

**PUBLIC ACCOUNTS COMMITTEE  
(1975-76)**

(FIFTH LOK SABHA)

**TWO HUNDRED AND EIGHTEENTH REPORT**

**ILLEGAL IMPORT OF GOLD**

**DEPARTMENT OF REVENUE & INSURANCE**

[Paragraph 11 of the Report of the Comptroller  
& Auditor General of India for the year 1973-74,  
Union Government (Civil), Revenue Receipts,  
Volume I, Indirect Taxes relating to Customs]



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1976/Vaisakha, 1898 (S)*

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CORRIGENDA TO THE 220TH REPORT OF THE  
PUBLIC ACCOUNTS COMMITTEE PRESENTED TO  
LOK SABHA ON 28TH APRIL 1976.

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Minutes of the sitting of the Public Accounts Committee held on the 21st April, 1976 (AN).

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\*Not printed (one cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library).

## PUBLIC ACCOUNTS COMMITTEE

( 1975-76 )

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Shri H. N. Mukerjee

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- \*20. Shri T. K. Srinivasan
- \*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*

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\*Ceased to be Member of the Committee consequent to retirement from Ravi Saha  
w.e.f. 2-4-1976.

## INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Two Hundred and Twentieth Report on Delays in Furnishing Action Taken Notes by Government on the recommendations made by the Public Accounts Committee in their earlier Reports.

2. The Public Accounts Committee (1975-76) considered and finalised this Report at their sitting held on the 21st April, 1976. Minutes of the sitting form Part II\* of the Report.

3. For facility of reference the conclusions/recommendations of the Committee have been printed in thick type in the body of the Report. For the sake of convenience, the conclusions/recommendations of the Committee have also been appended to the Report in a consolidated form.

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

NEW DELHI;  
April 23, 1976.  
Vaisakha 3, 1898 (S)

H. N. MUKERJEE,  
Chairman,  
Public Accounts Committee.

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\*Not printed (one cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library).

## REPORT

### DELAYS IN FURNISHING ACTION TAKEN NOTES

1.1. The need for expeditious submission of Notes indicating the action taken by Government on the observations/recommendations of the Committee has been repeatedly emphasised by successive Public Accounts Committees in the past and it is disconcerting that there has been no perceptible improvement in the position, which continues to remain unsatisfactory.

1.2. Till April, 1963, Action Taken Notes/statements were required to be furnished to the Committee within *one month* of the presentation of the Committee's Report to the House. The Public Accounts Committee (1962-63), however, found that this time limit was not being observed by most of the Ministries and that in some cases the delay in the submission of the Notes exceeded even two years. While conceding that it might not be possible for the Ministries to adhere strictly in all cases to this time schedule, the Committee were positive that 'there was hardly any justification for inordinate delay. It was further observed '*inter alia*':

"As pointed out in their earlier Reports, this not only dislocates the programme of business of the Committee, but by such delays in taking action the criticisms and suggestions made by the Committee in respect of some of the important procedural and financial matters also lose much of their force. They feel that the long time taken in the submission of these notes could be largely reduced if the Ministries concerned initiate action on the recommendations of the Committee, as soon as the Report is presented to the House."

Seeking to be fair, the Committee had also then agreed to extend the time limit for the submission of Action Taken Notes/statements to three months from the date of presentation of their reports to the House and had expressed the hope that the Ministries would take steps to adhere strictly to this time limit.<sup>1</sup>

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<sup>1</sup>Public Accounts Committee (1962-63), 12th Report (3rd LS), April 1963, p. 1.

1.3. In spite of this revised time schedule, there was not much improvement in the position, as can be seen from the following observations of the Sub-Committee, appointed on 22 January 1966 by the Public Accounts Committee (1965-66), to review the action taken by Government on the recommendations made by the Committee from time to time:

“The Sub-Committee feel perturbed to note that despite this extension of time there has not been much improvement in the position regarding submission of notes to them as will be apparent from Appendix II to this Report. There are several instances where the submission of these notes has been outstanding since 1962-63 onwards. As such inordinate delays detract from the importance of the recommendations of the Committee and sometimes the purpose of the recommendations is lost due to such delays, the Sub-Committee would desire the Ministries/Departments concerned to examine the reasons for such delays and take remedial measures in this regard.”<sup>2</sup>

1.4. Reverting to this subject again, the Public Accounts Committee (1967-68) were constrained to observe that “in spite of their repeated recommendations and requests” to the Ministries that replies should be furnished within three months, “the majority” of the Ministries/Departments had not adhered to this schedule. Observing that delay in initiating action on their recommendations “detracts from the value of their recommendations and suggestions”, the Committee had called for immediate remedial measures.<sup>3</sup>

1.5. The Committee’s desire to be helpful was seen in the decision further to extend the time limit for submission of the Action Taken Notes/statements to *six months* from the date of presentation of the report to the House. In this connection the Committee observed:

“The relaxation in the time limit for submission of replies should not be interpreted as implying that the Committee do not attach importance to prompt action being initiated on their recommendations. What the Committee envisage is that the Government should draw up

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<sup>2</sup>Public Accounts Committee (1965-66), 52nd Report (3rd LS), April, 1966, paragraphs 1, 2, p. 2.

<sup>3</sup>Public Accounts Committee (1967-68), 5th Report (4th LS), August 1967, paragraphs 1, 8, and 10, p. 2.



a well thought-out plan for processing the recommendations of the Committee as soon as a Report is presented to the House. The Committee consider that it should be reasonably possible for Government to draft the replies on these recommendations/observations within four months of their receipt and that these should be got vetted by Audit in the next two months so that final replies, duly vetted by Audit, could be sent to the Committee not later than six months of the date of presentation of the Report. With a view to ensuring that this time schedule is adhered to scrupulously, the Committee would suggest to Government that the Finance Secretary (Expenditure) should be made responsible for securing compliance, as a coordinating officer, and he could get the Financial Advisers attached to the different Ministries to watch that a final reply is furnished to the Lok Sabha Secretariat in respect of recommendations concerning the relevant administrative Ministry.”<sup>1</sup>

1.6. Even after this revised schedule had been agreed to delays in the submission of Action Taken Notes continued to occur. Dealing with this question, the Public Accounts Committee (1972-73) observed:

“All the Action Taken Notes in respect of the recommendations contained in the 29th Report (Fifth Lok Sabha) of the Committee were expected to be received by 21st June 1972. However, the notes in respect of Sl. Nos. 6, 7 and 13 could be received only by the second week of July 1972, after some persuasion by the Committee with the result that the finalisation of this Report was delayed. The Committee regret such delays and wish that the Ministries/Departments should ensure hereafter on their own initiative that the Action Taken Notes on the recommendations of the Committee are invariably furnished to them within the stipulated time-limit of six months.”<sup>2</sup>

1.7. Commenting on the persistent delays in the submission of Action Taken Notes on the Committee's recommendations, the Public Accounts Committee (1973-74) reiterated their earlier observations

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<sup>1</sup> *ibid*, paragraphs 1-10 and 1-11, pp. 2-3.

