Chapter 6

GRANTS-IN-AID: AN ANALYSIS

6.1 Introduction

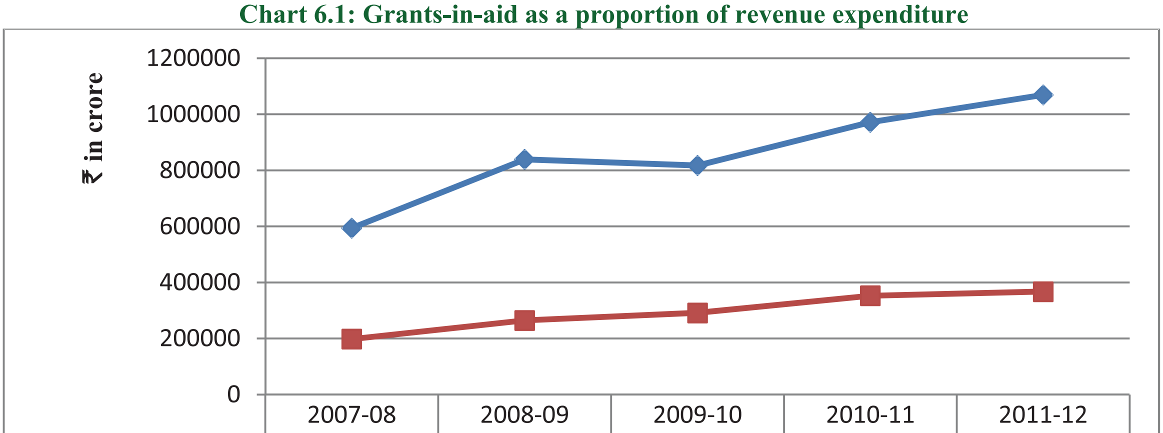
The shifting paradigm of public administration has entailed delivery of public good through new and ever evolving methods. Grants in aid have come to stay as a significant type of expenditure of the Union Government. In fact during the financial year 2011-12, they constitute, with the exception of debt repayments, the single largest item of expenditure for the Government.

Grants-in-aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-aid is given by the Union Government to State Governments or Panchayati Raj Institutions. Apart from Grants-in-aid given to the State Governments, the Union Government gives substantial funds as Grants-in-aid to other agencies, bodies and institutions. Similarly, the State Governments also disburse grants-in-aid to agencies, bodies and institutions such as universities, hospitals, cooperative institutions and others. The grants so released are utilized by these agencies, bodies and institutions for meeting day-to-day operating expenses and for creation of capital assets.

6.2 Trend of Expenditure

Grants-in-aid may be given in cash or in kind, but has to be always accounted for as revenue expenditure in the books of the grantee irrespective of the purpose for which it has been given. During the period 2007-08 and 2011-12 grant-in-aid accounted for 33 to 36 *per cent* of the revenue expenditure of the Union Government. The expenditure on grant-in-aid vis-a-vis revenue expenditure has been depicted in the chart below.

Chart 6.1: Grants-in-aid as a proportion of revenue expenditure



	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Exp	593809	838825	817138	971573	1069215
Grants-in-Aid	197947	264606	291447	352648	367254

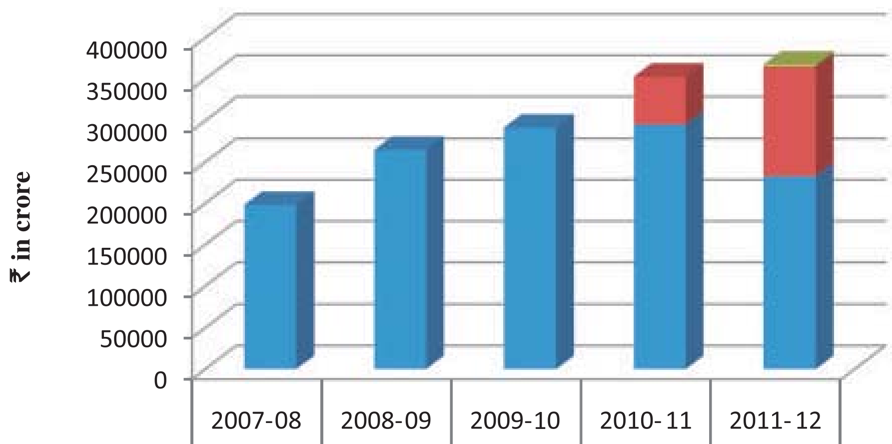
Note: Data Source: e-lekha. It does not include journal entries. Above data is for civil ministries, i.e. excluding Department of Posts, Defence Services and Railways.

