

PUBLIC ACCOUNTS COMMITTEE (1975-76)

(FIFTH, LOK SABHA)

HUNDRED AND EIGHTIETH REPORT

[Excesses over Voted Grants and Charged Appropriations disclosed in the Appropriation Accounts (Civil), (Defence Services), (Railways) and (Posts & Telegraphs) for the year 1973-74].



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PART II •

Minutes of Sitting of the Public Accounts Committee held on the 6th August, 1975

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PUBLIC ACCOUNTS COMMITTEE

(1975-76)

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Shri H. N. Mukerjee

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3. **Shri Chandulal Chandrakar**
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21. **Dr. K. Mathew Kurian**
22. **Shri Rabi Ray**

SECRETARIAT

Shri H. G. Paranjpe—Chief Financial Committee Officer.

Shri N. Sunder Rajan—Senior Financial Committee Officer.

INTRODUCTION

1. I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Eightieth Report on Excesses over Voted Grants/Charged Appropriations as disclosed in the Appropriation Accounts (Civil), (Defence Services), (Railways) and (Posts and Telegraphs) for the year 1973-74. These Accounts were laid on the Table of the House on the 30th April, 30th April 8th May and 29th April, 1975 respectively.

2. The Committee examined the Excesses in the light of the Explanatory Notes furnished by the Ministries/Departments concerned (Appendices I to XXIV) at their sitting held on the 6th August, 1975. The Minutes of the sitting form Part II* of the Report.

3. A statement containing summary of the main conclusions/recommendations of the Committee is appended to this Report (Appendix XXV). For facility of reference, these have been printed in thick type in the body of the Report.

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

H. N. MUKERJEE,

Chairman, Public Accounts Committee.

NEW DELHI;

6th August, 1975.

Shravana 15, 1897 (S).

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CHAPTER I

GENERAL OBSERVATIONS

1.1. This 180th Report deals with Excesses over Voted Grants and Charged Appropriations as disclosed in the Appropriation Accounts (Civil), (Defence Services) and (Posts and Telegraphs) for the year 1973-74. These Accounts were laid on the Table of the House on the 30th April, 30th April and 28th April 1975 respectively. There were no excesses over Voted Grants and Charged Appropriations in the Appropriation Accounts (Railways) which were laid on the Table of the House on the 8th May 1975.

1.2. The Committee have examined the Excesses in the light of the explanations furnished by the Ministries/Departments concerned. The explanatory notes furnished by the Ministries/Departments are reproduced in Appendices I to XXIV.

1.3. During the year 1973-74, Excesses occurred under 23 Voted Grants and 4 Charged Appropriations. These aggregated Rs. 10.06 crores, excluding an amount of Rs. 0.80 crore which does not require regularisation by Parliament, as against Rs. 223.81 crores and Rs. 126.33 crores during the years 1971-72 and 1972-73 respectively.

1.4. The following table indicates the trend of excess expenditure disclosed in the various Appropriation Accounts during the past five years:

(Amount in lakhs of Rupees)

Appropriation Accounts	1969-70		1970-71		1971-72		1972-73		1973-74	
	No. of Grants	Amount of Excess	No. of Grants	Amount of Excess	No. of Grants	Amount of Excess	No. of Grants	Amount of Excess	No. of Grants	Amount of Excess
<i>Civil :</i>										
Voted Grants . . .	10	163.07	23	2084.61	14	4830.34	20	4413.52	21	622.47*
Charged Appropriations . . .	3	0.44	4	169.01	6	4.40	6	390.13	3	9.09*
<i>Defence Services :</i>										
Voted Grants . . .	3	811.15	3	2510.02	5	11481.17	3	6727.84	1	115.61
Charged Appropriations . . .	..	..	..	..	..	..	..	..	1	1.51
<i>Railways :</i>										
Voted Grants . . .	4	234.53	1	4.14	9	4615.40	4	1031.33	..	..
Charged Appropriations . . .	2	0.33	2	0.56	1	0.08	1	0.09	..	..
<i>Posts and Telegraphs :</i>										
Voted Grants . . .	1	501.08	1	776.30	1	1450.03	1	69.63	1	257.50
Charged Appropriations . . .	..	..	1	0.01	..	..	..	..	..	..

*Excludes mis-classifications.

1.5. The details of excesses that occurred over the years 1965-66 to 1973-74 are indicated in the following table:

(Rupees in crores)

	No. of voted Grants	No. of Charged Appropriations	Total	Amount of Excess
1965—66 .	31	4	35	18.31
1966—67 .	26	5	31	11.60
1967—68	22	3	25	27.77
1968—69 .	25	4	29	3.78
1969—70 .	18	5	23	17.10
1970—71 .	29	8	37	55.76
1971—72 .	29	7	36	223.81
1972—73 .	28	7	35	126.33
1973—74 .	23	4	27	10.06

1.6. The aggregate amount of expenditure incurred in excess of the amounts authorised by Parliament, under various Voted Grants and Charged Appropriations ranged from Rs. 3.78 crores to Rs. 223.81 crores during the period 1965-66 to 1972-73. The Committee note with some satisfaction that the excess over authorised expenditure during 1973-74 aggregated to Rs. 10.06 crores (excluding Rs. 0.80 crore which does not require regularisation, in respect of 23 Voted Grants and 4 Charged Appropriations, as against Rs. 223.81 crores and Rs. 126.33 crores respectively during the years 1971-72 and 1972-73. The Committee trust that every endeavour would be made by the Ministries/Departments to ensure that the position is not allowed to deteriorate once again as has often happened in the past.

1.7. In response to the earlier observations of the Committee contained in paragraph 1.3 of their 49th Report (Fifth Lok Sabha) that 'unless the basic reasons' for persistent excesses over expenditure authorised by Parliament were 'identified and drastic steps taken to arrest the tendency to exceed the budget provisions by Government as a whole, sound budgetary control would be a far cry, despite repeated suggestions by the Committee year after year to improve the position,' Government had constituted, in December

1972, a Task Force consisting of an officer each from the Department of Expenditure, Department of Economic Affairs (Budget Division) and the Office of the Comptroller and Auditor General to have a detailed analysis made of the effectiveness of the various procedures for expenditure control *vis-a-vis* the functioning of the system of internal financial control and to suggest to Government remedial measures to improve the budgetary system. The Public Accounts Committee (1974-75) were informed that various suggestions made by the Task Force were being examined and appropriate action would be taken in consultation with the Comptroller and Auditor General wherever necessary.

1.8. In paragraph, 1.7 of their 134th Report (Fifth Lok Sabha), the Public Accounts Committee (1974-75) had observed as follows:

“The Committee note that the Task Force constituted in pursuance of their observations have suggested certain procedural changes in respect of certain grants and that these suggestions are under examination. The Committee would like the Government to examine these suggestions expeditiously under advice to this Committee. They trust that in the light of the suggestions made by the Task Force, the excesses over grants will be reduced to the minimum in future.”

1.9. In their reply dated 31st May 1975, the Ministry of Finance (Department of Expenditure) have stated as follows:

“The suggestions made by the Task Force in regard to procedural changes in respect of certain grants are still under examination in consultation with C. & A.G. of India and other concerned authorities.”

1.10. The Committee regret that the procedural changes in respect of certain grants suggested by a Task Force constituted in pursuance of the observations of the Committee contained in paragraph 1.3 of their 49th Report (Fifth Lok Sabha) are still under examination, even though almost three years have elapsed since the Committee made their earlier recommendation. The Committee attach considerable importance to this recommendation of theirs and desire that final action on the suggestions made by the Task Force be initiated without further loss of time and concrete steps taken to ensure sounder budgetary control than what exist at present, particularly in certain Ministries such as the Ministry of Works and Housing, Ministry of Shipping and Transport and the Ministry of Home Affairs.

CHAPTER—II

2.1 During the year ended 31st March 1974, the actual expenditure exceeded the voted Grants, Charged Appropriations in the following grants :—

Serial No.	No. and Name of Grant	Ministry/Department	Amount of final grant/ Appropriation Rs.	Actual Expenditure Rs.	Amount of Excess R.	Date of receipt of Notes
1	2	3	4	5	6	7

APPROPRIATION ACCOUNTS (CIVIL)

<i>Revenue Section</i>	<i>Voted Grants</i>					
1 1—Department of Agriculture	Agriculture	1,46,26,000	1,49,58,268	3,72,268	24-6-1975	ca
2 33—Stamps	Finance	5,58,21,000	5,92,36,000	34,15,000	May 1975	
3 41—Ministry of Health and Family Planning .	Health and Family Planning .	1,46,65,000	2,09,46,726	62,81,726*	27-6-1975	
4 47—Cabinet	Home Affairs	1,00,21,000	1,05,77,303	5,56,303	3-6-1975	
5 51—Other Expenditure of the Ministry of Home Affairs.	Home Affairs	71,72,61,000	71,97,16,725	24,55,725	7-7-1975	
6 53—Chandigarh	Home Affairs	9,64,09,000	9,66,73,591	2,64,591	30-7-1975	
7 54—Andaman and Nicobar Islands	Do.	13,83,49,000	14,26,70,668	43,21,668**	7-7-1975	

*Out of this excess, an amount of Rs. 47,70,188 does not require regularisation, vide para 4.26 of 45th Report of P.A.C. (Third Lok Sabha)

**Out of this excess, an amount of Rs. 24,02,537.91 paise does not require regularisation, the excess having been caused by booking of duplicate expenditure/misclassification of expenditure.

1	2	3	4	5	6	7
8	55—Arunachal Pradesh	Do.	17,40,79,000	19,11,95,981	1,71,16,981	7-7-1975
9	56—Dadar and Nagar Haveli	Do.	82,22,000	91,19,995	8,97,995	23-6-1975
10	57—Laccadive, Minicoy and Amindivi Islands	Do.	2,26,69,000	2,27,42,774	73,774	May 1975
11	62—Broadcasting	Information and Broadcasting.	18,02,80,000	18,12,29,538	29,49,538	20-6-1976
12	75—Ministry of Shipping & Transport	Shipping & Transport .	1,74,84,000	1,81,59,008	6,75,008@	18-7-1975
13	85—Tourism	Tourism and Civil Aviation.	3,03,76,000	3,09,80,290	6,04,290	9-6-1975
14	87—Public Works	Works and Housing	54,51,11,000	56,75,31,333	2,24,20,333	23-6-1975
15	93—Archaeology	Department of Culture.	3,23,34,000	3,26,49,264	5,15,264	May 1975
<i>Capital Section :</i>						
16	13—Department of Internal Trade (Capital Section).	Commerce	8,45,20,000	8,45,43,985	23,985	May 1975
17	15—Overseas Communications Service (Capital Section)	Communications .	1,86,80,000	2,11,33,728	24,53,728£	3-6-1975
18	53—Chandigarh (Capital Section)	Home Affairs .	4,04,20,000	4,11,84,924	7,64,924	30-7-1975
19	57—Laccadive, Minicoy and Amindivi Islands (Capital Section)	Do.	84,30,000	86,00,977	1,70,977	May 1975
20	80—Department of Mines (Capital Section)	Department of Steel and Mines.	1,24,50,93,000	1,24,51,01,292	8,292*	12-6-1975

21	90—Atomic Energy Research and Development (Capital Section)		41,70,33,000	42,08,89,741	38,56,741	13-6-1975
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Charged Appropriations

22	87—Public Works (Revenue Section)	Works and Housing	38,41,000	41,70,819	3,29,819	23-6-1975
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23	27—Department of Social Welfare (Capital Section)	Education & Social Welfare	5,00,000	10,38,000	5,38,000	3-6-1975
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24	35—Currency Coinage and Mint (Capital Sec.)	Finance		1,31,901	1,31,901**	3-7-1975
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Appropriation Accounts (Defence Services)

(Voted Grants)

25	23—Defence Services—Pensions	Defence	62,47,00,000	63,62,60,974	1,15,60,974	May 1975
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Charged Appropriations

26	20—Defence Services—Army	Defence	14,00,000	15,50,532	1,50,532	3-6-1975
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Railways

NIL

Posts and Telegraphs

Voted Grants

27	18—Capital Outlay on Posts and Telegraphs (not met from revenue)	Communications (P. & T.)	1,24,97,00,000	1,27,54,50,010	2,57,50,010	3-6-1975
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@Out of this excess, an amount of Rs. 5,80,338.64 paise does not require regularisation, the excess having been caused by misclassification of expenditure.

§Out of this excess, an amount of Rs. 1.94 lakhs does not require regularisation. The excess having been caused by misclassification of expenditure.

*Out of this excess, an amount of Rs. 5,000 does not require regularisation, the excess having been caused by misclassification of expenditure.

**Out of this excess an amount of Rs. 90,745 does not require regularisation, the excess having been caused by misclassification of expenditure.

2.2. The Committee attempted an analysis of the excesses recorded under various grants during the past five years ended 31st March 1974. The following tables indicate the excesses that occurred in various grants administered by the Ministry of Works and Housing, Ministry of Shipping and Transport and Ministry of Home Affairs:

Ministry of Works and Housing

(Rupees in lakhs)

Grant	1969-70	1970-71	1971-72	1972-73	1973-74
Public Works	19.58	494.81	330.41	662.15	227.49
Delhi Capital Outlay . . . . .	..	35.64	0.73	19.86	..
Ministry of Works and Housing . . . . .	..	..	..	18.29	..

Ministry of Shipping and Transport

(Rupees in lakhs)

Grant	1969-70	1970-71	1971-72	1972-73	1973-74
Ministry of Shipping and Transport	2.51	4.24	..	..	6.75
Roads	85.26	134.75	230.30	49.32	..
Capital Outlay on Roads . . . . .	..	1.38	..	320.36	..
Capital Outlay on Ports . . . . .	..	3.23	2.92	..	..
Lighthouses & Lightships . . . . .	..	..	..	6.15	..

Ministry of Home Affairs

(Rupees in lakhs)

Grants 1	1969-70 2	1970-71 3	1971-72 4	1972-73 5	1973-74 6
Ministry of Home Affairs	5.68	..	..	..
Cabinet	0.10	..	..	5.56
Police	84.32	189.04	..	..
Other Expenditure of the Ministry of Home Affairs	0.28	..	..	24.56

1	2	3	4	5	6
Capital Outlay in Union Territories & Tribal Areas	157.25	249.60	..
Andaman & Nicobar Islands	22.62	..	..	91.58	43.22
Arunachal Pradesh	39.97	171.17
Chandigarh	..	3.06	..	..	10.30
Dadra & Nagar Haveli	..	2.34	..	..	8.98
Delhi	96.75	..	..
Laccadive, Minicoy & Amin-divi Islands	2.45
Tribal Areas	..	49.82	235.39	..	..

2.3. An analysis by the Committee of the excesses recorded under various grants during the past five years ended 31st March 1974 reveals a rather disquieting picture in respect of the grants administered by certain Ministries. The Committee find, in particular, that there have been persistent excesses in the grants administered by the Ministries of Works and Housing, Shipping and Transport and Home Affairs. Later in this Report, the Committee have examined in some detail the grant relating to Public Works administered by the Ministry of Works and Housing. The recurring phenomenon of excess under these grants underlines the need for greater financial discipline in the Ministries concerned. The Committee are particularly concerned over the budgetary control exercised by the Union Territory Administrations. The Committee desire that concerted steps should be taken forthwith to tighten up budgetary procedures and controls by the concerned Ministries.

2.4. The Committee are also concerned to note that during the year under review, there have been mis-classifications of expenditure in a number of cases on a fairly large scale. This implies slipshod work on account of which the reconciliation of departmental figures with those accounted for in the Accounts Offices appears ineffective. That this should be so despite earlier recommendations of the Committee emphasising the need for prompt reconciliation of accounts would indicate that adequate attention is not being paid by the concerned Ministries to this important aspect of accounting and that the instructions issued from time to time in this regard have failed to produce the desired effect. As such mis-classifications vitiate sound budgetary control, the Committee desire that necessary remedial measures should be taken to

eliminate the default. The Committee take a serious view of this matter and expect that it will not recur in future.

2.5. The Committee had considered, in April 1974, certain practical difficulties expressed by the Ministry of Finance in adhering to the schedule hitherto prescribed for the submission of the Explanatory Notes on Excesses over Voted Grants and Charged Appropriations to the Committee for regularisation of the excess expenditure. The Committee had then agreed to the submission of the Explanatory Notes in future by 31st May or immediately after the presentation of the Appropriation Accounts to Parliament, whichever was later.

2.6. Despite the revised schedule proposed by the Ministry of Finance having been agreed to by the Committee, considerable delays had occurred in the submission of Explanatory Notes relating to the excess expenditure incurred during 1972-73, which were due to be furnished by 31st May 1974. Commenting on such delays, the Committee, in paragraph 2.6 of their 134th Report (Fifth Lok Sabha), had observed as follows:

“The Committee very much regret to note that in spite of their having agreed to the submission of the explanatory Notes on excesses over Voted Grants and Charged Appropriations by 31st May, instead of 10th April, or immediately after the presentation of the Appropriation Accounts to Parliament, whichever is later, delays in submission of the explanatory notes in respect of excesses during the year 1972-73 have continued to occur in spite of the Committee's earlier recommendations. Out of the 36 explanatory notes relating to excesses during the year, 10 notes were received in June and 2 notes in July 1974, and the last note in respect of Grant No. 57—Information and Publicity, was received only on the 5th July 1974. In this connection, the Committee would like to recall their clear directive to the Ministry of Finance that the revised time schedule should be strictly adhered to. Owing to the delays in the submission of the notes, the finalisation of this Report by the Committee has been delayed. As the Committee are anxious that excesses over Voted Grants and Charged Appropriations are brought before Parliament as expeditiously as possible, they would like the Ministry of Finance to appropriately take up the question of delay with the concerned Ministries/Departments with a view to ensure that the prescribed time schedule is strictly adhered to in future.”

2.7. Even during the year under report, delays have occurred in the submission of Explanatory Notes and by 31st May 1975, Notes in respect of only six of the 27 Excesses over Voted Grants and Charged Appropriations had been furnished to the Committee. Notes in respect of 8 Grants and Appropriations had been received by the 15th June, 1975, while Notes relating to 7 Grants and Appropriations were received only during July 1975 and that too after some prodding by correspondence.

2.8. The Finance Minister was also addressed by the Chairman of the Committee in this connection. His letter dated 7th July 1975 and the Finance Minister's reply dated 24th July 1975 thereto are reproduced in Annexure 'A'.

2.9. The Note received in this connection from the Ministry of Finance, Department of Economic Affairs (Budget Division), referred to in the Finance Minister's reply, is reproduced in Annexure 'B'.

2.10. The Committee are once again constrained to record their displeasure over the delays in the submission of the explanatory notes on excesses over Voted Grants and Charged Appropriations that continue to recur despite their earlier exhortations. Out of 27 notes relating to the expenditure incurred in excess of amounts authorised by Parliament during 1973-74, only 6 notes had been received by the stipulated due date, 14 notes in June and 7 notes in July 1975. The Committee, in particular, are unable to condone the unconscionable delays that had occurred in respect of the explanatory notes relating to 'Grant No. 75' of the Ministry of Shipping and Transport and 'Grant No. 53' administered by the Ministry of Home Affairs, which were received only on 18th July and 30th July 1975 respectively. The Committee are dissatisfied with this state of affairs and desire fixation of responsibility for appropriate action. The Committee would not countenance such delays in future.

2.11. As regards the suggestion made by the Ministry of Finance regarding the revised procedure to be adopted for the furnishing of the explanatory notes to the Committee, this would be considered separately in due course and the Committee's decision communicated.

2.12. The examination by the Committee of some individual cases of excesses are discussed in the succeeding paragraphs.

APPROPRIATION ACCOUNTS (CIVIL), 1973-74
MINISTRY OF HOME AFFAIRS

2.13. Grant No. 51: Other Expenditure of the Ministry of Home Affairs.

REVENUE SECTION

Voted Expenditure	Rupees
Original Grant	67,28,92,000
Supplementary Grant	4,43,69,000
Final Grant	71,72,61,000
Actual Expenditure	71,97,16,725
Excess	24,55,725

2.14. Excess occurred mainly under the sub-heads 'E-4—Pensions to freedom fighters, their dependents, etc.' (Rs. 6,32,04,087), 'H. 1(4)(1)(2)—Other Schemes' (Rs. 4,46,19,000) and 'H.2(2)—Grants for Union Territory Plan Schemes' (Rs. 4,11,67,000).

