



**Report of the
Comptroller and Auditor General of India
for the year 2020-21**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Union Government
Accounts of the Union Government
Report No. 31 of 2022
(Financial Audit)

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Preface

This Report for the year ended March 2021 has been prepared for submission to the President of India 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 2021.

EXECUTIVE SUMMARY

Chapter 1: Introduction

The Annual Accounts of the Union Government presented to the Parliament consist of the Finance Accounts and the Appropriation Accounts. The Union Government Finance Accounts (UGFA) depict the receipts and payments from the Consolidated Fund of India (CFI), Contingency Fund and Public Account. The Union Government Appropriation Accounts compare expenditure with the allotments authorised by the Parliament and provide explanations for variations between the two beyond specified limits under each Grant/ Appropriation.

This Report of the Comptroller and Auditor General of India (CAG) on the finances of the Union Government analyses the financial performance of the Union Government and discusses the significant trends and structural profile of the Government's receipts and disbursements during the financial year 2020-21.

Chapter 2: Overview of Union Finances

The Gross Domestic Product (GDP) at the end of FY21 was ₹135,58,473 crore at Constant Prices (base year 2011-12) and ₹198,00,914 crore at Current Prices. In both cases there was a decline of 6.60 *per cent* and 1.36 *per cent* over the previous year respectively. This is against a GDP growth of 3.74 *per cent* at Constant Prices and a growth of 6.22 *per cent* at Current Prices during FY20. However, the prevailing scenario may be viewed in light of the fact that the economy suffered adversely during 2020-21 on account of Covid pandemic.

[Para 2.1]

During FY21, the Union Government had total resources of ₹135,36,878 crore through debt receipts (₹81,62,910 crore, 60.30 *per cent*), gross non-debt receipts (₹25,27,330 crore, 18.67 *per cent*) and gross receipts into public accounts (₹28,48,879 crore, 21.05 *per cent*). The application of total resources was ₹135,31,932 crore, on repayment of debt (₹61,84,635 crore, 45.69 *per cent*), discharge of liabilities on Public Account (₹28,44,653 crore, 21.01 *per cent*), actual expenditure (₹39,07,647 crore, 28.87 *per cent*) and States' share in Union taxes (₹5,94,997 crore, 4.40 *per cent*).

Gross non-debt receipts of ₹25,27,330 crore comprise gross revenue receipts (₹24,59,510 crore) and Non-Debt Capital receipts (₹67,820 crore). The gross revenue receipts of ₹24,59,510 crore consist of gross tax receipts of ₹20,27,104 crore (includes States' share in Union taxes of ₹5,94,997 crore) and non-tax receipts of ₹4,32,406 crore.

[Para 2.3]

In gross tax receipts of ₹20,27,104 crore, direct taxes amounted to ₹9,45,117 crore (46.42 *per cent*) and indirect taxes to ₹10,81,987 crore (53.38 *per cent*). Further, cess collections at ₹3,99,949 crore constituted about one-fifth of the gross tax receipt in FY21.

[Para 2.3 and Para 2.3.1.1]

Total expenditure of the Union at ₹39,07,647 crore in FY21 increased by 28.20 *per cent* over the previous year. While revenue expenditure of ₹33,14,852 crore registered increase of 26.75 *per cent*, expenditure on loans and advances of ₹2,49,846 crore registered increase of 453.48 *per cent* from ₹45,141 crore, on account of enhanced loans and advances to State and UT Governments, and for economic services sector. However, capital expenditure of ₹3,42,949 crore decreased by 11.55 *per cent* compared to the previous year's figures of ₹3,87,744 crore.

[Paras 2.4 and 2.4.1]

Revenue expenditure of ₹33,14,852 crore include interest payments of ₹7,20,984 crore (21.75 *per cent*) in FY21 - on internal debt (₹6,44,829 crore), on Small Savings and Provident Fund, etc. (₹42,429 crore), on external debt (₹8,204 crore) and rest on other obligations (₹25,522 crore). As a proportion of revenue receipts, interest payments grew from 33.64 *per cent* in FY20 to 38.67 *per cent* in FY21.

[Para 2.4.2(A)]

Expenditure on subsidies in FY21 rose by 187.81 *per cent* to ₹7,54,936 crore over FY20, mainly on account of payment of arrears to Food Corporation of India in lieu of food subsidy. The annual growth on food subsidy in FY21 was 398.06 *per cent*. Due to this substantial increase, the expenditure on subsidies increased as a percentage of revenue expenditure from 10.03 *per cent* in FY20 to 22.77 *per cent* in FY21.

[Para 2.4.2(C)]

Grants-in-Aid (GiA) to States and UTs pertaining to Centrally Sponsored Schemes plateaued in the last four years and was ₹2,08,394.63 crore in FY21, while the Finance Commission Grants increased substantially from ₹93,703.58 crore to ₹1,84,062.50 crore in last two years. The Finance Commission Grants increased by 48.79 *per cent* in FY21 mainly on account of increase in 'post-devolution revenue deficit grant' by ₹46,026.50 crore. In respect of UTs with Legislature, the increase was on account of 'Special Assistance' to Jammu and Kashmir, amounting to ₹30,757 crore.

[Para 2.4.2(D)]

In FY21, the total liability as per UGFA was ₹122,85,644 crore. Total liabilities consistently increased by more than 10 *per cent* from FY18 onwards. The increase was 17.64 *per cent* in FY21, on account of increase in Public Debt (22.88 *per cent*).

[Para 2.5]

Fiscal deficit in FY21 was ₹19,75,314 crore. Fiscal deficit was financed mainly from the net internal debt with more than 90 *per cent* share. External debt for financing fiscal deficit also saw a consistent increase through FY17 from ₹17,997 crore to ₹89,223 crore in FY21. Fiscal Deficit of ₹19,75,314 crore in FY21 included borrowing of ₹1,10,208 crore by the Union Government on behalf of State Governments, which was transferred to them as back to back loan, to compensate for shortfall in GST Compensation Cess. Out of the fiscal deficit of ₹19,75,314 crore in FY21,

₹14,50,339 crore (73.42 *per cent*) was on revenue account, with an year on year increase of 8.71 *per cent*.

[Para 2.7]

Chapter 3: Quality of Accounts and Financial Reporting Practices

Audit of guarantees as depicted in Statement 4 of UGFA revealed instances of non-disclosure of guarantees given to public sector entities, variation between guarantees shown in UGFA and CPSEs records and non recovery of guarantee fees.

[Para 3.2]

UGFA Statement 11 shows the details of investments by the Union Government in Statutory Corporations, Companies, other Joint Stock Companies, Co-operative Banks and Societies etc. There was mismatch of information relating to number of equity shares and percentage of Government shareholding in comparison with annual reports of the entities, non-depiction of investments in certain entities, shortfall in payment of dividend and non-depiction of dividend etc.

[Para 3.3]

Suspense heads depicted only net balances and did not disclose the outstanding amount separately as Credit and Debit balances under these heads. Resultantly, the balances varied by 91.64 *per cent* under Suspense Account (Civil) and 58.60 *per cent* under PSB Suspense. Accumulation of large suspense balances Impacts on the accuracy of receipt, expenditure and cash balance position as appearing in the accounts.

[Para 3.4.1 and 3.4.2]

There were instances of short/ non-transfer of collected amounts of cess/ levy to the designated reserve funds, non-opening/ non-operationalisation of reserve funds, dormant reserve funds without any transactions thereunder and deviation from approved accounting procedure in accounting the transactions under reserve funds.

[Para 3.6]

At the end of FY21, an amount of ₹5,58,394 crore is outstanding as loans and advances given by the Union Government to State/ UT Governments and other entities. Out of this, arrears in recovery (principal and interest) at the end of FY21 was amounting to ₹63,763 crore.

[Para 3.7]

During FY21, Specified Undertaking of UTI (SUUTI) remitted ₹3,124.86 crore (₹1,497.00 crore towards remittances to GoI out of interest and dividend income and ₹1,627.86 crore towards sale of strategic holding in Axis Bank) which was accounted for in the UGFA as 'Other receipts' (Minor Head 800) under Sub-Major Head-01 under MH 4000-Miscellaneous Capital Receipts, instead of treating as non-tax receipts.

[Para 3.8.3]

Chapter 4: Budgetary Management

Appropriation Accounts consisting of 101 Demands for FY21 had approved provisions aggregating to ₹119,04,054.99 crore, total expenditure thereon was ₹107,52,209.61 crore with overall savings of ₹11,51,845.38 crore.

[Para 4.1.1]

There was excess disbursement of ₹1,18,651.04 crore over authorization involving two Grants of Ministry of Defence and one Grant pertaining to Department of Food and Public Distribution.

The main reason for excess of ₹1,18,648.60 crore in the Department of Food and Public Distribution was payment of subsidy to Food Corporation of India (FCI) and repayment of outstanding balance of NSSF loan to FCI. The Government stated that the excess would be regularized at appropriate time by obtaining Parliament's approval, in consultation with MoF.

[Para 4.2.1]

Total savings under all the Grants/ Appropriations were ₹11,51,845.38 crore, constituting 9.68 *per cent* of total authorisations. There were Savings of ₹100 crore or more in 113 segments of 77 Grants/ Appropriations amounting to ₹12,68,488.40 crore. Further, out of the 22 Grants/ Appropriations with savings of ₹5,000 crore or more in FY21, nine had substantial savings in FY19 and FY20 as well.

[Para 4.2.2 & 4.2.2.1]

Significant savings of ₹500 crore or more at minor-head/ sub-head level and savings of more than 25 *per cent* of allocations subject to a minimum of ₹100 crore were noticed in 324 cases of 69 Grants/ Appropriations out of 97 Civil grants/ Appropriations.

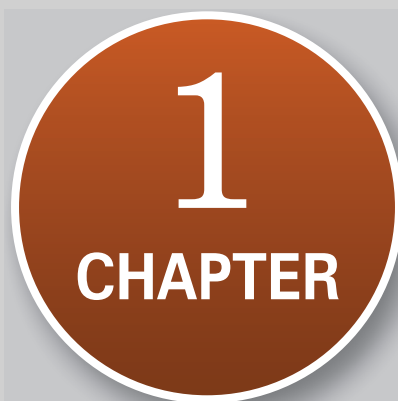
[Para 4.2.2.2]

In 11 Minor/ Sub-heads under eight Grants, supplementary provisions amounting to ₹1,680.17 crore were obtained during FY21 in anticipation of higher expenditure, but final expenditure of ₹10,219.33 crore was less than the original provisions of ₹13,017.06 crore.

[Para 4.3]

Excess expenditure over total authorisation aggregating to ₹7.58 crore, attracting limitations of New Service/ New Instruments of Service, occurred in five cases under two grants related to object head 'Grants-in-aid General' and 'Grants for Creation of Capital Assets' during FY21, without prior approval of the Parliament.

[Para 4.8]



1

CHAPTER

INTRODUCTION

1.1 Structure of Union Government Finances

Union Government finances are maintained in three parts:

- a. **Consolidated Fund of India:** It consists of all revenues received by the Government of India, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government through repayment of loans.
- b. **Contingency Fund of India:** It is in the nature of an imprest placed at the disposal of the President to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Parliament.
- c. **Public Account:** All other public moneys received by or on behalf of the Government of India shall be credited to the Public Account. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund of India are included in the Public Account.

1.2 Budgetary Process

In terms of Article 112 of the Constitution of India, the President causes to be laid before the Parliament, a statement of the estimated receipts and expenditure of the Union for the ensuing financial, in the form of an Annual Financial Statement. In terms of Article 113, statements are laid in the Parliament in the form of Demands for Grants/Appropriations and after approval of these statements, the Appropriation Bill is introduced in the Parliament under Article 114 to provide for appropriation of the required money out of the Consolidated Fund of India. During the currency of the financial year, if the amount authorised in accordance with the provisions 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 supplementary demands for grants containing estimated amount of that expenditure is laid in the Parliament under Article 115(1)(a).

The Fiscal Responsibility and Budget Management (FRBM) Act was enacted in 2003 which primarily aims to make the Central Government responsible for ensuring intergenerational equity in fiscal management and long-term macroeconomic stability by removing fiscal impediments in the effective conduct of monetary policy and prudential debt management consistent with fiscal sustainability.

In union budget, Fiscal Policy Statements as required under this Act are presented in Parliament. In terms of Section 7A of the Act the Comptroller and Auditor General of India periodically reviews the compliance of the provisions of this Act by the Central Government and a separate report thereon presented in the Parliament by the C&AG on compliance of the FRBM Act.

1.3 Annual Accounts of the Union Government

The annual accounts of the Union Government presented to the Parliament consist of the Finance Accounts and the Appropriation Accounts. The Union Government Finance Accounts (UGFA) depict the receipts and payments from the Consolidated Fund, Contingency Fund and Public Account. The Appropriation Accounts compare expenditure with the amounts authorised by the Parliament and provide explanations for variations between the two beyond specified limits under each grant/ appropriation. These accounts are prepared on cash basis, viz. the transactions in Government Accounts represent the actual cash receipts and disbursements during a financial year.

1.3.1 Finance Accounts

The Finance Accounts of the Union Government comprise the accounts of the Union Government as a whole and include transactions of Civil Ministries/ Departments, Ministry of Defence and Ministry of Railways and the Department of Posts & Telecommunication. These present the accounts of receipts and outflows of the Union Government for the financial year together with the financial results disclosed by different accounts and other data coming under examination. These accounts include the Revenue and Capital Account, Public Debt Account and other liabilities and assets worked out from the balances in the accounts.

1.3.2 Appropriation Accounts

Appropriation Accounts reflect the Government's expenditure in a financial year compared against the amounts of voted grants and charged appropriations, as specified in the Schedules appended to the Appropriation Act passed by Parliament. These accounts contain information regarding re-appropriation of the sanctioned provision from one unit of appropriation to another, savings and excess of expenditure if any against these appropriations as well as the supplementary grants. The appropriation account is an aid for the Parliament and the Public Accounts Committee (PAC) to ascertain the performance of Government against the budgeted provisions.

Further, there are four Appropriation Accounts for Civil Ministries, Defence, Railways and Department of Post. The Controller General of Accounts (CGA) prepares the Appropriation Accounts for Civil Ministries, while the Ministries of Defence, Railways and the Department of Posts prepare the Appropriation Accounts of their respective Grants. These Accounts compare Grant/ Appropriation-wise summary of provisions for expenditure authorised by Parliament and the actual expenditure from Consolidated Fund of India (CFI) against them. In FY21, there were 97 Grants pertaining to Civil Ministries/ Departments (including two Grants pertaining to Defence – Ministry of Defence (Civil) and Defence Pensions), one Grant each pertaining to Railways and Department of Posts, and two Grants pertaining to Defence.

1.3.3 Classification of Transactions

The transactions as part of the Union Government Accounts are recorded as per the functional accounting classification.

Figure 1.1: Classification of accounting of transactions

Attribute of transaction	Classification
Function- Education, Health, etc.	Major Head under Grants (4 digits)
Sub-function	Sub-major Head (2 digits)
Programme	Minor Head (3 digits)
Scheme	Sub-head (2 digits)
Sub-scheme	Detailed Head (2 digits)
Nature of Transaction	Object Head – salary, minor works, etc. (2 digits)

Thus, each transaction gets recorded in 15 digits as per above.

1.4 Preparation of Accounts

1.4.1 Preparation of Finance Accounts

Finance Accounts comprise two parts - Part I and Part II. Part I presents five summarized Statements in respect of Revenue, Capital, Debt, Deposit, Suspense and Remittances transactions and Contingency Fund, while Part II has 11 detailed Statements in respect of these transactions, along with other related Statements.

The building blocks of the afore-mentioned 16 Statements are the ‘Statement of Central Transactions’ (SCT) prepared by each Principal Accounts Office at the end of every financial year, representing the progressive effect of all the transactions during the year including that of March supplementary transactions. The Statements of Central Transactions are prepared Minor Head-wise.

CGA then compiles the data of all the SCTs received from the various Controllers, incorporates corrections in the Accounts through Journal Entries and thus, Finance Accounts of the Union Government are prepared.

1.4.2 Preparation of Appropriation Accounts

Appropriation Accounts for each Grant are prepared in multiple stages by the concerned Principal Accounts Office. Stage I Appropriation Accounts contain only the provisions made. The expenditure figures and savings/ excess get incorporated at Stage II. Stage III is an update of the Stage II Accounts after incorporating changes, if any, based on audit scrutiny of Stage II accounts. Based on the recommendations of PAC and advice of CAG, the Appropriation Accounts are condensed by CGA for presentation to the Parliament. The Condensed Accounts contains significant

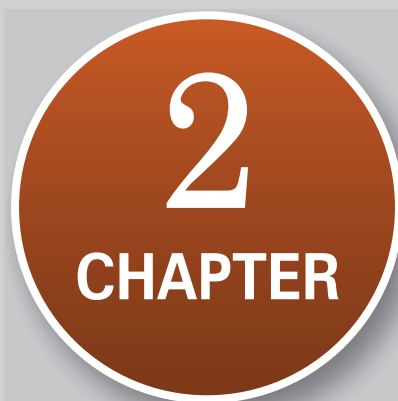
variations (Savings/ Excess) in the respective Grants/ Appropriation based on financial threshold recommended by the Public Accounts Committee.

1.5 Audit of Union Government Accounts

The Audit of Union Government Finance and Appropriation Accounts is conducted in accordance with the CAG's Auditing Standards and the principles enumerated in the Financial Attest Audit Manual. C&AG has certified the Union Finance and Appropriation Accounts for the FY21 on 15 Dec 2021.

1.5.1 Audit Report on Union Government Accounts

Chapter 1 of this Report introduces the Union Government Accounts and the audit process; **Chapter 2** provides the Overview of Union Finances; **Chapter 3** contains comments on Quality of Accounts and Financial Reporting Practices; and **Chapter 4** contains comments on Budgetary Management.



2 CHAPTER

OVERVIEW OF UNION FINANCES

Overview of Union Finances

2.1 Gross Domestic Product of India

Gross Domestic Product (GDP) measures the monetary value of all the goods and services produced within the boundaries of the country in a given period of time. Growth of GDP is an important indicator of the country's economy, as it denotes the extent of changes in the level of economic development of the country over a period. The trend of GDP of India for the last five years is as follows.

Figure 2.1: Trend of GDP at Constant and Current Prices

(₹ in crore)

GDP	FY17	FY18	FY19	FY20	FY21
At Constant Prices	123,08,193	131,44,582	139,92,914	145,15,958	135,58,473
<i>Percentage change over previous year</i>	8.26	6.80	6.45	3.74	-6.60
At Current Prices	153,91,669	170,90,042	188,99,668	200,74,856	198,00,914
<i>Percentage change over previous year</i>	11.76	11.03	10.59	6.22	-1.36

Source: National Statistical Office (NSO) Press Releases dated 31 January 2022 and 31 May 2022.

GDP of the country at the end of FY21 was ₹135,58,473 crore at Constant Prices (base year 2011-12) and ₹198,00,914 crore at Current Prices. In both cases there was a decline of 6.60 *per cent* and 1.36 *per cent* respectively. This is against a GDP growth of 3.74 *per cent* at Constant Prices and a growth of 6.22 *per cent* at Current Prices during FY20. However, the prevailing scenario may be viewed in light of the fact that the economy suffered adversely during 2020-21 on account of Covid pandemic.

GDP at current prices has been considered for working out percentage and ratios in this report.

2.2 Snapshot of Union Finances - comparison with BE and RE

This section depicts the budgeted receipts and disbursements, both at Budget Estimates (BE) and Revised Estimates (RE) stage, along with the expenditure as per the Union Government Finance Accounts for FY21. Planned and actual values for key fiscal indicators have also been described. These details are depicted in **Figure 2.2**.

Report of the CAG on
Union Government Accounts for FY 21

Figure 2.2: Snapshot of Union Finances - comparison with BE and RE

(₹ in crore)

Sl. No.	Particulars	Actuals of previous year (FY20)	Budget Estimates (BE) ^a	Revised Estimates (RE) ^a	Actuals FY21	Variation of Actuals of FY21		
						From BE of FY21	From RE of FY21	From Actuals of FY20
1	Revenue Receipts	19,48,083	23,31,445	17,97,188	18,64,513	-20.00%	3.75%	-4.29%
	Tax Revenue ^b	13,59,382	16,38,839	13,50,321	14,32,107	-12.61%	6.06%	5.35%
	Non-Tax Revenue ^c	5,88,701	6,92,606	4,46,867	4,32,406	-37.57%	-3.24%	-26.55%
2	Miscellaneous Capital Receipts	50,349	2,10,000	32,000	37,897	-81.95%	18.43%	-24.73%
3	Recovery of Loans and Advances	18,647	66,342	25,997	29,923	-54.90%	15.10%	60.47%
4	Total Non-Debt Receipts (1+2+3)	20,17,079	26,07,787	18,55,185	19,32,333	-25.90%	4.16%	-4.20%
5	Receipt of Public Debt	73,01,387	77,07,535	84,85,183	81,62,910	5.91%	-3.80%	11.80%
6	Total Receipts in the CFI (4+5)	93,18,466	103,15,322	103,40,368	100,95,243	-2.13%	-2.37%	8.34%
7	Public Account Receipts ^d	21,36,115			28,48,879			33.37%
8	Total Receipts (6+7)	114,54,581			129,44,122			13.00%
9	Contingency Fund	0	0	0	0	-	-	-
10	Revenue Expenditure	26,15,320	29,40,739	32,53,951	33,14,852	12.72%	1.87%	26.75%
11	Capital Expenditure	3,87,744	3,91,322	3,59,369	3,42,949	-12.36%	-4.57%	-11.55%
12	Loans and Advances	45,141	98,685	2,57,556	2,49,846	153.18%	-2.99%	453.48%
13	Total Expenditure (10+11+12)	30,48,205	34,30,746	38,70,876	39,07,647	13.90%	0.95%	28.20%
14	Repayment of Public Debt	63,26,549	68,90,922	64,81,710	61,84,635	-10.25%	-4.58%	-2.24%
15	Total Disbursements from CFI (13+14)	93,74,754	103,21,668	103,52,586	100,92,282	-2.22%	-2.51%	7.65%
16	Public Account Disbursements ^d	20,84,799			28,44,653			36.45%
17	Total Disbursements (15+16)	114,59,553			129,36,935			12.89%

a. BE and RE figures are taken from Annual Financial Statements (FY22).

b. Does not include Taxes on Income assigned to States under Article 270 of the Constitution.

c. Includes Grants-in-aid and Contributions of ₹1,752 crore.

d. In respect of Suspense & Miscellaneous and Remittances, no BE/ RE figure is shown in AFS.

Source: UGFAs - FY21 and FY20, and Annual Financial Statement - FY22.

Thus, while Tax Revenue was higher in FY21 at ₹14,32,107 crore as compared to FY20 (₹13,59,382 crore), both Non-Tax Revenue (₹4,32,406 crore) and Miscellaneous Capital Receipts (₹37,897 crore) were significantly lower. Total Expenditure of the Union at ₹39,07,647 crore in FY21 increased by more than one-fourth (28.20 per cent) over the previous year, with Revenue Expenditure (₹33,14,852 crore) and Loans and Advances (₹2,49,846 crore) driving this increase as capital expenditure

(₹3,42,949 crore) decreased compared to the previous year (₹3,87,744 crore). Consequently, non-debt receipts were able to cover 49.45 *per cent* of the Total Expenditure in FY21 as compared to 66.17 *per cent* in FY20, leading to increased reliance on debt receipts for financing the Government expenditure.

2.3 Sources and utilisation of funds

The resources raised by the Union Government fall under three categories – Debt Receipts, Non-debt Receipts and Receipts into Public Account. Of these, the Debt and Non-Debt Receipts go into the Consolidated Fund of India (CFI). The non-debt receipts are further categorized into revenue receipts and Non-Debt Capital receipts. Revenue receipts consist of Tax Revenue, Non-Tax Revenue and Grants-in-aid from external agencies, while non-debt capital receipts include proceeds from disinvestment and recoveries of loans and advances.

During FY21, the Union Government had total resources of ₹135,36,878 crore, which were applied for various purposes¹ as follows.

Figure 2.3: Source of Funds in FY21

(₹ in crore)		
1	Opening Cash Balance	-2,241
2	Debt Receipts*	81,62,910
3	Gross Non-debt Receipts**	25,27,330
	a) Gross Revenue Receipts	24,59,510
	b) Capital Receipts	37,897
	c) Recovery of Loans & Advances	29,923
4	Gross Receipts into Public Account	28,48,879
Total		135,36,878

**Debt Receipts of Union Government during the year 2020-21 was ₹81,62,910 crore and repayment of debt was ₹61,84,635 crore during the year. The net debt receipts of the Union Government during the year 2020-21 was ₹19,78,275 crore.*

***Include Taxes on Income assigned to States ₹5,94,996.76 crore.*

Figure 2.4: Comparison of FY21 with FY20

Revenue Receipts	✓ Gross revenue receipts decreased by 5.36 <i>per cent</i>, while Net revenue receipts decreased by 4.29 <i>per cent</i>. ✓ Gross tax receipts increased by 0.85 <i>per cent</i>, while Net tax receipts increased by 5.35 <i>per cent</i>. ✓ Non-tax receipts (including GiA and Contributions) decreased by 26.55 <i>per cent</i>. ✓ While Gross revenue receipts decreased as a percentage of GDP from 12.95 <i>per cent</i> to 12.42 <i>per cent</i>, Net revenue receipts decreased from 9.70 <i>per cent</i> to 9.42 <i>per cent</i>.
Capital Receipts	✓ Debt receipts increased by 11.80 <i>per cent</i>. ✓ Non-Debt Capital receipts decreased by 1.70 <i>per cent</i>. ✓ Miscellaneous capital receipts decreased by 24.73 <i>per cent</i>.

¹ The figures used in this section are gross amounts, which may be at variance with the amounts in Figure 2.2, which is based on net figures.

The resources raised are utilized for– repayment of debt, expenditure of the Government, and discharge of liabilities on Public Account. During the year, the Union Government utilized ₹135,31,932 crore for various purposes as follows, leaving a closing cash balance of ₹4,946 crore.

Figure 2.5: Application of funds

(₹ in crore)

1	Repayment of Debt	61,84,635
2	Discharge of Liabilities on Public Account	28,44,653
3	Actual Expenditure	39,07,647
	a) Revenue Expenditure	33,14,852
	b) Capital Expenditure	3,42,949
	c) Loans & Advances	2,49,846
4	Share of the States in Union taxes	5,94,997
5	Closing Cash Balance	4,946
Total Application of funds		135,36,878

Figure 2.6: Comparison of FY21 with FY20

Revenue Expenditure.	✓ Revenue expenditure increased by 26.75 per cent ✓ Revenue expenditure on			
	General Services	Social Services	Economic Services	Grants-in-Aid
	6.97 per cent ↑	26.15 per cent ↑	71.39 per cent ↑	10.16 per cent ↑
Capital Expenditure.	✓ Capital expenditure decreased by 11.55 per cent ✓ Capital expenditure on			
	General Services	Social Services	Economic Services	
	14.36 per cent ↑	23.11 per cent ↓	23.91 per cent ↓	

Revenue expenditure in FY21 increased by 26.75 per cent over the previous year, capital expenditure decreased by 11.55 per cent over the previous year. The Sector wise increase/ decrease is shown above.

Gross non-debt receipts of ₹25,27,330 crore comprise gross revenue receipts (₹24,59,510 crore) and Non-Debt Capital receipts (₹67,820 crore). The gross revenue receipts of ₹24,59,510 crore consisting of gross tax receipts (₹20,27,104 crore²) and non-tax receipts (₹4,32,406 crore³) contributed 18.17 per cent of the total resources. Under tax receipts, direct taxes amounted to ₹9,45,117 crore (46.42 per cent) and indirect taxes to ₹10,81,987 crore (53.38 per cent). Major components of Non-Tax Revenue receipts included Railway revenues (₹1,40,784 crore), dividends and profits

² This figure is inclusive of Taxes on Income assigned to States (₹5,94,996.76 crore) which was excluded in Figure 2.2.

³ Inclusive of external assistance/Grants-in-aid and contributions amounting to ₹1,752 crore.

(₹96,889 crore), interest receipts (₹59,540 crore), Other Communications Services (₹45,501 crore) and Miscellaneous General Services (₹18,322 crore).

Debt receipts (₹81,62,910 crore), which create future payment obligations, contributed to 60.30 *per cent* of the total gross receipts of the year. The Non-Debt Capital receipts of ₹67,820 crore comprised miscellaneous capital receipts (₹37,897 crore) and recoveries of loans and advances (₹29,923 crore). Miscellaneous capital receipts included ₹29,720 crore from disinvestment. Public Account Receipts constituted 21.05 *per cent* of resource mobilisation.

A. Trend of resource generation

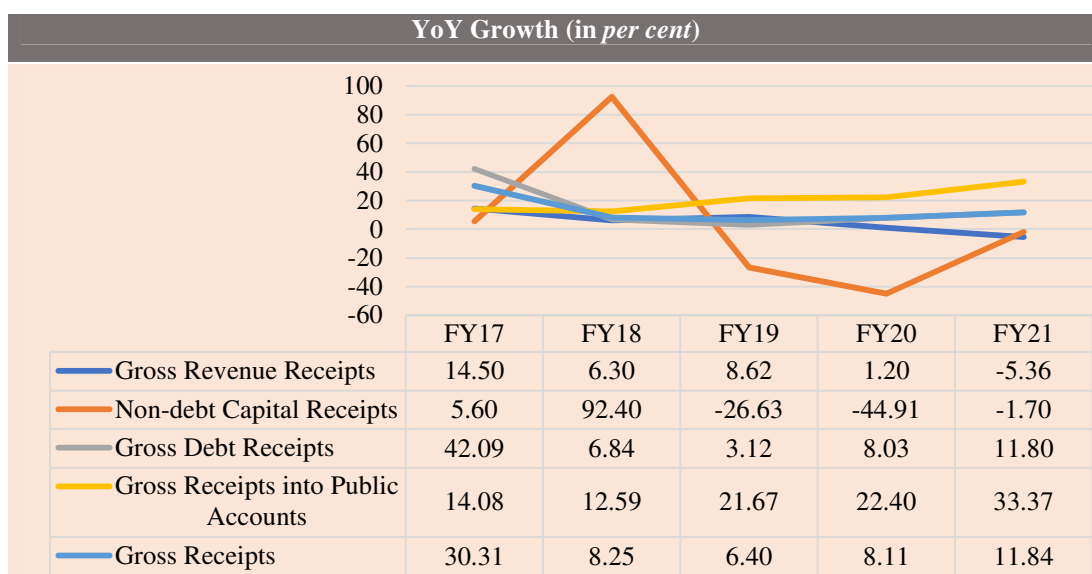
Figure 2.7 shows the trend of resource generation over the period from FY17 to FY21.

Figure 2.7: Trend of Resource Generation

(₹ in crore)

Period	Gross Revenue Receipts*	Non-debt Capital Receipts	Debt Receipts	Gross Receipts into Public Accounts	Gross Receipts
FY17	22,23,988	88,714	61,34,137	12,73,949	97,20,788
	22.88%	0.91%	63.10%	13.11%	
FY18	23,64,148	1,70,687	65,54,002	14,34,393	105,23,230
	22.47%	1.62%	62.28%	13.63%	
FY19	25,67,917	1,25,236	67,58,482	17,45,217	111,96,852
	22.93%	1.12%	60.36%	15.59%	
FY20	25,98,760	68,996	73,01,387	21,36,115	121,05,258
	21.47%	0.57%	60.32%	17.65%	
FY21	24,59,510	67,820	81,62,910	28,48,879	135,39,119
	18.17%	0.50%	60.29%	21.04%	

Note: Figures in percentages shown as proportion of Gross Receipts.



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As percentage of GDP					
Period	Gross Revenue Receipts	Non-debt Capital Receipts	Debt Receipts	Gross Receipts into Public Accounts	Gross Receipts
FY17	14.45%	0.58%	39.85%	8.28%	63.16%
FY18	13.83%	1.00%	38.35%	8.39%	61.58%
FY19	13.59%	0.66%	35.76%	9.23%	59.24%
FY20	12.95%	0.34%	36.37%	10.64%	60.30%
FY21	12.42%	0.34%	41.22%	14.39%	68.38%

**Includes figures of taxes and duties assigned to States (₹5,94,997 crore for current year). Net revenue receipts to the Centre were ₹18,64,513 crore in current year, as reflected in Figure 2.2.*

As can be seen from **Figure 2.7**, gross receipts showed an increasing trend during FY17 to FY21, with the maximum growth of 11.84 *per cent* noticed in FY21. This growth was on account of substantial increases in debt receipts and gross accruals into public account. On the other hand, the growth was negative in case of gross revenue receipts and Non-Debt Capital receipts in FY21.

During FY17 to FY21, Gross Revenue Receipts as a percentage of GDP gradually declined from 14.45 *per cent* to 12.42 *per cent*. Gross Receipts during FY21 was 68.38 *per cent* of GDP compared to 60.30 *per cent* in FY20.

B. Comparison with FY20

Total receipts grew by 11.84 *per cent* (₹14,33,861 crore) in FY21 over FY20. Non-debt receipts decreased by 5.26 *per cent* (₹1,40,426 crore) in FY21 over FY20 and debt receipts increased by 11.80 *per cent* (₹8,61,523 crore) in FY21 over FY20 and showed an increase of 33.07 *per cent* during FY17 to FY21.

Decrease in non-debt receipts over the previous year was significant in the following cases:

- i. Non-tax Revenues were lower than FY20 by ₹1,56,295 crore (26.55 *per cent*), of which receipts from dividends/ profits decreased by ₹89,253 crore (47.95 *per cent*), Indian Railways by ₹33,911 crore (19.41 *per cent*), Petroleum by ₹5,179 crore (43.74 *per cent*) and from Other Communication Services by ₹24,346 crore (34.86 *per cent*). Receipts under dividends/ profits decreased primarily due to less receipts of surpluses/ dividend from Reserve Bank of India (₹90,860 crore) and less receipt of share of profits from LIC of India (₹2,611 crore) this was partially offset by excess receipt from Dividends from PSUs (₹3,988 crore).
- ii. Non-Debt Capital Receipts were lower compared to FY20 by ₹1,176 crore. The reasons for the decrease included 38.38 *per cent* lower proceeds from disinvestment, which was partially offset by 60.47 *per cent* increase in recoveries of loans and advances.

2.3.1 Revenue Receipts

Revenue receipts, comprising tax and non-tax receipts are important sources of financial resources. Components of revenue receipts are discussed in succeeding sections.

Figure 2.8 presents an overview of the Union Government finances in relation to revenue receipts, both gross and net.

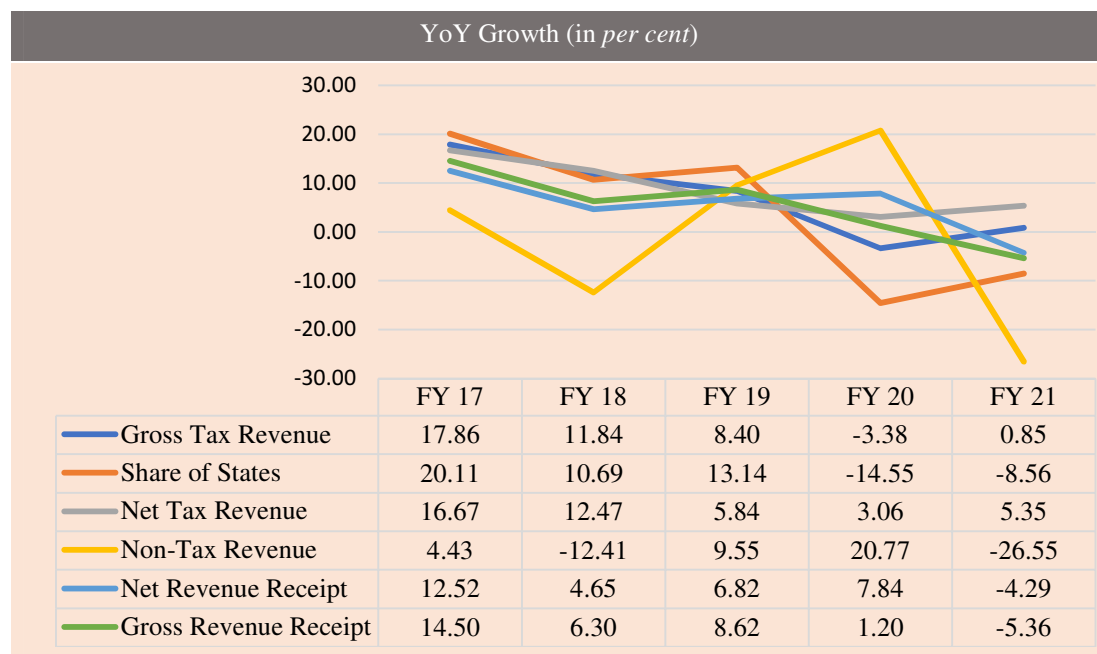
Figure 2.8: Revenue Receipts: Gross and Net

(₹ in crore)

Period	Gross Tax Revenue	Share of States	Net Tax Revenue	Non-Tax Revenue#	Net Revenue Receipts	Gross Revenue Receipts
(1)	(2)	(3)	(4)=(2)-(3)	(5)	(6)=(4)+(5)	(7)= (2)+(5)
FY17	17,15,968 (77.16%)	6,08,000	11,07,968	5,08,020 (22.84%)	16,15,988	22,23,988
FY18	19,19,183 (81.18%)	6,73,005	12,46,178	4,44,965 (18.82%)	16,91,143	23,64,148
FY19	20,80,465 (81.02%)	7,61,454	13,19,011	4,87,451 (18.98%)	18,06,462	25,67,916
FY20	20,10,059 (77.35%)	6,50,677	13,59,382	5,88,701 (22.65%)	19,48,083	25,98,760
FY21	20,27,104 (82.42%)	5,94,997	14,32,107	4,32,406 (17.58%)	18,64,513	24,59,510

Note: Figures in percentages shown as proportion of Gross Revenue Receipts.

Includes Grant-in-aid and contributions from External Agencies.



