

**EXCESSES OVER VOTED GRANTS AND CHARGED
APPROPRIATIONS (2022-23)**

**PUBLIC ACCOUNTS COMMITTEE
(2025-26)**

THIRTY-NINTH REPORT

EIGHTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

PAC NO 2445

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PUBLIC ACCOUNTS COMMITTEE (2025-26)

(EIGHTEENTH LOK SABHA)

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Presented to Lok Sabha on: 01.04.2026

Laid in Rajya Sabha on: 01.04.2026

LOK SABHA SECRETARIAT
NEW DELHI

April 2026/ Chaitra 1948 (Saka)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

(2025-26)

Shri K. C. Venugopal - Chairperson

MEMBERS

LOK SABHA

2. Shri Thalikkottai Rajuthevar Baalu
3. Dr. Nishikant Dubey
4. Shri Jagdambika Pal
5. Shri Jai Parkash
6. Shri Ravi Shankar Prasad
7. Dr. C M Ramesh
8. Prof. Sougata Ray
9. Shri Magunta Sreenivasulu Reddy
10. Smt. Aparajita Sarangi
11. Dr. Amar Singh
12. Shri Tejasvi Surya
13. Shri Anurag Singh Thakur
14. Shri Balashowry Vallabhaneni
15. Shri Dharmendra Yadav

RAJYA SABHA

16. Shri Ashokrao Shankarrao Chavan
17. Shri Shaktisinh Gohil
18. Dr. K Laxman
19. Shri Praful Patel
20. Shri Sukhendu Sekhar Ray
21. Shri Tiruchi Siva
22. Dr. Sudhanshu Trivedi

SECRETARIAT

1. Smt. Mamta Kemwal - Joint Secretary
2. Smt. Archana Pathania - Director
3. Shri Alok Mani Tripathi - Deputy Secretary
4. Ms. Pragya Nama - Assistant Committee Officer

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2025-26) having been authorized by the Committee, do present this Thirty-ninth Report (Eighteenth Lok Sabha) on “**Excesses over Voted Grants and Charged Appropriations (2022-23)**”.

2. The Union Government Appropriation Accounts relating to Civil Sector were laid on the Table of the House on 19th December, 2023 and Appropriation Accounts relating to Defence Services were laid on the Table of the House on 9th February, 2024. The Appropriation Accounts relating to Postal Services and Railways were laid on the Table of the House on 7th August, 2024.

3. The Committee examined the cases of excess expenditure incurred by the Ministry of Finance (Department of Economic Affairs) and Ministry of Railways of the Union Government in the 2022-23 fiscal on the basis of the Appropriation Accounts; observations of Audit as contained in the Relevant Reports of the Comptroller and Auditor General of India; and the Explanatory Notes furnished by the Ministries/Departments concerned. The Committee considered and finalized this Report at their Sitting held on 27th March, 2026. Minutes of the Sitting are given at Appendix - I.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** and form Part-II of the Report.

5. The Committee would like to express their thanks to the representatives of the Ministry of Communications (Department of Posts); Ministry of Defence; Ministry of Finance (Department of Economic Affairs) and Ministry of Railways for the cooperation extended by them in furnishing the requisite information to the Committee.

6. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the Office of the Comptroller and Auditor General of India.

NEW DELHI

27 March, 2026

06 Chaitra, 1948 (Saka)

K. C. VENUGOPAL

Chairperson,

Public Accounts Committee

REPORT

PART-I

A. INTRODUCTORY

(a) Annual Appropriation Accounts of the Union Government

The Appropriation Accounts are annual statements detailing Grant/Appropriation-wise sums spent by the Government in a financial year vis-à-vis the sums specified in the schedule appended to the Appropriation Acts passed under Articles 114 and 115 of the Constitution of India. Such accounts also indicate unspent provisions/excess expenditure under each Voted Grant and Charged Appropriation as a whole during that financial year.

2. Presently, four Appropriation Accounts are presented to Parliament viz. Civil, Defence Services, Postal Services and Railways. The Appropriation Accounts in respect of Grants/Appropriations¹ covered under the Civil Sector are prepared by the Controller General of Accounts (CGA) in the Ministry of Finance. The Non-Civil Ministries/Departments like Defence, Posts and Railways prepare their own annual Appropriation Accounts. These Appropriation Accounts compare grant/appropriation wise summary of provisions for expenditure authorized by Parliament and the actual expenditure from Consolidated Fund of India (CFI) against them. These Appropriation Accounts are audited and certified by the Comptroller and Auditor General (C&AG) of India who also submits separate Audit Reports thereon to the President who, in turn, causes them to be laid before each House of Parliament in terms of Article 151 of the Constitution of India.

3. After their presentation to Parliament, these annual Appropriation Accounts and Audit Reports thereon stand referred to the Public Accounts Committee for examination under the provisions of Rule 308² of Rules of Procedure and Conduct of Business in Lok Sabha.

