

**EXCESSES OVER VOTED GRANTS AND
CHARGED APPROPRIATIONS (1995-96)**

**PUBLIC ACCOUNTS
COMMITTEE
1997-98**

ELEVENTH LOK SABHA

TWENTY SECOND REPORT
PUBLIC ACCOUNTS COMMITTEE
(1997-98)

(ELEVENTH LOK SABHA)

EXCESSES OVER VOTED GRANTS AND
CHARGED APPROPRIATIONS (1995-96)



Presented to Lok Sabha on 20-11-1997
Laid in Rajya Sabha on.....

LOK SABHA SECRETARIAT
NEW DELHI

November 1997/Kartika 1919 (Saka)

CORRIGENDA TO TWENTY-SECOND REPORT OF PUBLIC ACCOUNTS COMMITTEE (11TH LOK SABHA)

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PART-II

Minutes of the sitting of Public Accounts Committee (1997-98) held on 13.11.1997

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(1997-98)

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Shri Nirmal Kanti Chatterjee
4. Shri Ramesh Chennithala
5. Shri Prithviraj D. Chavan
6. Shri N.S.V. Chitthan
7. Smt. Meira Kumar
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14. Shri B.L. Shankar
15. Shri Ishwar Dayal Swami

Rajya Sabha

16. Shri Ramdas Agarwal
17. Shri R.K. Kumar
- *18. Shri N. Giri Prasad
- **19. Smt. Kamla Sinha
20. Smt. Margaret Alva
21. Shri Surinder Kumar Singla
22. Shri Vayalar Ravi

SECRETARIAT

1. Dr. A.K. Pandey — *Additional Secretary*
2. Shri P.D.T. Achary — *Joint Secretary*
3. Shri P. Sreedharan — *Deputy Secretary*
4. Shri Rajeev Sharma — *Under Secretary*

* Expired on 24 May, 1997.

** Ceased to be member of the Committee on her appointment as Minister of State w.e.f. 3.6.1997.

INTRODUCTION

1. The Chairman, Public Accounts Committee having been authorised by the Committee, do present on their behalf, this Twenty-Second Report (Eleventh Lok Sabha) on Excesses over Voted Grants and Charged Appropriations (1995-96).

2. The Committee examined the cases of excess expenditure incurred by various Ministries/Departments of Union Government in 1995-96 on the basis of relevant Appropriation Accounts, observations of Audit as contained in the Reports of the C&AG for the year ended 31 March, 1996, the explanatory notes and other information furnished by the various Ministries/Departments concerned. The Committee considered and finalised this Report at their sitting held on 13 November, 1997. Minutes of the sitting form Part-II of the Report.

3. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix-VI to the Report.

4. The Committee would like to express their thanks to the Ministries/Departments concerned for the cooperation extended by them in giving information to the Committee.

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

NEW DELHI;
17 November, 1997

26 Kartika, 1919 (Saka)

DR. MURLI MANOHAR JOSHI,
Chairman,
Public Accounts Committee.

REPORT

EXCESS EXPENDITURE OVER VOTED GRANTS AND CHARGED APPROPRIATIONS (1995-96)

I. Introductory

Article 115 (1) (b) of the Constitution stipulates that if any money had been spent on any service during a financial year in excess of the amount granted for that service and for that year, the President should cause to be presented to the House of People a demand for such excess.

2. According to the procedure laid down for the regularisation of excesses in expenditure, the Ministries and Departments of Government of India are required to furnish to the Public Accounts Committee explanatory notes containing the reasons for or circumstances leading to the excesses under each excess registering grant or appropriation by 31 May of second following year to which accounts relate or immediately after the presentation of the relevant Appropriation Accounts, whichever may be later. Thereafter, the Public Accounts Committee proceed to examine, in the light of explanatory note furnished by the Ministries/ Departments concerned, the circumstances leading to excesses and present a report thereon to Parliament recommending regularisation of the excesses subject to such observations/recommendations as they may choose to make. In pursuant to the Report of the Committee, Government initiate necessary action to have the excesses regularised by Parliament, under Article 115 (1) (b) of the Constitution, either in the same Session in which the Committee present their Report or in the following Session.

3. Presently, five Appropriation Accounts pertaining to different sectors for the activities of the Union Government viz., Civil, Defences Services, Postal Services, Telecommunication Services and Railways are presented annually to Parliament. These Appropriation Accounts exhibit the details of amounts actually spent on various specified services by Government in a financial year compared with the grants/appropriations authorised for those services in that year and also indicate saving/excess for the grant/appropriation as a whole during that financial year.

II. Excess Expenditure over Voted Grants and Charged Appropriations during 1995-96

4. A scrutiny of the relevant Appropriation Accounts of the Union Government for the year 1995-96 and the explanatory notes furnished by

the Ministries/Departments concerned, has revealed the following position about the number of cases of excess registering grants and the quantum of excess expenditure during the year under Review:—

Sl. No.	Appropriation Accounts	No. of excess registering grants	Amount of excess expenditure (Rs.)
1.	Civil	2	8,44,15,433
2.	Defence Services	1	6,93,663
3.	Postal Services	1	73,52,76,021
4.	Telecommunication Services	1	60,48,91,516
5.	Railways	4	603,43,20,401
	Total	9	745,95,97,034

5. However, the explanatory note furnished by the Ministry of Railways for regularisation of excess expenditure incurred by them over Voted Grants during 1995-96 has revealed that there was a misclassification of expenditure of (–) Rs. 15,94,392 under Grant No. 12 —Miscellaneous Working Expenses. After taking into account the effect of this, the actual excess expenditure relating to Railways worked out to Rs. 603,27,26,009 instead of Rs. 603,43,20,401 as indicated in the Appropriation Accounts. Thus, the amount of actual excess expenditure during the year 1995-96 requiring regularisation by the Parliament under Article 115 (1) (b) of the Constitution is of the order of Rs. 745,80,02,642 incurred in nine cases of excess registering grants.

6. The details of voted grants under which the actual expenditure had exceeded the sanctioned provisions during the year under review are given below:

Sl. No.	No. & Name of Grant/Appropriation	Administrative Ministry/Department	Final Grant	Actual Expenditure	Excess Expenditure (in units of Rupees)
1	2	3	4	5	6
I. APPROPRIATION ACCOUNTS (CIVIL)					
<i>Revenue Section</i>					
1.	81-Public Works	Urban Development	379,75,00,000	388,18,16,283	8,43,16,283

1	2	3	4	5	6
	<i>Capital Section</i>				
2.	65—Ministry of Petroleum and Natural Gas	Petroleum and Natural Gas	1034,86,00,000	1034,86,99,150	99,150
II. APPROPRIATION ACCOUNTS (DEFENCE SERVICES)					
	<i>Revenue Section</i>				
3.	17-Defence Services-Army	Defence	13342,58,00,000	13342,64,93,663	6,93,663
III. APPROPRIATION ACCOUNTS (POSTAL SERVICES)					
	<i>Revenue Section</i>				
4.	13-Postal Services	Communications (Deptt. of Posts)	23,98,61,00,000	24,72,13,76,021	73,52,76,021
IV. APPROPRIATION ACCOUNTS (TELECOMMUNICATION SERVICES)					
	<i>Revenue Section</i>				
5.	14-Telecommunication Services	Communications (Deptt. of Telecommunications)	10431,09,00,000	10491,57,91,516	60,48,91,516
V. APPROPRIATION ACCOUNTS (RAILWAYS)					
	<i>Revenue Section</i>				
6.	8-Operating Expenses—Rolling Stock and Equipment	Railways	1401,90,41,000	1409,67,57,373	7,77,16,373
7.	12—Miscellaneous Working Expenses	Railways	747,82,03,000	752,94,20,633	4,96,23,241*

* The relevant Appropriation Accounts indicated an excess expenditure of Rs. 5,12,17,633 under this Grant. However, after taking into account the effect of misclassification of expenditure of Rs. (-15,94,392), the real excess expenditure under this grant requiring regularisation worked out to Rs. 4,96,23,241.

1	2	3	4	5	6
8.	13—Provident Fund, Pension and other Retirement benefits	Railways	2091,41,76,000	2129,32,33,456	37,90,57,456
9.	14—Appropriation to Funds	Railways	6478,00,00,000	7030,63,28,939	552,63,28,939

7. The above statement indicates that the Grants operated by Ministry of Railways had alone accounted for over 80 percent of the total excess expenditure incurred by various Ministries/Departments of the Union Government during 1995-96. It would also be seen that out of nine cases of excess over Voted Grants, excess expenditure of over a crore of rupees had occurred in seven cases with Grant No. 14 administered by the Railway taking a lead with excess of Rs. 552.63 crore followed by substantial excess expenditure amounting to Rs. 73.53 crore and Rs. 60.49 crore under Grant No. 13 Postal Services and Grant No. 14 Telecommunication Services respectively.

