

**EXCESSES OVER VOTED  
GRANTS AND CHARGED  
APPROPRIATIONS  
(2004-2005)**

**PUBLIC ACCOUNTS  
COMMITTEE  
(2007-2008)**

**SIXTY-SECOND REPORT**

**FOURTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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PUBLIC ACCOUNTS  
COMMITTEE  
(2007-2008)

(FOURTEENTH LOK SABHA)

EXCESSES OVER VOTED GRANTS AND CHARGED  
APPROPRIATIONS (2004-2005)

[Action Taken on the 31st Report of Public Accounts Committee (14th Lok Sabha)]



*Presented to Lok Sabha on 30 November, 2007*  
*Laid in Rajya Sabha on 30 November, 2007*

LOK SABHA SECRETARIAT  
NEW DELHI  
*November, 2007/Agrahayana, 1929 (Saka)*

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COMPOSITION OF PUBLIC ACCOUNTS COMMITTEE  
(2007-2008)

Prof. Vijay Kumar Malhotra — *Chairman*

*Lok Sabha*

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3. Shri Khagen Das
4. Shri P.S. Gadhavi
5. Shri R.L. Jalappa
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21. Dr. K. Malaisamy
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SECRETARIAT

- |                                 |   |                             |
|---------------------------------|---|-----------------------------|
| 1. Shri S.K. Sharma             | — | <i>Additional Secretary</i> |
| 2. Shri A. Mukhopadhyay         | — | <i>Joint Secretary</i>      |
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| 4. Shri Ramkumar Suryanarayanan | — | <i>Under Secretary</i>      |
| 5. Shri Rajesh Kumar Kashyap    | — | <i>Committee Assistant</i>  |

## INTRODUCTION

I, the Chairman, Public Accounts Committee, as authorised by the Committee, do present this Sixty-second Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 31st Report (14th Lok Sabha) on "Excesses Over Voted Grants and Charged Appropriations (2004-2005)".

2. This Report was considered and adopted by the Public Accounts Committee at their sitting held on 23rd November, 2007. Minutes of the sitting form Part II of the Report.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

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

5. The Committee also place on record their appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached with the Committee.

NEW DELHI;  
*23 November, 2007*  
*2 Agrahayana, 1929 (Saka)*

PROF. VIJAY KUMAR MALHOTRA,  
*Chairman,*  
*Public Accounts Committee.*

## CHAPTER I

### REPORT

This Report of the Committee deals with the action taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their Thirty-first Report (14th Lok Sabha) on "Excesses Over Voted Grants and Charged Appropriations (2004-05)".

2. The Thirty-first Report (14th Lok Sabha), which was presented to Lok Sabha on 23rd August, 2006, contained ten Observations/Recommendations. The Action Taken Notes on all the Observations/Recommendations have been received from the Ministries/Departments concerned and are categorised as under:—

- (i) Observations/Recommendations that have been accepted by Government:

Recommendation Sl. Nos. 1,2,3,4,5,7,8,9 and 10

(Para. Nos. 52,53,54,55,56,58,59,60 and 61)

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from Government:

-NIL-

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Recommendation Sl. No. 6

(Para. No. 57)

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies/no replies:

-NIL-

#### **A. Excesses Over Voted Grants and Charged Appropriations (2004-05) — a gist of the Committee's Observations/Recommendations in the Thirty-first Report**

3. The Thirty-first Report (14th Lok Sabha) dealt with cases of those Grants/Appropriations where money had been spent in excess of the amount authorised by the Parliament for specified services/purposes in the year 2004-05. The Committee had found that an expenditure of unprecedented magnitude of Rs. 35,978.56 crore had been incurred by various Ministries/Departments of Union Government in excess of the provisions sanctioned under 21 cases of 16 Grants/Appropriations during the 2004-2005. Out of 21 cases, the excess expenditure in three cases was more than Rs. 100 crore each and in six cases it was more than Rs. 10 crore each, while in case of Appropriation No. 38 (relating to the Ministry of Finance), alone the excess expenditure was more than Rs. 30,000 crore. The total excess expenditure recorded was more than

Rs. 1,000 crore, Rs. 2,000 crore, Rs. 40,000 crore and Rs. 30,000 crore during 2001-2002, 2002-2003, 2003-2004 and 2004-2005 respectively. The Committee expressed their unhappiness over the fact that the excess expenditure of the Union Government had been increasing steeply in the recent years and the situation had indeed been going from bad to worse despite issuance of elaborate instructions at regular intervals by the Ministry of Finance in pursuance of the oft-reiterated recommendations of the Public Accounts Committee to contain the excess expenditure to the barest minimum. In view of the persistent trend of increasing excess expenditure, the Committee had recommended that the Government should undertake a thorough study of the instances where expenditure had exceeded the budgetary allocations during the last five years in order to find out the precise reasons as to why the existing mechanism for control of expenditure had failed to check the trend of excess expenditure.

4. The Action Taken Notes furnished by the concerned Ministries/Departments have been reproduced in the relevant Chapters of this Report. The Committee will now deal with the Action Taken by the Government on some of their Observations/Recommendations made in the Thirty-first Report, which need reiteration or merit comments.

**B. Persistent excess expenditure incurred by Ministry of Finance  
(Recommendation Sl. No. 2, Para No. 53)**

5. One of the disquieting aspects observed by the Committee was that out of 21 cases, the excess expenditure in 18 cases of excess registering Grants/Appropriations had occurred despite obtaining supplementary provisions of Rs. 1,84,385.14 crore, thereby revealing not only the failure of the Ministries/Departments to assess requirement of additional funds but also the inadequacies in the institutional arrangements in the Ministries/Departments in monitoring the flow and trend of expenditure under various Grants/Appropriations. The Committee had repeatedly cautioned the Ministries, in the past, against incurring expenditure not authorized by Parliament. As the trend of incurring excess expenditure despite obtaining supplementary grants continues, the Committee were inclined to conclude that estimation of requisite funds at the supplementary grant stage was not properly made. It was, therefore, essential that the Ministries/Departments should keep close watch over the trend of expenditure and when any need for additional funds arose they should assess realistically their requirement of funds in advance and approach Parliament by presenting Supplementary Demands for Grants in time. It was not expected of any Ministry/Department to cross their financial limits after obtaining Supplementary Grants as has happened in many cases. The Committee had also recommended that the Ministries should evolve an effective mechanism through which the progress of expenditure was strictly monitored and timely action taken to ensure that expenditure did not overshoot the limit authorized by Parliament.

6. In their Action Taken Note, the Ministry of Finance (Department of Economic Affairs) have stated as under:—

"Out of the 18 cases of excess that had occurred in the year 2004-2005, there was excess in one Demand being administered by Ministry of Finance *i.e.* 38—Repayment of Debt, where there was an excess of Rs.33,783.55 crore.



A review has been done in this Ministry to strengthen the institutional arrangements, so that the progress of expenditure is strictly monitored and timely action is taken to ensure that expenditure does not overshoot the limit authorized by Parliament. All the Ministries/Departments have been instructed to consider taking the following immediate remedial measures with a view to minimize/eliminate the incidence of such irregularities in the judicious management of budgetary provisions and to ensure that expenditure is within the original/supplementary appropriation or valid reappropriation, as the case may be:—

- (a) Prepare and circulate Monthly Financial Review Analysis to the Administrative Heads for monitoring the progress of expenditure, and also to enable them to take remedial action wherever required;
- (b) Convene regular internal meetings with all spending units for effecting expenditure control;
- (c) Ensure realistic projection of Budget Estimates/Supplementary Estimates and also ensure that expenditure incurred is within the Budget as envisaged in General Financial Rules, 2005 so that there is no occasion for incurring excess expenditure;
- (d) Put in place/review/strengthen, systems for monthly monitoring of the flow/trends of expenditure so as to avoid recurrence of excess expenditure.

The above instructions will be followed up with all the Ministries/Departments during the preparation of Budget and Supplementary Budget and is expected to achieve the desired result of minimizing incidence of excess expenditures, if not eliminating them."

**7. While scrutinizing the cases of excess expenditure despite having Supplementary Grant in the Grants/Appropriations operated by the concerned Ministries/Departments, the Committee had asked the concerned Ministries/Departments to impress upon their budget controlling authorities to thoroughly examine their proposals for additional funds with due diligence and ensure proper review and scrutiny of the requests for Supplementary Demands by various Ministries before presenting the same to Parliament for approval. It has been observed from the Action Taken Reply furnished by the Ministry of Finance (Department of Economic Affairs) that they had issued instructions to the budget controlling authorities to frame realistic Budget Estimates and requirements for Supplementary Grants so as to eliminate excess expenditure. The fact that the instructions have been issued time and again without achieving any concrete result warrants that some effective follow-up measures are required to be taken by the Ministry of Finance to address this recurring problem of excess expenditure over Voted Grants and Charged Appropriations. From the Action Taken Notes furnished by the Ministry of Finance it is evident that they were more inclined to justify such a tendency of violating Financial Rules rather than revamping their existing mechanism in order to achieve improvement in their budget estimation exercise. The Committee, therefore, would like to emphasise that issuance of mere instructions would not serve the purpose unless these instructions are strictly enforced and complied with. They, therefore, desire that the Ministries/Departments should monitor strictly the compliance**

**of their instructions and also take steps to improve their accounting information system and expenditure control mechanism. The Committee feel that in this age of on-line monitoring/controlling devices, this should not be a difficult task.**

**Matter regarding excess expenditure on account of internal debt under Demand No. 38 which was to the tune of Rs. 33,783 crore during 2004-05 has been dealt with the Committee in their Thirty-first Report (14th Lok Sabha). The Committee would await response of the Government in this regard.**

**C. Recurring trend of incurrence of excess expenditure by the Ministry of Railways (Recommendation Sl. No. 6, Para No. 57)**

8. The Committee had noted from the Appropriation Accounts of the Ministry of Railways for the year 2004-05 that an expenditure aggregating Rs. 2,104.61 crore had been incurred over and above the sanctioned provisions under 15 cases of 10 Grants/Appropriations operated by the Ministry of Railways. After taking into account the effect of misclassification, the actual excess expenditure requiring regularisation had worked out to Rs. 2,151.99 crore instead of Rs. 2,104.61 crore as depicted in the relevant Appropriation Accounts. To utter dismay of the Committee, the amount of excess expenditure under two Grants (Nos. 3 and 11) was more than Rs. One crore, under five Grants (Nos. 4, 5, 6, 9 & 10) was more than Rs. 20 crore, under Grant No. 14 it was more than Rs. 400 crore and under Grant No. 16—Capital, it was more than Rs. 1,000 crore. What was still more disturbing was the fact that this excess expenditure had occurred despite obtaining supplementary provisions of Rs. 3,875.38 crore in 12 out of 15 cases of excess registering Grants/Appropriations. The Committee had regretted to observe that the Ministry of Railways had failed not only in keeping the required vigil over the trend of expenditure but also in assessing their actual requirement of funds even at the time of seeking supplementary provisions. The Committee had taken a serious view of this situation and strongly urged the Ministry to exercise greater care in assessing realistically their requirement of funds.

9. In their Action Taken Note, Ministry of Railways have stated as under:—

"The above observation is noted for taking action as desired by the Committee. It may, however, be mentioned that out of the total excess expenditure of Rs. 2,152 crore incurred in 2004-05, almost 90% has occurred in two demands, *i.e.*, Demand No. 14 (Rs. 479 cr.) and Demand No. 16 (Rs. 1,459 cr.).

Demand No. 14 reflects the appropriation of internally generated revenues to various Railways Funds. It has been the constant endeavour of the Indian Railways to progressively increase its internal resource generation capacity both by augmenting the earnings and controlling the expenditure.

In 2004-05, Indian Railways could generate unprecedented internal resources. In view of better performance seen in the first nine months of 2004-05, the internal generation of resources was enhanced. This internal generation was subsequently appropriated to various railways funds based on perceived requirements. Thus, the excess appropriation appearing under Demand No. 14 is, in fact, a reflection of better performance of the Indian Railways. As the

excess in this demand mainly depicts higher generation of internal resources than anticipated enabling higher appropriation to Railway Funds, the excess incurred hereunder can be deemed only as technical in nature as no real expenditure is involved in this case.

As regards Demand No. 16, the excess under Capital (Gross Voted) was mainly due to higher level of build up in stores transactions necessitated by higher level of activities of the Indian Railways. There was a corresponding increase in the credit transactions under this head as well due to which the net excess was of Rs. 142.45 cr. only w.r.t. Budget Grant (Rs. 28.40 cr. w.r.t Revised Grant). These transactions represent need for higher level of inventories to keep pace with the activity level. Further analysis shows that this situation has arisen mainly under new zones, which were carved out in 2003-04 and their inventory accounts took time to settle. The concern of the PAC has, however, been conveyed to the Railways who have been asked *vide* letter No. 2006-B-110 (PAC) dated 09.11.2006 to analyze the reasons and take corrective action so that such cases of excess do not recur. As regards excess in other Plan-heads, Railways have again been apprised of the concern of the Committee *vide* letter No. 2006-B-342 dated 09.11.2006.

The excess in other grants is less than 11% of the individual sanctioned grants and hence may be regarded as minor. The Zonal Railways, nonetheless, are being cautioned to contain the incidence of excess in future as per the letter enclosed.

It has been decided to monitor the trend of charged appropriation at the Ministry's level also so as to contain the excess expenditure therein."

10. Deploring the recurring trend of incurrence of excess expenditure, the Committee in their Forty-Fifth Report (14th Lok Sabha) had observed that the Ministry of Railways must review in-depth the reasons for this recurring phenomenon of excess expenditure with a view to initiating concrete steps, whereby budget estimates are prepared more precisely and the actual expenditure is incurred/contained within the funds authorized by the Parliament. The Committee are dismayed to note that in their Action Taken reply, the Ministry of Railways have stated to have issued instructions to the Zonal Railways on 9th November, 2006. The Committee, regret to note that the Ministry have sought to justify the excess expenditure incurred by them during the year 2004-05 on the ground that out of the total excess expenditure, almost 90 percent of the amount of excess involved had occurred only in two Demands (No. 14—Rs. 479 cr. and No. 16—Rs. 1,459 cr.). On this plea the Ministry had chosen not to take any specific measures for streamlining/critically examining their existing procedures. The Committee are unhappy with such a casual approach adopted by the Ministry of Railways to this recurring problem and would recommend that irrespective of the quantum of excess expenditure incurred, whether in two or more grants, the Ministry of Railways should take effective corrective measures including streamlining their existing procedures relating to budget estimation so that the excess expenditure could be kept to the minimum extent possible.

## **CHAPTER II**

### **OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Observation/Recommendation**

The Committee find that an expenditure of unprecedented magnitude of Rs. 35978.56 crore has been incurred by various Ministries/Departments of Union Government in excess of the provisions sanctioned under 21 cases of 16 Grants/Appropriations during the year 2004-05. The Committee are astonished to find that as in the preceding year bulk of the excess expenditure had been recorded under the Appropriation No. 38-Repayment of Debt, operated by the Ministry of Finance, which accounted for over 93 per cent of the total excess expenditure incurred during that year. Out of the 21 cases, the excess expenditure in three cases was more than Rs. 100 crore each and in six cases it was more than Rs. 10 crore each, while in case of Appropriation No. 38, alone the excess expenditure was more than Rs. 30,000 crore. The total excess expenditure recorded was more than Rs. 1000 crore during the years 2001-2002 and 2002-2003 (Rs. 1089.54 crore and Rs. 2188.12 crore respectively) and it shot up to more than Rs. 30,000 crore during years 2003-2004 and 2004-2005 (Rs. 43,364.62 crore and Rs. 35978.56 crore respectively). Thus, the Committee are perturbed to point out that the excess expenditure of the Union Government has not only been persistently occurring year after year but also showing a steep increase in the recent years. The situation has indeed been going from bad to worse despite issuance of elaborate instructions at regular intervals by the Ministry of finance in pursuance of the off-reiterated recommendations of the Public Accounts Committee to contain the excess expenditure to the barest minimum. In the opinion of the Committee, such gross negligence on the part of different Ministries particularly the Ministry of Finance, speaks volumes about the scant regard being shown by them towards prescribed financial discipline. Needless to say that excess expenditure is 'unauthorized expenditure' betraying lack of financial discipline, as this fact ought to be kept in mind by all concerned Ministries/Departments. In view of the persistent trend of incurring of excess expenditure going unchecked, the committee recommend that the Government should undertake a thorough study of the instances where expenditure had exceeded the budgetary allocations during the last five years in order to find out the precise reasons as to why the existing mechanism for control of expenditure has failed to effectively check the trend of excess expenditure. The Committee should be apprised of the outcome thereof.

[Sl. No. 1, Paragraph 52 of Appendix V of Thirty-first Report of PAC  
(Fourteenth Lok Sabha)]

#### **A. Action Taken by the Ministry of Finance (Department of Economic Affairs)**

Under Capital Section (Charged) of Appropriation No. 38-Repayment of Debt, Ministry of Finance, Department of Economic Affairs for 2004-05, the total provision was Rs. 342119.51 crore. This was augmented to Rs. 522485.23 crore by obtaining supplementary Grant of Rs. 180365.72 crore. Against this, the expenditure of Rs. 556268.78 crore was incurred, resulting in excess expenditure of Rs. 33783.55 crore. The excess expenditure was the net result of total excess of Rs. 105807.41 crore and total savings of Rs. 72023.86 crore under various sub-heads of the Appropriation. An Annex indicating total provision, actual expenditure *vis-a-vis* savings/excesses under the various sub-heads of the Appropriation is enclosed. It may be seen that the excess expenditure was due to higher repayment of 14 Days Intermediate Treasury Bills, opening of new separate minor head for accounting of transactions enhanced encasement, prepayment of loan and exchange rate fluctuation which was not anticipated at the time of estimation. Under 14 Days Intermediate Treasury Bills, the revised estimates and final requirement were taken as Rs. 266000.00 crore against BE 2004-2005 of Rs. 125000.00 crore. As such, out of balance amount of Rs. 141000.00 crore [*i.e.* Rs. 266000.00 crore. (-) Rs. 125000.00 crore], Rs. 57737.86 crore was re-appropriated from the minor heads under the Appropriation where savings were anticipated and Rs. 83262.14 crore was taken as supplementary. However, the actual expenditure under 14 Days Intermediate Treasury Bills was Rs. 308895.96 crore against final requirement of Rs. 266000.00 crore, as a result of which an excess expenditure of Rs. 42895.96 crore occurred under 14 Days Intermediate Treasury Bills alone. The excess expenditure under 14 days treasury bills was due to greater investment by State Governments due to higher availability of short-term surplus fund. The excess did not involve any cash outgo as it is netted against repayment of borrowings.

2. The estimates of 'Repayments of Debt' are framed on the basis of inputs furnished by RBI, the Debt Manager of the Government of India. It is expected that estimations are made as accurately as possible, given the nature of these items of charged expenditure where non-payment of claimant in the absence of budgetary provision would amount to sovereign default. With a view to ensure that expenditure are contained within the sanctioned estimates, RBI and CCA (Finance) have been advised from time to time to keep concurrent internal checks over discharge of payments and reconciliation of accounts to minimize/avoid under/over provisioning. However, based on past experience, more care will be taken in formulation of realistic estimates in order to minimise the variation.

3. It is difficult to estimate the expenditure in respect of repayment of 14 days intermediate treasury bills with reasonable degree of accuracy in view of the fact that it arise on account of investment in such treasury bills by State Governments of their short term cash surpluses. This is the main mandated facility for parking of surplus cash balances of State Governments and the Central Government has no option but to accept such investments through 14 days intermediate Treasury bill. In the event of persistence of surplus cash balances, the investments are rolled over but accounted for as expenditure and then reinvestment. In essence, these are cash management instruments of State Governments and expenditure on their repayment by Central Government are not expenditure in the normally understood parlance. Since these expenditures are matched by receipts, they do not involve any cash outgo.

4. As the cast surplus position of the State Governments are a recent trend, projections of expenditure on repayment of 14 days intermediate treasury bills based on previous year's trend have resulted in under estimation of expenditure.

5. Notwithstanding the above, it is admitted that there is a need to improve the quality and monitoring of expenditure pertaining to Repayment of Debt. RBI has been advised to set up a Working Group to undertake study of the instances and reasons for inaccuracies in estimation of expenditure pertaining to Repayment of Debt and Interest payments over last 5 years and make recommendations to improve the quality of the estimates and its better monitoring during the financial year. The working Group will comprise of officials from RBI, Budget Division and CCA (Finance). RBI has been requested to forward the report/recommendations of the working Group along with the action taken by the RBI on such report/recommendations, within three months' time.

6. This has been vetted by Audit *vide* its U.O. No No.RR-II/1-45/2006-07/2892 dated 6.3.2007.

Sd/-

(L.M. Vas)

Joint Secretary (Budget).