<sup>2</sup> Public Accounts Committee (1972-73), 49th Report (5th LS), August 1972, paragraph 3, p. 51.

and stated:

"The Committee had in paragraph 3.3 of their 49th Report (Fifth Lok Sabha) commented on the delays in the receipt of Action Taken Notes and stressed that the Notes should invariably be furnished to them within the stipulated time limit of six months. Despite the fact that in December 1972, the Ministry of Finance have brought these observations to the notice of all Ministries/Departments for strict compliance, delays continue to occur. 23 out of 43 Action Taken Notes in respect of recommendations contained in the 49th Report were received after the due date viz. 28th February, 1973. The delay was more than 3 months in 9 cases and 3 Notes were received only in August 1973, with the result that the finalisation of this Report was delayed. The Committee take a serious view of the position and desire that immediate steps should be taken to investigate the delays and to streamline the procedures so as to ensure submission of Action Taken Notes within the time-limit prescribed."

Again, in March 1974, the Committee drew attention to the delay in initiating action on their recommendations and observed:

"The Committee's Report suggesting, *inter alia*, constitution of an Expert Committee immediately to suggest ways and means of achieving a more accurate and scientific forecasting of customs revenues was presented in April 1973. Such an Expert Committee has, however, been constituted on the 7th January, 1974 and its report is awaited only in July 1974. Thus it is not possible at this stage to examine its suggestions and the action taken on the basis thereof. The Committee regret to have to remain content with the observation that the Expert Committee should promptly report to Government within the stipulated period and that action should be taken to achieve the objectives set out by them without delay. They would await a report in this regard within six months.

The Committee had also desired that the Parliament should be apprised of unforeseen variations in the estimates occurring in the course of the year as well as the reasons therefor. This is still stated to be under examination. As quite some time has elapsed since the presentation of

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\* Public Accounts Committee (1973-74), 96th Report (5th LS), September 1973, paragraph 3.3, pp. 42-43.

the Report, Government could have at least intimated whether they accept the suggestion in principle although the methodology of giving effect to it may take some more time. The decision in this regard should be intimated to the Committee forthwith. Apparently the suggestions of the Committee do not receive prompt attention of Government which cannot but be deprecated.”<sup>7</sup>

1.8. Referring to the earlier observations of the Public Accounts Committee (1973-74) cited in the preceding paragraph, the Public Accounts Committee (1974-75) again went on record as follows:

“The Committee, in paragraph 3.3 of their 96th Report (Fifth Lok Sabha), had taken a serious view of the delays in the receipt of Action Taken Notes and had desired that immediate steps should be taken to investigate the delays and to streamline the procedures so as to ensure submission of the Action Taken Notes within the time-limit prescribed. The Committee note that in pursuance of their recommendation, Ministries/Departments have been requested, in February 1974, to investigate delays in the submission of Action Taken Notes. The Committee would like to be informed of the results of the investigation and the measures taken to avoid delays in future.

The Committee are deeply distressed to find that despite the fact that instructions were issued by the Ministry of Finance to all Ministries/Departments in February 1974 to ensure submission of the Action Taken Notes within the stipulated time-limit of six months and despite the comments of the Committee in their earlier reports on the delays in receipt of Action Taken Notes, delays continued to occur this year also. 12 out of 21 Action Taken Notes in respect of recommendations contained in their 96th Report were received after the due date, viz., 4th March, 1974. The delay was of the order of a month in 8 cases. The Notes relating to the Ministry of Health and Family Planning were received only towards the end of June 1974, after a delay of more than 3½ months and the Notes from the Ministry of Works and Housing were received only in August 1974, nearly six months later. The Committee take a very serious view of such delays, particularly of that which has taken place in the Ministry of Works and Housing and feel that adequate attention

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<sup>7</sup> Public Accounts Committee (1973-74), 114th Report (5th LS), March 1974, paragraph 11, p. 4.

is not being paid by the Ministries/Departments to the processing of recommendations of the Committee. The Committee would like Government to investigate immediately the reasons for these delays also, and to take such disciplinary or other action as may be called for and informed the Committee."<sup>8</sup>

1.9. Since the Committee in successive years had expressed their concern and dissatisfaction over the delays in the submission of Action Taken Notes on the Committee's recommendations, the Public Accounts Committee (1975-76) have considered it necessary to conduct a review in this regard. The findings of this review, which relates to the action taken by Government on the recommendations/observations of their predecessor Committee (1974-75), are discussed in the succeeding paragraphs of this Report.

1.10. The Public Accounts Committee (1974-75) had presented 24 Original Reports to the House, which are indicated in Appendix I. According to the time-schedule so far accepted, Action Taken Notes on these Reports were due within six months of their presentation to the House. In view, however, of the desirability of quicker scrutiny and results, the Public Accounts Committee (1975-76) requested Government that the time limit for the furnishing of Action Taken Notes should be reduced and not more than 3 to 5 months should be enough for the purpose. In actual practice, however, most of the Ministries/Departments took at least 6 months to furnish the Action Taken Notes, and some, such as the Departments of Revenue & Insurance, Rehabilitation, Ministries of Shipping & Transport and Railways, took as long as 10 months to furnish some, not all, of them. Some of the Action Taken Notes on the recommendations/observations contained in the Committee's 134th Report had not been received even after the lapse of nearly 15 months.

