

THIRTY-FIRST REPORT
PUBLIC ACCOUNTS COMMITTEE
2001-2002

THIRTEENTH LOK SABHA

**UNION GOVERNMENT APPROPRIATION
ACCOUNTS—RAILWAYS (1996-97)**

MINISTRY OF RAILWAYS

[Action Taken on 3rd Report of Public Accounts Committee (12th Lok Sabha)]



Presented to Lok Sabha on 23 April, 2002
Laid in Rajya Sabha on 24 April, 2002

LOK SABHA SECRETARIAT
NEW DELHI

April, 2002 / Chaitra, 1924 (Saka)

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COMPOSITION OF PUBLIC ACCOUNTS COMMITTEE
(2001-2002)

Shri N. Janardhana Reddy — *Chairman*

Lok Sabha

2. Shri Adhi Sankar
3. Shri M.O.H. Farooq
- *4. Shri Bhartruhari Mahtab
5. Dr. Madan Prasad Jaiswal
6. Shri M.V.V.S. Murthi
7. Shri Rupchand Pal
8. Shri Prakash Paranjpe
9. Shri Chandresh Patel
- **10. Dr. Sahib Singh Verma
11. *Vacant*
12. Shri C. Sreenivasan
13. Kunwar Akhilesh Singh
14. Shri Chhatrapal Singh
15. Shri Prabhunath Singh

Rajya Sabha

16. Shri S.R. Bommai
- ☞17. Shri Anantray Devshanker Dave
18. Shri K. Rahman Khan
- ☞19. Dr. Y. Radhakrishna Murty
- ©20. Shri Onward L. Nongdu
21. Shri Satish Pradhan
22. Prof. Ram Gopal Yadav

SECRETARIAT

- | | |
|------------------------|-------------------------------|
| 1. Shri P.D.T. Achary | — <i>Additional Secretary</i> |
| 2. Shri K.V. Rao | — <i>Joint Secretary</i> |
| 3. Shri Devender Singh | — <i>Deputy Secretary</i> |
| 4. Shri R.C. Kakkar | — <i>Under Secretary</i> |

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- # Appointed as Chairman of the Committee w.e.f. 15.3.2002 *vice* Shri Narayan Datt Tiwari resigned from Chairmanship of Committee consequent upon his appointment as Chief Minister.
- * Elected w.e.f. 29 November, 2001 *vice* Shri Vijay Goel ceased to be member on his appointment as a Minister.
- ** Elected w.e.f. 29 November, 2001 *vice* Shri Annasaheb M.K. Patil ceased to be member on his appointment as a Minister.
- ☞ Ceased to be Member of the Committee consequent upon their retirement from Rajya Sabha w.e.f. 9.4.2002.
- © Ceased to be Member of the Committee consequent upon his retirement from Rajya Sabha w.e.f. 12.4.2002.

INTRODUCTION

I, the Chairman, Public Accounts Committee having been authorised by the Committee to present the Report on their behalf, do present this Thirty-First Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 3rd Report (12th Lok Sabha) on Union Government Appropriation Accounts—Railways (1996-97).

2. This Report was considered and adopted by the Public Accounts Committee at their sitting held on 28th January, 2002. Minutes of the sittings 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 and have also been reproduced in a consolidated form in Appendix to the Report.

4. The Committee during their sitting held on 28 January, 2002 authorised the then Chairman, PAC (Shri Narayan Datt Tiwari, M.P.) to present the said Report to Parliament. The Report which was slated for presentation on 1st March, 2002 (as appeared in the revised List of Business dated 1st March, 2002) could not be presented due to the adjournment of the House. Subsequently, Shri Narayan Datt Tiwari, M.P. tendered his resignation from the Chairmanship of the Committee consequent upon his appointment as Chief Minister of Uttaranchal.

5. 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.

NEW DELHI;
15 April, 2002

25 Chaitra, 1924 (Saka)

N. JANARDHANA REDDY,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by the Government on the recommendations/observations of the Public Accounts Committee contained in their Third Report (Twelfth Lok Sabha) on "Union Government Appropriation Accounts—Railways (1996-97)". The Report was based on the Union Government Appropriation Accounts—Railways (1996-97) and the Audit observations thereon as brought out in paragraph 1.8 of the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1997, Union Government (Railways), No. 9 of 1998.

2. The Third Report (12th Lok Sabha) which was presented to Lok Sabha on 22 December, 1998 contained ten recommendations/observations. The Action Taken Notes on all these recommendations/observations have been received from the Ministry of Railways (Railway Board) and these have been broadly categorised as follows:—

- (i) Recommendations/observations which have been accepted by Government:
Sl. Nos. 1,2,3,4,5,6,7,8, 9 & 10
[Paragraph Nos. 43, 44, 45, 46, 47, 48, 49, 50, 51 & 52]
- (ii) Recommendations/observations which the Committee do not desire to pursue in view of the replies received from Government:
-NIL-
- (iii) Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration:
-NIL-
- (iv) Recommendations/observations in respect of which Government have furnished interim replies:
-NIL-

3. The observations/recommendations made by the Committee and the Action Taken Notes furnished by the Ministry of Railways (Railway Board) thereon have been reproduced in the relevant Chapters of this Report. The Committee are pleased to observe that all the recommendations of the Committee have been accepted by the Ministry of Railways (Railway Board).

4. The Committee's examination contained in their 3rd Report (12th Lok Sabha) had found several disquieting aspects and viewed with grave concern the faulty system of budgeting and financial management in the Railways leading to multiple cases of excess expenditure, failure to execute projects and attain targets leading to large scale savings, obtaining of unnecessary supplementary grants, partial or excessive surrender of available saving, injudicious reappropriations and other improprieties in classification of expenditure.

5. The Committee's examination had revealed not only absence of proper accounting information system in the Department but also the poor budget controlling mechanism in Ministry of Railways. The Committee, therefore had *inter-alia* recommended as under:—

- (i) To devise a fool proof mechanism to overcome the deficiencies in their existing system of assessing the requirement of funds and desire the Ministry of Railways to carefully review and scrutinize the budget estimates prepared by their lower formations and apply the necessary correctives so as to make the budget exercise more realistic and meaningful and to obviate large scale variations in future.
- (ii) To give serious thought to question of managing and controlling grant No. 16 in an effective manner so as to ensure efficient and proper utilisation of funds sanctioned.
- (iii) To undertake a thorough analysis of the trend of expenditure incurred under various grants/appropriation operated during preceding three years with a view to rectifying and improving upon the existing system of assessing requirement of fund.
- (iv) To impress upon budget controlling authorities to project their requirement of additional funds only after properly monitoring the pace of expenditure before presenting the same to Parliament for approval so as to maintain sanctity of budgetary exercise.
- (v) Expressing their profound concern over the absence of precise accounting information system and also the failure of Railways to surrender the available saving and erroneous surrender of funds, the Committee desire that Railways should take appropriate steps to develop their accounting information on suitable lines to avoid such lapses.
- (vi) To undertaken a thorough review of the existing system of reappropriation of funds with a view to identifying weaknesses in accounting information and exchequer control system and plugging lacunae therein so that issue of injudicious and defective reappropriation order are accorded in future.

