

**PUBLIC ACCOUNTS COMMITTEE  
(1970-71)**

**(FOURTH LOK SABHA)**

**HUNDRED AND TWENTY-THIRD REPORT**

**[Excesses Over voted Grants and Charged Appropriations as disclosed in the Appropriation Accounts (Civil), (Posts & Telegraphs), (Railways) and (Defence Services) for the year 1968-69**

**and**

**Action taken by Government on the recommendations of the Public Accounts Committee contained in their Eighty-Third Report (Fourth Lok Sabha) relating to Excesses over Voted Grants and Charged Appropriations]**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*July, 1970/Asadha, 1892 (S)*

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			22.	Firma K. L. Mukhopadhyay, 86/1A, Bancharam Akur Lane, Calcutta-12.	82
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CORRIGENDA TO HUNDRED AND TWENTY-THIRD REPORT OF  
PAC (1970-71) PRESENTED TO LOK SABHA ON 13-8-1970.

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
Cover -		6	voted Garnts	Voted Grants
(iii) -		last	Uttar Secretary	Under Secretary
3	S.No.16	Col.7	21.4.1970	25.4.1970
4	S.No.27	Col.5	6,43,32,651	6,43,32,651*
6	-	6	even	available even
		12	Supplementary	Supplementary
		13	Rs.400	Rs.40,400
9	2.13	9	excess	excesses/
15	-	4	vehiclar	vehicular
16	2.22	7	anticipated	anticipate
17	2.24	6-7	Andaman's	Andamans
	2.25	8	Andaman's	Andamans
18	-	<del>4</del>	<del>-----delete</del>	<del>'Excess'-----</del>
21	2.30	13	therefore	therefor
22	-	31	some heads	some other heads
23	2.33	13	State	States
	2.34	5	lakhs	lakhs of rupees
25	-	1	30,96,44,112	39,96,44,112
	2.37	last	on	in
26	-	2	(h)	(i)
	2.38	7	5,63,40,66,00	5,63,40,66,000
		12	1,52,94,63,000	1,52,97,63,000
29	2.45	13	taken	take
30	2.47	13-14	Transpose "48-70"	From col.2 to col.3
32	-	5	Plan	Plant.
		5-6	Transpose "28"	from line 6 to line 5
34	3.1	6	relies	replies
		15	XXIV	XXIV
41		26	2,30,571	2,30,471
44		20	Government 1969	Governments 1959
49		28	antncipated	anticipated
52		13	Omit the existing line 13	
		14	12,50,411	12,52,411
53		last	9,90,000	9,90,700
56		6	30.10	50.10
57		38	144.40	144.50
		41	56,65,76,79	56,65,779
<b>65</b>		12	51,753	1,753
66		2	1966-67	1967-68
		7	accounts	account
68		11	3,39,38,723	1.39,38,723

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
72	2	3	Extenses'	Expenses'
		13	come	came
	3	3	being	leaving
	4	1	17,796	10,796
		last	voted	vetted
75			<u>Omit</u> the existing line 16	
		last but 1	to paid	to be paid
77		last but 2	required	requiring
78		4	Aultipurpose	Multipurpose
82		3	Excress	Excess
84		13	12,63,465	12,63,469
85	3	8	(M)	(+)
93		6	Grant worked out	Grant
	(Col.2)		after	
103		4	head likewise	head. Likewise
		13	aso	also
		16	is may	it may
108	2.31	7	will	well
109		7	provisions	provisional
111		last	so	to
112		10	vacabulary'	vocabulary'
113	5	3	suctoms	customs
114		2, 10	Excess	Ex SS
120	2.9	4	abroad.,'	abroad!
		12	adjustment, of	adjustment of
122	2.19	12	not	note
		15	expediture	expenditure
123		1	for adjustment	for the adjustment
124		2	Organisation	Organisations
		5	therefore	therefor
	2.34	2	record	recorded
		5	yaar	year
			excein lakhs	excess in lakhs
				of rupees
		7	1960-51	1960-61
		8,9,10,	Insert decimal	after two digits
		11,13,14,	in the second part of	
		15,16	Col. 4	
125		15	helpness	helpless
	2.37	7	omitted	omitted
			Surprising	surprising
		last	on	in
127		1-2	C mmunicati ns	Communications
		2	B ard	Board

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## PART II\*

Minutes of the sitting of the Public Accounts Committee held on 31st July, 1970.

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\*Not printed. One cyclostyled copy laid down on the Table of the House and five copies placed in the Parliamentary Library.

**PUBLIC ACCOUNTS COMMITTEE**  
(1970-71)

**CHAIRMAN**

Shri Atal Bihari Vajpayee

**MEMBERS**

2. Shri J. M. Biswas
3. Shri Narendra Ramchandraji Deoghare
4. Shri C. T. Dhandapani
5. Shri Bimalkanti Ghosh
6. Shrimati Sucheta Kripalani
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20. Shri Thillai Villalan
21. Shri Sheel Bhadra Yajee

**SECRETARIAT**

Shri A. L. Rai—*Deputy Secretary.*

Shri T. R. Krishnamachari—*Uttar Secretary.*

## **CHAPTER I**

### **GENERAL OBSERVATIONS**

This Hundred and Twenty-Third Report deals with Excesses over Voted Grants [Charged Appropriations as disclosed in the Appropriation Accounts (Railways), (Defence Services), (P & T) and (Civil) for the year 1968-69. These Accounts were laid on the Table of the House on the 24th February, 1st April, 3rd April and 14th April, 1970 respectively.

1.2. The Committee have examined the Excesses in the light of the explanations furnished by the Ministries|Departments concerned (Appendices I to XXVIII).

1.3. During the year under report (1968-69), Excesses occurred over 26 Grants (including two Sub-Major Heads of Grant No. 5 and four Charged Appropriations). These aggregated to Rs. 3.78 crores as against Rs. 12.58 crores and Rs. 27.78 crores during the years 1966-67 and 1967-68 respectively. The Committee are glad to note that there had been a substantial reduction in the aggregate amount of Excess during the year under review. They trust that every effort will be made by the Ministries|Departments to further improve the position.



## INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Twenty-Third Report on Excesses over Voted Grants|Charged Appropriations as disclosed in the Appropriation Accounts (Railways), (Defence Services), (P & T) and (Civil) for the year 1968-69. These Accounts were laid on the Table of the House on the 24th February, 1st April, 3rd April and 14th April, 1970 respectively.

2. The Committee examined the Excesses in the light of the explanations furnished by the Ministries|Departments concerned (Appendices I to XXVIII) at their sitting held on 31-7-1970.

3. Action taken notes furnished by Government pursuant to the recommendations contained in the 83rd Report of the Public Accounts Committee (1969-70) on Excesses over Voted Grants|Charged Appropriations as disclosed in the Accounts for the year 1967-68 were considered by the Action Taken Sub-Committee at their sitting held on the 29th July, 1970. The Report of the Sub-Committee was approved by the Committee on the 31st July, 1970 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;  
July 31, 1970.  
Sravana 9, 1892 (S).

ATAL BIHARI VAJPAYEE,  
Chairman,  
Public Accounts Committee.

**CHAPTER II**  
**EXCESS GRANTS/APPROPRIATIONS**

2. 1. During the year ended 31st March, 1969, the actual expenditure exceeded the Voted Grants/Charged Appropriations in the following cases :

S. No.	No. and Name of Grant	Ministry/Deptt. concerned	Final Grant/ Appropriation	Actual Ex- penditure	Excess	Date of receipt of note
1	2	3	4	5	6	7
			Rs.	Rs.	Rs.	
Appropriation Accounts (Civil), 1968 -69						
VOTED GRANTS						
					(due date 14-4-1970)	
1	1—Ministry of Commerce	Foreign Trade	51,73,000	[ 51,90,050 +	17,050	14.4.1970
2	10—Survey of India	Education	5,38,47,000	5,41,53,644 +	3,06,644	25.4.1970
3	18—Taxeson Income (Including Corporat- ion Tax, etc.)	Finance	13,64,77,000	13,66,15,072 +	1,38,072	23.4.1970
4	24—Pensions and Other Retirement Benefits	Finance	7,21,74,000	7,29,78,991 +	8,04,991	23.4.1970
5	28—Miscellaneous Adjustments between the Central, State and Union Territory Govt- ernments	Finance	28,20,000	29,28,306 +	1,08,306	23.4.1970
6	39—Cabinet	Home Affairs	67,03,000	67,53,170 +	50,170	14.4.1970
7	48—Andaman & Nicobar Islands	Home Affairs	7,81,23,000	8,04,57,414 +	23,34,414	23.4.1970
8	49—Tribal Areas	Home Affairs	25,09,52,000	25,66,18,779 +	56,66,779	21.4.1970
9	53—Ministry of Industrial Development & Company Affairs	Industrial Development, Inter- nal Trade & Company Affairs	84,34,000	85,48,150 +	1,14,150	23.4.1970
10	54—Industries	Industrial Development, In- ternal Trade & Company Affa- irs	4,55,45,000	4,57,77,121 +	2,32,121	25.4.1970

11	57—Ministry of Information and Broadcasting	Information & Broadcasting	23,64,000	23,67,076 +	3,076	21.4.1970
12	64—Director General, Mines Safety	Labour, Employment & Rehabilitation	53,19,000	53,47,037 +	28,037	14.4.1970
13	69—Other Revenue Expenditure of the Ministry of Law	Law	1,84,30,000	1,84,31,753 +	1,753	21.4.1970
14	72—Ministry of Steel, Mines & Metals	Steel & Heavy Engineering	41,52,000	41,58,702 +	6,702	21.4.1970
15	79—Ministry of Transport and Shipping	Transport & Shipping	1,38,93,000	1,39,38,723 +	45,723	21.4.1970
16	80—Roads	Transport & Shipping	19,44,87,000	19,77,26,484 +	32,39,484	21.4.1970
17	82—Lighthouses & Lightships	Transport & Shipping	1,39,40,000	1,39,50,796 +	10,796	25.4.1970
18	85—Public Works	Works, Housing & Urban Development	39,74,54,000	39,96,44,112 +	21,90,112	28.4.1970
19	88—Other Revenue Expenditure of the Ministry of Works, Housing & Supply	Works, Housing & Urban Development	1,91,20,000	*1,94,73,219 +	*+3,53,219	21.4.1970
20	89—Department of Atomic Energy	Atomic Energy	30,23,000	**	**	21.4.1970
21	121—Capital Outlay on Multipurpose River Schemes	Irrigation & Power	20,47,77,000	20,55,97,032 +	8,20,032	23.4.1970
22	129—Capital Outlay on Ports	Transport & Shipping	3,45,06,000	3,45,63,680 +	57,680*	28.4.1970

#### CHARGED APPROPRIATIONS

23	8—Education	Education	..	5,715 +	5,715	25.4.1970
24	20—Audit	Finance	34,67,000	34,70,570 +	3,570	14.4.1970

#### APPROPRIATION ACCOUNTS (DEFENCE SERVICES), 1968-69

#### VOTED GRANTS

25	5—Defence Services, Effective@	Sub-Major Heads:				(Due date 10.4.1970)
	1 Army	Defence/Defence Production	5,99,22,81,000	5,99,35,44,469 +	12,63,469	17.4.1970

\*These figures represent the finally verified actuals and vary somewhat from those published in the Audit Report due to mis-classifications subsequently detected.

\*\*This does not require regularisation in terms of paragraph 7 of the 16th Report of the Public Accounts Committee (First Lok Sabha).

@Please see paragraph 2.39 of the Report.

1	2	3	4	5	6	7
			Rs.	Rs.	Rs.	
	4	Defence Production				
26	6—Defence Services—Non-effective	Defence	1,52,97,63,000 30,00,00,000	1,53,62,61,700 + 30,22,31,642 +	(Due date 10.4.1970) 64,98,700 22,31,642	17.4.1970 10.4.1970
APPROPRIATION ACCOUNTS (RAILWAYS) 1968-69						
VOTED						
27	16—Pensionary Charges/Pension Fund	Railways	6,32,45,000	6,43,32,651 +	(Due date 10.4.1970) 10,87,651*	8.4.1970
CHARGED APPROPRIATIONS						
28	Appropriation No. 4—Administration	Railways	23,000	23,120 +	120	8.4.1970
29	Appropriation No. 10—Staff Welfare	Railways	12,000	12,179 +	179	8.4.1970
APPROPRIATION ACCOUNTS (P&T), 1968-69						
VOTED GRANT						
30	93—P&T—Working Expenses	Communications	2,09,74,92,000	2,10,76,31,458 +	(Due date 10.4.1970) 1,01,39,458	14.4.1970

\*These figures represent the finally verified actuals and vary somewhat from those published in the Audit Report due to mis-classifications subsequently detected.

2.2. From the notes furnished by the Ministries, the Committee find that 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 continued to be the main causes for excesses during the year under report. Persistent lack of coordination between the Central Ministry of Shipping and Transport and State Governments in regard to execution of road works also contributed to a heavy excess.

2.3. The Committee will now proceed to deal with some individual cases of excesses.

### Appropriation Accounts (Civil), 1968-69

#### MINISTRY OF FOREIGN TRADE

##### (a) Grant No. 1—Ministry of Commerce

Final Grant . . . . .	= Rs. 51,73,000
Actual Expenditure . . . . .	= Rs. 51,90,050
Excess . . . . .	+ Rs. 17,050

2.4. According to a note furnished by the Ministry of Foreign Trade, the original provision of Rs. 46.70 lakhs under this Grant, which related to the Secretariat of the erstwhile Ministry of Commerce, was augmented by Rs. 5.03 lakhs by obtaining a supplementary Grant in February, 1969 session of Parliament.

2.5. The excess occurred under the following sub-heads:

Sub-Head	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
A—4 'Other charges' . . . . .	7,60,000	7,70,560	+10,560
A—5 'Delegations going abroad' . . . . .	2,09,900	2,46,128	+36,228
			+46,788

2.6. The total excess of Rs. 46,788 was partly offset by a saving of Rs. 29,738 under other sub-heads, leaving a net excess of Rs. 17,050.

2.7. As regards the excess of Rs. 10,560 under the sub-head 'Other Charges' the Ministry have stated that "the excess was mainly due to increase in postage and telegram charges during the closing months of the year due to manifold activities of the Ministry."

As regards the excess of Rs. 36,228 under the sub-head 'Delegations going abroad', the Ministry have stated as follows:

"It is generally not found possible to anticipate precisely the expenditure under this sub-head as details of all delegations proposed to be sent during the year are not completely even at the time of finalisation of Revised Estimates. Moreover, expenditure on Daily Allowance, Hotel Accommodation charges etc. of members of Delegations is incurred by various Missions abroad and the relevant debits are received and adjusted mostly in March Final and Supplementary accounts. In March, 1969 Preliminary, Final and Supplementary Accounts debits adjusted on this account came to over Rs. 400. The excess expenditure was thus known too late for additional funds to be provided."

2.8. From Appendix I to the 83rd Report of the P.A.C. (1969-70), the Committee observe that during the year 1967-68 also, there was an excess of Rs. 99,592 under this Grant and that it was largely under the sub-head 'A-5—Delegations going abroad'. The relevant details were as follows:—

<i>Final Grants</i>	<i>Actual Expenditure</i>	<i>excess +</i>
Rs.	Rs.	Rs.
2,00,000	2,46,335	+46,335

2.9. The Committee observe that there has been an excess under Grant No. 1—Ministry of Commerce for the third year in succession. During the years 1967-68 and 1968-69, the excess was mainly caused by an excess under the head 'A.5—Delegations going abroad'. Under this head, the excess was as high as 23 per cent of the final grant during 1967-68 and 17 per cent of the final grant during 1968-69. It has been urged by the Ministry of Foreign Trade in extenuation that the details of all delegations proposed to be sent during the year are not completely available even at the time of finalisation of Revised Estimates and it is, therefore, not found possible to anticipate precisely the expenditure under this sub-head. The Committee, however, note that the excess also occurred due to unanticipated adjustments of debits in respect of expenditure on Daily Allowances, Hotel Accommodation charges etc. of the members of Delegations incurred by various Missions abroad. The Committee, therefore, desire that the Ministry of Foreign Trade should examine, in consultation with the Ministry of Finance, what improvements could be effected in the existing system of estimation and whether the various Missions abroad could not be asked to forward to the Ministry of Foreign Trade the details of expenditure involved on account of Daily Allowances, Hotel Accommodation charges etc. whenever the delegations visit foreign countries so as to enable the Ministry of Foreign Trade to maintain a liability register.

(b) *Ministry of Education and Youth Services Grant No. 10—  
Survey of India*

<i>Final Grant</i>	<i>Actual Expenditure</i>	<i>Excess</i>
Rs.	Rs.	Rs.
5,38,47,000	5,41,53,644	+3,06,644

2.10. In a note furnished to the Committee, the Ministry of Education & Youth Services have stated:

“The excess of Rs. 3,06,644 is the net result of excesses and savings under various sub-heads in the Grant. The excess occurred mainly under the Group-heads ‘B—Map Publication Offices’ and ‘C—Survey Parties—General’, for the reasons explained below:—

‘B—Map Publication Offices’ (Rs. 1,09,567)

<i>Final Grants</i>	<i>Actual Expenditure</i>	<i>Excess</i>
Rs.	Rs.	Rs.
51,77,800	52,87,367	1,09,567

The excess was chiefly under the sub-head “B.5—Other Charges” (Rs. 1,08,069) due mainly to increased payments of Dearness Allowance and House Rent Allowance in respect of contingency-paid staff arising from post-budget decisions. A part of the excess was also due to increased payments of electricity charges and adjustment of certain Railway Credit notes pertaining to the year 1967-68.

The budget grant did not include any provision for the increase in the rates of Daily Allowance and Dearness Allowances sanctioned by Government in March, 1968 and October, 1968 respectively as also for increase in the House Rent Allowance, Travelling Allowance and Compensatory Allowances in consequence of treatment of a portion of Dearness Allowance as ‘Pay’ with effect from 1st December, 1968. These increases involved an additional expenditure of Rs. 17,67,234 over the sanctioned budget grant as a whole for the year. Instead of going in for a Supplementary Grant, it was decided to restrict the expenditure to the sanctioned grant by effecting maximum possible economies, wherever possible, and suitable instructions in this regard were issued by the Surveyor General to the Regional Directorates, etc. The expectation did not, however, fully materialise and part of the excess under the above Group-head and that under Group-head ‘C’ referred to below remained uncovered.

**'C—Survey Parties—General' (Rs. 7,26,943).**

<i>Final Grant</i> Rs.	<i>Actual Expenditure</i> Rs.	<i>Excess</i> Rs.
4,73,03,100	4,80,30,043	7,26,943

Out of the excess of Rs. 7,26,943 an excess of Rs. 1,02,233 has arisen as a consequence of the adjustment by the Accountant General, Uttar Pradesh in this year's accounts of debits on account of the payments made at the Treasuries in Assam and Bihar during the year 1967-68. Efforts were made by the Surveyor General to have the despatch of the relevant Exchange Accounts by the Accountant General, Assam and Nagaland and Accountant General, Bihar, to the Accountant General, Uttar Pradesh expedited in order to avoid the lapse of sanctioned grant for the year 1967-68. The vouchers were, however, received in the office of the Accountant General, Uttar Pradesh in December, 1968 when the accounts for the year 1967-68 had already been closed. The debits were, therefore, adjusted by the Accountant General, Uttar Pradesh in the accounts for 1968-69.

The remaining excess represents the net effect of excesses and savings under various sub-heads of this Group-head and occurred mainly under the sub-head 'C.3—Allowances, Honoraria, etc.' (Rs. 15,76,951) due to the reasons as explained above under the Group-head 'B—Map Publication Offices.

The total excess of Rs. 8,36,510 under the Group-heads 'B' and 'C' and a minor excess of Rs. 2,665 under the Group-head 'A—Surveyor General' was partly offset by savings of Rs. 5,32,531 in the other Group-heads of the Grant, leaving a net excess of Rs. 3,06,644, which requires regularisation."

2.11. The Committee are not satisfied with the explanation of the Ministry for the excess under this Grant. In their opinion, it is a case of lack of proper review of the progress of expenditure on the one hand and lack of coordination between the Ministry and the accounting authorities on the other. The Committee note that bulk of the excess under this Grant was due to increased expenditure on allowances. As increase in allowances had been known well before the close of the financial year, the Ministry of Education and Youth Services could have assessed correctly the extra expenditure on this account and savings on other items with a view to covering the additional expenditure to the extent required on the basis of review of expenditure under the grant by the end of the year.



2.12. The Committee also regret the lack of coordination between the Ministry and the accounting authorities revealed in this case. The vouchers in respect of payments made at the Treasuries in Assam and Bihar during the year 1967-68 were received in the Office of the Accountant General, Uttar Pradesh in December, 1968, by which time the accounts for the year 1967-68 had already been closed and were adjusted in the accounts of 1968-69. The Committee feel that with closer coordination with the accounting authorities, the Ministry could have anticipated the adjustment of debit in the accounts of 1968-69 and provided for it in time.

### MINISTRY OF FINANCE

(DEPARTMENT OF REVENUE AND INSURANCE)

(c) Grant No. 18—Taxes on Income including Corporation Tax etc.

	Rs.
Final Grant . . . . .	13,64,77,000
Actual Expenditure . . . . .	13,66,15,072
Excess (+) . . . . .	1,38,072

2.13. In a note furnished to the Committee, the Ministry of Finance have given the following explanation for the Excess:

“The original budget provision of Rs. 12,94,77,000 in the Voted Section of the Grant was subsequently raised to Rs. 13,64,77,000 by obtaining a Supplementary Grant of Rs. 70,00,000 in the March, 1969 session of Parliament. The actual expenditure was, however, Rs. 13,66,15,072 which revealed an excess of Rs. 1,38,072. The excess which is the net effect of excess savings under the various Group-heads in the Grant, occurred under Group-head “A-3 Income-Tax Appellate Tribunals”. The position of the final grant, actual expenditure and excesses under the various sub-heads of this Group-head are given below:—

Sub head	Final Grant	Actual expenditure	Excess
	Rs.		
Pay of Officers . . . . .	9,55,130	10,03,681	48,551
Pay of Establishment . . . . .	4,03,440	4,18,038	14,598
Allowances, Honoraria, etc. . . . .	5,38,459	6,13,417	74,958
Other Charges (Voted) . . . . .	2,30,471	4,28,440	1,97,969
Total . . . . .	21,27,500	24,63,576	3,36,076

The factors leading to the excesses under these sub-heads are briefly explained below:—

*Pay of Officers and Pay of Establishment:*

The excess was due to the creation of certain additional posts as a result of constitution of four Benches of Income Tax Appellate Tribunals at Cochin, Ahmedabad, Bangalore and Calcutta.

*Allowances, Honoraria etc.*

The excess expenditure of Rs. 74,958 was due to allowances, T.A. etc. for Officers and staff of new Benches of Income Tax Appellate Tribunals.

*Other Charges (Voted):*

This sub-head consists of various items of contingent expenditure such as rent; rates and taxes; service postage and telegrams; telephones; water and electricity charges; railway freight; stationery; etc. Most of the items of expenditure are of an inevitable character and hence inescapable. Under this sub-head, the excess expenditure of Rs. 1,97,969 was due to rents for office premises, purchase of typewriters, furniture etc. for new Benches of Income Tax Appellate Tribunals."

2.14. The Ministry have further stated:—

"The excess of Rs. 3,36,076 under the Group-head "A. 3-Income Tax Appellate Tribunals", as explained above was offset to the extent of Rs. 1,98,004 by savings under other Group-heads leaving a net excess of Rs. 1,38,072 in the Grant, which works out to only 0.10 per cent of the final grant."

2.15. The Committee note that the excess under the Grant was mainly due to excess under Sub-head 'A.3-Income Tax Appellate Tribunals'. The excess under this sub-head was caused by expenditure on pay and allowances of officers and staff, rent for office premises, purchase of typewriters, furniture etc. consequent upon the constitution of four new Benches of Income Tax Appellate Tribunals. This implies that the decision regarding the constitution of these Benches must have been taken well before the close of the financial year. In view of this, the Committee fail to understand why the Ministry could not provide for the above items of extra expenditure in time.

## MINISTRY OF HOME AFFAIRS

(d) Grant No. 39—Cabinet

Final Grant . . . . .	Rs. 67,03,000
Actual Expenditure . . . . .	Rs. 67,53,170
Excess . . . . .	+Rs. 50,170

2.16. In a note furnished to the Committee, the Ministry of Home Affairs have given the following explanation for the Excess:

“The excess, which is the net result of excesses and savings under various sub-heads of the grant, occurred mainly in the group sub-head ‘A. 3-Tour Expenses’ (under the group-head ‘A. Council of Ministers’) wherein there is an excess of Rs. 2,06,736. The tour expenses of Ministers are of fluctuating nature and depend on the nature and number of tours undertaken by them in the exigencies of work and internal and external situation. As the circumstances in this regard vary from year to year and from time to time in the same year, it is not possible to assess with any exactitude the requirement of funds for the purpose before the commencement of the year nor does the trend of expenditure during a part of the year give a correct indication of the expenditure during the remaining part of the year.”