4. In scrutinizing the Appropriation Accounts of the Government of India and the Reports of the Comptroller and Auditor General of India thereon, it is the duty of the Committee to satisfy themselves: -

- (a) that the moneys shown in the accounts as having been disbursed were legally available for, and applicable to, the service or purpose to which they have been applied or charged;
- (b) that the expenditure conforms to the authority which governs it; and
- (c) that every re-appropriation has been made in accordance with the provisions made in this behalf under Rules framed by the competent authority.

5. If any money has been spent on any service during a financial year in excess of the amount granted by Parliament for that purpose, the Committee examine, with

¹In a Demand for Grants, provision for voted expenditure is called a Grant and for charged expenditure it is called an Appropriation.

²This Rule defines the functions of the Public Accounts Committee.

reference to the facts of each case, the circumstances leading to the excesses and make such recommendations as they may deem fit.

(b) Rules/Provisions for controlling excess expenditure

6. The following Constitutional Provisions and Rules are laid down for control of excess expenditure by the Government:

- (i) Article 114 (3) of the Constitution provides that subject to the provisions of Articles 115 and 116, no money shall be withdrawn from the Consolidated Fund of India (CFI) except under appropriations made by law passed in accordance with the provisions of this Article.
- (ii) Further, Rule 57 (3) of the General Financial Rules (GFR), 2017 stipulates that no disbursements be made which might have the effect of exceeding the total Grant or Appropriation authorized by Parliament for a financial year except after obtaining a Supplementary Grant or an advance from the Contingency Fund.
- (iii) Article 115(1) (b) of the Constitution stipulates that if any money had been spent on any service during a financial year in excess of the amount granted for that service and for that year, the President should cause to be presented to the House of People a demand for such excess.
- (iv) Indian Railway Financial Code, Volume-I also addresses the issue of excesses over Grants in so far as Railway finances are concerned. According to paragraph 371 of this code, the Railway administration shall be responsible to ensure that no expenditure is incurred in excess of the Budget allotments made to them. Similar provisions also exist under paragraphs 782 and 783 of Postal Manual, Volume II (Fourth Revised Edition) which, *inter-alia* prescribe that control in relation to budget allotments must secure that expenditure is not incurred under any head in excess of the funds allotted to that head.

(c) Procedure for regularization of excess expenditure

7. According to the procedure laid down for regularization of the excess expenditure, the Ministries/Departments of the Government of India are required to furnish to the Public Accounts Committee, Explanatory Notes detailing the reasons for or the circumstances leading to the excesses under each excess registering Grant/ Appropriation along with the relevant Appropriation Accounts. Thereafter, the Public Accounts Committee proceed to examine, in the light of the Explanatory Notes furnished by the Ministries/Departments concerned, the circumstances leading to such excesses and present a Report thereon to Parliament recommending *inter-alia* regularization of the excesses subject to such Observations/Recommendations as they may like to make. Pursuant to the Observations/Recommendations made in the Report of the Committee, the Government initiates necessary action to have the excesses regularized by Parliament, under Article 115 (1) (b) of the Constitution, either in the same Session in which the Committee present their Report or in the Session following it.

(d) Union Government Appropriation Accounts (2022-23)

8. The details of the four Union Government Appropriation Accounts (2022-23) viz. the dates of laying of these Accounts on the Table of the House, the number of Grants/Appropriations operated under each of the four Appropriation Accounts are given below:-

Sl. No.	Appropriation Accounts	Date of laying on the Table of the House	No. of Grants/Appropriations highlighted
1.	Civil	19.12.2023	98
2.	Defence Services	09.02.2024	2
3.	Postal Services	07.08.2024	1
4.	Railways	07.08.2024	1
Total No. of Grants/Appropriations:			102

9. In this Report, the Committee have examined those Grants/ Appropriations where money has been spent in excess of the amount authorized by Parliament for specified services for the year 2022-23 and which require regularization by Parliament under Article 115(1)(b) of the Constitution of India.

B. EXCESS EXPENDITURE OVER VOTED GRANTS AND CHARGED APPROPRIATIONS (2022-23)

10. Scrutiny of the four Appropriation Accounts (2022-23) revealed that there was an excess disbursement of ₹ 5,40,67,45,93,231 over the authorization from the CFI during 2022-23. The aforesaid excess disbursement occurred in four Grants/Appropriations operated by Civil Ministries/Departments and Railways. Details in this regard are given below:

(In unit of rupees)

Sl. No.	Name of Appropriation Accounts	No. of excess registering Grants/Appropriations	No. of cases involved	Amount of excess expenditure incurred
1.	Civil	1	1	53871,00,96,887
2.	Defence Services	Nil	Nil	Nil
3.	Posts	Nil	Nil	Nil
4.	Railways	1	1	19644,96,344
Total				5,40,67,45,93,231

(a) **Details of Excess Disbursement over Voted Grants/Charged Appropriations (2022-23)**

11. The details of two cases of two Voted Grants/Charged Appropriations under which the actual expenditure had exceeded the sanctioned provision during the financial year 2022-23 as shown in the relevant Union Government Appropriation Accounts/Explanatory Notes furnished by the Ministries/Departments concerned are given below: -

