

EXECUTIVE SUMMARY OF DEMANDS
AND CHARGED APPROPRIATIONS
(1996-97)

**PUBLIC ACCOUNTS
COMMITTEE
1998-99**

TWELFTH LOK SABHA

FIRST REPORT
PUBLIC ACCOUNTS COMMITTEE
(1998-99)

(TWELFTH LOK SABHA)

**EXCESSES OVER VOTED GRANTS AND
CHARGED APPROPRIATIONS (1996-97)**



Presented to Lok Sabha on 8 Dec., 1998
Laid in Rajya Sabha on 8 Dec., 1998

LOK SABHA SECRETARIAT
NEW DELHI

December, 1998/Agrahayana, 1920 (Saka)

PAC No. 1627

Price: Rs. 53.00

© 1998 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of **Business** in Lok Sabha (Ninth Edition) and Printed by the Manager, P.L. Unit, Govt. of India Press, Minto Road, New Delhi-110002.

3008/LS—F-1B

CORRIGENDA TO THE FIRST REPORT OF PAC (12TH LOK SABHA)

Page	Para	Line	For	Read
3	8	9	cease	cause
6	-Table-	sl.no.12	Railway	Railways
6	-do-	sl.no.14	Stocks	Stock
10	15	5	Departments	Department
14	32	19	this	his
19	46	10	brethern	brethren
22	52	19	ostencibly	ostensibly
34	c&d	37	addtional	additional
53	Name	15	SHAMALINA	SHAMALIMA

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(1998-99)**

Shri Manoranjan Bhakta — *Chairman*

MEMBERS

Lok Sabha

2. Shri Prithviraj D. Chavan
3. Shri Ram Tahal Chaudhary
4. Smt. Bhavna Chikhaliya
5. Shri C. Gopal
6. Shri Vijay Kumar Khandelwal
7. Maj. Gen. B.C. Khanduri
8. Prof. Ajit Kumar Mehta
9. Shri Rupchand Pal
10. Shri M. Rajaiah
11. Shri Ch. Vidyasagar Rao
12. Dr. T. Subbarami Reddy
13. Shri Prabhat Kumar Samantaray
14. Shri K. Natwar Singh
15. Prof. Saifuddin Soz

Rajya Sabha

16. Shri Md. Salim
17. Shri K.R. Malkani
18. Shri Satishchandra Sitaram Pradhan
19. Shri J. Chitharanjan
20. Shri Jayant Kumar Malhoutra
21. Shri Vayalar Ravi
22. Shri K. Rahman Khan

SECRETARIAT

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

INTRODUCTION

I, the Chairman, Public Accounts Committee having been authorised by the Committee, do present on their behalf, this First Report on Excesses over Voted Grants and Charged Appropriations (1996-97).

2. The Committee examined the cases of excess expenditure incurred by various Ministries/Departments of Union Government in 1996-97 on the basis of relevant Appropriation Accounts, observations of Audit as contained in the Reports of the C&AG for the year ended 31 March, 1997, the explanatory notes and other information furnished by the various Ministries/Departments concerned. They also took oral evidence of the Ministries of Communications (Department of Telecommunications), Railways, Urban Affairs & Employment and Finance (Departments of Economic Affairs, Expenditure and Revenue) on 31 August, 1998 (AN), 27 October, 1998 (FN), 27 October, 1998 (AN) and 28 October, 1998 (AN) respectively on the subject matter. The Committee considered and finalised this Report at their sitting held on 3 December, 1998. Minutes of the sitting form Part-II of the Report.

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

4. The Committee would like to express their thanks to the Ministries/Departments concerned for the cooperation extended by them in furnishing information and tendering evidence before the Committee.

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

NEW DELHI;
7 December, 1998

16 Agra-hayana, 1920 (Saka)

MANORANJAN BHAKTA,
Chairman,
Public Accounts Committee.

REPORT
EXCESS EXPENDITURE OVER VOTED GRANTS AND CHARGED
APPROPRIATIONS (1996-97)

I. Introductory

A. Annual Appropriation Accounts of the Union Government

The Appropriation Accounts of the Union Government are prepared every year showing the details of expenditure actually incurred on various specified services by Government in a financial year *vis-a-vis* the grants/ appropriations authorised by Parliament for those particular services in that financial year as specified in the schedules appended to the Appropriation Acts. This includes the expenditure voted by Parliament on various grants in terms of Articles 114 and 115 of the Constitution and also the expenditure required to be charged on the Consolidated Fund of India in terms of Articles 112(3) and 293(2) of the Constitution.

2. Presently, five separate Appropriation Accounts pertaining to different sectors of activities of the Union Government viz. Civil, Defence Services, Postal Services, Telecommunication Services and Railways are presented to Parliament. The Appropriation Accounts in respect of Grants and Appropriations covered under civil sector are prepared by the Controller General of Accounts in the Ministry of Finance and those pertaining to Grants/Appropriations for Defence Services, Postal Services, Telecommunication Services and Railways are prepared by the respective Ministries. These Appropriation Accounts are audited and certified by the Comptroller and Auditor General of India who submits his Audit Reports thereon to the President who, in turn, causes them to be laid before each House of Parliament in terms of Article 151 of the Constitution of India.

3. After their presentation to Parliament, these annual Appropriation Accounts of the Union Government and the Audit Reports thereon stand referred to the Public Accounts Committee for examination under the provisions of Rule 308* of Rules of Procedure and Conduct of Business in Lok Sabha.

*This Rule defines the functions of the Public Accounts Committee

B. Union Government Appropriation Accounts for 1996-97

4. The following table indicates the dates on which the five Appropriation Accounts of the Union Government for the year 1996-97 were laid on the Table of the House:

Appropriation Accounts	Date on which laid on the Table of the House
Civil	5.6.1998
Defence Services	9.6.1998
Postal Services	8.6.1998
Telecommunication Services	8.6.1998
Railways	9.6.1998

5. The observations of Audit on the aforesaid Appropriation Accounts (1996-97) have been brought out in the following audit paragraphs:—

Sl. No.	Appropriation Accounts	Chapter/Paragraph in which audit findings are highlighted
1.	Civil	Chapter XI-XX of Audit Report No. 1 of 1998
2.	Defence Services	Chapter I of Audit Report No. 7 of 1998
3.	Postal Services	Chapter VII of Audit Report No. 6 of 1998
4.	Telecommunication Services	Chapter II of Audit Report No. 6 of 1998
5.	Railways	Paragraph 1.8 of Audit Report No. 9 of 1998

6. An examination of the Union Government Appropriation Accounts for the year 1996-97 and the audit observations thereon has revealed that a large number of Ministries/Departments had defaulted, in one area or the other, in observance of the relevant financial rules and regulations. The Committee will be presenting their Reports to Parliament separately on the Union Government Appropriation Accounts, in due course, covering different aspects of exchequer control and defaults in observance of financial rules and regulations on the basis of the written information made available and oral evidence tendered before the Committee by the Ministries/Departments concerned.

7. In this report, the Committee have dealt with those cases of grants/appropriations where moneys have been spent in excess of the amounts authorised by Parliament for specified services in the year 1996-97 and

which require regularisation by Parliament under Article 115(1) (b) of the Constitution of India.

C. Procedure for Regularisation of Excess Expenditure

8. Any expenditure incurred by the Union Government in excess of the grants/appropriations authorised by the Parliament for specified services in a financial year requires regularisation in terms of Article 115(1) (b) of the Constitution which stipulates that if any money had been spent on any service during a financial year in excess of the amount granted for that service and for that year, the President should cease to be presented to the House of the People a demand for such excess.

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

II. Excess Expenditure over Voted Grants and Charged Appropriations during 1996-97

10. An examination of the Union Government Appropriation Accounts for the year 1996-97 and the explanatory notes furnished by the Ministries/Departments concerned, has revealed the following picture about the number of cases of excess registering grants/appropriations and the quantum of excess expenditure during the year under review:

Sl. No.	Appropriation Accounts	No. of excess registering grants	No. of excess registering Appropriations	Amount of actual excess expenditure (in units of Rupees)
1	2	3	4	5
1.	Civil	5	3	67,28,94,693
2.	Defence Services	—	—	—
3.	Postal Services	—	—	—

1	2	3	4	5
4.	Telecommunication Services	1	1	448,08,99,563
5.	Railways	8	3	191,34,48,556
Total		14	7	706,72,42,812

In the Appropriation Accounts (1996-97), the Ministry of Railways disclosed an excess expenditure of Rs. 191,01,02,750. However, the explanatory note furnished by the Ministry of Railways for regularisation of excess expenditure incurred by them over Voted Grants/Charged Appropriations during 1996-97 revealed that there was misclassification of expenditure of Rs. 33,45,806 under six grants. After taking into account the effect of this misclassification, the actual excess expenditure relating to Railways worked out to Rs. 191,34,48,556 instead of Rs. 191,01,02,750 as indicated in their Appropriation Accounts by the Ministry of Railways. Thus, the amount of actual excess expenditure during 1996-97 requiring regularisation by Parliament under Article 115(1) (b) of the Constitution is of the order of Rs. 706,72,42,812 incurred in 21 cases of grants/appropriations.

11. The details of Voted Grants/Charged Appropriations under which the actual expenditure had exceeded the sanctioned provisions during the year 1996-97 are given below:—

Sl. No.	No. & Name of Grant/ Appropriation	Ministry/Department	Excess Expenditure (in units of Rupees)
1	2	3	4
I. APPROPRIATION ACCOUNTS (CIVIL)			
VOTED GRANTS			
Revenue Section			
1.	24-Deptt. of Economic Affairs	Finance (Eco. Affairs)	2,18,05,862
2.	56-Broadcasting Services	Information & Broadcasting	2,73,01,021
3.	83-Public Works	Urban Affairs & Employment	6,23,40,688
Capital Section			
4.	8-Deptt. of Tourism	Civil Aviation and Tourism	3,71,97,921
5.	82-Urban Development, Urban Employment & Poverty Alleviation	Urban Affairs & Employment	50,14,85,418

1	2	3	4
---	---	---	---

CHARGED APPROPRIATIONS**Revenue Section**

6.	62-Ministry of Mines	Mines	93,364
7.	83-Public Works	Urban Affairs and Employment	1,56,51,746

Capital Section

8.	83-Public Works	Urban Affairs and Employment	70,18,673
----	-----------------	---------------------------------	-----------

APPROPRIATION ACCOUNTS (TELECOMMUNICATION SERVICES)**VOTED GRANTS****Revenue Section**

9.	14-Telecommunication Services	Communications (Department of Telecommunications)	4,48,07,48,924
----	----------------------------------	---	----------------

CHARGED APPROPRIATIONS**Capital Section**

10.	14-Telecommunication Services	Communications (Department of Telecommunications)	1,50,639
-----	----------------------------------	---	----------

APPROPRIATION ACCOUNTS (RAILWAYS)**VOTED GRANTS**

11.	4-Repairs & Maintenance of Permanent Way & Works	Railways	14,70,93,606*
-----	--	----------	---------------

An excess expenditure of Rs. 13,68,10,326 has been shown under this Grant. However, after taking into account the misclassification of expenditure of Rs. 1,02,83,280, the real excess expenditure under this Grant requiring regularisation works out to Rs. 14,70,93,606.

1	2	3	4
12.	6-Repairs & Maintenance of Carriages & Wagons	Railway	29,11,35,643 [*]
13.	7-Repairs & Maintenance of Plant and Equipments	-do-	13,03,46,814 ^{**}
14.	8-Operating Expenses Rolling Stocks & Equipment	-do-	24,12,72,533
15.	11-Staff Welfare and Amenities	-do-	4,50,15,555 ^{***}
16.	12-Miscellaneous Working Expenses	-do-	28,48,60,216 ^{BBB}
17.	13-Provident Fund, Pension and other Retirement Benefits	-do-	23,84,66, 708
18.	16-Assets-Acquisition, Construction & Replacement-Railway Funds (DRF, DF & Capital Fund)	-do-	51,37,84,505 [*]

*. An excess expenditure of Rs. 30,73,35,643 has been shown under this Grant. However, after taking into account the misclassification of expenditure of Rs. (-) 1,62,00,000, the real excess expenditure under this Grant requiring regularisation works out to Rs. 29,11,35,643.

** An excess expenditure of Rs. 13,82,28,905 has been shown under this Grant. However, after taking into account the misclassification of expenditure of Rs. (-) 78,82,091, the real excess expenditure under this Grant requiring regularisation works out to Rs. 13,03,46,814.

***. An excess expenditure of Rs. 4,51,41,893 has been shown under this Grant. However, after taking into account the misclassification of expenditure of Rs. (-) 1,26,338, the real excess expenditure under this Grant requiring regularisation works out to Rs. 4,50,15,555.

BBB. An excess expenditure of Rs. 28,22,58,991 has been shown under this Grant. However, after taking into account the misclassification of expenditure of Rs. 26,01,225 the real excess expenditure under this Grant requiring regularisation works out to Rs. 28,48,60,216.

*. An excess expenditure of Rs. 49,91,14,775 has been shown under this Grant. However, after taking into account the misclassification of expenditure of Rs. 1,46,69,730 the real excess expenditure under this Grant requiring regularisation works out to Rs. 51,37,84,505.

1	2	3	4
CHARGED APPROPRIATIONS			
19.	3—General Superintendence and Services	Railways	5,59,900
20.	9—Operating Expenses—Traffic	-do-	5,43,502
21.	16—Assets-Acquisition Construction & Replacement—Railway Funds	-do-	2,03,69,574
Total			706,72,42,812

An analysis of the above statement indicates that the grant operated by the Department of Telecommunications had alone accounted for over 63 percent of the total excess expenditure incurred by Union Government in 1996-97 followed by the Ministry of Railways which accounted for over 27 percent of such excess expenditure. It would also be seen that out of 21 cases of excesses over grants/appropriations, excess expenditure of over a crore of rupees had occurred in 16 cases. In the case of the grants administered by Ministry of Railways all the eight voted grants had registered an excess of over rupees one crore each with excess expenditure ranging from Rs. 4.51 crore (Grant No. 11) to 49.91 crore (Grant No. 16).

12. The financial rules prescribe that no expenditure should be incurred which might have the effect of exceeding the total grant or appropriation authorised by Parliament by law for a financial year except after obtaining a supplementary grant or appropriation or an advance from the Contingency Fund. A scrutiny of the relevant Appropriation Accounts, however, revealed that the excess expenditure during 1996-97 occurred

even after the Ministries/Departments obtained supplementary grants/appropriations in 16 cases to meet their additional requirements as is evident from the table given below:—

Sl. No.	No. & Name of Grant/Appropriation	Ministry/ Department	Amount of Supplementary Grant/ Appropriation	Amount of excess expenditure
1	2	3	4	5
Civil Accounts				
				(Rs. in crore)
1.	8-Deptt. of Tourism	Civil Aviation & Tourism	3.00	3.72
2.	56-Broadcasting Services	Information & Broadcasting	22.50	2.73
3.	82-Urban Development, Urban Employment & Poverty Alleviation	Urban Affairs & Employment	.05	50.15
4.	83-Public Works (Revenue-Charged)	-do-	.72	1.57
5.	83-Public Works (Revenue-Voted)	-do-	15.96	6.23
6.	83-Public Works (Capital-Charged)	-do-	.38	.71
7.	14-Telecommunication Services (Revenue-Voted)	Communication (Deptt. of Telecommunications)	19.00	448.07
8.	3-Working Expenses General Superintendence and Services	Railways	0.01	0.06
9.	4-Working Expenses-Repairs & Maintenance of Permanent way and Works	-do-	56.36	14.71
10.	6-Working Expenses-Repairs & Maintenance of Carriages & Wagons	-do-	60.16	29.11
11.	7-Repairs & Maintenance of Plant and Equipment	-do-	27.96	13.03
12.	8-Operating Expenses Rolling Stock & Equipment	-do-	79.68	24.13

1	2	3	4	5
13.	11-Staff Welfare & Amenities	Railways	8.67	4.50
14.	13-Provident Fund, Pension and Other Retirement Benefits	-do-	135.55	23.85
15.	16-Assets-Acquisition, Construction and Replacement-Railway Funds (DRF, DF & Capital Fund)	-do-	304.73	51.38
16.	16-Assets-Acquisition, Construction and Replacement-Railway Funds	-do-	1.44	2.04
Total			736.17	675.99

13. There has been a persistent trend in excess expenditure by various Ministries/Departments in the past. The table given below indicates the position regarding excess expenditure incurred during the three years preceding the year under review:—

Year	No. of excess registering Grants/ Appropriations	Excess Expenditure (Rs. in crores)
1993-94	16	1240.35
1994-95	15	481.09
1995-96	9	745.80
1996-97 (Year under review)	21	706.72

III. Delay in submission of explanatory notes

14. As per the extant practice, the Ministries and Departments of Government of India are required to furnish the explanatory notes to the Public Accounts Committee in respect of those grants/appropriations which register excess expenditure in a particular financial year. In terms of the time schedule prescribed in this regard, the Ministries/Departments concerned are required to furnish such notes, duly vetted by Audit, by 31 May of second following year to which the accounts relate or immediately after the presentation of relevant Appropriation Accounts to the House whichever is later.

15. Taking a serious view of the persisting delays in submission of the explanatory notes on the excess expenditure by various Ministries/Departments, the Public Accounts Committee in paragraph 65 of their Report (11th Lok Sabha) presented to Parliament on 20 December, 1996, had recommended that the Monitoring Cell in the Departments of Expenditure should be entrusted with the task of coordination, collection and timely submission to the Committee of the relevant explanatory notes, duly vetted by Audit, in respect of all the Annual Appropriation Accounts for the year 1995-96 onwards. The Committee also desired that the Secretaries of the administrative Ministries/Departments concerned should be held personally responsible for any delay in submission of the requisite explanatory notes.

16. The aforesaid observations of the Committee were brought to the notice of the Secretaries of Ministries/Departments concerned by the Controller General of Accounts in the Ministry of Finance *vide* a communication dated 31 January, 1997. According to the information made available to the Committee, the Ministries/Departments concerned were also reminded by the Department of Expenditure at regular intervals to furnish the requisite explanatory notes relating to Appropriation Accounts for the year 1996-97. However, many Ministries/Departments continued to default on this account and failed to furnish the requisite notes to the Committee in time as would be seen from the following statement:—

Sl. No.	No. and Name of Grant	Date of presentation of relevant Appropriation Accounts	Date of sending of Explanatory Notes	Delay
1.	8-Deptt. of Tourism	5-6-1998	29-07-1998	One month & 24 days
2.	24-Deptt. of Economic Affairs	-do-	13-08-1998	More than two months
3.	56-Broadcasting Services	-do-	20-10-1998	Four months & 15 days
4.	62-Ministry of Mines	5-6-1998	14-7-1998	More than one month
5.	82-Urban Development, Urban Employment and Poverty Alleviation	-do-	28-09-1998	Three months & 23 days
6.	83-Public Works	-do-	28-09-1998	-do-
7.	14-Telecommunication Services	8-6-1998	25-08-1998	Two months & 17 days
8.	Grants operated by M/o Railways	9-6-1998	24-06-1998	15 days

17. The explanatory notes as furnished by the Ministries/Departments for regularisation of excess expenditure incurred under grants/appropriations operated by them during 1996-97 are reproduced at Appendices I to VIII to this Report.

IV. Examination of Select Cases of Excess Expenditure

18. In the succeeding sections of this Report, the Committee have dealt with some of the prominent cases of excess expenditure during 1996-97 in the light of the facts brought out in the relevant Appropriation Accounts and audit observations thereon, oral evidence tendered before the Committee and the explanatory notes furnished by the Ministries/Departments concerned.

(A) Appropriation Accounts (Civil)

(a) Capital Section (Voted) of Grant No. 8—Department of Tourism

19. Under Capital Section (Voted) of Grant No. 8—Department of Tourism, original provision was Rs. 13.10 crore which was augmented to Rs. 16.10 crore through supplementary grant obtained in March 1997. As against this, the Department of Tourism incurred an actual expenditure of Rs. 19.82 crore resulting in an excess expenditure of Rs. 3.72 crore during 1996-97.

20. The complete text of the explanatory note indicating reasons for excess expenditure incurred under various sub-heads of this grant as furnished by Department of Tourism, is reproduced at Appendix—I. According to this explanatory note, the excess expenditure of Rs. 3.72 crore was mainly due to requirement of additional funds owing to an impetus given to development of Tourism Infrastructure in the country.

21. Explaining the reasons for excess expenditure, the Department of Tourism in their note stated that there was variation in the provisions between the Main Demands for Grants passed by Parliament and detailed Demands for Grants which was noticed at the time of preparation of the Appropriation Accounts for the year 1996-97. The Department also stated that they continued to incur expenditure based on the provision contained in detailed Demands for Grants. The Department further stated that at the time of preparation of the budget estimates for the year 1996-97 and submission to the Ministry of Finance for approval and placing before Parliament, provisions for the activities relating to development of Tourism Infrastructure were kept under the Revenue section despite the fact that the activities were of capital nature and provisions were also made under Capital section in the detailed Demands for

Grants without taking into consideration the proposals already submitted under the Revenue section.

22. The Department further stated in their note that the difference in the two sets of figures in the Main and Detailed Demands for Grants had arisen due to the Budget Division of Ministry of Finance not agreeing to the proposed changes in the Supplementary Budget Estimates at the last stage and not communicating the same to the Ministry. According to the Department of Tourism, the Ministry of Finance subsequently suggested that Detailed Demands might be amended through a corrigendum as Main Demands could not have been amended. It has also been stated that these discrepancies had been sorted out at the Revised Estimates stage and that the whole problem was only of a technical nature as the Appropriation Accounts did not take into account the Revised Estimates figures.

(b) Revenue Section (Voted) of Grant No. 24—Department of Economic Affairs

23. Under Revenue Section (Voted) of Grant No. 24—Department of Economic Affairs, an expenditure of Rs. 3058.47 crore was incurred against the total provision of Rs. 3056.29 crore resulting in an excess expenditure of Rs. 2.18 crore during 1996-97.

24. The complete text of the reasons for excess expenditure incurred under various sub-heads of this Grant, as furnished by Ministry of Finance (Deptt. of Economic Affairs) is reproduced at Appendix-II.

25. A scrutiny of the explanatory note furnished by the Department of Economic Affairs has revealed that the excess was mainly due to debit of Rs. 21.42 crore wrongly raised in MH-3475 which was in fact required to be debited to some other Head. The Department also stated that in fact there is no excess expenditure under this Head in the year 1996-97, as the excess expenditure was booked debiting the Head wrongly due to oversight. According to the Ministry, the mistake of wrong booking of expenditure is now being rectified in the Supplementary Account through a Transfer Entry during March 1998.

26. When asked about the reasons for such mistake going undetected during 1996-97 itself, the representative of Ministry of Finance stated during evidence:—

“We had discovered it after the accounts were closed. But we have now corrected it in the Supplementary account.”

27. On being asked whether the mistake committed during 1996-97 could be corrected in the accounts of the subsequent year, the representative of Ministry of Finance stated:

“...For Debt Deposit heads, we can do that. There are certain heads in the Government classification where the procedure permits our correcting it in the next year.”

(c) Capital Section (Voted) of Grant No.82—Urban Development, Urban Employment & Poverty Alleviation

28. Ministry of Urban Affairs and Employment incurred an excess expenditure of Rs. 50.15 crore over and above the sanctioned provision of Rs. 226.16 crore under Capital Section (Voted) of Grant No.-82 Urban Development, Urban Employment & Poverty Alleviation.

29. The explanatory note furnished by the Ministry of Urban Affairs & Employment on this aspect is reproduced at Appendix-V.

30. It is seen from the explanatory note furnished by the Ministry that one of the main reasons for excess expenditure under this grant was an expenditure of Rs. 50.99 crore which had occurred under a single head viz., M.H.-4217-03-Delhi Metro Rail Corporation. According to the Ministry, the Cabinet had clearly provided for a scheme of funding for Delhi Mass Rapid Transit Scheme and it was decided after a number of discussions that at least Rs. 50 crore should be released towards equity during 1996-97. The Ministry provided for Rs. 50 crore in their revised estimates for DMRC utilising savings available with them. In this context, the Ministry also stated in their note as follows:

“A proposal for a supplementary grant was accordingly floated and a token supplementary of Rs. 1.00 lakh was approved by the Parliament. The note No. (d) (Appendix-V) relating to this token supplementary reads as follows:—

“For investment of Rs. 5000 lakhs in equity capital of Delhi Metro Rail Corporation Limited in 1996-97. As savings are available within the grant to meet this additional expenditure, supplementary grant is sought for a token amount.”

Reading all the above, it is clear that the Parliament had approved the release of Rs. 5000 lakhs as an equity to the DMRC by utilising the savings in the grant. The Parliament had, accordingly, approved the proposal.

Moreover, the release of equity to DMRC was imperative as the project was of national importance and each day delay meant an escalation of Rs. 2 crores. In this case, the savings to the extent of over Rs. 100 crores was available on the Revenue side and the Ministry was of the view that these savings could be utilised to release the equity capital to Delhi Metro Rail Corporation in view of the background explained above. Nevertheless the inadvertent non-observance of GID No. 2(II) below rule 10 of DFPR is regretted and may kindly be condoned. The Hon'ble PAC is requested to regularise the same.”

31. The Audit have, however, pointed out in sub-paragraph 20.4.1 of C&AG's Report No. 1 of 1998 that the Ministry of Finance did not agree to the proposal of the Ministry for reappropriation of savings in the

Revenue (Voted) section to the Capital (Voted) section on the ground that the savings of the Revenue section cannot be reappropriated to the Capital section. Despite the refusal by Ministry of Finance, the Ministry issued reappropriation orders transferring Rs. 49.99 crore from Revenue section to Capital section. The Controller of Accounts also did not accept such reappropriation of funds from Revenue Section to Capital section with the result that an excess expenditure occurred under this head.

