

**PUBLIC ACCOUNTS COMMITTEE**

1956-57

**TWENTY-FOURTH REPORT**

[Central (Civil) Appropriation Accounts showing excesses over  
the grants and charged appropriations for the year 1953-54]



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 1957*

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COMPOSITION OF THE PUBLIC ACCOUNTS  
COMMITTEE, 1956-57

Shri V. B. Gandhi—*Chairman*.

MEMBERS

2. Shri K. G. Deshmukh.
3. Shri U. Srinivasa Malliah.
4. Shri Diwan Chand Sharma.
5. Shri C. D. Pande.
6. Shri Kamal Kumar Basu.
7. Shri V. Boovaraghasamy.
8. Shri Jaipal Singh.
9. Shri Nibaran Chandra Laskar.
10. Shrimati Tarkeshwari Sinha.
11. Shri Tribhuan Narayan Singh.
12. Shri Radhelal Vyas.
13. Shri C. P. Matthen.
14. Shri J. B. Kripalani.
15. Shrimati Shakuntala Nayar.
16. Shri G. Ranga.
17. Shri R. M. Deshmukh.
18. Shrimati Pushpalata Das.
19. Shri Shyam Dhar Misra.
20. Shri P. T. Leuva.
21. Shri B. C. Ghose.
22. Shri J. V. K. Vallabharao.

SECRETARIAT

Shri S. L. Shakhder—*Joint Secretary*.

Shri V. Subramanian—*Deputy Secretary*.

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\*Elected on the 5th September, 1956 *vice* Dr. Indubhai B. Amin resigned from the Lok Sabha.

## INTRODUCTORY

1. The Chairman of the Public Accounts Committee, having been authorised by the Committee to present the Report on their behalf, present this Twenty-fourth Report on the Central (Civil) Appropriation Accounts showing excesses over the grants and charged appropriations for the year 1953-54.

2. The above-mentioned Accounts relating to the grants and appropriations in which the votes or appropriations have been exceeded were presented to the House on the 17th December, 1956 in advance of the complete Appropriation Accounts in pursuance of the recommendation of the Public Accounts Committee in paragraph 7 of their Twenty-first Report so that such excesses are got regularised by Parliament expeditiously under Article 115 of the Constitution and thus complete the cycle of Parliamentary control over public expenditure.

3. In their Twenty-first Report dealing with the excesses over Grants/Appropriations relating to 1952-53 the Committee have suggested that the Ministries concerned should furnish to the Lok Sabha Secretariat, within a period of four weeks from the date of presentation to the House of the Report of the Comptroller and Auditor-General on the excesses over-grants/appropriations, notes stating the reasons or the circumstances leading to such excesses for the consideration of the Committee. The Committee regret to observe that in some cases the requisite notes reached the Lok Sabha Secretariat only very recently, that is more than two months since the date of presentation of the Comptroller and Auditor-General's Report to Parliament. The Committee were therefore hard-pressed for time for presenting this Report to the House during the current session. The Committee would urge that the Ministry of Finance should impress upon all the Ministries that the prescribed time-limit should be observed strictly by them in future.

4. The Committee examined the excesses at their sitting held on the 19th March, 1957 with reference to the explanations furnished by the Ministries concerned stating the circumstances leading to such excesses over grants and appropriations (Appendices I to XI).

### *Excess Grants/Appropriations*

5. During the year ended 31st March, 1954, in the following cases the actual expenditure exceeded the voted Grants/charged appropriations.

#### *Excesses over the "voted" Grants*

Sl. No.	No. and name of Grant	Final Grant	Actual Expenditure	Excess
1	2	3	4	5
1	1—Ministry of Commerce and Industry . . . . .	Rs. 76,53,000	Rs. 76,66,999	Rs. 13,999
2	25—Miscellaneous Expenditure under the Ministry of External Affairs . . . . .	3,78,000	5,59,526	1,81,526

1	2	3	4	5
		Rs.	Rs.	Rs.
3	32—Payments to other Governments, Departments etc. on account of the Administration of Agency subjects and Management of Treasuries . . .	11,09,000	11,09,573	573
4	37—Superannuation Allowances and Pensions . . . . .	3,31,43,000	3,39,94,416	8,51,416
5	40—Miscellaneous Adjustments between the Union and State Governments . . . . .	3,68,000	4,07,643	39,643
6	50—Public Health . . . . .	1,15,08,000	2,73,18,262	1,58,10,262
7	53—Cabinet . . . . .	23,87,000	25,17,850	1,30,850
8	104—Other Civil Works . . . . .	14,77,37,000	14,88,08,297	10,71,297
9	126—Capital Outlay of the Ministry of Health . . . . .	3,36,15,000	3,53,68,179	17,53,179
10	128—Capital Outlay on Broadcasting . . . . .	76,24,000	84,46,014	8,22,014