1.11. A number of Action Taken Notes were received from Ministries/Departments much after the prescribed due dates. While in some cases, the concerned Ministries/Departments approached the Committee for extension of time limit for the submission of the Action Taken Notes, in quite a few cases, the Ministries/Departments had not even considered it fit to explain the reasons for the delay in the submission of the Action Taken Notes. For instance, in respect of the recommendations/observations contained in the Committee's 137th Report on 'Purchase of Blankets', Action Taken

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<sup>8</sup>Public Accounts Committee (1974-75), 134th Report (5th Lok Sabha), August 1974, paragraphs 3.13 and 3.14, pp. 61-62

Notes on as many as 16 out of the 26 recommendations/observations were received by the Committee only after the due date had expired. Similarly, in the case of the 155th Report on 'Sugar Rebate Scheme', Action Taken Notes on as many as 56 out of the 62 recommendations/observations contained in the Report reached the Committee after the expiry of the due date. 37 out of the 49 recommendations/observations contained in the 148th Report on Railways were replied to by the Ministry of Railways only after the due date. Such instances are many and their cataloguing would be a tiresome process.

1.12. At the other end of the spectrum are instances where Action Taken Notes on some of the recommendations/observations have not been received even after the lapse of nearly a year. The following table indicates such instances:

Report No.	Subject	No. of recommendations/observations	No. of cases in which AT Notes were awaited
173	Directorate of Advertising & Visual Publicity	32	32
149	Bangla Desh Refugees	50	27
170	Crash Scheme for Rural Employment	39	10
166	Ban on Trade with Portugal & BOAC Gold Smuggling Case	21	5
144	Department of Supply	36	3
167	Foreign Participation or Collaboration in Research Projects in India	93	3
135	Customs Receipts	31	1

1.13. Even though the Ministry of Information & Broadcasting was requested, on 17 May 1975, to make available the relevant Action Taken Notes on the recommendations/observations contained in the 173rd Report (Fifth Lok Sabha) by 16 August, 1975, no communication even came from the Ministry till 26 August 1975 explaining the delay. The Secretary of the Ministry was, therefore, addressed, on 26 August 1975, and requested to ensure compliance with the obligation to furnish the Action Taken Notes. In reply to this communication, the Joint Secretary in the Ministry, *inter alia*, inform-

ed the Committee on 12 September 1975:

“Delay in the matter is regretted. Your demi-official letter of 17th May 1975 had unfortunately been misplaced and it is only on receipt of your present communication that we have, come to know that the ‘Action Taken Notes’ were to be submitted by the 16th August 1975.

*I am now personally looking into the matter with a view to getting the reply expedited and ensuring that the ‘Action Taken Notes’ are sent to you shortly.”*

1.14. Despite this assurance and even after the lapse of more than two months, nothing further was heard in the matter from the Ministry. The attention of the Secretary was, therefore, again drawn, on 14 November 1975, to the delay in the receipt of the Notes, with a further request that the Notes might be furnished immediately. Since nothing happened, a reminder was issued to the Secretary again on 2 February 1976. There has been no response to either of the communications.

1.15. Commenting on the ‘unconscionable delay’ in reporting the action taken on the recommendations/observations contained in the 134th Report (Fifth Lok Sabha) of the Public Accounts Committee (1974-75), the Committee had observed:

“The Committee are constrained to record their unhappiness at the unconscionable delay on the part of Government in initiating and reporting action taken on their recommendations/observations. In spite of the Committee’s repeated exhortations and also the plethora of instructions and circulars issued periodically by the Ministry of Finance and other agencies, there seems to be no perceptible improvement in the situation. Except in extraordinary circumstances, all necessary action requires to be completed and a final report furnished to the Committee within the prescribed period of six months, which should normally be considered an adequate allowance of time. The Committee regret a marked deterioration in this regard, with replies still awaited even after a protracted period, as in the case of this report which was presented as far back as in November 1974. Unless the Committee are informed of the final action taken by Government on their recommendations, they would be handicapped in effectively discharging the responsibilities cast on them by Parliament, and the exercise of Parliamentary control

over executive actions would, to that extent, be abridged: The Committee take a serious view of such delay and desire that positive steps are taken to ensure that the final Action Taken Notes on the Committee's recommendations are invariably furnished to them within the stipulated time-limit of six months."<sup>9</sup>

1.16. Again, with reference to the non-receipt of any reply, in one case, even after the lapse of 15 months, the Committee had noted:

"The Committee take a very serious view of the non-receipt of any reply, even after the lapse of nearly fifteen months, from the Ministry of Works and Housing to their observations contained in paragraph 3.3 of the 134th Report (Fifth Lok Sabha). The Committee expect Ministries and Departments of Government to intimate, on their own, the action taken or proposed to be taken on their recommendations promptly and in any case not later than six months from the date of presentation of their Report. If, in exceptional cases, which should be few and far between, Ministries experience difficulty in finalising action on the Committee's recommendations, such difficulties should also be promptly brought to the notice of the Committee. The Committee consider the delay that has occurred in the present case egregious and unwarranted, and would like the reasons therefor to be investigated with a view to taking appropriate action."<sup>10</sup>

1.17. The Committee had further observed as follows:

"In paragraph 3.14 of their 134th Report (Fifth Lok Sabha), the Committee had drawn pointed attention to the delay of nearly six months which had occurred in the Ministry of Works and Housing in furnishing the Action Taken Notes on the recommendations/observations relevant to that Ministry contained in the 96th Report (Fifth Lok Sabha) and had recommended immediate investigation of the reasons for the delay and appropriate disciplinary or other action as may be called for. Even though nearly 15 months have elapsed since the presentation of the

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<sup>9</sup> Public Accounts Committee (1975-76), 201st Report (5th LS), March 1976, paragraph 1.14, p. 2.

<sup>10</sup> *ibid*, paragraph 1.17, p. 14.

Report, the Committee are yet to be informed of the action taken by the Works and Housing Ministry in this regard. In paragraph 1.17 of this Report, the Committee have drawn attention to a similar lapse by the same Ministry. The Action Taken Notes in respect of the other recommendations|observations contained in the 134th Report had also been furnished by the Ministry only on 25th August 1975, after a delay of more than three months. The Committee deplore this unhealthy practice and would like to be informed within a month of the reasons, at least, for the Ministry's inexplicable silence.

