

ESTIMATES COMMITTEE
1960-61

HUNDRED AND EIGHTEENTH REPORT
(SECOND LOK SABHA)

MINISTRY OF FINANCE
(Department of Expenditure)

Action Taken by Government on the recommendations contained in the 55th Report of the Estimates Committee (Second Lok Sabha) on the Ministry of Finance—Department of Expenditure.



LOK SABHA SECRETARIAT
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CORRIGENDA

to

HUNDRED AND EIGHTEENTH REPORT OF THE ESTIMATES COMMITTEE ON THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE 55TH REPORT OF ESTIMATES COMMITTEE (SECOND LOK SABHA) ON THE MINISTRY OF FINANCE - DEPARTMENT OF EXPENDITURE.

Page

- 3 col. 4 heading: for 'Govenmen' read 'Government'
- 5 S.N. 24 col. 4, line 4: for 'Teh' read 'The'
- 6 S.N. 27 col. 4, line 6: for 'tp' read 'to'
- 9 S.N. 1, col. 3, 4th line from bottom: for 'he' read 'The'
- 10 S.N. 1, col. 4, para 3, line 14: for 'omissional together' read 'omission altogether'
- 12 S.N. 8, col. 4, line 1: for 're-apprt' read 'reappropriations'
- 14 S.N. 8, col. 4, line 17: for 'frought' read 'brought'
- 21 col. 4, para 3, line 10: for 'be' read 'by'
- 21 col. 4, para 3, line 11: for 'acquir' read 'acquire'

P.T.O.

Page

- 22 S.N. 14, col. 4, line 8: from bottom: *for*
'transactions' read 'transaccions'
- 22 S.N. 14, col. 4, line 4, from bottom: *for 'ad'*
read 'and'
- 25 col. 4, line 18: *for 'he' read 'The'*
- 28 S.N. 17, col. 4, line 3: *for 'perfroms' read*
'performs'
- 28 S.N. 17, col. 4, line 7 from bottom: *for*
'ath' read 'with'
- 30 col. 4, line 4, from bottom: *for 'alo' read*
'also'

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ESTIMATES COMMITTEE

1960-61

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(iv)

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INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee, present this Hundred and Eighteenth Report of the Estimates Committee on the action taken by Government on recommendations contained in the Fifty-fifth Report of the Estimates Committee (Second Lok Sabha) on the Ministry of Finance—Department of Expenditure.

2. The Fifty-fifth Report of the Estimates Committee (Second Lok Sabha) was presented to the Lok Sabha on the 29th April, 1959. The Government furnished their replies to the recommendations contained in the Report between the 24th July, 1959 to the 31st May, 1960. The Study Group 'G' of the Estimates Committee 1959-60 and 1960-61 examined these replies on the 9th March, 1960 and 18th February, 1961 respectively.

3. The Report has been divided into the following Four Chapters:

I. Report.

II. Recommendations that have been accepted by the Government.

III. Replies of the Government that have been accepted by Committee.

IV. Replies of Government that have not been accepted by the Committee.

4. An analysis of the action taken by Government on the recommendations contained in the Fifty-fifth Report (Second Lok Sabha) of the Estimates Committee is given in Appendix VIII. It will be observed therefrom that out of the 33 recommendations made in the Report 24·2 per cent of the recommendations have been accepted fully by Government while 24·2 per cent of the recommendations have been accepted partly. Of the rest, replies of Government in respect of 27·4 per cent of the recommendations have been accepted by the Committee, while replies in respect of 24·2 per cent of the recommendations have not been accepted by the Committee.

NEW DELHI;
The 20th March, 1961.
Phalguna 29, 1882 (Saka).

H. C. DASAPPA,
Chairman,
Estimates Committee.

CHAPTER I

REPORT

In para 12 of the report, the Committee recommended that the continuing schemes should be periodically and systematically reviewed by the administrative ministries and their Internal Financial Advisers with the assistance of technical and other experts and such reviews called for by the Ministry of Finance during the pre-budget scrutiny of such schemes. Government stated in reply that the administrative Ministries were being asked to take necessary action, such reviews being limited to major schemes involving a total outlay exceeding Rs. 25 lakhs. The Committee do not appreciate, why the reviews should be limited to schemes exceeding Rs. 25 lakhs in value. *They feel that at present there is little check exercised by Government over a scheme after it is once sanctioned.* In this connection reference is invited to paras 43—46 of the 96th Report on the Ministry of Rehabilitation (Eastern Zone) reproduced below:—

“43. Funds are provided by the Government of India to the State Governments for implementing various schemes prepared by them and approved by the Ministry of Rehabilitation. No watch, however, appears to be exercised by the Ministry of Rehabilitation regarding the effective utilisation of money spent on rehabilitation schemes. It may be that if such a watch is to be maintained the Rehabilitation Ministry may have to be strengthened by adequate staff.

“44. In reply to a question enquiring about the expenditure incurred on various rehabilitation schemes and the number of displaced persons who were given assistance against each scheme, the Ministry of Rehabilitation have replied as below:

“During the last twelve years since partition thousands of schemes of relief and rehabilitation have been sanctioned by this Ministry involving an expenditure of over Rs. 148 crores upto March, 1959. Schemes of rehabilitation cover a large number of items, such as Housing loans of various kinds for purposes of gainful employment, education, Training etc. To catalogue all individual schemes with dates of sanctions with information about the expenditure incurred against each will involve not only considerable labour but will take months and also require the recruitment of substantial additional staff. All schemes are implemented by the State Governments. Information will, therefore, have to be collected from the different States and Account-

ants General to determine the up-to-date expenditure incurred against each one of them."

"45. When this matter was discussed with the Secretary of the Ministry of Rehabilitation he replied that some sort of progress report on schemes was received from the State Governments but he could not say as to how far a particular scheme had fructified. Similarly, when a Study Group of the Committee during their study tour of Terai Settlement where East Pakistan displaced persons have been settled enquired whether loans sanctioned by the State and the Co-operative Societies had been disbursed to the displaced persons, the Deputy Commissioner, Rehabilitation Department, U. P. stated that he could not say whether the amounts had been disbursed by the Societies or not.

"46. The Committee feel it strange that while the entire loans and grants are being provided for by the Rehabilitation Ministry they should not know how far the amounts had been sanctioned and in what way they were being utilised. They feel that responsibility of the Government cannot be considered to be over after the expenditure has been sanctioned. It is necessary that there should be a means to ensure that the expenditure has been incurred properly and the expected results have been derived. The Secretary of Rehabilitation admitted during evidence that this was a lacuna in the system. The Committee, therefore, recommend that consistent with the programme of the phased winding up of the Ministry some machinery should be evolved to evaluate the result of the schemes financed by the Government of India atleast on a sample survey basis."

2. The Committee consider that the responsibility of the Government cannot be deemed to be over after issue of a Sanction. They feel that an effective means should be devised to watch over the progress of the schemes so that if there is scope for economy it may be availed of or if the expenditure is being incurred wastefully it may be arrested. They, therefore, suggest that the recommendations contained in para 12 of the 55th Report may be reconsidered.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

S. No. of the recommendation	Ref. to para No.	Summary of recommendation	Reply of Government
1	2	3	4
11	28	<p>The Committee further recommend that a history card of each major contract and agreement entered into so far and in future by or on behalf of the Government be prepared indicating therein the various steps through which the negotiations passed, the difficulties which were encountered, how they were overcome and other particulars. Such a record and its analysis would provide safeguards against recurrence of the same defects while entering in to contracts and agreements in future.</p>	<p>In view of the complicated nature of the various contracts entered into by the Government of India from time to time, it is considered impracticable to prepare a detailed history card as suggested by the Estimates Committee. However, it has been decided that the Projects Coordination Cell set up in the Department of Expenditure should collect all the agreements/contracts entered into from time to time and keep them handy. The Heads of Divisions of the Expenditure Deptt., insending such contracts to the Cell, have been requested to give their remarks as to any special features of particular contracts which have to be noted and also to keep the Cell informed of any subsequent difficulties arising during the currency of the contracts and the nature of the solution adopted.</p>

The Projects Coordination Cell will periodically circulate to all the Heads of Divisions in the Department of Expenditure a list of all contracts/agreements available, bringing out the special features and conditions, including special difficulties, if any, encountered later in particular contracts, etc., which are likely to be of interest to them.

Ministry of Finance (Deptt. of Expenditure) O.M. No. 10(3)E(Coord) 59 dated 24th July, 1959.

4

The Finance Ministry accepts this recommendation. Suitable action will be taken if cases in which objections have been raised piecemeal by officers of the Finance Ministry are brought to notice.

Ministry of Finance (Deptt. of Expenditure) O. M. No. 10(3) E(Coord) 59 dated 24th July, 1959.

The Finance Ministry accept this recommendation. Steps will be taken to implement it.

Ministry of Finance (Deptt. of Expenditure) O.M. No. 10(3) E (Coord) 59 dated the 24th July, 1959.

The Committee recommend that Secretaries of Administrative Ministries may once a quarter send a list of cases in which delays have taken place or in which objections were raised by officers of the Ministry of Finance piecemeal to the Secretary of the Department of Expenditure in order to enable the latter to investigate into the cases in a concrete manner and to take suitable action against those who are responsible for them.

As the responsibility with regard to the formulation and interpretation of various Rules rests with the Establishment Division, the Committee suggest that that Division should undertake the publication of such compilations periodically.

In regard to sub-delegation or re-delegation of financial powers by the administrative Ministries to subordinate authorities, the Committee regret that the administrative Ministries should have taken a long time to make the necessary proposals and thereby caused unnecessary delay and avoidable expenditure in the execution of development programmes. They, however, hope that the administrative Ministries will not display any tendency to retain the financial powers with them and starve the subordinate authorities of their necessary share. The Committee consider that urgent action is called for so that effective decentralization of financial and administrative powers takes place as early as possible. The Ministry of Finance should ensure that administrative Ministries do move in the matter as early as possible and effective action should be taken by them to achieve this.

The Committee feel that the practice of relaxing the rules in favour of individuals is open to abuse and likely to cause dissatisfaction and that it should be allowed only in rare and exceptional cases. While they hope that the delegations suggested earlier would minimise such cases, they recommend that a record of all such cases referred to the Establishment Division for relaxation of Rules and the cases in which relaxations were allowed with justification therefor may be maintained in the Department and reviewed from time to time so as to ensure that the relaxations are kept to the minimum.

In the Delegation of Financial Powers Rules, 1958, the Powers of Heads of Departments and administrators of Union territories have been enhanced and re-defined. In regard to subordinate offices, it has been left to the Ministries to delegate powers upto the limit of those given to Heads of Departments. Any additional powers required over and above these, either for Heads of Departments or for others, may be delegated in consultation with the Finance Ministry according to the level of responsibility devolving on the officer concerned. The attention of the Ministries is being drawn to the recommendation of the Estimates Committee.

Ministry of Finance (Deptt. of Expenditure) O.M. No. (3)E(Coord)/59 dated the 24th July, 1959.

The recommendation is accepted and suitable instructions are being issued to the Branches of the Establishment Division to maintain a register of relaxations as proposed by the Committee. The relaxations will also be reviewed from time to time.

Ministry of Finance (Deptt. of Expenditure) O.M. No. 10(3)E(Coord)/59 dated the 24th July, 1959.

The Special Reorganisation Unit has been asked to study the organisation, the working and the procedures of work in the Establishment Division.

Ministry of Finance (Deptt. of Expenditure) O. M. No. 10(3) E (Coord)/59 dated the 24th July, 1959.

The Committee feel that the presence of a large number of subordinate staff in the Establishment Division indicates that the usual routine of noting by clerks, Assistants, Section Officers, Under Secretaries/Deputy Secretaries goes on and that it would be interesting to know with reference to files as to the number of notes which are written by different categories of staff on the same matter in the Establishment Division. The Committee recommend that the organisation, the working and the procedures of work in the Establishment Division should be comprehensively examined with a view to reducing its strength drastically.

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The number of Investigations of accounting systems conducted by the Cost Accounts Branch has been of the order of only 2 or 3 annually which seems an insignificant figure considering the number of public undertakings in the country. The Committee recommend that the Ministry of Finance might draw up a programme so as to complete one round of examination of cost accounting systems of the various public undertakings in as short a period as possible.

64

A study of the accounting systems in the Public Undertakings by the Cost Accounts Branch of the Finance Ministry can be undertaken only in consultation with administrative Ministries. In this connection the autonomy of the undertakings has also to be kept in mind. Steps to draw up a programme for such investigations are being taken in consultation with the administrative Ministries and the undertakings concerned.

Ministry of Finance (Deptt. of Expenditure) O.M. No. 10(3)E(Coord)/59 dated the 24th July, 1959.

The Committee also recommend that pending the availability of trained personnel of their own, Government might utilise to the extent possible such cost accounting and consultancy organisations as are already available in the country for the duties to be allotted to the enlarged Cost Accounts Branch.

The recommendation of the Committee is accepted in principle. It has, however, been found in a few cases that the fees charged by professional consultants for laying down new Systems of costing are on the high side. Government are, therefore, relying more and more on the resources available in the Cost Accounts Branch of the Finance Ministry. To the extent absolutely necessary, the services of private Cost Consultants will also be utilised.

*Ministry of Finance (Dept. of Expenditure) O.M.
No. 10(3) E(Coord)/59 dated the 24th July, 1959.*

CHAPTER III

REPLIES OF GOVERNMENT THAT HAVE BEEN ACCEPTED BY THE COMMITTEE

S. No. Reference (as in the Appendix para No. of the Report	Summary of Recommendation/Conclusion	Reply of the Government
(1)	(2)	(3)
(4)		(4)

8

I 8-9 It is evident that after a policy or a scheme is included in the Plan, the scope for examining the propriety or necessity of that policy or scheme would be limited. The Committee consider it highly unsatisfactory that the Ministry of Finance should undertake the financial scrutiny of a scheme after its inclusion in the Plan. Elementary commonsense indicates that financial aspects of a scheme or project should be thoroughly examined prior to its consideration by the Planning Commission so that all aspects, among which financial aspect is no doubt important, are before the Commission and the approved

The Plan in the Public Sector includes two sets of schemes, *viz.*, (i) those in the State Plans and (ii) those in the Central Plan. The former have to be scrutinised in a detailed manner by the State Administrations and their Finance Departments. In regard to the latter, the Ministries and the Planning Commission can exercise only a broad check at the stage of formulation of the Plan. In the case of certain types of capital schemes, *e.g.* Irrigation & Power, Water Supply, Roads Soil Conservation, etc., there are special agencies to make a detailed check. For instance, it has been laid down that no Irrigation & Power schemes

plan is realistic. The Committee have no doubt that this neglect on the part of the Finance Ministry has led to certain grievous errors in the past, e.g. the Steel Projects and the Dandakaranya Scheme were included in the Plan and later in the Budget without adequate financial scrutiny. The Committee recommend that every paper prepared at the planning stage by an administrative Ministry for approval either by the Minister concerned or the Planning Commission or the Cabinet should be accompanied by a note by the Internal Financial Adviser of the Ministry in regard to the financial implications of the policy or the scheme in question. The financial implications together with broad details of the schemes under examination should be made available to the Finance Ministry to enable the Minister of Finance as a Member of the Planning Commission and; he Cabinet, to explain the full financial implications of a policy or scheme to the Commission or the Cabinet before approval is given by them.

will be included in the Third Plan unless their investigation and scrutiny by the technical Committee have been completed. Instructions have also been issued to the Ministries by the Planning Commission, at the instance of the Finance Ministry, that any scheme with a large financial implication should be put up to the Planning Commission only after it has been broadly examined by the Finance Ministry and after their preliminary views on the economic and other aspects of the scheme as also the preliminary comments of other Ministries concerned have become available *vide* *Planning Commission's Office Memorandum No. Plan/86/23/59, dated the 18th May, 1959 addressed to all the Ministries of the Government of India.

2. The procedure to be followed by Ministries for such consultation with the Ministry of Finance has also recently been chalked out in respect of cases where advance action has to be taken during 1959-60 and 1960-61 in regard to projects to which high priority has to be given in the Third Five Year Plan and suitable instructions to Ministries are being issued in this regard by the Planning Commission. According to this procedure, after priorities for the selected projects have been determined by the Planning Commission, the Ministries concerned will process them with the Ministry of Finance. The Ministry of Finance for their part, will clear the projects only after preliminary examination of their costs and economics. It has also been agreed that

before the Planning Commission accepts the estimates of cost for individual projects for inclusion in the Third Plan, the Finance Ministry will go into the estimates carefully.

3. In regard to the scrutiny to be exercised, a distinction has to be drawn between the procedure for including a scheme in the Plan and that for undertaking its execution after the scheme has been approved generally. It may not always be possible in practice to secure that full details of a scheme are made available even at the stage of its acceptance in principle. The insistence on a prior and detailed scrutiny before inclusion in the Plan, apart from leading to delays, may not also be practical proposition for relatively small schemes. Moreover the acceptance of a scheme in principle and its inclusion in the Plan will not preclude its omission together at a later stage either on the ground that its detailed costs as estimated later are not economic and that the scheme might not have been accepted in principle earlier, if those higher costs had been known then, or on the ground that the resources have shrunk and other schemes of higher priority have to be undertaken.

4. In view of the position stated above, Government consider that the spirit of the recommendation

of the Committee will be adequately served by the procedure already laid down in the Planning Commission's Office Memorandum of the 18th May, 1959 referred to above and the subsequent instructions that are proposed to be issued by the Commission in this regard.

Ministry of Finance (Deptt. of Expenditure) O.M. No. 10(10)E(Coord)/59 dated the 17th October, 1959.

4 15-16 In regard to new schemes, the Committee fail to see what good it does either to the administrative Ministry or the Finance Ministry to by-pass the prescribed procedure and to dispense with pre-budget scrutiny. They regard it unsatisfactory that the Finance Ministry should allow itself to be hustled into accepting raw and ill-conceived schemes for inclusion in the budget. Such a procedure obviously results in presenting rough estimates to Parliament which may eventually prove to be wrong estimates, laxity of control over the financial aspects of the schemes and eventual delay in the execution of the schemes. The Committee are of the view that the Finance Ministry has a duty and a responsibility to ensure that no scheme which has not been scrutinized is included in the Budget. In case such schemes mature during the course of a year and are required to be taken up urgently, Supplementary Demands could always be presented.

This recommendation is accepted in principle. The Finance Ministry have already informed the Ministries accordingly in their Office Memorandum No. F.9(5)-E (Coord)/58 dated the 18th August, 1958, copies of which have already been furnished to Estimates Committee. It may, however, be necessary in urgent or special cases to incur expenditure on a part of a scheme straightway (e.g. on securing plant and machinery, training of personnel, etc.) pending the working out of a fully detailed and complete scheme, so as not to delay implementation of the Scheme.

Ministry of Finance (Deptt. of Expenditure) O.M. No. 10(3)E(Coord)/59 dated the 24th July, 1959.

7 21 Now that the country has launched a gigantic economic development of the country and the whole context of budgeting has changed, the Committee recommend that the present classification of estimates of expenditure in Budget Papers should be changed as indicated in para 21.

There is not much difference between the sub-heads adopted at present and those suggested by the Committee. In fact, the present sub-heads are more elaborate and facilitates audit processes. The question of giving further elaboration in the case of Allowances is also under consideration.

With effect from the current year, Plan expenditure is being shown separately from non-Plan expenditure in Part III of the Demands for Grants. This separate exhibition is, as far as practicable, by schemes and also by sub-heads. A further sub-division by continuing schemes and new schemes would involve a large multiplication of details. Further, considering the short time during which all the Budget documents have to be prepared, the preparation of such elaborate details is impracticable.

*Ministry of Finance (Deptt. of Expenditure) O.M.
No. 10(3) E(Coord)/59 dated the 24th July, 1959.*

8 23 The Committee feel that since the scheme of internal financial advice was put into effect only six months ago, it is yet too early to come to any final judgement. They would however, like that before an opinion is formed, a list of the lapses on the part of internal financial advisers

Whenever estimates go wrong, re-appraise where place, etc., an investigation is made and, where possible, suitable instructions are issued and other action taken, as necessary. Similarly defects relating to the working of the internal

is prepared to assess the true worth of that advice *vis-a-vis* the advice given by the Ministry of Finance in similar circumstances. The Committee also recommend that wherever estimates go wrong, reappropriations take place, demands for additional funds as a result of increase in costs of schemes are made, Supplementary Demands are asked and lapses of funds take place, a regular *postmortem* should be held to determine the reasons which led to the wrong estimates and to fix responsibility therefor. The lessons learnt from such an examination if pooled and circulated to all Ministries would undoubtedly improve preparation and scrutiny of estimates in future.

