

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

(FIFTH LOK SABHA)

TWO HUNDRED AND FIRST REPORT

**EXCESSES OVER VOTED GRANTS AND
CHARGED APPROPRIATIONS**

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 134th Report (Fifth Lok Sabha)]



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1976/Phalguna, 1897 (S)

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PUBLIC ACCOUNTS COMMITTEE

(1975-76)

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3. Shri Chandulal Chandrakar
4. Shri Chandrika Prasad
5. Shri Darbara Singh
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19. Shri Gulabrao Patil
20. Shri T. K. Srinivasan
21. Dr. K. Mathew Kurian
22. Shri Rabi Ray

SECRETARIAT

Shri N. Suder Rajan—Senior Financial Committee Officer

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Two Hundred and First Report on the Action Taken by Government on the recommendations of the Public Accounts Committee contained in their Hundred and Thirty Fourth Report (Fifth Lok Sabha) on Excesses Over Voted Grants and Charged Appropriations disclosed in the Appropriation Accounts (Civil), (Defence Services), (Railways) and (Posts and Telegraphs), for the year 1972-73.

2. On the 3rd June, 1975, an 'Action Taken Sub-Committee', consisting of the following Members, was appointed to scrutinise the replies from Government in pursuance of the recommendations made by the Committee in their earlier Reports:

Shri H. N. Mukerjee	Chairman
Shri V. B. Raju	Convener
Shri Priya Ranjan Das Munsi	} MEMBERS
Shri Darbara Singh	
Shri N. K. Sanghi	
Shri Rabi Ray	
Shri Raja Kulkarni	
Dr. K. Mathew Kurian	

3. The Action Taken Sub-Committee of the Public Accounts Committee (1975-76) considered this Report at their sitting held on the 27th February, 1976. The Report was finally adopted by the Public Accounts Committee on the 8th March, 1976.

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

(vi)

5. 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;

March 8, 1976.

Phalguna 18, 1897 (S).

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

CHAPTER I

REPORT

1.1. This Report of the Committee deals with the action taken by Government on the Committee's recommendations/observations contained in their 134th Report (Fifth Lok Sabha) on the Excesses over Voted Grants and Charged Appropriations disclosed in the Appropriation Accounts (Civil), (Defence Services), (Railways) and (Posts & Telegraphs) for the year 1972-73 and the action taken by Government on the recommendations of the Committee contained in the 96th Report (Fifth Lok Sabha) relating to Excesses over Voted Grants and Charged Appropriations for the year 1971-'72.

1.2. The 134th Report of the Committee was presented to the Lok Sabha on 15th November, 1974. While Action Taken Notes have been received in respect of all the recommendations/observations relating to a single Ministry or Department, such Notes had not been received, till the finalisation of this Report, from all the concerned Ministries/Departments in respect of those recommendations/observations which related to more than one Ministry or Department (cf. paragraphs 3.3, 3.10, 3.13 and 3.14).

1.3. The Action taken Notes* received from Government have been broadly categorised as follows:

(i) Recommendations/observations that have been accepted by Government.

Sl. Nos. 1, 3, 4, 6, 7, 8, 11, 12, 13, 17, 22, 23, 25, 26, 27, 29, 30, 32 and 33.

(ii) Recommendations/observations which the Committee do not desire to pursue in view of the replies of Government.

Sl. Nos. 9, 10, 18, 19, 28, 31 and 35.

(iii) Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration.

Sl. Nos. 5, 14, 36, 37 and 38.

*The Action taken Note on Serial No. 17 had not been vetted in Audit.

- (iv) Recommendations/observations in respect of which Government have furnished interim replies.

Sl. Nos. 2, 15, 16, 20, 21, 24 and 34†

1.4. 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.

1.5. The Committee will now deal with the action taken by Government on some of their recommendations/observations.

Inadequate control over expenditure on travel

[Paragraph 2.14—Sl. No. 5]

1.6. Dealing with an excess expenditure of Rs. 9.72 lakhs in 'Grant No. 28—Forest', administered by the Ministry of Agriculture (Department of Agriculture), the Committee, in paragraph 2.14 of the 134th Report had observed:

†The recommendation contained in paragraph 3.3 (Sl. No. 34) of the 134th Report related to those recommendations/observations contained in the 96th Report (5th L.S.) in respect of which only interim replies had been furnished by different Ministries/Departments. While final, conclusive replies have now been received to some of these earlier recommendations, some of the replies are still only interim in nature. Replies due from the Ministry of Works and Housing had also not been received. These have been discussed in a later portion of this Report.

"The excess over the grant occurred mainly under the Group sub-head 'A-Forest Research Institute' (Rs. 9.98 lakhs) in respect of payment of interim relief at enhanced rates (Rs. 2.51 lakhs), Travel Expenses (Rs. 0.57 lakh), payment of arrears of electricity bills, Asian Trade Fair activities, etc. (Rs. 4.85 lakhs) and expenditure on laying out and maintenance of nursery and experimental plots under certain schemes implemented by States and payment of outstanding bills for previous years (Rs. 2.04 lakhs). The Committee note that the original provision of Rs. 3.49 lakhs under 'Travel Expenses' was reduced to Rs. 2.87 lakhs in the Revised Estimates. The actual expenditure strangely enough was, however, Rs. 3.44 lakhs, resulting in an excess of about 20 per cent over the final grant. This needs further clarification. In the light of the subsequent reduction in the original grant, the Committee are unable to accept the explanation of the Ministry relating to the increase in expenditure under this head. This indicates the extent to which the control over expenditure on Travelling Expenses, where there is always admittedly scope for economy, was lax or deliberately not done. In addition to initiating timely action to provide fully for the anticipated expenditure, the Committee would also like to impress upon the Ministry to have an effective control over expenditure on travel with an eye on economy."

1.7. In their Action Taken Note dated 11th June, 1975, the Department of Agriculture have stated:

"As regards excess expenditure under Travelling Allowance, it was explained earlier that this was due to transfer and posting of officers and staff of the Forest Research Institute and College, Dehradun. Such postings become unavoidable because State Government who are the only source from whom the Officers are drawn, on deputation press for return of their officers when their terms of deputation expire. Since the Officers from the State Government cannot be kept for unlimited period and at the same time, the posts cannot be kept vacant without serious loss to the trainees who have fixed period of training, the transfer become at times unavoidable.

As desired by the P.A.C., a more rigid control will now be exercised on the expenditure under the head 'Travelling Allowance' and for this matter a Committee of Senior Officials has been constituted which will meet after every six months to review the trend of expenditure. Besides this Committee, another Committee has already been constituted at local level which meets every two to three months for reviewing the trend of expenditure of the Institute, as a whole. It is hoped that with the working of these Committees, a more rigid and realistic control will be exercised for the expenditure of the Forest Research Institute."

1.8. Since officers drawn from different states are deputed to the Forest Research Institute and College, Dehradun, for specified periods which must have been clearly spelt out in the terms of deputation of such officers, the Committee feel that by initiating advance action well before the expiry of the period of deputation, transfers and postings of officers can be better regulated. The Committee trust that the body now constituted with senior officials as well as that on the local level to review the trend of expenditure periodically would look into this aspect and take such measures as are found necessary.

Fixation of responsibility for following incorrect budgetary procedures [Paragraphs 2.33 and 2.34—Sl. Nos. 13 and 14]

1.9. Commenting on the incurring of expenditure in excess of the Voted Grant by Union Territories for the second year in succession under 'Grant No. 118—Capital Outlay in Union Territories', administered by the Ministry of Home Affairs, the Committee had, in paragraphs 2.33 and 2.34 of the 134th Report, *inter alia*, made the following observations:

Para 2.33

"The Committee are also surprised to note that expenditure in excess of about 50 per cent of the final grant of Rs. 73.04 lakhs had been incurred by the Chief Engineer (Flood), Delhi Administration under the sub-head 'E.1 (1)-Works' under the wrong impression that he could incur expenditure upto the plan outlay even when the necessary provision was not available. This clearly indicates an utter lack of knowledge of basic budgetary principles and procedures. The Committee need hardly reiterate the need for strict compliance with the rules

and instructions on control over expenditure. They take a serious view of the laxity in financial control exercised by the Chief Engineer (Flood) and require that responsibility should be fixed for taking appropriate action against those concerned under advice to the Committee."

Para 2.34

"The Committee note that an excess of Rs. 25.83 lakhs had occurred under the sub-head 'J.2(6)-Suspense' due to the fact that the Principal Engineer (Marine), Andaman Harbour Works had under some misapprehension kept the provision only on 'Net' basis instead of 'Gross' basis. The Committee had occasion to comment on the excess under this sub-head in 1971-72 also in paragraph 2.20 of their 96th Report (Fifth Lok Sabha). From the Action Taken Note of the Ministry of Home Affairs on the recommendation of the Committee contained in their 96th Report, the Committee find that the question of fixing responsibility for such lapses is being pursued by the Principal Engineer (Marine). The Committee require that this should be finalised expeditiously and they would await the action taken in this regard."

1.10. The Action Taken Note dated 25th July, 1975, furnished by the Ministry of Home Affairs with reference to the Committee's recommendation contained in paragraph 2.33 is reproduced below:

"The Delhi Administration who were asked to pursue the matter and fix responsibility on the concerned officials have intimated on 23rd June, 1975 that their Finance Secretary has been asked to look into the matter and fix responsibility. The observations of the Public Accounts Committee for strict compliance with the rules and instructions on control over expenditure have been brought to the notice of all the Heads of Departments of the Administration, vide D.O.F.9(4)/73-Fin(B)V.iii dated 9th June, 1975 from the Finance Secretary, Delhi Administration."

1.11. With reference to the Committee's observations contained in paragraph 2.34, the Ministry have stated on 25th January, 1975:

"The Principal Engineer (Marine) who was asked to pursue the matter and fix the responsibility on the concerned

officials has expressed his inability to do the same on the plea that the officials who were dealing with the budget and Appropriation Accounts from 1966-67 were on deputation from various Departments and they had been repatriated to their parent Departments. The Principal Engineer on being asked to write to the respective parent Departments of the officials stated that the disciplinary authorities or the appointing authorities in each individual case had to be located and had to be apprised of the actual position for necessary action at their end. Even then the concerned officials may disown the responsibility. He also stated that the excess was due to the erroneous system in providing the net provision by the Ministry. At that time the correct procedure was not pointed out. Accordingly, the Ministry of Shipping and Transport who are concerned with making the budget provision were consulted. That Ministry too expressed the impossibility of fixing the responsibility on any individual for these lapses. However, the Andaman Harbour Works has been advised to follow "Gross" system of accounting under "Suspense" from the year 1974-75."

1.12. The Committee note that the Delhi Administration has been asked to 'pursue the matter' relating to the laxity in financial control exercised by the Chief Engineer (Flood), Delhi Administration, in incurring expenditure without the necessary provision of funds, and to fix responsibility for the lapse. The Committee wish that the investigations are completed quickly and the final action taken in this regard intimated to them soon.

1.13. It would appear from the reply now furnished by the Ministry of Home Affairs on the Committee's earlier observations relating to the adoption, 'under some misapprehension' of an incorrect budgetary procedure by the Principal Engineer (Marine), Andaman Harbour Works, that the field officers concerned were not so much to blame as the Ministry of Shipping and Transport who had followed an 'erroneous system' in providing funds on a 'net' basis instead of on a 'gross' basis. The Committee are surprised that the Ministry should have displayed such a lack of knowledge of basic budgetary procedures. While they do not wish to pursue further the question of fixing responsibility for the lapse, the Committee trust that the Ministry would exercise greater care in future in such matters.

Final action taken on recommendations/observations relating to the 96th Report (Fifth Lok Sabha) [Paragraph 3.3--Sl. No. 34].

1.14. In Chapter III of the 134th Report (Fifth Lok Sabha), the Committee had dealt with the action taken by Government on the recommendations contained in their 96th Report (Fifth Lok Sabha) on Excesses over Voted Grants and Charged Appropriations for the year 1971-72. Categorising the Action Taken Notes received from Government on the recommendations contained in paragraphs 2.20, 2.32, 2.33, 2.37 and 2.38 of the 96th Report as interim replies, the Committee, in paragraph 3.3 of the 134th Report, and observed:

“The Committee would like that final replies on the recommendations to which only interim replies have so far been furnished are submitted to them after getting them vetted by Audit, without further delay.”

1.15. Out of these five recommendations in respect of which only interim replies had been furnished earlier, one (paragraph 2.20) related to the Ministry of Home Affairs, two (paragraphs 2.32 and 2.33) to the Ministry of Shipping and Transport and two paragraphs 2.37 and 2.38) to the Ministry of Works and Housing. While further replies have been received from the Ministries of Home Affairs and Shipping and Transport, no communication had been received, till the finalisation of this Report from the Ministry of Works and Housing.

1.16. In their respective Action Taken Notes dated 22nd September, 1975 and 4th October, 1975, the Ministries of Home Affairs and Shipping and Transport have stated as follows:

Ministry of Home Affairs

“So far as the Ministry of Home Affairs are concerned the following Action Taken Note submitted on the recommendations of the Public Accounts Committee in its 96th Report (5th Lok Sabha) has been treated as interim reply *vide* Chapter III of 134th Report of P.A.C. (5th Lok Sabha).

‘Regarding insufficient provision of funds to the extent of Rs. 12 lakhs for adjustment of establishment charges through oversight under ‘N-2-Procurement of Food stuff and other commodities’ the matter is under investigation in consultation with Arunachal Pradesh Administration.’

2. The final reply is as follows:—

"The Arunachal Pradesh Administration had ordered a detailed inquiry into the responsibility for excess expenditure over the voted grant. They have observed that there was at no stage any defalcation, misappropriation or loss of Government funds involved. The problem was one of budgetary confusion regarding the booking of certain establishment charges originally incorporated under the Major Head 19-General Admn. to a specific State Trading Scheme relating to the Central Purchase Organisation. In 1970 a serious misunderstanding of procedure which ultimately resulted in the excess over the voted grant arose in the Supply and Transport Branch of the Sectt. The key directive which created this confusion was a signal from the then Deputy Secretary of the Administration conveying that figures on establishment charges for 1968-69 and 1969-70 may be worked out on basis of 35 per cent on CPO tonnage (instead 35 per cent of establishment charges of the office of the Directorate of Supply and Transport) for those years and submitted to Administration to take necessary adjustment with Accountant General, Assam. This conveyed a totally incorrect decision. The officer had only taken over charge two days previously.

The Administration have, now, ordered a warning to the officer to be careful in future in conducting himself in the performance of his duties. The above warning shall be placed in the Confidential Dossier of the officer. The Administration have also issued general instruction to all concerned vide copy of their Order dated 18th July, 1975. [Reproduced in Chapter V]"

Ministry of Shipping and Transport

"In its 96th Report the PAC had made *inter-alia* the following recommendations relating to the Ministry of Shipping and Transport

- (i) The Committee take a very serious view of the consistent excesses recorded under the head 'A. 1(4)-Maintenance of National Highways'. The excesses which ranged from Rs. 11.15 lakhs to Rs. 154.97 lakhs during the period 1959-60 to 1970-71 have touched an all time high of Rupees 258.03 lakhs during 1971-72. States of Assam and West Bengal**

accounted for a major portion of the excess during 1971-72. The Committee were informed that the excess in the case of Assam was due mainly to the unprecedented movement of troops necessitated by the Indo-Pak conflict; heavy floods causing damage and requiring immediate action to keep the lines of communication open were one of the major causes of excess in West Bengal. They would, however, await the outcome of the investigation of the unusually large excess of Rs. 92.53 lakhs in Assam. The excess of Rs. 79.31 lakhs under 'Maintenance of Brahamputra Bridge' should also be investigated with a view to taking suitable action and fixing responsibility.

(S. No. 11—para 2.32 of Appendix XXVIII to the 96th Report of the PAC).

- (ii) A number of measures have either been taken or proposed to be taken in pursuance of the earlier recommendation of the Committee to control the excesses in the expenditure on the maintenance and repairs of National Highways. The Committee note that specific norms have now been laid down for the provision of maintenance grants under specified sub-heads and grants are allocated according to these sub-heads on the basis of the norms laid down and progress of expenditure is also watched for each sub-head separately. The question of modifying these norms due to general increase in prices all round is stated to be under consideration. Further, the State Governments have been advised that no expenditure should be incurred in any case unless sanctioned by the Government of India. According to the Ministry the position would improve in the years to come, which the Committee would like to watch. The Committee would urge that the question of evolving a revised budgetary procedure to check consistent excesses should be decided expeditiously in consultation with the Ministry of Finance and the Comptroller and Auditor General of India.

(S. No. 12—para 2.33 of Appendix XXVIII to 96th Report of the P.A.C.).

II. Replies in the form of Action Taken Notes in respect of the above mentioned recommendations of the P.A.C. were sent as follows:—

(i) *Recommendation at S. No. 11.*

The excess of Rs. 79.31 lakhs under "Maintenance of the Brahmaputra Bridge" is made up of adjustments of expenditure in the accounts for 1971-72 on account of:—

- (a) maintenance charges of Brahmaputra bridge (Rs. 66,73,345.25); and
- (b) maintenance charges of ferry vessels across Brahmaputra at Pandu (Rs. 12,57,963.12).

2. So far as (a) is concerned, the position is as under:—

- (i) The rail-cum-road Bridge over Brahmaputra at Pandu was completed on 16th January, 1963 with the Railways and the Roads Wing of this Ministry sharing the cost of its construction in the ratio of 60:40. After completion, the bridge is being maintained by the Railways. In September 1969, the FA & CAO of the Railways passed to the AGCWM for adjustment a debit amounting to Rs. 66,73,345.25 as the road authority's share of the maintenance of bridge @ Rs. 9,25,728/- p.a.
- (ii) In order to pay this amount, this Ministry approached the Ministry of Finance for their concurrence. They, however, desired to have some essential information including, *inter alia*, the basis of the aforesaid rate of Rs. 9,25,782/-p.a. Assuming that this Ministry would be able to get the required information from the Railways soon and finalise the matter during the course of 1971-72 itself a provision of Rs. 50.00 lakhs was also made tentatively in the B.E. 1971-72 subject to further revision at the R.E. stage to meet this liability. However, this assumption did not materialise as the Railways could not supply the required information. Actually, even now some data is still awaited from them and according to the further information, the aforesaid rate (Rs. 9,25,782/-) has to be reduced to Rs. 6,59,430. The Railways have, however, yet to communicate their acceptance of this reduced rate.
- (iii) In the circumstances, this Ministry could not issue any sanction for admitting the claims of the Railways amounting to Rs. 66,73,345.25 and accordingly, provision of

Rs. 50 lakhs made for meeting this liability in 1971-72 was reappropriated for meeting urgent requirements in respect of maintenance of National Highways. In view of this, the question of augmenting this provision also did not arise.

- (iv) On the other hand, as the debits amounting to Rs. 66,73,345.25 had been pending in the A.G., C. W&M's office for quite some time and the postponement of the liability indefinitely was not considered proper and also because such a huge amount could not be kept in (O.B.) suspense for long, the adjustment of the past debits amounting to Rs. 66,73,345.25 was carried out by that office without further reference to this Ministry. Since no funds were provided by this Ministry for this purpose in view of (ii) above, this resulted in an excess of Rs. 66,73,345.25 under this sub-head.