2.15. In a note furnished to the Committee, the Ministry of Home Affairs, inter alia, stated:

“The overall excess of Rs. 24,55,725 was the net result of excesses and savings under various sub-heads in the Grant.

Excess occurred mainly under the following heads:

- (i) E. 4.—Pensions to freedom fighters, their dependents, etc. (Rs. 6,32,04,087).

Grant	Actual Expenditure	Excess
10,00,00,000	16,32,04,087	6,32,04,087

The excess was mainly due to grant of pensions to more freedom fighters, their dependents etc. than originally anticipated. At the time of review of the grant in March 1974, it was expected that the additional requirements would be Rs. 4,45,17,000/- which were provided by reappropriation.

The actual expenditure, however, exceeded the Original Grant plus the provision made by reappropriation by Rs. 1,86,87,087/-. This happened due to the fact that payment to more pensioners materialised than anticipated. It may be mentioned in this connection that experience showed that there is generally a time lag of 4—6 weeks between the time of issue of sanctions and the issue of pension payment orders by the audit officers. Besides, the Treasury Officers also take sometime to make the payment after the receipt of pension payment orders. Taking all these factors into account, the final requirement was pitched at Rs. 14,45,17,000/- and funds provided accordingly. However, the actual expenditure exceeded the estimated final requirement as some more pension cases materialised for payment only towards the end of the financial year.

(ii) H. 1. (4) (1) (2).—Other Schemes (Rs. 4,46,19,000)

Grant Rs.	Actual Expenditure Rs.	Excess Rs.
4,37,50,000	8,83,69,000	4,46,19,000

Excess occurred on a number of Centrally Sponsored Schemes including Post Matric Scholarships to Scheduled Castes and Scheduled Tribes candidates. The excess was covered by reappropriation.

(iii) H. 2 (2).—Grants for Union Territory

Plan Schemes (Rs. 4,11,67,000)	Actual Expenditure	Excess
Grant Rs.	Rs.	Rs.
5,01,03,000	9,12,70,000	4,11,67,000

Excess occurred because of payment of more grant to the Union Territory of Pondicherry and approval by Planning Commission of more plan outlay for the Union Territory of Mizoram, Goa, Daman and Diu. Excess was covered by reappropriation.

The above excesses and other minor excesses under other sub-heads were partly offset by savings under the remaining sub-heads leaving net excess of Rs. 24,55,725/- in the Grant which needs to be regularised."

2.16. The Committee find that though the overall excess of about Rs. 0.25 crore under 'Grant No. 51—Other Expenditure of the Ministry of Home Affairs' after reappropriation and setting off savings works out to only about 0.37 per cent of the original grant of Rs. 67.29 crores as a whole, there have been large excesses under individual sub-heads of the Grant which, in the opinion of the

Committee, reveal defective estimation of monetary requirements. The excess of Rs. 6.32 crores under the sub-head 'E 4—Pensions to freedom fighters, their dependents, etc.' works out to 63.2 per cent of the original Grant of Rs. 10 crores. Similarly, the excesses of Rs. 4.46 crores and Rs. 4.12 crores under the sub-heads 'H. 1(4)(1) (2)—Other Schemes' and 'H. 2(2)—Grants for Union Territory Plan Schemes' work out respectively to 99 per cent and 82 per cent of the Original Grants of Rs. 4.38 crores and Rs. 5.01 crores.

2.17. It is also significant that the actual excess totalling Rs. 14.90 crores under these three sub-heads of the Grant have been off-set to the extent of Rs. 14.65 crores by reappropriation and savings under other sub-heads. That the reappropriations and savings account for about 20 per cent of the final grant of Rs. 71.73 crores indicates the extent to which the estimates have been over-pitched in respect of certain items of expenditure. The Committee have been again and again emphasising in the past the need for narrowing the gap between the Budget Estimates and the Actuals, and from the instances of defective estimation of monetary requirements that repeatedly come to their notice, the Committee are constrained regretfully to conclude that adequate attention is not being paid to careful and realistic framing of estimates of expenditure and requirements of funds. The Committee would like to impress upon the Ministry of Home Affairs the need to exercise greater caution and realism in framing their estimates in future.

MINISTRY OF HOME AFFAIRS

2.18. Grant No. 53: Chandigarh.

REVENUE SECTION

Voted Expenditure	Rupees
Original Grant	9,61,09,000
Supplementary Grant	3,00,000
Total Grant	9,64,09,000
Actual Expenditure	9,66,73,591
Excess	2,64,591

CAPITAL SECTION

Voted Expenditure	Rupees
Original Grant	3,81,89,000
Supplementary Grant	22,31,000
Total Grant	4,04,20,000
Actual Expenditure	4,11,84,924
Excess	7,64,924

2.19. The overall excess of Rs. 2,64,591 in the Revenue (Voted) Section of the Grant is the net result of excesses and savings under various sub-heads, in the Grant. The excess occurred mainly under the Group-head 'E. Public Works (including Roads) and Schemes of Miscellaneous Public Improvements; E. 1—Public Works; E. 1(2)(3)—Miscellaneous' (Rs. 19,56,876).

2.20. In the Capital Section of the Grant, excesses occurred under the Group-head 'K—Capital Outlay on Electricity Schemes, K. 1—Electricity Schemes' under Major Head '101' (Rs. 30,09,096), and under sub-heads 'M. 1(1)—Land Acquisition and Survey' (Rs. 21,21,231) and 'M. 1(2)—Roads and Bridges' (Rs. 12,19,000) under the Major Head 105, 'M—Chandigarh Capital Outlay'.

2.21. In a note furnished to the Committee, explaining the reasons for the excesses, the Ministry of Home Affairs stated:

"The overall excesses of Rs. 2,64,591 in Revenue (Voted) and Rs. 7,64,924 in Capital (Voted) were the net result of excesses and savings under various sub-heads in the grant and occurred mainly under the following sub-heads for the reasons given thereunder:

Revenue Section (Voted)	Final grant	Actual expenditure	Excess
	Rs.	Rs.	Rs.
Major Head '50'			
E—Public Works : (including roads) and Schemes of Miscellaneous Public Improvements :			
E. 1.—Public Works :			
E. 1 (2) (3).—Miscellaneous	20,00,000	39,56,876	19,56,876

The expenditure incurred under this sub-head pertains to maintenance of completed works other than Government residences and office buildings at Chandigarh viz. maintenance of roads and bridges, landscaping, sewerage and storm water drainage, building of Municipal nature, street lighting, Sukhna Dam etc. The excess mainly occurred due to steep rise in the cost of materials and labour used for proper maintenance of these services.

The following statement justifies larger maintenance expenditure from year to year on the basis of outlay on the works:

Outlay on completed work, other than street light installations				Maintenance expenditure on completed works including street lighting and traffic central signals			
(Figures in crores of Rupees)				(Figures in lakhs of Rupees)			
Upto 1970-71	Upto 1971-72	Upto 1972-73	Upto 1973-74	1970-71	1971-72	1972-73	1973-74
12.18	13.30	14.47	15.63	40.25	49.70	61.08	39.57

The larger outlay during 1973-74 necessitated larger maintenance expenditure on completed works, street lighting on extended roads, streets, lanes and traffic signals. The actual maintenance expenditure excluding items of misclassification viz. Rs. 3.43 lakhs incurred on original works of premix carpet and concrete on roads, Rs. 3.00 lakhs due to delay in conversion of work charged posts into regular posts and Rs. 1.00 lakh on the arrangements in connection with visit of VIP's is Rs. 32.14 lakhs. This larger expenditure is because of unprecedented rise in prices. But for general rise in prices, the maintenance expenditure would have been much less. The maintenance expenditure during 1973-74, in other words, is less than half the maintenance expenditure during the preceding year. Moreover, there were certain unavoidable and inevitable items of maintenance expenditure e.g. rental for street light fixtures on the basis of light points and energy bills charged by a commercial department in connection with street lighting and traffic signals as a consequence of which expenditure exceeded the grant.

Capital Section (Voted)**Major Head '101'**

	Final Grant Rs.	Actual Ex- penditure Rs.	Exc: ss Rs.
K.—Capital Outlay on Electricity Schemes	12,00,000	42,09,056	30,09,056

K. 1—Electricity Schemes:

Due to providing new electric connections to the followings:

- (i) The owners of 3565 plots to whom plots were sold by the Government in the new sectors in Second Phase development of Capital Project.
- (ii) 87 new industrial units on plots sold by the Government in the extended Industrial areas, and
- (iii) Rural electrification which was scheduled to be completed as per plan target.

Major Head '105'**M-Chandigarh Capital Outlay:****M-1 Works:****M. 1(1) Land Acquisition
and Survey**

20,70,000	41,91,231,	21,21,231
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Due to acquisition of more land in the second phase development of Chandigarh capital project on the basis of Plan Allocation.

M. 1(2)-Roads & Bridges	36,35,000	48,54,000	12,19,000
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The actual expenditure exceeded the grant under this sub-head as the following works in progress had to be completed keeping in view the programme of sale of plots:—

- (a) Internal Roads in Sector 37-C and D.
- (b) Improvement of Jn. No. 38 by providing Rotaries.
- (c) Roads and parking places on south west side of Neelam Cinema.
- (d) Additional carriage-way along Dakshin Marg. between Jn. 37-38.
- (e) Widening V-S road Jn. 21-28-35 (Sarovar Path).

- (f) Additional Carriageway along V-5 Road.
- (g) Additional carriageway along Purv Marg.
- (h) Constructing V-2 (South Road).

The above excesses aggregating Rs. 19,56,876 in 'Revenue' Section (Voted) and Rs. 63,49,327 in 'Capital' Section (Voted) and minor excesses under other sub-heads were partly counter-balanced by savings under the remaining sub-heads in the grant leaving a net excess of Rs. 2,64,591 in 'Revenue' Section (Voted) and Rs. 7,64,924 in Capital Section (Voted) of the grant which needs to be regularised."

2.22. The Committee are concerned to find that the excess expenditure of Rs. 19.57 lakhs incurred under the sub-head 'E-1(2) (3)-Miscellaneous' in the Revenue Section of Grant No. 53 relating to the Union Territory of Chandigarh, works out to almost 100 per cent of the final grant of Rs. 20 lakhs. Since the steep rise in the cost of materials and labour, attributed as one of the reasons for the excess expenditure, should logically be reflected in other items of construction expenditure incurred during the year as well, the Committee consider it rather strange that the impact of the escalation in the cost of materials and labour should have been felt only on maintenance works. The Committee are, therefore, not convinced by the reasons furnished by the Ministry of Home Affairs for this unduly large excess expenditure. The Committee would very much like to know why the effect of the increase in the cost of labour and materials could not be anticipated at least at the time of preparation of the revised estimates and adequate funds provided for in the Supplementary Budget. The Committee wish it to be ensured that in future, the revised estimates will be prepared with greater care so that the excess, if any, over the voted grants may not be appreciable.

2.23. It is also rather significant that despite the larger outlay during 1973-74 on works and the alleged steep rise in the cost of materials and labour, the maintenance expenditure during 1973-74 (Rs. 32.14 lakhs after excluding misclassification) should be about 52 per cent of the maintenance expenditure during the preceding year (Rs. 61.08 lakhs). The Committee desire that the Ministry of Home Affairs and the Ministry of Finance should examine in detail the reasons for the high incidence of maintenance expenditure during 1972-73 with a view to ascertaining that no avoidable or infructuous expenditure on account of corrupt practices and other defaults had taken place. The Committee would await a further report in this regard.

2.24. The Committee would like to know the precise reasons why it had not been possible to estimate the probable expenditure on rental for street light fixtures and energy bills for street lighting and traffic signals and make necessary budgetary provision therefor.

2.25. In respect of the Capital Section of the Grant, the excess expenditure of Rs. 30.09 lakhs under the sub-head 'K. 1-Electricity Schemes' under Major Head 101 works out to as high as 250 per cent of the grant of Rs. 12 lakhs, while the excesses under the sub-heads 'M. 1(1)-Land Acquisition and Survey' and 'M(1)(2)-Roads & Bridges' of Major Head 105 work out to over 100 per cent and 33 per cent respectively of the grants of Rs. 20.70 lakhs and Rs. 36.35 lakhs. That such large excesses should occur would indicate that adequate financial control has not been exercised by the Union Territory Administration. The Committee consider that the excesses over voted grants under the above heads are unduly high and perturbing, which calls for a detailed investigation preparatory to suitable remedial measures and stricter budgetary control.

MINISTRY OF HOME AFFAIRS

2.26. Grant No. 55: Arunachal Pradesh

REVENUE SECTION

Voted Expenditure	Rupees
Original Grant	17,40,79,000
Supplementary Grant	NIL
Final Grant	17,40,79,000
Actual Expenditure	19,11,95,981
Excess	1,71,16,981

2.27. The excess occurred mainly under the Group-heads 'D-Public Works (including Roads) and Schemes of Miscellaneous Public Improvement, D. 1-Public Works Assam (NEFA), D. 1(6)-Suspense' (Rs. 1,17,31,579) and 'E-Miscellaneous, E. 2-Miscellaneous, E. 2(2)-Miscellaneous and Unforeseen Charges' (Rs. 1,27,04,441).

2.28. An excess of Rs. 39.96 lakhs had occurred under this grant in 1972-73 also.

2.29. In a note furnished to the Committee, the Ministry of Home Affairs, *inter alia*, stated:

"The excess is the net result of excesses and savings under the various sub-heads of the grant and occurred mainly under the following sub-heads:

(i) *D—Public Works (including Roads) and Scheme of Miscellaneous Public Improvement.*

	Final Grant	Actual Expenditure	Excess
	Rs.	Ra.	Rs.
D.1.—Public Works : Assam (NEFA)			
D. 1 (6).—Suspense	2,45,00,000	3,62,31,579	+ 1,17,31,579
E.—Miscellaneous :			
E. 2.—Miscellaneous :			
E. 2 (2).—Miscellaneous Unforeseen Charges	1,51,47,000	2,78,51,441	+ 1,27,04,441

The reasons for the excess are briefly explained below:

(i) *D. 1(6)—Suspense (Rs. 117.32 lakhs)*

The excess was mainly due to abnormal rise, varying between 30 per cent to 70 per cent in prices of material like cement sheets, pipes etc., increased expenditure on the transportation of material from rail to godowns, rise in prices of petrol and motor parts and unexpected adjustment of debits pertaining to earlier years towards the close of the year when funds could not be provided by Supplementary Grants or advance from the Contingency Fund.

(ii) *E. 2(2)—Miscellaneous and Unforeseen charges (Rs. 127.04 lakhs)*

The excess was mainly due to unexpected adjustment of debits amounting to Rs. 1,08,00,511. Indian Air Force Planes are being used for air dropping of commodities in Arunachal Pradesh since July, 1967 after the expiry of contract with Kalinga Airlines. Air freight charges are thus paid to the Defence Department for the air-lifting operations. Debits in respect of air dropping operations

pertaining to the years 1971-72 and 1972-73 were raised by the Defence authorities towards the close of year, for which no provision could then be made.

An amount of Rs. 35.00 lakhs was also originally provided under this head for the purchase of Supply Dropping Equipments|packing material. Later on, from the records maintained in the Directorate of Supply and Transport, Arunachal Pradesh, it was seen that debits amounting to Rs. 10,05,500 for supply of Supply Dropping Equipments|Packing material received during 1972-73, which remained unadjusted in the accounts for 1972-73, were carried over to the accounts for 1973-74. An amount of Rs. 15.00 lakhs was, therefore, reappropriated to this head from other heads to meet this as well as other debits, if any, for previous years. In addition to the debits of Rs. 10,05,500 mentioned above, the debits amounting to Rs. 19.27 lakhs pertaining to the year 1972-73 were also adjusted in the accounts for 1973-74. Due to uncertainty regarding the adjustment of debits, a precise estimation of the liability could not be made. The excess under this item was, thus, due to unexpected adjustment of debits.

The above excesses were offset by saving under:—

A—Administrative Services.

A.2—Police.

A.2(2)—Armed Police

Deployed from other States.

1,23,00,000 38, 39,936 (—) 84,60,064.

The saving was mainly due to non-adjustment of (i) reimbursement claim of Rs. 22,50,000 for quarter ending September, 1973, December, 1973 and March, 1974 in respect of deployment of 12 MSPAF Battalion, (ii) balance payment of Rs. 4,43,400 to Tamil Nadu Government on account of deputation of MSP (1) Battalion for the year 1971-72, (iii) reimbursement claim of Rs. 15,84,100 for the deployment of MSP (1) Battalion for period from March, 1968 to March, 1969 and (iv) Rs. 22,06,000 being Air-freight charges for lifting stores of Police Battalions.

The above excesses amounting to Rs. 244.36 lakhs and minor excesses under other sub-heads were partly counter balanced by

savings under the remaining sub-heads of the Revenue Section of the Grant, bringing down the not excess in the 'Revenue Section' of the Grant as a whole to Rs. 1,71,16,981 which requires to be regularised by Parliament under Article 115(b) of the Constitution."

2.30. The excesses of Rs. 1.17 crores and Rs. 1.27 crores which occurred under the sub-heads 'D. 1(6)—Suspense' and 'E. 2(2)—Miscellaneous and Unforeseen Charges' of Grant No. 55 relating to Arunachal Pradesh work out respectively to about 48 per cent and 84 per cent of the Grants of Rs. 2.45 crores and Rs. 1.51 crores. One of the reasons for the excess under 'D. 1(6)—Suspense' is stated to be the unexpected adjustment of debits pertaining to earlier years towards the close of the year. Similarly, the excess under 'E. 2(2)—Miscellaneous and Unforeseen Charges' has been attributed to the unexpected adjustment of debits pertaining to the year 1971-72 and 1972-73. Since the expenditure on air dropping of commodities in Arunachal Pradesh by Indian Air Force Planes is a recurring liability, the Committee feel that it should have been possible to assess more correctly the requisite commitment on this account. In the opinion of the Committee, such a situation could well have been avoided by a closer watch and control over recurring liabilities of this nature.

2.31. The Committee are also unable to understand why it had not been possible for the Arunachal Pradesh Administration to make necessary provision in respect of liabilities relating to earlier years, at least while framing the Revised Estimates if not earlier. The Committee are surprised to find that no provision had been proposed in the Supplementary Grant. In the circumstances, the Committee have to conclude that the Budget Estimates and Revised Estimates had not been framed judiciously after taking into account the probable requirements and anticipated liabilities by the relevant authorities.

2.32. In paragraph 2.28 of their 134th Report (Fifth Lok Sabha), the Committee had, inter alia, commented upon the excess expenditure incurred in the Grant relating to Arunachal Pradesh and had impressed upon the Ministry the need to exercise greater care in framing their estimates realistically in future. While the excess over the voted grant was only about 2 per cent of the Final Grant in 1972-73, the Committee are concerned to note a deteriorating trend in 1973-74, when the excess has increased to about 10 per cent. The Committee view with disfavour such variations between the original Budget Estimates and the Actuals. It would appear that the system of budgeting adopted by the Arunachal Pradesh Administra-

tion is far from satisfactory and requires a closer analysis with a view to taking appropriate rectificatory steps. The Committee would watch the improvements effected through future Appropriation Accounts.

.. **MINISTRY OF HOME AFFAIRS**

2.33. Grant No. 57: Laccadive, Minicoy and Amindivi Islands
REVENUE SECTION

Voted Expenditure	Rupees
Original Grant	2,26,69,000
Supplementary Grant	NIL
Final Grant	2,26,69,000
Actual Expenditure	2,27,42,774
Excess	73,774

CAPITAL SECTION

Voted Expenditure	Rupees
Original Grant	46,77,000
Supplementary Grant	37,53,000
Final Grant	84,30,000
Actual Expenditure	86,00,977
Excess	1,70,977

2.34. The excess in the Revenue Section of the Grant occurred mainly under the Group-head 'D.1—Electricity Schemes, D. 1(2)—Working Expenses, D. 1(2) (1)—Maintenance' (Rs. 2,79,174), and in the Capital Section under the Group-head 'I—Capital Outlay on Electricity Schemes, I.1—Electricity Schemes' (Rs. 2,67,106).

2.35. In a note furnished to the Committee, the reasons for the excesses were explained by the Ministry of Home Affairs as follows:

“Revenue Section.