32. Considering the fact that Rule 10 of the "Delegation of Financial Power Rules" clearly stipulates that savings in Revenue section are not available for re-appropriation in the Capital section or *vice versa*, the Committee desired to know whether the Ministry specifically informed the Parliament at the Supplementary Demands stage that re-appropriation would be made from Revenue Section to meet liabilities in the Capital section under the head Delhi Metro Rail Corporation and how the Ministry now contend that Parliament had approved the release of Rs. 50 crore as an equity by utilising the savings in the grant when the Ministry of Finance had not agreed to the proposal of Ministry of Urban Affairs in this regard and their own Controller of Accounts also did not accept the reappropriation order under reference. In this reply, the representative of Ministry of Urban Affairs and Employment stated during evidence:

"Savings were on the Revenue account and when we went for Supplementary Demand to the Parliament, in our note to the Lok Sabha we had clearly mentioned that there is a saving in the Grant and we wish to utilise it for funding it as additional equity to DMRC. Our intention to Parliament was very clear, that there was a saving in the Grant. We did not specify that saving is in Revenue or in the Capital side but we made it very clear. Parliament being the supreme authority for appropriation, we assumed that the Parliament while agreeing to Supplementary Demand had agreed to our request and accordingly this was done."

He further stated:

"Perhaps the only difference is, in such a case where saving is available we have to take technical supplementary. According to the laid down procedure we should have taken a technical supplementary for the full amount. The technical difference is, we have taken a token supplementary. We have regretted it and we assure this august House that in future we shall be more careful."

(B) Appropriation Accounts (Telecommunication Services)

Revenue Section (Voted) of Grant No. 14—Telecommunication Services

33. An examination of the Appropriation Accounts of the Telecommunication Services reveals that there was an overall excess of Rs. 448.07 crore over the authorised provisions of Rs. 12598.58 crore in the Revenue (Voted) section of Grant No. 14 during the year 1996-97.

34. The complete text of the explanatory note furnished by the Department of Telecommunications on the excess expenditure under this Grant is enclosed at Appendix-VII.

35. Explaining the reasons for the excess expenditure in the Revenue section of this grant, the Department of Telecommunications *inter-alia*, stated in their explanatory note as follows:

"This is the cumulative effect of excess under MH. 3231—Appropriation from Telecom Surplus (Rs. 943.95 crores) (mainly due to additional revenue and less working expenses) and partly under MH. 3230—Dividend to General Revenues (Rs. 20.34 crores), MH. 3451—Secretariat (Rs. 0.27 crores) and MH. 2852—Industries—Expenditure met from National Renewals Fund (Rs. 4.59 crores) set off by savings under MH. 3225—Working Expenses (Rs. 504.34 crores) and MH. 3275—Other Communication Services (Rs. 16.74 crores).

...Appropriation of Surplus to Reserve Funds was an accounting adjustment of the operating surplus of the Department and does not involve any cash outgo."

36. On being enquired as to how could the Department incur huge excess expenditure under "Appropriation of the Telecom Surplus to Reserve Funds" without authorisation by Parliament, the representative of the Department stated during evidence:

"If you permit me, I would put it that calling it an excess expenditure is really in a way a misnomer. What has happened is that we have earned more revenue and we have spent less on working expenses. As a result of this our contribution to the Capital Reserve Fund, out of which we can draw money for capital expenditure, has gone up. Technically, no doubt, it is an excess over the revenue section by Rs. 448 crore. But it is not as though we have spent Rs. 448 crore more we have earned more and we have spent less.

In other Ministries, what happens is that the grants are made available by the Ministry of Finance by way of budgetary support. That is how the expenditure is met. In the Department of Telecom that is not the position. The Government expects that we must earn our own revenues and we must meet capital expenditure out of those revenues plus other resources and if you kindly peruse the Budget Document, you will find that it is for this reason that the provisioning in the budget for the Department of Telecom is on net basis, that is, only those elements which are supposed to be funded by the Ministry of Finance by way of budgetary support or grant are budgeted for and shown against the Department of Telecom. The rest of it is supposed to be funded by us internally and how we do it is that we have the revenue earned from our own network and other sources such as

VSNL, etc. In earning that kind of revenue, we have to incur expenditure on salary, allowances, maintenance, etc. provide for depreciation, and after this we are left with a certain surplus.”

37. In reply to a pointed question whether the Department agreed that they could not anticipate excess expenditure under the aforesaid head of account, the representative of Department of Telecommunications deposed:

“I agree that we could not anticipated it in time.”

38. In this context, it may be worthwhile to mention that the Department of Telecommunications had been persistently registering excess expenditure under “Appropriation of the Telecom Surplus to Reserve Funds” from 1994-95 as per details given below:

Year	Quantum of excess expenditure under the head “Appropriation of the Telecom Surplus to Reserve Funds” (Rs. in crore)
1994-95	259.89
1995-96	520.28

(C) Appropriation Accounts (Railways)

39. A scrutiny of Appropriation Accounts of Railways reveals that there was an overall excess of Rs. 191.01 crore over the authorised provision under eight grants (4, 6, 7, 8, 11, 12, 13 & 16) and three appropriations (3, 9 & 16). Taking into account the effect of misclassifications in the accounts, the actual excess requiring regularisation worked out to Rs. 191.34 crore as brought out earlier in this Report.

40. The following table indicates the quantum of excess expenditure incurred *vis-a-vis* the sanctioned provisions under the different grants/appropriations:

(In units of Rs.)

Sl. No.	No. & Name of Grant/ Appropriation	Total Sanctioned Provision	Excess expenditure	Effect of misclassification of expenditure	Actual excess expenditure requiring regularisation
1	2	3	4	5	6
	Voted Grants				
1.	4-Working Expenses—Repairs and Maintenance of Permanent way and works	1763,71,69,000	13,68,10,326	1,02,83,280	14,70,93,606
2.	6-Working Expenses—Repairs & Maintenance of Carriages & Wagons	1829,60,71,00	30,73,35,643	(-)1,62,00,000	29,11,35,643

1	2	3	4	5	6
3.	7-Working Expenses—Repairs & Maintenance of Plant & Equipment	936,84,99,000	13,82,28,905	(-)78,82,091	13,03,46,814
4.	8-Operating Expenses—Rolling Stock & Equipment	1539,28,97,000	24,12,72,533	-Nil-	24,12,72,533
5.	11-Working Expenses—Staff Welfare & Amenities	675,80,49,000	4,51,41,893	(-)1,26,338	4,50,15,555
6.	12-Miscellaneous Working Expenses	854,52,84,000	28,22,58,991	26,01,225	28,48,80,216
7.	13-Provident Fund, Pension & Other Retirement benefits	2497,51,20,000	23,84,66,708	-Nil-	23,84,66,708
8.	16-Assets-Acquisition, Construction and Replacement—Railway Funds (DRF, DF and Capital Fund)	5036,64,11,000	49,91,14,775	1,46,69,730	51,37,84,505
Charged Appropriations					
9.	3-Working Expenses—General Superintendence and Services	2,10,000	5,59,900	-Nil-	5,59,900
10.	9-Working Expenses—Operating Expenses—Traffic	4,00,000	5,43,502	-Nil-	5,43,502
11.	16-Assets-Acquisition, Construction and Replacement—Other Expenditure—Railway Funds	4,71,21,000	2,03,69,574	-Nil-	2,03,69,574

It would be seen from the above table that the excess expenditure was over Rs. 10 crore in seven out of 11 cases of grants/appropriations which registered excess expenditure operated by the Ministry of Railways. It would also be seen from the above table that six grants were effected by misclassification of expenditure.

41. The explanatory note furnished by the Ministry of Railways on this aspect is reproduced at Appendix-VIII to this Report.

Persistent Excess Expenditure

42. The past trends of expenditure in the Ministry of Railways indicate that excess expenditure in the Ministry of Railways has been a recurring phenomenon as it would be seen from the following table:

Year	No. of Excess registering Grants/ Appropriations	Excess Expenditure
1	2	3
		(Rs. in crores)
1989-90	9	196.42
1990-91	8	272.51

1	2	3
1991-92	9	294.01
1992-93	3	539.28
1993-94	8	1216.83
1994-95	5	392.10
1995-96	4	603.27
1996-97	11	191.34

The above table shows that while the quantum of excess expenditure during 1996-97 registered decline, the number of cases of excess registering grants/appropriations had increased to 11 which is highest when compared to the preceding seven years.

43. On being asked about the measures taken by the Ministry to avoid incurring of excess expenditure the representative of Railway Board stated during evidence:

"It is certainly our endeavour to reiterate the existing instructions on financial discipline and by which we mean that they should do correct Budgeting, they should spend correctly and they should apply for sanction in time whenever any excess is inevitable. We are trying to enforce all these things. We will continue to do this."

He further added:

"....As far as the system is concerned, we are constantly trying to improve it. We have computerised the budgeting. We are monitoring every month. We are getting the monthly figures."

44. In reply to another related query, the witness deposed:

"As the scale of operations increases and as the complexity of this expenditure increases we have to take a real time mechanism to get the expenditure incurred by every spending unit. We are now taking action for computerising our accounting systems."

Misclassification of expenditure

45. In the light of recurring nature of a number of cases of misclassification of expenditure being reported in the Appropriation Accounts of the Ministry of Railways, the Public Accounts Committee had in paragraph 1.38 of their 74th Report (10th Lok Sabha), desired that the cases of misclassification in expenditure should be sternly dealt with and the Committee apprised of the precise action taken against officers held responsible for these lapses. In their action taken note, the Ministry stated that "it will be the constant endeavour of the Railways to arrest the incidence of misclassification while booking expenditure and any instance of misclassification would be viewed severely and taken up with the defaulting Railways/Production units for determination of responsibility for the misclassification." It is, however seen from the Appropriation

Accounts that a large number of cases of misclassification of expenditure had again occurred during the year 1996-97.

46. When asked about the large number of cases of misclassification of expenditure occurring in Railway accounts year after year, the representative of the Railway Board stated:

“...these are not deliberate misclassifications they are purely errors of judgement.”

The witness further added:

“...Sometimes there is a difference of opinion or difference of perception between our audit brethren and our Accounts Officers. It is a matter of interpretation of the rule. But the audit takes a different view and then it comes in the Appropriation Accounts as misclassification.”

47. In reply to a question about the steps taken to eliminate such incidents of misclassification in booking the expenditure, the representative of Railway Board stated during evidence:

“.....We are repeatedly reiterating the instructions.”

V. Conclusions and Recommendations

48. The Committee note that an expenditure of the order of Rs. 706.72 crore had been incurred by various Ministries/Departments of the Union Government in excess of the provision authorised by Parliament under 21 grants/appropriations during the year 1996-97. The Committee are particularly astonished to find that bulk of this excess expenditure had been recorded under the lone grant operated by the Department of Telecommunications which accounted for over 63 per cent of the total excess expenditure incurred during that year. Another disquieting aspect observed by the Committee is that excess expenditure of over one crore rupees had been incurred in as many as 16 cases out of which nine grants/appropriations were operated by the Ministry of Railways. What is still more disturbing is the fact that the number of excess registering grants/appropriations during 1996-97 had suddenly gone up to 21 in sharp contrast to the preceding three years when the number of excess registering grants/appropriations showed a steady decline from 16 in 1993-94 to 15 in 1994-95 and 9 in 1995-96. Obviously, the situation has taken a worse turn despite issuance of elaborate instructions at regular intervals by the Ministry of Finance in pursuance of the oft-repeated exhortations of the Public Accounts Committee in the past to contain the instances of excess expenditure to the barest minimum if not eliminate them altogether. The Committee view this situation with grave concern and are of the firm opinion that mere issuance and reiteration of instructions will not produce desired results and that there is an urgent and imperative need to devise

an effective system to ensure rigid enforcement of all those instructions with a view to imparting financial discipline in the Ministries/Departments of Union Government. The Committee therefore desire that the Ministry of Finance (Department of Expenditure) should effectively impress upon the Secretaries in all the Ministries/Departments of Union Government to bear in mind that excess expenditure is "unauthorised expenditure" and it betrays lack of financial discipline. They would also like the Department of Expenditure to devise a strong mechanism for strict application of prescribed financial rules and deal sternly with cases of any deviations from established financial principles so as to curb the undesirable tendency of incurring expenditure having the effect of exceeding the grant or appropriation authorised by Parliament by law for a financial year.

49. The Committee's detailed examination of the Appropriation Accounts for 1996-97 has also revealed that the excess expenditure in 16 grants/appropriations had occurred even after obtaining the supplementary provisions of Rs. 736.17 crore. In the light of the fact that supplementary grants/appropriations were obtained in most of the cases in March 1997, the Committee are convinced that the Ministries/Departments concerned have once again displayed their failure in making realistic assessment of their requirement of funds even at the fag end of the year when they had adequate data on the trend of expenditure and their committed liabilities. Evidently, the supplementary provisions in all these cases were obtained without proper assessment with the result that even these additional funds proved inadequate to meet the actual requirements of the Ministries/Departments concerned. The Committee are of firm belief that these facts bring to sharp focus the inadequacies persisting in the institutional arrangements in the Ministries/Departments in not only realistically assessing their requirement of funds but also in monitoring the trend of expenditure under various heads of accounts. They, therefore, desire the Ministry of Finance (Department of Expenditure) to take concrete measures to ensure that all Ministries/Departments not only put their budget and accounting information systems on proper footing but also take timely corrective action to obtain required funds from Parliament so that no expenditure is incurred in excess of the authorised limits.

50. In accordance with the time schedule prescribed, the Ministries/Departments are required to submit to the Committee the explanatory notes in respect of excess registering grants/appropriations by 31 May of the second following year to which the accounts relate or immediately after the presentation of the relevant Appropriation Accounts to the House whichever is later. Taking note of persisting delays in furnishing the requisite explanatory notes, the Committee in paragraph 65 of their First Report (Eleventh Lok Sabha) had desired that in future the Monitoring Cell in the

Department of Expenditure should be entrusted with the task of coordination, collection and timely submission to the Committee of relevant explanatory notes, duly vetted by audit, on excess expenditure in respect of all the Appropriation Accounts of the Union Government for the year 1995-96 onwards. The Committee also desired that the Secretaries of the administrative Ministries/Departments concerned should be held personally responsible for any delay in submission of the requisite explanatory notes. According to the information made available to the Committee, the Controller General of Accounts in the Department of Expenditure vide a communication dated 31 January, 1997 had brought these observations of the Committee to the notice of Secretaries of the Ministries/Departments of Union Government. Subsequently, the Ministries concerned were also reminded by the Department of Expenditure at regular intervals to submit the relevant explanatory notes on excess expenditure in time to the Committee in respect of Appropriation Accounts for the year under review. However, Ministries/Departments of Government continued to default on this accounts and the explanatory notes in respect of all the excess registering grants/appropriations during 1996-97 were made available to the Committee with a delay ranging from 15 days (in case of Grants operated by Ministry of Railways) to 4 months and 15 days (in case of Grant No. 56 Broadcasting Services). While taking a serious view of this delay on the part of the Ministries concerned, the Committee feel convinced that there is a crying need for improvement in the procedure for submission of explanatory notes on excess expenditure within the stipulated time. The Committee therefore, recommend that the Department of Expenditure should address this issue seriously and introduce a system whereby the explanatory notes on excess expenditure are prepared by the administrative Ministries/Departments concerned and got vetted from the Audit simultaneously with the relevant annual Appropriation Accounts. Such explanatory notes can subsequently be collected by the Monitoring Cell in the Department of Expenditure which should ensure submission of the same to the Committee strictly in accordance with the time schedule prescribed in this regard. The Committee trust that appropriate and urgent steps would be taken by the Department of Expenditure to revamp the procedure for submission of explanatory notes with a view to effecting improvements in right direction.

51. The Committee find from their scrutiny of select cases of grants having registered excess expenditure that Capital section (voted) of Grant No. 8—Department of Tourism registered an excess expenditure of Rs. 3.72 crore mainly due to requirement of additional funds for development of Tourism Infrastructure in the country. A scrutiny of the explanatory note furnished by the Department of Tourism in this regard revealed that provisions for the activities relating to development of Tourism infrastructure were kept under the Revenue section by the Department despite the fact that such activities were of capital nature. According to the Department, provisions were also simultaneously made in the Capital

section in the Detailed Demands for Grants and this discrepancy could be detected by the Department only at the time of preparation of Appropriation Accounts for the year 1996-97. Although the Department of Tourism have pleaded that the discrepancies were sorted out at the Revised Estimates stage and that the whole problem was only of a technical nature, the Committee consider it to be an obvious case of sheer negligence at all levels in the Budget Wing of the Department of Tourism. The Committee also express their dissatisfaction over the lack of understanding and reconciliation displayed by the Department of Tourism which failed to take appropriate and timely remedial steps to rectify erroneous depiction of requirement of funds. They therefore, desire that responsibility must be fixed for the lapse in the instant case and trust that the Department of Tourism would be extra cautious while preparing their Budget Estimates.

52. The Committee are astonished to find another case where excess expenditure of Rs. 2.18 crore had occurred due to accounting lapse of erroneous booking of expenditure in the Revenue section (voted) of Grant No. 24— Department of Economic Affairs. The Committee's scrutiny of this grant revealed that a debit of Rs. 21.42 crore was wrongly raised against a Major Head ostensibly on the ground of "oversight". What is more regrettable is that the Department of Economic Affairs failed to detect this error before finalisation of the Appropriation Accounts particularly when the grant had registered an excess expenditure. The Committee take a serious view of this lapse and they stress that misclassification/errorneous booking of expenditure should in no case be allowed to result in excess expenditure. The Committee are of the firm opinion that enquiry should invariably be made in all such cases and responsibility fixed for the lapse.

53. The Committee express their serious concern over another instance of deviation from the prescribed financial principles which resulted in an excess expenditure of Rs. 50.15 crore in the capital section (voted) of Grant No. 82—Urban Development—Urban Employment and Poverty Alleviation. On scrutiny of the explanatory note furnished in this regard, the Committee find that the Ministry of Urban Affairs and Employment had re-appropriated a sum of Rs. 49.99 crore from Revenue section to the Capital section of the grant in total violation of the financial rules which clearly stipulate that savings in the Revenue section are not available for reappropriation in the Capital section or vice-versa. What is still more shocking is the fact that the Ministry went ahead with their irregular re-appropriation order transferring the amount from Revenue section to the Capital section despite the Ministry of Finance having not agree to the proposal and objection from their own Controller of Accounts who also did not accept such re-appropriation of funds. The Committee are not inclined to accept the assertions made by the Ministry that the savings to the tune of Rs. 100 crore were available under the Revenue section and that those savings could be utilised to release the equity in the Capital section in view of their proposal of token supplementary grant of Rs. 1.00 lakh having been

approved by Parliament. On the other hand, the Committee are of the firm view that this case is clearly illustrative of failure of the Ministry to apprise Parliament in right perspective when token supplementary provisions were obtained. Evidently, the Ministry in their anxiety to release the equity capital to Delhi Metro Rail Corporation, made an attempt to re-appropriate funds in infringement of the established financial principles. While accepting the regrets expressed by the Ministry for the lapse in the instant case, the Committee trust that the Ministry of Urban Affairs and Employment would exercise greater care in future so as to help maintain the sanctity and propriety of financial rules.

54. The Committee's examination of the Appropriation Accounts of the Telecommunication Services revealed that the Department of Telecommunications registered an aggregate excess expenditure of Rs. 448.07 crore under Revenue section (voted) of Grant No. 14 during the year 1996-97. According to the Department, this excess expenditure was mainly attributable to excessive appropriations made to the Reserve Funds on account of more surplus having been generated due to realisation of more revenue and incurring of less working expenses during the year under review. A scrutiny of explanatory note furnished in this regard revealed that the Department had exceeded the authorised provisions by Rs. 943.95 crore for appropriation from Telecom surplus which was partly off set by the savings of Rs. 504.34 crore under "Working Expenses". The Committee's detailed analysis of the Appropriation Accounts for the preceding two years however, revealed that the Department of Telecommunications had persistently made such appropriations from Telecom surplus to Reserve Funds in excess of authorised provisions to the extent of Rs. 259.89 crore in 1994-95 and Rs. 520.28 crore in 1995-96. Incidentally, both those years witnessed large scale unspent balances under "Working Expenses" amounting to Rs. 605.88 crore in 1994-95 and Rs. 419.22 crore in 1995-96. Taking note of this recurring trend of excess expenditure of similar nature leading to excessive appropriations to Reserve Funds from 1994-95 onwards, the Committee feel convinced that the Department of Telecommunications had been vitiating the budgetary process and generating a sort of artificial surplus for enhancing appropriations to their Reserve Funds by registering large scale savings under various heads relating to "Working Expenses of the Telecommunication Services". While expressing their displeasure over the manner in which the Department had indulged in making increased appropriations to their Reserve Funds in excess of the amounts authorised by Parliament, the Committee desire that the Department should urgently undertake a thorough review of their budgetary systems in right earnest so as to avoid excess expenditure and violation of budgetary ceilings of this nature in future.

55. The Committee find from examination of Appropriation Accounts of the Railways that an expenditure aggregating Rs. 191.01 crore had been incurred over and above the sanctioned provisions in 11 cases of grants/appropriations obtained by the Ministry of Railways during 1996-97. After taking into account the effect of misclassifications noticed subsequently, the actual expenditure requiring regularisation worked out to Rs. 191.34 crore. Surprisingly, the quantum of excess expenditure has exceeded even Rs. 10 crores in seven out of 11 cases of excess registering grants/appropriations during the year under review. What is still more disturbing is the fact that the number of excess registering grants/appropriations have recorded the highest in comparison to the preceding seven years. As in the past, the Ministry of Railways have attributed their excess expenditure mainly to such items which were of routine and of anticipatory nature. However, the Ministry have not explained in their note the precise reasons for their failure to make provision for those items at the time of preparing the original budget or at the time of seeking supplementary grants. The Committee are concerned to note that the excesses under the grants operated by Ministry of Railways has become a recurring phenomenon and the position has been deteriorating. The very fact that year after year, the excesses are attributed to almost the same causes indicates that no serious efforts have been made by the Ministry to go deeper into the malady and to apply necessary correctives. The Committee therefore recommended that the Ministry of Railways should conduct an indepth review of their financial system so as to gear up their existing system of monitoring and expenditure control. The Committee expect that such a review would be undertaken on priority basis and Committee apprised of the same within six months from the presentation of this Report.

56. While examining the excess expenditure in the grants/appropriations operated by the Ministry of Railways during the year 1996-97, the Committee had also noticed cases of misclassification of expenditure effecting as many as six grants. The gravity and enormity of these lapses becomes starker in the light of the fact that similar instances had persistently recurred in the accounts of the Railways in the recent past. The Committee are not inclined to agree to the plea put forth by the Ministry of Railways that those cases were not of deliberate misclassification but were purely errors of judgement. The Committee are rather of the firm opinion that these misclassifications occurred mainly due to lack of understanding of or disregard to the financial rules at the various levels in the Ministry of Railways. The Committee therefore desire that stringent measures be taken to avoid such misclassifications in future and responsibility fixed for the glaring errors noticed in all such instances.

57. Subject to the observations made in the preceding paragraphs, the Committee recommend that the expenditure referred to in Paragraph 10 of this Report be regularised in the manner prescribed in Article 115(1)(b) of the Constitution of India.

NEW DELHI;
7 December, 1998

16 Agrahayana, 1920(Saka)

MANORANJAN BHAKTA,
Chairman,
Public Accounts Committee.

APPENDIX I
GOVT. OF INDIA
M/o Civil Aviation & Tourism
Deptt. of Tourism

Excess Note

Note for Public Accounts Committee in respect of excess occurred under Capital Section (Voted) of Grant No. 8 M/o Civil Aviation & Tourism as disclosed in the Union Government Appropriation Accounts (Civil) for 1996-97.

Capital Section (Voted)	(Rupees in thousands)
Original Grant	13,10,00
Supplementary Grant	3,00,00
Total Grant	16,10,00
Actual Expenditure	19,81,98
Excess	3,71,98

2. Under Capital Section (Voted) of Grant No. 8 Ministry/Deptt. of Tourism for 1996-97 the total provision was Rs. 13,10,00 thousands. This was augmented to Rs. 16,10,00 thousands by obtaining Supplementary Grant of Rs. 3,00,00 thousands. Against this, the expenditure of Rs. 19,81,98 thousands was incurred resulting in excess of Rs. 3,71,98 thousands.

3. The excess of Rs. 3,71,98 thousands was the net effect of total savings of Rs. 31,34 thousands and total excesses of Rs. 4,03,32 thousands under various sub-heads of the Grant. The sub-head under which excess of Rs. 5 lakhs and above occurred and reasons thereof are explained as below:—

(i) Sub-Head:

5452	Capital Outlay on Tourism
01	Tourist Infrastructure
102	Tourist Accommodation
04	Budget Accommodation

	(Rupees in lakhs)
Original Grant	5,36.68
Supplementary Grant	3,00.00
Total Grant	8,36.68
Actual Expenditure	12,40.00
Excess	4,03.32

4. The excess of Rs. 403.32 Lakhs (against the total sanctioned provision of Rs. 836.68 lakhs including supplementary grant of Rs. 300.00 lakhs) was

due to requirement of additional funds owing to an impetus given to development of Tourism Infrastructure in the country. Further there was variation of provisions between the main demands for grants passed by the Parliament and detailed demands for grants was noticed at the time of the preparation of the appropriation accounts for the year 1996-97. The department continued to incur the expenditure based on the provisions contained in detailed demands for grants.

5. The difference in two sets of figures in the Main and Detailed Demands for Grants had arisen due to the Budget Division of Ministry of Finance not agreeing to the proposed changes in the SBE at the last stage and not communicating the same to the Ministry. Ministry of Finance subsequently suggested that Detailed Demands may be amended through a corrigendum as Main Demands could not have been amended. In the Detailed Demands, however, there was no difference with the proposed changes. At the Revised Estimates these discrepancies had been sorted out and duly approved by the Ministry of Finance and the Parliament. The whole problem thus was only of a technical nature as the Appropriation Accounts do not take into account the Revised Estimate figures.

6. At the time of the preparing the Budget estimates for the year 1996-97 and submission to the Ministry of Finance for approval and placing before the Parliament the provisions for the activities were kept under the revenue section. The activities actually related to development of Tourist Infrastructure which are of capital nature and as such provisions were made under capital section in the detailed demand for grants without taking into consideration the proposals already submitted under the Revenue Section for placing before the Parliament.

7. The above instance has been noted for strict future compliance and no such instances have been reported in the succeeding years. The officials concerned have been instructed to keep a strict watch over such matters to avoid recurrences.

This has been vetted by Audit *vide* their U.O. No. RR/11-2/98-99/400 dated 27.7.98.

Sd/-
(K.S. MENON)
Jt. Secretary & Financial Advisor.

APPENDIX II
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

Excess Note

Action Taken Note by the Government on Item No. 9 of paragraph 12.1 of Chapter XII of the Report of the Comptroller and Auditor General of India for the year ended 31st March, 1997 — No. 1 of 1998 — Union Government (Civil) — concerning excess under Revenue Section (Voted) of Grant No. 24 — Department of Economic Affairs, Ministry of Finance for 1996-97.