- (vii) To strengthen their existing network particularly Railway Protection Force and to take other safety measures to ensure losses on account of theft in transit, accident and natural calamities are minimised and also to make sincere efforts to complete the investigation within a limited time frame strictly in accordance with prescribed rules and immediate actions not only to make good the losses but also to punish the delinquent officials.

6. In the succeeding paragraphs, the Committee have dealt with the action taken by the Government on some of the recommendations and observations contained in their Third Report (Twelfth Lok Sabha).

Substantial variation between authorised provisions and actual expenditure. [Sl. No. 1 Paragraph 43]

7. In their earlier Report, the Committee were astounded to find the substantial variations between the sanctioned provision and the actual expenditure in all the grants/appropriation during the year 1996-97. There were aggregate savings of Rs. 1060.23 crore in ten cases under Grant Nos. 1, 2, 3, 5, 9, 10, 14, 15 & 16—Capital & Revenue and in ten cases under the Appropriation Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13 & 16—Capital. The savings in all the cases of voted grants exceeded Rs. 2 crore each and ranged between Rs. 2.07 crore and 280.87 crore. The Committee were perturbed to find that the quantum of savings exceeded even Rs. 100 crore each in the case of Grant Nos. 5, 9, 10, 14 and 16—Capital. Further, there was also an aggregate excess expenditure of Rs. 191.01 crore in eight grants and three appropriations. The Committee were of the view that these large scale variations under all grants/appropriations leading to either excesses or saving reflected absence of a sound budgeting mechanism for assessing the actual requirement of funds, the Committee had therefore recommended that Ministry of Railways to address this issue seriously and devise a fool proof mechanism to overcome the deficiencies in their existing system of assessing the requirement of funds. The Committee had further desired the Ministry of Railways to carefully review and scrutinise the budget estimates prepared by their lower formations and apply the necessary correctives so as to make the budget exercise more realistic and to obviate such large scale variations in future.

8. In their action taken note, the Ministry have stated that savings have been computed by comparing the actual expenditure with the sanctioned provisions, a comparison of the actual expenditure with the Final Grants showed that there was a savings of only Rs. 269 crore which worked out to less than 1% of both the total authorisations as well as the final Grants. While every efforts is made at the beginning of the financial year to estimate as accurately as possible the expenditure requirement for the

project level of traffic and other activities, certain post budgetary factors during the course of the year often result in some modification to the original grant. These factors include the actual through put achieved vis-a-vis projections made as also hike in DA rates, diesel prices, electricity rates, rate of productivity linked bonus etc. In 1996-97, the following main factors *inter-alia* constituted to savings:

- (i) Gross Traffic Receipt fell by Rs. 480 crore from the targeted level necessitating regulation of expenditure.
- (ii) In order to achieve economy in the Ordinary Working Expenses, spending limits were fixed which were lower than Budget Estimates by Rs. 235 crore.
- (iii) GTKMs fell by over 12% from the targeted level resulting in concomitant savings in fuel consumption, stores and to some extent in activities relating to repairs and maintenance.
- (iv) In 1996-97, at the time of Budget Estimates, in anticipation of the recommendation of the Fifth Central Pay Commission, a higher amount was provisionally proposed to be appropriated to the Pension fund. It, however, became clear in the latter part of the year that the Pay Commission's recommendations were not likely to fructify in 1996-97 and, therefore, the Appropriation to the Pension fund had to be reduced.
- (v) Increase in operating losses under strategic lines led to less payment of dividend to General Revenues.
- (vi) Savings in payment of lease charges to IRFC due to reduced market borrowings during 1995-96 on account of prevalent market conditions and some other adjustments.
- (vii) Under Demand No. 16—"Capital" savings was due to less gross expenditure under inventories. However, on a net basis the Capital support including supplementary of Rs. 170 crore from General Exchequer was fully utilized with a minor excess of Rs. 25 crore.

The Ministry in their action taken notes have further stated that they take note of the concern expressed by the Committee. This issue was discussed at length in FA&CAO Conference and they were instructed to formulate budget proposals as realistic as possible and to monitor expenditure closely. The Railways are also being suitably instructed as per their letter No. 99-B-342/3 dated 10.9.99 to control the incidence of excess/saving.

9. The Committee are pleased to note that the Ministry of Railways have in principle accepted all the recommendations of the Committee and that they share the concern of the Committee as to the need for checking the trend of expenditure so as to avoid savings/excess expenditure. The Committee, however, find the reply of the Railways far from enthusing for want of

tangible action on the question of exercising strict exchequer control. The Committee find that the issue was discussed at length at the Conference of FA&CAO when the Financial Advisers and Chief Accounts Officers were instructed to formulate their budget proposals as realistically as possible and also to monitor expenditure closely. The Committee are of the considered view that the vexed problem of faulty budget projections may not attain the objective of realistic budgeting unless sustained efforts are made by all the spending units of Railways and the realization of strict financial discipline permeates the Railways at all levels. The Committee, therefore, reiterate their earlier recommendation and desire the Ministry to continue to make sincere efforts to find the exact reasons responsible for the persisting trend of unrealistic budgetary assumptions year after years, by devising definite yardsticks to be adhered to scrupulously by all the units involved in the budget preparation exercise for making accurate budgetary projections, which would substantially reduce, if not eliminate altogether, the variations in actual expenditure and authorised provisions.

Erroneous Surrender of Funds [Sl. No. 6, Paragraph 48]

10. The Committee in their Report, were unhappy to note that out of total savings of Rs. 869.22 crore registered under various grants and appropriations operated by the Railways during 1996-97, the amount surrendered by the Railways at the final modification stage was only Rs. 794 crore. The Committee were surprised to find that the funds were surrendered from Grant No. 7 and 12 and appropriation No. 9 despite excess expenditure incurred under them. The Railways also surrendered more funds than the saving under Grant Nos. 5 and 9 and appropriation No. 16—Capital. The Committee had found that the Railways did not make any attempt to ascertain the actual availability of funds for surrender even at the close of financial year. The Committee had expressed their deep concern over the absence of accounting information system and failure to surrender available savings and erroneous surrender of funds. The Committee had therefore desired the Ministry to develop their accounting their information on suitable lines to avoid such lapses in future.

11. In their Action Taken Notes, the Ministry have stated that the excess that occurred in Grants 5, 7, 9, & 12 works out to only 0.5%, 1.5%, 0.5% & 4.8% of the respective Final Grants. While the variations in Demand Nos. 5, 7 & 9 were minor, the excess in Grant No. 12 occurred mainly under the heads "Compensation Claims" and "Suspense" due to discharge of more liabilities. In case of Appropriation Nos. 9 & 16 (Capital), the actual expenditure exceeded the Final Grants only by minor amounts of Rs. 5 lakh and Rs. 26 lakh, respectively. However, the Committee's observations in this regard are noted and the Railways are being instructed to assess their requirements more realistically so as to avoid recurrence of excess/savings with regard to final Grants.