D. 1(2) (1)—Maintenance (Rs. 2,79,174)

The excess was mainly due to (i) unexpected adjustment of the cost of High Speed Deseal Oil purchased in 1971-72 (Rs. 58,322/-) and 1972-73 (Rs. 25,963) on receipt of ad-

justment memoranda from the Accountant General, Kerala, (ii) enhanced expenditure than anticipated on maintenance and unforeseen major repairs of power houses and (iii) increased expenditure than anticipated on purchase of high speed diesel oil and spares and on shipping and certain charges of empty barrels for carrying high speed diesel oil and lubricating oil.

Capital Section.

1.1—Electricity Schemes (Rs. 2,67,106)

The excess was mainly due to adjustment in March, 1974 of several adjustment memoranda received from the Accountant General, Kerala in respect of supply received during the previous years (1971-72 and 1972-73). As no liability register was maintained by the Electricity Department of Lakshadweep Administration, the liabilities for the preceding years could not be anticipated correctly at the time of preparation of Budget Estimates. The Lakshadweep Administration has since been asked vide this Ministry's letter No. U/15026/274-Ac. II dated the 22nd March, 1975 to invariably maintain liability register to watch the past liabilities and to provide funds for them in time.

The above excesses and other minor excesses under other sub-heads were partly offset by the savings under the remaining sub-heads leaving not excesses of Rs. 73,774/- in 'Revenue Section' and Rs. 1,70,977/- in 'Capital Section' of the Grant which needs to be regularised."

2.36. The Committee are distressed to find that adequate attention has not been paid by the Lakshadweep Administration to the provision of funds for meeting liabilities relating to the earlier years. An excess of Rs. 0.84 lakh had occurred in the Revenue Section of the Grant relating to the Laccadive, Minicoy and Amindivi Islands under the sub-head 'D. 1(2)—Maintenance' on account of adjustment of the cost of High Speed Diesel Oil purchased in 1971-72 and 1972-73. Similarly, in the Capital Section of the Grant, the excess of Rs. 2.67 lakhs was mainly due to the adjustment of debits in respect of supplies received during 1971-72 and 1972-73. The non-maintenance of liability register by the Electricity Department of Lakshadweep Administration and its consequent inability to anticipate correctly, at the time of preparation of Budget Estimates, the liabilities of preceding years, is even more surprising. The Committee hope there would be a better and stricter control of expenditure by the Administration in future.

MINISTRY OF WORKS AND HOUSING

2.37. Grant No. 87: Public Works.

REVENUE SECTION

Voted Expenditure	Rupees
Original Grant	53,59,33,000
Supplementary Grant	91,78,000
Final Grant	54,51,11,000
Actual Expenditure	56,75,31,333
Excess	2,24,20,333
<i>Charged Expenditure</i>	
Original Grant	38,41,000
Supplementary Grant	NIL
Final Grant	31,41,000
Actual Expenditure	41,70,819
Excess	3,29,819

2.38. The excess under the 'Voted' section of the Grant occurred mainly under the Group-heads 'A. 2—Repairs, A. 2(1)—Buildings' (Rs. 166.79 lakhs), 'A. 7—Suspense, A. 7(1)—Stock Charges' (Rs 98.65 lakhs) and 'A. 7—Suspense, A. 7(2)—Other Suspense Accounts-Charges' (Rs. 157.58 lakhs).

2.39. Expenditure relating to 'Public Works' has been persistently in excess of the final 'Voted' grant. The following table indicates the excesses that occurred under this grant from 1968-69 onwards:

(Rs. in lakhs)

Year	Excess
1968-69	21.90
1969-70	19.58
1970-71	492.72
1971-72	330.41
1972-73	660.22
1973-74	224.20

2.40. The following table indicates the excesses that had occurred in the 'Voted' section under Repairs to buildings, Suspense Stock Charges and Other Suspense Accounts Charges:

	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
A.2.—Repairs A.2.(1)—Building	..	53.20	19.68	..	63.63	166.79
A.7.—Suspense A.7(1)—Stock Charges	..	54.55	215.21	..	296.75	98.65
A.7.—Suspense A.7(2)—Other Suspense Accounts Charges	40.95	..	269.23	179.73	325.83	157.58

2.41. In a note furnished to the Committee, explaining the reasons for the excess in the 'Voted' section of the Grant, the Ministry of Works & Housing stated as follows:

"The overall excess of Rs. 2,24,20,333 is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the following sub-heads:

Sub-Heads	(In lakhs of Rupees)		
	Final Grant	Actual Expenditure	Excess
A.2—Repairs			
A.2(1)—Buildings	599.80	766.59	166.79
A.7—Suspense			
A.7(1)—Stock Charges	1599.99	1698.64	98.65
A.7(2)—Other Suspense Accounts Charges	1900.00	2057.58	157.58

The excess under the above sub-heads mainly occurred due to:

A. 2—Repairs.

A. 2(1)—Building (Rs. 166.79 lakhs)

The excess under this head was mainly due to implementation of recommendations of the Third Pay Commission in respect of the works-charged staff and payment of arrears of Taxes, Service Charges to New Delhi Municipal Committee not anticipated earlier.

A supplementary grant of Rs. 91.78 lakhs obtained for implementation of Third Pay Commission's recommendations was, however, accounted for under sub-head A. 3—Establishment.

A. 7—Suspense.

A. 7(1)—*Stock Charges* (Rs. 98.65 lakhs).

Excess was mainly due to procurement of essential building material like steel, cement etc. which are controlled item and could not be allowed to lapse (Rs. 98.65 lakhs). These items could not also be anticipated and included in the budget estimates.

A. 7(2) —*Other Suspense Accounts* (Rs. 157.58 lakhs).

The main reasons for excess under this sub-head were as follows:

- (i) Non-receipt of deposits. Late receipt of payments and expenditure incurred in respect of deposit works in excess of deposits. The total of these items amounts to Rs. 102.02 lakhs. These items could not be anticipated and provided for in the budget. These relate to Deposit Works of non-Government organisations who are being asked to make good these payments.
- (ii) Receipt of debits in respect of supplies received which were not anticipated and acquisition of cement and steel on credit Rs. 55.56 lakhs.

The excesses under the above sub-heads were partly counter-balanced by savings under other sub-heads of the grant leaving a net uncovered excess of Rs. 2,24,20,333 requiring regularisation.

The main sub-head under which the saving was available was 'A. 3-Estt.' The saving amounting to Rs. 183.30 lakhs under this sub-head was due to the following reasons:

- (a) Non-utilisation of Supplementary Grant demanded on account of Third Pay Commission's Recommendations in respect of Units in Nepal and also non-announcement of pay scales of certain categories of posts.
- (b) Less/non-booking of expenditure.
- (c) Non-receipt of debits from the Department of Printing and Stationery.
- (d) Economy measures under T.A. & Office expenses.

(e) Closure of units and non-filling up of vacant posts.”

2.42. In respect of the excess in the ‘Charged’ section of the Grant, the Ministry informed the Committee as follows:

“The excess is due to the implementation of the Third Pay Commission’s recommendations in respect of work-charged staff. A Supplementary Grant of Rs. 91.78 lakhs was obtained in the Voted portion of the Grant for meeting the extra expenditure due to the Pay Commissions recommendations. This requirement could not be assessed in respect of the work-charged staff working in the Divisions where the expenditure is ‘Charged’.”

2.43. The Committee are once again constrained to record their serious concern and displeasure over the persistent excesses that continue to recur, almost unabated, in the grant relating to Public Works administered by the Ministry of Works and Housing. The excesses recorded in this grant during the preceding five years were Rs. 21.90 lakhs in 1968-69, Rs. 19.58 lakhs in 1969-70, Rs. 492.72 lakhs in 1970-71, Rs. 330.41 lakhs in 1971-72 and Rs. 660.22 lakhs in 1972-73. The excess of Rs. 2.27 crores during 1973-74 in the ‘Charged’ and ‘Voted’ sections of the grant represents about 20 per cent of the aggregate excess expenditure of Rs. 10.86 crores incurred during the year. The Committee are exceedingly disturbed over this trend of excess expenditure on Public Works noticed year after year and are of the view that the situation is highly unsatisfactory which calls for drastic remedial measures to inculcate in the Ministry a greater sense of financial discipline. The Committee would stress that concrete measures should be taken to check the persistent tendency on the part of the Public Works Department to exceed the budgetary provisions without coming up in time with feasible proposals for additional funds.

2.44. It is also a matter of particular concern to the Committee that despite their comments year after year, significant excesses continue to recur under the sub-heads ‘A. 2(1)—Buildings’ (Rs. 166.79 lakhs), ‘A. 7(1)—Stock-Charges’ (Rs. 157.58 lakhs). Better financial control could and should have been exercised by the authorities concerned. Expressing deep distress over the deterioration in the administration of this grant, the Committee, in paragraph 2.55 of their 134th Report (Fifth Lok Sabha), had, inter alia, desired that the Ministry should examine whether there were any inherent defects in the system in vogue and then devise suitable machinery for a reasonably accurate forecast of requirements of funds. It is

disquieting that the action if any, taken by the Ministry on this recommendation of the Committee had not been intimated till the finalisation of this Report. The Committee would reiterate their earlier recommendation and would call on the Ministry to undertake immediately a detailed examination of the existing arrangements and devise suitable remedial measures.

2.45. As regards the excess of Rs. 157.58 lakhs under the sub-head 'A.7(2)—Other Suspense Accounts', the Committee observe that Rs. 102.02 lakhs represent the expenditure incurred in respect of deposit works of non-Government organisations in excess of deposits. Since the rules provide that the expenditure on deposit works should be limited to the amount of deposit received, the circumstances in which works were executed in excess of the deposits received and additional amounts of deposits could not be received in time from the organisations concerned are not clear to the Committee. The Committee take a serious view of the non-observance of the rules in this regard, particularly when the deposit works have been executed on behalf of non-Government organisations, and desire that responsibility for the lapse should be fixed for appropriate action.

MINISTRY OF EDUCATION, CULTURE AND SOCIAL WELFARE

(DEPARTMENT OF SOCIAL WELFARE)

2.46. Grant No. 27: Department of Social Welfare

CAPITAL SECTION

Charged Expenditure	Rupees
Sanctioned Appropriation	5,00,000
Actual Expenditure	10,38,000
Excess	5,38,000

2.47. The excess of Rs. 5.38 lakhs in the 'Charged' portion in the Capital Section of the Grant occurred under the sub-head 'F-(1)—Rehabilitation of rehabilitable families of displaced persons from East Pakistan' under the Group sub-head 'F.1—Advances to State Governments (Charged)'.

2.48. The Committee were informed by the Department of Social Welfare that the expenditure represented the payment made to

the Government of West Bengal for meeting the expenses on rehabilitation of displaced persons from the erstwhile East Pakistan.

2.49. In a note furnished to the Committee, explaining the reasons for the excess expenditure, the Department of Social Welfare stated, *inter alia*, as under:

“Under the scheme loans were advanced to the State Government of West Bengal to finance displaced families from erstwhile East Pakistan staying in Homes and Infirmaries, for purchase of land, houses, buildings and for business-purposes to enable them to lead a normal life. The Government of West Bengal were running 17 Homes| Infirmaries in their State in 1973-74. The need for augmenting the Budget provision of Rs. 5 lakhs was considered in consultation with the Planning Commission and the Ministry of Finance on a pressing demand by the Government of West Bengal and was recognised by the Ministry of Finance. However, through oversight a saving of Rs. 5.38 lakhs which was available in the voted portion of the Grant was reappropriated to meet the additional requirement in the charged portion. This *bona fide* error on the part of this Department rendered the reappropriation ineffective resulting in an excess of Rs. 5.38 lakhs under the sub-head mentioned above. The excess came to light when there was no time to rectify the error.”

2.50. An excess expenditure of Rs. 5.38 lakhs had been incurred in the ‘Charged’ portion of the Capital Section of Grant No. 27 relating to the Department of Social Welfare under the sub-head ‘F.(1)(1)—Rehabilitation of habitable families of displaced persons from East Pakistan’. That the additional requirements of funds for meeting the expenses on the rehabilitation of displaced persons from the erstwhile East Pakistan should have been as high as 107.6 per cent of the original sanctioned Appropriation is, in the opinion of the Committee, indicative of a gross under-estimation of monetary requirements. Considering the fact that the liability on this account was by no means unforeseen or unexpected, the Committee are of the view that it should have been possible to assess more realistically the commitments in this regard. The Committee desire that the Department should evolve, in consultation with the Ministry of Finance, suitable mechanisms to ensure a more realistic and accurate forecast of monetary requirements.

2.51. What causes even greater distress to the Committee is the glaring mistake, committed allegedly through oversight, of the Department in reappropriating a saving of Rs. 5.38 lakhs available in the 'Voted' portion of the Grant to meet the additional requirement in the 'Charged' portion. It is strange that such a situation came to pass inspite of the fact that the need for augmenting the Budget provision of Rs. 5 lakhs had been duly considered by the Department in consultation with the Planning Commission and the Ministry of Finance. This indicates the extent to which financial control was lax. The Committee are inclined to take a serious view of the lapse and desire fixation of responsibility, particularly at the supervisory level, for appropriate action.

MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS)

2.52. Grant No. 35: Currency, Coinage and Mint.
CAPITAL SECTION

Charged Expenditure	Rupees
Original Appropriation	NIL
Actual Expenditure	1,31,901
Excess	1,31,901

2.53. In a note furnished to the Committee, the Department of Economic Affairs stated:

"Against a nil provision for 'charged' expenditure, an expenditure of Rs. 1,31,901 was adjusted under 'C. 1—Security Paper Mill, Hoshangabad—C.1(2)—Major Works' in the Capital Section of Grant No. '35—Currency, Coinage and Mint' for 1973-74, resulting in the excess disclosed in the Appropriation Accounts.

The above expenditure comprises—

	Rs.
(i) Payment against Court decree	41,156
(ii) Payments against arbitration awards	90,745
	131,901

(i) Payment against a Court decree (Rs. 41,156).

The works are executed by the Central Public Works Department. A dispute with the contractor engaged in connection with the construction of the main mill building and ancillary buildings, was referred to arbitration and the Arbitrator gave his award in favour of the contractor. The award was challenged in the Court of Law at Hoshangabad. The Court, however upheld the amount awarded by the Arbitrator and passed a decree in terms of the award in favour of the contractor. In satisfaction of this decree the CPWD made a payment of Rs. 41,155.31 to the contractor in August, 1973. This payment was, however, initially adjusted by the CPWD as a 'Voted' item of expenditure and later accounted for as 'Charged'. This came to notice in June 1974 only when full facts of the case were ascertained from the CPWD. It was too late then either to seek a supplementary appropriation or an advance from the Contingency Fund to cover the payment.

As a safeguard against recurrence of this type of cases, the CPWD has been advised that before incurring a 'Charged' item of expenditure it must seek an advance from the Contingency Fund of India, if sufficient 'Charged' provision is not available in the Grant.

(ii) Payments against arbitration awards (Rs. 90,745).

These relate to payment made by the CPWD against two arbitration awards, one for Rs. 1,012 and the other for Rs. 89,733.42. The payments were not in terms of any decree or award of any Court or arbitral tribunal. In accordance with an advice tendered by the Ministry of Law, as circulated in this Ministry's O.M. No. F. 1(124)-B/64 dated 13-11-1964, this expenditure of Rs. 90,745 was to be classified as 'voted' and not as 'charged'. There were savings available in Grant No. 35 to cover this expenditure.

The expenditure of Rs. 90,745 having thus become excess through a misclassification in the accounts does not require regularisation in terms of paragraph 7 of the 16th Report of the Public Accounts Committee (1st Lok Sabha). The 'charged' expenditure of Rs. 41,156, which constituted the real excess, and occurred in the circumstances mentioned above, may, therefore, kindly be re-

commended for regularisation by Parliament under article 115 of the Constitution.”

2.54. The Committee are surprised to observe that an expenditure of 0.41 lakh, incurred in the Capital Section of ‘Grant No. 35—Currency, Coinage and Mint’, in satisfaction of a Court decree was initially adjusted by the Central Public Works Department as a ‘Voted’ item of expenditure and later on accounted for as ‘Charged’ even though expenditure incurred in satisfaction of awards of arbitral tribunals, Court awards or decrees, etc. is correctly debit-able as ‘Charged’ expenditure, in accordance with the provisions of Article 112(3) of the Constitution and paragraph 3.1.9 of the Central Public Works Accounts Code. The Committee have had occasion earlier to comment on a similar instance of mis-classification, also by the Central Public Works Department, in paragraph 2.65 of their 134th Report (Fifth Lok Sabha). The Committee are concerned that such patent mis-classifications should continue to recur, despite clear provisions in the relevant rules. The Committee cannot countenance such recurrent lapses and desire that positive instructions should be issued by the Ministry of Finance and the Ministry of Works and Housing to eliminate such mis-classifications in future.

2.55. The Committee would also like the Ministry of Works and Housing to examine this particular lapse with a view to seeing whether the supervision exercised over the accounting of expenditure was in fact adequate and for fixing responsibility for necessary action. The Committee would await a further report in this regard.

2.56. Even though the second item of excess expenditure of Rs. 0.91 lakh incurred in the Grant as a result of misclassification of a ‘Voted’ expenditure as ‘Charged’ does not require regularisation, in terms of paragraph 7 of the Committee’s 16th Report (First Lok Sabha), the Committee are concerned to note that the Central Public Works Department should have classified payments made against two arbitration awards, which are distinctly different from the awards of a court or arbitral tribunal, as a ‘Charged’ item of expenditure, despite a clear and unambiguous legal advice in this regard. The Committee desire that the instructions issued in this behalf in 1964 should be suitably reiterated and brought to the notice of all concerned so that mistakes of this nature do not recur.

APPROPRIATION ACCOUNTS (DEFENCE SERVICES), 1973-74
MINISTRY OF DEFENCE

2.57. Grant No. 23: Defence Services-Pensions, etc.

REVENUE SECTION

Voted Expenditure	Rupees
Original Grant	60,40,00,000
Supplementary Grant	2,07,00,000
Final Grant	62,47,00,000
Actual Expenditure	63,62,60,974
Excess	1,15,60,974

2.58. The excess occurred under the sub-head 'A. 1-Army' (Rs. 173.21 lakhs).

2.59. In a note furnished to the Committee, explaining the reasons for the excess expenditure, the Ministry of Defence stated:

"This Grant is mainly to cover expenditure on the pensionary charges of retired Defence personnel. Due to a number of uncertain factors, it is not possible to make a precise estimate of the magnitude of the non-effective charges. Payment of pensions is effected by various authorities like Pension Disbursing Officers, Post Offices, Treasuries etc., and there is time lag between the actual payments and receipt of debits by the Accounts Officers who are to frame the estimates. Besides, it is also not possible to forecast precisely the expenditure towards the close of the financial year as some pensioners depending upon their needs and convenience, may or may not draw their pensions during the month of March.

The excess of Rs. 115.61 lakhs over the Sanctioned Grant is the net result of an excess of Rs. 173.21 lakhs occurred under sub-head 'A. 1-Army' and savings of Rs. 57.60 lakhs under the other sub-heads. The reasons for this excess are explained below:

A. 1.—Army (Rs. 173.21 lakhs)

The original Budget provision under this sub-head was Rs. 5662.65 lakhs, which was augmented by Rs. 167 lakhs by obtaining a Supplementary Grant during March 1974

to meet additional payments of pensions etc. due to release of a larger number of service personnel during the year than anticipated and adjustment of pension payments relating to the year 1972-73. Even the total sanctioned provision of Rs. 5829.65 lakhs under this sub-head fell short of the actual requirement due to receipt of larger number of pension payment accounts than anticipated earlier, from the various disbursing authorities and retirement/release of a larger number of army personnel than anticipated. The actual expenditure has amounted to Rs. 6002.86 lakhs leading to an excess of Rs. 173.21 lakhs over the Sanctioned Grant under this sub-head. This excess has been partly counter-balanced by savings of Rs. 57.60 lakhs under the other sub-heads resulting in an over-all excess of Rs. 115.61 lakhs which needs to be regularised."

2.60. The Committee note that an excess of Rs. 1.16 crores had occurred under the sub-head 'A. 1—Army' of 'Grant No. 23-Defence Services-Pensions'. The Committee are not convinced by the plea offered by the Ministry of Defence that on account of a number of uncertain factors, it is not possible to make a precise estimate of the magnitude of the non-effective charges. Even assuming that some pensioners might or might not draw their pensions during the month of March, the Committee are doubtful whether this by itself could account for the large excess. The Committee, therefore, view with seriousness the excess expenditure on what should be a comparatively easily ascertainable account and desire that the Ministry of Defence, in consultation with the Ministry of Finance, should evolve a system of expeditiously reporting the debits to the concerned authorities so that proper revised estimates could be framed in time and excesses avoided.