[Ministry of Finance, Department of Economic Affairs O.M. No.9(10)-W &M/  
2006 dated 19-3-2007]

### Grand No. 38—Repayment of Debt during 2004-2005

(Rs. in thousands)

	Original Provision	Supple- mentary	Total Provision	Actual Expenditure	Saving(-)	Excess(+)
1	2	3	4	5	6	
<b>Major Head 6001</b>						
00.101-Market Loans	343159700	0	343159700	293184576	49975124	
00.103.01-91 days Treasury Bills	875000000	0	875000000	314837600	56062400	
00.110-364 days Treasury Bills	261360000	0	261360000	261355300	4700	
00.112-10% Relief Bonds, 1993	5000	18700	23700	1642	22058	
00.114-Ways and Means Advances	550000000	150000000	700000000	620800000	79200000	
00.115-14 days Treasury Bills	1250000000	832621400	2082621400	3088959600		1006338200
00.117-Market table Securities issued in conversion of Special Securities	0	0	0	50000000	0	50000000
00.121-Special Central Government Securities issued against outstanding balances of small savings on 31-3-1999		326650000	326650000	326750000		100000
00.122-Special Central Government Securities issued against share of net small savings collection on 1-4-1999	4500000	0	4500000	0	4500000	

1	2	3	4	5	6
00.123-Special Securities issued to RBI for MOV account in respect of					
Resurgent India Bonds	20787200	0	20787200	20787231	31
00.126-Market Stabilisation Bills/Bonds (Face Value)					
01-91 Days Treasury bills	0	484550000	484550000	478933468	5616532
00.105.01-International Bank of Reconstruction and Development	1000000	0	1000000	994037	5963
00.105.02-International Monetary Fund	0	6482700	6482700	7880057	1397357
00.105.04-Asian Development Bank	20000	59300	79300	50000	29300
00.105.05-International Fund for Agril. Dev.	227500	0	227500	4127	223373
00.105.06-African Dev. Fund		33500	21700	55200	55178
00.105.07-African Dev. Bank		7700	100	7800	7384
00.105.08-Multilateral Investment Guarantee Agency	0	211700	211700	211745	45
00.106.05-Special Bearer Bonds	10000	0	10000	3122	6878
00.106.07-7 Years National Rural Dev. Bonds	2500	0	2500	825	1675
00.106.08-7% Capital Investment Bonds	5000	0	5000	470	4530
00.106.09-National Rural Dev. Bonds-2nd Issue	2500	0	2500	270	2230
00.106.14-Voluntary Disclosure of Income and Wealth 5 3/4% Bonds, 1985	10000	0	10000	242	9758
00.106.15-9% Relief Bonds, 1987	50000	136700	186700	4700	182000
00.106.18-9% Relief Bonds, 1993	75000	17900	92900	7424	85476
00.106.19-10% Relief Bonds, 1995	15200000	0	15200000	637752	14562248
00.106.21-12.08% GOI' Compensation (Project to Iraq) Bonds, 2001	0	1000	1000	700	300
00.106.23-9% Relief Bonds, 1999	31042800	0	31042800	26205022	4837778
00.106.26-11.40% GOI' Compensation (Project Exports to Iraq) Bonds, 2003		500	500	210	290
<b>Total—Major Head 6001</b>	<b>3352498400</b>	<b>1800771700</b>	<b>5153270100</b>	<b>5491672682</b>	<b>719433051 1057835633</b>
<b>Major Head 6002</b>					
00.203-Loans from Govt. of Belgium	0	1527598	1527596	1561747	34151
00.205-Loans from Govt. of Czech and Slovak	4271	0	42771	42771	0
00.207-Loans from European Economic Community (SAC)	62329	0	62329	61830	499
00.208-Loans from Govt. of France	2055827	166558	2222385	29642	
00.209-Loans from Govt. of Germany	5321256	0	5321256	5310904	10352



1		2	3	4	5	6
00.213-Loans from the International Dev. Association	25891595	652479	26544074	26187919	356155	
00.214-Loans from IFAD	341433	15758	357191	352872	4319	
00.216-Loans from the International Bank for Reconstruction and Development	5025038	0	5025038	4849389	175649	
00.217-Loans from Govt. of Japan	21645153	130642	21775795	21949304		173509
00.221-Loans from OPEC Special Fund		182090	182090	162542	19548	
00.223-Loans from Govt. of Switzerland & Swiss Banks	121886	29976	151862	153037		1175
00.226-Loans from the Agency for International Development, U.S.A	4084905	46175	4131080	4058665	72415	
00.227-Loans from USA under PL 480	953906	10174	964080	951963	12117	
00.228-Other Misc. Loans from Govt. of USA	127131	0	127131	125754	1377	
00.230-Loans from Govt. of Russian Federation	2209803	124052	2333855	2333856		1
00.250-Loans from ADB	813667	0	813667	660530	153137	
<b>Total— Major Head 6002</b>	<b>68696700</b>	<b>2885500</b>	<b>71582200</b>	<b>71015110</b>	<b>805568</b>	<b>238478</b>
<b>Total—Major Head 6001</b>	<b>3352498400</b>	<b>1800771700</b>	<b>5153270100</b>	<b>5491672682</b>	<b>719433051</b>	<b>1057835633</b>
<b>Total Appropriation</b>	<b>3421195100</b>	<b>1803657200</b>	<b>5224852300</b>	<b>5562687792</b>	<b>720238619</b>	<b>1058074111</b>
<b>Total Net Excess</b>						<b>337835492</b>

### B. Action Taken by the Ministry of Defence

This para relates to excess expenditure incurred by various Ministries/Departments of Union Government which *interalia* includes Rs. 41.99 crores under two Grants operated by the Ministry of Defence, viz. Rs. 40.00 crores under Defence Ordnance Factories and Rs. 1.99 crores under Defence Services—Research & Development. The excess expenditure under these two Grants has been discussed in detail in Para 56 of this Report.

The main thrust of the observation is regarding excess expenditure recorded under a Grant, which accounted for 93 per cent of the total excess expenditure incurred during 2004-05, operated by the Ministry of Finance. The Committee has also pointed out that the excess expenditure of the Union Government has not only been persistently occurring year after year but is also showing a steep increase in the recent years and the situation is going from bad to worse despite issue of the instructions by the Ministry of Finance to contain the excess expenditure to the barest minimum.

The Committee has, therefore, recommended that the Government should undertake a thorough study of such instances in order to find the precise reasons as to why the existing mechanism has failed to effectively check the trend of excess expenditure and apprise the outcome thereof. Hence the action in this regard is mainly to be taken by the Ministry of Finance.

(Amit Cowshish)  
Addl. FA(A) & JS



**C. Action Taken by the Ministry of Communications and Information Technology  
(Department of Posts)**

Sanctioned Grant, Actual expenditure, savings and excess expenditure for the last five years are detailed below:—

*(Rupees in crore)*

Year	3201-Working Expenses			5201-Capital outlay		
	Sanctioned Grant	Actual expenditure	Saving+ Excess-	Sanctioned Grant	Actual expenditure	Saving+ Excess-
2000-01-Voted	4998.70	4907.29	91.41	91.31	53.29	
Charged	0.25	0.96	-0.71	0.00	0.00	0.00
2001-02-Voted	5209.78	5194.60	15.18	71.42	57.93	
Charged	0.25	0.35	-0.10	0.00	0.00	0.00
2002-03-Voted	5488.24	5476.15	12.09	84.45	42.25	
Charged	0.56	0.55	0.01	0.00	0.00	0.00
2003-04-Voted	5804.79	5736.06	68.73	57.59	48.36	
Charged	0.22	0.18	0.04	0.00	0.00	0.0
2004-05-Voted	6036.59	5964.54	72.05	169.83	126.29	
Charged	0.23	0.28	-0.05*	0.00	0.00	0.00

\*Rs. 4,98,909/-

As may be seen above there is no excess expenditure during any of the preceding five years either in 3201-Working Expenses or 5201-Capital outlay. It is true there has been excess expenditure in Charged segment of working expenses amounting to Rs. 4,98,909/- only. This happens due to unforeseen circumstances such as court cases etc. coming out at the fag end of the financial year which requires to meet urgently.

Funds could not be obtained in this regard by the incurring circle inadvertently. However all out efforts are being made to evade recurrence of such incidence in future

**D. Action Taken by the Ministry of Railways (Railway Board)**

The above recommendation is general in nature and takes into account the excess expenditure incurred by various Central Ministries as a whole. The observation of the Committee is, nonetheless, noted. The specific comments on excess incurred by Railways are being given on the other recommendations dealing particularly with the excess incurred under the Grants/Appropriations operated by the Railways.

This has been seen and vetted by Audit *vide* their U.O.No.RA-III/2-1/2006 dated 28-02-2007.

Sd/-  
(Sowmya Raghavan)  
Adviser (Finance)  
(Railway Board).

(Ministry of Railways O.M. No. 2006-BC-PAC/XIV/31 dated 03-2007)

### **Observation/Recommendation**

Another disquieting aspect observed by the Committee is that out of 21 cases, the excess expenditure in 18 cases of excess registering Grants/Appropriations had occurred despite obtaining supplementary provisions of Rs. 184385.14 crore, thereby revealing not only the failure of the Ministries/Departments to assess requirement of additional funds but also the inadequacies in the Institutional arrangements in the Ministries/Departments in monitoring the flow and trend of expenditure under various Grants/Appropriations. The Committee have repeatedly cautioned the Ministries, in the past, against incurring expenditure not authorised by Parliament. As the trend of incurring excess expenditure despite obtaining supplementary grants continues, the Committee are inclined to conclude estimation of requisite funds at the supplementary grants stage is not properly made. It is, therefore, essential that the Ministries/Departments should keep close watch over the trend of expenditure and when any need for additional funds arises they should assess realistically their requirement of funds in advance and approach Parliament by presenting Supplementary Demands for Grants in time. It is not expected of any Ministry/Department to cross their financial limits after obtaining Supplementary Grants as has happened in many cases. The Committee also recommend that the Ministries should evolve an effective mechanism through which the progress of expenditure is strictly monitored and timely action taken to ensure that expenditure does not overshoot the limit authorised by Parliament.

[Sl. No. 2, Paragraph 53 of Appendix V of Thirty-first Report of PAC  
(Fourteenth Lok Sabha)]

#### **A. Action Taken by the Ministry of Finance (Department of Economic Affairs)**

1. Out of the 18 cases of excess that had occurred in the year 2004-05, there was excess in one Demand being administered by Ministry of Finance *i.e.* 38-Repayment of Debt, where there was an excess of Rs. 33783.55 crore. The reasons for excess in this Demand despite obtaining Supplementary has already been indicated in the Action Taken Notes for Para 54 of the Thirty-first Report of the Public Accounts Committee (Fourteenth Lok Sabha).

2. A review has been done in this Ministry to strengthen the institutional arrangements, so that the progress of expenditure is strictly monitored and timely action is taken to ensure that expenditure does not overshoot the limit authorised by Parliament. All the Ministries/Departments have been instructed (Annex-A) to consider taking the following immediate remedial measures with a view to minimize/eliminate the incidence of such irregularities in the judicious management of budgetary provisions and to ensure that expenditure is within the original/supplementary appropriation or valid reappropriation as the case may be:

- (a) Prepare and circulate Monthly Financial Review Analysis to the Administrative Heads for monitoring the progress of expenditure, and also to enable them to take remedial action wherever required;
- (b) convene regular internal meetings with all spending units for effecting expenditure control;

- (c) ensure realistic projection of Budget Estimates/Supplementary Estimates and also ensure that expenditure incurred is within the Budget as envisaged in General financial Rules, 2005 so that that there is no occasion for incurring excess expenditure; and
- (d) put in place/review/strengthen, systems for monthly monitoring of the flow/trends of expenditure so as to avoid recurrence of excess expenditure.

3. The above instructions will be followed up with all the Ministries/Departments during the preparation of Budget and Supplementary Budget and is expected to achieve the desired result of minimizing incidence of excess expenditures, if not eliminating them.

4. This has been vetted by Audit vide its U.O. No.RR-II/1-20/2007-08/1803 dated 15th October 2007

Sd/-

(L.M. Vas)  
Joint Secretary (Budget).

[Ministry of Finance Department of Economic Affairs O.M.No. 4(22)-B(SD)/2006  
dated 18th October, 2007]

Annexure-A  
PAC MATTER/MOST IMMEDIATE

F.4(22)-B(SD)/2006  
Ministry of Finance  
Department of Economic Affairs  
Budget Division

North Block, New Delhi, Dated 25th September, 2007

**OFFICE MEMORANDUM**

**Subject:** *Incidence of Excess Expenditure despite obtaining Supplementary Grants/Appropriations—Regarding*

Public Accounts Committee in para 53-of their Thirty first Report (Fourteenth Lok Sabha) on Excess over voted Grants and charged appropriation (2004-05) have made the following observations in respect of cases where excess expenditure was incurred in certain Grants/appropriations for 2004-2005.

- Out of 21 cases, the excess expenditure in 18 cases of excess had occurred despite obtaining Supplementary Grants/Appropriations, thereby revealing not only the failure of the Ministries/Departments to assess requirement of additional funds but also the inadequacies in the institutional arrangements in the Ministries/Departments in monitoring the flow and trend of expenditure under various Grants/Appropriations;
- PAC has in the past repeatedly cautioned the Ministries, against incurring expenditure not authorized by Parliament;
- Estimation of requisite funds at the supplementary grant stage is not properly made;
- Ministries/Departments should keep close watch over the trend of expenditure and should assess realistically their requirement of funds in advance and approach Parliament by presenting Supplementary Demands in time;
- Ministries/Departments are not expected to cross their financial limits after obtaining Supplementary Demands for Grants;
- Ministries should evolve an effective mechanism through which the progress of expenditure is strictly monitored and timely action taken to ensure that expenditure does not overshoot the limit authorized by Parliament.

2. The details of the excess expenditure incurred in 18 cases, as reported by PAC in their report, where Supplementary Grants/Appropriations were obtained are as follows:—

Sectors	No. of Grants/Appropriations	Amount of Excesses
Civil	3	21-Ministry of Defence (Rs. 0.71 crore) 38-Repayment of Debt (33783.55 crore) and 100-Department of Urban Development (Rs. 0.26 crore)
Postal Services	1	14-Postal Services (Rs. 0.55 crore)
Defence Services	2	26-Defence ordinance Factories (Rs. 40.00 crore) and 27-Defence Services-Research and Development (Rs. 1.99 crore)
Railways	12	Rs. 1966.606 crore

3. Attention is invited to instructions issued from time to time concerning strict compliance of the norms and guidelines for the proper control and monitoring of expenditure by concerned Ministries/Departments so as to avoid expenditure in excess over appropriations authorized by the Parliament, and other irregularities in respect of reappropriation of funds etc. O.M. Nos. 12(2)/E. Coord/2005 dated 23 March, 2006, 12(2)/E. Coord/2005 dated 17 November, 2005, D.O. letter No. 12(1)/E. Coord/99 dated 17 February 2002, O.M. No. 12(1)/E. Coord/2002 dated 27 September, 2002, 12(3)/IE. Coord/2000 dated August 13, 2001, and G2502 8/CGA-AAIExcess/2000-01/629 dated September 5, 2001, D.O. letter No. 12(1)/E. Coord/99 dated February 17, 2000 refers.

4. It may also be recalled that General Financial Rules, 2005 (GFR) contains guidelines in the form of rules for 'Control of Expenditure against Budget'. Rule 58(1) of GFR stipulates that the subordinate authority should obtain additional allotment before incurring the excess expenditure. It is the ultimate responsibility of the authority administering a grant/appropriation to control the expenditure and the responsibility of the Financial Advisers to evolve a sound Expenditure Management mechanism within the Ministry/Department concerned to ensure proper control of expenditure. Extant orders provide for a system of monthly review of the progress of expenditure by controlling officers in respect of a grant to properly assess the extent of likely savings/excess anticipated under each object head based on the monthly statement of expenditure furnished to them by the accounting authority.

5. Keeping in view the observations and recommendations of the Public Accounts Committee as reproduced in para 53 of their Thirty First Report (Fourteenth Lok Sabha) on Excess over Voted Grants and charged Appropriations (2004-2005) there is a felt need for all concerned Ministries/Departments to review the systems set up for monitoring the monthly flow of expenditure and to further strengthen such monitoring so as to avoid the recurring incidence of excess expenditure over appropriations authorized by Parliament.

6. In this regard Financial Advisers are requested to consider taking the following immediate remedial measures with a view to minimize/eliminate the incidence of such

irregularities in the judicious management of budgetary provisions and to ensure that expenditure is within the original/supplementary appropriation or valid reappropriation as the case may be:—

- (a) Prepare and circulate Monthly Financial Review Analysis to the Administrative Heads for monitoring the progress of expenditure, and also to enable them to take remedial action wherever required;
- (b) Convene regular internal meetings with all spending units for effecting expenditure control;
- (c) Ensure realistic projection of Budget Estimates/Supplementary Estimates and also ensure that expenditure incurred is within the Budget as envisaged in GFR so that there is no occasion for incurring excess expenditure;
- (d) Put in place/review/strengthen, system for monthly monitoring of the flow/trends of expenditure so as to avoid recurrence of excess expenditure.

7. Receipt of this letter may kindly be acknowledged.

8. This issues with the approval of Secretary (Expenditure).

Sd/-

(L.M. Vas),  
Joint Secretary (Budget).

1. Secretary (Finance), Ministry of Defence, Financial Commissioner (Railways), Railway Board.
2. All Financial Advisers, Ministries/Departments.
3. JS(Pers), Department of Expenditure.

#### **B. Action Taken by the Ministry of Defence**

The Committee in the above observation has mentioned that during the year 2004-2005, the excess expenditure occurred in 18 cases under various Ministries/Departments of the Government of India despite obtaining supplementary provisions. Though there were excess expenditure under two Grants pertaining to Defence Services, in both the cases, no supplementary grant was taken.

In this connection, it may also be mentioned that there is a well established system to monitor and control the Defence expenditure. The requirement of funds for various categories of expenditure of Defence Services is assessed at all levels and various stages during the course of the financial year as per laid down instructions. The Supplementary Grants are resorted to only in exceptional cases and it is restricted only to genuine and unforeseen expenditure to meet the post budget developments which could not be envisaged at the time of preparation of annual budget.

Sd/-

(Amit Cowshish),  
Addl FA(A) & JS.

**C. Action Taken by the Ministry of Communications and Information Technology  
(Department of Posts)**

During the year 2004-05 there was a saving of Rs. 768828 thousands under the Voted grants of 320—Working Expenses, but there was an excess expenditure of Rs.499 thousands against the sanctioned charged Appropriations of Rs. 2300 thousands (Original Rs. 200 thousands+supplementary Rs. 2100 thousands) as may be seen below :—

Particulars	(Rupees in thousands)	
	3201-Revenue Voted	Expenditure Charged
Original Grant	60303500	200
Supplementary Grant	107900	2100
Total	60411400	2300
Actual expenditure	59642572	2799
Variation	-768828	499
Funds surrendered to MoF	179173	900
Final Grant	60232227	1400
Variation after surrender	-589655	1399

The excess expenditure incurred under the sub-head "3201-02-103-04 Departmental Mail Motor Service" to avoid contempt of court but funds could not be obtained by the erring circle inadvertently. Also the circle concerned could not project the requirement inadvertently either at RE stage or FG stage. However proposal for regularisation of the excess expenditure incurred amounting to Rs. 4,98,909/- (Rs. 4.99 lakh) has been sent to Ministry of Finance, Department of Economic Affairs, New Delhi *vide* D.O. No. 20-5/05-BGT (PA)/4072 dated 27-10-2006.

**D. Action Taken by the Ministry of Railways (Railway Board)**

The above recommendation is general in nature and takes into account the excess expenditure incurred by various Central Ministries as a whole. The observation of the Committee is, nonetheless, noted. The specific comments on excess incurred by Railways are being given on the other recommendations dealing particularly with the excess incurred under the Grants/Appropriations operated by the Railways.

This has been seen and vetted by Audit *vide* their U.O.No. RA-III/2-1/2006 dated 28-02-2007.

Sd/-

(Sowmya Raghavan),  
Adviser (Finance),  
(Railway Board).

(Ministry of Railways O.M. No. 2006-BC-PAC/XIV/31 dated 03-2007)

### **Observation/Recommendation**

The Committee find that from their scrutiny of select cases of excess registering grants/Appropriations that under Appropriation No. 38—Repayment of Debt, the Ministry of Finance had incurred an expenditure of Rs. 33783.55 crore over and above the total sanctioned provision of Rs. 522485.23 crore which included supplementary provisions of Rs. 180365.72 crore obtained in December, 2004 and March, 2005. The excess expenditure under this appropriation is the net effect of total excess of Rs. 105807.41 crore and total savings of Rs. 72023.86 crore under various sub-heads of this appropriation. The Committee note that but for the savings under various sub-heads, the overall excess expenditure under this appropriation would have been much more as an excess of Rs. 100633.82 crore alone had occurred under the sub-head "14 days Treasury Bills" due to more than anticipated higher investments in 14 Days Treasury Bills by State governments. In their explanatory note to the Committee, the Ministry of Finance have stated that supplementary provision for lower amount was sought under the aforesaid item in view of expected savings under repayment of "Ways and Means Advances" and "91 Days Treasury Bills". The Committee do not agree with the justification furnished by the Ministry because the excess expenditure of such large magnitude had occurred inspite of a huge amount of Supplementary Grants having been obtained on two occasions in this case. Significantly, the Ministry of Finance had been persistently making appropriations in excess of the budgeted figures under this appropriation for the past two years with the same contributory reasons. Clearly, the Ministry of Finance have not drawn any lessons from their past experience and have once again failed to exercise adequate care in assessing their actual requirement of funds even while obtaining Supplementary Grants on two occasions. The Committee view this situation with grave concern and express their unhappiness over the lackadaisical attitude displayed by the Ministry of Finance while obtaining supplementary appropriations during the year 2004-05. The Committee consider it absolutely necessary that supplementary provisions should be obtained with more precision and the Ministry of Finance, being the nodal Ministry, should not be allowed to make indiscriminate use of this mechanism. They should frame their Budget estimates more accurately and should resort to Supplementary Demands on a single occasion only, after a close scrutiny to ensure that they are realistic and meaningful. The Committee believe that better coordination with Reserve Bank of India is also called for in this regard.