Further information required by the Committee.

A comprehensive note indicating the points emerging out of a review, if the same has been conducted, may please be furnished for the information of the Estimates Committee.

L.S.S. No. 44-EC/59 dated 19-4-1960.

financial advice scheme are looked into as and when they are brought to light and remedial action taken. The entire scheme of budgeting and financial control introduced in August, 1958 is expected to be reviewed in consultation with the administrative Ministries after it has been in force for a year.

Ministry of Finance (Deptt. of Expenditure) O.M. No. 10(3)E(Coord.)/59 dated the 24th July, 1959.

The scheme of budgeting and financial control introduced in the Expenditure Department's Office Memorandum No. F. 9(5)-E (Coord)/58 dated the 18th August, 1958, has been reviewed in consultation with the administrative Ministries. It has been agreed that the scheme has been working satisfactorily. With a view, however, to achieving expedition in the disposal of work, several Ministries have preferred combined arrangements for internal and external financial advice work.

Under this system officers of the Department of Expenditure accredited to particular Ministries for financial advice also function as internal Financial Advisers to those Ministries. With but a few exceptions the combined arrangements have already been introduced and are working satisfactorily. A statement is attached showing the Ministries in which separate internal Financial Advice arrangements still exist (Appendix I).

In para 7 of the Office Memorandum No. F. 9(5)-E (Coord)/58 dated the 18th August, 1958, it had been stated that all cases in which the advice tendered by the Financial Adviser of a Ministry was not accepted should be referred to the Secretary of the Ministry for orders and that if the Secretary also differed from the advice, the case should be brought to the notice of the Minister. A monthly statement of cases in which the Financial Adviser's view had not been accepted was to be forwarded to the Ministry of Finance for information, a copy being endorsed to the Comptroller & Auditor General of India simultaneously. The position in this regard has been examined in the light of the experience gained and the small number of such cases that have arisen so far. It has been decided that the authority to overrule the advice of the internal Financial Adviser should henceforth be vested

in the Secretary of the Ministry concerned. Orders have accordingly been issued *vide* O.M. No. F. 9(2)-E(Coord)/60, dated their 14th May 1960 (*vide* Appendix II).

Delegation of Additional powers to Ministries:

It has been decided that additional powers should be given to the Ministries as indicated below—

(1) At present Ministries have no power to augment the provision under 'Pay of Officers' or 'Pay of Establishments' by re-appropriation. It is now proposed that they should have power to reappropriate between the primary units "Pay Officers" and "Pay of Establishments". The restriction on augmenting the provision of "Pay of Establishments" and "Pay of Officers" put together by re-appropriation from other units of appropriation will continue.

(2) At present re-appropriation is forbidden without the consent of the Finance Ministry between the primary units under which provision is made for a scheme, if such reappropriation involves augmenting the provision under any such unit by more than 5% or Rs. 1 lakh, whichever is less. It has been felt that this is too restrictive and it is proposed that Ministries should have power to re-appropriate in such cases if it does not involve augmenting the provision under any such unit by more than 5% or Rs. 1 lakh, whichever is more.

(3) In paragraph 4 of the Expenditure Department Memorandum No. F.9(5)-E (Coord)/58 dated the 18th August, 1958, it had been laid down that all proposals requiring Government's approval either for the bulk purchase of commodities not intended primarily for Government consumption but for sale or issue to the public, State Governments, etc., or for the fixation of prices in respect of trading operations either directly or through any of the public undertakings should be referred to the Finance Ministry. It has now been decided that for comparatively small transactions Ministries should have power to decide these matters in consultation with their internal Financial Advisers. It is accordingly proposed that Finance Ministry need not be consulted where the value of the transactions is below Rs. 20 lakhs.

(4) Additional powers are also proposed for local purchase of stationery so long as the present shortage in supplies through the Chief Controller of Printing and Stationery lasts.

It has also been decided that larger powers should be delegated to the Heads of Departments. Specific proposals in this behalf are to be made by the administrative Ministries to the Ministry of Finance.

In the Department of Expenditure Memorandum of the 18th August, 1958, Ministries had been given power to create temporary posts on pay less than Rs. 2,250 p.m. in the prescribed scale for any specified period. It has now been decided to restrict the powers of Ministries in this connection so that they may not create, without the consent of the Finance Ministry, posts on the scale of Rs. 1800-2000 which is not a standard prescribed scale for any specific category of posts in the Secretariat and its attached Offices.

Apart from the above decisions regarding delegation of powers, it may be stated for the information of the Estimates Committee that the Expenditure Department has constantly under review the possibility of delegating more powers to administrative Ministries. Steps are also being taken so that the Divisions of the Expenditure Department accredited to Ministries for financial advice might themselves decide finally as many cases as possible, without a formal reference to the Establishment Division.

[Ministry of Finance (Department of Expenditure)
O.M. No. 9(A)-E(Coord.)/60 dated the 31st May,
1960.]

9 . 24 . The Committee understand that the Department of Expenditure had actually in a limited time to scrutinize a large number of schemes. For this purpose, 4 posts of Deputy Secretaries had been

The appointment of four Deputy Secretaries in 1958 in connection with the budget work was a special arrangement in view of the introduction of the revised scheme of budgetary and financial control

created in the Deptt. of Expenditure for three months to cope with the rush for scrutiny of schemes. This instance indicates how regular staff can remain without full quantum of work for major part of the year and how extra staff has to be employed because of lack of method and co-operation between the various Ministries of Government apart from the fact that financial scrutiny conducted by the temporary officers in a limited time at their disposal must be of inferior type.

just prior to the budget season of 1958. It is not expected that this procedure will be repeated in future years. The observation of the Committee that the staff of the Expenditure Divisions may remain without the full quantum of work for the major part of the year is not borne out by actual experience. The relevant O. & M. statistics, which give an idea of the work handled during the different months of the year are enclosed. (Appendix III.)

Ministry of Finance (Deptt. of Expenditure) O.M. No. 10(3)/(Coord)/59 dated the 24th July, 1959.

12 29 The Committee recognise that it is difficult to lay down any uniform standards of financial scrutiny, particularly when the machinery of Govt. is so complex and their activities so varied and vast. Nevertheless they feel that a system of training of all financial advisers in the methods and application of financial scrutiny should be devised. The Committee also recommend that there should be common cadre of financial advisers who man the posts in the Ministry of Finance, Internal Financial Wings of Ministries and Finance and Accounts Deptts. of public undertakings. The officers should be liable to transfer *inter-se* so that the knowledge and experience gained by them in one post may prove of use to them in similar appointments elsewhere.

The Committee's recommendations for constituting a separate cadre of finance officers to man the posts in the Deptt. of Expenditure, the Budget Division of the Deptt. of Economic Affairs, the Internal Finance wings of the administrative Ministries and the Finance & Accounts Departments of public undertakings have been carefully examined by Govt. in the light of past experience and the existing arrangements for manning such posts. Government consider that there is no need to constitute such a separate cadre for the following reasons :—

(i) The man-power requirements for financial advice work in the organisations mentioned above are roughly of the order of 200. The

The Committee consider that it would be desirable to form a single cadre of the posts in the Department of Expenditure and the Budget Division of the Ministry of Finance, the Internal Finance Wings of the various Ministries and the Finance Branches of the various public undertakings so that persons with experience of various undertakings might be available for posting in the Finance Wings of the various administrative Ministries and the latter for posting in the Finance Ministry. Such an arrangement would facilitate uniform practices and procedures in regard to financial scrutiny being developed in all Ministries and Undertakings. The Committee suggest that an assessment may be made of the immediate and future requirements of personnel for such a cadre and thereafter, a plan drawn up for recruitment, from existing as well as new personnel, and for their training. They would suggest that officers taken into such a pool be given practical experience of the various projects, companies and corporations with the problems of which they might be called upon to deal in the Finance wings of the Administrative Ministries and in the Finance Ministry. The Committee also consider that in order that the Finance Officers in the Secretariat might always remain alive to the practical problems, it would be desirable to have regular interchange of officers and staff among the Ministry of Finance, the Finance

posts are manned at present from the following sources :—

(a) the General Administrative Pool,
(b) Specialised Services, like the Indian Audit and Accounts Service, The Defence Accounts Service, the Indian Revenue Service and other Central Class I Services and

(c) The Central Secretariat Service.

The Indian Audit and Accounts Service and the Defence Accounts Service, between themselves, have a deputation reserve of more than a hundred officers and almost all the officers on deputation from those two services are actually holding appointments of a financial and accounting character at present. The deputation reserve is in fact principally utilised in the manner intended. Again, the Central Secretariat Service, which is a large service, provides a considerable number of Under Secretaries and Deputy Secretaries, who by virtue of their continuous service under the Central Govt. acquire, over a long period of time, expertise in financial matters. A certain number of officers are also drawn from the Indian Revenue Service and from the I.C.S./I.A.S. cadres of the States to man posts intended for financial advice work. These arrangements are adequate for the normal requirements of officers with financial training.

Wings of the administrative Ministries and the Finance Branches of the various undertakings and projects.

(ii) Government companies, who generally require qualified and experienced Chartered Accountants for their Accounts Departments, recruit such personnel direct from the open market as and when required and it may not be desirable for Govt. to undertake to recruit and supply such personnel to them on demand.

(iii) Past experience in regard to the working of the "Finance & Commerce Pool", which was introduced as a separate cadre in 1939 to man specialised posts under the Ministries of Finance and Commerce has shown that it is difficult in actual working, to keep a clear demarcation between pool officers and other officers in the matter of filling up of specialised posts and rotation of officers. The Auditor General was also of the opinion that too specialised a training in Finance and Accounts would not provide officers with sufficient breadth of outlook.

2. The point made by the Comptroller and Auditor General that too much of specialisation has its drawbacks is important. Having regard to this, when the Govt. decided to have a Central Ad-

ministrative Pool of Officers in 1957-58 they carefully considered all aspects of the problem and decided against having a separate branch of the pool for Finance Officers only. In view of this considered decision of Govt. taken so recently, it is thought that it will not be desirable to revert to a system of specialised cadre of Finance and Accounts Officers.

3. As regards training, since most of the officers manning Finance & Accounts posts are drawn from the Audit & Accounts Services, no special training for them is required. Those drawn from the Secretariat Services already possess considerable experience of Finance & Accounts work in their earlier career. That leaves only the officers drawn from the I.C.S., I.A.S. and other Services. For these it is considered that the best course is to let them obtain the necessary training before filling a post. Some of them already acquire such experience in the States from which they are drawn.

*Ministry of Finance (Deptt. of Expenditure) O.M.
No. 10(13)E (Coord)/59 dated the 16th March,
1960.*

14 32 The Committee consider that in view of the provision of Internal and External Financial Advisers for all the Ministries it should be possible to decentralise the work relating to the compilation of the Budget of various Ministries, especially since such compilation after financial scrutiny

The Budget Division deals with the Budget of the Central Government as a whole excluding the Railways, the transactions of which are incorporated in lump, and the work is, therefore, something more than could be contained in a department dealing only with revenue or expenditure.

has been exercised would be mostly clerical in nature and might not need a separate organisation in another Department to do it. The final consolidation after exercising scrutiny and test check could with advantage be done by a small Budget Division located within the Department of Expenditure under unified control so as to facilitate maximum co-ordination in budget scrutiny, compilation and consolidation.

In addition to revenue and expenditure, the Central Government Budget covers a large mass of miscellaneous Debt, Deposit and Remittance transactions, comprehensively called Ways and Means. Work connected with Ways and Means involves the responsibility for keeping anover all view of the flow of Central receipts, and disbursements, the maintenance of an adequate balance with the Reserve Bank and the arranging, in consultation with the Bank, of the short and long-term borrowing of the Government. These functions have to go together and cannot be split up between separate departments without creating confusion.

Ways and Means transactions are either of the nature of loan transactions or banking transactions such as provident funds, small savings, Miscellaneous Debt and Deposit transactions, advances to and repayments by States, etc. The Estimates are based on the broad flow of actuals, information obtained in special cases from the administrative Ministries, the programme of borrowing for the year and such other matters on which special information is available with the Government. None of it (except, perhaps, the framing of estimates dealing with the loans for

specific purposes to the States or others) is of the nature of expenditure estimates. The Department of Expenditure is not better organised for the work than the Department of Economic Affairs.

The formulation of economic policy with its repercussions on taxation, credit and monetary control cannot obviously be done in isolation and is closely related to the Central Budget. The regulation of budgetary deficits and surpluses as a corrective to economic conditions has to take into account the revenue and expenditure, Government investment and borrowing in all its ramifications (long term, floating, small savings, etc.). For all this, it is not merely desirable but essential that the Department of Economic Affairs should have under its roof the branch which prepares the budget and keeps an eye on it as a whole. The fact that the Budget Division obtains a lot of information and estimates from outside, does not alter the fact that an important segment of its work is basically related to that of the Economic Affairs Department.

Nor is the Department of Expenditure-itself, in any way, handicapped by the location of the Budget Division outside. Expenditure control is either control against the grants obtained from Parliament or control over the formulation of schemes finding their way into the Budget. For the first,

which really commences after the Budget is passed by the Legislature, the responsibility is that of individual Ministries who obtain the Demands from Parliament and are, in turn, accountable to it with the assistance of their Financial Advisers. Control at the time of preparing the Estimates has always been exercised by the Department of Expenditure through its accredited Advisers. To the limited extent to which the scrutiny of standing charges is done in the Budget Division it could be transferred to the Department of Expenditure, but it would mean increase in expenditure and some loss of expertise gained over the years by a small and compact body of officials in the Budget Branch.

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The Budget Division, is, thus, much more than a merely mechanical agency for consolidating the estimates and cannot, obviously, belong wholly to any Deptt., either of Revenue or of Expenditure. It has to remain in some residual but wider department of the Ministry as its work straddles both revenues and expenditure and covers other items besides; and, having regard to the impact of the Budget on economic policy and of economic policy on the budget, the proper place for it is the Department of Economic Affairs where it has remained through the changes

made in the structure of the Finance Ministry in the last decade. It has remained a reasonably organic unit over a long period and it would not be desirable to break up this organic unit and scatter the expertise it has gathered over these years.

The Demands for Grants have been arranged by Ministries and included in separate volume for each Ministry this year. It may be possible to hand over the compilation of the Demands for Grants to the Ministries after some time when the organisation of the Ministries and their Internal Finance Divisions has settled down and the latter deals with all the estimates of the Ministry. The compilation and consolidation, however, constitutes only a part of the Budget Division's work and the savings in staff in the Budget Division, which will be mostly in the temporary expansion of staff at budget time, would be more than offset by increases in the various Ministries.

For these reasons, Government do not consider it desirable to make any change in the location of the Budget Division or its basic set up.

Ministry of Finance (Dept. of Expenditure) O.M. No. 10(3) E(Coord)/59, dated the 24th July, 1959.

15 33 The Committee feel that with the decentralization of Budget compilation and the close scrutiny of

Under recommendation No. 14, it has been pointed out that decentralisation of the Budget

expenditure proposals by the Expenditure Division, suggested earlier, there should be scope for considerable economy in the strength of the Budget Division.

to Ministries cannot take place now and it may involve, in any case, additional expenditure. The scrutiny of Standing Charges done in the Budget Division is a seasonal work for which extra staff is added to the Budget Division every year. If this small bit of work is transferred to the Expenditure Department, it may mean some additions to the staff in the Department of Expenditure. In any case, no real economy is possible. Govt., therefore, propose to continue the existing arrangements for budget compilation.

The staff of the Departments of the Ministry of Finance, including the Budget Division, and their methods of work, are subject to review by the Special Reorganisation Unit.

*Ministry of Finance (Deptt. of Expenditure) O.M.
No. 10(3) E(Coord.)/59 dated the 24th July, 1959.*

16 43 It is obvious from a reading of paras 36-42 that neither the S.R.U. nor the O. & M. Division and Units have fulfilled even a part of the expectations with which they were started. After many years of working both had to be re-organised, and even then it cannot be said the they have performed functions commensurate with the expenditure incurred on them. Rather, the

The Director, O. & M. conducted a review of the working of the O. & M. Division in the manner indicated by the Estimates Committee. The results of the review were discussed at a meeting of the Economy Board at which several Secretaries to the Government of India were invited. The following broad conclusions were reached :—

Committee regret to note, considerable time and money have been spent on futile work and, as the impression goes, the O. & M. Units have perhaps considerably added to the useless procedures, and over-burdened the already slow system of Secretariat working. The Committee consider that the time has come for a thorough review of the functions and the organization of both the S.R.U. and the O. & M. Division and the O. & M. Cells in the various Ministries. The Secretary, Department of Expenditure, informed the Committee that the present Director, O. & M. Division would review other present working of the Organisation and offer his suggestions for improving it. The Committee feel that it would be desirable to associate with the Director, during his review of the O. & M. working, one or two Senior Secretaries to Government who had experience of the O. & M. work in their Ministries.

The Committee do not consider that there is adequate justification for maintaining the S.R.U. and the O. & M. Organisation as distinct units under two different Departments. Since the Cabinet Secretariat has no executive functions to perform, the Committee recommend that the S.R.U. and the O. & M. Organisation, *i.e.*, the O. & M. Division and the various O. & M. Units, be combined into a single Organisation, with a unified control under the Ministry of Finance so as to enable the combined organisations to effect speedily economy consistent with efficiency.

(a) O. & M. work should be mainly the responsibility of the Ministries themselves both in respect of their own organisation and their Attached and Subordinate Offices. The O. & M. Division in the Cabinet Secretariat being essentially only a nucleus cell for co-ordination, training and ensuring that necessary attention is being paid to the subject.

(b) The O. & M. officers of the Ministries concerned should utilise increasingly the method of work studies for carrying out their work in addition to the usual duties of such an officer, namely, an inspection of the various mechanisms of control which have been devised for the efficient disposal of work in the Secretariat and in organisations subordinate to it.

(c) The S.R.U. should step up its training programme and train at least one team in each Ministry for work studies in as short a time as possible.

(d) Until the Ministries have enough trained staff, the work studies should be conducted by the S.R.U. as hitherto according to an approved programme. The S.R.U. has accordingly been strengthened and the new staff has been detailed for appropriate duties after giving them a training of 12 weeks in work study.

(e) The objectives of the O & M. Directorate and of the S.R.U. are similar and complementary, but not identical, and each performs work of a distinctive character. Work study implies a study of organisational structure that gives rise to work, scheduling of work, procedures for carrying it out and staff measurement standards after a work simplification programme has been undertaken. During the process, other aspects than staffing also come under study. It is therefore necessary that the staff carrying out work studies should have close nexus with the Financial advisers and the Head of the Unit should be able to participate in the internal discussions of the Finance Ministry. Similarly the O. & M. Division in concerned with the day to-day functioning of the Secretariat with a view to the efficient despatch of business and has therefore to be in close touch with the Cabinet Secretariat. The location of the two units has been determined solely from the point of view of facilitating work.

(f) Since both the Units cover practically the same organisations on various aspects of administration, there is a possibility of a

18 46 The Committee feel that the first task of the Ministry of Finance should be to prune effectively the staff at present employed in the S.R.U. and the O. & M. Organisation and Units (given in para 45) so as to reduce it to the barest minimum and to evolve a compact single organisation which should be a model of efficiency based on considerations of maximum of economy. It is only then that such an organisation would be in a position to inspire confidence and influence decisions. The Committee also recommend that the work studies carried out by it should be published in the annual reports of the Ministries and the economies effected as a result thereof

indicated clearly in such reports. This organisation should endeavour to lay down scales of work for each job on scientific and business principles and the staff strengths should be based in the light of such conclusions and not on *ad hoc* or haphazard or conjectural basis.

The Committee emphasize that the strength and quality of the personnel employed in the Economy Division, their methods of procedures of work and their achievements should be reviewed from time to time so that the instrument for devising and effecting economy in administrative expenditure does not itself become a source of additional expenses to Government, as has been the case in the past.

certain amount of overlapping. This possibility is greater at a time when an intensive programme is being undertaken for carrying out work studies. It is difficult to visualise the State of affairs on a fairly long term basis in this matter. It has, therefore, been decided that, for some time to come, both the S.R.U. and the O. & M. Division should be under the same officer to obviate duplication of work and possibility of divergent advice being offered and occasions for any impression by the Ministries that the Units concerned are performing identical functions. Since the officer concerned will also be Secretary, Committee on Plan Projects, this arrangement will provide unified direction of work relating to administrative improvement and cost reduction programme which are closely inter-related.

(g) During the transitional period both Units will carry out work studies. As soon as trained man-power is available, the major part of the ground work now covered by both the Units will be transferred progressively to the Ministries concerned. By then staffing standards would have been worked out for the majority of organisations and important procedures of work would have been studied.