8. According to the prescribed financial rules, no expenditure should be incurred which might have the effect of exceeding the total grant or appropriation authorised by Parliament by law for a financial year except after obtaining a supplementary grant or appropriation or an advance from the Contingency Funds. A scrutiny of the relevant Appropriation Accounts, however, revealed that the excess expenditure during 1995-96 had occurred even after obtaining supplementary grant of Rs. 3270.31 crore in all the nine cases. The relevant details in this regard are tabulated below:

(Rs. in crores)

Sl. No.	No. & Name of Grant/ Appropriation	Amount of Supplementary Grant/ Appropriation	Amount of Excess Expenditure
1.	2	3	4
<i>Civil Accounts</i>			
1.	65—Ministry of Petroleum and Natural Gas	1030.57	.01

1.	2	3	4
2.	81—Public Works <i>Defence Services</i>	16.99	8.43
3.	17—Defence Services—Army <i>Postal Services</i>	499.64	.07
4.	13—Postal Services <i>Telecommunication Services</i>	162.49	73.53
5.	14—Telecommunication Services <i>Railways</i>	924.94	60.49
6.	8—Working Expenses— Operating Expenses— Rolling Stock and Equipment	71.56	7.77
7.	12—Miscellaneous Working Expenses	10.74	4.96
8.	13—Provident Fund Pension and other Retirement benefits	110.38	37.91
9.	14—Appropriation to Funds—Depreciation Reserve Fund, Development Fund, Pension Fund and Capital Fund	443.00	552.63
	Total	3270.31	745.80

9. There has been a persisting trend in the incurrence of excess expenditure by various Ministries/Departments of Union Government. The table given below indicates the position regarding excess

expenditure incurred during the preceding five years:

(Rs. in Crores)

Year	No. of Excess registering grants/ appropriations	Excess expenditure
1991-92	12	398.28
1992-93	13	689.06
1993-94	16	1240.35
1994-95	15	481.09
1995-96	9	745.80

III. Delay in furnishing explanatory notes

10. As per time schedule, the Ministries/Departments of Government of India are required to submit to the PAC explanatory notes in respect of excess registering grants by 31 May of second following year to which accounts relate or immediately after the presentation of relevant Appropriation Accounts to the House whichever is later.

11. The dates on which the Appropriation Accounts of Union Government for the year 1995-96 were laid on the Table of the House are given below:—

Appropriation Accounts	Date on which laid on the Table of the House
Civil	8.5.1997
Defence Services	20.3.1997
Postal Services	20.3.1997
Telecommunication Services	20.3.1997
Railways	8.5.1997

12. In view of the above, the explanatory notes in respect of excess registering grants during 1995-96 became due for submission on 31 May 1997. Out of nine grants that recorded excess expenditure, the explanatory notes in respect of seven grants pertaining to Defence Services, Postal Services, Telecommunication Services and Railways were furnished within prescribed time limit. However, the explanatory notes in respect of both

the excess registering grants pertaining to Civil Sector (i.e., No. 65-Petroleum and Natural Gas and No. 81-Public Works) were not furnished to the Committee by the prescribed date.

13. In this context, it may be pointed out that the Public Accounts Committee in Paragraph 65 of their First Report (Eleventh Lok Sabha) presented to Lok Sabha on 20 December, 1996 had desired that in future the Monitoring Cell in the Department of Expenditure should be entrusted with the task of coordination, collection and timely submission to the Committee of the relevant explanatory notes, duly vetted by Audit, on excess expenditure/savings of Rs. 100 crores and above made in respect of all the Annual Appropriation Accounts of the Union Government for the year 1995-96 onwards. The Committee have however, been informed by the Ministry of Petroleum and Natural Gas that while the duly vetted explanatory notes relating to the appropriation Accounts for the year 1995-96 were sent to the Monitoring Cell for onward transmission to the Committee, the same were observed to have been not forwarded by the Monitoring Cell till 15 October 1997 when the Ministry themselves made available the same to the Committee.

14. The relevant explanatory notes on Grant No. 81-Public Works from the Department of Urban Development are still awaited (as on 11 November 1997).

15. The explanatory notes as furnished by the Ministry/Department concerned for the regularisation of excess expenditure incurred under various grants operated by them during the year 1995-96 are reproduced in Appendices—I to V to this Report.

IV. Examination of Select cases of Excess Expenditure

16. In the succeeding sections of this Report, the Committee have dealt with some of the prominent cases of excess expenditure during 1995-96 in the light of the facts brought out in the relevant Appropriation Accounts, audit observations thereon and the explanatory notes furnished by the Ministries/Departments concerned.

(A) Appropriation Accounts (Civil)

Grant No. 81—Public Works (Revenue Section—Voted)

17. It is seen from the relevant Appropriation Accounts that under Revenue Section (Voted) of Grant No. 81-Public Works, the Department of Urban Development incurred an excess expenditure of Rs. 8.43 crore against the sanctioned provision of Rs. 379.75 crore which included supplementary provision of Rs. 16.99 crore.

18. The relevant explanatory note on the excess expenditure is awaited from the Department (as on 11 November 1997).

19. The Audit observations on the accounts of this Grant as contained in paragraph 11.1.1(a) of C&AG's Report No. 1 of 1997 has brought out that against a budget provision of Rs. 379.75 crore under Revenue Section, the

Department incurred an expenditure of Rs. 394.75 crore thereby exceeding the sanctioned provisions by Rs. 15.00 crore. However, the expenditure of Rs. 120.87 crore under Major head A.1(5) (1) Suspense-Stock was subsequently reduced to Rs. 114.26 crore by making a journal entry for transfer of expenditure to the extent of Rs. 6.43 crore to the "Material Purchase Settlement Suspense Account" under the Major head "8658 Suspense Account" in the Public Account of India which was in violation of accounting procedure for stores transactions in Public Works Accounts.

20. According to the Audit, this action of Department in irregularly transferring Rs. 6.43 crore to the suspense head 8658 was not in conformity with the prescribed procedure and had the effect of reducing the expenditure under the final Sub head A.1(5) (1)-Stock, which in turn had an impact of reducing the net excess to Rs. 8.43 crore under the grant.

(B). Appropriation Accounts (Postal)

Grant No. 13-Postal Services (Revenue Section-Voted)

21. Against the original Grant of Rs. 2236.12 crore which was augmented to Rs 2398.61 crore through supplementary grant of Rs. 162.49 crore, the Department of Posts incurred an expenditure of Rs. 2472.14 crore in the Revenue Section (Voted) of Grant No. 13-Postal Services during 1995-96 resulting in an excess expenditure of Rs. 73.53 crore.

22. The complete text of the reasons for excess expenditure incurred under this grant, as furnished by the Department of Posts on 7 May 1997, is reproduced at Appendix III to this report. A scrutiny of this note reveals that excess expenditure during 1995-96 was incurred mainly under the following items:

- (a) Salaries, which includes Dearness Allowance, Interim Relief and Bonus
- (b) Pensionary Charges
- (c) Cost escalation of Office consumables, building materials etc.
- (d) Payment of arrear claims to Railways on account of haulage charges for mails.

23. Explaining the reason for incurrence of the excess expenditure during 1995-96, the Department of Posts in their note stated that they sought a supplementary demand of Rs. 293 crore at the Revised Estimates stage to cater to the additional demand under Salaries (Rs. 195 crore); Pensionary Charges (Rs. 55 crores); Over Time Allowances (Rs. 18 crore); and Stationery and Printing (Rs. 25 crores). However, a supplementary grant of Rs. 162.49 crore only was allocated which was not sufficient to meet the additionality even under salaries.

24. In this context, it may be pointed out that the Committee's examination of the Appropriation Accounts of the Postal Services for the year 1994-95 had also revealed a similar situation where the budgetary support granted to the Department of Posts by the Ministry of Finance were inadequate resulting in excess expenditure.

(C) Appropriation Accounts (Telecommunication Services)

Grant No. 14-Telecommunication Services (Revenue Section-voted)

25. A scrutiny of the Appropriation Accounts (Telecommunication Services) revealed that as against the original grant of Rs. 9506.15 crore which was augmented to Rs. 10431.09 crore by obtaining a supplementary grant of Rs. 924.94 crore, the Department of Telecommunications had incurred an excess expenditure of Rs. 60.49 crore in Revenue Section (Voted) of Grant No. 14 Telecommunication Services during 1995-96.

26. A copy of the explanatory note furnished by the Department of Telecommunications on 16 May 1997 on the excess expenditure under this Grant is enclosed at Appendix-IV.

27. Explaining the reasons for the excess expenditure of Rs. 60.49 crores under Revenue Section of this Grant, the Department of Telecommunication in their explanatory note stated as follows:

“Under this section, there have been savings under the expenditure heads viz 3225—Working Expenses (Rs. 419.22 crores) and 3275 Other Communication Services (Rs. 40.67 crores). However under MH-3231 - Appropriation from Telecom Surplus to the Reserve Funds shows an excess (Rs. 520.27 crores). This is due to realisation of more Revenue (Rs. 155.55 crores) and incurring of less Working Expenses (Rs. 419.22 crores) partly off set by less recoveries (Rs. 54.50 crores). The saving under working expenses was mainly due to lesser interest liability of Bonds (Rs. 267. 69 crores) smaller tranche of bonds than estimated were raised and lesser liability of lease charges (Rs. 187.06 crores) on account of procurement of lesser equipment on lease than anticipated. Appropriation of surplus to Reserve Funds is an accounting adjustment of funding the surplus of the Department and does not involve any cash outgo.”

(D) Appropriation Accounts (Railways)

28. During 1995-96, the actual expenditure under the following four grants operated by the Ministry of Railways had exceeded the sanctioned

provisions by Rs. 603.43 crore which worked out to Rs. 603.27 crore after taking into account the effect of misclassification in the accounts:

Sl. No.	No. & Name of Grant/ Appropriations	Excess expenditure	Effect of misclassification of expenditure	Actual excess expenditure requiring regularisation
1	2	3	4	5
1.	8-Working Expenses- Operating expenses- Rolling Stock and Equipment	7,77,16,373	-Nil-	7,77,16,373
2.	12-Miscellaneous Working Expenses	5,12,17,633	(-)15,94,392	4,96,23,241
3.	13-Provident Fund, Pension and other Retirement Benefits	37,90,57,456	-Nil-	37,90,57,456
4.	14-Appropriation to Funds—Depreciation Reserve Fund, Development Fund, Pension Fund and Capital Fund	552,63,28,939	-Nil-	552,63,28,939

29. It would be seen from the above table that the main contributor to the excess expenditure was Grant No. 14 Appropriation to Funds with an excess of over Rs. 552.63 crores. The table also indicates that Grant No. 12-Miscellaneous Working Expenses was effected by misclassification of expenditure.