APPROPRIATION ACCOUNTS (POSTS AND TELEGRAPHS).
1973-74

MINISTRY OF COMMUNICATIONS
(P&T BOARD)

2.61. Grant No. 18: Capital outlay on Posts and Telegraphs:

	Rupees
Original Grant	106,67,00,000
Supplementary Grant	18,30,00,000
Final Grant	124,97,00,000
Actual Expenditure	127,54,50,010
Excess	2,57,50,010

2.62. The excess occurred under the stores Suspense Account (Rs. 19.54 crores) which was offset to the extent of Rs. 16.96 crores by savings under the works portion of the Grant (Rs. 16.74 crores) and Manufacture Suspense Account (Rs. 0.22 crore), leaving a net uncovered excess of Rs. 2.58 crores.

2.63. In a note furnished to the Committee, the Ministry of Communications (P & T Board) stated:

“This grant provides for meeting the expenditure on capital outlay of the Department and is made up of two parts (i) works portion and (ii) Stores and Manufacture Suspense. The former accommodates expenditure for building up capital assets and is accounted for as ‘Plan expenditure’. The latter contains expenditure on procurement of stores required by the Department and Manufacturing Operations of the P&T Telecommunication Factories. As the value of stores consumed by capital works already enters the ‘Works portion’, the total expenditure on procurement of stores is reduced by such value of stores debited to works and for the balance only provision is made in the grant as ‘Non Plan’ expenditure.

The Original Budget provision of Rs. 106.67 lakhs was made up of Rs. 97.00 lakhs under ‘Works portion’ (Plan) and Rs. 9.67 lakhs under ‘Stores and Manufacture Suspense Account’ (Non Plan). A supplementary Grant of Rs. 18.30 lakhs was obtained in March, 1974 to meet the commitments for purchase of co-axial cables required for various co-axial Trunk Cable Projects and Local Cables and equipments required for Telephone Exchange projects procured from foreign suppliers, as well as indigenous production against the specific requirements of the Department. The total voted grant stood at Rs. 124.97 lakhs against which the actual expenditure

came to Rs. 127,55 lakhs resulting in an excess of Rs. 258 lakhs as under:

(In lakhs of rupees)			
	Sanctioned Grant	Actual Expenditure	Excess/Savings (+) (-)
Works Portion	115,30	98,56	(-)16,74
Stores Suspense Account	6,64	26,18	(-)19,54
Manufacture Suspense Account	3,03	2,81	(-)22
TOTAL	124,97	127,55	(+)2,58

The excess expenditure was mainly contributed by Stores Suspense Account on account of

- | | |
|--|-------|
| (i) Payments to Director General, Supplies and Disposals for indigenous supplies of ACSR wire, Iron wire tubes and sockets supplied in 1972-73 | 5,16 |
| (ii) Payments for imported cables under CIDA loan, copper weld wire, switch board cables and lamps and customs duty | 10,53 |
| (iii) Advance payments made for procurement of cement and steel at the fag end of the year | 23 |
| (iv) Fall in the issue of stores to capital works | 3,54 |
| (v) Other items of purchases | 8 |

19,54

The above excess expenditure was counter balanced by savings under the works portion of the grant due to:—

- | | |
|---|--------|
| (i) Slow progress in acquisition of Land and RMS. Mail Vans and construction of buildings | 1,55 |
| (ii) Lesser supply of co-axial cables and equipments | 7,04 |
| (iii) Fall in supply of Microwave equipments | 7,20 |
| (iv) Lesser execution of Railway electrification works | 1,16 |
| (v) Savings under Manufacture Suspense due to larger channelling of finished products and components from the Telecomm. factories | 22 |
| TOTAL | 17,17 |
| Deduct Excess under other heads | 21 |
| | 16,96" |

2.64. The Committee are concerned to note that the actual expenditure of Rs. 26.18 crores under the 'Stores Suspense Account' of 'Grant No. 18—Capital Outlay on Posts and Telegraphs' exceeded the sanctioned grant of Rs. 6.64 crores by as much as 294 per cent. Out of the excess expenditure of Rs. 19.54 crores under this head of account, Rs. 5.16 crores represent the payments made to the Director General of Supplies and Disposals for supply of indigenous material made in 1972-73. The Committee are unable to understand why the undischarged liabilities relating to 1972-73 could not have been foreseen and provided for during 1973-74. That this was not done indicates that adequate attention is not being paid by the indenting authorities to the planned procurement of and payment for materials. The Committee would, therefore, like the Ministry to examine whether there are any inherent defects in the existing systems and to take suitable remedial measures for ensuring that adequate provision is made in the Budget Estimates itself for meeting past liabilities.

2.65. The Committee would also like to know why the payment of Rs. 10.53 crores for imported cables under the CIDA loan, copper weld wire, switch board cables and lamps and for payment of customs duty could not be anticipated and provided for.

2.66. Subject to their observations contained in the preceding paragraphs of this Report, the Committee recommend that the excess referred to in paragraph 2.1 of the Report be regularised in the manner prescribed in Article 115 of the Constitution of India.

NEW DELHI;

H. N. MUKHERJEE,

August 6, 1975

Chairman,

Sravana 15. 1897 (S).

Public Accounts Committee

ANNEXURE 'A'

(Vide Paragraph 2.8)

COPIES OF LETTER DATED 7TH JULY, 1975 FROM THE CHAIRMAN, PUBLIC ACCOUNTS COMMITTEE TO THE MINISTER OF FINANCE AND REPLY THERETO DATED 24TH JULY, 1975 FROM THE MINISTER OF FINANCE.

- (i) *D.O. letter No. 4/1/75/PAC dated the 7th July, 1975 from the Chairman, Public Accounts Committee to the Minister of Finance.*

Dear Subramaniam

I am sure you are busy with a hundred important issues, but I fear I have to intrude on your time. The majestic movement of files in the routine manner inherited from the bad old days must give place to quicker handling of State business. I draw your attention here to a clear case of unwarranted procrastination.

In paragraph 3.9 of the 31st Report (Fourth Lok Sabha), the Public Accounts Committee had desired that the submission of Notes on excesses over Grants/Appropriations other than those relating to the Ministry of Railways, should be centralised in the Budget Division of the Ministry of Finance who should be responsible for furnishing them to the Committee immediately after presentation of the Appropriation Accounts to Parliament or by the 10th April, whichever was later. Subsequently, in view of certain practical difficulties experienced at various stages in adhering to the prescribed schedule, the Committee agreed, on a suggestion made by the Ministry of Finance (Department of Economic Affairs) in January, 1974 to the submission of the Explanatory Notes in future by 31st May or immediately after the presentation of the Appropriation Accounts to Parliament, whichever was later.

Despite the revised schedule having been agreed to by the Committee, delays in the furnishing of explanatory notes continued to occur last year and the last Explanatory Note in respect of excesses pertaining to the year 1972-73 was submitted to the Committee only on the 5th July, 1974. The Committee had also commented

adversely on such delays in paragraph 2.6 of their 134th Report (Fifth Lok Sabha).

This year (1975-76), Explanatory Notes were due to be furnished to the Committee by the Ministry of Finance by the 31st May, 1975 in respect of 27 Excesses pertaining to the year 1973-74. I, however, find that Notes on only 21 Excesses have so far been received by the Committee. The delay in the submission of the Notes is naturally holding up the finalisation of the Report of the Committee on the regularisation of excesses. I trust you will ensure not only the submission of Notes on the remaining six excesses without any further delay, but also the prompt submission of such Notes in future to the Committee, in accordance with the schedule prescribed in this regard.

With very good wish.

Yours sincerely,

Sd/-

(H. N. Mukerjee)

Shri C. Subramaniam,
Minister of Finance,
Govt. of India, New Delhi.

(ii) *D.O. letter No. 5(8)/B/74/750FM/75-VIP(I), dated the 24th July, 1975, from the Minister of Finance to the Chairman, Public Accounts Committee.*

Dear Shri Mukerjee,

Kindly refer to your D.O. letter No. 4/1/75/PAC, dated 7th July, 1975 about the delay in the submission of Notes to the Public Accounts Committee for regularisation of excesses over Grants/Appropriations for 1973-74.

2. I share your concern over the delay. I find, however, that Budget Division itself made strenuous efforts towards timely submission of Notes. Despite this I understand that final copies of two notes remain to be submitted to the Committee although advance copies thereof were sent on 7th July, 1975.

3. With a view to reducing delays in the submission of Notes on excesses to the Public Accounts Committee, the Budget Division has already suggested that after the Notes have been scrutinised by it and sent to Audit for vetting, these need not be routed again through them for submission of final copies to the Committee. Instead,

audit may return the Notes, duly vetted, to the concerned Ministries direct and the Ministries required to take necessary action to send finalised Notes to the Committee.

4. I would commend the above suggestion for your consideration.

With regards,

Yours sincerely,

Sd/-

(C. Subramaniam)

Shri H. N. Mukerjee,
Chairman, Public Accounts Committee,
51, Parliament House, New Delhi.

ANNEXURE 'B'
(Vide paragraph 2.9)

No. F5(8)-B/72

MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
(Budget Division)

New Delhi, the 15th May, 1975

SUBJECT:—Regularisation of the excesses over Voted Grants and Charged Appropriations under Article 115 of the Constitution—Submission of explanatory notes to the Public Accounts Committee.

In this Ministry's Note No. F5(8)-B/72, dated 1-1-1974 submitted to the Committee, on the subject mentioned above, it was *inter alia* proposed [*vide* Clause (iv) of paragraph 3 thereof] that:—

“Audit will return the Notes, duly vetted within a fortnight on their receipt, to the concerned Ministries direct, under intimation to the Budget Division, after which the Ministries will be required to take necessary action to send the finalised notes to the Committee immediately.”

2. In the Lok Sabha Secretariat's O.M. No. 4/1/73AC, dated 16-4-74, while the Committee's approval of the proposal in Clause (v) was communicated to this Ministry, both the O.M. as well as the Hundred and Thirty-fourth Report (paragraph 2.5) is silent in regard to the proposal in Clause (iv) of the Ministry's Note dated 1-1-1974.

3. The proposal in clause (iv) was made, mainly to eliminate the time wasted in routing the Notes back by Audit through the Department of Economic Affairs. At present, on return of the Notes by Audit after vetting, the Department of Economic Affairs is required to forward the papers to the Ministries concerned for preparing the requisite number of copies, signed by the Appropriate officer not below the rank of Joint Secretary and send the same again to the Department of Economic Affairs for onward transmission to the Lok Sabha Secretariat. Since the draft Notes are subjected to the scrutiny of the Department of Economic Affairs, before they

are sent to Audit for vetting, it does not appear necessary for this Ministry to see the Notes again on return from Audit. Much of the avoidable delay in the submission of the Notes to the Committee, can be eliminated if Audit, after vetting, returns the draft Notes to the Ministries concerned for submission to the Committee, without the intervention of the Ministry.

4. It is, therefore, requested that the suggestion in Clause (iv) of paragraph 3 of this Ministry's Note dated 1-1-1974 may kindly be approved by the Committee whereupon this Ministry will issue suitable instructions to all concerned in this regard so that the revised procedure may be followed with effect from the Notes on the Excess Expenditure relating to 1973-74.

Sd/- B. Maithreyan,
Joint Secretary to the Govt. of India.

To

The Chairman and Members,
Public Accounts Committee.

APPENDICES

APPENDIX I

GOVERNMENT OF INDIA

MINISTRY OF AGRICULTURE & IRRIGATION

(DEPARTMENT OF AGRICULTURE)

SUBJECT:—*Note for Public Accounts Committee for regularisation of excess over the Revenue Voted Grant No. 1-Department of Agriculture as disclosed in the Appropriation Accounts for the year 1973-74.*

The Final Accounts for the year 1973-74 disclosed an excess of Rs. 3,72,268/- over the Revenue Voted Grant No. 1-Department of Agriculture as detailed below:—

	Rs.
Original Grant	1,46,26,000
Supplementary Grant . . . . .	..
Final Grant	1,46,26,000
Actual Expenditure	1,49,98,268
Excess	3,72,268

This Grant provides for expenditure on the Secretariat of the Department and other miscellaneous organisations such as Agricultural Attache, Embassy of India, Rome and Zoological Park, Delhi. As against the original Grant of Rs. 1,46,26,000 for the above three Departments the actual expenditure amounted to Rs. 1,49,98,268/- leading to an uncovered excess of Rs. 3,72,268/- as detailed below:

	Original Grant	Actual Expenditure	Excess(—) Savings(—)
1	2	3	4
	Rs.	Rs.	Rs.
A.—General Administration			
Department of Agriculture	1,25,25,000	1,26,69,439	(-)1,44,439
B.—Miscellaneous Departments			

1	2	3	4
B.1—Other Miscellaneous Organisations			
Counsellor (Agriculture)			
Embassy of India, Rome	2,52,000	2,59,821	(+)7,821
C. Scientific Departments			
C.1.—Zoological Park, Delhi	18,49,000	20,69,008	(+)2,20,008
	1,46,26,000	1,49,98,268	(+)3,72,268

The main reasons for the excess of Rs. 3.72 lakhs are as under:—

1. *Department of Agriculture:*

- (i) *Salaries:* Excess of Rs. 4,81,623 under 'Salaries' is mainly due to larger payment of arrears on account of the 3rd Pay Commission's recommendations than was anticipated.
- (ii) *Travel Expenses:* The excess of Rs. 34,967 under 'Travel Expenses' is due to unanticipated tours by Officers.
- (iii) *Office Expenses:* The excess of Rs. 1,53,503 is mainly due to heavier expenditure on Postage & Telegram Charges and adjustment of more debits on account of deputations/ delegations abroad in the supplementary accounts.
- (iv) *Hospitality:* The excess of Rs. 22,861 under 'Hospitality' is due to increased number of conferences and seminars.

The total excess of Rs. 6,92,954 was off-set by savings of Rs. 5,48,515 under other sub-heads in the Department of Agriculture. The uncovered excess of Rs. 1,44,439 under Department of Agriculture (Sectt.) requires regularisation.

2. *Embassy of India, Rome:* Excess of Rs. 15,585 under 'Other Expenditure' is mainly due to increase in Rent, Hot & Cold Weather Charges, Telephone and Electricity Charges etc.

The above excess of Rs. 15,585 was partly off-set by savings of Rs. 7,764 under other sub-heads and the uncovered excess of Rs. 7,821 requires regularisation.

Zoological Park, Delhi: There was excess expenditure of Rs. 1,01,782/- under 'Salaries' due to larger payments on account of Third Pay Commission's recommendations, Rs. 5,109/- on Travel

Expenses due to more touring and Rs. 1,83,663/- under Office Expenses and Other Charges, mainly due to rise in the cost of the materials and feeding charges for the animals, payment of property tax and electricity & water charges. Against these, savings to the extent of Rs 70,546/- were effected elsewhere, causing a net excess of Rs. 2,20,008/- which needs regularisation.

4. Thus the uncovered excess of Rs. 3,72,268 during 1973-74 requires to be regularised by the Parliament under Article 115 (1) (b) of the Constitution.

5. Secretary (Agriculture) has seen and approved this note.

6. The note has been vetted by the Audit.

(No. FJO-3/74-B.A.)

APPENDIX II

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

Note for the Public Accounts Committee for regularisation of excess under Grant No. 33 Stamp as disclosed in the Appropriation Accounts (Civil) for the year 1973-74.

	Rs.
<i>Grant No. 33—Stamps Revenue</i>	
Original Grant (Voted)	5,58,21,000
Actual Expenditure (Voted)	5,92,36,000
Excess	34,15,000

It may be observed from the above statement that the actual expenditure in the Revenue Section of this Grant amounted to Rs. 5,92,36,000 against the sanctioned provision of Rs. 5,58,21,000 leaving an uncovered excess of Rs. 34,15,000 which needs to be regularised. The excess was the net result of excess and savings under various sub-heads of Major head "14-Stamps" of this Grant and occurred under the Group-Heads "A.2(1)—India Security Press" (Rs. 33,89,342) and "A.1(1)—Central Stamp Office, Calcutta" (Rs. 25,658). The reasons for the excesses are explained below:—

The excess under Group head "A.2(1)-India Security Press" was mainly due to increased requirements under "salaries and wages" on account of fixation of pay in the revised pay scales as per Third Pay Commission's Recommendations, revision of dearness allowance in December 1973 and increased payments of overtime allowance on account of revision of Pay as also because of longer working hours of the Presses (Rs. 51.97 lakhs) counterbalanced by saving mainly due to non-receipt of Paper which was anticipated (Rs. 18.08 lakhs).

The excess under Group head "A.1(1)-Central Stamp Office, Calcutta", was due to increased expenditure on account of implementation of Third Pay Commission's recommendations.

In either case necessary savings covering the additional expenditure was expected to be available in the Grant. The anticipated savings, however, did not materialise which resulted in the excess. This may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution.

This Note has been vetted by Audit.

APPENDIX III
GOVERNMENT OF INDIA
MINISTRY OF HEALTH AND FAMILY PLANNING
(DEPARTMENT OF HEALTH)

NOTE for the Public Accounts Committee for regularisation of excess under revenue (voted) portion of Grant No. 41—Ministry of Health and Family Planning for the year 1973-74.

	Rs.
Sanctioned Grant	1,46,65,000
Actual Expenditure	2,09,46,726
Excess	62,81,726

The actual expenditure under the Grant amounted to Rs. 2,09,46,726 against the sanctioned Grant of Rs. 1,46,65,000 resulting in an excess of Rs. 62,81,726 which needs to be regularised.

The excess of Rs. 62,81,726 was the net result of excess and savings under various sub-heads in the Grant and occurred mainly under the sub-head B.5(1)—Contribution to World Health Organisation (Rs. 62,92,573). Of this, the excess of Rs. 47,70,188 was due to adjustment of contribution paid in 1972-73 in the accounts for 1973-74; this does not require regularisation *vide* paragraph 4.26 of the 45th Report of Public Accounts Committee (3rd Lok Sabha). The balance excess of Rs. 15,11,538 was mainly due to payment of the portion of the contribution for 1972-73 sanctioned on 24-3-1973 by the High Commission of India in April, 1973.

In view of the circumstances explained above, the excess of Rs. 15,11,538 under the Grant may be recommended for regularisation by Parliament under Article 115 of the Constitution. This note has been seen and vetted by Audit.

APPENDIX IV

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

NOTE for regularisation of excess in respect of revenue portion of Grant No. 47—Cabinet (Voted) as disclosed in the Appropriation Account (Civil) for 1973-74.

Grant No. 47—Cabinet	Figures in rupees
Original Grant	1,00,21,000
Supplementary Grant . . . . .	..
Final Grant	1,00,21,000
Actual Expenditure	1,05,77,303
Excess	5,56,303

2. The Original Sanctioned Budget Grant during the year 1973-74 under Grant No. 47—Cabinet was Rs. 1,00,21,000. Against this the actual expenditure amounted to Rs. 1,05,77,303 leaving thereby an uncovered excess of Rs. 5,56,303 which requires to be regularised.

3. The overall excess of Rs. 5,56,303 was the net result of excesses and savings under various sub-heads in the Grant and occurred mainly under the Group-head A-General Administration-A.1-Council of Ministers (+ Rs. 8,41,170).

4. The reasons for the excess are briefly explained below:

A. 1—Council of Ministers (—Rs. 8,41,170)

The excess was mainly due to postbudget increase in the strength of the Council of Ministers (Rs. 2,14,580) and unavoidable more tours of the Ministers (Rs. 6,26,590).

5. The above excess and other minor excesses under other Group heads were partly off-set by savings under the remaining Group-heads leaving net excess of Rs. 5,56,303 in the Grant which needs to be regularised.

6. In view of the circumstances explained in para 4 above, the overall excess of Rs. 5,56,303 may kindly be recommended for regularisation by Parliament under Article 115 (I) (b) of the Constitution of India.

This note has been vetted by Audit.

APPENDIX V

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

NOTE for regularisation of excess in respect of Grant No. 51—Other Expenditure of the Ministry of Home Affairs (Revenue) (Voted) as disclosed in the Appropriation Accounts (Civil) for 1973-74.