(In unit of ₹)

Sl. No.	No. & Name of Grant/ Appropriation	Administrative Ministry/ Department	Original Grant/ Appropriation(O) Supplementary Grant/ Appropriation(S) Total Grant/ Appropriation (T)	Actual Expenditure	Excess Expenditure	Percentage of excess expenditure over total Grant/ Appropriation
1	2	3	4	5	6	7
APPROPRIATION ACCOUNTS – CIVIL						
1.	40- Repayment of Debt (Capital-Charged)	Finance	O - 7075067,16,00,000 S - 70762,96,00,000 T - 7145830,12,00,000	7199701,12,97,000	53871,00,96,887	0.75
Total					53871,00,96,887	
APPROPRIATION ACCOUNTS – Railways						
2.	85 - Railways (Capital-Charged)	Railways	O - 98,00,00,000 S - 882,00,00,000 T - 980,00,00,000	1176,44,96,344	196,44,96,344	20.04
Total					196,44,96,344	
Grand Total			7,14,68,10,12,00,000	7,20,08,77,57,93,344	5,40,67,45,93,231	0.76

12. Thus, the total amount of actual excess expenditure incurred during the financial year 2022-23, which requires regularization by Parliament under Article 115(1)(b) of the Constitution amounts to ₹ **5,40,67,45,93,231** incurred in 2 cases of excess over Voted Grants/Charged Appropriations.

(b) **Reasons for incurring Excess Expenditure**

Sl. No.	No. and name of Grant/Appropriation	Excess Expenditure incurred (in unit of ₹)	Reasons for excess as stated by the Ministries/Departments concerned
1.	40-Repayment of Debt (Capital-Charged)	53871,00,96,887	Excess was due to debt repayment being

Sl. No.	No. and name of Grant/Appropriation	Excess Expenditure incurred (in unit of ₹)	Reasons for excess as stated by the Ministries/Departments concerned
			influenced by the market conditions such as exchange rate variation, lodgment of the claims by the investors such as investment and consequential withdrawal made by State Governments and schedule of payments set by the International Financial Institutions.
2.	85 Railways (Capital-Charged)	196,44,96,344	Excess was due to satisfaction of court decreed payments not anticipated earlier.

(c) **Excess Expenditure despite obtaining Supplementary Grants**

13. A scrutiny of the relevant Appropriation Accounts and Explanatory Notes received from the Ministries/Departments concerned revealed that during the financial year 2022-23, the excess expenditure was incurred even after obtaining Supplementary Grants/Appropriations in all the four cases by the respective Ministries/Departments to meet their additional requirements:

(In unit of ₹)

Sl. No.	No. and name of Grant/ Appropriation	Amount of Supplementary Grant/ Appropriation obtained	Amount of excess expenditure incurred	Percentage of excess over Supplementary Grants/Appropriations
1	2	3	4	5
APPROPRIATION ACCOUNTS – CIVIL				
1.	40-Repayment of Debt (Capital-Charged)	70762,96,00,000	53871,00,96,887	76.12
APPROPRIATION ACCOUNTS – RAILWAYS				
2.	85 Railways (Capital-Charged)	882,00,00,000	196,44,96,344	22.27
	Total	7,16,44,96,00,000	5,40,67,45,93,344	75.46

14. Scrutiny of the above statement has revealed that in the fiscal year 2022-23, excess expenditure was incurred even after obtaining large sums as Supplementary Grants/Appropriations. To illustrate, a Supplementary Grant to the tune of ₹70762.96 crore was allocated for the Grant no. - 40 operated by the Department of Finance but this fell short by approximately ₹53871 crore. Further, in case of Grant No. 85 operated

by the Ministry of Railways, although a Supplementary Grant of ₹ 882 crore was obtained, excess expenditure of ₹ 196.44 crore was incurred.

(d) Recurring Excess Expenditure

15. Article 114(3) of the Constitution provides that no money be withdrawn from the Consolidated Fund of India (CFI) except under appropriations made by law passed in accordance with the provisions of this Article. Further, Rule 57(3) of General Financial Rule (GFR), 2017 stipulates that no disbursement be made which might have the effect of exceeding the total Grant or Appropriation authorized by Parliament for a financial year except after obtaining a Supplementary Grant or an advance from the Contingency Fund. Contrary to this, the incurrence of excess expenditure has been a recurring phenomenon in the past despite recommendations of the Public Accounts Committee and issuance of instructions by the Ministry of Finance from time to time as a follow up. The comparative data given below indicates the position regarding excess expenditure incurred by various Ministries/Departments during the last ten years:

(₹ in crore)

