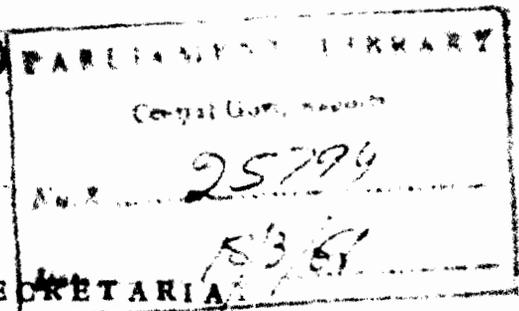


**PUBLIC ACCOUNTS COMMITTEE
(1965-66)**

FORTY-FIFTH REPORT

(THIRD LOK SABHA)

**[Excesses Over Voted Grants and Charged Approp-
riations disclosed in the Appropriation Accounts
(Civil), 1963-64]**



**LOK SABHA SECRETARIAT
NEW DELHI**

*March, 1966
Phalgun, 1887 (Saka)*

Price : Re. 1.00

336-3951R

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA
SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
ANDHRA PRADESH			13.	Deccan Book Stall, Ferguson College Road, Poona-4.	65
1.	Andhra University General Cooperative Stores Ltd., Waltair (Visakhapatnam).	8	RAJASTHAN		
2.	G. R. Lakshmiopathy Chetty and Sons, General Merchants and News Agents, Newpet, Chandragiri, Chittoor District.	94	14.	Information Centre, Government of Rajasthan, Tripolia, Jaipur City.	38
ASSAM			UTTAR PRADESH		
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4.	Amar Kitab Ghar, Post Box 78, Diagonal Road, Jamshedpur.	37	WEST BENGAL		
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5.	Vijay Stores, Station Road, Anand.	35	18.	W. Newman & Company Ltd., 3, Old Court House Street, Calcutta.	44
6.	The New Order Book Company, Ellis Bridge, Ahmedabad-6.	63	19.	Firma K.L. Mukhopadhyay, 6/1A, Banchharam Akkur Lane, Calcutta-12.	32
MADHYA PRADESH			DELHI		
7.	Modern Book House, Shiv Vilas Palace, Indore City.	13	20.	Jain Book Agency, Connaught Place, New Delhi.	1
MAHARASHTRA			21.	Set Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	3
8.	M/s Sunderdas Gianchand, 601, Girgaum Road, Near Princess Street, Bombay-2.	6	22.	Atma Ram & Sons, Kaab-mere Gate, Delhi-6.	9
9.	The International Book House (Private) Limited, 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.	22	23.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11
10.	The International Book Service, Deccan Gymkhana, Poona-4.	26	24.	The Central News Agency, 23/90, Connaught Place, New Delhi.	15
11.	Charles Lambert & Company, 101, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.	30	25.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20
12.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.	60	26.	Lekshmi Book Store, 42, Municipal Market, Janpath, New Delhi.	23

CORRIGENDA TO FORTY-FIFTH REPORT OF P.A.C. (1965-66)
(PRESENTED TO LOK SABHA ON 18.3.1966)

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
1	1.1	2	Committee	Committee
4	4.3	12	lakhs	lakhs)
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PUBLIC ACCOUNTS COMMITTEE

(1965-66)

Shri R. R. Morarka—*Chairman.*

MEMBERS

2. Shrimati Akkamma Devi
3. Shri Ram Dhani Das
4. Shri Gulabrao Keshavrao Jedhe
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21. Shri Niranjan Singh
22. Shri Atal Bihari Vajpayee

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary.*

Shri R. M. Bhargava—*Under Secretary.*

(iii)

**Report on Excesses over-Voted Grants and Charged Appropriations
disclosed in the Appropriation Accounts (Civil) 1963-64**

I

INTRODUCTORY

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this **Forty Fifth Report on the Excesses over Voted Grants/Charged Appropriations as disclosed in the Appropriation Accounts (Civil), 1963-64** which were laid on the Table of the House on the 12th March, 1965.

1.2. The Committee had commented in the past upon the delay on the part of the Ministries in furnishing notes stating the reasons or circumstances leading to such excesses.

1.3. The Committee regret to note that similar delays in furnishing the notes took place this year also. The Committee would like to reiterate their observations and recommendations made in this connection in para 2 of their 31st Report (Third Lok Sabha).

1.4. The Ministry of Transport have delayed the submission of notes on Excesses over Grant Nos. 92 and 139 unconscionably. The notes which were due on 12th May, 1965 were submitted in the last week of January, 1966 and that too without being vetted by Audit,* as is required to be done under the procedure. The Committee find no justification for such a delay.

1.5 The Committee would also urge upon the Ministry of Finance to devise ways and means to avoid such chronic delays on the part of the Ministries.

1.6 The Committee examined the excesses at their sitting held on 8th March, 1966 in the light of the explanations furnished by the Ministries etc., concerned. (Appendices I to XXII).

*Vetted notes received on 5-3-66.

II

EXCESS GRANTS/APPROPRIATIONS

2. During the year ended 31st March, 1964, the actual expenditure exceeded the Voted Grants/Charged Appropriations in the following cases :

Sl. No.	No. & Name of Grant	Ministry concerned	Final Grant/Appropriation	Actual Expenditure	Excess	Date of receipt of note (Due date 12-5-1965)
VOTED GRANTS						
			Rs.	Rs.	Rs.	Rs.
1	4—Commercial Intelligence & Statistics	Commerce	94,76,000	96,42,390*	1,66,390*	12-8-65
2	6—Ministry of Community Development & Cooperation	Community Development & Cooperation.	29,32,000	29,77,814	45,814	10-9-65
3	7—Community Development Projects, National Extension Service & Cooperation.	Do.	3,95,48,000	3,96,70,890	1,22,890	14-7-65
4	21—Dadra & Nagar Haveli Area	Home Affairs	16,32,000	16,36,253	4,253	26-6-65
5	26—Union Excise Duties	Finance (Revenue)	10,63,34,000	10,76,34,578	13,00,578	19-6-65
6	28—Stamps	Finance (Eco. Affairs)	3,04,54,000	3,10,02,807	5,48,807	13-10-65
7	37—Planning Commission	Planning Commission	98,45,000	98,73,124	28,124	20-5-65
8	42—Agriculture	Food & Agriculture (Deptt. of Agriculture)	3,19,82,000	3,30,75,725*	10,93,725*	15-7-65
9	72—Chief Inspector of Mines	Labour & Employment	27,99,000	28,00,985	1,985	21-6-65

10	80—Other Revenue Expenditure of the Ministry of Mines and Fuel	Mines & Fuel	12,24,49,000	13,26,75,244	1,02,26,244	16-10-65
11	82—Archaeology	Education	1,10,90,000	1,11,48,271	58,271	13-10-65
12	92—Central Road Fund	Transport	4,35,00,000	4,37,69,449	2,69,449	11-3-66 (Revised) 25-1-66
13	93—Communications (Including National Highways)	Do.	7,37,93,000	7,53,75,479*	15,82,479*	23-12-65
14	96—Aviation	Civil Aviation	5,51,38,000	5,99,70,006	48,32,006	9-7-65
15	97—Overseas Communications Service	Communications	1,39,94,000	1,40,25,457	31,457	17-8-65
16	102—Public Works	Works & Housing	37,00,50,000	37,67,16,188	66,66,188	20-9-65
17	124—Other Capital Outlay of Min. of Finance	Finance (Eco. Affairs)	70,40,59,000	70,40,68,344	9,344	25-6-65
18	139—Capital Outlay on Roads	Transport	65,08,89,000	65,79,06,185	70,17,185	25-1-66
19	145—Delhi Capital Outlay	Works & Housing	18,78,64,000	18,91,38,701	12,74,701	5-3-66 (vetted) 24-9-65
CHARGED APPROPRIATIONS						
20	121—Capital Outlay on Mints	Finance (Eco. Affairs)		1,157*	1,157*	27-1-66
21	142—Other Capital Outlay of the Min. of Trans. & Commns.	Communications		42,944***		14-9-65
22	144—Capital Outlay on Public Works	Works & Housing	6,00,000	7,30,134**		20-10-65

*These figures represent the finally verified actuals and vary somewhat from those published in the Audit Report (Civil), 1965 due to misclassifications subsequently detected.

**The Excess of Rs. 1,30,194 occurred due to misclassification and does not require regularisation in terms of para 7 of 16th Report of Public Accounts Committee (First Lok Sabha).

***This does not require regularisation in terms of para 4.36 of this Report.

3.1. The Committee find from the notes furnished by the Ministries that defective estimation at the time of framing of budget and at the time of framing revised estimates, failure to anticipate properly the receipt of stores, etc. and debits relating thereto and lack of proper control over expenditure and failure in the reconciliation of departmental figures continued to be the main causes for the excesses. The Committee regret to note that their earlier recommendations and the instructions issued by Government from time to time in these respects are not making any visible impact. The Committee would like the Ministry of Finance to take effective measures to ensure that these recurring causes leading to 'excesses' are eliminated.

4.1. The Committee will now proceed to deal with some individual cases of excesses which can be attributed to defective budgeting and control over expenditure:

(i) * **MINISTRY OF COMMUNITY DEVELOPMENT AND CO-OPERATION**
Grant No. 7—Community Development Projects—National Extension Service and Co-operation—Excess Rs. 1,22,890 (voted).

4.2. This excess is stated to have occurred mainly under the Group-Head B.1(3)—Refund to U.S. Government for unutilised T.C.M. Equipment.

4.3. It has been explained that the Government of U.S.A. supplied during the period 1952 to January, 1959 equipment worth \$13,517,911.24 for Community Development Programme under the Indo-U.S.A. T.C.A. Operational Agreement No. 8 of 1952 and its supplements. The equipments consisting mainly of agricultural implements, like brush-breaker, binders, threshers, disc-tillers etc. were supplied to State Governments against their demands. In January-February, 1960 a team of U.S.A.I.D. found after conducting a review of utilisation of T.C.M. equipment in nine States that equipment worth \$9.73.000 was lying unutilised. As a result of efforts made, the value of unused equipment was brought down to \$2,86,790 in July, 1963 and to \$1,91,573 (Rs. 9.17 lakhs in December, 1963. It was decided to refund that amount to Government of the United States. Sanction for the release of the requisite amount of foreign exchange was made on 27th December, 1963 and 24th January, 1964. However, the decision to debit the expenditure to Grant No. 7 was conveyed to the Ministry on 28th March, 1964 after consideration by the Ministry of Finance and C. & A.G. As this was an inevitable payment, and as the U.S. AID authorities were pressing for the payment, the Government of India had to liquidate the liability before the close of financial year.

4.4. The Committee feel unhappy to note that notwithstanding the fact that the Ministry knew that the payment was inevitable, there was delay in coming to a decision in consultation with Finance which was conveyed to them only 3 days before the financial year was to come to a close. The Committee expect better coordination and awareness of urgency in such cases.

4.5. The other aspect of the case over which the Committee feel perturbed is the fact that agricultural implements worth \$ 9,73,000 had remained unutilised by the States till 1960 out of the equipments received during 1952 to January, 1959 and only after this was brought to notice by the team of US.AID, efforts were made and the amount of unutilised equipment was brought down to Rs. 9.17 lakhs in December, 1963. The Committee feel that considering the vital importance of increasing food production in the country, the Ministry should do well to make it a point to make a periodical survey of their own for finding out the utilisation of agricultural implements etc., and take prompt and suitable steps where called for.

4.6. The Committee also note from the Audit observation appended to the note of the Ministry (Appendix III) that the Ministry did not seek advance from the Contingency Fund since it was anticipated that excess would be covered by the savings within the grant as a whole. It is unfortunate that this anticipation did not turn out to be correct.

* (ii) MINISTRY OF FINANCE (DEPARTMENT OF REVENUE)
Grant No. 26—Union Excise Duties—Excess Rs. 13,00,578 (Voted)

4.7. It has been stated that out of the budget provision of Rs. 16 lakhs for payment to Navy on account of operation, manning and maintenance of 6 CBR launches, an expenditure of only Rs. 3,87,620 had been booked upto January, 1964 and no further debit was received till 20th March, 1964. The Ministry of Finance, therefore, surmised that there would be savings of Rs. 12 lakhs approximately under this head. The anticipated savings were utilised to meet the additional expenditure on increased Dearness Allowance. It has been further stated that contrary to expectations, a debit of Rs. 13,33,766.21 was raised by Navy on AG, Maharashtra and the intimation about it was received only on 28th March, 1964, after the issue of re-appropriation order on 25th March, 1964. As acceptance of debit at that stage would have resulted in an excess, Defence Ministry were requested to get the debit withdrawn and adjusted in 1964-65 accounts. The accounts for the year 1963-64 having been

closed on 25th April, 1964, it was not possible to withdraw the debit. In these circumstances the excess occurred.

4.8. The Committee would like to point out that even in the case of operation, manning and maintenance of six CBR launches by the Navy during 1962-63, it had been stated that there was no indication till December, 1962 as to what would be the order of further payments that would be raised by the Naval authorities during the year*. Similar was the case during the year under report (1963-64) also. It is regrettable that despite the recommendations of the Committee, a close watch over the progress of expenditure through Liability Registers is not being maintained.

4.9. The Committee understand from Audit that the Collector of Central Excise, Bombay had stated in February, 1964 that a further debit of Rs. 11,90,010 was likely to be raised in the month of March, 1964. He had also pointed out that major debits under the head were raised at the end of the year.

4.10. In these circumstances the Committee are unable to find any justification for the Ministry to utilise the provision made for the operation, manning and maintenance of CBR launches towards the expenditure on increased Dearness Allowance.

4.11. The Committee would point out further that the suggestion of the Ministry to have the debit of Rs. 13,13,766.21 adjusted by the A.G., Maharashtra in March, 1964, withdrawn and adjusted in the accounts for 1964-65 only to avoid the excess over the grant contravenes the provisions of Rule 75 of GFR (1963) and the Government of India decisions thereunder. The Committee desire that strict instructions should be issued to prevent such contraventions of Financial Rules and Government orders in future.

In this connection they would also reiterate their earlier recommendations contained in para 7(iii) of their Sixteenth Report (Third Lok Sabha).

