

PUBLIC ACCOUNTS COMMITTEE

(1967-68)

PRINTED BY
()
Central Government Publications,
New Delhi
No. 28761(4)
Date: 13-12-67

TWELFTH REPORT

(FOURTH LOK SABHA)

[Excess Over Voted Grants and Charged Appropriations
disclosed in the Appropriation Accounts (Civil) 1965-66
and

Action Taken by Government on the recommendations of
the Public Accounts Committee contained in their
Forty-fifth Report (Third Lok Sabha) relating to
Excesses Over Voted Grants and Charged
Appropriations disclosed in the Appropriation
Accounts (Civil), 1963-64]



LOK SABHA SECRETARIAT
NEW DELHI

November, 1967/Kartika, 1889 (Saka)

Price : Rs. 1.55

6.3951R

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<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
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PUBLIC ACCOUNTS COMMITTEE
(1967-68)

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*Ceased to be a member of the P.A.C. w.e.f. 26th November, 1967 on his appointment as Deputy Minister.

(iv)

SECRETARIAT

Shri Avtar Singh Rikhy—*Deputy Secretary*

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

**REPORT ON EXCESSES OVER VOTED GRANTS AND CHARGED
APPROPRIATION DISCLOSED IN THE APPROPRIATION
ACCOUNTS (CIVIL), 1965-66.**

I

INTRODUCTORY

I, the Chairman of the Public Accounts Committee, as authorised by the Committee do present on their behalf this Twelfth Report on Excesses Over Voted Grants Charged Appropriations as disclosed in the Appropriation Accounts (Civil), 1965-66 which was laid on the Table of the House on the 7th April, 1967.

1.2. The Committee have been repeatedly commenting upon the delays on the part of the Ministries/Departments etc. in furnishing notes stating the reasons for or circumstances leading to such excesses and emphasizing the need for submission of these notes within the prescribed time-limit of two months from the date of presentation of the Accounts to the House. They had also urged the Ministry of Finance in para 1.5 of their 45th Report (Third Lok Sabha) to devise ways and means to avoid such chronic delays on the part of the Ministries. The Committee regret, however, that this year also there has been no perceptible improvement in the matter in that only one note was received within the stipulated time-limit of two months.

1.3. The Committee examined the excesses at their sitting held on the 21st November, 1967 in the light of the explanations furnished by the Ministries/Departments etc. concerned (Appendices I to XXVII).

II

EXCESS GRANTS/APPROPRIATIONS

2.1 During the year ended 31st March, 1966, the actual expenditure exceeded the Voted Grants/Charged Appropriations in the following cases—

S. No.	No. & Name of Grant	Ministry/Deptt. concerned	Final Grant/ Appropriation	Actual Ex- penditure	Excess	Date of receipt of note (Due date 7-6-1967)
1	2	3	4	5	6	7
VOTED GRANTS						
1	3—Aviation	Civil Aviation	6,80,00,000	6,88,43,983	8,43,983	26-10-1967
2	115—Capital Outlay of the Ministry of Commerce.	Commerce	80,15,000	81,47,767	1,32,767	11-8-1967
3	116—Capital Outlay of the Ministry of Community Development & Cooperation.	Community Development & Cooperation.	11,00,000	11,02,801	2,801	11-9-1967
4	22—Tribal Areas	Home Affairs	16,17,68,000	16,73,77,269	56,09,269	21-9-1967
5	23—External Affairs	External Affairs	18,83,23,000	18,93,48,075*	10,25,075*	18-10-1967
6	119—Capital Outlay of the Ministry of External Affairs.	Home Affairs	1,60,00,000	1,78,75,379	18,75,379	10-8-1967
7	26—Customs	Finance	5,01,48,000	5,04,71,488	3,23,488	27-7-1967

8	27—Union Excise Duties	Finance	12,85,09,000	12,99,43,746	14,34,746	21-8-1967
9	29—Stamps	Finance	3,54,99,000	3,81,24,973	26,25,973	7-7-1967
10	30—Audit	Finance	16,56,32,000	16,57,28,871	96,871	31-5-1967
11	35—Territorial and Political Pen- sions.	Finance	2,187,000	22,28,728	41,728	5
12	36—Opium	Finance	3,17,13,000	3,17,96,313	83,313	3-10-7
13	48—Ministry of Health	Health	26,47,000	27,17,283	70,283	11-9-1967
14	62—Laccadive, Minicoy and Amindivi Islands.	Home Affairs	57,86,000	59,63,076	1,77,076	27-6-1967
15	69—Ministry of Information & Broadcasting.	Information & Broadcasting	18,03,000	18,38,318	35,318	15-11-1967
16	70—Broadcasting	Do.	6,74,48,000	7,17,85,385	43,37,385	15-11-1967
17	72—Ministry of Irrigation and Power.	Irrigation & Power	33,36,000	33,39,829	3,829	9-6-1967
18	82—Ministry of Petroleum & Chemicals.	Petroleum & Che- micals.	19,67,000	19,84,487	17,487	12-7-1967
19	83—Other Revenue Expenditure of the Ministry of Petroleum & Chemicals.	Petroleum & Che- micals.	8,44,57,000	8,74,52,487	29,95,487	24-10-1967

*Figures changed in view of Para 2-13 of the Report.

1	2	3	4	5	6	7
20	87—Geological Survey	Steel & Mines.	5,26,82,000	5,61,25,028	3,443,028	17-11-1967
21	91—Communications (including Nautical Highways).	Transport	11,39,07,000	11,58,19,945**	19,12,945**	18-9-1967
22	94—Other Revenue Expenditure of the Ministry of Transport.	Do.	3,00,77,000	3,01,77,854**	1,00,854**	15-11-1967
23	98—Other Revenue Expenditure of the Ministry of Works & Housing.	Works & Housing	1,06,18,000	1,07,33,844	1,15,844	8-6-1967
CHARGED APPROPRIATIONS						
24	34 Pensions and other Retirement Benefits.	Finance	16,94,000	17,06,562	12,562	6-7-1967
25	149—Other Capital Outlay of the Dept. of Communications.	the Communications	1,000	2,849	1,849	1-7-1967
26	127—Loans and Advances by Central Government.	the Finance	8,19,41,27,000	8,21,39,65,131	1,98,38,131	15-7-1967
27	141—Capital Outlay on Roads.	Transport.	7,000	60,939	53,939	18-9-1967

**These figures represent the finally verified actuals and vary somewhat from those published in the Appropriation Accounts (Civil), 1965-66 and Audit Report (Civil), 1967 due to misclassifications subsequently detected.

2.2. The Committee find from the notes furnished by the Ministries that defective estimation at the time of the framing of the budget and revised estimates, failure to anticipate properly the receipt of stores and debits relating thereto, absence of adequate provision for the adjustment of old liabilities, erroneous adjustments and lack of proper control over expenditure continued to be the main causes for the excesses.

2.3. The Committee note that pursuant to the earlier recommendations on the subject Government have issued instructions from time to time. They hope that the Ministries/Departments would continue to make efforts to improve the standard of budgeting and control over expenditure.

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

MINISTRY OF TOURISM & CIVIL AVIATION

Grant No. 3—Aviation (Excess Rs. 8,43,983).

2.5. The excess mainly occurred under Group Heads 'G'-Works and 'L'-Suspense. Towards the end of the year an excess of Rs. 20 lakhs was expected. Telegraphic Instructions were issued by the Additional Chief Engineer to various Divisions asking them to defer certain payments during the financial year with a view to reducing the amount of expenditure during the year. In March, 1966 the Ministry felt that the excess amount might be left uncovered in the expectation that the estimate might not be exceeded, rather than take an advance from the Contingency Fund of India.

2.6. The Committee regret to observe that the instructions were issued to defer some payments to avoid excess over the Grant. The Committee have in their previous Reports [c.f. Para 3.8 of the 69th Report (Third Lok Sabha)] taken a serious view of the postponement of inevitable payments to avoid excess during the year which is against the General Financial Rules. They hope that such instances will not occur in future.

2.7. Another disquieting feature of this case is that the excesses under the two Group Heads in question have occurred for three successive years from 1963-64 onwards under similar circumstances. This shows that there is defective control over expenditure which needs remedial action.

MINISTRY OF HOME AFFAIRS

Grant No. 22—Tribal areas (Excess Rs. 56,09,269).

2.8. The excess was mainly due to adjustment by the Accountant General, Assam and Nagaland in March, 1966, supplementary accounts of certain arrear book debit bills (amounting to Rs. 62.42 lakhs) pertaining to the past years (1962-63 onwards) raised by the Controllers of Defence Accounts on account of supplies and services rendered to the Assam Rifles in previous years. The full details of these debits were not intimated to the NEFA Administration by the Controllers of Defence Accounts or by the Accountant General Assam & Nagaland, and the Administration had no opportunity of verifying them. It has been stated that the Assam Rifles were instructed in the past to maintain a liability register and the need and importance of maintaining it has once again been stressed on them. The Ministry have further stated that now a careful review is being conducted to ascertain all unadjusted past debits in order to avoid recurrence of excess expenditure due to absence of any provision for the past years' debits.

2.9. This is a clear case of failure to maintain a Liability Register and to make adequate provision for the liabilities of the past years. The Committee hope that the Government would ensure that these instructions are strictly followed in future.

MINISTRY OF EXTERNAL AFFAIRS

Grant No. 23—External Affairs (Excess—Rs. 10,25,075).

2.10. The Committee find from the Ministry's note that the excess occurred mainly under Group-head D-Subsidies—Bhutan & Sikkim Subsidy. The excess of Rs. 26.94 lakhs under this group-head was on account of adjustment of book-debits relating to supplies made to Bhutan Rs. 16.44 lakhs) and Sikkim (Rs. 10.50 lakhs), which pertained to the previous financial years. It has been stated that final grant under this head proved to be insufficient because of non-receipt of timely intimation from the supplying agency (Army authorities) of the financial sanctions which under the existing procedure are issued by them direct.

2.11. It has been stated that necessary steps are being taken to ensure that timely information is given by the Ministry of Defence so that adequate provision can be made in the budget.

2.12. The Committee regret to observe that there was lack of coordination between the Ministries of External Affairs and Defence

in that timely information was not given by the Ministry of Defence to enable the Ministry of External Affairs to make adequate provision in the Budget. The Committee desire that the procedure in this regard should be streamlined.

2.13. In Para 4(a)(i) of the Ministry's Note, it has been stated that the excess of Rs. 16.44 lakhs under the group head "Bhutan Subsidy" includes an amount of Rs. 1,72,368, the debit for which was erroneously raised by the Controller of Defence Accounts, Patna in his Exchange Account for December, 1959. This represents an arithmetical error in calculating the value of 440 bags of rice and the error has been accepted by the Controller of Defence Accounts, Patna and the A.G.C.R. New Delhi. As the excess of Rs. 1,72,368 has arisen due to an arithmetical error, the Committee recommend that the principle enunciated in Para 7 of their Sixteenth Report (1st Lok Sabha) may be extended to this case as well as to other similar exceptional cases where excess under a grant has arisen due to an arithmetical error but could not be set right before the close of the year. Such cases need not be considered as requiring a fresh vote of Parliament for regularisation under Article 115 of the Constitution.

MINISTRY OF HOME AFFAIRS

Grant No. 119—Capital outlay of the Ministry of External Affairs (Excess Rs. 18,75,379).

2.14. It has been stated by the Ministry of Home Affairs that the excess occurred in the running of State trading schemes by the NEFA Administration relating to foodstuffs and other essential commodities for the benefit of the local population and Government servants in NEFA and Nagaland on a "no profit no loss" basis. In their six-monthly estimates according to the liability Register, the NEFA Administration had estimated their requirements at Rs. 175 lakhs—an increase of Rs. 25 lakhs over the original provision of Rs. 150 lakhs—mainly to meet the increased demand for supplies from the Nagaland Government and to cover the rise in the price of foodstuffs, especially rice. On an examination of the Demand in consultation with the Ministry of Finance, the latter fixed the Revised Estimate in December, 1965 at Rs. 160 lakhs in the light of the actual expenditure during the previous year and the first five months of the year 1965-66. Again in January, 1966, the NEFA Administration requested the Ministry to restore the cut and asked for a supplementary grant of Rs. 25 lakhs after taking into account

the actual expenditure for the first eight months and the liabilities incurred for the rest of the year. Since, however, the Revised Estimate of Rs. 160 lakhs was fixed only a short time ago (December, 1965), it was not considered necessary by the Ministry to raise the Revised Estimate to Rs. 175 lakhs and only a supplementary grant of Rs. 10 lakhs was obtained in February, 1966 on the basis of the revised estimate of Rs. 160 lakhs fixed in December, 1965. The NEFA Administration was asked to restrict the expenditure to the sanctioned appropriation of Rs. 160 lakhs, but the adjustment of book debits for liabilities already committed to during the year, particularly those relating to the procurement of rice through the Ministry of Food and Agriculture could not be prevented. The actual expenditure came to Rs. 1,78,75,379 resulting in an excess of Rs. 18,75,379.

2.15. The Committee find that despite the reiteration by the NEFA Administration in January, 1966 that a supplementary grant of Rs. 25 lakhs was required in the light of the actual flow of expenditure for the first eight months and the expected liabilities, the Ministry did not take up the matter with the Ministry of Finance to revise the demand upwards from Rs. 10 lakhs to Rs. 25 lakhs. The Committee are unable to accept the explanation of the Ministry that the NEFA Administration was not sure of the adjustment of the debits and, therefore, did not consider it necessary to take up the matter with the Ministry of Finance. The Committee would like the Ministry to exercise greater judgment in making provision for Supplementary Grants in the light of the actual expenditure for the preceding months, so as to avoid such excesses.

MINISTRY OF FINANCE

Grant No. 29—Stamps (Excess Rs. 26,25,973).

2.16. It has been stated that the excess was mainly due to the provisional assessment of duty on imported paper by the Customs authorities, in the absence of invoices. The Customs authorities charged duty amounting to Rs. 97.47 lakhs, as against the correct assessment of Rs. 53.99 lakhs. Claims for all the items over assessed have been made with the Customs authorities. Out of the total of 43 items amounting to Rs. 43.48 lakhs, nine have already been settled by the Customs authorities and the other items are expected to be settled shortly. But for the excess assessment of Rs. 43.48 lakhs, there would have been actually a saving of Rs. 11.82 lakhs.

2.17. The Committee are surprised to note that the Customs authorities over-assessed Customs Duty to the extent of Rs. 42.48 lakhs while making the provisional assessment on imported paper, which was not a new item. The Committee are also not satisfied regarding the delay in the settlement of the claims for refund of excess duty specially when the assessee is a Government Department. They would like to be informed of the latest position regarding refund.

MINISTRY OF HOME AFFAIRS

Grant No. 62—Laccadive, Minicoy and Amindivi Islands (Excess Rs. 1,77,076).

2.18. The Committee have been informed in a note by the Ministry of Home Affairs that the excess occurred mainly under the Group Heads D-2—Agriculture Fishery Schemes (Rs. 0.92,lakh) and B-1(I) Expenditure on Steamer Services (Rs. 1.16 lakhs). The excesses under the above heads were counter-balanced to some extent by savings under other group heads bringing down the net excess under the Grant as a whole to Rs. 1,77,076.

2.19. Under Group-head D-2 the original provision of Rs. 4.56 lakhs was augmented by 3.41 lakhs by reappropriation to cover the cost of fishing boats and machinery. The excess was due mainly to adjustment by the Accountant General, Kerala in March, 1966 (Final) account of certain payments on account of cost of fishing boats and machinery, which was not expected to materialise in 1965-66 and could not be provided for.

2.20. Under Group Head B(1)(i) the original provision of Rs. 14.60 lakhs made on account of payment of hire charges of two vessels proved to be inadequate. While reviewing the position under the Grant as a whole towards the close of the financial year, a sum of Rs. 0.46 lakh was reappropriated from this head due to a misapprehension. The total expenditure amounted to Rs. 15.30 lakhs resulting in an excess of Rs. 1.16 lakhs.

2.21. The Committee feel that re-appropriation of a sum of Rs. 0.46 lakh under this group head showed that no watch was kept over the expenditure. The Committee feel that it should have been possible to avoid excess in these cases by closer coordination with the accounts authorities and by coming up in time for the Supplementary Grant.

MINISTRY OF INFORMATION & BROADCASTING

Grant No. 70—Broadcasting (Excess Rs. 43,37,385).

2.22. The Ministry have stated in their note that the main reasons for the excess were as follows:—

- (i) Government decision in February, 1966 to increase the dearness allowance of Central Government employees with effect from 1-12-1965. this increase was also applicable to Staff Artists.
- (ii) Issue of more stores due to increase in transmission hours and as standby due to Pakistan hostilities under "Central Stores".
- (iii) Unanticipated receipt of receivers and tape recorders and the same reasons given under (ii) under "Suspense".
- (iv) Works connected with Civil Defence and Security measures at Headquarters.
- (v) increase in power tariff rates and increase in transmission hours.

2.23. It has been further stated that most of the items of expenditure on account of which the excess resulted could not be anticipated and were of unavoidable nature. At that time of the year it was too late to restrict the expenditure to the desired extent. It was also not possible to make an application for advance from Contingency Fund of India since according to the figures (unreconciled) at the end of January, 1966, which were available during March, 1966, the expenditure was less than the sanctioned budget grant and the exact picture of the excess expenditure, particularly due to adjustment bills, was not available.

2.24. The Committee feel that the excess in respect of most of the items could have been covered if the Ministry had kept a close watch on the progress of expenditure during the course of the year. The Ministry could have avoided the excess either by going in for a Supplementary Grant or by obtaining an advance from the Contingency Fund before the close of the year. The Committee desire that the Ministry should tighten the procedure of control over expenditure so that such excess does not recur.

MINISTRY OF PETROLEUM & CHEMICALS

Grant No. 83—Other revenue expenditure of the Ministry of Petroleum & Chemicals (Excess Rs. 29,95,487).

2.25. The Ministry of Petroleum & Chemicals have stated that the excess occurred mainly under Group Head B.2(1)-Payment to the Railways on account of freight concession on furnace oil. It has been stated by the Ministry in their note that the major part of the bills were settled only towards the end of the year and that it was not possible for the Ministry to frame more accurate estimates. According to Audit, as the expenditure is initially incurred by the Railways and debits are raised subsequently, it is not clear why no arrangement could be made with the Railways to obtain, periodically, statements of payments made/likely to be made during the month, with a view to regulate the budget provision.

2.26. The Committee desire that the Ministry should devise a proper procedure for obtaining periodical statements of payments made or likely to be made to the Railways so that proper and timely provision for it is made.

MINISTRY OF STEEL, MINES AND METALS

(Deptt. of Mines & Metals)

Grant No. 87—Geological Survey (Excess Rs. 34,43,028).

2.27. The Committee find from the Ministry's note that the excess is mainly due to (i) More expenditure than anticipated on Exploration Wing of the Indian Bureau of Mines transferred to the Geological Survey of India with effect from 1st January, 1966 and (ii) More expenditure than anticipated on contingent expenses and allowances of the field parties of the Geological Survey of India.

2.28. As regards (i) it has been stated that the expenditure earmarked for the Exploration Wing was based mostly on *ad hoc* basis because it was not possible to calculate precisely the incidence of several items such as Travelling Allowances, incidentials or other operating expenses, of each sub-division of the Indian Bureau of Mines.

2.29. As regards (ii) it has been stated that the financial year 1965-66 being the final year of the Third Plan, the field work of the Geological Survey of India had been planned and started with more than normal vigour, if only to achieve as much as possible of the unfinished plan targets which were in turn attuned to the expansion

visualised in the industrial sector. The Department, and in particular the field parties, dispersed all over the country found it extremely difficult to arrest the tempo of investigations at that stage i.e. January, 1966 inspite of their best efforts to comply with the orders to comply with the orders of Government regarding need for all round economy in expenditure. The net result was that by the time the work could be re-planned and reorganised substantially, more amount of work had been put in. Accordingly, there was an excess of expenditure of Rs. 3.81 lakhs on allowances and Rs. 16.75 lakhs on contingent expenditure on field parties.

2.30. The Committee feel that, with closer coordination with the Indian Bureau of Mines & Geological Survey of India, it should have been possible to make a realistic estimate and make provisions accordingly to avoid excess.

MINISTRY OF TRANSPORT & SHIPPING

Grant No. 91—Communications (including Highways) (Excess Rs. 19,12,945)

2.31. The excess of Rs. 33,96,388 disclosed in the Appropriation Accounts includes misclassified expenditure of Rs. 14,83,443 which was appropriately chargeable to Grant No. 141—"Capital Outlay on Roads", where sufficient amount was available to meet the expenditure. In terms of para 7 of the 16th Report of the P.A.C. (1st Lok Sabha), this misclassified amount is required to be excluded from the scope of regularisation under Grant No. 91. The net excess requiring regularisation thus works out to Rs. 19,12,945 (i.e. Rs. 33,96,388 minus Rs. 14,83,443).

