-Other Charges' instead of correctly classifying this expenditure under the object head '28-Professional services'.	The Ministry stated (September 2017) that as there was no Object Head for '28-Professional Services' under the said detailed head, the payment was made under '50-Other charges'. However, for the Financial Year 2018-19 and onwards, a new object head '28-Professional services' is proposed to be opened.
19.	84- Department of Space	0.50	5402/60	An expenditure of ₹ 50.33 lakh towards the procurement of Power Edge Server was incorrectly booked by PAO ISTRAC under the object head "60 – Other Capital Expenditure" instead of object head '52– Machinery & Equipment' in the capital section.	The reply was awaited (October 2017).
20.		0.22	5402/60	An expenditure of ₹ 22.47 lakh towards the Supply, Installation, Testing and Commissioning of NEMO-AM Ground Station Equipment was incorrectly booked by PAO-ISTRAC under the object head '60 – Other Capital Expenditure' instead of booking it under '52– Machinery & Equipment' in the Capital Section.	
21.		2.02	5402/60	An expenditure of ₹ 2.02 crore towards the procurement of 256 Channel Vibration Data Acquisition System was incorrectly booked by PAO ISAC (Project) under the object head '60–Other Capital Expenditure' instead of '52– Machinery & Equipment' in the Capital Section.	

**Report of the CAG on
Union Government Accounts 2016-17**

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
22.	84- Department of Space	0.31	5402/60	An expenditure of ₹31.05 lakh towards procurement of portable X-Ray inspection system) was incorrectly booked by PAO ISAC (Project) under the object head '60- Other Capital Expenditure' which should have been correctly booked under '52 - Machinery and Equipment' in the Capital Section.	The reply was awaited (October 2017).
23.		0.37	5402/52	An expenditure of ₹ 36.80 lakh towards procurement of Electronic components i.e. EPGA development kit (space consumables) was incorrectly booked by PAO ISAC (Project) under the object head '52 - Machinery and Equipment' which should have been correctly booked under '60- Other Capital Expenditure' in the Capital Section.	
24.		0.76	5402/60	An expenditure of ₹ 75.91 lakh towards procurement of Flying Probe Test System was incorrectly booked by PAO ISAC (Project) under the object head '60- Other Capital Expenditure' which should have been correctly booked under '52- Machinery & Equipment' in the Capital Section.	
25.		0.39	5402/53	An expenditure of ₹ 39.20 lakh towards supply, installation, testing and commissioning of online parallel redundant UPS was incorrectly booked by PAO ISTRAC under the object head '53-Major Work' which should have been correctly booked under '52 - Machinery & Equipment' in the Capital Section.	
26.		1.00	3402/50	PAO, ISRO HQ released an amount of ₹1.00 crore to NARL under Atmospheric Science Programme to enable smooth continuation of ASP Projects was incorrectly booked under the object head '50-Other Charges' instead of object head '31-Grants-in-aid-General'.	
27.		0.20	3402/50	An expenditure of ₹ 20 lakh incurred towards maintenance of DWR System was incorrectly booked under '50 other charges' instead of object head '27- Minor works'	

**Appropriation Accounts:
Comments on Accounts**

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
28.	84- Department of Space	0.10	3402/21	An expenditure of ₹ 10.34 lakh incurred towards calibration of RF equipment was incorrectly booked under '21-Supplies and Materials' instead of object head '30-Other Contractual Services'.	The reply was awaited (October 2017).
29.		0.11	3402/20	An expenditure of ₹ 11.10 lakh paid toward maintenance/ caretaking of ISAC Guest House (Manpower contract) was booked under object head '20-Other Administrative Expenses' instead of object head '28-Professional Services'.	
30.		16.31	8009/50	An amount of ₹ 16.31 crore was incurred by PAO ISAC(C) towards payment of final settlement of Provident Funds for the year 2016-17 and booked under '50-Other Charges' instead of object head '04-Pensionary Charges'.	
31.		0.12	3402/30	An expenditure of ₹ 11.82 lakh incurred towards payment of contract drivers was incorrectly booked under '30-Other Contractual Services' instead of object head '28- Professional Services'.	
32.		0.15	3402/50	Grants-in-aid to the tune of ₹ 15 lakh released to North Eastern Space Application Centre, Shillong under EOAM Program was incorrectly booked under object head '50-Other Charges' instead of object head '31- Grants-in-aid General'.	
33.		0.58	3402/50	An expenditure of ₹ 58.35 lakh towards payment of Printing, Sorting and Packaging of confidential documents/question papers, was incorrectly booked under '50-Other Charges' instead of the object head '16-Publications'.	
34.		0.14	3402/50	An expenditure of ₹ 13.56 lakh towards transportation of confidential documents for ICRB Recruitment, was incorrectly booked under '50-Other Charges' instead of the object head '16-Publications'.	
35.		1.70	3402/50	An expenditure of ₹ 169.74 lakh was incurred towards comprehensive annual maintenance charges for SANFS solution which was to be booked under object head '27- Minor works' was incorrectly booked under '50- Other Charges'.	

**Report of the CAG on
Union Government Accounts 2016-17**

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
36.	84- Department of Space	0.35	3402/50	An expenditure of ₹ 35.00 lakh was incurred towards operation and maintenance of DWR was incorrectly booked under '50 Other Charges' instead of object head '27-Minor Works'	The reply was awaited (October 2017).
37.		0.16	3402/50	An expenditure of ₹ 16.12 lakh was incurred towards comprehensive annual maintenance charges for Netapp Storage Solution was incorrectly booked under '50-Other Charges' instead of object head '27-Minor Works'.	
38.		0.17	3402/50	An expenditure of ₹ 16.77 lakh towards comprehensive annual maintenance charges for Network Security Devices was incorrectly booked under '50- Other Charges' instead of object head '27-Minor Works'.	
39.		1.01	3402/30	An expenditure of ₹101.11 lakh towards providing Professional Services (like Specialist Doctors, General Duty Doctors, Nurses, Pharmacists, Clinical Laboratory technicians and physiotherapists) was incorrectly booked under '30- Other Contractual services' instead of object head '28-Professional Services'.	
40.		0.24	3402/21	An expenditure of ₹ 23.98 lakh towards hiring of photocopiers on rental basis was incorrectly booked under '21 –Supplies and Materials' instead of object head '30- Other Contractual Services' .	
41.		0.53	3402/50	An expenditure of ₹52.90 lakh towards payment of supply of liquid nitrogen was incorrectly booked under '50-Other Charges' instead of booking it under object head '21-Supplies and Materials'.	
42.		1.70	3402/50	Grants-in-aid to the tune of ₹ 1.70 crore was released to Centre for Space Science and Technology Education in Asia and the Pacific (CSSTE-AP) and incorrectly booked under object head '50-Other Charges' instead of object head '32- Contributions'.	
43.		17.37	3402/30	An expenditure of ₹ 17.37 crore towards engagement of Data Entry Operator, Technical Assistant, and Reprographic Assistant, was incorrectly booked under '30 - Other Contractual Services' instead of booking it under object head '28-Professional Services'.	

**Appropriation Accounts:
Comments on Accounts**

S. No.	Grant No. & Name	Amount (₹ in crore)	Major/Object head debited	Audit Observation	Reply/rebuttal
44.	86-Ministry of Steel	8.53	2852/31	An amount of ₹ 8.53 crore incurred on infrastructure, machines and equipment under the Scheme for promotion of Research & Development in Iron & Steel Sector, was booked under the object head '31-Grants-in-aid-General'. The expenditure should have been correctly classified under the Object Head '35-Grant for Creation of Capital Assets'.	The Ministry stated (September 2017) that the Ministry noted the observations and started the process of opening of a new object head '35-Grants for creation of Capital Assets' under the scheme 'Promotion of Research and Development in Iron and Steel Sector'.
45.	87- Ministry of Textiles	2.07	2852/31	Grants-in-aid of ₹2.07 crore released to Indian Jute Industries' Research Association (IJIRA), Kolkata, a grantee Institution, was utilized for Salaries and wages. The amount was incorrectly booked under object head '31-Grants-in-aid-General' instead of booking it under object head '36-Grants-in-aid-Salaries'.	Principal Accounts Office stated (August 2017) that the concerned division was being advised not to book the expenditure in respect of Salaries under the object head 'Grants-in-aid General'. The object head 'Grants- in-aid Salaries' would be opened on receipt of the request from programme division. Ministry added (October 2017) that B&A Division had already been requested to open a new budget head for IJIRA for releasing salaries and wages in the second batch of Supplementary Demand for Grant for 2017-18.
46.	95- Ministry of Urban Development	6.60	2059/50	An expenditure of ₹6.60 crore incurred on deployment of Security Forces (CISF) at Samadhi Sthal Complex, was booked under the object head '50-Other Charges'. Instead of booking under object head '28-Professional Services'.	Ministry stated (August 2017) that the provision under the appropriate budgetary head would be processed in next Financial Year.
Total		549.49			

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

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

Audit noticed that out of the total provision of ₹ 1,250 crore, the Ministry of Tribal Affairs released ₹ 1,195.03 crore as 'Special Central Assistance for Tribal Sub Plan' in the year 2016-17 and booked this under the minor head '796-Tribal Area Sub Plan' in Grant No. 89 pertaining to the Ministry of Tribal Affairs. The same was required to be provisioned and booked under the minor head '794-Special Central Assistance for Tribal Sub Plan' as prescribed in the extant instructions.

The matter had also been pointed out in the CAG's Report No.1 on Union Government Accounts for the financial year 2012-13, 2013-14, Report No. 50 for 2014-15 and Report No.34 for 2015-16.

In response to Report No.34 for 2015-16, the Ministry had assured (July 2016) that the minor head '794' would be opened in the DDG for the year 2017-18 for Special Central Assistance for Tribal-Sub-Plan.

Scrutiny of DDG for the year 2017-18, however, revealed that an amount of ₹ 1,350.00 crore had been obtained as provision for 'Special Central Assistance for Tribal Sub-Schemes' under Major Heads- 2225, 2552 and 3601 in minor head '796' instead of '794'.

The Ministry stated (August 2017) that the matter has been taken with the Ministry of Finance for opening of a new Minor head 794 so that expenditure under the Scheme Special Central Assistance to Tribal Sub Scheme could be booked under the distinct minor head of 794, as contained in general directions to the List of Major and Minor Head of Account.

4.6 Unauthorised augmentation through obtaining lump sum supplementary provision

(a) Special Component Plan for the Scheduled Castes and the Tribal Sub-Plan for the Scheduled Tribes were initiated by Government as intervention strategies to cater exclusively to Scheduled Castes and Scheduled Tribes respectively. The basic objective of both these sub-plans is to channelise the flow of outlays and benefits from the general sectors in the Central Ministries/Departments for the development of Scheduled Castes and Schedules Tribes, both in physical and financial terms. Separate allocations for the Scheduled Castes Sub Plan (SCSP) and Tribal Sub Plan (TSP) as part of the plan allocations were made from the financial year 2011-12. Accounting mechanism to account for such allocations by opening dedicated Minor Head 'Special Component for Scheduled Castes (Code 789)' and 'Tribal Sub Plan (Code 796)' was put in place. Accordingly, in the Detailed Demands for Grants of the Central Ministries/Departments, provision under a plan scheme is obtained distinctly with separate budget lines for 'general plan', 'special component for scheduled castes' and 'tribal area sub plan'. The provisions made under 'special component for scheduled castes' and 'tribal sub plan' are

**Appropriation Accounts:
Comments on Accounts**

not allowed to be re-appropriated, except to the same Minor Heads in other schemes under SCSP and TSP, thereby preventing any possibility of diversion.

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

Scrutiny of Appropriation accounts along with Consolidated Abstract/*e-lekha* data for the year 2016-17 revealed cases of unauthorized distribution of lump-sum supplementary across four grants as detailed in **Table 4.11** below.

Table 4.11: Unauthorised distribution of lump sum supplementary provision

(₹ in crore)

Scheme/Heads	Provision			SA *	Expenditure
	BE*	NE*	TA *		
25- Ministry of Drinking Water & Sanitation					
3601.02.264.01.01.31 National Rural Drinking Water Programme-Normal Programme	1882.80	391.30	2274.10	1713.50	3443.59
3601.02.789.20.01.31 -do-	744.79	32.17	776.96		1150.95
3601.02.796.20.01.31 -do-	290.38	51.52	341.90		511.89
3601.02.264.01.02.31 National Rural Drinking Water Programme-DDP Areas	322.99	0.00	322.99		390.99
3601.02.789.20.02.31 -do-	104.49	0.00	104.49		126.49
3601.02.796.20.02.31 -do-	47.49	0.00	47.49		57.49
Total	3867.93				1713.50
3601.02.269.03.01.31 Swachh Bharat Abiyan(Gramin)-Amount met from Rashtriya Swachhata Kosh	4644.99	869.99	5514.98	1869.00	6908.98
3601.02.789.19.04.31 -do-	1877.99	0.00	1873.99		2309.99
3601.02.796.19.04.31 -do-	853.99	0.00	853.99		1049.99
Total	8242.96			1869.00	10268.96
The Ministry stated (October 2017) that separate provisions for SCSP and TSP components under the Major Head 3601 could not be mentioned in the demand sent for additional supplementary to the Ministry of Finance inadvertently due to oversight. However, the observations made by audit have been noted for strict compliance in the future.					
52-Department of Higher Education					
2203.00.112.05.09.35 Support to Indian Institute of Technology	1398.87	131.75	1530.62	400.00	1786.37
2203.00.789.08.01.35 -do-	270.75	25.50	296.25		345.75
2203.00.796.08.01.35 -do-	135.38	12.75	148.13		172.88
Total			1975.00	400.00	2305.00

**Report of the CAG on
Union Government Accounts 2016-17**

Scheme/Heads	Provision				Expenditure
	BE*	NE*	TA*	SA*	
2203.00.112.80.01.36 Support to Indian Institutes of Science (IISc) and Indian Institute of Science Education & Research (IISER)	274.35	-	274.35	14.00	282.10
2203.00.789.71.01.36 -do-	12.00	-	12.00		13.50
2203.00.796.71.01.36 -do-	6.00	-	6.00		6.75
Total			292.35	14.00	302.35
2203.00.112.81.01.36 Support to Indian Institutes of Information Technology (IIITs)	31.70	-	31.70	6.00	36.35
2203.00.789.14.01.36 -do-	1.80	-	1.80		1.87
2203.00.796.72.01.36 -do-	0.90	-	0.90		0.91
Total			34.40	6.00	39.13
<p>The Department stated (August 2017) that the format of Supplementary Demands for Grants prescribed by Ministry of Finance includes break-up for Major heads only and it is obtained object-head wise. There is no mention in Supplementary Demands for Grants of break-up with respect to Minor heads like SCSP (789) and TSP (796).</p> <p>The reply is not tenable as other Ministries/Departments had obtained component-wise specific approval of the supplementary grant from the Parliament during 2016-17.</p>					
81-Ministry of Skill Development and Entrepreneurship					
2230.03.102.15.05.31 Apprenticeship and Training-Grants-in-aid-General	30.93	0.00	30.93	240.00	300.32
2230.03.789.08.04.31 -do-	6.06	0.00	6.06		44.34
2230.03.796.09.04.31 -do-	3.27	0.00	3.27		9.88
Total			40.26	240.00	354.54
2230.03.102.15.05.35 Apprenticeship and Training-Grants for creation of Capital Assets	16.00	0.00	16.00	30.00	30.61
2230.03.796.09.04.35 -do-	13.05	0.00	13.05		17.66
Total			29.05	30.00	48.27
<p>The Ministry stated (August 2017) that the lump sum supplementary of ₹ 270.00 crore was obtained with prior approval of the Parliament and the same was distributed under the different components. The proposal of Supplementary Demand for Grants was sent to the Ministry of Finance specifically mentioning the object-head.</p> <p>The reply is not acceptable. As per notification of the Supplementary Demand for Grants issued by Ministry of Finance, the supplementary grant was obtained under the general component only and no component-wise break up was shown.</p>					

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

(b) In accordance with instructions issued by the Ministry of Finance in May 2006 relating to financial limits to be observed in determining cases relating to New Service (NS)/New Instrument of Service (NIS), augmentation of provision by way of re-appropriation to the object heads related to 'Grants-in-aid' (Object head-31, 35 and 36) to any body or authority from the Consolidated Fund of India in all cases can only be made with the prior approval of the Parliament.

Scrutiny of Appropriation Accounts, Consolidated Abstracts and Supplementary Notification issued by Ministry of Finance, revealed that lump sum supplementary grants were obtained from the Parliament in respect of two Grants and irregularly distributed amongst different object heads under the respective schemes without obtaining object head-wise specific approval of the Parliament as detailed in **Table 4.12** below.

Table 4.12: Unauthorised distribution of lump sum supplementary provision

(₹ in crore)

Scheme/Heads	Provision			SA*	Expenditure
	BE*	NE*	TA*		
18-Ministry of Corporate Affairs					
3475.00.105.11.00.31 Insolvency & Bankruptcy Board of India- Grants-in-aid-General	0.00	0.00	0.00	10.00	3.08
3475.00.105.11.00.35 Insolvency & Bankruptcy Board of India -Grants for creation of Capital Assets	0.00	0.00	0.00		2.08
3475.00.105.11.00.36 Insolvency & Bankruptcy Board of India -Grants-in-aid-Salaries	0.00	0.00	0.00		2.75
Total			0.00	10.00	7.91
<p>The Ministry stated (September 2017) that demand for cash Supplementary of ₹ 40.00 crore was made in the first batch of Supplementary Demands for Grants. It was clearly stated in the demand that</p> <ul style="list-style-type: none"> ➤ expenditure proposed falls under the category New Service/New Instrument of service; ➤ the allocation is sought as cash supplementary; and ➤ the expenditure will be apportioned in Grants-in-aid-General, Grants for creation of Capital Assets and Grants-in-aid-salaries. <p>The allocation of ₹ 10 crore under 1st batch of supplementary demand for grants 2016-17 was a case neither of token Supplementary nor that of re-appropriation contingent on grant of token Supplementary.</p> <p>The reply is not tenable as the amount with specific break up was not mentioned in the Supplementary Demand for Grants, in terms of para 4 of Appendix-3 below Rule 48 of GFR-2005.</p>					
24-Ministry of Development of North Eastern Region					
3601.05.101.02.00.31 Schemes of North East Council- Special Development Projects- Grants-in-aid-General	21.50	0.00	21.50		35.78
3601.05.101.02.00.35 Schemes of North East Council- Special Development Projects- Grants for creation of Capital Assets	277.50	0.00	277.50	68.49	497.34
The Ministry stated (September 2017) that due care would be taken to avoid such inadvertent mistakes.					

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

4.7 Non-operation of detailed head '99-Information Technology' for booking of expenditure incurred on Information Technology

To ensure common standardization of heads of classification and to facilitate the monitoring of expenditure incurred by various Ministries/Departments on 'Information Technology', Ministry of Finance had decided², to place 'Information Technology' at 'detailed head' level at the fifth level of classification in Detailed Demands for Grants with standard code, i.e. '99' to serve the purpose of consolidating the expenditure incurred by a Ministry/Department for furthering the use of information technology, including acquisition of hardware, software, maintenance, development of software and training.

Audit scrutiny of the Appropriation Accounts, Consolidated abstract/e-lekha data and other records for the year 2016-17 revealed that expenditure amounting to ₹ 10.08 crore was incurred on purchase of information technology but the appropriate detailed head '99-Information Technology' was not used for classifying the said expenditure as was required under extant orders as brought out in **Table 4.13** below.

Table 4.13: Non-operation of detailed head '99-Information Technology'

Grant No. & Name of the Ministry/ Department	Amount (₹ in crore)	Head of Account	Observation	Reply of the Ministry/ Department
27-Ministry of Environment, & Forest & Climate Change	2.99	3435.03.102.05.02.11 3435.03.102.05.02.13 3435.03.102.05.02.28	The Ministry allocated an amount of ₹ 2.99 crore towards Information Technology (IT) under the said head of accounts and incurred expenditure of ₹ 2.99 crore without operating the detailed head-'99' for Information Technology.	The Ministry stated (August 2017) that the audit observation had been noted for creating suitable head.
61-Ministry of New and Renewable Energy	0.52	3451.00.090.14.00.13	The Ministry had incurred an expenditure of ₹ 52.44 lakh towards procurement related to 'Information Technology' and booked it under the detailed head-'00' instead of '99-Information Technology'.	The Ministry stated (August 2017) that no fund was allotted under 'Information Technology' head. It also stated that audit observation was circulated to all concerned divisional heads of the Ministry for remedial action to avoid recurrence in future.

² OM No.15 (4)/B (D)/2003 dated 9 July 2003

**Appropriation Accounts:
Comments on Accounts**

79-Department of Bio-Technology	0.11	3451.00.090.23.02.13	The Department had incurred IT related expenditure of ₹ 11.23 lakh under detailed head- '02' instead of detailed head '99-Information Technology'.	While accepted the facts, Department stated (August 2017) that while rationalizing / merging the heads, the IT detailed head was inadvertently left out and separate head would be opened from the financial year 2018-19.
84-Department of Space	6.46	5402.00.101.08.00.52	The Department had incurred an expenditure of ₹ 6.46 crore on purchase of computer/ software/ hardware and was booked by PAO ISAC (Centre) under detailed head '00' instead of '99-Information Technology'	Reply was awaited (October 2017).
Total	10.08			

4.8 Mis-utilisation of Water Cess

The Ministry of Environment and Forests, Government of India, New Delhi³ provided for reimbursement of up to 80 *per cent* of the cess amount collected to the State Pollution Control Boards/Committees with the stipulation that the expenditure incurred on establishment and office expenses of the Boards/Committees should not exceed 25 *per cent* so received. The ceiling of 25 *per cent* was revised in December 2010 to 50 *per cent* with a stipulation that the enhanced 25 *per cent* needs to be earmarked for (i) establishment costs related to scientific and technical manpower, including augmentation thereof; and (ii) e-governance and IT applications in the State Boards/Committee including online consent management. The Water Cess Fund was required to be utilized for activities related to monitoring of air, water and noise by various agencies involved in it.

Scrutiny of the Appropriation Accounts along with Re-appropriation Orders of Grant No. 27 pertaining to Ministry of Environment, Forest & Climate Change, for the year 2016-17 revealed that contrary to the extant orders, out of total re-appropriations of ₹ 96.50 crore from the Water Cess Fund, an amount of ₹18.80 crore was re-appropriated from the detailed head 3435.03.102.05.05.30–Ecology and Environment–Environmental Protection and Monitoring–Prevention and Control of Water Pollution (Cess)–Other Contractual Services to the following heads of accounts as detailed in **Table 4.14** below:

³ Order No. Q-17011/1/88-CPW dated December 28, 1998

Table 4.14: Mis-utilisation of Water Cess

Sl. No.	Re-appropriated from	Re-appropriated to	Amount (₹ in crore)	Purpose
1.	3435.03.102.05.05.30 – Prevention and Control of Water Pollution (Cess) – Other Contractual Services	2406.01.005.06.01.01	1.61	F.S.I. (Salaries)
2.		3435.03.103.14.01.01	2.80	B.S.I. (Salaries)
3.		3435.03.103.14.02.01	7.00	Z.S.I. (Salaries)
4.		2406.01.005.06.02.01	0.40	N.Z. Park (Salaries)
5.		3451.00.090.29.00.01	4.79	Sectt. (Salaries)
6.		3451.00.090.29.00.30	1.20	Sectt. (OCS)
7.		3451.00.090.29.00.27	1.00	Sectt. (Minor Works)
Total			18.80	

The Cess Fund of ₹ 18.80 crore, which was required to be utilized towards designated activities related to Prevention and Control of Pollution, had been re-appropriated for salary payments, minor works and other contractual services pertaining to the Secretariat and other institutions under the control of the Ministry. Re-appropriation of the Cess Fund amounting to ₹ 18.80 crore for salary payments, minor works and other Contractual services pertaining to the Secretariat and other institutions under the control of the Ministry, was in violation of the guidelines for utilisation of the Water Cess Fund.

The Ministry stated (July 2017) that in order to avoid any excess appropriation of fund through Supplementary Grant, it was re-appropriated to the functional Heads of Accounts so that overall savings under the grant remained on the lower side. Ministry added stated that similar practice had also been adopted during 2015-16.

The reply is not tenable as the utilisation of cess fund for the purposes like salaries of regular staff of its constituent units and secretarial staff and for contractual services was in violation of the purpose for charging Water Cess.

4.9 Misclassification of expenditure due to non-operation of relevant sub-head

Under the Clause 3.6 of Administrative Instructions on Departmental Canteens in Government Offices and Industrial Establishments, 2008, Department of Personnel and Training (DOPT) notified that a separate head of account shall be opened for maintenance of the Departmental Canteens. The expenditure incurred for running and maintenance of a departmental canteen was to be booked under the appropriate object heads, as provided under DFPRs, under the separate sub-head 'Department Canteen' under minor head '800-Other Expenditure'.

Scrutiny of Appropriation Accounts of Grant No. 84 pertaining to Department of Space for the year 2016-17 revealed that various units of the Department misclassified an expenditure of ₹ 4.91 crore incurred on maintenance of departmental canteen, as detailed in **Table 4.15** below.

Table 4.15: Misclassification due to non-operation of relevant sub-heads

Sl. No.	Major Head	Minor Head	Sub Head	PAO	Expenditure (₹ in crore)	Observation
1.	3402	101	64	ISRO Headquarters	1.04	Expenditure incurred on departmental canteen, required to be booked under a separate sub-head below '3402.00.800-Other Expenditure' was booked under the sub head '3402.00.101.64'.
2.	3451	090	18	ISRO Headquarters	0.11	Expenditure incurred on departmental canteen, required to be booked under a separate sub-head below '3402.00.800-Other Expenditure' was booked under the sub head '3451.00.090.18'.
3.	3402	101	10	ISAC Centre	3.69	Expenditure incurred on departmental canteen, required to be booked under a separate sub-head below '3402.00.800-Other Expenditure' was booked under the sub head '3402.00.101.10'.
4.	3402	101	26	ISTRAC	0.07	Expenditure incurred on departmental canteen, required to be booked under a separate sub-head below '3402.00.800-Other Expenditure' was booked under the sub head '3402.00.101.26'.
Total					4.91	

To a similar observation raised during 2015-16, the Department had stated (July 2016) that booking of expenditures was done under the Object Head 20-Other Administration Expenses' which is classified as per Government of India's Orders (1) under Rule 8 of DFPRs.

Reply is not acceptable as according to Government of India's Orders (1) under Rule 8 of Delegation of Financial Power Rules, expenditure on Departmental Canteen hospitality is required to be booked under the Object Head "Other Administrative expenses". However, expenditure on payment of 'Pay and Allowances' to the employees of Canteens were also booked under the Object Head '20-Other Administrative Expenses' by Department of Space instead of the Minor Head '800-Other Expenditure'.

4.10 Misclassification of Salary Expenditure

The Ministry of Defence had incurred an expenditure of ₹ 1,077.30 crore during 2016-17 on salaries of regular Staff of BRO and classified part of it under Major Head 3054 – Revenue Works Expenditure and part of it Major Head 5054 Capital Works Expenditure, instead of appropriate Salaries head.

The Ministry stated (August 2017) that the expenditure would, henceforth, be booked under the Salary Head (Major Head 2052). Further, an expenditure of ₹ 169.54 crore on account of salaries was booked under Suspense Head (Code Head-020/74-Pay and Allowances of GREF Civilian) due to non-availability of budget provision.

As per extant rules, suspense head is operated only for the accounting of transactions which cannot be taken to the final head of expenditure or receipt due to want of certain information and documents.

4.11 Understatement of expenditure on Defence Pension

As per the Finance Account, ₹ 11,184.55 crore were lying in the PSB-Suspense head as on 31 March 2017. This represented the amount of pension disbursed by the banks on account of Defence pension but not taken to the final head of account. Subsequently, Ministry of Defence booked expenditure of ₹ 2,200 crore on account of pension payment at the final stage of closing of the FY 2016-17 account (September 2017). Therefore, ₹ 8,984.55 crore of pension payments remained to be booked in FY 2016-17. Further, the expenditure of ₹ 2,200 crore was booked without budgetary provision which resulted in excess of ₹ 2,199.55 crore under Revenue Section of Grant No. 21 pertaining to Defence Pension.

CGDA stated (October 2017) that the expenditure of ₹ 2,200 crore was booked to clear the pending pension scrolls received from the Banks on the instruction⁴ of the Budget Division, Department of Economic Affairs, Ministry of Finance.

The reply is not tenable as expenditure was incurred without augmenting the budget provision. There is an urgent need to review the initial budget estimation to make it more realistic.

4.12 Misclassification of expenditure under Minor heads

As per List of Major and Minor Heads of Accounts (LMMH), Minor Heads-091 pertaining to ‘Attached Offices’ may be used for provisioning and booking of expenditure on attached office under Major Head 3451- Secretariat Economic Services.

Further, as per LMMH, the minor head ‘091’ will record expenditure on attached offices of the Government of India, other offices of the State Government which are not identifiable with any particular function.

⁴ O.M No. 2(10)-B-(AC)/2017 dated 5 September 2017

Examination of DDG and Appropriation Accounts of Grant No. 14 pertaining to Department of Telecommunications for the year 2016-17 revealed that the Department had operated minor head '091' having the nomenclature 'General Administration' and used it for booking of expenditure amounting to ₹ 362.91 crore related to 'Telecom Directorate', 'Amount transferred to MH 3201 postal services on account of share of Audit charges', 'Maintenance, Amenities to Staff', 'Stationery and Printing', 'TERM CELL', 'Controller of Communication Accounts' and 'Central Monitoring System Operation and Maintenance'. This resulted in misclassification of expenditure under the Minor Head.

The Department stated (July 2017) that revamping of the existing heads of accounts was under process in consultation with the office of CGA.

Defence Grants

4.13 Unauthorised transfer of fund from Capital Grant to Revenue Grant

Para 3.2 of the of the Budget Manual 2010 issued by the Ministry of Finance states that there are three occasions when a technical supplementary¹ is sought viz. (a) surrender from one of the four sections viz. Revenue (Charged), Revenue (Voted), Capital (Charged) and Capital (Voted) and utilizing the same in other section within the Demand, (b) transfer of a scheme from one Demand to another Demand which will result in surrender of the amount from the Demand which has transferred the scheme and utilisation of the same in the other Demand, where the scheme has been transferred, and (c) waivers/write offs.

After rationalisation of grants, the Ministry of Defence has two Demands for Grants, one in Revenue Section and one in Capital Section. During the scrutiny of Appropriation Accounts of Defence Services for the year 2016-17, it was observed that incorrect Technical Supplementary Demands for Grants aggregating to ₹ 6,551.91 crore were obtained from the Parliament through Second batch (December 2016) and final batch (March 2017) in the revenue demand for grants. The technical supplementary provisions were obtained out of savings available in Grant No. 23-Capital Outlay on Defence Services.