Over the five years 2007-08 to 2011-12 Grants-in-aid have grown by 85.5 *per cent*, at a higher rate compared with the growth of total revenue expenditure of 80.1 *per cent*.

Grants-in-aid expenditure is exhibited in the budget and accounts at the lowest level of disaggregation, viz., as an object head. Up to 2008-09 expenditure of Union Government on grants-in-aid was recorded under a single object head 31-Grants-in-aid. However, currently there are three separate object heads being operated to capture this expenditure. These are object head '31-Grants-in-aid General'; '35-Grants for Creation of Capital Assets'; and '36-Grants-in-aid Salaries'. The object head '35-Grants for creation of Capital Assets' was opened from the financial year 2009-10 and the nomenclature of existing object head '31-Grants-in-aid' was modified from financial year 2010-11 to read as '31-Grants-in-aid General'. Further, the object head '36-Grants-in-aid-Salaries' was opened from the financial year 2011-12.

The graph below depicts the different types of Grants-in-aid given by the Union Government in the last five years.

Chart 6.2: Types of Grant-in-aid



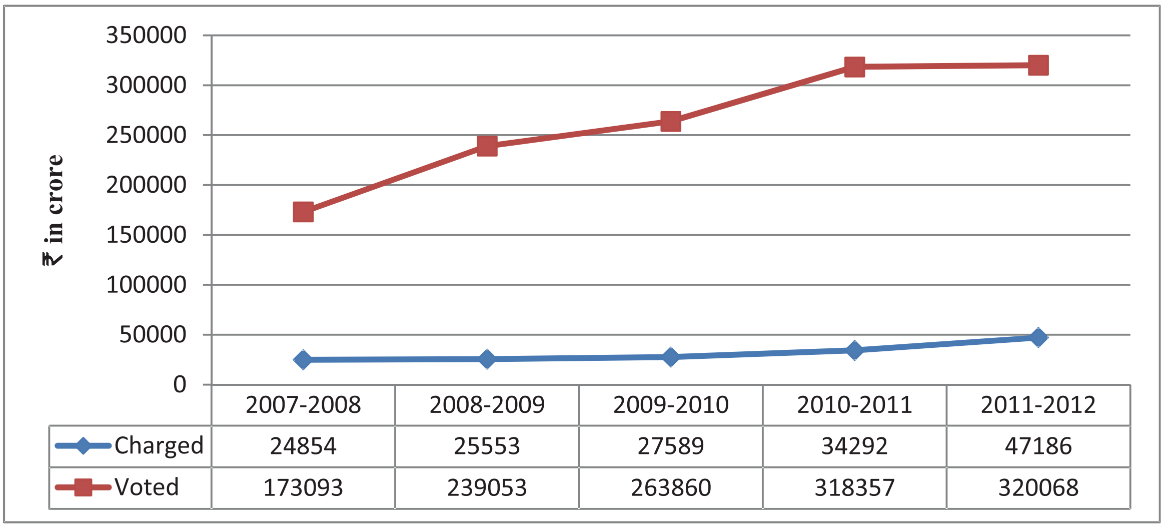
	2007-08	2008-09	2009-10	2010-11	2011-12
GiA-SALARIES					2049
GRANTS FOR CREATION OF CAPITAL ASSETS				57326	132588
GRANTS-IN-AID	197947	264606	291447	295323	232617

Note: Data Source: e-lekha. It does not include journal entries. Above data is for civil ministries, i.e. excluding Department of Posts, Defence Services and Railways.

6.2.1 Charged and Voted Grants-in-aid

Of the total grants in aid expenditure for the financial year 2011-12, charged expenditure constituted about 12.84 *per cent*. These grants, which are non plan in nature, are made in terms of Article 275(1) of the Constitution. The table below shows the break-up of grants-in-aid into charged and voted over a five year period.