30. The explanatory note furnished by the Ministry of Railways on this aspect on 30 May 1997 is reproduced at Appendix V to this Report.

31. Explaining the reasons for excess expenditure under Grant No. 14-Appropriation to Funds, the Ministry of Railways stated in their note that the Traffic Receipts were higher due to more materialisation of traffic and the working expenses were less due to stringent economy measures resulting in more excess having been generated which was utilised for increasing the Appropriation under Capital Fund keeping in view the recommendations of Railway Convention Committee.

32. In this connection the following observations were made by the Audit in Paragraph 1.1 (i) of C&AG's Report No. 9 of 1997:

"The provision of Rs. 2000 crores in the Budget Estimates for appropriation to Depreciation Reserve Fund (DRF) was

augmented by Rs. 60 crores in Supplementary Demand obtained in February 1996 to meet the expenditure on works financed from this Fund. However, the Railway Convention Committee (RCC) (1991-Tenth Lok Sabha) in their Ninth Report had recommended the contribution of Rs. 2650 crores to DRF in 1995-96, subject to minor adjustments. This recommendation was made keeping in view the new assets added and the element of inflation, the size of the Annual Plan finally fixed and the capacity of the system to generate internal resources. The amount of Rs. 2060 crores actually appropriated was Rs. 590 crores less than the contribution recommended by RCC.

On the other hand, RCC had recommended the contribution of Rs. 1900 to the crores to the Pension Fund (PF) in 1995-96.----- The amount of Rs. 2100 crores actually appropriated was Rs. 200 crores higher than the contribution recommended by RCC.-----

Such trend in higher appropriation to PF and less appropriation to DRF than recommended by RCC was noticed during 1994-95 also, -----Further, the Ministry did not disclose the amount of appropriations recommended by RCC in the Budget documents while seeking the sanction of the Parliament for their Demand for Grants and supplementary Demands.

Less appropriation to DRF had a bearing on the replacement of the existing capital assets, as for example, metnioned in paragraph 5.1* (sub paragraph 6) of this Report.-----Had the Railways made full contribution to DRF and PF as recommended by RCC, the actual surplus for 1995-96 would have come down to Rs. 2480.63 crores."

33. Incidentally, Grant No. 14-Appropriation to Funds had also accounted for an excess of Rs. 366.39 crore out of total excess expenditure of Rs. 392.10 crores recorded by the Ministry of Railways during the preceding year 1994-95.

34. Misclassification and wrong booking of expenditure and its detection subsequent to finalisation of accounts has been a recurring phenomenon in the Railways. During the year under review, the Ministry of Railways have reported misclassification of (-) Rs. 15, 94,392 under Grant No. 12 on account of wrong booking of expenditure to Grant No. 16 (Capital) instead of Grant No. 12, Grant No. 12 instead of Earnings, charged Expenditure booked as Voted and wrong credit to Earnings instead of adjustment under Grant No. 12.

*This paragraph contains audit observations on Track Renewals including maintenance.

35. Taking note of instances of misclassification of expenditure during the year 1994-95, the Committee had in paragraph 75 of their First Report (11th Lok Sabha) had desired that stringent measures be taken for avoiding such misclassifications in future and responsibility fixed for the lapses in all such cases.

36. Similarly, the excess expenditure in Railways persists year after year as would be seen from the following:

Year	No. of Excess registering Grants/ Appropriations	Actual Excess (Rs in crores)
1991-92	9	294.01
1992-93	3	539.28
1993-94	8	1216.83
1994-95	5	392.10
1995-96	4	603.27

V. Conclusions and Recommendations

37. The Committee note that an expenditure of the order of Rs. 745.80 crore had been incurred by various Ministries/Departments of the Union Government in excess of the sanctioned provisions under nine grants during the year 1995-96. Distressingly, excess expenditure during the year under review had not only increased as compared to excess of Rs. 481.09 crore reported in the previous year 1994-95 but had also occurred in all the sectors of the Union Government activities viz., Civil, Defence Services, Postal Services, Telecommunication Services and Railways. The Committee are particularly astonished over the fact that this excess expenditure had occurred despite obtaining supplementary provisions of Rs. 3270.31 crore in all the cases of excess registering grants. Another feature observed by the Committee is that the quantum of excess expenditure had exceeded over Rs. one crore in as many as seven out of the total nine grants which registered excess expenditure. The Committee view this state of affairs with grave concern and they feel that their oft-repeated concern for observing greater financial discipline and the instructions issued by the Ministry of Finance in pursuant thereto, has not yielded desired results. Evidently, certain Ministries/Departments of Government of India continue to incur expenditure beyond the sanctioned limits without due regard to the canons of financial propriety. The Committee are in no doubt that lack of proper monitoring of the progress of expenditure and failure to assess actual requirement of funds by the Ministries/Departments are the main factors giving rise to the present state of affairs. The Committee, therefore, desire that the Ministry of Finance should effectively impress upon the Ministries to strengthen their existing mechanisms so as to put their budgetary and accounting information systems on proper footing. Steps should also be taken to ensure strict observance of financial rules to minimise instances

of excess expenditure and deal sternly with any aberrations noticed in following the prescribed rules.

38. According to the time schedule prescribed, the Ministries are required to submit to the Committee the explanatory notes in respect of excess registering grants/appropriations by 31 May of the second following year to which the accounts relate or immediately after the presentation of the relevant Appropriation Accounts to the House, whichever is later. Taking note of specific instances of delay in furnishing the requisite explanatory note in time, the Committee in paragraph 65 of their First Report (Eleventh Lok Sabha) had desired that in future the Monitoring Cell in the Department of Expenditure should be entrusted with the task of coordination, collection and timely submission to the Committee of the relevant explanatory notes, duly vetted by audit, on excess expenditure/savings of Rs. 100 crore and above made in respect of all the Appropriation Accounts of the Union Government for the year 1995-96 onwards. The Committee have, however, been concerned to find that while the Ministry of Petroleum and Natural Gas had forwarded their explanatory notes to the Monitoring Cell for onward transmission to the Committee in April 1997, the same were not made available by that Cell to the Committee which themselves obtained the requisite notes from the Ministry in October 1997. Distressingly, the requisite notes are still awaited from the Department of Urban Development which had failed to furnish the same despite being reminded by the Committee in the matter. The Committee take a serious view of this default and they desire that responsibility be fixed in the Department of Urban Development for laxity shown in this regard. The Committee would also like the Department of Expenditure to streamline systems in their Monitoring Cell to make it function in an efficient manner in future. The Committee may be apprised of the precise action taken in the matter within three months from the presentation of this Report.

39. The Committee find from their scrutiny of select cases of excess registering grants that Revenue Section (voted) of Grant No. 81—Public Works operated by the Department of Urban Development recorded an excess expenditure of Rs.8.43 crore during the year 1995-96. The Committee's examination of the Audit observations on this Grant, however, revealed that the actual excess expenditure incurred under this Grant had exceeded the sanctioned provision by Rs. 15 crore but the Department reduced their expenditure to the extent of Rs. 6.43 crore through a journal entry for transfer of expenditure to the Public Accounts of India in violation of accounting procedure for stores transactions in Public Works Accounts. In the absence of requisite explanatory note from the Department, the Committee could not examine the precise circumstances leading to deviation from the prescribed financial rules. While taking a serious view of this aberration, the Committee desire the Department of Urban Development to explain the circumstances which led to incorporation of a journal entry in

the final accounts and also their failure to book the expenditure in the Public Accounts of India at the initial stages itself.

40. Under voted portion of Revenue section of Grant No. 13—Postal Services, Department of Posts had incurred an excess expenditure of Rs. 73.53 crore during 1995-96. The Committee have been informed that while the Department had sought supplementary funds to the extent of Rs. 293 crore to cater to their additional requirements under specific heads, a supplementary grant of Rs. 162.49 crore only was allocated which was not even sufficient to meet the requirements under the mandatory payments required to be made by the Department on salaries. Amazingly, the Committee's examination of the excess expenditure reported by the Department of Posts during the preceding year had also revealed a similar situation whereby the Department was starved of supplementary funds by the Ministry of Finance. In the opinion of the Committee, the entire manner in which the funds under this Grant are allocated by the Ministry of Finance needs to be examined thoroughly so as to avoid excess expenditure of this nature in future. The Committee, therefore, desire that the Ministry of Finance should undertake a proper analysis of the exact financial requirements of the Department of Posts and provide the same in a rational manner.

41. The Committee find that the Revenue Section (Voted) of Grant No. 14—Telecommunication Services recorded an overall excess of Rs. 60.49 crore during the year 1995-96. In their explanatory note to the Committee, the Department of Telecommunications attributed this excess expenditure mainly to the increased appropriation made from Telecommunication surplus to the Reserve Funds, which was stated to be due to realisation of more Revenue and incurrence of less Working Expenses during the year under review. The Committee's scrutiny of the relevant Appropriation Accounts surprisingly, revealed that there was an excess of a high order of Rs. 520.27 crore under the head "Appropriation from Telecommunication Surplus" despite obtaining supplementary appropriations of Rs. 804.70 crore on this account. Obviously, there were cases on savings of substantial magnitude under other heads which helped to a great extent in reducing the excess under this Grant as a whole to bring it to the level of Rs. 60.49 crore. Although the Department have pleaded that the appropriation of Surplus to Reserve Funds was an accounting adjustment of funding and did not involve any cash outgo, yet the fact remains that the expenditure estimates of the Department under this Grant went awry to a large scale. While expressing their unhappiness over this dismal state of affairs, the Committee desire the Department of Telecommunications to carefully review their mechanism for framing of budget estimates and apply necessary correctives wherever required to make their budgetary exercise more realistic and meaningful. They would also like to be apprised of the precise steps taken in this regard.

