

## CHAPTER XVI: REVIEW OF SELECTED GRANTS

### 16.1 Ministry of Environment and Forests (Grant No. 24)

#### 16.1.1 Introduction

The Ministry of Environment and Forests is the nodal agency in the administrative structure of the Central Government for the planning, promotion and co-ordination of environmental and forestry programmes and is engaged in the activities of conservation and survey of flora, fauna, forests and wild life, prevention and control of pollution, afforestation and regeneration of degraded areas and protection of environment.

#### 16.1.2 Overall position

The budget provision, actual disbursements and unspent provision during 1996-99 were as under:

*(Rupees in crore)*

Year	Total provision		Actual disbursements		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
1998-99	806.31	13.30	593.50	12.68	212.81	0.62
1997-98	630.79	7.80	490.03	7.80	140.76	-
1996-97	545.66	7.11	512.93	7.11	32.73	-

From the above, it would be seen that the Ministry ended persistently with large unspent provisions. The unspent provision under revenue section increased from 6 in 1996-97 to 26 *per cent* in 1998-99, which is indicative of unrealistic budgetary assumption and slackness in implementing the schemes/ activities of the Ministry.

**16.1.3 Schemes/sub heads affected by large unspent provision**

Sub-heads under which large provisions remained unspent were as under:

*(Rupees in crore)*

Sl. No.	Name of Head	Total provision	Actual disbursements	Unspent provision	Reasons advanced by the Ministry
<b>Major Head 2406 - Forestry and Wildlife</b>					
1.	Wildlife preservation - other Schemes	15.58	0.86	14.72	Non-approval of creation of certain posts by Ministry of Finance
<b>Major Head 3435 - Ecology and Environment</b>					
2	Ganga Action Plan Phase-I	8.73	2.50	6.23	Slow progress of implementation of schemes of Ganga Action Plan Phase-I.
3	Urban environment management	2.00	--	2.00	Non undertaking of evaluation of consultants.
4	Taj protection Mission	38.00	--	38.00	Delay in obtaining of approval
5	Prevention and Control of Water Pollution (Cess)	55.80	40.58	15.22	Less reimbursement following less collection of water cess by various State Pollution Control Boards.
6	Pollution Control Projects	30.00	20.00	10.00	Non-approval of one component of the scheme (Clean Technology Network Rs.8.00 crore) by Expenditure Finance Committee and cut imposed by Ministry of Finance.
7	Establishment of Environment Protection Authorities	3.40	2.38	1.02	Late functioning of authority in Tamil Nadu, and also due to economy cut by Ministry of Finance.
8	Environment Impact Assessment Programme	7.20	2.79	4.41	Non-approval of project on Indian Centre of Promotion for cleaner Technology by Expenditure Finance Committee.
9.	Hazardous Substance Management	8.66	2.46	6.20	Non-completion of negotiations for the alteration of original project proposal following change in World Bank incharge of Hazardous substance Management.

Sl. No.	Name of Head	Total provision	Actual disbursements	Unspent provision	Reasons advanced by the Ministry
10.	India Environment Management Capacity Building Technical Assistance Project	36.00	9.92	26.08	Delay in beginning of some of the components of the scheme owing to delay in engagement of consultants, training courses and purchase of equipments.
11.	Government of India - United Nations Development Programme - Environment Support Programme	6.00	0.77	5.23	Change in guidelines in funding of few projects by the United Nations Development Project.
<b>Major Head 3601 - Grants-in-aid to State Governments</b>					
12.	Integrated Afforestation and Eco-Development Projects	32.00	28.87	3.13	Non-receipt of confirmation regarding availability of matching shares 50:50 for scheme from several States, non - receipt of appropriate technology extension projects from the States and cut imposed by Ministry of Finance.
13.	Seed Development Agencies	2.60	1.30	1.30	Delay in receiving approval for conversion of funding pattern from 50:50 to 100% Central funding and non-receipt of appropriate technology extension projects from the States.
14.	Ganga Action Plan Phase II	163.00	86.00	77.00	Delay in receipt of approval for conversion of funding pattern from 50:50 to 100 per cent Central funding.
15.	Fuel wood Fodder Projects	40.00	27.00	13.00	Non-receipt of appropriate technology extension projects from the State Governments.
16.	Eco-development Around Important Protected Areas.	52.13	26.78	25.35	Slow utilisation of funds by the State Governments and non creation of new posts.

**16.1.4 Persistent unspent provision.**

Detailed examination of the following schemes revealed persistent unspent provision during 1996-99.

*(Rupees in crore)*

Sl. No.	Name of the scheme	Unspent provision		
		(Percentage of unspent provision to Budget Estimates)		
		1996-97	1997-98	1998-99
1.	Environment Commission and Tribunal	1.00 (100%)	1.50 (100%)	1.00 (100%)
2.	Hazardous Substance Management	3.14 (54)	10.58 (79)	6.30 (72)
3.	Eco-Development around Important Protected Areas	31.54 (88)	6.60 (25)	39.60 (59)
4.	National Afforestation and Eco-development Board	2.46 (3)	23.74 (26)	19.90 (22)

**(a) Environmental Commission and Tribunal**

The Ministry had been making provisions every year for setting up of Environment Tribunal meant for expeditious disposal of cases arising from accidents in handling any hazardous substance and matters connected therewith. However, no disbursements were made during last three years. The objective thus remained unachieved. This reflected unrealistic budgeting on the part of Ministry as it continued to make provisions every year without even identifying the action plan. It was further seen that even the appointment of Chair Person of tribunal had not been finalised as of March 1999.

*(Rupees in crore)*

Year	Budget provision	Disbursements	Unspent provision
1998-99	1.00	--	1.00
1997-98	1.50	--	1.50
1996-97	1.00	--	1.00

The Ministry attributed the unspent provision to the National Environment Tribunal having not been operationalised so far.

**(b) Hazardous Substance Management**

The objective of this World Bank aided project was to assist in the implementation of modern and sustainable hazardous waste management in the country. The project had two components namely, (i) Industrial Safety Disaster Prevention Project and (ii)

Hazardous Waste Management Project. Scrutiny of accounts revealed that every year there were unspent provision as indicated below :

(Rupees in crore)

Year	Budget provision	Disbursements	Unspent provision
1998-99	9.16	2.86	6.30
1997-98	13.33	2.75	10.58
1996-97	5.80	2.66	3.14

In the first project feasibility studies were still on going while the second project was yet to be negotiated. Ministry admitted that the progress was very slow and mile stones had not been achieved within the stipulated time.

**(c) Eco-Development around Important Protected Areas**

The objective of the scheme was to provide alternative sources of sustenance to the communities on the fringes of National parks and sanctuaries and to improve the ecological productivity of the buffer zones of protected areas. The scheme consisted of following projects (i) Eco-Development around important protected areas (ii) India Eco-development project (World Bank aided). Financial outlays of the scheme during 1996-1999 were as follows :

(Rupees in crore)

Sl. No	Name of Activity	1996-97			1997-98			1998-99		
		Provision	Actual	Unspent amount	Provision	Actual	Unspent amount	Provision	Actual	Unspent amount
1	Eco-development around important protected areas	4.60	3.81	0.79	5.95	5.00	0.95	8.00	6.34	1.66
2.	India Eco-development project	31.17	0.42	30.75	20.00	14.35	5.65	58.83	20.89	37.94
	<b>Total</b>	<b>35.77</b>	<b>4.23</b>	<b>31.54</b>	<b>25.95</b>	<b>19.35</b>	<b>6.60</b>	<b>66.83</b>	<b>27.23</b>	<b>39.60</b>

India Eco-development project, which was externally aided component of this scheme, was approved for implementation in October 1997 in seven protected areas in seven States. The total cost of the India Eco-development project was US \$ 67 million (Rs.294.93 crore) and it was to be completed by December 2001. As evident from the above table, the disbursements during 1996-99 was only Rs 35.66 crore against the total project outlay of Rs 294.93 crore. In view of rather slow disbursements flow, it appears doubtful that the project would be able to achieve its objective by the scheduled completion date of December 2001.

**(d) National Afforestation and Eco-development Board**

The National Afforestation and Eco-development Board, constituted in the Ministry of Environment and Forests in August 1992, had the mandate of promoting afforestation, tree plantation, ecological restoration and eco-development activities all

over the country, giving special attention to degraded forest sanctuaries and protected areas, as well as the ecologically fragile areas.

Scrutiny of the records and appropriation accounts for the year 1996-99 revealed that there were persistent unspent provision under this head as under :

(Rupees in crore)

Year	Budget provision	Disbursements	Unspent provision
1998-99	92.35	72.45	19.90
1997-98	92.00	68.26	23.74
1996-97	90.00	87.54	2.46

The high persistent unspent provision indicated that the Ministry had not been closely monitoring the progress of project. It was seen that physical achievements during 1998-99 on two major schemes viz., Fuel & Fodder and Integrated Eco-development projects schemes lagged far behind the targets. The Ministry attributed high unspent provision due to non-receipt of any technology extension projects from any State.

#### 16.1.5 Persistent excess.

During 1996-99, under Promotion of Common Effluent Treatment Plant, the disbursements was in excess of budget allotment year after year as under :

(Percentage of Excess to Budget Allotment)

(Rupees in crore)

1996-97	1997-98	1998-99
23.61 (787%)	3.00 (100%)	10.72 (366.6%)

It is evident from the above that the percentage of excess disbursements to allotment of funds ranged between 100 and 787 per cent during the last three years, which in turn indicates unrealistic budgetary assumption.

#### 16.1.6 Rush of disbursements

As per Note 3 below Rule 69 of General Financial Rules, rush of disbursements particularly in the closing month of the Financial year is to be regarded as breach of financial regularity and should be avoided. Contrary to this, disbursements ranging from 36 to 66 per cent of the total disbursements were made in January to March during 1996-99 under the following major heads.