Chart 6.3: Charged and Voted Grants-in-aid



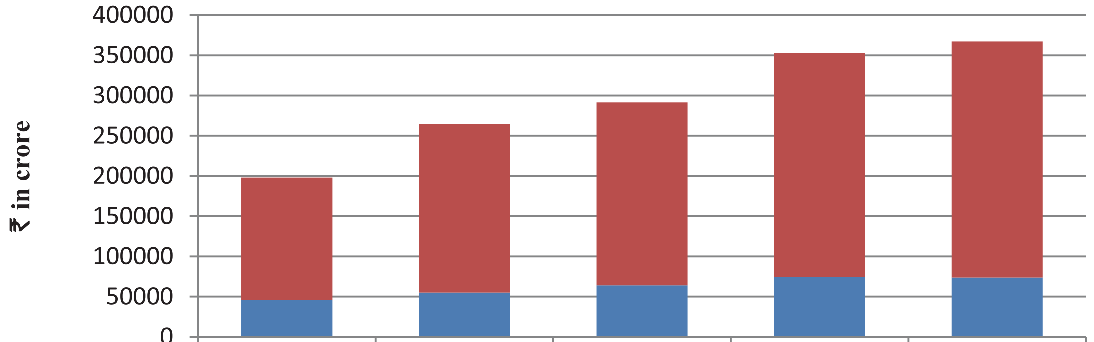
Note: Data Source: e-lekha. It does not include journal entries. Above data is for civil ministries, i.e. excluding Department of Posts, Defence Services and Railways.

Charged grants in aid for the year 2011-12 were essentially released in two grants viz Transfers to State and Union Territories, and Ministry of Tribal Affairs. Grants of ₹43,972 crore given to State Governments are based on recommendations of the Thirteenth Finance Commission. The grants recommended by the Thirteenth Finance Commission under Article 275(1) of the Constitution are essentially for non-plan revenue deficit of States, elementary education, environment, improving outcomes, maintenance of roads and bridges, local bodies, calamity relief. Similarly, the Ministry of Tribal Affairs provides grants for schemes under Article 275(1) of the Constitution for creating critical infrastructure projects in tribal areas and for the welfare of scheduled tribes.

6.2.2 Plan & Non Plan grants

Grants-in-aid are given by the Union Government both for execution of plan schemes and for other purposes also. The chart below shows the breakup of grants-in-aid by plan and non-plan. As can be seen from the chart, Grants-in-aid given for execution of plan schemes, account for bulk of the Grants-in-aid. The share of plan grants-in-aid ranged between 77 to 80 *per cent* of total Grants-in-aid during 2007-08 to 2011-12.

Chart 6.4: Plan vs Non-Plan Grants-in-aid



	2007-08	2008-09	2009-10	2010-11	2011-12
GiA Plan	152130	209565	227490	278095	293481
GiA Non-Plan	45817	55041	63957	74553	73773

Note: Data Source: e-lekha. It does not include journal entries. Above data is for civil ministries, i.e. excluding Department of Posts, Defence Services and Railways.

During the five year period 2007-08 to 2011-12, plan grants has witnessed an increase of 93 *per cent* while the non-plan grants has increased by 61 *per cent*.

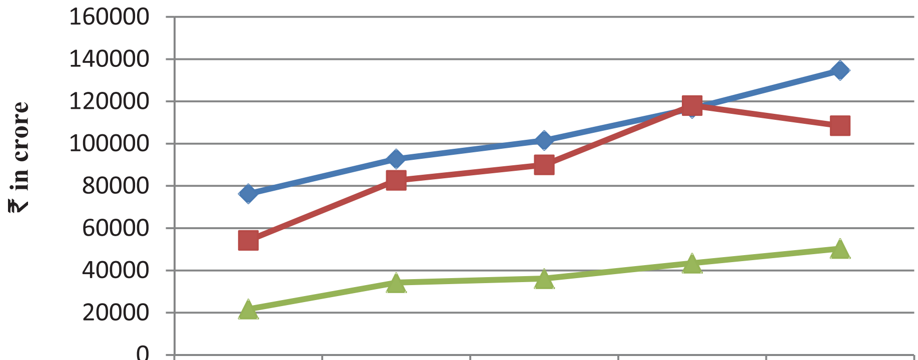
6.3 Changing nature of plan grants-in-aid expenditure