The position in regard to other Ministries|Departments is also far from satisfactory. Despite repeated adverse comments by the Committee in the past, only 8 Action Taken Notes had been received by the due date, 15th May, 1975. While the delay was of the order of a month in 7 cases, as many as 17 Notes were received only in August, 1975, after the lapse of more than three months. 3 Notes from the Ministry of Home Affairs, one Note from the Ministry of Information & Broadcasting and another from the Ministry of Shipping & Transport were received only in September, 1975 and a Note had been received from the Ministry of Shipping & Transport as late as 4th October, 1975. The Committee also had to enter into considerable correspondence with the Ministries and Departments in this regard. To put it very mildly, this is a thoroughly unsatisfactory state of affairs. The Committee have come to the inescapable conclusion that unless some drastic steps are taken, the malady is bound to continue. The Committee, therefore, would urge the Ministry of Finance to critically review the existing procedures and evolve a fool-proof arrangement by which this deterioration in the position can be checked and it can be ensured that the recommendations of the Committee receive prompt attention and the time-schedule for the furnishing of Action Taken Notes to the Committee is scrupulously observed."<sup>11</sup>

1.18. Dealing with the action taken by Government on the Committee's recommendations|observations contained in their earlier 167th Report (Fifth Lok Sabha) on 'Foreign Participation or Collabo-

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<sup>11</sup> *ibid*, paragraphs 1.28 and 1.29, p. 23.



ration in Research Projects in India', the Committee sought to lay down a principled basis on this subject and observed:—

“The Committee are unhappy at the delay in intimating the final action taken by Government on some of their observations|recommendations contained in the 167th Report (Fifth Lok Sabha). The Committee's anxiety in this regard, deriving from the special significance and urgency of the subject, does not appear to have been shared by Government. This is evident from the fact that the final Action Taken Notes on the Committee's observations|re-commendations contained in paragraphs 7.1.73, 7.1.75 and 7.1.76 of the 167th Report are yet to be furnished even after the lapse of nearly nine months and despite a specific request of the Committee that these Notes be furnished to them by 16 August, 1975. Even in the normal course, in accordance with the time schedule prescribed in this regard by the Committee in their 5th Report (Fourth Lok Sabha), these Notes were due at the latest by 30 October, 1975. It is a matter for concern that Government have not been able to adhere even to this routine schedule. The Committee emphasise the crucial importance of quick decisions on such essential matters as had been raised in their Report, and would urge Government to act accordingly.”<sup>12</sup>

1.19. Commenting on the failure of the Department of Supply to indicate the action taken on some of the recommendations|observations contained in the 144th Report (Fifth Lok Sabha), the Committee again stated:

“The Committee take a serious view of the failure of the Department of Supply to indicate the action taken or proposed to be taken on their recommendations|observations contained in paragraphs 2.59, 2.60 and 2.62 of the Report. Apart from just intimating, in August, 1975, that comments on these paragraphs would be 'sent shortly', the Department have chosen neither to advise the Committee of their promised 'comments' nor to adduce reasons for the non-submission of the Action Taken Notes. In the Committee's view, this is an entirely impermissible proceeding. The long outstanding replies, therefore, should

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<sup>12</sup> Public Accounts Committee (1975-76), 200th Report (5th LS), March, 1976, paragraph 1.1.7, p. 3.

be furnished forthwith. The reasons for this extraordinary lapse should also be investigated and responsibility fixed under advice to the Committee."<sup>13</sup>

1.20. As regards the non-receipt of the Action Taken Note on one of the recommendations|observations contained in the 135th Report (Fifth Lok Sabha), the Committee observed:

"It is distressing that in spite of repeated exhortations, Ministries are still remiss in informing the Committee of the action taken or proposed to be taken on their recommendations within the prescribed period of six months. In the present case referred to above, the Committee are yet to be told of the action taken on the recommendation contained in paragraph 1.55 of the 135th Report, though nearly ten months have elapsed since the presentation of the Report, and the attention of the Ministry of Shipping and Transport had also been specifically drawn to the Committee's recommendation by the Department of Revenue & Insurance as early as July, 1975. This is not the first occasion when there has been a default by the Ministry in this regard. It would, therefore, appear that adequate attention is not being paid by the Ministry to the processing of the Committee's recommendations. The Committee take a serious view of this default and desire that the reasons therefor should be gone into and appropriate action taken. The current modalities for the processing of the Committee's recommendations should be reviewed and suitable remedial measures adopted. The action taken by the Ministry in the present case particularly should be intimated to the Committee forthwith."<sup>14</sup>

1.21. Referring to the delay on the part of the Department of Rehabilitation in intimating the action taken on the Committee's recommendations|observations contained in the 149th Report (Fifth Lok Sabha), the Committee stated:

"The Committee take a serious view of the non-receipt, even after the lapse of nearly a year since the presentation of their Report, of Action Taken Notes on as many as 27 out of the 50 recommendations|observations contained in the 149th Report (Fifth Lok Sabha). That this should be so

<sup>13</sup> Public Accounts Committee (1975-76), 202nd Report (5th LS), March 1976, paragraph 1.4, p. 2.

<sup>14</sup> Public Accounts Committee (1975-76), 203rd Report (5th LS), March 1976, paragraph 1.3, p. 1.

despite a specific request made by the Committee that all the notes may be furnished to them latest by 16th August, 1975 is indeed regrettable. Even in the normal course, in accordance with the time scheduled prescribed in this regard in the Committee's 5th Report (Fourth Lok Sabha), these notes were due at the latest by 22nd October, 1975, and it is disturbing that even this routine schedule has not been substantially—let alone fully—adhered to by the Department of Rehabilitation. The Committee, thus, are unable to assess meaningfully the action taken or not taken by Government on their recommendations/observations. Parliamentary usage and propriety require that such recommendations receive prompt attention and the Committee would like the Cabinet Secretariat to issue instructions to all Ministries/Departments to ensure that Action Taken Notes are supplied, save in extraordinary circumstances, within the prescribed time-limit."<sup>15</sup>

1.22. Even where Action Taken Notes on the Committee's recommendations/observations have been furnished by the concerned Ministries/Departments, the Committee have found that the replies were only interim in nature and final action was still to be initiated on their recommendations in a purposeful manner. The following table indicates instances where only interim replies had been received from the Ministries/Departments on some of the recommendations/observations contained in the Reports of the Public Accounts Committee (1974-75):

Report No.	Subject	No. of recommendations/observations	No. of interim replies received
134	Excesses over Voted Grants and Charged Appropriations	38	7
135	Customs Receipts	31	5
136	Import of Hop Plants	11	2
137	Purchase of Blankets	26	7

<sup>15</sup> Public Accounts Committee (1975-76), 213th Report (5th LS), paragraph 1-8.