(Rupees in crore)

Major Head	Total Disbursements	Disbursements in the last quarter	Percentage of disbursements in comparison to total disbursements
<b>1996-97</b>			
2406 - Forestry and Wild Life	96.86	42.15	44
3435 - Ecology and Environment	196.86	130.03	66
3601- Grants-in-aid to State Governments	214.87	116.92	54
<b>1997-98</b>			
2406- Forestry and wild life	104.12	37.23	36
3435 - Ecology and Environment	173.86	85.14	49
3601- Grants- in-aid to State Governments	206.50	87.77	43
<b>1998-99</b>			
2406- Forestry and Wild life	140.50	58.52	42
3435-Ecology and Environment	176.14	98.11	56
3601-Grants -in- aid to State Governments.	270.29	115.90	43

In addition, it was also observed that large amount of disbursements were made during 1996-99 in the month of March in order to avoid surrender of unspent provision. Head-wise details of such disbursements are as under:

(Rupees in crore)

Major Head	1996-97		1997-98		1998-99	
	Total disbursements	March disbursements/percentage	Total Disbursements	March expenditure/percentage	Total Disbursements	March disbursements/percentage
2406- Forestry and Wild Life	96.86	25.28 (26%)	104.12	12.16 (12%)	140.50	41.30 (29%)
3435 - Ecology and Environment	196.86	68.66 (35%)	173.86	46.70 (27%)	176.14	47.70 (27%)
3601 - Grants-in-aid to State Governments	214.87	46.07 (21 %)	206.50	65.41 (32%)	270.29	45.54 (17%)

Since the funds released to the various organisations in the month of March cannot be constructively spent during the year, it is not possible to conclude whether the funds were applied for the purpose for which these were authorised.

## 16.2 Ministry of Health and Family Welfare (Grant No. 40 Department of Health)

### 16.2.1 Introduction

The Ministry of Health and Family Welfare consists of three Departments viz. Department of Health, Department of Indian System of Medicines and Homoeopathy and Department of Family Welfare. Department of Health plays a vital role in disease control, curative health programmes and family welfare.

### Grant No. 40 - Department of Health

This grants included provisions for the Secretariat of the Department of Health, its attached/ subordinate offices, comprehensive medical care to Central Government employees at Delhi and 19 other cities in addition to three peripheral towns at Delhi, Central Hospitals and Dispensaries, Medical Education, Training and Research Centres, Health Institutions with medical and public health matters including prevention and control of diseases, food adulteration and drug control programme.

### 16.2.2 Overall position

The position of budget provision, actual disbursements and unspent provision during the last three years 1996-99 was as under:

(Rupees in crore)

Year	Total provision		Actual disbursements		Unspent provision			
	Revenue	Capital	Revenue	Capital	Revenue	Percentage	Capital	Percentage
1998-99	1813.46	548.24	1605.45	296.24	208.01	21	252.00	46
1997-98	1486.53	504.44	1338.44	301.25	148.09	10	203.19	40
1996-97	1288.28	440.12	1165.28	374.51	123.00	10	65.61	15

From the above, it would be seen that there was steep increase in the unspent provisions both under revenue and capital sections of the Grant over the period of three years despite being pointed out in the previous audit reports from 1996. Under revenue section, the percentage of unspent provision increased from 10 to 21 *per cent*, whereas the unspent provision under capital section increased from 15 to 46 *per cent*, which is indicative of unrealistic budgetary assumption and/ or faulty implementation of schemes/ programmes by the Departments/ implementing agencies etc.



**16.2.3 Rush of disbursements in the month of March 1999**

As per Note 3 to Rule 69 of General Financial Rules, rush of disbursements, particularly in the closing months of financial year is to be regarded as a breach of financial regulatory and should be avoided. Test check revealed that contrary to the above provision under the following major heads, major part of total disbursements ranging between 21 and 70 *per cent* of the total disbursements were made in March 1999.

(Rupees in crore)

Sl. No.	Major Head	Total disbursements	Disbursements in March 1999	Percentage of disbursements during March
1)	2210 - Medical and Public Health	1309.77	279.58	21
2)	3601 - Grants-in-aid to State Governments	264.98	148.97	56
3)	3602 - Grants-in-aid to Union Territory Governments	1.39	0.98	70
4)	4210 - Capital Outlay on Medical and Public Health	295.62	106.99	36

Since the funds released in March to voluntary organisations, State/ Union Territory Governments and other implementing agencies cannot constructively be spent during the year, it is not possible to conclude whether the funds provided under budget for a particular purpose were utilised for that purpose. Release of funds at the fag end of financial year was indicative of deficient financial management and mainly aimed at avoiding lapse of budget grant.

**16.2.4 Surrender of unspent provision**

Rule 69 of General Financial Rules provides that unspent provision in a grant or appropriation are to be surrendered to the Government as soon as these are foreseen without waiting for the last quarter or fag end of the financial year. Unspent provision should also not be held in reserve for possible future excess. However, contrary to the above provision, the department surrendered the entire amount of Rs 343.42 crore on the last date of the financial year. It was also revealed that out of total unspent provision of Rs 460.01 crore, only Rs. 343.42 crore constituting 75 *per cent* of total unspent provision was surrendered.

**16.2.5 Disbursements on 'New Service/New Instrument of Service'**

Six cases attracting the provisions of 'New Instrument of Service' have been included in Chapter-XIV of this Report require regularisation.

**16.2.6 Major unspent provisions and Excesses**

The major unspent provisions and excesses were as under:-

**(i) Unspent provision***(Rupees in crore)*

Sl. No.	Sub-head	Total provision (O+S)	Actual disbursements	Unspent provision	Reasons advanced for unspent provision by the Department
<b>2210 - Medical and Public Health</b>					
1.	All India Institute of Physical Medicine and Rehabilitation, Mumbai	4.66	3.23	1.43	Economy cuts imposed by the Ministry of Finance in respect of various schemes and also due to less number of applications received for stipends etc.
2.	Kalawati Saran Children's Hospital, New Delhi	13.52	11.32	2.20	Non-receipt of inward claims from DGS&D and non-execution of supply orders by firms/suppliers, etc.
3.	Establishment of Hospitals and Dispensaries in association with State Governments	2.00	--	2.00	Non release of Central grants owing to non-completion of requisite formalities by the voluntary organisations and State Governments, non-furnishing of bonds and non-release of equal share by State Governments.
4.	Subvention to Private Medical Colleges	5.32	1.71	3.61	Receipt of less number of claims from various colleges routed through State Governments as decided with the approval of competent authority.
5.	Other Schemes	119.44	105.67	13.77	Non-receipt of proposals for development of nursing services and AIDS programme, release of funds directly to Prasar Bharati instead of routing through Ministry of Information and Broadcasting and also due to non-fulfilment of conditions for release of funds by the Councils, etc.
6.	National Institute of Communicable Diseases	17.59	14.53	3.06	Less purchase of material/articles for day to day functioning of the office/dispensaries and also non-finalisation of proposal for procurement of chemicals/reagents from WHO and economy cut by Ministry of Finance in respect of various schemes/ programmes/ institutes.

Sl. No.	Sub-head	Total provision (O+S)	Actual disbursements	Unspent provision	Reasons advanced for unspent provision by the Department
7.	National Malaria Eradication Programme	53.88	23.19	30.69	Economy cuts imposed by Ministry of Finance in respect of various schemes and non employment of consultants and less release of cash grants to district malaria control societies, etc.
8.	Trachoma and Blindness Control Programme	49.79	39.33	10.46	Low utilisation of funds by the district blindness control societies, delay in finalization/implementation of information, education, communication plan and less expenses on training, etc.
9.	Other Health Schemes	20.85	11.94	8.91	Non-hiring of accommodation for National AIDS Control Organisation and economy cuts imposed by Ministry of Finance
10.	TB Cell at Headquarters (Externally Aided Component)	4.00	1.09	2.91	Non-appointment of consultants and other technical staff owing to non-organising of activities like training and workshops, etc.
11.	Bacteriological Laboratories	17.68	12.34	5.34	Engagement of less daily wagers against regular posts, less purchase of machinery equipments for dispensaries than anticipated and economy cut by Ministry of Finance.
12.	Other Schemes	35.08	3.04	32.04	Owing to non-organising of various activities like training and workshop etc. non-appointment of Consultants and other technical staff and delay in award of contract for

Sl. No.	Sub-head	Total provision (O+S)	Actual disbursements	Unspent provision	Reasons advanced for unspent provision by the Department
					construction of Laboratory and Animal House
13.	All India Institute of Hygiene and Public Health, Calcutta	7.15	4.88	2.27	Non-filling of vacant posts, purchase of less number of journals and books and economy cuts etc.
14.	Setting up of a National Illness Assistance Fund	5.00	2.50	2.50	Receipt of less cases for the financial assistance from States/UTs
15.	Assistance towards Expenditure on Hospitalisation of the Poor	23.00	5.00	18.00	Non-setting up of Illness Assistance Fund by the State Governments and less release of central assistance than anticipated owing to non submission of utilisation certificate.
16.	Assistance for Capacity Building (New)	5.00	--	5.00	Entire provision remained unutilised due to economy cuts imposed by Ministry of Finance
17.	National Malaria Eradication Programme (Rural) General Component	116.22	101.34	14.88	Economic cuts imposed by Ministry of Finance
18.	National Malaria Eradication Programme (Urban)	11.07	8.88	2.19	Economy cuts by Ministry of Finance and non - procurement of tempos owing to want of clarifications from manufacturers and users
19.	National TB Control Programme (Externally Aided Component)	71.00	17.42	53.58	Procurement of less quantity of Anti TB drugs owing to receipt of free drugs from Department for International Development as Commodity Grant, decentralisation of procurement with the approval of World Bank and non-issue of sanctions for book adjustments owing to non-receipt of information from medical stores depot.
20.	Augmentation of Drugs Testing Facilities (General Component)	1.50	--	1.50	Entire provision remained unutilised due to economy cuts imposed by Ministry of Finance in respect of various schemes/programmes/ institutes.

