

**PUBLIC ACCOUNTS COMMITTEE  
1961-62**

**FORTY-FIRST REPORT**

(SECOND LOK SABHA)

**[Excesses over Voted Grants and Charged  
Appropriations disclosed in the  
Appropriation Accounts (Civil), 1959-60]**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***March, 1962***

***Phalguna, 1883 (Saka)***

***Price : Re. 0.75 nP.***

## LIST OF AUTHORISED AGENTS OF LOK SABHA SECRETARIAT

### ANDHRA PRADESH

1. G. R. Lakshminipathy Chetty & Sons, General Merchants & News Agents, Newpet, Chandragiri, Chittoor District (Andhra Pradesh).
2. Hindustan Diary Publishers, Market Street, Secunderabad.
3. Hyderabad Book Depot, Abid Road (Gun Foundry), Hyderabad.
4. International Consultants Corporation, 48-C, Marredpally (East), Secunderabad-3.
5. K. J. Asservadam and Sons, Cloughpet, P. O. Ongole, Guntur District (Andhra Pradesh).
6. M. S. R. Murthy & Company, Visakhapatnam.
7. People's Book House, B. 2-829/1, Nizam Shahi Road, Hyderabad-1.
8. The Triveni Publishers, Masulipatnam.

### BIHAR

9. Amar Kitab Ghar, Diagonal Road, Jamshedpur-1.
10. Book Centre, Opposite Patna College, Patna.
11. 'Jagriti', Bhagalpur-2.

### GUJARAT

12. Chanderkant Chiman Lal Vora, Law Publishers and Law Book Sellers, P.B. No. 163, 57/2, Gandhi Road, Ahmedabad.
13. Gandhi Samriti Trust, Bhavnagar.
14. Lok Milap, District Court Road, Bhavnagar.

15. The New Order Book Company, Ellis Bridge, Ahmedabad-6.
16. Swadeshi Vastu Bhandar, Booksellers etc., Jamnagar.

### KERALA

17. C. V. Venkitchala Iyer, Near Railway Station, Chalakudi.
18. International Book House, Main Road, Trivandrum.
- 18a. M. Mukanda Krishna Nayak, Manjeshwar S. K. Cannore Distt., Kerala State.

### MADHYA PRADESH

19. Modern Book House, 286, Jawahar Ganj, Jabalpur-1.
20. The National Law House, Near Indore Library, Opposite Old High Court Building, Indore.

### MADRAS

21. E. M. Gopalkrishna Kone, (Shri Gopal Mahal), North Chitrai Street, Madura.
22. The Kalpana Publishers, Booksellers, Trichinopoly-3.
23. The Presidency Book Supplies, 8-C, Pycroft's Rd., Triplicane, Madras-5.
24. S. Krishnaswami & Company, P. O. Teppakulam, Tiruchirapalli-2.

25. (Vacant)

### MAHARASHTRA

26. Charles Lambert & Company, 101, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.
27. The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.

28. D. B. Taraporewala & Sons, Co., (P) Limited, 210, Dr. Naoroji Road, Bombay-1.

29. Deccan Book Stall, Ferguson College Road, Poona-4.

30. The Good Companions, Rasputra, Baroda.

31. The Imperial Book Depot, 266, Mahatma Gandhi Road, Poona.

32. The International Book House, Private Ltd., 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.

33. The International Book Service, Deccan Gymkhana, Poona-4.

34. Minerva Book Shop, Shop No. 1/80, Netaji Subhash Road, Marine Drive, Bombay-2.

35. The New Book Company (P), Limited, Kitab Mahal, 188-90, Dr. Dadabhai Naoroji Road, Bombay.

36. The New Book Depot, Modi No. 3, Nagpur.

37. The Popular Book Depot (Registered), Lamington Road, Bombay-7.

38. Sahitya Sangam, Booksellers, 44, Lok Manya Vastu Bhandar, Dadar, Bombay-28.

### MYSORE

39. H. Venkataramiah & Sons, Vidyaniidhi Book Depot, New Statue Circle, Mysore.

40. Makkalapustaka Press, Balamandira, Gandhi Nagar, Bangalore-9.

41. People's Book House, Opp. Jaganmohan Palace, Mysore-1.

42. Pervaje's Book House, Koppikar Road, Hubli

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(1961-62)**

**CHAIRMAN**

**Shri C. R. Pattabhi Raman**

**MEMBERS**

2. Shri Rohan Lal Chaturvedi
3. Shri Aurobindo Ghosal
4. Shri Hem Raj
5. Shri R. S. Kiledar
6. Shri G. K. Manay
7. Dr. Pashupati Mandal
8. Shri S. A. Matin
9. Dr. G. S. Melkote
10. Shri Purushottamdas R. Patel
11. Dr. N. C. Samantsinhar
12. Pandit Dwarka Nath Tiwary
13. Kumari Mothey Vedakumari
14. Shri Ramji Verma
15. Shri K. K. Warior
16. Dr. Shrimati Seeta Parmanand
17. Shri Lalji Pendse
18. Shri V. C. Kesava Rao
19. Shri Mulka Govinda Reddy
20. \*Shrimati Savitry Devi Nigam
21. Shri Rajeshwar Prasad Narain Sinha
22. Shri Jai Narain Vyas.

**SECRETARIAT**

**Shri V. Subramanian—*Deputy Secretary.***

**Shri Y. P. Passi—*Under Secretary.***

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\*Ceased to be a member of the Committee on the vacation of her seat in **Rajya Sabha** consequent on her election to the Third Lok Sabha on 28.2.62, *vide* Sec. 69 (2) of the Representation of the People Act, 1951.

**Report on Excesses over Voted Grants and Charged Appropriations disclosed in the Appropriation Accounts (Civil), 1959-60.**

**I**

**INTRODUCTORY**

1, the Chairman of the Public Accounts Committee, having been authorised to present the Report on their behalf, present this Forty-first Report on the excesses over Grants/Appropriations, as disclosed in the Appropriation Accounts (Civil), 1959-60 which were presented to the House on the 5th May, 1961.

2. *In para 2 of their Thirty-second Report dealing with the excesses over Grants/Appropriations relating to the year 1958-59, the Public Accounts Committee (1960-61) had commented upon the delay on the part of the Ministries in furnishing notes stating the reasons or circumstances leading to such excesses and had urged that the Ministry of Finance should impress upon all the Ministries that the prescribed time limit of two months should be observed strictly by them in future. The Committee note that there are still instances of notable delays as will be seen from the dates shown in Col. 7 of the statement in para 4 below. The Committee observe that the Ministry of Finance had already issued instructions to the Ministries suggesting inter alia the preparation of the explanatory notes on excesses on receipt of the draft Appropriation Accounts from the Accounts Officer concerned without waiting for the printed Appropriation Accounts. Such a course would also help in securing early clearance from Audit who have to vet the notes before they are submitted to the Committee. The Committee trust that the Ministries would keep a close watch on the progress of action taken in this regard and ensure that the notes are submitted to the Committee within the prescribed time-limit.*

3. The Committee examined the excesses at their sitting held on the 13th March, 1962, in the light of the explanations furnished by the Ministries concerned (Appendices I to XIII).

## EXCESS GRANTS/

4. During the year ended the 31st March, 1960 the actual expenditure cases: —

Sl. No.	No. and Name of Grant	Ministry concerned
1	2	3
<b>VOTED GRANTS</b>		
1	2—Industries . . . . .	Commerce & Industry
2	31—Superannuation Allowances and Pensions	Finance
3	51—Census . . . . .	Home Affairs.
4	55—Himachal Pradesh . . . . .	Home Affairs
5	57—Manipur . . . . .	Home Affairs
6	93—Communications (including National Highways).	Transport & Communications (Deptt. of Transport).
7	97—Other Civil Works . . . . .	Works, Housing & Supply
8	111—Capital Outlay of the Ministry of External Affairs	External Affairs
9	122—Capital Outlay of the Ministry of Health.	Health
<b>CHARGED APPROPRIATIONS</b>		
0	35—Pre-partition Payments . . . . .	Finance
11	Interest on Debt and other obligations & Reduction or Avoidance of Debt. . . . .	Finance
12	55—Himachal Pradesh . . . . .	Home Affairs
13	115—Commutated value of Pensions . . . . .	Finance
14	137—Capital Outlay on Buildings . . . . .	Works, Housing & Supply

\*The explanatory notes were to be furnished by the 5th July, 1961.

@These figures represent the finally verified actuals and vary somewhat from the figures reported.

## APPROPRIATIONS

exceeded the Voted Grants/Charged Appropriations in the following

Final Grant/ Appropriation	Actual* expenditure	Excess	Date of receipt* of the note
4	5	6	7
Rs.	Rs.	Rs.	
29,71,22,000	29,72,81,189(@)	1,59,189(@)	6-7-1961
4,10,71,000	4,17,46,986	6,75,986	22-7-1961
33,58,000	36,86,039	3,28,039	6-7-1961
5,82,91,000	6,10,84,071(@)	27,93,071(@)	31-7-1961
2,33,89,000	2,39,72,467	5,83,467	29-7-1961
6,92,90,000	7,07,34,837(@)‡	14,44,837(@)‡	10-10-1961
28,90,60,000	29,91,77,881(@)	1,01,17,881(@)	14-10-1961
78,66,000	82,11,979(@)	3,45,979(@)	17-8-1961
12,47,97,000	12,57,20,613	9,23,613	5-3-1962
5,37,000	8,41,059(@)	3,04,059(@)	31-7-1961
1,72,21,88,000	1,75,25,27,025	3,03,39,025	11-8-1961
2,17,000	2,17,207	207	31-7-1961
3,53,000	4,31,569(@)	78,569(@)	21-8-1961
49,000	49,840(@)	840(@)	31-7-1961

those published in the Audit Report (Civil), 1961 due to misclassifications subse-

5. The Committee observe from the notes furnished to them by the Ministries concerned that, as in the previous years, the excesses were primarily due to defective assessment of requirements in the budget and in the revised estimates. In some cases misclassification in accounts was partly responsible for the excesses. This would indicate the imperative need for greater attention to estimating, control over progress of expenditure and prompt reconciliation of the departmental figures of expenditure with those of the Accounts offices.

6. The Committee would now proceed to deal with a few individual cases of excesses over Voted Grants/Charged Appropriations which disclosed defective budgeting and lack of proper control over expenditure.

(i) MINISTRY OF COMMERCE AND INDUSTRY

GRANT No. 2—\*Industries—Excess Rs. 1,59,189—(Voted).

The excess in this Grant occurred mainly under the sub-head 'C-I—Grants to States—C-I-(1)—Development of Handloom Industry.' This has been stated to be due to some old debits pertaining to 1957-58 and 1958-59 which were adjusted in the accounts for 1959-60. The past liability on this account was taken into consideration at the time of fixation of final grant thereby restricting the claims of the State Governments for 1959-60 to the available provision. The amounts actually adjusted, however, exceeded the estimates. It has been explained by the Ministry of Commerce & Industry that despite their cautious budgeting and best efforts to ensure that the total available provision was not exceeded, belated adjustments of debits were made which had led to the present excess. In order to avoid the recurrence of such belated adjustments, a new procedure for adjustment of Central assistance to States is stated to have been evolved in consultation with the Comptroller and Auditor General of India. The Committee trust that the new procedure would avoid such excesses over Grants.