3. While the above position explains the circumstances in which the excess of Rs. 66,73,345.25 occurred, it may be stated that this Ministry has in any case to discharge its liability towards the maintenance of the Brahmaputra bridge and the only question under dispute is the ratio in which the maintenance cost is to be shared with the Railways. Further, the Railways have also been pressing all along for the acceptance of past debits. Keeping in view all these aspects, the PAC and the Parliament had been approached for regularising the excess. The final adjustment of actual amount will, of course be made after the ratio of apportionment has been settled, with the approval of the Ministry of Finance.

4. As regards (b) in para 1 above, the other part of the excess (Rs. 12,57,963.12) pertains to the maintenance of Brahmaputra ferry service at Pandu. This ferry service was maintained by the Railways at Pandu prior to the construction of that bridge and was retained for use in emergency even after the construction of the bridge: the decision was that 50 per cent of the maintenance of the ferry service would be met by this Ministry and the other 50 per cent would be shared equally by the Ministry of Defence and Railways.

5. In order to distinguish the expenditure of the maintenance of the Brahmaputra ferry service as distinct from the maintenance of the Brahmaputra bridge, provision for these two items is made under two separate minor heads. Accordingly a provision of Rs. 9.79 lakhs was made in the year 1971-72 under this head "ferry crossing at Pandu". However, in 1971-72 a sum of Rs. 12,57,963.12 on account

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of the ferry crossing service was adjusted under the scheme "maintenance charge of Brahmaputra bridge" instead of under "ferry crossing at Pandu". This resulted in a saving under ferry crossing at Pandu and further excess of Rs. 12,57,963.12 in respect of the maintenance of Brahmaputra bridge thereby bringing the total excess pertaining to this item to Rs. 79,31,308.37 (66,73,345.25 plus 12,57,963.12) or Rs. 79.31 lakhs. The amount of Rs. 12,57,963.12, however, did not cause excess over the grant as a whole, as the excess under one group head was counter-balanced by saving under another.

6. The liability in respect of ferry service is, of course, also a liability which too has ultimately to be discharged by this Ministry. Thus in both cases the liability has to be discharged by this Ministry ultimately .

7. As explained in detail above, no individual can therefore, be held responsible for the excess of Rs. 79,31,308.37 under Maintenance of Brahmaputra bridge.

8. *As regards the excess of Rs. 92.53 lakhs in Assam, the matter is still under correspondence with the Government of Assam.*

(ii) Recommendation at Sl. No. 12

The question of evolving revised Budgetary procedure to check the excess over sanctioned grant is under consideration and it is expected that it would be possible to finalise the revised procedure in consultation with the Ministry of Finance and other concerned authorities, soon.

III. Portions underlined in the above mentioned 'action taken notes' appear to have been treated as interim replies to which the present recommendation seem to refer. The position with regard to these is as under:

Action taken by the Government

- (a) So far as (i) above is concerned, in the Action Taken Note on the observations contained in the recommendation at serial No. 11—para 2.32 of the 96th report of the PAC it was indicated earlier that as regards the excess of Rs. 92.53 lakhs in Assam, the matter was under correspondence with the Government of Assam. The matter is still under correspondence with the State Government and it has not been possible to come to a final result as the basic records required for the investigation have been

seized by the C.B.I in connection with an enquiry. Arrangements have been made by the Government of Assam to examine the records for obtaining the essential information for the investigation. The matter will be investigated further as soon as a report in the matter is received from the Government of Assam with regard to the excesses. In order to expedite the matter it is being pursued at the level of the State Chief Minister.

- (b) As regards (ii) above relating to the observation contained in the recommendation at Serial No. 12—Para 2.33 of the 96th Report of the P.A.C. it has been stated in the Action Taken Note that the question of evolving revised budgetary procedure to check the excess over sanctioned grant is under consideration and it is expected that it would be possible to finalise the revised procedure in consultation with the Ministry of Finance and other concerned authorities soon. In this connection it may be stated that in pursuance of the earlier recommendations of the P.A.C. a Task Force was appointed to go into the general question of preventions against excesses over sanctioned grants. The Task Force recommended that in the case of National Highways the amount needed by the agent organisations i.e. the State Governments should flow from the Consolidated Fund of India into the Consolidated Fund of the States concerned, similar to the cases of grants-in-aid, so that the further withdrawal of the amounts from the Consolidated Fund of the State concerned for expenditure on National Highways becomes subject to the normal budgetary and accounts control of the State Governments. During the subsequent examination of the report of the Task Force it was decided that in the case of National Highways both Original works and repair works, the procedure recommended by the Task Force should be introduced, although the transfer of the amounts from the Central to the State Governments need not be described as 'grant-in-aid' and might be provided in the Central Budget as 'Payments for services rendered', subject to the continuance of existing procedure and practices to ensure qualitative and quantitative control, priority of various works to be undertaken and also any other suitable measures which may be taken from time to time in this regard by the Central Government. A draft proce-

procedure has already been evolved but it still requires some further examination from the legal point of view so as to avoid any subsequent complications. Necessary action in this regard is already in hand and the implementation of this recommendation is under process in consultation with the Ministries of Finance and Law and the Comptroller and Auditor General of India."

1.17 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.

1.18 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 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 C.B.I. 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.

1.19 The Committee note that the Ministry has also evolved a draft procedure for checking the recurrent excess expenditure on the maintenance of and repairs to National Highways which is being examined from the legal point of view so as to avoid any subsequent complications. The Committee desire that this process should be completed early and concrete steps taken.

President delay in taking action on the recommendations of the Committee [Paragraphs 3.10, 3.13 and 3.14—Sl. Nos. 36 to 38]

1.20. Normally, in accordance with the time schedule prescribed in their 5th Report (Fourth Lok Sabha), notes on the action taken on the recommendations|observations contained in their 134th Report (Fifth Lok Sabha) were due by 15th May, 1975. An analysis of the Action Taken Notes received from Government, however, disclosed the following position:

No. of cases in which notes had been received by due date	8
No. of Notes received after due date but by the end of May 1975	5*
No. of Notes received by the end of June 1975	4
No. of Notes received by the end of July 1975	2
No. of Notes received by the end of August 1975	17
No. of Notes received by the end of September 1975	5
No. of Notes received in October 1975	1

1.21 The following table indicates the comparative position in this regard during the past three years:

Report to which Note relates	No. of Notes received by due date	No. of Notes received after due date with extent of delay	
		Upto 3 months	3 to 6 months
29th Report (5th LS)	15	3	..
49th Report (5th LS)	20	11	12
96th Report (5th LS)	9
134th Report (5th LS)	8	9	25

1.22 Commenting on the delays in the submission of Action Taken Notes, the Committee, in paragraph 3.3 of their 96th Report (Fifth Lok Sabha), had observed:

“The Committee had in paragraph 3.3 of their 49h Report (Fifth Lok Sabha) commented on the delays in the receipt

*In response to the Committee's observations contained in paragraphs 3.10, 3.13 and 3.14 of the 134th Report, the Department of Rehabilitation had furnished their Action Taken Note on 19th May 1975. Subsequently, however, revised Action Taken Notes were furnished on 28th January 1976.

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."

In their Action Taken Note, the Ministry of Finance had stated:

"The above observations of the Public Accounts Committee have been brought to the notice of the Ministries/Departments. It was enjoined upon them that the Internal Financial Advisers in the Ministries/Departments should keep a watch on the progress of processing the recommendations contained in the reports of Public Accounts Committee and take remedial measures, wherever necessary, to ensure submission of the 'action taken notes' within the stipulated time-limit of six months. The Ministries/Departments have also been requested to investigate the delays in submission of the 'action taken notes' as suggested by the Committee and to keep their associate Financial Advisers, informed through their Internal Financial Advisers, the result of the investigation made and the measures taken to avoid the delays in future vide this Ministry's O.M. No. F. 12(2)-E (Coord) 74 dated 15-2-1974".

1.23. Since delays in the submission of Action Taken Notes continued to occur, the Committee, in paragraphs 3.10, 3.13 and 3.14 of their 134th Report (Fifth Lok Sabha), were constrained to observe as follows:

"3.10. 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 suggest-

ed 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 been 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 or fixing of responsibility to be processed promptly and in any case within the time-limit of six months. Delays 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). To underline the importance the Committee attach to these recommendations, they are reproduced below:

'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 Committee, 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 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.' ”

“3.13 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.”

“3.14 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 3-1/2 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 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 inform the Committee."

1.24. Intimating the action taken by them on the above observations of the Committee, the Ministry of Finance (Department of Expenditure) stated as follows in May, 1975:

"The above observations of the Public Accounts Committee have been brought to the notice of the Ministries/Departments. With reference to the Committee's recommendation at Serial No. 37 (para 3.13) of the Report, the Ministries/Departments have been requested to inform the Public Accounts Committee of the result of the investigation made and the measures taken to avoid delays in future. Similarly, with reference to the Committee's recommendation at Serial No. 38 (para 3.14) of the Report, the Ministries/Departments concerned have been requested to take suitable action as suggested by the Committee and to inform the Committee of the action taken. A copy of this Ministry's O.M. No. F. 12(56)-E (Coord)/74 dated 2nd April, 1975 is enclosed."

[Reproduced in Chapter IV]

1.25. Though the Ministries/Departments had been requested by the Ministry of Finance (Department of Expenditure), with reference to the Committee's observations contained in paragraph 3.13 of the 134th Report, to inform the Committee of the results of the investigations made and the measures taken to avoid delays in future, replies in this regard had been received, till the finalisation of this Report, only from the Ministries of Defence and Shipping & Transport and the Department of Rehabilitation. Similarly, replies in regard to the Committee's observations contained in paragraph 3.14 had been furnished only by the Ministries of Home Affairs, Defence and Shipping & Transport and the Departments of Health and Rehabilitation.

1.26. The Committee, in paragraph 3.14 of the Report, had drawn particular attention to the delay of nearly six months that had taken place in the Ministry of Works and Housing and had recommended

immediate investigation into the reason for the delay so as to take such disciplinary or other action as may be called for. No reply had, however, been furnished to this recommendation by the Ministry of Works and Housing till the finalisation of this Report.

1.27. The Action Taken Notes* received in this regard from the different Ministries/Departments are reproduced below:

Ministry of Defence (Sl. Nos. 36—38)

“The reply on the recommendations of the PAC (contained at S. Nos. 15, 16 and 17 of Appendix XXVIII of the 96th Report of PAC—Fifth Lok Sabha—on excesses over Voted Grants/Charged. Appropriations for 1971-72) was due on 4-3-74, but was sent on 11-4-1974. Thus there was a delay of 5 weeks which occurred due to the fact that this Ministry wanted to study in depth the reasons for the excess over Voted Grants consecutively for two years i.e. 1970 and 1971, with a view to streamlining the modalities of the budgetary procedure to have a strict budgetary discipline. This process took some time and detailed instructions were issued as a result. No disciplinary action is, thus, necessary.”

Ministry of Shipping & Transport (Sl. Nos. 36—38)

“xxxxxxx a copy of the Ministry of Finance O.M. dated 2-4-75 was circulated to all concerned Officers in this Ministry with the request to issue instructions for streamlining the procedure in their respective division so as to ensure the submission of Action Taken Notes to the Committee well within the prescribed time-limit of 6 months in future. In compliance to the instructions, various officers under this Ministry have issued circulars x x x x.

As regards investigation of reasons for delay in the past, the position has been reviewed and it has been found that there has been some delay on the part of Roads Wing in the submission of Action Taken Notes in respect of Paras 2.32 and 2.33 of the 96th Report of PAC. It has taken about eight months to send Action Taken Notes in these cases. The delay was due to the fact that a number of Organisations such as Finance Ministry, A.G.C.W. & M., A.G.C.R. etc. had to be consulted before

* These Notes had not been vetted in Audit.

the Action Taken Notes could be finalised. Some essential information was also awaited from the Government of Assam who delayed their reply on account of the relevant documents, having been seized by the C.B.I. for investigation. This was another reason which contributed to the delay in sending the Action Taken Notes in question. In the circumstances, it is considered that no particular officer can be held responsible for the delay."

Department of Rehabilitation (Sl. Nos. 36—38)

"In compliance with the recommendations of the P.A.C. contained in para 3.3 of their 96th Report (5th Lok Sabha), instructions were issued by this Department in February, 1974 to streamline the procedure to ensure submission of Action Taken Notes on the recommendations of the P.A.C. within the prescribed time limit of six months. According to the procedure prescribed, each section is required to maintain a register, with prescribed columns to watch the progress made in the finalisation of the Action Taken Notes, to review it every fortnight and submit a report to the Branch Officer. Instructions have also been issued that whatever delay is anticipated in getting the 'Note' vetted by the Audit, advance copies thereof should be forwarded to the Lok Sabha and whenever the 'Note' is sent after the expiry of the due date, the reasons for such delays should invariably be explained to the Lok Sabha Secretariat. This had the desired effect and 'Action Taken Notes' on the recommendations of P.A.C. contained in paras 2.24 and 2.25 of their 96th Report (5th Lok Sabha) was submitted to the Lok Sabha Secretariat within the prescribed period of six months.

Of the 23 cases, of delay in the submission of 'Action Taken Notes' on the recommendations contained in 49th Report of the PAC (5th Lok Sabha) as pointed out by the Committee in para 3.3 of their 96th Report (5th Lok Sabha), this Department is concerned with one case only. There was delay of about three months on the part of this Department in the submission of the 'Action Taken Note'

on the recommendations contained in para 2.68 of the PAC's 49th Report (5th Lok Sabha). The reasons for delay were looked into and a report in this behalf was sent to the Ministry of Finance, in February, 1974."

Ministry of Home Affairs (Sl. No. 38)

"The 96th Report of PAC (Fifth Lok Sabha) was received in the Ministry on 6-9-1973. Action Taken Note in respect of para 2.17 of Appendix XXVIII was required to be sent to PAC by 4-3-1974. The same was, however, sent to them on 25-3-1974 making a delay of 21 days. The delay is less than a month. This delay is, however, very much regretted and will be avoided in future."

Department of Health (Sl. No. 38)

"The matter has been investigated and it is found that some time was taken in obtaining information on one para of the 96th Report from the Ministry of Finance (Department of Economic Affairs). The Action Taken Notes were ready with this Department on the 25th February, 1974 i.e. well within the stipulated time. On the assumption that the final vetted notes could be submitted to the Committee by the 4-3-74, advance copies thereof were not furnished to the Lok Sabha Secretariat. However, the Action Taken Notes were referred to the A.G.C.R. on 28-2-1974 for vetting, (i.e. within the stipulated period). The A.G.C.R. however, desired certain clarification on the file which was received back on 13-3-74. After consulting the concerned authorities and examination of the issues involved, the necessary clarifications were furnished to the A.G.C.R. on 30-4-74. The final vetted notes were received in the Ministry on 21-23/5/74. Accordingly, the requisite number of copies of the Action Taken Notes, only vetted by the Audit and approved by officers, were furnished to the Lok Sabha Secretariat on the 26th June, 1974. However, the delay that has occurred in this case is regretted.

The observations of the Committee in regard to the submission of Action Taken Notes within the stipulated time has been noted for guidance in future."

1.28. 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 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.

1.29. 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.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee note with displeasure that during the year under report (1972-73) the excesses over Voted Grants and Charged Appropriations aggregated to Rs. 126.33 crores as against Rs. 223.81 crores during the previous year. Although there has been a reduction in the excesses, the Committee still feel that the excesses over Voted Grants and Charged Appropriations during the year were quite on the high side. The Committee trust that concerted efforts will be made by the Ministries/Departments to avoid repetition.

[S. No. 1 (para 1.6) of Appendix XXXI to 134th Report
(5th Lok Sabha)].

Action Taken

The observation of the Committee has been noted and also brought to the notice of all the Ministries/Departments for renewing their efforts at improving budget procedures *vide* Ministry of Finance O. M. No. F. 12(56)-E (Coord)/74 dated 26-4-1975 (copy enclosed).

[Ministry of Finance O.M. No. F. 12(56)-E (Coord)/74 dated
12-5-75]

No. F. 12(56)-E (Coord)/74
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, the 26th April, 1975.

OFFICE MEMORANDUM

**Subject:—134th Report of the Public Accounts Committee (5th Lok
Sabha)—Recommendation No. 1.**

The Public Accounts Committee commenting on the cases of excesses over Voted Grants and Charged Appropriation disclosed in

the various Appropriation Accounts for the year 1972-73 have observed in para 1.6 of their 134th Report (5th Lok Sabha) as follows:—

“The Committee note with displeasure that during the year under report (1972-73) the excesses over Voted Grants and Charged Appropriations aggregated to Rs. 126.33 crores as against Rs. 223.81 crores during the previous year. Although there has been a reduction in the excesses, the Committee still feel that the excesses over Voted Grants and Charged Appropriations during the year were quite on the high side. The Committee trust that concerted efforts will be made by the Ministries/Departments to avoid repetition.”

The Ministry of Home Affairs etc. may kindly note the observations of the Committee and renew their efforts to improve budgeting procedures so as to minimise excesses over Grants.

(J. S. BAJAJ)

Deputy Secretary to the Govt. of India

To

All Ministries/Departments of the Govt. of India.

Copy forwarded to Heads of Divisions in the Department of Expenditure.

(J. S. BAJAJ)

Deputy Secretary to the Govt. of India.

Recommendation

The Committee very much regret to note that inspite 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.

[S. No. 3 (para 2.6) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action Taken

Necessary instructions have been issued to the Ministries, etc. *vide* this Ministry's O.M. No. F. 8(53)-B/74 dated 16-4-75 (Copy enclosed) to ensure that the notes on Excess expenditure duly vetted by Audit, reach the Public Accounts Committee Secretariat by the prescribed date.

[Ministry of Finance (Department of Economic Affairs) O.M. No.
F. 8(53)/B/74 dated 17-5-1975].

MOST IMMEDIATE

No. F. (53)-B/74

Government of India

Ministry of Finance

(Department of Economic Affairs)

New Delhi, the 16th April, 1975

OFFICE MEMORANDUM

Sub:—Regularisation of Excesses over Voted Grants/Charged Appropriations as disclosed in the Appropriation Accounts—procedure for submission of Notes/Memoranda to the Public Accounts Committee.

The undersigned is directed to invite a reference to this Ministry's office memorandum No. F. 8(52)-B/68 dated the 18th December, 1968 on the subject cited above. According to the procedure indicated therein the 'Notes' for regularisation of excesses are required to be submitted to the Public Accounts Committee immediately after the presentation of the Appropriation Accounts before Parliament on 10th April, whichever is later.

2. There have been considerable delays in submission of these notes in several cases and the due dates for submission of notes have not been adhered to. The public Accounts Committee had adversely commented on these delays, in their Twenty-ninth and Ninety-sixth Reports (Fifth Lok Sabha). The matter was accordingly considered, in consultation with the Comptroller and Auditor General and a revised time schedule for submission of notes for regularisation of excesses was submitted to the Public Accounts Committee. The Committee have, *vide* Lok Sabha Secretariat's O.M. No 41/73 PAC dt. 16-4-74 (copy enclosed) since agreed to the extension of the date for submission of the 'Notes' on excesses by 31st May or immediately after presentation of the Appropriation Accounts to Parliament, whichever is later. They have also made a mention of it in para 2.5 of their 134th Report (Fifth Lok Sabha). They have, however, desired that the above time limit should be strictly adhered to.