<i>Revenue Section</i>	(Figures in rupees)
<hr/>	
Grant No. 51—Other Expenditure of the Ministry of Home Affairs	
Original Grant (Revenue) (Voted)	67,28,92,000
Supplementary Grant	4,43,69,000
Final Grant	71,72,61,000
Actual Expenditure	71,97,16,725
Excess	24,55,725

2. The Original Sanction Budget Grant during the year 1973-74 under Grant No. 51—Other Expenditure of the Ministry of Home Affairs was Rs. 67,28,92,000/-. The Original Grant was augmented by obtaining a Supplementary Grant of Rs. 4,43,69,000/- in March, 1974. The actual expenditure however, amounted to Rs. 71,97,16,725/- against the final grant of Rs. 71,72,61,000/- leaving thereby an uncovered excess of Rs. 24,55,725/- which requires to be regularised.

3. The overall excess of Rs. 24,55,725 was the net result of excesses and savings under various sub-heads in the Grant.

4. Excess occurred mainly under the following sub-heads:—

- (i) E.4—Pensions to freedom fighters, their dependents, etc.
(Rs. 6,32,04,087)

Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
10,00,00,000	16,32,04,087	6,32,04,087

The excess was mainly due to grant of pensions to more freedom fighters, their dependents etc. than originally anticipated. At the time of review of the grant in March, 1974, it was expected that the additional requirements would be Rs. 4,45,17,000/- which were provided by reappropriation.

The actual expenditure however, exceeded the Original Grant plus the provision made by reappropriation by Rs. 1,86,87,087/-. This happened due to the fact that payment to more pensioners materialised than anticipated. It may be mentioned in this connection that experience showed that there is generally a time lag of 4-6 weeks between the time of issue of sanctions and the issue of pension payment orders by the audit officers. Besides the Treasury Officers also take sometime to make the payment after the receipt of pension payment orders. Taking all these factors into account, the final requirement was pitched at Rs. 14,45,17,000/- and funds provided accordingly. However, the actual expenditure exceeded the estimated final requirement as some more pension cases materialised for payment only towards the end of the financial year.

(ii) H. 1(4)(1)(2)—Other Schemes (Rs. 4.46,19,000)

Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
4,37,50,000	8,83,69,000	4,46,19,000

Excess occurred on a number of Centrally Sponsored Schemes including Post Matric Scholarships to Scheduled Castes and Scheduled Tribes Candidates. The excess was covered by reappropriation.

(iii) H.2(2)—Grants for Union Territory Plan Schemes (Rs. 4,11,67,000).

Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
5,21,23,000	9,12,70,000	4,11,67,000

Excess occurred because of payment of more grant to the Union Territory of Pondicherry and approval by Planning Commission of more plan outlay for the Union Territory of Mizoram, Goa, Daman and Diu. Excess was covered by reappropriation.

5. The above excesses and other minor excesses under other sub-heads were partly off-set by savings under the remaining sub-heads leaving net excesses of Rs. 24,55,725/- in the Grant which needs to be regularised.

6. In view of the circumstances explained in para 4 above the overall excess of Rs. 24,55,725/- may kindly be recommended for regularisation by Parliament under Article 115(I) (b) of the Constitution of India.

This note has been vetted by Audit

APPENDIX VI

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

NOTE for the Public Accounts Committee for regularisation of excess under Grant No. 53—Chandigarh as disclosed in the Appropriation Accounts (Civil) for the year 1973-74.

	Original grant	Supplementary grant	Total grant	Actual expenditure	Excess
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue (Voted)	9,61,09,000	3,00,000	9,64,09,000	9,66,73,591	2,64,591
Capital (Voted)	3,81,89,000	22,31,000	4,04,20,000	4,11,84,924	7,64,924

There were excesses both under the 'Revenue' (Voted) and 'Capital' (Voted) Section of the grant. The original provisions of Rs. 961.09 lakhs under 'Revenue' (Voted) and Rs. 381.89 lakhs under 'Capital' (Voted) Sections were augmented by obtaining Supplementary grant of Rs. 3.00 lakhs and Rs. 22.31 lakhs respectively in March, 1974. The actual expenditure, however, amounted to Rs. 9,66,73,591 under 'Revenue' (Voted) and Rs. 4,11,84,924 under 'Capital' (Voted) against the final grant of Rs. 9,64,09,000 and Rs. 4,04,20,000 respectively leaving an uncovered excess of Rs. 2,64,591 and Rs. 7,64,924 under the respective sections which needs to be regularised.

2. The overall excesses of Rs. 2,64,591 in Revenue (Voted) and Rs. 7,64,924 in Capital (Voted) were the net result of excesses and

savings under various sub-heads in the grant and occurred mainly under the following sub-heads for the reasons given thereunder:

Revenue Section (Voted)	Final grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
Major Head 50			
E—Public Works (including roads) and Schemes of Miscellaneous Public Improvements			
E. 1.—Public Works :			
E. 1(2)(3).—Miscellaneous	20,00,000	39,56,876	19,56,876

The expenditure incurred under this sub-head pertains to maintenance of completed works other than Government residences and office building at Chandigarh viz. maintenance of roads and bridges, landscaping, sewerage and storm water drainage, building of Municipal nature, street lighting, Sukhna Dam etc. The excess mainly occurred due to steep rise in the cost of materials and labour used for proper maintenance of these services.

The following statement justifies larger maintenance expenditure from year to year on the basis of outlay on the works:—

Outlay on completed works other than street light installation.				Maintenance expenditure on completed works including street lighting and traffic control signals			
(Figures in Rs. Crores)				(Figures in Rs. Crores)			
Upto 71-72	Upto 71-72	Upto 72-73	Upto 73-74	1970-71	1971-72	1972-73	1973-74
12.18	13.30	14.47	15.63	40.25	49.70	61.08	39.57

The larger outlay during 1973-74 necessitated larger maintenance expenditure on completed works street lighting on extended roads, streets, lanes and traffic signals. The actual maintenance expenditure excluding items of misclassification viz. Rs. 3.43 lakhs incurred on original works of pre-mix carpet and concrete on roads, Rs. 3.00 lakhs due to delay in conversion of work charged posts into regular posts and Rs. 1.00 lakh on the arrangements in connection with visit of VIP's is Rs. 32.14 lakhs. This larger expenditure is because of unprecedented rise in prices. But for general rise in

1206 LS—5.

prices, the maintenance expenditure would have been much less. The maintenance expenditure during 1973-74, in other words, is less than half the maintenance expenditure during the preceding year. Moreover there were certain unavoidable and inevitable items of maintenance expenditure e.g. rental for street light fixtures on the basis of light points and energy bills charged by a commercial department in connection with street lighting and traffic signals as a consequence of which expenditure exceeded the grant.

Capital Section (Voted)

Major Head '101'

Capital outlay on Electricity Schemes. 12,00,000 42,00,000 30,00,000

Electricity Schemes

Due to providing new electric connections to the followings:—

- (i) The owners of 3565 plots to whom plots were sold by the Government in the new Sectors in Second Phase development of Capital Project.
- (ii) 87 new Industrial units on plots sold by the Govt. in the extended Industrial areas; and
- (iii) Rural electrification which was scheduled to be completed as per plan target.

Major Head 105

M—Chandigarh Capital Outlay.

M-1—Works.

M-1 (1)—Land Acquisition and Survey—20,70,000 41,91,231
21,21,231

Due to acquisition of more land in the Second phase Development of Chandigarh Capital project on the basis of Plan Allocation.

M-1 (2)—Road & Bridges—36,35,000 48,54,000 12,19,000.

The actual expenditure exceeded the grant under this sub-head as the following works in progress had to be completed keeping in view the programme of sale of plots:—

- (a) Internal Roads in Sector 37-C and D.

- (b) Improvement of Jn. No. 38 by providing Rotaries.
- (c) Roads and parking places on south west side of Neelam Cinema.
- (d) Additional carriage-way along Dakshan Marg between Jn. 37-38.
- (e) Widening V3 road Jn. 21-28-35 (Sarovar Path).
- (f) Additional Carriage-way along V-5 Road.
- (g) Additional carriage-way along Purvi Marg.
- (h) Constructing V-2 (South Road).

3. The above excesses aggregating Rs. 19,56,876 in 'Revenue' Section (Voted) and Rs. 63,49,327 in 'Capital' Section (Voted) and minor excesses under other sub-heads were partly counter-balanced by savings under the remaining sub-heads in the grant leaving a net excess of Rs. 2,64,591 in 'Revenue' Section (Voted) and Rs. 7,64,924 in Capital Section (Voted) of the grant which needs to be regularised.

4. In view of the circumstances explained above, the excesses of Rs. 2,64,591 in 'Revenue' Section (Voted) and Rs. 7,64,924 in 'Capital' Section (Voted) may kindly be recommended for regularisation by Parliament under Article 115(1) (b) of the Constitution.

The note has been vetted by Audit.

APPENDIX VII

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

Note for the Public Accounts Committee for regularisation of excess under Revenue (voted) Section of Grant No. 54 Andaman and Nicobar Islands as disclosed in the Appropriation Accounts (Civil) for 1973-74.

Grant No. 54—A & N Islands

(Figures in Rs.)

Revenue Section —Voted

Original Grant	. . . . .	13,83,49,000
Supplementary Grant	. . . . .	Nil
Final Grant	. . . . .	13,83,49,000
Actual Expenditure	. . . . .	14,26,70,668
Excess	. . . . .	43,21,668

2. Against the final grant of Rs. 13,83,49,000 (Voted) under the Revenue Section of Grant No. 54. 54—Andaman and Nicobar Islands the actual expenditure amounted to Rs. 14,26,70,668 leaving an uncovered excess of Rs. 43,21,668 which requires to be regularised.

3. The above excess revealed in the Appropriation Accounts involves erroneous booking of expenditure amounting to Rs. 15,33,679 on the purchase and maintenance of Patrol Boats under two sub-heads and misclassification of expenditure amounting to Rs. 8,68,858 appropriately adjustable under other grants. After exclusion of these items the excess under the Grant will be reduced to Rs. 19,19,131.

4. The above excess is the net result of excesses and savings under the following sub-heads in the grant:—

	Final grant	Actual Expenditure	Excess
(i) E.—Public Works (including Road) and Schemes of Miscellaneous Public Improvements :			
E. 1.—Public Works :			
E. 1(5).—Suspense :			
E. 1(5)(1).—Stock			
E. 1(5)(1)(1).—Charges	1,60,00,000	1,90,30,491	+30,30,491
(ii) G. 3.—Forest :			
G. 3(2).—Establishments	1,06,81,000	1,19,17,700	+18,36,700

5. The reasons for the excess are briefly explained below:—

E. 1(5) (1) (1)—Charges (Rs. 30.30 lakhs)

The excess was due to receipt of material against the orders placed in previous year. Due to uncertainty of transshipment the material which was not expected in the year 1973-74, was received at the fag end of year and the adjustment of the value of the stores, therefore, became inevitable. Since the excess came to light after the close of the year only, funds could not be provided by obtaining Supplementary grant or Contingency Fund Advance.

G. 3(2)—Establishments (Rs. 18.37 lakhs)

The excess was due to 'On account' payment to the Andaman Administration employees against arrears due to the implementation of the recommendations of the Third Pay Commission. As the orders in this respect were issued at the fag end of the financial year and no expenditure was expected before the close of the year on this account, no provision was made for the purpose.

The above excesses amounting to Rs. 48.67 lakhs and minor excesses under other sub-heads were partly counter-balanced by savings under the remaining sub-heads of the Revenue Section of the Grant bringing down the net excess in the Revenue Section of the Grant as a whole to Rs. 19,19,131 [after excluding excess of

Rs. 24,02,537 which does not require regularisation in terms of paragraph 7 of sixteenth Report of Public Accounts Committee (1st Lok Sabha)] which requires to be regularised under Article 115(1) (b) of the Constitution.

The note has been vetted by Audit.

APPENDIX VIII

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

Note for the Public Accounts Committee for regularisation of excess under Revenue Section (Voted) of Grant No. 55-Arunachal Pradesh as disclosed in the Appropriation Accounts (Civil) for 1973-74.

Grant No. 55.—Arunachal Pradesh

<i>Revenue Section</i>	(Figures in Rs.)
Original Grant	17,40,79,000
Supplementary Grants	Nil
Final Grant	17,40,79,000
Actual Expenditure	19,11,95,981
Excess	1,71,16,981

2. Against the Final Grant of Rs. 17,40,79,000 under the Revenue Section of (Voted) Grant No. 55-Arunachal Pradesh the actual expenditure amounted to Rs. 19,11,95,981 leaving an uncovered excess of Rs. 1,71,16,981 which requires to be regularised.

3. The excess is the net result of excesses and savings under the various sub-heads of the grant and occurred mainly under the following sub-heads:

(i) *D—Public Works (including roads) and scheme of Miscellaneous Public improvement.*

	Final Grant	Actual Expenditure	Excess
D—1.—Public Works Assam (NEFA)			
D—1(6).—Suspense	2,45,00,000	3,62,31,579	+1,17,31,579
E—Miscellaneous			
E. 2.—Miscellaneous			
E. 2(2).—Miscellaneous and Unforeseen Charges	1,51,47,000	2,78,51,441	+1,27,04,441

4. The reasons for the excess are briefly explained below:

(i) D-1 (6)—*Suspense (Rs. 117.32 lakhs)*

The excess was mainly due to abnormal rise, varying between 30 per cent to 70 per cent in prices of material like cement sheets, pipes etc., increased expenditure on the transportation of material from rail to godowns, rise in prices of petrol and motor parts and unexpected adjustment of debits pertaining to earlier years towards the close of the year when funds could not be provided by Supplementary Grant or advance from the Contingency Fund.

(ii) E. 2 (2)—*Miscellaneous and Unforeseen charges (Rs. 127.04 lakhs)*

The excess was mainly due to unexpected adjustment of debits amounting to Rs. 1,08,00,511. Indian Air Force planes are being used for air dropping of commodities in Arunachal Pradesh since July 1967 after the expiry of contract with Kalinga Airlines. Air freight charges are thus paid to the Defence Department for the air-lifting operations. Debits in respect of air dropping operations pertaining to the years 1971-72 and 1972-73 were raised by the Defence authorities towards the close of year, for which no provision could then be made.

An amount of Rs. 35.00 lakhs was also originally provided under this head for the purchase of Supply Dropping Equipments|Packing material. Later on, from the records maintained in the Directorate of Supply & Transport, Arunachal Pradesh, it was seen that debits amounting to Rs. 10,05,500 for supply of Supply Dropping Equipments|Packing material received during 1972-73, which remained unadjusted in the accounts for 1972-73, were carried over to the accounts for 1973-74. An amount of Rs. 15.00 lakhs was, therefore, re-appropriated to this head from other heads to meet this as well as other debits if any, for previous years. In addition to the debits of Rs. 10,05,500 mentioned above, the debits amounting to Rs. 19.27 lakhs pertaining to the year 1972-73 were also adjusted in the accounts for 1973-74. Due to uncertainty regarding the adjustment of debits, a precise estimation of the liability could not be made. The excess under this item was, thus, due to unexpected adjustment of debits.

5. The above excesses were offset by saving under:—

A—Administrative Services

A—2. Police

A. 2(2)—Armed Police Deployed from
other states

1,23,00,000	38,39,936	(—)84,60,064
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The saving was mainly due to non-adjustment of (i) reimbursement claim of Rs. 22,50,000 for quarter ending September 1973, December 1973 and March 1974 in respect of deployment of 12 MSP AF Battalion, (ii) balance payment of Rs. 4,43,400 to Tamil Nadu Govt. on account of deputation of MSP (1) Battalion for the year 1971-72, (iii) re-imbusement claim of Rs. 15,84,100 for the deployment of MSP (1) Battalion for period from March 1968 to March 1969 and (iv) Rs. 22,08,000 being Air-freight charges for lifting stores of police Battalions.

6. The above excesses amounting to Rs. 244.36 lakhs and minor excesses under other sub-heads were partly counterbalanced by savings under the remaining sub-heads of the Revenue Section of the Grant, bringing down the net excess in the 'Revenue Section' of the Grant as a whole to Rs. 1,71,16,981 which requires to be regularised by Parliament under Art. 115(b) of the Constitution.

This note has been vetted by Audit.

APPENDIX IX

GOVERNMENT OF INDIA MINISTRY OF HOME AFFAIRS

Note for the Public Accounts Committee for regularisation of Excess under revenue (Voted) portion of Grant No. 56-Dadra and Nagar Haveli as disclosed in the Appropriation Accounts (Civil) for the year 1973-74.

	Original Grant	Supple- mentary Grant	Total Grant	Actual Expendi- ture	Excess
	1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue Section (Voted)	75,56,000	6,66,000	82,22,000	91,19,995	8,97,995

The excess occurred in the Revenue Section (Voted) of the Grant. The original provision of Rs. 75,56,000 was augmented by obtaining a supplementary grant of Rs. 6,66,000 in March 1974. The actual expenditure however, amounted to Rs. 91,19,995 leaving an uncovered excess of Rs. 8,97,995 which needs regularisation.

2. The overall excess of Rs. 8,97,995 in the revenue Section (Voted) was the net result of excesses and savings under various sub-heads in the said Section of the grant and occurred mainly under the following sub-heads for the reasons mentioned thereunder.

Major/Sub-Head	Original/ Supple- mentary	Actual expendi- ture	Excess
	Rs.	Rs.	Rs.
Major Head "10"			
A.2.—State Excise Duties	1,49,000	2,80,205	1,31,205

The Excise Department had contracted for the supply of 1,500 quintals of Mahuda flowers at the rate of Rs. 57.11 per quintal during

the year 1973-74 which the contractor failed to supply due to sudden steep rise in its price. Since the distillery is a commercial concern and has the sole monopoly to meet country liquor demands of the Union Territory, the purchase of Mahuda flowers at increased rate was unavoidable for the running of the Distillery which is also a source of revenue. Fresh tenders were, therefore, called for at the risk and cost of the contractor and the lowest tender of Rs. 137.25 per quintal was accepted. Thus unexpected almost three-fold rise in the cost of Mahuda flowers resulted in excess expenditure. Since the deal was completed too late, no funds could be provided for the purpose by a supplementary Grant.

Major Head "28"

C. 1.—Education	16,50,000	24,16,948	7,66,948
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The central pay scales in lieu of the Gujarat scales were introduced for the employees of the Union Territory, with retrospective effect from 6-3-70. Since the employees and the local employees Association agitated and pressed the Administration for immediate payment of arrears, it had become unavoidable to refix the pay of the employees in the new scales and make payment of arrears at the fag end of the year. Though the Administration made efforts to cover the additional requirements on this account, by reappropriation of funds even by postponing other expenditure it could not be possible to meet the additional expenditure in full, nor it was possible to obtain advance from Contingency Fund as the excess came to light after the close of the year.

Major Head "70"

F. 1—Forest	3,45,000	5,04,420	1,59,420
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There was increased expenditure on the maintenance of road side plantations and economic plantations due to steep rise in the cost of labour for forest operations which could not be anticipated.

3. The above excesses aggregating Rs. 10,57,573 in the Revenue Section (Voted) and minor excesses under other sub-heads were partly counterbalanced by savings under the remaining sub-heads of the grant leaving a net excess of Rs. 8,97,995 under this section to be regularised.

4. In view of the circumstances explained above, the excess of Rs. 8,97,995 in the Revenue Section (Voted) of the Grant may kindly be recommended for regularisation by the Parliament under Article 115 (i) (b) of the Constitution.

This note has been vetted by Audit.

APPENDIX X

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

Note for regularisation of the excess in respect of grant No. 57-L.M. & A. Islands (Voted) as disclosed in the appropriation Accounts (Civil) for 1973-74.

(Figures in Rupees)

<i>Grant No. 57—L. M. & A. Islands</i>		
	Revenue	Capital
Original Grant	2,26,69,000	46,77,000
Supplementary Grant . . . . .	..	37,53,000
Final Grant	2,26,69,000	84,30,000
Actual Expenditure	2,27,42,774	86,00,977
Excess	73,774	1,70,977

2. The original sanctioned budget grant during the Year 1973-74 under 'Revenue Section' and 'Capital Section' of Grant No. 57-LM&A. Islands were Rs. 2,26,69,000/- and Rs. 46,77,000/- respectively. The original Grant in Capital Section was augmented by obtaining a Supplementary grant of Rs. 37,53,000/- in March, 1974. The actual expenditure, however, amounted to Rs. 2,27,42,774/- under 'Revenue Section' and Rs. 86,00,977/- under 'Capital Section' against the final grant of Rs. 2,26,69,000/- under 'Revenue Section and Rs. 84,30,000/- under Capital Section'. This left uncovered excess of Rs. 73,774/- under 'Revenue Section' and Rs. 1,70,977/- under 'Capital Section' which require to be regularised.