Sl. No.	Sub-head	Total provision (O+S)	Actual disbursements	Unspent provision	Reasons advanced for unspent provision by the Department
21	National Malaria Eradication Programme (Rural) (Externally Aided Component)	105.00	19.79	85.21	Non-adjustment of goods for which payment was released on 31-3-99, economy cuts imposed by Ministry of Finance and delay in procurement and supply of medicines by the procurement agencies, etc.
22.	Strengthening of Drug Control Organisation including improvement of their information system and supporting	1.50	--	1.50	Entire provision remained unutilised due to economic cuts imposed by Ministry of Finance in respect of various schemes/ programmes.
23.	Assistance towards expenditure on hospitalisation of the poor	2.00	0.50	1.50	Non setting up of Illness Assistance Fund by the UT Government of Pondicherry.
24.	Medical Store Depots	15.67	13.13	2.54	Non-materialisation of proposals for procurement of tressels and high proficiency liquid chromatograph.
25.	Purchase of Materials in India and Abroad	151.00	46.06	104.94	Restrictions imposed on purchase of proprietary drugs and non finalisation of vocabulary of medical stores and CGHS formulary owing to allowing of purchase of proprietary combination for a limited period i.e. forty days.
26.	Bulk Purchase of Material and Equipments for National AIDS Control Programme	35.00	20.44	14.56	Non supply of equipment by Director General of Supplies and Disposal because of procedural difficulties and non receipt of adjustment bills for equipments supplied by DGS&D earlier.
27.	Bulk Purchase of material and equipments for National TB Control Programme	89.00	22.47	66.53	Post budget decision to provide cash grant instead of commodity grant to States for procurement of Anti-TB drugs and also free supply of Anti-TB drugs by Department for International Development as commodity

Sl. No.	Sub-head	Total provision (O+S)	Actual disbursements	Unspent provision	Reasons advanced for unspent provision by the Department
					grant and decentralisation of procurement of vehicles and equipments.
28.	National Malaria Eradication Programme	230.61	166.15	64.46	Economy cuts and delay in procurement and supply of drugs and medicines by the procurement agencies and non-procurement of microscopes for which indent was placed on DGS&D

(ii) Excess

(Rupees in crore)

Sl. No.	Sub-head	Total provision (O+S)	Actual disbursements	Excess	Reasons advanced for excess by the Department
1.	Central Government Health Scheme	209.00	222.74	13.74	Payment of second instalment of arrears, revision in rates of various allowances, clearance of award claims, pending liabilities, increase in rates and quantity of medicines, drugs etc.
2.	Safdarjung Hospital New Delhi	67.00	72.57	5.57	Payment of second instalment of arrears, revision in rates of various allowances, more payment to CPWD and others for minor works, etc.
3.	Dr. Ram Manohar Lohia Hospital, New Delhi	41.72	43.92	2.20	Payment of second instalment of arrears, revision in rates of various allowances more payment to CPWD and others for minor works and increase in the rates of maintenance charges of the equipments, etc.
4.	Research	122.82	127.07	4.25	Payment of second instalment of arrears increased allowances to medical and para medical personnels and also due to change in the pattern of assistance to Regional

Sl. No.	Sub-head	Total provision (O+S)	Actual disbursements	Excess	Reasons advanced for excess by the Department
					Cancer Centres.
5.	Education	387.28	460.85	73.57	Payment of second instalment of arrears increased allowances to medical and para medical personnels, purchase of machinery and equipments and increase in the cost of articles/ services/ stationery/ postage/electricity/water, etc.
6.	Cancer Research and Treatment Programme	7.00	8.09	1.09	Sanctioning of more proposals than anticipated under various schemes viz. Development of Oncology Wing, District Cancer Control Programme for two districts of Bihar.
7.	National Trachoma and Blindness Control Programme (Externally aided component)	17.00	26.00	9.00	Additional requirement of funds by the State Governments for carrying out civil work/activities which were stepped up after mid - term review by the World Bank in the project States

### 16.2.7 Persistent unspent provision under schemes

#### 16.2.7.1 National Tuberculosis Control Programme (NTCP)

The National TB Control programme is in operation since 1962 and is integrated with General Health Services. This programme aimed to detect cases early and treat them effectively till they are cured. The programme is implemented through 446 District TB Centres. The District Tuberculosis Programme (DTP) is supported by State Level Organisation for co-ordination of the Tuberculosis activities in the State and the supervision of DTP's. The programme provides free service to the community. The scheme was on 50:50 sharing basis between Central and State in respect of Anti-TB drugs and materials. NTCP aimed at detecting large number of TB cases and instituting treatment. As this strategy did not yield desired results, the programme was reviewed in 1992 and revised programme emphasising sputum examination rather than radiology, thereby increasing the cure rate of infected patients to above 85 *per cent*. This strategy is being implemented in 102 districts of the country in a phased manner over three years starting 1997-98 with a soft loan from World Bank. During

1996-99, budget provision, actual disbursements and unspent provision under the scheme were as under: -

(Rupees in crore)

Year	Sanctioned provision	Actual disbursements	Unspent provision	
			Amount	Percentage
1998-99	213.20	90.86	122.34	57
1997-98	163.00	33.59	129.41	79
1996-97	85.22	32.39	52.83	62

From the above, it would be seen that during the period 1996-99, even if there was steep increase in provisions under the scheme, there was increase in the unspent provision also. During 1996-99, the increase in unspent provision ranged between 57 and 79 *per cent* of the sanctioned provision which is indicative of over-optimistic budgetary assumption and slackness in implementation of a programme aimed at controlling major disease like Tuberculosis.

#### 16.2.7.2 National Malaria Eradication Programme

National Malaria Eradication Programme (NMEP) is a category II centrally sponsored National Health Programme, operating on 50:50 sharing basis between the Centre and States. The Central government provides material assistance to the States, including anti malaria drugs and insecticides. The scheme was modified in 1977 and the Plan of operation was introduced with the objectives of prevention/reduction of morbidity and deaths due to Malaria. 100 *per cent* cash assistance is provided to the North Eastern States since 1984.

The budget provisions, actual disbursements and unspent provision were as follows: -

(Rupees in crore)

Year	Sanctioned provision	Actual disbursements	Unspent Provision	
			Amount	Percentage
1998-99	519.09	321.43	197.66	38
1997-98	362.29	253.04	109.25	30

It would be seen that even if the budget provision under the scheme has increased by Rs. 156.80 crore in 1998-99 over the previous year, the increased provision had been neutralised by the increased unspent provision of Rs 197.66 crore during 1998-99, which is indicative of not only overstated budgetary assumption, but also slackness in the implementation of scheme.



### 16.2.7.3 Trachoma and Blindness Control Programme

The programme was launched throughout the country by Government of India in 1976 with the aim to reduce the blindness from 1.4 to 0.3 *per cent* by 2000 AD. To achieve this goal, the programme was implemented with a two prolonged strategy viz. improving the efficiency levels of existing systems and providing additional input in terms of infrastructure, manpower, new technologies and equipments. The needy segments of the people are expected to be provided with immediate relief with the establishment of permanent eye care facilities and eye camp approach.

A World Bank assisted cataract Blindness Control Project is being implemented since April 1994 in seven states of the country. During the last three years the budget provisions, actual disbursements and unspent provisions were as under:

*(Rupees in crore)*

Year	Sanctioned provision	Actual disbursements	Unspent Provision	
			Amount	Percentage
1998-99	85.79	83.55	2.24	3
1997-98	94.70	60.88	33.82	36
1996-97	99.76	77.35	22.41	22

From the above it was evident that the budgets were framed without taking into account the actual requirement of funds.

### 16.2.8 Short recoveries

The Demands for grant are for the gross amount of disbursements i.e. inclusive of recoveries arising from use of stores, etc. procured in the past or disbursements transferred to other Department or Ministries. While appropriation audit is done by comparing the gross disbursements with the gross amount of grant, the excess and shortfall in recoveries indicate inaccurate estimation of recoveries and defective budgetary assumption. It also ultimately alters the net amount of disbursements finally booked under the relevant service head in Finance Accounts and has the effect of increasing the net disbursements.

Test check of Appropriation Accounts in respect of Grant No. 40 - Department of Health for the last three years revealed the following trend of variation in recoveries

(Rupees in crore)

Year	Budget estimates	Actual Recoveries	Variation	
			Amount	Percentage
<b>Revenue Section</b>				
1998-99	45.00	33.47	11.53	26
1997-98	--	--	--	--
1996-97	46.00	28.90	17.10	37
1995-96	60.52	23.10	37.42	62
<b>Capital Section</b>				
1998-99	540.01	249.38	290.63	54
1997-98	482.74	287.25	195.49	40
1996-97	416.80	329.42	87.38	21

It is evident from the above table that though in the revenue section of the grant there was a declining trend in the variation of actual recoveries from budgeted recoveries it was still as high as 26 per cent during the year 1998-99. In the capital section of the grant there was an increasing trend in variation between estimated and actual recoveries. During 1996-99, there was a steep rise from 21 to 54 per cent, which is indicative of inaccurate estimation and faulty budgetary assumption.

### 16.3 Department of Family Welfare (Grant No. 42)

#### 16.3.1 Overall position

Budget provision, actual disbursements and unspent provision during 1996-99 were as under :-

(Rupees in crore)

Year	Total provision		Actual disbursements		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
1998-99	2927.31	0.20	2821.20	0.08	106.11	0.12
1997-98	2208.02	1.60	2153.53	0.05	54.49	1.55
1996-97	2021.76	1.35	1943.94	0.08	77.82	1.27

From the above table, it is seen that under the revenue section of the grant there was steep rise in unutilised amount year after year. Persistent large unspent provision was indicative of unrealistic budgetary assumptions on the part of the Department and failure to take into account the trend of disbursements of the preceding years.

This trend of persistent large unspent provisions were pointed out in the previous years' Audit Reports of the Comptroller and Auditor General of India No 1 of 1998 and 1999, but no remedial action was taken by the Department to avoid the large unspent provisions under the Family Welfare Schemes.