Thus, transfer of funds aggregating to ₹ 6,551.91 crore through technical supplementary from Demand No. 23 (Capital Grant) to Demand No. 22 (Revenue Grant) was in violation to conditions prescribed in para 3.2 of the Budget Manual.

Further, scrutiny revealed that out of the total supplementary of ₹ 6,551.91 crore obtained through the technical supplementary grants, only ₹ 3,698.44 crore was utilised leaving an unspent balance of ₹ 2,853.47 crore.

This incorrect practice of obtaining technical supplementary and transferring funds from one Demand to another had been pointed out in the C&AG Audit Report No.1 of 2015, 50 of 2015 and 34 of 2016. However, no discernible measures have been taken by the Ministry to correct this incorrect practice.

The Ministry of Defence stated (July 2017) that the Budget Manual has no specific provision for Defence Services Estimates (DSE). However, Technical Supplementary for transfer of funds from Capital Grant to Revenue Grant was approved by Ministry of Finance, the technical supplementary in question may not be deemed irregular.

The reply is not tenable as the Ministry had failed to fully utilise the sanctioned provision for the Capital Grants and had been transferring the savings from the Capital Grant to the Revenue Grant(s) through technical supplementary resulting in the violation of provisions of the Budget Manual.

4.14 Examination of selected vouchers of Ministry of Drinking Water and Sanitation for the year 2016-17

4.14.1 Introduction

Audit of paid vouchers pertaining to the period 2016-17 in respect of Ministry of Drinking Water and Sanitation (Ministry) was conducted with the objective to examine the correctness of payment made and allocation of expenditure. The audit findings are brought out below.

4.14.2 Diversion of Plan fund for Non-Plan expenditure

As per Delegation of Financial Power Rules, 1978 (DFPRs), prior approval of the Ministry of Finance is required to re-appropriate provisions from Plan to Non-Plan head both under Revenue and Capital Section.

Further, as per Rule 26 of General Financial Rules-2005(GFRs), it is the duty and responsibility of a controlling officer in respect of funds placed at his disposal to ensure that the expenditure is incurred for the purpose for which funds have been provided.

Audit of paid vouchers pertaining to the period 2016-17 in respect of Ministry of Drinking Water and Sanitation (Ministry) revealed that during the year 2016-17, Ministry had obtained provision of ₹ 9.70 crore under sub-head-3451.00.090.54 (Secretariat-Economic Services- Secretariat-Drinking Water and Sanitation) to meet out non-plan expenditure under various object heads such as '01-Salaries', '03-Overtime Allowance', '06-Medical Treatment', '11-Domestic Travel Expenses', '12-Foreign Travel Expenses', '02-Wages' and '13-Office Expenses'.

Further, to meet out plan expenditure on object head such as '11-Domestic Travel Expenses', '12-Foreign Travel Expenses', '13-Office Expenses', '20-Other Administrative Expenses', '50-Other Charges' etc., the Ministry had

obtained a provision of ₹ 81.50 crore under sub-head 2215.01.102.19 (National Rural Drinking Water Programme).

However, during scrutiny of vouchers for the year 2016-17, it was noticed that the Ministry utilised Plan funds for incurring non-plan expenditure amounting to ₹ 1.79 crore (**Annexure-4.2**) without carrying out any re-appropriation and obtaining prior approval of Ministry of Finance.

4.15 Conclusion

Deficiencies in Appropriation Accounts relating to violation of Constitutional provisions and non-observance of financial guidelines have been noticed in Audit which impact on the accuracy of the compiled accounts. Non-obtaining of budgetary provision from the Parliament for payment of interest on the refunds of taxes, non-observance of instructions relating to New Service/New Instrument of Service and obtaining provisions under incorrect object heads leading to misclassifications of expenditure having impact on the revenue deficit, are some of the areas requiring attention of the Chief Accounting Authority.

5: REVIEW OF SELECTED GRANTS

This chapter contains an analysis of the Appropriation Accounts of selected grants covering a period of three years from 2014-15 to 2016-17. The analysis encompasses comments on Budget and Expenditure, unspent provisions, surrender of unspent provision at the fag end of the financial year, lapsed savings, unrealistic budgetary projections, time analysis of expenditure, irregular and injudicious re-appropriations, supplementary provisions made without requirement besides an in-depth study of persistent savings, unrealistic budgeting and outstanding utilisation certificates. Grants of Ministry of Electronics and Information Technology, Ministry of Drinking Water and Sanitation, Ministry of New and Renewable Energy and Ministry of Urban Development were selected for detailed scrutiny in audit during the year 2016-17.

5.1 Grant No. 15: Ministry of Electronics and Information Technology

5.1.1 Introduction

The Ministry of Electronics and Information Technology (MeitY) is responsible for formulation, implementation and review of national policies in the field of Information Technology, Electronics and Internet (all matters other than licensing of Internet Service Providers). The primary objective of the Ministry is to promote e-Governance for empowering citizens, promoting the inclusive and sustainable growth of the Electronics, IT & ITeS industries, enhancing India's role in global platforms of Internet Governance, adopting a multipronged approach that includes development of human resources, promoting R&D and innovation, enhancing efficiency through digital services and ensuring a secure cyber space.

5.1.2 Budget, Expenditure and Savings

The overall position of budget provision, actual disbursement and unspent provision during the years 2014-17 is detailed in **Table 5.1** below.

Table 5.1 Budget, Expenditure and Savings

(₹ in crore)

Year	Sanctioned provision		Expenditure		Unspent Provision /Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2014-15	3734.12	195.00	3452.61	130.49	281.51	64.51
2015-16	2611.85	147.16	2479.87	114.32	131.98	32.84
2016-17	3369.77	349.12	3310.60	330.78	59.17	18.34

Source: Head-wise Appropriation Accounts

The Public Accounts Committee (10th Lok Sabha, 1993-94) in its 60th Report (paras 1.22 and 1.24) had observed that savings of ₹100 crore or more are indicative of defective budgeting as well as shortfall in performance in a Grant or Appropriation. The Committee had desired that detailed note in respect of savings of ₹ 100 crore or above in a segment of the Grant for each year be furnished to the Committee by the concerned Ministry/Department.

Audit observed that there were savings of ₹ 100 crore or above in the voted portion of Revenue Section of the grant in 2014-15 and 2015-16. This was indicative of over estimation of requirement of funds.

The Ministry stated (September 2017) that it had been reviewing the trend of expenditure on regular basis to ensure timely expenditure and proper utilisation of funds so as to bridge the gap between budget allocation and expenditure.

5.1.3 Savings not surrendered and allowed to lapse

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.

Scrutiny of Appropriation Accounts for the years 2014-17 revealed that savings of ₹ 361.84 crore were not surrendered and allowed to lapse, as detailed in **Table 5.2** below.

Table 5.2: Savings not surrendered

(₹ in crore)

Year/ Section		Savings	Amount Surrendered	Date of Surrender	Savings not surrendered
2014-15	Revenue section	281.51	162.84	31.03.2015	118.67
	Capital section	64.51	56.17		8.34
2015-16	Revenue section	131.98	0	-	131.98
	Capital section	32.84	0	-	32.84
2016-17	Revenue section	59.17	0	-	59.17
	Capital section	18.34	7.50	30.03.2017	10.84
Total		588.35	226.51		361.84

In 2015-16, entire savings in Revenue and Capital sections were not surrendered while in 2016-17 entire savings in Revenue section were not surrendered. Further, during 2014-15, out of total savings of ₹ 281.51 crore under the Revenue section, only ₹ 162.84 crore (58 per cent) were surrendered. It was also seen that savings were surrendered on the last day of the financial year and significant savings were not surrendered and allowed to lapse at the close of the financial year.

The Ministry stated (August 2017) that despite repeated reviews of the expenditure made and anticipated expenditure under each programme, the savings could not be foreseen till the end of the financial year.

5.1.4 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. The Parliament also authorises supplementary or additional Grants by subsequent Appropriation Acts in terms of Article 115 of the Constitution over and above the authorisation made previously for the purpose of that year under Article 114. While preparing the initial estimates of expenditures, Ministries/Departments are required to keep in view the trends of disbursements during the previous years and take due care so that provision for all inescapable and foreseeable expenditures is made in the estimates before they are submitted to the Ministry of Finance.

Supplementary grants obtained during the period from 2014-15 to 2016-17 were as detailed in **Table 5.3** below.

Table 5.3: Large supplementary Grants

(₹ in crore)

Year	Section	Original provision	Supplementary provision	Actual expenditure	Savings
2014-15	Revenue section (Voted)	3734.10	0.02 (0)	3452.61	281.51
	Capital section (Voted)	195.00	0 (0)	130.49	64.51
2015-16	Revenue section (Voted)	2482.85	129.00 (5.20)	2479.87	131.98
	Capital section (Voted)	147.15	0.01 (0.01)	114.32	32.84
2016-17	Revenue section (Voted)	3089.71	280.06 (9.06)	3310.60	59.17
	Capital section (Voted)	239.11	110.01 (46.01)	330.78	18.34

Figures in parentheses indicate the percentage of supplementary provisions to the Original grant

Above table indicates that Ministry had obtained Supplementary grant of ₹ 129.00 crore in the Revenue voted section during the year 2015-16, but had failed to utilise the entire supplementary grant. The savings were in fact more than supplementary grant.

During 2016-17, Ministry obtained supplementary grant for ₹ 110.01 crore which constituted 46.01 *per cent* of the original budget provision under Capital (voted) Section.

The Ministry stated (September 2017) that the budget provision for MeitY in RE 2015-16 was ₹ 2,700 crore which was increased by only ₹ 500 crore despite the fact that Unique Identification Authority of India (UIDAI) whose budget always crossed ₹ 1,000 crore was transferred to MeitY as an attached office. Therefore, the budget provision for all schemes/ non-schemes were curtailed proportionately. Since NIC and UIDAI had not been given/allocated the bare minimum amount to meet the capital expenditure, Ministry of Finance was requested to augment their capital provision through Supplementary Demands for grants.

The reply is not tenable as the Ministry had not fully utilized the Supplementary grants obtained from the Parliament which was indicative of unrealistic assessment of fund requirements.

5.1.5 Non-utilisation of entire provision under sub heads

Audit scrutiny brought out that entire provisions remained unutilized under four sub-heads/schemes and were re-appropriated/surrendered thereby defeating the purpose for which the original budget provisions were passed by the Parliament as depicted in **Table 5.4** below.

Table 5.4 Non-utilisation of entire provision

Year	Sub-heads/Schemes	Budget Provision	Savings	Reasons
		(₹ in crore)		
2014-15	4859.02.004.18- Promotion of Electronics/IT HW Manufacturing	10.00	10.00	Due to non-receipt of viable proposals and cut imposed at revised estimates stage by the Ministry of Finance
	2852.07.202.19-ERNET INDIA	0.10	0.10	-
	2852.07.202.71-Media Lab Asia	7.00	7.00	Due to cut imposed at revised estimates stage by the Ministry of Finance
	2852.07.202.82-Facilitation of Setting up of Integrated Township	0.10	0.10	-
2015-16	4859.02.004.18-Promotion of Electronics/IT HW Manufacturing	20.00	20.00	Due to non-execution of the agreement between Electronics Development Fund Manager and the Bank
2016-17	4859.02.004.18-Promotion of Electronics/IT HW Manufacturing	20.00	20.00	Due to non-finalisation of the proposed investment in Electronics Development Fund Scheme

The above table shows that schemes failed to take off or suffered due to non-utilisation of entire provisions.

Ministry stated (September 2017) that the matter of releasing financial assistance to Media Lab Asia (MLA) beyond 30th April 2012 was under consideration of Ministry of Finance and hence, the provision made for MLA remained unutilized. As regards promotion of Electronic/IT HW Manufacturing, it stated that the budget earmarked for Electronics Development Fund under Capital grants remained unutilized due to legal formalities. However, this non-utilisation had not affected the implementation of the scheme.

The fact remains that non-utilisation of the entire budgeted amount in respect of Promotion of Electronic/IT HW Manufacturing during the last three years is indicative of poor budgeting and failure to take effective remedial measures to avoid persistent non-utilisation of entire provisions.

5.1.6 Injudicious re-appropriation of funds to sub-head

Scrutiny of Appropriation accounts for the year 2016-17 revealed that re-appropriation of funds to the following sub-head was injudicious as the savings were more than the re-appropriated amount as depicted in **Table 5.5** below.

Table 5.5: Injudicious re-appropriation of funds to sub-head

(₹ in crore)

Year	Sub-Head	Budget Provision	Amount of re-appropriation to the Sub-Head	Actual expenditure	Final savings under the Sub-Head after re-appropriation
2016-17	2852.07.202.88- Regulatory Authorities	O -148.00 S - 0.00	11.87	138.47	21.40

5.1.7 Persistent Savings under sub-heads

Review of Appropriation Accounts for the years 2014-15 to 2016-17 revealed that there were persistent savings under three sub-heads during the last three years which is indicative of poor budgeting or shortfall in performance or both, in respect of the concerned scheme/activity item being implemented by the Ministry/Department, as detailed in **Table 5.6** below.

Table 5.6: Persistent Savings under sub-heads

Sl. No.	Sub-Head	Year	Sanctioned provision (O+S)	Actual Expenditure	Savings	Percentage of savings to Sanctioned provision	Reasons for Savings attributed by Ministry
			(₹ in crore)				
1	3451.00.090.15- Department of Electronics and Information Technology	2014-15	88.10	73.29	14.81	16.81	Requirement of less funds towards domestic travel expenses and other establishment related expenses
		2015-16	97.04	75.69	21.35	22.00	Non-execution of repair and maintenance works and requirement of less funds towards establishment related expenses
		2016-17	104.96	88.02	16.94	16.14	Non filling of vacant posts and requirement of less funds towards establishment related expenses
2	2852.07.202.06-STQC	2014-15	92.00	76.05	15.95	17.34	Non filling up of vacant posts, non-receipt of viable proposals, requirement of less funds towards establishment related expenses, cut imposed at RE stage by Ministry of Finance and non-procurement of equipment
		2015-16	91.00	80.89	10.11	11.11	Non filling up of vacant posts and requirement of less funds towards establishment related expenses
3	4859.02.004.17- Machinery and Equipments for STQC and other projects	2014-15	56.00	18.47	37.53	67.02	Due to non-receipt of proposals for procurement of machinery and equipment, non-finalisation of projects under Cyber Security programme and cut imposed at revised estimates stage by the Ministry of Finance
		2015-16	64.00	37.03	26.97	42.14	Due to delay in tender process, non-finalisation of projects and non-receipt of quotations for procurement of machinery and equipment for Cyber Security projects
		2016-17	20.00	5.06	14.94	74.70	Due to delay in tender process, non-finalisation of projects and non-receipt of quotations for procurement of machinery and equipment for Cyber Security projects

The persistent savings ranged from 11.11 *per cent* to 74.70 *per cent*, which is indicative of over-estimation of the requirement of funds and failure to take effective remedial measures to avoid persistent savings.

Ministry stated (September 2017) that the expenditure provisions were made under two sub-heads 3451.00.090.15 and 2852.07.202.06 to meet salary and establishment related expenses in respect of MeitY Secretariat and Standardisation Testing and Quality Certification (STQC) respectively. Savings under establishment provisions usually occur because of non-filling of vacant posts, non-execution of repair and maintenance works, non-receipt of adequate bills for LTC, or medical claims and less travel expenses.

With regard to the sub-head 4859.02.004.17, MeitY informed that savings occurred during the last three years, due to non-finalisation of two key Cyber Security initiatives, viz. NCCC and Botnet Cleaning and Malware Analysis Centre.

The reply reflects the need for greater diligence in preparation of estimates of expenditure so as to ensure that all factors affecting expenditure are duly taken into account while proposing requirement of funds.

5.1.8 Utilisation of funds

(i) Outstanding Utilisation Certificates (UCs)

Rule 212 (1) of GFR 2005 prescribes that in respect of non-recurring grants to an institution or organization, certificate of actual utilisation of grants received for the purpose for which it was sanctioned, should be insisted upon in the order sanctioning the Grants-in-aid. In the case of recurring grants, the Ministry or Department concerned should release amount sanctioned for the subsequent financial year only after UC in respect of grants of preceding financial year is submitted.

Further, the UCs should be submitted within 12 months of the closure of the financial year by the Institution or Organization concerned. Where such certificate is not received from the grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such institutions or organisation from any future grant, subsidy or other type of financial support from the Government.

Position of Year-wise outstanding UCs as on 27 July 2017 is given in the **Table 5.7** below.

Table 5.7 Year-wise Outstanding Utilisation Certificates

Year of sanction of grant	Due		UC received		Outstanding UC	
	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)
2002-03 to 2009-10	2963	4456.63	2922	4355.34	41	101.29
2010-11	516	2212.08	510	2211.22	6	0.86
2011-12	497	1215.37	488	1208.43	9	6.94
2012-13	430	966.83	415	904.83	15	62.00
2013-14	413	1192.81	397	1159.27	16	33.54
2014-15	591	1847.46	552	1782.96	39	64.50
2015-16	504	1569.80	364	1093.13	140	476.67
Total	5914	13460.98	5648	12715.18	266	745.80

It can be seen from the above that 266 number of UCs aggregating to ₹ 745.80 crore were outstanding as on 27 July 2017 pertaining to year of sanction ranging from the years 2002-03 to 2015-16. Of these, 225 UCs (84.59 per cent) with total amount of ₹ 644.51 crore (86.42 per cent) related to period 2010-11 to 2015-16.

Ministry stated (September 2017) that UCs in respect of grants released during FY 2015-16 would be considered pending w.e.f. 01 April 2017 (FY 2017-18). Hence, MeitY had not violated any GFR provision by releasing grants to organisations in respect of which no single UC was shown pending. As far as utilisation of grants is concerned, it is stated that Project Review and Standing Groups have been formed in MeitY which meet from time to time to review the implementation of various projects, utilisation of funds, non-achievement of targets, if any, and recommend which organisation would be released further installment of grant and by how much.

The reply is not tenable as the UCs in respect of grants released during 2015-16 had already become due at the time of the furnishing of information on pending UCs in July 2017. Moreover, 126 UCs with corresponding money value of ₹ 269.13 crore pertaining to previous years were also pending.

The receipt of UCs is the only mechanism to vouch that the funds have been utilised for the intended purpose. The Ministry should put in place a strong mechanism to ensure timely submission of UCs by the grantee bodies.

5.1.9 Cash management System

Modified Cash Management System seeks to achieve the following objectives¹:

- i. Obtain greater evenness in the budgeted expenditure within the financial year, especially in respect of items entailing large sums of advance releases and transfers to corpus funds;
- ii. Reduce rush of expenditure during the last quarter, especially the last month of the financial year;
- iii. Reduce tendency of parking of funds;
- iv. Effectively monitor the expenditure pattern; and
- v. Better planning of Indicative Market Borrowing Calendar of the Central Government.

Monthly Expenditure Plan (MEP) would form the basis of Quarterly Expenditure Allocations (QEA). The Department/Ministries may regulate the expenditure within the Quarterly Expenditure Allocation (which would be equal to the sum of provisions under Monthly Expenditure Plan).

Table 5.8 gives the position of actual expenditure against QEA for the year 2016-17.

Table 5.8: Quarterly Expenditure Allocation and actual expenditure

(₹ in crore)

Year	Quarter	Quarterly Expenditure Allocation (Plan)	Actual Expenditure	Savings(-) Excess(+)	Quarterly Expenditure Allocation (Non-Plan)	Actual Expenditure	Savings(-) Excess(+)
2016-17	1st	733.36	1064.37	331.01	34.26	26.94	-7.32
	2nd	1098.62	733.18	-365.44	38.17	28.82	-9.35
	3rd	664.60	882.05	217.45	26.86	32.41	5.55
	4th	703.42	848.56	145.14	29.53	22.12	-7.41
Total		3200.00	3528.16	328.16	128.82	110.29	-18.53

Source: DDG for 2016-17 and Quarterly details of estimates and expenditure prepared by O/o Pr. PAO, MeitY

The table shows that expenditure was not consistent with the QEA Plan in all the quarters which reflects deficient financial control and management.

Ministry stated (September 2017) that the QEPs shown is as per DDG 2016-17. However, QEPs are revised/modified at the end of each quarter depending upon the extent of expenditure made. Hence, without considering the revised/modified

¹ Ministry of Finance OM No. F. No.21 (1)-B{PD}/2014 dated 22 July 2015

QEPs, it would be incorrect to assert that there was inconsistency in quarterly expenditure target and achievement.

Due to non-furnishing of approved revised QEPs and the basis of their revision, the reply could not be verified.

5.1.10 Budget provision for vacant posts

According to Budget Circulars 2014-15 to 2016-17, “No provision may be made in the establishment budget for posts, which are lying vacant for one year or more. Even otherwise, provisioning for vacant posts should be made with circumspection so as to avoid chances of eventual savings due to these vacant posts not being filled up.”

During scrutiny of Appropriation Accounts of 2014-15, savings of ₹ 12.40 crore and ₹ 12.46 crore were noticed under sub-head 3451.00.090.15 (DeitY) and 2852.07.202.06 (STQC) respectively. One of the reasons for savings was non-filling up of vacant posts. Same reason was furnished for savings under these heads for the year 2013-14 also.

It was further noticed that during 2015-16, saving of ₹ 13.96 crore was reported by STQC (HOA 2852.07.202.06) due to non-filling up of vacant posts and less expenditure. Again, in 2016-17, saving of ₹ 21.40 crore was reported by Regulatory Authorities (HOA 2852.07.202.88) due to non-filling up of vacant posts.

Ministry stated (September 2017) that the savings occurred were in respect of Regulatory Authorities, viz. STQC, Cyber Security (including CERT-In and CAT) and CCA only and no saving occurred in respect of MeitY Secretariat. It added that no provision was made in respect of posts lying vacant for more than one year. Budget provisions were, however, made only in respect of the posts lying vacant for a short period and were likely to be filled as well as the newly created posts.

The reply is not tenable as persistent savings from the provisions made for vacant posts for the last three years is indicative of improper budget management and is in violation of the Budget Circular.

5.2 Grant No.25: Ministry of Drinking Water and Sanitation

5.2.1 Introduction

The Ministry of Drinking Water and Sanitation is the nodal Ministry for the overall policy, planning, funding and coordination of the flagship programmes viz., the National Rural Drinking Water Programme (NRDWP) for rural drinking

water and Swachh Bharat Mission (Gramin) {SBM(G)}² for sanitation in rural areas.

5.2.2 Budget, Expenditure and Savings

The overall position of budget, actual disbursement and unspent provision during the years 2014-17 is detailed in **Table 5.9** below.

Table-5.9: Budget, Expenditure and Savings

(₹ in crore)

Year	Sanctioned provision		Expenditure		Unspent Provision /Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2014-15	15377.50	0.00	12201.46	0.00	3176.04	0.00
2015-16	14330.89	0.00	13481.18	0.00	849.71	0.00
2016-17	26509.71	0.00	26475.66	0.00	34.05	0.00

The table shows that during the year 2014-15, there were savings of ₹ 3,176.04 crore constituting 20.65 per cent of the sanctioned provision of ₹ 15,377.50 crore. However, quantum of savings came down to ₹ 849.71 crore in 2015-16 and ₹ 34.05 crore in 2016-17.

5.2.3 Large Supplementary Grants due to unrealistic budgetary projections

Ministry had obtained supplementary grants during the year 2014-15 to 2016-17 as detailed in the **Table 5.10** below.

Table 5.10: Large Supplementary Grants

(₹ in crore)

Year	Original Allocation	Supplementary Allocation	Total allocation	Actual Expenditure	Savings(-)/ Excess (+)
2014-15	15266.85	110.65 (0.72)	15377.50	12201.46	-3176.04
2015-16	6243.87	8087.02 (129.52)	14330.89	13481.18	-849.71
2016-17	22509.70	4000.01 (17.77)	26509.71	26475.66	-34.05

Figures in parentheses indicate percentage of supplementary provision in respect of original grant

The above table shows that in 2014-15, Ministry obtained a supplementary grant of ₹ 110.65 crore (0.72 per cent) for installation of Solar Energy based Dual Pump Piped Water Supply Scheme. However, the additional grant so obtained was

² Earlier this programme was called Nirmal Bharat Abhiyan.

surrendered due to unspent balance with the States and reduction of provisions at revised estimate stage.

In 2015-16, the Ministry obtained ₹ 8,087.02 crore (129.52 per cent) as supplementary provision mainly on account of transfer to States for implementation of programmes. However, out of supplementary grants of ₹ 8,087.02 crore, ₹ 849.71 crore remained unutilized.

In 2016-17, supplementary grant of ₹ 4,000.01 crore, constituting 17.77 per cent of the original grant, was obtained to meet the requirement for transfer of fund to Rashtriya Swachhata Kosh and to transfer to States for implementation of programmes.

Large supplementary provision in 2015-16 indicates that the Ministry did not prepare estimates of expenditure on a realistic basis and the mechanism of holding pre-budget meetings and scrutiny by the Ministry of Finance for ensuring realistic budgetary projections did not have the desired effect.

5.2.4 Un-necessary supplementary provisions obtained under sub-heads

Review of Accounts for last three years revealed that the Ministry obtained large supplementary provisions for various schemes/activities under the following sub-heads.

Table 5.11: Un-necessary Cash Supplementary Provisions

(₹ in crore)					
Year	Head of Account	Original Provision	Supplementary Grant Obtained	Actual Expenditure	Savings
2015-16	3601.02.269.02 Swachh Bharat Abhiyan	1979.00	4032.40	4391.81	1619.59 (40.16)
2015-16	3601.02.789.19 Sewerage and Sanitation –Sanitation Services	797.00	1387.00	1469.51	714.49 (51.51)
2015-16	3601.02.796.19 Sewerage and Sanitation –Sanitation Services	362.00	631.00	673.08	319.92 (50.70)
2015-16	3602.02.269.02 Swachh Bharat Abhiyan	2.00	4.80	4.40	2.40 (50.00)
2016-17	2215.01.105.23 Swachh Bharat Abhiyan (Gramin)	255.00	2.00	215.13	41.87 (2093.50)

Figures in parentheses indicate percentage of savings in respect of supplementary provision

While the Ministry obtained large supplementary grants, it could not fully utilize them. Non-utilisation of major supplementary provisions was attributed to non-receipt of viable proposals from the state governments, non-receipt of annual sanitation survey and less funds requirement by the implementing agencies.

5.2.5 Savings of entire provision

In four sub-heads, the entire provision of ₹ 7.72 crore, authorized by the Parliament was not utilized during the last three years. Savings of entire provision is indicative of fact that the estimates were not prepared after adequate scrutiny of the projects/schemes. Details are given in **Table 5.12** below.

Table 5.12: Entire Provisions remained unspent

(₹ in crore)

Year	Head of Account	Budget Provision	Savings
2014-15	3602.02.264.01 National Rural Drinking Water Programme	1.02	1.02
2015-16	3602.02.264.01 National Rural Drinking Water Programme	2.04	2.04
	3602.02.789.10 Water Supply-Rural Water Supply Programme	0.66	0.66
2016-17	3602.02.269.03 Sewerage and Sanitation Services-Swachh Bharat Abhiyan (Gramin)	4.00	4.00
Total		7.72	7.72

5.2.6 Saving of more than ₹ 10 crore (sub-head level)

A review of last three years accounts revealed that large part of the provisions remained unutilized under various sub-heads and were surrendered/re-appropriated to other heads defeating the purpose for which the budget provisions were passed by the Parliament. Instances of savings of ₹ 10 crore and above or constituting more than 25 per cent of the budget provisions are given in the **Table 5.13** below. The Ministry attributed the savings to availability of unspent balances of previous years and less receipt of viable proposals from implementing agencies.

Table 5.13: Unrealistic Budgeting*(₹ in crore)*

Year	Head of Accounts	Budget Provision	Actual Expenditure	Savings	Savings (in per cent)
2014-15	2215.01.102.17 National Rural Drinking Water Programme	93.82	46.26	47.56	50.69
	2215.02.105.21 Nirmal Bharat Abhiyan	123.00	91.03	31.97	25.99
	3601.02.789.19 Sewerage and Sanitation – Sanitation Services	937.56	626.55	311.01	33.17
	3601.02.796.19 Sewerage and Sanitation-Sanitation Services	425.80	284.79	141.01	33.12
2015-16	3601.02.269.02-Swachh Bharat Abhiyan	6011.40	4391.81	1619.59	26.94
	3601.02.789.19 Sewerage and Sanitation – Sanitation Services	2184.00	1469.51	714.49	32.71
	3601.02.796.19 Sewerage and Sanitation-Sanitation Services	993.00	673.08	319.92	32.22
2016-17	2215.01.102.19 National Rural Drinking Water Programme	81.51	48.34	33.17	40.69

5.2.7 Surrender of savings

Rule 56 of GFR 2005, emphasizes that provisions in the Grant or Appropriation that cannot be profitably utilized should be surrendered to the Government immediately as and when they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses.

Contrary to these provisions, savings were either not surrendered or surrendered at the end of the year, as detailed in **Table 5.14** below.

Table 5.14: Surrender of Savings*(₹ in crore)*

Year	Unspent Provision	Amount surrendered		Amount not Surrendered
		On 31 March of the respective year	Percentage	
2014-15	3176.04	3162.37	99.57	13.67
2015-16	849.71	849.10	99.93	0.61
2016-17	34.05	6.95	20.41	27.10

5.3 Grant No. 61 Ministry of New and Renewable Energy

5.3.1 Introduction

The Ministry of New and Renewable Energy (MNRE) is the nodal Ministry at the central level for all matters relating to new and renewable energy. The Ministry has been facilitating the implementation of broad spectrum programs including harnessing renewable power, renewable energy to rural areas for lighting, cooking and motive power, use of renewable energy in urban, industrial and commercial application and development of alternate fuels and application.

The main objective of this grant is to meet the modernization needs of the Ministry in respect of Research, Design and Development in Renewable Energy – Research Institutions/ Centres-National Institute of Solar Energy, Supporting Programmes e.g. international cooperation including Investment Promotion, Information, Education and Communication (Advertising & Publicity) and other office expenses.

5.3.2 Budget, expenditure and savings

The overall position of budget provisions which is of capital and revenue nature, actual disbursements and savings during the last three years 2014-17 is detailed in **Table 5.15** below.