†(iii) MINISTRY OF FINANCE (DEPARTMENT OF ECONOMIC AFFAIRS)

Grant No. 28—Stamps—Excess Rs. 5,48,807 (Voted)

4.12. It has been explained that the excess occurred mainly under sub-head B1(1)(4) "Purchase of Stores" under the head "India Security Press—Press Charges". The stores of India Security Press comprise raw materials for post-cards, envelopes, inland letters etc. and

*Para 6 (ii) of 31st Report of P. A. C. (1964-65)

†Appendix VI.

for other non-postal items like banderols, cheques etc. The provision made under this head in the budget estimates was Rs. 210·25 lakhs. In October, 1963 at the time of submitting revised estimates it was not considered necessary to augment the provision as the total receipt of stores during the first six months of the year including supplies indented for during the previous year amounted to Rs. 72·54 lakhs only, the actual payments during the same period being Rs. 25·25 lakhs.

4.13. When the position was again reviewed in December, 1963, it was noticed that actual payments till then amounted to Rs. 48·55 lakhs only which included a part of the throw forward relating to the previous year amounting to Rs. 54·62 lakhs and part of cost of stores indented for during the year and actually received. The Ministry have further stated that it was decided that it was not necessary to increase the provision in the budget, especially, as in the past there were considerably large savings under this head.

4.14. The Ministry, have stated that as against the amount of Rs. 95·81 lakhs booked during the first 11 months of the year the amount booked in the accounts of the last month alone amounted to Rs. 122·70 lakhs i.e. nearly 56 per cent of the total provision and that this was not anticipated.

4.15. The Committee learn from Audit that "While reviewing the position of the grant in December, 1963, the Master, India Security Press, Nasik had requested the Ministry to augment the budget provision under the head 'B1(1)(4)—Purchase of Stores' through a supplementary grant and had *inter alia* brought the following facts to the notice of the Ministry:—

- (i) The value of stores actually received upto 30th November, 1963 was Rs. 108·00 lakhs, although the debits adjusted till then amounted to Rs. 48·55 lakhs only.
- (ii) The major book adjustments under the head would be carried out at the end of the year in the supplementary accounts.

The indents for the purchase of paper had been placed by the Master, India Security Press in the months of June—August, 1963. The bulk of the debits in respect of the supplies against those indents could be expected only in the latter half of the financial year."

4.16. It is surprising that in spite of these facts the Ministry decided not to go in for supplementary grant. The Committee are, therefore, unable to accept the plea that the adjustment of the major portion of the expenditure in the accounts for March, 1964 was not anticipated. It is in the circumstances inescapable that the decision of the Ministry not to increase the budget provision despite the request for the same by the Master, India Security Press has mainly contributed to the excess under this Grant.

4.17. The Committee would like to invite attention to the case dealt with in para 6(iii) of their 31st Report (Third Lok Sabha) which shows that in the year 1962-63 also an excess occurred under the same grant under almost similar circumstances. The Committee expect the Ministry of Finance to set an example in budgetary control to other Ministries rather than show such laxity as has been disclosed in two consecutive years.

*** (iv) MINISTRY OF PETROLEUM AND CHEMICALS**

Grant No. 80—Other Revenue expenditure of the Ministry of Mines and Fuel—Excess Rs. 102,26,244 (Voted).

4.18. It has been explained that the excess occurred mainly under the Group Heads (i) payment of subsidy on State Trading in oil and (ii) Payments to the Railways on account of freight concession on furnace oil.

4.19. With regard to payment of subsidy on State Trading in oil, it has been stated that the amount of Government's liability in respect of payment of subsidy on oil could not be assessed when the Demands for Grants were being prepared.

4.20. As regards payments to Railways on account of freight concessions on Furnace Oil, it has been stated that in pursuance of the proposal made in the Budget speech of Finance Minister on April 23, 1962, consignments of furnace oil in wagon loads booked by rail from certain designated ports (Bombay, Okha, Kandla, Mormugao, Cochin, Madras, Vishakhapatnam and Calcutta) were being charged only half the freight which was leviable under normal tariff. The difference between the amount recovered and the full freight applicable was to be made good to the Railways by means of subsidy. It was decided on 17th July, 1962 with the concurrence of the Ministry of Finance to include, in the scheme of concession, with effect from 1st July, 1962, despatches of furnace oil from Nunmati,

Digboi/Tinsukia and despatches from Trombay, Quilon, Khari Rohar Road and Navalakhi as well.

4.21. Subsequently, it has been stated in the note, on 4th October, 1963 with the concurrence of Ministry of Finance the concession was made available with retrospective effect from 1st July, 1932 (a) to despatches of furnace oil from transshipment points (b) to Tea Drier Oil and Low Sulphur Fuel Oil and (c) from one port station to another provided the destination port was not itself a supply point and also provided the furnace oil was intended for industrial use.

4.22. Finally, it has been explained that the expenditure booked in March, 1964 (Rs. 82.55 lakhs) was entirely out of proportion to the expenditure booked during the preceding 11 months (Rs. 24.62 lakhs) and could not therefore be correctly assessed in advance. The main reason for this heavy booking of expenditure in March, 1964 is stated to be due to clearance of a large number of bills in March, 1964.

4.23. In this connection the Audit has observed as follows:—

“The scheme as originally contemplated in April, 1962, covered imported furnace oil only despatched by rail from certain specified ports to consuming inland centres. Its scope was subsequently widened from time to time to cover indigenously produced oil and also certain other varieties of oil, e.g., tea drier oil and low sulphur fuel oil. It was also decided to give concessions for despatches from one port station to another port station. Details of concessions allowed from time to time are given in the Annexure to Appendix X. At the time of giving each concession, no estimate of probable extra liability was worked out with a view to obtain a supplementary grant, if necessary, to cover the excess over the amount already budgeted for. The excess of over Rs. 62 lakhs under the group head ‘D 3-(2)’ appears to be mainly accounted for by the amounts which became due as a result of extension of the scheme and giving effect to certain benefits from a retrospective effect. The extension of the scheme in this manner, which involved a large outlay without the approval of the Parliament, seems to attract the provisions of ‘New Instrument of Service’.”

4.24. The Committee agree with these observations. The Ministry, in consultation with the Ministry of Finance and Railway Board, should have examined the financial effect before extending the concessions. The Committee feel that the grant of concession with re-

rospective effect has defeated to some extent the very object of subsidy in freight, as in the meantime the industrialists would have charged the consumers on the basis of production cost after taking into account the full freight paid to the Railways. The Committee would like to know the total refunds subsequently allowed to the industrialists.

* (v) DEPARTMENT OF COMMUNICATIONS

Grant No. 142—Other Capital Outlay of the Ministry of Transport and Communications—Excess Rs. 42,944 (Charged).

4.25. The Committee note that the payment of Rs. 42,944 (in October, 1962) was made as a result of an award of the Court of the District Judge, Delhi; there being no provision of funds for this obligatory payment of immediate nature, the Ministry obtained an advance from the Contingency Fund of India. A supplementary appropriation was also obtained later on (in November, 1962). Due to some misapprehension in the Audit Department, the debit for this payment could not be adjusted to the final head of account in the year 1962-63 and remained in 'remittance' account. The result was that the funds provided in 1962-63 remained unutilised. The adjustment of the debit in the accounts of the subsequent year (1963-64) has caused an excess in that year.

4.26. In the opinion of the Committee, in this and other rare cases, where payments against funds specifically voted upon by the Parliament have actually been made but the budget provision for that year appears in the accounts as unutilised merely as a result of an accounting omission, it would be reasonable to treat the provision as actually utilised in that year. They, therefore, recommend that the rectification of the omission in the subsequent year, if it causes an excess in that year, need not be considered as requiring a fresh vote of Parliament on the analogy of the provisions in para 7 of the Sixteenth Report of P.A.C. (First Lok Sabha), according to which the amount of actual dues to be regulated under Article 115 of the Constitution, is to be worked out after taking into account misclassification in accounts which may have come to notice after the closing of the annual accounts.

5.1. Subject to the above observations, the Committee recommend that the excesses referred to in paragraph 2 above be regularised by Parliament in the manner prescribed in Article 115 of the Constitution.

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

NEW DELHI;
March 14, 1966.

Phalguna 23, 1887 (Saka).

R. R. MORARKA,
Chairman,
Public Accounts Committee.

PROCEEDING OF THE 91ST SITTING OF THE PUBLIC
ACCOUNTS COMMITTEE HELD ON THE 8TH MARCH,
1966 (AFTER-NOON)

The Committee sat from 15.00 hours to 15.30 hours.

PRESENT

Shri R. R. Morarka—*Chairman.*

MEMBERS

2. Shrimati Akkamma Devi
3. Shri Ram Dhani Das
4. Shri V. C. Parashar
5. Shri M. P. Bhargava
6. Shri S. C. Deb
7. Shri R. S. Panj hazari
8. Shri Ram Sahai
9. Shri Atal Bihari Vajpayee.

Shri P. N. Bhandari—*Additional Dy. Comptroller & Auditor-
General (R).*

Shri P. K. Rau—*Addl. Dy. Comptroller & Auditor-General
(HQRS).*

Shri R. K. Khanna—*Accountant General, Central Revenues.*

Shri D. D. Dhingra—*Accountant General, Commerce, Works
& Miscellaneous.*

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary.*

Shri R. M. Bhargava—*Under Secretary.*

The Committee considered the following Draft Reports:—

- (i) Forty-fifth Report (Third Lok Sabha) on excesses over Voted-Grants and charged Appropriation Accounts (Civil), 1963-64.
- (ii) Forty-sixth Report (Third Lok Sabha) on Audit Report (Civil) on Revenue Receipts, 1965 relating to Income-tax and other Revenue Receipts.

(iii) **Forty-seventh Report (Third Lok Sabha) on Appropriation Accounts 1962-63 and 1963-64 and Finance Accounts 1962-63 and 1963-64 and Audit Reports for 1964 and 1965 relating to Government of Kerala.**

2. The Committee adopted the 3 Reports with certain modifications. In the case of the Forty-sixth and Forty-seventh Report the Chairman was authorised by the Committee to make minor changes as might be deemed necessary.

3. The Committee authorised the Chairman, P.A.C./Shrimati Akkamma Devi to present the Forty-fifth Report to Lok Sabha. They also authorised Shri M. P. Bhargava/Shri Atal Bihari Vajpayee to lay the Report on the Table of the Rajya Sabha.

4. The Committee authorised the Chairman, P.A.C./Shri V. C. Parashar to present the Forty-sixth Report to Lok Sabha. They also authorised Shri Ram Sahai/Shri S. C. Deb to lay the Report on the Table of the Rajya Sabha.

5. The Committee authorised the Chairman, P.A.C./Shri Ram Dhani Das to present the Forty-seventh Report to Lok Sabha. They also authorised Shri M. P. Bhargava/Shri R. S. Panj hazari to lay the Report on the Table of the Rajya Sabha.

The Committee then adjourned.

APPENDIX I

MINISTRY OF COMMERCE

Note for P.A.C. for regularisation of excess over voted grant in respect of Grant No. 4—Commercial Intelligence and Statistics as disclosed in the Appropriation Accounts (Civil) 1963-64.

The total excess under Grant No. 4-Commercial Intelligence and Statistics as shown in the Appropriation Accounts (Civil) 1963-64 was Rs. 2,34,824 under the following Group heads:—

Group head	Final Grant	Actual Expenditure	Excess
A.1—Trade Commissioners			
O(—)	61,08,000		
R(—)	80,100	61,08,100	63,61,118 (+)1,73,018
A.2—Economic Adviser to the Government of India			
O(—)	6,23,000		
R(—)	10,500	6,12,500	6,08,684 (—)3,816
B.1—Statistics			
O	20,82,000		
R(—)	1,02,600	19,79,400	19,76,302 (—)3,098
Charges in England			
O	6,63,000		
R	33,000	6,96,000	7,64,720 (+)68,720
TOTAL :	94,76,000	97,10,824	(+)2,34,824

2. In the Budget Estimate 1963-64, a provision of Rs. 1,19,800 was made under A-Trade Commissioners—Commercial Section Consulate of India, Kuwait, under demand 4-Commercial Intelligence and Statistics and an amount of Rs. 61,000 was provided under B-3 Other Legation, Consulates etc.—Consulate General of India, Kuwait under Demand No. 19—External Affairs. While the former provision was intended to cover the expenditure on the existing Commercial side under the control of the Ministry of Commerce, the latter provision was expected to cover the expenditure on certain newly created/transferred posts on the chancery side under the budgetary control of the Ministry of External Affairs.

Out of the excess of Rs. 1,73,018 under the Group Head A.1—Trade Commissioners a sum of Rs. 68,434 represents the expenditure relating to the Chancery side of the Embassy of India, Kuwait for

the period 4/63 to 9/63, which was correctly adjustable against Grant No. 19-External Affairs. Leaving aside this amount, in terms of para 7 of P.A.C.'s 16th Report (1st Lok Sabha) the net amount of excess requiring regularisation under the Grant as a whole works out to Rs. 1,66,390.

3. The reasons for excess under each group head are explained in the following paragraphs :—

	Rs.
A.1—Trade Commissioners	Excess 1,04,584
(a) Excess due mainly to payment of arrears due to fixation of pay of staff in the revised scale of pay, payment of leave salary to outgoing local staff etc. in the Commercial Sections at Frankfurt, Paris, Rome, Hamburg and Sanfrancisco	29,268
(b) Expenditure on account of unanticipated tour and transfer etc. in the Commercial Sections at Aden, Dacca, Frankfurt & Mombasa	57,794
(c) Adjustment of unanticipated book debits in respect of Commercial Sections at Addis Ababa, Berne, Baghdad, Bonn, Moscow & Karachi for which no provision was made	43,472
(d) Unforeseen expenditure on repairs, renovation of office as well as residential accommodation, purchase and repairs of furniture considered unavoidable, unexpected increase in rent of office as well as residential accommodation and other inevitable expenditure in respect of Commercial Sections at Aden, Brussels, Baghdad, Bonn, Mombasa, Paris, Rangoon, Rome, Hamburg, Sanfrancisco and Kuwait	67,407
TOTAL	1,97,941

4. The above excess of Rs. 1,97,941 was partially off-set by savings of Rs. 93,357 due to non-receipt of book debits anticipated during the year, non-receipt of bills of suppliers in respect of supplies made during the financial year, due to continuance of officials drawing less pay and allowances against higher posts, non payment of arrears due to fixation of pay for want of authorisation and non-materialisation of anticipated transfer thus leaving a net excess of Rs. 1,04,584 only.