#### 16.3.2 Large re-appropriation of funds defeating the original purpose.

The Department resorted to large scale re-appropriation of funds, deviating significantly from the original budget provisions, which was suggestive of shortcoming in the budgetary assumptions. The amount re-appropriated from/ to the heads during the last three years were as under:

(Rupees in crore)

Year	Sanctioned provision under the head	Amount re-appropriated to the head	Total amount released
1998-99	250.00	200.00	450.00
1997-98	79.00	187.11	266.11
1996-97	---	61.43	61.43

From the above details, it would be seen that the Department has been re-appropriating the funds from other Welfare schemes for payment of arrears due to States. Some of the major cases of re-appropriation during 1998-99 were as under:

(Rupees in crore)

Sl. No	Head of account/sub head	Original provision	Amount of re-appropriation	Final provision
<b>FROM</b>				
<b>Major Head-“2211”-Family Welfare</b>				
1.	National Institute of Health and Family Welfare, New Delhi	13.00	6.50	6.50
2.	Demographic and Other Communications Research	7.95	3.99	3.96
3.	Reproductive and Child Health Project	563.00	54.60	455.83*
4.	Expenditure in Union Territories without Legislatures	2.00	1.75	0.25
5.	Expenditure at Headquarters	2.00	1.47	0.53
6.	Projects through autonomous bodies/voluntary organisations/societies	33.00	9.00	24.00
7.	Free Supply of Family Planning Materials	92.20	7.55	84.65
8.	Family Welfare Programme in other Ministries	3.00	1.93	1.07
9.	Social Marketing of Nirodh	70.00	16.91	53.09
10.	Involvement of Voluntary Organisations	8.17	3.85	4.32
11.	Travel of Experts/Conferences/ Meetings etc.	1.50	1.38	0.12
<b>Major Head “3601”-Grants in aid to State Governments</b>				
12.	Reproductive and Child Health Project	415.00	19.59	395.41
13.	Family Welfare Compensation	120.60	22.92	97.68
14.	Free Supply of Family Planning Materials	89.00	7.22	81.78
15.	Family Welfare Selected Area Projects (including India Population Project)	59.30	34.64	24.66
<b>Major Head “3602”-Grants in aid to Union Territory Governments</b>				
16.	Reproductive and Child Health Project	5.00	1.50	3.50
17.	Family Welfare Selected Area Projects (including India Population Project)	5.00	2.50	2.50
18.	Family Welfare-Direction and Administration	2.50	1.75	0.75
<b>TO</b>				
<b>Major Head “3601”-Grants in aid to State Governments</b>				
1.	Family Welfare-Other grants-Arrears	250.00	200.00	450.00

\* Include surrender of Rs 52.57 crore

**16.3.3 Rush of disbursements in the month of March**

Test checks revealed that disbursements ranging between 36 and 46 per cent were made in the month of March 1999 as indicated below:-

*(Rupees in crore)*

Sl. No.	Major Head	Total disbursements	Disbursements of March 99	Percentage of disbursements during March
1.	2211-Family Welfare	730.47	295.27	40
2.	3601- Grants-in-aid to State Governments	2001.64	711.26	36
3.	3602 - Grants-in-aid to Union Territory Governments	16.78	7.80	46

**16.3.4 Disbursements on 'New Service/New Instrument of Service'**

One case of additional grant of Rs 0.89 crore released to International Institute of Population Sciences, Mumbai attracted the provisions of 'New Instrument of Service' has been included in Chapter-XIV of this Report, requires regularisation.

**16.3.5 Unspent provision and excesses leading to net unspent provision.**

The gross unspent provision of Rs 310.54 crore under different heads in 1998-99 was offset by excess disbursements of Rs 204.31 crore under other heads resulting in net unspent provision of Rs 106.23 crore. The cases of major unspent provisions are given below :-

*(Rupees in crore)*

S. No.	Sub-head	Major head	Total provision	Actual disbursements	Unspent provision	Reasons for unspent provision
1.	Family Welfare - Expenditure in UT without Legislature	2211	2.45	0.59	1.86	Non-undertaking of expansion activities owing to delay in finalization of EFC proposal.
2.	National Institute of Health & Family Welfare, New Delhi	2211	13.00	6.24	6.76	Availability of unspent balance of previous year.
3.	Demographic and other Communications Research	2211	7.95	3.50	4.45	Non-undertaking of expansion activity for Population Research centres.
4.	Reproductive and Child Health Project	2211	563.00	448.83	114.17	Slow progress of the project.
		3601	415.00	395.31	19.69	
		3602	5.00	3.46	1.54	
5.	Compensation	2211	2.00	0.04	1.96	Non/delay in

S. No.	Sub-head	Major head	Total provision	Actual disbursements	Unspent provision	Reasons for unspent provision
						implementation of Community Incentive scheme.
		3601	120.60	97.67	22.93	
		3602	1.40	0.91	0.49	
6.	Selected Area Programme (including India Population Project)	2211	35.00	24.54	10.46	Engagement of fewer professionals, fewer studies undertaken, economy measures and delay in cost revision of the project
		3601	59.30	26.75	32.55	Availability of unspent balance with the State/UTs from the previous year.
		3602	5.00	2.50	2.50	
7.	Free supply of Family Planning Material	2211	92.20	87.39	4.81	Lesser supply by firms due to sample failure and less demand from State/UT Governments.
		3601	89.00	81.78	7.22	
8.	Family Welfare Programme in other Ministries	2211	3.00	1.20	1.80	Less demand of family planning materials from Ministries of Railway and Defence
9.	Social Marketing of Nirodh	2211	70.00	50.97	19.03	Less demand from distributing companies, non-receipt of stores and non-submission of bills by the distributors
10.	Involvement of Voluntary Organisation	2211	8.17	3.93	4.24	Receipt of fewer proposals from Voluntary Organisations, lesser activities undertaken due to economy instructions and PVOH Scheme implemented with US Aid assistance came to end during 1998-99.
11.	Innovation of Family Welfare Services project for Uttar Pradesh	2211	60.00	46.43	13.57	Cut imposed by the Ministry of Finance and restriction of disbursements to bench mark achievement.

### 16.3.6 Persistent unspent provisions under welfare schemes

#### 16.3.6.1 Demographic and other communications Research

The Union Health Ministry have established a network of 18 Population Research Centers (PRCs) in various universities and other institutions of national repute scattered over 17 major states of India for carrying out research on various topics of Population Research, Population Control, Demographic and Socio-Demographic Surveys and Communications aspects of Population and Family Welfare programmes. During 1996-99, the actual budget provision, total disbursements and unspent provision were as shown below :-

*(Rupee in crore)*

Year	Budget provision	Actual disbursements	Unspent provision
1998-99	7.95	3.50	4.45
1997-98	7.00	2.95	4.05
1996-97	4.35	2.74	1.61

Unspent balances revealed that budget provisions were made without review of disbursement trend of previous years.

#### 16.3.6.2 Selected Area Programme (including India Population Project)

Area projects were taken up in different states with the financial assistance from external funding agencies like World Bank, United Nation's Fund for Population Activities (UNFPA), Overseas Development Agency and DANIDA with the aim of reducing maternal and child mortality and morbidity and birth rates. Under these projects, upgrading the skill of man power through training and programme management and construction of institutional buildings for service delivery and training and also for staff quarters received focussed attention. During the last three years budget provision and disbursements were as under :-

*(Rupee in crore)*

Year	Budget provision	Actual disbursements	Unspent provision	
			Amount	Percentage
1998-99	120.00	74.49	45.51	38
1997-98	150.00	43.72	106.28	71
1996-97	190.00	186.16	3.84	2

From the above table, it was evident that although the budget provision had continuously been reduced during 1996-99, there were still persistent unspent provisions under the scheme. The percentage of unspent provision which was nearly two *per cent* during 1996-97 had risen steeply and reached 71 and 38 *per cent* during the 1997-98 and 1998-99 respectively, which not only indicated the improper budgetary assumptions but also non-seriousness on the part of the implementing authorities of the schemes/department.

### 16.3.6.3 Reproductive and Child Health Project

From 1997-98, the Child Survival and Safe Motherhood (CSSM) programme was integrated into Reproductive and Child Health (RCH) programme by adding the components of Reproductive Tract Infections and Sexually Transmitted Infections. The process of integration of related programmes with the CSSM programme was further strengthened in 1994 when the International Conference on Population and Development in Cairo recommended that the participant countries should implement unified programmes for reproductive and child health. This programme aimed at improving the health status of young women and children. During the year 1997-99 the unspent provision under this scheme was as shown below :-

*(Rupee in crore)*

Year	Budget provision	Actual disbursements	Unspent provision
1998-99	983.00	847.60	135.40
1997-98	150.00	148.60	1.50

The unspent provision under the head Reproductive and Child Health Project was Rs 1.50 crore in 1997-98, which increased to Rs 135.40 crore in 1998-99.

## 16.4 Ministry of Rural Areas and Employment (Grant No. 72 – Department of rural Development)

### 16.4.1 Introduction

The basic function of the Ministry of Rural Areas and Employment is to realise the objectives of alleviating rural poverty and ensuring improved quality of life for the rural population, especially those below the poverty line. These objectives are sought to be achieved through formulating developing and implementing programmes relating to various spheres of rural life and activities from income generation to environmental replenishment.

The Ministry consists of the following three Departments:

1. Rural Development
2. Rural Employment and Poverty Alleviation
3. Wastelands Development



The provision of Drinking Water Supply and Social Assistance to the Destitute form the main components of the activities of the Department of Rural Development. Apart from this the Department provides the support services and other quality inputs such as development of agricultural marketing, land reforms, betterment of revenue system and land records, panchayatiraj institutions, training and research, human resource development, development of voluntary action, etc. for the proper implementation of the poverty alleviation and employment programmes.

#### **16.4.2. Overall position**

The overall position under voted portion of revenue section of the grant of Rural Development for the years 1994-99 showing total provisions including supplementary grant, actual disbursements and unspent balance, are indicated below.

*(Rupees in crore)*

<b>Year</b>	<b>Total provision</b>	<b>Actual disbursements</b>	<b>Unspent provision</b>	<b>Amount surrendered</b>
1998-99	2560.67	2434.88	125.79	123.27
1997-98	2216.20	2055.89	160.31	158.11
1996-97	2115.59	1817.51	398.08	396.22
1995-96	8268.18	7965.16	303.02	294.37
1994-95	7333.77	7333.16	0.61	1.63

From the above, it would be seen that there were persistently large unspent provisions during all these years. Persistent large amount of unspent provision is indicative of unrealistic budgetary assumptions and slackness in implementation of rural development schemes in the department.