Table 5.15: Budget, expenditure and savings

(₹ in crore)

Year	Sanctioned provision		Expenditure		Unspent provisions/Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2014-15	2762.39	295.00	2223.10	295.00	539.29	0.00
2015-16	4208.24	95.01	4150.26	94.52	57.98	0.49
2016-17	9882.81	115.00	7643.52	110.63	2239.29	4.37

It can be seen from the above table that large budget provisions remained unutilized in the Revenue Section of the grant during the years 2014-15 and 2016-17. During 2016-17, ₹ 2,239.29 crore, which constituted 22.66 per cent of the sanction provision remained unspent in the Revenue Section. Large unspent provisions during 2014-15 and 2016-17 indicated deficient budgeting by the Ministry.

The Ministry accepted the audit observation and stated (September 2017) that the audit observation had been noted for compliance.

5.3.3 Surrender of unspent provision at the fag end of the financial year

Scrutiny of Appropriation Accounts revealed that contrary to the provisions of GFR the Ministry surrendered its savings on the last day of the financial years 2014-17 as detailed in **Table 5.16** below.

Table 5.16: Surrender of savings

(₹ in crore)

Year	Sanctioned grant	Expenditure	Savings	Surrender	Saving not Surrendered	Date of surrender	
2014-15	Revenue	2762.39	2223.10	539.29	526.67	12.62	31.03.2015
	Capital	295.00	295.00	-	-	-	-
2015-16	Revenue	4208.24	4150.26	57.98	47.78	10.20	31.03.2016
	Capital	95.01	94.52	0.49	0.24	00.25	31.03.2016
2016-17	Revenue	9882.81	7643.52	2239.29	1115.11	1124.18	31.03.2017
	Capital	115.00	110.63	4.37	4.39	-	31.03.2017

Surrender of savings only on the last day of financial year reflects deficient budgeting of the Ministry and non-adherence with Government Rules.

The Ministry stated (September 2017) that the audit observation had been noted for compliance.

5.3.4 Savings of ₹ 100 crore or more

The Public Accounts Committee (PAC) (10th Lok Sabha, 1993-94) in its 60th Report (paras 1.22 and 1.24) had observed that savings of ₹ 100 crore or above are indicative of defective budgeting as well as shortfall in performance in a Grant or Appropriation. The committee had, therefore, desired that the detailed note in respect of savings of ₹ 100 crore or above in a section of the grant for each year was required to be furnished to the committee by the respective Ministry/Department. The savings of more than ₹ 100 crore or more in a section of grant of the review period are detailed in **Table 5.17** below.

Table 5.17: Savings of ₹ 100 crore or more

(₹ in crore)

Year	Name and the No. of Grant (Revenue Section)	Savings
2014-15	69 –MNRE	539.29
2016-17	61- MNRE	2239.29

Scrutiny revealed that Ministry had made excessive provisions under the Revenue section of the Grant during the year 2014-15 and 2016-17 resulting in large provisions remaining unutilised.

5.3.5 Large supplementary grants due to unrealistic budgetary projections

Audit scrutiny revealed that Ministry had obtained supplementary grant during the period from 2014-17 as detailed in **Table 5.18** below.

Table 5.18: Original and Supplementary Provisions

(₹ in crore)

Year		Original Provision	Supplementary	Percentage of supplementary to original provisions	Expenditure	Savings
2014-15	Revenue	2439.39	323.00	13.24	2223.10	539.29
	Capital	95.00	200.00	210.53	295.00	-
2015-16	Revenue	2708.21	1500.03	55.39	4150.26	57.98
	Capital	95.00	0.01	0.01	94.52	0.49
2016-17	Revenue	9882.79	0.02	0	7643.52	2239.29
	Capital	100.00	15.00	15.00	110.63	4.37

The Ministry had obtained large supplementary grant of ₹ 323.00 crore under the Revenue Section during 2014-15 which constituted 13.24 *per cent* of the original provision and the entire supplementary grant remained unutilised indicating unrealistic estimation of requirement of funds.

During 2015-16, Ministry had obtained large supplementary grant of ₹ 1,500.03 crore under the Revenue Section which constituted 55.39 *per cent* to the original provision.

Scrutiny of Head-wise Appropriation Accounts revealed that in five cases, the Ministry obtained large supplementary grants ranging from 62.15 *per cent* to 1066.67 *per cent* of the Original Provision as detailed in **Table 5.19** below.

Table 5.19: Original and Supplementary Provisions

(₹ in crore)

Year	Object Head	Original Provision	Supplementary Provision	Percentage of Supplementary to Original Provision
2014-15	2810.00.105.02	2.25	24.00	1066.67
	4810.00.190.01	40.00	200.00	500.00
2015-16	2810.00.101.01	1525.00	950.00	62.30
	2810.00.101.02	885.00	550.01	62.15
2016-17	4810.00.101.03	--	15.00	There was no original provision at all.

This indicates that the Ministry had not prepared its initial estimates of expenditure on a realistic basis. The Ministry noted (September 2017) the audit observation for compliance.

5.3.6 Savings of more than ₹ one crore (Sub-head level)

A review of last three years accounts revealed that large part of the provisions remained unutilized under various sub-heads and were surrendered/ re-appropriated to other heads defeating the purpose for which the budget provisions were passed by the Parliament. Instances of savings of more than ₹ one crore of the budget provisions are given in the **Annexure 5.1**. This reflects deficient financial control on the part of the Ministry.

The Ministry stated (September 2017) that the audit observation had been noted for compliance.

5.3.7 Rush of issuing orders of Re-appropriation at the fag end of the financial years

The PAC (14th Lok Sabha) recommended in July 2006 that the Financial Advisors of the Departments, with the assistance of Chief Controller of Accounts and Controller of accounts should ensure responsibility by bringing in more analytical inputs into the budget formulation process and better inter-se programme/prioritisation and allocation within the budget ceilings based on expenditure profiles of each programme, assessment of outcomes and current status of the projects. Such analysis was envisaged to ensure more realistic and efficient deployment of resources, reduce the reliance on supplementary and help significantly control injudicious formulation of budget estimates/ utilisation of funds where large savings/ unspent provisions can be reduced if not altogether avoided.

Scrutiny of the Appropriation Accounts pertaining to the years 2014-15 to 2016-17 revealed that most of the re-appropriation orders were issued only at the fag end of the respective financial years as detailed in **Table 5.20** below.

Table 5.20: Issuing orders of Re-appropriation

Years	Total number of Re - appropriation orders issued during the year	Issued in last quarter of the year (Jan-Mar)	Issued during last month i.e. March	<i>Per cent of orders issued in the last quarter</i>	<i>Per cent of orders issued in the last month to the total issued</i>
2014-15	12	6	4	50.00	33.33
2015-16	21	13	10	61.90	47.62
2016-17	29	20	14	68.97	48.28

Further, audit scrutiny revealed that re-appropriation at the fag end of the year has resulted in savings in the sub-heads as detailed in the **Table 5.21** below.

Table 5.21: Savings in sub-head level due to re-appropriation at the fag end of the year

(₹ in crore)

Sl. No.	Sub-head	Amount re-appropriated in last quarter	Savings surrendered at the end
2014-15			
1	2810.00.101.02-Off grid/distributed and Decentralized Renewable Power	13.46	51.50
2015-16			
2.	2810.00.102.02-Renewable energy for all villages	6.15	28.33
2016-17			
3.	3451.00.090.14-Secretariat -MNRE	2.44	3.80
4.	2810.00.101.01-Grid interactive renewable power	185.32	548.02
5.	2810.00.104.04-Research, Development and International Co-operation	6.55	144.60

The Ministry stated (September 2017) that the re-appropriation had been issued with approval of the competent authority. However fact remains that the re-appropriation orders were issued at the fag end of the financial year.

5.3.8 Outstanding Utilisation certificates (UCs)

Position of Year-wise outstanding UCs as on 31 March 2017 is given in the Table 5.22 below.

Table 5.22 Year-wise Outstanding Utilisation Certificates

Year of sanction of grant	Due		UC received		Outstanding UC	
	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)
Upto 2009-10	29	6.08	0	0	29	6.08
2010-11	34	12.10	0	0	34	12.10
2011-12	43	30.15	0	0	43	30.15
2012-13	10	7.15	0	0	10	7.15
2013-14	26	32.31	0	0	26	32.31
2014-15	47	101.02	0	0	47	101.02
2015-16	996	1845.16	416	1600.55	580	244.61
Total	1185	2033.97	416	1600.55	769	433.42

It can be seen from the above that 769 UCs from the year 2005-06 to 2015-16 amounting to ₹ 433.42 crore were pending from various grantee organisations as on 31 March 2017. In the absence of UC's, it could not be ascertained whether the recipients had utilised the grants for its specific purposes.

The Ministry stated (September 2017) that 551 Utilisation Certificates were pending as of 31 August 2017.

5.4 Grant No. 95: Ministry of Urban Development

5.4.1 Introduction

The Ministry of Urban Development is responsible for formulation of broad policy and monitoring of programmes in the area of urban development. Urban development is a State subject and the Government of India plays a coordinating and monitoring role which includes support to urban development through Central and Centrally Sponsored Schemes.

The Ministry of Urban Development prepared three Grants for the year 2014-15, viz., Grant No.103 (Department of Urban Development), Grant No.104 (Public Works) and Grant No.105 (Stationery and Printing); three Grants for the year 2015-16, viz., Grant No.104 (Department of Urban Development), Grant No.105 (Public Works), Grant No.106 (Stationery and Printing) and single Grant for the year 2016-17 viz., Grant No.95 (Ministry of Urban Development).

5.4.2 Budget, Expenditure and Savings

The position of budget provision, actual disbursement and unspent provision under the revenue and capital section (charged and voted) of the grant during the last three years i.e. 2014-15 to 2016-17 is shown in the **Table 5.23** below.

Table 5.23: Budget, Expenditure and Savings

(₹ in crore)

Year	Budget Provision		Expenditure		Unspent Provision/ Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2014-15	10660.62	9809.20	6018.02	7391.62	4642.60	2417.58
2015-16	12278.25	11068.89	8163.78	10588.76	4114.47	480.13
2016-17	18207.49	17324.08	15472.85	16824.76	2734.64	499.32

Source : Head-wise Appropriation Accounts

It would be seen from the table above that the unspent provision under the revenue section was on the higher side as compared to the capital section. The unspent provision during 2016-17 has decreased in respect of revenue head and increased marginally in respect of capital head as compared to 2015-16.

5.4.3 Unnecessary Supplementary Grant

If savings are not available within the Grant to which the payment is required to be debited, or if the expenditure is on “New Service” or “New Instrument of Service” not provided in the budget, necessary Supplementary Grant or Appropriation in accordance with Article 115(1) of the Constitution has to be obtained before payment is authorized. Scrutiny of Appropriation Accounts for the years 2014-15 to 2016-17 of Ministry of Urban Development revealed that the Ministry obtained Supplementary grants under revenue section (voted).

However, they were unable to efficiently utilise the same. At the end of the financial year the unspent balance was more than the Supplementary provision as given in the **Table 5.24** below.

Table 5.24: Unnecessary Supplementary grant under Revenue voted section

(₹ in crore)

Year	Original	Supplementary	Total	Expenditure	Saving
2014-15	10425.25	170.04	10595.29	5954.79	4640.50
2015-16	9296.38	2898.43	12194.81	8084.10	4110.71
2016-17	15502.67	2621.05	18123.72	15395.49	2728.23

Source: Figures adopted from the Appropriation Accounts

Thus, the Ministry had persistently obtained Supplementary grants under Revenue (voted) section but failed to utilize the entire supplementary grant. The savings were in fact more than the supplementary grants.

5.4.4 Delay in Surrender of Unspent Provision

Scrutiny of the appropriation accounts of the last three years revealed that the Ministry surrendered the unspent provisions on the last working day of the financial year. During the years 2014-15, 2015-16 and 2016-17, the Ministry surrendered ₹ 6,802.65 crore, ₹ 1,345.57 crore and ₹ 108.56 crore respectively out of total savings of ₹ 7,060.18 crore, ₹ 4,594.60 crore and ₹ 3,233.96 crore respectively. Thus, an amount of ₹ 257.53 crore, ₹ 3,249.03 crore and ₹ 3,125.40 crore lapsed as detailed in **Table 5.25** below.

Table 5.25: Delay in surrender of unspent provision

(₹ in crore)

Year	Total Saving	Date of Surrender of Unspent provision	Amount Surrendered	Amount Lapsed	Lapsed percentage
2014-15	7060.18	31.03.2015	6802.65	257.53	3.64
2015-16	4594.60	31.03.2016	1345.57	3249.03	70.71
2016-17	3233.96	31.03.2017	108.56	3125.40	96.64

Source: Head-wise Appropriation Accounts

Delay in surrender of funds as well as allowing significant amount of funds to lapse was indicative of lacunae in financial management on the part of the Ministry and was detrimental to the optimum utilisation of resources.

5.4.5 Unrealistic Budgeting

As per extant instructions, Ministries are required to prepare their estimates, keeping in view the trend of disbursement during the previous years and other relevant factors like instructions for economy issued by the Ministry of Finance. Scrutiny of the Appropriation Accounts of the last three years i.e. 2014-15 to 2016-17 revealed that:

- (a) Under the Major Head 2217- Urban Development, the provision made was substantially in excess of the actual requirement during the last three years (2014-15 to 2016-17). This resulted in unspent provision of 56.59 *per cent*, 58.62 *per cent* and 69.92 *per cent* respectively during these years as detailed in the **Table 5.26** below.

Table 5.26: Overall position of the funds in Major Head 2217 for the last three years

(₹ in crore)

Year	Total provision	Actual Disbursement	Unspent amount	
			Amount	Percentage
2014-15	663.02	287.80	375.22	56.59
2015-16	624.99	258.59	366.40	58.62
2016-17	3522.50	1059.41	2463.09	69.92

Source: Head-wise Appropriation Accounts

Out of the total savings of ₹ 2,463.09 crore in 2016-17, ₹2,300 crore remained unutilized under sub-head-2217.05.797.02 (Transfer to Rashtriya Swachhta Kosh) only.

- (b) Under ‘Major Head - 4058 Stationery and Printing’, the provision made was in excess of the actual requirement. It was further, noted that during the year 2015-16, no expenditure was made from this head and the entire amount (₹ one crore) was re-appropriated to other heads.

Table 5.27: Overall position of the funds in Major Head 4058 for the last three years

(₹ in crore)

Year	Total provision	Actual Disbursement	Unspent balance	Unspent balance as percentage of total provision
2014-15	1.15	0.02	1.13	98.26
2015-16	1.00*	0.00	1.00	100.00
2016-17	2.60	1.61	0.99	38.08

Source: Head-wise Appropriation Accounts

* Original fund allocation to Major Head 4058 Stationery and Printing was ₹ 1.00 crore but the whole amount was re-appropriated. Hence no Expenditure was made from this major head.

The excess provision made under the major heads 2217 and 4058 was re-appropriated to other heads which was indicative of lack of adequate diligence in budgeting.

5.4.6 Non-reconciliation of expenditure depicted in classified abstract and Control Register/Grants-in-aid-register

The expenditure booked by different sections in Grants-in-aid register and expenditure booked by Drawing and Disbursement Officer (DDO) must agree with expenditure booked by its Pay and Accounts Office (PAO). During scrutiny

of records relating to Grant no. 95 for the year 2016-17, it was noted that there was no system in place to reconcile the expenditure between these two sets of records. Neither the DDO nor PAO had reconciled the expenditure booked during the year 2016-17. Test check of Expenditure Control Register/Grant-in-aid register and classified abstract revealed the following discrepancies under object head 31 and 35 as detailed in **Table 5.28** below.

Table 5.28: Variation in Expenditure Control Register and Classified Abstract

(₹ in crore)

Grant-in-aid Object Head	Expenditure as per classified abstract	Expenditure as per Grants in aid Register	Difference
31	1151.78	775.00	376.78
35	10796.30	4264.73	6531.57

Source: Figures adopted from the Classified Abstract 2016-17 and Grant-in-aid Register 2016-17

5.4.7 Outstanding Utilisation Certificates (UCs)

The effectiveness and utilisation of grants-in-aid released by the Union Government is monitored through the mechanism of utilisation certificates. Rule 209 of General Financial Rules, 2005 prescribes the principles and procedures for award of grants-in-aid to any grantee. Rule 212 of General Financial Rules 2005 envisages monitoring of utilisation of the grants so released through the mechanism of utilisation certificates to be submitted by the grantee as prescribed in Form (GFR 19A). The UCs are required to be submitted by the grantees within twelve months of the closure of the financial year.

Details with regard to grants released up to 31 March 2016 for which the UCs were due by 31 March 2017 were called for from Ministry of Urban Development. Information furnished by the Ministry revealed that there were 422 UCs amounting to ₹ 6,676.55 crore pending as on 01 April 2017. The age-wise details of pending UCs are as under:

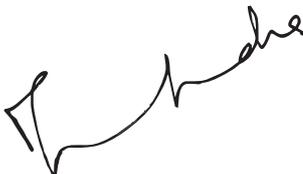
Table 5.29: Overall outstanding position of Utilisation Certificate

Year	Period	Utilisation certificate pending	
		No.	Amount (₹ in crore)
1985-86 to 2005-06	More than 10 years	17	9.26
2006-07 to 2010-11	Between 6 to 10 years	35	29.96
2011-12 to 2015-16	Between 1 to 5 years	370	6637.33
Total		422	6676.55

5.5 Conclusion

Large and persistent savings at sectional level and sub-head level, non-surrender and delay in surrender of savings, obtaining of large supplementary grants due to unrealistic budgetary projections, unnecessary supplementary grants under sub-heads, non-utilisation of provision at sub-head level, injudicious re-appropriations, outstanding utilisation certificates, etc. indicate that there is need for greater diligence and conformity with GFRs and instructions of Ministry of Finance relating to the budget formulation process by the Union Government.

New Delhi
Dated: 29 November 2017



(MAMTA KUNDRA)
Director General of Audit
Central Expenditure

Countersigned

New Delhi
Dated: 29 November 2017



(RAJIV MEHRISHI)
Comptroller and Auditor General of India

ANNEXURES

Annexure 1.1

(Refer to paragraph 1.3.2.2)

Details related to total unpaid subsidy claims

(₹ in crore)

Sl. No.	Name of CPSU/Corporation	Claims of only three quarters during the year 2016-17 remaining unpaid	4th quarter claims submitted during 2016-17	Closing balance of claims at the end of 2016-17 remaining unpaid	Claims including past years unpaid claims, but excluding last quarter claim for the year 2016-17, remaining unpaid
1	2	3	4	5=(4-3)	
1	National Fertilisers Ltd.	2040.29	634.57	4044.91	3410.34
2	Rashtriya chemical & Fertilizer Ltd	1236.44	1037.56	3186.99	2149.43
3	Madras Fertilisers Ltd.	243.60	228.37	379.67	151.30
4	Fertilisers and Chemicals Travancore Ltd	350.86	7.82	337.60	329.78
5	Bhramaputra Valley Fertilizers Corporation	31.59	81.38*	274.46	193.08
6	Ministry of Petroleum & Natural Gas	7174.26	0.00**	7174.26	7174.26
7	Food Corporation of India	92254.48	29921.33	204376.56	174455.23
	Total	103331.52	31911.03	219774.45	187863.42

*₹ 81.38 crore includes additional cost/ESC.

**Information for last quarter was not available.

**Report of the CAG on
Union Government Accounts 2016-17**

Annexure 2.1
(Refer to paragraph 2.2.1-a)

Details of revenue and capital Major Heads under which Minor Heads '800-Other Expenditure' was operated in 2016-17 which accounted for more than 50 per cent of the total expenditure under the Major Heads

(₹ in crore)

Sl. No.	Major Head	Total Expenditure under the Major Head	Expenditure under Minor Head-800	Percentage
1.	2014-Administrative Justice	927.98	470.92	50.75
2.	2506-Land Reforms	143.94	87.69	60.92
3.	2552- Special areas programmes (NER)	566.52	404.97	71.48
4.	2711-Flood Control and Drainage	231.23	229.31	99.17
5.	3053- Civil Aviation	504.64	284.82	56.44
6.	4402- Capital Outlay on Soil and Water Conversation	0.65	0.65	100.00
7.	4552- Capital Outlay on North Eastern Areas	384.03	194.08	50.54
8.	4701- Capital Outlay on Medium Irrigation	25.77	19.23	74.62
9.	4702- Capital Outlay on Minor Irrigation	47.86	42.96	89.76
10.	4711- Capital Outlay on Flood Control Projects	17.26	9.83	56.95
11.	4853- Capital Outlay on Non- Ferrous Mining and Metallurgical Industries	36.29	36.29	100.00
12.	5275- Capital Outlay on other Communication Services	3247.60	3232.87	99.55
13.	5453- Capital Outlay on Foreign Trade and Export Promotion	60.00	65.00	108.33*
Total		6193.77	5078.62	

**Total expenditure under major head is less than the expenditure booked under minor head '800-Other Expenditure' due to deduct recoveries of overpayments.*

**Report of the CAG on
Union Government Accounts 2016-17**

Annexure 2.2
(Refer to paragraph 2.2.1-b)

Details of revenue Major Heads under which Minor Heads '800-Other Receipt' was operated in 2016-17 which accounted for receipt was more than 50 per cent of the total receipt under the Major Heads

(₹ in crore)

Sl. No.	Major Head	Total Receipts under Major Head	Receipts under Minor Head: 800-Other Receipts	Percentage
1.	0029-Land Revenue	3.54	2.37	66.95
2.	0030-Stamps and Registration Fees	183.17	102.39	55.90
3.	0047-Other Fiscal Services	84.53	83.02	98.21
4.	0049-Interest Receipts	43496.06	24711.63	56.81
5.	0077-Defence Services-Navy	332.49	196.19	59.01
6.	0078- Defence Services-Air Force	2371.71	1856.53	78.28
7.	0080- Defence Services-Research & Development	353.16	353.16	100.00
8.	0202-Education ,Sports, Art & Culture	266.23	240.63	90.38
9.	0230-Labour and Employment	27.59	22.82	82.71
10.	0235-Social Security & Welfare	3427.95	3427.68	99.99
11.	408-Food Storage and Warehousing	10.22	10.21	99.90
12.	425-Co-operation	1.79	1.78	99.44
13.	435-Other Agricultural Program	18.88	13.73	72.72
14.	515- Other Rural Development Program	0.46	0.46	100.00
15.	701-Medium Irrigation	19.00	19.00	100.00
16.	702-Minor Irrigation	1.31	1.31	100.00
17.	0803-Coal & Lignite	432.73	432.73	100.00
18.	0852-Industries	3046.12	1681.18	55.19
19.	1055- Road Transport	151.43	151.43	100.00
20.	1056-Inland Water Transport	15.17	15.17	100.00
21.	1456-Civil Supplies	1.71	1.71	100.00
22.	1475-Other General Economic Services	7801.52	5195.78	66.60
Total		62046.77	38520.91	

Annexure 2.3
(Refer to paragraph 2.2.2-a)

Funds of Regulators outside Government Accounts

Sl. No.	Name of Regulators/Autonomous bodies	Type of Investments / Capital Fund	Amount (₹ in crore)
1.	Security and Exchange Board of India	Surplus fund/Corpus fund	1672.00
2.	Insurance Regulatory and Development Authority	Surplus fund	1322.32
3.	Pension Fund Regulatory Development Authority	Capital/Corpus fund	17.57
4.	Medical Council of India	Earmarked/Endowment Fund (Application Fund)	463.73
5.	Dental Council of India	Special term deposit receipt (STDR)	114.97
6.	Pharmacy Council of India	Fixed Deposit Receipts	29.86
7.	Indian Nursing Council	FDR with Bank	33.89
8.	Central Council of Homeopathy	Earmarked/Endowment Fund (Application Fund)	3.29
9.	Central Council of Indian Medicines	Public Deposit Accounts	17.12
10.	Veterinary Council of India	Fixed Deposit/TDS (Exam Fund)	14.96
11.	Food Safety and Standards Authority of India	Investment from own resources	122.63
12.	All India Council of Technical Education	FDR General with Bank	1086.00
13.	University Grants Commission	Saving Bank Accounts	1151.59
14.	Rehabilitation Council of India	General Reserve fund	14.15
Total			6064.08

Annexure 2.4
(Refer to paragraph 2.4.3)

Statement Showing Dormant Reserve Funds/Deposits/Other Liabilities

Sl. No.	Nomenclature of the head	Nature of the fund	Balance as on 31 st March 2017 (₹ in thousand)	Dormant since
1.	8121.XXX-Staff Benefit Fund (Railways)—Investment Accounts	Reserve Fund	100	1999-2000
2.	8121.111-Contingency Reserve Fund—Electricity		13,075	2006-07
3.	8223.101-Famine Relief Fund		3	2008-09
4.	8229.101-Development Funds for Educational Purposes		7	2002-03
5.	8229.102-Development Funds for Medical and Public Health Purposes		60	2002-03
6.	8229.108-Mining Areas Development Funds		102	2002-03
7.	8230.101-Special Railway Safety Fund (Commercial)*		44,851	2008-09
8.	8235.101-General Reserve Funds of Government Commercial Departments/Undertakings		7,586	2008-09
9.	8235.105-General Insurance Fund		26,13,201	2005-06
10.	8337.103-Contributory Indian Railways Conference Association Employees' Provident Fund- Investment Account	Deposits	6,512	2001-02
11.	8342.107-Deposits towards Payment of Estate Duty.		131	2008-09
12.	8342.111-Telex Application Deposits		79,306	2003-04
13.	8342.114-Leased Telecommunication facility Deposits		16,947	2001-02
14.	8342.108-Deposits of Income Tax, Super Tax, Excess Profits, Tax and Surcharge		12,161	2001-02
15.	8443.114-Export Trade Deposits		1,52,527	1988-89
16.	8443.127- Deposits of Local Bodies for meeting claims of contractors/employees/pensioners etc. who have migrated to Pakistan		2,106	1996-97
17.	8443.130-Provident Societies Liquidation Accounts		13	2008-09
18.	8445.102-Deposits of Branch Line Companies		65	1992-93
19.	8448.102-Municipal Fund		3	2009-10
20.	8448.103-Cantoment Funds		1	2000-01
21.	8448.104-Funds of Insurance Association of India		291	2009-10
22.	8448.109-Panchayat Bodies Fund		84	2008-09
23.	8448.111-Medical and Charitable Funds		52	1988-89
24.	8448-Deposits of Local Funds 120-Other Funds		226	2004-05
25.	8449.104-Deposits of Mines Provident Funds		1,601	1988-89
26.	8449.106-Accounts under Indo- U.S. Agreement 1974	16	1991-92	

**Report of the CAG on
Union Government Accounts 2016-17**

27.	8449.107-Deposits of Income Tax, Super Tax, Excess Profit Tax including Interest and Surcharge		13,393	1991-92
28.	8449.108-Deposits of Local Bodies for discharge of Loans		3,297	2000-01
29.	8449.112-Coconut Development Fund		5869	2012-13
30.	8449.113-Oil seeds and vegetable Oil Development Fund		36,613	1999-2000
31.	8449.118-Advance Deposits for Japanese Grants aided Projects		10,360	1995-96
32.	8450.101-Balance of Pondicherry		4,01,290	2008-09
33.	8450.102-Balance of Goa, Daman and Diu		1,63,026	1988-89
34.	8450.104-Balance of Arunachal Pradesh		5,68,251	1988-89
35.	8450.105-Balance of Mizoram		12,44,138	1988-89
36.	8009.01.103-ICS Provident Fund	Other Liabilities	201	1999-2000
37.	8010.105-Other Trusts		1,923	1999-2000
38.	8010.102-Endowment by the Late King of Oudh		9,104	1992-93
39.	8010.104-Endowments for Charitable and Educational Institutions		10	2008-09
40.	8012.103-Special Securities issued to Rural Electrification Corporation		16,28,305	1988-89
Total			70,36,807	

*Adjusted through PPA during 2016-17.