*Excesses over individual "Charged" Appropriation*

S. No.	No. and name of Appropriation	Final Appropriation	Actual Expenditure	Excess
		Rs.	Rs.	Rs.
1	9—Aviation . . . . .	31,000	40,651	9,651
2	34—Currency . . . . .	4,64,000	4,64,050	50
3	*38—Miscellaneous Departments etc. under the Ministry of Finance . . . . .	10,000	18,423	8,423
4	42—Pre-Partition payments . . . . .	64,000	1,72,285	1,08,285
5	Interest on Debt and other obligations and reduction or avoidance of debt . . . . .	81,85,19,000	82,87,88,376	1,02,69,376
6	119—Commuted value of pensions . . . . .	..	66,767	66,767
7	125—Other capital outlay of the Ministry of Food and Agriculture . . . . .	15,72,000	22,68,903	6,96,903
8	127—Capital outlay of the Ministry of Home Affairs . . . . .	5,000	5,002	2

\*See note furnished by the Accountant-General, Central Revenues (Appendix XII).

6. The Committee observe from the notes/memoranda from the Ministries explaining the reasons for the above mentioned excesses that one of the prime causes for the excesses is the non-receipt or non-anticipation by the Ministries of debits either for stores supplied or services rendered by other Departments. Judging from the almost uniform pattern of the explanations, the Committee feel that in many of the cases, the excesses were the result of defective estimation both at the time of framing the budget estimates and at the time of framing the revised estimates in the light of the progress of actuals for 9 to 10 months of the year. Some of the excesses could have been avoided, had better techniques of control of expenditure been employed and timely action taken to approach Parliament for supplementary grants.

The Committee wish that all disbursing officers will appreciate the importance of obtaining grants/appropriations sufficient to cover the expenditure which may have to be incurred within the financial year. They trust that with the gradual extension of the departmentalisation of the accounts briefly referred to in para 13 of their 21st Report, the position would improve in subsequent years.

7. Another feature which the Committee noticed in some of the notes/memoranda is the rush of expenditure in the closing months of the financial year. In the Committee's opinion, unless the Ministry of Finance devises suitable measures by which the payments are spread over the year, control over expenditure can hardly be effective and precise estimating of expenditure will prove difficult.

8. The Committee will now turn to a few individual cases of excesses which can be attributed to defective budgeting and control.

**(i) Grant No. 25—Miscellaneous Expenditure under the Ministry of External Affairs—Excess Rs. 1,81, 526**

This excess has been explained as mainly due to unforeseen expenditure resulting from loss by exchange on local transactions of the Indian Missions abroad. The Committee note that the Government have already introduced a system of fixed rate of exchange for purposes of preparation of account by the Missions abroad with a view to stabilise fluctuations due to variations in the exchange rates of foreign currencies. According to this procedure the difference between the amount of rupees actually spent and the amount of rupees arrived at by conversion at the fixed rate will represent the loss or gain by exchange which would be adjusted as such in the accounts. While the Committee appreciate the fact that it would be difficult for the Ministry to anticipate the loss or gain by exchange with reasonable accuracy at the commencement of the year, it should not be so at the time of preparing the revised estimates, when the progress of expenditure for nine months of the year would be available for guidance.

**(ii) Grant No. 104—Other Civil Works—Excess Rs. 10,71,297**

The excess in this Grant has been attributed mainly to receipt of more materials than anticipated as also of larger debits than anticipated which are accounted for under a Suspense head. The Committee understand in this connection that when purchases are made for stock, the expenditure involved thereby is debited to a Suspense head and when the materials are issued to a particular work, their cost is debited to that work by *contra credit*

to the Suspense head. While the Committee appreciate that excesses or savings in such cases where adequate stocks of certain materials are required to be held by the C.P.W.D. may be inevitable in certain cases, they would, nevertheless, emphasise that by proper liaison between purchase and demand, the deviation could be minimised appreciably and provided for adequately.

**(iii) Grant No. 38—Miscellaneous Departments, etc. under the Ministry of Finance—Excess Rs. 8,423**

From a note furnished by the Accountant-General, Central Revenues (Appendix XII), the Committee observe that in this case an excess of Rs. 9,384 occurred which was partly set off by the saving of Rs. 961 in the Charged section under the same Grant thus resulting in a net excess of Rs. 8,423.

The facts of the case as reported by Audit are that an expenditure of Rs. 9,384 was incurred during the year 1953-54 on account of payment made to the Solicitor to the Central Government at Bombay for meeting the costs of five respondents in satisfaction of an interlocutory order passed by a High Court in a certain case. In an *ex post facto* sanction issued by the Ministry of Finance in March, 1954, the charge was indicated as 'Voted' but later on it was decided by Government that the expenditure should be treated as 'Charged' as it attracted the provisions of Article 112(3)(f) of the Constitution. But under a misapprehension, this expenditure could not be transferred to the 'Charged' section of accounts and it remained incorrectly booked as 'Voted'.