C. Charges in England Excess—Rs. 68,720.

The Gross excess under this Group head of Rs. 69,720 was due mainly to:—

- (i) Revision of scales of pay for locally recruited staff in the Commerce Department, London.
- (ii) Revision of Rates of Foreign Allowance for India based staff;
- (iii) For allowing air passage for an officer and his family for journey from India to London instead of by the usual mode of travel by sea.
- (iv) Adjustment of certain unforeseen debits.

The gross excess was partially off-set by the saving of the entire provision of Rs. 1,000 under the sub-head "C.2—Other Charges" which was only a token provision.

6. The total excess under the Group-heads "A.1-Trade Commissioner" and "C-Charges in England" of Rs. 1,73,304 was partially off-set by savings under the Group head "A.2-Economic Adviser to the Government of India" and "B.1-Statistics" leaving a net excess of Rs. 1,66,390 in respect of the Demand as a whole.

6. At the time of fixation of the revised estimates and the final grant it was noticed that the requirement of the Missions as a whole was in excess of the voted grant. However, in an effort to restrict the expenditure to the voted grant in view of the necessity for economy and to avoid a supplementary demand, the Missions were instructed to adjust their expenditure in such a manner so that the total grant is not exceeded. It was, however, noticed after the close of the financial year that some of the Missions were not able to restrict their expenditure to the voted grant due to the reasons given above. Keeping in view the observations made by the Public Accounts Committee from time to time and the instructions issued by the Ministry of Finance, suitable instructions have again been issued to all the Missions to avoid a recurrence of such an excess in future.

This note has been vetted by the A.G.C.R. under his U.O. No. RR2-1/65-66, dated 9-8-1965.

NEW DELHI;
The 11th August, 1965.

Sd/- (D. K. SRINIVASACHAR),
Joint Secretary.

APPENDIX II

No. F.8/15/64—Cash

GOVERNMENT OF INDIA MINISTRY OF COMMUNITY DEVELOPMENT & COOPERATION

Krishi Bhavan, New Delhi, dated the 8th September, 65.

Explanatory note regarding excess under Grant No. 6—Ministry of Community Development and Cooperation during the year 1963-64 :

	Rs.
Final Grant (Voted)	29,32,000
Actual Expenditure	29,77,814
Excess (+)	45,814

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

The excess was mainly under the sub-head "A.I(4)—Other Charges" and this was partly counterbalanced by savings under other sub-heads reducing the overall excess to Rs. 45,814. The reasons for the excess under "A.I(4)—Other Charges"— are given below:—

	Rs.	Remarks
(a) Rent of Telephones and Telegrams.	15,000	Rent on telephone bills—the adjustment is dependent upon receipt of debits in AGCR. The debits are generally received in arrears. The estimates as such are elastic. The adjustment in this case was made after 31-3-64.
(b) Service Stamps	15,000	Required by the Publicity Section for immediate despatch of Publicity material to B.D.Os.
(c) Typewriters	3,600	Replacement of old parts of Duplicating Machines and settlement of old bills in connection with the repairs of Addressograph Machine.
(d) Miscellaneous, Hot & Cold Weather Charges, Cart & Coolie Charges etc.	20,400	(i) Spent on Study Team on Gram Sabha (in Rs.)
		(ii) Expenditure on All India Seminar on Applied Nutrition 2,500
		(iii) Excess over estimates in respect of reimbursement to Reserve Bank for Secretariat Assistance to Committee on Cooperation Administration. (Rs. 47,773 —Rs. 45,000) 4,000
		(iv) Hiring Charges of Coolers 2,773
		(iv) Hiring Charges of Coolers 5,000

Rs.	Remarks	Rs.
	(v) Transport charges on Development Commissioners' Conference	4,500
	(vi) Cart & Collie Charges	1,700
		20,473

(The above expenditure was in excess of the anticipated amounts on the various items).

It has not been possible for this Ministry to draw an advance from the Contingency Fund of India, as the excess over the grant came to notice towards the end of March, 1964. The expenditure was well within the allotment upto the end of February, 1964. This has been seen by Audit.

(S. CHAKRAVARTI)

Secretary to the Government of India.

APPENDIX III

[See para 4.1 (i)]

MINISTRY OF COMMUNITY DEVELOPMENT AND COOPERATION

Note explaining the reasons for excess in Grant No. 7 Community Development Projects—National Extension Service and Cooperation as disclosed in Appropriation Accounts (Civil) 1963-64.

	Rs.
Final Grant voted	3,95,48,000
Actual expenditure voted	3,96,70,890
Excess	1,22,890

The excess occurred mainly under the following Group head :

B.1(3)—Refund to U. S. Government for unutilised T. C.M. Equipment.

	Rs.
Final Grant	5,38,345
Actual expenditure	9,17,156
Excess	3,78,811

Under the Indo-U.S. T.C.A. Operational Agreement No. 8 of 1952 and its supplements the Government of U.S.A. supplied during the period 1952 to January 1959 equipment worth \$ 13,517,911.24 for the Community Development Programme. The equipment was supplied to the State Governments against their demands. According to clause 4(e) of the Agreement, all equipments, materials and supplies acquired for and allocated to the Community Development programme were to be used only for the furtherance of the programme. In January-February, 1960, a team of the US AID conducted an end-use survey in nine States to further review the utilisation of the T.C.M. equipment supplied to the State Governments for the Community Development programme. It was then found that equipment worth \$ 973,000 was lying unutilised. As a result of efforts made since the value of unused equipment was brought down to \$ 286,790 in July, 1963. Efforts were further continued as a result of which the value of unutilised equipment was brought down to \$ 191,573 (equivalent to Rs. 9.17 lakhs) in December, 1963. This consists mainly of agricultural implements, like brush-breaker, binders, threshers, disc-tillers, etc. After proper verification, it was decided that the amount should be refunded (in dollars) to the Government of the United States of America.

Sanction for the release of the requisite amount of foreign exchange was made on 27-12-1963, and 29-1-1964.

The accounting procedure involved, particularly the head of account to which this expenditure should be debited, was considered by the Ministry of Finance and the Comptroller and Auditor General of India. The decision that the expenditure should be debited to Grant No. 7—Community Development Projects—National Extension Service and Cooperation, was conveyed to this Ministry on the 28th March, 1964. This was an inevitable payment and the U.S. AID authorities were also pressing for payment. The Government of India had, therefore, to liquidate the liability before the close of the financial year. Indeed, the P.A.C. in its 10th Report (1958-59) had also observed that it was not proper to postpone inevitable payment even for the purpose of avoiding an excess over grant of appropriation. An advance from the Contingency Fund was not sought since it was anticipated that the excess would be covered by the savings within the grant as a whole. The total payment of Rs. 9.17 lakhs was actually covered to the extent of about Rs. 7.94 lakhs by saving under the other sub-heads of the Grant leaving only a net excess of a little less than Rs. 1.23 lakhs in the grant as a whole.

In the circumstances explained above, the excess expenditure of Rs. 1,22,890 in Grant No. 7—Community Development Projects—National Extension Service and Cooperation may kindly be recommended for regularisation under Article 115 of the Constitution of India.

This note has been seen by audit.

(Sd.) I. D. N. SAHI,
Additional Secretary

Audit Observation

In the Ministry's note dated 28th March, 1964 it was recorded that "the only course open for us is to utilise the saving under Demand No. 7 (Major Head 37) to the extent of Rs. 5.27 lakhs for this purpose and leave the rest of the expenditure of Rs. 3.95 lakhs uncovered. This can be explained to the Public Accounts Committee". This was also concurred in by the Financial Adviser. The Ministry have stated that "advance from the Contingency Fund was not sought since it was anticipated that excess would be covered by the savings within the grant as a whole". No papers in support of this statement have been made available to Audit.

APPENDIX IV

MINISTRY OF HOME AFFAIRS

Note regarding the amount expended in excess of the Grant for the year ended 31st March, 1964 in respect of Grant No. 21-Dadra and Nagar Haveli.

	Rs.
Final Grant (Voted)	16,32,000
Actual Expenditure	16,36,253
Excess	4,253

The excess occurred mainly under the following head and for the reasons given below:—

		Final Grant	Actual Expenditure	Excess
		Rs.	Rs.	Rs.
<i>Major Head 71—Miscellaneous :</i>				
B.2(1)—Contribution to Adivasi Welfare Fund	Rs. 24,000 10,500	34,500	38,957	4,457

As against the original budget of Rs. 24,000, an additional amount of Rs. 10,500 was provided by re-appropriation for contribution to the Adivasi Welfare Fund. Contributions to this fund are based on the estimated revenues in respect of certain items of receipts from which a share is allocated to the Fund. As the profits of the Excise Department, a share of which is to be allocated to the Fund, could be ascertained only after the close of the year the exact amount of contribution on this account could not be provided. The receipts from the Excise Department were more than what was anticipated and the actual share of the Fund came to Rs. 38,957. The contribution to this Fund is made by way of Book Transfer. The Accountant General, Gujarat, was requested to adjust by way of Book Transfer only contribution to the extent of funds available in the accounts of 1963-64 and adjust the balance in the accounts of 1964-65. However, the Accountant General, Gujarat, adjusted the entire amount in March (Final) Accounts as part adjustment was not provided for under the Fund Rules. This resulted in an excess of Rs. 4,457.

2. The excess was also due to non-provision of funds through oversight for (i) debits pertaining to the previous year under Group-head C.1-Jails in Account II and (ii) payment of special pay to primary teachers under group-head A.2-Primary in Account III.

3. The excess under the above heads was slightly counter-balanced by savings elsewhere in the grant bringing down the net excess under the grant as a whole to Rs. 4,253.

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

5. This note has been seen by Audit.

(Sd.) A. D. PANDIT,
Joint Secretary to the Government of India.

APPENDIX V

(See para 4.7)

MINISTRY OF FINANCE

(Department of Revenue)

F. No. 11(4)/65-Ad. IV.A.

Excess in Grant No. "26—Union Excise Duties—1963-64"

Page 15 of the Appropriation Account and para 27(a) (1) of the Audit Report, 1965 page 24:

Original and Supplementary Appropriation.	Actual expenditure	Excess
Rs. 10,63,34,000	Rs. 10,76,34,578	Rs. 13,00,578

There was a Budget provision of Rs. 10,53,34,000 in the Union Excise grant which was subsequently increased to Rs. 10,63,34,000 by obtaining a Supplementary grant of Rs. 10 lakhs (Voted) in February, 1964 for meeting additional payment to the Controller of Stamps, Nasik on account of increased supply of Match Excise Banderols to the Treasuries. The actual expenditure had, however, been Rs. 10,76,34,578 which records an excess of Rs. 13,00,578 over the sanctioned grant. The reasons for the excess in the grant are explained in the following paragraphs.

2. The budget provision included Rs. 16 lakhs for payment to Navy on account of operation, manning and maintenance of six CBR launches during the year 1963-64. Out of this, only an expenditure of Rs. 3,87,620 had been booked upto January, 1964. No further debit was received till 20th March, 1964. It seemed as if there would be savings of Rs. 12 lakhs approximately under this head.

3. In the meantime, in the first week of February, 1964, orders were issued by the Government of India enhancing the rates of Dearness Allowance. Additional expenditure on this account exceeded the sanctioned grant by more than Rs. 12 lakhs. No Supplementary grant could be asked for, to meet the additional expenditure, since such additional funds could be asked for only before 15th

January. In these circumstances, the anticipated savings of Rs. 12 lakhs under "Operation, manning and maintenance of launches" were utilised to meet the additional expenditure on increased Dearness Allowance.

4. But contrary to expectations, a debit of Rs. 13,33,766:21 P was raised by the Navy on Accountant General, Maharashtra in March and an intimation in respect thereof was received by us on 28th March 1964 after the issue of the re-appropriation order on 25th March 1964. Acceptance of the debit at that late stage would have resulted in excess over the grant. The matter was, therefore, taken up with the Defence Ministry to have the debit withdrawn and adjusted in 1964-65 accounts. Accordingly, the Ministry of Defence directed the CDA (Navy) to withdraw the debit and get it adjusted in the accounts of 1964-65. But no readjustment of debits, already adjusted, was permissible after 25th April of the following year. CDA (Navy) reported that as the accounts for the year 1963-64 had been closed on 25th April, 1964, it was not possible for him to withdraw the debit in question. It is in these circumstances, that the expenditure in the Voted Section exceeded the appropriation by Rs. 13,00,578. (The difference between the debit of Rs. 13,33,766 and the net excess of Rs. 13,00,578 was met from savings).

(Sd.) T. C. SETH,

Joint Secretary to the Government of India.

APPENDIX VI

(See para 4.12)

MINISTRY OF FINANCE (Department of Economic Affairs)

NOTE FOR PUBLIC ACCOUNTS COMMITTEE

*Excess expenditure under the Grant No. 28—Stamps during 1963-64
[Reference para 27 (a) of the Audit Report (Civil) 1965]*

Item No.	Particulars of Grant	Total Grant	Expenditure	Excess	Percentage
1	2	3	4	5	6
1	28—Stamps	3,04,54,000	3,10,02,807	5,48,807	1.8

Remarks.—The excess occurred mainly under the head "India Security Press". The excess was stated to be mainly due to more raw materials for printing of stamps and other security papers having been received and paid for during the year than anticipated. It was stated that the original provision was based on the anticipated demands from treasuries all over the country and that at the time of review of the estimates in November, 1963, the excess expenditure was not foreseen.

The excess has occurred mainly under sub-head B1(1) (4) "Purchase of Stores" under the head "India Security Press—Press Charges". The stores for India Security Press comprise raw materials for post cards, envelopes, inland letters, etc. and for other non-postal items like banderoles, cheques, etc. Under this head a provision of Rs. 210.25 lakhs was made in the budget estimates. At the time of submitting the revised estimates in October, 1963, Government reviewed the position and did not consider augmentation of provision necessary as the total receipt of stores during the first six months of the year, including supplies indented for during the previous year amounted only to Rs. 72.54 lakhs, the actual payments during the same period amounting to only Rs. 25.25 lakhs. It was felt that even if the rate of receipt of stores increased by 50 per cent during the subsequent six months, the budget provision would hardly be exceeded.

The position was reviewed again in December, 1963, and it was noticed that against the original provision of Rs. 210.25 lakhs, the actual payments made till then amounted to Rs. 48.55 lakhs only which included a part of the throw-forward relating to the previous year amounting to Rs. 54.62 lakhs and part of the cost of stores indented for during the year and actually received (valued at Rs. 108

lakhs). The total value of stores indented till then during 1963-64 amounted to Rs. 234.98 lakhs. Against these indents it was felt that there might be a throw forward of payments valued at about Rs. 72 lakhs to the next year and it was decided that it was not necessary to increase the provision in the budget, especially, as in the past there were considerably large savings under this head.