2.32. (a) The excess occurred mainly under Group-head—B. 1.—maintenance of National Highways and was due to the following factors:—

- (i) execution of extensive emergent and flood damage repairs—Delhi (Rs. 20,246); Bihar (Rs. 13,06,877) and Mysore (Rs. 77,415);
- (ii) adjustment of cost of materials and payments for works taken up during 1964-65 in Andhra Pradesh (Rs. 12,73,362);
- (iii) rise in the cost of labour and materials—Madhya Pradesh (Rs. 3,97,098);
- (iv) unanticipated debit—Madhya Pradesh (Rs. 57,890);

- (v) payment of arrears to workcharged establishment as a result of retrospective revision of pay scales-Manipur (Rs. 11,805);
- (vi) liquidation of liabilities-Mysore (Rs. 12,167);
- (vii) extra expenditure on watering road side trees on account of drought conditions-Delhi (Rs. 10,065); and
- (viii) non-adjustment of credit-Orissa (Rs. 1,928).

(b) There was an excess of Rs. 5,23,321/- under Group head B-2-Other Communications due to the following reasons:—

- (i) incurring of excess expenditure to keep the line of communication through NEFA which was vital to the security needs of border areas and could not be put off— (Rs. 4,10,417);
- (ii) accelerated progress on works and payment of arrears due to workcharged establishment which was not anticipated while asking for budget provision-Sikkim (Rs. 24,121);
- (iii) adjustment of old debits and accelerated progress on works-Andaman & Nicobar Islands (Rs. 93,202).

2.33. The above excesses were partly offset by savings under the Grant and the net excess works out of Rs. 19,12,945.

2.34 Out of the total excess Rs. 33.96 lakhs an amount of Rs. 14.42 lakhs [(a) (ii), (iv), (vi) and (b) (iii)] was due to adjustment of debit representing old liabilities and such other items which the Ministry could have foreseen by making a reference to the Liability Registers. The Ministry have stated that, in the case of grants for maintenance and repairs, a lump sum allotment is made to the State Governments leaving it to them to distribute the amount for expenditure on the various repairs works which are considered necessary. The actual adjustments of expenditure are made in the various circles of account by the field officers of the Public Works Departments and the Ministry of Transport do not have any precise information about the liabilities carried over from one financial year to the next. In the circumstances, no Liability Registers are being maintained and it is not accordingly possible to take into account the old liabilities, if any, while making the provision, unless the State Government specifically bring out the necessity for an additional provision on this account.

2.35. The Committee are of the opinion that there should be closer coordination between the Ministry of Transport and the State Governments concerned to avoid such excesses in future. They suggest that the Ministry should ask the State Governments to furnish a return on the likely liabilities to be incurred by them monthly in the last quarter of the year so that trends of expenditure are determined more realistically and if necessary, adequate supplementary grant is taken in time.

MINISTRY OF WORKS, HOUSING & SUPPLY

Grant No. 98—Other Revenue Expenditure of the Ministry of Works and Housing (Excess Rs. 1,15,844).

2.36. It has been stated that the excess was mainly due to adjustment of departmental charges by two Divisions of the Central Public Works Department without including a provision therefor. The Chief Engineer has directed the Superintending Engineer concerned to issue suitable instructions to ensure that such omissions do not recur.

2.37. The Committee regret to observe that funds for departmental charges were not provided by two Central Public Works divisions and this resulted in excess in this case. They note that necessary instructions have been issued by the Chief Engineer and hope that such omissions will not occur in future.

MINISTRY OF FINANCE

Grant No. 127—Loans and Advances by Central Government (Excess Rs. 1,98,38,131).

2.38. The Ministry of Finance have stated in their note that the excess occurred mainly due to the fact that certain payments authorised during the year were overlooked at the time of the regularisation of the Grant and consequently the resultant savings were re-appropriated to meet a few pressing demands as per details given below:—

- (a) In March, 1966, the Ministry of Health assessed its final requirement for loans to States for Water Supply and Drainage Schemes at Rs. 1950.84 lakhs against the sanctioned Budget of Rs. 2095.00 lakhs. It later transpired that the final requirement did not include a sum of Rs. 31.50 lakhs sanctioned to the Government of Rajasthan

on 2nd June, 1965. Thus the final requirement was underestimated to this extent.

- (b) On 11th March, 1966, arrear assistance of Rs. 50 lakhs for Flood Control Schemes was sanctioned to the Government of Assam by the Ministry of Finance (Department of Coordination). Under the procedure for the release of arrear plant assistance to States, while the amounts due to States on the basis of departmental|audited figures of expenditure are sanctioned by the Department of Coordination, the necessary funds are provided by the concerned Ministry which had released the assistance on a provisional basis. In this particular case, the Ministry of Irrigation and Power overlooked this amount while intimating its final requirement for regularisation of the Grant.

2.39. The Committee are surprised to note that the Ministries of Health and Irrigation and Power omitted to take into account the payments sanctioned by Government while intimating their final requirements. The Committee would like the Government to examine whether these omissions were due to any defect in procedure. The Committee have no doubt that adequate steps will be taken to rectify procedural defects, if any. If however, the existing procedure is considered adequate, action should be taken to ensure its proper implementation.

2.40. (c) Against the sanctioned provision for loans to States for Miscellaneous Development Purposes of Rs. 32,500 lakhs, the final requirement was assessed at Rs. 32,832.87 lakhs. This latter figure erroneously included a sum of Rs. 25,93.00 lakhs for assistance to Bihar against Rs. 27,36.55 lakhs actually sanctioned. This discrepancy occurred as a sanction for Rs. 1.45 crores issued on 21st August, 1965 was through oversight reckoned by the Department of Coordination as Rs. 1.45 lakhs while communicating the final requirement. Thus, the final requirement was under-estimated to the extent of Rs. 143.55 lakhs.

2.41. The Committee are surprised to learn that a sanction issued for Rs. 1.45 crores was through an oversight, reckoned as Rs. 1.45 lakhs. The Committee stress the need for a thorough checking to avoid such discrepancies in future.

2.42. Subject to the above observations, the Committee recommend that the excesses referred to in paragraph 2.1 above be regularised by Parliament in the manner prescribed in Article 115 of the Constitution.

2.43. 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.

III

ACTION TAKEN ON OUTSTANDING RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR 45TH REPORT (THIRD LOK SABHA)

3.1. The 45th Report (Third Lok Sabha) on Excesses over Voted Grants and Charged Appropriations disclosed in the Appropriation Accounts (Civil), 1963-64 was presented to the House on the 18th March, 1966. Replies of Government have been received in respect of all the 15 recommendations. These are reproduced in Appendix XXVIII.

NEW DELHI;
November 21st, 1967.
Kartika 30, 1889 (S).

M. R. MASANI,
Chairman,
Public Accounts Committee.

PART II

MINUTES OF THE THIRTY-SIXTH SITTING OF
THE PUBLIC ACCOUNTS COMMITTEE HELD
ON THE 21ST NOVEMBER, 1967.

The Committee sat from 10.00 hrs. to 16.59 hrs.

PRESENT

Shri M. R. Masani—*Chairman*

MEMBERS

2. Shri C. K. Bhattacharyya
3. Shri N. R. Laskar
4. Shri K. K. Nayar
5. Shri P. Wiswambharan
6. Shri Om Mehta
7. Shri Gaure Murahari
8. Shri M. C. Shah
9. Dr. M. M. S. Siddhu
10. Shri B. K. P. Sinha.

Shri P. K. Rau—*Additional Deputy Comptroller and Auditor General (R)*.

Shri T. S. Anand—*Dy. Director (Rep-C)*.

SECRETARIAT

Shri Avtar Singh Rikhy—*Deputy Secretary*.

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

The Committee considered and approved with certain modifications the Draft 12th Report on Excesses Over Voted Grants and Charged Appropriations disclosed in the Appropriation Accounts (Civil), 1965-66 and action taken by Government on the recommendations of the Public Accounts Committee contained in their Forty-fifth Report (Third Lok Sabha) relating to Excesses Over Voted

2

Grants and Charged Appropriations disclosed in the Appropriation Accounts (Civil), 1963-64.

The Committee authorised the Chairman/Shri K. C. Bhattacharyya to present the Report to the Lok Sabha. They also authorised Shri M. C. Shah/Shri Om Mehta to lay a copy of the Report on the Table of the Rajya Sabha.

APPENDICES

APPENDIX I

(Ref. Paras 2.5 to 2.7 of Report)

MINISTRY OF TOURISM & CIVIL AVIATION

Note for P.A.C. for regularisation of excess over Voted Grants and Charged Appropriation disclosed in the Appropriation Accounts (Civil) 1965-66—Grant No. “3—Aviation”.

Reference Lok Sabha Secretariat Office Memorandum No. 2/VI/I/67/PAC, dated the 8th April, 1967.

	Rs.
1. Original Grant	6,80,00,000
Final Grant	6,80,00,000
Actual Expenditure	6,88,43,983
Excess	8,43,983

2. The excess of Rs. 8,43,983 occurred mainly under the following Group Heads:—

Group Heads	Original Grant	Final Grant	Actual Expenditure	Excess
G.—Works	1,49,87,600	1,52,64,400	1,55,28,162	+ 2,63,762
L.—Suspense	1,58,00,000	1,48,06,200	1,57,69,084	+ 9,62,884
				-12,26,646

The excess under the above Group Heads was partly counter-balanced by savings in some other Group Heads in the Grant, leaving a net excess of Rs. 8,43,983.

3. The excess under the Group Heads ‘G-Works and L-Suspense’ occurred due to the following reasons:—

Sub-Head	Reasons for Excess	Amount
		Rs.
G—Works	(i) Execution of unforeseen special urgent repair works by the CPWD which could not be foreseen earlier and could not be postponed	9,33,362

Sub-Head	Reasons for Excess	Amount
		Rs.
	(ii) More expenditure on water, electricity and conservancy charges at various aerodromes; and	5,25,687
	(iii) Misclassification of expenditure relating to sub-head "H-Establishment, Tools and Plant Charges credited to other Governments, Departments etc." in Bihar Circle	55,083
	TOTAL EXCESS	15,14,132

Counterbalanced by savings due to:—

(i) Slow progress of Minor Works executed by CPWD as a measure of economy;	2,58,195
(ii) Unforeseen delay in adjustment of debits for the stores received as also delay in supply of stores to Aeronautical Communication Stations;	23,685
(iii) Readjustment of cost of unutilised stores issued to repair works from "Suspense stock"	7,25,421
(iv) Unanticipated postponement of overhaul of aircraft	42,692
(v) Works executed departmentally instead of through the contractors; and	25,142
(vi) Less flying on Radar Training than anticipated and less expenditure on other items as a measure of economy	1,75,235
TOTAL SAVINGS:--	12,50,370
NET EXCESS	2,63,762

L—Suspense	(i) Readjustment of the cost of unutilised repair stores issued from "Suspense"—Please see item (iii) under 'G-Works' also	7,25,421
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Sub-Head	Reasons for Excess	Amount
	(ii) Unanticipated adjustment of certain debits in connection with Aerodrome & Communication equipment	Rs. 2,92,329
	(iii) Increase in the cost of Communication Stores received and taken to Stock; and	48,868
	(iv) Purchase of urgently required equipment for Aerodrome Organisation	6,737
	TOTAL EXCESS	10,73,355
Counterbalanced by savings due to:—		
	(i) Non receipt of anticipated debits; and	1,05,046
	(ii) Provision for purchase of stores not utilised	5,425
	TOTAL SAVINGS	1,10,471
	NET EXCESS	9,62,884

An amount of Rs. 9,93,800 from under the Group Head "L-Suspense" was re-appropriated on 30th March, 1966 on the basis of the actuals upto January, 1966 and anticipated expenditure for February and March, 1966 and the anticipated adjustment of expenditure in the Supplementary Accounts for 1965-66. But the actual expenditure has almost touched the level of the original grant under this sub-head for the reasons stated above.

4. At the time of finalisation of the proposal for a Supplementary Grant, a review was made and trend of actuals indicated that it would be possible to meet the requirements from within the original Budget Grant. The progress of expenditure under the grant was also reviewed at the Expenditure Control Meeting held on 21st February, 1966. The expenditure under the Group Heads "G-Works" and "L-Suspense" up to the end of December, 1965 was only Rs. 97,86,583 and Rs. 69,28,486 against the Budget Grant of Rs. 1,49,87,500 and Rs. 1,58,00,000 respectively. It was, therefore felt that it would not be proper to go in for a Supplementary Grant. It was only towards the end of February 1966 that it was anticipated

that the actual expenditure for 1965-66 might exceed by Rs. 27,31,500 and a proposal was made by the Director General of Civil Aviation to meet the excess by obtaining an advance from the Contingency Fund of India. On a further review this excess was subsequently estimated at Rs. 20 lakhs. Telegraphic instructions were issued by the Additional Chief Engineer to various Divisions asking them to defer certain payments during the financial year with a view to reducing the amount of expenditure during that year. What was discussed and agreed to at the Review Meeting was that the Central Public Works Department should endeavour to restrict the expenditure to the budget provision. The actual instructions issued, however, were not strictly in the spirit of Rule 75 of the compilation of General Financial Rules (Revised and enlarged), 1963. Instructions would be issued to ensure that such instructions are not issued in future. The Capital and Revenue Budgets of the Civil Aviation Department were discussed by the Secretary Aviation with the Director General of Civil Aviation, and the Additional Chief Engineer (II), Central Public Works Department on 28th March, 1966. It was however, difficult at that stage to state whether the anticipated excess was a firm figure as the latest information regarding expenditure was awaited from one or two circles. It was possible that the figure might go down, particularly because strict instructions had been issued to all the authorities concerned to limit the expenditure to the Budget Estimates. Having regard to the fact that the excess amount of Rs. 20 lakhs against the Budget Estimates of Rs. 680 lakhs represented a small percentage (3%) and that a small variation is inevitable in a budget of this size and the fact that even the figure of excess amount was not firm, it was felt that rather than take an advance from the Contingency Fund of India and surrender a part or whole of it later, the anticipated small excess may be left uncovered in the hope that the estimates may not be exceeded. The expectation was substantially justified in as much as only an excess of Rs. 8.44 lakhs (approximately) which is 1.24% of the total grant, occurred as against the figure of Rs. 20 lakhs. anticipated earlier.

The bulk of expenditure under the above two group heads was adjusted in the Supplementary Accounts for 1965-66, when it was not possible to take action to cover the excess by obtaining a Supplementary Grant or an advance from the Contingency Fund of India. The total expenditure accounted for upto 31st March, 1966 under the Group-Heads "G-Works" and "L-Suspense" was Rs. 1,43,18,275 and Rs. 1,40,92,111 as against the final grant of Rs. 1,52,64,400 and Rs. 1,48,06,200 respectively.

Excess over voted grants had occurred also in 1963-64 and 1964-65 to the extent of Rs. 48,32,006 and Rs. 44,23,609 respectively. As in the year 1965-66, the excesses in the earlier years occurred mainly under Group Heads "G—Works" and "L—Suspense", the total amounts of excess under these heads being Rs. 48,57,162 and Rs. 40,92,174 respectively. By and large the excesses under the two Group Heads "G—Works" and "L—Suspense" occurred almost under similar circumstances.

In view of the fact that excesses over voted grants have occurred in three successive years from 1963-64 onwards, instructions are being issued to all concerned to exercise tighter control over expenditure by reviewing the progress of expenditure periodically, if necessary at more frequent intervals, on the basis of the latest figures of expenditure already incurred and liabilities entered into. It is expected that in view of the instructions now being issued, such excesses will not recur in the following years.

It is requested that the excess of Rs. 8,43,983 in the voted portion of the Grant for the year 1965-66 may be recommended for regularisation under Article 115 of the Constitution.

Sd. - R. C. DUTT,

Secretary to the Govt. of India,

Ministry of Tourism & Civil Aviation.

APPENDIX II

MINISTRY OF COMMERCE

Note for Public Accounts Committee for regularisation of excess expenditure disclosed in the Appropriation Accounts (Civil) 1965-66 under Grant No. 115—Capital Outlay of the Ministry of Commerce.

Final Grant	Actual Expenditure	Excess
80,15,000	81,47,767	+1,32,767

The total excess under Grant No. 115—Capital Outlay of the Ministry of Commerce as disclosed in the Appropriation Accounts (Civil) 1965-66 is Rs. 1,32,767.

The excess has occurred mainly under the Group head 'B. Capital Outlay on Free Trade Zone at Kandla' under the minor head "B.1—Works". On the basis of 10 months actuals and liabilities likely to be adjusted by the close of the financial year, the final grant, at the time of final estimates for 1965-66, was assessed at Rs. 30,13,300 against the original Budget Grant of Rs. 37,71,300. The work on the Kandla Free Trade Zone is mainly being executed through the agency of the Kandla Port Trust who are being given advances from time to time by debit to the minor head "B4.—Suspense".

The excess under "B. 1—Works" was due to adjustment of the debits towards the close of the financial year 1965-66 of the payments on account of C.I. Pipes (Rs. 1 lakh) and pig lead (Rs. 1.63 lakhs) orders for which were placed in November, 1964 and July, 1965 respectively. At the time of fixation of the final grant for 1965-66 based on ten months actuals, no intimation had been received from the Kandla Port Trust about the raising of the debits mentioned above having been adjusted by March 1966. The adjustment of these outstanding liabilities could not be foreseen while assessing the final grant in respect of Group head "B.—Capital Outlay on Free Trade Zone at Kandla", and thus resulted in a net excess of Rs. 2,32,701 under this Group head over the voted grant. This excess of Rs. 2,32,701 was partly offset by savings under other group heads in the Demand resulting in a net excess of R. 1,32,767 under the Grant as a whole.

In accordance with Article 115 of the Constitution, the excess expenditure may be recommended for regularisation by the Parliament.

Sd./- A. C. BANERJEE,
Joint Secretary
to the Government of India.

Vetted by the A.G.C.R., New Delhi under his U.O. No. RR2--3/67-68/292, dated 18th July, 1967.

APPENDIX III

MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT & COOPERATION

(DEPARTMENT OF COMMUNITY DEVELOPMENT)

Note explaining the reasons for the excess of Rs. 2,801/- under Grant No. 116—Capital Outlay of the Ministry of Community Development and Cooperation, as disclosed in Appropriation Accounts (Civil) 1965-66.

The Appropriation Accounts 1965-66 in respect of Grant No. 116—Capital Outlay of the Ministry of Community Development and Cooperation have disclosed the following position:

Final Grant	Actual (Rs.) Expenditure	Excess (Rs.)
11,00,000	11,02,801	2,801

The excess in the above Grant occurred due to adjustment of old debits amounting to Rs. 7,834 on account of incidental charges incurred on T.C.M. material and equipment the last consignment of which was received in January, 1959 under the T.C.M. Programme. This old liability was partly met by saving in other Accounts circles leaving the net excess of Rs. 2,801/-.

The excess which is only 0.25 percent of the final grant may kindly be recommended for regularisation by the Parliament under Article 115 of the Constitution of India.

Sd/- N. A. AGHA,
Joint Secretary
to the Govt. of India.

APPENDIX IV

(Ref. Paras 2.8 and 2.9 of Report)

MINISTRY OF HOME AFFAIRS

Note regarding the amount expended in excess of the grant for the year ended 31st March, 1966 in respect of Grant No. 22—Tribal Areas for 1965-66.

Final Grant	17,17,68,000
Actual Expenditure	16,73,77,269
Excess	56,09,269

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

Account I

	(Rs. in lakhs)		
	Final Grant	Actual expenditure	Excess
B. 1 (1)-Assam Rifles			
O-820.21	880.07	945.23	65.16
R-59.86			

2. An amount of Rs. 820.21 lakhs was originally provided under the head B.1(1)—Assam Rifles during the year 1965-66. Increased expenditure to the extent noted below was anticipated under the following units of this Head for the reasons given against each:—

B.I(1) (2) -Pay of Estts. Rs. 16,68,500	}	Due to reversion of pay scales of staff.
B. I(1) (3)-Allowances & Hon. Rs. 5,19,400		
B. I(1) (5)-Other Charges. Rs. 6,27,000		Due to increased expenditure on perterage on account of deployment of force in Nagaland.
B. I(1)(6)-Purchase & Maintenance of M. T. Rs. 4,92,100		Due to provision of vehicles and Supply of T.M.B. Vehicles for carriage of rations.

B. I(I)(8)-Works. Rs. 2,00,000

Due to construction of the following:—

- (1) Protection unit.
- (2) Ration godown in Nagaland
- (3) Electrification work at Laitkor and accommodation of 18 Bn. Assam Rifles.

B. I(I)(9)-Rations. Rs. 30,10,000

Due to the following reasons:—

- (1) Increase in the rate of rations.
- (2) Hiring of civil transport for carriage of rations.
- (3) Local purchase of tinned milk.
- (4) Increase in the rates for animal ration, fuel and coal, etc.

B.I(I)(11)- Grants-in-aid. Contribution, etc.
Rs. 5,000.

Due to provision for new 18th Bn. of Assam Rifles.