As seen from **Figure 2.8**, the rate of increase in Gross Tax Revenues showed a decreasing trend from FY17 (17.86 per cent) to FY19 (8.40 per cent), with growth being negative in FY20 (-3.38 per cent). However, in FY21, there was a marginal positive growth rate (0.85 per cent) from FY20. In respect of the share of States, the

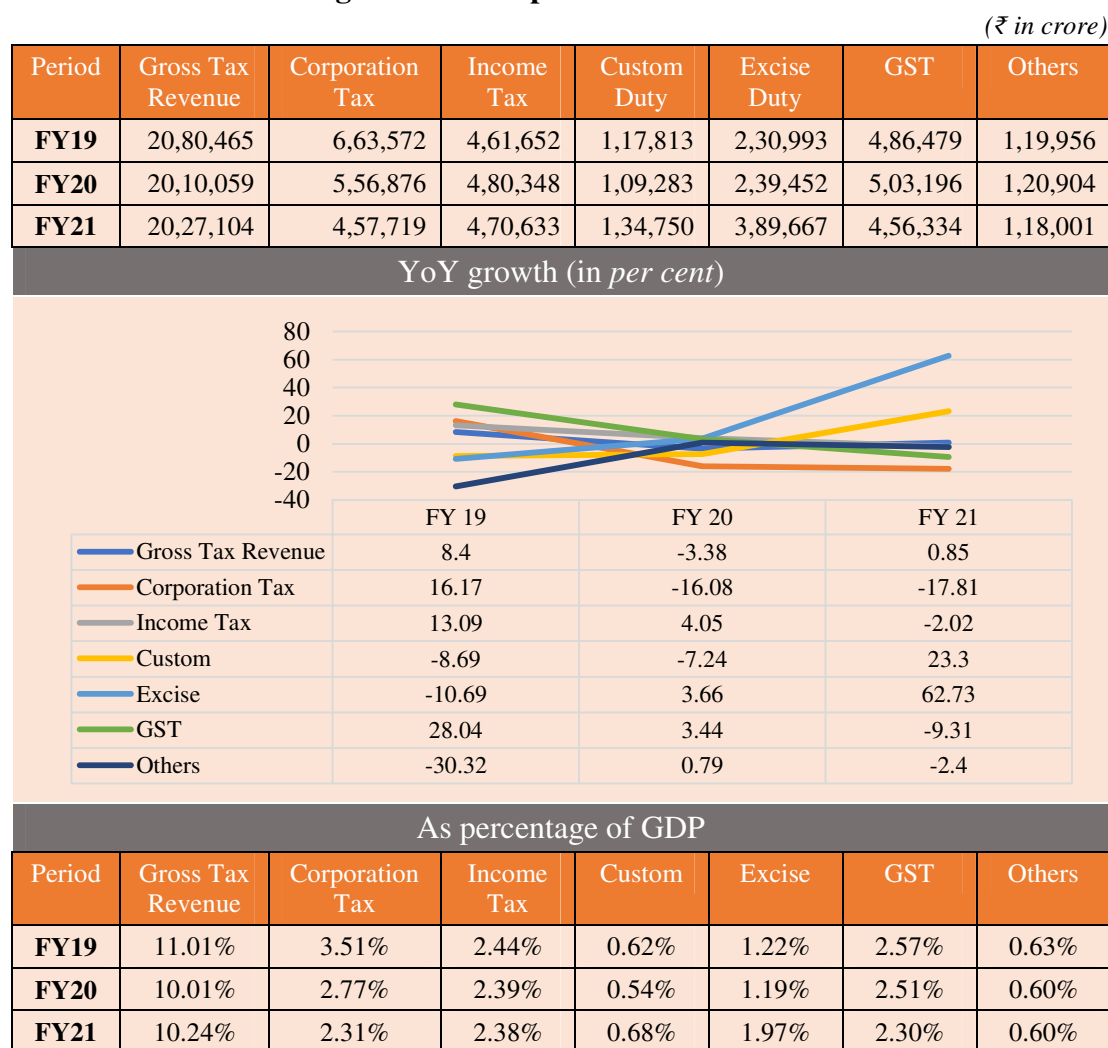
highest YoY growth was noticed in FY17 (20.11 *per cent*), with growth being negative in FY20 (-14.55 *per cent*) and FY21 (-8.56 *per cent*).

Non-Tax Revenues of the Government showed a fluctuating trend during FYs 17-21, while FY21 saw a substantial decrease (-26.55 *per cent*) on account of less receipts from FY20 in respect of Dividends and Profits (₹89,253 crore), Indian Railways (₹33,911 crore), Other Communication Services (₹24,346 crore) and Petroleum (₹5,179 crore).

2.3.1.1 Tax Revenue

Tax Revenue consists of two components – Direct Taxes and Indirect Taxes. Corporation Tax, Taxation on Income other than Corporation Tax, etc. are part of Direct Taxes, and Goods and Service Tax (GST), Customs and Excise, etc. are part of Indirect Taxes. **Figure 2.9** depicts components of Direct and Indirect Tax Revenue in absolute terms as well as their annual rate of growth.

Figure 2.9: Components of Tax Revenue

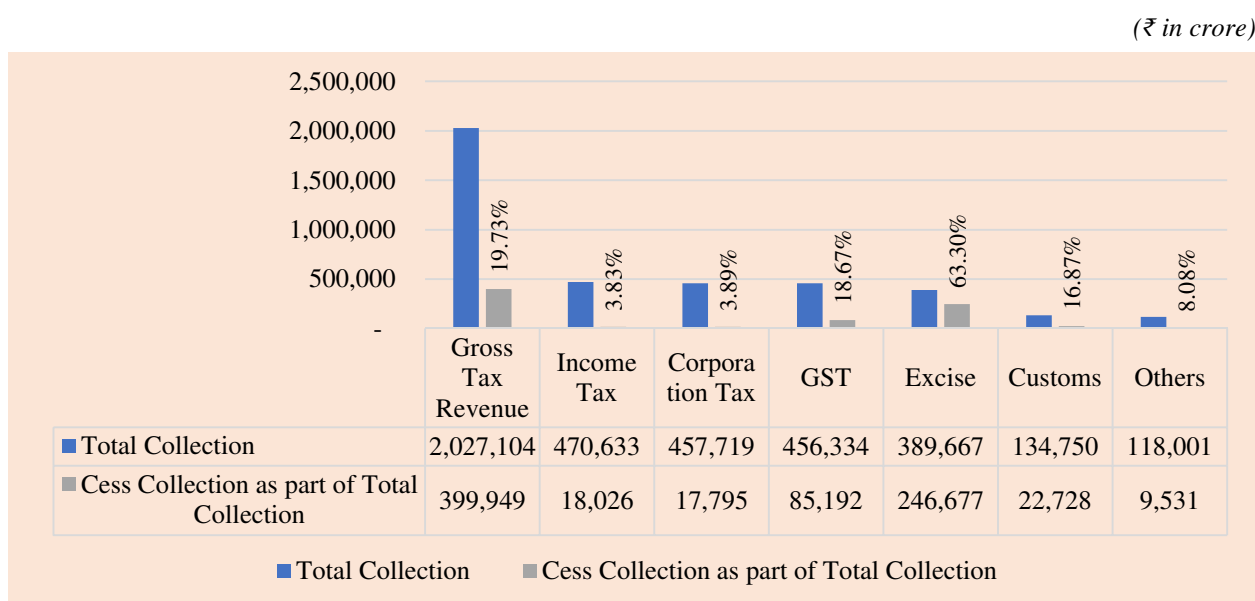


Note: GST was implemented from 01 July 2017. Analysis in Figure 2.9 has been made for 2018-19 onwards for full year comparison.

Compared to FY20, the Gross Tax Revenue saw increase in FY21, which was due to substantial growth in Union Excise Duties by 62.73 *per cent* due to enhanced receipt of Road and Infrastructure Cess. Gross Tax Revenues constituted 10.24 *per cent* of GDP during FY21 as compared to 10.01 *per cent* during FY20.

Further, cess collections at ₹3,99,949 crore formed about one-fifth of the Gross Tax Revenue at ₹20,27,104 crore in FY21, as shown in **Figure 2.10**. The major cesses include Health and Education Cess on Income Tax and Corporation Tax, GST Compensation Cess on certain goods, such as tobacco items, motor vehicles, etc., Road Cess on diesel and petrol, and Social Welfare Surcharge on imported goods.

Figure 2.10: Cess collections as part of various tax revenues



Source: Statement No.8 of UGFA

2.3.1.2 Cess collections

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. Goods and Services Tax (GST) has been implemented from July 2017. GST subsumed taxes like Central Excise, Service Tax, Value Added Tax, Entry Tax, Octroi, etc. and cesses like Krishi Kalyan Cess, Swachh Bharat Cess, Clean Energy Cess and Cesses on Tea, Sugar and Jute, etc.

The Union Government has abolished various cesses on goods and services in recent years while levying new cesses like Health and Education Cess in place of Primary Education and Secondary Education Cess on direct taxes, and Social Welfare Surcharge in place of Education Cess on customs duty with effect from FY18.

Further, Education Cess on Imported Goods, Secondary and Higher Education Cess on Imported Goods, Cess on Crude Petroleum Oil, Additional Duty of Excise on Motor Spirit (Road Cess), Additional Duty of Excise on High Speed Diesel Oil (Road Cess), Special Additional Duty of Excise on Motor Spirit, Road and Infrastructure Cess on

specified imported and excisable goods, National Calamity Contingent Duty on Tobacco and Tobacco Products and Crude Petroleum Oil, Universal Access levy and Social Welfare Surcharge, etc. continue to be levied.

The total collection of various cesses⁴ amounting to ₹3,99,949 crore in FY21 (increase by 36.06 *per cent* over FY20) and their growth rates are shown in **Figure 2.11**.

Figure 2.11: Cess collections

(₹ in crore)

Period	GST Compensation Cess	Health and Education Cess*	Social Welfare Surcharge	Cess on Crude oil	Road Cess	Universal Service Obligation (USO)	Others	Total
FY18	62,612	31,656	1,222	13,579	84,038	7,019	22,182	2,22,308
FY19	95,081	41,310	8,871	17,814	1,10,854	6,912	2,121	2,82,963
FY20	95,553	39,241	8,796	14,062	1,22,440	7,962	5,901	2,93,955
FY21	85,192	35,895	13,447	10,894	2,35,783	9,471	9,267	3,99,949

*Includes Primary Education Cess (₹61.85 crore) and Secondary & Higher Education Cess (₹11.42 crore) under MH 0037, 0038 and 0044.

The increase in Road Cess in FY21 compared to FY20 was on account of higher collections under Road and Infrastructure Cess, Additional Excise Duty on High Speed Diesel Oil and Additional Excise Duty on Indigenous Motor Spirit. In case of 'Others', the increase by 57.04 *per cent* was mainly on account of more collections under 'Cess on Exports' (₹9,215 crore). Further, the negative growth in collections under GST Compensation Cess, Cess on Crude Oil, and Health and Education Cess reflected lower growth in underlying basic taxes.

2.3.1.3 Non-Tax Revenue

Non-Tax Revenues comprise interest receipts, income from sovereign functions like judiciary, police, currency and coinage, dividends and profits, and from user charges collected by Railways, Post and Departmental Undertakings. The total Non-Tax Revenue decreased substantially by 26.55 *per cent* in FY21 as compared to FY20. The composition of Non-Tax Revenue is given in **Figure 2.12**.

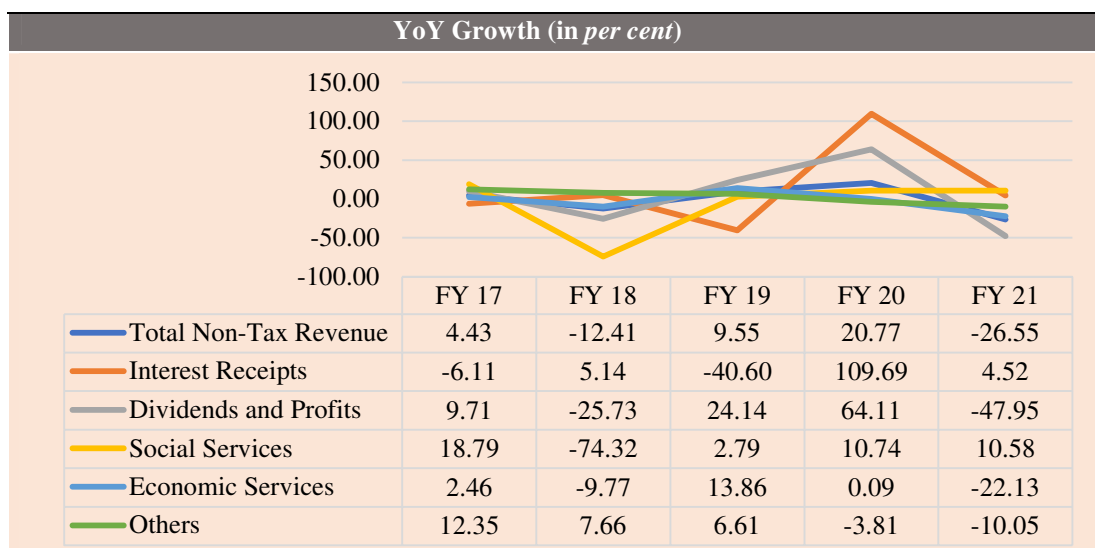
Figure 2.12: Composition of Non-Tax Revenue

(₹ in crore)

Period	Total Non-Tax Revenue#	As % of Gross Revenue Receipts	Interest Receipts	Dividends and Profits	Social Services	Economic Services	Others**
FY17	5,08,020	22.84%	43,496	1,23,021	11,998	2,86,597	42,908
FY18	4,44,965	18.82%	45,732	91,367	3,081	2,58,592	46,193
FY19	4,87,451	18.98%	27,166	1,13,427	3,167	2,94,445	49,246
FY20	5,88,701	22.65%	56,964	1,86,142	3,507	2,94,717	47,371
FY21	4,32,406	17.58%	59,540	96,889	3,878	2,29,491	42,608

⁴ Additional Excise duty on Indigenous Motor Spirit, Road and Infrastructure Cess, Infrastructure Cess on Motor Vehicles, Additional Excise duty on High Speed Diesel Oil and Cess on Oil. 'Others' comprises Cess on Export, Cess on Tea, Cess on Bidi, Swachh Bharat Cess, Krishi Kalyan Cess, Receipt under Research and Development Cess Act, 1986, Cess on Sugar, etc.

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Includes Grants-in-aid and Contributions from external agencies.

** Fiscal Services, General Services and Grants-in-Aid & contributions.

Source: UGFA FY17 to FY21.

In FY21 the largest share of Non-Tax Revenue (53.07 per cent) came from Economic Services. Dividends and profits constituted 22.41 per cent of Non-Tax Revenue, while Interest receipts accounted for 13.77 per cent. Compared to FY20, the substantial decrease of ₹1,56,295 crore in Gross Non-Tax Revenue in FY21 was mainly driven by decreases in dividends and profits and Economic Services which decreased by ₹89,253 and ₹65,226 crore respectively.

Receipts under Social Services witnessed a growth of 10.58 per cent over the previous year due to higher receipts of Broadcasting Services (₹876 crore). Interest Receipts also witnessed a growth of 4.52 per cent during FY21 due to higher Investment of Cash Balances (₹4,859 crore) and Interest from Market Loans (₹1,240 crore).

Further, the receipts from Economic Services, which accounted for more than half of the Non-Tax Revenue, had the following major components as shown in **Figure 2.13**.

Figure 2.13: Major Components of Receipt from Economic Services

(₹ in crore)

Period	Indian Railways- Commercial Lines	Postal Receipts	Other Communication Services	Others	Total Economic Services
FY17	1,61,583	11,511	70,241	43,262	2,86,597
FY18	1,76,779	12,833	32,066	36,914	2,58,592
FY19	1,87,738	13,196	40,816	52,695	2,94,445
FY20	1,72,021	13,558	69,846	39,292	2,94,717
FY21	1,38,264	10,632	45,501	35,094	2,29,491

From the above figure, it can be seen that receipts of Economic Services during the current year decreased by ₹65,226 crore (22.13 per cent) compared to FY20, however, it increased as a percentage of total Non-Tax Revenue by 3.01 per cent.

Further, during FY21, the Union Government received dividend/ surplus of ₹96,889 crore from 89 entities with an investment of ₹1,15,767 crore, compared to ₹1,86,142 crore received from 103 entities during FY20 as shown in **Figure 2.14**.

Figure 2.14: Composition of Dividend and Profits

(₹ in crore)

Period	Share of surplus profits from RBI	Dividends from Public Undertakings	Share of profit from Nationalized Banks	Dividend from Others	Total Dividend and profits
FY17	65,876	53,195	1,445	2,505	1,23,021
FY18	40,659	46,495	1,826	2,387	91,367
FY19	68,000	43,049	108	2,270	1,13,427
FY20	1,47,988*	35,509	0	2,645	1,86,142
FY21	57,128	39,497	0	264	96,889

* Post-acceptance of recommendations of Bimal Jalan Committee to review the extant economic capital framework with regard to RBI.

Of the dividend and profits received, the share of surplus received from RBI (₹57,128 crore) alone constituted around 58.96 *per cent* of total receipts under this head. Other major entities who gave dividends were Coal India Limited (₹5,095 crore), Indian Oil Corporation Ltd (₹5,091 crore), Hindustan Zinc Ltd (₹4,717 crore), Power Grid Corporation of India Ltd. (₹3,502 crore), National Thermal Power Corporation of India Ltd. (₹2,824 crore) and Bharat Petroleum Corporation of India Ltd. (₹2,413 crore).

The share of dividend from Public Sector Enterprises increased from ₹35,509 crore (6.03 *per cent* of Non-Tax Revenue) in FY20 to ₹39,497 crore (9.13 *per cent* of Non-Tax Revenue) in FY21, mainly due to higher dividends from Hindustan Zinc Ltd (₹4,717 crore), Indian Oil Corporation (₹2,545 crore), Indian Railway Finance Corporation (₹1,485 crore), National Thermal Power Corporation (₹1,224 crore), and Power Grid Corporation of India Ltd. (₹1,177 crore).

2.3.1.4 Interest receipt on Investment of Cash Balance

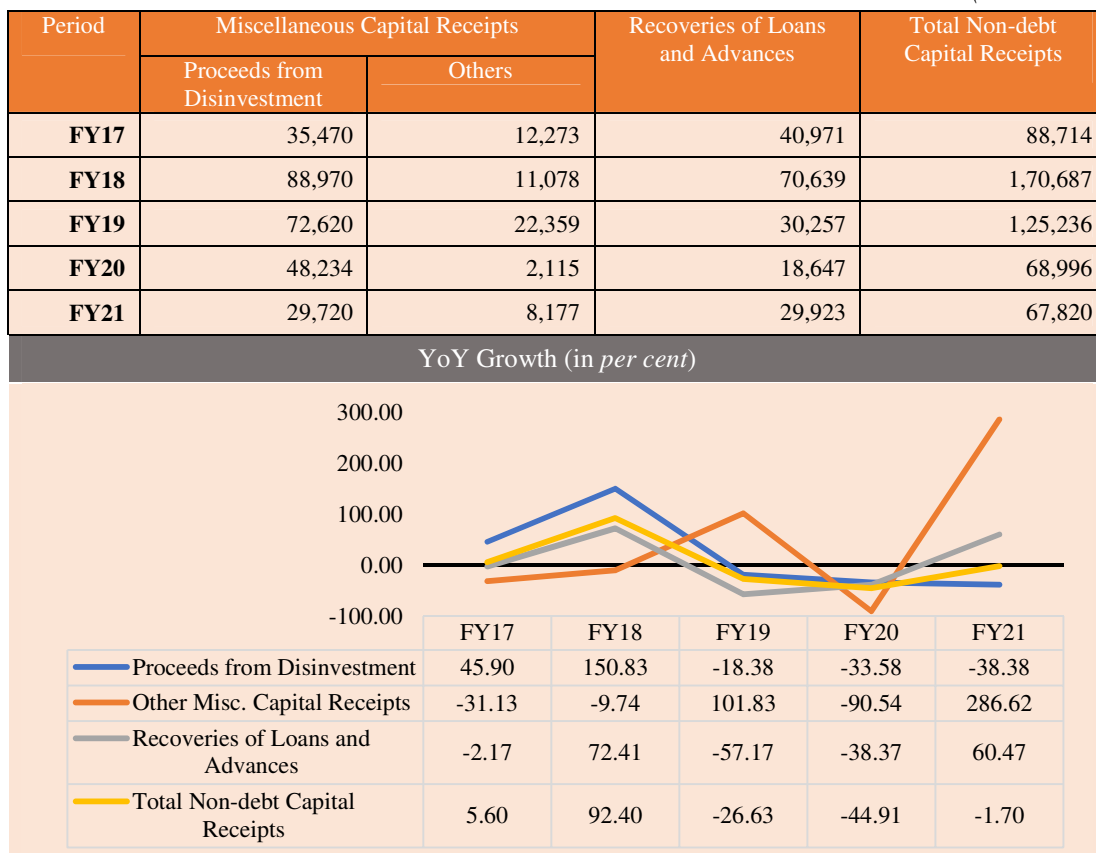
Union Government had a cash balance of ₹2,32,572 crore at the end of 31 March 2021 and an amount of ₹6,281 crore has been received as interest income. While at the end of 31 March 2020, the cash balance was ₹50,573 crore, on which interest income was ₹1,422 crore.

2.3.2 Non-Debt Capital Receipts

Non-Debt Capital receipts comprise miscellaneous capital receipts and recoveries of loans and advances. The former primarily consisted of proceeds from disinvestment of PSEs.

Figure 2.15: Non-Debt Capital receipts

(₹ in crore)



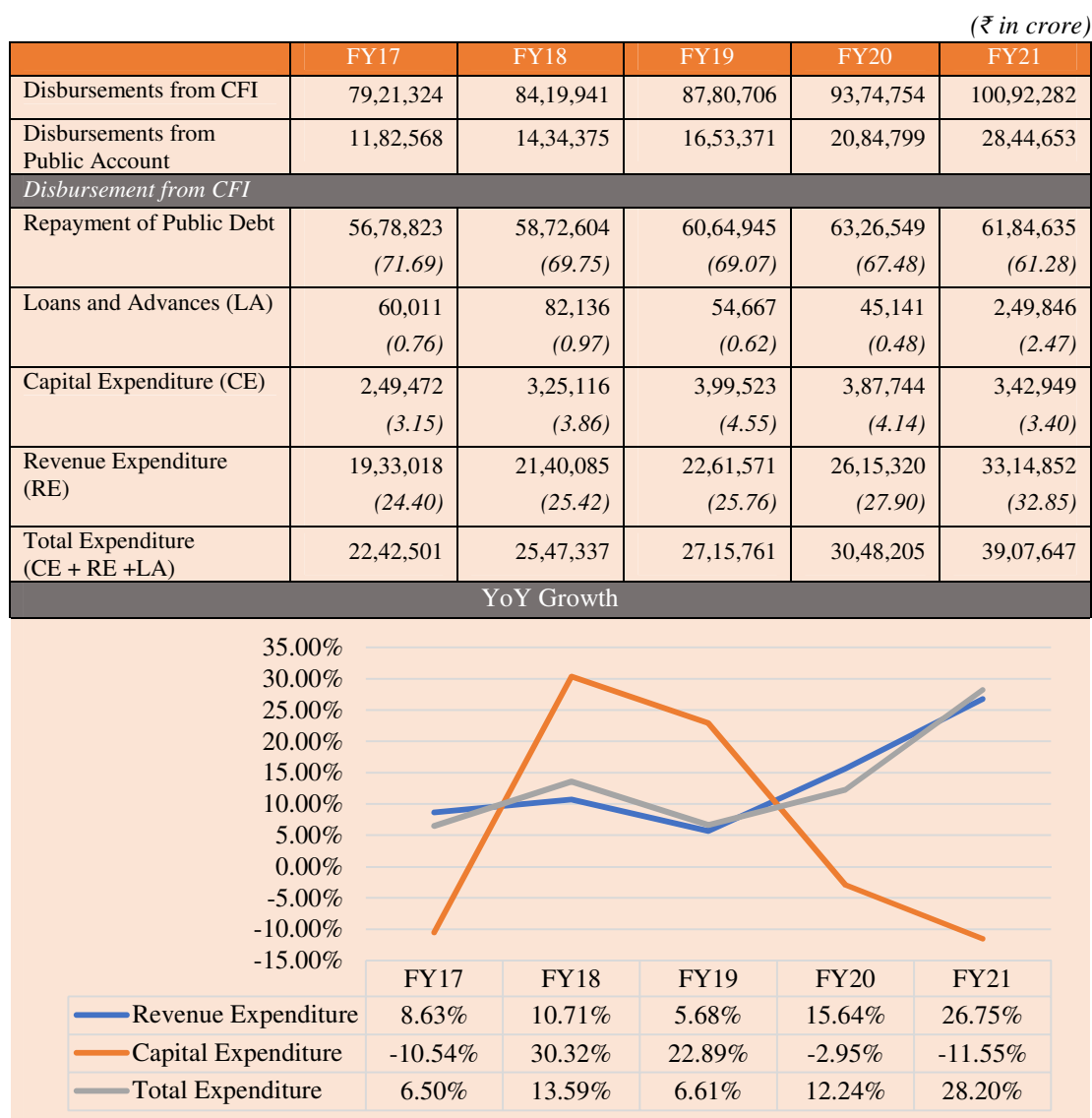
During the year, the Government received ₹29,720 crore from disinvestment of its equities in PSUs compared to ₹48,234 crore in FY20. These receipts mainly came from initial public offerings of Mazagaon Dock Shipbuilders Limited, Indian Railway Finance Corporation Limited and Railtel Corporation India Limited (₹2,802 crore); offers for sale of Hindustan Aeronautics Ltd. (₹4,924 crore), Bharat Dynamics Ltd. (₹771 crore), IRCTC Ltd. (₹4,474 crore), SAIL Ltd. (₹2,738 crore), IRCON International Ltd. (₹676 crore), TCL (₹8,847 crore), RVNL (₹552 crore) and buy back of shares by seven CPSEs (₹3,936 crore).

2.4 Disbursements

A. Trend of Disbursements

During FY21, total disbursements from CFI increased by 7.65 per cent as compared to FY20. Of the total disbursements of ₹129,36,935 crore, disbursements from CFI were 78.01 per cent and the balance 21.99 per cent of disbursement was from Public Account as detailed in **Figure 2.16**.

Figure 2.16: Trend of Disbursements

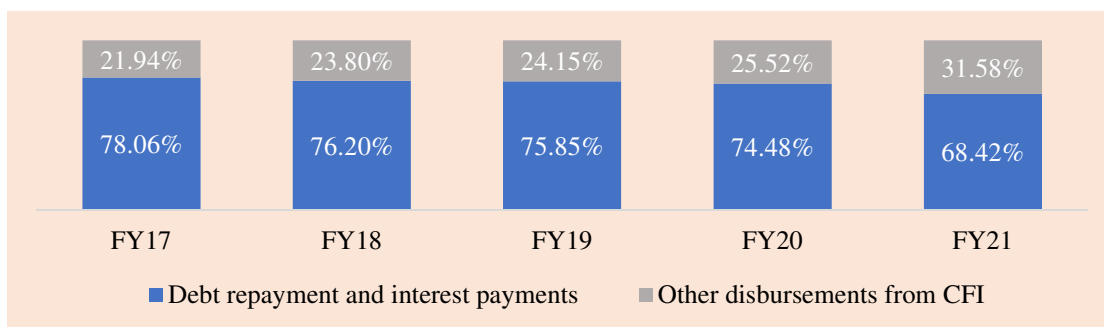


Figures in parentheses show as percentage of Disbursements from CFI.

From **Figure 2.16**, it can be seen that out of the disbursements from CFI, repayment of public debt was 61.28 per cent and total expenditure constituted 38.72 per cent. Public Debt repayment as a percentage of CFI disbursement declined from 71.69 per cent to 61.28 per cent in the last five years. The share of Revenue Expenditure was on the rise.

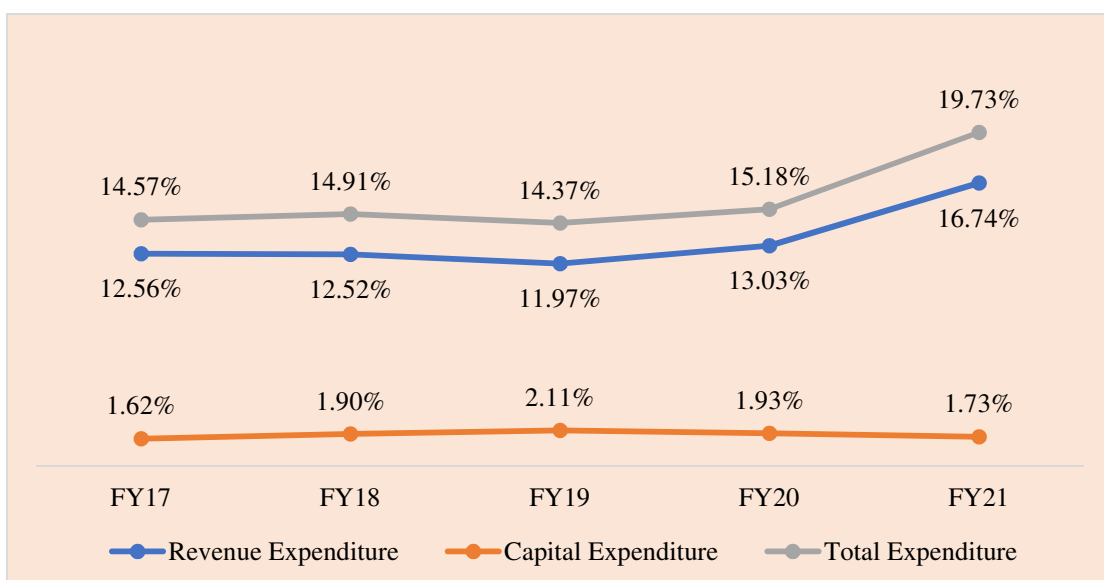
Further, **Figure 2.17** shows the share of public debt repayment and interest payments in the total disbursements from CFI.

Figure 2.17: Share of public debt repayment and interest payments in CFI



Thus, the share of disbursements pertaining to debt repayment and interest payments in the total disbursements from CFI after seeing a slightly decreasing trend during FY17 to FY20 took a significant fall in FY21.

Figure 2.18: Expenditure as percentage of GDP



Thus, as seen from **Figure 2.18**, total expenditure as percentage of GDP increased (from 15.18 *per cent* in FY20 to 19.73 *per cent* in FY21), and revenue expenditure as percentage of GDP also increased (from 13.03 *per cent* in FY20 to 16.74 *per cent* in FY21). However, as percentage of GDP capital expenditure declined from 1.93 *per cent* in FY20 to 1.73 *per cent* in FY21.

2.4.1 Sectoral Expenditure

In the accounts of the Union Government, expenditure is accounted under various Major Heads which, in turn, are grouped into four sectors, namely ‘General Services’, ‘Social Services’, ‘Economic Services’ and ‘Grants-in-aid and Contributions’.

Figure 2.19 presents details of sectoral expenditure (both Revenue and Capital Expenditure)

Figure 2.19: Sectoral expenditure of the Union Government

(₹ in crore)

Sectoral Expenditure		FY17	FY18	FY19	FY20	FY21
General Services	Revenue Expenditure	9,26,181	10,10,124	11,02,022	12,12,505	12,96,967
	Capital Expenditure	99,380	1,06,529	1,13,089	1,24,994	1,42,949
	Loans & Advances	0	0	0	0	0
	Sub Total	10,25,561	11,16,653	12,15,111	13,37,499	14,39,916
	YoY Growth (%)	14.40	8.88	8.82	10.07	7.66
	As % of GDP	6.66	6.53	6.43	6.66	7.27
Social Services	Revenue Expenditure	97,210	1,01,337	1,07,414	1,35,769	1,71,271
	Capital Expenditure	5,315	9,771	9,823	9,899	7,611
	Loans & Advances	13,498	10,561	11,924	14,449	6,992
	Sub Total	1,16,023	1,21,669	1,29,161	1,60,117	1,85,874
	YoY Growth (%)	15.24	4.87	6.16	23.97	16.09
	As % of GDP	0.75	0.71	0.68	0.80	0.94
Economic Services	Revenue Expenditure	6,18,626	6,47,099	6,69,423	7,36,314	12,61,988
	Capital Expenditure	1,44,777	2,08,816	2,76,611	2,52,851	1,92,388
	Loans & Advances	27,326	53,018	18,132	4,839	93,364
	Sub Total	7,90,729	9,08,933	9,64,166	9,94,004	15,47,740
	YoY Growth (%)	1.91	14.95	6.08	3.09	55.71
	As % of GDP	5.14	5.32	5.10	4.95	7.82
Grand Total		19,32,313	21,47,255	23,08,438	24,91,620	31,73,530
YoY Growth (%)		8.98	11.12	7.51	7.94	27.37

Source: UGFA FY17 to FY21.

Note: The sectoral classification excludes loans to Foreign Governments, State governments, UTs, and Government Servants and revenue expenditure on account of Grant-in-Aid.

As seen from **Figure 2.19**, during FY21, Economic Services witnessed highest growth of 55.71 per cent due to higher expenditure of ₹4,40,476 crore on account of Food, Storage and Warehousing, and increased expenditure (₹39,490 crore) on Rural Employment, and Industries (₹34,169 crore). The second highest growth of 16.09 per cent was noticed in expenditure on Social Sector, which was on account of increase in expenditure on Social Security and Welfare by ₹31,816 crore and on Housing by ₹7,554 crore.

Further, the expenditure on General Sector witnessed an increase of ₹1,02,417 crore in FY21 over FY20 (increase of 7.66 per cent, lowest among the three sectors). This was mainly due to increase in expenditure on Interest payments and Servicing of Debt by ₹65,613 crore and Pension and Other Retirement Benefits by ₹24,518 crore.

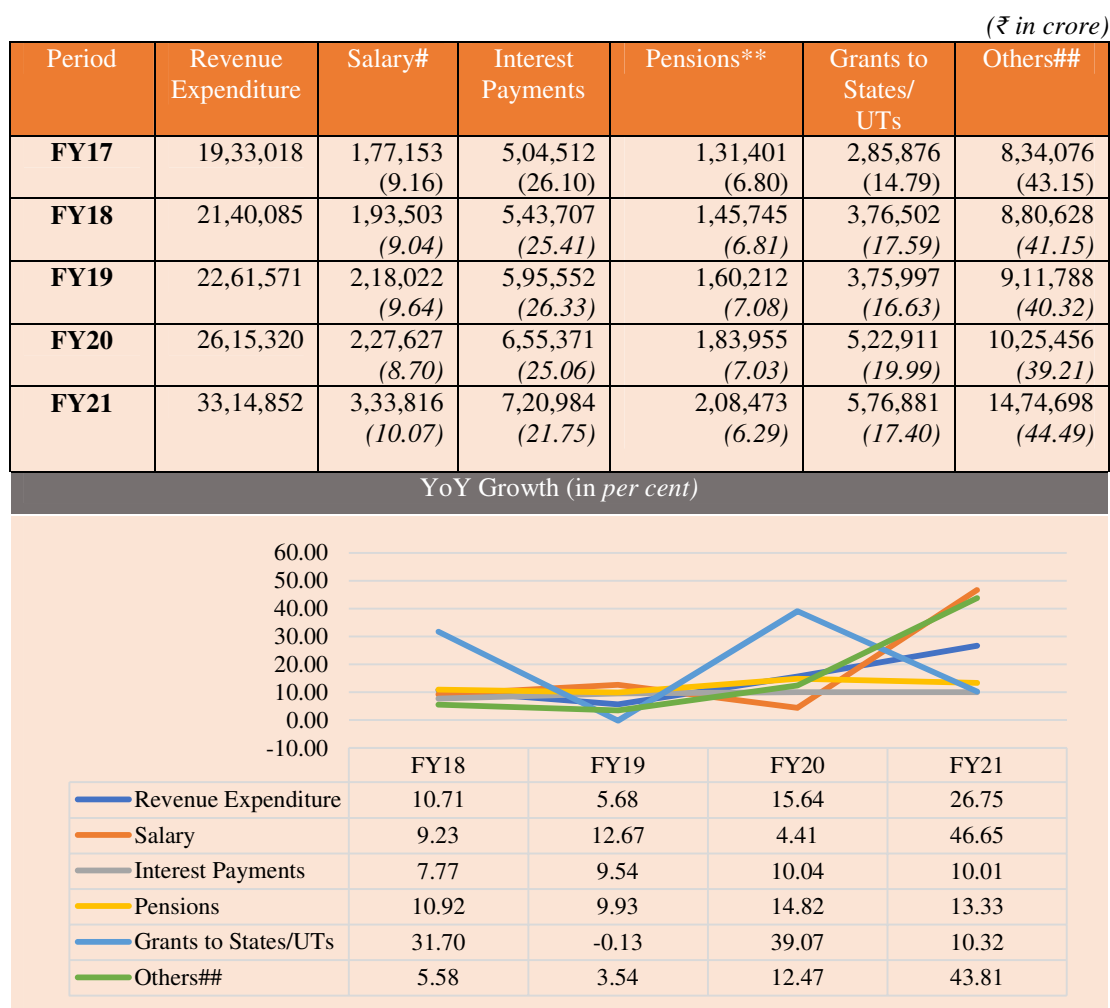
As percentage of GDP, the expenditure on Social Services remained less than one per cent throughout the last five years.

2.4.2 Analysis of Revenue Expenditure

The Government incurs revenue expenditure for the normal day-to-day running of government departments, for various services, payment of interest on its incurred debt, Pensions, subsidies, etc. For the Union Government all grants given to State Governments and others also fall in the category of revenue expenditure.

Of the revenue items, interest payments, salary and pension payments constitute committed expenditures.

Figure 2.20: Components of Revenue Expenditure



Source: Expenditure Profile; ** Civil and Defence pension under MH-2071, ## Others include expenditure on Defence, Railways and Miscellaneous General Services.
Figures in parentheses shows percentage of revenue expenditure.

Figure 2.20 shows that during the FY21, interest payment was the largest single component of revenue expenditure constituting 21.75 per cent of the total. Further, there was a positive YoY growth in every component of revenue expenditure in FY21. The highest growth rate (46.65 per cent) was in Salary in FY21.

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.

Figure 2.21: Interest payments to revenue expenditure

Period	Interest Payments (IP)	Revenue Receipt (RR)	Revenue Expenditure (RE)	Total Expenditure (TE)	Growth of IP	Share of IP to RR	Share of IP to RE	Share of IP to TE
	(₹ in crore)				(in per cent)			
FY17	5,04,512	16,15,988	19,33,018	22,42,501	10.33	31.22	26.10	22.50
FY18	5,43,707	16,91,143	21,40,085	25,47,337	7.77	32.15	25.41	21.34
FY19	5,95,552	18,06,462	22,61,571	27,15,761	9.54	32.97	26.33	21.93
FY20	6,55,371	19,48,083	26,15,320	30,48,205	10.04	33.64	25.06	21.50
FY21	7,20,984	18,64,513	33,14,852	39,07,647	10.01	38.67	21.75	18.45

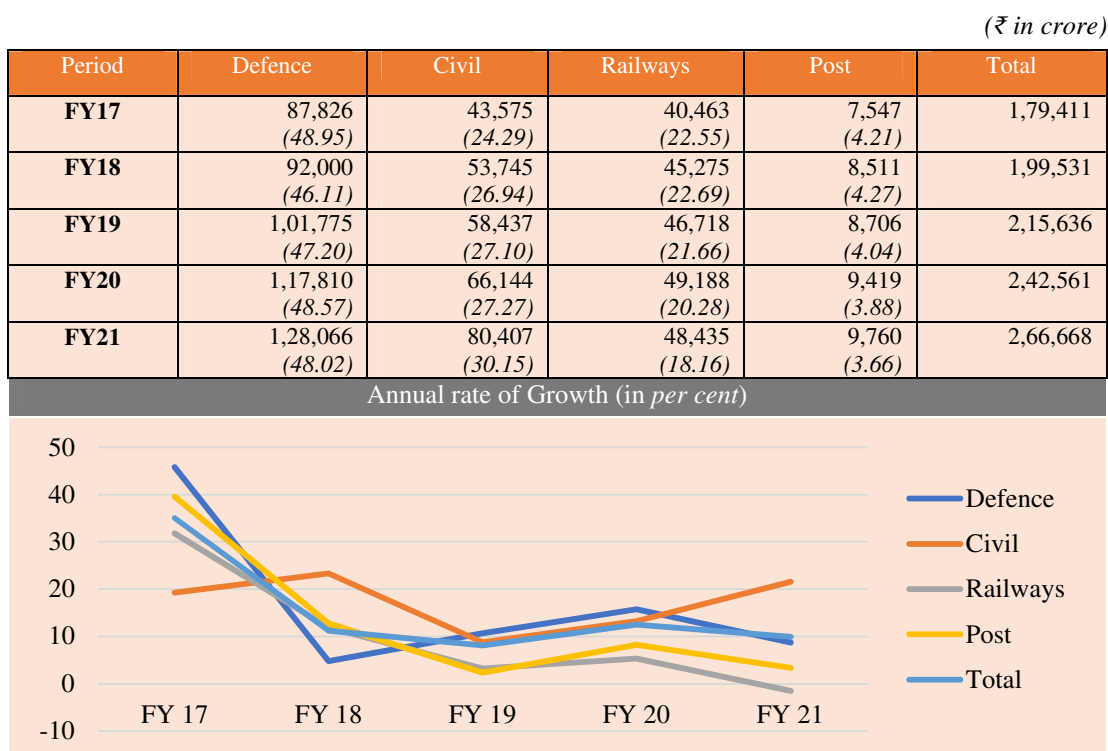
Interest payments during FY21 comprised *inter alia* interest payments on internal debt (₹6,44,829 crore, 89.44 per cent), interest on Small Savings and Provident Fund, etc. (₹42,429 crore), interest payments on external debt (₹8,204 crore), interest on Reserve Funds (₹490 crore), interest on other obligations (₹15,985 crore) and appropriation for reduction or avoidance of debt (₹9,047 crore).