(ii) MINISTRY OF HOME AFFAIRS

†GRANT NO. 55—HIMACHAL PRADESH—Excess Rs. 27,93,071  
(Voted)

In this case, the excess occurred mainly under the following heads:—

- (a) Account III—Civil Administration, H.-Public Health: H. 5-Miscellaneous—H. 5(8) (5)—Works (Rs. 10,11,725).
- (b) Account IV—Civil Works & Miscellaneous—Public Improvements. C—Receipts from Road & Water Transport Schemes—C. 1(2)-Operation—C. 1(2) (4)—Other Charges (Rs. 5,63,810).
- (c) Account V—Miscellaneous—A—Stationery & Printing—A. 4—Other Charges (Rs. 70,348).
- (d) Account V—B—Miscellaneous—B. 8-Miscellaneous & Unforeseen Charges—B. 8(7)—Expenditure on Backward Areas (Rs. 1,01,798).

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\*Appendix I.

†Appendix IV.



(e) Account VI—Extraordinary Items—A. Community Development and National Extension Service etc.—A. 1(1) (2)—Other Expenditure (Rs. 11,01,326).

**Note:** The total gross excess of Rs. 28,49,007 was counter-balanced by savings under other heads, the net excess over the grant being Rs. 27,93,071.

As regards the excess under (a), the Himachal Pradesh Administration had asked the Ministry of Health to provide adequate funds in respect of works under the National Water Supply Scheme. But the Ministry did not make such provision owing to a misunderstanding that provision for the same works, had been made in the Capital Grant No. 122—Capital Outlay of Ministry of Health. The expenditure on works under Water Supply Scheme is partly debitable to Capital Budget and partly to Revenue Budget. Prior to February, 1960, there was no clear demarcation in regard to the classification of expenditure on these schemes under Capital or Revenue Budget. The final decision that the expenditure should be charged to Capital was communicated to the Himachal Pradesh Administration on 22-2-1960. It was then too late to obtain additional funds.

As regards (b), the excess is stated to be due to increased hire charges of vehicles engaged during the potato season (October-December) for the transportation of potatoes and more expenditure on petrol, lubricants stores and accessories and other contingent items. It has been explained that the expenditure under this sub-head was of fluctuating nature and, therefore, could not be foreseen with reasonable accuracy, being dependent on the size of the potato crop and the volume of traffic which varies considerably from year to year. Additional funds asked for by the Administration were not provided for by the Ministry as the actuals for the first nine months of the year did not support the demand. Obviously the Ministry's calculations were upset by the rush of expenditure during the closing months of the year. The Committee feel that had the trend of expenditure during the closing months of previous years been taken into consideration, the excess could have been largely avoided.

Excesses under items (c), (d) & (e) also occurred due to more expenditure during the closing months of the year as compared to the anticipations on the basis of trend of expenditure during the first nine months.

*The Committee trust that the Ministry will take steps to improve the technique of estimating and control over expenditure.*

(iii) MINISTRY OF HOME AFFAIRS

\*GRANT No. 57—MANIPUR—Excess Rs. 5,83,467 (Voted)

From the note submitted by the Ministry of Home Affairs (Appendix V), the Committee observe that the excess under this Grant occurred mainly due to inaccurate estimating and unexpectedly high tempo of progress of works at the fag end of the year. The Committee also note that in respect of the Tribal Welfare

**Educational Schemes and Cultivation schemes in the tribal areas, the expenditure in the nature of contributions was not provided through oversight.**

*This only indicates that the Administration was not keeping a close watch on the progress of expenditure.*

(iv) **MINISTRY OF TRANSPORT & COMMUNICATIONS  
(DEPARTMENT OF TRANSPORT—ROADS WING)**

**\*GRANT No. 93—Communications (including National Highways)  
Excess Rs. 14,44,837 (Voted)**

During the year under review, there was an excess of Rs. 14,44,837 under Grant No. 93—Communications (including National Highway). The excess was mainly under head B—Repairs, Rs. 18,82,702 (sub-head B. 1—Highways Rs. 13,96,509 and sub-head B. 2—Repairs—other communications Rs. 4,86,193), which was counterbalanced by certain sayings under other sub-heads.

In a note furnished by the Ministry of Transport & Communications (Department of Transport) (Appendix VI), the bulk of excess under sub-head B. 1 has been explained as due to repair works occasioned by unprecedented rains, floods and landslides in certain States and Union Territories. The excess under sub-head B. 2 has also been mainly attributed to larger expenditure on removal of landslides in Naga Hills—Tuensang Area, NEFA and Tripura and undertaking of certain urgent repair works in Andamans and Nicobar Islands and Tripura.

It has been stated in extenuation that in the hilly regions, landslides were very common, badly dislocating the means of communications which had to be maintained properly for strategic reasons.

As regards remedial measures, it has been stated that the Departmental Officers in the State Governments/Administrations have been strictly warned, not to exceed allotments. *While the Committee accept that allotments should not be exceeded by Departmental Officers without adequate grounds in the interest of public service, they feel that cuts should not arbitrarily be applied to the estimates of funds for repairs to roads, for, in the interest of economic maintenance of roads, prompt and adequate attention to necessary repairs is inescapable.*

(v) **MINISTRY OF WORKS, HOUSING & SUPPLY**

**†GRANT No. 97—Other Civil Works—Excess Rs. 1,01,17,881 (Voted)**

This year also there has been an overall excess of Rs. 1,01,881 in this Grant under the head 'Suspense' which has been repeatedly commented upon by the Committee. According to the note furnished by the Ministry (Appendix VII), the main reasons for the excess in the Grant were (i) larger receipt of materials and equipment than anticipated and (ii) failure to conduct timely review of the expenditure for obtaining the supplementary Grant, if necessary.

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\*Appendix VI.

†Appendix VII.

The Committee would reiterate their recommendation in para 7 (vi) of their 23rd Report (1959-60) that the procedure for budgeting and accounting of 'suspense' head should be reviewed and a new procedure evolved early so that the provision under this Grant is not subject to wide fluctuations as at present.

(vi) MINISTRY OF EXTERNAL AFFAIRS

\*GRANT No. 111—Capital Outlay of the Ministry of External Affairs—Excess Rs. 3,45,979 (Voted)

In this Grant there has been an overall excess of Rs. 3,45,979 under the following sub-heads:—

- (a) Sub-head A. 1(1)—Procurement of Food Stuffs and other Essential Commodities for Tribal Areas (NEFA).
- (b) Sub-head A. 1(2)—Procurement of Food Stuffs and other Essential Commodities for Tribal Areas—Naga Hills—Tuensang Area.

From the Ministry's note (Appendix VIII), the Committee observe that the excess under (a) was primarily due to non-provision for the adjustment of the cost of rice supplied by the Ministry of Food & Agriculture, and that under (b) to late receipt of demands from the outposts which accounted for the bulk of the excess.

In extenuation it has been urged by the Ministry that in the past debits for supplies made in a year were not raised during that year by the supplying Ministry. In the year 1959-60, however, the debits were raised promptly although the Ministry concerned were requested to defer it till the following year as provision therefor was made in that year. *The Committee are not satisfied with this explanation. Postponement of debits on the plea of lack of funds or provision is objectionable as it will vitiate effective Parliamentary control. The Committee understand that instructions have been issued to the NEFA Administration to avoid recurrence of such lapses in future. They trust that these instructions will be duly implemented in future.*

(vii) MINISTRY OF FINANCE

†Interest on Debt and other Obligations and reduction or avoidance of Debt—Excess Rs. 3,03,39,025 (Charged).

The excess occurred mainly under the following sub-heads:—

- (a) C—5—Interest on Canadian Credit for purchase of Wheat (Rs. 53,92,380).
- (b) C—8—Interest on Loans from the Federal Republic of Germany (Rs. 2,05,02,974).
- (c) K—3(1)—Depreciation Reserve Fund—Railways (Rs. 96,94,469).

NOTE—The excess was partly counter-balanced by the savings under other sub-heads in the Appropriation.

\*Appendix VIII.

†Appendix XI.

As regards (a) above, the payment was made by the I.S.M., Washington on the due date, i.e., in March, 1959, but the debit for the same was passed on by the Pay & Accounts Officer, W.H. & S. (who is the Accounts Officer of the I.S.M., Washington) to the A.G.C.R. only in the accounts of 1959-60. The intimation about this adjustment was sent to the Ministry by the A.G.C.R. in September, 1959. It was admitted by the Ministry that this fact was lost sight of when the Appropriation for Interest on Debt, etc. for the year 1959-60 was finally determined.

Similarly, the excess referred to at (b) above occurred because provision made for the adjustment advised by the Ministry of Steel, Mines and Fuel to the A.G.C.R. was inadequate.

As regards (c), the Committee understand that the excess was caused by an error in determining the opening balance as on 15-8-1947 in the Depreciation Reserve Fund—Railways. Originally an *ad hoc* balance had been shown provisionally under this Fund pending the final closing of the pre-partition accounts. The opening balance had actually to be increased as a result of adjustments subsequently made in respect of each of the years since Partition till 1958-59. While calculating the provision for interest there on the Ministry computed on a correspondingly reduced opening balance under a mis-apprehension. The actual adjustment of interest was, however, made correctly on the basis of the increase opening balance in the Depreciation Reserve Fund as on 15-8-1947, which resulted in an excess over the final appropriation. It was too late when the mistake was detected.

*The three instances above disclose the lapses on the part of the Ministry of Finance and Ministry of Steel, Mines and Fuel. The Committee deplore that in the matter of budgeting and control over expenditure such mistakes should have occurred in the Ministry of Finance, who are expected to set an example to other Ministries in financial discipline.*

7. Subject to the above observations, the Committee recommend that the excesses referred to in para 4 above be regularised by Parliament in the manner prescribed in Article 115 of the Constitution.

8. The Committee would like to place on record their appreciation of the assistance rendered to them in this task by the Comptroller & Auditor General of India.

NEW DELHI;  
The 13th March, 1962.  
Phalguna 22, 1883 (Saka)

C. R. PATTABHI RAMAN,  
Chairman,  
Public Accounts Committee.

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**APPENDICES**

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## APPENDIX I

### MINISTRY OF COMMERCE & INDUSTRY

**SUBJECT:**—Note on excess over the Grant No. 2—Industries for the year 1959-60.

**REFERENCE:** Lok Sabha Secretariat O.M. No. 2/VI/61/PAC dated 5th May, 1961.

The excess of Rs. 6,88,089 over voted grant under Grant No. 2—Industries in Appropriation Accounts for the financial year 1959-60 was caused mainly due to excess expenditure under the sub-head "C1-Grants to States—C1(1)-Development of Handloom Industry".

2. Originally a sum of Rs. 300 lakhs was provided under sub-head "C 1(1)-Grants to States for Development of Handloom Industry". This amount was subsequently raised to Rs. 485.90 lakhs at the final grant stage by reappropriation of a sum of Rs. 185.90 lakhs on the basis of claims of the State Govts', past liabilities and the outstanding debits of the previous years. According to the Appropriation Accounts for the year 1959-60, a sum of Rs. 503.02 lakhs was accounted for under this sub-head which resulted in an excess of Rs. 17.12 lakhs. The excess under this sub-head was counter-balanced by corresponding savings of Rs. 10.24 lakhs under the sub-heads A1(1)(11) (Rs. 1.46), A5(5)(1) (Rs. 3.66), A5(5)(2) (Rs. 2.95) and D2(4) (Rs. 2.17) resulting in a net excess of Rs. 6.88 lakhs over the Grant No. 2 as a whole.