Year	Appropriation Accounts -Civil		Appropriation Accounts - Defence Services		Appropriation Accounts Postal Services		Appropriation Accounts - Railways		Total	
	No. of Excess registering Grants/Appropriations	Excess expenditure incurred	No. of Excess registering Grants/ Appropriations	Excess expenditure incurred	No. of Excess registering Grants/Appropriations	Excess expenditure incurred	No. of Excess registering Grants/Appropriations	Excess expenditure incurred	Total of Columns 2, 4, 6, 8	Total of Columns 3, 5, 7, 9
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2012-13	4	4565.39	3	195.53	1	160.14	8	1675.96	16	6597.02
2013-14	3	39.59	3	733.72	-	-	12	2734.91	18	3508.22
2014-15	3	15640.55	1	0.001	1	70.41	6	496.99	11	16207.95
2015-16	2	210.37	-	-	-	-	6	76.07	8	286.44
2016-17	2	189154.26	1	146.31	1	936.48	3	10.79	7	190270.26
2017-18	2	92461.31	2	7149.00	-	-	-	-	4	99610.30
2018-19	1	0.22	2	5098.61	-	-	1	105.74	4	5204.57
2019-20	2	31936.47	1	701.31	-	-	-	-	3	32637.78

Year	Appropriation Accounts -Civil		Appropriation Accounts - Defence Services		Appropriation Accounts Postal Services		Appropriation Accounts - Railways		Total	
	No. of Excess registering Grants/Appropriations	Excess expenditure incurred	No. of Excess registering Grants/ Appropriations	Excess expenditure incurred	No. of Excess registering Grants/Appropriations	Excess expenditure incurred	No. of Excess registering Grants/Appropriations	Excess expenditure incurred	Total of Columns 2, 4, 6, 8	Total of Columns 3, 5, 7, 9
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2020-21	3	118651.04	-	-	-	-	-	-	3	118651.04
2021-22	3	1235.98	-	-	-	-	1	55.16	4	1291.14
2022-23 (year under review)	1	53871.01	-	-	-	-	1	196.45	2	54067.46

(C) EXAMINATION OF SELECT CASES OF EXCESS EXPENDITURE

16. In the succeeding paragraphs, the Committee have dealt with some of the significant cases involving excess expenditure during the financial year 2022-23 in the light of the facts brought out in the relevant Appropriation Accounts, Audit observations thereon, Explanatory Notes and written replies furnished by the Ministries/Departments concerned.

(a) APPROPRIATION ACCOUNTS (CIVIL)

GRANT NO. 40 –Department of Economic Affairs, Ministry of Finance

17. Under Capital Section (Charged) of Appropriation No.40- Repayment of Debt, Department of Economic Affairs for the year 2022-23, the total provision was ₹ 71,45,830,12,00 thousands (₹ 7075,067,16,00 thousand Original Appropriation and ₹ 70,762,96,00 thousand Supplementary). Against this, the expenditure was of the order of ₹ 7199,701,12,97 thousand resulting in excess payment of approx. ₹ 53,871,00,97 thousand which is approx. 0.75 per cent of the total appropriation.

18. The above-mentioned excess payment was the net result of total savings of ₹7,22,718,41,01 thousand and total excess of ₹ 7,76,589,41,98 thousand under various sub-heads of the Appropriation. Statement indicating total provision, actual

expenditure and sub-heads under which excess of ₹ 25 lakh and above have occurred along with reasons thereof are given below: -

Sl. No.	Major/Minor Head	Excess Expenditure (₹ in thousands)	Contributory Reasons
MAJOR HEAD: 6001 - Internal Debt of the Central Government			
1.	Sub-Head: 6001.00.105- Securities issued to International Financial Institutions 105.03-International Development Association	64040	Excess was due to exchange rate variation.
2.	Sub-Head: 6001.00.105- Securities issued to International Financial Institutions 00.105.06- African Development Fund	14992	Excess was due to exchange rate variation.
3.	Sub-Head: 6001.00.106- Compensation and Other Bonds 00.106.15- 9% Relief Bonds, 1987	6025	Excess was due to receipt of claims for outstanding payments of matured bonds.
4.	Sub-Head: 6001.00.106- Compensation and Other Bonds 00.106.22- 8.5% Relief Bonds, 2001	9277	Excess was due to receipt of claims for outstanding payments of matured bonds.
5.	Sub-Head: 6001.00.106- Compensation and Other Bonds 00.106.23- 9% Relief Bonds, 1999	3655	Excess was due to receipt of claims for outstanding payments of matured bonds.
6.	Sub-Head: 6001.00.106- Compensation and Other Bonds 00.106.31- 6.5% Saving Bonds, 2003 (Non-Taxable)	3020	Excess was due to receipt of claims for outstanding payments of matured bonds.
7.	Sub-Head:	7666493200	Excess was due to higher investment and