42. The Committee are concerned to find that four grants (Nos. 8, 12, 13 and 14) administered by the Ministry of Railways recorded an excess expenditure aggregating Rs.603.43 crore during the year 1995-96 which worked out to over 80 percent of the total excesses reported in that year by the various Ministries/Departments of the Union Government as a whole. The fact that the supplementary provisions were also obtained under all these four excess registering grants leads to an obvious conclusion that the Ministry of Railways had, at no stage, been able to precisely anticipate assess and provide for the funds actually required by them under these grants. Needless to say that there is a crying need for improvement in the mechanism of framing the budget estimates on a rational basis in the Ministry of Railways. The Committee, therefore, desire that glaring instances for failure to make realistic assessment of requirement of funds should be critically examined and appropriate steps initiated to revamp the systems so that improvements may be made in right direction.

43. The Committee's examination have also revealed that out of the total expenditure of Rs. 603.43 crore, Grant No. 14—Appropriation to Funds alone had recorded a huge excess of over Rs. 552.63 crore. According to the Ministry, the excess under this Grant had occurred due to more surplus having been generated by the Railways during the year which was utilised for increasing the Appropriation under Capital Fund keeping in view the recommendations of Railway Convention Committee (RCC). The Committee are, however, not inclined to accept this as a valid reason in view of the Audit findings that the Ministry of Railways had not implemented the similar recommendations made by RCC for appropriations to Depreciation Reserve Fund (DRF) and the Pension Fund (PF). While agreeing with the Audit observations that less appropriations to DRF would have a definite bearing on the replacement of the existing capital assets, the Committee are also in no doubt that the Railway's failure to make contributions to DRF as recommended by RCC had resulted in generating artificial surplus in 1995-96 which was utilised by the Ministry for increasing the appropriation under the Capital Fund. At this stage, the Committee can only hope that the Ministry of Railways would undertake a review of the efficacy of their appropriations made to various Railway Funds under this Grant and draw suitable lessons for future.

44. Despite the Committee's repeated exhortations made from time to time in their earlier Reports to eliminate instances of misclassification of expenditure, the Ministry of Railways are yet to show improvements in this regard. The explanatory note furnished by the Ministry has once again revealed that there were instances of wrong booking of expenditure from Revenue to Capital sections or Charged to Voted items or wrong credits to earnings under Grant No. 12. While taking a serious view of the manner in which the accounts were maintained by the Railway authorities where such errors escaped notice and could not be rectified even upto finalisation of Appropriation Accounts, the Committee would like that reasons for such glaring errors be ascertained and responsibility fixed for the lapses in all

such cases. The Committee would also like to be apprised of the precise action taken in this regard.

45. Subject to the observations made in the preceding paragraphs, the Committee recommend that the expenditure referred to in Paragraph 5 of this Report be regularised in the manner prescribed in Article 115(1)(b) of the Constitution of India.

NEW DELHI;
17 November, 1997

26 Kartika, 1919 (*Saka*)

DR MURLI MANOHAR JOSHI,
Chairman,
Public Accounts Committee.

MINUTES OF THE EIGHTEENTH SITTING OF THE PUBLIC
ACCOUNTS COMMITTEE (1997-98) HELD ON 13 NOVEMBER,
1997.

The Committee sat from 1500 hrs to 1630 hrs on 13 November, 1997 in
Committee Room 'B', Parliament House Annexe.

PRESENT

Dr. Murli Manohar Joshi—*Chairman*

MEMBERS

Lok Sabha

2. Shri Nirmal Kanti Chatterjee
3. Shri N.S.V. Chitthan
4. Dr. T. Subbarami Reddy
5. Shri Ishwar Dayal Swami

Rajya Sabha

6. Shri R.K. Kumar
7. Smt. Margaret Alva
8. Shri Surinder Kumar Singla
9. Shri Vayalar Ravi

SECRETARIAT

- | | | |
|-----------------------|---|-------------------------|
| 1. Shri P. Sreedharan | — | <i>Deputy Secretary</i> |
| 2. Shri Rajeev Sharma | — | <i>Under Secretary</i> |

OFFICER OF THE OFFICE OF C&AG OF INDIA

- | | | |
|------------------------|---|--|
| 1. Shri Vikram Chandra | — | Pr. Director of Audit
(Indirect Taxes) |
| 2. Shri A.K. Thakur | — | Pr. Director of Audit
(Reports-Central) |
| 3. Smt. S. Ghosh | — | Director of Audit
(Customs) |

2. The Committee took up for consideration the following draft Reports
on:

- (i) Action taken on 113th Report of PAC (10th Lok Sabha) on Out-of-
turn allotments of Government residential accommodation.

- (ii) Action Taken on 100th Report of PAC (10th Lok Sabha) on Revision in the Format of Union Government Appropriation Accounts (Civil).
- (iii) Excesses over Voted Grants and Charged Appropriations (1995-96)
- (iv) Paragraph 4.3.1. of Audit Report No. 10 of 1996 (Railways) on Infructuous expenditure on purchase of water coolers and filters.
- (v) Paragraph 1.01 of Audit Report No. 4 of 1996 (Indirect Taxes) on the Advance Licensing Scheme.

3. On the suggestion made by some members, the Committee decided to defer consideration of draft Report mentioned at serial no. (v) to 8 November, 1997.

4. The Committee then took up for consideration draft Reports mentioned at serial nos. (i) to (iii). The Committee adopted the Reports at serial nos. (i) and (iii) with certain modifications and amendments as shown in Annexures I and II respectively and the Report at serial no. (ii) without any modification/amendments. Thereafter, the Committee considered the draft Report at serial no. (iv) and after some deliberations decided to consider that draft Report further at their sitting to be held on 18 November, 1997.

5. The Committee also authorised the Chairman to finalise the draft Reports mentioned at serial nos. (i) to (iii) in the light of verbal and consequential changes arising out of factual verification by Audit and present the same to Parliament.

The Committee then adjourned.

ANNEXURE II

**AMENDMENTS/MODIFICATIONS MADE BY THE PUBLIC
ACCOUNTS COMMITTEE IN THE DRAFT REPORT ON
"EXCESSES OVER VOTED GRANTS AND CHARGED
APPROPRIATIONS (1995-96)"**

Page	Para	Line	Amendments / Modifications
16	37	8 line from bottom	Substitute "certain" for "the"
16	37	last	Delete "dismal" after "present"
20	41	4	Substitute "a high" for "the tall"
20-21	42	last line on page 20 first line on page 21	Delete "the Committee" after "grants leads"
22	44	11	Substitute "upto" for "till"

APPENDIX I

Government of India
Ministry of Petroleum and Natural Gas

NOTE FOR PUBLIC ACCOUNTS COMMITTEE FOR
REGULARISATION OF EXCESS EXPENDITURE INCURRED
UNDER CAPITAL SECTION (VOTED) OF GRANT NO. 65 —
MINISTRY OF PETROLEUM AND NATURAL GAS, AS
DISCLOSED IN THE UNION GOVERNMENT APPROPRIATION
ACCOUNTS (CIVIL) FOR 1995-96.

CAPITAL SECTION (VOTED)	(Amount in Rupees)
Original Grant	4,29,00,000
Supplementary Grant	10,30,57,00,000
Total Grant	10,34,86,00,000
Actual Expenditure	10,34,86,99,150
Excess	99,150

2. Under Capital Section (Voted) of Grant No. 65—Ministry of Petroleum and Natural Gas for 1995-96, the original grant was Rs. 4,29,00,000 which was augmented to Rs. 10,34,86,00,000 by obtaining a supplementary Grant of Rs. 10,30,57,00,000 in March 1996. Against this, there was an actual expenditure of Rs. 10,34,86,99,150 resulting in an excess expenditure of Rs. 99,150. This excess was the outcome of Oil and Natural Gas Corporation's bonus share issue of Rs. 10,34,86,99,150 being rounded off to express in terms of Crore. This figure was indicated in the proposed receipts as well as expenditure during the period in question. However, when the actual receipts and expenditure were accounted in terms of thousand, and excess of 99 thousand occurred both from receipt and expenditure sides.

3. There was no physical cash outgo and the same was only a book adjustment. As the excess in question was a result of error in rounding off the figure to indicate Rs. 10,34.86 crore instead of Rs. 10,34.87 crore and that there was no cash outgo in the same, the excess expenditure of Rs. 99,150 under Capital Section (Voted) of Grant No. 65 — Ministry of Petroleum and Natural Gas for 1995-96 may please be recommended for regularisation by the Parliament under Article 115(1)(b) of the Constitution of India.

4. This has been vetted by the Office of the Director General of Audit, Central Revenues, New Delhi vide their U.O. No. RR/11-1/97-98/320 dated 14.3.97.

Sd/-
(Ravi Sakena)

Joint Secretary & Financial Adviser

Tele: 3381704

(Ministry's File No. G—25015/3/96—Fin. I. Dated 29.1.1997)

APPENDIX II

MINISTRY OF DEFENCE (FINANCE) BUDGET-I

NOTE FOR PUBLIC ACCOUNTS COMMITTEE FOR REGULARISATION OF EXCESS OVER VOTED PORTION OF GRANT NO. 17. DEFENCE SERVICE — ARMY AS DISCLOSED IN THE APPROPRIATION ACCOUNTS (DEFENCE SERVICES) FOR THE YEAR 1995-96.

Grant No. 17 — Defence Services — Army

Original Grant	Rs. 12842,94,00,000
Supplementary Grant	Rs. 449,64,00,000
Total Sanctioned Grant	Rs. 13342,58,00,000
Actual Expenditure	Rs. 13342,64,93,663
Excess Expenditure	Rs. 6,93,663
Surrender during the year	Rs. NIL

2. Against the Original Grant of Rs. 12842,94,00,000 augmented to Rs. 13342,58,00,000 by obtaining a supplementary grant of Rs. 499,64,00,000, an expenditure of Rs. 13342,64,93,663 has been incurred during 1995-96 resulting in an uncovered excess of Rs. 6,93,663.