Revenue Section (Voted)	(Rupees in Thousands)
Original Grant	: 3056,29,00
Supplementary Grant	: Nil
Total Grant	: 3056,29,00
Actual Expenditure	: 3058,47,05
Excess	: 2,18,05

2. The total provision under Revenue Section (Voted) under Grant No. 24 — Department of Economic Affairs for 1996-97 was Rs. 3056,29,00 thousands. No Supplementary Grant was obtained. Against this the expenditure of Rs. 3058,47,05 thousands was incurred resulting in an excess expenditure of Rs. 2,18,05 thousands.

3. The excess of Rs. 2,18,05 thousands was the net effect of savings and excesses under various sub-heads of the Grant. The sub-heads under which excess of Rs. 5 lakh and above have occurred and reasons therefor are explained as below:—

MH 2047

(i) Sub-Head 04 — Cost of Printing of Saving Certificates, Cheque Books, ND Bonds etc.

	(Rupees in Lakhs)
Original Grant	: 210.00
Supplementary Grant	: Nil
Total Grant	: 210.00
Actual Expenditure	: 230.00
Excess	: 20.00

The requirement of more funds under this sub-head is attributable to the fact that the requirement for printing of saving certificates etc., have been more, because more investors have purchased the certificates in comparison to the anticipated selling out of certificates etc. Moreover, the cost of printing was higher due to high cost of paper.

(ii) Sub-Head 13 — Implementation of Special Courts (Trial of Offences relating to transactions in Securities) Ordinance, 1992

(Rupees in Lakhs)

Original Grant	:	120.60
Supplementary Grant	:	Nil
Total Grant	:	120.60
Actual Expenditure	:	134.20
Excess	:	13.60

Office of the Custodian, Special Court was occupying a portion on the 9th floor of Nariman Bhawan, Nariman Point, Mumbai as office accommodation for its branch office for the period August, 1992 to 30th June, 1996. IDBI had raised the demand for reimbursement of the entire arrears of rent and allied charges with the Special Court on 8th Oct, 1996 *i.e.* after the finalisation of Budget for 1996-97. No rent was paid for that period earlier and the Industrial Development Bank of India was pressing for reimbursement of the entire arrears of rent and allied charges for the period. They were pressing either to pay the rent or vacate the premises. Accordingly, payment of Rs. 31.66 lakh was made as rent to IDBI, as it was not possible to defer the payment for the next year. Hence, there was an excess expenditure of Rs. 13.60 lakh under this sub-head after adjusting savings in some other object Heads. Supplementary Grant was not obtained, as there were savings in other-Heads to meet the expenditure.

(iii) Sub-Head 04 — Contribution to Enhanced Structural Adjustment Facility Trust Subsidy Account of International Monetary Fund (IMF)

(Rupees in Lakhs)

Original Grant	:	325.00
Supplementary Grant	:	Nil
Total Grant	:	325.00
Actual Expenditure	:	358.60
Excess	:	33.60

Govt. of India is required to make fixed payment of \$ 1 million annually. When the proposal for Budget Estimates for 1996-97 was sent, the value of dollar was Rs. 32.50. The value of dollar had appreciated to Rs. 35.86 on the date of payment *i.e.* 31st July, 1996. As the dollar has appreciated and it was an international commitment to make the payment annually, an expenditure of Rs. 358.60 lakh was incurred. This resulted in incurring an excess expenditure. No Supplementary Grant was thought to be necessary, as there were adequate savings under the other Heads to meet the above additional expenditure.

MH 3475**(I) Sub-Head 02 — Contribution to Common Wealth Fund for Technical Co-operation**

		(Rupees in Lakhs)
Original Grant	:	309.50
Supplementary Grant	:	Nil
Total Grant	:	309.50
Actual Expenditure	:	358.93
Excess	:	49.43

India's contribution for the Common Wealth Fund for Technical Co-operation was fixed at 6 lakh pound sterling in September/October, 1995. At that time the value of pound was Rs. 51.60 or so. The pound sterling had appreciated against the rupee after finalisation of the Budget Estimates for 1996-97. The payment was made in Feb., 97 in two instalments. At that time, the value of pound was around Rs. 58.80. It is not possible to anticipate whether the pound will appreciate/depreciate against the rupee. Therefore, the estimates are also based on the prevailing rate of exchange on the date of sending the proposal of Budget Estimates to the Integrated Finance. Since this was an international commitment, payment to the tune of Rs. 358.93 lakh was made at the prevailing rate of exchange. Therefore, there was an excess expenditure of Rs. 49.43 lakh. Supplementary Grant was not thought to be necessary, as there were savings in other Heads.

(II) Sub-Head 13.03—War Risk (Marine Hulls)

		(Rupees in Lakhs)
Original Grant	:	1334.59
Supplementary Grant	:	Nil
Total Grant	:	1334.59
Actual Expenditure	:	3526.41
Excess	:	2191.82

The provision under this sub-head is made for Inter Account Transfer for the various schemes/funds etc. These schemes are funding schemes of the Govt., wherein, the entire amount of insurance premium received from the subsidiaries of insurance companies of the General Insurance Corporation of India, acting as Government agencies under the scheme is transferred to the fund. Expenditure towards payment of claims, administrative expenses of the Govt. Agents under the scheme etc. is incurred out of this fund. There is no net out-go from the Consolidated Fund of India. In 1996-97, Rs. 1384.03 lakh was received from the 4 insurance companies for credit to MH 1475—Other Receipts—War Risks (Marine Hulls) Reinsurance Fund. However, an additional amount of Rs. 2142.38 lakh received from Indian Railways Finance Corporation for credit to MH 8342 was credited to MH 1475 by the Pay & Accounts Office due to oversight. Hence, total amount of Rs. 3526.41 lakh was transferred to MH 8235—Other Reserve Fund by crediting the same and raising the

corresponding debit to MH 3475—Inter Account Transfer to (Marine Hulls) Re-insurance Fund. In fact, there is no excess expenditure under this Head in the year 1996-97, as the excess expenditure was booked debiting the Head wrongly due to oversight. However, the mistake is now being rectified by making transfer entry during March, 1998, supplementary account.

MH 3605

(I) Sub-Head 01—Contribution for Global Environment Facility

(Rupees in Lakhs)

Original Grant	:	597.00
Supplementary Grant	:	Nil
Total Grant	:	597.00
Actual Expenditure	:	1076.22
Excess	:	479.22

India had made a commitment of SDR 57142858 as sixth instalment (pilot phase) and SDR 1.5 million for GEF (I) as third instalment for the year 1996-97. Above projections could not be made while finalising the Budget Estimates 1996-97. This was an international commitment and the expenditure was to be incurred to meet the obligations. Hence, an expenditure of Rs. 1076.22 lakh was incurred. This resulted in an excess of Rs. 479.22 lakh.

(II) Sub-Head 07—Co-operation with other countries

(Rupees in Lakhs)

Original Grant	:	240.00
Supplementary Grant	:	Nil
Total Grant	:	240.00
Actual Expenditure	:	256.82
Excess	:	16.82

Indian Missions are incurring expenditure on air travel on foreign trainees who are to get training under the Colombo Plan. Similarly, other Deptts./Ministries are also incurring expenditure on foreign trainees. The expenditure incurred on air fare on foreign trainees by the Indian Missions etc., have been accounted for in the accounts direct by PAO. As a result of this, more expenditure has been incurred in comparison to the Budget Estimates.

Remedial Action taken/proposed to be taken:

It will be seen that the expenditure has exceeded the total grant/appropriation because a debit of Rs. 2142.38 lakh was wrongly raised in MH 3475 which was in fact required to be debited to some other Head. But for debiting this excess amount in this Demand, the expenditure would have not exceeded the appropriation. Concerned officials are being advised to be more careful in booking of expenditure, so that no mistake occurs.

Since the union accounts have already been adopted and the expenditure of Rs. 218.05 lakh has already been booked as excess expenditure under Revenue Section (Voted) of Grant No. 24—Department of Economic Affairs for 1996-97, it may kindly be recommended for regularisation by Parliament under Article 115 (1)(b) of the Constitution of India. The mistake of booking wrong expenditure is being rectified through a Transfer Entry during Supplementary Account.

This has been vetted by Audit *vide* their U.O. No. RR/11-1/98-99/480, dated 12.8.98.

Sd/-
(N.R. RAYALU)
Financial Adviser.

MOF/DEA's U.O.No. 2/9/97-IFA, dated 12.8.1998

APPENDIX III
GOVERNMENT OF INDIA
MINISTRY OF INFORMATION & BROADCASTING

Excess Note

Note for Public Accounts Committee in respect of Excess occurred under Revenue Section (Voted) of Grant No. 56— Broadcasting Services, Ministry of Information and Broadcasting, as disclosed in the Union Government Appropriation Accounts (Civil) for 1996-97.

Revenue Section (Voted) 1996-97

		(Rupees in thousands)
Original Grant	:	14196200
Supplementary Grant	:	225000
Total Grant	:	14421200
Actual Expenditure	:	14448501
Excess Expenditure	:	27301

2. Under Revenue Section (Voted) of Grant No. 56—Broadcasting Services of the Ministry of Information & Broadcasting for 1996-97, the total provision was Rs. 14196200 thousands. This was augmented to Rs. 14421200 thousands by obtaining supplementary Grant of Rs. 225000 thousands. Against this, the Expenditure of Rs. 14448501 thousands was incurred resulting the excess expenditure of Rs. 27301 thousands.

3. The excess of Rs. 27301 thousands was the net effect of total excess of Rs. 518059 thousands and total savings of Rs. 490758 thousands under various sub-heads of the Grant. A statement in this regard is enclosed as Annexure-I. The sub-heads under which excess of Rs. 5 lakhs and above occurred and reasons therefor are explained as below:—

(A) 01 Sound Broadcasting		(Rupees in lakhs)
(I) 01.001 Direction & Administration		
Original Grant	:	1323.00
Supplementary Grant	:	121.00
Total Grant	:	1444.00
Actual Expenditure	:	1578.08
Excess Expenditure	:	134.08

(a) Excess is mainly due to enhanced payments to Engg. Assistants/Sr. Engg. Assistants/Assistant. Engineers on account of upward revision of

scale of Engg. Assistant from Rs. 425-800 to Rs. 550-900 with effect from 1.1.1978 and from Rs.1400-2600 to Rs. 2000-3200 with effect from 1.1.1986 in satisfaction of Hon'ble Supreme Court Judgement dated 25.11.1994. A copy of M/O I&B's letter No. 310/15/93-B(D) dt. 15.5.95 regarding revision of pay scale of Engg. Assistants is enclosed as Annexure-II. DG:AIR circulated this letter to all stations/offices of AIR on 23.05.95 for further action. The stations, however, started seeking further clarifications because the order was silent about the pay scales of Sr. Engg. Assistants/ Assistant Engineers, the next higher posts in hierarchy to Engineering Assistants, whose scales were continued at the levels of Rs. 1640-2900 & Rs. 2000-3200 respectively. Clarifications regarding fixation of pay of these officers were issued by the Directorate with the approval of Ministry in August, 1996, a copy of which is enclosed as Annexure-III. By that time, most of the stations had sent their R.E 1996-97 proposals with the result that additional provisions could not be asked for in RE 96-97. Arrears of salaries from the date of Court's verdict to the date of fixation of pay of EAs/SEAs/AEs were paid from 'Voted' Grant of financial year 1996-97 and that pertaining to the period upto the date of verdict were paid from 'Charged' Grant. The bifurcation of due-drawn statement of each individual between 'Voted' Grant and 'Charged' Grant took a considerable time. However, payment of arrears of these officers could not be deferred because their association (ARTEE) resorted to mass agitation leading to disruption in transmissions at many stations, leading eventually to unavoidable excess in expenditure.

(b) Hike due to release of additional instalments of IR and DA with effect from 1.4.96 and 1.7.96 respectively from which no provision was made in SBG 1996-97. Payment of Bonus to all Gr. 'C' employees irrespective of pay limit. The requirement of additional funds for these items was assessed at RE stage and the same was made available by re-appropriation out of savings anticipated under other sub-heads. There was no excess, if expenditure for these items is compared with RE 96-97.

(c) & (d) Filling up of vacancies in different cadres because provision for only three months was kept in SBG 96-97. Moreover, an amount of Rs. 6.90 lakhs which was unanticipated at the time of finalisation of SBG 1996-97 was also included in RE 1996-97 proposals for the members of staff put on J&K. election duty. Provisions for these items were made at RE 1996-97 through additional allocations by re-appropriation out of savings anticipated under other sub-heads, and therefore, there was no need for obtaining the Supplementary Grant.

(e) Payment of telephone charges, purchase of vehicles in replacement of condemned vehicles, purchase of furniture for officers posted against newly created posts of IB (P)S, steep increase in rates of stationery items, maintenance charges/spare parts of office machines and equipments, purchase of Fax Machines, photocopiers, word-Processors, electronic typewriters due to increase in requirements of the offices.

(f) Provisions of Rs 4 lakhs had also been included in RE 96-97 for BES Expo, 97 held in Delhi in January, 97 for which no provision was earlier made in SBG 96-97.

(g) Ministry, vide their orders dated 6.4.95, a copy of which is enclosed as Annexure-IV, had revised the rent for PTI Building @ Rs. 5.25 lakhs per month retrospectively w.e.f. 1.4.91. Arrears were paid during the financial year 1995-96. In SBG 1996-97, an allocation of Rs. 30.00 lakhs was provided for this activity, i.e. payment of rent at revised rates, which was increased to Rs. 51.00 lakhs at RE 1996-97 by due re-appropriation within the Grant and no Supplementary was, therefore, required.

.....It may be mentioned that anticipating the requirement of more funds under this sub-head in Revised Estimates 96-97/Final Estimates 96-97, an amount of Rs. 59.27 lakhs was re-appropriated to this sub-head out of the savings anticipated under other sub-heads. This re-appropriated amount being taken into consideration, the excess over Suppl. SBG 96-97 is only Rs. 74.81 lakhs, which is primarily for the reasons at (a) above.

(ii) 01.013 Operation & Maintenance

(Rupees in lakhs)

Original Grant	:	5828.00
Supplementary Grant	:	205.00
Total Grant	:	6033.00
Actual Expenditure	:	6214.17
Excess Expenditure	:	181.17

(a) Excess is mainly due to enhanced payment to Engg. Assistants/Sr. Engg. Assistants/Asstt. Engineers on account of upward revision of scale of Engg. Assistant from Rs. 425-800 to Rs. 550-900 with effect from 1.1.1978 and from Rs. 1400-2600 to Rs. 2000-3200 with effect from 1.1.1986 in satisfaction of Hon'ble Supreme Court Judgement dated 25.11.1994. A copy of M/O I&B's letter No. 310/15/93 -B(D) dt. 15.5.95 regarding revision of pay scale of Engg. Assistants is enclosed as Annexure-II. DG:AIR circulated this letter to all stations/offices of AIR on 23.05.95 for further action. The stations however, started seeking further clarifications because the order was silent about the pay scales of Sr. Engg. Assistants/Assistant Engineers, the next higher posts in hierarchy to Engineering Assistants, whose scales were continued at the levels of Rs. 1640-2900 & Rs. 2000-3200 respectively. Clarifications regarding fixation of pay of these officers were issued by the Directorate with the approval of Ministry in August, 1996, a copy of which is enclosed as Annexure-III. By that time, most of the stations had sent their R.E 1996-97 proposals with the result the additional provisions could not be asked for in RE 96-97. Arrears of salaries from the date of Court's verdict to the date of fixation of pay of EAs/SEAs/AEs were paid from 'Voted' Grant of financial years 1996-97 and that pertaining to the period upto the date of verdict were paid from 'Charged' Grant. The bifurcation of due-drawn statement of each individual between 'Voted' Grant and 'Charged'

Grant took a considerable time. However, payment of arrears of these officers could not be deferred because their Association (ARTEE) resorted to mass agitation leading to disruption in transmissions at many stations, leading eventually to unavoidable excess in expenditure.

(b) Hike due to release of additional instalments of IR and DA with effect from 1.4.96 and 1.7.96 respectively for which no provision was made in SBG 1996-97. Payment to Bonus to all Gr. 'C' employees irrespective of pay limit. The requirement of additional funds for these items was assessed at RE stage and the same was made available by re-appropriation out of savings anticipated under the sub-heads. There was no excess, if expenditure for these items is compared with RE 96-97.

(c) The excess was due to upward revision of Power Tarrifs by some of the Electricity Boards, increase in transmission hours and increase in the rates of DA/IR in respect of Armed Guards deployed at different High Power Transmitters/Super Power Transmitters. This was because the bills for Armed Guards are prepared by State Authorities in lumpsum and are received late by many of the stations. Again the Electricity bill and bills for payment to Armed Guards are paid by many Stations in the last month of the financial year upon late receipt of the same as a result of which excess was necessitated to avoid possible disconnection of electricity supply etc. to the installations.

.....It may be mentioned that anticipating the requirement of more funds under this sub-head in Revised Estimates 96-97/Final Estimates 96-97, an amount of Rs 47.35 lakhs was re-appropriated to this sub-head out of the savings anticipated under other sub-heads. This re-appropriated amount being taken into consideration, the excess over Supplemented SBG 96-97 is only Rs. 133.82 lakhs, which is primarily for the reasons at (a) above.

(iii) 01.104 Programme Services

		(Rupees in lakhs)
Original Grant	:	18068.00
Supplementary Grant	:	749.00
Total Grant	:	18817.00
Actual Expenditure	:	20596.19
Excess Expenditure	:	1779.19

(a) Excess is mainly due to enhanced payments to Engg. Assistants/Sr. Engg. Assistants/Asstt. Engineers on Account of upward revision of scale of Engg. Assistant from Rs. 425-800 to Rs. 550-900 with effect from 1.1.1978 and from Rs. 1400-2600 to Rs. 2000-3200 with effect from 1.1.1986 in satisfaction of Hon'ble Supreme Court judgement dated 25.11.1994. A copy of M/O I&B's letter No. 310/15/93 -B(D) dt. 15.5.95 regarding revision of pay scale of Engg. Assistants is enclosed as Annexure-II. DG:AIR circulated this letter to all stations/offices of AIR on 23.05.95 for further action. The stations, however, started seeking

further clarifications because the order was silent about the pay scales of Sr. Engg. Assistants/Assistant Engineers, the next higher posts in hierarchy to Engineering Assistants, whose scales were continued at the levels of Rs. 1640-2900 & Rs. 2000-3200 respectively. Clarifications regarding fixation of pay of these officers were issued by the Directorate with the approval of Ministry in August, 1996, a copy of which is enclosed as Annexure III. By that time, most of the stations had sent their RE 1996-97 proposals with the result that additional provisions could not be asked for in RE 96-97. Arrears of salaries from the date of Court's verdict to the date of fixation of pay of EAs/SEAs/AEs were paid from 'Voted' Grant of financial year 1996-97 and that pertaining to the period upto the date of verdict were paid from 'Charged' Grant. The bifurcation of due-drawn statement of each individual between 'Voted' Grant and 'Charged' Grant took a considerable time. However, payment of arrears of these officers could not be deferred because their Association (ARTEE) resorted to mass agitation leading to disruption in transmissions at many stations, leading eventually to unavoidable excess in expenditure.

(b) Hike due to release of additional instalment of IR and DA with effect from 1.4.96 and 1.7.96 respectively for which no provision was made in SBG 1996-97. Payment of Bonus to all Gr. 'C' employees irrespective of pay limit. The requirement of additional funds for these items was assessed at RE stage and the same was made available by re-appropriation out of savings anticipated under other sub-heads. There was no excess, if expenditure for these items is compared with RE 96-97.

(c) Excess was due to hike in Power Supply Charges by many State Electricity Boards and increase in transmission hours. Also, Rajasthan Police had doubled the charged for deployment of Armed Guards at various AIR transmitters in Rajasthan resulting in excess under this head. A copy of All India Radio, Churu's letter No. CRU: Security/96-97/4088 dated 24.12.96 in this regard is placed as Annexure V.

(d) Excess was due to increase in DA and IR of Staff Artists who have not been declared as Government Servant. Excess was also due to introduction of some new programmes at Metro Stations which resulted in excess of Rs. 17 lakhs.

(e) Excess was due to increase in the rates of water supply charges and hike in rent of various buildings hired by AIR Stations/Offices.

(f) Many Stations like AIR Rohtak suffered heavy damages to its building due to incessant rains and a huge expenditure was incurred for repair works.

(g) Excess was due to steep hike of 25-30% in cost of petrol and diesel during 1996-97. Excess was also due to coverage of Lok Sabha Elections and State Assembly Elections of UP and J&K for which no provision was made in SBG. Excess was also due to hike in cost of tyre, tube and other accessories.

(h) Excess was also due to purchase of diesel to run diesel generator owing to frequent failure of electricity in States like Bihar, UP and North-East region.

.....It may be mentioned that anticipating the requirement of more funds under this sub-head in Revised Estimates 96-97/Final Estimates 96-97, an amount of Rs. 1225.23 lakhs was re-appropriated to this sub-heads out of the savings anticipated under other sub-heads. This re-appropriated amount being taken into consideration, the excess over Supplemented SBG 96-97 is only Rs. 553.96 lakhs, which is primarily for the reasons at (a) above.

(iv) 01.105 News Services

	(Rs. in Lakhs)
Original Grant	1746.00
Supplementary Grant	—
Total Grant	1746.00
Actual Expenditure	1859.02
Excess Expenditure	113.02

(a) Excess is mainly due to enhanced payments to Engg. Assistants/Sr. Engg. Assistants/Asstt. Engineers on Account of upward revision of scale of Engg. Assistant from Rs. 425—800 to Rs. 550—900 with effect from 1.1.1978 and from Rs. 1400—2600 to Rs. 2000—3200 with effect from 1.1.1986 in satisfaction of Hon'ble Supreme Court judgement dated 25.11.1994. A copy of M/O I&B's letter No. 310/15/93—B(D) dt. 15.5.95 regarding revision of pay scale of Engg. Assistants is enclosed as Annexure II. DG:AIR circulated this letter to all stations/offices of AIR on 23.05.95 for further action. The stations, however, started seeking further clarifications because the order was silent about the pay scales of Sr. Engg. Assistants/Assistant Engineers, the next higher posts in hierarchy to Engineering Assistants, whose scales were continued at the levels of Rs. 1640—2900 & Rs. 2000—3200 respectively. Clarifications regarding fixation of pay of these officers were issued by the Directorate with the approval of Ministry in August, 1996, a copy of which is enclosed as Annexure III. By that time, most of the stations had sent their RE 1996-97 proposals with the result that additional provisions could not be asked for in RE 96-97. Arrears of salaries from the date of Court's verdict to the date of fixation of pay of EAs/SEAs/AEs were paid from 'Voted' Grant of financial year 1996-97 and that pertaining to the period upto the date of verdict were paid from 'Charged' Grant. The bifurcation of due-drawn statement of each individual between 'Voted' Grant and 'Charged' Grant took a considerable time. However, payment of arrears of these officers could not be deferred because their Association (ARTEE) resorted to mass agitation leading to disruption in transmissions at many stations, leading eventually to unavoidable excess in expenditure.

(b) Hike due to release of additional instalments of IR and DA with effect from 1.4.96 and 1.7.96 respectively for which no provision was made in SBG, 1996-97. Payment of Bonus to all Gr. 'C' employees irrespective of pay limit. The requirement of additional funds for these items was assessed at RE stage and the same was made available by re-appropriation out of savings anticipated under other sub-heads. There was no excess, if expenditure for these items is compared with RE 96-97.

(c) Excess was also due to filling up of vacancies in different cadres. Provision for only 3 months was kept in SBG for vacant posts.

(d) In addition to this an amount of Rs. 26 lakhs approx. was incurred as foreign allowance in respect of correspondents posted abroad.

(e) An amount of Rs. 17 lakhs approx. was incurred for coverage of Lok Sabha elections, State Assembly elections in J&K and UP. Excess was also due to additional provision made for offices of AIR's foreign correspondents, posted abroad.

(f) Excess was due to payment of rental charges for teleprinters and other services like scan etc. as per agreement with UNI and PTI and payment of arrears thereof from 1.4.94. Ministry issued sanction on 21.3.95 for revision of rates of subscription to PTI and UNI @ Rs. 897 lakhs per annum with effect from 1.4.94. The amount of arrears was to be paid from the Budget provision of financial year 1995-96. The funds were, therefore, asked for in the proposals for RE 95-96 for arrears. However, due to insufficient funds, arrears of Rs. 83 lakhs remained unpaid and these were paid subsequently during the financial year 1996-97.

(g) Excess was due to purchase of 2 vehicles in replacement of old vehicles in respect of News Services Division for which an amount of Rs. 5.39 lakhs was incurred. There was no provision for replacement of vehicle in SBG, 1996-97.

.... It may be mentioned that anticipating the requirement of more funds under this sub-head in Revised Estimates 96-97/Final Estimates 96-97, an amount of Rs. 93.51 lakhs was re-appropriated to this sub-head out of the savings anticipated under other sub-heads. This re-appropriated amount being taken into consideration, the excess over Supplemented SBG, 96-97 is only Rs. 19.51 lakhs, which is primarily for the reasons at (a) above.

(v) 01.106 Listeners Research
01 Audience Research

		(Rupees in Lakhs)
Original Grant	:	141.00
Supplementary Grant	:	—
Total Grant	:	141.00
Actual Expenditure	:	153.67
Excess Expenditure	:	12.67

Excess is due to hike in DA, IR, etc. for which no provision was made in SBG, 96-97. Excess was also due to payment of Bonus to all Group 'C' employees irrespective of scales. Excess is due to filling up of some vacant posts against which provision for only 3 months was kept in the SBG.

.... It may be mentioned that anticipating the requirement of more funds under this sub-head in Revised Estimates 96-97/Final Estimates 96-97, an amount of Rs. 23.91 lakhs was re-appropriated to this sub-head out of the savings anticipated under other sub-heads. This re-appropriated amount being taken into consideration, there will be no excess expenditure under this head of accounts.

