

# Preface

The Comptroller and Auditor General of India (CAG) was entrusted with the responsibility of periodically reviewing the compliance of the provisions of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 and present such reviews before both Houses of Parliament under Section 7A of the Act. Rule 8 framed under Section 7A of the Act provides that the CAG shall carry out an annual review of the compliance of the provisions of the FRBM Act and the Rules made thereunder beginning with the financial year 2014-15.

The present report is the third report of the CAG on the compliance of the provisions of the Act and the Rules made thereunder by the Central Government for the year ended March 2017.

The report contains significant results arising from the review of compliance of the provisions of the Act. The instances mentioned in this report are those, which came to notice in the course of test audit for the period 2016-17. Matters, which have bearing on fiscal indicators pertaining to the period earlier than 2016-17, have also been included, wherever relevant.

The audit has been conducted in conformity with the auditing standards issued by the CAG.