Sl. No.	Major/Minor Head	Excess Expenditure (₹ in thousands)	Contributory Reasons
	6001.00.115-14-Day Treasury Bills		consequential withdrawal made by State Governments.
8.	Sub-Head: 6001.00.117-Marketable Securities issued in conversion of Special Securities	86720400	Excess was due to shifting of provision from accounting head of Market Loans.
9.	Sub-Head: 6001.00.129-Sovereign Gold Bond Scheme, 2015	1022204	Excess was due to premature redemption by investors.
MAJOR HEAD: 6002 – External Debt			
10.	Sub-Head: 6002.00.213-Loans from the International Development Association	3265518	Excess was due to exchange rate variation.
11.	Sub-Head: 6002.00.216-Loans from the International Bank for Reconstruction and Development	5292286	Excess was due to exchange rate variation.
12.	Sub-Head: 6002.00.221-Loans from the O.P.E.C. Special Fund	14362	Excess was due to exchange rate variation.
13.	Sub-Head: 6002.00.226-Loans from the Agency for International Development, U.S.A.	85406	Excess was due to exchange rate variation.
14.	Sub-Head: 6002.00.250-Loans from Asian Development Bank	2881626	Excess was due to exchange rate variation.
15.	Sub-Head: 6002.00.252-Loans from European Investment Bank	14981	Excess was due to exchange rate variation.

19. As regards the steps taken to avoid excess expenditure under this Grant, the Ministry of Finance in their Explanatory Note have submitted that:

“... the estimates of ‘Repayment of Debt’ are prepared on the basis of inputs received from RBI, the Debt Manager of the Government of India on the basis of scheduled re-payments for internal debt and from O/o the Controller of Aid Accounts and Audit for external debt and also in view of existing and past

trends of repayments especially in the case of outstanding matured loans. Efforts are being made to keep the variations to the minimum. However, it is difficult to precisely estimate these repayment requirements as the same are influenced by the market conditions, lodgment of the claims by the investors and schedule of payments set by the International Financial Institutions. Overall excess in the demand is mainly on account of 14 Day T-bills. Precise forecasting of receipts and disbursement in the case of 14 Day T-bills) are difficult as State Governments are free from any restrictions from parking their surplus cash balance and also to withdraw up to any extent from their deposits, even prematurely.”

(b) APPROPRIATION ACCOUNTS (RAILWAYS)

20. During the year 2022-23, there was an excess reported under Capital Charged Appropriations of the Indian Railways for the year 2022-23. Under Capital Section (Charged) of Appropriation No.85- (Railways), Ministry of Railways, for the year 2022-23, the total provision was ₹ 980,00,00 thousands (₹ 98,00,00 thousand Original Appropriation and ₹ 882,00,00 thousand Supplementary). Against this, the expenditure was of the order of ₹ 1176,44,96 thousand resulting in excess payment of ₹ 196,44,96 thousand which is approx. 20.04 per cent of the total appropriation.

21. The excess, in their explanatory note has been explained by the Ministry of Railways as under:

Charged Appropriations

Major Head 5002 & 5003: Assets- Acquisition, Construction and Replacement: -

	<u>In unit of ₹</u>
Original Appropriation	98,00,00,000
Supplementary Appropriation	882,00,00,000
Total Sanctioned Appropriation	980,00,00,000
Actual Expenditure	1176,44,96,344
Excess	196,44,96,344
Misclassification	0
Excess requiring regularisation	196,44,96,344

22. As per the Ministry, Charged Appropriation of ₹ 98.00 Crore was obtained at the Budget Estimate Stage for payments towards satisfaction of court decrees. A Supplementary Charged Appropriation of ₹ 882.00Crore was sanctioned for court decreed payments not anticipated earlier. The actual expenditure of ₹ 1176.45 crore, was ₹ 196.45 crore more than the sanctioned provision of ₹ 980.00 crore. There was a net effect of Rs NIL on account of misclassification of expenditure. The excess thus works out to ₹ **196,44,96,344/-** which needs to be regularised.

23. Issue of excesses in Railway funds being due to unanticipated court decrees was also taken up in the First Report of the Public Accounts Committee of the 18th Lok Sabha. The Committee had expressed concern that delays in the disbursement of court-decreed payments may harm the reputation of the Ministry of Railways and

could foster distress and distrust among the public. Therefore, the Committee had stressed the importance of ensuring that payments related to court decrees be made promptly and if additional funds are required, they should be sought in a supplementary grant as soon as the need arises, rather than deferring the payment until the end of the financial year, which could result in excess expenditure.

24. The Committee had further requested details from the Ministry concerning court decrees, including the decree date, the final payment date set by the court (if any), the payment date, any interest or penalties, and the actual amount paid. The Committee had expressed their surprise that while the Ministry had information on the total amounts paid for settlement of court decrees, it could not furnish exact details of court-decreed payments and arbitrations. Given that Railways is a major organization affecting every citizen, the Committee were of the opinion that it was crucial that court-decreed payments were processed promptly. Believing that it was crucial for the Ministry of Railways to seriously monitor payments related to court decrees and arbitrations the Committee had recommended that the Ministry of Railways maintain detailed records of court-decreed payments, including decree details, payment deadlines, actual payment dates, and amounts and furnish this information should be promptly furnished to the Office of the Controller General of Accounts (CGA) to facilitate effective monitoring of these payments.