In this connection, attention is also invited to the observations of the Public Accounts Committee contained in para 2.6 of their 134th Report (Fifth Lok Sabha) which are reproduced here under.

"The Committee very much regret to note that inspite 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."

Ministries/Departments are requested to take note of the above observations of the Committee and take suitable action to ensure that

the Notes on Excess Expenditure, duly vetted by Audit, reach the Public Accounts Committee by the prescribed date, without fail.

Sd/-

(S. K. Das Gupta)

Deputy Secretary to the Government of India

To

All Ministries/Departments etc.

(I.F. As by name)

No. F. 8(53)-B/74

Copy forwarded for information to:—

1. Ministry of Railways (Railway Board), New Delhi.
2. The Comptroller and Auditor General of India with reference to his u.o. No. 2486-Rep/158—72 date 24-12-73.
3. The Lok Sabha Sectt. with reference to paragraphs 2.5 and 2.6 of 134th Report of the P.A.C. (1974-75)—Fifth Lok Sabha.

Sd/-

(S. K. Das Gupta)

Deputy Secretary to the Government of India.

LOK SABHA SECRETARIAT

PARLIAMENT HOUSE,

No. 41/73/PAC

NEW DELHI-1

16th April, 1974.

OFFICE MEMORANDUM

SUBJECT.—*Regulation of the Excesses over Voted Grants and Charged Appropriations under Article 115 of the Constitution. Submission of explanatory notes to the Public Accounts Committee.*

With reference to the Ministry of Finance (Department of Economic Affairs) Note No. 5(8)-B/72, dated the 1st January, 1974 on the subject mentioned above, the undersigned is directed to state that the Public Accounts Committee considered the above Note at their sitting held on the 5th April, 1974 and agreed to the submission of notes on excesses over Voted Grants and Charged Appropriations, in future by 31st May or immediately after the presentation of the Ap-

appropriation Accounts to Parliament whichever is later. The Committee desired that the above time limit should be strictly adhered to.

Sd/- M. S. Sundaresan,
Deputy Secretary.

To

The Ministry of Finance,
(Department of Economic Affairs),
(Shri B. Maithreyan, Joint Secretary),
New Delhi.

Recommendation

An excess of Rs. 92.71 lakhs against the original provision of Rs. 505.92 lakhs occurred under the group sub-head 'B.1(1)-Press Charges' of Grant No. '15-Stamps' and the excess was mainly due to the belated adjustment of debit (Rs. 35 lakhs) during 1972-73 towards imported stamp papers and spare parts received in 1971-72, and more payments on indigenous stores (Rs. 57.42 lakhs) than anticipated during the year. The Committee feel that the additional likely expenditure on indigenous stores could have very easily been assessed on the basis of indents placed during the year. Even accepting the Ministry's explanation that these payments could not be anticipated the Committee are unable to understand why the undischarged liabilities relating to 1971-72 could not have been foreseen and provided for during 1972-73. This needs to be explained.

[S. No. 4 (Para 2.10) of Appendix XXXI to 134th report (5th Lok Sabha)].

Action Taken

Provision covering the expenditure of Rs. 35 lakhs was not made in BE 1972-73 on the expectation that it would be adjusted in the accounts for 1971-72, in which year provision for this purpose was made. This was, however, not adjusted in the 1971-72, resulting in corresponding savings under unit of appropriation "B.1(1) (4) Purchase of Stores" in Grant No. "17 Stamps" for that year. In the next year also the debit was not adjusted in the accounts even when the final grant under each unit of appropriation of the Grant No. "15 Stamps" for 1972-73 was fixed in March, 1973. Thus till the close of the financial year 1972-73 the expenditure having not been adjusted in the accounts, there was no occasion to provide for it.

The expenditure of Rs. 57.42 lakhs mainly related to payments for certain indigenous stores like paper, miscellaneous stores, etc. provision for which also was not made as these payments were not expected to be made in 1972-73.

On the basis of an anticipated shortfall in the expenditure during 1972-73, mainly due to a change in the delivery schedule of the stores indented, the original provision of Rs. 312.00 lakhs under "B.1 (1) (4) Purchase of Stores" in the Grant was reduced by Rs. 20.38 lakhs to Rs. 291.62 lakhs in March, 1973. Even thereafter the progress of expenditure indicated further savings under this unit of appropriation. Eventually, however, the savings expected did not materialise and both the items referred to above were unexpectedly adjusted in the closing batch of the accounts for 1972-73 sometime in June-July, 1973, that is, long after the close of the financial year when it was not possible to augment the funds by obtaining advance from the Contingency Fund or Supplementary Grants. Hence the excess.

Steps have since been taken to keep an effective watch over the un-adjusted items of expenditure/undischarged liabilities so as to ensure that necessary budget provisions are made in the year in which these are accounted for.

[Ministry of Finance (Department of Economic Affairs) O.M.
No. F.1 (15/73-Cy. dated 18-5-1975].

Recommendation

Further, the Committee note that an expenditure of Rs. 8.83 lakhs was incurred on payment of Interim Relief against the final grant of Rs. 6.32 lakhs and the excess under 'Interim Relief' works out to about 40 per cent of the final grant. The Committee understand that orders on the payment of additional Interim Relief were issued by Government on 22nd September, 1972 and yet the additional expenditure on this account was not assessed properly and provided for fully in the Supplementary Demands for Grants presented to Parliament towards the end of the financial year. The Committee, therefore, are positive, that adequate budgetary control has not been exercised at all by the Ministry and therefore take a serious view of the excess over the Voted Grants. The Committee would like effective remedial measures to be taken to obviate recurrence under advice to them.

[S. No. 6 (Para 2.15) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action Taken

As regards excess expenditure under 'Interim Relief' the position is that the President, Forest Research Institute and Colleges, Dehradun, did come up for the supplementary grant to cover likely excess expenditure under this sub-head as well as others but in the Ministry it was felt that some savings would be available to cover up this excess. However, subsequently it was revealed that no savings were available. By that time, the dates for applying for supplementary grants were already over. There was, therefore, no option but to ask for Advance from Contingency Funds of India. Thus so far as the Forest Research Institute and Colleges was concerned, they had anticipated the budget fluctuations in time but there was some unforeseen difficulties in meeting their demands for additional funds. However, as desired by the PAC, a High Level Official Committee has been constituted which will meet after every six months to review the trend of expenditure at the Forest Research Institute and Colleges, Dehradun, as a whole.

[Ministry of Agriculture and Irrigation (Department of Agriculture O.M. No. J. 17015|1|74-FRY-F dated 11-6-1975)].

Recommendation

An excess expenditure of Rs. 2.34 crores was incurred towards purchase of materials in India under the Sub-head 'A.1(1)-Depots' in Grant No. 117-Capital Outlay of the Ministry of Health and Family Planning and the excess works out to about 21 per cent of the final Provision of Rs. 11.08 crores. Excess under this sub-head had also occurred during 1971-72. The Committee are unable to accept the explanation of the Ministry that, since bulk of the purchases are made through the Directorate General of Supplies and Disposals and bills in respect of the supplies are paid by different Pay and Accounts Officers and adjustments of payment are made from time to time, it was not possible to quantify the additional requirements of funds in time. The Committee feel that with greater liaison with the Directorate General, Supplies and Disposals on the one hand and the Accounts Officers on the other, such excesses could have been anticipated and minimised considerably, if not altogether eliminated. The Committee, therefore, require that the Ministry should evolve suitable systems to ensure a more effective coordination with the procuring agency and Accounts organisations.

[S. No. 7 (Para 2.19 of Appendix XXXI to 134th Report (5th Lok Sabha)].

Action Taken

To comply with the recommendations of the Public Accounts Committee the matter regarding strict control over expenditure was discussed in the 20th meeting of the Medical Stores Organisation Control Board held on 22-2-1975. In the light of the decision taken in the above meeting, further instructions have been issued to all the Deputy Assistant Director Generals to pursue the matter vigorously with the Pay and Accounts Officers concerned and progress of monthly payments made by them and debits adjusted by the Accountants General concerned should be closely followed. A watch is also being kept on the expenditure and adjustments for periodic assessments at the Headquarters level. In order to tighten up the procedure further, the matter has also been taken up demiofficially with the Secretary, Ministry of Supplies and the Chief Pay & Accounts Officers, New Delhi, at the level of Joint Secretary and Assistant Director General (Stores) respectively, to streamline the procedures with a view to avoiding excess and savings. Every possible effort is being made to control the expenditure of Medical Store Depots.

[Ministry of Health and Family Planning (Department of Health) O.M. No. G-25015 2 74-D & MS dated 24-7-1975]

Recommendations

The Committee view with serious concern the continuing deteriorating trend that has once again set in respect of 'Grant No. 47-Andaman and Nicobar Islands', resulting in an excess of Rs. 91.58 lakhs over the final grant. Excesses had occurred under this Grant also during 1967-68, 1968-69 and 1969-70, and in pursuance of the Committee's earlier recommendations relating to the Grant, instructions had been issued to the Andaman Administration by the Ministry of Home Affairs to ensure strict compliance with the rules and instructions regarding control over expenditure and to maintain closer liaison with the suppliers on the one hand and the Accounts Officer on the other to avoid such excesses in future. The Committee are distressed to observe that similar deficiencies as noticed in the past have come to the surface again. As in the previous years, the bulk of the excess during 1972-73 was due to utter failure to anticipate properly the receipt of stores and debits relating thereto and to make adequate provision for past liabilities. Liabilities in respect of payment of Dearness Allowance. Interim Relief and sea passage which are recurring in nature were not assessed realistically and provided for. For instance, credit notes issued for journeys by sea on tours/transfer during 1970-71 and

1971-72 have been finally adjusted only after the close of the financial year 1972-73. The Committee feel that by a closer watch and control over recurring liabilities of this nature, such a situation could have been avoided.

[S. No. 8 (Para 2.23) of Appendix XXXI to 134th Report (5th Lok Sabha)].

Action taken

The contents of the above recommendations have been brought to the notice of the A&N Administration *vide* this Ministry's D.O. letter No. U.15030/15/74-AC.II dated 7-1-1975 (Copy enclosed).

The Note has been vetted by Adudit.

[Ministry of Home Affairs O.M. No. U-15030/15/74-AC-II dated 18-4-1975].

D.O. No. U-15030/74/ AC.II

P. K. Sarkar
Director (F)

New Delhi, the 7th January, 1975

Dear Shri Harmander Singh,

Please refer to Shri K. R. Prabhu's d.o. letter No. 17/8/74-AC. III, dated 5-12-1974 and find enclosed copy of the recommendations of the Public Accounts Committee as contained in their 134th Report (Fifth Lok Sabha) regarding excesses over voted Grants and Charged Appropriations disclosed in the Appropriation Accounts for the year 1972-73.

2. As regards para 2.23, the recommendations of the Committee may be noted and brought to the notice of all officials concerned and it may kindly be ensured that lapses of the nature do not occur again.

3. From the recommendations contained in para 2.24 of the said Report you will find that the Committee desires a thorough review of the existing procedures and practices followed by the Administration for financial controls and checks. The Committee also desires to know the past liabilities relating to 1970-71 and 1971-72 which have remained still unadjusted in respect of the sub-heads mentioned in the para.

4. It will also be seen from para 2.25 relating to excess expenditure under the sub-head 'E 1(5)(2)(1) Charges' relating to 'Other

Suspenses Accounts' that the Committee has taken a serious view of procuring materials for a work which had not been sanctioned and when there was also no budget provision for any expenditure relating to the work. The Committee has desired to fix the responsibility and take appropriate action against the official concerned so as to avoid the recurrence of such financial improprieties in future.

5. I shall be grateful if you could kindly look into the matter personally and furnish us with a self contained note containing the information required in para 3 and intimate us of the action taken against the officials concerned as desired in para 4 above. This may kindly be treated as urgent.

Yours sincerely,
Sd/- P. K. SARKAR

Shri Harmander Singh,
Chief Commissioner,
Andaman and Nicobar Islands,
Port Blair.

Recommendation

The Committee find that though the overall excess of about Rs. 40 lakhs 'Grant No. 48-Arunachal Pradesh' works out to only about 2 per cent of the Final Grant of Rs. 1837 lakhs as a whole, there have been heavy excesses under individual sub-heads, indicative of totally inefficient and defective estimation of monetary requirements. The excesses over final provisions varied from about 23 per cent under 'D.1(2)-Public Works-Repairs' to about 81 per cent under 'D.1(4)-Tools and plants'. The excess of Rs. 8.10 lakhs under 'C.1(1)-Electricity Schemes-Working Expenses' is 54 per cent of the final provision of Rs. 15 lakhs. The Committee observed from the reply of the Ministry of Home Affairs that the power Houses at pasighat and Basar were commissioned in November, 1972. Therefore, they feel that the increase in working expenses due to the engagement of work charged staff for the power houses could have been assessed and provided for at least in the Revised Estimates. Payment for the Vehicles required by the Public Works Department, for which indents had been placed in 1971-72 itself.

could have also been anticipated. The Committee would like to impress upon the Ministry the need to exercise greater care in framing their estimates realistically in future.

[S. No. 11 (Para 2.23) of Appendix XXXI of 134th Report (5th Lok Sabha)].

Action taken

The recommendation of the Public Accounts Committee have been noted and brought to the notice of Arunachal Pradesh Administration for strict compliance *vide* this Ministry's letter No. U/15030/13/74-AC.II, 13-12-75 (Copy enclosed).

The 'note' has been vetted by Audit.

[Ministry of Home Affairs O.M. No. U-15030/13/74-AC-II dated 18-1-1975]

Copy of letter No. U-15030/13/74-AC.II dated 13th December, 1974 from the Government of India, Ministry of Home Affairs addressed to the Chief Secretary, Arunachal Pradesh Administration, Shillong.

Subject:—Public Accounts Committee-134th Report (5th Lok Sabha) on Appropriation Accounts for the year 1972-73-
Action taken on para 2.28 of the Report.

Sir,

I am directed to enclose herewith a copy of the recommendation contained in paragraph 2.28 of the 134th Report of the Public Accounts Committee (1974-75) Fifth Lok Sabha in connection with the excess over the voted grant in Grant No. 48-Arunachal Pradesh during the year 1972-73. with the request that the observation/recommendation of the Public Accounts Committee may please be brought to the notice of all concerned with strict instructions to ensure that greater care is taken in framing the budget estimates realistically to avoid recurrence of such instances in future. It may also be made clear to them that such defective estimates of monetary requirement will be taken seriously.

Receipt of this letter with enclosure may please be acknowledged.
Copy with a copy of the recommendation contained in para 2.28

of the 134th Report of the Public Accounts Committee (1974-75) is forwarded for information and guidance to:—

- (i) Ministry of Works and Housing, New Delhi.
- (ii) Ministry of Energy (Department of Power) New Delhi.

Sd/-(S. Samanta)

Under Secretary to the Government of India.

Recommendation

The Committee are distressed to note the incurring of expenditure in excess of the Voted Grant by Union Territories for the second year in succession under Grant No. "118—Capital Outlay in Union Territories" relating to Ministry of Home Affairs. Against the excess of Rs. 157 lakhs recorded under this Grant in 1971-72, the excess during 1972-73 amounted to Rs. 250 lakhs. Though this excess works out to only about 9 per cent of the final grant as a whole, the Committee find that there have been abnormal excesses under individual schemes executed by the Union Territories. The excess of Rs. 14 lakhs and Rs. 17.86 lakhs incurred by the Andaman and Nicobar and Arunachal Pradesh Administrations respectively under 'F.1—Electricity Schemes' work out to about 2.11 per cent and 51 per cent respectively of the final grant of Rs. 6.62 lakhs and Rs. 35 lakhs allocated to them. Similarly, the two Union Territory Administrations have exceeded the final grants for the 'construction of other roads' by 30 per cent and 64 per cent. The expenditure incurred by the Arunachal Pradesh Administration on 'Other Civil Buildings' has also exceeded the final grant of Rs. 65 lakhs by about 56 per cent and the excess under 'GI.(1)—Housing' works out to about 24 per cent of the final provision in respect of all Union Territories. The Committee, therefore, are positive that adequate attention has not been paid by the Union Territories to the realistic framing of Budget and Revised Estimates and that a proper review and appreciation of the progress of expenditure on capital schemes have been lacking. The Committee would, therefore, like the Ministry of Home Affairs to impress upon the various Union Territory Administrations the need for greater financial discipline and stricter budgetary control. The Committee would be constrained to take serious view of excesses under this grant in future.

[S. No. 12 (Para 2.32) Appendix XXXI to 134th Report (Fifth Lok Sabha)]

Action taken

The recommendations of the Public Accounts Committee have been noted and brought to the notice of all Union Territories for strict compliance *vide* this Ministry's letter No. U-15030/14/74-Ac.II, dated 19-12-1974 (copy enclosed).

This note has been vetted by Audit.

[Ministry of Home Affairs O.M. No. 15030/14/74-Ac.II. dated 27-1-1975].

P. K. Sarkar
Director (Finance)

D.O. No. 15030/14/74-Ac. II
Government of India,
Ministry of Home Affairs.
New Delhi-110001, the 19th December, 1974

Dear Shri

Please refer to the enclosed copy of the recommendations contained in para 2.32 of the 134th Report of the Public Accounts Committee (1974-75)—Fifth Lok Sabha in connection with the excess over the voted grants and charged Appropriation disclosed in the Appropriation Accounts for the year 1972-73.

The observations made by the Public Accounts Committee in this paragraph may please be brought to the notice of all concerned officials with strict instructions to pay proper attention to the realistic framing of Revised Estimates, and Budget Estimates. The need for strict budgetary control and financial discipline should also be impressed upon them, with emphasis that excesses on such account will be taken very seriously in future.

Yours sincerely,
Sd/- P. K. Sarkar

To

(1) Shri J. K. Kohli, Chief Secretary, Delhi Administration
Delhi.

(2) Shri M. L. Kampani, Chief Secretary, Arunachal Pradesh
Administration, Itanagar, Via Laluk North Lakhimpur (Assam).

3. Shri Mohinder Singh, Chief Commissioner, Andaman and
Nicobar Administration, Port Blair.

(4) Shri N. P. Mathur, Chief Commissioner, Chandigarh Admi-
nistration, Chandigarh.

(5) Shri W. Shaiza, Administrator, Lakshdweep Administration,
Kavaratti.

(6) Shri N. C. Naik, Secretary to the Administrator, Dadra and Nagar Haveli Administration, Silvassa.

Recommendation

The Committee are also surprised to note that expenditure in excess of about 50 per cent of the final grant of Rs. 73.04 lakhs had been incurred by the Chief Engineer (Flood), Delhi Administration under the sub-head 'E.1(1)—Works' under the wrong impression that he could incur expenditure up to the Plan Outlay even when the necessary provision was not available. This clearly indicates an utter lack of knowledge of basic budgetary principles and procedures. The Committee need hardly reiterate the need for strict compliance with the rules and instructions on control over expenditure. They take a serious view of the laxity in financial control exercised by the Chief Engineer (Flood) and require that responsibility should be fixed for taking appropriate action against those concerned under advice to the Committee.