(h) The functions of the two Units will be reviewed thereafter and as far as can be

visualised, they will exist for the purposes of ensuring uniformity, where necessary, in standards and procedures, for special tasks relating to inter-ministerial procedures, and for disseminating "know how".

Extracts from a note recorded by Shri K. P. Mathrani, the Director, O. & M. Division who conducted a review of the working of the Organisation, indicating briefly the achievements of the O. & M. Organisation during the period 1954 to 1959 are attached (Appendix IV). The results of the studies carried out by the Special Reorganisation Unit since 1957 are indicated briefly in the note at Appendix V. The criticism that the staff employed has not yielded commensurate results is a matter of judgment, as in expanding activities of Government it is not possible to secure a *net* reduction in expenditure but Government can assure the Estimates Committee that this aspect will be fully kept in view.

The administrative Ministries are also being requested to publish in their annual reports the results of the work-studies carried out by the S.R.U. and the O.&M Division, indicating clearly

the economies effected as a result of such studies in each Ministry/Department/Office.

Ministry of Finance (Department of Expenditure O. & O M. No. 10(21) E (Coord)/59 dated the 15th March, 1960.

23 At the same time, to prevent any abuse of power, either deliberate or through *bona fide* mistake, the Committee recommend that it should be the responsibility of the Finance Ministry to review the exercise of delegations to administrative Ministries. Similarly, it should be the responsibility of every administrative Ministry and its Internal Financial Adviser to review from time to time the exercise of delegations made to its subordinate authorities. Such reviews should also be directed to ensure that powers given to various authorities are in effect exercised and not shirked.

31 Regarding exercise of powers by the Ministries, it has to be noted that the additional powers have been given to them to be exercised in consultation with the internal Financial Advisers. There is also a provision for communicating to the Finance Ministry and to the Comptroller and Auditor General of India any matter in which the advice given by the I.F.A. is over ruled. In view of this, it is not considered that a review of the exercise of delegated powers by the administrative Ministries is necessary as a matter of routine. If, however, any special irregularities are brought out in the Audit Reports requiring a review of the powers given to particular authorities, this will be done at the appropriate time.

As regards the review of the exercise of powers given to authorities under the Ministries, the attention of Ministries is being drawn to this question on a similar recommendation made by the Public Accounts Committee in their 8th Report.

Ministry of Finance (Department of Expenditure O.M. No. 10(3) E (Coord)/59, dated the 24th July, 1959.

25 58-59

The statement in the Fourth Annual Report of the O. & M. Division that during the seven months of the year 1957-58 the disposal of cases in the Establishment Division in a month invariably fell short by over 25% of the receipts in that month is significant. Such delays should give rise to concern to the senior officers of the Ministry of Finance. The Committee recommend that a record of all clarifications, amendments, retrospective sanctions and time taken in disposal of references in the Establishment Division should be maintained and reviewed periodically by the senior officers with a view to determining the reasons and taking suitable remedial steps including disciplinary action against persons responsible.

The percentage of undisposed of receipts at the end of a month in the Establishment Division largely represents cases which require consideration in consultation with other offices like the office of the C. & Ar. G., Ministry of Home Affairs, Law Ministry, etc. and some which may need more elaborate consideration with a view to amending rules and regulations. In other words the entire delay of over a month is not attributable to the Establishment Division itself. A watch-over the disposal in the Establishment Division is kept through O. & M. Statistics and Charts and lists of cases actually remaining undisposed of are reviewed from time to time by the officers concerned upto the level of Joint Secretary. Case studies are also conducted as and when required with a view to fix responsibility for inordinate delays, if any. Important orders containing clarifications, relaxations, etc. are noted in the Sectional Note Books and Guard Files.

In other words, the periodical review contemplated by the Estimates Committee is already being done.

Ministry of Finance (Department of Expenditure)
O. M. No. 10 (3) B (Coord); 59, dated the 24th July, 1959.

29

The services of the Cost Accounts Branch would be invaluable both in analysing past contracts and agreements and at the time of negotiating agreements in future and recommend that these be included in the functions of the Cost Accounts Branch.

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The suggestion of the Estimates Committee that the Cost Accounts Branch should be utilised for analysing past contracts and agreements is not quite practicable, considering the nature of the personnel employed in the Branch and the nature of the various contracts entered into from time to time. The role of the Cost Accounts Branch is, for these reasons, limited to verifying cost where monopoly conditions exist and to such other items of costing work which the Branch is competent to handle. Analysis of every contract and agreement would cover a much wider field and would be beyond the scope of the cost Accounts Branch.

Ministry of Finance (Department of Expenditure)

O. M. No. 10. (3) E (Coord.) 59 dated the 24th July, 1959.

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The Committee feel that the Cost Accounts Branch would need to be reorganised after the duties suggested earlier are allotted to that Branch. They recommend that the suggestions in this regard contained in para 67 may be examined by the Ministry of Finance quickly.

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The suggestions of the Committee have been noted and the organisation of the Cost Accounts Branch will be regulated according to the flow of work and in the light of the decisions on recommendations Nos. 27 to 29 above.

Ministry of Finance (Department of Expenditure)

O. M. No. 10(3)-E(Coord.) 59 dated the 24th July, 1959.

CHAPTER IV

REPLIES OF THE GOVERNMENT WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

S. No. of the Recommendation	Ref. to Para No.	Summary of Recommendations/ Conclusions	Reply of the Government	Comments of the Committee
1	2	3	4	5
2	11	<p>The Committee consider that notwithstanding the responsibility of the Budget Divn. the administrative Ministries have an important responsibility in the control of Standing Charges and, for that purpose, they should conduct properly directed periodical reviews. The Ministry of Finance should call for these periodical</p>	<p>The administrative Ministries have been requested to conduct properly directed periodical reviews of their Standing Charges through their internal Economy Committees and to forward reports of such reviews to the Finance Ministry, for examination in the Expenditure Divisions concerned.</p>	<p>The Reports of reviews made by Administrative Ministries should be scrutinised by the Ministry of Finance and results thereof indicated in their Annual Reports.</p>

In practice, there will be little scope for significant economy in Standing Charges, as most of the Ministries and offices are carrying considerable temporary establishments and also have development schemes which are provided for under "fresh charges". In the Finance Ministry, even now, proposals for continuance of temporary staff or for extra staff or for conversion of temporary staff into permanent staff are critically examined. In suitable cases, the Economy Division also looks into such demands and, in fact, even into the existing strengths. The connected expenditure on contingencies, etc., follows as a consequence. In the circumstances a thorough examination as a matter of routine in the Economy Division of the proposed periodical reviews to be conducted by the administrative Ministries, it is felt, would only be academic. Nevertheless, it is proposed that the Special Reorganisation Unit

reviews and have them thoroughly examined by its Economy Division with a view to exploring scope for economy well in advance of the approval of the Estimates. The Committee also recommend that the results of such reviews should be embodied in the annual reports of the Ministry and their monetary values indicated clearly and correlated with the Estimates in question.

the pre-Budget scrutiny of such schemes. Cases of non-compliance with this procedure by an administrative Ministry should be reported by the Finance Ministry to the Cabinet for such action as they consider necessary.

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17

In regard to grants-in-aid given to quasi-Government and private agencies, the Committee feel that the checks exercised at the pre-Budget stage are more with reference to the policy and the size of the grants rather than with reference to the actual use to which the grants have been put by the grantees and the benefits derived therefrom. In the circumstances, the Committee doubt whether there is any financial control, both Executive and Parliamentary, over the expenditure incurred by way of grants-in-aid out of public revenues. They recommend that the concerned administrative Ministry and its Internal Financial Adviser should obtain annually

Rules for the guidance of the authorities sanctioning grants-in-aid already exist. (Appendix VI). The attention of the Ministries is being invited to the recommendation made by the Estimates Committee and they are being requested to send to the Finance Ministry reports reviewing the utilisation of grants-in-aid.

The Committee consider that in addition to the review of utilisation of grants-in-aid by grantees the sanctioning authority should also exercise some scrutiny over the physical progress achieved in order to verify that it is commensurate with the expenditure incurred.

a performance or achievement report from the grantee in respect of each grant and with the assistance of some leading non-official interested in the object of the particular grant, review annually its utilisation so as to regulate the payment of the grants-in-aid in future. They also recommend that a review on the utilisation of the grants-in-aid specifying in details the achievements *vis-a-vis* the amounts spent should be included in the annual report of the Ministry concerned.

6 18—19

The extent of scrutiny exercised in respect of contributions to international bodies is even less since they are treated as obligatory payments on account of international agreements. The Committee recommend that in regard to such payments also the administrative Ministry concerned should attempt a

Contributions to international bodies of which India is a member are made on the basis of settled patterns. Such contributions are continued only so long as India's membership is considered useful. It may not be possible to evaluate in concrete terms the return or benefit to India

In para 13-15 of the 73rd Report the Committee has suggested that a report of the activities of certain international institutions so far as they relate to India is presented to Parliament every year. Constitutions made to such bodies may be shown in these reports.

periodical review of the benefits flowing therefrom in its annual report. In this connection, the Committee also invite attention to the fact that in U.K. all grants-in-aid and contributions to international bodies are broadly indicated in Part I of the Estimates of a Ministry and as such reproduced in the Appropriation Act which is enacted by Parliament. Such a procedure serves to pinpoint the extent of grants given to non-governmental bodies most of which are outside the purview of the Comptroller and Auditor-General. The Committee recommend that such a procedure be adopted in India also.

from membership of the various bodies.

As regards the suggestion that, as in the U.K., grants may be indicated in Part I of the estimates of the Ministry and reproduced in the Appropriation Act, it may be stated that the details given in the Indian Budget, included under a number of sub-heads, are far more extensive than in the U.K. Moreover, as grants are already exhibited either under distinct sub-heads or in the details of Part III of the Book of Demands, no additional advantage is likely to be served by following the U.K. Procedure. A statement showing contributions to International bodies is already included as an annexure in the Explanatory Memorandum on the Budget of the Central Government.

The Ministry of Finance (Department of Expenditure) O.M. No. 10(3)(Coord)/59 dated the 24th July, 1959.

10 27 The Committee reiterate the suggestion made by them in their Report on the Ministry of Steel, Mines and Fuel—Hindustan Steel Limited (Thirty-Third Report—Second Lok Sabha) that all negotiations for large agreements and contracts should be conducted by a Committee of technical as well as financial experts rather than by individuals. They suggest in this connection that the financial aspects of all big contracts and agreements should, before their finalisation, be got examined by a team of financial experts instead of by a single Financial Adviser who is generally associated with the negotiations. The Committee suggest that a record should be maintained of the negotiations as well as examinations so conducted so that the attempts that were made by the negotiators for securing

The suggestion that all negotiations for large agreements and contracts should be conducted by a committee of technical as well as financial experts is accepted. In fact, this is the practice now adopted.

As regards association of financial experts, the present practice is to include in the negotiating Committee only the concerned Financial Adviser or the Joint Secretary concerned in the Finance Ministry. It is not considered practicable to associate more officers of the Finance Ministry with such negotiations which are generally protracted and cover a period of months. Important points arising in the course of negotiations can be brought up by the Joint Secretary of the Finance Ministry concerned at the Weekly Meetings of Additional and Joint Secretaries held under the

It was not suggested that more than one Financial Adviser should be appointed on the Negotiating Committee. The object of the recommendation was that when draft agreements came up for approval of Government, they should be scrutinised by a team of financial experts instead of by a single financial adviser.

It has been indicated that important points arising in the course of negotiations can be brought up at the weekly meetings of the Additional and Joint Secretary held under the Chairmanship of Secretary (Department of Expenditure). These meetings should be put on a formal footing and officers concerned with negotiations should bring before the Committee salient points of the contracts etc.

better terms would be available on record.

Chairmanship of Secretary (Expenditure). Recently a cell has been established in the Ministry of Finance (Department of Expenditure), to deal with matters relating to Government companies and Corporations. This cell has also been entrusted with the task of keeping a record of important contracts/agreements with a view to supplying necessary information to the officers concerned with negotiations as and when required. The Heads of Divisions in the Expenditure Department concerned will supply to the cell, for purposes of record and subsequent use, any special features of particular negotiations conducted by them.

The Ministry of Finance (Department of Expenditure) O.M. No. 10(3)E(Coord)/59 dated the 24th July, 1959.

20 The Committee deplore the halting attempts so far made to review and simplify the Rules and Regulations and

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The work of recodification of the financial rules relating to the service conditions of the Central Civil Services was

The Committee suggest vigorous steps to bring out at an early date the revised and upto-date editions of all rules and regulations incorporating

the little progress made in the matter during the last ten years. The need for an early review, simplification and recodification of all financial rules and those relating to service conditions so as to suit the changed circumstances and the existing service conditions needs no emphasis. The Committee, therefore, hope that even now speedy action would be taken to complete the work.

taken up by this Deptt. in 1951 with the assistance of an inter-departmental committee consisting of the representatives of Finance, Law and Home Ministries and the C. & A.G. Till 1956, this committee had finalised the draft of the new codes relating to Pay, Leave and Compensatory Allowances and had also examined the draft travelling allowance rules and the draft of the rent rules. Only pension rules remained to be drafted. Further action was suspended, consequent on the setting up of a committee in September, 1957 in the Ministry of Home Affairs for the work of simplifying and revising the existing Codes and Manuals. After making a rapid survey of the existing service rules and after obtaining the comments of the various Ministries about the difficulties experienced by them in the application of the differ-

the changes in the light of decisions on the recommendations of the Pay Commission may be taken.

rent Rules, this committee has submitted a preliminary report indicating the basic changes that would be necessary in the leave and pension rules for achieving further simplification of these rules. The Committee is now awaiting the report of Pay Commission which would also be reviewing the service conditions of Central Government employees, and the work of the revision of the Codes and Manuals is proposed to be taken up as soon as possible thereafter.

In the meantime, an up-to-date compilation of Fundamental and Supplementary Rules, Vol. I which relates to the conditions of service of Central Government employees, has been prepared by the Secretariat Training School incorporating all the amendments and the manuscript has been sent to the A.G., P. & T. for publication. A revised edition of this volume is expected to become available shortly.

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The Book of Financial Powers has already been revised by the Finance Ministry and replaced by the Delegation of Financial Powers Rules 1958 which were issued in December 1958. The various orders relating to the use of staff cars have recently been brought together and issued in the publication entitled "Staff Car Rules". The revision of the General Financial Rules has also been taken up by this Department and the work is in progress. The remaining part of the work will be pursued vigorously after the Report of the Pay Commission which is expected to have a considerable bearing on the conditions of service of Government employees, has become available.

[Ministry of Finance (Deptt. of Expenditure) O.M. No. 10(3)E (Coord)/59 dated the 24th July, 1959].

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65 A suggestion has been made to the Committee that the officers of the Cost Accounts Branch could make a comparative study and compile data in respect of the various Government undertakings with regard to capital investment per unit capacity, labour cost per unit production, standard qualities of raw materials consumption, relationship between capital cost and maintenance cost of plants and equipment etc. The Committee have no doubt that such data would be useful for judging the efficiency of any industrial unit and recommend that its compilation be undertaken in the Cost Accounts Branch gradually.

The collection of the data mentioned by the Committee and their use are matters mainly for the Boards of Directors Managements of public enterprises. Whenever a team of the Cost Accounts Branch visits an undertaking in connection with the study of its accounting system or otherwise, the team will be asked to compile the data mentioned by the Estimates Committee to the extent practicable.

[*Ministry of Finance (Deputy of Expenditure) O.M. No. 10 (3) E (Coord) 159 dated the 24th July 1959*].

The Committee feel that apart from the data collected by managements of respective Undertakings for their guidance the Costs Accounts Branch or any other organisation entrusted with the work should collect such data for all similar Undertakings systematically for purposes of comparison.

68 The Committee consider the steps taken to strengthen the Cost Accounts Branch etc. as inadequate. The need for developing the Cost Accounts Branch in the Ministry of Finance and the cost accounts organisations in the different public undertakings cannot be over-emphasised. They

So far as the Cost Accounts Branch is concerned, proposals are under consideration in regard to—

- (1) training of the newly recruited staff of the Branch in the various public under-takings.
- (2) giving them intensive training in the Branch itself as

Steps to expedite the training of personnel in the Cost Accounts Branch of the Ministry of Finance should be taken so that the Cost Accounts Branch is fully staffed with trained men.

recommend that energetic steps be taken by Government to increase the output of cost accounts in the country by :

- (i) Starting more training schools like the one at present run by the Hindustan Steel Ltd. ;
- (ii) utilising all the available well qualified personnel in the country to train students and accountants ;
- (iii) bringing foreign experts under the various aid schemes for providing coaching ;
- (iv) deputing abroad in large number selected candidates ; and
- (v) providing extensive practical training in Cost Accountancy to those trained under the above schemes.

well as in the Tariff Commission and to acquaint them with the procedures adopted in these organisations ; and

- (3) deputing some officers abroad for further practical training in the field of Cost Accounting.

2. A memorandum received from the Department of Company Law Administration showing the action taken to increase the output of Cost Accountants in the country, and for imparting training to Government personnel is attached. (Appendix VII.)

[Ministry of Finance (Department of Expenditure) O. M. No. 10(3)E (Coord)/59 dated the 24th July, 1959.]

NEW DELHI,
The 20th March, 1961.
Phalguna 29, 1882(S).

H. C. DASAPPA
Chairman,
Estimates Committee.

APPENDIX I

Statement showing the Ministries/Departments in which separate internal financial advice arrangements still continue

Ministries/Departments	Level at which separate internal financial Adviser has been provided	Level at which 'combined' arrangements, if any, exist
1. Ministry of Home Affairs.	Deputy Financial Adviser.	Joint Secretary
2. Ministry of Irrigation & Power.	Do.	Do.
3. Ministry of Labour and Employment.	Do.	Do.
4. Department of Food [*]	Deputy Financial Adviser/Assistant Financial Adviser.	Joint Secretary
5. Department of Transport.	Deputy Financial Adviser.	Do.
6. Department of Mines and Fuel.	Assistant Financial Adviser.	Do.

^{*}At the stage of factual verification the Ministry informed that combined arrangements for internal and external financial advice have since been introduced at all levels in the case of Department of Food also.

APPENDIX II

Text of the Office Memorandum No. F. 9(2)-E(Coord)/60 dated the 14th May, 1960, from the Ministry of Finance (Department of Expenditure) addressed to all the Ministries/Departments of the Government of India, on the Procedure for overruling the advice of the Internal Financial Adviser in the Administrative Ministry.

The undersigned is directed to invite a reference to paragraph 7 of this Department's Office Memorandum No. F. 9(5)-E(Coord)/58 dated the 18th August, 1958, in which it has been laid down that "all cases in which the advice tendered by the Financial Adviser is not accepted should be referred to the Secretary of the Ministry for orders, and if the Secretary also differs from the advice, the case should be brought to the notice of the Minister". In the course of the recent review of the working of the revised arrangements for financial control, the position in this regard has been examined and it has been decided that having regard to the experience gained and the small number of such cases that have arisen since the inception of the revised arrangements, the authority to over-rule the advice of the Internal Financial Adviser should henceforth be vested in the Secretary of the Ministry concerned. The Ministry of Home Affairs etc., are requested kindly to note this change. The monthly statement of cases in which advice of the Internal Financial Adviser has not been accepted, should however, continue to be sent, along with a summary of the differences and the final decision, to the Department of Expenditure and the Comptroller and Auditor General of India as prescribed in paragraph 7 of this Department's Office Memorandum of the 18th August, 1958.

APPENDIX III

ENCLOSURE TO THE REPLY TO RECOMMENDATION No 9

Statement showing O & M statistics regarding the volume of work handled in the Expenditure Divisions (Civil) of the Department of Expenditure (excluding the Establishment Division and Special Re-organisation Unit)

Month	Total No. of receipts handled by the Civil Expenditure Divisions
October, 1958	9,565
November, 1958	11,323*
December, 1958	16,834*
January, 1959	16,072*
February, 1959	14,237*
March, 1959	15,266
April, 1959	14,300
May, 1959	14,347

*Only during this period, four additional posts of Deputy Secretaries were in existence of which three posts were for 3 months from 1st November, 1958 to 31st January, 1959 and one post of Deputy Secretary was from 1st November, 1958 to 14th February, 1959) for dealing with Budget cases.

