

**PUBLIC ACCOUNTS COMMITTEE
(1972-73)**

(FIFTH LOK SABHA)

FORTY-NINTH REPORT

[Excesses over Voted Grants and Charged Appropriations
disclosed in the Appropriation Accounts (Civil),
(Posts and Telegraphs), (Railways) and (Defence Services)
for the year 1970-71

and

Action taken by the Government on the recommendations of
the Public Accounts Committee contained in their 29th Report
(Fifth Lok Sabha) relating to Excesses over Voted Grants
and Charged Appropriations for the year 1969-70]



संयमये नृपते

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		5	committee	Committee
			Finalisation	finalisation
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		10	invariably	invariably

CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (1972-73)	(iii)
INTRODUCTION	(v)
CHAPTER I General Observations	1
CHAPTER II Excess Grants/Appropriations	3
CHAPTER III Action taken by Government on the recommendations of the Public Accounts Committee contained in their 29th Report (Fifth Lok Sabha)	51

APPENDICES

APPENDIX	Grant/Appropriations	Ministry/Department	
I	14.—Ministry of Finance	Finance (Department of Expenditure)	55
II	25.—Other Revenue Expenditure of the Ministry of Finance	Finance (Department of Economic Affairs)	57
III	1.—Ministry of Defence	Defence	59
IV	6.—Ministry of Education & Youth Services (Now Ministry of Education & Social Welfare)	Education & Social Welfare	61
V	8.—Archaeology	-do-	63
VI	115.—Purchase of Food Grains/Fertilisers	Agriculture	66
VII	34.—Ministry of Foreign Trade	Foreign Trade	70
VIII	39.—Public Works	Works & Housing	71
IX	119.—Delhi Capital Outlay	-do-	74
X	42.—Ministry of Home Affairs	Home Affairs	80
XI	43.—Cabinet	-do-	81
XII	45.—Police	-do-	84
XIII	48.—Privy Purses and Allowances of Indian Rulers	-do-	87
XIV	51.—Chandigarh	-do-	88
XV	53.—Tribal Areas	-do-	90
XVI	54.—Dadra and Nagar Haveli	-do-	92
XVII	61.—Ministry of Information & Broadcasting	Information & Broadcasting	94
XVIII	127.—Capital Outlay of the Ministry of Labour, Employment and Rehabilitation	Labour and Rehabilitation	95
XIX	73.—Other Revenue Expenditure of the Ministry of Law	Law & Justice	97
XX	77.—Ministry of Shipping & Transport	Shipping & Transport	99

Appendix	Grant/Appropriations	Ministry/Department	PAGE
XXI	78.—Roads	Shipping & Transport	102
XXII	89.—Aviation	Tourism & Civil Aviation	105
XXIII	91.—Department of Atomic Energy	Atomic Energy	115
XXIV	137.—Other Capital Outlay of the Department of Communications	Communications	117
XXV	Interest on Debt and Other Obligations and Reduction or Avoidance of Debt	Finance (Economic Affairs)	119
XXVI	129.—Capital Outlay on Roads	Shipping & Transport	121
XXVII	130.—Capital Outlay on Ports	-do-	123
XXVIII	2.—Defence Services—Effective—Army	Defence	25
XXIX	4.—Defence Services—Effective—Air Force	-do-	127
XXX	105.—Defence Capital Outlay	-do-	130
XXXI	5.—Revenue Working Expenses—Repairs & Maintenance	Railways (Railway Board)	134
	16.—Pensionary Charges—Pension Fund	-do-	134
	6.—Revenue Working Expenses—Operating Staff	-do-	135
	14.—Construction of New Lines	-do-	135
XXXII	96.—Posts & Telegraphs—Dividend to General Revenues—Appropriation to Reserve Fund and Repayment of Loan from General Revenues	Communications (P&T Board)	138
XXXIII	95.—Posts & Telegraphs—Working Expenses	-do-	140
XXXIV	Action taken by Government on the recommendations of the Public Accounts Committee contained in their 29th Report (Fifth Lok Sabha)		
	1.—Recommendations/Observations that have been accepted by Government		141
	2.—Recommendations/Observations which the Committee do not desire to pursue in view of the replies of Government		170
	3.—Recommendations/Observations replies to which have not been accepted by Committee and which require reiteration		177
	4.—Recommendations/Observations in respect of which Government have furnished interim replies		178
XXXV	Summary of main Conclusions/Recommendations		179

PART II*

Minutes of the Sitting of the Public
Accounts Committee held on 17th August 1972 (F.N.)

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(1972-73)

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INTRODUCTION

1. The Chairman of the Public Accounts Committee, as authorised by the Committee do present on their behalf this Forty-Ninth Report on Excesses over Voted Grants/Charged Appropriations as disclosed in the Appropriation Accounts (Railways), (Posts & Telegraphs), (Civil) and (Defence Services) for the year 1970-71. These Accounts were laid on the Table of the House on the 21st March, 4th April, 7th April and 7th April, 1972 respectively.

2. The Committee examined the Excesses in the light of the explanations furnished by the Ministries/Departments concerned (Appendices I to XXXIII) at their sitting held on the 17th August 1972 (FN).

3. Action Taken Notes furnished by Government pursuant to the recommendations contained in the 29th Report of the Public Accounts Committee (1971-72) on Excesses over Voted Grants/Charged Appropriations closed in the Accounts for the year 1969-70 were considered by the Action Taken Sub-Committee at their sitting held on the 29th July, 1972. The Report of the Sub-Committee was approved by the Committee on the 17th August 1972 (FN) and forms Chapter III of this Report.

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

NEW DELHI;
August 17, 1972.

Srivani 26, 1894 (S).

ERA SEZHIYAN,
Chairman,
Public Accounts Committee.

CHAPTER I

GENERAL OBSERVATIONS

1.1. This 49th Report deals with the Excesses over Voted Grants/Charged Appropriations as disclosed in the Appropriation Accounts (Railways), (Posts & Telegraphs), (Civil) and (Defence Services) for the year 1970-71. These Accounts were laid on the Table of the House on the 21st March, 4th April, 7th April and 7th April, 1972 respectively.

1.2. The Committee have examined the Excesses in the light of the explanations furnished by the Ministries/Departments concerned (Appendices I to XXXIII). The Committee have also gone through the relevant Demands for grants (Part II) for the years 1971-72 and 1972-73 in order to have a comparison of the 'Actuals' for the year 1970-71 with the Budget estimate and the Revised Estimate Provisions for the year 1970-71 under the various accounting heads. Some of their observations contained in Chapter I of this Report arise out of such a comparison.

1.3. In the 123rd Report (Fourth Lok Sabha) the Committee expressed their satisfaction over the substantial reduction in the aggregate amount of excesses over voted grants and charged appropriations during the year 1968-69. The excesses during the year 1968-69 have aggregated Rs. 3.78 crores as against Rs. 11.60 crores and Rs. 27.77 crores during the years 1966-67 and 1967-68 respectively. The Committee hoped that every effort would be made by the Ministries/Departments to improve the position further. These observations of the Committee had been brought to the notice of all the Ministries/Departments by the Ministry of Finance in October, 1970. In their subsequent Report (29th Report—Fifth Lok Sabha), the Committee noted with concern that the position had instead of improving, deteriorated again. The excesses during the year 1969-70 totalled upto Rs. 17.10 crores. The Committee had then stressed the need to take concerted steps to improve the budgeting procedures so as to minimise excesses. Ironically enough, the excesses recorded during the year under report (1970-71) have touched a new high in recent years, the total amount being Rs. 55.76 crores. The particulars of excesses that occurred over the years 1965-66 to 1970-71 given below speak for themselves :

EXCESSES

Year	No. of voted grants	No. of charged appropriations	Total	Amount of Excess in crores of Rs.
1	2	3	4	5
1965-66	31	4	35	18.31
1966-67	26	5	31	11.60
1967-68	22	3	25	27.77
1968-69	25	4	29	3.78
1969-70	18	5	23	17.10
1970-71	29	8	37	55.76

The extent of deterioration in the position during the year 1970-71 causes grave concern to the Committee. They hope that the Ministry of Finance would take the initiative in investigating the causes that have led to this unprecedented increase. Unless the basic reasons are identified and drastic steps taken to arrest the tendency to exceed the budget provisions by Government as a whole, sound budgetary control would be a far cry despite repeated suggestions by this Committee year after year to improve the position.

CHAPTER II
EXCESSES GRANTS APPROPRIATIONS

2.1. During the year ended 31st March, 1971, the actual expenditure exceeded the Voted Grants/Charged Appropriations in the following cases:—

Sr. No.	No. and Name of Grants	Ministry/Department concerned	Final Grant appropriation Rs.	Actual Expenditure Rs.	Excess Rs.
(1)	(2)	(3)	(4)	(5)	(6)
				Appropriation Accounts	(Civil)
				<i>Voted Grants</i>	
1.	14--Ministry of Finance	Finance	3,44,29,000	3,48,41,197	4,12,197
2.	25--Other Revenue Expenditure of the Ministry of Finance	—do—	43,19,00,000	43,52,71,060	33,71,060
3.	1--Ministry of Defence	Defence	2,12,15,000	2,15,27,480	3,12,480
4.	6--Ministry of Education and Youth Services	Education & Youth Services	1,19,10,000	1,19,36,501	26,501
5.	8--Archaeology	do	1,63,76,000	1,64,61,927	85,927
6.	115--Purchase of Foodgrains and Fertilizers	Food, Agriculture, Community Development & Cooperation	1,41,13,70,000	1,53,03,95,875	11,90,25,875
7.	34--Ministry of Foreign Trade	Foreign Trade	57,20,000	58,60,962	1,40,962
8.	39--Public Works	Health, Family Planning, Works, Housing & Urban Development	43,69,83,000	48,62,54,770	4,92,71,770
9.	119--Delhi Capital Outlay	—do—	6,47,51,000	6,69,04,445*	21,53,445*
10.	42--Ministry of Home Affairs	Home Affairs	1,84,85,000	1,90,52,599	5,67,599
11.	43--Cabinet	do	79,73,000	79,83,449	10,449
12.	45--Police	do	77,37,46,000	78,21,78,443	84,32,443

*These figures represent the finally verified actuals and vary somewhat from the figures mentioned in the Audit Report due to misclassifications subsequently detected.

(1)	(2)	(3)	(4)	(5)	(6)
13.	48—Privy Purses and Allowances of Indian Rulers	Home Affairs	Rs.	Rs.	Rs.
14.	51—Chandigarh	—do—	1,75,000	2,02,825	27,825
15.	53—Tribal Areas	—do—	7,70,69,000	7,73,74,877	3,05,877
16.	54—Dadra and Nagar Haveli Area	—do—	28,60,22,000	29,10,03,977	49,81,977
17.	61—Ministry of Information & Broadcasting	—do—	80,11,000	82,44,505	2,33,505
		Information & Broadcasting	29,05,000	29,15,818	10,818
18.	127—Capital Outlay of the Ministry of Labour, Employment & Rehabilitation	Labour Employment and Rehabilitation	7,34,33,000	7,34,95,335	62,335
19.	73—Other Revenue Expenditure of the Ministry of Law	Law & Justice	2,04,74,000	2,12,65,372	7,91,372
20.	77—Ministry of Shipping & Transport	Shipping & Transport	1,47,98,000	1,52,22,293	4,24,293
21.	78—Roads	—do—	23,72,82,000	25,07,56,536	1,34,74,536
22.	89—Aviation	Tourism & Civil Aviation	14,20,05,000	14,29,11,115	9,06,115
23.	91—Department of Atomic Energy	Atomic Energy	33,39,000	**	**
24.	137—Other Capital outlay of the Department of Communications	Communications	2,23,80,000	2,58,11,539	34,31,539
		<i>Charged Appropriations</i>			
25.	Interest on Debt and Other Obligations and Reduction or Avoidance of Debt	Finance	6,03,96,52,000	6,05,58,84,272	1,62,32,272
26.	39—Public Works	Health, Family Planning, Works Housing & Urban Development	37,78,000	39,86,063	2,08,063
27.	119—Delhi Capital Outlay	—do—	17,50,000	31,61,019**	14,11,019**
28.	129—Capital Outlay on Roads	Shipping & Transport	3,00,000	4,37,868	1,37,868
29.	130—Capital Outlay on Ports	—do—	—	3,22,542	3,22,542
		Appropriation Accounts			
		<i>Defence Services (Voted)</i>			
30.	2—Defence Services Effective—Army	Defence	8,00,10,00,000	8,16,31,33,723	16,21,33,723
31.	4—Defence Services Effective—Air Force	—do—	2,24,73,00,000	2,28,74,43,088	4,01,43,088

32.	105—Defence Capital Outlay	—do—		1,43,94,00,000	1,48,81,25,688	4,87,25,688
			Appropriations Accounts			
			<i>Railways (Voted)</i>			
33.	5—Revenue Working Expenses—Re- pairs & Maintenance	Railways		2,74,15,81,000	2,74,32,78,586**	16,97,586**
34.	16—Pensionary Charges Pension Fund	Railways		8,71,21,000	8,75,34,984	4,13,984
			<i>Charged Appropriations</i>			
35.	6—Revenue—Working Expenses Operating Staff	—do—		3,18,000	3,22,708	4,708
36.	14—Construction of New Lines	—do—		14,97,000	15,48,885	51,885
			Appropriation Accounts			
			<i>Posts & Telegraphs (Voted)</i>			
37.	96—Posts & Telegraphs Dividend to General Revenues, Appropriation to Reserve Funds and Repayment of loan from General Revenues	Posts & Telegraphs		37,92,76,000	45,69,05,884	7,76,29,884
			<i>Charged Appropriations</i>			
38.	95—Posts & Telegraphs—Working Expenses	—do—		10,000	11,169	1,169

*These figures represent the finally verified actuals and vary somewhat from the figures mentioned in the Audit Report due to misclassifications subsequently detected.

**The Excess under this Grant in the Audit Report was due to misclassification and does not require regularisation in terms of paragraph 7 of the 16th Report of the Public Accounts Committee (First Lok Sabha).

2.2. The Committee have attempted to analyse the excesses recorded during the past six years ended 31st March, 1971, grant-wise. As a result of such an analysis they find that the grant in relation to the Ministry of Information and Broadcasting has been consistently exceeded during all the six years. In this connection it is worth recalling that in the 123rd Report (Fourth Lok Sabha) attention had been drawn to the excesses recorded continuously over a decade under the head "Maintenance of National Highways". Other grants in which excesses had occurred for three years and more in succession are (i) "Ministry of Foreign Trade (1966-67 to 1970-71)", (ii) "Pensionary Charges and Pension Fund (Railways) (1967-68 to 1970-71)", (iii) "Ministry of Shipping and Transport (1968-69 to 1970-71)" and (iv) "Public Works (1968-69 to 1970-71)." The recurring phenomenon of excess under these grants indicates clearly lack of financial discipline in the Ministries/Departments concerned. The Committee trust that these Ministries/Departments would tighten up their budgetary procedures and control forthwith.

2.3. The notes furnished by the Ministries on excesses over voted grants and charged appropriations during the year 1970-71 reveal certain unusual features which the Committee had not generally come across in earlier years. In a number of cases there have been mis-classifications of expenditure on a fairly large-scale which suggest that there was no effective reconciliation of the departmental figures with the Accounts' figures. In quite a few cases expenditure has been incurred without any provision even at the stage of revised estimates. The Committee have also found that during the year significant excesses occurred over the provisions for "Travelling Expenses" and "Office Contingencies" which they do not view with favour as there is imperative need for observing economy in governmental expenditure. They have also reason to believe that the powers of re-appropriation by the end of the year have not been exercised in some cases by the concerned authorities judiciously. In the succeeding sections of this Report they have dealt with *inter-alia* these aspects in some detail. The Committee need hardly point out again that defective estimation, lack of proper review of the progress of expenditure at the appropriate time, failure to anticipate properly the receipt of stores and debits relating thereto, absence of adequate provision for adjustment of past liabilities and lack of proper control over expenditure continue to contribute largely to excesses.

2.4. In paragraph 2.4 of their 29th Report (Fifth Lok Sabha), the Committee particularly referred to expenditure on a charged item without any budget provision although proper course would have been to take either a supplementary appropriation or an advance from the contingency Fund of India. The Committee find that during the year 1970-71 also, such irregularities have been committed. Payments of Rs. 5.25 lakhs and Rs. 3.23 lakhs were made in satisfaction of certain court decrees and booked against the charged section under the subhead "A. 1(1)—Construction of National Highways" (Grant No. 129—Capital Outlay on Roads) and sub-head "A.2—Land Acquisition" (Grant No. 130—Capital Outlay on Ports) respectively without any budget provision. The Committee desire that strict instructions should be issued to avoid such improprieties in future.

**Appropriation Accounts (Civil)
1970-71**

Ministry of Finance
(Department of Expenditure)

Grant No. 14—Ministry of Finance

	Rs.
Finance Grant	3,44,29,000
Actual Expenditure	3,48,41,197
Excess	<u>4,12,197</u>

2.5. Excess under this grant occurred mainly under the sub-head "A-3 (1)(6)(1)—other charges below the group Head A. 3 (1)(6)—Centralised General Divisions (Rs. 5,89,765) and the Group Head "A-4 Department of Revenue and Insurance" (Rs. 1,16,546).

2.6. In a note furnished to the Committee, the Ministry of Finance (Department of Expenditure) have given the following reasons for the excess :—

"Against the final Grant of Rs. 3,44,29,000, the actual expenditure mounted to Rs. 3,48,41,197 leaving an uncovered excess of Rs. 4,12,197 which requires to be regularised. The excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the sub-head A.3(1)(6)(1)—Other charges below the Group Head A-3(1)(6)—Centralised General Division and the Group Head A.4. Department of Revenue and Insurance for the reasons explained below :—

(a) A-3(1)(6)—*Centralised General Division* A-3(1)(6)(1)—*Other Charges** (+ Rs. 5,89,765)

The excess of Rs. 5,89,765 occurred under the sub-head A-3(1)(6)(1) other charges mainly due to adjustments of debits on account of various old Telephone Bills pertaining to the year 1966-67 and earlier years and adjustment of certain debits on account of Liveries, Typewriters, Air Conditioners, Residual payments of staff car, service stamps and other miscellaneous office expenditure which could not be anticipated at the time of finalisation of the supplementary Demands for Grant. Prior to September, 1970, these items of expenses were dealt with separately by different departments of the Ministry of Finance; with effect from 1-9-1970, a Centralised General Division was formed to look after the requirements of office contingencies of all the Departments in this Ministry. This being a new arrangement, the requirements under the sub-head in respect of all the Departments of the Ministry, particularly in respect of the previous commitments of the respective Departments could not be assessed precisely when the Revised Estimates were framed. As a result the actual expenditure under the sub-head exceeded the sanctioned provision by Rs. 5,89,765.

*Provision made in Revised Estimate for 1970-71 was Rs. 35 lakhs.
Actual Rs. 40,89,765.

(b) 'A-4 Department of Revenue & Insurance' (Rs. 1,16,546)

The excess of Rs. 1,16,546 occurred under the Group Head A-4 Department of Revenue and Insurance mainly due to :—

- (i) Increased expenditure on Establishment charges due to more debits on account of leave salary and foreign service contributions adjusted at the end of the year.
- (ii) Larger payment of interim relief due to grant of increments and consequent raising of pay at certain pay slabs which entitle the officials concerned to interim relief at higher rates; and
- (iii) Payment of certain I.A.C. bills in cash towards the close of the year which were expected to be paid through book debits during the next year.

The excess of Rs. 7,06,311 under the above sub-head and Group Head and minor excesses under other sub-heads of the grant were partly counter-balanced by savings under other sub-heads of the Grant leaving a net excess of Rs. 4,12,197, which requires to be regularised."

2.7. The Committee note that excess under "Grant No. 14—Ministry of Finance" occurred mainly due to expenditure on office contingencies having exceeded the provision by Rs. 5.90 lakhs. The excess under the relevant sub-head was more than one sixth of the Revised Estimate provision. This indicates the extent to which the control over expenditure on office contingencies where there is always admittedly scope for economy, was lax. In particular, the Committee are at a loss to understand how adjustments of debits on account of various old telephone bills pertaining to the year 1966-67 and earlier years could be made only as late as in 1970-71. They would like the matter to be investigated to find out how telephone bills remained unpaid for such a long time.

2.8. The Committee hope that efforts will be made to prune and to effectively regulate the expenditure on office contingencies now that the expenditure has been brought under Centralised control. In this the Ministry of Finance should set an example to other Ministries/Departments.

Ministry of Finance

(Department of Economic Affairs)

Grant No. 25—Other Revenue Expenditure of the Ministry of Finance

	Rs.
Original Grant	32,24,76,000
Supplementary Grant	10,94,24,000
Final Grant	43,19,00,000
Actual Expenditure	43,52,71,060
Excess	33,71,060

2.9. Excess occurred mainly under the sub-heads "B. 7(3)—Excise Duty Schemes" (Rs. 68,44,550) and "B. 7 (4) Corporation Tax Scheme" (Rs. 1,97,28,392) under the Group Head "B. 7—Payments against Tax Credit Certificates".

2.10. In a note furnished to the Committee, the Ministry of Finance (Department of Economic Affairs) have *inter alia* stated as follows :—

“The original grant of Rs. 32,24,76,000 was augmented by Rs. 10,94,24,000 by obtaining Supplementary Grants during the year 1970-71. Against the final Grant of Rs. 43,19,00,000 the actual expenditure, however, amounted to Rs. 43,52,71,060 leaving an uncovered excess of Rs. 33,71,060.

The excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the sub-heads ‘B. 7 (3) Excise Duty Schemes’ (Rs. 68,44,550) and ‘B. 7(4)—Corporation Tax Scheme (Rs. 1,97,28,392) under the group head ‘B.7—Payments against Tax Credit Certificates’, partly counter-balanced by savings chiefly under ‘B. (1)(3)—Development Assistance to Qatar and other Trucial States’, B. 5(1) Service and other charges in connection with purchase of dollars from I. M. F., and ‘B. 7 (2)—Equity Share Schemes’. The excesses under the above sub-heads occurred mainly due to the following reasons :—

(i) *Sub-head —B. 7(3)—Excise Duty Schemes (+Rs. 68,44,550)*

The Tax Credit Certificate (Excise Duty on Excess Clearance) Scheme, 1965 has been incorporated in Section 280 ZD of the Income Tax Act, 1961. Under the said Section any person who manufactures or produces any goods during any one or more of the five financial years from 1965-66 to 1969-70 and clears such goods for the purpose of Central Excise Duty in a quantity exceeding the quantity of goods so cleared by him during the ‘base year’ is entitled to a tax credit certificate. The goods in respect of which tax credit certificate is to be granted and the rate at which the amount of the certificate is to be calculated are specified in the scheme notified by the Central Government for the purpose. Under this scheme the certificates issued by the Central Authority are presented by the assesses to Income Tax Officers for adjustment/refund. Thus once a certificate is issued there is no control over its utilisation in any particular year. Consequently, it is not possible to estimate the requirements under this sub-head precisely and the provision made for 1970-71 fell short of requirements by Rs. 68,44,550.

(ii) *Sub-head B. 7(4)—Corporation Tax Scheme (+Rs. 1,97,28,392)*

The Tax Credit Certificate (Corporation Tax) Scheme was introduced with effect from 1st November, 1966, under the provisions of Section 280 ZB of the Income Tax Act, 1961 for enabling expansion of industry by companies engaged in important industries. Under this scheme any company engaged in the manufacture or production of any of the articles listed in the First Schedule to the Industries (Development and Regulation) Act, 1951 and liable to income tax and sur-tax if any, for any one or more of the five assessment years from 1966-67 to 1970-71 in excess of its liability to such tax for the ‘Base year’ is entitled to a tax credit certificate for an amount equal to 20% of the excess tax liability (subject to a limit of 10% of its aggregate liability to income tax and sur-tax for the relevant year) for each one of such assessment years. A provision of Rs. 125 lakhs was made in budget estimates 1970-71 for the tax credit certificates granted and likely to be adjusted during the year. The actual payments towards amounts adjusted/refunded during the first six months of the year worked out to Rs. 184 lakhs. On this basis it was estimated that the total expenditure for the year would

be Rs. 300 lakhs. Accordingly, a supplementary grant of Rs. 175 lakhs was obtained in March, 1971 session of Parliament under this sub-head. The expenditure in the remaining six months, however, showed an increase leading to an excess of Rs. 1,97,28,392 under this sub-head. As an accurate forecast of the expansion etc. of industry is not possible, a precise estimate of the requirements under this sub-head is also not practicable."

2.11. Against the provision of Rs. 400 lakhs under the sub-head "B. 7(3) Excise Duty Schemes" the expenditure was Rs. 468.45 lakhs. The excess works out to 17% of the provision. The explanation that once the tax credit certificate is issued, there is no control over its utilisation in any particular year and that it is not possible to precisely estimate the requirements under this sub-head, reveals a basic deficiency in the scheme itself. There is thus a necessity to modify the scheme so that effective budgetary control could be ensured. The Committee would like Government to examine the question of limiting the validity of the tax credit certificates to a specified period which in any case should not exceed one year from the date of issue. It should then be possible to regulate the provision under the sub-head taking into account the total value of such certificates issued from time to time for encashment during the year.

2.12. The Committee further find that the expenditure under the sub-head "B. 7(4) Corporation tax Scheme" recorded an excess of over 65%. Here again the Committee do not share the view of Government that a precise estimate of the requirements is not practicable. As against the Budget Estimate provision of Rs. 125 lakhs and the actual payments during the first six months of the year worked out to Rs. 184 lakhs. However, a supplementary grant of Rs. 175 lakhs only was obtained in March, 1971. The total payments during the year was Rs. 497.78 lakhs. Apart from the fact that the supplementary grant obtained was inadequate in the light of the progress of expenditure during the first half of the year the experience that completion of Income Tax/ Corporation Tax assessments during the second half of the year being invariably more than during the first half appears to have been lost sight of.

2.13. The Committee hope that sufficient care would be exercised in future to make adequate provision on the basis of a more realistic assessment. Further, Government may consider the feasibility of limiting the period of validity of tax credit certificates issued under this scheme also as suggested in the foregoing paragraph. It is needless to point out that this scheme also reveals a fundamental weakness inasmuch as Government do not have precise estimate of financial concessions announced for the industries.

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Ministry of Defence

Grant No. 1—Ministry of Defence

	Rs.
Original Grant	1,85,68,000
Supplementary Grant	26,47,000
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Final Grant	2,12,15,000
Actual Expenditure	2,15,27,480
	<hr/>
Excess	3,12,480
	<hr/>

2.14. Excess occurred mainly under the sub-heads "A-1(2)—Interim Relief (Rs. 3,27,396)" "A.1(3) Travelling Expenses " (Rs. 52,923) and "A-1(4)—Other charges (Rs. 1,71,075) below the group Sub-head 'A-1-Department of Defence'".

2.15. In a note furnished to the Committee, the Ministry of Defence have *inter alia* stated as follows :—

"The original Grant of Rs. 1,85,68,000 was augmented by Rs. 26,47,000 by obtaining a Supplementary Grant in the March, 1971 session of Parliament. Against the final Grant of Rs. 2,12,15,000 the actual expenditure, however, amounted to Rs. 2,15,27,480 leaving an uncovered excess of Rs. 3,12,480 which requires to be regularised by Parliament.

The overall excess of Rs. 3,12,480 is the net result of excesses and savings under the various Group sub-heads of the Grant. The excess occurred mainly under the Group sub-head 'A-1 Department of Defence' as detailed below for the reasons explained thereunder :

A-1(2)—*Interim Relief* (+Rs. 3,27,396)

In pursuance of the recommendations contained in the interim report of the Third Pay Commission, the Government of India sanctioned 'Interim Relief' to the Central Government employees w. e. f. 1-3-1970. No provision on this account was included in the Budget estimates for 1970-71 as it was a post Budget development. Though proposals to obtain a Supplementary Grant in this regard were initiated they could not be finalised in time to be included in the supplementary Demands for Grants presented to Parliament in March 1971 which resulted in excess expenditure under this sub-head.

A-1(3)—*Travelling Expenses** (+Rs. 52,923)

Excess under this sub-head was due to unanticipated expenditure incurred on transfer of some officers of the Ministry ex-India and more expenditure on normal tours.

A-1 (4)—*Other Charges*** (+Rs. 1,71,075)

The excess under this sub-head is due to more expenditure on : (i) Telephones, (ii) Postage, (iii) Petrol etc. and (iv) other miscellaneous items of contingencies.

The excesses under the above sub-heads as well as minor excesses under other sub-heads were partly counterbalanced by savings under the remaining sub-heads of the Grant leaving a net excess of Rs. 3,12,480".

2.16. An expenditure of Rs. 3.27 lakhs was incurred under the sub-head "A. 1(2)—Interim Relief" without any provision. The Committee understand that orders regarding interim relief were issued by Government in September, 1970 and yet no provision therefore was included in the Supplementary Demands for grants presented to Parliament in March, 1971. Surprisingly enough the Ministry has explained that proposals for obtaining supplementary grant though initiated could not be finalised in time. The Committee are inclined to take a serious view of such laxities.

*Actuals Rs. 1.63 lakhs.

**Actuals Rs. 10.71 lakhs

2.17. Further, the Committee note that there has been excess expenditure to the extent of 48% and 19% respectively under "Travelling Expenses" and "Contingencies". In addition to taking timely action to provide fully for the anticipated expenditure the Committee would stress the need to have an effective control over expenditure on these items with an eye on economy.

Ministry of Education & Youth Services

(Now Ministry of Education & Social Welfare)

Grant No. 6—Ministry of Education and Youth Services (Now Ministry of Education and Social Welfare).

	Rs.
Original Grant	1,16,19,000
Supplementary Grant	2,91,000
	<hr/>
Final Grant	1,19,10,000
Actual Expenditure	1,19,36,501
	<hr/>
Excess	26,501
	<hr/>

2.18. Excess occurred mainly under the sub-heads "A-1(3) Travelling Expenses" (Rs. 17,093) and "A-1(6) Expenditure on Printing and Stationery" (Rs. 36,126).

2.19. In a note furnished to the Committee, the Ministry of Education and Youth Services (now Ministry of Education and Social Welfare), have stated as follows :—

"The original Grant of Rs. 116,19,000 was augmented by Rs. 2,91,000 by obtaining a Supplementary Grant in the March, 1971 session of Parliament. The actual expenditure during the year, however, amounted to Rs. 119,36,501 leaving an uncovered excess of Rs. 26,501 which requires to be regularised by Parliament.

The excess of Rs. 26,501 which was the net result of excesses and savings under various sub-heads was mainly due to excesses under sub-heads A. 1 (3) Travelling Expenses and A 1(6) Expenditure on Printing and Stationery as explained below :—

(a) *A. 1(3) Travelling Expenses* :— (Rs. 17,093)

The excess under this sub-head is mainly due to : (i) increase in travelling allowance rates from 1st January, 1971, (ii) adjustments of expenditure incurred during 1970-71 through the High Commission London which could not be anticipated and (iii) book adjustments in respect of the High official Requisitions issued by the Railways.

(b) *A. 1(6) Expenditure on Printing and Stationery* (+ Rs. 36,126) :—

Provision is made under this sub-head for accommodating the debits from the Controller of Stationery and Printing through Pay & Accounts Officer of the Ministry of Works & Housing for various printing orders placed by this Ministry. For the year 1970-71, a provision of Rs. 4,55,000 was originally made under this sub-head. At the final estimate stage, on the basis of the progress of expenditure booked thereunder by the Accountant

General, Central Revenues till March, 1971 and the statements of debits received in this Ministry upto that time from the Government of India Presses a sum of Rs. 85,000 was reappropriated from this sub-head to other sub-heads and a final grant of Rs. 3,70,000 was retained. Due to heavy adjustment through book debits by the Accounts Officer in his March final and March Supplementary accounts the actual expenditure, however, amounted to Rs. 4,06,126 resulting in an excess of Rs. 36,126. As the adjustments were made after 31-3-1971 the excess expenditure came to the notice of the Ministry too late for provision of additional funds through a Supplementary Grant.

This Ministry had no means of anticipating the aforesaid adjustment as the debits from the Pay & Accounts Officer, Works Housing & Supply on Account of the printing charges are adjusted by the Accounts Officer *suo motu* without any formal acceptance thereof by this Ministry. The debit statements for the various jobs are also received very late from the Government of India Presses and do not contain any job particulars for linking with the various orders placed by the Ministry. Steps are being taken to avoid the excess in future.

The total excess of Rs. 36,126 under the above sub-head and excesses under the other Sub-heads mentioned above were partly counter-balanced by the savings under other sub-heads of the Grant leaving a net excess of Rs. 26,501."

2.20. The Committee note that the original provision of Rs. 4.55 lakhs under the sub-head "A 1(6) Expenditure on Printing and Stationery" was reduced to Rs. 3.70 lakhs. The actual expenditure was, however, Rs. 4.06 lakhs resulting in an excess of about 10% over the final grant. The Ministry has explained that the debit statements for the various jobs are received very late from the Government of India Presses and that they do not contain any job particulars for linking with the various orders placed by the Ministry. This situation is highly unsatisfactory. The Committee hope that the Government of India Presses will be prompt in sending the debit statements showing the required particulars and that the Ministry of Education and Social Welfare will maintain the liability register properly and avoid excesses by having an effective coordination with the Pay and Accounts Officer, Ministry of Works, Housing and Supply.

2.21. The Committee further note that substantial excess expenditure has been incurred on Travelling Expenses also. The Committee feel that the increase in Travelling Allowance rates from 1st January, 1971 should have been taken into account at the Revised Estimate stage and that liability register should have been maintained properly by having an effective liaison with the High Commission, London and the Railways, to anticipate and provide for the adjustment of debits.

Ministry of Education & Social Welfare

Grant No. 8—Archaeology

Final Grant	1,63,76,000
Actual Expenditure	1,64,61,927
Excess	<u>85,927</u>

2.22. Excess occurred mainly under the Group Head "D-Central Archaeological Museums" (Rs. 54,281) and the sub-head "E-Works (Rs. 61,067).

2.23. In a note furnished to the Committee, the Ministry of Education and Social Welfare have stated as follows :—

"The excess of Rs. 85,927 over the Final Grant of Rs. 1,63,76,000 which is the net result of excesses and savings under the various Group heads occurred mainly under the following Group and sub-head for the reasons explained thereunder:—

Group head/sub-head	Final Grant	Actual Ex-	Excess
	Rs.	penditure Rs.	Rs.
(i) D-Central Archaeological Museums	9,88,400	10,42,681	+ 54,281
(ii) E-Works	2,88,900	3,49,867	+ 61,067

(i) *D-Central Archaeological Museums—Rs. 54,281 :—*

Due to the increasing number of thefts of antiquities from the Museums and Monuments in the country certain security measures such as strengthening of watch and ward by engaging more persons under Nominal Muster Rolls in the absence of regular staff, shifting of small and medium size antiquities from the open air enclosures to the reserve collection were undertaken as a matter of urgency and could not be postponed. The strengthening was done during the later part of the year. This resulted in the increased expenditure. The excess was also partly due to increased expenditure on electricity and telephone charges and routine maintenance of the galleries which could not be deferred to the next year.

(ii) *Sub-head E-Works—Rs. 61,067 :—*

Due to the adjustment by the Accounts Officer concerned, in March 1971 supplementary Accounts of debit of Rs. 63,511 raised by the CPWD on account of works entrusted to them in previous years.

In this connection a statement showing year-wise demands made by CPWD, the provision made in the Survey's budget and the adjustments actually made by CPWD/A.G., Bihar from 1963-64 to 1970-71 is enclosed (Page). It will be seen therefrom that it was never certain as to whether the CPWD will raise any debit in a particularly year and if so, to what extent, and the actual adjustment which materialised had no relation at any time to the proposed final demand received from the CPWD authorities. During the year 1970-71 it was only at the time when the Appropriation Account was received that it was found that an amount of Rs. 63,511/- (against the proposed demand of Rs. 94,977/- by CPWD authorities which unfortunately did not reach the Surveys Headquarters Office) had been adjusted by the Accountant General, Bihar in March 1971, supplementary account during the months of July and August 1971, when it was too late to provide additional funds through Supplementary Grants. The total excess of Rs. 1,15,348 as mentioned above and minor excesses under other Group heads of the Grant leaving a net excess of Rs. 85,927 in the Grant which requires to be regularised."

2.24. Major part of the excess occurred under the head "E-Works" which was over one-fifth of the final provision. The Committee are unhappy to note that adjustments of debits raised by the CPWD from year to year on account of works entrusted to them had no relation to the provision proposed by them. The Committee expect that in future the CPWD should give a firm estimate and an effective coordination should be established with the Accounts Officer concerned by the Department of Culture to adequately provide for anticipated adjustments during the year.

2.25. Incidentally the Committee find that although an expenditure of Rs. 50,000 was incurred on "Interim Relief" under the group-head "D-Central Archaeological Museum", no provision therefor existed in the revised estimates. As necessary provision had been made under the other group-heads in this behalf, the Committee would like to know how the omission was not noticed in the Ministry at the time of finalisation of revised estimates for the year 1970-71.

Ministry of Agriculture
(Department of Agriculture)

Grant No. 115—Purchase of Foodgrains and Fertilizers

	Rs.
Original Grant	89,87,70,000
Supplementary Grant	51,26,00,000
Final Grant	1,41,13,70,000
Actual Expenditure	1,53,03,95,875
Excess	11,90,25,875

2.26. Excess occurred mainly under the Sub-head "A. 2(1)—Purchases (Voted) (Rs. 13.39 crores)" below the Group Head 'A. 2—Purchase of Fertilizers'.

2.27. In a note furnished to the Committee, the Ministry of Agriculture have explained the reasons for the excess as follows :

"The original Grant of Rs. 89,87,70,000 was augmented by Rs. 51,26,00,000 by obtaining a Supplementary Grant in the March, 1971 session of Parliament. Against the final grant of Rs. 1,41,13,70,000 the actual expenditure, however, amounted to Rs. 1,53,03,95,875 leaving an uncovered excess of Rs. 11,90,25,875 which requires to be regularised by Parliament. The excess, is the net result of excesses and savings under the various sub-heads of the Grant and occurred almost entirely under the sub-head 'A.2(1)—Purchases (Voted)' (Rs. 13.39 crores) under the Group head 'A.2—Purchase of Fertilisers'. The main reasons for the excess are as explained below :—

	Final Grant	Actual expenditure (Figures in crores of rupees)	Excess
A-2—Purchase of Fertilisers			
A-2(1)—Purchases			
O. 61.84	86.88	100.27	13.39
S. 25.00			
R. 0.04			

At the time of framing the revised estimates for 1970-71, provision had been made for the following supplies on the basis of contracts finalised:—

Country of Import	Fertiliser	Quantity M.T.	Delivery Schedule
Poland	Urea	120,000	July—Sept. 70 (60000) To be decided (60000)
Bulgaria	Urea	150,000	July—Sept. 70 (40000) To be decided (110000)
U.S.S.R.	Urea	42,000	Nov. 70 to March 71
France	Urea	75,000	Upto end October 70 but extended upto March, 1971
S.Arabia	Urea	28,750	July to Dec. 70 but extended upto end March, 1971
Japan	Urea	3,926	October—December, 70.

The shipment position of these contracts was reviewed in January, 1971 at the time of going in for supplementary grant. A Supplementary Grant of Rs. 25 crores was obtained on the basis of shipments actually made/likely to be made as per known fixture during 1970-71. However, the suppliers shipped quantities over and above the quantities expected to be received in 1970-71 as detailed below resulting in excess expenditure.

Country	Quantities for which funds not provided in Suppl. grant 1970-71 (M.T.)	Shipments actually received against the same during 1970-71 resulting in excess suppliers (M.T.)	Value in crores of Rupees
1	2	3	4
Poland	59,455	25,000	1.3535
Bulgaria	65,911	46,103	2.4972
U.S.S.R.	29,000	12,458	0.6741
France	75,000	31,676	1.8428
Saudi Arabia	28,750	25,028	0.0075 (Bank charges only)
Japan	3,926	3,926	0.2017
			6.5768
Add. countervailing custom duty on the above shipments			0.2223
			6.7991
		OR	6.80

Imports from Poland, Bulgaria and U.S.S.R.

The provision of funds for quantities enumerated above was not made in the supplementary grant for 1970-71 due to decision taken by this Ministry to stagger deliveries of urea from the East European countries keeping in view the stocks position with the Central Fertiliser Pool and the rate of consumption of fertilisers upto October, 1970. The M.M.T.C. through whom the contracts were placed with the East European suppliers, were requested to take up the matter with the suppliers concerned to arrange shipments of these quantities beyond March, 1971 so as to arrive in India during 1971-72 for use in kharif, 1971. There was reasonable expectation that the suppliers would agree to this. However, despite the best efforts of this Department to get the supplies deferred through the M.M.T.C., the suppliers did not agree to stagger shipments and actually effected deliveries during 1970-71. Thus this Department was faced then, with 'a *fait accompli*'.

France : The contract originally provided delivery schedule from September to December, 1970 which was subsequently revised to 3 months after fulfilment of clause 24(5) which is 3-12-1970. The formal amendment to the contract was issued by the I.S.M. London in January, 1971. The letter of authority for payment of 5% down initial payment to the suppliers to enable them to commence shipments was issued by the Ministry of France in February, 1971. The suppliers usually take a month's time to commence shipments after necessary formalities are completed. As such, it was expected that the supplies would be made by the suppliers towards the end of March, 1971 and no provision for this contract was, therefore, included in the supplementary grant. Contrary to expectations, however, the suppliers had already started shipments in January 1971 and by the 1st week of March, 1971 had already shipped 31,676 M.T. These quantities had therefore, to be paid for in 1970-71 resulting in excess expenditure. This situation could not be foreseen by this Department.

Saudi Arabia : The contract provided for shipment of fertiliser during the period from July, 1970 to December, 1970 but shipments could not take place due to non-opening of letter of credit by the Department of Supply and late issue of import licence by the Chief Controller of Imports and Exports, New Delhi, and other technical difficulties. The suppliers, therefore, requested for extension of delivery upto March, 1971 and also insisted that the port of discharge should be intimated to them before shipments were arranged by them. No shipments had materialised upto the end of January, 1971 and it was accordingly presumed that shipments under this contract would not materialise in February, 1971 for want of completion of various formalities. Hence, no funds were provided in the supplementary grant for this contract to avoid savings. As in the case of French contract, the contract was amended and the suppliers commenced shipments immediately in January-February 1971 contrary to our expectations. However, only Bank charges were booked in 1970-71 resulting in excess expenditure.

Japan : The fixtures for a quantity of 3926 M.T. of urea from Japan under Yen credit had not been placed at the time of going in for the supplementary grant and hence no provision was made on this account. Subsequently, however, this quantity was received and payment made in the year 1970-71.

It will be seen from the foregoing facts that excess shipments occurred due to circumstances which were unforeseen. This Ministry, as a matter of caution, had not made provision for these supplies in the supplementary grant mainly to avoid savings of funds as at the time when this Ministry was going in for supplementary grant, there was no likelihood of these shipments materialising in the remaining two months, *i.e.* January-February, 1971. However, subsequent developments beyond the control of this Ministry belied our expectations and excess expenditure had to be incurred to pay for early arrivals.