(vi) 01.109 Planning & Development

(Rupees in Lakhs)

Original Grant	:	795.00
Supplementary Grant	:	—
Total Grant	:	795.00
Actual Expenditure	:	845.09
Excess Expenditure	:	50.09

(a) Excess is mainly due to enhanced payments to Engg. Assistants/ Sr. Engg. Assistants/Asstt. Engineers on account of upward revision of scale of Engg. Assistant from Rs. 425—800 to Rs. 550—900 with effect from 1.1.1978 and from Rs. 1400—2600 to Rs. 2000—3200 with effect from 1.1.1986 in satisfaction of Hon'ble Supreme Court judgement dated 25.11.1994. A copy of M/O I&B's letter No. 310/15/93—B(D) dt. 15.5.95 regarding revision of pay scale of Engg. Assistants is enclosed as Annexure—II DG:AIR circulated this letter to all stations/offices of AIR on 23.05.95 for further action. The stations, however, started seeking further clarifications because the order was silent about the pay scales of Sr. Engg. Assistants/Assistant Engineers, the next higher posts in hierarchy to Engineering Assistants, whose scales were continued at the levels of Rs. 1640—2900 & Rs. 2000—3200 respectively. Clarifications regarding fixation of pay of these officers were issued by the Directorate with the approval of Ministry in August 1996, a copy of which is enclosed as Annexure—III. By that time, most of the stations had sent their RE 1996-97 proposals with the result that additional provisions could not be asked for in RE 96-97. Arrears of Salaries from the date of Court's verdict to the date of fixation of pay of EAs/SEAs/AEs were paid from 'Voted' Grant of financial year 1996-97 and that pertaining to the period upto the date of verdict were paid from 'Charged' Grant. The bifurcation of due-drawn statement of each individual between 'Voted' Grant and 'Charged' Grant took a considerable time. However, payment of arrears of these officers could not be deferred because their Association (ARTEE) resorted to mass agitation leading to disruption in transmissions at many stations, leading eventually to unavoidable excess in expenditure.

(b) Hike due to release of additional instalment of IR and DA with effect from 1.4.96 and 1.7.96 respectively for which no provision was made

in SBG, 1996-97. Payment of Bonus to all Gr. 'C' employees irrespective of pay limit. The requirement of additional funds for these items was assessed at RE stage and the same was made available by re-appropriation out of savings anticipated under other sub-heads. There was no excess, if expenditure for these items is compared with RE 96-97.

(c) Excess was also due to filling up of vacancies in different cadres. Provision for only 3 months was kept in SBG for vacant posts.

.... It may be mentioned that anticipating the requirement of more funds under this sub-head in Revised Estimates 96-97/Final Estimates 96-97, an amount of Rs. 21.28 lakhs was re-appropriated to this sub-head out of the savings anticipated under other sub-heads. This re-appropriated amount being taken into consideration, the excess over Supplemented SBG, 96-97 is only Rs. 28.81 lakhs, which is primarily for the reasons at (a) above.

(vii) 01.003 Research & Training

		(Rupees in Lakhs)
Original Grant	:	410.00
Supplementary Grant	:	—
Total Grant	:	410.00
Actual Expenditure	:	495.35
Excess Expenditure	:	85.35

(a) Excess is mainly due to enhanced payments to Engg. Assistants/Sr. Engg. Assistants/Asstt. Engineers on account of upward revision of scale of Engg. Assistant from Rs. 425—800 to Rs. 550—900 with effect from 1.1.1978 and from Rs. 1400—2600 to Rs. 2000—3200 with effect from 1.1.1986 in satisfaction of Hon'ble Supreme Court judgement dated 25.11.1994. A copy of M/O I&B's letter No. 310/15/93—B(D) dt. 15.5.95 regarding revision of pay scale of Engg. Assistants is enclosed as Annexure-II DG:AIR circulated this letter to all stations/offices of AIR on 23.05.95 for further action. The stations, however, started seeking further clarifications because the order was silent about the pay scales of Sr. Engg. Assistants/Assistant Engineers, the next higher posts in hierarchy to Engineering Assistants, whose scales were continued at the levels of Rs. 1640—2900 & Rs. 2000—3200 respectively. Clarifications regarding fixation of pay of these officers were issued by the Directorate with the approval of Ministry in August, 1996, a copy of which is enclosed as Annexure—III. By that time, most of the stations had sent their RE 1996-97 proposals with the result that additional provisions could not be asked for in RE 96-97. Arrears of salaries from the date of Court's verdict to the date of fixation of pay of EAs/SEAs/AEs were paid from 'Voted' Grant of financial year 1996-97 and that pertaining to the period upto the date of verdict were paid from 'Charged' Grant. The bifurcation of due-drawn statement of each individual between 'Voted' Grant and 'Charged' Grant took a considerable time. However, payment of arrears of these

officers could not be deferred because their Association (ARTEE) resorted to mass agitation leading to disruption in transmissions at many stations, leading eventually to unavoidable excess in expenditure.

(b) Hike due to release of additional instalment of IR and DA with effect from 1.4.96 and 1.7.96 respectively for which no provision was made in SBG, 1996-97. Payment of Bonus to all Gr. 'C' employees irrespective of pay limit. The requirement of additional funds for these items was assessed at RE stage and the same was made available by re-appropriation out of savings anticipated under other sub-heads. There was no excess, if expenditure for these items is compared with RE 96-97.

(c) Excess is also due to purchase of more equipment by Research Department.

.... It may be mentioned that anticipating the requirement of more funds under this sub-head in Revised Estimates 96-97/Final Estimates 96-97, an amount of Rs. 31.63 lakhs was re-appropriated to this sub-head out of the savings anticipated under other sub-heads. This re-appropriated amount being taken into consideration, the excess over Supplemented SBG, 96-97 is only Rs. 53.72 lakhs, which is primarily for the reasons at (a) above.

(viii) 01.799 Suspense 01 Suspense Stock

		(Rupees in Lakhs)
Original Grant	:	3200.00
Supplementary Grant	:	—
Total Grant	:	3200.00
Actual Expenditure	:	3210.57
Excess Expenditure	:	10.57

(ix) 02 Other Suspense Account

Original Grant	:	3104.00
Supplementary Grant	:	—
Total Grant	:	3104.00
Actual Expenditure	:	3116.52
Excess Expenditure	:	12.52

These two heads are inter-related. Normally excess in one head results in excess in other head. Excess was due to substantial increase in requirement of valves during the year due to expansion of AIR Net work. More spares were required to be purchased due to increase in the number

of installations i.e., Broadcasting stations, MW Transmitters and FM Transmitters. Many urgent projects like telemetry system where computers, D/G, UPS and cabinets were required for 10 centres which could not be kept pending.

- (x) **01.797 Transfer to Reserve Fund and Deposit Account**
01 Transfer to Akashwani & Doordarshan Commercial Revenue Fund
01.00.63—Inter Account Transfer

		(Rupees in Lakhs)
Original Grant	:	5780.00
Supplementary Grant	:	—
Total Grant	:	5780.00
Actual Expenditure	:	7044.00
Excess Expenditure	:	1264.00

The commercial revenue earned by All India Radio less the amount spent to earn this revenue is transferred under this head and it is utilised for funding Plan as well Non-plan schemes of AIR and Doordarshan. Excess expenditure under this head means more transfer of fund due to more realisation of commercial revenue than what was anticipated in JBG 96-97. Also, Rs. 1264.00 lakhs was made available to this head at RE stage by re-appropriation out of the savings anticipated under other heads. There was thus no excess expenditure under this head if the amount re-appropriated is taken into consideration.

- (xi) **01.800 Other Expenditure**
01 Departmental Canteen
01.00.20—Other Administrative Expenses

		(Rupees in Lakhs)
Original Grant	:	63.00
Supplementary Grant	:	—
Total Grant	:	63.00
Actual Expenditure	:	71.86
Excess Expenditure	:	8.86

Excess is due to payment of additional instalments of interim relief, bonus and relaxation of bonus payment ceiling etc. Assessing the excess requirement of funds in RE 96-97/Final Grant 96-97, an amount of Rs. 5.00 lakhs was made available to this head by re-appropriation.

(B) 02 Television

(xii) 02.013 -Operation & Maintenance

	(Rupees in Lakhs)
Original Grant	9636.00
Supplementary Grant	212.00
Total Grant	9848.00
Actual Expenditure	10682.31
Excess Expenditure	834.31

(a) Excess is mainly due to enhanced payments to Engg. Assistants/Sr. Engg. Assistants/Asstt. Engineers on account of upward revision of scale of Engg. Assistant from Rs. 425—800 to Rs. 550—900 with effect from 1.1.1978 and from Rs. 1400—2600 to Rs. 2000—3200 with effect from 1.1.1986 in satisfaction of Hon'ble Supreme Court judgement dated 25.11.1994. A copy of M/O I&B's letter No. 310/15/93-B(D) dt. 15.5.95 regarding revision of pay scale of Engg. Assistants is enclosed as Annexure—II. Copy of this letter was sent to all stations/offices of AIR and Doordarshan for further action. The stations, however, started seeking further clarifications because the order was silent about the pay scales of Sr. Engg. Assistants/Assistant Engineers, the next higher posts in hierarchy to Engineering Assistants, whose scales were continued at the levels of Rs. 1640—2900 & Rs. 2000—3200 respectively. Clarifications regarding fixation of pay of these officers were issued by the Directorate with the approval of Ministry in August 1996, a copy of which is enclosed as Annexure—III. By that time, most of the stations had sent their RE 1996-97 proposals with the result that additional provisions could not be asked for in RE 96-97. Arrears of Salaries from the date of Court's verdict to the date of fixation of pay of EAs/SEAs/AEs were paid from 'Voted' Grant of financial year 1996-97 and that pertaining to the period upto the date of verdict were paid from 'Charged' Grant. The bifercation of due-drawn statement of each individual between 'Voted' Grant and 'Charged' Grant took a considerable time. However, payment of arrears of these officers could not be deferred because their Association (ARTEE) resorted to mass agitation leading to disruption in transmissions at many stations, leading eventually to unavoidable excess in expenditure.

(b) Excess was due to release of additional instalments of IR and DA with effect from 1.4.96 and 1.7.96 respectively for which no provision was made in SBG 1996-97 and payment of Bonus to all Gr. 'C' employees irrespective of pay limit.

(c) As against the Supplemented SBG 96-97 of 3607.25 lakhs, an amount of Rs. 4270.70 lakhs was kept in Re 96-97/Final Grant 96-97 under the

object head 'Salaries' by re-appropriation, which is primarily meant for items (a) & (b) above. However, the actual expenditure was to the tune of Rs. 4346.90 lakhs, indicating an excess expenditure of Rs. 76.20 lakhs which was primarily for item no. (a).

(d) Excess was for setting the rental arrear requirements at DMC Gaya, Nagpur, Cannanore, Rewa and Bareilly etc. Demands for arrear was received before RE 96-97. As such the proposals were consequently included in REs 96-97/FEs 96-97 and the required amount was made available by re-appropriation of funds from other sub-heads where savings were anticipated. Hence, no need for obtaining the Supplementary Grant. The actual expenditure was within the amount re-appropriated and, as such, there was no excess expenditure.

(e) Excess is due to issue of more initial spares/stores for maintenance to DDKs/HPTs/LPTs through Central Purchase & Stores, Sirifort, New Delhi to ensure smooth functioning of these kendras. As against the Supplemented SBG 96-97 of 3203.30 lakhs for this purpose, an amount of Rs. 3553.00 lakhs was made in RE 96-97/Final Grant 96-97 by re-appropriation of funds. However, the actual expenditure was to the tune of Rs. 3555.95 lakhs, indicating a minor excess of Rs. 2.95 lakhs.

.... It may be mentioned that anticipating the requirement of more funds under this sub-head (Operation & Maintenance) in Revised Estimates 96-97/Final Estimates 96-97, an amount of Rs. 753.00 lakhs was re-appropriated to this sub-head out of the savings anticipated under other sub-heads. This re-appropriated amount being taken into consideration, the excess over Supplemented SBG 96-97 is only Rs. 81.31 lakhs, which is primarily for the reasons at (a) above.

(xiii) 02.799 Suspense
02 Other Suspense Account

	(Rupees in Lakhs)
Original Grant	4000.00
Supplementary Grant	—
Total Grant	4000.00
Actual Expenditure	4499.96
Excess Expenditure	499.96

Excess is due to materialisation of more supply orders by PSUs etc. than anticipated. The details as to dates of placing of supply orders for equipments, their delivery schedules etc. may be seen in Annexure—VI.

.... It may be mentioned that anticipating the requirement of more funds under this sub-head in Revised Estimates 96-97/Final Estimates 96-97, an amount of Rs. 500.00 lakhs was re-appropriated to this sub-head out of the

savings anticipated under other sub-heads. This re-appropriated amount being taken into consideration, there is not case of excess expenditure under this head of account.

(xiv) 02.800 Other Expenditure
01 Departmental Canteen

	(Rupees in Lakhs)
Original Grant	: 37.00
Supplementary Grant	: —
Total Grant	: 37.00
Actual Expenditure	: 42.07
Excess Expenditure	: 5.07

Provision under this head is meant for payment of salaries to the canteen staff. Excess is due to payment of additional instalments of interim relief, bonus and relaxation of bonus payment ceiling etc. It may be mentioned that anticipating the requirement of more funds under this sub-head in revised Estimates 96-97/Final Estimates 96-97, an amount of Rs. 3.00 lakhs was re-appropriated to this sub-head out of the savings anticipated under other sub-heads. This re-appropriated amount being taken into consideration, the excess over Supplemented SBG 96-97 is only Rs. 2.07 lakhs. This minor excess was because additional requirement of funds for DDK Calcutta could not be assessed in real to late receipt of their proposals.

(xv) 02 Interest on Capital
02.01 Interest on Plan Budget Support of Doordarshan

	Rupees in Lakhs)
Original Grant	: 397.00
Supplementary Grant	: —
Total Grant	: 397.00
Actual Expenditure	: 581.00
Excess Expenditure	: 184.00

Doordarshan is a Commercial Undertaking and therefore, interest is charged at the rate fixed by M/O Finance on the Plan Budget Support received from the Government. Excess is based on actual calculation.

The rate of interest was 11.9% at SBG 96-97 stage and 12% at RE 96-97 stage. The plan budget support at SBG stage was Rs. 3338.00 lakhs, which was increased to Rs. 4838.00 lakhs in RE 96-97 by the M/O Finance. Accordingly, the provision under this head was raised from Rs. 397.00 lakhs at SBG 96-97 to Rs. 581.00 lakhs at RE 96-97. The excess requirement of funds to the tune of Rs 184.00 lakhs was made available by re-appropriation of funds out of savings anticipated under other sub-heads. As such there was no excess under this head of account.

4. Remedial Action Taken

It is thus seen that despite economy instructions issued to AIR Stations/Doordarshan Kendras, expenditure could not be kept within the Sanctioned Budget Grant because of expenditure of committed nature,

viz., Salaries, Power Supply Charges, Armed Guards' Payment, and payment of rentals. It is being impressed upon all concerned again to ensure that such instances do not recur. It is, however, assured that due care will be taken in future to keep the expenditure within the Sanctioned Budget Grant.

5. This Excess Note has been vetted by the Audit vide DGACR's U.O. No. RR/11-3/98-99/802 dated 12.10.98.

Sd'/-

(S.K. Naik)

Addl. Secretary & Financial Adviser

(M/O I&B's File No. 12/2/98-Fin. I (Vol. II))

ANNEXURE I

RECONCILIATION STATEMENT

(Rs. in thousands)

S.No. Activity (Minor Head)	SBG+ Suppl.	Actuals 1996-97	Excess/ Savings
01-Sound Broadcasting			
1. Direction & Administration	144400	157808	13408
2. Operation & Maintenance	603300	621417	18117
3. Commercial Services	231200	217977	-13223
4. Programme Services	1881700	2059619	177919
5. News Services	174600	185902	11302
6. Listeners Research	14100	15367	1267
7. External Services Division	34200	34194	-6
8. Planning & Development	79500	84509	5009
9. Research & Training	41000	49535	8535
10. Suspense Stock	320000	321057	1057
11. Other Suspense Account	310400	311652	1252
12. Tfr. to Akashwani & Doordarshan Commercial Revenues Fund	578000	704400	126400
13. Departmental Canteens	6300	7186	885
14. Interest on Capital	29700	30000	300
02-Television			
15. Direction & Administration	134200	117324	-16876
16. Operation & Maintenance	984800	1068231	83431
17. Commercial Services	828300	772235	-56065
18. Programme Services	2649300	2533309	-115991
19. Listeners Research	9800	10073	278
20. Suspense Stock	380000	379603	-397
21. Other Suspense Account	400000	449996	49996
22. Tfr. to Akashwani & Doordarshan Commercial Revenues Fund	4543000	4254800	-288200
23. Departmental Canteens	3700	4207	507
24. Interest on Capital	39700	58100	18400
Total	14421200	14448501	27301*
Original Grant :	14196200	*- Total Excess :	518059
Supplementary :	225000	Total Savings :	490758
Total :	14421200	Net excess :	27301

ANNEXURE-II

No. 310/15/93-8(D)
Government of India
Ministry of Information and Broadcasting
* * * * *

New Delhi, the 15th May, 1995

To
Director General,
All India Radio,
NEW DELHI.

Director General,
Doordarshan,
NEW DELHI.

SUBJECT:—*Revision of pay scale in respect of Engineering Assistant of AIR and Doordarshan in pursuance of Supreme Court orders dated 25.11.1994.*

* * * * *

Sir,

I am directed to say that in pursuance of the Judgement of the Hon'ble Supreme Court in Civil Appeal Nos. ———/94 dated 25.11.94 upholding the CAT, Madras judgement passed on O.A. No. 654/89 dated 29.6.90, the President is pleased to revise the pay scale for the post of Engineering Assistant as follows:—

Name of the post	Revised Scale of pay (in Rs.)	Effective from
Engineering Assistant	550-900	1.1.1978
-do-	2000-3200	1.1.1986

2. The officers who held and are holding above mentioned grades during the respective period are entitled to the benefit of arrears of pay as a result of this revision and refixation with effect from the dates as mentioned in the para (1) above.

3. This issues with the concurrence of Integrated Finance branch of the Ministry vide their U.O. No. 791/95-Fin. dated 15.5.1995.

Sd/-
Yours faithfully,

(SHYAMALIMA BANERJEE)

UNDER SECRETARY TO THE GOVT. OF INDIA
Tel: 387980

Copy to:—

1. Pay & Accounts Officers, AIR
2. Pay & Accounts Officers, Doordarshan
3. All heads of AIR Stations & DDKs. through DG:AIR/DG:DDD
4. Finance Branch-I Min. of I & B
5. Ministry of Finance
6. Department of Personnel
7. Guard File
8. Spare copies (10)

(SHYAMALIMA BANERJEE)
UNDER SECRETARY TO THE GOVT. OF INDIA.

ANNEXURE III

**GOVERNMENT OF INDIA
DIRECTORATE GENERAL: ALL INDIA RADIO**

No. 3/30/95-SIV(A)

Dated the 12th Aug., 96.

SUBJECT: *Pay fixation in the grade of EA, SEA and AE consequent upon revision of pay scale of EA w.e.f. 1.1.78/1.1.86—Representation regarding.*

A copy of Ministry's communication No. 310/46/95-B(D) dated 22nd July 1996 on the above subject is forwarded herewith.

2. Zonal Chief Engineers/Station Heads etc. are requested to take necessary action in the light of the instructions/clarifications given by the Ministry in the above mentioned Communication.

Sd/-
(SUKUMAR MANDAL)
Dy. Director (Admn.)
Ph. 3710233

To:

1. Chief Engineer, North Zone/East Zone/West Zone/South Zone/R&D.
2. Station Heads of AIR.
3. P&D Unit.
4. AIR & DDTEA.
5. ARTEE.

COPY OF LETTER NO. 310/46/95-SIV(A) DATED 22-7-96.

SUBJECT: *Pay fixation in the grade of EA, SEA and AE consequent upon revision of pay scale of EA w.e.f. 1-1-78/1-1-86— Representation regarding.*

Consequent upon issue of this Ministry's O.M.No.310/46/95-B(D) dated 7-6-96 on the subject mentioned above. Ministry have been receiving representations from Associations/employees seeking clarifications on the various points relating to fixation of pay scale of EA w.e.f. 1-1-78/1-1-86.

The issues raised have been examined in consultation with CCA and the following clarifications are hereby furnished:—

1	2	3
1.	Where pay is fixed at the minimum of the revised scale of pay, the next increment in the revised pay scale is to be drawn on the normal date of increment in the old scale. This ruling is upheld by the Supreme Court of India in its judgement dated 21-1-91 (Case No. 7 of Chapter 13—Pay & Allowances pages 146-147 of Swami's Case Law Digest Vol. IV(1991).	Ministry of Finance have not amended existing rules in pursuance of the judgement. In such cases only the appellant would get the benefit of the judgement.
2.	Where there is no stage in the new scale, the pay is fixed at the stage next higher in the new scale. This ruling came into effect on 1-1-86 <i>vide</i> GOI Order No. 26(2) (4) below FR-22.	The pay is to be fixed at the stage next higher in the new scale in case of fixation w.e.f. 1-1-86 and afterwards. In case of pay fixation prior to 1-1-86, however, GIO(6) under FR-23 will apply.
3.	On promotion to SEA, the pay may be fixed without allowing the benefit under FR-22(I) (a) (i) till a final view is taken in consultation with DP&T. However, no re-fixation or recoveries may be effected, for the time being, in cases where pay has already been fixed by giving this benefit.	The Ministry have, <i>vide</i> Memo. of even No. dated 19.6.96 issued orders asking DG:AIR/ DG:DD not to indulge in re-fixation exercises or to effect recoveries in cases where pay has already been fixed by giving benefit under FR—2(I) (a) (i) till the matter is decided in consultation with DOP&T. As regards fresh cases, fixation may be done without allowing benefit of FR—22(I) (a)(i) till a final view is taken by DOP&T.
4.	Pay of EA/SEA as on 1-1-86 may be fixed from Rs. 550-990 (old) to Rs. 2000-3200 (revised) with the application of CCS (Revised Pay) Rules, 1986.	It is implied that the pay as on 1-1-86 is to be fixed in accordance with CCS (Revised Pay) Rules, 1986.

1	2	3
5.	No. recovery of OTA/Bonus etc. should be effected from the arrears of pay consequent upon revision of pay scale of EA.	OTA/Bonus etc. may not be rcovered as per interim orders of CAT, P. Bench CAT, New Delhi dated 13th December, 1995 till this matter is decided in consultations with Ministry of Finance/DOP&T.
6.	Income-tax relief may be computed by DDOs on arrears of pay according to the provision of Section 89(1), 192 (2A) and Rules 21A.	The Heads of offices and PAO (IRLA) may give the benefit as laid down in the Income Tax Act, 1961 provided the officers concerned furnish requisite particulars.

Sd/-
(SHYAMALINA BANERJEE)
Under Secretary (BD)

Copy to :

1. DG: ADDN (Sh. K.N. Pandey), ADG(A)
2. DG: AIR (Sh. S.K. Chattopadhyay), DDG(A)
3. CCA, Min. I&B
(It is requested that necessary instructions may be issued to all P&AOs)
4. DS(BD)/US Fin. (I)/US Fin. (III)
5. B (A)/TV(A)/Fin.I/Fin.III/
B&A Sections.
6. ARTEE (Sh. P.N. Kohh, President)

It is requested that immediate action may be taken and necessary instructions may be issued to all concerned office Stations/Kendras.

ANNEXURE IV

No.D-11011/10/75-Admn.III (Vol.V)
Government of India
Ministry of Information & Broadcasting

.....

New Delhi, Dated 6.4.95

To

The Pay & Accounts Officer,
Pay & Accounts Office,
DG:AIR,
NEW DELHI.

SUBJECT: *Hiring of accommodation in PTI Building.*

Sir,

In continuation of this Ministry's sanction of even number dated 23.11.94 on the subject noted above, I am directed to convey the sanction of the President to the continued hiring by the Director General, All India Radio on 2nd floor in the PTI Building, Parliament Street, New Delhi for accommodation part of their office consisting of 23626 Sq. ft. at the rate of Rs.18/- (Rupees eighteen only) per sq. ft. p.m. amounting to Rs. 4,25,268/- (Rs. four lakhs twenty five thousand two hundred sixty eight only) per month with effect from 1.4.1991 to 31.3.1995. The arrear will also be paid to the PTI with effect from 1.4.1991 after adjusting the amount already paid. The other conditions of the hiring will be as under:—

1. The property tax etc. incident to the premises are to be borne by the owner of the Premises viz. Press Trust of India.
 2. The maintenance of the Premises is to be done by the occupying Deptt. i.e. All India Radio.
 3. The above rent i.e. Rs.18/per sq. ft. p.m. is applicable for a period of five years with effect from 1.4.1991.
2. The expenditure involved will be met from within the Budget Grant of the Ministry of Information & Broadcasting under Demand No.55—Major Head "2221". A Broadcasting A.I. Sound Broadcasting A-1(I) Direction & Administration. A-1(1)(7)—Rents, Rates and Taxes (Non-Plan) for the year 1995-96 and subsequent years.
3. This sanction issues with the concurrence of Finance Wing vide their u.o. No. 202 dated 3.4.95.

Yours faithfully,
Sd/-
(M.R. THAPLIYAL)

UNDER SECRETARY TO THE GOVT. OF INDIA

Copy to:

1. DG:AIR Akashwani Bhawan, Parl. Street, New Delhi.
2. Chief Engineer (C-1), CCW, DG:AIR, PTI Building (2nd floor)
Parliament Street, New Delhi.
3. P&AO, Min. of I&B, Tropical Building, Connt. Place, New Delhi.
4. Director of Audit, Central Revenue, AGCR Building, I P Estate,
Delhi-110002.
5. Finance II Section, Min. of I&B.
6. B&A Section, Min. of I&B.
7. D(D) Section, Min. of I&B.
8. Guard file.

Sd/-

(M.R. THAPLIYAL)

Under Secretary to the Govt. of India

ANNEXURE V

**GOVERNMENT OF INDIA
ALL INDIA RADIO: CHURU**

No: CRU:SECURITY/96-97/4088

Dated-24-12-96

**The Director General
[By name Sh. V. Purushotham Rao,
DDG, (Security)],
Akashvani,
Akashvani Bhavan,
Parliament Street,
New Delhi.**

SUB: *Budget grant for the payment to the Security Guards provided by the Rajasthan Police Department.*

Sir,

The rate of the armed guard personnel has been raised just Double previous rate by the Deptt. of Rajasthan Police.

