

PUBLIC ACCOUNTS COMMITTEE (1966-67)

SIXTY-NINTH REPORT

(THIRD LOK SABHA)

**[Excesses over Voted Grants and Charged Appropriations disclosed in the Appropriation Accounts
(Civil), 1964-65]**



**LOK SABHA SECRETARIAT
NEW DELHI**

January, 1967
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Price : Rs. 1.50

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28.3.1967)

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	XXVI	2	Development	Community
				Development
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2	Col.7	4	13-5-1966	15-5-1966
4	S.No.29		1,13,686*	1,13,686
	S.No.30		55,10,536	55,10,536*
5	S No 34	31,	53,42,000	51,53,42,000
	S No.42		10,75,121	10,75,121*
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PUBLIC ACCOUNTS COMMITTEE
(1966-67)

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Shri R. M. Bhargava—Under Secretary.

*Resigned his seat in Lok Sabha with effect from the afternoon of the 29th November, 1966

REPORT ON EXCESSES OVER VOTED GRANTS AND CHARGED APPROPRIATIONS DISCLOSED IN THE APPROPRIATION ACCOUNTS (CIVIL), 1964-65

I

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Sixty-ninth Report on Excesses Over Voted Grants/Charged Appropriations as disclosed in the Appropriation Accounts (Civil), 1964-65 which were laid on the Table of the House on 13th March, 1966.

1.2. The Committee have been repeatedly commenting upon the delays on the part of the Ministries etc. in furnishing notes stating the reasons for or circumstances leading to such excesses. They had also urged upon the Ministry of Finance in para 1.5 of their 45th Report (Third Lok Sabha) to devise ways and means to avoid such chronic delays on the part of the Ministries. They regret, however, that this year also there was no improvement in the matter in that notes in respect of not a single grant were received within the stipulated time of two months.

1.3. The Committee examined the excesses at their sitting held on 27th January, 1967 in the light of the explanations furnished by the Ministries, etc. concerned. (Appendices I to XL).

II

EXCESS GRANTS/APPROPRIATIONS

2.1. During the year ended 31st March, 1965, the actual expenditure exceeded the Voted Grants/Charged Appropriations in the following cases:—

S. No.	No. & Name of Grants	Ministry/Deptt. concerned	Final Grant Appropriation	Actual Expenditure	Excess	Date of receipt of note (due date 13-5-1966)
1	2	3	4	5	6	7

VOTED GRANTS

			Rs.	Rs.		
1.	1—Ministry of Community Development and Cooperation.	Community Development and Cooperation	29,20,000	29,29,578	9,578	8-7-1966
2.	10—Archaeology	Education	1,28,30,000	1,28,83,615	53,615*	23-11-1966
3.	12—Botanical Survey	Do.	28,35,000	28,68,606	33,606	11-7-1966
4.	19—Ministry of Finance	Finance	2,25,35,000	2,26,34,382	99,382	13-7-1966
5.	21—Union Excise Duties	Finance (Revenue)	11,69,77,000	11,70,07,704	**	28-10-1966
6.	35—Pre-partition payments	Finance (Eco. Affairs)	14,92,000	15,62,397	70,397*	28-10-1966
7.	36—Ministry of Food and Agriculture.	Food & Agriculture	87,60,000	88,19,875	59,875	8-7-1966
8.	37—Agriculture	Do.	4,65,83,000	5,04,69,675	38,86,675	17-12-1966

9.	42—Ministry of Health	Health	23,81,000	24,59,701	78,701	18-10-1966
10.	45—Ministry of Home Affairs	Home Affairs	4,66,82,000	4,74,42,798	7,60,798	26-8-1966
11.	55—Laccadive, Minicoy & Amindivi Islands.	Do.	51,56,000	55,54,714	3,98,714	15-7-1966
12.	57—Ministry of Industry	Industry	37,47,000	37,61,371	14,371	30-6-1966
13.	62—Broadcasting	Information & Broadcasting.	5,91,06,000	6,01,52,890	10,46,890	7-11-1966
14.	64—Ministry of International Trade	International Trade (Commerce).	35,79,000	36,61,564	82,564*	3-8-1966
15.	67—Ministry of Irrigation and Power	Irrigation & Power	27,29,000	27,86,952	57,952*	4-7-1966
16.	69—Other Revenue Expenditure of Ministry of Irrigation and Power.	Do.	9,01,33,000	9,20,38,440	19,05,440	8-7-1966
17.	78—Other Revenue Expenditure of the Ministry of Petroleum and Chemicals.	Petroleum & Chemicals	5,24,64,000	5,38,62,387	13,98,387	5 10-1966
18.	80—Geological Survey	Steel, Mines and Heavy Engineering (Mines, Metals).	3,54,37,000	4,86,09,511	1,31,72,511*	9-12-1966
19.	82—Ministry of Transport	Transport	1,06,19,000	1,08,08,320	1,89,320	Awaited.
20.	85—Communications (including National Highways).	Transport	10,01,03,000	10,39,29,621	38,26,621	15-12-1966
21.	88—Aviation	Transport (Aviation)	7,24,22,000	2,68,45,609	44,23,609	25-10-1966

1	2	3	4	5	6	7
22.	91—Public Works	Works, Housing & Rehabilitation (W.H. & U. Dev.).	40,48,52,000	41,61,93,023	1,13,41,023	3-11-1966
23.	94—Other Revenue Expenditure of the Ministry of Works, Housing & Rehabilitation.	Do.	91,45,000	92,34,736	89,736	26-8-1966
24.	96—Atomic Energy Research	Atomic Energy .	10,40,91,000	10,41,27,859	**	2-7-1966
25.	103—Department of Supply	Supply (Supply & Tech. Dev.).	52,94,000	52,95,661	**	14-7-1966
26.	106—Deptt. of Tech. Development	Tech. Development (Supply & Tech. Development).	3,08,000	3,23,356	15,356	16-7-1966
27.	112—Capital Outlay of the Ministry of Community Development & Co-operation.	Community Development & Co-operation	14,00,000	14,01,553	1,553	2-7-1966
28.	114—Capital Outlay of Ministry of Education.	Education	5,60,00,000	5,62,10,033	2,10,033	8-7-1966
29.	120—Commuted Value of Pensions	Finance	1,70,59,000	1,71,72,686	1,13,686*	5-7-1966
30.	122—Capital Outlay on Grants to States & Union Territory Govts. for Development.	Finance (Economic Affairs).	29,29,31,000	29,84,41,536	55,10,536	25-11-1966
31.	124—Capital Outlay on Forests	Food & Agriculture	1,93,000	2,00,543	7,543	17-6-1966

32.	132—Capital Outlay on Multipurpose River Schemes.	Irrigation & Power	17,21,67,000	23,35,02,461	6,13,35,461	8-7-1966
33.	134—Capital Outlay of the Ministry of Labour & Employment.	Labour & Employment	11,96,000	21,92,470	9,96,470	1-7-1966
34.	135—Capital Outlay of the Ministry of Petroleum & Chemicals.	Petroleum & Chemicals	31,53,42,000	51,53,90,221	48,221	30-9-1966
35.	137—Capital Outlay on Roads	Transport	62,28,00,000	63,41,85,768	1,13,85,768	18-11-1966
36.	138—Capital Outlay on Ports	Do.	3,27,22,000	3,46,38,908	19,16,908	Awaited.
CHARGED APPROPRIATIONS						
37.	24—Audit	Finance (C. & A.G.)	25,30,000	25,48,470	18,470	19-10-1966
38.	40—Forest	Food & Agriculture	..	5,283	5,283	5-10-1966
39.	62—Broadcasting	Information & Broadcasting.	..	284	284	7-11-1966
40.	85—Communications (including National Highways).	Transport	24,000	34,279	10,279	15-12-1966
41.	104—Supplies & Disposals	Supply (Supply & Tech. Development)	8,000	8,070	70	8-7-1966
42.	142—Delhi Capital Outlay	Works & Housing	46,92,000	57,67,121	10,75,121	30-1-1967

*These figures represent the finally verified actuals and vary somewhat from those published in Audit Report (Civil) 1966, due to misclassifications subsequently detected.

**In view of the position explained in the notes (Appendices, V, XXIII and XXIV), there is no excess in the grant. In accordance with the principles laid down in para 7 of 16th Report of P.A.C. (First Lok Sabha) these items do not require regularisation.

2.2. The Committee find from the notes furnished by the Ministries etc. that preparation of defective budget and revised estimates, delay in adjustment of debits, failure to maintain liability registers properly and consequent non-provision for, adjustment of old liabilities, erroneous adjustments, failure to anticipate receipt of stores more accurately and lack of proper control over expenditure were the main causes for these excesses.

2.3. The Committee are surprised to note that despite the recommendations made by them and instructions issued by Government from time to time, such failures in budgeting and control over expenditure are continuing. They would, therefore, urge upon the Ministries/Departments to make greater efforts to ensure that the extant procedure is properly followed by all concerned so as to improve the position.

3.1. The Committee will now proceed to deal with a few individual cases of excesses which can be attributed to defective budgeting and control over expenditure.

(i) MINISTRY OF COMMERCE

Grant No. 64—Ministry of International Trade—Excess Rs. 82,564 (Voted)

3.2. The excess was stated to be due to more expenditure on delegations going abroad, more expenditure under travelling allowance, adjustment during 1964-65 of several book debits for telephone charges, purchases made through D.G.S. & D., railway freight etc. accepted by the Ministry in previous years. After explaining the circumstances under which the excess had occurred, the Ministry have stated in their note that "With a view to ensure that excess over the Voted Grant due to adjustment of debits relating to previous years does not recur in future, suitable steps are being taken for proper observance of the prescribed procedure for keeping watch over the progress of expenditure and maintenance of liability register".

3.3. The Committee regret that despite repeated recommendations made by them in the past and instructions issued by Government for the maintenance of liability register, the Ministry are taking suitable steps only now in the matter. The Committee desire that the Ministry of Finance should issue general instructions to all Ministries concerned for strict compliance with the existing orders/instructions issued by Government from time to time.

(ii) MINISTRY OF EDUCATION

Grant No. 114—Capital outlay of the Ministry of Education—Excess Rs. 2,10,033 (Voted).

3.4. It has been stated by the Ministry that the excess occurred mainly under sub-head B. 2(1) (5)—Paper for text-books received from Australia. According to the instructions of the Ministry of Finance, this paper is accounted for by opening counterpart funds i.e. making equivalent budget provisions in the capital and revenue grants to facilitate adjustment of the cost by book debit through the accounts officers concerned. According to the Ministry the cost of the paper supplied to Delhi Administration 1962-63 and 1963-64 direct from the Indian ports according to the allocations made by the Ministry of Education, remained unadjusted due to lack of budget provision in the area demand of Delhi Administration for those years.

It is not clear to the Committee as to why necessary budget provision was not obtained immediately after the allocation of paper to the Delhi Administration and the transaction not adjusted in the accounts of the year in which it took place.

Later in March, 1965, the Delhi Administration was able to locate a saving of Rs. 5,95,000 in their budget for 1964-65 under their revenue grant and wanted it to be utilised in adjustment against the earlier supplies of paper received by them during the years 1962-63 and 1963-64. The sanction was accordingly accorded on 7th April, 1965 with the prior concurrence of the Ministry of Finance. At that stage, when the request from Delhi Administration came, the Ministry did not have time to arrange additional funds under the Capital Grant by reappropriation or supplementary grant.

3.5. The Committee understand from Audit that the question of adjustment of debit of Rs. 5.95 lakhs in the Revenue Budget of Delhi Administration during 1964-65 was under correspondence between the Ministry and the Director of Education, Delhi Administration even in September, 1964. The Director of Education is stated to have informed the Ministry in January, 1965 about the location of the saving of Rs. 5.95 lakhs in the budget for 1964-65. Again on 19th March, 1965 the Director intimated the Ministry about the head of account under which the provision had been made.

3.6. It is surprising that despite timely intimation from the Delhi Administration the Ministry did not arrange to make necessary provision in the capital grant to accommodate the adjustment for which

the final sanction was issued on the 7th April, 1965. It is not also clear why the Ministry of Finance who concurred in the sanction did not verify the existence of necessary provision for the purpose. The Committee would like the Ministry of Finance to look into the reasons for these failures and take remedial action.

(iii) MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND COOPERATION (DEPTT. OF AGRICULTURE).

Grant No. 36—Ministry of Food and Agriculture—Excess Rs. 59,875 (Voted).

3.7. The Ministry in their note have explained the excess as due to unanticipated leave salary contributions adjustment at the close of the financial year, unanticipated adjustment on account of pay and allowances pertaining to the year 1961-62 and unanticipated expenditure on overtime allowance, travelling allowance and other allowances and unanticipated adjustment of debits on account of stores purchased in previous years. While explaining the reasons, the Ministry have stated that they were in day to day contact with the Pay and Accounts Office in regard to the budgetary position and when they came to know towards the end of March that they would be exceeding the provision, the Pay and Accounts Officer was requested on 30th March, 1965 after the expenditure upto 15th March, 1965 had already exceeded the budget provision, "to postpone the payment of certain bills to next year and not to accept any book debits without consulting this Department". The Pay and Accounts Officer, however, did not comply with this request.

3.8. The Committee are surprised to learn that the Department issued such instructions to the Pay and Accounts Officer in March, 1965 which were in contravention of the provisions in the Financial Rules (Rule 75 of General Financial Rules) and of the recommendations of the Public Accounts Committee contained in para 6(vi) of their 41st Report (Second Lok Sabha) and para 7 (iii) of their 16th Report (Third Lok Sabha). The Committee hope that such contravention of Financial Rules by the Ministries will not occur in future.

3.9. In the note furnished by the Ministry, it has been stated that the expenditure up to 15th March, 1965 had already exceeded the budget provision. If so, the Committee are unable to understand why the question of additional provision of funds, if necessary by obtaining an advance from the Contingency Fund of India was not

examined by the Department of Agriculture immediately after the Pay and Accounts Officer noticed the excess.

(iv) MINISTRY OF HEALTH AND FAMILY PLANNING

Grant No. 42—Ministry of Health—Excess Rs. 78,701 (Voted).

3.10. The Ministry while explaining the excess have stated *inter alia* that under sub-head A. 4—Other Charges, items e.g. godrej almirahs, halda typewriters, khadi cloth for liveries, air conditioners and gulmarg coolers for which indents were placed by the Ministry during 1963-64 were actually received during the year 1964-65.

3.11. When the stores for which indents were placed in 1963-64 were not received during that year, but in the following year, necessary provision should have been made in that year viz., 1964-65. Had this been done, the excess would have been avoided. The Committee would like the Ministry of Finance to issue suitable instructions on the subject.

(v) MINISTRY OF IRRIGATION AND POWER

Grant No. 132—Capital Outlay on Multi-purpose River Schemes—Excess Rs. 6,13,35,461 (Voted).

3.12. It has been stated in the note furnished by the Ministry that the excess occurred under the head A.5—Farakka Barrage Project. The Ministry at the time of preparation of revised estimates for 1963-64 and budget estimates for 1964-65 in November, 1963 had recommended a budget provision of Rs. 8.27 crores for 1964-65. The Finance Ministry agreed to an *ad-hoc* provision of Rs. 5.50 crores with the stipulation that they would consider additional allotment if necessary in the course of the financial year. In the revised estimates for 1964-65, the revised requirements were placed at Rs. 13.60 crores. In the later part of February, 1965, Chief Engineer Farakka Barrage Project estimated his final requirements at Rs. 18.81 crores. In the first week of March, 1965 he had intimated his final requirements as Rs. 16.21 crores based on the expenditure of Rs. 14.38 crores incurred upto February, 1965. The proposals for supplementary grants for budget session had by then already been presented to Parliament and the Chief Engineer was advised to restrict the expenditure and also to incur only unavoidable expenditure.

3.13. In the opinion of the Committee, an excess expenditure of more than Rs. 6.13 crores against a final grant of Rs. 17.21 crores does indicate lack of proper control over expenditure. In the latter part

of February, 1965, Chief Engineer, Farakka Barrage Project had estimated his final requirements at Rs. 18.81 crores. Had the Ministry initiated proper action to meet these requirements, this heavy excess could have been avoided. The Committee desire that the failure to do so, should be inquired into and responsibility fixed.

(vi) MINISTRY OF WORKS, HOUSING AND URBAN DEVELOPMENT

Grant No. 91—Public Works—Excess Rs. 1,13,41,023 (Voted).

3.14. It has been stated in the note by the Ministry that the excess occurred under "A.1(1) Major Works" and "A.1(2) Minor Works" due to early completion of certain buildings relating to plan scheme in Assam tribal areas. The Ministry have stated that additional funds were not made available as the Administration did not ask for any additional funds for major works even in their final requirements. Also under the head "B-1 Buildings," excess expenditure was booked in Maharashtra Circle on account of rent of requisitioned buildings but the Ministry have stated that the excess expenditure could not be anticipated as no indication was available regarding this particular item.

3.15. The Committee feel that there has been failure in both these cases to provide for required funds due to the failure of the authorities concerned to ask for the funds to meet expenditure which was obviously unavoidable. They hope that the authorities will be more careful in future.

3.16. It has also been stated in the note that a part of the excess under the sub-head "B-Repairs" was due to the inevitable payments made towards the close of the year, towards the payment of arrears of property tax paid to local bodies, which was not provided for. According to Audit, under Article 285 of the Constitution no property tax is payable by Government on the properties which were not in physical existence before the commencement of the Constitution.

3.17. The Committee desire that as this matter raises an important issue, it should be carefully considered in consultation with the Ministry of Law and other authorities concerned at an early date.

(vii) MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION

3.18. The Committee also find from the note furnished by the Ministry of Labour, Employment and Rehabilitation on Grant No. 134—Labour and Employment that the excess of Rs. 9,96,470 was on account of "Technical Difficulties" which arose in the accounting

procedure laid down in the letter dated 21st February, 1964 issued by the Director-General, Employment and Training. The Committee feel that "Technical difficulties" cannot be accepted as a justification for incurring excess expenditure. They desire that the so called "technical difficulties" should be resolved in consultation with the Ministry of Finance and Audit to avoid a recurrence of this nature.

(iii) MINISTRY OF TRANSPORT AND AVIATION

3.19. In the note furnished to the Committee by the Ministry of Transport and Aviation on Grant No. 137—Capital Outlay on Roads, it has been stated that the liability register maintained by the Director General, Border Roads shows the outstanding liabilities in terms of progress of materialisation of supplies, but not in terms of outstanding payments/debits, as the Director-General, Border Roads does not get intimation of the payments made/debits raised in all cases. It has also been stated that the question of exhibiting in the liability register, the outstanding payments/debits is however being examined.

3.20. The Committee desire that the question of suitably amending the form of the liability Register may be taken up by the Ministry of Finance in consultation with Audit, so that it may give a clearer picture for correctly assessing the quantum of expenditure likely to be incurred in a current year, for the purpose of budgetary control.

4.1. Subject to these observations the Committee recommend that the excesses referred to in para 2.1 above be regularised in the manner prescribed in article 115 of the Constitution.

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

NEW DELHI;

The 28th January, 1967.

Magha 8, 1888 (Saka).

R. R. MORARKA,

Chairman,

Public Accounts Committee.

PART II—MINUTES

**Minutes of the 97th sitting of the Public Accounts Committee held
on the 27th January, 1967 (Afternoon)**

The Committee sat from 15.00 hrs. to 16.00 hrs.

PRESENT

Shri R. R. Morarka—Chairman.

MEMBERS

2. Shri B. L. Chandak
3. Shri Ram Dhani Das
4. Shri Cherian J. Kappen
5. Shri M. R. Krishna
6. Shri Sheo Narain
7. Shri Ku. Sivappraghassan
8. Shrimati Devaki Gopidas
9. Shri U. M. Trivedi
10. Shri P. K. Kumaran
11. Shri Om Mehta
12. Shri Gaure Murahari
13. Shri M. C. Shah
14. Shri B. K. P. Sinha.

**Shri A. K. Mukherjee—Addl. Dy. Comptroller and Auditor
General (Railways).**

Shri P. P. Gangadharan—A.G.C.W.M.

Shri D. D. Dhingra—A.G.C.R.

Shri K. T. Mirchandani—Director of Audit, Def. Services.

SECRETARIAT

Shri H. N. Trivedi—Joint Secretary.

Shri R. M. Bhargava—Under Secretary.

Shri K. D. Chatterjee—Under Secretary.

The Committee considered and approved the following Draft Reports:

- (i) Sixty-Eighth Report (1966-67) on Appropriation Accounts (Civil), 1964-65, Finance Accounts, 1964-65 and Audit Report (Civil), 1966 relating to the Ministries of Finance, Health and Family Planning, Information and Broadcasting, Iron and Steel and Supply, Technical Development and Material Planning etc.
- (ii) Sixty-Ninth Report on Excesses over Voted Grants and Charged Appropriations disclosed in the Appropriation Accounts (Civil), 1964-65.
- (iii) Seventieth Report on para 10 of Audit Report (Defence Services), 1966 relating to Manufacture of engines.
- (iv) Seventy-First Report on Appropriation Accounts (Defence Services), 1964-65 and Audit Report (Defence Services), 1966.
- (v) Seventy-Second Report on Appropriation Accounts (Railways), 1964-65 and Audit Report (Railways), 1966.

The Committee authorised the Chairman to make minor/verbal changes in the Draft Reports as considered necessary.

The Committee authorised the Chairman and the following Members to present the Reports to Lok Sabha and to lay a copy each of the Reports on the Table of Rajya Sabha:

-
- (1) 68th Report—Lok Sabha—Chairman/Shri Sheo Narayan.
Rajya Sabha—S'ri B. K. P. Sinha.
Smt. Devaki Gopidas.
 - (2) 69th Report—Lok Sabha—Chairman/Shri B. L. Chandak.
Rajya Sabha—Shri M. C. Shah.
Shri P. K. Kumaran.
 - (3) 70th Report—Lok Sabha—Chairman/Shri M. R. Krishna.
Rajya Sabha—Smt. Devaki Gopidas.
Shri M. C. Shah.
 - (4) 71st Report—Lok Sabha—Chairman/Shri Ram Dhani Das.
Rajya Sabha—S'ri Om Mehta.
Shri P. K. Kumaran.
 - (5) 72nd Report—Lok Sabha—Chairman/Shri Ku. Sivapraghassan.
Rajya Sabha—Shri B. K. P. Sinha.
Shri M. C. Shah.
-

The Committee then considered the request from the Secretary of the Committee of Enquiry (Steel Transactions) for sending the verbatim proceedings of the sittings of the Sub-Committee of PAC of 10-3-1966 and 21-7-1966 when evidence of Shri N. N. Wanchoo, the then Secretary, Ministry of Iron and Steel, was recorded. The Committee recommended that keeping in view their observations in para 2·30 of their 56th Report (Third Lok Sabha) the Speaker may be pleased to make available the verbatim proceedings of the Sub-Committee of PAC held on 10-3-1966 and 21-7-1966 for the confidential use of the members of the Committee of Enquiry and no part thereof shall be quoted any where. The proceedings should be returned to the Secretariat of the Public Accounts Committee after the perusal of the Members of the Committee of Enquiry. The resolution adopted by the PAC is enclosed as Appendix.

The Committee also decided to undertake an on the spot study visit to the Andaman & Nicobar Islands from the 27th Feb., 1967 to 7th March, 1967.

The Committee then adjourned.

APPENDIX

Resolution passed by the Public Accounts Committee at their sitting held on the 27th January, 1967.

The Public Accounts Committee at their sitting on 27-1-1967 considered the request from the Secretary of the Committee of Enquiry (Steel Transactions), contained in his D.O. No. F7/66-CI(ST) dated 16-1-1967 for sending the verbatim proceedings of the sittings of the Sub-Committee of PAC of 10-3-1966 and 21-7-1966 when evidence of Shri N. N. Wanchoo, then Secretary, Ministry of Iron and Steel was recorded.

As these verbatim proceedings have not been placed on the Table of the House, they are treated as confidential under the Rules of Procedure and Conduct of Business of Lok Sabha and are not open to inspection by anyone except under the authority of the Speaker. The Secretary of the Committee of Enquiry has made this request for two objects, namely (1) to enable the Committee (of Enquiry) to form a comprehensive view of the entire case as also (2) to consider the advisability of taking oral evidence.

Both these objects will be fulfilled if these verbatim proceedings are made available confidentially only for the members of the Committee of Enquiry which has been set up by Government on the recommendation of the P.A.C. The Public Accounts Committee, therefore, recommend that keeping in view their observations in para 2·3 of their 56th Report the Speaker may be pleased to make available the verbatim proceedings of the Sub-Committee held on 10-3-1966 and 21-7-1966 for the confidential use of the members of the Committee of Enquiry and no part thereof shall be quoted any where. The proceedings should be returned to the Secretariat of the Public Accounts Committee after the perusal of the members of the Committee of Enquiry.

APPENDICES

APPENDIX I

No. 8(1)/66-Cash

GOVERNMENT OF INDIA

*Ministry of Food, Agriculture, Community Development & Co-operation
(Department of Community Development & Co-operation)*

Krishi Bhavan,

New Delhi, dated the 6th July, 1966.

Note explaining the reasons for excess under Grant No. 1 relating to erstwhile Ministry of Community Development & Cooperation as disclosed in the Appropriation Accounts (Civil) for the year 1964-65.

Actual expenditure	Rs. 29,29,578
Final Grant (Voted)	Rs. 29,20,000
Excess . (+)	Rs. 9,578

The excess of Rs. 9,578.00 was mainly under the sub-head 'Other Charges' on account of adjustment of debits of telephone bills (Rs. 4,506) and cost of livery cloth (Rs. 5,072) relating to the year 1963-64 which were adjusted in March, 1965, Supplementary Accounts for which no provision was made resulting in excess.

The Ministry did not go in for advance from the Contingency Fund of India as the excess came to notice only after the close of the financial year. The expenditure was well within the allotment till March, 1965.

In accordance with Article 115 of the Constitution of India, the excess expenditure may kindly be recommended for regularisation.

This has been seen by audit.

Sd/- N. P. CHATTERJI,
Joint Secretary to the Government of India.

Lok Sabha Secretariat,
New Delhi.

APPENDIX II

MINISTRY OF EDUCATION

(ARCHAEOLOGICAL SURVEY OF INDIA)

Revised note giving detailed reasons for excess of Rs. 61,115 over the voted grant during the year 1964-65—Grant No. 10—Archaeology.

Total Grant	Actual Expenditure	Excess
Rs. 1,28,30,000	Rs. 1,28,91,115	Rs. +61,115

The excess of Rs. 61,115 is mainly accounted for by the following group heads:—

*A-Directorate (+ Rs. 44,000).—*A sum of Rs. 7,500 on account of service postage drawn by the Director, Geological Survey of India, Hyderabad, from the Hyderabad Treasury during 1964-65 was misclassified by the Treasury Officer and shown against the Superintendent, Archaeological Survey of India, Southeastern Circle, Hyderabad. This misclassification could not be rectified by the Accountant General, Andhra Pradesh, Hyderabad, in the accounts for 1964-65. An excess of Rs. 5,500 was erroneously assumed to be a further misclassification by the Accountant General, Andhra Pradesh, and the expenditure was therefore not provided for.

The balance excess of Rs. 31,000 is due to booking of debits in respect of supplies received through Directorate General, Supply and Disposals, Posts & Telegraphs etc. etc.

It is regretted that these debits were not foreseen as the liability registers had not been maintained during this period. The registers have been maintained now since April, 1965.

*D-Central Archaeological Museums (+Rs. 53,000).—*The statement received from the Junior Keeper of Museums, Nagarjunakonda in November, 1964, indicated that a sum of Rs. 50,000 had been spent upto October, 1964, as against the original grant of Rs. 45,000. The Junior Keeper of Museums expected that a further sum of Rs. 1,25,000 would be required during the remaining five months of the year. He was given an additional allotment of Rs. 30,000. It was anticipated that rest of the expenditure during the year could be met from pro-

able savings from other sub-heads, but this was not possible as the following pressing liabilities had to be met at the end of the year:—

- (I) Urgent special repairs to the monuments at Goa. These monuments had been taken over by the Survey in 1963-64 and the repairs had to be completed before the Exposition of St. Francis Xavier—a function which that year coincided with the International Christian gathering in the presence of the Pope. A sum of Rs. 1.5 lakhs had to be made available for this purpose.
- (II) Increased expenditure to the extent of about Rs. 2 lakhs on dearness allowance due to increased rates w.e.f. 1-10-1964.

It was expected that the above expenditure would be covered by savings within the grant. It was not therefore provided for.