When the final requirements of funds under the various heads were reviewed in the middle of March, 1964 the Master proposed a reappropriation of Rs. 3.05 lakhs to the head "Purchase of Stores", to meet the likely excess over the provision of Rs. 210.25 lakhs. After taking into account the savings and other minor excesses under other heads, Government could reappropriate a sum of Rs. 2.63 lakhs under the above head.

The actual booking of expenditure in the Supplementary accounts for March, 1964, however, far outstripped the budget provision as will be seen from the following figures:—

	Rs.
(i) Expdr. booked upto end of 2/64	95,81,369
(ii) Expdr. booked upto end of 3/64 (Supplementary).	150,87,449
(iii) Expdr. booked upto end of 3/64 (final)	218,51,225

It will be seen that as against the amount of Rs. 95.81 lakhs booked during the first 11 months of the year, the amount booked in the accounts of the last one month alone amounted to Rs. 122.70 lakhs, i.e. nearly 56 per cent of the total provision which was not anticipated. Even, then, the excess over budget provision was only Rs. 8.26 lakhs (3.9 per cent). The reappropriation of Rs. 2.63 lakhs referred to above reduced the excess from Rs. 8.26 lakhs to Rs. 5.63 lakhs under the head "Purchase of Stores" and the overall excess under the Grant to Rs. 5.49 lakhs.

It is requested that this uncovered excess of Rs. 5,48,809 under the Grant which could not be foreseen be now recommended for regularization.

(Sd.) S. S. SHIRALKAR,

Additional Secretary to the Govt. of India.

APPENDIX VII

GOVERNMENT OF INDIA

PLANNING COMMISSION

**SUBJECT.—Appropriation Accounts (Civil) for 1963-64—Grant No. 37—
Planning Commission—Regularisation of Excess over voted
Grant.**

Grant No. 37—Planning Commission

	Total grant	Actual expenditure	Excess	Percentage
Voted				
Original				
Supplementary				
	95,23,000 } 3,22,000 }	98,45,000	98,73,124	(+)28,124
			(+)0.28%	

Under Demand No. 37—Planning Commission, a provision of Rs. 98.45 lakhs was voted by Parliament for the year 1963-64. This provision was inclusive of Rs. 3.22 lakhs of supplementary grant obtained during the November-December Session of Parliament to defray the increased expenditure on grants-in-aid paid by the Research Programme Committee of the Planning Commission. As against the voted grant of Rs. 98.45 lakhs, the actual expenditure for the year 1963-64 was Rs. 98.73 lakhs, giving rise to an excess of Rs. 28,124 in the voted grant which requires regularisation.

2. The Planning Commission had proposed Rs. 63.77 lakhs under the subhead, A. 1—Planning Commission as their estimated expenditure for the year 1963-64 in 1962 when the budget estimates were originally framed. Due to the National Emergency and the need for economy, a sum of Rs. 58 lakhs only was sanctioned. Various measures were taken to reduce and accommodate the expenditure within the sanctioned grant for 1963-64; but some unforeseen factors like the formation of Prohibition Study Team and Rural Industries Planning Committee (separate grant was sanctioned for this Committee only in 1964-65), creation of additional posts as that of Member (and his personal staff), Finance Officer, Transport Specialists for the programme of Techno-economic studies of transport, deployment of some staff on new items of work like Resources Study, Prices Cell, Inter-industries Studies and last but not the least, the grant of additional D.A. in the month of March, 1964 contributed towards increase in expenditure. The position was reviewed many times and it was hoped that the anticipated increase in the Planning Commission

would be met in full by the savings likely to accrue under the grants of Programme Evaluation Organisation, Committee on Plan Projects and Research Programmes Committee.

3. The actual expenditure on T.A. exceeded the final estimates of the Commission mainly because the actual expenditure on Rail accommodation requisitioned by the Commission, the incidence of which fell mostly during the latter part of the year, turned out to be more than the estimated expenditure by Rs. 15,000. Further payments to staff for overtime allowances amounting to Rs. 13,000 were made in March, 1964. This expenditure was not expected to be made in March, 1964. This expenditure was not expected to materialise during March, 1964. There was also extra expenditure during March 1964 on account of the grant of additional dearness allowance to staff. The orders in this regard were issued during the middle of February, 1964 and therefore no provision could be made to defray this expenditure by obtaining supplementary grant. This expenditure also was not expected to materialise during March 1964 and hence no advance from the contingency fund was obtained. However, the excess expenditure under the sub-head, A.1-Planning Commission was partially offset by savings in the sub-heads, A.2-Research Programme Committee and A.3-Committee on Plan Projects, leaving a net uncovered excess of Rs. 28,124. In view of the foregoing circumstances, it is requested that the excess of Rs. 28,124 in the grant of the Planning Commission for 1963-64 may be regularised.

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(Sd.) K. A. P. STEVENSON,
Joint Secretary.

APPENDIX VIII

No. 1-6/65-Budget

GOVERNMENT OF INDIA

MINISTRY OF FOOD & AGRICULTURE

(Department of Agriculture)

New Delhi, the 15th July, 1965.

Grant No. 42—Agriculture for 1963-64:

The Grant has been exceeded by Rs. 16,43,725.

The excess under the Grant was mainly accounted for by excess expenditure over the total provision in the case of the following group-heads partly compensated by savings under other group heads:—

B—Experimental Farms :	
B1—Central Mechanised Farm	(+)7.82 lakhs
D.—Boaring Operations :	
D1(4)—Suspense	(+)9.75 lakhs
G.10—Intensive Agriculture :	
District Programme	(+)2.15 lakhs
	<hr/>
	(+)19.72 lakhs

The reasons leading to the excesses and why these could not be anticipated within the year and provided for in time, are detailed below:—

B.—Experimental Farms
B1. Central Mechanised Farm

This Group Head relates to expenditure on Central Mechanised Farms, Suratgarh and Jetsark.

During 1963-64, as against the final grant of Rs. 42,03,400 for the Farms, the actual expenditure was Rs. 49,84,790 resulting in an excess of Rs. 7,81,390 or Rs. 7.82 lakhs. The excess is mainly under

the detailed head 'Other Charges' pertaining to the Central Mechanised Farm, Suratgarh. The main factors that are responsible for the excess are explained below :—

- (a) Book adjustment of debits of Rs. 5.50 lakhs for customs duty for machinery imported for the Oil & Natural Gas Commission was made in the Accounts of the Suratgarh Farm in 3/64 (final) due to an error in the preparation of bills of entry by the clearing agents. This came to notice too late to get readjustments effected in the accounts of 1963-64. The Accountant General, Rajasthan has been requested to withdraw the erroneous credits of Rs. 5.50 lakhs and to pass them to the Accountant General, Maharashtra for final adjustment under the correct Head of Account.
- (b) Debits of Rs. 3.72 lakhs on account of customs duty were adjusted during 1963-64. In most of the cases the customs duty had been assessed arbitrarily on *ad hoc* assessment of the value of goods on arrival at the ports in the absence of invoices, etc. The Farm took steps to obtain refund of excess duty paid. The Farm was able to obtain a refund of Rs. 2.32 lakhs which was adjusted in 3/64 (supply) accounts, leaving a balance of Rs. 1.40 lakhs. This could not be foreseen. In fact, most of the debits relating to customs duty were adjusted in the books of Accountant General, Rajasthan in 3/64 (Preliminary) and 3/64 (final) when it was too late to provide for extra funds from within the Grant. Moreover, all the refund cases are not finalised by the Customs authorities in the same financial year with the result that excess is caused.
- (c) In March, 1964 the Farm was expecting adjustment of debits on account of purchase of P. O. L., Fertilisers, stores, etc. to the extent of Rs. 4.50 lakhs only. But actually an amount of Rs. 6.25 lakhs was adjusted in the accounts of March, 1964 resulting in an excess of Rs. 1.75 lakhs. Some of the adjustments had taken place after 31-3-1964. Intimation regarding these books adjustments had been received after the close of the financial year and hence it was not possible to provide any additional funds for them. According to the liabilities register the liabilities in March, 1964 totalled to Rs. 7.74 lakhs. Past experience has shown that all the liabilities are never settled in the same financial year and some of them have to be carried over to the following year.

Leaving aside the adjustment of Rs. 5.50 lakhs—item (a) above—the excess was partly set off by savings under other detailed heads to the extent of Rs. 0.83 lakhs.

D. Boring Operations.**D.1(4)—Suspense.**

During 1963-64 an excess of Rs. 9.75 lakhs occurred between the final grant of Rs. 62,00,000 and the actual expenditure of Rs. 71,75,000 under Sub-head "Suspense" for this project.

2. The excess expenditure mainly occurred due to belated adjustments. This was occasioned because developmental work in Kutch (Gujarat) and Bihar had to be taken up in February/March, 1964.

3. In the Budget estimate for 1963-64, a sum of Rs. 83.70 lakhs for 'Suspense' was asked for 'Boring Operation'. This was however, finally reduced to Rs. 46.00 lakhs by the Ministry of Finance on the ground that there will not be much difficulty to increase the provision in the revised estimates, if necessary. This was included in the Budget provision of Rs. 87.75 lakhs for 1963-64 for "Boring Operations".

In the beginning of March, 1964, the additional amount required over the original budget grant of Rs. 87.75 lakhs was Rs. 11.30 lakhs only. The question of going in for an advance from the contingency fund was considered in this Department but as a result of decision taken in the Inter-departmental meeting held on 26-3-1964, it was decided not to go in for an advance from the contingency fund, because it was expected that the excess expenditure on "Boring Operations", would be met from the overall savings of the grant. After reviewing the overall position of the grant as a whole, only a sum of Rs. 7.25 lakhs was available.

4. The actual expenditure under the 'Suspense' head was, however Rs. 71,75,821 thereby showing an excess of Rs. 9,75,821 or Rs. 9.76 lakhs. This was mainly due to :—

Belated adjustment of audit office memo (which were pending with sub-ordinate in March, 1964 Supplementary Account)	Rs. 4,69,500
Adjustment of Audit office memo under head III. (Item adjustable by P. W. officer received in Divisional offices after final review of estimates 3/64 to 6/64)	1,85,500
*Unanticipated eleventh hour payment (for pipes procurement of which was completed on 30-3-1964) was made on 31-3-1964	2,05,000
Belated adjustment of advice of Transfer Debits exchanged between Divisions	53,266
Adjustment of profits of Divisions under head 'Storage' in accordance with para 354 of C.P.W.A. Code	25,200
Variation in value of stock i.e. difference between anticipated and actual values due to belated adjustment of C.P.W.A. 9 for 2/64 and 3/64	25,400

The indent for the supply of pipes referred to above was placed with the suppliers on 13-12-1963 but no definite date for supply was stipulated. The payment of Rs. 2,05,600 had to be made to the suppliers on 31-3-1964 at their insistence. The unexpected payment to the suppliers on 31st March, 1964 was thus not provided for.

Unanticipated readjustment from T & P to stock for the cost of one engine	Rs. 10,000
Un-expected return of material from work of 25 tubewells in Madhya Pradesh to stock	1,000

G—10—Intensive Agricultural District Programme.

Against the final grant of Rs. 4,36,600 under the Sub-head G. 10—“Intensive Agricultural District Programme” the actual expenditure amounted to Rs. 6,51,427 resulting in an excess expenditure of Rs. 2,14,827. Out of this an excess of Rs. 2,14,311 was due to the adjustment of customs duty paid on the equipment received from abroad and the balance small excess was due to some other minor adjustments. The reasons for the excess of Rs. 2,14,311 are stated below.

2. An Intensive Agricultural District Programme (popularly known as the Package Programme is being implemented with financial assistance from the Ford Foundation for increasing agricultural production in the country.

3. In June, 1963, the Ford Foundation agreed for the supply of equipment for seed-cleaning and processing, land levelling, implements and for information support materials for the seven districts in the first seven States at an estimated cost of about \$2,35,000. The Ford Foundation was to meet the cost of the equipment upto the port of disembarkation in India and the inland customs duty and handling charges were to be met by the Government of India. As this equipment was required urgently, it was felt that it would assist considerably, if instead of following the usual procedure of placing indents on the I.S.M., Washington, the Ford Foundation could arrange for the procurement of the needed equipment in U.S.A. After getting necessary clearance from the Director-General of Technical Development, Ministry of Finance, and the Deptt. of Economic Affairs for the various technicalities involved, a request was sent to the New Delhi office of the Ford Foundation towards the end of November, 1963 for making arrangements for the procurement of the needed equipment in U.S.A. As the Revised estimates for the year 1963-64 had already been finalised, no provision could be included at that late stage for meeting the incidental charges on this account.

4. The Ford Foundation took some time for making arrangements for the procurement of the above equipment. As there was no reasonable certainty that the equipment in question would be received before the close of the financial year 1963-64, and also in the absence of information about the exact amount required for meeting the customs duty involved, it was not considered advisable to go in for a supplementary Grant, as there was considerable risk of funds

remaining unutilised. In view of the great importance of the Programme, the Ford Foundation authorities in U.S.A., however, acted with great speed and the equipment arrived towards the end of March, 1964. It may be stated that the shipping documents indicated only the probable date of arrival of the vessel as 5th March, 1964. Actually the vessel arrived on 10th March, 1964 and due to congestion at Bombay dockyard it was given berth on the 14th March when unloading operations started. The equipment was cleared and despatched from Bombay only towards the end of March, 1964. As no Budget provision had been made and no funds were available during the year 1963-64, this resulted in the above mentioned excess expenditure.

Excluding the amount of Rs. 5.50 lakhs. misclassified under Group Head B-Experimental Farms, in terms of para 7 of the Public Accounts Committee, Sixteenth Report Vol. I (First Lok Sabha) the net excess requiring regularisation is Rs. 10,93,725.

The note has been vetted by Audit.

(Sd.) J. C. MATHUR,

Joint Secretary to the Government of India.

APPENDIX IX
GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT

NOTES

subject—Regularisation of excess over voted Grant disclosed in the Appropriation Accounts (Civil) 1963-64—Grant No. 72.—Chief Inspector of Mines.

Grant No. 72—Chief Inspector of Mines.