The reasons for upward trend in the Interest Payments during FY17 to FY21 are attributed to continuous increasing in liability of Interest on Internal Debt from FY17 to FY21, increase in Interest on External Debt during FY17 to FY20 and increase in Appropriation for Reduction or Avoidance of Debt during FY19 to FY21.

B. Pension payments

Figure 2.22 shows that expenditure on pensions and other retirement benefits increased by 9.94 per cent to ₹2,66,668 crore in FY21.

Figure 2.22: Expenditure on Pension and other Retirement Benefits



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

*Figures in parenthesis show proportion of total expenditure on pension and other retirement benefits.

As can be seen, while the share of Defence Pension fluctuated around 48 *per cent*, the shares of Railway Pension and Postal Pension showed a decreasing trend since FY19. During FY21, the highest growth of 21.56 *per cent* was seen in Civil Pension, while Railway Pension decreased by 1.53 *per cent*.

C. Subsidies

Subsidies constituted 22.77 *per cent* of Revenue Expenditure. **Figure 2.23** presents details of the subsidies which the Government provided through the budget.

Figure 2.23: Subsidies in the Union Government Budget

(₹ in crore)

Period	Food	Fertilisers* (Urea)	Fertilisers# (Decontrolled)	Petroleum Subsidy	Others**	Total Subsidies	Subsidies as % of Revenue Expenditure
FY17	1,10,173 (-20.98)	51,257 (1.54)	15,056 (-31.37)	27,539 (-8.20)	28,777 (72.98)	2,32,802 (-9.93)	12.04
FY18	1,00,282 (-8.98)	64,756 (26.34)	22,244 (47.74)	24,460 (-11.18)	34,334 (19.31)	2,46,076 (5.70)	11.50
FY19	1,01,327 (1.04)	46,514 (-28.17)	24,090 (8.30)	24,837 (1.54)	28,210 (-17.84)	2,24,978 (-8.57)	9.95
FY20	1,08,688 (7.26)	54,755 (17.72)	26,369 (9.46)	38,529 (55.13)	33,963 (20.39)	2,62,304 (16.59)	10.03
FY21	5,41,330 (398.06)	90,549 (65.37)	37,372 (41.73)	36,755 (-4.60)	48,930 (44.07)	7,54,936 (187.81)	22.77

Figures in parentheses indicate percentage of annual growth.

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

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

**Others include interest subsidy, Price Stabilisation Fund in the Department of Consumer Affairs, Scheme for Assistance to Sugar Mills from 2017-18 to 2019-20 season, etc.

The bulk of the expenditure under this head was towards food, fertilizer and petroleum subsidies which are under the category of major subsidies. Compared to FY20, the total expenditure on subsidy rose by 187.81 *per cent* in FY21 mainly due to significant increase in expenditure on food subsidy by 398.06 *per cent*, which was on account of payment of arrears to Food Corporation of India.

Overall, the share of expenditure on subsidies in revenue expenditure showed a decreasing trend till FY19 and an increasing trend from FY20. However, during FY21, the share of subsidies as percentage of Revenue Expenditure increased substantially from 10.03 *per cent* in FY20 to 22.77 *per cent* in FY21 due to significant increases in Food Subsidies and Fertiliser subsidies.

D. Grants-in-aid to States/ UTs

Figure 2.24: Grants-in-Aid to States and UTs with legislature

(₹ in crore)

Period	Grants-in-Aid to States				GiA to UTs with Legislature		
	Centrally Sponsored Schemes	Finance Commission Grants	Others	Total GiA to States	Centrally Sponsored Schemes	Others	Total GiA to UTs
FY18	1,96,088.05	92,244.47	84,409.52	3,72,742.04	1,014.25	2,745.55	3,759.80
FY19	2,03,150.66	93,703.58	71,318.12	3,68,172.36	791.68	7,033.24	7,824.92
FY20	2,08,543.68	1,23,709.87	1,62,721.91	4,94,975.46	3,577.05	24,359.05	27,936.10
FY21	2,08,394.63	1,84,062.50	1,33,757.11	5,26,214.24	7,885.93	42,781.16	50,667.09

As seen from **Figure 2.24**, the Grants-in-Aid pertaining to Centrally Sponsored Schemes plateaued in the last four years and was ₹2,08,394.63 crore in FY21, while the Finance Commission Grants increased substantially from ₹93,703.58 crore in FY19 to ₹1,84,062.50 crore in FY21. Compared to FY20, the Finance Commission Grants increased by 48.79 *per cent* in FY21 mainly on account of increase in ‘post-devolution revenue deficit grant’ by ₹46,026.50 crore. In Respect of UTs with Legislature, the increase was on account of ‘Special Assistance’ to Jammu and Kashmir, amounting to ₹30,757 crore.

2.4.3 Capital Expenditure

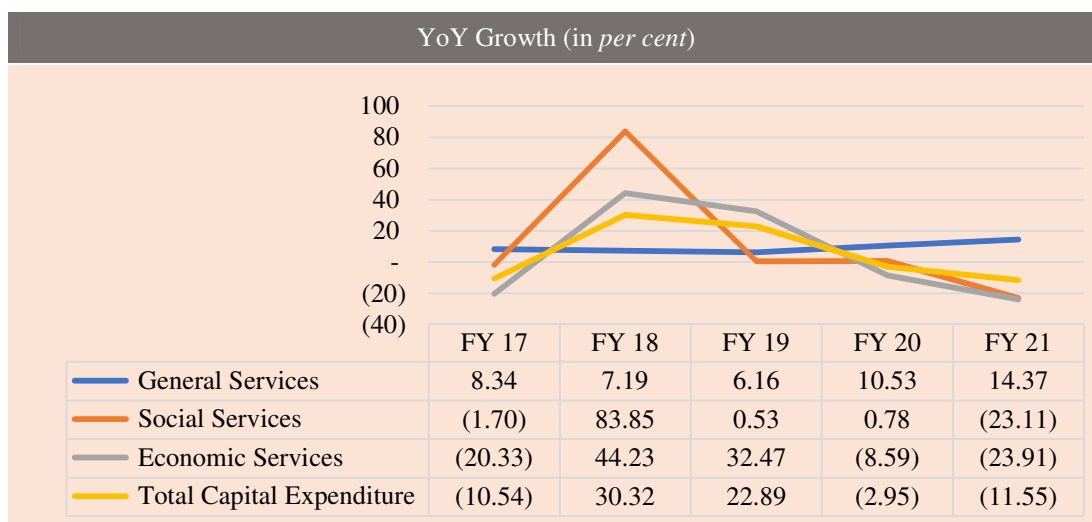
In FY21, the capital expenditure incurred by the Union Government amounted to ₹3,42,948.83 crore. **Figure 2.25** shows the trend of capital expenditure over the last five years.

Figure 2.25: Trend of capital expenditure

(₹ in crore)

Period	FY17	FY18	FY19	FY20	FY21
General Services	99,380.05	1,06,529.29	1,13,089.17	1,24,993.89	1,42,949.38
Defence Services	86,370.92	90,445.23	95,230.59	1,11,092.43	1,34,304.92
Others	13,009.13	16,084.06	17,858.58	13,901.46	8,644.46
Social Services	5,314.85	9,771.12	9,822.59	9,899.09	7,611.00
Water Supply, Sanitation, Housing and Urban Development	2,780.29	5,113.14	3,794.82	4,688.20	3,058.51
Others	2,534.56	4,657.98	6,027.77	5,210.89	4,552.49
Economic Services	1,44,776.95	2,08,815.55	2,76,611.06	2,52,851.13	1,92,388.45
Transport	92,446.05	99,882.23	1,27,281.02	1,39,481.50	1,22,734.41
General Economic Services*	32,777.06	87,683.79	1,23,845.38	81,115.76	46,837.05
Others	19,553.84	21,249.53	25,484.66	32,253.87	22,816.99
Total	2,49,471.85	3,25,115.96	3,99,522.82	3,87,744.11	3,42,948.83

*Investment in General Financial and Trading Institutions, International Financial Institutions, etc.



As seen from **Figure 2.25**, the capital expenditure in absolute terms decreased from FY20 to FY21, mainly on account of reduction of expenditure on General Economic Services. The main component for decline was lower expenditure on bank recapitalisation from ₹1,06,000 crore in FY19 to ₹20,000 crore in FY21. In FY21, the capital expenditure decreased significantly as compared to the previous year in all major categories except for Defence Services.

During FY21, capital expenditure on Social Services decreased by 23.11 *per cent* mainly due to lower expenditure on capital account of Water Supply, Sanitation, Housing and Urban Development.

2.4.3.1 Investments

The total investment of the Union Government in Statutory Corporations, Companies, Banks, International Bodies, Cooperatives, etc. stood at ₹12,42,740 crore at the end of FY21, representing an increase of ₹1,14,572 crore over FY20.

Figure 2.26: Return on Investments

(₹ in crore)

Period	Total Investments of the Union in Statutory Corporation/ Companies/ Banks/ International Bodies etc.	Dividends and Profits received during the year	Return on Investment	Return on Investment (excluding surplus transfer from RBI)
FY20	11,28,168	1,86,141.57	16.50%	3.38%
FY21	12,42,740	96,888.52	7.80%	3.20%

Further, in last five years the Union Government had invested ₹3,06,440 crore in the Nationalised Banks, as shown in **Figure 2.27**.

Figure 2.27: Investments and securities issued to Nationalised Banks

(₹ in crore)

Period	Total Investment of the Union Govt. in Nationalised Banks at the end of the year	Investment of the Union Govt. in Nationalised Banks during the year	Securities Issued to Nationalised Banks during the year
FY17	1,30,528	24,997	-
FY18	2,20,521	90,000	80,000
FY19	3,26,507	1,06,000	1,10,500
FY20	3,91,946	65,443	75,848
FY21	4,11,946	20,000	20,000
Total		3,06,440	2,86,348

Thus, against an investment of ₹3,06,440 crore, the securities issued to the Banks amounted to ₹2,86,348 crore, leaving a gap of ₹20,092 crore. During this period of five years, the Nationalised Banks transferred a total of ₹3,379 crore as share of their profits to the Union Government (which includes only ₹1,000 pertaining to FY20 and FY21 respectively).

2.5 Liabilities of the Union Government

Statement No.2 of UGFA provides summary of debt position of the Union Government.

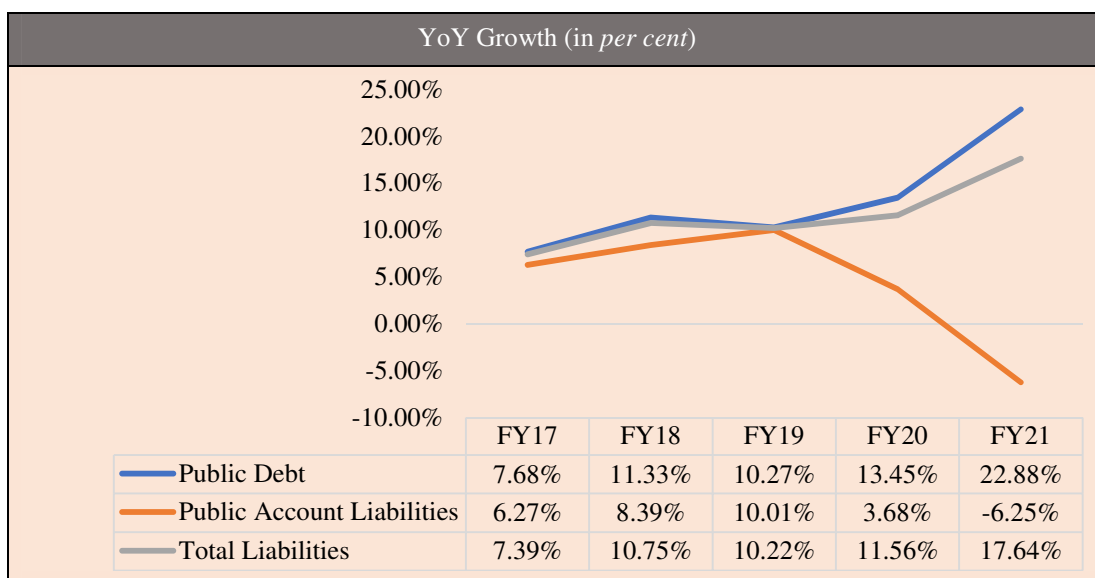
UGFA did not contain details of Extra Budgetary Resources (EBRs), which are disclosed in Statement 27 of Expenditure Profile of Union Budget. EBRs raised since FY17 to FY21 stands at ₹1,38,535.50 crore. (₹9,167 crore in 2016-17, ₹15,095 crore in 2017-18, ₹65,602.10 crore in 2018-19, ₹22,006.30 crore in 2019-20, and ₹26,665.10 crore in 2020-21).

Figure 2.28 discusses the outstanding liabilities of the Union Government as appearing in UGFA.

Figure 2.28: Outstanding Liabilities of Union Government

(₹ in crore)

Period	Public Debt		Public Account Liabilities		Liabilities of Union Government (as per UGFA)
	Internal Debt	External Debt at Current Prices at the end of FY	Small savings, provident funds, etc.	Reserve Funds and Deposits	
FY17	57,41,709	4,08,108	13,11,628	2,08,099	76,69,544
FY18	64,01,275	4,45,282	13,94,422	2,52,758	84,93,737
FY19	70,74,941	4,74,439	15,09,506	3,02,510	93,61,396
FY20	80,20,490	5,44,394	15,74,289	3,04,444	104,43,617
FY21	99,09,543	6,14,829	14,27,324	3,33,948	122,85,644



Thus, the total liabilities consistently increased by more than 10 *per cent* from FY18 onwards and there was a sharp increase of 17.64 *per cent* in FY21, on account of increase in Public Debt.

A. Public Account Liabilities

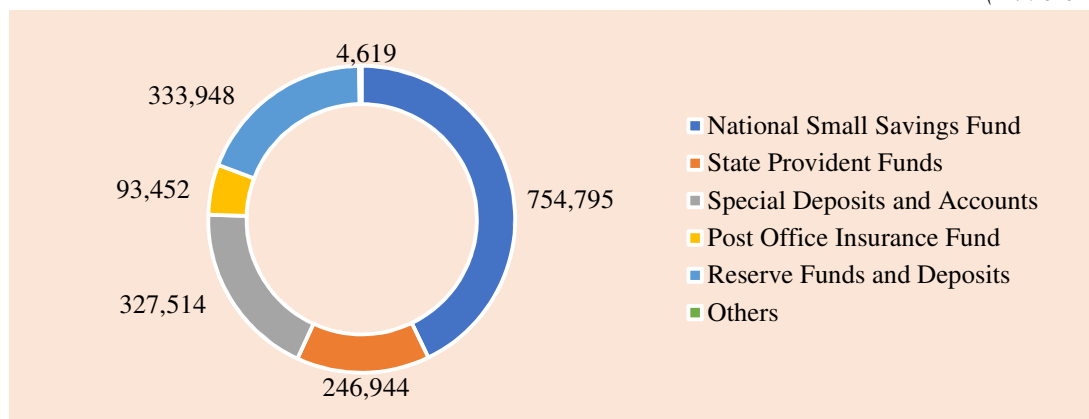
Public Account liabilities of the Union Government arise in its capacity as a banker or a trustee rather than a borrower. These include Small Savings (Provident Funds, Insurance Funds), Reserve Funds and Deposits. All these liabilities are obligations of the Government either in terms of their repayment or for making specified expenditure. These transactions are summarised in Statement 13 and 14 of the UGFA.

As shown in **Figure 2.29**, the total Public Account liabilities of the Union Government as on 31 March 2021, stood at ₹17,61,272 crore. Out of the total Public Account Liabilities, ₹7,54,795 crore was on account of National Small Saving Fund which includes investment of NSSF in Special State Government Securities (₹4,15,507 crore) and Government Undertakings (₹1,25,636 crore), accumulated deficit (₹78,524 crore) in NSSF of Small Savings and Provident Fund and credit balance of ₹1,35,128 crore in the NSSF, ₹2,46,944 crore on account of State Provident Funds, ₹3,27,514 crore on account of Special Deposits and Accounts, ₹3,33,948 crore on account of Reserve Funds and Deposits, ₹93,452 crore on account of Post Office Insurance Fund and ₹4,619 crore on account of other obligations⁵.

⁵ Liabilities on account of Trusts and Endowments, Insurance and Pension Funds & Other Deposits and Accounts.

Figure 2.29: Public Account Liabilities in FY21

(₹ in crore)

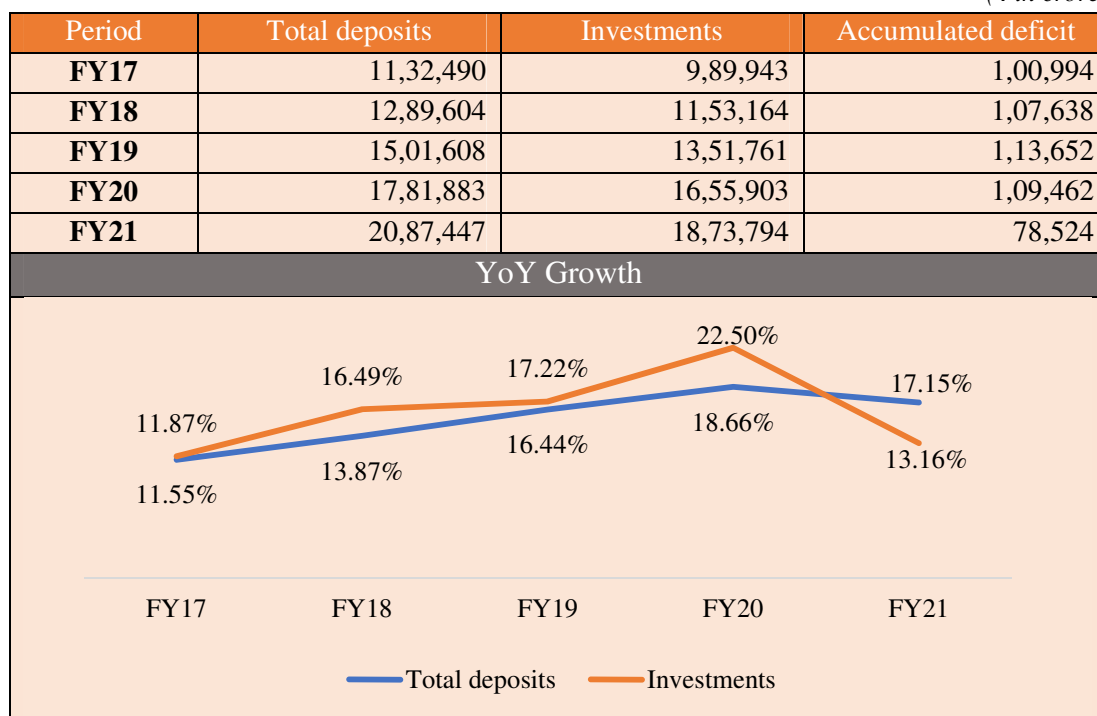


National Small Savings Fund includes Savings Deposits such as Post Office Savings Account, Post Office Recurring Deposits, Post Office Time Deposits, Senior Citizen Savings Scheme, Sukanya Samridhi Accounts, Savings Certificates such as Post Office Certificates, and Public Provident Funds. The Special Deposits and Accounts include Special Deposits by Employees State Insurance Corporation, Employees Provident Fund Scheme, Special Securities issued to Food Corporation of India, Special Bonds to Fertilizer Companies, etc.

Further, **Figure 2.30** depicts the investments made from NSSF funds and the trend of accumulated deficit (net of income and expenditure).

Figure 2.30: Investments of NSSF

(₹ in crore)



At the end of FY21, the total deposits under NSSF was ₹20,87,447 crore against which, the total investment was ₹18,73,794 crore leaving behind uninvested deposit of

₹2,13,653 crore. However, after adjusting the accumulated deficit of ₹78,524 crore, the uninvested deposit workout to ₹1,35,128 crore. The accumulated deficit which was above ₹1,00,000 crore during FYs 17-20, decreased by 28.26 *per cent* in FY21 (₹78,524 crore) on account of higher interest income from investments made in Central Government securities.

2.5.1 Reserve Funds

Reserve Funds in the Public Account of the Union Government are categorised as interest bearing and non-interest bearing. Out of 59 Reserve Funds in the Public Account, 22 are interest bearing and 37 are non-interest bearing. Interest of ₹490 crore was paid during the year FY21 on Interest bearing Reserve Funds. During the year, 14 Reserve Funds, out of the 59, were not operated. In UGFA, seven Reserve Funds exist for accounting for the collection and utilisation of cesses, levies and fees collected for specific purposes. One fund – State Compensatory Afforestation Fund (SCAF) was made operational during FY21.

A. Analysis of transfer to and from Reserve funds

Article 266 of the Constitution defines the Public Account as being those funds that are received on behalf of the Government of India. Money held by the government in a trust such as in the case of Provident Funds, Small Savings collections, income of Government set apart for expenditure on specific objects like road development, primary education, reserve/ special Funds, etc. are kept in the Public Account. These funds do not belong to the Government and have to be finally paid back to those who had deposited them. Parliamentary authorization for such payments is not required. However, when money is withdrawn from the Consolidated Fund with the approval of Parliament and kept in the Public Account for expenditure for a specific purpose, it is submitted for a vote in Parliament.

There were nine Reserve Funds⁶ under the Public Account for which Government of India had made the budget provisions in FY21 for transfer to the Reserve Funds and expenditure therefrom. Out of nine, ₹97,247 crore was short transfer to six Reserve Funds⁷.

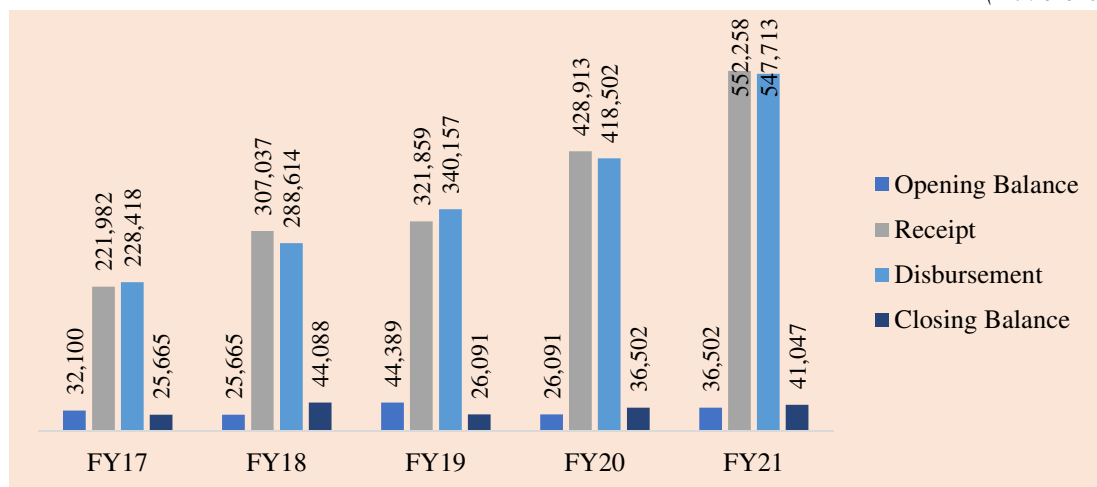
It was further noticed that ₹1,02,247 crore was short utilised in eight (except USOF) of the nine Reserve Funds against the budgeted figures. Out of eight reserve funds, in respect of Madhyamik and Uchhatar Shiksha Kosh and Pradhan Mantri Swasthya Surakhsha Nidhi, though ₹20,567 crore and ₹20,000 crore respectively, were to be transferred out of Health and Education Cess collected and utilized from these Funds; these two Funds were not created in the Public Account.

⁶ Central Road and Infrastructure Fund (CRIF), GST Compensation Fund, Madhyamik and Uchhatar Shiksha Kosh, Monetisation of National Highways Fund, National Investment Fund, Nirbhaya Fund, Prarambhik Shiksha Kosh, Universal Service Obligation Fund and Pradhan Mantri Swasthya Surakhsha Nidhi

⁷ No shortage in transfer to GST Compensation Fund, Nirbhaya Fund and USO Fund

Figure 2.31: Trend of expenditure made from Reserve Funds

(₹ in crore)



It is seen from **Figure 2.31** that receipts and disbursements from Reserve Funds increased by about 2.5 times during the period FY17 to FY21.

2.6 Public Debt Management

Statement 14 of UGFA gives the detailed position of Internal and External Debt which together constitute Public Debt of the Union Government and are secured on the CFI. Internal Debt primarily includes market loans, securities issued to international financial institutions, treasury bills, and Special Union Government Securities issued to NSSF, Postal Life Insurance (PLI) and Public Sector Banks. External Debt represents loans received from foreign Governments and multilateral bodies.

A. Internal Debt

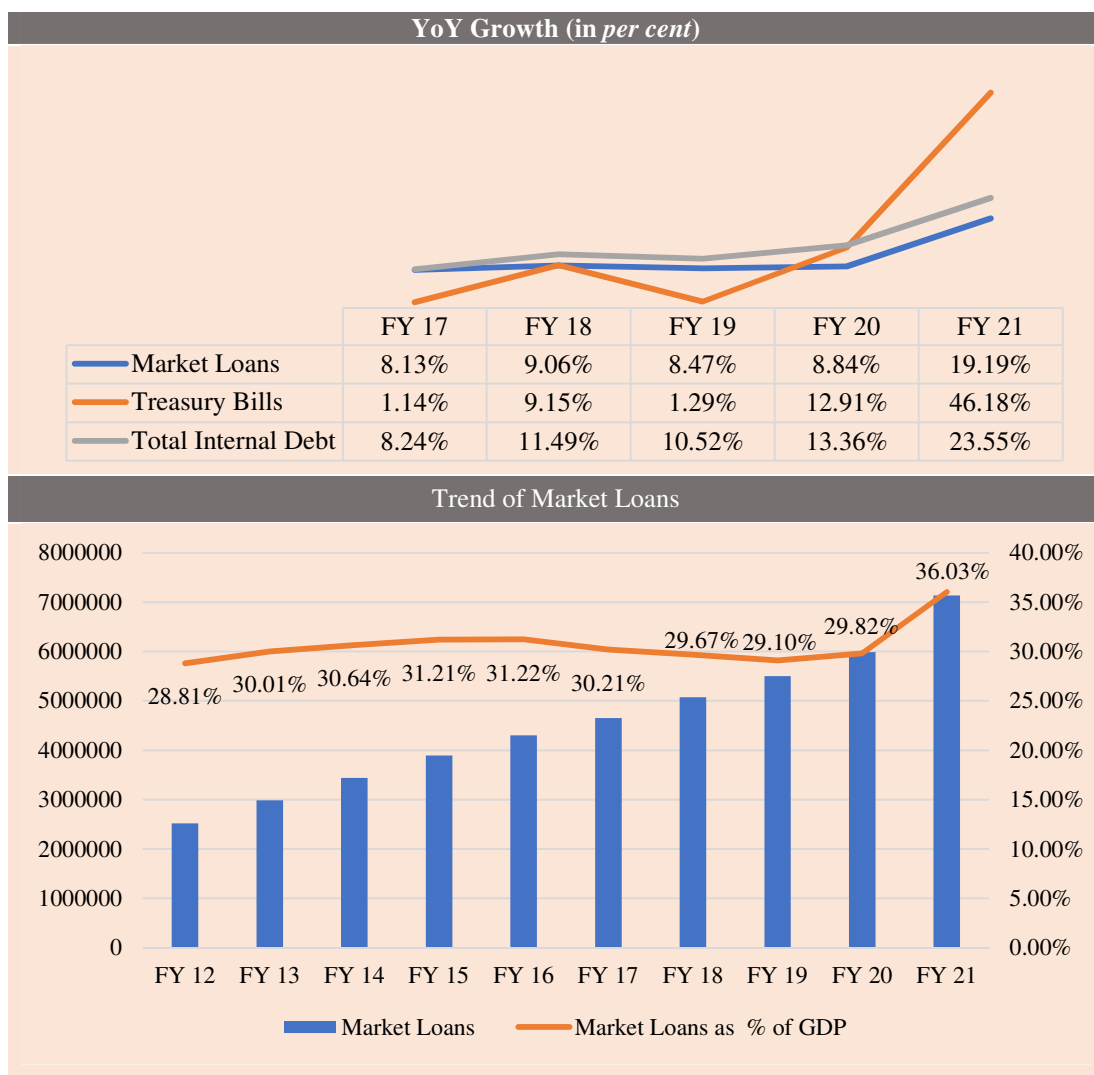
Figure 2.32 presents the components of internal debt, viz. market loans, treasury bills, securities issued to international financial institutions, compensation and other bonds at the end of the respective financial years.

Figure 2.32: Internal Debt – composition and trend

(₹ in crore)

Period	Market Loans	Treasury Bills*	Securities issued to			Compensation and other bonds	Others	Total Internal Debt
			International Financial Institutions	National Small Savings Fund	Postal Life Insurance			
FY17	46,49,487 (80.98)	4,91,372 (8.56)	1,08,740 (1.89)	3,81,291 (6.64)	20,894 (0.36)	20,325 (0.36)	69,600 (1.21)	57,41,709 (100)
FY18	50,70,744 (79.21)	5,36,321 (8.38)	1,04,370 (1.63)	4,83,919 (7.56)	20,894 (0.33)	44,531 (0.70)	1,40,496 (2.19)	64,01,275 (100)
FY19	55,00,141 (77.74)	5,43,218 (7.68)	1,06,523 (1.51)	6,08,919 (8.61)	20,894 (0.30)	46,854 (0.66)	2,48,392 (3.51)	70,74,941 (100)
FY20	59,86,127 (74.64)	6,13,321 (7.65)	1,01,909 (1.27)	8,48,919 (10.58)	20,894 (0.26)	53,212 (0.66)	3,96,108 (4.94)	80,20,490 (100)
FY21	71,35,144 (72.00)	8,96,526 (9.05)	1,00,301 (1.01)	13,32,652 (13.45)	20,894 (0.21)	72,893 (0.74)	3,51,133 (3.54)	99,09,543 (100)

* Outstanding as on 31 March 2021, these are of less than one year



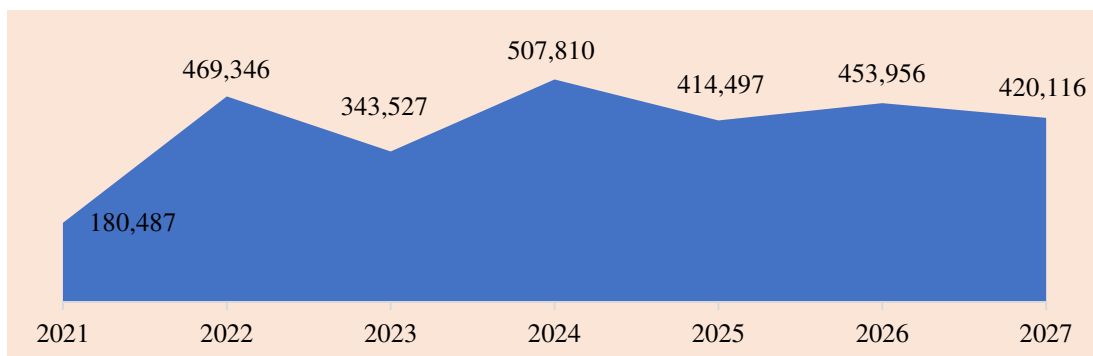
Figures in parentheses show percentage of total internal debt. 'Others' include market securities issued in conversion of special securities, Gold Monetisation Scheme, Sovereign Gold Bonds, special securities issued to banks, etc.

As seen from **Figure 2.32**, market loans were the primary component, constituting 72.00 *per cent* of the internal debt in FY21. Its proportion however, decreased consistently from 80.98 to 72.00 *per cent* during FY17 to FY21. International Financial Institutions, PLI and Others were the components which saw decrease as proportion of internal debt in current year as compared to FY20. On the other hand, Treasury Bills and NSSF saw a growth as proportion of internal debt in current year as compared to FY20 and constituted 9.05 *per cent* and 13.45 *per cent* respectively of the internal debt. Further, the total Internal debt of the Union Government grew by 23.55 *per cent* as compared to FY20, which was the highest YoY increase in last five years. As percentage of GDP, the market loans, which were hovering around 29-31 *per cent* during FY12 to FY20, increased to 36.03 *per cent* in FY21.

Market loans due for redemption within seven years (till 31 December 2027) amounted to ₹27,89,739 crore (39.10 *per cent* of market loans), as shown in **Figure 2.33**.

Figure 2.33: Maturity profile of Market Loans

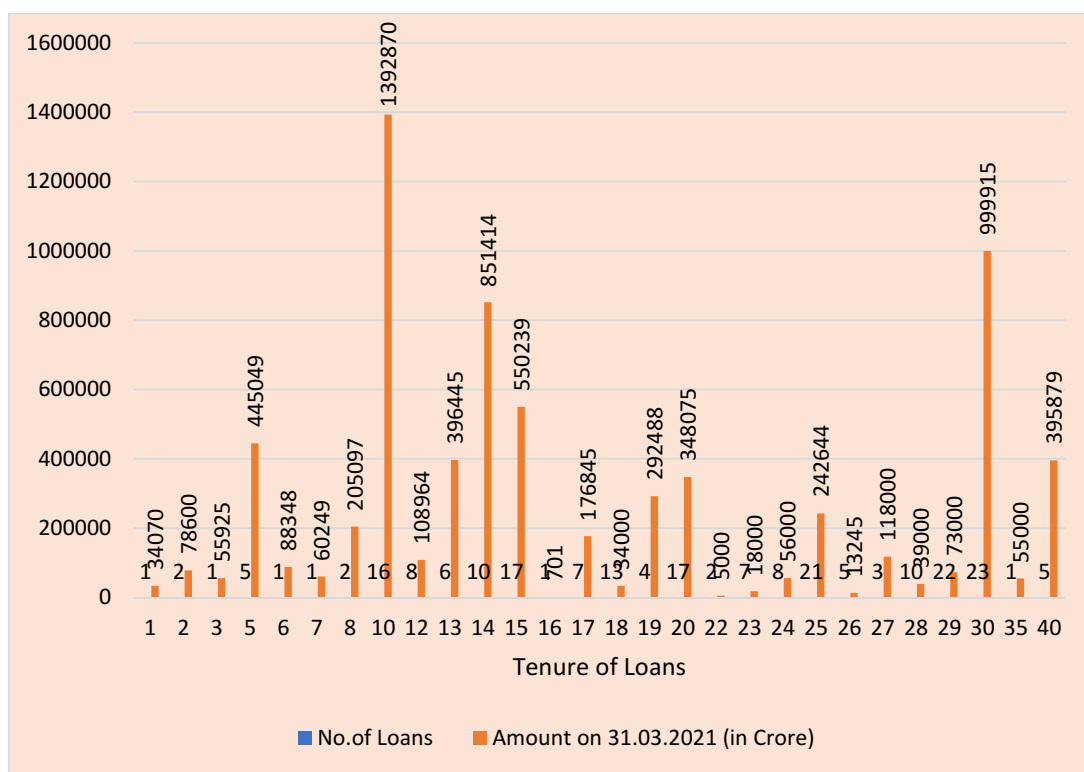
(₹ in crore)



In the year 2021, the dated securities contracted with the longest maturity tenure were of 40 years.

Figure 2.34 below shows the outstanding amount of market loans, having maturity period from one to forty years. The largest share is of market loans of ten years of maturity followed by market loans of thirty years' maturity.

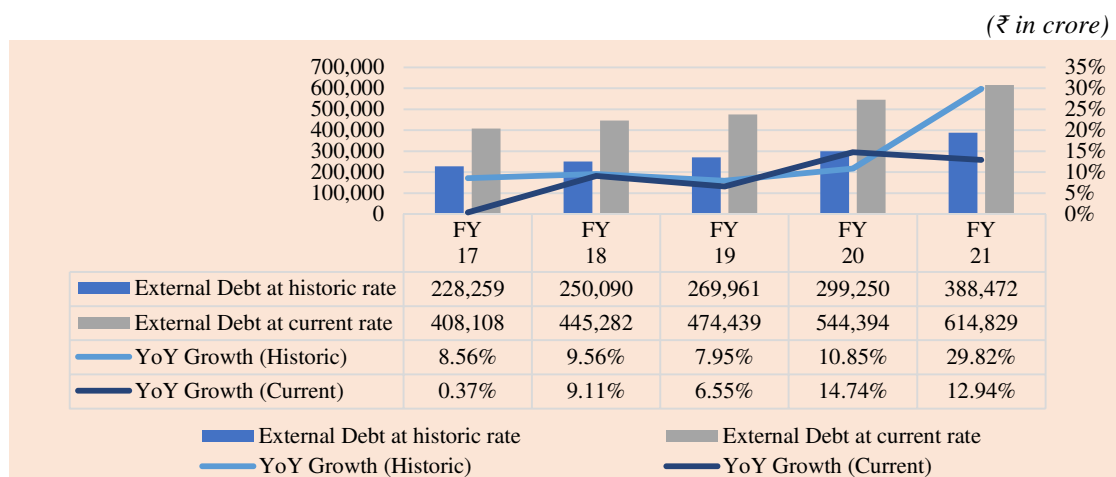
Figure 2.34: Maturity period of Market Loans



B. External Debt

Figure 2.35 presents the external debt of the Union Government for the last five years at historic exchange rates and at current exchange rates.

Figure 2.35: Trend of External Debt



The growth rate of external debt at historic rate (currency rate when the debt was initially contracted) was the highest in FY21 while at current rate (applicable to corresponding currency on 31 March 2021), it was the highest in FY20.

Figure 2.36 represents the Public Debt receipt and repayment for the last five years.

Figure 2.36: Public Debt receipts and repayment

(₹ in crore)

Period	Repayment and servicing of internal debt		Repayment and servicing of external debt		Total repayment and servicing of Public Debt	Total receipt of Public Debt	Percentage of Col.6 to Col.7
	Principal	Interest	Principal	Interest			
1	2	3	4	5	6	7	8
FY17	56,52,628	4,48,928	26,195	5,144	61,32,895	61,34,137	99.98
FY18	58,45,919	4,87,527	26,685	5,951	63,66,082	65,54,002	97.13
FY19	60,34,206	5,33,265	30,739	8,150	66,06,360	67,58,482	97.75
FY20	62,92,658	5,78,186	33,891	9,420	69,14,155	73,01,387	94.70
FY21	61,49,920	6,44,829	34,715	8,204	68,37,668	81,62,910	83.77

From **Figure 2.36**, it is seen that during FY17 to FY20 while the repayment and servicing of Public Debt was at around 95 to 100 *per cent* of the total Public Debt Receipts, it reduced to 83.77 *per cent* in FY21.

2.7 Fiscal Parameters

As per FRBM Act, 2003, Fiscal Deficit means the excess of total disbursements, from the Consolidated Fund of India, excluding repayment of debt, over total receipts into the Fund (excluding the debt receipts), during a financial year. In **Figure 2.37** the Fiscal Deficit has been calculated based on the information contained in the Statement No.1 of the UGFA.

Figure 2.37: Revenue and Fiscal Deficit

(₹ in crore)

Expenditure	Amount	Fiscal Parameters	Receipt	Amount
Revenue Expenditure	33,14,852	Revenue Deficit 14,50,339	Revenue Receipts	18,64,513
Capital Expenditure	3,42,949		Miscellaneous Capital Receipts	37,897
Loans and Advances	2,49,846		Recoveries of Loans and Advances	29,923
Total Disbursement	39,07,647	Fiscal Deficit 19,75,314	Total Non-Debt Receipts	19,32,333

The Fiscal Deficit is financed either by additional Public Debt (internal or external) or by using surplus funds from the Public Account as detailed in **Figure 2.38**.

