

PRESS RELEASE

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

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CAG's AUDIT REPORT ON ACCOUNTS OF THE UNION GOVERNMENT PRESENTED

Comptroller and Auditor General of India Report No.21 of 2023 on Union Government - Accounts of the Union Government for the year 2021-22 was tabled in Parliament here today.

The Annual Accounts of the Union Government presented to the Parliament consist of the Finance Accounts and the Appropriation Accounts. The Union Government Appropriation Accounts compare expenditure with the allotments authorised by the Parliament and provide explanations for variations between the two. The Union Government Finance Accounts (UGFA) depict the receipts and payments from the Consolidated Fund of India (CFI), Contingency Fund and Public Account. The CFI consists of all revenues received, all loans raised and all moneys received by the Government through repayment of loans. All other public moneys received on behalf of the Government, of which the Government is a trustee, is credited in the Public Account. The Contingency Fund is in the nature of an imprest placed at the disposal of the President to meet urgent unforeseen expenditure.

Review of Union Government Finance Accounts and Appropriation Accounts (Civil) for the year 2021-22 revealed the following:

The resources raised by the Union Government fall under three categories – Debt Receipts, Non-debt Receipts and Receipts into Public Account. During FY 2021-22, the Union Government raised ₹148.95 lakh crore, of which 55 *per cent* was through gross debt receipts (₹82.49 lakh crore), 23 *per cent* through gross non-debt receipts (₹33.74 lakh crore) and remaining 22 *per cent* through gross receipts into public accounts (₹32.37 lakh crore). The gross revenue receipts consist of gross tax receipts (₹27.09 lakh crore) and non-tax receipts (₹6.25 lakh crore). Cess collections at ₹4.79 lakh crore formed 18 *per cent* of the gross tax revenue in FY 2021-22. Debt receipts grew by 26 *per cent* over a period of five years from FY 2017-18 to FY 2021-22.

During the year, the Union Government utilized ₹148.93 lakh crore, of which 45 *per cent* was for repayment of public debt (₹66.45 lakh crore), 21 *per cent* was for discharge of liabilities on Public Account (₹30.81 lakh crore), 28 *per cent* towards expenditure (₹42.38 lakh crore) and

remaining 6 *per cent* on States' share in Union Taxes (₹8.98 lakh crore). In FY 2021-22, total Expenditure of the Union (₹42.38 lakh crore) increased by 8 *per cent* over the previous year, which included Revenue Expenditure of ₹34.68 lakh crore, Capital Expenditure of ₹5.38 lakh crore and Loans and Advances of ₹2.32 lakh crore. In comparison to FY 2020-21, Capital expenditure witnessed a growth of 57 *per cent* in FY 2021-22 due to higher expenditure on Economic Services (₹1.81 lakh crore).

The Government incurs revenue expenditure for the normal day-to-day running of government departments, for various services, salary, payment of interest on its incurred debt, Pensions, subsidies, etc. Interest payment of ₹8.28 lakh crore witnessed a growth of 15 *per cent* over previous year and was the largest single component of revenue expenditure (₹34.68 lakh crore). Expenditure on Subsidies (₹5.02 lakh crore) witnessed a decline of 33 *per cent* over previous year. Grants-in-Aid to States for centrally sponsored schemes increased by 15 *per cent* to ₹2.40 lakh crore over previous year.

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. There were instances of short/non-transfer of collected amounts of cess/levy to the designated reserve funds (short transfer of UAL collected during the year to USO Fund amounting to ₹2,076 crore and short transfer to the Senior Citizens' Welfare Fund of ₹1,516 crore), non-opening/non-operationalisation of reserve funds (MUSK and PMSSN not operationalized due to non-finalisation of their accounting procedures), dormant reserve funds without any transactions thereunder and deviation from approved accounting procedure etc.

A total of 258 footnotes had been included for disclosing additional information in UGFA for FY 2021-22. As these footnotes did not disclose the complete picture of the finances, a recommendation has been made to include 'Notes to Accounts' in the UGFA for FY 2022-23.

Appropriation Accounts consisting of 101 Demands for FY 2021-22 provisioned for ₹124.36 lakh crore. Total expenditure was ₹116.71 lakh crore with overall savings of ₹7.64 lakh crore. There was excess expenditure of ₹1.23 thousand crore over Parliamentary authorization during FY 2021-22 involving three grants, namely Grant No. 39-Pensions (₹742.57 crore), Grant No. 6-Department of Fertilisers (₹493.38 crore) and Grant No. 18-Ministry of Defence (Civil) (₹0.03 crore).

In respect of thirty-two Departments/Ministries, 42,854 Utilisation Certificates (UCs) aggregating to ₹52 thousand crore, pertaining to Grants-in-Aid released during FY 1975-76 to FY 2020-21, were outstanding as on 31 March 2022.