E-Works (+Rs. 54,000).—An amount of 3,00,000 was allocated for the construction of Amaravati Museum. The debit of Rs. 67,749 was adjusted in September, 1964 accounts. The Superintendent, therefore, had no information about further liability to be accepted within the year till the Accountant General, Andhra Pradesh, informed the Superintendent, Southeastern Circle, Hyderabad in April, 1965, that he had booked a further expenditure of Rs. 71,178.62 in March, 1965, accounts for repairs to Amaravati Museum. As liability registers were not being maintained, and there were no indications till 28th March, 1965, that these liabilities would be booked in the year 1964-65 accounts, the funds reserved for the purpose were withdrawn and re-appropriated. As the financial year was over, the Superintendent informed the Accountant General, Andhra Pradesh, that in the absence of any provision having been kept it was not possible for him to meet the liability during the financial year, but the latter did not agree. In the absence of the Liability Register, this liability could not be provided for. The Superintendents have now been informed that the correlation of expenditure with the Budget provision taking into account the liabilities incurred is a very essential part of their duties and that it is upto them to ascertain from other departments about the debits to be raised against the Survey before finalising the February statement of progressive expenditure.

The excess of Rs. 1,51,000 mentioned above has been offset by savings mainly of Rs. 53,600 under "B-Conservation of Ancient Monuments", Rs. 30,000 under "C-Archaeological Explorations" and Rs. 1,000 under "F-Lump Provision for City Compensatory Allowance and House Rent Allowance consequent upon reclassification of cities,

Rs. 3,000 under "G-Charges-in-England" and a surrender of Rs. 3,000 leaving a net excess of Rs. 61,115. After excluding the misclassification of Rs. 7,500 under group head "A-Directorate" in terms of para 7 of Public Accounts Committee's 16th Report (1st Lok Sabha), the net excess requiring regularisation is Rs. 53,615 which may kindly be recommended for regularisation.

This note has been seen and vetted by Audit.

Sd/- A. M. D'ROZARIO,
Joint Secretary to the Govt. of India.

APPENDIX III
GOVERNMENT OF INDIA
MINISTRY OF EDUCATION

Note explaining the reasons for the excess over Voted Grant in respect of Grant No. 12—Botanical Survey of India during 1964-65.

Original Grant—Rs. 28,35,000.

Actual Expenditure during 1964-65—28,68,606.

Excess over the voted Grant—Rs. 33,606.

The excess occurred in sub-head A-4, Other Charges under Group Head A—Botanical Survey of India and amounts to less than 1·2 per cent of the original grant. The excess was mainly due to the unanticipated adjustment of debits in the accounts for 1964-65. The particulars of the main items involved are given below:—

- (i) An indent for a Deep Freezer costing Rs. 22,518 was placed in July, 1963 with the India Supply Mission, Washington, through the Directorate General of Supplies and Disposals. The instrument was received only on the 22nd March, 1965, in a defective condition with damaged parts. The defects were immediately brought to the notice of the India Supply Mission, Washington, through the Director General, Supplies and Disposals. The India Supply Mission entered into correspondence with the supplier for the replacement of the defective and damaged parts and the replacements arrived in October 1965. It was not expected that the India Supply Mission would pass the bills of the firm before the receipt of the replacements by the Department. It was, therefore, anticipated that funds earmarked for the Freezer would not be used during 1964-65. The intimation of the adjustment of debit was actually received in April, 1965.
- (ii) Three foreign exchange bills for \$75·50, £100 and \$67·28, equivalent to Rs. 2,024, for purchase of books were presented to the Accountant General, West Bengal, on the 20th November, 1964 but no drafts could be obtained till the third week of March, 1965, from the Accountant Gene-

ral, West Bengal in spite of best efforts made through correspondence and personal contacts. It was, therefore, expected that adjustment would be made in the Accounts for 1965-66 and not in the accounts for 1964-65. The drafts were actually received on 24th March, 1965, 27th March, 1965 and 7th April, 1965 respectively.

- (iii) Certain articles costing Rs. 5,011·51 were purchased through the Central Government/State Government purchase organisations during 1964-65, but the bills with the debit voucher were not received till the third week of March, 1965. It was, therefore, expected that the adjustment would be made in the accounts for the year 1965-66. The debit vouchers were actually received in May, 1965.
- (iv) Petty items of inevitable contingent expenditure spread over 5 different offices and incurred at the close of the year (Rs. 2,720/-).

2. In the cases at (i), (ii) & (iii) above, as the debits were not expected to be raised in the Accounts for 1964-65, it was considered that instead of surrendering the funds, it would be better to utilize the expected savings on items of expenditure, provision for which had been severely curtailed by the Ministry of Finance while examining the budget estimates for 1964-65. For example, in the case of the Indian Botanic Garden, which the Ministry had taken over from the Government of West Bengal in January, 1963 with the avowed purpose of developing it into an ideal botanic garden, the Ministry of Finance agreed to an *ad hoc* provision of only Rs. 0·64 lakh for 'Other Charges' against the estimated requirement of Rs. 2·85 lakhs. The expected savings on the items mentioned above were, therefore, mainly utilized by re-appropriation for meeting the contingent expenditure in the Garden, resulting in excess expenditure when the unexpected adjustments were actually included in the 1964-65 accounts by the Accountant General, West Bengal, after the close of the financial year. The Department has been instructed to keep a close watch on all pending debits to avoid surrenders and excesses.

3. In view of the position explained above, it is requested that the excess of Rs. 33,606 may be recommended for regularisation.

4. This note has been vetted by Audit.

Sd./- (G. P. PANDEY),

Joint Secretary to the Government of India.

Lok Sabha Secretariat, (50 copies) New Delhi.

Ministry of Education u.o. No. F. 5-5/66-SIII, dated the 8th July, 1966.

APPENDIX IV

MINISTRY OF FINANCE

DEPARTMENT OF EXPENDITURE

SUBJECT:—*Appropriation Accounts (Civil) 1964-65 in respect of Grant No. 19—Ministry of Finance—a note for the Public Accounts Committee for regularisation of excess.*

The Appropriation Accounts (Civil) 1964-65 show an excess of Rs. 99,382 over the Grant of Rs. 2,25,35,000 for the Ministry of Finance for that year. The excess is comprised of several items as shown in the annexed statement. It will be seen that a major portion of the excess under some group-heads has been off set by savings under some other group-heads. A special notice of the net excesses under the following group-heads has, however, been taken in the Appropriation Accounts:

B.1. Finance Budget and other Division	.. +2,46,633
C.2. Company Law Division	.. +1,56,802

2. The reasons for the net excesses under each of these group-heads are explained below:

B.1. *Finance Budget and other Divisions.*

Pay of Officers—(—) 5,445.

The saving which is quite small is mainly due to less expenditure on leave salary contributions.

Pay of Establishment: (+) 8,330

The excess is quite small.

Allowances and Honoraria: (+) 53,705

The excess is mainly due to more expenditure on travelling allowance incurred towards the close of the year contrary to expectations. Heavy payments were made to the Indian Air Lines Corporation in the month of March, 1965 (Rs. 30,400). The official tours during February/March, 1965 were also larger than anticipated.

Other Charges—(+) 1,73,685.

The excess was due to the following reasons:

(i) The expenditure on 'Bell Mission' (a team of economic experts from the World Bank) amounting to Rs. 0·57 lakhs was debited to this head. Originally provision for expenditure on 'Bell Mission' was made under Grant No. 31—Other Revenue Expenditure of the Ministry of Finance. But, later on it was decided to debit the expenditure under this head. When the decision was taken in December, 1964 it was thought that it would be possible to meet the excess out of the savings within the grant. But the position as it emerged finally showed an excess which could not be accommodated within the savings in the grant. There was hardly any time left to go in for a supplementary demand or to obtain an advance out of Contingency Fund.

(ii) There was an increase in the Expenditure on telephones which could not be anticipated. (Rs. 0·22 lakhs).

(iii) The debits in respect of stores purchased from the D.G.S. & D. were received in the month of March, 1965 contrary to expectations. (Rs. 0·66 lakhs).

(iv) Unanticipated office expenses. (Rs. 0·29 lakhs).

Grants-in-aid:— (—) 16,358.

This payment was made at the close of the year. The excess was due to the fact that the percentage of Government assistance to the Canteen had to be raised in view of the increased wages and strength of the Canteen staff, their liveries and more amenities to the Canteen.

C.2. Company Law Division.

Pay of Officers:—(+) 28,517.

The excess was due to adjustment of expenditure relating to the salary of Deputy Secretary/Deputy Director, Stock Exchange branches at Calcutta and Bombay respectively, consequent on the work relating to Stock Exchanges being transferred from the Department of Economic Affairs to Company Law Division. The total expenditure on this account amounted to Rs. 32,177.

Pay of Establishment

(+) 5,500

The excess was mainly due to the creation of additional posts and meeting of the expenditure on the staff of the Public Trustee. The expenditure on the staff of Public Trustee alone amounted to Rs. 5,075.

Allowances and Honoraria etc.

(+) 56,793.

The excess of Rs. 56,793 was partly due to the debiting of the allowances such as travelling allowance, house rent allowance, city compensatory allowance, and re-imbursement of medical expenditure pertaining to the Deputy Secretary and Deputy Director, Stock Exchange branches at Calcutta and Bombay respectively. The expenditure on this amounted to Rs. 21,678. Book debits received from foreign Embassies pertaining to the study tours undertaken by the ex-Secretary and Deputy Director Stock Exchanges, in the United Kingdom and the U.S.A. and the tours of the Chairman LIC Enquiry Committee and Officer-on-Special Duty (Insurance) in the U.S.A. and other book adjustments amounting to Rs. 13,270. Further, due to concentrated enforcement activities of the Investigation Branch, heavy expenditure had to be incurred on travelling expenses of the enforcement staff. This accounted for an excess of Rs. 0.22 lakhs.

Other Charges: (+) 65,992.

The excess was due to the following reasons:

- (i) Book debits of telephone bills, liveries, books etc. received late which were not expected.—(Rs. 20,316).
- (ii) Unexpected purchase of Service Postage stamps in the last week of March, 1965.—(Rs. 3,268).
- (iii) The Department had to pay heavy fees to Counsels and Lawyers, etc. in connection with the various Court cases arising out of investigations into the affairs of Sahu Jain Group of Companies. These investigations, searches and seizures were unprecedented in character. As such they necessitated heavy expenditure on court fees and allied matters. This should be evident from the fact that the total expenditure incurred under the same head for the financial year 1963-64 amounted to Rs. 21,827 as against Rs. 2,05,392.

These excesses came to light very late in the month of March, 1965, and by that time there was hardly any time left either for going in for a Supplementary Demand or for taking an advance from the Contingency Fund.

3. In view of the position stated above, it is requested that the net excess of Rs. 99,382 over the grant may kindly be recommended for regularisation.

Sd/- G. C. KATOCH,
Joint Secretary.

(No. 3(3) A&B/66 dated the 11th July, 1966.)

2560 all LS—3.

Grant No. 19
MINISTRY OF FINANCE

Major Head	Final Grant	Actual Exdr.	Excess (+) Saving (—)
A. Department of Expenditure			
A.1. General Division . . .	56,40,700	56,28,953	(—)11,747
A.2. Defence Division . . .	42,89,300	41,19,270	(—)1,70,030
A.3. Delhi State Division . .	1,18,600	1,20,535	(+)1,935
A.4. I.&W. Division, Calcutta .	1,25,020	1,25,230	(+)210
B. Department of E.A. :			
B.1. Finance Budget and other Divisions	51,76,800	54,23,433	(+)2,46,633
B.2. Printing Press	65,500	64,888	(—)1,612
B.3. Economic Mission of India in Brussels	2,58,000	1,76,325	(—)81,675
B.4. Economic Wing of Embassy of India, Washington . .	3,83,000	2,73,487	(—)1,09,513
C.1. Department of Revenue . .	38,94,922	39,69,781	(+)74,859
C.2. Company Law Division . .	17,55,430	19,12,232	(+)1,56,802
D. Department of Coordination :			
D.1. Secretariat	7,26,000	7,23,515	(—)2,485
D.2. Bureau of Public Enterprises . . . . .	..	..	..
E. Payment to other Govts. Departments, etc			
Charges in England	92,728 8,000	92,728 4,005	.. (—)3,995
TOTAL	2,25,35,000	2,26,34,382	(+)99,382

APPENDIX V

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE & INSURANCE

F. No. 11 (18)/66-Ad. IV—A Note explaining reasons for Excess I (Voted) Portion of Grant No. 21—Union Excise Duties during 1964-65. Page 14 of the Appropriation Accounts and para 31 (a) (7) of the Audit Report (Civil), 1966—P. 29.

Original and Supplementary grant	Actual Expenditure	Excess
Rs.	Rs.	Rs.
11,69,77,000	11,70,07,704	(+)30,704

There was a budget provision of Rs. 11,14,27,000 in the Union Excise Grant which was subsequently enhanced to Rs. 11,69,77,000 by obtaining a Supplementary Grant of Rs. 55,50,000 on account of upward revision of rates of Dearness Allowance twice by the Government of India during the year 1964-65. Against this, the actual expenditure as adopted in the Appropriation Accounts is Rs. 11,70,07,704 resulting in an excess of Rs. 30,704 over the Sanctioned Grant.

2. Subsequent to the printing of the Appropriation Accounts, it transpired that there was a mis-classification of an amount of Rs. 1,12,495.24 by the Accountant General, Punjab in the above Accounts under the Head "2-Union Excise Duties, C-4 Other Charges." Taking this into account, it is seen that there is a saving of Rs. 81,791 in the Grant and not an excess as originally revealed in the Appropriation Accounts. Brief particulars of the above mis-classification are given below.

3. Posts and Telegraphs Department is selling Union Excise Revenue Stamps on behalf of the Central Excise Department and that Department is paid a commission @ 1 per cent of the sale proceeds of these stamps. This adjustment about the Commission Charges is carried out by the A.G.C.R. on receipt of figures of sales in respect of all circles of accounts from the Director of Audit and Accounts,

Posts and Telegraphs, Delhi. A.G., Punjab also receives a monthly Statement containing the value of Union Excise Revenues Stamps obtained from the treasuries and the actual sale proceeds of these stamps from the D.A.G., P&T, Kapurthala. Under some mis-apprehension, A.G., Punjab booked erroneously the value of Union Excise Revenue Stamps obtained from the treasuries given in the aforesaid Statements for the period from December, 1963 to March, 1965 as expenditure of the Central Excise Department. This error could not be detected earlier because the figures of expenditure had been accepted by the representative of the Central Excise Department at the time of reconciliation.

4. Thus if the amount of Rs. 1,12,495.24 had not been wrongly booked by the A.G., Punjab under the Union Excise Grant, there would have been an over-all saving of Rs. 81,791. Since the excess is due to mis-classification of expenditure, it does not require regularisation by the Parliament as per para 7 of the Sixteenth Report of the P.A.C. (1955-56).

(S. K. BHATTACHARJEE)

Joint Secretary to the Govt. of India.

APPENDIX VI

No. F. 7(25)-B/65

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

New Delhi, the 24th October, 1966.

SUBJECT:—Regularisation of excess under Grant No. 35—Prepartition Payments' for the year 1964-65 (Voted).

		Rs.
Final Grant	—	14,92,000
Actual expenditure	—	15,65,758
		<hr/>
Excess	—	73,758

The excess occurred mainly in the Voted portion of the Grant under the sub-head "A-18-Defence Services" and represents payment of claims for services rendered and/or supplies made to the late Defence Department during the prepartition period.

Against the final grant of Rs. 2,87,000 under the sub-head "A-18-Defence Services", the actual expenditure booked during the year stood at Rs. 4,06,491 thus exceeding the sanctioned provision by Rs. 1,19,491. This excess was, however, partly counterbalanced by savings under other sub-heads in the Grant leaving a net excess of Rs. 73,758.

The expenditure of Rs. 4,06,491, booked under the sub-head "A-18-Defence Services" included an item of Rs. 2.19 lakhs relating to the year 1962-63. The expenditure on this item was actually incurred by the C.P.W.D. in 1962-63 and the debit was passed on to the Defence Accounts Officer concerned in February, 1963. However, the adjustment could not be made in the accounts for that year as the debit was not supported by details. The details were furnished in August, 1963 but were misplaced, as a result of which fresh copies of these details had to be obtained from the Accountant General,

West Bengal, in July, 1964. Had the adjustment been made in the accounts for 1962-63, when the transaction took place or in 1963-64 when the details were furnished, it would have been covered by the savings in the Grant for the year. The expenditure was, however, actually brought to account in November, 1964, in the accounts for 1964-65, but as the precise head of Account to which the expenditure was correctly debitable including the question whether it was to be treated as 'voted' or 'charged' remained under correspondence with the authorities concerned, no budget provision to cover the adjustment could be made even at the Revised Estimates stage in 1964-65. The matter was finalised only on 24-3-1965 when it was too late to go in for a Supplementary Grant with the result that the adjustment led to an excess over the sanctioned budget provision. As this Grant had continuously revealed large savings in the previous three years (*vide* statement enclosed), the budget provision was not augmented by arranging for additional fund, though the requirements were more and the latter were restricted to the available provision at the time of regularising the Grant at the end of March, 1965. Unfortunately, the expectation of savings in 1964-65 did not materialise and the excess remained uncovered and requires regularisation.

The excess of Rs. 73,758, includes a sum of Rs. 3,361 which actually pertains to the post-partition period and was erroneously adjusted under the Grant. In conformity with the decision in paragraph 7 of the 16th Report of the Public Accounts Committee (First Lok Sabha) this erroneous adjustment of Rs. 3,361 has to be ignored. Accordingly the Committee's recommendation for the regularisation of the remaining excess of Rs. 70,397 only is requested.

Sd/- A. R. SHIRALI,
Joint Secretary to the Government of India.

To

*The Chairman and Members of
Public Accounts Committee.*

STATEMENT

(Rs. in Thousands)

		Budget Estimates	Revised Estimates	Final Grant/ Appropriation	Actuals
1961—62	Voted	16,75	15,66	13,35	11,61
	Charged	14,78	8,21	4,50	3,81
TOTAL		31,53	23,87	17,85	15,42
1962—63	Voted	11,55	11,05	9,34	6,94
	Charged	18,36	13,81	6,98	1,85
TOTAL		29,91	24,86	16,32	8,79
1963—64	Voted	9,53	6,88	7,65	6,33
	Charged	12,64	8,80	5,99	4,11
TOTAL		22,17	15,68	13,64	10,44

APPENDIX VII

(Ref. Para 3.7—3.9 of Report)

MINISTRY OF FOOD, AGRICULTURE, C.D. & COOP.

(DEPARTMENT OF AGRICULTURE)

*Note on excess under Grant No. 36 Ministry of Food & Agriculture,
1964-65.*

Original Grant	Rs. 84,78,000	87,60,000
Supplementary Grant	Rs. 2,82,000	
Actual Expenditure	Rs. 88,19,875	
Excess	Rs. 59,875	

Under Grant No. 36-Ministry of Food and Agriculture provision has been made for the Department of Food, Department of Agriculture and Accounts Offices (Pay and Accounts Office). The total grant of Rs. 87.60 lakhs has been exceeded to Rs. 88,19,875. The break-up of the total Grant, expenditure and the excess is as follows:—

Name of Grant	Total Grant	Expenditure	Excess + Savings—
1. Department of Food	17,48,000	17,32,708	—15,292
2. Department of Agriculture	48,75,000	49,62,459	+87,459
3. Expenditure in England— Agri. Department Other Charges	1,000	67	—933
4. Accounts Office	21,36,000	21,24,641	—11,359
TOTAL	87,60,000	88,19,875	+59,875

It will be observed from the above figures so far as the Department of Agriculture is concerned the expenditure was Rs. 49,62,526

exceeding the grant of Rs. 48.76 lakhs by Rs. 86,526. This excess of Rs. 86,526 was partially off set by the saving of Rs. 26,651 under the Sub-heads Department of Food and Accounts Offices. The net excess under this Grant as a whole was thus Rs. 59,875 (Rs. 86,526—Rs. 26,651). We have now to explain the reasons for this excess and why it could not be anticipated and necessary additional provision made.

Final Grant:

The progress of expenditure during the year 1964-65 was being periodically examined every quarter and this examination indicated that the trend of expenditure under allowances and other charges was somewhat high. The position was reviewed in details in January, 1965, in connection with the submission of our proposal for the supplementary demands for grants for the year 1964-65 which was to be placed by the Ministry of Finance before the Parliament in February, 1965. The progress of expenditure was reviewed in January, 1965 on the basis of the figures of actual expenditure for the period April—December, 1964, which was collected from the Pay and Accounts Office. At that time against the budget provision of Rs. 48.05 lakhs the expenditure incurred in the first nine months of 1964-65 i.e. April—December, 1964 was Rs. 35.65 lakhs. This amount was within 3/4th of the budget provision and it was thought that even allowing for some anticipated increase we would not be exceeding the budget provision. On the basis of the nine months expenditure only 1/3rd of that was normally required for the remaining three months and on that basis the expenditure in the remaining three months was expected to be Rs. 11.90 lakhs. Allowing for an additional sum of Rs. 50,000 for unforeseen increase in the tempo of expenditure which is usually the case towards the end of financial year it was considered that it would be reasonable to anticipate an expenditure of Rs. 12,40,000 (Rs. 11,90,000+Rs. 50,000) to meet unforeseen increase in the remaining period of three months of the financial year 1964-65 i.e. booked upto March, 1965. While we were reviewing the budgetary position orders were issued by the Ministry of Finance vide their O.M. No. 1(1)-E. II(3)/65 dated the 6th January, 1965 enhancing the dearness allowance to the Central Government employees drawing pay upto Rs. 600 w.e.f. 1st October, 1964. It was calculated that as a result of these orders an additional sum of Rs. 69,000 would be required during the year 1964-65. Thus the detailed review made in January, 1965, revealed that against the ori-

ginal provision of Rs. 48.05 lakhs the anticipated expenditure would be Rs. 48.74 lakhs as indicated below:—

	Rs.
Expenditure incurred in first 9 months.	35,65,000
Estimated expenditure in the last three months including Rs. 69,000 for enhanced D.A.	13,09,000
TOTAL	48,74,000

On the basis of this review we were at that time confronted with a likely excess of only Rs. 69,000, out of which a sum of Rs. 34,000 was expected to be available from the Department of Food (informally ascertained) and the balance of Rs. 35,000 was to be obtained from the supplementary demands. Necessary proposal was accordingly sent for inclusion in the overall supplementary demand of Rs. 2,82,000 under Grant No. 36-prepared by the Department of Food. Actually, besides, the supplementary demand of Rs. 35,000 the Food Department intimated a saving of Rs. 35,000 and our original provision of Rs. 48.05 lakhs was increased to Rs. 48.75 lakhs.

Expenditure:

Against the anticipated expenditure of Rs. 48.75 lakhs as mentioned in the paragraph 1 above the actual expenditure was Rs. 49,62,459 exceeding the final grant by Rs. 87,459. Thus excess was partly off-set by the savings in the other Sub-heads of this Demand as indicated in para 1 above and the net excess was thus Rs. 59,875 which is only 0.7 per cent of the Demand as a whole.

It may be mentioned that even after the detailed review of progress of expenditure made in January, 1965 the progress was being closely watched so that timely steps could be taken if there was any chance of exceeding the provision. The monthly statement of expenditure received from the Pay and Accounts was being scrutinised very carefully. These statements indicated that there would be a saving of nearly Rs. 2.50 lakhs under the Sub-head Pay of Officers and Establishment and we were under the impression that this saving would be adequate to meet the likely excess under the Sub-head "Allowances, Honoraria etc." In fact, even the statement received from the Pay and Accounts Officer relating to expenditure in February, 1965, showed a progressive total of Rs. 44.27 lakhs while the expenditure booked during the month of February was Rs. 3.81 lakhs. Assuming the same rate of expenditure in March also, the total expenditure should have been Rs. 48.08 (Rs. 44.27+3.81). However, we were in day-to-day contact with the Pay and Accounts Office in regard to the budgetary position and when we came to

know towards the end of March that we would be exceeding the provision, the Pay & Accounts Officer was requested on 30th March, 1965 after the expenditure upto 15th March, 1965 had already exceeded, to postpone the payment of certain bills to next year and not to accept any book debits without consulting this Department. The P&AO did not, however, comply with this request and their statement of expenditure for the month of March which was received only in May, 1965 showed that they had booked during that month as much as Rs. 5.06 lakhs and in addition to that they have also made supplementary adjustments to the extent of Rs. 28,768 which means that in March alone the Pay and Accounts Officer have booked Rs. 5.34 lakhs which was the highest for any month booked by P.A.O. during the year 1964-65. In the previous months the expenditure ranged from Rs. 3.50 lakhs to 4.50 lakhs. This we could not anticipate as otherwise we would have increased our requirements in the supplementary demands proposed by us. The excess was under the following heads:—

	Original provision	Final Grant	Actual Expenditure	Excess + Saving—
Rs. in lakhs				
1. Pay of Officers . . .	17.52	16.40	16.48	+0.08
2. Pay of Estt.	18.10	16.84	16.89	+0.05
3. Allows & Hon. etc. . .	8.93	11.46	12.13	+0.67
4. Other Charges	3.50	4.05	4.12	+0.07
Total	48.05	48.75	49.62	+0.87

This excess is explained as under:—

The excess to the extent of Rs. 0.27 lakhs was covered from savings available under the sub-heads controlled by the Department of Food resulting in the net excess of Rs. 0.60 lakhs over the voted grant Details sub-headwise are as follows:—

Pay of Officers—Rs. 0.08 lakhs (Excess)

Adjustment of un-anticipated leave salary contributions at the close of the Financial year in excess of the provision of Rs. 0.05 lakhs kept for the purpose.

Pay of Establishment—Rs. 0.05 lakhs (Excess)

Unanticipated adjustment on account of Pay and Allowances pertaining to the year 1961-62 in respect of Pay and Allowances of

Stenographer and peon of the U.P. Government, who worked with a Foreign Expert at Lucknow.

Allowances & Hon. etc.—Rs. 0.67 (Excess)

The excess was mainly due to the un-anticipated expenditure on O.T.A., T.A. and other Allowances due to increase in the tempo of work in the Agriculture Sector on account of formulation of a number of new schemes under Special Development Programme (Crash Programme) due to difficult food situation in the country.

Other Charges—0.08 lakhs (Excess)

Unanticipated adjustment of debits on account of stores purchased in previous years.

It will be seen from the above details that this excess is mainly under the sub-head-allowances & Honoraria and this was due to increase in the tempo of work on account of the appointment of a number of Committee such as

1. Agri. Price Commission.
2. Expert Committee on Fertilisers.
3. Panel of Agri. Scientists.
4. Panel of Economists.

and the formulation of Special Development Programme, popularly known as Crash Programme. The effect of this increase in the tempo of work on the expenditure could not be foreseen.

Sd/- J. C. MATHUR,
Joint Secretary to the Government of India.

AUDIT OBSERVATIONS

The instructions issued by the Department to the Pay and Accounts Officer on 30th March, 1965 to postpone the payment of certain bills to next year and not to accept any book debits without consulting the Department, were in contravention of Rule 75 of General Financial Rules, according to which money indisputably payable by Government should not ordinarily be left unpaid and the payments made should not be kept out of accounts. In this connection a reference is also invited to para 7 (iii) of Public Accounts Committee's 16th Report (Third Lok Sabha).

2. It appears that the expenditure booked up to 15th March, 1965 in the pay and Accounts Office had already exceeded the budget provision. It is not clear why the question of obtaining additional provision of funds, if necessary, by obtaining an advance from the Contingency Fund of India was not examined by the Department immediately after the Pay and Accounts Officer noticed the excess.

APPENDIX VIII

No. 1-5/66-Budget

GOVERNMENT OF INDIA

MINISTRY OF FOOD, AGRI., C. D. & COOP.

(DEPARTMENT OF AGRICULTURE)

New Delhi, the 17th December, 1966.

Grant No. 37—Agriculture for 1964-65.

Final Grant	Actual Expenditure	Excess
4,65,83,000	5,04,69,675	+38,86,675

The Grant has been exceeded by Rs. 38,86,675 (page 67) Appropriation Accounts.

The excess under the Grant was mainly accounted for by excess expenditure over the total provision in the case of the following group-heads partly compensated by savings under other group-heads:—

1 A. Subordinate and Expert Staff—.

A.1—Dte. of P.P.Q.&S.

A.1(1)—Headquarters (+)6.07

2 B. Experimental Farms.

B.1—Central Mechanised Farm (+)30.58

3. C. Boring Operations.

C.1—Project for Ground Water Exploration under
T.C.A. Programme

C.1(4)—Suspense (+)5.64

(+) 42.29

The reasons leading to the excesses and why these could not be anticipated within the year and provided for in time, are detailed below:—

1. A. Subordinate and Expert Staff.

A. 1. Dte. of P. P. Q & S.

A. 1(1) Headquarters.

(i) In the Final estimates for 1964-65 prepared at the fag end of the year, a provision of Rs. 37.72 lakhs was retained under this head in respect of the Directorate for meeting expenditure on the establishment and purchase of pesticides/equipment etc. as shown below:—

Sub-head	Final Grant	Actual Expenditure	Excess (+) Saving (—)
Pay of Officers	3.80	3.67	—0.13
Pay of Establishment	5.73	5.62	—0.11
Allowances & Honoraria	4.30	4.28	—0.02
Other Charges	23.89	30.22	+6.33
TOTAL	37.72	43.79	+6.07

The actual expenditure finally booked for the year, however, rose to Rs. 43.79 lakhs and there was an excess of Rs. 6.07 lakhs due to adjustment of certain old debits of customs duty and purchase of pesticides etc. The excess due to adjustment of these debits had actually amounted to Rs. 6.33 lakhs but was partly off-set and came to Rs. 6.07 lakhs due to savings under other Sub-heads. The excess of Rs. 6.33 lakhs was mainly caused due to adjustment of certain old debits which were not anticipated to be adjusted during 1964-65 and for which no provision could be made in the Revised estimates. Two major debits amounting to Rs. 5.19 lakhs and Rs. 1.48 lakhs related to customs duty bill and ocean freight on sevin which was imported in May—July, 1963 as a free gift under U.S. Aid Programme.