Voted Grant	Original	27,99,000
Actual Expenditure		28,00,985
Net Excess		1,985

1. The net excess of Rs. 1,985 occurred under the Major Head "27" A.—Chief Inspector of Mines. Various examinations are conducted every year by the Chief Inspector of Mines under the Coal Mines Regulations, 1957. It is the responsibility of the Chief Inspector of Mines to make suitable arrangements for the candidates appearing in these examinations.

2. An expenditure of Rs. 6,000 on account of purchase of Steel Tables and Chairs for the purpose of holding examinations under the above Act was incurred during December, 1963 for which no specific provision was made in the budget estimates for the year 1963-64. This was done on the assumption that like the previous years certain book debits on account of telephone bills relating to second half of the year 1963-64 would be adjusted during the next financial year i.e. 1964-65. The position, however, changed when these debits were adjusted during the year. The Grant as a whole was, thus, exceeded by Rs. 1,985. In view of the position explained above, the net excess of Rs. 1,985 may be recommended for regularisation.

(Sd.) K. I. VIDYASAGAR,

Joint Secretary to the Government of India,

New Delhi,

Dated the 18th June 1965

APPENDIX X

(See para 4.18)

MINISTRY OF PETROLEUM & CHEMICALS

Note for Public Accounts Committee explaining the Reasons for Excess under Grant No. 80—Other Revenue Expenditure of the Ministry of Mines & Fuel—Major Head '71' during 1963-64.

The excess of about Rs. 102.26 lakhs occurred mainly under the following Group Heads under the Grant:—

- (i) D. 2(4)—Payment of Subsidy on State Trading in Oil—Rs. 70.75 lakhs.
- (ii) D. 3(2)—Payments to the Railways on account of freight concessions on Furnace Oil—Rs. 62.24 lakhs.

I. D. 2(4)—Payment of Subsidy on State Trading in Oil.

According to the provisions of clause 9(A) (1) of the Second Supplemental Agreement dated 27th July, 1961, between the Government of India, Burmah Oil Company Ltd., Oil India Ltd. and Assam Oil Company, the price to be charged for supplies of crude oil by Oil India Ltd. to Gauhati and Barauni Refineries has to be calculated on the following basis:

- (i) posted f.o.b. Middle East price of equivalent quality crude oil, plus
- (ii) ocean freight, comprehensive insurance and ocean loss; from Ras Tanura to Calcutta, less
- (iii) a discount on posted f.o.b. Middle East price calculated in accordance with the formula set out in sub-clause (B) of clause 9.

This price has to be adjusted so as to secure a minimum dividend of 9 per cent on the paid-up share capital of Oil India Ltd.

2. It was decided in November 1963, with the approval of Ministry of Finance that for supplies of crude oil received from O.I.L. and delivered at Gauhati and Barauni refineries, Indian Refineries Ltd. (now I.O.C.—Refineries Division) will pay Oil India Ltd. at a rate

equivalent to landed cost of comparable imported crude oil at Calcutta. The difference between this price and the price derived from the formula mentioned above will be made good or credited to Government account.

3. A token provision of Rs. 1,00,000 was originally made in the Demand for Grants for 1963-64, under Grant No. 80—Other Revenue Expenditure of the Ministry of Mines & Fuel—Sub-head D.2(4)—Payment of subsidy on State Trading in Oil, since it was not known at that stage when the Demand for Grants were being finalised as to what amount the Government would be required to pay to meet its liability in respect of crude oil supplies during 1962. It was also decided in January 1964 not to arrange for additional funds until the financial accounts of O.I.L. were finalized and certified copy of these accounts were made available to this Ministry. The financial procedure and other issues were also settled in consultation with Finance only towards the end of 1963.

4. O.I.L. submitted its claim on account of price difference on crude oil delivered by it to Gauhati Refinery for an amount of Rs. 100.47 lakhs towards the end of 1963. Pending examination of the accounts of O.I.L. and the verification of details of payments already made by I.R.L. and to allow the Oil India Ltd. to overcome serious ways and means difficulties it was decided to make 70% payment of O.I.L.'s claim during 1963-64 and therefore an additional provision of Rs. 70.75 lakhs was proposed and agreed to be provided by re-appropriation of funds which were expected to be saved from certain other Group Heads of the Grant while the actual payment made on account of subsidy on oil amounted to Rs. 71.75 lakhs, the savings anticipated under the other Groups Heads did not fully materialize owing to late receipt of expenditure figures incurred/expected to be incurred by the I.S.M., Washington in connection with purchase of stores etc. for I.B.M., additional payment of D.A. with retrospective effect and heavy debits in March, 1964 relating to telephone bills in respect of Coal Controller's Organisation and also adjustment of claims presented by the Railways mostly during the close of the year. This resulted in an excess under this Group Head, contributing to the excess in the Grant as a whole.

5. The amount of Government's liability in respect of payment of subsidy on oil could not be assessed when the Demands for Grants were being prepared since the Gauhati refinery which was commissioned on 1st January, 1962 was not able to work continuously owing to break-downs and teething troubles. The offtake of crude oil during 1962 was also very low on this account viz., 264,960 metric tons as against the designed refinery capacity of 750,000 metric tons

per annum. The Barauni Refinery was then under construction and could not take any crude oil.

II. D. 3(2)—*Payments to the Railways on Account of Freight Concession on Furnace Oil*

The Finance Minister in his Budget Speech on April 23, 1962 proposed to make a reduction in the cost of transport of furnace oil from the ports to the points of consumption; in pursuance of this, with effect from 1st July, 1962, consignments of furnace oil in wagon loads booked by rail from any of the following designated ports viz., Bombay, Okha, Kandla, Marmagoa, Cochin, Madras, Visakhapatnam, and Calcutta are being charged only half the freight which is leviable in accordance with the normal tariff rates in force at the time of booking, subject however to a net minimum charge in force. The Finance Minister also announced that the difference between the amount recovered and the full freight applicable would be made good to the Railways by a subsidy for which a provision of Rs. 25 lakhs was made in 1962-63 in the Demands for Grants of the Ministry of Finance.

(ii) It was subsequently felt that since supplies of furnace oil ex-Nunmati were not covered by the concession, it will operate greatly to the disadvantage of the inland refineries in general and public sector oil refining and distributing companies in particular. It would obviously be impossible for the public sector refineries to compete with the furnace oil of the private oil companies moving from Calcutta. The public sector companies would have to absorb the loss equal to the subsidy element themselves—over and above the losses on account of under-recovery of freights. It was accordingly decided on 17th July 1962 with the concurrence of the Ministry of Finance to include, in the scheme of concession, with effect from 1st July 1962, despatches of furnace oil from Nunmati, Digboi/Tinsukia and (to obviate operational difficulties) despatches from Trombay, Quillon, Khari Rohar Road and Navlakhi as well.

(iii) Subsequently on 4th October 1963 with the concurrence of the Ministry of Finance the concession was made available, with retrospective effect from 1st July 1962, (a) to despatches of furnace oil from transshipment points, (b) to Tea Drier Oil and Low Sulphur Fuel Oil and (c) from one port station to another provided the destination port is not itself a supply point and also provided the furnace oil is intended for industrial use.

(iv) The Revised Estimates for 1962-63 were placed at Rs. 30 lakhs, the final grant being Rs. 40 lakhs. However, actual expenditure on this account was Rs. 46,12,508 for the year 1962-63.

(v) In view of the last year's expenditure mentioned above, a budget provision of Rs. 45 lakhs during 1963-64 was made for the scheme under Grant No. 80—Other Revenue Expenditure of the Ministry of Mines and Fuel—Major Head—'71'—D. 3(2)—Payments to the Railways on account of freight concessions on furnace oil. While indicating the progress of actual payments against the above grant, the A.G., C.W. & M., in his D.O. No. B&A-5(1)/63-64/6629 dated 5th March, 1964, intimated that a total amount of Rs. 24.692 lakhs was adjusted towards payments to Railways on account of freight concessions on furnace oil upto the end of February, 1964. No estimate of the probable amount which would be claimed by the Railways for reimbursement by the end of March, 1964 was, however, obtained from the Railways as a forecast of the extent of future despatches was not considered possible.

(vi) The figures of expenditure for the year 1963-64 (including the adjustments made by him in March, 1964 (Final) and March 1964 (Supplementary) as intimated by the Accountant General, Commerce, Works and Miscellaneous in September, 1964 were Rs. 107,24,322. This meant that the expenditure booked in the accounts for the month of March, 1964 including March, 1964 (Final) and March, 1964 (Supplementary) alone was of the order of Rs. 82.55 lakhs. This was entirely out of proportion to the expenditure booked during preceding eleven months which was only Rs. 24.602 lakhs and could not therefore be correctly assessed in advance. This could probably be due partly to spurt in the consumption of furnace oil arising out of the switch over of the cement factories from coal to furnace oil. However, the main reason appears to have been the clearance of a large number of bills in March, 1964.

The excess of Rs. 102,26,244 may be recommended for regularisation under Article 115 of the Constitution.

* * * * *

Sd/- (S. K. GUHA)

Joint Secretary to the Government of India

ANNEXURE

(See para 4.23)

Statements showing the gist of orders extending the concession in Railway Freight on despatches of Furnace Oil issued from time to time.

Sl. No.	Date	Authority who issued the orders	Brief particulars of the orders
1.	23-4-1962	Announcement by Finance Minister in his budget speech.	Concession in freight on furnace oil admissible to Industries located at great distances from the coal fields. The reduction in the cost of transport would be from ports to points of consumption.
2.	17-5-62	Ministry of Railways (Railway Board)	Concession will be allowed on all despatches of furnace oil by rail in Wagon loads from Bombay, Okha, Marmugao, Cochin, Madras, Kandla, Vizagapatam, and Calcutta to up country stations with effect from 1-7-62.
3.	17-7-62	Do.	The concession extended for despatches of furnace oil from Gauhati, Digboi, Tinsukia, Trombay, Khari Rohar Road, Quilon and Navlakhi with retrospective effect from 1-7-62. This meant that the concession was extended to furnace oil despatched from Refineries located at coasts namely Burma Shells, Esso and Caltex and from Gauhati Refinery and I.O.C. Refinery at Digboi.
4.	2-8-62	Do.	The concession further extended with immediate effect to despatches of 'Tea Drier Oil, and 'Low Sulphur Fuel Oil'.
5.	30-8-62	Do.	Extending the concession on all despatches of Furnace Oil, Tea Drier Oil and Low Sulphur Fuel Oil booked from ports and other places mentioned in Boards letter dated 17-5-62 and 17-7-62 (S. Nos. 2 and 3 above) to all destinations reached via transshipment points, irrespective of whether traffic is booked to these destinations direct or is first booked to the transshipment points and from there booked afresh to the destination under a separate invoice. This to take effect from 1-9-62.

1	2	3	4
6.	30-10-62	Ministry of Railways (Railway Board).]	The concession at 5 above in respect of furnace oil was amended to take effect from 1-7-1962 instead of 1-9-62 and that in respect of Tea Drier Oil and Low Sulphur Fuel Oil to take effect from 2-8-1962 instead of 1-9-62.
7.	30-10-62	Do.	Government clarified that the concession of oil rebate may be allowed to despatches from one Port Station to another Port Station provided Furnace Oil is intended for use in factories and round about Ports which are not supply points (viz. all those ports which do not import furnace oil). The concession, however, would not be admissible for use of vessels calling at such Ports in view of the original object of the rebate which was to give relief to Industries located at great distances from coal fields.
8.	3-12-62	Ministry of Mines and Fuel	On reconsideration it was decided that the rebate on oil despatches from one port Station to another shall not be allowed. Railway board issued these orders on 20-12-62.
9.	19-4-63	Do.	Govt. reversed the decision of 3-12-62 and stipulated that the concession may be allowed from one Port Station to another Port Station provided it is certified that the Furnace Oil despatched is meant for Industrial use.
10.	4-10-63	Do.	The Ministry clarified that the Oil rebate on Railway freight from one Port Station to another Port Station will not be allowed on despatches of Furnace Oil to destinations viz. Bombay, Okhe, Mormugao, Cochin Madras, Kandla, Visakhapatnam and Calcutta.
11.	12-12-63	Ministry of Railways (Railway Board).	It was stated that the concession may be allowed for despatches of Furnace Oil from one Port Station to another Port Station provided the latter port of destination is not a Port of despatch for these commodities and also provided a certificate is given that the consignment is only for industrial use. This concession was given effect to retrospectively from 1-7-1962 and refunds allowed on past bookings.

N

014: - The orders issued by the Railway Board from time to time were at the instance of Ministry of Mines and Fuel.

APPENDIX XI

MINISTRY OF EDUCATION

(Archaeological Survey of India)

Note explaining reasons for the excess of Rs. 58,271 under Grant No. 82—Archaeology during the year 1963-64.

	Rs.
Original Grant ..	1,10,90,000
Actual Expenditure during 1963-64 ..	1,11,48,271
Excess over the Voted Grant ..	58,271

There was an excess of Rs. 1,86,824 under the following group heads which was partly counterbalanced by savings under other group heads leaving a net excess of Rs. 58,271.

A—Directorate ..	Rs. 52,805
B—Conservation of Ancient Monuments ..	Rs. 1,17,142
C—Archaeological Explorations ..	Rs. 16,772

The excess under 'A-Directorate' was due to payment of Dearness Allowance at enhanced rates sanctioned by the Government of India with effect from 1st July, 1963 and also payment of Compensatory Allowances consequent on the upgrading of certain cities for the purpose, which was offset partly by re-appropriating savings effected under other group heads mainly 'E-Works'.

The excess of Rs. 1,17,142 under 'B-Conservation of Ancient Monuments' comprises the following items:—

- (i) Special Repairs of the Clive's Building at Fort St. George, Madras, Rs. 5,926. The debit for this was adjusted by the Accountant General, Madras, between November, 1963 and March, 1964, but there was an omission on the part of the Circle Superintendent to take this into account in the final figures.
- (ii) Special Repairs to Tippu Sultan's Palace at Bangalore, Rs. 29,396. The budget estimates under 'B-4 Special

Repairs' had been drastically cut on account of the National Emergency and the Superintendent had hoped that any extra expenditure involved on the work which was of an urgent nature and was then in progress could be offset partly by the savings from the amounts allowed for repairs to the other monuments in the Circle and partly by additional grants but this expectation did not materialise fully and hence the excess, the magnitude of which could not be assessed.