Besides, the reasons for excess of Rs. 6.80 crores explained in the foregoing paragraphs, there was an expenditure of Rs. 6.36 crores on account of customs duty. Out of this approximately a sum of Rs. 3.50 crores was realised by the customs authorities on fertiliser vessels at 60% basic customs duty in addition to the usual 10% customs duty; usually the Board of Indirect Taxes made *ad-hoc* exemption orders prescribing only 10% duty. Due to late receipt of *ad-hoc* exemption orders from the Ministry of Finance, the higher duty had to be paid. Since the basic customs duty of 60% is not leviable on fertilisers imported for manurial purposes, no funds had been provided in the budget on this account. The remaining amount of Rs. 2.86 crores represents the countervailing customs duty in respect of the shipments received during 1969-70 but payment made during 1970-71 due to late receipt of debits.

The excess of Rs. 13.39 crores under the above sub-head and a minor excess under another sub-head of the Grant were counter-balanced by savings under other sub-heads of the Grant leaving a net excess of Rs. 11,90,25,875 which requires regularisation.'

2.28 An excess of Rs. 13.39 crores occurred under the sub-head "A. 2(1)—Purchases" over the final grant of Rs. 86.88 crores mainly due to failure to determine correctly the quantum of supplies of fertilizer from abroad during the year. Bulk of the 'unanticipated' supplies arrived from Poland, Bulgaria and U.S.S.R. The delivery schedules prescribed were July to September, 1970 in the case of Poland and Bulgaria and November, 1970 to March, 1971 in the case of U.S.S.R. The Ministry has, however, stated that no provision was made in the supplementary grant due to the decision taken to stagger deliveries and that the MMTC through whom the contracts were placed were requested to take up the matter with the suppliers to arrange shipments beyond March, 1971. The deliveries were, however, actually affected during the year 1970-71. It is not clear to the Committee as to when the suppliers were contacted for staggering the deliveries and when the deliveries actually materialise. In the absence of this information they are not in a position to appreciate whether absence of Provision was justified. It is however evident that Government had not laid down realistic schedule for delivery in the first instance.

2.29 In the case of supplies from France, it is explained that no provision was made as it was expected that the supplies would be made towards the end of March, 1971. However, the Committee find that the supplier had started shipment in January, 1971 itself. They, therefore, feel that with a little coordination, the Department could have anticipated the probable requirement and provided for in the supplementary demand.

2.30 A sum of Rs. 3.50 crores had to be paid on fertiliser vessels at 60% basic customs duty in addition to the usual 10% duty due to late issue of orders of ad-hoc exemption by the Ministry of Finance. Since the basic customs duty of 60% is stated to be not leviable on fertilisers imported for manurial purposes, the Committee would like to know how the orders could not be got issued by the Ministry of Finance in time.

2.31 The Committee also note that a sum of Rs. 2.86 crores representing the countervailing customs duty in respect of the shipments received during 1969-70, which was paid during 1970-71, due to late receipt of debits contributed in part to the excess. The Committee would like to know how this payment due during the year could not be anticipated and provided for.

Ministry of Foreign Trade

Grant No. 34—Ministry of Foreign Trade

	Rs.
Original Grant	53,01,000
Supplementary Grant	4,19,000
Final Grant	57,20,000
Actual Expenditure	58,60,962
Excess	1,40,962

2.32. The excess occurred mainly under the Sub-head "A (4)—Other Charges*" (Rs. 1,47,319).

2.33. In a note furnished to the Committee, the Ministry of Foreign Trade have explained the reasons for the excess as follows :—

"The original grant of Rs. 53,01,000 under this Grant was augmented by Rs. 4,19,000 by obtaining a Supplementary Grant in the March 1971 session of Parliament. The actual expenditure during the year, however, amounted to Rs. 58,60,962 resulting in an excess of Rs. 1,40,962 which requires to be regularised by Parliament.

The excess of Rs. 1,40,962 in this Grant is the net result of excesses and savings under the various sub-heads of the Grant. The excess occurred mainly under the Sub-head A(4)—Other Charges (Rs. 1,47,319), and was due to belated adjustment of debits of previous years i.e., 1968-69 and 1969-70 amounting to Rs. 30,250/- and adjustment of book-debits of Rs. 1,03,667 in March final and March Supplementary 1971 Accounts for which adequate provision was not made and also due to larger expenditure on Telephones, postage and telegrams, staff car etc., which could not be avoided.

The excess of Rs. 1,48,319 in the above sub-head and minor excesses under other sub-heads were partly counter-balanced by savings under other sub-heads leaving an uncovered excess of Rs. 1,40,962 which requires to be regularised."

*Actuals Rs. 8.35 lakhs.

2.34. The excess over the grant mainly occurred under the sub-head "A(4)—Other Charges (Rs. 1.47 lakhs)". The excess under this sub-head was over 21% of the provisions. It was not for the first time that the excess had occurred over the provision for Office Contingencies in the Ministry of Foreign Trade. Similar excesses had occurred during the years 1966-67, 1967-68 and 1968-69 also. The Ministry have explained the increase during the year 1970-71 as due to belated adjustment of debits of previous years, i.e., 1968-69 and 1969-70 amounting to Rs. 30,250 and adjustment of book-debits of Rs. 1.04 lakhs in March Final and March Supplementary 1971 Accounts for which adequate provision was not made and also due to larger expenditure on telephones, postage and telegrams, staff car, etc. which could not be avoided. The Committee are at a loss to understand how these could not be anticipated. They trust that there would be better control of expenditure under this sub-head which they would like to watch through future Appropriation Accounts.

Ministry of Works and Housing

Grant No. 39—Public Works

	Voted Rs.	Charged Rs.
Original Grant/Appropriation	42,71,61,000	37,78,000
Supplementary Grant/Appropriation	98,22,000	..
Final Grant/Appropriation	43,69,83,000	37,78,000
Actual Expenditure	48,62,54,770	39,86,063
Excess	4,92,71,770	2,08,063

2.35. During 1969-70 also the expenditure under the Voted portion of this Grant had exceeded the final allotment by Rs. 19.58 lakhs.

2.36. Excess during 1970-71 occurred mainly under the Sub-heads "A. 1—Original Works" (Rs. 5.15 lakhs) "A. 2—Repairs" (Rs. 19.68 lakhs), "A. 7—Suspense Stock" (Rs. 215.21 lakhs) and "A. 7(2)—Other Suspense Accounts" (Rs. 269.23 lakhs).

2.37. As regards the excess in the charged portion of the Grant it occurred under "A. 2(1)—Building" (Rs. 2.19 lakhs).

2.38. In a note furnished to the Committee, the Ministry of Works and Housing have *inter alia* stated as follows:

A. Excess in the Voted Section of the Grant

The original Grant of Rs. 42,71,61,000 was augmented by Rs. 98,22,000 by obtaining a Supplementary Grant in March, 1971 session of Parliament. Against the final Grant of Rs. 43,69,83,000 the actual expenditure amounted to Rs. 48,62,54,770 leaving an uncovered excess of Rs. 4,92,71,770 which requires to be regularised by Parliament. The overall excess of Rs. 4,92,71,770 in the voted section of the Grant is the net result of excesses and

savings under the various sub-heads of the Grant. The excess occurred mainly under the following sub-heads:—

Sub-heads	Final Grant	Actual Expenditure (In lakhs of Rupees)	Excess	
<i>A. Public Works :</i>				
<i>A.1 Original Works :</i>				
A.1(1)—Buildings :	O. 40.00	} 62.15	+5.15	
A.1(1)(2) Minor Works	S. 5.00			
(Voted)	R. (+) 12.00			
A.2—Repairs :	O. 599.90	} 624.90	+19.68	
A.2(1) Buildings (Voted)	S. 25.00			
A.7—Suspense :	O. 1,013.41	} 962.67	+215.21	
A.7(1)—Stock :	S. 10.05			
A.7(1)(1)—Charges (Voted)	R. (—)60.79			
A.7(2) Other Suspense Accounts	O. 1,576.52			
A.7(2)(1) Charges (Voted)	R. (+)60.79	1637.31	1,906.54	+269.23

The reasons for the excess under the above sub-heads are briefly explained below :—

A. (1)(2)—Minor Works (Rs. 5.15 lakhs)

The excess is mainly due to execution of works of urgent nature more additions and alterations to office and residential buildings and higher percentages of tender due to fluctuations in the price of building materials.

A. 2 Repairs

A. 2(1) Buildings (Rs. 19.68 lakhs)

The excess is mainly due to:

- increase in the cost of materials;
- increase in the number of buildings to be maintained;
- payment of interim relief to work charged staff;
- increase in percentage rates for repairs.

A. 7—Suspense—A. 7(1) Stock—A. 7(1)(1) Charges

(Rs. +215.21 lakhs)

This head represents the transactions, connected with the purchase of materials, both for buildings and roads, made by the Central P.W.D. for use on various works undertaken by them. The excess was mainly due to the following:—

- Receipt of more materials than anticipated;
- Increase in the cost of materials;

- (c) 100% advance payment to suppliers of steel to avoid cancellations of the quota.
- (d) Adjustment of profit on stock account by credit to Major Head XXXVII Revenue Receipts. This was done in supplementary accounts and could not be foreseen earlier.
- (e) Due to award and start of works on all the bridges and culverts in Nepal which resulted in an urgent need for more materials.

A. 7(2) Other Suspense Account:

A. 7(2)(1) Charges (Rs. 269.23 lakhs)

The excess was mainly due to the following reasons :

- (i) Expenditure* incurred on deposit works of Food Corporation of India and Central Warehousing Corporation, in excess of deposit received;
- (ii) Increase in prices of certain items of stock as a result of extra-levy;
- (iii) Adjustment of old cash settlement bills;
- (iv) Adjustment of more A.Gs Memos than anticipated.

B. Excess in the Charged portion of the Grant

The excess occurred under the sub-head 'A. 2(1)—Buildings' for the reasons explained below :—

A. 2—Repairs

A. 2(1)—Buildings (Rs. 2.19 lakhs)

Of the total excess of Rs. 2.19 lakhs, Rs. 2.05 lakhs relate to the President's Estates. The excess is partly due to delayed booking of expenditure pertaining to 1969-70 in the Accounts for 1970-71 (Rs. 1.40 lakhs) and partly due to increased expenditure on consumption of electricity and water and on certain equipment urgently required. The expenditure is charged under Article 112(3)(a) of the Constitution of India.

The remaining excess of Rs. 0.14 lakh which relates to C.P.W.D. was due to payment made against court decrees/awards which is charged under Article 112(3)(f) of the Constitution of India. In such cases any expenditure over and above the sanctioned appropriation can be incurred only after taking either a supplementary Appropriation or an advance from the Contingency Fund of India. The correct procedure to be followed in such cases will be brought to the notice of all concerned to ensure that no expenditure in excess of the sanctioned Appropriation is incurred in future.

The excess under the above sub-heads and minor excesses under certain other sub-heads were partly counter-balanced by savings under other sub-heads of the Grant leaving a net excess of Rs. 2,08,063 (Charged) and Rs. 4,92,71,770 (Voted) as a whole in the Grant."

*According to the information subsequently furnished, the expenditure was Rs. 58.81 lakhs.

2.39 The Committee observe that significant excesses had occurred under the heads "A. 2(1)—Buildings" (Rs. 19.68 lakhs), "A. 7(2)(1)—Charges" (Rs. 269.23 lakhs). During the year 1969-70 also excesses occurred under the former two heads "A. 2(1)—Buildings" (Rs. 53.20 lakhs) and "A. 7(1)(1)—Charges" (Rs. 54.55 lakhs). The Committee are not satisfied with the explanation given by the Ministry.

2.40 The Committee are convinced that the excess under the head "A. 7(1)(1)—Charges" could have been avoided with a closer liaison with the purchase organisations/suppliers in respect of identified materials. If there was an urgent need for more materials due to award and start of works on all the bridges and culverts in Nepal as explained by the Ministry, the Committee do not appreciate the reduction of the provision under this head by Rs. 60 lakhs by reappropriation at the end of the year.

2.41 As regards the excess under the head "A. 7(2)(1)—Charges", it is explained as partly due to expenditure of Rs. 58.81 lakhs, incurred on deposit works of Food Corporation of India and Central Warehousing Corporation in excess of deposit received. The Committee understand that under the rules the expenditure on such works should be limited to the amount of deposit received. The circumstances under which additional amount of deposit could not be received in time from the organisations concerned are not clear to the Committee. They hope that in future timely action would be taken to get the additional expenditure recouped before the end of the year.

Ministry of Works and Housing

Grant No. 119—Delhi Capital outlay

	Voted Rs.	Charged Rs.
Original Grant/Appropriation	6,47,50,000	17,50,000
Supplementary Grant/Appropriation	1,000	..
Final Grant/Appropriation	6,47,51,000	17,50,000
Actual Expenditure	6,72,52,649	28,12,815
Excess	25,01,649	10,62,815

2.42 Excess occurred both in the Voted and Charged portions of the Grant as detailed below:—

Sub-Heads	Excess	
	Voted	Charged
A.1(1) Housing—Major Works	18,54,380	3,13,902
A.1(2)—Other Civil Building	16,08,602	6,86,846
A.2—Establishment charges paid to other Government Departments		64,914

2.43 In a note furnished to the Committee, the Ministry of Works and Housing have stated as follows:—

A. "Excess in the Voted portion of the Grant

The original grant of Rs. 6,47,50,000 was augmented by a token Supplementary Grant of Rs. 1,000 in the March 1971 session of Parliament. Against the final grant of Rs. 6,47,51,000 the actual expenditure amounted to Rs. 6,72,52,649 leaving a net excess of Rs. 25,01,649 in the Voted Section. This excess, which is the net result of excesses and saving under the various sub-heads of the Grant, occurred under the sub-heads 'A.1(1)—Housing' (Rs. 18.54 lakhs) and 'A.1(2)—Other Civil Buildings' (Rs. 16.09 lakhs) of the Grant as explained below:—

A.1(1)—Housing Major Works

	Rs.
Final Grant	2,56,21,411
Actual Expenditure	2,74,75,791
Excess	18,54,380

Of this excess, Rs. 16,01,767 was mainly due to the local purchase of steel for certain items of work and accelerated progress of other works as shown in the list of works attached at Annexure 'A'. The balance of Rs.2,52,613 was due to misclassification in accounts. This misclassified amount was correctly adjustable under the sub-head 'A.1(2)—Other Civil Buildings'. This misclassification could not be detected in time. However, this does not affect the overall excess in the voted portion of the Grant.

A.1(2)—Other Civil Buildings

	Rs.
Final Grant	3,09,56,000
Actual Expenditure	3,25,64,602
Excess	16,08,602

The excess under this sub-head was mainly due to the following factors:—

- (i) Increased expenditure amounting to Rs. 15,13,011 due to the accelerated progress of certain works as shown in Annexure 'B'.
- (ii) Misclassification of Rs. 3,48,204 relating to the expenditure on execution of work in Rashtrapati Bhawan viz., 'Air-conditioning of Loggia attached to Banquet Hall to Rashtrapati Bhawan' as Voted expenditure instead of as a 'Charged' expenditure. The expenditure is charged on the Consolidated Fund of India under Article 112(3)(a) of the Constitution of India. As the misclassification came to notice after the accounts for 1970-71 had been closed it could not be got rectified in accounts. In terms of paragraph 7 of the 16th Report of the P.A.C. (First Lok Sabha) this misclassified amount is required to be excluded from the scope of regularisation in so far as the excess in the Voted portion is concerned. But as regards the 'Charged' portion there is an excess of

Rs. 10,62,815 disclosed in the Appropriation Accounts (Civil) 1970-17 requiring regularisation which will be further increased by Rs. 3,48,204 on the basis of the recommendations of the P.A.C. referred to above.

The excess of Rs. 34.63 lakhs under the above sub-heads was partly counter-balanced by saving under other sub-heads leaving an uncovered excess of Rs. 25,01,649 requiring regularisation. After excluding the excess of Rs. 3,48,204 referred to above the net overall excess in the Voted portion of this Grant requiring regularisation works out to Rs. 21,53,445.

B. Excess in the Charged portion of the Grant

The excess of Rs. 10,62,815 in the Charged portion which is the net result of excesses and saving occurred mainly under the sub-heads 'A.1(1)—Housing' and 'A.1(2)—Other Civil Buildings' as explained below:—

A.1 (1)—Housing:—	Rs.
Final Appropriation	3,00,000
Actual Expenditure	6,13,902
Excess	3,13,902

The excess of Rs. 3,13,902 has occurred due to:—

- (i) Payments made in satisfaction of certain Arbitration Awards/ Court Decrees (Rs. 2,50,274) which are 'Charged' on the Consolidated Fund of India under Article 112(3)(f) of the Constitution of India. The expenditure was expected to be met out of anticipated savings within the charged portion of the sanctioned grant. This expectation did not, however, materialise due to execution of some important and inescapable works.
- (ii) Payment of some pending bills for which no provision was made (Rs. 63,628).

A.1(2)—Other Civil Buildings

	Rs.
Final Appropriation	14,00,000
Actual Expenditure	20,86,846
Excess	6,86,846

The excess of Rs. 6,86,846 and expenditure amounting to Rs. 3,48,204 misclassified as 'Voted' instead of as 'Charged' as explained in para 3(ii) above, were due to execution of work "Air-conditioning of Loggia attached to the Banquet Hall of Rashtrapati Bhavan". This item of work was not provided for in the Budget as the item was sanctioned only in January 1971. As the work was very urgent and inescapable, it could not be held up and hence resulted in excess expenditure.

The excess of Rs. 10,00,748 under the above sub-heads together with an excess of Rs. 64,914 under the sub-head 'A.2—Establishment Charges paid to other Governments/Departments' were counter-balanced by a minor saving of Rs. 2,847 under 'A. 3—Tools and Plant' leaving an uncovered

excess of Rs. 10,62,815. After adding Rs. 3,48,204 misclassified as 'Voted' instead of as 'Charged' expenditure as explained in para 3(ii) above, the actual excess under 'Charged' section requiring regularisation works out to Rs. 14,11,019.

After excluding the excess of Rs. 3,48,204 referred to in para 3(ii) above, the net overall excess in the Voted portion of this Grant works out to Rs. 21,53,445. And correspondingly adding Rs. 3,48,204 correctly adjustable under Charged section referred to in para 5 above, the net overall excess in the Charged portion comes out to Rs. 14,11,019."

2.44. The Committee are particularly worried about the significant misclassifications in accounts that happened under Grant No. 119—Delhi Capital outlay. A sum of Rs. 2.53 lakhs was misclassified under the head "A. 1(1)—Housing Major Works" which was correctly adjustable under the head "A.1(2)—Other Civil Buildings". Further a charged item of expenditure of Rs. 3.48 lakhs was wrongly booked as voted expenditure under the head "A.1(2)—Other Civil Buildings". The Committee trust that the reconciliation of expenditure booked in accounts with the departmental figures will be done promptly and properly in future.

Ministry of Home Affairs

Grant No. 42—Ministry of Home Affairs

	Rs.
Final Grant	1,84,85,000
Actual Expenditure	1,90,52,599
Excess	5,67,599

2.45. Excess occurred mainly under the sub-heads "A1(1)—Establishment Charges" (Rs. 1.40 lakhs) and "A1(4)—Other charges" (Rs. 5.33 lakhs) below the group Sub-Head "A—Secretariat".

2.46. In a note furnished to the Committee, the Ministry of Home Affairs have given the following reasons for the excess:

"The excess of Rs. 5,67,599, which is the net result of excesses and savings under various Sub-heads of the grant occurred mainly under the following sub-heads under the Group Sub-head 'A' Secretariat, for the reasons explained thereunder:

A.1 (1)—Establishment Charges (+Rs. 1,40,295)

The excess under this head occurred due to inadvertant omissions of certain figures of expenditure relating to overtime allowances and Children Education Allowance etc. at the time of computing the final requirement of the grant. This resulted in lesser provision of funds under the head "Other allowances" than the actual requirements.

A. 1(4)—Other Charges* (+Rs. 5,33,096)

The excess is mainly due to unanticipated adjustments of debits for Police Medals, Bharat Ratna, Padma Shri & other series of medals etc. (Rs. 3,18,210). The excess was also partly due to more expenditure on law charges and telephone charges relating to previous years. It may be stated that most of the adjustments were carried out after the close of the financial year when it was too late to provide funds through Supplementary Demands for Grants.

The excess of Rs. 6,73,391 under the above sub-heads and a minor excess under another sub-head of the Grant were partly counter-balanced by savings under other heads leaving a net excess of Rs. 5,67,599 which requires to be regularised."

2.47. It is regrettable that the expenditure under the sub-head "A.1(4)—Other Charges" accounted for an excess of about 24% over the provision. That it was due to unanticipated adjustments of debits and more expenditure on law charges and telephone charges relating to previous years discloses that the departmental officers concerned have not maintained the liability register properly. It will also be of interest to know how far postponement of adjustment of past liabilities in earlier years was resorted to avoid excess expenditure in those years.

Ministry of Home Affairs

Grant No. 43—Cabinet

	Rs.
Original Grant	73,66,000
Supplementary Grant	6,07,000
Final Grant	79,73,000
Actual Expenditure	79,83,449
Excess	10,449

2.48. Excess occurred mainly under the group sub-head "A. 3—Tour Expenses" below the group-head "A. Council of Ministers" as per details given below :—

	Rs.
A.3(1)—Travelling Expenses	1,221
A.3(2)—Payments to Railways and Defence Departments	1,12,946

2.49. In a note furnished to the Committee, the Ministry of Home Affairs have stated as follows:

"The original provision of Rs. 73,66,000 under this Grant was augmented by Rs. 6,07,000 by obtaining a Supplementary Grant in the March, 1971 session of Parliament. Against the final grant of Rs. 79,73,000 the actual expenditure amounted to Rs. 79,83,449 leaving an uncovered excess of Rs. 10,449 which requires to be regularised.

*Actuals Rs. 27.72 lakhs.

The excess which is the net result of excesses and savings under the various sub-heads of the Grant occurred mainly under the Group sub-head "A. 3—Tour Expenses" under the group head "A. Council of Ministers" for the reasons explained below:

Major Head and Sub-head	Final Grant	Actual Expenditure	Excess(+) Saving(—)
	Rs.	Rs.	Rs.
<i>A. Council of Ministers</i>			
<i>A. 3—Tour Expenses</i>			
A.3(1) Travelling Expenses	16,58,000	16,59,221	+1,221
A.3(2) Payments to Railways and Defence Departments	1,17,000	2,29,946	+1,12,946

The expenditure on tour expenses of the Ministers/Deputy Ministers is of an extremely fluctuating nature and depends on the nature and number of tours undertaken by Ministers/Deputy Ministers which are necessitated by exigencies of work and the internal and external situation. The circumstances vary from year to year and again from time to time in the same year. Thus, it is very difficult to estimate precisely the requirement of funds for the purpose before the commencement of the year nor does the trend of the expenditure during a part of the year give an entirely correct indication of the expenditure during the remaining part of the year. In the circumstances, the budget provision for the purpose is made on the basis of the trend of actuals during the past years. The following table will show the actual expenditure on Tour Expenses including payment to Railways and Defence Departments during the past few years:—

Year	Expenditure on Tour Expenses
	Rs.
1966-67	14,07,629
1967-68	10,58,700
1968-69	20,56,236
1969-70	18,61,510

Accordingly, during the year 1970-71, a provision of Rs. 16,00,000 was made in the original budget estimates as under:—

	Rs.
A. 3(1)—Travelling Expenses.	14,40,000
A. 3(2)—Payments to Railways and Defence Departments	1,60,000
	<u>16,00,000</u>

When the position of the grant was reviewed in February, 1971, in the light of the actuals for the first 8 months and estimated expenditure for the remaining 4 months, it was estimated that the requirements under A.3—Tour Expenses during the year 1970-71 would not exceed the sanctioned budget grant of Rs. 16,00,000.

The final review of the grant on the basis of the actuals for the first 10 months and estimated expenditure during the last 2 months revealed in March, 1971 that the total requirement for Tour Expenses of the Ministers/Deputy Ministers would amount to roughly Rs. 17,75,000 as indicated below:

(a) Actuals for the first 10 months—	Rs. 12,55,000
(b) Anticipated expenditure for the remaining 2 months	Rs. 5,20,000
	<hr/> Rs. 17,75,000 <hr/>

Necessary provision was made accordingly by re-appropriation of funds.

Upto and including the expenditure booked during March, 1971, the total expenditure under the Group sub-head A.3-Tour Expenses was Rs. 15,60,221 against the final grant of Rs. 17,75,000 and upto that stage there was no indication of any likely excess against the sub-head.

When the appropriation account was received in September, 1971, it was observed that an amount of Rs. 2,29,946 has been adjusted against the sub-head A.3(2)-Payments to Railways and Defence Departments against the final grant of Rs. 1,17,000 resulting in an excess of 1,12,946. The excess occurred due to adjustment of certain debits during March (F) and March (Sy) accounts which were not reflected in the monthly statements and statements for anticipated debits received from the Ministries including a debit for Rs. 83,872 received from the Controller of Defence Accounts (AF).

The above excesses were partly off-set by savings under the other sub-heads of the Grant leaving a net excess of Rs. 10,449 in the grant which requires to be regularised."

2.50. The sub-head "A.3(2)-Payments to Railways and Defence Departments" has recorded an excess of about 97% during the year. The Committee had occasions to examine excess under this sub-head in earlier years too. It was on the basis of their recommendation contained in their 31st Report (Fourth Lok Sabha) that instructions were issued in March, 1969, asking the various Ministries to forward to the Ministry concerned from October onwards a statement showing the expenditure involved on account of anticipated debits arising out of requisitions issued on the Railway/Defence authorities for tours of Ministers/Deputy Ministers to enable a liability register being maintained. The Committee, however, note that an excess of Rs. 1.13 lakhs against the final grant of Rs. 1.17 lakhs has occurred during the year 1970-71 due to adjustment of certain debits during March final and March supplementary accounts which were not reflected in the monthly statements and statements for anticipated debits received from the Ministries including the debit for Rs. 83,872 received from the Controller of Defence Accounts (Air Force). In this connection the Committee find that the budget estimate provision of Rs. 1.60 lakhs which was itself inadequate was actually reduced by Rs. 0.43 lakh. The Committee take a serious view of the non-compliance by some departments with the instructions issued by Government and desire that these should be strictly implemented.

Ministry of Home Affairs

Grant No. 45 — Police

	Rs.
Original Grant	69,08,09,000
Supplementary Grant	8,29,37,000
Final Grant	77,37,46,000
Actual Expenditure	78,21,78,443
Excess	84,32,443

2.51. Excess occurred mainly under the Sub-head "F.6-Charges paid to other Governments, Departments etc." (Rs. 87.77 lakhs).

2.52. In a note furnished to the Committee, the Ministry of Home Affairs have *inter-alia* stated as follows :—

"The original Grant of Rs. 69,08,09,000 was augmented by Rs. 8,29,37,000 by obtaining a Supplementary Grant in the March, 1971 session of Parliament. Against the final Grant of Rs. 77,37,46,000 the actual expenditure amounted to Rs. 78,21,78,443 leaving an uncovered excess of Rs. 84,32,443. This excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the sub-head F.6—Charges paid to other Governments, Departments, etc. as explained below :—

F. Miscellaneous

F. 6-Charges paid to other Governments, Departments etc.	Final Grant	Actual Expenditure	Excess
	(Rs. in lakhs)		
O. 2,71.52 } R. (—) 81.23 }	1,90.29	2,78.06	87.77

An amount of Rs. 271.52 lakhs was provided under this sub-head. Later on, anticipating less expenditure due to non-payment of the arrear to the Government of Punjab on account of non-receipt of audit certificates (Rs. 64.38 lakhs) and less expenditure anticipated on account of facilities granted to police battalions in Jammu & Kashmir on the basis of past actuals (Rs. 38.00 lakhs), an amount of Rs. 81.23 lakhs was found surplus and was re-appropriated from this head to other heads leaving a final provision of Rs. 1,90.29 lakhs under this sub-head. The actual expenditure, however, amounted to Rs. 2,78.06 lakhs resulting in an excess of Rs. 87.77 lakhs which was mainly due to the reasons explained below:—

- (i) It was intimated by the Ministry of Defence to this Ministry in July, 1970 that an expenditure of Rs. 37,28,174 had been incurred by them on the grouping operation of the Mizo Hills Districts undertaken by the Army during the year 1966-67 and 1968-69.

This expenditure is re-imbursable by the Ministry of Home Affairs to the Ministry of Defence. Of this expenditure, a sum of Rs. 5,07,936 had been re-imbursed to the Ministry of Defence in two instalments in the previous years leaving a balance of Rs. 32,20,238 still to be reimbursed. Approval to the reimbursement of this amount was issued in October, 1970. Subsequently, it came to notice that the sum of Rs. 2,37,703 sanctioned for reimbursement to the Ministry of Defence in this connection during 1969-70 was not adjusted in the AG's Office in the account of 1969-70. Thus a provision for this amount (Rs. 2,37,703) and the balance amount to be reimbursed during 1970-71 (Rs. 32,20,238) totalling a sum of Rs. 34,58,000 (roundly) was retained under the head F.6-Charges paid to other Governments, Departments etc., in the account of 1970-71. However, when the Appropriation Account was received, it was found that the Ministry of Defence had raised a debit of Rs. 62,65,931 on this account leading to an excess adjustment of Rs. 28.08 lakhs. It was not possible to make provision to cover this adjustment at that stage.

- (ii) In the absence of any information regarding the expenditure to be incurred on the facilities granted to the various police battalions to Jammu and Kashmir by the Defence authority during a particular year provision for the purpose is made on the basis of the expenditure incurred during the previous year. During the year 1969-70, an expenditure of Rs. 1,95,194 only was incurred for the purpose. Thus a provision of Rs. 2.00 lakhs was finally retained on this account during 1970-71. After the close of the year, however, it was found that the Defence authorities had raised a debit of Rs. 7.88 lakhs *i.e.*, Rs. 5.88 lakhs in excess of the provision retained. It was then too late to provide funds to cover this excess.
- (iii) Defence authorities also raise debit direct against this Ministry for the expenditure incurred by them on the facilities granted to the Jammu and Kashmir Militia. No estimate of the expenditure to be incurred in a particular year is received from any authority and provision on this account is made on the basis of the actuals of the past years and the trend of expenditure during a particular year. The expenditure on this account during 1968-69 and 1969-70 was Rs. 1,65,75,997 and Rs. 1,67,35,804 respectively. The expenditure upto the end of January, 1971 was Rs. 1,17,16,715 which works out roughly to Rs. 12 lakhs per month. A provision of Rs. 30 lakhs over and above the expenditure incurred during the first 10 months *i.e.* a total of Rs. 1,47,17,000 (Rs. 1,17.17 lakhs and Rs. 30.00 lakhs) was therefore, made for the year 1970-71. When the Appropriation Account was received, it was found that the Defence authorities had raised a debit of Rs. 70,98,676 for the expenditure during the last two months of the year against our estimation of Rs. 30 lakhs bringing the expenditure on this account to Rs. 1,88,15,391 against the final provision of Rs. 1,47,17,000. This has resulted in an excess of Rs. 40,98,391. As the adjustments on this account were made after the close of the financial year, it was not possible to provide funds to cover this excess also.

(iv) An excess of Rs. 7.50 lakhs has occurred due to belated adjustment relating to the year 1968-69 in the account of 1970-71.

"Besides the excess of Rs. 87.77 lakhs explained above, there were excesses of Rs. 7.09 lakhs and Rs. 7.90 lakhs under the sub-heads 'E.2(5)-Stores and Equipment' and 'E.2(8)-Arms and Ammunition' respectively, under the group sub-head 'E.2-Boarder Check Posts'. These excesses were mainly due to unexpected supply of stores and equipment and Arms and Ammunition at the fag end of the year by the Defence authorities. As the debits in this regard were raised and adjusted after the close of the financial year, it was not possible to provide funds to cover the same. These excesses were, however, partly offset by savings under other sub-heads under the group sub-head 'E.2-Boarder Check Posts' bringing the net excess under this group sub-head to Rs. 5.67 lakhs.

"The above mentioned excesses and minor excesses under other sub-heads were partly offset by savings under various other sub-heads leaving a net excess of Rs. 84.32,443 in the grant which requires regularisation."

2.53. The Committee find that the original provision of Rs. 271.52 lakhs under the head "F.6-Charges paid to other Governments/Departments etc." was reduced by Rs. 81.23 lakhs. The actual expenditure was, however, Rs. 278.06 lakhs which accounted for an excess of 46% over the final grant. A part of this was due to the excess debit raised by the Ministry of Defence in respect of the expenditure incurred by them on the grouping operation of the Mizo Hills Districts during the years 1966-67 and 1968-69. It is not clear to the Committee as to how the Ministry of Defence having indicated a figure of Rs. 37.28 lakhs in July, 1970 in this regard could raise debit for a sum far in excess of this figure, viz., Rs. 62.66 lakhs. They also do not get any idea as to when this debit was raised and how it did not come to the notice of the Ministry of Home Affairs in time to ensure adequate provision.

2.54 The Committee also note that an excess of Rs. 7.50 lakhs was due to belated adjustment relating to the year 1968-69 in the accounts of 1970-71. The Committee would like to know whether the liability register was maintained by the Department and if so, how adjustment of such past liabilities could not be watched properly.

Ministry of Home Affairs

Grant No. 51—Chandigarh

	Rs.
Original Grant	7,22,80,000
Supplementary Grant	47,89,000
Final Grant	7,70,69,000
Actual Expenditure	7,73,74,877
Excess	3,05,877

2.55. Excess occurred mainly under the sub-heads "B.4(2) (1)-Forensic Science Laboratory" (Rs. 2.65 lakhs) and "G.1(2)-Purchase of Stationery" (Rs. 12.25 lakhs).

2.56. In a note furnished to the Committee, the Ministry of Home Affairs have stated as follows :—

"The original provision of Rs. 7,22,80,000 in the voted section of this Grant was augmented by Rs. 47,89,000 by obtaining a Supplementary Grant in March, 1971 session of Parliament. Against the final Grant of Rs. 7,70,69,000 the actual expenditure however amounted to Rs. 7,73,74,877 leaving an uncovered excess of Rs. 3,05,877 which requires to be regularised. The excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the following sub-heads for the reasons explained below :

B—Administrative Services

	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
B. 4—Police			
B.4(2) Miscellaneous			
B. 4(2) (1)—Forensic Science Laboratory, Chandigarh	3,22,800	5,87,743	2,64,943
G. Miscellaneous :			
G.1—Stationery and Printing:			
G. 1(2)—Purchase of Stationery	30,67,000	42,92,434	12,25,434

B.4(2)(1)-Forensic Science Laboratory, Chandigarh (-) Rs. 2,64,943.

No funds were provided during 1970-71 for the purchase of Infrared-spectrophotometer ordered by the Chandigarh Administration through the DGS&D for the Forensic Science Laboratory, Chandigarh on the consideration that the debit for the above equipment would be adjusted in 1971-72 and accordingly a provision of Rs. 3,50,000 was included in the B.E. 1971-72. However, the debit was adjusted in the accounts of 1970-71 itself, resulting in the above excess.

G.1(2)-Purchase of Stationery (+) Rs. 12,25,434.

The excess under this head occurred due to the following reasons :—

- (i) Raising of debits by Pay and Accounts Officer in March, 1971 (Final accounts) amounting to Rs. 2.39 lakhs for supplies of paper pertaining to the years 1966-67, 1968-69 and 1969-70.
- (ii) Receipt during 1970-71 from the Mills of supply of paper ordered during 1969-70 and for which provision was made during that year and raising of debits therefor by the Pay and Accounts Officer in March, 1971 (Final Accounts). This resulted in an excess of Rs. 7 lakhs.
- (iii) Raising of debits amounting to Rs. 3.15 lakhs in the accounts for 1970-71 by the Pay and Accounts Officer for 95% of payments for supplies of paper received during 1971-72 (April, 1971) on the

basis of despatch advices sent to him direct by the Paper Mills during 1970-71 (March, 1971). This resulted in an excess of Rs. 3.15 lakhs.

The above debits were not expected to be adjusted during 1970-71 and the adjustments made came to the notice of the Ministry too late to provide additional funds for this purpose.

The above excesses amounting to Rs. 14,90,377 and minor excesses under other sub-heads were partly counter-balanced by savings under the remaining sub-heads of the Grant leaving a net excess of Rs. 3,05,877."

2.57. Under the head "G. 1(2)—Purchase of Stationery" excess expenditure of Rs. 12.25 lakhs was incurred against the final grant of Rs. 30.67 lakhs. This was mainly due to adjustment of debits by the Pay and Accounts Officer for supply of paper pertaining to the years 1966-67 to 1969-70 and for the supply during 1970-71 against the orders placed during 1969-70. The Committee feel that the Department ought to have anticipated these adjustments and adequately provided for them during the year 1970-71.

2.58. Incidentally the Committee find that although the expenditure had been incurred on 'Interim Relief' no provision therefor existed in the Revised Estimate for the year 1970-71 under various heads, such as, (i) "B.5(2) (1)—Enforcement of Standard Weights and Measures", (ii) "C. 2(5)(1)(1)—Central Polytechnic", (iii) "C. 2(5)(2)—Directorate of Technical Education", (iv) "C. 2(5)(4)—Chandigarh College of Architecture" and (v) "C. 12(2)—Senior Town-planners Establishment, Chandigarh". When provision was made under other establishments, the Committee are unable to comprehend how such omissions were not noticed by the Chandigarh Administration/Ministry of Home Affairs at the time of checking and finalising the Revised Estimate proposals.

Ministry of Home Affairs
Grant No. 53—Tribal Areas.

	Rs.
Original Grant	27,75,65,000
Supplementary Grant	84,57,000
Final Grant	28,60,22,000
Actual Expenditure	29,10,03,977
Excess	49,81,977

2.59. Excess occurred mainly under the sub-heads "A. 2(1)(3)—Arms and Ammunitions" (Rs. 77.56 lakhs), "A. 2(1)(1)(5)—Purchase and Maintenance etc. of Mechanical Transport" (Rs. 10.92 lakhs), "A. 2(1)(1)(6)—Stores and Equipment" (Rs. 40.97 lakhs) and "A. 2(1)(1)(8) Rations" (Rs. 64.31 lakhs) below the Group sub-head "A. 2—Police".

2.60. In a note furnished to the Committee, the Ministry of Home Affairs have explained the reasons for the excess as follows :—

"The original provision of Rs. 27,75,65,000 was augmented by Rs. 84,57,000 by obtaining a Supplementary Grant in the March, 1971 session

of Parliament. Against the final Grant of Rs. 28,60,22,000 the actual expenditure amounted to Rs. 29,10,03,977 leaving an uncovered excess of Rs. 49,81,977 which requires to be regularised by Parliament.

The excess is the net result of excesses and savings under the various subheads of the Grant and occurred mainly under the following sub-heads for the reasons explained below :—

Sub-head	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
A. Administrative Services:			
A.2—Police:			
A.2 (1) Frontier Constabulary and Militia:			
A.2(1) (1)—Assam Rifles:			
A.2(1)(1)(3)—Arms and Ammunitions			
O. 40,00,000			
R. 5,02,000	45,02,000	122,57,505	+77,55,505

The excess is due to adjustment in March (Supplementary) 1971 Accounts, of book debits inclusive of liabilities of past years raised by the Defence Accounts Officer concerned after the close of the financial year when it was too late to provide necessary funds for the purpose.

A.2 (1)(1)(5) — Purchase and Maintenance etc. of Mechanical Transport			
O. 50,00,000			
R. (—) 1,41,000	48,59,000	59,51,219,	+10,92,219

The excess is mainly due to (i) adjustment of debits pertaining to the years 1965-66, 1967-68 and 1969-70 for supply of vehicles which were raised only in June, 1971 i.e. after the close of the financial year when it was too late to provide funds for the purpose and (ii) increase in the expenditure on repairs of vehicles and on Petrol, Oil and Lubricants on accounts of un-anticipated movement of troops.

A.2 (1)(1)(6) — Stores and Equipment			
O. 1,20,00,000			
R. (—) 6,96,000, 1,13,04,000	154,01,124	+40,97,124	

The excess is due to adjustment in the accounts for 1970-71 of book debits for the years 1968-69 and 1969-70 raised by CDA in June, 1971 after the close of the financial year.

A.2 (1)(1)(8)—Rations			
O. 3,57,00,000			
R. 68,000	3,57,68,000	4,21,98,805	+64,30,805

The excess is mainly due to (a) adjustment in the accounts for 1970-71 of book debits for the year 1969-70 raised by CDA in June, 1971 after the close of the financial year without prior intimation to the concerned Assam

Rifles Units and (b) fluctuations in rates of rations and transportation charges for which exact requirement could not be assessed accurately.

It is, however, stated that a liability register is maintained to watch the progress of adjustment of past liabilities and for making provision of funds at the appropriate time. However, it is found that debits for all accepted bills are not raised and adjusted during the year resulting in lapsing of funds if provided in full. In view of this, provision in the budget is limited to foreseeable bills that are likely to be adjusted during the year. However, as most of the bills were adjusted through debits raised in Supplementary Accounts when adequate provision could not be made, it has resulted in excess.

"The above excesses amounting to Rs. 1,93.76 lakhs and minor excesses under other sub-heads were partly counterbalanced by savings under the remaining sub-heads of the Grant bringing down the net excess in the Grant as a whole to Rs. 49,81,977 which requires to be regularised."

2.61 The Committee are disturbed to note large excesses under the heads (i) "A. 2(1)(1)(3)—Arms and Ammunitions" (Rs. 77.55 lakhs against the final grant of Rs. 45.02 lakhs), (ii) "A. 2(1)(1)(5)—Purchase and Maintenance etc. of Mechanical Transport" (Rs. 10.92 lakhs against the final grant of Rs. 48.59 lakhs), (iii) "A. 2(1)(1)(6)—Stores and Equipments" (Rs. 40.97 lakhs against the final grant of Rs. 113 lakhs) and (iv) "A. 2(1)(1)(8)—Rations" (Rs. 64.31 lakhs against the final grant of Rs. 358 lakhs). These excesses mostly arose out of adjustments through debits raised in supplementary accounts. The Committee, however, find that some debits related to the period 1965-66 to 1969-70. The Ministry have explained that although a liability register is maintained, it is found that debits for all bills accepted during a year are not raised and adjusted during that year resulting in lapse of funds if provided in full. This position is highly unsatisfactory as no effective budgetary control could be ensured. The Committee would like the Ministry of Home Affairs to investigate all these cases of belated adjustments with a view to finding out when the supplies/services were made/rendered, when the bills were received and accepted and why the debits could not be raised by other Departments in the year in which the bills were accepted. Such an investigation would help to rationalise the procedures so as to have an accurate forecast of requirement of funds.

Ministry of Home Affairs

Grant No.54.—Dadra and Nagar Haveli Area.

	Rs.
Original Grant	68,46,000
Supplementary Grant	11,65,000
Final Grant	<u>80,11,000</u>
Actual Expenditure	<u>82,44,505</u>
Excess	<u>2,33,505</u>

2.62 Excess occurred mainly under the sub-heads "C. 4(2)(4)—Other Schemes" (Rs. 1.77 lakhs) under the group sub-head "C. 4—Agriculture" and "E. 1(5)(2) Other Suspense Accounts" (Rs. 3.77 lakhs) under the Group sub-head "E. 1—Public Works."