Beginning the mid nineties the Union Government has been following the practice of transferring money required for implementation of several centrally sponsored schemes directly into the bank accounts of implementing agencies which are societies, autonomous bodies, non-government organisations, etc. This mode of transfer is often referred to as 'society mode'. Such entities are at both the State and District level and their funds are outside the Consolidated Fund of the State. The other mode of transfer of grants of the Union Government is to the State Government and is referred to as 'treasury mode', which entails crediting of amount so transferred into the Consolidated Fund of the States. This also is in conformity with Article 266 of the Constitution of India. The amount so credited is then appropriated out of Consolidated Fund of the States through legislative authorisation. This mode of transfer is supported by a robust accounting system that tracks down expenditure up to the final head of expenditure wherein vouchers for each transaction is available with the treasury and the State Accountant General. This well-developed accounting framework ensures proper financial management and provides oversight on quality of expenditure.

The quantum of transfer of grants through the society mode has increased sharply. From the first year for which comparable data is available, viz. financial year 2006-07 the expenditure booked in the accounts of the Union Government has been of the order of ₹43,816 crore[♣]. During the year 2011-12, this figure has increased to ₹1,09,173 crore[♣], an increase of two and half times. The chart below shows the breakup of grants-in-aid releases through the treasury

[♣] Direct release to IAs under revenue section in the years 2006-07 and 2011-12 were ₹43,372 crore and ₹1,08,480 crore respectively mode to States/UTs, society mode directly to implementing agencies and through the functional heads of the Ministries to other bodies/authorities.

Chart 6.5: Grants-in-aid to State Governments and other agencies



	2007-08	2008-09	2009-10	2010-11	2011-12
GiA(States/UT) $	76236	92727	101466	116629	134635
GiA(Implementing agencies) #	54187	82635	89936	118051	108480
Others	21707	34202	36088	43415	50367

$-Data Source: e-lekha. It does not include journal entries.
#-Data Source: Statement No.18 of Expenditure Budget, Volume-I.

One of the major motivations for setting up state and district level agencies, outside the Consolidated Fund of States for transfer of funds for implementation of centrally sponsored schemes was to prevent such transfers to be utilised by the States for their ways and means purposes. The justification for releases through the society mode on the ground of amounts being utilised for ways and means purposes no longer holds good. In fact many state governments have accumulated sizeable cash surpluses in the recent years. As on 31 March 2012, a review of cash balances of 28 states revealed that there was a total of ₹1,64,036 crore[1] available as cash balance with the state governments.

Further, this system was implemented to provide greater delegation and flexibility to the implementing agencies in spending public funds to achieve the programme objectives. However, the corresponding strengthening of accountability framework has not taken place. In the decentralized society/ implementing agency mode the responsibility for control of waste and abuse of authority has become diffused.

6.3.1 Unascertainable unspent balances in the accounts of Implementing Agencies (IAs)

In the year 2011-12, the Union Government released ₹ 1,09,173[2] crore directly to State/district level autonomous bodies and authorities, societies, non-governmental organisations, etc., for implementation of Centrally Sponsored Schemes. Since the funds are not being spent by the Implementing Agencies (IAs) in the same financial year, there remain substantial amounts of unspent funds in their accounts. The aggregate amount of the unspent balances, in the accounts of the IAs kept outside Government accounts, is not readily ascertainable.

[1] Figures are provisional and include investment from earmarked funds
[2] As per Expenditure Budget 2013-14 (Volume-I), Statement -18

Government expenditure as reflected in the Accounts to that extent is, therefore, overstated. Also, Government Accounts do not disclose the exact amount of direct releases.

The Rangarajan Committee on the Efficient Management of Public Expenditure (Committee) observed several drawbacks in the implementation of the society mode. The drawbacks included non-uniform accounting framework for IAs, lack of assurance and accounting of assets created, no centralised data on expenditure incurred by IAs, no assurance on whether the utilisation certificates were authentic, large unspent balances remaining as float outside the system and the CAG's audit jurisdiction not being comprehensive over all sub-grantees.