3. According to the information available in the Ministry the net excess should, however, be Rs. 1.59 lakhs only which amounts to about .05% of the Grant. The Deputy Director of Audit, Bombay in his accounts for 1959-60 booked a sum of Rs. 497.73 lakhs under C1(1) Grants to States for Development of Handloom Industry. This included a sum of Rs. 5.29 lakhs representing payment of Central assistance to Kerala State for 1959-60. The A.G., Kerala once having passed on the debit to Deputy Director of Audit, F.R.S.C.S. & M., Bombay again included this amount in the central section of his accounts rendered to the A.G.C.R., clearing the debit by corresponding deduct entry under 'Amount met from Fund for the Development of Handloom & Khadi Industries—Development of Handloom Industry'. This amount (Rs. 5.29 lakhs) has been added second time in the actuals under sub-heads C1(1) Grants to States for Development of Handloom Industry in the Appropriation Accounts for 1959-60. After deducting this amount of Rs. 5.29 lakhs the excess of Rs. 17.12 lakhs will be reduced to Rs. 11.83 lakhs.

4. The excess of (Rs. 11.83 lakhs) was mainly due to some old debits pertaining to 1957-58 and 1958-59 in respect of C1(1)-Grants to States for Development of Handloom Industry which were adjusted in the accounts for 1959-60. The past liability on this account for the previous years was estimated at Rs. 363.62 lakhs and at the time

of fixation of final grant this figure was taken into account thereby restricting the claims of the State Govts. for 1959-60 to the available provision. Actual adjustments of these old debits, however, exceeded the estimates by Rs. 11.28 lakhs as our estimates of actual adjustment mainly depend upon the acceptance of figures by the State Govts. which entails a considerable delay. In spite of our attitude of cautious budgeting and best efforts to see that the total available provision is not exceeded, the adjustment of debits more than those anticipated had led to excess over the voted Grant.

5. In order to avoid the recurrence of such belated adjustments, a new procedure for adjustment of Central assistance to States has been evolved in consultation with the Comptroller and Auditor General of India according to which the debits will be finally adjusted in the Central Books of the respective Accountants General and statement of expenditure will only be forwarded to the Director of Audit, F.R.S.C.S. & M., for Appropriation Audit purposes. This procedure will ensure that all the debits are duly accounted for within the same year and there is no back-log of debits or the unexpected adjustment. Moreover, from 1961-62 the provision for Central assistance to States have now been centralised in one Demand (34-Grants to States) under the Ministry of Finance who will be in a better position to control it. Elimination of a major uncertain element as this (Central Assistance to States) from this Grant, will ensure an improved and more effective control over expenditure under the Grant-2 Industries in future.

Sd./- (S. Ranganathan),  
*Secretary to the Government of India.*

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**APPENDIX II**  
**No. F.8(5)B/61 (Pt. IV)**  
**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**(Department of Economic Affairs)**

*New Delhi, the 20th July, 1961.*

**MEMORANDUM**

**SUBJECT:**—*Notes regarding the excesses in the Grants and Appropriations as reported in the Appropriation Accounts (Civil) for 1959-60 relating to the Ministry of Finance.*

**Grant No. 31—*Superannuation Allowances and Pensions***

	Rs.
Final Grant (Voted) . . . . .	4,10,71,000
Actual Expenditure (Voted) . . . . .	4,17,46,986
Excess—(Voted) . . . . .	6,75,986

The estimates under this Grant are based on the information furnished by the Accounts Officers, who are largely guided by the past and present trend of actuals and other information available with them at the time. As the payment of pensions and gratuities depend upon the claims preferred by the pensioners or sanctions issued by departmental authorities for which no advance intimation is available, it is not possible to make a precise forecast of the payments likely to be made and adjusted towards the close of the year.

The excess occurred mainly under the sub-heads 'D-Gratuities' (Rs. 5,84,766) and 'I-Pensions etc. under the War Risk Compensation Scheme' (Rs. 2,02,111), partly counter-balanced by savings under other heads in the Grant and was due to the fact that the payments of gratuities and pensions at the close of the year exceeded anticipations.

This has been seen by Audit.

Sd/- SHIV NAUBH SINGH,  
*Joint Secretary to the Govt. of India.*



### APPENDIX III

*Note regarding the amount expended in excess of the sum sanctioned during 1959-60 under Grant No. 51—Census*

	Rs.
Original Grant . . . . .	18,51,000
Supplementary Grant . . . . .	15,07,000
Final Grant . . . . .	33,58,000
Actual Expenditure . . . . .	36,86,039
Excess . . . . .	3,28,039

In accordance with Article 115 of the Constitution the excess expenditure is required to be regularised by the Parliament.

2. The excess has registered mainly under the following sub-heads:—

#### A. *Superintendence*

	Rs.
A.4—Other Charges . . . . .	37,630
D.—Printing & Stationery . . . . .	3,43,215
TOTAL . . . . .	3,80,845

The above gross excess of Rs. 3,80,845 has been counter-balanced by the savings to the extent of Rs. 52,806 under other sub-heads; thereby bringing down the net excess to Rs. 3,28,039. This is explained in the following paragraphs:—

#### 3. A 4—*Other Charges*

An excess of Rs. 37,630 has been registered under this sub-head during 1959-60. The excess is mainly due to adjustment of debit for the purchase of Station Wagons supplied to the Superintendents of Census Operations, Kerala and Mysore, in the third week of December, 1959. No provision was made for these debits in the final grant as the department was under the impression that the provision was to be made only after an intimation about the raising of the debit had been received from the Pay and Accounts Officer.

#### 4. D. *Printing and Stationery*

Originally a provision of Rs. 4,20,900 was sanctioned under this sub-head. This provision was made on *ad hoc* basis because the position with regard to Census programme was not clear at the time when the budget estimates for 1959-60 were framed. In September, 1959, the budgetary position was reviewed on the basis of six monthly estimates and it was anticipated that there would be a saving of

Rs. 1,09,550 under this sub-head. Accordingly this amount was re-appropriated from this sub-head to meet excess under other sub-heads.

5. A Conference of Superintendents of Census Operations was held in Delhi between 24th September, 1959 and 1st October, 1959. The entire census programme was reviewed in that Conference. The Conference suggested certain improvements in the procedure which was followed during 1951 Census Operations. In order to fulfil the programme chalked out by the Conference in time it was necessary to gear up the entire Census machinery. Accordingly to the decisions taken in the Conference large quantity of paper was required. An order for the supply of 2,000 tons of paper was placed with the D.G., S. & D., but it was expected that the supply would not be to the extent ordered for. In the circumstances, then prevailing, it was estimated that the supply would be limited to about 1,350 tons. On this basis the budgetary position of this sub-head was reviewed in the month of January, 1960 and a supplementary grant of Rs. 14,22,000 was obtained under this sub-head to cover the anticipated excess expenditure. However, 1,643 tons of paper were supplied in 1959-60 as against 1,350 tons anticipated to be supplied during the year. Thus it will be observed that 293 tons of paper were supplied in excess of what was anticipated. The excess-supply of paper was received in the month of March 1960, when it was not possible to obtain a further supplementary grant to cover the adjustment of the cost of this excess supply. This alone amounted to Rs. 3,47,850. This excess was, however, counter-balanced to some extent by savings elsewhere.

The note has been seen by the Audit.

Sd/- FATEH SINGH,  
*Joint Secretary to the Government of India.*

## APPENDIX IV

*Explanatory Note in respect of Grant No. 55—Himachal Pradesh for the year 1959-60*

		Rs.
Final Grant or Appropriation	Charged	2,17,000
	Voted	5,82,91,000
Actual Expenditure	Charged	2,17,207
	Voted	6,11,04,929
Excess	Charged	207
	Voted	28,13,929

The excess in the charged portion is under the following sub-heads:—

*Account III—Civil Administration*  
**M—Miscellaneous Departments**  
**M(6)—Civil Supplies Department**  
**M(6) (4)—Other Charges.**

Rs. 208/-

The excess is due to the reason that the provision in respect of a decretal amount for which the award was finalised on the 26th June, 1958 was wrongly retained under Voted portion of the Grant. This mistake was detected after March, 1960 when the additional funds could not be provided.

The excess of Rs. 28,13,929 under voted portion is mainly attributable to the following sub-heads to the extent shown against each one of them:—

*Account III—Civil Administration*

	<i>Excess</i> Rs.
1. H—Public Health	
H. 5—Miscellaneous	
H. 5(8)—Works	10,11,725
2. <i>Account IV—Civil Works &amp; Miscellaneous Public Improvements.</i>	
<i>C—Receipts from Road &amp; Water Transport Schemes.</i>	
C.1(2).—Operation.	
C.1(2)(4).—Other Charges	5,63,810
<i>Account V—Miscellaneous.</i>	
3. A.—Stationery & Printing	
A. 4—Other Charges	91,206

4. B—Miscellaneous :	Rs.
B. 8—Miscellaneous & Unforseen Charges	
B. 8(7).—Expenditure on Backward Areas . . . . .	1,01,798
5. Account VI—Extraordinary Items.	
A.—Community Development and National Extension Service etc.	
A.1(1)(2).—Other Expenditure . . . . .	11,01,326
TOTAL . . . . .	28,69,865

The above excess of Rs. 28,69,865/- has been counter-balanced to the extent of Rs. 55,936/- by savings under other sub-heads thereby bringing down the net excess to Rs. 28,13,929/- which is due to the reasons explained in the following paragraphs

(A)

*Account III*

H.—Public Health.

H. 5—Miscellaneous.

H. 5(8) (5)—Miscellaneous. Rs. 10,11,725/-

The excess of Rs. 10,11,725/- occurred due to the under-mentioned circumstances:—

The expenditure on works under Water Supply Schemes is partly debitable to Capital Budget and partly to Revenue Budget. Prior to February, 1960, there was no clear demarcation in regard to the classification of expenditure under Capital and Revenue Budget. In 1958, the Himachal Pradesh Administration approached the Ministry of Health for a provision of Rs. 11,16,800/- in the Budget Estimates for 1959-60 in respect of sub-head H.5(8) (5)—Works under the group-head H.5(8)—Water Supply Schemes. The Ministry of Health included a provision of Rs. 1,79,000/- for establishment charges. The remaining funds were not provided by them in the Area Grant as they felt that the expenditure was of Capital nature. That Ministry however, agreed to provide the remaining funds for the purpose either by Re-appropriation or by Supplementary Grant. Accordingly the Himachal Pradesh Administration approached the Ministry of Health for the provision of Rs. 11,26,300/- under the group head H.5(8)—Water Supply Schemes in the Revised Estimates for 1959-60 in their letter dated 16-11-1959, and also in their subsequent letter dated 4-1-1960 to the Ministry of Health. That Ministry in their letter dated 16/13-1-1960, promised to provide the amount required by re-appropriation. A provision of Rs. 18,74,500 (which included Rs. 11,88,700 for Punjab Circle) was made under sub-head A. 1 in Grant No. 122—Capital Outlay of the Ministry of Health by re-appropriation for meeting the expenditure on water supply and sanitation schemes of Union Territories. The Ministry of Health were under the impression that this would cover the expenditure on water supply works in Himachal Pradesh for which the Administration had proposed provision under group-head H.5(8)(5) of the

**Area Grant.** The position became clear only when the Himachal Pradesh Administration informed the Ministry of Health on 8th April 1960 (after the close of the financial year 1959-60) that the provision made under the Capital Grant had no bearing with the schemes for which the Administration had proposed provision of funds.

In February 1960, it was decided by the Ministry of Health, in consultation with the Ministry of Finance that where the Water Supply and Sanitation Schemes were undertaken and executed by the Union Territories and tangible assets costing more than Rs. 20,000 were created, the connected expenditure should be capitalised, and that such expenditure should not be charged to Major Head 39—Public Health. This decision was communicated to the Himachal Pradesh Administration on 22nd February, 1960. In reply the Administration pointed out certain difficulties in their letter dated the 17-3-1960 and suggested to the Ministry of Health that the matter should be reconsidered and the entire expenditure on Works under Water Supply Scheme should be charged to "39—Public Health". Further that if any change in the method of accounting was proposed, it might be adopted from the beginning of the Third Plan. The expenditure during the year on these works had actually been charged to "39—Public Health" and it was too late at that stage to ask for additional funds through a Supplementary Demand.