- (iii) Special Repairs to Horse Stables at Ginges, Rs. 2,500. The monument was in a very bad state of preservation and required immediate attention. The extra expenditure involved could not be met from the savings elsewhere for the reasons mentioned in the previous paragraph.
- (iv) Special Repairs to the temple at Tonnur Rs. 15,750. The roof of this temple was very heavily leaking and the repair work could not be postponed without grave risk to the monument. The extra expenditure on this urgent work could not be met from savings elsewhere for the reasons mentioned above.
- (v) Purchase of Air Compressor by the Superintendent, Central Circle, Bhopal (Rs. 28,035) during the year 1961-62. This saving was caused by the fact that the debit on account of this was received by the Accountant General on the 15th March, 1964, but the Circle had to surrender the savings towards the end of February, 1964. *The Circle had no intimation that the debit would be adjusted during March, 1964.*

An excess of Rs. 30,142 is due to the adjustment of book debits pertaining to the previous year on account of the cost of Air Compressors purchased by the Superintendent, Archaeological Survey of India, South-Western Circle, Aurangabad, in Maharashtra Circle of Account.

The balance of Rs. 5,393 is minor excess under B-Conservation of Ancient Monuments in some of the sub-offices of the Survey.

It will be seen that the bulk of this excess under B-Conservation of Monuments relates to the Southern Circle, Madras. The monuments in this Circle are scattered over three States, namely, Madras, Mysore and Kerala and it is often difficult to foresee very accurately excess occurring in expenditure on the completion of urgent works

during the last one or two months of a financial year. The past experience was that small excesses in some works were generally counterbalanced by savings in other works, but in 1963-64 due to the tight financial position and the drastic cuts imposed in the budget, this general expectation did not materialise.

The Circle Superintendents have already been directed on 22nd April, 1964 to maintain the 'Liability Registers' in the proper form and instructed that no excess expenditure should be incurred by them without a specific assurance from the Headquarters office that necessary funds would be provided by re-appropriation.

This note has been seen and vetted by Audit.

(Sd.) A. M. D'ROZARIO,

Joint Secretary.

APPENDIX XII

MINISTRY OF TRANSPORT & AVIATION

(Department of Shipping, Transport & Tourism)

(Roads Wing)

Note regarding the excess over voted Grant No. 92—Central Road Fund in Appropriation Accounts, 1963-64 relating to the Ministry of Transport (Roads Wing).

Excess Rs. 2,69,449

The excess of Rs. 2,69,449 was mainly due to the following reasons:—

I. Sub-head B. 1(1).—Major Works (Excess Rs. 2,41,339):

Incurring of excess expenditure in Delhi on road works financed from the Fund to clear the liabilities already entered into (Rs. 4,75,412) partly counterbalanced by savings due to non-receipt of debits (Rs. 2,34,073) (Road Test Track Rs. 99,200/-, Andaman & Nicobar Islands Rs. 1,17,100 and Himachal Pradesh, Manipur and Tripura Rs. 17,773). The Budget estimate 1963-64 for Delhi Admn. amounted to Rs. 8,47,000/-. The provision included in the Revised Estimate 1963-64 amounted to Rs. 17,90,000/-. The final requirements received from the Delhi Administration in March 1964 amounted to Rs. 24,41,400/-, against which an allotment of Rs. 20,71,500/- only was made. The reduction in the allotment was made mainly in order to keep the expenditure within the provision included in the sanctioned budget. The allotment for certain works had also to be curtailed as these were not admissible on the basis of approved cost and the actual expenditure incurred upto the end of 1962-63.

II. Sub-head B. 3.—Other Charges (Excess Rs. 47,725):

The excess under this sub-head was due to adjustment in the account of 1963-64 of the debits pertaining to the previous years in respect of schemes of road research and intelligence sponsored by the Ministry of Transport.

2. The total excess of Rs. 2,89,064 under the two sub-heads mentioned above was reduced to Rs. 2,69,449/- on account of savings aggregating Rs. 19,615/- under two other sub-heads (Rs. 18,615/- under the sub-head 'B.2' and Rs. 1,000/- under the sub-head 'C').

3. It will be seen from the details given above, that the excess was mainly in the grant made to the Delhi Administration. This was due to the fact that they had incurred expenditure to the extent demanded by them on the assumption that the requisite funds would be forthcoming. This, however, was not possible due to limited funds available in the sanctioned grant for 1963-64. The need for restricting the expenditure to the amount of the grant is being impressed upon the Delhi Administration and it is hoped that such excesses will not recur. In the circumstances, the excess of Rs. 2,69,449/- may kindly be recommended for regularisation under Article 115 of the Constitution.

4. This 'Note' has been seen by Audit.

(Sd.) H. P. SINHA,
Additional Secretary to the Govt. of India.

APPENDIX XIII

MINISTRY OF TRANSPORT (ROADS WING)

Note regarding excess over voted Grant No. 93—Communications (including National Highways) in Appropriation Accounts, 1963-64 relating to the Ministry of Transport (Roads Wing).

Excess Rs. 15,87,131/-

The excess of Rs. 15,87,131 was mainly due to expenditure incurred by certain State Governments in excess of the provision made under the sub-head "B. 1-Maintenance of National Highways" as indicated below:—

- (i) Carrying out of unavoidable and urgent repairs to National Highways in Assam necessitated by emergency (Rs. 4,45,737);
- (ii) Carrying out of unavoidable and emergent repairs to National Highways due to the deteriorated condition of the road surface on account of floods and intensity of traffic—Andhra Pradesh (Rs. 81,213), Bihar (Rs. 6,80,989), Gujarat (Rs. 98,060) and Mysore (Rs. 1,09,170);
- (iii) Clearance of previous year's liabilities—Gujarat (Rs. 21,667);
- (iv) Late adjustment of agency charges—Gujarat (Rs. 11,385);
- (v) Payment of arrears of wages—Cochin (Rs. 13,690); and
- (vi) Cumulative effect of small excesses on various works—Uttar Pradesh (Rs. 1,25,220).

2. It was noticed from the accounts for 1963-64 that a sum of Rs. 4,652/- in Assam was wrongly booked under "Maintenance of National Highways" instead of under "50-Public Works-Central Repairs Buildings".

3. The total amount demanded by the State Governments for the maintenance of National Highways at the time of framing the Revised Estimate 1963-64 was Rs. 775.00 lakhs as against the Budget Estimate of Rs. 575.00 lakhs for that year. As a result of the emergency, it was necessary to restrict the normal expenditure to the minimum extent possible in order to ensure the maximum possible

utilisation of all available resources on such projects as were of importance from the point of view of the defence of the country. In view of this and having regard to the actual expenditure incurred upto the end of January 1964 (Rs. 492.75 lakhs) a provision of Rs. 620.00 lakhs was included in the Revised Estimate 1963-64. The State Governments intimated their final requirements as Rs. 725.00 lakhs (Rs. 492.75 lakhs actuals upto the end of January 1964 and Rs. 232.19 lakhs anticipated for February and March 1964) as against the Revised Estimate of Rs. 620.00 lakhs. Accordingly we recommended an advance of Rs. 105.00 lakhs (Rs. 725.00 lakhs minus Rs. 620.00 lakhs) from the Contingency Fund to the Ministry of Finance. The Ministry of Finance, however, granted an advance of Rs. 45.00 lakhs only from the Contingency Fund. The State Governments were accordingly asked not to incur expenditure in excess of the allotment made to them. The State Governments could not, however, restrict the expenditure to the allotment made by the Government of India for the reasons stated in para 1 above.

4. The road works are executed through the agencies of the State Public Works Departments and the Central Public Works Department. Provision in the Budget is made on the basis of estimates received from the various State Governments. They in turn are guided by their subsidiary establishments such as the Chief Engineers, Superintending Engineer, Divisional Engineers etc., who are in charge of the actual execution of works. The estimates received are scrutinised by the Ministry and every effort is made to make adequate provision for each State. The need for restricting the actual expenditure to the amount of the allotment made by the Government of India is always impressed upon the State Governments. The Public Accounts Committee made the following recommendations in para 7 (viii) of their 16th Report (Third Lok Sabha):—

“The Committee are surprised that after having taken a deliberate decision and directed the State Governments to limit the expenditure to the final allotment, the Ministry failed to watch the progress of expenditure or obtain timely reports from the State Governments of the possibility of an excess with a view to obtaining an advance from the Contingency Fund. The Committee hope that a suitable procedure would be evolved to obtain progress Reports from the State Governments in future to avoid recurrence of such Excesses”.

According to the existing instructions the State Governments are required to forward to the Government of India the monthly returns
2657 (Aii) LS—4.

showing the expenditure incurred on the maintenance and repairs of National Highways by the 20th of the month following the month to which they relate. The recommendation of the Public Accounts Committee mentioned above was brought to the notice of the State Governments and the necessity for the timely rendition of the monthly expenditure reports to the Government of India was also emphasised. The figures of actual expenditure on the maintenance of National Highways upto the end of January, 1964 and realistic estimates of the expenditure likely to be incurred during the remaining two months of the years 1963-64 were obtained from the State Governments and on the basis of this data, an advance of Rs. 45.00 lakhs was obtained from the Contingency Fund of India in March, 1964 to cover the anticipated excess on the maintenance of National Highways during 1963-64. We may have to resort to this course in future also if a Supplementary grant cannot be obtained in time to meet the anticipated excess.

5. In spite of best efforts, an excess expenditure of Rs. 15,87,131/- was incurred during 1963-64 mainly on account of damages caused to the road surface by heavy floods, intensity of traffic etc.

6. Excluding the expenditure of Rs. 4,652/- referred to in para 2 above, which does not pertain to this grant, the net excess requiring regularisation is Rs. 15,82,479/- (Rs. 15,87,131/- minus Rs. 4,652/-). In the circumstances explained above, the excess of Rs. 15,82,479/- in the grant may be recommended for regularisation under article 115 of the Constitution.

7. This note has been seen by Audit.

(Sd/-) H. P. SINHA.

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

APPENDIX XIV

GOVERNMENT OF INDIA

MINISTRY OF CIVIL AVIATION

Subject :—Appropriation Accounts (Civil) 1963-64—Grant No. "96—Aviation"—Excess over Voted Grant.

Reference Lok Sabha Secretariat Office Memorandum No. 2/VI/64 PAC dated the 24th March, 1965.

	Rs.
1. Original Grant (Voted)	5,51,38,000
Final Grant	5,51,38,000
Actual Expenditure	5,99,70,006
Excess	48,32,006
2. The excess of Rs. 48,32,006 occurred mainly under the following group heads :—	
	Rs.
<i>F—Grants-in-Aid</i>	4,10,584
<i>G—Works :</i>	
G. 1—Original Works	18,37,772
G. 2—Repairs	15,82,330
<i>H—Establishment and Tool and Plant Charges created to other Governments, Departments, etc.</i>	1,13,792
<i>I—Suspense</i>	9,37,060
TOTAL	48,81,538

This excess in the above group-heads was partly counter-balanced by savings in some other group-heads leaving behind a net excess of Rs. 48,32,006.

3. The excess occurred under the different group-heads due to the following reasons:—

<i>F—Grants-in-aid</i>	<i>Excess-Rs.</i> 4,10,584
------------------------	----------------------------

A decision was taken by Government late in January, 1964, to enhance, with retrospective effect from the 1st March, 1963, the rates of subsidy and subvention payable to the Flying and Gliding Clubs. The trend of expenditure, under the grant as a whole, indicated that it would be possible to meet the additional requirements from within the original grant.

G—Works (Minor Original Works & Repairs)

Excess—Rs. 34,20,102

	Rs.
(i) Execution of certain essential minor and repair works which could not be foreseen earlier	14,70,115
(ii) Accelerated progress of works towards the end of the year	10,69,545
(iii) Unanticipated adjustment of debits pertaining to the previous year	1,84,914
(iv) Receipt of certain stores, M.T. vehicles, spares and building materials which were not expected to be delivered during the year	1,07,290
(v) Unanticipated increase in the cost of certain stores	5,88,238
TOTAL :—	34,20,102

The Central Public Works Department are being advised separately to ensure that the Liability Registers are properly maintained and that the liabilities are taken into account while finalising their anticipated final requirements for each year.

H—Establishment and Tools and Plant Charges payable to other Governments, Departments, etc.

Excess Rs. 1,13,792

The provision under this sub-head is for payment of Departmental Charges payable to the Central Public Works Department for the execution of works for the Civil Aviation Department. These charges are calculated on a percentage basis on the works outlay. The increase is, therefore, due to the increase in works expenditure.

L—Suspense

Excess Rs. 9,37,060

The provision under this sub-head is being made to meet the requirements of the Public Works System of Accounting which is being followed in the Civil Aviation Department. This is to accommodate transactions relating to "Receipts" and "Payments" for equipment and stores. Transactions relating to Capital Equipment which are ultimately to be debited to "112-Capital Outlay on Civil Aviation" are initially to be adjusted under the sub-head "L-Suspense" and credit afforded to it when ultimately the equipment is installed and the expenditure is adjusted against the respective estimates for the works. The expenditure shown under this Group-head does not depict the actual expenditure and is not therefore realistic.

The increase under this group head was due to—

	Rs.
(i) Unanticipated delivery before the close of the year of certain stores and equipment which were expected to be received only during the next year, and	4,75,62
(ii) Unforeseen adjustment of debits relating to the previous years	4,61,432
TOTAL :—	9,37,060

4. At the time of finalisation of Supplementary Grants, a review was made and the trend of actuals indicated that it would be possible to meet the requirements from within the original budget grant. Experience during the past had been that the budget grant had been adequate. It was felt, therefore, that it would not be proper to go in for a Supplementary Grant when the necessity for it was not established beyond doubt. Hence no Supplementary Grant was obtained.

(Sd.) K. GOPALAKRISHNAN.

Deputy Secretary to the Govt. of India.

(for Secretary on deputation ex-India)

Dated:—the 9th July, 1965.

APPENDIX XV**IMMEDIATE****GOVERNMENT OF INDIA****DEPARTMENT OF COMMUNICATIONS**

Note explaining the reasons for the excess expenditure of Rs. 31,457/- in the voted section under Grant No. '97-Overseas Communications Service' during the year 1963-64.

As against the final grant of Rs. 1,39,94,000/-, an expenditure of Rs. 1,40,25,457 - was incurred by the Overseas Communications Service during 1963-64, resulting in an excess of Rs. 31,457/-.