“The budget provision under the group sub-head ‘A. 3-Tour Expenses’ is made on the basis of the actuals in the preceding years. The following table will show the actual expenditure on tour expenses, including payments to Railways and Defence Departments, during the past few years:—

Year	Rs.
1964-65 . . . . .	9,39,157
1965-66 . . . . .	11,22,337
1966-67 . . . . .	14,07,629
1967-68 . . . . .	10,58,700

Anticipating more expenditure on this account during the year 1968-69 a provision of Rs. 16,00,000 was made in the original budget under the group sub-head ‘A. 3-Tour Expenses’.”

“The position of the grant was reviewed in February, 1969 in the light of the actuals for the first 8 months when it was estimated that the expenditure under this head during

the year would remain within the sanctioned provision. A further review of the grant in March, 1969 on the basis of the actuals for the first 10 months and estimated expenditure during the remaining 2 months, however, revealed that the sanctioned provision would be inadequate. As it was not possible to obtain a supplementary grant at that stage, an advance of Rs. 3,31,000 was obtained from the Contingency Fund of India which included an amount of Rs. 2,48,000 for the tour expenses of the Council of Ministers and another amount of Rs. 1,500 was provided by reappropriation to meet the additional requirement under this sub-head."

"The actual expenditure in respect of tour expenses amounted to Rs. 20,56,236. Excluding, however, the expenditure of Rs. 2,48,000 debited to the Contingency Fund of India, the expenditure amounted to Rs. 18,08,236 as against the final grant of Rs. 16,01,500 thus resulting in an excess of Rs. 2,06,736. This excess was partly counter-balanced by savings under certain other sub-heads, leaving a net excess of Rs. 50,170 in the grant which requires to be regularised. In this connection, it may be mentioned that upto March, 1969 (Prel.) the expenditure under this sub-head was well within the amount provided. Thereafter, adjustments of Rs. 2,75,581 which included debits of Rs. 1,67,890 for tours performed during the years 1966-67 and 1967-68 were carried out in March (Final) and March (Supply) accounts after the close of the year when it was not possible to cover the adjustments by provision of additional funds."

2.17. During the year 1966-67, there was an excess of Rs. 1,08,748 under this Grant. In that year also, the excess was mainly under the head 'A. 3 Tour Expenses.' "The excess was mainly due to failure to properly anticipate and provide for debits arising out of requisitions for Railway and Air journey accommodation and security arrangements raised in connection with Ministers' tours. Commenting upon the excess, the P.A.C. (1968-69) had observed as follows in paragraph 2.8 of their 31st Report (Fourth Lok Sabha):

"They (the Committee) are not convinced by the argument that the debits in respect of tours from the other Ministries could not have been anticipated. As the Committee understand the position, the debits are periodically raised by the Railway and Defence Departments. Since these debits arise out of requisitions issued by the Ministry of Home Affairs for railway accommodation and security arrangements for tours undertaken by Ministers, it is not clear why it was not possible for the Ministry of Home

Affairs before they came up with a demand for Supplementary Grant in March 1967, to review the position of outstanding requisitions on which debits had not been received and to make suitable provision for the expenditure on that account."

2.18. Referring to the above observation, the Ministry have stated as follows:

"The requisitions for railway and air accommodations are issued by the Ministries themselves and the Ministry of Home Affairs are not in a position to know the volume of the debits likely to be raised on account of these tours until the Railways and the Air Companies submit their bills to the Ministries concerned and they accept and pass those bills for payment and also record this on the monthly statements submitted to the Ministry of Home Affairs and as such, it was not possible for the Ministry to maintain any register of past liabilities. The Ministries have however been requested in March, 1969 to forward to the Ministry of Home Affairs, from October onwards, a statement showing the expenditure involved on account of anticipated debits arising out of requisitions issued on the Railway/Defence Authorities to enable this Ministry to maintain a liability register."

2.19. The Committee observe that there has been an excess under group sub-head 'A.3—Tour Expenses' for the second time in three years. As on the previous occasion, the excess was mainly due to failure to anticipate properly and provide for debits on account of requisitions for Railway and air journey accommodation and security arrangements, issued in connection with Ministers' tours. It has been explained that while the requisitions for railway and air journey accommodation and security arrangements were issued by the Ministries concerned, the debits were met by the Ministry of Home Affairs who came to know of the volume of debits only after the Ministries concerned had passed on the bills submitted by the Railway and Air Companies for payment. The Committee note that, as a remedial measure, the Ministries have now been asked to forward to the Ministry of Home Affairs, from October onwards, a statement showing the expenditure involved on account of anticipated debits arising out of requisitions issued on the Railways/Defence authorities to enable the Ministry of Home Affairs to maintain a liability register. The Committee trust that the requisite information will be furnished promptly in future by the Ministries concerned to the Ministry of Home Affairs who will make every effort to avoid excesses on this account. The Committee would like to watch the position.

## (e) Grant No. 48—Andaman and Nicobar Islands

Final Grant . . . . .	Rs. 7,81,23,000
Actual Expenditure . . . . .	Rs. 8,04,57,414
Excess . . . . .	+Rs. 23,34,414

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

“The original provision of Rs. 7,16,25,000 under this Grant was augmented by Rs. 64,98,000 by obtaining a Supplementary Grant in the March, 1969 session of Parliament. The excess occurred mainly under the following sub-heads for the reasons explained below:—

## C. Social and Developmental Services:

	Final Grant Rs.	Actual Expen- diture Rs.	Excess Rs.
G.2—Medical:			
G.2 (2)—Hospitals & Dispensaries			
O. Rs. 16,32,000			
R (+) Rs. 2,36,400	18,68,400	19,83,844	1,15,444

The excess was due to more expenditure on dietary charges as a result of increase in the number of patients admitted to the hospitals and on account of cost of medicines urgently required. A part of the excess was also due to payment of more maintenance charges of mental patients consequent on increase in the number of such patients.

## E. Public Works (Including Roads) and Schemes of Miscellaneous Public Improvements:

	Final Grant Rs.	Actual Ex- penditure Rs.	Excess Rs.
E. 1. Public works :			
E. 1 (2)—Repairs			
E. 1 (2) (2)—Communications			
			Rs.
O. . . . .			4,20,000
S. . . . .	11,50,000	12,52,411	5,56,000
R. (+) . . . . .			1,74,000

The excess was due to execution of essential repairs to roads necessitated by heavy rains and landslips. The work had to be undertaken as and when necessary so as to keep the roads fit for vehicular traffic.

		Final Grant	Actual Ex- penditure	Excess
		Rs.	Rs.	Rs.
<i>E. 1 (5)—Suspense :</i>				
<i>E. 1 (5) (1) Stock :</i>				
<i>E. 1 (5) (1) (1) —Charges</i>				
	Rs.			
O.	60,00,000			
R.(+)	9,61,600	69,61,600	76,15,722	6,54,122

The excess was due to larger materialisation of supplies of stores towards the close of the year than anticipated. A more precise assessment of funds required during the year was not possible in view of the uncertainty in the delivery schedules of stores due to various transport bottlenecks and lack of communications.

		Final Grant	Actual Ex- penditure	Excess
		Rs.	Rs.	Rs.
<i>E. 1 (5) (2)—Other</i>				
<i>Suspense Accounts :</i>				
<i>E. 1 (5) (2) (1)—Charges</i>				
O.	65,00,000			
R(—)	10,00,000	55,00,000	64,13,502	9,13,502

At the time of final review of grant on the basis of ten-monthly estimates, the requirement of funds under this sub-head was estimated at Rs. 55,00,000 against the original provision of Rs. 65,00,000. An amount of Rs. 10,00,000 was, therefore, reappropriated from this sub-head. However, due to the adjustment of certain old items and clearance of cash settlement of suspense accounts representing issue of stores, the actual expenditure booked under this head exceeded the final provision of Rs. 9,13,502.

		Final Grant	Actual Ex- penditure	Excess
		Rs.	Rs.	Rs.
<i>G. Miscellaneous</i>				
<i>G. 3. Forest</i>				
<i>G. 3 (1)—Conservancy and works</i>				
<i>G. 3(1)(1) Timber and other produce removed</i>				
<i>from the Forest by Govt. Agency.</i>				
	Rs.			
O.	97,00,000			
S.	3,00,000	1,00,00,000	1,03,56,295	3,56,295

The excess was due to unanticipated adjustment of certain freight charges in March, 1969 (Supplementary) Ac-

counts, for which no provision had been made in the budget.

	Rs.	Final Grant Rs.	Actual Ex- penditure Rs.	Excess Rs.
G. 3(1) (2) <i>Live stock, stores, Tools and plants.</i>				
O. . . . .	4,00,000			
R. . . . .	1,00,000	5,00,000	6,88,231	1,88,231

The excess was mainly due to (i) Taungya cultivation of paddy in additional areas, (ii) payment of increased Dearness Allowance to labourers, (iii) adjustment of expenditure pertaining to the preceding year for which provision did not exist and (iv) larger purchases of paddy and medicines than originally anticipated.

	Rs.	Final Grant Rs.	Actual Ex- penditure Rs.	Excess Rs.
G.3(3)— <i>Development Schemes</i>				
O. . . . .	9,42,000			
R. . . . .	48,700	9,90,700	12,10,390	2,19,690

The excess was due mainly to incorporation of expenditure booked by certain Forest Divisions in their March, 1967 (Final and Supplementary accounts) in the accounts for the year 1968-69 by the Accounts Officer (Rs. 1,39,130) payment of increased Dearness Allowance to workers (Rs. 50,000), increased expenditure on the construction of Zoological Garden (Rs. 15,900) and payment of arrears of Compensatory Allowance (Rs. 11,914)."

2.21. The Ministry have further stated:

"The above excesses amounting to Rs. 25.50 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. 23,34,414."

2.22. The Committee observe that during the year 1967-68 also, there was an excess of Rs. 64.51 lakhs under this Grant. Commenting upon the excess, the P.A.C. (1969-70) had, *inter alia*, observed as follows in paragraph 2.8 of their 83rd Report (Fourth Lok Sabha).

"In the opinion of the Committee, the bulk of the excess of Rs. 64.51 lakhs which comes to nearly 10 per cent of the final grant was due to failure to anticipated properly the receipt of stores and debits relating thereto and to make



adequate provision for adjustment of past liabilities. A proper watch over the progress of works was also not kept. The Committee trust that necessary steps for strict enforcement of the rules and instructions relating to control over expenditure will be taken by the Ministry of Home Affairs and proper liaison maintained with the Accounts Officers so that it may have correct advance information about the debits that are likely to materialise and could take steps to provide for them. Particular attention will have to be paid to the proper maintenance of Liability Register to keep a watch on adjustment of past liabilities."

2.23. In their Action Taken note on the above recommendation, the Ministry of Home Affairs have stated as follows:—

"The observations of the Committee have been brought to the notice of the Andaman Administration with instructions to ensure that excess on such accounts do not recur in future. They have also been instructed to strictly follow the instructions issued from time to time regarding control of expenditure including Maintenance of Liability Registers."

2.24. The Committee observe that there was an excess under this Grant for the second year in succession. As in the previous year, 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. A proper watch over the progress of works was also not kept. In some cases, the Andaman's Administration had failed to cover even such expenditure as was capable of reasonably accurate assessment e.g. expenditure on increased allowances, etc. under sub-head "G.3(3)—Development Schemes".

2.25. Another factor to which the Committee would like to draw attention is the extent of lack of control over expenditure revealed in this case. The allotment under the head 'E.1(5) (2)—Other Suspense Accounts—Charges' was reduced by Rs. 10 lakhs by re-appropriation, but eventually there was an excess of Rs. 9,13,502 under this sub-head. The Committee note that pursuant to the recommendation of the PAC (1969-70) made in paragraph 2.8 of their 82nd Report, the Ministry have asked the Andaman's Administration to strictly follow the instructions issued from time to time regarding control of expenditure (including maintenance of Liability Register). The Committee desire that the Ministry of Home Affairs should also impress upon the Union Territory Administration the imperative need to maintain a close liaison with the suppliers on the one hand and Accounts Officer on the other.

## (f) Grant No. 49—Tribal Area

Final Grant	Rs. 25,09,52,000
Actual Expenditure Excess.	25,66,18,779
Excess	+ 56,66,779

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

“The original provision of Rs. 24,67,81,000 under this grant was augmented by Rs. 41,71,000 by obtaining a Supplementary Grant in the March, 1969 session of Parliament. The excess occurred mainly under the following sub-heads for the reasons explained below:—

	Final Grant	Actual Expenditure	Excess
	(Figures in lakhs of Rupees)		
A.2 - Police			
A.2(1).—Frontier Constabulary and Militia			
A.2.1(1).—Assam Rifles			
O. 1098.86			
S. 41.71			
R. 86.00	12,26.57	12,52.52	25.95

The excess was due to:—

- (i) Unanticipated adjustment of debits for arms and ammunition supplied by Defence Department, in March 1969 final accounts, when it was not possible to provide additional funds. Although the Contingent Liability Register was being maintained, the provision could not be made as the NEFA Administration did not receive any information about the debits having been raised by the Defence Authorities (Rs. 17.23 lakhs), and
- (ii) Unavoidable repairs to departmental buildings after the finalisation of the final estimates for 1968-69 (Rs. 8.72 lakhs).

	Final Grant	Actual Expenditure	Excess
	(Figures in lakhs of rupees)		
D.1—Public Works			
D.1(2)—Repairs			
O. 50.10			
R. 33.62	83.72	91.49	7.77

The excess was mainly due to urgent repairs to ordinary Basha Type buildings damaged by fire accidents and storms having been undertaken during the year as there was no other alternative accommodation (Rs. 6.96 lakhs). The remaining amount of excess was due to the clearance of jungles and renewal of log bridges which were washed away during the rains. These works had to be undertaken immediately for keeping open the communication line in border areas. The excess under this sub-head could not be anticipated due to non-receipt of complete information about the progress of expenditure and further requirements in respect of works executed through the Nagaland Public Works Department.

	Final Grant	Actual Expenditure	Excess
	(Figures in lakhs of Rupees)		
D-1—Public Works			
D-1(6)—Suspense			
O. 85.00			
R. 15.00	1.00.00	1.43.97	43.97

The excess of Rs. 43.97 lakhs occurred under the following two sub-heads:—

D-1(6) (1)—stock	
D-1(6) (1) (1)—Charges . . . . .	34.11 lakhs (a)
D-1(6) (2)—Other suspense Accounts	
D-1(6) (2) (1)—Charges . . . . .	9.86 lakhs (b)
TOTAL . . . . .	43.97 lakhs

(a) The excess of Rs. 34.11 lakhs represents the value of book transfers of stock from one Division to another Division. During the year 1968-69 there was a re-organisation of C.P.W. Division in NEFA and consequently the charge of ten (10) Sub-Divisions was transferred from one Division to another. In accordance with the gross system of budgeting the Division getting the charge of a Sub-Division had to debit the value of all stocks held in that Sub-Division to the budget grant, while the credit in the account of the Division from whose charge the Sub-Division was taken out had to be afforded under "Recoveries". The excess under this sub-head was, therefore, counter-balanced by a corresponding increase in 'Recoveries' and no actual cash outgo was involved. Re-organisation of C.P.W. Divisions and Sub-Divisions, which depends on actual progress of construction works, could not be anticipated for making necessary provision of funds.

(b) The excess of Rs. 9.86 lakhs was due to larger clearance than anticipated of balances under the 'Suspense' Head

namely 'Purchases' and 'Miscellaneous Public Works Advances'.

	Final Grant	Actual Expenditure	Excess
(Figures in lakhs of rupees)			
<i>E.2—Miscellaneous</i>			
<i>E.2(2)—Miscellaneous and unforeseen charges</i>			
E.2 (2) (2)—Miscellaneous			
E.2 (2) (2) (1).—Other charges.			
O.	396·31		
R.(—)	258·90	137·41	204·22
			66·81

An amount of Rs. 396.31 lakhs was originally provided under this Sub-head. Later on anticipating less expenditure due to non-receipt of debits from Defence authorities, an amount of Rs. 258.90 lakhs was re-appropriated from this Sub-head to other heads, leaving a final provision of Rs. 137.41 lakhs under this sub-head. The actual expenditure, however, amounted to Rs. 204.22 lakhs resulting in an excess of Rs. 66.81 lakhs. This excess was mainly due to unexpected adjustment of debits amounting to Rs. 1.27 crores relating to supply of parachutes and supply of Dropping Equipments, in March, 1969 final accounts, when it was not possible to provide necessary funds. Contingent Liability Register had been maintained, but in the absence of information about the rates etc., a precise estimation of the liability on this account could not be made."

2.27. The Ministry have further stated:

"The above excesses amounting to Rs. 144.50 lakhs and minor excesses under other sub-heads were partly counter-balanced by savings under the remaining sub-heads of the Grant, bringing down the net excess in the Grant as a whole to Rs. 56,66,779."

2.28. The Committee observe that during the year 1967-68 also, there was an excess of Rs. 93.75 lakhs under this Grant. Commenting upon the Excess, the P.A.C. (1969-70) in paragraph 2.13 of their 83rd Report (Fourth Lok Sabha) *inter alia* observed as follows:—

"The Committee observe that the bulk of the excess under this Grant also 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. There was also a failure to exercise proper control over expenditure. The Committee desire that the Ministry of

Home Affairs should impress upon the NEFA Administration the imperative need for strict compliance with the rules and instructions regarding control over expenditure and proper maintenance of Liability Register."

2.29. In their Action-Taken note on the above recommendation, the Ministry of Home Affairs have stated as follows:—

"The above observation of the Committee has been brought to the notice of NEFA Administration with instructions for strict compliance in future."

2.30. The Committee note that in this case also, there was an excess for the second year in succession. As in the previous year, the bulk of the excess was due to failure to anticipate properly the receipt of debits and to make adequate provision for the adjustment of past liabilities. There was neither an exercise of proper control over expenditure, nor had there been an effective liaison with the works executing agencies. As observed by the Committee in paragraph 2.13 of their 83rd Report (1969-70), it is imperative that the NEFA Administration should have a closer liaison with the Purchase Organisations[suppliers in respect of indented stores and with the Accounts Officer, from whom debits for cost of stores are awaited, so that liabilities can be accurately anticipated in time and provision therefore made in the Budget. The Administration should also have a closer contact with the works executing agencies. The Committee note that, pursuant to their recommendation, the Ministry of Home Affairs have impressed upon the NEFA Administration the need for strict compliance with the rules and instructions regarding control over expenditure. The Committee trust that the NEFA Administration will strictly comply with the instructions issued by the Ministry of Home Affairs.

#### MINISTRY OF SHIPPING AND TRANSPORT (ROAD WING)

(g) Grant No. 80—Roads

	Rs.
Final Grant . . . . .	19,44,87,000
Actual Expenditure . . . . .	19,77,26,484
Excess . . . . .	32,39,484

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

"The excess of Rs. 32,39,484, which is the net result of excesses and savings under the various sub-heads in the Grant, occurred mainly under the sub-head "A.4(1).—Mainten-

ance of National Highways" (Rs. 35,20,425) as explained below:—

"A provision of Rs. 700 lakhs was made under this Sub-head in the Budget Estimates, 1968-69. A Supplementary Grant of Rs. 400 lakhs was obtained in March, 1969 for meeting the increase in the cost of normal maintenance and for restoration of damages caused to National Highways in several States by the unprecedented floods of 1968. A sum of Rs. 1,31,200 became available out of savings under other sub-heads in the Grant. Thus, allotments aggregating Rs. 11,01,31,200 were made to the States for the maintenance of National Highways during 1968-69. The expenditure booked, however, amounted to Rs. 11,36,51,625 revealing an excess of Rs. 35,20,425 under this sub-head. There was excess expenditure totalling Rs. 50,61,564 in certain States as shown below:

Andhra Pradesh (Rs. 1,08,565), Assam (Rs. 3,55,149), Bihar (Rs. 4,35,945), Haryana (Rs. 1,75,119), Kerala (Rs. 20,88,742), Madhya Pradesh (Rs. 6,37,917), Maharashtra (Rs. 6,62,098), Mysore (Rs. 60,305), Nagaland (Rs. 2,59,749), Orissa (Rs. 1,20,940), Rajasthan (Rs. 48,091), Tamil Nadu (Rs. 7,324), Uttar Pradesh (Rs. 28,589), Delhi (Rs. 9,820), and Manipur (Rs. 63,211).

As a result of savings amounting to Rs. 15,41,139 in other States, the net excess under this sub-head was reduced to Rs. 35,20,425. 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. The excess under the above sub-head together with minor excesses under some heads were partly counter-balanced by savings under certain other sub-heads bringing down the net excess in the Grant to Rs. 32,39,484 which requires to be regularised."

2.32. The Ministry have further stated:—

"The road works under the executive control of this Ministry are executed through the agencies of the State Public Works Department and the Central Public Works Department. Provision in the budget is made on the basis of estimates received from the various executing 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 letters sanctioning the allotments of funds. In view of these instructions, it was not expected that the grant would be exceeded. Some of the States, however, failed to restrict the expenditure to the allotment made to him."

2.33. In regard to remedial measures taken to avoid excesses under this Grant, the Ministry has stated as follows:—

"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. Experience has, however, shown that the submission of these returns by the States is not very regular. In pursuance of the recommendations of the Public Accounts Committee in paragraph 2.35 of their Twelfth Report (Fourth Lok Sabha) necessary follow-up instructions were issued to the State *vide* Ministry's circular letter No. B-29(2)|68, dated the 19th April 1968 and the imperative need for the prompt submission of the monthly returns of expenditure against the allotments was once again impressed upon them. An attempt to restrict expenditure to the amount of sanctioned grant is also being made through the Regional Offices set up in the various regions. In the light of the observations made by the Public Accounts Committee (Fourth Lok Sabha) in their Thirty First Report, 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 is under the consideration of this Ministry. As some of the issues involved are of important nature, it is regretted that it has not so far been possible to take a final decision. It is, however, hoped to finalise the matter shortly."

2.34. 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 1	Amount of excess in lakhs 2
1959-60 . . . . .	13.97
1960-61 . . . . .	16.29
1961-62 . . . . .	11.15
1962-63 . . . . .	36.26
1963-64 . . . . .	15.99

1	2
1964-65 . . . . .	{ 32.63 (Voted) 0.11 (Charged)
1965-66 . . . . .	39.17
1966-67 . . . . .	63.12
1967-68 . . . . .	35.80
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 Governments/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 recommendation 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.

MINISTRY OF HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT (DEPARTMENT OF WORKS, HOUSING AND URBAN DEVELOPMENT).

H. Grant No. 85

Public Work (Voted)

	Rs.
Final Grant . . . . .	39,74,54,000
Actual Expenditure . . . . .	39,95,44,112
Excess . . . . .	21,90,112

2.35. In a note furnished to the Committee, the Ministry of Health and Family Planning and Works, Housing and Urban Development (Department of Works, Housing and Urban Development) have stated as follows:

“The original provision of Rs. 39,39,84,000 in the voted portion of this Grant was augmented by Rs. 34,70,000 by obtaining a Supplementary Grant in the March, 1969 Session of Parliament. Against the final Grant of Rs. 39,74,54,000



the actual expenditure amounted to Rs. 30,96,44,112 leaving an uncovered excess of Rs. 21,90,112 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-head for the reasons explained below:—

Sub-head	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
A.7 (2)—Other Suspense Accounts :			
A.7(2) (1)—Charges	15,36,87,000	15,77,82,165	+ 40,95,165

The original provision under this head was Rs. 1,424.55 lakhs. Rs. 112.32 lakhs were reappropriated from other sub-heads making final Grant of Rs. 1,536.87 lakhs. The excess under the sub-head was mainly due to the fact that while assessing the final requirements of funds for the Highway Projects in Nepal, the requirement in respect of one project was inadvertently omitted to be taken into account. The omission was discovered in June, 1969 when it was too late to provide additional funds. Steps have been taken to ensure that such omissions do not occur in future."

2.36. The Ministry have further stated:

"The excess under the above sub-head and also other sub-heads was partly counter-balanced by savings under other sub-heads of the Grant, bringing down the net excess in the Grant as a whole to Rs. 21,90,112."

2.37. The Committee note that according to the explanation of the Department of Works, Housing and Urban Development, the main reason for the excess of Rs. 40.95 lakhs under sub-head 'A.7(2)(1)—Other Suspense Accounts—Charges' was that while assessing the final requirements of funds for the Highway Projects in Nepal, the requirement in respect of one project was "inadvertently omitted". It is surprising that there should have been an omission like this. The Committee would like to know the circumstances in which it occurred and how it could not be detected at any level before the close of the year. The Committee would also be interested to know the steps taken by the Ministry to ensure that such omissions do not occur on future.