The background of the case is that on the 8th February, 1963, an offer from U.S. Department of Agriculture for free supply of pesticide 'Sevin' was received through the Economic Affairs Department. After consultations with the technical experts, it was decided on the same day to accept the offer. The first consignment of 1,50,000 lbs. was received through S. S. Jalakrishna during the

month of May, 1963. The second consignment of 357880 lbs. was received through s.s. Greendale at Bombay during the month of July, 1963. The total quantity thus came to about 838 tonnes. It was decided to distribute the pesticide to the State Government recovering only customs duty, handling and formulation charges etc. The formulation work was given to M/s. Tata Fison Private Ltd., Bombay in lots for formulation into 10 per cent ready-to-use condition, before despatch to the State Governments.

(ii) The expenditure to be incurred by Government of India on this transaction was on account of payment of customs duty, ocean freight, handling and formulation charges. The price per tonne based on these charges, was fixed and the amount finally recovered from the State Governments. The 'Sevin' received on Government account was intended to be made available to the State Governments etc. at a minimum possible price for the benefit of farmers. The usual customs duty at 44 per cent *ad-valorem* was normally chargeable by the Customs over the entire quantity of the pesticide. Since such a high rate of customs duty would have inflated the price of 'Sevin' making it costly for farmers, the Ministry of Finance (Department of Revenue) were requested in May, 1963 to waive the customs duty or to levy it at concessional rate viz., 10 per cent *ad-valorem* as in the case of commonly used pesticides. The Department of Revenue initially did not agree to the above request but when the matter was taken up at Secretary's level, they agreed to charge customs duty at 11 per cent *ad-valorem* in the month of August, 1963.

(iii) The formulation work was started by the firm in July, 1963 and after some initial difficulties they started supplies of about 100 tonnes of formulated material per week from October, 1963. In monsoon months there were some technical difficulties in undertaking formulation work. The last batch of 50 per cent Sevin was given to the formulators during the months August-September, 1964 for formulation into 10 per cent Sevin and the work completed by the firm by December, 1964.

(iv) At the time of framing budget proposals for the year 1963-64, the receipt of gift Sevin could not, for obvious reasons, be anticipated. However, while framing Revised Estimates for that year in November, 1963, an amount of Rs. 4,21,600 had been provided for customs duty on pesticide Sevin. Besides this, an amount of Rs. 5,00,000 was provided for payment of formulation charges and Rs. 2,29,000 for meeting incidental charges in respect of Sevin. Out of total budget provision of Rs. 16,08,500 proposed for inclusion in

the Revised Estimates 1963-64, which included provisions in respect of all the above mentioned items, the Ministry of Finance agreed to provide only Rs. 14,50,000 in R. E. 1963-64. Despite the above provision, the Directorate of Plant Protection Quarantine and Storage could utilise above Rs. 1,00,000 for payment of formulation charges. The rest of the provision had to be surrendered as debits for customs duty and handling charges had not been received during the financial year 1963-64. The debits for formulation charges were much less than the amount provided for as in the initial stages the off-take of the material was slow. It was a comparatively new item and the cultivators had to be educated about the use of this pesticide. Since these amounts had been included in R.E. 1963-64, no provision was made in Budget Estimates 1964-65. At the time of R.E. 1964-65 (November, 1964) provision was again proposed for meeting expenditure on payment of customs duty, ocean freight, formulation charges as well as other incidental charges. The additional amount for 1964-65 required for the Directorate of P.P.Q. & S. including these items came to Rs. 8,62,800. Out of this Rs. 6.67 lakhs was for expected debits of customs duty and ocean freight. These debits were, however located by A.G.C.W. & M. in June, 1965 and adjusted by the concerned A.G. in the accounts for March, 1965 after the close of the financial year when it was too late to go in for a Supplementary Grant. Hence the excess became unavoidable.

2. B-Experimental Farms.

B. 1—Central Mechanised Farm.

This Group head relates to expenditure on Central Mechanised Farms, Suratgarh and Jetsar. The Central Mechanised Farm, Suratgarh was set up in August, 1956 with the gift of Agricultural Machinery from the Government of U.S.S.R. The Central Mechanised Farm, Jetsar was set up in November, 1963, on the basis of the recommendations of the Committee on Large Sized Mechanised Farms. The main objective of the two farms is the production of improved seeds for distribution to the State Governments.

During 1964-65, as against the Final Appropriation of Rs. 77.25 lakhs, the actual expenditure was Rs. 107.83 lakhs, resulting in an excess of Rs. 30.58 lakhs. This excess was due to arbitrary levying of customs duty on machinery and spare parts imported for the two farms. Debits amounting to Rs. 35.93 lakhs had been adjusted towards the end of the financial year.

It was not possible to estimate the full extent of the demands by the Customs Authorities and to make adequate provision against

these demands by means of a supplementary grant or by an advance from the Contingency Fund because:

- (i) the trend of the levies made by the customs Authorities did not show any consistent pattern;
- (ii) the farm did not always receive notice of the claims and in some cases even intimation of debits was not received;
- (iii) some of the claims were sent directly to the Accountant General's office and adjusted there;
- (iv) the adjustments also were not evenly spaced out and were heaviest at the end of the financial year. Thus, for instance, while in September, 1964 the adjustments amounted to only Rs. 52,000 (approximately), in November it was Rs. 5½ lakhs, in December nearly Rs. 5 lakhs, in January, 1965 Rs. 11 lakhs, in February nil and in March, 1965 nearly Rs. 25 lakhs;
- (v) since refund claims were made almost immediately intimation of the debits was received by the Farms, the extent to which adjustments would be made before the end of the financial year could not be gauged.

The total amount of customs duty on imports of machinery and spares for the two Farms, adjusted during 1964-65 was Rs. 46.77 lakhs. This was for machinery and spare parts costing Rs. 14.56 lakhs imported during this year for these farms. Customs duty had been assessed very much on the high side by the customs authorities. The Farm authorities had already filed refund claims amounting to Rs. 43.32 lakhs for excess duty charged by the Customs Department. If the refund claims filed by the Farms are allowed, the actual expenditure on customs duty would be about Rs. 3.45 lakhs only (Rs. 46.77 lakhs, Rs. 43.32 lakhs). Sanction for refund of Customs duty to the extent of Rs. 9.83 lakhs has so far been received by the Farms. The farms are pursuing vigorously with the Customs Department their refund claims for the remaining amount.

C.—Boring Operations—C.1—Project for Ground Water—Exploration under T.C.A. Programme—C.1 (4) Suspense.

(In lakhs)

Original Grant	Rs. 40.00	} 61.60
Supplementary	Rs. 5.15	
Re-appropriation	Rs. 16.45	
Actual Expenditure	Rs. 67.24	
Excess	Rs. 5.64	

The Group head "Boring Operations" deals with Ground-water Exploration Project which is being executed Departmentally by the Exploratory Tubewells Organisation since January, 1955. The object of the Project is to delineate areas having ground-water potentiality for development by tubewell irrigation. In the course of exploratory drilling, such of the exploratory bores as yield enough water are converted into production tubewells and handed over to the State Governments concerned for their use. The cost of such tubewells as are to be transferred to the State Governments, is recovered from them. This is done by grant of loans, which are now recovered from them in twelve annual equated instalments, beginning from the first anniversary of the date of drawal of loan.

In the context of the details available at the end of 12/64 a supplementary grant of Rs. 5,15,000 was asked for under the sub-head C. 1(4)—Suspense as the balance of the anticipated excess (Rs. 4.16) was proposed to be met by re-appropriation out of the savings under sub-head 'Works' of C-Boring Operations' and other Savings under this grant. Actually additional funds to the extent of Rs. 16,45,000 only could be provided by re-appropriation.

There was no appreciable excess to end of 11/64. The expenditure figures at the end of 12/64 as per the records of the Department exhibited an excess of Rs. 9.31 lakhs over the original grant. It was expected that the anticipated excess for the financial year as a whole would be met by re-appropriation. In the meantime more adjustments for Rs. 4.25 lakhs happened to be carried out by the Divisional Officers during 3/65 without a proper review of the budgetary position and without informing the organisation earlier of the fact of certain adjustments pending with them. This however, could not be covered by the additional funds provided for by re-appropriation order.

Necessary instructions (copy enclosed) have now already been issued to the Divisional Officers for carrying out the adjustments regularly and promptly and notifying the pending adjustments to the Organisation sufficiently in advance so that excesses of the type do not occur in future.

A part of the above excess was counter-balanced by savings under other group heads leaving a net excess expenditure for Rs. 38,86,675. This excess for Rs. 38,86,675 is recommended for regularisation under Article 115 of the Constitution.

Sd/- J. C. MATHUR,
Joint Secretary to the Government of India.

Copy of letter No. 67-6/65/B&A-28148, dated 18th October, 1966 from the Accounts Officer, Exploratory. Tubewells Organisation, Jamnagar House, Mansingh Road, New Delhi-11, addressed to The Executive Engineer, Divisions I/II/III/IV and Central Stores.

SUBJECT:—*Excess over the Grant.*

An excess of Rs. 5.64 lakhs had occurred, over the final grant under the sub-heads, Suspense stock-charges, and other suspense accounts charges during the year 1964-65. This as already pointed out a number of times has been mainly due to the irregular and delayed adjustments of the value of receipt of stock materials and book debits in the divisional accounts. There has thus been no proper control of expenditure over the budgetary grant inspite of the instructions issued to the divisional officers vide marginally noted letters.

1. 67-18/64-B&A567-75 dt.
16-3-65
2. 67-1/65-B&A2189-92 dt.
29-1-66
3. 67-10/65(B&A)-7739-41
dt. 28-3-66
(to EE (I) and copy to EEII
and III)
4. 67-10/65(B&A)-8031 dt.
30-3-66 to E.E. (IV).

This has been very seriously viewed by the Public Accounts Committee. On a close scrutiny of the adjustment in the divisional accounts it was observed that the audit office adjustment memos and the A.T.D.'s exchanged between the divisional officers remained unattended to in the divisional office, for months together and their adjustment were, all of a sudden, carried out in February-March and Supplementary Accounts and no proper assessment made to ask for the additional funds to meet these adjustments. This represents an un-satisfactory state of affairs and improper control of the budgetary grants by the divisional officers and needs to be carefully guarded against in future.

It is, therefore, once again requested that the adjustments against the allotment placed at the disposal of the divisional officers with reference to the receipt of stock materials and book debits should be regularly carried out in the divisional accounts and it should be seen that the same is not exceeded. In case an excess is anticipated, immediate action should be taken to ask for additional funds. The adjustments as are necessary should be carried out thereafter only with the prior approval of this office. A closer scrutiny should however, be carried out personally by the divisional officers during the last four months of the financial year and it should be ensured that excesses of any kind do not recur in future. The instructions should be brought home to the Divisional Account in particulars.

Receipt of this memo may please also be acknowledged.

APPENDIX IX

(Ref. Paras 3.10 & 3.11 of Report)

No. F. 7-8/66-B

GOVERNMENT OF INDIA

MINISTRY OF HEALTH & FAMILY PLANNING

New Delhi, the 11th October, 1966.

SUBJECT: *Note for regularisation of excess expenditure of Rs. 78,701 in Grant No. 42—Ministry of Health for 1964-65.*

		Final Grant	Actual Expdr.	Excess (+)
Original	22,81,000	23,81,000	24,59,701	(+)78,701
Supplementary Grant	1,00,000			

The excess occurred under the head 'A.—Secretariat':—

The sub-heads 'A. 1-Pay of Officers', 'A-2 Pay of Establishments' and 'A. 4-Other Charges are mainly responsible for the excess of Rs. 78,701 as indicated below:—

	Final Grant	Actual Expdr.	Excess (+)
A.1-Pay of Officers	5,37,163	5,43,824	(+)6,661
A.2-Pay of Establishments	7,09,032	7,12,558	(+)3,526
A.4-Other Charges	2,18,345	2,86,806	(+)68,451

The reasons for variation against each primary unit are given below:—

"A. 1-Pay of Officers". (+) 6.661/-

A part of the excess (Rs. 3,348) was due to adjustment of the leave salary in respect of a Joint Secretary and a Deputy Secretary

in the Ministry of Health who had been transferred from the Ministry of Health in August, 1964 and on the 31st May, 1961 respectively. The claim amounting to Rs. 622.67 of the Deputy Secretary relates to the months of April and May, 1961. The period for which the leave salary amounting to Rs. 2,725.69 was drawn by Joint Secretary has not been indicated as the claims were not routed through the Ministry of Health and as such it was not possible to anticipate this expenditure. The debits in respect of these amounts were received by the Accountant General, Central Revenues and raised against this Ministry in March, 1965 (Sy. II Batch). The adjustment of these debits was known to this Ministry only at the time of final reconciliation of the accounts under the Group head "A. Secretariat" for 1964-65 when no action could be taken to provide additional funds by reappropriation or by obtaining a Supplementary Grant to cover this excess.

Further, the arrear salary bills of certain officers amounting to Rs. 2,705.65, which had been under objection of Treasury Officer. New Delhi for a long time, were unexpectedly passed for payment towards the close of the financial year 1964-65. A provision for this amount i.e. Rs. 2,705.65 was actually made while framing the Revised Estimates for 1964-65. The amount had, however, to be surrendered on 'the 20th' March, 1965, the date by which such surrenders have to be made each year, as the bills were not passed for payment till then.

"A. 2-Pay of Establishments" (+) 3,526/-

The bill for Rs. 3,526 in respect of temporary establishment drawn from Treasury in March, 1965 remained unaccounted in the departmental accounts as the reconciled figures were not available against this unit in time. Hence an excess of Rs. 3,526 occurred against this sub-head.

"A. 4-Other Charges" (+) 68,461/-

(A) Godrej Alimirahs Rs. 5,906/-

The indent was placed with M/s Godrej on the 7-1-64 for the supply of 24 Godrej Almirahs. The firm was reminded several times but supplies could not be received till the end of 1963-64. The firm executed the order on the 8-5-64. The Inspection Note was submitted by the firm on 10-6-64 which was returned to them on 20-8-64. Budget provision for this purpose was made in 1963-64 with the expectation that the order would be executed by the firm within that financial year. But the same did not materialise. The expenditure

in this connection could not be included in the budget estimates for 1964-65 while the payment to M/S Godrej was made in September, 1964.

(B) Halda Typewriters Rs. 5,145/-

A provision for the purchase of typewriters was made in the budget for 1963-64 and an indent for the supply of six Halda Typewriters was placed on the Controller of Printing and Stationery on the 1-2-64, with the hope that the supply of the typewriters would be received within the financial year 1963-64 and the expenditure adjusted in that very financial year. But the firm actually executed the order in April, 1964 and the expenditure to the extent of Rs. 5,145 had to be adjusted during 1964-65.

(C) Khadi Cloth for Liveries Rs. 4,437/-

A supply order for the supply of Khadi Cloth for liveries was placed with M/S Khadi Bhawan, Bombay on 21-10-63 *vide* supply order No. F. 14-7/63-E.G. dated 21-10-63 but the supply was received as late as in June, 1964. As the funds provided for the purpose during 1963-64 lapsed on the 31-3-64, the expenditure to the extent of Rs. 4,437 on the purchase of Khadi Cloth was adjusted in the accounts of 1964-65.

(D) Air Conditioners Rs. 10,006/-

An expenditure to the tune of Rs. 10,006 was sanctioned to the Central Public Works Department for the provision of voltage stabilizers and Air Conditioners *vide* this Ministry's letter No. F. 13-14/64-E.G. dated the 19-3-64. The work was completed by the Central Public Works Department in June, 1964 and debit for Rs. 6,473 was also raised in that very month i.e. June, 1964.

(E) Gulmarg Coolers Rs. 12,418/-

An order for four Gulmarg Coolers was placed on the 1-6-63 and the supply was received within a fortnight of the placement of the order. The Inspection Note duly countersigned was returned to the firm on the 13-8-63. But it is observed from the books of Accountant General, Central Revenues that the debit was adjusted by him 1964-65 account (Sy. II Batch).

The Ministry of Health shifted from the North Block to Patiala House in December, 1962 and in the Summer of 1963-64 it was expected that the Central Public Works Department would supply the Ministry with 15 desert coolers which we had asked from them

in 1962-63. No funds were, therefore, provided for this purpose in the budget for 1964-65. But out of 15 desert coolers, the Central Public Works Department supplied only four. 24 more Gulmarg Coolers were, therefore, purchased from the open market during 1964-65. The additional expenditure could not be anticipated earlier and hence no funds for this purpose also were provided in the budget for 1964-65.

Extra expenditure on telephone Charges . (+) Rs. 20,549.

A provision of Rs. 46,000 existed in the sanctioned budget for 1964-65 for payment of telephone charges whereas the actual expenditure under this item came to Rs. 76,549 resulting in an excess of Rs. 30,549 as indicated below:

(a) Installation of P. B. X. Board =Rs. 15,049 -

(b) Adjustment of old vouchers

238, 226, 231, 233, 228 } =Rs.15,000.-
211, 217, 224, 796, 795 }

and some other vouchers pertaining to telephone bills amounting to Rs. 15,500 passed for payment, in 1963-64 but debited to the accounts of 1964-65.

In December, 1962 the Ministry of Health were required to shift immediately from the North Block to Patiala House. There had been no previous warning and, therefore, no budget provision for the installation of telephones had been made during 1963-64. After all, the Officers and Sections located in the North Block and also in the adjacent buildings had shifted to the premises of the Patiala House, the P. & T Department was requested to instal in Patiala House a 100 lines P.B.X. Board. A sum of Rs. 15,049 was paid during 1963-64 for which no budget provision had been made as the shifting was anticipated.

The excess expenditure indicated above under the sub-head 'A. 4—Other Charges' was revealed at the time of reconciliation of the Departmental figures of expenditure with those booked by the Accountant General, Central Revenues after the 31st March, 1965. and the excess could not be covered by re-appropriation of funds or by obtaining a Supplementary Grant for the financial year 1964-65.

The Supplementary Grant of rupees one lakh during 1964-65 was obtained on account of post-budget decision (a) to pay an honorarium of Rs. 500 per month to the Chairman of the Board of Inspection for voluntary Medical Institutions and to meet the T.A. etc.

of the members of the Board, and (b) to meet the additional expenditure involved for the payment of Dearness Allowance at enhanced rates with effect from the 1-7-1963 and again from the 1st February 1964 and the 1st October 1964 to the employees of the Ministry. As a matter of fact the Supplementary Grant of Rs. one lakh had been obtained after setting off an anticipated saving of Rs. 55,000 in the Grant. However, due to reasons explained above the Supplementary Grant proved inadequate and an excess of Rs. 78,701 occurred.

The overall excess of Rs. 78,701 which remained uncovered in the Grant No. 42. Ministry of Health during 1964-65, may please be recommended for regularisation.

This has been seen by Audit whose observation is also enclosed.

Sd/- GIAN PRAKASH,
Joint Secretary

AUDIT OBSERVATION

Out of the amount of Rs. 78,701 an excess of Rs. 68,461 has been explained as due to more expenditure under the sub-head A. 4-Other Charges. In this connection the following remarks are offered:—

Expenditure on Items A to E Rs. 37,912.

Supplies in respect of items (A) to (E) under the sub-head, mentioned in the 'note', were actually received by the Ministry during the year 1964-65, although indents in respect thereof were placed by them during the year 1963-64. It would follow from the replies given by the Ministry in the 'note' that they had not provided for the expenditure during 1964-65 on the ground that provision for that expenditure had been made in the earlier year. The argument of the Ministry is hardly tenable. When the stores were actually received during 1964-65 the debits should have been anticipated by the Ministry during that year and adequate funds provided for their adjustment (at least through a supplementary grant).

Non-provision of funds indicates lack of budgetary control.

Extra expenditure on Telephone Charges Rs. 30,549.

The excess on account of the adjustment during 1964-65, of the debit of Rs. 15,500 relating to the year 1963-64 could have been avoided had the Ministry maintained the 'Liability Register'.

APPENDIX X

MINISTRY OF HOME AFFAIRS

Note regarding the amount expended in excess disclosed in the Appropriation Accounts for the year 1964-65 under Grant No. 45—Ministry of Home Affairs.

<i>Final Grant</i>	<i>Actual Expdr.</i>	<i>Excess</i>
Rs.	Rs.	Rs.
4,66,82,000	4,74,42,798	7,60,798

In accordance with Article 115 of the Constitution of India the excess expenditure of Rs. 7,60,798 is required to be regularised by Parliament.

2. A provision of Rs. 4,53,39,000 was originally made in the budget estimates for 1964-65 under the aforesaid grant. When the budgetary requirement of the grant was reviewed in January, 1965, on the basis of the actual expenditure of the first eight months and the anticipated expenditure for the remaining four months, it was found that the revised requirements for the whole year would be Rs. 4,66,82,000. This figure of Rs. 4,66,82,000 was also the revised estimates accepted by the Ministry of Finance for the year 1964-65. In view of the above, supplementary grant of Rs. 13,43,000 only was obtained in February, 1965. However, the actual expenditure amounted to Rs. 4,74,42,798 resulting in an excess of Rs. 7,60,798.

3. The excess under the grant was mainly due to excess expenditure of Rs. 10,57,686 occurring under the group-head 'B. Intelligence Bureau'. The excess under this group-head was mainly due to adjustment of (i) a debit of Rs. 8,53,700 on account of payment of customs duty on the import of U.S. Surplus Stores (2929 coils of copper clad cables) and (ii) a debit of Rs. 1,28,802, on account of cost of 114 wireless sets purchased from the Army Authorities from their surplus stock. No provision was made for the above adjustments. The reasons for non-provision of funds for the above adjustments are given in the ensuing paragraphs.

4. In August, 1960, the D.G.S. & D. informed the Intelligence Bureau that certain types of machinery, wireless equipment and electronic equipment which had been declared surplus by the U.S. Government were available 'free of cost' though freight, packing and handling charges etc. should be borne by the indenter. As some of the equipment was found useful for the needs of Intelligence Bureau, indents were placed by the Intelligence Bureau on the D. G. S. & D. and ISM, Washington for supply of these equipments. The Intelligence Bureau felt that no customs duty should be believed on these goods which were acquired 'free of cost' and took up the matter with the Ministry of Finance (Revenue Department) in April, 1963. However, in May, 1963, the Ministry of Finance (Revenue Department) did not agree to this. Subsequently, in August, 1963, it was decided that customs duty would be paid after the certificate regarding the reasonableness of the levy of duty was granted by the Assistant Director (Shipping) Bombay. The amounts of customs duties to be borne by the Bureau were made known to them only after the duties were actually paid by the clearing agents. The Intelligence Bureau placed an indent for the import of 2929 coils of copper clad cables on the D.G.S. & D. on 20th June, 1963. On 6th September, 1963, the Bureau received intimation that the said cables had been released. Out of these, only 2900 coils were received by the Bureau and 29 coils were declared shortlanded at Bombay dock. However, customs authorities levied duty on the entire 2929 coils and an amount of Rs. 8,53,700 was levied as customs duty. This amount was duly paid by the Clearing Agents at the time of clearing consignment on 11th March 1964. Though the Bureau came to know about this only on 11th May 1964, on 26th March 1964 two applications had been filed by the Clearing Agents for the refund customs duty—one for the shortlanding of 29 coils and the other for wrong assessment. On 5th August 1964, the Bureau also wrote to the Assistant Director (Shipping) Bombay that the assessment of customs duty was not correct due to short receipt of goods and accordingly was not acceptable to the Bureau. However, the petition for the re-assessment of customs duty was withdrawn on 24th February 1965, as the stores were not insured. The question of refund of customs duty levied on 29 coils shortlanded and not traceable, is still to be decided.

As the liability for the customs duty was not fully and finally accepted by the Intelligence Bureau, it was thought that the adjustment of the payment of the duty would not be made during 1964-65 and accordingly no funds were provided during that year by way of supplementary grant. However, in his accounts for March, 1964 the Accountant General, Maharashtra raised the debit for the payment against the Bureau for adjustment in the books of the AGCR,

New Delhi. The Bureau requested the A.G.C.R. to postpone the adjustment of this debit to 1965-66 but the A.G.C.R. could not postpone the adjustment.

5. As regards the adjustment of Rs. 1,28,802 in respect of the cost of 114 wireless sets purchased from the Army Authorities, the facts are as under:—

Intelligence Bureau took delivery of 114 wireless sets from the Army Authorities from their surplus stock on 4th September 1963. At the time of taking delivery, it was thought that these sets were serviceable. However, after inspection it was found that these sets were deficient in respect of certain essential parts etc. and accordingly were not worthy enough to be put into operation. On 26th December, 1963, the Bureau received a copy of the Issue Voucher (priced copy) from the Army Authorities. The Ministry of Defence was requested in October 1963 to charge only a nominal price and also to supply the deficient parts. On 6th November 1964, the Bureau received Issue Vouchers (re-priced one's) indicating the cost of the sets fixed by the Army Authorities at 20 per cent of the original price. The Army Authorities were informed in December, 1964, that the question of payment of cost for these sets was under consideration of the Government and that the acceptance of the charges claimed would be intimated in due course. While the question of payment was being considered, the Army Authorities raised a debit of Rs. 1,28,802 against the Bureau and this was adjusted by the A.G.C.R. in the Bureau's accounts for the month of December, 1964. The Bureau in their letter dated 10th March, 1965 requested the A.G.C.R. to wipe out the adjustment as the matter was still under consideration of the Government. In their subsequent letters dated 14th June, 1965 and 28th September, 1965, the Bureau requested the A.G.C.R. that in case it was not possible to return the vouchers and debits to the originator, at least the vouchers might be kept in suspense pending the final decision in the matter. But, as this could not be done under the Rules, the debit remained adjusted in the accounts for 1964-65.

6. The excess was also due to certain other items. There were also some savings under other units and ultimately the net excess under the grant amounted to only Rs. 7,60,798.

In view of the position explained in the above paragraphs, the excess may kindly be recommended for regularisation.

This note has been seen by Audit who have suggested the addition of some "Audit Observations", vide Annexure I. This Ministry's comments on these observations are contained in Annexure II.

Sd/- A. D. PANDE,

Joint Secretary to the Govt. of India.

ANNEXURE I

AUDIT OBSERVATIONS

The Intelligence Bureau approached the Ministry on 5th January, 1965 with a proposal for a supplementary grant of Rs. 10.94 lakhs to cover up the overall excess expenditure anticipated by the Bureau. The Ministry did not agree to this proposal but advised the Department on 11th January, 1965 to postpone the adjustment of the expenditure to the next financial year (1965-66). The action of the Ministry was in contravention of the provisions contained in para 66 of G.F.R. read with para 75 *ibid.* In this connection a reference is also invited to para 7(iii) of the sixteenth Report of P.A.C. (Third Lok Sabha).

The Supplementary grants for 1964-65 were finalised only in February, 1965 and the Ministry while rejecting the proposal of the Bureau did not seek the advice of the Ministry of Finance for inclusion of the requirements in the Supplementary grant or ask for an advance from the Contingency Fund of India.

ANNEXURE II

Comments of the Ministry on the Audit Observations appended to the note.

According to Rule 75 of the GFR, money indisputably payable by Government shall not ordinarily be left unpaid and the payments made shall not be kept out of accounts longer than is absolutely necessary. The present case does not come under the provisions of this Rule because the customs duty for the imports in question was the subject matter of prolonged dispute between the Intelligence Bureau and the Ministry of Finance (Revenue Department). There were some shortages in the quantities of the imported articles and it had been noticed that the customs authorities had levied duties on these articles which had been short-landed. The Intelligence Bureau informed the Assistant Director (Shipping), Bombay that they were not prepared to accept the assessment of the customs duty. The matter remained in dispute and even when the proposal for Supplementary Grant was received in the Ministry, it transpired that the dispute had not been finally resolved. As can be seen from para 4 of the note, the petition for reassessment of customs duty was withdrawn by the Intelligence Bureau only on 24th February 1965—long after the Supplementary Demand proposal was finalised and the question of refund of customs duty levied on 29 coils short-landed and not traceable is still to be decided. The Ministry would not have gone in for Supplementary Grant unless it was certain that the amount would be definitely adjusted in the accounts of 1964-65. Actually, the debit in question was raised by the Accountant General Maharashtra against A. G. Central Revenues in the accounts for the month of March, 1964 but it was not adjusted in the accounts of that month. Even though, the adjustment of this debit was taken up by the Accountant General Central Revenues in July, 1964, no adjustment was actually made by him till September, 1965. Even as late as July, 1965, the Accountant General Central Revenues had agreed to make the adjustment in 1965-66. It was only in September, 1965 i.e., long after the close of the financial year 1964-65 that the Accountant General intimated that he had carried out the adjustment in the accounts of 1964-65. It is, therefore, clear that there was no ground for this Ministry either to ask for Supplementary Grant during 1964-65 or to obtain

an advance from the Contingency Fund of India before 31st March, 1965 as no adjustment had been made in the accounts of the Intelligence Bureau before 31st March, 1965. In these circumstances, the question of obtaining advice from the Ministry of Finance also did not arise.