APPENDIX IV

Extracts from a note recorded by Shri K. P. Mathrani, a former Director of the O. and M. Division indicating briefly the achievements of O. and M. Division during the period 1954—59

In their fifty-fifth Report on the Ministry of Finance (Department of Expenditure), the Estimates Committee have made the following observations and recommendations about the functioning and organisation of the O. & M. Division:—

- (i) Considerable time & money have been spent on futile work (para 43);
- (ii) As the impression goes, the O. & M. Units have considerably added to the useless procedures and overburdened the already slow system of secretariat working (para 43);
- (iii) Time has come for making a thorough review of the functions and organisation of the O. & M. Division and the O. & M. Cells in the various Ministries. It would be desirable to associate with the review one or two senior Secretaries who had experience of O. & M. work (para 43);
- (iv) The S.R.U. and the O. & M. organisation should be combined into a single organisation with unified control under the Ministry of Finance (para 44).

2. The Estimates Committee had invited fifteen official witnesses; out of these, it seems 4 witnesses were asked to give their views about the functioning of the O. & M. Division. Only one of the witnesses expressed some doubt about the achievements of this Organisation. The O. & M. Division itself had, however, no opportunity to give a first-hand account or to furnish detailed information about its activities and about the purpose or contents of the procedural and other changes introduced at the instance of the Division from time to time. Under the circumstances, it is difficult, in the absence of specific instances, to infer which particular procedures or items of work the Committee had in mind in making their observations. However, a brief account of the situation which obtained when the O. & M. came into existence and a brief narrative of its activities, are given in the following paragraphs.

3.1. *Activities of the O. & M. Division.*—Ever since the standards of recruitment and training came to be lowered in the wake of the second world war, the standard of efficiency in the disposal of Government business started deteriorating. These tendencies were further accentuated, after the end of the war and independence, consequent upon the assumption of newer and wider responsibilities by government and the further expansion of the staff recruited by sub-

standard methods. The level of efficiency had perhaps reached the lowest ebb when the O. & M. Division came into being in March 1954. The first task which faced it in the early stages of its existence, therefore, was that of arresting the deterioration and reinstating the essential methods and procedures which had been allowed to be neglected for several years past. The Division succeeded in creating the necessary sense of awareness and urgency by the twin process of inspection and case-studies and in stabilizing the methods.

3.2. To measure the gains made as result of the improvement adopted from time to time, the O. & M. Division introduced a simple mechanism, called the "Control Chart" and a system of weekly and monthly arrear statements which, put together, enabled each administrative agency to take a continuous stock of the volume of work coming in every month and to know the time taken in its disposal. To provide the incentive for better performance, these statistics are compiled and circulated to all Ministries/Departments. As a result, noticeable improvement has been effected in the speed of disposal of work in practically all Departments during the last five years.

The statement attached (Annexure I) will show at a glance the improvement made in disposal of work. It will be seen from column 5 that in the matter of the disposal of "primary" receipts as many as twenty-six Ministries/Departments had registered a gain—three of over 15%, six between 10 and 15%, ten between 5 and 10% and seven of less than 5%. Only five Ministries/Departments had lost some ground—one by a little over 5% and four by less than 5%.

Similarly, column 8 will show that good improvement has been secured in bringing down the number of cases pending for more than a month in all Ministries and Departments except seven.

It may also be noted that during these 5 years over 19,00,000 files were recorded and indexed, leaving a comparatively small arrear of about 1,10,000 files, mostly of recent origin, which remain to be attended to.

3.3. The reference in para 42 of the Committee's report to the various kinds of forms and reports submitted to O. & M. Units is perhaps directed towards the returns referred to above. The importance and utility of these returns lies in the fact that they offer an objective and reliable method by which Ministries can have a picture of the speed of disposal of work and compare the gains or losses made over a period of time with a view to planning further improvements. There is as much need for keeping such a continuing record of progress in administrative offices as in industrial, productive or commercial establishments. The reluctance to accept these controls in certain quarters seems to arise from the fact that they also have the effect of underlining cases of failure.

3.4. A detailed report of the activities of the O. & M. Division is prepared and placed before the Parliament every year. For the sake of convenience, a consolidated and up-to-date account covering the entire period of the Division's existence has now been prepared and

is placed below (Annexure II). A glance at its table of contents will give an idea of the reforms and changes which have been introduced and the numerous other measures which have been taken to improve efficiency at the instance of the O. & M. Division or the O. & M. Cells in the various Ministries. The results achieved in more important directions may be briefly summarised as follows:—

- (a) Laying down of proper procedures for disposal of work (Manual of Office Procedure).
- (b) A regular system of periodical (Quarterly and Annual) inspections of Sections.
- (c) Enhancement of the Financial and cognate powers of administrative Ministries, Heads of Departments and other subordinate authorities down the line.
- (d) Control mechanism for assessing and reducing delays (Control Chart, Weekly Arrear Reports, Monthly list of pending cases).
- (e) Monthly reviews of progress at staff meetings.
- (f) Training of staff.
- (g) Aids for quick and proper disposal of work (Hand Book for Establishment Officers), Statement of financial and cognate powers delegated to administrative authorities, Standing Guard Files, Seminars for Establishment Officers.
- (h) Reorganisation of the structure and composition of Sections to eliminate unnecessary and repetitive noting and unnecessary movement of papers through too many stages (Pilot Sections and systematised level jumping).
 - (i) Special studies made by study groups and officers of the O. & M. Division e.g., Strength of Lower Division Clerks, Delays in payment of pay on first appointment or promotion and leave salary; Delays in the issue of quasi-permanency certificates, Office Procedures for Tourist Offices, Delays in the execution of printing work etc.
 - (j) Revision of forms.

* * * * *

7. Strength of O. & M. Staff.—While making an assessment of the results achieved, it should be noted that the Central O. & M. Division has had a very small staff from the very beginning. It has been functioning primarily through the part-time O. & M. Officers in the Ministries who are assisted by a small staff mostly consisting of a Section Officer and a few Assistants and Clerks. In many places, the same staff also attends to work relating to vigilance and security. On the other hand in the U.K., the Central O. & M. Division had in 1953-54 a strength of 55 Officers of the level of Executive Officer and above and a total of 265 such officers attached to the departmental O. & M. Cells.

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Annexure I to Appendix IV

Comparative Statement showing the Average Percentage of (i) carry-over of Primary Receipts and (ii) Number of Long Pending Cases in Ministries/Departments During 1955 and 1958

Sl. No.	Ministry/Deptt./Office.	Average carry-over (i.e. percentage of 'Primary' receipts remaining undisposed of) during			Average percentage of cases pending for over a month during		
		1955	1958	Gain (—) or Loss (+)	1955	1958	Gain (—) or Loss (+)
1	2	3	4	5	6	7	8
		%	%	%	%	%	%
1	Atomic Energy	14.0	17.7	(+) 3.7	3.7	3.7	Nil
2	Commerce & Industry .	44.8	32.0	(—) 12.8	20.7	10.6	(—) 10.1
3	Company Law Admn. .	32.8	24.4	(—) 8.4	21.5	12.4	(—) 9.1
4	Community Development	21.9	20.8	(—) 1.1	5.1	4.9	(—) 0.2
5	Defence	45.2	33.2	(—) 12.0	8.7	10.2	(+) 1.5
6	Education	36.3	20.9	(—) 15.4	10.4	16.7	(+) 6.3
7	External Affairs . . .	40.1	44.9	(+) 4.8	38.5	28.5	(—) 10.0
8	Economic Affairs . . .	39.7	24.8	(—) 14.9	7.0	8.1	(+) 1.1
9	Expenditure (Civil) . .	16.3	21.8	(+) 5.5	3.3	6.3	(+) 3.0
10	Expenditure (Defence) .	12.5	8.4	(—) 4.1	0.4	0.5	(+) 0.1
11	Revenue	54.6	38.0	(—) 16.6	68.2	30.4	(—) 37.8
12	Agriculture	18.7	13.0	(—) 5.7	10.6	5.0	(—) 5.6
13	Food	11.9	9.1	(—) 2.8			
14	Health	32.3	20.3	(—) 12.0			
15	Home Affairs	39.2	32.4	(—) 6.8	23.9	14.1	(—) 9.8
16	Information and Broadcasting	27.0	18.6	(—) 8.4	21.7	7.8	(—) 13.9
17	Irrigation & Power . .	39.5	32.0	(—) 7.5	23.9	11.6	(—) 12.3
18	Labour & Employment .	34.0	29.4	(—) 4.6	20.3	13.8	(—) 6.5
19	Law	24.6	19.0	(—) 5.6	7.1	3.3	(—) 3.8
20	Planning Commission .	24.2	25.8	(+) 1.6	3.9	6.3	(+) 2.4

1	2	3	4	5	6	7	8
		%	%	%	%	%	%
21	Railways	39.7	23.4	(-) 16.3	9.6	12.1	(+) 2.4
22	Rehabilitation (Main) .	36.5	26.7	(-) 9.8	10.6	8.0	(-) 2.6
23	Rehabilitation (Branch Sectt.)	31.3	18.3	(-) 13.0			
24.	Scientific Research & Cultural Affairs .	52.3	53.4	(+) 1.1	65.9	58.1	(-) 7.8
25.	Iron & Steel	32.5	31.3	(-) 1.2	20.4	12.4	(-) 8.0
26	Mines & Fuel	36.1	34.8	(-) 1.3	18.2	17.4	(-) 0.8
27	Communications & Civil Aviation	35.0	25.0	(-) 10.0	13.1	7.4	(-) 5.7
28	Transport	37.3	32.0	(-) 5.3	33.1	10.4	(-) 22.7
29	Works, Housing & Supply	41.2	36.4	(-) 4.8	27.2	19.3	(-) 7.9
30	Union Public Service Commission	24.6	12.1	(-) 12.5	20.1	7.7	(-) 12.4
31	Directorate General, Posts and Telegraphs	61.9	52.5	(-) 9.4	66.4	31.	(-) 35.4

NOTES : (1) Figures shown in columns 3 & 4 represent the average of the Statistics for the months of January, February, October and November of the year concerned.

(2) Figures shown in col. 6 represent the average of the statistics for the months of May and November of the year concerned.

(3) Figures shown in col. 7 represent the average of the statistics for the months of January and November of the year concerned.

(4) In a few cases where the figures for the month or months mentioned above had not been reported, information available for the nearest months has been made use of.

Annexure II to Appendix IV

**Report of the activities of the O. M. Division during the period
1954-59.**

FUNCTIONS, ORGANISATION AND ACTIVITIES OF THE O. & M. DIVISION

(March 1954—May 1959)

I.—FUNCTIONS

1.1. The O. & M. Division was established in March, 1954 as a part of the Cabinet Secretariat with the object of improving the administrative efficiency in the Government of India.

1.2. Its location in the Cabinet Secretariat was chosen especially for the reason that that Secretariat functioned directly under the Prime Minister and was better placed than any individual Ministry to secure cooperation and compliance from all Ministries/Departments.

II.—ORGANISATION

2.1. The initial idea was to have nucleus of persons trained in the O. & M. techniques and to use them for examining the working of individual Ministries/Departments. The plan was, however, abandoned as, even if enough trained men were available, it would have been much too slow a process. The organisation was, therefore, conceived as a collective and co-operative enterprise in which the main effort would come from within each operating agency and the task of the Central O. & M. Division would be to supply the leadership and drive.

2.2. The Central O. & M. Division has had no elaborate staff of its own. It functions primarily through the O. & M. cells set up in each Ministry/Department under the charge of one of the existing officers, generally of the grade of Deputy Secretary*, designated as 'O. & M. Officer'. Most of the O. & M. Officers are also in charge of the administration and establishment work but in many places they have been assigned other items of work in addition.

2.3. The O. & M. Officers are expected to apply their mind to the factors impeding speed and efficiency of the organization with which they are concerned. The Director, O. & M. keeps in close touch with them in their day day to day work and brings them together at

*The O & M work in the Ministries of Education, Transport, Iron & Steel and Law is being looked after by an Under Secretary functioning directly under Joint Secretary/Secretary.

The O & M cells in the attached and subordinate offices are generally in charge of the officer in charge of administration and establishment work.

periodical meetings which provide a forum for exchange of ideas and experiences and for evolving solutions for common drawbacks and deficiencies.

2.4. In March 1955, a Deputy Director was appointed in the O. & M. Division. His primary function, is to pay informal visits to Ministries/Offices, to make random checks to see how far the prescribed procedures are being correctly followed and to give advice on matters of details on the spot.

2.5. At present there are 65 O. & M. cells functioning in different Ministries/Departments/Offices.

III.—ACTIVITIES

(a) *Initial fact finding*

3.1. As the first step in the drive for efficiency, each O. & M. Officer was asked to select one Section in his own Ministry and to inspect it thoroughly to see for himself whether the prescribed procedures were being followed and what other factors were impeding speed and quality of work.

3.2. Each O. & M. Officer was also asked to make detailed analytical studies of at least six cases picked up at random from each section. Each paper in the file was to be examined in a chronological order right from the date of receipt of the first communication, step by step, making note of each movement and the speed and quality of performance at each stage. The results were to be recorded in a columnar statement which also provided space for recording the observations of the officers making the study.

3.3. The two operations produced three important results:—

first they made the O. & M. Officers conscious of the extent of inefficiency and need for a determined effort to combat it;

secondly they showed that, on the whole, the fault lay not so much in the existing organisation and procedures as in the failure on the part of all concerned to work the existing system as it was meant to be worked; and

thirdly they indicated the directions in which improvements and changes were called for.

(b) *Specific measures taken to improve speed and efficiency*

4.1. *Manual of Office Procedure.*—An attempt to codify office procedures in the form of Manual had been started in the Home Ministry in 1950-51. The work was taken over by the O. & M. Division on its formation in 1954 and after incorporating such improvements and adaptations as were considered necessary a standard volume called "Manual of Office Procedure" was published by the Division in March 1955 laying down, for the first time in the history of the Central Secretariat, uniform procedures for transacting Government business.

4.2. Since then two more editions of the Manual have been published in July, 1956 and February 1958 incorporating further amendments made from time to time.

5.1. *Annual and Quarterly inspections.*—The process of inspection which was introduced at an early stage of the O. & M. drive to spread efficiency consciousness was continued as a regular feature *again for the first time* in the history of the Central Secretariat—in order to sustain the awakened interest and to ensure that the prescribed procedures were being intelligently followed in practice.

5.2. The O. & M. Division devised for this purpose a set of questionnaires for the regular “policy” sections and special questionnaires for Establishment, Cash, Administration and Receipt & Issue sections.

5.3. The common round-the-year programme now incorporated in the Manual provides for

- (i) a thorough inspection of each Section during the month of July every year by the Deputy Secretary-in-charge; and
- (ii) a brief and quick check-up every quarter by the respective Branch Officer covering items requiring a more frequent scrutiny during the months of January, April & October.

The O. & M. Officer and his Under Secretary, if any, are also required to take a share of these inspections so that they are able to set a pattern for others and to keep themselves in direct touch with the existing conditions.

5.4. Each Ministry/Office is required to send to the O. & M. Division in January every year a statement showing the number of quarterly and annual inspections carried out during the year.

5.5. The O. & M. Division have recently reviewed the questionnaires with a view to simplifying them.

6.1. *Speed of disposal—Control Chart*—It was generally believed that disposal of work in the Central Secretariat was very slow but no statistics were available to prove or disprove the belief. It was also found necessary for the purpose of planning improvements, to devise a method of getting reliable factual data about the time which was actually being taken in the disposal of work and the extent of work which not disposed of within a reasonable period. A simple proforma called “Control Chart” was accordingly introduced in July 1954. Each section was asked to make use of the Chart to keep a running account of the “Primary receipts” (i.e., original items of work) received and the time taken in their disposal. Statistics for the Ministry as a whole are received every month in the O. & M. Division where they are consolidated for circulation to all Ministries/Offices. Charts and graphs showing a comparative picture of the speed of disposal achieved by the different Ministries in each month and the improvement effected by a Ministry in successive months are also prepared by the Central O. & M. Division and exhibited for the benefit of all O. & M. Officers. They have been found useful in showing up spots

requiring special attention and in assessing the results obtained by the adoption of new procedures.

6.2. Similar charts and graphs showing the state of affairs in different sections are prepared in each Ministry and are exhibited on the walls of each Secretary's room. This enables the Secretary to keep a close and personal eye on the progress of O. & M. effort and to take up with the officers concerned the problems of any sections which may be lagging behind.

7.1. *Arrear Statements.*—Ministries were also called upon to re-institute two measures of detailed control which though provided in the old procedure had fallen into disuse, viz.,

- (i) Weekly statement of receipts/cases pending action by Assistants; and
- (ii) Monthly statement of cases pending disposal for more than a month.

The first is designed to show the weekly intake and output of work of each assistant and is submitted every week-end to the Branch Officer and Deputy Secretary. The purpose of the second is to show what cases are still undisposed of for more than a month and why. It is submitted to the Secretary/Joint Secretary through the Branch Officer and Deputy Secretary concerned in the first week of every month.

7.2. The two statements together bring to light every kind of delay and their regular scrutiny by the appropriate officers has proved very helpful in keeping up the flow of work and speeding up inter-departmental references.

8. *Recording and Indexing.*—The first round of inspection revealed that recording and indexing of files had not been attended to for several years and vast arrears had accumulated in many ministries. This hindered the easy availability of existing papers and was one of the reasons which resulted in imperfect examination of cases and delays in disposal. Special teams were set up, where necessary, to clear off accumulation and steps have been taken to ensure that no arrears are allowed to accumulate hereafter. According to the latest information available, 19,16,458 files have been recorded and indexed during the last five years and arrears to the extent of 1,09,923 files still remain to be attended to.

9.1. *Periodical O. & M. Meetings in Ministries/Departments.*—At an early stage in the O. and M. drive Ministries were advised to hold periodical meetings of officers and staff to review the planning and progress of O. & M. work and to resolve doubts and difficulties. It was also recommended that the state of affairs revealed by the monthly statistics, charts and graphs and the monthly pending lists should be discussed at these meetings.

9.2. Gradually these meetings have become a stable feature and are being held regularly in many places. They are generally presided

over by the Secretary of the Ministry/Department or the head of the Department/Office. Several Ministries, particularly the larger ones, have started the practice of having divisional meetings or separate meetings with different grades of officers and staff as a whole or in groups. Copies of the minutes of all such meetings are endorsed to the O. & M. Division also. O. & M. Division studies these minutes and where necessary brings to the notice of O. & M. Officers of other Ministries/Departments matters which are of common interest.

9.3. The O. & M. record shows that, by and large, in the Ministries and Departments where inspections and O. & M. review meetings have been more frequently held, a significant measure of improvement in the speed of disposal has been achieved.

10. *Personal discussion prior to written references.*—To avoid too much of passing of files with noting and counter-noting, Ministries were enjoined to make use of the method of personal discussions in inter-departmental consultation as far as practicable. It was emphasised that in all matters, particularly those involving financial implications, the details of proposals should be discussed with the financial adviser concerned before formulation. Similarly instructions have been issued at the instance of the O. & M. Division that on all occasions where a reference has to be made to the Commission, no letter should issue until after an officer not below the rank of Deputy Secretary had discussed the matter personally with the Secretary of the Commission or his nominee. The U.P.S.C. have found this practice very helpful particularly in cases relating to recruitment by advertisement where much time was previously wasted in settling details of advertisements in regard to such matters as qualifications, experience, etc., required of candidates.

11. *Training of Lower Division Clerks.*—The training facilities provided at the Secretariat Training School are at present restricted to the direct recruits to the grades of Assistant Superintendent and Assistant. Pending the reinforcement of the existing arrangements at the school, the O. & M. Officers in all Ministries have been advised to start internal training classes on their own, for the benefit of the newly recruited Lower Division Clerks. A detailed programme of training consisting of a short course extending from 10 to 15 days for one or two hours per day has been drawn up in consultation with the Director, Secretariat Training School, and circulated to all concerned. Ministries have been advised to supplement the class room training by "on-the-job" training. For this purpose an experienced Section Officer or Assistant sits with the clerks concerned and while watching him doing his job gives guidance as necessary.

12. *Training in techniques of work-study.*—Two training classes in the techniques of work study were organised by the O. & M. Division in April-May and September-October 1958 with the cooperation of the Special Reorganisation Unit of the Ministry of Finance for the benefit of selected Section Officers from different Ministries/Departments. Each class lasted for about six weeks and consisted of talks and group discussions followed by practical exercises in the study of special

problems chosen from the Ministries/Departments from which the trainees were drawn. A total of 22 Section Officers attended the two classes.

13. *Quality Control Drive*.—With the object of creating an awareness of the large extent to which work of poor quality was passing unnoticed, it was decided to launch a simultaneous quality control drive in all Ministries/Departments for a period of one week beginning on the 3rd December, 1956. Every senior officer was requested to scrutinise during this week the quality of work done at lower levels in every case coming up to him. Each Officer was supplied a proforma in which he was asked to keep a note of the faults and of the cases in which they were noticed. The drive has been repeated in some places with satisfactory results.