Figure 2.38: Sources of financing of Fiscal Deficit

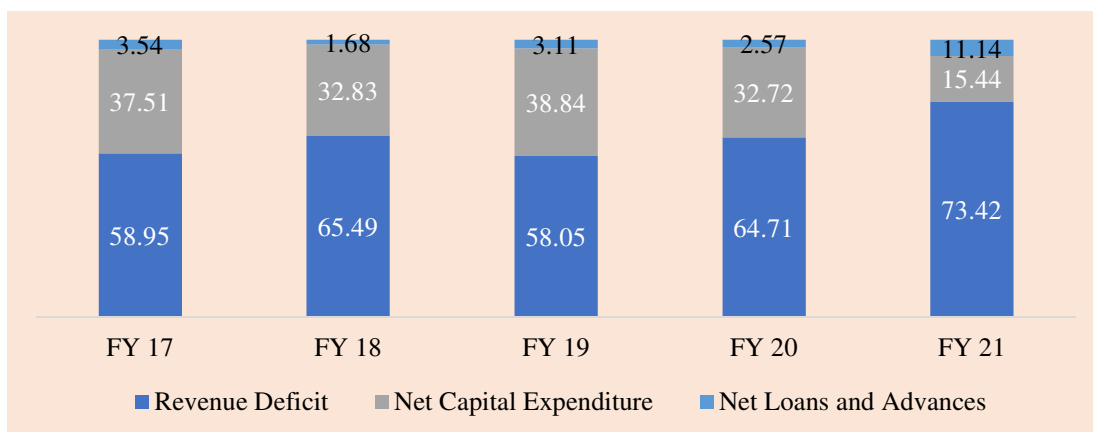
(₹ in crore)

Period	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	
FY17	4,37,317	81.32	17,997	3.35	91,381	16.99	-8,896	-	5,37,799
FY18	6,59,566	96.22	21,832	3.18	18	0.00	4,091	0.60	6,85,507
FY19	6,73,666	85.92	19,871	2.53	91,846	11.71	-1,321	-	7,84,062
FY20	9,45,549	91.70	29,290	2.84	51,317	4.98	4,970	0.48	10,31,126
FY21	18,89,052	95.63	89,223	4.52	4,227	0.21	-7,188	-	19,75,314

Borrowings raised to finance the Fiscal Deficit of FY21 also include borrowing of ₹1,10,208 crore by the Union Government on behalf of State Governments to compensate for shortfall in GST Compensation Cess, which was transferred to them as back to back loans. The fiscal deficit was financed mainly from the net internal debt, about 95.63 *per cent* share in FY21. The amount of external debt used to finance fiscal deficit increased in FY21. The components of fiscal deficit are shown in **Figure 2.39**.

Figure 2.39: Components of Fiscal Deficit

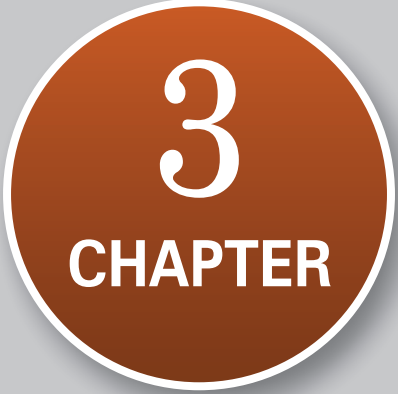
(In per cent)



Source: UGFA FY17 to FY21.

Out of the fiscal deficit of ₹19,75,314 crore in FY21, ₹14,50,339 crore was on revenue account, with an YoY increase of 8.71 *per cent*. On the other hand, the share of net capital expenditure decreased by more than half in FY21 as compared to FY20.

Thus, in FY21 market borrowings taken to cover the fiscal deficit primarily went into filling the revenue gap as revenue receipts fell short of the revenue expenditure of the Union Government. This was primarily due to higher spending, and lower revenue collection on account of COVID-19.



3

CHAPTER

**Quality of Accounts
and Financial
Reporting Practices**

3.1 Introduction

The Union Government Finance Accounts (UGFA) contain **16 Statements** which present the accounts of receipts and disbursements of the Union for the year, the financial results disclosed by revenue and capital accounts and the accounts of public debt, liabilities, and assets.

This Chapter discusses the presentation of financial information with reference to issues of completeness, transparency, accuracy and disclosures in the UGFA. Some issues persist despite having featured in the previous Audit Reports of the C&AG on Union Government Accounts.

3.2 Guarantees

Under Article 292 of the Constitution, Government of India (GoI) may give guarantees within such limits, if any, as may be fixed by Parliament by law. The existing Guarantee Policy brought out in September 2010, provides for guarantees for different kinds of borrowings by Central PSUs/ entities.

Statement 4 of the Finance Accounts contains the maximum amount of guarantee for which Government had entered into agreements and sums guaranteed outstanding at the end of the year are mentioned in crores of Rupees. The statement shows the position, as on 31 March 2021, of guarantees given by the Union Government for (i) repayment of borrowings and payment of interest thereon, (ii) repayment of share capital and payment of minimum dividend, (iii) payment against agreements for supplies of materials and equipment on credit basis, etc., on behalf of Government companies/ corporations, Railways, Union Territories, State Governments, local bodies, joint stock companies, co-operative institutions, etc. These guarantees constitute a contingent liability on the Consolidated Fund of India.

Detailed scrutiny of guarantees at Ministry of Finance (DEA) as well as at concerned ministry level by Audit revealed the following.

3.2.1 Non-disclosure of Guarantees given to Public Sector Entities-Air India Asset Holding Limited

GoI guaranteed non-convertible debentures amounting to ₹14,985 crore were issued by Air India Asset Holding Limited (AIAHL) in October 2019. Details are shown in **Figure 3.1**.

Figure 3.1: Guarantees given to AIAHL

Amount (₹ in crore)	Date of issue	ROI %	Date of repayment	GoI Guarantee	Deed of Guarantee signed
7000	14.10.2019	7.39	12.10.2029	Letter of Assurance	On 30.08.2019
7985	22.10.2019	7.39	22.10.2029	Letter of Assurance	On 30.08.2019

This was not depicted in Statement 4 for FY21. While accepting the non-depiction of guarantee given to AIAHL in Statement 4, Ministry of Civil Aviation intimated that owing to some interpretation issues in Letter of Authorization/ Assurances issued by MoF, the Guarantees were not reported. However, GoI Guarantees for the aforesaid ₹14,985 crores raised by AIAHL were reported for the Quarter I of FY22.

3.2.2 Variation between Guarantees shown in Statement 4 and CPSEs records

As per Government Guarantee Policy 2010 and Rule 278(iv) of GFR 2017, the GoI Guarantee would cover the principal amount and the normal interest. The Guarantee agreements signed between Union Government and respective Lenders (World Bank, ADB, JICA, etc.) for guaranteeing the loans availed by CPSEs from these lenders revealed Government Guarantee covering principal along with interest. However, scrutiny of records provided by Ministry of Power revealed that the above provision was not adhered to and the Ministry reflected only the outstanding principal amount of loan in Union Finance Accounts.

Further, there was variation of ₹81.09 crore between figures of outstanding guarantee as depicted in Union Finance Accounts for FY21 and Annual Accounts of nine CPSEs as detailed in **Annexure-3.1**. This needs to be reconciled for correct calculation and charging of Guarantee fee.

3.2.3 Issues relating to Guarantee Fees

Rule 279 of GFR 2017 stipulate that the rates of guarantee fee would be as notified by the Budget Division, Department of Economic Affairs (DEA), MoF. The guarantee fee should be levied before the guarantee is given and thereafter on first April every year. The rate of guarantee fee is to be applied on the amount outstanding at the beginning of the guarantee year. Where the guarantee fee is not paid on the due date, fee should be charged at double the normal rates for the period of default. As per Government Guarantee Policy (September 2010), guarantee fee is to be levied on the outstanding amount of Principal and Interest even in respect of external borrowings. In case of the loans signed between external funding agencies and public sector undertaking and guaranteed by the GoI, the guarantee fee is required to be deposited with the concerned Administrative Ministry.

Review of test checked Ministries, with reference to collection of Guarantee Fee as well as levy of Penalties, revealed the following:

A. Non/ short recovery of Guarantee Fee

During FY21, guarantee fee of ₹2,065.09 crore was receivable from three (03) Ministries/ Departments, however, only ₹11 crore of guarantee fee was received against the guarantee from these Ministries/ Departments as detailed in **Figure 3.2**.

Figure 3.2: Non/ short recovery of Guarantee Fee

(₹ in crore)

Sl. No.	Ministry/ Department	Fee receivable	Fee received	Non recovery of Guarantee Fee
1	Dept. of Pharmaceuticals	91.94	0.00	91.94
2	Dept. of Chemicals and Petrochemical	17.00	8.50	8.50
3	M/o of Civil Aviation and Tourism	1,956.15	2.50	1,953.65
	Total	2,065.09	11.00	2,054.09

It was also observed that the Mumbai Metropolitan Region Development Authority (MMRDA) under Department of Economic Affairs, Ministry of Finance paid Guarantee Fee of ₹19.90 crore pertaining to FY20 in FY21 without penalty payment.

Budget Division, MoF replied that Department of Chemicals and Petro Chemicals and MMRDA had requested for waiver/ condemnation of penalty fee, while letter had been issued to recover outstanding guarantee fees from the other two Ministries – Civil Aviation and Tourism, and Pharmaceuticals.

B. Deviation in Guarantee Agreements from GoI Instructions

As per Rule 279(2) of GFR 2017, the guarantee fee should be levied before the guarantee is given and thereafter on first April every year. The rate of guarantee fee is to be applied on the amount outstanding at the beginning of the guarantee year. Moreover, as per Rule 278 (iv), the GoI Guarantee would only cover the principal amount and the normal interest. All other risks including the exchange rate risk would be shared between the borrower and lender as per terms and conditions prescribed in the loan agreement.

On scrutiny of Guarantee Agreements made available to Audit by the Ministry of Power, it was observed that in certain Guarantee Agreements, the terms of Payment Obligation of borrowers were in deviation from the afore mentioned rules, as follows.

Figure 3.3: Deviations in Guarantee Agreements

Sl. No.	CPSE	Loan Amount (in millions)	Lender	Guarantee Agreement Date	Terms of Payment Obligation for Borrower as per respective Guarantee/ Counter Guarantee Agreement
1	PGCIL	172.26 FF	Govt. of French Republic	12-01-2021	Borrower undertakes to pay Guarantee Fee within one month of completion of previous financial year. This is in deviation to Rule 279(2) of GFR 2017, which provides levy of the guarantee fee on first April every year.
2	PGCIL	8,497 YEN	Japan Bank for International Cooperation (JBIC)	12-01-2021	
3	NTPC	19,817 YEN		16-02-2021	
4	NTPC	12,194 YEN		16-02-2021	
5	NTPC	27,473 YEN		16-02-2021	
6	NTPC	5,684 YEN		16-02-2021	
7	PGCIL	400 USD	Asian Development Bank (ADB)	18-04-2006	Borrower undertakes to pay Guarantee Fee on or before 15th April each year, rather than on 1 st April as per GFR.
8	PGCIL	250 USD		18-04-2006	
9	PFC	150 USD		16-05-2005	

The above agreements may be reviewed in the light of provisions of GFRs.

3.2.4 Documentation of Guarantees and yearly review

Rule 281(1) of GFR 2017 provides that Financial Advisers of Ministries/ Department should ensure that all guarantees are reviewed every year and furnish review report to Budget Division, Ministry of Finance by 30 April every year.

Further, as per Rule 281(2) and (3) of GFR 2017, the concerned Ministry should maintain a register of guarantees in Form 25 to (i) keep a record of guarantees; (ii) retain information required from time to time in respect of guarantees; (iii) keep record of annual reviews to see that these are carried out regularly; and (iv) send data as contained in Form GFR 25, duly updated every year to the Budget Division of the DEA, MoF.

However, in the test checked Ministries/ Departments⁸, Audit observed that neither the review of Guarantees had been conducted regularly, nor the records such as register of guarantees in Form GFR 25 and/ or Form GFR 26 related to operational parameters of the entity for whom such guarantee was issued/ to be issued, were maintained by Principal Accounting Offices of concerned Ministries/ Departments.

Due to this, the accuracy of the figures of additions and deletions of the Government Guarantees, as reported in the Statement 4 of UGFA could not be ascertained in audit.

3.3 Government Investment in various entities

Statement 11 of the Union Government Finance Accounts shows the investments, dis-investments, type of shares, face value of the share, percentage of Government stake and Dividends etc., of Union Government in Statutory Corporations, Companies, other Joint Stock Companies, Co-operative Banks and Societies etc.

On scrutiny of Statement for FY21, with reference to the Annual Reports of the entities concerned, the following irregularities were observed. These discrepancies may be reconciled to depict the Union Government Investments correctly.

3.3.1 Mismatch of figures

There was mismatch in the disinvestment details furnished by Department of Investment and Public Asset Management (DIPAM), MoF and as depicted in Statement 11 as per details in **Figure 3.4**.

Figure 3.4: Mismatch of disinvestment figures

(₹ in crore)

Entity	Amount disinvested as per DIPAM	Amount disinvested as per Statement No. 11
Tata Communications Ltd. (Videsh Sanchar Nigam Ltd.)	74.45	0
Mazagaon Dock Shipbuilders Ltd.	30.30	0

⁸ Ministry of External Affairs, Department of Economic Affairs, Department of Agriculture, Cooperation and Farmers Welfare, Ministry of New and Renewable Energy, Department of Financial Services, and Ministry of Power

Thus, to the extent shown in **Figure 3.4**, Statement 11 of UGFA for FY21 was incomplete as the amount disinvested was not reflected.

Mismatch in information of Statement 11 and Annual Reports of CPSEs

The cross verification of Statement 11 with the Annual Reports of entities revealed 31 instances of discrepancies in total amount invested, number of equity shares and percentage of shareholdings, as detailed in **Annexure 3.2**.

Classification of entities

Union Government had diluted its stake entirely in respect of three entities as detailed in **Figure 3.5**, but these were still reflected in Statement 11.

Figure 3.5: Classification of entities in Statement 11

Sl. No.	Entity	Observation	Reply
1	North Eastern Electric Power Corporation, Shillong	Union Government sold all its stake to NTPC in FY20.	O/o CGA stated (August 2021) that accounting adjustment of disinvestment in North Eastern Electric Power Corporation has not yet been carried out by the concerned Ministry. It has been requested to submit the requisite PPA ⁹ for the said disinvestment. Accounts will be updated on receipt of the same.
2	Tehri Hydro Development Corporation Ltd.	Union Government sold all its stake to NTPC in FY20.	
3	Tata Communications Ltd.	Government of India sold all its stake via offer for sale in FY21.	O/o the CGA stated (August 2021) that correction would be carried out in the Finance Accounts for FY21. However, no rectification was noticed.

Further, it was noticed that in case of 21 entities the GoI was having 100 *per cent* stake, but these entities had been incorrectly classified as Joint Stock Companies. Details of Entities are depicted in **Annexure 3.3**.

3.3.2 Nomenclature of entities

- a) The name of Bharat Bhari Udyog Ltd. got changed to Braithwaite Burn & Jessop Construction Company Limited in November 2015, but the name of entity was still being shown as Bharat Bhari Udyog Ltd.
- b) The name of National Newsprint and Paper Mills Ltd. got changed to NEPA Limited in February 1989. However, the old name was still being depicted.

In respect of the above observations, the replies of the concerned Ministries/ Departments were awaited (August 2022).

⁹ Prior Period Adjustment

c) The name of Hindustan Insecticides Limited got changed to HIL (India) Ltd. in March 2018. However, the name of the entity was not changed in Statement 11.

In this regard, the Department confirmed (November 2021) the inaccuracy, but the discrepancy was not yet rectified.

3.3.3 Other discrepancies in Statement 11

Scrutiny of Statement 11 of the Ministry revealed the following discrepancies as follows:

Figure 3.6: Other discrepancies in Statement 11

Sl. No.	Name of the Entity	Discrepancy
1	Sagarmala Development Corporation Ltd	Ministry of Shipping had invested ₹100 crore in Sagarmala Development Corporation Ltd. but in Statement 11 , the investment was shown incorrectly as ₹200 crore. Principal Accounts Office (Pr.AO) of the Ministry stated (November 2021) that a revised copy of Statement 11 indicating correct amount of investment would be intimated, but the rectification was yet to be done.
2	Damodar Valley Corporation	The Central Government had investment of ₹1,820.67 crore with 35.04 <i>per cent</i> shareholding as of 31 March 2021 in Damodar Valley Corporation. The name of the Corporation was, however, not reflected in the Union Government Finance Accounts. O/o CCA, Ministry of Power, stated (December 2021) that it has requested O/o CGA for advice regarding depiction of investment in Statement-11 of Union Finance Account. However, the same was yet to be done.
3	Delhi Metro Rail Corporation (DMRC)	The remarks column of Statement 11 for FY21 stated that in respect of Delhi Metro Rail Corporation shares for ₹104.50 crore had been transferred from equity and were to be settled. Further, it was disclosed through a footnote that during FY16 an amount of ₹104.50 crore had been transferred into interest free Subordinate Debt for Land and Central Taxes towards revised completion cost of DMRTS Phase-II project which was yet to be settled. In its reply, Pr. AO, M/o Housing and Urban Affairs stated (October 2021) that the requisite documents/ information were still pending from the concerned divisions and further course of action in the matter could only be taken only after receipt of complete information.
4	National Skill Certification and Monetary Reward Scheme	The information regarding type and number of shares, face value of each share, percentage of Government's investment to the total paid up capital and amount of dividend/ interest received and credited to Government during the year was not depicted in UGFA.
5	Electronic Development Fund	On being pointed out by Audit, DEA, MoF stated that the details had been called for from the concerned PAOs and would be incorporated in Statement 11 on receipt of the same.

Sl. No.	Name of the Entity	Discrepancy
6	Small Industries Development Bank of India	The name of the entity "Small Industries Development Bank of India" of Ministry of Industry was shown as "Funds of Funds" in Annexure C of Appropriation Accounts. In reply, CGA authorities (December 2021) stated that correspondence had been made with M/o Industry regarding the name of undertaking and reply was awaited.

3.3.4 Issues relating to Dividends

A. Shortfall in payment of dividend

As per Para 5.2 of the Guidelines on Capital Restructuring of CPSEs issued by DIPAM (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. Further, Para 5.3 *inter alia* states that CPSEs are expected to pay the maximum dividend permissible under the Act under which a CPSE has been set up, unless lower dividend proposed to be paid is justified after the analysis of various aspects of net worth of the CPSE, its capacity to borrow, long term borrowings, etc. at the level of Administrative Ministry. The report for exemption is to be submitted by the CPSEs through their Administrative Ministry to Secretary, DEA and Secretary, DIPAM.

In November 2020 DIPAM reiterated the above and advised the CPSEs to strive to pay higher dividends subject to factors like profitability, Capex requirements, and cash reserves.

Scrutiny of Statement 11 in respect of Ministry of Steel and Ministry of Power along with annual accounts of CPSEs revealed that the following entities either short paid or did not pay dividend for FY20, as depicted in **Figure 3.7**.

Figure 3.7: Short payment of Dividend

(₹ in crore)

Ministry	CPSE	Profit After Tax for FY20	Net Worth	Minimum dividend to be declared	%age of GoI share holding	Dividend payable to GoI for FY20	Dividend paid for FY20	Shortfall in payment of Dividend
M/o Steel	Steel Authority of India Ltd. (SAIL), New Delhi	2,021.54	39,777.38	1,988.87	75	1,491.65	Nil	1,491.65
M/o Power	NTPC Ltd.	10,112.81	1,13,569.44	5,678.47	51.02	2,897.16	1,590.15*	1,307.01

*₹252.40 crore and ₹1,337.75 crore were paid during FY20 and FY21 respectively.

On being pointed out, Ministry of Steel replied that Steel Authority of India Ltd. had made request for exemption and Ministry of Steel had also taken up the matter with DIPAM.

Similarly, the Principal Accounts Office, Ministry of Power stated (November 2021) that the shortfall in dividend was mainly due to NTPC's acquisition (as per decision of CCEA¹⁰) of shareholding of GoI in NEEPCO and THDC and request of NTPC had been forwarded by Ministry of Power to DEA and DIPAM in January 2020 for exemption from payment of full amount of dividend due in FY20.

The reply of the Pr.AO however did not mention regarding exemption of NTPC by DIPAM.

3.4 Outstanding Suspense Balances

The accuracy of the Union Finance Accounts for the year is impacted by persistence of significant balances under Suspense and Miscellaneous Heads awaiting final classification and clearance, and adverse balances under Debt, Deposit and Remittances Heads.

Suspense heads are operated in Government accounts to reflect transactions which cannot be booked to a final head of account in the absence of proper details. 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 unadjusted, the balances under the suspense heads accumulate and the accounts would give an inaccurate picture of Government receipts, expenditure and cash balance.

As per Rule 5.10 of Civil Accounts Manual (CAM), 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 Accounts Offices minor head-wise based on the figures furnished by PAOs periodically. The Chief Controller of Accounts of the concerned Principal Accounts Office is required to review the suspense balances and report to the CGA for monitoring purposes. The CGA, however, does not maintain a year-wise break-up of the outstanding balances under suspense minor heads which hindered the monitoring of clearance of such balances.

Audit findings arising from detailed scrutiny of balances under suspense and miscellaneous are discussed in the succeeding paragraphs.

3.4.1 Netting of Suspense Balances

The receipts and payments which cannot be booked to a final head of account for want of required information/ details are accounted as credits and debits, respectively, under suspense heads. The credits and debits are cleared by minus credit or minus debit once the details required become available. Thus, credit and debit items are required to be accounted for and shown separately in the accounts to give an accurate picture of

¹⁰ CCEA – Cabinet Committee on Economic Affairs

balances under each suspense head. The actual suspense balances is the summation of suspense under debit and credit, netting of the suspense balances understates the suspense outstanding by the extent of the lower of the debit and credit suspense.

Statement 13, however, shows only the net balances under Suspense Heads and therefore the real magnitude of outstanding balances under these heads does not get reported in the accounts of Union Government presented to Parliament. The position of actual suspense balances under major suspense heads in respect of Civil Ministries (Major Head-8658) for the last three years as worked out by Audit is shown in **Figure 3.8.**

Figure 3.8: Netting of Suspense Balances

(₹ in crore)

Head	FY19		FY20		FY21		Percentage understate ment due to netting in FY21
	Debit	Credit	Debit	Credit	Debit	Credit	
101 PAO Suspense	2,650.67	713.16	11,098.27	478.27	3,920.62	731.42	31.45%
Net balance shown in UGFA	1,937.51 (DR)		10,620 (DR)		3,189.20 (DR)		
Actual balance	3,363.83		11,576.54		4,652.04		
102 Suspense Account (Civil)	1,140.57	402.86	1,179.60	638.19	1,182.74	1000.24	91.64%
Net balance shown in UGFA	737.71 (DR)		541.41 (DR)		182.50 (DR)		
Actual balance	1,543.43		1,817.79		2,182.98		
107 Cash Settlement Suspense Account	429.76	45.69	487.31	45.69	683.73	45.69	12.53%
Net balance shown in UGFA	384.07 (DR)		441.61 (DR)		638.04 (DR)		
Actual balance	475.45		533.00		729.42		
108 PSB Suspense	15,978.79	2,286.75	16,914.60	3,646.16	10,397.65	4,309.04	58.60%
Net balance shown in UGFA	13,692.04 (DR)		13,268.44 (DR)		6,088.61 (DR)		
Actual balance	18,265.54		20,560.76		14,706.69		
109 Reserve Bank Suspense (HQ)	12.27	185.07	12.08	185.07	12.16	185.07	12.33%
Net balance shown in UGFA	172.80 (CR)		172.99 (CR)		172.91 (CR)		
Actual balance	197.34		197.15		197.23		
110 Reserve Bank Suspense Central Accounts Office	3,010.13	2,041.09	378.66	1,743.39	71.10	4,543.23	3.08%
Net balance shown in UGFA	969.04 (CR)		-1,364.73 (CR)		4,472.13 (CR)		

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Union Government Accounts for FY 21**

Head	FY19		FY20		FY21		Percentage understatement due to netting in FY21
	Debit	Credit	Debit	Credit	Debit	Credit	
Actual balance	5,051.22		2,122.05		5,254.25		44.23%
129 Material Purchase Settlement Suspense Account	210.66	60.78	214.11	60.78	214.08	60.78	
Net balance shown in UGFA	149.88 (DR)		153.33 (DR)		153.30 (DR)		
Actual balance	271.44		274.89		274.86		34.51%
138 Other Nominated Banks (Private Sector Banks) Suspense Transactions Connected with War 1939	1,005.85	409.48	1,889.63	391.80	2,558.17	533.51	
Net balance shown in UGFA	596.37 (DR)		1,497.83 (DR)		2,024.66 (DR)		
Actual balance	1,415.33		2,281.43		3,091.68		

Thus, there was significant understatement due to netting of credit and debit balances in cases of balances under 102 Suspense Account (Civil), 108 PSB Suspense, and 129 Material Purchase Settlement Suspense Account.

The CGA stated (October 2021) that from next year onwards, debit and credit could be shown separately as both debit and credit flow of suspense for each Controller were available. For a minor head, the opening balance (OB) under credit would be treated as zero in case the closing balance (CB) at the end of FY21 was debit and vice versa, and then debit balances would be added to OB debit and credit balances to OB credit to arrive at CB credit and debit.

3.4.2 Accumulation of balances under Suspense Heads

A. PSB Suspense

Public Sector Banks (PSBs) function as agents of the Reserve Bank of India (RBI). When the Government Departments receive the statement of payments made against instructions given to PSBs, the transactions are initially booked as a credit entry against PSB Suspense. This credit of PSB Suspense is cleared by contra credit to Reserve Bank Deposits (RBD) Head when RBI debits the amount from Government account. Similarly, after receiving intimation from PSBs of the receipts, the concerned Government Department debits the PSB Suspense. This debit of PSB Suspense is cleared by contra debit to RBD Head when RBI credits the amount into Government account. Failure to clear the PSB Suspense in a timely manner results in incorrect depiction in Government books of its cash balance with RBI.

The outstanding PSB balance for the year ending March 2021 aggregated to ₹10,397.65 crore (Debit) and ₹4,309.04 crore (Credit). The aggregate balance of ₹14,706.69 crore was required to be cleared at the end of March 2021.

The Departments against which major balances were outstanding were Central Pension Accounting Office (CPAO) ₹3844.01 crore (Debit), Central Board of Direct Taxes (CBDT) (Expenditure) ₹3313.34 crore (Credit), Ministry of Health and Family Welfare ₹1101.01 crore (Debit), Central Board of Excise and Custom (CBEC) ₹631.59 crore (Debit), and Higher Education ₹114.84 crore (Debit).

B. Reserve Bank Suspense, Central Accounts Office

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 8658-Suspense Accounts – 110-Reserve Bank Suspense Central Accounts Office 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-Deposits with RBI-101-Central Civil’.

The outstanding balance under this minor head as on 31 March 2021 was ₹71.10 crore (Debit) and ₹4,543.23 crore (Credit) with aggregated balance of ₹4,614.33 crore to be cleared by the end of March 2021. The outstanding RBI (CAO) suspense balances were mainly against the Ministry of Rural Development ₹1,535.44 crore (Credit), Department of Expenditure, MoF ₹925.59 crore (Credit), School Education and Literacy ₹610.28 crore (Credit), Department of Revenue, MoF ₹539.08 crore (Credit), Ministry of Shipping ₹367.99 crore (Credit).

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. This has also distorted the correctness of Accounts to the extent of expenditure not being booked in the respective years.

C. Suspense Accounts for Purchases Abroad

The Minor Head ‘Suspense Accounts for Purchases Abroad’ is operated in the books of Controller of Aid, Accounts and Audit, MoF. The Government advises donors to make payments directly to suppliers abroad against supplies made to project authorities/ importers in India and an equal amount is kept under the suspense head till payment is received from the concerned line Ministries/ importers. The debit balance under this head indicates outstanding recoveries from the importers/ project authorities, even though the Government has already made payments for these imports.

As on 31 March 2021, an amount of ₹8,032.12 crore (Debit) was lying under suspense. The major debtor as on 31 March 2021 was Aid, Accounts and Audit with balance of ₹8,032.10 crore (Debit). The continued existence of the suspense items impacts the presentation of external debt in Statement 14 of the UGFA.

In response, it was stated that the O/o CGA regularly writes to all Ministries/ Departments to liquidate suspense balances. Meetings are also taken by senior officers to review the progress of suspense balances.

The reply of the CGA is not tenable as there was substantial increase in outstanding balance under major Suspense Heads such as Suspense Accounts for Purchases Abroad (8658-115) by 110.70 *per cent* and Reserve Bank Suspense Central Accounts Office (8658-110) by 117.45 *per cent*, and no concrete action has been taken for the clearance of previous year balances.

3.4.3 Operation of Suspense Heads of Defence Accounts

CGA office informed (June 2021) O/o Controller General of Defence Accounts (CGDA) that bookings made under all the minor heads of 8658 Suspense Accounts both Debits and Credits may be cleared by proposing JEs as this head is not authorized for booking by Ministry of Defence.

Scrutiny of Statement 5 and 13 of Finance Accounts of Ministry of Defence revealed that there were outstanding closing balance of ₹50.76 crore still reflecting under Major Head 8658-Suspense Accounts.

Further, Scrutiny of Statement 13 (MH 8659- 'Suspense Account (Defence)) revealed that for FY21, an amount of ₹6,928 crore (*DR* ₹6,913 crore, *CR* ₹15 crore) was lying in suspense for pending clearance.

In its reply, O/o CGDA has stated that due to non-availability of MH 8659 in the PFMS portal, transactions were booked under MH 8658. They also stated that accumulation and clearance of suspense under Major Head 8659 is a continuous process and suspense balances of ₹17,970 crore had been cleared during FY 2020-21.

3.4.4 Outstanding balances under the head 'Cheques and Bills'

The head 'Cheques and Bills' accounts for the amount of cheques drawn/ electronic advices issued by the Ministry/ Department, the heads 'PSB Suspense' and 'Deposits with Reserve Bank' reflect transactions taking place at the Banks against the cheques/ electronic advices issued. Outstanding balances under 'Cheques and Bills' represents cheques/ advices against which payments have not been made. Continued outstanding balances under Cheques and Bills do not reflect the actual cash balances in Government's books.

When claims are sent 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 the Suspense Head '8658.108-PSB Suspense' or '8675.101-Deposits with RBI-Central Civil' is credited.

Scrutiny of Statement 13 revealed that ‘Cheques and Bills’ amounting to ₹55,124.08 crore were outstanding as at the end of March 2021, as shown in **Figure 3.9**. Further, as per the nature and nomenclature of the Major Head ‘Cheques and Bills’, the balances under this head should remain credit. Contrary to that, there was debit/ adverse balance of ₹133.46 crore under minor head ‘Treasury Cheques’.

Figure 3.9: Outstanding Cheques and Bills

(₹ in crore)

Nomenclature/ Major Head (8670-Cheques and Bills)	FY19	FY20	FY21	Increase in FY21 as compared to FY20
102 - Pay and Accounts Offices Cheques	3,477.53 CR	2,332.52 CR	1,547.24 CR	-785.28
104 – Treasury Cheques	129.72 DR	131.21 DR	133.46 DR	2.25
103 - Departmental Cheques	3,254.21 CR	1,709.71 CR	1,883.18 CR	173.47
106-Telecommunication Accounts Office Cheques	862.37 CR	852.41 CR	869.23 CR	16.82
107 - Postal Cheques	27,272.54 CR	37,481.94 CR	36,893.15 CR	-588.79
108 - Railway Cheques	1,524.70 CR	17,964.12 CR	5,169.25 CR	-12,794.87
111 - Pay and Accounts Offices Electronic Advices	4,208.28 CR	3,465.13 CR	4,485.54 CR	1,020.41
110 - Electronic Advices	1,010.84 CR	2,652.99 CR	3,750.34 CR	1,097.35
Other Cheques*	52.56 CR	0.99 DR	659.61 CR	660.60
Total Cheques and Bills	41,533.31	66,326.62	55,124.08	-11,202.54

*FY19: 52.56 CR (155.72 DR + 208.28 CR); FY20: 0.99 DR (207.84 CR + 208.83 DR); FY21: 659.61 CR (659.61 CR).

Though there was an overall decrease in total outstanding Cheques and Bills, the balance under Postal Cheques remained substantially high.

Department of Posts stated (September 2021) that the huge outstanding balances under the head 8670 – Cheques and Bills were due to booking of amount under MH-8670 twice and sometimes the amount of MH-8670 were booked under MH-8677 and vice versa. Regarding adverse year end balances, the Department stated that adverse balances were due to wrong transaction code by DDOs while doing bank reconciliation in CSI and wrong mapping of GLs with MH-8670 at the time of CSI-FSI integration.

Further test check of outstanding balances under 8670-Cheques and Bills of Tamil Nadu Postal Circle revealed the following:

Figure 3.10: Amount outstanding in cheques – Tamil Nadu Postal Circle

(₹ in crore)

Number of Cheques and Total Outstanding Amount	Amount outstanding in cheques			
	less than 6 months old	older than 6 months but less than one year	older than One year but less than Two year	older than two years
3,07,631 Cheques amounting to ₹7,312.34 crore	1,540.10	1,477.73	2,702.16	1,592.35

The Postal authorities of Tamil Nadu Circle stated that the outstanding balances arose in FY19 and FY20 due to non-availability of provisions for reconciliation in CSI¹¹. Hence, the reconciliation was not carried out. Further, the proper method of booking the extracted figures from CSI to prepare accounts was not communicated by the Directorate, which resulted in outstanding balances in drawings from banks.

3.5 Adverse Balances

Adverse balances arise due to various factors such as (a) when transactions are erroneously credited instead of being debited and vice versa, (b) when debits are accounted under one head and related credits under some other head or vice versa, and (c) when outflows/ disbursements from Reserve Funds are more than receipts/ balances. These balances thus, represent errors and absence of financial controls and impact the quality and accuracy of accounts.

The UGFA for FY21 contained 65 cases (Details in **Annexure-3.4**) of adverse balances. Out of this, 36 were unresolved for over 5 years, with the oldest being 46 years. Further, detailed scrutiny of adverse balances with reference to accounts of concerned Ministry/ Department, revealed the following:

- a) Ministry of Power: Under the Loan Head 6801.201- Hydel Generation, there was adverse balance of ₹118.62 crore (₹1186191 thousand pertaining to National Hydroelectric Power Corporation, NHPC and ₹14 thousand pertaining to Tehri Hydro Development Corporation, THDC).

The Principal Accounts Office, Ministry replied (November 2021) that NHPC had reported that this amount did not belong to them and hence, the matter had been taken up with both Internal Audit Wing of the Ministry and O/o CGA to reconcile the above misclassification. Audit however observed that the documents enclosed with the reply did not support the statement that NHPC had reported that this amount did not belong to them.

- b) Ministry of Skill Development and Entrepreneurship: Adverse balances amounting to ₹76.75 crore (Credit) were booked in 6250.60.202-Loans for other social service (Loans to IMC of the ITIs) and ₹1.43 crore (Debit) booked in 8011.00.103-Central Government employees group insurance scheme.

The Ministry stated (June 2021) that adverse balances in 6250.60.202-‘Loans for other social service (Loans to IMC of the ITIs)’ were due to transferring of loan amount disbursed by Ministry of Labour before formation of Ministry of Skill Development and Entrepreneurship. The adverse balance in 8011.00.103-‘Central Government Employees Group Insurance Scheme’ was because the payment made at the time of retirement of employees was higher than the contribution, and adverse balance in 8550.104-‘State Provident (Other Advance)’ was due to interim benefit given to deceased employees’ families.

¹¹ CSI (Core System Integration) – system software used in Department of Post

MoSD&E should expedite to identify the reasons for the adverse balances and rectify the same in a time bound manner.

- c) Ministry of External Affairs: Adverse balance was booked under MH 8011.00.103- 'Central Government Employees Group Insurance Scheme' (CR₹10.81 crore), 8658.00.108- 'Public Sector Bank' (CR₹115.17 crore), 8443.00.117- 'Deposits for work done for public bodies or private individuals' (DR₹35.26 crore), 8782.00.105- 'RBI remittances' (CR₹96.04 crore), 8782.00.130- 'Remittances between MEA and Missions abroad' (DR₹368.80 crore).

The Ministry stated (September 2021) that adverse balance under head 8011.00.103 was due to wrong booking/ misclassification which was being identified and would be rectified in due course. It was also stated that records were being traced and reconciliation process was being done to find out the reason and their rectification.

- d) Central Board of Indirect Taxes and Customs (CBIC): There were adverse balances present under various minor heads. CBIC in its reply attributed various reasons for adverse balances such as 'recoveries being made by one PAO and payment by another PAO, and PAO who made recovery not transferring the amount to the office from where advance was taken', 'more payments under Insurance Fund made by PAOs', 'rectification of misclassification of previous years', 'non-receipt of List of Payments from Cheque Drawing and Disbursing Officers of CBIC', more transfer out cases proceeds by the PAOs of CBIC and 'clearance of balances of previous years'.

3.6 Reserve Funds

In Government Accounts, Reserve Funds are constituted for renewals and replacement of assets, specific and well-defined purposes under any statutory provision or otherwise. The reserve funds are financed by way of budgetary support and/ or grants, contributions, cess, or levy raised and collected in the Consolidated Fund and transferred to the designated reserve funds in the Public Account by following the procedure prescribed for budgeting of these transactions.

3.6.1 Transfer of levis and cess collections to designated funds

Scrutiny of Cess and Levies during FY21 revealed cases of short/ non-transfer of collected amounts, as discussed in following paragraphs.

A. Short transfer of Universal Access Levy

The Universal Service Obligation (USO) Fund was set up in April 2002 for achieving universal service objectives by providing access to telephone services in rural and remote areas and creation of infrastructure for mobile services and broad band in these areas. The resources for meeting these obligations were to be raised through a 'Universal Access Levy' (UAL). The levy so collected is first credited to the CFI and subsequently, transferred, based on the appropriation approved by Parliament, to a non-lapsable USO Fund created in the Public Account for being utilized exclusively for the purposes for which the levy is collected.

Audit scrutiny of Statements 8, 9 and 13 showed that total collection of UAL during FY21 was ₹9,471.23 crore of which only ₹7,200 crore was transferred to the USO Fund. Thus, there was short transfer of UAL to the USO Fund amounting to ₹2,271.23 crore.

The issue of short transfer of the levy to the USO Fund has been brought out in earlier reports of the CAG on the Union Accounts for FY10 to FY15, FY19 (Short transfer of ₹2,123 crore) and FY20 (Short transfer of ₹5,035.53 crore) but the matter is yet to be resolved.

On being pointed out by Audit, O/o CGA in its reply (August 2021) stated that transfer to various Reserve Funds in the Public Accounts is made on the basis of sanctions of the administrative Ministry/ Department after obtaining necessary provisions by the concerned Ministry/ Department in their Grants under relevant functional Major/ minor head of accounts.

Obtaining short provision from Parliament for transfer to the designated fund compared to the actual collection of levy affects the transparency of the fund.

B. Short transfer of National Mineral Trust Levy

The Union Government set up the National Mineral Exploration Trust in FY16 in accordance with the Mines and Minerals (Development and Regulation) Act. The Trust is funded through payments made by holders of mining leases as a percentage of royalty paid which is collected by State Governments and thereafter paid to the Union Government. The amount so collected is to be transferred to the National Mineral Exploration Trust Fund in the Public Accounts.