2.63. In a note furnished to the Committee, the Ministry of Home Affairs have *inter alia* stated as follows:—

“The original Grant of Rs. 68,46,000 under this Grant was augmented by Rs. 11,65,000 by obtaining a Supplementary Grant in March, 1971 session of Parliament. Against the final Grant of Rs. 80,11,000 the actual expenditure amounted to Rs. 82,44,505 leaving an uncovered excess of Rs. 2,33,505 which requires to be regularised. The overall excess is the net result of excesses and savings under the various sub-heads of the Grant. The excess occurred mainly under the following sub-heads for the reasons explained thereunder :—

	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
C-Social and Development Services:			
C.4—Agriculture:			
C.4 (2)—Experimental Farms:			
C.4(2)(4)—			
Other Schemes	5,74,900	7,52,240	1,77,340

The provision under this head is being utilised by three different Departments of the Dadra and Nagar Haveli Administration *viz.* the Agriculture Office, the Soil Conservation Division and the Minor Irrigation Division. The overall control of this provision rests with the Agriculture Office. Adjustments relating to the cost of Minor Irrigation Works completed during the year 1970-71 were sought to be adjusted by the Minor Irrigation Division by book adjustment and the A.G. carried out the adjustment in the accounts of the same year (1970-71). But due to lack of proper coordination between Agriculture Office and the Minor Irrigation Division the actual requirement of funds by the Minor Irrigation Division could not be taken into account at the appropriate time for making necessary provision of funds resulting in excess. The Collector, Dadra and Nagar Haveli Administration has since taken necessary steps to avoid recurrence of such a situation in future.

E. Public Works (including Roads) and Schemes of the Miscellaneous Public Improvements

E.1—Public Works

E.1(5)—Suspense

E.1(5)(2)—Other

Suspense Accounts		3,77,408	3,77,408
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The excess is due to the fact that the Dadra and Nagar Haveli Administration has been following, under some misapprehension the system of ‘net budgeting’ instead of ‘gross budgeting’ while operating this head. Under the gross budgeting system when purchases of materials are made on credit, this head is credited and when supplies are paid subsequently, it is debited. Provision is to be made in the Budget for the debits and credits shown below the line as recoveries. As the Administration did not follow this principle at the time of framing estimates and as they did not anticipate any net expenditure under this head, no provision was made in the budget for the purpose. The Appropriation Accounts, however, reveal an excess of

Rs. 3,77,408 under this head, as booking of expenditure on purchase of stores under this head on gross basis was made by the A.G.

The above excesses amounting to Rs. 5,54,748 and minor excesses under other sub-heads were partly counter-balanced by savings under the remaining sub-heads of the Grant leaving a net excess of Rs. 2,33,505 in the Grant which requires to be regularised."

2.64. There have been excesses under the sub-head "C. 4(2)(4)—Other Schemes" (Rs. 1.77 lakhs against the final grant of Rs. 5.75 lakhs) and "E. 1(5)(2)—Other Suspense Accounts" (Rs. 3.77 lakhs against Nil final grant). The excesses arose out of lack of coordination and ignorance of the system of accounting. The Committee hope that such things will not recur.

2.65. Incidentally the Committee find that under the sub-head "C. 5(2) (4)—Other Schemes", no provision was made for 'Interim Relief' in the revised estimate for the year 1970-71, although an expenditure of Rs. 6,000 had been booked in accounts. The Committee desire that the Dadra and Nagar Haveli Area Administration should avoid such omission in future.

Ministry of Labour and Rehabilitation

Grant No. 127—Capital Outlay of the Ministry of Labour, Employment and Rehabilitation

	Rs.
Original Grant	5,55,47,000
Supplementary Grant	1,78,86,000
Final Grant	<u>7,34,33,000</u>
Actual Expenditure	7,34,95,335
Excess	<u>62,335</u>

2.66. The excess mainly occurred under the group sub-head "C. 1—Rehabilitation Reclamation Scheme". (Rs. 17.09 lakhs).

2.67. In a note furnished to the Committee, the Ministry of Labour and Rehabilitation have *inter alia* stated as follows:—

"The original grant of Rs. 5,55,47,000 was augmented by obtaining supplementary grants of Rs. 32,85,000 in August, 1970, Rs. 1,20,79,000 in November, 1970 and Rs. 25,22,000 in the March, 1971 sessions of Parliament. Against the final grant of Rs. 7,34,33,000 the actual expenditure, however, amounted to Rs. 7,34,95,335 leaving an uncovered excess of Rs. 62,335 which requires to be regularised by Parliament.

The overall excess of Rs. 62,335 which is the net result of excesses and savings under the various group sub-heads/sub-heads of the grant occurred

mainly under the group sub-head 'C. I.—Rehabilitation Reclamation Scheme' (Rs. 17.09 lakhs) as detailed below :—

Sub-head	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
C.1(1)—Establishment	36,60,000	38,04,272	1,44,272
C.1(2)—Machinery, Tools and Plant	15,01,000	15,03,383	2,383
C.1(3)—Petrol, Oil and Lubricants	31,16,000	42,18,288	11,02,288
C.1(4)—Spare parts and stores	36,63,000	40,85,921	4,22,921
C.1(5)—Miscellaneous	3,60,000	3,97,251	37,251
TOTAL	1,23,00,000	1,40,09,115	17,09,115

"The reasons for the excesses are explained below :—

At the stage of final assessment of requirement of funds, which took into account the figures of actual expenditure upto 25-3-1971 (Rs. 113.43 lakhs) and all the debits expected to be adjusted during the remaining part of the year, the total requirements under the above sub-heads were placed at Rs. 123 lakhs. The original grant of Rs. 80 lakhs under the above sub-heads was augmented to Rs. 123 lakhs by obtaining a supplementary grant of Rs. 25.22 lakhs in March, 1971 and by reappropriation of funds to the extent of Rs. 17.78 lakhs from the savings available within the grant. The actual expenditure, however, amounted to Rs. 140.09 lakhs leaving an uncovered excess of Rs. 17.09 lakhs mainly due to adjustment of Rs. 17.57 lakhs lying under suspense in the accounts of 1970-71 by a Pay and Accounts Officer concerned in his March Supplementary, 1971 Accounts and another Rs. 2.10 lakhs for which vouchers were received from another Accounts Officer in April, 1971 when it was too late to provide additional funds.

The above excesses of Rs. 17.09 lakhs under the Group sub-head 'C. 1—Rehabilitation Reclamation Scheme' and minor excesses under other sub-heads were counter-balanced by savings under other sub-heads leaving a net excess of Rs. 62,335."

2.68. The excess over grant "No. 127—Capital Outlay of the Ministry of Labour, Employment and Rehabilitation" mainly occurred under the group sub-head "C. 1—Rehabilitation Reclamation Scheme" (Rs. 17.09 lakhs). The excess under the sub-head "C. 1(3)—Petrol, Oil and Lubricants" (Rs. 11.02 lakhs) was more than one-third of the final grant. This was mainly due to adjustment of amounts (totalling Rs. 17.57 lakhs) lying under suspense in the accounts of 1970-71 by the Pay and Accounts Officer in his March supplementary, 1971 accounts. The excess under the grant could have been avoided with an effective liaison with the Pay and Accounts Officer.

Ministry of Law and Justice

Grant No. 73—Other Revenue Expenditure of the Ministry of Law

	Rs.
Original Grant	2,04,74,000
Actual Expenditure	2,12,65,372
Excess	7,91,372

2.69. Excess occurred mainly under the sub-heads "A. 1—Election Commissioner and Regional Commissioners etc." (Rs. 1.72 lakhs) and "A. 2(1)—Contributions to State and Union Territory Governments" (Rs. 6.61 lakhs) below the group sub-head "A. 2—Other Election Charges".

2.70. In a note furnished to the Committee, the Ministry of Law and Justice, have stated as follows :—

"The excess, which is the net result of the excesses and savings under the various sub-heads of the Grant, occurred mainly under sub-head 'A. 1—Election Commissioner and Regional Commissioners etc.' and the group sub-head 'A. 2—Other Election Charges'. The excess under the latter group sub-head is wholly due to the fact that an adjustment for an amount of Rs. 9,17,800 was carried out by the Accounts Officer under the sub-head 'A. 2(1)—Contributions to State and Union Territory Governments' in the accounts for the year 1970-71 instead of the year 1969-70 for which a sanction was issued but which could not be acted upon by the Accountant General during that year. The adjustment in question was carried out by the Accounts Officer in the accounts for 1970-71 in anticipation of a fresh *ex-post-facto* Government sanction valid for that year, since the sanction issued in 1969-70 had actually lapsed. The adjustment came to the notice of the Ministry in April, 1971 when it was not possible to provide additional funds for the year 1970-71. A saving of Rs. 9,79,008 occurred in grant No. '74—Other Revenue Expenditure of the Ministry of Law' for the year 1969-70 mainly due to the omission to carry out the adjustment of Rs. 9,17,800 in the accounts for the year.

The excess of Rs. 9,17,800 under the sub-head 'A. 2(1)—Contributions to State and Union Territory Governments' was counter-balanced by savings under other sub-heads of the group sub-head 'A. 2—Other Election Charges' and the net excess under this group sub-head came to Rs. 6,61,237. There was also an excess of Rs. 1,71,513 under the sub-head 'A. 1—Election Commissioner and Regional Commissioners etc.' mainly due to unanticipated increased expenditure on Travelling Allowances and Contingencies as a result of the conduct of mid-term General Elections to the House of People and certain State Legislatures, in March, 1971.

The excess of Rs. 8,32,750 under the sub-head 'A. 1' and the group sub-head 'A. 2' together with a minors excess under sub-head 'B. 1—Special Commissions of Inquiry' was partly counter-balanced by savings under the other sub-heads of the Grant resulting in a net excess of Rs. 7,91,372 which requires to be regularised."

2.71. The extra expenditure under the group sub-head "A. 2—Other Election Charges" (Rs. 9.18 lakhs) was mainly responsible for the excess over the grant "73—Other Revenue Expenditure of the Ministry of Law". The Ministry have explained that it was wholly due to the fact that the Accounts Officer carried out the adjustment under the sub-head "A. 2(1)—Contribution to State and Union Territory Governments" in 1970-71 instead of in 1969-70 for which a sanction was issued. This shows that the progress of adjustments against sanctions issued in 1969-70 was not watched properly and adequate provision made in 1970-71 for the amounts remaining unadjusted. The Ministry should be more careful in future.

Ministry of Shipping and Transport
(Transport Wing)

Grant No. 77—Ministry of Shipping and Transport

	Rs.
Original Grant	1,45,42,000
Supplementary Grant	2,56,000
	1,47,98,000
Final Grant	1,47,98,000
Actual Expenditure	1,52,22,293
	4,24,293
Excess	4,24,293

2.72. During the years 1968-69 and 1969-70 also the expenditure had exceeded the Grant by Rs. 0.46 lakh and Rs. 2.51 lakhs respectively. The excess during 1970-71 occurred mainly under the Group sub-heads "A. 1—Transport Wing" (Rs. 2.02 lakhs) and "A. 2(1)—Roads Wing (Main)" (Rs. 3.59 lakhs).

2.73. In a note furnished to the Committee, the Ministry of Shipping and Transport have explained the reasons for the excess as under:—

"The original provision of Rs. 1,45,42,000 under voted section of the Grant was augmented by Rs. 2,56,000 by obtaining a Supplementary Grant in March, 1971 session of Parliament. Against the final Grant of Rs. 1,47,98,000 actual expenditure, however, amounted to Rs. 1,52,22,293, leaving an uncovered excess of Rs. 4,24,293 which required to be regularised by Parliament.

The overall excess of Rs. 4,24,293 is the net result of excesses and savings under the various group sub-heads of the Grant. The excess occurred mainly under the group sub-heads 'A. 1—Transport Wing' and 'A. 2(1)—Roads Wing (Main)' for the reasons explained below :—

Group sub-head	Final Grant	Actual Expenditure	Excess(+)
	Rs.	Rs.	Rs.
A. 1—Transport Wing			
O. 41, 51, 000	41,51,000	43,53,111	(+),2,02,111

The excess occurred under the sub-heads 'A. 1(2) Interim Relief' (Rs. 1,48,901), 'A. 1(3)—Travelling Expenses' (Rs. 1,02,039) and 'A. 1(4)—Other Charges' (Rs. 93,660). The main factors leading to these excesses are as follows:—

A. 1(2)—*Interim Relief* (Rs. 1,48,901) :—No provision for interim relief was included in the Budget Estimates 1970-71 as the same was sanctioned after the Budget Estimates had been finalised. Though proposals to obtain Supplementary Grant were initiated the same could not be finalised in time due to lack of proper coordination which resulted in excess.

A. 1(3)—*Travelling Expenses* (Rs. 1,02,039) :—(i) More tours performed by the officers due to the increased activities of the Ministry and in connection with development projects included in the Plan and their supervision

(Rs. 49,039) (ii) payment of air passage bills of the previous year (Rs. 33,000) and (iii) inclusion of expenditure to the extent of Rs. 20,000 for Leave Travel Concession under this sub-head. These items of expenditure could not be anticipated and provided for during 1970-71 partly due to reasons explainedbelow and as they became unavoidable at a very late stage there was no time left to get additional provision sanctioned during 1970-71.

A. 1(4)—*Other Charges* (Rs. 93,660) :—More contingent expenditure incurred by the officers during foreign tours than anticipated at the time of framing the Budget Estimates and also payment of telephone bills pertaining to the previous years (Rs. 29,205) and also more expenditure on running and maintenance of staff cars. These items of expenditure could not be anticipated and provided for during 1970-71 partly for the reasons explained. . . below and as they became unavoidable at a very late stage there was no time left to get additional provision sanctioned during 1970-71.

These excesses were partly offset by savings under other sub-heads of the group sub-head A. 1 leaving a net excess of Rs. 2,02,111 under the group sub-head.

Group sub-head	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
A.2(1)—Roads Wing (Main)			
O. 54,71,000	54,71,000	58,30,301	(+)3,59,301

The main factors leading to the excess are given below :—

- (i) Increased expenditure (Rs. 1,88,237) under 'A. 2(1)(2)—Interim Relief' due to the fact that no provision was made as Interim Relief was sanctioned after the finalisation of the Budget Estimates 1970-71. Though proposals to obtain Supplementary Grant were initiated the same could not be finalised in time due to lack of proper coordination which resulted in excess.
- (ii) More expenditure (Rs. 1,05,073) under 'A. 2(1) (3)—Travelling Expenses' due to (a) more tours undertaken by officers which were necessitated to gear up the State machinery so that the amount allocated for Roads/Bridges during 1970-71 could be fully utilised and (b) deputation of higher officers to foreign countries to attend conferences etc. and;
- (iii) More expenditure (Rs. 1,16,700) under 'A. 2(1)(4)—Other Charges' due to payment of arrears of rent of office accommodation hired by various Regional Offices located in States; maintaining and running of 36 vehicles provided in Regional offices and payment of telephone charges. These items of expenditure could not be anticipated and provided during 1970-71 partly for the reasons explained. . .below and as they became unavoidable at a very late stage there was no time left to get additional provision sanctioned during 1970-71.

“These excesses were partly offset by savings under the other-sub-heads viz. Establishment Charges (Rs. 50,709) of the group sub-head A. 2(1) having a net excess of Rs. 3,59,301 under the group sub-head.

Improper maintenance of the liability registers has also been a contributing factor towards these excesses during 1970-71. However, from the year 1971-72 onwards they are being maintained properly.

The excesses under the above group sub-heads as well as minor excess of Rs. 9,452 under the sub-head B. Grants-in-aid, Contributions etc. were partly counter-balanced by savings under the remaining group sub-heads of the Grant leaving a net excess of Rs. 4,24,293 which requires to be regularised."

2.74. The excess over the grant occurred under the sub-heads "A. 1 (2) - Interim Relief" (Rs. 1.49 lakhs), "A. 1 (3) - Travelling Expenses" (Rs. 1.02 lakhs) and "A. 1 (4) - Other Charges" (Rs. 0.94 lakh) in respect of Transport Wing and "A. 2 (1)(2) - Interim Relief" (Rs. 1.88 lakhs) and "A. 2 (1) (3) - Travelling Expenses" (Rs. 1.05 lakhs) and "A. 2 (1) (4) - Other Charges" (Rs. 1.17 lakhs) in respect of Roads Wing (Main). The Committee have earlier indicated that the grant has been exceeded successively for three years. In earlier years too significant extra expenditure was incurred on office contingencies and travelling expenses. The Committee need hardly stress that the Ministry should improve their budgetary procedures and control.

2.75. It is indeed surprising that a total sum of Rs. 3.37 lakhs was spent on Interim Relief without any provision in the Revised Estimate. The Committee cannot accept the plea that the proposals to obtain supplementary grant though initiated could not be finalised in time due to lack of proper coordination. They would like the Ministry to investigate the lacuna, if any, in the system with a view to removing it.

2.76. The extra expenditure on office contingencies and travelling expenses remained uncovered as admittedly the liability registers were not maintained properly. As the Ministry have stated that the registers are being maintained properly from 1971-72, the Committee would like to watch the position through future Appropriation Accounts.

Ministry of Shipping and Transport (Roads Wing)

Grant No. 78—Roads.

	Rs.
Original Grant	22,79,82,000
Supplementary Grant	93,00,000
Final Grant	23,72,82,000
Actual Expenditure	25,07,56,536
Excess	1,34,74,536

2.77. In a note furnished to the Committee, the Ministry of Shipping and Transport have stated as follows :—

"The original grant of Rs. 22,79,82,000 was augmented by Rs. 93,00,000 by obtaining a supplementary Grant in August, 1970 Session of Parliament to recoup an advance obtained from the Contingency Fund of India in March, 1970. Against the final grant of Rs. 23,72,82,000, the expenditure, however, amounted to Rs. 25,07,56,536 leaving an uncovered excess of Rs. 1,34,74,536 which requires to be regularised by Parliament.

The overall excess of Rs. 1,34,74,536 is the net result of the excesses and savings under the various sub-heads in the grant. The excess occurred mainly under the sub-head 'A. 4(1)- Maintenance of National Highways (Rs. 154,96,741) as explained below:

A. 4 (1)- Maintenance of National Highways (Rs. 1,54,96,741).

A provision of Rs. 1,300 lakhs was made under the sub-head in the budget for 1970-71. A sum of Rs. 37,800 became available out of savings under other sub-heads in the grant. In addition, a supplementary grant of Rs. 93 lakhs was obtained under this sub-head. This amount was required for recouping an advance of an equivalent amount obtained from the Contingency Fund of India during 1969-70. The expenditure against the advance, however, amounted to Rs. 79,88,241. A sum of Rs. 13,11,759 was accordingly surrendered out of the Supplementary Grant of Rs. 93 lakhs. Thus allotments aggregating Rs. 13,80,26,041 were made to States for the maintenance of National Highways during 1970-71. The expenditure booked however amounted to Rs. 15,35,22-782 revealing an excess of Rs. 154,96,741. There was actually an excess expenditure amounting to Rs. 157,29,408 in certain States as shown below:

Andhra Pradesh (Rs. 18,04,223).

Assam (Rs. 21,89,875).

Bihar (Rs. 41,96,794), Gujarat (Rs. 4,49,566).

Haryana (Rs. 1,60,500). Himachal Pradesh (Rs. 1,06,398),

Madhya Pradesh (Rs. 4,86,619), Maharashtra (Rs. 3,37,174),

Mysore (Rs. 9,35,846), Orissa (Rs. 46,439),

Rajasthan (Rs. 4,84,770), Uttar Pradesh (Rs. 1,04,315).

West Bengal (Rs. 42,08,934), Delhi Rs. 2,06,386), and Manipur (Rs. 11,569).

As a result of savings amounting to Rs. 2,32,667 in other States, the net excess under this sub-head was reduced to Rs. 154,96,741. This excess was mainly due to the fact that the States had to incur extra expenditure on unavoidable repairs in order to keep the lines of communications intact to meet the needs of the evergrowing traffic and unforeseen natural causes like heavy floods in 1970-71 etc.

“The road works under the administrative control of this Ministry are executed through the agency of the State Public Works Departments and the Central Public Works Department. Provision in the budget is made on the basis of estimates received from the various executive agencies. They in turn, are guided by their subsidiary establishments such as the Chief Engineer, Superintending Engineer, Divisional Engineer, etc. who are in charge of actual execution of the works. The Government of India invariably impress upon the States the need for restricting the expenditure to the amount of the allotment and this stipulation is also made in the letters sanctioning the allotments of funds. Several instructions have been issued from time to time to them to discipline their expenses. Some of the States have, however, failed to restrict the expenditure to the allotments made to them, which, as explained . . . above, became unavoidable. The extra expenditure had to be incurred on inescapable repairs in order to keep the lines of communications intact especially in view of unprecedented floods during the financial year.

The Government of India are, however, fully seized of the problem of avoiding excesses over sanctioned grants and have already adopted a number of measures in this behalf and also propose to take certain further steps in this connection. All these measures are indicated below:

(i) *Close watch over the pace of expenditure.*

(a) In accordance with the existing instructions, the State Governments are required to furnish monthly returns of expenditure against the grants sanctioned by the Government of India. These returns are scheduled to be received by the 20th of the month following the one to which they relate. On receipt of these returns, they are examined in the Ministry and any tendency on the part of States to exceed the sanctioned grants are invariably brought to the notice of the State Governments so as to check the probability of excess over the allotment made;

(b) In the case of defaulting States in regard to submission of these returns which may not be found to be regular, the matter is followed by the issue of regular instructions impressing upon them the imperative need for the prompt submission of these monthly returns of expenditure.

(ii) *Use of Regional Offices of the Ministry for exercising control in the matter.*

The Ministry has at present six regional offices in the country and Engineer Liaison Officers in all the States. An attempt is being made to use them also to the extent feasible for keeping a watch over the pace of expenditure and check tendencies of unnecessary increase in the expenditure beyond sanctioned grants.

(iii) *Norms for maintenance.*

Following the recommendations of a Technical Group comprising the representatives of five States and headed by the Director General (Road Development) specific norms have been laid down for the provision of maintenance grants under specified sub-heads (Ordinary Repairs, Periodic renewals, Restoration of Flood Repairs, Special Repairs etc.) and grants are now allocated according to these sub-heads on the basis of the norms laid down by the Technical Group within the available funds and progress of expenditure is also watched for each sub-head separately. This facilitates a much tighter control over the expenditure and checks upon the tendency to exceed the sanctioned grants to a great extent.

(iv) *Further Instructions issued.*

Further instructions have been issued to the State PWDs reiterating the imperative need for restricting the expenditure within the sanctioned total and sub-head wise grant for the maintenance of National Highways. They have been further asked that while submitting the Revised Estimates and final requirements for the year, they should indicate the total requirements and up-to-date position of expenditure against the allotted funds together with the break-up under the respective sub-heads under which allotments are made. This would prove further useful in keeping a watch over the expenditure against the grant sanctioned for the maintenance of National Highways.

Simultaneously with the above mentioned measures, it is also proposed to approach the Comptroller and Auditor General of India for issuing instructions to the State Accountants General not to admit expenditure in excess of the sanctioned grant.

It is hoped that as a result of all these measures the position would improve in the years to come.

The excess under the sub-head 'A.4(1)—Maintenance of National Highways' and minor excesses under certain other sub-heads were partly counter-balanced by savings under other sub-heads of the grants leaving a net excess of Rs. 1,34,74,536 as a whole in the grant which may kindly be recommended for regularisation under Article 115 of the Constitution."

2.78. The Committee are deeply distressed to come across from year to year for over a decade now excesses under the head "A. 4(1)—maintenance of National Highways". In their 123rd Report (Fourth Lok Sabha) the Committee had indicated the excesses recorded under this head for 10 years from 1959-60 to 1968-69 which ranged from Rs. 11.15 lakhs to Rs. 63.12 lakhs. In their subsequent Report (29th Report—Fifth Lok Sabha), the Committee observed that the excess under the head during the year 1969-70 was the highest ever recorded in recent years. The excess during that year was Rs. 84.60 lakhs. This record has since been broken and the excess during the year 1970-71 is as high as Rs. 154.97 lakhs. The Committee find from the measures already adopted or proposed to be adopted to tackle this problem of recurring excesses, that it is also proposed to approach the Comptroller and Auditor General of India for issuing instructions to States Accountants General not to admit expenditure in excess of sanctioned grant. This appears to be a necessary though somewhat a drastic step as the only way to arrest the persistent tendency on the part of the State Governments who are the works executing agencies to exceed the budget provision without coming up with proposals for additional funds in time. The committee wish to make it clear that they would be forced to take a very serious view if there is any further occasion to comment on excess under this head.

Ministry of Tourism and Civil Aviation

Grant No. 89.—Aviation

	Rs.
Final Grant	14,20,05,000
Actual Expenditure	14,29,11,115
Excess	9,06,115

2.79. In a note furnished to the Committee, the Ministry of Tourism and Civil Aviation have stated as follows :—

"Against the final Grant of Rs. 14,20,05,000, the actual expenditure amounted to Rs. 14,29,11,115 leaving an uncovered excess of Rs. 9,06,115 which requires to be regularised. The excess is the net result of excesses and

savings under the various sub-heads of the Grant and occurred mainly under the following sub-heads for the reasons explained thereunder :—

Sub-head	Final Grant	Actual Expenditure	Excess (+)
	Rs.	Rs.	Rs.
<i>G. Works</i>			
G.I.(1)Original Works			
G.I.(1) Minor Works Executed by C.P.W.D.	32,00,000	42,37,624	(+)10,37,624

Of this excess, Rs. 8,15,748 was due to the misclassification in accounts vide Statement I enclosed (Page). The remaining excess was mainly due to execution of urgent minor works which could not be postponed to the next year.

Sub-head	Final Grant	Actual Expenditure	Excess (+)
	Rs.	Rs.	Rs.
<i>G. Works</i>			
G.1Original Works			
G.1(2) Minor Works executed by Civil Aviation Deptt.	8,72,000	12,29,610	(+)3,57,610

The Excess was mainly due to misclassification under this sub-head in accounts, out of which Rs. 1,61,870 correctly adjustable under sub-head G. 2(1) Minor repairs executed by Civil Aviation Department pertaining to Bombay Aviation Division I, C. P. W. D., Rs. 1,30,474 adjustable under sub-head G. 2(2) Minor repairs executed by Civil Aviation Department and Rs. 73,220 on account of expenditure on minor Works executed by Aviation Electrical Division, Madras adjustable under sub-head G. 1(1) Minor works executed by C. P. W. D. had been misclassified under this sub-head. These misclassifications as detailed in Statement II could not be detected in time. However this does not affect the over-all excess in the voted portion of the Grant.

Sub-head	Final Grant	Actual Expenditure	Excess (+)
	Rs.	Rs.	Rs.
<i>G. Works</i>			
G. 2 Repairs			
G. 2(1) Minor repairs executed by C.P.W.D.	1,60,00,000	1,74,07,667	(+)14,07,667

Due to misclassification of expenditure by various Accounts Officer there was less booking of a net amount of Rs. 5,83,872 under this sub-head vide statement III enclosed (Page). The excess was due mainly to unanticipated expenditure on special repairs to runway, taxi tracks, apron and maintenance of residential/non-residential buildings and electrical and air-conditioning installations at various civil aerodromes, payment to work-charged staff in shape of Medical Claims, flood advance, overtime allowance and interim

relief and purchase of spare parts owing to sudden breakdown of machinery vehicles and runway lights.

Sub-head	Final Grant	Actual Expenditure	Excess (+)
	Rs.	Rs.	Rs.
G. Works			
G. 2. Repairs			
G. 2(2) Minor repairs executed by Civil Aviation Department	1,52,01,300	1,70,34,330	(+)18,33,030

Mainly due to misclassification of expenditure by various Accounts Officers resulting in a net excess booking of Rs. 17,19,321 vide statement IV enclosed. A part of the misclassified amount representing a net expenditure of Rs. 19,75,684 under sub-head 'Suspense' including recoveries incurred by the Controller of Communication and the Controller of Aerodromes, Bombay was wrongly booked under this head by the Accountant General, Bombay instead of under sub-head 'Suspense' where sufficient savings are available.

The above excesses and minor excesses under other sub-head were partly counterbalanced by savings under other sub-heads of the Grant resulting in a net excess of Rs. 9,06,115 which requires regularisation.

2.80 Subsequently, the Ministry of Tourism and Civil Aviation have forwarded the following revised note vetted by Audit :

"Against the final Grant of Rs. 14,20,05,000, the actual expenditure amounted to Rs. 14,29,11,114 leaving an uncovered excess of Rs. 9,06,115 which requires to be regularised. The excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the following sub-heads for the reasons explained thereunder :—

Sub-head	Final Grant	Actual Expenditure	Excess (+)
	Rs.	Rs.	Rs.
G. Works			
G. 1 Original Works			
G. 1(1) Minor Works executed by C.P.W.D.	32,00,000	42,37,624	(+)10,37,624

Of this excess, Rs. 8,15,748 was due to misclassification in accounts within the grant vide Statement I enclosed. The remaining excess was mainly due to execution of urgent minor works which could not be postponed to the next year.

Sub-head	Final Grant	Actual Expenditure	Excess (+)
	Rs	Rs.	Rs.
G. Works			
G. 2 Repairs			
G. 2(1) Minor repairs executed by C.P.W.D.	1,60,00,000	1,74,07,667	(+)14,07,667

Due to misclassification of expenditure under different sub-heads with in the grant by various Accounts Officers there was less booking of a net amount of Rs. 5,83,872 under this sub-head vide statement II enclosed. The remaining excess was due mainly to unanticipated expenditure on special-repairs to runway, taxi tracks, apron and maintenance of residential/non-residential buildings and electrical and air-conditioning installations at various civil aerogrames, payment to work-charged staff in shape of Medical Claims, flood advance overtime allowance and interim relief and purchase of spare parts owing to sudden breakdown of machinery, vehicles and runway lights.

The above excesses and minor excesses under other sub-heads were partly counterbalanced by savings under other sub-heads of the Grant resulting in a net excess of Rs. 9,06,115 which requires regularisation."

2.81. The Committee are constrained to note large-scale misclassification in the expenditure in regard to Grant No. 89- Aviation which remained undetected till the Appropriation Accounts were finalised. The net amounts of misclassification were (i) (+) Rs. 8.16 lakhs under the sub-head "G. 1 (1)—Minor Works executed by CPWD", (ii) (+) Rs. 3.55 lakhs under the sub-head "G.1 (2)—Minor Works executed by the Civil Aviation Department,(iii) (—) Rs. 5.84 lakhs under the sub-head "G. 2 (1)—Minor Repairs executed by the CPWD" and (iv) (+) Rs. 17.19 lakhs under the sub-head "G. 2 (2) — Minor repairs executed by the CAD". This calls for a detailed review with a view to finding out how the misclassifications could not be detected in time.

Appropriation Accounts, 1970-71.

Ministry of Railways

Grant No. 16—Pensionary Charges—Pension Fund

	Rs.
Original Grant	7,95,45,000
Supplementary Grant	75,76,000
Final Grant	<u>8,71,21,000</u>
Actual Expenditure	<u>8,75,34,984</u>
Excess	4,13,984

2.82. It is seen from the Appropriation Accounts of Railways in India for 1970-71 that the excess under this grant mainly occurred in Eastern Railway the amount being Rs. 11.49 lakhs against the final grant of Rs. 129.38 lakhs. The excess is explained as due chiefly to adjustment of more arrear debits received from Civil Accounts Officers.

2.83. In a note furnished to the Committee, the Ministry of Railways (Railway Board) have *inter-alia* stated as follows:—

"This grant, as its heading indicates, deals with expenditure on the payment of pensionary charges to railway employees governed by the pensionary form of retirement benefits.

The excess of Rs. 4.14 lakhs was 0.5% of the final grant of Rs. 8.71 crores. A supplementary grant of Rs. 76 lakhs obtained in March, 1971, to cover the increased payments expected to be made to staff who retire from railway service under the pensionary form of retirement benefits but it turned out to be slightly inadequate. The excess occurred mainly on the Eastern Railway, the North-Eastern Railway and the Northern Railway and was partly reduced by savings mainly on the Southern Railway, the South Central, South Eastern Railways and Miscellaneous Establishments, the Western Railway and the Chittaranjan Locomotive Works. The excess of Rs. 4 lakhs was the net of the fluctuations in debits received from Civil Accounts Officers in respect of pension payments."

2.84. The excess over the voted grant "No. 16—Pensionary Charges—Pension Fund" has by now become an annual feature. The excesses recorded during the past four years were Rs. 9.83 lakhs in 1967-68, Rs. 10.81 lakhs in 1968-69, Rs. 0.82 lakh in 1969-70 and Rs. 4.14 lakhs in 1970-71. The excess during the year 1970-71 mainly occurred in Eastern Railway, the amount being Rs. 11.49 lakhs against the final grant of Rs. 129.38 lakhs. This has been explained as due to adjustment of more arrear debits received from Civil Accounts Officers. The Committee trust that the Railway Administration will take suitable steps to avoid excess in future under this grant.

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

CHAPTER III

Action Taken by Government on the recommendations of the Public Accounts Committee contained in their 29th Report (5th Lok Sabha) on Excesses over Voted Grants/Charged Appropriations for the year 1969-70.

3.1 The 29th Report of the Public Accounts Committee (Fifth Lok) on Excesses over Voted Grants/Charged Appropriations disclosed in the Appropriation Accounts (Civil) (Posts & Telegraphs), (Railways) and (Defence Services) for the year 1969-70 was presented to the House on 21st December, 1971. Action Taken Notes have been received in respect of all the 18 recommendations contained in the Report.

They are reproduced in Appendix———.

3.2 Replies of Government have been categorised under the following heads:—

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

Serial Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 13, 14, 15, 16, 17, and 18.

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

Serial Nos. 10, 11 and 12.

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

NEW DELHI ;
August 17, 1972
Sravana 26, 1894(S)

ERA SEZHIYAN,
Chairman,
Public Accounts Committee.

APPENDIX I

Immediate

MINISTRY OF FINANCE (DEPARTMENT OF EXPENDITURE)

Note for the Public Accounts Committee for regularisation of excess over voted Grant No. 14—Ministry of Finance as disclosed in the Appropriation Accounts (Civil) for 1970-71.

Grant No. 14—Ministry of Finance

	Rs.
Original Grant	3,44,29,000
Final Grant	3,44,29,000
Actual Expenditure	3,48,41,197
Excess	4,12,197

2 Against the final Grant of Rs. 3,44,29,000, the actual expenditure amounted to Rs. 3,48,41,197 leaving an uncovered excess of Rs. 4,12,197 which requires to be regularised. The excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the sub-head A.3 (1) (6) (1)—Other charges below the Group Head A.3 (1) (6)—Centralised General Division and the Group Head A.4 Department of Revenue and Insurance for the reasons explained below:—

(a) *A.3 (1) (6)—Centralised General Division*

A.3 (1) (6) (1)—Other Charges (+Rs. 5,89,765)

The excess of Rs. 5,89,765 occurred under the sub-head A-3 (1) (6) (1) other charges mainly due to adjustments of debits on account of various old Telephone Bills pertaining to the year 1966-67 and earlier years and adjustment of certain debits on account of Liveries, Typewriters, Air Conditioners, Residual payments of staff car, service stamps and other miscellaneous office expenditure which could not be anticipated at the time of finalisation of the supplementary Demands for Grant. Prior to September, 1970, these items of expenses were dealt with separately by different Departments of the Ministry of Finance; with effect from 1-9-1970, a Centralised General Division was formed to look after the requirements of office contingencies of all the Departments in this Ministry. This being a new arrangement, the requirements under the sub-head in respect of all the Departments of the Ministry, particularly in respect of the previous commitments of the respective Departments could not be assessed precisely when the Revised Estimates were framed. As a result the actual expenditure under the sub-head exceeded the sanctioned provision by Rs. 5,89,765.

APPENDICES

(b) 'A-4 Department of Revenue & Insurance' (Rs. 1,16,546)

The excess of Rs. 116,546 occurred under the Group Head A-4 Department of Revenue and Insurance mainly due to:—

- (i) Increased expenditure on Establishment charges due to more debits on account of leave salary and foreign service contributions adjusted at the end of the year.
- (ii) Larger payment of interim relief due to grant of increments and consequent raising of pay at certain pay slabs which entitle the officials concerned to interim relief at higher rates; and
- (iii) Payment of certain I.A.C. bills in cash towards the close of the year which were expected to be paid through book debits during the next year.

3. The excess of Rs. 7,06,311 under the above sub-head and Group Head and minor excesses under other sub-heads of the grant were partly counterbalanced by savings under other sub-heads of the Grant leaving a net excess of Rs. 4,12,197 which requires to be regularised.

4. In the circumstances explained above it is requested that the excess of Rs. 4, 12,197 which is 1.19% of the total grant may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India

5. The note has been vetted by Audit.

FURTHER INFORMATION

Grant No. 14—Ministry of Finance.

1. Original provision made for 1970-71 under sub-head 'A. (3) (6) (1). 'other charges' under the Group head 'A' (3) (6) Centralised General Division.

Prior to the formation of Centralised General Division (excluding Deptt. of Banking and Defence Division) in this Ministry with effect from 1.9.1970 there was a provision of Rs. 27,00,000/- in BE 1970-71 for meeting expenses under 'other Charges'; the Department-wise break up is given below:

	Rs.
1. Eco. Affairs Deptt.	7,00,000
2. Deptt. of Expenditure (General Division)	6,25,000
3. Deptt. of Revenue & Insurance	10,00,000
4. Bureau of Public Enterprises	3,75,000
	27,00,000

2. Revised Estimates made or reappropriation effected in 1970-71 under the above sub-head.

Rs. 35,00,000/-*

*A sum of Rs. 8,00,000/- was re-appropriated in March, 71

3. Actual expenditure incurred during 1970-71 under the above sub-head.

Rs. 40,89,765/-

APPENDIX II

MINISTRY OF FINANCE (VITTA MANTRALAYA)

(DEPARTMENT OF ECONOMIC AFFAIRS (ARTHIK KARYA VIBHAG))

Note for regularisation of excess in respect of Grant No. '25—Other Revenue Expenditure of the Ministry of Finance' (Voted) as disclosed in the Appropriation Accounts (Civil) for 1970-71.

	Rs.
Original Grant	32,24,76,000
Supplementary Grant	10,94,24,000
Final Grant	43,19,00,000
Actual Expenditure	43,52,71,060
Excess (+)	33,71,060

The original grant of Rs. 32,24,76,000 was augmented by Rs. 10,94,24,000 by obtaining Supplementary Grants during the year 1970-71. Against the final Grant of Rs. 43,19,00,000 the actual expenditure, however, amounted to Rs. 43,52,71,060 leaving an uncovered excess of Rs. 33,71,060.

2. The excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the sub-heads 'B.7 (3)-Excise Duty Schemes' (Rs. 68,44,550) and 'B.7 (4)-Corporation Tax Scheme (Rs. 1,97,28,392) under the group head 'B.7-Payments against Tax Credit Certificates', partly counter-balanced by savings chiefly under 'B.3 (1) (3)-Development Assistance to Qatar and other Trucial States', 'B.5 (1) Service and other charges in connection with purchase of dollars from I.M.F.' and 'B.7 (2)-Equity Share Schemes'. The excesses under the above sub-heads occurred mainly due to the following reasons:—

(i) Sub-head-B.7 (3)-Excise Duty Schemes (+68,44,550).

The Tax Credit Certificate (Excise Duty on Excess Clearance) Scheme, 1965 has been incorporated in Section 280 ZD of the Income Tax Act, 1961. Under the said Section any person who manufactures or produces any goods during any one or more of the five financial years from 1965-66 to 1969-70 and clears such goods for the purpose of Central Excise Duty in a quantity exceeding the quantity of goods so cleared by him during the 'base year' is entitled to a tax credit certificate. The goods in respect of which tax credit certificate is to be granted and the rate at which the amount of the certificate is to be calculated are specified in the scheme notified by the Central Government for the purpose. Under this scheme the certificates issued by the Central Authority are presented by the assessee to Income Tax Officers for adjustment/refund. Thus once a certificate is issued there is no control over its utilisation in any particular year. Consequently, it is not possible

to estimate the requirements under this sub-head precisely and the provision made for 1970-71 fell short of requirements by Rs. 68,44,550.

(ii) Sub-head B.7 (4)—Corporation Tax Scheme (+1,97,28,392).

The Tax Credit Certificate (Corporation Tax) Scheme was introduced with effect from 1st November, 1966, under the provisions of Section 280 ZB of the Income Tax Act, 1961 for enabling expansion of industry by companies engaged in important industries. Under this scheme any company engaged in the manufacture or production of any of the articles listed in the First Schedule to the Industries (Development and Regulation) Act, 1951 and liable to income tax and sur-tax if any, for any one or more of the five assessment years from 1966-67 to 1970-71 in excess of its liability to such tax for the 'base year' is entitled to a tax credit certificate for an amount equal to 20% of the excess tax liability (subject to a limit of 10% of its aggregate liability to income tax and sur-tax for the relevant year) for each one of such assessment years. A provision of Rs. 125 lakhs was made in budget estimates 1970-71 for the tax credit certificates granted and likely to be adjusted during the year. The actual payments towards amounts adjusted/refunded during the first six months of the year worked out to Rs.184 lakhs. On this basis it was estimated that the total expenditure for the year would be Rs. 300 lakhs. Accordingly, a supplementary grant of Rs. 175 lakhs was obtained in March, 1971 session of Parliament under this sub-head. The expenditure in the remaining six months, however, showed an increase leading to an excess of Rs. 1,97,28,392 under this sub-head. As an accurate forecast of the expansion etc. of industry is not possible, a precise estimate of the requirement under this sub-head is also not practicable.

3. In the circumstances explained above the excess of Rs. 33,71,060 in the grant may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India.

4. This Note has been vetted by Audit.

APPENDIX III
MINISTRY OF DEFENCE

Note for the Public Accounts Committee for regularisation of excess over Grant No. 1—Ministry of Defence as disclosed in the Appropriation Accounts (Civil) for 1970-71

	Rs.
Original Grant	1,85,68,000
Supplementary Grant	26,47,000
Total Grant	2,12,15,000
Actual Expenditure	2,15,27,480
Excess	3,12,480

The original Grant of Rs. 1,85,68,000 was augmented by Rs. 26,47,000 by obtaining a Supplementary Grant in the March, 1971 session of Parliament. Against the final Grant of Rs. 2,12,15,000 the actual expenditure, however, amounted to Rs. 2,15,27,480 leaving an uncovered excess of Rs. 3,12,480 which requires to be regularised by Parliament:

2. The overall excess of Rs. 3,12,480 is the net result of excesses and savings under the various Group sub-heads of the Grant. The excess occurred mainly under the Group sub-head 'A-1 Department of Defence' as detailed below for the reasons explained thereunder:

A-1(2)—*Interim Relief* (+ Rs. 3,27,396)

In pursuance of the recommendations contained in the interim report of the Third Pay Commission, the Government of India sanctioned 'Interim Relief' to the Central Government employees w.e.f. 1-3-1970. No provision on this account was included in the Budget estimates for 1970-71 as it was a post Budget development. Though proposals to obtain a supplementary Grant in this regard were initiated they could not be finalised in time to be included in the supplementary Demands for Grants presented to Parliament in March 1971 which resulted in excess expenditure under this sub-head.

A-1(3)—*Travelling Expenses* (+ Rs. 52,923)

Excess under this sub-head was due to unanticipated expenditure incurred on transfer of some officers of the Ministry ex-India and more expenditure on normal tours.