14. *Proformae for Transfer of charge*.—It was considered desirable that a Section Officer or Branch Officer taking over a new charge should have an idea of the state of work he is inheriting and of any special items of work requiring his attention. For this purpose a proforma has been prescribed which is completed and signed by both relieved and relieving officer along with the usual charge report. The prescribed form has recently been reviewed by the O. & M. Division with a view to simplifying it.

15. *O. & M. Dossiers*.—In order to ensure that a record of the O. & M. performance of each section is maintained in all Ministries/Offices on a uniform pattern, a common form of O. & M. Dossier has been devised. The dossier keeps the O. & M. Officer informed about the latest picture of the state of work in every section enabling him to take suitable remedial measures as soon as signs of deterioration are noticed. It is also useful to the O. & M. Officer in making his annual assessment of the work of individual Section Officers and Branch Officers and in dealing with requests for extra staff. The form of dossier has been reviewed and is being simplified.

16. *Procedural Reforms*.—A number of procedural reforms has been introduced at the instance of the O. & M. Division to correct defects brought to light by experience or as a result of special studies. The final form of changes adopted was generally settled after discussion at the O. & M. Officers' meetings. The following may be cited as examples of such reforms:—

(i) *Perusal of dak*.—Instead of the entire dak being shown to Under Secretaries as heretofore, Section Officers are now required to use their discretion and send only selected papers to Under Secretaries and other higher officers.

Dak submitted to officers for perusal is sent up in pads bearing separate distinguishable labels.

(ii) *Flow of papers*.—Instead of files being routed through the Section Diarist, P.As and Stenographers attached to Deputy Secretaries and higher officers have been asked to send files direct to their destination after keeping a record of the movement in a form prescribed for the purpose. This has cut out certain unnecessary movements of files.

(iii) *Delivery of local dak.*—Local ordinary dak is now accepted everywhere throughout the day (including the lunch interval) and right up to the closing hour and at all hours when a resident clerk or other clerk is on duty.

(iv) *Receipt of papers addressed to officers absent on tour or leave.*—Suitable instructions have been devised to ensure correct delivery of covers addressed to officers absent on tour or on leave and to avoid the delivery of non-urgent papers at the residence of officers outside office hours.

(v) *Audit objections.*—Every receipt relating to audit objections or draft paragraphs for inclusion in the audit report is to be shown to the Secretary/Joint Secretary in dak.

(vi) *Reminder Diary.*—Instead of the diarist maintaining a single 'Reminder and Suspense' Diary, each Assistant has been asked to keep his own notes of reminders and suspense cases in a Diary of his own.

(vii) *Direct correspondence between Directorate General, Health Services, and other Ministries.*—In purely non-policy and technical matters, the Director General, Health Services, has been given the freedom to correspond with all authorities direct instead of routing the correspondence through the Health Ministry.

(viii) *Running Summary of facts.*—To check the tendency to recapitulate the facts of a case every time it was submitted to higher officers, a new rule has been introduced in the Manual requiring that in every case, where it was likely to prove useful, a "running summary" of facts should be prepared and placed below the file in a separate folder right from the very start so that every person who had an occasion to deal with the case could refer to the "summary" instead of recapitulating the facts again and again. The running summary is to be kept up to date by making suitable additions to it as further developments take place.

(ix) *Prompt and free supply of Government reports, Publications, etc. and other information to the public.*—Two steps have been taken in this direction viz.,

- (a) Issuing authorities have been asked not to restrict the circulation of printed reports, pamphlets, compilations, etc., by marking them as "For Official Use Only" unless they contain information which would not be desirable in the public interest to disclose. All other printed reports, etc. will ordinarily be made available to educational institutions, public bodies and members of public in general.
- (b) Fullest co-operation and consideration should be extended to public bodies like Chambers of Commerce and individuals and requests received from them should be promptly complied with unless in any case information demanded is of a confidential nature and its communication is likely to be prejudicial to the public interest or would entail undue expenditure of time, labour or money. In all such cases a suitable reply should invariably be sent explaining the position.

(x) *Validation of identity cards for entry into premises occupied by Defence Headquarters.*—Ministries can now address their requests for validation of identity cards for entry into the premises occupied by the Defence Headquarters to the Ministry of Defence direct instead of routing them through the Ministry of Home Affairs.

(xi) *Certification of claims of Class IV Staff for late duty allowance.*—Claims of Class IV staff attached to Ministers and Secretaries for late duty allowance can now be countersigned by the Private Secretaries instead of by the Under Secretary as hitherto.

(xii) *Monthly Progress Return of Quasi-permanency cases.*—The monthly statement submitted to the Home Ministry regarding the progress made in the issue of quasi-permanency certificates has been made a half-yearly return. This has resulted in a considerable saving of time and labour all round.

(xiii) *Drawal of washing allowance for Class IV Government Servants.*—Washing allowance for Class IV staff can now be drawn on establishment pay bills along with the monthly pay and allowance instead of through a separate contingent bill which involved unnecessary work.

(xiv) *Circulation of tour programmes of Secretaries to the Government of India.*—Until recently, copies of tour programmes of Secretaries were being sent to all Secretaries in other Ministries/Departments and several other officers not directly concerned with the purpose of the visit. To save the avoidable time, labour and stationery involved in such indiscriminate circulation a list of authorities to whom copies of Secretaries tour programmes should normally be sent has been drawn up by the O. & M. Division and Circulated to all Ministries for adoption as a standard list. As regards circulation within the Ministry/Department, it has been enjoined that such circulation should be restricted to only those officers who need to be kept informed about the Secretary's absence from headquarters. Even here, Ministries have been instructed to ensure that a limited number of copies are marked for circulation amongst groups of officers instead of sending a single copy to each such individual officer.

(xv) *Standard Mailing Lists.*—Ministries have been advised to maintain standard mailing lists for different types of circulars of general interest. The individual circulars would then contain only a brief indication of the appropriate mailing list, e.g., "All Ministries and Departments of the Government of India, all attached and subordinate offices of the Ministry, etc." instead of bearing a complete list of addressees which often ran into a full sheet.

(c) Organisational Reforms

17(1). *Enhancement of financial and cognate powers of Ministries and Heads of Departments.*—A committee of the Cabinet was set up early in 1954 to consider the changes necessary in the existing arrangements for budgetary and financial control. One of the suggestions which the committee made was that the existing financial and

cognate powers of the administrative ministries should be enhanced as far as possible. This decision was processed by the O. & M. Division. Various suggestions were made to the *Ministry of Finance* who agreed to delegate wider powers to Ministries and Heads of Departments in a large number of cases.

17(2). Simultaneously the O. & M. Division also took up with the *Home Ministry* the question of delegating to administrative authorities powers in many matters in which reference to the Home Ministry was obligatory. Agreed conclusions were reached in certain matters, e.g., grant of extension of service and re-employment of retired persons, appointment of non-Indians, filling of short-term vacancies in posts of staff-car drivers and gestetner operators.

17(3). *The Ministry of Works, Housing & Supply* have, at the instance of the O. & M. Division, delegated to the Ministries and Heads of Departments full powers to incur expenditure on servicing, maintenance and up-keep of typewriters and up to Rs. 300 (instead of Rs. 50 as before) on replacement of parts. They can also now hire machines up to a period of two months pending receipt of new supply from the Controller of Stationery, Calcutta.

17(4). More recently, the O. & M. Division took up with the *Finance Ministry* the question of delegating to the Heads of Departments and other appointing authorities the power to sanction pension of gazetted officers, which vested in Ministries of the Government of India. The Ministry of Finance have agreed to the suggestion and necessary orders have been issued.

18 (1). *Delegation of enhanced powers to Section Officers.*—Apart from interim routine action and final disposal of routine cases, specific additional powers have been delegated to Section Officers by many Ministries at the instance of the O. & M. Division. A consolidated statement of the powers so delegated has been compiled and circulated to all concerned for general guidance (copy attached).

18(2). The possibilities of delegating more powers to Section Officers in the financial field were explored. The following two examples of such delegation may be mentioned:—

- (i) Under the rules, even sanctions for petty contingent expenditure or for the grant of small advances for the purchase of bicycles had to be approved and signed by an Under Secretary "on behalf of the President". According to the new procedure evolved at the instance of the O. & M. Division, the Under Secretary incharge of administration in each Ministry has been declared as a "Head of Office" for the purpose of the financial rules and he can authorise a Section Officer under him to deal with such cases finally and to sign sanctions for him.
- (ii) Section Officers in charge of administration sections have been authorised to sanction leave, other than disability leave, to Class IV Government servants. Hitherto all such cases had to go up to the Under Secretary.

19(1). *Level Jumping*.—One of the main complaints in regard to Government “red tape” has been that under the existing hierarchical system cases have to pass through too many stages before reaching the decision-taking level. In order to reduce the number of stages the O. & M. Division had often drawn attention to the need for maximum delegation of power down the line and for encouraging junior officers to submit cases to higher levels direct. In March 1957 Ministries were advised to adopt the practice of “level-jumping” on a systematic basis and to choose any of the following three alternatives:—

- (i) The work allotted to each Section may be allocated by subjects separately to the Under Secretary and the Deputy Secretary.
- (ii) All cases may be submitted by the Section to the Under Secretary but the latter would submit direct to the Joint Secretary/Secretary cases which would require attention at that level and others to the Deputy Secretary who would ordinarily dispose of finally the cases submitted to him.
- (iii) Each Section as a whole may be preclassified and placed either in charge of an Under Secretary or a Deputy Secretary.

19(2). At a meeting of the Central Economy Board held in October, 1958, it was suggested that as a general rule not more than two officers should note on a case. Ministries have been asked to take suitable steps to give effect to that direction. Many Ministries have issued suitable instructions in order to cut out avoidable stages.

19(3). As a further step in the same direction, Ministries have been advised to authorise Assistants with more than five years service to submit cases direct to Branch Officer/Deputy Secretary except those which he may be specifically asked to submit through the Section Officer. Ministries have also been instructed to keep a watch over the performance of such Assistants so that if any of them is found wanting, a suitable note may be made in his confidential roll. This arrangement has the twin advantages of training and developing senior Assistants into potential Section Officers and enabling existing Section Officers to devote more time to original work and to their supervisory duties.

20. *New type (Pilot) Sections*.—A basic reform currently being experimented is the reconstitution of the personnel of the Secretariat Sections in order to eliminate noting by Assistants and clerks completely. The sections of the new type which are functioning in a number of Ministries, are composed of three Section Officers, three Upper Division Clerks and three Lower Division Clerks. The Upper Division Clerks are provided merely for linking up new receipts with previous papers, opening files and putting up references and doing such other routine jobs. The first “consideration” and “note” on a receipt is given by a Section Officer, who is also expected to dispose of at his own level a larger proportion of cases than before. Cases requiring higher consideration are to be sent by

him, as far as possible, direct to the appropriate officer, i.e., Under Secretary, Deputy Secretary or even Joint Secretary or Secretary. The Ministry of Iron and Steel have been organised more or less on that basis from the very beginning. The working of these sections is being reviewed currently by O. & M. Division.

21. *Prior consultation about organisation and methods of new activities.*—An important decision taken by the Cabinet in June 1957 in the context of the need for economy was that whenever a new activity was undertaken or a new office or branch was opened, the most suitable organisation and methods should be settled in consultation with the O. & M. Division before any staff was appointed. The following may be mentioned as instances in which the advice of the Director, O. & M., has been sought for:

- (i) Setting up of an Inspectorate for the Indigenous Textile Machinery Manufacturing Industries under the Ministry of Commerce and Industry.
- (ii) Reorganisation of the Central Revenue Intelligence Bureau under the Department of Revenue.
- (iii) Expansion of the Cost Accounts Organisation in order to meet the growing needs of the Ministry of Finance and of other Ministries and autonomous companies operating Government industrial undertakings.
- (iv) Establishment of an Employment Organisation for the Handicapped under the Ministry of Education.
- (v) Establishment of a self-contained Tourist Organisation under the Department of Transport.
- (vi) Reorganisation of the Fisheries Research Section in the Department of Agriculture (now functioning as an integral part of the Department) as an independent Directorate of Fisheries Research and Development, with the status of an Attached Office.
- (vii) Establishment of an Inter-State Transport Commission.
- (viii) Establishment of a Directorate for Hindi under the Ministry of Education.
- (ix) Setting up of a Directorate of Extension Programme in Secondary Education (in place of the existing All India Council for Education).
- (x) Establishment of a National Institute of Audio-Visual Education.

22. *Deficiencies in recruitment and promotion rules.*—Difficulties and anomalies in the operation of rules governing recruitment and promotion which had a bearing on the efficiency of the staff have often come up for discussion at O. & M. Meetings and recommendations were made from time to time to the Ministry of Home Affairs for their rectification. The following may be mentioned as instances in which action was initiated by the O. & M. Division:—

- (i) Holding of a departmental test for assessing the fitness of Lower Division Clerks for promotion to the grade of Upper Division Clerk.
- (ii) Introduction of a probationary period of six months on promotion to the grades of Section Officer and Under Secretary.
- (iii) Screening of candidates borne on the waiting list of the local Employment Exchange for appointment as Lower Division Clerks by a Screening Committee consisting of a Deputy Secretary in the Home Ministry, a representative of the Directorate General of Resettlement and Employment and a Deputy Secretary from other Ministries by rotation.
- (iv) On enquiry from certain Ministries it transpired that recruitment rules had not still been framed for many posts. The matter was taken up to O. & M. Division with the various appointing authorities and according to the replies received rules have now been framed or are in the process of being finalised for all posts for which no such rules had existed so far.

(d) *Special aids to efficiency*

23 (1). *Standing Guard Files.*—Inspections and case studies showed that in a number of cases delays in the disposal of work were due to the time taken in locating and putting up precedents. Much time could be saved, it was felt, by having for each subject dealt with in a Section, a "Standing Guard File" containing a record of the principles and policy followed in the past, the models of forms used in the issue of orders, notifications etc., and copies of orders on the subject. Every Section was accordingly asked to examine the items of work allotted to it, to prepare a list of suitable type-subjects for which it would be useful to have guard files and to draw up a time-table for their preparation.

23(2). The O. & M. Division has itself prepared and circulated to all concerned guard files on the following subjects of a general nature:—

- (i) *Appointment of non-Indians.*—This contains full information about the policy of Government on the subject, authorities competent to sanction appointment of non-Indians, the procedure to be followed by the appointing Ministry/Department and the reports and returns to be sent by it to the Home Ministry and the Cabinet, etc.
- (ii) *Transfer of Central Government employees to "foreign" service, including service under foreign Governments and international organisations.*—This contains information regarding the authorities competent to sanction such transfer, the rights and obligations of the transferee and the foreign employer, the procedure to be followed

in finalising the terms of transfer, the proforma to be used for making references to the Finance Ministry, where necessary, and specimens of sanction, notification, etc., to be issued.

- (iii) *Deputations and Delegations abroad*.—This describes the method of processing invitations from foreign Governments for sending out delegations; Ministries and other authorities to be consulted in formulating and sanctioning the proposal; admissibility of the various kinds of allowances during the period of stay abroad; restrictions on the drawal of moneys in foreign currency; procedure for drawal of amounts in the country of visit; formalities to be completed before departure; report to be submitted by the deputationist/delegation on return, etc., etc.

24. *Hand-book for Establishment Officers*.—To initiate officers of all ranks into the establishment lore, the O. & M. Division has taken up the task of preparing a Hand-book which will bring out the questions which are likely to arise at various stages of establishment work and indicate for ready reference the rules, regulations or orders of Government which provide the answer.

Section I of the Hand-book consisting of 18 chapters covering the stage up to the filling up of posts was prepared and circulated to all Ministries, etc. This part is being kept up to date by issue of amendment lists from time to time.

Another Section of the Hand-book dealing with Central Civil Services (Conduct) Rules has also been printed and circulated.

The next section on "leave" is under preparation.

All the orders referred to in Section I of Hand-book have also been printed and copies supplied to all concerned.

The publication of the Hand-book has helped in minimising delays and reducing substantially the number of inter-departmental references.

25. *Seminar on principles and practice of personnel administration*.—To assist the officers-in-charge of Establishment Sections in the efficient discharge of their duties a seminar was organised in March-May 1957 by the O. & M. Division in conjunction with the Indian Institute of Public Administration to discuss problems and principles of personnel administration. It consisted of sixteen sessions and was attended by about forty officers. Three of the papers on the subjects of (i) Leave, (ii) Retirement benefits and (iii) Function of the Union Public Service Commission have been published and circulated.

26. *Compilation of Financial and Cognate Powers delegated to Ministries and Heads of Departments*.—Administrative authorities have been delegated varying financial powers in or under the various

rules and regulations e.g., the Fundamental and Supplementary Rules, General Financial Rules, Book of Financial Powers, General Provident Fund Rules, Civil Service Regulations, Treasury Rules, etc. There was no publication which gave the delegated powers in one place. These have been gathered together by the O. & M. Division and published in the form of a convenient pamphlet for ready reference. Copies of the compilation are freely available as a priced publication. It is being kept up to date by the O. & M. Division by issue of correction slips or by issuing a revised edition as necessary.

A new edition of the pamphlet bringing it in conformity with the recent changes introduced in the system of financial control and consequent delegation of wider powers will be published shortly.

(e) *Special studies made by Study Groups*

27. To deal with matters which affected more than one Ministry and required detailed investigation, the O. & M. Division has been following the policy of setting up special study groups consisting of selected O. & M. Officers. Some of the important items remitted to such study groups and the results achieved by them are described in paragraphs 28 to 33.

28. *Strength of Lower Division Clerks for normal Secretariat Sections.*—The following conclusions were reached, on the recommendations made by the Study Group, with the concurrence of the Ministry of Finance:—

- (a) Every section with a strength of and up to six Assistants/U.D.Cs. should have a basic complement of 3 Lower Division Clerks;
- (b) Larger sections should be allowed an increase in the number of L.D.Cs. at the rate of 33-1|3% of the number of dealing hands above 6.
- (c) For a section doing any work for which an Assistant or U.D.C. is not required, the strength of L.D.Cs. would be determined on *ad hoc* basis on merits.

29. *Delays in the issue of quasi-permanency certificates.*—On the recommendations of the study group, the Ministry of Home Affairs have taken the following steps:—

- (a) Except in certain circumstances, Ministries/Offices can now send proposals direct to the U.P.S.C. where required under the rules instead of routing them through the Ministry of Home Affairs.
- (b) A detailed questionnaire has been prescribed for the guidance of administrative authorities to ensure that complete information on all relevant aspects of quasi-permanency cases is furnished to the UPSC in the very first instance, thereby avoiding cross references between the Commission and the sponsoring Ministry/Department at a later stage.

- (c) Subject to certain conditions, Ministries/Departments have been authorised to relax the prescribed age limits in the case of holders of class IV and technical non-ministerial posts.
- (d) Ministries/Departments have been enjoined to maintain a check-list of points on which action has to be initiated and completed at the various stages according to a settled time-schedule.
- (e) A brochure on the Central Civil Services (Temporary Service) Rules containing the main rules and the amending and clarificatory orders issued from time to time has been circulated for the benefit of the various appointing authorities.

30. *Delay in drawal of leave salary or pay on first appointment or promotion*:— (a) Accepting the proposal of the Study Group, the Ministry of Finance have issued orders to the effect that where for any reason delay was anticipated in the issue of last pay certificate and in the completion of other formalities, provisional payment may be made to the officer concerned on the authority of an order issued by a Deputy Secretary or Head of Department. (b) A review of the causes of delay showed that the administrative authorities generally believed that the audit officer could not issue the pay authority unless he had received a copy of the Gazette Notification. Audit have now made it clear that what they need is a valid order issued by the competent authority and a charge report. This clarification has been brought to the notice of all administrative authorities.

31. *Reorganisation of the Roads Wing of the Transport Ministry*.— The Special Reorganisation Unit examined the working of the Roads Wing of the Ministry of Transport in 1954 and recommended certain organisational changes involving *inter-alia* the separation of certain “technical” aspects of its work from “non-technical” or purely secretarial. This recommendation was strongly opposed by the Ministry of Transport who sought the advice of the O. & M. Division. At the suggestion of Director, O. & M. Division, a team consisting of the O. & M. Officer of the Ministry of Transport, Deputy Secretary of the associated Expenditure Finance and a representative each of the Special Reorganisation Unit and of the O. & M. Division was formed to re-examine the question with reference to the actual needs of the organisation. The team undertook a number of case-studies and an on-the-spot examination to see how the existing method was working in practice. After a series of examinations and discussions the team was able to reach agreed and satisfactory conclusions.