It has also been stated in extenuation, that since the decision to treat the expenditure as 'Charged' was taken about two years after it was incurred, the question of making any provision under the 'Charged' head did not arise. The Committee observe that it is obviously a mistake arising from the misclassification of a 'Charged' item of expenditure as 'Voted'. In conformity with the principle already enunciated by them in para 7 of their Sixteenth Report, the Committee recommend that this "excess" under the 'Charged' section may also be regularised by Parliament.

9. Subject to the above observations, the Committee recommend that the excesses referred to in para 5 may be regularised by Parliament in the manner prescribed in Article 115 of the Constitution.

10. The Committee would like to place on record their appreciation of the assistance rendered to them in this task by the Comptroller and Auditor-General of India.

NEW DELHI ;  
26th March, 1957.

V. B. GANDHI,  
Chairman,  
Public Accounts Committee.

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## APPENDICES

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## APPENDIX I

No. 10-E(10)/54

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND CONSUMER INDUSTRIES

*New Delhi, the 26th February, 1957*

Note on the excess over appropriation for the year 1953-54 under sub-heads A-3 and A-5 of Major Head "25—General Administration"—Grant I—Ministry of Commerce and Industry.

(a) *A-3 Allowance, Honoraria, etc.*

	Rs.
Final Grant . . . . .	7,11,700
Actual expenditure . . . . .	7,20,551
Excess . . . . .	8,851

As explained in the Appropriation Accounts, the excess was due to payment of T.A. bills at the close of the financial year. At the time of preparing the final estimates, necessary provision was included in respect of the bills which were then in hand and certain others, which were expected to be received and paid for before the close of the year. However, in the second or third week of March 1954, a large number of bills were received and had to be paid as the non-official members pressed for payment. Payment could not be deferred till the beginning of the next financial year and hence the unavoidable excess.

(b) *A-5 Lump provision for delegations abroad*

	Rs.
Final Amount . . . . .	85,800
Actual expenditure . . . . .	1,22,463
Excess . . . . .	36,663

The excess is due to belated adjustment of expenditure under this head. When the final estimates for the year under this head were prepared, the actual booked expenditure under this head upto the end of February, 1954, was Rs. 71,569. On the basis of the actual booked and the anticipated expenditure the final grant was fixed at Rs. 85,800. However, debits to the extent of Rs. 36,663 relating to expenditure on General Agreement on Tariff and Trade Conferences etc. were adjusted in the accounts for March Supplementary of that year. The booking of the expenditure within the financial year could not be anticipated so as to make necessary provision therefor in the estimate for that year.

Sd/- K. V. VENKATACHALAM,  
*Joint Secretary to the Government of India.*

## APPENDIX II

### MINISTRY OF EXTERNAL AFFAIRS

#### (AUDIT SECTION)

SUBJECT:—*Regularisation of excess over voted Grants and Charged Appropriations—Grant No. 25—Miscellaneous Expenditure under the Ministry of External Affairs (Pages 10 to 11) of Central Government Appropriation Accounts (Civil) of Grants and Appropriations disclosing excesses 1953-54.*

The sanctioned Budget grant as well as the final grant under Demand 25-Miscellaneous Expenditure under the Ministry of External Affairs for the year 1953-54 was Rs. 3,78,000 but the actual expenditure incurred and booked in the accounts for that year was Rs. 5,59,526. There was thus an overall excess of Rs. 1,81,526 which was mainly due to unforeseen expenditure on loss by exchange on local transactions of the Indian Missions abroad.

2. Prior to 1953-54, provision to cover expenditure on loss by exchange on local transaction was made under the Grant controlled by the Ministry of Finance. It was only from the financial year 1953-54 that provision under the sub-head "Other Charges (including loss by exchange on local transactions)" was made under the Demand for Miscellaneous Expenditure of the Ministry of External Affairs. To simplify accounting procedure and to stabilise fluctuations due to variations in the rates of foreign currencies, a system of fixed accounting rate for purposes of preparation of account by the Indian Missions abroad was introduced in October 1952. According to the prescribed procedure, the difference between the amount of rupees actually spent and the amount of rupees arrived at by conversion at the fixed rate will represent the loss or gain by exchange which will be adjustable by the Account Officer under the heads of account 57/XLVI Miscellaneous respectively. Thus this sub-head is required only when the rate of exchange departs from the fixed accounting rate but as the rate of exchange is difficult to forecast in advance, the quantum of funds required on this account is not susceptible to correct estimating. Further, according to the normal procedure, final requirements under the Demands controlled by the Ministry are determined with reference to returns received from the Indian Missions scattered all over the world by the 7th March every year. In the present case an expenditure of Rs. 1,47,643 alone was booked in the accounts for March 1954 which were received long after the grant was finalised. In the circumstances the full quantum of expenditure could not be anticipated and foreseen in time so that excess if any could be covered by obtaining Supplementary Grant in the Budget Session of Parliament. Out of the sum of Rs. 1,47,643, a sum of Rs. 64,650/2/- represents expenditure on loss by exchange in the case of the Indian Missions in Washington and Ottawa which does not come under the purview of the system of fixed accounting rate as they have a single fixed official rate. Accordingly this expenditure could not be anticipated.