The Committee also observed that the benefits of routing funds through the treasury could not be over-emphasised. It added that while this mode may not address all the ills plaguing the system, it was definitely better than a system with multiple agencies and players over whom the 'State' had little control. The Thirteenth Finance Commission had also stated that the optimal solution would be to route funds through the State Budgets so that the treasury system could report utilisation of funds and the State Government could monitor implementation of schemes.

The Committee further recommended that the switchover to complete treasury mode of transfer of funds may be made straight-forward, possibly beginning with all new schemes from the Twelfth Five Year Plan onwards. For existing schemes, a short transition period was required for necessary adjustment. However, till a complete switchover to the treasury mode was done, accounting, submission of utilisation certificates and auditing of the schemes under the Society mode had to be rationalised.

This subject was also commented upon in the CAG's Audit Report No. CA-13 for the year 2007-08, Report No. 1 for the years 2008-09, 2010-11 and 2011-12 but no discernible steps had been taken to address the situation.

6.3.2 CAG's audit arrangements in the case of grants-in-aid expenditure

Public Service delivery especially in the social sector is characterized by increasingly complex inter-relationships between Government agencies, different levels of Government, and the private sector including non-governmental organizations. In recent years, there has been a paradigm shift in the Central Government strategy for implementation of flagship programmes and other centrally sponsored schemes, which constitutes a significant proportion of plan expenditure.

The Union Government maintains a database of all grants-in-aid released to various agencies under the plan schemes of the government. The database is called the Central Plan Scheme Monitoring System or CPSMS. Based on the limited access made available to audit of the CPSMS portal[3], the broad categories of grants in aid expenditure were analysed. The details of expenditure together with the existing public audit arrangements in terms of the principal categories of recipients are given in the table below.

[3] www.cpsms.nic.in

Table 6.1: Showing category-wise plan grants and audit mandate

Category	Plan grants released in 2011-12 (₹ in crore)	Percentage to total Grants in aid (Plan)	Audit Mandate of CAG in terms of CAG's (Duties, Powers and Conditions of Service) Act, 1971
Central Government Bodies / Institutes	1,116.90	0.34%	Section 14, 15 & 20
State Governments / UTs	1,42,156.11	43.47%	Section 13
Central Government PSUs	13,397.62	4.10%	Section 19(1)
State PSUs	2,950.79	0.90%	Section 19(1)
Statutory Bodies	21,157.63	6.47%	Section 19(2) & (3)
Local Bodies	2,579.40	0.79%	Section 14, 15 & 20 and under Technical Guidance and Support (TGS)
Registered Societies (Govt. ABs)	1,38,934.66	42.49%	Section 14, 15 & 20
Registered Societies (NGOs) and Trusts	2,178.38	0.67%	Section 14, 15 & 20
Private sector Companies#	1,546.46	0.47%	Section 14, 15 & 20
State Government Institutions	931.95	0.28%	Section 13, 14, 19 & 20
Others	60.96	0.02%	--
Total Plan Grants in Aid	3,27,010.86	100.00	

Source: Data taken from CPSMS website as on 18 January 2013.

 # Refers to such Companies that are in receipt of grants-in-aid from the Consolidated Fund of India.

- An analysis of the data for 2011-12 extracted from the CPSMS web portal showed that only 44 *per cent* of plan grants-in-aid had been given to State Governments / UTs.

- In the table 6.1 above, the first five categories represent government or public sector entities. In such cases the audit remit of the CAG of India is unambiguous. In these cases the mode of transfer is supported by a robust accounting system. Out of above five categories 79 *per cent* of expenditure relating to State and UT Governments can be tracked down to the final head of expenditure, where vouchers for each individual transaction are available with the State Accountants General.

- A substantial amount (over 43 *per cent* or over ₹1,41,000 crore in 2011-12) of the plan funds is being released to registered societies/Non-Government Organisations/Trusts. Most of these institutions are not under the direct audit jurisdiction of the CAG. The CAG's (Duties, Powers and Conditions of Service) Act 1971, stipulate that the audit of bodies or authorities substantially funded by Government can be audited by CAG only if the assistance by way of grant or loan is not less than ₹25 lakh and the amount of such assistance is not less than 75 *per cent* of the total expenditure of that body or authority. Alternatively CAG can take up the audit of those institutions with the previous approval of the President of India or Governor of the State if the assistance given to those institutions is not less than ₹1 crore. Thus for CAG to take up the audit of these bodies which are substantially funded by the Government, the details of the total expenditure of the grantee institution is required to satisfy that the grant/assistance given by the Government exceeds 75 *per cent* of total expenditure of that institutions. This requires Annual Accounts of those entities to be made available to the CAG. Currently the Government does not have a mechanism to obtain the Annual Accounts of the bodies substantially funded by it and forward these accounts to the CAG. This limits timely conduct of the audit of such entities and also reporting of audit results to Parliament by the CAG.