**Report of the CAG on
Union Government Accounts 2016-17**

Annexure 2.5
(Refer to paragraph 2.4.4.2 c)

Statement Showing Incomplete information of investment

Sl. No.	Sl No. of Statement No 11	Year of Investment	Remark-Information not available in Statement No-11
1.	90	1993-94 to 1997-98	Percentage of Governments investment to total paid up capital, amount of dividend.
2.	95	2007-08	Percentage of Governments investment to total paid up capital, amount of dividend.
3.	100	2013-14	Type of share, number of shares, its face value, and percentage of Governments investment to total paid up capital, amount of dividend.
4.	101	2015-16	Percentage of Governments investment to total paid up capital, amount of dividend.
5.	102	2015-16	Percentage of Governments investment to total paid up capital, amount of dividend.
6.	170	2011-12	Percentage of Governments investment to total paid up capital, amount of dividend.
7.	175	2016-17	Percentage of Governments investment to total paid up capital, amount of dividend.
8.	176	2016-17	Percentage of Governments investment to total paid up capital, amount of dividend.
9.	183	2002-03 to 2009-10	number of shares and its face value
10.	184	2013-14 to 2016-17	Amount of dividend.
11.	185	2015-16 2016-17	Percentage of Governments investment to total paid up capital, amount of dividend.
12.	238	1976-77 to 1978-79	Percentage of Governments investment to total paid up capital.
13.	239	1979-80	Percentage of Governments investment to total paid up capital.
14.	240	1976-77 to 1977-78	Percentage of Governments investment to total paid up capital.
15.	241	1975-76 to 1977-78	Percentage of Governments investment to total paid up capital.
16.	242	1976-77 to 1977-78	Percentage of Governments investment to total paid up capital.
17.	269	1977-78	Percentage of Governments investment to total paid up capital, Dividend, amount of dividend
18.	272	1978-79	Number of shares, its face value.
19.	275	1971-72	Percentage of Governments investment to total paid up capital.
20.	297	Up to 2014-15 2015-16	Percentage of Governments investment to total paid up capital, amount of dividend.
21.	298	Up to 2015-16 2016-17	Percentage of Governments investment to total paid up capital, amount of dividend.
22.	302	2015-16 2016-17	Face value, percentage of Governments investment to total paid up capital, amount of dividend.
23.	303	2015-16 2016-17	Face value, percentage of Governments investment to total paid up capital, amount of dividend.
24.	306	2015-16 2016-17	Type of share, number of shares, its face value.
25.	307	2015-16	Type of share, number of shares, its face value, amount of dividend.
26.	313	1969-70 to 2016-17	Percentage of Governments investment to total paid up capital.
27.	316	1984-85 to 1999-00 2000-01	Percentage of Governments investment to total paid up capital, amount of dividend.
28.	317	1975-76 to 2015-16, 2016-17	Face value, number of shares, percentage of Governments investment to total paid up capital, amount of dividend

Annexure 2.6
(Refer to paragraph 2.4.4.4 b)

Statement showing Over-repayment of Loans and Advances to Government Servants

(₹ in thousand)

Sl. No.	Head	Closing Balance	
1	M/o Food Processing Industries		
	7610-204-Advance for purchase of computer	Cr	1296
2	M/o Social Justice & Empowerment		
	7610-201-HBA	Cr	931
	7610-203-Advance for purchase of other conveyance	Cr	185
	7610-204-Advance for purchase of computer	Cr	1022
3	M/o Statistics & Programme Implementation		
	7610-203-Advance for purchase of other conveyance	Cr	366
	7610-204-Advance for purchase of computer	Cr	1264
4	M/o Women & Child Development		
	7610-201-HBA	Cr	4020
	7610-202--Advance for purchase of motor cycle	Cr	514
	7610-203-Advance for purchase of other conveyance	Cr	1
	7610-204-Advance for purchase of computer	Cr	441
	7610-800- Other Advances	Cr	3
5	M/o Skill Development & Entrepreneurship		
	7610-201-HBA	Cr	692
	7610-202--Advance for purchase of motor cycle	Cr	321
6	M/o Information & Broadcasting		
	7610-201-HBA	Cr	23898
	7610-202--Advance for purchase of motor cycle	Cr	32665
	7610-203-Advance for purchase of other conveyance	Cr	2027
	7610-204-Advance for purchase of computer	Cr	9117
7	M/o Agriculture		
	7610-800- Other Advances	Cr	249
8	M/o Minority Affairs		
	7610-201-HBA	Cr	1689
	7610-202--Advance for purchase of motor cycle	Cr	857
	7610-203-Advance for purchase of other conveyance	Cr	178
	7610-204-Advance for purchase of computer	Cr	396
	7610-800- Other Advances	Cr	1
9	M/o Defence		
	7610.00.203- Advance for purchase of other conveyance	Cr	1800

Annexure 2.7

(Refer to paragraph 2.4.4.4-g)

(a) Details of outstanding principal and interest for more than 20 year against other loanee entities or institutions

(₹ in crore)

Sl. No.	Name of the entity	Earliest period to which arrears relate	Amount of arrears as on 31 st March 2017	
			Principal	Interest
1.	Industrial Credit & Investment Corporation of India(ICICI) Ltd, Mumbai	1987-88	46.05	67.13
2.	Pyrites, Phosphates and Chemicals Ltd. New Delhi	1988-89	184.35	489.92
3.	Hindustan Fertilizers Corporation Ltd, New Delhi	1981-82	1913.94	648.83
4.	Fertilizers Corporation of India, New Delhi	1984-85	2738.39	1293.16
5.	Madras Fertilizers Ltd.	1987-88	404.36	529.72
6.	British India Corporation, Kanpur	1984-85	437.77	1251.34
7.	Elgin Mills Company, Kanpur	1984-85	343.29	2447.20
8.	Birds Jute & Exports Ltd, Kolkata	1988-89	20.72	87.67
9.	Electronic Trade and Technology Development Corporation Ltd, Delhi	1987-88	22.01	53.55
10.	Indian Drugs & Pharmaceuticals Ltd, Gurgaon	1980-81	1208.82	3926.48
11.	Smith Stanistreet Pharmaceuticals Ltd, Kolkata	1980-81	68.45	191.50
12.	Bengal Immunity Company Ltd., Kolkata	1982-83	135.98	453.24
13.	Hindustan Paper Corporation Ltd, Kolkata	1984-85	233.65	248.29
14.	Bharat BhariUdyog Ltd, Kolkata	1988-89	46.44	514.14
15.	Bharat Ophthalmic Glass Ltd, Durgapur	1983-84	66.68	247.72
16.	National News Print and Paper Mills Ltd, Neapanagar	1985-86	113.59	67.91
17.	National Bicycle Corporation of India Ltd, Kolkata	1982-83	70.67	613.95
18.	Cycle Corporation of India Ltd, Kolkata	1981-82	201.30	603.90
19.	Tannery and Footwear Corporation Of India, Kanpur	1979-80	156.43	656.21
20.	Hindustan Photo Films Mfg. Co. Ltd.	1992-93	511.11	1441.55
21.	Rehabilitation Industries Corporation Ltd, Kolkata	1985-86	163.47	800.01
22.	Mining and Allied Machinery Corporation Ltd, Durgapur	1986-87	560.12	2309.58
23.	TriveniStructurals, Ltd	1981-82	210.95	1401.97
24.	Bharat Gold mines Ltd. Karnataka	1977-78	219.29	870.01
25.	M/s Kumardhubi Fireclay & Silica Works Ltd	1988-89	10.69	15.68
26.	Visakhapatnam Port Trust	1989-90	77.71	311.39
27.	Cochin Port Trust, Kochi	1982-83	226.27	1031.36

**Report of the CAG on
Union Government Accounts 2016-17**

28.	Paradip Port Trust	1986-87	374.54	1355.45
29.	State Electricity Boards	1990-91	101.19	256.86
30.	Rajiv Gandhi Cancer Institute	1994-95	13.07	0.00
Total			10881.30	24185.72

(b) Details of outstanding principal and interest of loans against State Governments

(₹ in crore)

Sl. No	Name of the State/UT Govt.	Earliest period to which arrears relate	Amount of arrears as on 31 st March 2017	
			Principal	Interest
1.	Assam	1984-85	129.45	952.05
2.	Goa	1987-88	83.01	232.95
3.	Jammu and Kashmir	1984-85	40.02	103.99
4.	Mizoram	1988-89	15.26	36.35
5.	Puducherry	1984-85	153.42	29.31
Total			421.16	1354.65

Annexure 2.8
(Refer to paragraph 2.5.1.d)

Outstanding amount of Suspense Account for purchases etc. abroad (up to 2007)

(₹ in thousand)

Sl. No.	Name of Importer	No. of cases	Amount
1.	Road and Building Deptt., Gujarat	1	1104
2.	Mysore Cement Ltd.	1	4326
3.	Ministry of Railways	2	8399
4.	Pyrites Phosphates & Chemicals Ltd.	2	249513
5.	Rail coach Factory (Kapurthala)	1	1895
6.	Railway Board	1	13138
7.	Rail Coil Spring	1	7111
8.	Department of Telecommunication	6	14737
9.	The Fertilizers & Chemicals Travancore Ltd	1	39
10.	Indian Farmers Fertilizer Co-operative Limited	3	14257
11.	Ministry of Home Affairs, New Delhi	1	2255
12.	Ministry of Road Transport and Highways	3	3952
13.	Ministry of Road Transport and Highways- Technical	3	15292
14.	National Capital Territory of Delhi	1	48297
15.	Cochin Port Trust	1	3648
16.	Delhi Electric Supply Undertaking, Delhi	1	78009
17.	Bhillai Steel Plant	1	1200
18.	Coal India Ltd. (West Bengal)	3	231832
19.	CMAL-DL	1	348
20.	Jhanjra Bhillai Steel Plant	1	906
21.	Oil and Natural Gas Commission	2	59427
22.	Andhra Pradesh State Electricity Board, A.P.	1	47476
23.	KRIBHCO Rain Farming & Eastern & Western Ghat Project	1	7079
24.	Ministry of Finance, Department of Economic Affairs	1	4560
25.	Department of Elementary Education & Literacy	1	1132
26.	Department of Personnel and Training	1	1511
27.	Ministry of Environment and Forest	2	-849
28.	MoEF, West Bengal	1	3973
29.	Ministry of Finance	3	13662
30.	Ministry of Rural Development	1	79249
31.	Ministry of Tourism	1	54474
32.	Ministry of Coal	1	57
33.	Ministry of Environment & Forests-Bio	1	50
34.	Ministry of Urban Development	1	86676
35.	National Institute for Mentally Handicapped	1	44
36.	Department of Women and Child Development- Central	1	1538
37.	Govt. of India	1	481
38.	Deptt. Of Science and Technology	1	-12105
		57	1048693

Annexure 2.9
(Refer to paragraph 2.5.2)

Adverse balances under Debt, Deposit and Remittances heads

Sl. No.	Head of Account (Major /Minor Head)		Balance as on 31.03.2017 (₹in thousand)		Period from which balances become adverse
Statement No-13					
1.	8115.00.101	Depreciation Reserve Funds –Railways (Commercial Lines)	Dr.	21320212	2009-10
2.	8118.00.106	Railway Capital Fund	Dr.	624830	2016-17
3.	8121.00.103	Railway Pension Fund-Commercial Lines	Dr.	23291755	2016-17
4.	8229.00.200	Other Development and Welfare Fund	Dr.	2109756	2007-08
5.	8235.00.118	Universal Service Obligation Fund	Dr.	12429	2016-17
6.	8235.00.135	Rashtriya Swachhata Kosh	Dr.	1593805	2015-16
7.	8337.00.104	Non-Contributory IRCAE' PF-Investment Account	Cr.	40637	2014-15
8.	8443.00.121	Deposits in connection with Elections	Dr.	1489	2015-16
9.	8445.00.104	Railway Deposits-Trust Interest Account	Dr.	198265	2005-06
10.	8445.00.800	Railway Deposits-Other Deposits	Dr.	32729886	2005-06
11.	8446.00.102	Other Postal Deposits	Dr.	1477795	2014-15
12.	8446.00.800	Postal Deposits-Other Deposits	Dr.	136439	2005-06
13.	8448.00.102	Deposits of Local Funds-Municipal Funds	Dr.	3	2007-08
14.	8448.00.104	Deposits of Local Funds-Funds of Insurance Association of India	Dr.	291	Pre-1976-77
15.	8451.00.101	Bhopal Gas Leak Disaster Relief Fund-Claims and Relief Funds	Dr.	9371639	2005-06
16.	8451.00.102	Bhopal Gas Leak Disaster Relief Fund-Claims and Relief Fund Investment Account	Cr.	9279983	2005-06
17.	8551.00.101	Defence Advances	Cr.	17469352	2015-16
18.	8670.00.104	Treasury Cheques	Dr.	647	2015-16
Statement No-14					
19.	6002.00.207	Loans from the European Economic Community	Dr.	1113248	2000-01
20.	6002.00.223	Loans from the Government of Swiss Confederation and Swiss Bank	Dr.	261978	2010-11
21.	6002.00.226	Loans from the Agency for International Development USA	Dr.	10222571	1995-96
22.	6002.00.227	Loans from the Government of USA under PL -480 Convertible Local Currency Credits	Dr.	699197	1995-96
23.	6002.00.504	Debt awaiting adjustment to loans from IBRD	Dr.	6137437	2016-17
24.	6002.00.507	Debt awaiting adjustment to loans from (GOJP), Japan	Dr.	585177	2016-17

**Report of the CAG on
Union Government Accounts 2016-17**

Sl. No.	Head of Account (Major /Minor Head)		Balance as on 31.03.2017 (₹ in thousand)		Period from which balances become adverse
25.	8012.00.109	Income Tax Annuity Deposits	Dr.	13983	2015-16
26.	8014.01.107	PLI Children Policy Schemes	Dr.	10373	2014-15
27.	8014.02.105	RPLI Anticipated Endowment Assurance Schemes	Dr.	178349	2015-16
Statement No-14 A					
28.	6001.00.105	Securities issued to the International Financial Institutions, International Bank for Reconstruction and Development	Dr.	404339	2010-11
29.	6001.00.105	Securities issued to International Financial Institutions- International Fund for Agriculture Development	Dr.	215439	2002-03
Statement No-15					
30.	6216.80.800	Other Loans	Cr.	12099	2010-11
31.	6225-01-800	Other Loans	Cr.	829	1994-95
32.	6245.01.101	Gratuitous Relief	Cr.	896	1986-87
33.	6245.02.101	Gratuitous Relief	Cr.	2157	1997-98
34.	6402.00.102	Soil Conservation	Cr.	7818	1995-96
35.	6402.00.203	Land Reclamation and Development	Cr.	592	2007-08
36.	6405.00.106	Mechanisation of Fishing Craft	Cr.	532	2016-17
37.	6425.00.108	Loans to other Cooperatives	Cr.	883507	2003-04
38.	6515.00.102	Community Development	Cr.	178	1986-87
39.	6801.00.201	Hydel Generation	Cr.	880938	2004-05
40.	6801.00.205	Transmission & Distribution	Cr.	1391767	2005-06
41.	6851.00.102	Small Scale Industries	Cr.	10958	2006-07
42.	6853.60.190	Loans to Public Sector and Other Undertakings	Cr.	86208	2014-15
43.	7053.00.190	Loans to Public Sector and Other Undertakings	Cr.	377537	2010-11
44.	7465.00.190	Loans to Public Sector and Other Undertakings	Cr.	11822976	2016-17
45.	7601.01.436	Crop Husbandry-Commercial Crops	Cr.	1	2012-13
46.	7601.03.413	Co-operation- Loans to Other Co-operatives	Cr.	4189	2012-13
47.	7601.03.501	Soil and Water Conservation- Soil Conservation Schemes	Cr.	2185	2012-13
48.	7601.03.576	Animal Husbandry- Cattle and Buffalo Development	Cr.	11	2012-13
49.	7601.03.601	Dairy Development	Cr.	29	2012-13
50.	7601.03.727	Village and Small Industries- Small Scale Industries	Cr.	139	2012-13
51.	7601.03.786	Flood Control- Other Loans	Cr.	71707	2012-13
52.	7601.03.787	Anti-Sea Erosion Projects-Other Loans	Cr.	1239	2012-13
53.	7601.04.267	Water Supply- Other Loans	Cr.	149604	2012-13

**Report of the CAG on
Union Government Accounts 2016-17**

Sl. No.	Head of Account (Major /Minor Head)		Balance as on 31.03.2017 (₹ in thousand)		Period from which balances become adverse
54.	7601.04.312	Urban Development-Integrated Development of Small/Medium Towns	Cr.	191427	2012-13
55.	7601.04.360	Welfare of Scheduled Tribes- Other Loans	Cr.	408	2012-13
56.	7601.04.411	Co-operation Credit Cooperatives	Cr.	32687	2012-13
57.	7601.04.413	Other Co-operatives	Cr.	1473	2012-13
58.	7601.04.436	Crop Husbandry-Commercial Crops	Cr.	135028	2012-13
59.	7601.04.443	Crop Husbandry- Other Loans	Cr.	338837	2012-13
60.	7601.04.501	Soil and Water Conservation-Soil Conservation Schemes	Cr.	99004	2012-13
61.	7601.04.579	Animal Husbandry-Sheep and Wool Development	Cr.	175	2012-13
62.	7601.04.601	Dairy Development	Cr.	36	2012-13
63.	7601.04.726	Village and Small Industries-Handloom Industries	Cr.	6960	2012-13
64.	7601.04.727	Village and Small Industries Small-Scale Industries	Cr.	853	2012-13
65.	7601.04.729	Village and Small Industries- Coir Industries	Cr.	354	2012-13
66.	7601.04.747	Village and Small Industries-Other Village Industries	Cr.	1088	2012-13
67.	7601.04.786	Flood Control-Other Loans	Cr.	4730	2012-13
68.	7601.04.825	Roads of Inter-State or Economic Importance-Road Works	Cr.	18359	2012-13
69.	7601.04.826	Roads of Inter-State or Economic Importance-Machinery and Equipment	Cr.	106	2012-13
70.	7601.04.871	Inland Water Transport-Other Loans	Cr.	897	2012-13
71.	7601.07.800	Other Loans	Cr.	1580	2012-13
72.	7602.04.412	Co-operation-Consumer Co-operatives	Cr.	593	2012-13
73.	7610.00.203	Advances for Purchase of other Conveyances	Cr.	392707	2004-05
Statement No-16					
74.	8002.00.103	Treasury Savings Deposits Certificates	Dr.	6962	1976-77
75.	8002.00.105	Saving Certificates-Bank Series	Dr.	189	2007-08

Annexure 2.10
(Refer to paragraph 2.6)

Proforma Accounts lying in arrears

Sl. No.	Name of Undertaking	Period of Accounts last prepared
MINISTRY OF AGRICULTURE		
1.	Delhi Milk Scheme	2016-17
2.	Ice-cum Freezing Plant, Kochi	2009-10
DEPARTMENT OF ATOMIC ENERGY		
3.	Nuclear Fuel Complex, Hyderabad	2014-15
4.	Heavy Water Plant, Mumbai	2015-16
MINISTRY OF DEFENCE		
5.	Canteen Stores Department	2013-14
MINISTRY OF FINANCE		
6.	Government Alkaloid Works, Neemuch	2015-16
7.	Government Alkaloid Works, Ghazipur	2015-16
8.	Government Opium Factory, Ghazipur	2015-16
9.	Government Opium Factory, Neemuch	2015-16
MINISTRY OF HEALTH AND FAMILY WELFARE		
10.	Central Research Institute, Kasauli	2006-07
11.	Vegetable Garden of Central Institute of Psychiatry, Kanke, Ranchi	2011-12
12.	H LL Life Care Limited	2014-15
13.	HSCC (India) Limited	2014-15
MINISTRY OF INFORMATION AND BROADCASTING		
14.	Film Division, Mumbai	2009-10
15.	National Film Development Corporation Limited	2013-14
MINISTRY OF POWER		
16.	Electricity Department, Andaman and Nicobar Islands	2014-15
17.	Electricity Department, Lakshadweep	2014-15
MINISTRY OF SHIPPING		
18.	Directorate of Lighthouses and Lightships, Noida	2011-12
19.	Andaman Ferry Service	2004-05
20.	Shipping Services, Andaman and Nicobar Islands	2013-14
21.	Marine Department (Dockyard) Andaman and Nicobar Islands	2003-04
22.	Port Management Board, Andaman & Nicobar Islands	1990-91
23.	Kamaraja Port Ltd	2016-17
24.	Cochin Shipyard Ltd	2016-17
25.	Shipping Corporation of India	2016-17
26.	Dredging Corporation of India	2016-17
27.	Hooghly Dock Port Engineer Ltd	2016-17

**Report of the CAG on
Union Government Accounts 2016-17**

Sl. No.	Name of Undertaking	Period of Accounts last prepared
28.	Central Inland Water Transport Corporation	2016-17
29.	Sagarmala Development Company Ltd	2016-17
30.	Indian Port And Rail Company Ltd	2016-17
31.	Sethusamudram Corporation Ltd (SCL)	2016-17
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS		
32.	Chandigarh Transport Undertaking	2011-12
33.	State Transport Service, Andaman & Nicobar Islands	2014-15
MINISTRY OF URBAN DEVELOPMENT		
34.	Government Press, Andaman and Nicobar Islands	2014-15
35.	Government of India Press, Minto Road, New Delhi	2015-16
36.	Government of India Press, Ring Road, New Delhi	2015-16
37.	Government of India Press, Rashtrapati Bhavan, New Delhi	2015-16
38.	Government of India Press, Nilokheri	2015-16
39.	Government of India Press, Faridabad	2016-17
40.	Government of India Press, Shimla	2016-17
41.	Government of India Press, Coimbatore	2015-16
42.	Government of India Text Books Press, Bhubaneswar	2012-13
43.	Government of India Text Book Press, Mysore	2014-15
44.	Government of India Press, Kolkata	2015-16
45.	Government of India Press, Koratty	2015-16
46.	Government of India Press, Nasik	2015-16
47.	Government of India Press, Aligarh	2015-16
48.	Government of India Text Book Press, Chandigarh	2015-16
49.	Government of India Press, Gangtok	2007-08
50.	Government of India Press, Santragachi, Howrah	2014-15
51.	NBCC (India) Ltd	2016-17
MINISTRY OF COMMERCE AND INDUSTRY		
52.	ECGC Ltd	2015-16
MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION		
53.	Hindustan Prefab Limited	2016-17
54.	HUDCO	2015-16
MINISTRY OF TEXTILES		
55.	The Jute Corporation of India Ltd.	2015-16
56.	BJEL	2015-16

**Report of the CAG on
Union Government Accounts 2016-17**

Sl. No.	Name of Undertaking	Period of Accounts last prepared
57	National Jute Manufactures Corporation Ltd	2015-16
MINISTRY OF TOURISM		
58	India Tourism Development Corporation Limited	2015-16
59	Assam Ashok Hotel Corporation Limited	2015-16
60	Donyi Polo Ashok Hotel Corporation Limited	2015-16
61	Madhya Pradesh Ashok Hotel Corporation Limited	2015-16
62	Pondicherry Ashok Hotel Corporation Limited	2015-16
63	Punjab Ashok Hotel Corporation Limited	2015-16
64	Ranchi Ashok Bihar Hotel Corporation Limited	2015-16
65	Utkal Ashok Hotel Corporation Limited	2015-16
66	Kumarakruppa Frontier Hotels Private Limited	2014-15
MINISTRY OF CHEMICALS AND FERTILIZERS		
67	Bengal Chemicals & Pharmaceuticals Ltd	2015-16
68	Rajasthan Drugs & Pharmaceuticals Ltd, Jaipur, Rajasthan	2015-16
69	Karnataka Antibiotics & Pharmaceuticals Limited - KAPL	2015-16
70	BVFCL	2016-17
71	FACT	2016-17
72	FAGMIL	2016-17
73	MFL	2016-17
74	NFL	2016-17
75	PDIL	2016-17
76	RCF	2016-17
MINISTRY OF TRIBAL AFFAIRS		
77	National Scheduled Tribes Finance and Development Corporation	2016-17
MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES		
78	National Small Industries Corporation Ltd.	2016-17
MINISTRY OF STEEL		
79	NMDC Ltd.	2016-17
MINISTRY OF SCIENCE AND TECHNOLOGY		
80	Central Electronics Limited (CEL)	2016-17
81	National Research Development Corporation (NDRC)	2016-17

Annexure 2.11

(Refer to paragraph 2.7)

Statement of losses and irrecoverable dues written off/waived during 2016-17

(₹ in lakh)

Name of Ministry/ Department	Write off of losses and irrecoverable				On account of	
	Neglect/fraud etc.		Other reasons		Waiver of recovery	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Petroleum and Natural Gas	0	0	1	0.80	0	0
Atomic Energy	0	0	22	8.37	0	0
Lok Sabha Secretariat.	0	0	3	0.29	0	0
Space	0	0	8	8.59	0	0
Agriculture & Farmers Welfare	0	0	1	0.11	0	0
Electronics and Information Technology	0	0	1	64.87	1	0.85
Posts	27	86.97	31	22.47	4	0.51
Andman & Nicobar Administration	0	0	1	0.75	0	0
President's Secretariat	0	0	1	0.30	0	0
Tourism	0	0	2	57.27	0	0
Total	27	86.97	71	163.82	5	1.36

Report of the CAG on
Union Government Accounts 2016-17

Annexure 3.1
(Refer to paragraph 3.2)
Authorisation and Disbursements

(₹ in crore)

Nature of Disbursements	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Disbursements	Savings (-) Excess(+)
A – Civil					
Voted					
I. Revenue	1156848.95	103328.62	1260177.57	1136498.44	(-)123679.13
II. Capital (including Loans and Advances)	166677.26	95042.72	261719.98	207389.86	(-)54330.12
Total	1323526.21	198371.34	1521897.55	1343888.30	(-)178009.25
Charged					
III. Revenue	613235.86	1463.20	614699.06	605198.10	(-)9500.96
IV. Capital (including Loans and Advances and Public Debt)	4419247.14	1091355.30	5510602.44	5697040.31	(+)186437.87
Total	5032483.00	1092818.50	6125301.50	6302238.41	(+)176936.91
Grand Total	6356009.21	1291189.84	7647199.05	7646126.71	(-)1072.34
Recoveries in reduction of disbursements			263427.50	190256.59	
Total Net Provision			7383771.55		
Total Net Disbursement				7455870.12	

B – Posts					
Voted					
I. Revenue	23122.00	150.41	23272.41	24208.89	(+)936.48
II. Capital	406.26	150.01	556.27	504.45	(-)51.82
Total	23528.26	300.42	23828.68	24713.34	(+)884.66
Charged					
III. Revenue	0.60	3.08	3.68	2.96	(-)0.72
IV. Capital	--	--	--	--	--
Total	0.60	3.08	3.68	2.96	(-)0.72
Grand Total	23528.86	303.50	23832.36	24716.30	(+)883.94
Recoveries in reduction of disbursements			757.41	730.90	
Total Net Provision			23074.95		
Total Net Disbursement				23985.40	

Report of the CAG on
Union Government Accounts 2016-17

(₹ in crore)

Nature of Disbursements	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Disbursements	Savings(-) Excess(+)
C - Defence Services					
Voted					
I. Revenue	148407.14	6551.91	154959.05	152135.28	(-)2823.77
II. Capital	78499.55	0.01	78499.56	78604.11	(+)104.55
Total	226906.69	6551.92	233458.61	230739.39	(-)2719.22
Charged					
III. Revenue	91.71	--	91.71	62.00	(-)29.71
IV. Capital	87.12	2.46	89.58	131.34	(+)41.76
Total	178.83	2.46	181.29	193.34	(+)12.05
Grand Total	227085.52	6554.38	233639.90	230932.73	(-)2707.17
Recoveries in reduction of disbursements			48.60	77.87	
Total Net Provision			233591.30		
Total Net Disbursement				230854.86	

D – Railways					
Voted	357121.56	4569.45	361691.01	323848.66	(-)37842.35
Charged	211.34	207.75	419.09	407.23	(-)11.86
Total	357332.90	4777.20	362110.10	324255.89	(-)37854.21
Recoveries in reduction of disbursements			123062.25	113641.76	
Total Net Provision			239047.85		
Total Net Disbursement				210614.13	

Total						
Total CFI	Voted	1931082.72	209793.13	2140875.85	1923189.69	(-)217686.16
	Charged	5032873.77	1093031.79	6125905.56	6302841.94	(+)176936.38
Grand Total CFI		6963956.49	1302824.92	8266781.41	8226031.63	(-)40749.78
Total recoveries in reduction of expenditure			387295.76	304707.12		
Total provision and expenditure as per Appropriation Account (CFI)			7879485.65	7921324.51		
Difference with the Figures of Finance Accounts				0.02*		
Total disbursement from CFI as per Finance Account				7921324.53		

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
- * - due to rounding-off of figures in different segments of Civil, Posts, Defence and Railways Grants/Appropriations.

Annexure 3.2
(Refer to paragraph 3.2)
Net savings in Grants/Appropriations

Grants and Appropriations affected	Unspent provision		Excess		Net savings (-) Net Excess (+)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
A – Civil						
Voted (₹ in crore)	125878.69	54330.12	2199.56	--	(-)123679.13	(-)54330.12
No. of grants	88	63	1	--	--	--
Charged (₹ in crore)	9501.24	516.55	0.28	186954.42	(-)9500.96	(+)186437.87
No. of Appropriations	32	11	1	1	--	--
B – Posts						
Voted (₹ in crore)	--	51.82	936.48	--	(+)936.48	(-)51.82
No. of grants	--	1	1	--	--	--
Charged (₹ in crore)	0.72	--	--	--	(-)0.72	--
No. of Appropriations	1	--	--	--	--	--
C - Defence Services						
Voted (₹ in crore)	2823.77	--	--	104.55	(-)2823.77	(+)104.55
No. of grants	1	--	--	1	--	--
Charged (₹ in crore)	29.71	--	--	41.76	(-)29.71	(+)41.76
No. of Appropriations	1	--	--	1	--	--
D – Railways						
Voted (₹ in crore)	31905.41	5959.36	--	22.42	(-) 31905.41	(-) 5936.94
No. of grants	15	1	--	1	--	--
Charged (₹ in crore)	22.57	--	0.08	10.63	(-) 22.49	(+) 10.63
No. of Appropriations	9	--	2	1		

Annexure 3.3
(Refer to paragraph 3.3)
**Year-wise proportion of Charged and Voted Authorization and Disbursements
under Civil Ministries/Departments**

(₹ in crore)

Sl No.	Year	Authorization			Disbursements				
		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
13.	2012-13	1155063	4190305	5345368	977071	3816395	4793466	20	80
14.	2013-14	1222190	4493627	5715817	1014393	3975665	4990058	20	80
15.	2014-15	1228732	4596843	5825575	1078524	4211160	5289684	20	80
16.	2015-16	1312608	4816016	6128624	1232487	4296986	5529473	22	78
17.	2016-17	1521898	6125301	7647199	1343888	6302239	7646127	18	82

Report of the CAG on
Union Government Accounts 2016-17

Annexure 3.4

(Refer to paragraph 3.6)

**Statement showing cases of excess expenditure without
adequate re-appropriation of funds
(₹5 crore and above)**

(₹ in crore)

Sl. No.	Minor/Sub-head		Provision	Actual Expenditure	Final Excess Expenditure
Civil					
7 -Department of Fertilisers					
1.	2852.03.101.06 -Urea Subsidy	O S R	51000.00 0.01 (-)0.01	51256.59	256.59
14 -Department of Telecommunications					
2.	2071.01.101.01 -Ordinary Pensions	O S R	5300.00 208.58 (+)214.84	5908.74	185.32
3.	2071.01.105.02 -Family Pensions	O S R	961.92 103.70 (+)39.38	1194.59	89.59
20 -Ministry of Defence (Misc)					
4.	2076.00.107.01 -Civil	O S R	2363.54 348.02 (+)184.95	2905.83	9.32
5.	2079.00.800.01 -Ordnance (including Ordnance Equipment) Factories	O S R	1104.18 0.01 (-)50.19	1064.42	10.42
6.	2080.00.800.01 -Miscellaneous	O S R	267.22 3.86 (+)1.80	284.46	11.58
7.	3054.02.337.05 -Maintenance of NHs by Border Roads Organisation	O	144.46	150.25	5.79
8.	4076.01.112.01 -Civil	O R	101.49 (-)1.49	116.53	16.53
9.	4076.04.111.01 -Ordnance (including Ordnance Equipment Group of Factories)	O R	227.67 (+)80.00	337.61	29.94
10.	5054.02.337.03 -Works under Border Roads Organisation	O S R	2299.00 0.01 (+)265.52	2641.35	76.82
21 -Defence Pensions					
11.	2071.02.101.01 -Pension and other Retirement Benefits	O S R	72000.82 1564.28 (+)178.26	75649.65	1906.29
12.	2071.02.101.03 -Leave Encashment	O S R	2040.04 75.45 (-)156.29	2006.79	47.59
13.	2071.02.102.01 -Pension and other Retirement Benefits	O S R	2965.28 316.24 (+)1.51	3361.42	78.39
14.	2071.02.102.03 -Leave Encashment	O R	206.93 (-)1.51	213.89	8.47
15.	2071.02.103.01 -Pension and other Retirement Benefits	O S R	4757.78 1156.00 (+)35.26	6149.50	200.46