3. For the reasons explained above it is requested that the excess of 1,81,526 may be recommended to Parliament for regularisation.

Sd/-  
*Special Secretary.*

### APPENDIX III

No. F. 10(44)-B/56

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(Department of Economic Affairs)

New Delhi, the 12th March, 1957.

SUBJECT: *Note regarding the excesses in the Grants and Appropriations as reported in Appropriation Accounts (Civil) of Grants and Appropriations disclosing excesses, 1953-54 relating to the Ministry of Finance.*

*Grant No. 32—Payments to Other Governments, Departments, etc. on account of Administration of Agency subjects and Management of Treasuries.*

Excess . . . . . Rs. 573 (Voted)

(1) This Grant accommodated (i) payments to State Governments, other Departments etc. for performing agency work on behalf of the Central Government and (ii) Payments to U.K. Government for expenses of the Commonwealth Relations Office for disbursement of sterling pensions etc. The excess was minor and came to notice when it was too late to ask for a Supplementary Grant.

*Grant No. 34—Currency.*

Excess . . . . . Rs. 50 (Charged)

(2) In order to bring the working accounts of Commercial Departments in their proper perspective on commercial lines, interest at rates prescribed from year to year is recovered from such Departments and taken credit of under the head "Interest on Debt and other obligations". In the case of Currency Note Press the interest is charged on the mean value of the capital at charge on the Press. The final adjustment made on this basis after the close of the year resulted in the petty excess which calls for no explanation.

*Grant No. 37—Superannuation Allowances and Pensions.*

Excess . . . . . Rs. 8,51,416 (Voted)

(3) The excess of Rs. 8,51,416 was the net result of excesses and savings under the various sub-heads of the Grant. The net excess is mainly due to payments at the close of the year exceeding anticipations. The estimates in this grant are based on the figures furnished by the Accounts Officers who frame them on the trend of past and present actuals and other information, if any, available with them at the time of framing the estimates. These factors are at the best only an approximate guide and consequently minor variations between actuals and the final grants cannot altogether be avoided.

*Grant No. 40-Miscellaneous adjustments between the Union and State Governments*

Excess . . . . . Rs. 39,643 (Voted)

(4) The excess was due to larger payments on the basis of increased receipts of fees realised under the Petroleum, Explosives and Arms Acts.

These Acts are administered by the State Governments on behalf of the Union Government and the fees realised thereunder are paid to the States to cover their expenditure on the administration of these Acts. The estimates of the receipts, which are payable to the State Governments, for which provision is made in this grant, are based on the information given by the Accounts Officers. Thus any unanticipated increase in receipts causes corresponding excess in the expenditure booked in this Grant.

With a view to prevent such excesses in future, it has been decided that these adjustments would be restricted to the amount provided for in the Revised Estimates of the year, subject to readjustment on the basis of actuals in the following year. The Public Accounts Committee have already in para 16 of their 21st Report endorsed this suggestion.

*Grant No. 42-Pre-partition Payments.*

Excess . . . . . Rs. 1,08,285 (Charged)

(5) The excess occurred under the head "Interest on Ordinary Debt etc." which accommodates Interest on Public Debt notified for discharge before Partition and Interest on Savings Bank deposits etc., for the pre-partition period. The excess was mainly due to certain adjustments made in the Accounts Offices after the close of the year for which no intimation could be sent in time for obtaining additional provision.

*Appropriation—Interest on Debt etc.*

Excess . . . . . Rs. 1,02,69,376 (Charged)

(6) The main reasons for the excess were —

- (a) *Interest on Deposits of Excess Profits Tax etc.*  
(Rs. 80,11,338)

Interest is payable at varying rates on the deposits made towards or in connection with the payment of "Taxes on Income". These deposits on which interest is payable are:—

1. Deposits towards payments of Income-tax.
2. Deposits towards payment of Excess Profits Tax.
3. Provisional assessment of Excess Profits Tax.
4. Anticipatory deposits in relation to Provisional assessment of Excess Profits Tax.
5. Advance payment of Income-tax under Section 18A.

The interest payment actually made exceeded the Budget provision due to the following reasons:—

- (i) The amounts deposited on provisional assessment of Excess Profits Tax and anticipatory deposits made in connection therewith

had, as usual, been determined on the basis of last preceding assessments, but on regular assessments, the amounts of Excess Profits Tax were in several cases less than the original estimates. There were, therefore, larger refunds of these deposits resulting in larger payment of interest.

- (ii) Due to the completion of a large number of arrear assessments towards the close of the year the refunds of deposits and the payment of interest due thereon exceeded anticipations.

(b) *Interest on Permanent Loans.*

(Rs. 21,56,478)

The estimates are framed on the basis of outstanding interest-bearing loans of the Central Government and those likely to be raised during the year. The interest on the Central Governments' share of Public Debt of Part B States and interest on the transactions in the Cash Balance Investment Account are also accounted for here. Some of the transactions such as those in the Cash Balance Investment Account and those relating to payment of arrears of interest cannot be very accurately estimated, resulting in small variations and the excess was largely due to these factors.