3. The excess occurred under certain minor heads which was partly offset by saving under other minor heads leaving a net excess of only Rs. 6,93,663. The excess is negligible in the light of the total sanctioned grant of Rs. 13342.58 crores under this Grant. As a result of a continuous monitoring and control of expenditure, the gap between allocation and expenditure was reduced to bare minimum.

4. Detailed reasons for excess have been explained in the Appropriation Accounts (Defence Services) for 1995-96. In brief, the excess occurred due to escalation of various essential services, increase in maintenance liabilities and hike in prices.

5. With a view to ensure an effective monitoring and control of expenditure, the Inter-Departmental Monitoring Groups have been advised to review the progress of expenditure and pending liabilities, on a fortnightly basis, during January, February and on weekly basis, in March, in addition to a normal monthly review of expenditure, so that the Services/Departments could make optimal use of the resources and also prevent occurrence of savings/excesses under various heads duly taking into account all factors *viz.* exchange rate variation in respect of foreign payments, actual drawal from LCs, supply position in respect of contracts and progress of Civil works etc. *vide* Ministry of Defence (Fin) ID No. 3475/B-1/96 Dt. 24.12.96 (copy enclosed).

Further, to avoid recurrence of such excess in future all expenditure controlling authorities have been requested to have strict control over expenditure and not to enter into commitments causing outgo beyond the budgetary allocations. In this connection, the Ministry of Defence (Fin.) ID. No. 3241/B-I/96 dated 26.11.96 and the Ministry of Defence (Finance) ID. No. 11(20)/B-I/96 dated 27.2.97 may kindly be referred to (copy enclosed).

6. In the circumstances explained above, the excess of Rs. 6,93,663 may kindly be recommended for regularisation by the Parliament under Article 115 (1)(b) of the Constitution.

7. DGADS has seen.

Sd/-
(D. LAHIRI)
Addl. F.A. (D) & JS

File No. 17(1)B-I/97

MINISTRY OF DEFENCE (FIN/BUD)

SUB:—Monitoring and control of Defence Expenditure.

According to the instructions issued *vide* MOD I.D. No. 8737-S/Def. Secy./91 dt. 27th Dec., 1991 Inter-Departmental Monitoring Groups were constituted in the Year 1991-92 with concerned Addl. F.A. as convener, concerned Jt. Secy. / Flag Rank Officer from service head quarters and representatives of the CGDA/CDA to monitor the progress of expenditure and pending liabilities to ensure optimal use of the resources. These instructions have been renewed from year to year. The orders for 1995-96 having been issued under M of D (Fin.) ID No. 3698/B-I/95 dt. 21.12.95.

2. The PAC during its oral evidence taken recently in connection with the Appropriation Accounts of Defence Services has viewed seriously about the excesses/savings occurred under various demands of Defence Services. Accordingly instructions were issued with the approval of Defence Secretary, to all concerned *vide* MOD ID No. 3241/B-I/96 dt. 26.11.96 to restrict the expenditure only to those items considered inescapable and not to enter into any further commitments causing fresh outgo in the current financial year beyond the budgetary allocations of 1996-97.

3. The Standing Committee on Defence in their First Report (11th Lok Sabha) have *inter-alia* desired that the Government should formulate a

time bound plan for implementation of various modernisation schemes and re-equipment programmes with a view to ensure that our defence capabilities keep pace with the changing threat perceptions, technologies and the Geo-political environment. The Defence Secretary has therefore, desired that we should aim for congruence between financial expenditure and the physical progress of the prioritised modernisation/upgradation programmes. He has also desired that the monitoring groups already constituted to ensure budgetary control especially of the obligatory commitments, referred to in para 1 above, should draw up a suitable "Action Plan" with an in-built mechanism for regular review and feed back for effecting timely release of ear-marked resources and to ensure implementation of various schemes within the stipulated time frame.

4. In view of above it is requested that each monitoring group should hold fortnightly meetings in the months of January and February 1997 and weekly meeting in March 97 to review the progress of expenditure and pending liabilities. This will enable Service/Departments to make optimal use of resources and also prevent occurrence of savings/excesses under various heads duly taking into account all factors viz. exchange rate variation in respect of foreign payment, actual drawal from LCs, supply position in respect of contract and progress of civil works etc.

5. As advised under our ID No. 278/B-I/96 dt. 24.1.96, the minutes of the monitoring Groups meeting may be put up to FA (DS) and a copy endorsed to DFA (Budget).

Sd/-

(D. LAHIRI)

ADDL. F.A. (D) & J.S.

ADDL FA(R) & AS	— For R&D including ATVP, Dte of Std. & DTD & P (Air).
ADDL FA(P)	— For Army, NCC and R.R.
ADDL FA(T)	— For Navy
ADDL FA(M)	— For Air Force
ADDL FA(A)	— For DGOF
ADDL FA(K)	— For DGQA

MOD (FIN.) I.D. No. 3475/B-I/96 Dt. 24.12.96

Copy to : JS(O), JS(N), JS(Air), JS(OF), COR IFA (Army), IFA (Navy), IFA (Air Force)

Copy also to: CGDA—For rendering weekly reports of Defence Expenditure for the remaining months of the financial year.

Copy also to: PS to FA(DS)

MOST IMMEDIATE**MINISTRY OF DEFENCE (FIN./BUDGET)**

Subject: Budgetary Control—Defence Expenditure.

The All India Compilation of Defence Services, Receipts and Charges, upto October, 1996 has been received and the statement indicating expenditure position *vis-a-vis* last financial year is enclosed. The pace of expenditure, particularly under Revenue heads, is considerably high.

2. The availability of additional funds at RE stage is extremely uncertain since large gaps need to be covered under Pay and Allowances.

3. It is, therefore, requested that the spending authorities may restrict their expenditure only to those items considered inescapable and not to enter into further commitments causing fresh outgo in the current financial year beyond the BE 1996-97 allocations. This may please be noted for strict compliance.

Sd/-

(D. LAHIRI)

Addl. FA(D) & J.S

All Joint Secretaries,
All Addl. FAs,
IFA(Army), IFA(Navy), IFA(Air Force)

M of D (Fin) ID. No. 3241/B-I/96 dated 26.11.1996.

Copy to:

ADGFP, DNP, D.FIN.P., DGOF, CCR&D(R), DGAOA, DGQA, Dte. of Standardisation, Member (Finance) OFB, All Dirs./DFAs in the Finance Division : For similar action.

Copy also for kind information of: Addl. Secy. (KS)
Addl. Secy. (A).

MOST IMMEDIATE**MINISTRY OF DEFENCE
(FINANCE/BUDGET)**

SUBJECT: Budgetary Control—Defence Expenditure.

The All India compilation of Defence Services Receipts and Charges, upto Jan., 1997 has been received and circulated to all concerned. It is seen therefrom that the pace of the expenditure is considerably high mainly under Stores, Revenue & Capital works, Aircraft, Transportation, etc. with reference to the draft budgetary allocations made in RE 96-97.

2. As all the spending authorities are aware that for the excesses occurred under any Head/Grant, the Ministry is required to go to

Parliament for regularisation. The PAC during its oral evidence taken recently in connection with the Appropriation Accounts of Defence Services for the year 1994-95 have viewed seriously the excesses/savings occurred under various Demands of Grants of the Defence Services. In view of the existing resource constraints, instructions were issued *vide* MOD (Fin.) ID No. 3241/B.I/96 dated 26.11.96 with the approval of Defence Secretary to all concerned to restrict the expenditure only to those items considered inescapable and not to enter into any further commitments causing fresh outgo in the current financial year beyond the Budgetary allocation of 96-97. All concerned were further requested *vide* MOD (Fin.) I.D. No. 411/B-I/97 dated 10.2.97 to ensure that mandatory/obligatory payments should be given precedence over other categories of expenditure within the existing allocation.

3. In view of the above, it is requested that the progress of expenditure may be monitored closely by holding weekly meetings of the Monitoring Groups so as to contain the expenditure within the sanctioned RE and avoid any excess or savings under any head. Necessary instructions would need to be issued in this regard by Service HQrs. and other Departmental HQrs. to all Commands, establishments etc.

Sd/-

(D. LAHIRI)

Addl. FA. & JT. Secy.

Add. FA(R)	—For R & D (including ATVP, Dte. of Std. & DTD&P (Air)
Addl. FA(P)	—For Army, NCC and R.R.
Addl. FA(T)	—For Navy
Addl. FA(N)	—For Air Force.
Addl. FA(A)	—For DGOF
Addl. FA(K)	—For DGQA

M of D (Fin) ID NO. 11(20)B-1/96 dt. 27.02.97

Copy to: JS(O), JS(N), J(Air), JS(OF), IFA(Army), IFA(Navy), IFA(Air Force), ADGFP, DNP, D Fin P. DGOF, CCR&D(R), DGQA, DGAQA, Dte. of Standardisation, Member (Fin) OFB, Calcutta.

Copy also to: CGDA to issue instructions to all CDAs to regulate payments (where CsDA are responsible) to the extent of the availability of the funds.