**Report of the CAG on
Union Government Accounts 2016-17**

28 -Ministry of External Affairs					
16.	2061.00.103.01-Discretionary Expenditure	O	1870.00	1935.80	65.80
17.	2061.00.800.08-Expenditure on Haj	O	6.00	12.13	6.13
18.	3605.00.101.09-Aid to Bangladesh	O R	150.00 (-)75.00	82.59	7.59
19.	3605.00.101.11 - Aid to Nepal	O S R	300.00 0.0025 (+)20.00	332.71	12.71
20.	4059.60.051.17 -External Affairs	O	200.00	224.52	24.52
21.	4216.01.700.18 -External Affairs	O	100.00	107.03	7.03
33 -Appropriation - Repayment of Debt					
22.	6001.00.103.01 -91 Days Treasury Bills	O R	753570.43 (-)72696.05	690582.14	9707.76
23.	6001.00.115 -14 days Treasury bills	O S R	2438988.00 44599.54 (+)519142.46	3180675.97	177945.97
35 -Pensions					
24.	2071.01.102.01-Ordinary Pensions	O R	1938.09 (+)228.50	2586.44	419.85
25.	2071.01.104.01-Ordinary Pensions	O	2897.71	3077.84	180.13
26.	2071.01.115.01-Ordinary Pensions	O R	1675.68 (+)24.00	1738.27	38.59
27.	2071.01.117.01 - Government Contribution	O R	2900.32 (+)139.50	3107.78	67.96
39 -Indirect Taxes					
28.	2038.00.101.01 -Commissionerates	O S R	2901.02 245.00 (+)114.42	3274.16	13.72
42 -Ministry of Health and Family Welfare					
29.	2211.00.001.05 - NRHM-RCH Flexible Pool	O R	1350.00 (-)82.82	1272.19	5.01
44 -Department of Heavy Industry					
30.	4858.60.190.13 -Investment in Hindustan Cables Limited	S	663.59	1063.59	400.00
48 -Police					
31.	2055.00.001.06 -Intelligence Bureau	O S R	1390.15 28.00 (+)81.49	1595.17	95.53
32.	2055.00.105.01 -Directorate General of Border Security Force	O S R	14475.33 250.73 (+)10.05	14745.20	9.09
33.	4055.00.213.01 -Office Buildings	O R	193.08 (+)84.71	283.12	5.33
34.	4055.00.213.03 -Border Out Posts	O	136.86	144.89	8.03
95 -Ministry of Urban Development					
35.	2059.80.001.01 -Direction	O	198.72	203.96	5.24
36.	2059.80.001.02 -Execution	O R	602.41 (+)15.49	623.77	5.87
Defence					
22-Defence Services (Revenue)					
37.	2076.00.110-Stores	O R	17726.17 (+)666.73	18698.51	305.61
38.	2077.00.800-Other Expenditure	O S R	582.00 0.58 (+)25.00	656.93	49.35

**Report of the CAG on
Union Government Accounts 2016-17**

39.	2078.00.110-Stores	O S R	7334.05 895.02 (-48.47)	8371.24	190.64
23 -Capital Outlay on Defence Services					
40.	4076.01.050 -Land	O R	10.00 (+)10.00	39.23	19.23
41.	4076.01.050 -Land	O R	290.00 (-)100.00	216.14	26.14
42.	4076.01.101-Air Craft and Aero-engine	O R	1565.94 (-)371.10	1437.07	242.23
43.	4076.01.103-Other Equipments	O R	16173.35 (-)704.85	17822.91	2354.41
44.	4076.01.106-Rolling Stock	O R	282.76 (-)30.90	450.47	198.61
45.	4076.02.050-Land	O	35.00	67.98	32.98
46.	4076.02.050-Land	O R	5.00 (-)4.37	59.85	59.22
47.	4076.02.101-Air Craft and Aero-engine	O R	3805.00 (-)845.00	2974.06	14.06
48.	4076.02.103-Other Equipments	O S R	2600.00 0.0006 (+)653.69	3358.33	104.64
49.	4076.02.104-Joint Staff	O S R	958.59 0.0006 (-)177.43	799.60	18.44
50.	4076.02.202-Construction Works	O R	635.45 (-)35.65	648.83	49.03
51.	4076.02.204-Naval fleet	O R	12467.00 (-)2650.00	9877.71	60.71
52.	4076.02.205-Naval Dockyards	O S R	1456.77 0.0007 (+)645.23	2165.07	63.07
53.	4076.03.101-Air Craft and Aero-engine	O S R	17833.45 0.0025 (+)1087.62	19480.89	559.82
54.	4076.03.102-Heavy and Medium Vehicles	O R	127.35 (-)0.08	132.98	5.71
55.	4076.03.103-Other Equipments	O R	9595.22 (-)1777.51	8612.38	794.67
56.	4076.03.202-Construction Works	O R	1869.77 (-)58.90	1829.43	18.56
Total					197132.09

O – Original; S – Supplementary; R – Re-appropriation

Annexure 3.5

(Refer to paragraph 3.7)

**Statement showing savings of ₹ 100 crore or above¹
under various grants/appropriations**

Sl. No.	Description of Grant/Appropriation	Total Provision	Savings	Percentage of total provision
		(₹ in crore)		
Civil Revenue (Voted)				
1.	1-Department of Agriculture, Cooperation and Farmers Welfare	48779.38	8184.27	17
2.	2 -Department of Agricultural Research and Education	6620.04	624.83	09
3.	3 -Department of Animal Husbandry, Dairying and Fisheries	2495.52	127.22	05
4.	4 -Atomic Energy	12949.20	130.60	01
5.	7 -Department of Fertilisers	74138.36	4008.17	05
6.	9 -Ministry of Civil Aviation	810.54	114.03	14
7.	12 -Department of Industrial Policy and Promotion	3028.11	1034.56	34
8.	17 -Department of Food and Public Distribution	142394.34	26385.95	19
9.	19 -Ministry of Culture	2430.07	169.12	07
10.	20 -Ministry of Defence (Misc)	61014.17	2970.99	05
11.	26 -Ministry of Earth Sciences	1500.40	110.85	07
12.	27 -Ministry of Environment, Forests and Climate Change	3463.03	143.65	04
13.	28 -Ministry of External Affairs	12279.66	1120.16	09
14.	29 -Department of Economic Affairs	18304.67	11583.35	63
15.	30 -Department of Financial Services	4135.56	1240.22	30
16.	32 -Transfers to States	32901.00	611.63	02
17.	37 -Department of Revenue	11914.02	889.90	07
18.	42 -Department of Health and Family Welfare	41713.05	3853.40	09
19.	46 -Ministry of Home Affairs	4839.59	326.54	07
20.	50 -Ministry of Housing and Urban Poverty Alleviation	5411.05	190.06	04
21.	51 -Department of School Education and Literacy	64168.78	1532.09	02
22.	52 -Department of Higher Education	29714.43	678.07	02
23.	53 -Ministry of Information and Broadcasting	4113.42	179.57	04
24.	54 -Ministry of Labour and Employment	6432.86	1122.08	17
25.	56 -Law and Justice	5012.01	1403.47	28
26.	58 -Ministry of Micro, Small and Medium Enterprises	5152.16	1510.51	29
27.	60 -Ministry of Minority Affairs	3687.28	778.13	21
28.	61 -Ministry of New and Renewable Energy	9882.81	2239.29	23
29.	64 -Ministry of Personnel, Public Grievances and Pensions	1321.94	175.78	13
30.	66 -Ministry of Petroleum and Natural Gas	29239.78	1459.49	05
31.	68 -Ministry of Power	11879.34	3972.22	33
32.	74 -Ministry of Road Transport and Highways	54900.44	36014.93	66
33.	75 -Department of Rural Development	157443.03	1155.32	01
34.	77 -Department of Science and Technology	4481.86	168.77	04
35.	80 -Ministry of Shipping	1509.24	144.42	10

¹Savings also include mandatory cuts imposed by Ministry of Finance as a part of economy measures.

Report of the CAG on
Union Government Accounts 2016-17

**Statement showing savings of ₹ 100 crore or above¹
under various grants/appropriations**

Sl. No.	Description of Grant/Appropriation	Total Provision	Savings	Percentage of total provision
		(₹ in crore)		
36.	81 -Ministry of Skill Development and Entrepreneurship	2139.30	595.20	28
37.	85 -Ministry of Statistics and Programme Implementation	4731.84	483.68	10
38.	87 -Ministry of Textiles	6595.66	548.05	08
39.	93 -Daman and Diu	1387.52	232.55	17
40.	94 -Lakshadweep	1089.38	200.99	18
41.	95 -Ministry of Urban Development	18123.72	2728.23	15
42.	96 -Ministry of Water Resources, River Development and Ganga Rejuvenation	8381.61	2083.74	25
43.	97 -Ministry of Women and Child Development	18295.37	1227.76	07
44.	98 -Ministry of Youth Affairs and Sports	1756.87	195.37	11
Revenue (Charged)				
45.	31 -Appropriation-Interest Payments	508782.30	4267.76	01
46.	32 -Transfers to States	100646.36	5096.06	05
Capital (Voted)				
47.	4 -Atomic Energy	7154.68	1735.33	24
48.	10 -Ministry of Coal	1100.00	300.08	27
49.	17 -Department of Food and Public Distribution	51151.61	27091.82	53
50.	20 -Ministry of Defence (Misc)	13027.98	301.58	02
51.	24 -Ministry of Development of North Eastern Region	649.00	140.27	22
52.	26 -Ministry of Earth Sciences	175.00	100.34	57
53.	28 -Ministry of External Affairs	2983.00	1369.88	46
54.	29 -Department of Economic Affairs	10142.92	1772.08	17
55.	30 -Department of Financial Services	33206.38	5032.84	15
56.	42 -Department of Health and Family Welfare	1757.90	534.07	30
57.	46 -Ministry of Home Affairs	300.36	101.31	34
58.	48 -Police	9878.50	1010.32	10
59.	59 -Ministry of Mines	158.39	122.10	77
60.	68 -Ministry of Power	5511.67	1650.44	30
61.	74 -Ministry of Road Transport and Highways	86679.70	10821.33	12
62.	84 -Department of Space	3887.77	300.73	08
63.	86 -Ministry of Steel	200.00	200.00	100
64.	90 -Andaman and Nicobar Islands	683.68	204.95	30
65.	95 -Ministry of Urban Development	17225.48	493.01	03
66.	96 -Ministry of Water Resources, River Development and Ganga Rejuvenation	427.72	300.10	70
Capital (Charged)				
67.	32-Transfers to States	18100.00	336.41	02
68.	86 -Ministry of Steel	110.00	110.00	100
Defence Services				
Revenue (Voted)				
69.	22 -Defence Services (Revenue)	154959.05	2823.77	02
Railways				
Revenue (Voted)				
70.	2 -Miscellaneous Expenditure (General)	1297.89	305.78	24
71.	3 -General Superintendence and Services	8360.53	801.23	10

Report of the CAG on
Union Government Accounts 2016-17

**Statement showing savings of ₹ 100 crore or above¹
under various grants/appropriations**

Sl. No.	Description of Grant/Appropriation	Total Provision	Savings	Percentage of total provision
		(₹ in crore)		
72.	4 -Repairs and Maintenance of Permanent Ways and Works	13710.68	848.76	06
73.	5 -Repairs and Maintenance of Motive Powers	6317.60	288.90	05
74.	6 -Repairs and Maintenance of Carriages and Wagons	14311.32	284.30	02
75.	7 -Repairs and Maintenance of Plant and Equipments	8111.91	740.76	09
76.	8 -Operating Expenses-Rolling Stock and Equipments	12751.63	1069.81	08
77.	9 -Operating Expenses - Traffic	26308.01	2300.99	09
78.	11 -Staff Welfare and Amenities	6622.05	670.91	10
79.	12 -Miscellaneous Working Expenses	6818.60	788.72	12
80.	13 -Provident Fund, Pension and Other Retirement Benefits	47169.76	4916.64	10
81.	14 -Appropriation to Funds	54279.35	9066.35	17
82.	15 -Dividend to General Revenues - Re-payment of loans taken from General Revenues - Amount met from Development Fund	9731.29	9731.29	100
Capital (Voted)				
83.	16 -Capital	91589.80	1403.18	02
84.	16 -Railways Funds -Depreciation Reserve Fund, Development Fund and Capital Fund	16663.06	4556.18	27
Total			228639.60	

Annexure 3.6

(Refer to paragraph 3.7)

**Statement showing persistent savings of ₹ 100 crore or above
under various Grants/Appropriations**

Sl. No.	Description of Grant/Appropriation	Year	Total Provision	Savings	Percentage of the total provision
			(₹ in crore)		
Civil Revenue (Voted)					
1.	Department of Agriculture, Cooperation and Farmers Welfare	2014-15	22603.11	3114.80	14
		2015-16	16959.47	1658.72	10
		2016-17	48779.38	8184.27	17
2.	Department of Agricultural Research and Education	2014-15	6144.44	1304.41	21
		2015-16	6320.03	747.13	12
		2016-17	6620.04	624.83	09
3.	Department of Animal Husbandry, Dairying, and Fisheries	2014-15	2726.16	517.57	19
		2015-16	2120.28	256.13	12
		2016-17	2495.52	127.22	05
4.	Department of Fertilizers	2014-15	77112.31	2020.45	03
		2015-16	77100.56	536.14	01
		2016-17	74138.36	4008.17	05
5.	Ministry of Culture	2014-15	2443.06	397.93	16
		2015-16	2121.56	165.36	08
		2016-17	2430.07	169.12	07
6.	Ministry of Earth Science	2014-15	1515.07	281.93	19
		2015-16	1497.59	263.52	18
		2016-17	1500.40	110.85	07
7.	Ministry of External Affairs	2014-15	11264.37	1402.54	12
		2015-16	11248.02	150.85	01
		2016-17	12279.66	1120.16	09
8.	Department of Economic Affairs	2014-15	16157.52	885.54	05
		2015-16	17941.94	6185.08	34
		2016-17	18304.67	11583.35	63
9.	Department of Financial Services	2014-15	11745.25	3834.92	33
		2015-16	15811.86	300.91	02
		2016-17	4135.56	1240.22	30
10.	Transfers to States	2014-15	70757.00	9438.73	13
		2015-16	39678.78	7550.00	19
		2016-17	32901.00	611.63	02
11.	Department of Health and Family Welfare	2014-15	36481.41	6505.28	18
		2015-16	32902.39	1001.55	03
		2016-17	41713.05	3853.40	09
12.	Ministry of Housing and Urban Poverty Alleviation	2014-15	6008.68	3273.28	54
		2015-16	5634.56	3868.40	69
		2016-17	5411.05	190.06	04
13.	Department of School Education and Literacy	2014-15	82695.14	14615.25	18
		2015-16	69861.55	8754.13	13
		2016-17	64168.78	1532.09	02
14.	Department of Higher Education	2014-15	27656.08	4486.90	16
		2015-16	26855.37	1305.43	05
		2016-17	29714.43	678.07	02
15.	Ministry of Information & Broadcasting	2014-15	3287.18	158.45	05

Report of the CAG on
Union Government Accounts 2016-17

**Statement showing persistent savings of ₹ 100 crore or above
under various Grants/Appropriations**

Sl. No.	Description of Grant/Appropriation	Year	Total Provision	Savings	Percentage of the total provision
			(₹ in crore)		
		2015-16	14802.92	210.76	01
		2016-17	4113.42	179.57	04
16.	Ministry of Labour and Employment	2014-15	5783.82	1474.27	25
		2015-16	5646.15	826.98	15
		2016-17	6432.86	1122.08	17
17.	Law and Justice	2014-15	1992.88	241.96	12
		2015-16	3420.92	470.80	14
		2016-17	5012.01	1403.47	28
18.	Ministry of Micro, Small and Medium Enterprises	2014-15	3693.51	932.51	25
		2015-16	3010.59	179.13	06
		2016-17	5152.16	1510.51	29
19.	Ministry of Power	2014-15	8228.16	3590.65	44
		2015-16	8719.54	856.27	10
		2016-17	11879.34	3972.22	33
20.	Ministry of Road Transport and Highways	2014-15	20103.39	1430.69	07
		2015-16	23433.94	1373.54	06
		2016-17	54900.44	36014.93	66
21.	Department of Rural Development	2014-15	121746.83	13116.63	11
		2015-16	129030.01	9239.37	07
		2016-17	157443.03	1155.32	01
22.	Department of Science and Technology	2014-15	3546.03	646.11	18
		2015-16	3844.01	199.61	05
		2016-17	4481.86	168.77	04
23.	Ministry of Statistics and Programme Implementation	2014-15	4905.79	840.74	17
		2015-16	4816.76	645.37	13
		2016-17	4731.84	483.68	10
24.	Ministry of Textiles	2014-15	5547.74	1657.68	30
		2015-16	4402.25	385.45	09
		2016-17	6595.66	548.05	08
25.	Daman and Diu	2014-15	1291.03	119.70	09
		2015-16	1377.52	279.00	20
		2016-17	1387.52	232.55	17
26.	Ministry of Urban Development	2014-15	8713.64	4553.51	52
		2015-16	10329.18	4053.46	39
		2016-17	18123.72	2728.23	15
27.	Ministry of Water Resources, River Development and Ganga Rejuvenation	2014-15	15143.17	9728.38	64
		2015-16	9064.87	1314.82	15
		2016-17	8381.61	2083.74	25
28.	Ministry of Women and Child Development	2014-15	21193.91	2652.77	13
		2015-16	17930.46	689.78	04
		2016-17	18295.37	1227.76	07
Revenue (Charged)					
29.	Appropriation-Interest Payments	2014-15	449882.66	24784.40	06
		2015-16	476089.17	18818.79	04
		2016-17	508782.30	4267.76	01
30.	Transfers to State	2014-15	64675.00	2861.68	04
		2015-16	88864.52	4285.73	05
		2016-17	100646.36	5096.06	05

Report of the CAG on
Union Government Accounts 2016-17

**Statement showing persistent savings of ₹ 100 crore or above
under various Grants/Appropriations**

Sl. No.	Description of Grant/Appropriation	Year	Total Provision	Savings	Percentage of the total provision
			(₹ in crore)		
Capital (Voted)					
31.	Atomic Energy	2014-15	4408.46	1024.20	23
		2015-16	4513.69	472.84	10
		2016-17	7154.68	1735.33	24
32.	Department of Food and Public Distribution	2014-15	10678.26	192.89	02
		2015-16	20587.26	213.70	01
		2016-17	51151.61	27091.82	53
33.	Ministry of Development of North Eastern Region	2014-15	353.50	145.49	41
		2015-16	462.00	120.21	26
		2016-17	649.00	140.27	22
34.	Department of Economic Affairs	2014-15	12515.86	2621.50	21
		2015-16	78412.12	1444.68	02
		2016-17	10142.92	1772.08	17
35.	Department of Financial Services	2014-15	24795.03	13725.47	55
		2015-16	29716.24	2150.21	07
		2016-17	33206.38	5032.84	15
36.	Department of Health and Family Welfare	2014-15	1964.52	1092.16	56
		2015-16	1017.37	126.23	12
		2016-17	1757.90	534.07	30
37.	Police	2014-15	9863.51	3924.49	40
		2015-16	9259.78	201.74	02
		2016-17	9878.50	1010.32	10
38.	Ministry of Road Transport and Highways	2014-15	37436.27	1665.45	04
		2015-16	69326.81	6407.74	09
		2016-17	86679.70	10821.33	12
39.	Department of Space	2014-15	3656.58	1205.72	33
		2015-16	3464.52	420.72	12
		2016-17	3887.77	300.73	08
40.	Ministry of Urban Development	2014-15	8826.22	2137.48	24
		2015-16	10202.10	255.71	03
		2016-17	17225.48	493.01	03
Capital (Charged)					
41.	Transfers to States	2014-15	13000.00	1102.68	08
		2015-16	12600.00	101.80	01
		2016-17	18100.00	336.41	02
Railways Revenue (Voted)					
42.	General Superintendence and Services	2014-15	6472.70	366.92	06
		2015-16	6992.79	803.11	11
		2016-17	8360.53	801.23	10
43.	Repairs and Maintenance of Permanent Way and Works	2014-15	10403.99	123.47	01
		2015-16	11657.55	770.42	07
		2016-17	13710.68	848.76	06
44.	Repairs and Maintenance of Motive Power	2014-15	4920.70	138.01	03
		2015-16	5464.56	191.56	04
		2016-17	6317.60	288.90	05
45.	Repairs and Maintenance of Plant & Equipment	2014-15	6340.96	314.94	05
		2015-16	7238.18	984.22	14

Report of the CAG on
Union Government Accounts 2016-17

**Statement showing persistent savings of ₹ 100 crore or above
under various Grants/Appropriations**

Sl. No.	Description of Grant/Appropriation	Year	Total Provision	Savings	Percentage of the total provision
			(₹ in crore)		
		2016-17	8111.91	740.76	09
46.	Operating expenses –Traffic	2014-15	19713.11	638.65	03
		2015-16	22124.02	1583.59	07
		2016-17	26308.01	2300.99	09
47.	Staff Welfare and Amenities	2014-15	5177.22	160.75	03
		2015-16	5861.45	544.78	09
		2016-17	6622.05	670.91	10
48.	Miscellaneous Working Expenses	2014-15	5654.59	548.31	10
		2015-16	6220.07	486.04	08
		2016-17	6818.60	788.72	12
49.	Provident Fund, Pension and other Retirement benefits	2014-15	30142.70	506.94	02
		2015-16	34574.38	2646.55	08
		2016-17	47169.76	4916.64	10
Railways Capital (Voted)					
50.	Capital	2014-15	79272.06	5587.59	07
		2015-16	91561.86	12720.22	14
		2016-17	91589.80	1403.18	02
51.	Railways Funds -Depreciation Reserve Fund, Development Fund and Capital Fund	2014-15	17560.95	169.83	01
		2015-16	20294.81	1917.72	09
		2016-17	16663.06	4556.18	27

Annexure 3.7

(Refer to paragraph 3.8)

Cases where the amounts surrendered were more than the savings

(₹ in crore)

Sl. No.	Description of grant/appropriation	Savings under the section	Amount Surrendered	Excess Surrendered
Civil Revenue (Voted)				
1.	07 -Department of Fertilisers	4008.17	4267.02	258.85
2.	08 -Department of Pharmaceuticals	3.75	3.82	0.07
3.	89 -Ministry of Tribal Affairs	46.22	46.43	0.21
Capital (Voted)				
4.	14 -Department of Telecommunications	31.11	31.19	0.08
5.	44 -Department of Heavy Industry	20.72	21.20	0.48
6.	61 -Ministry of New and Renewable Energy	4.37	4.39	0.02
7.	81 -Ministry of Skill Development and Entrepreneurship	24.74	25.54	0.80

Annexure 3.8

(Refer to paragraph 3.9)

**Cases where major portion of savings were surrendered on
30th/31st March 2017 and the details of amount lapsed**

Sl. No.	Description of grant/appropriation	Savings	Amount surrendered	Amount surrendered on 30/31 March 2017	Percentage of amount surrendered on 30/31 March in comparison with savings	Amount not surrendered and lapsed
		(₹ in crore)				(₹ in crore)
Civil Revenue (Voted)						
1.	1-Department of Agriculture, Co-operation and Farmers Welfare	8184.27	8095.89	8095.89	99	88.38
2.	2-Department of Agricultural Research and Education	624.83	616.74	616.74	99	8.09
3.	3-Department of Animal Husbandry, Dairying and Fisheries	127.22	110.90	110.90	87	16.32
4.	4-Atomic Energy	130.60	0.00	0.00	--	130.60
5.	7-Department of Fertilisers	4008.17	(4267.02)	(4267.02)	106	--
6.	9-Ministry of Civil Aviation	114.03	112.04	112.04	98	1.99
7.	12-Department of Industrial Policy and Promotion	1034.56	892.00	892.00	86	142.56
8.	17-Department of Food and Public Distribution	26385.95	26374.49	26374.49	99.96	11.46
9.	19-Ministry of Culture	169.12	116.30	116.30	69	52.82
10.	20-Ministry of Defence (Misc.)	2970.99	2138.50	2138.50	72	832.49
11.	26-Ministry of Earth Sciences	110.85	33.62	33.62	30	77.23
12.	27-Ministry of Environment, Forests and Climate Change	143.65	45.49	45.49	32	98.16
13.	28-Ministry of External Affairs	1120.16	626.03	626.03	56	494.13
14.	29-Department of Economic Affairs	11583.35	5984.58	5984.58	52	5598.77
15.	30-Department of Financial Services	1240.22	612.96	612.96	49	627.26
16.	32-Transfers to States	611.63	111.62	111.62	18	500.01
17.	37-Department of Revenue	889.90	867.42	867.42	97	22.48
18.	42-Department of Health and Family Welfare	3853.40	1600.97	1600.97	42	2252.43
19.	46-Ministry of Home Affairs	326.54	296.36	296.36	91	30.18
20.	50-Ministry of Housing and Urban Poverty Alleviation	190.06	171.23	171.23	90	18.83
21.	51-Department of School Education and Literacy	1532.09	863.63	863.63	56	668.46
22.	52-Department of Higher Education	678.07	556.40	556.40	82	121.67
23.	53-Ministry of Information and Broadcasting	179.57	68.85	68.85	38	110.72
24.	54-Ministry of Labour and Employment	1122.08	1089.49	1089.49	97	32.59
25.	56-Law and Justice	1403.47	1337.64	1337.64	95	65.83
26.	58-Ministry of Micro, Small and Medium Enterprises	1510.51	1400.00	1400.00	93	110.51
27.	60-Ministry of Minority Affairs	778.13	775.70	775.70	99.69	2.43

**Report of the CAG on
Union Government Accounts 2016-17**

**Cases where major portion of savings were surrendered on
30th/31st March 2017 and the details of amount lapsed**

Sl. No.	Description of grant/appropriation	Savings	Amount surrendered	Amount surrendered on 30/31 March 2017	Percentage of amount surrendered on 30/31 March in comparison with savings	Amount not surrendered and lapsed
		(₹ in crore)				(₹ in crore)
28.	61-Ministry of New and Renewable Energy	2239.29	1130.11	1115.11	50	1109.18
29.	64-Ministry of Personnel, Public Grievances and Pensions	175.78	170.14	170.14	97	5.64
30.	66-Ministry of Petroleum and Natural Gas	1459.49	9.22	9.22	1	1450.27
31.	68-Ministry of Power	3972.22	2625.33	2625.33	66	1346.89
32.	74-Ministry of Road Transport and Highways	36014.93	33602.70	33602.70	93	2412.23
33.	75-Department of Rural Development	1155.32	806.50	806.50	70	348.82
34.	77-Department of Science and Technology	168.77	139.84	139.84	83	28.93
35.	80-Ministry of Shipping	144.42	125.32	125.32	87	19.10
36.	81-Ministry of Skill Development and Entrepreneurship	595.20	590.51	590.51	99	4.69
37.	85-Ministry of Statistics and Programme implementation	483.68	475.17	475.17	98	8.51
38.	87-Ministry of Textiles	548.05	526.60	526.60	96	21.45
39.	93-Daman and Diu	232.55	232.13	232.13	99.82	0.42
40.	94-Lakshadweep	200.99	186.44	186.44	93	14.55
41.	95-Ministry of Urban Development	2728.23	1.60	1.60	0.06	2726.63
42.	96-Ministry of Water Resources, River Development and Ganga Rejuvenation	2083.74	2051.01	2051.01	98	32.73
43.	97-Ministry of Women and Child Development	1227.76	1032.73	1032.73	84	195.03
44.	98-Ministry of Youth Affairs and Sports	195.37	190.79	190.79	98	4.58
Revenue (Charged)						
45.	31-Appropriation -Interest Payments	4267.76	0.00	0.00	--	4267.76
46.	32-Transfers to States	5096.06	3564.26	3564.26	70	1531.80
Capital (Voted)						
47.	4-Atomic Energy	1735.33	1642.02	1642.02	95	93.31
48.	10-Ministry of Coal	300.08	0.00	0.00	--	300.08
49.	17-Department Food and Public Distribution	27091.82	27091.80	27091.80	100	0.02
50.	20-Ministry of Defence (Misc)	301.58	163.11	163.11	54	138.47
51.	24-Ministry of Development of North Eastern Region	140.27	138.22	138.22	99	2.05
52.	26-Ministry of Earth Sciences	100.34	75.00	75.00	75	25.34

Report of the CAG on
Union Government Accounts 2016-17

**Cases where major portion of savings were surrendered on
30th/31st March 2017 and the details of amount lapsed**

Sl. No.	Description of grant/appropriation	Savings	Amount surrendered	Amount surrendered on 30/31 March 2017	Percentage of amount surrendered on 30/31 March in comparison with savings	Amount not surrendered and lapsed
		(₹ in crore)				(₹ in crore)
53.	28-Ministry of External Affairs	1369.88	1210.63	1210.63	88	159.25
54.	29-Department of Economic Affairs	1772.08	1641.69	1641.69	93	130.39
55.	30-Department of Financial Services	5032.84	2.82	2.82	0.06	5030.02
56.	42-Department of Health and Family Welfare	534.07	467.24	467.24	87	66.83
57.	46-Ministry of Home Affairs	101.31	95.29	95.29	94	6.02
58.	48-Police	1010.32	866.90	866.90	86	143.42
59.	59-Ministry of Mines	122.10	119.11	119.11	98	2.99
60.	68-Ministry of Power	1650.44	1463.13	1463.13	89	187.31
61.	74-Ministry of Road Transport and Highway	10821.33	9732.38	9732.38	90	1088.95
62.	86-Ministry of Steel	200.00	200.00	200.00	100	--
63.	90-Andaman and Nicobar Islands	204.95	202.88	202.88	99	2.07
64.	95-Ministry of Urban Development	493.01	100.00	100.00	20	393.01
65.	96-Ministry of Water Resources, River Development and Ganga Rejuvenation	300.10	280.92	280.92	94	19.18
Capital (Charged)						
66.	32-Transfers to States	336.41	136.41	136.41	41	200.00
67.	86-Ministry of Steel	110.00	110.00	110.00	100	--

Note:

1. Figure in bracket indicate that amount surrendered is more than the Savings.
2. For reckoning the date of surrender, the date of Audit Order, i.e. the date when a surrender is approved by Ministry of Finance, has been taken.