## Appropriation Accounts (Defence Services), 1968-69

### (h) MINISTRY OF DEFENCE

#### *Excess under Sub-Major Heads '1—Army' and '4—Defence Production' of Grant No. 5—Defence Services—Effective*

2.38. In a note furnished to the Committee, the Ministry of Defence have given the following details of Excesses under Sub-Major Heads '1—Army' and '4—Defence Production':—

Sub-Major Head	Final Grant Rs.	Expenditure Rs.	Variations Rs.
<b>1. Army :</b>			
Voted O	5,63,40,66,00	5,99,22,81,000	5,99,35,44,469 + 12,63,469
Grant S (+)	37,87,05,000		
R(—)	2,04,90,000		
<b>4. Defence Production :</b>			
Voted O	1,45,28,74,000	1,52,94,63,000	1,53,62,61,700 + 64,98,700
Grants S	5,63,99,000		
R (+)	2,04,90,000		

2.39. The Ministry of Defence have stated as follows:—

“In 1968-69, the demands for expenditure on Army, Navy, Air Force and Defence Production were presented to Parliament under one Composite Demand—“Demand No. 5”. These were reflected under Sub-Major Heads 1, 2, 3 and 4 respectively. It was, however, decided in pursuance of the recommendations of the Public Accounts Committee and Estimates Committee contained in their Twentieth and Forty-fifth Reports (4th Lok Sabha) respectively that under the composite Demand No. 5—Defence Services—Effective, the provision for each of the Services *Viz.* Army (including Defence Production) Navy and Air Force, would during 1968-69, be treated as separate and distinct and that no re-appropriation of funds as between the Services would be carried out. The Annexure to the Schedule of Appropriation (No. 2) Act, 1968 showed the details of Grant No. 5 ‘Defence Services—Effective’ accordingly. In pursuance of this arrangement, even though there is an overall saving of Rs. 355.36 lakhs under the Grant as a whole, the excess under Sub-Major-Heads ‘1—Army and 4—Defence Production’ which works out to Rs. 77.62 lakhs has to be regularised.”

2.40. The Ministry of Defence have given the following details of excesses by various sub-heads under the above sub-Major heads:—

(In lakhs of Rs.)

Sub-heads	Final Grant	Actual Expenditure	Excess saving	(+) (-)
<i>Major Head—79:</i>				
<i>1. Army</i>				
<i>A—Pay &amp; Allowance of Army</i>				
O	2,09,88.67	} 2,31,18.86	2,32,01.58	(+)82.72
S	21,61.21			
R(-)	31.02			
<i>D—Transportation and Misc.</i>				
O	40,48.88	} 44,18.71	47,74.54	(+)355.83
S	3,73.44			
R(-)	3.61			
<i>H—Charges in England</i>				
O	7,53.24	} 7,91.11	7,93.47	(+)2.36
S	5,29.24			
R(-)	4,91.37			
<i>4. Defence Production :</i>				
<i>A—Ordnance &amp; O Clothing Factories</i>				
O	1,19,41.21	} 1,27,17.03	1,28,00.82	(+)83.79
S	5,13.99			
R	2,61.83			

2.41. As to the factors mainly responsible for excesses under the above sub-heads, the Ministry have stated as follows:—

“Sub-Major Head ‘1.Army’:—

Sub-Head ‘A’—(+) Rs. 82.72 lakhs.

The excess of Rs. 82.72 lakhs over the final grant is mainly due to *per capita* rates for “Pay and Allowances” of JCOs/ORs adopted at the final estimates stage having proved slightly inadequate. The variation is only 0.4 per cent.

Sub-Head ‘D’—*Transportation & Misc.* (Rs. 355.83 lakhs)

The main reasons for the excess of Rs. 355.83 lakhs under this Sub-head are:—

- (i) Rail charges due to heavier adjustments made at the close of the year than anticipated as a result of special steps to adjust all outstanding debits in the accounts of March Final|March Supplementary. No action was, however, possible at that stage to provide additional funds.
- (ii) Stationery and Printing due to larger debits raised by the Department of Printing and Stationery towards the close of the year than anticipated. The

actual extent of these adjustments which include arrear payment for 1967-68 could not be estimated accurately on the basis of past experience or available information. Instructions have, however, been issued by the Chief Controller of Printing and Stationery to the Presses to ensure an even flow of adjustment during the year.

“Sub-head ‘H’—Charges in England—(+) Rs. 2.36 lakhs.

The variation in this case is small.”

“Sub-Major Head ‘4—Defence Production’

Sub-Head ‘A’—(+) Rs. 83.79 lakhs.

The excess is mainly due to larger expenditure than anticipated on purchase of materials (Rs. 168 lakhs), mainly due to quicker materialisation of supplies and unexpected adjustments in March Final and Supplementary when no action could be taken to provide additional funds, partly counter-balanced by less expenditure on

(In lakhs of Rs.)

(i) Pay & Allowance due to such variable factors as Overtime allowances, piece work bonus, interest, etc..	(—) 68
(ii) Miscellaneous items of DGOF Headquarters	(—) 18
(iii) Net effect of other minor variations	(+) 2”

2.42. The Ministry have further stated:

“The above excesses amounting to Rs. 524.70 lakhs were partly off-set by savings of Rs. 447.08 lakhs under other sub-heads, as indicated above, leaving a net excess of Rs. 77,62,169 which works out to only 0.1 per cent of the final Grant for these Sub-Major Heads.”

2.43. The Committee note that during the year 1967-68 also, an excess of Rs. 116.14 lakhs had occurred under “Sub-head ‘A’ of Grant No. 5—Defence Services, Effective—Army” as the *per capita* rates for ‘Pay & Allowances’ of Officers and other ranks adopted at the final estimate stage proved inadequate. Commenting upon the excess, the PAC (1969-70) in paragraph 2.37 of their 83rd Report (Fourth Lok Sabha), *inter alia*, observed as follows:—

“That there should have been such a substantial excess in respect of an item, the expenditure on which is capable of a reasonably accurate assessment does not speak well of the standards of budgeting in the Ministry. The Committee would like that the budgeting is toned up.”

2.44. In their Action-Taken Note on the above Recommendation, the Ministry of Defence have, *inter-alia*, stated as follows:—

“.....The budgeting for pay and allowances in the Defence Estimates is done not on an individual basis but on the basis of average both in respect of rate of payment and assumed strength. As the *per capita* rates sometimes vary slightly due to unforeseen factors, variations occur. However, the suggestion of the Public Accounts Committee has been noted and it is being examined in what manner improvements can be effected. One of the suggestions under consideration is computerisation of payments and accountal which will make available more detailed information speedily for budgeting purposes.”

2.45. The Committee observe that the excess under Sub-major Head '1.Army' was principally caused by excesses under Sub-heads 'A-Pay and Allowances' and 'D-Transportation and Miscellaneous'. The explanation of the Ministry of Defence for the excess under sub-head 'A' (Rs. 82.72 lakhs) is that the per capita rates for "Pay and Allowances" of Junior Commissioned Officers|Other Ranks adopted at the final estimate stage proved "slightly inadequate". The Committee note that during the year 1967-68 also there was an excess of Rs. 1.16 crores under sub-head 'A' on this account. The Ministry have, however, intimated that they are now examining in what manner improvement can be effected in the system of estimation of pay and allowances. The Committee desire that the Ministry should taken an early decision in the matter.

2.46. The Committee note that the excess of Rs. 3.56 crores under Sub-head 'D' of Sub-Major Head '1.Army' was mainly due to a failure on the part of the Ministry of Defence to properly anticipate debits on accounts of rail charges and printing and stationery. Likewise, the excess of Rs. 83.79 lakhs under Sub-Major Head '4-Defence Production' was principally due to a failure on the part of the Ministry to anticipate properly the receipt of indented stores and debits relating thereto. This, in the opinion of the Committee, underscores the need for a closer liaison with suppliers and other Departments like Railways and Controller of Printing and Stationery.

#### Appropriation Accounts (P&T), 1968-69

##### (j) MINISTRY OF COMMUNICATIONS

##### (P & T) BOARD

Grant No. 93— P & T Working Expenses:

Final Grant	Rs.	2,09,74,92,000
Actual Expenditure	Rs.	2,10,76,31,458
Excess	Rs.	1,01,39,458

2.47. In a note furnished to the Committee, the Ministry of Communications have stated as follows:—

“The above excess of Rs. 1.01 crores over the Voted Grant was the net result of excesses and savings as indicated below:—

(Figures in lakhs of Rs.)

Head	Excess	Savings
Maintenance of Assets (mainly group heads 1—2 and 1—3)	49	
Petty and Other Works (mainly group head “Lines and Radio Communications under II.—A. Expenditure on Annual Open Estimates and Petty Works”.		170
“Lines and Radio Communication” and “apparatus and Plant” under II.—B . Expenditure on other Revenue works.		
Printing and Stationery . . . . .	48	
Other heads . . . . .	70	
	219	118
Net Excess	101”	

2.48. The Ministry of Communications have *inter-alia*, given the following reasons for excesses under the

“(A) Maintenance of Assets:

This head accommodates expenditure on repairs and maintenance of assets as well as provision of spares for those assets. . . . The sanctioned grant under this head (including the supplementary grant of Rs. 1,25 lakhs) was Rs. 6,25 lakhs. The actual expenditure during the first 10 months of the year amounted to Rs. 4,66 lakhs leaving a balance or allotment of Rs. 159 lakhs. On the trend of actuals for previous years, the provision under this head was increased by Rs. 25 lakhs fixing the final grant at Rs. 6,50 lakhs. The actual expenditure during the last two months was, however, Rs. 2,33 lakhs involving a net excess of Rs. 49 lakhs.

This excess of Rs. 49 lakhs was the result of excesses and savings as under:—

(Figures in lakhs of Rs.)

Group heads	Excess	Savings
1 Building . . . . .		3
1 2 Lines and Radio Communications . . . . .	15	

(Figures in lakhs of Rs.)

Group heads	Excess	Savings
I 3 Apparatus and Plant . . . . .	37	..
	52	3
Net Excess . . . . .	49	..

The excess expenditure under I—2 Lines and Radio Communications was mainly due to urgent, unanticipated repairs/maintenance works for rectification of interruptions and faults in communication Lines and Cables. The excess under "I—3 Apparatus and Plant" arose mainly from large expenditure on repairs due to unanticipated receipts of stores from Indian Telephone Industries and increase in the cost of stores received. The percentage of expenditure of 'Stores' to 'Cash' which ranged from 50 to 54.7 per cent during 1965-66 to 1967-68 increased to 64.1 per cent in 1968-69."

"(B) Petty and Other Works:

This head accommodates expenditure on petty Works of a Capital nature met from Revenue. . . . The sanctioned grant under this head (including the supplementary grant of Rs. 0.50 crore taken in March 1969) was Rs. 15.65 crores. The actual expenditure for the first 10 months was Rs. 13.05 crores leaving a balance of Rs. 2.60 crores for the last 2 months. This provision was, therefore, increased by Rs. 0.50 crore to Rs. 3.10 crores. An advance of Rs. 2 crores was also taken from the Contingency Fund of India to meet additional anticipated expenditure. Thus a provision of Rs. 5.10 crores was made for expenditure during the last two months. The expenditure during that period, however, reached Rs. 6.80 crores resulting in an increase of Rs. 1.70 crores."

"This excess of Rs. 1.70 lakhs was the result of the excesses and savings as under:—

(Figures in lakhs of Rs.)

Group heads	Excess	Savings
II-A Expenditure on Annual Open Estimates and Petty Works.		
(i) Buildings.	4	..
(ii) Lines and Radio Communications . . . . .	12	..

(Figures in lakhs of Rs.)

Group heads	Excess	Savings
II-B Expenditure on other Revenue Works :		
Lines and Radio Communications . . . . .	129	..
Apparatus and Plan Net other Units . . . . .	28	3
	173	3
Net Excess	170	

The excesses under 'Expenditure on Annual Open Estimates and Petty Works (in respect of Telegraph and Telephone Lines and Radio Communications) and 'Expenditure on other Revenue Works' (in respect of Telegraph and telephone lines and Radio Communications as well as Apparatus and Plant) were due to execution of larger number of works, than anticipated, to meet urgent demands of Railways and Army for telegraph and telephone facilities."

2.49. The Committee note that during the year 1967-68 also, there was an excess of Rs. 1.24 crores under this grant. The excess was, *inter alia*, due to carrying out of more urgent revenue earning works than anticipated. Commenting upon the excess, the P.A.C. (1969-70) in paragraph 2.31 of their 83rd Report (1969-70), *inter alia*, observed as follows:

".....The Department should have realistically worked out financial implications while sanctioning additional urgent revenue works and covered them by supplementary grants, as necessary. The Committee trust that the P. & T. Board will take steps to ensure that budgeting for their works is streamlined and made accurate."

2.50. In the Action-Taken Note on the above recommendation, the Ministry of Communications have, *inter alia*, stated as follows:—

"The observations of the P.A.C. have been noted. Instructions have also been issued to all Heads of Circles to ensure that the expenditure on works is regulated strictly according to the allotment of funds for such works made to them."

2.51. The Committee note that there has been an excess under this Grant for the second year in succession. As in the past, the bulk of the excess was due to execution of larger number of works than anticipated by the Department. A part of the excess was also due to unanticipated receipt of stores from the Indian Telephone Industries. As regards the excess expenditure on account of works, the Committee note that, pursuant to their recommendation, instructions have been issued by the Board to all Heads of Circles to ensure



that the expenditure on works is regulated strictly according to allotment of funds for such works. The Committee trust that these instructions will be strictly complied with. The Committee would also like the P & T Board to take steps to ensure that budgeting for their works expenditure is streamlined and made accurate.

2.52. As regards the excess on account of unanticipated receipt of stores, the Committee feel that the Department would do well to have a closer liaison with the suppliers of indented stores (including the Indian Telephone Industries).

#### General

2.53. Commenting upon excesses on account of pay and allowances, the Public Accounts Committee (1968-69) had observed in paragraph 2.73 of their 31st Report (Fourth Lok Sabha) that as there was no element of uncertainty or unforeseeability in expenditure on pay and allowances, there should normally be no excess on this account. The Committee, however, regret to observe that during the year under review also, increased expenditure on pay and allowances had contributed to excess under a number of Grants. The Committee desire that the Ministries| Departments should take care to avoid excesses on this account.

2.54. Subject to the above observations, the Committee recommend that excesses 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 OUTSTANDING RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR 83RD REPORT (FOURTH LOK SABHA)

3.1. The 83rd Report (Fourth Lok Sabha) on Excesses over Voted Grants and Charged Appropriations disclosed in the Appropriation Accounts (Civil), (Posts and Telegraphs), (Railways) and Defence Services) for the year 1967-68 was presented to the House on the 28th July, 1969. Out of 15 recommendations contained in Chapters I and II of the Report, replies of Government have been received in respect of 13 recommendations. These are reproduced at Appendix XXIX. Replies are still awaited in respect of recommendations at S. Nos. 6 and 11.

Chapter III of the Report also contains a recommendation (*vide* S. No. 16). This relates to delay in the submission of action taken notes on the Outstanding Recommendations of the Committee contained in their 31st Report (Fourth Lok Sabha). Action taken notes in respect of three recommendations contained therein—S. Nos. 11-13 of Appendix XXIV—are still awaited.

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

(i) Recommendations/Observations that have been accepted by Government:

S. Nos. 1, 3-4, 5, 7, 8-9, 10, 12, 14 and 15.

(ii) Recommendations/Observations in respect of which Government have furnished interim replies:

S. Nos. 2 and 13.

3.3 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.

NEW DELHI;  
July 31, 1970.  
Sravana 9, 1892 (S).

ATAL BIHARI VAJPAYEE,  
Chairman,  
Public Accounts Committee.

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**APPENDICES**

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## APPENDIX I

### MINISTRY OF FOREIGN TRADE

*Note for the Public Accounts Committee for Regularisation of excess expenditure over voted grant in respect of Grant No. 1—Ministry of Commerce as disclosed in the Appropriation Accounts (Civil) 1968-69.*

	Rs.
Original Grant . . . . .	46,70,000
Supplementary Grant . . . . .	5,03,000
Final Grant . . . . .	51,73,000
Actual Expenditure . . . . .	51,90,050
Excess . . . . .	17,050
Percentage of excess over Final Grant . . . . .	0.33%

The original provision of Rs. 46.70 lakhs under this Grant, which relates to the Secretariat of the erstwhile Ministry of Commerce, was augmented by Rs. 5.03 lakhs by obtaining a Supplementary Grant in February, 1969 Session of Parliament. The details of the final grant and actual expenditure under different sub-heads under Grant No. 1 are as follows:—

Sub-heads	Final Grant	Actual Expenditure	Excess (+) Saving (—)
	Rs.	Rs.	Rs.
(i) Pay of Officers . . . . .	13,36,800	13,34,522	(—)2,278
(ii) Pay of Establishments . . . . .	12,83,000	12,77,932	(—)5,068
(iii) Allowances, Honoraria, etc. . . . .	15,83,300	15,60,908	(—)22,392
(iv) Other Charges . . . . .	7,60,000	7,70,560	(+ )10,560
(v) Delegations going abroad . . . . .	2,09,900	2,46,128	(+ )36,228

Against the Final Grant of Rs. 51.73 lakhs, the expenditure during the year came to Rs. 51,90,050 causing an excess of Rs. 17,050 which requires to be regularised.

2. The excess occurred under the sub-heads 'A. 4—Other Charges' and 'A. 5—Delegations Going Abroad'. Under 'Other Charges', there was an excess of Rs. 10,560 mainly due to increase in postage

and telegram charges during the closing months of the year due to manifold activities of the Ministry. Under 'Delegations Going Abroad' there was an excess of Rs. 36,228. It is generally not found possible to anticipate precisely the expenditure under this sub-head as details of all delegations proposed to be sent during the year are not completely available even at the time of finalisation of Revised Estimates. Moreover, expenditure on Daily Allowance, Hotel Accommodation charges etc. of members of Delegations is incurred by various Missions abroad and the relevant debits are received and adjusted mostly in March Final and Supplementary accounts. In March, 1969 Preliminary, Final and Supplementary accounts debits adjusted on this account came over Rs. 40,400. The excess expenditure was thus known too late for additional funds to be provided.

3. The total excess of Rs. 46,788 as mentioned above was partly off-set by a saving of Rs. 29,738 under other sub-heads relating to Pay and Allowances, leaving a net excess of Rs. 17,050.

4. The excess expenditure of Rs. 17,050 could not, in the circumstances explained above, be anticipated. It is requested that the same be recommended for regularisation by Parliament in accordance with Article 115 of the Constitution of India.

5. This note has been vetted by Audit.

## APPENDIX II

### MINISTRY OF EDUCATION & YOUTH SERVICES

*Note for regularisation of excess over Voted Grant No. '10-Survey of India' as disclosed in the Appropriation Accounts (Civil) for 1968-69.*

The actual expenditure under Grant No. '10-Survey of India' for 1968-69 exceeded the final Grant by Rs. 3,06,644 as indicated in the table below:—

Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
5,38,47,000	5,41,53,644	3,06,644

The excess of Rs. 3,06,644 is the net result of excesses and savings under various sub-heads in the Grant. The excess occurred mainly under the Group heads 'B-Map Publication Offices' and 'C-Survey Parties-General', for the reasons explained below:—

*'B-Map Publication Offices' (Rs. 1,09,567)*

Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
51,77,800	52,87,367	1,09,567

The excess was chiefly under the sub-head "B. 5-Other Charges" (Rs. 1,08, 069) due mainly to increased payments of Dearness Allowance and House Rent Allowance in respect of contingency-paid staff arising from post-budget decisions. A part of the excess was also due to increased payments of electricity charges and adjustment of certain Railway Credit notes pertaining to the year 1967-68.

The budget grant did not include any provision for the increase in the rates of Daily Allowance and Dearness Allowances sanctioned by Government in March, 1968 and October, 1968 respectively as also for increase in the House Rent Allowance, Travelling Allowance and Compensatory Allowances in consequence of treatment of a portion of Dearness Allowance as 'Pay' with effect from 1st December, 1968. These increases involved an additional expenditure of Rs. 17,67,234 over the sanctioned budget grant as a whole for the year. Instead of going in for a Supplementary Grant, it was decid-

ed to restrict the expenditure to the sanctioned grant by affecting maximum possible economies, wherever possible, and suitable instructions in this regard were issued by the Surveyor General to the Regional Directorates, etc. The expectation did not, however, fully materialise and part of the excess under the above Group-head and that under Group-head 'C' referred to below remained uncovered.

'C-Survey Parties-General' (Rs. 7,26,943).

Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
4,73,03,100	4,80,30,043	7,26,943

Out of the excess of Rs. 7,26,943, an excess of Rs. 1,02,233 has arisen as a consequence of the adjustment by the Accountant General, Uttar Pradesh in this year's accounts of debits on account of the payments made at the Treasuries in Assam and Bihar during the year 1967-68. Efforts were made by the Surveyor General to have the despatch of the relevant Exchange Accounts by the Accountant General, Assam and Nagaland and Accountant General, Bihar, to the Accountant General, Uttar Pradesh expedited in order to avoid the lapse of sanctioned grant for the year 1967-68. The vouchers were, however, received in the office of the Accountant General, Uttar Pradesh in December, 1968 when the accounts for the year 1967-68 had already been closed. The debits were, therefore, adjusted by the Accountant General, Uttar Pradesh in the accounts for 1968-69.

The remaining excess represents the net effect of excesses and savings under various sub-heads of this Group-head and occurred mainly under the sub-head "C. 3—Allowances, Honoraria, etc." (Rs. 15,76,951) due to the reasons as explained above under the Group-head "B-Map Publications Offices".

The total excess of Rs. 8,36,510 under the Group-heads 'B' and 'C' and a minor excess of Rs. 2,665 under the Group-head 'A-Surveyor General' was partly offset by savings of Rs. 5,32,531 in the other Group-heads of the Grant, leaving a net excess of Rs. 3,06,644, which requires regularisation. It is requested that this excess, which represents 0.57 per cent of the Grant, may kindly be recommended for regularisation under Article 115 of the Constitution.

This note has been vetted by Audit.

**APPENDIX III**  
**MINISTRY OF FINANCE**

**DEPARTMENT OF REVENUE AND INSURANCE**

*Note for regularisation of excess in the Voted Section of Grant No. "18-Taxes on Income Including Corporation Tax etc." as disclosed in the Appropriation Accounts (Civil), 1968-69.*

Final Grant	Actual Expenditure	Excess(+)
Rs.	Rs.	Rs.
13,64,77,000	13,66,15,072	(+ )1,38,072

The original budget provision of Rs. 12,94,77,000 in the Voted Section of the Grant was subsequently raised to Rs. 13,64,77,000 by obtaining a Supplementary Grant of Rs. 70,00,000 in the March, 1969 session of Parliament. The actual expenditure was, however, Rs. 13,66,15,072, which revealed an excess of Rs. 1,38,072. The excess which is the net effect of excess|savings under the various Group-heads in the Grant, occurred under Group-head "A. 3—Income Tax Appellate Tribunals". The position of the final grant, actual expenditure and excesses under the various sub-heads of this Group-head are given below:—

Sub-head	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
Pay of Officers . . . . .	9,55,130	10,03,681	48,551
Pay of Establishment . . . . .	4,03,440	4,18,038	14,598
Allowances, Honoraria, etc. . . . .	5,38,459	6,13,417	74,958
Other Charges (Voted) . . . . .	2,30,571	4,28,440	1,97,869
<b>TOTAL</b> . . . . .	<b>21,27,500</b>	<b>24,63,576</b>	<b>3,36,076</b>

The factors leading to the excesses under these sub-heads are briefly explained below:—

**Pay of Officers and Pay of Establishment**—The excess was due to the creation of certain additional posts as a result



of Constitution of four new Benches of Income Tax Appellate Tribunals at Cochin, Ahmedabad, Bangalore and Calcutta.

*Allowances, Honoraria etc.*—The excess expenditure of Rs. 74,958 was due to allowances, T.A. etc. for Officers and staff of new Benches of Income Tax Appellate Tribunals.

*Other Charges (Voted).*—This sub-head consists of various items of contingent expenditure such as rent; rates and taxes; service postage and telegrams; telephones; water and electricity charges; Railway freight; stationery; etc. Most of the items of expenditure are of an inevitable character and hence inescapable. Under this sub-head, the excess expenditure of Rs. 1,97,969 was due to rents for office premises, purchase of typewriters, furniture etc. for new Benches of Income Tax Appellate Tribunals.

The excess of Rs. 3,36,076 under the Group-head "A. 3—Income Tax Appellate Tribunals", as explained above was offset to the extent of Rs. 1,98,004 by savings under other Group-head leaving a net excess of Rs. 1,38,072 in the Grant, which works out to only 0.10 per cent of the final grant. It is requested that this excess may kindly be recommended for regularisation under Article 115 of the Constitution.