While expressing their displeasure over the manner in which this particular appropriation was handled by the Ministry of Finance, the Committee in Para 71 of their 21st Report (13th Lok Sabha) had felt that major portion of this excess expenditure could and should have been sanctioned by the Ministry and provisions thereof provided in the revised estimates, if not done earlier, and had hoped that there would not be any recurrence of excess expenditure of such huge amounts under this appropriation. While taking a serious view of the continuing excess expenditure under this head due to unrealistic budgetary projections, the Committee now would



like the Ministry of Finance to critically examine and analyse the reasons for the recurring phenomenon of excess expenditure of this nature and take corrective measures so that violations of budgetary ceilings of this nature are avoided in future.

[Sl. No. 3, Paragraph 54 of Appendix V of Thirty-first Report of PAC  
(Fourteenth Lok Sabha)]

### **Action Taken by the Ministry of Finance**

#### **(Department of Economic Affairs)**

The original provision (*i.e.* BE 2004-5) under Appropriation No. 38—Repayment of Debt was Rs. 342119.51 crore. The excess expenditure was mainly under 14 Days Intermediate Treasury Bills. RBI had furnished estimates for RE (2004-05) in respect of Treasury Bills and Ways and Means Advances (WMA) etc. vide their letter-dated 15.1.2005. Subsequently estimates for Final Requirement (FR) in respect of Treasury Bills & WMA etc. were received from RBI vide their letter-dated 18.2.2005. After taking into account the Revised Estimates and Final Requirement, the original provision of Rs. 342119.51 crore was augmented to Rs. 522485.23 crore by obtaining supplementary Grant of Rs. 180365.72 crore. On the basis of above estimates for final requirement, the saving of Rs. 7987.39 crore (*i.e.* Rs. 7928.36 crore under Internal Debt and Rs. 59.03 crore under External Debt) was surrendered at the time of finalization of Final Requirement for 2004-05 (Copy enclosed). However, against total appropriation of Rs. 522485.23 crore, the actual expenditure was Rs. 556268.78 crore, which resulted into an excess expenditure of Rs. 33783.55 crore. This excess expenditure was the net result of total excess of Rs. 105807.41 crore and total savings of Rs. 72023.86 crore under various sub-heads of the Appropriation. Under 14 Days Intermediate Treasury Bills, the revised estimates and final requirement were taken as Rs. 266000.00 crore against BE 2004-2005 of Rs. 125000.00 crore. As such, out of balance amount of Rs. 141000.00 crore [*i.e.* Rs. 266000.00 crore(-) Rs. 125000.00 crore], Rs. 57737.86 crore was re-appropriated from the minor head and Rs. 83262.14 crore was taken as supplementary. However, the actual expenditure under 14 Days Intermediate Treasury Bills was Rs. 308895.96 crore against final requirement of Rs. 266000.00 crore, resulting in an excess expenditure of Rs. 42895.96 crore under 14 Days Treasury Bills alone. The excess expenditure under 14 Days Treasury Bills was on account of greater investment by State Governments due to higher availability of short-term surplus fund. The excess did not involve any cash outgo as it is netted against repayment of borrowings.

2. The estimates of 'Repayment of Debt' are framed on the basis of inputs furnished by RBI, the Debt Manager of the Government of India. It is expected that estimations are made as accurately as possible, given the nature of these items of charged expenditure where non-payment of claimant in the absence of budgetary provision would amount to sovereign default. With a view to ensure that expenditure is contained within the sanctioned estimates, RBI and CCA (Finance) have been advised from time to time to comply with the observation of Audit so that the variations may be kept at the minimum given the fact that these estimates are difficult to assess accurately, and past experience is to be relied on in their formulation.

3. It is difficult to estimate the expenditure in respect of repayment of 14 Days Intermediate Treasury Bills with a reasonable degree of accuracy in view of the fact that it arises on account of investments in such treasury bills by State Governments of their short term cash surpluses. This is the main mandated facility for parking of surplus cash balances of State Governments and the Central Government has no option but to accept such investments through issue of 14 Days Intermediate Treasury Bill. In the vent of persistent of surplus cash balances, the investments are rolled over but accounted for as expenditure and then reinvestment. In essence, these are cash management instruments of State Governments and expenditure on their repayment by Central Government are not expenditure in the normally understood parlance. Since these expenditures are matched by receipts, they do not involve any cash outgo.

4. As the cash surplus position of the State Governments are a recent trend, projections of expenditure on repayment of 14 Days Intermediate Treasury Bills based on previous year's trend have resulted in under estimation of expenditure.

5. Notwithstanding the above, it is admitted that there is a need to improve the quality and monitoring of expenditure pertaining to Repayment of Debt. RBI has been advised to set up a Working Group to undertake study of the instances and reasons for inaccuracies in estimation of expenditure pertaining to Repayment of Debt and Interest payments over last 5 years and make recommendations to improve the quality of the estimates and its better monitoring during the financial year. The working Group will comprise of officials from RBI, Budget Division and CCA (Finance). RBI has been requested to forward the report/recommendations of the working Group along with the action taken by the RBI on such report/recommendations, within three months' time.

6. This has been vetted by Audit *vide* its U.O. No. RR-II/1-45/2006-07/2892 dated 6.3.2007.

Sd/-

(L.M. Vas),  
Joint Secretary (Budget).

[Ministry of Finance, Department of Economic Affairs O.M. No. 9(10)-W&M/2006  
dated 19.3.2007]

भारतीय रिज़र्व बैंक	Reserve Bank of India
सरकारी और बैंक	Department of Government
लेखा विभाग	& Bank Accounts
केन्द्रीय कार्यालय	Central Office
चौथी मंजिल, भायखला ऑफिस	4th floor, Byculla Office
बिल्डिंग	Building
मुंबई सेंट्रल स्टेशन के सामने	Opp. Mumbai Central
भायखला, मुंबई-400 008	Station
टेलिफोन: 2308 4121	Byculla, Mumbai- 400 008
फैक्स: 2300 0370, 2301 0095	Telephone: 2308 4121
	Fax: 2300 0370, 2301 0095
	e-mail address: psen @ rbi.org. in

No. CO.DT. 12.07.008/H-6344/2004-05

January 15, 2005

*Speed Post*

Shri V. S. Chauhan  
Dy. Secretary (Budget)  
Government of India  
Ministry of Finance  
Department of Economic Affairs  
(Budget Division)  
New Delhi

Dear Sir,

Estimates of Discharges/Discounts & Interest on Treasury Bills and WMA of Central Government—Revised Estimates, 2004-05 and Budget Estimates, 2005-06.

Please refer your letter F.No. 7 (19) - W&M /2004 dated December 15, 2004 addressed to our Chief General Manager-on-Charge, Shri Prabal Sen on the captioned subject.

2. In this connection, we forward herewith the information called for therein. The information has been collected from internal Debt Management Department (IDMD) and Kolkata Office and consolidated position is furnished in the enclosed sheets.

3. The methodology for working out the RE/BE is enclosed.

Yours faithfully,

Sd/-

(P. Loganathan),

Encls: as above.

Assistant General Manager.

**Revised Estimates 2004-05 and Budget Estimates 2005-06:****Table -1: Consolidated Summary Position of Discharge/Repayments**

Sl. No.	Item	2004-05 BE	2004-05 RE	2005-06 BE
1.	91 days Auction T-Bills	29,000	31,500	33,000
2.	364 days Auction T-Bills	26,136	26,136	26,045
3.	14 days Intermediate T-Bills	1,25,000	2,66,000*	2,66,000*
4.	Ways and Means-advances	55,000	70,000	70,000
	Total	2,35,136	3,93,636	3,95,045
	*IDMD RE/BE	=2,55,000		
	KOLKATA RE/BE	= 11,000		
	Total	=2,66,000		

भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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IDMD 3503/10.01.11/2004-05

February 18, 2005

Shri V.S. Chauhan  
Deputy Secretary (Budget)  
Government of India  
Ministry of Finance  
Department of Economic Affairs (Budget Division)  
North Block  
New Delhi-110 001

Dear Sir,

**Estimates of Discharges and Discount/Interest on Treasury Bills (normal and MSS) and Ways and Means Advances (WWA) of Central Government-Final Requirement 2004-05**

Please refer to your letter D.O. No. 7(2) W&M/2005 dated February 16, 2005 on the Captioned subject.

As desired, the estimates have been revised taking into account the actual data for the period April 2004-January 2005 while projections are made for the period February-March 2005. The estimates are enclosed at Table 1-4.

Yours faithfully

Sd/-

(A.K. Mitra),

Assistant Adviser.

आंतरिक ऋण प्रबंध विभाग, केन्द्रीय कार्यालय, 16वीं मंज़िल, शहीद भगतसिंह मार्ग, मुंबई- 400 001.

फोन: (022) 2266 1602-04 फैक्स: (022) 2264 4158/2265 9610 ई-मेल: idmcell@vsnl.com

Internal Debt management Department, Central Office, 16th Floor, Shahid Bhagat Singh Marg, Mumbai - 400 001.

Tel: (022) 2266 1602-04 Fax: (022) 2264 4158/2265 9610 E-mail: idmcell@vsnl.com

**Final Requirement for 2004-05**

**Table 1: Summary Position of Discharge/Repayments**

Sl. No.	Item	2004-05 BE	2004-05 RE	2004-05 FR
1.	91 days Auction T-Bills	29,000	31,500	31,484
2.	364 days Auction T-Bills	26,136	26,136	26,136
3.	14 days Intermediate T-Bills	1,25,000	2,66,000	2,84,000
4.	Ways and Means-advances	55,000	70,000	62,081
	Total	2,35,136	3,93,636	4,03,701

**No. F. 7(2)-W&M/2005**  
**Government of India**  
**Ministry of Finance**  
**Department of Economic Affairs**  
**Budget Division**  
**(W&M Section)**

New Delhi, 31st March, 2005

**Subject:** *Regularisation of Funds under Appropriation No. 38—Repayment of Debt for the year 2004-05.*

Sanction of the President is hereby conveyed to the following re-appropriation of funds under the various sub-heads sanctioned below in the Appropriation "Repayment of Debt" for the year 2004-05.

(In Thousands of Rupees)

APPROPRIATION NO. 38—REPAYMENT OF DEBT  
REAPPROPRIATION FROM TO

**Capital Section:**

**M.H. 6001 Internal Debt of the Central Government:**

**(Major Head)**

0.101	Market Loans		
00.00.56	Repayment of borrowings	50000000	
0.117	Marketable Securities issued in conversion of Special Securities		
00.00.56	Repayment of borrowings		50000000
0.103	Treasury bills and Connected securities issued to R.B.I. (Minor Head)		
1	91 Days Treasury bills		
01.00.56	Repayment of borrowings	560155064	
0.114	Ways & Means Advances		
00.00.56	Repayment of borrowings	17290000	
0.115	14 Days Treasury Bills	—	
00.00.56	Repayment of borrowings	—	577378600
0.105	Securities issued to International Financial Institutions (Minor Head)		
2	International Monetary Fund		
02.00.56	Repayment of borrowings		66419
	8 MIG A		
08.00.56	Repayment of borrowings	—	45
	<b>Total Major head "6001"</b>	<b>627445064</b>	<b>627445064</b>

<b>6002</b>	<b>External Debt (Major Head)</b>		
0.213	Loans from International Development Association		
00.00.56	Repayment of Borrowings	228490	
0.203	Loans from the Government of Belgium (Minor Head)		
00.00.56	Repayment of Borrowings		34151
0.208	Loans from the Government of France (Minor Head)		30087
00.00.56	Repayment of Borrowings		163077
0.223	Loans from the Government of Switzerland and Swiss Banks (Minor Head)		
00.00.56	Repayment of Borrowings		1175
	<b>Total Major Head "6002"</b>	<b>228490</b>	<b>228490</b>
	<b>Grand Total</b>	<b>627673554</b>	<b>627673554</b>

2. The re-appropriations are necessitated by the requirements as finally assessed now. The reasons for variations between the sanctioned provisions and the final appropriation will be intimated separately.

3. Secretary (Expenditure)'s approval has been obtained wherever required.

4. Sanction of the President is conveyed to the **surrender** of the following amounts under the afore-mentioned appropriation.

*(In thousands of rupees)*

	<b>6001 Internal Debt of the Central Government</b>		
0.103	Treasury Bills and Connected Securities issued to R.B.I. (Minor Head)		
1	91 Days Treasury Bills		
01.00.56	Repayment of borrowings		4936
0.114	Ways & Means Advances		
00.00.56	Repayment of borrowings		61900000
0.105	Securities issued to International Financial Institutions (Minor Head)		
5	International Fund for Agricultural Development		
05.00.56	Repayment of borrowings		223373
0.106	Compensation and Other Bonds (Minor Head)		

14	Voluntary Disclosure of Income and Wealth 5-3/4% Bonds 1985	
14.00.56	Repayment of Borrowings	5000
19	10% Relief Bonds, 1995	
19.00.56	Repayment of Borrowings	14420700
23	9% Relief Bonds, 1999	
23.00.56	Repayment of Borrowings	2729600
	<b>Total—Major Head "6001"</b>	<b>79283609</b>
<b>6002</b>	<b>External Debt (Major Head)</b>	
0.209	Loans from the Govt. of Germany (Minor Head)	
00.00.56	Repayment of Borrowings	10352
0.227	Loans from the Government of U.S.A. under PL-480 Convertible Local Currency Credits (Minor Head)	
00.00.56	Repayment of Borrowings	12117
0.226	Loans from the agency for International Development, U.S.A. (Minor Head)	
00.00.56	Repayment of Borrowings	72155
0.228	Other Misc. loans from the Government of USA (Minor Head)	
00.00.56	Repayment of Borrowings	1377
0.216	Loans from the International Bank for Reconstruction and Development (Minor Head)	
00.00.56	Repayment of Borrowings	173374
0.213	Loans from the International Development Association (Minor Head)	
00.00.56	Repayment of Borrowings	143469
0.221	Loans from OPEC Special Fund (Minor Head)	
00.00.56	Repayment of Borrowings	19548
0.214	Loans from IFAD (Minor Head)	
00.00.56	Repayment of Borrowings	4319
0.207	Loans from EEC (SAC) (Minor Head)	
00.00.56	Repayment of Borrowings	499
0.250	Loans from ADB (Minor Head)	



00.00.56	Repayment of Borrowings	153137
	<b>Total—Major Head "6002"</b>	<b>590347</b>
	<b>Grand Total</b>	<b>79873956</b>

Sd/-  
(M. Subramanian)  
Deputy Director (Budget)  
Tel: 23093569

To

The Chief Controller of Accounts (Finance)  
M/o Finance, North Block Room No. 240 B, New Delhi.

Copy forwarded to:

1. Aid Accounts & Audit Division (Shri S.K. Singhal, SAO).
2. Shri J.S. Bhatia, Under Secretary (FB 1)- in r/o IMF
3. Shri Arun Kumar, DD (FB II), IFAD
4. Ms. Anirudh Tewari, Director (FB II) IBRD, IDA
5. ADB Cell (Shri K.S. Palachandran, US) ADB
6. FT Division (Shri L.K. Prasad, DS FT)- AFDB
7. NS II Section, Shri P.C. Singh, Under Secretary (Budget) NSSF
8. Director of Audit, Central Revenues, DACR Building, New Delhi-110002.
9. Contoller General of Accounts, Lok Nayak Bhawan, Khan Market,  
New Delhi-3.
10. IFA (DEA)

Sd/-  
(M. Subramanian)  
Deputy Director (Budget).

### Observation/Recommendation

From the scrutiny of Appropriation Accounts (Civil) for the years 2001-2002 to 2004-2005, the Committee observe that for the past four years, the Ministry of Finance repeatedly incurred excess expenditure under various Grants/Appropriations operated by them such as No. 25-payments to Financial Institutions and No. 26- Interest Payments during the year 2001-2002, No. 29- Interest Payments and No. 30- Transfer to State and Union Territory Governments during 2002-2003, No. 37-Repayments of Debt and 39-Pensions during the year 2003-2004 and No. 38-Repayment of Debt During 2004-05. Further, excess expenditure under Appropriation No. 38-Repayment of Debt was more than Rs. 30,000 during the years 2003-2004 and 2004-2005. The Committee are constrained to record their displeasure over the persistent tendency on the part of the Ministry of Finance to exceed their budgetary ceilings year after year. Such a casual approach by the Ministry of Finance, which is supposed to be a model for other

Ministries/Department to emulate in the matter of framing not only the original budget estimates but also revised budget estimates could have been avoided.

In this regard, the Ministry of Finance have stated to have drawn the attention of RBI through a letter dated 26th July, 2005, about the adverse comments made by C&AG in respect of persistent excess expenditure under Appropriation No. 29-Interest payment and Appropriation No. 32-Repayment of debt. Also, the need for providing accurate inputs for the Ministry by RBI has been emphasized to ensure that the expenditure is contained within the sanctioned estimates. The Committee are inclined to conclude that the RBI has not been able to adhere to the stipulated schedule/calendar with regard to management of internal debt during the year in question *i.e.* 2004-05 as in the previous years. At the same time, the role of Ministry of Finance itself, in advising RBI about its own requirements and decisions to retire public debt, may have vitiated the calendar of RBI. Therefore, the Ministry of Finance ought to go beyond issuing routine communications and should instead seek a factual Report from RBI for the precise reasons in respect of inaccurate inputs/estimations furnished by them to the Ministry for repayments/redemptions of internal debt and interest payments and the corrective measures being taken/to be taken by the RBI. The Ministry of Finance may impress upon RBI to have concurrent internal checks over discharge of internal debt/interest payments and proper reconciliation of accounts with CCA (Finance) to minimize/avoid under/over provisioning of funds.

[Sl.No. 4, Paragraph 55 of Appendix V of Thirty-First Report of PAC (Fourteenth Lok Sabha)]

**Action Taken by the Ministry of Finance  
(Department of Economic Affairs)**

Against the final appropriation of Rs. 522485.23 crore the actual expenditure was Rs. 556268.78 crore resulting in an excess expenditure of Rs. 33783.55 crore. This excess expenditure was the net result of total excess of Rs. 105807.41 crore and total savings of Rs. 72023.86 crore under various sub-heads of the Appropriation. The excess expenditure was mainly under 14 days Intermediate Treasury Bills. Under 14 Days Intermediate Treasury Bills, the revised estimates and final requirement were taken as Rs. 266000.00 crore against BE2004-2005 of Rs. 125000.00 crore. As such, out of balance amount of Rs. 141000.00 crore [*i.e.* Rs. 266000.00 crore (-) Rs. 125000.00 crore], Rs. 57737.86 crore was re-appropriated from the minor head and Rs. 83262.14 crore was taken as supplementary. However, the actual expenditure under 14 days Intermediate Treasury Bills was Rs. 308895.96 crore against final requirement of Rs. 266000.00 crore, as a result of which an excess expenditure of Rs. 42895.96 crore occurred under 14 Days Treasury Bills alone. The excess expenditure under 14 Days Treasury Bills was due to greater investment by State Governments due to higher availability of short-term surplus fund. The excess did not involve any cash outgo as it is netted against repayment of borrowings.

2. The estimation in respect of Repayment of Debt expenditure and large components of Interest payment is prepared on the basis of inputs furnished by RBI, the debt manager to the Central Government. Government has been impressing upon RBI at

different times and various levels to take such necessary steps as may be required to improve the quality of these estimates. However, the progress in this regard has not been satisfactory, RBI has been advised to set up a Working Group to undertake study of the instances and reasons for inaccuracies in estimation of expenditure pertaining to Repayment of Debt and Interest payment overlast 5 years and make recommendations to improve the quality of the estimates and its better monitoring during the financial year. The working Group will comprise of officials from RBI, Budget Division and CCA (Finance). RBI has been requested to forward the report/recommendations of the working Group along with the action taken by the RBI on such report/recommendations, within three month's time.

3. It may, however, be mentioned that as far as Repayment of Debt is concerned, there may be merit in treating the expenditure pertaining to repayment of short term debt instruments and cash management instruments like Ways and Means Advances and 14 Days Intermediate Treasury Bill on a different footing. These expenditures are not expenditure as understood in common parlance but accounting arrangements linked directly to cash balances of Central and State Governments. It is expected that the Working Group would take into account this distinction while making its recommendations.