12. Taking note of absence of effective Accounting Information System and the Failure of the Ministry to surrender the available savings and erroneous surrender of funds, the Committee had desired the Ministry to develop their Accounting Information System to avoid lapses in surrender of funds in future. The Committee note that in the Action Taken Replies the Ministry have noted the observations made by the Committee with an assurance that Railways are being instructed to assess their requirements more realistically so as to avoid recurrence of excess/savings with regard to the final Grants. The Committee hope the Railways would fulfil this assurance to strengthen the Accounting Information System which would not only eliminate lapses in surrender of savings but would also lead to effective exchequer control and better financial discipline.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee are astounded to find the substantial variations between the sanctioned provisions and the actual expenditure incurred there against by Railways in all the grants/appropriation operated by them during the year 1996-97. There were aggregate savings of Rs. 1060.23 crore in ten cases under the Grant Nos. 1, 2, 3, 5, 9, 10, 14, 15 and 16 — Capital & Revenue and in ten cases under the Appropriation Nos. 4, 5, 6, 7, 8, 10, 11, 12, 13, and 16 — Capital. The savings in all the cases of voted grants exceeded Rs. 2 crore each and ranged between Rs. 2.07 crore and 280.87 crore. What is still more disturbing is the fact that the quantum of savings exceeded even Rs. 100 crore each in the case of Grant Nos. 5, 9, 10, 14 and 16 — Capital. To cap it all, there was also an aggregate excess expenditure of Rs. 191.01 crore in eight grants and three appropriations. All these instances of excesses and savings under different grants and appropriations resulted in an overall net saving of Rs. 869.22 crore during the year 1996-97. Obviously, these instances of large scale variations under all grants/appropriations leading to either excesses or saving betray absence of a sound budgetary mechanism for assessing the actual requirements of funds and the casual and routine manner in which the budget estimates are being prepared by the Railways. Although the Financial Commissioner, Railway Board stated during evidence that he would certainly like to have a system of budgeting in which there was hardly any variation, the Committee are apprehensive that this sorry spectacle of financial indiscipline will not improve unless the Ministry of Railways impress upon their budget controlling authorities to undertake the task of budget preparation with utmost seriousness and care, taking into consideration the indicators like the past trends of expenditure, the stage of formulations/implementation of various schemes for which funds are sought. The Committee, therefore, recommend that the Ministry of Railways should address this issue seriously and devise a fool proof mechanism to overcome the deficiencies in their existing system of assessing the requirement of funds. The Committee would also desire the Ministry of Railways to carefully review and scrutinise the budget estimates prepared by their lower formations and apply the necessary correctives so

as to make the budget exercise more realistic and to obviate such large scale variations in future. The Committee would like to be apprised of the precise steps taken by the Ministry in this regard.

(S.No. 1, Appendix III, Para 43 of Third Report of PAC, 12th Lok Sabha)

Action Taken Note

The Committee has pointed out an aggregate savings of Rs. 1060.23 cr. in various grants and appropriations during 1996-97. These savings have been computed by comparing the actual expenditure with the sanctioned provisions. However, a comparison of the actual expenditure with the Final Grants shows that there was a saving of only Rs. 269 cr. which works out to less than 1% of both the total authorisation as well as the final Grants.

2. Railway operations are spread over a vast network and are necessarily complex and dynamic in nature. So, while every effort is made at the beginning of the financial year to estimate as accurately as possible the expenditure requirements for the projected level of traffic and other activities, certain post-budgetary factors during the course of the year often result in some modifications to the original grant. These factors during the course of the year often result in some modifications to the original grant. These factors include the actual throughput achieved *vis-a-vis* projections made, as also hike in DA rates, diesel prices, electricity rates, rate of Productivity Linked Bonus etc. Apart from this is the Railways' continuous stress on economy for which spending limits are fixed at the beginning of the year and closely monitored thereafter; there is also great emphasis on improving asset utilisation and efficiency. The only budgetary stage available for Railways to make adjustments to cater to the modified requirements, is the Final Grant stage. It is, therefore, appropriate to compare the actual expenditure with the Final Grants.

3. In 1996-97 the main factors which contributed to savings are briefly as under:—

(i) Gross Traffic Receipts fell by Rs. 480 cr. from the targeted level necessitating regulation of expenditure.

(ii) In order to achieve economy in the Ordinary Working Expenses, spending limits were fixed which were lower than Budget Estimates by Rs. 235 cr.

(iii) GTKMs fell by over 12% from the targeted level resulting in concomitant savings in fuel consumption, stores and to some extent in activities relating to repairs and maintenance.

(iv) In 1996-97, at the time of Budget Estimates, in anticipation of the recommendation of the Fifth Central Pay Commission, a higher amount was provisionally proposed to be appropriated to the Pension Fund. It, however, became clear in the latter part of the year that the Pay

Commission's recommendations were not likely to fructify in 1996-97 and, therefore, the Appropriation to the Pension Fund had to be reduced.

(v) Increase in operating losses under strategic lines led to less payment of dividend to General Revenues.

(vi) Savings in payment of lease charges to IRFC due to reduced market borrowings during 1995-96 on account of prevalent market conditions and some other adjustments.

(vii) Under Demand No. 16-'Capital' savings was due to less 'gross' expenditure under 'Inventories'. However, on a net basis the Capital support including supplementary of Rs. 170 cr. from General Exchequer was fully utilised with a minor excess of Rs. 25 cr.

4. It may be seen from the above that the major portion of the savings occurred due to factors that could not have been anticipated at the time of formulation of budget proposals. However, the Railways do take note of the concern expressed by the Committee. In the Financial Adviser & Chief Accounts Officers' Conference held in Chennai in Sept. 1999, this issue was discussed at length and they were instructed to formulate their Budget proposals as realistically as possible and also to monitor expenditure closely. To control the incidence of excess/savings, the railways are also being suitably instructed as per letter enclosed.

(Ministry of Railways' O.M. No. 98-BC-PAC/XII/3 dt. 13.1.2000).

Recommendation

The Committee note that substantial savings amounting to Rs. 518.80 crore had occurred under grant Nos. 5, 9 and 10 relating to Working Expenses of Railways on Repairs and Maintenance of Motive Power, Operating Expenses Traffic and Operating Expenses-Fuel respectively. In the explanatory note, the Ministry of Railways stated that the savings under these grants were mainly due to closure of Steam-Loco Sheds, receipt of less store debits and decreased activities undertaken by Railways in their operations. In the opinion of the Committee, these factors were not such as to crop up suddenly or which could not be anticipated at the time of preparation of expenditure estimates by an experienced organisation like the Railways. Such substantial savings, which are, in fact, unspent provisions, indicate that the monetary requirements under these grants were calculated by the Ministry in a non-serious manner without critical application of mind and careful evaluation of various works/programmes on the ground. The Committee hope that the Ministry of Railways would take sufficient care in this regard in future so as to make their budgetary projections more realistic and meaningful.