APPENDIX XI

MINISTRY OF HOME AFFAIRS

Note regarding the amount expended in excess of the grant for the year ended 31st March, 1965 in respect of grant No. 55-Laccadive, Minicoy & Amindivi Islands.

Original Grant (Voted)	.....	Rs. 47,54,000
Supplementary Grant	.....	Rs. 4,02,000
Final Grant	.....	Rs. 51,56,000
Actual Expenditure	.....	Rs. 55,54,714
Excess	.....	Rs. 3,98,714

The excess occurred mainly under the following head and for the reasons given below:

	Final Grant	Actual Expdr.	Excess
<hr/>			
Account III-Social and Developmental Services :			
Major Head 31-Agriculture :			
D.2-Agriculture Fishery Schemes			
O 3,39,600			
R. 2,50,877	5,90,477	10,47,139	4,56,662

In addition to the sanctioned budget of Rs. 3,39,600 an amount of Rs. 2,50,877 was provided by reappropriation under this head on account of more expenditure anticipated on the maintenance and repairs of existing fishing boats, starting of a workshop and purchase of more boats. The actual expenditure, however, was Rs. 10,47,139 resulting in an excess of Rs. 4,56,662.

2. The excess under the above head was solely due to the booking of an expenditure of Rs. 5,26,822 incurred on Crash Programme relating to Fishery Schemes (which included purchase of pablo boats from the Government of Andhra Pradesh) in the area grant. The Ministry of Food & Agriculture who made the necessary budget provision in the area grant in respect of Fishery Schemes, originally intended that the estimates regarding the Crash Programme under

Fishery Schemes in respect of this Union Territory should be excluded from the area grant and that such estimates, alongwith similar estimates in respect of other Union Territories and the States, should be included in a separate grant of that Ministry. In view of this, the estimates relating to the said programme were not taken into account while going in for a supplementary grant under this area grant. However, in the last week of March, 1965, it was finally decided by the Ministry of Food and Agriculture in consultation with the Ministry of Finance that the expenditure in respect of the above programme of this Union Territory should be booked under the area grant. As this decision was taken in the last week of March, 1965, there was no time either for obtaining Supplementary Grant or an advance from the Contingency Fund of India to meet this expenditure.

In December, 1964, the Ministry of Food and Agriculture had sanctioned a sum of Rs. 6,10,000 for implementation of the 'Crash Programme' in the Union Territory. Against this, the expenditure of Rs. 5,26,822 referred to above was incurred at the time of issue of the sanction for the Crash Programme, the question as to where exactly the budget provision for this scheme should be made was under consideration in consultation with the Ministry of Finance. Pending a decision on this question, the Ministry of Food & Agriculture were not able to seek any budget provision to cover the sanction already issued by them. But by the time a decision on this question was finally taken in the last week of March, 1965, there was no time left for the Ministry of Home Affairs to obtain necessary budget provision.

3. The excess under this head was to some extent counter-balanced by savings elsewhere in the grant bringing down the net excess under the grant as a whole to Rs. 3,98,714.

4. In accordance with Article 115 of the Constitution, this excess expenditure may kindly be recommended for regularisation by the Parliament.

5. This note has been seen by Audit

Sd/- A. D. PANDE,
Joint Secretary to the Govt. of India.

APPENDIX XII

MINISTRY OF INDUSTRY

Note for the Public Accounts Committee for regularisation of Excess over voted grant in respect of Grant No. 57—Ministry of Industry as disclosed in the Appropriation Accounts (Civil) 64-65.

Original Provision	Rs. 37,47,000
Actual Expenditure	Rs. 37,61,371

The grant has been exceeded by Rs. 14,371. The excess occurred mainly in the following group head:—

Group head		(In lakhs of rupees)		
		Total Grant or Appropriation	Actual Expdtr.	Excess
<hr/>				
A. Department of Industry.				
O.	37.37			
R.	1.92	35.45	35.66	0.21
<hr/>				

The excess is attributed to the following reasons:—

A. 1. Pay of Officers (+) 4,314.

The excess is due to the payment of leave salary to Officers, not anticipated at the time of fixation of final grant.

A. 2. Pay of Establishment (+) Rs. 3,156

The excess is due to receipt of debits from the Ministry of Defence without prior intimation on account of payment of arrears of pay to the staff transferred to Ministry of Defence for the period from July, 1959 to February, 1963.

A. 4. Other Charges: (+) Rs. 15,774

The excess is due to increased expenditure on Telephone Charges and Contingencies.

A. 5. Delegations Going Abroad**(+) Rs. 925.**

The excess is mainly due to more expenditure incurred by the delegates than anticipated.

The gross excess has been off set by saving under other heads leaving a net excess of Rs. 14,371. This excess as compared to the total grant is small and may be recommended for regularisation.

This has been vetted by Audit vide A.G.C.W.&M. U.O. Note No. Rep. I-9 (189)/Excess/64-65/495 dated the 21st June, 1966.

Sd/- D. S. SUNDRAM,
Joint Secretary to the Govt. of India.

APPENDIX XIII

MINISTRY OF INFORMATION AND BROADCASTING

*Note explaining reasons for excess disclosed under Grant No. 62—
Broadcasting 1964-65.*

GRANT NO. 62—BROADCASTING

	Total Grant or appropriation	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
Charged] . . . . .	..	284	+284
Voted	5,91,06,000	6,01,52,890	+ 10,46,890

CHARGED

B. Broadcasting Stations

The excess of a sum of Rs. 284/- was on account of payment made in the satisfaction of a decree passed by the Assistant Judge, Rajkot. This payment was made by the Station Director, All India Radio, Rajkot, through cheque dated the 4th September, 1964 debitable to sub-head "Other Charges". The amount was, accordingly, met from the Voted Grant No. 62—Broadcasting for the year 1964-65. It was later pointed out by the Senior Deputy Accountant General, Rajkot on 27-11-1964 that this be treated as "Charged" expenditure. There was no provision for "Charged" expenditure in the Budget Grant of that year against which the said petty expenditure of Rs. 284/- could have been debited. It is regretted that immediate steps could not be taken either to have a Supplementary Grant for the same or advance from Contingency Fund of India.

VOTED

Against the sanctioned Budget Grant of Rs. 5,91,06,000 the total expenditure incurred during the year was Rs. 6,01,52,890, resulting

in an excess of Rs. 10,46,890. The percentage of this excess is 1.77. The reasons for this excess are as follows:—

A—1. Directorate General, All India Radio

	Budget Grant 1964-65	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
	28,01,500	33,46,988	5,45,488

The excess has been mainly under the following sub-heads:—

	Rs.
(i) <i>Allowances, Hon. etc.</i>	1,00,747
Due to more expenditure than anticipated on:—	
(a) deputation of officers abroad,	
(b) increase in dearness allowance, and	
(c) other allowances <i>i.e.</i> H.R.A. and children education allowance etc.	
(ii) <i>Allowances to Artists</i>	11,705
Due to un-anticipated tours or deputations abroad of producers.	
(iii) <i>Other Charges</i>	4,38,036
Due to:—	
(a) adjustment of telephone bills for 1963-64 (Rs. 1,12,800)	
(b) adjustment of telephone charges relating to rental of PSX extension for the period 8-12-61 to 31-1-62 and 1-2-65 to 31-1-66 (Rs. 81,500)	
(c) more expenditure on power supply due to increase in tariff rates with effect from August, 1964 (Rs. 79,470)	
(d) more expenditure than anticipated on miscellaneous items because of inadequacy of funds (Rs. 1,64,266).	
TOTAL	5,50,488

Excess of Rs. 5,000 was set off by savings under other sub-heads. Net excess Rs. 5,45,488.

B—Broadcasting Station

	Budget Grant 1964-65	Actual expenditure	Excess
	Rs.	Rs.	Rs.
	3,65,68,000	3,78,34,133	12,66,133

The excess has been mainly under the following sub-heads :—

	Rs.
(i) <i>Allowances, Hon. etc.</i>	11,42,272
Due to increase in Dearness allowance and more expenditure than anticipated on H.R.A. and C.C.A. due to upgrading of cities and grant of children education allowance.	
(ii) <i>Allowances to Artist.</i>	8,06,028
Due to grant of allowances (as admissible to the Central Government Employees) to staff artists with effect from 1-10-1964.	
(iii) <i>Central Stores for Broadcasting Stations</i>	72,972
Due to direct un-anticipated receipt of transmitting valves by the Stations. The Valves had been indented for late delivery after December, 1964.	
(iv) <i>Pension Contributions</i>	1,29,966
Due to more contribution than anticipated.	
TOTAL	21,51,238

Excess of Rs. 8,85,105 under "Allowances, Hon. etc." was however, met from the "E lump provision for C.C.A. and H.R.A." and from the savings available from other Group heads and sub-heads. Thus the net excess comes to Rs. 12,66,133.

C—I. High Powered Short Wave Transmitters.

	Budget Grant 1964-65	Actual expenditure	Excess
	Rs.	Rs.	Rs.
	31,21,000	35,38,338	4,17,338

The excess has been mainly under the sub-heads "Other Charges" due to

(a) more expenditure on power supply due to increase in tariff rates	Rs. 1,75,038
(b) Payment of property tax in respect of All India Radio HPT buildings at Kingsway Delhi and Kahmpur vide Ministry of Home Affairs O.M. No. 120/11/63-Delhi dated 30-4-64	3,31,684
TOTAL	5,06,722

Excess of Rs. 89,384 was set off by savings under other sub-heads the net excess being Rs. 4,17,338

C—3. News Services Division

	Budget Grant 1964-65	Actual expenditure	Excess
	Rs.	Rs.	Rs.
	34,65,000	37,95,550	3,30,550

The excess has been mainly under the following sub-heads:—

	Rs.
(i) <i>Allowances, Hon. etc.</i>	70,025
Due to more expenditure than anticipated on H.R.A. and children Education Allowance and increase in dearness allowance.	
(ii) <i>Allowances to artists</i>	1,44,473
Due to same reasons as given under B—Broadcasting Station.	
(iii) <i>Other Charges</i>	1,54,917
Due to:—	
(a) adjustment of debits relating to car purchased during 1963-64 (Rs. 12,707).	
(b) adjustment of telephone bills relating to 1963-64 (Rs. 6,568).	
(c) payment to UNI on revised enhanced rates (Rs. 80,000)	
(d) more expenditure than anticipated on miscellaneous items because of inadequacy of funds (Rs. 55,642)	
TOTAL	3,69,415

Excess of Rs. 38,865 was, however, met by savings under other sub-heads; thus the net excess is Rs. 3,30,550.

C—6. Project Circles

	Budget Grant 1964-65	Actual expenditure	Excess
	Rs.	Rs.	Rs.
	16,26,000	16,67,490	41,490
The excess has been mainly under the following sub-heads :—			
			Rs.
(i) <i>Allowances, Hon., etc.</i>			1,33,496
Due to same reasons as explained under B-Broadcasting Stations.			
(ii) <i>Other Charges</i>			26,170
Due to more expenditure than anticipated.			
(iii) Incidental charges incurred in India in respect of equipment received under Colombo Plan.			10,150
TOTAL			1,69,816

Excess of Rs. 1,28,326 under "Allowances, Hon. etc." was however met from the lump provision for increase in dearness allowance; the net excess is Rs. 41,490.

2. The total excess under the group heads referred to above comes to Rs. 26,00,999. This excess was partly counter-balanced by savings of Rs. 15,54,109 either in other sub-heads under these group heads or in other group heads, thus leaving the net excess of Rs. 10,46,890.

3. A suggestion for a Supplementary grant of Rs. 7 lakhs was made to the Ministry of Finance for advice in December, 1964 to cover the anticipated excess expenditure. That Ministry advised not to seek additional funds as the Revised Estimates for 1964-65 was placed at Rs. 578.05 lakhs i.e. 13 lakhs less than the sanctioned budget grant of Rs. 591.06. As it was not found possible on review to restrict the expenditure within the sanctioned budget grant, the Ministry of Finance were again approached for a supplementary grant of Rs. 5 lakhs early in February, 1965 which was also not agreed to for

the same reason for which supplementary funds were not agreed to in December, 1964. It was then too late to restrict the expenditure to the extent required, especially in view of the unavoidable commitments already made. This accounts for the excess.

Sd/- Y. N. VARMA,
Joint Secretary.

Dated: November, 1966.

APPENDIX XIV

(Ref. Paras 3.2 and 3.3 of Report)

MINISTRY OF COMMERCE

Note for the Public Accounts Committee for regularisation of excess over voted grant in respect of Grant No. 64—Ministry of International Trade (now Ministry of Commerce) as disclosed in the Appropriation Accounts (Civil) 1964-65.

The total excess under Grant No. 64 which relates to expenditure of the Secretariat of the Ministry as shown in the Appropriation Accounts (Civil) 1964-65, was Rs. 87,954. This works out to nearly 2.46 per cent of the total sanctioned grant of Rs. 35,79,000 for the year. The excess is due to:—

	Rs.
(a) More expenditure under 'Delegations going abroad' mainly due to payment during 1964-65 of several air-passage bills relating to journeys of members of Trade Delegations during the previous year on account of late receipt of bills from M/s. Air India and non-passing of bills by Audit on technical objections (of this a sum of Rs. 13,407 was booked in Audit under other charges by mistake and this was noticed only after closure of year's accounts).	63,773
(b) more expenditure under Travelling Allowance mainly due to adjustment of debits on account of sea-passage bills of officers posted in the Ministry from abroad than that anticipated	25,918
(c) Adjustment in Audit during 1964-65 of several book debits for Telephone charges, Purchases made through D. G. S. & D., Railway Freight etc. accepted by the Ministry in previous years.	37,602
(d) More expenditure under Pay of Establishment due to payment of arrear bills and unexpected adjustment in March, 1965 Supplementary Accounts.	6,804
(e) Misclassification of certain items of expenditure actually pertaining to other grant i.e. Demand No. 65—Foreign Trade (These could not be noticed in the course of reconciliation of figures of expenditure.)	5,390
Total :—	1,39,487

The above excess of Rs. 1,39,487 was off-set by savings of Rs. 51,533 under 'Pay of Officers' due to non-payment of some expenses incurred by the State Trading Corporation on training of an officer of the Ministry at the National Defence College, non-receipt of debits for Leave Salary Contributions and non-utilisation of full provision for Leave Salary, leaving a net excess of Rs. 87,954.

2. Regarding (a) above it may be stated that against a Budget Grant of Rs. 2 lakhs under the sub-head, a Revised Estimates of Rs. 2.50 lakhs was proposed on the basis of actual expenditure during the first six months of the year. Ministry of Finance, however, proposed to restrict the Revised Estimates 1964-65 of this sub-head to Budget Grant 1964-65. Although an attempt was made to restrict the expenditure as far as possible to the Budget Grant, proposals for delegations to foreign countries for Trade talks, Export Promotion Schemes, GATT meetings etc. already finalised could not be cancelled. Besides, as the actual expenditure on delegations are accurately known only after debits on account of payments made by our Missions abroad are adjusted in the accounts generally towards the end of the year, it is often not possible to anticipate with precise degree of accuracy till the close of the financial year what would be the expenditure under the sub-head. As for the financial year 1964-65, a sum of Rs. 55,600 was adjusted in March Supplementary Accounts alone on the same account. In the circumstances, the excess which came to light very late only, became unavoidable.

With a view to ensure that excess over the voted grant due to adjustment of debits relating to previous years does not recur in future, suitable steps are being taken for proper observance of the prescribed procedure for keeping watch over the progress of expenditure and maintenance of Liability Registers.

3. Taking into account the misclassification vide (e) of para 1 above, the net excess requiring regularisation is Rs. 82,564.

[F. No. 2/25/65-E. III]

NEW DELHI;
27th July, 1966.

Sd/- B. D. JAYAL,
Joint Secretary to the Government of India.

APPENDIX XV

MINISTRY OF IRRIGATION AND POWER

Grant No. 67.—Ministry of Irrigation and Power.

SUBJECT.—*Regularisation of excess over voted appropriation disclosed in the Appropriation Accounts (Civil), 1964-65.*

	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
Voted	27,29,000	27,87,929	(+)58,929

Provision in this Grant is made for expenditure in respect of the Secretariat of the Ministry of Irrigation and Power. There is an excess of Rs. 58,929/- over the final grant. The excess has resulted, despite a supplementary grant amounting to Rs. 1,46,000 taken in February, 1965. The excess is due to the following reasons:—

- (i) Unexpected adjustment of leave salary contribution of officers on deputation with the Ministry from State Governments. As the claims from State Governments were not received before the close of the year 1964-65, provision for the leave salary contribution was considered to be saving and was diverted to other primary units of appropriation for meeting corresponding excess thereunder. Rs. 17,853
- (ii) Other unforeseen adjustments. This represents the adjustment of the debits on account of the pay and allowances of some of the officers who submitted their bills for pay and allowances to the Treasury direct and did not intimate the fact to the Cash Section. Unfortunately this expenditure remained un-noticed. Suitable instructions have been issued to all officers who sign their own pay bills and are their own controlling officers to let the Cash Section prepare their bills and send to the Treasury or to get the bills included in the Bill Register maintained by the Cash Section Rs. 6,907
- (iii) Adjustment of old telephone bills pertaining to the years 1961-62, 1962-63 and 1963-64. The debits in respect of the telephone bills were accepted during the years 1961-62, 1962-63 and 1963-64, but were not adjusted in accounts office till March, 1965, when the final grant for 1964-65 had already been fixed and

it was too late to obtain any supplementary grant. The adjustment of the debits during 1964-65 was, therefore, unanticipated. Rs. 26,100

- (iv) Adjustment of some old liability relating to the purchase of typewriters, liveries, etc. The debits in respect of typewriters, etc., were accepted as early as 1962-63; but the debits were not raised till March, 1965, when the final grant for the year 1964-65 was fixed. The adjustment of the debit was, therefore, unanticipated. Rs. 7,991

- (v) The adjustment of a sum of Rs. 977 relating to the Central Board of Irrigation and Power in the accounts of the Ministry of Irrigation and Power. Rs. 977

Rs. 59,828

Less savings due to:

- (a) Non-drawal of Secretariat allowance by Consultant as a goodwill gesture. Rs. (—)807

- (b) Other reasons. (—)92

Net Excess 58,929

As the excess arose out of book adjustments which were not known till the time of obtaining supplementary grant, necessary vote for the expenditure could not be obtained. However, the excess of Rs. 977 referred to at item (v) above represents misclassification in accounts and does not require regularisation in terms of para 7 of Public Accounts Committee's 16th Report (1st Lok Sabha)—Vol. I. In view of the above reasons, it is requested that the excess of Rs. 57,952 (Rs. 58,929 minus Rs. 977) may be recommended for regularisation by a vote of the Parliament.

Sd/- K. P. MATHRANI,
Secretary,
Ministry of Irrigation and Power.

APPENDIX XVI

MINISTRY OF IRRIGATION AND POWER

SUBJECT:—*Regularisation of excess over the voted Grant disclosed in the Appropriation Accounts (Civil), 1964-65.*

Grant No. 69.—*Other Revenue Expenditure of the Ministry of Irrigation and Power—excess in voted Grant.*

In the original budget for 1964-65, a provision (voted) of Rs. 9,01,33,000 was made to defray charges in respect of the following services in Grant No. 69.—Other Revenue Expenditure of the Ministry of Irrigation and Power:—

- (i) A. 1: Central Water and Power Commission (Water Wing and Power Wing) and its Subordinate offices;
- (ii) A. 3: Chambal Control Board;
- (iii) A. 3: Central Electricity Authority;
- (iv) C. 1 (1): Trisuli Hydro-Electric Project;
- (v) C. 1 (2): Survey of Potential Hydro Power Sites;
- (vi) B. 1 (1), D. 1 and F. 1: Grants-in-aid, contributions, etc.;
- (vii) D. 2: Hospitality and Entertainment Expenses: and
- (viii) E. 1 (1) (1): Payments of capital expenditure on payments under Indus. Waters Treaty.

A supplementary appropriation of Rs. 3,000 was obtained for a charged item of expenditure (arbitral award).

2. Under 'Notes and Comments' in the Appropriation Accounts (Civil), 1964-65, it is stated that in the voted section:

- (i) The Grant has been exceeded by Rs. 19,05,440 which excess requires regularisation and, in view of this final excess over the grant, the surrender of Rs. 36.47 lakhs in March, 1965 was not justified; and
- (ii) The excess occurred mainly under the group-head C.1(1). —Trisuli Hydro Electric Project.

Our calculations in regard to the expected savings/excesses were upset because of the unanticipated excess expenditure in respect of

the Trisuli Hydro-Electric Project. The original budget provision for this project was Rs. 512 lakhs and in March, 1965, the C.W. & P.C. estimated that the final requirements would be only Rs. 486.07 lakhs, resulting in a saving of Rs. 25.93 lakhs. This estimated saving of Rs. 25.93 lakhs in regard to Trisuli Project, along with an amount of Rs. 10.54 lakhs estimated as savings under other group-heads, was surrendered in March 1965; thus the total amount surrendered was Rs. 36.47 lakhs. However, the actual expenditure on Trisuli Project came to Rs. 545.57 lakhs, resulting in an excess of Rs. 59.50 lakhs over the final modified grant for this Project. It will thus be seen that the main reason for the comments in the Appropriation Accounts is that the expenditure on the Trisuli Project could not be correctly anticipated before the close of the financial year. The position in respect of the Trisuli Project is, therefore, explained in detail in the succeeding paragraphs.

3. The requisite details for 1964-65 in respect of the Trisuli Project are given below:

Sub-head	Final allotment	Actual Expenditure	Variations
	Rs.	Rs.	Rs.
C.1(1)(1)—Works.	2,79,30,300	2,74,05,723	(—)5,24,577
C.1(1)(2)—Establishment			(—)1,11,118
C.1(1)(3)—Tools & Plant		(—)1,64,562	(—)17,38,362
C.1(1)(4)—Kathmandu-Trisuli Road.	21,00,000	21,04,985	(+)4,985
C.1(1)(5)—Suspense.	1,72,55,000	2,55,74,640	(+)83,19,640
Total C. 1(1):	4,86,06,900	5,45,57,468	(+)59,50,568

4. According to the above table there is an excess of Rs. 83.20 lakhs under the sub-head C.1(1)(5)—Suspense which is, however, counter-balanced to the extent of about Rs. 23.69 lakhs by savings under the other sub-heads. The savings under some of the sub-heads occurred mainly due to (i) non-receipt of Plant and Machinery or of debits for the machinery already received; (ii) less expenditure on certain items of works than anticipated; (iii) non-adjustment of expenditure on pay and allowances due to non-receipt/location of vouchers through Exchange Accounts between A.G.C.R. and the A.G.C.W. & M and (iv) re-adjustment of expenditure relating to Special Tools and Plant from that sub-head to sub-head 'Works', which

was wrongly debited to this sub-head during the year 1963-64 but in view of the fact that the budget demands had to be prepared for the 'gross' expenditure, the credits anticipated on account of the re-adjustments were not included in the gross final demand.

5. The excess under sub-head C.1(1) (5)—Suspense is primarily due to the fact that the assessment of the anticipated adjustment in the final budget estimates prepared by the various divisions engaged on the execution of this work during the month of February, 1965, was made on the basis of trend of the transactions under this sub-head during the preceding 10 months of the year, i.e., from April 1964 to January, 1965, and other expected adjustments for receipt of materials and debits during the months of February and March 1965 and a provision of Rs. 85.20 lakhs was made for the probable adjustments. This anticipation, however, fell short as compared to the actual adjustments during these months.

6. According to the attached statement (*vide* Annexure 'A'), the actual adjustment during the months of April 1964 to January 1965 stood at Rs. 87.34 lakhs, whereas the adjustments during the months of February and March, 1965, including Supplementary accounts, amounted to Rs. 168.40 lakhs, making a total of Rs. 255.75 lakhs. This compared to the final allotment of Rs. 172.55 lakhs resulted in an excess of about Rs. 83.20 lakhs.

7. The various factors leading to the excess are enumerated below:—

(i) Excess receipt of materials (Cement and Steel) than was anticipated during the months of February and March, 1965.	18.01 lakhs
(ii) More advance payments to suppliers/stockists of steel than anticipated.	7.45 lakhs.
(iii) Heavy clearance of outstanding adjustment memos and *A.T. Ds. resulting in excess debits to Suspense than anticipated.	37.41 lakhs.
*Advices of Transfer debits.	
(iv) Transfer of materials borne on the books of certain divisions to new division created in January 1965.	20.29 lakhs.
	<hr/>
	83.16 lakhs
	(or 83.20 lakhs)

8. The above reasons for the excesses are further explained in details as under:—

- (a) The position of receipt of materials, viz., cement and steel, was very irregular. Under the Power Channel Division No. 1, the anticipated receipt of steel and cement for the period from October to December, 1964, remaining unadjusted was estimated at Rs. 10 lakhs but the materials actually received during this period was of the value of Rs. 16.76 lakhs. This resulted in an excess receipt of cement and steel to the extent of Rs. 6.76 lakhs and corresponding debits to suspense for which provision could not be anticipated.
- (b) Similarly in the case of supplies for Power Channel Division No. 2, it was assumed that on the basis of supplies received during the months of September to December, 1964 the receipts of cement and steel would not exceed Rs. 5 lakhs per month. The assumption was made taking into account the several bottlenecks in procurement of the material and procuring wagons for their movement to Nepal by rail-cum-road transport. Due to the changes in the designs of the certain section of the project, the position of steel requirements was reviewed towards the end of February, 1965 and it was found that unless large quantities of steel are procured during the month of March, 1965 itself the construction programme would get a serious setback. Special steps were, therefore, taken to contact firms at Calcutta for procurement of materials from ready stocks and arranging depatches. Not only high priorities were obtained for movement of wagons through the Railway Board and the Chief Operating Superintendent Eastern Railway but also the haulage of materials by road was undertaken. This resulted in an unanticipated (during February, 1965) flow of materials which could not have been foreseen. During the last three weeks of March, 1965 alone as much as 800 Metric Tons of steel was received, the total value of the cement and steel received during the months of February, 1965 and March, 1965 was thus to the tune of Rs. 21.25 lakhs. But as the provision was made only for about rupees 10 lakhs, based on the earlier assumption made during February, 1965, this resulted an excess of Rs. 11.25 lakhs.

Thus the excess as per (a) and (b) above works out to Rs. 18.01 lakhs (Rs. 6.76 lakhs plus 11.25 lakhs).

(ii) More advance payments to Suppliers:

Consequent upon the acute shortage of steel and the urgency of the requirement of materials explained under para 8(i) (b) above, procurement was arranged from stockists at Calcutta to whom normally the payments would have been made on receipt of materials. The provision was made only for advance payments to be made on receipt of Railway Receipts. However, in March, 1965 even the stockists were permitted to send Railway Receipts through the Pay Office at Raxaul for which advance payments had to be made to retrieve the Railway Receipts. Against the provision of Rs. 8 lakhs for anticipated payments during the months of February and March, 1965 the actual payments amounted to Rs. 15.45 lakhs, which resulted in an excess of Rs. 7.45 lakhs.

*(iii) Heavy clearance of outstanding *A. T. Ds. [*Advices of Transfer debits] and Adjustment Memos:*

(a) Under the Dam and Power House Division, A.T.Ds. of the Power Channel Divisions No. I and II amounting to Rs. 25.71 lakhs in respect of supply of materials were adjusted during March, 1965—(Supplementary) accounts resulting in debit to purchases. But at the time of preparation of the final estimates in February, 1965, advices of transfer debits not exceeding Rs. 1.00 lakh only were estimated to be cleared. However, due to proposed introduction of the revised accounting procedure, when the operation of the Suspense Head 'Transfer between P.W. Officers' under U-Remittances would not be available during the next year i.e. 1965-66, all the advices of transefer debits were adjusted during 1964-65. This resulted in excess debits to purchases to the extent of Rs. 24.71 lakhs.

(b) Old outstanding adjustment memos. pertaining to the Dam and Power House Division, were transferred to Mechanical Division on its formation in June, 1964. Due to the shortage of staff initially, these adjustment memos. were not expected to be verified and adjusted during 1964-65. However, as a result of the creation of an arrears cell during March, 1965 and posting of additional staff, adjustment memos. to the extent of Rs. 12.70 lakhs could be adjusted during the year 1964-65.

The reasons as per (a) and (b) above account for the excess of Rs. 37.41 lakhs.