Report of the CAG on
Union Government Accounts 2016-17

Annexure 3.9
(Refer to paragraph 3.12)
Re-appropriation to minor /sub-head
which were injudicious on account of non-utilisation
(Re-appropriation exceeding ₹ 5 crore and more)

(₹ in crore)

Sl. No.	Description of grant/appropriation	Minor /Sub-Head		Total Provision	Amount of re-appropriation to the head	Final savings under the head
Civil						
1.	14-Department of Telecommunications	3451.00.091.12 -Controller of Communication Accounts	O S	116.84 16.94	7.14	11.59
2.	15-Department of Electronics and Information Technology	2852.07.202.88 -Regulatory Authorities	O	148.00	11.87	21.40
3.	20-Ministry of Defence (Misc)	2052.00.090.01 -Department of Defence	O S	144.06 7.01	5.77	9.58
4.		2076.00.109.01 -Civil	O S	1067.75 9.87	61.75	63.16
5.	29-Department of Economic Affairs	2052.00.090.09 -Department of Economic Affairs	O S	160.25 0.01	18.52	33.62
6.		2075.00.800.18 -Cost incurred on collection of money through Debit cards	S	0.01	49.99	50.00
7.	30-Department of Financial Services	5465.01.797.01 -National Investment Fund	O S	1780.00 2845.00	500.00	5030.02
8.	31 -Appropriation - Interest Payments	2049.01.200.03 -Compensation and other Bonds	O S	1649.95 10.00	163.17	347.52
9.		2049.03.108.02 -Family Pension-cum-life Assurance Funds for Industrial Workers	O S	8849.85 10.00	72.20	225.71
10.	42-Department of Health and Family Welfare	2210.06.001.09 - Flexible Pool for Communicable Diseases	O	1423.92	69.62	273.91
11.	48-Police	2055.00.103.01 -Establishment and Administration	O S	4239.50 292.00	13.05	14.81
12.	52-Department of Higher Education	2251.00.090.17 -Department of Higher Education	O	95.99	6.00	7.19
13.		2202.80.800.44 -Digital India e-Learning	O S	366.78 0.01	10.63	26.25
14.	58 -Ministry of Micro, Small and Medium Enterprises	2851.00.102.98 -Entrepreneurship and Skill Development	O	133.23	11.80	13.56
15.	95-Ministry of Urban Development	2216.05.053.07 -Other Maintenance expenditure	O S	305.76 0.0034	7.00	14.51
16.		2217.05.001.02 -Swachh Bharat Mission	O	101.86	139.03	140.19
Defence Services						
17.	22-Defence Services (Revenue)	2076.00.111 -Works	O S	7889.15 0.10	100.00	180.80
18.		2076.00.800 -Other Expenditure	O S	2281.17 58.00	29.46	85.69
Total					1277.00	

Annexure 3.10
(Refer to paragraph 3.13)
Re-appropriation from the minor/ subhead resulting into final excess expenditure
(Re-appropriation exceeding ₹ 5 crore and more)

(₹ in crore)

Sl. No.	Description of grant/appropriation	Sub-Head		Total Provision	Amount of re-appropriation from the head	Final excess expenditure under head
Civil						
1.	42-Ministry of Health and Family Welfare	4210.01.110.08 -Central Institute of Psychiatry, Ranchi	O	24.00	13.91	15.69
2.	48-Police	4055.00.202.04 -General	O S	100.00 18.00	8.00	10.98
Defence						
3.	22 -Defence Services (Revenue)	2078.00.110-Stores	O S	7334.05 895.02	48.47	190.64
4.	23-Capital Outlay on Defence Services	4076.01.103-Other Equipment	O	16173.35	704.85	2354.41
5.		4076.01.106-Rolling Stock	O	282.76	30.90	198.61
6.		4076.02.202-Construction Works	O	635.45	35.65	49.03
Posts						
7.	13 -Department of Posts	3201.02.101.01 -Existing Post Office	O S	7898.83 25.36	146.68	205.28
8.		3201.07.104.01 -Gratuities	O	830.39	28.41	88.16
9.		3201.07.110.01 -Government contribution for defined contribution pension scheme other than audit staff	O	230.00	10.80	50.63
10.		3201.02.103.02 -Air	O S	143.00 15.00	5.33	5.35
Total					1033.00	

O – Original; S – Supplementary

**Report of the CAG on
Union Government Accounts 2016-17**

**Annexure 3.11
(Refer to paragraph 3.14)**

Unnecessary Supplementary Grant under Minor/sub-heads

Sl. No.	Description of grant/ appropriation	Minor / Sub-head	Original Provision	Supplementary provision	Disbursement	Savings	Reasons attributed by the Ministry/ Department
			(₹ in crore)				
Civil							
1.	1-Department of Agriculture, Cooperation and Farmers Welfare	2401.00.107.07-Krishonnati Yojna- Central Sector	143.56	12.03	137.56	18.03	Due to non-filling up of vacant posts, non-finalisation of proposals and pending higher claims of rent.
2.	4 -Atomic Energy	2852.09.211.04-Fuel Recycle and Waste Management Facility	464.00	22.82	439.56	47.26	Due to reduction in oil and diesel prices, less tours undertaken and economy measures.
3.	11 -Department of Commerce	3453.00.194.05-Export Promotion Schemes	671.00	9.00	628.85	51.15	Due to cut imposed at revised estimates stage by Ministry of Finance and non-receipt of viable proposals from the Implementing agencies.
4.	14 -Department of Telecommunications	2071.01.102.01-Ordinary Pensions	1050.00	45.00	804.18	290.82	Due to receipt of less claims.
5.	20 -Ministry of Defence (Misc)	2076.00.113.01-Civil	1187.23	12.57	1136.55	63.25	Due to partial implementation of the 7 th Central Pay Commission's recommendations, less expenditure on clothing and tentage, pay and allowances of civilians and motor vehicles.
6.		2080.00.101.01-Pay and Allowances	377.00	18.00	354.81	40.19	Due to requirement of less funds towards Pay and Allowances due to non-implementation of 7 th Central Pay Commission recommendations.
7.	21 -Defence Pensions	2071.02.101.03-Leave Encashment	2040.05	75.45	2006.79	108.71	Due to less number of retirees, withholding of leave encashment owing to disciplinary actions and less leave at the credit of retirees.
8.	30 -Department of Financial Services	5465.01.797.01-National Investment Fund	1780.00	2845.00	94.98	4530.02	Due to reduction in realisation of disinvestment receipts than estimated and consequent less transfer to National Investment Fund.
9.	31 - Appropriation - Interest	2049.01.200.03-Compensation and other Bonds	1649.95	10.00	1475.60	184.35	Due to non-preference of claims and withdrawal by investors.

Report of the CAG on
Union Government Accounts 2016-17

Unnecessary Supplementary Grant under Minor/sub-heads

Sl. No.	Description of grant/ appropriation	Minor / Sub-head	Original Provision	Supplementary provision	Disbursement	Savings	Reasons attributed by the Ministry/ Department
			(₹ in crore)				
10.	Payments	2049.03.108.02- Family Pension-cum-life Assurance Funds for Industrial Workers	8849.85	10.00	8706.34	153.51	Due to lower subscriptions coupled with reduction in rate of interest.
11.		6001.00.106.22- 8.5% Relief Bonds, 2001	9.40	11.78	0.22	20.96	Due to non-receipt of claims.
12.	33 - Appropriation - Repayment of Debt	6002.00.216- Loans from the International Bank for Reconstruction and Development	5688.42	44.53	5553.30	179.65	Due to cancellation of loan amount in a few loans and revision of repayment schedule.
13.		6002.00.250 – Loans from Asian Development Bank	3306.96	63.52	3266.40	104.08	Due to exchange rate variation.
14.	38 -Direct Taxes	2020.00.001.03- Organisation and Management Services	562.66	6.00	537.28	31.38	Due to requirement of less funds towards, medical reimbursement, less tours undertaken, less training programme, IT procurements and non-revision of rent, rates and taxes and economy measures.
15.	39 -Indirect Taxes	2038.00.101.05- Pay and Accounts Offices (Central Excise) of Principal Chief Controller of Accounts, CBEC	52.33	7.88	50.14	10.07	Due to non-filling up of vacant posts and non-requirement of less funds towards GST Portal.
16.	68 -Ministry of Power	2801.06.103.02- Rural Electrification and Feeder Separation	800.00	7.20	770.90	36.30	Due to conduction of less training programmes and requirement of less funds towards advertisement.

Report of the CAG on
Union Government Accounts 2016-17

Unnecessary Supplementary Grant under Minor/sub-heads

Sl. No.	Description of grant/ appropriation	Minor / Sub-head	Original Provision	Supplementary provision	Disbursement	Savings	Reasons attributed by the Ministry/ Department
			(₹ in crore)				
17.		2801.80.102.01- Statutory Authorities	154.87	11.09	148.87	17.09	Due to non-filling up of vacant posts, availability of unspent balance of previous year, delay in procurement process of software, non-materialisation of the scheme, cut imposed at revised estimates stage by the Ministry of Finance and economy measures.
18.	74 -Ministry of Road Transport and Highways	3054.01.337.01- Maintenance by Road wing	2834.00	2041.40	2690.43	2184.97	Due to receipt of less proposals from State Accountant Generals and change in funding pattern.
19.	81 -Ministry of Skill Development and Entrepreneurship	2230.03.796.09- Pradhan Mantri Kaushal Vikas Yojana	136.98	20.92	87.04	70.86	Due to non-taking off of the Scheme owing to non-finalisation of norms for establishment of Kendras.
20.	95 -Ministry of Urban Development	4217.60.190.14- MRTS and Metro Projects	1523.03	339.01	1433.20	428.84	Due to receipt of less demand from the implementing agencies and non-receipt of approval for Metro Rail projects from the Government.
21.	96 -Ministry of Water Resources, River Development and Ganga Rejuvenation	3075.01.201.03- Farakka Barrage	67.57	24.00	61.49	30.08	Due to non-hiring of Consultants and Contractual services.
22.		4702.00.800.06- Ground Water Management and Regulation	200.00	25.00	42.91	182.09	Due to non-approval of proposal for procurement of machinery and equipment.
Defence Services Revenue (Voted)							
23.	22 -Defence Services (Revenue)	2076.00.103 - Pay & Allowances and Miscellaneous Expenses of Auxiliary Forces	1500.93	339.53	1255.05	585.41	Due to non-implementation of 7 th Central Pay Commission.
24.		2076.00.111 - Works	7889.15	0.10	7808.45	80.80	Due to procedural delays as well as some maintenance projects could not be undertaken.

Report of the CAG on
Union Government Accounts 2016-17

Unnecessary Supplementary Grant under Minor/sub-heads

Sl. No.	Description of grant/ appropriation	Minor / Sub-head	Original Provision	Supplementary provision	Disbursement	Savings	Reasons attributed by the Ministry/ Department
			(₹ in crore)				
25.	22 -Defence Services (Revenue)	2077.00.101 - Pay & Allowances of Navy	5265.00	228.37	4986.17	507.20	Due to migrated funds to other Minor Heads to factor for expenditure incurred on Customs Duty and also due to non-implementation of the recommendations of 7 th Central Pay Commission.
26.		2077.00.104 - Pay & Allowances of Civilians	2410.00	102.87	2173.45	339.42	Due to partial implementation of recommendation of 7 th Central Pay Commission.
27.		2077.00.111 - Works	1519.95	5.88	1377.06	148.77	Due to reduced requirement than anticipated and slow progress of works on maintenance of Buildings as well as operation of installations.
28.		2077.00.112 - Joint Staff	2226.44	60.97	2121.00	166.41	Due to partial implementation of recommendation of 7 th Central Pay Commission.
29.		2078.00.101 - Pay & Allowances of Air Force	12071.83	150.00	11513.31	708.52	Due to non-implementation of recommendation of 7 th Central Pay Commission.
30.		2078.00.104 - Pay & Allowances of Civilians	1363.65	25.00	1345.91	42.74	Due to partial implementation of recommendation of 7 th Central Pay Commission.
31.		2078.00.800 - Other Expenditure	624.64	5.35	568.39	61.60	Due to enforcement of economy measures, less expenditure by Commands and non-materialisation of few procurements.
Postal Services Revenue (Voted)							
32.	13-Department of Posts	3201.02.101.04- Premium Product Services	180.12	5.00	167.87	17.25	Expenditure under salary head was less due to more retirements of officers /transfer of officials than anticipated.
33.		3201.03.101.08- Postal Life Insurance Branch Circle Offices	93.21	1.50	78.80	15.91	Due to less expenditure under salary on account of retirement /transfer of officers /officials and due to non-receipt of incentive bills than anticipated.
34.		3201.06.101.05- Payment under CGHS schemes	22.98	1.30	21.26	3.02	Due to less receipt of bills than anticipated before closure of the financial year.

Report of the CAG on
Union Government Accounts 2016-17

Annexure 3.12
(Refer to paragraph 3.15)

Entire provision remaining unspent (₹ 50 crore and above)

(₹ in crore)

Sl. No.	Description of grant/appropriation and Sub-head	Sanctioned provision	Savings
Civil			
Grant No. 1-Department of Agriculture, Cooperation and Farmers Welfare			
1.	2416.00.800.09-Adjustment of Provision	5203.72	5203.72
2.	2435.01.800.26-Adjustment of Provision	200.00	200.00
Grant No. 17-Department of Food and Public Distribution			
3.	2408.01.101.08-Central Assistance to UTs without Legislature for meeting expenditure on intra-state movement, handling of foodgrains and FPS dealers margin under NFSA	76.00	76.00
4.	3601.01.551.01-Central Assistance to States for meeting expenditure on intra-state movement, handling of food grains and FPS dealers margin under NFSA	2200.00	2200.00
5.	3602.01.551.01-Central Assistance to UT Governments for meeting expenditure on intra-state movement, handling of food grains and FPS dealers margin under NFSA	224.00	224.00
6.	6860.04.190.04-Sugar Mills for Cane Development	75.00	75.00
Grant No. 20-Ministry of Defence (Misc)			
7.	3054.02.797.01-Works under Border Roads	70.00	70.00
8.	5054.02.797.01-Works under Border Road Organisation	380.00	380.00
Grant No. 29-Department of Economic Affairs			
9.	3075.60.101.01-Payment to Railway	4300.80	4300.80
10.	3466.00.109.02-Contribution to Asian Development Fund-12	330.50	330.50
11.	3605.00.101.39-Interest Equalisation support for Indian Companies	500.00	500.00
12.	5466.00.201.01-Subscription to the International Bank for Reconstruction and Development (IBRD)	163.98	163.98
13.	7475.00.800.10-Loans to IMF under New Arrangements to Borrow (NAB)	1486.04	1486.04
Grant No. 30-Department of Financial Services			
14.	2235.60.102.03-Swavalamban Scheme to encourage people from unorganised sector to join National Pension System (NPS)	209.00	209.00
15.	3465.01.797.01-Security Redemption Fund	625.00	625.00
Grant No. 31-Appropriation - Interest Payments			
16.	2049.01.128 -Cash Management Bills	1000.00	1000.00
17.	2049.05.101.01-Railway Depreciation Reserve Fund	99.12	99.12
18.	2049.05.105.01-Railway Pension Fund	71.50	71.50
19.	2049.05.105.10-Interest on Debt Service Fund	108.56	108.56
Grant No. 32-Transfers to States			
20.	3601.03.560.02-Grants to autonomous Council, areas covered under sixth schedule	1000.00	1000.00
21.	7601.06.200-Other Ways and Means Advances	100.00	100.00

Report of the CAG on
Union Government Accounts 2016-17

Entire provision remaining unspent (₹ 50 crore and above)

(₹ in crore)

Sl. No.	Description of grant/appropriation and Sub-head	Sanctioned provision	Savings
Grant No. 33 -Appropriation - Repayment of Debt			
22.	6001.00.124 -Special Securities issued to R.B.I for maintenance of Value account in respect of India Millennium Deposits	442.85	442.85
23.	6001.00.127-Cash Management Bills	100000.00	100000.00
Grant No. 37-Department of Revenue			
24.	2047.00.110.01-Grants To GSTN:SPV	696.69	696.69
25.	4059.60.051.26-Construction of Rajaswa Bhavan	50.00	50.00
Grant No. 42-Department of Health and Family Welfare			
26.	3606.00.237.05-Material Assistance for Strengthening of National Immunisation Programme and Polio Eradication	1869.50	1869.50
27.	3606.00.251.02-Material Assistance for National Vector Borne Disease Control Programme	137.17	137.17
28.	4210.04.200.27-Rashtriya Swasthya Bima Yojna (RSBY)- RSSY	50.00	50.00
29.	4210.80.190.05-HLL Life Care Limited	60.00	60.00
Grant No. 48-Police			
30.	3601.01.117.06-Gorkhaland Territorial Administration	135.00	135.00
Grant No. 54 -Ministry of Labour and Employment			
31.	3601.03.326.01-Unorganized Worker Social Security Card	64.70	64.70
Grant No. 74 -Ministry of Road Transport and Highways			
32.	5054.01.796.01-Special Programme for Development of Road Connectivity (NH and State Roads) in Naxalite Affected Areas	400.01	400.01
Grant No. 76-Department of Land Resources			
33.	3601.03.467.09-Digital India Land Records Modernisation Programme	81.80	81.80
Grant No. 80 -Ministry of Shipping			
34.	2852.06.102.21-Subsidy to Non-Central PSU Shipyards and Private Sector Shipyards	50.00	50.00
Grant No. 86 -Ministry of Steel			
35.	6858.04.190.01-Hindustan Steelworks Construction Limited	110.00	110.00
36.	6858.04.190.01-Hindustan Steelworks Construction Limited	200.00	200.00
Grant No. 90 -Andaman and Nicobar Islands			
37.	5052.80.796.01-Purchase of Ships	50.25	50.25
Grant No. 95 -Ministry of Urban Development			
38.	2217.05.797.02 -Transfer to Rashtriya Swachhata Kosh	2300.00	2300.00
Grant No. 96 -Ministry of Water Resources, River Development and Ganga Rejuvenation			
39.	3601.03.786.03-River Management Activities and Works related to Border Areas	120.28	120.28
Grant No. 97 -Ministry of Women and Child Development			
40.	3602.03.356.02-Nirbhaya Schemes	63.91	63.91
Total			125305.38

Report of the CAG on
Union Government Accounts 2016-17

Annexure 3.13

(Refer to paragraph 3.16)

Savings of more than ₹ 100 crore and constituting more than 10 per cent of the sanctioned provision under a sub-head

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 1-Department of Agriculture, Cooperation and Farmers Welfare					
1.	2416.00.102.02-Interest Subsidies for Short Term Credit to Farmers	15000.00	13397.13	1602.87	Due to reduction of provision at revised estimates stage by the Ministry of Finance.
2.	3601.02.436.04-Krishonnati Yojna - State Plan	1175.95	909.45	266.50	Due to receipt of less proposals and availability of unspent balance of previous years with the State Governments.
3.	3601.02.437.02-Krishonnati Yojna - State Plan	489.88	299.40	190.48	Due to receipt of less proposals, non-receipt of Utilisation Certificates from the State Governments and availability of unspent balance of previous years with the State Governments.
4.	3601.02.446.04-Krishonnati Yojna - State plan	5374.00	3888.85	1485.15	Due to receipt of less proposals and availability of unspent balance of previous years with the State Governments.
5.	3601.02.453.02-Krishonnati Yojna - State Plan	300.93	156.45	144.48	
6.	3601.02.460.05-Pradhan Mantri Krishi Sinchai Yojna- Per Drop More Crops (PMKSY)	1745.48	1494.97	250.51	
7.	3601.02.789.63-Krishonnati Yojna - State Plan	808.48	555.52	252.96	Due to receipt of inadequate proposals /non-finalisation of proposals and availability of unspent balance of previous years with the State Governments.
Grant No.2-Department of Agricultural Research and Education					
8.	2415.01.150.03-I.C.A.R. Headquarter Administration including Agricultural Scientists Recruitment Board & Directorate of Information and Publication in Agriculture Intellectual Property Right Management	545.21	319.21	226.00	Due to reduction of provision at revised estimates stage by the Ministry of Finance.
Grant No. 3-Department of Animal Husbandry,Dairying and Fisheries					
9.	2405.00.103.14-Blue Revolution-Integrated Development and Management of Fisheries	226.88	108.19	118.69	Due to non-filling up of vacant posts, scheme of inland fisheries being implemented by the department instead of through NFDB and the funds were re-appropriated to functional heads and economy measures.
Grant No. 4-Atomic Energy					
10.	4861.60.190.02-Uranium Corporation of India Limited	200	25.00	175.00	Due to non-receipt of Cabinet Committee approval on security for cost revision of Tummalapalle Project.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
11.	4861.60.203.44-Fast Reactor Fuel Cycle Facility (FRFCF)	900.00	465.45	434.55	Due to delay in release of work orders and non-finalisation of contract for project management consultancy and non-receipt of approval for procurement of Motor Vehicle.
12.	4861.60.209.19-Back End Fuel Cycle Projects	750.00	451.49	298.51	Due to some of the major supply orders delayed in delivery and requirement of less funds towards machinery and equipment and major works based on actual progress or work, extension of consultancy contract and non-receipt of the sanction for Motor Vehicle.
Grant No. 7 -Department of Fertilisers					
13.	2401.00.105.26-Nutrient based Subsidy Policy	23100.02	18843.42	4256.60	Due to receipt of less claims towards indigenous P & K Fertilisers.
Grant No. 10-Ministry of Coal					
14.	4803.00.800.01-Acquisition of Coal Bearing Areas	1100.00	799.92	300.08	Due to non-availability of ownership rights /title of land and receipt of less proposals from Coal Public Sector Undertakings.
Grant No. 12-Department of Industrial Policy and Promotion					
15.	2852.80.800.40-Make in India	324.35	170.50	153.85	Due to receipt of less proposals from Foreign Direct Investment, non-materialisation of envisaged activities and reduction of provision at revised estimates stage by Ministry of Finance
16.	2885.03.102.01-Delhi Mumbai Industrial Corridor Project Implementation Trust	1399.99	499.86	900.13	Due to receipt of less proposals and reduction of provision at revised estimates stage by the Ministry of Finance.
Grant No. 14-Department of Telecommunications					
17.	2071.01.102.01-Ordinary Pensions	1095.00	804.18	290.82	Due to receipt of less claims.
18.	2071.01.104.01-Ordinary Pensions	1600.00	1328.81	271.19	
Grant No. 17-Department of Food and Public Distribution					
19.	2408.01.102.02-Subsidy payable to Food Corporation Of India and others on food grain transactions	103584.61	78334.61	25250.00	Due to reduction in subsidy payable to Food Corporation of India and reduction of provision at revised estimates stage by the Ministry of Finance.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
20.	2408.01.102.14-Production Subsidy to Sugar Mills to offset cost of cane and facilitate timely payment of cane price dues of farmers	950.01	521.71	428.30	Due to non-submission of complete documents and withdrawal of the scheme.
21.	2408.01.797.01-Transfer to Sugar Development Fund	2000.00	1122.00	878.00	Due to reduced demand under various schemes financed from Sugar Development Fund.
22.	2408.01.800.12-Scheme for Extending Financial Assistance to Sugar Undertaking, 2014	800.00	616.52	183.48	Due to receipt of less demand.
23.	6408.01.190.02-Ways and Means Advance payable to FCI	50000.00	23000.00	27000.00	Due to requirement of less funds by Food Corporation of India owing to loans granted through other channels.
Grant No. 20-Ministry of Defence (Misc)					
24.	2076.00.112.01-Civil	6232.88	5537.49	695.39	Due to requirement of less funds towards Pay and Allowances, ration, FOL, coal and firewood.
25.	4076.04.052.01-Ordnance (including Ordnance Equipment Group of Factories)	490.00	368.62	121.38	Due to less procurement of machinery and equipment items and reduction of provision at revised estimates stage.
26.	4076.05.111.01-Expenditure on Land Works etc.	720.15	571.79	148.36	Due to reduction of provision at revised estimates stage.
Grant No.27-Ministry of Environment, Forests and Climate Change					
27.	3435.03.102.05-Environmental Protection and Monitoring	400.75	280.90	119.85	Due to non-filling up of vacant posts, non-receipt of Utilisation Certificates / Expenditure Statement from State Pollution Control Boards /Pollution Control Committees, requirement of less funds towards training of personnel of Hazardous Substances Management Division by the State Governments.
Grant No. 28-Ministry of External Affairs					
28.	2061.00.798.07-Nalanda International University	200.00	80.23	119.77	Due to non-completion of tendering process.
29.	3605.00.101.10-Aid to Bhutan	2814.50	2159.90	654.60	Due to delay in projects owing to continuing sliding of the right bank and strengthening measures at the site under Punatsangchhu-I Hydroelectric Project (HEP) and delay in finalisation of revised cost estimates of the HEPs in Bhutan.

Report of the CAG on
Union Government Accounts 2016-17

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
30.	3605.00.101.12-Sri Lanka-Other Aid Programmes	230.00	99.16	130.84	Due to spending assessment as per financial & physical progress of ongoing projects.
31.	3605.00.101.14-Aid to Myanmar	400.00	123.62	276.38	Due to spending assessment as per financial & physical progress of ongoing projects and delay in tendering process for Kaladan project.
32.	3605.00.101.33-Aid to Afghanistan	520.00	263.02	256.98	Due to reduction of provision at revised estimates stage by the Ministry of Finance.
33.	7605.00.097.01-Loan for on-going Hydro Power Projects in Bhutan	2675.50	1281.57	1393.93	Due to slow progress in HEP projects in Bhutan owing to geographical difficulties & related developments and reduction of provision at revised estimates stage by the Ministry of Finance.
Grant No. 29 -Department of Economic Affairs					
34.	2250.00.797.01-Transfer to Senior Citizen Welfare Fund	5889.16	389.16	5500.00	Due to receipt of less proposals from Ministry of Social Justice and Empowerment for implementation of welfare schemes for Senior Citizens.
35.	3465.01.797.02-Transfer to National Investment and Infrastructure Fund (NIIF)	4000.00	15.00	3985.00	Due to decrease in the activities of National Investment and Infrastructure Fund.
36.	5475.00.115.01-Assistance for Infrastructure Development - Viability Gap Funding	250.00	132.26	117.74	Due to receipt of less proposals.
Grant No. 30 -Department of Financial Services					
37.	2235.60.102.05-Atal Pension Yojna(APY)	200.00	36.00	164.00	Due to availability of unspent balances of previous year.
38.	2235.60.110.05-Government's contribution to Aam Aadmi Bima Yojana	450.00	100.00	350.00	Due to receipt of less claims from the implementing agency.
39.	4416.00.190.03-Contribution of Government's share for re-capitalisation of Regional Rural Banks (RRBs)	140.00	5.50	134.50	Due to requirement of less funds towards Government contribution for Rajasthan Marudhara Gramin Bank and non-release of share of sponsored bank of Odisha Gramya Bank.
40.	5465.01.190.42-Equity Capital for India Aspiration Fund (IAF) for Start up Companies through Small Industries Development Bank of India (SIDBI)	600.00	100.00	500.00	Due to availability of unspent balances of previous year with the implementing agency i.e. National Credit Guarantee Trustee Company (NCGTC).
41.	5465.01.797.01-National Investment Fund	4625.00	94.98	4530.02	Due to reduction in realisation of disinvestment receipts than estimated and consequent less transfer to National Investment Fund.

Report of the CAG on
Union Government Accounts 2016-17

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 31-Appropriation - Interest Payments					
42.	2048.00.200.13-Payment of premium on buyback of Government Securities	1000.00	593.42	406.58	Due to less premium paid in switching and buyback operations.
43.	2049.01.103.01-Discount on Treasury Bills - 91 Days Treasury Bills	13863.95	10512.45	3351.50	Due to softening of interest rates and lower volume of issuances.
44.	2049.01.108 -Interest on 182 days Treasury Bills	6305.25	5470.95	834.30	
45.	2049.01.110 -Interest on 364 days Treasury Bills	11544.70	8726.31	2818.39	
46.	2049.01.115-Interest on Ways and Means Advances from Reserve Bank of India	500.00	111.99	388.01	Due to less utilisation of Ways and Means Advances and overdraft on account of availability of surplus funds.
47.	2049.01.200.03-Compensation and other Bonds	1659.95	1475.60	184.35	Due to non-preference of claims and withdrawal by investors.
48.	2049.03.104.02-Other State Provident Funds	2957.19	2554.99	402.20	Due to requirement of less funds towards decrease in subscription and lower subscriptions coupled with reduction in rate of interest.
Grant No. 32 -Transfers to States					
49.	3601.01.104.21-Grants-in-aid for State Disaster Relief Fund	10470.00	8374.95	2095.05	Due to non-fulfillment of prescribed terms and conditions by some State Governments and non-implementation of Goods and Services Tax.
50.	3601.01.104.22 -Grants for Local Bodies	48868.36	45868.35	3000.01	Due to non-submission of Utilisation Certificates and non-existence of duly constituted bodies.
Grant No. 33-Appropriation - Repayment of Debt					
51.	6001.00.105.02-International Monetary Fund	500.00	14.00	486.00	Due to lower demand for discharge of securities from International Monetary Fund.
52.	6001.00.114-Ways and Means Advances from Reserve Bank of India	500000.00	163489.00	336511.00	Due to less utilisation of Ways and Means Advances and overdraft.
Grant No. 42-Department of Health and Family Welfare					
53.	2210.05.105.41-Establishment of AIIMS type Super-Specialty Hospitals-cum-Teaching Institutions and upgrading of State Government Hospitals	1330.00	1173.73	156.27	Due to delay in procurement of lands for sites of new AIIMS hospitals and non-finalisation of tenders.
54.	2210.06.001.09-Flexible Pool for Communicable Diseases	1423.92	1219.63	204.29	Due to non-filling up of vacant posts, receipt of less proposals, non-approval of media campaigns, holding of less training programmes/conferences and non-procurement of anti-malaria, kala azar and anti-TB drugs.