3. The overall excesses of Rs. 73,774/- under 'Revenue Section' and Rs. 1,70,977/- under 'Capital Section' were the net result of excesses and savings under various sub-heads in the Grant and occurred mainly under the following sub-heads:—

Revenue Section

D.1—Electricity Scheme

D.1 (2)—Working Expenses

D.1(2)(1)—Maintenance (Rs. 2,79,174)

Capital Section

I—Capital Outlay on Electricity Schemes

I-1. Electricity Schemes (Rs. 2,67,106)

4. The reasons for the excesses are briefly explained below:—

Revenue Section

D.1 (2) (1)—Maintenance (Rs. 2,79,174)

The excess was mainly due to (i) unexpected adjustment of the cost of High Speed Diesel Oil purchased in 1971-72 (Rs. 58,322|-) and 1972-73 (Rs. 25,963) on receipt of adjustment memoranda from the Accountant General Kerala (ii) enhanced expenditure than anticipated on maintenance and unforeseen major repairs of power Houses and (iii) increased expenditure than anticipated on purchase of high speed Diesel Oil and spares and on shipping and carting charges of empty barrels for carrying High Speed Diesel Oil and lubricating Oil.

Capital Section

I.1—Electricity Schemes (Rs. 2,67,106)

The excess was mainly due to adjustment in March, 1974 of several adjustment memoranda received from the Accountant General Kerala in respect of supply received during the previous years (1971-72 and 1972-73). As no liability register was maintained by the Electricity Department of Lakshadweep Administration, the liabilities for the preceeding years could not be anticipated correctly at the time of preparation of Budget Estimates. The Lakshadweep Administration has since been asked *vide* this Ministry's letter No. U/15026/2/74-Ac. II dated the 22nd March, 1975 (copy attached) to invariably maintain liability register to watch the past liabilities and to provide funds for them in time.

5. The above excesses and other minor excesses under other sub-heads were partly offset by the savings under the remaining sub-heads leaving net excesses of Rs. 73,774|- in 'Revenue Section' and Rs. 1,70,977|- in 'Capital Section' of the Grant which needs to be regularised.

6. In view of the circumstances explained in para 4 above, the overall excesses of Rs. 73,774|- in Revenue Section and Rs. 1,70,977|- in Capital Section may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India.

This note has been vetted by Audit.

Encl. to App. X

**GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS**

D.O. No. U|15026|2|74-Ac.II
Dated the 22nd March, 1975.

Dear Shri Shaiza,

Please refer to your d.o. No. 7|1|74-F&A(B) Part II dated the 18th January, 1975 regarding Appropriation Accounts for 1973-74 in respect of Grant No. 57-L.M.&A. Islands.

In the explanation for excess under Major Head 101-Capital Outlay on Electricity Schemes, it has been stated that no liability register is being maintained by the Electricity Department of the Administration. It is highly irregular. To have an effective control on expenditure and suitable provision of funds, in time, all the concerned officials of the Administration may be instructed, under intimation to us, to maintain liability registers as prescribed *vide* G.F.R. Forms 6 and 6-A of General Financial Rules (Revised & Enlarged) 1963.

Yours sincerely,
Sd|- Director (Finance)

Shri W. Shaiza,
Union Territory of Lakshadweep,
Kavaratti, via H.P.O. Calicut—673555.

APPENDIX XI

MINISTRY OF INFORMATION AND BROADCASTING

Note for P.A.C. for regularisation of excess in respect of Grant No. 62-Broadcasting-Revenue (voted) Section as disclosed in the Appropriation Accounts (Civil) 1973-74.

	Voted Rs.
Original Grant	18,02,80,000
Supplementary Grant . . . . .	..
Final Grant	18,02,80,000
Actual Expenditure	18,32,29,533
Excess	29,49,538

The excess occurred mainly under "A4(9)-Television Centre" and was mainly due to implementation of Pay Commission's recommendations, the impact of which during 1973-74 was to the extent of Rs. 41.75 lakhs. Supplementary grant or an advance from the Contingency Fund of India to meet the uncovered excess of Rs. 29.50 lakhs was not obtained as savings on account of non-receipt of debits for supplies received and works executed and also non-receipt of stores indented were anticipated. These savings to the required extent did not materialise resulting in uncovered excess as aforesaid.

2. In view of the circumstances mentioned above, it is requested that the excess of Rs. 29,49,538 may be recommended for regularisation in accordance with Article 115(1) (b) of the Constitution of India.

The Note has been vetted by Audit.

No. 21/1/75-B(P)

APPENDIX XII

GOVERNMENT OF INDIA

MINISTRY OF SHIPPING & TRANSPORT

(Transport Wing)

Note for the Public Accounts Committee for regularisation of excess over revenue Voted Grant No. 75-Ministry of Shipping and Transport for the year 1973-74.

Voted	Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.	Rs.
Original 1,67,12,000	1,74,84,000	1,81,59,008	6,75,008
Supplementary 7,72,000			

The original provision of Rs. 1,67,12,000 under Voted Section of the Grant was augmented by Rs. 7,72,000 by obtaining a Supplementary Grant in March, 1974 session of Parliament. Against the Final Grant of Rs. 1,74,84,000 the actual expenditure booked, however, amounted to Rs. 1,81,59,008 leaving an uncovered excess of Rs. 6,75,008.

2. The net excess of Rs. 6,75,008 was partly due to the following items of misclassifications.

(i)—Rs. 1,19,175.55 : This amount was a wrong debit to the group sub-head "A.1(2) (3)—Roads Wing (Border Roads)" through exchange account. This is being rectified in 1974-75 accounts.

(ii)—Rs. 4,60,518.40 : This represented the cost of two runway sleepers and their spare parts which was wrongly debited to the head A.1(2) (3)—Roads Wing (Border Roads) instead of to sub-head A.1(2)—Construction of Border Roads under Major Head 103—Capital Outlay on Works in Grant No. 76-Roads for the year 1973-74.

(iii)—Rs. 481.74 and Rs. 162.95: These amounts pertained to the following exchange vouchers of the Tourist Department which were wrongly debited to the sub-head A.1(2) (1)—Roads Wing (Main).

Exchange Voucher No. Nil for 3/74 Supplementary	Rs. 481.74
Exchange Voucher No. nil for 3/74 supplementary	Rs. 162.95

3. After excluding the amounts wrongly classified, the net excess requiring regularisation under Article 115 of the Constitution is only Rs. 94,669. This amount is less than 1 per cent of the Final Grant and may kindly be recommended for regularisation.

This has been seen by Audit.

APPENDIX XIII
 GOVERNMENT OF INDIA
 (BHARAT SARKAR)
 MINISTRY OF TOURISM & CIVIL AVIATION
 (*Paryatan aur Nagar Vimanan Mantralaya*)

Note for the Public Accounts Committee for regularisation of excess under Voted Section (Revenue) of Grant No. 85-Tourism as disclosed in the Appropriation Accounts (Civil) 1973-74.

<i>Grant No. 85—Tourism</i>	Rs.
Original Grant	3,03,76,000
Actual Expenditure	3,09,80,290
Excess	6,04,290

2. The excess of Rs. 6,04,290 was the net result of excesses/savings under various sub-heads in the grant and occurred mainly under the following sub-heads, for the reasons explained against each:

Major Head '39'

A. Miscellaneous Social And Developmental Organisations.

A.1—Tourist Organisations.

A.1(2)—*Regional Tourist Organisations (Rs. 83,984)*

The excess was mainly due to implementation of Pay Commission's Recommendations (Rs. 77,290).

A.1(6)—*Payments to Air-India (Rs. 5,27,000)*

Under the arrangement of closer co-ordination between the Department of Tourism and Air-India, the expenditure on promotion of Tourism in Europe is shared in the ratio of 80:20. The payments are made to Air-India in India for remitting the amount to 'Operation Europe'.

Due to the fluctuation in the bankers' rate of exchange which gave less amount in Swiss Francs for the money remitted from India, additional funds had to be made available to Air-India to meet

the losses suffered by 'Operation Europe' on this account. While doing so, it was anticipated that savings from other sub-heads would be available. However, this anticipation did not materialise finally. Hence the excess under this head.

3. In view of the circumstances explained in para 2 above, the excess of Rs. 6,04,290 which works out to about 2 per cent of the original grant may kindly be recommended for regularisation by the Parliament under Article 115(1) (b) of the Constitution of India.

The note has been vetted by Audit.

APPENDIX XIV

MINISTRY OF WORKS & HOUSING

SUB: Note for regularisation of excess in the Voted|Charged portions
of the Grant No. 87—Public Works' Revenue Section in the
Appropriation Accounts (Civil) 1973-74.

	<i>Charged</i>	<i>Voted</i>
Original grant/appropriation (Revenue)	38,41,000	53,59,23,000
Supplementary grant/appropriation (Revenue) . . . . .	..	91,78,000
Final grant/appropriation (Revenue)	38,41,000	54,51,11,000
Actual Expenditure (Revenue)	41,70,819	56,75,31,333
Excess	3,29,819	2,24,20,333

1. *Charged Section*

Against the final appropriation of Rs 38,41,000 the actual expenditure amounted to Rs. 41,70,819 thus leaving an uncovered excess of Rs. 3,29,819 which needs to be regularised.

The excess is due to the implementation of the 3rd Pay Commission's recommendations in respect of work-charged staff. A supplementary Grant of Rs. 91.78 lakhs was obtained in the Voted portion of the Grant for meeting the extra expenditure due to the Pay Commission's recommendations. This requirement could not be assessed in respect of the work-charged staff working in the Divisions where the expenditure is 'Charged'.

2. *Voted Section*

(a) The original grant of Rs. 5359.33 lakhs was augmented by obtaining a supplementary grant of Rs. 91.78 lakhs. Against the final Grant of Rs. 5451.11 lakhs the actual expenditure, however, amounted to Rs. 56,75,31,333 leaving an uncovered excess of Rs. 2,24,20,333 which needs to be regularised.

The overall excess of Rs. 2,24,20,333 is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the following sub-heads.

(In lakhs of Rupees)

Sub-Heads	Final Grant	Actual Expenditure	Excess
1	2	3	4
A. 2.—Repairs:			
A. 2(1).—Buildings	599.80	766.59	177.79
A. 7.—Suspense:			
A. 7(1).—Stock Charges	1599.99	1698.64	98.65
A. 7(2).—Other Suspense Accounts Charges	1900.00	2057.58	157.58

The excess under the above sub-heads mainly occurred due to:—

A.2—Repairs

A. 2(1)—Building (Rs. 166.79 lakhs)

The excess under this head was mainly due to implementation of recommendations of the Third Pay Commission in respect of the works-charged staff and payment of arrears of Taxes/Service Charges to New Delhi Municipal Committee not anticipated earlier.

A supplementary grant of Rs. 91.78 lakhs obtained for implementation of Third Pay Commission's Recommendations was, however, accounted for under sub-head A-3—Establishment.

A.7—Suspense

A.7(1)—Stock Charges (Rs. 98.65 lakhs)

Excess was mainly due to procurement of essential building material like steel, cement etc. which are controlled items and could not be allowed to lapse (Rs. 98.65 lakhs). These items could not also be anticipated and included in the budget estimates.

A.7(2)—Other Suspense Accounts (Rs. 157.58 lakhs)

The main reasons for excess under this sub-head were as follows:—

(i) Non-receipt of deposits. Late receipt of payments and expenditure incurred in respect of Deposit Works in excess of deposits. The total of these items amounts to Rs. 102.02 lakhs. These items could not be anticipated and provided for in the budget. These relate to Deposit Works of non-Government organisations who are being asked to make good these payments.

(ii) Receipt of debits in respect of supplies received which were not anticipated and acquisition of cement and steel on credit—Rs. 55.56.

(b) The excesses under the above sub-heads were partly counter-balanced by savings under other sub-heads of the grant leaving a net uncovered excess of Rs. 2,24,20,333 requiring regularisation.

The main sub-head under which the saving was available was "A.3-Estt." The saving amounting to Rs. 183.30 lakhs under this sub-head was due to the following reasons.

(a) Non utilisation of Supplementary Grant demanded on account of Third Pay Commission's Recommendations in respect of Units in Nepal and also non-announcement of pay scales of certain categories of posts.

(b) Less/non-booking of expenditure.

(c) Non receipt of debits from the Department of Printing and Stationery.

(d) Economy measures under T.A. & Office expenses.

(e) Closure of units and non-filling up of vacant posts.

3. In the circumstances explained above, the excesses of Rs. 2,24,20,333 (voted) and Rs. 3,29,819 (charged) may kindly be recommended for regularisation under Article 115(1)(b) of the Constitution of India.

4. This note has been vetted by Audit.

APPENDIX XV

Ministry of Education and Social Welfare

NOTE FOR THE P.A.C. FOR REGULARISATION OF EXCESS IN GRANT NO. 93—ARCHAEOLOGY AS DISCLOSED IN THE APPROPRIATION ACCOUNTS (CIVIL) FOR 1973-74

Total Grant including supplementary Grant	Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.	Rs.
O. 2,61,70,000	3,23,34,000	3,28,49,264	5,15,264
S. 61,64,000			

The excess of Rs. 5,15,264 over the final grant of Rs. 3,23,34,000 which is the net result of excesses and savings under various groupheads occurred mainly under the following group and sub-heads for the reasons explained thereunder:—

Grouphead/Sub-head	Total Grant including Supplementary grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
A. 1.—DIRECTORATE:			
A. 1 (1).—Salaries	46,67,000	49,51,594	2,84,594
A. 2.—CONSERVATION OF ANCIENT MONUMENTS:			
A. 2 (4).—Special Repairs:			
O. 34,39,000	85,39,000	86,59,256	1,20,256
S. 51,00,000			
A. 2 (5).—Annual Repairs & Maintenance	38,62,000	46,00,105	7,38,105

A.1—Directorate [A.1(1)—Salaries] (Rs. 2,84,594)

The excess is mainly due to payment of arrears of pay and allowances to employees of the Archaeological Department in pursuance of the recommendations of the Third Pay Commission as accepted by Government. A Supplementary Grant of Rs. 7,80,000 was obtained in March, 1974 session of Parliament for payment of arrears and "on account" payments thereof at the rate of Rs. 100 for class IV staff and Rs. 150 for Class II and Class III where determination of individual entitlements was expected to spill over to the next financial year. Actual expenditure on payments of arrears to the employees of the Archaeological Department who are stationed all over the country on the basis of their entitlements however turned out to be more than anticipated. As the payments were made towards the close of the financial year the inadequacy of the sanctioned provision could not be detected within that year. The payment of arrears to the staff could not be withheld to avoid dissatisfaction among the staff and this resulted in an expenditure of Rs. 2,84,594 in excess of authorised grant.

A.2—Conservation of Ancient Monuments

A.2(4)—Special Repairs (Rs. 1,20,256)

Excess under this head is mainly due to expenditure in excess of the estimates (on the basis of which the supplementary grant was obtained) on certain works the nature of which demanded that works in progress should be completed within the financial year. If the works had been left incomplete, the stability and maintenance of the monuments would have suffered and further, it is difficult to collect experienced Craftsmen at out of the way places once the work is discontinued.

A.2(5)—Annual Repairs and Maintenance (Rs. 7,38,105)

The excess over the authorised grant under this head is due to additional expenditure on account of payment of arrears to employees of the work-charged staff (whose salaries are met from this head) in pursuance of the recommendation of the Third Pay Commission as accepted by the Government and also due to unforeseen increase in cost of labour and materials. In the circumstances already explained under grouphead 'A.1(1)—Salaries', the inadequacy of the existing provision could be detected only after the close of the financial year. As the excess expenditure was of unavoidable nature the same could not be deferred in the interest of proper maintenance of ancient monuments and their surroundings.

The total excess of Rs. 11,42,955 under these heads and minor excesses under other groupheads were partly counterbalanced by

savings under the remaining groupheads of the Grant leaving a net excess of Rs. 5,15,264 in the Grant which requires to be regularised.

In the circumstances explained above overall excess of Rs. 5,15,264, which constitutes only 1.6 per cent of the total Grant, may kindly be recommended for regularisation by the Parliament under article 115(1) (b) of the Constitution of India.

The Note has been vetted by Audit.

APPENDIX XVI

(Department of Internal Trade)

Note for the Public Accounts Committee for Regularisation of Excess Under Capital Section of Grant No. 13—Department of Internal Trade as disclosed in the Appropriation Accounts for 1973-74.

	Rs.
CAPITAL	
Sanctioned Grant	
Voted	8,45,20,000
Actual Expenditure	8,45,43,985
Excess	+23,985

In the Capital Section, the original Grant (Voted) was Rs. 8,45,20,000. The actual expenditure amounted to Rs. 8,45,43,895 resulting in an excess of Rs. 23,985 which occurred under loans given to the Khadi and Village Industries Commission under sub-head "F.2(1) (1) (1) (3)-Special Loan for renewal of past loans for traditional Khadi etc."

Loans are given to Khadi and Village Industries Commission as plan loans for development of khadi, village industries and non-plan loans for renewal of past loans. Loans given by the Central Government to the Khadi and Village Industries Commission for traditional khadi, amber charkha and village industries are being renewed from time to time to enable the Commission to keep up the tempo of its activities. Loans becoming due for renewal during 1969-70 were reported by the Accountant General, Commerce Works and Miscellaneous at Rs. 28,87,23,983.82 against which fresh loans amounting to Rs. 38.87 crores were sanctioned in that year subject to the position being reviewed in 1973.

During the year 1973-74 the residuary amount of Rs. 23,983.82 which remained unadjusted during the year 1969-70 was also covered by the sanction for Rs. 6,45,43,983.82 for renewal of past loans though funds to the extent of Rs. 6,45,20,000 only were pro-

vided for. Necessary augmentation of funds was not arranged through oversight.

The excess of Rs. 23,985 which constitutes only 0.04 per cent of the sanctioned grant may kindly be recommended for regularisation under Article 115(1) (b) of the Constitution of India.

This has been seen by audit.

No. 3 (6) | 74-KVI-II

APPENDIX XVII

Ministry of Communications

Note for the Public Accounts Committee on the excess over voted Grant No. 15, Overseas Communications Service as disclosed in the Appropriation Accounts (Civil) for the year 1973-74.

CAPITAL—VOTED

	Rs.
Original Grant	186,80,000
Actual Expenditure	211,33,728
Excess	24,53,728

The excess which is the net result of excesses and savings under the various sub-heads of the Grant (Capital Section) occurred mainly under the sub-heads "B.1. Plant and Machinery" and "B.5.—India's Contributions to International Telecommunication Satellite Consortium."

2. For providing efficient and reliable means of communication commensurate with the rapidly rising demands for telecommunication services, a second Satellite Earth Station is now being constructed at Dehradun. For execution of the works of the Earth Station, the Overseas Communications Service have placed orders with the RCA, Victor Company of Canada for supply of certain electronic equipments not available indigenously. An agreement has been signed with the Government of Canada for payment for the supply of the equipments by RCA under Canadian aid. A provision of Rs. 110.50 lakhs was made in the budget for 1973-74 under "B.1. Plant and Machinery" for payments due to R.C.A. against Canadian loan grant. The actual payments made during 1973-74, however, exceeded the budget provision by Rs. 12.34 lakhs mainly due to:—

- (i) Higher rate of exchange involved in the settlement of payments to RCA Victor Company of Canada by Canadian International Development Agency.

- (ii) Payment of higher charges for air freight, incidentals and Customs Duty at actuals as against the estimated provision.

The expenditure under the above items exceeded the estimates made in the budget which was based on the market rates at the time of the preparation of budget, plus percentage of probable escalation. The actual expenditure under the sub-head was further inflated due to:—

- (iii) Adjustment of debit for FOB cost of Spectrum Analysers not anticipated during 1973-74, as no intimation of payment was received from ISM|Washington.
- (iv) Adjustment of debit of Rs. 1.94 lakhs pertaining to DGS&D wrongly booked against the Overseas Communications Service accounts. However, the debit has since been adjusted correctly in the accounts for 1974-75.