APPENDIX III

NOTE FOR PUBLIC ACCOUNTS COMMITTEE FOR REGULARISATION OF EXCESS OVER VOTED GRANT AS DETAILED IN THE APPROPRIATION ACCOUNTS OF THE GRANT NO. 13—POSTAL SERVICES FOR THE YEAR 1995-96

There was an excess expenditure to the tune of Rs. 73,52,76,021 constituting 3.07% of the total sanction/provision under the Revenue Segments of the Grant for the year 1995-96 as shown below:

	(Amount in Rs.) Revenue
Original Grant	22,36,12,00,000
Supplementary Grant	1,62,49,00,000
Total Sanctioned Grant	23,98,61,00,000
Actual Expenditure	24,72,13,76,021
Excess Expenditure	73,52,76,021

II. Original Grant of Rs. 22,36,12,00,000 was augmented to Rs. 23,98,61,00,000 by Supplementary Grant of Rs. 1,62,49,00,000 under the Major Head 3201-Postal Services as approved by Ministry of Finance. Expenditure of Rs. 24,72,13,76,021 was incurred during the Financial year 1995-96 which resulted in a net excess expenditure of Rs. 73,52,76,021 (Total Excess expenditure was Rs. 99,78,97,000 mainly under Salaries Rs. 68.80 crores and Pension Rs. 21.73 crores which was offset by the total saving of Rs. 26,27,21,000 mainly under other charges Rs. 16.22 crores. Supplies & Materials Rs. 3.36 crores. Domestic Travel Rs. 2.44 crores and Professional Service Rs. 2.41 crores) under the revenue segment.

The following factors have contributed towards excess expenditure.

1. A supplementary Demand of Rs. 2,93,00,000 was sought to cater to the additional demand under Salaries (Rs. 1,95,00,00,000), Pensionary Charges (Rs. 55,00,00,000), Over Time Allowance (Rs. 18,00,00,000), Stationery & Printing (Rs. 25,00,00,000) in the Revised Estimates stage. Department was granted Supplementary Grants of Rs. 1,62,49,00,000 only which was not sufficient to meet the additionality even under Salaries.

2. Excess expenditure was incurred mainly under the following items.

(a) Salaries, which includes Dearness Allowance, Interin Relief and Bonus.

(b) Pensionary Charges.

- (c) Cost escalation of Office consumables, building materials etc.
- (d) Payment of arrear claims to Railways on account of haulage charges for mails.

The excess of Rs. 73,52,76,021 may be recommended for regularisation by the Parliament under Article A 115(1)(b) of the Constitution of India.

This has been vetted by the Audit *vide* their U.O. No.

This has the approval of Secretary (Post).

Sd/-
(M.S.S. SUBRAHMANYAM)
DIRECTOR PA-I

APPENDIX IV

MINISTRY OF COMMUNICATIONS DEPARTMENT OF TELECOMMUNICATIONS (BUDGET-SECTION)

NOTE FOR PUBLIC ACCOUNTS COMMITTEE FOR THE
REGULARISATION OF EXCESS OVER VOTED GRANT AS
DISCLOSED IN THE APPROPRIATION ACCOUNTS OF GRANT
No. 14 — DEPARTMENT OF TELECOM FOR THE YEAR 1995-96

In the Revenue Section (Voted) of Grant No. 14 — Department of Telecom depicts Rs. 60.49 crores over the grant constituting 0.58 percent of the total sanctioned provision in that segment of the grant as shown below:

	(Amount in Rs.)
Original Grant	95,06,15,00,000
Supplementary Grant	9,24,94,00,000
Total Sanctioned Grant	1,04,31,09,00,000
Actual as booked	1,04,91,57,91,516
Excess	60,48,91,516

2. Under this section, there have been savings under the expenditure heads viz. 3225—Working Expenses (Rs. 419.22 crores) and 3275 — Other Communication Savings (Rs. 40.67 crores). However under MH — 3231 — Appropriation from Telecom Surplus to the Reserve Funds shows an excess (Rs. 520.27 crores). This is due to realisation of more Revenue (Rs. 155.55 crores) and incurring of less Working Expenses (Rs. 419.22 crores) partly offset by less recoveries (Rs. 54.50 crores). The saving under working expenses was mainly due to lesser interest liability of Bonds (Rs. 267.69 crores) smaller tranche of bonds than estimated were raised and lesser liability of Lease charges (Rs. 187.06 crores) on account of procurement of lesser equipment on lease than anticipated.

3. Appropriation of Surplus to Reserve Funds is an accounting adjustment of funding the surplus of the Department and does not involve any cash out go.

4. The notional excess of Rs. 60,48,91,516 may kindly be recommended for regularisation by Parliament under Article 115(i)(b) of the Constitution of India.

5. This has been vetted by Audit *vide* their U.O. No. RR III/1(b) 400/Appn. A/Cs/1995-96/28 dated 30.04.97.

Sd/-

(G.C. IYER)
Member (Finance)

1-38/96-B, dated 16.5.1997.

APPENDIX V

EXPLANATORY NOTE FOR PUBLIC ACCOUNTS COMMITTEE FOR REGULARISATION OF EXCESS OVER VOTED/CHARGED PORTION OF GRANTS/APPROPRIATION DURING THE YEAR 1995-96.

During the year 1995-96, there was an overall net saving of Rs. 423.71 crore over the total Grants and Appropriations resulting from aggregate savings of Rs. 1027.14 crore under 12 Grants (1,2,3,4,5,6,7,9,10,11,15 and 16 (Capital, Railway Funds & OLWR) and 12 Charged Appropriations (3,4,5,6,7,8,9,10,11,12,13 and 16 (Capital and Railway Funds) and excess of Rs. 603.43 crore under four Grants (8,12,13, & 14), Reference Para. 24 to 27 - Excess/Saving over Voted Grants and Charged Appropriation of the Appropriation Accounts of Indian Railways for the year 1995-96 (part - I Review).

1.2 Excess under Charged Appropriation & Voted Grants.

(a) There was no excess under Charged Appropriations. However, under Voted Grants, there is excess under four Grants as well as savings involving Rs. 100 crore and above under four Grants which are explained as under:—

(i) Grant No. 8:— Working Expenses-Operating Expenses-Rolling Stock and Equipment.

	Rupees
Original Grant	1330,34,07,000
Supplementary Grant	71,56,34,000
Total Sanctioned Grant	1401,90,41,000
Actual Expenditure	1409,67,57,373
Excess	7,77,16,373
Misclassification
Excess requiring regularisation	7,77,16,373
Percentage of Excess	0.55

A Grant of Rs. 1330.34 crore was obtained at the Budget Estimate Stage and a Supplementary Grant of Rs. 71.56 crore was obtained in February'96 to meet with the increase in expenditure for payments mainly under Interim Relief, Productivity Linked Bonus, Overtime Allowance, Cost of

Materials, Fuel for other than Tractions and Contractual Payments etc; partly offset by less payments under Salary, Kilometerage Allowance, adjustments under transfer of Dr/Cr. etc.

The Grant, however, proved to be inadequate, the actual expenditure having exceeded the total sanctioned provision by Rs. 7.77 crore for the grant as a whole, which is just 0.55% of the total sanctioned provision and is quite minor. The excess occurred mainly under the following Minor heads:—

(b) Diesel Locomotives (Rs. 48.70 crore) due to redeployment of staff from Steam Traction to Diesel Traction and more payment to staff towards Interim Relief, Productivity Linked Bonus, Dearness Allowance at enhanced rate including arrear thereof. (c) Electric Locomotives (Rs. 11.58 crore) due to redeployment of Staff from Steam Traction to Electric Traction and more payment to staff towards Interim Relief, Productivity Linked Bonus at enhanced ceiling with arrear thereof. (d) Electric Multiple Unit - Coaches, (Rs. 4.83 crore) mainly on account of more payment under Salary and Wages of staff as also to accommodate 10% of IR on basic Pay and payment of PLB at enhanced ceiling with arrear, increase in rate of Dearness Allowance and more drawal of Stores from Stock etc. (e) Carriages and Wagons (Rs. 1.52 crore) mainly due to more staff cost on account of increase in rate of DA and more payment towards PLB at enhanced ceiling. (f) Traction (Other than Rolling Stock) and General Electrical Services (Rs. 12.19 crore) due to more contractual payments to different State Electricity Boards for energy supplied at enhanced rate with retrospective effect. (h) Ferry Services and Rail Cars (Rs. 0.08 crore) mainly due to more expenditure due to more activities than anticipated, the excess was partly offset by saving under the following Minor heads:—

(a) Steam Locomotives (Rs. 68.51 crore) mainly owing to closure of Steam Traction and surrendering of posts on the Steam locos side
(g) Signalling and Telecommunication (Rs. 2.62 crore) due to adoption of stringent economy measures.

Of the total excess the highest occurred on South Eastern Railway (Rs. 8.83 crore), followed by N. F. Railway (Rs. 4.44 crore), Metro Railway, Calcutta (Rs. 3.93 crore). Central Railway (Rs. 3.80 crore). Eastern Railway (Rs. 2.02 crore) and Southern Railway (Rs. 1.27 crore); partly offset by savings on Western Railway (Rs. 8.72 crore). North Eastern Railway (Rs. 4.99 crore), South Central Railway (Rs. 2.29 crore) and Northern Railway (Rs. 0.52 crore).

The excess requiring regularisation from Parliament works out to Rs. 7,77,16,373/-

(ii) Grant No. 12:— Miscellaneous Working Expenses.

	Rupees
Original Grant	737,07,60,000
Supplementary Grant	10,74,43,000
Total Sanctioned Grant	747,82,03,000
Actual Expenditure	752,94,20,633
Excess	5,12,17,633
Misclassification	-15,94,392
Excess requiring regularisation	4,96,23,241
Percentage of Excess	0.66

A Grant of Rs. 737.08 crore was obtained at the Budget Estimate stage and a Supplementary Grant of Rs. 10.74 crore was obtained in February '96 to meet with the increase in expenditure for payments mainly under Productivity Linked Bonus, Travelling Allowance, Cost of Materials—Directly purchased, Contractual Payments, Other Expenses etc; partly offset by less payments under Salary, Dearness Allowance, adjustments under transfer of Dr/Cr etc.