[S. No. 13 (Para 2.33) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action taken

The Delhi Administration who were asked to persue the matter and fix responsibility on the concerned officials have intimated on 23rd June, 1975 that their Finance Secretary has been asked to look into the matter and fix responsibility. The observations of the Public Accounts Committee for strict compliance with the rules and instructions on control over expenditure have been brought to the notice of all the Heads of Department of the Administration, *vide* D.O. F. 9(4)/73-Fin.(B)V.III, dated 9th June, 1975 from the Finance Secretary, Delhi Administration. (Copy enclosed).

The 'note' has been vetted by Audit.

[Ministry of Home Affairs O.M. No. U-15030/14/74-Ac.II, dated
dated 25-7-1975].

IMPORTANT

L.R.K. Prasad,
Finance Secretary

DELHI ADMINISTRATION, DELHI
D.O. No. F. 9(4)/73-Fin.(B)V.III
Dated, the 9th June, 1975.

Dear Shri

I am to enclose a copy of demi-official letter No. U 15030/14/74-Ac. II, dated the 19th December, 1974 from Shri P. K. Sarkar, Director

(Finance) in the Ministry of Home Affairs together with an extract of para 2.33 from the 13th Report of the Public Accounts Committee (1974-75) for your information.

I shall be grateful if the observations of the Public Accounts Committee are brought to the notice of all the concerned officers in your department so as to ensure that there is no irregularity.

Yours sincerely,

Sd/- (L.R.K. Prasad).

Copy forwarded to:—

1. All the Local Offices, Delhi Administration, Delhi.
2. All the Departments of Delhi Administration, Secretariat, Delhi.

Sd/- (P.N. Sharma),

Under Secretary Finance (B&R),

DELHI ADMINISTRATION, DELHI.

Copy of D.O. letter No. U.15930/14/74-Ac.II, dated the 19th Dec., 1974 from Shri P K Sarkar, Director (Fin.) to the Government of India, Ministry of Home Affairs, New Delhi.

Please refer to my D.O. letter No. U.15041/2/74-Ac.II (pt), dated 7-12-1974 regarding Appropriation Accounts in respect of Grant No. 118—Capital Outlay in Union Territories for 1972-73 and find the enclosed copy of the recommendation contained in para 2.33 of the 134th Report of the Public Accounts Committee (1974-75)—Fifth Lok Sabha in connection with 'Excesses over voted grants/charged appropriation disclosed in Appropriation Accounts for the year 1972-73.'

2. I would request you to bring these observations to the notice of all concerned officials and send us a self-contained note on the action taken in the concluding sentence of the observations latest by the 15th January, 1975.

Extract from the PAC (1974-75) (Fifth Lok Sabha) 134th Report.

APPENDIX—XXXI

Summary of Main Recommendations/Conclusion

S.No.	Para No. of the Report	Ministry/ Department concerned	Recommendations/Conclusions
13	2-33	Home Affairs	The Committee are also surprised to notice that expenditure in excess of about 50 per cent of the final grant of Rs. 73.04 lakhs had been incurred by the Chief Engineer (Flood) Delhi Administration under the Sub-head 'E-1 (1) - Works' under the wrong impression that he could incur expenditure up to the plan outlay even when the necessary provision was not available. This clearly indicates an utter lack of knowledge of basic budgetary principles and procedures. The Committee need hardly reiterate the need for strict compliance with the rules and instructions on control over expenditure. They take a serious view of the laxity in financial control exercised by the Chief Engineer (Flood) and require that responsibility should be fixed for taking appropriate action against those concerned under advice to the Committee.

Recommendations

The Committee note that an expenditure of Rs. 78.18 lakhs has been incurred against the original budget provision and reappropriations totalling Rs. 69.37 lakhs under the Group Head 'B'—Lighthouses—Working Expenses resulting in an excess of Rs. 8.81 lakhs and that the excess was mainly due to the unanticipated settlement of Bills of the Shipping Corporation of India for manning M.V. Sagardeep (Rs. 4.95 lakhs) settlement of bill of M/s. Garden Reach Workshop, Calcutta for repair of motor launch 'M.I. False Point (Rs. 1.28 lakhs) and due to issue of more stores for maintenance of lighthouses than anticipated (Rs. 2.58 lakhs). The Committee understand that the amount payable to the Shipping Corporation of India for manning M.V. Sagardeep is a recurring annual liability and, therefore, feel that the explanation of the Ministry of Shipping and Transport that the settlement of bill on this account was unanticipated is not at all convincing. The repairs to the motor launch would also have been entrusted to M/s. Garden Reach Workshop only after approval of the Ministry of the estimates of repairs and the Committee feel that the liability on this account could have been assessed and adequately provided for at least at

the Revised Estimate stage by closer coordination with the Workshop. The Committee also feel that the requirement of stores for maintenance of lighthouses could have also been realistically assessed and forecast. Under the circumstances, the Committee have to believe that the Budget Estimates and Revised Estimates have not been framed judiciously after taking into account probable requirements and anticipated liabilities by the concerned authorities. The Committee, therefore, require that the Ministry should be more realistic and exercise greater care in future while framing their estimates.

[S. No. 17 (Para 2.44) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action Taken

The observations of the Committee have been noted.

[Ministry of Shipping and Transport (Transport Wing) O.M. No.
LL8-4/74-MT, dated 3-2-1975]

Recommendations

The Committee are also unhappy over the delay in the adjustment of funds received from Food Corporation of India under "A.7(2)—Other Suspense Accounts—Charges" and require that such delays would be avoided in future.

[S. No. 22 (para 2.56) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action Taken

The Chief Engineer concerned has already taken up the question of regularisation of expenditure on behalf of Food Corporation of India both with the Department of Food and the Corporation. Instructions have already been issued by the Chief Engineer (Food Zone) to his Superintending Engineers to avoid such delays in future *vide* his letter No. 1172-B(F), dated 4-1-1973—*Copy attached*. It may be noted that these instructions were in fact issued on the basis of the Committee's observations made in Para 2.41 of their 49th Report (Fifth Lok Sabha—1972-73) and are reproduced at pages 86-88 of their 96th Report (Fifth Lok Sabha)—1973-74. These have again been reiterated *vide* his letter No. 8174-B(F), dated 1st March, 1975 to the Superintending Engineers (*Copy enclosed*).

File No. G.25015/6/74--Bt.

[Ministry of Works and Housing O.M. No. G-25015/6/74-Bt.
dated 25-8-1975].

Copy of letter No. 1/1/72-B(F), dated the 4th January, 1973 from Chief Engineer (Food Zone) to Shri M. K. Koundinya, SSW (F), Central Public Works Department, New Delhi, etc. etc.

SUBJECT: *Appropriation accounts for the year 1971-72 under the Sub-head A.7(1) (1)-Stock Charges and A.7(2)-Other Suspense Accounts Charges under Major Head 50 PWC.*

Please refer to this office letter No. 10(3)/71-B(F), dated the 4th October, 1972 under which the recommendations of the Public Accounts Committee made in para 2.41 of their 49th Report 72-73 (Fifth Lok Sabha) in connection with the excesses disclosed in the appropriation accounts (Civil) 1970-71, were communicated for strict compliance. It was stressed therein that expenditure on the deposit works of FCI should be limited to the amount of deposits received and that in future timely action should be taken to get additional expenditure recouped before the end of the year.

2. A review of the appropriation accounts for the year 1971-72 under the above two sub-heads of the Major Head 50-PWC have however, revealed that again for the said year there are huge excesses over the budget grant/allotments. It has also been noticed that excesses are mainly under those Food Storage Divisions/Circles against whom there are frequent complaints from the FCI for incorrect and delayed submission of the monthly expenditure reports to Food Corporation of India. In this connection it is stated that as required by Engineer-in-Chief, Central P.W.D. the names of the Food Storage Divisions under which excesses over the budget grants for the year 1971-72 under the above sub-heads were noticed, have been intimated to him.

3. It may be stated that the concerned authorities of Food Corporation of India have often been urged by this office to make requisite deposits of funds before the end of year. Imperative urgency of the matter should also be brought home to these authorities by the Superintending Engineers/Superintending Surveyors of Works (Food) as well. In order to ensure compliance in the matter it is also of equal importance for the Executive Engineers to submit to the FCI regular and correct accounts without least delay to enable the FCI to make deposits regularly in time so that all additional expenditure is recouped before the end of the year to avoid adverse criticism of PAC for excess in the Appropriation Accounts.

4. With a view to avoiding excesses under the above sub-heads for the year 1972-73 it is requested that all out efforts should be

made by the Superintending Engineer's/Superintending Surveyor of Works (Food) and Divisional Officers to reduce the chances of excesses by taking timely action as suggested in para 3 above and also by suitable planning of acquisition of stores and settlement of AG Memos. etc., in consultation with the concerned authorities well in time. Instructions may therefore be issued immediately to all the EEs to ensure that the additional expenditure over the deposits made by the FCI are not recouped long before the end of the current year. They should also be in touch with the concerned Audit Officers to ensure even flow of A.G. Memoes during the year so that the excesses under the above two sub-heads under the major head 50-PWC should not recur in appropriation accounts for the year 1972-73.

Sd/(Shri KRISHNA),
Chief Engineer (Food) Central P.W.D.

CENTRAL PUBLIC WORKS DEPARTMENT
FOOD ZONE

No. 8174-B(F)

Dated New Delhi 1-3-1975.

SUBJECT: ---134th Report of the P.A.C. (5th Lok Sabha) on excess over voted Grants and charged Appropriation disclosed in the Appropriation Accounts for the year 1972-73. (Para 2.54, 2.55, 2.56 and 2.61 of the Report).

Reference Engineer-in-Chief's Memorandum No. 10574-B(E-in-C) dated 4th February 1975 to all the Zonal Chief Engineers and copies endorsed to all the Superintending Engineers and Executive Engineers in C.P.W.D. on the above subject.

2. In spite of the instructions issued from time to time *vide* this office letters noted in the margin, excess have again been disclosed over the budget grants in the appropriation Accounts for the year 1972-73. The P.A.C. have taken a very serious view of the unchecked deterioration and have observed that such excesses have become a recurring annual feature.

3. The SSW(F) and Superintending Engineers are, therefore, once again requested to impress upon the Executive Engineers under their control the desirability of framing the Budget Estimates realistically and to exercise strict control over the expenditure

in future to avoid recurrence of such excesses over the budget allotments.

4. The receipt of this Memorandum may please be acknowledged and it may be confirmed that Executive Engineers have been instructed accordingly.

S/d- M. K. SIVASUBRAMANIAN.
Chief Engineer (Food).

To

1. Shri Jai Prakash, S.E., Food Storage Circle, C.P.W.D., R. K. Puram, New Delhi.
2. Shri S. C. Jain, S.E. Delhi Central Circle No. III, C.P.W.D. I.P. Bhavan, New Delhi.
3. Shri S. C. Jain, SSW(F), C.P.W.D., I. P. Bhavan, New Delhi.
4. Shri N. Jayapal, S.E. Food Storage Elect. Circle, C.P.W.D., 150 Jorbagh, New Delhi-3.
5. Shri G. S. Rao, S.E. Bank Note Press Construction Circle, C.P.W.D., Indore (DEWAS).
6. Shri D. A. S. Iyer, S.E., Nagpur Central Circle, C.P.W.D, 6-Seminary Hills, Nagpur-1.

Copy forwarded to Engineer-in-Chief, Budget (E-in-C) Section, C.P.W.D., Nirman Bhavan, New Delhi with reference to his Memorandum No. 10/5/74-B(E-in-C) dated 4th February, 1975 for information.

S/d- M. K. SIVASUBRAMANIAN.
Chief Engineer (Food).

Recommendation

In paragraph 2.44 of their 49th Report (5th Lok Sabha), the Committee had expressed concern about the significant misclassification in accounts that occurred in the Grant relating to Delhi Capital Outlay and had hoped that the reconciliation of expenditure booked in accounts with the departmental figures would be done promptly in future. In the light of their about comments, the Committee are distressed to find that an amount of Rs. 19.75 lakhs was misclassified during 1972-73 also under the head "Housing" instead

of under "Other Civil Buildings" and "Departmental Charges". The Committee trust that such mis-classifications would be eliminated in future.

[S. No. 23 (para 2.61) of Appendix XXXI to 134th Report (5th Lok Sabha)].

Action taken

The only way to prevent such mis-classification is to have closer liaison with the Audit and prompt reconciliation of discrepancies. The observation of the Committee has been conveyed by the Chief Engineer, New Delhi Zone to the Divisional Officers to keep close liaison with the audit and get the misclassification, if any, rectified before the closing of the accounts, vide his letter No. 8(1)/75-B1 dated the 11th February, 1975 (copy enclosed).

(File No. G-25015/6/74-Bt)

[Ministry of Works and Housing O.M. No. G-25015/6/74-Bt. dated 25-8-1975].

CENTRAL PUBLIC WORKS DEPARTMENT

No. 8(1) 75BI

Dated, New Delhi, the 11th Feb., 75.

MEMORANDUM

SUBJECT:—134th Report of the P.A.C. (5th Lok Sabha) on excess over voted Grants & Charged Appropriation disclosed in the Appropriation Accounts for the year 1972-73.

An extract of the observation made by the P.A.C. in their 134th Republic Accounts Committee (5th Lok Sabha) received from E-in-C vide Memo No. 10/5/74 B(E-in-C) ated 4-2-1975 is forwarded for information and necessary action.

It would be seen that the P.A.C. has taken a very serious view over the excess expenditure incurred under the 'Suspense' head during 1972-73. Similarly the P.A.C. has also shown concern about the significant mis-classifications in accounts under Major Head 104 D.C.O. during 1972-73. The Superintending Engineers/Director of Horticulture are required to ensure that a close liaison is maintained with the manufacturers and Suppliers so that the supplies are properly regulated with relation to the available funds and expenditure is not allowed to exceed the budget grant. They are

also requested to instruct the Divisional Officers to keep a close liaison with audit office regarding booking of expenditure and to reconcile the expenditure booked more carefully and regularly so that any mis-classification is rectified before the close of the accounts. It would be necessary to fix responsibility for any lapse in future.

Sd/-

(Ved Parkash)

F.O. to Chief Engineer (NDZ)

for Chief Engineer (NDZ)

To

The Superintending Engineers:—

1. Delhi Central Circle No. I C.P.W.D., New Delhi.
2. Delhi Central Circle No. II C.P.W.D., New Delhi.
3. Delhi Central Circle No. IV C.P.W.D., New Delhi.
4. Delhi Central Elect. Circle No. I C.P.W.D., New Delhi.
5. Delhi Central Elect. Circle No. III, C.P.W.D., New Delhi.
6. Delhi Central Elect. Circle No. IV, C.P.W.D., New Delhi.
7. Director of Horticulture C.P.W.D., New Delhi.
8. Superintending Engineer P.W.D. I(DA) New Delhi.
9. Superintending Engineer P.W.D. II(DA) New Delhi.
10. Superintending Engineer P.W.D. (Elect.) (DA) New Delhi.

Copy forwarded to:—

1. Chief Engineer (NZ) C.P.W.D., New Delhi.
2. Engineer-in-Chief Central P.W.D., New Delhi.

Recommendation

The expenditure on 'Defence Services Effective—Army' exceeded the final grant of Rs. 1075.59 crores by as much as Rs. 45.78 crores in 1972-73 and this excess accounts for over one-third of the total excess of Rs. 126.33 crores over Voted Grants and Charged Appropriation recorded in respect of all Grants. Bulk of the excess occurred under the sub-heads 'F1-Military Farms' (Rs. 61.37 lakhs), 'F2 Ordnance and Clothing Factories' (Rs. 2304.67 lakhs), 'F3-Research and Development Organisation' (Rs. 215.24 lakhs), 'F4-Inspection Organisation' (Rs. 129.40 lakhs) and 'H-Works (Chargeable to Revenue), Maintenance etc.' (Rs. 1351.60 lakhs) and the excesses under the sub-heads worked out respectively to 7.3 per cent, 10.1 per cent, 9.94 per cent, 6.99 per cent and about 28 per

cent of the final provisions under these sub-heads. Excesses under these sub-heads had occurred in 1971-72 also and the Ministry of Defence had then attributed these excesses to the uncertain conditions created by the emergency leading to the Indo-Pak conflict and the aftermath thereof. However, the excess of about Rs. 46 crores in 1972-73, a comparatively normal year, which was about 30 per cent of the supplementary grant obtained, causes concern to the Committee. They are of the view that the excess during this year could have been minimised considerably by periodic reviews of the progress of expenditure and better regulatory controls and by a realistic estimation of the receipt of stores and debits relating thereto. The Committee trust that better budgetary control will exercised by the Ministry in future.

[S. No. 25 (Para 2.70 of Appendix XXXI to 134th Report (5th Lok Sabha)].

Action taken

In pursuance of the recommendation made earlier by the P.A.C., in their 96th Report (5th Lok Sabha), instructions were issued to all concerned under No 11(23)-73 D (Budget), dated 5.3.1974 to take necessary steps with a view to containing the expenditure in future years within the budgetary allocations. The administrative authorities have, in turn, directed the lower formations to plan their requirements on a more realistic basis and keep a closer watch over the flow of expenditure so that it is limited to the sanctioned grant. It may be mentioned for the information of the P.A.C. that during the following year viz. 1973-74, there was no excess under demand No. 20-Army (Voted), Demand No. 21-Navy, Demand No. 22-Air Force and Demand No. 24-Defence Capital Outlay except a small excess of only 1.85 per cent under Grant No. 23-Pensions.

DADS has seen.

[Ministry of Defence u.o. No. 11(13)-74 D (Budget), dated 16-8-1975]

Recommendation

The Committee would also like to know the reasons why the execution of operational works for increasing the Defence potential in

the Northern Sector and execution of works by Commanders in the Western and Northern Commands under para 11 of the Revised Works Procedure could not have been adequately anticipated and funds provided for purpose, at least in the Revised Estimates.

[S. No. 26 (para 2.71) of Appendix XXXI to 134th Report (5th Lok Sabha)].

Recommendation

The net excess of Rs. 1605.34 lakhs under 'Army Works' in 'Grant No. 104 Defence Capital Outlay works out to about 23 per cent of the final provision of Rs. 6,900 lakhs and the excess has been attributed by the Ministry to the execution of a large number of works under para 11 of the Revised Works Procedure and meeting inescapable contractual liabilities. The Committee note from the reply of the Ministry of Defence that after the ceasefire of December, 1971 and especially after the violation of ceasefire in Jammu and Kashmir in May, 1972, Formation Commanders found it necessary to sanction a large number of works to meet the urgent needs of troops deployed in operational locations in order to prevent further intrusions by the Pakistan Army and that an accurate estimate of the total liability arising from those works could not be had in time. Since most of the emergent works have apparently been executed immediately after May, 1972, the Committee do not accept the explanation furnished by the Ministry and maintain that the liability on such works could have been anticipated by a closer watch over the progress of expenditure on both normal and emergent works and by a proper review, which have been totally lacking, and adequate provision made in the Revised Estimates.

[S. No. 29 (para 2.78) of Appendix XXXI to 134th Report (5th Lok Sabha)].

Recommendation

The Committee find that the supplementary grant of Rs. 260 lakhs obtained for Army Works was woefully inadequate and would like to impress upon the Ministry the need for a more effective co-ordination between the lower formations and Hqrs. so that the extra

commitments could be quantified as precisely as possible before the close of the financial year with a view to reduce the gap between the actual additional requirement and the supplementary grant obtained towards the end of the year. In this connection, the Committee would also draw the attention of the Ministry to the observations contained in paragraph 2.47 of their 96th Report (Fifth Lok Sabha).