(iv) *Transfer of materials from old divisions to newly created division in January, 1965:*

(a) The actual cost of materials viz., Cement and steel borne on the stock of Mechanical Division, which were to be received on transfer by Power Channel Division No. I and then again the cost of balances outstanding at the end of December, 1964 which were to be transferred to Power Channel Division No. II could not be ascertained as the materials were in process of verification. Actually the cost of materials transferred from Mechanical Division to Power Channel Division No. I stood at Rs. 12.64 lakhs and the cost of materials transferred to the Power Channel Division No. II stood at Rs. 19.65 lakhs, against the anticipated provision of Rs. 15 lakhs. This resulted in excess debits and adjustments of Rs. 17.29 lakhs. Although these adjustments of materials from one division to another or balances from one division to another do not represent any actual expenditure on the project, their reflection in accounts is necessitated because of the separate suspense accounts required to be maintained by each division on public works system of accounts.

(b) Due to the transfer of cement, steel, explosives, etc., to Power Channel Division No. II, the receipt of these materials (which was not anticipated in the final estimates) had to be accounted for in the Power Channel Division No. II under 'Stock'. This transfer resulted in an excess debit to stock to the extent of Rs. 3 lakhs.

The total excess under (a) and (b) amounts to Rs. 20.29 lakhs.

9. In view of the foregoing reasons, it is requested that the excess of Rs. 19,05,440 may kindly be recommended for regularisation.

Sd/- K. G. R. IYER,

Dated New Delhi, the 7th July, 1966.

*Joint Secretary.
to the Government of India.*

ANNEXURE 'A'

Statement showing Divisionwise adjustments under Sub-head Suspense during the period April, 1964 to January 1965 and February and March, 1965.

Months	Dams and Power House Division	Power Channel Division No. I	Power Channel Division No. II	Electrical Division	Mechanical Division	Total
I	2	3	4	5	6	7
April 1964 to January 1965 (10 months)	(-)-53,26,319	15,98,683	..	15,32,277	1,09,29,808	87,34,449
Average Adjustments per month	. (-)-5,32,620	1,59,868	..	1,53,228	10,92,980	8,73,445
February, 1965	. . . . . 4,04,771	9,226	10,43,549	20,148	5,65,648	20,43,342
March, 1965	. . . . . 6,77,226	4,50,803	32,09,893	94,944	18,59,648	62,92,514
March 1965-Sy. I	. . . . . 6,91,455	23,53,386	17,39,048	2,95,627	..	50,79,516
March 1965-Sy. II	. . . . . 23,98,210	1,10,678	34,198	1,26,414	7,46,310	34,24,810
TOTAL during February 1965 and March 1965 including Supplementary also .	41,71,662	29,33,093	60,26,688	5,37,133	31,71,606	1,68,40,182
TOTAL for 1964-65	(-)-11,34,657	45,31,776	60,26,688	20,69,410	1,41,01,414	2,55,74,631

APPENDIX XVII

GOVERNMENT OF INDIA

MINISTRY OF PETROLEUM & CHEMICALS

(DEPARTMENT OF PETROLEUM)

Note for Public Accounts Committee explaining the reasons for excess under Grant No. 78—Other Revenue expenditure of the Ministry of Petroleum and Chemicals 1964-65:

	Rs.
Original Provision	95,09,000
Supplementary provision	4,29,55,000
Total provision	5,24,64,000
Actual expenditure	5,38,62,387
Excess	13,98,387

The excess occurred mainly under the head 'B.3 (1)—Payments to the Railways on account of freight concessions on furnace oil' where there was an excess of Rs. 16,01,863.

2. A note on the scheme was submitted to the committee of 1965-66 (*vide* Appendix X to their 45th Report), while seeking regularisation of a similar excess during 1963-64. The note was examined by the Ministry of Petroleum and Chemicals in paras, 4·18 to 4·24 *ibid*.

3. During 1964-65 a budget provision of Rs. 45 lakhs was made on this account under the head B.3(1)—Payments to the Railways on account of freight concession on furnace oil. When revised Estimates for 1964-65 and Budget Estimate for 1965-66 were being prepared, it was informally ascertained from the A.G.C.W. & M. that actual expenditure of Rs. 10.26 lakhs only had been incurred upto the end of August 1964 on the scheme. The proper amount which would be required for the scheme during 1964-65 could, therefore, not be correctly assessed in advance. However, on the basis of the progress of the expenditure incurred during the previous years and as actual expenditure during 1963-64 was Rs. 107·24 lakhs, it was felt that the total anticipated expenditure by the end of March, 1965 would not exceed Rs. 120 lakhs. Hence Revised Estimates of Rs. 120 lakhs

for 1964-65 and Budget Estimates of Rs. 140 lakhs for 1965-66 were proposed in October, 1964 for the scheme. However, the Ministry of Finance accepted Rs. 120 lakhs for each year. A supplementary Grant of Rs. 75 lakhs was accordingly obtained in February, 1965.

4. The expenditure depended on the fluctuating consumption of a large number of industrial users of furnace oil and the supply points from which supplies were actually made. The major part of the bills were also settled only towards the end of the year. It was, therefore, not possible for this Ministry to frame more accurate estimates or to watch the progress of expenditure on the basis of periodic statements of actual expenditure. According to the final figures of expenditure, there was an excess of Rs. 16.02 lakhs under this sub-head over the final grant.

5. The excess payments of Rs. 16.02 lakhs in question were probably due to a spurt in the consumption of furnace oil including that resulting from the switch over of cement factories from coal to furnace oil. This was partly off-set by savings under other heads having a net excess of Rs. 13,98,387.

6. In the circumstances mentioned above, the net excess of Rs. 13,98,387 in the grant may kindly be recommended for regularisation under Article 115 of the Constitution.

NEW DELHI;
20th September, 1966.

Sd/- P. K. J. MENON,
Joint Secy. to the Govt. of India.

APPENDIX XVIII

MINISTRY OF MINES AND METALS

Note for Public Accounts Committee for Registration of excess under Grant No. 80—Geological Survey for 1964-65.

	Rs.
Total Grant Voted	3,54,37,000
Actual expenditure	4,86,02,011
Excess	1,31,65,011

The excess occurred mainly under the group head 'A'—Directorate". The reasons therefor are explained below with reference to the sub-heads.

A—1. Pay of Officers.

	Rs.
Sanctioned grant	53,86,00 0
Actual Expenditure	61,15,575
Excess	7,29,575

At the time of framing the budget estimates in September, 1963, the total number of sanctioned posts in the Geological Survey of India was 1234. Against this, 702 officers were in position and the remaining posts (532) were lying vacant. An amount of Rs. 46,74,000 was required for the filled posts during 1964-65. The amount required for the vacant posts was Rs. 21.92 lakhs. As against this, assuming that it would not be possible for the Geological Survey of India to fill up more than 1/3rd of the posts lying vacant upto the end of 1964-65, an amount of Rs. 53.86 lakhs including Rs. 7.12 lakhs for the vacant posts, was provided in the budget estimates 1964-65.

When the position was reviewed at the time of framing the budget estimates 1965-66, viz., in October, 1964, the Geological Survey of India had filled nearly 115 posts through direct recruitment. The actual expenditure during the first 4 months of 1964-65 was

Rs. 18.44 lakhs and on this basis it was anticipated that the expenditure under this head would come to Rs. 55.32 lakhs. Allowing for some provision for the posts likely to be filled up after submitting this proposal, a sum of Rs. 56,96,000 was provided in the Revised Estimates 1964-65. The excess of Rs. 3,10,000 was expected to be adjusted against the savings expected under A—4 Other Charges. But the actual expenditure during the year under this sub-head was Rs. 61,51,575 leading to an excess expenditure of Rs. 7,29,575 (say Rs. 7.30 lakhs). The excess was mainly due to:—

(a) Filling up of more vacant posts than anticipated . . . 5,81,000

(Since the action for the filling up of all the 532 posts had already been initiated by the Director-General, Geological Survey of India, even before framing the budget estimates 1964-65 and some important investigations were to be taken up, it was absolutely necessary to fill up all the vacant posts during 1964-65. The Director-General Geological Survey of India, had, however, filed up 397 vacant posts and the amount spent for these posts during the year was Rs. 12,93,050. Since an amount of Rs. 7.12 lakhs only was originally provided in the Budget Estimates 1964-65, excess expenditure incurred during the year was Rs. 5,81,050.

(b) Adjustment of expenditure of Rs. 1,48,920 relating to 1963-64 in the accounts for the year 1964-65, provision for which was not made due to the fact that anticipated payments were expected to be made during the previous financial year . . . 1,49,000

TOTAL . . . 7,30,000

A.— 2. Pay of Establishments :

Sanctioned Grant 57,82,000

Actual Expenditure 68,39,112

Excess 10,57,112

Of the total sanctioned grant of Rs. 57,82,000 for the year 1964-65, an amount of Rs. 46,67,000 was provided for 2969 posts which had been filled up at the time of framing the budget estimates 1964-65 and a provision of Rs. 11.15 lakhs was made on the assumption that about 30 per cent of the 2743 vacant posts would be filled till the end of 1964-65.

When the position was reviewed at the time of framing the budget estimates 1965-66, it was found that nearly 1214 vacancies had

been filled. On the basis of actuals (Rs. 21.83 lakhs) for the first 4 months of 1964-65 it was anticipated that the Revised Estimates 1964-65 would come to Rs. 65.49 lakhs. Allowing some provisions for the posts likely to be filled up even after submitting the proposal, a provision of Rs. 67.80 lakhs was made in the Revised Estimates 1964-65. It was expected that the excess expenditure of Rs. 9.98 lakhs would be met from the savings under A—4 Other Charges. The actual expenditure incurred during the year under sub-head A—2, was Rs. 68,39,112 against the sanctioned grant of Rs. 57,82,000. The excess of Rs. 10,57,112 was due to the reasons mentioned below:—

	Rs.
(a) Filling up of more vacant posts than anticipated .	9,49,180
(Due to the reasons already stated under A-1 Pay of Officers, 2268 posts (331 posts by promotion and 1837 posts by direct recruitment) were filled up and the amount spent during the year in respect of these posts was Rs. 20,64,180. Since an amount of Rs. 11.15 lakhs had only been provided in the sanctioned grant, excess expenditure incurred was Rs. 9,49,180).	
(b) Adjustment of expenditure relating to 1962-63 and 1963-64 in the accounts for the year 1964-65 for which provision was not made due to the fact that anticipated payments were expected to be made during the previous year . . .	59,220
(c) Excess expenditure over the sanctioned grant owing to normal variations between the anticipated and actual expenditure	48,712
TOTAL .	<u>10,57,112</u>
	Rs.

A-3.—Allowances, Hon. etc. :

Sanctioned grant	52,15,000
Actual Expenditure	79,24,793
Excess	27,09,793

On the basis of the Revised Estimates 1963-64 and taking into account the posts likely to be filled during the year, a provision of Rs. 52,15,000 (Rs. 44.93 lakhs for the filled posts and Rs. 7.22 lakhs for the vacant posts) was made in the Budget Estimates 1964-65.

At the time of framing the Budget Estimates 1965-66, the position was reviewed and it was found that the actual expenditure during the first 4 months of 1964-65 was Rs. 21.51 lakhs. After allowing some provision for the posts likely to be filled during the remaining part of the year, a provision of Rs. 71,43,000 was made under the Revised Estimates 1964-65 subject to the excess being accommodated from the savings under A—4 Other Charges. The

saving anticipated under A-4 Other Charges, did not materialise with the result that there was an excess expenditure under this head:—

Excess Expenditure of Rs. 27,09,793 is mainly due to the reasons mentioned below:—

(a) Filling up of more vacant posts than anticipated and on account of increased rates of D.A.w.e.f. 1-10-1964 (Rs. 21.83 lakhs + Rs. 9.17 lakhs—7.22 lakhs).	Rs. 23,77,850
(b) Adjustment of expenditure relating to 1963-64 in the accounts for 1964-65 for which no provision was made due to the fact that anticipated payments were expected to be made during the previous financial year	3,20,604
(c) Nominal excess expenditure over the sanctioned grant owing to normal variation between the anticipated and actual expenditure	11,339
TOTAL	27,09,793
	Rs.

A-4.—Other Charges :

Sanctioned Grant	1,90,50,000
Actual expenditure	2,77,10,817
Excess	86,60,817

On the basis of the equipment likely to be purchased and the level of recurring expenditure, a provision of Rs. 1,90,50,000 was made in the Budget Estimates 1964-65. Actual expenditure under this sub-head upto September, 1964 was Rs. 47.50 lakhs. On the basis of actual expenditure during the first half of the financial year and the trend of the delivery of the equipment, it was anticipated at the time of reviewing the position, that the total expenditure under this sub-head would be of the order of Rs. 144.54 lakhs and there will be saving of Rs. 45.96 lakhs which would eventually be re-appropriated under A-1, A-2 and A-3. But the actual expenditure during the 2nd half of the year, however, went upto Rs. 2,26.18 lakhs as per details mentioned below:—

	(Rs. in lakhs)
October, 1964	26.42
November, 1964	10.39
December, 1964	15.77
January, 1965	2.93
February, 1965	30.09
March, 1965	86.42
March, (Final, 1965)	53.94
March, (Suppl. 1965)	0.22
TOTAL	2,26.18

It will be observed from above that the expenditure during the months of February and March 1965 suddenly went up beyond our expectations. It may also be pointed out in this connection that out of the total expenditure of Rs. 2,77,10,817 under this sub-head, an amount of Rs. 39·07 lakhs relates to the adjustments of book debits in respect of equipment expected to be received during 1963-64, at the time of framing the budget estimates.

To sum up, it may be stated that excess expenditure of Rs. 1,31,57,295 under 'A' Directorate of Demand No. 80—Geological Survey is mainly due to the reasons mentioned below:—

	(Rs. in lakhs)
(i) Filling up of more vacant posts than anticipated and increased rates of Dearness Allowance w.e.f. 1-10-1964	39·08
(ii) Adjustment of book debits in respect of the equipment originally expected to be adjusted during 1963-64	39·07
(iii) More expenditure than anticipated on maintenance equipment and other items of recurring nature	47·53
(iv) Adjustment of expenditure relating to 1962-63 and 1963-64 in respect of Pay and Allowances	5·29
(v) Nominal excess expenditure of about 0·2% over the sanctioned a grant	0·60
TOTAL	131·57

Reasons for the more expenditure than anticipated at the time of reviewing the position, is mainly due to the fact that the expenditure under A-4 Other Charges on account of equipment and other items of recurring nature, suddenly went up during the months of February and March 1965.

Note I:—The remaining excess of Rs. 7,716 occurred under Group head "B-Charges-in-England". At the time of framing the budget estimates 1965-66, it was anticipated that the Revised Estimates 1964-65 would be of the order of Rs. 6,000 against the sanctioned grant of Rs. 4,000 and the excess of Rs. 2,000 would be accommodated from savings anticipated under A-4 other Charges. The actual expenditure under this group was, however, Rs. 11,716 and no re-appropriation orders could be issued in time due to the fact that it was found at the end of the year that there would be no saving under any head.

Note II:—In addition to the excess of Rs. 131,65,011, a further sum of Rs. 7500/-relating to expenditure on Service Stamps drawn by the Director, Geological Survey of India, Hyderabad during 1964-65 was misclassified by the Treasury Officer, Hyderabad and accordingly adjusted under Grant No. 10 Archaeology in the accounts for 1964-65 instead of under this grant. The total excess—to be regularized in terms of para 7 of the P.A.C.'s 16th Report (1st Lok Sabha would therefore amount to Rs. 1,31,72,511).

Sd/- R. N. VASUDEVA,
Joint Secretary to the Govt. of India

APPENDIX XIX

MINISTRY OF TRANSPORT & AVIATION

(ROADS WING)

Note regarding the regularisation of excesses over Charged appropriation and voted grant No. 85—Communications (including National Highways) in Appropriation Accounts, 1964-65.

	Final grant	Actual expenditure	Excess
	Rs.	Rs.	Rs.
Charged . . .	24,000	34,279	+10,279
Voted	10,01,03,000	10,39,29,621	+38,26,621

Excesses Rs. 10,279 (Charged)—and Rs. 38,26,621 (Voted)

1. *Excess of Rs. 10,279 (Charged)*—The excess of Rs. 10,279/- (Charged) is the net result of excess under one sub-head in the grant partly offset by saving under its other sub-head. The sub-heads referred to are :—

Sub-head	Final Appropriation	Actual Expenditure	Variation
	Rs.	Rs.	Rs.
B. 1.—Maintenance of National Highways .	21,000	31,986	(+)10,986
B. 2.—Other Communications	3,000	2,293	(+) 707

The Supplementary Appropriation of Rs. 21,000/- under the sub-head B. 1—Maintenance of National Highways was required to meet the expenditure in satisfaction of a court decree in Sikkim. The provision of Rs. 3,000 under B—2 Other Communications was for the payment of an arbitration award in connection with the maintenance and repairs of roads other than National Highways in the Union Territory of Delhi. The actual expenditure in this case came to Rs. 2,293 while that under B. 1—Maintenance of National Highways in Sikkim was Rs. 20,787/-. The provision made for these pur-

poses was adequate. But an unforeseen expenditure of Rs. 11,199/- under B. 1—Maintenance of National Highways had to be incurred on account of the payment of decretal charges during 1964-65 in respect of the Simla Kalka Road. The lower courts decision in the dispute between the contractor and Government in this case was in favour of Government. No payment was, therefore, anticipated and funds for this purpose were accordingly not earmarked. The contractor, however, went on appeal and the appellate court decided in favour of the contractor. A sum of Rs. 11,199.24 had, therefore, to be deposited in court in fulfilment of this decree. This led to an excess of Rs. 10,279/- in the charged section of the Grant.

2. *Excess Rs. 38,26,621/- (Voted):*—The excess of Rs. 38,26,621/- occurred mainly (a) due to expenditure incurred by certain State Governments in excess of the provision as indicated below:—

- (i) Carrying out of unavoidable and urgent repairs to National Highways—Assam (Rs. 7,15,726); Mysore (Rs. 3,62,425/-); Manipur (Rs. 16,184); Madhya Pradesh (Rs. 3,48,585/-); Andhra Pradesh (Rs. 9,68,018/-); Punjab (Rs. 4,10,092/-); Kerala (Rs. 7,786/-); Uttar Pradesh (Rs. 3,32,061);
 - (ii) Payment of Compensatory Allowance, and Dearness Allowance at enhanced rates to the workcharged establishment in Punjab (Rs. 75,588/-);
 - (iii) Cumulative effect of small excesses on various works—Madras (Rs. 85,422/-); Maharashtra (Rs. 86,201/-); Rajasthan (Rs. 3,485/-); West Bengal (Rs. 39,330/-) and Delhi (Rs. 24,999/-);
- (b) due to excess expenditure in North East Frontier Agency and Sikkim (C.P.W.D.) as indicated below:—
- (i) Undertaking some urgent and unavoidable repairs to keep the line of communication through, especially in Lohit Frontier District for heavy Army vehicles (Rs. 3,48,816/-);
 - (ii) Accelerated progress on works (Rs. 10,53,986): After taking into account the savings reported under other sub-heads of the grant in the various circles of Accounts, the resultant excess works out to Rs. 38,26,621/-.

3. The total amount demanded by the State Government for the maintenance of National Highways at the time of framing the Re-

vised Estimates, 1964-65 was Rs. 896.10 lakhs as against the Budget Estimates of Rs. 620.00 lakhs for that year. Consequent on the taking over of the responsibility for the maintenance and repairs of National Highways in Himachal Pradesh and Sikkim by the Border Roads Development Board with effect from 1st April, 1964, the provision meant for these National Highways viz. Rs. 5.25 lakhs for Himachal Pradesh and Rs. 12.00 lakhs for Sikkim, was reappropriated to the Sub-head 'B. 3—Maintenance of Border Roads' and the allotment already made in respect of these territories under the sub-head 'B. 1—Maintenance of National Highways' was cancelled. The resultant balance of Rs. 602.75 lakhs only was available to accommodate the expenditure during 1964-65. The increase in the funds demanded by the State Governments in the Revised Estimates, 1964-65 over the budget provision of Rs. 602.75 lakhs was mainly due to an overall increase in the cost of labour and materials and the provision needed for special repairs to National Highways which had been badly damaged by heavy rains and floods in the States of Andhra Pradesh, Punjab, Uttar Pradesh and Bihar and for carrying out extensive restoration works in Gujarat and Maharashtra. In view of this and having regard to the actual expenditure incurred upto the end of January, 1965 (Rs. 532.28 lakhs), a provision of Rs. 660.00 lakhs was included in the Revised Estimates, 1964-65. The demands of the State Governments actually amounted to Rs. 874.33 lakhs (Rs. 532.28 lakhs actuals upto the end of January, 1965 and Rs. 342.05 lakhs anticipated for February and March, 1965) as against the Revised Estimate of Rs. 660.00 lakhs. The increase of Rs. 57.25 lakhs (Rs. 660.00 lakhs minus Rs. 602.75 lakhs) over the Budget Estimate, 1964-65 was proposed to be met by way of a supplementary grant of Rs. 49.81 lakhs and from a saving of Rs. 7.44 lakh under other sub-heads of the Grant. The procedure mentioned in para B(iv) of the Accountant General, Central Revenue's note is being followed in watching the progress of expenditure and monthly returns of expenditure are being received from the State Governments. The expenditure upto end of January, 1965 was only Rs. 532.28 lakhs and was within the provision of Rs. 660 lakhs. The anticipated excess of Rs. 57.25 lakhs was expected to be met by a supplementary grant of Rs. 49.81 lakhs and a saving of Rs. 7.44 lakhs. In addition a supplementary grant of Rs. 45.00 lakhs was obtained during 1964-65 in recoupment of the advance taken from the Contingency fund of India for meeting expenditure on the maintenance and repairs of National Highways during 1963-64. Since the expenditure was not expected to exceed beyond the total grant including the supplementary grant asked for, it was not considered necessary to obtain an advance from the contingency Fund of India.

4. The road works are executed through the agencies of the State Public Works Departments and the Central Public Works Department. Provision in the Budget is made on the basis of estimates received from the various State Governments. They in turn are guided by their subsidiary establishments such as the Chief Engineer, Superintending Engineer, Divisional Engineers etc. who are in charge of the actual execution of works. The estimates received are scrutinised by the Ministry and every effort is made to make adequate provision for each State. The need for restricting the actual expenditure to the amount of the allotment made by the Government of India is always impressed upon the State Governments. Still it has not been possible for them to restrict the expenditure within the allotments because of a very large number of field offices that handle this expenditure on account of which the coordination becomes very difficult. The expenditure could not, therefore, be restricted to the allotments made and there has been an excess of Rs. 38,26,621/-.

5. In the circumstances explained above, the excess of Rs. 10,279/- (Charged) and Rs. 38,26,621/- (Voted) in the grant may be recommended for regularisation under article 115 of the Constitution.

6. This note has been seen by Audit.

Sd/- H. P. SINHA,
*Director General (Road Development) and Additional
 Secretary to the Government of India.*

APPENDIX XX

GOVERNMENT OF INDIA

MINISTRY OF TRANSPORT & AVIATION

(DEPARTMENT OF AVIATION & TOURISM)

Note for regularisation of excess expenditure of Rs. 44,23,609 disclosed in the Appropriation Accounts (Civil) 1964-65 under Grant No. "88-Aviation."

Reference Lok Sabha Secretariat Office Memorandum No. 2/VI/I/66/PAC dated the 9th May, 1966.

	Rs.
1. Original Grant (Voted)	7,04,22,000
Supplementary Grant	20,00,000
TOTAL GRANT (Voted)	7,24,22,000
Final Grant (Voted)	7,24,22,000
Actual expenditure	7,68,45,609
Excess Expenditure	44,23,609

2. The excess expenditure of Rs. 44,23,609 occurred mainly under the following Group Heads:

	Original Grant	Final Grant	Actual Expenditure	Excess
G. 1.—Original Works	7,92,400	9,88,100	11,26,418	+1,38,318
G. 2.—Repairs	1,20,90,600	1,25,47,800	1,50,21,951	+24,74,151
H.—Establishment and Tools and Plant charges credited to Other Government Departments etc.	11,50,500	11,50,500	16,73,880	+5,23,380
L.—Suspense	1,58,00,000	1,57,46,800	1,72,26,505	+14,79,705
TOTAL EXCESS				46,15,554

The excess in the above Group Heads was partly counter-balanced by savings in some other Group Heads leaving behind a net excess of Rs. 44,23,609.

3. The excess under the different Group Heads occurred due to the following reasons:

	Rs.
(I) "G-Works"—(<i>Minor Original Works and Repairs</i>)	
<i>Excess</i> .	26,12,469
(i) Execution of certain essential minor works and urgent/special repairs which could not be foreseen earlier but could not be postponed	17,98,200
(ii) Accelerated progress of certain works	55,918
(iii) Unforeseen execution of certain urgent and unavoidable works	82,400
(iv) Increased expenditure on water and electricity .	6,75,516
(v) Roundings etc.	435
TOTAL .	26,12,469

2. H—*Establishment and Tools and Plant Charges credited to other Governments, Departments, etc.*

Excess . 5,23,380

The provision under this sub-head is for payment of Departmental Charges to the Central Public Works Department for the execution of works for the Civil Aviation Department. The charges are calculated on a percentage basis on the works outlay. The increase is, therefore, due to increase in works expenditure under the Group Head "G-Works".

3. L—*Suspense* :

Excess . 14,79,705

The increase under this group head was mainly due to :

(i) Unanticipated delivery before the close of the year of certain stores/equipment which were indented for in the years 1959-60, 1961-62, 1963-64 and 1964-65. The delivery dates were uncertain and the items of equipment were not expected to be received and accounted for during the year	3,59,400
(ii) Unforeseen adjustment of debits relating to 1964-65 which were not expected to be received and adjusted during the year	11,20,305
TOTAL	14,79,705

(Note: Liability registers are being maintained by the Civil Aviation Department since 1-4-1959. However the debits relating to 1964-65 were not normally expected to be received and adjusted during the year).

The progress of expenditure in the Grant as a whole, with particular reference to "G—Works" and "L—Suspense" was being reviewed from time to time. A review was conducted at the time of the Revised Estimates and again in January, 1965. A proposal for a Supplementary Grant of Rs. 20 lakhs was finalised in January, 1965 to meet the anticipated increased expenditure on Dearness Allowance etc. At that time, although there was an indication that there might be increased expenditure on "G"—Works, firm figures of actual expenditure were not available. The report of progress of expenditure also did not indicate that the total grant was likely to be exceeded. In February, 1965, the C.P.W.D. intimated an anticipated increase in expenditure under "G" Works and "H" Establishment, Tools and Plant Charges credited to Other Governments, Departments etc. to the extent of Rs. 35 lakhs when it was too late to go in for a Supplementary Grant. Instructions, however, were issued to all authorities in charge of works to restrict the expenditure to sanctioned grant. The delay on the part of the C.P.W.D. was brought to the notice of the Works and Housing Ministry in March 1965 and they were requested to issue suitable instructions to the C.P.W.D. to avoid such delays.

A final review was made in March, 1965 when it was found that the expenditure under "G" works was likely to exceed the Budget Grant, but at the same time it was noted that the expenditure booked under the sub-head "L"—Suspense upto the end of December, 1964 (being the only figures available) was of the order of Rs. 100 lakhs against the voted grant of Rs. 158 lakhs. In the circumstances, it was felt that the expenditure in the Grant as a whole was not likely to exceed the sanctioned grant and consequently no advance from the Contingency Fund was thought necessary. (Even in May, 1965 the available expenditure figures upto the end of January, 1965 under "L" Suspense reflected an expenditure of Rs. 116 lakhs under this head.)

The excess under the group head "L"—Suspense was known after the booking of expenditure in the following months including those made after March, 1965.

Sd/- V. SHANKAR,

*Secretary,
Department of Aviation & Tourism.*

APPENDIX XXI

(Ref: Paras 3.14 to 3.20 of Report)

GOVERNMENT OF INDIA

MINISTRY OF WORKS, HOUSING AND URBAN DEVELOPMENT

Note for the Public Accounts Committee relating to regularisation of excess in Grant No. 91—Public Works 1964-65.

Voted :—

		Total Grant	Actual Expdr.	Excess
Original	33,80,21,000 6,68,31,000	40,48,52,000	41,61,93,023	1,13,41,023

The excess is accounted for by following group heads :—

Name of Sub-Head	Final Grant 1964-65	Expenditure	Variation
A.—Original Works :			
A. 1.—Buildings			
A. 1(1).—Major Works	29,48,340	33,57,395	+4,09,055
A. 1(2).—Minor Works	51,58,900	61,81,229	+10,22,329
B.—Repairs :			
B. 1.—Buildings	3,57,12,159	4,00,16,547	+43,04,388
C.—Establishment :			
C. 1.—Direction	1,96,47,100	1,97,87,177	+1,40,077
C. 2.—Executive Estts.	3,25,24,800	3,32,63,657	+7,38,857
C. 4.—Estt. Charges paid to other Govts., Deptts. etc.	2,791	3,915	+1,124
D.—Tools and Plans :			
D. 1.—New Supplies & Repairs etc.	46,45,700	62,46,788	+16,01,088
G.—Suspense			
G. 1.—Stock	10,94,95,000	11,12,90,544	+17,95,544
G. 2.—Other Suspense Accounts	18,38,29,000	18,62,87,016	+24,58,016
TOTAL	39,39,63,790	40,64,34,268	+1,24,70,478

The reasons for the excess under the sub-heads shown in the statement above are given below:—

(a) A. 1.—Original Works :

A. 1.—Buildings

A. 1(1).—Major Works	. +Rs. 4,09,055	14,31,384
A. 1(2).—Minor Works	. +Rs. 10,22,329	

The excess mainly pertains to Assam Tribal Areas and accrued due to providing urgent accommodation to security personnel and early completion of certain buildings relating to Plan Schemes in Assam (Tribal Areas).