#### *Account IV*

*C—Receipts from Road & Water Transport Schemes.*

C. 1(2) (4)—*Other Charges.* Rs. 5,63,810/-

(B) The excess under the above mentioned sub-head is mainly due to increased hire charges of vehicles engaged during the potato season (from October to December) for the transportation of potatoes (Rs. 3,49,329) and more expenditure on petrol, lubricants stores and accessories and other contingent items (Rs. 2,14,571). The expenditure under this sub-head is of a fluctuating nature and cannot be foreseen with any reasonable accuracy, being dependent on the size of potato crop and the volume of traffic which varies considerably from year to year. The Himachal Pradesh Administration approached this Ministry in January, 1960 for additional funds to the extent of Rs. 9,22,000/- under this sub-head for increased hire charges of vehicles, more expenditure on petrol, lubricants, etc. The review of the Area Grant as a whole on the basis of actuals for the first nine months, however, revealed that against the proportionate grant of Rs. 4,38,81,000, the actual expenditure incurred by the Administration upto the end of December 1959 was Rs. 3,59,95,404/- only. As the progress of expenditure was not keeping pace with the sanctioned provision, it was felt by this Ministry that the additional funds, if any, required by the Transport Department would be found by the Administration by locating savings under other heads. No Supplementary Grant was, therefore, obtained during the year.

**Account V****A—Stationery & Printing****A. 4—Other Charges.**

Rs. 91,206/-

(C) The excess under this sub-head is attributable to the following two items:—

(i) Purchase of Printing paper (ii)—Purchase of Stationery (i) *Purchase of printing paper:—(Rs. 68,969/-).*

The Himachal Pradesh Administration is entitled to get free supply of stationery, being a Union Territory and hence no provision was made for the purchase of paper. This fact was made clear to the Administration in December, 1959, when the Administration was asked to obtain its requirement of printing paper from the Controller of Stationery, Calcutta, instead of placing direct orders on the mills as a direct demanding authority of the D.G.S. & D. It was also decided to surrender the allocation of paper in favour of Stationery Office. Prior to 1959, the Administration had placed indents on the D.G.S. & D. against which supplies had also been received by them. The debits on account of these supplies were raised against the Administration who refused to accept it in the belief that the cost of paper indented by them as direct indenter of the D.G.S. & D. would be debited to the Stationery Office, Calcutta. These debits were, however, adjusted against the Administration by the Accountant General Punjab, as the indents were directly placed by the Administration.

(ii) *Purchase of Stationery:—(Rs. 20,858).*

The amount relates to the cost of stationery supplied against the orders placed by the Controller of Stationery, Calcutta. The Administration having been declared as a Non-Paying Department for the purpose of supply of stationery stores, the cost of stationery so supplied should not have been adjusted in the accounts of the Administration. The debit of Rs. 20,858/- was, however, raised erroneously against the Administration. The credit for this amount had, however, been received in the year 1960-61.

**Account V****B. 8(7)—Expenditure on Backward Areas Rs. 1,91,798.**

(D) The excess under this head is mainly due to fact that in the concluding months of the year, expenditure to the extent of Rs. one lakh had to be incurred for housing nomadic scheduled castes under the centrally sponsored scheme. Additional funds required for the purpose were not provided as it was felt, on the basis of the trend of actual expenditure which was out of all proportions to the original provision, that there would be sufficient savings to cover additional expenditure during the year.

**Account VI.****A.(1)—Community Development Projects****A. 1(1) (2)—Other Expenditure Rs. 11,01,326.**

(E) At the time of the preparation of the Budget Estimates 1959-60, a provision of Rs. 14.64 lakhs was included

in the total provision of Rs. 31,92,000/- for the following eight blocks which were to be normalised during the course of the year:—

---

1. Rohru.	2. Karsog.	3. Bhattiyat.
4. Pachhad.	5. Kasumpati-suni	6. Theog.
7. Chamba.	8. Chachiot.	

---

The period of their operation was, however, extended by the Government of India in order to utilise the unspent balance with the result that total expenditure on these blocks was anticipated at Rs. 29.58 lakhs, during 1959-60, the actual expenditure being Rs. 25.65 lakhs, resulting in an excess of Rs. 11.01 lakhs. The additional funds were not provided by supplementary grant as the progress of expenditure, upto the end of December, 1959, did not justify allotment of additional funds. Against the sanctioned provision of about Rs. 40 lakhs, expenditure incurred upto the end of December, 1959, was Rs. 10.87 lakhs according to departmental figures. The pace of expenditure continued to be slow up to Feb. 1960, when the total expenditure touched the figure of Rs. 16.13 lakhs. An amount of Rs. 4,83,569 was accordingly re-appropriated from this sub-head on the basis of the trend of expenditure. The actual expenditure, however, far exceeded the anticipated level and resulted in an excess of Rs. 11,01,326.

As there was an erroneous adjustment of Rs. 20,858 under sub-head A-4—Other charges in Account V of the grant, the actual excess requiring regularisation is Rs. 27,93,071 only, and not Rs. 28,13,929 as appearing in the printed copy of the appropriation Accounts.

The note has been seen by Audit.

Sd/- (A. D. PANDE),  
Joint Secretary to the Government of India.

## APPENDIX V

### Explanatory Note in respect of Grant No. 57—Manipur for 1959-60.

	Rs.
Final Grant . . . . .	2,33,89,000
Actual Expenditure . . . . .	2,39,72,467
Excess . . . . .	5,83,467

The above excess of Rs. 5,83,467 is mainly attributable to the following sub-heads to the extent shown against each:—

#### *Account III—Civil Administration*

SUB-HEADS	Rs.
(A) E.5(3).—Education in Tribal Areas	
E. 5(3)(3).—Grants-in-aid . . . . .	2,20,968
(B) H. 4(2).—Agricultural Farm	
H. 4(2)(4).—Other Charges . . . . .	1,38,176
	3,59,144

#### *Account V—Miscellaneous*

SUB-HEAD	Rs.
(C) C. 3.—Miscellaneous & Unforeseen Charges	
C. 3(1).—Schemes of Welfare of Scheduled Tribes . . . . .	1,46,061
	1,46,061

#### *Account VI—Extra-ordinary Items*

SUB-HEAD	
(D) A.1.—Community Development Projects :	
A.1(1)(2).—Lump Provision for Community Development Schemes . . . . .	2,23,128
	2,23,128
<b>GRAND TOTAL . . . . .</b>	<b>7,28,333</b>



1(1) The above gross excess of Rs. 7,28,333 has been counter-balanced to the extent of Rs. 1,44,866 by the savings under other sub-heads, thereby bringing down the net excess to Rs. 5,83,467 which is due to the reasons explained in the following paragraphs:—

(A) *Account III—Civil Administration:*

E. 5(3)—*Education in Tribal Areas—*

E. 5(3) (3)—*Grants in aid* Rs. 2,20,968

2. Due to transfer of certain schemes to the Manipur Territorial Council, the original provision of Rs. 1,25,900 under this sub-head was reduced to Rs. 43,080 by re-appropriating a sum of Rs. 82,820. However, the actual expenditure under the head amounted to Rs. 2,64,048 thereby leading to an excess of Rs. 2,20,968. This was due to the fact that additional grants-in-aid were given in connection with the implementation of Tribal Welfare Educational Schemes by the Administration. These grants were in the nature of contributions towards construction of schools, hostels and teachers' quarters for tribals. These works were done by the people themselves on contribution basis. Additional funds to meet the excess could not, however, be provided through mistake.

(B) *H.4(2)—Agricultural Farm—*

H.4 (2) (4)—*Other Charges* Rs. 1,38,176

3. In order to meet increased expenditure on shifting cultivation schemes by tribals in the hill areas of Manipur, the original provision of Rs. 66,000 under this sub-head was raised to Rs. 95,533 by re-appropriation. The actual expenditure under the head, however, amounted to Rs. 2,33,709 thereby resulting in an excess of Rs. 1,38,176. This excess was mainly due to increased expenditure on contributions paid in respect of shifting cultivation schemes by tribals in the hill areas. Additional funds to meet the expenditure were not distributed to this head through misunderstanding.

(C) *Account V—Miscellaneous:*

C.3—*Miscellaneous and unforeseen charges—*

C.3(1)—*Schemes of Welfare of Scheduled Tribes* Rs. 1,46,061

4. At the time of framing budget estimates for the year 1959-60, a lump provision of Rs. 31,45,000 was made under this sub-head. The provision under this sub-head used to be distributed to the relevant sub-heads of the Area Grant. Accordingly, a sum of Rs. 31,30,000 was re-appropriated to the relevant sub-heads. The excess of Rs. 1,46,061 was due to the fact that the expenditure relating to the sub-head 'C.3(2)—Other Miscellaneous Expenditure', was misclassified and adjusted under this sub-head instead of sub-head 'C.3(2)' where the necessary provision existed and where there resulted a Saving of Rs. 1,14,082.

(D) *Account VI—Extra-ordinary Items:*

A.1—*Community Development Projects—*

A.1(1) (2)—*Lump Provision for Community Development Schemes* Rs. 2,23,128

5. The original provision of Rs. 5,41,000 under this sub-head was enhanced to Rs. 15,71,000 by re-appropriating a sum of Rs. 10,30,000 due to implementation of more schemes. However, the tempo of

progress of works in the Community Development Blocks unexpectedly went up at the fag-end of the financial year due to completion of works by the people earlier than originally anticipated.

5. (1) The additional expenditure of Rs. 2,23,128 had to be incurred towards payment of contributions to the people in the Community Development Blocks towards the fag-end of the year, when it was too late to provide additional funds.

6. The note has been seen by Audit.

Sd/- (A. D. PANDE),

*Joint Secretary to the Government of India.*

## APPENDIX VI

### MINISTRY OF TRANSPORT & COMMUNICATIONS DEPARTMENT OF TRANSPORT (ROADS WING)

*Note regarding Excess over the Grants and Appropriation for 1959-60 relating to the Ministry of Transport and Communications.*

*GRANT No. 93—Communications (including National Highways)*

*EXCESS: Rs. 14,67,462/-.*

The excess over voted grant has taken place on account of the expenditure incurred on the restoration and urgent maintenance of National Highways and roads in Union Territories. The expenditure is incurred through the agency of the numerous Public Works Department Officers in the State Governments/Administrations, who have no powers to exceed the allotments, whatever be the urgency. They have, therefore, been warned to avoid such serious irregularities.

2. Coming to the details of the actual reasons leading to excess of Rs. 14,67,462/- over the budget grant of Rs. 692,90,000/- under Grant No. 93—Communications (including National Highways) for 1959-60 the excess took place under the following sub-heads:—

Sub-head	Final Grant	Actual Expenditure	Variation
	Rs.	Rs.	Rs.
A.—Original Works—Communications other than National Highways :			
A.1.—Major Works . . . . .	..	11,741	+11,741
B.—Repairs :			
B.1.—Maintenance of National Highways . . . . .	5,05,94,600	5,19,91,109	+13,96,509
B.2.—Other Communications . . . . .	89,73,100	94,59,293	+4,86,193

3. The expenditure of Rs. 11,741/- adjusted under the sub-head "A.1.-Major Works" above was incurred by the Manipur Administration on the two works sanctioned for being financed from the Central Road Fund. The Accountant General, Assam, however, observed in February, 1960 that the upto-date expenditure to end of December 1959 on the works in question had already exceeded their individual approved cost. Strict instructions had been issued to Audit in June, 1950 not to admit expenditure from the Central Road Fund unless it had been authorised by Government. Hence in the absence of revised sanction from the Government of India, the Accountant

General, Assam adjusted the expenditure under the sub-head "A.1." instead of under "Central Road Fund". It has now been advised by him that the expenditure is being adjusted under the appropriate head of account in the Supplementary Accounts for March 1961.