The rate of Head Constable is now Rs. 200/-per day, Guards Rs. 175/-per day. The bill raised by the Suptd., of Police, Churu for this year is Rs. 3,29,400/-.

The copy of the bill and letter is enclosed for your ready references. The budget grant for this year of armed guard personnel is only Rs. 1,60,000/-.

It is requested that the sanction and budget grant may be accorded for Rs. 329,400/- so that we may arrange the payment to the Police Deptt.

**Yours faithfully,
Sd/-**

Encl.: As above

**(C.L. GOEL)
DRAWING & DISBURSING
FOR STATION**

ANNEXURE VI

**PRASAR BHARATI
BROADCASTING CORPORATION OF INDIA
OFFICE OF THE SUPERINTENDING ENGINEER
DOORDARSHAN CENTRAL PURCHASE AND STORES
SIRI FORT: NEW DELHI**

No.DCPS(3)/97-98/Sg.E.

Dt. 3.9.1998

The Director General,
(Shri C.M. Venugopalan, DDA. by name),
Doordarshan,
Mandi House,
New Delhi.

**SUB: Detailed Explanatory Notes from various Ministries/Departments
for savings for Rs.100.00 crores and above/excess expenditure
from the Sanctioned Budget Grant of 1996-97.**

Sir,

This has reference to your letter No.G-25020/2/98 dt. 1998. Two lists of the 60 lakhs for purchase of initial spares and maintenance spares are enclosed. Total value is Rs. 41.51 crore. The details such as date of order value, delivery date etc. have been given. Many other orders below 50 lakhs have not been included in the list as it would have been made it very long. The orders were placed as per the requirement assessed by Studio, Transmitter and INSAT Section of DG, Doordarshan and also for initial spares for new transmitters and Earthing Stations etc.

This is for your kind information.

Yours faithfully,

(J.P. SINGH)
SUPERINTENDING ENGINEER

Encl: a/a

MAINTENANCE SPARES

File No. & Date	Description of Item	Value	D.P.	Remarks
1. CPS6(1430)/ Dt. 31/12/96	TX TUBES	4.48 Cts.	APRIL ' 97	
2. CPS6(1405)/ Dt. 16/9/96	BATTERY BANK	93.2 Lakh	FEB ' 97	
3. CPS6(1393)/ Dt. 15/07/96	TV DEMO- DULATOR	1.3 Crs.	MARCH ' 97	
4. CPS6(1375)/ Dt. 20/03/96	TX TUBES	3.8 Crs.	AUGUST ' 97	
5. CPS6(1353)/ Dt. 08/02/96 Dt. 19/03/96	TRANSISTORS	57.0 Lakh	APRIL '97	
7. CPS6(1321)/ Dt. 25/4/96	KLYSTROM TUBES	78.24 Lakh	OCT. ' 96	
8. CPS6(1316)/ Dt. 11/01/96	PA & SMPS	1.42 Crs.	JUNE ' 96	
9. CPS6(1313)/ Dt. 11/01/96	1KW TV TX	92 Lakh	JUNE ' 96	
10. CPS6(1265)/ Dt. 08/03/96	90 MTS. BETA TAPES	1.0 Crs.	APRIL ' 96	
11. CPS6(1264)/	PRO-PACK BATTERIES	1.48 Crs.	MARCH ' 96	Bill Pass
12. CPS6(1250)/ Dt. 17/07/95	FDL 60	72 Lakh	OCT. ' 96	
13. CPS6(1231)/ Dt. 20/11/95	C BAND UPLINKS	2.57 Crs.	June ' 96	
14. CPS6(1249)/ Dt. 20/11/95	EX C BAND UPLINKS	1.29 Crs.	JUNE ' 96	
15. CPS6(1270)/ Dt. 16/02/96	PICK UP TUBES FOR KCA 110 CAMERA	2.00 Crs.	JAN. ' 97	
16. CPS6(1307 & 1308)/Dt. 08/08/96	UPPER DRUM ASSY.	3.08 Crs.	NOV.' 96	(Material re- ceived)
17. CPS6(1218)/ Dt. 05/09/95	BCN SPARES	1.49 Lakh	JUNE ' 96	
18. CPS6(1179)/ Dt. 16/12/95	80 WATT PA WITH RACK	69 Lakh	JUNE ' 96	
19. CPS6(1225)/ Dt. 18/01/95	SPARES FOR DD-3	93 Lakh	AUGUST ' 96	
20. CPS6(1180)/ Dt. 14/11/95	P.A. & D.A. FOR BEL TX.	58 Lakh	MARCH '96	(Bill passed from June to Sept.)
21. CPS6(1203)/ Dt. 04/09/95	ICs & TR	76 Lakh	APRIL ' 96	
TOTAL		Rs. 31,71,44,000/-		

For the year 1996-97
INITIAL SPARES

S. No.	A/T No.	Description of Items	Value	O.P.	Name
1.	1(18)95 dt. 27.07.95	10KW TV Transmitter	Rs. 1,23,33,336	31.03.96	BEL
2.	1(26)95 dt. 04.10.95	100W VHF LPT	Rs. 81,06,280	30.09.96	BEL
3.	14(2)95 dt. 04.10.95	Satellite Earth Stn.	Rs. 143,55,796	31.03.96	BEL
4.	14(3)95 dt. 28.09.95	Spares for CXC-Band Station Uplink	Rs. 94,93,632	31.03.96	ECIL
5.	7(8)96 dt. 06.12.96	Spares for S,C, XC and US-Band TVRO Elect.	Rs. 72,33,570	31.05.97	ECIL
6.	1(23)95 dt. 11.09.95	2 X 10W VLPTS	Rs. 1,44,700	31.03.96	GCEL
7.	7(10)94 dt. 18.04.93	Spares for S,C, XC and US- Band TVRO Elect.	Rs. 1,3,85,750	31.03.96	ECIL
8.	1(36)95 dt. 20.02.96	2 X 10W VLPTS	Rs. 8,80,000	30.06.96	GCEL
9.	1(19)95 dt. 29.08.96	1KW TV Transmitter	Rs. 31,82,638	31.10.96	GCEL
10.	1(5)96 dt. 22.03.96	100W VHF LPTS	Rs. 99,47,180	31.07.96	GCEL
11.	1(20)96 dt. 20.02.97	2 X 10W VLPTS	Rs. 97,24,000	30.06.97	GCEL
TOTAL			Rs. 9,80,66,862		

APPENDIX IV

Most Immediate
Audit Matter

F.No. 1(33)'96-IF
GOVERNMENT OF INDIA
MINISTRY OF STEEL AND MINES
DEPARTMENT OF MINES

New Delhi, 14th July, 1998

Note for Public Accounts Committee for regularisation of excess expenditure incurred under Revenue Section (Charged) of Grant No. 62—Ministry of Mines, as disclosed in the Union Government Appropriation Accounts (Civil) for 1996-97.

Revenue Section (Charged)

(Rs. in thousands)

Original Grant	500
Supplementary Grant	Nil
Total Grant	500
Actual Expenditure	5,93,364
Excess	93,364

02. Under Revenue (Charged) Section of Grant No. 62—Ministry of Mines for 1996-97, the expenditure exceeded the sanctioned appropriation of Rs. 500 thousands by Rs. 93,364. This excess was under the following Sub-head:—

MAJOR HEAD "2853"

Sub-head: 01—Geological Survey of India
011—Direction and Administration

(Rs. in lakhs)

Original/Total provision	5.00
Actual Expenditure	5.93
Excess	0.93

The above mentioned excess expenditure was due to following a number of Court Awards which if not met/honoured would have led to contempt of the Hon'able Court.

03. GSI is a vast organisation and employs over 16000 persons. It takes time to reconcile the accounts of its regional/divisional offices which are spread all over the country and only due to this account supplementary grant could not be obtained.

04. It is stated that the authorities in Geological Survey of India have been asked *vide* letter No. 1(33)96-IF dated 22nd Oct. 1997 to take the necessary remedial measures to avoid repetition of such lapses in future.

05. In view of the circumstances explained above, the excess expenditure of Rs. 93,364 under Revenue Section (Charged) of the Grant No. 62 — Ministry of Mines for 1996-97 may please be recommended for regularisation by the Parliament under Article 115(1) (b) of the Constitution of India.

06. This has been vetted by Audit *vide* their U.O. No. RR/11-698-99/330 dated 10.07.1998.

(A.H. Jung)
Addl. Secy. & Financial Advisor.

APPENDIX V

GOVERNMENT OF INDIA MINISTRY OF URBAN AFFAIRS & EMPLOYMENT

Excess Note

Note for the Public Accounts Committee in respect of Excess occurred under Capital Section (Voted) of Grant No. 82 — Urban Development, Urban Employment & Poverty Alleviation of Ministry of Urban Affairs & Employment as disclosed in the Union Government Appropriation Accounts (Civil) for 1996-97.

	(Rs. in thousands)
<i>Capital Section (Voted)</i>	
Original Grant	2261100
Supplementary Grant	500
Total Grant	2261600
Actual Expenditure	2763086
Excess	501486

2. The total provision under Capital Section (voted) under Grant No. 82 — UD & UEPA of M/o Urban Affairs & Employment for 1996-97 was Rs. 2261100 thousands. This was augmented to Rs. 2261600 thousands by obtaining Supplementary Grant of Rs. 500 thousands. Against this the expenditure of Rs. 2763086 thousands was incurred resulting in excess of Rs. 501486 thousands.

3. The excess of Rs. 501486 thousands was the net effect of excess and saving under various sub-heads of the Grant. The sub-head under which excess occurred and reason thereof are explained as below.

[Capital Section]

(A) MH 4216

The Major Areas of excess under the sub-heads of MH 4216 are as under:—

MH 4216—Capital outlay on Housing.

Sub-head, 01.106-03 Urban Development—Construction

	(Rs. in lakhs)
Original Grant	4190.00
Expenditure	7464.18
Excess	574.18

[Reason]: Excess was due to accelerated Progress of Work at Mumbai

and construction of qrs. at R.K. Puram, New Delhi, Construction of general pool accommodation at Tollyganj, Calcutta and other G.P.R.A. at Bangalore, Mysore, Sitapur, Lucknow and Chennai. Moreover bills of the contractors were with conditional rebate and had to be paid to avoid the financial and contractual implications. Supplementary Demand could not be proposed as the works were scattered in different parts of the country and the excess came to notice late *i.e.* after the submission of proposals of final batch of Supplementary. The system being followed in the Department is that the available budget provision is distributed by the DG (W), CPWD, down to the Chief Engineers who in turn pass on the same to the Executive Engineers through the Superintending Engineers. The expenditure is actually incurred by the Divisions. Therefore, the responsibility for exceeding the budget provision would primarily lie with the Executive Engineers. In a secondary way the other officers responsible to keep a watch are the Superintending Engineers and Chief Engineers including the DG(W)'s office. A system of issue of L.O.C. to the extent of the budget provision available by the Pay & Account Office is also being followed. The system would need strengthening.

	(Rs. in lacs)
MH 4216	
Sub-head 06. Finance	
Original Grant	4100.00
Supplementary Grant	1.00
Total Grant	4101.00
Expenditure	5113.13
Excess	1012.13

The excess is attributed mainly to the good progress of work for the quarters of Income Tax at Madurai, Tanjore, Raipur & Mumbai. Payment of the bills of the contractors was necessary to avoid financial and contractual implications as aforesaid. Supplementary Demand could not be proposed as the excess requirement was known after the final batch of Supplementary. Details of system of allocation of budget provision and individual responsibility have been given under Urban Development-construction above.

Details of expenditure incurred quarter wise/month wise are as under:—

	(Rs. in thousands)
Upto June '96	76360
July '96	30415
August '96	43732
September '96	31755
October '96	42271
November '96	53902
December '96	73190
January '97	
February '97	50918
March '97	108770

As may be seen from the details given above the Excess Expenditure has occurred towards the close of the financial year, especially during March, 97. Separate details of expenditure booked on the purchase of materials and amount provided as advance to contractors are not available at this juncture.

MH 4216 -	
Sub-head 23—Animal Husbandry	
Original Grant	—
Expenditure	9.93
Excess	9.93

The excess expenditure is marginal. Moreover it pertains to left over works of the previous year for which no provision has been made during the year 1996-97. The DG(W) is being instructed separately to ensure that no expenditure without budget provision is incurred in future.

Action Taken

DG, CPWD who operates the above heads of accounts has been requested to strengthen the monitoring mechanism and ensure that incurring of expenditure like this does not take place in future. Instructions have also been issued to fix responsibility against the officers concerned.

(B) MH 4217 Capital outlay on Urban Development

Sub-head 03—Delhi Metro Rail Corporation	
Original Grant	100.00
Supplementary	1.00
Total Grant	101.00
Expenditure	5200.00
Excess	5099.00

Reason:

(a) The Cabinet had clearly provided a scheme of funding for the Delhi Mass Rapid Transit Scheme. After a number of discussions, it was decided that at least Rs. 500 lacs during 1996-97 should be released towards equity.

(b) The view was further endorsed in meeting of the Empowered Committee which was taken by the Cabinet Secretary on 13.1.97.

(c) The Overseas Economic Cooperation Fund (Japan) had also clearly mentioned that unless the company was fully functional, there may be difficulty in effectuation of the loan.

The demand was, accordingly, projected in the revised estimates and the Budget Division of the Ministry of Finance had agreed to provide Rs. 5000 lakhs.

On account of a general review of schemes, the pace of expenditure, the balances outstanding with the State Govt. in respect of shared Centrally Sponsored Schemes, it was considered that savings from certain schemes to the extent of Rs. 5000 lakhs should be effected. These savings were in the nature of not releasing funds from the current years allocation, as certain balances from previous year remained with the State Government. Accordingly, an amount of Rs. 5000 lakhs was provided in the revised estimate for Delhi Metro Rail Corporation utilising these savings. *These were reflected in the usual budget documents, namely, Expenditure Budget Vol. I and Expenditure Budget Vol. II.*

A proposal for a supplementary grant was accordingly floated and a token supplementary of Rs. 1.00 lakh was approved by the Parliament. The note No. (d) relating to this token supplementary reads as follows:—

“For investment of Rs. 5000 lakhs in equity capital of Delhi Metro Rail Corporation Limited in 1996-97. As savings are available within the grant to meet this additional expenditure, supplementary grant is sought for a token amount”.

Reading all the above, it is clear that the Parliament had approved the release of Rs. 5000 lakhs as an equity to the DMRC by utilising the savings in the grant. The Parliament had, accordingly, approved the proposal.

Moreover, the release of equity to DMRC was imperative as the project was of national importance and each day delay meant an escalation of Rs. 2 crores. In this case, the savings to the extent of over Rs. 100 crores was available on the Revenue side and the Ministry was of the view that these savings could be utilised to release the equity capital to Delhi Metro Rail Corporation in view of the background explained above. Nevertheless the inadvertent non-observance of GID No. 2 (II) below rule 10 of DFPR is regretted and may kindly be condoned. The Hon'ble PAC is requested to regularise the same.

This has been vetted by DG (Audit), Central Revenue *vide* their U.O. No. RR/11-4/98-99/442 dated 31.7.98.

Sd/-
(GIRISH BHANDARI)
Joint Secretary & FA

No. G-25017/6/97-Bt.
Government of India
Ministry of Urban Affairs & Employment
(Budget Section)

New Delhi, dated the 3 / 4 August, 1998.

OFFICE MEMORANDUM

SUBJECT: *Excess expenditure over voted Grants during 1996-97 under Demand No. 82—Urban Development, Urban Employment and Poverty Alleviation.*

In the C&AG's Report for the year 1996-97 *inter alia* the following excess expenditure with reference to budget provision has been pointed out:

(Rs. in lacs)

	B.E.	Actual Expenditure	Supplementary Grant	Excess
MH-4216				
General Pool Accommodation	4190.00	4764.18,	—	574.18
Finance Revenue	4100.00	5113.13	1.00	1012.13

2. On the draft note prepared for the PAC in this behalf Audit have made the following observations:—

Major Head: 4216—Capital Outlay

01.106-03: Urban Development—Construction

The Ministry should highlight the specific responsibility of individual responsible for exceeding budget provision. The system of allocation of budget provision among the different controlling officers and their responsibility to incur expenditure within the allotment, should be explained alongwith the details of those who violated the instructions of limiting the expenditure within the approved grant. The reasons cited by Ministry are not valid for exceeding budget provision approved by Parliament.

01.106-06: Finance

The Ministry should highlight the specific responsibility of individual responsible for exceeding budget provision. The system of allocation of budget provision among the different controlling officers and their responsibility to incur expenditure within the allotment, should be explained alongwith the details of those who violated the instructions of

limiting the expenditure within the approved grant. The reasons cited by Ministry are not valid for exceeding budget provision approved by Parliament. Please indicate the monthly expenditure for the first three quarters and last three months of the fourth quarter and explain the error of about 25 per cent in budgetary assumption. Since the last batch of supplementary is finalised by the end of 1st month of last quarter of the financial year, the reasons that the bills were submitted for payment during financial year can not normally be accepted. Please indicate, why the requirement of funds was not correctly forecast. Further, please bifurcate the expenditure incurred during the last quarter of financial year towards payment to the contractor for purchase of materials. Out of the expenditure booked on purchase of material, please segregate the amount provided as advance and indicate whether this was avoidable.

3. The observations of the Audit were referred to D.G., CPWD etc. However, the reply furnished by them is not satisfactory.

4. The above excesses have been viewed seriously by audit.

5. Steps should be taken to identify the divisions etc. incurring expenditure in excess of the budget provision and responsibility fixed against the individual officers. It should also be ensured that no excess over the budget provision occurs under any circumstances in future. No expenditure should at all be incurred on any work without Budget Provision.

6. CCA is also requested to keep a watch on the progress of expenditure and should not admit any bills for payment which are not within the budget provision. All possible steps should be taken by D.G., CPWD and CCA to strengthen their monitoring mechanism including the system of issue of L.O.C. Officers found responsible for incurring expenditure in excess of budget provision should be brought to book at once and stringent action taken in this matter.

Sd/-

(GIRISH BHANDARI)
Joint Secretary & FA

To

1. DG(W), CPWD (Shri B.S. Duggal)
2. CCA (Shri H.N. Nayer)



द्वितीय
SECOND

अनुदानों की पूरक मांगें
SUPPLEMENTARY DEMANDS FOR
GRANTS

केन्द्रीय सरकार के व्यय के लिए
FOR EXPENDITURE OF THE CENTRAL GOVERNMENT

(रेलवे को छोड़कर)
(Excluding Railways)

1996-97

(संविधान के अनुच्छेद 115 के खण्ड (1) के उपखण्ड (क) के अनुसार संसद में प्रस्तुत। राष्ट्रपति की सिफारिश, जो मांगें पेश करने के लिए संविधान के अनुच्छेद 115 के खण्ड (1)(क) और (2) के साथ पठित अनुच्छेद 113 के खण्ड (3) के अन्तर्गत आवश्यक है, प्राप्त कर ली गई है।)

(Laid before Parliament in pursuance of sub-clause (a) of clause (1) of Article 115 of the Constitution. The recommendation of the President, required under clause (3) of Article 113 read with clauses (1) (a) and (2) of Article 115 of the Constitution for making the Demands has been obtained)

मार्च March, 1997

मांग संख्या DEMAND NO. 82
शहरी विकास, शहरी रोजगार और गरीबी अपशमन
URBAN DEVELOPMENT, URBAN EMPLOYMENT & POVERTY
ALLEVIATION

(केन्द्रीय सरकार की वर्ष 1996-97 की अनुदानों की मांगों का पृष्ठ 82 और वर्ष 1996-97, दिसंबर 1996 की पूरक अनुदान मांगों के प्रथम बैच का पृष्ठ 17 देखिए)

(See page 82 of the Demands for Grants of Central Government for the year 1996-97 and page 17 of the first batch of Supplementary Demands for Grants 1996-97, December, 1996).

		(करोड़ रुपए Rupees in Crore)		
		उत्पन्न Revenue	पूंजी Capital	जोड़ Total
I. मूल अनुदान:		I. ORIGINAL GRANT:		
	पारित स्वीकृत	Charged:	9.28	11.02
		Voted:	561.76	226.11
पूरक अनुदान		SUPPLEMENTARY GRANT		
	स्वीकृत	Voted:	—	0.01
इस समस्त आवश्यक रकम का पूरक अनुदान		Supplementary Estimates of the amount now required:		
	पारित स्वीकृत	Charged:	0.07	—
		Voted:	—	0.04
जोड़ (मूल और पूरक)		Total (Original plus Supplementary)	571.11	237.18
	पारित स्वीकृत	Charged:	9.35	11.02
		Voted:	561.76	226.16

II. इस पूरक विनियोग का हिसाब निम्नलिखित मुख्य शीर्षों के अन्तर्गत दिखाया जाएगा:

II. The Supplementary Grant/Appropriation will be accounted for under the following Major Heads.

		आयोजना Plan	अव्यय-निर्ण Non-Plan	जोड़ Total
उत्पन्न भाग मुख्य शीर्ष 2216-आवास		REVENUE SECTION MAJOR HEAD 2216-Housing		
	पारित	Charged:	—	0.07
				(क a)
पूंजी भाग मुख्य शीर्ष 4216-आवास पर पूंजी परिचय		CAPITAL SECTION MAJOR HEAD 4216-Capital Outlay on Housing		
	स्वीकृत	Voted:	0.01	0.01
			(ख b)	(ग c)

4217-राष्ट्रीय विकास पर पूंजी परिव्यय	4217-Capital Outlay on Urban Development				
	स्वीकृत	Voted:	0.01	—	0.01 (घ d)
6216-आवास के लिए ऋण	6216-Loans for Housing				
	स्वीकृत	Voted:	—	0.01	0.01
कोड़ (पूरक)	Total (Supplementary)		0.02	0.09	0.11 (ख e)
	भरित	Charged:	—	0.07	0.07
	स्वीकृत	Voted:	0.02	0.02	0.04

इन पूरक अनुदानों/विनियोगों की आवश्यकता निम्नलिखित के लिए है:

(क) राष्ट्रपति भवन की मरम्मत एवं अनुरक्षण पर हुए अतिरिक्त व्यय को पूरा करने के लिए। इसे अनुदान के 'स्वीकृत' भाग में बचतों से पूरा किया जाएगा।

(ख) पोर्टब्लेयर, अंडमन में लघु उद्योग सेवा संस्थान के लिए कार्यालय एवं आवासीय भवन के निर्माण हेतु। अनुमानित लागत 67 लाख रुपये है तथा वर्ष 1996-97 में संचायित व्यय 15 लाख रुपये है। शेष अनुदान के अन्तर्गत बचतें उपलब्ध हैं इसलिए संकेतिक राशि के लिए पूरक अनुदान मांग गयी है।

(ग) 1.49 करोड़ रुपये की अनुमानित लागत से आकर विभाग के लिए पंचकुला में आवास परिसर के निर्माण हेतु हरियाणा राष्ट्रीय विकास प्राधिकरण से 1.8 एकड़ भूमि के क्रय हेतु। इसे अनुदान के अन्तर्गत बचतों से पूरा किया जाएगा और संकेतिक राशि के लिए पूरक अनुदान मांग गयी है।

(घ) वर्ष 1996-97 में दिल्ली मेट्रो रेल निगम लिमिटेड की इक्विटी पूंजी में 50 करोड़ के निवेश हेतु। शेष इस अतिरिक्त व्यय को पूरा करने के लिए अनुदान के अन्तर्गत बचतें उपलब्ध हैं इसलिए संकेतिक राशि के लिए पूरक अनुदान मांग गयी है।

(ङ) केंद्रीय कर्मचारी कल्याण अख्यस संगठन को आधोऋण-विश्व सहायता (3 करोड़ रुपये) उपलब्ध करने के लिए। इसे अनुदान के अन्तर्गत बचतों के पुनर्विनियोजन से पूरा किया जाएगा और संकेतिक राशि के लिए पूरक अनुदान मांग गयी है।

The supplementary grants/appropriation are required for the following:

(a) For making additional expenditure on repairs and maintenance of Rashtrapati Bhawan. This will be matched by savings in the 'voted' section of the Grant.

(b) For construction of office and residential accommodation for Small Industries Service Institute, Port Blair, Andaman. The estimated cost is Rs. 68 lakh and the likely expenditure in 1996-97 is Rs. 15 lakh. As savings are available within the Grant, supplementary grant for a token amount is sought.

(c) For purchase of land measuring 1.8 acres from Haryana Urban Development Authority for construction of a housing complex at Panchkula for Income Tax Department at an estimated cost of Rs. 1.49 crore. This will be met from savings within the Grant and supplementary grant for a token amount is sought.

(d) For Investment of Rs. 50 crore in equity capital of the Delhi Metro Rail Corporation Limited in 1996-97. As savings are available within the Grant to meet this additional expenditure supplementary grant is sought for a token amount.

(e) For providing Non-Plan assistance (Rs. 3 crore) to Central Government Employees Welfare Organisation. This will be met by reappropriation of savings within the Grant and supplementary grant for a token amount is sought.

No. G-23011/3/96-Bt.
Government of India
Ministry of Urban Affairs & Employment
(Budget Section)

.....

Nirman Bhavan,
New Delhi-110011.
27th March, 1997.

To

The Chief Controller of Accounts,
Principal Accounts Office,
Ministry of Urban Affairs & Employment,
Nirman Bhavan, New Delhi.

SUBJECT : *Re-appropriation of funds in Demand No. 82—Urban Development, Urban Employment and Poverty Alleviation — Capital Section — Plan (voted) for 1996-97.*

Sir,

I am directed to say that the President is pleased to sanction the following re-appropriation of funds in Demand No. 82 — Urban Development, Urban Employment and Poverty Alleviation for the year 1996-97.

(Rs. in thousands)

From MH/sub-Head	Amount	To MH/sub-Head	Amount
1	2	3	4
	Rs.		Rs.
Revenue Section Plan (voted) MH 2215		Capital Section Plan (voted) MH 4217	
0.4—Low cost Sanitation for liberation of scavengers		03—Delhi Metro Rail Corporation Limited	
04.01—Assistance through HUDCO		03.00.54—Investment	499900
04.01.32—Contribution	100000		

1	2	3	4
MH 3601			
03-Mega City Scheme on infrastructural development.			
03.01-Contribution to sepecialised agencies.			
03.00.32-Contribution.	109900		
MH 3601			
02-PM's integrated Urban Poverty Eradication Programme			
02.01—Assistance to State level agencies			
02.01.31-Grants in aid	290000		

2. This issues with the approval of JS and FA (UA&E) and in accordance with the Supplementary Grant obtained in March, 1997.