Report of the CAG on
Union Government Accounts 2016-17

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
55.	2210.06.800.51-Rashtriya Swasthya Bima Yojna (RSBY)	270.00	30.73	239.27	Due to non-approval of National Health Protection Scheme owing to non-finalisation of contours.
56.	3601.02.246.02-National Urban Health Mission - Flexible Pool	553.04	355.30	197.74	Due to receipt of less proposals owing to less number of days fixed as National Immunisation day.
57.	3601.02.263.14-Rashtriya Swasthya Bima Yojna (RSBY)-RSSY	460.10	315.81	144.29	Due to non-approval of National Health Protection Scheme owing to non-finalisation of contours.
58.	3601.02.789.35-Public Health - Prevention and Control of Diseases	682.85	387.58	295.27	Due to non-finalisation of contours due to non-approval of National Health Protection Scheme.
59.	3601.02.796.35-Public Health - Prevention and Control of Diseases	370.77	259.63	111.14	Due to non-finalisation of contours owing to non-approval of Cabinet on National Health Protection Scheme and receipt of less proposals and low absorbing capacity of States.
60.	4210.03.105.12-Establishment of AIIMS type Super-Specialty Hospitals-cum-Teaching Institutions and upgrading of State Government Hospitals	1060.00	779.42	280.58	Due to slow progress of work, procurement of less number of vehicles, delay in construction and procurement of Phase I, II and III of PMSSY of upgrading of state government medical colleges.
Grant No. 44 -Department of Heavy Industry					
61.	6854.60.800.01-Implementation of Revival Scheme of Public Sector Enterprises	439.93	298.42	141.51	Due to conversion of loan into equity in respect of Hindustan Cables Limited.
62.	6858.60.190.07-Implementation of Voluntary Retirement and Separation Scheme (VRS/VSS) and Payment of Statutory Dues	1150.70	890.62	260.08	Due to conversion of loan into equity in respect of Hindustan Cables Limited and re-appropriation of funds to various Public Sector Enterprises for implementation of revival Scheme /Voluntary scheme and payment of statutory dues.
Grant No. 46 -Ministry of Home Affairs					
63.	2235.01.112.04-Displaced persons from PAKoccupied Kashmir and Chhamb Niabat area	300.01	9.34	290.67	Due to non-completion of the process of identification of beneficiaries for DBT mode.
64.	3601.01.347.01-Rehabilitation Grants	340.02	140.00	200.02	Due to non-receipt of Utilisation Certificates of previous releases.
Grant No. 48-Police					
65.	2055.00.797.01-Transfers to Nirbhaya Fund	307.60	207.60	100.00	Due to less transfer to Nirbhaya Fund as per directions of Ministry of Finance.
66.	4055.00.214.02-Indo-Pak Border Works	310.00	111.61	198.39	Due to slow pace of work by the executing agencies.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
67.	4055.00.215.03-Assistance to States/UTs for Coastal Security	720.00	24.71	695.29	Due to non-approval of proposal for procurement of Boats for Coastal Security.
Grant No. 54 -Ministry of Labour and Employment					
68.	2230.02.101.03-Employment Exchanges	712.78	187.88	524.90	Due to delay in finalisation of scheme.
69.	2230.02.789.02-Employment Exchanges	175.10	41.22	133.88	
Grant No. 56 -Law and Justice					
70.	2015.00.800.01-Expenditure on Electronic Voting Machines	1700.00	425.35	1274.65	Due to non-materialisation of proposal for purchase of Voter Verifiable Paper Audit Trail and non-receipt of bills for purchase of Electronic Voting Machines.
Grant No. 58 -Ministry of Micro, Small and Medium Enterprises					
71.	2851.00.102.96-Prime Minister's Employment Generation Programme (PMEGP)	1128.44	322.12	806.32	Due to receipt of less proposals owing to less development of local infrastructure and non-receipt of viable proposals from the implementing agency.
Grant No. 59-Ministry of Mines					
72.	4853.01.800.06-Geological Survey of India	152.30	36.11	116.19	Due to non-finalisation of contracts for procurement of Geo-Technical Vessel and delayed submission of bills towards procurement of Gravimeters, Geo-Loggers and less requirement of repair work of old gravimeters and other machines.
Grant No. 60-Ministry of Minority Affairs					
73.	2225.04.277.03 -Pre-Matric Scholarship for Minorities	880.47	584.90	295.57	Due to engagement of less staff and non-materialisation of some proposals owing to administrative reasons.
74.	2225.04.277.04 -Post-Matric Scholarship for Minorities	514.99	287.10	227.89	
Grant No. 61-Ministry of New and Renewable Energy					
75.	2810.00.101.01-Grid Interactive Renewable Power	3180.01	2824.23	355.78	Due to non-receipt of adequate proposals, non-fulfillment of stipulated conditions by public sector undertakings and reduction of provision at revised estimates stage by the Ministry of Finance.
76.	2810.00.104.04-Research, Development and International Co-operation	441.60	226.84	214.76	Due to slow progress in implementation of projects and non-submission of completion reports /Utilisation Certificates and statement of expenditure by the state nodal agencies.

Report of the CAG on
Union Government Accounts 2016-17

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
77.	2810.00.797.01-Transfer to National Clean Energy Fund	4947.00	3836.01	1110.99	Due to less transfer to Reserve Fund owing to non-receipt of viable proposals and non-finalisation of activities under various schemes.
Grant No. 66-Ministry of Petroleum and Natural Gas					
78.	2802.80.102.08-DBTL for LPG	17020.04	13000.00	4020.04	Due to contraction of sales volume and giving up of subsidy on LPG by more Customers.
Grant No. 68 -Ministry of Power					
79.	2801.01.800.01 -Pakal Dul Project-JKSPDCL	409.12	200.00	209.12	Due to compliance with cash management requirements
80.	2801.05.105.03 -Power Finance Corporation for Integrated Power Development Scheme	2492.88	2079.76	413.12	
81.	2801.05.105.04 -PMDP 2015 Jammu and Kashmir Package (Through Central Agency)	425.00	304.70	120.30	
82.	2801.05.797.01-Transfer to Power System Development Fund (PSDF)	1900.00	564.15	1335.85	Due to cut imposed at revised estimates stage by the Ministry of Finance.
83.	2801.05.800.04 -Scheme for Power System Development to be met from PSDF	400.00	219.31	180.69	Due to delay in award of contract and submission of proposals by project entities.
84.	2801.05.800.07-Scheme for utilisation of gas based generation Capacity to be met from PSDF	1500.00	344.84	1155.16	Due to reduction in the prices of gas in the international market.
85.	4801.02.190.02-National Thermal Power Corporation of India	232.50	45.66	186.84	Due to requirement of less funds towards compensation and rehabilitation benefits.
86.	4801.05.800.01-Investment in Rural Electrification Corporation	894.92	598.77	296.15	Due to inadvertent provisioning of funds.
87.	6801.00.190.09 -Power Finance Corporation-for Integrated Power Development Scheme	1997.95	1443.75	554.20	Due to slow absorption of funds by various ongoing projects.
88.	6801.00.789.03 -Power Finance Corporation-for Integrated Power Development Scheme	386.24	136.89	249.35	
Grant No. 74-Ministry of Road Transport and Highways					
89.	3054.01.337.01-Maintenance by Roads Wing	4875.40	2690.43	2184.97	Due to change in funding pattern and receipt of less proposals from State Accountant Generals.

Report of the CAG on
Union Government Accounts 2016-17

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
90.	3054.04.337.09-Grants from Central Road Fund for Roads of Inter-State or Economic Importance	1233.00	746.34	486.66	Due to reduction of CRF Cess at revised estimates stage by the Ministry of Finance owing to slow progress of ongoing projects, non-finalisation of proposals for new roads and delay in submission of bills by State Public Works Departments.
91.	3054.80.797.01 -Transfer to National Highways Permanent Bridges Fees Fund	7544.07	44.04	7500.03	Due to re-classification of provision from Revenue to Capital Section as per directions of the Ministry of Finance.
92.	3054.80.797.02 -Block Grant for Transfer to Central Road Fund	29847.00	10104.40	19742.60	
93.	3601.02.105.01-Grants for State Road	10833.00	5025.63	5807.37	Due to reduction of CRF Cess at revised estimates stage by the Ministry of Finance owing to slow progress of ongoing projects, receipt of less proposals towards creation of new roads from State Government and non-receipt of Utilisation Certificates.
94.	5054.01.190.01-National Highways Authority of India	19653.00	14910.46	4742.54	Due to amendment of Central Road Fund Act, revision of distribution formula, transfer of some projects to State Public Works Departments, reduction of CRF Cess at revised estimates stage owing to slow progress of works and non-receipt of bills from contractors in time.
95.	5054.01.337.04-Other Highways related Schemes -financed from Central Road Fund	1611.00	368.57	1242.43	Due to change in funding pattern and reduction of provision at revised estimates stage owing to slow progress of ongoing projects in Naxalite affected areas and non-submission of bills.
96.	5054.80.797.01-Transfer to Central Road Fund	33137.34	28104.60	5032.74	Due to change in funding pattern and re-classification of provision from Revenue Section to Capital Section as per directions of the Ministry of Finance.
Grant No. 75-Department of Rural Development					
97.	2216.03.105.08-Indira Awaas Yojana-Programme Component	124.40	17.32	107.08	Due to receipt of less proposals from the implementing agencies and State Governments.
98.	2501.06.102.01 -Aajeevika - Programme Component	868.01	723.61	144.40	Due to receipt of less proposals from the State/Union Territory Governments.
99.	2505.02.101.09-Capacity Building and Technical Support	400.00	140.37	259.63	Due to receipt of less proposals for mobile monitoring.
100.	2505.02.101.13-Service Charges for wage disbursement	450.00	158.09	291.91	Due to receipt of less proposals from the Department of Posts.

Report of the CAG on
Union Government Accounts 2016-17

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
101.	2515.00.800.26-BPL Survey	337.50	6.09	331.41	Due to receipt of less proposals from the state governments and non-finalisation of pending liabilities of previous year.
102.	3601.02.420.02-EAP Component	5000.00	4262.29	737.71	Due to receipt of less proposals from the State Governments.
Grant No. 81-Ministry of Skill Development and Entrepreneurship					
103.	2230.03.102.15-Pradhan Mantri Kaushal Vikas Yojana	1438.23	1066.10	372.13	Due to delay in approval and launching of the scheme, non-finalisation of norms and non-hiring of professionals.
104.	2230.03.789.08-Pradhan Mantri Kaushal Vikas Yojana	304.16	153.35	150.81	Due to non-taking off of the Scheme owing to non-finalisation of norms for establishment of Kendras.
Grant No. 85 -Ministry of Statistics and Programme Implementation					
105.	2553.00.101.01-Grant Assistance	3950.00	3499.50	450.50	Due to enforcement of model code of conduct owing to elections in Uttar Pradesh, Uttarakhand, Goa, Manipur and Punjab and delay in submission of Utilisation /Audit Certificate in time by District Authorities.
Grant No. 88 -Ministry of Tourism					
106.	3452.80.104.01-Direct Expenditure	398.00	271.09	126.91	Due to inadequate participation in global and domestic promotional activities events and campaign and receipt of less proposals.
Grant No. 90 -Andaman and Nicobar Islands					
107.	5052.80.201.01-Purchase of Ships	141.34	20.78	120.56	Due to delay in finalisation of Ship Building Contract and non-finalisation of agreement with Central Railway Information System for upgradation of Ship Ticketing Advance Reservation System and delay in awarding Contract of Pax vessels.
Grant No. 93 -Daman and Diu					
108.	2801.05.103.01-Operation and Maintenance	909.00	712.23	196.77	Due to shifting of major high tension consumers to open Access Power Purchase Scheme, reduced cost of power and cut imposed at revised estimates stage by the Ministry of Finance.
Grant No. 94-Lakshadweep					
109.	3052.01.103.01-Shipping Corporation of India	400.00	200.00	200.00	Due to requirement of less funds towards running and maintenance of ships.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
110.	4216.01.106.03 -Urban Development-Construction	630.00	499.63	130.37	Due to slow pace of ongoing works, non-receipt of administrative approval and expenditure sanction from the client departments and reduction of provision at revised estimates stage by the Ministry of Finance.
111.	4217.60.190.14-MRTS and Metro projects	1862.04	1433.20	428.84	Due to receipt of less demand from implementing agencies and non-receipt of approval for Metro Rail projects from the Government.
Grant No. 96 -Ministry of Water Resources, River Development and Ganga Rejuvenation					
112.	2810.00.797.01-Transfer to National Clean Energy Fund	2500.00	1675.00	825.00	Due to less transfer to National Clean Energy Fund.
113.	3435.04.101.08-National Ganga Plan	2150.00	1440.50	709.50	Due to receipt of less demands from the implementing agencies.
Grant No. 97 -Ministry of Women and Child Development					
114.	2235.02.102.42-Umbrella ICDS	379.58	131.75	247.83	Due to restructuring of Rajiv Gandhi National Crèche Scheme, non-approval of competent authority for revised National Nutrition Mission scheme and conduction of less number of meetings /workshops.
115.	2235.02.103.72-Nirbhaya scheme	286.27	41.09	245.18	Due to restructuring of schemes Women's Helpline and One Stop Centre, supplementary remained unutilised owing to non-issuance of instructions by Ministry of Finance for allocation of the same to Ministries dealing with Nirbhaya Scheme.
Defence Services					
Grant No. 22 -Defence Services (Revenue)					
116.	2076.00.103 -Pay & Allowances and Miscellaneous Expenses of Auxiliary Forces	1840.46	1255.05	585.41	Due to non- implementation of 7 th Central Pay Commission.
117.	2076.00.105 -Transportation	4054.25	3428.02	626.23	Due to Reduction of handling charges by Railways for e-ticketing.
118.	2077.00.104 -Pay & Allowances of Civilians	2512.87	2173.45	339.42	Due to partial implementation of 7 th Central Pay Commission.
119.	2078.00.105 -Transportation	1047.42	762.75	284.67	Due to strict implementation of economic and austerity measures imposed as well as delay in implementation of 7 th Central Pay Commission recommendations and implementation of E-Ticketing system.

**Savings of more than ₹ 100 crore and constituting more than 10 per cent of
the sanctioned provision under a sub-head**

Sl. No.	Minor/Sub-head	Sanctioned Provision	Actual Disbursement	Savings	Reasons attributed by the Ministry/Department
		(₹ in crore)			
Grant No. 23 -Capital Outlay on Defence Services					
120.	4076.01.102 -Heavy and Medium Vehicle	3411.72	2359.86	1051.86	Due to non-approval of major Capital procurement proposals for both in new schemes and capital booking revenue procedure procurement.
121.	4076.02.101 -Aircraft and Aero-engine	3805.00	2974.06	830.94	Due to less outgoand delay in acceptance of MiG 29 K on technical grounds.
122.	4076.02.104 -Joint Staff	958.59	799.60	158.99	Due to slow progress of strategic projects of Strategic Forces of Command and signal intelligence projects in respect of Additional Directorate General of Signal Intelligence.
123.	4076.02.204 -Naval Fleet	12467.00	9877.71	2589.29	Due to slippages in delivery schedules and contractual milestones of major ship-building contracts.
124.	4076.03. 103 -Other Equipments	9595.22	8612.38	982.84	Due to lesser allocation received for Committed Liabilities and due to an amendments in Contract for Delivery Period in respect of Modernisation of Airfield Infrastructure & e-Maintenance Management System schemes and also due to deferment of New Generation Close Combat Missiles as well as Air to Air Missile for Mirage-2000 upgrade Aircraft.

Report of the CAG on
Union Government Accounts 2016-17

Annexure 3.14
(Refer to paragraph 3.17)
Statement showing persistent savings under sub-heads

Sl. No.	Sub-Head	Year	Sanctioned Provision	Actual Expenditure	Savings	Percentage of Savings to Sanctioned Provision
			(₹ in crore)			
Department of Agriculture Research and Education						
1.	2415.01.150.03- I.C.A.R. Headquarter Administration including Agricultural Scientists Recruitment Board & Directorate of Information and Publication in Agriculture Intellectual Property Right Management	2014-15	530.30	284.11	246.19	46
		2015-16	452.27	285.65	166.62	37
		2016-17	545.21	319.21	226.00	41
Department of Telecommunications						
2.	2071.01.102.01-Ordinary Pensions	2014-15	989.11	792.45	196.66	20
		2015-16	911.32	781.40	129.92	14
		2016-17	1095.00	804.18	290.82	27
Ministry of External Affairs						
3.	3605.00.101.14-Aid to Myanmar	2014-15	330.00	104.34	225.66	68
		2015-16	270.00	117.07	152.93	57
		2016-17	400.00	123.62	276.38	69
Department of Economic Affairs						
4.	7475.00.800.10-Loans to International Monetary Fund under New Arrangement to Borrow	2014-15	2972.08	2427.59	544.49	18
		2015-16	1486.04	692.60	793.44	53
		2016-17	1486.04	--	1486.04	100
Department of Financial Services						
5.	5465.01.797.01-National Investment Fund	2014-15	11200.00	1253.30	9946.70	89
		2015-16	7940.00	--	7940.00	100
		2016-17	4625.00	94.98	4530.02	98
Appropriation-Interest Payments						
6.	2048.00.200.13-Payment of premium on buyback of Government Securities	2014-15	1000.00	--	1000.00	100
		2015-16	1000.00	38.22	961.78	96
		2016-17	1000.00	593.42	406.58	41
7.	2049.01.115-Interest on Ways & Means advances from Reserve Bank of India	2014-15	800.00	433.57	366.43	46
		2015-16	500.00	74.28	425.72	85
		2016-17	500.00	111.99	388.01	78
8.	2049.01.128 -Cash Management Bills	2014-15	1500.00	93.57	1406.43	94
		2015-16	1000.00	--	1000.00	100
		2016-17	1000.00	--	1000.00	100
Appropriation - Repayment of Debt						
9.	6001.00.114 -Ways and Means Advances from Reserve Bank of India	2014-15	500000.00	316116.00	183884.00	37
		2015-16	500000.00	83843.00	416157.00	83
		2016-17	500000.00	163489.00	336511.00	67
10.	6001.00.127-Cash Management Bills	2014-15	100000.00	10000.00	90000.00	90
		2015-16	100000.00	--	100000.00	100
		2016-17	100000.00	--	100000.00	100

**Report of the CAG on
Union Government Accounts 2016-17**

Department of Health and Family Welfare						
11.	2210.06.001.09-Flexible Pool for Communicable Diseases	2014-15	1661.49	1128.47	533.02	32
		2015-16	1167.51	972.65	194.86	17
		2016-17	1423.92	1219.63	204.29	14
Ministry of Power						
12.	4801.02.190.02 -National Thermal Power Corporation of India	2014-15	915.00	73.74	841.26	92
		2015-16	993.00	76.83	916.17	92
		2016-17	232.50	45.66	186.84	80
Ministry of Road Transport and Highways						
13.	3601.02.105.01 -Grants for State Road	2014-15	2607.06	2064.75	542.31	21
		2015-16	2868.00	2363.87	504.13	18
		2016-17	10833.00	5025.63	5807.37	54
Ministry of Tourism						
14.	3452.80.104.01 -Direct Expenditure	2014-15	446.20	279.79	166.41	37
		2015-16	457.20	296.68	160.52	35
		2016-17	398.00	271.09	126.91	32
Ministry of Urban Development						
15.	4216.01.106.03 -Urban Development Construction	2014-15	609.00	499.89	109.11	18
		2015-16	720.01	534.66	185.35	26
		2016-17	630.00	499.63	130.37	21

Annexure 4.1
(Refer to paragraph 4.4.1 and 4.5.2)
Object heads and their descriptions as contained in Rule 8 of Delegation
of Financial Power Rules, 1978

Object head	Description
Object Class 1 (Personnel Services and Benefits)	
01- Salaries	It will include pay, allowances in all forms of personnel including honoraria and leave encashment except travel expenses (other than leave travel concession). This object classification will also be utilized for recording expenditure on emoluments and allowances of Heads of States and other high dignitaries including sumptuary allowances.
02- Wages	It will include wages of labourers and of staff at present paid out of contingencies.
03- Overtime Allowance	Amount paid to a Non-Gazetted Government servant for performing official duties beyond office hours in addition to his working hours.
04- Pensionary Charges	It will include donations to service funds and contributory provident funds in addition to payments of pensions and gratuity in all forms to Government servants, Members of Parliament, freedom fighters, etc. This will, however, not include social security expenditure such as old age pension, etc.
05- Rewards	It will include amount paid to Government servants only as per schemes, if any, operative in Ministries/Departments.
06- Medical Treatment	It will include amount paid towards medical reimbursement to Government servants/Pensioner.
Object Class 2 (Administrative Expenses)	
11- Domestic Travel Expenses	It will cover all expenses on account of travel on duty in India including conveyance and fixed travelling allowances but excluding leave travel concessions which would be part of salaries. This will also include T.A./D.A. to non-official members on account of travel in India.
12- Foreign Travel Expenses	It will cover all expenses on account of travel on duty outside India including deputation of Scientists abroad. This will also include the expenditure on T.A./D.A. to non-official members going on tour abroad.
13- Office Expenses	It will include all contingent expenses for running an office such as furniture, postage, purchase and maintenance of office machines and equipments, liveries, hot and cold weather charges (excluding wages of staff paid from contingencies), telephones, electricity and water charges, stationery, printing of forms, purchase and maintenance of staff cars and other vehicles for functional purposes like ambulance, vans, etc. This will also include POL expenses on vehicles for office use.
14- Rents, Rates and Taxes	It will include payment of rent for hired buildings, municipal rates and taxes, etc. It will also include lease charges for land.
15- Royalty	Description not available in Delegation of Financial Powers Rules, 1978.
16- Publications	It will include expenditure on printing of office codes, manuals and other documents, whether priced or unpriced but will exclude expenditure on printing of publicity material. This will also include discount to agents on sale of publications, etc.

**Report of the CAG on
Union Government Accounts 2016-17**

Object head	Description
20- Other Administrative Expenses	It will include expenditure on Departmental canteen hospitality/ entertainment expenses, gifts and expenditure on conducted tours, expenditure on conferences/ seminars/ workshops, etc., and expenditure on other training programmes.
Object Class 3 (Contractual Services and Supplies)	
21- Supplies and Materials	It will include expenditure on materials and supplies, stores and equipment, etc.
22- Arms and Ammunition	It will include expenditure on arms and ammunition of police and other Paramilitary Establishments.
23- Cost of ration	It will include expenditure on ration of Police and other Paramilitary Establishments.
24- POL	It will include expenditure on POL of Police and other paramilitary vehicles. It will also include expenditure on POL of transport vehicles used for field activities, but will exclude those used for running an office.
25- Clothing and Tentage	It will include expenditure on clothing and tentage of Police and Paramilitary Establishments.
26- Advertising and Publicity	It will include commission to agents for sale and printing of publicity material. This would also include expenditure on exhibitions, fair
27- Minor works	It will also record expenditure on repairs and maintenance of works, machinery and equipment.
28- Professional services	It will include charges of legal services, consultancy fees, fees to staff artists, remuneration to the examiners, invigilators, etc., for conducting examinations, remuneration to casual artistes, by the All India Radio, Doordarshan and all other types of remunerations. It will also include payments for services rendered, supplies made by other departments such as Railways, Police, etc., a distinction being made in respect of supplies made, services rendered for running of an office in which case the expenditure will be recorded under expenses.
30- Other contractual Services	It will include expenditure on service or commitment charges and notional value of gifts received, etc.
Object Class 4 (Grants, etc.)	
31- Grants-in-aid-General	Description not available in Delegation of Financial Powers Rules, 1978.
32- Contributions	It will also include expenditure on membership of International bodies.
33- Subsidies	Description not available in Delegation of Financial Powers Rules, 1978.
34-Scholarships/ Stipend	Description not available in Delegation of Financial Powers Rules, 1978.
35- Grants for creation of Capital Assets	It will include amounts released as grants for the creation of capital assets.
36- Grants-in-aid-Salaries	It will include amounts released as Grants-in-aid for payment of salaries.
Object Class 5 (Other Expenditure)	
41- Secret Service Expenditure	Description not available in Delegation of Financial Powers Rules, 1978.

**Report of the CAG on
Union Government Accounts 2016-17**

Object head	Description
42- Lumpsum provision	It will include expenditure in respect of schemes/sub-schemes/organizations where the provision does not exceed ₹ 10 lakh. In all other cases, break-up by other objects of expenditure must be given.
43- Suspense	Description not available in Delegation of Financial Powers Rules, 1978.
44- Exchange variations	The difference in the rate of exchange at the time of receipt of loan/ advances from foreign sources and repayment thereof shall be debited under this object head under the concerned service expenditure head.
45- Interest	It will include interest on capital and discount on loans.
46- Central State Transfer of Resources	Description not available in Delegation of Financial Powers Rules, 1978.
50- Other Charges	It will include payment out of discretionary grants. Other discounts, customs duty compensation, awards and prizes, etc. Any other expenditure which cannot be classified under any of these specified object heads will be debited to this head.
Object Class 6 (Acquisition of capital assets and other capital expenditure)	
51- Motor Vehicles	Include purchase and maintenance of transport vehicles used for functional activities (e.g. ambulance vans) which are distinct from those used for running an office.
52- Machinery and Equipment	It will include machinery equipment, apparatus, etc., other than those required for the running of an office and special tools and plants acquired for specific works.
53- Major Works	It will also include cost of acquisition of land and structures
54- Investments	Description not available in Delegation of Financial Powers Rules, 1978.
55- Loans and advances	It will include all loans and advances granted to other Governments. Public Sector Enterprises. Undertakings and other Government Bodies, etc., but will exclude repayments of borrowings.
56- Repayment of borrowings	Description not available in Delegation of Financial Powers Rules, 1978.
60- Other Capital Expenditure	Description not available in Delegation of Financial Powers Rules, 1978.
Object Class 7 (Accounting Adjustments)	
61- Depreciation	Description not available in Delegation of Financial Powers Rules, 1978.
62- Reserves	Description not available in Delegation of Financial Powers Rules, 1978.
63- Inter-Account Transfer	It will include transfer to and from reserve fund, etc., write back from capital to revenues.
64- Write-off/ losses	It will include write-off of irrecoverable loans, losses will include trading losses.
70- Deduct recoveries	Description not available in Delegation of Financial Powers Rules, 1978.

Annexure 4.2
(Refer to paragraph 4.14.2)

Diversion of Plan fund for Non-Plan expenditure

Sl. No.	Vr. No.	Date	Amount (₹ in Actuals)	Descript- ion	Classified under	Should have been classified under	Remarks
1.	V1022	26-08-2016	47250.00	Office Expenses	221501102190213	345100090540013	Supply of stationery items for Ministry
2.	V1032	26-08-2016	6210.00	Other Charges	221501102190250	345100090540013	Payment for name plate, rubber stamp, visiting card
3.	V1041	26-08-2016	88375.00	Other Charges	221501102190250	345100090540013	Payment for AMC of window, split and tower AC installed in the Ministry
4.	V105	25-04-2016	161913.00	Other Charges	221501102190250	345100090549913	Purchase of HP Desktop computer
5.	V1088	01-09-2016	7500.00	Office Expenses	221501102190213	345100090549913	Supply and installation of printer in the residence of Joint Secretary (MDWS)
6.	V1100	05-09-2016	13016.00	Office Expenses	221501102190213	345100090540013	Payment for Supply of new curtain to the O/o US (SBM-I & II)
7.	V1108	06-09-2016	4725.00	Office Expenses	221501102190213	345100090540013	Payment for supply of Panasonic cordless phone for the O/o Secretary Conference room
8.	V1110	06-09-2016	51882.00	Other Charges	221501102190250	345100090540013	Payment for supply & repair of electric items in Ministry
9.	V1111	06-09-2016	654549.00	Other Charges	221501102190250	345100090540013	Payment of remuneration and conveyance to retainers/ Consultants (Rtd. Persons)

**Report of the CAG on
Union Government Accounts 2016-17**

10.	V1134	08-09-2016	41478.00	Office Expenses	221501102190213	345100090540013	Payment for Photocopier Machine installed in Gen. Section, W-1, SBM-II, Parliament section and other sections
11.	V1147	08-09-2016	20423.00	Other Charges	221501102190250	345100090540013	Payment for supply & Repair of electric items in MDWS
12.	V1164	09-09-2016	5000.00	Office Expenses	221501102190213	345100090540013	Reimbursement for purchase of Brief case/ Bag to Sh. Niranjan Choudhary, DS (SBM)
13.	V1165	09-09-2016	285705.00	Other Charges	221501102190250	345100090540013	Payment for hiring of taxis for Ministers (on monthly basis), OSD, JS and protocol duties
14.	V1170	09-09-2016	8523.00	Other Charges	221501102190250	345100090540013	Payment for supply of electric items for use in O/o MOS (DWS)
15.	V1179	15-09-2016	22500.00	Office Expenses	221501102190213	345100090540013	Supply of Artificial plants in the O/o JS, SBM
16.	V1188	16-09-2016	12277.00	Office Expenses	221501102190213	345100090540013	Payment for supply of Non-stationery items (Glass, Air freshener, National flag etc.) for use in Ministry
17.	V1197	16-09-2016	4211.00	Other Charges	221501102190250	345100090540013	Payment for installation of three AC in Room No.-806 & US (A) of Ministry
18.	V1225	21-09-2016	4950.00	Office Expenses	221501102190213	345100090540013	Payment for providing office chair to ASO
19.	V1229	21-09-2016	91096.00	Other Charges	221501102190250	345100090540013	Payment for supply & Installation of two split AC in O/o MOS Krishi Bhawan

**Report of the CAG on
Union Government Accounts 2016-17**

20.	V1230	21-09-2016	761370.00	Office Expenses	221501102190213	345100090540013	Payment for providing attendants, Sweepers and watch & ward service to Ministry for the month August 2016
21.	V1235	21-09-2016	30600.00	Office Expenses	221501102190213	345100090540013	Payment for supply of wooden wall rack in O/o OSD (DWS)
22.	V1236	21-09-2016	42075.00	Office Expenses	221501102190213	345100090540013	Payment for providing four chairs in the o/o JS (SBM)
23.	V1245	21-09-2016	9302.00	Office Expenses	221501102190213	345100090540013	Payment for supply of stationery items for use in O/o MDWS
24.	V1255	22-09-2016	114404.00	Other Charges	221501102190250	345100090540013	Payment for hiring of vehicles on requirement basis & Monthly basis
25.	V1256	22-09-2016	32870.00	Other Charges	221501102190250	345100090540013	Payment for supply & repair of electric items in Ministry
26.	V1276	26-09-2016	8721.00	Other Charges	221501102190250	345100090540013	Payment for supply/ repair of electrical equipment in the Ministry
27.	V1301	27-09-2016	22391.00	Office Expenses	221501102190213	345100090540013	Payment for supply of stationery items (envelope, card board & spiral pad)
28.	V1316	28-09-2016	11250.00	Other Charges	221501102190250	345100090540013	Payment for supply of flex banner & certificates for Hindi Pakhwara
29.	V1317	28-09-2016	27061.00	Other Charges	221501102190250	345100090540013	Payment made for various electrical and false ceiling works on different floors of Ministry
30.	V1319	28-09-2016	1600.00	Other Charges	221501102190250	345100090540013	Payment for installation & dismantle of window AC at MOS Office Krishi Bhawan

**Report of the CAG on
Union Government Accounts 2016-17**

31.	V1321	29-09-2016	52847.00	Office Expenses	221501102190213	345100090540013	Supply of toner cartridge of Photocopier Ricoh MPC3003SP toner for O/o MOS (DWS)
32.	V1326	29-09-2016	253628.00	Advertising & Publicity	221501102190826	345100090540013	Payment to Dy. Director, CPWD, Horticulture Division, for arrangement of flower at Vigyan Bhawan for join Rural-Urban INDOSAN
33.	V1330	30-09-2016	2964654.00	Other Charges	221501102190250	345100090540013	100% advance Payment of DEOs & Office Assistant has been made.
34.	V1340	04-10-2016	160630.00	Office Expenses	221501102190213	345100090540013	Payment for supply of exotic flowers in the Ministry, O/o MRD (DWS/PR/RD) & O/o OSD (DWS) during August 2016
35.	V1355	07-10-2016	13669.00	Office Expenses	221501102190213	345100090540013	Payment for Supply of non-stationary items in the o/o MDWS
36.	V1364	07-10-2016	53132.00	Other Charges	221501102190250	345100090540013	Payment for Tubelight, MCB & LED panel lighting in the o/o Addl. Secretary and committee room
37.	V1365	07-10-2016	8370.00	Other Charges	221501102190250	345100090540013	Payment for inking stamp & visiting card of different officers
38.	V1390	13-10-2016	112200.00	Other Charges	221501102190250	345100090540013	Payment of salary, conveyance and OTA to casual drivers engaged through AAUI
39.	V1402	14-10-2016	51974.00	Office Expenses	221501102190213	345100090540013	Payment for supplying Cricket Accessories for Inter-Ministry Cricket Tournament 2016-17 through limited tender enquiry

