

## CHAPTER I : FINANCIAL ASPECTS

### 1.1 Expenditure of Major Scientific Departments

The comparative position of expenditure of major Scientific Departments/ organisations, during 2006-07 and in the preceding two years is given below:

(Rupees in crore)

| Sl. No.                    | Ministry/Department/Organisation  | 2004-05                 | 2005-06         | 2006-07         |
|----------------------------|---|-------------------------|-----------------|-----------------|
| 1.                         | Department of Atomic Energy   | 6046.11                 | 5544.93         | 8057.96         |
| 2.                         | Department of Space   | 2534.35                 | 2667.60         | 2988.67         |
| 3.                         | Indian Council of Agricultural Research (under Department of Agricultural Research and Education) | 1439.95                 | 1446.74         | 1924.25         |
| 4.                         | Ministry of Environment and Forests   | 1154.09                 | 1254.52         | 1371.31         |
| 5.                         | Department of Science and Technology  | 1282.36                 | 1414.91         | 1158.22         |
| 6.                         | Department of Scientific and Industrial Research  | 1285.98                 | 1470.10         | 1486.43         |
| 7.                         | Ministry of New and Renewable Energy  | 240.33                  | 303.89          | 385.59          |
| 8.                         | Geological Survey of India (under Ministry of Mines)  | 293.13                  | 311.26          | 268.71          |
| 9.                         | Department of Information Technology  | 678.26                  | 916.13          | 1091.70         |
| 10.                        | Department of Biotechnology   | 332.85                  | 400.91          | 507.10          |
| 11.                        | Indian Council of Medical Research (under Ministry of Health and Family Welfare)                  | 277.45                  | 365.00          | 445.44          |
| 12.                        | Ministry of Earth Sciences  | 227.62                  | 270.77          | 510.85          |
| 13.                        | Centre for Development of Telematics (under Department of Telecommunications)                     | 68.36                   | 75.12           | 82.00           |
| <b>Total</b>               |   | <b>15860.84</b>         | <b>16441.88</b> | <b>20278.23</b> |
| <b>Percentage increase</b> |   | <b>6.75<sup>1</sup></b> | <b>3.66</b>     | <b>23.33</b>    |

The total expenditure on above listed Scientific Departments of the Government of India during 2006-07 was Rs.20278.23 crore. Of the total expenditure, Rs.8057.96 crore representing 39.74 *per cent* pertained to Department of Atomic Energy and Rs.2988.67 crore representing 14.74 *per cent* pertained to the Department of Space.

There was a significant increase of 23.33 *per cent* in expenditure of Scientific Departments during 2006-07 over 2005-06. This was mainly due to increase in expenditure of 45.32 *per cent* in the Department of Atomic Energy and 33.01 *per cent* in Indian Council of Agricultural Research. The increase of 88.67 *per cent* in the expenditure of the Ministry of Earth Sciences during 2006-07 was mainly due to transfer of the Indian Meteorological Department

<sup>1</sup> The percentage increase has been calculated on the basis of expenditure of Rs.14858.62 crore in 2003-04.

from the Department of Science and Technology to the newly created Ministry of Earth Sciences.

## 1.2 Excess expenditure and unspent provisions under various Grants/ Appropriations

A summary of Appropriation Accounts for 2006-07 in respect of Scientific Departments/major scientific organisations is given below:

(Rupees in crore)

| Sl. No.      | Ministry/Department/Organisation  | Grant/ Appropriation (including supplementary) | Expenditure     | (-) Unspent Provision/ (+) Excess | Percentage of Unspent provision |
|--------------|---|--|-----------------|-----------------------------------|---------------------------------|
| 1.           | Department of Atomic Energy   | 9250.43  | 8057.96         | (-) 1192.47                       | 12.89                           |
| 2.           | Department of Space   | 3610.52  | 2988.67         | (-)621.85                         | 17.22                           |
| 3.           | Indian Council of Agricultural Research (under Department of Agricultural Research and Education) | 2177.30  | 1924.25         | (-) 253.05                        | 11.62                           |
| 4.           | Ministry of Environment and Forests   | 1523.99  | 1371.31         | (-) 152.68                        | 10.02                           |
| 5.           | Department of Science and Technology  | 1760.25  | 1158.22         | (-) 602.03                        | 34.20                           |
| 6.           | Department of Scientific and Industrial Research  | 1750.02  | 1486.43         | (-) 263.59                        | 15.06                           |
| 7.           | Ministry of New and Renewable Energy  | 603.66   | 385.59          | (-) 218.07                        | 36.12                           |
| 8.           | Geological Survey of India (under Ministry of Mines)  | 281.82   | 268.71          | (-) 13.11                         | 4.65                            |
| 9.           | Department of Information Technology  | 1130.41  | 1091.70         | (-) 38.71                         | 3.42                            |
| 10.          | Department of Biotechnology   | 534.61   | 507.10          | (-) 27.51                         | 5.15                            |
| 11.          | Indian Council of Medical Research (under Ministry of Health and Family Welfare)                  | 445.44   | 445.44          | -                                 | -                               |
| 12.          | Ministry of Earth Sciences  | 590.95   | 510.85          | (-) 80.10                         | 13.55                           |
| 13.          | Centre for Development of Telematics (under Department of Telecommunications)                     | 82.00  | 82.00           | -                                 | -                               |
| <b>Total</b> |   | <b>23741.40</b>                                | <b>20278.23</b> | <b>(-) 3463.17</b>                | <b>14.59</b>                    |