Sd/-

(I.L. BANSAL)

Under Secretary to the Government of India.

Copy to:

1. Pr. A.O., Ministry of UA&E
2. Admn. II Section, Ministry of UA&E
3. Desk Officer (UT), Ministry of UA&E
4. P.A. to US (Bt.), Ministry of UA&E
5. W&F Unit, Ministry of UA&F
6. Ministry of Finance, Department of Expenditure
7. PAO Sectt.
8. SAE Folder

Sd/-

(I.L. BANSAL)

Under Secretary to the Government of India.

No. G-25017/6/97-Bt.
Government of India
Ministry of Urban Affairs & Employment
(Budget Section)

SUBJECT : Monitoring of Expenditure in C.P.W.D.

During the year 1996-97, excess expenditure over budget provision has been incurred by CPWD *inter alia* under the following sub-head under MH-4216 under Demand No. 82-UD & UEPA.

(Rs. in lakhs)

MH-4216	Budget Provision	Expenditure	Excess
1. 01.106.03 U.D. (Constn.)	4190.00	4764.18	574.18
2. 01.700.06 Finance (Revenue) Non-Plan+Supple- mentary Grant	4100.00 1.00		
	4101.00	5113.13	1012.13
3. 01.700.23	—	9.93	9.93

2. Audit has viewed the above excess seriously. The need for observance of strict control over expenditure with reference to budget provision needs hardly to be emphasised. D.G., CPWD is requested to look into the matter and ensure that no excess over the budget provision occurs in future.

3. Necessary steps to strengthen monitoring mechanism both at the Zonal level and Headquarters level of the CPWD may be taken.

Sd/-
(GIRISH BHANDARI)

J.S (F)

1. D.G.(W), C.P.W.D. (Shri B.S. Duggal)

Copy to :—

Shri H.N. Nayer, C.C.A, Min. of UA&E. It may please be ensured that no excess expenditure over budget provision is permitted under any of the Demands of this Ministry.

Sd/-

(GIRISH BHANDARI)

J.S. (F)

APPENDIX-VI
GOVERNMENT OF INDIA
MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT

Note for Public Accounts Committee for regularisation of excess expenditure incurred under Grant No. 83—Public Works as disclosed in the Union Government Appropriation Accounts (Civil) for 1996-97.

A. Revenue Section (Charged)	[Rs. in thousands]
Original Grant	50,00
Supplementary Grant	72,00
Total Grant	122,00
Actual Expenditure	278,51
Excess	156,51

Under revenue section (Charged) of Grant No. 83—Public Works, the original grant of Rs. 50,00 thousands was augmented to Rs. 122,00 thousands by obtaining supplementary grant of Rs. 72,00 thousand in March, 1997. The expenditure during the year however amounted to Rs. 278,51 thousands resulting in an excess expenditure of Rs. 156,51 thousands.

The excess expenditure was the net result of total excess of Rs. 163,98 thousands and total saving Rs. 7,47 thousands. The sub-head under which excess expenditure of Rs. 5 lakhs and above occurred, reasons therefor are as under:

MH: 2059

Sub-head—01.01.053 Maintenance & Repairs

	[Rs. in Lakhs]
Original Grant	40.00
Supplementary Grant	40.00
Total Grant	80.00
Actual Expenditure	243.98
Excess	163.98

Expenditure under charged head of account is booked for payment on account of contractual awards payable as per Court orders as well as payment to work charged staff on account of court orders. Contractual awards were received and accepted and paid for as some of them were made as per Court orders. Payment to the work charged staff in terms of direction of Supreme Court had to be made to avoid contempt of the Court. Expenditure being of charged nature was incurred to meet the Court decree/Arbitration awards which could not be foreseen.

There are approximately over 300 CPWD Division (Civil & Electrical) who are executing the work of this Ministry besides other Civil Ministries. There are large number of works already executed or still in execution payment to honour arbitration awards/judgement of any Honourable Court is to be made within a stipulated time period. In spite of best efforts, information in regard to additional funds required for projection in the final batch of Supplementary Grants were not forthcoming from all concerned within the limited time frame. For the same reason, precise detail whether the excess was due to court order or arbitration award are not available. Instructions have been issued to fix responsibility for such excesses.

B. Revenue Section (Voted)	[Rs. in thousands]
	408,83,00
Original Grant	15,96,00
Supplementary Grant	424,79,00
Total Grant	431,02,41
Actual Expenditure	6,23,41
Excess	

Under Revenue section (Voted) of Grant No. 83—Public Works, the original grant of Rs. 408,83,00 thousands was augmented to Rs. 424,79,00 thousands by obtaining supplementary grant of Rs. 15,96,00 thousands in March, 1997. The expenditure during the year, however amounted to Rs. 431,02,41 thousands resulting in an excess expenditure of Rs. 6,23,41 thousands. This excess expenditure was the net result of total excess of Rs. 27,26,55 thousands and total savings of Rs. 21,03,14 thousands in Revenue section (Voted) of the grant.

The sub-heads under which excess expenditure of Rs. 5 lakhs and above occurred and reasons therefor are as under:—

Major Head "2059"

(i) Sub-head: 01.01.052.01 New Supplies and Repairs

	[Rupees in Lakhs]
Original Grant/Total Grant	6,00.00
Actual Expenditure	6,80.68
Excess	80.68

The excess expenditure was due to unavoidable expenditure on urgent works and also rise in price of repairs of vehicles, old tools and plants etc. which could not be foreseen and the expenditure was incurred to make them functional. The excess expenditure has come to notice after the close of the financial year. Therefore, supplementary demand could not be

projected. Steps have been taken to strengthen the monitoring of the expenditure. Further, all Chief Engineers have been directed to keep the expenditure strictly within the budget grant in future.

(ii) *Sub-head: 01.01.053—Maintenance and Repairs*

	[Rs. in Lakhs]
Original Grant/Total Grant	70,00.00
Actual Expenditure	74,55.17
Excess	4,55.17

This sub-head is operated to book the expenditure on maintenance and repairs work of various Government building all over India. The excess expenditure was on account of taking up of some more unavoidable maintenance works to avoid deterioration of Government buildings, besides increase in the cost of the labour and materials etc.

The budget estimates in respect of maintenance and repairs works are based on approved yardstick plus cost index and also on actual basis. The major portion of this allocation is being utilised for making payment to the work charged staff particularly in the electrical and horticulture wing which are unavoidable and are considered as committed liabilities. It is reiterated that budget estimates are prepared for the next financial year on the basis of buildings already in hand which may require maintenance and repairs. During the financial year for which allotment was made based on last years estimates some new buildings are also added for maintenance and the old ones may require higher expenditure than the estimate. Instructions have already been issued to avoid recurrence of excess expenditure.

(iii) *Sub-head: 01.01799.01—Stock*

	[Rs. in Lakhs]
Original/Total Grant	120,00.00
Actual Expenditure	127,51.89
Excess	7,51.89

CPWD executes the substantial capital works of other Civil Ministries, M/o Defence, Cabinet Secretariat, Kendriya Vidyalaya, Navodaya Vidyalaya and so many other department besides the works of this Ministry. Procurement of more quantity of materials like cement and steel etc. for the works under execution not only under the Capital heads but other works like Deposit works etc. in addition to maintenance works, the materials for which are also booked under Suspense head Stock and resulted into exceeding the Budget grant. The procurement of materials was necessary for the smooth and fast progress of the ongoing works, otherwise the progress of the works would have hampered. The matter for enhancing the provision was taken up with M/o Finance. However, the provision have been increased to Rs. 130 crores in 1997-98 and Rs. 200 crores in 1998-99.

(iv) Sub-head: 01.01799.02—Miscellaneous work advances

	[Rs. in Lakhs]
Original Grant/Total Grant	8,09.00
Actual Expenditure	15,26.10
Excess	7,17.10

A number of final bills of the contractors when finalised as a result of Arbitration/Court directions are passed in Minus and the amount so worked out is charged to the Miscellaneous Works Advances recoverable from the erring contractors at a later stage, which takes a longer time to recover due to lengthy process of Arbitration/Court Case.

(v) Sub-head:—60.00053—Maintenance and repairs (Other Buildings)

	[Rs. in Lakhs]
Original Grant/Total Grant	16,50.00
Actual Expenditure	23,65.81
Excess	7,15.81

This sub-head is operated to book the expenditure on maintenance and repairs work of various other Government buildings all over India. The excess expenditure was on account of taking up of some more unavoidable maintenance works to avoid deterioration of Government buildings, besides increase in the cost of the labour and materials etc.

The budget estimates in respect of maintenance and repairs works are based on approved yardstick plus cost index and also on actual basis. The major portion of this allocation is being utilised for making payment to the work charged staff particularly in the electrical and horticulture wing which are unavoidable and are considered as committed liabilities. It is reiterated that budget estimates are prepared for the next financial year on the basis of buildings already in hand which may require maintenance and repairs. During the financial year for which allotment was made based on last year estimates some new buildings are also added for maintenance and the old ones may require higher expenditure than the estimate. Instructions have already been issued to avoid recurrence of excess expenditure.

(vi) Sub-head:— 80.10500—Public Works Workshop

	[Rs. in Lakhs]
Original Grant/Total Grant	45.00
Actual Expenditure	50.31
Excess	5.31

The Expenditure under this Major Head is mainly incurred for making payment to the workers for Salary & Overtime Allowance engaged on Auto Shop & Work Shop or Mechanical Work Shop. The Excess is due to more expenditure on Govt. vehicles which came for repairs and rise in price of diesel & other Motor parts required for such repairs. The variation is very nominal, may please be accepted for approval.

C. Capital Section (Charged)	[Rs. in thousands]
Original Grant	50,00
Supplementary Grant	38,00
Total grant	88,00
Actual Expenditure	1,58,18
Excess	70,18

Under Capital Section(Charged) of Grant No. 83—Public works the original grant of Rs. 50,00 thousands was augmented to Rs. 88,00 thousands by obtaining supplementary grant of Rs. 38,00 thousands in March 1997. The expenditure during the year however amounted to Rs. 1,58,18 thousands resulting in an excess expenditure of Rs. 70,18 thousands. The excess expenditure was the net result of total excess of Rs. 87,95 thousands and total saving of Rs. 17,77 thousands. The subhead under which excess expenditure of Rs. 5 Lakh and above occurred and reasons therefor are as under:—

MH: 4059

	Original Grant/ Total Grant	Actual Expenditure	[Rs. in Lakhs] Excess
Sub head			
01-01051-01-	25.00	78.19	53.19
Building			
Sub-head			
80-80051-14-		17.83	17.83
Mines			
Sub-head			
80-80051-14—		16.93	16.93
Statistics			
(Planning)			

Expenditure being of Charged nature was incurred to meet the Court decree/Arbitration awards which cannot be visualised. Since the payment to honour the arbitration or a court decree is to be made within a very short span to avoid contempt of court additional budget could not be projected in the Supplementary Demand. Instructions have already been issued to avoid recurrence in future.

Necessary instructions were issued from time to time to all the Central Public Works Department Divisions not to incur any expenditure beyond the budget allotment. Instructions had also been issued *vide* letters No. 2(1)/95-B(DGW) dated 25-04-95 3(3)/95-B(DGW) dated 07-02-96 and 2(3)/97-B(DGW) dated 24-09-97 & 1(1)/98-B(DGW) dated 6.8.98 [Copy enclosed] to all Chief Engineers concerned by the Directorate General of Works, Central Public Works Department to have effective control over the expenditure in future.

Action has already been initiated to identify the Divisional heads who had exceeded the budget allotment in order to ask the explanation and to fix responsibility.

In view of the circumstances explained above, the excess expenditure of Rs.156.51 lakhs under Revenue (Charged), Rs. 623.41 lakhs under Revenue (Voted) and Rs. 70.18 lakhs under Capital (Charged) of Grant No. 83—Public works for 1996-97 may kindly be recommended for regularisation by the Parliament under Article 115(1) (b) of the Constitution of India.

Vetting Comments of Director General of Audit as Communicated under their U.O No. RR/11-5/98-99/674 dated 14/9/98

(i) Sub head 01.01.52.01 New Supplies and Repairs

Ministry has not specified the urgent and unavoidable works, and has not supported the urgency and unavoidableness with evidence. The same may be done now for the better appreciation by PAO.

(ii) Sub head 01.01.053.60.600.53—Maintenance & Repairs

Ministry has not specified the reasons for increase in the expenditure on maintenance and wages of work charged staff and also whether more work charged staff were engaged and budgeted for.

(iii) Sub head 01.01799.02—Miscellaneous Work advances

What is the amount of minus bills charged to miscellaneous works advances and what is the present position of recoveries? Has the amount been recovered from the erring contractor.

(iv) Sub head 80.10500—Public Works Workshop

Ministry has not given specific reasons for each items exceeding the provision.

Capital Section (Charged)

Ministry has not clearly indicated that all excess under capital section(Charged) was due to court award. Ministry, therefore, may give the clear picture in the explanation.

Sd.

(Girish Bhandari)

Addl. Secretary & Financial Advisor (UA&E)

No. G—25017/6/97—Bt.



निर्माण महानिदेशालय
DIRECTOR GENERAL OF WORKS
केन्द्रीय लोक निर्माण विभाग
B.S. DUGGAL
Tel: 3018556
CENTRAL PUBLIC WORKS
DEPARTMENT
निर्माण भवन
NIRMAN BHAWAN

नई दिल्ली-110011 1(1)/98-B-1-(DGW) 1998

NEW DELHI-110011 the 6th August 1998

SUBJECT: Monitoring of expenditure in C.P.W.D.

Dear Shri,

Please find enclosed a copy of letter No. G-25017698-Bt., dated nil addressed by Shri Girish Bhandari, J.S.(F), M/O UA&E regarding monitoring of expenditure in CPWD. In this regard, Instructions were issued to all Chief Engineers *vide* this Directorate's D.O. No. 2(3)97-B(DGW), dated 24.9.97 in which all CEs/SEs were directed to ensure that no excess expenditure is incurred over the Budget allotment made to their Zones. They were further directed to ensure that the Divisional Offices get their monthly expenditure reconciled with their Pay & Accounts Offices and obtain the requisite certificate from the PAOs and submit the same to Circle Offices to ensure that there is no difference in the figures booked in Divisional Offices and those booked by Pay & Accounts Officers.

It is regretted that inspite of instructions issued by this Directorate on the above subject, Executive Engineers have not complied with the instructions and the Circle Offices as well Zonal Offices have allowed excess expenditure over the allotted budget for 1997-98.

I would again request the CEs to restrict the expenditure within the Budget allotment and have an effective control on the Budgetary

system. The Divisions/Circles under each Zone need to be identified, who have incurred excess over the Budget allotment during 1997-98 and suitable administrative action taken by CEs against such defaulters under intimation to the Directorate. Excess if any, during the financial year 1998-99 should be viewed seriously and responsibility fixed for such lapse.

With regards,

Yours sincerely,

Sd/-
(B.S. DUGGAL)

Shri
(All Chief Engineers)

Copy for information and necessary action to:

1. Shri N. Krishnamoorthi, ADG(TD), CPWD, New Delhi.
2. Shri Chandra Pal, ADG(S&P), CPWD, New Delhi.
3. Shri S.M. Agarwal, ADG(B), CPWD, New Delhi.
4. Shri Ravinder Lal, ADG(NR), CPWD, New Delhi.
5. Shri P. Ravindranathan, ADG(WR), CPWD, Mumbai.
6. Shri P. K. Ratho, ADG(ER), CPWD, Calcutta.
7. Shri P. Ravindranathan, ADG(SR), CPWD, Chennai.

Sd/-
(B.S. DUGGAL)

Copy also to:

1. Shri Girish Bhandari, J.S.(F), M/o UA&E, New Delhi.
2. Shri H.N. Nayer, CCA, M/o UA&E, New Delhi.

Sd/-
(B.S. DUGGAL)



B.S. DUGGAL

असं० संख्या/D.O. No. 2 (3)97-B(DGW)

निर्माण महानिदेशालय

DIRECTOR GENERAL OF WORKS

केन्द्रीय लोक निर्माण विभाग

CENTRAL PUBLIC WORKS

DEPARTMENT

निर्माण भवन

NIRMAN BHAWAN

नई दिल्ली-110011

NEW DELHI-110011 the 18th September,
1997.

Dear Shri,

SUBJECT: *Strict control over expenditure under Budgetary heads.*

As per Budget allotments received from the Ministry of Urban Affairs & Employment, under Revenue and Capital Heads, funds to the Chief Engineers were provided for the year 1997-98. You are no doubt aware that the position of funds specially under the heads 4059—Plan (UD) and 4216—Plan (UD) is very tight and would improve only if additional funds are allotted.

It has been observed from the Appropriation Accounts for the years 1995-96 and 1996-97 that there has been no effective control over the expenditure as compared to the allotted budget. There has been an excess expenditure in both the financial years. Audit has commented 'adversely' on the excess expenditure over the Budget. The prime responsibility for check of excess of expenditure over the Budget rests with the various Divisional Offices. However, the SEs/CEs have also to ensure that no excess expenditure is incurred over the Budget allotment made to their zones. They must ensure that the Divisional Offices get their monthly expenditure reconciled with their Pay and Accounts Offices and obtain the requisite certificate from the PAOs and submit the same to Circle Offices.

It is regretted that in spite of various instructions issued by this Directorate to keep a strict watch so that no excess expenditure over Budget is incurred, the Executive Engineers have not complied with the instructions and the Circle Offices as well CE's Offices have allowed them to incur the excess expenditure over the allotted budget.

Secretary (UD) in a recent Staff Meeting expressed his displeasure in regard to the excess expenditure over budgeted allotment. I would request the Chief Engineers to restrict the expenditure within the Budget allotment and have an effective control on the Budgetary system. Excess, if any, during this financial year should be viewed seriously and responsibility fixed for such lapse.

With regards,

Yours sincerely,

(B.S. DUGGAL)

ALL CEs (By name)

Copy to:

1. Secretary (UD), M/o UA&E, for his kind information.
2. C.C.A., M/o UA&E, for information and necessary action.

Director General (Works)

Government of India
Directorate General of Works
Central Public Works Department

No. 2(1)95- (DGW)

New Delhi, dated 25.4.95

OFFICE MEMORANDUM

SUB: *Budget allotment for the year 1995-96 under Major Head '4216'—C.O. on Housing and Major Head '4059' C.O. on Public Works including other functional heads.*

The statement showing the budget allotment for the year 1995-96 under the head of account mentioned above is enclosed herewith for further distribution among the SEs/EEs. The limit of expenditure for the first two months should be restricted in conformity to the instructions of Vote on Account issued separately by this Directorate.

Chief Engineers are requested to issue necessary instructions to the concerned SEs/EEs to ensure the expenditure is incurred in proportionate to the budget allotment.

Further, it is informed that no additional funds over the allotment now made will be available during the year, As such, Chief Engineers are requested to plan the expenditure in such a way that there is no shortage of funds during the year under any head of account.

This is issued with the approval of ADG(TD).

(N.S.K. Rao)
F.O. to D.G. (Works)

Shri
Chief Engineer ()
CPWD.

Copy to:

Pay & Accounts Offices, PAO (), CPWD, for
information and necessary action.

OCA, Principal Accounts Office, M/o Urban Development, New Delhi.

(N.S.K. Rao)
(F.O. to D.G. (Works))

**Government of India
Directorate General of Works
Central Public Works Department**

No. 3(3)95-B (DGW)

New Delhi, dt. 7.2.96

SUBJECT: *Revised Allotment of funds for the year 1995-96 under MH: 2059—P.W.A. 3(1)—Direction & Administration 'Plan' & 'Non-Plan'.*

In supersession of this Directorate's O.M. No. 3(1)95-B(DGW) dated 25-4-1995 and allotment/assurance made during the year 1995-96 on the subject cited above, allotment under the above Major Head is hereby revised on the basis of Revised Budget Allocation received from the M/o Urban Affairs & Employment. It is informed that M/o Urban Affairs & Employment have not allotted additional funds under O.T.A. & Travel Expenses sub-heads.

The revised allotment of funds under this head is given as per statement attached. As already intimated to Chief Engineers etc. that position of funds under the sub-head O.T.A. & Travel Expenses is very-very tight so extra care may be taken to monitor the expenditure under this sub-head.

All officers/D.D.Os attached to this Directorate may please note and comply the instructions strictly so that excess expenditure over the allotment may not be incurred at the end of the financial year 1995-96.

Encl: As above

(S. Satakopan)
F.O. to D.G. (Works)

To

CEs.-NDZ-I, NDZ-II, NDZ-III, EZ, NZ, EZ, NEZ, WZ, SZ-I, SZ-II, IBBZ Siliguri, SPG, NSGP, Elec.-I, CA(SZE-NEZ), CA(SWZ), CE(E) East Calcutta, CE(E) West Bombay, CE(IB Project), CE(PLP) SE(C)—Bombay, SE(C)—Madras, SE(C)—Calcutta, SE(C) Civil,—New Delhi SE(C) Elect. New Delhi, Techno Legal Cell, SSW(NDZ)I, SSW(NDZ)II, W.C. (Estt.), LO to CA-I, D.D. to C.A.II, CE(Trg.) SO(Cash) (DGW), S.U. General.

Copy to:—PAOs: DG(W), NDZ, FE, NZ, EZ, NEZ, WZ, SZ.

**Budget Section, M/o Urban Affairs & Employment, Pr. AO,
Pr. AO, M/o Urban Affairs & Employment.**

**PA to DG(W), PS to A (S&P), PS to D.A., IS to DW (P&WA), PS to
UM(PM).**

**(S. Satakopan)
F.O. to D.G. (Works)**

APPENDIX VII
EXPLANATORY NOTES ON EXCESS

Ministry of Communications
Department of Telecommunications
(Budget Section)

**NOTE FOR PUBLIC ACCOUNTS COMMITTEE FOR THE
REGULARISATION OF EXCESS OVER VOTED GRANT UNDER
REVENUE SECTION AND CHARGED APPROPRIATION OF
GRANT NO. 14 — DEPARTMENT OF TELECOM FOR THE YEAR
1996-97**

Revenue Section:

In the Revenue Section (Voted) of Grant No. 14 — Department of Telecom recorded an excess of Rs. 448.07 crores, constituting only 3.56 per cent of the total sanctioned provision in that segment of the grant as shown below:

	(Amount in Rupees)
Original Grant	12579,58,00,000
Supplementary Grant	19,00,00,000
Total Sanctioned Grant	12598,58,00,000
Actual Expenditure	13046,65,48,924
Excess	448,07,48,924

Reasons for Excess:

2.1 This is the cumulative effect of excess under MH. 3231 — Appropriation from Telecom Surplus (Rs. 943.95 crores) (mainly due to additional revenue and less working expenses) and partly under MH. 3230—Dividend to General Revenues (Rs. 20.34 crores), MH. 3451—Secretariat (Rs. 0.27 crores) and MH. 2852—Industries—Expenditure met from National Renewals Fund (Rs. 4.59 crores) set off by savings under MH. 3225—Working Expenses (Rs. 504.34 crores) and MH. 3275—Other Communication Services (Rs. 16.74 crores)

Reasons for Additional Revenue:

2.2 Excess was mainly due to more receipt from VSNL (Rs. 607.27 crores) and MTNL (Rs. 81.19 crores) due to the year end adjustments made by these PSUs as per their audited accounts. MTNL and VSNL are independent PSUs and pay Network and other charges to DOT. As there is significant time lag between the framing of estimates and the accounts closure, these are invariably at variance. Excess was also from Application

Deposits (Rs. 181.01 crores) due to increase in the number of applications for new services. This excess was partly compensated by less receipts from Telephone Rental and Call charges (Rs. 359.11 crores) mainly due to reduction in per DEL revenue with the increasing teledensity.

Savings under Working Expenses:

2.3 Savings under Working Expenses (Rs. 504.34 crores) were mainly under Interest on Bonds (Rs. 60.42 crores) due to raising of less Bonds during 1995-96. Redemption of Bonds (Rs. 64.43 crores) due to less 'put' option exercised by the investors, Lease charges and Interest on Deferred Payment (Rs. 333.58 crores) due to (i) conversion of payment terms of certain lease agreements to cash/deferred payments terms involving one time payment, (ii) delayed/less supplies of certain equipments postponing payment to 1997-98, and (iii) decrease in SBI PLR rates from 16% to 14.5% and Petty Works (Rs. 17.43 crores) due to less works undertaken.

2.4 Excess under Dividend to General Revenues was mainly due to revision of rate of interest.

2.5 Saving under Other Communication Services was mainly due to less Grants in Aid released to C-DOT.

3. Appropriation of Surplus to Reserve Funds was an accounting adjustment of the operating surplus of the Department and does not involve any cash outgo.

Capital Section:

4. In the Capital Section (charged) there was an excess of Rs. 1.51 lakhs due to incurring of expenditure to the extent of Rs. 2.09 lakhs under Plan BB. 2— Local Telephone Systems as per the Court orders not anticipated earlier, partly off set by savings under Non-plan-Stores Suspense Account.

5. The Excess of Rs. 448,07,48,924 under Revenue Section (voted) and Rs. 1,50,639 under Capital Section (Charged) may kindly be recommended for regularisation by Parliament under Article 115(i)(b) of the Constitution of India.

6. This has been vetted by Audit vide their UO No. RR.III/1(b)/400/ Aprn.A/c 96-97/404, dated 7.8.98.

Sd/-
(A. PRASAD)
MEMBER (FINANCE)

No. 1—39/97—B
Dated 20.8.98

APPENDIX VIII

EXPLANATORY NOTE FOR PUBLIC ACCOUNTS COMMITTEE FOR REGULARISATION OF EXCESS OVER VOTED/CHARGED PORTION OF GRANTS/APPROPRIATION DURING THE YEAR 1996-97

During the year 1996-97, there was an overall net saving of Rs. 869.22 crore over the total Grants and Appropriations resulting from aggregate savings of Rs. 1060.23 crore under 9 Grants [1, 2, 3, 5, 9, 10, 14, 15 & 16 (Capital and OLWR)] and 10 Charged Appropriations [4, 5, 6, 7, 8, 10, 11, 12, 13 & 16 (Capital)] and excess of Rs. 191.01 crore under eight Grants [4, 6, 7, 8, 11, 12, 13 & 16 (Railway Funds)] and three Charged Appropriations [3, 9 & 16 (Rly Funds)]. Reference Para. 24 to 27-Excess/Saving over Voted Grants and Charged Appropriations of the Appropriation Accounts of Indian Railways for the year 1996-97 (Part-I Review).