As per the approved accounting procedure (O/o CGA U.O No. 9(8)/2017/TA/304-307 dated 19 March 2018), the National Mineral Exploration Trust Secretariat/ concerned division of the Ministry of Mines shall provide estimates of receipts towards National Mineral Exploration Trust to Budget Division (Ministry of Finance) to enable them to make suitable provision under the Ministry of Mines to facilitate transfer to National Mineral Exploration Trust Fund. The Accounting procedure also requires that while the entire accretion in a year should be transferred to the Fund before the closure of financial year, preferably each month the progressive accretion should be transferred.

Scrutiny showed that under the National Mineral Exploration Trust Fund against the collection of ₹620.85 crore, and a budget provision of ₹150 crore, only ₹90 crore were transferred, to the Fund, thus resulting in short transfer of ₹530.85 crore.

The issue of short transfer of the levy to the National Mineral Exploration Trust Fund has been brought out in earlier reports of the CAG (FY19: Short transfer of ₹79 crore and FY20: Short transfer of ₹564.85 crore) on the Union Accounts but the matter is yet to be resolved.

On being pointed out, the Ministry of Finance, Department of Economic Affairs stated (August 2021) that the National Mineral Trust Levy was not a tax levy and the transfer to the fund was based on the absorptive capacity of the administrative Ministry to spend

and the Government would consider transferring the sums equivalent to collection of levy to National Mineral Exploration Trust Fund depending on its requirement. It further stated that the Ministry of Mines was consulted in the matter, which confirmed that there was time lag between collection and remittance by States of National Mineral Exploration Trust Levy and actual transfer to the Fund.

In this regard, it was observed from the approved accounting procedure that the transfer to the Fund is not linked to the absorptive capacity of the administrative Ministry. Thus, the entire accretion of ₹620.85 crore during FY21 should have been transferred to the Fund.

Further, regarding the time lag between collection, remittance and actual transfer to the fund, the accounting procedure required that suitable budget provisions for the inter account transfer should be formulated and each month the progressive accretion should preferably be transferred to the fund and the entire accretion in a year should be transferred to the Fund before close of the financial year.

C. Non operationalization of Madhyamik and Uchchatar Shiksha Kosh

Health and Education Cess (HEC) is levied at the rate of four *per cent* from Finance Act 2018. As per sharing pattern agreed by Ministry of Finance, vide OM dated 27 November 2020, 75 *per cent* of the proceeds collected are to be utilized for education sector schemes, the rest are to be utilized for health schemes. Accordingly, HEC collections are to be transferred to three reserve funds, namely, Prarambhik Shiksha Kosh (PSK), Madhyamik and Uchchatar Shiksha Kosh (MUSK) and Pradhan Mantri Swasthya Suraksha Nidhi.

In FY21, ₹35,821.48 crore were shown as collected on account of HEC. In respect of the above three reserve funds, Audit noticed that while the creation of MUSK was approved by Cabinet in July 2017, it has not been operationalized due to non-finalisation of its accounting procedure. In the RE for FY21, funds aggregating ₹20,567.12 crore were approved for transfer to MUSK. As the fund had not been operationalized, no amount was transferred to this fund during FY21. In respect of Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN), the accounting procedure is under process.

3.6.2 Dormant Reserve Funds/ Deposits

Reserve Funds and Deposits form a part of the Public Account of India wherein the transactions in respect of which Government incurs a liability to repay the moneys received and the repayments thereof are recorded. Creation of a 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 are made by depositors as a security and/ or to get some work executed by the Government on behalf of the depositor. Dormant Reserve Funds/ Deposits constitute those funds or deposits which are not in operation for a long period of time and might have outlived their utility.

Scrutiny of Statement 13 of UGFA showed that 13 Reserve Funds having Credit Balance of ₹308.23 crore in nine Reserve Funds and Debit Balance of ₹370.31 crore in four Reserve Funds at the end of FY21, as contained in **Annexure 3.5**, were lying dormant for a period ranging from 02 to 19 years.

Further scrutiny of Statement 13 revealed that 36 Deposits (Interest bearing as well as Interest not bearing) having Credit Balance of ₹6,882.05 crore in 29 Deposit Accounts and Debit Balance of ₹201.48 crore in seven Deposit Accounts at the end of FY21, as contained in **Annexure 3.6**, were lying dormant for a period ranging from 01 to 26 years. In most of the cases, small balances, either positive balance or negative balance, were lying and their continuance needs to be reviewed and settled.

3.6.3 Deviation from approved accounting procedure

A. CAMPA funds kept outside Public Account

Compensatory Afforestation Fund Management and Planning Authority (CAMPA) is the custodian of all Compensatory Afforestation Funds (CAF) collected from user agencies while allowing diversion of forest land for non-forest purposes under the Forest (Conservation) Act, 1980 and amounts received towards net present value of the forest land so diverted as per Supreme Court directions. The money so collected is to be kept in the Public Account by the CAMPA for each State/ UT and required to be released to respective State/ UT Government, based on approved Annual Plans of Operation.

As per the approved accounting procedure under the Compensatory Afforestation Fund, the Pay and Accounts Office of the Ministry of Environment, Forest and Climate Change (MoEF&CC) is required to maintain and reconcile the accounts of CAMPA and report the balances. At the end of FY21, there was a balance of ₹16,693.48 crore (₹7,656.17 crore under 8121-General and Other Reserve Funds, 128 National Compensatory Afforestation Fund (NCAF) and ₹9,037.31 crore under 8336-Civil Deposits, 102 National Compensation Afforestation Deposits).

Audit, however, observed that funds amounting to ₹666.44 crore were lying in the bank Account of Adhoc-CAMPA authority outside the Public Account at the end of FY21.

The reply of MoEF&CC was awaited in this regard (August 2022).

B. Incorrect accounting under Monetization of National Highways Fund

As per the approved accounting procedure, receipts towards monetization of National Highways shall be booked under head 4000.01.106-Proceeds of Monetization of National Highways. The amount thus received is to be transferred to the Monetization of National Highways Fund in the Public Account under the head of account 8225.03.101- Monetization of National Highways Fund through Revenue head 3054.80.797-Transfer to Reserve Fund/ Deposit Account. The expenditure incurred from the fund is to be booked under the budget provision made under 5054.01.337-Road Works and the amount so incurred is to be recouped from the fund through head

of account 5054.01.905-Deduct amount met from Monetization of National Highways Fund.

Audit observed that transactions under Monetization of National Highways Fund were incorrectly accounted. An amount of ₹5,011 crore was booked under Capital Receipt Head 4000.01.106. However, ₹7,262 crore was transferred (against budget provision of ₹10,250 crore) through Capital head 5054.80.797 instead of approved Revenue Head 3054.80.797 and the expenditure of ₹7,262 crore incurred from the fund was booked under the head 5054.01.190-Investment in Public Sector and other Undertakings instead of the approved head 5054.01.337-Road Works. This resulted in not only misclassification of expenditure but also overstatement of Capital Expenditure by ₹7,262 crore.

The reply of the Ministry of Road Transport and Highways (MoRTH) was awaited. Further, it is pertinent to mention here that the issue was also raised in the CAG's Report No.7 of 2021 regarding incorrect booking of transfer and expenditure to/ from the Fund in respect of FY20. However, no corrective action was taken by the Ministry or CGA in this regard.

3.7 Non - Recovery of Loans and Advances

Statement 15 of the UGFA contains information on loans and advances by the Union Government. Against the total loans of ₹5,58,394 crore outstanding from State/ UT Governments and other entities as on 31 March 2021, there were arrears in recovery, amounting to ₹63,763 crore including interest as detailed in **Figure 3.11**. Details are given in **Annexure 3.7**.

Figure 3.11: Details of outstanding Loans and Advances

(₹ in crore)

Arrears as on 31 March 2021						
Sl. No.	Name of Loanee		Principal		Interest	Total
1.	State Government		399		1,769	2,168
2.	Union Territories		2,903		2,493	5,396
3.	Other Loanees*		18,154		38,045	56,199
Total			21,456		42,307	63,763
Age-wise details of Loans and Advances in arrears						
Sl. No.	Category of Loanee	No. of States/ UTs/ Entities	Period of arrears (in years)	Principal	Interest	Amount
1.	States/ Government	22	>25	6,27	1,756	2,383
		05	15-25	2,676	2,505	5,181
2.	Other Entities*	80	>25	6,421	26,752	33,173
		35	15-25	5,012	6,678	11,691
		34	5-15	5,793	4,571	10,365
		6	<5	927	44	9,71
Total		182		21,456	42,307	63,763

*Other Loan entities constitute Corporations, CPSEs, Societies, Sugar Mills, Canteens and Private entities etc.

Note: Though J&K has become UT, loans were disbursed to J&K under the Major Head 7601 by treating as a State.

Detailed scrutiny of Ministry-wise Loans and Advances revealed the following:

- a) Ministry of Home Affairs: An amount of ₹10,407.84 crore towards Loans and Advances were outstanding as on 31 March 2021. Further, there were discrepancies in depiction of loan outstanding in respect of State/ UT Governments as shown in Statement 15 and Loan Statement records maintained by the Ministry. Statement 15 reflected excess amount aggregating to ₹28.27 crore over the amount as depicted in loan statement in respect of 19 States/ UTs whereas it reflected amount aggregating to ₹15.73 crore lesser than the amount as depicted in loan statement in respect of 12 States/ UTs.
- b) Ministry of Information and Broadcasting: There were arrears of ₹2,070.23 crore (principal: ₹933.51 crore and interest: ₹1,136.74 crore) recoverable from four loanee entities. Loan against three entities viz. Hindustan Samachar, Samachar Bharati and Andhra Pradesh State Electricity Board were pending for over 40 years. The major part i.e., 99.97 *per cent* of the arrear (₹2,069.73 crore out of ₹2,070.25 crore) was from Prasar Bharti since FY11. Ministry in its reply (December 2021) stated that a proposal of conversion of loan of ₹2,142.81 crore (including interest amount of ₹1,209.42 crore outstanding till 30 September 2021) into grant-in-aid and waiver of interest and penal interest accrued thereon is under process and the same would be referred to Cabinet for approval.
- c) Ministry of Youth Affairs and Sports: ₹1,163.36 crore under the head Other Loans – Commonwealth Games was outstanding as on 31 March 2021. The principal amount of ₹1,163.36 crore has not been recovered/ settled despite lapse of a decade of sanctioning of the said loan. The Ministry did not provide any reason for non-recovery of the said loan in its reply (September 2021).
- d) Statement 15 of Finance accounts of Ministry of Power showed that under the head of account 6801.800-Other Loans to Electricity Boards, there was outstanding loan of ₹101.20 crore. In its reply (November 2021), the Principal Accounts Office, MoP stated that no response/ recovery had come from defaulting State Electricity Boards/ Generating Companies as intimated by Central Electricity Authority in March 2021 and the matter was again taken up with CEA in October 2021. However, no reply had been received in this regard.

3.8 Transparency and Disclosure

3.8.1 Depiction of critical information through footnotes

A total of 249 footnotes had been inserted for disclosing additional information on figures mentioned therein with reference to the related transactions in UGFA for FY21. However, these footnotes did not disclose the correct picture of the finances of the Union Government to that extent as the full nature and implications of adjustments and action taken to address the anomalies were not stated. Some of the footnotes are crucial in nature and need a significant disclosure rather than through a footnote. Some of the significant disclosures through footnotes were as follows:

- a) Statement 2 'Summary of Debt Position' depicted the total of liabilities under 'Small Savings and Provident Funds' as ₹7,15,479.43 crore as on 31 March 2021. Information on 'Other liabilities' of the Union Government consisting of investment of NSSF of ₹4,15,506.35 crore, accumulated deficit of NSSF of ₹78,524.46 crore, investment of ₹92,177.86 crore relating to Post Office Insurance Fund and ₹1,25,636 crore in various Govt. Undertakings was provided by way of a footnote. Thus, depiction of Small Savings Liabilities amounting to ₹7,11,844.67 crore through a footnote, and not as part of the main body of the Statement or depicting the consolidated picture at any place, did not present an appropriate picture of Public Account Liabilities of the Union Government.
- b) Statements 2 and 14 showed External Debt of the Union Government at historic rate of exchange (₹3,88,472.45 crore) and disclosed the External Debt as converted at the current exchange rate (rate as on 31 March 2021) as a footnote (₹6,14,828.65 crore). It was observed that the latter was ₹2,26,356.20 crore higher than the amount at historical rate. This disclosure of the value of external debt only through a footnote affected the transparency of the accounts and may also be seen in the light of the Rule 2(aa) of FRBM Act 2003 wherein the definition of Union Government Debt includes External Debt valued at current exchange rates.
- c) Statement 13 which relates to Debt, Deposits and Remittances Heads showed closing cash balance under MH 8999. The difference with RBI's closing cash balance was shown by way of a footnote. This footnote gave a break-up of the difference between Civil Ministries, Non-Civil Ministries, and UTs and broad reasons for the differences. Disclosure through the footnote was inadequate as the difference was shown on a net basis and thus, did not capture its totality in terms of separate credits and debits that made up the difference.
- d) Persistent adverse/ minus balances under investigation also included high value items such as 8551.00.101 Defence Advances (₹1,602 crore CR), implying more receipt of advances against the advances sanctioned and explanation of adverse balance in Railway Pension Fund – Commercial Lines (₹1,449 crore DR), etc.

Apart from the above, large number of footnotes had been inserted in 16 statements of the UGFA for FY21 for disclosing additional information with respect to figures for transactions and for opening and closing balances and changes made thereto. These footnotes, though relating to significant transactions, lacked clarity and in some cases were being repeated year after year without resolution. Few such types were as shown in **Figure 3.12**.

Figure 3.12: Description of Footnotes used in UGFA



The issue has also been raised in CAG Report No.7 of 2021 with a recommendation to consider the introduction of a “Notes to Accounts” section or an equivalent consolidated disclosure format as part of UGFA which would enable additional information (beyond that depicted in the individual Statements) to be provided in a consolidated form to aid readability and transparency.

In their response, CGA authorities agreed (November 2021) to look into the matter positively for incorporating ‘Notes to Accounts’.

3.8.2 Persistent use of Minor Head 800

Minor Head 800 with nomenclature ‘other receipts’/ ‘other expenditure’, is used under receipt and expenditure Major Heads, to account for transactions that are not routine and/ or cannot be accounted under any specific minor head. Classifying the expenditure of certain outlays at appropriate level is necessary for ensuring the transparency in books of accounts, which also enables quantify the expenditure activity-wise for the purpose of Management and monitoring. Similarly classifying the receipts bring out specific sources of revenue of the Government. Hence, repeated use of Minor Head 800 results in opaqueness in accounts and needs to be curtailed.

3.8.2.1 Trend of use of Minor Head 800

The trend of operating of Minor Head 800 under ‘other receipts’/ ‘other expenditure’ during the last three years is as follows:

Figure 3.13: Trend of Bookings Under Minor Head 800

(₹ in crore)

Year	800-Other Expenditure	Total Expenditure*	Percentage	800-Other Receipts	Total Receipts#	Percentage
FY19	33,326	26,61,094	1.25%	37,424	19,01,442	1.97%
FY20	39,838	30,03,064	1.33%	16,892	19,98,433	0.85%
FY21	44,461	36,57,801	1.22%	18,428	19,02,409	0.97%

* Includes revenue and capital expenditure only, # Includes revenue receipts and miscellaneous capital receipts only.

From **Figure 3.13**, it is noticed that the bookings under Minor Head 800-Other Expenditure persisted within a narrow range as proportion of total expenditure and in

fact showed an increasing trend in absolute terms over last three years. On the other hand, the bookings under Minor Head 800-Other Receipts substantially decreased in last two years as compared to FY19.

Further, detailed scrutiny of Other Expenditure and Other Receipts booked under Minor Head 800 revealed the following:

3.8.2.2 Booking under Minor Head 800-Other Expenditure

Under 06 Major Heads of accounts, more than 50 *per cent* of the expenditure under each Head, amounting to ₹26,893.98 crore (86.98 *per cent* out of total expenditure of ₹30,920.95 crore under those Major Heads), was classified under Minor Head '800-Other Expenditure'. These included Optical Fibre Cable based Network for Defence Services (₹8,000 crore) under MH 5275-Other Communication Services, ₹15,047.66 crore under MH 3275-Other Communication Services, and ₹3,305.80 crore under MH 2701-Medium Irrigation.

Additionally, in certain cases, significant expenditure (though below 50 *per cent* of total expenditure under the concerned Major Head) was booked under Minor Head 800. These included Other expenditure on Defence Services- Army under MH 2076 (₹3,149.57 crore), and Crop Husbandry under MH 2401 (₹2,002.21 crore).

On being pointed out, Department of Telecom (October 2021) stated that in respect of booking OFC Based Network for Defence Services under MH 5275.800, the new minor head 797 under MH 5275 has been opened and will be operational from FY23.

3.8.2.3 Booking under Minor Head 800-Other Receipts

Under 16 Major Heads of accounts, more than 50 *per cent* of the receipts under each Head, amounting to ₹4,378.52 crore (87.63 *per cent* out of total receipts of ₹4,996.42 crore under those Major Heads), was classified under Minor Head '800-Other Receipts'. These included MH 0077-Defence Service Navy (₹1,482.43 crore), MH 0078-Defence Service Air Force (₹1,385.10 crore), MH 0408-Food storage and Warehouse (₹571.57 crore), and MH 0080-Defence Service Research and Development (₹368.11 crore).

Additionally, in the certain cases, significant receipts (though below 50 *per cent* of total receipts) were booked under Minor Head 800. These included MH 0076-Defence Service Army (₹791.54 crore), MH 0055-Police (₹775.01 crore), etc.

Further, detailed scrutiny of bookings under Minor Head 800-Other Receipts at test checked Ministries revealed the following:

- a) Central Board for Direct Taxes (CBDT) and Central Board of Indirect Taxes and Customs (CBIC): Receipts of ₹353.28 crore in CBDT and ₹2014.54 crore in CBIC booked in Minor Head 800-‘Other Receipts’ under relevant Major Heads did not qualify as Tax Revenue Receipts like Other Items, Misc./ Other Receipts, etc. These were of Non-Tax Revenue nature but were misclassified under the Major Heads of Tax Revenue. Furthermore, receipts like Interest Recovery, Penalties and Tax collection, etc. had been shown under Minor Head 800 of relevant Major

Heads despite separate Minor Heads already existing under the same/ other Major Heads of Tax Revenue. On being pointed out, the Department stated that all the Zonal Accounts Offices were advised to examine the receipts booked under Minor Head 800 in all cases.

- b) Department of Space (DoS): Of ₹22.57 crore booked under the Minor Head '800-Other Receipts', receipts amounting to ₹19.89 crore did not pertain to the Minor Head-800-'Other Receipts'. On being pointed out, DoS stated (December 2021) that the Department is making all efforts to ensure correct accounting of Departmental receipts in order to remove opaqueness in the accounts.

In respect of cases of high materiality of bookings under Minor Head 800, the CGA authorities stated (November 2021) that fresh instructions were issued (October 2021) to minimize such bookings.

3.8.3 Treatment of Proceeds/ Receipts of Specified Undertaking of UTI (SUUTI)

Specified Undertaking of UTI (SUUTI) was created by an Act of the Parliament and includes all business, assets liabilities and properties of UTI relatable to Schemes and Development Reserve Fund as specified in the schedule of the Act. The Undertaking was transferred to an Administrator appointed by the Union Government. However, neither SUUTI nor its assets/ liabilities are depicted in the UGFA.

During FY21, SUUTI remitted ₹3,124.86 crore (₹1,497.00 crore towards remittances to GoI out of interest and dividend income and ₹1,627.86 crore towards sale of strategic holding in Axis Bank) which was accounted for in the UGFA as 'Other receipts' (Minor Head 800) under Sub-Major Head-01 under MH 4000-Miscellaneous Capital Receipts. Since the remittance from SUUTI was interest and dividend income and proceeds from sale of share held by SUUTI, the receipts should have been treated as non-tax receipts. Due to incorrect classification, the capital receipts of Government during FY21 were overstated and revenue receipts understated.

In reply, Department of Investment and Public Asset Management (DIPAM) informed (January 2022) that matter has been taken up with the PAO (March 2021) for booking of disinvestment receipts by sale of stake held by SUUTI under 4000.03.190 and 4000.01.190 and remittance from SUUTI towards income earned from interest, dividend etc., under 4000.01.800.

The reply of the Department does not address the Audit concern. The interest and dividend income are non-tax revenue. Further, the receipt from sale of stake held by SUUTI should also be accounted for as Non Tax Revenue instead of Capital Receipts. Only when the holding of stakes held by SUUTI in various entities are reflected in Statement No.11 of UGFA, then proceeds of sale of stakes can be classified as Capital Receipts.

3.8.4 Balances of States/ UTs under Major Head 8450

In Statement 13, there were balances under various Minor Heads under the Major Head 8450 - Balance Accounts of Union Territories. These were pertaining to - 8450.101

(₹40.12 crore CR) to Puducherry, 8450.102 (₹16.30 crore DR) to Goa, Daman and Diu, 8450.104 (₹56.82 crore DR) to Arunachal Pradesh, 8450.105 (₹124.41 crore DR) to Mizoram. Pertinently, these UTs had either become States or UTs with legislature long back with separate Public Account. These balances are lying since FY08 in respect of Puducherry and since FY03 in respect of Arunachal Pradesh, Goa, Daman and Diu and Mizoram.

O/o CGA stated that letters to the concerned AGs of States/ UTs with legislature (erstwhile UTs) have been sent for reconciliation of balances under the Major Head 8450.

The reply of CGA is not tenable as the balances were unresolved for over 10 years.

3.8.5 Netting of transactions in Power System Development Fund

Para 3.4 of List of Major and Minor Heads *inter alia* states that “Amounts financed from the Reserve Fund/ Deposit Accounts will be shown as a deduct entry under minor heads 'Deduct - Amount met from (Name of the Reserve Fund/ Deposit Account) with separate code say '902', etc., under the functional major/ sub-major head in the Revenue, Capital or Loan Section where under the actual expenditure stands debited”.

Consolidated/ Classified abstract of Ministry of Power for FY21 showed that an amount of ₹821.42 crore was transferred from the head of account 2801.05.797 to Power System Development Fund (PSDF). Further, the provision for the expenditure amounting to ₹821.42 crore was made under the head 2801.05.106, and the same head was used for making the deduct entry. The deduct entry instead should have been made under 2801.05.902. Consequently, the net impact of the transactions under the functional head 2801.05.106 was nil. Statement 9 of the UGFA, therefore, did not contain any transactions under the head 2801.05.106 due to the netting of transaction of ₹821.42 crore and (-) ₹821.42 crore.

Pr. AO, MoP replied (Nov. 2021) that such head was not provided either by O/o CAG or by O/o CGA during the initial implementation of accounting procedure of Power System Development Fund. The reply is not tenable as the 'List of Major and Minor Heads' empowers the Ministries/ Departments to operate existing heads of accounts, including those for depicting deduct entries and the same should have been done by the Ministry.

3.8.6 Use of Journal Entry for adjusting fresh entry vouchers

As per Paragraph 29 of Defence Account Code, after closing of annual accounts, if a rectification/ readjustment is necessary, the same will be carried out with the prior approval of CGA in exceptional cases. Further, as per Paragraph 168 of Defence Account Code, Class V vouchers are used for cash accounts.

Audit observed that ₹56.62 crore related to Class V vouchers which were original entries and not for rectification/ readjustment were booked in the account for FY21 via Journal Entry. This was in contravention to the use of Journal Entry as prescribed in Defence Account Code.

In its reply, O/o CGDA has stated that due to remote location of the units/ formations, the accounts of imprest holders could not reach the respective controller's office and booking of Class V vouchers was not allowed in the March (Final) accounts.

3.8.7 Deviations in Operation of Major/ Minor Heads

List of major and minor heads published by Controller General of India stipulate the opening and closing of Major Head, Sub-Major Head and Minor Head etc. However, scrutiny of Union government Finance Accounts for FY21 revealed the following discrepancies:

- a) As per list of Major and Minor Heads the Head of account 5225- 'Capital Outlay on Telecommunication' Sub-Major Heads '01' to '05' and '80' along with Minor Heads there under ceased to be operational for fresh transactions from 01 April 2019 onwards. However, these Sub-Major Heads along with Minor Heads are still reflecting in UGFA for FY21 without any booking. On being pointed out by Audit, O/o CGA stated that revamping of heads by Department of Telecommunications was under process in consultation with various stakeholders.
- b) Sub-Major Head – 05 – Telecommunication Services under Major Head 1225 - Telecommunication receipts are to be inserted along with Minor Heads: 101 – License Fee and Universal Access Levy, 102 – Wireless Receipts, 103 – Receipts under Universal Service Obligation, 104 – Spectrum Auction, and 800 - Other Receipts, 900 – Deduct Refunds. However, no such Major Head 1225 – 'Telecommunication receipts' was found in UGFA for FY21. On being pointed out by Audit, O/o CGA stated that revamping of heads by Department of Telecommunications was under process in consultation with various stakeholders.
- c) Minor heads 102, 103, 104 and 105 under Major Head 1275- Other Communication Services ceased to be operational for fresh transactions from 01 April 2019 onwards. However, receipts amounting to ₹45,215 crore were booked during FY21 under Minor Heads - 103, 104 and 105.

O/o CGA replied that revamping of heads by Department of Telecommunications was under process.

- d) Minor heads 101-Wireless Planning and Coordination, 102-Monitoring Service and 103-Compensation to Service Provider for Universal Service Obligation, under Major Head 3275-Other Communication Services ceased to be operational for fresh transactions with effect from 01 April 2019. However, expenditure amounting to ₹6,970.31 crore was booked under these minor heads contrary to the said correction slip.

O/o CGA replied that revamping of heads by Department of Telecommunications was under process.

The replies of DoT are not tenable since non operational Heads of Accounts are being used, instead of closing these Heads of Accounts.

- e) Department of Higher Education made an investment aggregating ₹200 crore as equity in Higher Education Financing Agency (HEFA) during FY21. This amount

should have been booked under the capital expenditure in Minor Head '190-Investment in Public Sector and Other Undertakings' under MH 4202. Audit, however, observed that instead of Minor Head 190, the expenditure was booked under Minor Head 203 under Major Head 4202, Sub-Major Head 01 in Statement 10. Reply of the Department in this regard was awaited (August 2022).

- f) Sub Major Head '07-Ladakh' and Minor head under Major Head '0007-UTGST' for accounting of GST collections was to be made operational from FY21. However, the same was not found in the UGFA for FY21. On being pointed out by Audit, O/o CGA admitted it and further stated that similar observation had been raised with UT Ladakh for which reply was awaited.

3.8.8 Cumulative difference between the cash balances of RBI and UGFA

Scrutiny of Statement 13 revealed a net cumulative difference of ₹1,194.34 crore (CR) – Civil Ministries ₹529.99 crore (CR), Union Territories ₹264.93 crore (CR) and Non-Civil Ministries ₹399.42 crore (CR) between the cash balance of the Reserve Bank Deposits and Finance Accounts.

In this regard, CGA authorities stated that receipts of the Union Government are credited under the relevant heads in the accounts and after settlement by Public Sector Banks with RBI, the corresponding debits are booked under the Major Head 8675-Deposits with Reserve Bank'. Similarly, all payments are debited under the concerned expenditure head in the accounts and after settlement by the Public Sector Bank with RBI, the corresponding credits are booked under the Major head 8675 Deposits with Reserve Bank. Since the RBI treats the receipts as credit and payment as debit, the net credit balance at the end of a financial year in the books of RBI is taken as positive cash balance. However, the reply does not address the reasons for differences.

Further, detailed scrutiny of Cash Balances in test checked Ministries/ Departments with reference to difference in Closing Balance between Statement 13 and RBI (Central Accounting Section) Nagpur figures revealed the following:

Figure 3.14: Difference between the cash balances of RBI and UGFA

Sl. No.	Ministry/ Department	Difference Amount (₹ in crore)	Reply of the Ministry/ Department
1	Ministry of Power	₹208.13	The Pr. AO, Ministry of Power (September 2021) and Pr. AO, Ministry of Petroleum and Natural Gas stated (September 2021) that transaction made off line on Non Tax Revenue (NTR) Portal through Bharat Kosh required updating of the Unique Transaction Reference number (UTRN) of the transaction on NTR Portal for its reflection in e-Lekha ¹² . Some of the depositors, however, could not deposit under their UTRN on NTR portal and such cases did not reflect on e-Lekha, which led to the differences between the figures of RBI and the figures of e-Lekha.
2	Ministry of Petroleum and Natural Gas	₹10.74	

¹² IT system used to prepare Union Accounts

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3	Department of Telecommunications	₹(-)38.29	The Department stated (October 2021) that the difference was due to non-receipt of vouchers/ scrolls from the banks, receipt of vouchers/ scrolls pertaining to other Ministry/ Department as well as non-updating of UTR numbers by depositors after making payment through NEFT/ RTGS, etc.
4	CBIC	₹12,428.60 (Debit) ₹21.88 (Credit)	The Department attributed various reasons like PAOs not being able to book their account due to late receiving of scrolls from RBI, PAOs booking their accounts in excess or less pending for adjustment in future/ following month, etc.
5	CBDT	₹(-)38.20 (Debit) ₹759.99 (Credit)	The Department stated that all the Zonal Accounts Offices have been advised to take necessary action to liquidate the balances/ differences”.

4
CHAPTER

**Budgetary
Management**

Budgetary Management

4.1 Overview of Appropriation Accounts

The Appropriation Act enacted by the Parliament authorizes the Government to draw specified sums from the Consolidated Fund of India (CFI) for identified activities and functions, under various Grants in terms of Articles 114 of the Constitution, and for disbursements charged on the CFI. Parliament approves supplementary or additional Grants by subsequent Appropriation Acts in terms of Article 115 of the Constitution.

Appropriations are made against demands that are entirely ‘charged’ to CFI. Grants are made against demands that are either fully ‘Voted’ or partly ‘Voted’ and partly ‘Charged’. There were six Appropriations and 95 Grants in FY21.

Authorisations by Parliament are based on budget estimates (BE) prepared by Ministries and Departments in accordance with the General Financial Rules (GFR) and instructions issued by the Budget Division, Ministry of Finance (MoF). These instructions envisage that the BEs are prepared realistically to meet all expenditure requirements and ensure that unspent balances are avoided. The BEs are further scrutinized by MoF before incorporation in Budget documents.

4.1.1 Details of provisions and expenditure

The Appropriation Accounts for FY21 cover approved provisions aggregating to ₹119,04,054.99 crore and total expenditure thereon amounting to ₹107,52,209.61 crore.

Figure 4.1: Break-up of Expenditure

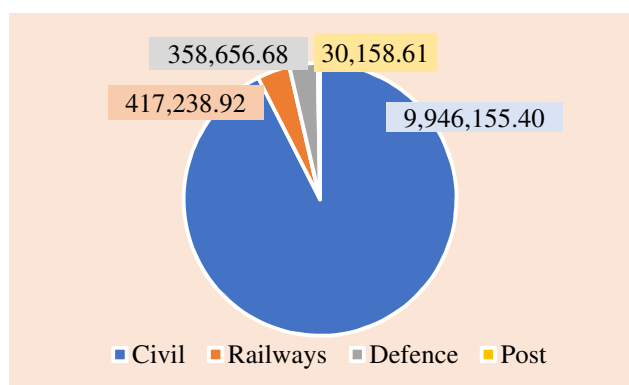


Figure 4.1 shows the break-up of expenditure in Ministries/ Departments- Civil, Railways, Defence and Posts during FY21, while segment¹³-wise details are given at **Annexure 4.1**. The bulk of the total gross expenditure i.e., 92.50 *per cent*, was incurred by the Civil Ministries.

¹³ Each Grant/Appropriation may have four segments – Revenue (Charged), Revenue (Voted), Capital (Charged), and Capital (Voted).

Figure 4.2: Provision, disbursements, and savings¹⁴

(₹ in crore)

Appropriation Accounts (No. of Grants)	Original Provision	Supplementary Provision	Total Provision	Disbursements	Savings (-) (in per cent)
Civil (97)	1,01,39,291.95	8,42,500.80	1,09,81,792.75	99,46,155.40	-10,35,637.35 (9.43%)
Railways (1)	5,21,608.06	956.01	5,22,564.07	4,17,238.92	-1,05,325.15 (20.16%)
Defence (2)	3,43,733.69	20,776.05	3,64,509.74	3,58,656.68	-5,853.06 (1.61%)
Post (1)	35,188.43	--	35,188.43	30,158.61	-5,029.82 (14.29%)
Total	1,10,39,822.13	8,64,232.86	1,19,04,054.99	1,07,52,209.61	-11,51,845.38 (9.68%)

Thus, against the total provision of ₹1,19,04,054.99 crore, expenditure of ₹1,07,52,209.61 crore was incurred, resulting in unspent provision of ₹11,51,845.38 crore (9.68 per cent) in FY21.

Further, Ministry of Railways had obtained supplementary grant of ₹ 956.01 crore in anticipation of higher expenditure at Grant level. However, the final expenditure was even less than the original provision.

4.1.2 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 per Article 113(1) of the Constitution but can be discussed in the Parliament.

Overall, the charged expenditures were 66.24 per cent of the total disbursements from CFI in FY21, with details as depicted in **Figure 4.3**.

Figure 4.3: Charged and voted disbursements

(₹ in crore)

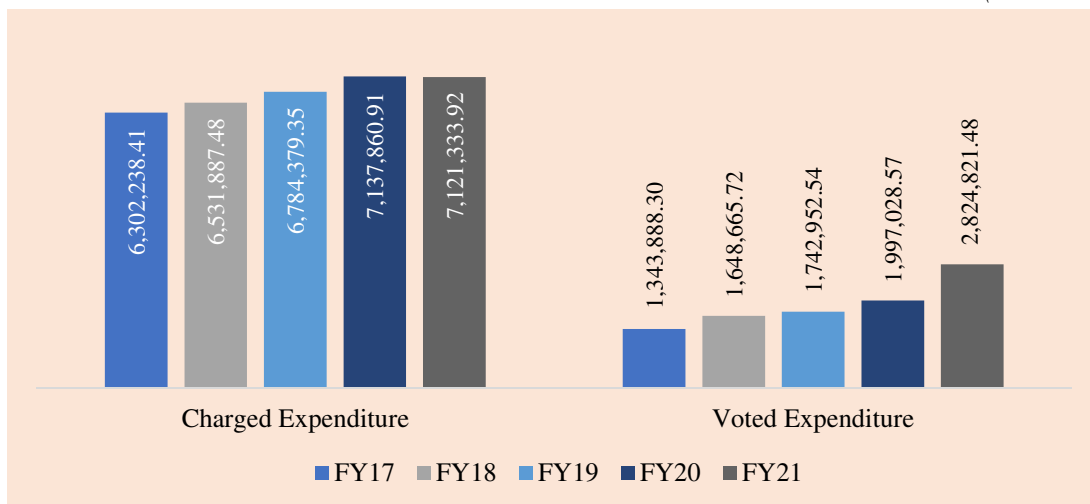
Appropriation	Total Provision	Disbursement	Savings
Charged			
Civil	78,59,389.51	71,21,333.92	7,38,055.59
Railways	935.63	727.28	208.35
Defence	368.02	268.12	99.90
Post	0.80	0.57	0.23
Sub-Total	78,60,693.96 (66.03%)	71,22,329.89 (66.24%)	7,38,364.07 (64.10%)
Voted			
Civil	31,22,403.24	28,24,821.48	2,97,581.76
Railways	5,21,628.44	4,16,511.64	1,05,116.80
Defence	3,64,141.72	3,58,388.56	5,753.16
Post	35,187.63	30,158.04	5,029.59
Sub-Total	40,43,361.03 (33.97%)	36,29,879.72 (33.76%)	4,13,481.31 (35.90%)
Total	1,19,04,054.99	1,07,52,209.61	11,51,845.38

¹⁴ In Appropriation Accounts, variations are explained with reference to amounts sanctioned by Parliament including supplementary grants or appropriations and expenditure there against. Negative variations are referred to as 'Savings' and positive variations as 'Excess'.

In FY21, in respect of Civil Ministries/ Departments, the major charged disbursement consisted of two Appropriations viz., *Repayment of Debt* and *Interest Payments*, and Grant- Transfers to States.

Figure 4.4: Charged and Voted disbursements in Civil Ministries/ Departments

(₹ in crore)



As seen from **Figure 4.4**, while the charged expenditure after showing a steady increase from FY17 to FY20 had a slight decrease in FY21, the voted expenditure grew consistently since FY17, with a significant increase in FY21.

Further, in percentage terms the charged disbursement of Civil Ministries/ Departments had been slightly but continuously declining since FY17 from 82.42 per cent to 71.60 per cent in FY21.

Subsequent paragraphs of this Chapter contain audit observations on the Appropriation Accounts. Important observations relate to excess expenditure requiring regularisation by Parliament; significant savings; unnecessary re-appropriations; supplementary provisions obtained without requirement; delayed surrender and non-surrender of funds; expenditure incurred without adequate provisioning of funds; and misclassification of expenditure.

4.2 Variations from Authorisation

Article 114(3) of the Constitution provides that no money shall be withdrawn from the CFI except under appropriations made by law. Further, Rule 57(3) of General Financial Rules (GFR) 2017 stipulates that no expenditure which might lead to authorisation under the total Grant or Appropriation being exceeded will be incurred, except after obtaining a supplementary grant or an advance from the Contingency Fund. Excesses, if any, are required to be regularised by Parliament under Article 115(1)(b) of the Constitution.

Public Accounts Committee (PAC) (10th Lok Sabha 1993-94) in its 60th Report had observed that savings of ₹100 crore or above are indicative of defective budgeting as well as shortfall in budget performance in a Grant or Appropriation. In its 16th Report,

PAC (13th Lok Sabha 2000-2001) again observed that such savings are a result of injudicious formulation of budget and held that these could have been significantly reduced by making realistic budgetary projections. Consequently, MoF advised¹⁵ Ministries/ Departments to make a more careful formulation of plans/ schemes and make a realistic assessment of fund requirement.

Despite the above, cases of significant savings and excess over budgetary provisions are observed every year. Such variations for FY21 are discussed in the subsequent paragraphs.

4.2.1 Excess expenditure over Grants/ Appropriations

Three grants showed excess expenditure of ₹1,18,651.04 crore over Parliamentary authorisation during FY21.

Figure 4.5: Excess expenditure over Grants/ Appropriations

(₹ in crore)

Sl. No.	Description of Grant	Total Provision	Total Expenditure	Excess Expenditure
1.	15 – Department of Food and Public Distribution (Revenue Voted)	4,35,596.24	5,54,244.84	1,18,648.60 (₹118648,59,80,000)
The chief component of the excess¹⁶ was on account of subsidy payable to Food Corporation of India (FCI). This was because the Government made complete repayment of outstanding balance of NSSF loan grant to FCI, stating that the excess shall be regularized at appropriate time by obtaining Parliament's approval, in consultation with MoF. Audit observed that while the original provision was ₹77,982.54 crore, the Department was allocated ₹2,50,162.13 crore through 2nd and final batch of supplementary demands for Grants on 26 March 2021 for regular repayment/ advance repayment of NSSF loan to FCI. Later, on 30 March 2021, MoF directed the Department to release further amount of ₹1,18,712.00 crore to repay the complete balance outstanding NSSF loan to FCI. Considering that the loan details were known quantity, the reason for excess did not explain the need for excess expenditure done despite the opportunity to take Parliament's approval through Supplementary demands for Grants for complete repayment of the loan. It is also observed that at Grant level this has been the highest excess expenditure in the last five years at least.				
2.	18 – Ministry of Defence (Civil) (Capital Voted)	8,805.00	8,806.92	1.92 (₹1,91,62,184)
Department reported that the excess was due to re-appropriation of funds from Major Head-4552 to functional head for utilization on projects/ schemes for the benefit of North Eastern Region and Sikkim and due to more works carried out by Border Roads Organisation.				
3.	21-Defence Pensions (Revenue Charged)	7.31	7.83	0.52 (₹52,22,461)
Department reported that the excess was due to finalization of more court cases than anticipated.				
Total				1,18,651.04

¹⁵ MoF issued advisory on 20 July 2001 and reiterated the same on 22 July 2015.