This 'Note' has been vetted by Audit.

**APPENDIX IV**  
**MINISTRY OF FINANCE**

(DEPARTMENT OF ECONOMIC AFFAIRS)

*Note for Regularisation of Excess in voted portion of Grant No. 24—Pensions & Other Retirement Benefits in Appropriation Accounts (Civil) 1968-69.*

	Rs.
Original Grant (Voted) . . . . .	6,63,01,000
Supplementary Grant . . . . .	58,73,000
Final Grant . . . . .	7,21,74,000
Actual Expenditure . . . . .	7,29,78,991
	(+) <b>8,04,991</b>

The excess which is the net result of excesses and savings under the various sub-heads of the grant occurred mainly under the 'Voted' portion of the sub-heads 'A.—Superannuation and Retired Allowances' (Rs. 2.69 lakhs), 'D.—Gratuities' (Rs. 4.53 lakhs), 'G.—Family Pensions' (Rs. 5.36 lakhs) and 'M. 1.—Pensions' (Rs. 1.12 lakhs), partly counterbalanced by savings chiefly under the sub-heads 'F.—Contribution for Pensions and Gratuities' (Rs. 3.51 lakhs) and 'M. 2.—Gratuities' Rs. 1.79 lakhs) leaving an overall excess of Rs. 8,04,991 in the grant.

2. The expenditure under this grant is somewhat of an unpredictable nature since it is not possible to anticipate precisely the payments of pensions, gratuities and family pensions to be made during the year. The estimates and final grant are fixed generally 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. The excess has been caused by more drawal of pensions, gratuities and family pensions etc. than anticipated. In the circumstances, the excess may kindly be recommended for regularisation under Article 115 of the Constitution.

**3. This has been seen by Audit.**

**APPENDIX V**  
**MINISTRY OF FINANCE**  
 (DEPARTMENT OF ECONOMIC AFFAIRS)

*Note for regularisation of excess expenditure over Voted Grant No. "28—Miscellaneous Adjustments between the Central, State and Union Territory Governments", as disclosed in the Appropriation Accounts (Civil) 1968-69.*

Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
28,20,000	29,28,306	+1,08,306

This Grant includes expenditure on account of administration of the Petroleum, Explosives, Arms and the Rice Milling Industry (Regulation) Acts, the Indian Carbide of Calcium Rules and the Cinematograph Films Rules by the State Governments within their respective areas on behalf of the Union Government. In accordance with the procedure prescribed in September, 1958 in consultation with the Comptroller and Auditor General, in regard to the adjustment of the receipts arising out of the administration of the above mentioned Acts and Rules and the connected payments to the State Government, with effect from the 1st April, 1969, the net amounts of fees realised are initially credited to the Consolidated Fund of India and equivalent amounts are paid subsequently to the respective State Governments in quarterly instalments to cover their expenditure on the administration of the said Acts and Rules. It is also enjoined therein that the payments during the financial year should be restricted to the sanctioned grant available for the purpose and, accordingly, the payments for the last quarter due in March should be for such amounts as, together with the first three quarterly payments, will be equal to the Revised Estimates for the year, the shortfall, if any, being made good in the month of June of the following financial year.

2. The estimates in respect of this Grant are framed on the basis of the information furnished by the various Accountants General who in turn obtain such information from the State Governments, etc.

On the basis of the information furnished by the various Accountants General, a budget provision of Rs. 28,20,000 was made under this Grant for 1968-69. At the Revised Estimates stage, the position of the Grant was reviewed keeping in view the trend of

realisation of fees, etc., *inter alia*, in the preceding years. There had been substantial savings in the Grant continuously during the preceding four years as shown below:—

(Figures in Lakhs of Rs.)

Year	Original Grant	Supplementary Grant	Actual Expenditure	Savings
1964-65	28.18	—	24.51	3.67
1965-66	40.94	—	28.58	12.36
1966-67	34.72	—	19.54	15.18
1967-68	34.72	—	28.66	6.06

In view of the past trend, as indicated above, it was considered advisable to restrict, in keeping with the past practice, the Revised Estimates, 1968-69, to the level of the sanctioned Grant for that year. While communicating the Revised Estimates, 1968-69, to the Accountants General, in February, 1969 their attention was specifically drawn to the procedure prescribed in September, 1958, and they were requested to ensure that actual payments to the State Governments should be limited to the amount found due to them or the Revised Estimates approved for their circle, whichever was less.

4. The actual adjustments, however, exceeded the sanctioned grant by Rs. 108,306. The excess, which is the net result of the excesses and savings under the various sub-heads in the Grant, occurred under the following sub-heads:—

Sub-head	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
A. Administration of the Petroleum Act	3,77,500	5,46,520	+1,69,020
C. Administration of the Indian Arms Act	17,32,200	18,75,175	+1,42,975
E. Administration of the Cinematograph Film Rules	85,300	91,370	+6,070
Total	21,95,000	25,13,065	+3,18,065

5. The excess expenditure was adjusted in Gujarat, Uttar Pradesh, West Bengal and the erstwhile Punjab, Haryana and Himachal circles of account.

6. The total excess of Rs. 3,18,065 under the above sub-heads was partly offset by savings amounting to Rs. 2,09,759 under the other sub-heads of the Grant leaving a net excess of Rs. 1,08,306 which requires to be regularised.

7. The excess of Rs. 1,08,306 may kindly be recommended for regularisation by Parliament in accordance with Article 115 of the Constitution.

8. This Note has been vetted by Audit.

**APPENDIX VI**  
**MINISTRY OF HOME AFFAIRS**

*Note for regularisation of excess expenditure over Voted Grant No. 39—Cabinet as disclosed in the Appropriation Accounts (Civil) for 1968-69.*

	Final Grant (Rs.)	Actual expenditure (Rs.)	Excess (Rs.)
	₹67,03,000	67,53,170	+50,170

The excess, which is the net result of excesses and savings under various sub-heads of the grant, occurred mainly in the group sub-head 'A.3—Tour Expenses' (under the group-head 'A—Council of Ministers') wherein there is an excess of Rs. 2,06,736. The tour expenses of Ministers are of fluctuating nature and depend on the nature and number of tours undertaken by them in the exigencies of work and internal and external situation. As the circumstances in this regard vary from year to year and from time to time in the same year, it is not possible to assess with any exactitude the requirement of funds for the purpose before the commencement of the year nor does the trend of expenditure during a part of the year give a correct indication of the expenditure during the remaining part of the year.

2. The budget provision under the group sub-head 'A.3—Tour Expenses' is made on the basis of the actuals in the preceding years. The following table will show the actual expenditure on tour expenses, including payments to Railways and Defence Departments, during the past few years:—

Year	Expenditure on tour expense: Rs.
1964-65 . . . . .	9,39,157
1965-66 . . . . .	11,22,337
1966-67 . . . . .	14,07,629
1967-68 . . . . .	10,58,700

Anticipating more expenditure on this account during the year 1968-69 a provision of Rs. 16,00,000 was made in the original budget under the group sub-head 'A.3—Tour Expenses'.

3. The position of the grant was reviewed in February, 1969 in the light of the actuals for the first 8 months when it was estimated that the expenditure under this head during the year would remain within the sanctioned provision. A further review of the grant in March, 1969 on the basis of the actuals for the first 10 months and estimated expenditure during the remaining 2 months, however, revealed that the sanctioned provision would be inadequate. As it was not possible to obtain a supplementary grant at that stage, an advance of Rs. 3,31,000 was obtained from the Contingency Fund of India which included an amount of Rs. 2,48,000 for the tour expenses of the Council of Ministers and another amount of Rs. 1,500 was provided by reappropriation to meet the additional requirement under this sub-head.

4. The actual expenditure in respect of tour expenses amounted to Rs. 20,56,236. Excluding however the expenditure of Rs. 2,48,000 debited to the Contingency Fund of India, the expenditure amounted to Rs. 18,08,236 as against the final grant of Rs. 16,01,500 thus resulting in an excess of Rs. 2,06,736. This excess was partly counter-balanced by savings under certain other sub-heads, leaving a net excess of Rs. 50,170 in the grant which requires to be regularised. In this connection, it may be mentioned that upto March, 1969 (Prel) the expenditure under this sub-head was well within the amount provided. Thereafter, adjustments of Rs. 2,75,581 which included debits of Rs. 1,67,890 for tours performed during the years 1966-67 and 1967-68 were carried out in March (Final) and March (Supply) accounts after the close of the year when it was not possible to cover the adjustments by provision of additional funds.

5. The requisitions for railway and air accommodations are issued by the Ministries themselves and the Ministry of Home Affairs are not in a position to know the volume of the debits likely to be raised on account of these tours until the Railways and the Air Companies submit their bills to the Ministries concerned and they accept and pass those bills for payment and also record this on the monthly statement submitted to the Ministry of Home Affairs and as such, it was not possible for the Ministry to maintain any register of past liabilities. The Ministries have however been requested in March, 1969\* to forward to the Ministry of Home Affairs, from October onwards, a statement showing the expenditure involved on account of anticipated debits arising out of requisitions issued on the Railways|Defence Authorities to enable this Ministry to maintain a liability register.

6. In view of the circumstances explained above, the excess of Rs. 50,170 may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution.

7. This Note has been vetted by Audit.

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\*Copy of circular attached (Annexure).

**ANNEXURE**  
**No. 53/7/69-Ac.I**  
**GOVERNMENT OF INDIA**  
**MINISTRY OF HOME AFFAIRS**

*New Delhi-2, the 13th March, 1969.*  
*22nd Phalguna 1890.*

**OFFICE MEMORANDUM**

**SUB.—Tours of the Ministers/Deputy Ministers—Retaining provisions therefor.**

The Appropriation Accounts for the year 1966-67 in respect of Grant No. 45—Cabinet revealed an excess of Rs. 1,08,748. The excess was mainly under the sub-head "A.3—Tour Expenses" under the group-head 'A—Cabinet'. The tour expenses of Ministers/Deputy Ministers are of an extremely fluctuating nature and depend on the nature and number of tours undertaken by Ministers/Deputy Ministers in view of the exigencies of work arising out of internal and external situation. The circumstances leading to the excess were accordingly explained in a Note to the Public Accounts Committee. After an examination of the 'note', the Public Accounts Committee made the following observations in para 2.8 of their 31st Report (Fourth Lok Sabha):—

"The Committee note that excess occurred under the sub-head "A.3—Tour Expenses" where the actual expenditure amounted to Rs. 14,07,629 against original provision of Rs. 9,25,000 and the finally revised provision of Rs. 12,30,500. They are not convinced by the argument that the debits in respect of tours from the other Ministries could not have been anticipated. As the committee understand the position, the debits are periodically raised by the Railway and Defence Departments. Since these debits arise out of requisitions issued by the Ministry of Home Affairs for railway accommodation and security arrangements for tours undertaken by Ministers, it is not clear why it was not possible for the Ministry of Home Affairs before they came up with a demand for Supplementary Grant in March, 1967, to review the position of outstanding requisitions on which debits had not been received and to make suitable provision for the expenditure on that account."

2. It will be seen that the Public Accounts Committee have presumed that the debits raised by the Railway and Defence Departments in respect of the tours of Ministers/Deputy Ministers arise out



of requisitions issued by the Ministry of Home Affairs for railway accommodation and security arrangements made for the tours. As the Ministries are aware, the requisitions for railway and air accommodation are not issued by the Ministry of Home Affairs. Nor are they informed of the nature and volume of the debits likely to be raised on account of these tours during the concluding months of the year. In order to avoid a similar situation in future, it is requested that every year, from the month of October onwards (i.e. after the proposals for Revised Estimates are framed), a monthly statement showing the expenditure involved on account of anticipated debits arising out of the requisitions issued on the Railways/Defence authorities may be furnished to this Ministry along with the usual monthly expenditure statement. It is further requested that the ten-monthly estimates in respect of this item may be framed with special care having regard to anticipated debits on account of the tours undertaken/likely to be undertaken by the Ministers/Deputy Ministers during the last two months of the year.

Sd/- PURAN SINGH,

*Under Secretary to the Govt. of India.*

To

All the Ministries and the  
P.M.'s Secretariat.

## APPENDIX VII

### MINISTRY OF HOME AFFAIRS

*Note for regularisation of the excess over Grant No. '48-Andaman and Nicobar Islands' (voted), as disclosed in the Appropriation Accounts (civil) for 1968-69*

Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
7,81,23,000	8,04,57,414	23,34,414

The original provision of Rs. 7,16,25,000 under this Grant was augmented by Rs. 64,98,000 by obtaining a Supplementary Grant in the March, 1969 session of Parliament. Against the final Grant of Rs. 7,81,23,000, the actual expenditure amounted to Rs. 8,04,57,414 leaving an uncovered excess of Rs. 23,34,414 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 following sub-heads for the reasons explained below:—

#### *C. Social and Developmental Services:*

	Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
<i>C.2—Medical</i>			
<i>C. 2 (2)—Hospitals &amp; Dispensaries :</i>			
	Rs.		
O.	16,32,000		
R. (+)	2,36,400	18,68,400	19,83,844
			1,15,444

The excess was due to more expenditure on dietary charges as a result of increase in the number of patients admitted to the hospitals and on account of cost of medicines urgently required. A part of the excess was also due to payment of more maintenance charges of mental patients consequent of increase in the number of such patients.

**E. Public works (Including Roads and Schemes of Miscellaneous Public Improvements :**

		Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
<b>E. 1—Public Works :</b>				
<b>E. 1 (2)—Repairs :</b>				
<b>E.1(2)(2) —C ommunications</b>				
		Rs.		
	O.	4,20,000		
	S.	5,56,000		
	S	5,56,000		
	R.	(+) 1,74,000	11,50,000	12,50,411
				1,02,411

The excess was due to execution of essential repairs to roads necessitated by heavy rains and landslips. The work had to be undertaken as and when necessary so as to keep the roads fit for vehicular traffic.

		Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
<b>E 1(5)—Suspense :</b>				
<b>E.1 (5) (1) Stock :</b>				
<b>E.1(5)(1) (1)—Charges :</b>				
		Rs.		
	O.	60,00,000		
	R.	(+) 9,61,600	69,61,600	76,15,722
				6,54,122

The excess was due to larger materialisation of supplies of stores towards the close of the year than anticipated. A more precise assessment of funds required during the year was not possible in view of the uncertainty in the delivery schedules of stores due to various transport bottlenecks and lack of communications.

		Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
<b>E.1(5)(2)—Other suspense Accounts:</b>				
<b>E.1(5)(2)(1)—Charges :</b>				
		Rs.		
	O.	65,00,000		
	R.	(-) 10,00,000	55,00,000	64,13,502
				9,13,502

At the time of final review of grant on the basis of ten-monthly estimates, the requirement of funds under this sub-head was estimated at Rs. 55,00,000 against the original provision of Rs. 65,00,000. An amount of Rs. 10,00,000 was, therefore, reappropriated from this sub-head. However, due to the adjustment of certain old items and clearance of cash settlement of suspense accounts representing issue of stores, the actual expenditure booked under this head exceeded the final provision by Rs. 9,13,502.

	Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
<i>G.—Miscellaneous :</i>			
<i>G.3—Forest:</i>			
<i>G.3(1)—Conservancy and Works :</i>			
<i>G.3(1)(1)—Timber and other produce removed from the Forest by Govt. Agency.</i>			
	Rs.		
O.	97,00,000		
S.	3,00,000	1,00,00,000	1,03,56,295
			3,56,295

The excess was due to unanticipated adjustment of certain freight charges in March, 1969 (Supplementary) Accounts, for which no provision had been made in the budget.

	Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
<i>G.3(1)(2)—Live stock, Stores, Tools and plants.</i>	Rs.		
O.	4,00,000		
R.	1,00,000	5,00,000	6,88,231
			1,88,231

The excess was mainly due to (i) Taungya cultivation of paddy in additional areas, (ii) payment of increased Dearness Allowance to labourers, (iii) adjustment of expenditure pertaining to the preceding year for which provision did not exist and (iv) larger purchases of paddy and medicines than originally anticipated.

	Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
<i>G.3(3)—Development Schemes :</i>	Rs.		
O.	9,42,000		
R.	48,700	9,90,000	12,10,390
			2,19,690

The excess was due mainly to incorporation of expenditure booked by certain Forest Divisions in their March, 1967 (Final and Supplementary Accounts in the accounts for the year 1968-69 by the Accounts Officer (Rs. 1,39,130), payment of increased Dearness Allowance to workers (Rs. 50,000), increased expenditure on the construction of Zoological Garden (Rs. 15,000) and payment of arrears of Compensatory Allowance (Rs. 11,914).

The above excesses amounting to Rs. 25.50 lakhs and minor excesses under other sub-heads were partly counter-balanced by savings under the remaining sub-heads of the Grant bringing down the net excess in the Grant as a whole to Rs. 23,34,414 which may kindly be recommended for regularisation by Parliament Under Article 115 of the Constitution.

This note has been vetted by Audit.

**APPENDIX VIII**  
**MINISTRY OF HOME AFFAIRS**

*Note for regularisation of the excess in respect of grant No. '49—  
Tribal Areas' (Voted), as disclosed in the appropriation Ac-  
counts (Civil) for 1968-69*

Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
25,09,52,000	25,66,18,779	56,66,779

The original provision of Rs. 24,67,81,000 under this Grant was augmented by Rs. 31,71,000 by obtaining a Supplementary Grant in the March, 1969 session of Parliament. Against the final Grant of Rs. 25,09,52,000 the actual expenditure amounted to Rs. 25,66,18,779 leaving an uncovered excess of Rs. 56,66,779 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 following sub-heads for the reasons explained below:—

A.2.—Police :	Final Grant	Actual Expenditure	Excess
<i>A.2(1)—Frontier Constabulary and Militia :</i>			(Figures in lakhs of Rupees)
<i>A.2(1)(1)—Assam Rifles :</i>			
	O. 1098.86		
	S. 41.71		
	R. 86.00	12,26.57	12,52.52
			25.95

The excess was due to:—

- (i) Unanticipated adjustment of debits for arms and ammunition supplied by Defence Department, in March, 1969 final accounts, when it was not possible to provide additional funds. Although the Contingent Liability Register was being maintained, the provision could not be made as the NEFA Administration did not receive any information about the debits having been raised by the Defence Authorities (Rs. 17.23 lakhs), and
- (ii) Unavoidable repairs to departmental buildings after the finalisation of the final estimates for 1968-69 (Rs. 8.72 lakhs).

		Final Grant	Actual Expenditure	Excess
(Figures in lakhs of Rupees)				
<i>D.1—Public Works</i>				
<i>D.1(2)—Repair</i>				
	O.	30.10		
	R.	33.62	83.72	91.49
				7.77

The excess was mainly due to urgent repairs to ordinary Basha Type buildings damaged by fire accidents and storms having been undertaken during the year as there was no other alternative accommodation (Rs. 6.96 lakhs). The remaining amount of excess was due to the clearance of jungles and renewal of log bridges which were washed away during the rains. These works had to be undertaken immediately for keeping open the communication line in border areas. The excess under this sub-head could not be anticipated due to non-receipt of complete information about the progress of expenditure and further requirements in respect of works executed through the Nagaland Public Works Department.

		Final Grant	Actual Expenditure	Excess
(Figures in lakhs of Rupees)				
<i>D.1—Public Works</i>				
<i>D.1.(6)—Suspense</i>				
	O.	85.00		
	R.	115.00	1,00.00	1,43.97
				43.97

The excess of Rs. 43.97 lakhs occurred under the following two sub-heads:—

<i>D.1(6)(1)—stock</i>		
<i>D.1(6)(1)(1)—Charges</i>	34.11	lakhs (a)
<i>D.1(6)(2)—other suspense Accounts</i>		
<i>D.1(6)(2)(1)—Charges</i>	9.86	lakhs (b)
TOTAL	43.97	lakhs

- (a) The excess of Rs. 34.11 lakhs represents the value of book transfers of stock from one Division to another Division. During the year 1968-69 there was a re-organisation of C.P.W.D. Division in NEFA and consequently the charge of ten (10) Sub-divisions was transferred from one Division to another. In accordance with the gross system of budgeting the Division getting the charge of a Sub-Divi-

sion had to debit the value of all stocks held in that sub-Division to the budget grant, while the credit in the account of the Division from whose charge the Sub-Division was taken out had to be afforded under 'Recoveries'. The excess under this sub-head was, therefore, counter-balanced by a corresponding increase in 'Recoveries' and no actual cash outgo was involved. Re-organisation of C.P.W. Divisions and Sub-Divisions which depends on actual progress of construction works, could not be anticipated for making necessary provision of funds

- (b) The excess of Rs. 9.86 lakhs was due to larger clearance than anticipated of balances under the 'Suspense' head namely 'Purchases' and 'Miscellaneous Public Works Advances'.

	Final Grant	Actual Expenditure	Excess
	(Figures in lakhs of Rupees)		
<i>E.2—Miscellaneous</i>			
<i>E.2(2)—Miscellaneous and unforeseen charges</i>			
<i>E.2(2)(2)(1)—Miscellaneous</i>			
<i>E.2(2)(2)(1)—Other charges</i>			
	O. R.(—)	396.31 258.90	137.41
			204.22
			66.81

An amount of Rs. 396.31 lakhs was originally provided under this sub-head. Later on anticipating less expenditure due to non-receipt of debits from Defence authorities, an amount of Rs. 258.90 lakhs was re-appropriated from this sub-head to other heads, leaving a final provision of Rs. 137.41 lakhs under this sub-head. The actual expenditure, however, amounted to Rs. 204.22 lakhs resulting in an excess of Rs. 66.81 lakhs. This excess was mainly due to unexpected adjustment of debits amounting to Rs. 1.27 crores relating to supply of parachutes and supply Dropping Equipments, in March, 1969 final accounts, when it was not possible to provide necessary funds. Contingent Liability Register had been maintained, but in the absence of information about the rates etc., a precise estimation of the liability on this account could not be made.

The above excesses amounting to Rs. 144.40 lakhs and minor excesses under other sub-heads were partly counter-balanced by saving under the remaining sub-heads of the Grant, bringing down the net excess in the Grant as a whole to Rs. 56,86,76,79 which may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution.

This note has been vetted by Audit.



## APPENDIX IX

### MINISTRY OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS

*Note for regularisation of excess over Voted Grant No. '53—Ministry of Industrial Development and Company Affairs', as disclosed in the Appropriation Accounts (Civil), 1968-69:*

The original budget provision of Rs. 79,24,000 under this Grant was augmented by obtaining a Supplementary Grant of Rs. 5,10,000 in March, 1969 session of Parliament. The actual expenditure, however, exceeded the Final grant by Rs. 1,14,150 as indicated below:—

Group— Sub-head	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
A.1—Department of Industrial Development . . . . .	61,53,000	62,64,916	1,11,916
A.2—Department of Company Affairs . . . . .	22,33,000	22,33,662	662
B.—Grants-in-aid Contributions, etc. . . . .	36,000	36,000	..
C.—Charges in England . . . . .	12,000	13,572	1,572
<b>TOTAL</b>	<b>84,34,000</b>	<b>85,48,150</b>	<b>1,14,150</b>

2. The reasons for the excess are explained below:—

(i) A.1.—*Department of Industrial Development:*

The excess of Rs. 1,11,916 occurred mainly under the sub-heads 'A.1(3)—Allowances and Honoraria' and 'A.1(4)—Other Charges' due to the following reasons:—

(a) A.1(3)—*Allowances and Honoraria* (Rs. 45,184)

More expenditure than anticipated on travelling allowance (Rs. 31,139, Dearness Allowance (Rs. 7,989) and Overtime Allowance and Children Education Allowance (Rs. 6,056).

(b) 'A.1.(4)—*Other Charges*' (Rs. 64,055)

Book adjustments during 1968-69 of expenditure on account of charges for telephones and liveries relating to the years during 1963-64 and 1967-68 (Rs. 56,745). As the bills were passed for payment during the earlier years, the adjustment of the amount during

1968-69 could not be anticipated. The remaining excess of Rs. 10,146 was due to purchase of UNCTAD furniture for which no provision was made during 1968-69, partly counter balanced by savings under other items within the sub-head.

(ii) A.8.—*Department of Company Affairs:*

The excess is negligible.

(iii) C.—*Charges in England*

The small excess of Rs. 1,572 was due to increase in the subscription rates of certain newspapers|journals, etc. and due to supply of certain outstanding items indented earlier.

3. The total excess of Rs. 1,14,150 works out to only 1.35 per cent of the Final Grant and may kindly be recommended for regularisation by Parliament in accordance with Article 115 of the Constitution of India.

This note has been vetted by the Accountant General, Central Revenues.