The Grant, however, proved to be inadequate, the actual expenditure having exceeded the total sanctioned provision by Rs. 5.12 crore for the Grant as a whole, which is 0.68% of the total sanctioned provision. The excess mainly occurred under the following Minor heads:—

(a) Security (Rs. 32.93 crore) due to hike in material prices and more staff cost, (d) Catering (Rs. 4.65 crore) mainly due to incurrance of more expenditure on raw material due to hike in prices and also more staff cost, (g) Hospitality and Entertainment Expenses (Rs. 0.05 crore) mainly due to more expenses than anticipated, (h) Suspense (Rs. 0.80 crore) mainly due to more discharge of liabilities under Demands payable and Misc. Advance (Rev.); The excess partly offset by savings under Minor heads, (b) Compensation Claims (Rs. 9.31 crore) due to lesser payments towards compensation claims under Goods, Parcel and Luggage, (c) Workmen's and other Compensation Claims (Rs. 2.04 crore) due to settlement of less number of claim cases, (e) Cost of Training of Staff (Rs. 11.22 crore) due to less expenditure under cost of training schools and payment of stipend to non-gazetted staff during training, (f) Other Expenses (Rs. 10.74 crore) due to considerable reduction in the purchase of imported items related to policy of indigenous development and also due to reduced Civil Defence expenditure.

Of the total excess the highest occurred on Northeast Frontier Railway (Rs. 13.21 crore), followed by South Eastern Railway (Rs. 12.08 crore), South Central Railway (Rs. 7.64 crore), Southern Railway (Rs. 4.27 crore), and Metro Railway, Calcutta (Rs. 0.53 crore); partly

offset by savings on Northern Railway (Rs. 10.13 crore), Central Railway (Rs. 9.56 crore), North Eastern Railway (Rs. 5.53 crore), Eastern Railway (Rs. 5.43 crore) and Western Railway (Rs. 1.96 crore).

There was a misclassification of (-) Rs. 15,94,392 on account of wrong booking of expenditure to Grant No. 16 (Cap.) instead of Grant No. 12 (Rs. 3,83,600), Grant No. 12 instead of Earnings (Rs. 9,75,541), Charged expenditure booked as Voted (Rs. 15,77,000), wrong credit to Earnings instead of adjusting under Grant No. 12 (Rs. 13,76,533). Taking into account the effect of misclassification also the real excess requiring regularisation from Parliament works out to Rs. 4,96,23,241 (i.e. 0.66% of the total sanctioned provision).

(iii) Grant No. 13:— **Provident Fund, Pension and Other Retirement benefits.**

	Rupees
Original Grant	1981,03,39,000
Supplementary Grant	110,38,37,000
Total Sanctioned Grant	2091,41,76,000
Actual Expenditure	2129,32,33,456
Excess	37,90,57,456
Misclassification	—
Excess requiring regularisation	37,90,57,456
Percentage of Excess	1.81

A Grant of Rs. 1981.03 crore was obtained at the Budget Estimate Stage and a Supplementary Grant of Rs. 110.38 crore was obtained in February '96 to meet with the increase in expenditure mainly for higher Superannuation and Retiring Pension, Family Pension, Death-cum-Retirement Gratuity etc. due to sanction of Interim Relief and merger of higher dearness relief with D.C.R.G payable to Railway Pensioners.

The Grant, however, proved to be inadequate, the actual expenditure having exceeded the total sanctioned provision for the Grant as a whole by Rs. 37.91 crore, which is 1.81% of the total sanctioned provision. The excess occurred mainly under the following Minor heads:

(a) Superannuation and Retiring Pension (Rs. 34.61 crore) due to more payments towards disbursement of pensionary liabilities due to increase in number of Pensioners and Reliefs, (d) Family Pension (Rs. 29.41 crore) mainly due to receipt of more debits from different disbursing authorities, (e) Death-cum-Retirement Gratuity, (Rs. 8.00 crore) due to increase in limit of D.C.R.G from Rs. 1 lakh to Rs. 2.5 lakh and merging of DA with pay for payment, (f) Other Allowances, other

Pensions and Other Expenses (Rs. 5.38 crore) mainly due to settlement of more cases of invalid pension and receipt of more debits from disbursing authorities. The excess was partly offset by savings under the following Minor heads:

(b) Commuted Pension (Rs. 38.32 crore) due to finalisation of less commutation cases and less voluntary retirements (c) Ex-gratia Pensions, (Rs. 0.13 crore) due to settlement of less number of cases, (g) Gratuities and Special Contribution to Provident Fund (Rs. 0.98 crore) mainly due to materialisation of less cases of Deposit Linked Insurance Scheme, (h) Contribution to Provident Fund (Rs. 0.06 crore) due to less payment of Bonus for more withdrawal of Provident Fund.

Of the total excess the highest occurred on North Eastern Railway (Rs. 87.54 crore), followed by Northern Railway (Rs. 17.60 crore); Southern Railway (Rs. 2.89 crore), I.C.F. (Rs. 1.37 crore), D.L.W. (Rs. 0.29 crore), Metro Railway, Calcutta (Rs. 0.15 crore), W&AP (Rs. 0.08 crore) and D.C.W (Rs.0.03 crore); partly offset by savings on Eastern Railway (Rs. 35.84 crore), South Eastern Railway (Rs. 19.84 crore), Central Railway (Rs. 9.52 crore), N.F. Railway (Rs. 3.60 crore), Western Railway (Rs. 2.49 crore), South Central Railway (Rs. 0.38 crore), C.L.W (Rs. 0.33 crore) and R.C.F (RS. 0.04 crore).

The excess requiring regularisation from Parliament works out to Rs. 37,90,57,456/-

(iv) Grant No. 14:- Appropriation to Funds-Depreciation Reserve Fund, Development Fund, Pension Fund and Capital Fund.

	Rupees
Original Grant	6035,00,00,000
Supplementary Grant	443,00,00,000
Total Sanctioned Grant	6478,00,00,000
Actual (Expenditure) Appropriation	7030,63,28,939
Excess	552,63,28,939
Misclassification	—
Excess requiring regularisation	552,63,28,939
Percentage of Excess	8.53

At the Budget Estimate stage Appropriation to the Funds are sanctioned for Rs. 6035.00 crore. A Supplementary Grant of Rs. 443.00 crore was obtained in February '96 to meet with increased Appropriation to Funds mainly under Depreciation Reserve fund for meeting expenditure on works financed from the fund, Pension Fund on account of anticipated higher outgo from the Fund, Capital Fund on account of higher receipts over expenditure. The Traffic Receipt were higher due to more materialisation of traffic and working expenses were less due to stringent economy

measures, resulting in more excess having been generated. The excess of Rs. 552.63 crore was utilized for increasing the Appropriation under Capital Fund (Rs. 605.43 crore) keeping in view the recommendations of Railway Convention Committee. This was partly offset by less Appropriations to Development Fund (Rs. 52.80 crore) keeping in view the actual plan requirements.

The excess requiring regularisation is Rs. 552,63,28,939 which is the same as disclosed in the Appropriation Accounts.

2. The Grantwise excesses being relatively small considering the total volume of transactions spread over the entire Railway System, the excess over the Appropriation/Grant as brought out in Para 1.2 may kindly be recommended for regularisation by Parliament under Article 115 (1) (b) of the Constitution of India.

3. It is submitted that every care has been taken (a) to assess the expenditure under various Appropriation/Grants as precisely as possible and (b) to obtain supplementary allotments where necessary so that excess is avoided to the maximum extent possible. However, despite this, it is admitted that there have been excesses in some of the Grants. The most significant excess has occurred in Grant No. 13 relating to pensionary charges. These are at least partially attributable to the debits being received from various agencies such as Banks, Post Offices etc. sporadically. The computerisation of this work is in progress and it is hoped that this will ease the monitoring of the flow of debits the excesses under the Grants are relatively less significant.

4. This has been seen by Audit.

Sd/-

(P. RAJAGOPALAN)
O.S.D. (Accounts),
Railway Board

The Chairman & Members of the
Public Accounts Committee,
New Delhi.

APPENDIX VI

STATEMENT OF CONCLUSIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Ministry/ Department concerned	Conclusions and Recommendations
1	2	3	4
1.	37	Finance and Economic Affairs), Defence, Communications (P&T) & Railways	<p>The Committee note that an expenditure of the order of Rs. 745.80 crore had been incurred by various Ministries/Departments of the Union Government in excess of the sanctioned provisions under nine grants during the year 1995-96. Distressingly, excess expenditure during the year under review had not only increased as compared to excess of Rs. 481.09 crore reported in the previous year 1994-95 but had also occurred in all the sectors of the Union Government activities viz., Civil Defence Services, Postal Services, Telecommunication Services and Railways. The Committee are particularly astonished over the fact that this excess expenditure had occurred despite obtaining supplementary provisions of Rs. 3270.31 crore in all the cases of excess registering grants. Another feature observed by the Committee is that the quantum of excess expenditure had exceeded over Rs. one crore in as many as seven out of the total nine grants which registered excess expenditure. The Committee view this state of affairs with grave concern and they feel that their oft-repeated concern for observing greater financial discipline and the instructions issued by the Ministry of Finance in pursuant thereto, has not yielded desired results. Evidently, certain Ministries/Departments of Government of India continue to incur expenditure beyond the sanctioned limits without due regard to the canons of financial propriety. The Committee are in no doubt that lack of proper monitoring of the</p>

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progress of expenditure and failure to assess actual requirement of funds by the Ministries/ Departments are the main factors giving rise to the present state of affairs. The Committee, therefore, desire that the Ministry of Finance should effectively impress upon the Ministries to strengthen their existing mechanisms so as to put their budgetary and accounting information systems on proper footing. Steps should also be taken to ensure strict observance of financial rules to minimise instances of excess expenditure and deal sternly with any aberrations noticed in following the prescribed rules.