(S. No. 2, Appendix III, Para 44 of Third Report of PAC, 12th Lok Sabha)

Action Taken Note

It is a fact that there were substantial savings of Rs. 518.80 cr. over the sanctioned provisions which in these cases were the Budget Grants. As explained in reply to para 43, there are invariably certain post-budgetary factors which vitiate the original estimates and which are taken into account at the Final Grants stage. In 1996-97, there was a substantial reduction in the GTKMs carried by the Railways. Against a target of around 957 billion GTKMs, the actual GTKMs carried were 834 billion *i.e.* a reduction of over 12%. This reduction in traffic through put resulted in concomitant savings in consumption of fuel and to some extent in the repairs and maintenance of rolling stock, including periodic overhaul. There was also a substantial reduction of Rs. 240. crore in payment of lease charges to Indian Railway Finance Corporation mainly due to the fact that IRFC could not raise resources as planned during 1995-96 on account of adverse market conditions prevailing at that time and also due to some adjustments in lease charges pertaining to previous years. Taking note of these factors at the Revised Estimates stage, the provision made for these Demands was reduced by Rs. 429 crore and further reduced by another Rs. 75 crore at the Final Grant stage. As per the actual expenditure under these three demands, the savings came to only Rs. 15 crore as compared to the Final Grant.

The Committee's concern with regard to realistic estimation of budgetary projections is however noted and the Railways are being suitably addressed in this regard.

(Ministry of Railways' O.M. No. 98-BC-PAC/XII/3 dated 13.1.2000)

Recommendation

The Committee are anguished to note that funds of the order of Rs.453.44 crore had remained unutilised in 13 minor heads under Grants No. 16— "Assets—Acquisition, Construction and Replacement—Capital". What heightens the anxiety and concern of the Committee is the fact that the entire savings in 13 minor heads had been attributed to "slower progress of work." The committee have been informed during evidence that a part of these savings were due to non-materialisation of expected stores on account of contractual breaches. The Committee have also been informed that part of savings in minor head "Manufacturing Suspense" had occurred due to an industrial problem at the Railway Coach Factory with the result that the number of coaches planned for production during 1996-97 could not be turned out. While conceding that there might be one or two isolated cases of slippages in supplies or industrial unrest during a financial year, the Committee cannot but help infer that the all round savings in 13 minor heads under this grant reflect only poor performance on the part of Railways. The Committee consider it unfortunate that the Ministry of Railways woefully failed in efficiently utilising the funds sanctioned by Parliament for acquisition of capital assets in the vital sector

meant to cater to the infrastructural requirements of the country. The Committee trust that the Ministry of Railways would draw suitable lessons from this disheartening experience and give a serious thought to the question of managing and controlling this grant in an effective manner so as to ensure efficient and proper utilisation of funds sanctioned.

(S. No. 3. Appendix III, Para 45 of Third Report of PAC, 12th Lok Sabha)

Action Taken Note

It is submitted that the Vote of Parliament is taken for the Demand as a whole and not Minor-Head wise (*i.e.* Plan Head wise in case of Demand No.16). Demand No.16 is funded through three different sources, namely, capital from General Exchequer, Railway Funds (internal generation) and Market Borrowings. The Committee has objected to savings under Capital head of Demand No. 16. It is submitted that budgeting for each Demand is done on Gross basis. Under Demand No.16, as Inventories are also budgeted and charged to Capital, the Gross amount is much higher than the net allotment. In 1996-97, against a gross total authorisation Rs. 8222 cr. under Capital, the net was only Rs. 1439 cr. Out of the gross allotment of Rs. 8222 cr, 'Inventories' accounted for Rs. 6739 cr. with a net allotment of only Rs. (—) 39 cr. The savings that occurred on a gross basis were mainly under Inventories due to the reduced production programme of coaches, less procurement of fuel as a result of reduced traffic throughput and some other concomitant activities. Infact, on a net basis, Railways were able to utilise the entire Capital support with slight excess.

Ministry of Railways are fully aware of the need to monitor and utilise the funds sanctioned by Parliament and ensure that no surrender takes place. However, the views of the Committee have been noted and instructions are being issued to the budget controlling authorities of the Zonal Railways/Units to ensure efficient and proper utilisation of funds sanctioned.

(Ministry of Railway's O.M. No. 98-BC-PAC/XII/3 dated 13-1-2000)

Recommendation

The Committee are perturbed to find that large scale savings under various grants have been occurring persistently in the Railways at least from 1994-95 onwards. Surprisingly, the savings registered by the Ministry of Railways during the year under review increased to more than double the magnitude of savings registered during the preceding year 1995-96. The Committee feel that this recurring trend of savings in various grants/appropriations and the explanations offered therefor under specific minor heads represent the grossly unwarranted tendency of the Railways to overestimate their requirement of funds. The Committee, therefore, recommend that the Railways should undertake a through analysis of the

trend of expenditure incurred under various grants/appropriation operated by them during preceding three years with a view to rectifying and improving upon the existing system of assessing requirement of fund.

(S.No. 4, Appendix III, Para 46 of Third Report of PAC, 12th Lok Sabha)

Action Taken Note

As desired by the Committee, a review of trend of expenditure under various grants has been undertaken for three years from 1993-94 onwards, which reveals the following:

Year	Aggregate Savings in Grants over Sanctioned Provisions	Savings %age of Sanctioned Provisions	Aggregate Savings in Grants over the Final Grants	Savings as %age of Final Grants
	(Rs. in Cr.)			(Rs. in Cr.)
1993-94	2771.46	8.4	2068.68	6.5
1994-95	1205.50	3.5	322.57	0.9
1995-96	1010.77	2.7	478.43	1.3
1996-97	1049.86	2.5	292.92	0.7

As may be seen, the incidence of savings on Railways has been declining both with reference to sanctioned provision and Final Grants. In 1996-97, the savings have been the least in the last four years. Number of Grants showing savings has also reduced to the minimum in 1996-97. However, the demand wise review indicates that there have been savings on a regular basis in some of the demands, namely, 3,10,15 and 16 (OLWR) both with reference to total sanctioned provision and the Final Grants. The Railways are being instructed to check the trend of expenditure in these grants in order to avoid any excess/savings therein.

(Ministry of Railway's O.M. No. 98-BC-PAC/XII/3 dated 13-1-2000)

Recommendation

According to the instructions issued by the Ministry of Finance to all Ministries/Departments of Government of India on 27 March, 1989, the supplementary demands are required to be severely restricted to genuine unforeseen expenditure which could not be anticipated at the time of preparation of Budget Estimates. The Committee's examination has, however, revealed that apparently the mechanism of obtaining supplementary funds was used by Railways during 1996-97 without proper assessment of the expenditure incurred or likely to be incurred by them against the funds already obtained. The net result was that the

supplementary provision under Grant No. 1 (Rs. 1.16 crore), Grant No. 2 (Rs. 3.47 crore) and Grant No. 16—capital (Rs. 170 crore) obtained during the year remained wholly unutilised as the savings of Rs. 2.07 crore, Rs. 6.64 crore and Rs. 280.87 crore respectively under these grants were more than the supplementary provisions. The Committee are of the firm view that the facts brought out above amply prove that Railways had been obtaining supplementary grants on inaccurate assumptions without ensuring proper and full utilisation of funds already sanctioned to them for specific services. The Committee therefore, recommend the Railways to impress upon their budget controlling authorities to project their requirement of additional funds only after properly monitoring the pace of expenditure before presenting the same to Parliament for approval so as to maintain sanctity of budgetary exercise.