TOTAL 65,22,000

3. An amount of Rs. 5.36 lakhs was available from savings under other units of appropriation under the above head. Thus, the net amount of Rs. 59.86 lakhs (Rs. 65.22 lakhs—Rs. 5.36 lakhs) was finally reappropriated to the Head B.I(I)—Assam Rifles.

4. The actual expenditure under the head, however, amounted to Rs. 945.23 lakhs, thereby resulting in an excess of Rs. 65.16 lakhs under this head and an over-all excess of Rs. 56.09 lakhs in the grant as a whole.

5. This excess was mainly due to adjustment by the A.G., Assam and Nagaland, in March, 1966 Supplementary accounts of certain arrear book debit bills (amounting to Rs. 62.42 lakhs) pertaining to the past years (1962-63 and subsequent years) raised by the Controllers of Defence Accounts on account of supplies and service rendered to the Assam Rifles in previous years. The full details of these debits were not intimated to the NEFA Administration by the Controllers of Defence Accounts or by the A.G., Assam and

Nagaland, and the Administration had no opportunity of verifying them. In the absence of firm intimations from the Accounts Officers concerned, it was not possible to anticipate such huge adjustments in March, 1966 Supplementary accounts to enable a supplementary grant to cover this expenditure being obtained in time.

6. Minor excess also occurred under the following group heads for the reasons explained below:—

Account I

(Rs. in lakhs)

	Final grant	Actual expdr.	Excess
AI(I)-Civil Secretariat			
O-20.20 } R-3.86 }	24.06	25.34	+1.28

An amount of Rs. 20.20 lakhs was originally provided for under the head A.1(1)—Civil Secretariat during the year 1965-66. Increased expenditure was anticipated under this head and therefore, an amount of Rs. 3.86 lakhs was provided by re-appropriation. The actual expenditure under the head, however, amounted to Rs. 25.34 lakhs, thereby resulting in an excess of Rs. 1.28 lakhs. This excess is attributable to the following reasons:—

(i) Drawal of arrears of pay by some IFAS Officers from Shillong treasury as well as from Treasuries outside Shillong, as a result of re-fixation of their pay (0.81 lakhs);

(ii) Increased expenditure on local purchase of stationery, telegrams and telephones (Rs. 0.34 lakhs);

(iii) Unforeseen expenditure in connection with Bharat Darshan tour of Lamas and purchase of equipment for Secretariat Training Classes. (Rs. 0.12 lakhs).

Account II

(Rs. in lakhs)

	Final grant	Actual Expdr.	Excess
D. I-Miscellaneous			
O 22.45 } R(—) 0.84 }	21.61	24.29	+2.68

An amount of Rs. 22.45 lakhs was originally provided for under this head. A saving of Rs. 0.84 lakhs was anticipated under this head and was re-appropriated. The actual expenditure under the head, however, amounted to Rs. 24.29 lakhs thereby resulting in an excess of Rs. 2.68 lakhs, which is attributable to the following factors:

(1) Launching of Grow More Food Campaign and intensification of development activities in the interior of NEFA, including Border areas (Rs. 1.70 lakhs).

(2) Unforeseen expenditure on extensive touring by technical officers and staff in connection with the development of Board areas and settlement of Chakma Refugees and also due to drawal by staff of arrears of pay and allowances consequent on the revision of pay scales of 1959 and 1964 (Rs. 0.98 lakhs).

7. The excesses amounting to Rs. 69.12 lakhs under the above heads were counter-balanced to some extent by savings elsewhere in the Grant bringing down the net excess under the Grant as a whole to Rs. 56,09,269.

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

9. This has been seen by audit who have made the following observation:—

Audit Observations

As the expenditure on account of certain liabilities of the past years (1962-63 and subsequent years) were not adjusted in the accounts of these years, the Ministry should have made necessary budget provision during the year 1965-66, and watched the old liabilities through the 'Liability Register'.

Reply of the Government to the audit observations:

The Assam Rifles were instructed in the past to maintain a liability register and the need and importance of maintaining it has once again been stressed on them. Now a careful review is being conducted to ascertain all unadjusted past debits in order to avoid recurrence of excess expenditure due to absence of any provision for the past years' debits.

A. D. PANDE.

Joint Secretary to the Government of India.

APPENDIX V

(Ref. Paras. 2.10—2.13 of Report)

MINISTRY OF EXTERNAL AFFAIRS

**SUBJECT:—Regularisation of excess over voted grant No. 23—
External Affairs, disclosed in the Appropriation Accounts
(Civil) 1965-66.**

The amount voted during 1965-66 under Grant No. 23-External Affairs was Rs. 18,83,000. However, the actual expenditure amounted to Rs. 18,95,20,443. Consequently, there was an excess of Rs. 11,97,443 over the sanctioned grant which requires regularisation.

The excess of Rs. 11,97,443 which is 0.63% of the overall expenditure was mainly due to expenditure incurred/adjusted under the group head "D-Subsidies". The excesses in the grant under the relevant heads are given below:—

Group head	Original grant	Final grant	Actual expenditure	Excess(+) Savings(-) over fi- nal grant	Rea- sons for ex- cess
(in lakhs of rupees)					
D. Subsidies Bhutan & Sikkim Subsidy	627.07	563.07	590.01(+)	26.94	(a)
B.I-Embassies	336.21	362.99	369.41(+)	6.42	
C. High Commissioners & Agents in Commonwealth countries	132.81	138.27	141.47(+)	3.20	(b)
A. I-Secretariat	155.94	250.37	258.45(+)	8.08	(c)
G. Refugees & State prisoners	57.30	51.96	55.38(+)	3.42	(d)
TOTAL			(+)	48.06	

3. The above excess was offset by savings under the heads—Technical & Economic Cooperation between India and other developing countries (Rs. 12.98 lakhs) due to non-materialisation of some schemes of assistance, Repatriates from Burma (Rs. 8.07 lakhs) due to non-payment of the claims of the Shipping Companies relating to repatriation passages ending scrutiny, other publicity expenditure

(Rs. 13.16 lakhs) due to non-settlement of bills relating to P & T charges and under other heads (Rs. 1.88 lakhs) due to non-receipt of debits mainly for furniture supplied to the E.A. Hostel.

4. The reasons which contributed to the expenditure going in excess of the provision of funds under the above heads are given below:—

- (a) The excess of Rs. 26.94 lakhs (which forms 4.5% of the overall expenditure under this head) was on account of adjustment of book-debits relating to supplies made to Bhutan (Rs. 16.44 lakhs) and to Sikkim (Rs. 10.50 lakhs).

The position in this regard is as under:—

- (i) *Bhutan Subsidy*.—The excess of Rs. 16.44 lakhs occurred under this head due to adjustment of debits pertaining to previous financial years which were raised by the Defence Accounts Officer for supply of Army stores to Bhutan Govt. Final grant under this head proved to be insufficient because of non-receipt of timely intimation from the supplying agency (Army authorities) of the financial sanctions which under the existing procedure are issued by them direct. Necessary steps are being taken that in future the Ministry of Defence give the timely information to enable adequate provision being made in this regard. Further more, there has been an arithmetical error to the extent of Rs. 1.72 lakhs (Rs. 1,72,368) in calculating the value of 440 bags of rice issued under voucher No. Dry. (Intrat) (IV)/30 dated 15th May, 1965, included in the Controller of Defence Account, Patna Exchange Account (for Rs. 20,11,318.59) for 12/59. This error has been accepted by the Controller of Defence Accounts, Patna, and the A.G.C.R., New Delhi. The net excess under this head is therefore, Rs. 14.72 lakhs (Rs. 14,71,956).
- (ii) The balance of Rs. 10.50 under Sikkim-Subsidy was also due to similar reasons *viz*; adjustment of debits relating to previous years.
- (b) The excess under these two heads ("B" & "C"), which is less than 2.0% of the overall expenditure, was due to the Indo-Pakistan conflict as our Missions & Posts were required to incur some unforeseen additional expenditure on publicity and towards cables/telegrams to the Ministry. It was anticipated that some savings would accrue for meeting the excesses arising under other heads. But these anticipations did not materialise.
- (c) The excess of Rs. 8.08 lakhs under this head was also mainly due to the Indo-Pakistan conflict, which necessitated temporary transfer of a sizeable number of posts/officers and staff from our Missions in Pakistan to Headquarters. The upward revision of P & T charges, changes

in incumbency and acceptance of some old debits also contributed to some extent towards this excess, which is about 3% of the overall expenditure.

- (d) The excess of Rs. 3.42 lakhs which is about 6% of the overall expenditure under this head was mainly due to increase in expenditure on the maintainance of Tibetan Refugee camps on account of increase in the number of inmates, price of food stuffs, etc.

5. The excess of Rs. 11.97 lakhs (Rs. 11,97,443) may kindly be recommended for regularisation.

Sd/- ANTHONY G. MFNESES,

Joint Secretary (AD).

18th October, 1967.

No. Q(BF.I) 7341(1)/67.

APPENDIX VI

(Ref. Paras 2.14 and 2.15 of Report)

MINISTRY OF HOME AFFAIRS

**Note regarding the amount expended in excess of the grant for the year ended 31st March, 1966 in respect of Grant No. 119—
Capital Outlay of the Ministry of External Affairs**

Original Grant (Voted)	1,50,00,000
Supplementary Grant (Voted)	10,00,000
Total Grant (Voted)	1,60,00,000
Actual Expenditure	1,78,75,379
Excess	18,75,379

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

Major Head-124

A—Capital Outlay on the schemes of Govt. trading.

A.1.—Procurement of Food Stuffs and other essential commodities for Tribal Areas.

A.1(1)—North East Frontier Agency.

	Final Grant	Actual Expd.	Excess
O—1,50,00,000			
S—10,00,000	1,60,00,000	1,78,75,379	18,75,379

The NEFA Administration runs a State Trading Scheme relating to food stuffs and other essential commodities for the facility of the local population and Government servants in NEFA and Nagaland on a "No profit—No loss" basis. A provision of Rs. 1.50 crores was included in the budget for the year 1965-66 for the procurement of food stuffs etc. under Head—A.1(1)-NEFA. In their six monthly estimates, as per liability register the NEFA Administration esti-

mated their requirements under this head at Rs. 175 lakhs—an increase of Rs. 25 lakhs over the original provision, mainly to meet the increased demand for supplies from Nagaland Government and also due to rise in the price of Food Stuffs, especially rice. The price of rice at the time of framing of the Budget estimates was Rs. 42.87 per quintal, but later (in November, 1965) increased to an average of Rs. 64 per quintal. The needs of the Administration in this behalf were examined in consultation with the Ministry of Finance. The later fixed (December, 1965) the Revised Estimates under this head for the year 1965-66 at Rs. 160 lakhs in the light of actual expenditure during the previous year and the first five months of the year 1965-66. But in January 1966, the NEFA Administration requested the Ministry to restore the cut and asked for a Supplementary Grant of Rs. 25 lakhs under this head after taking into account the actual expenditures for the first eight months and the liabilities incurred for the rest of the year. The Administration also stated that the excess demand was mainly due to increased demand from the Nagaland Government by about Rs. 50 lakhs which, if accepted in full, would have resulted in the estimate being raised to over Rs. 2 crores. As it was not possible for the NEFA Administration to exercise any close scrutiny of the Nagaland Government demands, the estimate was restricted to Rs. 175 lakhs. Since, however, the Revised Estimate of Rs. 160 lakhs was fixed only a short time ago (December 1965), it was not considered necessary to raise the Revised Estimate to Rs. 175 lakhs. Accordingly, only a supplementary Grant of Rs. 10 lakhs was obtained in February 1966.

2. The Administration was asked to restrict the expenditure to the sanctioned appropriation of Rs. 160 lakhs, but the adjustment of book debits for the liabilities already committed during the year, particularly those relating to the procurement of rice through the Ministry of Food and Agriculture could not be prevented. In this connection it may be stated that the NEFA Administration was aware (on the basis of the Liability Register maintained by it) of the possible excess expenditure of Rs. 25 lakhs over the final grant. But as the Administration was not sure of adjustment of debits on account of all the liabilities incurred during the year, no steps were taken to obtain a further Supplementary Grant or an advance from the Contingency Fund of India to cover the expenditure. However, the actual expenditure came to Rs. 1,78,75,379, resulting in an excess of Rs. 18,75,379.

3. In accordance with Article 115 of the Constitution the excess expenditure of Rs. 18,75,379 may kindly be recommended for regularisation by the Parliament.

4. This has been seen by Audit.

Sd./- A. D. PANDE,
Joint Secretary to the Govt. of India..

APPENDIX VII

MINISTRY OF FINANCE

(DEPARTMENT OF REVENUE AND INSURANCE)

F. No. 11(2)/67-Ad. IV-A.

Note for regularisation of excess of Rs. 3,23,488 as disclosed in the Appropriation Accounts (Civil), 1965-66 in Voted portion of Grant No. "26-Customs".

Total Grant	Actual Expenditure 1965-66	Excess
Rs.	Rs.	Rs.
5,01,48,000	5,04,71,488	(+) 3,23,488

There was a total budget provision of Rs. 5,01,48,000 in the Customs grant for the year 1965-66. The actual expenditure was, however, Rs. 5,04,71,488 which resulted into excess of Rs. 3,23,488 over the original grant. The excess is made up as under:—

(i) B—Sea Customs Charges at Ports.	(+) 2,92,923
(ii) C—Land Customs Charges.	(+) 65,352
(iii) Savings under other sub-heads :	— 34,805
(iv) Charges in England.	(+) 18
<i>Net Excess</i>	(+) 3,23,488

The above excess is attributable to the following two factors:—

(a) *Enhancement in the rates of Dearness Allowance (Rs. 2.53 lakhs).*—In the first week of February, 1966 the Government of India issued orders enhancing the rates of Dearness Allowance w.e.f. 1st December, 1965. This increase involved an additional expenditure of Rs. 2.53 lakhs approximately (viz. Rs. 1.88 lakhs under the group head B-Sea Customs Charges at the Ports and Rs. 0.65 lakhs under the head C-Land Customs Charges). No budget provision existed in the grant to meet this additional liability. At that time the only course open was to apply for an advance from

the Contingency Fund of India but this was not done in the hope that we might effect some savings to meet the above additional expenditure. However, saving did not materialise.

(b) *Increase in the Commission Charges paid to the D.G. P. & T. (Rs. 1.05 lakhs).*—The P. & T. Department is paid Commission at the rate of 5 per cent of the amount of Customs duty collected on articles of inward foreign letters and parcels through the intermediary of Post Offices. The actual commission charges payable to the P. & T. Department are worked out by the Accountant General, P. & T. after the close of the year and adjusted in the Customs grant by book transfer.

The Budget grant for the year 1965-66 was Rs. 18.90 lakhs for payment of commission charges to the D.G. P. & T. and the Revised estimates were placed at Rs. 23.49 lakhs. However, the actual expenditure had been Rs. 24.54 lakhs which revealed an increase of Rs. 1.05 lakhs over the modified grant. The excess had been due to more realisation of customs duty through the agency of Post Offices resulting in more payment of Commission charges to the P. & T. Department.

The above two factors account for an excess of Rs. 3,58,275. This has been partly counter balanced by savings of Rs. 34,787 under other heads, thus, resulting in net excess of Rs. 3,23,488 in the Customs Grant.

In the circumstances explained above, there had been an overall excess of Rs. 3,23,488 in the Customs Grant during the year 1965-66 which requires regularisation by the Parliament under Art. 115 of the Constitution.

Sd./- D. P. ANAND,

Additional Secretary to the Government of India.

APPENDIX VIII

MINISTRY OF FINANCE

(DEPARTMENT OF REVENUE AND INSURANCE)

F. No. 11(5)/67-Ad. IV-A.

Excess in voted portion of Grant No. 27-Union Excise Duties— 1965-66

Original Grant (including Supplementary Grant)—1965-66.	Actual Expenditure 1965-56.	Excess.
12,85,09,000	12,99,43,746	(+) <u>14,34,746</u>

There was a Budget provision of Rs. 12,44,34,000 in the Union Excise grant which was subsequently increased to Rs. 12,85,09,000 by obtaining a Supplementary Grant of Rs. 40,75,000 (Voted) in February, 1966 for meeting additional expenditure on account of revision in the rates of Dearness Allowance from 1st October, 1964 and 1st March, 1965. The actual expenditure had, however, been Rs. 12,99,43,746 which revealed an excess of Rs. 14,34,746 over the original grant. The above excess is made up as under—

	Modified grant.	Actual Expenditure	Variations
(i) B—Collectorate Charges.	2,84,75,300	2,89,24,432	(+) <u>4,49,132</u>
(ii) C—Charges on collection of Union Excise Duties.	7,44,81,800	7,48,19,267	(+) <u>3,37,467</u>
(iii) D—Charges on collection of Land Customs Duty.	1,55,73,000	1,62,16,074	(+) <u>6,43,074</u>
(iv) G—Establishment charges paid to other Govts. Depts. etc.	46,800	93,366	(+) <u>46,566</u>
(v) All other heads . . .	99,32,100	98,90,607	(—) <u>41,493</u>
TOTAL . . .	12,85,09,000	12,99,43,746	(+) <u>14,34,746</u>

The broad reasons for the above net excess of Rs. 14,34,746 are as follows:—

(a) *Enhancement in the rates of Dearness Allowance (Rs. 7.25 lakhs).*—In the first week of February, 1966, the Government of India issued orders enhancing the rates of Dearness Allowance w.e.f. 1st December, 1965. This increase involved an additional expenditure of Rs. 7.25 lakhs (approximately) during the year 1965-66. The prescribed date for applying for Supplementary grant had already passed. An advance from the Contingency Fund was not applied for as at that time it was expected that the Collectors might be able to effect Savings to meet this additional expenditure, but this did not happen.

(b) *Increase in expenditure on Match Excise Banderols.*—Expenditure on freight on Match Excise Banderols in Madras has been unexpectedly heavy during the year 1965-66 viz. Rs. 3,05,000 as against Rs. 1,17,729 and Rs. 1,18,608 during the last two years 1963-64 and 1964-65 respectively. Expenditure of Rs. 1,07,000 only had been incurred on this item upto December, 1965 and on the basis of past trend of expenditure, the total requirements for the whole year 1965-66 was expected to be about Rs. 1,30,000. But towards the close of the year, Controller of Stamps, Nasik had to rush Banderols to various Treasuries on account of their acute shortage and thus an unexpectedly heavy expenditure was incurred on this item. Expenditure booked on this account in Madras Circle of account was about Rs. 2 lakhs towards the close of the year.

(c) *Unanticipated adjustment of debits.*—(i) Orders were placed with a firm through the agency of D.G.S. & D. for construction of 20 wooden launches at a cost of Rs. 1,20,000 per launch for anti-smuggling work in the year 1964. The payment towards cost of these launched was to be made in parts on completion of various stages of construction by the firm and no fixed-amount was payable to the firm on this account in a particular year. Upto the end of the financial year 1965-66, the Collector of Central Excise, Bombay had neither any intimation about the raising of the debits on this account nor he expected and debits during the year. As such the budget provision made for this purpose was utilised by re-appropriation to meet a part of the excess on account of the revision of rates of Dearness Allowance from 1st October, 1964 and 1st March, 1965. However, after the close of the year, P.A.O. of the D.G.S. & D raised debits amounting to Rs. 3,42,000 representing part payment on completion of the 1st stage of construction of the body of launches by the firm and the Accountant General, Maharashtra adjusted them in the accounts books during the year 1965-66. It was only after

31st March, 1966 that the Collector came to know about the adjustment of the above debits in the accounts books. In view of these circumstances, no funds could be retained to cover the above debits.

(ii) Accountant General, West Bengal made an unexpected Book adjustment in the accounts for 1965-66 under the sub-head "G-Establishment charges paid to other Governments Departments etc." representing payment to State Police. This resulted in an excess of Rs. 46,566 under this head.

(d) *Unexpected heavy expenditure under various other items (Rs. 1.45 lakhs).*—The balance excess of Rs. 1.45 lakhs is due to the reason that actual expenditure had been more than anticipated under various items like 'Law Charges', 'Payments of Rewards to Informers', 'Re-imbusement of medical claims' etc.

In the circumstances explained above, the excess of Rs. 14,34,746 in the Voted Section in the Union Excise grant has been due to factors beyond our control. The excess requires regularisation by the Parliament under Article 115 of the Constitution.

Sd./- T. C. SETH.

Joint Secretary to the Government of India.

APPENDIX IX

NOTE FOR PUBLIC ACCOUNTS COMMITTEE

Excess expenditure under the Grant No. 29-Stamps during 1965-66 (Reference para 28 (a) (9) of the Audit Report (Civil) 1967).

Total Budget Grant for 1965-66	Expenditure for 1965-66	Excess for 1965-66
Rs.	Rs.	Rs.
3,54,99,000	3,81,24,973	26,25,973

The excess occurred mainly under the Group head B1 (1)-Press Charges—Rs. 1.48 lakhs. The excess over the sanctioned Grant was mainly due to the provisional assessment of duty on imported paper by the customs authorities in the absence of invoices. The provision in the Budget Estimates was made on the cost of the goods as known at the time of framing the estimates. These estimates were not revised as in several cases the bills in respect of the duty assessed were received with the vouchers for debits raised by the Accountant General, Maharashtra in March 1966-I and II Supplementary Accounts.