#### **16.4.3 Surrender of unspent provision**

Scrutiny of the Appropriation Accounts revealed that in all the five years during 1994-99 the Ministry surrendered the unspent provision on the last day of the financial year irrespective of the fact that the Revised Estimates were approved in January/February every year.

#### **16.4.4 Unspent provision and excess leading to net unspent provision**

The gross unspent provision of Rs. 132.84 crore in 1998-99 was offset by excess of Rs. 7.05 crore under other heads resulting in net unspent provisions of Rs 125.79 crore. Similar position had also occurred in 1997-98 and 1996-97 as shown under:

(Rupees in crore)

Year	Gross unspent provision	Unspent provision offset by excess disbursements	Net unspent provision
1998-99	132.84	7.05	125.79
1997-98	174.71	14.40	160.31
1996-97	426.90	28.82	398.08

Few cases of major unspent provisions were as under:

(Rupees in crore)

Sl. No.	Name of sub head	Total provision	Actual disbursements	Unspent amount	Reasons advanced by the Department
<b>1998-99</b>					
Major Head - 2235-Social Security and Welfare					
1	Direction and Administration – Establishment	1.82	0.69	1.13	Due to post budget decision to meet an administrative expenses on implementation of various National Social Assistance Programme from the concerned heads.
2.	Information Education and Communication.	5.00	1.20	3.80	Due to availability of unspent balances with implementing agencies.
3	National Maternity Benefit Scheme - Assistance to Implementing Agencies	87.44	56.77	30.67	-do-
Major Head 2435 Other Agricultural Programme					
4.	Market Survey and Investigation	5.89	4.60	1.29	Due to non-filling up of vacant posts and mandatory cut imposed by the Ministry of Finance at revised estimate stage.
5.	Strengthening of Agmark grading facilities	8.41	7.09	1.32	Due to cut imposed by Ministry of Finance at revised estimate stage, less printing of Agmark labels and less procurement of machinery and equipment.
Major Head - 2515 -Other Rural Development Programme.					
6.	Panchayat Raj - Panchayat Development and training.	1.75	0.54	1.21	Due to availability of unspent balances with the implementing agencies.
7.	Organisation of Beneficiaries	3.50	1.75	1.75	-do-
Major Head - 3601 -Grants- in -aid to State Governments -Grants for Central Plan Schemes					
8.	Strengthening of Extension training Centres.	3.00	1.99	1.01	-do-
Grants for Centrally Sponsored Plan Schemes					
9.	Information, Education and Communication	2.00	--	2.00	Due to post budget decision to release funds to the Government of Sikkim under normal Accelerated Water Supply Programme.
10.	Management Information System and Computerisation.	8.00	--	8.00	-do-
11.	Human Resource Development.	3.00	0.58	2.42	Due to carry forward of unspent balances with the implementing agencies.
12.	Sewerage and Sanitation - Sanitation Services.	95.35	61.84	33.51	-do-
<b>1997-98</b>					
Major Head - 2215 - Water Supply and Sanitation					
1.	Information, Communication Education	2.50	1.47	1.03	Due to non preparation of projects involving various media aspects on benefits of Water Supply and Sanitation.
2.	Monitoring Information system	2.00	--	2.00	Due to non finalisation of tenders and other.

Sl. No.	Name of sub head	Total provision	Actual disbursements	Unspent amount	Reasons advanced by the Department
	and Computerisation				required formalities owing to court cases
3.	Assistance to CAPART	7.00	3.50	3.50	Due to non receipt of viable projects on Rural Sanitation programme.
4.	Direction and Administration - Establishment.	1.82	0.73	1.09	Due to less disbursements on tour activities than anticipated and also due to non materialisation of purchase of machinery and equipment.
5.	National Old Age pension Scheme - Assistance to Implementing Agencies.	445.64	386.27	59.37	Due to less release of funds owing to non-fulfilment of the conditions for release of subsequent instalments.
6.	National family benefit Scheme	159.65	117.58	42.07	-do-
7.	National Maternity Benefit Scheme - Assistance to Implementing Agencies	87.44	49.58	37.86	-do-
<b>Major Head - 2515 - Other Rural Development Programme.</b>					
8.	Grants to Council for Advancement of People's Action and Rural Technology.	12.00	6.00	6.00	Due to non release of second and subsequent installments owing to adverse findings by the CAG of India and less requirement of funds from CAPART owing to receipt of less viable projects from non-Government organisation.
9.	Promotion of Voluntary Schemes and Social action programme.	10.01	1.55	8.46	Less requirement of funds from CAPART owing to receipt of less viable projects and non release of 2nd and subsequent instalments.
10.	Organisation of Beneficiaries	3.50	0.50	3.00	-do-
<b>Major Head - 3601 Grants-in-aid to State Governments</b>					
11.	Information, Education and Communication	6.97	4.30	2.67	Due to non receipt of adequate number of proposals for release of funds from various State Governments due to lack of experiences of recently developed software programme.
<b>1996-97</b>					
<b>Major Head - 2215 - Water-Supply and Sanitation</b>					
1.	Assistance to CAPART	15.00	--	15.00	Due to non-receipt of proposals for release of funds from Council for Advancement of People's Action and Rural Technology owing to less utilisation of resources made available in the previous year.
2.	Rural Water Supply Programme – Research	3.00	0.58	2.42	Due to shortfall in requirement of funds owing to inadequate number of projects approved by the Research Advisory Committee.
<b>Major Head - 2235 - Social Security and Welfare</b>					
3.	Direction and Administration	7.76	2.29	5.47	Due to receipt of lesser proposals for publicity, exhibitions from implementing agencies from states like Maharashtra, Gujarat, Rajasthan and all North Eastern states.
4.	National Old Age Pension Scheme - Assistance to Implementing Agencies	511.45	373.85	137.60	Due to non-achieving of targets under the schemes by certain State Governments.
5.	National Family Benefit Scheme	266.09	107.32	158.77	-do-
6.	National Maternity Benefit Scheme - Assistance to Implementing Agencies.	145.74	67.58	78.16	-do-
<b>Major Head - 3601 - Grants-in-aid to State Governments</b>					
7.	Human Resource Development	7.00	5.76	1.24	Due to less requirement of funds from a few

Sl. No.	Name of sub head	Total provision	Actual disbursements	Unspent amount	Reasons advanced by the Department
					states than originally anticipated.
8.	Rural Water Supply Programme - Economic-Census - 1996	15.00	--	15.00	Non utilisation of fund by Department of Statistics.

#### 16.4.5 Excess disbursements

There had been an excess disbursements of Rs 14.55 lakh in the charged portion of the Revenue section, which has been included in Chapter-XI of this Report, requires regularisation.

#### 16.4.6 Persistent unspent provisions

Some of the schemes pertaining to rural development, most affected by unspent provisions, were as under:

##### 16.4.6.1 National Social Assistance Programme

The National Social Assistance Programme. (NSAP) came into effect from 15 August 1995. The NSAP is a centrally sponsored programme with 100 *per cent* central funding to the State/Union Territory Governments to provide the benefits under its three components. National Old Age Pension Scheme; National Family Benefit Scheme and National Maternity Benefit Scheme. The budget provision, actual disbursements and the unspent provision for the year 1996-99 in respect of the schemes were as under:

(Rupees in crore)

Year	Sanctioned provision	Actual disbursements	Unspent provision
1998-99	700.00	640.11	59.89
1997-98	700.00	559.42	140.58
1996-97	932.00	551.56	380.44

Large persistent unspent provision under the scheme indicated that there was slackness on the part of the Department/implementing agencies in implementation of the scheme and the budget estimates were framed without adequate review of the trend of disbursements.

##### 16.4.6.2 Central Rural Sanitation Programme

The scheme of rural sanitation aims at supplementing the efforts made under different central and state sector programme for improving sanitation facilities in rural areas. The programme include interalia construction of sanitation latrines for individual households below poverty line, village complexes for women, drains and other sanitation facilities. The physical progress/shortfall of the scheme for 1996-99 is as under.

Year	Annual Target of sanitary latrines	No. of sanitary latrines constructed	Short fall	Percentage of Shortfall
1998-99	1598322	580262	1018060	64
1997-98	1500157	749763	750394	50
1996-97	788173	464903	323270	41

The percentage of shortfall ranged between 41 and 64 *per cent*, which shows that there was slackness on the part of the Department in implementation of the scheme. During 1997-99, the budget provision, actual disbursements and unspent provision under the scheme were as under:

*(Rupees in crore)*

Year	Sanctioned provision	Actual disbursements	Unspent balance
1998-99	100.00	64.85	35.15
1997-98	100.00	96.67	3.33

#### 16.4.7 Non-reconciliation of figures of Annual Accounts and Appropriation Accounts

On perusal of the Annual Accounts and Appropriation Accounts it was observed that there was wide difference in the disbursement figures in both the sets of account. Few cases are as under:

*(Rupees in crore)*

Sl. No.	Schemes	1998-99		1997-98		1996-97	
		Annual Report	Apprn. Account	Annual Report	Apprn. Account	Annual Report	Apprn. Account
1.	Accelerated Rural Water Supply Programme.	621	1612	864	1301	355	1095
2.	National Social Assistance Programme	429	640	443	559	307	552
3.	Central Rural Sanitation Programme	42	65	61	97	-	-

The difference in the figures of two sets of accounts need to be reconciled.

#### 16.4.8 Utilisation certificate

As per Rule 150 of General Financial Rules the certificate of utilisation of grants is required to be submitted by the sanctioning authority to the Controller of Accounts. The purpose of furnishing the certificate is to ensure that the grants had been utilised properly and for the purpose for which they were sanctioned and where the grants released were conditional, the prescribed conditions had been fulfilled.