(S.No. 5, Appendix III, Para No. 47 of Third Report of PAC, 12th Lok Sabha)

Action Taken Note

The observations of the Committee with regard to Grant Nos. 1 and 2 are noted. Care will be taken to avoid recurrence of such cases in future, expenditure monitored more closely and only minimum essential requirement obtained through Supplementary Grants.

As regards Grant No. 16, it is submitted that the Supplementary Grant was necessitated on account of the additional capital support provided to Railways by Ministry of Finance in December, 1996. The Capital Support of Rs. 1439 cr. on a net basis, was fully utilised; the savings were only on account of less gross expenditure under 'Inventories.'

(Ministry of Railway's O.M. No. 98-BC-PAC/XII/3 dated 13-1-2000)

Recommendation

The Committee are deeply concerned to note that out of the total savings of Rs. 869.22 crore registered under various grants and appropriations operated by the Railways during 1996-97, the amount surrendered by the Railways at the final modification stage was only Rs. 794 crore surprisingly, the funds were surrendered from Grant Nos. 7 and 12 and Appropriation No. 9 despite excess expenditure incurred under them. Further, the Railways also surrendered more funds than the actual savings under Grant Nos. 5 and 9 and appropriation No.16—Capital. Evidently, the Railways did not make any attempt to ascertain the actual availability of funds for surrender even at the close of the financial year. While expressing their profound concern over the absence of precise accounting information system and the failure of the Railways to surrender the available savings and erroneous surrender of funds, the Committee

desire the Railways to take appropriate steps to develop their accounting information on suitable lines to avoid such lapses in future.

(S.No. 6, Appendix III Para 48 of Third Report of PAC, 12th Lok Sabha)

Action Taken Note

The excess that occurred in Grants 5, 7, 9 & 12 works out to only 0.5%, 1.5%, 0.5% & 4.8% of the respective Final Grants. While the variations in demand No. 5, 7 & 9 were minor, the excess in Grant No. 12 occurred mainly under the heads 'Compensation Claims' and 'Suspense' due to discharge of more liabilities. In case of Appropriation No. 9 & 16 (Capital), the actual expenditure exceeded the Final Grants only by minor amounts of Rs. 5 lakh and Rs. 26 lakh, respectively. However, the Committee's observations in this regard are noted and the Railways are being instructed to assess their requirements more realistically so as to avoid recurrence of excess/savings *w.r.t.* the Final Grants.

(Ministry of Railway's O.M. No. 98-BC-PAC/XII/3 dt. 13-1-2000)

Recommendation

The Committee are extremely unhappy to observe the injudicious manner in which the Railways resorted to reappropriation of funds from or to various heads of accounts during 1996-97. In fact, the results of the appropriation audit have brought out instances where reappropriation of fund to certain heads was uncalled for as the amount so transferred had remained wholly unutilised. The Committee are at a loss to appreciate as to how an organisation like the Railways reappropriated funds from a minor head more than the budget provision sanctioned under that head of account and also made reappropriation against 'nil' provisions. Apparently, such gross lapses demonstrate lack of effective and constant vigil by concerned authorities over expenditure *vis-a-vis* sanctioned funds under specific heads when reappropriation proposals were considered in the Ministry. The Committee cannot help express their deep dissatisfaction particularly because reappropriation orders are generally issued in the closing months of the financial years when the Ministries are expected to possess adequate data on their expenditure incurred and committed liabilities. The Committee, therefore, recommend that the Ministry of Railways should undertake a thorough review of their existing system of reappropriation of funds with a view to identifying the weaknesses in their accounting information and exchequer control system and plugging lacunae therein so that issuance of injudicious and defective reappropriation orders

are avoided in future. The Committee would also like the Railways to apprise them of the precise circumstances which led to issuance of injudicious, reappropriation orders during the year under review.

(S.No. 7 Appendix III Para No. 49 of Third Report of PAC, 12th Lok Sabha)

Action Taken Note

The reappropriation on the Railways are carried out in accordance with the provisions of Paras 376 and 377 of Indian Railway Finance Code Vol. I and well laid down delegation of powers to Railway Board/Railways. According to rules, the Ministry of Railways is permitted to reappropriate from one Planhead to another allocation being the same.

It is submitted that the Railways are required to operate over a vast network and execute a large number of projects spread all over the country. Allocation of funds to various projects have necessarily to be continuously reviewed so that funds allocated bear a relationship to the actual progress of works. The progress of works in turn is dependent upon a number of factors such as availability of land, materials, contractors' efficiency, coordination with other central and state authorities etc. During the year, therefore, depending upon the various physical parametres of the works and the possible changes in priority, based on their urgency funds, are often required to be reappropriated both to and from various works.

It is a fact that certain reappropriations made in 1996-97 were not ultimately utilised under the specific minor head (planhead) due to reasons enumerated above. However, it is submitted that by utilising such amounts under other planheads, there was no surrender of funds under Demand No. 16 in 1996-97 on a net basis.

Ministry of Railways, however, note the concern expressed by the Committee on the scale of reappropriations being resorted to and the Railways are being suitably instructed in this regard.

(Ministry of Railway's O.M.No. 98-BC-PA/XII/3 dt. 13/1/2000)

Recommendation

From their scrutiny of the Annexure-J to the Appropriation Accounts (Part-II) of the Ministry of Railways for the year 1996-97, the Committee are perturbed to note that there were a large number of cases where the accounting irregularities had occurred in various Zonal Railways in the nature of wrong booking of expenditure, belated adjustment of amounts, booking of expenditure over and above sanctioned provisions, fictitious adjustment, adjustment of amounts to unrelated works irregular adjustment of credit, irregular financial adjustment, non-adjustment of debits, incorrect computation of rates etc. In the opinion of the Committee, gravity of these lapses becomes more pronounce when viewed in the

context of similar lapses which had also occurred in the past. The Committee have no hesitation to say that such accounting irregularities involving large sums indicate negligence and callous attitude on the part of the authorities entrusted with the responsibility of maintenance of accounts in the Railways. While expressing their serious concern over the large number of irregularities occurring in the accounts of the Railways, the Committee desire the Ministry of Railways to thoroughly look into this aspect with a view to gearing up the functioning of their accounting units. The Committee also recommend that all such lapses should invariably be enquired into and any incidence of aberration be steely dealt with.

(S.No. 8 Appendix III Para 50 of Third Report of PAC, 12th Lok Sabha)

Action Taken Note

Recommendations of the Public Accounts Committee regarding Annexure-J to the Appropriation Accounts (Part-II) have been noted. Close and concurrent reviews have been prescribed at all levels. Suitable levels have been prescribed at which approvals for transactions of specified value should be taken before carrying out adjustments. The instructions for elimination of mistakes occurring under Annexure 'J' have increased over those in 1995-96, items in Part I of Annexure. 'J' which reflect the more serious misclassifications have considerably reduced been reiterated. Although the total number of items in Annexure 'J' have from 34 in 1995-96 to 21 in 1996-97. Cases of misclassification of expenditure broadly fall under two categories viz. those arising out of difference of opinion regarding the accounting treatment or interpretation of allocation rules and those resulting from lack of adequate care at the time of preparation of vouchers. The cases which arise as a result of lack of care and which, could therefore, have been avoided have been viewed seriously. Responsibility of concerned staff/officers has been fixed and they have been taken up for the lapses. Test checks at all levels of allocations recorded on vouchers have also been further strengthened. It is expected that these measures would yield further results.