2. Under "A-Overseas Communications Service—Working Expenses", the final grant was Rs. 1,20,63,400 whereas the actual expenditure amounted to Rs. 1,21,00,522 resulting in an excess of Rs. 37,122 under this group-head. Similarly under "B-Interest", the final grant was Rs. 11,63,600 whereas the actual expenditure amounted to Rs. 11,75,371 -. There were minor excesses under group heads "C—Other Revenue Expenditure" amounting to Rs. 1,845/- and "D—Charges in England" amounting to Rs. 1,169/-. While the net excess as compared with the original grant amounted to Rs. 31,457/- the sum total of excess under individual sub-heads worked out to Rs. 52,407/- due to surrender of a sum of Rs. 20,950/- at the close of the year.

3. The excess of Rs. 31,457 - is mainly under "A-2 Tools and Plants" and "B-Interest". The excess under "A-2 Tools and Plants" was due to the following reasons:—

- (i) Maintenance equipment such as engine spares, resistences, condensers and valves etc. were procured by the Overseas Communications Service during the latter part of March, 1964 because of immediate operational requirements. The provision in the budget could not be retained for the purpose as intimation about this expenditure was received in respect of different items on 15th, 17th, 21st, 25th April and 21st May, 1964.
- (ii) Additional panels for TOR equipment which were indent-ed in March, 1963, were scheduled for delivery in July, 1964 as per Acceptance Tender finalised by the Director

General, Supplies & Disposals. The items were inspected by the Director of Inspection in February, 1964 and the equipment was received on 3rd March, 1964. However, payment on account of this equipment was not anticipated to materialise before 31st March, 1964. The Suppliers had not given any indication to the Overseas Communications Service that their bill had already been preferred to the Pay & Accounts Officer for settlement.

- (iii) Spares indented for the Brown Boverly Transmitters at Calcutta and Dighi were due for delivery between April and December, 1964. Part of equipment was, however, received by the middle of March, 1964 and the Suppliers obtained payments before 31st March, 1964. At that late stage, it was not possible to provide for this unexpected expenditure.

The excess expenditure under "B-Interest" was due to more expenditure under Capital at charge owing to receipt of a BEL Transmitter earlier than the scheduled date of delivery.

4. The excess of Rs. 31,457/- over the grant had thus occurred for reasons beyond the control of the Director General, Overseas Communications Service and requires regularisation.

Sd./- (L. C. JAIN).

Secretary to the Govt. of India.

APPENDIX XVI

MINISTRY OF WORKS AND HOUSING

Note for the Public Accounts Committee relating to regularisation of excess in Grant No. 102—Public Works 1963-64.

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

Excess over Voted Grant Rs. 66,66,188/-

The excess is mainly under Sub-Heads G. 1- Stock and G. 2- Other Suspense Accounts under the Group-head G. Suspense and this requires regularisation.

The budget for 1963-64 provided a sum of Rs. 34,50,50,000 to meet expenditure under "50-Public Works" in Demand No. 102—Public Works. This was increased by a Supplementary Grant of Rs. 2.5 crores to Rs. 37,00,50,000/- to cover the excess requirements under 'Suspense Head'. The provision under the Suspense Head was further increased by a sum of Rs. 27,93,585/- by reappropriation to meet the additional requirements communicated by the Central P. W. D. The position of the provision under 'Suspense' head for the various Budgetary Authorities is given below:—

Budgetary Authority	Budget Grant	Supplement- ary Grant	addl. amount provided by re-appro- priation.	Final Grant
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
C.P.W.D.	16,31,60,000	2,50,00,000	2,57,07,085	21,38,67,085
D.A. (Land)	20,00,000	..	40,49,600	60,49,600
D.A. (PWD)	44,00,000	..	7,33,000	61,33,000
M/C & I	1,98,000	..	67,600	1,30,400
Dte. Estates	5,000	..	2,000	7,000
L.M.A.	10,00,000	..	7,00,000	17,00,000

1	2	3	4	5
Dadra & Nagar Haveli	1,00,000	..	40,000	60,000
Nagaland	37,55,000	..	22,20,300	59,75,300
Assam-NEFA	10,00,000	..	52,00,000	62,00,000
Manipur	45,00,000	..	37,93,700	7,06,300
Himachal Pradesh	2,95,00,000	..	2,12,41,600	82,58,400
Tripura	1,13,00,000	..	86,02,500	26,97,500
A. & Nicobar	1,30,00,000	..	20,73,000	1,09,27,000
TOTAL	23,39,18,000	2,50,00,000	27,93,585	26,17,11,585
			Say ..	26,17,11,000

Against the final grant of Rs. 26,17.11,000 the actual expdr. for the year 1963-64 amounted to Rs. 26,94 08,000 resulting in an excess of Rs. 76,97,000. A part of the excess has been offset by savings under other sub-heads leaving in uncovered excess of Rs. 66,66,188 in the Grant as a whole.

The excess is accounted for under the Central P.W.D. (Main) in the C.W.M. Circle which disclosed gross excess of Rs. 1,17,97,680 as detailed below :—

Name of sub-head	Final Appropriation 1963-1964	Expenditure	Variation
	Rs.	Rs.	Rs.
G.—Suspense			
G. 1.—Stock			
G. 1(1).—Charges	3,43,00,000	4,05,02,584	62,02,584
G. 2.—Other Suspense Accounts			
G. 2(1).—Charges	5,77,16,000	6,33,11,096	55,95,096
TOTAL	9,20,16,000	10,38,13,680	1,17,97,680

Part of the excess to the extent of Rs. 51,31,492 has been counter-balanced by savings arising in other areas, leaving a net excess of Rs. 66,66,188 requiring regularisation.

The reasons for the excess under 'Suspense' head are given below :—

(a) *G.1-Stock-G.1(1)-Charges—Rs. 62,02,584.*

The excess of Rs. 62,02,584 accrued partly due to under estimation of requirements of (Rs. 42,48,00) and partly due to receipt of more building material towards the close of year (Rs. 19,25,677) slightly counterbalanced by adjustment under Delhi Administration (Rs. 7093).

(b) *G.2-Other Suspense Accounts-G.2(1)-Charges—Rs. 55,95,096.*

As in the case of 'Stock' the excess of Rs. 55,95,096/- under Other Suspense Accounts also arose partly due to short provision of funds (Rs. 30,67,500/-) and partly due to receipt of more debits (Rs. 28,67,850/-) slightly counter balanced by adjustment of Rs. 3,40,254/- under Delhi Administration. It may also be mentioned that there was intensive drive for clearance of old adjustment of transfer debits etc., as a result of the appointment of Joint Investigation Team for the clearance of credits under 'Remittance and Suspense Head'.

The short provision of funds under 'Suspense' was due to the non-receipt of full details of requirements at the time of six monthly estimates when the proposals for supplementary grant were formulated.

The Ministry became aware of the excess requirements only in the 2nd week of March when the proposal for final requirements was received from the Central Public Works Department. It was then too late to go in for a Supplementary Grant. Nor could the Ministry apply for an advance from the Contingency Fund of India as such advances can not be drawn normally when the Parliament is in session.

Necessary instructions for timely review of progress of expenditure and for correct assessment of requirements under the above sub-head have again been issued by the Chief Engineer, Central PWD to the concerned authorities vide his letter No. 10(4)/62-B(CE) dated 23-7-1964.

In the circumstances explained above the excess of Rs. 66,66,168 (Voted) may now be recommended for regularisation by Parliament.

Sd/- R. F. ISAR,

Joint Secretary to the Govt. of India.

APPENDIX XVII
GOVERNMENT OF INDIA
MINISTRY OF FINANCE

(Department of Economic Affairs)

• **Excess expenditure on Grant No. 121—Capital Outlay on Mints 1963-64 (Reference page 26 of the Appropriation Accounts (Civil—1963-64)).**

Particulars of Grant	Total Appro- priation.	Expenditure	Excess Amount	Audit	Remarks
A. I.—Mint Charged		Rs. 1,305	Rs. 1,305	*	

1. Under this grant no provision was made for the charged expenditure amounting to Rs. 1305/-. The facts relating to the payment of this charged item are as follows. As a result of a dispute with a contractor, who was given the contract to make water supply arrangements for the India Government Mint at Alipore during 1948-49, the C.P.W.D. deducted from the bills of the contractor a sum of Rs. 1737.91 for rectification of certain defects noticed in the works undertaken by him. This dispute was referred to an arbitrator in May 1957 as provided for in the relevant agreement between the Government of India and the contractor. The arbitrator gave the award on 22nd April 1963 and decreed that the recoveries made from the contractor were not justified and ordered repayment of the amount of Rs. 1157.00. The payment was effected by the C.P.W.D. in November, 1963, after obtaining some clarification from the Superintending Engineer and Additional Chief Engineer.

2. The Additional Chief Engineer had asked this Department for budget provision of the amount of the award in October 1963 and in November, 1963. He intimated that in anticipation of the provision, the payment was made to avoid delay and accrual of interest on the same. However, through oversight the provision asked for was provided under 1.2(2)—Silver Refinery, voted item. It was realised late in March, 1964 in connection with final reappropriations that some provision under charged item for A.I.—Mint was required, when it was too late to obtain a Supplementary appropriation. Nor was an advance from the Contingency Fund of India taken under a misapprehension.

* In the Charged Section an expenditure of Rs. 1,305 was incurred against nil provision; the excess requires regularisation. The excess occurred under the group-head "A-I-Mints" and was due to non-provision of funds for an arbitration award.

3. The amount booked under charged items A-I Mints comprises an amount of Rs. 1157 being the award of the Arbitrator for payment to the contractor and Rs. 147.50 being the departmental charges to be credited to the C.P.W.D. In accordance with the provisions of the Constitution, the amount of the arbitration award, i.e. Rs. 1157 only should have been classified as charged expenditure.

4. After omitting the misclassification of Rs. 148/- being departmental charges referred to in para 3 above, in accordance with the recommendations of the P.A.C. in para 7 of their 16th Report (1st Lok Sabha), the net excess that requires regularisation is Rs. 1157/-. In view of the position explained and the fact that the amount involved is small, this excess expenditure may please be regularised.

This has been seen and vetted by Audit.

(S. S. Shiralker)
Additional Secretary
27-1-1966.

APPENDIX XVIII

No. 11(1)-G.A./63

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

Note explaining the reasons for Excess in Grant No. 124—Other Capital Outlay of the Ministry of Finance in Appropriation Account (Civil) 1963-64.

Final Grant (Voted)	Rs. 70,40,59,000
Actual Expenditure (Voted)	Rs. 70,40,68,344
Excess	Rs. 9,344

An excess of Rs. 13,149 occurred under the Group Head Civil-Material & Equipment under Colombo Plan which was partly counterbalanced by savings under other Group Heads of the Grant resulting in a net excess of Rs. 9,344. The original provision under the sub-head C.2(1) was Rs. 350 lakhs which was subsequently increased to Rs. 454 lakhs through a Supplementary Demand in view of mounting tempo of shipments from Canada. The final review of the position in early February, 1964 however revealed that the value of the expected arrivals would be about Rs. 490 lakhs. An additional provision of Rs. 36 lakhs was therefore provided for by re-appropriation and the final provision under the sub-head stood at Rs. 490 lakhs against which the actual expenditure amounted to Rs. 490.13 lakhs. It was hoped that the small excess of Rs. 13,000 could be covered within the probable savings under the Grant as a whole. But the actual savings could take care of Rs. 3,656 only and there was no saving to cover the remaining excess of Rs. 9,344.

2 This memorandum has been seen by Audit.

Sd/- S. G. RAMACHANDRAN,

Joint Secretary to the Government of India.

To:

The Chairman & Member,
Public Accounts Committee,
Lok Sabha Secretariat,
NEW DELHI.

APPENDIX XIX

MINISTRY OF TRANSPORT

Note regarding excess over voted grant No. 139—Capital outlay on roads in the appropriation account 1963-64 relating to the Ministry of Transport (Roads Wing).

Excess Rs. 70,17,185.

The net excess of Rs. 70,17,185 is made up of variations under the different sub-heads in Grant No. 139—Capital Outlay on Roads as shown below:—

Sub-Head	Final Grant	Actual Expenditure	Variation Excess (+) Saving (—)
	Rs.	Rs.	Rs.
A.1—Construction of National Highways	31,63,25,900	35,08,09,812	(+) 344,83,912
A.2—Construction of Border Roads	2631,50,000	2647,77,538	(+) 16,27,538
A.3—Construction of Other Roads	159,13,100	171,02,860	(+) 11,89,760
A.4—Tools & Plant	325,00,000	14,50,793	(—) 310,49,207
B.1—Construction of Border Roads	230,00,000	237,56,182	(+) 7,56,182
	6508,89,000	6579,06,185	(+) 70,17,185

2. *Sub-Head A.1.—Construction of National Highways—Excess Rs. 344.84 lakhs.*

The excess of Rs. 344.84 lakhs under this sub-head was mainly due to:—

	Rs. lakhs
(i) Erroneous booking of expenditure relating to the sub-head "A.4" under the sub-head "A.1."	284.34
(ii) Execution of urgent and inescapable works	16.44
(iii) Accelerated progress on works	84.73
	385.51
Partly counterbalanced by savings in the grants made to other States	40.67
	344.84

3. With regard to item (i) above, it may be explained that the erroneous debit of Rs. 284.34 lakhs was nullified by a saving of Rs. 310.40 lakhs under the sub-head "A. 4-Tools & Plant". The excesses aggregating Rs. 101.17 lakhs mentioned against item (ii) and (iii) above, were due to undertaking works of strategic importance in the State of Assam, Bihar and West Bengal consequent upon the declaration of emergency in October 1962. Another reason was

that the works financed out of the credit afforded by the International Development Association of the World Bank in the States of Bihar, Maharashtra, Orissa and West Bengal had to be proceeded with at a fast speed as these were required to be completed within a tight time schedule. It was, however, not anticipated that the works would gain such a momentum so as to exceed the grant by an appreciable margin. It was not, therefore, considered necessary to go in for a Supplementary grant or take an advance from the Contingency Fund of India. But actually, the works had to be proceeded with in view of the defence needs of the country.

4. It may further be stated that as against the Budget grant of Rs. 35.00 crores, the States had asked for a provision of Rs. 40.00 crores in the Revised Estimate 1963-64. In view of the declaration of emergency and the consequent need for effecting maximum economy in civil expenditure, a provision of Rs. 31.63 crores was made in the Revised Estimate 1963-64 for covering expenditure on the construction and development of National Highways in the various States and Union Territory Governments. In view, however, of the changed conditions created by the Chinese invasion, the States incurred excess expenditure which was unavoidable. State Governments have again been reminded to ensure that the expenditure is kept within the funds allotted to them.