1.2 Excess under Charged Appropriation & Voted Grants

There is an excess under eight Grants and three Charged Appropriations as well as savings involving Rs. 100 crore and above under five Grants which are explained as under:—

(a) Charged Appropriations.

(i) Appropriation No. 3—Working Expenses—General Superintendence and Services.

	<i>Rupees</i>
Original Appropriation	93,000
Supplementary Appropriation	1,17,000
Total Sanctioned Appropriation	2,10,000
Actual Expenditure	7,69,900
Excess	5,59,900
Misclassification
Excess requiring regularisation	5,59,900
Percentage of Excess	266.62

Charged Appropriation of Rs. 93 thousand was obtained at the Budget Estimate Stage. A Supplementary Appropriation of Rs. 1.17 thousand was sanctioned anticipating additional Payments in satisfaction of court decrees.

The Charged Appropriation however proved to be inadequate, the actual expenditure having exceeded the provision by Rs. 5,59,900 as more decretal payments materialised at the fag end of the year, than anticipated originally.

The excess requiring regularisation is Rs. 5,59,900 which is the same as disclosed in the Appropriation Accounts.

(ii) Appropriation No. 9:— Working Expenses—Operating Expenses—Traffic.

	<i>Rupees</i>
Original Appropriation	4,00,000
Supplementary Appropriation	—
Total Sanctioned Appropriation	4,00,000
Actual Expenditure	9,43,502
Excess	5,43,502
Misclassification	—
Excess requiring regularisation	5,43,502
Percentage of Excess	135.88

Charged Appropriation of Rs. 400 thousand obtained at the Budget Estimate Stage, proved to be inadequate as the actual expenditure having exceeded the provision by 5,43,502 as more decretal payments materialised at the fag end of the year, than anticipated.

The excess requiring regularisation is Rs. 5,43,502, which is the same as disclosed in the Appropriation Accounts.

(iii) Appropriation No. 16:— Assets—Acquisition, Construction and Replacement — Other Expenditure — Railway Funds.

	<i>Rupees</i>
Original Appropriation	3,27,11,000
Supplementary Appropriation	1,44,10,000
Total Sanctioned Appropriation	4,71,21,000
Actual Expenditure	6,74,90,574
Excess	2,03,69,574
Misclassification	—
Excess requiring regularisation	2,03,69,574
Percentage of Excess	43.23

Charged Appropriation of Rs. 327.11 thousand was obtained at the Budget Estimate Stage. A Supplementary Appropriation of Rs. 144.10 thousand was sanctioned anticipating additional Payments in satisfaction of court decrees.

The Charged Appropriation, however, proved to be inadequate. The actual expenditure exceeded the provision by Rs. 203,69,574 as more decretal payments materialised at the fag end of the year, than anticipated.

The excess requiring regularisation is Rs. 2,03,69,574 which is the same as disclosed in the Appropriation Accounts.

(b) Voted Grants**(i) Grant No. 4:—Working Expenses—Repairs & Maintenance of Permanent Way & Works**

	<i>Rupees</i>
Original Grant	1707,36,13,000
Supplementary Grant	56,35,56,000
Total Sanctioned Grant	1763,71,69,000
Actual Expenditure	1777,39,79,326
Excess	13,68,10,326
Misclassification	1,02,83,280
Excess requiring regularisation	14,70,93,606
Percentage of Excess	0.83

A Grant of Rs. 1707.36 crore was obtained at the Budget Estimate Stage and a Supplementary Grant of Rs. 56.36 crore was obtained in March'97 to meet with the increase in expenditure for payments mainly under Interim Relief, Productivity Linked Bonus, Travelling Allowance, Contractual payments and Other expenses. etc.

The Grant, however, proved to be inadequate, the actual expenditure having exceeded the total sanctioned provision by Rs. 13.68 crore for the grant as a whole, which is just 0.78% of the total sanctioned provision and is quite minor. The excess occurred mainly under the following Minor heads:—

(a) Establishment in Offices (Rs. 1.40 crore) Increase in staff cost due to filling up of vacancies and more expenditure under D.A. IR and Other Allowances and more payment of PLB etc. (b) Maintenance of Permanent Way (Rs. 8.67 crore) due to more liquidation of contractual obligations for increased activities and more expenditure towards staff cost, Productivity Linked Bonus and more expenditure for the maintenance of ballast trains working etc. (d) Maintenance of Service Buildings (Other than Staff Quarters and Welfare Buildings) (Rs. 5.45 crore) mainly on account of more drawal of stores and more materialisation of contractual payments etc. (e) Water Supply, Sanitation and Roads (Other than colonies staff quarters and welfare Building) (Rs. 2.53 crore) mainly due to more expenditure on arrangement for water supply and other activities (f) Other Repairs and maintenance (Rs. 2.40 crore) due mainly to requirement of more funds for flood protection work and less adjustment of credits from stock adjustment account. The excess was partly offset by savings under the following Minor heads:—

(c) Maintenance of Bridge Work and Tunnels including Road Over/Under Bridges (Rs. 1.71 crore) mainly due to less expenditure for maintenance of Girder Bridges such as painting, repairs to steel work and less liquidation of contractual obligations etc. (g) Special repairs pertaining to Breaches, Accidents etc. including Special Revenue

Works. (Rs. 5.06 crore) due to less expenditure on contractual obligations due to non-finalisation of tenders etc.

Of the total excess, the highest excess occurred on South Eastern Railway (Rs. 5.58 crore), followed by Northern Railway (Rs. 3.97 crore), North Eastern Railway (Rs. 1.97 crore), Eastern Railway (Rs. 1.52 crore), N.E.F. Railway (Rs. 1.49), Central Railway (Rs. 0.24 crore), and South Central Railway (Rs. 0.09 crore). This was partly offset by savings on Western Railway (Rs. 0.90 crore), Southern Railway (Rs. 0.21 crore) and Metro Railway, Calcutta (Rs. 0.07 crore).

There was a misclassification of Rs. 1,02,83,280/- on account of wrong booking of expenditure to Grant No. 4 instead of Grant No. 16 (Cap.) (Rs. 82,63,894), Grant No. 16 (Railway Funds) (Rs. 2851,319) and Grant No. 7 instead of Grant No. 4 (Rs. 53,01,323) Grant No. 11 (Rs. 97,170), Grant No. 16 (Railway Funds) (Rs. 1,60,00,000). Taking into account the effect of misclassification also, the real excess requiring regularisation from Parliament works out to Rs. 14,70,93,606/- (i.e.0.83% of the total sanctioned provision).

(ii) *Grant No. 6:—Working Expenses-Repairs & Maintenance of Carriages & Wagons*

	<i>Rupees</i>
Original Grant	1769,44,32,000
Supplementary Grant	60,16,39,000
Total Sanctioned Grant	1829,60,71,000
Actual Expenditure	1860,34,06,643
Excess	30,73,35,643
Misclassification	-1,62,00,000
Excess requiring regularisation	29,11,35,643
Percentage of Excess	1.59

A Grant of Rs. 1769.44 crore was obtained at the Budget Estimate Stage and a Supplementary Grant of Rs. 60.16 crore was obtained in March' 97 to meet with the increase in expenditure for payments mainly under Interim Relief, Productivity Linked Bonus, more payments under Other Allowances, Overtime Allowances, Travelling Expenses, Materials from Stock, Material Direct purchase, Contractual Payments, Wages on P.O.H and Material on P.O.H; partly offset by less payments under transfer of debits/credits and Other Expenses etc.

The Grant, however, proved to be inadequate, the actual expenditure having exceeded the total sanctioned provision by Rs. 30.73 crore for the grant as a whole, which is just 1.68% of the total sanctioned provision. The excess occurred mainly under the following Minor heads;

(b) Carriages (Rs.28.34 crore) due to increase in allowances like D.A, I.R. and PLB and drawal of more materials from stock and receipt of more debits etc. (c) Wagons (Rs.3.12 crore) mainly due to more adjustment of workshop debits and drawal of more materials from stock

and increase in allowances like D.A, I.R. and PLB (f) Miscellaneous Repairs and Maintenance Expenses (Rs. 5.92 crore) mainly due to adjustment of less credit from Stock Adjustment Account and receipt of more debits in connection with payments on account of damages and deficiencies in stock interchanged with other Railways. The excess was partly offset by saving under the following Minor heads:-

(a) Establishment in Offices (Rs. 2.30 crore) mainly due to incurrence of less expenditure under Salaries and Wages, D.A. PLB and Other Allowances due to non filling up of vacancies. (d) Electric Multiple Unit-Coaches (Rs.264 crore) due to incurrence of less expenditure towards establishment charges, less drawal of materials from stock, less receipt of POH debits etc. (e) Electrical General Services-Train Lighting Fans and Air-Conditioning (Rs. 1.71 crore) mainly on account of decrease in repair activities of A.C. Coaches and workshop repairs, receipt of less debits, less drawal of stores from stock etc.

Of the total excess, the highest excess occurred on South Eastern Railway (Rs. 17.75 crore), followed by Central Railway (Rs. 10.84 crore), South Central Railway (Rs. 4.13 crore), Eastern Railway (Rs. 3.32 crore), Western Railway (Rs. 1.11 crore), N.F. Railway (Rs.1.00 crore), and Southern Railway (Rs.0.12 crore); partly offset by savings on North Eastern Railway (Rs. 6.83 crore) Northern Railway (Rs.0.68 crore), and metro Railway, Calcutta (Rs.0.03 crore).

There was a misclassification of (-) Rs. 1,62,00,000/- on account of wrong booking of expenditure booked to Grant No.6 instead of Grant No.16 (Railway Funds) (Rs.1,62,00,000). Taking into account the effect of misclassification also, the real excess requiring regularisation from Parliament works out to Rs. 29,11,35,643/-(i.e.1.59% of the total sanctioned provision).

(iii) Grant No. 7:- Working Expenses — Repairs & Maintenance of Plant & Equipment

	<i>Rupees</i>
Original Grant	908,89,10,000
Supplementary Grant	27,95,89,000
Total Sanctioned Grant	936,84,99,000
Actual Expenditure	950,67,27,905
Excess	13,82,28,905
Misclassification	—78,82,091
Excess requiring regularisation	13,03,46,814
Percentage of Excess	1.39

A grant of Rs. 908.89 crore was obtained at the Budget Estimate stage and a Supplementary Grant of Rs. 27.96 crore was obtained in March' 97 to meet with the increase in expenditure for payments mainly on account of Salary, Interim Relief, Productivity Linked

Bonus, Other Allowances, Contractual Payments and Wages on POH; partly offset by less payments under Cost of Material from Stock, Cost of Material Directly purchased, Transfer of Dr. /Cr. and Other Expenses etc.

The Grant, However, proved to be inadequate, the actual expenditure having exceeded the total sanction provision by Rs. 13.82 crore for the Grant as a whole, which is 1.47% of the total sanctioned provision. The excess mainly occurred under the following Minor heads:—

(a) Establishment in Offices (Rs. 2.01 crore) due to more payment of Salaries and Wages, DA and PLB due to increase in ceiling limit and hike in material prices etc. (c) Plant and Equipment — Mechanical. (Rs.11.31 crore) mainly due to receipt of more debits and due to more drawal of Stores from Stock etc. (d) Plant and Equipment — Electrical (Rs. 8.32 crore) mainly due to increase in prime cost of maintenance of overhead equipment and more expenditure on staff cost. (e) Plant and Equipment - Signalling (Rs. 0.71 crore) mainly due to more expenditure in modernisation of Signalling and more drawal of stores, increase in cost of spares etc. (f) Plant and Equipment — Telecommunication (Rs. 0.38 crore) due to more expenditure on contractual payments for procurement of Microwave and more expenditure in staff cost. The excess was partly offset by savings under the following Minor heads:

(b) Plant and Equipment-Way & Works (Rs. 6.33 crore) mainly due to receipt of less expenditure on office equipment repairs and receipt of less store debits and also due to less expenditure of staff cost etc. (g) Rental to P&T for Signalling and Telecommunication Circuits (Rs. 0.37 crore) due mainly to receipt of less claims from P&T Deptt. (h) Other Plant and Equipment-General and Traffic Departments (Rs. 2.21 crore) due to less procurement of stock and non-stock materials and less adjustment of debits/credits etc.

Of the total excess, the highest excess occurred on Central Railway (Rs.8.29 crore) followed by South Eastern Railway (Rs. 6.53 crore), Northern Railway (Rs. 3.20 crore), South Central Railway (Rs. 1.87 crore), Northeast Frontier Railway (Rs. 0.69 crore) and Southern Railway (Rs. 0.09 crore); partly offset by savings on North Eastern Railway (Rs. 3.31 crore), Eastern Railway (Rs. 2.83 crore), Western Railway (Rs. 0.51 crore) and Metro Railway, Calcutta (Rs. 0.20 crore).

There was a misclassification of (–) Rs. 78,82,091/- on account of wrong booking of expenditure to Grant No. 5 (Rs. 11,41,672) & Grant No. 11 (Rs. 29,168) instead of Grant No. 7, wrong booking to Grant No. 7 instead of Grant No. 16 (Cap) (Rs. 6,87,000) and Grant No. 16 (Railway Funds) (Rs. 83,65,931). Taking into account the effect of misclassification also the real excess requiring regularisation from Parliament works out to Rs. 13,03,46,814/- (i.e. 1.39% of the total sanctioned provision).

(iv) Grant No. 8:—Operating Expenses—Rolling Stock & Equipment

	<i>Rupees</i>
Original Grant	1459,60,62,000
Supplementary Grant	79,68,35,000
Total Sanctioned Grant	1539,28,97,000
Actual Expenditure	1563,41,69,533
Excess	24,12,72,533
Misclassification	—
Excess requiring regularisation	24,12,72,533
Percentage of Excess	1.57

A Grant of Rs. 1459.61 crore was obtained at the Budget Estimate stage and a Supplementary Grant of Rs.79.68 crore was obtained in March'97 to meet with the increase in expenditure for payments mainly on account of Interim Relief, Productivity Linked Bonus, More payments under Overtime Allowance; Other Expenses, Cost of Materials, Fuel for other than Traction and Contractual Payments etc.; partly offset by less likely payments under Salary and adjustments under Transfer of Dr./Cr. etc.

The Grant, however, proved to be inadequate, the actual expenditure having exceeded the total sanctioned provision by Rs. 24.13 crore for the Grant as a whole, which is 1.57% of the total sanctioned provision. The excess mainly occurred under the following Minor heads:—

(b) Diesel Locomotives (Rs. 40.06 crore) due mainly on account of increase in Staff cost due to redeployment of staff from Steam Locos and due to more miscellaneous expenses (c) Electric Locomotives (Rs. 7.50 crore) mainly due to more expenditure on Salary, DA, I.R. and Other Allowances and due to more drawal of Stores from Stock etc. (d) Electric Multiple Unit Coaches (Rs. 5.21 crore) mainly due to more expenditure on staff cost and more drawal of Stores from Stock (f) Traction (Other than Rolling Stock) and General Electrical Services (Rs. 29.69 crore) mainly due to more contractual payments made to different State Electricity Boards for energy supplied at enhanced rates etc.; the excess was partly offset by savings under the following Minor heads:

(a) Steam Locomotives (Rs. 47.77 crore) due mainly to less expenditure towards Staff cost due to phasing out of Steam Locos and closure of Loco Sheds, (e) Carriages and Wagons (Rs. 7.44 crore) due mainly to less Staff cost and receipt of less debits from IRCA (g) Signalling and Telecommunication (Rs. 3.05 crore) due to less drawal of stores and less expenditure on Staff cost etc. (h) Ferry Services and Rail Cars (Rs. 0.07 crore) due to adoption of economy measures to control expenditure on OT, N.D.A., TA and Honorarium.

Of the total excess, the highest excess occurred on Central Railway (Rs. 7.94 crore) followed by N.F. Railway (Rs. 7.42 crore), South Eastern Railway (Rs. 6.25 crore), North Eastern Railway (Rs. 4.29 crore), South Central Railway (Rs. 2.42 crore), Western Railway (Rs. 1.34 crore),

Southern Railway (Rs. 0.24 crore) and Metro Railway, Calcutta (Rs. 0.07 crore); partly offset by savings on Eastern Railway (Rs. 5.54 crore) and Northern Railway (Rs. 0.20 crore).

The excess requiring regularisation from Parliament works out to Rs. 24,12,72,533/-.

(v) *Grant No. 11:— Working Expenses—Staff Welfare & Amenities*

	<i>Rupees</i>
Original Grant	667,13,52,000
Supplementary Grant	8,66,97,000
Total Sanctioned Grant	675,80,49,000
Actual Expenditure	680,31,90,893
Excess	4,51,41,893
Misclassification	-1,26,338
Excess requiring regularisation	4,50,15,555
Percentage of Excess	0.67

A Grant of Rs. 667.14 crore was obtained at the Budget Estimate stage and a Supplementary Grant of Rs. 8.67 crore was obtained in March' 97 to meet with the increase in expenditure for payments mainly on account of Interim Relief, Productivity Linked Bonus, More Payments under Other Expenses, Contractual Payments, Contingent Expenses and Other Allowances etc; partly offset by less Salary, Cost of Material—Directly Purchased, Cost of Materials from Stock and adjustments under Transfer of Dr./Cr. etc.

The Grant, however, proved to be inadequate, the actual expenditure having exceeded to total sanctioned provision by Rs. 4.51 crore for the Grant as a whole, which is 0.67% of the total sanctioned provision. The excess mainly occurred under the following Minor heads:—

(c) Health and Welfare Services (Rs. 1.50 crore) due mainly to more expenditure on staff costs as well as under contractual payments
 (e) Residential and Welfare Buildings—Repairs and Maintenance (Rs. 15.66 crore) mainly due to more expenditure on contractual obligations and more activities under water supply and sanitation maintenance works
 (f) Miscellaneous Expenses (Rs. 0.12 crore) mainly due to unanticipated adjustment under Stock Adjustment; the excess was partly offset by savings under the following Minor heads:—

(a) Educational Facilities (Rs. 1.58 crore) due mainly to less expenditure towards Staff cost and non-materialisation of indents for both stock and non-stock items etc. (b) Medical Services (Rs. 9.99 crore) due mainly to less Staff cost and less supply of medicines for medical department and receipt of less store debits (d) Canteen and Other Staff Amenities (Rs. 1.20 crore) due mainly to less expenditure on staff cost and adoption of economic measures.

Of the total excess, the highest excess occurred on Central Railway (Rs. 6.03 crore) followed by Northern Railway (Rs. 2.03 crore), South Eastern Railway (Rs. 1.92 crore), Western Railway (Rs. 0.50 crore), North Eastern Railway (Rs. 0.40 crore); partly offset by savings on Eastern Railway (Rs. 2.24 crore), Southern Railway (Rs. 1.91 crore), Northeast Frontier Railway (Rs. 1.81 crore), South Central Railway (Rs. 0.38 crore), and Metro Railway, Calcutta (Rs. 0.03 crore).

There was a misclassification of (-) Rs. 1,26,338/- on account of wrong booking of expenditure to Grant No. 11 instead of Grant No. 7 (Rs. 29,168) and Grant No. 4 (Rs. 97,170). Taking into account the effect of misclassification also the real excess requiring regularisation from Parliament works out to Rs. 4,50,15,555/- (*i.e.* 0.67% of the total sanctioned provision).

(vi) *Grant No. 12:— Miscellaneous Working Expenses*

	<i>Rupees</i>
Original Grant	854,52,84,000
Supplementary Grant	—
Total Sanctioned Grant	854,52,84,000
Actual Expenditure	882,75,42,991
Excess	28,22,58,991
Misclassification	26,01,225
Excess requiring regularisation	28,48,60,216
Percentage of Excess	3.33

A Grant of Rs. 854.53 crore was obtained at the Budget Estimate stage. The actual expenditure having exceeded the total sanctioned provision by Rs. 28.23 crore for the Grant as a whole, which is 3.30% of the total sanctioned provision. The excess mainly occurred under the following Minor heads:—

(b) Compensation Claims (Rs. 27.07 crore) mainly due to more payment of compensation claims and receipt of more debits etc. (d) Catering (Rs. 12.95 crore) due to more expenditure on raw material and more expenditure towards staff cost etc. (f) Other Expenses (Rs. 2.23 crore) due to more expenditure on fire staff and Civil defence due to increase in activities (g) Hospitality and Entertainment Expenses (Rs. 0.01 crore), which is minor (h) Suspense (Rs. 26.59 crore) due to more discharge of liabilities under Demands Payable etc.; the excess was partly offset by savings under the following Minor heads:

(a) Security (Rs. 31.68 crore) due to less payments of GRP and less debits towards RPSF for want of requisite certificates from the State Government concerned etc. (c) workmen and Other Compensation Claims (Rs. 0.67 crore) due mainly to settlement of less number of cases towards workmen's compensation (e) Cost of Training of staff (Rs. 8.27 crore) due to less expenditure under cost of training schools etc.

Of the total excess, the highest excess occurred on Southern Railway (Rs. 13.55 crore), followed by Northeast Frontier Railway (Rs. 10.84 crore), South Central Railway (Rs. 6.19 crore), Western Railway (Rs. 3.28 crore), Northern Railway (Rs. 2.88 crore), Central Railway (Rs. 2.08 crore) and South Eastern Railway (Rs. 2.13 crore); partly offset by savings on North Eastern Railway (Rs. 9.07 crore), Eastern Railway (Rs. 3.59 crore) and Metro Railway, Calcutta (Rs. 0.06 crore).

There was a misclassification of Rs. 26,01,225/- on account of wrong booking of expenditure to Grant No. 3 instead of Grand No. 12. Taking into account the effect of misclassification also the real excess requiring regularisation from Parliament works out to Rs. 28,48,60,216/- (i.e. 3.33% of the total sanctioned provision).

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

	<i>Rupees</i>
Original Grant	2361,96,52,000
Supplementary Grant	135,54,68,000
Total Sanctioned Grant	2497,51,20,000
Actual Expenditure	2521,35,86,708
Excess	23,84,66,708
Misclassification	—
Excess requiring regularisation	23,84,66,708
Percentage of Excess	0.95

A Grant of Rs. 2361.97 crore was obtained at the Budget Estimate Stage and a Supplementary Grant of Rs. 135.55 crore was obtained in March' 97 to meet with the increase in expenditure mainly for higher Superannuation and Retiring Pension, Family Pension, Death-cum-Retirement Gratuity etc. due to sanction of Interim Reliefs and higher dearness relief payable to Railway Pensioners.

The Grant, however, proved to be inadequate, the actual expenditure having exceeded the total sanctioned provision for the Grant as a whole by Rs. 23.85 crore, which is 0.95% of the total sanctioned provision. The excess occurred mainly under the following Minor heads:—

(a) Superannuation and Retiring Pension (Rs. 12.98 crore) due to more payments towards disbursement of pensionary liabilities due to increase in number of Pensioners and Reliefs (d) Family Pension (Rs. 6.63 crore) mainly due to receipt of more debits from different disbursing authorities (e) Death-cum-Retirement Gratuity (Rs. 8.37 crore) due to more payments towards D.C.R.G and merging of DA with Pay at enhanced rate (f) Other Allowances, Other Pensions and Other Expenses (Rs. 8.75 crore) mainly due to settlement of more cases of pension and receipt of more debits from disbursing authorities. The excess was partly offset by savings under the following Minor heads:-

(b) Commuted Pension (Rs. 11.83 crore) due to finalisation of less commutation cases and less voluntary retirements (c) Ex-gratia Pension, (Rs. 0.12 crore) due to settlement of less number of cases, (g) Gratuities and Special Contribution to Provident Fund (Rs. 0.38 crore) mainly due to materialisation of less cases of Gratuities and Special Contribution to Provident Fund (h) Contribution to Provident Fund (Rs. 0.04 crore) due to less payment of Bonus for more withdrawal of Provident Fund.

Of the total excess the highest occurred on Central Railway (Rs. 32.46 crore) followed by South Central Railway (Rs. 26.54 crore), Western Railway (Rs. 17.73 crore), North Eastern Railway (Rs. 16.38 crore), Southern Railway (Rs. 3.42 crore), N.F. Railway (Rs. 2.01 crore), CLW (Rs. 0.27 crore), Metro Railway, Calcutta (Rs. 0.16 crore), ICF (Rs. 0.03 crore) and RCF (Rs. 0.02 crore); partly offset by savings on Eastern Railway (Rs. 70.19 crore), South Eastern Railway (Rs. 4.49 crore), Northern Railway (Rs. 0.24 crore), D.L.W. (Rs. 0.19 crore), DCW (Rs. 0.05 crore) and IRISSET (Rs. 0.01 crore).

The excess requiring regularisation from Parliament works out to Rs. 23,84,66,708/- (i.e. 0.95% of the total sanctioned provision).

(viii) Grant No. 16 :—Assets — Acquisition, Construction and Replacement— Railway Funds (DRF, DF and Capital Fund)

	Railway Funds		in Rupees
	DRF	DF	CAP. FUND
Original Grant	2668,11,55,000	349,90,00,000	1713,89,09,000
Supplementary Grant	130,08,14,000	11,85,000	174,53,48,000
Total Sanctioned Grant	2798,19,69,000	350,01,85,000	1888,42,57,000
Actual Expenditure	2898,04,11,716	314,35,28,607	1874,15,85,452
Excess(+)	(+99,84,42,716)	-35,66,56,393	-14,26,71,548)
Saving(-)			
		49,91,14,775	
Misclassification	(3,22,15,927	—	-1,75,46,197)
		1,46,69,730	
Total Excess	(+103,06,58,643	-35,66,56,393	-16,02,17,745)
		51,37,84,505	
Percentage		1.02%	

A Grant of Rs. 4731.91 crore was obtained at the Budget estimate stage. A Supplementary Grant of Rs. 304.73 crore was obtained (Rs. 130.08 crore under DRF, Rs. 0.12 crore under DF and Rs. 174.53 crore under Capital Fund) to meet with the requirement mainly under Gauge Conversion, Rolling Stock and Track Renewals due to better progress. The

actually expenditure of Rs. 5086.55 crore was Rs. 49.91 crore more than the total sanctioned provision of Rs. 5036.64 crore. There was a misclassification of Rs. 1.47 crore. The excess under Railway Funds thus worked out to Rs. 51.38 crore. The excess was mainly under the following Plan Heads (Minor Heads):—

Gauge conversion (1.43 crore), Rolling Stock (Rs. 24.07 crore), Tack Renewals (Rs. 57.98 crore), Signalling & Telecommunication Works (Rs. 3.06 crore), Electrification Projects (Rs. 0.46 crore), due to speedier progress of work etc. This was partly offset by excess under the following Plan Heads (Minor-Heads); Doubling (Rs. 3.74 crore), Traffic Facilities — Yard Remodelling and Others (Rs. 4.58 crore), computerisation (Rs. 5.30 crore), Railway Research (Rs. 0.08 crore), Bridge Works (Rs. 0.27 crore), Other Electrical Works (Rs. 2.24 crore), Machinery and Plant (Rs. 9.15 crore), Workshops — including Production Units (Rs. 0.10 crore), Staff Quarters (Rs. 0.39 crore), Amenities for Staff (Rs. 3.49 crore), Passenger Amenities and other Railway Users' Amenities (Rs. 6.29 crore) and Other Specified Works (Rs. 1.46 crore) mainly due to slow progress of work and lesser activities than anticipated.