[S. No. 30 (para 2.79) of Appendix XXXI to 134th Report (5th Lok Sabha)].

Action Taken

As per the orders, works under para 11 of the Revised Works Procedure were not subject to the normal budgetary limitations, as they were treated as 'Emergency' works and formation commanders were empowered to order execution of the same without waiting for specific allotment of funds. In order, however, that works under para 11 of the Revised Works Procedure do not result in recurrence of similar excess in future, the following steps have been taken by the Government:—

- (a) Instructions have been issued (Annexure) to the lower formations that the requirement of funds for works sanctioned/commenced under para 11 of the Army Works Procedure should invariably be included in the periodical demands for grants so that funds are provided in time by appropriate authorities within the sanctioned appropriation.
- (b) Funds for the projects sanctioned under para 11 of the Revised Works Procedure are being made available from the sanctioned grant.

DADS has seen.

[Ministry of Defence u.o. No. 11(13)-74/D(Budget), dated 16-8-1975].

ANNEXURE

Air Headquarters,
New Delhi-11.
28 May, 1973.

Air HQ/S.37537/65/W(P&C)

Headquarters Western Air Command, IAF

Headquarters Eastern Air Command, IAF

Headquarters Central Air Command, IAF

Headquarters Maintenance Command, IAF

Headquarters Training Command, IAF

Headquarters No. 1 (Opl) Group

SANCTIONS UNDER PARA 11 OF THE REVISED WORKS
PROCEDURE

Reference is made to this Hqrs. letter No. Air Hq/S.37537/65/W (P&C) dated 20 January, 1973.

2. Para 11 of the Revised Works Procedure provides for the execution of certain works services under the orders of local Commanders without appropriate sanction from competent Financial Authority. The circumstances under which this short-circuiting of procedure can be resorted to are also specified therein *viz.* "on grounds of operational military necessity or on urgent medical grounds when reference to appropriate Competent Financial Authority would entail dangerous delay".

3. A large number of works under para 11 were ordered for the emergency in 1971. A perusal of these sanctions have revealed that a number of works do not fully satisfy the essential prerequisite for the sanction of such works *i.e.*,

- (a) Some works ordered do not *prima facie* satisfy criterion of operational or urgent medical necessity.
- (b) Some of the works by their sheer magnitude are incapable of execution in a short time and as such there was no question of dangerous delay in obtaining CFA's approval.

4. In view of the above irregularities and the fact that these para 11 sanctions have imposed heavy financial burden on the Government beyond the budgeted amount, it has been decided that the expenditure on para 11 works would also be met out of the budgeted funds. In other words some of the important planned works sanctioned under normal procedure would have to be kept in abeyance

or deferred in preference to para 11 works to keep the expenditure within the allotted budget.

5. Commands are, therefore, requested to impress upon all Commanders that resort to para 11 should be made in exceptional circumstances and that too strictly in accordance with the provisions laid down in the Revised Works Procedure and after taking into account the aspects mentioned in para 3 above and the restrictions imposed in para 4 above.

6. Please acknowledge.

Sd/- J. CHANDRA, Air Cdre.
Director of Air Force Works
for Air Officer i/c Administration.

Copy to:—etc. etc.

Recommendation

The Committee note that excess expenditure of Rs. 2613 lakhs and Rs. 238 lakhs had been incurred for purchase of materials respectively under 'F2-Ordnance and Clothing Factories' and 'F3-Research and Development Organisation'. Some of the factors contributing to these excesses are stated to be the higher materialisation of supplies than anticipated and the adjustment of heavy debits from the civil departments in the closing months of the year. The Committee feel that these factors could have been anticipated by a more effective co-ordination and liaison with the Directorate General Supplies and Disposals and other Suppliers and the Accounts Organisations, which has not been done.

[S. No. 27 (para 2.72) of Appendix XXXI to 134th Report (5th Lok Sabha)]

Action taken

The recommendations of the Committee have been noted. Instructions have been issued (*Annexures I & II*) to ensure that the delivery schedule of stores to be procured is adjusted in such a manner that there are minimum deliveries during the last quarter of the financial year. This will reduce the heavy receipt of debits from civil departments, in the closing months of the year. Action has also been taken to maintain more effective co-ordination and liaison with DG&D and other suppliers and the Accounts Organisation, so that expenditure is contained within the sanctioned grant.

DADS has seen.

[Ministry of Defence u.o. No. 11(13)-74/D(Budget), dated 16-8-1975].

ANNEXURE-I

No. Admin/RD-26/0713/70
 Ministry of Defence,
 Research & Development Orgn.
 New Delhi-11, the 13 July 73

To

All R&D Establishments/Laboratories

SUBJECT.—*Even flow of Expenditure against Budget Allotment*

In spite of repeated instructions issued on the subject, from time to time, it has been observed that in the year 1972-73, the bulk of expenditure on 'Stores' has been booked in the month of March 1973. For instance a sum of Rs. 3/- crores has been compiled in March alone. The Public Accounts Committee have adversely commented on the rush of expenditure towards the close of the financial year. Further, control of expenditure also becomes difficult at the Hqrs. if there is no even flow.

2. With a view to remedy the above procedure it has been decided that all purchase orders on 'Stores' should be placed before 30th Sept. of the year. Only in very exceptional cases orders can be placed after 30th Sept. This may therefore please be noted for strict compliance. An internal drill may be prescribed to ensure this and the Heads of Estts/Labs may keep a watch over the flow of orders every month through a visual chart.

3. Secondly, in order to have a control over the expenditure at the HQRs. *it is necessary to know the commitment every month, during the second half of the year.* Accordingly a report on the attached proforma may be sent to this HQRs on the 10th of every month commencing from Oct. 73 to the end of the Financial year. In other words the first report due on 10th Oct. 73 will depict the position as on 30-9-73. The later reports will indicate the position upto the end of each month thereafter.

Sd/- V. K. JAGANATHACHARI
 for Director General Research & Development

Copy to:—

All Technical Directors: For information. One of the reasons given for placing of orders late is that sanctions for new projects are often delayed. The position in regard to the new projects may be reviewed and sanctions expedited.

PURCHASE OF MATERIAL

(Rs. in thousands)*

	UNCONTRACTED					CONTRACTED				
	Local purchase	Service H Qrs.	Ord. Fys DGS&D	DGISM USA	DGISM UK	Local purchase	Service H Qrs.	Ord. Fys DGS&D	DGISM USA	DGISM UK
1. Carried in liability as on 1-4-73.										
2. Value of demands placed upto end.										
3. Value of demands likely to be placed during the rest of the year.										
4. Total (1+2+3)										
5. Extent of Materialisation/ Payments made upto end of the month.										
6. Anticipated materialisation/ payment for the rest of the year.										
7. Total (5+6)										

ANNEXURE-II

No. 001/TS/74-75/A/B
Government of India,
Ministry of Defence,
DIRECTOR GENERAL, ORDNANCE FACTORIES,
6, Esplanade East,
CALCUTTA-1, the 24th May, 1974.

To

The General Manager,
All Factories,

(FOR PERSONAL ATTENTION OF THE GENERAL MANAGER)

Subject:—Strict control over expenditure under the head 'Purchase of Materials' during 1974-75 —Precautionary measures for.

Reference: In continuation of this office circular letter No. 001/TS/74 A/B, dated 29th April, 1974.

The budgetary constraints during the financial year 1974-75 were appreciated well in advance and accordingly the General Managers of the factories were suitably advised *vide* para 4 of Addl. DGOF/Amn's D.O. No. 001/TS/74-75 A/B, dated 17th Aug. 1973. This office circular letter dated 29th April, 1974, quoted above, is also relevant in this connection.

2. Intimation has since been received from our Associate Finance that the commitment returns furnished by the IAOs attached to Ordnance & Ordnance Equipment Factories, reflecting the position of commitments on account of purchase of stores made upto March, 1974 in DGOF's Organisation indicate that the payment liability for 1974-75 amounts to Rs. 138.62 crores which includes an amount of Rs. 31.50 crores, for which contracts have not yet been concluded. Therefore, the payment liability for 1974-75, as per contracted items, as reflected in the Commitment Returns upto March, 1974, comes to Rs. 107.12 crores. Since the amount already reflected for 1974-75, on the basis of contracted liability has come very near to the budget allotment for 'Purchase of Materials' for 1974-75, all the General Managers are hereby requested to be more cautious in contracting further payment liability for 1974-75 as a precautionary measure in order to avoid the possibility of expenditure under this head exceeding the budget allotment during 1974-75. The General Managers are, therefore, requested to initiate necessary measures for ensuring

that the expenditure against the head 'Purchase of Materials' remains within the budget allotment without detriment to the planned production programme of the current year.

3. You are also requested to take immediate action for carrying out review of the existing Supply Orders and deliveries staggered/re-scheduled wherever possible. Likewise adequate care should be exercised while placing fresh Supply Orders.

4. Please acknowledge receipt.

Sd/- M. N. HUKKU

Addl. DGOF/Ammn.

For D.G.O.F.

Copy to:—All concerned.

Recommendation

Para 2.86. The Committee are concerned to note that the bulk of the net excess aggregating Rs. 9.24 crores under the 'Voted' section of Grants No. 15—Open Line Works—Capital, Depreciation Reserve Fund and Development Fund in relation to Railways had occurred in Northern Railway (Rs. 8.61 crores). That this was so despite obtaining a supplementary Grant of Rs. 8.02 crores and further augmenting the provision by Rs. 16.96 crores by reappropriation, which must have been done by the end of the year, points to the fact that the Railway Administration was not at all careful to estimate the requirements realistically. The excess, in terms of the original provision relating to this Railway, was as high as 53 per cent and, in terms of the final grant 9.5 per cent. Unless there were extraordinary developments during the year, such wide variations between the original Budget estimates and the actuals can hardly be justified. The Committee, therefore, maintain that the system of budgeting adopted by this Railway, which appears to be anything but satisfactory, needs a closer examination with a view to taking appropriate steps to bring about the desired improvement. The Committee would watch the improvement through future Appropriation Accounts.

[S. No. 32(Para 2.86) of Appendix XXXI to 134th Report (Fifth Lok Sabha)]

Action taken

The Committee have adversely commented upon the heavy excesses over the budget provision which occurred under Grant No. 15 on the Northern Railway, during the financial year 1972-73. The following table brings out the variation on the Northern Railway under Actuals compared to the Estimates under 'Bulk Order' items (these constitute expenditure on orders for procurement of rolling stock) and 'other than Bulk order' items.

	Budget Estimate	Revised Estimate	Final Estimate	Actual	Variation between B.E. & Actual (col. 4-1)	Variation between F.E. & Actual (col. 4-3)
Bulk order items .	Nil	16.23	16.48	20.00	20.00	3.52
Other than bulk order items .	64.69	74.24	74.08	79.17	14.48	5.09
TOTAL .	64.69	90.47	90.65	99.17	34.48	8.61

Bulk order items.

According to the extant procedure, funds provided for 'Bulk order items' in the Budget Estimates are retained with the Railway Board till the Revised Estimate stage, when this provision is distributed to the Railways according to the allotment of rolling stock proposed to be made to them during the year. The difference between the Budget Estimates and the Revised Estimate on account of bulk order items may not therefore, be considered a variance for which any individual railway is accountable. As allotment of rolling stock has to be changed even after the stage of the revised/final estimates, the variation, if any, can be appropriately viewed only for the Indian Railways as a whole. The position in this respect for the year 1972-73 was as under:—

(Rupees in crores)

Budget Estimate	118.05
Revised Estimate	124.40
Final Estimate	119.59
Actual	118.74

The above table indicates that for the Indian Railways as a whole, the variations between the Budget Estimate and the 'Actual' and the Final Estimate and 'Actual' were only Rs. 69 lakhs and Rs. 85 lakhs which are minor being less than 10 per cent.

So far as the bulk order expenditure on the Northern Railway is concerned, the actual expenditure was Rs. 20.00 crores against the final allotment of Rs. 16.49 crores, resulting in an excess of Rs. 3.52 crores. This excess was, mainly due to revision of allotment and adjustment of more debits for stock towards the close of the year.

Other than Bulk Order Items.

Post budgetary developments indicated the need for additional funds over the initial allotment. A further allotment of Rs. 9.39 crores was therefore, made from Supplementary Grants as also by re-appropriation of funds. The break-up of this amount is given below:—

(In crores of Rs.)	
(a) Purchases of stores for general purpose, Works and coal and fuel oil and increase on prices thereof	10.84
(b) Increase in cost of labour	0.24
(c) Taking up of urgent out of turn works	1.12
(d) Drawal of more stores for fabrication	0.36
(e) Aggregate of other Misc. causes	(—)3.17
	9.39

Despite the allotment of an additional amount of Rs. 9.39 crores, the Actuals exceeded the Final Estimate by Rs. 5.09 crores. The major reasons for this excess were as under:—

(Rs. in crores)	
(a) Receipt of more debits than anticipated for the cost of stores obtained through DGS&D etc.	2.33
(b) Receipt of stores returned from Works being more than expected	0.74
(c) Receipt of more materials and debits therefor for works and increase in prices	1.01
(b) Better progress in certain works and also urgent works undertaken during the year	0.71
(e) Aggregate of other minor causes	0.30
TOTAL	5.09

The above analysis indicates that the variation in the main was caused by much heavier receipts of debits than anticipated from DGS&D etc. towards the close of the year, receipt of more materials for works and increase in prices thereof and better progress of certain works undertaken during the year.

The observations of the Committee desiring an improvement in budgeting have been noted and brought to the notice of the Northern Railway. It is added that due to the various steps taken during the year 1973-74, there was no excess under Grant No. 15 on any of the Railways.

This has been seen by Audit.

[Ministry of Railways (Rly. Board) O.M. No. 74-BC-PAC/V/134
dated 24-6-1975].

Recommendation

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

[S. No. 33 (Para 2.87) of Appendix XXXI to 134th Report (5th Lok Sabha)].

Action taken by Government

Demands for Excess Grants for 1972-73 (Excluding Railways) were laid before Parliament on 8-5-75.

[Ministry of Finance (Department of Economic Affairs u.o. No. F8(53)-B/74 dated 18-5-1975].

CHAPTER III

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

Recommendation

The excesses over Final Grants ranged from 12 per cent in respect of the sub-head 'E.1(2)-Miscellaneous Shore Establishment' to about 55 per cent under 'E.1(4)(1)-Tools and Plants—New Supplies, Repairs, etc.' The Committee, therefore, are positive that something is radically wrong with the financial controls and checks exercised by the Andaman Administration and would require a thorough review of the existing practices and procedures followed by the Administration so as to ensure adequate and sound budgetary control and take timely remedial corrective measures. The Committee also trust that the reconciliation of expenditure booked in accounts with the departmental figures will be done promptly in future. It will also be of interest to know how far past liabilities relating to 1970-71 and 1971-72 have remained still unadjusted.

[S. No. 9(Para 2.24) of Appendix XXXI to 134th Report (Fifth Lok Sabha)].

Action taken

In pursuance of Public Accounts Committee's recommendations a thorough review of the existing practices and procedures followed by the Administration was undertaken. The Andaman Administration have stated that close liaison with the Directorate General of Supplies and Disposals, Pay and Accounts Officers and other Central Agencies which is essential to keep track of supply schedule and payment made by the Pay and Accounts Officers directly to the suppliers was not possible as these islands are cut off from mainland. Another reason for the excess is that the intimations about the payments made towards supply of stores by the Pay and Accounts Officers were not received at all or received very late when nothing could be done to change the budgetary position. The debit Memos were received in most cases in the Audit Office after close of the financial year. The Departments of the Andaman Administration could know about payments/adjustments only when they went in

for final reconciliation of accounts in June or July resulting in non-inclusion of necessary provision in respect of outstanding debits at various budgetary stages. If the Administration include provision of such expenditure based on the indents placed by them, it may result in savings if the debit memos are not forwarded by the Pay & Accounts Officers to the Audit Office before closure of the accounts.

The Department of supply who were consulted in the matter have stated that as per prescribed procedure, all the accounts relating to a financial year have to be sent to the concerned Accounts Officer during the same financial year except the account for transaction occurring during the last two days of March, which is sent in the first week of April and that this procedure is being followed by the Pay & Accounts Officers of the Department of Supply. As to the issue of debit intimations they have stated that there was some delay in despatching debit intimation. Memos to the consignees but the work has since been brought upto date and the debit intimation Memos are now being issued without delay.

2. The Administration have further stated that reconciliation of departmental figures of expenditure with those booked by the Audit Officer, from month to month could not be put into practice owing to non-completion of accounts monthly by Audit Office. The final reconciliation of accounts for 1972-73 could be done only in August 1973 as per programmes fixed by the Regional Audit Office of Andaman Islands.

In view of the position explained above there is nothing wrong with the financial controls and checks exercised by the Andaman Administration.

3. As regards past liabilities, the Administration have intimated that the past liabilities pertaining to the year, 1970-71 and 1971-72, approximately amounting to Rs. 40 lakhs and Rs. 46 lakhs respectively, still remain unadjusted.

[Ministry of Home Affairs O.M. No. 4—15030/15/74-AC—II dated 4-9-1975].

Recommendation

The Committee also find from the note furnished by the Ministry that an amount of Rs. 4.51 lakhs has been booked under the sub-head 'E.1(5)(2)(1)—Charges' relating to 'Other Suspense Accounts,' pending sanction to the work and sanction of funds. The Committee are at a loss to understand how material could have been procured for a work which had not been sanctioned and when there was also no

budget provision for any expenditure relating to the work. As this appears to be a clear case of circumvention of the financial rules, the Committee take a very serious view of this irregularity and recommend fixation of responsibility and appropriate action against the officials concerned, so as to avoid the recurrence of such financial improprieties in future. The Committee also desire that Government should issue strict instructions to all Ministries/Departments on the subject for their guidance. The Committee would also like to be informed of the action taken against the officials concerned.

[S. No. 10(Para 2.25) of Appendix XXXI, 134th Report (5th Lok Sabha)]

Action taken

An amount of Rs. 4.51 lakhs booked under the sub-head 'E-1(5) (2)(1)—Charges' relating to 'Other Suspense Accounts' was spent for the construction of approach road to Haddo Wharf. The work relating to Haddo Wharf Project was a Central Plan Scheme and its estimated cost was Rs. 535.77 lakhs.

With the coming up of the Wharf at Haddo the vehicular traffic was expected to increase considerably in number and size of vehicles. The existing military road was stated to be in a bad condition and had steep gradients making it unfit for the anticipated heavy traffic. Further, the Military approach road could not be used for civilian traffic for reasons of security. Hence the need for the construction of a new approach road had been keenly felt by the Andaman & Nicobar Administration. The New 1 K.M. approach road had been estimated to cost about Rs. 13.00 lakhs for which there was no provision in the Fourth Five Year Plan of the Administration. The Administration sent a proposal for a provision of Rs. 13 lakhs for the work in July 1972 to the Ministry of Shipping and Transport (Roads Wing). This was considered in the Central Coordination Committee meeting held on 26-8-72. The proposal for the construction of approach road to the Wharf at Haddo at an estimated cost of Rs. 13 lakhs was accepted in principle and the Chief Engineer, Ministry of Shipping and Transport agreed to sanction the same subject to examination and verification by the Ministry of Shipping & Transport (Roads Wing). As desired by the Ministry of Shipping & Transport (Roads Wing) the estimates etc. for the approach road were sent to them by the Andaman & Nicobar Administration for examination and verification. In the meantime the Andaman Administration went ahead with the construction work on the approach road on the consideration that without the approach road the utility

of the Wharf constructed at a cost of about Rs. 536 lakhs would be severely reduced.