- Some of the flagship programmes and scheme guidelines envisage routing government assistance through intermediaries with the immediate grantee body or authority assigning a part or whole of the amount to sub-grantees for actual expenditure and programme delivery. Various autonomous bodies and societies receiving government funding are audited under Section 14, 15, 19 and 20 of the CAG's (DPC) Act, 1971. However, the existing provisions do not have any specific provisions for audit of sub-grantees, implementing agencies, societies etc., receiving grants either directly or indirectly from the Consolidated Fund.

- In case of certain schemes like MGNREGS the Government has made it mandatory for all implementing agencies to allow CAG access to their books of accounts. However, in most cases there is no such executive order let alone a legal/ statutory mandate. Audit of these institutions is primarily being conducted by the chartered accountants appointed by the governing bodies of those institutions. This audit has an inherent weakness of lack of independence coupled with reporting limitations to Parliament. The issue assumes significance in the backdrop of lack of appropriate institutional arrangements governing accounting policies, format of accounting statements or disclosure requirements for most of these institutions.

- Further, a substantial number of registered societies/ Non-Government Organisations/ Trusts are just first level grantees. They are not directly involved in the implementation of the plan scheme. They in turn give grants to the implementing agencies. Such sub-grantees do not directly fall within the audit jurisdiction of the CAG.

- In the case of local bodies like Panchayati Raj Institutions and urban bodies like Corporations and Municipalities, the CAG is not the primary auditor in most of the States but has been providing technical guidance and supervision/support to the primary auditors.

Thus for a substantial amount of expenditure relating to grants in aid the audit remit of the CAG is neither unfettered nor unrestricted. The quantification of the extent of restriction placed on CAG's audit is not possible in view of the limited access provided to Audit of the CPSMS database. This has implication on the larger issue of accountability of public expenditure.

Considering that the function of public audit is to bring about transparency and accountability, amendments were suggested (November 2009) to the existing provisions of CAG's (DPC) Act, 1971 to confer on CAG the mandate of audit of these bodies. It was, inter-alia proposed to audit all bodies and authorities receiving grants directly from the Consolidated Fund and also other such body/authority that are in-turn financed substantially by the grantees receiving grants. Similarly, amendments were proposed to bring contractual agreement and other partnership arrangement such as PPP within the ambit of CAG audit to ensure that the interest of the government by way of sharing of revenue, concession etc. is protected and to ensure that the funds have been utilised for the purpose for which it has been provided.

The matter is still under consideration of the Government.

6.3.3 Plan Expenditure data: Issues of integrity and availability

Grants in aid expenditure has in recent years become the largest component of plan expenditure. During the financial year 2011-12 grants in aid expenditure constituted 76 *per cent* of total plan expenditure of civil ministries of the Union Government. Within plan grants-in-aid expenditure, grants-in-aid to states, registered societies, implementing agencies, bodies and institutions constitutes a significant quantum of expenditure. The Central Ministries have been releasing funds directly to the implementing agencies (Societies, Autonomous Bodies, NGOs, etc.) for implementation of major programmes of the Central Government instead of routing them through State Governments.

With a view to monitoring releases under all plan schemes and also to capture the information relating to the expenditure incurred under the schemes, Central Plan Scheme Monitoring System (CPSMS) was set up. The Central Plan Scheme Monitoring System(CPSMS) is intended to track and report the expenditure incurred against releases made by Central Government to various States/Agencies down to the last level of programme implementation along with the generation of State/ District/ Block/ Village/ Implementing Agency wise report on fund flow, expenditure and unutilized amounts under each central plan schemes. It was also stated that the CPSMS aimed to leverage the banking network to interlink the releases made from Centre to State and other implementing agencies and minimize the discrepancies in data and information on fund position at all levels of scheme implementation and eventually bring about increased transparency in the payment system to the last intended beneficiary.