The Customs authorities charged duty amounting to Rs. 97.47 lakhs, as against the correct assessment of Rs. 53.99 lakhs. Immediately after the adjustments in respect of the assessed customs duty were carried out in the cash accounts, claims for refund in respect of all the over assessed items were made. Out of a total of 43 items amounting to Rs. 43.48 lakhs, nine have already been settled by the Customs authorities and the other items are expected to be settled shortly.

But for the excess assessment of Rs. 43.48 lakhs during 1965-66 referred to above, there would have been actually a saving of Rs. 11.82 lakhs due to non supply of indigenous papers (post-card and Air letter) during the financial year 1965-66. The increased expenditure during the year has been offset partly by this saving and minor savings under other heads, reducing the excess to only Rs.

31.48 lakhs, so far as this Group Head is concerned. Taking into account minor excesses and savings under other Group-heads, the net excess under this Grant, however, works out to Rs. 26,25,973.

It is requested that this uncovered excess of Rs. 26,25,973 under the Grant be now recommended for regularisation under Article 115 of the Constitution of India. This has been seen by Audit.

Sd./- (S. S. SHIRALKAR)

Additional Secretary to the Govt. of India.

APPENDIX X

Note explaining the reasons for Excess in Grant No. 30—Audit in the Appropriation Accounts (Civil) 1965-66

	Rs.
Original Grant	16,01,32,000
Supplementary Grant	55,00,000
TOTAL :	16,56,32,000
Actual Expenditure	16,57,28,871
Excess	96,871
Percentage of Excess over the final Grant	0.06%

At the time of preparation of the Revised Estimates for 1965-66 an excess to the extent of Rs. 89.52 lakhs; mainly on account of revision in the rates of Dearness Allowances with effect from 1st March, 1965 and House Rent Allowances with effect from 1st July, 1965; was assessed. However, on account of stress on economy in expenditure a Supplementary Grant of Rs. 55 lakhs only was obtained and it was expected that the remaining excess of Rs. 34.52 lakhs would be met by making all out efforts to minimise expenditure.

While a major portion of the anticipated excess was realised yet a small excess of Rs. 96,871 (0.06 per cent) has occurred over the final grant which requires regularisation under Article 115(1) (b) of the **Constitution**.

Sd/- (P. N. BHANDARI)
Deputy Comptroller and Auditor General of India.

APPENDIX XI
No. F.3 (50)-B/66
GOVERNMENT OF INDIA
MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

New Delhi, the 29th June, 1967.

SUBJECT:—Regularisation of excess in Grant No. 35—Territorial and Political Pensions in Appropriation Accounts (Central) Civil, 1965-66.

Final Grant	21,87,000
Actual Expenditure	22,28,728
Excess	41,728

This Grant includes provision for payment of (i) Political Pensions (other than Privy Purses), (ii) Charitable Allowances to the members of the families and servants of former Rulers and (iii) Pensions for other Political Considerations. The control in respect of the first two items rests with the Ministry of Home Affairs while that in respect of the last is with this Ministry, and in either case the provision is included in this Grant on the basis of the information furnished by the various Accounts Officers. Payments are made in accordance with standing sanctions for which the estimates are framed mainly with reference to the trend of actuals and such other relevant information as may be available with the Ministry of Home Affairs or the Accounts Officers.

2. The net excess of Rs. 41,728 under the Grant resulted mainly from an excess of Rs. 73,805 under the Group Head "A. Political Pensions" counterbalanced by savings under other Heads in the Grant. The excess under the Group Head 'A' was due to larger expenditure under the Sub-head 'A. 4-Oudh Wasiqa Pensions' which exceeded the final Grant of Rs. 3,68,200 by Rs. 3,05,392 a major portion of which was covered by savings under other sub-heads of this Group Head.

The excess under Oudh Wasiqa Pensions was mainly due to unanticipated heavy commutation of pensions as well as payments

during the year 1965-66 of the commuted value of such pensions authorised in the earlier year. As Wasiqa pensions below Rs. 5 are commuted compulsorily and the commutation of other pensions depends upon the requests for commutation made by the pensioners which cannot be anticipated, some variations are unavoidable under this Grant. In the circumstances, it is requested that the excess may be recommended for regularisation as required under Article 115 of the Constitution of India.

3. This has been seen by Audit.

Sd./- A. R. SHIRALI,
Joint Secretary.

APPENDIX XII

MINISTRY OF FINANCE

(DEPARTMENT OF REVENUE & INSURANCE)

F. No. 11/4/67-Adm. IV-A

Excess in Grant No. "36-Opium"-1965-66

P. 26 of the Appropriation Accounts (Civil)—1065-66 and Para 28(a) (12) of the Audit Report (Civil), 1967—P. 36

	Original grant (including Supplemen- tary grant) 1965-66	Actual Expenditure 1965-66	Excess
Original	3,05,72,000		
Supplementary	11,41,000		
	3,17,13,000	3,17,96,313	(+)83,313

There was an original budget provision of Rs. 3,05,72,000 in the Opium grant which was subsequently increased to Rs. 3,17,13,000 by obtaining a Supplementary grant of Rs. 11,41,000 which was necessitated due to higher out-turn of opium resulting in more payments to cultivators. Against this, the actual expenditure had been Rs. 3,17,96,313 which revealed an excess of Rs. 83,313 over the original grant.

The above excess is attributable to the following two factors:—

(i) *Enhancement in the rates of Dearness Allowance.*—In the first week of February, 1966, the Government of India issued orders enhancing the rate of Dearness Allowance *w.e.f.* 1-12-1965, for which there existed no budget provision in the grant. The increase involved an additional expenditure of Rs. 33,300 (approximately) during the year 1965-66. Last date for applying for the Supplementary grant had been over and at that time the only course open was to apply for an advance from the Contingency Fund of India but this was not done in the hope that the additional liability would

be met from within the possible savings in the grant which, however, did not materialise.

(ii) *Unanticipated Book adjustment of debits.*—The other factor contributing towards excess in the Opium grant has been the adjustment by the Accountant General, Uttar Pradesh of some credit notes amounting to Rs. 94,173 under the head "D-1-Ghazipur Opium Factory-D-1(4)-Other Charges" raised by the Railways on account of freight charges for the period from 1-12-1965 to 31-3-1966. These debits were adjusted by the Accountant General in the March (Final) account for 1965-66 after the close of the financial year without prior intimation and acceptance of the debits by the Narcotics Department.

In the Sanctioned grant for the year 1965-66, there existed necessary budget provision to meet the above liability. But in the last week of March, 1966 when no intimation about the raising of the above debits was received, it was anticipated that the debits would be raised and adjusted in the accounts during the next financial year, and this anticipation was coupled with the fact that railway credit notes are ordinarily adjusted in the accounts after 4 to 5 months from the date of issue as Railway take some time to raise debits through their Accounts officers with the Accountant General Uttar Pradesh. Hence to avoid recurrence of situation like that for the previous year (1964-65) when there was final saving of Rs. 4,03,611 under the above head due to non-adjustment of certain debits in the accounts, the funds were utilised by re-appropriation to meet excess under various other sub-heads. However, unexpected adjustment of the above debits in the accounts after the close of the financial year resulted in an excess of Rs. 94,173 under the above head.

The above factor account for an excess of Rs. 1,27,473. This has partly counter balanced by savings of Rs. 44,160 under various other sub-heads resulting in net excess of Rs. 83,313 in the Opium grant which requires regularisation by the Parliament under Art. 115 of the Constitution.

Sd./- D. P. ANAND,

Additional Secretary to the Government of India.

APPENDIX XIII

No. F. 7-2/67-B

GOVERNMENT OF INDIA

MINISTRY OF HEALTH AND FAMILY PLANNING

DEPARTMENT OF HEALTH

New Delhi, the 7th September 1967

NOTE

SUBJECT:—Note for regularisation of excess expenditure of Rs. 70,283/- in Grant No. 48—Ministry of Health for 1965-66.

		Final Grant	Actual Expenditure	Excess (+)
Original	25,17,000	26,47,000	27,17,283	(+)70,283
Supplementary Grant	1,30,000			

The excess occurred under the head 'A—Secretariat.'

The sub-heads 'A.1—Pay of Officers', 'A.2—Pay of Establishments', 'A. 3—Allowances, Honoraria, etc.', and 'A. 4—Other Charges' are mainly responsible for the excess of Rs. 70,283/- as indicated below:—

	Final Grant	Actual Expenditure	Excess (+)
A.1—Pay of Officers	5,53,311	5,65,761	(+)12,450
A.2—Pay of Establishments	7,47,980	7,49,603	(+)1,623
A.3—Allowances, Honoraria, etc.	7,04,538	7,18,827	(+)14,289
A.4—Other Charges	3,40,587	3,82,140	(+)41,553

The reasons for variations against each primary unit are given below:—

'A.1—Pay of Officers' (+) 12,450/-

Originally the Section Officers in the Department of Health used to prepare their pay-bills and used to draw the amount from the Treasury, but this procedure was changed with effect from January, 1966 and a consolidated bill representing the pay of Section Officers was submitted to the Treasury, New Delhi. The amount of Rs. 12,450/- was not taken into account while framing the final estimates for this sub-head during 1965-66 as the pay bill of Section Officers' was prepared for the first time in accordance with the new procedure.

'A.2—Pay of Establishment'

(+) 1,623/-

The following amounts were credited to the Government under major head '19—General Administration' during 1965-66 as reduction in expenditure against the sub-head indicated above. The dates on which the amounts were credited to Government are given below:—

S. No.	Amount	Date of Deposit
	Rs.	
1	321·95	3-11-1965
2	125·60	11-11-1965
3	43·17	17-1-1966
4	54·20	9-1-1966
5	464·90	24-1-1966
6	25·05	19-3-1966
7	85·30	19-3-1966
8	221·80	29-3-1966
	1341·97	
	or	
	1342·00	

While arriving at the figure of final estimates for 1965-66 a sum of Rs. 1,342/- was accounted for as reduction in expenditure against the sub-head 'A.2' during 1965-66.

'A.3—Allowances, Honoraria, etc.'

(+) 14,289/-

A supplementary Grant of Rs. 1,30,000 was obtained during 1965-66 to pay dearness allowance the enhanced rates announced by the Government of India earlier during that year. The provision made through the Supplementary Grant proved inadequate, as the payment of dearness allowance at rates further enhanced by the Government of India in February, 1966 could not be withheld during 1965-66.

'A. 4—Other Charges' (+) 41,553

1. *Telephone Charges*

The excess expenditure was incurred in 1965-66 on the new office and residential lines sanctioned for the new officers appointed in the Ministry of Health and considerable shifting of telephones. During the year activities of the Ministry increased considerably and this resulted in rise in expenditure on local and trunk calls. Further, the Posts and Telegraphs Department also increased rent and call charges resulting further expenditure under this head which could not be foreseen earlier.

2. *Sundries*

Excess expenditure under this head occurred due to the purchase of Air conditioners costing Rs. 20,000/- for one Joint Secretary and Chairman, Drinking Water Board newly posted to the Ministry during 1965-66. Besides the above, some other officers also joined the Ministry and this resulted in increase in expenditure on account of arrangements made for these officers for heating/cooling their rooms.

3. *Staff Cars*

One Chevrolet Staff Car was purchased from S.T.C. during 1965-66 over and above the two staff cars already available. Being a second hand big imported car, it required frequent repairs and purchase of new tyres, tubes and accessories for which Rs. 6,876 were spent besides the initial cost of Rs. 16,356. Cars had to be provided for visiting VIPs resulting in considerable increase in the expenditure over and above the normal charges.

4. *Typewriters*

According to the Ministry of Home Affairs orders, this Ministry had to switch over to Hindi typewriting as early as possible. Five new Hindi typewriters costing Rs. 5,475/- were, therefore, purchased during 1965-66. This expenditure could not be foreseen at the time of framing the Budget Estimates 1965-66. Further, maintenance charges of old machines including replacement of parts were also responsible for increase in expenditure.

The overall excess of Rs. 70,283/- which remained uncovered in the Grant No. 48-Ministry of Health during 1965-66, may please be recommended for regularisation.

This note has been vetted by Audit.

We have since appointed an Internal Financial Adviser and it is hoped that such irregularities will not occur in future.

Sd/- GIAN PRAKASH,
Joint Secretary.

*Min. of Health and Family Planning.
(Department of Health).*

'AUDIT OBSERVATION'

Out of the total uncovered excess of Rs. 70,283/- an excess of Rs. 57,445/- has been explained as due to more expenditure under the sub-heads A. 2-Pay of Establishment, A. 3-Allowances, Honoraria, etc. and A. 4-Other Charges. In this connection, the following remarks are offered on the excesses under each of the sub-heads:—

A. 2-Pay of Establishment

It has been stated by the Ministry that a sum of Rs. 1,342/- (representing recoveries) has been accounted for by them as reduction in expenditure; but the same was not adjusted as such by audit while showing the total expenditure under the sub-head in question. In this connection, it is observed that under the gross system of budgetting recoveries are not to be taken in reduction of expenditure. They are either shown separately in the Demands for Grants or credited to the relevant Head of Account.

A. 3-Allowances, Honoraria, etc.

The enhanced rates of Dearness Allowance were announced by the Govt. of India in 2/66. If the Ministry had to make payments as a result thereof the budget provision could have been augmented by taking advance from the Contingency Fund of India (even if no time was left for taking supplementary grant).

A. 4-Other Charges

From the details of the expenditure, under the sub-head, it is observed that expenditure in respect of most of the items was known to the Ministry and had actually been incurred much before the close of the financial year. For example, sanction for the purchase of the staff-car was issued by the Ministry on 12-4-65 and the car was purchased from the State Trading Corporation of India, Ltd., on 22.5.65. Similarly, indents for the Hindi Type-writers were placed in May, 1965, and the supplies were received by September, 1965.

Non-provision of funds by the Ministry in the cases mentioned above shows lack of budgetary control.

APPENDIX XIV

(Ref. Para. 2.18—2.21 of Report)

MINISTRY OF HOME AFFAIRS

Note regarding the amount expended in excess of the grant for the year ended 31st March, 1966, in respect of grant No. 62-L.M.&A. Islands for 1965-66.

	Rs.
Final Grant	57,86,00 ⁰
Actual Expenditure	59,63,076
Excess	1,77,076

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

	Final Grant	Actual Expenditure	Excess
(Rs. in lakhs)			
<i>Account III</i>			
D.2—Agriculture Fishery Schemes	O. 4.56		
	R(+) 3.41	7.97	8.89 0.92

The original provision under the above head was Rs. 4.56 lakhs. An additional amount of Rs. 3.41 lakhs was provided by re-appropriation to cover the cost of fishing boats and machinery for canning factory. The actual expenditure under the head, however, amounted to Rs. 8.89 lakhs, thereby resulting in an excess of Rs. 0.92 lakh. This was due mainly to adjustment by the A.G. Kerala, in the March, 1966 (Final) accounts of certain payments on account of these boats and machinery which was not expected to materialise in 1965-66 and could not be provided for.

*Account V***B.1(1)—Expenditure
on Steamer Service.**

O.	14.60			
R.(—)	0.46	14.14	15.30	1.16

In the original budget for 1965-66, a provision of Rs. 14.60 lakhs was made on account of payment of hire charges for chartering of the following two vessels viz. (1) M. V. Rajalakshmi, and (2) M. V. Dhanalakshmi for running the shipping service between the main land and the islands. The total charter hire for the two vessels as approved by the Government of India was Rs. 3,450 per day (Rs. 2,500/- for M. V. Rajalakshmi and Rs. 950/- for M. V. Dhanalakshmi). During the year, M. V. Rajalakshmi performed 43 voyages and M. V. Dhanalakshmi performed 28 voyages.

2. While reviewing the position under the Grant of L.M. & A.. Islands for 1965-66, as a whole, towards the close of the financial year 1965-66, a sum of Rs. 0.46 lakh was re-appropriated from this head due to a mis-apprehension. The total expenditure on steamer service during the year, however, amounted to Rs. 15.30 lakhs, resulting in an excess of Rs. 1.16 lakhs over the final grant under this head.

3. The excesses under the above heads were counter-balanced to some extent by savings under other group heads bringing down the net excess under the Grant as a whole to Rs. 1,77,746/-.

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

5. This note has been seen by Audit.

Sd./- A. D. PANDE.

Joint Secretary to the Govt. of India.

APPENDIX XV

MINISTRY OF INFORMATION AND BROADCASTING

**SUBJECT:—Regularisation of excess over voted Grant No. 69
“Ministry of Information and Broadcasting”, for the year 1965-66.**

Total Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
18,03,000	18,38,318	35,318

The actual expenditure in respect of Grant No. 69 under Major head 19, for “the Ministry of Information and Broadcasting—A—Secretariat”, for the year 1965-66, was as follows which accounts for the excess:

S. No.	Sub-Head	Final Grant	Actual expenditure	Excess (+) Savings(—)
1	2	3	4	5
		Rs.	Rs.	Rs.
1	A-Secretariat			
2	A-1 Pay of Officers . . .	5,16,500	5,22,805	(+) 6,305
3	A-2 Pay of Estt.	6,19,000	6,17,288	(—) 1,712
4	A-3 Allow., Hon., etc. . .	4,32,500	5,17,933	(+) 85,433
5	A-4 Other Charges	1,71,000	1,80,292	(+) 9,292
6	A-5 Lump Sum provision for increase in D.A. . . .	64,000	..	(—) 64,000
	TOTAL	18,03,000	18,38,318	(+) 35,318

The reasons for the variations shown in Column (5) with reference to Col. (3) above, are as follows:

(1) Pay of Officers Rs. (+) 6,305/-

The excess is mainly due to the fact that some of the personal staff attached to the former Minister of Information and Broadcasting was transferred to the Prime Minister's Secretariat, with effect

from the 25th January, 1966, but the expenditure on account of their pay and allowances for the period from the 25th January to the 28th February, 1966, amounting to about Rs. 5,000 initially booked in the account of the Main Secretariat was not subsequently debited against the Prime Ministers' Secretariat, as the latter's acceptance to the proposed readjustment was received by the A.G.C.R. only on the 14th February, 1967 when the accounts had been finally closed.

(2) Pay of Establishment: (—) Rs. 1,712

The saving is too small to need by any explanation.

(3) Allowances, Hon. etc.	(+)Rs. 85,433	} Net Rs. 21,433
(5) Lump sum provision for increase in D. A.	(—)Rs. 64,000	

The excess of Rs. 21,433 is mainly due to:

- (a) increase in the rate of Dearness Allowance (Rs. 6,926) with effect from the 1st December, 1965, the orders for which were received only on the 7th February, 1966, whereafter it was not possible to ask for a further supplementary Grant, and
- (b) increased expenditure on tours which became necessary in the public interest (Rs. 14,507).
- (4) Other Charges (—)Rs. 9,292

This small excess is mainly due to the fact that more expenditure became necessary on the purchase of books (Rs. 900), furniture (Rs. 3,300), postage (900) and telephone bills (Rs. 4,192).

3. On the foregoing basis the Ministry of Information and Broadcasting suggested a revised estimate of Rs. 18.63 lakhs. The Ministry of Finance, however, agreed to provide Rs. 18.03 lakhs only. Against this, the actual expenditure amounted to Rs. 18.38 lakhs. The overall excess of Rs. 35,318 was mainly due to subsequent increase in rates of dearness allowance and other inevitable payments mentioned above. It is regretted that no advance was taken from the Contingency Fund of India for meeting the excess expenditure.

The overall excess of Rs. 35,318, which remained uncovered in the Grant, may please be recommended for regularisation under Article 115 of the Constitution of India.

(Sd.) Y. N. VARMA.

Joint Secretary.