3. The provision of Rs. 15 lakhs in the budget for 1973-74 under "B.5-India's Contributions to International Telecommunications Satellite Consortium" was made on the basis of the reduced provision made for R.E. 1972-73 as at the time of the preparation of the budget estimates for 1973-74, the only indicator available was the provision made in R.E. 1972-73. The actual budget of INTELSAT for 1973-74, however, was of the order of 60 million dollars, according to which India's actual share of INTELSAT budget was fixed at Rs. 50.00 lakhs approximately, exceeding the O.C.S. budget provision by Rs. 35.00 lakhs. The INTELSAT budget is framed for the calendar year and becomes available only after the finalisation of the D.C.S. budget. It was anticipated in a mid-term assessment of the budget that the higher liability towards India's share of contribution to the INTELSAT would be accommodated within the O.C.S. budget by re-appropriation from other heads. But the overall expenditure under capital head could not be contained within the sanctioned grant.

4. The fact of the excess expenditure under the capital head came to light at the time of reconciliation of the account when it was not possible to provide additional funds through Supplementary Grant. The total excess of Rs. 47,44,403 was partly counter balanced by savings to the extent of Rs. 22,90,675 under other sub-heads of the Grant (Capital Section), leaving a net excess of

Rs. 22,59,728 after excluding the misclassification of Rs. 1.94 lakhs, which is required to be regularised.

5. In the circumstances explained above, the excess of Rs. 22,59,728 in the voted portion may kindly be recommended for regularisation by Parliament under Article 115(1)(b) of the Constitution of India.

This note has been vetted by Audit.

APPENDIX XVIII

GOVERNMENT OF INDIA

MINISTRY OF STEEL AND MINES

(Department of Mines)

No. 2(8)/75-IF.

New Delhi, the 9th June, 1975.

Note for the Public Accounts Committee for regularisation of the excess over the Voted Grant No. 80—Department of Mines (Capital Section) for the year 1973-74.

Grant No. 80.—Department of Mines	Rs.
Capital Section	
Original Grant	1,03,45,16,000
Supplementary Grant (March, 1974)	21,05,77,000
Total Sanctioned Grant for 1973-74	1,24,50,93,000
Annual Expenditure	1,24,51,01,292
Excess over the Voted Grant	8,292

The small excess of Rs. 8,292 is the net result of excess and savings under the various sub-heads in the Capital Section of the Grant. The excess occurred mainly under the following sub-heads on account of the reasons indicated below:—

H.1(1(2)(1)—Loan to Coal Board for Central Ropeways (Rs. 5,000)

This represents the expenditure on account of loan to the departmental canteen of the Geological Survey of India which was debitable to the Head "A2—Miscellaneous Loans and Advances—Loans to Cooperative Societies and Departmental Canteens" in Grant No. 40—Loans to Government Servants etc. and necessary funds for this purpose were provided therein by reappropriation. The excess has thus occurred due to accounting misclassification.

H.1(1) (1) (1)—National Coal Development Corporation (Rs. 3,292)

The original Budget provision of Rs. 18,76,00,000 for loans to National Coal Development Corporation proved to be inadequate and a Supplementary Grant of Rs. 6,83,73,000 was obtained in March, 1974 session of the Parliament to meet a part of the requirements with the anticipation that the balance requirements could be met out of likely savings under other sub-heads in the Capital Section of the Grant. The actual expenditure resulted in an excess of Rs. 3,292.

In view of the circumstances mentioned above, the net excess of Rs. 3,292 after excluding the misclassification of Rs. 5,000 which does not require regularisation in terms of paragraph 7 of 16th Report of Public Accounts Committee (1st Lok Sabha) under Capital Section of the Grant may kindly be recommended for regularisation by Parliament under Article 115(1) (b) of the Constitution.

This note has been vetted by Audit.

APPENDIX XIX

GOVERNMENT OF INDIA

(Department of Atomic Energy)

Note for Public Accounts Committee for regularisation of excess over the voted Grant No 90—Atomic Energy Research and Development under Capital Section for the year 1973-74.

Grant No. 90—Atomic Energy Research and Development :

	Rs.
<i>Capital Section :</i>	
Original Grant	26,10,60,000
Supplementary Grant (Dec., 1973)	10,00,01,000
Supplementary Grant (March, 1974)	5,59,72,000
Total Sanctioned Grant for 1973-74	41,70,33,000
Actual Expenditure	42,08,89,741
Excess Over the Voted Grant	38,56,741

The excess of Rs. 38.57 lakhs is the net result of excesses and savings against the various sub-heads under Capital Section of the Grant and occurred mainly under the sub-heads "D.3(3)(4)—Heavy Water Plant at Tuticorin" (Rs. 138.21 lakhs) and "D.3(6)—Reactor Research Centre" (Rs. 50.03 lakhs), for reasons explained below:—

D.3(3)(4)—Heavy Water Plant at Tuticorin (Rs. 138.21 lakhs)

The original Budget included provision of Rs. 430.40 lakhs for this Project. This provision was augmented by Rs. 450 lakhs by obtaining a Supplementary Grant during December, 1973 and further by Rs. 310 lakhs by obtaining a Supplementary Grant during March 1974 to meet additional payments towards machinery and equipment already ordered for. The total sanctioned provision of Rs. 1190.40 lakhs, however, proved inadequate because certain payments in respect of supplies of equipment etc., which were expected to materialise during the financial year 1974-75, had to be made

during 1973-74 itself on account of accelerated shipments of the equipment. The actual expenditure amounted to Rs. 1328.61 lakhs resulting in an excess of Rs. 138.21 lakhs over the sanctioned Grant.

D.3(6)—Reactor Research Centre (Rs. 50.03 lakhs)

The original Budget provision for this Project was Rs. 310 lakhs. To meet additional payments towards machinery and equipment already ordered for, the original provision was augmented by Rs. 50 lakhs by obtaining a Supplementary Grant during December 1973 and further by Rs. 30 lakhs by obtaining a Supplementary Grant during March, 1974 raising the total sanctioned provision to Rs. 390 lakhs. The actual expenditure, however, amounted to Rs. 440.03 lakhs due to accelerated progress of Civil Works and accelerated shipment of the equipment and resulted in an excess of Rs. 50.03 lakhs over the sanctioned Grant.

The above excesses of Rs. 188.24 lakhs were counter-balanced to a large extent by savings under the other sub-heads leading to an overall excess of only Rs. 38.57 lakhs, which needs to be regularised. The overall net excess is below even 1 per cent of the total sanctioned Grant.

In view of the position explained above, the excess of Rs. 38,56,741 under Capital Section of the Grant may kindly be recommended for regularisation by Parliament under-Article 115(1)(b) of the Constitution.

This note has been vetted by Audit.

APPENDIX XX

GOVERNMENT OF INDIA

MINISTRY OF EDUCATION & SOCIAL WELFARE (DEPARTMENT OF SOCIAL WELFARE)

New Delhi, the 30th May, 1975.

SUBJECT.—Note for Public Accounts Committee for regularisation of excess in the 'Charged' portion under Capital Section Grant No. 27—Department of Social Welfare as disclosed in the Appropriation Accounts (Civil) for the year 1973-74.

Grant No. 27—Department of Social Welfare:

CAPITAL SECTION

	(Charged)
	Rs.
Sanctioned App.op.iation	5,00,000
Actual Expenditure	10,38,000
Excess	5,38,000

The original provision in the 'charged' portion was Rs. 5 lakhs and no Supplementary Appropriation was obtained during 1973-74. The actual expenditure amounted to Rs. 10.38 lakhs.

The excess of Rs. 5.38 lakhs in the 'charged' portion under Capital Section of the Grant occurred under Sub-Head 'F.1(1)(1)-Rehabilitation of rehabilitable families of displaced persons from East Pakistan' under the Group sub-head 'F-1—Advances to State Governments (Charged)'. It represents payment made to the Government of West Bengal for meeting the expenses on rehabilitation of displaced persons from the erstwhile East Pakistan.

Under the scheme loans were advanced to the State Government of West Bengal to finance displaced families from erstwhile East Pakistan staying in Homes and Infirmaries, for purchase of land, houses, buildings and for business-purposes to enable them to lead

a normal life. The Government of West Bengal were running 17 Homes/Infirmaries in their State in 1973-74. The need for augmenting the Budget provision of Rs. 5 lakhs was considered in consultation with the Planning Commission and the Ministry of Finance on a pressing demand by the Government of West Bengal and was recognised by the Ministry of Finance. However, through oversight a saving of Rs. 5.88 lakhs which was available in the voted portion of the Grant was reappropriated to meet the additional requirement in the charged portion. This *bona fide* error on the part of this Department rendered the re-appropriation ineffective resulting in an excess of Rs. 5.38 lakhs under the sub-head mentioned above. The excess came to light when there was no time to rectify the error.

In view of the position explained above, the excess of Rs. 5.38 lakhs under Capital Section of Grant may kindly be recommended for regularisation by Parliament under Article 115(1)(b) of the Constitution.

This Note has been vetted by Audit.

No. G.23017/2/75-BGT.

APPENDIX XXI
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Economic Affairs)

Note for the Public Accounts Committee for regularisation of excess (capital charged) under Grant No. '35 Currency, Coinage and Mint' as disclosed in the Appropriation Accounts (Civil) for the year 1973-74.

	Rs.
Grant No. 35—Currency, Coinage and Mint:	
Capital Section:	
Charged :	
Original Appropriation . . . . .	..
Actual expenditure	1,31,901
Excess	1,31,901

Against a nil provision for 'charged' expenditure, an expenditure of Rs. 1,31,901 was adjusted under "C.1—Security Paper Mill, Hoshangabad—C.1(2)—Major Works" in the Capital Section of Grant No. "35 Currency, Coinage and Mint" for 1973-74, resulting in the excess disclosed in the Appropriation Accounts.

The above expenditure comprises—

	Rs.
(i) Payment against Court decree	41,156
(ii) Payments against arbitration awards	90,745
	1,31,901

(i) Payment against a Court decree (Rs. 41,156)

The works are executed by the Central Public Works Department. A dispute with the contractor, engaged in connection with

the construction of the main Mill building and ancillary buildings, was referred to arbitration and the Arbitrator gave his award in favour of the contractor. The award was challenged in the Court of Law at Hoshangabad. The Court, however, upheld the amount awarded by the Arbitrator and passed a decree in terms of the award in favour of the contractor. In satisfaction of this decree the CPWD made a payment of Rs. 41,155.31 to the contractor in August, 1973. This payment was, however, initially adjusted by the CPWD as a 'Voted' item of expenditure and later accounted for as 'Charged'. This came to notice in June, 1974 only when full facts of the case were ascertained from the CPWD. It was too late then either to seek a supplementary appropriation or an advance from the Contingency Fund to cover the payment.

As a safeguard against recurrence of this type of cases, the CPWD has been advised that before incurring a 'Charged' item of expenditure it must seek an advance from the Contingency Fund of India, if sufficient 'charged' provision is not available in the Grant.

(ii) *Payments against arbitration awards (Rs. 90,745)*

These relate to payment made by the CPWD against two arbitration awards, one for Rs. 1,012 and the other for Rs. 89,733.42. The payments were not in terms of any decree or award of any Court or arbitral tribunal. In accordance with an advice tendered by the Ministry of Law, as circulated in this Ministry's O.M. No. F.1(124)-B/64, dated 13th November, 1964 (copy enclosed), this expenditure of Rs. 90,745 was to be classified as 'voted' and not as 'charged'. There were savings available in Grant No. 35 to cover this expenditure.

The expenditure of Rs. 90,745 having thus become excess through a misclassification in the accounts does not require regularisation in terms of paragraph 7 of the 16th Report of the Public Accounts Committee (1st Lok Sabha). The 'charged' expenditure of Rs. 41,156, which constituted the real excess, and occurred in the circumstances mentioned above, may therefore, kindly be recommended for regularisation by Parliament under article 115 of the Constitution.

This note has been vetted by Audit.

Enclosure to Appendix XXI

No. F. 1(124)-B|64

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

New Delhi, the 13th November, 1964.

OFFICE MEMORANDUM

SUB: *Payments of Arbitral Awards—classification of expenditure as 'Charged' or 'Voted'.*

The undersigned is directed to state that under Article 112(3) (f) of the Constitution, any sum required to satisfy the award of an arbitral tribunal is to be charged on the Consolidated Fund of India. The scope of the term "Arbitral Tribunal" used in this article has recently been considered in consultation with the Ministry of Law who have advised that in order that a body or authority may be tribunal, it must be constituted by the State and not merely by an agreement of the parties—and must be invested with the State's inherent judicial—as distinguished from purely administrative or executive—powers and "the trappings of a Court". It has accordingly been held that an arbitrator appointed under section 10A of the Industrial Disputes Act, 1947 or a private arbitrator to whom a dispute is referred under an arbitration agreement under the Arbitration Act, 1940 is not a 'tribunal' within the meaning of Article 136 of the Constitution and consequently any payment made in satisfaction of the award of such an 'arbitrator' cannot be treated as expenditure charged on the Consolidated Fund of India. However, in cases where the award made by a private arbitrator is filed in a Court and a decree is obtained in terms of the award, the expenditure required to satisfy the decree of the Court will be expenditure 'Charged' on the Consolidated Fund of India as contemplated by Article 112(3) (f) *ibid.* In such cases the award of the private arbitrator is virtually merged into the decree of the Court and it is the order of the Court which is operative in the matter.

2. It has been decided in consultation with the Comptroller & Auditor General of India that the payments in satisfaction of arbitral awards should be classified in accounts in accordance with the principles set out in para 1 above. Past cases where a different classification has already been adopted need not, however, be reopened.

APPENDIX XXII

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

Note for the Public Accounts Committee for regularisation of excess under 'voted' portion of Grant No. 23—Defence Services—Pensions etc. as disclosed in the Appropriation Accounts (Defence Services) for 1973-74.

Grant No. 23.—Defence Services—Pensions etc.

	Rs.
<i>Revenue Section:</i>	
Original Grant	62,40,00,000
Supplementary Grant	2,07,60,000
Total Sanctioned Grant	62,47,60,000
Actual Expenditure	63,62,60,974
Excess Expenditure	1,15,60,564

This Grant is mainly to cover expenditure on the pensionary charges of retired Defence personnel. Due to a number of uncertain factors, it is not possible to make a precise estimate of the magnitude of the non-effective charges. Payment of pensions is effected by various authorities like Pension Disbursing Officers, Post Offices, Treasuries etc. and there is time lag between the actual payments and receipt of debits by the Accounts Officers who are to frame the estimates. Besides, it is also not possible to forecast precisely the expenditure towards the close of the financial year as some pensioners depending upon their needs and convenience, may or may not draw their pensions during the month of March.

The excess of Rs. 115.61 lakhs over the Sanctioned Grant is the net result of an excess of Rs. 173.21 lakhs occurred under sub-head

'A 1-Army' and savings of Rs. 57.60 lakhs under the other sub-heads. The reasons for this excess are explained below:—

A. 1-Army (Rs. 173.21 lakhs):

The original Budget provision under this sub-head was Rs. 5662.65 lakhs, which was augmented by Rs. 167 lakhs by obtaining a Supplementary Grant during March, 1974 to meet additional payments of pensions etc. due to release of a larger number of service personnel during the year than anticipated and adjustment of pension payments relating to the year 1972-73. Even the total sanctioned provision of Rs. 5829.65 lakhs under this sub-head fell short of the actual requirement due to receipt of larger number of pension payment accounts than anticipated earlier, from the various disbursing authorities and retirement release of a larger number of army personnel than anticipated. The actual expenditure has amounted to Rs. 6002.86 lakhs leading to an excess of Rs. 173.21 lakhs over the Sanctioned Grant under this sub-head. This excess has been partly counter-balanced by savings of Rs. 57.60 lakhs under the other sub-heads resulting in an over-all excess of Rs. 115.61 lakhs which needs to be regularised.

In the circumstances explained above, it is requested that the excess of Rs. 1,15,60,974 over the Sanctioned Grant which is less than 2 per cent of the total Sanctioned Grant may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution.

D.A.D.S. has seen.

APPENDIX XXIII

GOVERNMENT OF INDIA MINISTRY OF DEFENCE

Note for the Public Accounts Committee for Regularisation of excess under 'Charged' portion of Grant No. 20 Defence Services—Army as disclosed in the Appropriation Accounts (Defence Services) for the Year 1973-74.

Grant No. 20—Defence Services—Army

	Rs.
Original Appropriation	9,00,000
Supplementary Appropriation	5,00,000
Total	14,00,000
Actual expenditure	15,50,532
Excess over the sanctioned Appropriation	1,50,532

The charged portion of this Grant is for meeting payments in satisfaction of court decrees or awards by Arbitral Tribunals. Such payments, by their very nature cannot be foreseen with exactitude and hence it is often not possible to make a precise estimate of the magnitude of such expenditure. Although the trend of actual expenditure during the previous years and the likely liabilities arising out of pending cases in court etc. are taken into account while framing the estimates, the requirements of funds under the charged portion have to be projected more or less on an *ad hoc* basis and on that basis a provision of Rs. 9 lakhs was made in the Budget for 1973-74.

Taking into account the likely additional payments on this account and also the fact that during the previous two years there were substantial savings under the charged portion, viz. in 1972-73 (Rs. 4.77 lakhs) and 1971-72 (Rs. 4.59 lakhs), it was estimated during the course of the year that a supplementary appropriation of Rs. 5.00 lakhs would be required and a supplementary appropriation for that amount was accordingly obtained during March, 1974.

The actual expenditure was, however, Rs. 1,50,532 more than the sanctioned appropriation and the excess occurred mainly under the sub-head "G—Expenditure on Stores (Other than for Manufacturing and Research Establishments and Military Engineering Services (excluding Engineering Stores Depots)." (Rs. 6.92 lakhs) which was partly set off by savings under other sub heads. This was mainly due to payment of a sum of Rs. 8.70 lakhs to a firm during closing days of March, 1974 in satisfaction of an arbitration award against Government which became rule of the court on 27-2-1974. It was expected that it would be possible to meet the Additional requirement out of the savings under the other sub-heads; but the latter did not materialise fully leaving an excess of Rs. 1,50,532 which needs to be regularised.

In view of the position explained above, it is requested that the excess of Rs. 1,50,532 over the sanctioned appropriation may kindly be recommended for regularisation for Parliament under Article 115(1) (b) of the Constitution.

D.A.D.S. has seen.

APPENDIX XXIV

GOVERNMENT OF INDIA

MINISTRY OF COMMUNICATIONS

(P. and T. Board)

Note for the Public Accounts Committee for regularisation of Excess over the voted grant "No. 18 Capital Outlay on Posts and Telegraphs" as disclosed in the Appropriation Accounts for the year 1973-74.

The Final Accounts for the year 1973-74 disclose an excess of Rs. 2,57,50,010 over the voted grant No. 18 capital outlay on Posts and Telegraphs as detailed below:

	Rs.
Original Grant	106,67,00,000
Supplementary Grant	18,30,00,000
Total Grant	<u>124,97,00,000</u>
Actual Expenditure	126,54,50,010
Excess	<u>2,57,50,010</u>

2. This grant provides for meeting the expenditure on capital outlay of the Department and is made up of two parts (i) works portion and (ii) Stores and Manufacture Suspense. The former accommodates expenditure for building up capital assets and is accounted for as "Plan expenditure". The latter contains expenditure on procurement of stores required by the Department and Manufacturing Operations of the P&T Telecommunication Factories. As the value of stores consumed by capital works already enters the "Works portion", the total expenditure on procurement of stores is reduced by such value of stores debited to works and for the balance only provision is made in the grant as "Non Plan" expenditure.

3. The Original Budget provision of Rs. 106,67 lakhs was made up of Rs. 97,00 lakhs under "Works portion" (Plan) and Rs. 9,67

lakhs under "Stores and Manufacture Suspense Account" (Non Plan). A Supplementary Grant of Rs. 18.30 lakhs was obtained in March, 1974 to meet the commitments for purchase of co-axial cables required for various co-axial Trunk Cable Projects and Local Cables and equipments required for Telephone Exchange projects procured from foreign suppliers, as well as indigenous production against the specific requirements of the Department. The total voted grant stood at Rs. 124.97 lakhs against which the actual expenditure came to Rs. 127.55 lakhs resulting in an excess of 258 lakhs as under:

(In Lakhs of Rupees)

	Sanctioned Grant	Actual expenditure	Excess/Saving (+) (-)
Works Portion	11,530	9,856	(-)16,74
Stores Suspense Account	6.64	2.618	(+)19,54
Manufacture Suspense Account	3.03	2.81	(-)22
Total	124,97	127,55	(+)258

4. The excess expenditure was mainly contributed by Stores Suspense Account on account of—

(i) Payments to Director General Supplies and Disposals for Indigenous supplies of ACSR Wire, Iron Wire, Tubes and Sockets supplied in 1972-73	5,16
(ii) Payments for Imported Cables under CIDA loan, copper weld wire switch Board Cables & lamps & Customs duty	10,53
(iii) Advance payments made for procurement of cement and steel at the fag end of the year	23
(iv) Fall in the issue of stores to capital works	3,54
(v) Other items of purchases	8
	<u>19,54</u>

The above excess expenditure was counter balanced by savings under the works portion of the grant due to:—

(i) Slow progress in acquisition of Land & RMS Mail Vans and construction of Buildings	155
(ii) Lesser supply of co-axial cables and equipments	7,04
(iii) Fall in supply of Microwave equipments	7,20
(iv) Lesser execution of Railway electrification works	8,16

(v) Savings under Manufacture Suspense due to larger challanning of finished products and components from the Telecomm. Factories .	22
Total	17,17
Deduct Excess under other heads	21
	16,96

5. The net excess of Rs. 2,57,50,010 over the sanctioned grant may kindly be recommended for regularisation by Parliament under Article 115(1) (b) of the constitution.