## APPENDIX X

### MINISTRY OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS

*Note for regularisation of excess over Voted Grant No. '54—Industries', as disclosed in the Appropriation Accounts, Central (Civil), 1968-69.*

The original provision of Rs. 4,39,44,000 under this Grant was augmented by obtaining a Supplementary Grant of Rs. 16,01,000 in the March, 1969 session of Parliament. The actual expenditure, however, exceeded the Final Grant by Rs. 2,32,121 as indicated in the table below:—

Original Grant Rs.	Supplementary Grant Rs.	Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
4,39,44,000	16,01,000	4,55,45,000	4,57,77,121	2,32,121

2. The excess of Rs. 2,32,121 is the net result of excesses and savings under various sub-heads in the Grant. The excess occurred mainly under the Group Sub-heads 'A.2—Development Commissioner for Small Scale Industries' and 'A.3—Small Industries Service Institutes' for the reasons explained below:—

	Final Grant	Actual Expenditure	Excess
(In lakhs of rupees)			
A.2—Development Commissioner for Small Scale Industries.	24.22	25.26	1.04

The excess was due mainly to (i) increased payment of allowances consequent on merger of a portion of Dearness Allowance with 'Pay', (ii) filling up of vacant posts through Union Public Service Commission for which full provision had not been made and (iii) inescapable increased expenditure under Travelling Allowance.

	Final Grant	Actual Expenditure	Excess
(In lakhs of rupees)			
A.3—Small Industries Service Institutes.	163.50	167.54	4.04

The excess was due to unanticipated adjustment of debits of the previous years. The Small Scale Industries Development Organisation has at present 16 Service Institutes, 6 Branch Institutes, 55 Extension Centres and 5 Training-cum-production Centres spread all over the country. The payments at places where Audit Offices are not located, are made by the Treasury Officers and the debits are passed on by the concerned Accountants General for final adjustment in the books of the Accountant General, Commerce, Works and Miscellaneous, New Delhi or its Branch Offices at Bombay and Calcutta. Based on the experience in the past that all the debits were not finally adjusted in the accounts of the year to which they related, provision in the year 1968-69 was not retained for all the unadjusted debits. However, contrary to expectations, the debits which were not likely to be adjusted in that year, were also adjusted resulting in excess.

3. The total excess of Rs. 5.08 lakhs under the above Group-sub-heads and small excesses under certain other Group-sub-heads were partly counter-balanced by savings under other Group-sub-heads leaving a net excess of Rs. 2,32,121 in the Grant which requires to be regularised by Parliament.

4. The excess of Rs. 2,32,121 constitutes only 0.5 per cent of the final grant and may kindly be recommended for regularisation in accordance with Article 115 of the Constitution.

This 'Note' has been vetted by Audit.

## APPENDIX XI

### MINISTRY OF INFORMATION AND BROADCASTING

*Note for regularisation of excess over voted Grant No. '57—Ministry of Information and Broadcasting' as disclosed in the Appropriation Accounts, Central (Civil) for the year 1968-69.*

The actual expenditure exceeded the Grant by Rs. 3,076 as indicated in the Table below:—

Original Grant	Supplementary Grant	Total Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.	Rs.	Rs.
20,95,000	2,69,000	23,64,000	23,67,076	+ 3,076

2. The details of actual expenditure are as follows:—

	Sub-head	Final Grant	Actual Expenditure	Excess + Savings(=) Rs.
		Rs.	Rs.	
<i>A.—Secretariat</i>				
<i>A—1.</i>	Pay of Officers	5,45,000	5,44,955	—45
<i>A—2.</i>	Pay of Estt.	6,44,000	6,43,765	—235
<i>A—3.</i>	Allow. Hon. etc.	8,01,000	8,01,746	+ 746
<i>A—4.</i>	Other Charges	3,74,000	3,76,610	+ 2,610
<b>TOTAL</b>	.	23,64,000	23,67,076	+ 3,076

3. The excess which occurred under the Sub-heads 'A.3.—Allowances and Hon. etc.' and 'A.4.—Other Charges' was mainly due to the following reasons:—

(i) *A.3—Allowances and Hon. etc.—Rs. 746.*

More expenditure than anticipated on Overtime Allowance, which could not be foreseen.

(ii) *A.4—Other Charges—Rs. 2,610.*

Increased expenditure on conveyance hire on duty and cart hire and mazdoor charges.

The total excess on the above mentioned two sub-heads amounts to Rs. 3,356. This is partly counter-balanced by the savings under the sub-heads—A.1.—‘Pay of Officers’ A.2.—‘Pay of Establishment.’ The net excess of Rs. 3,076 is only .13 per cent of the Final Grant. It is requested that this excess may be recommended for regularisation by Parliament in accordance with Article 115 of the Constitution of India.

5. The ‘Note has been vetted by Audit.

**APPENDIX XII**  
**MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION**  
**(DEPARTMENT OF LABOUR & EMPLOYMENT)**

*Note for regularisation of Excess over Voted Grant No. '64—Director General, Mines Safety', as disclosed in the Appropriation Accounts (Civil), 1968-69*

Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
53,19,000	53,47,037	(+ )28,037

The excess of Rs. 28,037 which is the net result of excesses and savings under the various sub-heads in the grant, occurred mainly under the sub-head 'A.1(1) (1) (4)—Other Charges' (Rs. 37,155). The original provision of Rs. 4,00,000 under this sub-head was augmented in March, 1969 by Rs. 2,68,000 by re-appropriation of savings from certain other sub-heads within the grant to cover additional expenditure on the purchase of field survey and scientific instruments and vehicles. At that time it was estimated on the basis of actual expenditure for eleven months that debits on account of certain contingent items of expenditure might not be adjusted in full during 1968-69 and that the total expenditure would not, therefore, exceed the sanctioned grant. This anticipation did not however, materialise and due to the adjustment of larger debits (specially the cost of two Willy's Jeeps) than anticipated in March (Preliminary and Final) accounts, 1969 there was an excess of Rs. 37,155 under the above sub-head. The excess came to light after the close of the financial year when it could not be covered by provision of additional funds.

2. It is requested that the overall excess of Rs. 28,037, which constitutes only 0.53 per cent of the sanctioned grant, may be recommended for regularisation in accordance with Article 115 of the Constitution.

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

**APPENDIX XIII**  
**MINISTRY OF LAW**

*Note for regularisation of excess expenditure over voted Grant—  
Grant No. 69—Other Revenue Expenditure of the Ministry of  
Law—disclosed in the Appropriation Accounts (Civil), 1968-69.*

The Appropriation Accounts of Grant No. "69—Other Revenue Expenditure of the Ministry of Law" for the year 1968-69 disclose an excess of Rs. 1,753|- as shown below:—

Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.	Rs.	Rs.
163,30,000	21,00,000	1,84,30,000	1,84,31,753	+51,753

The excess, which is the net result of excesses and savings under the various sub-heads in the Grant, occurred mainly under the sub-head "A.2(2)—Expenditure in Union Territories and was due to the adjustment, during the year 1968-69, of certain expenditure actually incurred in the years 1966-67 and 1967-68. The details of the adjustments made during the year and the reasons for their late adjustment are given below:—

- (i) An amount of Rs. 4,422 (representing the expenditure incurred on travelling allowance of the polling personnel in the Union Territory of Delhi pertaining to the year 1966-67) was paid during 1968-69. In accordance with the normal practice, the T.A./D.A. bills of the polling staff appointed on election duty during the General Elections, 1967, were countersigned and returned to the Departments concerned to obtain payment through their respective Treasury/Accounts Office. Payment in many cases was delayed and in certain cases the amount of the T.A. bills was debited to the concerned Departments and transferred to the "Election" head at a very late stage. It was not therefore possible to watch the adjustment nor was the adjustment of the entire amount during the year 1968-69 anticipated. The amount was mostly adjusted by the Accounts Officer during the month of March, 1969, or later and when the adjustments came to the notice of the Ministry, it was too late to provide additional funds.



(ii) An amount of Rs. 6,950 (representing the expenditure on stationery actually incurred during the year 1966-67 by the administration of Andaman & Nicobar Islands) was adjusted by the Accounts Officer during 1968-69, when the accepted vouchers relating to this expenditure were received by him from the Stationery Office, Calcutta. The expenditure of Rs. 6,950 could not be taken into accounts as these vouchers were forwarded directly to the Accounts Officer without any intimation to the Administration of Andaman & Nicobar, who were unaware of this expenditure being adjusted during 1968-69 and could not take any steps for providing for it during the year.

2. The excess expenditure of Rs. 11,372 indicated above was counter-balanced by savings of Rs. 420 within the sub-heads, leaving a net excess of Rs. 10,952. This excess was again partly set off by savings of Rs. 9,199 under the other sub-heads of the Grant, leading to a net excess of Rs. 1,753 only which works out to .0095 per cent. of the total budget provision in the Grant. It is requested that the same may kindly be recommended for regularisation under Article 115 of the Constitution.

3. This Note has been seen by Audit.

## APPENDIX XIV

### MINISTRY OF STEEL & HEAVY ENGINEERING

*Note for the P.A.C. for regularisation of excess over Voted Grant: 'No. 72—Ministry of Steel, Mines and Metals', as disclosed in the: Appropriation Accounts, Central (Civil), 1968-69.*

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	Rs.
Original Grant . . . . .	39,79,000
Supplementary Grant . . . . .	1,73,000
Final Grant . . . . .	41,52,000
Actual Expenditure . . . . .	41,58,702
Excess . . . . .	6,702
Percentage of excess over Final Grant	0.16%

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The original budget provision of Rs. 39,79,000 under this Grant was augmented by Rs. 1,73,000 by obtaining a Supplementary Grant in the March, 1969 session of Parliament. The expenditure, however, exceeded the final grant by Rs. 6,702.

2. This Grant was a combined grant of the Department of Mines & Metals and the Deptt. of Iron and Steel under the then Ministry of Steel, Mines and Metals. There was an excess of Rs. 17,928 in relation to the expenditure pertaining to the Department of Iron and Steel which was partly offset by net savings to the extent of Rs. 11,236 under the Deptt. of Mines and Metals. There was also a small excess of Rs. 10 under the sub-head 'B.3.—Hospitality and Entertainment' and consequently the excess requiring regularisation stands at Rs. 6,702.

3. The excess under the Department of Iron and Steel which is the net result of excesses and savings under the various sub-heads of this Department, occurred mainly under the sub-head 'Other Charges' under Secretariat (Rs. 36,551) and was mainly due to provision of additional telephones consequent on the formation of the Ministry of Steel and Heavy Engineering, including the Technical Wing, with effect from the 14th February, 1969.

4. In the circumstances explained above the overall small excess of Rs. 6,702 may be recommended for regularisation under Article 115 of the Constitution.

5. This note has been vetted by Audit.

**APPENDIX XV**  
**MINISTRY OF SHIPPING & TRANSPORT**  
**(TRANSPORT WING)**

*Note for regularisation of excess expenditure over Voted Grant No. 79—Ministry of Transport and Shipping as disclosed in the Appropriation Accounts Central (Civil), 1968-69.*

	Rs.
Original Provision . . . . .	1,34,77,000
Supplementary Grant . . . . .	4,16,000
Final Grant . . . . .	1,38,93,000
Actual Expenditure . . . . .	3,39,38,723
Excess 7 . . . . .	45,723
Percentage of Excess Expenditure over Final Grant . . . . .	0.33%

The original budget provision of Rs. 1,34,77,000 under this Grant was augmented by obtaining a Supplementary Grant of Rs. 4,16,000 in March 1969 session of Parliament. The actual expenditure, however, exceeded the final Grant by Rs. 45,723.

2. The excess of Rs. 45,723 is the net result of excesses and savings under various Group sub-heads in the Grant. The excess occurred 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 . . . . .	39,46,300	40,02,960	+56,660

The excess occurred mainly under the sub-head "A.1(4)—Other Charges" (Rs. 52,022) and was due to payment of telex bills and unanticipated book adjustment of the bills for liveries and furniture purchased through rate contracts.

Group sub-head	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
A.2.(1).—Roads Wing (Main)	54,61,700	55,28,519	+66,819

The excess occurred under the sub-heads 'A.2(1) (1)—Pay of Officers' (Rs. 1,12,302) and 'A.2(1) (4)—Other Charges' (Rs. 39,834), partly counterbalanced by savings under the other sub-heads, and was due to the following reasons:—

(i) A.2(1) (1)—*Pay of Officers*: (Rs. 1,12,302)

The excess was due to the continuance of certain temporary gazetted posts in the Regional Offices of the Roads Wing (outside Delhi) with effect from the 1st November 1968 to 28th February 1969 for which the budget provision proved inadequate:—

(ii) A.2(1) (1)—*Other Charges*: (Rs. 39,834)

The excess was due to payment of past liabilities on account of rent, petrol charges, etc. which were adjusted through exchange accounts after the close of the financial year.

3. The total excess of Rs. 1,23,479 under the above Group sub-heads was partly counter-balanced mainly by savings under the Group sub-head A.2(2)—Roads Wing (Border Roads) (Rs. 77,301) leaving a net excess of Rs. 45,723 in the Grant which requires to be regularised.

4. The overall excess of Rs. 45,723 constitutes only 0.33 per cent of the Final Grant and may kindly be recommended for regularisation in accordance with Article 115 of the Constitution.

5. The note has been vetted by Audit.

**APPENDIX XVI**  
**GOVERNMENT OF INDIA**  
**MINISTRY OF SHIPPING & TRANSPORT**  
**(ROADS WING)**

*Note for Public Accounts Committee for regularisation of excess over Voted Grant No. 80—Roads as disclosed in the Appropriation Accounts (Civil) 1968-69.*

	Rs.	Total Grant Rs.	Actual Expenditure Rs.	Excess Rs.
Original	45,34,08,000	19,44,87,000	19,77,26,484	32,39,484
Supplementary	4,10,79,000			

The excess of Rs. 32,39,484, which is the net result of excesses and savings under the various sub-heads in the Grant, occurred mainly under the sub-head "A.4(1)—Maintenance of National Highways" (Rs. 35,20,425) as explained below:—

A provision of Rs. 700 lakhs was made under this sub-head in the Budget Estimates, 1968-69. A Supplementary Grant of Rs. 400 lakhs was obtained in March, 1969 for meeting the increase in the cost of normal maintenance and for restoration of damages caused to National Highways in several States by the unprecedented floods of 1968. A sum of Rs. 1,31,200 became available out of savings under other sub-heads in the Grant. This, allotments aggregating Rs. 11,01,31,200 were made to the States for the maintenance of National Highways during 1968-69. The expenditure booked, however, amounted to Rs. 11,36,51,625 revealing an excess of Rs. 35,20,425 under this sub-head. There was excess expenditure totalling Rs. 50,61,564 in certain States as shown below:—

Andhra Pradesh (Rs. 1,08,565), Assam (Rs. 3,55,149), Bihar (Rs. 4,35,945), Haryana (Rs. 1,75,119), Kerala (Rs. 20,88,742), Madhya Pradesh (Rs. 6,37,917), Maharashtra (Rs. 6,62,098), Mysore (Rs. 60,305), Nagaland (Rs. 2,59,749), Orissa (Rs. 1,20,940), Rajasthan (Rs. 48,091), Tamil Nadu (Rs. 7,324), Uttar Pradesh (Rs. 28,589), Delhi (Rs. 9,820), and Manipur (Rs. 63,211).

As a result of savings amounting to Rs. 15,41,139 in other States, the net excess under this sub-head was reduced to Rs. 35,20,425. 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. The excess under the above sub-head together with minor excesses under some other heads were partly counter-balanced by savings under certain other sub-heads bringing down the net excess in the Grant to Rs. 32,39,484 which requires to be regularised.

2. The road works under the executive control of this Ministry are executed through the agencies 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 executing 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 letters sanctioning the allotments of funds. In view of these instructions, it was not expected that the grant would be exceeded. Some of the States, however, failed to restrict the expenditure to the allotment made to them.

3. 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. Experience has, however, shown that the submission of these returns by the States is not very regular. In pursuance of the recommendations of the Public Accounts Committee in para 2.35 of their Twelfth Report (Fourth Lok Sabha) necessary follow-up instructions were issued to the States *vide* Ministry's circular letter No. B-29(2)|68, dated the 19th April, 1968 and the imperative need for the prompt submission of the monthly returns of expenditure against the allotments was once again impressed upon them. An attempt to restrict expenditure to the amount of the sanctioned grant is also being made through the Regional Offices set up in the various regions. In the light of the observations made by the Public Accounts Committee (Fourth Lok Sabha) in their Thirty-first Report, 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 is under the consideration of this Ministry. As some of the issues involved are of important nature, it is regretted that it has not so far been possible to take a final decision. It is, however, hoped to finalise the matter shortly.

4. It is requested that the excess of Rs. 32,39,484 which occurred due to the reasons explained above, may be recommended for regularisation under Article 115 of the Constitution.

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

## APPENDIX XVII

### MINISTRY OF SHIPPING AND TRANSPORT

*Note for regularisation of excess over Voted Grant No. '82-Lighthouses and Lightships' as disclosed in the Appropriation Accounts, Central (Civil) for 1968-69.*

The actual expenditure exceeded the Grant by Rs. 10,796, as indicated in the Table below:—

Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
1,39,40,000	1,39,50,796	10,796

2. The excess which is the net result of excesses and savings under the various sub-heads in the Grant occurred mainly under the Group-heads 'B-Lighthouses-Working Expenses' and 'E-pensionary and Provident Fund Charges', as explained below:—

#### *B. Lighthouses-Working Expenses (Rs. 18.301)*

The excess was due to purchase of more stores for the maintenance of lighthouses.

#### *E. Pensionary and Provident Fund Charges (Rs. 8.705)*

On the basis of past actuals, a provision of Rs. 35,263 was made in the Budget for the adjustment of contribution on account of pensionary charges in West Bengal Circle of Account. The actual amount adjusted by the Accounts Office was, however, Rs. 43,968. The excess came to light after the close of the financial year when it was not possible to provide additional funds.

3. The excess of Rs. 27,006 under the above Group-heads and minor excesses under certain other Group-heads were partly offset by savings under other Group-heads, being a net excess of Rs. 10,796 in the Grant as a whole, which requires to be regularised.

4. The overall excess of Rs. 17,796 constitutes only Rs. 0.08 per cent of the final Grant, and may kindly be recommended for regularisation in accordance with Article 115 of the Constitution.

This Note has been voted by Audit.

## APPENDIX XVIII

### MINISTRY OF HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT

(DEPTT. OF WORKS, HOUSING AND URBAN DEVELOPMENT)

*Note for regularisation of excess in respect of Grant No. '85-Public Works' (Voted), as disclosed in the Appropriation Accounts (Civil) for 1968-69.*

Final Grant	Rs.	Actual Expenditure Rs.	Excess Rs.
Original	39,39,84,000		
Supplementary	34,70,000		
	39,74,54,000	39,96,44,112	21,90,112

The original provision of Rs. 39,39,84,000 in the voted portion of this Grant was augmented by Rs. 34,70,000 by obtaining a Supplementary Grant in the March, 1969 Session of Parliament. Against the final Grant of Rs. 39,74,54,000 the actual expenditure amounted to Rs. 39,96,44,112 leaving an uncovered excess of Rs. 21,90,112 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-head for the reasons explained below:—

Sub-head	Final Grant Rs.	Actual Expenditure Rs.	Excess Rs.
A.7(2).—Other Suspense Accounts:			
A7(2)(1).— Charges	15,36,87,000	15,77,82,165	(+ )40,95,165

The original provision under this head was Rs. 1424.55 lakhs. Rs. 112.32 lakhs were reappropriated from other sub-heads making final Grant of Rs. 1536.87 lakhs. The excess under the sub-head was mainly due to the fact that while assessing the final requirements of funds for the Highway Projects in Nepal, the requirement in respect of one project was inadvertently omitted to be taken into account. The omission was discovered in June, 1969 when it was too late to provide additional funds. Steps have been taken to ensure that such omissions do not occur in future.



2. The excess under the above sub-head and also other sub-heads was partly counter-balanced by savings under other sub-heads of the Grant, bringing down the net excess in the Grant as a whole to Rs. 21,90,112 which requires to be regularised.

3. The overall excess of Rs. 21,90,112 constitutes only 0.55 per cent of the final Grant and may kindly be recommended for regularisation by Parliament under Article 115 of the Constitution.

[This Note has been vetted by Audit].

## APPENDIX XIX

### MINISTRY OF HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT

(DEPARTMENT OF WORKS, HOUSING AND URBAN DEVELOPMENT)

*Note for regularisation of excess in the 'Voted' portion of Grant No. '88-Other Revenue Expenditure of the Ministry of Works, Housing and Supply', as disclosed in the Appropriation Accounts (Civil), 1968-69.*

Final Grant Rs.	Actual expenditure Rs.	Excess Rs.
1,91,20,000	1,94,10,719	2,90,719

The overall excess of Rs. 2,90,719 which is the net result of excesses and savings under the various sub-heads of the Grant, occurred mainly under the sub-head 'D.1-Rents, Rates and Taxes' occurred mainly under the sub-head 'D.1-Rents, Rates and Tax-Charges' wherein there was an excess of Rs. 9.85 lakhs over the final grant of Rs. 80.74 lakhs. The excess occurred due to the following reasons:—

- (i) More expenditure on consumption of electricity and water in various Government buildings including newly constructed buildings, e.g. Multi-storeyed Hostel at Curzon Road, Nirman Bhawan, Shram Shakti Bhawan, Vigyan Bhawan Annexe and Shastri Bhawan (Rs. 9.59 lakhs); and
- (ii) Payment of House Tax to New Delhi Municipal Committee in respect of Rail Bhawan (Rs. 0.26 lakhs).

Though the excess requirements under this sub-head were anticipated at the time of framing the Revised Estimates for 1968-69, a Supplementary Grant was not sought as it was anticipated that sufficient savings to cover the excess would be forthcoming from other sub-heads of the Grant. This expectation did not, however, materialise. But before this position was known some extra expenditure had already been incurred and the bills on account of electricity and water charges had also to be paid within the prescribed period to avoid disconnection of electricity and water supply.

The overall excess of Rs. 2,90,719 constitutes only 1.52 per cent of the final Grant and may kindly be recommended for regularisation under Article 115 of the Constitution.

[This Note has been vetted by Audit].

## APPENDIX XX

### DEPARTMENT OF ATOMIC ENERGY

*Note for the Public Accounts Committee for the regularisation of excess over Grant No. '89—Department of Atomic Energy' as disclosed in the Appropriation Accounts (Civil) for 1968-69*

	Rs.
Voted Grant . . . . .	30,23,000
Actual Expenditure . . . . .	30,23,225
Excess . . . . .	225

The excess of Rs. 225 has occurred on account of incorrect classifications in accounts amounting to Rs. 425 representing "Loss by Exchange" on transactions in foreign currency, under the Group-heads "A.1—Main Office" and "A.4(2)—Purchase, Planning and Liaison Cell" of this Grant. The debits to the extent of Rs. 425 were correctly classifiable under the Head "71—Miscellaneous—Loss or Gain by Exchange" under Grant No. "26—Other Revenue Expenditure of the Ministry of Finance" for 1968-69 in which sufficient saving is available to accommodate this small adjustment. The incorrect classifications were brought to the notice of the Accountant General, Maharashtra in November, 1969 but these could not be rectified before the accounts of the year were 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 a misclassification, may not be considered as required a fresh Vote of Parliament for regularisation under Article 115 of the Constitution.

This 'Note' has been vetted by Audit.

## APPENDIX XXI

### MINISTRY OF IRRIGATION & POWER

*Note for regularisation of excess over Grant No. "121—Capital Outlay on Multipurpose River Schemes', as disclosed in the Appropriation Accounts (Civil), 1968-69*

Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.	Rs.	Rs.
17,83,75,000	2,64,02,000	20,47,77,000	20,55,97,032	8,20,032

The original provision of Rs. 17,83,75,000 under this Grant was augmented by Rs. 2,64,02,000 by obtaining a Supplementary Grant in the March, 1969 session of Parliament. Against the Final Grant of Rs. 20,47,77,000, the actual expenditure amounted to Rs. 20,55,97,032 leaving an uncovered excess of Rs. 8,20,032 which required to be regularised.

2. The excess occurred under the Group-head 'A.5—Farakka Barrage Project'. The excess of Rs. 9,98,582 under this Group-head is the net effect of excesses and savings mainly under the following sub-heads of this Group-head.

Sub- head	Excess (+) Saving(—)
(Rs. in lakhs)	
A. 5 (1) (1)—Works . . . . .	(+ ) 169.64
A. 5 (1) (3)—Tools and Plants . . . . .	(+ ) 3.04
A. 5 (1) (4)—Suspense . . . . .	(—) 165.04
A. 5 (2) (1)—Works . . . . .	(—) 31.72
A.5(2)(4) —Suspense . . . . .	(+ ) 34.98

3. The reasons for the excesses and savings under the above sub-heads are explained below:—

A.5 (1) (1)—Works (+Rs. 169.64 lakhs)

The excess was due to acceleration of the construction programme during the working season of 1968-69 for taking up the

remaining bays of the Farakka Barrage and to complete the same to safe level.