APPENDIX XVI

(Ref. Paras 2.22—2.26 of Report)

*Note explaining reasons for excess discussed under Demand No. 70—
Broadcasting for the year 1965-66.*

Grant No. 70-Broadcasting	Total Grant of Appro- priation Rs.	Actual Expenditure Rs.	Excess Rs.
VOTED	6,74,48,000	7,17,85,385	43,37,385

Against the final grant of Rs. 6,74,48,000 for 1965-66 the actual expenditure during that year was Rs. 7,17,85,385 resulting in an excess of Rs. 43,37,385. The percentage of this excess is 6.4. The reasons for this excess are as under:—

<i>(i) Pay of Officers</i>	Rs.	Rs.
		91,648
Revision of pay of DG and consequent payment at increased rates	1,500	
Payment of arrears of pay to the then Chief Engineer	1,485	
Payment of leave salary to officers and appointment of officers in place of those granted leave	6,811	
Due to difference between the figures of AGCR (IRLA) booked under that system and AIR Stations on the basis of intimation received by them from AGCR (IRLA). This is under reconciliation	61,001	
Minor excess in P&D Unit	851	
<i>(ii) Allowances, Hon. etc.</i>		1,66,361
Due to increase in dearness allowance <i>w.e.f.</i> 1-12-65 in terms of Min. Finance O.M. dated the 7-2-1966	1,38,947	
Payment of allowances to officers appointed in place of those who proceeded on leave	1,809	
Payment of unanticipated travelling allowance and arrears thereof	2,430	

	Rs.	Rs.
Unforeseen and unavoidable tour of technical officers/staff	5,799	
Adjustment of payment of the M/s I.A.C. and certain unforeseen T.A., claims	17,376	
(iii) Allowances to Artistes		10,84,607
Due to introduction of fee scales for staff Artistes and benefits of all the allowances as admissible to Central Government Employees with effect from 1-10-1964	8,83,713	
Increase in transmission hours (General Programmes Service) of T.V. from 2 hours a week to 7 hours a week with effect from 15th August, 1965	2,00,888	
(iv) Other Charges		18,78,744
More expenditure on power supply due to increase in (i) transmission hours on account of Pakistan hostilities and (ii) tariff rates	7,33,076	
Expenditure on essential repairs and constructions works of B.H. and A.B.	1,05,000	
Installation of addl. telephone for Officers and Staff Artistes (Producers)	33,000	
Adjustment of arrears telephone bills	91,600	
Payment of arrears of property tax	73,228	
Payment of printing charges and cost of Paper for Radio Journal	1,00,700	
Unavoidable purchase of vehicles and major repairs to vehicles	1,20,950	
Adjustment of debits relating to previous year(s)	2,19,167	
More expenditure due to inadequacy of the grant mainly on purchase of spares for maintenance of Plants at H.P.T. Engineering Stores for Research Department and uniform for Class IV employees	79,831	
Construction of three 250 K.W.M.W. transmitters which were not provided for in B.E. 1965-66	27,785	
Payment of overseas trunk call charges in connection with the coverage of important assignments	33,000	
Increased in the rental of Hi-Fi line	28,225	

	Rs.	Rs.
Additional payment to C.T.O. in connection with press bearing charges pertaining to 1964-65	29,000	
More expenditure on payments to I.A.C. in connection with the despatch of Vividh Bharti Programmes by air and purchase of stamps for despatch of tapes by post		1,11,866
More expenditure on purchase of stores and supply of facilities like stage sets, make-up visuals etc. due to increase in transmission hours of television and payment of customs duty on aid equipment received from Ford Foundations		92,316
<i>Royalties :</i>		
More payment of royalties due to increase in transmission hours due to Pakistan hostilities		30,188
<i>Central Stores :</i>		
Supply of more stores to AIR Stations than anticipated because of increased transmission hours and as stand-by due to Pakistan hostilities		2,93,542
<i>Ford Foundation :</i>		
Book adjustment of equipment received as laid from Ford Foundation for Education T.V.		26,494
<i>D-Suspenses :</i>		
Receipt of more stores (transmitting valves) than anticipated due to increased transmission hours and as stand-by due to Pakistan hostilities and unanticipated purchase of tape recorders and receivers		8,69,111

2. On the basis of the reasons given above the total excess works out of Rs. 44,20,689. However this was partly off-set by savings of Rs. 83,304 under various heads namely under other Group Heads viz. "C-5 Maintenance Deptt. (Rs. 13,784)", "C-6 Project Circle (Rs. 15,947)", "C-8(1) Tr. Prog. Exchange Service (Headquarters) (Rs. 15,123)", "C-10 Akashvani, Awaz and Sarang (Rs. 19,181)" and C-II, Pilot Unesco Project Farm Forum (Rs. 3,411)" etc. Thus the net excess stands at Rs. 43,37,385. A proposal for Supplementary Grant of Rs. 46.50 lakhs was sent by the Ministry of I. & B. in December 1965 to cover the anticipated excess over the Budget Grant. However, in the background of progress of expenditure a Supplementary Grant of only Rs. 28 lakhs was granted by the Ministry of Finance.

The main reasons for the excess were as follows:—

- (i) Government decision in February, 1966 to increase the dearness allowance of Central Government employees with effect from 1st December 1965, this increase was also applicable to Staff Artists.
- (ii) Issue of more stores due to increase in transmission hours and as stand-by due to Pakistan hostilities under "Central Stores".
- (iii) Unanticipated receipt of receivers and tape recorders and the same reason given under (ii) under "Suspence".
- (iv) Works connected with Civil Defence and Security measures at Headquarters.
- (v) increase in power tariff rates and increase in transmission hours.

3. Mostly the items of expenditure on account of which the excess resulted could not be anticipated and were of unavoidable nature. At that time of the year it was too late to restrict the expenditure to the desire extent. It was also not possible to make an application for advance from Contingency Fund of India, since according to the figures (unreconciled) at the end of January, 1966, which were available during March, 1966, the expenditure, was less than the sanctioned budget grant and the exact picture of the excess expenditure, particularly due to adjustment bills, was not available.

4. In view of this the next excess of Rs. 43,37,385 may kindly be recommended for regularisation.

(Sd.) Y. N. VARMA,
Joint Secretary.

AUDIT COMMENT

From the details of expenditure given in the note, it will be seen that the excess in respect of most of the items could have been covered had the Ministry kept a close watch on the progress of expenditure; they could have avoided this excess either by going in for a supplementary grant or by obtaining an advance from the Contingency Fund before the close of the year.

The reduction of the supplementary Grant to Rs. 28 lakhs by the Ministry of Finance against Rs. 46.50 lakhs requested for by the Ministry in December, 1965 was also a contributory factor to the above excess.

APPENDIX XVII

MINISTRY OF IRRIGATION & POWER

Grant No. 72.—Ministry of Irrigation and Power

SUBJECT:—Regularisation of excess over Voted appropriation disclosed in Appropriation Accounts (Civil), 1965-66.

Final Grant	Actual Expenditure		Excess
	Rs	Rs	Rs
Voted	33,36,000	33,39,829	(+) 3,829

Provision in this Grant is made for expenditure in respect of the Secretariat of the Ministry of Irrigation and Power. There is an excess of Rs. 3,829/- over the final grant. The reasons for this uncovered excess are explained in para 2 below.

2. On 28th March, 1963, sanction was accorded, with the concurrence of the Ministry of Finance, to an expenditure of Rs. 4,142.50 Paise in connection with the part payment of hire and catering charges of the Steamer engaged by the Govt. of West Bengal for the visit of the ECAFE Expert Mission and the team of Indian officers to the Sunderbans area in West Bengal during December, 1962. The adjustment of the amount, which was made in January, 1966 came to notice in the month of February, 1966 at the time of reconciliation of accounts but it was too late to take any steps for augmenting the budget grant by a small amount of about Rs. 4,000 only. Steps have, however, been taken to maintain a Liability Register so that adjustment of such old liabilities can be watched effectively.

3. In the above circumstances, it is requested that the excess of Rs. 3,829/- may be recommended for regularisation by a vote of the Parliament.

NEW DELHI:
8th June, 1967.

Sd/- K. G. R. IYER,
Joint Secretary to the Govt. of India.

APPENDIX XVIII

MINISTRY OF PETROLEUM AND CHEMICALS

Grant No. 82—Ministry of Petroleum and Chemicals.

Subject.—Regulation of Excesses over voted Grants and charged Appropriations disclosed in the Appropriation Accounts (Civil), 1965-66.

	Final Grants	Actual Expenditures	Excess
Original	18,18,000	} 19,84,487	+17,487
Supplementary	1,49,000		

To defray the expenditure in connection with the Secretariat proper of the Ministry of Petroleum and Chemicals an amount of Rs. 18,18,000 was provided for in the original Budget Estimates 1965-66 in Grant No. 82 Ministry of Petroleum and Chemicals.

In February, 1966, a supplementary Demand for Grant was obtained for the amounts indicated below. Brief reasons for the excess anticipated at that time are also indicated against each sub-head.

Sub-Head	Amount	Brief Reasons
<i>A—Secretariat :</i>		
A. 1. Pay of Officers	7,400	The original provision of 7,10,000 under this sub-head did not account for the posts of Secy. (Petroleum), Supply Officer, Special Officer and P.S. to Secy. etc. Total excess anticipated was Rs. 49,000, and this was proposed to be met partly by re-appropriation of saving under Sub-Head A-2 Pay of

Sub-Head	Amount	Brief Reasons
		Estt. and B. Charges in England. For the remaining 7,400/- Supplementary Demand was taken.
A. 3.—Allowance and Honoraria, Etc.	1,29,600	The increase in expenditure on T.A. was due to the liabilities carried over from last year being more than anticipated and due to increase in the number of officers. The excess under D.A. was on account of post budget decision regarding enhancement of rate of D.A. and under "Other Allowances" was due to more expenditure on C.C.A., H.R.A. and also a lump-sum payment of Rs. 20,000/- as subsistence Allowance to an employee under suspension.
A. 4.—Other charges .	12,000	Due to reimbursement of Telephone charges to Ministry of Education.
TOTAL	1,49,000	

While reviewing the budgetary position for the re-appropriation of funds and surrender of savings under this grant during March, 1966 no excess was expected. But later on adjustment of an amount of Rs. 33,476 under Sub-head A-4, other charges through a 'Journal entry' led to an overall excess of Rs. 17,487 over the Final Grant of Rs. 19,67,000.

Thus the final picture of provision and actual expenditure under Grant No. 82 Ministry of Petroleum & Chemicals during 1965-66 as it emerges on the finalisation of Appropriation Accounts therein is indicated below:—

MAJOR HEAD 19.

A.—Secretariat

Original Grant	18,18,000
Supplementary Grant (Feb. 66)	1,49,000
Final Grant	19,67,000
Actual Expenditure	19,84,487
Excess (+)	17,487

The above overall excess of Rs. 17,487 requires regularisation by Vote of Parliament under Article 115 of the Constitution. This may please be accorded. Steps are however being taken to avoid such excesses by maintaining liability Register etc.

The note has been approved by Secretary, Ministry of Petroleum and Chemicals.

Sd./- R. S. GOPALAN,

Under Secretary to the Government of India.

APPENDIX XIX

(Ref. Paras. 2.25-2.26 of Report)

MINISTRY OF PETROLEUM AND CHEMICALS

Notes for Public Accounts Committee explaining the reasons for the excesses under Grant No. 83-Other revenue expenditure of the Ministry of Petroleum and Chemicals, 1965-66.

	Rs.
Original Provision	6,78,63,000
Supplementary provision	1,65,94,000
Total Grant	8,44,57,000
Actual expenditure	8,74,52,487
Excesses	29,95,487

The excesses payment is made up of the following:—

- (i) Rs. 3,486 under A.1 (1)-Drugs and Pharmaceuticals;
- (ii) Rs. 177 under A.1(2)-Organic Chemicals;
- (iii) Rs. 29,86,617 under B.2 (1)-Payments to the Railways on account of Freight Concession on Furnace Oil; and
- (iv) Rs. 5,330 under B.2(3)-Expenditure of foreign experts from F.P.I.

This excess is off set by a saving of Rs. 123 under other heads leaving a net excess of Rs. 29,95,487 under the Grant.

A.1(1)-Drugs and Pharmaceuticals (Rs. 3,486)

Due to Administrative difficulties the bills relating to 1964-65 could not be cleared during that year and were paid in 1965-66.

A. 1(2)-Organic Chemicals (Rs. 177)

The small excess of Rs. 177/- is mainly due to the fact that some bills of the previous year (1964-65) were paid during 1965-66.

B. 2(1)-Payment to the Railways on account of freight concession of furnace oil—(Rs. 29,86,617).

During 1965-66, a budget provision of Rs. 120 lakhs was made on this account under the Head B.2(1)—Payments to the Railways on account of freight concessions on the despatches of furnace oil. When revised estimates for 1965-66 and budget estimates for 1966-67 were being prepared, it was ascertained from the A.G.C.W.&M. that expenditure adjusted in the accounts upto 31st July, 1965 was Nil, against the above mentioned head. During the year 1964-65, the expenditure booked upto 31-3-1965, was Rs. 136,01,863. It was realised that as in the past, the expenditure incurred would be booked mainly after 31-7-1965. Keeping in view the progressive increase in expenditure under this head, it was proposed to fix the revised estimates at Rs. 160 lakhs. Since, however, the concession was to be discontinued from 1-1-1966 except on the movement of furnace oil produced wholly from indigenous crude and consumed by public utilities for power generation, it was finally decided to retain the provision at Rs. 120 lakhs.

2. The expenditure depended on the fluctuating consumption of a large number of industrial users of furnace oil and the supply points from which supplies were actually made. The major part of the bills were also settled only towards the end of the year. It was, therefore, not possible for this Ministry to frame more accurate estimates or to watch the progress of expenditure on the basis of periodical statements of actual expenditure. According to the final figures of expenditure, there was an excess of Rs. 29,86,617 under the sub-head over the final grant.

3. The expenditure under the sub-head during the past three years has been of the following order:—

1962-63	..	Rs. 46,12,508
1963-64	..	Rs. 107,24,322
1964-65	..	Rs. 136,01,863

4. During the year 1965-66, there was shortage of supplies and consumption of furnace oil during 1966 increased over 1965 by only 4 per cent. In the light of these factors, it was considered that a provision of Rs. 120 lakhs would be adequate.

5. The excess payment of Rs. 29,86,617 in question was due to a larger increase in the consumption of Furnace oil at places situated at some distance from ports/refineries and settlement of some bills for supplies made in previous year.

B.2(3)-Expenditure of foreign experts from F.P.I. (Rs. 5,330).

The services of 3 French experts were obtained during 1964-65 for the settling up of a Ministry Technical Working Group (MTWG) to advise this Ministry on refinery and petrochemicals planning. A supplementary grant of Rs. 1.45 lakhs was obtained in the February, 1965 session of Parliament for incurring expenditure on the travelling and other expenses of the experts and salaries of the staff.

2. On receipt of the debit schedule in July, 1965 from the Ministry of External Affairs, it came to our notice that payment of Rs. 93,036 due to French Petroleum Institute was made only in June, 1965 by the Embassy of India in Paris. To provide for this, a Supplementary Grant of Rs. 94,000 was obtained in February, 1966.

3. From the Appropriation Accounts, 1965-66, it appears that the actual expenditure during 1965-66 has been Rs. 99,330 as against the budget provision of Rs. 94,000 thereby resulting in an excess of Rs. 5,330/-. This is due to the delay on the part of the Department in arranging payment of invoice No. DLH/2479 dated 18-5-64 for Rs. 5372.00 in respect of the air journeys from Paris/Delhi/Paris performed by one of the French experts attached to the 'MTWG'. This liability came to the notice of the Ministry in June/July, 1964. The payment of the above invoice which should have been made prior to March, 1965, was actually made on 21-5-65 as the original invoice was mislaid and a duplicate copy thereof had to be obtained from Air India. The above expenditure was stated to have been debited to Grant No. 77-Major Head 19-A-4. Other Charges which appears to have been subsequently adjusted against grant No. 83-Sub-Head B. 2(3)-Expenditure on foreign experts from F.P.I. Since this was not known, no budget provision could be made to provide for this expenditure under the above sub-head B.2(3)-Expenditure on foreign experts from F.P.I. under Grant No. F. 83,. As the correct adjustment was effected after March, 1966, no Supplementary Demand for Grant could be obtained in February, 1966.

As against the total excess of Rs. 29,95,610 under the Sub-heads indicated above, there is a saving of Rs. 123 under Sub-heads A.1(3) and B.(1) resulting in an overall excess of Rs. 29,95,487 which may kindly be recommended for regularisation under Article 115 of the Constitution.

Dated the 20th October, 1967.

Sd|-. P. R. NAYAK,
Secretary to the Government of India.

AUDIT OBSERVATION

It has been stated in the note that the major part of the bills were settled only towards the end of the year and that it was not possible for the Ministry to frame more accurate estimates. As the expenditure is initially incurred by the Railways and debits are raised subsequently, it is not clear why no arrangement could be made with the Railways to obtain, periodically, statements of payments made/likely to be made during the month, with a view to regulate the budget provision.

Sd/- M. K. JAIN,
Assistant Accounts Officer (R).

APPENDIX XX

(Ref. Paras 2.27—2.30 of Report)

MINISTRY OF STEEL, MINES AND METALS

(DEPARTMENT OF MINES AND METALS)

Note for Public Accounts Committee for regularisation of excess expenditure under Grant No. 87—Geological Survey for 1965-66.

	‘A’ Directorate	‘B’-Charges in England	Total
Original	3,87,29,000	6,000	3,87,35,000
Supplementary	1,39,19,000	28,000	1,39,47,000
TOTAL GRANT (VOTED)	5,26,48,000	34,000	5,26,82,000
Actual Expenditure	5,60,97,000	28,028	5,61,25,028
Variation	+34,49,000	—5,972	+34,43,028
Saving (—)			
Excess(+)			

The reasons for the excess expenditure of Rs. 34.49 lakhs under the group head ‘A’ Directorate are explained below:—

(a) The Geological Survey of India and the Indian Bureau of Mines have been engaged on important mineral investigations all over the country. While the Geological Survey of India was responsible for geological mapping and exploratory drilling calculated to delineate mineralised zones in the country, the Indian Bureau of Mines conducted detailed proving operations in selected blocks of mineralised areas. During the course of the past few years, it was observed that there was some overlapping of functions of these two organisations. It was, therefore, decided that to achieve most effective results within the minimum possible time, the organisation which did the geological mapping and delineation of mineralised

zones, should continue the investigations so as to ensure continuity of background knowledge, expertise and operations control. In pursuance of this decision, the prospecting, drilling and mining divisions of the Indian Bureau of Mines were transferred to the administrative control of the Geological Survey of India with effect from January 1, 1966. As such, it was not possible for the Geological Survey of India to manage their expenditure within the sanctioned budget grant for 1965-66 after the accretion of the Exploration Wing of the Indian Bureau of Mines. There was, therefore, no other way but to augment the budgetary position of the Geological Survey of India.

(b) A detailed consideration was given to the question of the actual supplementary amount that had to be given to the Department. Keeping in view the strain on the resources of the Country, it was felt that the supplementary grant required for the department should be determined on the basis of the progress of expenditure incurred by the Department and the minimum committed expenditure of the Department during the remaining period of the financial year. This could be achieved by resorting to non-filling of the vacancies, postponement of purchase of equipment and stores and a general drastic economy in travelling allowances and other incidental expenditure. Taking into consideration the quantum of work expected of the Department and the need for an all round economy, it was decided to allocate an additional provision of Rs. 139.19 lakhs. Of this, the amount provided for the Exploration Wing, which was transferred to the Geological Survey of India w.e.f 1-1-1966, was Rs. 40.60 lakhs. The sum of Rs. 98.59 lakhs was considered necessary for the activities of the remaining portion of the Geological Survey of India.

(c) It may be pointed out that the expenditure earmarked for Exploration Wing was based mostly on *ad hoc* basis because it was not possible to calculate precisely the incidence of several items such as Travelling Allowances, incidentals or other operating expenses, of each sub-division of the Indian Bureau of Mines. Accordingly, it was found in the final analysis that the expenditure on the Exploration Wing exceeded the sanctioned amount by Rs. 7.78 lakhs including an amount of Rs. 0.35 lakh on account of enhanced Dearness Allowance.

(d) As regards Geological Survey of India (Proper), the proposal of giving Supplementary Grant to the extent of Rs. 98.59 lakhs and the restraints that were meant to arrest the Supplementary

Grant at this level were finalised by the Ministry late in December, 1965. By that time, the field activities of the Geological Survey of India, which had been planned for the field season i.e. October, 1965 to September, 1966, on a more extensive scale, had already been set in motion. It has to be pointed out in this connection that the financial year 1965-66 coincided with the final year of the Third Plan. The progress of the work of the Department during the initial years under the plan was rather slow mainly on account of the paucity of the trained people and the shortage of foreign exchange culminating in the delay of procurement of equipment. It was apparent, therefore, that the field work of the Geological Survey of India had been planned and started with more than normal vigour, if only to achieve as much as possible of the unfinished plan targets which were in turn attuned to the expansion visualised in the industrial sector. The Department, and in particular the field parties, dispersed all over the country found it extremely difficult to arrest the tempo of investigations at that late stage i.e., January 1966 inspite of their best efforts to comply with the orders of the Government. The net result was that by the time the work could be re-planned and re-organised substantially, more amount of work had been put in as shown below:—

	1965-66	1964-65
Regional mapping	51,310 Sq. km.	40,285 Sq. km.
Large scale mapping	9,438 Sq. km.	7,123 Sq. km.
Drilling	93,433 ms.	66,600 ms.

Accordingly, there was an excess of expenditure of Rs. 3.81 lakhs on allowances and Rs. 16.757 lakhs on contingent expenditure on field parties.

(e) The excess was also occasioned to the tune of Rs. 1.34 lakhs due to the enhanced rate of Dearness Allowance which was announced on 7-2-1966 but was given retrospective effect from 1st December, 1965. The remaining excess was mainly due to the marginal increase in expenditure (Rs. 4.803 lakhs).