(c) *Interest on Railway Depreciation Reserve Fund*

(Rs. 14,12,038)

The excess was caused by (i) less withdrawals from the Fund owing to slower progress of works due to non-receipt of the expected materials, machinery etc., (ii) delay in receipt of debits for supply and (iii) adjustment of more interest as a result of increase in the Fund caused by the inclusion of revised balances in respect of ex-state Railways following their integration, and revision of the rate of interest after the final estimates.

*Grant No. 119-Commuted Value of Pensions.*

Excess . . . . . Rs. 66,767 (Charged)

(7) The Estimates of 'Payments of Commuted Value of Pensions' are framed on the trends of past actuals as there are hardly any other means to forecast the number of applications which would be received and paid during the year. The excess was due to payment towards the close of the year of commuted value of pension to a retired Chief Justice. The case was received and finalised when it was too late to arrange for the provision of funds.

- (8) This note has been seen by audit.

Sd/- H. S. NEGI,

*Joint Secretary to the Government of India.*

To

The Chairman and Members of the Public Accounts Committee.

**APPENDIX IV**  
**MINISTRY OF HEALTH**

**Appropriation Accounts 1953-54—Grant No. 50—Public Health—  
Excess of Rs. 1,58,10,262.**

The excess of Rs. 1,58,10,262 in Grant No. 50—Public Health for 1953-54 needs regularisation under Article 115 of the Constitution. This note sets forth the reasons for the excess and why it could not be anticipated within the year and covered by additional funds.

2. The excess which is mainly under the head C.—Grants for Public Health Purposes relates to National Malaria Control Programme which was started in April, 1953. This comprehensive programme was contemplated to be run with the aid of international agencies like U.S., T.C.M. and UNICEF etc. which had agreed to supply some material and equipment. The programme was the first of its kind for which the necessity of drafting a special accounting procedure was felt. It was launched during 1953-54 and the material and equipment also commenced arriving during the same year, under Operational Agreement No. 9, between the Government of India and U.S., T.C.M. For the accounting of these materials a lump-sum amount was provided by the Ministry of Finance under the grant No. 126 Capital Outlay. The accounting procedure was processed during the course of the year and finalised *vide* Ministry of Finance letter No. F. 19(9)-B/54, dated 6th September, 1954 according to which budget provision for these materials should have been made under two heads *i.e.* 87-Capital Outlay on schemes of Government Trading and 39—Public Health.

3. No supplementary grant could be taken as no information about the value of stores was received from the Director General of Supplies and Disposals and the I.S.M. Washington before the close of the year.

4. The excess in the appropriation accounts represents only book adjustment of the value of aid received and may now be regularised.

Sd/- V. K. B. PILLAI,

*Secretary.*

## APPENDIX V

### EXPLANATORY NOTE IN RESPECT OF GRANT NO. 53 CABINET (ALL VOTED)

Final Appropriation . . . . .	Rs. 23,87,000
Actual Expenditure . . . . .	Rs. 25,17,850
Excess . . . . .	Rs. 1,30,850

In accordance with Article 115 of the Constitution, this excess expenditure is required to be regularised by Parliament.

2. On the basis of the expenditure during the previous year (1952-53) funds amounting to Rs. 1,51,400 were originally provided for meeting tour expenses of the Ministers and on the basis of actual expenditure upto the end of January, 1954, the revised estimates of the expenditure for the purpose worked out at Rs. 2,88,000. Consequently, additional funds amounting to Rs. 1,36,600 were provided by re-appropriation from the savings located under other sub-heads of the Grant.

3. The actual expenditure under the sub-head, however, touched the figure of Rs. 4,12,367, the adjustments made during January to March 1954, being Rs. 2,10,000. These belated book adjustment mostly related to requisitioned railway accommodation and it was not anticipated that the railway authorities would raise even arrear debits during the year.

4. The note has been seen by audit.

Sd/- HARI SHARMA,

*Joint Secretary to the Government of India.*



## APPENDIX VI

### NOTE

#### 104—Other Civil Works.

The excess of Rs. 10,71,297 is made up as under:—

Sub-head	Final grant	Actual expenditure	(+) Excess (-) Savings
A. Original Works Buildings . . . . .	60,42,161	50,25,544	(-) 10,16,617
B. Original works Misc. . . . .	37,800	36,583	(-) 1,217
C. Repairs Buildings . . . . .	2,24,68,263	2,11,01,663	(-) 13,66,600
D. Repairs Misc. . . . .	9,51,600	8,50,428	(-) 1,01,172
E. Establishment . . . . .	1,76,89,358	1,75,61,911	(-) 1,27,447
F. Tools & Plants . . . . .	13,15,465	11,00,437	(-) 2,15,028
G. Grants in aid . . . . .	30,83,100	26,51,298	(-) 4,31,802
H. Suspense :			
H. 1. Stock :			
H. 1. (I) Charges :	3,47,79,043	3,79,82,268	(+) 32,03,225
H. 2. London Charges :			
H. 2(I) Charges in India.	..	14,33,123	(+) 14,33,123
H. 3. Other Suspense Accounts:			
H. 3(I) Charges . . . . .	5,73,95,000	6,10,47,546	(+) 36,52,546
I. Charges in England . . . . .	18,000	17,496	(-) 504
J. Reserve for Unforeseen works . . . . .	(-) 20	..	(+) 20
Surrender or withdrawals within the grant . . . . .	39,57,230	..	(-) 39,57,230
TOTAL . . . . .	14,77,37,000	14,88,08,297	(+) 10,71,297