32. *Black-listing of Firms and Contractors*.—According to the practice hitherto in force each Ministry responsible for procurement of stores or awarding of work-contracts maintained its own list of approved suppliers or contractors and followed its own ways of removing any names from, or black-listing any suppliers or contractors, borne on this list. As the orders issued by one Ministry were binding on others, the O. & M. Division tried to secure a more co-ordinated approach and a greater measure of uniformity in the standards fol-

lowed by the various Ministries. An inter-departmental committee consisting of the representatives of the Ministries concerned was set up to go into the question and on its recommendation a standardised code has been drawn up for the guidance of all concerned. It has also been decided that a centralised list of black-listed suppliers and firms should be maintained in the Ministry of Works, Housing and Supply and circulated periodically for information to other Ministries and such State Governments as undertake to follow the provisions of the standardised code in the matter of black-listing of firms.

33. *Other Studies.*—Other items of work entrusted to the study groups and in which useful results have been achieved are:—

- (a) Difficulties in procurement of staff through Employment Exchange.
 - (b) Procedure for receipt of dak in the Central Registry;
 - (c) Procedure for diarising and allocation of dak;
 - (d) Procedure for examination and submission of receipts;
 - (e) Causes of delays in procurement of stationery and forms;
 - (f) Quantum of stenographic assistance required for Section Officers and Under Secretaries; and
 - (g) Preparation of utility-type designs of Office furniture.
- (f) *Special studies made by officers of the O. & M. Division*

34. *Assistance to the Jammu and Kashmir University in reorganising its office.*—In 1957, at the request of the Vice-chancellor of the Jammu and Kashmir University, an officer of the O. & M. Division was sent to examine the working of the office of that University and to advise them about the changes considered necessary. The assistance rendered was very much appreciated by the University authorities.

35. *Assistance to the Tourist Department in evolving suitable office procedures.*—At the request of the Director General, Tourist Department, an officer of the O. & M. Division was deputed in September-October, 1958 to study the existing working methods of the Tourist Offices. His report made several useful suggestions regarding changes in the existing office procedures particularly in regard to perusal, registration and disposal of dak, overhauling the existing filing system, arrear control, maintenance of essential registers and returns all designed to secure expeditious disposal of work on the one hand and uniformity in the procedures followed in the various units of the Department on the other.

36. *Recovery of Rent from Gazetted Officers in occupation of Government residences.*—Under the rules, the rent for Government residential accommodation in New Delhi is recovered from Gazetted Officers by the Treasury Officer. The Estate Office was, however, experiencing considerable difficulties in getting the rent recovery certificates from the New Delhi Treasury in time leading to delay in the posting of entries and an inflated and incorrect presentation of the

position about rent arrears. One of the Section Officers of the O. & M. Division was deputed to make an 'on-the-spot' study of the matter in both the Estate Office and the New Delhi Treasury. The main recommendations made by him have been accepted and implemented by the Estate Office and the Delhi Administration.

37. *Work Studies of certain special problems in individual Ministries.*—A start was made during the year 1957-58 in the direction of making studies of special problems in individual Ministries by an officer on Special Duty. He submitted reports on the following problems:—

- (i) Difficulties encountered by the Posts and Telegraphs Department in the printing of essential forms and publications;
- (ii) Evaluation of the centralised supply of printing as a common service provided by the Printing and Stationery Department (undertaken at the instance of the Central Economy Board).

The first problem has been separately considered by a Special Committee of the P. & T. As regards the second, the Ministry of Works, Housing and Supply have accepted most of the recommendations as regards (a) planning and control of printing demand and (b) securing more efficient production at the Government of India Presses.

(g) *Revision of Forms*

38. *Revision of forms.*—The Division has been taking up the question of reviewing the existing forms whenever any deficiency in the prescribed forms was brought to light or it was found to be hindering expeditious disposal of work. Brief details of some of the more important forms revised by the Division are given in the succeeding paragraphs.

39. *Forms of Annual Confidential Reports.*—The forms prescribed for writing the annual confidential reports of the various grades of staff employed in the Central Secretariat were reviewed and redesigned in order to facilitate the assessment of relative merit for promotion to higher posts and to secure maximum degree of uniformity in the standards of reporting. Instructions were also issued to the effect that the "reviewing" and "reporting" officers should make use of the O. & M. record in giving their remarks.

40. *File Cover.*—The lay-out of the existing form of file cover was found to be defective in many ways. The space provided for entering the subject matter of the file used to be covered up by the centre flap. In the new form this space has shifted towards the top of the file cover so that anyone handling the file can read its subject without having to untie the flaps. It also makes provision for certain additional necessary entries.

41. *Standard Reminder Card.*—The standard post card reminder form commonly used in local inter-ministry reminders was too small for filing purposes and had often to be pasted over a large sheet of

paper. Furthermore if the receiving Ministry/office was in a position to send a reply, some time was lost in preparing and sending the reply on a separate sheet of paper. The new reminder form devised for inter-ministry use is printed on a larger sheet of paper and in two parts separated by a horizontal perforation. The upper part is for use by the reminding Ministry and the lower can be used by the receiving Ministry if a reply can be sent straightway.

42. *Form for furnishing particulars of journeys on tour for preparing T. A. Bill.*—Not infrequently, the particulars furnished by officers and staff for preparation of T.A. bills did not contain all essential information. To cut out the resultant delays in the preparation and settlement of T.A. claims, a simple form has been devised giving full particulars of journeys including information relevant for determining the amount of the allowance admissible and recording certificates required to be furnished along with the claim.

43. *File Register and File Movement Register.*—The existing forms of File Register and File Movement Register have been reviewed and redesigned. The former will now be a permanent record of all files opened during a year, entries being made in the serial order as new files are opened. The File Movement Register which is to be of a temporary nature will have a lesser number of columns. It will also have lesser number of entries to be made so that it will be possible to record movements of two files to a page instead of one as hitherto.

(h) *Miscellaneous*

44. *Economy Drive.*—In June 1957, the Cabinet decided that each Minister and Secretary should give urgent and continuous attention to the maintenance of efficiency, integrity and economy in the administration in order to ensure that Government's financial and other resources were utilised to the best possible advantage. In pursuance of this direction 'internal' Economy Committees have been set up in all Ministries and Departments to scrutinise the present and projected activities to see whether any of them can be reduced, postponed or abandoned. A Central Economy Board consisting of the Principal Secretary, Finance, Home Secretary, Secretary (Expenditure) and the Director, O. & M. was set up to coordinate the work of Departmental Economy Committees and to assist and advise individual Ministries in these tasks and also to guide and supervise the work of the Special Reorganisation Unit of the Ministry of Finance. Since the abolition of the post of Principal Secretary, Finance, the Board has been functioning under the chairmanship of the Cabinet Secretary. The O. & M. Division has been assigned the responsibility of obtaining and placing before the Cabinet reports of the work done in this context by the Economy Board and by each Ministry and Department.

The results achieved so far were recently reviewed by the Central Economy Board. It was felt that the Internal Economy Committees had so far been devoting themselves largely to screening demands for additional expenditure and that not much attention had been given to a detailed examination of specific activities with a view to finding out better methods of doing work and thereby securing fresh economies.

Ministries have accordingly been requested to formulate in consultation with the O. & M. Division and the Special Reorganisation Unit a programme of work for about three months from 1-7-59 for a study of selected sectors of their organisation particularly in the operational agencies. A committee consisting of the Director, O. & M., and the Joint Secretary, S.R.U., will keep in close touch with the progress of these activities.

45. *Messenger Service System.*—At the instance of the Central Economy Board, the Ministry of Commerce and Industry started the Messenger Service System in January 1958 on a limited scale as an experiment. After a year's experience it was extended to all sections of the Ministry and to all officers upto the level of Under Secretary. The system has recently been introduced in the Planning Commission and the Department of Cooperation. The O. & M. Division was asked by the Central Economy Board to make a study of the working of the system with a view to perfecting it after removing any defects and deficiencies. A study of the working of the system was accordingly made by an officer of the O. & M. Division. Several improvements are being introduced at the instance of the Director, O. & M. Division, in the light of the study and subsequent discussions with officers of that Ministry.

The Director, O. & M. Division, has been assigned the responsibility of pursuing the question of introducing the system in other Ministries and Departments particularly in those which have been allotted compact accommodation.

(i) *Special O. & M. Measures taken by Departmental cells*

46. Apart from the action taken in pursuance of the general decisions taken at the O. & M. Officers' meetings and the measures introduced by the Central O. & M. Division, the O. & M. cells in individual Ministries/offices have organised a number of special reforms within their own organisation to serve their special needs. The Central O. & M. Division makes a practice of drawing the attention of all other O. & M. Officers to such experiments or special measures introduced in individual Ministries so that, where need and scope exist, similar action may be taken. Illustrative examples of such efforts are given below:—

(1) *In the Department of Agriculture.*—A special Audit Cell was set up to expedite disposal of audit objections in the Forest Research Institute and Colleges, Dehra Dun. The Cell also gives advice regarding procedures and regulations to avoid further audit objections.

(2) *In the Ministry of Commerce and Industry.*—(i) The Textile Commissioner, Bombay, has been authorised to sanction schemes for the development of handloom industry subject to certain conditions and the availability of funds. Several improvements have been made in the procedure for the issue of Essentiality Certificates for the import of machinery by textile mills. A test-check of the applications disposed of is also made at regular intervals.

(ii) The procedure for handling schemes for Handloom development and applications for loans from National Industrial Development Corporation and for watching the progress made by various Industrial Units, which have been granted licences under the Industries (Development and Regulation) Act, have been reviewed and streamlined.

(3) *In the Office of Chief Controller of Imports and Exports.*—(i) A special 'inspection team' has been constituted to undertake a post-test audit of applications for licences disposed of by the various Licensing Authorities in order to see that the policy and all relevant prescribed instructions are being properly applied and complied with.

To avoid interference with the normal flow of work, the inspections are made only during the 'slack' periods. During the 'rush' period the team, instead of doing inspection, extends a helping hand to the over-worked units. The unit also imparts training to the staff in office procedures in general and the special procedures prescribed for handling applications for licences etc.

(ii) A comprehensive pamphlet setting out the essential details of the import and export policy and procedures has been prepared and circulated in the office for general guidance and information.

(iii) On the licencing side the procedure for the disposal of applications was reviewed and revised and wider powers of disposal have been delegated to the various grades of officers in order to expedite disposal and cutting out unnecessary stages.

(iv) A special review was made of the working of the enhanced powers given to Section Officer|Assistant Controller, Controller and Deputy Chief Controller in regard to the actual user licences. It revealed that the new arrangement was working very satisfactorily. Decisions were being conveyed to the parties concerned within three or four days of receipt of applications.

(v) As an incentive to the trainees, a practice has been started of awarding 'Certificates of Merit' to persons securing over 75% marks in written and *viva voce* tests held at the end of the training.

(vi) A small Enforcement Cell has been created in the I.T.C. organisation. Hitherto all complaints against importers/exporters were ordinarily referred to the Special Police Establishment for investigation. This process usually took a very long time and the cases remained pending for a very long period of time. The new cell has proved very successful and a number of cases are now finalised very expeditiously after an 'on-the-spot' enquiry by a gazetted officer.

(vii) Central Registry is now working in three shifts so that the incoming receipts are marked and diarised and distributed to the Sections concerned on the same day.

(viii) To ensure safe custody of licences and of papers relating to them a new procedure was devised under which all such files are

transferred to the Record Room at the close of each week. A 'tally-system' has also been introduced for checking that all licences actually issued or cancelled have been duly reported.

(ix) Procedures followed in the Regional Offices have been streamlined as a result of regular visits by the Central O & M Inspection Team. Training classes are also now being conducted in many places for the benefit of the staff.

(x) To eliminate unnecessary noting and to ensure that all points relevant to the examination of an application for an import licence, etc., are looked into, special 'check-sheets' have been devised. Similarly, the various forms of replies used have been reviewed and standardised. Certain other forms, e.g., Interview Slips, Quota Certificates, have also been reviewed and standardised.

(4) *In the Department of Company Law Administration.*—(i) The Department organised a series of lectures to acquaint the staff with the salient features of the law governing the financial and internal management of registered companies, the knowledge of which should stand them in good stead in examining and processing cases. Attendance was compulsory for everybody except the Lower Division Clerks.

(ii) The Regional Directors of Company Law at Calcutta, Bombay, Madras and Kanpur have been delegated wider powers in the matter of sanctioning prosecutions under the various Sections of the Companies Act.

(iii) A review was made of the various returns received from field officers and those found to be obsolete or unnecessary have been discontinued.

(5) *In the Ministry of Defence.*—(i) The O. & M. Unit made "on-the-spot" studies of the organisation and functions of some of its Sections and the following establishments:—

- (a) Military Estate Office, Delhi Cantonment;
- (b) School of Foreign Languages;
- (c) Resettlement Sections; and
- (d) Office of the Director, Military Regulations and Forms.

The chief object of the study was (a) to find out the exact nature and volume of work done; (b) to test the intrinsic soundness of the methods of work employed; and (c) to assess the actual work-load and determine reasonable staff requirements. These studies were found very useful and have resulted in economy in some cases.

(ii) A refresher O. & M. course was arranged for the benefit of Section Officers to give them a general idea of the working of the O & M in the Government of India and of such other matters as organisations of the Army, the Navy and the Air Force Security

measures. The programme was initiated by the Director, O & M Division.

(iii) The A.F.H.Q. have been authorised to refer their cases other than those raising policy issues, direct to the Finance instead of routing them through the Ministry of Defence as at present. They have also been authorised to have direct correspondence with other Ministries in certain specified matters.

(iv) The O & M unit conducted a spot study of the registries in Army, Navy and Air Headquarters with a view to evolving uniform yardstick for work of repetitive routine. A yardstick for registration of 250 receipts or 300 despatches or 150 receipts with connected despatch work per clerk per day was adopted. This resulted in a reduction of 12 posts of clerks.

(6) *In the Ministry of Education.*—(i) A novel method of asking the Heads of Divisions and Branch Officers to keep a record of (a) cases disposed of at their own level and (b) those sent up to higher officers for orders or decisions was introduced. This had a very wholesome effect in bringing down the decision-taking level by inducing every officer himself to dispose of as many cases as possible.

(ii) A special review was undertaken of the matters which were submitted hitherto to higher officers and orders were issued specifying those in which lower officers could take decisions on their own.

(iii) The O. & M. Section conducted 20 case studies of badly delayed cases in the various divisions. The defects and lapses revealed were brought to the notice of the officers concerned.

(7) *In the Department of Economic Affairs.*—(i) The delays and difficulties involved in the scattered accommodation allotted to the Department have been overcome by providing quick transport in the shape of despatch rider. To cut down further the time taken in entering the papers in peon books the system of sealed bags has been introduced. The despatch rider has now to deliver and collect only one bag at each place.

(ii) A list of essential reference books which every section and officer should keep was standardised and circulated to all concerned. Section Officers and P.As. attached to the respective officers have been made responsible to see that all the books included in the list are properly maintained.

(8) *In the Department of Revenue.*—Special mention deserves to be made of the remarkable results achieved in the Department of Revenue as a result of the special efforts made to raise the speed of disposal. The Department had the highest carryover of 'primary' receipts 58.4% in July 1956. As a part of the efficiency drive which was inaugurated by the Director, O. & M., special steps were taken to enforce the proper and prompt compilation and submission of the weekly and the monthly arrear statements and a regular review

of the pending lists. Full use was also made of other O. & M. measures like case studies, regular inspection of Sections, staff meetings, quality control drive etc.

Spectacular results have been achieved as a result of the drive, the carry-over having been brought down from 58·4% in July 1956 to 40·8% at the end of May 1959 and in the number of long pending cases from 8199 to 5126.

(9) *In the Ministry of Health.*—(i) At the instance of the Health Secretary, a system has been introduced of every Branch Officer furnishing the Assistant Financial Adviser attached to the Ministry with lists of cases pending with the Finance Ministry for more than a fortnight twice each month on the 5th and 20th. The Branch Officers concerned then discuss the pending cases with the Assistant Financial Adviser and submit the results of their discussion to the respective Deputy Secretaries not later than the 12th and 27th of each month. The result of such discussion is reported to the O. & M. Section for consolidation and submission to the Secretary. Cases pending with the Delhi Administration are also pursued by the O. & M. Section.

(ii) The Health Ministry and the Directorate General of Health Services have adopted a system of exchanging, with each other, monthly lists of cases pending disposal for more than a month. These lists are first discussed between the officers of the Ministry and the Directorate at the Branch Officer level and then between their O. & M. Officers. The cases which still remain unsettled are then gone into at the monthly staff meetings held by the Secretary which are attended by the officers of the Directorate also. This method has proved very useful in accelerating the progress of delayed cases at both ends.

(10) *In the Ministry of Home Affairs.*—Officers of and above the rank of Under Secretary visiting headquarters of a State Government or Union Administration have been enjoined to take with them particulars of all references pending with the State Governments/Union Administration concerned for over 3 months. On return from tour, the visiting officer would inform the officers concerned of the results of his efforts with the State authorities concerned in securing expeditious disposal of the cases.

Similarly, it has been prescribed that whenever a Chief Commissioner or a Chief Secretary of a State happens to visit the Ministry of Home Affairs, Joint Secretaries in the Ministry should take the opportunity of discussing with him personally and furnishing him with a list of cases pending with his government/administration for a long time.

(11) *In the Ministry of Labour & Employment.*—A scheme has been introduced of supervisory training on the lines of the T.W.I. (Training within Industry for Supervisors) Scheme suitably adapted to the needs of Government offices. A total of 188 officers drawn from the Ministry and its attached and subordinate offices have participated in the programme.

(12) *In the Railway Board.*—(i) In order to exercise a visual check over delays in putting up fresh receipts, each Assistant has been provided with a special receipt rack. All outstanding receipts at any one time are placed in the rack, in different pigeon-holes according to the period of pendency. It is thus possible to ascertain at a glance the state of arrears with any one Assistant at any time.

(ii) Sections have been directed not to call for from subordinate authorities information which was already available in the Ministry. As an aid to verifying the availability of information, it has been decided that an alphabetical index of all statistical and other regular returns received from various sources will be prepared and circulated to all concerned. The index will also form the basis of a periodical review of the utility of the various returns.

(13) *In the D.G.P. & T.*—(i) Wider delegations of financial powers have been made to subordinate authorities in respect of a large number of matters which hitherto required prior concurrence of the D.G.P. & T.

(ii) The procedure for handling Parliament Questions has been streamlined and a self-contained set of detailed instructions has been circulated to all concerned.

(iii) A system has been introduced whereby the dak between the headquarters and heads of circles is now received and sent in bags thereby saving a lot of time and labour which was consumed in handling individual covers.

(iv) Numerical standards have been laid down for disposal of cases in most of the sections. A certificate is recorded by the Section Officer on the arrear reports as to whether or not the disposal of each Assistant has come up to the standard expected of him.

(14) *In the Directorate General of Supplies & Disposals.*—(i) Multi-member group system has been introduced in sections with even distribution of work among the groups. This system ensures that when a member of the staff is absent on leave the work allotted to him will not remain unattended to.

(iii) The duties of Section Officers *vis-a-vis* Assistant Directors that Deputy Directors will themselves in future deal *ab initio* with all cases of finalizing rate/running contracts and all other important cases. Instructions have also been issued that every purchase officer should maintain a record of indents falling within his purchasing power and keep a watch over their progress.

(iii) The duties of Section Officer *vis-a-vis* Assistant Directors have been clearly defined. The former now look after general supervision, control and efficient functioning of the section, while the Assistant Directors attend to the technical purchase work.

(iv) A time-table based on actual experience has been drawn up for dealing with an indent from the date of receipt to the date it is actually covered and contract issued.

(15) *In the Estate Office.*—(i) To avoid delay in the matter of allotment of vacant quarters and consequent loss of revenue to Government, instructions have been issued asking all concerned to deal with vacation reports expeditiously so that allotments are made the same day or at the most a day after the receipt of the vacation report. Instructions have also been issued that should any difficulty arise in any case, the matter should be discussed personally with the senior officers.

(ii) Orders have been issued that in future appropriate endorsements to Rent Sections should be issued simultaneously with the issue of occupation slips to avoid delay in recovery of rent. To ensure compliance with these instructions the O. & M. Units have prescribed a monthly return to be made by the Allotment Sections showing the time taken in the issue of endorsements and, in the case of delayed action, reasons therefor.

(iii) An Enquiry Cell was opened in the Estate Office in November 1957 to answer all enquiries, thereby reducing the distraction caused to the Allotment Sections by telephone calls and visitors. Waiting lists showing the latest position regarding allotments are also now displayed in the cell.