(b) B.—Repairs

B. 1.—Buildings +Rs. 43,04,388

Out of the excess of Rs. 43,04,388/- under 'B-Repairs' a sum of Rs. 40,68,790/- is under Commerce, Works and Miscellaneous Circle of Account in Central Public Works Deptt. (Main) and is mainly attributable to inevitable payments made towards the close of the year towards the payment of arrears of (i) property tax paid to local bodies not provided for (Rs. 25.82 lakhs); (ii) Bajri Paths sweeping charges paid to local bodies (Rs. 4.18 lakhs) dearness allowance consequent on its increase (5.13 lakhs) and partly due to purchase of more manure and plants than anticipated (Rs. 3.41 lakhs) and a number of urgent items of repairs works (Rs. 2.15 lakhs). The rest of the excess pertains to Maharashtra and Punjab Circle of Accounts and the excess in Maharashtra is due to acceptance of debits raised by the Estate Manager, Bombay on account of rent of requisitioned buildings and that in Punjab is due to execution of some urgent repair works.

D.—Tools and Plant :

D. 1.—New Supplies and Repairs

etc. +Rs. 16,01,088

The excess mainly pertains to Central Public Works Department and NEFA. It is partly due to unexpected receipt of 'Road Rollers' by the Central Public Works Department, Delhi at a time when no Supplementary Grant could be arranged for and partly due to adjustment of the cost of some vehicles, machinery etc. required to speed up the construction of roads in the Border Areas of NEFA.

G.—Suspense :

G. 1.—Stock . . . +Rs. 17,95,544

The excess of Rs. 17,95,544/- is partly in NEFA and partly in Andaman and Nicobar Islands counterbalanced by savings under other Areas (Rs. 10.30 lakhs). It is due to adjustment of Stock materials at the close of the financial year when there was no scope for providing funds for this purpose.

G. 2.—Other Suspense

Accounts . . . + Rs. 24,58,016

The excess is mainly under Central Public Works Department and is due to inadequate assessment of requirements :

C.—Establishment :

C. 1.—Direction . . . + Rs. 1.40

C. 2.—Executive Establish-
ment . . . + Rs. 7.39 lakhs
+ Rs. 8.79 lakhs

The excess under these two sub heads is partly set off to the extent of Rs. 7.17 lakhs by savings arising under the head 'Other Establishment'. The savings under 'Other Establishments' were due to misclassification of the expenditure under Executive Establishment which, if corrected would result in "an excess of Rs. 22,000 under Executive Establishment and Rs. 1.40 lakhs under Direction. These excesses were mainly due to payment of leave salary to officers" on deputation who had taken leave while in foreign service. In short, this was due to under estimation of requirements.

No attempt was made to obtain an advance from Contingency Fund as the amount admitted in the Supplementary Grant itself was much less than the requirements of the Central Public Works Department etc.

These fluctuations could be avoided specially under 'Suspense' head if the liability register is properly maintained. Necessary instructions in this regard have again been issued to the concerned authorities vide this Ministry's Memorandum No. 1/2/66-Bt. dated the 29th August, 1966.

Part of the excess has been counterbalanced by savings in other sub-heads leaving a net excess of Rs. 1,13,41,023. In the circumstances explained above the net excess of Rs. 1,13,41,023 (Voted) may now be recommended for regularisation by Parliament.

The note has been seen by Audit and their remarks are reproduced below, alongwith Ministry's comments:—

AUDIT REMARKS

- (i) It has been stated in the draft note under A.1(1) Major Works and A. 1(2) Minor Works that the excess occurred due to early completion of certain buildings relating to Plan Scheme in Assam (Tribal Areas). As the expenditure was incurred on Plan Schemes, the Ministry may please indicate as to why additional funds could not be provided for the purpose.
- (ii) Similarly excess expenditure was booked in Maharashtra Circle on account of rent of requisitioned buildings under B.1-Buildings. The Ministry may please indicate as to why they could not anticipate this excess which was obvious.
- (iii) Under B-I-Buildings, it has also been stated that a sum of Rs. 25.62 lakhs was paid as property tax to local bodies though not provided for in the Budget. It is further seen from Additional Chief Engineer(I) Central Public Works .Department letter No. 2(4)/63-BI, dated 3rd February, 1965, that the payments to the tune of Rs. 162 lakhs were to be arranged for payment to Delhi Municipal Corporation and New Delhi Municipal Committee on account of property taxes. According to Article 285 of the Constitution of India, it seems that no property tax is payable by Government on the properties which were not in physical existence before the commencement of the Constitution. As some of the properties on which the property tax has been paid e.g., Ramakrishnapuram, Srinivaspuri, Andrews Ganj etc. have come into existence after the commencement of the Constitution, no property tax seems to be payable. A footnote stating that this aspect of the case is being considered separately by Audit has, therefore, been suggested which may please be recorded at the end of the note.
- (iv) Under D—New Supplies and repairs etc., it is observed that the excess has been attributed partly to the adjustment of the cost of some vehicles, machinery etc. The Ministry may please indicate in the note when the road rollers were indented for and when those were actually received. Similarly, the Ministry may indicate when the cost of the vehicles, etc. was adjusted.

- (v) The excess under G.I. stock has been stated as due to adjustment of stock materials at the close of the financial year when there was no scope for providing funds for this purpose. The Ministry may please indicate as to why there was no scope for additional funds.
- (vi) It has been stated at page 3 of the note that "no attempt was made to obtain an advance from the Contingency Fund of India as the amount admitted in the Supplementary Grant itself was much less than the requirements of the Central Public Works Department etc." The Ministry may please indicate as to why the expenditure could not be restricted when the amount of Supplementary grant allowed was Rs. 668.31 lakhs as against the demand of Rs. 772.72 lakhs. Further, if the expenditure incurred was of an unavoidable nature, an advance from the Contingency Fund of India was necessary to avoid the excess as contemplated in GFR 71. The Ministry may please bring out this aspect of the case. 3. The Ministry may please amplify the draft note on the lines indicated above, before its submission to the Lok Sabha Secretariat.

MINISTRY'S COMMENTS

- (i) Additional funds were not made available as the Administration (Assam Tribal Area) did not ask for any additional funds for major works (both Non-Plan and Plan) even in their final requirements.
- (ii) The excess expenditure could not be anticipated as no indication was available regarding this particular item.
- (iii) The footnote suggested by audit is incorporated at the end of this note.
- (iv) The indent for Road Rollers was placed by the Central Public Works Department in June, 1964 and the Director General, Supplies and Disposals made the allotment from the quota for the quarter ending December, 1964. According to this allotment the supply of rollers was not expected before March-April, 1965. But in this particular case the firm's supply position was such that the actual supply was finalised during January, 1965. As regards the adjustment of the cost of vehicles in NEFA, the details are not available.

(v) The excess came to light after the close of the financial year.

(vi) The excess over the sanctioned grant came to light after the close of the financial year when there was no scope for obtaining additional funds either by way of Supplementary Grant or by advance from the Contingency Fund. The excess could have been detected earlier if the reconciliation work had been done properly. Instructions in this regard are issued periodically by the Chief Engineer.

Footnote:—

A part of the excess under the sub-head 'B-Repairs' has been stated to be due to the payment of arrears of property tax paid to local bodies not provided for during the year 1964-65. According to Article 285 of the Constitution of India, it seems that no property tax is payable by Government on the properties which were not in physical existence before the commencement of the Constitution. This aspect of the case is being considered separately by Audit.

Sd/- R. F. ISAR,
Joint Secretary to the Government of India.

APPENDIX XXII

GOVERNMENT OF INDIA

MINISTRY OF WORKS, HOUSING AND URBAN DEVELOPMENT

(BUDGET SECTION)

Note for the Public Accounts Committee relating to regularisation of excess in Grant No. 94—Other Revenue Expenditure of the Ministry of Works, Housing and Rehabilitation, 1964-65 (Page 138 of the Appropriation Accounts 1964-65 refers).

	Total Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
Voted—			
Original	90,59,000	91,45,000	92,34,736
Supplementary	86,000		

The excess of Rs. 89,736 occurred under the group head C-3-Repayment of Capital Expenditure on Grants for Development. Under this group head the expenditure amounted to Rs. 28,42,735 against the original budget provision of Rs. 26,68,000 and final grant of Rs. 26,52,000. The expenditure represents write back to Revenue of Grants for Development (for Industrial Housing and Slum Clearance Schemes, so far as this Ministry is concerned) initially met from the Capital Major Head—126—Grants for Capital Outlay on Development. The amount taken to this Capital head is written off to Revenue in the course of 15 years.

2. The gross excess under the group head C-3-Repayment of Capital expenditure on Grants for Development was Rs. 1,90,735. A part of the excess has been covered by savings under other sub-heads leaving a net excess of Rs. 89,736 which requires regularisation.

3. Upto the end of the year, 1957-58, the provision for the Capital Outlay on Grants to the State Governments and others (for

Industrial Housing and Slum Clearance Schemes) was made in the Capital Demand administered by this Ministry. From the year 1958-59 onwards, the provisions relating to the State Governments were made in the Finance Ministry's Demands while the provision for others (i.e. Grants to private employers and Municipal Bodies) was made in the Demand of this Ministry. Since practically the entire Grants for Development related to the State Governments, the entire provision for the write-back to Revenue for the Grants sanctioned upto the end of 1957-58 was made through oversight under the head D-Repayment of Capital expenditure on grants for Development, D-7 Grants for Housing Schemes in Demand No. 33-Grants-in-aid to State and Union Territory Governments, presented by the Finance Ministry. The position, therefore, is that while provision for the write-back of the expenditure upto 1957-58 was included in the Finance Ministry's Grant, adjustment of the write-back was correctly shown in the Ministry's Grant. In the circumstances the excess of Rs. 89,736 under this Grant is the result of incorrect provision. This excess of Rs. 89,736 now requires to be regularised.

4. This note has been seen by Audit.

NEW DELHI;

Dated: 23rd Aug. 1966.

Sd/- R. F. ISAR,

Joint Secy. to the Govt. of India.

APPENDIX XXIII

DEPARTMENT OF ATOMIC ENERGY

Note explaining the reasons to the Public Accounts Committee on the Excess disclosed in the Appropriation Accounts (Civil) for 1964-65 under Grant No. 96—Atomic Energy Research.

Original Voted Grant	. . .	Rs. 9,97,29,000
Supplementary Grant	. . .	Rs. 43,62,000
		<hr/>
TOTAL GRANT	Rs.	10,40,91,000
		<hr/>
Actual Expenditure	. . .	Rs. 10,41,27,859
Net Excess	. . .	Rs. 36,859

The excess of Rs. 36,859 has occurred on account of erroneous adjustments in accounts amounting to Rs. 1,06,748 under various sub-heads of this Grant. The debits were actually adjustable under Grants No. '95—Department of Atomic Energy' and '144—Capital Outlay of the Department of Atomic Energy' to the extent of Rs. 1,939 and Rs. 94,420 respectively, but most of the relevant vouchers did not indicate classification at all while in some cases wrong classification had been recorded. The necessity of indicating correct and complete classification on the vouchers has been brought to the notice of all concerned officers of the Department. The balance of the erroneous adjustment of Rs. 10,389 pertained to the India Meteorological Department.

Unfortunately, the above erroneous adjustments could not be rectified before the accounts of the year were closed. The Accountant General, Maharashtra has taken a note of error in his records.

Had the misclassifications not occurred, there would not have been any excess under Grant No. 96—Atomic Energy Research. In the circumstances, in terms of Para 7 of the Public Accounts Committee's 16th Report (1st Lok Sabha), no regularisation of excess by Parliament is necessary.

Sd/- R. BHAKTAVATSALU,
Additional Secretary
Department of Atomic Energy.

APPENDIX XXIV

MINISTRY OF SUPPLY, TECHNICAL DEVELOPMENT AND MATERIALS PLANNING

(DEPARTMENT OF SUPPLY & TECH. DEVELOPMENT)

Note for Public Accounts Committee regarding regularisation of excess over the voted Grant No. 103—Department of Supply, disclosed in the Appropriation Accounts (Civil) 1964-65.

Original Grant	51,52,000
Supplementary Grant	1,42,000
Actual Expenditure	52,95,661
Excess	(+) 1,661

The Grant No. 103—Department of Supply comprises of two separate Group Heads viz. 'A-Secretariat—Deptt. of Supply' and 'B-Accounts Offices—B. 1-Chief Pay & Accounts Officer, Department of Supply.' The total grant of Rs. 52,94,000 is for both the above mentioned Group Heads. The minor excess of Rs. 1,661 which requires regularisation represents .03 per cent of the total sanctioned grant. The main reason for the excess of Rs. 1,661 over the total grant of Rs. 52,94,000 is the erroneous acceptance of a debit of a sum of Rs. 1,850 under Grant No. 103—Department of Supply whereas it should have been sent to A.G.C.W. & M. for debit to Grant No. 106—Deptt. of Technical Development. This adjustment was made by the P&AO in the March final Account and was not susceptible of rectification after 31st March, 1965. The individual responsible for the wrong booking has been warned.

This excess expenditure of Rs. 1,661 in this case has been caused by an established misclassification in the accounts and in terms of the decision contained in para 7 of the 16th report of the P.A.C. there is no need for regularisation of the excess by the Parliament.

This has been seen by Audit.

Sd/- N. R. BANSOD,
Joint Secretary to the Govt. of India.

NEW DELHI;
Dated the 13th July, 1966.

APPENDIX XXV

MINISTRY OF SUPPLY, TECH. DEV. & MATERIALS PLANNING

(DEPARTMENT OF SUPPLY & TECH. DEVELOPMENT)

Note for the Public Accounts Committee regarding regularisation of excesses over the Voted Grant No. 106—Department of Technical Development disclosed in the Appropriation Accounts (Civil) 1964-65.

Original Grant	3,08,000
Supplementary Grant	..
Actual Expenditure	3,32,010
Excess	(+) 24,010

A provision of Rs. 3,08,000 was made in Grant No. 106—Department of Technical Development under Voted head but the actual expenditure at the end of the year had gone upto Rs. 3,32,010. The minor excess of Rs. 24,010 recorded in the Appropriation Accounts (Civil) 1964-65 is due to the reasons explained below:—

- (i) Excess of Rs. 6,278 is under 'Dearness Allowance' which is due to payment of Dearness Allowance at enhanced rates sanctioned during the year. A part of the additional expenditure was met out of the savings under other Primary Units but the expenditure could not be wholly met within the sanctioned budget grant. It was originally anticipated that entire expenditure on account of increase in the rates of D. A. will be met by re-appropriation of savings under the Primary Unit 'Other Charges' but this anticipation did not materialise as expenditure on several items of unexpected nature had to be incurred during March.
- (ii) An excess of a sum of Rs. 7,228 under 'Other Charges' has resulted from visit of Dr. Ing. Dante S. Cusi, President of the Compara Industrial De Son Cristobal Maxico City to India for advising on steps to be taken to organise production of Pulp/Paper from bagasse. This expenditure was not anticipated and therefore no provision for it was made in the Original Estimate.
- (iii) An excess of Rs. 10,504 is due to misclassification of expenditure in the accounts. A sum of Rs. 10,065 was debit-

able to the Department of Co-ordination of the Ministry of Finance and a sum of Rs. 439 was debitable to Directorate General of Technical Development. Both the amounts have been erroneously debited to Grant No. 106—Department of Technical Development (Secretariat).

- (iv) Another item of expenditure amounting to Rs. 1,850.00 which was misclassified in Grant No. 103 but is correctly debitable to Grant No. 106, came to notice after March, 1965. This will increase the net excess to Rs. 15,356.

As the excess came to notice only towards the end of March, no advance from contingency fund of India or Supplementary Grant was possible. The expenditure was well within the proportionate grant upto end of February.

In the circumstances explained above the net excess of Rs. 15,356 in Grant No. 106—Department of Technical Development may please be recommended for regularisation.

Sd/- N. R. BANSOD,
Joint Secretary to the Govt. of India.

APPENDIX XXVI

Note explaining the reasons for excess in Grant No. 112—Capital Outlay of the Ministry of Community Development & Cooperation, as disclosed in Appropriation Accounts (Civil) 1964-65.

Ministry of Food, Agriculture Community Development & Cooperation (Department of Community Development)

	Final Grant	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
	14,00,000	14,01,553	+1,553

The excess occurred due to variations under the following group heads :

	Final Grant	Actual Expenditure	Excess + Savings —
	Rs.	Rs.	Rs.
B. 1(1).—Material and Equipment under T.C.A. Programme	8,67,800	8,71,464	+3,664
B. 3.—Training Schemes	2,200	89	—2,111
Net excess			+1,553

The transactions under the above heads represent adjustments made by the Civil Accountants General for the value of imported equipment procured under T.C.A. Programme. The Accountant General, Kerala, was requested to adjust a sum of Rs. 2,928/- in the accounts for the year 1963-64, being the value of imported equipment in respect of Primary Health Units and Mobile Cinema Vans procured in earlier years and supplied to Kerala Government, as per allo-

cation sheets No. 98 (Rs. 200) and 100 (Rs. 2,728), under the group-head B. 1 (1). The adjustments could not be made under the proper heads in the accounts of that year due to incorrect adjustment of allocation sheet No. 98 and non-receipt of allocation sheet No. 100 by the Accountant General, Kerala. These adjustments were made subsequently in 1964-65 accounts and intimation regarding their adjustment was received in the Ministry only at the end of March, 1965. As a result, funds to cover the arrear adjustment could not be provided.

This excess was, however, set off by savings found in other circles of account leaving a minor excess of Rs. 1,553/-.

In the circumstances explained above, the excess expenditure of Rs. 1,553/- in Grant No. 112—Capital Outlay of the Ministry of Community Development and Cooperation may kindly be recommended for regularisation under Article 115 of the Constitution of India.

Sd/- S. M. H. BURNEY,
Joint Secretary.

APPENDIX XXVII

(Ref: Para 3.4—3.6)

MINISTRY OF EDUCATION

(BSE-3)

Note for the Public Accounts Committee explaining the reasons for the excess of Rs. 2,10,033 during 1964-65 over the sanctioned provision under Grant No. 114—Capital Outlay of the Ministry of Education [Page 52 of the Central Government Appropriation Accounts (Civil) 1964-65].

1. Excess occurred under the group heads B-1-Material and Equipment under the TCA programme (Rs. 70,660) and B-2-Material and Equipment under the Colombo Plan (Rs. 3,30,550). The reasons for this excess are given below:—

I. B. 1 Material & Equipment under the TCA Programme (Rs. 70,660):

There was no excess under this sub-head *vis-a-vis* the original budget grant. The figure indicated above has a reference to the Final Grant.

II. B. 2 Material & Equipment under the Colombo Plan (Rs. 3,30,550):

An excess of Rs. 3,30,632 was accounted for under the sub-head B. 2(1) (5)—Paper for text books received from Australia, as explained below:—

Under the Colombo Plan Agreement this Ministry has been the recipient of 2000 tons of Australian printing and cover paper every year for three years from 62-63 to 64-65, as part of Australian aid to India. The paper is railed to recipient States and Union Territories direct from the Indian Ports according to the allocations made by this Ministry. The price of gift paper is not known until after the paper is actually shipped when the sizes and other particulars are also specified.

2. According to the instructions of the Ministry of Finance (D.E.A.), this paper is accounted for by opening counterpart funds i.e. making equivalent budget provisions in the Capital and Revenue Grants to facilitate adjustment of the cost by book debit through the Accounts Officers concerned.

3. During 1964-65, a budget provision of Rs. 30,21,300 was included in demand No. 114—Capital Outlay of the Ministry of Education to meet the cost of the third annual gift of 2000 tons of Australian paper. The amounts sanctioned for adjustment in respect of supplies made to States/Union Territories was Rs. 33,51,932 which included Rs. 5,95,000 in respect of Delhi Administration, as detailed in the following paragraphs:—

The cost of the paper supplied to Delhi Administration in 1962-63 and 1963-64 remained unadjusted due to lack of budget provision in the area Demand of Delhi Administration for those years. Late in March, 1965, the Delhi Administration was able to locate a saving of Rs. 5,95,000 in their budget for 1964-65 and wanted it to be utilised in adjustment against the earlier supplies of paper received by them during the years 1962-63 and 1963-64. The sanction was accordingly accorded on 7-4-1965 with the prior concurrence of the Ministry of Finance. This was done with a view to sanction the expenditure which had remained unadjusted under the Revenue head for the past three years although no funds for the adjustment were available in the Capital grant of the Ministry.

Non-adjustment would have resulted in the lapsing of funds in the Revenue Grant while the need for the adjustment was pending. At the stage when the request from Delhi Administration came, the Ministry did not have time to arrange additional funds under the Capital grant by re-appropriation or supplementary grant.

The adjustment has resulted in an overall expenditure of Rs. 33,51,932 against the budget grant of Rs. 30,21,300 under the sub-head B. 2(1) (5). The gross excess of Rs. 4,01,210 under the group heads B.1 and B.2 referred to above was counter-balanced by savings under other heads, resulting in a net excess of Rs. 2,10,033 which may be recommended for regularisation under Article 115 of the Constitution.

Audit Observation:

“It is observed that the question of adjustment of the debit of Rs. 5.95 lakhs in the Revenue Budget of the Delhi Administration during 1964-65 was under correspondence between the Ministry and the Director of Education, Delhi Administration even in September, 1964.

The Director of Education, Delhi had located a saving of Rs. 5.95 lakhs in the Delhi Administration Budget for 1964-65 which was under correspondence between the Ministry and the Director of Education, Delhi Administration even in September, 1964.

The Director of Education, Delhi had located a saving of Rs. 5.95 lakhs in the Delhi Administration Budget for 1964-65 and informed the Ministry about it in January, 1965. Again on 19-3-1965 the Director intimated the Ministry about the head of account under which the provision had been made. The Ministry, however, did not make necessary provision in Grant No. 114—Capital Outlay of the Ministry of Education or take an advance from the Contingency Fund, before issuing their sanction dated 7-4-1965."

APPENDIX XXVIII

No. F.7 (22)-B/65

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

New Delhi, the 27th June, 1966.

SUBJECT:—Regularisation of excess in Grant No. 120—Commutated Value of Pensions in Appropriation Accounts (Civil), 1964-65.

Final Grant (Voted)	..	Rs. 1,70,59,000
Actual Expenditure	..	Rs. 1,71,72,686
Excess	.. ..	Rs. 1,13,686

The excess occurred under the Sub-head "A 1(1)—Ordinary Pensions—Voted." The actual expenditure exceeded the provision under the above sub-head by Rs. 4,41,632 which was partly counter-balanced by savings under other sub-heads resulting in a net excess of Rs. 1,13,686. The estimates and final grant under this sub-head are fixed on the basis of the information furnished by the Accountant General, Central Revenues, who in turn bases his estimates on the past trend of actuals and other information available with him. The original provision of Rs. 12,30,000 under this sub-head was made on the basis of information furnished by him. This was subsequently increased to Rs. 13,00,000 by re-appropriating savings under other sub-heads. The final grant of Rs. 13,00,000 was also fixed on the basis of the information received from the Accountant General, Central Revenues at the time of the reassessment of the Grant in March, 1965. The actual expenditure, however, exceeded the anticipation. The Accountant General has stated that the excess was due to more pensioners getting their pensions commuted during the year than anticipated. The expenditure under this Grant is of an unpredictable nature as it is not possible to anticipate precisely, the commutation cases which would be received and finalised and also the bills which

would be received and paid during the year. In the circumstances the excess may kindly be recommended for regularisation.

2. This has been seen by Audit.

Sd/- A. R. SHIRALI,
Jt. Secy. to the Govt. of India.

To

The Chairman & Members of the Public Accounts Committee.

APPENDIX XXIX

No. F.7 (20) -B/65

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF ECONOMIC AFFAIRS)

New Delhi, the 21st November, 1966

SUBJECT:—Regularisation of excess in Grant No. "122—Capital Outlay on Grants to State and Union Territory Governments for Development" for 1964-65.

Original Grant	.	.	.	.	Rs. 28,22,05,000
Supplementary	.	.	.	.	Rs. 1,07,26,000
<hr/>					
			Total Grant	.	Rs. 29,29,31,000
Actual Expenditure	.	.	.	.	Rs. 29,85,69,413
Excess	.	.	.	.	Rs. 56,38,413

This Grant included provision for payment of grants-in-aid to State Governments and the Governments of Union Territories (having separate Legislature) for Local Development Works, including Pilot Project Schemes for Utilisation of Manpower and Intensive Development of Rural Industries, National Water Supply and Sanitation Schemes, Construction of Roads of Inter-State or Economic Importance as well as Construction of Border Roads, and the various Housing, Village Housing and Low Income Group Housing Schemes comprising Slum Clearance and Industrial Housing Schemes. In all these cases, the grants-in-aid are initially debited to the Capital Account and are subsequently written-back to Revenue over a period of 15 years. Although the provision for all these payments of grants-in-aid is made in this composite Demand, presented on behalf of the Ministry of Finance, the estimates are framed by the respective Ministries who also issue sanctions for payment.

2. The excess of Rs. 56.38 lakhs, according to the Appropriation Account was the net result of a total excess of Rs. 132.23 lakhs under certain sub-heads of the Grant and a total saving of Rs. 75.85 lakhs under certain other sub-heads. However, subsequent to the finalisation of the Appropriation Account, it came to light that there had been a wrong adjustment of Rs. 49.91 lakhs under sub-head

"A.3—Grants for Roads for inter-State or Economic Importance"; thereby raising the excess under that sub-head, instead of under sub-head **"A.4—Construction of Border Roads"**, which had shown a saving. But for this wrong adjustment, therefore, the total excess under the different sub-heads within the Grant would have amounted to Rs. 82.32 lakhs and the total saving to Rs. 25.94 lakhs.

3. The net excess in the Grant was mainly due to the payment of a sum of Rs. 64 lakhs to the Government of Bihar for procurement of steel for the construction of bridges on the Lateral and Link Roads in the State under the group-head **"A.3—Grants for Roads of Inter-State or Economic Importance"**. In respect of this item, the Ministry of Transport (Roads Wing), issued a letter, dated the 26th February, 1965, to the State Government conveying technical approval of the President to the estimate for the work amounting to Rs. 64 lakhs and also sanction of the President for a grant-in-aid not exceeding that amount to meet the initial expenditure on the work. As the technical approval had been conveyed towards the close of the year only and as the steel was intended to be procured not in bulk but progressively by adopting a programme of collection, no payment on this account was anticipated during the year 1964-65. Accordingly no budget provision for this item was made. The sanction, however, did not specifically stipulate the manner in which the payment was to be made and the Accountant General, Bihar, to whom a copy of the Ministry's letter was endorsed, credited the entire amount to the State Government and adjusted the payment in the accounts for the year 1964-65 leading to a net excess of Rs. 56,38,413. But for this payment there would have been no excess in the Grant.

4. The above excess of Rs. 56,38,413 included an item of Rs. 3,97,877 being the expenditure on the construction of a State road which was erroneously booked in the Central Accounts but was correctly debatable to the State Accounts. In another case, an item of Rs. 2,70,000 being the expenditure incurred on a road in Nepal and treated as aid to that country, was wrongly adjusted as Capital Grant-in-aid to States in earlier years and re-adjusted to the proper head in the accounts for 1964-65 by reducing erroneously the expenditure under this Grant. The rectification of both these mis-classifications would mean a reduction of Rs. 1,27,877 in the excess under this Grant to Rs. 55,10,536. In conformity with the decision in paragraph 7 of the 16th Report of the P.A.C. (First Lok Sabha) the erroneous adjustments have to be taken into account for the purpose of regularisation of the excess. Accordingly the recommendation of the Public Accounts Committee is solicited to the presentation to Parliament of a Demand to regularise the excess of

Rs. 55,10,536 in Grant No. 122 for 1964-65, under Article 115(1) (b) of the Constitution.

Sd/- A. R. SHIRALI,
Joint Secretary to the Government of India.

To

The Chairman and Members of the PAC

APPENDIX XXX

MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND COOPERATION

(DEPARTMENT OF AGRICULTURE)

SUBJECT:—*Note regarding the amount expended in excess of the grant for the year 1964-65 in respect of grant No. 124—Capital Outlay on Forests.*

	Rs.
Final grant (voted)	1,93,000
Actual expenditure	2,00,543
Excess	+ 7,543

Under Capital Outlay on Forests a budget provision of Rs. 1,93,000 was made for the year 1964-65. (Rs. 93,000 and Rs. 1,00,000 were provided under Communications and Buildings and Livestock, Stores, Tools and Plants separately). Subsequently on 27th February, 1965 an amount of Rs. 33,000 was reappropriated from Sub-head "Communications and Buildings" to sub-head "Livestock, Stores, Tools and Plants". An expenditure of Rs. 60,244 under Communications and Buildings and Rs. 1,40,299 under "Stores and equipment were incurred under the heads thus resulting an excess of Rs. 244 and Rs. 7,299 under the two sub-heads respectively.