The excess requiring regularisation from Parliament works out to Rs. 51,37,84,505/- (i.e. 1.02% of the total sanctioned provision).

APPENDIX IX

STATEMENT OF CONCLUSIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Ministry/Deptt. concerned	Conclusions and Recommendations
1	2	3	4
1.	48	Finance (Expenditure)	The Committee note that an expenditure of the order of Rs. 706.72 crore had been incurred by various Ministries/Departments of the Union Government in excess of the provision authorised by Parliament under 21 grants/appropriations during the year 1996-97. The Committee are particularly astonished to find that bulk of this excess expenditure had been recorded under the lone grant operated by the Department of Telecommunications which accounted for over 63 per cent of the total excess expenditure incurred during that year. Another disquieting aspect observed by the Committee is that excess expenditure of over one crore rupees had been incurred in as many as 16 cases out of which nine grants/appropriations were operated by the Ministry of Railways. What is still more disturbing is the fact that the number of excess registering grants/appropriations during 1996-97 had suddenly gone up to 21 in sharp contrast to the preceding three years when the number of excess registering grants/appropriation showed a steady decline from 16 in 1993-94 to 15 in 1994-95 and 9 in 1995-96. Obviously, the situation has taken a worse turn despite issuance of elaborate instructions at regular intervals by the Ministry of Finance in pursuance of the off-repeated exhortations of the Public Accounts Committee in the past to contain the instances of excess expenditure to the barest minimum if not eliminate them

1 2

3

4

altogether. The Committee view this situation with grave concern and are of the firm opinion that mere issuance and reiteration of instructions will not produce desired results and that there is an urgent and imperative need to devise an effective system to ensure rigid enforcement of all those instructions with a view to imparting financial discipline in the Ministries/Departments of Union Government. The Committee therefore desire that the Ministry of Finance (Department of Expenditure) should effectively impress upon the Secretaries in all the Ministries/Departments of Union Government to bear in mind that excess expenditure is "unauthorised expenditure" and it betrays lack of financial discipline. They would also like the Department of Expenditure to devise a strong mechanism for strict application of prescribed financial rules and deal sternly with cases of any deviations from established financial principles so as to curb the undesirable tendency of incurring expenditure having the effect of exceeding the grant or appropriation authorised by Parliament by law for a financial year.

2. 49

Finance
(Expenditure)

The Committee's detailed examination of the Appropriation Accounts for 1996-97 has also revealed that the excess expenditure in 16 grants/appropriations had occurred even after obtaining the supplementary provisions of Rs. 736.17 crore. In the light of the fact that supplementary grants/appropriations were obtained in most of the cases in March 1997, the Committee are convinced that the Ministries/Departments concerned have once again displayed their failure in making realistic assessment of their requirement of funds even at the fag end of the year when they had adequate data on the trend of

1

2

3

4

expenditure and their committed liabilities. Evidently, the supplementary provisions in all these cases were obtained without proper assessment with the result that even these additional funds proved inadequate to meet the actual requirements of the Ministries/Departments concerned. The Committee are of firm belief that these facts bring to sharp focus the inadequacies persisting in the institutional arrangements in the Ministries/Departments in not only realistically assessing their requirement of funds but also in monitoring the trend of expenditure under various heads of accounts. They, therefore, desire the Ministry of Finance (Department of Expenditure) to take concrete measures to ensure that all Ministries/Departments not only put their budget and accounting information systems on proper footing but also take timely corrective action to obtain required funds from Parliament so that no expenditure is incurred in excess of the authorised limits.

3. 50

**Finance
(Expenditure)**

In accordance with the time schedule prescribed, the Ministries/Departments are required to submit to the Committee the explanatory notes in respect of excess registering grants/appropriations by 31 May of the second following year to which the accounts relate or immediately after the presentation of the relevant Appropriation Accounts to the House whichever is later. Taking note of persisting delays in furnishing the requisite explanatory notes, the Committee in paragraph 65 of their First Report (Eleventh Lok Sabha) had desired that in future the Monitoring Cell in the Department of Expenditure should be entrusted with the task of coordination, collection and timely submission to the Committee of relevant explanatory notes, duly vetted by audit, on

1	2	3
---	---	---

4

excess expenditure in respect of all the Appropriation accounts of the Union Government for the year 1995-96 onwards. The Committee also desired that the Secretaries of the administrative Ministries/Departments concerned should be held personally responsible for any delay in submission of the requisite explanatory notes. According to the information made available to the Committee, the Controller General of Accounts in the Department of Expenditure vide a communication dated 31 January, 1997 had brought these observations of the Committee to the notice of Secretaries of the Ministries/Departments of Union Government. Subsequently, the Ministries concerned were also reminded by the Department of Expenditure at regular intervals to submit the relevant explanatory notes on excess expenditure in time to the Committee in respect of Appropriation Accounts for the year under review. However, Ministries/Departments of Government continued to default on this account and the explanatory notes in respect of all the excess registering grants/appropriations during 1996-97 were made available to the Committee with a delay ranging from 15 days (in case of Grants operated by Ministry of Railways) to 4 months and 15 days (in case of Grant No. 56 Broadcasting Services). While taking a serious view of this delay on the part of the Ministries concerned, the Committee feel convinced that there is a crying need for improvement in the procedure for submission of explanatory notes on excess expenditure within the stipulated time. The Committee therefore, recommend that the Department of Expenditure should address this issue seriously and introduce a system whereby the explanatory notes on excess expenditure are prepared by the administrative Ministries/

1	2	3	4
			<p>Departments concerned and got vetted from the Audit simultaneously with the relevant annual Appropriation Accounts. Such explanatory notes can subsequently be collected by the Monitoring Cell in the Department of Expenditure which should ensure submission of the same to the Committee strictly in accordance with the time schedule prescribed in this regard. The Committee trust that appropriate and urgent steps would be taken by the Department of Expenditure to revamp the procedure for submission of explanatory notes with a view to effecting improvements in right direction.</p>
4.	51	Tourism	<p>The Committee find from their scrutiny of select cases of grants having registered excess expenditure that Capital section (voted) of Grant No. 8—Department of Tourism registered an excess expenditure of Rs. 3.72 crore mainly due to requirement of additional funds for development of Tourism Infrastructure in the country. A scrutiny of the explanatory note furnished by the Department of Tourism in this regard revealed that provisions for the activities relating to development of Tourism infrastructure were kept under the Revenue section by the Department despite the fact that such activities were of capital nature. According to the Department, provisions were also simultaneously made in the Capital section in the Detailed Demands for Grants and this discrepancy could be detected by the Department only at the time of preparation of Appropriation Accounts for the year 1996-97. Although the Department of Tourism have pleaded that the discrepancies were sorted out at the Revised Estimates stage and that the whole problem was only of a technical nature, the Committee consider it to be an obvious case of sheer negligence at all levels in the Budget Wing of the</p>

1

2

3

4

Department of Tourism. The Committee also express their dissatisfaction over the lack of understanding and reconciliation displayed by the Department of Tourism which failed to take appropriate and timely remedial steps to rectify erroneous depiction of requirement of funds. They therefore, desire that responsibility must be fixed for the lapse in the instant case and trust that the Department of Tourism would be extra cautious while preparing their Budget Estimates.

5. 52

Finance
(Economic
Affairs)

The Committee are astonished to find another case where excess expenditure of Rs. 2.18 crore had occurred due to accounting lapse of erroneous booking of expenditure in the Revenue section (voted) of Grant No. 24—Department of Economic Affairs. The Committee's scrutiny of this grant revealed that a debit of Rs. 21.42 crore was wrongly raised against a Major Head ostensibly on the ground of "oversight". What is more regrettable is that the Department of Economic Affairs failed to detect this error before finalisation of the Appropriation Accounts particularly when the grant had registered an excess expenditure. The Committee take a serious view of this lapse and they stress that misclassification/erroneous booking of expenditure should in no case be allowed to result in excess expenditure. The Committee are of the firm opinion that enquiry should invariably be made in all such cases and responsibility fixed for the lapse.

6. 53

Urban Affairs
&
Employment

The Committee express their serious concern over another instance of deviation from the prescribed financial principles which resulted in an excess expenditure of Rs. 50.15 crore in the Capital section (Voted) of Grant No. 82—Urban Development—Urban Employment and Poverty Alleviation. On scrutiny of

1

2

3

4

the explanatory note furnished in this regard, the Committee find that the Ministry of Urban Affairs and Employment had re-appropriated a sum of Rs. 49.99 crore from revenue section to the Capital section of the grant in total violation of the financial rules which clearly stipulate that savings in the Revenue section are not available for re-appropriation in the Capital section or *vice-versa*. What is still more shocking is the fact that the Ministry went ahead with their irregular re-appropriation order transferring the amount from revenue section to the Capital section despite the Ministry of Finance having not agreed to the proposal and objection from their own Controller of Accounts who also did not accept such re-appropriation of funds. The Committee are not inclined to accept the assertions made by the Ministry that the savings to the tune of Rs. 100 crore were available under the Revenue section and that those savings could be utilised to release the equity in the Capital section in view of their proposal of token supplementary grant of Rs. 1.00 lakh having been approved by Parliament. On the other hand, the Committee are of the firm view that this case is clearly illustrative of failure of the Ministry to apprise Parliament in right perspective when token supplementary provisions were obtained. Evidently, the Ministry in their anxiety to release the equity capital to Delhi Metro Rail Corporation, made an attempt to reappropriate funds in infringement of the established financial principles. While accepting the regrets expressed by the Ministry for the lapse in the instant case, the Committee trust that the Ministry of Urban Affairs and Employment would exercise greater care in future so as to help maintain the sanctity and propriety of financial rules.

1	2	3	4
7.	54	<p>Communications (Telecommunications)</p>	<p>The Committee's examination of the Appropriation Accounts of the Telecommunication Services revealed that the Department of Telecommunications registered an aggregate excess expenditure of Rs. 448.07 crore under Revenue section (Voted) of Grant No. 14 during the year 1996-97. According to the Department, this excess expenditure was mainly attributable to excessive appropriations made to the Reserve Funds on account of more surplus having been generated due to realisation of more revenue and incurring of less working expenses during the year under review. A scrutiny of explanatory note furnished in this regard revealed that the Department had exceeded the authorised provisions by Rs. 943.95 crore for appropriation from Telecom surplus which was partly off set by the savings of Rs. 504.34 crore under "Working Expenses". The Committee's detailed analysis of the Appropriation Accounts for the preceding two years however, revealed that the Department of Telecommunications had persistently made such appropriations from Telecom surplus to Reserve Funds of excess of authorised provisions to the extent of Rs. 259.28 crore in 1994-95 and Rs. 520.28 crore in 1995-96. Incidentally, both those years witnessed large scale unspent balances under "Working Expenses" amounting to Rs. 605.88 crore in 1994-95 and Rs. 419.22 crore in 1995-96. Taking note of this recurring trend of excess expenditure of similar nature leading to excessive appropriations to Reserve Funds from 1994-95 onwards, the Committee feel convinced that the Department of Telecommunications had been vitiating the budgetary process and generating a sort of artificial surplus for enhancing appropriations to their Reserve</p>

1	2	3		4
---	---	---	--	---

Funds by registering large scale savings under various heads relating to "Working Expenses of the Telecommunication Services". While expressing their displeasure over the manner in which the Department had indulged in making increased appropriations to their Reserve Funds in excess of the amounts authorised by Parliament, the Committee desire that the Department should urgently undertake a thorough review of their budgetary systems in right earnest so as to avoid excess expenditure and violation of budgetary ceilings of this nature in future.

8. 55 Railways

The Committee find from examination of Appropriation Accounts of the Railways that an expenditure aggregating Rs. 191.01 crore had been incurred over and above the sanctioned provisions in 11 cases of grants/appropriations obtained by the Ministry of Railways during 1996-97. After taking into account the effect of misclassifications noticed subsequently, the actual expenditure requiring regularisation worked out to Rs. 191.34 crore. Surprisingly, the quantum of excess expenditure had exceeded even Rs. 10 crore in seven out of 11 cases of excess registering grants/appropriations during the year under review. What is still more disturbing is the fact that the number of excess registering grants/appropriations have recorded the highest in comparison to the preceding seven years. As in the past, the Ministry of Railways have attributed their excess expenditure mainly to such items which were of routine and of anticipatory nature. However, the Ministry have not explained in their note the precise reasons for their failure to make provision for those items at the time of preparing the original budget or at the time of seeking supplementary grants. The Committee are concerned to note that the excesses under the grants operated by Ministry of Railways

1 2 3

4

has become a recurring phenomenon and the position has been deteriorating. The very fact that year after year, the excesses are attributed to almost the same causes indicates that no serious efforts have been made by the Ministry to go deeper into the malady and to apply necessary correctives. The Committee therefore recommended that the Ministry of Railways should conduct an indepth review of their financial system so as to gear up their existing system of monitoring and expenditure control. The Committee expect that such a review would be undertaken on priority basis and Committee apprised of the same within six months from the presentation of this Report.

9. 56 Railways

While examining the excess expenditure in the grants/appropriations operated by the Ministry of Railways during the year 1996-97, the Committee had also noticed cases of misclassification of expenditure effecting as many as six grants. The gravity and enormity of these lapses becomes starker in the light of the fact that similar instances had persistently recurred in the accounts of the Railways in the recent past. The Committee are not inclined to agree to the plea put forth by the Ministry of Railways that those cases were not of deliberate misclassification but were purely errors of judgement. The Committee are rather of the firm opinion that these misclassifications occurred mainly due to lack of understanding of or disregard to the financial rules at the various levels in the Ministry of Railways. The Committee therefore desire that stringent measures be taken to avoid such misclassifications in future and responsibility fixed for the glaring errors noticed in all such instances.

1	2	3	4
10.	57	Finance (Expenditure & Economic Affairs), Communica- tions (Telecommuni- cations) & Railways	Subject to the observations made in the preceding paragraphs, the Committee recommend that the expenditure referred to in Paragraph-10 of this Report be regularised in the manner prescribed in Article 115(1)(b) of the Constitution of India.

PART II

MINUTES OF THE THIRD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 31 AUGUST, 1998

The Committee sat from 1500 hrs. to 1730 hrs. on 31 August, 1998 in Room No. "53", Parliament House.

PRESENT

Shri Manoranjan Bhakta — *Chairman*

MEMBERS

Lok Sabha

2. Shri Prithviraj D. Chavan
3. Smt. Bhavna Chikhaliya
4. Maj. Gen. B. C. Khanduri
5. Shri Rupchand Pal
6. Shri M. Rajaiah
7. Shri Prabhat Kumar Samantaray
8. Prof. Saifuddin Soz

Rajya Sabha

9. Shri Md. Salim
10. Shri Satishchandra Sitaram Pradhan
11. Shri J. Chitharanjan
12. Shri Jayant Kumar Malhoutra

SECRETARIAT

- | | | |
|------------------------|---|-------------------------|
| 1. Shri P.D.T. Achary | — | <i>Joint Secretary</i> |
| 2. Shri Devender Singh | — | <i>Deputy Secretary</i> |
| 3. Shri Rajeev .Sharma | — | <i>Under Secretary</i> |

OFFICERS OF THE OFFICE OF C&AG OF INDIA

- | | | |
|-------------------------------|---|----------------------------------|
| 1. Shri I.P. Singh | — | Dy. C&AG of India |
| 2. Shri T.S. Narasimhan | — | ADAI (P&T) |
| 3. Shri A.K. Thakur | — | Pr. Director
(Report Central) |
| 4. Shri P.K. Kataria | — | Director (Reports) |

**REPRESENTATIVES OF THE MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF TELECOMMUNICATIONS)**

1. Shri Anil Kumar — Secretary (Dcptt. of Telecom) and
Chairman (TC)
2. Shri A. Prasad — Member (Fin.)
3. Shri P. S. Saran — Member (Scr.)
4. Shri R. R. N. Prasad — Member (Prod.)

2. The Officers of the Office of the C&AG of India explained the salient points on Chapter 2 of C&AG's Report No. 6 of 1998 (P&T) on Appropriation Accounts of Union Government, Telecommunication Services — 1996-97. Thereafter, the representatives of the Ministry of Communications (Department of Telecommunications) were called and the Committee took their evidence on the said subject.

3. A copy of the verbatim proceedings of the sitting has been kept on record.

The Committee then adjourned.

**MINUTES OF THE FOURTH SITTING OF THE PUBLIC
ACCOUNTS COMMITTEE HELD ON 27 OCTOBER, 1998. (FN)**

The Committee sat from 1100 hrs. to 1315 hrs. on 27 October, 1998 in Room No. "53", Parliament House.

PRESENT

Shri Manoranjan Bhakta — *Chairman*

MEMBERS

Lok Sabha

2. Shri Prithviraj D. Chavan
3. Shri Ram Tahal Choudhary
4. Shri C. Gopal
5. Maj. Gen. B. C. Khanduri
6. Shri Rupchand Pal
7. Dr. T. Subbarami Reddy

Rajya Sabha

8. Shri Md. Salim
9. Shri Satishchandra Sitaram Pradhan

SECRETARIAT

1. Dr. A. K. Pandey — *Addl. Secretary*
2. Shri P. D. T. Achary — *Joint Secretary*
3. Shri Devender Singh — *Deputy Secretary*
4. Shri Rajeev Sharma — *Under Secretary*
5. Shri B. S. Dahiya — *Assistant Director*

OFFICERS OF THE OFFICE OF C&AG OF INDIA

1. Shri P. K. Lahiri — *Dy. C&AG of India*
2. Shri Jayanti Prasad — *Director*

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

1. Shri P. V. Vasudevan — *Financial Commissioner*
2. Shri V. K. Agnihotri — *Member (Engineering)*
3. Shri Ashok Kumar — *Member (Mechanical)*
4. Shri S. K. Khanna — *Member (Electrical)*
5. Shri Shanti Narain — *Member (Traffic)*

2. The Officers of the Office of the C&AG of India explained the salient points arising out of the examination of Union Government Appropriation Accounts (Railways) for the year 1996-97 and audit observations thereon as contained in Paragraph 1.8 of the Report of the C&AG of India for the year ended 31 March, 1997 (No. 9 of 1998). Thereafter, the representatives of the Ministry of Railways (Railway Board) were called and the Committee took their evidence.

3. A copy of the verbatim proceedings of the sitting has been kept on record.

The Committee then adjourned.

**MINUTES OF THE FIFTH SITTING OF THE PUBLIC ACCOUNTS
COMMITTEE HELD ON 27 OCTOBER, 1998 (AN)**

The Committee sat from 1500 hrs. to 1800 hrs. on 27 October, 1998 in Room No. "53", Parliament House.

PRESENT

Shri Manoranjan Bhakta — Chairman

MEMBERS

Lok Sabha

2. **Shri Prithviraj D. Chavan**
3. **Shri Ram Tahal Chaudhary**
4. **Shri C. Gopal**
5. **Dr. T. Subbarami Reddy**

Rajya Sabha

6. **Shri Satishchandra Sitaram Pradhan**

SECRETARIAT

1. **Shri P. D. T. Achary — Joint Secretary**
2. **Shri Devender Singh — Deputy Secretary**
3. **Shri Rajeev Sharma — Under Secretary**

OFFICERS OF THE OFFICE OF C&AG OF INDIA

1. **Shri I. P. Singh — Dy. C&AG of India**
2. **Ms. A. L. Ganapathi — Director General of Audit, Central Revenues**
3. **Shri A. K. Thakur — Pr. Director (Report—Central)**
4. **Shri P. K. Jena — Pr. Director (ESM)**
5. **Shri I. P. Gupta — Dy. Director**

REPRESENTATIVES OF THE MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT

1. **Smt. Kiran Aggrawal — Secretary**
2. **Shri Hemendra Kumar — Addl. Secretary (UD)**
3. **Shri Girish Bhandari — Addl. Secretary & FA**
4. **Shri B. S. Duggal — DG (CPWD)**
5. **Shri N. Krishnamurthy — ADG (TD)**
6. **Shri H.A. Yadav — Director (Printing)**

2. The Officers of the Office of the C&AG of India explained the salient points relating to Grants operated by Ministry of Urban Affairs and Employment for the year 1996-97 and audit observations thereon as contained in Part—II (with particular reference to Chapter—XX) of the Report of the C&AG of India for the year ended 31 March, 1997 (No. 1 of 1998). Thereafter, the representatives of the Ministry of Urban Affairs and Employment were called and the Committee took their evidence.

3. A copy of the verbatim proceedings of the sitting has been kept on record.

The Committee then adjourned.

**MINUTES OF THE EIGHTH SITTING OF THE PUBLIC ACCOUNTS
COMMITTEE HELD ON 28 OCTOBER, 1998 (AN)**

The Committee sat from 1500 hrs. to 1800 hrs. on 28 October, 1998 in Room No. "53", Parliament House.

PRESENT

Shri Manoranjan Bhakta — *Chairman*

MEMBERS

Lok Sabha

2. Shri Prithviraj D. Chavan
3. Smt. Bhavna Chikhaliya
4. Shri C. Gopal
5. Shri Rupchand Pal
6. Dr. T. Subbarami Reddy
7. Prof. Saifuddin Soz

Rajya Sabha

8. Shri K. Rahman Khan

SECRETARIAT

1. Shri P. D. T. Achary — *Joint Secretary*
2. Shri Devender Singh — *Deputy Secretary*
3. Shri Rajeev Sharma — *Under Secretary*

OFFICERS OF THE OFFICE OF C&AG OF INDIA

1. Shri I. P. Singh — *Dy. C&AG of India*
2. Ms. A. L. Ganapathi — *Director General of Audit,
(Central Revenues)*
3. Shri A. K. Thakur — *Pr. Director
(Report-Central)*

**REPRESENTATIVES OF THE MINISTRY OF FINANCE (DEPARTMENT OF
ECONOMIC AFFAIRS)**

1. Dr. Vijay L. Kelkar — *Finance Secretary*
2. Shri C. M. Vasudev — *Spl. Secretary (Banking)*
3. Shri J. S. Mathur — *Adtl. Secretary (Budget)*
4. Shri N.R. Rayalu — *Financial Adviser*
5. Shri S. Sundaresan — *Joint Secretary (CC & A)*

REPRESENTATIVES OF THE MINISTRY OF FINANCE (DEPARTMENT OF EXPENDITURE)

1. Dr. E. A. S. Sarma — Secretary (Expenditure)
2. Smt. Nirmala Dhume — Controller General of Accounts

REPRESENTATIVES OF THE MINISTRY OF FINANCE (DEPARTMENT OF REVENUE)

1. Shri Javed Choudhury — Secretary (Revenue)
2. Shri Ravi Kant — Chairman (CBDT)
3. Shri S. D. Mohile — Chairman (CBEC)
4. Shri R. Singh — Inspector General
(Coast Guard)

2. The Officers of the Office of the C&AG of India explained the salient points relating to Grants operated by Ministry of Finance (Departments of Economic Affairs, Expenditure and Revenue) for the year 1996-97 and audit observations thereon as contained in Part-II of the Report of the C&AG of India for the year ended 31 March, 1997 (No. 1 of 1998). Thereafter, the representatives of the Ministry of Finance (Departments of Economic Affairs, Expenditure and Revenue) were called and the Committee took their evidence.

3. A copy of the verbatim proceedings of the sitting has been kept on record.

The Committee then adjourned.

MINUTES OF THE FOURTEENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (1998-99) HELD ON 3 DECEMBER, 1998

The Committee met from 1500 hrs. to 1550 hrs. on 3 December, 1998 in Committee Room "C", Parliament House Annexe.

PRESENT

Shri Manoranjan Bhakta — *Chairman*

MEMBERS

Lok Sabha

2. Shri Prithviraj D. Chavan
3. Shri Ram Tahal Chaudhary
4. Smt. Bhavna Chikhaliya
5. Shri C. Gopal
6. Prof. Ajit Kumar Mehta
7. Shri Rupchand Pal
8. Shri Prabhat Kumar Samantaray
9. Prof. Saifuddin Soz

Rajya Sabha

10. Shri Satishchandra Sitaram Pradhan
11. Shri J. Chitharanjan
12. Shri Jayant Kumar Malhoutra
13. Shri Vayalar Ravi
14. Shri K. Rahman Khan

SECRETARIAT

1. Shri Devender Singh — *Deputy Secretary*
2. Shri Rajeev Sharma — *Under Secretary*

OFFICERS OF THE OFFICE OF C&AG OF INDIA

1. Shri T. S. Narasimhan — *Addl. Dy. C&AG*
2. Shri A. K. Thakur — *Principal Director*
(Report — Central)

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

- (i) Excesses over Voted Grants and Charged Appropriations (1996-97).
- (ii) * * *

3. The Committee deliberated on the subject matter of the above mentioned draft Reports and adopted the same with certain modifications and amendments as shown in Annexures* I and II respectively.

4. The Committee authorised the Chairman to finalise these draft Reports in the light of verbal and consequential changes arising out of factual verification by Audit and present the same to Parliament.

The Committee then adjourned.

*. Annexure K not appended.

ANNEXURE I

Amendments/Modifications made by the Public Accounts Committee in the Draft Report Relating to Excesses over Voted Grants and Charged Appropriations (1996-97)

Page	Para	Line	Amendments/Modifications
26	48	3rd from bottom	<i>Delete "they" after "and"</i>
31	52	3rd from bottom	<i>Substitute "The Committee" for "They"</i>
31	53	1st	<i>Substitute "The Committee express their serious concern over" for "The Committee are concerned to observe yet"</i>

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

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