2. 38 Finance According to the time schedule prescribed, the
 (Expendi- Ministries are required to submit to the
 ture) Committee the explanatory notes in respect of
 Petroleum excess registering grants/appropriations by
 & Natural 31 May of the second following year to which
 Gas, the accounts relate or immediately after the
 Urban presentation of the relevant Appropriation
 Develop- Accounts to the House, whichever is later.
 ment Taking note of specific instances of delay
 in furnishing the requisite explanatory note in
 time, the Committee in paragraph 65 of their
 First Report (Eleventh Lok Sabha) had desired
 that in future the Monitoring Cell in the
 Department of Expenditure should be entrusted
 with the task of coordination, collection and
 timely submission to the Committee of the
 relevant explanatory notes, duly vetted by
 audit, on excess expenditure/savings of Rs. 100
 crore and above made in respect of all the
 Appropriation Accounts of the Union
 Government for the year 1995-96 onwards. The
 Committee have, however, been concerned to
 find that while the Ministry of Petroleum and
 Natural Gas had forwarded their explanatory
 notes to the Monitoring Cell for onward

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transmission to the Committee in April 1997, the same were not made available by that Cell to the Committee which themselves obtained the requisite notes from the Ministry in October 1997. Distressingly, the requisite notes are still awaited from the Department of Urban Development which had failed to furnish the same despite being reminded by the Committee in the matter. The Committee take a serious view of this default and they desire that responsibility be fixed in the Department of Urban Development for laxity shown in this regard. The Committee would also like the Department of Expenditure to streamline systems in their Monitoring Cell to make it function in an efficient manner in future. The Committee may be apprised of the precise action taken in the matter within three months from the presentation of this Report.

3. 39

Urban
Develop-
ment

The Committee find from their scrutiny of select cases of excess registering grants that Revenue Section (Voted) of Grant No. 81-Public Works operated by the Department of Urban Development recorded an excess expenditure of Rs. 8.43 crore during the year 1995-96. The Committee's examination of the Audit observations on this Grant, however, revealed that the actual excess expenditure incurred under this Grant had exceeded the sanctioned provision by Rs. 15 crore but the Department reduced their expenditure to the extent of Rs.6.43 crore through a journal entry for transfer of expenditure to the Public Accounts of India in violation of accounting procedure for stores transactions in Public Works Accounts. In the absence of requisite explanatory note from Department, the Committee could not examine the precise circumstances leading to deviation from the prescribed financial rules. While taking a serious view of this aberration, the Committee desire the Department of Urban Development to explain the circumstances which led to

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			incorporation of a journal entry in the final accounts and also their failure to book the expenditure in the Public Accounts of India at the initial stages itself.
4.	40	Communi- cations (Posts)	Under voted portion of Revenue section of Grant No. 13-Postal Services, Department of Posts had incurred an excess expenditure of Rs. 73.53 crore during 1995-96. The Committee have been informed that while the Department had sought supplementary funds to the extent of Rs. 293 crore to cater to their additional requirements under specific heads, a supplementary grant of Rs. 162.49 crore only was allocated which was not even sufficient to meet the requirements under the mandatory payments required to be made by the Department on salaries. Amazingly, the Committee's examination of the excess expenditure reported by the Department of Posts during the preceding year had also revealed a similar situation whereby the Department was starved of supplementary funds by the Ministry of Finance. In the opinion of the Committee, the entire manner in which the funds under this Grant are allocated by the Ministry of Finance needs to be examined thoroughly so as to avoid excess expenditure of this nature in future. The Committee, therefore, desire that the Ministry of Finance should undertake a proper analysis of the exact Financial requirements of the Department of Posts and provide the same in a rational manner.
5.	41	Communi- cations (Tele- communica- tions)	The Committee find that the Revenue Section (Voted) of Grant No. 14-Telecommunication Services recorded an overall excess of Rs. 60.49 crore during the year 1995-96. In their explanatory note to the Committee, the Department of Telecommunications attributed this excess expenditure mainly to the increased appropriation made from Telecommunication

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surplus to the Reserve Funds, which was stated to be due to realisation of more Revenue and incurrence of less Working Expenses during the year under review. The Committee's scrutiny of the relevant Appropriation Accounts surprisingly, revealed that there was an excess of a high order of Rs. 520.27 crore under the head "Appropriation from Telecommunications Surplus" despite obtaining supplementary appropriations of Rs. 804.70 crore on this account. Obviously, there were cases of savings of substantial magnitude under other heads which helped to a great extent in reducing the excess under this Grant as a whole to bring it to the level of Rs. 60.49 crore. Although the Department have pleaded that the appropriation of Surplus to Reserve Funds was an accounting adjustment of funding and did not involve any cash outgo, yet the fact remains that the expenditure estimates of the Department under this Grant went awry to a large scale. While expressing their unhappiness over this dismal state of affairs, the Committee desire the Department of Telecommunications to carefully review their mechanism for framing of budget estimates and apply necessary correctives wherever required to make their budgetary exercise more realistic and meaningful. They would also like to be apprised of the precise steps taken in this regard.

6. 42 Railways

The Committee are concerned to find that four grants (Nos. 8, 12, 13 and 14) administered by the Ministry of Railways recorded an excess expenditure aggregating Rs. 603.43 crore during the year 1995-96 which worked out to over 80 per cent of the total excesses reported in that year by the various Ministries/Departments of the Union Government as a whole. The fact that the supplementary provisions were also obtained under all these four excess registering grants leads to an obvious conclusion that the Ministry of Railways had, at no stage, been able, to precisely anticipate assess and provide for the

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funds actually required by them under these grants. Needless to say that there is a crying need for improvement in the mechanism of framing the budget estimates on a rational basis in the Ministry of Railways. The Committee, therefore, desire that glaring instances for failure to make realistic assessment of requirement of funds should be critically examined and appropriate steps initiated to revamp the systems so that improvements may be made in right direction.

7. 43 Railways

The Committee's examination have also revealed that out of the total expenditure of Rs. 603.43 crore, Grant No. 14-Appropriation to Funds alone had recorded a huge excess of over Rs. 552.63 crore. According to the Ministry, the excess under this Grant had occurred due to more surplus having been generated by the Railways during the year which was utilised for increasing the Appropriation under Capital Fund keeping in view the recommendations of Railway Convention Committee (RCC). The Committee are, however, not inclined to accept this as a valid reason in view of the Audit findings that the Ministry of Railways had not implemented the similar recommendations made by RCC for appropriations to Depreciation Reserve Fund (DRF) and the Pension Fund (PF). While agreeing with the Audit observations that less appropriations to DRF would have a definite bearing on the replacement of the existing capital assets, the Committee are also in no doubt that the Railway's failure to make contributions to DRF as recommended by RCC had resulted in generating artificial surplus in 1995-96 which was utilised by the Ministry for increasing the appropriation under the Capital Fund. At this stage, the Committee can only hope that the Ministry of Railways would undertake a review of the efficacy of their appropriations made to various Railway Funds under this Grant and draw suitable lessons for future.

1	2	3	4
8.	44	Railways	<p>Despite the Committee's repeated exhortations made from time to time in their earlier Reports to eliminate instances of misclassification of expenditure, the Ministry of Railways are yet to show improvements in this regard. The explanatory note furnished by the Ministry has once again revealed that there were instances of wrong booking of expenditure from Revenue to Capital sections or Charged to Voted items of wrong credits to earnings under Grant No. 12. While taking a serious view of the manner in which the accounts were maintained by the Railway authorities were such errors escaped notice and could not be rectified even upto finalisation of Appropriation Accounts, the Committee would like that reasons for such glaring errors be ascertained and responsibility fixed for the lapses in all such cases. The Committee would also like to be apprised of the precise action taken in this regard.</p>
9.	45	Finance (Expenditure preceding paragraphs, the Committee & Economic Affairs), Defence, Communi- cations (P&T) & Railways	<p>Subject to the observations made in the preceding paragraphs, the Committee recommend that the expenditure referred to in Paragraph 5 of this report be regularised in the manner prescribed in Article 115(1) (b) of the Constitution of India.</p>

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

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH		UTTAR PRADESH	
1.	M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secunderabad-500 306.	12.	Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.
BIHAR		WEST BENGAL	
2.	M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).	13.	M/s. Madimala, Buys & Sells, 123, Bow, Bazar Street, Calcutta-1.
GUJARAT		DELHI	
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380 006. (T.No. 79065)	14.	M/s. Jain Book Agency, C-9, Connaught Place, New Delhi, (T.No. 351663 & 350806)
MADHYA PRADESH		15.	M/s. J.M. Jain & Brothers, P. Box 1020, Mori Gate, Delhi-110006. (T.No. 2915064 & 230936)
4.	Modern Book House, Shiv Vilas Place, Indore City. (T.No. 35289)	16.	M/s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110 001. (T.No. 3315308 & 45896)
MAHARASHTRA		17.	M/s. Bookwell, 2/72, Sant Nirankari College, Kingsway Camp, Delhi-110 009. (T.No. 7112309).
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400 002.	18.	M/s. Rajendra Book Agency, IV-DR59, Lajpat Nagar, Old Dobule Storey, New Delhi-110 024. (T No. 6412362 & 6412131).
6.	The International Book Service, Deccan Gymkhana, Poona-4.	19.	M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110 033.
7.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400 001.	20.	M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.
8.	M/s. Usha Book Depot, Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-400 002.	21.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110 001. (T.No. 344448, 322705, 344478 & 344508).
9.	M & J Services, Publishers, Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele road Nalgaum, Dadar, Bombay-400 014.	22.	M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi.
10.	Subscribers Subscription Service India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400 001.	23.	M/s. Books India Corporation Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110 052. (T.No. 269631 & 714465).
TAMIL NADU		24.	M/s. Sungam Book Depot, 4378/4B, Murari LaL Street, Ansari Road, Darya Ganj, New Delhi-110 002.
11.	M/s. M.M. subscription Agencies, 14th Mural Street, (1st Floor), Mahalingapuram, Nungambakkam, Madras-600 034. (T. No. 476558)		