2. So far as Group Head 'Charges-in-England' is concerned, it may be stated on the basis of the information supplied by the High Commission of India, London, that a sum of Rs. 0.34 lakh would be required against the sanctioned grant of Rs. 0.06 lakh, a sum of Rs. 0.28 lakh was included in the supplementary grant of Rs. 139.47 lakhs. The actual expenditure under this group head

was however only Rs. 28,028. Thus there was a saving of Rs. 5,972 under the group head 'Charges in England'.

3. To sum up, it may be stated that excess expenditure of Rs. 34.43 lakhs under Grant No. 87—Geological Survey for 1965-66 is mainly due to the reasons mentioned below:—

(i) More expenditure than anticipated on Exploration Wing of the Indian Bureau of Mines transferred to the Geological Survey of India w.e.f. 1-1-1966 (including an excess amount of Rs. 35,000 on account of increased rates of D.A. of the officers transferred along with the work, announced by the Government on 7-2-1966)	Rs. 7.78 lakhs (+)
(ii) Enhanced rates of D.A. announced by Government on 7-2-1966 w.e.f. 1-12-1965 (G.S.I.—Proper)	Rs. 1.34 lakhs (+)
(iii) Excess expenditure on account of allowances (T.A., Field Establishment Allowance etc.) of the field officers of the Geological Survey of India (Proper)	Rs. 3.81 lakhs (+)
(iv) More expenditure than anticipated on contingent expenses of the field parties.	Rs. 16.757 lakhs (+)
(v) Excess expenditure on other incidental expenses.	Rs. 4.803 lakhs (+)
(vi) Savings under Charges in England.	Rs. 0.060 lakhs (—)
<hr/>	
TOTAL	Rs. 34.43 lakhs (+)

It is, therefore, requested that the Committee may recommend regularisation of excess of Rs. 34,43,028 by Parliament under Article 115 of the Constitution.

Sd./- N. C. SHIRIVASTAVA,
Secretary to the Government of India.

APPENDIX XXI

(Ref. Paras 2.31—2.37 of Report)

MINISTRY OF TRANSPORT & SHIPPING

(ROADS WING)

Note Regarding the Regularisation of Excess over voted Grant No. 91—Communications (Including National Highways) in Appropriation Accounts, 1965-66.

Excess Rs. 33,96,388.

The excess of Rs. 33,96,388 is made up of variations under the different sub-heads in Grant No. 91—Communications (including National Highways) as shown below:—

Sub-head	Final Grant	Actual expenditure	Variation Excess(+) Saving(—)
1	2	3	4
	Rs.	Rs.	Rs.
A.1—Minor Works	4,36,325	4,84,723	(+) 48,398
B.1—Maintenance of National Highways	7,80,00,000	8,19,16,780	(+) 39,16,780
B.2—Other Communications	33,00,000	38,23,321	(+) 5,23,321
B.3—Maintenance of Border Roads	2,12,42,000	2,08,77,096	(—) 3,64,904
C.1—New Supplies, Repairs, etc.	63,675	51,872	(—) 11,803
D—Grants-in-aid Contributions, etc.	47,00,000	45,66,134	(—) 33,866
E—Repayment of Capital expenditure on grants for development.	54,84,000	54,83,462	(—) 538
Surrender or withdrawals within Grant	6,81,000		(—) 6,81,000
TOTAL	11,39,07,000	11,73,03,388	(+) 33,96,388

2. The excess under 'A-1' occurred mainly due to construction of a road-side building and a cane suspension bridge on Portar/ Mule track, which was vital to the security needs of border areas in N.E.F.A. and which could not be avoided (Rs. 48,398). No intimation about this excess was received in this Ministry during 1965-66.

3. *Excess under B.*—At the time of framing the Revised Estimate, 1965-66 the State Governments had asked for the maintenance of National Highways, a provision of Rs. 962.81 lakhs as against the Budget Estimate of Rs. 800.00 lakhs for that year. The increase in the funds demanded by the State Governments in the Revised Estimate, 1965-66 over the budget provision of Rs. 800.00 lakhs was mainly due to the causes indicated below:—

(a) Damages suffered by the National Highways as a result of sabotage or enemy action in the border States of Punjab, Rajasthan, Assam and West Bengal:

(b) Increase in the cost of labour and materials: and

(c) The need for carrying out extensive emergent and flood damage repairs in the State of Delhi, Bihar and Mysore. Having regard to the actual expenditure of Rs. 593.40 lakhs incurred upto the end of January 1966, a provision of Rs. 800.00 lakhs only was suggested for inclusion in the Revised Estimate, 1965-66. As a result of the general drive for economy for reducing revenue expenditure, only Rs. 780.00 lakhs was finally provided under this sub-head by the Ministry of Finance. As a result, funds to the extent of Rs. 780.00 lakhs only could be placed at the disposal of the State Governments for the maintenance and repairs of the National Highways in the various States. They were accordingly asked again in Demi-Official letter No. B-29(2)/66, dated the 8th March, 1966 to the State authorities not to incur expenditure in excess of the allotments made. Some of the State Governments could not limit the expenditure to the allotments placed at their disposal and there were sizable excesses in Andhra Pradesh, Bihar, Madhya Pradesh and West Bengal. The main reasons for the excesses were the following:—

(i) Erroneous adjustment of expenditure—Delhi (Rs. 16,568); West Bengal (Rs. 4,50,910); Andhra Pradesh (Rs. 14,83,443); Jammu and Kashmir (Rs. 12,184) and Sikkim (Rs. 196).

The erroneous adjustments in the cases of Delhi, West Bengal, Jammu and Kashmir and Sikkim have taken place within the sub-heads of the same grant viz 91-Communications (including National

Highways) but in the case of Andhra Pradesh the expenditure of Rs. 14,83,443 which was appropriately chargeable to Grant No. "141-Capital Outlay on Roads" has been booked under Grant No. 91. But for this, the excess would have been only Rs. 24,33,337.

(ii) Carrying out extensive emergent and flood damage repairs—Delhi (Rs. 20,246); Bihar (Rs. 13,06,877) and Mysore (Rs. 77,415);

(iii) Adjustment of cost of materials and payments for works taken up during 1964-65 in connection with All India Congress Committee Session in Andhra Pradesh (Rs. 12,73,362);

(iv) Rise in the cost of labour and materials—Madhya Pradesh (Rs. 3,97,098);

(v) Unanticipated debit—Madhya Pradesh (Rs. 57,890);

(vi) Payment of arrears to workcharged establishment as a result of retrospective revision of pay scales—Manipur (Rs. 11,805);

(vii) Liquidation of liabilities—Mysore (Rs. 12,167);

(viii) Extra expenditure on watering road side trees on account of drought conditions—Delhi (Rs. 10,065);

(ix) Non-adjustment of credit—Orissa (Rs. 1,928);

With the savings in the other circles of Account amounting to Rs. 12,33,065 the net excess under this sub-head got reduced from Rs. 51,32,154 to Rs. 39,16,780, as indicated above.

4. The excess under 'B.2' is made up as follows:--

(i) Incurring of excess expenditure to keep the line of communication through, which was vital to the security needs of border areas and could not be put off—N.E.F.A. (Rs. 4,10,417);

(ii) Accelerated progress on works and payment of arrears due to work charged establishment which was not anticipated while asking for budget provision—Sikkim (Rs. 24,121);

(iii) Adjustment of old debits and also accelerated progress on works—Andaman and Nicobar Islands (Rs. 98,202);

With a saving of Rs. 9,420, the net excess comes down to Rs. 5,23,321.

5. After taking into account the savings reported under other sub-heads of the grant in the various Circles of Accounts, the net excess works out to Rs. 33,96,388.

6. With regard to the items in para 3(iii), 3(v), 3(vii) and 4(iii) of this note, the following observation has been made by audit:—

‘Out of the total uncovered excess of Rs. 33.96 lakhs an amount of Rs. 14.42 lakhs was due to adjustment of debits representing old liabilities and such other items which the Ministry could have foreseen by making a reference to the Liability Registers. Still no funds were provided to cover the excess.’

In the case of grants for maintenance and repairs, a lumpsum allotment is made to the State Government leaving it to them to distribute the amount for expenditure on the various repairs works which are considered necessary. The actual adjustments of expenditure are made in the various circles of account by the field officers of the Public Works Departments and the Ministry of Transport do not have any precise information about the liabilities carried over from one financial year to the next. In the circumstances, no liability registers are being maintained and it is not accordingly possible to take into account the old liabilities, if any, while making the provision, unless the State Government specifically bring out the necessity for an additional provision on this account.

7. The road works are executed through the agencies of the State Public Works Department 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 Engineer, 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. While making the budgetary allotment, in June 1965 the State Governments were specially asked to limit the expenditure to the allotments made to them. Again in the beginning of March 1966, the excesses in the maintenance expenditure from year to year were specifically pointed out to them and they were requested to ensure that the allotments were not exceeded. In view of these and in the absence of any specific request for placing additional funds at their disposal for covering any anticipated excess over the actual allotments, it was not expected that there would be any excess of expenditure over the sanctioned grant. The necessity for obtaining any advance from the Contingency Fund of India was thus not felt. After the close of the financial year only it came to

be known that the State Governments had not been able to restrict the expenditure and that excess expenditure of Rs. 33,96,388 had occurred.

8. As stated in para 3(c)(1) above, a sum of Rs. 14,83,443, which was correctly chargeable to "Grant No. 141-Capital Outlay on Roads" was erroneously booked under Grant No. 91-Communications (including National Highways). In terms of para 7 of the 16th Report of P.A.C. (1st Lok Sabha), this misclassified amount is required to be excluded from the scope of regularisation. The net excess of Rs. 19,12,945 (Rs. 33,96,388 minus Rs. 14,83,443) in the grant may accordingly be recommended for regularisation under Article 115 of the Constitution.

9. This note has been seen by Audit and their observations incorporated and replied to in para 6.

S. L. BAZAZ,

*Director General (Road Development),
and Addl. Secretary.*

APPENDIX XXII

MINISTRY OF TRANSPORT & SHIPPING

(TRANSPORT WING)

**Note regarding the Regularisation of Excess over Voted Grant No. 94—
Other Revenue Expenditure of the Ministry of Transport, 1965-66
Disclosed in the Appropriation Accounts (Civil), 1965-66.**

	Rs.
Total voted Grant	3,00,77,000
Actual Expenditure	3,07,05,173
Excess	6,28,173

The excess of Rs. 6,28,173 was mainly under the following group heads:—

Group Head	Final Provision	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
(i) A.1(i)—Subsidy to Ship-building Industry	1,50,00,000	1,64,16,030	14,16,030

A sum of Rs. 150.00 lakhs was provided for payment of subsidy to the Hindustan Shipyard against which the expenditure booked in accounts was Rs. 1,64,16,030. The excess has occurred due to (i) adjustment of Rs. 13,84,754, in the accounts for March, 1966 (Supplementary). As intimation of this adjustment was received in September, 1966 it was not possible for the Ministry to provide funds to meet the excess and (ii) a sum of Rs. 31,276 was adjusted in the accounts twice erroneously.

Group Head	Final Provision	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
(ii) D.3(4)—Hydrographic surveys	11,000	4,86,624	4,75,624

Out of the excess of Rs. 4,75,624, a sum of Rs. 4,75,480 was misclassified under this head and was correctly debitabale to Grant

No. 143—Other Capital Outlay of the Ministry of Transport, where substantial savings exist to cover the expenditure, leaving a minor excess of Rs. 144 under this group head.

Group head	Final Provision	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
(iii) D. 5(1).—Preliminary investigation.	11,99,800	12,07,826	8,026

Under this group head a sum of Rs. 20,563 was adjusted in the accounts twice. If this is taken into account there will be a net saving under this group head.

The excess under the above group heads was off set by savings under certain other group heads leaving a net excess of Rs. 6,28,173.

After excluding the erroneous adjustments mentioned in items (i), (ii) and (iii) above in terms of para 7 of P.A.C.'s Sixteenth Report (First Lok Sabha), the excess which requires regularisation is Rs. 1,00,854, which is less than 0.35% of the grant. It is therefore requested that this may be recommended for regularisation under Article 115 of the Constitution.

2. This note has been seen by Audit.

R. DORAISWAMY.
Joint Secretary to the Government of India.

APPENDIX XXIII

No. F. 7(15)B/66

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

New Delhi, the 5th June, 1967

SUBJECT:—Regularisation of Excess in Grant No. 34—Pensions and other Retirement Benefits in Appropriation Accounts (Civil) 1965-66.

	Rs.
Final Appropriation	16,94,000
Actual Expenditure	17,06,562
Excess	12,562

The excess has mainly occurred under the sub-heads 'A.—Superannuation and Retired Allowances' and 'D.—Gratuities', counter-balanced by savings under the Sub-heads 'G.—Family Pensions', 'J.—Donations to Provident Funds' and 'Q.—Payments of Pensions charged on the Consolidated Fund of India under Article 112(3)(d)(iii) of the Constitution of India and recovered from the States under Article 290 of the Constitution', leaving an overall excess of Rs. 12,562.

2. The expenditure under this Grant is somewhat of an unpredictable nature and it is not possible to anticipate precisely the payment of pensions and gratuities during the year. The estimates and final appropriation in this grant are generally fixed on the basis of the information furnished by the various Accounts Officers who in turn base them on the trend of past and current actuals and such other information as may be available with them. The excess has been caused by more drawal of Pensions, payments of Gratuities etc., and adjustment thereof during March, 1966 than anticipated. In the circumstances the excess may kindly be recommended for regularisation.

3. This has been seen by Audit.

A. R. SHIRALI,
Joint Secretary to the Government of India.

To

Chairman and Members of the Public Accounts Committee.

APPENDIX XXIV

DEPARTMENT OF COMMUNICATIONS

Note explaining the reasons for the excess of Rs. 1849/- in Grant No. 149—Other Capital Outlay of the Department of Communications.

	Final Grant		Actual Expenditure		(+) (-)	Excess/ Saving
	Rs.		Rs.			Rs.
Charged :	1,000		2,849	(+)		1,849

A token provision of Rs. 1,000/- was made under Major-head "115—Capital Outlay on OCS—B—2 Lands (Charged)" subordinate to Grant No. 149—Other Capital Outlay of the Department of Communications in the budget grant for 1965-66 in anticipation of the payment of enhanced award by the Special Land Acquisition Judge, Alipore, 24 Parganas, West Bengal in respect of land acquired for Overseas Communications Service Halishahar Centre of Calcutta Branch. An amount of Rs. 2,849/- was, however, adjusted by the Accountant General, Maharashtra, Bombay—Rs. 2,183.08 in January, 1966 and Rs. 666.00 in March, 1966. When this was noticed, it was too late to get supplementary appropriation or an advance from the Contingency Fund of India for the small excess of Rs. 1849.08.

2. The excess of Rs. 1849/- over the Appropriation, therefore, requires regularisation under Article 115 of the Constitution of India and may kindly be recommended for regularisation.

Sd./- L. C. JAIN,
Secretary to the Govt. of India.
[F. No. 6—OC(10)/67.]

APPENDIX XXV

(Ref: Paras 2.38—2.41 of Report)

No. F.6(13)-B/66

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

New Delhi, the 12th July, 1967.

Memorandum

SUBJECT:—Excess in the Appropriations as reported in the Appropriation Accounts for 1965-66 relating to the Ministry of Finance.

Grant No. 127—Loans and Advances by the Central Government.

	Rs.
Final Appropriation (Charged)	8,19,41,27,000
Actual Expenditure (Charged)	8,21,39,65,131
Excess (Charged)	1,98,38,131

The Grant 'Loans and Advances by the Central Government' is a composite Grant covering the requirements of all Administrative Ministries and Union Territory Administrations for giving Loans and Advances, whether to State and Union Territory Governments with legislature or other parties. While the loans to State Governments are 'Charged' on the Consolidated Fund of India under Article 293 (2) of the Constitution, the other loans and advances are subject to the vote of the Lok Sabha in terms of Article 113(2) *ibid.* Further, though the Demand is presented on behalf of the Ministry of Finance, provisions for inclusion therein are proposed by almost all the Administrative Ministries and other authorities who operate on and control the respective allotments placed at their disposal, subject to re-appropriations where necessary being made by Finance Ministry.

2. The excess occurred mainly due to the fact that certain payments authorised during the year were overlooked at the time of the regularisation of the Grant and consequently the resultant sav-

ings were re-appropriated to meet a few pressing demands as explained below:

(a) In March 1966, the Ministry of Health assessed its final requirement for loans to States for Water Supply and Drainage Schemes at Rs. 1950.84 lakhs against the sanctioned Budget of Rs. 2095.00 lakhs. It later transpired that the final requirement did not include a sum of Rs. 31.50 lakhs sanctioned to the Government of Rajasthan on 2nd June 1965. Thus the final requirement was under-estimated to this extent.

(b) On 11th March 1966, arrear assistance of Rs. 50 lakhs for Flood Control Schemes was sanctioned to the Government of Assam by the Ministry of Finance (Department of Coordination). Under the procedure for the release of arrear plan assistance to States, while the amounts due to States on the basis of departmental/audited figures of expenditure are sanctioned by the Department of Coordination, the funds therefor are provided by the concerned Ministry which had released the assistance on a provisional basis. In this particular case, the Ministry of Irrigation and Power overlooked this amount while intimating its final requirement for regularisation of the Grant. The Ministry's final requirement showed an excess of Rs. 1,08,98,000 which was covered by diversion of savings reported by other Ministries.

(c) Against the sanctioned provision for loans to States for Miscellaneous Development Purposes of Rs. 325 crores, the final requirement was assessed at Rs. 3,28,32,87 lakhs. This figure erroneously included a sum of Rs. 25,93.00 lakhs for assistance to Bihar against Rs. 27,36.55 lakhs actually sanctioned. This discrepancy occurred as a sanction for Rs. 1.45 crores issued on 21st August 1965 was through oversight reckoned by the Department of Coordination at Rs. 1.45 lakhs while communicating the final requirement. Thus, the final requirement was under-estimated to the extent of Rs. 143.55 lakhs and consequently steps were taken to accommodate only the excess requirement of Rs. 3,32,87,000.

The total excess of Rs. 2,25,05,000 was partly counter-balanced by savings of Rs. 26,66,869 under other provisions for loans to States leaving an uncovered excess of Rs. 1,98,38,131. The excess came to light after the close of the year when it was not possible to provide additional funds.

3. In view of the position stated above, it is requested that the net excess of Rs. 1,98,38,131 over the sanctioned appropriation may kindly be recommended for regularisation under Article 115(1)(b) of the Constitution.

4. This Memorandum has been seen by Audit.

Sd./- A. R. SHIRALI,
Joint Secretary to the Government of India.

APPENDIX XXVI

MINISTRY OF TRANSPORT AND SHIPPING

(ROADS WING)

Note Regarding excess over the charged Appropriation under Grant No. 141—Capital Outlay on roads in the Appropriation Accounts (Civil), 1965-66.

Excess Rs. 53,939/-

The excess of Rs. 53,939/- 'Charged' is made up as shown in the table below:—

<i>Name of State</i>	<i>Final Appropriation</i>	<i>Actual Expenditure</i>	<i>Variation</i>
	Rs.	Rs.	Rs.
<i>A.1.1—Construction of National Highways'</i>			
Delhi	7,000	6,009	(—) 991
Gujarat	—	32,565	(+) 32,565
Punjab	—	7,225	(+) 7,225
<i>A.3—Construction of Other Roads'</i>			
Delhi	—	15,140	(+) 15,140
TOTAL	7,000	60,939	(+) 53,939

2. Payments made in satisfaction of arbitral tribunal or court decrees, are charged on the Consolidated Fund of India *vide* Article 112(3) (f) of the Constitution.

'A.1—Construction of National Highways'.

3. A Supplementary Grant of Rs. 7,000/- was obtained during 1965-66 in recoupment of the advance taken from the Contingency

Fund of India during 1964-65 for meeting expenditure in satisfaction of a court decree against Government in connection with the widening of a section of the Delhi Mathura Road. Since the amount of the court decree was only Rs. 6,306.32 (out of which Rs. 298 was met from unspent balance available in 1964-65) the supplementary grant was considered to be quite adequate for the anticipated expenditure.

4. However, an expenditure amounting to Rs. 32,565/- and Rs. 7,225/- under 'Charged' was incurred by the Government of Gujarat and Punjab respectively during 1965-66 as per details below:—

(i) *Gujarat*:—There was no provision under 'Charged' Section in Grant No. 141—Capital Outlay on Roads during 1965-66. An expenditure of Rs. 32,565 was, however, incurred by the Government of Gujarat during 1965-66 for meeting expenditure on the work 'Construction of Morvi Malia Section of National Highway No. 8A (Job No. 2108—BM—8A)' in satisfaction of a court decree. Inadvertently, no funds were demanded by the State Government to cover this expenditure and no provision could be made in the absence of any intimation from the State.

(ii) *Punjab*:—The Public Works Department, Punjab, had incurred a charged expenditure of Rs. 7,225/- on some National Highway works without asking for provision of funds.

These items of expenditure could not be provided for as the Ministry could not bifurcate the expenditure under 'Charged' and 'Voted' heads from the consolidated figures of expenditure furnished by the State Governments concerned in their monthly statement of expenditure. It is now proposed to remove this procedural defect by the issue of fresh instructions.