4. The excess under the sub-head "B.1.-Maintenance of National Highways" is due to larger expenditure in Andhra Pradesh, Bombay, Jammu & Kashmir, Madhya Pradesh, Mysore, Punjab, West Bengal, Uttar Pradesh, Himachal Pradesh, Manipur, Naga Hills Tuensang Area and Sikkim. The anticipated excess over the budget provision was due to (i) heavy damages caused to National Highways by unprecedented rains and floods and (ii) to cover adjustment of excess expenditure (Rs. 8,36,000/-) incurred by the Government of Madras during 1953-54 on the maintenance and repairs of National Highways, which was reimbursed during 1959-60. Against the budget provision of Rs. 475 lakhs, the requirements of the various State Public Works Departments and other Administrations amounted to Rs. 540 lakhs for the maintenance and repairs of National Highways. In order to cope with the additional demands of the State Governments a total provision of Rs. 520 lakhs was proposed to the Ministry of Finance in connection with the Revised Estimates, 1959-60. Basing their opinion on the pace of actual expenditure during 1959-60 (till November 1959) and that incurred during the preceding year, the revised estimates were accepted at Rs. 500 lakhs only. Consequently in January 1960, the States were informed of the probable funds which were available for allotment to them and the executive agencies were also requested to restrict the expenditure to the funds available. In order, however, to maintain a regular flow of traffic especially in hilly areas of Manipur, Naga Hills Tuensang Area, and Himachal Pradesh, where there were heavy land slides, the States' Public Works Departments had already proceeded with the restoration of flood damages as expeditiously as possible. This resulted in considerable excess over the final grant as the postponement of the works would have, otherwise, entailed a heavy capital expenditure later on. The excess is mainly due to:—

- (i) Removal of land slides and snow in order to maintain a regular flow of traffic in hilly areas of Himachal Pradesh, Manipur and Naga Hills Tuensang Area. (Rs. 1,68,038/-).
- (ii) Carrying out inescapable works, extensive repairs and heavy patch works in Madhya Pradesh, Mysore, Punjab and West Bengal. (Rs. 2,83,364/-).
- (iii) Restoration of flood damages in Bombay, Jammu and Kashmir, Punjab, Uttar Pradesh and West Bengal. (Rs. 8,16,417/-).
- (iv) Arrear of adjustment relating to the previous year in Bombay and Uttar Pradesh (Rs. 4,42,558/-). The intimations about these debits were received by the Ministry in December, 1959. No provision could, however, be made to cover these over adjustments for the reasons explained above.

5. The excess under the sub-head "B.2.-Other Communications" mainly occurred in Andaman and Nicobar Islands, Delhi, Manipur,

**Naga Hills Tuensang Area, North East Frontier Agency, Tripura and Sikkim.** All these Union Territories except Delhi and Andaman and Nicobar Islands, being the border States, have strategic importance of their own. Besides, land slides are very common in these hilly States which badly dislocate the means of communication and have to be maintained properly due to political reasons. In view of this peculiar situation and taking into consideration the requirements of the States, the budget provision of Rs. 80 lakhs was considered to be inadequate and a total provision of Rs. 95 lakhs was accordingly proposed to the Ministry of Finance for meeting the additional requirements. As against this only Rs. 90 lakhs were accepted for Revised Estimates, 1959-60. The excess of Rs. 4,86,193/- in Union Territories is mainly attributable to the following reasons:—

- (i) Removal of land slides in Naga Hills Tuensang Area, North East Frontier Agency and Tripura. (Rs. 2,59,747/-).
- (ii) Undertaking certain urgent repair works in Andaman and Nicobar Islands and Tripura. (Rs. 55,270/-).
- (iii) Undertaking inescapable works in Sikkim necessitated by political reasons. (Rs. 6,514/-).
- (iv) Erroneous adjustment by audit of the expenditure in Andaman and Nicobar Islands and Delhi. (Rs. 1,69,553/-).

The erroneous adjustment by audit of the expenditure mentioned at item (iv) above relates to expenditure incurred on tools and plant in Andaman Nicobar Islands (Rs. 1,46,928/-) which was correctly adjustable under sub-head C.1. and hence does not affect the net excess taking the grant as a whole and Rs. 22,625/- incurred on roads in Delhi which had been transferred to Municipal Corporation. The necessary credit for the expenditure on municipal roads has since been afforded in the accounts for 1960-61. The debit for Rs. 22,625/- did not pertain to this grant.

6. Excluding the expenditure of Rs. 22,625/- referred to in para 5 above, which does not pertain to Grant No. 93-Communications (including National Highways), the net excess requiring regularisation is Rs. Rs. 14,44,837/- (Rs. 14,67,462/- minus Rs. 22,625/-). This excess over the grant is mainly due to restoration of flood damages to roads caused by heavy rains and arrear adjustment of the expenditure. Vigorous efforts have been made to avoid recurrence of this situation and the State Governments/Administrations have been requested to give proper attention to budgetary rules. The question has, therefore, been repeatedly discussed in the annual meetings of the Chief Engineers. It may be mentioned that in the past the excesses took place in the far off Union Territories and this is the first time that such situation has developed in so many States. A watch is being kept and if the need arises stricter measures like change of executive agencies would be considered.

7. This note has been seen by Audit.

Sd/-(H. P. Sinha)

Consulting Engineer (Road Development) &  
Joint Secretary to the Government of India.

## APPENDIX VII

### GOVERNMENT OF INDIA

#### MINISTRY OF WORKS, HOUSING & SUPPLY

*Note for the Public Accounts Committee relating to regularization of Excess in Grant No. 97—Other Civil Works for 1959-60*

The excess disclosed in the Appropriation Account of the above mentioned grant is given as under:—

Excess over voted Grant:— Rs. 1,04,93,929/-.

2. The entire excess expenditure is accounted for under “Suspense” head Group head ‘G’ (Voted) which discloses an overall excess of Rs. 2,01,76,610/-. Part of the excess is offset by savings arising in other Sub-heads of the Grant, leaving an uncovered excess of Rs. 1,04,93,929 requiring regularization.

3. The reasons for the excess under the “Suspense” head are given below:—

4. *Group Head G—Suspense (Voted portion only)*:—The final Grant of Rs. 19,24,31,900/- under sub-heads G.1 (1), G.2 (1) and G.3 (1) was intended to meet the requirements of the following authorities:—

Budget Authority	Budget Grant Rs.	Supplemen- tary Demand Rs.	Re-appro- priation. Rs.	Final Grant Total Rs.
1. Delhi Admn. .	30,00,000	..	+13,19,000	43,19,000
2. Central PWD .	15,65,00,000	..	—29,00,000	15,36,00,000
3. Andaman & Nicobar .	25,00,000	11,19,000	—4,82,000	31,37,000
4. N.E.F.A. .	43,50,000	..	+4,20,000	47,70,000
5. Naga Hills Tuen- sang Area .	12,00,000	..	+11,44,100	23,44,100
6. Manipur .	9,00,000	12,50,000	+3,31,000	24,81,000
7. Tripura .	34,00,000	25,12,000	—1,77,800	57,34,200
8. Himachal Pra- desh .	30,00,000	1,42,75,000	—12,48,000	1,60,27,000
9. Dte. of Estates .	6,000	..	+13,600	19,600
	17,48,56,000	1,91,56,000	—15,80,100	19,24,31,900

5. Against the final grant of Rs. 19,24,31,900/- the actual expenditure under group head G(Voted) for the year amounted to Rs. 21,26,08,510/- resulting in an excess of Rs. 2,01,76,610/- mainly under the following circles:—

	Rs.
1. Central P.W.D.	1,42,05,206
2. Naga Hills Tuensang Area.	12,21,543
3. Manipur	27,92,570
4. Tripura	20,33,952
5. Himachal Pradesh	4,71,535
TOTAL	2,07,24,806

6. *Central P.W.D. (Rs. 1,42,05,206/-)*:—The Central P.W.D. incurred an expenditure of Rs. 16,78,05,206 under the head "Suspense" during 1959-60 against the final grant of Rs. 15,36,00,000/- thereby leading to an excess of Rs. 1,42,05,206/-. The following figures indicate the final excesses under the various detailed minor heads subordinate to "Suspense".

G-Suspense	Final Excesses
	Rs.
G.1.— Stock	
G.1.(1)—Charges	43,91,018
G.2.— Other Suspense Accounts	
G.2.(1)—Charges	97,77,165
G.3.— London Stores	
G.3.(1)—Charges in India	37,023
	1,42,05,206

The excess resulted on account of:—

- (a) G. 1.—Stock-G. 1(1)-Charges (Rs. 43,91,018).
- (i) receipt of more materials than anticipated during 1959-60. There was an unexpected arrival of stores in the months of February and March, 1960 aggregating to Rs. 18,19,000.
  - (ii) Short provision of funds. The six monthly review disclosed a saving of Rs. 2,71,000/-. However, the final review conducted in February, 1960 revealed an excess of Rs. 16,04,000 as compared with the budget grant. It was then too late to apply for a Supplementary Grant. This consequently led to a short provision of Rs. 16,04,000/-.
  - (iii) Erroneous adjustments in the accounts from 11/59 to 3/60 Supplementary of expenditure of New Tribhuvan Division under "50-Civil Works-Central" instead of to the accounts of India Aid Mission as the Division was under

the administrative control of the Mission (Rs. 3,76,048/-). As there was no Suspense Head under Major Head "57-Misc." to which the expenditure correctly pertained, the debit was tentatively booked under this grant and the Department was requested on 9-2-1960 by Audit to obtain sanction of the Ministry of Finance for opening the Sub-head under the relevant grant. The Ministry, however, sanctioned the sub-head on 8th July, 1960 and that too for the year 1960-61 only. Consequently the tentative adjustment could not be set right in 1959-60 accounts.

- (iv) Unanticipated re-adjustment of minus balance of Rs. 2,97,245/- in 3/60 Supplementary Accounts relating to the Gangtok Central Division No. I which was lying outstanding in the books of the Accountant General, Assam since the transfer of audit control of that Division to the AGCR.

(v) Other Causes (Rs. 2,94,725/-):

(b) *G.2-Other Suspense Accounts—G.2(1)-Charges.* (Rs. 97,77,165.-):

This excess was due to under-estimation of requirements by the Divisional Officers thus leading to short provision of funds. In this connection, it may be mentioned that the requirements received in connection with the six monthly budget estimates in December, 1959 disclosed a saving of Rs. 62,58,000/- whereas the review conducted in February, 1960 on the basis of actuals to the end of December, 1959 revealed an excess of Rs. 1,33,58,000/-. It was then too late to apply for a Supplementary Grant.

Instructions to exercise proper control over expenditure with a view to avoid large variations in the grant already exist. However, the attention of all the Divisional Officers is again being invited to those instructions.

(c) *G.3-London Stores—G.3(1)-Charges in India.* (Rs. 37,023/-):

Omission to provide funds in time. This excess was due to adjustment of debits for which particulars were not available in the central office and no advance information about them was furnished by the Divisional Officers.