4. This has been vetted by Audit *vide* its U.O. No. RR-II/1-45/2006-07/2892 dated 6.3.2007.

Sd/-  
(L. M. Vas )  
Joint Secretary (Budget).

[Ministry of Finance, Department of Economic Affairs O. M. No. 9(10)-W&M/2006  
dated 19-3-2007]

### **Observation/Recommendation**

The Ministry of Defence incurred an overall excess expenditure to the tune of Rs. 41.99 crore under two Grants namely No. 26- Defence Ordnance Factories and 27-Defence Services-Research Developments. Against the sanctioned provision of Rs. 1018.99 crore under Grant No.26-Defence Ordnance Factories the Ministry of Defence incurred expenditure of Rs. 1058.99 crores resulting in an excess of Rs. 40.00 crore. The excess of Rs. 40.00 crore was the net effect of total excess of Rs. 67.07 crore and total saving of Rs. 27.07 crore under various sub-heads of the Grant. The Ministry in their explanatory note have stated that the excess has occurred mainly under the Minor Head-105 ( Rs. 2.28 crore) due to higher booking on movement of stores by sea for T-90 tanks than anticipated, under minor-head-106 (Rs. 1.67 crore) the excess was due to more withdrawal from Renewal and Replacement Fund and under minor-head 901-904 "Deduct Recoveries" (Rs. 62.97 crore), it was due to shortfall in issues of various items by Ordnance Factories. In the opinion of the Committee, these reasons for excess expenditure clearly indicate lack of proper and timely review of anticipated expenditure and failure to provide for requirement of funds contributing to the excess under this Grant. It is further observed that excess expenditure of Rs. 37.50 crore was incurred during the year 2003-04 as well under this grant in the same Minor-heads with the same contributory reasons. The Ministry as usual have explained that the Services Head

Quarters were requested to ensure the progress of expenditure to the tune of 67% of the budget allocation by December as directed by the Finance Minister in the meeting with Financial Advisers and further, the Inter Department Monitoring Groups were also requested by the Ministry to hold regular meetings on a fortnightly basis during December, 2005 and January 2006 and on weekly basis in February and March 2006 so as to prevent occurrence of savings/excess under various heads. Considering the reply of the Ministry of Defence as rather routine and due to the persistence of the problem, the Committee desire to be apprised of the follow-up action initiated after these meetings and the concrete measures taken by the Ministry to tighten their financial control over budgeted expenditure. The Committee need hardly emphasise that it is the Ministry's primary responsibility to oversee and monitor the flow of expenditure involving all the offices/units under them, particularly in the "excess-prone" heads so that it does not exceed the budgeted figure substantially.

[Sl. No.5, Paragraph 56 of Appendix V of Thirty-first Report of PAC (Fourteenth Lok Sabha)]

#### **Action Taken by the Ministry of Defence**

Out of the total excess of Rs. 41.99 crores under the two grants pertaining to Defence Services, the excess was mainly under Grant No. 26 Defence Ordnance Factories amounting to Rs. 40 crores. The detailed reasons of this excess have already been explained in the Appropriation Accounts of the year 2004-05.

However, the matter was examined further and it has been reported by the Ordnance Factory Board that the excess expenditure was on account of reduction in deduct Issues to Defence Services owing to shortfall in supply (Rs. 40 crores) of 155 mm extended range base bleed ammunition to Indian Army due to deficiency found in quality of base bleed motor unit, a component imported from a firm from South Africa. Part recovery of payment for defective supplies have already been made by encashing bank guarantees and for the balance portion matter is processed further.

However, instructions have again been issued to all concerned to monitor the progress of expenditure at all levels so as to contain it within the sanctioned budgetary allocations and to avoid any excess. In this regard a copy of MOD (Fin.) I.D. No. 17(1)/B-I999 dated 13.12.2005.

Sd/-  
(Amit Cowshish)  
Addl. FA(A) & JS

#### **Observation/Recommendation**

The Committee note that "Grant No. 14-Working Expenses-Appropriation to Funds" relating to Railways accounted for an excess of Rs. 479.10 crore. Scrutiny of the explanatory notes reveals that the actual expenditure exceeded the total sanctioned provisions mainly under the four heads viz; "Appropriation to Depreciation Reserve Fund?" (Rs. 38.00 crore), "Appropriation to Pension Fund" (Rs. 130.00 crore), "Appropriation to Development Fund" (Rs. 304.97 crore) "Appropriation to Railway Safety Fund" (Rs. 132.46 crore). This excess was partly offset by the savings under

two heads viz., "Appropriation to Special Railway Safety Fund" (Rs. 78.83 crore) and "Appropriation to MUTP Loan Repayment Reserve Fund" (Rs. 47.50 crore). What is still worse is the fact that this Grant has been persistently recording excess expenditure of more than Rs. 100 crore from the year 2002-03 onwards. Clearly, the Ministry of Railways have not drawn any lessons from their past experience and oft-repeated assurance made by the Railway Administration to the oft-repeated criticism by the Committee. This is rather regrettable and indicative of the fact that corrective steps were not taken to check recurrence of such types of excess expenditure. Had the Railway administration exercised greater budgetary discipline and kept a closer watch over the expenditure under these vulnerable heads, the Committee are confident that excess could have been avoided to a large extent. The Committee would expect that at least now greater care will be exercised through sharper focus and closer watch over the flow of expenditure under these heads with better anticipation of requirements by making timely additional provisions at least at the revised estimates stage.

[Sl. No. 7, Paragraph 58 of Appendix V of Thirty-first Report of PAC)  
(Fourteenth Lok Sabha)]

#### **Action Taken by the Ministry of Railways (Railway Board)**

Demand No. 14 reflects the appropriation of internally generated revenues to various Railway Funds. It has been the constant endeavour of the Indian Railways to progressively increase its internal resource generation capacity both by augmenting the earnings and controlling the expenditure.

In 2004-05, Indian Railways could generate unprecedented internal resources. In view of better performance seen in the first nine months of 2004-05, the internal generation of resources was enhanced. This internal generation was subsequently appropriated to various Railway Funds based on perceived requirements. Thus, the excess appropriation appearing under Demand No. 14 is, in fact a reflection of better performance of the Indian Railways. As the excess in this demand mainly depicts higher generation of internal resources than anticipated enabling higher appropriation to Railway Funds, the excess incurred hereunder can be deemed only is technical in nature as no real expenditure is involved in this case.

This has been seen and vetted by Audit *vide* their U.O. No. RA-III/2-1/2006 dated 28-02-2007.

Sd/-  
(Sowmya Raghavan)  
Adviser (Finance)  
(Railway Board).

[Ministry of Railways, O.M. No. 2006-BC-PAC/XIV/31, dated -3-2007]

#### **Observation/Recommendation**

The Ministry of Railways also incurred an excess expenditure of Rs. 1458.97 crore under Grant No.-16-Assets-Acquisition, Construction and Replacement-Capital (Voted). As in the past, the Ministry have pleaded that the excess was mainly due to better progress of work under the plan heads that is "New lines" (Rs. 2.11 crore),"

"Restoration of dismantled lines" (Rs. 11.21 crore), "Gauge Conversion" (Rs. 270.38 crore) "Passenger Amenities" (Rs. 0.07 crore) and "Stores Suspense" (Rs. 1766.89 crore). However, the Committee find that the Ministry of Railways had procured supplementary grants of Rs. 1738.60 crore under this 'Grant' and most of the items were of such nature that timely action to obtain additional funds could have been taken at the revised estimate stage or at supplementary grant stage and excess expenditure clearly avoided. The Committee consider this as another instance of unrealistic assessment of the additional funds on the part of the Ministry of Railways. The huge gap between the estimates and the actuals only reveals the utter failure of the Ministry of Railways to anticipate and plan out expenditure on a systematic basis. The Committee, therefore, desire that the ministry in future will be careful and cautious both in estimation and in spending so that such variations are avoided as far as practicable. The Ministry of Railways should seize this opportunity to put in place an effective system to monitor the progress of Railways works under various categories.

[Sl. No. 8, Paragraph 59 of Appendix V of Thirty-first Report of PAC  
(Fourteenth Lok Sabha)]

#### **Action Taken by the Ministry of Railways (Railway Board)**

The concern expressed by the Committee on the excess expenditure incurred under Demand No. 16 has been noted. The Ministry would like to submit to the Committee that earnest efforts are made by the Ministry to contain the expenditure of the Railways within the sanctioned grants.

The excess under Capital (Gross-Voted) was mainly due to higher level of build up in stores transactions necessitated by higher level of activities of the Indian Railways. There was a corresponding increase in the credit transactions under this head as well due to which the net excess was of Rs. 142.45 cr. only *w.r.t.* Budget Grant (Rs. 28.40 crore *w.r.t.* Revised Grant). These transactions represent need for higher level of inventories to keep pace with the activity level.

Further analysis shows that this situation has arisen mainly under new zones, which were carved out in 2003-04 and their inventory accounts took time to settle. The concern of the PAC has, however, been conveyed to the Railways who have been asked *vide* letter No. 2006-B-110 (PAC) dated 9.11.2006 (copy enclosed) to analyze the reasons and take corrective action so that such cases of excess do not recur. As regards excess in other Plan-heads, Railways have again been apprised of the concern of the Committee *vide* letter No. 2006-B-342 dated 9.11.2006 (copy enclosed).

This has been seen and vetted by Audit *vide* their U.O.No. RA-III/2-1/2006 dated 28-02-2007.

Sd/-  
(Sowmya Raghavan)  
Adviser (Finance)  
(Railway Board).

[Ministry of Railways, O.M.No. 2006-BC-PAC/XIV/31, dated 03-2007]

**Sabita Gopal,**  
**Additional Member (Budget)**

D.O.No. 2006-B-110 (PAC)

New Delhi, 9-11-2006.

Dear Shri.....,

**Sub: Excess over Voted Grants/Charged Appropriations**

Zonal Railways have been constantly instructed to keep their expenditure within the allotment sanctioned by the Parliament. While excess involving smaller amounts may be explained, to some extent, instances like an excess of Rs. 1766.89 crores in Stores Suspense (Voted) alone during 2004-05 puts the very concept of financial Propriety at Stake. Out of this, .....(\*) accounts for an excess of.....(\*\*). This violation has been viewed very seriously by the PAC in its 31st Report (Fourteenth Lok Sabha) on Excess over Voted Grants/Charged Appropriations (2004-05), as an instance of unrealistic assessment for funds and faulty budgeting.

In view of the above North Eastern Railway may analyze the reasons for the excess in details and take corrective action to avoid recurrence.

With regards,

Yours Sincerely,

Sd/-

(Sabita Gopal)

General Managers (NER, ECR, NCR, NWR & WCR)

*NER	**Rs. 54 cr.
ECR	Rs. 53 cr.
NCR	Rs. 509 cr.
NWR	Rs. 479 cr.
WCR	Rs. 493 cr.

**Government of India (Bharat Sarkar)**  
**Ministry of Railways (Rail Mantralaya)**  
**(Railway Board)**

No. 2006-B-342

New Delhi, dated 9.11.2006

The General Managers,  
All Indian Railways.

**Sub: Excess over Voted Grants/Charged Appropriation—2004-05**

In 2004-05, Railways incurred an excess expenditure of Rs. 2152 cr. in the following Demands:

(Rs. in thousands)

Demand No.	Grant	Appropriation	Total
3	600,07	..	600,07
4	2263,70	6,03	2269,73
5	1373,45	42	1373,87
6	5393,23	15	5393,38
9	4814,51	..	4814,51
10	6020,85	50,00	6070,85
11	727,15	..	727,15
13	..	7,75	7,76
14	47909,54	..	47909,54
16	145897,03	134,78	146031,81
Total	214999,53	199,13	215198,67

The above "Excess" has been viewed seriously by the Public Accounts Committee (PAC) (14th Lok Sabha), *vide* their 31st Report. The Committee has expressed serious concern about the excess having occurred despite obtaining the supplementary grants in most of the cases.

The Committee while criticizing the Railways for having failed not only in keeping the required vigil over the trend of excess expenditure but also in assessing the actual requirement of funds even at the time of seeking supplementary provisions and has strongly urged the Railways to exercise greater care in assessing realistically the requirement of funds and to make efforts to keep a close and constant watch over the trend of expenditure with a view to containing the same within the budgetary allocations.

It is reiterated that no expenditure should be incurred over and above the authorized allotment without the approval of the competent authority as per the rules of re-appropriation; and in no case, should the expenditure exceed the authorized grant. As soon as it is felt that a Grant is going to be exceeded, strict control on the expenditure



should be exercised until additional authorization comes through, either by re-appropriation at the Board's level or through a Supplementary Grant obtained from Parliament. Timely submission of Budget/Supplementary estimates in this regard should also be ensured. It is seen that the due dates for submission of the final modification estimates, on the basis of which the Supplementary Grants are framed, are not being adhered to by the Railways as a result the comprehensive requirement of the Railways are not getting accounted for resulting in excess expenditure even after obtaining the supplementary grants. In any case, the expenditure should not exceed the grants authorised through the Final Grants.

Kindly acknowledge receipt.

Sd/-  
(Anjali Goyal)  
Executive Director, Finance (Budget)  
Railway Board.

#### **Observation/Recommendation**

The Committee are perturbed to find that the misclassification of expenditure has become a recurring feature in the case of Indian Railways Appropriation Accounts and a large number of cases of misclassification of expenditure had again occurred during the year 2004-05. During the year under review, there were nine cases of misclassification of expenditure reported under the 15 cases of excess registering Grants/Appropriations. While taking a serious view of the recurring nature of misclassification of expenditure, the Committee in their 21st Report (14th Lok Sabha) had desired that "suitable remedial measures should be taken to ensure that reconciliation of expenditure figures is conducted meticulously and annual certificate of reconciliation is furnished by the Financial Advisers after careful scrutiny". Pursuant to the above recommendation, the Ministry of Railways in their Action Taken Note had stated that "the instructions for adhering to accounting procedures, correct interpretation of allocation rules have been again reiterated to all accounting units. Action against staff responsible for misclassification is being regularly taken". The Ministry had hoped that with the above measures and with increasing computerization of accounting systems, the incidence of misclassification will come down. However, the recurring incidence of misclassification of expenditure in Railways only seems to suggest that the measures taken by the Ministry so far in this regard have proved to be inadequate. The Committee, while expressing their dissatisfaction and concern over such misclassifications and erroneous reconciliation of expenditure figures, desire that procedures should be streamlined and timely action taken to reconcile the expenditure figures.

The Committee note with concern that the phenomenon of excess expenditure by Government over voted grants and charged appropriations is persisting without any sign of abatement. As the amount of such expenditure is very huge, this cannot be considered as a mere technical or procedural irregularity on the part of the Government. It is a serious issue warranting immediate attention and prompt action by the Government. Even though, the Government has taken some remedial

**measures to improve the situation, the Committee cannot but conclude that systematic flaws as well as human laxity have continued to contribute to this malaise. The Government should therefore look into the matter afresh and initiate credible action that will yield visible results in the forthcoming years for better planning and performance on the expenditure side.**

[Sl. No. 9, Paragraph 60 of Appendix V of Thirty-First Report of PAC  
(Fourteenth Lok Sabha)]

#### **Action Taken by the Ministry of Railways (Railway Board)**

Recommendations of the Public Accounts Committee regarding misclassification of expenditure have been noted.

- (i) It is submitted that although the cases of misclassification reported in the cases of excess registering Grants/Appropriations have increased in 2004-05 as compared to 2003-04, the overall number of cases of misclassification detected in 2004-05 have reduced.

In addition to reiterating the measures/suggestions to prevent misclassifications/mistakes to the Zonal Railways, joint efforts have also been made by Accounts and Audit for detection and rectification of misclassification before closing the accounts. Guidelines to Zonal Railways have been issued and punitive action has been initiated against the staff concerned.

With the above measures and with ongoing computerization of accounts, it is hoped that a significant improvement in curbing the incidence of misclassifications/mistakes will come about.

- (ii) The observation contained in the second para of the above recommendation is on the excess expenditure being incurred on Government as a whole. The observation of the Committee is, nonetheless, noted in this Ministry also. The specific comments on excess incurred by Railways have been given on the other recommendation dealing particularly with the excess incurred under the Grant/Appropriations operated by the Railways.

This has been seen and vetted by Audit *vide* their U.O.No. RA-III/2-1/2006 dated 28.02.2007.

Sd/-  
(Sowmya Raghavan)  
Adviser (Finance)  
(Railway Board).

[Ministry of Railways O.M. No. 2006-BC-PAC/XIV/31 dated 03-2007]

#### **Observation/Recommendation**

**Subject to the observations made in the preceding paragraphs, the Committee recommend that the expenditure referred to in Paragraph-13 of this Report be regularized in the manner prescribed in Article 115 (1) (b) of the Constitution of India.**

[Sl. No. 10, Paragraph 61 of Appendix V of Thirty-First Report of PAC  
(Fourteenth Lok Sabha)]

**A. Action Taken by the Ministry of Finance  
(Department of Economic Affairs)**

As recommended by the Public Accounts Committee, the Demands for Excess Grants for Expenditure of the Central Government (excluding Railways) relating to 2004-05 were submitted to Parliament in the Winter Session, 2006. The Parliament has passed the Excess Demands for Grants. Necessary Appropriation Bill for regularising the money drawn in excess of the amounts authorised by the Parliament for the year 2004-05, has also been passed and the corresponding Act published in the Gazette of India (Extraordinary) Part II, Section 1 dated 26.12.2006 as Act No. 55 of 2006, after obtaining assent of the President. In view of this, the excess amount drawn in 2004-05 stands regularised. Action taken in this regard is, therefore, completed.

This Note has been vetted by Audit *vide* their U.O. No. RR/II/1-40/06-07/2712 dated 17th January, 2007.

Sd/-

(L.M. Vas)

Joint Secretary (Budget).

[Ministry of Finance, Department of Economic Affairs  
(Budget Division), New Delhi-110001

O.M.No. F.4 (22)-B (SD)/2006 dated 18th January, 2007]

**B. Action Taken by the Ministry of Defence**

Detailed Notes to regularise the excess expenditure under Grant No. 26—Defence Services—Defence Ordnance Factories and Grant No. 27—Defence Service—Research & Development have already been furnished to the Monitoring Cell of the Ministry of Finance *vide* this Ministry's O.M. No. 17(1)/B-I/2005, dated 5th June, 2006, copies enclosed.

The above mentioned excesses have also been regularised by the Parliament, as intimated by the Ministry of Finance *vide* their O.M. 4(22)-B(SD)/2006, dated 26th December, 2006 (copy enclosed).

Sd/-

(Amit Cowshish)

Addl. FA (A) & JS

MOST IMMEDIATE

**Ministry of Defence (Finance)**

**Budget-I**

**Subject: Monitoring and control of Defence Expenditure—2005-2006.**

As per the instructions issued *vide* MoD ID No. 8737-S/Def. Secy./9 dated 27/12/91, (copy enclosed), Inter Departmental Monitoring Groups were constituted in the year 1991-92 to closely monitor the progress of expenditure and pending liabilities to ensure optimal use of resources. The Departmental Monitoring Groups would now consist of FA (Acq)/the concerned Addl. FA as convenor concerned Joint Secretary, FMs concerned, Flag rank officer from Service HQrs. and representatives of CGDA/CDA.

2. The Standing Committee on Defence while examining the Deamnds for Grants for the year 2002-2003 and 2003-04 had taken a serious view of the unspent funds and had recommended that the amounts allotted should be fully utilised for the purchase of new weapon systems, modernisation and upgradation of the existing systems so as to ensure that no surrender of funds is made. Further, the C&AG has also commented adversely in the past on the overall unspent provisions *vis-a-vis* the budgetary outlays. In this regard, necessary instructions were issued *vide* MOD ID No. 10(1)/B-I/2002 dated 8/10/2002 to all concerned to monitor the progress of expenditure constantly in a more vigilant manner. Services HQrs./Departments had also been requested to issue instructions in this regard to all the Budget Controlling Authorities under their administrative control to eliminate instances of large scale savings/excess.

3. During a recent meeting with Financial Advisors of various Ministries of Govt. of India, Finance Minister reviewed the implementation of his directions issued last year regarding expenditure of minimum 67% of BE allocation by December and emphasized that no Ministry/Department would be permitted to spend more than 1/3rd of their Budgetary allocation after December. Finance Minister has directed that in 2005-06, no explanations will be accepted for exceeding 33% in the last quarter. All concerned msut plan right from now to ensure proper pace of expenditure. He has also directed that in case any Ministry/Deptt. is not able to spend 67% by December end, it will not be allowed to spend more that 33% int he last quarter. In this regard, a letter No: 11(23)/B-I/2004, dated 24.5.2005 may please be referred to.

4. The trend of expenditure during the current financial year indicates that unless effective monitoring and control is exercised, savings may result under various revenue and capital heads. With a view to ensuring a constant and uniform pace of expenditure *vis-a-vis* the sanctioned provisions it is essential that the progress of expenditure is monitored at all levels and contained within the sanctioned allocations in order to avoid any large scale savings or excesses.