A-1(4)—*Other Charges* (+ Rs. 1,71,075)

The excess under this sub-head is due to more expenditure on (i) Telephones (ii) Postage (iii) Petrol etc. and (iv) other miscellaneous items of contingencies.

3. The excesses under the above sub-heads as well as minor excesses under other sub-heads were partly counterbalanced by savings under the remaining sub-heads of the Grant leaving a net excess of Rs. 3,12,480.

4. In the circumstances explained above, the overall excess of Rs. 3,12,480 which constitutes 1.47% of the Final Grant may be recommended for regularisation by Parliament in accordance with Article 115 of the Constitution of India.

Audit has seen.

APPENDIX IV

MINISTRY OF EDUCATION AND YOUTH SERVICE NOW MINISTRY OF EDUCATION AND SOCIAL WELFARE)

Note for the P.A.C. for regularisations of excess over Voted Grant No.6 Ministry of Education and Youth Services (Now Ministry of Education and Social Welfare) as disclosed in the Appropriation Accounts, Central (Civil) for the year 1970-71.

	Rs.
Original Grant	1,16,19,000
Supplementary Grant	2,91,000
	1,19,10,000
Final Grant	1,19,10,000
Actual Expenditure	1,19,36,501
Excess	26,501

The original Grant of Rs. 116,19,000 was augmented by Rs. 2,91,000 by obtaining a Supplementary Grant in the March, 1971 session of Parliament. The actual expenditure during the years, however, amounted to Rs. 119,36,501 leaving an uncovered excess of Rs. 26,501 which requires to be regularised by Parliament.

2. The excess of Rs. 26,501 which was the net result of excesses and savings under various sub-heads was mainly due to excesses under sub-heads A1 (3) Travelling Expenses and A.1(6) Expenditure on Printing Stationery as explained below:—

- (a) A.1(3) TRAVELLING EXPENSES:—(Rs.17,093) The excess under this sub-head is mainly due to (i) increase in travelling allowance rates from 1st January, 1971 (ii) adjustments of expenditure incurred during 1970-71 through the High Commission London which could not be anticipated and (iii) book adjustments in respect of the High official Requisitions issued by Railways.
- (b) A 1 (6) EXPENDITURE ON PRINTING AND STATIONERY (Rs. 36,126:—Provision is made under this Sub-head for accommodating the debits from the Controller of Stationery and Printing through pay & Accounts Officer of the Ministry of Works & Housing for various printing orders placed by this Ministry. For the year 1970-71, a provision of Rs. 4,55,000 was originally made under this sub-head. At the final estimate stage, on the basis of the progress of expenditure booked thereunder by the Accountant General, Central Revenues till March, 1971 and the statements of debits received in this Ministry upto that time from the Government of India Presses a sum of Rs. 85,000 was re-appropriated from this sub-head to other sub-heads

and a final grant of Rs. 3,70,000 was retained. Due to heavy adjustment through book debits by the accounts Officer in his March final and March Supplementary accounts the actual expenditure, however, amounted to Rs. 4,06,126 resulting in an excess of Rs. 36,126. As the adjustments were made after 31-3-71 the excess expenditure came to the notice of the Ministry too late for provision of additional funds through a Supplementary Grant.

3. This Ministry had no means of anticipating the aforesaid adjustment as the debits from the Pay & Accounts Officers, Works Housing & Supply on account of the printing charges are adjusted by the Accounts Officer *suo motu* without any formal acceptance thereof by this Ministry. The debit statements for the various jobs and also received very late from the Government of India presses and do not contain any job particulars for linking with the various orders placed by the Ministry. Steps are being taken to avoid such excesses in future.

4. The total excess of Rs. 36,126 under the above sub-head and excesses under the other Sub-heads mentioned above were partly counter-balanced by the savings under other sub-heads of the Grant leaving a net excess of Rs. 26,501.

5. In the circumstances explained above the overall excess of Rs. 26,501 which is 0.22 percent of the final grant may be recommended for regularisation under Article 115 of the Constitution of India.

This note has been seen by Audit.

APPENDIX V

MINISTRY OF EDUCATION AND SOCIAL WELFARE

Note for the P.A.C. for regularisation of excess in Grant No. 8-'Archaeology' as disclosed in the Appropriation Accounts (Civil) for 1970-71.

Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
1,63,76,000	1,64,61,927	85,927

The excess of Rs. 85,927 over the Final Grant of Rs. 1,63,76,000 which is the net result of excesses and savings under the various Group heads occurred mainly under the following Group and sub-head for the reasons explained thereunder:—

Group head/sub-head	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
(i) D-Central Archaeological Museums	9,88,400	10,42,681	+ 54,281
(ii) E-Works	2,88,900	3,49,967	+ 61,067

(i) *D. Central Archaeological Museums Rs. 54,281:—*

Due to the increasing number of thefts of antiquities from the Museums and Monuments in the country certain security measures such as strengthening of watch and ward by engaging more persons under Nominal Muster Rolls in the absence of regular staff, shifting of small and medium size antiquities from the open air enclosures to the reserve collection, were undertaken as a matter of urgency and could not be postponed. The strengthening was done during the later part of the year. This resulted in the increased expenditure. The excess was also partly due to increased expenditure on electricity and telephone charges and routine maintenance of the galleries which could not be deferred to the next year.

(ii) *Sub-Head E-Works Rs. 61,067:—*

Due to the adjustment by the Accounts Officer concerned, in March, 1971 supplementary Accounts of debit of Rs. 63,511 raised by the CPWD on account of works entrusted to them in previous years.

2. In this connection a statement showing year-wise demands made by CPWD, the provision made in the Survey's budget and the adjustments actually made by CPWD/A.G. Bihar from 1963-64 to 1970-71 is enclosed. It will be seen therefrom that it was never certain as to whether the CPWD will raise any debit in a particular year and if so, to what extent, and the actual adjustment which materialised had no relation at any time to the proposed final demand received from the CPWD authorities. During the year 1970-71 it was only at the time when the Appropriation Account was received that it was found that an amount of Rs. 63,511/- (against the proposed demand of Rs. 94,977/- by CPWD authorities which unfortuna-

tely did not reach the Surveys Headquarters Office) had been adjusted by the Accountant General, Bihar in March, 1971, supplementary account during the months of July and August, 1971 when it was too late to provide additional funds through Supplementary Grants. The total excess of Rs. 1,15,348 as mentioned above and minor excesses under other Group heads were partly counterbalanced by savings under the remaining Group heads of the Grant leaving a net excess of Rs. 85,927 in the Grant which requires to be regularised.

3. In the circumstances explained above, the overall excess of Rs. 85,927 which constitutes only 0.52% of the total Grant may kindly be recommended for regularisation by the Parliament under Article 115 of the Constitution of India.

4. This note has been vetted by the audit *vide* Accountant General Central Revenues, New Delhi letter No. RR-5/-72-73/83, dated the 6th May, 1972.

Statement showing the position of provision and adjustment of expenditure under sub-head E. Works

Financial Year	Provision proposed by C.P.W.D. in their six-monthly estimates	Provision made by Survey	Debit actually raised by A.G.	Remarks
1	2	3	4	5
	Rs.	Rs.	Rs.	
1963-64	—	1,17,800	—	—
1964-65	2,79,375 (Later reduced to Rs. 60,000)	40,000	—	No adjustment made by C.P.W.D./A.G. even though provision was demanded.
1965-66	1,00,000	1,00,000	—	-do-
1966-67	1,22,000	97,000	—	-do-
1967-68	2,23,000	79,000	1,70,913	Provision made for a lesser amount since no adjustments were made by C.P.W.D./A.G. in the earlier years although provisions were demanded.
1968-69	3,01,000 (Later reduced to Rs. 1,76,000)	1,76,000	1,92,984	Adjustment made by C.P.W.D./A.G. for an amount in excess of the provision demanded.
1969-70	2,40,000 (Later reduced to Rs. 83,812 and finally to Rs. 27,000)	—	1,19,890	The demand was uncertain and hence no specific provision was made therefor. However, the requirement was adjusted within the overall savings in the grant.
1970-71	94,977	—	63,511	Since the C.P.W.D.'s statement was not received at this end, no provision could be made.

APPENDIX VI
MINISTRY OF AGRICULTURE
DEPARTMENT OF AGRICULTURE

Note for the Public Accounts Committee for regularisation of excess in the voted portion of the Grant No. 115—'Purchase of Foodgrains and Fertilisers' as disclosed in the Appropriation Account, Central (Civil) for 1970-71.

	Rs.
Original Grant	89,87,70,000
Supplementary Grant	51,26,00,000
Final Grant	1,41,13,70,000
Actual Expenditure	1,53,03,95,875
Excess	11,90,25,875

The original Grant of Rs. 89,87,70,000 was augmented by Rs. 51,26,00,000 by obtaining a Supplementary Grant in the March, 1971 session of Parliament. Against the final grant of Rs. 141, 13, 70, 000 the actual expenditure, however, amounted to Rs. 153, 03, 95, 875, leaving an uncovered excess of Rs. 11, 90, 25, 875 which requires to be regularised by Parliament. The excess, is the net result of excesses and savings under the various sub-heads of the Grant and occurred almost entirely under the sub-head 'A.2(1)-Purchases (Voted)' (Rs. 13.39 crores) under the Group head 'A.2-Purchase of Fertilisers'. The main reasons for the excess are as explained below:-

	Final Grant	Actual Expenditure (Figures in crores of rupees)	Excess
A. 2—Purchase of Fertilisers			
A. 2(1)—Purchases			
O. 61.84			
S. 25.00			
R. 0.04	86.88	100.27	13.39

At the time of framing the revised estimates for 1970-71, provision had been made for the following supplies on the basis of contracts finalised:-

Country of import	Fertiliser	Quantity M.T.	Delivery Schedule
Poland	Urea	1,20,000	July-Sept. 70 (60000) To be decided (60000)
Bulgaria	Urea	1,50,000	July Sept-70 (40000) To be decided (110000)
U.S.S.R.	Urea	42,000	Nov. 70 to March 71
France	Urea	75,000	Upto end October 70 but extended upto March, 1971.
S. Arabia	Urea	28,750	July to Dec. 70 but extended upto end March, 1971.
Japan	Urea	3,926	October-December, 70

The shipment position of these contracts was reviewed in January, 71 at the time of going in for supplementary grant. A Supplementary Grant of Rs. 25 crores was obtained on the basis of shipments actually made/likely to be made as per known fixture during 1970-71. However, the suppliers shipped quantities over and above the quantities expected to be received in 1970-71 as detailed below resulting in excess expenditure.

Country	Quantities for which funds not provided in Suppl. grant 1970-71 (M.T.)	Shipments actually received against the same during 1970-71 resulting in excess supplies (M.T.)	Value in crores of Rupees
Poland	59,455	25,000	1.3535
Bulgaria	65,911	46,103	2.4972
U.S.R.	29,000	12,458	0.6741
France	75,000	31,676	1.8428
Saudi Arabia	28,750	25,028	0.0075 (Bank Ch. only)
Japan	3,926	3,926	0.2017
			6.5768
Add countervailing custom duty on the above shipments			0.2223
			6.7991
			OR
			6.80

Imports from Poland, Bulgaria and U.S.S.R:

The provision of funds for quantities enumerated above was not made in the supplementary grant for 1970-71 due to decision taken by this Ministry to stagger deliveries of urea from the East European countries keeping in view the stocks position with the Central Fertiliser Pool and the rate of consumption of fertilisers upto October, 1970. The M.M.T.C. through whom the contracts were placed with the East European suppliers, were requested to take up the matter with the suppliers concerned to arrange shipments of these quantities beyond March, 1971 so as to arrive in India during 1971-72 for use in kharif, 1971. There was reasonable expectation that the suppliers would agree to this. However, despite the best efforts of this Department to get the supplies deferred through the M.M.T.C., the suppliers did not agree to stagger shipments and actually effected deliveries during 1970-71. Thus this Department was faced then, with 'a *fait accompli*'.

France :

The contract originally provided delivery Schedule from September to December, 1970 which was subsequently revised to 3 months after fulfilment of clause 24(5) which is 3-12-1970. The formal amendment to the contract was issued by the I.S.M. London in January, 1971. The letter of authority for payment of 5% down initial payment to the suppliers to enable them to commence shipments was issued by the Ministry of Finance in February, 1971. The Suppliers usually take a month's time to commence shipments after necessary formalities are completed.

As such, it was expected that the supplies would be made by the suppliers towards the end of March, 1971 and no provision for this contract was, therefore, included in the supplementary grant. Contrary to expectations, however, the suppliers had already started shipments in January, 1971 and by the 1st week of March, 1971 had already shipped 31,676 M.T. These quantities had therefore, to be paid for in 1970-71 resulting in excess expenditure. This situation could not be foreseen by this Department.

Saudi Arabia :

The contract provided for shipment of fertiliser during the period from July, 1970 to December, 1970 but shipments could not take place due to non-opening of letter of credit by the Department of Supply and late issue of import licence by the Chief Controller of Imports and Exports, New Delhi, and other technical difficulties. The suppliers, therefore, requested for extension of delivery upto March, 1971 and also insisted that the port of discharge should be intimated to them before shipments were arranged by them. No shipments had materialised upto the end of January, 1971 and it was accordingly presumed that shipments under this contract would not materialise in February, 1971 for want of completion of various formalities. Hence, no funds were provided in the supplementary grant for this contract to avoid savings. As in the case of French contract, the contract was amended and the suppliers commenced shipments immediately in January-February 1971 contrary to our expectations. However, only Bank charges were booked in 1970-71 resulting in excess expenditure.

Japan :

The fixtures for a quantity of 3926 M.T. of urea from Japan under Yen credit had not been placed at the time of going in for the supplementary grant and hence no provision was made on this account. Subsequently, however, this quantity was received and payment made in the year 1970-71.

It will be seen from the foregoing facts that excess shipments occurred due to circumstances which were unforeseen. This Ministry, as a matter of caution, had not made provision for these supplies in the supplementary grant mainly to avoid savings of funds as at the time when this Ministry was going in for supplementary grant, there was no likelihood of these shipments materialising in the remaining two months, i.e. January-February, 1971. However, subsequent developments beyond the control of this Ministry belied our expectations and excess expenditure had to be incurred to pay for early arrivals.

Besides, the reasons for excess of Rs. 6.80 crores explained in the foregoing paragraphs, there was an expenditure of Rs. 6.36 crores on account of customs duty. Out of this, approximately a sum of Rs. 3.50 crores was realised by the customs authorities on fertiliser vessels at 60% basic customs duty in addition to the usual 10% customs duty; usually the Board of Indirect Taxes made *ad-hoc* exemption orders prescribing only 10%

duty. Due to late receipt of *ad-hoc* exemption orders from the Ministry of Finance, the higher duty had to be paid. Since the basic customs duty of 60% is not leviable on fertilisers imported for manurial purposes, no funds had been provided in the budget on this account. The remaining amount of Rs. 2.86 crores represents the countervailing customs duty in respect of the shipments received during 1969-70 but payment made during 1970-71 due to late receipt of debits.

The excess of Rs. 13.39 crores under the above sub-head and a minor excess under another sub-head of the Grant were counter-balanced by savings under other sub-heads of the Grant leaving a net excess of Rs. 11,90,25,875 which requires regularisation.

In the circumstances explained above, the overall excess of Rs. 11,90,25,875 may kindly be recommended for regularisation by Parliament in accordance with Article 115 of the Constitution of India.

This 'Note' has been vetted by Audit.

APPENDIX VII

MINISTRY OF FOREIGN TRADE

(VIDESH VYAPAR MANTRALAYA)

Note for the Public Accounts Committee for regularisation of excess over Voted Grant No. 34-Ministry of Foreign Trade as disclosed in the Appropriation Accounts Central (Civil) 1970-71.

	Rs.
Original Grant	53,01,000
Supplementary Grant	4,19,000
Final Grant	57,20,000
Actual Expenditure	58,60,962
Excess	1,40,962

The original grant of Rs. 53,01,000 under this Grant was augmented by Rs. 4,19,000 by obtaining a Supplementary Grant in the March 1971 session of Parliament. The actual expenditure during the year, however amounted to Rs. 58,60,962 resulting in excess of Rs. 1,40,962 requires to be regularised by Parliament.

2. The excess of Rs. 1,40,962, in this Grant is the net result of excesses and savings under the various sub-heads of the Grant. The excess occurred mainly under the Sub-head A(4) Other Charges (Rs. 1,47,319) and was due to belated adjustment of debits of previous years *i.e.* 1968-69 and 1969-70 amounting to Rs. 30,250/- and adjustment of book-debits of Rs. 1,03,667 in March final and March Supplementary 1971 Accounts for which adequate provision was not made and also due to larger expenditure on Telephones, postage and telegrams, staff car etc., which could not be avoided.

3. The excess of Rs. 1,47,319 in the above sub-head and minor excesses under other sub-heads were partly counter-balanced by savings under other sub-heads leaving an uncovered excess of Rs. 1,40,962, which requires to be regularised.

4. In the circumstances explained above the excess of Rs. 1,40,962 which constitutes only 2.46% of the total Grant may kindly be recommended for regularisation under Article 115 of the Constitution of India.

5. The 'Note' has been seen by Audit.

APPENDIX VIII

MINISTRY OF WORKS AND HOUSING

Note for P. A. C. for regularisation of excess in respect of Grant No. '39-Public Works' as disclosed in the Appropriation Accounts (Civil) for 1970-71.

	Voted	Charged
	Rs.	Rs.
Original Grant/Appropriation	42,71,61,000	37,78,000
Supplementary Grant/Appropriation	98,22,000	—
Final Grant/Appropriation	43,69,83,000	37,78,000
Actual Expenditure	48,62,54,770	39,86,063
Excess	4,92,71,770	2,08,063

A. Excess in the Voted Section of the Grant.

The original Grant of Rs. 42,71,61,000 was augmented by Rs. 98,22,000 by obtaining a Supplementary Grants in March, 1971 session of Parliament. Against the final Grant of Rs. 43,69,83,000 the actual expenditure amounted to Rs. 48,62,54,770 leaving an uncovered excess of Rs. 4,92,71,770 which requires to be regularised by Parliament. The overall excess of Rs. 4,92,71,770 in the voted section of Grant is the net result of excesses and savings under the various sub-heads of the Grant. The excess occurred mainly under the following sub-heads:-

Sub-heads	Final Grant	Actual Expenditure	Excess
(In lakhs of Rupees)			
A-Public Works :			
A.1 Original Works :			
A.1 (1)-Buildings	O. 40.00	} 57.00	62.15
A.1 (1) (2) Minor Works	S. 5.00		
(Voted)	R. 12.00		
A.2 Repairs	O. 599.90	} 624.90	644.58
A.2 (1) Buildings (Voted)	S. 25.00		
A.7 Suspense	O. 1013.41	} 962.67	1177.88
A.7(1)-Stock	S. 10.05		
A.7(1) (1) Charges	R. 60.79		
(Voted)			
A.7(2) Other Suspense Accounts	O. 1576.52	} 1637.31	1906.54
A.7(2)(1) Charges (Vote.3)	R. 60.79		

2. The reasons for the excess under the above sub-heads are briefly explained below :—

A. 1. (1). (2)—Minor Works (Rs 5.15 lakhs)

The excess is mainly due to execution of works of urgent nature, more additions and alterations to office and residential buildings and higher percentage of tenders due to fluctuations in the price of building materials.

A. 2. Repairs

A. 2 (1) Buildings (Rs. 19.68 lakhs)

The excess is mainly due to :—

- (a) increase in the cost of materials;
- (b) increase in the number of buildings to be maintained;
- (c) payment of interim relief to work charged staff;
- (d) increase in percentage rates for repairs.

A. 7 Suspense —A. 7(1) Stock—A. 7(1)(1) (1) Charges (Rs. +215.21 lakhs)

This head represents the transactions, connected with the purchase of materials, both for buildings and roads, made by the Central P. W. D. for use on various works undertaken by them. The excess was mainly due to the following :—

- (a) Receipt of more materials than anticipated ;
- (b) Increase in the cost of materials ;
- (c) 100% advance payment to suppliers of steel to avoid cancellations of the quota.
- (d) Adjustment of profit on stock account by credit to Major Head XXXVII Revenue Receipts. This was done in supplementary accounts and could not foreseen earlier.
- (e) Due to award and start of works on all the bridges and culverts in Nepal which resulted in an urgent need for more materials.

A. 7(2) Other Suspense Account :

A. 7(2) (1) Charges (Rs. 269.23 lakhs) :—

The excess was mainly due to the following reasons :—

- (i) Expenditure incurred on deposit works of Food Corporation of India and Central Warehousing Corporation, in excess of deposit received ;
- (ii) increase in prices of certain items of stock as a result of extra levy ;
- (iii) Adjustment of old cash settlement bills.
- (iv) Adjustment of more A. Gs Memos than anticipated.

B. Excess in the Charged portion of the Grant :

The excess occurred under the sub-head 'A. 2(1)—Buildings' for the reasons explained below :—

A. 2—Repairings.

A. 2(1)—Buildings (Rs. 2.19 Lakhs)

Of the total excess of Rs. 2.19 lakhs, Rs. 2.05 lakhs relate to the President's Estates. The excess is partly due to delayed booking of expenditure pertaining to 1969-70 in the Accounts for 1970-71 (Rs. 1.40 lakhs) and partly due to increased expenditure on consumption of electricity and water and on certain equipment urgently required. The expenditure is charged under Article 112(3)(a) of the Constitution of India.

The remaining excess of Rs. 0.14 lakhs which relates to C. P. W. D. was due to payment made against court decrees/awards which is charged under Article 112(3)(f) of the Constitution of India. In such cases any expenditure over and above the sanctioned appropriation can be incurred only after taking either a Supplementary Appropriation or an advance from the Contingency Fund of India. The correct procedure to be followed in such cases will be brought to the notice of all concerned to ensure that no expenditure in excess of the sanctioned Appropriation is incurred in future.

3. The excess under the above sub-heads and minor excesses under certain other sub-heads were partly countered balanced by savings under other sub-heads of the Grant leaving a net excess of Rs. 2,08,063 (Charged) and Rs. 4,92,71,770 (Voted) as a whole in the Grant.

4. In the circumstances explained above the excess of Rs. 2,08,063 (Charged) and Rs. 4,92,71,770 (Voted) may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India.

(This Note has been vetted by Audit.)

Further Information :

- (i) The expenditure incurred on deposit works of Food Corporation of India and Central Warehousing Corporation in excess of deposits received was Rs. 58,80,633.
- (ii) Para 13-4.3 of C. P. W. A. Code provides that expenditure incurred in excess of the deposits received should be transferred to the head "Miscellaneous Public Works Advances" to watch the recovery therefor. The fact that there is a procedure prescribed for watching the recovery of excess expenditure incurred on deposit works, would seem to indicate a contingency of incurring expenditure in excess of the deposits. In short, the incurring of such excess expenditure is not prohibited.

A copy of para 13-4.3 is placed below for reference.

Central Public Works Account Code II Edition 1965.

Para 13-4.3 : Outlay on Deposit works is required to be limited to the amounts of deposits received. Any expenditure on deposit works incurred in excess of the amount deposited is chargeable to 'Miscellaneous Public Works Advances' pending recovery to effect which action should be taken at once.

APPENDIX IX

MINISTRY OF WORKS AND HOUSING

Note for the P. A. C. for regularisation of excesses in respect of Grant No. 119-Delhi Capital Outlay as disclosed in the Appropriation Accounts (Civil) for the year 1970-71

(In Rupees)					
	Final Grant Appropriation	Rs.	Actual Expenditure	Rs.	Excess Rs.
<i>Voted :</i>					
Original	6,47,50,000	6,47,51,000	6,72,52,649		25,01,649(A)
Supplementary	1,000				
<i>Charged :</i>					
Original	17,50,000	17,50,000	28,12,815		10,62,815(B)

I. A. Excess in the voted Portion of the Grant

The original grant of Rs. 647,50,000 was augmented by a token supplementary Grant of Rs. 1000 in the March 1971 session of Parliament. Against the final grant of Rs. 6,47,51,000 the actual expenditure amounted to Rs. 6,72,52,649 leaving a net excess of Rs. 25,01,649 in the Voted Section. This excess, which is the net result of excesses and savings under the various sub-heads of the Grant, occurred under the sub-heads 'A-1 (1) Housing' (Rs. 18.54 lakhs) and 'A-1 (2) —Other Civil Buildings' (Rs. 16.09 lakhs) of the Grant as explained below :—

2. A-1 (1)—Housing Major Works :

	Rs.
Final Grant	2,56,21,411
Actual Expenditure	2,74,75,791
Excess	18,54,380

Of this excess, Rs. 16,01,767 was mainly due to the local purchase of steel for certain items of work and accelerated progress of other works as shown in the list of works attached at Annexure 'A'. The balance of Rs. 2,52,613 was due to misclassification in accounts. This misclassified amount was correctly adjustable under the sub-head 'A 1(2)—Other Civil Buildings'. This misclassification could not be detected in time. However, this does not affect the overall excess in the voted portion of the Grant.

3. A.1 (2) *Other Civil Buildings:*

	Rs.
Final Grant	3,09,56,000
Actual Expenditure	3,25,64,602
Excess	16,08,602

The excess under this sub-head was mainly due to the following factors :-

- (i) Increased expenditure amounting to Rs. 15,13,011 due to the accelerated progress of certain works as shown in Annexure 'B'.
- (ii) Misclassification of Rs. 3,48,204 relating to the expenditure on execution of work in Rashtrapati Bhawan viz. Air-conditioning of Loggia attached to Banquet Hall to Rashtrapati Bhawan' as Voted expenditure instead of as a 'Charged' expenditure. The expenditure is charged on the Consolidated Fund of India under Article 112(3)(a) of the Constitution of India. As the misclassification came to notice after the accounts for 1970-71 had been closed it could not be got rectified in accounts. In terms of para 7 of the 16th Report of the P. A. C. (First Lok Sabha) this misclassified amount is required to be excluded from the scope of regularisation in so far as the excess in the Voted portion is concerned. But as regards the 'Charged' portion there is an excess of Rs. 10,62,815 disclosed in the Appropriation Accounts (Civil) 1970-71 requiring regularisation which will be further increased by Rs. 3,48,204 on the basis of the recommendations of the P. A. C. referred to above.

4. The excess of Rs. 34.63 lakhs under the above sub-heads was partly counterbalanced by saving under other sub-heads leaving an uncovered excess of Rs. 25,01,649 requiring regularisation. After excluding the excess of Rs. 3,48,204 referred to above, the net overall excess in the Voted portion of this Grant requiring regularisation works out to Rs. 21,53,445.

B. *Excess in the Charged portion of the Grant*

5. The excess of Rs. 10,62,815 in the Charged portion which is the net result excesses and saving occurred mainly under the sub-heads 'A-(1)—Housing' and 'A-1(2)—Other Civil Buildings' as explained below :—

A.1(1) *Housing:—*

	Rs.
Final Appropriation	3,00,000
Actual expenditure	6,13,902
Excess	3,13,902

The excess of Rs. 3,13,902 has occurred due to :—

- (i) Payments made in satisfaction of certain Arbitration Awards/ Court Decrees (Rs. 2,50,274) which are 'charged' on the Consolidated Fund of India under Article 112(3) (f) of the Constitution of India. The expenditure was expected to be met out of anticipated savings within the charged portion of the sanctioned

grant. This expectation did not, however, materialise due to execution of some important and inescapable works .

(ii) Payment of some pending bills for which no provision was made (Rs. 63,628).

A.1(2) Other Civil Buildings:

	Rs.
Final Appropriation	14,00,000
Actual Expenditure	20,86,846
Excess :	6,86,846

The excess of Rs. 6,86,846 and expenditure amounting to Rs. 3,48,204 misclassified as 'Voted' instead of as 'Charged' as explained in para 3(ii) above, were due to execution of work "Air-conditioning of Loggia attached to the Banquet Hall of Rashtrapati Bhavan". This item of work was not provided for in the Budget as the item was sanctioned only in January, 1971. As the work was very urgent and inescapable, it could not be held up and hence resulted in excess expenditure.

6. The excess of Rs. 10,00,748 under the above sub-heads together with an excess of Rs. 64,914 under the sub-head 'A-2 Establishment Charges paid to other Governments/Departments' were counter-balanced by a minor saving of Rs. 2,847 under 'A-3 Tools and Plant' leaving an uncovered excess of Rs. 10,62,815. After adding Rs. 3,48,204 misclassified as 'Voted' instead of as 'Charged' expenditure as explained in para 3(ii) above, the actual excess under 'Charged' section requiring regularisation works out to Rs. 14,11,019.

7. After excluding the excess of Rs. 3,48,204 referred to in para 3(ii) above, the net overall excess in the Voted portion of this Grant works out to Rs. 21,53,445. And correspondingly adding Rs. 3,48,204 correctly adjustable under 'Charged' section referred to in para 5 above, the net overall excess in the Charged portion comes out to Rs. 14,11,019.

8. In the circumstances explained above, the excess of Rs. 21,53,445 in the 'Voted' portion and Rs. 14,11,019 in the 'Charged' portion of the Grant may kindly be recommended for regularisation under Article 115 of the Constitution of India.

This Note has been vetted by Audit.

ANNEXURE 'A'

List of works which account for excess expenditure during 1970-71 under sub-head 'A-1 (1)---Housing' on Account of Accelerated Progress of Works and Local purchase of Steel.

Name of the work	Final Allotment	Actual Expenditure	Excess Expenditure over final allotment	Remarks
1	2	3	4	5
	Rs.	Rs.	Rs.	
<i>Non Plan</i>				
1. Residential accommodation of National Academy of Administration	9,00,000	11,12,338	2,12,338	Good progress of work and Local purchase of steel.
<i>Plan</i>				
2. Construction of 451 Type II, 96 Type III Qrs. 205 Type IV Qrs. in Ramakrishnapuram	23,00,000	25,94,093	2,93,093	-do-
3. Construction of 32 Type II and 144 Type IV in General Pool, Ramakrishnapuram.	13,00,000	17,09,260	4,09,260	Accelerated progress of work.
4. Construction of 80 Type IV Qrs. (4 storeyed) 8 Type V (2 storeyed) in R.K. Puram.	7,00,000	8,77,209	1,77,209	-do- and Local purchase of Steel.
5. Construction of 128 Type III and 16 Type IV in N.H. IX, Ramakrishnapuram.	17,80,000	19,72,648	1,92,648	Good progress of work.
6. Redevelopment of Pockets in DIY and DIZ area (35 acres) handed by New Peshwa Road and Mandir Marg etc.	5,50,000	7,48,204	1,98,204	Payment of Service connection to N.D.M.C.
7. Construction of 136 Qrs. in 4-storeyed Block in existing vacant pocket of Tyhagaraja Nagar.	11,00,000	11,55,574	55,574	Good progress of work.

1	2	3	4	5
8. Construction of 224 Qrs. of Type II, III and IV at Proby Road and 160 type III Qrs. Timarpur.	Rs. 3,91,500	Rs. 4,56,809	Rs. 65,309	Good progress of work.
			16,03,635	
	Petty Savings (—)		1,868	
			16,01,767	

ANNEXURE 'B'

List of works which account for excess expenditure during 1971-72 under Sub-head A1 (2) Other Civil Buildings on account of Accelerated progress of work.

Name of the work	Final Allotment	Actual Expenditure	Excess Expenditure over final allotment	Remarks
1	2	3	4	5
	Rs.	Rs.	Rs.	
<i>Plan</i>				
1 Construction of Multistoreyed Office Building - Plot No. 35	47,43,000	50,55,868	3,12,868	Due to late award of work, progress of the work could not be achieved according to the time schedule during 1969-70. The Miny. of Defence desired early completion and hence the progress had to be expedited during the year 1970-71. Moreover, the work done by the contractor had to be paid for as per terms of the contract to avoid contractual complications. The excess was thus inevitable.
<i>Non Plan</i>				
2 Development of Shanti Van Ph. I and II.	16,15,000	22,13,736	5,98,736	These works are very important works in which all the high dignitaries were interested in early completion. Most of the works were in progress during 1970-71 and it was not possible to slow down their progress. Moreover, definite targets had been laid down for the achievements during the year and hence excess was unavoidable.
3 C.R.P. Works, New Delhi.	31,69,000	38,39,928	6,70,928	Urgent work.
			15,82,532	
Petty savings on Misc. items			() 69,521	
			15,13,011	

APPENDIX X

MINISTRY OF HOME AFFAIRS

Note for the Public Accounts Committee for regularisation of Excess in the Voted Section of Grant No. 42—Ministry of Home Affairs, as disclosed in the Appropriation Accounts (Civil) for 1970-71.

Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
1,84,85,000	1,90,52,599	5,67,599

The excess of Rs. 5,67,599 which is the net result of excesses and savings under the various sub-heads of the grant occurred mainly under the following sub-heads under the Group Sub-head 'A' Secretariat, for the reasons explained thereunder :

A. 1(1)—Establishment Charge (- Rs. 1,40,294)

The excess under this head occurred due to inadvertant omissions of certain figures of expenditure relating to overtime allowances & Children Education Allowance etc. at the time of computing the final requirement of the grant. This resulted in lesser provision of funds under the head "Other allowances" than the actual requirement.

A. 1(4) - Other Charges (- Rs. 5,33,096)

The excess is mainly due to unanticipated adjustments of debits for Police Medals, Bharat Ratna, Padma Shri & other series of medals etc. (Rs. 3,18,210). The excess was also partly due to more expenditure on law charges and telephone charges relating to previous years. It may be stated that most of the adjustments were carried out after the close of the financial year when it was too late to provide funds through Supplementary Demands for Grants.

The excess of Rs. 6,73,391 under the above sub-heads and a minor excess under another sub-head of the Grant were partly counter-balanced by savings under other heads leaving a net excess of Rs. 5,67,599 which requires to be regularised.

In the circumstances explained above the excess of Rs. 5,67,599 in the Grant which constitutes 3.07 per cent of the final Grant may kindly be recommended for regularisation by the Parliament under Article 115 of the Constitution.

This note has been vetted by Audit.

APPENDIX XI

MINISTRY OF HOME AFFAIRS

Note for the Public Accounts Committee for regularisation of excess of Rs. 10,449 in Grant No. 43 'CABINET' as disclosed in the Appropriation Accounts (Civil) 1970-71.

	Rs.
Original Grant	73,66,000
Supplementary Grant	6,07,000
Total Grant	79,73,000
Actual Expenditure	79,83,449
Excess	10,449

The original provision of Rs. 73,66,000 under this Grant was augmented by Rs. 6,07,000 by obtaining a Supplementary Grant in the March 1971 session of Parliament. Against the final grant of Rs. 79,73,000 the actual expenditure amounted to Rs. 79,83,449 leaving an uncovered excess of Rs. 10,449 which requires to be regularised.

2. The excess which is the net result of excesses and savings under the various sub-heads of the Grant occurred mainly under the Group Sub-head 'A.3 Tour Expenses' under the Group head 'A Council of Ministers' for the reasons explained below :

Major Head & Sub-head	Final Grant	Actual Expenditure	Excess (-) Saving (+)
	Rs.	Rs.	Rs.
<i>A Council of Ministers</i>			
<i>A.3 Tour Expenses</i>			
A.3 (1) Travelling Expenses	16,58,000	16,59,221	1,221
A.3 (2) Payments to Rlys & Detence Dents	1,17,000	2,29,946	1,12,946

The expenditure on tour expenses of the Ministers Dy. Ministers is of an extremely fluctuating nature and depends on the nature and number of tours undertaken by Ministers Deputy Ministers which are necessitated by exigencies of work and the internal and external situation. The circumstances vary from year to year and again from time to time in the same year. Thus, it is very difficult to estimate precisely the requirement of funds for the purpose before the commencement of the year nor does the trend of the expenditure during a part of the year give an entirely correct indication of the expenditure during the remaining part of the year. In the circumstances, the budget provision for the purpose is made on the basis of the trend of actuals during the past years. The following table

will show the actual expenditure on Tour Expenses including payment to Railways and Defence Departments during the past few years :—

Year	Expenditure on Tour Expenses
	Rs.
1966-67	14,07,629
1967-68	10,58,700
1968-69	20,56,236
1969-70	18,61,510

Accordingly, during the year 1970-71, a provision of Rs. 16,00,000 was made in the original budget estimates as under:—

	Rs.
A.3(1) Travelling Expenses	14,40,000
A.3(2) Payments to Railways & Defence Departments	1,60,000
	16,00,000

When the position of the grant was reviewed in February 1971, in the light of the actuals for the first 8 months and estimated expenditure for the remaining 4 months, it was estimated that the requirements under A.3—Tour Expenses during the year 1970-71 would not exceed the sanctioned budget grant of Rs. 16,00,000.

The final review of the grant on the basis of the actuals for the first 10 months and estimated expenditure during the last 2 months revealed in March, 1971, that the total requirement for Tour Expenses of the Ministers/Deputy Ministers would amount to roughly Rs. 17,75,000 as indicated below :—

	Rs.
(a) Actuals for the first 10 months	12,55,000
(b) Anticipated expenditure for the remaining 2 months	5,20,000
	17,75,000

Necessary provision was made accordingly by re-appropriation of funds.

Upto and including the expenditure booked during March, 1971, the total expenditure under the Group sub-head A.3—Tour Expenses was Rs.15,60,221 against the final grant of Rs. 17,75,000 and upto that stage, there was no indication of any likely excess against the sub-head.

When the appropriation account was received in September, 1971, it was observed that an amount of Rs. 2,29,946 has been adjusted against the Sub-head A. 3(2) Payments to Railway & Defence Departments against the final grant of Rs. 1,17,000 resulting in an excess of Rs. 1,12,946. The excess occurred due to adjustment of certain debits during March (F) and March (Sy) accounts which were not reflected in the monthly statements and statements for anticipated debits received from the Ministries including a debit for Rs. 83,872 received from the Controller of Defence Accounts (AF)

The above excesses were partly offset by savings under the other sub-heads of the Grant leaving a net excess of Rs. 10,449 in the grant which requires to be regularised.

In the circumstances explained above, the excess of Rs. 10,449 which is 0.15 per cent only of the Final Grant may kindly be recommended for regularisation by the Parliament under Article 115 of the Constitution.

This note has been vetted by Audit.

APPENDIX XII

GOVERNMENT OF INDIA MINISTRY OF HOME AFFAIRS

Note for Public Accounts Committee for regularisation of the excess in respect of Grant No. 45-Police (Voted) as disclosed in the Appropriation Accounts (Civil) for 1970-71.

Original Grant (Rs.)	Supplementary Grant (Rs.)	Final Grant (Rs.)	Actual expenditure (Rs.)	Excess
69,08,09,000	8,29,37,000	77,37,46,000	78,21,78,443	84,32,443

2. The original Grant of Rs. 69,08,09,000 was augmented by Rs. 8 8,29,37,000 by obtaining a Supplementary Grant in the March/1971 session of Parliament. Against the final Grant of Rs. 77,37,46,000 the actual expenditure amounted to Rs. 78,21,78,443 leaving an uncovered excess of Rs. Rs. 84,32,443. This excess is the net result of excesses and savings under the various subheads of the Grant and occurred mainly under the sub-head F. 6-Charges paid to other Governments, Departments, etc. as explained below :-

F. Miscellaneous		(Rs. in lakhs)		
F.6--Charges paid to other Governments, Departments etc.		Final Grant	Actual expenditure	Excess
O. 2,71.52	}	1,90.29	2,78.06	87.77
R. —81.23				

An amount of Rs. 271.52 lakhs was provided under this sub-head. Later, on anticipating less expenditure due to non-payment of the arrear to the Government of Punjab on account of non-receipt of audit certificates (Rs. 64.38 lakhs) and less expenditure anticipated on account of facilities granted to police battalions in Jammu and Kashmir on the basis of past actuals (Rs. 38.00 lakhs), an amount of Rs. 81.23 lakhs was found surplus and was re-appropriated from this head to other heads leaving a final provision of Rs. 1,90.29 lakhs under this sub-head. The actual expenditure, however, amounted to Rs. 278.06 lakhs resulting in an excess of Rs. 87.77 lakhs which was mainly due to the reasons explained below :-

(i) It was intimated by the Ministry of Defence to this Ministry in July 1970 that an expenditure of Rs. 37,28,174 had been incurred by them on the grouping operation of the Mijo Hills Districts undertaken by the Army during the year 1966-67 and 1968-69. This expenditure is reimbursable by the Ministry of Home Affairs to the Ministry of Defence. Of this expenditure, a sum of Rs. 507,936 had been reimbursed to the Ministry of Defence

in two instalments in the previous years leaving a balance of Rs. 32,20,230 still to be reimbursed. Approval to the reimbursement of this amount was issued in October, 1970. Subsequently, it came to notice that the sum of Rs. 2,37,703 sanctioned for re-imbursement to the Ministry of Defence in this connection during 1969-70 was not adjusted in the A.G.'s Office in the account of 1969-70. Thus a provision for this amount (Rs. 2,37,703) and the balance amount to be re-imbursed during 1970-71 (Rs. 32,20,238) totalling a sum of Rs. 34,58,000 (roundly) was retained under the head F.6-Charges paid to other Governments, Departments etc., in the account of 1970-71. However, when the Appropriation Account was received, it was found that the Ministry of Defence had raised a debit of Rs. 62,65,931 on this account leading to an excess adjustment Rs. 28.08 lakhs. It was not possible to make provision to cover this adjustment at that stage.

(ii) In the absence of any information regarding the expenditure to be incurred on the facilities granted to the various police battalions to Jammu and Kashmir by the Defence authority during a particular year provision for the purpose is made on the basis of the expenditure incurred during the previous year. During the year 1969-70 an expenditure of Rs. 1,95,194 only was incurred for the purpose. Thus a provision of Rs. 2.00 lakhs was finally retained on this account during 1970-71. After the close of the year, however, it was found that the Defence authorities had raised a debit of Rs. 7.78 lakhs i.e., Rs. 5.88 lakhs in excess of the provision retained. It was then too late to provide funds to cover this excess.

(iii) Defence authorities also raise debit direct against this Ministry for the expenditure incurred by them on the facilities granted to the Jammu and Kashmir Militia. No estimate of the expenditure to be incurred in a particular year is received from any authority and provision on this account is made on the basis of the actuals of the past years and the trend of expenditure during a particular year. The expenditure on this account during 1968-69 and 1969-70 was Rs. 1,65,75,997 and Rs. 1,67,35,804 respectively. The expenditure upto the end of January, 1971 was Rs. 1,17,16,715 which works out roughly to Rs. 12 lakhs per month. A provision of Rs. 30 lakhs over and above the expenditure incurred during the first 10 months i.e. a total of Rs. 1,47,17,000 (Rs. 1,17.17 lakhs and Rs. 30.00 lakhs) was, therefore, made for the year 1970-71. When the Appropriation Account was received, it was found that the Defence authorities had raised a debit of Rs. 70,98,676 for the expenditure during the last two months of the year against our estimation of Rs. 30 lakhs bringing the expenditure on this account to Rs. 1,88,15,391 against the final provision of Rs. 1,47,17,000. This has resulted in an excess of Rs. 40,98,391. As the adjustments on this account were made after the close of the financial year, it was not possible to provide funds to cover this excess also.

(iv) An excess of Rs. 7.50 lakhs has occurred due to belated adjustment relating to the year 1968-69 in the account of 1970-71.