Incidentally, it may be mentioned that a part of the excess to the extent of Rs. 60,80,170/- under group head 'G' was expected to be covered by transfer of savings under other sub-heads of the demand namely "Reserve" and "Conservation Accounts". A re-appropriation order was accordingly issued. But due to some mis-postings in the Register for Conservation Account the re-appropriation order amounted to excess withdrawal of funds from Sub-head L.2 which meant minus provision under this Sub-head and as such the re-appropriation order proved irregular. To rectify this a corrigendum was issued on 27-5-1960. The corrigendum was, however, not accepted by the A.G.C.R. as it was issued after the close of the financial year. The re-appropriation order was, therefore, not accepted by Audit.



**7. Naga Hills Tuensang Area (Rs. 12,21,543):**

Against the final grant of Rs. 23,44,100 under the "Suspense" head the Nagaland Administration had incurred an expenditure of Rs. 35,65,643 resulting in an excess of Rs. 12,21,543. It has been stated by the Nagaland Administration that the excess was mainly due to:—

- (i) the material which was originally intended for the Executive Engineer, Tuensang and D.C. (PWD) was received by the Executive Engineer, Mukokchung and was wrongly debited to his stock. The material was subsequently transferred to respective Divisions. This resulted in excess debit of Rs. 7,00,000 to Stock under Mukokchung Division.
- (ii) the expenditure of Rs. 2,00,000 being cost of electrical goods originally meant for direct charge to work was debited to stock by the Executive Engineer, Mukokchung. The above liabilities came to be known only at the time of the review of grant in February, 1960. It was then too late to apply for a Supplementary Grant.
- (iii) Material costing Rs. 3,21,000 for which indents were placed in the months of January and February, 1960 were expected to be received sometime in the earlier part of the year 1960-61 and as such no provision for the same was made in the final estimates. Contrary to expectations the supplies were received and paid for during 1959-60 itself resulting in excess expenditure.

**8. Manipur (Rs. 27,92,570):**

The original budget grant of Rs. 9,00,000 under the "Suspense" head was increased to Rs. 24,81,000 partly by a Supplementary Grant for Rs. 12,50,000 and partly by re-appropriation of Rs. 3,31,000. Against this the Manipur Administration has incurred an expenditure of Rs. 52,73,570 resulting in an excess of Rs. 27,92,570. The Manipur Administration has explained that excess was due to purchases of more equipments (including electrical equipments) made to meet the increased tempo of development works to achieve the targets of Second Five Year Plan. As the supplies of materials indented for during the latter part of the year 1959-60 were not expected to be paid for during that very year, the funds to that extent were excluded from the Supplementary Grants proposals. Contrary to anticipations, however, the supplies materialised during 1959-60 and payments were made during that year, resulting in an excess expenditure.

**9. Tripura (Rs. 20,33,952):**

The Tripura Administration incurred an expenditure of Rs. 67,68,152 against the final grant of Rs. 57,34,200 fixed during 1959-60 under "Suspense", resulting in an excess of Rs. 20,33,952. The Administration has explained that the excess was on account of:—

- (i) Purchase of building material for maintenance of reserve stock as in Tripura it has to be imported mainly from

West Bengal, Bihar etc. and have to be transhipped through East Pakistan or Assam via All India Rail Route. Movement of material to Tripura depends on various factors like availability of wagons, availability of material etc. Sometimes the movement of wagons or steamers to destination is delayed for some reason or the other. Hence to maintain a regular flow of material efforts have always to be made in advance to procure material. Due to uncertainty of transport position for Tripura the maintenance of stock of building material is essential to meet the needs of P.W.D., consistent with heavy construction programme which the Administration sponsor under the Five Year Plans. Stores like bricks, stone chips and other building material were indented in the months of October, 1959 to January, 1960 and they were received in March, 1960.

The excesses and savings statement was prepared by the Divisional Officer in the 2nd week of January, 1960 and because of the uncertainty of the receipts of material it was not possible for him to assess the requirements properly. He expected that the stores indented for in the 2nd half of the year would be received and paid for in the following year but this expectation proved to be wrong for the stores were received and paid for in the month of March, 1960 itself.

- (ii) Payment for supply of controlled material has to be made in advance on receipt of Railway Receipt or Bill of Lading by charging the cost to "Other Suspense Accounts".

The above factors made it difficult to assess the requirement under "Suspense" head accurately even one month before the close of the financial year and hence the supplementary demand could not be framed to cover the excess now disclosed.

#### 10. Himachal Pradesh (Rs. 4,71,535) :

The Himachal Pradesh Administration incurred an expenditure of Rs. 1,64,98,535 against the final grant of Rs. 1,60,27,000 fixed during 1959-60 under "Suspense" head. This resulted in an excess of Rs. 4,71,535 which has been explained as due to:—

- (i) Unanticipated receipt of materials costing Rs. 3,61,935 towards the end of 1959-60. The stores were indented for by the Administration during the months of January, February and middle of March, 1960 and they were expected to be received only during 1960-61 as it usually took not less than 6 months for the receipt of the stores. But during the year 1959-60 the materials were received immediately after placing the indents on them, thus resulting in an excess of Rs. 3,61,935.
- (ii) Adjustment of unexpected debit memos received towards the end of 1959-60 from the Accountant General, Punjab thus resulting in an excess of Rs. 1,09,600.

11. Taking into account the erroneous adjustment of Rs. 3,76,048 referred to in para 6 (a) (iii) above, the net excess of Rs. 1,01,17,881 (Rs. 1,04,93,929—Rs. 3,76,048) in the Voted Section may be recommended for regularization by Parliament.

Sd/- V. K. RAO,  
*Joint Secy. to the Govt. of India.*

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## APPENDIX VIII

### MINISTRY OF EXTERNAL AFFAIRS

**SUBJECT:—Regularisation of excess over voted Grant—Grant No. 111—Capital outlay of the Ministry of External Affairs—1959-60.**

The original grant of Rs. 68,32,000 under "Grant No. 111—Capital Outlay of the Ministry of External Affairs" was augmented by a supplementary Grant of Rs. 10,34,000. The supplementary grant was obtained from the Parliament to meet the outstanding payment for the rice supplied to the North East Frontier Agency during 1958-59. Subsequently an amount of Rs. 1,59,700 was re-appropriated from sub-head "A1(2)-Naga Hills—Tuensang Area" to sub-head "A1(1)—North East Frontier Agency" on the basis of actual requirements. In view of less expenditure on the purchase of some commodities than anticipated earlier, a sum of Rs. 8,26,300 was, however, surrendered from the provision under sub-head "A1(2)—Naga Hills-Tuensang Area".

Thus the final position of the provision in respect of each of the two sub-heads under this demand stood as under:—

Sub-head	Original Grant	Suppl. grant	Reappro- piation	Surrender	Final Grant'
	Rs.	Rs.	Rs.	Rs.	Rs.
A1(1)—NEFA	38,46,000	10,34,000	+1,59,700	..	50,39,700
A1(2)—NHTA	29,86,000	..	-1,59,700	8,26,300	20,00,000

As against the budget provision of Rs. 78,66,000 sanctioned by Parliament, the expenditure during the year was Rs. 82,17,713. There was thus an overall excess expenditure of Rs. 3,51,713. The circumstances leading to the excess expenditure are explained below:—

1. (a) *Sub-head A 1(1)—Procurement of Food Stuffs and Other Essential Commodities for Tribal Areas—North East Frontier Agency!*

After taking into account the supplementary Grant of Rs. 10,34,000 and the reappropriation of an amount of Rs. 1,59,700 with the original grant of Rs. 38,46,000, the final grant under sub-head "A1(1)—North East Frontier Agency" was Rs. 50,39,700. The expenditure during the year under this subhead was Rs. 59,37,230 which resulted in an excess expenditure of Rs. 8,97,530 over the final grant. The debits for the cost of rice supplied by the Government of India in the Ministry

of Food and Agriculture in the past few years were not raised in full by the Pay and Accounts Officer during the year of their supply. The savings to the extent of the unraised debits had, therefore, to be explained each time. In order to avoid the recurrence of such a situation, provisions for the cost of rice supplied by the Government of India from January 1960 to March 1960 were made in the budget estimates for 1960-61 instead of 1959-60 and the Pay and Accounts Officer, Ministry of Food and Agriculture was requested to postpone raising debits accordingly. Contrary to the expectations based on past experience, the Pay and Accounts Officer raised the debit for the entire quantity of rice supplied during the year 1959-60 in the accounts for that year itself which resulted in this excess expenditure. The NEFA administration, could have ascertained from the Pay and Accounts Officer the extent of debits likely to be raised by him and asked for additional funds, which would have avoided the excess. Instructions have been issued to them to avoid recurrence of such lapses in future.

2. (b) *Subhead A1(2)—Procurement of Food Stuffs and other Essential Commodities for Tribal Areas—Naga, Hills—Tuensang Area.*

After re-appropriating and surrendering Rs. 1,59,700 and Rs. 8,26,300 respectively out of the original grant of Rs. 29,86,000, the final grant under sub-head "A1(2)—Naga Hills—Tuensang Area" stood at Rs. 20,00,000. The expenditure during the year under this subhead was Rs. 22,80,483 which resulted in an excess expenditure of Rs. 2,80,483 over the final grant. The excess occurred mainly due to the following reasons:—

- (i) The excess of Rs. 1,84,091·04 is partly due to excess demands received from the outposts after the finalisation of the modification of the grant and partly due to increase in contract rates of Central Purchasing Organisation Stores during the later part of the year, 1959-60, which could not be anticipated prior to the preparation of final estimates.
- (ii) A sum of Rs. 90,750 being the value of rice purchased direct from Manipur by the Deputy Commissioner, Kohima, was not included in the final requirements of funds in the absence of timely intimation from the officer concerned.
- (iii) An amount of Rs. 5,734 being the freight charges of C.G.I. sheet etc. was booked by the Accountant General, Assam, under this head due to wrong classification in accounts instead of under Grant No. 17—Naga Hills—Tuensang Areas—Sub-head A 6(2) (2) (1) (4)—Other Charges.

The mistake was detected after the accounts for 1959-60 had been closed.

3. The total excess expenditure with reference to the final grant under sub-heads "A1(1)—North East Frontier Agency" and "A1(2)—Naga Hills—Tuensang Area", as explained in para 2(a) and 2(b) above was Rs. 11,78,013 (Rs. 8,97,530+Rs. 2,80,483). This excess

was counter-balanced to the extent of the amount surrendered i.e., Rs. 8,26,300 leaving a net excess of Rs. 3,51,713 over the grant sanctioned by the Parliament. The excess of Rs. 3,51,713 included an expenditure of Rs. 5,734 which was wrongly classified under this Grant, as explained in para 2 b(iii) above.

4. It is now requested that in view of the position explained above, the net excess of Rs. 3,45,979 may be recommended for regularisation.

Sd/- K. V. PADMANABHAN,  
*Joint Secy. to the Govt. of India.*

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## APPENDIX IX

### MINISTRY OF HEALTH

*Note on the excess of Rs. 9,30,482 in Grant No. 122—Capital Outlay of the Ministry of Health for the year 1959-60.*

2. Against the final allotment of Rs. 12,47,97,000 under this grant, an expenditure of Rs. 12,57,27,482 was incurred during 1959-60. This resulted in an excess expenditure of Rs. 9,30,482.