**A5(1) (3)—Tools and Plants (+Rs. 3.04 lakhs)**

The excess was due to increased expenditure on running and maintenance of inspection vehicles and an unanticipated adjustment on account of spares for ordinary tools and plant.

**A.5(1) (4)—Suspense (—Rs. 163.04 lakhs)**

The saving was due to more issues of material and stores as a result of accelerated progress of works and resultant credits afforded under this sub-head.

**A.5(2) (1)—works (—Rs. 31.72 Lakhs)**

A saving of Rs. 20 lakhs under this sub-head and an excess of an equivalent amount under the sub-head 'A.5(2) (4)—Suspense' occurred due to non-adjustment of the advance payment made to Railways for construction of a bridge over Feeder Canal as a result of non-receipt of account statements from them. The remaining saving was due to slow progress of works on the Feeder Canal achieved by the contractors.

**A.5(2) (4) Suspense (+ Rs. 34.98 lakhs).**

The excess of Rs. 20 lakhs was due to non-adjustment of the advance payment to Railways, as explained above. The remaining excess was due to the non-adjustment of (i) expected recovery of advance payment made to a contractor (Rs. 14 lakhs), and (ii) accepted transfer debits relating to the period prior to introduction of central system of payment owing to protracted correspondence and reconciliation with the divisions concerned (Rs. 0.98 lakh).

4. The net excess of Rs. 10.90 lakhs under the above sub-heads was partly offset to the extent of Rs. 0.91 lakh by the cumulative effect of comparatively smaller excesses/savings under the other sub-heads of this Group-head bringing down the net excess under the Group-head to Rs. 9,98,582. This was further reduced to Rs. 8,20,032 by the savings under other Group-heads of the Grant.

5. The excess of Rs. 8,20,032 constitutes only 0.4 per cent of the Final Grant and may kindly be recommended for regularisation in accordance with Article 115 of the Constitution.

6. The note has been vetted by the Audit.

## APPENDIX XXII

### MINISTRY OF SHIPPING AND TRANSPORT

*Note for regularisation of excess expenditure over voted Grant No. '129—Capital Outlay on Ports' as disclosed in the Appropriation Accounts, Central (Civil), 1968-69*

The original budget provision of Rs. 2,15,00,000 in the Voted portion of this Grant was augmented by obtaining a Supplementary Grant of Rs. 1,30,06,000 in the March, 1969 session of Parliament. The actual expenditure, however, exceeded the final Grant by Rs. 1,08,680 as indicated in the Table below:—

Final Grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
3,45,06,000	3,46,14,680	+ 1,08,680

2. The excess of Rs. 1,08,680 is the net result of excesses and savings under various sub-heads in the Grant. The excess occurred mainly under the Group sub-head 'A—Capital Outlay on Mangalore Port' and 'C—Development of Jogigopa Port' for the reasons as explained below:—

#### A. Capital Outlay on Mangalore Port (Rs. 68,258)

The excess occurred mainly under the sub-head 'A.7—Suspense' and was due to the adjustment of A.G.s memos relating mostly to the transactions of the preceding year. The extent of these debits was slightly more than anticipated.

#### C. Development of Jogigopa Port (Rs. 38,801)

The excess was under the sub-head 'C.4—Establishment' due to the payment of Rs. 51,000 having been erroneously made by the Accounts Officer to the Government of Assam on account of establishment charges which were actually incurred by the Administrator of Jogigopa Port. Steps are being taken to have the amount refunded by the Government of Assam.

3. In the circumstances stated above the excess of Rs. 57,680 (Rs. 1,08,680—Rs. 51,000) after excluding the misclassification of Rs. 51,000 in the voted grant may be recommended in terms of para

7 of the 16th Report of the Public Accounts Committee (1st Lok Sabha) for regularisation under article 115 of the Constitution of India. The net excess constitutes only 0.17 per cent of the Final Grant.

The note has been seen by audit.



## APPENDIX XXIII

### MINISTRY OF EDUCATION & YOUTH SERVICES

*Note for regularisation of Excess in the 'Charged' section of Grant No. '8—Education' as disclosed in the Appropriation Accounts (Civil) for 1968-69*

Final Appropriation	Actual Expenditure	Excess
Rs.	Rs.	Rs.
..	5,715	+ 5,715

The excess is due to payment of enhanced compensation awarded by the Assistant Judge, Junagarh, for the land acquired for In-service Physical Education Teachers, Training Centre at Choki (Gujarat) amounting to Rs. 5,715, which was initially deposited in the Court in January, 1967, in satisfaction of a decree of the Court. An appeal was filed against the decision of the Court and, as security for staying the execution of the decree, the decretal amount was deposited in the Court and classified in accounts under the Head 'T-Deposits & Advances—Part IV Suspense—'Suspense Account' in the year 1966-67. During 1968-69, the Accounts Officer intimated that since no stay order was granted and the decree holder was free to withdraw the amount from the Court the amount was being transferred to the final head of account and that necessary provision of funds may be made.

The funds were, however, provided by the Ministry inadvertently under the 'Voted' Section of the Grant and the fact that the relevant provision should have been made under the 'Charged' Section by supplementary appropriation was lost sight of. This resulted in an excess in the 'Charged' section of the Grant. Necessary action has been taken to ensure that no such omission occurs in future.

It is requested that the excess of Rs. 5,715 in the 'Charged' portion of the Grant may kindly be recommended for regularisation under Article 115 of the Constitution.

This note has been vetted by the Accountant General, Central Revenues, vide his D.O. letter No. RR-5-3/70-71/62, dated 17th April, 1970.

## APPENDIX XXIV

### OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

*Note for regularisation of excess in Grant No. '20—Audit' as disclosed  
in the Appropriation Accounts (Civil) for 1968-69*

	Charged Rs.
Original Appropriation . . . . .	34,67,000
Supplementary Appropriation . . . . .	..
Actual Expenditure . . . . .	34,70,570
Excess . . . . .	Rs. 3,570
Percentage of the Excess over the final Appropriation . . . . .	0.10%

There was a small excess expenditure of Rs. 3,570 over the Final Appropriation of Rs. 34.67 lakhs on account of sudden unexpected work undertaken by the Comptroller and Auditor General of India at the request of Chief Minister of Andhra Pradesh, which could not be met fully out of expected saving. The excess may kindly be recommended for regularisation under Article 115 of the Constitution.

**APPENDIX XXV**  
**MINISTRY OF DEFENCE**  
**D. (BUDGET)**

*Note for regularisation of excess in respect of Army (including Defence Production) over Voted Grant in Sub-heads under Grant No. 5—Defence Services—Effective, 1968-69.*

**GRANT No. 5—Defence Services—Effective.**

Sub Mai. Head		Final Grant	Expenditure	Variations
		Rs.	Rs.	Rs.
1	<b>ARMY</b>			
	Voted O	563,40,66,000	} 599,22,81,000	599,35,44,469 (+) 12,62,465
	Grant S	37,87,05,000		
	R(-)	2,04,90,000		
2	<b>NAVY</b>			
	Voted O	33,21,60,000	} 41,15,60,000	40,48,36,439 (-) 67,23,561
	Grants S	2,94,00,000		
3	<b>AIR FORCE</b>			
	Voted O	168,13,00,000	} 180,25,14,000	176,59,39,598 (-) 3,65,74,402
	Grant S	12,12,14,000		
4	<b>DEFENCE PRODUCTION</b>			
	Voted O	145,28,74,000	} 152,97,63,000	153,62,61,700 (+) 64,98,700
	Grant S	5,63,99,000		
	R(+)	2,04,90,000		
	<b>GRANT TOTAL</b>			
	Voted O	915,04,00,000	} 973,61,18,000	970,05,82,206 (-) 3,55,35,794
	Grant S	58,57,18,000		

2. In 1968-69, the demands for expenditure on Army, Navy Air Force and Defence Production were presented to Parliament under one Composite Demand—"Demand No. 5". These were reflected under Sub-major Heads 1, 2, 3 and 4 respectively. It was, however, decided in pursuance of the recommendations of the Public Accounts Committee and Estimates Committee contained in their Twentieth and Forty-fifth Reports (4th Lok Sabha) respectively that under the composite Demand No. 5—Defence Services—Effective, the provision for each of the Services viz Army (including Defence Production), Navy and Air Force, would during 1968-69, be treated as separate and distinct and that no re-appropriation of funds as between the Services would be carried out. The Annexure to the Schedule of

Appropriation (No. 2) Act, 1968 showed the details of Grant No. 5 'Defence Services—Effective' accordingly. In pursuance of this arrangement, even though there is an overall saving of Rs. 355.36 lakhs under the Grant as a whole, the excess under Sub-Major-head '1—Army and 4—Defence Production' which works out to Rs. 77.62 lakhs has to be regularised.

3. There has been an overall excess under each of the following two Sub-major heads in the above grant:—

(1) Army.

(2) Defence Production.

The details of excess/savings by various sub-heads under the above sub-Major heads are indicated below:—

(In lakhs of Rs. )

Sub heads	Final Grant	Actual expenditure	Excess Saving	(M) (—)
<i>Major Head—79</i>				
<i>I ARMY</i>				
<i>A—Pay &amp; Allowances of Army.</i>				
O	2,09,88.67	2,31,18.86	2,32,01.58	(+) 82.72
S	21,613.21			
R	(—) 31.22			
<i>B—Pay &amp; Allowances &amp; Misc. expenses of T.A. etc.</i>				
O	4,43.63	4,24.93	4,00.99	(—) 3.94
R	38.70			
<i>C—Pay &amp; Allowances of Civilians employed with or for the Army</i>				
O	59,95.51	61,88.64	61,52.13	(—) 36.51
S	2,30.44			
R	(—) 37.31			
<i>D—Transportation and Misc.</i>				
O	40,48.88	44,18.71	47,74.54	(+) 3,55.83
S	3,73.44			
R	(—) 3.61			
<i>E—Military Farms</i>				
O	7,60.00	7,12.16	6,58.19	(—) 53.97
R	(—) 47.84			
<i>F—Stores (other than manufacturing &amp; Research Estts. Mily Engg. Services (excluding Engineer Store Depot)</i>				
O	1,96,93.73	2,05,81.35	2,03,38.86	(—) 2,42.49
S	4,92.72			
R	(—) 3,94.90			

Sub heads		Final Grant	Actual expenditure	Excess Saving	(+) (-)
G—Works (Chargeable to Revenue Maintenance etc.)	O 36,57.00 R 46.09	37,03.09	36,11.73	(—)	91.36
H—Charges in England	O 7,53.24 S 5,29.24 R (—) 4,91.37	7,91.11	7,93.47	(—)	2.36
I.—Loss or Gain by Exchange.	R 3.96	3.96	3.95	(—)	0.01
Total		5,99,22.81	5,99,35.44	(+)	12.63
<b>4. DEFENCE PRODUCTION</b>					
A.—Ordnance & Clothing Factories	O 1,19,41.21 S 5,13.99 R 2,61.83	1,27,17.03	1,28,00.82	(—)	83.79
B.—Research & Development Organisation	O 11,80.09 R 21.51	11,58.58	11,47.38	(—)	11.20
C.—Inspection Organisation	O 12,11.00 S 50.00 R (—) 6.00	12,55.00	12,47.79	(—)	7.21
D.—Expenditure in England	O 1,96.44 R(—) 30.25	1,66.19	1,65.80	(—)	0.39
E.—Loss or Gain by Exchange	R 0.83	0.83	0.83		
TOTAL—Defence Production :		1,52,97.63	1,53,62.62	(+)	64.99
GRAND TOTAL (ARMY)— Including Defence Production		7,52,20.44	7,52,98.06	(+)	77.62

4. The main factors responsible for excesses under the two sub-major Heads—'1—Army' and '4—Defence Production', are indicated below:—

#### 1. Army

Sub-Head 'A'—(+) Rs. 82.72 lakhs.

The excess of Rs. 82.72 lakhs over the final grant is mainly due to *per capita* rates for "Pay and Allowances" of JCOs/ORs adopted at the final estimates stage having proved slightly inadequate. The variation is only 0.4 per cent.

Sub-Head 'D'—Transportation & Misc. (+Rs. 355.83 lakhs).

The main reasons for the excess of Rs. 355.83 lakhs under this sub-head are:—

- (i) Rail Charges due to heavier adjustments made at the close of the year than anticipated, as a result of special steps to adjust all outstanding debits in the accounts of March Final/March Supplementary. No action was, however, possible at that stage to provide additional funds.
- (ii) Stationery and Printing due to larger debits raised by Department of Printing and Stationery towards the close of the year than anticipated. The actual extent of these adjustments which include arrear payment for 1967-68, could not be estimated accurately on the basis of past experience or available information. Instructions have, however, been issued by the Chief Controller of Printing and Stationery to the Presses to ensure an even flow of adjustment during the year.

Sub-Head 'H'—Charges in England—(+) Rs. 2.36 lakhs.

The variation in this case is small.

#### 4. DEFENCE PRODUCTION

Sub-Head 'A'—(+)Rs. 83.79 lakhs.

The excess is mainly due to larger expenditure than anticipated on purchase of materials (Rs. 168 lakhs), mainly due to quicker materialisation of supplies and unexpected adjustments in March final and Supplementary when no action could be taken to provide additional funds, partly counter-balanced by less expenditure on—

(In lakhs of R s.)

(i) Pay & Allowances due to such variable factors as Over-time allowances, piece work bonus, interest, etc . . . . .	(—) 68
(ii) Miscellaneous items of DGOF Headquarters . . . . .	(—) 18
(iii) Net effect of other minor variations . . . . .	(+) 2

The above excesses amounting to Rs. 524.70 lakhs were partly offset by savings of Rs. 447.08 lakhs under other sub-heads, as indicated in paragraph 3 above, leaving a net excess of Rs. 77,62,169 which works out to only 0.1 per cent of the final Grant for these Sub-Major Heads.

5. It is requested that the excess of Rs. 77,62,169 may kindly be recommended for regularisation by the Parliament under Article 115 of the Constitution.

DADS has seen.

**APPENDIX XXVI**  
**MINISTRY OF DEFENCE**

**D (BUDGET)**

**SUBJECT:—Regularisation of excess under Grant No. 6—Defence Services, Non-Effective for 1968-69.**

**GRANT No. 6—Defence Services, Non-Effective**

		Rs
Voted Grant . . . . .	Original . . . . .	28,25,00,000
	Supplementary . . . . .	1,75,00,000
	<b>TOTAL</b>	<b>30,00,00,000</b>
	Actual Expenditure . . . . .	30,22,31,642
	<b>Excess . . . . .</b>	<b>22,31,642</b>

As the above figures would show, the actual expenditure on Non-Effective charges during the year 1968-69 exceeded the sanctioned budget by Rs. 22,31,642 which requires to be regularised by Parliament.

2. During the course of the year it was realised that in view of the trend of expenditure being higher than that originally estimated, the original Grant would not be adequate and as such a Supplementary Grant of Rs. 175 lakhs was obtained in February, 1969 session of Parliament. The quantum of Supplementary Grant, however, proved to be inadequate resulting in a comparatively small excess of Rs. 22.32 lakhs which works out to 0.74 per cent of the total sanctioned grant.

3. This Grant mainly covers pensionary charges of retired Defence personnel. There are certain factors which made it difficult for the estimating authorities to make a precise estimate of the magnitude of the Non-Effective charges. The actual payment of pensions is effected by different authorities like Pension Disbursing Officers, Post Offices, Treasuries, etc. and there is some time lag between the actual payments of pensions and the receipts of debits by the Accounts authorities who prepare the estimates. It is also not possible to forecast precisely the expenditure towards the close of the year as some pensioners depending upon their needs and convenience may or may not draw their pensions during the month of March. Apart from the above, estimates are prepared having regard to the actual expenditure in the previous years as also the trend of actual expenditure during the preceding months of the year in which the estimates are formulated. The anticipations made on this basis proved to be slightly off the mark resulting in small excess.

4. In the circumstances explained above, the excess of Rs. 22,31,642 may be recommended for regularisation by Parliament under Article 115 of the Constitution.

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



## APPENDIX XXVII

*Explanatory Notes on Excesses over a Voted Grant and two charged Appropriations during 1968-69—Para 7 (Pages 6-7) of Audit Report, Railways, 1970 and para 28 (Page 11) of the Appropriation Accounts of Railways in India for 1968-69, Part I—Review.*

Only one voted grant out of twenty, namely Grant No. 16—Pensionary Charges—Pension Fund, was exceeded during the year 1968-69 apart from a marginal excess of Rs. 120 under Charged Appropriation No. 4—Administration and of Rs. 179 under Charged Appropriation No. 10—Staff Welfare. During the year 1967-68, excesses had occurred under five voted grants (namely grants No. 5, 7, 8, 16 and 20) and as stated in the Audit Report, the year under report shows a marked improvement.

1.2. As explained in detail in the succeeding paragraph, the excess under Grant No. 16 occurred due partly to fluctuations under payments of retirement benefits to pension optees owing to settlement of more cases and partly to receipt of heavier debits from the civil accounts officers in respect of pension payments on behalf of Railways.

1.3. As excesses to be regularised by Parliament have to take into account any erroneous adjustments between grants, etc. Annexure A to this memorandum shows the excess under Grant 16 as shown in para 28 at page 11 of the Appropriation Accounts for 1968-69 Pt. I-Review (and also para 7 at pages 6-7 of the Audit Report, Railways 1970) as well as the effect of an item of misclassification of expenditure.

### *Excess over one voted grant.*

2.1. This grant, as its name signifies, is in respect of payment of pensionary charges and other retirement benefits such as death-cum-retirement gratuity, service Gratuity etc., to Railway staff governed by pensionary form of retirement benefits. The trend of heavier payments was discernible during the year in the light inter-alia of merger of a part of dearness allowance with pay with effect from 1st December, 1968 and based on the revised estimates, a supplementary grant of 94.08 lakhs was obtained from Parliament but this proved to be slightly inadequate viz., 10.81 lakhs, for the actual requirement. The excess of 10.81 lakhs was 1.7 per cent of the final Voted grant of 632.45 lakhs and was the aggregate of comparatively small variations over the various zonal Railways and other miscellaneous establishments such as the Production Units

etc., notably among them being the excess of 6 lakhs on the Central Railway, 5 lakhs on the Southern Railway and 1 lakh each on the Eastern, Northern and the Western Railways; these were partly reduced by savings of minor magnitude under North Eastern and South Eastern Railways, Production Units and miscellaneous establishments. The excess occurred owing to heavier payments on account of settlement of more cases, as a result of more staff having opted for pension etc., this *inter alia* included adjustment of heavier debits received from Civil Accounts Officers in respect of pension payments (3.49 lakhs).

2.2. After including the amount of misclassification *viz.*, Rs. 6,153 (c.f., Annexure A & B) the excess actually requiring regularisation by Parliament works upto Rs. 10,87,651 in relation to the Voted Grant of Rs. 6,32,45,000 *i.e.* about 1.7 per cent.

*Excess over two charged appropriations.*

3.1. The small excess of Rs. 120 over Charged Appropriation No. 4 was the aggregate of an excess of Rs. 263 on the North Eastern Railway, Rs. 880 on the Western Railway and Rs. 2,332 on the South Eastern Railway, partly off-set by savings on Central and Northern Railways. The excess on the North Eastern Railway resulted from the actual payment being for Rs. 7,263 as against the sanctioned allotment of Rs. 7 thousand (rounded off in thousands). On the Western Railway payment in satisfaction of a decree was inadvertently accounted for under charged Appropriation No. 9 'Suspense' where a provision of Rs. one thousand had been allowed but subsequently the allocation was rectified and the payment taken under Charged Appropriation No. 4. Similarly, on the South Eastern Railway, certain staff of the Civil Engineering Department although reverted to lower posts had, as per injunction obtained by them from the Court, to be paid at the rates applicable for the higher posts and the difference was treated as 'charged' expenditure in respect of which adequate provision was made under charged Appropriation No. 5. Subsequently, however, a few of these staff had to be accommodated against posts chargeable to Grant No. 4 in the absence of the adequate number of posts under grant No. 5 and the aforesaid expenditure in connection with these posts was transferred under charged Appropriation No. 4.

3.2. This minor excess occurred on a Zonal Railway where a payment of Rs. 12,179 was made against the sanctioned allotment of Rs. 12,000, thus causing an excess by way of rounding off the allotment of funds.

3.3. Instructions have been reiterated to the effect that in such cases the provision of funds should be rounded off to the next thousand instead of the nearest thousand so that there may be a

marginal saving rather than an excess requiring *post-facto* regularisation.

4. It is requested that the Public Accounts Committee may be pleased to recommend that the aforesaid excesses be regularised by Parliament in the manner prescribed under Article 115 of the Constitution.

5. This has been seen by Audit.

Statement showing Excess over Grant as shown in para 7 of the Railway Audit Report, 1970 as well as excesses worked out after taking into account items of misclassification.

ANNEXURE 'A'

(Figures in units of rupees)

Sl. No	Number and name of Grant worked out after	Original Grant	Supplementary Grant	Final Grant	Expenditure	excess	Real excess after taking into account Misclassification	%age of excess (Col. 7 to 5)	%age of real. Excess (Col 8 to Col. 5)
1	2	3	4	5	6	7	8	9	10
1	16—Pensionary Charges Pension Fund.	5,38,37,000	94,08,000	6,32,45,000	6,43,26,498	10,81,458	10,87,651	1.71	1.72

## ANNEXURE 'B'

Grant No. 16.—*Pensionary Charges — Pension Fund.*

Serial No.	Particulars	Amount
		Rs.
1	Excess shown in the Appropriation Accounts . . . . .	10,81,498
2	Add:—	
	Erroneous treatment of recoveries on account of Service Contribution from other departments as reduction of expenditure within the grant instead of under credits and recoveries.	6,153
	Real Excess to be regularised by Parliament . . . . .	<u>10,87,651</u>

**APPENDIX XXVIII**  
**DEPARTMENT OF COMMUNICATIONS**  
(P.&T. Board)

*Note for regularisation of excess over 'Voted Grant No. 93—P.&T. Working Expenses' as disclosed in the Appropriation Accounts for the year 1968-69.*

The final accounts for the year 1968-69 disclosed an excess of Rs. 1,01,39,458 over the Voted Grant No. '93—Posts and Telegraphs—Working Expenses' as detailed below:—

Amount of Voted Grant	Rs. 209,74,92,000
Actual Expenditure	Rs. 210,76,31,458
Excess over the Grant	Rs. 101,39,458

2. The sanctioned budget grant for 1968-69 was Rs. 2,05,87,85,000. A Supplementary Grant of Rs. 3,87,07,000 was obtained in the March 1969 Session of Parliament to meet additional expenditure mainly for (1) increase in expenditure on printing of postage stamps of 4 paise and 5 paise denominations consequent on increase in postal tariffs (2) anticipated larger expenditure on maintenance of assets and petty and other works, as well as (3) on conveyance of mails by Railways and Airmail Carriers.

3. At the time of fixing the Final Grant, the actuals for the first 10 months were available and these compared with the actuals for the previous two years as under:—

(Figures in crores of Rs.)

Year	Actuals first 10 months	Actuals last 2 months	Total Expenditure	Percentage Col. 3 to 2
(1)	(2)	(3)	(4)	(5)
1966-67 . . . . .	112.97	49.31	162.28	43.6
1967-68 . . . . .	130.30	58.75	189.05	45.1
1968-69 . . . . .	144.73	66.03	210.76	

Against the sanctioned grant of Rs. 209.75 crores the expenditure upto January, 1969 amounted to Rs. 144.73 crores leaving a balance of Rs. 65.02 crores. On the trend of actuals of previous years, it was estimated that the expenditure during the last two months might be upto Rs. 67.02 crores (46.3% of Rs. 144.73 crores). An advance of Rs. 2.00 crores from the Contingency Fund was obtained in March, 1969 to cover the shortfall of the balance of the allotment

(Rs. 65:02 crores). The actual expenditure, however, during the last two months came to Rs. 66:03 crores resulting in an excess of Rs. 1:01 crores over the sanctioned grant.

4. The above excess of Rs. 1:01 crores over the Voted Grant was the net result of excess and savings as indicated below:—

(Figures in lakhs of Rs)

Head	Excess	Savings
Maintenance of Assets (mainly groupheads 1-2 and -3)	49	
Petty and Other Works (mainly group heads "Lines & Radio Communications under II.A Expenditure on Annual Open Estimates and Petty Works," "Lines and Radio Communication" and "Apparatus and Plant" under II-B. Expenditure on other Revenue works.	170	
Printing and Stationery		48
Other heads		70
	219	118
Net Excess	101	

5. The reasons for excesses and savings are explained below:—

(A) Maintenance of Assets:

This head accommodates expenditure on repairs and maintenance of assets as well as provision of spares for those assets. The actual expenditure under this head upto January, 1969 amounted to Rs. 466 lakhs. This compared with the corresponding expenditure of the previous years as under:—

( Figures in lakhs of rupees)

Year	Actuals first 10 months	Actuals last 2 months	Total Expenditure
1	2	3	4
1965-66	2,58	1,32	3,90
1966-67	2,96	1,55	4,51
1967-68	3,61	1,99	5,60
1968-69	4,66	2,33	

The sanctioned grant under this head (including the supplementary grant of Rs. 1,25 lakhs) was Rs. 6,25 lakhs. The actual expenditure during the first 10 months of the year amounted to Rs. 4,66 lakhs leaving a balance of allotment of Rs. 159 lakhs. On the trend of actuals for previous years, the provision under this head was increased by Rs. 25 lakhs fixing the final grant at Rs. 6,50 lakhs. The actual expenditure during the last two months was, however, Rs 2.33 lakhs involving a net excess of Rs. 49 lakhs.