5. Under the instruction of the Ministry of Finance, the expenditure on the above accounts should have been met from the Consolidated Fund of the States concerned and later got recouped from the provision made in this behalf in the central accounts. This procedure too has not been followed by the State Governments.

'A.3—Construction of Other Roads'.

(i) *Delhi*:—No provision was asked for under "Charged" expenditure under this sub-head by the Delhi Administration. They had, however, asked for Rs. 23,063/- under Charged Appropriation during 1965-66 under Sub-head 'A.1—Construction of National Highways' on 23rd March 1966. As this Ministry were not aware of the need for

incurring any charged expenditure under the above noted sub-head during 1965-66, the Administration was asked on 25th March 1966 to let us have detailed information on certain essential points required for asking for a loan from the contingency fund if necessary and it was only on 31st May 1966 that the Delhi Administration furnished the details asked for. On scrutiny of these details, the assumption that no excess expenditure under charged appropriation could have been incurred under the Sub-head 'A.1—Construction of National Highways' was confirmed as it then transpired that the expenditure had actually been incurred under the Sub-head 'A.—3 Construction of Other Roads' and that too only upto the extent of Rs. 15,140/-. The information was received after the close of the year 1965-66 and accordingly the question of obtaining an advance from the Contingency Fund of India for the purpose at that stage did not arise.

6. The Ministry of Transport came to know of these items of charged expenditure after the accounts for 1965-66 were closed and no regularisation was therefore, possible. In the circumstances explained above, the excess of Rs. 53,939 'Charged' in the grant may be recommended for regularisation under Article 115 of the Constitution.

7. This note has been seen by Audit.

Sd /- S. L. BAZAZ,
Director General (Road Development and Addl.,
Secretary to the Government of India.

APPENDIX XXVII

MINISTRY OF WORKS, HOUSING AND SUPPLY

(DEPARTMENT OF W&H)

(Budget Section)

Note for the Public Accounts Committee relating to regularisation of excess in Grant No. 98—Other Revenue Expenditure of the Ministry of Works and Housing, 1965-66 (page 196 of the Appropriation Accounts, 1965-66 refers).

	<i>Total Grant</i>	<i>Actual Expenditure</i>	(+) <i>Excess</i>
	Rs.	Rs.	Rs.
VOTED	1,06,18,000	1,07,33,844	+1,15,844

The excess of Rs. 1,15,844 over the voted grant has occurred under the head 'C.1—Rent, Rates and Taxes.'

2. The budget for 1965-66 provided a sum of Rs. 44,50,200 to meet expenditure under "Rent, Rates and Taxes" in Grant No. 98—Other Revenue Expenditure of the Ministry of Works and Housing. The provisions made under the various sub-heads of the Grant, expenditure incurred and variations are given below:—

<i>Head</i>	<i>Final Grant</i>	<i>Actual Expenditure</i>	<i>Variation</i>
1	2	3	4
	Rs.	Rs.	Rs.
A. 1—Explosives	8,57,300	8,41,690	(—)15,610
A. 2—Miscellaneous	100	—	(—)100
B 1(1)—N. B. O.	11,67,900	11,66,267	(—)1,633
B. 2—L & D. O.	8,77,500	8,72,070	(—)5,430
C. 1—Rent, Rates & Taxes	44,50,200	46,12,080	(+)1,61,880

1	2	3	4
C. 2—Rajghat Samadhi Committee	1,34,000	1,34,000	—
C. 3—Repayment of Capital Expenditure	31,31,000	31,07,735	(—)23,265
C. 4—Loss on Exchange	1,06,18,000	1,07,33,844	(+)2
	1,06,18,000	1,07,33,844	(+)1,15,844

The provision of Rs. 44,50,200 shown under 'Rent, Rates and Taxes' above is further distributed under circles of Accounts as indicated below:—

C. W. & M.	40,37,800	42,38,391	(+)2,00,591
Maharashtra	2,22,800	2,39,288	(+)16,488
Punjab	13,400	47,675	(—)25,725
West Bengal	1,16,200	86,726	(—)29,474
	44,50,200	46,12,080	(+)1,61,880

Against the final grant of Rs. 44,50,200, the actual expenditure for the year 1965-66 under Rent, Rates and Taxes amounted to Rs. 46,12,080 resulting in an excess of Rs. 1,61,880. A part of this excess has been off set by savings under other sub-heads in the Grant leaving an uncovered excess of Rs. 1,15,844 in the Grant as a whole.

3. The excess is accounted for under the Central Public Works Department (Delhi) in the Commerce, Works and Miscellaneous circle which disclosed a gross excess of Rs. 2,00,591 as detailed below:—

(i) Adjustment of Departmental Charges without including provision in the final budget estimates by	
(a) 'C' Division	1,40,062
(b) Parliament Works Division	39,550
	1,79,612
(ii) Expenditure due to more consumption of electricity on various Government Buildings	20,979
	2,00,591

4. The excess is due to non-provision of funds for Departmental charges by the two Divisions of the Central Public Works Department. The Chief Engineer has already directed the Superintending Engineer concerned to issue suitable instructions to avoid such omissions in future.

5. In the circumstances explained above, the excess of Rs. 1,15,844 (VOTED) may now be recommended for regularisation by Parliament.

Sd./- P. K. SEN,

Joint Secretary to the Government of India.

New Delhi. Dated: 2nd June, 1967.

APPENDIX XXVIII

Statements showing Action taken by Government on the recommendations of the Public Accounts Committee made in their 45th Report (1965-66).

MINISTRY OF TRANSPORT AND SHIPPING

(TRANSPORT WING)

Recommendation

The Ministry of Transport have delayed the submission of notes 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.

[Sl. No. 2 para 1.4 of 45th Report (1965-66)].

ACTION TAKEN

Road and bridge works financed from the Central funds are carried out by the various State Public Works Departments, who executive are agencies and in all, there are about 400 divisions in charge of execution. Collection of information from State Governments/Administrations to prepare a note on excesses took some time and hence the delay. The vetted notes were submitted on 5th March 1966.

* * *

(Not vetted by Audit).

MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT & COOPERATION

(DEPARTMENT OF COMMUNITY DEVELOPMENT)

Recommendation

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. Committee expect better coordination and awareness of urgency in such cases.

[Serial No. 5—Appendix XXIII—45th Report of the PAC (3rd Lok Sabha)].

The other aspect of the case 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 equipment 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.

[Serial No. 6—Appendix XXIII—45th Report of the PAC (3rd Lok Sabha)].

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.

[Serial No. 7—Appendix XXIII—45th Report of the PAC (3rd Lok Sabha)].

ACTION TAKEN

The observations of the Committee have been noted. The finalisation of the accounting procedure involved had taken some time; the delay did not, however, affect the payment to US AID authorities which was made in time before the end of the financial year.

The need for taking effective steps to ensure proper utilisation of the equipment received under TCM Agreement has been stressed upon the States in the past. Since the agricultural implements, which have also become old by now, are widely spread over scattered locations in several States, periodical field surveys by the Centre for ascertaining their utilisation may not be economical. The observations of the Committee for constant watch in this regard have been brought to the attention of the State Govts. for keeping the

position under regular review. The supply of such equipment, it may be recalled had come to an end in 1959.

The total payment of Rs. 9.17 lakhs to US AID authorities was indeed covered to the extent of Rs. 7.84 lakhs by saving within the grant. The observations of the Committee have been noted in so far as the anticipated savings did not, in the event, materialise in their entirety.

MINISTRY OF FINANCE

(DEPARTMENT OF REVENUE AND INSURANCE)

Recommendation

4.8. *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.*

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 C.B.R. 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 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 (Third Lok Sabha).*

ACTION TAKEN

The Committee's recommendations have been noted for future guidance.

2. Recommendations of the Public Accounts Committee in regard to the Accounts for 1962-63 were received in March 1965 i.e. long after the close of the year 1963-64. It was, therefore, not possible to implement those recommendations during the year 1963-64. However, instructions have been issued on 1st November, 1965 (copy

enclosed) to the Collector of Central Excise, Bombay, to maintain a liability register and to keep in touch with the Naval authorities to ensure that debits in respect of a particular year are raised during that very year. The Naval authorities have also been similarly instructed.

3. As regards the Committee's observations against S. No. 9, the circumstances under which the provision made for Operation, manning and maintenance of C.B.R. Launches was utilised to meet increased expenditure on account of the revision of rates of D.A. have already been explained in detail to the Committee, as printed on pages 23-24 of the P.A.C.—Forty Fifth Report (Third Lok Sabha). In brief the main reason for utilising the above provision was that the Naval authorities had in the previous years not been regular in raising the debits in the particular year to which they pertained. For instance, the debits relating to the year 1960-61 and 1961-62 (amounting to Rs. 19,17,534.10) were raised by the Naval authorities during the year 1962-63. In view of this uncertain position about the receipt of debits from the Naval authorities coupled with the fact that the debit of Rs. 13,33,766.21 was not received till 28th March, 1964 it was believed that savings to this extent might be available and, therefore, the provision made for payment to the Navy was utilised to meet increased expenditure on the unavoidable payment arising out of the revision of rates of D.A. in February, 1965.

However, to avert recurrence of such situations, necessary instructions as mentioned in para 2 above have already been issued to the Collector and Naval authorities.

4. As regards the Committee's recommendations against S. No. 10, the suggestion for the withdrawal of the debit in contravention of the provisions of the G.F.R. was made by this Ministry. All concerned have noted the observations of the Committee for strict compliance, in future.

[F. No. 11/13/66-Admn.IV-A]

ANNEXURE

Copy

F. No. 1/4/64-Ad.V. MINISTRY OF FINANCE (Department of Rev.) 1-11-62

OFFICE MEMORANDUM

SUBJECT:—Manning, Maintenance and operation of Central Board of Excise and Customs craft—Appropriation Accounts relating to Grant No. 25—Union Excise Duties for the year 1962-63.

The undersigned is directed to invite a reference to the correspondence resting with the Ministry of Defence Office Memorandum No. F. 9(25)/57D(N-1), dated the 3rd February, 1965, on the above subject, and to say that the matter has been carefully considered in consultation with the Budget Division and the position is that the Ministry of Defence letter F. No. 9(25)/57|27-s|SOI.D(N-1), dated the 20th January, 1965, provides for the recovery from this Department on the operation, manning and maintenance of the six launches by the Indian Navy and comprise the following items:—

- (i) Cost of operation and manning for which a fixed sum of Rs. 1,98,335 per launch per annum is payable.
- (ii) Expenditure on the refits, repairs, docking and maintenance in respect of such craft at actuals as worked out by the Captain Superintendent Dockyard and checked by the Controller of Defence Accounts (Navy), and
- (iii) Actual expenditure incurred on the procurement of spare gear, machinery equipment etc. required initially and for subsequent maintenance of such craft.

2. As regards (i) above, the Naval Headquarters may be requested to ensure that debits of this fixed amount are raised every year.

3. As regards the charges mentioned at (ii) and (iii) above, the Ministry of Defence are requested to issue suitable instructions to the Naval Headquarters to intimate quarterly, the expenditure incurred by the latter in respect of the Central Board of Excise and Customs launches so that this Ministry may be aware of their exact liabilities. The Ministry of Defence are also requested to ensure that whatever expenditure is incurred in respect of the variable charges at (ii) and (iii) in para 1 above, debits are raised therefor as early as possible, after the expenditure is incurred.

Sd/- P. S. KAICKER,

Under Secretary to the Govt. of India.

To

The Ministry of Defence, New Delhi.

Copy forwarded to the Collector of Central Excise, Bombay, with reference to his letter No. B|III|Acctts(2)5|63|21304, dated the 29th June, 1964.

He is requested to keep in touch with the Naval authorities to ensure that debits in respect of a particular year are raised during the year the expenditure is incurred, instead of allowing the payments to go into arrears and then facing a sudden debit for which there may not be any provision. He is also requested to ensure that a liability register is maintained, so that the exact requirement of funds in a particular year may be known.

Copy also forwarded to:—

1. The Accountant General, Maharashtra, Bombay, with reference to his letter No. DA-3|CEX|AA|2328, dated the 29th July, 1964.

2. The Chief of Naval Staff, Naval Headquarters, New Delhi.

Sd/- P. S. KAICKER,

Under Secretary to the Govt. of India.

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

Recommendation

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.

[S. No. 3 of Appendix XVIII to 45th Report (1965-66)].

ACTION TAKEN

The observations of the Committee have been brought to the notice of all the Ministries demi-officially at Joint Secretaries' level emphasising the need for strict adherence to the prescribed time limit in submission of notes, memoranda, etc. with regard to the regularisation of excesses in future. It also covers the recommendation of P.A.C. made at S. No. 1 of Appendix XXII to the 45th Report.

Recommendation

The Committee find from 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.

[S. No. 4 of Appendix XXIII to 45th Report, 1965-66].

Recommendation

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.

[S. No. 7 of Appendix XXIII to 45th Report, 1965-66].

Recommendation

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 Accountant General, 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's 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 (First Lok Sabha).

[S. No. 10 of Appendix XXIII to 45th Report, 1965-66].

ACTION TAKEN

Necessary instructions have been issued vide this Ministry O.M. No. F. 8(3)-B/66, dated 24th August, 1966 (copy enclosed).

Recommendation

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.

[S. No. 11 of Appendix XXIII to 45th Report—1965-66].

Recommendation

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.

[S. No. 12 of Appendix XXIII to 45th Report—1965-66].

ACTION TAKEN

The observations of the Committee have been noted.

Recommendation

In the opinion of the Committee, in this and other rare cases where payment 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 PAC (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 accounts which may have come to notice after the closing of the annual accounts.

[S. No. 14 of Appendix XXIII to 45th Report—1965-66].

ACTION TAKEN

Necessary instructions have been issued after consultation with the Comptroller and Auditor General vide this Ministry's O.M. No. F. 8(3)-B/66, dated 17th September, 1966 (Copy enclosed).

Recommendation

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.

[S.No. 15 of Appendix XXIII to 45th Report—1964-65].

ACTION TAKEN

Necessary action has been taken and the Excess Grants have since been passed by Parliament.

No. F. 8(3)-B/66

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

New Delhi, the 24th August 1966.

OFFICE MEMORANDUM

SUBJECT:—45th Report of the Public Accounts Committee (Third Lok Sabha)—Action on.

The undersigned is directed to invite the attention of the Ministry of Commerce, etc. to the observations of the Public Accounts Committee at S. Nos. 4, 7 and 10 of Appendix XXIII to their 45th Report (Third Lok Sabha) which are reproduced below:—

S. No. 4 (para 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.

S. No. 7 (para 4.6).—“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.

S.No. 10 (Para 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 (First Lok Sabha).

2. It would be observed from the above that the Public Accounts Committee have criticised the Ministries on the following points:—

- (i) defective estimation at the time of framing the Budget and the Revised Estimates;
- (ii) failure to anticipate properly the receipt of stores etc. and debits relating thereto; and
- (iii) lack of proper control over expenditure and failure in the reconciliation of departmental figures with those booked in the Accounts Offices.

3. The imperative need for precise and accurate estimation and regular reconciliation of departmental figures of expenditure with those booked in the Accounts Offices in order to achieve better control over expenditure has been emphasised time and again. In this connection attention is invited to this Ministry's O.M. No. F. 14(3)-E(Co-ord)-64-I, dated 19/10/64 (copy enclosed) wherein besides stressing the importance of accurate estimation, the procedure for the reconciliation of departmental figures of expenditure including that relating to composite Grants operated upon by more than one Ministry/Department with those booked in the Accounts Offices has also been laid down for the guidance of Administrative Ministries.

4. As regards the Public Accounts Committee's observations in S.No. 10 about postponement of debits in respect of one year to the following year, separate instructions have been issued in this Ministry's O.M. No. F. 8(3)-B/64, dated 10-8-66.

5. In causes where it is anticipated that the provision already made either in the original budget or through supplementary grants would be insufficient or the expenditure is on a 'new service' not contemplated in the original budget, the recourse of obtaining an advance from the Contingency Funds is always open to the Ministries. The detailed procedure for the drawal of an advance from the Contingency Fund has been summarised in this Ministry's O.M. No. F. 5(14)-B/65, dated 13-12-1965 (copy enclosed).

6. Strict observance of the instructions referred to in the preceding paragraphs would go a long way in ensuring better control over expenditure and eliminating the excesses of the type referred to by the Public Accounts Committee. It is, therefore, requested that these instructions should be carefully followed. The Ministry of Commerce etc. are also requested to bring them to the notice of all the offices under their administrative control.

Sd/- MANJIT SINGH,

Under Secretary to the Govt. of India.

To

All the Ministries etc.

No. F. 8(3)-B '66

Copy forwarded for information to:—

1. Lok Sabha Secretariat (PAC Branch).
2. Comptroller and Auditor General, New Delhi.
3. Departments of Revenue and Insurance, Expenditure, Coordination and all Divisions in Department of Economic Affairs.
4. Copy forwarded also to the all Heads of Division in Department of Expenditure.

Sd./ MANJIT SINGH.

Under Secretary to the Govt. of India.

No. F. 14(3)-E(coord)/64-I

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Expenditure)

New Delhi, the 19th October, 1964

SUBJECT:—16th Report of the Public Accounts Committee (Third Lok Sabha)

The undersigned is directed to invite the attention of the Ministry of Home Affairs etc. to the observations of the P.A.C. at Serial

Nos. 1, 2 and 8(C) of Appendix XV to their 16th Report (Third Lok Sabha) which are reproduced below:—

Serial No. 1 (Para 2)

[M8

“The Committee regret to find that in spite of their observations and recommendations the position had not improved as notes from most of the Ministries were received after the prescribed time-limit was over, in some cases several months later. The Committee hardly need emphasise, once again that delay in the submission of these notes by the Ministries hold up the presentation of the Report of the Committee to Parliament with the result that the process of the regularisation of the excess is further delayed.”

Serial No. 2 (Para 5)

“The Committee feel that with greater degree of precision in estimating and better control over progress of expenditure and prompt reconciliation of the departmental figures of expenditure with those of the Accounts Offices, better results could be achieved. They hope that Ministries will take suitable steps towards this end.”

Serial No. 8(c) [Para 7(v)].

“The Committee do not feel happy to find that the Ministries had not been doing reconciliation work in this respect properly as provided in the rules. They would suggest the Ministry of Finance to look into such matters where a number of Ministries have to deal with a particular item of work and take suitable steps to ensure that they perform their duties properly. Where necessary, such items of work should be concentrated in a single Ministry; alternatively there should be a coordinating authority to keep a watch over such matters.”

2. The importance of timely submission of the requisite notes etc. to the P.A.C. can hardly be overemphasised. The Ministry of Home Affairs, etc. are aware that the Committee have been making similar observations in their earlier reports also. Such observations made by the Committee in their earlier 3rd Report (Third Lok Sabha) were brought to the notice of all the Ministries, vide this Ministry's O.M. No. F. 18(4)-E.G.I.(B)/63, dated 20/3/1963.

3. The Committee have, time and again stressed the imperative need of accurate budgeting. Attention in this connection is invited to this Ministry's O.M. No. F. 18(13)-E.G.I.(B)/63, dated 17/3/1964. The procedure for achieving effective control over expenditure and reconciliation of departmental figures has been laid down in Rules 65-69 of G.F.Rs. 1963.

In cases where more than one Ministry has to operate on the provision under a composite Grant, all the concerned Ministries should furnish to the Ministry at whose disposal the grant is pleased, quarterly statements of expenditure incurred by them with a certificate to the effect that the expenditure shown in the statements has been reconciled with the figures of the Accounts Officers concerned and the figures shown therein agree with those booked by the Accounts Officer concerned or that the difference, if any, is under reconciliation. The Ministries at whose disposal the grant is placed should watch the receipt of such statements from all concerned so as to ensure proper reconciliation.

These instructions will not apply to the composite Grants "Grants-in-aid to State and Union Territory Governments", "Capital Outlay on Grants to State and Union Territory Governments for development" and "Loans and Advances by the Central Government". These grants present special problems and instructions are proposed to be issued in respect of them by the Department of Economic Affairs separately.

4. The Ministry of Home Affairs, etc. may kindly note the above observations of the Committee and also the instructions contained in para 3 above for necessary action.

Sd/- K. SANKARAN,
Deputy Secretary to the Govt. of India.

To

All Ministries/Departments of the Government of India.

No. F. 14(3)-E(Coord)/64-I.

Copy forwarded to:—

- (1) All Expenditure Divisions.
- (2) Department of E.A./Coordination/Revenue & Company Law.
- (3) Lok Sabha Secretariat (P.A.C. Branch).

Sd/- K. SANKARAN,
Deputy Secretary to the Govt. of India.

No. F. 5(14)-B/65

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Economic Affairs)
New Delhi, the 13th December, 1965

OFFICE MEMORANDUM

SUBJECT:—*Advance from the Contingency Fund of India.*

The undersigned is directed to state that the prescribed procedure for obtaining an advance from the Contingency Fund of India and its recoupment to the fund is not being strictly followed by some of the Ministries/Departments etc. The instructions contained in the Contingency Fund of India Rules and the Office Memoranda issued by this Ministry from time to time in this regard are summarised below for information and guidance.