(Ministry of Railway's O.M.No.98-BC-PAC/XII/3 dt. 13/1/2000)

Recommendation

The Committee find that there were as many as 2,26,539 incidents of losses involving Rs. 58.74 crore in Railways during 1996-97. These losses had occurred mainly on account of reasons like theft in transit, accident and natural calamities. A detailed scrutiny of the Appropriation Account revealed that the Grant No. 6 "Repairs and Maintenance of Carriages and Wagons" had alone accounted for 1,40,667 cases of loss involving an amount of Rs. 23.79 crore. While accepting the plea advanced by the representative of Railway Board during evidence that certain losses are inherent in any system of transportation, the Committee are of strong view

that large number of cases of losses particularly those occurring due to theft are clearly indicative of laxity of control by the Railway authorities in protecting the public property. The Committee, therefore, recommend the Railways to strengthen their existing network particularly Railway Protection Force and also to take other safety measures so as to ensure that such losses are minimised in future. The Committee also stress that the Railways should make sincere efforts to complete the investigations in all such cases within a limited time-frame strictly in accordance with prescribed rules and initiate expeditious action not only to make good the losses but also to punish the delinquent officials whose laxity of supervision had led to such losses.

(S.No. 9 Appendix III, Para 51 of Third Report of PAC, 12th Lok Sabha)

Action Taken Note

During the last three financial year, there has been a continuous fall in the number of cases of the thefts/pilferage of Booked Consignment. The position of thefts/pilferage of Booked Consignments for the 1994-95, 1995-96, 1996-97 is given below:—

Booked Consignments

Period	No. of cases registered	Value of property (Rs. in Lakhs)	
		Stolen	Recovered
1994-95	10053	694.45	190.55
1995-96	8237	396.05	71.23
1996-97	6669	382.24	82.78

As is evident from these statistics, there has been a decline by 19% in the number of cases of thefts of Booked Consignment during the year 1996-97 as compared to the period 1995-96. Similarly, the value of property stolen against Booked Consignment has also declined by 3.48% as a compared to the previous year of 1995-96.

The Railway Protection Force was raised by an Act of Parliament in the year 1957 for better protection and security of Railway property that also included the property handed over to the Railway for carriage. However, with the passage of time, the Railway have expanded their activities as a results of which railway assets as well as the property entrusted to Railway for Carriage have increased tremendously. This, coupled with the overall deterioration in the law and order situation over the years in almost all parts of the country, has led to increased difficulties being faced by RPF in effective discharge of their duties.

The main task assigned to RPF is the protection of Railway property and booked consignments. The work load of RPF is therefore, dependent on two main factors: (i) the value of Railways assets, and (ii) the volume

of freight traffic. The value of total assets of the Railways has increased from Rs. 11,622.22 crores in 1987-88 to an astounding Rs. 30,011.77 crores in 1996-97 *an increase of about 153.86%*. The Freight traffic has increased to 409.02 million tonnes in 1996-97 from 290.2 million tonnes in 1987-88 witnessing *an increase of about 40.94%*. On the other hand the strength of the RPF is same during the last 10 years *i.e.* 1987-88 to 1996-97.

The activities of militants, terrorists and subversive elements have also gone up over the years. This added to the burden on the RPF as, in addition to its normal protection duties. Special arrangements for protection of tracks and other Railway establishments are required to be made in such areas. The deteriorating law & order and crime situation in some States directly affects the protection of Railways property in those areas, the RPF caters in to these requirements by frequently shifting staff to such areas.

The RPF is also called upon to perform certain additional duties like prevention of Alarm Chain Pulling and Hose Pipe Disconnection and drives against ticket less travelling, for which there is no specific separate staff provisions. Further, as the RPF is an Armed Force of the Union, it is also being deployed in aid to civil power for law & order duties and for the Parliament and Assembly elections.

The investigation is, in general, completed within fixed time frame as per the legal provisions. Railway authorities while protecting the public property either take departmental action against the defaulting staff or prosecute in the Court as per the provisions of the law.

As regards strengthening of security organisation, it may be pointed out that though there has been a marginal decrease in the strength of RPF between the years 1987-88 to 1996-97, a modernisation programme for equipping the force with better equipment has already been launched.

(Ministry of Railway's O.M.No. 98-BC-PAC/XIL/3 dt. 13/1/2000)

Recommendation

The Committee view with grave concern the faulty system of budgeting and financial management in the Railways leading to multiple cases of excess expenditure, failure to execute projects and attain targets leading to large scale savings, obtaining of unnecessary supplementary grants, partial or excessive surrender of available savings, injudicious re-appropriations and other improprieties in classification of expenditure. While expressing their deep concern over such disquieting trends, the Committee desire

Ministry of Railways to take effective steps to streamline their procedures and budgetary processes with a view to effecting strict exchequer control and financial discipline.

(S.No. 10, Appendix III, Para 52 of Third Report of PAC, 12th Lok Sabha)

Action Taken Note

The Committee's concern is noted. The issues raised by the Committee were discussed at great length in the recent Financial Advisers and Chief Accounts Officers' Conference held in Chennai in September, 1999 and the Financial Advisers & Chief Accounts Officer were instructed to formulate their Budget proposals as realistically as possible and also to monitor expenditure closely. All spending units are also being suitably instructed to streamline their procedures and budgetary processes as per letters enclosed.

[Ministry of Railways' O.M.No. 98-BC-PAC/XII/3 dt. 13/1/2000]

ANNEXURE

No. 99-B-342/3

New Delhi, dated 1.10.99

The General Managers,
All Indian Railways

Sub: Savings over Voted Grants/Charged Appropriations-1996-97

In 1996-97, there was an aggregate saving of Rs. 1060 cr. from the total sanctioned provisions as per following details:—

(Rs. in thousands)

Demand No.	Grant	Appropriation
1	2	3
1	2,06,95	
2	6,63,72	
3	10,65,92	..
4	..	5,34
5	119,60,68	4,00
6		1,36
7		9,77
8		
9	149,00,30	
10	250,18,74	1,00
11		26
12		7,00,64
13		8,71

1	2	3
14	133,94,38	
15	79,91,30	
16 -Capital	280,87,21	4,04,29
-OLWR	16,97,10	..
		11,35,37

Public Accounts Committee (12th Lok Sabha) have noted with great concern the above position in their 3rd Report on 'Appropriation Accounts of the Railways for 1996-97'. The Committee's displeasure conveyed in paras 43,44,45,46,47 and 52 of the 3rd Report are enclosed for taking remedial action to prevent recurrence of such cases.

Out of the above savings of Rs. 1049 cr., the Railways had already surrendered about Rs. 781 Cr. in the Final Grant stage. Nonetheless, there still occurred a noticeable savings of Rs. 281 cr. with reference to the Final Grants.