3. Besides the excess of Rs. 87.77 lakhs explained above, there were excesses of Rs. 7.09 lakhs and Rs. 7.90 lakhs under the sub-heads 'E.2(5)--Stores and Equipment' and 'E.2(8)--Arms and Ammunition', respectively, under the group sub-head 'E.2-Border Check Posts'. These excesses were mainly due to unexpected supply of stores and equipment and Arms and

Ammunition at the fag end of the year by the Defence authorities. As the debits in this regard were raised and adjusted after the close of the financial year, it was not possible to provide funds to cover the same. These excesses were, however, partly offset by savings under other sub-heads under the group sub-head 'E.2-Border Check Posts' bringing the net excess under this Group Sub-head to Rs. 5.67 lakhs.

4. The abovementioned excesses and minor excess under other sub-heads were partly offset by savings under various other sub-heads leaving a net excess of Rs. 84,32,443 in the grant which requires regularisation.

5. In the circumstances explained above, it is requested that the excess of Rs. 84,32,443 may kindly be recommended for regularisation by Parliament under article 115 of the Constitution.

This note has been vetted by the audit.

APPENDIX XIII

MINISTRY OF HOME AFFAIRS

Note for Public Accounts Committee for regularisation of excess in the 'Voted' Section of Grant No. 48-Privy Purses and Allowances of Indian Rulers' as disclosed in the Appropriation Accounts (Civil) for 1970-71.

Original Grant	Rs. 1,51,000
Supplementary Grant	Rs. 24,000
Total Grant	Rs. 1,75,000
Actual Expenditure	Rs. 2,02,825
Excess	Rs. 27,825

The Original Grant of Rs. 1,51,000 was augmented by Rs. 24,000 by obtaining a Supplementary Grant in the March, 71 session of the Parliament. However, against the final grant of Rs. 1,75,000 the actual expenditure amounted to Rs. 2,02,825 leaving an uncovered excess of Rs. 27,825 which requires to be regularised. The estimates and final grant are fixed on the basis of the information furnished by the various Accounts Officers who in turn base them on the trend of past and current actuals and such other information as may be available with them. Supplementary grant is obtained on the basis of 8 monthly estimates. The eight monthly estimates received from the various Accountants General revealed an additional requirement of Rs. 24,000 under the sub-head A-4-Allowances to Relations etc. of the former Indian Rulers. A Supplementary grant for this amount was accordingly obtained. The concerned Accountants General, however, enhanced their requirement under this sub-head subsequently when it was too late to augment the provision further. This has resulted in the excess under this sub-head.

In the circumstances explained above the excess of Rs. 27,825 in this Grant may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India.

This note has been vetted by the audit.

APPENDIX XIV

GOVERNMENT OF INDIA MINISTRY OF HOME AFFAIRS

Note for Public Accounts Committee for regularisation of excess over Grant No. 51-Chandigarh (Voted) as disclosed in the Appropriation Accounts (Civil) for 1970-71

Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.	Rs.	Rs.
7,22,80,000	47,89,000	7,70,69,000	7,73,74,877	3,05,877

The original provision of Rs. 7,22,80,000 in the voted section of this Grant was augmented by Rs. 47,89,000 by obtaining a Supplementary Grant in March, 1971 session of Parliament. Against the final Grant of Rs. 7,70,69,000 the actual expenditure, however, amounted to Rs. 7,73,74,877 leaving an uncovered excess of Rs. 3,05,877 which requires to be regularised. The excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the following sub-heads for the reasons explained below :

B. Administrative Services

	Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
B.4—Police			
B.4(2)—Miscellaneous :			
B.4(2)(1)—Forensic Science Laboratory, Chandigarh	3,22,800	5,87,743	2,64,943
G. Miscellaneous :			
G.1—Stationery & Printing :			
G.1(2)—Purchase of Stationery	30,67,000	42,92,434	12,25,434
B.4(2)(1)—Forensic Science Laboratory, Chandigarh			(+) 2,64,943

No funds were provided during 1970-71 for the purchase of infrared-spectrophotometer ordered by the Chandigarh Administration through the D.G.S.& D. for the Forensic Science Laboratory, Chandigarh on the consideration that the debit for the above equipment would be adjusted in 1971-72, and accordingly a provision of Rs. 3,50,000 was included in the B.E. 1971-72. However, the debit was adjusted in the accounts of 1970-71 itself, resulting in the above excess.

G. 1 (2)-Purchase of Stationery + Rs. 12,25,434

The excess under this head occurred due to the following reasons :—

- (i) Raising of debits by Pay and Accounts Officer in March, 1971 (Final accounts) amounting to Rs. 2.39 lakhs for supplies of paper pertaining to the years 1966-67, 1968-69 and 1969-70.
- (ii) Receipt during 1970-71 from the Mills of supply of paper ordered during 1969-70 and for which provision was made during that year and raising of debits therefor by the Pay & Accounts Officer in March, 1971 (Final Accounts). This resulted in an excess of Rs. 7 lakhs.
- (iii) Raising of debits amounting to Rs. 3.15 lakhs in the accounts for 1970-71 by the Pay and Accounts Officer for 95% of payments for supplies of paper received during 1971-72 (April, 1971) on the basis of despatch advices sent to him direct by the Paper Mills during 1970-71 (March, 1971). This resulted in an excess of Rs. 3.15 lakhs.

The above debits were not expected to be adjusted during 1970-71 and the adjustments made came to the notice of the Ministry too late to provide additional funds for this purpose.

The above excesses amounting to Rs. 14,90,377 and minor excesses under other sub-heads were partly counter-balanced by savings under the remaining sub-heads of the Grant leaving a net excess of Rs. 3,05,887.

In the circumstances explained above, the over all excess of Rs. 3,05,877 which constitutes 0.4 per cent only of the final Grant may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India, 1950.

This note has been vetted by Audit.

APPENDIX XV

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

Note for Public Accounts Committee for regularisation of excess over voted Grant No. 59-Tribal Areas as disclosed in the Appropriation Accounts (Civil), 1970-71.

Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.	Rs.	Rs.
27,75,65,000	84,57,000	28,60,22,000	29,10,03,977	49,81,977

The original provisions of Rs. 27,75,65,000 was augmented by Rs. 84,57,000 by obtaining a Supplementary Grant in the March, 1971 session of Parliament. Against the final Grant of Rs. 28,60,22,000 the actual expenditure amounted to Rs. 29,10,03,977 leaving an uncovered excess of Rs. 49,81,977 which requires to be regularised by Parliament.

The excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the following sub-heads for the reasons explained below :—

Sub-head	Final Grant	Actual Expenditure (Figures in Rupees)	Excess
A. Administrative Services			
A.2—Police :			
A.2(1) Frontier Constabulary and Militia :			
A.2(1)(1)—Assam Rifles :			
A.2(1)(1)(3)—Arms & Ammunitions			
O. 40,00,000	45,02,000	1,22,57,505	(+) 77,55,505
R. 5,02,000			

The excess is due to adjustment in March (Supplementary) 1971 Accounts, of book debits inclusive of liabilities of past years raised by the Defence Accounts Officer concerned after the close of the financial year when it was too late to provide necessary funds for the purpose.

A. 2(1) (1) (5)-Purchase & Maintenance etc. of Mechanical Transport			
O : 50,00,000			
R : (—) 1,41,000	48,59,000	59,51,219	(+) 10,92,219

The excess is mainly due to (i) adjustment of debits pertaining to the years 1965-66, 1967-68 and 1969-70 for supply of vehicles which were raised only in June, 1971 i.e. after the close of the financial year when it was too late to provide funds for the purpose and (ii) increase in the expenditure on repairs of vehicles and on Petrol, Oil and Lubricants on account of unanticipated movement of troops.

A. 2(1) (1) (6)-Stores and Equipment

O. 1,20,00,000

R. (—) 6,96,000 1,13,04,000 1,54,01,124 +40,97,124

The excess is due to adjustment in the accounts for 1970-71 of book debits for the years 1968-69 and 1969-70 raised by CDA in June, 1971 after the close of the financial year.

A. 2(1) (1) (8)-Rations

O. 3,57,00,000

R. 68,000 3,57,68,000 4,21,98,805 +64,30,805

The excess is mainly due to (a) adjustment in the accounts for 1970-71 of book debits for the year 1969-70 raised by CDA in June, 1971 after the close of the financial year without prior intimation to the concerned Assam Rifles Units and (b) fluctuations in rates of rations and transportation charges for which exact requirement could not be assessed accurately.

It is, however, stated that a liability Register is maintained to watch the progress of adjustment of past liabilities and for making provisions of funds at the appropriate time. However, it is found that debits for all accepted bills are not raised and adjusted during the year resulting in lapsing of funds if provided in full. In view of this, provision in the budget is limited to foreseeable bills that are likely to be adjusted during the year. However as most of the bills were adjusted through debits raised in Supplementary Accounts when adequate provision could not be made, it has resulted in excess.

The above excesses amounting to Rs. 1,93.76 lakhs and minor excesses under other sub-heads were partly counterbalanced by savings under the remaining sub-heads of the Grant bringing down the net excess in the Grant as a whole to Rs. 49.81,977 which requires to be regulated.

In the circumstances explained above the overall excess of Rs. 49,81,977 which constitutes only 1.74% of the final Grant may kindly be recommended for regularisation by Parliament in accordance with Article 115 of the Constitution.

This has not been vetted by audit.

APPENDIX XVI

GOVERNMENT OF INDIA MINISTRY OF HOME AFFAIRS

Note for the Public Accounts Committee for regularisation of the excess over Voted Grant No. 54-Dadra and Nagar Haveli Area as disclosed in the Appropriation Accounts (Civil) for the year 1970-71.

Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.	Rs.	Rs.
68,46,000	11,65,000	80,11,000	82,44,505	2,33,505

The original Grant of Rs. 68,46,000 under this Grant was augmented by Rs. 11,65,000 by obtaining a Supplementary Grant in March, 1971 session of Parliament. Against the final Grant of Rs. 80,11,000 the actual expenditure amounted to Rs. 82,44,505 leaving an uncovered excess of Rs. 2,33,505 which requires to be regularised. The over-all excess is the net result of excesses and savings under the various sub-heads of the Grant. The excess occurred mainly under the following sub-heads for the reasons explained thereunder :—

	Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
C. Social and Development Services:			
C.4—Agriculture :			
C.4(2)—Experimental Farms:			
C.4(2)(4)—Other Schemes	5,74,900	7,52,240	1,77,340

The provision under this head is being utilised by three different Departments of the Dadra and Nagar Haveli Admn. viz. the Agriculture Office, the Soil Conservation Division and the Minor Irrigation Division. The overall control of this provision rests with the Agriculture Office. Adjustments relating to the cost of Minor Irrigation Works completed during the year 1970-71 were sought to be adjusted by the Minor Irrigation Division by book adjustment and the A.G. carried out the adjustment in the accounts of the same year (1970-71). But due to lack of proper co-ordination between Agriculture Office and the Minor Irrigation Division the actual requirement of funds by the Minor Irrigation Division could not be taken into account at the appropriate time for making necessary provision of funds resulting in excess. The Collector, L & NH Admn. has since taken necessary steps to avoid recurrence of such a situation in future.

E. *Public Works (including Roads) and Schemes of Miscellaneous Public Improvements.*

E.1—Public Works

E.1(5)—Suspense.

E.1(5)(2)—Other Suspense Accounts	—	3,77,408	3,77,408
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The excess is due to the fact that the Dadra & Nagar Haveli Administration has been following, under some misapprehension the system of "net budgeting" instead of "gross budgeting" while operating this head. Under the gross budgeting system when purchases of materials are made on credit, this head is credited and when supplies are paid subsequently, it is debited. Provision is to be made in the Budget for the debits and credits shown below the line as recoveries. As the Administration did not follow this principle at the time of framing estimates and as they did not anticipate any net expenditure under this head, no provision was made in the budget for the purpose. The Appropriation Accounts, however, reveal an excess of Rs. 3,77,408 under this head, as booking of expenditure on purchase of stores under this head on gross basis was made by the A.G.

The above excesses amounting to Rs. 5,54,784 and minor excesses under other sub-heads were partly counterbalanced by savings under the remaining sub-heads of the Grant leaving a net excess of Rs. 2,33,505 in the Grant which requires to be regularised.

In the circumstances explained above the overall excess of Rs. 2,33,505 may kindly be recommended for regularisation by Parliament under article 115 of the Constitution of India.

This note has been vetted by Audit.

APPENDIX XVII

MINISTRY OF INFORMATION & BROADCASTING

Note for the P.A.C. for regularisation of excess over Voted Grant No. '61-Mintistry of Information and Broadcasting' as disclosed in the Appropriation Accounts, Central (Civil) for the year 1970-71

	Rs.
Original Grant	26,16,000
Supplementary Grant	2,89,000
Final Grant	29,05,000
Actual Expenditure	29,15,818
Excess	10,818

The original Grant of Rs. 26,16,000 was augmented by Rs. 2,89,000 by obtaining a Supplementary Grant in the March, 1971 session of Parliament. The actual expenditure during the year however, amounted to Rs. 29,15,818 leaving an uncovered excess of Rs. 10,181 which requires to be regularised.

2. The overall excess of Rs. 10,818 which is the net result of excesses and savings under the various sub-heads of the Grant occurred mainly under the sub-head 'A.1(3)—Travelling Expenses' (Rs. 17,052). The original provision of Rs. 1,18,000 under this sub-head was augmented by Rs. 13,000 by obtaining supplementary Grant in March, 1971 to meet the expenditure on foreign tours of officers which were not visualised at the time of framing budget estimates. But due to increased expenditure on foreign tours and adjustment of certain bills of I.A.C. towards the close of the year the final provision proved inadequate resulting in an excess of Rs. 17,052 under this sub-head.

3. The excess of Rs. 17,052 under the above sub-head and minor excesses under sub-heads 'A1(4)—Other Charges' (Rs. 2,937) and 'B 1-Hospitality and Entertainment Expenses' (Rs. 2,168) were partly counter balanced by savings under other sub-heads of the Grant leaving a net excess of Rs. 10,818.

4. In the circumstances explained above, the overall excess of Rs. 10,818 which is only 0.37% of the Grant may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India.

This note has been vetted by Audit.

APPENDIX XVIII

MINISTRY OF LABOUR AND REHABILITATION

*Note for the PAC for regularisation of excess over Voted Grant No. 127—
Capital Outlay of the Ministry of Labour, Employment and Rehabilitation
as disclosed in the Appropriation Accounts (Civil) for 1970-71—*

	Rs.
Original Grant	5,55,47,000
Supplementary Grant	1,78,86,000
Final Grant	7,34,33,000
Actual Expenditure	7,34,95,335
Excess	62,335

2. The original Grant of Rs. 5,55,47,000 was augmented by obtaining supplementary Grants of Rs. 32,85,000 in August, 1970, Rs. 1,20,79,000 in November, 1970 and Rs. 25,22,000 in the March, 1971 Sessions of Parliament. Against the final Grant of Rs. 7,34,33,000 the actual expenditure, however, amounted to Rs. 7,34,95,335 leaving an uncovered excess of Rs. 62,335 which requires to be regularised by Parliament.

3. The overall excess of Rs. 62,335 which is the net result of excesses and savings under the various Group Sub-heads Sub-heads of the grant occurred mainly under the Group Sub-head 'C-I-Rehabilitation Reclamation Scheme' (Rs. 17.09 lakhs) as detailed below :-

Sub-head	Final Grant (Rs.)	Actual expenditure (Rs.)	Excess (Rs.)
C(1) Establishment	36,60,000	38,04,272	1,44,272
C(2) Machinery, Tools and Plant	15,01,000	15,03,383	2,383
C(3) Petrol, Oil and Lubricants	31,16,000	42,18,288	11,02,288
C(4) Spare parts and stores	36,63,000	40,85,921	4,22,921
C(5) Miscellaneous	3,60,000	3,97,251	37,251
TOTAL	123,00,000	1,46,09,115	17,09,115

4. The reasons for the excesses are explained below :-

At the stage of final assessment of requirement of funds, which took into account the figures of actual expenditure upto 25-3-1971 (Rs. 113.43 lakhs) and all the debits expected to be adjusted during the remaining part of the year, the total requirements under the above sub-heads were placed

at Rs. 123 lakhs. The original grant of Rs. 80 lakhs under the above sub-heads was augmented to Rs. 123 lakhs by obtaining a supplementary grant of Rs. 25.22 lakhs in March, 1971 and by reappropriation of funds to the extent of Rs. 17.78 lakhs from the savings available within the grant. The actual expenditure, however, amounted to Rs. 140.09 lakhs leaving an uncovered excess of Rs. 17.09 lakhs mainly due to adjustment of Rs. 17.57 lakhs lying under suspense in the accounts of 1970-71 by a pay and Accounts Officer concerned in his March Supplementary 1971 Accounts and another Rs. 2.10 lakhs for which vouchers were received from another Accounts Officer in April, 1971 when it was too late to provide additional funds.

5. The above excesses of Rs. 17.09 lakhs under the Group sub-heads 'C.1-Rehabilitation Reclamation Scheme' and minor excesses under other sub-heads were counter-balanced by savings under other sub-heads leaving a net excess of Rs. 62,335.

6. In the circumstances explained above the excess of Rs. 62,335 which constitutes 0.08% only of the final grant may kindly be recommended for regularisation by Parliament under Article 115 of Constitution of India.

7. The note has been seen by Audit.

APPENDIX XIX

GOVERNMENT OF INDIA

MINISTRY OF LAW & JUSTICE

Note for PAC for regularisation of excess expenditure over voted Grant No. '73—Other Revenue Expenditure of the Ministry of Law' for 1970-71 at disclosed in the Appropriation Accounts (Civil) 1970-71.

Original Grant	Actual Expenditure	Excess
Rs. 2,04,74,000	Rs. 2,12,65,372	Rs. -7,91,372

2. The excess, which is the net result of the excesses and savings under the various sub-heads of the Grant, occurred mainly under sub-head 'A.1. Election Commissioner and Regional Commissioners etc.' and the group sub-head 'A.2. Other Election Charges.' The excess under the latter group sub-head is wholly due to the fact that an adjustment for an amount of Rs. 9,17,800 was carried out by the Accounts Officer under the sub-head 'A.2(1)—Contributions to State and Union Territory Governments, in the accounts for the year 1970-71 instead of the year 1969-70 for which a sanction was issued but which could not be acted upon by the Accountant General during that year. The adjustment in question was carried out by the Accounts Officer in the accounts for 1970-71 in anticipation of a fresh *ex-post-facto* Government sanction valid for that year, since the sanction issued in 1969-70 had actually lapsed. The adjustment came to the notice of the Ministry in April, 1971 when it was not possible to provide additional funds for the year 1970-71. A saving of Rs. 9,79,008 occurred in Grant No. '74 Other Revenue Expenditure of the Ministry of Law' for the year 1969-70 mainly due to the omission to carry out the adjustment of Rs. 9,17,800 in the accounts for the year.

3. The excess of Rs. 9,17,800 under the sub-head 'A. 2(1)—Contributions to State and Union Territory Governments' was counter-balanced by savings under other sub-heads of the group sub-head 'A.2. Other Election Charges' and the net excess under this group sub-head came to Rs. 6,61,237. There was also an excess of Rs. 1,71,513 under the sub-head 'A. 1. Election Commissioner and Regional Commissioners etc.' mainly due to unanticipated increased expenditure on Travelling Allowances and Contingencies as a result of the conduct of mid-term General Elections to the House of People and certain State Legislatures, in March, 1971.

4. The excess of Rs. 8,32,750 under the sub-head 'A.1' and the group sub-head 'A.2', together with a minor excess under sub-head 'B.1. Special Commissions of Inquiry' was partly counter-balanced by saving under the

other sub-heads of the Grant resulting in a net excess of Rs. 7,91,372 which requires to be regularised.

5. In the circumstances explained above, it is requested that the excess of Rs. 7,91,372 which works out to 3.87% of the total sanctioned Grant may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India.

6. This Note has been seen by Audit.

APPENDIX XX

MINISTRY OF SHIPPING AND TRANSPORT (TRANSPORT WING)

Note for the Public Accounts Committee for regularisation of excess over voted Grant No. "77—Ministry of shipping and Transport" as disclosed in the appropriation accounts (Civil) for the year 1970-71.

	Final Grant (Rs.)	Actual Expenditure (Rs.)	Excess(+) (Rs.)
<i>Voted :</i>			
Original	1,45,42,000		
Supplementary	2,56,000		
	1,47,98,000	1,52,22,293	(+) 4,24,293

2. The original provision of Rs. 1,45,42,000 - under Voted section of the Grant was augmented by Rs. 2,56,000 by obtaining a Supplementary Grant in March, 1971 session of Parliament. Against the final Grant of Rs. 1,47,98,000 - actual expenditure, however, amounted to Rs. 1,52,22,293/- leaving an uncovered excess of Rs. 4,24,293 which requires to be regularised by Parliament.

3. The overall excess of Rs. 4,24,293 - is the net result of excesses and savings under the various Group sub-heads of the Grant. The excess occurred mainly under the Group sub-heads "A.1—Transport Wing" and "A.2(1)—Roads Wing (Main)" for the reasons explained below:—

Group Sub-head	Final Grant (Rs.)	Actual Expenditure (Rs.)	Excess(—) (Rs.)
A.1—Transport Wing			
O 41,51,000	41,51,000	43,53,111	(+) 2,02,111

The excess occurred under the sub-heads "A.1(2)—Interim Relief" (Rs. 1,48,901), "A.1(3)—Travelling Expenses" (Rs. 1,02,039) and "A.1(4)—Other Charges" (Rs. 93,660). The main factors leading to these excesses are as follows:—

A.1(2)—Interim Relief (Rs. 1,48,901): No provision for interim relief was included in the Budget Estimates 1970-71 as the same was sanctioned after the Budget Estimates had been finalised. Though proposals to obtain Supplementary Grant were initiated the same could not be finalised in time due to lack of proper coordination which resulted in excess.

A.1(3)—*Travelling Expenses (Rs. 1,02,039)*: (i) More tours performed by the officers due to the increased activities of the Ministry and in connection with development projects included in the Plan and their supervision (Rs. 49,039) (ii) payment of air passage bills of the previous year (Rs. 33,000) and (iii) Inclusion of expenditure to the extent of Rs. 20,000 for Leave Travel Concession under this sub-head. These items of expenditure could not be anticipated and provided for during 1970-71 partly due to reasons explained in para 4 below and as they became unavoidable at a very late stage there was no time left to get additional provision sanctioned during 1970-71.

A.1(4)—*Other Charges (Rs. 93,660)*: More contingent expenditure incurred by the officers during foreign tours than anticipated at the time of framing the Budget Estimates and also payment of telephone bills pertaining to the previous years (Rs. 29,205) and also more expenditure on running and maintenance of staff cars. These items of expenditure could not be anticipated and provided for during 1970-71 partly for the reasons explained in para 4 below and as they became unavoidable at a very late stage there was no time left to get additional provision sanctioned during 1970-71.

These excesses were partly offset by savings under other sub-heads of the Group sub-head A.1 leaving a net excess of Rs. 2,02,111 under the Group Sub-head.

Group Sub-head	Final Grant Rs.	Actual Expenditure Rs.	Excess(+) Rs.
A.2(1)—Roads Wing (Main)			
O. 54,71,000	54,71,000	58,30,301	(+) 3,59,301

The main factors leading to the excess are given below:—

(i) Increased expenditure (Rs. 1,88,237) under "A.2(1)(2)—Interim Relief" due to the fact that no provision was made as Interim Relief was sanctioned after the finalisation of the Budget Estimates 1970-71. Though proposals to obtain Supplementary Grant were initiated the same could not be finalised in time due to lack of proper coordination which resulted in excess.

(ii) More expenditure (Rs. 1,05,073) under "A.2(1)(3)—Travelling Expenses" due to (a) more tours undertaken by officers which were necessitated to gear up the Stage machinery so that the amount allocated for Roads/Bridges during 1970-71 could be fully utilised and (b) deputation of higher officers to foreign countries to attend conferences etc. and;

(iii) More expenditure (Rs. 1,16,700) under A.2(1)(4)—Other Charges due to payment of arrears of rent of office accommodation hired by various Regional Offices located in States; maintaining and running of 36 vehicles provided in Regional offices and payment of telephone charges. These items of expenditure could not be anticipated and provided during 1970-71 partly for the reasons explained in para 4 below and as they became unavoidable at a very late stage there was no time left to get additional provision sanctioned during 1970-71.

These excesses were partly offset by savings under the other sub-heads viz. Establishment Charges (Rs. 50,709) of the Group sub-head A.2(1) having a net excess of Rs. 3,59,301/- under the Group sub-head.

4. Improper maintenance of the liability registers has also been a contributing factor towards these excesses during 1970-71. However from the year 1971-72 onwards they are being maintained properly.

5. The excesses under the above Group sub-heads as well as minor excess of Rs. 9,452/- under the sub-head B. Grants-in-aid, Contributions etc. were partly counter-balanced by savings under the remaining Group Sub-heads of the Grant leaving a net excess of Rs. 4,24,293/- which requires to be regularised.

6. In the circumstances explained above, the overall excess of Rs. 4,24,293/- which constitutes 2.87% of the Final Grant, may be recommended for regularisation by Parliament in accordance with Article 115 of the Constitution of India.

7. The note has been vetted by Audit.

APPENDIX XXI

GOVERNMENT OF INDIA

MINISTRY OF SHIPPING & TRANSPORT (ROADS WING)

Note for Public Accounts Committee for regularisation of excess over Voted Grant No. '78-Roads' as disclosed in the Appropriation Accounts (Civil) 1970-71

	Total Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
Original	22,79,82,000		
Supplementary	93,00,000		
	23,72,82,000	25,07,56,536	1,34,74,536

The Original Grant of Rs. 22,79,82,000 was augmented by Rs. 93,00,000 by obtaining a Supplementary Grant in August, 1970 Session of Parliament to recoup an advance obtained from the Contingency Fund of India in March, 1970. Against the final Grant of Rs. 23,72,82,000 the expenditure, however, amounted to Rs. 25,07,56,536 leaving an uncovered excess of Rs. 1,34,74,536 which requires to be regularised by Parliament.

2. The overall excess of Rs. 1,34,74,536 is the net result of the excesses and savings under the various sub-heads in the Grant. The excess occurred mainly under the sub-head 'A.4(1)-Maintenance of National Highways' (Rs. 154,96,741 -) as explained below:

A.4(1)-Maintenance of National Highways (Rs. 154,96,741).

A provision of Rs. 1,300 lakhs was made under the Sub-head in the budget for 1970-71. A sum of Rs. 37,800 - became available out of savings under other sub-heads in the Grant. In addition, a supplementary Grant of Rs. 93 lakhs was obtained under this sub-head. This amount was required for recouping an advance of an equivalent amount obtained from the Contingency Fund of India during 1969-70. The expenditure against the advance, however, amounted to Rs. 79,88,241. A sum of Rs. 13,11,759 was accordingly surrendered out of the Supplementary Grant of Rs. 93 lakhs. Thus allotments aggregating Rs. 1380,26,041 were made to States for the maintenance of National Highways during 1970-71. The expenditure booked however amounted to Rs. 15,35,22,782 revealing an excess

of Rs. 154,96,741. There was actually an excess expenditure amounting to Rs. 157,29,408 in certain States as shown below :

Andhra Pradesh (Rs. 18,04,223), Assam (Rs. 21,89,875), Bihar (Rs. 41,96,794), Gujarat (Rs. 4,49,566), Haryana (Rs. 1,60,500), Himachal Pradesh (Rs. 1,06,398), Madhya Pradesh (Rs. 4,86,619), Maharashtra (Rs. 3,37,174), Mysore (Rs. 9,35,846), Orissa (Rs. 46,439), Rajasthan (Rs. 4,84,770), Uttar Pradesh (Rs. 1,04,315), West Bengal (Rs. 42,08,934), Delhi (Rs. 2,06,386) and Manipur (Rs. 11,569).

As a result of savings amounting to Rs. 2,32,667 in other states, the net excess under this Sub-head was reduced to Rs. 154,96,741. This excess was mainly due to the fact that the States had to incur extra expenditure on unavoidable repairs in order to keep the lines of communications intact to meet the needs of the evergrowing traffic and unforeseen natural causes like heavy floods in 1970-71 etc.

3. The road works under the administrative control of this Ministry are executed through the agency of the State Public Works Departments and the Central Public Works Department. Provision in the budget is made on the basis of estimates received from the various executive agencies. They in turn, are guided by their subsidiary establishments such as the Chief Engineer, Superintending Engineer, Divisional Engineer, etc., who are in charge of actual execution of the works. The Govt. of India invariably impress upon the States the need for restricting the expenditure to the amount of the allotment and this stipulation is also made in the letters sanctioning the allotments of funds. Several instructions have been issued from time to time to them to discipline their expenses. Some of the States have however failed to restrict the expenditure to the allotments made to them, which, as explained in para 2 above, became unavoidable. The extra expenditure had to be incurred on inescapable repairs in order to keep the lines of communications intact especially in view of unprecedented floods during the financial year.

4. The Government of India are, however, fully seized of the problem of avoiding excesses over sanctioned grants and have already adopted a number of measures in this behalf and also propose to take certain further steps in this connection. All these measures are indicated below :

(i) Close watch over the pace of expenditure :

(a) In accordance with the existing instructions, the State Govts. are required to furnish monthly returns of expenditure against the grants sanctioned by the Govt. of India. These returns are scheduled to be received by the 20th of the month following the one to which they relate. On receipt of these returns they are examined in the Ministry and any tendency on the part of states to exceed the sanctioned grants are invariably brought to the notice of the State Govts. so as to check the probability of excess over the allotment made:

(b) In the case of defaulting States in regard to submission of these returns which may not be found to be regular, the matter is followed by the

issue of regular instructions impressing upon them the imperative need for the prompt submission of these monthly returns of expenditure;

(ii) *Use of Regional Offices of the Ministry for exercising control in the matter:*

The Ministry has at present six regional Offices in the country and Engineer Liaison Officers in all the States. An attempt is being made to use them also to the extent feasible for keeping a watch over the pace of expenditure and check tendencies of unnecessary increase in the expenditure beyond sanctioned grants.

(iii) *Norms for maintenance:*

Following the recommendations of a Technical Group comprising the representatives of five States and headed by the Director General (Road Development) specific norms have been laid down for the provision of maintenance grants under specified sub-heads (Ordinary Repairs, Periodic renewals, Restoration of Flood Repairs, Special Repairs, etc.) and grants are now allocated according to these sub-heads on the basis of the norms laid down by the Technical Group within the available funds and progress of expenditure is also watched for each sub-head separately. This facilitates a much lighter control over the expenditure and checks upon the tendency to exceed the sanctioned grants to a great extent.

(iv) *Further Instructions Issued:*

Further instructions have been issued to the State P.W.Ds reiterating the imperative need for restricting the expenditure within the sanctioned total and sub-head wise grant for the maintenance of National Highways. They have been further asked that while submitting the Revised Estimates and final requirements for the year, they should indicate the total requirements and up-to-date position of expenditure against the allotted funds together with the break-up under the respective sub-heads under which allotments are made. This would prove further useful in keeping a watch over the expenditure against the grant sanctioned for the maintenance of National Highways.

5. Simultaneously with the above mentioned measures, it is also proposed to approach the Comptroller and Auditor General of India for issuing instructions to the State Accountants General not to admit expenditure in excess of the sanctioned grant.

It is hoped that as a result of all these measures the position would improve in the years to come.

6. The excess under the sub-head—'A-4(1)—Maintenance of National Highways and minor excesses under certain other sub-heads were partly counter-balanced by savings under other sub-heads of the Grants leaving a net excess of Rs. 134,74,536 as a whole in the Grant which may kindly be recommended for regularisation under Article 115 of the Constitution.

7. This 'Note' has been vetted by Audit.

APPENDIX XXII

MINISTRY OF TOURISM & CIVIL AVIATION

Note for the Public Accounts Committee for regularisation of the excess over voted Grant No. "89-Aviation" as disclosed in the Appropriation Accounts (Civil) for the year 1970-71

Final Grant (Voted)	Rs. 14,20,05,000
Actual Expenditure	Rs. 14,29,11,115
Excess	Rs. 9,06,115

Against the final Grant of Rs. 14,20,05,000 the actual expenditure amounted to Rs. 14,29,11,115 leaving an uncovered excess of Rs. 9,06,115 which requires to be regularised. The excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the following sub-heads for the reasons explained thereunder:—

Sub-head	Final Grant	Actual Expenditure	Excess (+)
	Rs.	Rs.	Rs.
<i>G. Works</i>			
<i>G.1. Original Works</i>			
<i>G.1(1) Minor Works Executed by C.P.W.D.</i>	32,00,000	42,37,624	(+)10,37,624

2. Of this excess, Rs. 8,15,748 was due to misclassification in accounts *vide* Statement I enclosed. The remaininig excess was mainly due to execution of urgent minor works which could not be postponed to the next year.

Sub-head	Final Grant	Actual Expenditure	Excess(+)
	Rs.	Rs.	Rs.
<i>G. Works</i>			
<i>G. 1. Original Works</i>			
<i>G. 1(2) Minor Works executed by Civil Aviation Deptt.</i>	8,72,000	12,29,610	(+)3,57,610

3. The excess was mainly due to misclassification under this sub-head in accounts, out of which Rs. 1,61,670 correctly adjustable under sub-head G-2(1) . Minor repairs executed by Civil Aviation Department pertaining to Bombay Aviation Division I, C.P.W.D., Rs. 1,30,474 adjustable under sub-head G-2.(2) Minor repairs executed by Civil Aviation Department and Rs. 73,220 on account of expenditure on minor works executed by Aviation Electrical Division, Madras adjustable under sub-head G-1(1)

Minor works executed by C.P.W.D. had been misclassified under this sub-head. These misclassifications as detailed in Statement II could not be detected in time. However this does not affect the over-all excess in the voted portion of the Grant.

Sub-head	Final Grant	Actual Expenditure	Excess (+)
	Rs.	Rs.	Rs.
G. Works			
G. 2. Repairs			
G. 2.(1) Minor repairs executed by C.P.W.D.	1,60,00,000	1,74,07,667	(+)14,07,667

4. Due to misclassification of expenditure by various Accounts Officers there was less booking of a net amount of Rs. 5,83,872 under this sub-head *vide* statement III enclosed. The excess was due mainly to unanticipated expenditure on special repairs to runway, taxi, tracks, apron and maintenance of residential/non-residential buildings and electrical and air-conditioning installations at various civil aerodromes, payment to work-charged staff in shape of Medical Claims, flood advance, overtime allowance and interim relief and purchase of spare parts owing to sudden breakdown of machinery, vehicles and runway lights.

Sub-head	Final Grant	Actual Expenditure	Excess(+)
	Rs.	Rs.	Rs.
G. Works			
G. 2. Repairs			
G. 2.(2) Minor repairs executed by Civil Aviation Department	1,52,01,300	1,70,34,330	(-)18,33,030

5. Mainly due to misclassification of expenditure by various Accounts Officers resulting in a net excess booking of Rs. 17,19,321 *vide* statement IV enclosed. A part of the misclassified amount representing a net expenditure of Rs. 19,75,684 under sub-head 'Suspense' including recoveries incurred by the Controller of Communication and the Controller of Aerodromes, Bombay was wrongly booked under this head by the Accountant General, Central, Bombay instead of under sub-head 'L-Suspense' where sufficient savings are available.

6. The above excesses and minor excesses under other sub-heads were partly counter-balanced by savings under other sub-heads of the Grant resulting in a net excess of Rs. 9,06,115 which requires regularisation.

7. In the circumstances explained above, it is requested that the excess of Rs. 9,06,115 may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution.

NOTE.—Not vetted by audit.

STATEMENT I

Statement of misclassifications in Audit Offices :

Grant No.98-Aviation (1970-71)

(Major Head —56 Aviation)

Sub-head G. 1 (1) Minor works executed by C. P. W. D.

Audit Circle	Misclassification in Audit Offices	Nature of Misclassification
1	2	3
	Rs.	
1. C.W. & M.	(+)-2,77,626 (+)-1,46,697 (—) 529	Pertains to sub-head G. 2(1). Pertains to I-Charges paid to other Govts., Depts., etc. Booked under sub-head G.2(1).
2. Andhra	(—) 26,554	Details not available.
3. Bihar	(—) 29,377	Booked under sub-head G. 2 (1).
4. Haryana	(+) 18,336	Pertains to sub-head I-Charges paid to other Govts., Depts., etc.
5. Himachal & Chandigarh	(+) 22,509	-do-
6. Maharashtra	(—) 12,929	Booked under sub-head G. 2(2).
7. Punjab	(+) 86,375	Details not available.
8. Tamil Nadu	(—) 73,220	Expenditure incurred by Aviation Electrical Division Madras booked under sub- head G. 1(2).
9. West Bengal	(—)4,06,814	Details not available.
TOTAL	(+)8,15,748	

(+) More booked by Audit.

(—) Less Booked by Audit.

STATEMENT II
Statement of Misclassifications in Audit Offices :
Grant No.89-Aviation (1970-71)
(Major Head-56—Aviation)

Sub-head G. 1(2). Minor Works executed by C.A.D.

Audit Circle	Misclassification in Audit Offices	Nature of misclassification
1	2	3
	Rs.	
1. C.W. & M.	(+) 1,30,474	Pertains to sub-head G. 2(2).
2. Andhra	
3. Assam & Nagaland	
4. Bihar	
5. Gujarat	
6. Haryana	
7. Himachal & Chandigarh	
8. Maharashtra	(+) 1,61,870	Pertains to sub-head G.2(1).
	(—) 4,535	Booked under sub-head G.2(2).
	(+) 4,729	Booked under sub-head G.2(2).
9. Punjab	
10. Tamil Nadu	(+) 73,220	Pertains to sub-head G. 1(1) expenditure incurred by Aviation Electrical Division, Madras.
11. Uttar Pradesh	
12. West Bengal	(—) 10,395	Details not available.
TOTAL	(+) 3,55,363	

(+) More booked in Audit.

(—) Less booked in Audit.

STATEMENT III

Statement of Misclassification in Audit Offices

Grant No. 89-Aviation (1970-71)

(Major Head-56—Aviation)

Sub-head G.2(1)-Minor Repairs executed by C.P.W.D.

Audit Circle	Misclassification in Audit Offices	Nature of misclassification
1	2	3
	Rs.	
1. C.W.&M.	(—) 2,77,626	Booked under Sub-head G. 1(1).
	(+) 9,278	Pertains to sub-head 'I'—Charges paid to other Govts., Deptts., etc.
	(-) 21,666	Pertains to Sub-head 'I'—Charges paid to other Govts., Deptts., etc.
	(-) 529	Pertains to Sub-head G. 1(1).
2. Andhra	(-) 59,199	Details not available.
3. Bihar	(-) 29,377	Pertains to Sub-head G. 1(1).
4. Gujarat	(-) 1,022	Pertains to Sub-head 'I'—Charges paid to other Govts., Deptts., etc.
5. Haryana	(-) 31,612	-do-
6. Himachal Pradesh & Chandigarh	(-) 31,156	-do-
7. Maharashtra	(—) 1,61,870	Booked under Sub-head G. 1(2).
	(—) 1,27,760	Booked under Sub-head G. 2(2).
8. Punjab	(-) 37,072	Details not available.
9. West Bengal	(—) 2,37,527	Details not available.
TOTAL	(—) 5,83,872	

(+) More booked in Audit.

(—) Less booked in Audit.

STATEMENT IV
Statement of Misclassification in Audit Offices
Grant No. 89-Aviation (1970-71)
(Major Head-56—Aviation)
Sub-head G.2(2)—Minor Repairs executed by C.A.D.

Audit Circle	Misclassification in Audit Offices	Nature of misclassification
1	2	3
	Rs.	
1. C.W. & M.	(—) 11,894 (—) 1,30,474	Details not available. Booked under Sub-head G.1(2).
2. Maharashtra	(+) 4,535 (—) 4,729 (—) 2,238 (—) 12,929 (—) 1,10,768 (—) 27,43,053 (—) 7,67,369 (—) 99,611 (—) 544 (—) 9,153 (—) 96 (—) 27 (—) 38,961	Pertains to sub-head G. 1(2). Minus expenditure pertains to Sub-head G. 1(2). Pertains to sub-head A. Direction. Pertains to sub-head G. 1(1) Pertains to sub-head G.1(2). Pertains to sub-head I. Suspense (Debit). Pertains to Recoveries under Suspense Pertains to Recoveries under Estt. and T & P. Details not available. Misclassified—Correct head to which it pertains not known. Pertains to sub-head 'I'—Charges paid to other Govts., Deptts., etc. Details not available. Minus expenditure not booked by Audit.
3. Tamil Nadu	(—) 981	Details not available.
4. West Bengal	(—) 1,87,871	Details not available.
TOTAL	(—) 17,19,321	

(—) More booked in Audit.

(—) Less booked in Audit.

Revised Note Vetted by Audit
(Grant No. "89-Aviation")

Against the final Grant of Rs. 14,20,05,000, the actual expenditure amounted to Rs. 14,29,11,115 leaving an uncovered excess of Rs. 9,06,115 which requires to be regularised. The excess is the net result of excesses and savings under the various sub-heads of the Grant and occurred mainly under the following sub-heads for the reasons explained thereunder :—

Sub-head	Final Grant	Actual Expenditure	Excess (-)
	Rs.	Rs.	Rs.
2. G. Works			
G. 1 Original Works			
G.1(1) Minor Works Executed by C.P.W.D.	32,00,000	42,37,624	(10,37,624

Of this excess, Rs. 8,15,748 was due to misclassification in accounts within the grant *vide* Statement I enclosed. The remaining excess was mainly due to execution of urgent minor works which could not be postponed to the next year.

Sub-head	Final Grant	Actual Expenditure	Excess (-)
	Rs.	Rs.	Rs.
3. G. Works			
G. 2 Repairs			
G. 2(1) Minor repairs executed by C.P.W.D.	1,60,00,000	1,74,07,667	(14,07,667

Due to misclassification of expenditure under different sub-heads within the grant by various Accounts Officers there was less booking of net amount of Rs. 5,83,872 under this sub-head *vide* statement II enclosed. The remaining excess was due mainly to unanticipated expenditure on special repairs to runway, taxi tracks, apron and maintenance of residential non-residential buildings and electrical and air-conditioning installations at various civil aerodromes, payment to work-charged staff in shape of Medical Claims, flood advance, overtime allowance and interim relief and purchase of spare parts owing to sudden breakdown of machinery, vehicles and runway lights.

4. The above excesses and minor excesses under other sub-heads were partly counterbalanced by savings under other sub-heads of the Grant resulting in a net excess of Rs. 9,06,115 which requires regularisation.

5. In the circumstances explained above, it is requested that the excess of Rs. 9,06,115 may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution.

This note has been vetted by Audit.

STATEMENT I

Statement of Misclassification in Audit Offices

Grant No.89-Aviation (1970-71)

Major Head—56-Aviation

Sub-head G.1(1) Minor Works executed by C.P.W.D.