3. The excess of Rs. 9,30,482 is attributable to the following sub-heads to the extent shown against each:

Major Head and Sub-Head	Final grant	Actual Expenditure	Excesses
		(In Rs.)	
Major Head 85-A'			
C.2—Medical Stores Depots and Factories.			
C.2.(1)—Depots			
C.2.(1)(5)—Other Charges			
C.2.(1)(5)(1)—India			
O.	1,17,37,300		
R.	43,71,310	1,61,08,610	18,75,979
C.3(4)—National Water Supply and Sanitation Programme.			
C.3.(4)(1)—Cost of materials etc.			
	..	1,03,97,048	1,03,97,048
C.3(4)(2)—Incidental Expenses			
	..	16,94,052	16,94,052
			1,39,67,079

The above gross excess of Rs. 1,39,67,079 has been counter-balanced by savings to the extent of Rs. 1,30,36,597 under other sub-heads, resulting in a net excess of Rs. 9,30,482. The above excesses are due to the following reasons:—

4. Excess of Rs. 18,75,979 under the sub-head C. 2 (1) (5) (1).

The original grant of Rs. 1,17,37,300 was provided under sub-head C.2(1) (5) (1)—Other Charges—India. Additional funds to the extent of Rs. 54,23,930 were provided by re-appropriation as under:—

	Rs.
(i) D.G.H.S. letter No. 24-5/59-Estt, dated 25-3-60	10,62,620
(ii) D.G.H.S. letter No. 24-5/59-Estt., dated 30-3-60	43,71,310
	54,23,930

The re-appropriation sanction contained in the letter dated 25th March, 1960, mentioned at item (i) above was however, not accepted by Audit as it was issued without the prior concurrence of the Ministry of Finance with the result that the Final Grant under this head was reduced by Rs. 10,52,620. Had this sanction not been rejected, the excess would have been only Rs. 8,23,359 instead of Rs. 18,75,979 shown in the Appropriation Accounts.

5. As regards the excess of Rs. 8,23,359, it may be mentioned that the expenditure under this sub-head was regularly watched from month to month. The forecast of expenditure for the month of March was based upon the actuals upto February, 1960 which amounted to Rs. 1,35,33,411. The monthly average of expenditure upto February was Rs. 12.30 lakhs. It was, therefore, anticipated that a provision of Rs. 36,28,028 for the month of March only was adequate for the current expenditure as well as for the debits expected to be received from other Accounts Officers during March, March (Final) and March (Suppl.). The debits actually booked after the end of February, 1960 amounted to Rs. 44,51,387 against an anticipation of Rs. 36,28,028 and this could not be foreseen in spite of the utmost care exercised by the depots in the control of expenditure upto the end of February, 1960. The debits amounting to Rs. 8,23,359 relate to the year 1959-60, and were received from the various Accounts Officers through exchange accounts for March, March final and March supplementary, in excess of anticipations.

6. It may further be added that although there is an excess under sub-head C.2(1) (5) (1), the overall expenditure in respect of the Medical Stores Depots and Factories which is Rs. 2,05,78,098 has not exceeded the sanctioned budget of Rs. 2,05,98,660.

7. However, instructions are being again issued to depots to keep close liaison with indenting departments and formulate the final estimates in future as accurately as possible.

8. *Excess of Rs. 1,03,97,048 under the sub-head C. 3(4) (1).*

The excess is due to the reason that instead of reappropriating the funds to the above sub-head, the funds were reappropriated erroneously to the sub-head E. 1(1) (1).

9. *Excess of Rs. 16,94,052 under sub-head C. 3(4) (2).*

The excess is mainly due to the adjustment of the incidental charges relating to the materials and equipment supplied under the National Water Supply and Sanitation Programme to the State Governments and other consignees. As there was no indication on the vouchers that the expenditure pertained to the State Governments and other consignees the charges were adjusted in the central Books under "85.A.—Capital Outlay C. 3(4) (2)" in accordance with the prescribed accounting procedure.

No provision for this expenditure was made by the Ministry as sufficient data were not available at the time of framing the budget estimates. The adjustments were made after the close of the financial year when no action could be taken by the Ministry to cover the excess.



In view of these circumstances, the excess which is less than 1% of the final grant may be recommended for regularisation. A sum of Rs. 6,869 was erroneously adjusted under this grant due to misclassification by the department. Out of this amount a sum of Rs. 6,134 relating to Central Government Schemes was adjustable under Grant No. 44-Public Health and a sum of Rs. 735 on account of travelling allowances of an officer was debitible to Grant No. 43-Medical Services. There are appreciable savings under all these grants. The net excess requiring regularisation is, therefore, Rs. 9,23,613.

10. The note has been vetted by Audit.

Sd/- B. R. TANDAN,  
*Secretary.*

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## APPENDIX X

No. F. 8(5)-B/61 (pt. II)

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

New Delhi, the 28th July, 1961.

### MEMORANDUM

SUBJECT:—Notes regarding the excesses in the Grants and Appropriations as reported in the Appropriation Accounts (Civil) 1959-60 relating to the Ministry of Finance.

Grant No.—35—PREPARTITION PAYMENTS.

Excess—Charged

Rs. 3,04,059.

The Appropriation Accounts for 1959-60 have disclosed an excess of Rs. 2,28,403 under the Charged portion of the Grant but after the laying of the Appropriation Accounts before Parliament, the following two cases of mis-classification in Accounts have come to notice resulting in an increase in the above excess by Rs. 75,656 to Rs. 3,04,059. The excess is explained below:

(i) A-4.—Railway Revenue Account—Rs. 1,07,990 (Charged)

A provision of Rs. 1,07,600 was erroneously included in the Voted portion of the above head to meet certain payments in satisfaction of court decrees which are 'charged' on the Consolidated Fund of India under Art. 112(3) (f) of the Constitution. Following the budget provision the expenditure of Rs. 1,07,990 on court decrees was also adjusted in the Railway Accounts Offices as 'Voted' contrary to the Constitutional requirements. As the misclassification came to notice only in June, 1961 after the appropriation accounts had been presented to Parliament, no action towards the rectification of the classification or for providing additional funds to cover the payment could be taken.

(ii) A. 20-Civil Works—Rs. 3,31,051 (Charged)

The excess under this head comprises the following two amounts:—

(i) Payment of decretal award in respect of construction of Camp Jail Building at Sitapur. .. Rs. 2,98,717.

(ii) Departmental Charges connected with the above work .. Rs. 32,334.

The construction of a camp jail as a Defence work was entrusted during the war to the Central Public Works Department by the Defence authorities. A payment of Rs. 2,98,717 was made on 30th March.

1960 in satisfaction of a decree awarded by a Court in respect of this work by the C.P.W.D. on the assumption that necessary provision for the purpose had been made by the Ministry of Defence in this Grant in response to the request made to them earlier. The absence of provision was noticed, however, only after the close of the year when no action to provide additional funds or cover the payment by obtaining an advance from the Contingency Fund was possible.

The departmental charges amounting to Rs. 32,334 connected with the above work did not form part of the decretal award and as such should have been classified as 'Voted' and not as 'Charged' on the Consolidated Fund of India. This misclassification has increased the excess erroneously by Rs. 32,334.

2. After taking into account the above misclassifications and also in conformity with the principles enunciated in para 7 of the Sixteenth Report of the Public Accounts Committee (1st Lok Sabha), the net amount of excess (Charged) requiring regularisation would be Rs. 3,04,059 as detailed below:—

	Rs.
Excess shown in the Appropriation Account	2,28,403
Add Item (i) in para I wrongly adjusted as "Voted"	1,07,990
	3,36,393
Less—Departmental Charges in respect of Item (ii) in para I wrongly adjusted as "Charged"	—32,334
NET EXCESS	3,04,059

It is accordingly requested that the excess of Rs. 3,04,059 may be recommended to the Parliament for regularisation.

This has been seen by Audit.

Sd/- SHIV NAUBH SINGH,  
Joint Secy. to the Govt. of India.

## APPENDIX XI

No. F. 8(5)-B/61

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

New Delhi, the 10th August, 1961.

### MEMORANDUM

**SUBJECT:**—Notes regarding the excesses in the Grants and Appropriations as reported in the Appropriation Accounts (Civil) for 1959-60 relating to the Ministry of Finance.

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Appropriation	Interest on Debt and other obligations and Reduction or Avoidance of Debt.
Excess-Charged	Rs. 3,03,39,025

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The excess occurred mainly under the sub-heads "C. 5—Interest on Canadian Credit for purchase of wheat" (Rs. 53,92,380), "C. 8—Interest on Loans from the Federal Republic of Germany" (Rs. 2,05,02,974) and "K. 3(1)—Depreciation Reserve Fund—Railways" (Rs. 96,94,469), partly counter-balanced by savings under other sub-heads in the Appropriation. The position in respect of each of the above sub-heads is explained below:—

(i) C. 5—Interest on Canadian Credit for purchase of Wheat.

Sanction for the payment of the first instalment of interest charges amounting to Canadian \$ 1.045 million on the Canadian Wheat Loan (First Loan), due for payment on the 31st March, 1959 was issued on the 16th March, 1959 and necessary provision was made in the relevant Appropriation for 1958-59. The payment was accordingly made by the I.S.M., Washington on the due date but the debit for the amount of the payment viz. Rs. 51.33 lakhs was passed on by the P. & A. O., W. H. & S., who is the Accounts Officer of the I. S. M., Washington, to the A.G.C.R., on whose books the charge was finally adjustable, only in the accounts for 1959-60. The intimation about the adjustment was sent to the Ministry by the A. G. C. R. in September, 1959. This was, however, lost sight of when the Appropriation for Interest on Debt etc. for the year 1959-60 was finally determined.

## (ii) C-8—Interest on Loans from the Federal Republic of Germany.

The excess of Rs. 2.05 crores is due to the transfer to this sub-head after the close of the year 1959-60 of the payments made in 1957-58 and 1958-59 on account of interest, administrative charges and stamp duty on the West German Credit for the Rourkela Project of the Hindustan Steel Ltd., which were originally met out of the deposit account of the Hindustan Steel Ltd. with the Government of India. It was decided in July, 1959, that expenditure incurred on the payment of interest, etc. should be borne by Government itself, since the credit had actually been extended by the Government of Federal Republic of Germany to the Government of India. On the basis of available information, it was expected that a provision of Rs. 4.57 crores would be required for the payments during 1959-60 and after taking into account the likely savings in the Interest Appropriation, a supplementary appropriation of Rs. 4 crores was obtained in February, 1960, under sub-head 'C-8—Interest on Loans etc.' The Ministry of Steel, Mines and Fuel requested the Accountant General, Central Revenues, on the 10th February, 1960, without verifying whether there were sufficient savings available within the Appropriation for this purpose, to withdraw the debits relating to the payments made in 1957-58 and 1958-59 which, as stated earlier, were met out of the deposit account of the Hindustan Steel Ltd. and also furnished a statement showing the details of the payments, which were available with it. The Accountant General, Central Revenues, however, intimated to the Ministry of Steel, Mines and Fuel on the 11th March, 1960 that he could not locate the debits in the accounts received from the C. A. O. to the High Commission in United Kingdom, who had originally made the payments and that action would be taken after the information became available to him. As the matter was still under correspondence at the close of the year no action to postpone the adjustment or cover it by an advance from the Contingency Fund could be taken. It was only on the 23rd April, 1960, that the Accountant General, Central Revenues, informed the Ministry that necessary adjustments amounting to Rs. 2.05 crores had been carried out in the accounts of March, 1960, which resulted in the excess.