¹⁶ Excess of ₹1,18,758.63 crore was under Sub-Head 2408.01.102.10- 'Subsidy Payable to FCI and others on Food grains Transactions under National Food Security Act'.

4.2.2 Analysis of Savings

During FY21, the total savings under all the Grants/ Appropriations were ₹11,51,845.38 crore¹⁷ and constituted 9.68 *per cent* of total authorisations. Savings of ₹100 crore or more occurred in 113 segments of 77 Grants/ Appropriations and amounted to ₹12,68,488.40 crore. Details are given in **Annexure 4.2**.

Audit examined the Grants having significant savings and their analysis is discussed in the subsequent paragraphs.

4.2.2.1 Significant savings at Grant/ Appropriation level

Audit observed savings of ₹5,000 crore or more at Grant/ Appropriation level in 22 Grants/ Appropriations during FY21 as shown in **Figure 4.6**.

Figure 4.6: Significant savings at Grant level

(₹ in crore)

Sl. No.	Description of Grant/ Appropriation	Total Grant/ Appropriation	Expenditure	Savings ¹⁸
1.	83-Railways	5,22,564.07	4,17,238.92	1,05,325.15
2.	19-Defence Services (Revenue)	2,29,999.74	2,24,351.76	5,647.98
3.	21-Defence Pensions	1,33,826.41	1,28,065.88	5,760.53
4.	12-Department of Posts	35,188.43	30,158.61	5,029.82
5.	38-Transfers to States	3,97,790.23	3,52,369.11	45,421.12
6.	42-Department of Health and Family Welfare	1,40,805.82	95,191.71	45,614.11
7.	27-Department of Economic Affairs	60,830.72	26,855.69	33,975.03
8.	01-Department of Agriculture, Cooperation and Farmers' Welfare	1,34,607.81	1,08,622.51	25,985.30
9.	13-Department of Telecommunications	79,431.71	53,510.82	25,920.89
10.	59-Department of Higher Education	59,779.06	34,681.10	25,097.96
11.	58-Department of School Education and Literacy	1,06,040.78	84,013.96	22,026.82
12.	57-Ministry of Housing and Urban Affairs	67,786.29	53,410.65	14,375.64
13.	48-Police	1,06,633.39	93,187.35	13,446.04
14.	29-Department of Financial Services	60,780.64	48,939.16	11,841.48
15.	100-Ministry of Women and Child Development	30,512.11	19,244.03	11,268.08

¹⁷ These are without netting excess expenditure as given in Figure 4.5.

¹⁸ These are net of excess under the same grant.

Sl. No.	Description of Grant/ Appropriation	Total Grant/ Appropriation	Expenditure	Savings ¹⁸
16.	85-Department of Rural Development	3,44,955.53	3,36,116.76	8,838.77
17.	77-Ministry of Power	22,284.79	14,940.49	7,344.30
18.	6-Department of Fertilisers	1,39,386.53	1,32,084.34	7,302.19
19.	84-Ministry of Road Transport and Highways	1,96,544.85	1,89,789.88	6,754.97
20.	62-Department of Drinking Water and Sanitation	32,518.10	26,967.39	5,550.71
21.	35-Interest Payments	7,33,203.16	7,20,985.20	12,217.96
22.	36-Repayment of Debt	68,90,921.56	61,84,635.33	7,06,286.23

Out of the 22 above Grants/ Appropriations with savings of ₹5,000 crore or more in FY21, 9 Grants/ Appropriations had persistent savings in FY19 and FY20 as well, as shown in **Figure 4.7**.

Figure 4.7: Persistent Savings of ₹5,000 crore or more during FY19 to FY21

(₹ in crore)

Sl. No.	Grant Description	FY21	FY20	FY19
1.	Department of Agriculture, Cooperation and Farmers' Welfare	25,985.30	35,973.85	21,295.20
2.	Department of Economic Affairs	33,975.03	12,378.93	8,860.75
3.	<i>Repayment of Debt</i>	<i>7,06,286.23</i>	<i>19,840.23</i>	<i>1,26,622.11</i>
4.	Transfers to States	45,421.12	6,718.00	27,811.48
5.	Ministry of Housing and Urban Affairs	14,375.64	12,792.43	9,380.44
6.	Department of School Education and Literacy	22,026.82	15,076.99	9,383.05
7.	Department of Higher Education	25,097.96	17,242.27	11,292.39
8.	Railways	1,05,325.15	56,744.21	18,404.04
9.	Ministry of Road Transport and Highways	6,754.97	14,455.31	7,412.99

Persistent savings despite being regularly pointed out in C&AG's Audit Reports and the advisory issued by MoF on realistic budgeting taking into account PAC's directions, shows continued lack of due diligence in budget formulation and/ or shortfall in budget performance.

4.2.2.2 Other significant savings at minor-head/ sub-head level

Scrutiny of 97 Civil grants revealed 324 cases¹⁹ of significant savings in 69 Grants/ Appropriations i.e., savings of ₹500 crore or more at minor-head/ sub-head level under Grant/ Appropriations and savings of more than 25 per cent of allocations subject to a minimum of ₹100 crore. Details are given in **Annexure 4.3A**.

¹⁹ Savings under Major Head 2552 and 4552 pertaining to NER have been excluded as they are non-functional heads

Further, out of the 324 cases, 191 cases of minor/ sub-heads having significant savings and also coming under the Grant/ Appropriations with savings of more than ₹5,000 crore at Grant/ Appropriations level, have been mentioned in Paragraph 4.2.2.1, based on their materiality. Remaining 133 cases²⁰ of significant savings under each grant are discussed in **Annexure 4.3B**.

4.2.2.3 Analysis of reasons of savings

Text analysis of the reasons reported by the Ministries/ Departments for the afore-mentioned 324 cases of savings at sub-head level has revealed that Covid-19 pandemic was one of the most cited factors as it appeared in the reasons cited in 101 cases.

Audit also observed that the Ministries/ Departments had given generalised reasons such as non/ less receipt of proposals, non/ less receipt of demand, receipt of non/ less claims, etc. in large number of cases, thus adding little value to the understanding of a user of the Accounts. This was in contravention of Para 11.5.2 of Civil Accounts Manual which stipulates that the reasons for variations should be brief, lucid and analytical to be mentioned as per their importance. General reasons like ‘due to overestimates’, ‘based on actual expenditure’, ‘due to less (or more) expenditure’, ‘due to less (or more) demands’ etc. should be avoided and Ministry/ Department shall be requested to elucidate correct and specific reasons.

Further, cases of savings discussed in Paragraphs 4.2.2.1 and 4.2.2.2 have been categorised in **Figure 4.8** based on broad reasons for the savings.

Figure 4.8: Categorisation of savings

Category	Amount (₹ in crore)	Remarks
Due to regulation of expenditure	1,35,831.17	This category mainly includes ₹59,800.94 crore due to reduction of provision at RE stage for Transfer to GST Compensation Fund/ NIF/ CRIF etc.; ₹16,742.89 crore for Assistance to State from NDRF for Calamities of Severe Nature; ₹13,003.84 crore for Special Assistance (States).
Reasons representing gaps and shortfalls in performance in schemes and activities	81,931.15	This included reasons like non/less receipt of proposals; non execution of agreement; non/less receipt of demand; non/less receipt of claims; non-receipt of utilisation certificates, etc.
Owing to Covid-19	88,292.31	This comprises savings owing to Covid-19.

²⁰ Excluding significant saving cases coming under Grants covered in paragraph 4.2.2.1

Category	Amount (₹ in crore)	Remarks
Non-transfer of funds to Reserve Funds	37,472.68	Entire provision for transfer to Pradhan Mantri Swasthya Suraksha Nidhi; Madhyamik and Uchhattar Shiksha Kosh (MUSK); Central Road and Infrastructure Fund (CRIF) due to non-finalisation of accounting procedures. It is recommended that finalisation of accounting procedure may be expedited and concerned accounting authorities may be advised to follow the correct procedure.

4.3 Unnecessary supplementary provisions

Article 115(1) of the Constitution stipulates that Supplementary Grant or Appropriation is required to be obtained before payment is made, when savings are not available within a Grant segment for meeting additional requirement of funds or if the expenditure is to be made on 'New Service'²¹ or 'New Instrument of Service'²².

Examination of cases where supplementary provision of ₹10 crore or more was made in addition to original provisions, showed that in 11 minor/sub-heads under 8 Grants, supplementary provisions amounting to ₹1,680.17 crore were obtained during FY21 in anticipation of higher expenditure, but final expenditure of ₹10,219.33 crore was even less than the original provision of ₹13,017.06 crore. Such unnecessary provisioning indicates inadequacies of the budgeting exercise. Details of cases of unnecessary supplementary provisions are given in **Annexure 4.4**.

4.4 Injudicious re-appropriation from/ to minor/ sub-heads

PAC in its 83rd Report (15th Lok Sabha, 2012-13) noted that re-appropriation of funds can be made only when it is positively known or genuinely anticipated that the appropriation for the unit from which funds are proposed to be transferred will not at all be utilised in full or there is reasonable certainty that savings can be effected in the unit of appropriation.

Scrutiny of re-appropriation exceeding ₹10 crore revealed that in eight cases across eight Grants/ Appropriations, re-appropriations aggregating to ₹3,377.23 crore were injudicious as the sanctioned provision under the minor/ sub-heads to which augmentation was made by way of re-appropriation was adequate and re-appropriations to these minor/ sub-heads was not required. As a result of such injudicious re-appropriation, the final savings under the heads were more than the amount re-appropriated to these heads. Details are given in **Annexure 4.5A**.

²¹ Refers to expenditure beyond certain limit arising out of a new policy decision not brought to the notice of Parliament earlier, including a new activity or a new form of investment.

²² A large expenditure beyond a certain limit arising out of an important expansion of an existing activity.

Similarly, in three cases across two Grants, re-appropriations aggregating to ₹612.62 crore were injudiciously made from these minor/sub-heads to other heads and resulted in avoidable excess expenditure of ₹47.44 crore in these minor/sub-heads. Details are given in **Annexure 4.5B**.

4.5 Irregular Re-appropriation of funds

MoF (September 2020) issued²³ instructions that the Ministries/Departments, irrespective of the amounts, shall seek the prior approval from the Department of Expenditure for re-appropriation in respect of the object head 'Foreign Travel Expenses', 'Domestic Travel Expenses', 'Office Expenses', 'Other Administrative Expenses' and 'Advertisement and Publicity' and for re-appropriations from the object Heads under the capital section to object Heads within the same section or/and revenue section.

Scrutiny of Grant No. 13- Department of Telecommunications revealed that the re-appropriation of funds within capital section aggregating to ₹137.03 crore and from revenue section aggregating to ₹38.62 crore was done without obtaining prior approval from the MoF.

Further, GoI Decision (2) below Rule 10 of Delegation of Financial Powers, 1978 stipulates that all re-appropriations, irrespective of the fact that these are made on the basis of estimates approved by the Finance Ministry, having the effect of increasing the budget provision by ₹5 Crore or more under a sub-head shall be made only with the prior approval of Secretary (Expenditure).

Scrutiny of Appropriation Accounts and other supporting documents of Grant No. 12- Department of Posts revealed that proposal for re-appropriation of funds for a total amount of ₹81.67 crore for FY21 was submitted to the Budget Division, MoF on 30.03.2021 for approval of Secretary (Expenditure). However, the same was not acceded to by the MoF due to lower receipts realized by DoP.

In response, DoP (April 2021) intimated MoF that the revenue targets would be achieved, and final figures of receipts would get reflected in e-Lekha only after submission of March supplementary and therefore, the re-appropriation proposal might be acceded. The reply from MoF in this regard was still awaited by the DoP.

In view of non-approval of the re-appropriation proposal of DoP by the MoF, the re-appropriation order of ₹81.67 crore dated 30.03.2021 is irregular.

4.6 Expenditure incurred without adequate provisioning of funds

As per Rule 61 of GFR, 2017, the Accounts Officer shall not allow any payment against sanctions in excess of the Budget provisions without the specific approval of the Chief Accounting Authority. In turn, before approving any excess under a head, the Financial

²³ OM of MoF, dated 23 September 2020

Advisers and Chief Accounting Authorities shall ensure availability of funds through Re-appropriation/Supplementary Demand for Grants.

Audit scrutiny of head-wise Appropriation Accounts for FY21 showed that excess expenditure of ₹25 crore or more aggregating to ₹9,376.84 crore was noticed under 31 minor/ sub-heads relating to 10 Grants/ Appropriations, without ensuring adequate provisioning of funds. Thus, the above-mentioned authorities violated the GFR. Details are given in **Annexure 4.6**.

4.7 Non-surrender and surrender of savings on last day of the financial year

Rule 62 (2) of GFR, 2017 stipulates that the savings as well as provisions that cannot be profitably utilized shall be surrendered to Government immediately as foreseen without waiting till the end of the year. Accordingly, MoF stipulated (February 2021²⁴) a deadline of 20 March 2021 for Ministries/Departments for intimating to it all surrenders of savings under each unit of Appropriation.

Audit noted that out of savings of ₹10,35,637.35 crore under Civil Grants/Appropriations, 7.64 *per cent* (₹79,168.07 crore) of total savings during the year were not surrendered and were allowed to lapse.

In addition, examination of Grants/ Appropriations having surrenders on last day of FY/ lapsed amounts of ₹100 crore or more revealed that ₹9,73,987.84 crore relating to 48 Grants/ Appropriations was either surrendered on 31 March 2021 or were allowed to lapse. Details are given in **Annexure 4.7**. Thus, around 93 *per cent* of the total savings were either surrendered on 31 March 2021 or were allowed to lapse.

Out of savings under various test-checked Grants/Appropriations, ₹7,06,286.23 crore under *Appropriation No. 36-Repayment of Debt*; ₹45,614.11 crore under Grant No. 42- Department of Health and Family Welfare; ₹45,421.12 crore under Grant No. 38- Transfer to States; ₹25,985.30 crore under Grant No. 01-Department of Agriculture, Cooperation and Farmers' Welfare and ₹22,026.82 crore under Grant No. 58- Department of School Education and Literacy were either allowed to lapse or were surrendered on the last day of the year.

Failure to surrender savings and surrender on the last day of the financial year indicates inadequate financial control. This also adversely impacts financial planning as it prevents resources from being re-allocated for activities where requirements for funds exist.

4.8 Failure to obtain Legislative approval for augmenting provisions

MoF stipulated²⁵ that augmentation of provision by way of re-appropriation to the object heads (i) 'Grants-in-aid' (ii) 'Subsidies' and (iii) 'Major Works' would attract the same limitation as applicable to New Service/New Instrument of Service and it can

²⁴ Ministry of Finance's O.M. F.No.2(12)-B(D)/2021 dated 11 February 2021

²⁵ Department of Economic Affairs orders (May 2006) and clarifications thereon (May 2012 and July 2015)

be done only with prior approval of Parliament. Failure to observe these orders have been pointed out time and again in CAG's Audit Reports on Union Government Accounts.

In this context, PAC²⁶ was of the view that MoF should institute mechanisms for ensuring that provisions under the above object heads beyond specified limits are not augmented without approval of Parliament. Despite the previous audit findings and PAC recommendations, there was excess expenditure over total authorisation aggregating to ₹7.58 crore in the following five cases under two grants related to object head- 'Grants-in-aid' and 'Grants for Creation of Capital Assets' during FY21, without prior approval of the Parliament as detailed in **Figure 4.9**.

Figure 4.9: Augmentation of provision to object heads without prior approval

(₹ in crore)

Sl. No.	Head of Account	TA*	TE*	Excess over TA
Object Head 31-‘Grants-in-aid-General’				
Grant No. 18- Ministry of Defence (Civil)				
1.	2052.00.092.02.01.31- Other Offices-Defence Accounts Department	0.04	0.08	0.04
2.	2052.00.092.03.01.31-Other Offices-Defence Estate Organisation	304.60	305.56	0.96
Grant No. 91- Ministry of Skill Development and Entrepreneurship				
3.	2230.03.102.15.11.31- Promotion of Apprenticeship	8.43	10.00	1.57
	Ministry stated (October 2021) that the augmentation was done after obtaining token supplementary grant from the Parliament. The reply is not acceptable as the supplementary grant was obtained under the sub-scheme ‘Development of Skills’ (2230.03.102.15.07) and not for the said sub-scheme.			
Object Head 35-‘Grants for creation of Capital Assets’				
Grant No. 91- Ministry of Skill Development and Entrepreneurship				
4.	2230.03.789.08.11.35- Strengthening of Infrastructure of Institutional Training (SCSP Component)	4.56	9.51	4.95
5.	2230.03.796.09.11.35- Strengthening of Infrastructure of Institutional Training (TSP Component)	1.28	1.34	0.06
	Ministry stated (October 2021) that as the amount of re-appropriation was less than ₹5 crore, the Secretary was competent authority to approve the re-appropriation. The reply is not acceptable as prior approval of the Parliament is required for augmenting of provision under ‘Object head-35’.			
Total				7.58

* TA = Total authorisation (including NER provisions), TE= Total expenditure.

4.9 Misclassification of expenditure

Article 112(2) of the Constitution stipulates that the Annual Financial Statements shall distinguish expenditure on revenue account from other expenditure. The principles for

²⁶ PAC 83rd Report (2012-13), 15th Lok Sabha

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

Rule 78 of GFR, 2017 stipulates that classification of transactions in Government Accounts shall have closer reference to functions, programmes and activities of the Government and the object of expenditure, rather than the department in which the receipt or expenditure occurs. Further, Rule 8 of the Delegation of Financial Powers Rules, 1978 (DFPR) describes the nature/type of transactions that can be classified under each standard primary unit of appropriation.

Test-check of transactions pertaining to six selected Grants²⁷ revealed the following:

4.9.1 Incorrect use of object heads with major heads

Rule 8 of the DFPR specifies object heads (51-56 and 60) that fall under the category 'Object Class VI' which pertains to 'Acquisition of Capital Assets and other Capital Expenditure'. These object heads can, therefore, only be used for classifying expenditure of capital nature and correspond only with capital Major Heads. Object heads falling under other object classes (class I to V) are generally used for classifying revenue expenditure and should ordinarily not correspond with the capital Major Heads.

Audit examination revealed that in four cases of three grants for the year FY21, expenditure aggregating ₹28.87 crore was booked under incorrect combinations of object heads and capital/ revenue major Heads (**Annexure 4.8**).

4.9.2 Misclassification between revenue and capital expenditure

Rule 84 of GFR, 2017 stipulates that the charges on maintenance, repair, upkeep and working expenses required to maintain assets in a running order as also all other expenses incurred on day to day running of an organization, shall be classified as revenue expenditure.

Audit test-check of Grant 03-Department of Atomic Energy revealed two cases of incorrect classification of expenditure. In one case, expenditure of revenue nature aggregating to ₹5.76 crore was classified as capital expenditure and in other case, expenditure of capital nature aggregating to ₹70.00 crore was incorrectly classified as revenue expenditure (**Annexure 4.9**).

4.9.3 Misclassification between primary units of appropriation

Audit test-check disclosed that in 16 cases, funds aggregating to ₹502.13 crore were misclassified between primary units of appropriation. Cases of misclassification of ₹25 crore and above included misclassification of '33-Subsidies' as '31-Grants-in-aid-General' (₹149.00 crore-Department of Heavy Industry); misclassification of '26-Advertising and Publicity' as '20-Other Administrative Expenses' (₹84.00 crore-

²⁷ Department of School Education and Literacy, Department of Food and Public Distribution, Department of Health and Family Welfare, Ministry of Housing and Urban Affairs, Department of Atomic Energy and Department of Telecommunications

Department of Commerce); misclassification of '30-Other Contractual services' as '50-Other Charges' (₹179.19 crore –Department of Rural Development) (Annexure 4.10).

4.10 Non-compliance with the Budget Provisions for re-appropriation from non-functional head 2552

Budget provisions²⁸ towards projects/schemes for development of North Eastern Region and Sikkim are provided as 'lump sum' under the Major Head '2552-North Eastern Region' for Revenue expenditure, Major Head '4552-Capital Outlay on North Eastern Region' and Major Head '6552-Loans for North Eastern Region' for Capital expenditure' for eventual re-appropriation to appropriate functional heads of expenditure. Break-up of lump-sum provision for development of North Eastern Region (NER) up to object head level corresponding to different functional major/sub-major/ minor heads, indicating the details, may be depicted in the Detailed Demands for Grants under the Major Head 2552/ 4552/ 6552 for eventual re-appropriation.

Audit scrutiny of re-appropriation of funds under Grant 91-Ministry of Skill Development & Entrepreneurship revealed that the instructions of adhering to corresponding heads of the non-functional heads under NER to functional heads while re-appropriation of funds have not been followed as detailed in **Figure 4.10**.

Figure 4.10: Irregular re-appropriation from NER heads to functional heads

(₹ in crore)

Sl. No.	Re-appropriation order date	From		To		Remarks
		Head	Amount	Head	Amount	
1.	26 dated 06 January 2021	2552.00.507.01.11.31	2.54	3601.06.101.36.07.31	2.54	Detailed head in which funds re-appropriated is different
2.	31 dated 16 February 2021	2552.00.507.01.08.31	0.50	3601.06.101.36.07.35	0.50	Object head in which funds re-appropriated is different.
3.	29 dated 10 February 2021	2552.00.507.01.11.31	11.10	3601.06.101.36.07.35	11.10	Detailed and object heads in which funds re-appropriated are different.
4.	46 dated 19 March 2021	2552.00.507.01.02.31	16.87	3601.06.101.36.07.35	18.59	Detailed and object heads in which funds re-appropriated are different.
		2552.00.507.01.08.31	1.72			
5.	49 dated 25 March 2021	2552.00.507.01.10.31	1.16	2230.03.102.15.12.35	1.16	Detailed and object heads in which funds re-appropriated are different.

²⁸ Para 6.3 of the Budget Circular for the FY20 & 21

Audit noticed that sub-head, detailed-head and object head in respect of these lump-sum provisions under Major Head 2552 were changed at the time of re-appropriation into eventual functional heads. Audit also noted that the Ministry re-appropriated ₹11.50 crore at detailed head level from 2552.00.507.01.10.31 to 2552.00.507.01.02.31 within the non-functional head 2552 itself in contravention to the Budget provisions *ibid*.

The Ministry stated (September 2021) that all cases pertain to re-appropriation of funds from the non-functional MH-2552 to functional head MH-3601. It was also stated that the power to re-appropriation of funds from the lump-sum provision for NER to concerned schemes have been delegated to the Secretaries of the Ministry/Department as provided under MoF, Department of Expenditure's O.M. dated 22 July 2015.

The reply is not acceptable as the Ministry should have complied to Budget Circular and OM issued by MoF while re-appropriating lump-sum provisions for eventual re-appropriation to appropriate functional heads of expenditure.

4.11 Misclassification of interest income as deduct recovery

In Grant No. 70-Ministry of New and Renewable Energy (MNRE) it was observed that amount being received from the Grantees towards interest on unutilized Grants-in-aid pertaining to previous years was booked by the Ministry under Minor head '2810.00.911-Deduct Recoveries of over payments'. During 2020-21, the Ministry misclassified interest income of ₹0.93 crore on unutilized grant as deduct recovery received from Solar Energy Corporation of India Ltd. (SECI), which resulted in overstatement of recoveries and understatement of net expenditure during FY21.

The Ministry accepted (September 2021) the audit observation and stated that a head of account 0049.03.190 Interest from Public sector and other undertakings has been opened.

The reply of the Ministry to open the head 0049.03.190 is not appropriate. In this case, the interest on un-utilised Grants in Aid should be booked under functional receipt head of the Ministry below the Minor Head 801-Interest or other earnings from Grantee on unspent balances, in terms of para 2.5 of general directions to LMMHA.

4.12 Expenditure on project without obtaining financial sanction

Rule 18 of DFPRs provide that expenditure on a scheme or project shall be financially sanctioned by the competent authority. The cost estimate of such Schemes or project/shall be worked out and financially sanctioned by the prescribed competent authority based on the cost estimate of the project or scheme under a sub head (functional primary unit of appropriation). Further, the Government of India decision 3 below Rule 18 clarifies that components of a project/scheme which are mutually independent should be treated as a separate scheme under a separate 'sub head'.

Audit scrutiny of Grant No. 94-Department of Space for the year 2020-21 revealed that a 'New Service/ New Instrument of Service' Project Capacity Building Programme (Head of Account: 3402.00.101.82-Capacity Building Programme) was not financially

sanctioned by the Competent Authority before incurring an expenditure of ₹2.01 crore thereon.

The Department stated (July/ August/Nov 2021) that the Project/Scheme (Sub-Head), ‘Capacity Building Programme’ was approved by the Space Commission in October 2019.

The reply is not acceptable as the Department neither prepared the cost estimate for the Project/Schemes nor issued the financial sanction of the competent authority for the project ‘Capacity Building Programme’. Further, as per DFPRs, the above mutually independent schemes should have been financially sanctioned as a separate project.

4.13 Unauthorised augmentation through obtaining lump sum supplementary provision

Scrutiny of Grant No. 09 pertaining to the Ministry of Coal for FY21 revealed that the Ministry obtained a token supplementary for re-appropriation of ₹230 crore for providing Grants-in-aid-General under the sub scheme ‘Regional Exploration²⁹’ of scheme ‘Exploration of Coal and Lignite’ from the savings available in the same section of the Grant, without giving amount specific component-wise break-up for General Component, Special Component Plan for Scheduled Castes and Tribal Areas Sub-Plan in the Supplementary Demand for Grant.

The provisions of three components were augmented by ₹30 crore by way of re-appropriation order dated 05 January 2020. As the expenditure attracted the limitations of NS/NIS in terms of Budget Division OM dated 25 May 2006, being the expenditure incurred under object head ‘Grants-in-aid’, amount specific prior approval of the Parliament distinctly for three components was necessary but the same was not obtained as detailed in **Figure 4.11**.

Figure 4.11: Unauthorised augmentation through obtaining lump-sum supplementary provision

(₹ in crore)

Head of Account	Token Supplementary	Proposed Re-appropriation	Actual Re-appropriation
2803.00.102.03.01.31	0.0025	230	21.87
2803.00.789.02.00.31	0.0025		2.49
2803.00.796.02.00.31	0.0025		5.64
2803.00.796.06.00.33	0.0025	20	--
Total	0.01	250	30

The Ministry stated (October 2021) that as there are three components for the said Central Sector Scheme, the token supplementary grant obtained under ‘Regional Exploration’ was distributed under all the three components.

The reply is not acceptable as Ministry should have obtained amount specific approval for each component distinctly as all the three components had separate budget lines.

²⁹ Head of Account 2803.00.102.03.01.31

4.14 Non-operation of object head ‘Grants for Creation of Capital Assets’ and ‘Grants-in-aid-Salaries’

Test-check of the Appropriation Accounts of Grant No. 09- Ministry of Coal for FY21 and the utilization certificates submitted by the Grantee organizations revealed that out of the grants released, CMPDI³⁰ had incurred an expenditure of ₹2.38 crore on purchase of capital equipment and CMPFO³¹ had incurred an amount of ₹0.47 crore on salary expenses and these amounts were incorrectly booked under object head-31 (Grants-in-aid-General) instead of segregating the grant under object head 35 (Grants for creation of Capital Assets) and object head 36 (Grants-in-aid-Salaries).

The Principal Accounts Office stated (October 2021) that necessary instructions have been issued to comply with the audit observations.

4.15 Non-booking of expenditure

The Ministry of Defence (Finance Division) instructed vide minutes of meeting held on 25 March 2021 that Controller General of Defence Accounts (CGDA) should stop booking of expenditure under any Head of Accounts where the expenditure exceeds its allocated budget. It was also mentioned in the minutes that zero excess expenditure had to be ensured by all concerned in FY21.

Scrutiny of files related to Journal Entries for the FY21 revealed that when the expenditure under the capital heads was on the verge of exceeding the budgetary limits, an instruction was received by CGDA from MoD (Fin) for incorporating stop booking protocols. Consequently, CGDA stopped bookings of expenditure. However, before stopping the bookings, expenditure had already been incurred by the Controllers’ Office which were left to be compiled. The expenditure which remained un-compiled due to stop booking protocols amounted to ₹521 crore (₹240 crore under Revenue segment and ₹281 crore under Capital segment) as detailed in **Figure 4.12**.

Figure 4.12: Uncompiled expenditure of Ministry of Defence

(₹ in crore)

Sl. No.	PCDA/CDA	Revenue Expenditure	Capital Expenditure	Total Expenditure
1.	CDA Guwahati	102.94	128.88	231.82
2.	PCDA (NC) Jammu	51.20	32.04	83.23
3.	PCDA (BR) Delhi Cantt.	0	2.39	2.39
4.	CDA Chennai	0.21	52.79	53.01
5.	PCDA Bangalore	10.00	1.40	11.40
6.	PCDA (SC) Pune	1.06	35.28	36.34
7.	PCDA (WC) Chandigarh	17.57	10.35	27.92
8.	CDA Patna	0	0.11	0.11
9.	PCA (Fys) Kolkata	0	3.38	3.38
10.	CDA (Army) Meerut	40.19	13.78	53.97
11.	PCDA (CC) Lucknow	16.63	0.72	17.35
Total		239.80	281.12	520.92

³⁰ Central Mine Planning and Design Institute Limited

³¹ Coal Mines Provident Fund Organisation

This led to understatement of Revenue and Capital expenditure under Revenue and Capital grants of MoD and consequently understatement of Revenue deficit of Government of India. The reply from the Ministry was awaited.

4.16 Direct-booking of expenditure under Major Head-2552

The Budget Circular (2020-21) contains instructions relating to allocation for North East Region (NER) stating that Budget Provisions towards projects/ schemes for development of NER and Sikkim is provided as 'lump sum' under MH-2552 for Revenue Expenditure and MH-4552/6552 for Capital Expenditure for eventual re-appropriation to appropriate functional heads of expenditure. After approval of the budget by Parliament, the expenditure provision can be transferred to the functional head for incurring expenditure through re-appropriation.

On scrutiny of Grant No.85-Department of Rural Development, it was observed that a supplementary grant of ₹1,950 crore was obtained under sub-head 2552.00.797.03 (Transfer to CRF/ CRIF) and entire amount was booked as expenditure against the sub-head. This direct booking of expenditure under MH-2552 was inconsistent with instructions contained in Budget Circular (2020-21). The transfer should have been made from functional major head, after re-appropriation of provision from non-functional head to functional major head.

The Department stated (November 2021) that booking of ₹1,950 crore is not a normal release and this was due to adjustment of Inter Account transfer to Central Road & Infrastructure Fund which was opened during FY 2020-21 under Pradhan Mantri Awas Yojna-Gramin (PMAY-G) as directed by Budget Division of Department of Economic Affairs. However, it has been noted for future compliance.

The reply of the Department is not tenable since direct booking of expenditure under MH-2552 and non-transfer of expenditure provision to required functional head through re-appropriation was irregular in the light of instructions issued in Budget Circular (2020-21).

4.17 Unsanctioned Expenditure under Ministry of Railways

Expenditure incurred by Indian Railways in excess of sanctioned estimates, expenditure incurred without detailed estimates and miscellaneous overpayments etc. are recorded in objection books by the Zonal Railways administration and treated as unsanctioned expenditure. During FY21, unsanctioned expenditure of ₹8,127.97 crore involving 2775 cases was incurred by Indian Railways, while in FY20 ₹4,999.87 crore involving 3426 cases was incurred by Indian Railways. Thus, no steps had been taken to improve the situation.

4.18 Response of the Government

This Report was shared with the Secretary, Department of Expenditure, MoF and CGA for their comments during January 2022. Responses were also sought from various Ministries/ Departments in respect of issues concerning them. Replies received (up to August 2022) from the Ministries/ Departments/ CGA have been suitably incorporated in the Report.

New Delhi

Dated: 02 December 2022



(ROLI SHUKLA MALGE)

Principal Director of Audit
Finance & Communication

Countersigned

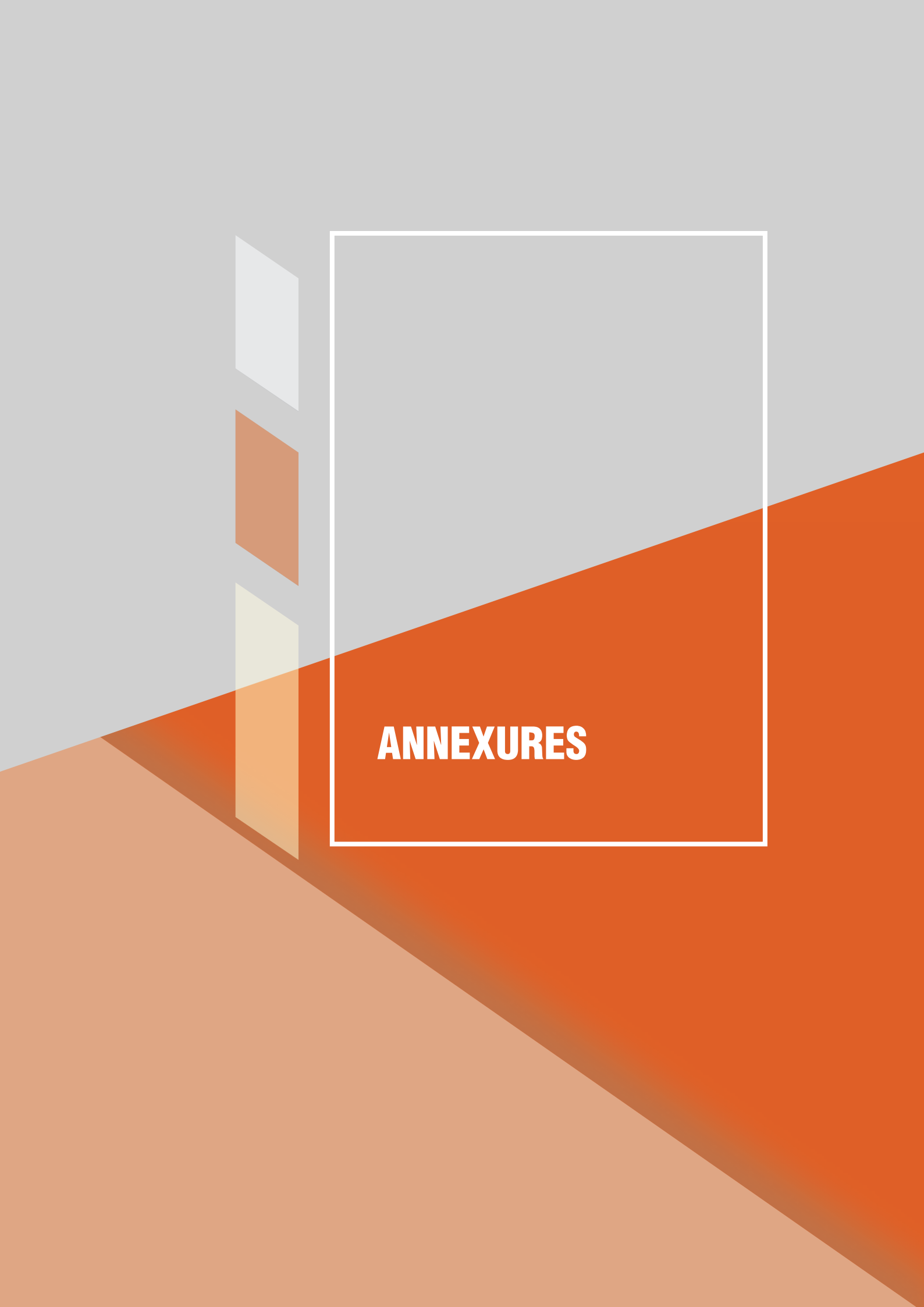


New Delhi

Dated: 07 December 2022

(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India



ANNEXURES

**Report of the CAG on
Union Government Accounts for FY 21**

**Annexure 3.1
(Refer Paragraph 3.2.2)
Variation between outstanding principal and interest of CPSEs**

(₹ in crore)

Sl. No.	CPSE	Outstanding Guarantee as per Quarterly Guarantee Statement of March 2021 by Ministry	Outstanding Guarantee (Principal/ interest) as per Annual Accounts of the CPSE	Variation in figures of outstanding Guarantee	Remarks
1.	NTPC	1,610.66	1,613.45	2.79	Variation is due to non-inclusion of interest amount while depicting outstanding Guarantee as on 31 March 2021 in Union Accounts by Ministry of Power.
2.	PFC	150.83	150.92	0.09	There is variation in outstanding amount of principal. Further, interest accrued but not paid has been included in Statement while calculating outstanding Guarantee.
3	REC	365.78	367.28	1.5	There is variation in outstanding amount of principal while depicting outstanding Guarantee as on 31 March 2021 in Union Accounts by Ministry of Power.
4	PGCIL	29,810.46	29,874.73	64.27	There is variation in outstanding amount of principal while depicting outstanding Guarantee as on 31 March 2021 in Union Accounts by Ministry of Power.
5	NHPC	968.62	968.62	Nil	Along with principle, interest is also guaranteed by GoI. The same amounting to ₹26.50 crore has not been included while depicting outstanding guarantee.
6	SJVNL	1691.32	1691.32	-	Along with principle, interest is also guaranteed by GoI. The interest (accrued but not due) amounting to ₹3.54 crore has not been included while depicting outstanding guarantee.
7	THDC	981.52	985.06	3.54	Variation in outstanding Guarantee as on 31 March 2021 in Union Accounts by Ministry of Power
8	EESL	2,840.60	2,848.32	7.72	In Union Account, total eight outstanding Guarantees are shown with outstanding Guarantee amount of ₹2,840.60 crore, whereas, five loans amounting to ₹2,848.32 crore are being shown in Annual Accounts of EESL. Thus, there is variation of ₹7.72 crore in the amount of outstanding guarantees.
9	NEEPCO	511.35	512.53	1.18	There is variation in amount of outstanding guarantees.
Total variation				81.09	

**Report of the CAG on
Union Government Accounts for FY 21**

**Annexure 3.2
(Refer Paragraph 3.3.1)**

Mismatch in information of Statement 11 and Annual Reports of CPSEs

Sl. No.	Ministry	Entity	Mismatch			Reply of the Ministry / Department
			Total amount invested	Number of equity shares	% of share holding	
1.	M/o Petroleum and Natural Gas	Oil and Natural Gas Corporation Ltd. (ONGC)	Yes	Yes	Yes	Reply of the Ministry was awaited.
2.	M/o Steel	Rashtriya Ispat Nigam Ltd.	No	Yes	No	The Principal Accounts Office stated (December 2021) that in April 2012, the face value of the equity shares was split into ₹10 each and consequently the issued share capital was split from 48,898,462 equity shares of ₹1000 each to 4,889,846,200 equity shares of ₹10 each. The rectification was however not made in the UGFA.
3.	M/o Chemicals & Fertilizers	*Hindustan Organic Chemicals Ltd., Mumbai	No	No	Yes	The Pr.AO stated (November 2021) that the revised Statement 11 had been furnished to O/o CGA for correction in UGFA. However, discrepancy was not rectified.
4.	D/o Fertilizers	Fertilizer Corporation of India Ltd. (FCIL)	Yes	Yes	Yes	Department of Fertilizers stated (November 2021) that the Department had requested the Pr. AO in May 2018 and October 2019 to update/correct the Government investment in their accounts as ₹750.92 Crore. The Pr.AO however intimated (November 2021) that no information had been received from the department for correction in Finance Accounts.
5.	D/o Fertilizers	FCI Aravali Gypsum and Mineral India Ltd. (FAGMIL)	Yes	Yes	No	In March 2015 the Department had granted approval to FAGMIL to increase authorized capital to ₹30 Crore. Accordingly, FAGMIL issued 2,26,70,200 Bonus Shares in November 2017 and intimated to the Department (December 2017) that after issuance of Bonus Shares the total holding of Government was ₹30 Crore. The Pr. AO stated that the Department had not intimated regarding change of shareholding of FAGMIL.
6.	D/o Fertilizers	Brahmaputra Valley Fertilizers Corporation Ltd. (BVFCL)	Yes	Yes	No	Department of Fertilizers stated (September 2021) that it had requested the Pr.AO in May 2018 and October 2019 to update/correct the Government investment in their accounts as ₹365.82 crore. The PrAO however intimated (November 2021) that no information had been received from the Department for correction in Finance Accounts.
7.	M/o Defence	Bharat Dynamics Ltd., Hyderabad	-	Yes	No	The reply of the Ministry was awaited.
8.	M/o Defence	Bharat Electronics Ltd., Bengaluru	-	Yes	No	The reply of the Ministry was awaited.