Audit Circle	Misclassification in Audit Offices	Nature of Misclassification
1	2	3
	Rs.	
1. C. W. & M.	(+) <u>2,77,626</u>	Pertains to sub-head G. 2(1)
	(+) <u>1,46,697</u>	Pertains to 1-Charges paid to other Govts., Deptts. etc.
	(—) 529	Booked under sub-head G. 2(1)
2. Andhra	(—) 26,554	Details not available.
3. Bihar	(—) 29,377	Booked under sub-head G.2(1).
4. Haryana	(+) 18,336	Pertains to sub-head 1— Charges paid to other Govts., Deptts., etc.
5. Himachal & Chandigarh.	(+) 22,509	-do.-
6. Maharashtra	(—) 12,229	Booked under sub-head G. 2(2)
7. Punjab	(+) 86,375	Details not available.
8. Tamil Nadu	(—) 73,220	Expenditure incurred by Aviation Electrical Division Madras booked under sub-head G. 1(2)
9. West Bengal	(+) 4,06,814	Details not available.
TOTAL	(+) 8,15,748	

(+) More booked by Audit.

(—) Less booked by Audit.

STATEMENT II

Statement of Misclassifications in Audit Offices Grant No. 89-Aviation (1970-71) Major Head—56 Aviation

Sub-head G.2(1)—Minor Repairs executed by C.P.W.D.

Audit Circle	Misclassification in Audit Offices	Nature of misclassification
1	2	3
	Rs.	
1. C. W. & M.	(—)2,77,626	Booked under Sub-head G. 1(1)
	(+) 9,278	Pertains to sub-head 'F'—charges paid to other Govts., Deptts., etc.
	(—) 21,666	Pertains to Sub-head 'F'—Charges paid to other Govts., Deptts., etc.
	(—) 529	Pertains to Sub-head G. 1 (1).
2. Andhra	(—) 59,199	Details not available.
3. Bihar	(—) 29,377	Pertains to Sub-head G. 1 (1).
4. Gujarat.	(+) 1,022	Pertains to Sub-head 'F' Charges paid to other Govts., Deptts., etc.
5. Haryana	(—) 31,612	-do-
6. Himachal Pradesh & Chandigarh	(+) 31,156	-do-
7. Maharashtra	(—)1,61,870	Booked under Sub-Head G.1(1)
	(—)1,27,760	Booked under Sub-head G.2(2)
8. Punjab	(—) 37,072	Details not available.
9. West Bengal.	(—)2,37,527	Details not available.
TOTAL	(—)5,83,872	
		(+)More booked in Audit.
		(—)More booked in Audit.

APPENDIX XXIII

GOVERNMENT OF INDIA

DEPARTMENT OF ATOMIC ENERGY

Note for the Public Accounts Committee for regularisation of excess over voted Grant No. 91-Department of Atomic Energy as disclosed in the Appropriation Accounts (Civil) for 1970-71

	Rs.
The original Grant	32,16,000
Supplementary Grant	1,23,000
Final Grant	33,39,000
Actual Expenditure	33,42,831
Excess	3,831

The Original Grant of Rs. 32,16,000 was augmented by Rs. 1,23,000 by obtaining a Supplementary Grant in March, 1971 session of Parliament. Against the final Grant of Rs. 33,39,000 the actual expenditure however, amounted to Rs. 33,42,831 leaving an uncovered excess of Rs. 3,831. The excess of Rs. 3,831 has occurred on account of the following incorrect classifications in accounts aggregating Rs. 6,204. : -

- (a) A debit of Rs. 3,613 representing the payment made by an Embassy in respect of the deputation abroad of an officer of Physical Research Laboratory, a grantee institution of this Department, which was to be ultimately borne by the Laboratory has been incorrectly classified in view of D.O. Letter No.Com Adj 277 dated 23-9-71 from Bhabha Atomic Research Centre, Bombay, under the head of account '19-General Administration' and shown against the provision made under sub-head 'A.2(1)(3)-Travelling Expenses' in this Grant. The Physical Research Laboratory has, in fact, reimbursed the amount in November, 1971 and it has been credited to the Government accounts under the receipt head 'XXXII-Miscellaneous Social and Developmental Organisations'.
- (b) Another debit of Rs. 2,591 has been erroneously classified under the head '19-General Administration' and shown under the sub-head 'A.2(1)(4)-Other Charges' in this Grant.

The expenditure is correctly adjustable under the Major Head '27-Scientific Departments' in Grant No. '92-Other Revenue Expenditure of the Department of Atomic Energy' wherein there are sufficient savings available to accommodate this debit.

These incorrected classifications came to the notice of this Department too late to get them rectified before the accounts for the year 1970-71 were finally closed.

In para 7 of their Sixteenth Report (First Lok Sabha) the Public Accounts Committee enunciated the principle that any established misclassification in the Appropriation Accounts which either attracts or avoids the necessity for regularisation of any excess by Parliament would be taken into account in making their recommendations to Parliament. In consonance with this principle, the excess in this Grant, which is due to misclassifications would not seem to require regularisation under Article 115 of the Constitution.

This 'Note' has been vetted by Audit.

APPENDIX XXIV

MINISTRY OF COMMUNICATIONS

Note for the Public Accounts Committee for regularisation of the Excess over voted Grant No. '137-Other Capital Outlay of the Department of Communications' as disclosed in the Appropriation Accounts (civil) for 1970-71

	Rs.
Original Grant	1,83,80,000
Supplementary Grant	40,00,000
Total Grant :	2,23,80,000
Actual Expenditure	2,58,11,539
Excess	34,31,539

The original Grant of Rs. 1,83,80,000 was augmented by Rs. 40,00,000 by obtaining a Supplementary Grant in the March, 1971 Session of Parliament. Against the final Grant of Rs. 2,23,80,000 the actual expenditure amounted to Rs. 2,58,11,539, leaving an uncovered excess of Rs. 34,31,539 which requires to be regularised by Parliament.

2. The excess, which is the net result of excesses and savings under the various Sub-heads of the Grant occurred mainly under the sub-head 'B.1.Plant and Machinery' for the reasons explained below : -

For providing efficient and reliable means of communications commensurate with the rapidly rising demands for Telecommunication Services, the Government of India decided in 1965 to participate in the Global Satellite Communication System. As a part of the project, a Satellite Communication Earth Station was set up in Arvi near Poona and the terminal facilities required for inter connection of Satellite channels into the domestic net work, have been installed in the newly constructed building 'Videsh Sanchar Bhavan' in Bombay. Execution of the Satellite Earth Station at Arvi was entrusted to the Department of Atomic Energy who entered into collaboration with R.C.A. Victor Company of Canada for supply of electronic equipment not available indigenously. Though the project was scheduled to be completed by Oct., 1969, due to delays in delivery of certain equipments there was a heavy shortfall in expenditure during 1969-70. This could not be anticipated and provided for at the time of framing the budget estimates for 1970-71. However, based on the increased requirements indicated by the Department of Atomic Energy for the year 1970-71, a Supplementary Grant of Rs. 40 lakhs was obtained in March, 1971 but it proved insufficient and the actual expenditure came to Rs. 99.88 lakhs against the total provision of Rs. 50 lakhs including the Supplementary Grant of Rs. 40 lakhs made for the purpose, mainly due to adjustment of a debit

for the payment made in Canada out of the Canadian Aid pertaining to the Arvi Project. The fact of the adjustment in accounts of the debit came to the light at the time of reconciliation of accounts when it was not possible to provide additional funds through Supplementary Grant. The excess of Rs.49.88 lakhs was set off to the extent of Rs. 15.56 lakhs by savings under the other sub-heads of the Grant leaving a net excess of Rs. 34,31,539.

3. In the circumstances explained above, the excess of Rs. 34,31,539 may kindly be recommended for regularisation by Parliament under Article 115 of the constitution of India.

4. This has been seen by Audit. •

APPENDIX XXV

MINISTRY OF FINANCE (DEPARTMENT OF ECONOMIC AFFAIRS)

SUBJECT :—Regularisation of Excess in the Appropriation "Interest on Debt and Other Obligations and Reduction or Avoidance of Debt" in Appropriation Accounts (Central) Civil, 1970-71.

	Rs.
Original Appropriation	5,97,53,70,000
Supplementary Appropriation	6,42,82,000
Final Appropriation	6,03,96,52,000
Actual Expenditure	6,05,58,84,272
Excess	1,62,32,272

The Appropriation covers provision for interest charges on the entire debt of the Government of India, whether internal or external, including interest on unfunded Debt as well as on the deposits in the Depreciation and other Reserve Funds of the Government Commercial Departments.

The expenditure is "charged" on the Consolidated Fund of India, in accordance with clause (c) of Article 112(3) of the Constitution of India.

The net excess of Rs. 1,62,32,272 was only about 0.27% of the total sanctioned provision. While savings and excesses occurred under a number of sub-heads in the Appropriation, under sub-head "C. 4(1)—Post Office Savings Bank Deposits", the actuals exceeded the sanctioned provision by Rs. 3.57 crores.

The estimates and final Appropriation under the sub-head "C. 4(1)—Post Office Savings Bank Deposits" are fixed on the basis of the data of deposits and withdrawals collected by the Accountant General, Posts and Telegraphs. In February, 1970 the Accountant General suggested a provision of Rs. 27.28 crores under this sub-head. Subsequently, based on larger deposits, the Accountant General proposed an additional sum of Rs. 1.11 crores at the time of revised estimates in January, 1971. Meanwhile the interest rate on Post Office Savings Bank Deposits was also raised by $\frac{1}{4}$ % from 1st January, 1971. The orders about this were issued on 15-1-1971. The increase on this account could not be taken into account by the Accountant General while communicating Revised estimates for 1970-71. This was, however, taken into account by him while communicating final requirements by which time it was too late to obtain a supplementary provision.

The expenditure under the Appropriation is somewhat of an unpredictable nature as it *inter alia* depends on the holders of various securities presenting their claims. The Appropriation had been revealing savings continuously during the preceding three years as indicated below :—

	(In thousands of Rs.)		
	Original Appropriation	Actual Expenditure	Savings
1967-68	510,01,75	501,66,72	8,35,13
1968-69	550,35,97	528,06,27	22,29,70
1969-70	568,86,07	564,97,79	3,88,28

In view of the past experience, it was felt that the possible excess arising out of the enhancement of the interest rate would be covered by ultimate savings within the Appropriation and accordingly the final Appropriation in the above sub-head was restricted to the Revised Estimates. This anticipation, however, did not materialise and resulted in the net excess of Rs. 1,62,32,272 in the Appropriation. In the circumstances it is requested that the excess of Rs. 1,62,32,272 under the above Appropriation may kindly be recommended for regularisation under Article 115 of the Constitution.

2. This has been seen by Audit.

APPENDIX XXVI

MINISTRY OF SHIPPING AND TRANSPORT

Note for the Public Accounts Committee for regularisation of excess over the Charged Appropriation in respect of Grant No. '129 Capital Outlay on Roads' as disclosed in the Appropriation Accounts (Civil) for 1970-71

		Rs.
Original Appropriation	Charged	1,50,000
Supplementary Appropriation	Charged	1,50,000
Final Appropriation	Charged	3,00,000
Actual Expenditure	Charged	4,37,868
Excess	Charged	1,37,868

The original Appropriation of Rs. 1,50,000 was augmented by Rs. 1,50,000 by obtaining a supplementary Appropriation in March, 1971 Session of Parliament. However, against the final appropriation of Rs. 3,00,000 the actual expenditure amounted to Rs. 4,37,868 leaving an uncovered excess of Rs. 1,37,868 which requires regularisation by Parliament.

The excess was mainly under the sub-head 'A. 1(1)—Construction of National Highways' as explained below :—

Sub-head	Actual Appropriation	Final Expenditure	Excess
	Rs.	Rs.	Rs.
A.1(1) Construction of National Highways	—	2,51,569	(+)2,51,569

A sum of Rs. 2,51,569 was paid by the Delhi Administration to a contractor in satisfaction of a Court decree for the construction of Weir across River Jamuna at Wazirabad.

As the work in respect of which decretal award was received was not a sanctioned work, no funds to cover this expenditure were provided. The Executive Engineer concerned of the C.P.W.D., however, paid the amount during March, 1971 in order to liquidate the liability early for subsequent recovery from the Deposit Head.

As the expenditure is in satisfaction of a Court decree against the Government of India, it is 'charged' on the Consolidated Fund of India under Article 112(3)(f) of the Constitution of India. Any expenditure

APPENDIX DUVIII

**GOVERNMENT OF INDIA
MINISTRY OF DEFENCE**

Note for the Public Accounts Committee for regularisation of Excess over voted Grant No. "2—Defence Services, Effective—Army" as disclosed in the Appropriation Accounts (Defence Services), for the year 1970-71

GRANT NO. "2 DEFENCE SERVICES, EFFECTIVE—ARMY"

		Rs.
Original Grant	Voted	786,89,00,000
Supplementary Grant	Voted	13,21,00,000
Total Grant	Voted	800,10,00,000
Actual Expenditure		816,31,33,723
Excess		16,21,33,723

2. The Original Grant of Rs. 786,89,00,000 was augmented by obtaining a Supplementary Grant of Rs. 13,21,00,000 in the March 1971 Session of Parliament. Against the final Grant of Rs. 800,10,00,000 the actual expenditure amounted to Rs. 816,31,33,723 leaving an uncovered excess of Rs. 16,21,33,723 which requires to be regularised by Parliament. The excess is the net result of excesses and savings under the various Main Heads of the Grant. The excesses occurred mainly under the group sub-heads indicated below :—

(In thousands of Rupees)

Sub-Heads		Final Grant		Actual Expenditure	Excess (+)
D—TRANSPORTATION	Voted				
	O	25,73,49	29,31,20	32,55,13	3,23,93
	R	3,57,71			
F—MANUFACTURING AND RESEARCH ESTABLISHMENTS :					
F. 2 Ordnance and Clothing Factories	Voted				
	O	130,31,30	130,99,24	130,73,28	9,74,04
	R(—)	9,32,06			
G—STORES (OTHER THAN MANUFACTURING AND RESEARCH ESTABLISHMENTS & MES EXCLUDING ENGL NEER STORE DEPOTS) :	Voted				
	O	199,77,00	192,87,40	198,24,79	5,37,39
	R(—)	6,89,60			
H—Works (Chargeable to Revenue (Maintenance etc.	Voted				
	O	38,27,00	41,72,50	42,43,07	70,57
	R(+)	3,45,40			

The main factors responsible for the excess under the above mentioned sub-heads are briefly explained below :—

D. Transportation (+) Rs. 323.93 lakhs

The increased expenditure was mainly under rail charges (Rs. 298 lakhs) due to heavier adjustments of Railway bills pertaining to movement of stores and personnel at the close of the year than anticipated, increased expenditure on hired transport (Rs. 17 lakhs) due to enhancement of hiring rates of transport in J&K, and more expenditure of obligatory nature than anticipated under M.E.S. transportation charges (Rs. 9 lakhs).

F. 2—Ordnance and Clothing Factories (+) Rs. 974.04 lakhs

The excess expenditure of Rs. 974.04 lakhs over the final grant is mainly under (i) purchase of Material (Rs. 1,059 lakhs) and Customs Duty (Rs. 2 lakhs) due to larger materialisation of supplies than anticipated and adjustment of outstanding bills at the close of the year as a result of special measures taken by DGO; (ii) Transportation and Miscellaneous expenses (Rs. 34 lakhs) due to larger adjustments at the close of the year as a result of larger materialisation of supplies, and (iii) on maintenance works due to accelerated progress of works (Rs. 13 lakhs), partly offset by less expenditure than anticipated on pay and allowances (Rs. 134 lakhs) as a result of economy drive.

G. Stores [other than for Manufacturing and Research Establishments and MES (Excluding Engineer Store Depots)] (+) Rs. 537.39 lakhs.

The excess expenditure of Rs. 537.39 lakhs over the Final Grant is under (i) Ordnance Stores (Rs. 285 lakhs), (ii) Medical Stores (Rs. 28 lakhs) mainly due to more expeditious materialisation of supplies than anticipated, and (iii) P.O.L. (Rs. 349 lakhs) due to heavier adjustments, than anticipated, at the close of the year, partly offset by less materialisation than anticipated of Engineer Stores and non-receipt of certain debits from CAO London (Rs. 125 lakhs).

H. Works (Chargeable to Revenue), Maintenance, etc. (+) Rs. 70.57 lakhs

The excess of Rs. 70.57 lakhs over the final grant is mainly due to larger expenditure than anticipated on (i) procurement of stores for engineering parks (Rs. 65 lakhs) due to expeditious materialisation of supplies, (ii) maintenance of Buildings, Roads and Furniture (Rs. 36 lakhs) due to increased cost of labour and material, good progress of works, non-materialisation of expected credits, (iii) maintenance and operation of installations and general charges (Rs. 22 lakhs) due to more expenditure on maintenance of refrigeration and air conditioning and continuous running of stand-by generating sets on account of prolonged failure of supply from electricity board, which was partly counter-balanced by less expenditure on MES advances (Rs. 54 lakhs).

3. The total excess of Rs. 1905.93 lakhs under the above heads and minor excesses under other sub-heads were partly counter-balanced by savings under the other sub-heads of the Grant leaving a net excess of Rs. 16,21,33,723.

4. In the circumstances explained above, the excess of Rs. 16,21,33,723 over the final Grant of Rs. 800,10,00,000 which is 2.02 per cent of the final grant may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India.

5. The Director of Audit, Defence Services, has seen.

APPENDIX XXIX
GOVERNMENT OF INDIA
MINISTRY OF DEFENCE

Note for the Public Accounts Committee for regularisation of excess over voted Grant No. '4—Defence Services, Effective—Air Force' as disclosed in the Appropriation Accounts (Defence Services) for the year 1970-71.

GRANT NO. '4—DEFENCE SERVICES, EFFECTIVE—AIR FORCE'

	Rs.
Original Grant	211,50,00,000
Supplementary Grant	13,23,00,000
Total Grant	224,73,00,000
Actual Expenditure	228,74,43,088
Excess	4,01,43,088

2. The Original Grant of Rs. 211,50,00,000 was augmented by Rs. 13,23,00,000 by obtaining a supplementary Grant in the March, 1971 session of Parliament. Against the final Grant of Rs. 224,73,00,000 the actual expenditure, however, amounted to Rs. 228,74,43,088 leaving an uncovered excess of Rs. 4,01,43,088 which requires to be regularised. The excess is the net result of excesses and savings under the various sub-heads of the Grant. The excess occurred mainly under the sub-heads indicated below :

	(Rs. in lakhs)		
Sub-Head	Final grant	Actual Expenditure	Excess
A. Pay and Allowances of Air Force Personnel	46,85.00	47,64.36	- 79.36
B. Expenditure on Stores	133,89.14	137,42.35	- 353.21
G. Expenditure on works (chargeable to Revenue) Maintenance etc.	12,13.00	13,24.70	- 1,11.70

The main factors responsible for the above excesses are as under:—

Sub-head 'A' Pay and Allowances of Air Force Personnel (Rs. +79.35 lakhs)

The excess of Rs. 79.36 lakhs was on account of increased expenditure on Pay and Allowances of Officers, Airmen and Non-Combatants (Enrolled) and due to abnormal heavy un-anticipated adjustments in February and March 1971 accounts.

Sub-head 'F'—Expenditure on Stores (Rs. +353.21 lakhs)

The excess of Rs. 353.21 lakhs was mainly due to larger expenditure than anticipated on the following:—

Aviation Stores	Rs. 357 lakhs
M. T., Ordnance & Medical Stores	Rs. 87 lakhs
P. O. L.	Rs. 56 lakhs
R.& D. Projects	Rs. 24 lakhs

The main reasons for expenditure are given below :

(a) *Aviation Stores* + Rs. 357 lakhs.

The excess under this head was mainly due to following reasons :—

- (i) Over materialisation of supplies than anticipated from various sources, e.g. USSR/USA H.A.L./ D.G.S.&D. and B.E.L. etc. Rs. 230 lakhs
- (ii) Adjustment of expenditure in March, 1971 Supplementary Account for supply received during 1969 and early 1970 from U.S.A. from which no provision was made. Rs. 59 lakhs
- (iii) Abnormal Booking on account of A.O.G./I.O.R. local purchases adjustable through A.G.C.R. made by our Embassy abroad. Rs. 45 lakhs
- (iv) Larger adjustment of custom duty in the closing months of the year than anticipated. Rs. 23 lakhs

(b) *M.T., Ordnance & Medical Stores*—Rs. 87 lakhs.

Excess expenditure was due to more materialisation of Ordnance Stores (Rs. 68 lakhs), M.T. Stores (Rs. 9 lakhs) and Medical Stores (Rs. 10 lakhs) than anticipated.

(c) *P.O.L.*—Rs. 56 lakhs

The excess was on account of larger payment of outstanding bills of the Indian Oil Corporation in March, 1971 than anticipated.

(d) *Research and Development Projects* + Rs. 24 lakhs

The excess was mainly due to expenditure on new projects which could not be anticipated by Hindustan Aeronautics Ltd. partly offset by closing down of Special Project Team Work at Bharat Electronics Ltd.

The above excesses of Rs. 524 lakhs under the sub-head 'F'—Expenditure on Stores', were partly offset by savings under Air-frames and Engines, provisions and clothing and other stores due to less materialisation of supplies against indents leaving a net excess of Rs. 353.21 lakhs under the sub-head.

Sub-head 'G'—Expenditure on Works (Chargeable to Revenue) maintenance etc. Rs. +111.70 lakhs.

The excess over the final grant was mainly due to larger expenditure on civil works, maintenance of buildings/installations (Rs. 61 lakhs) and more payment for the departmental charges (Rs. 51 lakhs) than anticipated.

3. The excess of Rs. 544.27 lakhs under the above sub-heads and minor excesses under other sub-heads were partly counter-balanced by savings under other sub-heads of the Grant leaving a net excess of Rs. 4,01,43,088 which requires to be regularised.

4. In the above circumstances, the excess of Rs. 4,01,43,088 which is 1.79% of the final Grant may kindly be recommended for the regularisation by Parliament under Article 115 of the Constitution of India.

5. D.A.D.S. has seen.

APPENDIX XXX

MINISTRY OF DEFENCE

Note for the PAC for Regularisation of Excess over voted grant No. '105—Defence Capital Outlay' as disclosed in the Appropriation Accounts (Defence Services) for the year 1970-71

GRANT NO. '105—DEFENCE CAPITAL OUTLAY'

		Rs.
Original Grant	Voted	139,00,00,000
Supplementary Grant	Voted	4,94,00,000
Total Grant	Voted	143,94,00,000
Actual Expenditure	Voted	148,81,25,688
Excess	Voted	4,87,25,688

2. The Original Grant of Rs. 139,00,00,000 was augmented by obtaining Supplementary Grants of Rs. 68,25,000 in the November, 1970 and Rs. 4,25,75,000 in the March, 1971 sessions of Parliament. The actual expenditure amounted to Rs. 148,81,25,688 leaving an uncovered excess of Rs. 4,87,25,688 which requires to be regularised. The excess is the net result of excesses and savings under the various sub-heads of Grant. The excesses occurred mainly under the sub-heads indicated below :-

Sub-head		(In thousands of Rs.)			
		Final Grant	Actual Expenditure	(-) Excess	
A-Army	Voted :	O	46,83,80	59,75,10	(-) 2,30,10
		S	4,29,00		
		R	6,32,20		
		-----	57,45,00		
B. Navy	Voted :	O	39,00,00	40,16,64	(-) 97,64
		R	19,00		
		-----	39,19,00		
		-----	39,19,00		
D-Manufacturing and Research Estts.	Voted :	O	29,95,00	27,72,79	(+) 1,79,79
		R	(-) 3,02,00		
		-----	25,93,00		
		-----	25,93,00		

3. The main factors responsible for the excesses under the above mentioned sub-heads are briefly explained below :—

'A' Army—(+) Rs. 230.10 lakhs

The excess of Rs. 230.10 lakhs over the final grant was mainly due to more expenditure on civil works than anticipated due to accelerated progress achieved during the closing months of the year (Rs. 152.60 lakhs) and more expenditure on acquisition of land as a result of prompt settlement of cases (Rs. 72.24 lakhs) and larger expenditure on the stockpile (Rs. 26 lakhs).

'B' Navy—() Rs. 97.64 lakhs

The excess expenditure under Navy mainly comprises larger expenditure on ships (Rs. 94.89 lakhs) and on Naval Project Vizag (Rs. 14.39 lakhs) which was partly counter-balanced by savings under acquisition of land and Naval Dockyard Expansion Scheme, Bombay due to the reasons explained below :—

(a) *Ships (Rs. 94.89 lakhs)*

Larger expenditure is mainly due to :—

(i) *Indigenous Construction*—Payment of Rs. 27.20 lakhs to ship-builders on account of ocean-going tug due to appreciable progress of work at the close of the year against a token provision of Rs. 1.20 lakhs made at the modified stage. The net increase of Rs. 26 lakhs was finally reduced to Rs. 22.94 lakhs due to small savings in respect of INS Darshak and Seaward Defence Boats.

(ii) *Leander Class Frigate*.—The excess of Rs. 67.11 lakhs is due to— (a) belated adjustment of Rs. 26.44 lakhs in the March Final Accounts to clear an outstanding transaction which was not anticipated at the time of framing final estimates for 1970-71; and (b) payment of Rs. 40.67 lakhs made to HAL and HE(I) Ltd., which was not taken into account by M/s. Mazagon Dock Ltd. at the time of rendering final estimates as Government sanction for the payment of the amount was issued on 27th March, 1971.

(iii) *Russian Acquisition*.—The minor increase of Rs. 4.70 lakhs was due to adjustment against various contracts/invoices.

(b) *Naval Project Vizag (Rs. 14.39 lakhs)*

The excess expenditure of Rs. 14.39 lakhs under Naval Project, Vishakhapatnam was due to the unanticipated adjustments of credit notes on account of freight charges and other debits in the March Supplementary Accounts for which no provision was made.

'D' Manufacturing and Research Establishments (+) Rs. 179.79 lakhs

The break-up of the excess expenditure of Rs. 179.79 lakhs is as under :—

(i) Works :	(In lakhs of Rs.)
Factories	32.57
R & D	2.59
Inspection	21.24
Total Works	56.40
(ii) Plant & Machinery	75.18
(iii) Expenditure on purchase of material for stocks	48.21
	179.79

The reasons for excess expenditure are given below :—

Works

The excess of Rs. 56.40 lakhs on works is mainly due to more expenditure on civil works as a result of accelerated progress of works than anticipated, less adjustment of credits on account of disposal of surplus stores, belated receipt of debits from Civil regarding land acquisition and erroneous adjustment of Rs. 21.87 lakhs under Works instead of plant and Machinery.

Plant & Machinery

The excess of Rs. 75.18 lakhs is mainly due to payment of Rs. 74.03 lakhs in NCR pertaining to the project—Grey Iron Foundry, Jabalpur for which no provision was made due to anticipated delay in the delivery schedule of the equipment.

Expenditure on purchase of material for stock

The excess of Rs. 48.21 lakhs is mainly due to unanticipated payment of certain outstanding claims through book adjustment in March (Supplementary) Accounts as a result of special measures taken by the Director General of Ordnance Factories to liquidate outstanding liabilities which were not expected to be adjusted in the Accounts for the year 1970-71.

4. The above excesses amounting to Rs. 507.53 lakhs and a minor excess under the sub-head 'E' Outlay on Industrial and Other Organisations (Rs. 0.46 lakhs) were partly offset by saving of Rs. 20.73 lakhs under Sub-Head 'G'—Air Force leaving a net excess of Rs. 4,87,25,688/- which requires to be regularised.

5. In the circumstances explained above the excess of Rs. 4,87,25,688/- over the final grant of Rs. 143,94,00,000 which is 3.39% of the final grant may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution.

D.A.D.S. has seen.

APPENDIX XXXI

MINISTRY OF RAILWAYS

(RAILWAY BOARD)

Explanatory Notes on excesses over Voted Grants and Charged Appropriations during 1970-71 vide Para 7 (page 10) of Report of the Comptroller and Auditor General of India for the Year 1970-71 and Para 30 (Page 14) of Appropriation Accounts of Railways in India for 1970-71— Part-I—Review.

1.1. In 1970-71 the actual expenditure exceeded the sanctioned allotment in four instances as against six in the previous year.

1.2. In the case of two grants — No. 5 (Repairs and Maintenance) and No. 16 (Pensionary charges - Pension Fund)—out of total of 21, the actual expenditure exceeded the voted grant. The excess was, however, small being 0.1% in the case of grant No. 5 and 0.5% in the case of grant No. 16.

1.3. The actual expenditure was also somewhat more in the case of two charged appropriations—No. 6 (Operating Staff) and No. 14 (Construction of new lines)—out of 11 such appropriations. Here, too, the excess was not much—amounting to 1.5% in the case of appropriation No. 6 and 3.5% in the case of appropriation No. 14.

1.4. The amount of excess in each of the four instances is shown in para 7 of the Report of the Comptroller & Auditor General of India for 1970-71 as also in para 30 of Appropriation Accounts of Railways in India for 1970-71, Part-I—Review. The excesses to be regularised by Parliament have, however, to take into account any erroneous adjustment as between grants; Annexure 'A' of these Notes show figures of the excess as given in the above mentioned publications as well as the real excess after taking into account the mis-classification, which requires regularisation.

1.5. It may be mentioned that every care is taken to assess the expenditure under various grants/appropriations as precisely as possible and to obtain supplementary allotments where necessary, so that excesses are avoided to the maximum extent.

1.6. It is requested that the P.A.C. may be pleased to recommend that the aforesaid excesses be regularised by Parliament in the manner prescribed under Article 115 of the Constitution.

1.7. The Memorandum has been seen by Audit.

Detailed Notes

*Voted Grant No. 5—Revenue—Working Expenses Repairs and Maintenance :
Excess of Rs. 17,35,480 over Rs. 2,74,15,81,000—0.1%.*

2.1. This grant deals with expenditure on repairs and maintenance of Railway assets, including track, buildings, rolling stock, ferries, electrical and signal equipment and installations, machinery etc.

2.2. The excess of 17.35 lakhs is only 0.1% of the final grant of Rs. 274.16 crores voted by Parliament. A supplementary grant amounting to Rs. 14.77 crores was obtained in November, 1970, for meeting payment of 'Interim Relief' during 1970-71 sanctioned by the Government with effect from 1st March, 1970, in terms of the recommendations of the Third Pay Commission. The excess which arose chiefly on the North Eastern, Northeast Frontier, Southern and South Central Railways occurred mainly on account of heavier expenditure on repairs to track, service and residential buildings and bridges etc. (73 lakhs), [includes excess due to inadequate provision on Northeast Frontier Railway (16 lakhs)]; increased expenditure on electrical, signal and tele-communication services (62 lakhs) and fluctuations in adjustment through stock adjustment account (11 lakhs); partly offset by shortfall in expenditure on account of non-operation of certain posts (62 lakhs), less payments to the Posts and Telegraphs department on account of rental for cables (36 lakhs), non-receipt of certain medical equipment, furniture and tarpaulins etc. (10 lakhs) and aggregate of minor variations (21 lakhs).

2.3. After excluding the amount of misclassification, viz. Rs. 37,894 (c.f. Annexures 'A' & 'B'), the excess actually requiring regularisation by Parliament works upto Rs. 16,97,586 in relation to the voted grant of Rs. 2,74,15,81,000, i.e. 0.1%.

Voted Grant No. 16—Pensionary Charges Pension Fund—Excess of Rs. 4,13,948 over Rs. 8,71,21,000—0.5%.

3.1. This grant, as its heading indicates, deals with expenditure on the payment of pensionary charges to railway employees governed by the pensionary form of retirement benefits.

3.2. The excess of Rs. 4.14 lakhs was 0.5% of the final grant of Rs. 8.71 crores. A supplementary grant of Rs. 76 lakhs was obtained in March, 1971, to cover the increased payments expected to be made to staff who retire from railway service under the pensionary form of retirement benefits but it turned out to be slightly inadequate. The excess occurred mainly on the Eastern Railway, the North Eastern Railway and the Northern Railway and was partly reduced by saving mainly on the Southern Railway, the South Central, South Eastern Railways and Miscellaneous Establishments, the Western Railway and the Chittaranjan Locomotive Works. The excess of Rs. 4 lakhs was the net of the fluctuations in debits received from Civil Accounts Officers in respect of pension payments.

Charged Appropriation No. 6—Revenue Operating Staff—Excess of Rs. 4,708 over Rs. 3,18,000—1.5%

4.1. This charged Appropriation covers payments arising from court decrees etc. in respect of operating staff employed in Locomotive, Carriage & Wagon, Ferry, Steamers and Harbours, Traffic, Singal and Tele-communication and Electrical Traction Departments, including staff at stations.

4.2. The final appropriation consisted of the supplementary appropriation of Rs. 3.18 lakhs obtained in March, 1971, for payments found necessary in respect of satisfaction of court decrees. The actual expenditure i.e. decretal payments, however, exceeded the appropriation available by a small amount of Rs. 5 thousands (1.5%).

Charged Appropriation No. 14—Construction of New Lines—Excess of Rs. 51,885 over Rs. 14,97,000—3.5%

5.1. This charged Appropriation relates to payments arising from court decrees, etc., on the construction of New Lines.

5.2. The excess of Rs. 52 thousands was 3.5% of the total appropriation of Rs. 14.95 lakhs; supplementary appropriation of Rs. 14.95 lakhs was obtained during the year (Rs. 1.91 lakhs in recoupment of advance taken from Contingency Fund in March, 1970, and Rs. 13.04 lakhs for meeting decretal payments) but it proved to be somewhat inadequate. The excess was attributable to more decretal payments found towards the close of the year.

ANNEXURE 'A'

Statement showing excesses over grants/appropriations as shown in para 7 of the Report of the Comptroller & Auditor General of India for the year 1970-71 as well as excesses worked out after taking into account items of misclassification

(Figures in units of Rs.)

Sl. No.	Number and name of Grant	Original Grant	Supplementary Grant	Final Grant	Expenditure	Excess	Real excess after taking into account misclassifications listed in Annexure 'B'	% of excess (Col. 7 to Col. 5)	% of excess real (Col. 8 to Col. 5)
1	2	3	4	5	6	7	8	9	10
Voted Grants									
1.	5-Revenue-Working Expenses—Repairs and Maintenance	2,59,38,92,000	14,76,89,000	2,74,15,81,000	2,74,33,16,480	17,35,480	16,97,586	0.1	0.1
2.	16-Pensionary charges-Pension Fund	7,95,45,000	75,76,000	8,71,21,000	8,75,34,984	4,13,984	4,13,984	0.5	0.5
Charged Appropriations									
1.	6-Revenue-Operating Staff	—	3,18,000	3,18,000	3,22,708	4,708	4,708	1.5	1.5
2.	14-Construction of New Lines	2,000	14,95,000	14,97,000	15,48,885	51,885	51,885	3.5	3.5

ANNEXURE 'B'

Grant No. 5—Revenue working Expenses—Repairs and Maintenance

S. No.	Particulars	Amount
		Rs.
1.	Excess shown in the Appropriation Accounts	17,35,480
2(1).	—Deduct :—	
	Expenditure relating to Grant No. 15 (Rs. 1,37,816) and Grant No. 10 (Rs. 5,078) booked under Grant No. 5.	1,42,894
(b)	Add :—	
	Expenditure relating to Grant No. 5 booked under Grant No. 15	1,05,000
	Real Excess to be regularised by Parliament (1)—2(a) + 2(b)	16,97,586

APPENDIX XXXII

GOVERNMENT OF INDIA

MINISTRY OF COMMUNICATIONS

(P&T BOARD)

Note for the P.A.C. for Regularisation of excess over Voted grant No. 96—P&T—Dividend to General Revenues Appropriations to Reserve Funds and repayment of the loans from General Revenues as disclosed in the appropriation Accounts for the year 1970-71

The final accounts for the year 1970-71 disclosed an excess of Rs. 7,76,29,884 over the voted Grant No. 96—Posts and Telegraphs—Dividend to General Revenues, Appropriations to Reserve Funds and Repayment of loans from General Revenues as detailed below:—

	Rs.
Amount of voted Grant	37,92,76,000
Actual expenditure	45,69,05,884
Excess over the Grant	7,76,29,884

2. This Grant provides for: (i) payment of dividend to General Revenues on the Capital-at-charge, (ii) appropriation of surplus on the working of the P&T Department to its Reserve Funds and (iii) payment of interest on and repayment of principal of loans from the General Revenues taken for augmenting the P&T Revenue Reserve Fund so as to meet the shortfall in the dividend payable to General Revenues as well as the deficit, if any, in the working results of the Department. In accordance with the revised convention governing the relations between the P&T and General Revenues which came into effect from 1-4-70, the P&T Department pays to the General Revenues a dividend calculated at the rate of 4.75% on the net capital-at-charge outstanding on 31-3-1964, reduced by its share of accumulated surplus as on 31-3-1960 and further reduced by the balance in the Renewals Reserve Fund as on 31-3-1964 and at 6.75% on the capital advanced from 1-4-1964 to 31-3-1970 reduced by the net accretion to the Renewals Reserve Fund during the same period, and at 6.75% on the Capital further advanced after 31-3-70 as reduced by the balance at the end of the relevant year in the P&T Capital Reserve Fund. The balance of the surplus is appropriated to its Reserve Funds. Any improvement in Revenue Receipts or reduction in working Expenses has the effect of increasing the surplus anticipated in the Budget and results in larger appropriation to the Reserve Funds thereby causing an excess in this Grant unless it can be anticipated and provided for through Supplementary Demands for Grants.

3. The position of funds under this Grant as provided for in the original estimate compared with the actual expenditure during 1970-71 is indicated below:—

(Figures in lakhs of Rs.)

	Original estimate for 1970-71	Actuals for 1970-71	Variation Savings (—) Excesses (+)
Dividend to General Revenues	14,79.70	13,18.80	(—)160.90
Appropriation to P&T Revenue Reserve Fund	10,98.46	12,91.50	(+)193.04
Appropriation to P&T Capital Reserve Fund	1,16.14	10,00.00	(+)883.86
Repayment of loan from General Revenues	10,98.46	9,58.76	(—)139.70
Total	37,92.76	45,69.06	(+)776.30

4. The excess occurred under the heads "Appropriation to P&T Revenue Reserve Fund" and "P&T Capital Reserve Fund" as explained below:—

Appropriation to P&T Revenue Reserve Fund..... (Rs. 1.93 Crores)

Appropriation to P&T Capital Reserve Fund..... (Rs. 8.84 Crores)

At the time of framing the original Budget for 1970-71, the surplus of the P&T Department was estimated at Rs. 26.94 crores. Out of this, the dividend liability was estimated at Rs. 14.80 crores leaving a surplus of Rs. 12.14 crores to be appropriated to the P&T Revenue Reserve Fund (Rs. 10.98 crores), and the P&T Capital Reserve Fund (Rs. 1.16 crores). At the time of framing the Revised Estimates the surplus was estimated at Rs. 21.80 crores only. However, the actuals disclosed a surplus of Rs. 36.10 crores (i.e.) an increase of Rs. 9.16 crores over the Budget due to larger receipts than anticipated by Rs. 14.28 crores, partly off-set by increase in Net Working Expenses by Rs. 5.12 crores. The actual dividend liability worked out to Rs. 13.19 crores against the Budget of Rs. 14.80 crores due to less capital-at-charge during the year under review resulting in a saving of Rs. 1.61 crores. The balance of Rs. 22.91 crores being the surplus of the Department was appropriated to the P&T Revenue Reserve Fund (Rs. 12.91 crores as against the BE 1970-71 of Rs. 10.98 crores) and to P&T Capital Reserve Fund (Rs. 10.00 crores as against the B.E. 1970-71 of Rs. 1.16 crores). This has resulted in an excess of Rs. 1.93 crores under P&T Revenue Reserve Fund and Rs. 8.84 crores under P&T Capital Reserve Fund.

5. The total excess on account of appropriation to P&T Revenue Fund and Capital Reserve Fund amounts to Rs. 10.77 crores. This was partly counter balanced by saving of Rs. 1.40 crores under repayment of loan from General Revenues and Rs. 1.61 crores under the head "Dividend to General Revenues" leaving a net excess of Rs. 7.76,29.884. It is requested that this excess may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India.

This has been seen by the Accountant Genl. P&T, Delhi 6.

APPENDIX XXXIII

GOVERNMENT OF INDIA

MINISTRY OF COMMUNICATIONS

P & T BOARD

Note for the P.A.C. for Regularisation of excess in the 'Charged' portion of the Grant No. '95-Posts and Telegraphs—Working Expenses' as disclosed in the Appropriation Accounts for the Year 1970-71

Final Appropriation	Actual Expenditure	Excess
Rs.	Rs.	Rs.
10,000	11,169	1,169

The excess of Rs. 1,169 over the final appropriation of Rs. 10,000 occurred under the sub-head 'J. II—Post Offices 4—Other Charges' Contingencies (charged) due to more expenditure on decretal costs awarded by the court against the Govt. than anticipated.

2. In May, 1970 Post Master General, Andhra Pradesh Circle made a payment of Rs. 3,464 in satisfaction of a court decree against the Government. This was erroneously debited to the 'Voted' portion of the Grant though the expenditure being in satisfaction of a court decree should have been 'charged' on the Consolidated Fund of India under Article 112 (3) (f) of the Constitution of India. The error in classification came to light almost at the end of the year when it was too late to provide funds by obtaining a Supplementary Appropriation. However, the misclassification was set right in the accounts of the year by adjusting the expenditure of Rs. 3,464 under 'Charged' Section of the Grant.

3. A provision of Rs. 10,000 was made in the budget estimates 1970-71 for expenditure likely to be incurred in satisfaction of court decrees. Against this an expenditure of Rs. 7,705 had already been incurred leaving a balance of Rs. 2,295 when the erroneous classification indicated above was rectified. As the balance available was not sufficient to cover the adjustment of Rs. 3,404 it had resulted in an excess of Rs. 1,169 over the final appropriation which requires to be regularised.

4. In the circumstances explained above it is requested that the excess of Rs. 1,169 may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution of India.

This has been seen by Accountant General P&T Delhi.

APPENDIX XXXIV

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATION OF THE P.A.C. CONTAINED IN THEIR 29TH REPORT (FIFTH LOK SABHA)

Recommendations/observations that have been accepted by Government:

Recommendation

During the year under report (1969-70), excesses occurred over 18 Voted Grants and 5 Charged Appropriations. These aggregated to Rs. 17.10 crores as against Rs. 27.78 crores and Rs. 3.78 crores during the year 1967-68 and 1968-69 respectively. The Committee are concerned to find that the position which showed improvement during 1968-69 over that of the previous year has deteriorated again. The Committee need hardly stress that concerted steps should be taken to improve budgeting procedures so as to minimise excesses over grants. They hope that all possible efforts will be made by the Ministries/Departments to improve the position.

[S.No. 1 (Para 1.3 of Appendix XX to the 29th Report (5th Lok Sabha)]

Action Taken

The observations of the Committee have been brought to the notice of all the Ministries/Departments. They have again been enjoined to make efforts towards making the budget estimates more realistic and the control over expenditure more effective so as to minimise the excesses over grants, *vide* Ministry of Finance O.M. No. F. 12 (1)-E (Coord)/72 dated 18th March, 1972 (Page 144).