(iv) A pamphlet on the duties of diarist has been prepared in the Estate Office and distributed to all diarists in that office.

(v) The O. & M. Unit compiled and circulated to all concerned a statement showing the powers exercisable by the Estate Officer (As Head of Department) under the Book of Financial Powers, General Financial Rules, Treasury Rules, General Provident Fund (Central Services) Rules, Fundamental and Supplementary Rules, Civil Service Regulations, Allotment Rules, and under the various executive orders issued since 1944. This has minimised the need for frequent consultation of old records and reference books.

(vi) Rules for the allotment of residential accommodations and the various instructions issued in connection therewith have been consolidated and copies of the resultant compilation circulated to all concerned for their guidance.

(16) *In the Central Public Works Department.*—(i) A touring team went round the subordinate units to carry out special inspections of the conditions and methods of work. As a result a number of unnecessary intermediary stages have been cut out in dealing with a variety of cases and a number of obsolete reports and returns abolished.

(ii) To enable the Chief Engineer and the other senior officers to exercise effective control over expenditure, a system of maintaining progress and expenditure cards has been introduced. The cards are maintained by the Superintending Engineers for every work costing Rs. 2 lakhs and above and by the Executive Engineers for all works under their charge.

(17) *In the office of the U.P.S.C.*—(i) In addition to the monthly arrears statement and other reports prescribed by the O. & M.

Division, the following periodical returns/reports have been introduced to keep track of cases through the various stages of action, *e.g.*,—

- (a) Returns showing the weekly progress of the Scrutiny of applications;
- (b) Fortnightly return showing the progress of examinations;
- (c) Weekly return showing the progress of requisitions received for recruitment by selection;
- (d) Weekly statement showing the progress of disciplinary cases referred to the Commissioner.

(ii) Instructions have been issued that certain types of cases should not be dealt with below the level of Under Secretary or Deputy Secretary, thus dispensing with noting at lower levels. For instance, the drafting of advertisements for recruitment is handled not below the level of a Deputy Secretary; cases relating to framing of rules for examinations are submitted by the Section Officer direct to the Deputy Secretary concerned and disciplinary cases are, after the referencing of papers, etc., has been duly completed by the Section, submitted direct to a Deputy Secretary for examination.

(iii) Certain devices have been evolved to curtail the time taken in the examination of certain types of cases. For instance a "fly-sheet" has been found very useful in keeping a watch on the progress of quasi-permanency proposals. A single proposal may relate to as many as 100 or more persons and in the course of time the file may become unwieldy. The "fly-sheet" shows at a glance at any moment where precisely the proposal stands in respect of each person thereby saving the time and labour which would otherwise be lost in going through the entire file.

(iv) To keep a watch on the progress of cases of recruitment by selection, a special register of pending cases has been devised by the O. & M. Unit. The new form shows certain additional particulars about a proposal for recruitment, *e.g.*, number of vacancies, scales of pay, advertisement number, number of applications received, number of candidates selected, date of interview, date of recommendation, etc. This information has been found very helpful in reviewing the progress of delayed cases.

Appendix To Annexure II

Statement showing the Powers delegated to Section Officers upto 30-11-58

PART A

(a) Powers delegated to Section Officers incharge of Establishment or Cash Section as the case may be.

Item No.	Description of powers delegated
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I. Grant of Leave

- 1 Grant of leave (other than disability leave) to Class IV staff.
- 2 Grant of casual leave to members of staff, Class III and Class IV.
- 3 Forwarding leave applications of gazetted officers to audit for the purpose of obtaining admissibility reports.

II. Sanctioning of advances and recoveries thereof

- 1 Advances for purchase of bicycles.
- 2 Extension of number of instalments for repayment of cycle advances upto 24.
- 3 Grant of temporary advances from General Provident Fund when no relaxation of rules is involved.
- 4 Sanctioning of advances on tour and transfer to Class III and Class IV staff.

III. Contingent expenditure

- 1 Purchase of Government priced publications from within the monetary allotment and purchase of non-official books, periodicals etc. required by an officer not below the rank of Deputy Secretary subject to a maximum limit of Rs. 25/- in each case.
- 2 Other contingent expenditure up to specified limits.

IV. Attesting entries and signing bills and registers

- 1 Entries in Service Books and service rolls.
- 2 Cash book and contingent register (S.Os., cash or accounts as the case may be).

Item No.	Description of powers delegated
3	Entries in stock register of stationery and stores including receipt and issue.
4	Telephone rent register and trunk-call register.
5	Pay Bills and T.A. bills of non-gazetted staff (S.O. Cash Section).
<i>V. Miscellaneous (To S.Os., in charge of Estt. or Admn. Section)</i>	
1	Signing of requisitions for cyclostyling of copies at the Central Duplicating Section when the number of copies required is 500 or less (<i>vide</i> Ministry of W. H. & S. O.M. Suppl. 27(2)/54, dated 4th October, 1954).
2	Posting and transfer of certain categories of non-gazetted and Class IV staff.
3	Correspondence with various firms calling for estimates, quotations or revision of bills and issue of supply orders in cases when decision has been made by appropriate officers.
4	Booking of staff car and expenditure statement for staff car(s).
5	Making references to appropriate authorities regarding verification of character and antecedents and medical examination of staff.
6	Reporting vacancies to Employment Exchanges and other correspondence with them regarding nomination of candidates.
7	All correspondence regarding Invigilators for U.P.S.C. examinations not involving departure from normal procedure.
8	Correspondence with N.D.M.C., Central Secretariat Library etc. regarding issue of 'No demand certificates'
9	Correspondence with the Estate Office regarding change and sharing of Government accommodation by members of staff and also regarding refrigerators and fans.
10	Periodical reports and returns of a non-confidential nature—Routine correspondence.
11	Seniority list—All routine circulars in office and routine correspondence to and from attached and subordinate offices.
12	Typewriting tests—All routine correspondence circulars etc.
13	Correspondence in connection with the C.H.S. Scheme not involving any policy matters or financial obligations.
14	Correspondence with regard to Identity cards (other than requisitions for issue of either fresh or renewal of, permanent identity cards).
15	Correspondence with other offices regarding ceremonials, flag days and other similar functions.

Item No.	Description of powers delegated
16	Routine correspondence regarding telephones, call bells and clocks.
17	Routine correspondence with Audit regarding G.P. Fund, Postal Life Insurance and Conveyance allowances.
18	Routine correspondence regarding recovery of rent and electric and water charges, trunk call, telephone bill, distribution of G.P. Fund Schedules and missing G.P. Fund credits.
19	Correspondence of routine nature with CPWD, regarding minor repairs and maintenance of the office building.
20	Minor complaints from Class IV staff.
21	Disposal of routine objections and queries from Treasury Officer, A.G.C.R., and other Accounts and Audit Officers and routine correspondence with them.
22	Inspection and distribution of cycles.
23	Forwarding of applications for posts in other departments of the non-gazetted staff subject to the condition that the applications have the approval of appropriate level of officers under whom the Government Servant is employed and subject to certain other conditions.
24	Permission to prosecute studies outside office hours, subject to the observance of certain principles governing the grant of such permission, in the case of non-gazetted staff.

(b) Powers delegated to S.Os. in general

- 1 Signing of formal notices of meetings of which dates have already been fixed and approved by competent authority and circulation of approved minutes.
- 2 Signing of fair copies of communications to Field Officers/Attached and Subordinate Offices/Divisions/Sections/State Governments, regarding routine matters or Parliament Questions etc.
- 3 Signing of fair copies of all orders approved by higher officers etc. (other than those connected with disciplinary proceedings and specially important matters) addressed to Secretariat offices, recognized Service Associations, individual representations etc.
- 4 Endorsements forwarding copies of Government sanctions to Audit Officers.
- 5 Cases on which decisions have already been taken, and do not involve examination of fresh points.
- 6 Transmission to Attached and Subordinate Offices of papers which necessarily require examination by them before further examination in the Ministry.
- 7 Return to the originating offices of cases which contain incomplete data for a proper examination of the issues involved.

PART B

Certain special powers delegated to Section Officers specially pertaining to certain Ministries/Offices.

Serial No.	Description of the powers delegated	Ministry/Office
1.	Import and export licences and attestation of amendments etc. made therein.	Chief Controller of Imports and Exports
2.	Issue of quota certificates for value upto Rs. 50,000/-	Do.
3.	Issue of quota licences to Established Importers for value upto Rs. 1,00,000/-	Do.
4.	Issue of licences to Actual Users (in respect of items ordinarily licensable to Actual Users, Heavy Electrical Plant, Capital Goods, Irrigation, Power and Newspaper requirements) for value upto Rs. 50,000/-	Do.
5.	Issue of Licences against D.G.S.&D. and Railway contracts for value upto Rs. 2,00,000/-	Do.
6.	Issue of import licences to Actual Users borne on list of the Industrial Advisers for value upto Rs. 50,000/-	Do.
7.	To carry routine amendments in import licences.	Do.
8.	Passing of shipping bills for export	Do.
9.	Signing of replies to applicants for import/export licences etc.	Do.
10.	To revalidate licences issued against D.G.S.&D. and Railway contracts for values upto Rs. 2,00,000/-	Do.
11.	Chancery letters to Missions forwarding photographs, feature articles, films and other publicity materials (S.O. XS-Section).	External Affairs

Serial No.	Description of the powers delegated	Ministry/Office
12.	Chancery letters to Missions intimating the selection of persons posted to them.	External Affairs
13.	Maintenance of cash imprest in XP Dn and submission of A/cs thereof to the Cash Section.	Do.
14.	Forwarding of despatch notes of films (XS Section).	Do.
15.	Forwarding of reception reports of wireless transmission to the Overseas Communication Service. (XS Section).	Do.
16.	Routine correspondence with Missions abroad regarding supply of National flags, standard sizes, national emblems and shields (S.O. C.S. Section).	
17.	Applications received from various persons for information regarding their claims towards pensions, gratuity compensation, arrears of pay and allowances, Provident Fund and other service claims from <i>ex-Burma</i> and <i>ex-Ceylon</i> employees. (S.O.B.C. Section).	Do.
18.	Welfare and whereabouts of Indians in Burma and Ceylon—Enquiries thereto and final disposal of all such cases. (S.O. B.C. Section).	Do.
19.	Forwarding to the Ministries concerned initially of all notes received from Foreign Missions in India relating to the training of Burmese and Ceylon students, Military officers before final decision is communicated to the Missions (S.O.B.C. Section).	Do.
20. (I)	—WORKS SERVICES :	
(a)	Minor works connected with A.F.H.Q. upto the limit of Rs. 2,000/- each which are normally authorised for units and formations. This does not include any special item of work or any important deviations from scales which might create a precedent.	Finance (Defence) D.F.A. (A.F.)
(b)	Concurrence in draft Air Headquarters letters sanctioning allotment of funds for works already administratively approved.	Do.

Serial No.	Description of the powers delegated	Ministry/Office
(c)	Approving draft corrigenda to administrative approvals authorising verbal amendments about areas, nomenclatures, etc. without involving any increase in the overall cost of the project or the cost of any special item of the estimate.	Finance (Defence) D.F.A. (A.F.)
(2) <i>Organisation and Establishment</i>		
(d)	Approving draft Government letters sanctioning small additions and alterations in the Establishments already approved by the respective Establishment Committee.	Do.
(e)	Extending loan periods of training equipment and aircraft for short periods.	Do.
(f)	Reappropriation of allotments made to units and formations for employment of temporary staff or for special amenity or welfare measures.	Do.
(3) <i>Stores :</i>		
(g)	Approving indents for stores covered by authorised scales upto the extent of Rs. 20,000/- per item.	Do.
(h)	Approving amendments to Vocab Sections involving only verbal alterations without any financial implications.	Do.
(i)	Approving declaration of stores as surplus not exceeding Rs. 20,000/- in value for each item.	Do.
(j)	Approving modifications to existing stores provided the overall financial effect of such a modification does not exceed Rs. 2,000/- in value for the entire service.	Do.

Serial No.	Description of the powers delegated	Ministry/Office
(4) <i>Pay and Allowances :</i>		
(k)	Waiving time on claims of individual officers and other ranks provided they are not more than 5 years old. (This does not include authority to sanction arrears of pay)	Finance (Defence) D.F.A. (A.F.).
(5) <i>General :</i>		
(1)	Approving amendments to Air Force or Army Instructions or Government letters involving correction of printing of typographical errors or changing names and nomenclatures.	Do.
21.	(1) Sanctioning investigation of individual cases under F.R. I(I) Rules 124 and 125.	D.F.A. (A.G.)
	(2) Dealing with proposals to sub-allot funds under minor/detailed Heads.	Do.
22	(1) Provision of stores/equipment and scrutiny of indents upto Rs. 20,000/- for indigeneous and imported stores.	D.F.A.(W).
	(2) Power to concur in the declaration of stores for disposal, being surplus to Defence requirements upto Rs. 20,000/-	Finance (Defence) D.F.A. (W).
	(3) Loan issues excepting those cases in which Government sanction is required.	Do.
	(4) Concurrence in waiving time-bar with a view to permit investigation of claims of individuals (excluding contractors' claims).	Do.
	(5) Concurrence in proposals relating to minor works from the C.A.O's Office upto Rs. 2,000/- in case of authorised items only.	Do.
	(6) Allotment of funds from within the sanctioned budget.	Do.
	(7) Concurrence in minor corrigenda to Ministry of Defence letters regarding administrative approvals involving changes in specifications without causing increase in costs.	Do.

Serial No.	Description of the powers delegated	Ministry/Office
23	(1) According financial concurrence to demands for medical stores upto Rs. 20,000/- in each case except where foreign exchange is involved.	D.F.A.(O)
	(2) Declaration of stores as surplus to requirements upto the value of Rs. 20,000/- in the case of each item.	Do.
	(3) Proposal for the issue of stores on loan not requiring Government sanction provided they are not likely to constitute a permanent or long term increase in scales.	Do.
	(4) Cases relating to demands for increases/ retention of Industrial staff against approved schemes within a total expenditure of Rs. 2,500/- per mensem in each case.	Do.
	(5) Proposals for the modification of equipments, introduction of new items into service, provided the total cost of the measure is within Rs. 2,000/- in each case.	Do.
	(6) Sub-allotment of funds under locally controlled heads between various units under E.M.E., A.O.C. and TD Directorates.	Do.
	(7) Costing of proposals for increase/ decrease in establishments etc. forwarded to ASEC.	Do.
24	(1) Costing of measures in connection with submission of cases to ASEC (as distinct from acceptance of necessity).	Finance (Defence) D.F.A. (GS & Production).
	(2) Assessing the number of copies of training and other pamphlets to be printed.	Do.
	(3) Proposals for allotment of vacancies to State Governments on the courses run in the Schools and Centres subject to recovery of normal charges.	Do.

Serial No.	Description of the powers delegated	Ministry/Office
25. (1)	Investigation of time-barred claims in respect of Civilian personnel, where the period involved does not exceed five years.	D.F.A. (Navy).
(2)	Purchase/procurement of authorised Naval armament/Aviation Stores of value not exceeding Rs. 20,000/- covered by authorised scales or other authority and not involving foreign exchange.	Do.
(3)	Loan issues of stores ex-stocks of value not exceeding Rs. 20,000/- though the period of loan may exceed six months and the stores may be in addition to the permanent warrant of stores authorised for the ship/establishment concerned.	Do.
(4)	Inter-Service issue/transfer of stores of value not exceeding Rs. 20,000/-.	Do.
(5)	Minor works connected with AFHQ upto the limit of Rs. 2,000/- each which are normally authorised for units and formations. This does not include any special items of work or any important deviations from scales which might create a precedent.	Do.
(6)	Concurrence in draft Naval Headquarters letters sanctioning allotment of funds for works already administratively approved.	Do.
(7)	Approving draft corrigenda to administrative approvals authorising verbal amendments about areas, nomenclatures etc. without involving any increase in the overall cost of the project or the cost of any special item of the estimate.	Do.
(8)	Approving Airlifting of Naval Aviation Stores (spare parts only) against immediate and operational requirements.	Do.
26 (1)	Proposals for placing indents for army Service Corps stores within the total quantities already approved and included in the budget.	D.F.A.(Q)

Serial No.	Description of the powers delegated	Ministry/Office
	(2) Signing of endorsements to Controllers of Defence Accounts, etc. of Army Head quarters letters having financial bearing and issued with the concurrence of higher officers.	Do.
	(3) Forwarding of indents from Directors, Remount Veterinary and Farms, to Director General of Supplies and Disposals for stores in respect of which provision has been made in the budget and for the purchase of which Government sanction has also been obtained.	Do.
27.	(1) Scrutiny of compiled actuals	D.F.A.(B)
	(2) Scrutiny of statements of cases relating to losses and financial irregularities.	Do.
28.	(1) Concurrence in draft Government letters sanctioning establishments already agreed by the Estimate Committee.	D.F.A. (A.F.)
	(2) Minor expenditure proposals of an <i>ad hoc</i> character, e.g.: employment of additional temporary followers, provided the cost does not exceed Rs. 5,000/- per annum.	Do.
	(3) Demands for indigenous stores and demand for stores to be imported from soft currency areas upto a monetary limit of Rs. 30,000/-.	Do.
	(4) Financial scrutiny of all proposals for local purchase or local manufacture of stores falling within the financial powers of the service Headquarters upto a monetary limit of Rs. 2,500/-.	Do.
	(5) Approving R.S.M. Orders (Repair, Servicing and Maintenance orders) for aircraft, aero-engines and ancillary equipment not exceeding Rs. 2,000/- in value each.	Do.
29.	(1) All questions relating to administration of Rent Rules excepting matters of policy.	D.F.A.(W)

Serial No.	Description of the powers delegated	Ministry/Office
	(2) Administration of rules governing the disposal, requisitioning and acquisition of properties except matters of policy.	D.F.A.(W)
	(3) Acceptance of proposal regarding the disposal of Ministry of Defence Assets where the auction bids fall short of the minimum reserve price upto a limit of Rs. 2,000/-	Do.
	(4) Concurrence in cases of legal fees etc. where a fee payable to a pleader defending Government cases does not exceed Rs. 200/-.	Finance (Defence) D.F.A.(W)
30.(1)	All minor cases relating to Inter-Services Organisations—Not involving any policy issues the Non-recurring financial effect of which is not more than Rs. 5,000/- but excluding proposal relating to pay and allowances, honoraria to staff.	D.F.A. (CS & Production).
	(2) Extension of peace Establishment for interim-periods not exceeding three months pending examination by ISEC.	Do.
	(3) Extension of Peace Establishment and War Establishment for interim-periods not exceeding three months pending examination by ASEC.	Do.
	(4) Cases relating to recovery of training charges at the rates already laid down by Government.	Do.
	(5) Cases relating to grant of financial assistance to the Cadets of the National Defence Academy and the Military Wing, where the income of the parents as certified by the District Magistrates falls clearly within the financial limits laid down by Government.	Do.
31.(1)	Routine costing of Mechanical Transport in respect of which details have been received from other D.F.As. and in respect of which only the cost of running is to be calculated in D.F.A. (Q)'s Section.	D.F.A. (Q)
32.	Drawing and disbursing powers, including T.A. of non-gazetted staff.	Information and Broadcasting.

Serial No.	Description of the powers delegated	Ministry/Office
33.	Import Licence Certificates for clearance of records received from abroad.	Information and Broadcasting (D.G., A.I.R.)
34.	Non-recurring contingent expenditure (GFRs 129, 130 and 144) upto a limit of Rs. 500/-.	Do.
35.	Cases relating to electric connections required by the various embassies in which no points of difference arises (EL.II SECTION).	Irrigation and Power..
36.	Calling for the comments of the Central Water and Power Commission on requests received from the State Governments for the release of foreign exchange and the grant of visas to foreign nationals.	Do.
37.	Sending technical papers etc. to Central Water and Power Commission for information bringing important orders to B.O's note.	Do.
38.	Powers of Head of Office under para 3, G.F. R., Vol. I.	Labour Bureau.
39.	Powers of controlling officer in respect of non-gazetted staff only under S.R. 191.	Do.
40.	Passing on Section 80 C.P.C. notices to Chief Settlement Commissioner's Office on which action is to be taken by that Office.	Rehabilitation.
41.	References to Technical Adviser for obtaining technical advice. (Section Officer, H.I. Section).	Do.
42.	Intimation of final cost and area of houses supplied by the Central Public Works Department (S.O., H.I. Section).	Do.