Scrutiny of records pertaining to utilisation certificates for the grants released during 1996-97 and 1997-98 by the Department of Rural Development revealed that utilisation certificates amounting to Rs. 2328.67 lakh were outstanding as of 15 September 1999 from 25 DRDAS as per details given below:

(Rupees in lakh)

Name of Ministry/department of sanction Grant-in-aid	Period of Sanction of grant	Sanctioned		U.Cs received		Outstanding	
		No. of DRDAS	Amount	No. of DRDAS	Amount	No. of DRDAS	Amount
Min. of Rural Development	1997-98	513	54502.53	490	52307.36	23	2195.17
	1996-97	506	42158.11	504	42024.61	2	133.50

In the absence of utilisation certificates, it cannot be ascertained if the grants were actually utilised for the purpose for which they were sanctioned.

#### 16.4.9 Rush of disbursements during March

Large amounts were released by the Department in the month of March 1997, March 1998 and March 1999, as under:

(Rupees in lakh)

Sl. No.	Grant and Major Head	Total disbursements	Disbursements incurred in March	Percentage of disbursements during March
<b>1996-97</b>				
1.	2435 - Other Agricultural Programme	55155	25308	46.00
2.	2506 – Land Reforms	1442	238	16.50
3.	2515 - Other Rural Development Programme	18	7	38.88
4.	3451 – Sectt. Economic Service	4380	1411	32.21
5.	3601 - Grants-in-aid to State Governments	90487	16674	18.42
<b>1997-98</b>				
<b>Grant No.71 Department of Rural Development</b>				
1.	2235 - Social Security and Welfare	55783.97	17309.42	31.03
2.	2435 - Other Agricultural Programme	1735.8	384.25	22.14
3.	2515 - Other Rural Development Programme	2257.61	335.27	14.85
<b>1998-99</b>				
1.	2506 - land Reforms	73.44	9.34	13.30
2.	2515 - Other Rural Development Programme	5379.48	1670.65	31.42

Since the funds released in March to voluntary organisations/State/ Union Territory Governments and other organisations/ implementing agencies cannot constructively be spent during the year, it is not possible to conclude whether these funds were applied for the purpose for which these were provided during the year. Release of funds at the fag end of the financial year was indicative of deficient financial management.

## 16.5 Ministry of Textiles (Grant No-82)

### 16.5.1 Introduction

The Ministry is responsible for the formulation of policies regarding production, distribution for domestic consumption and exports and development of all textiles including cotton, woolen, jute, silk, synthetics, etc. produced on handlooms, powerlooms and in mills. Ministry is also responsible for readymade garments, handicrafts and industries related to production of silk and cellulosic fibres. Ministry monitors the techno-economic status of industry, provides requisite policy framework for modernisation and rehabilitation, coordinate the activities and lends financial support to research associations in the sector.

### 16.5.2 Overall position

During 1994-1999, the overall position of budget provision, actual disbursements and unspent amount was as under:-

(Rupees in crore)

Year	Total provision		Actual disbursements		Unspent provision	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
1998-99 Voted Charged	428.10	587.69 6.00	407.21 --	587.52 5.99	20.89 --	0.17 0.01
1997-98 Voted Charged	450.45 --	680.42 6.00	407.23 --	668.45 6.00	43.22 --	11.97 --
1996-97 Voted Charged	550.25 0.50	478.60 3.00	459.24 0.50	476.33 3.00	91.01 --	2.27 --
1995-96 Voted Charged	614.25 --	364.04 --	500.08 --	355.97 --	114.17 --	8.07 --
1994-95 Voted Charged	716.61 --	235.90 13.00	475.23 --	220.62 8.01	241.38 --	15.28 4.99

From the above, it would be seen that there were unspent amount under revenue heads during all years, though the position has improved over the years.

**16.5.3 Unspent amount and excess leading to net unspent provision**

Under revenue (voted) section of the grant the gross unspent provision of Rs 31.75 crore in 1998-99 was partly offset by excess disbursements of Rs 10.86 crore under other heads resulting in net unspent provision of Rs 20.89 crore. Few cases of major unspent provision / excess are as under:-

**(a) Cases under which major amount remained unspent:-***(Rupees in crore)*

Sl. No.	Name of Sub Head.	Total provision	Actual disbursements	Unspent provision	Reasons advanced by Ministry
<b>2851 - Village and Small Industries</b>					
1.	Handloom Development.	12.59	10.65	1.94	Due to reduction of Plan outlay by the Ministry of Finance owing to economy measure.
2.	Weavers Service Centre	13.12	11.08	2.04	Due to non-filling up of vacant posts and less disbursements on training of the weavers.
3.	Special Rebate/MDA on sale of Handloom cloth to North Eastern Handicrafts and Handloom Development Corporation/ Rehabilitation Industries Corporation.	1.00	-	1.00	Due to discontinuance of the scheme in April 1998.
4.	Special Rebate/MDA on sale of Handloom cloth to All India Handloom Fabrics Marketing Co-operative Society Ltd.,	2.90	0.10	2.80	-do-
5.	Scheme for Handlooms Exports Development.	5.00	3.35	1.65	Due to reduction of Plan outlay by the Ministry of Finance owing to economy measures.
6.	Training and Extension.	29.24	27.69	1.55	-do-
7.	Design and Technical Development.	7.63	5.92	1.71	-do-
<b>2852 - Industries</b>					
8	Textile Commissioner	9.00	7.92	1.08	Due to non-filling up of vacant posts and economy measures.
9.	Assistance for Research and Development.	34.04.	33.00	1.04	Due to reduction of Plan outlay of the Ministry by Ministry of Finance owing to economy measures.
10.	Textile Labour Rehabilitation scheme.	16.24	14.85	1.39	Non-finalisation of



Sl. No.	Name of Sub Head.	Total provision	Actual disbursements	Unspent provision	Reasons advanced by Ministry
					rehabilitation cases by the State Government of Gujarat
11.	Textile Modernisation and Technical upgradation.	1.00	-	1.00	Due to reduction of plan outlay of the Ministry by Ministry of Finance owing to economy measures.
<b>3601 - Grants-in-aid to State Governments</b>					
12.	Project Package scheme for Handloom weavers.	36.80	32.08	4.72	-do-
	<b>“4851” - Capital outlay on village and Small Industries.</b>				
13.	Building for Institute of Carpet Technology.	1.08	-	1.08	-do-

(b) Sub-Heads/Schemes under which major excess over the budget provision occurred though funds were also provided by valid re-appropriations from other heads.

(Rupees in crore)

S. No.	Sub-Head	Total (O&S) provision	Actual disbursements	Excess	Reasons for excess advanced by Ministry
<b>2851-Handloom Industries.</b>					
1.	Promotional and Development Activities.	0.75	1.82	1.07	Due to assistance to Institute of Carpet Technology for up-keep of the building.
2.	Research and Development.	1.50	2.67	1.17	Due to increased disbursements on pay and allowances and to settle court cases.
<b>2852 - Industries</b>					
3.	Payment to Textile Committee against Collection of cess on Textile.	10.00	12.00	2.00	Due to settlement of liability for the payment of second instalment of arrear for the 5th Central Pay Commission report.
4.	Grants to PSUs for Voluntary Retirement Scheme.	O 5.30 S 0.73 ----- 6.03 -----	10.73	4.70	Due to more applications received for the Voluntary Retirement Scheme

S. No.	Sub-Head	Total (O&S) provision	Actual disbursements	Excess	Reasons for excess advanced by Ministry
<b>“6851-Loans for Village and Small Industries.</b>					
5.	North Eastern Handicrafts and Handloom Development Corporation Limited.	0.50	2.38	1.88	Due to reimbursement of cash losses.
<b>6860 Loans for Consumer Industries.</b>					
6.	National Textile Corporation.	O 380.00 S 20.00 ----- 400.00 -----	408.00	8.00	Due to more loans sanctioned to the sick Public Sector Undertakings to enable them to pay salaries and wages to their employees.
7.	National Jute Manufactures Corporation.	60.00	104.11	44.11	-do-

#### 16.5.4 Unrealistic budgeting

As per instructions contained in Appendix-3 to Rule 53 of the General Financial Rules, ministries/departments are required to prepare their estimates, keeping in view the trends of disbursements during the previous years and other relevant factors like economy instructions issued by the Ministry of Finance.

A scrutiny of the Appropriation Accounts revealed that under the following sub-heads the entire provision remained unutilised, which indicated a tendency of over optimistic budgeting in Ministry.

(Rupees in crore)

S.No.	Major Head	Total provision	Amount reappropriated from the head	Percentage of reappropriation.
<b>2851-Village and Small Industries.</b>				
1.	Special Rebate/MDA on sale of Handloom cloth to North Eastern Handicrafts and Handloom Development Corpn./Rehabilitation Industries Ltd.	1.00	1.00	100
2.	Special Rebate/MDA on sale of Handloom cloth to All India Handloom Fabrics Marketing Co-operative Society Ltd.	2.90	2.80	96
3.	Special rebate/MDA on sale of Handloom cloth to National Federation of Industrial co-op. Society.	0.10	0.10	100
4.	Grants for setting up of Institute of Handloom Technology.	0.11	0.11	100

S.No.	Major Head	Total provision	Amount reappropriated from the head	Percentage of reappropriation.
	<b>2852-Industries.</b>			
5.	Cotton Technology Mission.	0.79	0.79	100
6.	Contributions to Jute International.	0.66	0.66	100
	<b>4851 - Capital outlay on Village and Small Industries</b>			
7.	Building for Institute of Carpet Technology.	1.08	1.08	100

In cases of serial number 1,3,4,5,6 and 7 the entire provisions remained unutilised. The schemes at serial number 1 and 2 were discontinued with effect from 1 April 1998.

#### **16.5.5 Injudicious re-appropriation**

As per note 17 of Expenditure Budget Vol. II, for 1998-99, under Demand No.82, lump provision of Rs 100 crore was made for settling terminal dues of the employees of British India Corporation and its two subsidiaries - Elgin Mills and Cawnpore Textiles. From the re-appropriation order of 31 March 1999, the following re-appropriation has been made from the lump sum provision for terminal benefits of Rs.100 crore to corporations than those reported to Parliament violating the provisions of General Financial Rules.

*(Rupees in crore)*

i)	National Textile Corporation	21.93
ii)	National Jute Manufacturers Corporation	27.40
iii)	Jute Corporation of India	4.00
iv)	North Eastern Handicraft and Handloom Development Corporation	1.99

This is contrary to provision made in the Budget passed by Parliament.