As you are aware, variations over total authorised grants are to be explained in the 'Appropriation Accounts' and it is not sufficient to say that funds were surrendered at the final grant stage. It is also disturbing to note that despite the supplementary grants under several demands, there have been some cases of excess. On the other hand, based on the Railways' projections, Supplementary grants were taken in some Demands which were not utilised fully. Savings have also occurred in some of the Grants viz. 3,10,15 & 16 (OLWR) on a regular basis from 1993-94 onwards. These cases of Excess/Savings have been viewed very seriously by the Public Accounts Committee and they have expressed profound concern over "the absence of precise accounting information system". It is, thus, important that budgetary projections are made very carefully so as to avoid large scale surrender of funds. Although Railways do possess a streamlined system for budget formulation and expenditure control, it needs to be strengthened so as to ensure realistic assessment of funds. In this context, the concept of Zero Base Budget cannot be over-emphasised. The Railways may keep a special watch on the demands where savings are occurring on a regular basis. The exact steps taken by the Railways in this regard may be advised to the Board in due course.

Sd/-

(Jagmohan Gupta)
Joint Director Finance (Budget)
Railway Board.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 99-B-142/D.No. 16

New Delhi, dated

The General Managers,
All Indian Railways

Sub: Occurrence of Savings in 1996-97—PAC Recommendations

The PAC (XII Lok Sabha) in its 3rd Report on 'Union Government Appropriation Accounts—Railways (1996-97)' has commented that in the year 1996-97, an all round saving in 13 minor heads under Demand No. 16 reflects poor performance on the part of Railways in utilisation of funds sanctioned by the Parliament. Extracts of Para No. 45 and 49 of their Report are enclosed. The Committee desire that serious thought should be given to the question of managing and controlling the Grant so as to ensure efficient and proper utilisation of funds sanctioned. The Committee have also expressed dissatisfaction over the large-scale reappropriations being resorted to and also the fact that in some cases, the reappropriated funds remained wholly or partly unutilised during 1996-97. The Committee have therefore, called for a thorough review of the existing system of reappropriation of funds with a view to identifying weaknesses and plugging lacunae so that issuance of injudicious and defective reappropriation orders are avoided in future.

In view of PAC's observations, the Railways should ensure that the Budget allotments to the minor heads under a Demand are made more realistically and optimally utilised. Reappropriations should be made only in cases where augmenting/decreasing funds from/to projects becomes unavoidable in view of the latest physical or financial progress of works and not as a matter of routine. In this connection Railway Board's letter No. 95-B-342 dated 1.5.96 regarding reappropriation rules should be strictly followed.

Encl. as above.

Sd/-

(Jagmohan Gupta)
Joint Director Finance (Budget)
Railway Board.

CHAPTER III

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

-NIL-

CHAPTER IV

**RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH
HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH
REQUIRE REITERATION**

-NIL-

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

-NIL-

NEW DELHI;
15 April, 2002

25 Chaitra, 1924 (Saka)

N. JANARDHANA REDDY,
Chairman,
Public Accounts Committee.

PART II

MINUTES OF THE NINETEENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2001-2002) HELD ON 28 JANUARY, 2002

The Committee sat from 1600 hrs. to 1730 hrs. on 28th January, 2002 in Committee Room "D", Parliament House Annexe, New Delhi.

PRESENT

Shri Narayan Datt Tiwari — *Chairman*

MEMBERS

Lok Sabha

2. Shri Adhi Sankar
3. Shri M.O.H. Farooq
4. Dr. Madan Prasad Jaiswal
5. Shri Bhartruhari Mahtab
6. Shri Rupchand Pal
7. Shri N. Janardhana Reddy
8. Kunwar Akhilesh Singh
9. Shri Prabhunath Singh

Rajya Sabha

10. Shri Anantray Devshanker Dave
11. Dr. Y. Radhakrishna Murty
12. Shri Onward L. Nongtdu
13. Shri Satish Pradhan

SECRETARIAT

- | | | |
|------------------------|---|-----------------------------|
| 1. Shri P.D.T. Achary | — | <i>Additional Secretary</i> |
| 1. Shri K.V. Rao | — | <i>Joint Secretary</i> |
| 2. Shri Devender Singh | — | <i>Deputy Secretary</i> |
| 3. Shri R.C. Kakkar | — | <i>Under Secretary</i> |
| 4. Shri B.S. Dahiya | — | <i>Under Secretary</i> |

Officers of the office of C&AG of India

- | | | |
|-----------------------------|---|-------------------------------|
| 1. Shri V.K. Shunglu | — | Comptroller & Auditor General |
| 2. Shri S. Lakshminarayanan | — | Dy. C&AG |
| 3. Smt. Sudha Rajagopalan | — | DGADS |

- | | |
|------------------------|---------------------|
| 4. Shri S.K. Bahri | Pr. Director (INDT) |
| 5. Smt. Sandhya Shukla | Director of Audit |

15. The Committee then considered the draft Action Taken Report on 3rd Report of PAC (12th Lok Sabha) relating to Union Government Appropriation Accounts—Railways (1996-97). The Committee adopted the draft Report without any amendment. They authorised the Chairman to finalise the draft Report in the light of verbal and consequential changes arising out of factual verification by Audit and present the same to Parliament.

The Committee then adjourned.

APPENDIX
CONCLUSIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Ministry concerned	Conclusion/Recommendations
1	9	Ministry of Railways (Railway Board)	<p>The Committee are pleased to note that the Ministry of Railways have in principle accepted all the recommendations of the Committee and that they share the concern of the Committee as to the need for checking the trend of expenditure so as to avoid savings/excess expenditure. The Committee, however, find the reply of the Railways far from enthusing for want of tangible action on the question of exercising strict exchequer control. The Committee find that the issue was discussed at length at the Conference of FA&CAO when the Financial Advisers and Chief Accounts Officers were instructed to formulate their budget proposals as realistically as possible and also to monitor expenditure closely. The Committee are of the considered view that the vexed problem of faulty budget projections may not attain the objective of realistic budgeting unless sustained efforts are made by all the spending units of Railways and the realization of strict financial discipline permeates the Railways at all levels. The Committee, therefore, reiterate their earlier recommendation and desire the Ministry to continue to make sincere efforts to find the exact reasons responsible for the persisting trend of unrealistic budgetary assumptions year after years, by devising definite yardsticks to be adhered to scrupulously by all the units involved in the budget preparation exercise for making accurate budgetary projections, which would substantially reduce, if not eliminate altogether, the variations in actual expenditure and authorised provisions.</p>

Sl. No.	Para No.	Ministry concerned	Conclusion/Recommendations
2.	12	Ministry of Railways (Railway Board)	Taking note of absence of effective Accounting Information System and the failure of the Ministry to surrender the available savings and erroneous surrender of funds, the Committee had desired the Ministry to develop their Accounting Information System to avoid lapses in surrender of funds in future. The Committee note that in the Action Taken Replies the Ministry have noted the observations made by the Committee with an assurance that Railways are being instructed to assess their requirements more realistically so as to avoid recurrence of excess/savings with regard to the final Grants. The Committee hope the Railway would fulfil this assurance to strengthen the Accounting Information System which would not only eliminate lapses in surrender of savings but would also lead to effective exchequer control and better financial discipline.