The Roads Wing of the Ministry of Shipping & Transport found it difficult to provide funds to the Andaman & Nicobar Administration for the approach road and they suggested that the expenditure on this road could be met from the funds for Wharf Project. The matter was, therefore, taken up by the Home Ministry with the Transport Wing of the Ministry of Shipping & Transport at a very high level but the Ministry of Shipping & Transport (*Transport Wing*) did not agree to debit the expenditure to the Haddo Wharf Project on the Plea that it is not the practice to debit the expenditure relating to construction of roads to a port project and acceptance of such a principle will have wide repercussions. This was communicated to this Ministry towards the end of March 1973 when a considerable portion of the expenditure on the approach road had already been incurred. As already stated above since the work had already been started by the Andaman Administration in anticipation of provision of funds, and ultimately the fund for the work could not be sanctioned there was no alternative with the Administration but to charge the expenditure to the Suspense Head.

It would thus be seen that it was in the public interest and in good faith that the expenditure was incurred in anticipation of sanction to the work and sanction of funds which could not ultimately be sanctioned due to some technical difficulty though the construction of the approved road was agreed in principle by all concerned. It would not, therefore, be proper to hold any officer responsible for the expenditure, though technically it is irregular. However, when the irregularity came to the notice of the Principal Engineer, Andaman Public Works Department, he had pointed out the impropriety to the concerned Executive Engineer and advised him as well as the other Executive Engineers to avoid recurrence of such improprieties, in future.

This Ministry have also brought the recommendations of the Committee to the notice of all Ministries/Departments for their guidance and strict compliance vide this Ministry's Office Memorandum No. U. 15030/15/74-AC. II dated 5th March, 1975 (*Copy enclosed*)

The Note has been vetted by Audit.

[Ministry of Home Affairs O.M. No. 4-15030/15/74-AC-II (Part II)
dated 11-9-1975].

Copy of letter No. U.15030/15/74-AC.II, dated the 5th March, 1975 from the Ministry of Home Affairs, New Delhi to all Ministries/ Departments of the Government of India etc.

SUBJECT.—Recommendations of the Public Accounts Committee contained in their 134th Report (1974-75) Fifth Lok Sabha relating to excesses over voted Grants and Charged Appropriations disclosed in the Appropriation Accounts for the year 1972-73.

The undersigned is directed to refer to the recommendations of PAC contained in para 2.25 of the above referred Report reproduced below in respect of excess expenditure under the sub-head 'E1(5) (2)(1)-Charges' relating to 'Other Suspense Accounts' under Grant No. 47-A&N Islands for the year 1972-73:—

"Para 2.25 The Committee also find from the note furnished by the Ministry that an amount of Rs. 4.51 lakhs has been booked under the sub-head 'E1(5) (2)(1)-Charges' relating to 'Other Suspense Accounts' pending sanction to the work and sanction of funds. The Committee are at a loss to understand how material could have been procured for a work which had not been sanctioned and when there was also no budget provision for any expenditure relating to the work. As this appears to be a clear case of circumvention of the financial rules, the Committee take a very serious view of this irregularity and recommend fixation of responsibility and appropriate action against the officials concerned, so as to avoid the recurrence of such financial improprieties in future. The Committee also desire that Government should issue strict instructions to all Ministries/Departments on the subject for their guidance. The Committee would also like to be informed of the action taken against the officials concerned".

The above recommendations of the Committee are brought to the notice of the Ministries of Works and Housing etc. for their guidance and strict compliance.

Recommendation

An expenditure of Rs. 68.86 lakhs had been incurred under the sub-head "B. 5(1)-Slum Improvement" without any budget provi-

sion which led to a net excess of Rs. 18.29 lakhs under 'Grant No. 82-Ministry of Works and Housing'. The Committee observe from the note on excesses furnished by the Ministry that a sum of Rs. 130 lakhs meant for slum improvement in Delhi, was to have been met initially from the Demands for Grants of the Ministry of Home Affairs under "Grant No. 118-Capital Outlay on Union Territories" and that it was subsequently decided that the expenditure would be met from Grant No. 82 relating to the Ministry of Works and Housing under the Head "39-Misc. Social and Developmental Organisations-Special Welfare Scheme. It is, however, not at all clear to the Committee when the decision was taken and what were the reasons therefor.

[S. No. 18 (para 2.48) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action taken

On 10th October, 1972, this Ministry made a reference to the Ministry of Finance (Department of Expenditure) giving the break-up of Rs. 20 crores intended to be spent for special welfare schemes including slum clearance etc. In this it was indicated that a sum of Rs. 130 lakhs meant for slum improvement would be met from "118-Capital Outlay on Union Territories" controlled by the Ministry of Home Affairs. A communication was also sent to the Home Ministry on 11-10-72. The Home Ministry also did not object to the proposal to incur the expenditure from this Head controlled by them but merely pointed out in their letter dated 23-11-72 that they would be able to assess the savings only in the first week of January, 1973 when they got the eight monthly statement of Expenditure. The matter was also taken up with the Ministry of Finance (Budget Division) on the 4th December, 1972 and they were requested to find out the requisite funds and release them. The Finance Ministry vide their letter dated 18-12-72 intimated that in so far as the grant to the municipalities is concerned, the expenditure should be debited to the Head "39-Misc. Social and Developmental Organisations" and that the provision for this would be made by the Home Ministry but funds could be released by the Works and Housing, Ministry. On 23-12-72 the Ministry of Finance, Department of Economic Affairs issued a general circular regarding classification of expenditure on Special Welfare Schemes. This also indicated that direct expenditure and grants to autonomous bodies/institutions would be debited to the Major Head 39-Misc. Social & Developmental Organisations—Special Welfare Schemes—detailed head—name of the scheme.

This was treated to be merely a repetition of what had already been conveyed on 18-12-1972 namely that the funds would be provided by the Home Ministry but that these might be released by this Ministry. There was thus no clear decision on this point till 23-12-72, on which date some instructions were issued which were also not free from doubt.

[Ministry of Works and Housing U. O. No. G. 25015/6/74-Bt.
dated 25-8-1975]

Recommendation

The Committee are surprised to note that even though the commitment on this account was known to the Ministry of Works and Housing a sum of Rs. 33.78 lakhs was surrendered by the Ministry during the year. The reasons for the surrenders are not clear to the Committee. The Committee also note that as against the anticipated expenditure of Rs. 130 lakhs on slum improvement in Delhi the actual expenditure was only Rs. 68.86 lakhs. Thus, apart from the fact that Government was not clear as to the demand under which funds for the purpose should be provided, it would *prima-facie*, appear that neither had the expenditure been correctly estimated nor the savings under the grant from which it was finally met anticipated properly. The Committee would therefore like Government to give correct facts and a fuller clarification and examine what was wrong with the system of budgeting which led to this confusion and take appropriate action so as to avoid such deficiencies in future.

[S. No. 19 (para 2.49) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action taken

At the time of issuing the final re-appropriation orders on 30th March, 1973, this Ministry was not aware of the extent of the expenditure which was to be debited to this Ministry's Demand for Grants. As it was anticipated that this expenditure would be small amount, the savings available in Grant No. 82-Ministry of Works and Housing, from other items was surrendered, only when Appropriation Account was received from the Accountant General Central Revenues in November, 1973, the extent of expenditure was known to this Ministry and by that time, the year 1972-73 was over and there was no other alternative but to get the excess regularised by vote of Parliament.

As this excess had occurred in the first year after the introduction of "Special Welfare Schemes" in the Book of Demand of the Ministry of Finance and there was no clear instruction about the classification of this expenditure, such excesses due to misclassification etc. will not occur in future.

[Ministry of Works and Housing U. O. No. G. 25015/6/74-Bt.
dated 25-8-1975]

Recommendation

The Committee also find that the excess of Rs. 165.97 lakhs under the sub-head 'D-Transportation' was partly due to the adjustment of some bills pertaining to the year 1971-72. The Committee would like to know why this payment for past liabilities could not be anticipated and provided for.

[S. No. 28 (Para 2.73) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action taken

Funds to cater for the past liabilities pertaining to the year 1971-72 but actually adjusted (by book debit) in the accounts of 1972-73 could not be provided for in the budget for the latter year as the liabilities in question were not precisely known to the estimating authority at Army HQrs. at the time of projecting the periodic estimates for the year 1972-73. It may be mentioned that there has been no excess under this head in the following year viz. 1973-74.

DADS has seen.

[Ministry of Defence U. O. No. 11(13)-74/D (Budget), dated
16-8-1975]

Recommendation

The Committee are also concerned to note that an amount of Rs. 0.91 lakh was erroneously booked under 'Grant No. 104-Defence Capital Outlay', sub-head 'A-Army' instead of under 'Grant No. 3-Navy', sub-head 'F-Stores' and another amount of Rs. 1.99 lakhs was misclassified under 'Voted' section instead of the 'Charged' section of 'Grant No. 104-Defence Capital Outlay', sub-head 'A-Army' and that these misclassifications came to light only after the final closing of the accounts for the year 1972-73. The Committee are unable to understand why these misclassifications were not detect-

ed before the closure of the accounts by prompt reconciliation of the departmental figures with the accounts figures. As misclassifications vitiate budgetary control, the Committee desire that procedures should be tightened up and responsibility should be fixed on individuals for such lapses.

[S. No. 31 (para 2.80) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action taken

The position is as under:—

- (i) Rs. 91,259.00—The amount in question represents expenditure incurred on the purchase of boats for the National Defence Academy. While issuing the relevant Government sanction authorising the purchase of these boats, the expenditure involved was unfortunately viewed as being in the nature of Capital expenditure and hence, it was indicated in the Government sanction that it would be compilable to 'Major Head 130-Defence Capital Outlay'. It was booked accordingly by the CDA(SC) in the accounts for July, 1972. The error came to light at the fag end of the year 1973. Attempts were made at that stage, in consultation with the Comptroller & Auditor General, to have the necessary re-adjustment carried out in the accounts for 1972-73 itself by manual corrections, but since the accounts for the year had then been finally closed, this could not be done.

This is an isolated case of wrong classification and no general procedural lacuna is involved.

- (ii) Rs 1.99 lakhs—The expenditure on the Defence side is booked by mechanical process (computerized system). There is no reconciliation between Departmental and Accounts figures as the accounts and compilation is done by the Defence Accounts Department. In this case the amount in question was omitted to be reported as Charged Expenditure by the CDA(WC) while sending compilation figures. The error came to light while reviewing the allotments under the Charged Expenditure. Necessary corrections could not, however, be made in the accounts for 1972-73 as the accounts for the year had, by then, been

finally closed. Suitable instructions have been issued by C.G.D.A. to all the CsDA to avoid such lapses in future.

DADS has seen.

[Ministry of Defence U. O. No. 11(13)-74/D (Budget), dated 16-8-1975]

Recommendation

While commenting on the excess over the Voted Grant under 'Grant No. 66-Expenditure on Displaced Persons' of the Ministry of Rehabilitation the Committee had *inter-alia* desired, in paragraph, 2.25 of their 96th Report (Fifth Lok Sabha), to know whether any case of corrupt practice or pilferage or wasteful expenditure had come to notice in the transactions commented upon and if so, the action taken against the delinquent officials. In their Action Taken Note, the Ministry of Rehabilitation have stated that no specific case of the types referred to has come to notice so far. The Committee, however, find from paragraph 35 of the Report of the Comptroller & Auditor General of India, Union Government (Civil) for the year 1972-73 that certain instances of short receipt of gift articles consigned as aid by United Nations agencies and other foreign Governments and voluntary organisations, shortages of tents and tarpaulins and their inadequate utilisation have been commented upon by Audit. The Draft Paragraph on the subject proposed for inclusion in the Audit Report must presumably have been received by the Ministry long before the finalisation of the Audit Report. If this is correct, the Committee find it difficult to reconcile the reply now furnished by the Ministry with the Audit comments referred to. The Committee will comment on the irregularities pointed out by the Audit separately after due examination of the relevant audit paragraph during the current year.

[S. No. 35 (para 3.7) of Appendix XXXI to 134th Report (5th Lok Sabha)]

Action taken

While furnishing the Action Taken Note pursuance to the Public Accounts Committee's observations as contained in para 2.25 of their 96th Report (Fifth Lok Sabha) referred to above, this Department was aware of the observations contained in draft paragraph 35 of the C&AG's Report for 1972-73; most of the cases referred to therein were, however, still under investigation/enquiry and/or pending in Courts of Law and the final results/decisions in respect of these cases were not available in any specific case to establish shortages, corrupt practices, pilferage etc.

2. The matter came up later during the course of the consideration of paragraph 35 of the CAG's Report 1972-73 Union Govt. (Civil), by the P.A.C. on 27-11-74 when the position was clarified. The P.A.C., however, desired to have information in respect of corrupt practice or pilferages etc. irrespective of the fact whether they were pending investigation/enquiry and/or decision of the Courts of Law.

3. A list of Points, arising out of Evidence tendered before the PAC on 27-11-74 and 17-12-74, was subsequently received from the Lok Sabha Sectt. vide their O. M. No. 2/1/22/74-PAC dated 27-12-74. This included *inter alia* Point No. 13(a) & (b) relating to cases of shortages, corrupt practices, pilferage etc. The position in this regard has already been explained in the 'Note' furnished to the Lok Sabha Sectt. under this Department's letter No. 7(29)/74-FA&BD dated 15-1-1975. (Enclosed).

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No. 12/11/73/FA&BD dated 9-5-1975]

GOVERNMENT OF INDIA
MINISTRY OF SUPPLY & REHABILITATION
(DEPARTMENT OF REHABILITATION)

REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF
INDIA, 1972-73, UNION GOVERNMENT (CIVIL)—PARAGRAPH
35—BANGLADESH REFUGEES—LIST OF POINTS ARISING
OUT OF EVIDENCE TENDERED BEFORE THE PUBLIC
ACCOUNTS COMMITTEE ON 27TH NOVEMBER,
1974 AND 17TH DECEMBER, 1974.

(Received under Lok Sabha Sectt's O.M. No. 2/1/22/74-PAC dated 27-12-1974).

* * * * *

13. (a) The Audit Report has highlighted various instances of shortages, corrupt practices, pilferage etc. Please furnish a statement indicating the number of cases pending before the courts of law in the various States/Union Territories where arrangements had been made for the refugees.

(b) Since the findings of Audit are based only on a test check, have the Ministry conducted any review or investigation to determine if other cases of the types referred to in the Audit Report

have occurred? If so, please furnish a detailed note indicating the results of such reviews/investigations and the action taken in this regard.

EXPLANATION

13.(a) The number of cases pending before the Courts of Law in the various States/Union Territories are indicated below:—

S. No.	Name of States/Union Territories	No. of cases
1.	West Bengal	29
2.	Tripura	1
3.	Assam	1
		31

(b) The Ministry has not conducted any review or investigation to determine if other cases of the types referred to in the Audit Report have occurred nor does it appear practicable to do so now. However from certain statements received from the State Governments, it does appear that, earlier than the receipt of the audit objections, some cases of shortages, corrupt practices, pilferage etc. had been indicated.

Total number of cases of corrupt practices/pilferage/wasteful expenditure which have come to notice is indicated below:—

Name of the State/Central Camp	Corruption	Pilferage	Wasteful expds.	Total
Central Camps	1	1	..	2
Tripura	3	*13	..	16
Assam	1	1	..	2
Meghalaya	..	2	..	2
West Bengal	42	47	17	106
TOTAL :	47	64	17	128

*Complete information is still under collection by the State Govt.

Out of the above, the number of cases under investigation is as follows:—

Name of the State/Central Camps	Police †	Vigilance	Other agencies	Total
West Bengal	56	8	4	68
Tripura	*13	1	1	15
Meghalaya	2	2
Central Camps (Gamarbani, Salboni) .	..	1	..	1
	69	10	7	86

*Complete information is still under collection by the State Govt.

New Delhi-11

Dated: 15-1-1975.

[F.No. 7(29)/74-FA&BD]

(H. S. Butalia),

Joint Secretary to the

Government of India.

CHAPTER IV

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

Recommendation

"The excess over the grant occurred mainly under the group sub-head 'A-Forest Research Institute (Rs. 9.98 lakhs) in respect of payment of interim relief at enhanced rates (2.51 lakhs), Travel Expenses (Rs. 0.57 lakhs), payment of arrears of electricity bills, Asian Trade Fair activities etc. (Rs. 4.85 lakhs), and expenditure on laying out and maintenance of nursery and experimental plots under certain schemes implemented by States and payment of outstanding bills for previous years (Rs. 2.04 lakhs). The Committee note that the original provision of Rs. 3.49 lakhs under 'Travel Expenses' was reduced to Rs. 2.87 lakhs in the Revised Estimates. The actual expenditure strangely enough was, however, Rs. 3.44 lakhs, resulting in an excess of about 20 per cent over the final grant. This needs further clarification. In the light of the subsequent reduction in the original grant, the Committee are unable to accept the explanation of the Ministry relating to the increase in expenditure under this head. This indicates the extent to which the control over expenditure on Travelling Expenses where there is always admittedly scope for economy, was lax or deliberately not done. In addition to initiating timely action to provide fully for the anticipated expenditure, the Committee would also like to impress upon the Ministry to have an effective control over expenditure on travel with an eye of economy".

[Sl. No. 5 (Para 2.14) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action taken

As regards excess expenditure under Travelling Allowance, it was explained earlier that this was due to transfer and posting of officers and staff of the Forest Research Institute and Colleges, Dehradun. Such postings become unavoidable because State Government who are the only source from whom the Officers are drawn, on deputation press for return of their officers when their terms of deputation expire. Since the Officers from the State Government

cannot be kept for unlimited period and at the same time, the posts cannot be kept vacant without serious loss to the trainees who have fixed period of training, the transfer become at times unavoidable.

As desired by the P.A.C., a more rigid control will now be exercised on the expenditure under the head 'Travelling Allowance' and for this matter a Committee of Senior Officials has been constituted which will meet after every six months to review the trend of expenditure. Besides this Committee, another Committee has already been constituted at local level which meets every two to three months for reviewing the trend of expenditure of the Institute, as a whole. It is hoped that with the working of these Committees, a more rigid and realistic control will be exercised for the expenditure of the Forest Research Institute.

[Ministry of Agriculture and Irrigation (Department of Agriculture) O.M. No. J. 17015/1/74-FRY-F dated 11-6-1975]

Recommendation

The Committee note that an excess of Rs. 25.83 lakhs had occurred under the sub-head 'J.2(6)-Suspense' due to the fact that the Principal Engineer (Marine), Andaman Harbour Works had under some misapprehension kept the provision only on 'Net' basis instead of 'Gross' basis. The Committee had occasion to comment on the excess under this sub-head in 1971-72 also in paragraph 2.20 of their 96th Report (Fifth Lok Sabha). From the Action Taken Note on the Ministry of Home Affairs on the recommendation of the Committee contained in their 96th Report, the Committee find that the question of fixing responsibility for such lapses is being pursued by the Principal Engineer (Marine). The Committee require that this should be finalised expeditiously and they would await the action taken in this regard.