#### **16.5.6 Disbursement on 'New Service/New Instrument of Service'**

Two cases attracting the provisions of 'New Instrument of Service' have been included in Chapter-XIV of this Report which require regularisation.

#### **16.5.7 Persistent unspent provision**

In the following sub-heads/schemes persistent unspent provision occurred during the last three years i.e 1996-99.

(Rupees in lakh)

Sl. No.	Sub-Heads/Schemes	Unspent provision		
		1996-97	1997-98	1998-99
<b>Major Head 2851.</b>				
1.	Handloom Industries. Handloom Development.	52.61 (29%)	689.33 (38%)	193.61 (15%)
2.	Institute of Handloom Technology.	39.67 (14%)	49.19 (17%)	35.52 (11%)
3.	Design and Technical Development.	97.58 (23%)	300.40 (43%)	171.38 (22%)

Persistent unspent provision ranging between 11 and 43 per cent indicated that budget was prepared unrealistically.

#### 16.5.8 Excess disbursements without re-appropriation of fund

As per provision of Annexure 'A' to note 3 under Rule 66 of the General financial rules, it is an important part of the function of the Accounts offices to see that no payment is made in excess of the budget allotment under any sub-head or primary unit of appropriation. In cases, where the existing provision is not sufficient to cover the payment, PAO can make payment only on receipt of an assurance in writing from the Head of Department controlling the grant that necessary funds to accommodate the disbursements will be provided by issue of re-appropriation orders etc.

Scrutiny of headwise Appropriation Accounts of Grant No.82 for the year 1998-99 of Ministry disclosed that the Pay and Accounts Offices released payment under the following head far in excess of the provision.

(Rupees in crore)

Sl. No.	Sub head	Sanctioned provision	Actual disbursements	Net disbursements without re-appropriation
1.	2852-08-202-09 Grants to Public Sector Undertakings for Voluntary Retirement Scheme	O. 5.30 R. 0.73	10.73	4.70

#### 16.5.9 Rush of disbursements in March.

Sizeable portion of the total disbursements under the following major heads were made in the month of March 1999.

(Rupees in crore)

S. No.	Major Head	Total disbursements during the year	Disbursements during March	Percentage of disbursements in March to total disbursements
<b>Revenue Section</b>				
1.	“2851”Village & Small Industries.	178.04	33.67	19
2.	“2852”Industries.	127.97	48.67	38
3.	“3453” Foreign Trade & Export Promotion.	1.73	1.52	89
4.	“3601” Grants in aid to State Govts.	94.18	44.07	47
5.	“3602”Grants in aid to Union Territories	1.00	0.40	40
<b>Capital Section</b>				
6.	“4851”Capital outlay on Village & Small Industries.	6.58	2.76	42
7.	“6851” Loans for Village & Small Industries.	3.81	2.08	55

Since the Parliament approves the budget for meeting the disbursements during the financial year to which it pertains and not for the subsequent years, the large amount of funds released in March to various organisations, state/union territory governments/implementing agencies, cannot constructively be spent during that year. Release of funds at the fag end of the financial year was indicative of deficient financial management.

#### 16.5.10 Surrender of unspent provision

Scrutiny of the Appropriation Accounts revealed that during the last five years as detailed below, the Ministry surrendered the unspent provision on the last day of the financial year except in the year 1998-99.

Year	Date of approval of REs	Date of surrender of unspent provision
1998-99	18.1.1999	15.3.1999
1997-98	2.2.1998	31.3.1998
1996-97	28.1.1997	31.3.1997
1995-96	19.1.1996	31.3.1996
1994-95	19.1.1995	31.3.1995

#### 16.5.11 Utilisation certificate

The Certificate of utilisation of grants is required to be submitted by the sanctioning authorities in the respective Ministry or Department to the Controller of Accounts.

Utilisation Certificates in respect of grants amounting to Rs 19.64 crore released upto 1997-98 were outstanding as of 30 September 1999.

## 16.6 Department of Atomic Energy (Grant No. 89 and 90 – Atomic Energy and Nuclear Power Schemes)

### 16.6.1 Introduction

The Department of Atomic Energy aims to harness atomic energy for a variety of applications, which contribute to development and welfare programmes of the country with emphasis on self-reliance.

Under the Department of Atomic Energy, there are five Research and Development Units, four Public Sector undertakings, three Industrial Units and three Service Organizations. It supports, by way of grants-in-aid, seven autonomous Research Institutes and a Society.

### 16.6.2 Overall position

During 1994-99, the provision and disbursements in Grant No. 89 and 90 (Atomic Energy and Nuclear Power Schemes) of the Department of Atomic Energy (DEA) were as under.

*(Rupees in crore)*

Year	Atomic Energy Grant No 89				Nuclear Power Scheme Grant No 90			
	Total provision/ appropriations	Actual disbursements	Unspent provision	Surrender	Total provision/ appropriations	Actual disbursements	Unspent provision	Surrender
1998-99	1858.81	1800.70	58.11	47.89 (10.22)	2149.28	1992.87	156.41	126.81 (29.60)
1997-98	1584.03	1493.46	90.57	41.01 (49.56)	1484.18	1415.34	68.84	27.00 (41.84)
1996-97	1270.48	1258.67	11.81	3.81 (8.00)	1012.77	1005.44	7.33	6.04 (1.29)
1995-96	1271.96	1170.45	101.51	87.50 (14.01)	816.01	789.79	26.22	25.76 (0.46)
1994-95	1234.45	1131.26	103.19	87.97 (15.22)	734.63	567.07	167.56	101.54 (66.02)

(Figures in bracket indicate amount not surrendered)

It would be seen from the above that the Department ended up with large unspent provision every year.

### 16.6.3 Surrender of unspent provision

All the surrenders in 1994-99 were made between 15 and 29 March. Of the total unspent provision of Rs 58.11 crore and Rs 156.41 crore registered by Department of

Atomic Energy in respect of Grant Nos. 89 and 90 during 1998-99, the Department surrendered a total of Rs 174.70 crore only on 24 March 1999.

Persistent unspent provision, delay in the surrender of unspent provision and failure to surrender the entire unspent provision is indicative of shortcomings in the financial management.

The Department stated in August 1999 that effort would be made to advance the surrender in future.

#### **16.6.4 Persistent unspent provision under specific heads**

Unspent provision in the grant indicate that the disbursements could not be made as estimated, anticipated and planned. These are indicative of deficient budgeting or shortfall in performance depending upon the circumstances and purposes for which the original grant/appropriation was provided.

Sequential to the observation made by the Public Accounts Committee (Eight Lok Sabha) in its 147th Report, Ministry of Finance instructed in February 1990 that utmost care should be exercised in framing budget estimates under each sub-head so that actuals are not substantially different from the sanctioned provisions. Public Accounts Committee in para 1.24 of its 60th Report presented in February 1994 to the Tenth Lok Sabha had again adversely commented about the sharp increase in the unspent provision as compared to the sanctioned provisions.

Test check of Appropriation Accounts of DAE revealed that persistent unspent provision were recorded in four sub-heads of Grants No 89 and 90, where unspent provision was more than Rupees one crore and ranged between 17 and 99 per cent of the sanctioned provision as detailed below.

**Table 16.6.4 Statement showing cases of persistent unspent provision**

Sr. No.	Major Head/Sub-head	Unspent provision (Percentage of unspent provision)			Reasons attributed by the Department for unspent provision in 1998-99
		1996-97	1997-98	1998-99	
	Grant No-89-Atomic Energy				
1.	3401-Atomic Energy Research-Assistance to Universities, Research Institution Societies and Non-government Institutions	2.23 (17%)	3.40 (23%)	5.50 (26%)	Due to non receipt of requisite data from the institutions.
2.	5401-Capital outlay on Atomic Energy Research- Other Housing Scheme	2.21 (85%)	1.49 (70%)	2.94 (76%)	Due to non-receipt of financial sanctions, delay in

Sr. No.	Major Head/Sub-head	Unspent provision (Percentage of unspent provision)			Reasons attributed by the Department for unspent provision in 1998-99
					preparation of estimates, non-materialisation of purchase of land, etc
	Grant No 90-Nuclear Power Schemes				
3.	4801-Capital outlay on power projects-Waste Immobilisation Plant at Kalpakkam	2.83 (33%)	1.62 (29%)	1.17 (16%)	Due to slow progress of major works.
4.	4801-Additional Upgrading Facility for Nuclear Power Plant	2.82 (64%)	4.35 (72%)	14.79 (99%)	Due to delay in procurement of machinery and equipment owing to embargo, delay in receipt of supplies and materials and resultant delay in civil and allied works.

Persistent unspent provision revealed inadequate monitoring system and unrealistic estimates.

The Department stated in August 1999 that it had already taken up the issue with concerned project authorities with due seriousness and requested them to carry out accurate review and emphasized the need for further realistic approach to budgeting.

#### **16.6.5 Avoidable demand of supplementary grants**

If the amount provided in the sanctioned budget for any service in a financial year is found to be insufficient for the purpose in that year or when a need has arisen during that year for supplementary or additional disbursements upon the services not contemplated in original budget for that year, Government has to obtain supplementary grant in accordance with the provision of Article 115(1) of the Constitution.

While obtaining the supplementary grant, the Department has to keep in view the resources available or likely to be available during the year and exercise due caution for forecasting its additional budgetary requirements of funds.



Resort to supplementary budget should be in exceptional and urgent cases only.

On test check of the Appropriation Accounts of Grant No. 89 (Atomic Energy) for 1998-99 it was observed that in respect of the following sub-heads the Department in the Grant statement had indicated augmentation of original provision through supplementary grants. However, when the demand for the supplementary grant did not materialise, the Department withdrew the exhibited supplementary grant in the grant statement through an amendment in May 1999. Moreover, the Department managed to meet the requirement under these sub-heads within the overall original sanctioned Grant as shown below. Even after meeting the additional requirements in respect of these three sub-heads, there was a net unspent provision of Rs 5.01 crore under Revenue section in Grant No. 89. Thus, the demand for the supplementary grant was not based on realistic estimates. Had the demand for the second batch of supplementary grant materialized, the net unspent provision would have gone up to Rs 22.76 crore.