In Central Civil Ministries, the CPSMS has been fully operational and all releases are being captured through generation of unique sanction IDs. Time series report on scheme-wise, state-wise, agency-wise and geographical destination wise releases was stated to be available for all 785 active plan schemes (viz. Central Sector/Centrally Sponsored/Additional Central Assistance linked to State Plans) on real time basis.

Further, as per the Indian Government Accounting Standards-2, the details of total funds released as Grants-in-Aid are mandated to be disclosed in the Finance Accounts of respective years. Accordingly in the year 2011-12 such disclosure has been made through an appendix to Statement No. 9 of the Finance Accounts. Besides this the grants-in-aid information is also maintained through e-lekha portal.

A comparison of the information maintained and disclosed by the Government in these three sets of data revealed substantial variance in total releases of grants in aid by the Government. The following table illustrates the difference in three different data sources.

Table 6.2: Differences in three data sources in the financial year 2011-12

(₹ in crore)

	As per Finance Accounts Appendix to Statement no.9	As per e-lekha data dump	As per CPSMS website
Plan Grants in aid released to State Governments /UTs	1,25,902	1,34,635	1,42,156
Total Plan grants released	2,41,668	2,93,481	3,27,011

The fact that three sources of data reflect a wide variation on key aggregates relating to plan expenditure points to serious deficiencies in compiling the information and disclosing the same.

Given the magnitude of the transfers Audit requisitioned (May 2012) the CPSMS data dump from the Controller General of Accounts so as to obtain an assurance about the fairness in accounting of amounts transferred under plan schemes. After protracted correspondence, incomplete data of CPSMS was provided after nine months in February 2013. In the absence of essential details such as category of the agency receiving the funds, geographical location of such agency, actual date of release, etc., Audit was unable to analyse the state wise and agency type wise releases made for implementing plan programmes/schemes. Even the time analysis of the data was not possible from the data made available. Thus the correctness of the CPSMS data also could not be verified. Given the difference in the three sets of data compiled by the Controller General of Accounts in the Ministry of Finance, the integrity of the data provided to Audit on plan expenditure was doubtful.

Controller General of Accounts stated (April 2013) that Audit's figure of plan grants-in-aid as per e-lekha might have been inclusive of the figure of loans given to States. In respect of figures for plan grants-in- aid released to State /UT Governments as per CPSMS, Controller General of Accounts added that this figure is inclusive of expenditure on object heads 'Subsidies', 'Investments' and 'Loans and Advances'.

The figures relating to plan grants-in-aid to State /UT Governments were re-verified from the Finance Accounts. The plausible explanation offered for the higher figure of ₹8,732.51 crore as per e-lekha stemming from loans to State Governments is factually incorrect, since in the case of plan loans to State Governments, the figure generated through the accounts is ₹10,016 crore.

The reply of the Controller General of Accounts confirms that the data arising out of differing sources within its organisation does not provide assurance of accuracy. Indeed, using data which lacks integrity for purpose of management of public expenditure and decision making, is fraught with serious risks.

6.4 Grants for creation of capital assets

From financial year 2009-10 the Central Government opened a new object head (primary unit of appropriation) called 'Grants for creation of capital assets'. This object head was to record expenditure on grants released for creation of capital assets. Expenditure recorded under this head has been rapidly increasingly – from around ₹57,000 crores in 2010-11, it increased to over ₹1,32,000 crore in 2011-12.

A cardinal principle of accounts is that for an asset to be recorded in the entity books the ownership of the asset must lie with the entity. However, in several cases it has been noticed that grants booked under this head do not result in the creation of the capital assets or the ownership of the asset does not rest with the Government. A case in point are grants given under MGNREGA.