Report No.	Subject	No. of recommendations/observations	No. of interim replies received
144	Department of Supply	36	13
145	Posts & Telegraphs	68	8
146	Defence Services	32	5
148	Railways	49	8*
149	Bangla Desh Refugees	50	10
152	Sub-standard Pesticides	18	2
159	Purchase of Milo from abroad	21	3
160	Indian Agents' Commission	17	1
168	Directorate of Estate	27	3
171	New Railway Lines	4	1
172	Remissions and Abandonment of Customs Revenue	20	2
175	Calcutta Port Trust	31	9
176	National & Grindlays Bank	25	9

\*Action Taken Notes in respect of only 23 recommendations/observations contained in the Report had been received at the time of finalisation of this Report.

1.23. Commenting on this tendency on the part of the Ministries to furnish only interim replies to the Committee's recommendations, observations, the Public Accounts Committee (1973-74) had observed:

"The Committee very much regret to have to record that they have found that in a number of cases the Ministry remain content with furnishing interim replies and take no steps to see that final replies are sent within a reasonable period of time. Usually further follow-up takes place only when the Committee again remind. The position can only be described as highly unsatisfactory. The Committee desire that not only should action be initiated on their recommendations|observations immediately on receipt of the Report but it should be the endeavour of the Ministry to see that all action is completed and report sent to them, within six months. Only in exceptional cases should it be necessary to give interim replies and in all such cases, the Ministry should actively pursue the matter and inform the Com-

mittee, on their own, of the final position at the earliest opportunity. Until and unless the Committee get a final picture in regard to all their recommendations/observations, they will experience considerable difficulty in final finalising their Action Taken Reports, in an effective manner. The Committee stress that the Ministry must streamline their procedures and direct their lower formations to adhere in future scrupulously to the time limit prescribed by the Committee for furnishing of Action Taken Notes."<sup>16</sup>

1.24. Reviewing the implementation by Government of the recommendations relating to Customs Receipts made by the Public Accounts Committee during 1962—72, the Public Accounts Committee (1972-73) had gone on record as follows:

"The Committee's review in respect of a limited field has, to their mind, been fully worth the additional effort and time they have had to spend. Review has brought out clearly that Government has not been attaching to the Committee's recommendations the importance they deserve. The Committee regret this because the ignoring of them has led to continued inefficiency. The public interest has not been served."<sup>17</sup>

1.25. In this regard, the Public Accounts Committee (1973-74) had again observed:

"As regards the Committee's observations on the response from Government to their recommendations, it has been intimated that Government have been attaching great importance to the recommendations which will continue to receive serious and urgent consideration. However, the fact remains that there have been avoidable delays in implementing the recommendations evidence of which is available in this Report. The Committee would, therefore, like to reiterate that their recommendations should be acted upon in letter and spirit promptly so as to have the desired effect."<sup>18</sup>

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<sup>16</sup>Public Accounts Committee (1973-74), 115th Report (5th LS), March 1974, paragraph 1.23, p.

<sup>17</sup>Public Accounts Committee (1972-73), 89th Report (5th LS), April 1973, paragraph 6.2, p. 28.

<sup>18</sup>Public Accounts Committee (1973-74), 114th Report (5th LS), March 1974, Paragraph 1.21, pp.8-9.

1.26. Reiterating the observations contained in the 115th Report (Fifth Lok Sabha), the Public Accounts Committee (1974-75) had observed:

"In their 96th Report (Fifth Lok Sabha) on Excesses over Voted Grants and Charged Appropriations, the Committee had highlighted a number of instances of oversight, abnormal excesses over Voted Grants, laxity in financial control and misclassification of expenditure and had suggested investigation with a view to fixing responsibility. After a lapse of six months in respect of the Ministry of Home Affairs, nearly eight months in respect of the Ministry of Shipping and Transport and more than eleven months in the case of the Ministry of Works and Housing, the Committee have informed by the concerned Ministries that the matters are under investigation or under correspondence. The Committee are distressed to find that even after the lapse of a considerable time Government are unable to inform the Committee of the final action taken on their recommendations. The Committee expect its observations asking for investigation of fixing of responsibility to be processed promptly and in any case within the time-limit of six months. Delay of any significant magnitude detracts from the effectiveness of whatever disciplinary or exhortatory action that is subsequently taken. Apart from this, unless such recommendations are finalised promptly and the Committee informed of the final action taken, the Committee would not be in a position to satisfy themselves of the adequacy of the action taken by the Government on their recommendations. In this connection, the Committee would also like to draw the attention of Government to the recommendations contained in paragraphs 1.23 and 1.24 of their 115th Report (Fifth Lok Sabha)."<sup>19</sup>

1.27. In more recent times also, the Committee have had occasion to comment on the lack of finality in initiating action on their recommendations. For instance, the Public Accounts Committee (1975-76) stated:

"The Committee regret that it has not yet been possible for the Ministry of Shipping and Transport, even after the lapse of more than two years, to inform the Committee of the results of the investigation into the unusually large excess expenditure of Rs. 92.53 lakhs incurred over the Voted

<sup>19</sup> Public Accounts Committee (1974-75), 134th Report (5th LS) August 1974, paragraph 3.10, p.59

Grant on the maintenance of National Highways in Assam during 1971-72. In view of the fact that the basic records relevant to the investigation are stated to have been seized by the CBI in connection with an enquiry, the Committee apprehend the possibility of wasteful expenditure having been incurred through corrupt practices. The Committee would urge Government to complete these investigations expeditiously and take such action as is necessary in regard to the present case as well as for the future so that such situations do not recur."<sup>20</sup>

1.28. With reference to the action taken by the Department of Supply on the 144th Report (Fifth Lok Sabha) of the Public Accounts Committee (1974-75), the Committee observed:

"Even where Action Taken Notes on the Committee's recommendations have been furnished, though only after the stipulated due date in many cases, the Committee find that final action on their recommendations is still to be initiated in a purposeful manner. In respect of as many as 13 out of the 36 recommendations, observations contained in the Report, only interim replies have been furnished and consequently the Committee have been unable to satisfy themselves of the adequacy of the action taken on their recommendations. Often the Department have remained content with stating that the points raised by the Committee were 'under examination'. This is a thoroughly unsatisfactory state of affairs. The Committee call for a principled and purposeful approach to their recommendations and would urge Government to ensure that they are processed with a greater sense of earnestness and urgency."<sup>21</sup>

1.29. Focussing attention on the tardy manner in which the recommendations of the Committee had been implemented, the Public Accounts Committee (1975-76) were constrained to observe as follows:

"In respect of all these matters the Public Accounts Committee have been making recommendations repeatedly and the Government have been giving assurances. However, as can be seen from the following chapters, the assurances

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<sup>20</sup> Public Accounts Committee (1975-76), 201st Report (5th LS), March 1976, paragraph 1.18, p.14

<sup>21</sup> Public Accounts Committee (1975-76), 202nd Report (5th LS), March 1976, paragraph 1.5, p.2.

have, largely, remained unfulfilled. In a number of cases (of paragraphs 3.14, 4.7, 4.11, 5.13, 5.20, 6.13, 7.5, 7.13, 7.14, 9.17, 11.11, 11.14, 11.20 and 11.25 of this Report), there has been no finality as yet in respect of the action taken by Government on some of the important recommendations of the Committee, despite considerable time having elapsed. Unless the Government devise an adequate machinery to see that the recommendations of the Committee receive adequate and prompt attention and the assurances held out to the Committee are translated into positive action not only at the higher level in the Ministry of Finance and the Central Board of Direct Taxes but also by all those engaged, in some capacity or the other, in administering the Income-tax law and procedures the labours of the Committee over the past so many years shall have been in vain.””

1.30. The Committee have also come across instances where Ministries|Departments merely remain content with stating that the Committee's recommendations|observations have been 'Noted'. Another common reaction of the Ministries|Departments is that they have 'No comments' on the recommendations|observations. As early as August 1967, the Public Accounts Committee (1967-68) had drawn attention to this practice and had commented:

“In respect of a number of recommendations, which have been included in Appendix IV, the Committee observe that the Ministries have replied as 'noted'. It is not clear from such replies as to what specific action Government have taken or intend to take to give effect to the Committee's recommendations in letter and spirit. The Committee desire that Government's replies should be explicit and self-contained. In particular, where remedial measures are called for, the details of action taken should be specifically spelt out.”<sup>28</sup>

1.31. In this connection, the Public Accounts Committee (1974-75) had observed:

“The Committee had not expected the Ministry merely to rest content with taking note of the observations of the

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<sup>28</sup> Public Accounts Committee (1975-76), 186th Report (5th LS), December 1975, paragraph 2.4, p.5.

<sup>29</sup> Public Accounts Committee (1967-68), 5th Report (4th LS), August 1967, paragraph 1.15, pp.3-4.



Committee. The Committee had looked forward to being apprised of the specific steps taken or proposed to be taken by the Government to ensure that the Small Income Scheme was not exploited by unscrupulous high income assesseees masquerading as small income assesseees and that the genuine small income assesseees were not subjected to harassment by being asked to appear before the Income-tax authorities. The Committee would await a further report in this regard."<sup>24</sup>

1.32. Noting persistent recurrence of this tendency, the Committee (1975-76) observed:

"The Committee are surprised to observe that in their Action Taken Notes relating to the observations contained in paragraphs 1.46 to 1.48 of the 160th Report (Fifth Lok Sabha), the Department of Supply should have merely chosen to say that the observations have been 'noted'. In paragraph 1.47 of the Report, the Committee had drawn specific attention to the non-observance of the provisions of the standard Conditions of Contract relating to the disclosure of the agency commission payable by the foreign supplies to an Indian agent, Voltas Ltd., New Delhi, while in paragraph 1.48, the Committee drew attention to five cases in which commission had not been disclosed and had, *inter alia*, observed that they were not aware whether in respect of other contracts executed by the India Supply Mission, Washington, the commission had been invariably disclosed at the outset itself or only upon enquiries by the Mission. The replies of the Department, unfortunately, do not indicate what action, if any, Government have taken or intend to take in regard to the observations of the Committee. The reply in respect of paragraph 1.48 is also silent in regard to the position relating to the other contracts executed by the Supply Mission at Washington. The Committee deplore these deficiencies in the replies furnished by the Department of Supply and call for a more specific clarification in respect of the doubt raised in paragraph 1.48."<sup>25</sup>

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<sup>24</sup> Public Accounts Committee (1974-75), 150th Report (5th LS), April 1975, paragraph 1-21, p.7.

<sup>25</sup> Public Accounts Committee (1975-76), 185th Report (5th LS), November 1975, paragraph 1-11, p.5.

1.33. As regards the failure of the Ministries|Departments to indicate, in specific terms, the action taken on the Committee's recommendations|observations, the Committee also pointed out:

"The Committee find, to begin with, that in regard to some of their observations, Government have remained content with just stating that they have 'no comments'. The Committee would like to presume that this implies acceptance of their observations by Government. The matter, however, cannot be left at that, since the Committee expect a positive and helpful reaction on the part of the administration. If their observations are not acceptable to Government, the reasons therefor should be made known to the Committee which could then have an opportunity to examine the position of Government. The Committee would, therefore, like to impress upon Government the need for a more purposeful approach towards their observations. The mere intimation of 'no comments', where positive action had been called for, renders virtually nugatory the entire purpose of parliamentary scrutiny on the basis of mutual exchange of facts and reasoned conclusions."<sup>26</sup>

1.34. Dealing with yet another instance where the Committee had been only informed, after a considerable lapse of time, that their recommendation was 'under examination' the Committee again elucidated the norms that needed to be followed:

"This is one more instance of procrastination in taking action on a well-thought out suggestion of the Committee that an ~~on-the-spot~~ inspection of the premises of suppliers should be made obligatory before the issue of acceptance of tenders involving urgent defence supplies. It is unfortunate that the Department of Supply does not share the Committee's anxiety even where defence requirements are concerned. A mere intimation that the Committee's suggestion is 'under examination' neither helps the Administration nor the purpose of the Committee's enquiry. What is required is a determined gearing up the administrative machinery and a careful scrutiny of the Committee's suggestions. The Committee would like to hope that the Department would reciprocate the

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<sup>26</sup> Public Accounts Committee (1975-76), 200th Report (5th LS), March 1976, paragraph 18 p.3

Committee's concern and process their recommendations, with at least reasonable promptitude."<sup>27</sup>

1.35. In yet another case, the Committee had stated:

"The Committee are far from satisfied with the Port Trust's reply to their pointed observations relating to the practice of allotting Port Trust land to officers' cooperative societies. Merely noting the Committee's observations in this regard without any assurance of positive action is indicative of an unhelpful attitude. The Committee would like a more categorical response to their recommendations and would like to be informed of the specific steps, if any, taken to implement their suggestion that the Class III and Class IV personnel of the Port Trust may be encouraged to form house-building cooperative societies."<sup>28</sup>

