

# Preface

Section 7A of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003, as amended in May 2012, provides that the Central Government may entrust the Comptroller and Auditor General of India to review periodically as required, the compliance of the provisions of this Act and such reviews shall be laid before both Houses of Parliament. An amendment to the FRBM Rules 2004 was notified on 31 October 2015. Rule 8 of the FRBM (Amendment) Rules provides that the Comptroller and Auditor General of India shall carry out an annual review of the compliance of the provisions of the FRBM Act and the Rules made thereunder by the Central Government, beginning with the financial year 2014-15, and the Report shall be submitted to the President, who shall cause them to be laid on the table of both Houses of Parliament.

This is the second report of the Comptroller and Auditor General of India on the compliance of the provisions of the FRBM Act and the Rules made thereunder by the Central Government for the year ended March 2016.

The report contains significant results arising from the review of compliance of the provisions of the Act. The instances mentioned in this report are those, which came to notice in the course of test audit for the period 2015-16. Matters relating to the period prior to and subsequent to 2015-16 have also been included, wherever necessary.

The audit has been conducted in conformity with the auditing standards issued by the Comptroller and Auditor General of India.