**Report of the CAG on
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Sl. No.	Ministry	Entity	Mismatch			Reply of the Ministry / Department
			Total amount invested	Number of equity shares	% of share holding	
9.	M/o Defence	Garden Reach Ship Builders and Engineers Ltd., Kolkata	-	No	Yes	The reply of the Ministry was awaited.
10.	M/o Defence	Mazagaon Dock Shipbuilders Ltd.	-	Yes	Yes	The reply of the Ministry was awaited.
11.	M/o of Coal	Coal India Ltd., Kolkata	Yes	Yes	No	The Pr.AO of Ministry of Coal intimated (October 2021) that the disinvestment of 83104 shares through off market transaction for the CPSE Exchange Traded Fund on 09 April 2015 got left out during preparation of Statement 11 . The difference had been rectified and revised Statement 11 sent to O/o CGA. However, the discrepancy was not rectified yet in UGFA.
12.	M/o of Coal	Neyveli Lignite Corporation Ltd., Neyveli	Yes	Yes	No	The Pr.AO of Ministry of Coal intimated (October 2021) that the disinvestment of 3,86,080 shares through offer for sale to employees got left out during preparation of Statement 11 . The difference had been rectified and revised Statement 11 sent to O/o CGA. However, the discrepancy was not rectified yet in UGFA.
13.	M/o Power	National Thermal Power Corporation of India Ltd.	Yes	Yes	Yes	The Ministry of Power stated (January 2022) that Government investment as on 31-03-2021 was ₹4,955.35 crore (with 51.10% shareholding). However, the discrepancy was not rectified in UGFA.
14.	M/o Power	Power Grid Corporation of India Ltd.	No	No	Yes	Reply of the Ministry was awaited.
15.	M/o Power	North Eastern Electric Power Corporation, Shillong	-	Yes	No	The reply of the Ministry was awaited.
16.	M/o Heavy Industries and Public Enterprises	Bharat Bhari Udyog Ltd.	Yes	Yes	No	The reply of the Ministry was awaited.
17.	M/o Heavy Industries and Public Enterprises	Scooters India Ltd., Lucknow	Yes	Yes	Yes	Reply of the Ministry was awaited.
18.	M/o Petroleum and Natural Gas	Bharat Petroleum Corporation of India Ltd.	-	Yes	Yes	The reply of the Ministry was awaited.
19.	M/o Petroleum and Natural Gas	Engineers India Ltd.	-	Yes	Yes	The reply of the Ministry was awaited.

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Sl. No.	Ministry	Entity	Mismatch			Reply of the Ministry / Department
			Total amount invested	Number of equity shares	% of share holding	
20.	M/o Petroleum and Natural Gas	Gas Authority of India Ltd.	-	Yes	Yes	The reply of the Ministry was awaited.
21.	M/o Railways	Container Corporation of India	-	Yes	Yes	The reply of the Ministry was awaited.
22.	M/o Road Transport & Highways	National Highway Infrastructure Development Corporation Ltd.	-	Yes	No	The reply of the Ministry was awaited.
23.	M/o Textile	British India Corporation Ltd. Kanpur	Yes	Yes	Yes	The reply of the Ministry was awaited.
24.	State Co-operative Banks/Other Banks	Export Import Bank of India	Yes	-	No	The Department of Financial Services stated (December 2021) that Exim Bank Bond (Tier I) aggregating ₹559.37 crore issued to GoI on 30.03.2002 (maturity date being 29.03.2022) were converted into equity capital in pursuance of the extant provisions of the Exim Bank Act vide Govt. order dated 03.12.2012 after due consultation with the RBI. The discrepancy was however not rectified in the UGFA.
25.	State Co-operative Banks/Other Banks	India Infrastructure Finance Company Ltd.	Yes	-	No	The Department of Financial Services stated (December 2021) that consequent upon merger of Irrigation and Water Resources Finance Corporation Ltd. (IWRFC) with India Infrastructure Finance Company Ltd. (IIFCL) w.e.f. 1st April 2016, the GoI issued ₹102.32 crore equity in IIFCL (22 July 2016) in lieu of equity held by the GoI in IWRFC without infusion of funds and therefore the UGFA reflected equity investment as ₹9897.60 crore whereas the annual accounts of IIFCL reflected total equity as ₹9999.92 crore.
26.	State Co-operative Banks/Other Banks	Industrial Development Bank of India	Yes	Yes	Yes	The reply of the Department was awaited.
27.	M/o Heavy Industries & Public Enterprises	Andrew Yule Company Ltd.	Yes	Yes	Yes	The reply of the Ministry was awaited.
28.	M/o Heavy Industries & Public Enterprises	Bharat Heavy Electricals Ltd.	Yes	Yes	Yes	
29.	M/o Heavy Industries & Public Enterprises	Hindustan Cables Ltd.	Yes	Yes	Yes	

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Sl. No.	Ministry	Entity	Mismatch			Reply of the Ministry / Department
			Total amount invested	Number of equity shares	% of share holding	
30.	M/o Civil Aviation & Tourism	Airports Authority of India	Yes	-	-	The Pr Accounts Office, Ministry of Civil Aviation & Tourism stated (November 2021) that the difference of ₹200 Crore belonged to Commencing Capital (which pertained to the period 1994-95) of AAI and the matter had been taken up with the O/o CGA for adoption of Commencing Capital in the UGFA.
31.	M/o Shipping	#Hooghly Dock & Port Engineers Co. Ltd., Kolkata	-	-	-	

* There was variation in total equity amount in UGFA of FY21 from FY20 (₹0.02 crore) without any fresh transaction.

There was variation in total equity amount in UGFA of FY21 from FY20 (₹0.25 crore) without any fresh transaction.

**Annexure 3.3
(Refer Paragraph 3.3.1)
Incorrect Classification of Entities in Statement 11**

Sl. No.	Entities listed as Joint Stock Companies	Serial Number in Statement 11
1	Rastriya Ispat Nigam Ltd., Visakhapatnam	11
2	Dedicated Freight Corridor Corporation of India	13
3	National Seeds Corporation Ltd., New Delhi	18
4	National Dairy Development Board, Anand	22
5	Bengal Chemicals and Pharmaceuticals Ltd., Kolkata	30
6	Hindustan Antibiotics Ltd., Pimpri, Pune	33
7	Hindustan Insecticides Ltd., New Delhi	34
8	Hindustan Organic Chemicals Ltd., Mumbai	35
9	Indian Drugs and Pharmaceuticals Ltd., Gurgaon	36
10	Hindustan Fertilizers Corporation Ltd., New Delhi	41
11	FCI Aravali Gypsum and Minerals India Ltd.	42
12	Project and Development India Ltd., Sindri, Dhanbad	46
13	Pyrites, Phosphates and Chemicals Ltd., New Delhi	47
14	Air India Ltd (Erstwhile NACIL)	50
15	Air India Asset Holding Ltd.	51
16	Export Credit Guarantee Corporation of India Ltd., Mumbai	55
17	Project and Equipment Corporation of India Ltd., New Delhi	57
18	India Trade Promotion Organisation, New Delhi	59
19	Telecommunication Consultants (India) Ltd., New Delhi	64
20	Bharat Sanchar Nigam Ltd., New Delhi	66
21	Bharat Broadband Network Ltd., New Delhi	67

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**Annexure 3.4
(Refer Paragraph 3.5)
List of Adverse Balances as on 31-03-2021**

Sl. No.	Head of Account (Major /Minor Head)		Balance as on 31.03.2021		Period from which balances become adverse
	HoA	Statement No.14A	Dr./Cr.	Amount (₹ in thousands)	
1	6001	Securities issued to the International Financial Institutions—International Bank for Reconstruction and Development		-4,04,339	
2	6001	Securities issued to the International Financial Institutions—International Fund for Agricultural Development		-2,12,992	
		Statement No.14			
3	6002.00.207	Loans from the European Economic Community		-14,67,747	2016-17
4	6002.00.226	Loans from the Agency for International Development U.S.A		-1,68,38,679	2016-17
5	6002.00.503	Debt Awaiting Adjustment to Loans from IDA		-72,69,563	2018-19
6	6002.00.504	Debt Awaiting Adjustment to Loans from IBRD		-85,70,374	2014-15
7	6002.00.507	Debt Awaiting Adjustment to Loans from (GOJP), Japan		-3,83,172	2015-16
		Statement No.15			
8	6202.01.203	Loans for Education, Sports, Art and Culture-University and Higher Education		-1,119	2016-17
9	6215.02.800	Loans for Water Supply and Sanitation Sewage and Sanitation and Other Loans		-60,013	2016-17
10	6216.02.190	Loans for Housing -Urban Housing Loans to Public Sector and other Undertakings		-5,79,267	2016-17
11	6216.80.190	Loans for Housing -General Loans to Public Sector and other Undertakings		-2	2020-21
12	6216.80.800	Loans for Housing -General Housing Others Loans		-12,190	2020-21
13	6225.01.800	Loans for Welfare of Schedule Castes, Schedule Tribes, Other Backwards Classes and Minorities, Welfare of Schedule Caste Other Loans		-829	1994-95
14	6245.01.101	Loans for Relief on Account of Natural Calamities Drought Gratuitous Relief		-896	1986-87
15	6245.02.101	Loans for Relief on Account of Natural Calamities Floods Cyclones Gratuitous Relief		-2,157	1997-98

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16	6401.00.104	Loans for Crop Husbandry Agricultural Farms		-775	2016-17
17	6402.00.102	Loans for Soil and Water Conversation Soil Conservation		-8,127	1995-96
18	6402.00.203	Loans for Soil and Water Conversation Land Reclamation and Development		-592	2007-08
19	6405.00.106	Loans for Fisheries Mechanisation of Fishing Crafts		-532	2016-17
20	6425.00.107	Loans for Cooperation Loan to Credit Co-operatives		-5,20,312	2017-18
21	6425.00.108	Loans for Cooperation Loan to other cooperatives		-8,94,076	2003-04
22	6515.00.102	Loans for Other Rural Development Programme Community development		-180	1986-87
23	6801.00.201	Loans for Power Projects Hydel Generation		-8,80,938	2004-05
24	6801.00.205	Loans for Power Projects Transmission & Distribution		-13,91,766	2005-06
25	6851.00.102	Loans for Village and Small Industries Small Scale Industries		-11,623	2006-07
26	6851.00.106	Loans for Village and Small Industries Coir Industries		-1,186	2020-21
27	7051.01.190	Loans for Ports & light Houses Major ports loans to Public Sector and other Undertaking		-38,82,965	2018-19
28	7053.00.190	Loans for Civil Aviation Loans to Public Sector and other Undertakings		-3,77,537	2010-11
29	7601.01.436	Loans and Advances to State Governments, Loans for non plan Scheme, Crop Husbandry Commercial crops		-1	2018-19
30	7601.04.312	Loans for Centrally Sponsored Plans Schemes Urban Development-Integrated Development of Small/Medium Towns		-1	2012-13
31	7601.04.360	Loans for Centrally Sponsored Plans Schemes Welfare of Scheduled Tribes-Other Loans		-408	2012-13
32	7601.04.501	Loans for Centrally Sponsored Plans Schemes Soil and Water Conservation-Soil conservation Schemes		-34,180	2012-13
33	7601.04.726	Loans for Centrally Sponsored Plans Schemes Village and Small Industries-Handloom Industries		-6,960	2012-13
34	7601.04.786	Loans for Centrally Sponsored Plans Schemes - Flood Control-Other loans		-4,115	2012-13
35	7601.04.825	Loans for Centrally Sponsored Plans Schemes Roads of Inter-State or Economic Importance-Road Works		-18,359	2012-13
36	7601.04.826	Loans for Centrally Sponsored Plans Schemes Roads of Inter-State or Economic Importance-Machinery and Equipment		-106	2012-13

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37	7601.04.871	Loans for Centrally Sponsored Plans Schemes Inland water Transport-Other Loans		-897	2012-13
38	7601.07.800	Pre 1984-1985 Loans and Other Loans		-1,580	2012-13
39	7602.04.412	Loans for Centrally Sponsored Plan Schemes Cooperation-Consumer cooperatives		-593	2012-13
40	7605.00.061	Advance to Foreign Government Loans to Government of Cambodia		-58,745	2019-20
41	7605.00.099	Advance to Foreign Government Loans to Government of Srilanka		-5,47,560	2019-20
42	7610.00.202	Loans to Government Servants etc.-Advances for purchase of Motor Conveyance etc.		-1,06,428	2019-20
43	7610.00.203	Loans to Government Servants-Advances for Purchase other Conveyances		-45,200	2004-05
		Statement No.16			
44	8002.00.103	Treasury Saving Deposits Certificates	Cr.	-6,962	1976-77
45	8002.00.105	Saving Certificates-Bank Series	Cr.	-189	2007-08
		Statement No.14			
46	8012.00.109	Special Deposits and accounts Income Tax Annuity Deposits		-13,983	2015-16
47	8014.01.106	PLI Joint Endowment Assurance Schemes		-23,52,948	2019-20
48	8014.02.105	RPLI Anticipated Endowment Assurance Schemes		-10,33,174	2015-16
		Statement No.13			
49	8115.00.101	Depreciation Reserve Funds –Railways (Commercial Lines)	Dr.	2,80,28,363	2009-10
50	8117.00.102	Railway Development Fund-Strategic Lines	Dr.	605	2018-19
51	8121.00.103	Railway Pension Fund-Commercial Lines	Dr.	1,44,87,059	2016-17
52	8229.00.200	Other Development and Welfare Fund	Dr.	21,07,063	2007-08
53	8232.00.101	National Rural Employment Guarantee Fund	Dr.	1	2020-21
54	8235.00.135	Rashtriya Swachhata Kosh	Dr.	15,93,805	2015-16
55	8337.00.102	Indian Railways Conference Association EPF	Dr.	32,666	2019-20
56	8443.00.112	Deposits for Purchases etc. in India	Dr.	23,29,271	2018-19
57	8446.00.800	Postal Deposits-Other Deposits	Dr.	1,18,723	2005-06
58	8448.00.104	Deposits of Local Funds-Funds of Insurance Association of India	Dr.	291	Pre-1976- 77
59	8449.00.106	Accounts under Indo-US Agreement 1974	Dr.	3	2018-19
60	8449.00.119	Advance Deposits for A.D.B. Assisted Projects	Dr.	6,386	2017-18
61	8451.00.101	Bhopal Gas Leak Disaster Relief Fund- Claims and Relief Funds	Dr.	93,73,505	2007-08

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62	8451.00.102	Bhopal Gas Leak Disaster Relief Fund- Claims and Relief Fund Investment Account	Cr.	92,82,200	2007-08
63	8455.00.101	Transaction with IPPB	Dr.	37,25,059	2018-19
64	8551.00.101	Defence Advances	Cr.	1,60,23,725	2015-16
65	8670.00.104	Treasury Cheques	Dr	13,34,636	2018-19

**Annexure 3.5
(Refer to Paragraph 3.6.2)
Dormant Reserve Funds**

(₹ in thousands)

Sl. No	Nomenclature of the Head	Balance as on 31 March 2021	Dormant since
1	8117.XXX-Development Fund -Investment Account	-10,99	FY17
2	8117.XXX-Railway -Loan to Branch Line Companies	-11,77	FY17
3	8121.108-Staff Benefit Funds (Railway Strategic Lines)	47,88	FY17
4	8223.101 Famine Relief Fund	3	FY09
5	8226.101-Depreciation reserve Funds of Government Commercial Departments and Undertakings	3,06,95,69	FY20
6	8229.101 Development Funds for Educational Purposes	7	FY03
7	8229.102 Development Funds for Medical and Public Health Purposes	60	FY03
8	8229.108 Mining Areas Development Funds	1,02	FY03
9	8229.200 Other Development and Welfare Fund	-2,10,70,63	FY19
10	8235.101-General Reserve Funds of Government Commercial Departments/Undertakings	75,86	FY09
11	8235.105 General insurance Fund	215	FY20
12	8235.129 National Clean Energy Fund	1	FY19
13	8235.135-Rashtriya Swachhata Kosh	-1,59,38,05	FY19
Positive Balance		308.23 crore	
Negative Balance		-370.31 crore	
Net Balance		-62.08 crore	

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**Annexure 3.6
(Refer to Paragraph 3.6.2)
Dormant Deposit Accounts**

(₹ in thousands)

Sl. No	Nomenclature of the Head	Balance as on 31 st March 2021	Dormant since	Remarks
1	8337.102 – Indian Railways Conference Association Employees' Provident Fund	-3,26,66	FY21	Adverse Balance is under investigation.
2	8342.107 - Deposits Towards Payment of Estate Duty	1,03	FY03	
3	8342.108 - Deposits of Income Tax, Super Tax, Excess Profits Tax and Surcharge	1,21,07	FY03	₹1,21,61 thousand was lying dormant since FY03 but during FY18 ₹(-)5,40,00 was credited (receipt) due to balance lying unutilized for more than Three years.
4	8342.110 - Telephone Application Deposits	223,98,06	FY07	₹223,98,01 thousand was lying dormant since FY07 but during FY17 a small amount of ₹5,000 was deposited.
5	8342.111 - Telex Application Deposits	7,93,06	FY03	
6	8342.114 - Leased Telecommunication Facility Deposits	1,69,47	FY03	
7	8443.102 - Customs and Opium Deposits	466,49,26	FY10	₹466,49,13 thousand was lying dormant since FY10 but during the year FY21 a small amount of ₹13,000 was deposited.
8	8443.114 - Export Trade Deposits	15,25,27	FY03	
9	8443.120 - Deposits of Autonomous District and Regional Funds (Assam, Meghalaya and Mizoram)	64,11	FY03	₹64,21 thousand was lying dormant since FY03 but during the year FY11 a small movement of ₹10,000 was recorded.
10	8443.122 - Mines Labour Welfare Deposits	23,71	FY03	₹23,35 thousand was lying dormant since FY03 but during the year FY15 a small movement of ₹37,000 was recorded
11	8443.127 - Deposits of Local Bodies for meeting claims of Contractors/Employees/ Pensioners etc. who have migrated to Pakistan	21,06	FY03	

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Sl. No	Nomenclature of the Head	Balance as on 31 st March 2021	Dormant since	Remarks
12	8443.130 – Provident Societies Liquidation Accounts	13	FY09	
13	8447.800 – Other Deposits	50,15,43	FY14	
14	8448.103 - Cantonment Funds	1	FY04	
15	8448.104 – Funds of Insurance Association of India	-2,91	FY03	Adverse Balance is under investigation.
16	8448.106 – Funds of the Indian Council of Agricultural Research	45,56,59	FY19	
17	8448.109 – Panchayat Bodies Funds	2	FY20	
18	8448.111 - Medical and Charitable Funds	52	FY04	
19	8448.120 - Other Funds	2,26	FY05	
20	8449.102 – Cement Regulation Account	57,64,46	FY21	
21	8449.104 – Deposits of Mines Provident Fund	16,01	FY03	
22	8449.106 – Accounts under Indo-US Agreement 1974	-3	FY20	Adverse Balance is under investigation.
23	8449.107 – Deposits of Income Tax, Super Tax, Excess Profit Tax including Interest and Surcharge	1,33,93	FY03	
24	8449.111 – Drug Prices Equalisation Fund	29,96,911	FY20	
25	8449.112 – Coconut Development Fund	58,69	FY13	
26	8449.114 - Advance Deposits for IDA Aided Projects	200,62,89	FY16	
27	8449.115 - Advance Deposits for IBRD Aided Projects	83,73,52	FY20	
28	8449.117 - Advance Deposits for IFAD Aided Projects	117,05,26	FY21	
29	8449.118 Advance Deposits for Japanese Grants aided Projects	1,03,60	FY96	
30	8449.119 - Advance Deposits for ADB Assisted Projects	-63,86	FY19	Adverse Balance is under investigation.

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Sl. No	Nomenclature of the Head	Balance as on 31 st March 2021	Dormant since	Remarks
31	8449.120 - Miscellaneous Deposits	5237,55,71	FY20	
32	8450.101 – Balance of Puducherry	40,12,90	FY09	
33	8450.102 - Balance of Goa, Daman and Diu	-16,30,26	FY03	
34	8450.104 - Balance of Arunachal Pradesh	-56,82,51	FY03	
35	8450.105 - Balance of Mizoram	-124,41,38	FY03	
36	8453.101 – Amount meant for Expenditure on Social Sector Schemes	29,07,44	FY14	
Net Total		6,680.57 crore		
Debit Balance		-201.48 crore		
Credit Balance		6,882.05 crore		

Annexure 3.7
(Refer to Paragraph 3.7)
Outstanding loans and advances

Outstanding Loans and advances to States/UTs as on 31 March 2021

(₹ in lakh)

Sl. No.	Age of the Loan	State	Principal	Interest	Total
1	>25	Andhra Pradesh	878.10	0	878.10
2		Assam	15,561.61	1,03,270.64	1,18,832.25
3		Bihar	566.56	0	566.56
4		Goa	8,300.52	36,591.36	44,891.88
5		Gujarat	316.21	0	316.21
6		Haryana	83.82	0	83.82
7		Himachal Pradesh	12.25	0	12.25
8		J&K	4,787.46	12,841.96	17,629.42
9		Karnataka	233.66	0	233.66
10		Kerala	139.27	0	139.27
11		Madhya Pradesh	460.53	0	460.53
12		Maharashtra	824.37	0	824.37
13		Manipur	448.26	1,297.72	1,745.98
14		Meghalaya	266.64	5,206.42	5,473.06
15		Mizoram	2488.2	5,931.75	8,419.95
16		Odisha	126.05	0	126.05
17		Punjab	26.55	0	26.55
18		Rajasthan	270.86	0	270.86
19		Tamil Nadu	740.14	0	740.14
20		Uttar Pradesh	1,332.54	0	1,332.54
21		West Bengal	600.76	1,294.04	1,894.80
22		Puducherry	24,213.71	9,206.90	33,420.61
Total			62,678.07	1,75,640.79	2,38,318.86
1	15-25	Arunachal Pradesh	598.55	3,655.70	4,254.25
2		Nagaland	352.38	2,697.09	3,049.47
3		Sikkim	331.95	609.02	940.97
4		Tripura	183.14	3,476.63	3,659.77
5		NCT of Delhi	2,66,111.20	2,40,044.18	5,06,155.38
Total			2,67,577.22	2,50,482.62	5,18,059.84
Grand Total			3,30,255.29	4,26,123.41	7,56,378.70

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Outstanding Loans and advances to Other entities as on 31-03-2021

(₹ in lakh)

Sl. No.	Number of other loanee entities or institutions	Years of arrears	Principal	Interest	Amount
1	80	25 and above	6,42,147.96	2675175.16	3317323.12
2	11	20-25	2,17,156.32	495688.82	712845.14
3	24	15-20	2,84,083.47	1,72,131.50	4,56,214.97
4	20	10-15	4,32,598.74	4,51,368.26	8,83,967.00
5	14	5-10	1,46,733.54	5,767.53	1,52,501.07
6	6	less than 05	92,650.50	4,406.98	97,057.48
	155	Total	18,15,370.53	38,04,538.25	56,19,908.78

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**Annexure 4.1
(Refer to Paragraph 4.1.1)
Authorisation and Expenditure**

(₹ in crore)

Nature of Expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Disbursements	Savings (-) Excess (+)
A – Civil					
Voted					
Revenue	19,36,327.39	6,13,196.17	25,49,523.56	24,01,776.72	(-)1,47,746.84
Capital (including Loans and Advances)	3,97,247.25	1,75,632.43	5,72,879.68	4,23,044.76	(-)1,49,834.92
Total	23,33,574.64	7,88,828.60	31,22,403.24	28,24,821.48	(-)2,97,581.76
Charged					
Revenue	8,89,527.45	46,647.20	9,36,174.65	9,09,827.28	(-)26,347.37
Capital (including Loans and Advances and Public Debt)	69,16,189.86	7,025.00	69,23,214.86	62,11,506.64	(-)7,11,708.22
Total	78,05,717.31	53,672.20	78,59,389.51	71,21,333.92	(-)7,38,055.59
Grand Total	101,39,291.95	8,42,500.80	109,81,792.75	99,46,155.40	(-)10,35,637.35
Recoveries in reduction of expenditure			6,02,729.77	4,85,860.32	
Total Net Provision			1,03,79,062.98		
Total Net Expenditure				94,60,295.08	
B – Posts					
Voted					
Revenue	34,056.42	--	34,056.42	29,260.62	(-)4,795.80
Capital	1,131.21	--	1,131.21	897.42	(-)233.79
Total	35,187.63	--	35,187.63	30,158.04	(-)5,029.59
Charged					
Revenue	0.80	--	0.80	0.57	(-)0.23
Capital	--	--	--	--	--
Total	0.80	--	0.80	0.57	(-)0.23
Grand Total	35,188.43	--	35,188.43	30,158.61	(-)5,029.82
Recoveries in reduction of expenditure			953.00	933.59	
Total Net Provision			34,235.43		
Total Net Expenditure				29,225.02	

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(₹ in crore)

Nature of Expenditure		Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Disbursements	Savings (-) Excess (+)
C – Defence Services						
Voted						
Revenue		2,29,898.67	0.05	2,29,898.72	2,24,290.46	(-)5,608.26
Capital		1,13,626.50	20,616.50	1,34,243.00	1,34,098.10	(-)144.90
Total		3,43,525.17	20,616.55	3,64,141.72	3,58,388.56	(-)5,753.16
Charged						
Revenue		101.02	--	101.02	61.30	(-)39.72
Capital		107.50	159.50	267.00	206.82	(-)60.18
Total		208.52	159.50	368.02	268.12	(-)99.90
Grand Total		3,43,733.69	20,776.05	3,64,509.74	3,58,656.68	(-)5,853.06
Recoveries in reduction of expenditure				11,631.21	8,838.03	
Total Net Provision				3,52,878.53		
Total Net Expenditure					3,49,818.65	
D – Railways						
Voted						
Revenue		2,83,481.64	520.00	2,84,001.64	1,94,375.85	(-)89,625.79
Capital		2,37,526.79	100.01	2,37,626.80	2,22,135.79	(-)15,491.01
Total		5,21,008.43	620.01	5,21,628.44	4,16,511.64	(-)1,05,116.80
Charged						
Revenue		497.00	--	497.00	287.74	(-)209.26
Capital		102.63	336.00	438.63	439.54	(+)0.91
Total		599.63	336.00	935.63	727.28	(-)208.35
Grand Total		5,21,608.06	956.01	5,22,564.07	4,17,238.92	(-)1,05,325.15
Recoveries in reduction of expenditure				2,46,729.48	1,64,296.05	
Total Net Provision				2,75,834.59		
Total Net Expenditure					2,52,942.87	
Total						
Total CFI	Voted	32,33,295.87	8,10,065.16	40,43,361.03	36,29,879.72	(-)4,13,481.31
	Charged	78,06,526.26	54,167.70	78,60,693.96	71,22,329.89	(-)7,38,364.07
Grand Total CFI		1,10,39,822.13	8,64,232.86	1,19,04,054.99	1,07,52,209.61	(-)11,51,845.38
Total recoveries in reduction of expenditure				8,62,043.46	6,59,927.99	
Total provision and expenditure as per Appropriation Account				110,42,011.53	100,92,281.62	
Difference with the Finance Accounts					0	
Total disbursement from CFI as per Finance Accounts					1,00,92,281.62	

Note: Provision for the Charged and Voted expenditure is called Appropriation and Grant respectively.
CFI - Consolidated Fund of India.

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**Annexure 4.2
(Refer to Paragraph 4.2.2)
Savings of ₹100 crore or more**

(₹ in crore)

Sl. No.	Grant/Appropriation No. and Description	Sanctioned Provision	Savings	Savings as % of Sanctioned Provision
Revenue (Voted)				
1.	1-Department of Agriculture, Cooperation and Farmers' Welfare	1,34,544.49	25,943.77	19.28
2.	2-Department of Agricultural Research and Education	8,362.61	677.09	8.10
3.	3-Atomic Energy	15,796.11	1,132.13	7.17
4.	6-Department of Fertilisers	1,38,573.25	7,302.15	5.27
5.	9-Ministry of Coal	882.63	310.99	35.23
6.	10-Department of Commerce	5,531.83	1,376.51	24.88
7.	12-Department of Posts	34,056.42	4,795.79	14.08
8.	13-Department of Telecommunications	48,756.64	3,601.93	7.39
9.	14-Department of Consumer Affairs	12,264.72	909.23	7.41
10.	17-Ministry of Culture	3,057.58	934.14	30.55
11.	18-Ministry of Defence (Civil)	30,391.35	2,616.41	8.61
12.	19-Defence Services (Revenue)	2,29,898.72	5,608.26	2.44
13.	21-Defence Pensions	1,33,819.10	5,761.05	4.31
14.	22-Ministry of Development of North Eastern Region	2,330.14	792.50	34.01
15.	23-Ministry of Earth Sciences	1,902.46	684.20	35.96
16.	24-Ministry of Electronics and Information Technology	6,524.06	1,351.49	20.72
17.	25-Ministry of Environment, Forests and Climate Change	3,052.26	1,022.42	33.50
18.	26-Ministry of External Affairs	16,110.42	2,887.07	17.92
19.	27-Department of Economic Affairs	6,387.63	324.72	5.08
20.	28-Department of Expenditure	535.56	246.25	45.98
21.	29-Department of Financial Services	12,180.57	1,891.41	15.53
22.	31-Department of Revenue	2,72,440.50	3,562.70	1.31
23.	32-Direct Taxes	7,733.39	503.47	6.51
24.	33-Indirect Taxes	7,820.00	651.89	8.34
25.	34-Indian Audit and Accounts Department	5,228.82	362.88	6.94
26.	37-Pensions	62,676.48	157.09	0.25
27.	38-Transfers to States	46,930.00	27,425.67	58.44
28.	40-Department of Animal Husbandry and Dairying	3,657.47	693.43	18.96
29.	41-Ministry of Food Processing Industries	1,382.98	230.30	16.65
30.	42-Department of Health and Family Welfare	1,36,433.94	44,829.22	32.86
31.	43-Department of Health Research	4,575.01	1,450.42	31.70
32.	44-Department of Heavy Industry	972.81	387.82	39.87
33.	46-Ministry of Home Affairs	7,749.49	4,164.09	53.73
34.	48-Police	96,743.95	8,650.85	8.94
35.	50-Chandigarh	4,603.27	403.80	8.77
36.	51-Dadra and Nagar Haveli and Daman and Diu	2,768.10	805.00	29.08
37.	52-Ladakh	2,331.83	746.37	32.01
38.	57-Ministry of Housing and Urban Affairs	46,533.43	3,520.53	7.57

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Sl. No.	Grant/Appropriation No. and Description	Sanctioned Provision	Savings	Savings as % of Sanctioned Provision
39.	58-Department of School Education and Literacy	1,06,040.78	22,026.82	20.77
40.	59-Department of Higher Education	57,552.05	23,076.69	40.10
41.	60-Ministry of Information and Broadcasting	4,361.65	987.53	22.64
42.	61-Department of Water Resources, River Development and Ganga Rejuvenation	8,641.53	1,492.03	17.27
43.	62-Department of Drinking Water and Sanitation	32,518.10	5,550.71	17.07
44.	63-Ministry of Labour and Employment	16,881.52	3,977.80	23.56
45.	64-Law and Justice	2,160.00	728.48	33.73
46.	67-Ministry of Micro, Small and Medium Enterprises	7,513.24	1,889.04	25.14
47.	68-Ministry of Mines	1,737.05	353.58	20.36
48.	69-Ministry of Minority Affairs	4,868.99	980.42	20.14
49.	70-Ministry of New and Renewable Energy	5,701.02	2,769.15	48.57
50.	71-Ministry of Panchayati Raj	900.96	214.69	23.83
51.	75-Ministry of Petroleum and Natural Gas	42,722.02	2,845.14	6.66
52.	77-Ministry of Power	20,236.71	5,680.20	28.07
53.	79-Lok Sabha	809.81	250.33	30.91
54.	83-Ministry of Railways	2,84,001.64	89,625.79	31.56
55.	84-Ministry of Road Transport and Highways	19,686.32	419.87	2.13
56.	85-Department of Rural Development	3,44,855.53	8,738.77	2.53
57.	86-Department of Land Resources	2,251.27	1,014.77	45.08
58.	87-Department of Science and Technology	6,212.63	1,385.78	22.31
59.	88-Department of Biotechnology	3,136.76	877.04	27.96
60.	89-Department of Scientific and Industrial Research	5,375.20	1,135.74	21.13
61.	90-Ministry of Shipping	2,035.01	446.58	21.94
62.	91-Ministry of Skill Development and Entrepreneurship	2,923.04	364.77	12.48
63.	92-Department of Social Justice and Empowerment	9,557.60	1,420.76	14.87
64.	93-Department of Empowerment of Persons with Disabilities	1,325.38	463.75	34.99
65.	94-Department of Space	5,703.62	850.07	14.90
66.	95-Ministry of Statistics and Programme Implementation	5,426.07	2,990.73	55.12
67.	97-Ministry of Textiles	3,463.79	364.91	10.53
68.	98-Ministry of Tourism	2,506.10	1,367.67	54.57
69.	99-Ministry of Tribal Affairs	2,492.99	420.52	16.87
70.	100-Ministry of Women and Child Development	30,507.10	11,263.54	36.92
71.	101-Ministry of Youth Affairs and Sports	2,775.94	988.11	35.60
Revenue (Charged)				
72.	35-Interest Payments	7,33,203.16	12,217.96	1.67
73.	37-Pensions	474.45	173.62	36.59
74.	38-Transfers to States	1,96,527.23	12,464.73	6.34
75.	83-Ministry of Railways	497.00	209.26	42.10
76.	99-Ministry of Tribal Affairs	4,768.01	1,345.84	28.23
Capital (Voted)				
77.	3-Atomic Energy	10,884.62	3,431.78	31.53
78.	10-Department of Commerce	687.00	260.00	37.85

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Sl. No.	Grant/Appropriation No. and Description	Sanctioned Provision	Savings	Savings as % of Sanctioned Provision
79.	11-Department for Promotion of Industry and Internal Trade	1,469.00	671.65	45.72
80.	12-Department of Posts	1,131.21	233.79	20.67
81.	13-Department of Telecommunications	30,675.07	22,318.96	72.76
82.	15-Department of Food and Public Distribution	51,197.02	40,008.67	78.15
83.	22-Ministry of Development of North Eastern Region	768.59	410.24	53.38
84.	23-Ministry of Earth Sciences	172.00	102.30	59.48
85.	24-Ministry of Electronics and Information Technology	467.99	117.36	25.08
86.	25-Ministry of Environment, Forests and Climate Change	157.55	124.46	79.00
87.	26-Ministry of External Affairs	1377.29	234.80	17.05
88.	27-Department of Economic Affairs	54,443.09	33,650.31	61.81
89.	29-Department of Financial Services	48,600.07	9,950.07	20.47
90.	32-Direct Taxes	332.03	158.89	47.85
91.	33-Indirect Taxes	438.02	221.92	50.66
92.	38-Transfers to States	1,22,208.00	169.71	0.14
93.	42-Department of Health and Family Welfare	4,371.88	784.89	17.95
94.	44-Department of Heavy Industry	559.64	248.08	44.33
95.	48-Police	9,854.46	4,788.65	48.59
96.	49-Andaman and Nicobar Islands	622.42	279.50	44.91
97.	51-Dadra and Nagar Haveli and Daman and Diu	752.44	375.11	49.85
98.	52-Ladakh	3,626.29	2,837.71	78.25
99.	54-Transfers to Delhi	150.00	150.00	100.00
100.	57-Ministry of Housing and Urban Affairs	21,104.23	10,823.86	51.29
101.	59-Department of Higher Education	2,227.01	2,021.27	90.76
102.	61-Department of Water Resources, River Development and Ganga Rejuvenation	409.01	250.94	61.35
103.	67-Ministry of Micro, Small and Medium Enterprises	1,059.00	1,035.37	97.77
104.	75-Ministry of Petroleum and Natural Gas	4,091.00	1,778.00	43.46
105.	77-Ministry of Power	2,048.08	1,664.10	81.25
106.	83-Ministry of Railways	2,37,626.80	15,491.01	6.52
107.	84-Ministry of Road Transport and Highways	1,76,848.53	6,325.11	3.58
108.	85-Department of Rural Development	100.00	100.00	100.00
109.	92-Department of Social Justice and Empowerment	546.00	446.00	81.68
110.	94-Department of Space	7,774.89	3,138.41	40.37
111.	99-Ministry of Tribal Affairs	150.01	150.01	100.00
Capital (Charged)				
112.	36-Repayment of Debt	6890921.56	706286.23	10.25
113.	38-Transfers to States	32125.00	5361.01	16.69
Total			12,68,488.40	

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**Annexure 4.3A
(Refer to Paragraph 4.2.2.2)**

Grant wise cases of significant savings

(₹ in crore)

Sl. No.	Grant/Appropriation No. and Description	Number of cases	Savings
1.	42-Department of Health and Family Welfare	22	52,064.67
2.	48-Police	18	10,509.68
3.	1-Department of Agriculture, Cooperation and Farmers' Welfare	17	11,533.10
4.	59-Department of Higher Education	15	23,048.35
5.	35-Interest Payments	14	27,827.84
6.	77-Ministry of Power	12	5,605.34
7.	94-Department of Space	12	2,464.10
8.	26-Ministry of External Affairs	11	2,236.25
9.	57-Ministry of Housing and Urban Affairs	11	18,207.56
10.	58-Department of School Education and Literacy	10	21,763.53
11.	84-Ministry of Road Transport and Highways	10	11,974.70
12.	3-Atomic Energy	9	3,022.50
13.	27-Department of Economic Affairs	9	39,369.01
14.	38-Transfers to States	8	48,141.40
15.	100-Ministry of Women and Child Development	8	8,232.53
16.	29-Department of Financial Services	7	15,628.71
17.	85-Department of Rural Development	7	13,812.85
18.	13-Department of Telecommunications	6	27,262.61
19.	62-Department of Drinking Water and Sanitation	6	4,410.86
20.	63-Ministry of Labour and Employment	6	2,939.25
21.	75-Ministry of Petroleum and Natural Gas	6	14,444.39
22.	24-Ministry of Electronics and Information Technology	5	1,082.42
23.	36-Repayment of Debt	5	10,10,241.50
24.	67-Ministry of Micro, Small and Medium Enterprises	5	1,887.54
25.	10-Department of Commerce	4	1,271.73
26.	11- Department for Promotion of Industry and Internal Trade	4	1,124.50
27.	21-Defence Pensions	4	5,350.85
28.	31-Department of Revenue	4	30,279.12
29.	70-Ministry of New and Renewable Energy	4	2,074.84
30.	99-Ministry of Tribal Affairs	4	1,253.11
31.	44-Department of Heavy Industry	3	668.82
32.	52-Ladakh	3	2,719.26
33.	61-Department of Water Resources, River Development and Ganga Rejuvenation	3	970.53
34.	87-Department of Science and Technology	3	852.71
35.	92-Department of Social Justice and Empowerment	3	531.00
36.	6-Department of Fertilisers	2	7,297.84
37.	17-Ministry of Culture	2	434.43
38.	23-Ministry of Earth Sciences	2	465.43
39.	25-Ministry of Environment, Forests and Climate Change	2	249.31
40.	37-Pensions	2	956.38