This excess of Rs. 49 lakhs was the result of excesses and savings as under:—

(Figures in lakhs of Rs.)

Group heads	Excess	Savings
I Building		3
I 2 Lines and Radio Communications	15	
I 3 Apparatus and Plant	37	
	52	3
Net Excess	49	

The excess expenditure under I2 lines and Radio Communications was mainly due to urgent, unanticipated repairs/maintenance works for rectification of interruptions and faults in communication Lines and Cables. The excess under "I 3 Apparatus and Plant" arose mainly from larger expenditure on repairs due to unanticipated receipts of stores from Indian Telephone Industries and increase in the cost of stores received. The statement below shows that the percentage of expenditure of 'Stores' to 'Cash' which ranged from 50 to 54. 7 per cent during 65-66 to 67-68 increased to 64.1 per cent in 1968-69.

( Figures in lakhs of rupees)

Year	Cash	Stores	Percentage of col. 3 to col. 2
I	2	3	4
1965-66	260	130	50.0
1966-67	296	155	52.4
1967-68	362	198	54.7
1968-69	426	273	64.1



*(B) Petty and Other Works*

This head accommodates expenditure on Petty Works of a Capital nature met from Revenue. The actual expenditure under this head upto January, 1969 was Rs. 13.05 crores. This compared with the corresponding expenditure of the previous year as under:—

(Figures in crores of Rs.)

Year	Actuals first 10 months	Actuals Last 2 months	Total Expenditure
1965-66	8.07	4.34	12.41
1966-67	8.72	5.74	14.46
1967-68	12.26	6.99	19.25
1968-69	13.05		

The sanctioned grant under this head (including the supplementary grant of Rs. 0.50 crore taken in March 1969) was Rs. 15.65 crores. The actual expenditure for the first 10 months was Rs. 13.05 crores leaving a balance of Rs. 2.60 crores for the last 2 months. This provision was, therefore, increased by Rs. 0.50 crore to Rs. 3.10 crores. An advance of Rs. 2 crores was also taken from the Contingency Fund of India to meet additional anticipated expenditure. Thus a provision of Rs. 5.10 crores was made for expenditure during the last two months. The expenditure during that period, however, reached Rs. 6.80 crores resulting an increase of Rs. 1.70 crores.

This excess of Rs. 1.70 lakhs was the result of the excesses and savings as under:—

(Figures in lakhs of Rs.)

Group heads	Excess	Savings
II-A. Expenditure on Annual Open Estimates —and Petty Works		
(i) Buildings	4	
(ii) Lines and Radio Communications	12	
II-B. Expenditure on other Revenue Works—		
Lines and Radio Communications	129	
Apparatus and Plants	28	
Net Other Units		3
	173	3
Net Excess	170	

The excesses under 'Expenditure on Annual Open Estimates and Petty Works' (in respect of Telegraphs and Telephone Lines and Radio Communications) and 'Expenditure on other Revenue Works' (in respect of Telegraph and telephone lines and Radio Communications as well as Apparatus and Plant) were due to execution of larger number of works, than anticipated, to meet urgent demands of Railways and Army for telegraph and telephone facilities.

(C) *Printing and Stationery*

The saving of Rs. 48 lakhs was due to less supply of stationery from Stationery Office, Calcutta and less printing Work done in Government, Jail and private Presses than anticipated.

(D) *Other Heads*

The saving of Rs. 70 lakhs was made up of the following savings and excesses:—

Sub-heads and Units	(In lakhs of Rupees)	
	Excess	Savings
J-II Post Offices		
{ Pay & Allowan. 68 . . . . .	24	
{ Contingencies . . . . .	15	
C-I-C Amenities to Staff . . . . .		13
CCIV Misc. Stores and W/S Expenditure . . . . .		13
JIV—Conveyance of Mails:		
Payments to Railways, airmail carriers, etc. . . . .		28
Net Other heads . . . . .	39	55
Savings . . . . .	70	103

The excess of Rs. 24 lakhs under J II Post Offices—Pay and allowances was mainly due to larger incidence from merger of dearness allowance than anticipated.

The excess of Rs. 15 lakhs under J-II Post Offices—Contingencies was mainly under House Rent and Ground Rent.

(E) *Savings*

(i) *CIC—Amenities to staff.*—The saving of Rs. 13 lakhs was mainly due to non-materialisation of the expected adjustments on account of arrear contributions to CGHS and accepted bills for medicines purchased and partly due to lesser payments to hospital authorities for reservation of beds.

(ii) *CCIV—Misc. Stores and Workshop expenditure.*—The saving of Rs. 13 lakhs was mainly due to less adjustments of unserviceable stores, and unanticipated minus adjustments made under rate revision.

(iii) *J-IV—Conveyance of Mails.*—The savings of Rs. 28 lakhs was mainly due to non-receipt of bills for haulage from railways and from mail contractors.

(iv) The balance of other savings was made up of small amounts under various other units.

This has been seen by the Accountant General, Posts and Telegraphs, Delhi.

## APPENDIX XXIX

*Action taken on Outstanding Recommendations of the Public Accounts Committee contained in their 83rd Report (Fourth Lok Sabha).*

### I. RECOMMENDATIONS|OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT.

#### Recommendation

The Committee have been repeatedly urging Ministries|Departments to make every effort to avoid excesses. They, however, regret that the position has deteriorated instead of improving. During the year under report, Excesses over Voted Grants|Charged Appropriations as disclosed in the Appropriation Accounts (Civil), (Defence Services) and (Posts and Telegraphs) aggregated Rs. 26.07 crores (.18 per cent of the total grants) as against Rs. 12.50 crores (.09 per cent of the total grants) during the preceding year. Likewise, excesses disclosed in the Appropriation Accounts (Railways) during the year under report aggregated Rs. 171.33 lakhs (.11 per cent of the grant) as against Rs. 7.69 lakhs (.005 per cent of the grant) during the preceding year. The Committee would like concerted steps to be taken to improve budgeting procedures so as to minimise excesses oevr Grants. The Committee hope that with the appointment of Internal Financial Advisers in each Ministry|Department the position in this respect may improve.

[Sl. No. 1 (Para 1.6) of Appendix XXIV to the 83rd Report of the P.A.C. (4th Lok Sabha).]

#### Action taken

The observations of the Committee have been noted and also brought to the notice of all the Ministries|Departments for renewing their efforts at improving budget procedures. [vide Ministry of Finance O.M. No. F. 12 (46)-E (Coord) |69, dated 1-9-1969 (Annexure). [Min. of Fin. O.M. No. F. 12 (46)-E (Coord) |69, dt. 13-11-69].

## ANNEXURE

No.F. 12(46)-E(Coord)|69

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF EXPENDITURE)

*New Delhi, dated the 1st September, 1969*

## OFFICE MEMORANDUM

SUBJECT:—83rd Report of the P.A.C. (4th Lok Sabha) Recommendation No. 1.

The Public Accounts Committee commenting on the cases of excesses over voted grants and charged appropriations disclosed in the various Appropriation Accounts for the year 1967-68 have observed in Para 1.6 of their 83rd Report (4th Lok Sabha) as follows:—

“The Committee have been repeatedly urging Ministries/Departments to make every effort to avoid excesses. They, however, regret that the position has deteriorated instead of improving. During the year under report, excesses over Voted Grants|Charged Appropriations as disclosed in the Appropriation Accounts (Civil) (Defence Services) and (Posts and Telegraphs) aggregated Rs. 26.07 crores (0.18 per cent of the total grants) as against Rs. 12.50 crores (0.04 per cent of the total grants) during the preceding year. Likewise, excesses disclosed in the Appropriation Accounts (Railways) during the year under report aggregated Rs. 171.33 lakhs (0.11 per cent of the grant) as against Rs. 7.69 lakhs (.005 per cent of the grant) during the preceding year. The Committee would like concerted steps to be taken to improve budgeting procedures so as to minimise excesses over Grants. The Committee hope that with the appointment of Internal Financial Advisers in each Ministry|Department the position in this respect may improve.”

The Ministry of Home Affairs, etc. may kindly note the observations of the Committee and renew their efforts at improving budget procedures.

Sd|- N. K. NAIR,

*Deputy Secretary to the Govt. of India.*

To

All Ministries|Departments of the Govt. of India.

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

Sd.|N. K. NAIR,

*Deputy Secretary to the Govt. of India.***Recommendation**

The Committee are concerned over the lack of control over

expenditure revealed in this case. The allotment under the head 'E.1 (5) (2) (1)-other Suspense Accounts-Charges' was reduced by Rs. 26.61 lakhs by reappropriation but eventually there was an excess of Rs. 22.49 lakhs under this head likewise, the allotment under the head 'E 2(1)-Capital outlay on Public works-Original Works-Buildings' was reduced by Rs. 5.56 lakhs; and there was an excess of Rs. 3.06 lakhs.

In the opinion of the Committee, the bulk of the excess of Rs. 64.51 lakhs—which comes to nearly 10 per cent of the final grant—was due to failure to anticipate properly the receipt of stores and debits relating thereto and to make adequate provision for adjustment of past liabilities. A proper watch over the progress of works was also not kept. The Committee trust that necessary steps for strict enforcement of the rules and instructions relating to control over expenditure will be taken by the Ministry of Home Affairs and proper liaison maintained with the Accounts Officers so that it may have correct advance information about the debits that are likely to materialise and could take steps to provide for them. Particular attention will have to be paid to the proper maintenance of Liability Register to keep a watch on adjustment of past liabilities.

[Sl. No. 3 (Para 2.8) of Appendix XXIV to the Eighty-third Report (Fourth Lok Sabha).]

#### **Action Taken**

The observations of the Committee have been brought to the notice of the Andaman Administration with instructions to ensure that excess on such accounts do not recur in future. They have also been instructed to strictly follow the instructions issued from time to time regarding control of expenditure including Maintenance of Liability Registers *vide* enclosed copy of d.o. letter No. 18|3|69-AC. II date 11th August, 1969 (Annexure).

[Ministry of Home Affairs O.M. No. 18|3|69—AC.III dated 30th August, 1969./

#### **Recommendation**

The Committee also find that a part of the excess was due to increased expenditure on account of pay and allowances. As observed by the Public Accounts Committee in para 2.73 of their 31st Report (Fourth Lok Sabha), there is usually no element of uncertainty or unforeseeability in expenditure on pay and allowances. There should normally, therefore, be no excess on this account. The Committee trust that necessary steps will be taken by the Ministry of Home Affairs|Andaman Administration to prevent excesses on this account.

[Sl. No. 4 (Para 2.9) of Appendix XXIV to the Eighty-third Report (Fourth Lok Sabha).]

**Action Taken**

The observation of the Public Accounts Committee has been brought to the notice of the Andaman Administration with instructions to ensure that excesses on such account do not recur in future vide enclosed copy of this Ministry's d.o. letter No. 18|3|69-AC. II dated 11th August, 1969 (Annexure).

[Ministry of Home Affairs O.M. No. 18|3|69-AC. III dated 30th August, 1969].

**ANNEXURE**

*Copy of d.o. letter No. 18|3|69|AC. II dated the 11th August, 1969 from Shri A. D. Pande, Joint Secretary to the Government of India, Ministry of Home Affairs, New Delhi to Shri H. S. Butalia, Chief Commissioner, A&N Islands, Port Blair.*

Kindly find enclosed herewith extracts of paras 2.8 and 2.9 of the Eighty-third Report of the Public Accounts Committee (1969-70) (Fourth Lok Sabha) containing their observations in regard to the excess in Grant No. 51-A & N Islands for 1967-68.

2. It will be observed from the observations made by the Public Accounts Committee that they are not satisfied with the reasons for the excesses as furnished to them. In their opinion bulk of the excess of Rs. 64.51 lakhs was due to failure to anticipate properly the receipt of stores and debits relating thereto and to make adequate provision for adjustment of past liabilities. Had the administration taken necessary steps for strict enforcement of the rules and instructions relating to control over expenditure and maintained proper liaison with the Accounts Officers to have correct advance information about the debits that are likely to materialise and maintained the Liability Register properly it would have been possible for them to provide necessary additional funds in time.

Attention is also invited to the remarks of the Public Accounts Committee that there is no justifiable reason for excess on Pay and Allowances as there is usually no element of uncertainty or unforeseeability on such expenditure.

3. We would request you to take suitable steps to ensure that excess on such accounts do not recur and the instructions on the control of expenditure and Maintenance of Liability Register issued from time to time are strictly followed by all concerned. Attention in this connection is invited to the latest instructions in this regard issued vide this Ministry's letter No. 1|1|69-AC. III dated the 3rd April, 1969.

4. Kindly acknowledge receipt.

**Recommendation**

The Committee observe that the bulk of the excess under this Grant also 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. There was also a failure to exercise proper control over expenditure. The Committee desire that the Ministry of Home Affairs should impress upon the NEFA Administration the imperative need for strict compliance with the rules and instructions regarding control over expenditure and proper maintenance of Liability Register. The Administration should also have a closer liaison with the Purchase Organisations|suppliers in respect of indented stores and with the Accounts Officer, from whom debits for cost of stores are awaited, so that liabilities can be accurately anticipated in time and budget provision made therefor.

[S. No. 5 (Para 2.13) of Appendix XXIV to Eighty-third Report of the P.A.C. (4th Lok Sabha).]

**Action Taken**

The above observation of the Committee has been brought to the notice of NEFA Administration with instructions for strict compliance in future (Annexure ).

[Ministry of Home Affairs O.M. No. 214|69-AC. II dated 28th August, 1969].

**ANNEXURE**

No. 214|69-AC. II

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

To

The Adviser to the Governor of Assam, NEFA, Shillong.

*New Delhi-1, dated the 8th August, 1969|  
17th Sravana, 1891*

**SUBJECT:—P.A.C.—Eighty-third Report (4th Lok Sabha)—Excesses over voted Grants and Charged Appropriations as disclosed in the Appropriation Accounts (Civil) for the year 1967-68.**

Sir,

In para 2.13 of their Eighty-third Report (4th Lok Sabha) the Public Accounts Committee has made the following observation:—

“The Committee observe that the bulk of the excess under this Grant also 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. There was also a failure to exercise proper control over expenditure. The Committee desire that the Ministry of Home Affairs should impress upon the N.E.F.A. Administration the imperative need for strict compliance with the rules and instructions regarding control over expenditure and proper maintenance of Liability Register. The Administration should also have a closer liaison with the Purchase Organisations|suppliers in respect of indented stores and with the Accounts Officer, from whom debits for cost of stores are awaited, so that liabilities can be accurately anticipated in time and budget provision made therefor."

2. The above observations of the Public Accounts Committee is brought to the notice of NEFA Administration for strict compliance in future. Attention in this connection is also invited to this Ministry's circular letter No. F. 1|1|69-AC.III dated the 3rd April, 1969 wherein instructions have been issued regarding the control of expenditure and maintenance of Liability Registers.

Yours faithfully,

Sd.- S. SAMANTA,

*Under Secretary to the Government of India.*

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### Recommendation

The Committee observe from the explanation given for the excess that the debits, the adjustment of which caused an excess, were referred by the Accounts Officer to the Ministry of Home Affairs in December, 1967 for acceptance of the adjustment in the Accounts for 1967-68. This was duly communicated by the Ministry to the Accounts Officer in January, 1968 but at that stage the Ministry did not make a provision for the adjustment of the debits. The Committee are hardly convinced by the Ministry's explanation that the debits were pending with the Accounts Officer since 1966 and that, therefore, they were under the impression that these might not be adjusted during the remaining few months of the year. The Committee trust that the Ministry will maintain a closer liaison with the Accounts Officer in future and make due provision for all debits accepted by them.

[S. No. 7, Para No. 2.224 of Appendix XXIV to the Eighty-third Report (Fourth Lok Sabha).]

**Action Taken**

Noted. Instruction in this regard have also been issued to all concerned. [Vide letter No. F. 53|9|69-Ac.I dated 18-8-1969]. Annexure).

[Ministry of Home Affairs O.M. No. 53|9|69-Ac.I Dt. 8-9-1969.]

**ANNEXURE**

*Copy of Ministry of Home Affairs letter No. F. 53|9|69-AC.I*

To

\* \* \* \* \*

**SUBJECT:** *P.A.C.—Eighty third Report—Action taken by the Government on the recommendations relating to Excesses over Grants and Charged Appropriation for 1967-68.*

Sir,

I am directed to say that during 1967-68 excess occurred in a grant controlled by this Ministry due to non provision of fund for adjustment of old debits even after communicating the acceptance of these debits to the Accountant General. This was explained as since the debits were pending adjustment with the Audit Office for a number of years, the Ministry were under the impression that these might not be adjusted during the remaining few months of the year. The P.A.C. in their 83rd Report (Fourth Lok Sabha) have observed that they are not convinced with the above explanation and have recommended that closer liaison with the Accounts Officer should be maintained and provisions made for all accepted debits, in future.

2. The observation of the P.A.C. is brought to your notice for strict compliance.

Yours faithfully,  
Sd]- S. SAMANTA,  
Under Secretary to the  
Government of India.

\* \* \* \* \*

**Recommendation**

The Committee note that there has been an excess of Rs. 2,41,08,243 under this grant and this is the third year in succession where such excesses have occurred. This is indicative of a regrettable lack of co-ordination between the Ministry of Finance and the Administrative Ministries.

The Committee note that with effect from 1969-70, payments of Central assistance to the States for implementing the schemes included in the State Plans will be in the form of block grants and loans and will not be tied to individual Heads of Development. Also, 1311(Aii)LS—8.

formal sanctions except in the case of assistance released through the National Co-operative Development Corporation will be issued only by the Ministry of Finance and not by the other Ministries. The Committee trust that the proposed changes will enable the Ministry of Finance to keep a better watch over the releases to the State Governments and help in minimising the chances of ways and means advances remaining uncleared at the end of the year. The Committee would like to watch the results through future Appropriation Accounts.

[S. Nos. 8 & 9 (paragraphs 2.28-2.29) of Appendix XXIV to 83rd Report of the Public Accounts Committee—4th Lok Sabha]

#### **Action Taken**

The observations of the Committee have been noted.

[Ministry of Finance (Deptt. of Economic Affairs) O.M. No. 8(68)-B|69 dated 8-10-1969.]

#### **Recommendation**

*Para 2.31:* The Committee are not convinced by the explanation given by the Department for the excess under this Grant. The Department have stated that increase in the issue price of the telecommunication line stores, apparatus and plant received for works and execution of "more urgent revenue earning works" were mainly responsible for the excess. Both these factors should have come to the notice of the Department will before the close of the financial year. The issue price of stores is fixed by the Department and the repercussions of such increased issue price on the cost of works could have been anticipated by the Department and budget provision made therefor. Likewise, the Department should have realistically worked out financial implications while sanctioning additional urgent revenue works and covered them by supplementary grants, as necessary. The Committee trust that the P&T Board will take steps to ensure that budgeting for their works expenditure is streamlined and made accurate.

[Sl. No. 10 (para No. 2.31) of Appendix XXIV to the 83rd Report (Fourth Lok Sabha)]

#### **Action Taken**

The observations of the Public Accounts Committee have been noted. Instructions have also been issued to all Heads of Circles to ensure that the expenditure on works is regulated strictly according to the allotment of funds for such works made to them.

[Ministry of Communications (P&T Board) O.M. No. 1-24|69-B Pt. dated the 19-12-1969.]

### Recommendation

Another factor which contributed to the excess was over-charge of customs duty on provisional assessment. Taking Ordnance and MT stores alone, the over-charge according to the Ministry's estimate amounted to Rs. 4.33 crores. In an earlier part of this Report, the Committee have emphasised the need for utmost care on the part of customs authorities in making provisions assessment. The Committee note that the question of obtaining refunds and tying up the procedure to ensure avoidance of such over-payments of customs duty in future is under the active consideration of Government. The Committee would like to be informed of the remedial measures taken by Government to avoid recurrence of excess levy of customs duty on defence stores.

[S. No. 12 (Para 2.36) of Appendix XXIV to 83rd Report of the Public Accounts Committee (4th Lok Sabha).]

### Action Taken

As against the estimated figure of customs duty over-charged to the extent of Rs. 4.33 crores, refunds to the tune of nearly Rs. 2.62 crores, have already been sanctioned. Claims for refund for the balance of Rs. 1.71 crores are being pursued with the Customs Authorities.

One of the reasons for the over-charge of customs duty on a provisional assessment was the difficulty on the part of the Embarkation Headquarter to convince the Customs Authorities that the Defence consignments on which duty is not leviable actually related to the exempted categories. Instructions have been issued by the Department of Revenue (copy enclosed) to the effect that the Customs Authorities should accept a certificate from the Embarkation Headquarters that the goods in question fall under the exempted category. With these instructions, the position regarding incorrect levying would substantially improve. Also, as regards dutiable stores, Customs Officers have been instructed under these orders to allow reasonable time say, six months (as against 3 months which was being allowed) to the Defence Department to produce the relevant documents showing the value of the consignment for the purpose of final assessment. In case, invoices showing the value do not become available, certificate of Defence Ministry as regards the value, issued in consultation with the Associated Finance would be accepted by Customs Authorities. These instructions would substantially reduce cases of incorrect and excessive levy of customs duty on *ad hoc* basis.

In order to further reduce customs duty cases from going upto the revisionary stage, Ministry of Defence have issued further clarificatory instructions to all the consignees, Director of Movements and Embarkation Hqrs. (Copy enclosed)—Annexure.

Indian Customs Tariff makes mention of certain Defence items which are exempted from the payment of duty. On 10th May, 1968 Revenue Department issued Notification No. 145 which embodies additional Defence items which have been exempted from the payment of customs duty. The question of enlarging this list is under consideration. When a final decision is taken and the list enlarged, the Customs duty is expected to be reduced substantially.

[Ministry of Defence No. F. 11(22)|69|D(Budget) dated 26-5-1970.]

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ANNEXURE

F. No. 20|64|67-Cus. I

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE AND INSURANCE

*New Delhi the 21st November, 1967.*

From

The Under Secretary to the Government of India.

To

All Collectors of Customs.

All Collectors of Central Excise.

SUBJECT:—*Defence Stores—Exemption of—from duty under notification No. 145 of 10-5-1958—Question of classification and valuation—Instructions regarding.*

Sir,

It has been represented by the Ministry of Defence that the assessing officers in some cases call for further particulars like catalogues and blueprints to ascertain whether the items are covered by the description given in the exemption notification No. 145-Customs, dated the 10th May, 1958. It has been explained that such detailed information might not be readily available and in any case furnishing of this type of information after obtaining the clarifications from the supplying countries would lead to delay. Notwithstanding the fact that such information is necessary to ascertain beyond all doubts that the items are covered by the exemption notification there might be genuine difficulties on the part of Defence Department to furnish all the details asked for by the assessing officers for reasons of security. It has, therefore, been decided that in respect of non-dutiable stores covered by this notification certificates issued by the

concerned Embarkation Commandant of the Ministry of Defence to the effect that the imported defence stores are covered by one of the specific items (which is to be named) mentioned in the notification, should generally be accepted by the Customs Houses for the purposes of classification and that ordinarily it should not be necessary for the assessing officers to call for further information and/or catalogues and blueprints etc.

2. The Ministry of Defence have also raised the question of valuation for customs purposes. It has been stated that the information regarding valuation is not always available with the Embarkation Commandants at the ports, who have to obtain it from the Headquarter at Delhi. This necessarily involves delay. The correct value of the stores in many cases is not known even to the Defence Department. It has been further stated that the customs authorities in some cases are not agreeable to wait for submission of relative invoices for more than three months with the result that after expiry of this period, the assessments are finalised on the basis of 'arbitrary' valuation fixed by the assessing officers. The Ministry of Defence have to follow up such cases of 'arbitrary assessment' by applications for refunds, appeals and revision petitions which involves delay, unnecessary scriptory work on their part, and waste of man-power.

3. For the purposes of valuation the stores in question may broadly be divided into two categories, viz.

(i) non-dutiable

(ii) dutiable.