5. *Sub-head: "A. 2.—Construction of Border Roads"—Excess Rs. 16.27 lakhs.*

Provision for expenditure on category "A" stores like machinery, vehicles, equipment, spares and clothing etc. is made under this sub-head. Due to non-receipt of supply orders from the India Supply Mission, Washington, no provision was made for covering payments already made and adjusted in the accounts for 1963-64. Another reason was the unexpected materialisation and speedier delivery of certain items of clothing supplied by the D.G.S. & D. After taking into account, certain savings in items like pay and allowances, works expenditure etc., the net excess under this sub-head amounted to Rs. 16.27 lakhs which was due to unanticipated receipt of debits.

6. *Sub-head: "A. 3.—Construction of Other Roads"—Excess Rs. 11.90 lakhs.*

The excess was mainly due to incurring of additional expenditure on urgent and inescapable works in the territories of Sikkim and NEFA where the roads had to be strengthened and reconstructed to meet the Chinese aggression.

7. Sub-head: "B. 1.—Construction of Border Roads"—Excess Rs. 7.56 lakhs.

The excess under this sub-head was due to accelerated progress on works undertaken on the Phunchhaling Pare Road which was taken over by the Border Road Development Board from the Bhutan Engineering service in 1963.

8. After taking into account the excesses under the four sub-heads mentioned above and the saving under the sub-head A. 4-Tools & Plant, the next excess under Grant No. 139-Capital Outlay on Roads amounted to Rs. 70,17,185 which is recommended for regularisation under Article 115 of the Constitution.

9. The above note has been seen by Audit who have commented upon the excess as follows:—

"When Government took a deliberate decision to reduce the expenditure on normal works to the maximum extent possible, the Ministry should have obtained the progress of expenditure or obtained timely reports from the State Governments of the possibility of an excess with a view to obtaining an advance from the Contingency Fund of India."

(Sd. H. P. SINHA)

Additional Secretary to the Govt. of India.

APPENDIX XX

(See Para 4.25)

DEPARTMENT OF COMMUNICATIONS

Note explaining the reasons for the excess expenditure of Rs. 42,944. in the "Charged Appropriation" under Grant No. 142. Other Capital Outlay of the Ministry of Transport and Communications during the year 1963-64.

As a result of the awards made by the Court of the District Judge, Delhi, under the Land Acquisition Act, 1894, additional compensation to the extent of Rs. 5,59,000 was paid to the owners during 1961-62 for the lands acquired at Kalkaji and Chattarpur for the Transmitting and Receiving Stations of the Overseas Communications Service at Delhi. At that time, no indication was given by the Land Acquisition Collector that any further payment might become necessary as a result of the Court's awards. In September, 1962, however, the Land Acquisition Collector advised that a further sum of Rs. 42,943.57 was payable to the owners of the land at Chattarpur. Accordingly, a sum of Rs. 42,943.57 was deposited with the Additional District Judge, Delhi, on 24th October, 1962, for payment to the owners of the land. As the amount had to be paid immediately and as there was no provision in the budget, an advance was obtained from the Contingency Fund of India, which was recouped by a Supplementary Appropriation in November, 1962.

2. The debit of Rs. 42,943.57 was not adjusted in the accounts for 1962-63 but was adjusted by the Accountant General, Maharashtra in the accounts for December, 1963. By the time the intimation was received by the Government about this belated adjustment, the last date for the last batch of Supplementary Appropriation had passed. At that late stage, there was no scope for obtaining a supplementary appropriation for covering this adjustment, and as there was no provision in the "Charged Section" of the budget for 1963-64 under Grant No. 142, an excess over the Charged Appropriations has occurred.

(Sd. L. C. Jain)

Secretary, Deptt. of Communications.

APPENDIX XXI

GOVERNMENT OF INDIA

MINISTRY OF WORKS & HOUSING

Note for the Public Accounts Committee relating to regularisation of excess in Grant No. 144-Capital Outlay on Public Works, 1963-64 (P. 129 of the App. A/Cs 1963-64)

The excess over charged appropriation is Rs. 1,30,134/-

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

(a) The excess of Rs. 1,30,134/- under the 'Charged' Section of the Grant is made up as follows:—

Sub-head	Final Appropriation	Expenditure	Excess (+) Saving (—)
A.1—Original Works—Buildings :			
A.1(2)—Original Works—other Buildings	4,67,600	7,28,942	(+)2,61,342
A.2—Establishment Charges . . .	3,800	1,121	(—)2,679
A.3—Tools and Plant Charges . . .	200	71	(—)129
Surrender within the Appropriation . .	1,28,400	..	(—)1,28,400
	<u>6,00,000</u>	<u>7,30,134</u>	<u>(+)1,30,134</u>

(b) Against the final appropriation of Rs. 6,00,000, the actual expenditure for the year amounted to Rs. 7,30,134 resulting in a net excess of Rs. 1,30,134/-. There was an excess of Rs. 2,61,342 under Works Outlay which was counterbalanced by savings of Rs. 2,808/- under Departmental Charges and Rs. 1,28,400/- which was surrendered before the close of the year, leaving an uncovered excess of Rs. 1,30,134.

3. The excess has occurred due to the payment of Rs. 6,74,752/- in December, 1963 on account of the arbitration award in respect of the work "construction of 246 type II Special quarters, Ghatkopar, Bombay". The amount, however, included a sum of Rs. 1,50,943/- on account of repayment of a deposit lying with Government in favour of the contractor and interest thereon, which should not

have been adjusted under this grant (Charged Section), but was misclassified in the accounts of the Central Public Works Department rendered to Audit. The misclassification came to notice after closing of accounts. Excluding this misclassified amount, there is no excess in the charged section of the grant as a whole.

4. Instructions are being issued separately to all concerned to take special steps to avoid such irregularities in future.

5. After excluding the amount of Rs. 1,50,943 on account of above misclassification, in terms of Para 7 of Sixteenth Report of P.A.C. (First Lok Sabha), there will not be any excess under the charged appropriation requiring regularisation.

(Sd. R. F. ISAR),

Joint Secretary to the Govt. of India.

APPENDIX XXII

MINISTRY OF WORKS AND HOUSING

Note for the Public Accounts Committee relating to regularisation of excess in Grant No. 145—Delhi Capital Outlay, 1963-64.

Reference:—Appropriation Accounts (Civil) 1963-64, Page 130:

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

	Total Grant or Appropriation	Actual Expenditure	(+)Excess
Voted	18,78,64,000	18,91,38,701	(+)12,74,701

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

The area-wise break-up of actual expenditure against final grant is as under:—

Area	Final Grant	Actual Expenditure	(+)Excess (—)Savings
<i>India</i>			
Delhi Admn. (Revolving Capital)	7,36,00,000	7,69,27,428	(+)33,27,428
<i>C. W. M.</i>			
C. P. W. D.	9,13,94,700	9,15,04,160	(+)1,09,460
Delhi Admn.	1,97,94,700	1,86,17,372	(—)11,77,328
Rehabilitation	28,01,600	20,32,805	(—)7,68,795
Industry	2,73,000	2,55,030	(—)17,970
Railways		(—)1,98,094	(—)1,98,094
TOTAL	18,78,64,000	18,91,38,701	(+)12,74,701

It would be seen that the 'net' excess of Rs. 12,74,701 is arrived at after taking into account the saving of Rs. 21,62,187 accrued under 'Delhi Administration' 'Rehabilitation' 'Industry' and 'Railways' against a gross excess of Rs. 33,27,428 under 'Revolving Capital'—Delhi Administration and Rs. 1,09,460 under 'CPWD'.

3. The excess of Rs. 1,09,460 under Central Public Works Department is mainly due to (i) accelerated progress of works and (ii) receipt of more awards for acquisition of land. The excess came to the notice of the Additional Chief Engineer (I) towards the close of the financial year when there was no time left to ask for additional funds.

4. The excess of Rs. 33,27,428 under 'Revolving Capital' has been explained by the Delhi Administration as due to the utilisation of certain unanticipated receipts in the Personal Ledger Account of the Housing Commissioner towards payment for land acquisition charges.

It may be stated that the "unanticipated receipts" were credited in the Personal Ledger Account during the month of March, 1964. The actual expenditure incurred on the acquisition of land including *ex-gratia* payments upto February, 1964 was Rs. 4,36,101 and during the month of March, 1964 it was Rs. 1,60,42,669.

The unanticipated receipts which were utilised towards expenditure were realised at the close of the year namely, March, 1964. It was, therefore, not possible to obtain an advance from the Contingency Fund.

5. The excess of Rs. 12,74,701 may now be recommended for regularisation by Parliament.

NEW DELHI;

Dated, the September, 1965.

(Sd. Illegible)

Joint Secretary to the Govt. of India.

APPENDIX XXIII

Summary of main conclusions/recommendations.

S. No.	Para No. of Report	Ministry/Déptt. concerned	Conclusions/Recommendations
1	2	3	4
1	1.2 1.3	Finance <hr/> All Ministries	<p>The Committee had commented in the past upon the delay on the part of the Ministries in furnishing notes stating the reasons or circumstances leading to such excesses.</p> <p>The Committee regret to note that similar delays in furnishing the notes took place this year also. The Committee would like to reiterate their observations and recommendations made in this connection in para 2 of their 31st Report (Third Lok Sabha).</p>
2	1.4	Transport	<p>The Ministry of Transport have delayed the submission of notes on Excesses over Grant Nos. 92 and 139 unconscionably. The notes which were due on 12th May, 1965 were submitted in the last week of January, 1966 and that too without being vetted by Audit, as is required to be done under the procedure. The Committee find no justification for such a delay.</p>
3	1.5	Finance	<p>The Committee would also urge upon the Ministry of Finance to devise ways and means to avoid such chronic delays on the part of the Ministries.</p>
4	3.1	Finance <hr/> All Ministries	<p>The Committee find from the notes furnished by the Ministries that defective estimation at the time of framing of budget and at the</p>

1	2	3	4
			own for finding out the utilisation of agricultural implements etc., and take prompt and suitable steps where called for.
7	4.6	Food, Agri. & Com. Dev. (Com. Dev.)	The Committee also note from the Audit observation appended to the note of the Ministry that the Ministry did not seek advance from the Contingency Fund, since it was anticipated that excess would be covered by the savings within the grant as a whole. It is unfortunate that this anticipation did not turn out to be correct.
8	4.8	Finance (Deptt. of Revenue)	The Committee would like to point out that even in the case of operation, manning and maintenance of six C.B.R. launches by the Navy during 1962-63, it had been stated that there was no indication till December, 1962 as to what would be the order of further payments that would be raised by the Naval authorities during the year. Similar was the case during the year under report (1963-64) also. It is regrettable that despite the recommendations of the Committee, a close watch over the progress of expenditure through Liability Registers is not being maintained.
9	4.11	Do.	In these circumstances the Committee are unable to find any justification for the Ministry to utilise the provision made for the operation, manning and maintenance of C.B.R. launches towards the expenditure on increased Dearness Allowance.

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- 10 4.11 Do. The Committee would point out further that the suggestion of the Ministry to have the debit of Rs. 13,13,766.21 adjusted by the A.G., Maharashtra in March, 1964, withdrawn and adjusted in the accounts for 1964-65 only to avoid the excess over the grant contravenes the provisions of Rule 75 of GFR (1963) and the Govt. of India decisions thereunder. The Committee desire that strict instructions should be issued to prevent such contraventions of Financial Rules and Govt. orders in future. In this connection they would also reiterate their earlier recommendations contained in para 7(iii) of their Sixteenth Report (First Lok Sabha).
- 11 4.16 Finance
(Economic Affairs) It is surprising that inspite of these facts the Ministry decided not to go in for supplementary grant. The Committee are, therefore, unable to accept the plea that the adjustment of the major portion of the expenditure in the accounts for March, 1964 was not anticipated. It is in the circumstances inescapable that the decision of the Ministry not to increase the budget provision despite the request for the same by the Master, India Security Press has mainly contributed to the excess under this Grant.
- 12 4.17 Do. The Committee would like to invite attention to the case dealt with in para 6(iii) of their 31st Report (Third Lok Sabha) which shows that in the year 1962-63 also an excess occurred under the same grant under almost similar circumstances. The Committee expect the Ministry of Finance to set an example in budgetary control to other Ministries rather than show such laxity as has been disclosed in two consecutive years.
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1	2	3	4
13	4.24	<u>Petroleum & Chemicals</u> <u>Finance</u> <u>Railway Board</u>	<p>The Committee agree with these observations. The Ministry, in consultation with the Ministry of Finance and Railway Board, should have examined the financial effect before extending the concessions. The Committee feel that the grant of concession with retrospective effect has defeated to some extent the very object of subsidy in freight, as in the meantime the industrialists would have charged the consumers on the basis of production cost after taking into account the full freight paid to the Railways. The Committee would like to know the total refunds subsequently allowed to the industrialists.</p>
14	4.26	<u>Communications</u> <u>Finance</u> <u>All Ministries</u>	<p>In the opinion of the Committee, in this and other rare cases, where payments against funds specifically voted upon by the Parliament have actually been made but the budget provision for that year appears in the accounts as unutilised merely as a result of an accounting omission, it would be reasonable to treat the provision as actually utilised in that year. They, therefore, recommend that the rectification of the omission in the subsequent year, if it causes an excess in that year, need not be considered as requiring a fresh vote of Parliament on the analogy of the provisions in para 7 of the Sixteenth Report of P.A.C. (First Lok Sabha), according to which the amount of actual dues to be regularised under Article 115 of the Constitution, is to be worked out after taking into account misclassification in</p>

accounts which may have come to notice after the closing of the annual accounts.'

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5.1

Finance

Subject to the above observations, the Committee recommend that the excesses referred to in paragraph 2 of the Report be regularised by Parliament in the manner prescribed in Article 115 of the Constitution.

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
27.	Bahree Brothers, 188, Lajpatrai Market, Delhi-6.	27	33.	Bookwell, 4, Sant Narakari Colony, Kingsway Camp, Delhi-9.	96
28.	Jayana Book Depot, Chaparwala Kuan, Karol Bagh, New Delhi.	66			
29.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi.—1	68		MANIPUR	
30.	People's Publishing House, Rani Jhansi Road, New Delhi.	76	34.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School annexe, Imphal.	77
31.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	88		AGENTS IN FOREIGN COUNTRIES	
32.	Hind Book House, 82, Janpath, New Delhi.	95	35.	The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON, W.C.—2.	



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