5. The Monitoring Groups headed by FA (Acq) (in respect of acquisition heads) and Addl. FAs (in respect of rest of the heads) are, therefore, requested to hold regular meetings on a fortnightly basis during December, 2005 and January, 2006 and on weekly basis in February and March 2006 so as to prevent excesses/savings under various Heads and bunching of expenditure towards the year end, duly taking into account all factors like actual drawal from LCs, status of contracted and uncontracted schemes, supply position in respect of contracts, progress of civil works, etc. It is pertinent to mention that CGDA now provides weekly compilation of expenditure from August, 2005 to this Ministry to enable us to monitor the progress of expenditure effectively.

6. The minutes of the meetings, explaining, *inter alia* the position regarding budgetary targets/deviations, if any, and corrective measures adopted, may please be put up to FA(DS) regularly and copy endorsed to Director (Fin/Budget).

Sd/-

(Amit Cowshish)  
Addl. FA(A)

FA(Acq)	for Acquisition cases of three Services & HQ IDS
Addl. Fa(M)	for Air Force, Army (Q, AG&GS)
Addl. FA(H)	for DGOF
Addl. FA(AM)	for DGQA, Army (Land & Works)
Addl. FA(J)	R&D {including ATVP, Dte of Std., DTD&P(Air)}
Addl. FA(A)	for Ordnance/Navy (Other than Acquisition Heads)
IFA, CIDS & SFC	

---

MoD Fin. ID No. 17(1)/B-I/1999 dated 13.12.2005

Copy to	DG(Acq),	As(I),	AS(DP),
	JS&AM(MS),	JS&AM(LS),	JS&AM(Air),
	JS(O/N),	JS(G/Air),	JS(C&W),
	JS(PIC),	CCR&D(R),	All FMs
	IFA(Navy),	IFA(AF).	IFAs (Army),
	Director(Fin./Acq)	Director(Fin/Navy)	
	Director(Fin./AF/Acq)	Dir(Fin/O)	
	Dir(Fin/AF/Org)		
	DFA(Navy)		

MOST IMMEDIATE

**No. 17(1)/B-I/2005  
Government of India  
Ministry of Defence  
(Finance/Budget)**

**New Delhi, 5th June, 2006**

**OFFICE MEMORANDUM**

**Subject: Explanatory Notes for the Public Accounts Committee in respect of Savings of Rs. 100 crores and above/Excess under various Grants as disclosed in Union Government Appropriation Accounts for Defence services 2004-05.**

The undersigned is directed to forward herewith 40 copies of English version of the Explanatory Notes in respect of *Savings* occurred under *Revenue Section (Voted)* in the **Grant No. 23-Defence Services-Army, Grant No. 24-Defence Services-Navy, Grant No. 25-Defence Services-Air Force**, and under *Capital Section (Voted)* in Grant No. 28-Capital Outlay on Defence Services and *Excess* occurred under *Revenue Section (Voted)* in the Grant No. 26-Defence Services-Ordnance Factories and Grant No. 27-Research and Development during the financial year 2004-05 duly vetted by DGADS.

2. Hindi version will follow.

Sd/-

(Mukesh Singhal)

Assistant Financial Adviser (Budget-I).

Ms. Mercy Epao  
Under Secretary  
Ministry of Finance, Deptt. of Expenditure,  
(Monitoring Cell), Room No. 29, Second Floor,  
Lok Nayak Bhawan, Market, New Delhi.

Copy with enclosures to:—

- |              |           |
|--------------|-----------|
| 1. DGADS     | -2 Copies |
| 2. C& AG     | -2 Copies |
| 3. CDGA      | -2 Copies |
| 4. Budget-II | -2 Copies |

**Government of India  
Ministry of Defence  
(Finance/Budget)**

**Excess Note**

Note for Public Accounts Committee for regularisation of excess expenditure in respect of excess occurred under revenue section (Voted) of Grant No. 26—Defence Services-Defence ordnance factories, as disclosed in the Union Government Appropriation Accounts (Defence Services) for 2004-2005.

**Grant No. 26—Defence Services-Defence Ordnance Factories**

*(Rupees in lakhs)*

Revenue Section (voted)		
Original Grant	:	Rs. 94354
Supplementary Grant	:	Rs. 7545
Total Grant	:	Rs. 101899
Actual expenditure	:	Rs. 105899
Excess	:	Rs. 4000
		(Rs. 40,00,08,594)
Surrender during the year	:	Nil

2. Under Revenue Section (Voted) of Grant No. 26-Defence Services-Defence Ordnance Factories for 2004-2005 the total provision was Rs. 1018,99,00 thousands. Against this, the expenditure of Rs. 1058,99,09 thousands was incurred resulting in excess of Rs. 40,00,09 thousands (Rs. 40,00,08,594).

3. The excess of Rs. 40,00,09 thousands was the net effect of total excesses of Rs. 67, 07, 35 thousands and total savings of Rs. 27,07,26 thousands under various sub-heads of the Grant. The sub-heads under which excess of Rs. five lakhs and above occurred and reasons therefor are explained as below:—

**Major Head 2079**

**(i) Minor Head—105**

*(Rupees in lakhs)*

Original Grant	:	Rs. 6200
Supplementary Grant	:	Nil
Re-appropriation	:	(-)Rs. 800
Total Grant	:	Rs. 5400
Actual expenditure	:	Rs. 5628
Excess	:	Rs. 228

The excess of Rs. 228 lakh in the Final Grant was mainly due to higher booking on Movement of Stores by Sea for T-90 tanks than anticipated.

**(ii) Minor Head—106**

Original Grant	:	Rs. 30000
Supplementary Grant	:	Nil
Re-appropriation	:	(-) Rs. 5000
Total Grant	:	Rs. 25000
Actual expenditure	:	Rs. 25167
Excess	:	Rs. 167

The excess of Rs. 167 lakh in the Final Grant was mainly due to more withdrawal from Renewal and Replacement Fund.

**(iii) Minor Head—901-904**

"(Deduct-Recoveries)"

Original Grant	:	(-) Rs. 592106
Supplementary Grant	:	Rs. 7545
Re-appropriation	:	(+) Rs. 45229
Total Grant	:	(-) Rs. 539332
Actual expenditure	:	(-) Rs. 533035
Excess	:	Rs. 6297

The excess of Rs. 6297 lakh in the Final Grant was mainly due to shortfall in issues of various items by Ordnance Factories.

4. In order to avoid recurrence of any excess/saving in future, Inter Departmental Monitoring Groups have been requested *vide* ID No. 17(1)/B-I/1999 dated 13.12.2005 (copy enclosed) to hold regular meetings in the last quarter of the financial year so as to prevent occurrence of savings/excess under various heads, duly taking in to account all factors like status of contracted and uncontracted schemes, supply position in respect of contracts, progress of civil works and actual drawal from LCs etc.

5. The services HQrs have also been requested *vide* MoD ID No. 11(23)/B.I/2004 dated 24.05.2005 (copy enclosed) to ensure the progress of expenditure to the tune of 67% of the BE allocation by December 2004 as directed by Finance Minister in the meeting with Financial Advisers, so that the rush of expenditure at the fag of the year may be avoided.

6. In the circumstances explained above, the excess of Rs.40,00,08,594/- may kindly be recommended for regularization by the Parliament under Article 115(1) (b) of the Constitution.

Sd/-  
(Amit Cowshish)  
Addl. FA&JS  
File No. 17(1)/B-I/2005



**Government of India**  
**Ministry of Defence**  
**(Finance/Budget)**

**Excess Note**

Note for Public Accounts Committee for regularisation of excess expenditure in respect of excess occurred under Revenue Section (Voted) of Grant No. 27-Defence Services-Research and Development, as disclosed in the Union Government appropriation Accounts (Defence Services) for 2004-2005.

**Grant No. 27—Defence Services—Research and Development**

		<i>(Rupees in lakhs)</i>
Revenue Section (Voted)		
Original Grant	:	Rs. 235294
Supplementary Grant	:	Rs. 6691
Total Grant	:	Rs. 241985
Actual expenditure	:	Rs. 242184
Excess	:	Rs. 199
		(Rs. 1,99,23,373)
Surrender during the year	:	Nil

2. Under Revenue Section (Voted) of Grant No.27-Defence Services-Research and Development for 2004-2005 the total provision was Rs.2352,94,00 thousands. Against this, the expenditure of Rs. 2421,84,24 thousands was incurred resulting in excess of Rs. 1,99,24 thousands (Rs. 1,99,23,373).

3. The excess of Rs. 1,99,24 thousands was the net effect of total excesses of Rs. 6,92,46 thousands and total savings of Rs. 4,93,22 thousands under various sub-heads of the Grant. The sub-heads under which excess of Rs. five lakhs and above occurred and reasons therefor are explained as below:—

**Major Head 2080**

**(i) Minor Head—004m**

		<i>(Rupees in lakhs)</i>
Original Grant	:	Rs. 54700
Supplementary Grant	:	Nil
Re-appropriation	:	(-)Rs. 6226
Total Grant	:	Rs. 48474
Actual expenditure	:	Rs. 48592
Excess	:	Rs. 118

The excess of Rs. 118 lakh in the Final Grant was mainly due to payment against an outstanding commitment.

**(ii) Minor Head—101**

Original Grant	:	Rs. 4844
Supplementary Grant	:	Nil
Re-appropriation	:	(+)Rs. 202
Total Grant	:	Rs. 5046
Actual expenditure	:	Rs. 5264
Excess	:	Rs. 218

The excess of Rs. 218 lakh in the Final Grant was mainly due to higher booking than anticipated.

**(iii) Minor Head—110**

Original Grant	:	Rs. 93414
Supplementary Grant	:	6691
Re-appropriation	:	(+)Rs. 1879
Total Grant	:	Rs. 101984
Actual expenditure	:	Rs. 102146
Excess	:	Rs. 162

The excess of Rs. 162 lakh in the Final Grant was mainly due to more materialisation of certain Commitments.

**(iv) Minor Head-111**

Original Grant	:	Rs. 18529
Supplementary Grant	:	Rs. NIL
Re-appropriation	:	(+)Rs. 3575
Total Grant	:	Rs. 22104
Actual expenditure	:	Rs. 22254
Excess	:	Rs.150

The excess of Rs. 150 lakhs in the Final Grant was mainly due to more payment against Electricity Tariff and Wages than anticipated.

3. In order to avoid occurrence of any excess/saving in future, Inter Departmental Monitoring Groups have been requested *vide* ID No. 17(1)B-I/1999 dated 13.12.2005 (copy enclosed) to hold regular meetings in the last quarter of the financial year so as to prevent occurrence of savings/excesses under various heads, duly taking in to account all factors like status of contracted and uncontracted schemes, supply position in respect of contracts, progress of civil works and actual drawl from LCs etc.

4. The services HQrs. have also been requested *vide* MoD ID No.11(23)/B.I/2004 dated 24.05.2005 (copy enclosed) to ensure the progress of expenditure to the tune of 67% of the BE allocation by December 2004 as directed by Finance Minister in the meeting with Financial Advisers, so that the rush of expenditure at the fag of the year may be avoided.

5. In the circumstances explained above , the excess of Rs. 1,99,23,373/- may kindly be recommended for regularization by the Parliament under Article 115(1)(b) of the Constitution.

Sd/-

(Amit Cowshish)

Addl. FA & JS

File No. 17(1)/B-I/2005

एफ० सं० 4 (22)-बी०(एस० डी०)/2006

वित्त मंत्रालय  
आर्थिक कार्य विभाग  
(बजट प्रभाग)

नई दिल्ली, दिनांक 26 दिसम्बर, 2006

**विषय: अतिरिक्त अनुदानों की मांगें 2004-2005.**

अधोहस्ताक्षरी को यह कहने का निदेश हुआ है कि वर्ष 2004-2005 की अतिरिक्त अनुदानों की मांगें लोक सभा ने पारित कर दी हैं। संसद ने संबंधित विनियोग विधेयक (सं० 5), 2006 भी पारित कर दिया है और भारत के राष्ट्रपति ने इसके लिए दिनांक 24 दिसम्बर, 2006 को अपनी स्वीकृति दे दी है और यह अधिनियम भारत के राजपत्र (असाधारण) भाग-II, खण्ड-I दिनांक 26 दिसम्बर, 2006 में वर्ष 2006 के अधिनियम संख्या 55 के रूप में प्रकाशित किया गया है।

ह०/-

(वी० प्रकाश)

उप निदेशक (बजट)

F.No.4(22)-B(SD)/2006

Ministry of Finance

Department of Economic Affairs

(Budget Division)

New Delhi, The December 26, 2006

**Subject: Demands for Excess Grants relating to 2004-2005.**

The undersigned is directed to state that the Demands for Excess Grants relating to 2004-2005 have been passed by the Lok Sabha. The connected Appropriation Bill (No. 5), 2006 has also been passed by Parliament and assented to by the President of India on December 24, 2006 and the Act has been published in the Gazette of India (Extra-ordinary) Part II, Section I dated December 26, 2006 as Act, No. 55 of 2006.

Sd/-

(V. Prakash)

Deputy Director (Budget)

1. Ms. Annie Moraes. JS&FA, Ministry of Communications & Information Technology, Department of Posts, Dak Bhawan, New Delhi-110 001.
2. Shri V. K. Misra, Secretary (Defence-Finance), Ministry of Defence, (Defence Ordnance Factories), South Block, New Delhi-110 001.
3. Shri V. K. Misra, Secretary (Defence-Finance), Ministry of Defence, (Defence Ordnance Factories) South Block, New Delhi-110 001.

4. Shri V. K. Misra, Secretary (Defence-Finance), Ministry of Defence, (Defence Services-Research and Development), South Block, New Delhi-110 001.
5. Shri M. Deena Dayalan, Financial Adviser, Ministry of Finance, Department of Economic Affairs (Repayment of Debt), New Delhi
6. Shri N. A. Vishwanathan, Financial Adviser, Ministry of Urban Development, Department of Urban Development, New Delhi-110 001.
7. The Finance Library (Publication Section) with the request that copies of the Gazette of India (Extra-ordinary) Part II, Section I dated 25th August, 2005 as Act No. 35 of 2005 be obtained from the Manager of Publication and supplied to Comptroller & Auditor General of India, 10-Bahadur Shah Zafar Marg, New Delhi-110 002(10 Copies)
8. The Parliament Library, Lok Sabha Secretariat, New Delhi (5 Copies).
9. The Lok Sabha Secretariat (PAC Branch), Parliament Annexe, New Delhi-110 001 (5 copies)
10. Director General of Audit, Central Revenues, AGCR Building, New Delhi-110 001 (10 copies)
11. Director General of Audit, Posts & Telecommunications, Sham Nath Marg, Civil Lines, Delhi-110 054 (10 copies)
12. The Director General of Audit, Central Revenues, AGCR Building, New Delhi-110 002 (5 copies)
13. The Director General of Audit, Defence Services, New Delhi-110 001 (5 copies)
14. Comptroller and Auditor General of India, 10-Bahadur Shah Zafar Marg, New Delhi-110 002 (10 copies)
15. Finance Library, North Block, New Delhi (5 copies)
16. Joint Secretary (PF-I), Department of Expenditure Ministry of Finance North Block, New Delhi.
17. Joint Secretary (PF-II), Department of Expenditure Ministry of Finance North Block, New Delhi.
18. The Controller General of Accounts, Lok Nayak Bhawan, New Delhi (5 copies)
19. The Ministry of Planning, Planning Commission, Yojna Bhawan, New Delhi 110001.
20. Mrs. Renuka Vishwanathan, Advisor FR, Planning Commission, Yojna Bhawan, New Delhi-110 001
21. Prof. Sen, Member FR, Planning Commission, Yojna Bhawan, New Delhi-110 001
22. Finance Secretary
23. Secretary (Expenditure)

24. Secretary (Revenue)
25. Joint Secretary (Budget)
26. Director (AP)/Director (DD)/Director(FRBM)/Director(OL)/OSD(VSC)/ABO  
(2 copies each)
27. All US/Deputy Directors in Budget Division/DD (Hindi)
28. All Sections (including PF Sections I & II) in Budget Division.

**C. Action Taken by the Ministry of Communications and Information Technology  
(Department of Posts)**

Proposals for regularisation of excess expenditure incurred during 2004-2005 under Demand No. 14 has already been sent to Joint Director (Budget), Department of Economic Affairs, Ministry of Finance, New Delhi *vide* D.O. No. 20-5/05-BGT(PA)4072 dated 27.10.2006 for needful action as required in Article 115 (1) (b) of Constitution of India (copy enclosed as Annexure-A)

This has been vetted by DGA(P&T) *vide* U.O. No. Report VI/1 (b)400/App. Accts/ 2004-05/DOP/D-606 Dated 15.3.2007.

Sd/-  
DDG(PAF)

No. 10-14/2003-BGT/5811-91  
Government of India  
Ministry of Communications  
& Information Technology  
Department of Posts  
Budget Branch  
New Delhi-1

To

February 10, 2004

1. All Pr. Chief Postmasters General
2. All Chief Postmasters General
3. All Post Masters General
4. All Circle Internal Financial Advisers

**Subject:** System of Budget Control.

Your kind attention is drawn towards my predecessor's D.O. letter No. 10-3/97-BGT (PA)/ dated 13.08.1998 in which it was envisaged that budget work of the Circle shall be under direct control of the Internal Financial Adviser. It has been observed, in practice that only the papers relating to preparation of Revised Estimates & Budget Estimates are routed through IFA. The funds are allotted to the Circles by the PA Wing of the Directorate. In the Circles the funds are allocated by the Heads of Circles directly through the DPS headquarters. The IFA hence is not in charge of the Budget allocations made and expenditure incurred. It is, therefore, desired that the budget work including allotment of funds should be under direct control of Circle Internal Financial Advisers and they should be made responsible for monitoring of expenditure thereof against the allotment of funds to enable the Circle to exercise better financial control. The Internal Financial Advisers should put up a monthly report to the Head of Circle on the financial performance of the Circle with regard to both revenue and expenditure.

This issues with the approval of Secretary (Posts).

Sd/-

(Rekha Gupta)

Joint Secretary & Financial Adviser

Copy for information to:—

\* Member (P)/Member (O)/Member (D)

\*Senior DDG (PO)/Sr. DDG (MM)/CGM (BD)/CGM (PLI)

\*All Deputy Directors General, Postal Directorate.

\*Secretary (Postal Services Board).

\* File No. 10-3/1997-BGT

Wed 12.09 ID: DIRECTOR, POSTAL, ACCTS. Tel: 0612 224468 P.02



डाक विभाग  
संचार मंत्रालय  
डाक भवन, संसद मार्ग  
नई दिल्ली-110001

K.S. MENON  
Joint Secretary and Financial Adviser

Department of Posts  
Ministry of Communications  
Dak Bhavan, Sansad Marg,  
New Delhi-110001.

D.O. No. 10-3/97-BGT(PA)/3075

Dated: October 13, 1998

Dear Shri Bhaumik,

Kindly refer to your D.O. letter No. BGT/Plg/93-94/5-1 dated 28.8.98 on the role and functions of Circle Internal Financial Advisor from which it appears that the system is not working according to the guidelines of the Directorate contained in Para 3 of then Member (O) D.O. letter dated 8.11.85. An Assistant Accounts Officer cannot be entrusted independently to excise all checks, Monitoring/Controls as required/expected to be done by a senior level officer like Director of Postal Accounts *i.e.* Internal Financial Advisor. The financial irregularities committed in allocating funds to Buildings projects shown in the enclosed statement are the result of poor budgetary control by an Assistant Accounts Officer. Had this been under the direct control of circle IFA as required *vide* Para 3 of Directorate's D. O. dated 8.11.85 such financial irregularity could perhaps have been checked.

As regards the activities shown under last portion of Para 2 of your D.O. referred to above, these come under the advisory functions of IFA. The Budget activities (*i.e.* work) done in Budget Section of your office are still not under the direct control of circle IFA as per Directorate's D.O. dated 8.11.85.

I would request you to kindly reconsider the matter personally and take appropriate steps to put the Budget activities of your Circle under the direct control of Circle IFA as per instructions laid down under Para 3 of Directorate's D.O. dated 8.11.85. A line in reply indicating the action taken in this matter will be highly appreciated.

Regards

Your Sincerely

Sd/-

Encl: As above

Shri A.K. Bhaumik  
Chief Postmaster General  
Bihar Circle,  
Patna-800001.



15-2/2005-BGT(PA)/1322-98  
Ministry of Communications & I.T.  
Department of Posts (P.A. Wing)  
Dak Bhawan, Sansad Marg,  
New Delhi-110001.

Dated 2.6.2006

To

All Heads of Postal Circles  
All Directors, Postal Training Centres  
Director, Postal Life Insurance, Kolkata  
Director, Postal Staff College, Ghaziabad  
Principal Chief General Manager, PLI Directorate, New Delhi  
CGM(BD), B.D. Directorate  
Postmaster General(BD)/FM, Mumbai.

**Subject:-** Control of expenditure against the sanctioned grant/appropriation-  
Observations of the Public Accounts Committee.

Enclosed please find a photocopy of Ministry of Finance, Department of Economic Affairs (Budget Division) O.M. No. F. 4 (12)-B (SD) 2004 dated 8-5-06 on the subject cited above for guidance and necessary action at your end.