*(Rupees in crore)*

Sl. No.	Sub-head	Amount demanded in 2nd Supplementary	Sanctioned provision	Actual disbursements	Excess
	<b>Major head 2852-Industries</b>				
1.	(i) Board of Radiation and Isotope Technology (BRIT)	3.55	18.14	21.30	3.16
2.	(ii) Fuel Fabrication Facilities (FFF)	6.43	270.98	273.76	2.78
	<b>Major head 3401-Atomic Energy Research</b>				
3.	(iii) Bhabha Atomic Research Centre (BARC)	7.77	151.63	157.58	5.95

The Department while accepting the fact stated in August 1999 that the units were being advised to critically review their requirements of funds and project the budget accordingly. There is, thus, a need for strengthening the basis of estimation and appropriate assumption for its programmes to project the needs realistically.

#### **16.6.6 Disbursements made without sanction to avoid lapse of fund**

In accordance with the provisions of Rule 6 of General Financial Rules subject to provisions of Article 266(3), 267(1) and 283(1) of the Constitution, no authority may incur any expenditure or enter into any liability involving expenditure or transfer of moneys for investment or deposit from Government account unless such expenditure or transfer of moneys for investment or deposit from Government account as the case may be, has been sanctioned by general or special order of the Government or by any authority to which power has been delegated in this behalf.

Department of Atomic Energy released Rs 5.00 crore to Indian Rare Earths Limited towards the share capital for equity participation in a joint venture with a foreign

company in March 1999 and debited the disbursements to the sub-head investment in Public Sector and other undertaking- Indian Rare Earths Limited under Major Head "4861"-Capital Outlay on Atomic Energy Industries under Grant No., 89- Atomic Energy, despite the fact that Government had not approved the proposed joint venture with foreign firm.

The certificate recorded in Appropriation Accounts that all disbursements incurred in the Head-wise Appropriation Accounts in respect of Grant No. 89 (Atomic Energy) has been sanctioned by the competent authority was not correct to this extent.

The department stated in August 1999 that Rs 5.00 crore was released to IREL on the basis of sanction issued by competent authority and as such the certificate endorsed in the Appropriation Accounts was correct.

In December 1999, the Department stated that as the discussion with the foreign firm was in advanced stage and it was expected that the joint venture would materialize soon, the fund was released. The Department further, stated that the joint venture proposal after signing the agreement with the firm was in process for Cabinet's approval.

The Department's reply is not tenable because Joint Secretary (Internal Financial Advisor) and Joint Secretary (Industry and Minerals) while authorising the release of Rs 5.00 crore had stated that the joint venture was likely to be approved by Government and Rs 5.00 crore, if not released would lapse.

### **16.6.7 Disbursements infringing Government Orders**

The Ministry of Finance while issuing guidelines on expenditure management - fiscal prudence and austerity, reiterated in August 1998 that the budget formation should lay greater emphasis on explicit recognition of the revenue constraints and there must be strict and rigid adherence to budgetary ceilings. Moreover, it was also emphasised that all releases to Public Sector Undertakings against budgeted outlays should be made only after adjusting the defaults in the obligation of repayment of loans or any other payments due from Public Sector Undertakings.

- i) Contrary to the above guidelines, DAE had released Rs 11.00 crore as share capital and Rs 26.00 crore as loan to Electronics Corporation of India Limited and debited the disbursements to Major Head 4859- Capital Outlay on Telecommunication and Electronics Industries and 6859-Loans for Telecommunications and Electronic Industries respectively, under Grant No. 89- Atomic Energy, eventhough Rs 29.76 crore were due to DAE from ECIL on account of loan and interest till 31 March 1999. The concurrence obtained from Member (Finance) for the deferment of loan instalments from ECIL was valid only upto 31 March 1998. However, on being pointed out by Audit the Department stated in December 1999 that approval of the Ministry of Finance had since been obtained for deferment of repayment of outstanding Government loans and interest thereon by ECIL to the extent of Rs 29.76 crore as on 31 March 1999 for two years i.e upto 1999-2000.

The release of Rs 37.00 crore to ECIL as share capital and loan without obtaining specific prior approval from the Secretary (Expenditure) for waiving or declaring moratorium for the adjustment of dues of Rs 29.76 crore from ECIL was therefore, irregular.

- ii) Similarly, eventhough the cumulative outstanding dues from Nuclear Power Corporation of India Limited worked out more than Rs 2416.46 crore at the end of March 1999, which is more than the total grant of Rs 2149.28 crore provided for Nuclear Power Schemes under Grant No. 90- Nuclear Power Schemes for the year 1998-99, the Department released the entire budgetary provision of Rs 771.91 crore provided as equity under "4801- Capital Outlay on Power Projects- Investment in Nuclear Power Corporation of India Limited" instead of adjusting the Government outstanding dues from it as per Government orders without obtaining specific approval from the Secretary (Expenditure) for waiver or moratorium for the adjustment of dues from NPCIL. Moreover, it augmented the budgetary provision by Rs 4.50 crore by re-appropriation and released a total amount of Rs 776.41 crore to NPCIL as equity during 1998-99.

The Department stated in September 1999 that the matter of obtaining specific approval from Secretary (Expenditure) for waiving or declaring moratorium for the adjustment of dues from the NPCIL is under active consideration of the Department.

### 16.6.8 Injudicious re-appropriation

A Grant or Appropriation for charged disbursements is distributed by sub-heads or standard objects called primary units under which it is accounted for. Re-appropriation of funds can take place between primary units of appropriation within a grant or appropriation before the close of financial year to which such grant or appropriation relates. Re-appropriation of funds should be made only when it is known or anticipated that the appropriation from the unit for which funds are to be transferred will not be utilised in full or that unspent provision can be effected in the appropriation of the unit.

#### 16.6.8.1 Injudicious re-appropriation to sub-head

In 10 sub-heads in Grant No. 89 (Atomic Energy) and 90 (Nuclear Power Schemes) re-appropriations aggregating Rs 10.54 crore were injudicious as the original provisions under the sub-heads to which funds were transferred by re-appropriation were more than adequate and consequently there were final unspent provisions amounting to Rs 15.94 crore under those sub-heads which were more than the amount re-appropriated to those sub-heads. Details are as under

(Rupees in lakh)

Sr. No.	Major Head	Sub-head	Amount of re-appropriation to sub-head	Amount of final unspent provision after re-appropriation
<b>Grant No. 89</b>				
1.	2852-Industries	Stainless Steel Seamless Tube Plant	128.00	396.44
2.	3401-Atomic Energy Research	Miscellaneous Research Schemes	40.00	72.84
3.	-do-	Purchase and Stores Organisation	28.00	108.49
4.	-do-	International Atomic Energy Agency	15.00	51.73
5.	5401-Capital Outlay on Atomic Energy Research	IGCAR-Civil Engineering	180.25	182.10
6.	-do-	IGCAR-Electronic and Instrumentation	49.00	84.86
7.	-do--	CAT- Laser Programme Expansion	20.00	37.40

Sr. No.	Major Head	Sub-head	Amount of re-appropriation to sub-head	Amount of final unspent provision after re-appropriation
8.	-do-	Saha Institute of Nuclear Physics	30.00	59.24
9.	-do-	Mehta Research Institute of Mathematics and Mathematical Physics, Allahabad	40.00	40.00
	<b>Grant No. 90</b>			
10	2801-Power	Tarapur Atomic Power Station	524.00	560.61
		<b>Total</b>	<b>1054.25</b>	<b>1593.71</b>

The Department stated in August 1999 that all the re-appropriations were made and necessary orders issued based on the definite commitment on hand, some of which did not materialize due to various reasons.

#### **16.6.8.2 Injudicious re-appropriation from sub-head**

Similarly, there was injudicious re-appropriation in nine sub-heads in Grant No. 89 (Atomic Energy) and Grant No. 90 (Nuclear Power Schemes) wherein the original provision from which funds were transferred, was inadequate and there was final excess under those sub-heads. Details are as under :

(Rupees in lakh)

Sr. No.	Major head	Sub-head	Original	Re-appropriation from the sub-head	Total expenditure	Excess disbursements after re-appropriation
	<b>Grant No. 89</b>					
	2852-Industries	Board of Radiation & Isotope Technology	1814.00	(-)33.00	2130.42	(+)349.42
	3401-Atomic Energy Research	BARC	15163.00	(-)69.50	15758.27	(+)664.77
	3451-Secretariat-Economic Services	Department of Atomic Energy	836.00	(-) 126.50	730.80	(+) 21.30
	4861-Capital Outlay on Atomic Energy-Industries	Reclamation of Sour Oil-HWP, Manuguru	13.00	(-) 0.17	16.05	(+)3.22
	-do-	Scheme for use of Alternative chemical for regeneration of resins	24.00	(-) 6.54	29.71	(+)12.25
	5401-Capital Outlay on Atomic Energy-Research	Utilisation of INDUS-2	35.00	(-) 25.00	39.09	(+) 29.09
	<b>Grant No. 90</b>					
	2801- Power	Madras Atomic Power Station	7203.00	(-) 2535.00	5465.01	(+) 797.01
	-do-	Rajasthan Atomic Power Station	7203.00	(-)3268.00	5398.41	(+) 1463.41
	4801-Capital Outlay on Power Projects	Hot cell facility for PIE	800.00	(-) 600.00	238.53	(+) 38.53
		<b>Total</b>		<b>6663.71</b>		<b>3379.00</b>

The Department stated in August 1999 that in respect of the above heads unspent provision was re-appropriated after offsetting excess requirements of units during March and re-appropriation orders were issued. It added that the actual disbursements varied for reasons beyond the control of the units.

Cases of injudicious re-appropriation reflect the quality of accounting information system and assessment of requirement of funds.

**New Delhi**  
**Dated: 17 April 2000**

**(H.P.DAS)**  
**Director General of Audit**  
**Central Resources**

**Countersigned**

**New Delhi**  
**Dated: 18 April 2000**

**(V.K.SHUNGLU)**  
**Comptroller and Auditor General of**  
**India**