[Sl. No. 14 (Para 2.34) of Appendix XXXI to 134th Report (5th Lok Sabha)]

Action taken

The Principal Engineer (Marine) who was asked to pursue the matter and fix the responsibility on the concerned officials has expressed his inability to do the same on the plea that the officials who were dealing with the budget and Appropriation Accounts from 1966-67 were on deputation from various Departments and they had been repatriated to their parent Departments. The Principal Engineer on being asked to write to the respective parent Departments of the officials stated that the disciplinary authorities or the appointing authorities in each individual case had to be located and had to be apprised of the actual position for necessary action at

their end. Even then the concerned officials may disown the responsibility. He also stated that the excess was due to the erroneous system in providing the net provision by the Ministry. At that time the correct procedure was not pointed out. Accordingly, the Ministry of Shipping and Transport who are concerned with making the budget provision were consulted. That Ministry too expressed the impossibility of fixing the responsibility on any individual for these lapses. However, the Andaman Harbour Works has been advised to follow "Gross" system of accounting under, "Suspense" from the year 1974-75.

[Ministry of Home Affairs O.M. No. U-15030/14/74-RC. II
dated 25-1-1975]

Recommendation

In their 96th Report (5th 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 & Transport and more than eleven months in the case of the Ministry of Works & Housing, the Committee have been 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 or 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 (5th Lok Sabha). To underline the importance the Committee attach to these recommendations, they are reproduced below:—

"Para 1.23: 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 Committee 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 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.

Para 1.24. The Committee require that instructions on the lines indicated above should also be issued by other Ministries/Departments."

[S. No. 36 (Para 3.10) of Appendix XXXI of 134th Report
(5th Lok Sabha)]

Recommendation

The Committee in paragraph 3.3 of their 96th Report (5th 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.

[Sl. No. 37 (Para 3.13) of Appendix XXXI of 134th Report
(5th Lok Sabha)]

Recommendation

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 3 1/2 months and the Notes from the Ministry of Works & 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 & Housing and feel that adequate attention 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 inform the Committee.

[S. No. 38 (Para 3.14) of Appendix XXXI of 134th Report.
(5th Lok Sabha)]

Action taken

The above observations of the Public Accounts Committee have been brought to the notice of the Ministries/Departments. With reference to the Committee's recommendation at Serial No. 37 (para 3.13) of the Report, the Ministries/Departments have been requested to inform the Public Accounts Committee of the result of the investigation made and the measures taken to avoid delays in future. Similarly, with reference to the Committee's recommendation at Serial No. 38 (para 3.14) of the Report, the Ministries/Departments concerned have been requested to take suitable action as suggested by the Committee and to inform the Committee of the action taken. A copy of this Ministry's O.M. No. F. 12(56)-E(Coord)/74 dated 2nd April, 1975 is enclosed.

[Ministry of Finance (Department of Expenditure) O. M. No.
F. 12(56)-E(Coord)/74 dated 12-5-1975].

No. F. 12(56)-E(Coord)/74
 GOVERNMENT OF INDIA
 MINISTRY OF FINANCE
 DEPARTMENT OF EXPENDITURE
 New Delhi, the 2nd April, 1975
 OFFICE MEMORANDUM

SUBJECT.—134th Report of the Public Accounts Committee, 1974-75
 (5th Lok Sabha)—Recommendations Nos. 36 to 38.

The undersigned is directed to state that in pursuance of the observations of the Public Accounts Committee in para 3.3 of their 96th Report (5th Lok Sabha), instructions were issued to all Ministries/Departments that the Internal Financial Advisers in the Ministries/Departments should keep a watch on the progress of processing the recommendations of the Committee and take remedial measures wherever necessary, to ensure submission of the 'Action Taken Notes' within the stipulated time limit of 6 months. The Ministries/Departments were also requested to investigate delays in submission of "Action Taken Notes" as suggested by the Committee and to keep their Associated Financial Advisers informed through their Internal Financial Advisers, the results of the investigation and the measures taken to avoid delays in future, vide this Ministry (Department's) O.M. No. F. 12(2)-E(Coord)/74 dated 15-2-74. As desired by the Committee in paras 1.23 and 1.24 of their 115th Report (5th Lok Sabha), the Ministries/Departments were requested to issue suitable instructions on the lines indicated therein to all concerned under them, vide this Department's O.M. No. F. 12(38)-(E) (Coord)/74 dated 30th August, 1974.

2. In their recommendations Nos. 36 to 38 (paras 3.10, 3.13 and 3.14) of their 134th Report (5th Lok Sabha), the Committee have made further observations regarding delays in submission of "Action Taken Notes" of Ministries/Departments. Extracts of these recommendations are enclosed.

Underlining the importance which they attach to their recommendations in para 3.3 of their 96th Report (5th Lok Sabha) the Committee now desire to be informed of the result of the investigation made and the measures taken to avoid delays in future (vide recommendations Nos. 36 and 37 in the enclosed extracts). Ministry of Home Affairs, etc. are accordingly requested to intimate to the Committee the results of the investigation made and the mea-

asures taken to avoid delays in future. A copy of the communication to the Committee may be endorsed to the Associate Financial Adviser also.

3. In their recommendation No. 38, the Committee have expressed deep distress in finding that despite the fact that instructions were issued to ensure submission of the "Action Taken Notes" within the stipulated time limit of 6 months, delays continued to occur. 12 out of 21 "Action Taken Notes" in respect of the recommendations contained in their 96th Report were received after the due date (*viz.* 4-3-1974). The Committee desire that Government should investigate immediately the reasons for these delays also and to take such disciplinary or other action as may be called for, and that the Committee should be informed of the action taken. The Ministries/Departments concerned are requested to take suitable action as suggested by the Committee and to inform the Committee of the Action taken, under intimation to their Associate Financial Advisers.

(J. S. Bajaj)

Deputy Secretary to the Govt. of India.

To

All Ministries/Departments of the Govt. of India.
No. F. 12(56)-E(Coord)/74

Copy forwarded to:

1. All Heads of Divisions in the Deptt. of Expenditure. (The attention of JS (W&H) is specially invited to the recommendation No. 38. He may kindly keep a watch on the processing of the case in the Ministries of Health & Family Planning and Works and Housing).
2. All DFAs in the Civil Expenditure Division.
3. Defence Division (Coord) with 20 spare copies.
4. Bureau of Public Enterprises.
5. Department of Revenue & Insurance (Coord Section).
6. Department of Economic Affairs (Budget Division).
7. Lok Sabha Secretariat (P.A.C. Branch).
8. Accountant General, Central Revenues, New Delhi.

(J. S. Bajaj)

Deputy Secretary to the Govt. of India.

Action taken

The reply on the recommendations of the PAC (contained at S. Nos. 15, 16 and 17 of Appendix XXVIII of the 96th Report of PAC—Fifth Lok Sabha—on Excesses over Voted Grants|Charged Appropriations for 1971-72) was due on 4-3-74, but was sent on 11-4-1974. Thus there was a delay of 5 weeks which occurred due to the fact that this Ministry wanted to study in depth the reasons for the excess over Voted Grants consecutively for two years i.e. 1970 and 1971, with a view to streamlining the modalities of the budgetary procedure to have a strict budgetary discipline. This process took some time and detailed instructions were issued as a result. No disciplinary action is, thus, necessary.

[Ministry of Defence U. O. No. 11(10)-74/D (Budget), dated 6-8-1975]

Action taken

“****A copy of the Ministry of Finance O.M. dated 2-4-75 was circulated to all concerned Officers in this Ministry with the request to issue instructions for streamlining the procedure in their respective division so as to ensure the submission of Action Taken Notes to the Committee well within the prescribed time-limit of 6 months in future. In compliance to the instructions, various officers under this Ministry have issued circulars****.

As regards investigation of reasons for delay in the past, the position has been reviewed and it has been found that there has been some delay on the part of Roads wing in the submission of Action Taken Notes in respect of Paras 2.32 and 2.33 of the 96th Report of PAC. It had taken about eight months to send Action Taken Notes in these cases. The delay was due to the fact that a number of Organisations such as Finance Ministry, A.G.C.W.&M., A.G.C.R; etc; had to be consulted before the Action Taken Notes could be finalised. Some essential information was also awaited from the Govt. of Assam who delayed their reply on account of the relevant documents having been seized by the C.B.I. for investigation. This was another reason which contributed to the delay in sending the Action Taken Notes in question. In the circumstances, it is considered that no particular officer can be held responsible for the delay.”

[Ministry of Shipping & Transport (Transport Wing) O. M. No. 11-Budget (25)/74 dt. 22nd August, 1975 to the Ministry of Finance, (Department of Expenditure)].

Action taken

In compliance with the recommendations of the P.A.C. contained in para 3.3 of their 96th Report (5th Lok Sabha), instructions were issued by this Department in February, 1974 to streamline the procedure to ensure submission of Action Taken Notes on the recommendations of the P.A.C. within the prescribed time limit of six months. According to the procedure prescribed, each Section is required to maintain a register, with prescribed columns to watch the progress made in the finalisation of the Action Taken Notes, to review it every fortnight and submit a report to the Branch Officer. Instructions have also been issued that wherever delay is anticipated in getting the 'Note' vetted by the Audit, advance copies thereof should be forwarded to the Lok Sabha and whenever the 'Note' is sent after the expiry of the due date, the reasons for such delays should invariably be explained to the Lok Sabha Secretariat. This had the desired effect and 'Action Taken Notes' on the recommendations of P.A.C. contained in paras 2.24 and 2.25 of their 96th Report (5th Lok Sabha) was submitted to the Lok Sabha Secretariat within the prescribed period of six months.

Of the 23 cases of delay in the submission of 'Action Taken Notes' on the recommendations contained in 49th Report of the PAC (5th Lok Sabha) as pointed out by the Committee in para 3.3 of their 96th Report (5th Lok Sabha), this Department is concerned with one case only. There was delay of about three months on the part of this Department in the submission of the 'Action Taken Note' on the recommendations contained in para 2.68 of the PAC's 49th Report (5th Lok Sabha). The reasons for delay were looked into and a report in this behalf was sent to the Ministry of Finance, in February, 1974.

[Department of Rehabilitation O. M. No. G. 25015/5/74-Bud., dated 28-1-1976]

Recommendation

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 3 1/2 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 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 inform the Committee.

[S. No. 38 (Para 3.14) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action Taken

The 96th Report of PAC (Fifth Lok Sabha) was received in the Ministry on 6-9-1973. Action Taken Note in respect of para 2.17 of Appendix XXVIII was required to be sent to PAC by 4-3-1974. The same was, however, sent to them on 25-3-1974 making a delay of 21 days. The delay is less than a month. This delay is, however, very much regretted and will be avoided in future.

[Ministry of Home Affairs O. M. No. U-15030/1/75-Ptg. dated
28-6-1975].

Action Taken

The matter has been investigated and it is found that some time was taken in obtaining information on one para of the 96th Report from the Ministry of Finance (Department of Economic Affairs). The Action Taken Notes were ready with this Department on the 25th February, 1974 i.e. well within the stipulated time. On the assumption that the final vetted notes could be submitted to the Committee by the 4-3-74, advance copies thereof were not furnished to the Lok Sabha Secretariat. However, the Action Taken Notes were referred to the A.G.C.R. on 28-2-1974 for vetting, (i.e. within the stipulated period). The A.G.C.R. however, desired certain clarification on the file which was received back on 13-3-74. After consulting the concerned authorities and examination of the issues involved, the necessary clarification were furnished to the A.G.C.R. on 30-4-74. The final vetted notes were received in the Ministry on 21-23/5/74. Accordingly the requisite number of copies of the Action Taken Notes,

duly vetted by the Audit and approved by officers, were furnished to the Lok Sabha Secretariat on the 26th June, 1974. However, the delay that has occurred in this case is regretted.

The observations of the Committee in regard to the submission of Action Taken Notes within the stipulated time has been noted for guidance in future.

This note has been seen and vetted by the Audit.

[Ministry of Health and Family Planning (Department of Health) O. M. No. G. 25015/5/75-C & CD dated 4-8-1975]

CHAPTER V

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

Recommendation

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 advise to the 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.

[S. No. 2 (para 1.7) of Appendix XXXI to 134th Report of
the PAC (5th Lok Sabha)]

Action Taken

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&AG of India and other concerned authorities .

[Ministry of Finance (Expenditure) O. M. No. F. 12(56)-E
(Coord)/74 dated 29-5-75]

Recommendation

The Committee are once again very much constrained to note with concern the persistent excess under the head 'A(4)(1)-Maintenance of National Highways for over a decade now. Bulk of the excess of Rs. 6941 lakhs related to West Bengal alone (Rs. 63.58 lakhs). The Committee also observe that the Government of West Bengal have been persistently exceeding the grants allocated to them for maintenance of National Highways and there has been a marked increase in the excesses during the period from 1969-70 to 1972-73. The excesses incurred by the Government of West Bengal

are indicated below:—

	Rs.
1969-70	37,765
1970-71	42,08,934
1971-72	52,86,188
1972-73	63,58,270

The Committee consider that the increases in excesses are abnormal which calls for a thorough enquiry. The Committee would like this issue to be sorted out expeditiously so as to ensure stricter budgetary control.

[S. No. 15 (Para 2.39) of Appendix XXXI to 134th Report
(5th Lok Sabha)]

Action Taken

The question involved really is one of controlling expenditure, since while in the case of West Bengal the excesses have no doubt been increasing, there have been excess in some other States also in varying degrees. The matter has, therefore, been engaging the attention of Government for quite some time past, and in pursuance of the earlier recommendations of the Public Accounts Committee on the subject some time back, a Task Force was appointed to go into the general question of preventions against excesses over sanctioned grants. The Task Force recommended that in the case of National Highways the amount needed by the agent organisations i.e. the State Governments, should flow from the consolidated Fund of India into the Consolidated Fund of the States concerned, similar to cases of Grants-in-aid, so that the further withdrawal of the amounts from the Consolidated Fund of the State concerned for expenditure of National Highways becomes subject to the normal budgetary and accounts control of the State Government. During the subsequent examination of the report of the Task Force it was decided that in the cases of National Highways, both construction and maintenance, the procedure recommended by the Task Force should be introduced, although the transfer of the amounts from the Central to the State Government need not be described as 'grant-in-aid' and might be provided in the Central Budget as 'Payments for services rendered', subject to the continuance of existing procedure and practices to ensure qualitative and quantitative control, priority

of various works to be undertaken and also any other suitable measures which may be taken from time to time in this regard by the Central Government. The implementation of this recommendation is under process in consultation with the Ministries of Finance and Law and the matter is expected to be finalised soon.

2. The adoption of the revised system referred to above will mean that expenditure incurred by States on National Highways will not automatically be debitable directly against the Central balances as at present but the drawals from the Consolidated Fund of India will be against specific payment sanctioned of the Ministry authorising payments of specified amounts, and thus will result in eliminating the excesses over sanctioned grants.

[Ministry of Shipping and Transport (Roads Wing) O.M. No. B-29(2)/75 dated 5-9-1975]

Recommendation

The Committee also note the plea put forward that the excess expenditure incurred by the Government of West Bengal on maintenance of National Highways is on account of high rates of maintenance charges over the norms prescribed by the Government of India and that the question of modification of these norms due to general increase in prices is under consideration which is not at all acceptable because the high rates cannot be peculiar to West Bengal only. The Committee require that this question should be investigated by suitable investigation agencies i.e. C.B.I. and C.V.C. in detail immediately. The Ministry of Shipping and Transport (Roads Wing) and Ministry of Finance should examine the justification for the prevalence of high rates of maintenance charges in West Bengal with a view to ensuring that no infructuous expenditure is incurred and corrupt practices are not adopted.

[S. No. 16 (para 2.40) of Appendix XXXI to 134th Report (Fifth Lok Sabha)]

Action Taken

In order to enable the Government of India to examine the question relating to the prevalence of high rates of maintenance charges and the excesses over sanctioned grants in respect of maintenance and repairs of NHs the State Government at the level of State C.M. was requested to send detailed reasons for the entire expenditure involved. Even though the State C. M. sent some information, it was found that the data supplied by them was not ade-

quate enough to facilitate a fuller appreciation of the problem. In view of the inadequacy of the supporting material so far this Ministry has not yet been able to come to any conclusive view about the prevalence of high rates of maintenance charges in the State. The State C.M. has again been addressed in the matter at the level of Union Minister of Shipping and Transport. Final view can, therefore, be formed only after full detailed data has been received from the State Government. As stated above, the question of the early supply of data is being pursued at the highest level. It is expected that the Ministry may be in a position to finalise the matter soon.

As regards recommendation of the Committee that the matter may be investigated by suitable investigation agencies i.e. C.B.I. and C.V.C. it may be stated that since the development and maintenance of NHs in all the States, including West Bengal, is being undertaken by the State Governments concerned only on an agency basis as agents of the Government of India. There appears to be need for getting the views of the State Government for entrusting the investigation to C.B.I. and C.V.C. since the enquiry would concern employees of the State Government. In these circumstances, the Union Minister of Shipping and Transport has brought the recommendations of the P.A.C. regarding the entrustment of the investigation to C.B.I./C.V.C. also to the notice of the State C.M. with the request that he kindly indicate his views in the matter for facilitating further action in the matter. The matter will be reported further to P.A.C. as soon as the views of the State C.M. have been received and matter processed further.

[Ministry of Shipping and Transport (Roads Wing) O.M. No. B-29(16)/75 dated 5-9-1975].

Recommendation

The Committee view with deep concern and displeasure the persistent excesses recorded in the grant relating to Public Works operated by the Ministry of Works and Housing and are inclined to take a serious note of the unchecked deterioration. The excess of Rs. 660.22 lakhs over the final grant of Rs. 5725.05 lakhs for 1972-73 is almost twice the excess expenditure incurred during the previous year. The Committee observe that significant excess had occurred under the sub-head A.7(1)(1)—Suspense-Stock-charges (Rs. 296.79 lakhs) and A.7(2)—Other Suspense Account—Charges (Rs. 325.83 lakhs) and excesses under these sub-heads have now become a recurring annual feature, despite the comments of the Committee.

in their earlier Reports to which they have paid no heed whatsoever. The Committee are, therefore, far from satisfied with the explanation of the Ministry which is frivolous and they have shown disregard to this Committee.

[S. No. 20 (para 2.54) of 134th Report (5th Lok Sabha)].

Recommendation

The Committee in paragraph 2.40 of their 49th Report (5th Lok Sabha) has observed that the excess under "Suspense Stock Charges" could have been avoided by a closer liaison with the Purchase organisations/suppliers in respect of indented materials and are, therefore, deeply distressed to note that the position instead of improving has deteriorated further. No attention is being paid by the indenting authorities to the planned procurement of and payment for materials. The Committee, therefore, desire that the Ministry should examine whether there are any inherent defects in the system in vogue and devise suitable machinery for a reasonably accurate forecast of requirements of funds.

[S. No. 21 (para 2.55) of 134th Report (5th Lok Sabha)].

Action Taken

Both the observations pertain to excess expenditure under the minor head "Suspense" in Demand No. 83—Public Works. As the Ministry have been explaining in their notes to the PAC on various occasions, the excess displayed under the Head "Suspense" is due to system of Gross Budgeting which is being followed by the Central P.W.D.