In this connection it may kindly be ensured that instructions contained in the MoF, Department of Economic Affairs (Budget Division) O.M. referred to above are scrupulously followed while making expenditure estimates of your circle so as to avoid further adverse comments of Public Accounts Committee in this regard.

Encl. As above

Sd/-  
(Asha R. Rungta)  
Director (PA-II)

Copy for informaton and necessary to:—

- i. Member (Operation & Marketing)
- ii. Member (P)
- iii. Member (D)
- iv. JS&FA
- v. All DDsG
- vi. GM (Finance) Delhi/Chennai/Kolkata.
- vii. All Circle IFAs
- viii. All Directors/Dy. Directors of Postal Accounts.
- ix. DA/D/WLF/C&A/PB/IR/Estt. Section(PA Wing) of the Directorate.
- x. Director, Army Postal Services, New Delhi.
- xi. ADG(IMTS).

No. 20-1-06-BGT (PA)/3004-77  
Budget Branch: Dak Bhawan  
New Delhi-110001

Dated 25th August, 2006

**Subject:-** Expenditure management:—Economy measures, rationalization of expenditure, and measures for augmentation of revenues.

I am enclosing herewith a copy of Ministry of Finance OM No. 7(3)E-Coord./2006 dated 22-7-2006 on the subject cited above for favour of information and necessary action.

Sd/-  
(S.K. Mishra)  
DDG (PAF)

Encl: As above

To

- (1) PPS to Secretary (Post)
- (2) PS to Member (O&M), Member (P) & Member (D)
- (3) PS to JS & FA
- (4) CGM (BD)/CGM (PLI)
- (5) All Sr. DDG/DDG
- (6) All Heads of Circles
- (7) All GM (F)/DAPs/IFAs
- (8) All Director Postal Training Centres
- (9) Director Postal Staff College, Ghaziabad
- (10) Director PLI, Kolkata
- (11) Addl. Directorate General, APS, R.K. Puram, New Delhi-110022

No. 23-4/06-BGT (PA)  
Department of Posts  
Budget Branch

Dated 14-9-2006

**Sub:-** Follow up action on the System Study of Department of Posts by  
M/s. KPMG.

Kindly refer to your letter No. 4-6/03-cp (Vol. II) dated 19-6-2006 on the captioned subject. The required comments/suggestions on para No. 18 and 19 of the report on the system study of Department of Posts by M/s. KPMG is sent herewith for further necessary action.

Sd/-

(Lopamundra Mohanty)

Asstt. Director General (BGT)

To

DDG. (CP) Dak Bhawan, New Delhi-1.

**KPMG REPORT**

Para-wise comments are submitted as under

**18. Planning and Budgeting****18.1 Desktop Review of the Planning & Budgeting process at India Post**

At present Department of Posts is getting Budget Estimates for the next year and Revised Estimates for the current year from the circles/units and the same is compiled in budget branch of the Directorate. Likely Re/Budget Estimates is prepared on the basis of actual expenditure during last three to four years and 2-3% increase over the actual figures of the preceding years and current year and estimates so arrived is sent to Ministry of Finance for approval. Based on the approved Revised Estimates/Budget Estimates ceiling fixed by the Ministry of Finance, Circle wise allotment is prepared. Such budgeting process is adopted in the Department of Posts.

**18.2 Need for an improved Planning and Budgeting Process**

Budgeting process needs to be more effective for getting over all department strategic goals. But there are so many shortcomings in the present budgeting process. Data for Revised Estimates/Budget Estimates proposals are received in hard copy from the circles/units and compiled in the budget branch of the Directorate hence duplicity work is done here. It causes more consumption of time and wastage of man power. Data are not analyzed at the Circle level and are manually prepared in some circles/units due to lack of computerized accounting system leading to errors of commission and omissions in recording and classifying expenditure and revenue from products/services. Inadequate Co-ordination between lower post offices and head offices and DAP classifies expenditure and revenue under correct categories after receipt of monthly accounts from Head Offices. After compiling and classifying monthly accounts, classified abstracts are sent to Postal Accounts Directorate. This system also causes so many errors in recording and classifying of expenditure and revenue of the Department due to inadequate training of DAP personnel on accounting policies and procedures. However Discrepancies if any noticed are pointed to the concerned circles/units. Market factors economic factors and continuous forecasting are not analyzed in details while preparing Likely Revised Estimates/Budget Estimates of the Department. Premium Product services are not captured in Demands for Grants. These services are booked under the head 3201-02-101-04 and head is available in Demands for Grants. Without new technology department will have to face difficulty to complete third party carriers and other courier companies. However department has introduced new services such as e-mail, e-post, speed post, express post etc. to complete the private agencies.

**18.3 Characteristics of a Good Planning and Budgeting Process**

No comments

#### **18.4 Recommendations for improving the effectiveness of existing budgeting process**

M/s. KPMG has submitted his recommendations for improving the effectiveness of existing budgeting process. We are making best efforts to keep budgeting process more structured in getting fixed targets. There should be a good step if Circle/divisional head develop operating plans after a budget is approved and express certain plans and goals. Quality of the decision making process should be improved. More time should be devoted on analysis of data received than on gathering information from the circles. Budget monitoring cell should be separate for close watching on over expenditure and results achieved on continuous basis and express the performance of the department at a glance. Allotment of funds and projections of estimates should be based on last year expenditure. The same practice is existence. In order to reducing errors of commission and omission while inputting data on manual processes we should have upgradation of all Department application software for central server based Wide Area Network so that data of Circle demand may be entered in the existing software directly instead of feeding manually, as and when available on web-site or softcopy/e-mail received from circles/units, Premium Product services transactions are presently booked under the head as mentioned in the Demands for Grants. It is recommended that these services should be separately classified and accounted for in determining actual expenditure and revenue accruing from product services. Though DAP is personally responsible for accurate and proper booking of exp. and revenue under correct categories due to case should be taken by Post Master in preparing cash accounts. For his purpose regular training for DAP personnel should be there so as to avoid errors of commissions and omissions in recording data.

#### **18.5 Implementation Plan to address and improve existing planning & budgeting process**

Budgeting process in the department involves a continuous planning on annual basis and not include rolling forecasting on monthly basis. Good forecasting will prevent unforeseen revenue decrease due to competition. Detailed annual plans and operating plans will be reviewed time to time. With the help of technology data can be transported correctly and accurately. Useful tools are available therein to provide accurate forecasting and planning and also performance measurement. Hence budgetary and planning system need to be integrated with existing information sytems.

Sd/-

(Lopamundra Mohanty)  
Asstt. Director General (BGT)



**शैलेन्द्र कुमार मिश्र**

भारतीय डाक एवं दूरसंचार लेखा, एवं वित्त सेवा

उप-महानिदेशक ( डाक लेखा एवं वित्त)

SHAILENDRA KUMAR MISHRA

IP&TAFS

Dy. Director General (PAF)

**संचार एवं सूचना प्रौद्योगिकी मंत्रालय**

डाक विभाग ( डाक लेखा)

डाक भवन, संसद मार्ग

नई दिल्ली-110 001

Ministry of Communications & IT

Department of Posts

(Postal Accounts Wing)

Dak Bhawan, Sandsad Marg,

New Delhi-110001

DO No. 20-5/05-BGT (PA)/4072

Dated 27-10-2006

Dear Madam,

Kindly refer to your DO F No. 4(22)-B(SD)/2006 dated 28-9-2006 regarding regularisation of excesses over voted grants and charged appropriations (2004-05). I am forwarding herewith the excess demand statement on Para No. 61 of the 31st Report of PAC on the excess expenditure over charged Appropriation for the year 2004-05 in prescribed format duly approved by the Secretary (Post) and vetted by the Audit for necessary action at your end.

With regards.

Your Sincerely

Sd/-

(S.K. Mishra)

Encl: As above.

Ms. L.M. Vas,

Joint Director (Budget),

Department of Economics Affairs

Ministry of Finance,

North Block,

New Delh-110001.

**DEMANDS FOR EXCESS GRANTS**  
**DEMAND NO. 14**  
**DEPARTMENT OF POSTS**

Amount expended in excess of the Grant for the year ended 31<sup>st</sup> March 2005, in respect of the DEPARTMENT OF POSTS under the MINISTRY OF COMMUNICATIONS AND INFORMATION AND TECHNOLOGY.

*Charged four lakh ninety eight thousand nine hundred and nine rupees.*

Section	Appropriation. Rs.	Actual Expenditure Rs.	Excess Rs.
Revenue			
Charged	23,00,000	2,798,909	4,98,909

The Original Grant of Rs. 2,00,000 was augmented by a supplementary grant of Rs. 21,00,000 obtained in December, 2004. Against the final grant of Rs. 23,00,000 the actual expenditure was Rs. 27,98,909 resulting in excess expenditure of Rs. 4,98,909 which require regularisation. Excess expenditure was incurred under the sub head 3201.02.103.04 Departmental Mail Motor Service for Ordinary Service to avoid contempt of the court but inadvertently funds were not obtained by the circle.

**This has been vetted by the Audit *vide* U.O. Note No. Report VI/1(b) 400/2004-05 dated 19-10-2006 (copy enclosed).**

Sd/-  
(S.K. Mishra)  
DDG (PAF)

**OFFICE OF THE DIRECTOR GENERAL OF AUDIT, P&T, DELHI**

The Ministry may kindly refer to their U.O. No. 20-05/05 BGT(PA) dated 12-10-2006 forwarding therewith the Excess Demand Statement on Para No. 61 on the excess expenditure over Charged Appropriation for the year 2004-05.

In this connection it is stated that the excess note on the said para has already stands vetted *vide* this office U.O. No. Report VI/1(b) 400. App. Accts/DoP/2004-05/1056 dated 4-1-2006.

This issues with the approval of Director General of Audit, P&T, Delhi.

Sd/-  
Audit Officer  
19/10/06  
Rep-VI

**Sh. Lopamudra Mohanty, Asstt. Director General (BGT), DoP, Dak Bhavan**

**U.O. No. Report VI/1(b) 400/2004-05/354 Tr. No.-346**

**Dated: 19-10-2006**



**Government of India**  
**Ministry of Communications & IT**  
**Department of Posts**

**Excess Note:**

Note for Public Accounts Committee for Regularisation of excess expenditure in respect of excess occurred under Revenue/(Charged) of *Grant No. 14* Ministry of Communications & IT as disclosed in the Appropriation Accounts Postal services for **2004-05**

Revenue/Charged	(Rs. in lakh)
Original Grant.....	2.00
Supplementary Grant.....	21.00
Total Grant.....	23.00
Actual Expenditure.....	27.99
Excess.....	4.99

2. Under Revenue Section (Charged) of *Grant No. 14 Ministry of Communications & IT/Department of Posts* for 2004-05 the total provision was Rs. 2300 thousands. Against this, an expenditure of Rs. 2799 thousands was incurred resulting an excess of Rs. 499 thousands.

3. The excess of Rs. 499 thousands was the net effect of total excesses of Rs. 499 thousands under various sub-heads of the Grant. The sub-heads under which excess of Rs. Five lakhs and above occurred and reasons therefor explained as below:—

(Rs. in lakh)

<b>(i) Sub-head.....3201.02.103.04 Departmental Mail Motor Service for Ordinary Service</b>	
<b>(ii) Original Grant.....</b>	<b>0.00</b>
<b>(iii) Supplementary Grant.....</b>	<b>21.00</b>
<b>(iv) Total Grant.....</b>	<b>21.00</b>
<b>(v) Actual Expenditure.....</b>	<b>27.99</b>
<b>(vi) Excess.....</b>	<b>6.99</b>

**Reasons for Excess**

An excess expenditure of Rs. 6.99 lakhs was incurred under the sub head 3201.02.103.04 Departmental Mail Motor Service for Ordinary Service to avoid contempt of the court but inadvertently funds were not obtained by the circle.

**Remedial Action**

Instructions are issued to the circles/units to guard against such type of financial irregularities and keep the expenditure within the allotment.

This issues with the approval of Secretary (Post)

Sd/-  
(Divya Malhotra)  
DDG (PAF)

This has been vetted by the Audit *vide* UO Note No. Report VI/I (b) 400/App. Accts/ D O P 2004/1056 dated 4-1-2006.

(Ministry's File N20-5/2005 BGT(PA) 20-5/2005 BGT(PA))

**D. Action Taken by the Ministry of Railways (Railway Board)**

The excess expenditure incurred during 2004-05 has been regularized by Parliament in its Winter Session (2006) (copy enclosed).

This has been seen and vetted by Audit *vide* their U.O.No.RA-III/2-1/2006 dated 28-02-2007.

Sd/-  
(Sowmya Raghavan)  
Adviser (Finance)  
(Railway Board).  
(Ministry of Railways O.M.No.2006-BC-PAC/XIV/31 dated 03-2007)



सत्यमेव जयते

2004-05

में

रेलवे पर केंद्रीय सरकार के खर्च  
के लिए अनुदान की अतिरिक्त मांगें

DEMANDS FOR EXCESS GRANTS  
For  
EXPENDITURE OF THE  
CENTRAL GOVERNMENT ON  
RAILWAYS  
in  
2004-05

संविधान के अनुच्छेद 115 की धारा (1) (ख) के अनुसार लोक सभा के समक्ष प्रस्तुत  
Presented to the Lok Sabha in pursuance of clause (1) (b) of Article 115 of the  
Constitution

[इन मांगों को पूरा करने के लिए भारतीय संविधान के अनुच्छेद 115 की धारा (1) (ख) और (2) के  
साथ पठित अनुच्छेद 113 की धारा (3) के अधीन राष्ट्रपति की अपेक्षित सिफारिश प्राप्त कर ली गई  
है]

[The recommendation of the President required under clause (3) of Article 113  
read with clauses (1) (b) and (2) of Article 115 of the Constitution for making the  
Demands, has been obtained]

दिसम्बर/December, 2006



2004-05

में

रेलवे पर केंद्रीय सरकार के खर्च  
के लिए अनुदान की अतिरिक्त मांगें

DEMANDS FOR EXCESS GRANTS  
For  
EXPENDITURE OF THE  
CENTRAL GOVERNMENT ON  
RAILWAYS  
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संविधान के अनुच्छेद 115 की धारा (1) (ख) के अनुसार लोक सभा के समक्ष प्रस्तुत  
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है]

[The recommendation of the President required under clause (3) of Article 113  
read with clauses (1) (b) and (2) of Article 115 of the Constitution for making the  
Demands, has been obtained]

दिसम्बर/December, 2006

## प्रस्तावना

### INTRODUCTORY

इस पुस्तिका में सम्मिलित अनुदान की अतिरिक्त मांगें, 2004-05 के दौरान संसद द्वारा स्वीकृत राशि से अधिक किए गए खर्च से संबंधित हैं और ये भारत के संविधान के अनुच्छेद 115(1)(ख) के अन्तर्गत नियमित किए जाने के लिए प्रस्तुत की जा रही हैं।

The Demand for Excess Grants included in this booklet relates to the expenditure incurred during 2004-05 in Excess of amount granted by Parliament and is being presented for regularization under Article 115(1)(b) of the Constitution of India.

अनुदान सं० 3, 4, 5, 6, 9, 10, 11, 14 और 16 के स्वीकृत भाग के अंतर्गत कुल 2150 करोड़ ₹ और अनुदान सं० 4, 5, 6, 10, 13 और 16 के प्रभृत विनियोग के अंतर्गत 1.99 करोड़ ₹ का अधिक खर्च हुआ है।

Excess expenditure aggregating to Rs. 2150 cr. has been incurred under 'voted' portion of Grant Nos. 3, 4, 5, 6, 9, 10, 11, 14 & 16 and Rs. 1.99 cr. under *Charged Appropriation* Nos. 4, 5, 6, 10, 13 & 16.

अतिरिक्त खर्च के कारण नीचे दिए गए हैं:

The reasons for excess are:-

### स्वीकृत अनुदान

#### Voted Grants

अनुदान सं० 3:	रेलों पर सामान्य अधीक्षण और सेवाएं (6,00,07,173 ₹):- मुख्यतः कर्मचारी लागत तथा कार्यालय आकस्मिकताओं पर अधिक खर्च के कारण।
Grant No. 3:	General Superintendence and Services on Railways-(Rs. 6,00,07,173)-Mainly due to more expenditure towards staff cost and office contingencies.
अनुदान सं० 4:	रेलपथ और निर्माण कार्यों की मरम्मत और अनुरक्षण (22,63,70,163 ₹):- मुख्यतः अधिक कर्मचारी लागत स्टॉक से भंडार की अधिक निकासी और संविदात्मक बाध्यताओं के तहत अधिक खर्च के कारण।
Grant No. 4:	Repairs and Maintenance of Permanent Way & Works-(Rs. 22,63,70,163)-Mainly due to more expenditure towards staff cost, more drawal of stores from stock and more payment towards contractual obligations.
अनुदान सं० 5:	रेल इंजनों की मरम्मत और अनुरक्षण (13,73,45,243 ₹):- मुख्यतः स्टॉक से भंडार की अधिक निकासी तथा आवधिक ओवरहॉल पर मजूरी एवं सामग्रियों के अधिक समायोजन के कारण।
Grant No. 5:	Repairs and Maintenance of Motive Power-(Rs. 13,73,45,243)-Mainly due to more drawal of stores from stock and more adjustment of wages & materials of POH due to increase in POH activities.

- अनुदान सं० 6: सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण (53,93,22,859 रु०):- मुख्यतः अधिक कर्मचारी लागत, आवधिक ओवरहॉल पर मजूरी एवं सामग्रियों के अधिक समायोजन, अधिक मरम्मत गतिविधियों के परिणामस्वरूप अधिक भंडार नामखातों के समायोजन तथा प्रत्यक्ष खरीद पर अधिक खर्च के कारण।
- Grant No. 6: Repairs and Maintenance of Carriages & Wagons-(Rs. 53,93,22,859)-Mainly due to more expenditure towards staff cost, more adjustment of wages and materials on POH, adjustment of more stores debits and more direct purchases due to increase in repair activities.
- अनुदान सं० 9: परिचालन व्यय-यातायात (48,14,51,313 रु०):- मुख्यतः अधिक कर्मचारी लागत, स्टॉक से भंडार की अधिक निकासी और अधिक संविदात्मक भुगतान के कारण।
- Grant No. 9: Operating Expenses-Traffic-(Rs. 48,14,51,313)-Mainly due to more expenditure towards staff cost, more drawal of stores and more contractual payments.
- अनुदान सं० 10: परिचालन व्यय-ईंधन (60,20,84,638 रु०):- मुख्यतः संविदात्मक भुगतानों, डीजल ईंधन के मूल्यों में वृद्धि, स्टॉक से भंडार की निकासी पर अधिक खर्च के कारण।
- Grant No. 10: Operating Expenses-Fuel-(Rs. 60,20,84,638)-Mainly due to more expenditure towards contractual payments, increase in price of HSD oil and more drawal of stores from stock.
- अनुदान सं० 11: कर्मचारी कल्याण और सुविधाएं (7,27,14,952 रु०):- मुख्यतः अधिक कर्मचारी लागत, स्टॉक से भंडार की अधिक निकासी और अधिक संविदात्मक भुगतान के कारण।
- Grant No. 11: Staff Welfare and Amenities-(Rs. 7,27,14,952)-Mainly due to more expenditure towards staff cost, more drawal of stores from stock and higher contractual payments.
- अनुदान सं० 14: निधियों में विनियोग (479,09,54,060 रु०):- वर्ष के दौरान आंतरिक संसाधनों में अप्रत्याशित वृद्धि के कारण रेल निधियों में अधिक विनियोग।
- Grant No. 14: Appropriation to Funds-(Rs. 479,09,54,060)-Higher appropriation to Railway Funds due to unanticipated higher generation of internal resources during the year.
- अनुदान सं० 16: परिसंपत्तियां—अधिग्रहण, निर्माण तथा बदलाव-पूंजी (1458,97,03,159 रु०):- नई लाइनें (निर्माण), उखाड़ी गई लाइनों का पुनः बिछाना, आमान परिवर्तन, यात्री सुविधाओं एवं भंडार उचंचत आदि योजना शीर्षों के अंतर्गत कार्यों की बेहतर प्रगति के कारण।

- Grant No. 16: Assets-Acquisition, Construction and Replacement-Capital-(Rs. 1458,97,03,159)-Due to better progress of works under New Lines (Construction), Restoration of Dismantled Lines, Gauge Conversion, Passenger Amenities and Store Suspense etc.