**1.36. Parliamentary control over Government's financial activities and all executive processes relative thereto can only be meaningful and effective if the recommendations of the Public Accounts Committee are promptly implemented or adequate reasons for non-compliance are communicated without undue delay. Repeatedly, in the past, the Public Accounts Committee have called for Action Taken Notes being sent in time. Wherever reasonable extension has been requested, it has been invariably allowed. And yet, as the narrative pages of this Report will show, the entire issue has been dealt with by Government in a routine manner and without any apparent appreciation of the P.A.C.'s feeling of seriousness and urgency about it. In paragraph 2.4 of their 186th Report (Fifth Lok Sabha), the Committee have been constrained to observe that unless Government devise an adequate machinery to see that the recommendations of the Committee receive prompt attention and the assurances held out to the Committee, from time to time, are sought to be translated into positive action not only at the higher levels of the administration but in all relevant spheres, the labours of the Committee would be largely in vain and the functioning of our parliamentary system would seriously suffer.**

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<sup>27</sup> Public Accounts Committee (1975-76), 202nd Report (5th LS), March 1976, paragraph 1.13, p.5.

<sup>28</sup> Public Accounts Committee (1975-76), 207th Report (5th LS), paragraph 1

1.37. It is disconcerting that in respect of as many as 7 out of the 24 reports presented during 1974-75 by the Public Accounts Committee (1974-75), Action Taken Notes on all the recommendations/observations had not been received even after the lapse of nearly a year. While Action Taken Notes on 27 out of the 50 recommendations/observations contained, in the Committee's 149th Report (Fifth Lok Sabha) on 'Bangladesh Refugees' had not been furnished to the Committee even 11 months after the presentation of the Report to the House, not even a single Action Taken Note on the 173rd Report (Fifth Lok Sabha) on the Directorate of Advertising & Visual Publicity had been furnished to the Committee, despite repeated requests, till the finalisation of this Report. In respect of the 170th Report (Fifth Lok Sabha) on the 'Crash Scheme for Rural Employment' Action taken Notes on 10 out of the 39 recommendations/observations contained in the Report are still awaited. From these instances, which are not exhaustive but only illustrative, it is evident that an urgent toning up of things is needed badly. The Committee would urge particularly the Cabinet Secretariat to review this thoroughly unsatisfactory state of affairs and take immediate remedial measures.

1.38. The Committee take a serious view, in particular, of the total non-receipt of any Action Taken Note from the Ministry of Information & Broadcasting on the Report relating to the Directorate of Advertising & Visual Publicity, which was presented to the Lok Sabha as far back as May 1975, despite an assurance given in September 1975, that these would be sent 'shortly'. What is even more disturbing is that communications addressed in this regard to the Secretary of the Ministry have not been acknowledged, let alone, answered. This, in the Committee's view, is entirely impermissible and unwarranted. The Committee would like the reasons therefor to be looked into immediately with a view to fixing responsibility. All the Action Taken Notes should also be made available immediately to enable the Committee to do their duty by Parliament and finalise their Report.

1.39. Apart from asking for all reasonable expedition on the part of Government in sending Action Taken Notes, the Committee required that the response of the Ministries/Departments should also be explicit and categorical and not couched, as it sometimes is, in ambiguous language. For instance, often the Ministries Departments merely remain content with informing the Committee that their observations have been 'Noted' or are 'under examination', 'under consideration', etc. As pointed out in paragraph 1.18 of

their 200th Report (Fifth Lok Sabha), the Committee expect a positive and helpful reaction on the part of the administration to their observations|recommendations. Merely, 'noting' the observations or the intimation of 'no comments', where positive action had been called for, renders virtually nugatory the entire purpose of parliamentary scrutiny on the basis of mutual exchange of facts and reasoned conclusions. Parliament has laid on the Public Accounts Committee a duty and a responsibility which just cannot be shirked or diluted. This requires consistent and constant co-operation of the administration with the Committee. In this matter of the highest importance to the country's political system as well as to the interests of our people, the Committee stress their hope that the agencies of Government would help by processing the Committee's recommendations|observations with greater earnestness and promptitude and also in a more positive and purposeful manner than at present.

NEW DELHI;  
 April 23, 1976.  
 Vaisakha 3, 1898 (S).

H. N. MUKERJEE,  
 Chairman,  
 Public Accounts Committee.

## APPENDIX I

(vide para 1.10)

Statement showing the Original Reports presented to Lok Sabha during the year 1974-75.

1. 134th Report . . . . . On Excess over Voted Grants and charged appropriations disclosed in the appropriation accounts (Civil), Posts and Telegraphs, Railways and Defence Services for 1972-73 and action taken on 96th Report (5th Lok Sabha).
2. 135th Report . . . . . On the Report of C&AG for 1971-72 relating to Customs.
3. 136th Report . . . . . On Import of Hemp Plants.
4. 137th Report . . . . . On para 43 of the Report of C&AG for 1972-73, Union Govt. (Civil) relating to Deptt. of Supply-Purchase of Blankets.
5. 144th Report . . . . . On paras 44 to 47 of the Report of C&AG for 1972-73, Union, Govt. (Civil) relating to Deptt. of Supply.
6. 145th Report . . . . . On the Report of C&AG for 1972-73 relating to Posts and Telegraphs.
7. 146th Report . . . . . On the Report of C&AG for 1972-73, Union Govt. (Defence Services).
8. 148th Report . . . . . On paragraphs relating to Financial results and earnings of the Railways included in the Report of C&AG for 1972-73 on Railways.
9. 149th Report . . . . . On paragraph 35 of the Report of C&AG for 1972-73 relating to the Ministry of Supply & Rehabilitation—Bangladesh Refugees.
10. 152nd Report . . . . . On paragraph 33 of the Report of C&AG for 1972-73 relating to the Ministry of Health and Family Planning—Sub-standard pesticides.
11. 155th Report . . . . . On paragraph 19 of the Report of C&AG for 1972-73, Union Govt (Civil) Revenue Receipts—Vol. I—Indirect Taxes.—Sugar Rebate Scheme.
12. 158th Report . . . . . On paragraph 16 of the Report of C&AG for 1971-72, Union Govt (Civil) Revenue Receipts, Vol. I—Indirect Taxes—Irregular release of woollen garments imported under misdeclaration as rags.
13. 159th Report . . . . . On paragraph 27 of the Report of C&AG for 1972-73 relating to the Department of Food—Purchase of Milo from abroad.