The excess involved, as will be observed is 0·73 per cent. and is small. This has mainly accrued under "H. Suspense" due to receipt of more material thus resulting in receipt of also more debits than anticipated. Due to the abnormal circumstances prevailing during the post-war period and various developments schemes taken in hand it was not possible to make an exact forecast. Liaison is maintained by the Divisional Officers with the Supply side and instructions have again been issued to make closer estimates of requirements of funds.

NEW DELHI;

Sd/- M. R. SACHDEV,

*Dated 11th March, 1957.*

*Secretary to the Government of India.*

**APPENDIX VII**  
**MINISTRY OF HEALTH**

**Appropriation Accounts—Grant No. 126—Capital Outlay  
of the Ministry of Health 1953-54.**

The excesses were under the following heads :—

	<i>Excess</i>
	Rs.
B. (1) (5) (1) . . . . .	13,78,718
B. (1) (5) (2) . . . . .	4,35,216

*B. (1) (5) (1)*

The excesses were under (a) material purchase, India, and (b) transportation charges. The reason for excesses under material purchase, India was that the bulk of the adjustments were made after the close of the financial year.

(b) *Transportation charges.*—The Medical Store Depots have no means of estimating this expenditure accurately. The outstanding debits in respect of credit notes issued by the Depots to the Railways for transportation of stores for some years past which were not anticipated, were generally received very late in the year and adjusted.

*B. (1) (5) (2)—England.*

The debits under this head of account are raised in the first instance by the Chief Accounting Officer of the High Commissioner for India in the U.K. The Chief Accounting Officer was requested to indicate the actual amount of debits booked up to the close of December, 1953 and the estimated expenditure to be adjusted during the remaining months of the year. The anticipated expenditure under this Head was found to be much below the original budget provision. The provision was reduced to Rs. 18,00,000/-. The amount of the actual debits, however, was much higher and resulted in an excess of Rs. 4,35,216/-.

In all the cases mentioned above, the nature of adjustments where such as could not be accurately foreseen. With a view to make control more effective the Depots have already started maintaining registers of supplies received and expected to be received, payment for which has to be made during a financial year and proper co-ordination is being maintained with the accounts authorities. The Depots are also sending their representatives every month to the offices of the respective A.Gs. to verify the accounts maintained by the Depots with those of the A.Gs. The above steps are expected to overcome the difficulties now being experienced by the Depots in estimating accurately the adjustments which have to be made after the close of the financial year.

This has been seen by audit.

Sd./- V. K. B. PILLAI,  
*Secretary.*

## APPENDIX VIII

### MINISTRY OF INFORMATION AND BROADCASTING

#### Note explaining the excess of actual expenditure over final grant under Grant No. 128-Capital Outlay on Broadcasting for 1953-54.

An amount of Rs. 83,61,600 (Gross) was proposed by the Ministry of I & B under Demand No. 128-Capital outlay on Broadcasting in the Budget Estimates for 1953-54. The grant that was actually sanctioned, however, amounted to Rs. 71,24,000 only. A supplementary grant of Rs. 5 lakhs was later sanctioned during the year which brought the final grant to Rs. 76,24,000. However, due to unanticipated adjustment of some debits, the actual expenditure amounted to Rs. 84,46,014 revealing an excess of Rs. 8,22,014.

2. The excess is mainly due to the following factors which could not be anticipated and provided for in time :—

#### *I.E. SUSPENSE E (2) (i) Charges.*

(a) A debit for Rs. 6,79,689/8/- was received in the Eastern Project Circle in July, 1954 in respect of three 100 KW SW transmitters supplied in October 1953. Debit to the extent of Rs. 5,63,929 had to be adjusted through this head. As the debit memo. was received after the close of the financial year 1953-54, the adjustment of this debit was not anticipated and consequently no provision for it was made in the final grant. This has resulted in an excess of Rs. 5,63,929 . . . . . Rs. 5,63,929

(b) Equipment relating to 50 KW MW transmitter were issued from Eastern Project Circle to the Ahmedabad station of AIR in March, 1954. Due to transport difficulties etc. it was anticipated that these equipments would not reach Ahmedabad before the 31st March, 1954 *i.e.* before the close of the financial year 1953-54. No provision on this account was consequently retained in the final grant. But, contrary to the expectations, the equipments reached the Ahmedabad Station before 31st March, 1954 and consequently a debit of Rs. 1,95,743 was adjusted during the year 1953-54. This has resulted in excess of Rs. 1,95,743 . . . . . Rs. 1,95,743