**प्रभृत विनियोग**

**Charged Appropriation**

- अनुदान सं० 4: रेलपथ और निर्माण कार्यों की मरम्मत और अनुरक्षण —(6,02,713 ₹):—  
प्रत्याशा से अधिक अदालती डिगरियों के भुगतान के कारण।
- Grant No. 4: Repairs and Maintenance of Permanent Way & Works-(Rs. 6,02,713):—Due to more decretal payments than anticipated.
- अनुदान सं० 5: रेल इंजनों की मरम्मत और अनुरक्षण —(41,522 ₹):—प्रत्याशा से अधिक  
अदालती डिगरियों के भुगतान के कारण।
- Grant No. 5: Repairs & Maintenance of Motive Power-(Rs. 41,522):—Due to more decretal payments than anticipated.
- अनुदान सं० 6: सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण —(14,763 ₹):—प्रत्याशा से  
अधिक अदालती डिगरियों के भुगतान के कारण।
- Grant No. 6: Repairs & Maintenance of Carriages & Wagons-(Rs. 14,763):—  
Due to more decretal payments than anticipated.
- अनुदान सं० 10: परिचालन व्यय-ईंधन —(50,00,000 ₹):—प्रत्याशा से अधिक अदालती डिगरियों  
के भुगतान के कारण।
- Grant No. 10: Operating Expenses-Fuel-(Rs. 50,00,000):—Due to more decretal  
payments than anticipated.
- अनुदान सं० 13: भविष्य निधि, पेंशन और अन्य सेवानिवृत्ति लाभ—(7,75,814 ₹):—प्रत्याशा से  
अधिक अदालती डिगरियों के भुगतान के कारण।
- Grant No. 13: Provident Fund, Pension and other Retirement Benefits-(Rs. 7,75,814):—Due to more decretal payments than anticipated.
- अनुदान सं० 16: परिसंपत्तियां-अधिग्रहण, निर्माण तथा बदलाव-पूंजी—(1,34,78,328 ₹):—  
प्रत्याशा से अधिक अदालती डिगरियों के भुगतान के कारण।
- Grant No. 16: Assets-Acquisition, Construction and Replacement-Capital—  
(Rs. 1,34,78,328):—Due to more decretal payments than anticipated.

लोक लेखा समिति (2006-07)-चौदहवीं लोक सभा-ने अधिक खर्च की जांच करने के बाद स्वीकृत अनुदानों तथा प्रभृत विनियोगों (2004-05) से अधिक खर्च से संबंधित अपनी इकतीसवीं रिपोर्ट के पैरा 61 में इस अधिक खर्च के विनियमन की सिफारिश की है।

The Public Accounts Committee (2006-07)—14th Lok Sabha-after examining the excess have recommended its regularization *vide* para 61 of their 31st Report on Excess over Voted Grants and Charges Appropriations (2004-05).

अतिरिक्त वर्ष की अनुदान-वार स्थिति संक्षेप में नीचे दी गई है:—

The Grant-wise position of the Excess expenditure is summarised below:—

( रुपयों में/In Rs. )

अनुदान की सं० No. of Grant	अनुदान Grant		अंतिम अनुदान/ विनियोग की राशि Amount of Final Grant/Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	पुस्तिका के पृष्ठ का संदर्भ Reference to page of the Booklet
1	2	3	4	5	6	7
3.	रेलों पर सामान्य अधीक्षण और सेवाएं General Superintendence and Services on Railways	स्वीकृत Voted	1801,68,27,000	1807,68,79,173	6,00,07,173	1
4.	रेलपथ और विनिर्माण कार्यों की और अनुरक्षण Repairs & Maintenance of Permanent Way & Works	स्वीकृत Voted	32,99,71,41,000	3322,35,41,000	22,63,70,163	2
	रेल इंजनों की मरम्मत और अनुरक्षण	प्रभृत Charged	42,53,000	48,55,713	6,02,713	
5.	Repairs & Maintenance of Motive Power	स्वीकृत Voted	1669,19,65,000	1682,93,10,243	13,73,45,243	
	सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण	प्रभृत Charged	1,39,000	1,80,522	41,522	3
		स्वीकृत Voted	3460,62,34,000	3514,55,56,859	53,93,22,859	4



6.	Repairs & Maintenance of Carriages & Wagons परिचालन व्यय—यातायात	प्रभृत Charged	4,89,50,000	4,89,64,763	14,763	
9.	Operating Expenses—Traffic परिचालन व्यय—ईंधन	स्वीकृत Voted	7122,01,28,000	7170,15,79,313	48,14,51,313	5
10.	Operating Expenses—Fuel	स्वीकृत Voted	8759,07,56,000	8819,28,40,638	60,20,84,638	
11.	कर्मचारी कल्याण और सुविधाएं Staff Welfare & Amenties	प्रभृत Charged	8,33,45,000	8,83,45,000	50,00,000	6
13.	भविष्य निधि, पेंशन और अन्य सेवानिवृत्ति लाभ Provident Fund, Pension and Other Retirement Benefits	स्वीकृत Voted	1393,70,16,000	1400,97,30,952	7,27,14,952	7
14.	निधियों में विनियोग Appropriation to Funds	प्रभृत Charged	73,66,000	81,41,814	7,75,814	8
16.	परिसंपत्तियां—अधिग्रहण, निर्माण तथा बदलाव Assets—Acquisition, Construction and Replacement	स्वीकृत Voted	11654,30,00,000	12133,39,54,060	479,09,54,060	9
	पूंजी Capital	स्वीकृत Voted	21614,52,71,000	23073,49,74,159	1458,97,03,159	10
		प्रभृत Charged	20,96,96,000	23,31,74,328	1,34,78,328	
		स्वीकृत Voted	60774,83,83,000	62924,83,36,560	2149,99,53,560	
	कुल/Total	प्रभृत Charged	35,37,49,000	37,36,62,140	1,99,13,140	

मांग सं० 3—रेलवे

**DEMAND NO.3—RAILWAYS**

राजस्व

**REVENUE**

रेलों पर सामान्य अधीक्षण सेवाएं

**GENERAL SUPERINTENDENCE AND SERVICES ON RAILWAYS**

31 मार्च, 2005 को समाप्त वर्ष में रेलों पर सामान्य अधीक्षण और सेवाओं के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2005 in respect of General Superintendence and Services on Railways.

स्वीकृत: केवल छः करोड़, सात हजार, एक सौ तिहत्तर रुपये।

Voted: Rupees six crore, seven thousand, one hundred and seventy three only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
1801,68,72,000	1807,68,79,173	6,00,07,173	0.33%

यह मांग रेलों पर सामान्य अधीक्षण और सेवाओं पर खर्च के लिए है।

This Demand deals with the expenditure on General Superintendence and Services on Railways.

‘स्वीकृत’ भाग के अंतर्गत 6 करोड़ ₹ का अधिक खर्च, जो 1801.69 करोड़ ₹ के अंतिम अनुदान का 0.33 प्रतिशत बनता है, रेलपथ एवं निर्माण कार्य प्रबंधन (0.09 करोड़ रुपये), चल-स्टॉक प्रबंधन (0.66 करोड़ रुपये), बिजली प्रबंधन (1.10 करोड़ रुपये), सिगनल और दूरसंचार प्रबंधन (0.39 करोड़ रुपये), यातायात प्रबंधन (10.61 करोड़ रुपये) के तहत मुख्यतः स्थापना एवं आकस्मिकताओं पर अधिक व्यय के कारण है; यह आधिक्य अन्य गतिविधियों के अंतर्गत बचत से अंशतः संतुलित हुआ।

The excess of Rs. 6 cr. under 'Voted' portion, which works out to 0.33 per cent of the Final Grant of Rs. 1801.69 crore, has occurred mainly under Way & Works Management (Rs. 9.09 cr.), Rolling Stock Management (Rs. 0.66 cr.), Electrical Management (Rs. 1.10 cr.), Signal & Telecommunication Management (Rs. 0.39 cr.) and Traffic Management (Rs. 10.61 cr.), mainly due to more expenditure towards staff cost and office contingencies; the excess was partly offset by savings in other activities.

मांग सं० 4 — रेलवे

DEMAND NO.4—RAILWAYS

राजस्व

REVENUE

रेलपथ और निर्माण कार्यों की मरम्मत और अनुरक्षण

REPAIRS & MAINTENANCE OF PERMANENT WAY AND WORKS

31 मार्च, 2005 को समाप्त वर्ष में रेलपथ और निर्माण कार्यों के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2005 in respect of Repairs & Maintenance of Permanent Way & Works.

स्वीकृत: केवल बाइस करोड़, तिरेसठ लाख, सत्तर हजार, एक सौ तिरेसठ रुपये।

Voted: Rupees twenty two crore, sixty three lakh, seventy thousand, one hundred and sixty three only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
3299,71,41,000	3322,35,11,163	22,63,70,163	0.69%

प्रभृत: केवल छः लाख, दो हजार, सात सौ तेरह रुपये।

Charged: Rupees six lakh, two thousand, seven hundred and thirteen only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
42,53,000	48,55,713	6,02,713	14.17%

यह मांग रेलपथ और निर्माण कार्यों की मरम्मत और अनुरक्षण पर खर्च के लिए है।

This Demand deals with the expenditure on Repairs & Maintenance of Permanent Way & Works.

‘स्वीकृत’ भाग के अंतर्गत 22.64 करोड़ ₹ का अधिक खर्च, जो 3299.71 करोड़ ₹ के अंतिम अनुदान का 0.69 प्रतिशत बनता है, कार्यों में स्थापना (16.96 करोड़ रुपये), सेवा इमारतों के अनुरक्षण (16.56 करोड़ रुपये), जल आपूर्ति, स्वच्छता और सड़कें (कालोनियों, कर्मचारी और कल्याण इमारतों से इतर) (16.75 करोड़ रुपये) और अन्य मरम्मतें एवं अनुरक्षण (2.96 करोड़ रुपये) के तहत मुख्यतः कर्मचारी लागत, भंडार से अधिक निकासी और संविदात्मक बाध्यताओं पर अधिक भुगतान के कारण हैं; यह आधिक्य अन्य गतिविधियों के अंतर्गत बचत से अंशतः संतुलित हुआ।

The excess of Rs. 22 cr. under 'Voted' portion, which works out to 0.69 per cent of the Final Grant of Rs. 3299.71 crore, has occurred mainly under Establishment in Offices (Rs. 16.96 cr.), Maintenance of Service Buildings (Rs. 16.56 cr.), Water Supply, Sanitation and Roads (Other than Colonies, Staff Quarters and Welfare Buildings) (Rs. 16.75 cr.) and Other Repairs and Maintenance (Rs. 2.96 cr.), mainly due to more expenditure towards staff cost, more drawal of stores and more payment towards contractual obligations; the excess was partly offset by savings in other activities.

‘प्रभृत’ विनियोग के अंतर्गत 6.03 लाख रु का अधिक खर्च, जो 42.53 लाख रु के अंतिम विनियोग का 14.17 प्रतिशत बनता है, अदालती डिगरियों के प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 6.03 lakh under 'Charged' appropriation, which works out to 14.17 per cent of the Final Appropriation of Rs. 42.53 lakh, is due to more decretal payments than anticipated.

मांग सं० 5 — रेलवे  
**DEMAND NO. 5 — RAILWAYS**

राजस्व  
**REVENUE**

रेल इंजनों की मरम्मत और अनुरक्षण

**REPAIRS & MAINTENANCE OF MOTIVE POWER**

31 मार्च, 2005 को समाप्त वर्ष में रेल इंजनों की मरम्मत और अनुरक्षण के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2005 in respect of Repairs & Maintenance of Motive Power.

स्वीकृत: केवल तेरह करोड़, तिहत्तर लाख, पैंतालीस हजार, दो सौ तेतालीस रुपये।

Voted: Rupees thirteen crore, seventy three lakh, forty five thousand, two hundred and forty three only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
1669,19,65,000	1682,93,10,243	13,73,45,243	0.82%

प्रभृत: केवल इकतालीस हजार, पांच सौ बाइस रुपये।

Charged: Rupees forty one thousand, five hundred and twenty two only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
1,39,000	1,80,522	41,522	29.87%

यह मांग रेल इंजनों की मरम्मत और अनुरक्षण पर खर्च के लिए है।

This Demand deals with the expenditure on Repairs & Maintenance of Motive Power.

‘स्वीकृत’ भाग के अंतर्गत 13.73 करोड़ ₹ का अधिक खर्च, जो 1669.20 करोड़ ₹ के अंतिम अनुदान का 0.82 प्रतिशत बनता है, मुख्यतः ‘भाप इंजन’ (0.56 करोड़ ₹) और डीजल इंजन (65.64 करोड़ ₹) की मरम्मत और अनुरक्षण पर स्टॉक भंडारों की अधिक निकासी और आवधिक ओवरहील पर मजूरी एवं सामग्रियों के अधिक समायोजन के कारण हुई। यह वृद्धि अन्य गतिविधियों के अंतर्गत बचत के कारण अंशतः संतुलित हो गई।

The excess of Rs. 13.73 cr. under 'Voted' portion, which works out to 0.82 per cent of the Final Grant of Rs. 1669.20 crore, has occurred mainly under the repairs & maintenance of Steam Locomotives (Rs. 0.56 cr.) and Diesel Locomotives (Rs. 65.64 cr.), mainly due to more drawal of stores from stock and more adjustment of wages & materials on POH activities; the excess was partly offset by savings in other activities.

‘प्रभृत’ विनियोग के अंतर्गत 0.42 लाख रु० का अधिक खर्च, जो 1.39 लाख रु० के अंतिम विनियोग का 29.87 प्रतिशत बनता है, अदालती डिगरियों के प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 0.42 lakh under 'Charged' appropriation, which works out to 29.87 per cent of the Final Appropriation of Rs. 1.39 lakh, is due to more decretal payments than anticipated.

मांग सं० 6—रेलवे

DEMAND NO.6—RAILWAYS

राजस्व

REVENUE

सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण

REPAIRS & MAINTENANCE OF CARRIAGES & WAGONS

31 मार्च, 2005 को समाप्त वर्ष में सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2005 in respect of Repairs & Maintenance of Carriages & Wagons.

स्वीकृत: केवल तिरेपन करोड़, तिरानवे लाख, बाइस हजार, आठ सौ उनसठ रुपये।

Voted: Rupees fifty three crore, ninety three lakh, twenty two thousand, eight hundred and fifty nine only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
3460,62,34,000	3514,55,56,859	53,93,22,859	1.56%

प्रभृत: केवल चौदह हजार, सात सौ तिरेसठ रुपये।

Charged: Rupees fourteen thousand, seven hundred and sixty three only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
4,89,50,000	4,89,64,763	14,763	0.03%

यह मांग सवारी एवं माल डिब्बों की मरम्मत और अनुरक्षण पर खर्च के लिए है।

This Demand deals with the expenditure on Repairs & Maintenance of Carriages & Wagons.

‘स्वीकृत’ भाग के अंतर्गत 53.93 करोड़ ₹ का अधिक खर्च, जो 3460.62 करोड़ ₹ के अंतिम अनुदान का 1.56 प्रतिशत बनता है, कार्यालय में स्थापना (10.60 करोड़ ₹), सवारी डिब्बे (59.73 करोड़ ₹), बिजली मल्टीपल यूनिट कोच (5.67 करोड़ ₹) व बिजली सामान्य सेवाएं – गाड़ी प्रकाश व्यवस्था, पंखे एवं वातानुकूलन (2.77 करोड़ ₹) के अंतर्गत कर्मचारी प्रभारों पर अधिक खर्च, आवधिक ओवरहाल के संबंध में मजूरी एवं सामग्रियों के अधिक समायोजन, मरम्मत गतिविधियों के कारण सीधी खरीद बढ़ने और अधिक भंडार नामे खातों के समायोजन के कारण हुई। यह वृद्धि अन्य गतिविधियों के अंतर्गत बचत के कारण अंशतः संतुलित हो गई।

The excess of Rs. 53.93 cr. under 'Voted' portion, which works out to 1.56 per cent of the Final Grant of Rs. 3460.62 crore, has occurred mainly under Establishment in Offices (Rs. 10.60 cr.), Carriage (Rs. 59.73 cr.), Electric Multiple Unit Coaches (Rs. 5.67 cr.) and Electrical General Services Train Lighting, Fans & Airconditioning (Rs. 2.77 cr.), mainly due to more expenditure towards staff cost, more adjustment of wages and materials on POH, adjustment of more stores debits and more direct purchases due to increase in repair activities; the excess was partly offset by savings in other activities.

‘प्रभृत’ विनियोग के अंतर्गत 0.15 लाख रु का अधिक खर्च, जो 489.50 लाख रु के अंतिम विनियोग का 0.03 प्रतिशत बनता है, अदालती डिगरियों के प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 0.15 lakh under 'Charged' appropriation, which works out to 0.03 per cent of the Final Appropriation of Rs. 489.50 lakh, is due to more decretal payments than anticipated.



मांग सं० 9—रेलवे  
DEMAND NO.9—RAILWAYS

राजस्व  
REVENUE

परिचालन व्यय—यातायात  
OPERATING EXPENSES—TRAFFIC

31 मार्च, 2005 को समाप्त वर्ष में परिचालन व्यय—यातायात के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2005 in respect of Operating Expenses—Traffic.

स्वीकृत: केवल अड़तालीस करोड़, चौदह लाख, इक्यावन हजार, तीन सौ तेरह रुपये।

Voted: Rupees forty eight crore, fourteen lakh, fifty one thousand, three hundred and thirteen only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु० Rs.	रु० Rs.	रु० Rs.	
7122,01,28,000	7170,15,79,313	48,14,51,313	0.68%

यह मांग परिचालन व्यय—यातायात पर खर्च के लिए है।

This Demand deals with the expenditure on Operating Expenses—Traffic.

‘स्वीकृत’ भाग के अंतर्गत 48.15 करोड़ रु० का अधिक खर्च, जो 7122.01 करोड़ रु० के अंतिम अनुदान का 0.68 प्रतिशत बनता है, मुख्यतः स्टेशन परिचालन (31.49 करोड़ रु०) व गाड़ी परिचालन (44.80 करोड़ रु०) के अंतर्गत मुख्यतः अधिक कर्मचारी लागतों, स्टॉक से भंडार की अधिक निकासी तथा अधिक संविदात्मक भुगतान के कारण हुई। यह वृद्धि अन्य गतिविधियों में बचत के कारण अंशतः संतुलित हो गई।

The excess of Rs. 48.15 cr. under 'Voted' portion, which works out to 0.68 per cent of the Final Grant of Rs. 7122.01 crore, has occurred mainly under Station Operations (Rs. 31.49 cr.) and Train Operations (Rs. 44.80 cr.), mainly due to more expenditure towards staff cost, more drawal of stores from stock and more contractual payments; the excess was partly offset by savings in other activities.

मांग सं० 10—रेलवे  
DEMAND NO. 10—RAILWAYS

राजस्व  
REVENUE

परिचालन व्यय—ईंधन  
OPERATING EXPENSES—FUEL

31 मार्च, 2005 को समाप्त वर्ष में परिचालन व्यय—ईंधन के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2005 in respect of Operating Expenses—Fuel

स्वीकृत: केवल साठ करोड़, बारह लाख, चौरासी हजार, छः सौ अड़तीस रुपये।

Voted: Rupees sixty crore, twenty lakh, Eighty four thousand, six hundred and thirty eight only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
8759,07,56,000	8819,28,40,638	60,20,84,638	0.69%

प्रभृत: केवल पचास लाख रुपये।

Charged: Rupees fifty lakh only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
8,33,45,000	8,83,45,000	50,00,000	6.00%

यह मांग परिचालन व्यय—ईंधन पर खर्च के लिए है।

This Demand deals with the expenditure on Operating Expenses—Fuel.

‘स्वीकृत’ भाग के अंतर्गत 60.21 करोड़ ₹ का अधिक खर्च, जो 8759.08 करोड़ ₹ के अंतिम अनुदान का 0.69 प्रतिशत बनता है, मुख्यतः भाप कर्षण (0.19 करोड़ ₹), व डीजल कर्षण (86.74 करोड़ ₹) के अंतर्गत अधिक संविदात्मक भुगतान, उच्च गति डीजल तेल के मूल्य में वृद्धि, वर्ष के दौरान खपत में वृद्धि के कारण स्टॉक से भंडारों की अधिक निकासी और बिक्री कर/आबकारी शुल्क के तहत अधिक व्यय के कारण हुई। यह वृद्धि बिजली कर्षण के अंतर्गत बचत के कारण अंशतः संतुलित हो गई।

The excess of Rs. 60.21 cr. under 'Voted' portion, which works out to 0.69 per cent of the Final Grant of Rs. 8759.08 crore, has occurred mainly under Steam Traction (Rs. 0.19 cr.) and Diesel Traction (Rs. 86.74 cr.), mainly due to more expenditure towards contractual payments, increase in price of HSD oil, more drawal of stores from stock and more expenditure under sales tax/excise duty on account of increase in consumption during the year; the excess was partly offset by savings under Electric Traction.

‘प्रभुत’ विनियोग के अंतर्गत 50.00 लाख रु का अधिक खर्च, जो 833.45 लाख रु के अंतिम विनियोग का 6.00 प्रतिशत बनता है, अदालती डिगिरियों के प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 50.00 lakh under 'Charged' appropriation, which works out to 6.00 per cent of the Final Appropriation of Rs. 833.45 lakh, is due to more decretal payments than anticipated.

मांग सं० 11—रेलवे  
DEMAND NO. 11—RAILWAYS

राजस्व

REVENUE

कर्मचारी कल्याण और सुविधाएं  
STAFF WELFARE AND AMENITIES

31 मार्च, 2005 को समाप्त वर्ष में कर्मचारी कल्याण और सुविधाओं के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2005 in respect of Staff Welfare and Amenities.