The excess expenditure under sub-head "Communications and Buildings" is too negligible to require explanation.

Under sub-head Livestock, Stores, Tools and Plants the excess of Rs. 7,299 was mainly due to the following reasons:—

- (i) In the absence of terms and conditions for the payment of two Diesel trucks which were purchased in 1964-65 under rate contract, provision for only 90 per cent of the value was made as usual, but payment was made at the rate of 95 per cent of the value and thus an excess expenditure of Rs. 3,153 was incurred. This debit related to 1964-65.
- (ii) A book debit voucher for Rs. 2,294 was adjusted in excess due to the increase in the rate of customs duty, i.e., 10 per cent of value, of a generating set. This debit related to 1963-64.

- (iii) The remaining amount represented the adjustment of a book debit voucher by the Accountant General, Central Revenues in respect of an Arc Welding supplied to the Forest Department during 1961.

The percentage of the excess expenditure of Rs. 7,299 against the modified grant of Rs. 1,33,000 under the head works out to 5.4 per cent and could not be foreseen. It is requested that the excess of Rs. 7,543 in the grant may please be recommended for regularisation under Art. 115(i) of the Constitution.

(Approved by Inspector General of Forest).

Sd/- M. SUBRAMANIAN,
Deputy Secretary to the Govt. of India.

APPENDIX XXXI

(Ref: Paras 3.12 & 3.13 of Report)

GOVERNMENT OF INDIA

MINISTRY OF IRRIGATION AND POWER

Note regarding regularisation of excess in Grant No. 132.—Capital Outlay on Multipurpose River Schemes—Excesses in Voted Grant disclosed in the Appropriation Accounts (Civil), 1964-65.

The Appropriation Accounts (Civil), 1964-65, have disclosed an excess of Rs. 6,13,35,461 in Grant No. 132.—Capital Outlay on Multipurpose River Schemes. A statement (Annexure I) showing the final grant, actual expenditure and the excesses/savings under various group-heads in this Grant is enclosed. It will be seen therefrom that the excess under the head A.5.—Farakka Barrage Project alone comes to Rs. 6,19,92,587. This excess is counterbalanced to some extent by savings of Rs. 6,57,126 under the other heads in the Grant, leaving a net excess of Rs. 6,13,35,461 on the Farakka Barrage Project which is required to be regularised.

2. At the time of preparation of the R.E., 1963-64, and B.E. 1964-65, in November, 1963, the Ministry of Irrigation and Power, in consultation with the Chief Engineer, Farakka Barrage Project, recommended to the Ministry of Finance, a provision of Rs. 8.27 crores for 1964-65. The Ministry of Finance, considering the progress of expenditure on the project during the preceding years, agreed to an *ad hoc* provision of Rs. 5.50 crores with the stipulation that they would consider additional allotment, if necessary, in the course of the financial year. In the R.E., 1964-65, considering the rapid progress of expenditure and of works up to December, 1964, the revised requirements were placed at Rs. 13.60 crores. Accordingly, after taking into account anticipated savings to the extent of Rs. 1.43 crores under heads other than Farakka Barrage Project, a supplementary grant of Rs. 6.67 crores (13.60 minus 5.50 minus 1.43) was obtained in February, 1965. In the latter part of February, 1965, Chief Engineer, Farakka Barrage Project, estimated his final requirements at Rs. 18.81 crores. In the first week of March 1965, the Chief Engineer had intimated his final requirements as Rs. 16.21 crores, based on the expenditure of Rs. 14.38 crores incurred up to February, 1965, and the probable requirements of Rs. 1.83 crores for March 1965, taking into account the bills which had been received and would be ready for payment during that month. As the proposals

for Supplementary Grants for Budget Session had already been presented to the Parliament, it was not possible to obtain additional supplementary grant and the Chief Engineer was advised to restrict the expenditure and also to incur only unavoidable expenditure. In view of these instructions to the Chief Engineer and also of the possibility that bills in respect of some of the materials received towards the close of the financial year might not be received/adjusted in the accounts of that year, the question of taking an advance from the Contingency Fund of India was not considered. The Chief Engineer, Farakka Barrage Project, however, could not postpone some inevitable payments for the reasons given in the succeeding paragraphs.

3. On an analysis of the expenditure under various sub-heads, the excess can be broadly classified as:

- (i) Excess expenditure on account of materials and machineries under sub-head "Suspense".
- (ii) Excess expenditure on account of Special Tools and Plants under sub-head "Works".
- (iii) Excess expenditure on account of payment for actual work under sub-head "Works".

As it is not practicable to list out each and every item of such payment, the general reasons for such excess under the major items are explained below.

4.1. The exact date of delivery of construction materials like Sheet Piles, Steel materials, etc., is not fixed. The delivery clause stipulated in the printed terms and conditions of Sale received from Producer of Steel reads as follows:

"The delivery mentioned in your above indent cannot be adhered to by our works. According to terms of business and general understanding delivery is not the essence of contract. This is because all despatches from our works are regulated in accordance with the priorities accorded to orders planned on us from time to time by the Iron and Steel Controller, Calcutta. Sale orders can, therefore, only be issued by us for delivery 'as early as possible' without committing ourselves in any way about the specific time of delivery".

4.2. Sheet Piles are imported materials, the delivery of which is governed by various factors on which neither the suppliers nor the Project authorities have any effective control.

4.3. It is, therefore, not possible to anticipate the date of receipt of materials ordered for. For the purpose of budgeting, an average delivery period from 9 months to 1 year between the placement of order and actual receipt was assumed on the basis of past experience. On this basis the budget demand was calculated and in an attempt to restrict expenditure to unavoidable minimum, the orders which, it was anticipated, were not likely to mature within the financial year were excluded. Some of the materials not covered by the Budget had, however, actually arrived and payment therefor had to be made firstly because in case of steel materials prompt payment would enable the Project to earn rebate and secondly, in case of other materials, the terms and conditions of supply order stipulated 'immediate payment' or payment within certain fixed periods.

4.4. In case of cement, the payment was being made by the Pay and Accounts Officer, Ministry of Works, Housing and Supply in the first instance and then debits sent to the Project for adjustments. In March 1965, the Project authorities received debits from the Pay and Accounts Officer to the tune of Rs. 23 lakhs, and these had to be adjusted.

4.5. A list of major payments under 'Suspense' during March, 1965, is annexed (Annexure II).

4.6. Similarly, in an attempt to keep the demand to a minimum, provision for certain machineries was excluded from the final budget demand as those machineries were not expected to come within the financial year. But actually such machineries arrived and payment had to be made as per terms of contract. Bills on account of customs duty, import duty, regulatory duty, etc., are preferred by the firms according to their convenience after they can procure all documents necessary to substantiate their claims and as such the date of receipt of such bills cannot be anticipated. But, whenever such Bills are preferred, payment has to be made within 4 to 7 days of presentation of Bills as per terms of payment. Some such bills were received during the month of March, 1965, and payment had to be made on this account. A list of the items of major payment for Special Tools & Plant is annexed - (Annexure III).

4.7. Regarding the excess expenditure on actual works, the increase in the tempo of work is one of the main reasons. After the rains, the contractors take some time to make the site ready for further work and activities generally increase towards the end of the working season. Under the circumstances, it is difficult to forecast such progress with any degree of accuracy, specially under peculiar

and difficult site conditions as prevailing at Farakka Barrage site. Moreover, the major contractor during the period was M/s. National Projects Construction Corporation in charge of Farakka Barrage construction on the right bank. The contract with them—which is a cost plus contract—was in the negotiation stage. Bills were not coming regularly at the initial stage with the result that larger payments had to be made just before the close of the financial year. In the month of March, 1965, alone approximately Rs. 25 lakhs were paid. This is the main reason why there has been an excess expenditure on works.

5. In the circumstances explained above, it is requested that the excess over voted expenditure of Rs. 6,13,35,461 appearing in the Appropriation Accounts (Civil), 1964-65, may kindly be recommended for regularisation.

Sd/- K. G. R. IYER,
Joint Secretary to the Govt. of India.

ANNEXURE I

GRANT NO. 132.—CAPITAL OUTLAY ON MULTIPURPOSE RIVER SCHEMES (ALL VOTED)

Major Head and Group-Head	Final Grant	Actual Expenditure	Excess(+) Saving(—)
1	2	3	4
	Rs.	Rs.	Rs.
MAJOR HEAD "98"			
A.—Capital Outlay on Multipurpose River Schemes :			
A. 1.—Central Water & Power Research Station :			
O. 23,00,000 } 13,34,000		12,33,842	(—)1,00,158
R. —9,66,000 }			
A. 2.—Damodar Valley Corporation.			
O. 4,50,00,000 } 3,16,00,000		3,16,00,000	Nil
R. —1,34,00,000 }			
A. 3.—Power Research Institute:			
O. 11,00,000 } 4,50,000		2,13,736	(—)2,36,264
R. —6,50,000 }			
A. 4.—Technical Training Centres:			
O. 4,67,000 } 11,19,000		8,43,624	(—)2,75,376
R. 6,52,000 }			
A. 5.—Farakka Barrage Project :			
A. 5(1).—Farakka Barrage.			
O. 4,36,06,000 } 12,43,67,300		18,16,92,127	+5,73,24,827
S. 6,67,00,000 }			
R. 1,40,61,300 }			
A. 5(2).—Feeder Canal:			
O. 1,01,96,000 } 79,65,000		82,86,676	(+)3,21,676
R. —22,31,000 }			
A. 5(3).—Jangirpur Barrage:			
O. 11,98,000 } 36,81,400		80,27,484	+43,46,084
R. 24,83,400 }			
A. 6.—Switchgear Testing and Development Laboratory:			
O. 16,00,000 } 16,50,300		16,04,972	(—)45,38
R. 50,300 }			
TOTAL	17,21,67,000	23,35,02,461	+6,13,35,461

ANNEXURE II

List of Major Payments on Special Tools and Plants.

Expenditure booked during March, 1965

(Figures in lakhs)

Crawler Tractor	.	.	.	.	.	.	.	53·16
Lorries	.	.	.	.	.	.	.	5·85
Concrete Mixture Machine	.	.	.	.	.	.	.	0·13
Beam Bending Machine	.	.	.	.	.	.	.	0·68
M. S. Welded Pipes	.	.	.	.	.	.	.	1·45
Concrete Vibrator	.	.	.	.	.	.	.	0·84
Centrifugal Pumps	.	.	.	.	.	.	.	0·10
Grinding Machine	.	.	.	.	.	.	.	0·18
Lathe Machine	.	.	.	.	.	.	.	0·42
Air Compressor	.	.	.	.	.	.	.	0·41
Pile Driven Plant	.	.	.	.	.	.	.	1·86
Rear Dumper	.	.	.	.	.	.	.	5·10
Customs Duty on account of Rear Dumper Crawler Tractor and Trucks, etc.	.	.	.	.	.	.	.	11·01
								<hr/> 81·19 <hr/>

ANNEXURE III

List of Major Payments and Adjustments made for 'Stock' Misc. P.W. Advance and Purchase during March, 1965 not covered by Budget Demand.

							Figures in lakhs
Stock	.	.	.	.	.	.	66·58
Misc. P. W. Advance	.	.	.	.	.	.	95·28
Purchase	.	.	.	.	.	.	68·22
							<hr/> 230·08
Stock (Stores and Materials):							
Civil Stores :—							
1. Cement	.	.	.	.	.	.	3·96
2. Sheet Pile	.	.	.	.	.	.	8·04
3. C. R. Sheets and A. C. Sheets	.	.	.	.	.	.	0·63
4. Tested Angle Rounds	.	.	.	.	.	.	42·25
							<hr/> 54·88
L.B.B. Division :							
5. Steel Beams	.	.	.	.	.	.	0·14
6. M. S. Ealv Sheets	.	.	.	.	.	.	0·45
7. Misc. Mechanical Stores	.	.	.	.	.	.	11·11
TOTAL STOCK							<hr/> 66·58
Misc. P. W. Advance :							
1. M. S. Rounds	.	.	.	.	.	.	16·73
2. M. S. Plates	.	.	.	.	.	.	5·59
3. C. R. Sheet	.	.	.	.	.	.	0·49
4. Conductor	.	.	.	.	.	.	0·13
5. Couplings	.	.	.	.	.	.	0·11
6. Spl. Tools and Plants	.	.	.	.	.	.	50·91
7. Misc. Mech. Stores and spares	.	.	.	.	.	.	21·32
TOTAL							<hr/> 95·28

APPENDIX XXXII

GOVERNMENT OF INDIA

DIRECTORATE GENERAL OF EMPLOYMENT AND TRAINING MINISTRY OF LABOUR, EMPLOYMENT & REHABILITATION

(DEPTT. OF LABOUR & EMPLOYMENT)

NOTE

SUBJECT:—*Regularisation of excess over Voted Grant disclosed in the Appropriation Accounts (Civil) 1964-65—Grant No. 134—Labour and Employment.*

Grant No. 134—Capital Outlay of the Ministry of Labour & Employment.	
Voted Grant—Original	Rs. 3,71,000
Supplementary	Rs. 8,25,000
	<hr/>
TOTAL	Rs. 11,96,000
	<hr/>
Actual Expenditure	Rs. 21,92,470
Net Excess	Rs. 9,96,470

The net excess of Rs. 9,96,470/- was due to the adjustment of expenditure on Customs Duty and other incidental charges in respect of material and equipment acquired out of the U.S. Department of Defence Surplus Stores for the Training of Craftsmen, in this Grant instead of in the Grants "72—Labour and Employment" and "33—Grants-in-aid to State and Union Territory Governments", as explained below:—

2. The machinery was received free and expenditure on minor repairs, internal transportation and repacking charges in U.S.A., Customs Duty and ocean freight charges only were required to be incurred by the Government of India. In accordance with the accounting procedure laid down in the D.G.E.&T's letter No. BP-101/18/63, dated 21-2-1964, the expenditure on account of incidental charges was debitable initially to the Capital Head "124—Capital Outlay on Schemes of Government Trading", the provision for which

is included in this Grant, pending allocation of the expenditure between Central and State Governments in the ratio of 60:40 in the case of material intended for Industrial Training Institutes in the States and transfer of the expenditure relating to the Union Territories and the Central Training Institutes for instructors to the appropriate head of account in the accounts of the Union Territory Governments concerned or of the Central Government as the case may be.

3. At the time of preparation of the Budget Estimates for 1964-65, an *ad hoc* provision of Rs. 2.05 lakhs was included in the Capital Grant "134-Capital Outlay of the Ministry of Labour and Employment" under the sub-head "B.1(1)(1)—Scheme for Training of Craftsmen" as the supplies from the U.S. Defence Surplus Stores were not quite certain. The machinery, however, started coming at a rapid pace during the year 1964-65 and additional expenditure on incidental charges had to be incurred. However, the Finance Ministry advised in August, 1964, that, as the equipment was being received free of charge and the expenditure of Government of India was related to incidental charges only, the same should appropriately be provided in the Revenue Budget. Accordingly, the expenditure on the incidental charges on the equipment for Central Training Institute for Instructors was debitable to the Major Head "38—Labour & Employment", provision for which was required to be made during 1964-65 in the Grant "72—Labour & Employment", and that relating to Institutes of the State Governments Union Territories was debitable to "74—Grants-in-aid to State and Union Territory Governments", the provision for which was to be made in Grant "38—Grants-in-aid to State and Union Territory Governments" for 1964-65 for all the machinery received in 1964-65. Necessary provision was accordingly made in the final grant for 1964-65 by reappropriation of savings. The Ministry could not, however, issue sanctions for adjusting the expenditure under the above mentioned Revenue heads, as common bills of lading and bills of entry were received for consignment intended for Industrial Training Institutes of the State/Union Territory Governments and the Central Training Institutes, and further in the absence of shipping documents, the customs duty charges were assessed by the Customs Department arbitrarily and debits on account of Ocean Freight and Customs Duty charges raised even in cases where the stores did not at all pertain to this Directorate General. In accordance with the accounting procedure laid down in February, 1964, (para 2 above), the Accountant General adjusted the incidental charges amounting to Rs. 13.06 lakhs under the Capital Grant, the

total adjustment thereunder exceeding the Sanctioned Grant by Rs. 9,96,470. The excess was thus on account of technical difficulties. Had the expenditure in question been adjusted under relevant grants in the Revenue Budget, there would not have been any excess as necessary provision therefor (Rs. 13,99,600) had been included in those Grants. In the circumstances the excess adjustment in the Capital Grant "134-Capital Outlay of the Ministry of Labour and Employment" may be recommended for regularisation.

4. The above note has been vetted by the Accountant General, Central Revenues, New Delhi.

Sd/- S. ABDUL QADIR,
*Director General of Employment and
Training and Joint Secretary
to the Government of India.*

APPENDIX XXXIII

Note for the Public Accounts Committee explaining the reasons for excess grant No. 135-Capital Outlay of the Ministry of Petroleum and Chemicals for 1964-65.

The position of the Grant No. 135-Capital Outlay of the Ministry of Petroleum & Chemicals, as included in the Appropriation Accounts (Civil), 1964-65 (*vide* page 119) is as under:—

	Total Grant	Actual Expenditure	Excess
Grant No. 135 :			
Original Provision Rs. 51,53,41,000			
Supplementary provision. Rs. 1,000			
	<u>Rs. 51,53,42,000</u>	<u>Rs. 51,53,90,221</u>	(+)48,221

The reasons for the excess are explained below:—

Land measuring 14:16 acres in Mouza Debgram, District, Jalpaiguri (West Bengal) was acquired for the Indian Oil Company, through the Government of West Bengal, in 1961-62. The amount of Rs. 80,000 provided for the purpose was, however, not drawn by the Deputy Commissioner, Jalpaiguri, as the awards of compensation and payment were not possible during the year 1961-62. The amount was, therefore, surrendered.

In our letter No. 9/21/61/IOC, dated the 20th August, 1962 sanction was issued to the expenditure during 1962-63 of Rs. 80,000 for the payment of compensation for acquisition of this land.

The Accountant General, West Bengal, in his letter dated 29th August, 1962, authorised the Treasury Officer, Jalpaiguri to make payment of the amount to the Deputy Commissioner, Jalpaiguri. The dates of drawal of the amount are given below:—

Date of drawal	Amount drawn			
	Rs.			
7-9-62	1,698.90
11-9-62	16,094.37
12-9-62	3,245.61
14-9-62	881.35
19-9-62	2,206.47
21-9-62	1,905.82
25-9-62	15,359.05
26-9-62	20,289.85
3-11-62	167.75
12-11-62	4,612.14
21-11-62	184.75
21-11-62	1,954.40
21-11-62	2,888.79
				<u>71,489.25</u>

In his letter dated 5th January, 1963, the Deputy Commissioner, Jalpaiguri stated that a sum of Rs. 71,489:25 only was required for payment in this case. A sum of Rs. 71,490 was accordingly provided during 1962-63 by re-appropriation under Grant No. 133—Capital Outlay of the Ministry of Mines & Fuel—42(7)—Acquisition of land for Indian Oil Company Limited for this purpose. It, however, appears that debits for these payments were not adjusted in the accounts for the year 1962-63. The debits were adjusted in the Accounts for 1964-65. The excess is, therefore, due to delay in the adjustment of debits.

As the liability was not adjusted in the accounts for 1961-62, a watch was kept by this Ministry and necessary funds under Grant No. 133 were again provided in 1962-63 by re-appropriation for adjustment of the liability in that year. Intimation was received by this Ministry that the amount of compensation was drawn by the Deputy Commissioner, Jalpaiguri in instalments between the 7th September, 1962 and 21st November, 1962. There were, therefore, reasonable expectations that the liability would be adjusted in the accounts for 1962-63 against the funds already provided by re-appropriation. The liability was, therefore, discharged in 1962-63 and it was only a matter of accounting adjustment.

In the Appropriation Accounts 1964-65, an expenditure of Rs. 73,233 has been shown under the Grant No. 135-Capital Outlay of the Ministry of Petroleum & Chemicals—A. 2(3)—Acquisition of land for the Indian Oil Company for which a provision of Rs. 200 had been made during that year.

After setting off the saving of Rs. 24,812 occurring under other sub-heads, against the above excess of Rs. 73,033, the net excess of Rs. 48,221 in Grant No. 135-Capital Outlay of the Ministry of Petroleum & Chemicals has to be regularised. The excess may be recommended for regularisation under Article 115 of the Constitution.

Sd.|- P. K. J. MENON,
Joint Secretary to the Government of India.

APPENDIX XXXIV
GOVERNMENT OF INDIA
MINISTRY OF TRANSPORT & AVIATION
DEPARTMENT OF TRANSPORT & SHIPPING
(ROADS WING)

Note for regularisation of excess of Rs. 113,85,768 over Voted Grant No. 137—Capital Outlay on Roads in the Appropriation Accounts 1964-65.

The net excess of Rs. 1,13,85,768 is made up of variations under the different sub-heads in Grant No. 137—Capital Outlay on Roads of the following :—

Sub-head	Final Grant	Actual Expenditure	Variation Excess Saving	Ex- (+) (—)
	Rs.	Rs.	Rs.	
A.1—Construction of National Highways .	30,60,09,800	32,15,48,309	(+)	1,55,38,509
A.2—Construction of Border Roads .	24,05,17,000	25,22,92,616	(+)	1,17,75,616
A.3—Construction of Other Roads .	80,83,200	80,45,903	(—)	37,297
A.4—Tools and Plants .	3,73,90,000	2,21,13,458	(—)	1,52,76,542
B.1—Construction of Border Roads .	3,08,00,000	3,01,85,482	(—)	6,14,518
	62,28,00,000	63,41,85,768	(+)	1,13,85,768

2. Sub-head A.1—Construction of National Highways.
Excess Rs. 155·38 lakhs.

The excess of Rs. 155·38 lakhs under this sub-head was mainly due to :

Rs. Lakhs

- (i) Erroneous booking of expenditure relating to the sub-head "A·4" under the sub-head A—I . . . 65·92

(ii) Accelerated Progress on certain works	152.02
	<hr/>
Partly counter-balanced by Savings	217.94
	62.56
	<hr/>
	155.38
	<hr/>

3. With regard to item (i) above, it may be stated that the erroneous adjustment of Rs. 65.92 lakhs was made in the West Bengal (Rs. 50,11,329) and Bihar (Rs. 15,80,474) circles of Accounts. The erroneous adjustment came to light only after the accounts for 1964-65 were closed. The excesses aggregating Rs. 152.02 lakhs against item (ii) above were mainly due to undertaking works of strategic importance in the States of Bihar, West Bengal and Punjab. Works financed from the credit afforded by the International Development Association in the States of Bihar, Orissa and West Bengal had to be completed by a specified date and the execution of these works was therefore accelerated as far as practicable. This too led to the excess.

4. It may further be stated that against the budget grant of Rs. 34.40 crores, the States had demanded a total grant of Rs. 39.40 crores in the Revised Estimate for 1964-65. In view of the need for effecting the maximum possible economy in civil expenditure, a final allotment of Rs. 30.60 crores only could be ultimately made to the States for the year 1964-65 for covering expenditure on the Construction of National Highways in the various States and Union Territories. It was not anticipated even towards the close of 1964-65 that the works would attain such a momentum as to exceed the allotments by an appreciable margin. The State Governments were however unable to restrict their expenditure within the amount of allotments and the excess expenditure became unavoidable. In the absence of intimation from any of the States about the likelihood of expenditure exceeding the allotment, prior action could not be taken for obtaining a supplementary grant or an advance from the Contingency Fund of India to avoid an excess of expenditure over the sanctioned grant.

5. Sub-head A. 2—Construction of Border Roads

The excess under the this sub-head arose as a result of an expenditure of Rs. 1145.49 lakhs on equipment and spares as against the provision of Rs. 1,027.44 lakhs. This item covers expenditure on Cat. 'A' stores like machinery, vehicles, spare parts and bridging. The excess is due to adjustment of cost of stock span bridges, which were taken by Director General Border Roads from the army

stock without obtaining prior Government sanction and necessary allotment of funds. Firm figures as to how much of the bridging stores had actually been received, how much of debit had already been adjusted in earlier years and how much would be adjusted during 1964-65 were not available by January 1965 and, therefore, no amount on this account could be included in the assessed requirement for the Supplementary Grant. It was decided at the time that the necessary adjustment might be carried out only after issue of administrative approval. This matter could not, however, be finalised and in March 1965 it was considered whether a directive should be issued to the Controllers of Defence Accounts to write back debits already adjusted. But in the absence of precise details of the transactions and in view of the fact that under rules adjustments had to be carried out, if stores were already received, no directive was issued. No action was taken to obtain an advance from the Contingency Fund of India as it was felt doubtful whether any money would be advanced once the adjustments had been carried out. The debits already adjusted were, therefore, allowed to stand. Since the savings under the other minor sub-heads amounted only to Rs. 0.29 lakhs, there was an excess of Rs. 117.76 lakhs under the sub-head.

6. The liability register maintained by the Director General Border Roads shows the outstanding liabilities in terms of progress of materialisation of supplies, but not in terms of outstanding payments/debit, as the Director General Border Roads does not get an intimation of the payments made/debit raised in all cases. The question of exhibiting in the liability Register, the outstanding payments/debit is, however, being examined.

7. After taking into account the excesses under the two sub-heads mentioned above and the savings under the other three sub-heads, the net excess under Grant No. 137—Capital Outlay on Roads amounted to Rs. 113,85,768 which is recommended for regularisation under Art. 115 of the Constitution.

Sd./- H. P. SINHA.

Additional Secretary to the Govt. of India.

APPENDIX XXXV

Note explaining the reasons for excess in Grant No. 24—Audit in the Appropriation Accounts (Civil) 1964-65.

CHARGED

	Rs.
Original Appropriation	23,30,000
Supplementary Appropriation	2,00,000
Total Appropriation	25,30,000
Actual Expenditure	25,48,470
Excess	18,470
Percentage of Excess	0.73

The minor excess which represents 0.73 per cent of the total appropriation was mainly due to increase in the incidence of leave salary by proceeding on leave of more officers than anticipated. The excess occurred due to factors which could not be foreseen.

2. In the circumstances, it is requested that the excess expenditure of Rs. 18,470 in the 'Charged' Section of Grant No. 24—Audit may kindly be recommended for regularisation under Article 115(1) (b) of the Constitution.

Sd/- P. N. BHANDARI,
Deputy Comptroller & Auditor General
of India.

APPENDIX XXXVI

*Note for the P.A.C. Explaining reasons for the Excess under Grant No. 40—
Forests for 1964-65*

MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND COOPERATION (DE- PARTMENT OF AGRICULTURE)

Note on excess under Grant No. 40--Forests

Particulars of the Grant			Reasons for the excess
<i>Grant No. 40—Forests (Charged)</i>			
Total	Actual	Excess	
Appropriation	Expenditure		
Rs.	Rs.	Rs.	
	5,283	5,283	A sum of Rs. 5,283/- was deposited by the President, Forest Research Institute and Colleges, Dehra Dun, on 23-12-1964 in Dehra Dun Court as a decretal amount in connection with the Court Case of Shri Onkar Singh Vs. Union of India. Supplementary Appropriation was not obtained for this expenditure as, in the meantime, an application had been filed in the High Court at Allahabad, for obtaining stay orders on the execution of the decree passed by the trial Court Dehra Dun; and on that account, the Ministry of Finance had advised that it was not in order to treat the amount as having been spent. The application for stay order was finally rejected by the High Court on 19-2-1965, and the payment was finally made by the Court at Dehra Dun to the Counsel of Shri Onkar Singh on 25-3-1965. But the Department came to know about this from the Forest Research Institute and Colleges under their U. O. No. 2105/6-3(85)-B/65--Budget dated 9-4-1965. By that time it was too late to obtain supplementary appropriation. Hence this Excess of Rs. 5,283/-. A summary of the case is enclosed.

(HARI SINGH)

Inspector General of Forests.

SUMMARY

Shri Onkar Singh was appointed as a Civilian Clerk in the Regimental Centre, 9th Gorkha Rifles, Dehra Dun, with effect from 22nd January, 1943. Being surplus to the establishment he was discharged from service with effect from 1st April, 1947. At the time of his discharge he was drawing in the Gorkha Rifles a pay of Rs. 80 per month in the unified scale of pay. After his discharge from the Gorkha Rifles, the prescribed scales for civilian clerks were announced with retrospective effect from 1-1-1947. The benefit of the prescribed scales was extended to persons whose services were terminated during 1-1-1947 to 1-1-1948, provided the individual concerned elected in writing to accept the prescribed scale within six months from the date of issue of the Ministry of Defence orders. Shri Onkar Singh elected the prescribed scale on 19-4-1949 i.e., after the expiry of six months period prescribed by the Ministry of Defence for this purpose. In view of this the Ministry of Defence allowed his option by a special sanction dated 23-5-1959, as a special case. In that sanction it was mentioned that Shri Onkar Singh would, however, not be admitted any arrears of pay for the period from 1-1-1947 to 31-3-1947 i.e., the period he was paid from the Defence Services Estimates. A copy of this sanction was also endorsed to the President, Forest Research Institute where Shri Onkar Singh was then employed. In the endorsement it was laid down that the intention in re-fixing Shri Onkar Singh's pay was that though he might derive the benefit of refixation of his pay w.e.f. a current date, yet no arrears were to be allowed to him for any past period (i.e. before the 23rd May, 1959).