1. An advance from the Contingency Fund should be sought for meeting expenditure on a 'new service' or a 'new instrument of service' not contemplated in the Annual Financial Statement or where the provision already made in the Budget for a particular service is likely to be exceeded. The advance should invariably be obtained before incurring any expenditure on the project or purpose for which the advance is asked for. It should be for the expenditure likely to be incurred before a supplementary grant or appropriation for the purpose could be made available and not for a token amount nor should it cover expenditure likely to be incurred after the supplementary grant or appropriation is available.

2. An application for advance, which should be signed by an officer not below the rank of Joint Secretary, should give the following particulars:

- (i) Brief particulars of the additional expenditure involved,
- (ii) the circumstances in which provision could not be included in the Budget,
- (iii) why its postponement is not possible,
- (iv) the amount required to be advanced from the Fund with full cost of the proposal as well as that for the year or part of the year, as the case may be; and
- (v) the grant or appropriation under which supplementary provision will eventually have to be obtained.

3. The proposal for obtaining an advance from the Contingency Fund should be approved by the Secretary (Expenditure) and the

fact that this approval has been obtained should be mentioned in the Memorandum or note of the Department of Expenditure while forwarding the application.

4. The Ministries/Departments which take the advance are required to obtain supplementary/appropriation grant for the recoupment of the advance to the Fund at the first Session of the Parliament meeting immediately after the advance is sanctioned. To enable this Ministry to ensure that this is done, the application for advance should be accompanied by the Expenditure Finance Committee Memorandum and supplementary demand statement, specimen copies of which are enclosed.

5. In cases where in advance is taken for incurring expenditure on a 'new service' or 'new instrument of Service' it would not be necessary to go in for a supplementary demand for the entire amount of advance if the expenditure can be met wholly or partly from the savings available within the authorised grant for appropriation. A supplementary grant or appropriation for a token amount of Rs. 1,000 or for the balance of the amount required as the case may be, should be asked for in such cases.

6. The Ministry/Department in whose favour an advance from the contingency fund is sanctioned should, as soon as the expenditure in question is incurred, furnish to this Ministry a statement showing the actual expenditure against the advance sanctioned. When it is found that the advance sanctioned in a particular case will remain wholly or partly un-utilised an application should be made to this Ministry sometime before the relevant supplementary grant is presented, for cancelling or modifying the sanction.

7. The Ministries of Civil Aviation etc. are requested to follow these instructions whenever an advance from the Contingency Fund is considered necessary.

Sd/- R. K. MUKHERJEE,

Under Secretary to the Government of India.

To

All Ministries of the Government of India and the various Departments thereof (excluding Railways) Departments of Atomic Energy, Communications, Social Security, Parliamentary Affairs and Statistics; Prime Minister's Secretariat; Lok Sabha Secretariat; Rajya Sabha Secretariat; Director General Resettlement and Employment; Director General, Posts and Telegraphs; Secretary to the President; Military Secretary to the President; Secretariat of the Vice-President; Union Public Service Commission; Registrar, Sup-

reme Court of India, Planning Commission; Programme Evaluation Organisation; Research Programme Committee and the Comptroller and Auditor General of India.

No. F. 5(14)-B/65

Copy to all Divisions and Branches in the Department of Expenditure (including Defence Division) and Economic Affairs.

(Sd.) R. K. MUKHERJEE,

Under Secretary to the Government of India.

MEMORANDUM FOR THE EXPENDITURE FINANCE
COMMITTEE

GOVERNMENT OF INDIA

Ministry of _____

DEPTT. OF _____

New Delhi, the _____

MEMORANDUM

SUBJECT: —

1. *A concise statement of the proposal and full justification for it (including what has been achieved and what is expected in future).

2. (a) Is the proposal in respect of a "new service"?

(b) has the proposal or any part of it been already considered by the Expenditure Finance Committee and if so what is the decision taken?

(c) Has the proposal or any part of it been considered by any Parliamentary Committee and if so, with what result?

3. (a) Expenditure involved in the proposal and budget provision:

	Expenditure	Budget
	Non- Recurring	Recurring Provision

(i) during the current financial year

(ii) during subsequent years (yearwise)

(iii) total expenditure when the scheme is fully completed

(b) How is the expenditure to be met? (Has specific budget provision already been made? If not, state whether a supplementary or a token grant has been or is to be obtained).

*N.B. Please attach:

(i) a statement indicating the number of posts as well as the pay-scales under various categories required—

(a) in the current financial year; and

4. State briefly the estimated yield on the Project, and other economic implications, indicating anticipated receipts.
5. Is the proposal included in the Five Year Plan? If so
 - (a) State the amount included for the scheme in the Plan;
 - (b) If the Scheme or the total provision envisaged in the Plan has been modified, indicate the extent of modification and reasons for the same. Also state whether the Planning Commission have concurred in the modifications.
6. Is any foreign exchange involved? If so, state:
 - (a) items of expenditure involving foreign exchange;
 - (b) expenditure on foreign experts;
 - (c) whether clearance of the E. A. Department has been obtained and
 - (d) whether the availability of credit facilities from foreign suppliers is proposed to be or has been explored and, if so, with what result.
7. Purchase of stores—(State the procedure to be adopted for purchasing stores, plant, machinery etc., and whether any departure is necessary or proposed from the normal procedure prescribed for such purchases, with reasons).
8. Indicate the extent to which the scheme was worked out and scrutinised in full detail before budget provision was made.
9. Has any expenditure been incurred in anticipation of the approval of the Expenditure Finance Committee and if so, state the circumstances under which it has been done and the amount spent.
10. *Conclusion* (here bring out the specific points on which sanction of Expenditure Finance Committee is required).
11. Supplementary information, if any.

 - (b) eventually, when the scheme is in full operation, together with the basis (work standards) adopted for staffing.
 - (ii) a statement showing expenditure on buildings and other works indicating the basis on which it has been estimated and also the phasing of the works year by year;
 - (iii) a statement showing expenditure on stores equipment; and
 - (iv) where estimates for buildings, equipment and other stores have been worked out on the basis of current costs, any increases that are likely or expected should be indicated against para 11 of the form.

SUPPLEMENTARY DEMANDS FOR GRANTS,.....
(year)

DEMAND NO.....

.....

(Name of the Demand)

(See page of the Original Demands for Grants of the Ministry of
for and page of the Supplementary Demands for Grants for)

Original Grant:	Voted	
	Charged	
Supplementary Grant:	Voted.....	
	Charged.....	

I. SUPPLEMENTARY ESTIMATE of the Amount required in the year ending 31st March, to defray the charges in respect of
(Name of Demand).

Voted.....	(Amount of the Supplementary Grant/Appropriation)
Charged.....	

II. SUB-HEAD under which this Supplementary Grant/Appropriation will be accounted for on behalf of the Ministry of....

“MAJOR HEAD

		Rs.
Details of Sub-head and Units of Appropriation.	Voted
	<i>Charged</i>
		(Amount)
TOTAL—Original and Supplementary Estimates,	Voted
	<i>Charged</i>
Add-Sum now required	Voted
	<i>Charged</i>
	TOTAL
(Distribution of the Total)	Voted
	<i>Charged</i>

Detailed explanations for the proposal.

No. F. 8(3)-B/66

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

New Delhi, the 17th September, 1966

OFFICE MEMORANDUM

SUBJECT.—45th Report of the P.A.C. (Third Lok Sabha)

The undersigned is directed to invite a reference to S. No. 14 of Appendix XXIII (paragraph 4.26) of the 45th Report of the P.A.C. which is reproduced below:—

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."

2. The implications of this recommendation have been examined in consultation with the C.&A.G. and are clarified below:—

The recommendation of the Public Accounts Committee is intended to apply to only rare cases where payments against funds specifically voted by Parliament have been made and there has been an actual outgo from the cash balance of the Government in the year in which the funds were provided but the Budget provision for that year appears in the accounts as unutilised merely as a result of an accounting omission. The expression "funds specifically voted upon" will cover only those cases where the provision of funds is traceable in the original or supplementary Grant/Appropriation and not where funds have been provided by reappropriation. The expression

"accounting omission" would cover all cases of non-adjustment of debits *except* those on account of delay in deciding the correct final head. In cases where only a part of the excess can be adjusted against the budget provision of the previous year which has appeared in the accounts as unutilised because of an accounting omission, regularisation through a vote of Parliament would be necessary only for that portion of the excess which cannot be adjusted against the unutilised provision of the previous year.

3. It is requested that the excesses, if any, arising in future may be examined with reference to the above clarifications before sending notes thereon for the P.A.C. to the Accounts Officers concerned for vetting. This Ministry may be consulted in case of doubt

Sd./- MANJIT SINGH,

Under Secretary to the Government of India.

To

All Ministries etc.

Copy forwarded for information to the Comptroller and Auditor General with reference to his U.O. No. 1682-Rep/179-66 dated 9th August, 1966.

2. Copy forwarded to the Department of Expenditure Co-ordination and Revenue and Insurance and all Branches in the Department of Economic Affairs.

MANJIT SINGH,

Under Secretary to the Government of India.

MINISTRY OF PETROLEUM & CHEMICALS

Recommendation

1. During 1963-64, an excess of Rs. 62,24,322 occurred under Grant No 80—Major Head 71—Sub-head D.3(2)—Payments to the Railways on account of freight on Furnace Oil.

2. In this connection, the Audit 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 Rs. 82 lakhs under the group head 'D3 (2)' appears to be mainly accounted for by the amounts which became due as a result of 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'".

3. The Public Accounts Committee (1965-66) in their 45th Report (Third Lok Sabha) observed as follows:—

"The Committee agree with these observations. The Ministry, in consultation with the Ministry of Finance and Railway Board, should have examined the financial affect 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."

ACTION TAKEN

1. The concession was originally granted to afford relief to Industries wishing to switch over to the use of Furnace Oil because of difficulties experienced by them in obtaining coal due to the inadequacy of transport facilities. The scope of the concession was extended from time to time in the light of operational and other relevant considerations and after consultation with the concerned departments including the Ministry of Finance. The excess outlay required as a result of the extension of the concession could not be estimated precisely because the number of individual customers was large and their requirements were fluctuating.

2. As regards the refunds allowed to customers, it is found from replies received from the Oil Companies (Summary of replies received from Oil Companies enclosed) that a large portion of the fuel oil sales were made on F.O.R. main ports—"freight to pay" basis and, hence, the customers obtained the benefit of the freight concession

directly from the Railways. Whereas the Indian Oil Corporation have intimated that Rs. 2340.80 were refunded to their customers on account of the retrospective application of the concession, the other oil companies have not been able to furnish their figures. It is, therefore, not possible to indicate the total of amounts refunded subsequently to the Industries.

3. The concession was extended for despatches of furnace oil from Gauhati, Digboi, and Tinsukia, with retrospective effect for 16 days in July, 1962. The total production of furnace oil at Gauhati Refinery in July 1962 was only 4,468 tonnes and nil at Digboi. The quantity despatched and the amount of subsidy drawn during these 16 days would, therefore, be small. It may also be added that the total production of furnace oil and tea drier oil at Gauhati and Digboi in 1962 was only about 5% of total consumption of these two products during that year. The retrospective application of this concession for despatches from Trombay, Khari Rohari Road, Quilon, Navlakhi and transshipment points was made to remove only certain operational difficulties. It was not any extension of the benefits beyond what were envisaged in the original announcement. In the case of despatches from one port station to another, the benefit of concession went mainly to cement industry which was subject to price control. It is, therefore, felt that the industrialists would not have derived any undue benefit by the retrospective application of orders issued in this connection. Moreover, the cost of fuel forms only a small fraction of the cost of production in most of the Industries and would not have necessarily determined the price charged by the manufacturers which depends on many other factors, e.g., supply and demand position. The number of consumers of furnace oil is a large one and it is not possible to ascertain the total amount refunded to various parties. In view of the large number of users, the amount refunded to any individual unit would not, however, have been large.

(Not vetted by Audit)

SUMMARY OF REPLIES RECEIVED FROM OIL COMPANIES

M/s. ESSO STANDARD EASTERN INC.

1. It is not possible to collect this information as all relevant records are not available. A large portion of sales are made on F.O.R. Main Ports—"Freight to pay" basis and the customers would have obtained the benefit directly from the Railways.

INDIAN OIL CORPORATION LTD.

2. Total refund allowed to Furnace Oil customers on account of the retrospective application of this concession amount to Rs. 2,340.80 only.

BURMAH-SHELL OIL STORAGE AND DISTRIBUTING COMPANY OF INDIA.

3. Customers who are supplied ex-Main Port Installations would have received refund from the railways directly. Freight refunds to other customers were made through the Company. Information about actual amount refunded has not been given.

CALTEX (INDIA) LIMITED

4. The bulk of Furnace Oil despatches were made to customers on F.O.R. Main Ports, who deal directly with Railways. In the case of other customers, information about refunds has not been given.

ASSAM OIL COMPANY

No refunds have so far been given to any industrialist, as the railways have yet to settle their claim. From 1st September 1962, the company charged reduced rates from the customers.

APPENDIX XXIX

Summary of main conclusions|recommendations

No.	Para No. of Report	Ministry/Deptt. concerned	Conclusions/Recommendations
1	2	3	4
1	1.2	<u>Finance</u> All Ministries	<p>The Committee have been repeatedly commenting upon the delays on the part of the Ministries/Departments etc. in furnishing notes stating the reasons for the circumstances leading to such excesses and emphasizing the need for submission of these notes within the prescribed time-limit of two months from the date of presentation of the Accounts to the House. They had also urged the Ministry of Finance in para 1.5 of their 45th Report (Third Lok Sabha) to devise ways and means to avoid such chronic delays on the part of the Ministries. The Committee regret, however, that this year also there has been no perceptible improvement in the matter in that only one note was received within the stipulated time-limit of two months.</p>
2	2.2	-do-	<p>The Committee find from the notes furnished by the Ministries that defective estimation at the time of the framing of the budget and revised estimates, failure to anticipate properly the receipt of stores and debits relating thereto, absence of adequate provision for</p>

the adjustment of old liabilities, erroneous adjustments and lack of proper control over expenditure continued to be the main causes for the excesses.

- 2.3 -do- The Committee note that pursuant to the earlier recommendations on the subject Government have issued instructions from time to time. They hope that the Ministries/Departments would continue to make efforts to improve the standard of budgeting and control over expenditure.
- 3 2.6 Tourism & Civil Aviation The Committee regret to observe that the instructions were issued to defer some payments to avoid excess over the Grant. The Committee have in their previous Reports [c.f. Para 3.8 of 69th Report (Third Lok Sabha)] taken a serious view of the postponement of inevitable payments to avoid excess during the year which is against the General Financial Rules. They hope that such instances will not occur in future.
- 4 2.7 -do- Another disquieting feature of this case is that the excesses under the two Group Heads in question have occurred for three successive years from 1963-64 onwards under similar circumstances. This shows that there is defective control over expenditure which needs remedial action.
- 5 2.9 Home Affairs This is a clear case of failure to maintain a Liability Register and to make adequate provision for the liabilities of the past years. The Committee hope that the Government would ensure that these instructions are strictly followed in future.
-

1	2	3	4
6	2.12	External Affairs	The Committee regret to observe that there was lack of coordination between the Ministries of External Affairs and Defence in that timely information was not given by the Ministry of Defence to enable the Ministry of External Affairs to make adequate provisions in the Budget. The Committee desire that the procedure in this regard should be streamlined.
7	2.13	Finance All Ministries	In Para 4(a) (i) of the Ministry's Note, it has been stated that the excess of Rs. 16.44 lakhs under the group head "Bhutan Subsidy" includes an amount of Rs. 1,72,368, the debit for which was erroneously raised by the Controller of Defence Accounts, Patna in his Exchange Account for December, 1959. This represents an arithmetical error in calculating the value of 440 bags of rice and the error has been accepted by the Controller of Defence Accounts, Patna and the A.G.C.R. New Delhi. As the excess of Rs. 1,72,368 has arisen due to an arithmetical error, the Committee recommend that the principle enunciated in Para 7 of their Sixteenth Report (1st Lok Sabha) may be extended to this case as well as to other similar exceptional cases where excess under a grant has arisen due to an arithmetical error but could not be set right before the close of the year. Such cases need not be considered as requiring a fresh vote of Parliament for regularisation under Article 115 of the Constitution.
8	2.15	Home Affairs	The Committee find that despite the reiteration by the NEFA Administration in January, 1966 that a supplementary grant of Rs. 25 lakhs was required in the light of the actual flow of expenditure for

9	2.17	Finance	<p>the first eight months and the expected liabilities, the Ministry did not take up the matter with the Ministry of Finance to revise the demand upwards from Rs. 10 lakhs to Rs. 25 lakhs. The Committee are unable to accept the explanation of the Ministry that the NEFA Administration was not sure of the adjustment of the debits and, therefore, did not consider it necessary to take up the matter with the Ministry of Finance. The Committee would like the Ministry to exercise greater judgment in making provision for Supplementary Grants in the light of the actual expenditure for the preceding months, so as to avoid such excesses.</p> <p>The Committee are surprised to note that the Customs authorities over-assessed Customs Duty to the extent of Rs. 43.48 lakhs while making the provisional assessment on imported paper, which was not a new item. The Committee are also not satisfied regarding the delay in the settlement of the claims for refund of excess duty specially when the assessee is a Government Department. They would like to be informed of the latest position regarding refund.</p>
10	2.21	Home Affairs	<p>The Committee feel that re-appropriation of a sum of Rs. 0.46 lakh under this group head showed that no watch was kept over the expenditure. The Committee feel that it should have been possible to avoid excess in those cases by closer coordination with the accounts authorities and by coming up in time for the Supplementary Grant.</p>
11	2.24	Information & Broadcasting	<p>The Committee feel that the excess in respect of most of the items could have been covered if the Ministry had kept a close watch on the progress of expenditure during the course of the year. The</p>

1

2

3

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Ministry could have avoided the excess either by going in for a Supplementary Grant or by obtaining an advance from the Contingency Fund before the close of the year. The Committee desire that the Ministry should tighten the procedure of control over expenditure so that such excess does not recur.

12

2.26

Petroleum &
Chemicals

The Committee desire that the Ministry should devise a proper procedure for obtaining periodical statements of payments made or likely to be made to the Railways so that proper and timely provision for it is made.

13

2.30

Mines &
Metals

The Committee feel that, with closer coordination with the Indian Bureau of Mines & Geological Survey of India, it should have been possible to make a realistic estimate and make provisions accordingly to avoid excess.

14

2.35

Transport
& Shipping

The Committee are of the opinion that there should be closer coordination between the Ministry of Transport and the State Governments concerned to avoid such excesses in future. They suggest that the Ministry should ask the State Governments to furnish a return on the likely liabilities to be incurred by them monthly in the last quarter of the year so that trends of expenditure are determined more realistically and if necessary, adequate Supplementary Grant is taken in time.

- | | | | |
|----|------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15 | 2.37 | Works, Housing
and Supply | The Committee regret to observe that funds for departmental charges were not provided by two Central Public Works divisions and this resulted in excess in this case. They note that necessary instructions have been issued by the Chief Engineer and hope that such omissions will not occur in future. |
| 16 | 2.39 | <u>Health
Irrigation
and Power</u>

Finance | The Committee are surprised to note that the Ministries of Health and Irrigation and Power omitted to take into account the payments sanctioned by Government while intimating their final requirements. The Committee would like the Government to examine whether these omissions were due to any defect in procedure. The Committee have no doubt that adequate steps will be taken to rectify procedural defects, if any. If, however, the existing procedure is considered adequate, action should be taken to ensure its proper implementation. |
| 17 | 2.41 | Finance | The Committee are surprised to learn that a sanction issued for Rs. 1.45 crores was through an oversight, reckoned as Rs. 1.45 lakhs. The Committee stress the need for a thorough checking to avoid such discrepancies in future. |
| 18 | 2.42 | -do- | Subject to the above observations, the Committee recommend that the excesses referred to in paragraph 2.1 above 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.
7.	Bahree Brothers, 188, Lajpatrai Market, Delhi-6.	27	33.	Bookwell, 4 Sant Naran-kari Colony, Kingsway, Camp, Delhi-9.	96
28.	Jayana Book Depot, Chap-parwala Kuan, Karol Bagh, New Delhi.	66		MANIPUR	
29.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi—1.	68	34.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annex, Imphal.	77
30.	People's Publishing House, Rani Jhansi Road, New Delhi.	76		AGENTS IN FOREIGN COUNTRIES	
31.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	88	35.	The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON, W.C.—2.	
32.	Hind Book House, 82, Janpath, New Delhi.	95			

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PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT OF
BUSINESS IN LOK SABHA (FIFTH EDITION) AND PRINTED BY THE GENERAL
MANAGER, GOVERNMENT OF INDIA PRESS, MINTO ROAD, NEW DELHI.