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TOTAL . . . . . Rs. 7,59,672

Partly counterbalanced by Misc. savings due to :—

(i) Non receipt of debits	Rs. 92,489		
(ii) Direct debits to works instead of through suspense accounts.	Rs. 70,000		
		Rs. 1,62,489	Rs. 5,97,183

### II. E. SUSPENSE. E. (I) (I) Charges.

(a) A debit was raised in April, 1954 by the Project Officer Calcutta for the 50 KW MW Transmitter for Lucknow Project at higher cost than that provided for in the final grant. This has resulted in an excess of Rs. 88,522.			Rs. 88,522
(b) Some equipment was transferred from one circle to another at the end of the financial year. This resulted in the adjustment of storage charges which were not anticipated during the year.			Rs. 1,00,798
			<hr/>
	TOTAL		Rs. 1,89,320
Partly counter-balanced by savings]			Rs. 32,351
			<hr/>
			Rs. 1,56,969

### III. B. EQUIPMENT.

(a) In respect of the three 100 KW SW transmitters indented through the DG S&D/DGISD, London, DG S&D had intimated that a sum of £ 49,000 equivalent to Rs. 6,53,333 would be paid during 1953-54. Making allowance for difficulties and time required in adjustment of debits a sum of Rs. 6,00,000 was retained in the final grant. The actual payment and the amount adjusted including incidentals in India, however, came to Rs. 7,73,389. This has resulted in an excess of Rs. 1,73,389.			Rs. 1,73,389
(b) The cost of 50 KW MW transmitter and accessories for Jullundur was estimated at Rs. 5,30,000 and necessary provision to this extent was retained in the final grant. The actual cost however, amounted to Rs. 5,92,038 resulting in an excess of Rs. 62,038.			Rs. 62,038
(c) Miscellaneous petty items	Rs. 7,869		Rs. 2,43,296

### IV. TOOLS AND PLANT.

A debit relating to the difference in the cost of material received during the previous year was adjusted in the accounts for 1953-54. Some additional items of tools

and plant were purchased towards the end of the financial year as they were urgently required for the installation works and consequently provision for them could not be made in the final grant. This has resulted in an excess of Rs. 7,691.

		Rs. 7,691
	TOTAL Excess . . . . .	Rs. 10,05,139
V. Partly counter-balanced by savings (A.—Works. Rs. 1,81,231 and C.—Establishment Rs. 1,894)	. . . . .	Rs. 1,83,125
GRAND TOTAL . . . . .		Rs. 8,22,014

3. There was thus a total excess of Rs. 8,22,014 which works out to 10·71% of the final grant of Rs. 76,24,000. Every effort was made to restrict the expenditure to the final grant but as inevitable payments had arisen the debits relating to them had to be accepted.

Sd/- V. KUMAR,

*Deputy Secretary,  
Ministry of Information  
and Broadcasting.*

## APPENDIX IX

### **Regularisation of Excess over the Charged Appropriation as reported in the Appropriation Accounts (Civil), 1953-54**

*Grant No. '9-Aviation'*

In so far as the excess of Rs. 9651 over the charged appropriation of Rs. 31,000 in the Appropriation Accounts (Civil) 1953-54 relating to Grant No. '9-Aviation' is concerned, the position is explained below.

2. A supplementary appropriation of Rs. 10,000 (Charged) was obtained during the year 1952-53 for the payment of compensation amounting to Rs. 10,000 to Messrs. Ambica Airlines Ltd. as a result of the award of the Arbitrator towards the residual value of immovable assets created by them by way of superstructures built at the Rajkot aerodrome. The expenditure was incurred by the Executive Engineer Bombay Aviation Division II, Central Public Works Department, Bombay. The reconciliation was done as usual by the Departmental authorities and the necessary debit was passed on to the Comptroller, Saurashtra by the Accountant General, Central Revenues through the Accountant General, Bombay in the accounts for March, 1953 Supplementary. It, however, came to light late in Oct., 1953 that this debit had not been adjusted in the accounts for 1952-53. But it was not quite clear then why it had not been possible to do so, and action was initiated to ascertain the position. Subsequently, it transpired that Comptroller, Saurashtra could not adjust the debit during 1952-53 for want of supporting vouchers and that he had made the necessary adjustment in the Supplementary Accounts for 1953-54.

3. A supplementary appropriation of Rs. 31,000 was obtained during 1953-54 to make payment of additional compensation amounting to Rs. 30,700 decreed by the District Court, Trivandrum in connection with the acquisition of land required for the development of the Trivandrum aerodrome.

4. Thus, a sum of Rs. 40,651 had been adjusted in the accounts for the year 1953-54 under sub-head 1-2, Compensation for taking over aerodromes, on account of the payment of compensation of Rs. 10,000 and Rs. 30,651.