This Note has been vetted by Audit.

(1-26/75-B)

APPENDIX XXV

Summary of main Conclusions/Observation

S. No.	Para No. of Report	Ministry/ Department concerned	Recommendation/Conclusion
1	2	3	4
1	1.6	Finance (Economic Affairs)	<p>The aggregate amount of expenditure incurred in excess of the amounts authorised by Parliament, under various Voted Grants and Charged Appropriations ranged from Rs. 3.78 crores to Rs. 223.81 crores during the period 1965-66 to 1972-73. The Committee note with some satisfaction that the excess over authorised expenditure during 1973-74 aggregated to Rs. 10.06 crores (excluding Rs. 0.80 crore which does not require regularisation) in respect of 23 Voted Grants and 4 Charged Appropriations, as against Rs. 223.81 crores and Rs. 126.33 crores respectively during the years 1971-72 and 1972-73. The Committee trust that every endeavour would be made by the Ministries/Departments to ensure that the position is not allowed to deteriorate once again as has often happened in the past.</p>
2	1.10 & 2.3	Finance (E.A), Works & Housing, Shipping & Transport, Home Affairs	<p>(i) The Committee regret that the procedural changes in respect of certain grants suggested by a Task Force constituted in pursuance of the observations of the Committee contained in paragraph 1.3 of their 49th Report (Fifth Lok Sabha) are still under examination, even though almost three years have elapsed since</p>

the Committee made their earlier recommendation. The Committee attach considerable importance to this recommendation of theirs and desire that final action on the suggestions made by the Task Force be initiated without further loss of time and concrete steps taken to ensure sounder budgetary control than what exist at present, particularly in certain Ministries such as the Ministry of Works and Housing, Ministry of Shipping and Transport and the Ministry of Home Affairs.

(ii) An analysis by the Committee of the excesses recorded under various grants during the past five years ended 31st March 1974 reveals a rather disquieting picture in respect of the grants administered by certain Ministries. The Committee find, in particular, that there have been persistent excesses in the grants administered by the Ministries of Works and Housing, Shipping and Transport and Home Affairs. Later in this Report, the Committee have examined in some detail the grant relating to Public Works administered by the Ministry of Works and Housing. The recurring phenomenon of excess under these grants underlines the need for greater financial discipline in the Ministries concerned. The Committee are particularly concerned over the budgetary control exercised by the Union Territory Administrations. The Committee desire that concerted steps should be taken forthwith to tighten up budgetary procedures and controls by the concerned Ministries.

The Committee are concerned to note that during the year 1973-74, there have been mis-classifications of expenditure in a number of cases on a fairly large scale. This implies slipshod work

1	2	3	4
4	2.10	Finance (E.A.), Shipping & Transport, Home Affairs	<p>on account of which the reconciliation of departmental figures with those accounted for in the Accounts Offices appears ineffective. That this should be so despite earlier recommendations of the Committee emphasising the need for prompt reconciliation of accounts would indicate that adequate attention is not being paid by the concerned Ministries to this important aspect of accounting and that the instructions issued from time to time in this regard have failed to produce the desired effect. As such mis-classifications vitiate sound budgetary control, the Committee desire that necessary remedial measures should be taken to eliminate the default. The Committee take a serious view of this matter and expect that it will not recur in future.</p> <p>The Committee are once again constrained to record their displeasure over the delays in the submission of the Explanatory Notes on excesses over Voted Grants and Charged Appropriations that continue to recur despite their earlier exhortations. Out of 27 Notes relating to the expenditure incurred in excess of amounts authorised by Parliament during 1973-74, only 6 Notes had been received by the stipulated due date, 14 Notes in June and 7 Notes in July, 1975. The Committee, in particular, are unable to condone the unconscionable delays that had occurred in respect of the explanatory notes relating to 'Grant No. 75' of the Ministry of Shipping and Transport and 'Grant No. 53' (Chandigarh) administered by the Ministry of Home Affairs, which were received only</p>

on 18th July and 30th July 1975 respectively. The Committee are dissatisfied with this state of affairs and desire fixation of responsibility for appropriate action. The Committee would not countenance such delays in future.

(As regards the suggestion made by the Ministry of Finance regarding the revised procedure to be adopted for the furnishing of the Explanatory Notes to the Committee, this would be considered separately in due course and the Committee's decision communicated).

5 2.16 & 2.17 Home Affairs

The Committee find that though the overall excess of about Rs. 0.25 crores under 'Grant No. 51—Other Expenditure of the Ministry of Home Affairs', after reappropriation and setting off savings, works out to only about 0.37 per cent of the original grant of Rs. 67.29 crores as a whole, there have been large excesses under individual sub-heads of the Grant which, in the opinion of the Committee, reveal defective estimation of monetary requirements. The excess of Rs. 6.32 crores under the sub-head 'E.4-Pensions to freedom fighters, their dependents, etc.' works out to 63.2 per cent of the original Grant of Rs. 10 crores. Similarly, the excesses of Rs. 4.46 crores and Rs. 4.12 crores under the sub-heads 'H.1(4)(1)(2)-Other Schemes' and 'H.2(2)-Grants for Union Territory Plan Schemes' work out respectively to 99 per cent and 82 per cent of the Original Grants of Rs. 4.38 crores and Rs. 5.01 crores.

It is also significant that the actual excess totalling Rs. 14.90 crores under these three sub-heads of the Grant have been off-set

to the extent of Rs. 14.65 crores by reappropriation and savings under other sub-heads. That the reappropriations and savings account for about 20 per cent of the final grant of Rs. 71.73 crores indicates the extent to which the estimates have been over-pitched in respect of certain items of expenditure. The Committee have been again and again emphasising in the past the need for narrowing the gap between the Budget Estimates and the Actuals and from the instances of defective estimation of monetary requirements that repeatedly come to their notice, the Committee are constrained regretfully to conclude that adequate attention is not being paid to careful and realistic framing of estimates of expenditure and requirements of funds. The Committee would like to impress upon the Ministry of Home Affairs the need to exercise greater caution and realism in framing their estimates in future.

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2.22

Home Affairs

The Committee are concerned to find that the excess expenditure of Rs. 19.57 lakhs incurred under the sub-head 'E. 1 (2) (3)-Miscellaneous' in the Revenue Section of Grant No. 53 relating to the Union Territory of Chandigarh, works out to almost 100 per cent of the final grant of Rs. 20 lakhs. Since the steep rise in the cost of materials and labour, attributed as one of the reasons for the excess expenditure, should logically be reflected in other items of construction expenditure incurred during the year as well, the Committee consider it rather strange that the impact of the escalation in the cost of materials and labour should have been felt only on maintenance works.

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lighting and traffic signals and make necessary budgetary provision therefor.

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2.25

Home Affairs

In respect of the Capital Section of Grant No. 53-'Chandigarh', the excess expenditure of Rs. 30.09 lakhs under the sub-head 'K. 1-Electricity Schemes' under Major Head 101 works out to as high as 250 per cent of the grant of Rs. 12 lakhs, while the excesses under the sub-heads 'H. 1(1)-Land Acquisition and Survey' and 'M(1)(2)-Roads and Bridges' of Major Head 105 work out to over 100 per cent and 33 per cent respectively of the grants of Rs. 20.70 lakhs and Rs. 36.35 lakhs. That such large excesses should occur would indicate that adequate financial control has not been exercised by the Union Territory Administration. The Committee consider that the excesses over voted grants under the above heads are unduly high and perturbing, which calls for a detailed investigation preparatory to suitable remedial measures and stricter budgetary control.

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2.30 & 2.31

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The excesses of Rs. 1.17 crores and Rs. 1.27 crores which occurred under the sub-heads 'D. 1(6)-Suspense' and 'E. 2(2)-Miscellaneous and Unforeseen Charges' of Grant No. 55 relating to Arunachal Pradesh work out respectively to about 48 per cent and 84 per cent of the Grants of Rs. 2.45 crores and Rs. 1.51 crores. One of the reasons for the excess under 'D. 1(6)-Suspense' is stated to be the unexpected adjustment of debits pertaining to earlier years towards the close of the year. Similarly, the excess under 'E. 2(2)-Miscellaneous and

Unforeseen Charges' has been attributed to the unexpected adjustment of debits pertaining to the years 1971-72 and 1972-73. Since the expenditure on air dropping of commodities in Arunachal Pradesh by Indian Air Force Planes is a recurring liability, the Committee feel that it should have been possible to assess more correctly the requisite commitment on this account. In the opinion of the Committee such a situation could well have been avoided by a closer watch and control over recurring liabilities of this nature.

The Committee are also unable to understand why it had not been possible for the Arunachal Pradesh Administration to make necessary provision in respect of liabilities relating to earlier years, at least while framing the Revised Estimates if not earlier. The Committee are surprised to find that no provision had been proposed in the Supplementary Grant. In the circumstances, the Committee have to conclude that the Budget Estimates and Revised Estimates had not been framed judiciously after taking into account the probable requirements and anticipated liabilities by the relevant authorities.

II 2.32

Home Affairs, Finance
(E.A.)

In paragraph 2.28 of their 134th Report (Fifth Lok Sabha), the Committee had, *inter alia*, commented upon the excess expenditure incurred in the Grant relating to Arunachal Pradesh and had impressed upon the Ministry the need to exercise greater care in framing their estimates realistically in future. While the excess over the voted grant was only about 2 per cent of the Final Grant in 1972-73, the Committee are concerned to note a deteriorating trend in 1973-74, when the excess has increased to about 10 per cent. The Committee

view with disfavour such variations between the original Budget Estimates and the Actuals. It would appear that the system of budgeting adopted by the Arunachal Pradesh Administration is far from satisfactory and requires a closer analysis with a view to taking appropriate rectificatory steps. The Committee would watch the improvements effected through future Appropriation Accounts.

12 2.36

Home Affairs

The Committee are distressed to find that adequate attention has not been paid by the Lakshadweep Administration to the provision of funds for meeting liabilities relating to the earlier years. An excess of Rs. 0.84 lakh had occurred in the Revenue Section of Grant No. 57 relating to the Laccadive, Minicoy and Amindivi Islands under the sub-head 'D. 1(2)(1)-Maintenance' on account of adjustment of the cost of High Speed Diesel Oil purchased in 1971-72 and 1972-73. Similarly in the Capital Section of the Grant, the excess of Rs. 2.67 lakhs was mainly due to the adjustment of debits in respect of supplies received during 1971-72 and 1972-73. The non-maintenance of liability register by the Electricity Department of Lakshadweep Administration and its consequent inability to anticipate correctly, at the time of Budget Estimates, the liabilities of preceding years, is even more surprising. The Committee hope there would be a better and stricter control of expenditure by the Administration in future.

13 2.43

Works & Housing

The Committee are once again constrained to record their serious concern and displeasure over the persistent excesses that continue to recur, almost unabated, in the grant relating to Public Works administered by the Ministry of Works and Housing. The excesses recorded in this grant during the preceding five years were Rs. 21.90 lakhs in 1968-69, Rs. 19.58 lakhs in 1969-70, Rs. 482.72 lakhs in 1970-71, Rs. 330.41 lakhs in 1971-72 and Rs. 660.22 lakhs in 1972-73. The excess of Rs. 2.27 crores during 1973-74 in the 'Charged' and 'Voted' sections of the Grant (No. 87) represents about 20 per cent of the aggregate excess expenditure of Rs. 10.86 crores incurred during the year. The Committee are exceedingly disturbed over this trend of excess expenditure on Public Works noticed year after year and are of the view that the situation is highly unsatisfactory which calls for drastic remedial measures to inculcate in the Ministry a greater sense of financial discipline. The Committee would stress that concrete measures should be taken to check the persistent tendency on the part of the Public Works Department to exceed the budgetary provisions without coming up in time with feasible proposals for additional funds.

114

14 2.44

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It is a matter of particular concern to the Committee that despite their comments year after year significant excesses continue to recur under the sub-heads 'A. 2(1)-Buildings' (Rs. 166.79 lakhs in 1973-74), and 'A. 7(1)-Stock-Charges' (Rs. 157.58 lakhs in 1973-74) of the Grant relating to Public Works. Better financial control could and should have been exercised by the authorities concerned. Expressing deep distress over the deterioration in the administration of this grant, the Committee, in paragraph 2.55 of their 134th Report (Fifth Lok Sabha),

had, *inter alia*, desired that the Ministry should examine whether there were any inherent defects in the system in vogue and then devise suitable machinery for a reasonably accurate forecast of requirements of funds. It is disquieting that the action if any, taken by the Ministry on this recommendation of the Committee had not been intimated till the finalisation of this Report. The Committee would reiterate their earlier recommendation and would call on the Ministry of Works and Housing to undertake immediately a detailed examination of the existing arrangements and devise suitable remedial measures.

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2.45

Works & Housing

As regards the excess of Rs. 157.58 lakhs under the sub-head 'A. 7(2)-Other Suspense Accounts' of Grant No. 87-Public Works, the Committee observe that Rs. 102.02 lakhs represent the expenditure incurred in respect of deposit works of non-Government organisations in excess of deposits. Since the rules provide that the expenditure on deposit works should be limited to the amount of deposit received the circumstances in which works were executed in excess of the deposits received and additional amounts of deposits could not be received in time from the organisations concerned are not clear to the Committee. The Committee take a serious view of the non-observance of the rules in this regard, particularly when the deposit works have been executed on behalf of non-Government organisations, and desire that responsibility for the lapse should be fixed for appropriate action.

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16 2.50

Education & Social Welfare (Deptt. of Social Welfare)

An excess expenditure of Rs. 5.38 lakhs had been incurred in the 'Charged' portion of the Capital Section of Grant No. 27 relating to the Department of Social Welfare under the sub-head 'F. (1)(1)-Rehabilitation of habitable families of displaced persons from East Pakistan'. That the additional requirements of funds for meeting the expenses on the rehabilitation of displaced persons from the erstwhile East Pakistan should have been as high as 107.6 per cent of the original sanctioned Appropriation is, in the opinion of the Committee, indicative of a gross under-estimation of monetary requirements. Considering the fact that the liability on this account was by no means unforeseen or unexpected, the Committee are of the view that it should have been possible to assess more realistically the commitments in this regard. The Committee desire that the Department should evolve, in consultation with the Ministry of Finance, suitable mechanisms to ensure a more realistic and accurate forecast of monetary requirements.

17 2.51

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What causes even greater distress to the Committee is the glaring mistake, committed allegedly through oversight of the Department in reappropriating a saving of Rs. 5.38 lakhs available in the 'Voted' portion of the Grant 'No. 27-Department of Social Welfare' to meet the additional requirement in the 'Charged' portion. It is strange that such a situation came to pass in spite of the fact that the need for augmenting the Budget provision of Rs. 5 lakhs had been duly considered by the Department in consultation with the Planning Commission and the Ministry of Finance. This indicates the extent to which financial control was lax. The Committee are inclined to take

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18	2.54 & 2.56	Finance (E.A.), Works & Housing	<p>a serious view of the lapse and desire fixation of responsibility, particularly at the supervisory level, for appropriate action.</p> <p>(i) The Committee are surprised to observe that an expenditure of Rs. 0.41 lakh, incurred in the Capital Section of 'Grant No. 35—Currency, Coinage and Mint', in satisfaction of a Court decree was initially adjusted by the Central Public Works Department as a 'Voted' item of expenditure and later on accounted for as 'Charged' even though expenditure incurred in satisfaction of awards of arbitral tribunals, Court awards or decrees, etc. is correctly debitabale as 'Charged' expenditure, in accordance with the provisions of Article 112(3) of the Constitution and paragraph 3.1.9 of the Central Public Works Accounts Code. The Committee have had occasion earlier to comment on a similar instance of mis-classification, also by the Central Public Works Department, in paragraph 2.65 of their 134th Report (Fifth Lok Sabha). The Committee are concerned that such patent mis-classifications should continue to recur, despite clear provisions in the relevant rules. The Committee cannot countenance such recurrent lapses and desire that positive instructions should be issued by the Ministry of Finance and the Ministry of Works & Housing to eliminate such mis-classifications in future.</p> <p>(ii) Even though the second item of excess expenditure of Rs. 0.91 lakh incurred in the Grant as result of misclassification of a 'Voted' expenditure as 'Charged' does not require regularisation, in terms</p>

of paragraph 7 of the Committee's 16th Report (First Lok Sabha), the Committee are concerned to note that the Central Public Works Department should have classified payments made against two arbitration awards, which are distinctly different from the awards of a court or arbitral tribunal, as a 'Charged' item of expenditure, despite a clear and unambiguous legal advice in this regard. The Committee desire that the instructions issued in this behalf in 1964 should be suitably reiterated and brought to the notice of all concerned so that mistakes of this nature do not recur.

19 2.55 Works and Housing

In connection with the excess of Rs. 1.32 lakhs in the Capital Section of Grant No. 35—'Currency, Coinage & Mint', the Committee would like the Ministry of Works & Housing to examine the lapse relating to mis-classification as 'Charged' (instead of 'Voted') of payments made by the C.P.W.D. against two arbitration awards, one for Rs. 1,012 and the other for Rs. 89,733.42, with a view to seeing whether the supervision exercised over the accounting of expenditure was in fact adequate and for fixing responsibility for necessary action. The Committee would await a further report in this regard.

20 2.60 Defence, Finance (E.A.)

The Committee note that an excess of Rs. 1.16 crores had occurred under the sub-head 'A. 1-Army' of 'Grant No. 23-Defence Services-Pensions'. The Committee are not convinced by the plea offered by the Ministry of Defence that on account of a number of uncertain factors, it is not possible to make a precise estimate of the magnitude of the non-effective charges. Even assuming that some pensioners might or might not draw their pensions during the month of March, the Committee are doubtful whether this by itself could

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account for the large excess. The Committee, therefore, view with seriousness the excess expenditure on what should be a comparatively easily ascertainable account and desire that the Ministry of Defence, in consultation with the Ministry of Finance, should evolve a system of expeditiously reporting the debits to the concerned authorities so that proper revised estimates could be framed in time and excesses avoided.

21 2.64 Communications (P. & T. Board)

The Committee are concerned to note that the actual expenditure of Rs. 26.18 crores under the 'Stores Suspense Account' of 'Grant No. 18-Capital Outlay on Posts & Telegraphs' exceeded the sanctioned grant of Rs. 6.64 crores by as much as 294 per cent. Out of the excess expenditure of Rs. 19.54 crores under this head of account, Rs. 5.16 crores represent the payments made to the Director General of Supplies and Disposals for supply of indigenous material made in 1972-73. The Committee are unable to understand why the undischarged liabilities relating to 1972-73 could not have been foreseen and provided for during 1973-74. That this was not done indicates that adequate attention is not being paid by the indenting authorities to the planned procurement of and payment for materials. The Committee would, therefore, like the Ministry to examine whether there are any inherent defects in the existing systems and to take suitable remedial measures for ensuring that adequate provision is made in the Budget Estimates itself for meeting past liabilities.

22 2.65 -do-

In respect of the excess in the voted Grant No. 18—Capital outlay on Posts & Telegraphs, the Committee would like to know why the payment of Rs. 10.53 crores for imported cables under the CIDA loan, copper weld wire, switch board cables and lamps and for payment of customs duty could not be anticipated and provided for.

23 2.66 Finance (E.A.)

Subject to their observations contained in the preceding paragraphs of this (180th) Report, the Committee recommend that the excess (for the year 1973-74) referred to in paragraph 2.1 of the Report be regularised in the manner prescribed in Article 115 of the Constitution of India.