स्वीकृत: केवल सात करोड़, सत्ताइस लाख, चौदह हजार, नौ सौ बावन रुपये।

Voted: Rupees seven crore, twenty seven lakh, fourteen thousand, nine hundred and fifty two only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
1393,70,16,000	1400,97,30,952	7,27,14,952	0.52%

यह मांग कर्मचारी कल्याण और सुविधाओं पर खर्च के लिए है।

This Demand deals with the expenditure on Staff Welfare and Amenities.

‘स्वीकृत’ भाग के अंतर्गत 7.27 करोड़ ₹ का अधिक खर्च, जो 1393.70 करोड़ ₹ के अंतिम अनुदान का 0.52 प्रतिशत बनता है, मुख्यतः चिकित्सा सेवाएं (5.00 करोड़ ₹) के अंतर्गत रेलवे चिकित्सालयों तथा डिस्पेंसरियों में चिकित्सा उपस्करों को खरीद पर अधिक व्यय तथा अन्य अस्पतालों को रेलकर्मियों के भेजे गए मामलों पर चिकित्सा व्यय के अधिक पुनर्भुगतान और रिहायशी तथा कल्याण इमारतों की मरम्मत और अनुरक्षण (19.07 करोड़ ₹) के लिए मुख्यतः स्टॉक से भंडार की अधिक निकासी, संविदात्मक दायित्वों के बढ़ने तथा स्थापना प्रभारों पर अधिक व्यय के कारण हुआ, यह वृद्धि अन्य गतिविधियों के अंतर्गत बचत से अंशतः संतुलित हो गई।

The excess of Rs. 7.27 cr. under 'Voted' portion, which worked out to 0.52 per cent of the Final Grant of Rs. 1393.70 crore, has occurred mainly under Medical Services (Rs. 5.00 cr.) mainly due to more expenditure towards purchase of medical equipments in Railways Hospitals & Dispensaries and more reimbursement of medical expenses to Railway employees for referred cases to other hospitals, and also due to more drawal of stores from stock, more materialisation of contractual obligations and more expenditure on establishment charges under repairs & maintenance of Residential & Welfare Buildings (Rs. 19.07 cr.); the excess was partly offset by savings under other activities.

मांग सं० 13—रेलवे

**DEMAND NO. 13—RAILWAYS**

राजस्व

**REVENUE**

भविष्य निधि, पेंशन और अन्य सेवानिवृत्ति लाभ

**PROVIDENT FUND, PENSION AND OTHER RETIREMENT BENEFITS**

31 मार्च, 2005 को समाप्त वर्ष में भविष्य निधि, पेंशन और अन्य सेवानिवृत्ति लाभ के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2005 in respect of Provident Fund, Pension and other Retirement Benefits.

प्रभृतः केवल सात लाख, पचहत्तर हजार, आठ सौ चौदह रुपये।

Charged: Rupees seven lakh, seventy five thousand, eight hundred and fourteen only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु० Rs.	रु० Rs.	रु० Rs.	
73,66,000	81,41,814	7,75,814	10.53%

यह मांग भविष्य निधि, पेंशन और अन्य सेवानिवृत्ति लाभ पर खर्च के लिए है।

This Demand deals with the expenditure on Provident Fund, Pension and other Retirement Benefits.

‘प्रभृत’ विनियोग के अंतर्गत 7.76 लाख रु० का अधिक खर्च, जो 73.66 लाख रु० के अंतिम विनियोग का 10.53 प्रतिशत बनता है, अदालती डिगरियों के प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 7.76 lakh under 'Charged' appropriation, which works out to 10.53 per cent of the Final Appropriation of Rs. 73.66 lakh, is due to more decretal payments than anticipated.

मांग सं० 14—रेलवे

**DEMAND NO. 14—RAILWAYS**

राजस्व

**REVENUE**

निधियों में विनियोग

**APPROPRIATION TO FUNDS**

31 मार्च, 2005 को समाप्त वर्ष में निधियों में विनियोग के संबंध में अनुदान से अधिक खर्च की राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2005 in respect of Appropriation to Funds.

स्वीकृत: केवल चार सौ उन्नासी करोड़, नौ लाख, चौवन हजार, साठ रुपये।

Voted: Rupees four hundred seventy nine crore, nine lakh, fifty four thousand, sixty only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
रु० Rs.	रु० Rs.	रु० Rs.	
11654,30,00,000	12133,39,54,060	479,09,54,060	4.11%

यह मांग निधियों में विनियोग पर खर्च के लिए है।

This Demand deals with the expenditure on Appropriation to Funds.

‘स्वीकृत’ भाग के अंतर्गत 479.10 करोड़ रु० का अधिक खर्च, जो 11654.30 करोड़ रु० के अंतिम अनुदान का 4.11 प्रतिशत बनता है, मुख्यतः आंतरिक संसाधनों में अनुमान से अधिक वृद्धि के कारण मूल्यह्रास निधि, विकास निधि, पेंशन निधि व रेल संरक्षा निधि में अधिक विनियोग के कारण है।

The excess of Rs. 479.10 cr. under 'Voted' portion, which works out to 4.11 per cent of the Final Grant of Rs. 11654.30 crore, has occurred mainly due to generation of higher internal resources than anticipated enabling higher appropriation to depreciation Reserve Fund, Development Fund, Pension Fund and Railway Safety Fund.

मांग सं० 16—रेलवे

DEMAND NO. 16—RAILWAYS

परिसंपत्तियां—अधिग्रहण, निर्माण तथा बदलाव

ASSETS—ACQUISITION, CONSTRUCTION AND REPLACEMENT

31 मार्च, 2005 को समाप्त वर्ष में परिसंपत्तियां—अधिग्रहण, निर्माण तथा बदलाव के संबंध में अनुदान से अधिक खर्च की गई राशि।

Amount expended in excess of the Grant for the year ended 31st March, 2005 in respect of Assets—Acquisition. Construction and Replacement.

(क) पूंजी

(A) Capital

प्रभृत: एक सौ चौतीस लाख, अठहत्तर हजार, तीन सौ अट्ठाइस रुपए मात्र।

Charged: Rupees One hundred thirty four lakh, seventy eight thousand, three hundred and twenty eight only.

अंतिम विनियोग Final Appropriation	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
2096,96,000	2231,74,328	134,78,328	6.43%

(ख) पूंजी

(B) Capital

स्वीकृत: एक हजार चार सौ अट्ठावन करोड़, सतानवे लाख, तीन हजार, एक सौ उनसठ रुपए मात्र।

Voted: Rupees one thousand four hundred fifty eight crore, ninety seven lakh, three thousand and one hundred fifty nine only.

अंतिम अनुदान Final Grant	वास्तविक व्यय Actual Expenditure	अधिक खर्च Excess	अधिक खर्च का प्रतिशत Percentage of Excess
₹ Rs.	₹ Rs.	₹ Rs.	
21614,52,71,000	23073,49,74,159	1458,97,03,159	6.75%

यह मांग परिसंपत्तियां—अधिग्रहण, निर्माण तथा बदलाव पर खर्च के लिए है।

This Demand deals with the expenditure on Assests—Acquisition, Construction and Replacement.

‘प्रभृत’ विनियोग के अंतर्गत पूंजी में 1.35 करोड़ रुपए की वृद्धि, जो कि 20.97 करोड़ रुपए के अंतिम विनियोग का 6.43 प्रतिशत है, अदालती डिगरियों पर प्रत्याशा से अधिक भुगतान के कारण है।

The excess of Rs. 1.35 cr. under 'Charge' Appropriation under Capital which works out to 6.43 per cent of the Final Appropriation of Rs. 20.97 cr. is due to more decretal payments than anticipated.

‘स्वीकृत’ अनुदान के अंतर्गत पूंजी में 1458.97 करोड़ रुपए की वृद्धि, जो कि 21614.53 करोड़ रुपए के अंतिम अनुदान की 6.75 प्रतिशत है, मुख्यतः नई लाइनें (निर्माण), उखाड़ी गई लाइनों का पुनः बिछाना, आमान परिवर्तन, यात्री सुविधाओं एवं भंडार उच्चत योजना शीर्षों के अंतर्गत निर्माण कार्यों की बेहतर प्रगति के लिए प्रत्याशा से अधिक आवश्यकता को पूरा करने के लिए हुई है।

The excess of Rs. 1458.97 cr. under 'Voted' Grant under Capital, which works out to 6.75 per cent of the Final Grant of Rs. 21614.53 cr. has occurred mainly to meet the requirement for better progress of works under the planheads New Lines (Construction), Restoration of Dismantled Lines, Gauge Conversion, Passenger Amenities and Store Suspense more than anticipated.

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### **CHAPTER III**

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT  
DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED  
FROM GOVERNMENT

-NIL-

## CHAPTER IV

### OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

#### Observation/ Recommendation

The Committee note from the Appropriation Accounts of the Ministry of Railways for the year 2004-05 that an expenditure aggregating Rs. 2104.61 crore had been incurred over and above the sanctioned provisions under 15 cases of 10 Grants/Appropriations operated by the Ministry of Railways. After taking into account the effect of misclassification, the actual excess expenditure requiring regularization worked out to Rs. 2151.99 crore instead of Rs. 2104.61 crore as depicted in the relevant Appropriation Accounts. To utter dismay of the Committee, the amount of excess expenditure under two Grants (Nos. 3 & 11 ) is more than Rs. one crore, under five Grants (Nos. 4,5,6, 9 & 10 ) is more than Rs. 20 crore, under Grant No. 14 it is more than Rs. 400 crore and under Grant No. 16—Capital, it is more than Rs. one thousand crore. What is still more disturbing is the fact that this excess expenditure had occurred despite obtaining supplementary provisions of Rs. 3875.38 crore in 12 out of 15 cases of excess registering Grants/Appropriations. The Committee regret to observe that the Ministry of Railways have failed not only in keeping the required vigil over the trend of excess expenditure but also in assessing their actual requirement of funds even at the time of seeking supplementary provisions. The Committee take a serious view of this situation and strongly urge the Ministry to exercise greater care in assessing realistically their requirement of funds. Efforts should also be made to keep a close and constant watch over the trend of expenditure with a view to containing the same within the budgetary allocations.

[Sl. No. 6, Paragraph 57 of Appendix V of Thirty-first Report of PAC  
(Fourteenth Lok Sabha)]

#### Action Taken by the Ministry of Railways (Railway Board)

The above observation is noted for taking action as desired by the Committee. It may, however, be mentioned that out of the total excess expenditure of Rs. 2152 cr. incurred in 2004-05, almost 90% has occurred in two demands, *i.e.* , Demand No. 14 (Rs. 479 cr.) and Demand No. 16 (Rs. 1459 cr.).

Demand No. 14 reflects the appropriation of internally generated revenues to various Railway Funds. It has been the constant endeavour of the Indian Railways to progressively increase its internal resource generation capacity both by augmenting the earnings and controlling the expenditure.

In 2004-05, Indian Railways could generate unprecedented internal resources. In view of better performance seen in the first nine months of 2004-05, the internal generation of resources was enhanced. This internal generation was subsequently appropriated to various railway funds based on perceived requirements. Thus, the excess appropriation appearing under Demand No. 14 is, in fact, a reflection of better

performance of the Indian Railways. As the excess in this demand mainly depicts higher generation of internal resources than anticipated enabling higher appropriation to Railway Funds, the excess incurred hereunder can be deemed only as technical in nature as no real expenditure is involved in this case.

As regards Demand No. 16, the excess under Capital (Gross—Voted) was mainly due to higher level of build up in stores transactions necessitated by higher level of activities of the Indian Railways. There was a corresponding increase in the credit transactions under this head as well due to which the net excess was of Rs. 142.45 cr. only w.r.t. Budget Grant (Rs. 28.40 cr. w.r.t. Revised Grant). These transactions represent need for higher level of inventories to keep pace with the activity level. Further analysis shows that this situation has arisen mainly under new zones, which were carved out in 2003-04 and their inventory accounts took time to settle. The concern of the PAC has, however, been conveyed to the Railways who have been asked *vide* letter No. 2006-B-110(PAC) dated 09.11.2006 (enclosed) to analyze the reasons and take corrective action so that such cases of excess do not recur. As regards excess in other Plan-heads, Railways have again been apprised of the concern of the Committee *vide* letter No. 2006-B-342 dated 09.11.2006. (enclosed).

The excess in other grants is less than 1% of the individual sanctioned grants and hence may be regarded as minor. The Zonal Railways, nonetheless, are being cautioned to contain the incidence of excess in future as per the letter enclosed.

It has been decided to monitor the trend of charged appropriation at the Ministry's level so as to contain the excess expenditure therein. The letter issued to the spending units is also enclosed.

This has been seen and vetted by Audit *vide* their U.O. No. RA-III/2-1/2006 dated 28-02-2007.

Sd/-  
(Sowmya Raghvan)  
Advisor (Finance)  
(Railway Board).

[Ministry of Railways O.M.No. 2006-BC-PAC/XIV/ 31 dated -03-2007]

**Sabita Gopal**

**Additional Member (Budget)**

D.O. No. 2006-B-110 (PAC)

New Delhi, 9-11-2006

Dear Shri.....,

**Sub: Excess over Voted Grants/Charged Appropriations.**

Zonal Railways have been constantly instructed to keep their expenditure within the allotment sanctioned by the Parliament. While excess involving smaller amounts may be explained, to some extent, instances like an excess of Rs. 1766.89 crores in Stores Suspense (Voted) alone during 2004-05 puts the very concept of financial propriety at stake. Out of this, .....(\*) accounts for an excess of .....(\*\*). This violation has been viewed very seriously by the PAC in its 31st Report (Fourteenth Lok Sabha) on Excess over Voted Grants/Charged Appropriations (2004-05), as an instance of unrealistic assessment for funds and faulty budgeting.

In view of the above North Eastern Railway may analyze the reasons for the excess in detail and take corrective action to avoid recurrence.

With regard,

Yours Sincerely  
Sd/-  
(Sabita Gopal).

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General Managers (NER, ECR, NCR, NWR & WCR)

*NER	**Rs. 54 cr.
ECR	Rs. 53 cr.
NCR	Rs. 509 cr.
NWR	Rs. 479 cr.
WCR	Rs. 493 cr.

**Government of India (Bharat Sarkar)**  
**Ministry of Railways (Rail Mantralaya)**  
**(Railway Board)**

**No. 2006-B-342**

New Delhi, dated 9.11.2006

The General Managers,  
All India Railways.

**Sub: Excess over Voted Grants/Charged Appropriations 2004-05**

In 2004-05, Railways incurred an excess expenditure of Rs. 2152 cr. in the following Demands:

(Rs. in Thousands)			
Demand No.	Grant	Appropriation	Total
3	600,07	..	600,07
4	2263,70	6,03	2269,73
5	1373,45	42	1373,87
6	5393,23	15	5393,38
9	4814,51	..	4814,51
10	6020,85	50,00	6070,85
11	727,15	..	727,15
13	..	7,75	7,76
14	47909,54	..	47909,54
16	145897,03	134,78	146031,81
Total	214999,53	199,13	215198,67

The above "Excess" has been viewed seriously by the Public Accounts Committee (PAC) (14th Lok Sabha), *vide* their 31st Report. The Committee has expressed serious concern about the excess having occurred despite obtaining the supplementary grants in most of the cases.

The Committee while criticizing the Railways for having failed not only in keeping the required vigil over the trend of excess expenditure but also in assessing the actual requirement of funds even at the time of seeking supplementary provisions and has strongly urged the Railways to exercise greater care in assessing realistically the requirement of funds and to make efforts to keep a close and constant watch over the trend of expenditure with a view to containing the same within the budgetary allocations.

It is reiterated that **no expenditure should be incurred over and above the authorized allotment** without the approval of the competent authority as per the rules of re-appropriation; **and in no case, should the expenditure exceed the authorized grant.** As soon as it is felt that a Grants is going to be exceeded strict control on the expenditure should be exercise until additional authorization comes through either by re-

appropriation at the Board's level or through a Supplementary Grant obtained from Parliament. **Timely submission of Budget/Supplementary estimates in this regard should also be ensured.** It is seen that the due dated for submission of the final modification estimates, on the basis of which the Supplementary Grants are framed, are not being adhered to by the Railways as a result the comprehensive requirement of the Railways are not getting accounted for resulting in excess expenditure even after obtaining the supplementary grants. **In any case, the expenditure should not exceed the grants authorised through the Final Grants.**

Kindly acknowledge receipt.

Sd/-  
(Anjali Goyal)  
Executive, Director, Finance (Budget)  
Railway Board.

**Government of India (Bharat Sarkar)**  
**Ministry of Railways (Rail Mantralaya)**  
**(Railway Board)**

**No. 2005-B-342/2**

New Delhi, dated 21.09.2006

The General Managers (Budget),

All India Railways.

**Sub: Excess over budgeted Charged Appropriations.**

PAC, in its 32nd Report, while further deliberating on the ATNs submitted by the Ministry of Railways on the Recommendations contained in an earlier Report, has adversely commented on the persistent trend of excess expenditure incurred particularly under Charged Appropriations of Ministry of Railways and has, in Para No. 1.13 desired that the Ministry should take effective follow-up steps to ensure strict observance of the existing instructions apart from improving their accounting information system and tightening their expenditure control.

Attention, in this regard, is invited to Board's letters No. 2003-B-342 dated 12-03-04, No. 2005/ACII(CC)/372 dated 17.02.05, No. 2005-B-342 dated 30.12.05 and No. 2005-B-110(PAC) dated 16-02-06, cautioning Railways on excess being observed, especially under charged appropriations.

The issue of persistent excess being noticed in charged expenditure and the need to control it has also been raised in the FA&CAOs' conferences organized in the last couple of years, despite which the incurrence of excess expenditure has not been curbed. Hence, the trend of expenditure under charged expenditure needs continuous monitoring through out the year at the highest level, *i.e.*, both at the zonal and Board's level. For facilitating this, the zonal Railways are required to furnish to Board, a quarterly report on the trend of charged expenditure (*as per the Proforma enclosed*) by the 10th of the second following month after each quarter-ending, starting from the quarter ending on 30th September, 2006.

This issues with the approval of Financial Commissioner (Railways).

Sd/-  
(Anjali Goyal)  
Executive, Director, Finance (Budget)  
Railway Board.

**Proforma**

Quarterly Report on the trend of charged expenditure on \_\_\_\_\_ Railway

(Rs. in 000s)

Demand No.	Budgeted charged appropriation	No. of court cases/ arbitration awards involved on which decision is likely in the current year	Likely implication in the form of charged expenditure likely to be incurred during the current year	Additional amount if required over the Budgeted appropriation	Remarks
3					
4					
5					



## CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPCT OF WHICH GOVERNMENT  
HAVE FURNISHED INTERIM REPLIES/NO REPLIES

—NIL—

NEW DELHI;  
*23 November, 2007*  

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*2 Agrahayana, 1929 (Saka)*

PROF. VIJAY KUMAR MALHOTRA,  
*Chairman,*  
*Public Accounts Committee.*

## PART II

### MINUTES OF THE THIRTEENTH SITTING OF PUBLIC ACCOUNTS COMMITTEE (2007-2008) HELD ON 23RD NOVEMBER, 2007

The Committee sat from 1600 hrs. to 1630 hrs. on 23rd November, 2007 in Room No. 51 (Chairman's Chamber), First Floor, Parliament House, New Delhi.

#### PRESENT

Prof. Vijay Kumar Malhotra—*Chairman*

*Lok Sabha*

2. Shri Kirip Chaliha
3. Shri Khagen Das
4. Shri Raghunath Jha
5. Shri Bhartruhari Mahtab
6. Shri Brajesh Pathak
7. Shri Rajiv Ranjan 'Lalan' Singh

*Rajya Sabha*

8. Shri V. Narayanasamy
9. Shri Prasanta Chatterjee

#### SECRETARIAT

- |                                 |   |                             |
|---------------------------------|---|-----------------------------|
| 1. Shri S.K. Sharma             | — | <i>Additional Secretary</i> |
| 2. Shri A. Mukhopadhyay         | — | <i>Joint Secretary</i>      |
| 3. Shri M.K. Madhusudhan        | — | <i>Deputy Secretary-II</i>  |
| 4. Shri Ramkumar Suryanarayanan | — | <i>Under Secretary</i>      |

#### Representative of the office of the Comptroller and Auditor General of India

Shri Nand Kishore — Pr. Director of Audit (AB)

2. At the outset, the Chairman, PAC welcomed the Members and Audit Officers to the sitting of the Committee. Thereafter, the Committee took up for consideration and adoption the following draft Reports:

- |      |    |    |     |
|------|----|----|-----|
| (i)  | ** | ** | **; |
| (ii) | ** | ** | **; |

- (iii) Draft Action Taken Report on the 31st Report of PAC (14th Lok Sabha) on **"Excesses Over Voted Grants and Charged Appropriations (2004-2005)".**

3. After some deliberations, the Committee adopted these draft Reports without any amendments/modifications and authorized the Chairman to finalize and present the same to Parliament in the light of factual verification, if any, done by the Audit.

*The Committee then adjourned.*