5. This had led to an excess of Rs. 9,651 over the charged Appropriation of Rs. 31,000 under Grant No. '9-Aviation' which is mainly due to the belated adjustment of the debit pertaining to the previous year as explained in paragraph 2 above.

Sd/- D. C. DAS,  
*Joint Secretary to the Govt.  
of India.*

## APPENDIX X

No. 7-31/56-LR.

GOVERNMENT OF INDIA.

MINISTRY OF AGRICULTURE,

*New Delhi, the 21st February, 1957.*

**Regularisation of Excesses over Voted Grants and Charged Appropriation in the appropriation accounts for 1953-54 and audit report 1955—Part II—Excess of Rs. 6,96,903 under Grant No. 125—other Capital outlay of the Ministry of Food & Agriculture 1953-54 Sub Head G. 5—Interest Charges Charged.**

Concurrence of the Auditor General of India was given in August 1950 for declaring Central Tractor Organisation a commercial undertaking and the accounts of C.T.O. are being maintained on that basis from 1st April, 1950. Accordingly interest has been charged on the net capital outlay on the Land Reclamation Scheme from year to year.

The excess of Rs. 6,96,903 in interest charges is mainly due to non-realisation of reclamation charges due from Bhopal Government which had the effect of increasing the net capital outlay over the figure originally anticipated.

At the time of finalisation of the estimates for 1953-54 in January, 1954 it was anticipated that the credit for the amount of reclamation charges for the work done up to the season ending 1952-53 due from Bhopal Govt. would be received for adjustment in the accounts for 1953-54. But the credits were not afforded to the C.T.O. in the account for 1953-54 as the question regarding the recovery and accounting arrangements was decided only in March, 1955.

Had the amount due from Bhopal Government on account of reclamation charges for work done upto the end of season 1952-53 been credited to the C.T.O. in the accounts for 1953-54 the net capital outlay upto end of year 1953-54 would have gone down thus reducing the Interest charges.

Sd/- R. L. MEHTA,

*Joint Secretary to  
the Govt. of India.*



## APPENDIX XI

### Explanatory Note in Respect of Grant No. 127-Capital Outlay of the Ministry of Home Affairs

	Rs.
Final Appropriation . . . . .	5,000
Expenditure . . . . .	5,002
Excess . . . . .	2

(Charged Appropriation)

The excess of Rs. 2/- occurred under the sub-head :—

*'C-A.R.P. Equipment Purchased Centrally'*

Messrs Kishen Lal Malhotra & Bros. Ltd., Kishanganj, Delhi, obtained a decree for Rs. 5,001/12/- against the Government of India, on account of cancellation of Accepted Tender, in connection with A.R.P. equipment. The Director General of Supplies & Disposals, New Delhi, authorised payment of the decretal amount. A supplementary grant of Rs. 5,000 was obtained in 1953-54 to cover the unforeseen expenditure of Rs. 5,002 (Rs. 5001/12/-).

The excess of Rs. 2 is due to rounding of figures.

Sd/- HARI SHARMA,

*Joint Secretary to the Govt. of India.*

## APPENDIX XII

### Grant No. 38.—Miscellaneous Departments, etc. under the Ministry of Finance, Sub-head A.

#### 3.—Other Charges for 1953-54.

An expenditure of Rs. 9,384 was incurred during the year 1953-54 on account of payment made to the Solicitor to the Central Government at Bombay for meeting the costs of five Respondents in satisfaction of an interlocutory order passed by a High Court in 1952 in a certain case. In an *ex post facto* sanction issued by the Ministry of Finance in March, 1954, the charge was indicated as 'Voted' but audit objected to it. After prolonged correspondence with the Ministries of Finance and Law it was decided by Government that the expenditure should be treated as 'Charged' as it attracted the provisions of Art. 112(3)(f) of the Constitution.

This decision was shown to audit in February, 1956, but the expenditure was not transferred to the 'Charged' section of accounts under a misapprehension, and the expenditure remained incorrectly booked as 'Voted'.

Consistent with the principle enunciated by the Public Accounts Committee in paragraph 7 of their Sixteenth Report, the expenditure amounting to Rs. 9,384, which should have been correctly classified in the Accounts as 'Charged', would constitute an excess for purposes of Art. 115 of the Constitution although it was treated as 'Voted' in the Accounts.

The net excess of Rs. 8,423, after taking into account the saving of Rs. 961, in the Charged section of Grant No. 38, therefore, requires to be regularised.

The decision to treat the expenditure as 'Charged' was taken about two years after it was incurred and as such there could be no question of any provision under the 'Charged' head. This by itself is a valid reason for the regularisation of the excess. The Public Accounts Committee may kindly examine the position and recommend that the net excess of Rs. 8,423 be regularised by Parliament in the manner prescribed in Art. 115 of the Constitution.

Sd/- S. VENKATARAMANAN,

*Accountant General, Central  
Revenues.*