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

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH		20.	The International Book Service, Deccan Gymkhana, Pune-4.
1.	M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secundrabad-500361.	21.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400001.
2.	M/s. Booklinks Cooperation, 3-4-423/5 & 6, Narayanguda, Hyderabad-500029.	22.	M/s. Usha Book Depot, "Law Book Sellers and Publishers" Agents Govt. Publications, 585, Chira Bazar, Khar House, Bombay-400002.
3.	M/s. Ashok Book Centre, Benz Circle, Vasavya Nagar, Vijaywada-520006 (A.P.)	23.	M & J Services, Publishers Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor 68, Jyotiba Fule Road, Nalgaum-Dadar, Bombay-400014.
4.	M/s. Labour Law Publications, 873, Kothi Bus Stand, Hyderabad-500001.	24.	The Marathwada Book Distributors, Parmimal Khadkeshwar, Aurangabad-431001.
5.	M/s. Law Publico Pvt. Ltd., opp. Telegraph Office, 5-1-873, Kothi, Hyderabad-500195.	25.	Messers Pragati Jer Mahal, 432, Kalbadevi Road, Bombay-400002.
6.	Shri V.A.N. Raju, Newspaper Agent, H. No. 1-2-58, Rahamath Nagar, Kazipet-506003. (A.P.)	26.	Messers Jaina Book Agency (India), 649-A, Girgaum Road, Dhobi Talao, Bombay-400002.
7.	M/s. Vivekananda Law Publishers, Shop No. 8, opp. Secundrabad Courts, Secundrabad-500010, Hyderabad.	27.	M/s. Thosar Granihagar Shabu Lasmi, 201, Samrath Nagar, Aurangabad-431009.
BIHAR		MANIPUR	
8.	Departmental Publications Sales Centre, Vikash Bhawan, New Secretariat, Patna (Bihar).	28.	Messers P.C. Jain & Co., Thangal Bazar, Imphal-795001.
9.	M/s. Progressive Book Centre, Zila School, Pani Tanki Chowk, Ramma, Muzaffarpur-842002 (Bihar).	MEGHALAYA	
GUJARAT		29.	Messers Paul's Agency & Distributors, R.K. Mission Road, Laitumkharh, Shillong-793003.
10.	M/s. Vijay Magazines Agency, Station Road, Anand-388001 (Gujarat).	PONDICHERY	
11.	The New Order Book Company, Ellis Bridge, Ahmedabad-380006 (T.No. 79065).	30.	Editor of Debates, Legislative Assembly Department, Pondicherry-605001.
HARYANA		PUNJAB	
12.	Messers Indian Documentation Service, Patel Nagar, Post Box No. 13, Gurgaon-122001 (Haryana).	31.	Messers Lyall Book Depot, Chaura Bazar, Ludhiana-141008.
13.	Messers Prabhu Book Service, Sadar Bazar, Gurgaon-122001.	RAJASTHAN	
14.	Messers Maharshi Dayanand University Book Shop, Rohtak-124001 (Haryana).	32.	Messers Pitiliya Pustak Bhandar, Jaipur-302001.
JAMMU		TAMIL NADU	
15.	Messers Haldia Publishers (India), 128-A, Gandhi Nagar, Jammu-180004.	33.	Messers C. Sitaraman & Co., 37, Royappettah High Road, Madras-600014.
KARNATAKA		34.	Shri I. Gopalkrishnan, Principal, Salem Sowdeswari College, Salem-636010.
16.	M/s. People's Book Houses, J.M. Palace Road, Mysore-570024.	35.	M/s. M.M. Subscription Agencies, 123, Third Street, Tatabad, Coimbatore-641012.
17.	Messers Geetha Book House. K.R. Circle, Mysore-570001.	UTTAR PRADESH	
18.	The Editor, Youth Gazette No. 154, Jyoti Niwas, 4th Cross, 4th Main 2nd Phase, Marjinath Nagar-560010 Karnataka.	36.	Law Publishers, Sardar Patel Marg, P.B. No. 70, Allahabad, (U.P.).
MAHARASHTRA		37.	Messers International Publicity Service, GPO Box No. 1114, Varanasi-211001 (U.P.)
19.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400002.	38.	The Law Book Company (P) Ltd., Sardar Patel Marg, P.B. No. 1004, Allahabad-211001 (U.P.)

Sl. No.	Name of Agent	Sl. No.	Name of Agent
39.	Messers S. Kumar & Associates, Marketing & Sales Division, Information Group, 32, Sarojini Devi Lane, Guru Govind Singh Marg, GPO Box No. 251, Lucknow-226001.	56.	M/s. Grover Book & Stationery Co., 58/109, Sahyog Building, Nehru Place, New Delhi-110019 (T.Nos. 6419877, 6419651, 6440902).
40.	Messers Ram Advani Bookseller, Hazrat Ganj, GPO Box No. 154, Lucknow-226001.	57.	M/s. Biblia Impex Pvt. Ltd., 2/18, Ansari Road, New Delhi-110001.
	WEST BENGAL	58.	Messers Universal Book Traders, 80 Gokhale Market, Opp. New Courts, Delhi-110054.
41.	M/s. Manimala Buys & Sells, 123, Bow Bazar Street, Calcutta-700001.	59.	Messers Eastern Book Co. (Sales), Kashmere Gate, Delhi-110006.
42.	Messers Bankura News Paper Agency, Machantola, P.O. & Distt. Bankura-722101.	60.	Messers International Publicity Service, GPO Box No. 1114.
43.	Messers Book Corporation, 4, R.N. Mukerjee Road, Calcutta-700001.	61.	Messers Jain Book Agency (South End) 1, Aurobindo Place, Hauz Khas, New Delhi-110016.
44.	Messers Bolpur Pustakalaya, Rabindra Sarani (Shantiniketan) P.O. Bolpur (W.B.) DELHI	62.	Messers Seth & Co., Room No. 31-D, Block-B, Delhi High Court, Sher Shah Road, New Delhi-110003.
45.	M/s Jain Book Agency, C-9, Connaught Place, New Delhi-110001. (T. Nos. 3321663 & 3320806)	63.	Messers Dhaowantra Medical & Law House, 592, Lajpat Rai Market, Delhi-110006.
46.	M/s J.M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006 (T. Nos. 291564 & 230936)	64.	Messers Oxford Subscription Agency, A-13, Green Park Extension Delhi-110016.
47.	M/s Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001 (T. Nos. 3315308 & 3315896)	65.	Messers K.L. Seth B-55, Shakarpur, Delhi-110092.
48.	M/s Bookwell, 2/72 Sant Nirankari Colony, Kingsway Camp, Delhi-110009 (T. Nos. 7112309, 3268786)	66.	Messers Jaina Book Depot. Chowk Chhapparwala, Bank Street; Karol Bagh, New Delhi-110005.
49.	M/s Rajendra Book Agency, IV-DR-59, Lajpat Nagar Old, Double Storey, New Delhi-110024 (T. Nos. 6412362 & 6412131).	67.	Messers Kamal & Co., 27 DDA Shopping Centre, Arjun Nagar, Safdarjung Enclave, New Delhi-110029.
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