[Ministry of Finance (Department of Expenditure) O.M. No. 12 (1) E-Coord/72 dated 5-5-72]

Recommendation

In terms of Paragraph 3.9 of the 31st Report (Fourth Lok Sabha) of the Committee, the notes on excesses duly vetted by Audit should be furnished to the Committee immediately after the presentation of the Appropriation Accounts to Parliament or by 10th April, whichever is later. The Appropriation Accounts (Civil), 1969-70 were presented to Parliament on 22-6-1971. However, the Committee find that the notes relating to grants "79-Roads", "131-Capital Outlay on Aviation" and "53-Andaman and Nicobar Islands" were received only on 5-8-1971, 6-9-1971 and 29-11-1971 respectively, with the result that this Report could not be finalised by the Committee in time to ensure the regularisation of the excesses without delay. The Committee would, therefore, like to impress upon the Ministry of Finance the necessity of adhering strictly to the time schedule already laid down by them.

[Sl. No. 2 (Para 2.2) of Appendix XX to 29th Report (5th Lok Sabha)]

Action Taken

The observations of the Committee have been brought to the notice of all the Ministries/Departments *vide* Ministry of Finance D.O. No. F.8 (42)-B/71, dated the 6th May, 1972. (Page 149)

[Ministry of Finance (Department of Economic Affairs) O.M. No. 68 (42)—B/71, dated 10-5-72.]]

Recommendation

From the notes furnished by the Ministries, the Committee find that as in the past the defective estimation at the time of framing the Budget and Revised Estimates, lack of proper review of the progress of expenditure at the appropriate time, failure to anticipate properly the receipt of stores and debits relating thereto, absence of adequate provision for the adjustment of past liabilities, erroneous adjustments and lack of proper control over expenditure were the main causes for excesses during the year under report.

[S. No. (Para 2.3) of Appendix XX to the 29th Report (5th Lok Sabhs)]

Action Taken

The observations of the Committee have been brought to the notice of all the Ministries/Departments *vide* Ministry of Finance O.M. No. F.12 (1)-E (Coord)/72 dated 18th March, 1972 (Page 144). The need for framing budget estimates realistically, proper maintenance of expenditure control and liability registers, prompt adjustment of debits, systematic reconciliation of departmental figures with those booked in accounts office etc., has been again urged in the O.M. cited above.

[Ministry of Finance (Department of Expenditure) O.M. No. 12 (1) E (Coord/72 dated 5-5-72)]

Recommendation

The Committee further note that in regard to some of the cases of excess over charged Appropriations, although the extra liability was known in time, no action was taken by the departments concerned to obtain supplementary appropriation. In the case (grant No. 123—Capital Outlay of Multipurpose River Schemes) the expenditure was incurred without any budget provision although the proper course would have been to take and advance from the Contingency Fund to be recouped by obtaining appropriation during the year. The Committee are surprised that the Ministries have explained these lapses as due to ignorance of rules and procedure on the part of authorities concerned which can not be accepted as a plea. The Committee trust that such lapses will not recur.

[S. No. 4 (Para 2.4) of Appendix XX to the 29th Report (5th Lok Sabha)]

Action Taken

The observations of the Committee have been brought to the notice of all the Ministries/Departments *vide* Ministry of Finance O.M. No. F.12

(1)-E (Coord)/72 dated 18th March, 1972 (copy enclosed). Adequate provisions exist in the general financial rules whereby the Ministries and accredited Financial Advisers should undertake an overall review early in January each year to see to what extent the expenditure has progressed with reference to the sanctioned grants. This is intended to facilitate a realistic assessment of the anticipated savings/excesses under each grant and to regulate the quantum of supplementary demands for grants to be promoted in February-March Session of Parliament. Consequent on the delegation of enhanced financial powers to Ministries, the Internal Financial Adviser has been assigned a pivotal role for realistic budgeting and control over expenditure. The Ministries have been again urged to make efforts to achieve the above desired objectives in the O.M. cited above.

[Ministry of Finance (Department of Expenditure) O.M. No. 12 (1)
E-(Coord)/72, dated 5-5-72]

No. F. 12(1)-E(Coord)/72
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF EXPENDITURE)

New Delhi, The 18th March, 1972

OFFICE MEMORANDUM

SUBJECT:—*29th Report of the Public Accounts Committee (5th Lok Sabha)*
(Recommendations No. 1, 3, & 4)

The Public Accounts Committee while commenting on the case of excesses over voted grants and charged Appropriations disclosed in the various Appropriation Accounts for the year 1969-70 have observed in paras 1.3, 2.3 and 2.4 of their 29th Report as follows:—

Recommendation No. 1 (Para 1.3)

During the year under report (1969-70), excesses occurred over 18 Voted Grants and 5 Charged Appropriations. These aggregated to Rs. 17.10 crores as against Rs. 27.78 crores and Rs. 3.78 crores during the years 1967-68 and 1968-69 respectively. The Committee are concerned to find that the position which showed improvement during 1968-69 over that of the previous year has deteriorated again. The Committee need hardly stress that concerted steps should be taken to improve budgeting procedures so as to minimise excesses over grants. They hope that all possible efforts will be made by the Ministries/Departments to improve the position.

Recommendation No. 3 (Para 2.3)

From the notes furnished by the Ministries, the Committee find that as in the past the defective estimation at the time of framing the Budget and Revised Estimates, lack of proper review of the progress of expenditure at the appropriate time, failure to anticipate properly the receipt of stores and debits relating thereto, absence of adequate provision for the adjustment of past liabilities, erroneous adjustments and lack of proper control over expenditure were the main causes for excesses during the year under report.

Recommendation No. 4 (Para 2.4)

The Committee further note that in regard to some of the cases of excess over charged Appropriations, although the extra liability was known

in time, no action was taken by the departments concerned to obtain supplementary appropriation. In one case (grant No. 123—Capital outlay on Multipurpose River Schemes) the expenditure was incurred without any budget provision although the proper course would have been to take an advance from the Contingency Fund to be recouped by obtaining appropriation during the year. The Committee are surprised that the Ministries have explained these lapses as due to the ignorance of rules and procedure on the part of authorities concerned which cannot be accepted as a plea. The Committee trust that such lapses will not recur.

2. The Ministry of Finance have laid down detailed procedure for achieving effective control over expenditure (*vide* Rules 65 to 69 of G.F.R.s and the various Govt. of India's decisions thereunder) which *inter alia* include proper maintenance of expenditure control registers and liability registers, prompt adjustment of debits, systematic reconciliation of departmental figures with those booked in accounts offices etc. The Ministries have strengthened their Finance, Budget and Accounts Cells and placed them under the charge of Internal Financial Advisers. This should go a long way in overcoming the defects pointed by the Committee. The need for realistic budgeting and effective control over expenditure with reference to the sanctioned grants has been stressed time and again by the P.A.C. and their observations have been brought to the notice of all the Ministries/Departments. In this connection their attention is invited to this Department's O.M. No. F. 12 (45)-E(Coord)/70 dated 16-10-1970.

3. The Ministry of Home Affairs etc. are once again requested to pay special attention to this task of exercising effective control over the progress of expenditure and taking timely action for provision of requisite funds to cover anticipated commitments during a financial year thereby avoiding the occurrence of excesses over sanctioned grants. Suitable instructions may also kindly be issued to all subordinate authorities concerned under them.

Sd/-

Deputy Secretary to the
Government of India

To

All Ministries/Departments of Govt. of India

No. F. 12(1)-E (Coord)/72

Copy forwarded to all Financial Advisers and Expenditure Branches for information. It is reiterated that the observation of the Committee may please be borne in mind while conducting the reviews regarding progress of expenditure against sanctioned grants early in January every year *vide* this Department's Memorandum No. F. 15(2)-E (Coord)/66 dt. 30th December, 1966, so as to ensure that all anticipated commitments are taken into account and necessary provision of funds made therefor, thereby obviating excesses over sanctioned grants.

Copy also forwarded to:—

1. C.&A.G. of India. 2. Supreme Court. 3. Election Commission. 4. Lok Sabha Sectt. (P.A.C. Br.) 5. A.G.C.R., New Delhi. 6. Economic Affairs Deptt. (Budget Division).

Sd/-

*Deputy Secretary to the
Government of India.*

Copy for necessary action in so far as they are administratively concerned to:—

1. Defence Division.
2. A & B Branch.
3. E.G.I. Branch.
4. B.P.E.

Sd/-

*Deputy Secretary to the
Government of India.*

Recommendation

The Committee note that the expenditure had exceeded the grant for the third year in succession. As in the previous years, the excess during 1969-70 occurred mainly under the sub-Head 'Superannuation and Retired Allowances' (actual expenditure Rs. 4.20 crores against total provision of Rs. 4 crores) and was due to more payment of pensions than anticipated. While the Committee concede that the expenditure relating to payments of death gratuities and Family Pensions is of an unpredictable nature, they see no reason why expenditure on Superannuation and Retired Allowances could not be estimated accurately. The Committee feel that excess of 5 per cent over the provision for 'Superannuation and Retired Allowances' during 1969-70 was hardly justified and that there should normally be no excess on this account in future.

[S. No. 5 (Para 2.9) of Appendix XX to the 29th Report (5th Lok Sabha)]

Action Taken

The estimates and final grant in this case are fixed on the basis of the data furnished by various Accounts Officers who in turn base the same on the trend of past and current actuals and such other information as may be available with them. The expenditure under the head "Superannuation and Retired Allowances" also depends on the presentation of claims by the Pensioners on which Government has little control. The observations of the Committee have, however, been brought to the notice of the Accountants General *vide* this Ministry's letter No. F. 8(42)-B/71 dated 6-5-72 (copy enclosed).

[Ministry of Finance (Department of Economic Affairs) O.M. No. F. 8(42)-B/71 dated 10-5-72]

D.O. No. F. 8(42)-B/72
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS)

New Delhi, the 6th May, 1972

My dear,

The Public Accounts Committee in para 2.2 of the 29th Report (5th Lok Sabha) while commenting on the delays on the submission of notes regarding regularisation of excesses disclosed in the Appropriation Accounts, have *inter-alia* observed as under:—

“In terms of paragraph 3.9 of the 31st Report (Fourth Lok Sabha) of the Committee, the notes on excesses duly vetted by Audit should be furnished to the Committee immediately after the presentation of the Appropriation Accounts to Parliament or by 10th April, whichever is later. The Appropriation Accounts (Civil), 1969-70 were presented to Parliament on 22-6-1971. However, the Committee find that the notes relating to grants “79—Roads”, “131—Capital outlay on aviation” and “53—Andaman and Nicobar Islands” were received only on 5-8-1971, 6-9-1971 and 29-11-1971 respectively, with the result that this Report could not be finalised by the Committee in time to ensure regularisation of the excesses without delay. The Committee would, therefore, like to impress upon the Ministry of Finance the necessity of adhering strictly to the time schedule already laid down by them.

2. In this connection attention is invited to this Ministry's O.M. No. 8(52)B/68 dt. 18-12-68 (copy enclosed) whereunder the time schedule for submission of notes regarding regularisation of excesses to the Public Accounts Committee was laid down. This time schedule was drawn up to avoid delays in the submission of the requisite notes to the Committee and to expedite the subsequent process for regularisation of the excesses. This had also provided for adequate time for the Ministries etc. for dealing with them. We, however, find that the processing of the notes for the Public Accounts Committee have been invariably delayed in the Ministries for want of information by them either from their subordinate offices or due to variations in the Departmental figures and those in the Accounts offices.

3. Under the existing instructions departmental authorities are required to reconcile their departmental figures with those booked in the Accounts offices regularly and settle the discrepancies, if any, expeditiously. They are also required to complete reconciliation by the end of May. Moreover, these instructions are not being strictly observed. Further at the draft appropriation accounts stage the Ministries, etc. are required to ascertain complete information from their subordinate officers, etc. They are also required to verify the correctness of the figures shown, in the draft appropriation accounts and get the variation, if any, reconciled, and/or misclassification or wrong adjustments in the Accounts figures rectified. If these instructions are observed properly, there does not appear to be any reason

for the delays in the finalisation of notes regarding regularisation of excesses. We would accordingly request that prompt action may please be taken to reconcile the variations between the departmental and Accounts figures and action in processing the notes regarding regularisation of excesses initiated immediately, the excess comes to notice. It is needless to emphasise that the importance of adherence to the prescribed time schedule in the finalisation of these notes as delays in such cases not only attract adverse comments of the PAC but also lead to criticisms in the Parliament. We shall be further grateful if necessary steps are taken to finalise these notes in future promptly and such delays are avoided.

Yours sincerely,

Sd/-

.....
Internal Financial Adviser,

Ministry of

NEW DELHI.

No. F. 8(42) B/71

Copy forwarded for information to the C&AG with the request that suitable instructions may kindly be issued to the Accountants General to avoid delays in vetting these notes and in supplying information, if any, required by the departmental authorities in connection with finalisation of these notes.

Sd/-

*Deputy Secretary to the
Government of India.*

No. F. 8(42) B/71

Copy forwarded for information to :-

1. Ministry of Railways (Railway Board), New Delhi.
2. Department of Expenditure (Defence Division).
3. D.G. P&T.
4. Departments of Revenue and Insurance, Expenditure and Banking.
5. DS(IE) in respect of grants controlled by them.
6. The Lok Sabha Secretariat (PAC Branch).

Sd/-

*Under Secretary to the,
Government of India.*

No. F. 8(42)-B/71
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS)
New Delhi, the 6th May, 1972

To

All the Accountants General,
(Including A.G. P&T),
P.&A.O., Director of Audit, Goa, Daman and Diu,
C. & A.O. Dandkaranya.

SUBJECT:— *Expenditure under Grant 23. Pensions and other Retirement benefits 1969-70.*

Sir,

I am directed to invite reference to Para 2.9 of Public Accounts Committee's 29th Report (5th Lok Sabha) wherein, they have. *inter alia* observed as under:—

“The Committee note that the expenditure had exceeded the grant for the third year in succession. As in the previous years, the excesses during 1969-70 occurred mainly under the sub-head ‘Superannuation and Retired Allowances’ (actual expenditure Rs. 4.20 crores against total provision of Rs. 4 crores) and was due to more payment of pensions than anticipated. While the Committee conceded that the expenditure relating to payments of death gratuities and Family pensions is of an unpredictable nature, they see no reason why expenditure on Superannuation and Retired Allowances could not be estimated accurately. The Committee feel that excess of 5 per cent over the provision for ‘Superannuation and Retired Allowances’ during 1969-70 was hardly justified and that there should normally be no excess on this account in future.”

In this connection, it may be stated that the budget estimates and final grant in respect of expenditure on Superannuation and Retired Allowances are fixed on the basis of the information furnished by your office. It is, therefore, requested that the recommendations of the Committee may please be kept in view in future while framing the estimates on the above account.

Yours faithfully,

*Under Secretary to the
Government of India.*

No. F.8(42)-B/71

Copy forwarded for information and necessary action to Department of Expenditure (Defence Division).

Sd/-

*Under Secretary to the
Government of India.*

No. F.8(42)-B/71

Copy forwarded for information to the Lok Sabha Secretariat (PAC Branch).

Sd/-

*Under Secretary to the
Government of India*

Recommendation

The Committee observed that significant excess had occurred under the heads 'A.2(1)—Buildings' (Rs. 53.20 lakhs) and 'A.7(1)—Suspense Stock' (Rs. 54.55 lakhs). The excess under 'Buildings' is explained as mainly due to an unanticipated payment on account of house tax/service charges, including arrears of Rs. 37.02 lakhs to the New Delhi Municipal Committee. The claims of the New Delhi Municipal Committee in this regard had, however, been pending with Government for a considerable time. It is not, therefore, quite clear as to why reconciliation between the department figures and those of the New Delhi Municipal Committee which started in April, 1969 could not be completed promptly and how a decision to pay the dues as stated by the New Delhi Municipal Committee less the amount claimed by C.P.W.D. could not be taken in time to suitably provide for the payment during the year while the reconciliation was in progress. That the liability could not be anticipated even at the stage of reappropriation when the provision under this head was actually reduced is unconvincing. The Committee hope that the Department will be careful in anticipating and providing for liabilities of this kind in future.

As regards the excess that occurred under 'Suspense-Stock' due to receipt of more building material during the last quarter of the year than expected, the Committee need hardly stress that the department concerned should have a closer liaison with the purchase organisation/suppliers in respect of indented materials. They also wish that the supplies had been spread out to obviate concentration in last quarter and regulated according to the needs of the works and availability of funds.

[S. No. 6 and 7 Appendix XX Para 2.13 and 2.14 of 29th Report of the Public Accounts Committee, 5th Lok Sabha].

Action Taken

The recommendations are noted for compliance. Necessary instructions have been issued to all authorities (copy enclosed) that a regular watch on the pace of expenditure should be kept to ensure that expenditure in excess of Voted Grant or Charged Appropriation is avoided. The zonal Chief Engineers have been instructed to ensure strict compliance with budgetary procedures and avoid excesses.

There has also been an excess of Rs. 484.44 lakhs under the "Suspense head" during 1970-71, which has been explained as under:—

- (a) Receipt of more materials than anticipated;
- (b) Increase in the cost of materials;

- (c) 100% advance payment to suppliers of steel to avoid cancellation of the quota;
- (d) Adjustment of profit on stock account by Credit to Major Head XXXVII Revenue Receipts. This was done in Supplementary Accounts and could not be foreseen earlier;
- (e) Due to award and start of work on all the bridges and culverts. in Nepal, which resulted in an urgent need for more materials.

It is hoped that, in view of the instructions issued to the Zonal Chief Engineers, excess under this head will be avoided in future.

[Ministry of Works and Housing O.M. No. 25015/24/71-Bt. Dated, 11-7-72]

Copy of D.O. No. 10/4/70-B (E-in-C) dated 27th May, 1972 from Shri O. Muthachen, Engineer-in-Chief, Central P.W.D., New Delhi to Shri N. S. L. Rao, Chief Engineer (NDZ), CPWD, New Delhi etc. and copy endorsed to Ministry of Works & Housing, New Delhi etc.

I enclose for your information relevant extracts from the twenty ninth report of the Public Accounts Committee (1971-72) (Fifth Lok Sabha).

The Committee have re-emphasised the need for concerted steps to be taken to improve budgeting procedures in order to minimise cases of excess over Voted Grants for Charged Appropriations.

So far as the excess in the case of grant No. 40, Public Works (Covering Major Head 50—Public Works) is concerned the excess occurred mainly under the following sub-heads:

- A.2(1)—*Repairs, Buildings.*
- A.3(3) *Executive Establishment.*
- A. 3(3)(1) *Ordinary Establishment.*
- A.5—*Furniture.*
- A.7(1)(1)—*Suspense-Stock Charges.*

The observations of the Committee may be noted carefully with regard to excesses under the above Sub-heads. So far as the errors due to misclassification under the group-head A.3. Establishment are concerned, instructions were issued *vide* my Office No. 1/7/71-B (E-in-C) dated 21st August, 1971 for proper classification and timely reconciliation of Departmental Expenditure figures with those booked by Audit to rectify any errors. Those instructions should be carefully observed. With regard to excess under the Suspense Sub-head attention is invited to the instructions issued *vide* my office Memo No. 12/4/69-B (E-in-C), dated 7th January, 1970.

Detailed instructions with regard to preparation of Budget Estimates are contained in Appendix 5 to the C.P.W. Account Code and in chapter 5 of the Central Government Compilation of General Financial Rules. Rules 71 to 75 of the General Financial Rules lay down clear instructions

with regard to avoidance of excess expenditure and about inevitable payments. All officers under you may be asked to go through those instructions carefully and to ensure that not only there is proper estimation of expenditure at the budget compilation stage but also effective control is exercised over the expenditure so that Budget Grant or the Charged Appropriation, as the case may be, is not exceeded. The detailed procedure for achieving effective control over expenditure is laid down in Rules 65 to 69 of General Financial Rules and various Government of India decisions thereunder which *inter-alia* include proper maintenance of expenditure control register, and liability registers, prompt adjustment of debits, systematic reconciliation of departmental expenditure figures with those booked in the Audit Offices etc. If the provision in the grant of Appropriation is found to be insufficient, steps should be taken at the earliest opportunity to get the provision augmented. Such requests should be made as early as possible and latest by the time of submission of the six monthly estimates, making specific requests for additional funds, if required, with detailed reasons so that Government can be apprised of the position and action taken, to obtain a Supplementary Grant if such a course becomes necessary. Proposals for any inevitable expenditure which could not be foreseen by the time proposals for Supplementary Grant were sent, should be sent to my office with full justification and giving reasons for not anticipating the expenditure earlier so that Government may be approached for obtaining an advance from Contingency Fund of India.

It will be seen that a regular watch on the pace of expenditure is absolutely necessary in order to ensure that expenditure in respect of excess of the Voted Grant of Charged Appropriation is avoided. While each Divisional Officer should take stock of his Budget Allotment and actual expenditure every month, the Superintending Engineers must review the requirements of funds for the Circle as a whole at least once in a quarter till December, and thereafter every month. The Zonal Chief Engineers may also review the progress of expenditure for the Zone as a whole at least once every quarter till December and thereafter every month.

I shall be grateful if you will issue suitable instructions to all your Officers to ensure strict compliance with budgetary procedures and avoidance of excesses.

Recommendations

Despite repeated comments by the Committee, excess under this grant has by now become an annual feature. As in the previous years, the bulk of the excess was due to failure to anticipate properly the receipt of stores and debits relating thereto and to make adequate provision for the adjustment of past liabilities. The excess was as high as 72% and 87% under the heads "F. 1(2)(4)(1)—Marine Stores Suspense—Gross Expenditure and E. 1(4)(1)—Tools and Plants—New Supplies, repairs etc." respectively. There was neither an exercise of proper control over expenditure nor there has been an effective liaison both with the Suppliers and the Accounts Officer. The Committee are unable to comprehend now the payments were made for the supplies by the Pay & Accounts Officer without the knowledge of the Andaman Administration and adjusted by the Accounts Officer belatedly which resulted in excess remaining uncovered

by suitable additional provision under the head "F.1(2)—Miscellaneous Share Estts."

The Committee note that pursuant to their earlier recommendation, the Ministry of Home Affairs have impressed upon the Andaman Administration the need for strict compliance with the rules and instructions regarding control over expenditure and to maintain closer liaison with the suppliers on the one hand and Accounts Officer on the other to avoid such excesses in future. The Committee trust that the Andaman Administration will strictly comply with the instructions issued by the Ministry of Home Affairs. The Committee would like to watch this through future Appropriation Accounts relating to this grant.

[Sr. No. 8 and 9 of Appendix XX to the 29th Report (Fifth Lok Sabha)]

Action Taken

The observation of the Committee has been brought to the notice of Andaman Administration for guidance *vide* d.o. letter No. 18/4/71-AC. II dated 4-1-1972. (Copy enclosed).

[Ministry of Home Affairs O.M. No. 18/4/71-AC-II dated 17-3-72]

Copy of Ministry of Home Affairs D.O. letter No. 18/4/71-AC. II dated the 4th January, 1972 from Sri G. K. Bahnot, Joint Secretary, to Sri H. S. Butalia, Chief Commissioner, A&N Islands, Port Blair.

Kindly find enclosed an extract from the Twenty-ninth Report of the Public Accounts Committee, 1971-72 (Fifth Lok Sabha) containing their observations in regard to the excess in Grant No. 52-A&N Islands for 1969-70.

I shall be grateful if you could kindly bring the observations of the PAC to the notice of all concerned for guidance and take steps to ensure that such excesses do not occur in future.

Kindly acknowledge the receipt.

With regards.

Recommendations

The Committee are constrained to once again comment on the expenditure exceeding this grant persistently over more than a decade. This excess under the head 'Maintenance of National Highways' (Rs. 84.60 lakhs) during 1969-70 is the highest ever recorded in recent years. The Committee had in paragraph 2.34 of their 123rd Report (Fourth Lok Sabha) indicated the excesses that occurred under this head continuously from 1959-60 to 1968-69. It is evident that efforts made so far to improve the position have been of little avail; in fact the position has tended to deteriorate further. In the circumstances they would strongly urge Government to finalise without any further loss of time the question of streamlining the procedure of the execution of works on the National Highways with a view to *inter alia* obviate the excess expenditure incurred by the States and report the details to them. It is surprising that the matter is hanging

fire for over three years now. The Committee are of the opinion that with a more rational and realistic allocation of funds, periodic reviews of progress of expenditure on the basis of monthly returns obtained promptly from the Works executing agencies and a better regulatory control through the Regional Offices the excesses could have been avoided.

[Sr. No. 13—Para 2.26 of 29th Report (Fifth Lok Sabha)]

Action Taken

In pursuance of the various recommendations of the Public Accounts Committee in regard to need for controlling the excesses in the expenditure on the Maintenance and Repairs of National Highways, the Central Government have taken a number of measures for a rigid control on the distribution of the funds to the States and their utilisation by them for the construction and development and maintenance and repairs of National Highways as well as to enforce rigid regulatory control over it. The various measures taken and the guidelines prescribed to streamline the procedure for execution of the works on the National Highways have been spelt out in the Action-Taken-Note submitted to Public Accounts Committee with the Ministry of Shipping and Transport (Roads Wing) Office Memorandum No. B-29(29)/70 dated the 27th April 1972 with reference to the observations/recommendations of the Committee in its 123rd Report (Fourth Lok Sabha) (copy enclosed).

2. Though, with the implementation of the various procedures outlined in the enclosed copy of the Action Taken Note, it is hoped that the position will improve, yet the matter is not being allowed to rest there. A constant vigil is being kept and the following further measures have been taken for tightening up the financial control so as to ensure that the expenditure in respect of maintenance of National Highways does not exceed the sanctioned grants:

- (i) Instructions have been issued to States to make arrangements for a constant vigil by the State Chief Engineers to see that the monthly expenditure returns sub-head wise and National Highway wise received by them from each Division are subjected to close scrutiny at the Chief Engineer's level itself so that prompt and timely action could be taken at his level itself on the basis of these monthly returns to arrest any likelihood or tendency towards excesses over sanctioned grant.
- (ii) The States have been requested to ensure intimation of the Division-wise allotments and the expenditure against those allotments possibly subhead wise and National Highway wise to the Regional Officers / E.L.Os and to headquarters of the Ministry to enable them also to keep a watch on the progress of the expenditure and to take action in time, wherever possible.
- (iii) The States have been advised to approach the Central Government well in time and, in any case, by December at the latest, for more funds, if rendered necessary and unavoidable after revised estimates for works like flood damage repairs or any other unforeseen requirement duly supported by complete justification indicating the progress of expenditure till the stage

of demand, the likely expenditure during the remaining period of the year and explaining why the demand could not be included in the Revised Estimates, so that the demand could be examined by the Govt. of India to secure if admissible, a supplementary grant/advance from the Contingency Fund of India to avoid unnecessary excesses. No expenditure is, however, to be incurred in any case unless sanctioned by the Government of India.

- (iv) The State Accountants General have been requested to consider keeping a watch over the expenditure possibly sub-head wise and to reflect it division wise in the quarterly expenditure returns sent by them to the Ministry so that it could provide a further check to detect any tendency towards exceeding the sanctioned grants and to facilitate suitable action being taken in the matter by the Ministry.
- (v) The Chief Secretaries of State Governments have also been addressed in the matter with the indication that if the tendency towards continued excesses over sanctioned grants is not checked, the Government of India may be driven to the painful necessity of considering measures for restricting the expenditure to actual expenditure only as may be warranted on the merits of each case. As a result, further instructions have been issued by the State Governments to all concerned in the State Public Works Departments to tighten up the financial control to see that the expenditure does not exceed the sanctioned grants.

It is hoped that as a result of these and earlier measures, the position will show definite signs of improvement and there may not be any recurrence of any such situation in future.

[Ministry of Shipping and Transport O.M. No. B-29 (3)-72 dt. 12-7-72]

GOVERNMENT OF INDIA
 MINISTRY OF SHIPPING & TRANSPORT
 (ROADS WING)

Action taken on the recommendation of the Public Accounts Committee.

Recommendation of the Committee.

The Committee regret that the excess under this grant has become a recurring feature. The excesses recorded continuously for the last 10 years under the head 'Maintenance of National Highways' are as under:

Year	Amount of Excess in lakhs
1959-60	13.97
1960-61	16.29
1961-62	11.15
1962-63	36.26
1963-64	15.99
1964-65	32.63 (Voted) 0.11 (Charged)
1965-66	39.17
1966-67	63.12
1967-68	35.30
1968-69	35.20

Although in their successive Reports on Excesses the Committee have been expressing their concern there has been no improvement in the position. The Committee note that the State Government/Union Territories who execute the National Highways works are not promptly furnishing the monthly returns of expenditure and that an attempt is being made by the Ministry of Shipping and Transport to restrict the expenditure to the sanctioned grant through the regional offices set up in various regions. The Committee further note that pursuant to the recommendations contained in paragraph 2.27 of their 31st Report (1968-69), Government have taken up for consideration the question of streamlining the procedure for the execution of works on the National Highways which will *inter alia* cover the problem of excess expenditure incurred by the States. The Committee hope that the matter will be finalised expeditiously so that the Government may not continue to be a helpless witness to the phenomenon of excess over voted grant each year.

[Para 2.34 of 123rd Report (Fourth Lok Sabha).]

Action taken by Government.

The question of devising suitable measures for ensuring proper control in respect of excesses over sanctioned grants has been considered at length by this Ministry in consultation with the Ministry of Finance and Accountants General concerned. A number of definite measures have been taken for a closer control on the distribution of the funds to the States and their utilisation by them for the construction, development and maintenance and repairs of National Highways. In pursuance of the recommendation made by the Public Accounts Committee, in its various reports, the existing arrangements in regard to the execution of works on National Highways have been reviewed and the procedure streamlined. A number of guidelines have been laid down with a view to ensure proper regulation and control of expenditure and to avoid excesses or shortfalls against the sanctioned grants. A copy of this Ministry's letter No. B-29(17)/68 dated the 5th August, 1970 containing these instructions is attached as Annexure I.

2. In regard to the Maintenance of National Highways the following control measures have been introduced.

- (1) Based on the report of a Technical Group of five State Chief Engineers headed by Director General of Road Development, norms have been prescribed and are being followed, for determination of maintenance requirements of various National Highways under different sub-heads of maintenance requirements and allocation of funds is regulated with reference thereto.
- (2) Allotment of maintenance funds are being strictly regulated based on the due examination of the annual maintenance abstract particulars being furnished by the States.
- (3) The maintenance allotments are being made not in lump sum but are earmarked for various sub-heads of maintenance requirements, e.g. Ordinary repairs, renewals, special repairs, special crust repairs and Flood Damage Repairs works. The States are expected to control the expenditure sub-head wise.
- (4) A further measure of control against the funds allotted for various sub-heads of maintenance is enforced by relating the surfacing renewal programme to specific length of National Highway system in a state to be attended to in a year and by approving technically regulated detailed estimates in respect of works of special repairs, payment crust repairs and flood damage repairs.
- (5) The Regional/Liaison Officers of the Ministry have been entrusted with the task of overseeing the handling of maintenance works by the States including a watch on the utilisation of maintenance grants.
- (6) Firm instructions have been issued to the State Governments to furnish the monthly progressive expenditure statements strictly by due dates prescribed. Non-compliance with these instructions is immediately brought to the notice of the defaulting State Governments at appropriate levels. Whenever it is seen that the pace of expenditure is not commensurate with the allotted funds, the

attention of the States concerned is promptly drawn thereto requesting them to exercise due restraint and control on the utilisation of the grant so as to avoid causing of ultimate excesses.

- (7) In addition, further instructions (*vide* Annexure II) have been issued to State P.W.Ds reiterating the imperative need for restricting the expenditure within the sanctioned total and sub-head wise grant for the maintenance of N.Hs. In addition the States have also been informed that while submitting the revised estimates and final requirements for the year, they should indicate the total requirements and upto date position of expenditure against the allotted funds together with the break-up under the respective sub-heads under which allotments are made. This would prove further useful in keeping a watch over the expenditure against the grant sanctioned for the maintenance of N.Hs.

3. It is hoped that with the several instructions issued so far, including those issued recently (*vide* Annexure II), the position will improve in future.

4. This Note has been vetted by the Audit.

ANNEXURE I

GOVERNMENT OF INDIA

MINISTRY OF SHIPPING & TRANSPORT

(ROADS WING)

Telegrams: 'ROADIND'

Transport Bhavan,

No. 1, Parliament Street.

No.—B-29(17)/68.

New Delhi-1,

5th August 1970/14th Sravana 1892.

To

All State Governments and Administrations of Union Territories
(Departments dealing with Roads).

SUBJECT: *Review of arrangements in regard to execution of works on National Highways.*

Sir,

I am directed to say that, as you are no doubt aware, there have been in the past years excesses over the sanctioned grants for the construction, development and maintenance and repairs of National Highways. Such cases are required to be regularised by Parliament under Article 115 of the Constitution. While examining such cases and recommending them to Parliament for regularisation, the Public Accounts Committee have stressed the need for devising suitable measures to ensure that the grants sanctioned by the Government of India are not exceeded. The Committee also suggested that, in order to watch the progress of expenditure *vis-a-vis* the sanctioned grants, the Central Government should obtain monthly statements of expenditure from State Governments with a view to ensure proper regulation and control of expenditure and to avoid excesses or shortfalls against the sanctioned grants.

2. In accordance with the prescribed procedure, State Governments' Local Administrations are required to forward to the Government of India monthly reports showing the expenditure incurred on national highways (original and maintenance and repairs works) and other Central sponsored road schemes by the 20th of the month following that to which the expenditure relates. The latest recommendation of the Public Accounts Committee in this regard was communicated to State Governments in this Ministry's letter No. B-29(2)/68, dated 19th April 1968, wherein the need for prompt submission of the monthly expenditure reports was, *inter alia*, impressed upon the State Governments. In spite of these instructions, the submission of monthly reports by State Governments has not been regular with the result that it is difficult to keep a proper watch on the trend of expenditure in

the various States, which is necessary for proper control and regulation of the expenditure by the Government of India against the sanctioned grants.

3. This matter has been discussed on a number of occasions in the past at the meetings of State Chief Engineers and the problem has been brought to the notice of the State Governments also. The results have, however, not been very encouraging. While in respect of Capital works given out on contract, which are in progress, there are likely to be difficulties in regulating the expenditure so as to contain it within the sanctioned grant, normally there should be no such difficulties in the case of maintenance works. Nevertheless, there have been recurring excesses of expenditure over the sanctioned grants for maintenance and repairs of National Highway in a majority of the States. This emphasises the need for tightening control over such expenditure with a view to ensure that the sanctioned grant is not exceeded.

4. In order to achieve the objective of restricting the expenditure to the amount of grants sanctioned by the Government of India, the steps indicated below should be taken:—

(1) *Prompt and speedy reconciliation of departmental figures with the Audit figures:*

The appropriation accounts for the past few years reveal wide variations between the departmental figures of expenditure and those of Audit. Delay in the reconciliation of such discrepancies not only results in delay in the finalisation of the appropriation accounts but also leaves no time for Government to regularise the expenditure before the close of the year. This situation can be averted only if the executive authorities take timely steps to carry out the necessary reconciliation quickly and in time in accordance with the instructions issued in this Ministry's letter No. B-29(2)/68, dated the 12th June 1968.

(2) *Maintenance of Liability Registers:*

One of the usual reasons advanced by the States for incurring excess expenditure is that the liabilities incurred during the year had to be carried forward and liquidated in the next year. If the liabilities so carried forward are accounted for in the budget for the next year, there should be no excess on that account over the appropriation for that year. It appears that the States do not include provision for the liabilities so carried forward in the budget proposals forwarded by them to the Government of India. This underlines the need for proper maintenance of up-to-date liability registers showing all the commitments entered into and to be discharged during the year. Maintenance of such registers will ensure that funds for the liquidation of liabilities carried over to the current year from the previous year are duly provided and any excess on that account over the budget grant for the current year is obviated. A reference is invited in this connection to this Ministry's letter No. B-29(2)/68, dated the 7th September 1968.

(3) *Timely rectification of cases of misclassification of expenditure:*

Sometimes excesses are due to the fact that the expenditure correctly debitable to one sub-head is adjusted under another sub-head. There have

also been cases where expenditure correctly classifiable as 'Voted' has been treated as 'Charged'. Cases in which the expenditure is to be treated as 'Charged' on the Consolidated Fund of India are enumerated in Article 112 (3) of the Constitution and are described below for ready reference:--

If the degree or award is against the Union only then the expenditure will be 'Charged' on the Consolidated Fund of India. In other cases, the expenditure will be charged on the Consolidated Fund of the State and the expenditure on reimbursement of funds to the State by the Government of India treated as 'Voted' for the purpose of provision in the Central Budget.

(4) Control over expenditure on National Highway Works by State Governments:

(a) Another important matter connected with the control of expenditure is the observance of financial discipline. Under rule 5 of the National Highways Rules, 1957, the only discretion that vests in the State Government in regard to the execution of National Highway works is that they can incur excess expenditure not exceeding Rs. 25,000 or 10% of the approved cost of the individual work, whichever is less. All other cases involving major deviations in designs or acceptance of a higher tender (in excess of 10% of the cost approved by the Government of India) are required to be reported to the Central Government and their prior approval taken before any commitment is made, which would involve excess expenditure over the funds sanctioned by the Government of India. Though these instructions by and large, are generally followed by States, there have been instances where references from State Governments were received long after they were due.

For example, revised estimates for certain works have not been submitted to the Govt. of India as soon as an increase in the sanctioned cost of the work is anticipated. This led to difficulties in considering the demands for budget provision as well as allocation of funds subsequently.

(b) There have also been cases where certain State Govts. involved the Central Govt. without their prior approval, in extra expenditure on certain approved works. In one such case, certain works, which were left incomplete by the contractor, had to be executed through another agency at the risk and expenses of the old contracting firm. The extra cost involved should, therefore, have been normally recovered from the old contractor. The State Govt. however, waived the recovery of the extra expenditure without reporting the matter to the Govt. of India and obtaining their approval to the waiver of the recovery. The State Govt. also imposed on the defaulting contractor only a nominal penalty as against the maximum permissible in terms of the contract agreement. While the grant of concession to the contractor within the framework of the contract agreement and without involving expenditure over and above the approved cost of the work may be in order, it is certainly not so in cases which have the effect of increasing the Centre its liability in the work. In another case the work was not completed by the contractor by the specified date as laid down in the contract. Instead of operating upon the penalty clause of the agreement, the State Govt. extended the period of completion of the work, thereby rendering the contractor immune against any action against him for delayed completion of the work. This naturally had the effect of increasing the cost of the work to the extent

of the amount of penalty that would have been recoverable from the firm had the penal clause not been made inoperative by the extension of the time limit.

(c) The Government of India agree that the time schedule for the completion of the work can be altered by the authority operating a contract, *provided there are valid reasons for the delay* in terms of the contracts. Similarly, the liability of Govt. is not limited really to the total value of the contract since there are many clauses under which there can be an increase in the total value. Additional liability may have to be incurred by a State Govt. when an order is given to the contractor at the site without waiting for sanction from the Government of India. But in such cases the Govt. of India should be informed immediately of the causes that have led to the change and of the amount involved. Further, a revised estimate need be prepared consequent on the change and forwarded to the Govt. of India in the shortest time possible and their orders obtained. Such cases frequently arise because of the lack of preliminary investigation work, which needs to be undertaken systematically and completely.

5. In the circumstances, the Govt. of India have decided that the following cases should be submitted to them for prior approval:—

- (1) Cases which may have the effect of increasing the liability accepted by the Govt. of India in respect of a particular work beyond the permissible limits over the approved work, e.g., by the waiver of a liability of a contract under the contract or agreement entered into with him;
- (2) Cases where a major departure is proposed to be made from the provisions in the contract, particularly those having financial implications; and
- (3) Cases where any *ex-gratia* payment or concession is proposed to be extended to the contractor, which are not covered by the terms and conditions of the contract or are not in keeping with the instructions issued by the Govt. of India.

Sd/-

Under Secy. to the Govt. of India.

Encl: Nil

Copy forwarded for information to all Chief Engineers dealing with Roads in States/Central Public Works Department/Engineer-in-Chief, Central Public Works Department, Delhi.

Sd/-

for Director General (Road Development)

Copy to all Regional Offices /Engineer Liaison Officers/All Technical Officers at Headquarters/Works Branches.

Sd/-

for Director General (Road Development)

Encl: Nil

ANNEXURE II

Express delivery

GOVERNMENT OF INDIA
MINISTRY OF SHIPPING AND TRANSPORT
(ROADS WING)

No. B-29(29)/70.

NEW DELHI, the 23rd February, 1972.

To,

All State Govts. (except Jammu & Kashmir),
The Union Territory of Delhi and Goa.

SUB:—*Excesses over noted grants.*

Sir,

I am directed to say that an examination of the appropriation accounts for the last twelve years have revealed that excesses over the grant sanctioned for the maintenance of National Highways has become a regular feature. As the state Govt. are aware such excesses are required to be regularised under Article 115 of the Constitution and the Public Accounts Committee have taken a serious view of such continued excesses. Since this Ministry are responsible to the Parliament for the grants administered by this Ministry, it becomes exceedingly embarrassing to defend and justify the excesses every year.

2. I am accordingly to reiterate once again that all possible steps should be taken well in time to ensure that the actual expenditure *does not under any circumstances*, exceed the sanctioned grant.

3. As the State Govts. are aware, the grant for the maintenance of N.Hs. is sanctioned under the following heads:—

- (i) Ordinary repairs
- (ii) Periodic renewals
- (iii) Special Crust Repairs
- (iv) Special Repair Works
- (v) Flood damage repair works

It will be appreciated if the information regarding the State Govt's total requirements and the expenditure incurred is included in the Revised Estimates and the final requirements of funds for the year in future indicated as against each of the sub-heads mentioned above. Adequate and convincing justification for any increase in the grant should also be furnished so that timely

action could be taken to obtain an increased allocation of funds, if necessary. The expenditure under the sub-heads of the maintenance grant mentioned above should also be restricted to the amount of the grant sanctioned for the purpose under the specific sub-head.

4. I am to request that suitable instructions in the matter may kindly be issued to the authorities concerned. A copy of the instructions issued may also kindly be endorsed to this Ministry.

Yours faithfully,

Sd/-

Under Secretary to the Govt. of India.

Copy forwarded for information and necessary action to:—

1. The Chief Engineers concerned. Addl. Chief Engineers.
2. The State Accountants Generals.
3. The Superintending Engineer/Engineer Liaison Officers, Ministry of Shipping and Transport (Roads Wing).

Sd/-

Under Secretary to the Govt. of India.

Recommendation

The Committee find that among other reasons excess consumption of fuel, incorrect assessment of average cost of coal and losses of fuel account for excess expenditure under this grant. Although the excess consumption of fuel may be partly due to the relegation of steam traction to inferior services as explained by the Ministry, the Committee do not rule out the scope for economy on fuel. In this connection the Committee would like to stress that there should be stricter control over the consumption of fuel to avoid wastage, pilferage and theft.

[S. No. 14 Para (2.29) of Appendix XX to the 29th Report (5th Lok Sabha)]

Action taken

The observations of the Committee are noted.

Concerted efforts continue to be made by the Railways to effect stricter control over the consumption of fuel. Some of the steps taken to effect economy in fuel consumption are given below:—

- (i) The quality and size of coal loaded for the railways is kept under constant watch by the Inspection Organisation at Dhanbad.
- (ii) Trip rations have been fixed by properly conducted trials for different sections and for various services. Drivers and Firemen exceeding the rations are educated in the techniques of fuel economy and those continuing to show poor performance taken up with.
- (iii) Maintenance of locos in receiving particular attention of Railways.