## (iii) K-3(1)—Depreciation Reserve Fund Railways.

The opening balance as on 15.8.1947 in the Depreciation Reserve Fund Railways for which an *ad hoc* figure had been adopted originally, pending the final closing of the prepartition accounts, was corrected during the year by an amount of Rs. 96.70 lakhs as a result of adjustments in the prepartition accounts coming to light in the post-partition period. Consequently, provision for payment of interest on the balance in the Fund had to be made in the Revised Estimates for 1959-60 after taking into the account the adjustments necessary in respect of each of the years from 1947-48 (post-partition) to 1958-59. Provision was, however, made under a misapprehension that the opening balance as on 15.8.1947 had to be reduced while it had actually to be increased. The actual adjustment of interest was made on the basis of the increased opening balance in the Depreciation Reserve Fund as on 15.8.1947 which resulted in an excess over the final appropriation. This came to notice only at the time of carrying out the

adjustment in the accounts for 1959-60 after the close of the year, when no action to provide additional funds was possible.

This has been seen by Audit.

Sd./- SHIV NAUBH SINGH,  
*Joint Secretary to the Government of India.*

To

The Chairman and Members of the  
Public Accounts Committee.

## APPENDIX XII

No. F.8(5)-B/61

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

New Delhi, the 18th August, 1961

### MEMORANDUM

**SUBJECT:**—Notes regarding the excesses in the Grants and Appropriations as reported in the Appropriation Accounts, 1959-60 relating to the Ministry of Finance.

Grant No. 115— <i>Commuted value of Pensions</i>	(Charged) Rs.
Final Appropriation . . . . .	3,53,000
Actual Expenditure . . . . .	4,31,569
Excess—Charged . . . . .	78,569

The estimates under this Grant are framed on the basis of past and present trend of expenditure and such other information as may be available to the Accounts Officers. It is difficult to determine precisely in advance the number of applications for commutation of pensions likely to be received and admitted for payment particularly towards the close of the year.

2. The excess occurred mainly under the sub-head "A.1(4)—Payments of Commuted Value of Pensions charged on the Consolidated Fund of India and recovered from the States under Article 290 of the Constitution".

The payments relate to—

- (i) Commuted value of the pension of a High Court Judge amounting to Rs. 71,606; and
- (ii) Capitalised value of Rs. 11,552 of a portion of the pension granted to another High Court Judge allocable to the Central Government, for the period of service rendered under the Union.

No provision to cover these adjustments could be made as necessary intimation for arranging the funds was received from the Accounts Officer in the middle of March 1960 when it was too late to go in for a supplementary Appropriation.

3. The Appropriation Accounts for 1959-60 as laid before Parliament disclosed an excess of Rs. 79,685 under this Grant but subsequently it was found that the expenditure of Rs. 1,116 shown under sub-head "A.2(2)—Payments in England—Non-Departmental" (Charged) actually related to the "Voted" section of the Grant and was erroneously adjusted under the 'Charged' section. After taking into account this misclassification and also in conformity with the principles enunciated in para 7 of the Sixteenth Report of the Public Accounts Committee (First Lok Sabha) the net amount of excess requiring regularisation would be Rs. 78,569 [Rs. 79,685 (—) Rs. 1,116].

4. It is accordingly requested that the excess of Rs. 78,569 may be recommended to Parliament for regularisation.

5. This has been seen by Audit.

Sd./- SHIV NAUBH SINGH,  
*Jt. Secy. to the Govt. of India.*

To

The Chairman and Members of the Public Accounts Committee.



## APPENDIX XIII

### GOVERNMENT OF INDIA

#### MINISTRY OF WORKS, HOUSING & SUPPLY

*Note for the Public Accounts Committee relating to regularization of excess in Grant No. 137—Capital Outlay on Buildings for 1959-60.*

The excess disclosed in the Appropriation Account of the above-mentioned Grant is as under:—

Excess over charged appropriation: .. Rs. 1,151

2. The reasons for the above excess are given below:—

The excess of Rs. 1,151 is made up as shown below:—

Sub-head	Final Appropriation	Expendi- ture	Excess(+) Savings(—)
	Rs.	Rs.	Rs.
A.1.—Original Works Buildings			
A.1(2)—Original Works—			
Other Buildings . . . . .	44,783	48,254	(+ )3,471
A.2.—Establishment Charges credited to other Governments, Departments etc. . . . .	3,009	1,756	(—)1,253
A.3.—Tools and Plant Charges credited to other Governments, Departments etc. . . . .	251	141	(—)110
Surrender or withdrawals within the Appropriation . . . . .	957	..	(—)957
	49,000	50,151	(+ )1,151

3. It will be seen from the above statement that the entire excess expenditure is accounted for under A.1(2)—Original Works—Other Buildings which discloses an overall excess of Rs. 3,471. Part of this excess is offset by savings arising in other sub-heads of the appropriation, leaving an uncovered excess of Rs. 1,151 requiring regularisation.

4. The final appropriation of Rs. 49,000 under "Charged" appropriation was intended to meet the requirements of the "President's Estates" and "Central P.W.D." as detailed below:—

Sub-head	Final Approp- riation	Expenditure	Excess Savings
	Rs.	Rs.	Rs.
A.1(2)—Other Civil Buildings.			
President's Estate . . .	26,083	17,061	(—)9,022
Central P.W.D. . . .	18,700	31,193	(+ )12,493
A.2.—Estt. Charges:			
President Estate . . .	3,009	1,460	(—)1,549
Central P.W.D. . . .	—	296	(+ )296
A.3.—Tools & Plants Charges:			
President's Estate . . .	251	126	(—)125
Central P.W.D. . . .	..	15	(+ )15
Surrenders within the Approp- riation . . . . .	957	..	(—)957
	49,000	50,151	(+ )1,151

5. Against the final appropriation of Rs. 49,000, the actual expenditure for the year amounted to Rs. 50,151 resulting in a net excess of Rs. 1,151. It will be seen from the above that there was an overall excess of Rs. 12,804 in Central P.W.D. area of the appropriation which could be explained as follows:—

- (i) Due to provision of Rs. 12,500 for payment of award in respect of "Construction of additional quarters for the Government of India Press at Nasik" having been included erroneously in the overall final grant of Rs. 1,01,000 for this work in the Voted Section instead of under "Charged Section"; as also short provision of Rs. 119 in respect of purchase of building for Income Tax Office at Salem; partly counterbalance by savings of Rs. 126 accruing out of the appropriation of Rs. 2,100 for works sanctioned in Uttar Pradesh.
- (ii) Erroneous booking of expenditure amounting to Rs. 311 on account of departmental charges in respect of works in U.P. under "Charged Section" instead of under "Voted" Section.

This excess of Rs. 12,804 was counterbalanced by savings to the extent of Rs. 11,653 under President's Estates, etc., leaving an uncovered excess of Rs. 1,151.

6. With a view to avoid irregularities, in future, instructions have been issued to all the Divisional Officers urging them to be more careful in future.

7. The excess of Rs. 1,151 includes a sum of Rs. 311 erroneously adjusted in the "Charged Section" instead of "Voted", vide para 5(ii) above. The net excess to be regularised is, therefore, Rs. 840 which may be recommended for regularisation by Parliament.

Sd/- V. K. RAO,  
*Jt. Secy. to the Govt. of India.*

43. The S. S. Book Emporium, 'Mount-Joy' Road, Basavangudi, Bangalore-4.

#### ORISSA

44. The Cuttack Law Times Office, Cuttack-2.

44a. Ekamra Vidyababan, Eastern Tower Room No.3, Bhubaneshwar-3, Orissa.

#### PUNJAB

45. The English Book Depot, 78, Jhoke Road, Ferozeshah Cantt.

46. The Krishna Book Depot, Publishers, Book-sellers, Stationery and News Agents, Main Bazar, Pathankot.

47. Minerva Book Shop, The Mall, Simla-1.

48. The New Book Depot, 76, The Mall, Simla-1.

49. (Vacant)

#### RAJASTHAN

50. 'Bookland', 663, Madar Gate, Ajmer (Rajasthan).

51. K. M. Agarwal & Sons, Railway Book Stall, Udaipur.

51a. Information Centre, Govt. of Rajasthan, Tripolia, Jaipur City, Rajasthan.

#### UTTAR PRADESH

52. A.H. Wheeler & Company Private Limited, 15, Elgin Road, Allahabad.

53. British Book Depot, 84, Hazaratganj, Lucknow.

54. B. S. Jain & Company, 71, Abupura, Muzaffarnagar.

55. Friends Book House, M. U., Aligarh.

56. Goel Traders, 100-C, New Mandi, Muzaffarnagar.

57. Kitabistan, 17-A, Kamla Nehru Road, Allahabad.

58. Law Book Company, Sardar Patel Marg, Allahabad.

59. Laxmi Narain Agarwal, Hospital Road, Agra.

60. The Loyal Book Depot, Chhipi Tank, Meerut.

61. Mittal & Company, 85-C, New Mandi, Muzaffarnagar.

62. Shaig Ram & Sons, Book-sellers, Madar Gate, Aligarh.

63. Universal Book Company, 20, Mahatma Gandhi Marg, Allahabad.

#### WEST BENGAL

64. Firma K. L. Mukhopadhyay, 6/IA, Banchharam Akkur Lane, Calcutta-12.

65. M. C. Sarkar & Sons (Private) Limited, 14, Bankim Chatterjee Street, Calcutta-12.

66. Thacker Spink & Company (1933) Private Ltd., 3, Esplanade East, Calcutta-1.

67. W. Newman & Company Limited, 3, Old Court House Street, Calcutta.

#### JAMMU AND KASHMIR

68. The Kashmir Book Shop, Residency Road, Srinagar, Kashmir.

69. Students Stores, Raghunath Bazar, Jammu-Tawi.

#### DELHI

70. Atma Ram & Sons, Kashmere Gate, Delhi-6.

71. Bahri Brothers, 188, Lajpat Rai Market, Delhi-6.

72. Bookwell, 4, Sant Naran-kari Colony, Kingsway Camp, Delhi-9.

73. The Central News Agency, 23/90, Connaught Circus, New Delhi.

74. City Book Sellers, Sohan-ganj Street, Delhi.

75. Dhanwantra Medical & Law Book House, 1522, Lajpat Rai Market, Delhi-6.

76. The English Book Shop, 7-L, Connaught Circus, New Delhi.

77. Freeland Publications Private Limited, II-A/16, Lajpat Nagar, New Delhi.

78. Hind Book House, 82 Jan Path, New Delhi.

79. The Imperial Publishing Company, 3, Faiz Bazar, Daryaganj, Delhi-6.

80. Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi.

81. Jain Book Agency, Connaught Place, New Delhi.

82. J. M. Jaina & Brothers, Mori Gate, Delhi-6.

83. Lakshmi Book Store, 42, M.M. Janpath, New Delhi.

84. Mehra Brothers, 50-G, Kalkaji, New Delhi-19.

85. M. Gulab Singh & Sons Private Limited, Press Area, Mathura Road, New Delhi.

86. The New Book Depot, P. O. Box No. 96, Connaught Place, New Delhi.

87. Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.

88. People's Publishing House, Rani Jhansi Road, New Delhi-1.

89. Rama Krishna & Sons, 16-B, Connaught Place, New Delhi.

90. Sikh Publishing House Private Limited, 7-C, Connaught Place, New Delhi.

91. The United Book Agency, 48, Amrit Kaur Market, Paharganj, New Delhi.

91a. Kitab Mahal (W.D.) Private Ltd. 28, Faiz Bazar, Delhi.

#### MANIPUR

92. Shri N. Chaoba Singh, Newspaper Agent, Ramlal Paul High School, Annexe, Imphal, Manipur.

#### AGENTS IN FOREIGN COUNTRIES

##### U.K.

93. The Secretary, Establishment Department, The High Commission of India, India House, Alwyeh, LONDON W.C.-2.

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