PART-II
OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1. The Committee's examination of the four Appropriation Accounts of the Union Government relating to Civil Sector, Defence Services, Postal Services and Railways for the Financial year 2022-23 reveals that a total excess expenditure of ₹ 54,067.45 crore was incurred by two Ministries/Departments of Union Government, viz. Ministry of Finance (₹ 53871 crore under Grant No.-40- Repayment of Debt) and Ministry of Railways (₹ 196.45 crore under Grant No.- 85 - Railways), in excess of the provision sanctioned under two Grants/Appropriations during the year 2022-23. The Committee are pleased to note that the Department of Defence Services, continuing their strict observation of fiscal prudence, had not incurred excess expenditure under the Grants/Appropriations operated by them during the year under review i.e. 2022-23 for the third consecutive year (i.e. since 2020-21). Similarly, the Department of Posts, have also maintained their expenditure within the limits of voted grant/ charged appropriation for six continuous financial years since the financial year 2017-18. The bulk of excess expenditure i.e. ₹ 53871 crore under Grant No.-40 of Appropriation Accounts (Civil) operated by the Department of Economic Affairs accounted for 99.63 per cent of the total excess expenditure incurred during the year under review i.e. 2022-23. The Ministry of Railways had incurred excess to the tune of approximately ₹ 196.45 crore under Grant No.- 85 - Railways, forming around 0.35 percent of the excesses reported for the year 2022-23.

2. The Ministries/Departments in question attribute the excess expenditure to a variety of factors, including influence of the market conditions such as exchange rate variation, lodgment of the claims by the investors such as investment and consequential withdrawal made by State Governments and schedule of payments set by the International Financial Institutions and for settlement of court decreed payments not anticipated earlier. According to the Committee, financial irregularities such as excessive spending shouldn't persist or recur annually in the era of e-governance where multiple tools and platforms are available at the disposal of Ministries to track expenditure on a real time basis. As pointed out earlier, the Grant No. 40 relating to Repayment of Debt

(Capital –Charged) contributed more than 99 per cent of the excess expenditure incurred under Civil sector during the year under review. The Committee are of the view that in order to ensure financial discipline, there is a need for close, continuous and outcome-oriented monitoring of the pace and pattern of expenditure. They further lay emphasis on the need for close, continuous, and outcome-oriented monitoring of the pace and pattern of expenditure. The Committee also underscore the importance of ensuring strict adherence to the provisions of the General Financial Rules, 2017, so as to promote financial discipline, enhance accountability, and reduce instances of excess expenditure to the barest minimum possible. The Committee also strongly recommend the need for strengthening of expenditure review mechanism to ensure comprehensive and scrupulous scrutiny of Budget proposals at all stages. The Committee emphasise that Budget Estimates and Revised Estimates must be prepared with greater accuracy and realism, so as to ensure that actual expenditure is contained strictly within the limits of funds authorised by Parliament, thereby upholding the principles of financial propriety and parliamentary control.

Excess expenditure despite obtaining Supplementary Grants

3. The Committee are constrained to observe that in both the cases of excess registering Grants/Appropriations, the excess expenditure had been incurred by Ministries/Departments concerned even after obtaining large amount of Supplementary Grants. The percentage of excess expenditure over the Supplementary Grants in respect of these cases was 76.12 percent (in case of Grant No. 40 relating to Repayment of Debt) and 22.27 percent in respect of Grant No. 40 of Department of Economic Affairs and Grant No. 85 of Ministry of relating to Railways respectively. The Committee find that though the Supplementary Grants to the tune of approx. ₹ 70762.96 crore was allocated for Grant No. - 40 - Department of Economic Affairs (Ministry of Finance) but the actual expenditure remained short by approx. ₹ 53871 crore. In case of Grant No. - 85 operated by Ministry of Railways though Supplementary Grant of approx. ₹ 882 crore was obtained, yet an excess expenditure of approx. ₹ 196.44 crore was incurred. This trend indicates deficiencies in the preparation of Budget Estimates as well as unrealistic projections at the Supplementary

Demands stage. The Committee are of the view that such excess expenditure is avoidable with prudent financial planning and effective expenditure control. They, therefore, urge the Ministry of Finance to establish a robust mechanism and issue strict instructions to Budget Controlling Authorities to strengthen financial discipline and ensure that these instructions are being adhered to scrupulously so that demands beyond budgeted expenditure be ensured only through supplementary demands.

4. They would also like the Ministry of Finance and other Civil Ministries, as well as the Ministry of Railways, to establish a robust, data-driven expenditure monitoring and forecasting system. The Committee feel that this system should integrate real-time tracking of payments, debt obligations, court-decreed liabilities, and state government cash flows using platforms like PFMS and advanced analytics. Regular reviews should be institutionalized to compare budget estimates with actual expenditures, identify deviations early, and trigger corrective actions and a proactive mechanism for managing strengthening overall fiscal discipline.