- (iv) Incentive schemes have been instituted for Drivers and Firemen who show outstanding results in fuel economy. This introduces a spirit of competition and motivates the running staff towards fuel economy.
- (v) Publicity drives are undertaken to educate the staff concerned with fuel economy.
- (vi) Instructions to the Railways have been reiterated in the context of the recommendations of the Committee, to exercise stricter control over consumption of fuel, to avoid wastages and eliminate pilferages and thefts *vide* Board's D.O. letter No. 72/Fuel/285/7 dated 23rd May, 1972. The drive to economise fuel has now been further intensified.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/20 dated 19-6-1972 (29 Jyaishtha, 1894 S.E.)]

Recommendation

As regards the incorrect assessment of the average cost of coal, the Committee observe that this occurred mainly on the South Eastern Railway even at the final modification stage which does not speak well of the method of estimation of cost. The Committee hope that such instances of lack of proper care will not recur.

[S. No. 15 of Appendix XX Para 2.30 of 29th Report of the P.A.C. (5th Lok Sabha)]

Action taken

The observations of the Committee have been brought to the notice of the railways *vide* letter No. 71-B(C)-PAC/V/29 dated 6-4-1972 (copy enclosed).

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/29 dated 19-6-1972 Jyaishtha 29, 1894]

GOVERNMENT OF INDIA (BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
(RAILWAY BOARD)

No: 71-B(C)-PAC/V/29

New Delhi-1, dated 6-5-72.

The General Managers,
All Indian Railways.

SUB:—*Recommendation No. 15—(Para 2.30) of 29th Report of the P.A.C. Fifth Lok Sabha—Incorrect assessment of the average cost of coal.*

In the Report of the Comptroller & Auditor General on Railways for the year 1969-70, it has been stated under para 8—Excesses over grants and appropriations that an excess to the extent of Rs. 35 lakhs under Revenue—Operation (Fuel) occurred mainly on account of the incorrect assessment of the average cost of coal and unit rate of issue per train Kilometre on the South Eastern Railway even at the final modification stage. The P.A.C. while commenting on this para have made the following recommendation:

“As regards the incorrect assessment of the average cost of coal, the Committee observe that this occurred mainly on the South Eastern Railway even at the final modification stage which does not speak well of the method of estimation of cost. The Committee hope that such instances of lack of proper care will not recur.”

The Board desire that observations of the Committee should be noted so that similar cases of incorrect assessment do not recur.

Sd/-

Joint Director, Mech. Engg. (Fuel)
Railway Board

DA : Nil

No: 71-B(C)-PAC/V/29

New Delhi-1, dated 6-4-72.

Copy with 45 spares forwarded for information to the A.D.A.I. (Railways), New Delhi.

Sd/-

Joint Director, Mech. Engg. (Fuel)
Railway Board

DA: Spares.

Recommendation

The excess under this Grant occurred as a result of incorrect estimation of surplus of the P&T Department which in turn was due to incorrect estimation of receipts and working expenses. The Committee find that the accounts for the year 1969-70 disclosed a surplus of Rs. 26.22 crores as against Rs. 23.57 crores anticipated at the time of framing the budget. This was due to increase in receipts by Rs. 7.10 crores partly offset by increase in net working expenses by Rs. 4.45 crores. The Committee hope that the estimates of receipts and expenditure will be more realistically fixed in future.

[S. No. 16 Appendix XX Para 2.33 of 29th Report (Fifth Lok Sabha)]

Action taken

The preliminary estimates of revenue for the current and the next year are received from the Accountant General, P&T during the month of November each year. Any important modifications to the estimates proposed by him earlier are received during the months of January and February.

The estimates of revenue of the Department are prepared by this office at different budgetary stages *i.e.*, Three Monthly Estimates, Preliminary Estimates and Revised/Budget Estimates. The preliminary estimates of revenue of the Department are prepared in November and the Revised Budget Estimates are prepared in January each year. While preparing these

estimates, the actuals of the preceding years, and those of the part of the current year then available and other relevant information known at that time are taken into consideration. The estimates received from the Accountant General, P&T as stated above are also kept in view at the time of preparing the revenue estimates.

The estimates of revenue of the Department are finally adopted as approved by our Associated Finance.

2. In regard to the working expenses, the Budget Estimates are prepared after taking into account the demands received from the subordinate units and the actuals for the preceding year and of the current year then available. These estimates are reviewed at subsequent budgetary stages and modified, wherever necessary, on the basis of further information received from the subordinate units and the latest position of actuals.

3. Every attempt is already being made to fix the estimates of receipts and working expenses as accurately as possible on the basis of available data. The observations made by the Public Accounts Committee will, however, be kept in view in framing the estimates in future.

[Ministry of Communications No. 27-11-71-B, dated 9-6-72].

Recommendation

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

[S. No. 17 (Para 2.34) of Appendix XX of 29th Report (5th Lok Sabha)]

Action taken

The Demands for Excess Grants for 1969-70 have since been approved by Parliament in March, 1972.

[Ministry of Finance (Department of Economic Affairs) O.M. No. 8(42) B 71, dated 10-5-72]

Recommendation

The Committee regret the delay in the submission of action taken notes in the above cases. They desire that the Ministries/Departments should ensure hereafter that action taken notes on the outstanding recommendations of the Committee are invariably furnished to them within the stipulated time limit of six months.

[S. No. 18 (Para 3.4) of Appendix XX to the 29th Report (5th Lok Sabha)]

Action taken

The observations of the Committee have been brought to the notice of all the Ministries/Departments for compliance. The Financial Advisers have been once again requested to assist actively the concerned administrative Ministries in finalising action on the recommendations of the Committee and to ensure timely submission of 'the action taken notes' to the Committee by the Ministries by keeping a close watch over the progress of action *vide* Ministry of Finance O.M. No. F. 12(1) -E (Coord)/72 dated 17th March, 1972 (copy enclosed).

These notes have been vetted by Accountant General, Central Revenues.

[Ministry of Finance (Department of Expenditure) O.M. No. 12(1)E-Coord/72, dated 5-5-72].

No. F. 12(1)-E(COORD)/72

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF EXPENDITURE)

New Delhi, the 17th March, 1972.

OFFICE MEMORANDUM

SUBJECT :—*29th Report of the Public Accounts Committee (5th Lok Sabha) (Recommendation No. 18).*

The Public Accounts Committee while commenting on the delay in the submission of action taken notes on certain recommendations contained in their 123rd Report (4th Lok Sabha) have observed in para 3.4 of their 29th Report (5th Lok Sabha) as follows :—

Recommendation No. 18 (Para 3.4)

The Committee regret the delay in the submission of action taken notes in the above cases. They desire that the Ministries/Departments should ensure hereafter that action taken notes on the outstanding recommendations of the Committee are invariably furnished to them within the stipulated time limit of six months.

The Ministry of Home Affairs etc are requested to note the observations of the Committee for strict compliance. In this connection attention is invited to this Department's Office Memorandum No. F. 12(45)-E(Coord) 70 dated 16-10-70.

Sd/-

Deputy Secretary to the Government of India.

To,

All the Ministries/Departments of the Government of India.

No. F. 12(1)-E(COORD)/72

Copy forwarded to :—

1. Heads of Divisions in the Department of Expenditure for information. In view of the P.A.C.'s repeated observations that replies to various recommendations are not sent in time by the Administrative Ministries, the Financial Advisers are once again requested to actively assist the concerned Administrative Ministries in finalising the cases, to keep a close watch on their progress and generally to ensure that prompt action is taken by the Ministries for submission of final replies to the P.A.C. within the prescribed time of six months. In this connection attention is invited to this Department's endorsement No. F.12(45)-E(Coord)/70 dated 16-10-70.
2. D.F.As in the Civil Expenditure.
3. Defence Division (Coord. section) with 20 spare copies.
4. Planning Branch and B.P.E.
5. Department of Revenue and Insurance (Coord. Section) and Department of E.A. (Budget Division).
6. Lok Sabha Sectt. (P.V.C. Branch).
7. Accountant General, Central Revenues, New Delhi.

Sd/-

Deputy Secretary to the Government of India.

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

Recommendation

“The Committee note that excess occurred mainly under ‘Payments to the Railways on account of freight concessions on the despatches of furnace oil’. Against the final allotment of Rs. 28.81 lakhs under this head, the actual expenditure during the year amounted to Rs. 117.48 lakhs. As there were arrears of concessions availed of by the oil companies awaiting adjustment to the extent of Rs. 58.56 lakhs in respect of the years 1967-68 and 1968-69 at the time of framing revised estimates the concession likely to be availed of during 1969-70 was estimated as Rs. 58 lakhs, the Committee are at a loss to understand how the final allotment was reduced to Rs. 28.81 lakhs. The expectation that the adjustment of arrear claims would be delayed for more than two years is not justifiable.”

[S.No. 10 (Para 2.21) of Appendix XX to the P.A.C's 29th Report
(5th Lok Sabha)]

Action taken

Out of the provision of Rs. 30 lakhs in Budget Estimate 1969-70 for payments to the Railways on account of freight concessions on the despatches of furnace oil, an amount of Rs. 1.19 lakhs was diverted to the following subheads in the same grant :—

(i) CI(1)—Commission to enquire into causes of water pollution of river Ganges.	Rs. 66,395.
(ii) CI(2)—Commission to enquire into certain contracts awarded by the Trombay Unit of the Fertiliser Corporation of India.	Rs. 50,000
(iii) BI(1) (1)—Drugs and Pharmaceuticals.	Rs. 2,530
	Rs. 1,18,925

At the time when this re-appropriation was made in March, 1970 booking of debits under C-3(5)—Payments to the Railways on account of freight concession on the despatches of Furnace Oil did not materialize to the extent anticipated. Hence instead of going in for supplementary demands for the above three subheads it was thought prudent to re-appropriate the funds as above.

Recommendation

“The procedure for the payment of subsidy to the Railways as explained by the Ministry is that the oil company pays the freight to the Railways at the concessional rate and the Railways put in their claims to the Accountant General, Commerce, Works and Miscellaneous through their Accounts Officer for reimbursement of the balance amount being the Government oil

rebate. The Accountant General, Commerce, Works and Miscellaneous accepts the debit raised and books the expenditure on the strength of a certificate of correctness furnished by the Railway Accounts Officer and affords credit to the Railways. The Committee feel that excess under this head could have been avoided had there been effective coordination between the department concerned, Railway authorities and the Accountant General."

[Sl. No. 11 (Para 2.22) of Appendix XX to 29th Report (5th Lok Sabha)]

Action taken

Suitable steps have been taken in the matter as will be evident from the following latest correspondence:-

- (a) D.O. No. 7(23)/71-IOC dated 28-1-1972 from Shri A.P. Verma, Director in the Ministry of Petroleum and Chemicals to Shri V. C. Rajagopal, Joint Director, Traffic (Rates), Ministry of Railways, New Delhi (Annexure I).
- (b) Ministry of Petroleum and Chemicals letter No. 7/23/71-IOC dated 22-2-1972 to Senior Deputy Accountant General, Commerce, Works and Miscellaneous, New Delhi.

It may, however, be stated that freight concession has since been discontinued with effect from 1-10-1971.

Recommendation

"The Committee see no reason why the Railways could not finalise their claims for the reimbursement of the oil rebate promptly. In order that Parliament may know the exact amount of subsidy during each year, the Committee wish that such claims pertaining to a year are settled in that year itself contemporaneously without any time lag as has occurred in the past."

[Sl. No. 12 (Para 2.23) of Appendix XX to 29th Report (5th Lok Sabha)]

Action taken

Noted. The freight concession has since been discontinued with effect from 1-10-1971.

[Ministry of petroleum and Chemicals O.M. No. 7(32)/71-IOC dated 20-6-72.]

ANNEXURE I

D.O.No.7(23)/71-IOC

GOVERNMENT OF INDIA

MINISTRY OF PETROLEUM & CHEMICALS

DIRECTOR.

New Delhi, the 28th January, 1972.

My dear,

Please refer to the correspondence resting with our d.o. letter of even number dated 9-11-71 regarding payments to the Railways on account of the freight concession on despatches of Low Sulphur Heavy Stock/Residual Fuel Oil produced from indigenous crude and used by public utilities for power generation.

2. The payments on this account are required to be made to the Railways on account of the difference between the full freight payable at normal rates and the concessional freight charged for the transport of the Low Sulphur Heavy Stock/Residual Fuel Oil. The procedure for the payment of subsidy to the Railways is that the Oil Company pays the freight to the Railways at the concessional rate and the Railways put in their claims to the Accountant General, Commerce, Works & Miscellaneous through their Accounts Officer for the reimbursement of the balance amount being the Government Oil rebate. The Accountant General, Commerce, Works, & Miscellaneous accepts the debit raised and books the expenditure on the strength of a certificate of correctness furnished by the Railways Accounts Officer and affords necessary credit to the latter in the usual manner. No sanction in this regard is issued by the Department.

3. The following statement indicates the actual quantity of I.SHS despatched, amount of concession availed of, amount provided in the Central Government's Budget on this account and the actual bookings made by

AGC & M based on the debits raised by the Railways during the last four years:

Period	Actually Quantity despatched (Tonnes)	Amount of concession availed of (Rs.)	Amount provided in the Budget (Rs.)	Amount booked made by A.G.C.W.&M. on the basis of debits raised by Railways (Rs.)
1967-68	1,66,480	31,62,374	44,26,000	9,28,585
1968-69	6,08,683	47,06,249	40,00,000	10,84,435
1969-70	7,44,032	56,98,321	30,00,000 Final Grant 28,81,075	1,17,48,310
1970-71	8,10,564	68,21,760	50,00,000	78,08,204

4. While the continuance of this freight concession beyond 30-9-71 is under examination in consultation with the Ministry of Finance, the provisions of Rs.50 lakhs for the RE 1971-72 and Rs.30 lakhs for BE 72-73 have been made more on an ad hoc basis.

5 It may be mentioned that during 1970-71 only three customers viz. (i) Tata Power Co. Ltd., Trombay, (ii) Ahmedabad Electric Co. Ahmedabad and (iii) Dhuvaran Power House in Gujarat availed of this freight concession. The loading point for all of these power houses is the Koyali Refinery at Baroda and therefore there should be no difficulty for the Railway authorities to submit the bills to AGCW&M, New Delhi in time. According to our information even though the railway freight concession availed of during April to September, 71 was of the order of Rs.28.60 lakhs, the AGCW&M, New Delhi has intimated in its letter dated 15-12-1971 that no expenditure has been booked during April 71 to October 71.

6. The sharp variation in the amount of budget grant and the actual expenditure as indicated above is due to the irregular/very late submission of the bills by the Railways. This has attracted several adverse comments from the Audit

7. We shall be grateful if you will kindly take suitable steps for submission of necessary bills/exchange vouchers promptly to the office of AGCW & M, New Delhi, so that the expenditure is booked at the appropriate time to avoid rush of booking of expenditure in the last month of the year and the budget grant is fully utilised instead of heavy under over-drawals, as in the past.

With regards.

Yours sincerely,
Sd/-

To,

Shri V.C. Rajagopal,
Joint Director, Traffic (Rates)
Ministry of Railways,
New Delhi.

Copy to:-

- (1) Shri B. Maithreyan, Joint Secretary (Budget), Ministry of Finance (Department of Economic affairs), New Delhi.
- (2) Shri T. Narasimhan, AGCW&M, AGCR Building, Mathura Road New Delhi-I.
- (3) Shri R. Narasimhan, DFA (P&C), Ministry of Finance, New Delhi.

Sd/-
Director.

No. 7/20/71-IOC
GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM & CHEMICALS

New Delhi, the 22nd Feb., 1972.

To,

Shri
 Sr. Dy. Accountant General,
 Commerce, Works & Miscellaneous,
 AGCR Building, NEW DELHI.

SUB:—*Grant No.71—C.3(1)-Payment to the Railways on account of freight concession on the despatches of Furnace Oil booking of expenditure.*

Sir,

I am directed to refer to the correspondence resting with the Ministry's endorsement to D.O.No.7(23)/71-IOC, dated 28-1-72 on the above subject and to say that whereas in your D.O No.B&A 9-3-Ex 772 2219 dt. 17-1-72 it has been indicated that the expenditure under the sub-head C.3(1) as stated above has been booked for Rs 38,132 -only during April 71 to November 71, the Railway Board have since intimated that the Western Railway Administration have already raised debits for Rs 25,73,377, -against AGCW&M and details thereof are reproduced below:

S.No.	Month	Amount of Bill	Bill No.	TRA Audit No. & date
		Rs.		
1.	April, 71	4,13,382	GB/13379 of Nov. 71	29 71 of 1-1-72
2.	May, 71	0,38,132	GB/13180 of Aug. 71	25 71 of 1-10-71
3.	May, 71 (Supp.)	3,62,173	To be billed for in Dec. 71 A/c.	
4.	June, 71	3,80,637	GB/15228 of Sept. 71	9 71 of 1-11-71
5.	July, 71	4,55,619	GB/15256 of Oct. 71	2 71 of 1-12-71
6.	Aug. 71	5,15,864	GB/15330 of Nov. 71	29 71 of 1-1-72
7.	Sept. 71	4,07,570	GB/13379 of Nov. 71	

2. It is requested that suitable steps may be taken for booking of expenditure and the figure of expenditure actually booked for April, 71 to January 72 may please be intimated to this Ministry at an early date.

Yours faithfully
 Sd -

Under Secretary to the Government of India.

Copy to:-

1. Shri M.S. Bhandari, Joint Director, Traffic (Rates), Ministry of Railways, New Delhi. This has reference to his D.O.No. TCR/-1467/69 dated 15-2-72. He is requested to confirm that Western Railway Administration and different other Railway Administrations have no outstanding debits to be raised against AGCW&M up to 30-9-71 regarding freight concession on the despatches of LSHA/- RFO produced from indigenous crude and used by Public utilities for power generation.

Sd/-

Under secretary to the Government of India.

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

—NIL—

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

—NIL—

APPENDIX XXXV

Summary of Main Recommendations/Conclusions

Sl. No.	Para No. of the Report	Ministry/Deptt. concerned	Recommendations/Conclusions
1	2	3	4
1	1.3	Finance All other Ministries/Departments.	In the 123rd Report (Fourth Lok Sabha) the Committee expressed their satisfaction over the substantial reduction in the aggregate amount of excesses over voted grants and charged appropriations during the year 1968-69. The excesses during the year 1968-69 have aggregated Rs. 3.78 crores as against Rs. 11.60 crores and Rs. 27.77 crores during the years 1966-67 and 1967-68 respectively. The Committee hoped that every effort would be made by the Ministries/Departments to improve the position further. These observations of the Committee had been brought to the notice of all the Ministries/Departments by the Ministry of Finance in October, 1970. In their subsequent Report (29th Report—Fifth Lok Sabha), the Committee noted with concern that the position had, instead of improving, deteriorated again. The excesses during the year 1969-70 totalled upto Rs. 17.10 crores. The Committee had then stressed the need to take concerted steps to improve the budgeting procedures so as to minimise excesses. Ironically enough, the excesses recorded during the year under report (1970-71) have touched a new high in recent years, the total amount being Rs. 55.76 crores. The particulars of excesses that occurred over the years 1965-66 to 1970-71 given below speak for themselves:

1	2	3	4			
			Excesses			
Year	No. of voted grants	No. of charged appropriations	Total	Amount of Excess in crores of Rs.		
1965-66	31	4	35	18.21		
1966-67	26	5	31	11.60		
1967-68	22	3	25	27.77		
1968-69	25	4	29	3.78		
1969-70	18	5	23	17.10		
1970-71	29	8	37	55.76		

180

The extent of deterioration in the position during the year 1970-71 causes grave concern to the Committee. They hope that the Ministry of Finance would take the initiative in investigating the causes that have led to this unprecedented increase. Unless the basic reasons are identified and drastic steps taken to arrest the tendency to exceed the budget provisions, by government as a whole, sound budgetary control would be a far cry despite repeated suggestions by this committee year after year to improve the position.

2 2.2

Finance

All other Ministries/Departments.

The Committee have attempted to analyse the excesses recorded during the past six years ended 31st March, 1971, grant-wise. As a result of such an analysis they find that the grant in relation to the Ministry of Information and Broadcasting has been

consistently exceeded during all the six years. In this connection it is worth recalling that in the 123rd Report (Fourth Lok Sabha) attention had been drawn to the excesses recorded continuously over a decade under the head "Maintenance of National Highways". Other grants in which excesses had occurred for three years and more in succession are (i) "Ministry of Foreign Trade (1966-67 to 1970-71)", (ii) "Pensionary Charges and Pension Fund (Railways) (1967-68 to 1970-71)", (iii) "Ministry of Shipping and Transport (1968-69 to 1970-71)", and (iv) "Public Works (1968-69 to 1970-71)." The recurring phenomenon of excess under these grants indicates clearly lack of financial discipline in the Ministries/Departments concerned. The Committee trust that these Ministries/Departments would tighten up their budgetary procedures and control forthwith.

3 2.3

do

The notes furnished by the Ministries on excesses over voted grants and charged appropriations during the year 1970-71 reveal certain unusual features which the Committee had not generally come across in earlier years. In a number of cases there have been mis-classifications of expenditure on a fairly large-scale which suggest that there was no effective reconciliation of the departmental figures with the Accounts' figures. In quite a few cases expenditure has been incurred without any provision even at the stage of revised estimates. The Committee have also found that during the year significant excesses occurred over the provisions for "Travelling Expenses" and "Office Contingencies" which they do not view with favour as there is imperative need for observing economy in governmental expenditure. They have also reason to believe that the powers of re-appropriation by the end of the year have not been exercised in some cases by the concerned authorities judiciously. In the succeeding sections of this Report they have

was lax. In particular, the Committee are at a loss to understand how adjustments of debits on account of various old telephone bills pertaining to the year 1966-67 and earlier years could be made only as late as in 1970-71. They would like the matter to be investigated to find out how telephone bills remained unpaid for such a long time.

6 2.8 -do-

The Committee hope that efforts will be made to prune and to effectively regulate the expenditure on office contingencies now that the expenditure has been brought under Centralised control. In this the Ministry of Finance should set an example to other Ministries/Departments.

7 2.11 Finance

(Department of Economic Affairs.)

Against the provision of Rs. 400 lakhs under the sub-head "B. 7(3) Excise Duty Schemes" the expenditure was Rs. 468.45 lakhs. The excess works out to 17% of the provision. The explanation that once the tax credit certificate is issued, there is no control over its utilisation in any particular year and that it is not possible to precisely estimate the requirements under this sub-head, reveals a basic deficiency in the scheme itself. There is thus a necessity to modify the scheme so that effective budgetary control could be ensured. The Committee would like Government to examine the question of limiting the validity of the tax credit certificates to a specified period which in any case should not exceed one year from the date of issue. It should then be possible to regulate the provision under the sub-head taking into account the total value of such certificates issued from time to time for encashment during the year.

8 2.12 -do-

The Committee further find that the expenditure under the sub-head "B. 7(4) Corporation Tax Scheme" recorded an excess of over 65%. Here again the Committee do not share the view of Government that a precise estimate of the requirements is

1	2	3	4
9	2.13	Finance <hr/> (Department of Economic Affairs)	<p>not practicable. As against the Budget Estimate provision of Rs. 125 lakhs the actual payments during the first six months of the year worked out to Rs 184 lakhs. However, a supplementary grant of Rs. 175 lakhs only was obtained in March, 1971. The total payments during the year was Rs. 497.78 lakhs. Apart from the fact that the supplementary grant obtained was inadequate in the light of the progress of expenditure during the first half of the year the experience that completion of Income Tax/Corporation Tax assessments during the second half of the year being invariably more than during the first half appears to have been lost sight of.</p> <p>The Committee hope that sufficient care would be exercised in future to make adequate provision on the basis of a more realistic assessment. Further, Government may consider the feasibility of limiting the period of validity of tax credit certificates issued under this scheme also as suggested in the foregoing paragraph. It is needless to point out that this scheme also reveals a fundamental weakness inasmuch as Government do not have precise estimate of financial concessions announced for the industries.</p>
10	2.16	Defence	<p>An expenditure of Rs. 3.27 lakhs was incurred under the sub-head "A. 1(2)—Interim Relief" without any provision. The Committee understand that orders regarding interim relief were issued by Government in September, 1970 and yet no provision therefor was included in the Supplementary Demands for grants presented to Parliament in March, 1971. Surprisingly enough the Ministry has explained that proposals for obtaining supplementary grant though initiated could not be finalised in time. The Committee are inclined to take a serious view of such laxities.</p>

- 11 2.17 -do- Further, the Committee note that there has been excess expenditure to the extent of 48% and 19% respectively under "Travelling Expenses" and "Contingencies". In addition to taking timely action to provide fully for the anticipated expenditure the Committee would stress the need to have an effective control over expenditure on these items with an eye on economy.
- 12 2.20 Education and Social Welfare The Committee note that the original provision of Rs. 4.55 lakhs under the sub-head "A. 1(6) Expenditure on Printing and Stationery" was reduced to Rs. 3.70 lakhs. The actual expenditure was, however, Rs. 4.06 lakhs resulting in an excess of about 10% over the final grant. The Ministry has explained that the debit statements for the various jobs are received very late from the Government of India Presses and that they do not contain any job particulars for linking with the various orders placed by the Ministry. This situation is highly unsatisfactory. The Committee hope that the Government of India Presses will be prompt in sending the debit statements showing the required particulars and that the Ministry of Education and Social Welfare will maintain the liability register properly and avoid excesses by having an effective coordination with the Pay and Accounts Officer, Ministry of Works, Housing and Supply.
- 13 2.21 -do- The Committee further note that substantial excess expenditure has been incurred on Travelling Expenses also. The Committee feel that the increase in Travelling Allowance rates from 1st January, 1971 should have been taken into account at the Revised Estimate stage and that liability register should have been maintained properly by having an effective liaison with the High Commission, London and the Railways, to anticipate and provide for the adjustment of debits.

1	2	3	4
14	2.24	Education & Social Welfare Department of Culture.	Major part of the excess occurred under the head "E-Works" which was over one-fifth of the final provision. The Committee are unhappy to note that adjustments of debits raised by the CPWD from year to year on account of works entrusted to them had no relation to the provision proposed by them. The Committee expect that in future the CPWD should give a firm estimate and an effective coordination should be established with the Accounts Officer concerned by the Department of Culture to adequately provide for anticipated adjustments during the year.
15	2.25	-do-	Incidentally the Committee find that although an expenditure of Rs. 50,000 was incurred on "Interim Relief" under the group-head "D-Central Archaeological Museum", no provision therefore existed in the revised estimates. As necessary provision had been made under the other group-heads in this behalf, the Committee would like to know how the omission was not noticed in the Ministry at the time of finalisation of revised estimates for the year 1970-71.
16	2.28	Agriculture	An excess of Rs. 13.39 crores occurred under the sub-head "A. 2(1)-Purchases" over the final grant of Rs. 86.88 crores mainly due to failure to determine correctly the quantum of supplies of fertiliser from abroad during the year. Bulk of the 'un-anticipated' supplies arrived from Poland, Bulgaria and U.S.S.R. The delivery schedules prescribed were July to September, 1970 in the case of Poland and Bulgaria and November, 1970 to March, 1971 in the case of U.S.S.R. The Ministry has, however, stated that no provision was made in the supplementary grant due to the decision taken to stagger deliveries and that the MMTC through whom the contracts were placed were requested to take up the matter with the suppliers to

arrange shipments beyond March, 1971. The deliveries were, however, actually effected during the year 1970-71. It is not clear to the Committee as to when the suppliers were contacted for staggering the deliveries and when the deliveries actually materialised. In the absence of this information they are not in a position to appreciate whether absence of provision was justified. It is however evident that Government had not laid down realistic schedule for delivery in the first instance.

17 2.29 -do-

In the case of supplies from France, it is explained that no provision was made as it was expected that the supplies would be made towards the end of March, 1971. However, the Committee find that the supplier had started shipment in January, 1971 itself. They, therefore, feel that with a little coordination, the Department could have anticipated the probable requirement and provided for in the supplementary demand.

18 2.30 -do-

A sum of Rs. 3.50 crores had to be paid on fertiliser vessels at 60% basic customs duty in addition to the usual 10% duty due to late issue of orders of *ad-hoc* exemption by the Ministry of Finance. Since the basic customs duty of 60% is stated to be not leviable on fertilisers imported for manurial purposes, the Committee would like to know how the orders could not be got issued by the Ministry of Finance in time.

19 2.31 -do-

The Committee also note that a sum of Rs. 2.86 crores representing the countervailing customs duty in respect of the shipments received during 1969-70, which was paid during 1970-71, due to late receipts of debits contributed in part to the excess. The Committee would like to know how this payment during the year could not be anticipated and provided for.

1	2	3	4
20	2.34	Foreign Trade	<p>The excess over the grant mainly occurred under the sub-head "A. (4)—Other Charges (Rs. 1.47 lakhs)". The excess under this sub-head was over 21% of the provision. It was not for the first time that the excess had occurred over the provision for Office Contingencies in the Ministry of Foreign Trade. Similar excesses had occurred during the year 1966-67, 1967-68 and 1968-69 also. The Ministry have explained the increase during the year 1970-71 as due to belated adjustment of debits of previous years, i.e., 1968-69 and 1969-70 amounting to Rs. 30,250 and adjustment of book debits of Rs. 1.04 lakhs in March final and March supplementary 1971 Accounts for which adequate provision was not made and also due to larger expenditure on telephones, postage and telegrams, staff car, etc. which could not be avoided. The Committee are at a loss to understand how these could not be anticipated. They trust that there would be better control of expenditure under this sub-head which they would like to watch through future Appropriation Accounts.</p>
21	2.39	Works & Housing	<p>The Committee observe that significant excesses had occurred under the heads "A. 2(1)—Buildings" (Rs. 19.68 lakhs), "A. 7(2)(1)—Charges" (Rs. 269.23 lakhs). During the year 1969-70 also excesses occurred under the former two heads "A. 2(1)—Buildings" (Rs. 53.20 lakhs) and "A. 7(1)(1)—Charges" (Rs. 54.55 lakhs). The Committee are not satisfied with the explanation given by the Ministry.</p>
22	2.40	-do-	<p>The Committee are convinced that the excess under the head "A. 7(1)(1)—Charges" could have been avoided with a closer liaison with the purchase organisations/suppliers in respect</p>

of indented materials. If there was an urgent need for more materials due to award and start of works on all the bridges and culverts in Nepal as explained by the Ministry, the Committee do not appreciate the reduction of the provision under this head by Rs. 60 lakhs by reappropriation at the end of the year.

23 2.41 —do—

As regards the excess under the head "A.7(2)(1)—Charges", it is explained as partly due to expenditure of Rs. 58.81 lakhs incurred on deposit works of Food Corporation of India and Central Warehousing Corporation in excess of deposit received. The Committee understand that under the rules the expenditure on such works should be limited to the amount of deposit received. The circumstances under which additional amount of deposit could not be received in time from the organisations concerned are not clear to the Committee. They hope that in future timely action would be taken to get the additional expenditure recouped before the end of the year.

24 2.44 --do--

The Committee are particularly worried about the significant misclassifications in accounts that happened under Grant No. 119—Delhi Capital Outlay. A sum of Rs. 2.53 lakhs was misclassified under the head "A.1(1)—Housing Major Works" which was correctly adjustable under the head "A.1(2)—Other Civil Buildings". Further a charged item of expenditure of Rs. 3.48 lakhs was wrongly booked as voted expenditure under the head "A.1(2)—Other Civil Buildings". The Committee trust that the reconciliation of expenditure booked in accounts with the departmental figures will be done promptly and properly in future.

1	2	3	4
25	2.47	Home Affairs	<p>It is regrettable that the expenditure under the sub-head 'A.1(4)—Other Charges' accounted for an excess of about 24% over the provision. That it was due to unanticipated adjustments of debits and more expenditure on law charges and telephone charges relating to previous years discloses that the departmental officers concerned have not maintained the liability register properly. It will also be of interest to know how far postponement of adjustment of past liabilities in earlier years was resorted to avoid excess expenditure in those years.</p>
26	2.50	— do —	<p>The sub-head "A' 3(2)—Payments to Railways and Defence Departments" has recorded an excess of about 97% during the year. The Committee had occasions to examine excess under this sub-head in earlier years too. It was on the basis of their recommendation contained in their 31st Report (Fourth Lok Sabha) that instructions were issued in March, 1969, asking the various Ministries to forward to the Ministry concerned from October onwards a statement showing the expenditure involved on account of anticipated debits arising out of requisitions issued on the Railway/Defence authorities for tours of Ministers/Deputy Ministers to enable a liability register being maintained. The Committee, however, note that an excess of Rs. 1.13 lakhs against the final grant of Rs. 1.17 lakhs has occurred during the year 1970-71 due to adjustment of certain debits during March final and March supplementary accounts which were not reflected in the monthly statements and statements for anticipated debits received from the Ministries including the debit for Rs. 83,872 received from the Controller of Defence Accounts (Air Force). In this connection the Committee find that the budget estimate provision of Rs. 1.60 lakhs which was itself inadequate was actually reduced by Rs. 0.43 lakh. The Committee take a serious view of the non-compliance by some</p>

departments with the instructions issued by Government and desire that these should be strictly implemented.

27 2.53 —do—

The Committee find that the original provision of Rs. 271.52 lakhs under the head "F.6—Charges paid to other Governments/ Departments etc." was reduced by Rs. 81.23 lakhs. The actual expenditure was, however, Rs. 278.06 lakhs which accounted for excess of 46% over the final grant. A part of this was due to the excess debit raised by the Ministry of Defence in respect of the expenditure incurred by them on the grouping operation of the Mizo Hills Districts during the years 1966-67 and 1968-69. It is not clear to the Committee as to how the Ministry of Defence having indicated a figure of Rs. 37.28 lakhs in July, 1970 in this regard could raise debit for a sum far in excess of this figure, viz., Rs. 62.66 lakhs. They also do not get any idea as to when this debit was realised and how it did not come to the notice of the Ministry of Home Affairs in time to ensure adequate provision.

28 2.54 —do—

The Committee also note that an excess of Rs. 7.50 lakhs was due to belated adjustment relating to the year 1968-69 in the accounts of 1970-71. The Committee would like to know whether the liability register was maintained by the Department and if so, how adjustment of such past liabilities could not be watched properly.

29 2.57 —do—

Under the head "G.1 (2)—Purchase of Stationery" excess expenditure of Rs. 12.25 lakhs was incurred against the final grant of Rs. 30.67 lakhs. This was mainly due to adjustment of debits by the Pay and Accounts Officer for supply of paper pertaining to the years 1966-67 to 1969-70 and for the supply during 1970-71 against the orders placed during 1969-70. The Committee feel that the Department ought to have anticipated these adjustments and adequately provided for them during the year 1970-71.

1	2	3	4
30	2.58	Home Affairs	<p>Incidentally the Committee find that although the expenditure had been incurred on 'Interim Relief' no provision therefor existed in the Revised Estimate for the year 1970-71 under various heads, such as, (i) "B.5(2)(1)—Enforcement of Standard Weights and Measures", (ii) "C.2(5)(1)(1)—Central Polytechnic", (iii) "C.2(5)(2)—Directorate of Technical Education", (iv) "C.2(5)(4)—Chandigarh College of Architecture" and (v) "C.12(2)—Senior Town-planners Establishment, Chandigarh". When provision was made under other establishments, the Committee are unable to comprehend how such omissions were not noticed by the Chandigarh Administration/Ministry of Home Affairs at the time of checking and finalising the Revised Estimate proposals.</p>
31	2.61	—do—	<p>The Committee are disturbed to note large excesses under the heads (i) "A.2(1)(1)(3)—Arms and Ammunitions" (Rs. 77.55 lakhs against the final grant of Rs. 45.02 lakhs), (ii) "A(1)(1)(5) Purchase and Maintenance etc. of Mechanical Transport" (Rs. 10.92 lakhs against the final grant of Rs. 48.59 lakhs), (iii) "A. 2(1)(1)(6)—Stores and Equipments" (Rs. 40.97 lakhs against the final grant of Rs. 113 lakhs) and (iv) "A.2(1)(1)(8)—Rations" (Rs. 64.31 lakhs against the final grant of Rs. 358 lakhs). These excesses mostly arose out of adjustments through debits raised in supplementary accounts. The Committee, however, find that some debits related to the period 1965-66 to 1969-70. The Ministry have explained that although a liability register is maintained, it is found that debits for all bills accepted during a year are not raised and adjusted during that year resulting in lapse of funds if provided in full. This position is highly unsatisfactory as no effective budgetary control could be ensured. The Committee would like the Ministry of Home Affairs to</p>

investigate all these cases of belated adjustments with a view to finding out when the supplies/services were made/rendered when the bills were received and accepted and why the debit, could not be raised by other Departments in the year in which the bills were accepted. Such an investigation would help to rationalise the procedures so as to have an accurate forecast of requirement of funds.

32 2.64 —do—

There have been excesses under the sub-head "C.4(2)(4)—Other Schemes" (Rs. 1.77 lakhs against the final grant of Rs. 5.75 lakhs) and "E. 1(5)(2)—Other Suspense Accounts" (Rs. 3.77 lakhs against Nil final grant). The excesses arose out of lack of coordination and ignorance of the system of accounting. The Committee hope that such things will not recur.

33 2.65 —do—

Incidentally the Committee find that under the sub-head "C.5 (2)(4)—Other Schemes", no provision was made for 'Interim Relief' in the revised estimate for the year 1970-71, although an expenditure of Rs. 6,000 had been booked in accounts. The Committee desire that the Dadra and Nagar Haveli Area Administration should avoid such omissions in future.

34 2.68 Labour and Rehabilitation

The excess over grant "No. 127—Capital Outlay of the Ministry of Labour, Employment and Rehabilitation" mainly occurred under the group sub-head "C.I—Rehabilitation Reclamation Scheme" (Rs. 17.09 lakhs). The excess under the sub-head "C.1(3)—Petrol, Oil and Lubricants" (Rs. 11.02 lakhs) was more than one-third of the final grant. This was mainly due to adjustment of amounts (totalling Rs. 17.75 lakhs) lying under suspense in the accounts of 1970-71 by the Pay and Accounts Officer in his March supplementary, 1971 accounts. The excess under the grant could have been avoided with an effective liaison with the Pay and Accounts Officer.

1	2	3	4
35	2.71	Law and Justice.	The extra expenditure under the group sub-head "A. 2—Other Election Charges" (Rs. 9.18 lakhs) was mainly responsible for the excess over the grant "73—Other Revenue Expenditure of the Ministry of Law". The Ministry have explained that it was wholly due to the fact that the Accounts Officer carried out the adjustment under the sub-head "A.1(2)—Contribution to State and Union Territory Governments" in 1970-71 instead of in 1969-70 for which a sanction was issued. This shows that the progress of adjustments against sanctions issued in 1969-70 was not watched properly and adequate provision made in 1970-71 for the amounts remaining unadjusted. The Ministry should be more careful in future.
36	2.74	Shipping and Transport	The excess over the grant occurred under the sub-heads "A. 1(2)—Interim Relief" (Rs. 1.49 lakhs), "A.1(3)—Travelling Expenses" (Rs. 1.02 lakhs) and "A. 1(4)—Other Charges", (Rs. 0.94 lakh) in respect of Transport Wing and "A.2(1)(2)—Interim Relief" (Rs. 1.88 lakhs) and "A(2(1)(3)—Travelling Expenses" (Rs. 1.05 lakhs) and "A.2(1)(4)—Other Charges" (Rs.1.17 lakhs) in respect of Roads Wing (Min). The Committee have earlier indicated that the grant has been exceeded successively for three years. In earlier years too significant extra expenditure was incurred on office contingencies and travelling expenses. The Committee need hardly stress that the Ministry should improve their budgetary procedures and control.
37	2.75	—do—	It is indeed surprising that a total sum of Rs. 3.37 lakhs was spent on Interim Relief without any provision in the Revised Estimate. The Committee cannot accept the plea that the proposals to obtain supplementary grant though initiated could not be finalised in time due to lack of proper coordination. They would like

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| 38 | 2.76 | --do-- | <p>the Ministry to investigate the lacuna, if any, in the system with a view to removing it.</p> <p>The extra expenditure on office contingencies and travelling expenses remained uncovered as admittedly the liability registers were not maintained properly. As the Ministry have stated that the registers are being maintained properly from 1971-72, the Committee would like to watch the position through future Appropriation Accounts.</p> |
| 39 | 2.78 | --do-- | <p>The Committee are deeply distressed to come across from year to year for over a decade now excesses under the head "A. 4(1)—Maintenance of National Highways". In their 123rd Report (Fourth Lok Sabha), the Committee had indicated the excesses recorded under this head for 10 years from 1959-60 to 1968-69 which ranged from Rs. 11.15 lakhs to Rs. 63.12 lakhs. In their subsequent Report (29th Report—Fifth Lok Sabha Sabha), the Committee observed that the excess under the head during the year 1969-70 was the highest ever recorded in recent years. The excess during that year was Rs. 84.60 lakhs. This record has since been broken and the excess during the year 1970-71 is as high as Rs. 154.97 lakhs. The Committee find from the measures already adopted or proposed to be adopted to tackle this problem of recurring excesses, that it is also proposed to approach the Comptroller and Auditor General of India for issuing instructions to State Accountants General not to admit expenditure in excess of sanctioned grant. This appears to be a necessary though somewhat a drastic step as the only way to arrest the persistent tendency on the part of the State Governments who are the works executing agencies to exceed the budget provision without coming up with proposals for additional funds in time.</p> |

1	2	3	4
			The Committee wish to make it clear that they would be forced to take a very serious view if there is any further occasion to comment on excess as under this head.
40	2.81	Tourism and Civil Aviation	The Committee are constrained to note large-scale misclassification in the expenditure in regard to Grant No. 89—Aviation which remained undetected till the Appropriation Accounts were finalised. The net amounts of misclassification were (—) Rs. 8.16 lakhs under the sub-head “G.1(1)—Minor Work executed by CPWD”, (ii) (+) Rs. 3.55 lakhs under the sub-head “G-1 (2)—Minor Works executed by the Civil Aviation Department, (iii) (—) Rs. 5.84 lakhs under the sub-head “G.2(1)—Minor Repairs executed by the CPWD” and (iv) (+) Rs. 17.19 lakhs under the sub-head “G.2(2)—Minor repairs executed by the CAD”. This calls for a detailed review with a view to finding out how the misclassifications could not be detected in time.
41	2.84	Railways (Railway Board)	The excess over the voted grant “No. 16—Pensionary Charges—Pension Fund” has by now become an annual feature. The excesses recorded during the past four years were Rs. 9.83 lakhs in 1967-68, Rs. 10.81 lakhs in 1968-69, Rs. 0.82 lakh in 1969-70 and Rs. 4.14 lakhs in 1970-71. The excess during the year 1970-71 mainly occurred in Eastern Railway, the amount being Rs. 11.49 lakhs against the final grant of Rs. 129.38 lakhs. This has been explained as due to adjustment of more arrear debit received from Civil Accounts Officers. The Committee trust that the Railway Administration will take suitable steps to avoid excess in future under this grant.
42	2.85	Finance	Subject to the above observations, the Committee recommend that excess referred to in paragraph 2.1 above be regularised in

the manner prescribed in Article 115 of the Constitution of India.

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3.3

Finance

All other Ministries,
Departments.

Works Housing

Shipping & Transport

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