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Sl. No.	Grant/Appropriation No. and Description	Number of cases	Savings
41.	46-Ministry of Home Affairs	2	3,726.84
42.	49-Andaman and Nicobar Islands	2	226.88
43.	51-Dadra and Nagar Haveli and Daman and Diu	2	615.16
44.	79-Lok Sabha	2	242.21
45.	86-Department of Land Resources	2	778.12
46.	97-Ministry of Textiles	2	306.42
47.	98-Ministry of Tourism	2	798.95
48.	2-Department of Agricultural Research and Education	1	116.55
49.	4- Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)	1	232.82
50.	9-Ministry of Coal	1	153.23
51.	14-Department of Consumer Affairs	1	238.08
52.	15- Department of Food and Public Distribution	1	40,000.00
53.	18-Ministry of Defence (Civil)	1	2,594.79
54.	22-Ministry of Development of North Eastern Region	1	177.40
55.	28-Department of Expenditure	1	232.32
56.	32-Direct Taxes	1	136.14
57.	39- Department of Fisheries	1	351.50
58.	40-Department of Animal Husbandry and Dairying	1	403.53
59.	43-Department of Health Research	1	1,303.92
60.	54-Transfers to Delhi	1	150.00
61.	60-Ministry of Information and Broadcasting	1	152.74
62.	64-Law and Justice	1	186.13
63.	71-Ministry of Panchayati Raj	1	140.77
64.	88-Department of Biotechnology	1	248.03
65.	89-Department of Scientific and Industrial Research	1	1,110.00
66.	90-Ministry of Shipping	1	129.45
67.	93-Department of Empowerment of Persons with Disabilities	1	184.30
68.	95-Ministry of Statistics and Programme Implementation	1	2,851.85
69.	101-Ministry of Youth Affairs and Sports	1	341.80
Total		324	14,92,340.48

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**Annexure 4.3B
(Refer to paragraph 4.2.2.2)**

Other significant savings at minor-head/sub-head level

(₹ in crore)

Sl. No.	Sub-head	Sanctioned provision	Actual disbursement	Savings
Grant No. 2- Department of Agricultural Research and Education				
1.	2415.01.150.07- Agricultural Education Institutes, Research & Education Schemes	382.67	266.12	116.55
Grant No. 3- Atomic Energy				
2.	2852.09.203.01- Bhabha Atomic Research Centre	394.83	280.25	114.58
3.	4861.01.204.22- Operational Expenses of Heavy Water	1443.18	1035.89	407.29
4.	4861.01.207.01- Production from HWPS	1243.76	900.00	343.76
5.	4861.60.203.44- Fast Reactor Fuel Cycle Facility (FRFCF)	600.00	235.57	364.43
6.	4861.60.204.01- Board of Radiation and Isotope Technology	119.12	12.10	107.02
7.	5401.00.201.94- Research and Development in Basic Sciences and Engineering	995.00	632.26	362.74
8.	5401.00.202.99- Reactor Operation and Resources Management	280.00	127.54	152.46
9.	5401.00.283.19- Infrastructure Development Projects	214.20	110.98	103.22
10.	6801.00.206.01- Loans to Nuclear Power Corporation of India Limited	3237.00	2170.00	1067.00
Grant No. 4- Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)				
11.	3601.06.101.05- National AYUSH Mission (NAM)	523.00	290.18	232.82
Grant No. 9- Ministry of Coal				
12.	2803.00.102.03- Exploration of Coal and Lignite	511.70	358.47	153.23
Grant No. 10- Department of Commerce				
13.	3453.00.107.06- Interest Equilisation Scheme on Pre and Post Shipment Rupee Export Credit	2300.00	1667.00	633.00
14.	3453.00.194.03- Grant-in-Aid to Export Promotion and Market Development Organisation	701.32	472.28	229.04
15.	3453.00.194.05- Export Promotion Scheme	326.00	176.31	149.69
16.	5465.02.190.39- Export Promotion Schemes	650.00	390.00	260.00
Grant No. 11- Department for Promotion of Industry and Internal Trade				
17.	2852.08.204.03- Indian Leather Development Programme	370.00	153.10	216.90
18.	2852.80.800.26- Project Based Support to Autonomous Institutions	235.73	71.64	164.09
19.	2852.80.800.40- Make in India	227.00	108.47	118.53
20.	4875.60.190.05- Fund of Funds	1054.97	429.99	624.98
Grant No. 14- Department of Consumer Affairs				
21.	3456.00.001.04- Projects under Consumer Welfare Fund	261.00	22.92	238.08

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Sl. No.	Sub-head	Sanctioned provision	Actual disbursement	Savings
Grant No. 15- Department of Food and Public Distribution				
22.	6408.01.190.02- Ways and Means Advance payable to FCI	50000.00	10000.00	40000.00
Grant No. 17- Ministry of Culture				
23.	2205.00.102.15- Autonomous Bodies and Grantee Bodies	566.85	378.98	187.87
24.	2205.00.106.14- Conservation of Ancient Monuments	679.26	432.70	246.56
Grant No. 18- Ministry of Defence (Civil)				
25.	2075.00.108.01- Directorate of Canteen Services	20098.50	17503.71	2594.79
Grant No. 22- Ministry of Development of North Eastern Region				
26.	3601.08.102.07- Central Assistance from Non Lapsable Pool Of Resources for North East and Sikkim	193.24	15.84	177.40
Grant No. 23- Ministry of Earth Sciences				
27.	3403.00.101.10- Ocean Service Modelling Application Resources and Technology (O-Smart)	550.00	227.60	322.40
28.	3455.00.001.06- Atmosphere & Climate Research-Modelling Observing Systems & Services (ACROSS)	310.00	166.98	143.02
Grant No. 24- Ministry of Electronics and Information Technology				
29.	2852.07.102.01- Manpower Development Programme	317.20	130.00	187.20
30.	2852.07.102.04- Promotion of Electronics and IT Hardware Manufacturing (MSIPS EDF & Manufacturing Cluster)	683.45	418.62	264.83
31.	2852.07.102.06- R&D in Information Technology Electronics and CCBT	555.99	406.41	149.58
32.	2852.07.102.09- Pradhan Mantri Gramin Digital Saksharta Abhiyan	298.81	190.00	108.81
33.	3454.02.206.01- Unique Identification Authority of India (UIDAI)	985.00	613.00	372.00
Grant No. 25- Ministry of Environment, Forests and Climate Change				
34.	3435.04.103.22- Control of Pollution	414.00	267.41	146.59
35.	5425.00.208.13- Attached/Subordinate Offices	118.00	15.28	102.72
Grant No. 26- Ministry of External Affairs				
36.	2052.00.090.02 - Ministry of External Affairs	535.94	396.91	139.03
37.	2061.00.105.01- Central Passport Organisation	1171.22	786.39	384.83
38.	2061.00.798.06- South Asian University	325.00	61.28	263.72
39.	3605.00.101.12- Sri Lanka-Other Aid Programmes	200.00	44.81	155.19
40.	3605.00.101.13- Aid to Maldives	300.00	160.19	139.81
41.	3605.00.101.17- ITEC Programme	220.00	85.49	134.51
42.	3605.00.101.20- Aid to African Countries	350.00	226.28	123.72

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Sl. No.	Sub-head	Sanctioned provision	Actual disbursement	Savings
43.	3605.00.101.38- Chahbahar Port	100.00	--	100.00
44.	3605.00.101.40- Aid to Mauritius	1025.00	652.06	372.94
45.	4059.60.051.17- External Affairs	350.00	220.51	129.49
46.	7605.00.097.01- Loan for on-going Hydro-Power Projects in Bhutan	802.00	509.00	293.00
Grant No. 28- Department of Expenditure				
47.	2052.00.090.10- Department of Expenditure	472.64	240.32	232.32
Grant No. 31-Department of Revenue				
48.	2052.00.090.11- Department of Revenue	285.37	176.75	108.62
49.	3601.08.797.02- Transfer to Goods and Service Tax Compensation Fund	127440.03	100632.46	26807.57
50.	3602.08.106.01- Compensation for Revenue Loss to Union Territory Government with Legislature	7928.00	6808.53	1119.47
51.	3602.08.797.02- Transfer to Goods and Service Tax Compensation Fund	7928.00	5684.54	2243.46
Grant No. 32- Direct Taxes				
52.	4059.01.051.20- Acquisition of land & construction of office building for Income Tax Department	223.85	87.71	136.14
Grant No. 37- Pensions				
53.	2071.01.102.01- Ordinary Pensions	5150.00	4347.00	803.00
54.	2071.01.106.01- Pensionary Charges in Respect of High Court Judges Recoverable from State Government(S)	310.23	156.85	153.38
Grant No. 39- Department of Fisheries				
55.	3601.06.101.39- Blue Revolution	351.50	--	351.50
Grant No. 40 – Department of Animal Husbandry and Dairying				
56.	2403.00.101.36- White Revolution	967.06	563.53	403.53
Grant No. 43 – Department of Health Research				
57.	2210.05.105.47- Grants to Indian Council of Medical Research, New Delhi	4190.71	2886.79	1303.92
Grant No. 44 – Department of Heavy Industry				
58.	2852.80.800.37- Development of Automobile Industry	707.94	331.87	376.07
59.	2852.80.800.38- Development of Capital Goods Sector	179.31	72.27	107.04
60.	6858.60.800.01- Loans to National Automotive Testing and R&D Infrastructure Project	300.00	114.30	185.70
Grant No. 46 – Ministry of Home Affairs				
61.	3454.01.001.04- Enumeration	3825.00	303.72	3521.28
62.	3601.08.111.04- Disaster Preparedness	296.00	90.44	205.56
Grant No. 49 - Andaman and Nicobar Islands				
63.	5052.80.201.01- Purchase of Ships	103.70	1.32	102.38
64.	5052.80.796.01- Purchase of Ships	124.50	0.00	124.50
Grant No. 51 - Dadra and Nagar Haveli and Daman and Diu				
65.	2515.00.196.02- Panchayats	384.25	144.09	240.16

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Sl. No.	Sub-head	Sanctioned provision	Actual disbursement	Savings
66.	2801.05.103.01- Operation and Maintenance	1345.00	970.00	375.00
Grant No. 52 – Ladakh				
67.	2575.04.001.02- Secretary Finance- UT Ladakh	139.99	38.47	101.52
68.	4575.04.001.01- Ladakh Autonomous Hill Development Council	464.85	304.18	160.67
69.	4575.04.001.02- Secretary Finance- UT Ladakh	2859.99	402.92	2457.07
Grant No. 54 - Transfers to Delhi				
70.	7602.07.106.01- JICA assisted Externally Aided Project	150.00	--	150.00
Grant No. 60 - Ministry of Information and Broadcasting				
71.	2221.80.102.05- Broadcasting Infrastructure Network Development (BIND)	329.20	176.46	152.74
Grant No. 61 - Department of Water Resources, River Development and Ganga Rejuvenation				
72.	3435.04.101.08- National Ganga Plan	800.00	500.00	300.00
73.	3601.06.101.62- Flood Management and Border Area Programme	618.40	70.14	548.26
74.	4702.00.800.06- Ground Water Management & Regulation	196.76	74.49	122.27
Grant No. 63 - Ministry of Labour and Employment				
75.	2230.01.111.06- Social Security for Labour	3753.93	2409.17	1344.76
76.	2230.01.789.20- Social Security Schemes	961.66	609.45	352.21
77.	2230.01.796.20- Social Security Schemes	498.21	325.37	172.84
78.	2230.02.101.10- Employment Promotion Scheme	1711.01	896.68	814.33
79.	2230.02.789.03- Employment Promotion Scheme	426.08	271.45	154.63
80.	2230.02.796.03- Employment Promotion Scheme	222.80	122.32	100.48
Grant No. 64- Law and Justice				
81.	2015.00.104.01- Reimbursement to State/Union Territory Governments	200.00	13.87	186.13
Grant No. 67 - Ministry of Micro, Small and Medium Enterprises				
82.	2851.00.102.98- Entrepreneurship and Skill Development	236.58	133.96	102.62
83.	2851.00.102.99- Infrastructure Development Programme	1139.09	697.21	441.88
84.	2851.00.105.15- Development of Khadi Village and Coir Industries	755.29	467.15	288.14
85.	2851.00.800.53- Entrepreneurship and Skill Development	178.90	24.00	154.90
86.	4851.00.102.35- Fund of Funds	900.00	--	900.00
Grant No. 70- Ministry of New and Renewable Energy				
87.	2810.00.101.01- Grid Interactive Renewable Power	3336.00	2072.78	1263.22
88.	2810.00.101.02- Off-Grid/Distributed and Decentralized Renewable Power	686.20	308.26	377.94

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Sl. No.	Sub-head	Sanctioned provision	Actual disbursement	Savings
89.	2810.00.789.05- Grid Interactive Renewable Power	406.00	198.84	207.16
90.	2810.00.796.03- Grid Interactive Renewable Power	423.00	196.49	226.51
Grant No. 71- Ministry of Panchayati Raj				
91.	3601.06.101.63- Rashtriya Gram Swaraj Abhiyan	444.39	303.62	140.77
Grant No. 75- Ministry of Petroleum and Natural Gas				
92.	2802.02.800.02- Gas Authority of India - Phulpur Dhamra Haldia Pipeline Project	1456.03	728.03	728.00
93.	2802.80.102.08- DBT for LPG	30818.93	20544.54	10274.39
94.	2802.80.789.01- DBT for LPG	3154.84	2057.66	1097.18
95.	2802.80.796.01- DBT For LPG	1631.23	1064.41	566.82
96.	4802.01.800.02- National Seismic Programme	207.00	63.00	144.00
97.	4802.03.101.01- Payment to Indian Strategic Petroleum Reserves Limited (ISPRL) for Crude Oil Reserve	3884.00	2250.00	1634.00
Grant No. 79- Lok Sabha				
98.	2011.01.101.02- Members	287.29	186.30	100.99
99.	2011.01.102.01- Secretariat	494.41	353.20	141.21
Grant No. 86 - Department of Land Resources				
100.	3601.06.101.53- Pradhan Mantri Krishi Sinchayee Yojana - Integrated Watershed Development Component	1234.01	631.85	602.16
101.	3601.06.789.45- Pradhan Mantri Krishi Sinchayee Yojana - Integrated Watershed Development Component	332.01	156.05	175.96
Grant No. 87 - Department of Science and Technology				
102.	3425.60.200.46- Science and Engineering Research Board	937.15	693.85	243.30
103.	3425.60.200.70- Innovation Technology Development and Deployment	733.54	433.45	300.09
104.	3425.60.200.71- Research and Development	628.00	318.68	309.32
Grant No. 88 - Department of Biotechnology				
105.	3425.60.200.02- Assistance to Autonomous Institutions	853.03	605.00	248.03
Grant No. 89 - Department of Scientific and Industrial Research				
106.	3425.60.151.02- National Laboratories	4912.00	3802.00	1110.00
Grant No. 90 - Ministry of Shipping				
107.	3051.01.001.01- Sagarmala	241.00	111.55	129.45
Grant No. 92 - Department of Social Justice and Empowerment				
108.	2225.01.789.05- National Fellowship for SCs	300.00	119.00	181.00
109.	4225.01.789.02- National Finance Development Corporation for Weaker Sections	220.00	40.00	180.00

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Sl. No.	Sub-head	Sanctioned provision	Actual disbursement	Savings
110.	4225.80.190.16- National Finance Development Corporation for Weaker Sections	200.00	30.00	170.00
Grant No. 93 - Department of Empowerment of Persons with Disabilities				
111.	2235.02.101.10- Other Schemes	517.71	333.41	184.30
Grant No. 94 - Department of Space				
112.	5402.00.101.01- Vikram Sarabhai Space Centre (VSSC)	355.45	201.09	154.36
113.	5402.00.101.07- Liquid Propulsion System Centre (LPSC)	435.95	176.01	259.94
114.	5402.00.101.17- Satish Dhawan Space Centre (SDSC) - SHAR	323.93	173.74	150.19
115.	5402.00.101.20- Polar Satellite Launch Vehicle Continuation Project	638.00	346.92	291.08
116.	5402.00.101.25- GSLV Continuation Project	138.00	29.82	108.18
117.	5402.00.101.31- Navigation Satellite System	178.00	57.44	120.56
118.	5402.00.101.35- Manned Mission Initiatives	1190.00	709.17	480.83
119.	5402.00.101.48- ISRO Propulsion Complex (IPRC)	435.91	274.36	161.55
120.	5402.00.101.65- PSLV Continuation Programme (Phase 6)	215.55	99.94	115.61
121.	5402.00.101.70- U R RAO Satellite Centre	314.99	127.79	187.20
122.	5402.00.101.76- Development and Supply of Aluminium Alloy Tankages - Pre-Investment	100.00	0.00	100.00
123.	5402.00.102.01- Space Applications Centre (SAC)	530.95	196.34	334.61
Grant No. 95- Ministry of Statistics and Programme Implementation				
124.	2553.00.101.01- Grant Assistance	3960.00	1108.15	2851.85
Grant No. 97 -Ministry of Textiles				
125.	2852.08.202.63- Research and Development and Institutional Development	167.01	66.10	100.91
126.	2852.08.202.65- Amended Technology Upgradation Fund Scheme	761.90	556.38	205.52
Grant No. 98 -Ministry of Tourism				
127.	3452.01.101.14- Swadesh Darshan- Integrated Development of Theme Based Tourist Circuits	883.00	511.76	371.24
128.	3452.80.104.01- Direct Expenditure	567.00	139.29	427.71
Grant No. 99 - Ministry of Tribal Affairs				
129.	3601.06.794.01- Umbrella Programme for Development of Scheduled Tribes: Special Central Assistance	1210.01	707.50	502.51
130.	3601.06.796.37- Umbrella Programme for Development of Scheduled Tribes: Vanbandhu Kalyan Yojana	264.99	144.80	120.19
131.	3601.08.796.05- Welfare of Scheduled Tribes-Grants Under Proviso to Article 275(1) Of the Constitution	1198.51	718.10	480.41
132.	4225.80.796.03- Umbrella Programme for Development of Schedule Tribes: Support To Tribal Institutions	150.00	0.00	150.00
Grant No. 101 - Ministry of Youth Affairs and Sports				
133.	2204.00.104.56- Khelo India	594.72	252.92	341.80

**Annexure 4.4
(Refer to paragraph 4.3)
Unnecessary Supplementary provision under Minor/sub-heads**

(₹ in crore)

Sl. No.	Grant No.	Minor / Sub-head	Original Provision	Supplementary Provision	Disbursement	Savings
1	20	4076.01.202- Construction Works	6,043.67	826.03	3,733.15	3,136.55
2	24	5475.00.052.07- National Informatics Centre	232.00	92.99	231.89	93.10
3	34	2016.00.102.02- Civil Accounts Offices	1,649.02	50.01	1,640.08	58.95
4	42	2210.06.001.09- Flexible Pool for Communicable Diseases	2,438.35	89.75	2,389.66	138.44
5	59	2202.80.789.21-Digital India E-learning	67.19	16.60	49.28	34.51
6	59	2202.80.800.44- Digital India E-learning	317.69	74.80	206.56	185.93
7	59	2203.00.003.02- National Institute of Technical Teachers Training and Research	135.70	39.90	135.44	40.16
8	59	2203.00.112.81-Indian Institute of Information technology (IITS)	343.55	13.55	304.32	52.78
9	77	2801.80.102.01- Statutory Authorities	200.51	153.50	125.77	228.24
10	84	5054.01.337.06-Union Territory Governments without Legislature Financed from Central Road Infrastructure Fund	194.65	78.46	115.75	157.36
11	88	3425.60.200.29- Biotechnology Research and Development	1,394.73	244.58	1,287.43	351.88
Total			13,017.06	1,680.17	10,219.33	4,477.90

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**Annexure 4.5A
(Refer to paragraph 4.4)
Re-appropriation to minor/sub-heads which were injudicious due to non-utilisation
(Re-appropriation exceeding ₹ 10 crore or more)**

(₹ in crore)

Grant/ Appropriation	Minor /Sub-Head	Amount of Re- appropriation to the Head	Final Savings under the head
1 –Department of Agriculture, Cooperation and Farmers Welfare	2401.00.796.42 –Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)	70.67	220.54
12-Department of Posts	3201.03.101.07-PLI Directorate	12.34	18.36
18-Ministry of Defence (Civil)	2052.00.092.02-Defence Accounts Department (DAD)	36.74	54.23
27- Department of Economic Affairs	5466.00.201.01-Subscription to the International Bank for Reconstruction and Development (IBRD)	16.00	24.17
31- Department of Revenue	2047.00.110.02-Payment of User Charges to Goods and Service-Tax Network (GSTN)	22.44	23.11
35- Interest Payment	2049.03.109.12-Special Deposits of EPF/EDLI	20.36	277.65
42- Department of Health and Family Welfare	3602.06.101.03-National Rural Health Mission	10.80	32.58
58-Department of School Education and Literacy	3601.06.797.01-Funds for Transfer to Prarambhik Shiksha Kosh	3,187.88	4,831.66
Total		3,377.23	5,482.30

**Annexure 4.5B
(Refer to paragraph 4.4)
Re-appropriation from minor/sub-heads resulting into final excess expenditure
(Re-appropriation exceeding ₹10 crore or more)**

(₹ in crore)

Grant/ Appropriation	Minor /Sub-Head	Total Provisions	Amount of Re- appropriation from the Head	Final Excess expenditure under the head
19 –Defence Services (Revenue)	2076.00.109-Inspection Organisation	1,254.28	248.79	12.38
	2077.00.105-Transportation	498.13	122.83	24.20
20-Capital Outlay on Defence Services	4076.01.050-Land	271.00	241.00	10.86
Total		2,023.41	612.62	47.44

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**Annexure 4.6
(Refer to Paragraph 4.6)
Expenditure incurred without adequate provisioning of funds**

(₹ in crore)

Sl. No.	Minor/Sub Head	Total Provision	Actual expenditure	Final excess expenditure
Grant No.12 – Department of Posts				
1	3201.02.101.10 Gramin Dak Sewak	5,259.01	5,416.75	157.74
2	3201.02.104.01 Research & Development	267.74	312.63	44.89
3	3201.07.104.01 Gratuities	953.05	1,086.21	133.16
4	3201.07.110.01 Govt. contribution for defined contribution Pension Scheme other than Audit Staff	442.11	566.76	124.65
5	3201.08.101.02 Cost of printing & over printing of Postage Stamp	21.05	57.76	36.71
6	5201.00.104.62 Project Management Unit	452.00	545.45	93.45
Grant No.13 – Department of Telecommunications				
7	2071.01.101.01- Ordinary Pensions	8,660.77	9,344.24	683.47
8	2071.01.105.02- Family Pensions	1,199.51	2,007.40	807.89
9	3275.00.800.94- Incremental Pension Payment to Voluntarily Retiring BSNL and MTNL Employee	2,160.30	3,028.26	867.96
Grant No.19 – Defence Services (Revenue)				
10	2077.00.110-Stores	7,133.05	7,242.44	109.39
11	2077.00.111-Works	1,636.55	1,813.81	177.26
12	2078.00.101-Pay and Allowances of Air force	15,852.64	15,984.12	131.48
13	2078.00.110- Stores	12,683.25	12,805.25	122.00
Grant No.20 – Capital Outlay on Defence Services				
14	4076.01.102-Heavy and Medium Vehicles	1,165.96	1,358.69	192.73
15	4076.01.103-Other Equipments	17,287.79	17,426.26	138.47
16	4076.02.205-Naval Dockyards	3,338.00	3,431.29	93.29
17	4076.03.101-Aircraft and Aero-engine (Voted)	35,597.23	35,680.98	83.75
18	4076.03.103-Other Equipments	20,241.39	20,370.07	128.68
19	4076.03.202-Construction Works	1,563.04	1,605.27	42.23
Grant No.21 – Defence Pensions				
20	2071.02.102.03-Leave Encashment	186.89	223.39	36.50
Appropriation No.35 –Interest Payments				
21	2049.03.104.04-State Railway Provident Fund	2,785.02	2,871.77	86.75
Grant No.37 –Pensions				
22	2071.01.105.02-Family Pensions	8,846.00	8,974.78	128.78
23	2071.01.115.01- Ordinary Pensions	2,230.00	2,410.35	180.35
Grant No.42 –Department of Health and Family Welfare				
24	2210.06.800.52-Health Sector Disaster Preparedness and Response	11.40	948.83	937.43
25	2210.80.101.02- National Health Authority (GBS)	125.42	151.14	25.72

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Sl. No.	Minor/Sub Head	Total Provision	Actual expenditure	Final excess expenditure
26	2210.80.798.09-Contribution to W.H.O. and Other International Agencies	32.99	64.56	31.57
27	3601.06.101.13-National Rural Health Mission	12,111.08	12,340.64	229.56
28	3601.06.102.04- National Rural Health Mission	8,746.84	8,813.15	66.31
Grant No.62 –Department of Drinking, Water and Sanitation				
29	3601.06.797.04 –Transfer to Central Road and Infrastructure Fund	10,697.79	10,861.60	163.81
Grant No.85 –Department of Rural Development				
30	2505.02.797.01 –Transfer to National Rural Employment Guarantee Fund	1,08,500.00	1,11,170.86	2,670.86
31	3602.06.797.04 – Transfer to Central Road and Infrastructure Fund (CRIF)	700.00	1,350.00	650.00
Total		9,376.84		

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**Annexure 4.7
(Refer to Paragraph 4.7)**

Non-surrender and surrender of savings on last day of the financial year

(₹ in crore)

Sl. No.	Grant No. & Description	Total Savings	Total Surrender	Amount surrendered on the last day	Amount not surrendered
1.	1-Department of Agriculture, Cooperation and Farmers' Welfare	25,985.30	23,824.54	23,824.54	2,160.76
2.	6-Department of Fertilisers	7,302.19	7,302.19	7,300.35	0.00
3.	9-Ministry of Coal	310.99	310.91	310.91	0.08
4.	11-Department for Promotion of Industry and Internal Trade	695.54	686.97	686.97	8.57
5.	14-Department of Consumer Affairs	931.26	694.56	673.35	236.70
6.	18-Ministry of Defence (Civil)	2,630.22	1,999.67	0.00	630.55
7.	21-Defence Pensions	5,760.53	4,826.41	0.00	934.12
8.	22-Ministry of Development of North Eastern Region	1,202.74	1,202.73	1,202.73	0.01
9.	26-Ministry of External Affairs	3,121.90	2,576.53	0.00	545.37
10. 1	27-Department of Economic Affairs	33,975.03	33,023.62	4,541.98	951.41
11.	28-Department of Expenditure	246.25	243.78	243.78	2.47
12.	31-Department of Revenue	3,653.78	2,880.28	2,880.28	773.50
13.	32-Direct Taxes	662.35	580.71	580.71	81.64
14.	33-Indirect Taxes	874.31	762.11	0.00	112.20
15.	34-Indian Audit and Accounts Department	390.13	365.72	365.72	24.41
16.	35-Interest Payments	12,217.96	4,628.74	4,628.74	7,589.22
17.	36-Repayment of Debt	7,06,286.23	6,98,264.31	6,98,264.31	8,021.92
18.	37-Pensions	330.71	125.00	0.00	205.71
19.	38-Transfers to States	45,421.12	45,384.46	45,384.46	36.66
20.	40-Department of Animal Husbandry and Dairying	736.62	722.05	722.05	14.57
21.	42-Department of Health and Family Welfare	45,614.11	22,643.16	22,643.16	22,970.95
22.	43-Department of Health Research	1,450.42	1,450.41	1,450.41	0.01
23.	44-Department of Heavy Industry	635.90	635.72	635.72	0.18
24.	46-Ministry of Home Affairs	4,172.17	4,111.45	125.00	60.72
25.	48-Police	13,446.04	13,041.66	188.02	404.38
26.	57-Ministry of Housing and Urban Affairs	14,375.64	13,254.86	13,254.86	1,120.78
27.	58-Department of School Education and Literacy	22,026.82	17,192.35	17,192.35	4,834.47
28.	59-Department of Higher Education	25,097.96	9,403.26	8,590.76	15,694.70
29.	60-Ministry of Information and Broadcasting	994.77	972.60	230.13	22.17
30.	62-Department of Drinking Water and Sanitation	5,550.71	5,548.67	5,548.67	2.04
31.	63-Ministry of Labour and Employment	3,995.69	3,238.21	0.00	757.48

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Sl. No.	Grant No. & Description	Total Savings	Total Surrender	Amount surrendered on the last day	Amount not surrendered
32.	67-Ministry of Micro, Small and Medium Enterprises	2,924.41	1,740.48	1,740.48	1,183.93
33.	68-Ministry of Mines	416.13	412.23	412.23	3.90
34.	69-Ministry of Minority Affairs	1,030.44	1,030.44	1,030.44	0.00
35.	70-Ministry of New and Renewable Energy	2,789.18	2,435.75	0.00	353.43
36.	71-Ministry of Panchayati Raj	214.69	214.60	214.60	0.09
37.	75-Ministry of Petroleum and Natural Gas	4,623.14	4,323.11	2,845.12	300.03
38.	77-Ministry of Power	7,344.30	7,343.81	7,343.81	0.49
39.	84-Ministry of Road Transport and Highways	6,754.97	6,264.68	0.00	490.29
40.	85-Department of Rural Development	8,838.77	945.66	517.84	7,893.11
41.	88-Department of Biotechnology	877.04	870.31	870.31	6.73
42.	89-Department of Scientific and Industrial Research	1,140.12	1,133.51	1,133.51	6.61
43.	91-Ministry of Skill Development and Entrepreneurship	369.78	369.54	369.54	0.24
44.	95-Ministry of Statistics and Programme Implementation	3,005.80	3,005.75	3,005.75	0.05
45.	97-Ministry of Textiles	374.01	349.92	349.92	24.09
46.	99-Ministry of Tribal Affairs	1,916.37	1,912.06	1,912.06	4.31
47.	100-Ministry of Women and Child Development	11,268.08	11,247.54	11,247.54	20.54
48.	101-Ministry of Youth Affairs and Sports	1,039.14	1,030.46	1,030.46	8.68
Total				8,95,493.57	78,494.27

**Annexure 4.8
(Refer to Paragraph 4.9.1)**

Incorrect use of object heads with major heads

Description of Grant	Major Head	Object Head	Expenditure (₹ in crore)	Reply of the Department/ Ministry
03- Department of Atomic Energy	2852	51/52/60	8.53	Department stated (July 2021) that expenditure even if appearing to be of capital nature actually belonged to Operational & Maintenance Charges and hence, was booked accordingly in the revenue section. The reply is not acceptable as MoF had advised (September 2017) DAE to redefine revenue and capital expenditure and respective object head in conformity with extant rules. Further, even if the expenditure is of revenue nature, the para is about use of incorrect object heads.
	3401	51/52	6.63	
84-Ministry of Road Transport and Highways	5054	13	7.46	Ministry stated (September 2021) that sub head 01.99.50- Information Technology under Major Head 5054-Capital outlay on Roads and Bridges Works under Road Wing was opened for making expenditure on procurement of IT related hardware and software for National Highways Office/Division /RO Offices. This was opened with an objective to ensure timely and effective implementation of NH works. This head was opened in 1999 on the recommendations of Planning Commission and MoF. Later on, this head was changed as 04.99.13- Office Expenses on the advice of audit and Pr. CCA's office. The reply is not acceptable as the object head 13- Office Expenses cannot be operated with Capital Heads which is in violation of DFPRs.
90- Ministry of Ports, Shipping and Waterways	5052	13	6.25	Department stated (September 2021) that the expenditure was incurred for procurement of IT items which would create a capital asset. The reply is not acceptable as the object head 13- Office Expenses cannot be operated with Capital Heads which is in violation of DFPRs.
			28.87	

**Annexure 4.9
(Refer to Paragraph 4.9.2)
Misclassification between revenue and capital expenditure**

Sl. No.	Grant	Amount (₹ in crore)
Misclassification of revenue expenditure as capital expenditure		
1.	Grant No.03- Department of Atomic Energy	5.76
Department released grants amounting to ₹5.76 crore to Atomic Energy School catering to the needs of Heavy Water Plant employees at Kota and Manuguru and had incorrectly booked it under head of account 4861.01.204.22.01.31 in the Capital Section instead of booking it under object head related to 'Grants in Aid' in the Revenue Section of the grant. Department stated (October 2021) that Heavy Water is considered as an asset (Capital) of the Nation and Heavy Water Board is its custodian. Therefore, budget provisions are made under Capital major head. The reply is not acceptable as 'Grants in Aid' to Atomic Energy School is not directly related to production of Heavy Water and therefore, the expenditure should have been booked under revenue section.		
Misclassification of capital expenditure as revenue expenditure		
2.	Grant No.03- Department of Atomic Energy	70.00
Department had sanctioned and released loans amounting to ₹70 crore to NPCIL³² and had incorrectly booked³³ it under object head 50-Other Charges in the revenue section instead of booking it under object head 55- Loans and advances (Major Head 6801) in the capital section of the grant, as mentioned in the related sanction order.		

³² Nuclear Power Corporation of India Limited

³³ Head of Account 3451.00.090.21.00.50(Bill No CP00001963 dated 31 March 2021)

**Annexure 4.10
(Refer to Paragraph 4.9.3)
Misclassification between Primary units of Appropriation**

Sl. No.	Grant	Amount (₹ in crore)
1.	07- Department of Pharmaceuticals	1.68
Department incurred expenditure of ₹1.68 crore on account of payment to agencies for providing services of data entry operators, drivers, daily wagers and Safai karamcharis and had incorrectly booked it under object head 02- Wages instead of booking it under object head 13- Office Expenses. Department stated (September 2021) that the necessary rectification has been done from financial year 2021-22.		
2.	10- Department of Commerce	84.00
Department had released funds amounting to ₹84.00 crore to NBCC DWC LLC, Dubai for construction of Indian pavilion at world expo 2020 Dubai as third and final installment of the total construction cost of ₹299 crore. This expenditure was incorrectly booked³⁴ under object head 20- Other Administrative Expenses instead of booking it under object head 26- Advertising and Publicity in accordance with DFPRs.		
3.	13- Department of Telecommunications	2.28
Department paid ₹2.28 crore to M/s BSNL for providing Multiprotocol Label Switching VPN services to the Central Monitoring System and incorrectly booked it under object head 28- 'Professional Services' (3451.00.091.17.00.28) instead of booking it under object head 13- 'Office Expenses'.		
4.	25-Ministry of Environment, Forest and Climate Change	4.07
An expenditure amounting to ₹4.07 crore was incurred towards hiring of specialized agencies for the conceptualization and management of Indian pavilion during International Conferences and the same was booked under object head-13-'Office Expenses' (₹3.35 crore) and object head-20 'Other Administrative Expenses' (₹0.72 crore) instead of booking the same under object head -28-'Professional Services'. Ministry accepted and stated (August 2021) that instructions have been issued to avoid such misclassification in future.		
5.	44- Department of Heavy Industry	149.00
Department had released grants aggregating to ₹149 crore to National Automotive Board under scheme component 'Demand Incentive Delivery Mechanism' and was incorrectly booked under object head-31-'Grants-in-aid-General' instead of booking it under object head 33- 'Subsidies' under the scheme 'FAME-India Phase-II'.		
6.	57- Ministry of Housing and Urban Affairs	21.06
Ministry had incurred an expenditure of ₹21.06 crore towards implementation of projects under NORTH EASTERN REGION URBAN DEVELOPMENT PROGRAMME in Mizoram and incorrectly booked it under object head-31- Grants-in-aid-General. As the project was related to Works (Water Services) the amount should have been correctly booked under object head 35- Grants for creation of Capital Assets.		

³⁴ Head of Account 3453.00.800.09.00.20

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Sl. No.	Grant	Amount (₹ in crore)
7.	57- Ministry of Housing and Urban Affairs	1.26
Ministry had incurred an expenditure of ₹1.26 crore towards implementation of projects under NORTH EASTERN REGION URBAN DEVELOPMENT PROGRAMME in Meghalaya and incorrectly booked it under object head-31- Grants-in-aid-General. As the project was related to Works (Solid Waste Management) the amount should have been correctly booked under object head 35- Grants for creation of Capital Assets.		
8.	62-Department of Drinking Water & Sanitation	3.84
Department paid ₹3.84 crore to the consultancy firm M/s IPE Global Ltd. towards completion of the last deliverable for the third round of National Annual Rural Sanitation Survey and incorrectly booked it under object head-50 'Other Charges' instead of booking it under object head-28 'Professional Services' in accordance with DFPRs.		
9.	62-Department of Drinking Water & Sanitation	3.30
Department paid ₹3.30 crore to M/s Neilsen (India) Pvt. Ltd., Mumbai to carry out the functionality assessment of household tap connection 2020 and incorrectly booked it under object head-50 'Other Charges' instead of booking it under object head-28 'Professional Services' in accordance with DFPRs.		
10.	62-Department of Drinking Water & Sanitation	1.78
Department paid ₹1.78 crore to M/s E&Y LLP Gurgaon towards consultancy services provided to National Jal Jeevan Mission and incorrectly booked it under object head-50 'Other Charges' instead of booking it under object head-28 'Professional Services' in accordance with DFPRs.		
11.	85-Department of Rural Development	179.19
Department released payment aggregating to ₹179.19 crore to M/s National Payments Corporation of India (NPCI), Mumbai towards fixed incentives and variable incentives for processing DBT transactions under MGNREGA during the period from July 2020 to December 2020 and incorrectly booked it under object head-50 'Other Charges' instead of booking it under object head-30 'Other Contractual Services', in accordance with DFPRs.		
12.	85-Department of Rural Development	10.66
Department released Grants-in-aid aggregating to ₹10.66 crore as advance payment of Central Assistance towards Cluster Facilitation Project (CFP) under MGNREGA to the states of Jharkhand, Bihar and Uttar Pradesh and incorrectly booked it under object head-50 'Other Charges' instead of booking it under appropriate object heads related to Grants-in-aid.		
13.	85-Department of Rural Development	6.72
Department released part payments aggregating to ₹6.72 crore towards implementation of action plan for placement linked skill development projects under DDU-GKY in the states of Odisha and Uttar Pradesh and incorrectly booked it under object head-31 'Grants-in-aid-General' instead of booking it under object head-28 'Professional Services' in accordance with DFPRs.		

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Sl. No.	Grant	Amount (₹ in crore)
14.	85-Department of Rural Development	5.92
Department released advance payment of ₹5.92 crore to National Informatics Centre Services Incorporated (NICS), Delhi towards manpower and support services provided by NICS under the NIC-DRD IT Infrastructure/Manpower project and incorrectly booked it under object head-13 'Office Expenses' instead of booking it under object head-28 'Professional Services' in accordance with DFPRs.		
15.	85-Department of Rural Development	2.92
Department released payment of ₹2.92 crore to African Asian Rural Development Organisation (AARDO), New Delhi on account of India's contribution towards AARDO's Corpus Fund and incorrectly booked it under object head-50 'Other Charges' instead of booking it under object head-32 'Contributions' in accordance with DFPRs.		
16.	87- Department of Science and Technology	24.45
An expenditure aggregating to ₹24.45 crore was incurred by the Department on account of providing scholarships under Scholarship for Higher Education component of the INSPIRE Scheme and incorrectly booked it under object head-31-'Grants-in-aid-General' instead of booking it under object head 34- 'Scholarships/Stipend'.		
Department stated (September 2021) that it does not operate object head-34 and hence object head-31 was used for booking expenditure on scholarships.		
The reply is not acceptable as the Department should have obtain the budget under Object Head 34 and booked the expenditure accordingly.		

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