Recurring Excess Expenditure

5. The Committee find that the incurring excess expenditure has been a recurring phenomenon in all the sectors viz. Civil, Defence Services, Postal Services and Railways. The scrutiny of excess expenditure incurred by various Ministries/Departments during the last ten years reveals that in Civil Sector, the excess expenditure which was reduced to a considerable extent during the year 2018-19 (₹0.22 crore under one Grant) had again witnessed an upward trend during the year 2019-20 (₹31936.47 crore under two Grants) and 2020-21 (₹118651.04 crore under three Grants) before coming close to ₹ 1235.98 crore in 2021-22. For the year 2022-23, the excess in Civil Sector has reached ₹ 53871 Crore for one grant. Despite the availability of opportunity of supplementary grants, instances of excess expenditure continue to persist in the Ministry/Department. Further, in regard to Appropriation Accounts – Defence Services, the Committee observed that during the last ten years period, there were only four years (*i.e.* 2015-16, 2020-21, 2021-22 and 2022-23), when there was no excess expenditure incurred under the Grants/Appropriations. In case of Appropriation accounts – Postal Services, the Committee are appreciative of

the fact that in the last ten years, no excess expenditure was incurred during eight years 2013-14, 2015-16 and 2017-18 to 2022-23. As regards Ministry of Railways during the last ten years, the Committee find that during three years i.e. 2017-18, 2019-20 and 2020-21, no excess expenditure was incurred under the Grant operated by Ministry of Railways until 2021-22 when it rose to around ₹ 55.16 crore. It has further increased to approx. ₹ 196.44 crore for the year 2022-23. Thus, the scrutiny of trend of expenditure during the last ten years is indicative of the fact that a lot of efforts have been made by Ministry of Defence as well as Department of Posts to contain their expenditure within the limit of sanctioned budget. However, introspection needs to be done by the Ministry of Railways to ascertain what led to upsurge in the excess expenditure after display of financial prudence during the years 2017-18, 2019-20 and 2020-21. On the other hand, the recurring phenomenon of incurring excess expenditure in case of Grants/Appropriations operated by Civil Ministries/Departments seems to imply that sincere/effective measures remain to be taken by the Civil Ministries/Departments to make their budgetary mechanism strong enough to avoid excess expenditure under the Grants/Appropriations operated by them. The Committee, therefore, recommend that the Civil Ministries/Departments and the Railways to undertake a comprehensive and detailed analysis of the underlying causes leading to the recurring instances of excess expenditure as such an exercise would enable them to identify the reasons for excess expenditure and help them in formulation of timely and effective remedial measures.

Excess expenditure incurred under Appropriation No.- 40

6. The Committee note that the Ministry of Finance incurred an excess expenditure of ₹53871 crore under Capital- Charged section of Appropriation No. - 40 - Repayment of Debt, Ministry of Finance. The excess of approx ₹53871 crore was the net effect of total savings of about ₹72,27,18,41.01 crore and total excesses of around ₹ 77,65,89,41.98crore under various sub-heads of the Appropriation. The Committee note in this regard that the excess expenditure under Capital Section (Charged) of this appropriation was incurred after obtaining Supplementary Grant of approx ₹70,762,96.00 crore. As indicated by the Ministry in their explanatory note, the excess expenditure was on account

of the fact that for Appropriation No 40–Repayment of Debt the estimates are prepared on the basis of inputs received from RBI, the Debt Manager of the Government of India on the basis of scheduled re-payments for internal debt and from O/o the Controller of Aid Accounts and Audit for external debt and also in view of existing and past trends of repayments especially in the case of outstanding matured loans. The Ministry informed the Committee that efforts were being made to keep the variations to the minimum however they have added that it is difficult to precisely estimate repayment requirements as the same are influenced by the market conditions, lodgment of the claims by the investors and schedule of payments set by the International Financial Institutions. The Ministry further informed the Committee that overall excess in the demand is mainly on account of 14 Day T-bills and that precise forecasting of receipts and disbursement in the case of 14 Day T-bills are difficult as State Governments are free from any restrictions from parking their surplus cash balance and also to withdraw up to any extent from their deposits, even prematurely. The Committee appreciate that the Ministry has taken efforts to minimize the variation between estimates and actual expenditure regarding repayment of debt so much so that the excesses form approximately 0.75 percent of the total grant/appropriation. The Committee, however, are also of the opinion that effective management of debt forms an important part of fiscal discipline and effective financial management of the country. The Committee therefore opine that a thorough review of debts is necessary to ensure the long-term fiscal stability of the nation. To this effect the Committee recommend that a comprehensive study be initiated by the Ministry of Finance to assess the debts alongwith repayment schedule so that the variation between budget estimates and actual expenditure in respect of this appropriation as well as the impact of market conditions be minimized.