On joining the Forest Research Institute on 11-8-1947, as Lower Division Clerk, the F.R.I. fixed his pay at Rs. 55 p.m. The pay was refixed (on the basis of the pay allowed by the Ministry of Defence) at Rs. 79 p.m. w.e.f. 11-8-1947. After this re-fixation, the F.R.I. requested this Department to sanction investigation of the arrear claim and intimated that this sanction was required because the claim was more than three years old. It was not intimated to the Ministry of Food & Agriculture that the Ministry of Defence had instructed not to pay him any arrears of pay for the past period. On this basis sanction was given by this Department in their letter No. 9-38/60F,

dated 29-8-60 to the investigation of the arrear claim provided that the orders under which Shri Onkar Singh's pay had been fixed, allow payment of arrears *w.e.f.* 11-8-1947. It was also further subject to the condition that a certificate to this effect quoting the Government orders, would be furnished by the President, Forest Research Institute to the Accountant General. Later on, the Forest Research Institute applied for payment sanction of the President of India to the arrears of pay but it was not mentioned then that the Ministry of Defence had re-fixed his pay in the Defence Establishment on the understanding that though Shri Onkar Singh might derive the benefit of re-fixation of his pay with effect from a current date, yet no arrears were to be allowed to him for any past period. When this fact was brought to the notice of the Department of Agriculture by Audit, the sanction regarding investigation of the arrear claim as also the payment sanctions were cancelled. With the cancellation of the above sanctions,, Shri Onkar Singh's claim for arrears of pay from a date earlier than 23rd May 1959 was not valid as the sanctions were obtained after suppressing vital information relevant to this case.

Shri Onkar Singh filed a civil suit in the Court of Munsif, Dehra Dun for claiming of arrears of pay from the date of his appointment at the Forest Research Institute. The suit was decreed in his favour with cost. On the advice of the Ministry of Law, an appeal against this judgment was filed in the Court of Civil Judge, Dehra Dun which was also decreed in favour of Shri Onkar Singh. On the advice of the Ministry of Law an application for stay orders was filed in the High Court, Allahabad. This application was finally rejected by the High Court on 19th February 1965, and the payment was finally made by the Court at Dehra Dun to the Counsel of Shri Onkar Singh on 25th March 1965 and, therefore, adjusted in 1964-65 Accounts. The Department came to know of this from the Forest Research Institute & Colleges, Dehra Dun, under their U.O. No. 2105/6-3 (85)BI65-Budget, dated 9th April 1965, but by that time it was too late to obtain any supplementary grant. Hence this excess of Rs. 5,283.

APPENDIX XXXVII

MINISTRY OF INFORMATION AND BROADCASTING

Note explaining reasons for excess disclosed under Grant No. 62-Broadcasting 1964-65.

GRANT NO. 62-BROADCASTING

	Total Grant or appropriation	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
Charged		284	+284
Voted	5,91,06,000	6,01,52,890	+10,46,890

CHARGED

B. Broadcasting Stations

The excess of a sum of Rs. 284/- was on account of payment made in the satisfaction of a decree passed by the Assistant Judge, Rajkot. This payment was made by the Station Director, All India Radio, Rajkot, through cheque dated the 4th September, 1964 debitable to sub-head "Other Charges". The amount was, accordingly, met from the Voted Grant No. 62-Broadcasting for the year 1964-65. It was later pointed out by the Senior Deputy Accountant General, Rajkot on 27-11-1964 that this be treated as "Charged" expenditure. There was no provision for "Charged" expenditure in the Budget Grant of that year against which the said petty expenditure of Rs. 284/- could have been debited. It is regretted that immediate steps could not be taken either to have a Supplementary Grant for the same or advance from Contingency Fund of India.

VOTED

Against the sanctioned Budget Grant of Rs. 5,91,06,000 the total expenditure incurred during the year was Rs. 6,01,52,890, resulting

in an excess of Rs. 10,46,890. The percentage of this excess is 1.77. The reasons for this excess are as follows:—

A—1. Directorate General, All India Radio

	Budget Grant 1964-65	Actual Expenditure	Excess
	Rs.	Rs.	Rs.
	28,01,500	33,46,988	5,45,488

The excess has been mainly under the following sub-heads:— Rs.

(i) <i>Allowances, Hon. etc.</i>	1,00,747
Due to more expenditure than anticipated on:—	
(a) deputation of officers abroad,	
(b) increase in dearness allowance and	
(c) other allowances i.e. H.R.A. and children education allowance etc.	
(ii) <i>Allowances to Artists</i>	11,705
Due to an-anticipated tours or deputations abroad of producers.	
(iii) <i>Other Charges</i>	4,38,036
Due to:	
(a) adjustment of telephone bills for 1963-64 (Rs. 1,12,800)	
(b) adjustment of telephone charges relating to rental of PBX extension for the period 8-12-61 31-1-62 and 1-2-65 to 31-1-66 (Rs. 81,500).	
(c) more expenditure on power supply due to increase in tariff rates with effect from August, 1964 (Rs. 79,470).	
(d) more expenditure than anticipated on miscellaneous items because of inadequacy of funds (Rs. 1,64,266).	
TOTAL	Rs. 5,50,488

Excess of Rs. 5,000 was set off by savings under other sub-heads. Net excess Rs. 5,45,488.

B—Broadcasting Station:

	Budget Grant 1964-65	Actual expenditure	Excess
	Rs.	Rs.	Rs.
	3,65,68,000	3,78,34,133	12,66,133

The excess has been mainly under the following sub-heads:—

(i) *Allowances, Honoraria, etc.* Rs. 11,42,272

Due to increase in Dearness Allowance and more expenditure than anticipated on H.R.A. and C.C.A. due to upgrading of cities and grant of children education allowance.

(ii) *Allowances to Artists* Rs. 8,06,028

Due to grant of allowances (as admissible to the Central Government Employees) to staff artists with effect from 1-10-1964.

(iii) *Central Stores for Broadcasting Stations* Rs. 72,972

Due to direct un-anticipated receipt of transmitting valves by the Stations. The Valves had been indented for late delivery after December, 1964.

(iv) *Pension Contributions:* Rs. 1,29,966

Due to more contribution than anticipated.

TOTAL Rs. 21,51,238

Excess of Rs. 8,85,105 under "Allowances, Hon. etc." was however, met from the "E lump provision for C.C.A. and H.R.A." and from the savings available from other Group heads and sub-heads. Thus the net excess comes to Rs. 12,66,133.

C-1. High Powered Short Wave Transmitters

	Budget Grant 1964-65	Actual expenditure	Excess
	Rs.	Rs.	Rs.
	31,21,000	35,38,338	4,17,338

The excess has been mainly under the sub-heads "Other Charges" due to (a) more expenditure on power supply due to increase in tariff rates. Rs. 1,75,038

(b) payment of property tax in respect of All India Radio HPT buildings at Kingsway Delhi and Khampur vide Ministry of Home Affairs O.M. No. 20/11/63-Delhi dated 30-4-64 Rs. 3,31,684

TOTAL Rs. 5,06,722

Excess of Rs. 89,334 was set off by savings under other sub-heads the net excess being Rs. 4,17,338.

C—3. News Services Division

Budget Grant 1964-65	Actual expenditure	Excess
Rs.	Rs.	Rs.
34,65,000	37,95,550	3,30,550

The excess has been mainly under the following sub-heads:—

(i) <i>Allowances, Hon. etc.</i>	Rs. 70,025
Due to more expenditure than anticipated on H.R.A. and children Education Allowance and increase in dearness allowance.	
(ii) <i>Allowances to Artists</i>	1,44,473
Due to same reasons as given under B—Broadcasting Station.	
(iii) <i>Other Charges:</i>	1,54,917

Due to :—

- (a) adjustment of debits relating to car purchased during 1963-64 (Rs. 12,707).
- (b) adjustment of telephone bills relating to 1963-64 (Rs. 6,568).
- (c) payment to UNI on revised enhanced rates (Rs. 80,000)
- (d) more expenditure than anticipated on miscellaneous items because of inadequacy of funds (Rs. 55,642)

TOTAL 3,69,415

Excess of Rs. 38,865 was , however, met by savings under other sub-heads thus the net excess is Rs. 3,30,550.

C—6. *Project Circles :*

Budget Grant 1964-65	Actual expenditure	Excess
Rs.	Rs.	Rs.
16,26,000	16,67,490	41,490
The excess has been mainly under the following sub-heads:—		
(i) <i>Allowances, Hon. etc.</i>		Rs. 1,33,496
Due to some reasons as explained under B-Broad-casting Stations.		
(ii) <i>Other Charges</i>		26,170
Due to more expenditure than anticipated.		
(iii) Incidental charges incurred in India in respect of equipment received under Colombo Plan .		10,150
	TOTAL:	1,69,816

Excess of Rs. 1,28,326 under “Allowances, Hon. etc” was however met from the lump provision for increase in dearness allowance; the net excess is Rs. 41,490.

2. The total excess under the group heads referred to above comes to Rs. 26,00,999. This excess was partly counter-balanced by savings of Rs. 15,54,109 either in other sub-heads under these group heads or in other group heads, thus leaving the net excess of Rs. 46,890.

3. A suggestion for a Supplementary grant of Rs. 7 lakhs was made to the Ministry of Finance for advise in December, 1964 to cover the anticipated excess expenditure. That Ministry advised not to seek additional funds as the Revised Estimates for 1964-65 was placed at Rs. 578.05 lakhs i.e. 13 lakhs less than the sanctioned budget grant of Rs. 591-06. As it was not found possible on review to restrict the expenditure within the sanctioned budget grant, the Ministry of Finance were again approached for a supplementary grant of Rs. 5 lakhs early in February, 1965 which was also not agreed to for the same reason for which supplementary funds were not agreed to in December, 1964. It was then too late to restrict the expenditure to extent required, especially in view of the unavavoidable commitments already made. This accounts for the excess.

Sd/- Y. N. VARMA,
Joint Secretary.

Dated: November, 1966.

APPENDIX XXXVIII

MINISTRY OF TRANSPORT & AVIATION

(ROADS WING)

Note Regarding the regulation of excesses over charged appropriation and voted Grant No. 85—Communications (including National Highways) in Appropriation Accounts, 1964-65.

	Final Grant	Actual expenditure	Excess
	Rs.	Rs.	Rs.
Charged	24,000	34,279	+10,279
Voted	10,01,03,000	10,39,29,621	+38,26,621

Excesses Rs. 10,279 (Charged) and Rs. 38,26,621 (Voted).

1. *Excess of Rs. 10,279 (Charged).*—The excess of Rs. 10,279 (Charged) is the net result of excess under one sub-head in the grant partly offset by saving under its other sub-head. The sub-heads referred to are:—

Sub-head	Final Appropriation	Actual Expenditure	Variation
	Rs.	Rs.	Rs.
B. 1.—Maintenance of National Highways	21,000	31,986	(+)10,986
B. 2.—Other Communications	3,000	2,293	(—)707

The Supplementary Appropriation of Rs. 21,000 under the sub-head B. 1—Maintenance of National Highways was required to meet the expenditure in satisfaction of a court decree in Sikkim. The provision of Rs. 3,000/- under B.2—Other Communications was for the payment of an arbitration award in connection with the maintenance and repairs of roads other than National Highways in the

Union Territory of Delhi. The actual expenditure in this case came to Rs. 2,293/- while that under B.1-Maintenance of National Highways in Sikkim was Rs. 20,787/-. The provision made for these purposes was adequate. But an unforeseen expenditure of Rs. 11,199/- under B. 1-Maintenance of National Highways had to be incurred on account of the payment of decretal charges during 1964-65 in respect of the Simla Kalka Road. The lower courts decision in the dispute between the contractor and Government in this case was in favour of Government. No payment was, therefore, anticipated and funds for this purpose were accordingly not earmarked. The contractor, however, went on appeal and the appellate court decided in favour of the contractor. A sum of Rs. 11,199.24 had, therefore, to be deposited in court in fulfilment of this decree. This led to an excess of Rs. 10,279/- in the charged section of the Grant.

2. *Excess Rs. 38,26,621/- (Voted)*:—The excess of Rs. 38,26,621/- occurred mainly (a) due to expenditure incurred by certain State Governments in excess of the provision as indicated below:—

- (i) Carrying out of unavoidable and urgent repairs to National Highways—Assam (Rs. 7,15,726/-); Mysore (Rs. 3,62,425); Manipur (Rs. 16,184); Madhya Pradesh (Rs. 3,48,585); Andhra Pradesh (Rs. 9,68,018); Punjab (Rs. 4,10,092/-); Kerala (Rs. 7,786/-); Uttar Pradesh Rs. 3,32,061);
- (ii) Payment of Compensatory Allowance, and Dearness Allowance at enhanced rates to the workcharged establishment in Punjab (Rs. 75,588/-);
- (iii) Cumulative effect of small excesses on various works—Madras (Rs. 85,422/-); Maharashtra (Rs. 86,201/-); Rajasthan (Rs. 3,485/-); West Bengal (Rs. 39,330/-) and Delhi (Rs. 24,999/-);

(b) due to excess expenditure in North East Frontier Agency and Sikkim (C.P.W.D.) as indicated below:—

- (i) Undertaking some urgent and unavoidable repairs to keep the line of communication through, especially in Lohit Frontier District for heavy Army vehicles (Rs. 3,48,816/-);
- (ii) Accelerated progress on works (Rs. 10,53,986): (After taking into account the savings reported under other sub-heads of the grant in the various circles of Accounts, the resultant excess works out to Rs. 38,26,621/-.

3. The total amount demanded by the State Government for the maintenance of National Highways at the time of framing the Revised Estimates, 1964-65 was Rs. 896.10 lakhs as against the Budget Estimates of Rs. 620.00 lakhs for that year. Consequent on the taking over of the responsibility for the maintenance and repairs of National Highways in Himachal Pradesh and Sikkim by the Border Roads Development Board with effect from 1st April, 1964, the provision meant for these National Highways viz., Rs. 5.25 lakhs for Himachal Pradesh and Rs. 12.00 lakhs for Sikkim, was reappropriated to the Sub-head 'B. 3—Maintenance of Border Roads' and the allotment already made in respect of these territories under the sub-head 'B. 1—Maintenance of National Highways' was cancelled. The resultant balance of Rs. 602.75 lakhs only was available to accommodate the expenditure during 1964-65. The increase in the funds demanded by the State Governments in the Revised Estimates, 1964-65 over the budget provision of Rs. 602.75 lakhs was mainly due to an overall increase in the cost of labour and materials and the provision needed for special repairs to National Highways which had been badly damaged by heavy rains and floods in the States of Andhra Pradesh, Punjab, Uttar Pradesh and Bihar and for carrying out extensive restoration works in Gujarat and Maharashtra. In view of this and having regard to the actual expenditure incurred upto the end of January, 1965 (Rs. 532.28 lakhs), a provision of Rs. 660.00 lakhs was included in the Revised Estimates, 1964-65. The demands of the State Governments actually amounted to Rs. 874.33 lakhs (Rs. 532.28 lakhs actuals upto the end of January, 1965 and Rs. 342.05 lakhs anticipated for February and March, 1965) as against the Revised Estimate of Rs. 660.00 lakhs. The increase of Rs. 57.25 lakhs (Rs. 660.00 lakhs minus Rs. 602.75 lakhs) over the Budget Estimate, 1964-65 was proposed to be met by way of a supplementary grant of Rs. 49.81 lakhs and from a saving of Rs. 7.44 lakhs under other sub-heads of the Grant. The procedure mentioned in para B(iv) of the Accountant General, Central Revenue's note is being followed in watching the progress of expenditure and monthly returns of expenditure are being received from the State Governments. The expenditure upto end of January, 1965 was only Rs. 532.28 lakhs and was within the provision of Rs. 660 lakhs. The anticipated excess of Rs. 57.25 lakhs was expected to be met by a supplementary grant of Rs. 49.81 lakhs and a saving of Rs. 7.44 lakhs. In addition a supplementary grant of Rs. 45.00 lakhs was obtained during 1964-65 in recoupment of the advance taken from the Contingency fund of India for meeting expenditure on the maintenance and repairs of National Highways.

during 1963-64. Since the expenditure was not expected to exceed beyond the total grant including the supplementary grant asked for, it was not considered necessary to obtain an advance from the contingency Fund of India.

4. The road works are executed through the agencies of the State Public Works Departments and the Central Public Works Department Provision in the Budget is made on the basis of estimates received from the various State Governments. They in turn are guided by their subsidiary establishments such as the Chief Engineer, Superintending Engineer, Divisional Engineers etc. who are in charge of the actual execution of works. The estimates received are scrutinised by the Ministry and every effort is made to make adequate provision for each State. The need for restricting the actual expenditure to the amount of the allotment made by the Government of India is always impressed upon the State Governments. Still it has not been possible for them to restrict the expenditure within the allotments because of a very large number of field offices that handle this expenditure on account of which the coordination becomes very difficult. The expenditure could not, therefore, be restricted to the allotments made and there has been an excess of Rs. 38,26,621.

5. In the circumstances explained above, the excess of Rs. 10,279 (Charged) and Rs. 38,26,621 (Voted) in the grant may be recommended for regularisation under article 115 of the Constitution.

6. This note has been seen by Audit.

Sd./- H. P. SINHA,
Director General (Road Development)
& Additional Secretary
to the Government of India.

APPENDIX XXXIX

MINISTRY OF SUPPLY, TECH. DEV. & MATERIALS PLANNING

(DEPARTMENT OF SUPPLY & TECHNICAL DEVELOPMENT)

Note for Public Accounts Committee regarding regularisation of excess over the Charged Grant No. 104—Supplies & Disposals disclosed in the Appropriation Accounts (Civil) 1964-65.

	Rs.
Original Appropriation . . . . .	..
Supplementary Appropriation	8,000
Actual Expenditure	8,070
Excess	(+)70

No Budget provision under Charged Appropriations was made under Grant No. 104—Supplies & Disposals during 1964-65. A supplementary Appropriation of Rs. 8,000 (Charged) was, however, obtained in September, 1964 Session of the Parliament to meet the decretal claims filed against the Government by the parties. The actual expenditure incurred on this account during 1964-65 was Rs. 8,070 which represented a minor excess of Rs. 70. At the time of going for Supplementary Appropriation the small excess of Rs. 70 was not anticipated.

In the circumstances explained above the minor excess of Rs. 70 in the Charged Section of Grant No. 104—Supplies and Disposals (Charged) may please be recommended for regularisation under Article 115 of the Constitution.

This note has been seen by Audit.

Dated—7th July, 1966.

Sd/- N. R. BANSOD,

Joint Secretary to the Govt. of India.

APPENDIX XL

GOVERNMENT OF INDIA

MINISTRY OF WORKS, HOUSING & URBAN DEVELOPMENT

Note for the Public Accounts Committee relating to regularisation of excess in Grant No. "142—Delhi Capital Outlay" 1964-65. (Charged Section). [Reference page 140 of the Appropriation Accounts (Civil) 1964-65].

The excess disclosed in the Appropriation Accounts of the above mentioned Grant is as under:—

CHARGED

Total Grant or Appropriation	Actual expenditure	Excess(+)
Rs.	Rs.	Rs.
46,92,000	57,93,808	(+)11,01,808

2. The excess occurred mainly under the following Group Heads in the charged section:—

(Figures in lakhs of Rupees)

Group Head	Total Grant	Actual Expdr.	Excess(+) Savin gs(—)
A. 1.-Works:			
A. 1(2)-Other Civil Buildings	9.29	16.93	(+)7.64
A. 1 (4)-Large Scale Acquisition and Development of Land	15.00	18.97	(+)3.97
The Area-wise break-up of actual expenditure against final grant is as under:—			
A. 1(2)-Other Civil Buildings:			
(i) Central P.W.D.	0.27	0.58	(+)0.31
(ii) Delhi Admn.	5.00	12.38	(+)7.38
(iii) President's Estates	4.02	3.97	(—)0.05
	9.29	16.93	(+)7.64

A. 1(4)-Large Scale Acquisition and Development of Land, Delhi Administration

15.00	18.97	(+)3.97
<u>24.29</u>	<u>35.90</u>	<u>(+)11.61</u>

Partly counter-balanced by savings in other sub-heads

22.63	22.04	(—)0.59
<u>46.92</u>	<u>57.94</u>	<u>(+)11.02</u>

3. The excess of Rs. 0.31 lakhs under A. 1(2) in Central P.W.D. is due to the receipt of more awards/decrees from court than anticipated. This came to notice when there was no time to arrange for additional funds.

4. The excess of Rs. 7.38 lakhs under A. 1(2) in Delhi Administration is on account of the following:—

(a) Rs. 7.12 lakhs were paid in excess than anticipated due to the payment of enhanced compensation and interest thereon for the land acquired at Village Bahapur for the construction of Okhla Industrial Estate. In case, the payment of these awards were made after the due dates fixed by the Land Acquisition Collector, the Government would have to pay further interest. For this purpose, an advance of Rs. 7.50 lakhs was applied for on 9th March, 1965 by the Superintending Engineer, Delhi Administration, but was finally rejected by the Ministry of Finance on the ground that such advances would be given to meet unforeseen expenditure. In the present case the expenditure had already been incurred. Further normally advances are not given when Parliament is in Session.

(b) Rs. 26,687 was booked wrongly under the 'Charged' section by the Central Public Works Department. The allotment existed under the 'Voted' grant as provided in the Government of India, Ministry of Finance O.M. No. F. 1(124)-B/4, dated 13th November, 1964. The circumstances leading to the misclassification is under examination.

5. The excess of Rs. 3.97 lakhs under A. 1(4) is explained below:

“During the period April to December, 1964, a sum of Rs. 11.96 lakhs was disbursed by the Land Acquisition Collectors on account of cases decreed by the Courts on references/

petitions filed by the owners of land under Section 18 of the Land Acquisition Act, 1894, against the awards given by the Land Acquisition Collectors. It was then anticipated that the estimated expenditure on that account during the remaining part of the financial year would be about Rs. 3.04 lakhs. Accordingly, a supplementary grant of Rs. 15.00 lakhs was obtained on 19th March, 1965. However, as a result of certain enhancements decreed by the Courts towards the close of the year, which could not be anticipated, the actual expenditure incurred during January to March, 1965 was Rs. 7.01 lakhs bringing the total expenditure to Rs. 18.97 lakhs, thereby resulting in an excess of Rs. 3.97 lakhs."

It was not possible to forecast exactly the results of references/petitions filed by the owners of land under Section 18 of the Land Acquisition Act, 1894 against the awards given by the Land Acquisition Collectors. It was also not advisable to postpone the payments as the decrees carry interest @ 6 per cent per annum. To avoid expenditure by way of interest, the payments were made.

6. After excluding the misclassification of Rs. 26,687 under Group-head "A1 (2) Other Civil Buildings" in terms of para 7 of the Public Accounts Committee's 16th Report (1st Lok Sabha) the net excess of Rs. 10,75,121 may be recommended for regularisation by Parliament.

7. While vetting the note Audit has observed:

"In para 4(a) of the note, the Ministry while explaining the reasons for excess of Rs. 7.38 lakhs, have stated that an advance of Rs. 7.50 lakhs applied for by the Superintending Engineer, Delhi Administration was rejected by the Ministry of Finance on the ground that such advances were available only to meet unforeseen expenditure and that in the case referred to by the Ministry, the expenditure had already been incurred. The Ministry may please indicate in the note for better appreciation of the case by the Public Accounts Committee the actual dates of Court decrees and the time allowed for the payment of decretal amounts in each case together with the reasons for not applying for advance from the Contingency Fund of India as soon as the judgment of the court was known and accepted by the Department before actually making the payment".

The information is being collected and will be furnished to the Public Accounts Committee as soon as it becomes available.

Sd/- R. F. ISAR,
Joint Secretary to the Government of India.

NEW DELHI;
The 25th January, 1967.

APPENDIX xli

Summary of main Conclusions/Recommendations

S. No.	Para No. of Report	Ministry/Deptt. concerned	Conclusions/Recommendations
1	2	3	4
1	1 2	Finance <u>All Ministries</u>	<p>The Committee have been repeatedly commenting upon the delays on the part of the Ministries etc. in furnishing notes stating the reasons for or circumstances leading to such excesses. They had also urged upon the Ministry of Finance in para 1.5 of their 45th Report (Third Lok Sabha) to devise ways and means to avoid such chronic delays on the part of the Ministries. They regret, however, that this year also there was no improvement in the matter in that notes in respect of not a single grant were received within the stipulated time of two months .</p> <p>The Committee are surprised to note that despite the recommendations made by them and instructions issued by Government from time to time, such failures in budgeting and control over expenditure are continuing. They would, therefore, urge upon the Ministries/Departments to make greater efforts to ensure that the extant procedure is properly followed by all concerned so as to improve the position.</p>
2	2 3	—do—	

1	2	3	4
3	3.3	Commerce	<p>The Committee regret that despite repeated recommendations made by them in the past and instructions issued by Government for the maintenance of liability register, the Ministry are taking suitable steps only now in the matter. The Committee desire that the Ministry of Finance should issue general instructions to all Ministries concerned for strict compliance with the existing orders/instructions issued by Government from time to time.</p>
4	3.4	Education	<p>It is not clear to the Committee as to why necessary budget provision was not obtained immediately after the allocation of paper to the Delhi Administration and the transaction not adjusted in the accounts of the year in which it took place.</p>
5	3.6	—do—	<p>It is surprising that despite timely intimation from the Delhi Administration the Ministry did not arrange to make necessary provision in the capital grant to accommodate the adjustment for which the final sanction was issued on the 7th April, 1965. It is not also clear why the Ministry of Finance who concurred in the sanction did not verify the existence of necessary provision for the purpose. The Committee would like the Ministry of Finance to look into the reasons for these failures and take remedial action.</p>
6	3.8	Agriculture	<p>The Committee are surprised to learn that the Department issued such instructions to the Pay & Accounts Officer in March, 1965 which were in contravention of the provisions in the Financial Rules (Rule</p>

75 of General Financial Rules) and of the recommendations of the Public Accounts Committee contained in para 6 (vi) of their 41st Report (Second Lok Sabha) and para 7 (iii) of their 16th Report (Third Lok Sabha). The Committee hope that such contravention of Financial Rules by the Ministries will not occur in future.

7 3.9

--do--

In the note furnished by the Ministry, it has been stated that the expenditure upto 15th March, 1965 had already exceeded the budget provision. If so, the Committee are unable to understand why the question of additional provision of funds, if necessary, by obtaining an advance from the Contingency Fund of India was not examined by the Department of Agriculture immediately after the Pay and Accounts Officer noticed the excess.

8 3.11

Health and
Family Plan-
ning

157

When the stores for which indents were placed in 1963-64 were not received during that year, but in the following year, necessary provision should have been made in that year viz. 1964-65. Had this been done, the excess would have been avoided. The Committee would like the Ministry of Finance to issue suitable instructions on the subject.

9 3.13

Irrigation and
Power

In the opinion of the Committee, an excess expenditure of more than Rs. 6.13 crores against a final grant of Rs. 17.21 crores does indicate lack of proper control over expenditure. In the latter part of February, 1965, Chief Engineer, Farakka Barrage Project had estimated his final requirements at Rs. 18.81 crores. Had the Ministry initiated proper action to meet these requirements, this heavy

excess could have been avoided. The Committee desire that the failure to do so should be inquired into and responsibility fixed.

10 3.15

Works, Housing and Urban Development

The Committee feel that there has been failure in both these cases to provide for required funds due to the failure of the authorities concerned to ask for the funds to meet expenditure which was obviously unavoidable. They hope that the authorities will be more careful in future.

11 3.17

—do—

Law

The Committee desire that as this matter raises an important issue, it should be carefully considered in consultation with the Ministry of Law and other authorities concerned at an early date.

12 3.18

Labour, Employment & Rehabilitation

The Committee feel that "Technical difficulties" cannot be accepted as a justification for incurring excess expenditure. They desire that the so called "technical difficulties" should be resolved, in consultation with the Ministry of Finance and Audit to avoid a recurrence of this nature.

13 3.20

Transport & Aviation
(Deptt. of Transport)

The Committee desire that the question of suitably amending the form of the liability Register may be taken up by the Ministry of Finance in consultation with Audit, so that it may give a clearer picture for correctly assessing the quantum of expenditure likely to be incurred in a current year, for the purpose of budgetary control.

14	4.1	Finance	Subject to these observations the Committee recommend that the excesses referred to in para 2.1 above be regularised in the manner prescribed in article 115 of the Constitution.
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