In so far as (i) is concerned, it has been decided to accept certificates of values by the Embarkation Commandants according to their best judgement and available information. As regards (ii) above, it is not possible to accept such certificates. However, the customs officers should allow reasonable time, say six months, to the Defence Department to produce the relative documents showing the value of the consignments. There may, however, be occasions where it may not be possible for the Defence Department to produce the necessary invoices showing value even with this extended period. It has been decided that in such cases in respect of dutiable defence stores where the invoices showing the value are not available, certificates showing value of the consignments issued by the Ministry of Defence in consultation with the associated Finance on the basis of the information available with that Ministry should be accepted for the purpose of finalizing the assessments. It should, therefore, be possible for the Custom Houses so finalise all the assessments of defence stores on the basis of origi-

nal invoices, if they are available, and/or on the basis of the certificates issued by the Ministry of Defence as envisaged above.

Please acknowledge receipt of this letter.

Sd/- (S. K. CHATTERJEE),  
Under Secretary to the Government of India.

Copy forwarded to: Shri L. S. Lulla, Joint Secretary, Ministry of Defence for information. It is requested that the certificates showing the value in respect of dutiable defence stores should be prepared by the Ministry of Defence in consultation with the associated Finance on the basis of the 'Price vocabulary' or other information which may be available with the Ministry of Defence.

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MINISTRY OF DEFENCE  
D(Mov)

**SUBJECT:—Defence Stores—Exemption of—from duty under notification No. 145 of 10.5.1958—Classification and valuation.**

Ministry of Finance, Department of Revenue and Insurance issued instructions on the above subject to all the Collectors of Customs, etc. vide their letter No. F. 20/64/67-Cus. I, dated the 21st November, 1967 (copy enclosed).

2. It has been observed that the correct procedure regarding certification of classification and valuation of the Defence stores is not being followed with the result that the cases for refund of customs duty are, at present, going upto the revisionary stage and are being referred to this Ministry by the Ministry of Finance, in the absence of the required certificates.

3. According to the Instructions issued by the Ministry of Finance, the Embarkation Commandant is authorised to issue Exemption Certificates to the effect that the imported Defence stores are covered by one of the specific items (which is to be named) mentioned in the Notification of 1958. Such certificates issued in respect of non-dutiable stores are generally to be accepted by the Customs authorities for the purposes of classification. The Embarkation Commandant, however, encounters some difficulties in furnishing the certificates because he is not aware of the nature of stores in a large number of cases. For the reasons of security, the stores are generally indicated as "general cargo" or "technical goods" in the relevant documents. Under these circumstances, the Embarkation Commandant has to approach the consignees to ascertain the exact nature of stores and failing, that the respective cells in the administrative Hqrs. In the last resort he may have to approach the administrative sections of this Ministry for eliciting the information, before he can issue the requisite certificate to the customs authorities.

4. For the purpose of valuation the stores are divided into two categories viz.

- (i) non-dutiable
- (ii) dutiable.

In so far as (i) is concerned the Embarkation Commandant is authorised to issue certificates of value according to his best judgement and available information. In case he is unable to do so, he has, of course to approach the consignee/administrative Hqrs./administrative section in the Ministry before he gives a certificate.

As regards (ii) above, the Embarkation Commandant makes all efforts to obtain the relevant documents from the consignee etc. If he is unable to do so, certificates of value are to be issued by the concerned administrative section in the Ministry of Defence, in consultation with their Associated Finance, on the basis of information available with the Ministry within a period of 6 months from unloading at the port. These certificates are to be sent by the concerned administrative sections directly to the Embarkation Commandant whenever a request to that effect is received in the Ministry.

5. It is requested that the necessary information/certificate whenever called for by the Embarkation Commandant should be sent immediately so that these could be furnished to the customs authorities, thus obviating the necessity of refund applications and revision petitions.

Sd|- S. RAJGOPAL  
Deputy Secretary.

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MINISTRY OF DEFENCE  
D (Mov.)

SUBJECT:—*Defence stores—Exemption of—from duty under Notification No. 145 of 10.5.1958—Classification and valuation.*

Reference M. of D. u.o. No. 35 (1) |69|1184-S|D (Mov), dated the 30th June 1969.

The certificates of value pertaining to Non-dutiable/dutiable Defence stores, referred to in para 4 of the u.o. note under reference will be issued by Embarkation Commandant/concerned Administrative Section of the Ministry of Defence in the enclosed proforma.

Sd|- S. J. S. Ahluwalia  
Under Secretary.  
Tele: 374231

\* \* \* \* \*

M of D u.o. No. 35 (1) 69|1184|S|D (Mov), dated 10th July, 1969.



**C.I.F. value certificate in respect of Dutiable Defence Stores**

Certified that total c.i.f. value of stores received Excess.....  
of..... as per Bill of Entry No..... (Item(s)  
No.....) in respect of..... package(s) is  
Rs.....

Certified that Ministry of Finance (Defence) have been consulted.

*Under Secretary to the Government of India,  
Ministry of Defence*

**C.I.F. value certificate in respect of Non-dutiable Defence Stores**

Certified that total c.i.f. value of stores received Excess.....  
of..... as per Bill of Entry No..... (Item(s)  
No.....) in respect of..... package(s) is  
Rs.....

**Recommendation**

An excess of Rs. 63 lakhs has been attributed to payment of arrears of rent by the Military Lands & Cantonment Directorate and adjustment of rental charges on account of debits raised by the Director of Estates in respect of C.P.W.D. buildings occupied by the Defence Services towards the close of the financial year when the above debits could not be covered. The Committee are unable to accept this explanation. They feel that as the rent in respect of C.P.W.D. buildings under the occupation of the Defence Forces was a known factor, payments on account thereof could have been anticipated and provided for. The Committee also desire that the Director of Estates should avoid rush of debits towards the fag end of the year.

[Sl. No. 14 (sub-para 2.38) of Appendix XXIV to 83rd Report of the PAC (4th Lok Sabha).]

**Action Taken**

The debit in question relates to adjustment of proportionate charges of portions of Civil buildings occupied by Defence and pertains to period from 1954 onwards. The extent of debit involved was under discussion between Defence authorities and Directorate of Estates and the figures were finalised in March, 1968 for adjustment in 1968-69 accounts. Budget provision was made accordingly. However, the debit was raised and adjusted in 1967-68 itself causing an excess. The recommendation of the PAC has been noted and instructions issued to the authorities by this Ministry to avoid such instances. Ministry of Health, Family Planning, Works Housing and Urban Development (Deptt of Works and Housing) have also been requested to bring the observations to the notice of

the Director of Estates to ensure that all future debits are raised in proper time. Copies of these are enclosed. (Annexure).

[Ministry of Defence O.M. No. F. 11(23)|69|D (Budget) dated 8.8.1970].

**ANNEXURE**

**MINISTRY OF DEFENCE**

**D (BUDGET)**

**SUBJECT:—Public Accounts Committee—83rd Report (4th Lok Sabha) Recommendation No. 14.**

The Public Accounts Committee in their recommendation contained at serial No. 14 of 83rd Report (4th Lok Sabha) have commented on excess of Rs. 63 lakhs due to payment of arrears of rent by the ML&C Dte and adjustment of rental charges on account of debits raised by the Director of Estates in respect of C.P.W.D. buildings occupied by the Defence Services.

2. The Chief Administrative Officer is concerned with the question relating to adjustment of rent on account of debits raised by the Director of Estimates in respect of C.P.W.D. buildings occupied by the Defence Services. The Committee have also observed that as the rent in respect of C.P.W.D. buildings under the occupation of the Defence Forces was a known factor, payments on account thereof could have been anticipated and provided for. The Chief Administrative Officer may, therefore, be requested to bring the observations of the PAC to the notice of all concerned for strict compliance.

Sd—J. K. SARMA  
*Under Secretary.*

Chief Administrative Officer,  
DML&C,

E-in-C's Branch.

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M of D UO No, F.11(23)|69|D(Budget) dated 7-5-1970.

Copy to:—

JS(C)  
JS(Q)  
D(Lands)  
D(W-II)  
D(Q&C)

COPY

## MINISTRY OF DEFENCE

D (BUDGET)

**SUBJECT.—Public Accounts Committee—83rd Report (4th Lok Sabha)  
Recommendation No. 14 regarding excess due to arrears  
of rent.**

The Public Accounts Committee in their recommendation contained at serial No. 14 of 83rd Report (4th Lok Sabha) have commented on excess due to payment of arrears of rent by the ML&C Dte and adjustment of rental charges on account of debits raised by the Director of Estates in respect of C.P.W.D. Buildings occupied by the Defence Services. The Committee have also desired that the Directorate of Estates should avoid rush of debits towards the fag end of the year. A copy of the recommendation is enclosed herewith. Ministry of Health Family Planning, Works, Housing & Urban Development (Deptt. of Works & Housing) may please see and bring the observations of the Public Accounts Committee to the notice of the Director of Estates for information and compliance.

Sd—J. K. SARMA  
Under Secretary.

Ministry of Health, Family Planning, Works, Housing and Urban Development (Deptt. of Works and Housing) M of D UO No. 11 (23) |69 I|D(Budget) dated 7-5-1970.

Copy to:—

Director of Estates,  
Nirman Bhawan,  
New Delhi.

#### Recommendation

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

[S. Nos. 15 (para 2.39) of the Appendix XXIV to 83rd Report of the Public Accounts Committee—4th Lok Sabha]

#### Action Taken

The Excess Demands for 1967-68 were laid before the Lok Sabha on 22nd August, 1969.

[Ministry of Finance (Department of Economic Affairs) O.M. No. F.8 68)—B|69 dated 8-10-1969].

**RECOMMENDATIONS|OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT  
HAVE FURNISHED INTERIM REPLIES:**

**Recommendation**

The Committee note that the excess in this Grant was chiefly due to over-assessment of customs duty on imported stores in the absence of invoices. During the year 1965-66 also, there was an excess of Rs. 26 lakhs under this Grant for the same reason. Commenting upon that excess, the Public Accounts Committee (1967-68) had in Paras 2.16 and 2.17 of their Twelfth Report (Fourth Lok Sabha) expressed surprise that there was an over-assessment of duty to the extent of Rs. 42.48 lakhs on imported paper, which was not a new item. Elsewhere in this Report, the Committee have drawn attention to an over-charge of customs duty in certain ordnance and MT Stores which resulted in an excess of Rs. 4.33 crores under Grant No. 5-Defence Services, Effective-Army. The Committee trust that the Ministry of Finance will examine how best the system of provisional assessments could be streamlined to avoid gross over-assessments of this kind. In particular, it might be worthwhile examining whether in the interests of accuracy of assessment, it would be possible to base provisional assessment, on the value of imported stores as evidenced by contracts or other form of collateral documents available with Government Departments.

[Serial No. 2 (para 2.4) of Appendix XXIV to the 83rd Report of the Public Accounts Committee (Fourth Lok Sabha)]

**Action taken**

The question of how best the system of provisional assessments could be streamlined to avoid gross over-assessments of customs duty has been examined in consultation with the Department of Revenue and Insurance. The recommendation of the Committee that for purposes of valuation of imported stores other collateral evidence should be relied upon is acceptable to that Department and they have expressed the view that, if the administrative Ministry is in a position to produce such evidence, it should be possible to arrive at realistic assessable value of imported stores at the time of assessment. The question of what documents could be produced as collateral evidence for avoiding provisional assessments has been taken up with the Department of Supply through whom imported consignments are generally cleared. The final decision in this case will be intimated to the Public Accounts Committee in due course.

[Ministry of Finance (Department of Economic Affairs) O.M. No. F. 8(68)—B[69 dated 24-4-70].

**Recommendation**

The Committee note that an excess to the tune of Rs. 1.95 crores was on account of payment of pay and allowance of the Army, the

staff in Manufacturing and Research Establishments and Military Farms. That there should have been such a substantial excess in respect of an item, the expenditure on which is capable of a reasonably accurate assessment, does not speak well of the standards of budgetting in the Ministry. The Committee would like the Ministry to take steps to see that budgetting is toned up.

[S. No. 13 (para 2.37) of Appendix XXIV to the 83rd Report of the Public Accounts Committee (Fourth Lok Sabha)].

#### Action taken

The excess of Rs. 1.95 crores under Pay and Allowances represents 0.8 per cent of the total budget provision under the relevant heads. The budgetting for pay and allowances in the Defence Estimates is done not on an individual basis but on the basis of averages both in respect of rate of payment and assumed strength. As the *per capita* rates sometimes vary slightly due to unforeseen factors, variations occur. However, the suggestion of the Public Accounts Committee has been noted and it is being examined in what manner improvements can be effected. One of the suggestions under consideration is computerisation of payments and accountal which will make available more detailed information speedily for budgetting purposes.

DAJS has see.

[Ministry of Defence O.M. No. F11(15)|69|D (Budget) dated 22.4.70].

## APPENDIX XXX

### *Summary of main Recommendations/Conclusions*

Sl. No.	Para No. of Report	Ministry/Department concerned	Conclusions/Recommendations
1	2	3	4
1	1.3	Finance <hr/> All other Ministries/ Dep'tts.	<p>During the year under report (1968-69), Excesses occurred over 26 Grants (including two Sub-Major Heads of Grant No. 5) and four Charged Appropriations. These aggregated to Rs. 3.78 crores as against Rs. 12.58 crores and Rs. 27.78 crores during the years 1966-67 and 1967-68 respectively. The Committee are glad to note that there had been a substantial reduction in the aggregate amount of Excess during the year under review. They trust that every effort will be made by the Ministries/Departments to further improve the position.</p>
2	2.2	-Do-	<p>From the notes furnished by the Ministries, the Committee find that 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 continued to be the main causes for excesses during the year under report. Persistent lack of coordination between the Central Ministry of Shipping and Transport and State Governments in regard to execution of road works also contributed to a heavy excess.</p>

1	2	3	4
3	2.9	Foreign Trade	<p>The Committee observe that there has been an excess under Grant No. 1—Ministry of Commerce for the third year in succession. During the years 1967-68 and 1968-69, the excess was mainly caused by an excess under the head 'A.5—Delegations going abroad.' Under this head, the excess was as high as 23 per cent of the final grant during 1967-68 and 17 per cent of the final grant during 1968-69. It has been urged by the Ministry of Foreign Trade in extenuation that the details of all delegations proposed to be sent during the year are not completely available even at the time of finalisation of Revised Estimates and it is, therefore, not found possible to anticipate precisely the expenditure under this sub-head. The Committee, however, note that the excess also occurred due to unanticipated adjustment, of debits in respect of expenditure on Daily Allowances, Hotel Accommodation charges etc. of the members of Delegations incurred by various Missions abroad. The Committee, therefore, desire that the Ministry of Foreign Trade should examine, in consultation with the Ministry of Finance, what improvements could be effected in the existing system of estimation and whether the various Missions abroad could not be asked to forward to the Ministry of Foreign Trade the details of expenditure involved on account of Daily Allowances, Hotel Accommodation charges etc. whenever the delegations visit foreign countries so as to enable the Ministry of Foreign Trade to maintain a liability register.</p>
4	2.11	Education Youth Services	<p>The Committee are not satisfied with the explanation of the Ministry for the excess under this Grant. In their opinion, it is a case of lack of proper review of the progress of expenditure on the one hand and lack of coordination between the Ministry and the ac-</p>

counting authorities on the other. The Committee note that bulk of the excess under this Grant was due to increased expenditure on allowances. As increase in allowances had been known well before the close of the financial year, the Ministry of Education and Youth Services could have assessed correctly the extra expenditure on this account and savings on other items with a view to covering the additional expenditure to the extent required on the basis of review of expenditure under the grant by the end of the year.

5            2.12            -Do-

The Committee also regret the lack of coordination between the Ministry and the accounting authorities revealed in this case. The vouchers in respect of payments made at the Treasuries in Assam and Bihar during the year 1967-68 were received in the Office of the Accountant General, Uttar Pradesh in December, 1968, by which time the accounts for the year 1967-68 had already been closed and were adjusted in the accounts of 1968-69. The Committee feel that with closer coordination with the accounting authorities, the Ministry could have anticipated the adjustment of debit in the accounts of 1968-69 and provided for it in time.

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6            2.15            Finance

The Committee note that the excess under the Grant was mainly due to excess under Sub-head 'A.3—Income Tax Appellate Tribunals'. The excess under this sub-head was caused by expenditure on pay and allowances of officers and staff, rent for office premises, purchase of typewriters, furniture etc. consequent upon the constitution of four new Benches of Income Tax Appellate Tribunals. This implies that the decision regarding the constitution of these Benches must have been taken well before the close of the financial year. In view of this, the Committee fail to understand why the Ministry could not provide for the above items of extra expenditure in time.

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1	2	3	4
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7	2. 19	Home Affairs	
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The Committee observe that there has been an excess under group sub-head 'A.3—Tour Expenses' for the second time in three years. As on the previous occasion, the excess was mainly due to failure to anticipate properly and provide for debits on account of requisitions for Railway and air journey accommodation and security arrangements, issued in connection with Ministers' tours. It has been explained that while the requisitions for railway and air journey accommodation and security arrangements were issued by the Ministries concerned, the debits were met by the Ministry of Home Affairs who came to know of the volume of debits only after the Ministries concerned had passed on the bills submitted by the Railway and Air Companies for payment. The Committee note that, as a remedial measure, the Ministries have now been asked to forward to the Ministry of Home Affairs, from October onwards, a statement showing the expenditure involved on account of anticipated debits arising out of requisitions issued on the Railways/Defence authorities to enable the Ministry of Home Affairs to maintain a liability register. The Committee trust that the requisite information will be furnished promptly in future by the Ministries concerned to the Ministry of Home Affairs who will make every effort to avoid excesses on this account. The Committee would like to watch the position.

122

8	2. 24	-Do-	
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The Committee observe that there was an excess under this Grant for the second year in succession. As in the previous year, the bulk of the excess was due to failure to anticipate properly the receipt of stores and debits relating thereto and to make adequate

9 2 25 -D -

provision for adjustment of past liabilities. A proper watch over the progress of works was also not kept. In some cases, the Andamans Administration had failed to cover even such expenditure as was capable of reasonably accurate assessment e.g. expenditure on increased allowances, etc. under sub-head "G.3(3)—Development Schemes".

Another factor to which the Committee would like to draw attention is the extent of lack of control over expenditure revealed in this case. The allotment under the head 'E.1(5) (2)—Other Suspense Accounts— Charges' was reduced by Rs. 10 lakhs by re-appropriation, but eventually there was an excess of Rs. 9,13,502 under this sub-head. The Committee note that pursuant to the recommendation of the PAC (1969-70) made in paragraph 2.8 of their 83rd Report, the Ministry have asked the Andamans Administration to strictly follow the instructions issued from time to time regarding control of expenditure (including maintenance of Liability Register). The Committee desire that the Ministry of Home Affairs should also impress upon the Union Territory Administration the imperative need to maintain a close liaison with the suppliers on the one hand and Accounts Officer on the other.

10 2.30 -D -

The Committee note that in this case also, there was an excess for the second year in succession. As in the previous year, the bulk of the excess was due to failure to anticipate properly the receipt of debits and to make adequate provision for the adjustment of past liabilities. There was neither an exercise of proper control over expenditure, nor had there been an effective liaison with the works executing agencies. As observed by the Committee in paragraph 2.13 of their 83rd Report (1969-70), it is imperative that the

Home Affairs—*contd.*

NEFA Administration should have a closer liaison with the Purchase Organisation/suppliers in respect of indented stores and with the Accounts Officer, from whom debits for cost of stores are awaited, so that liabilities can be accurately anticipated in time and provision therefore made in the Budget. The Administration should also have a closer contact with the works executing agencies. The Committee note that, pursuant to their recommendation, the Ministry of Home Affairs have impressed upon the NEFA Administration the need for strict compliance with the rules and instructions regarding control over expenditure. The Committee trust that the NEFA Administration will strictly comply with the instructions issued by the Ministry of Home Affairs.

II 2 34

Shipping &amp; Transport

The Committee regret that the excess under this grant has become a recurring feature. The excesses record continuously for the last 10 years under the head 'Maintenance of National Highways' are as under:

<i>year</i>	<i>amount of excess lakhs</i>	
1959-60	13.97	
1960-61	16.29	
1961-62	11.15	
1962-63	36.26	
1963-64	15.99	
1964-65	32.63	(voiced)
	0.11	(charged)
1965-66	39.17	
1966-67	63.12	
1967-68	35.80	
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 Governments, 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 recommendation 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.

125

12

2-37

Works, H using &  
Urban Development

The Committee note that, according to the explanation of the Department of Works, Housing and Urban Development, the main reason for the excess of Rs. 40.95 lakhs under sub-head 'A.7(2)(1)—Other Suspense Accounts-Charges' was that while assessing the final requirements of funds for the Highway Projects in Nepal, the requirement in respect of one project was "inadvertently omitted". It is surprising that there should have been an omission like this. The Committee would like to know the circumstances in which it occurred and how it could not be detected at any level before the close of the year. The Committee would also be interested to know the steps taken by the Ministry to ensure that such omissions do not occur on future.

1	2	3	4
13	2.45	Defence	<p>The Committee observe that the excess under Sub-major Head '1.Army' was principally caused by excesses under Sub-heads 'A-Pay and Allowance' and 'D-Transportation and Miscellaneous'. The explanation of the Ministry of Defence for the excess under sub-head 'A' (Rs. 82.72 lakhs) is that the per capita rates for "Pay and Allowances" of Junior Commissioned Officers Other Ranks adopted at the final estimate stage proved "slightly inadequate". The Committee note that during the year 1967-68 also there was an excess of Rs. 1.16 crores under sub-head 'A' on this account. The Ministry have, however, intimated that they are now examining in what manner improvement can be effected in the system of estimation of pay and allowances. The Committee desire that the Ministry should take an early decision in the matter.</p>
14	2.46	Defence (Defence production)	<p>The Committee note that the excess of Rs. 3.56 crores under Sub-head 'D' of Sub-Major Head '1.Army' was mainly due to a failure on the part of the Ministry of Defence to properly anticipate debits on accounts of rail charges and printing and stationery. Likewise, the excess of Rs. 83.79 lakhs under Sub-Major Head '4-Defence Production' was principally due to a failure on the part of the Ministry to anticipate properly the receipt of indented stores and debits relating thereto. This, in the opinion of the Committee, underscores the need for a closer liaison with suppliers and other Departments like Railways and Controller of Printing and Stationery.</p>

15 2.51 C mmunicati ns  
(P & T B ard)

The Committee note that there has been an excess under this Grant for the second year in succession. As in the past, the bulk of the excess was due to execution of larger number of works than anticipated by the Department. A part of the excess was also due to unanticipated receipt of stores from the Indian Telephone Industries. As regards the excess expenditure on account of works, the Committee note that, pursuant to their recommendation, instructions have been issued by the Board to all Heads of Circles to ensure that the expenditure on works is regulated strictly according to allotment of funds for such works. The Committee trust that these instructions will be strictly complied with. The Committee would also like the P & T Board to take steps to ensure that budgeting for their works expenditure is streamlined and made accurate.

16 2.52 -do-

As regards the excess on account of unanticipated receipt of stores, the Committee feel that the Department would do well to have a closer liaison with the suppliers of indented stores (including the Indian Telephone Industries).

17 2.53 Finance  
all other Ministries

Commenting upon excesses on account of pay and allowances, the Public Accounts Committee (1968-69) had observed in paragraph 2.73 of their 31st Report (Fourth Lok Sabha) that as there was no element of uncertainty or unforeseeability in expenditure on pay and allowances, there should normally be no excess on this account. The Committee, however, regret to observe that during the year under review also, increased expenditure on pay and allowances had contributed to excess under a number of Grants. The Committee desire that the Ministries| Departments should take care to avoid excesses on this account.

1	2	3	4
18	2.54	Finance	Subject to the above observations, the Committee recommend that excesses referred to in paragraph 2.1 above be regularised in the manner prescribed in Article 115 of the Constitution of India.
19	3.3	Shipping and Transport Defence All other Ministries	The Committee regret the delay in the submission of action taken notes in the cases referred to in para 3.1 above. 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.

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
<b>DELHI</b>					
24.	Jain Book Agency, Connaught Place, New Delhi.	11	33.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.	68
25.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	3	34.	People's Publishing House, Rani Jhansi Road, New Delhi.	76
26.	Atma Ram & Sons, Kashmere Gate, Delhi-6.	9	35.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	88
27.	J.M. Jaina & Brothers, Mori Gate, Delhi.	11	36.	Hind Book House, 82, Janpath, New Delhi.	95
28.	The Central News Agency, 23/90, Connaught Place, New Delhi.	15	37.	Bookwell, 4, Sant Narakari Colony, Kingsway Camp, Delhi-9.	96
29.	The English Book Store, 7-L, Connaught, Circus, New Delhi.	20	<b>MANIPUR</b>		
30.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.	23	38.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annexe, Imphal.	77
<b>AGENTS IN FOREIGN COUNTRIES</b>					
31.	Bahree Brothers, 188, Lepatrai Market, Delhi-6.	27	39.	The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON, W.C.-2.	59
32.	Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi.	66			



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