7. The Committee further observe the Ministry's statement regarding overall excess in the appropriation being mainly on account of 14 Day T-bills and that precise forecasting of receipts and disbursement in the case of 14 Day T-bills are difficult as State Governments are free from any restrictions from parking their surplus cash balance and also to withdraw up to any extent from their deposits, even prematurely. While the Committee agree with limitations of the Ministry in accurately predicting the receipts and disbursements in case of 14

days T-bills, the Committee opine that if these demands are seen from a broader perspective a trend may emerge regarding the activity of State Government with regard to 14-day T Bills. The Committee believe that with the rise of better computation tools and use of Public Financial Management System (PFMS) by more and more state governments, the Ministry can effectively prepare a pattern analysis report and better equip themselves to further close the gap between budget estimates and actual expenditures thereby considerably reducing the excesses. The Committee would therefore like to be apprised of any concrete institutional mechanism has been or is in the process of being put up in place by the Department of Economic Affairs, Ministry of Finance, in coordination with Reserve bank of India to minimize such volatility and prevent or reduce recurrence of excess expenditure.

Issue of court decreed payments/Excess expenditure incurred under Grant No.- 85

8. The Committee note that the Ministry of Railways incurred an excess expenditure of ₹ 196.45 crore under Capital Charged Appropriations under Grant No 85 - Railways. The Ministry stated that the aforesaid excess was due to the actual expenditure of around ₹1176.45 crore being about ₹196.45 crore more than the sanctioned provision of approx. ₹ 980.00 crore (sum total of Original Appropriation of ₹ 98.00 Crore and a Supplementary Charged Appropriation of ₹ 882.00 Crore).The Committee note that in the explanatory note furnished by the Ministry of Railways, court decreed payments not anticipated earlier was a major reason for excess expenditure on part of the Ministry. The Committee note that similar reason was put forth by the Ministry in case of earlier excess expenditure also. the Committee are concerned why a comprehensive solution has not been devised by the Ministry to keep a track of Court decrees. The Committee had earlier also in their First Report (18th LS) recommended that the Ministry of Railways to maintain detailed records of court-decreed payments, including decree details, payment deadlines, actual payment dates, and amounts and that the information should be promptly furnished to the Office of the Controller General of Accounts (CGA) to facilitate effective monitoring of these payments. The Committee would like to be apprised of action taken by the Ministry in this regard.

9. Subject to the observations/recommendations made in the preceding paragraphs, the Committee recommend that excess expenditure referred to in Para 11 of Part-I of this Report be regularized in the manner prescribed in Article 115 (1) (b) of the Constitution of India.

NEW DELHI
27 March, 2026
06 Chaitra, 1948 (Saka)

K. C. VENUGOPAL
Chairperson
Public Accounts Committee

MINUTES OF THE TWENTY THIRD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2025-26) HELD ON 27th MARCH, 2026.

The Public Accounts Committee (2025-26) sat on Friday, the 27th March, 2026 from 1500 hrs to 1610 hrs in Samanvay-3, Parliament House, New Delhi.

PRESENT

Shri K. C. Venugopal - Chairperson

MEMBERS

LOK SABHA

2. Shri Jagdambika Pal
3. Shri Jai Parkash
4. Dr. C M Ramesh
5. Smt. Aparajita Sarangi
6. Dr. Amar Singh
7. Shri Anurag Singh Thakur

RAJYA SABHA

8. Shri Shaktisinh Gohil
9. Dr. K Laxman
10. Shri Sukhendu Sekhar Ray
11. Dr. Sudhanshu Trivedi

LOK SABHA SECRETARIAT

1. Smt. Mamta Kemwal - Joint Secretary
2. Smt. Archana Pathania - Director
3. Shri Alok Mani Tripathi - Deputy Secretary

4. Shri Pankaj Kumar Sharma - Deputy Secretary
5. Ms. Malvika Mehta - Deputy Secretary
6. Dr. Faiz Ahmad - Deputy Secretary

OFFICERS OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Shri Anand M. Bajaj - Dy. C&AG
2. Shri Pravir Pandey - Addl. Dy. C&AG
3. Shri Samar Kant Thakur - Addl. Dy. C&AG
4. Shri Biren Parmar - Director General
5. Ms. Reena Saha, - Director General
6. Shri Mukul Jamloki - Dy. Director

PART A

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PART B

1. Thereafter, for the second agenda of the Sitting – consideration and adoption of Draft Reports, the Hon'ble Chairperson invited suggestions of the Members on the following Draft Reports:-

- (i) Draft Report on the subject “Excess over voted grants and charged appropriations (2022-23)”;
- (ii) XXXXX XXXXX XXXXX XXXXX;
- (iii) XXXXX XXXXX XXXXX XXXXX;
- (iv) XXXXX XXXXX XXXXX XXXXX;
- (v) XXXXX XXXXX XXXXX XXXXX;
- (vi) XXXXX XXXXX XXXXX XXXXX;
- and
- (vii) XXXXX XXXXX XXXXX XXXXX.

3. After some deliberations, the Committee adopted six Draft Reports at Sl. Nos i – iii and Sl. Nos v - vii with slight modifications and authorised the Chairperson to finalise the Reports in the light of factual verification done by the Audit.

The Committee then adjourned.