A proposal for switching over to Net Budgeting had already been received from the Engineer-in-Chief, CPWD, and submitted to the Ministry of Finance for consideration. It is expected that if the change over of the system of budgeting is agreed to by the Ministry of Finance and the C&A.G., the excess under "Suspense" will be minimised.

[Ministry of Works and Housing O.M. No. G-25015/6/74-Bt. dated 25-8-1975].

Recommendation

The Committee are indeed surprised to note that an expenditure of Rs. 3.98 lakhs incurred under Grant No. 121—Capital Outlay of the Ministry of Information and Broadcasting in fulfilment of an

arbitration ward was booked by the Central Public Works Department in their departmental accounts under the 'Voted' Grant, even though expenditure incurred in satisfaction of awards of arbitral tribunals, court awards/decrees etc. is correctly debitable as 'Charged' expenditure as per the provisions of Article 112(3) of the Constitution and Paragraph 3.1.9. of the Central Public Works Accounts Code. This clearly indicates a miserable lack of knowledge of the basic principles of classification. The Committee are at a loss to understand how this misclassification was not detected before the closure of the accounts. They would like the Ministry to examine the reasons for the lapse with a view to fixing responsibility for necessary action under advice to the Committee.

[S. No. 24 (para 2.65) of Appendix XXXI to 134th Report (5th Lok Sabha)].

Action Taken

The matter has been further investigated in consultation with Ministry of Works and Housing. The relevant records of the office of the Regional Engineer (West), Directorate General, All India Radio have also been scrutinised. It has been found that in the statements of Revised Estimates of expenditure for the year 1972-73, the Central Public Works Department Office in Bombay had intimated to the Regional Engineer for arranging appropriate provision in the 'Charged' section of the grant. Action was not taken on these communications in the office of the Regional Engineer (West) at the time of framing their Revised Estimates, with the result that no provision under 'Charged' expenditure was made when the payment was made to the Central Public Works Department. The fact that the nature of the expenditure should have been 'Charged' was overlooked. The question of asking for an advance from the Contingency Fund of India to meet this 'Charged' liability was also not considered.

With a view to fixing responsibility for this misclassification of expenditure, two officials of the office of the Regional Engineer (West) directly concerned in handling this matter have been called upon in writing to explain why disciplinary proceedings should not be initiated against them.

[Ministry of Information and Broadcasting O.M. No. G-25015/1/75-B&A dated the 16th September, 1975].

Recommendation

The Committee would like that final replies on the recommendations to which only interim replies have so far been furnished are submitted to them after getting them vetted by Audit, without further delay.

[S. No. 34 (Para 3.3) of Appendix XXXI to 134th Report (5th Lok Sabha)].

Action Taken

So far as the Ministry of Home Affairs are concerned the following Action taken Note submitted on the recommendations of the Public Accounts Committee in its 96th Report (5th Lok Sabha) has been treated as interim reply *vide* Chapter III of 134th Report of P.A.C. (5th Lok Sabha).

“Regarding insufficient provision of funds to the extent of Rs. 12 lakhs for adjustment of establishment charges through oversight under ‘N-2-Procurement of Food stuff and other commodities’ the matter is under investigation in consultation with Arunachal Pradesh Administration.”

2. The final reply is as follows:—

The Arunachal Pradesh Administration had ordered a detailed inquiry into the responsibility for excess expenditure over the voted grant. They have observed that there was at no stage any defalcation, misappropriation or loss of Government funds involved. The problem was one of budgetary confusion regarding the booking of certain establishment charges originally incorporated under the Major Head 19—General Administration to a specific State Trading Scheme relating to the Central Purchase Organisation. In 1970 a serious misunderstanding of procedure which ultimately resulted in the excess over the voted grant arose in the Supply and Transport Branch of the Secretariat. The key directive which created this confusion was a signal from the then Deputy Secretary of the Administration conveying that figures on establishment charges for 1968-69 and 1969-70 may be worked out on basis of 35 per cent on CPO tonnage (instead 35 per cent of establishment charges of the office of the Directorate of Supply and Transport) for these years and submitted to Administration to take necessary adjustment with Accountant General, Assam. This conveyed a totally incorrect decision. The officer had only taken over charge two days previously.

The Administration have, now, ordered a warning to the officer to be careful in future in conducting himself in the performance of his duties. The above warning shall be placed in the Confidential Dossier of the officer. The Administration have also issued general instruction to all concerned vide copy of their Order dated 18th July 1975 enclosed.

This note has been vetted by Audit.

[Ministry of Home Affairs O.M. No. U. 15030/14/74-Ac-II dated 22-9-1975].

GOVERNMENT OF INDIA

ARUNACHAL PRADESH ADMINISTRATION

ORDER

Dated Itanagar, the 18th July 1975.

No. GA-89/75:—An investigation was carried out recently into a serious financial excess over the voted budget grant. The origin of the excess was traced to incorrect orders regarding the incidence and calculation of expenditure issued by a Secretariat Officer. A study of the file showed, in addition, that the orders issued by him were totally at variance with the existing decisions and directives quoted on the file.

2. The Public Accounts Committee has taken a serious view of such a state of affairs and in such cases responsibility has to be fixed.

3. A study of the same case revealed a most haphazard examination of allied questions at Secretariat level. Proposals from a Directorate were radically changed without any rational record of reasons.

4. It is not the intention of Government to paralyse decision making and indeed stress has recently been laid at the highest level on encouraging clear and quick decisions provided that they are taken in good faith for the public interest as assessed to the best of an officer's ability in the then situation.

5. Similarly, there will often be occasions when proposals or schemes will have to be modified or even sometimes rejected outright because they are at variance with Policy, rules and regulations, budget availability, or will create unacceptable Precedents if

accepted. In such cases, however, a concise statement of the reasons for the rejection or modification of a Proposal quoting the specific rules which inhibits its acceptance or necessitates modification, must be recorded.

6. In such cases too there should invariably be an attempt to understand the basic need behind a proposal and suggest constructive alternative means of satisfying it.

7. Sometime there is genuine need for further information regarding a proposal but the tendency to obstruct or delay progress or cover up internal delays, by initiating unnecessary and interminable back references or queries-especially when the required information should be available in the Secretariat itself-needs strict curbing. A serious view will be taken of such tendencies if discovered in the future.

8. In short, the emphasis must be on a constructive approach to meeting field problems while reconciling the needs of financial propriety and other Procedures. Reasons for courses of action should be recorded rationally and concisely.

9. I would like the above to be brought to the notice of all Secretariat Officers. A copy may be sent to Heads of Departments and Deputy Commissioners as a guideline for meeting similar problems within their respective spheres.

Sd/- R. Yusuf Ali

Chief Secretary,

Arunachal Pradesh Administration

Itanagar.

Memo No. GA-89/75

Dated Itanagar, the 18th July 1975.

Copy to:—

1. All Secretaries.
2. All Deputy Secretaries.
3. All Under Secretaries.
4. All Superintendent of Arunachal Pradesh Secretariat, Itanagar.
5. All Deputy Commissioners/Addl. Deputy Commissioners for information and guidance.

6. All Heads of Department (Major and Minor) for information and guidance.

Sd/- B. N. Barbora
Deputy Secretary (GA)
Arunachal Pradesh Administration
Itanagar.

Action Taken

In its 96th Report the PAC had made inter-alia the following recommendations relating to the Ministry of Shipping and Transport.

- (i) The Committee take a very serious view of the consistent excesses recorded under the Heading 'A.1 (4)—Maintenance of National Highways'. The excesses which ranged from Rs. 11.15 lakhs to Rs. 154.97 lakhs during the period 1959-60 to 1970-71 have touched an all time high of Rs. 258.03 lakhs during 1971-72. States of Assam and West Bengal accounted for a major portion of the excess during 1971-72. The Committee were informed that the excess in the case of Assam was due mainly to the unprecedented movement of troops necessitated by the Indo-Pak conflict; heavy floods causing damage and requiring immediate action to keep the lines of communication open were one of the major causes of excess in West Bengal. They would however, await the outcome of the investigation of the unusually large excess of Rs. 92.53 lakhs in Assam. The excess of Rs. 79.31 lakhs under 'Maintenance of Brahamputra Bridge' should also be investigated with a view to taking suitable action and fixing responsibility.

[S. No. 11—para 2.32 of Appendix XXVIII to the 96th Report of the PAC].

- (ii) A number of measures have either been taken or proposed to be taken in pursuance of the earlier recommendation of the Committee to control the excesses in the expenditure on the maintenance and repairs of National Highways. The Committee note that specific norms have now been laid down for the provision of maintenance grants under specified sub-heads and grants are allocated according to these sub-heads on the basis of the norms laid down and

progress of expenditure is also watched for each sub-head separately. The question of modifying these norms due to general increase in prices all round is stated to be under consideration. Further, the State Governments have been advised that no expenditure should be incurred in any case unless sanctioned by the Government of India. According to the Ministry the position would improve in the year to come, which the Committee would like to watch. The Committee would urge that the question of evolving a revised budgetary procedure to check consistent excesses should be decided expeditiously in consultation with the Ministry of Finance and the Comptroller and Auditor General of India.

[S. No. 12—para 2.33 of Appendix XXVIII to 96th Report of the PAC]

II. Replies in the form of Action Taken Notes in respect of the above mentioned recommendations of the P.A.C. were sent as follows:—

(i) **Recommendation at S. No. 11.**

The excess of Rs. 79.31 lakhs under "Maintenance of the Brahmaputra Bridge" is made up of adjustments of expenditure in the accounts for 1971-72 on account of:—

- (a) maintenance charges of Brahmaputra bridge (Rs. 66,73,345.25); and
- (b) maintenance charges of ferry vessels across Brahmaputra at Pandu (Rs. 12,57,963.12).

2. So far as (a) is concerned, the position is as under:—

- (i) The rail-cum-road Bridge over Brahmaputra at Pandu was completed on 16th January, 1973 with the Railways and the Roads Wing of the Ministry sharing the cost of its construction in the ratio of 60 : 40. After completion, the bridge is being maintained by the Railways. In September, 1969, the FA & CAO of the Railways passed to the AGCWM for adjustment a debit amounting to Rs. 66,73,345.25 as the road authority's share of the maintenance of bridge @Rs. 9,25,782/- p.a.
- (ii) In order to pay this amount, this Ministry approached the Ministry of Finance for their concurrence. They, however,

desired to have some essential information including, *inter-alia*, the basis of the aforesaid rate of Rs. 9,25,782/- p.a. Assuming that this Ministry would be able to get the required information from the Railways soon and finalise the matter during the course of 1971-72 itself a provision of Rs. 50.00 lakhs was also made tentatively in the B.E. 1971-72 subject to further revision at the R.E. stage to meet this liability. However, this assumption did not materialise as the Railways could not supply the required information. Actually, even now some data is still awaited from them and according to the further information, the aforesaid rate (Rs. 9,25,782/-) has to be reduced to Rs. 6,59,430. The Railways have, however, yet to communicate their acceptance of this reduced rate.

- (iii) In the circumstances, this Ministry could not issue any sanction for admitting the claims of the Railways amounting to Rs. 66,73,345.25 and accordingly, provision of Rs. 50 lakhs made for meeting this liability in 1971-72 was reappropriated for meeting urgent requirements in respect of maintenance of National Highways. In view of this, the question of augmenting this provision also did not arise.
- (iv) On the other hand, as the debits amounting to Rs. 66,73,345.25 had been pending in the A.G., C.W. & M's office for quite some time and the postponement of the liability indefinitely was not considered proper and also because such a huge amount could not be kept in (O.B.) suspense for long, the adjustment of the past debits amounting to Rs. 66,73,345.25 was carried out by that office without further reference to this Ministry. Since no funds were provided by this Ministry for this purpose in view of (ii) above, this resulted in an excess of Rs. 66,73,345.25 under this sub-head.

3. While the above position explains the circumstances in which the excess of Rs. 66,73,345.25 occurred, it may be stated that this Ministry has in any case to discharge its liability towards the maintenance of the Brahmaputra bridge and the only question under dispute is the ratio in which the maintenance cost is to be shared with the Railways. Further, the Railways have also been pressing all along for the acceptance of past debits. Keeping in view all these aspects, the PAC and the Parliament had been approached for regularising the excess. The final adjustment of actual amount will,

of course be made after the ratio of apportionment has been settled, with the approval of the Ministry of Finance.

4. As regards (b) in para 1 above, the other part of the excess (Rs. 12,57,963.12) pertains to the maintenance of Brahmaputra ferry service at Pandu. This ferry service was maintained by the Railways at Pandu prior to the construction of that bridge and was retained for use in emergency even after the construction of the bridge; the decision was that 50 per cent of the maintenance of the ferry service would be met by this Ministry and the other 50 per cent would be shared equally by the Ministry of Defence and Railways.

5. In order to distinguish the expenditure of the maintenance of the Brahmaputra ferry service as distinct from the maintenance of the Brahmaputra bridge, provision for these two items is made under two separate minor heads. Accordingly a provision of Rs. 9.79 lakhs was made in the year 1971-72 under this head "ferry crossing at Pandu". However, in 1971-72 a sum of Rs. 12,57,963.12 on account of the ferry crossing service was adjusted under the scheme "maintenance charges of Brahmaputra bridge instead of under "ferry crossing of Pandu". This resulted in a saving under ferry crossing at Pandu and a further excess of Rs. 12,57,963.12 in respect of the "maintenance of Brahmaputra bridge thereby bringing the total excess pertaining to this item to Rs. 79,31,308.37 (66,73,345.25 plus 12,57,963.12) or Rs. 79.31 lakhs. The amount of Rs. 12,57,963.12, however, did not cause excess over the grant as a whole, as the excess under one group head was counterbalanced by saving under another.

6. The liability in respect of ferry service is, of course, also a liability which too has ultimately to be discharged by this Ministry. Thus in both cases the liability has to be discharged by this Ministry ultimately.

7. As explained in detail above, no individual can therefore, be held responsible for the excess of Rs. 79,31,308.37 under Maintenance of Brahmaputra bridge.

8. As regards the excess of Rs. 92.53 lakhs in Assam, the matter is still under correspondence with the Government of Assam.

(ii) Recommendation at Sl. No. 12.

The question of evolving revised Budgetary procedure to check the excess over sanctioned grant is under consideration and it is

expected that it would be possible to finalise the revised procedure in consultation with the Ministry of Finance and other concerned authorities, soon.

III. Portions underlines in the above mentioned 'action taken note' appear to have been treated as interim replies to which the present recommendation seem to refer. The position with regard to these is as under:

Action taken by the Government

(a) So far as (i) above is concerned, in the Action Taken Note on the observations contained in the recommendation at serial No. 11—para 2.32 of the 96th report of the PAC it was indicated earlier that as regards the excess of Rs. 92.53 lakhs in Assam the matter was under correspondence with the Government of Assam. The matter is still under correspondence with the State Government and it has not been possible to come to a final result as the basic records required for the investigation have been seized by the C.B.I. in connection with an enquiry. Arrangements have been made by the Government of Assam to examine the records for obtaining the essential information for the investigation. The matter will be investigated further as soon as a report in the matter is received from the Government of Assam with regard to the excesses. In order to expedite the matter it is being pursued at the level of the State Chief Minister.

(b) As regards (ii) above relating to the observation contained in the recommendation at Serial No. 12—Para 2.33 of the 96th Report of the P.A.C. it had been stated in the Action Taken Note that the question of evolving revised budgetary procedure to check the excess over sanctioned grant is under consideration and it is expected that it would be possible to finalise the revised procedure in consultation with the Ministry of Finance and other concerned authorities soon. In this connection it may be stated that in pursuance of the earlier recommendations of the P.A.C. a Task Force was appointed to go into the general question of preventions against excesses over sanctioned grants. The Task Force recommended that in the case of National Highways the amount needed by the agent organisations i.e. the State Governments, should flow from the Consolidated Fund of India into the Consolidated Fund of the States concerned, similar to the cases of grant-in-aid, so that the further withdrawal of the amounts from the Consolidated Fund of the State concerned for expenditure on National Highways becomes subject to the normal budgetary and accounts control of the State Government. During the subsequent examination of the report of the Task Force it was deci-

ded that in the case of National Highways both Original works and repair works, the procedure recommended by the Task Force should be introduced, although the transfer of the amounts from the Central to the State Governments need not be described as 'grant-in-aid' and might be provided in the Central budget as 'Payments for services rendered', subject to the continuance of existing procedure and practices to ensure qualitative and quantitative control, priority of various works to be undertaken and also any other suitable measures which may be taken from time to time in this regard by the Central Government. A draft procedure has already been evolved but it still requires some further examination from the legal point of view so as to avoid any subsequent complications. Necessary action in this regard is already in hand and the implementation of this recommendation is under process in consultation with the Ministries of Finance and Law and the Comptroller and Auditor General of India.

This note has been duly vetted by Audit.

[Ministry of Shipping and Transport (Roads Wing) O. M. No.
B-29(4)/75 dated 4-10-1975]

NEW DELHI:
March 8, 1976.

Phalguna 18, 1897 (S).

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

APPENDIX

Consolidated Statement of Conclusions|Recommendations

Sl. No.	Para No. of the Report	Ministry/Department concerned	Conclusion/Recommendation
1	2	3	4
i.	1.4	All Ministries/Finance	<p>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 market 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</p>

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.

2. 1.8 Ministry of Agriculture and Irrigation (Department of Agriculture) Since officers drawn from different states are deputed to the Forest Research Institute and College, Dehradun, for specified periods which must have been clearly spelt out in the terms of deputation of such officers, the Committee feel that by initiating advance action well before the expiry of the period of deputation, transfers and postings of officers can be better regulated. The Committee trust that the body now constituted with senior officials as well as that on the local level to review the trend of expenditure periodically would look into this aspect and take such measures as are found necessary.
3. 1.12 Home Affairs The Committee note that the Delhi Administration has been asked to 'pursue the matter' relating to the laxity in financial control exercised by the Chief Engineer (Flood), Delhi Administration, in incurring expenditure without the necessary provisions of funds, and to fix responsibility for the lapse. The Committee wish that the investigations are completed quickly and the final action taken in this regard intimated to them soon.
4. 1.13 —do— It would appear from the reply now furnished by the Ministry of Home Affairs on the Committee's earlier observations relating to the adoption, 'under some misapprehension', of an incorrect budget-

ary procedure by the Principal Engineer (Marine), Andaman Harbour Works, that the field officers concerned were not so much to blame as the Ministry of Shipping and Transport who had followed on an erroneous system' in providing funds on a 'net' basis instead of on a 'gross' basis. The Committee are surprised that the Ministry should have displayed such a lack of knowledge of basic budgetary procedures. While they do not wish to pursue further the question of fixing responsibility for the lapse, the Committee trust that the Ministry would exercise greater care in future in such matters.

5. 1.17

Works and Housing

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.

6. 1.18 **Min. of Shipping and Transport (Roads Wing)** 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 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 C.B.I. 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.
7. 1.19 —do— The Committee note that the Ministry has also evolved a draft procedure for checking the recurrent excess expenditure on the maintenance of and repairs to National Highways which is being examined from the legal point of view so as to avoid any subsequent complications. The Committee desire that this process should be completed early and concrete steps taken.
8. 1.28 **Works and Housing** 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 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.

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9. 1.29

Finance

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.