With reference to the budget allotment of Rs.23741.40 crore, the Scientific Departments had an overall unspent balance of Rs.3463.17 crore which constitute was 14.59 per cent of the total grant/appropriation. The Department of Atomic Energy, Department of Space and Department of Science and Technology had savings of Rs.1192.47 crore (12.89 per cent), Rs.621.85 crore (17.22 per cent) and Rs.602.03 crore (34.20 per cent) respectively.

### 1.3 Audit of accounts of Autonomous Bodies

Accounts of Autonomous Bodies, which receive grants and loans from the Government, are audited by the Comptroller and Auditor General of India under the relevant provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The Comptroller and Auditor General of India is the sole auditor of nine autonomous bodies under the Scientific Departments. Separate Audit Reports are prepared on their accounts under sections 19 (2) and 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The total grants released to these autonomous bodies during 2006-07 were Rs.4346.71 crore. The position of grants released to these autonomous bodies is indicated in **Appendix I**.

In addition, the Comptroller and Auditor General of India may conduct supplementary/superimposed audit of 62 other autonomous bodies, which are substantially funded by the Government of India and whose primary audit is conducted by Chartered Accountants. The total grants released to these autonomous bodies during 2006-07 were Rs.1466.47 crore. The position of grants released to these autonomous bodies is indicated in **Appendix II**.

**1.3.1 Delay in submission of accounts:** The Committee on Papers Laid on the Table of the House recommended in its First Report (5<sup>th</sup> Lok Sabha) 1975-76 that after the close of the accounting year, every autonomous body should complete its accounts within a period of three months and make them available for audit and that the reports and the audited accounts should be laid before Parliament within nine months of the close of the accounting year.

For the year 2005-06, only two out of nine autonomous bodies made available their accounts to Audit within the prescribed time limit of three months after the close of the accounting year as indicated below:

| Sr. No. | Name of Autonomous Body  | Date of submission of accounts to audit | Delay in submission of accounts (in months) |
|---------|--|---|---|
| 1.      | Wild Life Institute of India, Dehradun   | 30.06.2006                              | Nil   |
| 2.      | Central Zoo Authority of India, New Delhi  | 19.09.2006                              | More than two months                        |
| 3.      | Sree Chitra Tirunal Institute of Medical Sciences & Technology, Thiruvananthapuram | 12.11.2006                              | More than four months                       |
| 4.      | Technology Development Board, New Delhi  | 25.08.2006                              | More than one month                         |
| 5.      | Indian Council of Agricultural Research, New Delhi                                 | 14.09.2006                              | More than two months                        |
| 6.      | Indian Council of Medical Research, New Delhi                                      | 24.07.2006                              | About one month                             |
| 7.      | Council of Scientific and Industrial Research, New Delhi                           | 21.07.2006                              | About one month                             |
| 8.      | National Biodiversity Authority, Chennai   | 28.03.2007                              | More than eight months                      |
| 9.      | Tea Board, Kolkata   | 29.06.2006                              | Nil   |

## 1.4 Outstanding Utilisation Certificates

Ministries and Departments are required to obtain certificates of utilisation of grants from the grantees i.e. statutory bodies, non-governmental institutions etc, indicating that the grants had been utilised for the purpose for which these were sanctioned and where the grants were conditional, the prescribed conditions had been fulfilled. According to the information furnished by the Pay and Accounts Officers of the concerned Departments, 10589 utilisation certificates (UC) for grants aggregating Rs.1895.98 crore were outstanding as given in *Appendix III*. The major defaulting ministries were Ministry of Environment and Forests contributing 41.39 *per cent* towards outstanding utilisation certificate amounts, followed by Department of Information Technology (40.54 *per cent*) and Ministry of Earth Sciences (13.54 *per cent*).