**Report of the CAG on
Union Government Accounts 2016-17**

40.	V1413	18-10-2016	10000.00	Office Expenses	221501102190213	345100090540013	Advance to Sh. Naveen Kumar, ASO (Coord.) for making miscellaneous expense regarding inter Ministry Cricket Tournament
41.	V1504	28-10-2016	24092.00	Other Charges	221501102190250	345100090540013	Payment for servicing of staff car No. DL3CBM 1892
42.	V1505	28-10-2016	11416.00	Other Charges	221501102190250	345100090540013	Payment for servicing of staff car No. DL3CBV 9526
43.	V1510	28-10-2016	5513.00	Office Expenses	221501102190213	345100090540013	Payment for supply of chair to PA to DDG
44.	V1535	03-11-2016	40793.00	Office Expenses	221501102190213	345100090540013	Payment for polishing all furniture in the new room surrendered by MoEF
45.	V1536	03-11-2016	35640.00	Office Expenses	221501102190213	345100090540013	Payment for wooden panelling in the new room surrendered by MoEF
46.	V1544	03-11-2016	1140.00	Office Expenses	221501102190213	345100090540013	Purchase of pen-drive for use in office
47.	V1545	03-11-2016	5715.00	Office Expenses	221501102190213	345100090540013	Supply of stationary items in the Ministry
48.	V1546	03-11-2016	4221.00	Office Expenses	221501102190213	345100090540013	Supply of cartridge for Ministry
49.	V1547	03-11-2016	9057.00	Office Expenses	221501102190213	345100090540013	Supply of non-stationary items in the o/o MDWS
50.	V1556	03-11-2016	1443.00	Other Charges	221501102190250	345100090540013	Payment for reimbursement of Newspaper to officers of Ministry
51.	V1596	09-11-2016	8982.00	Other Charges	221501102190250	345100090540013	Payment for servicing of staff car No. DL3CBM 2082
52.	V160	28-04-2016	37313.00	Other Administrative Expenses	221501102190420	345100090540013	Payment for refreshment & dinner for officials sitting late for completion of Parliament work

**Report of the CAG on
Union Government Accounts 2016-17**

53.	V1623	11-11-2016	3494.00	Office Expenses	221501102190213	345100090540013	Payment for supply of two pair cable and PVC channel
54.	V1659	24-11-2016	63207.00	Office Expenses	221501102190213	345100090540013	Payment for supply and fixing of furniture in the office of MOS (DWS)
55.	V1685	25-11-2016	29895.00	Other Charges	221501102190250	345100090540013	Payment of salary, conveyance and OTA to casual drivers engaged through AAUI
56.	V1709	28-11-2016	4641.00	Other Charges	221501102190250	345100090540013	Payment for repairing of staff car
57.	V1710	28-11-2016	2171.00	Other Charges	221501102190250	345100090540013	Reimbursement of payment for petrol
58.	V1716	29-11-2016	16315.00	Office Expenses	221501102190213	345100090540013	Payment for supply of Non-stationery items for use in Ministry
59.	V1747	02-12-2016	21664.00	Other Charges	221501102190250	345100090540013	Payment for supply of tubelight, LED, fan etc., in the Ministry
60.	V1756	02-12-2016	20262.00	Other Charges	221501102190250	345100090540013	Payment for repair of staff car No. DL3CAJ 5425
61.	V1761	06-12-2016	174800.00	Other Charges	221501102190250	345100090540013	Payment for supply of petrol, Diesel, oil and Lubricant
62.	V1794	09-12-2016	673806.00	Other Charges	221501102190250	345100090540013	Payment of monthly remuneration of retired persons engaged for working in the Ministry
63.	V1798	09-12-2016	130933.00	Other Charges	221501102190250	345100090540013	Payment for renovation of committee room of Ministry
64.	V1807	16-12-2016	20735.00	Other Charges	221501102190250	345100090540013	Payment towards servicing/ repair of staff car No.-DL3CCC7558
65.	V1809	16-12-2016	15016.00	Other Administrative Expenses	221501102190420	345100090540013	Payment to officers of the Ministry for hospitality facility

**Report of the CAG on
Union Government Accounts 2016-17**

66.	V1823	19-12-2016	183334.00	Other Charges	221501102190250	345100090540013	Payment for supply of petrol, Diesel, oil and Lubricant
67.	V1846	22-12-2016	14362.00	Office Expenses	221501102190213	345100090540013	Payment for supply of stationery items for use in Ministry
68.	V1858	22-12-2016	5775.00	Office Expenses	221501102190213	345100090540013	Payment for supply of stationery items for use in Ministry
69.	V1859	22-12-2016	12740.00	Office Expenses	221501102190213	345100090540013	Payment for supply of stationery items for use in Ministry
70.	V1867	26-12-2016	9900.00	Other Charges	221501102190250	345100090540013	Payment for supply of Geiser 15 Lit. in the O/o Addl. Secretary
71.	V1882	28-12-2016	4000.00	Office Expenses	221501102190213	345100090540013	Reimbursement for purchase of briefcase/bag by Sh. Yogesh Kumar, S.O.
72.	V1894	29-12-2016	30538.00	Other Charges	221501102190250	345100090540013	Payment for replacement of tyres of staff car
73.	V1946	05-01-2017	272624.00	Other Charges	221501102190250	345100090540013	Payment for hiring of taxies for Ministers, PS to MOS, OSD, Director, General Section (on monthly basis), and for protocol duties
74.	V1952	05-01-2017	13065.00	office expenses	221501102190213	345100090540013	Payment for washing of official towels, car towels and seat cover used in Ministry
75.	V1965	16-01-2017	40000.00	Other Charges	221501102190250	345100090540013	Payment for Ist Surveillance charges for ISO 9001:2008
76.	V2007	18-01-2017	111285.00	Other Charges	221501102190250	345100090540013	Payment for hiring of vehicle on Monthly basis for Minister/daily basis for director and protocol duty
77.	V2038	20-01-2017	5513.00	Office Expenses	221501102190213	345100090540013	Payment for providing chair to PS to Director (SBM)

**Report of the CAG on
Union Government Accounts 2016-17**

78.	V2051	24-01-2017	12416.00	Other Charges	221501102190250	345100090540013	Payment for supply of stationary items
79.	V2053	24-01-2017	16525.00	Office Expenses	221501102190213	345100090540013	Payment for washing of official towels, car towels and seat cover used in Ministry
80.	V2055	24-01-2017	22560.00	Other Charges	221501102190250	345100090540013	Payment to casual drivers for salary, OTA & Conveyance
81.	V2060	24-01-2017	22050.00	Office Expenses	221501102190213	345100090540013	Payment for purchase of books
82.	V2065	24-01-2017	70510.00	Other Charges	221501102190250	345100090540013	Payment to casual drivers for salary, OTA & Conveyance
83.	V2069	24-01-2017	42066.00	Office Expenses	221501102190213	345100090540013	Payment for repair and upholstery of furniture in O/o Ministry
84.	V2070	24-01-2017	64800.00	Other Administrative Expenses	221501102190420	345100090540013	Payment for refreshment of officials sitting late for completion of Parliament work
85.	V2079	24-01-2017	11467.00	Other Charges	221501102190250	345100090540013	Payment for replacement of radiator of staff car No.-5425
86.	V2149	31-01-2017	38597.00	Other Charges	221501102190250	345100090540013	Payment for supply of stationery items for Ministry
87.	V2154	31-01-2017	17185.00	Other Charges	221501102190250	345100090540013	Payment for salary, Conveyance and OTA to casual driver
88.	V2174	02-02-2017	97650.00	Office Expenses	221501102190213	345100090540013	Payment for supply of high quality blind in O/o Secretary
89.	V2178	02-02-2017	7091.00	Other Charges	221501102190250	345100090540013	Payment for supply of stationary items
90.	V2185	03-02-2017	30573.00	Office Expenses	221501102190213	345100090540013	Payment for Photocopier Machine installed in Gen. Section, W-1, SBM-II, Parliament section and other sections

**Report of the CAG on
Union Government Accounts 2016-17**

91.	V2186	03-02-2017	51525.00	Office Expenses	221501102190213	345100090540013	Payment for supply of sofa set & chairs in the O/o DDG
92.	V2187	03-02-2017	72000.00	Office Expenses	221501102190213	345100090540013	Payment for providing 60 Photo frames of Prime Minister to place in various offices of the Ministry
93.	V2215	09-02-2017	92700.00	Other Charges	221501102190250	345100090540013	Payment for supply of Oil heaters in Secretary's wing
94.	V2241	10-02-2017	1000.00	Other Charges	221501102190250	345100090540013	Payment of honorarium to guest lecturer Workshop on Hindi
95.	V2250	10-02-2017	29890.00	Other Charges	221501102190250	345100090540013	payment for supply of cartridges
96.	V226	16-05-2016	116930.00	Office Expenses	221501102190213	345100090540013	Payment for supply of plants, flower pot and bouquets
97.	V2267	13-02-2017	192584.00	Other Charges	221501102190250	345100090540013	Payment for supply of POL
98.	V2285	20-02-2017	4859.00	Other Charges	221501102190250	345100090540013	Payment for repair of staff car No.DL3CAJ 5426
99.	V2287	20-02-2017	5850.00	Office Expenses	221501102190213	345100090540013	Payment for supply of revolving chair for Smt. Neha Chauhan, Asstt. Director (DWS)
100.	V2304	21-02-2017	8500.00	Office Expenses	221501102190213	345100090540013	Reimbursement for bag/ brief case
101.	V2313	21-02-2017	3681.00	Office Expenses	221501102190213	345100090540013	Payment for purchase of newspaper at the residence of officers
102.	V2317	22-02-2017	65813.00	Other Charges	221501102190250	345100090540013	Payment for supply of Oil heaters in the Ministry
103.	V2357	27-02-2017	4925.00	Other Charges	221501102190250	345100090540013	Payment for shifting of AC

**Report of the CAG on
Union Government Accounts 2016-17**

104.	V2379	01-03-2017	9000.00	Office Expenses	221501102190213	345100090540013	Payment for supply of wooden furniture for OSD and DS of Ministry
105.	V2406	10-03-2017	3990.00	Office Expenses	221501102190213	345100090540013	Payment for supply of stationery items for Ministry
106.	V2407	10-03-2017	14008.00	Office Expenses	221501102190213	345100090540013	Payment for supply of non-stationery items for Ministry
107.	V2412	16-03-2017	16155.00	Other Charges	221501102190250	345100090540013	Payment for servicing of staff car DL3CBM 1892
108.	V2422	18-03-2017	665072.00	Office Expenses	221501102190213	345100090540013	Payment of monthly remuneration and conveyance to retired person engaged for working in the Ministry.
109.	V2427	18-03-2017	123280.00	Office Expenses	221501102190213	345100090540013	Payment of salary, conveyance and OTA to casual drivers engaged through AAUI
110.	V2431	18-03-2017	35216.00	Office Expenses	221501102190213	345100090540013	Payment for hiring of vehicles for protocol duty
111.	V2459	22-03-2017	180281.00	Office Expenses	221501102190213	345100090540013	Payment for supply of petrol, Diesel, oil and Lubricant
112.	V2467	22-03-2017	21459.00	Office Expenses	221501102190213	345100090540013	Payment for servicing of staff car DL3CAJ 5426
113.	V247	17-05-2016	6000.00	Other Charges	221501102190250	345100090540013	Reimbursement for supply of bottles to the Ministry
114.	V2473	22-03-2017	3464.00	Office Expenses	221501102190213	345100090540013	Payment for shifting of AC
115.	V2485	23-03-2017	20662.00	Office Expenses	221501102190213	345100090540013	Payment for servicing of staff car DL3CAJ 5425
116.	V2486	23-03-2017	14006.00	Office Expenses	221501102190213	345100090540013	Payment for repairing of AC in the SBM-II

**Report of the CAG on
Union Government Accounts 2016-17**

117.	V2522	25-03-2017	29134.00	Office Expenses	221501102190213	345100090540013	Payment for repair/ cleaning of dry furniture
118.	V2524	25-03-2017	2853.00	Office Expenses	221501102190213	345100090540013	Payment for repair of staff car DL 3CAJ 5426
119.	V261	18-05-2016	111235.00	Other Charges	221501102190250	345100090540013	Payment of salary, conveyance and OTA to casual drivers engaged through AAUI
120.	V2625	31-03-2017	37200.00	Other Charges	221501102191250	345100090540013	Payment for purchase of AC
121.	V2628	31-03-2017	8400.00	Other Charges	221501102191250	345100090540013	Payment of supply and installation of printer for PS to JS(W&A)
122.	V2646	31-03-2017	281900.00	Other Charges	221501102191250	345100090540013	Payment for supply of LED TV
123.	V2647	31-03-2017	56000.00	Other Charges	221501102191250	345100090549913	Payment for supply & installation of computer
124.	V325	25-05-2016	181069.00	Other Charges	221501102190250	345100090540013	Payment for supply of furniture items for the O/o MRD (DWS)
125.	V328	25-05-2016	6295.00	Other Administrative Expenses	221501102190420	345100090540013	Payment for hospitality facility to various officers of the Ministry
126.	V368	02-06-2016	18684.00	Office Expenses	221501102190213	345100090540013	Payment for repair of AC assembly of Ministry vehicle
127.	V369	02-06-2016	7500.00	Other Charges	221501102190250	345100090540013	Reimbursement for Briefcase/Office bag
128.	V384	02-06-2016	4331.00	Office Expenses	221501102190213	345100090540013	Payment for supply of Crockery items in the O/o MDWS
129.	V397	03-06-2016	10815.00	Other Administrative Expenses	221501102190420	345100090540013	Payment for hospitality facility to various officers of the Ministry

**Report of the CAG on
Union Government Accounts 2016-17**

130.	V474	14-06-2016	6720.00	Office Expenses	221501102190213	345100090540013	Payment for supply of Water Bottle in the O/o MOS (DWS)
131.	V497	15-06-2016	11250.00	Office Expenses	221501102190213	345100090540013	Payment for pest & rodent control
132.	V587	29-06-2016	3605.00	Office Expenses	221501102190213	345100090540013	Payment for supply of Service rules Book
133.	V672	08-07-2016	24119.00	Other Charges	221501102190250	345100090540013	Payment for supply/repair of electricity items in the O/o OSD, JS, EA, Addl. Secretary etc.
134.	V689	13-07-2016	307479.00	Other Charges	221501102190250	345100090540013	Payment for hiring of vehicles on requirement basis & Monthly basis
135.	V695	13-07-2016	19063.00	Other Charges	221501102190250	345100090540013	Payment for supply/repair of electricity items in the O/o Director, JS, SO, Secretary, and other rooms
136.	V702	13-07-2016	641628.00	Office Expenses	221501102190213	345100090540013	Payment for providing MTS, to Ministry
137.	V708	14-07-2016	21659.00	Other Charges	221501102190250	345100090540013	Payment for hiring of vehicles for protocol duty
138.	V729	18-07-2016	28688.00	Other Charges	221501102190250	345100090540013	Payment for supply of pedestal fan in the Ministry
139.	V731	18-07-2016	3069.00	Other Charges	221501102190250	345100090540013	Reimbursement for purchase of Newspaper at residence of officers of ministry
140.	V747	20-07-2016	4900.00	Office Expenses	221501102190213	345100090540013	Reimbursement for Briefcase/ Office bag
141.	V763	20-07-2016	109995.00	Other Charges	221501102190250	345100090540013	Payment of salary, conveyance and OTA to casual drivers engaged through AAUI

**Report of the CAG on
Union Government Accounts 2016-17**

142.	V774	21-07-2016	144370.00	Office Expenses	221501102190213	345100090540013	Payment for supply of Exotic Flowers in the Ministry
143.	V80	21-04-2016	5635.00	Other Charges	221501102190250	345100090540013	Payment for salary, Conveyance and OTA to casual driver
144.	V805	25-07-2016	22500.00	Office Expenses	221501102190213	345100090540013	Payment for vinyl flooring in the O/o Economic Advisor
145.	V807	25-07-2016	45900.00	Office Expenses	221501102190213	345100090540013	Payment for supply of visitors chair in ministry
146.	V815	25-07-2016	2964654.00	Other Charges	221501102190250	345100090540013	100% Advance Payment for providing Office Asstt. & DEO for 3 months
147.	V834	28-07-2016	5250.00	Office Expenses	221501102190213	345100090540013	Payment for winter uniform to Erstwhile MTS
148.	V865	04-08-2016	48000.00	Other Charges	221501102190250	345100090540013	Payment of retainership to Sh. SH Zaidi, Asstt. Advisor
149.	V881	05-08-2016	79223.00	Office Expenses	221501102190213	345100090540013	Payment for supply, cabling and installation of telephone system with KTS, MDF box etc.
150.	V882	05-08-2016	3762.00	Other Charges	221501102190250	345100090540013	Repairing of Ministry vehicle
151.	V890	08-08-2016	14850.00	Other Charges	221501102190250	345100090540013	Payment for supply & installation of wall fans
152.	V894	09-08-2016	6500.00	Office Expenses	221501102190213	345100090540013	Reimbursement for Briefcase/Office bag
153.	V905	10-08-2016	22526.00	other administrative expenses	221501102190420	345100090540013	Payment for hospitality facility to various officers of the Ministry
154.	V909	11-08-2016	29700.00	office expenses	221501102190213	345100090540013	Payment for fixing false ceiling in 8 th & 9 th floor of Paryavaran Bhawan

**Report of the CAG on
Union Government Accounts 2016-17**

155.	V910	11-08-2016	20503.00	office expenses	221501102190213	345100090540013	Payment for wooden cupboard in the O/o SO (Coord.)
156.	V945	17-08-2016	10547.00	other charges	221501102190250	345100090540013	Payment for supply of dust pan for use in Ministry
157.	V958	19-08-2016	7975.00	office expenses	221501102190213	345100090540013	Reimbursement for recharge of dish TV provided in the various offices of the Ministry
158.	V983	19-08-2016	10720.00	office expenses	221501102190213	345100090540013	Payment to agency for supply of summer liveries to the Group 'C' (Erstwhile Group 'D') Officials of Ministry.
159.	V997	24-08-2016	14673.00	other charges	221501102190250	345100090540013	payment for supply & repair of electric items in the Ministry
160.	V1082	01-09-2016	1208.00	office expenses	221501102190213	345100090540013	Supply of D.O. Letter heads, of SS&FA
161.	V1083	01-09-2016	1970.00	other administrative expenses	221501102190420	345100090540020	reimbursement for hospitality facility
162.	V1204	16-09-2016	108020.00	other charges	221501102190250	345100090540013	Payment to casual drivers for salary, OTA & Conveyance
163.	V1398	14-10-2016	20413.00	office expenses	221501102190213	345100090549913	Payment for AMC of computer/ Printer & Laptop & server of the Ministry
164.	V1493	27-10-2016	131708.00	office expenses	221501102190213	345100090540013	Payment for supply of stationery items for use in O/o MDWS
165.	V1513	28-10-2016	357954.00	other charges	221501102190250	345100090540013	Payment for hiring of vehicles on requirement basis & Monthly basis
166.	V1729	29-11-2016	1970.00	office expenses	221501102190213	345100090540013	Payment for purchase of Novel for Library

**Report of the CAG on
Union Government Accounts 2016-17**

167.	V1196	16-09-2016	4454.00	domestic travel expenses	221501102190211	345100090540012	Payment of FTA to Sh. Arun Baroka for training programme at JFK School, Harvard University, USA (DOPT Training)
168.	V1313	28-09-2016	23337.00	domestic travel expenses	221501102190211	345100090540011	Payment of transfer TA to Komal Mittal Assistant Secretary from LBSNAA to Delhi
169.	V1341	04-10-2016	101190.00	Domestic travel expenses	221501102190211	345100090540011	Payment of TA on retirement
170.	V1414	18-10-2016	97966.00	domestic travel expenses	221501102190211	345100090540011	Payment of TA on transfer to Rtd. Secretary
171.	V1980	16-01-2017	120.00	domestic travel expenses	221501102190211	345100090540011	Payment for official tour for CPGRAM Review
172.	V2180	03-02-2017	30227.00	domestic travel expenses	221501102190211	345100090540011	Payment to M/s Balmar & Lawrie for Air Travel Ticket for official tour not related with plan
173.	V618	01-07-2016	8550.00	other charges	221501102190250	345100090540013	Payment for repairing of AC and stabilizer
174.	V619	01-07-2016	31978.00	other charges	221501102190250	345100090540013	Payment for supply/ repair of electrical equipment in the Ministry
175.	V634	01-07-2016	3475.00	other administrative expenses	221501102190420	345100090540020	reimbursement for hospitality facility
176.	V1959	10-01-2017	7560.00	office expenses	221501102190213	345100090540013	Payment for filing of e-return for TDS (24Q & 26Q)
177.	V1973	16-01-2017	34410.00	other charges	221501102190250	345100090540013	Payment for servicing/ repairing of staff car No.-DL3CCC-6501
178.	V1981	16-01-2017	714677.00	other charges	221501102190250	345100090540013	Payment of monthly remuneration and conveyance to retired person engaged for working in the Ministry.

**Report of the CAG on
Union Government Accounts 2016-17**

179.	V1998	16-01-2017	9000.00	other charges	221501102190250	345100090540013	Payment for supply of non-stationery items
180.	V2048	24-01-2017	110477.00	other charges	221501102190250	345100090540013	Payment for procurement of POL for staff cars of Ministry
181.	V2240	10-02-2017	111264.00	other charges	221501102190250	345100090540013	Payment for supply of heater in the Ministry
Total			17862878				

Annexure 5.1
(Refer to paragraph 5.3.6)
Savings of more than ₹ one crore (Sub-head level)

Sub head	Sanctioned Provision	Actual disbursement	Savings	Reasons attributed by the Ministry
2014-15				
3451.00.090.14	36.14	29.99	6.15	Saving was due to reduction of provision at revised estimates stage by the Ministry of Finance and economy measures
2810.00.101.01	1454.00	1082.49	371.51	Saving was due to reduction of provision at revised estimates stage by the Ministry of Finance.
2810.00.101.02	769.00	747.17	21.83	--do--
2810.00.103.01	14.00	12.44	1.56	Saving was due to non-receipt of complete proposals and utilization certificate from implementing agencies.
2810.00.104.01	90.50	68.68	21.82	Saving was due to non-submission of research and development proposals by the research institutions and reduction of provision at revised estimates stage by the Ministry of Finance
2810.00.105.01	25.00	14.15	10.85	Saving was due to non-receipt of complete proposals and utilization certificate from implementing agencies and reduction of provision at revised estimates stage by the Ministry of Finance.
2810.00.105.02	26.25	25.21	1.04	Saving was due to non-receipt of suitable proposals and reduction of provision at revised estimates stage by the Ministry of Finance.
2810.00.105.05	13.00	6.90	6.10	Saving was due to reduction of provision at revised estimates stage by the Ministry of Finance
2810.00.105.06	12.00	3.96	8.04	--do--
2810.00.105.08	2.00	0.97	1.03	--do--
2810.00.789.01	25.00	15.00	10.00	--do--
2015-16				
2810.00.101.01	2475.00	2458.99	16.01	Saving was due to non-receipt of adequate proposals and utilization certificate from the implementing agencies.
2810.00.102.02	79.00	55.24	23.76	Saving was due to non-receipt of proposals/ utilization certificate from implementing agencies and reduction of provision at revised estimates stage by the Ministry of Finance.

**Report of the CAG on
Union Government Accounts 2016-17**

2810.00.104.01	59.25	43.25	16.00	Saving was due to non-receipt of adequate proposals and utilization certificate from the implementing agencies
2810.00.105.02	2.48	0.76	1.72	Saving was due to reduction of provision at revised estimates stage by the Ministry of Finance
2810.00.789.03	8.00	5.33	2.67	Saving was due to receipt of less proposals from the state nodal agencies.
3601.03.105.01	40.00	37.25	2.75	Saving was due to reduction of provision at revised estimates stage by the Ministry of Finance
4810.00.190.01	3.00	00.00	3.00	Entire provision remained unutilized due to non-dependency on government towards budgetary support/guarantees on acquiring the status of 'MINIRATNA'
2016-17				
2810.00.101.01	3180.01	2824.23	355.78	Saving was due to non-receipt of adequate proposals, non-fulfillment of stipulated conditions by public sector undertakings and reduction of provision at revised estimates stage by the Ministry of Finance and due to non-receipt of adequate proposals fulfilling the stipulated criteria.
2810.00.104.04	441.60	226.84	214.76	Savings was due to slow progress in implementation of projects and non-submission of completion reports/utilization certificates and statement of expenditure by the state nodal agencies.
2810.00.104.05	53.00	32.00	21.00	Saving was due to non-receipt of adequate proposals and utilization certificate from the autonomous bodies
2810.00.789.01	163.00	122.27	40.73	Saving was due to receipt of less proposals and utilization certificate from the implementing agencies and reduction of provision at revised estimates stage by the Ministry of Finance
2810.00.789.04	5.00	00.00	5.00	Entire provision remained unutilized due to non-submission of research and development proposals by the research institutions
2810.00.796.02	87.00	69.48	17.52	Saving was due to receipt of less proposals and utilization certificate from the implementing agencies and reduction of provision at revised estimates stage by the Ministry of Finance

**Report of the CAG on
Union Government Accounts 2016-17**

2810.00.797.01	4947.00	3836.01	1110.99	Saving was due to less transfer to reserve fund owing to non-receipt of viable proposals and non finalisation of activities under various schemes.
3601.03.108.01	40.00	00.00	40.00	Provision remained unutilized due to transfer of provision of central plan schemes to functional heads
3601.03.789.23	5.00	00.00	5.00	--do--
4810.00.101.03	15.00	10.63	4.37	Saving was due to delay in tender process by Delhi Jal Board and Central Public Works Department.

Glossary

Appropriation	: Appropriation means assignment to meet specified expenditure of funds included in a primary unit of Appropriation
Appropriation Accounts	: Appropriation Accounts present the total amount of funds (original and supplementary) authorised by the Parliament in the Budget Grants under each Voted Grants and Charged Appropriation <i>vis-a-vis</i> 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.

**Report of the CAG on
Union Government Accounts 2016-17**

PFMS(formerly known as CPSMS)	: The Public Financial Management System (formerly known as Central Plan Scheme Monitoring System (CPSMS)) is a software which is being implemented by the Office of Controller General of Accounts in partnership with National Informatics Centre. The software has established a common transaction-based on-line fund management and payment system and MIS for the Plan Schemes of Government of India. The platform has now been extended to State Governments for effecting payments of plan funds received directly at the State Treasuries.
Debt service	: Payments to creditor(s) of matured principal and of interest. It usually includes service charges, etc.
Demand for Grants	: Demand for Grants is for gross amount of expenditure to be incurred and shows recoveries to be taken in reduction of expenditure separately by way of footnotes, presented to Parliament at two levels. The Demands for Grants are presented by the Ministry of Finance along with the Annual Financial Statement. The Detailed Demands for Grants are laid on the table of Lok Sabha by the concerned Ministries a few days in advance of the discussion of respective Ministry's Demand in that House. : As the Demands for Grants are for gross expenditure and the Annual Financial Statement gives the net amount to be expended under each head, the total of the two should be reconciled after adjustment of the recoveries taken in account in reduction of gross expenditure.
e-lekha	: This is the electronic payment and accounting software solution for the Civil Accounts with the objective of improving efficiency and accuracy of accounting process. It provides a system of core accounting with integration of daily, monthly and annual accounting process for value added reporting and monitoring mechanism.
Excess Grant	: In cases, where expenditure in individual 'segment' of Grant/Appropriation, i.e. Revenue (Charged), Revenue (Voted), Capital (Charged) and Capital (Voted) exceeds the authorisation as such, the Grant/Appropriation is termed as excess Grant.
External Debt	: Debt contracted by the Government from abroad, mostly in foreign currency viz., loan from World Bank, IBRD, IDA, etc.
Fiscal Deficit	: It is the excess of total expenditure including loans net of repayments over revenue receipts and non-debt capital receipts. It also indicates the total borrowing of the Government, and the increment to its outstanding debt.
GDP at Current Prices	: Gross Domestic Product at market prices indicates the value of all final expenditure on the goods and services produced within the country in a given period. The evaluation can be done at current prices or at prices prevailing in a base year.
Internal Debt	: Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund of India.
Major Head	: The main unit of classification in accounts is known as Major Head. A four digit code has been allotted to the Major Head, the first digit indicating whether the major head is a Receipt head or Revenue expenditure head or Capital expenditure head or Loan head.

**Report of the CAG on
Union Government Accounts 2016-17**

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)	: Internal and external borrowing by the Government of India accounted for in CFI.
Re-appropriation	: The transfer of funds from one primary unit of Appropriation to another such unit.
Revenue Deficit	: This is equal to the excess of revenue expenditure over revenue receipts.
Revenue Expenditure	: This is meant for normal running of governments’ maintenance expenditures, interest payments, subsidies and transfers etc. It is current expenditure which does not result in the creation of assets. Grants given to State Governments or other parties are also treated as revenue expenditure even if some of the Grants may be meant for creating assets.
Revenue Receipts	: These include proceeds of taxes and duties levied by the Government, interest and dividend on investments made by the Government, fees and other receipts for services rendered by the Government.
Stock	: A form of Government security held as stock certificate and not transferable by endorsement and delivery but by executing a transfer deed and by registering the transfer in the books of the Public Debt Office.

**Report of the CAG on
Union Government Accounts 2016-17**

Supplementary Grant	:	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution, to be expended for a particular service for the current financial year, is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary Grants or Appropriations in accordance with the provision of Article 115 (1) of the Constitution.
Surrender of saving	:	Departments of the Central Government are to surrender to the Finance Ministry, before the close of the financial year, all the anticipated savings noticed in the Grants or Appropriations controlled by them. The Finance Ministry is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year.
Saving	:	When expenditure falls short of budget provision, it results into saving.
Voted Grant	:	Sum required to meet other expenditure for which vote of Parliament is required under Article 113 (2) of the Constitution is called Voted Grant.

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA**

www.cag.gov.in