14. 160th Report . . . . . On paragraph 42 of the Report of C&AG for 1972-73, relating to the Deptt. of Supply—Indian Agents' Commission.
15. 166th Report . . . . . On paragraph 13 of the Report of C&AG for 1972-73, Union Government (Civil)—Revenue Receipts—Vol. I (Customs)—Ban on trade with Portugal and B.O.A.C. Gold Smuggling case.
16. 167th Report . . . . . On foreign participation or collaboration in Research projects in India relating to Ministry of Health & Family Planning—G.C.M.U.
17. 168th Report . . . . . On paragraph 38 of the Report of C&AG for 1972-73, Union Govt. (Civil) relating to the Ministry of Works and Housing.
18. 169th Report . . . . . On Chapter VII of the Report of C&AG for 1972-73 (Civil) relating to outstanding Audit Observations & Inspection Reports.
19. 170th Report . . . . . On Chapter II of the Supplementary Report of C&AG for 1972-73, Union Govt. (Civil) relating to Crash Scheme for Rural Employment.
20. 171st Report . . . . . On New Railway Lines.
21. 172nd Report . . . . . On para 14 (ii) of the Report of C&AG for 1972-73 relating to Customs (Remissions and Abandonments of Customs Revenue)—Import of Ethyl Alcohol.
22. 173rd Report . . . . . On para 34 of the Report of C&AG for 1972-73 relating to the Ministry of Information & Broadcasting. (DAVP).
23. 175th Report . . . . . On Audit Report on the accounts of Calcutta Port Trust for the years 1968-69 to 1972-73.
24. 176th Report . . . . . On Corporation Tax—National & Grindlays Bank.

**APPENDIX II**  
**CONSOLIDATED STATEMENT OF CONCLUSIONS, RECOMMEN-**  
**DATIONS**

Sl. No.	Para No. of the Report	Ministry Concerned	Conclusions/Recommendations
1	2	3	4
1	1.36	Cabinet Secretariat/ All Ministries/Departments of Government of India.	Parliamentary control over Government's financial activities and all executive processes relative thereto can only be meaningful and effective if the recommendations of the Public Accounts Committee are promptly implemented or adequate reasons for non-compliance are communicated without undue delay. Repeatedly, in the past, the Public Accounts Committee have called for Action Taken Notes being sent in time. Wherever reasonable extension has been requested, it has been invariably allowed. And yet, as the narrative pages of this Report will show, the entire issue has been dealt with by Government in a routine manner and without any apparent appreciation of the P.A.C.'s feeling of seriousness and urgency about it. In paragraph 2.4 of their 186th Report (Fifth Lok Sabha), the Committee have been constrained to observe that unless Government devise an adequate machinery to see that the recommendations of the Committee receive prompt attention and the assurances held out to the Committee, from time to time, are sought to be translated into positive action not only at the higher levels of the administra-



tion but in all relevant spheres, the labours of the Committee would be largely in vain and the functioning of our Parliamentary system would seriously suffer.

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I.37

Cabinet Secretariat  
Department of Rehabilitation  
Ministry of Information and Broadcasting / Ministry of Agriculture and Irrigation (Department of Rural Development).

It is disconcerting that in respect of as many as 7 out of the 24 reports presented during 1974-75 by the Public Accounts Committee (1974-75), Action Taken Notes on all the recommendations observations had not been received even after the lapse of nearly a year. While Action Taken Notes on 27 out of the 50 recommendations observations contained, in the Committee's 149th Report (Fifth Lok Sabha) on 'Bangladesh Refugees' had not been furnished to the Committee even 11 months after the presentation of the Report to the House, not even a single Action Taken Note on the 173rd Report (Fifth Lok Sabha) on the Directorate of Advertising and Visual Publicity had been furnished to the Committee, despite repeated requests, till the finalisation of this Report. In respect of the 170th Report (Fifth Lok Sabha) on the 'Crash Scheme for Rural Employment', Action Taken Notes on 10 out of the 39 recommendations observations contained in the Report are still awaited. From these instances, which are not exhaustive but only illustrative, it is evident that an urgent toning up of things is needed badly. The Committee would urge particularly the Cabinet Secretariat to review this thoroughly unsatisfactory state of affairs and take immediate remedial measures.

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1	2	3	4
3	1.38	Ministry of Information and Broadcasting.	<p>The Committee take a serious view, in particular, of the total non-receipt of any Action Taken Notes from the Ministry of Information &amp; Broadcasting on the Report relating to the Directorate of Advertising &amp; Visual Publicity, which was presented to the Lok Sabha as far back as May 1975, despite an assurance given in September 1975, that these would be sent 'shortly'. What is even more disturbing is that communications addressed in this regard to the Secretary of the Ministry have not been acknowledged, let alone, answered. This, in the Committee's view is entirely impermissible and unwarranted. The Committee would like the reasons therefore to be looked into immediately with a view to fixing responsibility. All the Action Taken Notes should also be made available immediately to enable the Committee to do their duty by Parliament and finalise their Report.</p>
4	1.39	Cabinet Secretariat All Ministries Departments of Government of India.	<p>Apart from asking for all reasonable expedition on the part of Government in sending Action Taken Notes, the Committee require that the response of the Ministries Departments should also be explicit and categorical and not couched, as it sometimes is, in ambiguous language. For instance, often the Ministries Departments merely remain content with informing the Committee that their observations have been 'Noted' or are 'under examination', 'under consideration', etc. As pointed out in paragraph 1.1.8 of their 200th Report (Fifth Lok Sabha), the Committee expect a</p>

positive and helpful reaction on the part of the administration to their observations recommendations. Merely, 'noting' the observations or the intimation of 'no comments', where positive action had been called for, renders virtually nugatory the entire purpose of parliamentary scrutiny on the basis of mutual exchange of facts and reasoned conclusions. Parliament has laid on the Public Accounts Committee a duty and a responsibility which just cannot be shirked or diluted. This requires consistent and constant co-operation of the administration with the Committee. In this matter of the highest importance to the country's political system as well as to the interests of our people, the Committee stress their hope that the agencies of Government would help by processing the Committee's recommendations observations with greater earnestness and promptitude and also in a more positive and purposeful manner than at present.

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