### 1.4.1 Age-wise analysis of Utilisation Certificates outstanding as on 31 March 2007

Out of the total number of 10589 UCs amounting to Rs.1895.98 crore awaited from eight major Ministries/Departments at the end of March 2007, 7722 certificates amounting to Rs.820.68 crore were still pending even after a lapse of two years. Similarly, 5238 certificates amounting to Rs.451.18 crore were pending even after a lapse of five years. Department wise position of outstanding UCs is given in the table below:

*(Rupees in crore)*

| Sl. No       | Ministry/Department                  | UCs pending for more than two years |               | UCs pending for more than five years |               |
|--------------|--------------------------------------|-------------------------------------|---------------|--------------------------------------|---------------|
|              |                                      | No.                                 | Amount        | No.                                  | Amount        |
| 1.           | Department of Atomic Energy          | 56                                  | 2.20          | 28                                   | 0.47          |
| 2.           | Department of Space                  | 153                                 | 11.34         | 41                                   | 0.82          |
| 3.           | Ministry of New and Renewable Energy | 21                                  | 17.92         | -                                    | -             |
| 4.           | Ministry of Environment and Forests  | 6491                                | 532.73        | 4561                                 | 425.45        |
| 5.           | Department of Biotechnology          | 75                                  | 0.44          | 62                                   | 0.38          |
| 6.           | Geological Survey of India           | 6                                   | 0.01          | -                                    | -             |
| 7.           | Department of Information Technology | 186                                 | 156.26        | -                                    | -             |
| 8.           | Ministry of Earth Sciences           | 734                                 | 99.78         | 546                                  | 24.06         |
| <b>Total</b> |                                      | <b>7722</b>                         | <b>820.68</b> | <b>5238</b>                          | <b>451.18</b> |

Out of the total UCs pending for more than five years, Ministry of Environment and Forests alone accounted for 87.08 *per cent* of the total number and 94.30 *per cent* in terms of value of UCs pending.

## 1.5 Follow-up on Audit Reports

In its Ninth Report (Eleventh Lok Sabha) presented to Parliament on 22 April 1997, the Public Accounts Committee had recommended that Action Taken Notes (ATNs) on all paragraphs pertaining to the Audit Reports for the year

ended 31 March 1996 onwards be submitted to them, duly vetted by Audit, within four months from the laying of the reports in Parliament. A review of outstanding ATNs on paragraphs included in the Reports of the Comptroller and Auditor General of India pertaining to Scientific Departments as of December 2007 revealed the following position:

| Sl. No. | Report No. and year            | Paragraph No./ Chapter | Pertains to   | Title  | Delay in submission of ATNs (in months) |
|---------|--------------------------------|------------------------|---|--|---|
| 1       | 5 of 2004                      | 10.1                   | Ministry of Communication and Information Technology (Centre for Development of Telematics) | Unnecessary procurement of components  | 37                                      |
| 2       | 18 of 2006 (Performance Audit) | Standalone report      | Ministry of Environment and Forests   | Conservation and Protection of Tigers in Tiger Reserves  | 12                                      |
| 3       | 1 of 2006 (PA)                 | Chapter 3              | Department of Science and Technology  | Functioning of Technology Development Board  | 15                                      |
| 4       | 9 of 2006                      | Chapter 5              | Department of Space   | Issues relating to receipts of Department of Space   | 8                                       |
| 5       | 2 of 2007                      | 1.1                    | Indian Council of Agricultural Research   | Unfruitful expenditure   | 3                                       |
| 6       | 2 of 2007                      | 2.11                   | Department of Information Technology  | Non transfer of Technology   | 3                                       |
| 7       | 2 of 2007                      | 5.1                    | Ministry of Earth Sciences  | Wasteful Expenditure   | 3                                       |
| 8       | 2 of 2007                      | 6.1                    | Ministry of Environment and Forests   | Excess expenditure on power consumption  | 3                                       |
| 9       | 2 of 2007 (Performance Audit)  | Chapter 3              | Ministry of Communication and Information Technology (Centre for Development of Telematics) | Performance Audit on Development of Telecommunication Technology by C-DOT and transfer thereof for manufacturing and commercialisation | 3                                       |
| 10      | 13 of 2007 (Performance Audit) | 5.3                    | Department of Science and Technology  | Internal Control in DST  | 3                                       |

A total of 10 ATNs were pending from eight Ministries/Departments/Autonomous Bodies as on December 2007, indicating a delay in submission of ATNs, ranging between 3 to 37 months.