Audit scrutiny of Grant of 'Rural Development' and documents relating to Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) revealed that Ministry of Rural Development booked an expenditure of ₹29,189.77 crore under the object head Grants for creation of capital assets for operationalisation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

The following issues were noted in this regard:

a) A large number of works undertaken under MGNREGA did not result in creation of fruitful assets as they were abandoned midway. In the performance audit of MGNREGS (Report No. 6 of 2013), covering the period 2007-12, it was seen that works amounting to ₹209.57 crores were abandoned midway. Further, works amounting to ₹4070.76 crore were incomplete and did not result in creation of assets.

b) As per schedule I of MGNREGA, it is permissible to carry out certain works in the lands of the beneficiaries – provision of irrigation facility, plantation, horticulture, land development to land owned by households belonging to the SC/ST, or to land of the beneficiaries of land reforms, or to land of the beneficiaries under the Indira Awas Yojana/BPL families. In case of works undertaken on beneficiaries land or works which resulted in creation of assets the ownership of the asset was not with the government.

c) A large number of works did not result in creation of assets as the focus was on employment generation or minor improvements to existing assets. In the performance audit of MGNREGS (Report No. 6 of 2013), covering the period 2007-12, it was seen that works amounting ₹6547.35 crores did not result in creation of durable assets.

The Ministry stated (June 2012) that employment generation under MGNREGA results in creation of social and community assets and therefore the entire budget was kept under the grants for creation of capital assets.

In the light of the Audit findings, there is a strong case for not classifying the entire amount under "Grants for creation of Capital Assets" in this flagship scheme. An exercise to ascertain the nature of expenditure in all cases where amounts are being classified as grants for creation of capital assets is called for.

6.5 Utilisation Certificates (UCs)

The effectiveness and utilization of grants-in-aid released by the Central Government is monitored through the mechanism of utilization certificates. Rule 209 of General Financial Rules 2005 prescribes the principles and procedures for award of grants-in-aid to any grantee, and the sanctioning authority is required to maintain a register of grants in form GFR 39. Rule 212 of General Financial Rules 2005 covers monitoring of utilization of the grants so released through the mechanism of utilization certificate prescribed in GFR 19A. The UCs are required to be submitted by the grantees within twelve months of the closure of the financial year. Rule 212(3) of GFR provides for submission of achievement-cum-performance reports by the grantee bodies to the administrative Ministry/ Department.

Position of pending UCs made available by the ministries/departments is shown in table below.

Table 6.3: Details of UCs outstanding

Name of Ministry	No. of UCs outstanding	Amount of UCs (₹ in lakh)
Ministry of Agriculture	1085	3,60,779.98
Department of Atomic Energy	312	3,370.22
Ministry of Power	12	16,195.08
Ministry of Food Processing Industries	3195	55,399.30
Department of Personnel and Training	21	135.26
Pensions and Pensioners Welfare	3	1.80
Department of Consumer Affairs	45	150.62
Department of Food and Public Distribution	66	5,066.97
Ministry of Panchayati Raj	248	77,531.56
Ministry of Culture	3316	27,081.76
Department of Youth Affairs	4083	11,201.06
Department of Sports	2183	62,309.56
Ministry of Women and Child Development	5110	31,151.71
Ministry of Minority Affairs	74	599.95
Ministry of Social Justice and Empowerment	9792	99,650.02
Ministry of Rural Development	1439	2,79,533.00
Department of Public Enterprises	5	126.58
Department of Heavy Industries	15	39,690.00
Department of Chemicals and Petrochemicals	33	5,633.00
Department of Pharmaceuticals	10	908.00
Ministry of Micro, Small and Medium Enterprises	235	16,789.63
Department of Higher Education	2328	1,13,175.34

Name of Ministry	No. of UCs outstanding	Amount of UCs (₹ in lakh)
Department of School Education and Literacy	1369	5,28,535.25
Ministry of Labour and Employment	682	2,693.27
Ministry of Petroleum and Natural Gas	3	6,072.02
Ministry of Shipping	9	568.42
Ministry of Urban Development	204	43,795.40
Ministry of Housing and Urban Poverty Alleviation	246	57,881.11
Ministry of Mines	8	164.06
Department of Space	302	1,993.34
Total	**36433**	**18,48,183.27**

In 30 Ministries/Departments 36,433 UCs involving ₹18,481.83 crore were outstanding as on 31 March 2012. UCs are the only mechanism for the ministries to verify that the money has been utilized for the purpose for which it was given. The large number of pending UCs indicates the poor monitoring and follow-up mechanisms in the Ministries.

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(VINOD RAI)
Comptroller and Auditor General of India

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