Serial No.	Description of the powers delegated	Ministry/Office
43.	Correspondence etc. with penfriends Clubs in Indian Schools for penfriendship within India.	Scientific Research and Cultural Affairs.
44.	Routine correspondence regarding refund of customs duty and freight etc., on books imported by the "Co-operative of American Remittances to every where" for distribution to Institutions in India.	Do.
45.	Routine correspondence regarding gift books from foreigners, foreign institutions and Indian Missions abroad, except the initial and final action.	Scientific Research and Cultural Affairs.
46.	Routine day to day correspondence regarding exchange of publications under the Indo-U. S. Agreement, which is in accordance with the procedure already outlined in the Agreement.	Do.
47.	Reservation of Railway Berths and allotment of accommodation for the Commission's Advisers.	Union Public Service Commission.
48.	Issue of telegrams under personal responsibility.	Do.

APPENDIX V

STATEMENT SHOWING RESULTS OF THE STUDIES CARRIED OUT BY THE S. R. U. SINCE 1957.

The Special Reorganisation Unit was constituted in 1952 for conducting objective reviews of the organisation and staff requirements of the various Ministries and their offices. Upto 1956 this Unit had examined about a dozen Ministries/Departments including various subordinate offices under those Ministries/Departments. A list of the Ministries/Offices examined by the Unit upto 1956 is attached (Annexure I). As a result of this examination, the Unit had recommended upto May 1956 economies to the tune of about 135 Lakhs of which the Ministries/Offices had by then accepted for implementation economies amounting to about 56 Lakhs.

2. The working of this Unit was reviewed and re-orientated towards the end of 1956 as a result of which it was directed to confine its activities to selected areas of administration so as more to regulate the expansion of establishments arising from progressively increasing plan outlays than to effect economies in financial terms. The Unit employs modern techniques of work study which involve:—

- (i) a critical study of the organisational structures, lines of communication and command, spans of control, levels for decisions, channels of form of work, mechanism for control, etc.;
- (ii) analysis of procedures and methods of work in relation to functions;
- (iii) work simplification, involving elimination of avoidable operations, simplification of procedures, introduction of improved devices like check lists, standards forms, diversified registration, etc.;
- (iv) work measurement, including re-assessment of levels of performance; and
- (v) staff assessment, including standards of performance.

3. A study of this nature depends on a close collaboration between the work-study analyst and the persons actually responsible for doing the work. It involves evolution of methods of analysis suited to each organisation and clearance of facts at all levels of performance of the work. From its very nature this is a time consuming process particularly as one of its basic features is that it should, in the process inculcate the use of such methods for future in the organisations studied.

Study of which was completed during 1959-60 are:—

- (1) The Indian High Commission in London.
- (2) Coal Controller's Organisation, Calcutta.

- (3) Trade Marks Registry.
- (4) Directorate General of Resettlement & Employment.
- (5) Directorate General of Armed Forces, Medical Services.
- (6) National Productivity Council and its branches.
- (7) Department of Revenue (Finance Ministry).
- (8) Central Claims Organisation (Ministry of Rehabilitation).
- (9) Department of Expenditure (Finance Ministry).
- (10) Central Water and Power Commission.

Besides, economies resulting from work simplification and improvement of standards of performance, the direct economies resulting from implementation of the staff assessments made so far will alone be of the order of Rs. 50—55 lakhs per annum. This is in addition to the savings resulting from the prevention of further expansion in staff during the last three years, to the extent of over a crore of rupees per annum.

The work of this Unit has also recently been reviewed and it has been further re-enforced by addition of a few officers and Analysts in order that a round of work studies on the Ministries and important offices may be completed within a period of two to three years.

This Unit also imparts special training courses in work study techniques to selected teams of officers deputed by the various Ministries/Departments.

Annexure I to Appendix V

List of Ministries and offices thereunder examined by the special team of Officers

1. Ministry of Food & Agriculture (Food Wing) only and 33 offices under it.
2. Ministry of Irrigation & Power and 2 offices under it.
3. Ministry of Labour & 13 offices under it.
4. Ministry of Communications and 13 Offices under it.
5. Ministry of Transport and 18 offices under it.
6. Ministry of Health and 5 offices under it.
7. Ministry of Works, Housing & Supply and 9 offices under it.
8. Ministry of Commerce & Industry and 13 offices under it.
9. Ministry of Natural Resources & Scientific Research and 3 offices under it.
10. Office of the Union Public Service Commission.
11. Department of Parliamentary Affairs.
12. Ministry of Law.
13. Ministry of Defence.

II. Ministry of Commerce & Industry

14. Office of the Textile Commissioner, Bombay.

Ministry of N.R. & S.R.

15. Indian Bureau of Mines.
16. Indian School of Mines and Applied Geology, Dhanbad.

Ministry of W.H. & S.

17. Subordinate Offices of the C. P. W. D.

Ministry of Production

18. Coal Commissioner's Office.
19. National Instruments Factory, Calcutta.

Annexure II to Appendix V

Statement of Work-Studies carried out by the Special Reorganisation Unit Since 1957

Serial No.	Name of Ministry/Department /Office reviewed	Nature of Study	Remarks
1	High Commission of India in United Kingdom.	A work-study of the office of the High Commissioner in London has been completed and report issued. All the proposals for work simplification have been accepted by the High Commission. Proposals for reduction in the staff employed have also been accepted resulting in a saving in recurring expenditure amounting to approximately Rs. 35.59 lakhs annually. The number of posts reduced is about 240 out of a total of 1068. There would be a further reduction and saving in recurring expenditure after the High Commissioner draws up proposals for a reduction of posts in lower manipulative grades in accordance with the principles discussed and agreed upon between the Special Reorganisation Unit and the High Commissioner.	
2	Coal Controller's Organisation		The Work-study of the organisation has since been completed. A large number of proposals for work

simplification and functional/organisational changes have been made. These have been accepted and some have already been implemented. As a result of agreed conclusions reached, the overall reduction in staff works out to 33%, distribution over the various grades being 23% in Officers, 16% in supervisory staff, 36% in other staff and 23% in the grade of peons. In terms of men, it works out to 159 against the existing strength of 484. The financial savings would amount to about rupees four lakhs out of a total establishment Bill of Rs. 14·3 Lakhs per annum.

A quick work-study was undertaken at the instance of the Finance Minister. The results have been communicated and have been discussed. Suggestions which will result in a recurring saving of about Rs. 3-3/4 Lakhs per annum have already been accepted. There is room for detailed methods-study in a number of sections with a possibility of further economy. This has been indicated and is under consideration.

The Directorate General of Resettlement and Employment consists of a Directorate of Employment Exchanges and a Directorate of Training. Work-study of both these Directorates has been completed. Proposals in respect of the former Directorate have been discussed and accepted by the

3 Department of Economic Affairs

4 Directorate General of Resettlement and Employment.

Director General, resulting in a saving in recurring expenditure of Rs. 65,000 per annum. Proposals in respect of the Directorate of Training are under discussion.

- 5 Department of Revenue
(Ministry of Finance)
Work study is in progress. The study at operative levels has been completed and notes passed on to the authorities as a basis for discussion. Areas have been indicated for detailed methods study. Certain further points raised in the process have also been examined and the results will now be discussed at higher levels.
- 6 Trade Marks Registry.
Work study of the Trade Marks Registry has been completed. Several proposals for work simplification and organisational re-arrangement have been made. These are under discussion with the Registrar along with proposals for reduction in the staff employed in the Registry.
- 7 Central Claims Organisation
(Ministry of Rehabilitation)
At the instance of the Secretary, Ministry of Rehabilitation, a preliminary study of the Central Claims Organisation, Mussoorie, has been taken in hand.
- 8 Publications Wing of the I.&B.
Ministry.
Work study has been undertaken at the instance of the information and Broadcasting Ministry and is in progress.
- 9 National Productivity Council's
Office.
Work study has been undertaken at the request of the National Productivity Council and is in progress.
- 10 Office of the Post Master
General
The S.R.U. was asked to define a yardstick for the creation of posts of Assistant Directors. In the

course of the study, it was noticed that there was room for simplification of work, for down-grading the levels of performance and for delegation of powers. Suggestions made in this regard were largely accepted by the Postmaster General and several of these have since been implemented by the Director General, Posts and Telegraphs. The yardsticks will be determined after the revised methods of work have been put into effect and after examining the patterns of work in some other circles.

II D. G. A. F. M. S.

The Work-study of the D. G. A. F. M. S. was undertaken because of demand for increase in their staff strength. The additional requirements were a staff Captain, two S.Os. and 27 persons at the clerical level. The study has been completed at the operating level and additional staff to the extent of one stores Officer and ten Clerks for regular work and three Clerks for non-recurring work has been agreed to. This provision has been made primarily for the performance of some important items of work which were not being performed fully hitherto. The proper performance of these items, e.g., a more regular provisioning for medical stores and timely procurement action for a larger number of items of stores in *short supply* is likely to result in financial savings to Government by way of reduction in the number of emergent purchases made at higher rates. The

- assessment of strength of officers has been made and recommendations will be sent out shortly.
- 12 **Directorate General of Supplies & Disposals.**
The organisation had asked for additional staff on the contention that the present actual work loads were more than double the normal capacity of officers and staff. The Stores Purchase Committee had recommended creation of 3 additional posts of Deputy Directors with corresponding staff, pending revision of staff strength. An analysis of methods of work and organisational pattern by the S.R.U. revealed that it was possible to manage within the existing staff. The recommendations have been accepted to the extent of trying them out in a few selected areas. So far as the organisation pattern is concerned, it has been accepted and functional redistribution of work is under way. Two new Units, namely Planning for procurement of scarce material and Finalisation for expediting payments to contractors have been set up.
- 13 **Ministry of External Affairs
(Administration Wing)**
Methods study of three sections was completed and proposals for simplification made as a result thereof discussed. The recommendations accepted so far would result in a reduction of about 20% in the existing establishment of these 3 Sections and a saving of Rs. 35,000 per annum approximately.
- 14 **Press Information Bureau**
As a result of special methods devised by the S.R.U. for the study of a Unit of this character, it has been decided to effect economies to the extent of Rs. 1.25 Lakhs per annum in this organisation. This involves a reduction of 36 posts including ten posts of officers and the scaling down of 22 other posts.

15 Ministry of Health (Post of Joint Secretary). As a result of the study, suggestions were made for reallocation of work at higher level which would result in discontinuance of a post of Joint Secretary. The study further revealed the need for eliminating areas of overlap of functions between the Ministry of Health and the D.G.H.S. The post of Joint Secretary is at present in abeyance.

16 Ministry of Rehabilitation. Nearly 287 posts, including 30 gazetted officers, have been reduced in the office of Chief Settlement Commissioner and in some of the field offices resulting in a recurring annual saving of about Rs. 4 lakhs. The activities of this Organisation would in any case be decreasing and some reduction would have been brought about in the ordinary course too. The entire machinery for payment of compensation has been re-organised in order to complete payment within 18 months instead of a much longer period that was envisaged had the present methods of work and organisational structure continued. This is being done without addition to staff.

17 Naval Secretariat of the Naval Headquarters. The Sections headed by the Naval Secretary in the Naval Headquarters were examined at the instance of the Defence Ministry. The study revealed that the existing system had not proved effective and that there was room for economy. The report has been made to the Naval Headquarters and the Defence Ministry.

A proposal had been formulated by the Ministry of Works, Housing and Supply for re-organisation of this office. It envisaged the upgrading of senior administrative posts and increase in ministerial staff. The latter alone would have increased the recurring annual cost by over Rs. 2 lakhs. On the other hand, the methods and organisational studies conducted by S.R.U. indicated that there was room for economy provided certain changes were made. The suggestions of the S.R.U. have been accepted and there is now a possibility of a net reduction in establishment instead of the increase asked for. This will be spread over a period according as the Estate Office is able to introduce new methods progressively in the next few months. There will incidentally also be a reduction in the loss of revenue which occurs as a result of keeping residences vacant pending allotment as certain changes proposed in the rules for allotment by the S.R.U. have been substantially agreed to. The method study will also result in avoiding accumulation of rent and in clearing old arrears of rent which amount to Rs. 30 lakhs in a much shorter period than was envisaged by the existing procedure of the Estate Office. An Enquiry Cell has also been opened to relieve pressure on senior officers and to expedite the replies.

The Unit's advice was sought on the reorganisation proposed by the Champion Committee. As a result of investigations and case studies it was suggested that the same objective could be fulfilled by more economical arrangement which would be

cheaper by about Rs. 48,000/- per annum. The matter is now under the consideration of the Food and Agriculture Ministry.

- 21 Ministry of Community Development- The study was made at the instance of the Minister. Several suggestions regarding simplification of work, changes in organisation and staff requirements were made and discussed with the Ministry. The Ministry have thereafter, themselves reduced their staff strength so as to save about Rs. 92,000/- p.a.
- 22 Central Water and Power Commission- Work study of the work of different Directorates of the Central Water and Power Commission was carried out on behalf of the C.W.P.C. Reorganisation Committee. The Report is now under the consideration of Government.
- 23 Directorate General of Posts and Telegraphs. The organisational lay-out, lines of command and spans of control in the Wings dealing with postal matters, staff and establishment, union relations etc., were studied and reports sent to the D.G.P. & T. to form a basis for discussion and with a view to deciding upon problems and areas for further study. A methods study was carried out in two Units; the results of which have been accepted and are being implemented. Apart from improvement in methods of work these will result in an economy of about Rs. 4,000/- per annum in the two Units studied.

- 24 Department of Agriculture
(Post of Joint Secretary).
The study was limited to work-load at the level of Joint Secretary and above. The results indicated that one post of Joint Secretary could be reduced and this reduction was accepted (saving Rs. 27,000/36,000 a year according as the new or old scale is used).
- 25 Adviser for Five Year Plan Publicity (Ministry of I. & B.).
As a result of the analysis made by the Unit it was accepted that the status and scale of pay attached to the post should be scaled down. The economy effected was of the order of Rs. 5,000/- a year recurring.
- 26 Ministry of Food and Agriculture
(State Agriculture Schemes).
In the Department of Agriculture, operational analysis was carried out in regard to the scrutiny of State agricultural schemes requiring Central assistance.
Suggestions were made for simplification of procedures and use of standard forms and for revised allocation of work. These resulted in additional requirement of 3 technical posts being reduced to two and reduction of existing clerical strength by two. This had the effect of reducing the additional cost by about Rs. 8000/- per annum recurring.
- 28 Controller General of Defence
Production. An examination of organisational set-up of headquarters office of the C.G.D.P. was conducted.
- 29 Pension Procedures.
At the request of the O. & M. Division a study was carried out to eliminate procedural delays in processing of pension cases. The causes of delay were analysed and remedial measures suggested. A revised procedure has been introduced to ensure expedition and elimination of wasteful procedures.

APPENDIX VI

ENCLOSURE TO THE REPLY TO RECOMMENDATION No. 5

EXTRACT FROM GENERAL FINANCIAL RULES, VOLUME I

Grants to Public Bodies, Institutions, etc.

206.

* * * *

The following instructions are issued for the guidance of sanctioning authorities in the matter of according sanctions for grants-in-aid.

207. (1) Unless in any case Government directs otherwise, every order sanctioning a grant should specify clearly the object for which it is given and the conditions, if any, attached to the grant. In the case of non-recurring grants for specified objects, the order should also specify the time limit within which the grant or each instalment of it is to be spent.

(2) Only so much of the grant should be paid during any financial year as is likely to be expended during that year. In the case of grants for specific works or services such as buildings, water supply schemes and the like, the sanctioning authority should use its discretion in authorising payments according to the needs of the work. The authority signing or countersigning a bill for grants-in-aid under Treasury Rule 406 should see that money is not drawn in advance of requirements. There should be no occasion for a rush for payment of these grants in the month of March.

(3) Before a grant is paid to any public body or institution, the sanctioning authority should as far as possible insist on obtaining an audited statement of the account of the body, or institution concerned in order to see that the grant in aid is justified by the financial position of the grantee and to ensure that any previous grant was spent for the purpose for which it was intended. It is not essential for this purpose however that the accounts should be audited in every case by the Indian Audit Department and it will be sufficient therefor if the accounts are certified as correct by a registered accountant or other recognised body of auditors. In the case of small institutions, which cannot afford to obtain the services of a registered accountant or other registered body of auditors, the sanctioning authority may exercise its discretion of exempting any such institution from the submission of accounts audited in this fashion.

The authority sanctioning a grant, while communicating the sanction to the Accountant General, should state whether the audited statement of accounts has been received when required, or whether the grantee has been exempted from submitting the statement.

NOTE:—This order applies both to non-official institutions and to semi-official ones, such as Public Clubs, etc.

208. In cases in which conditions are attached to the utilisation of a grant in the form of specification of particular objects of expenditure or the time within which the money must be spent, or otherwise, the departmental officer on whose signature or countersignature the grant in aid bill was drawn should be primarily responsible for certifying to the Accountant General, where necessary, the fulfilment of the conditions attaching to the grant unless there is any special rule or order to the contrary. The certificate should be furnished in such form and at such intervals as may be agreed between the Accountant General and the head of the Department concerned. Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose, he may require the submission to him at suitable intervals of such reports, statements, etc. in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audited report, as the case may be, will either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of those conditions.

209. Unless it is otherwise ordered by Government, every grant made for a specific object is subject to the implied conditions:—

- (i) that the grant will be spent upon the object within a reasonable time, if no time limit has been fixed by the sanctioning authority; and
- (ii) that any portion of the amount which is not ultimately required for expenditure upon that object should be duly surrendered to Government.

APPENDIX VII

ENCLOSURE REFERRED TO IN THE REPLY TO RECOMMENDATION No. 31

Copy of the Department of Company Law Administration Note No. 10(15)—Inst. 59 dated 13th June, 1959.

SUBJECT: Fifty-fifth Report of the Estimates Committee on the Ministry of Finance (Department of Expenditure)— Recommendation regarding measures for increasing the output of Cost Accountants in the country.

While any substantial increase in the supply of trained personnel in Cost Accountancy will take some time, certain steps have been taken by this Department in promoting Cost Accountancy as a profession so that it might attract more candidates and might also assume the responsibilities for the maintenance of requisite standards of professional qualifications which are needed to improve productive skill and industrial management. These are detailed below:—

- (i) In order to meet the existing shortage of trained Cost Accountants for the growing needs of industrial undertakings in the public sector to which attention was drawn in previous years by the Estimates Committee, a short term training scheme for the benefit of the technical and financial officers of Government, of State Undertakings and the industries sponsored or aided by Government was taken up in consultation with the Finance Ministry and the Planning Commission. An inter-Ministry Meeting was held on 18th September, 1956 to discuss the plan for development and regulation of the profession. While there was general agreement that further recruitments from the open market for the cost accounting services specially in the Gazetted and superior subordinate ranks should be limited to qualified Cost Accountants, it was felt that the existing deficiency of qualified Cost Accountants could be met suitably and quickly by imparting a prescribed course of training to the existing staff in the public sector undertakings who were not qualified Cost Accountants. It was, therefore, decided in consultation with the Ministries to start a training scheme under the aegis of the Institute of Cost and Works Accountants, Calcutta. . . . The Institute was accordingly asked to make the necessary arrangements for imparting training to the

trainees sponsored by the various Ministries. The training of the first batch was started on the 1st of August, 1957 and since then four batches of trainees comprising of persons from Central and State Governments including the various undertakings under their administrative control have completed the prescribed training. A fifth batch is now under training which will be completed in the first week of September next. A statement showing the number of trainees in each batch who were sponsored for training under the scheme is enclosed from which it will be seen that with the completion of the training of the Fifth Batch, a total of 298 persons will have received training in the elements of Cost Accountancy. The majority of trainees so far sponsored seems to be drawn from various Departments of the Government and comparatively lesser number of persons have been deputed for training from Government Companies. This Department hopes that now that the Institute of Cost and Works Accountants, Calcutta, has been placed on a statutory footing by the passing of the Cost and Works Accountants Act, 1959, the Ministries will increasingly avail themselves of the opportunity of having more persons employed on Costing work in Government Companies, trained up under this scheme.

- (ii) The question of development and recognition of the profession of Cost Accountants was carefully considered last year in consultation with the various Ministries concerned and the Council of the existing Institute at Calcutta, and the consensus of opinion was that the profession should be organised on a statutory basis on the lines of the Institute of Chartered Accountants of India. As a first step towards the reorganisation of the profession, Government accorded administrative recognition to the then existing Institute at Calcutta in November, 1956, pending the enactment of necessary legislation for the setting up of statutory body of Cost Accountants. Subsequently the Bill to regulate the profession of Cost Accountancy was passed by the Parliament in the last budget Session and the cost and Works Accountants Act which gives statutory recognition to the Institute has been brought into force with effect from the 28th May, 1959. With the statutory recognition of the profession, it is expected that more persons will take up this profession considering the increased scope for Cost Accountants in the context of the increasing tempo of industrialisation. The statutory Institute is expected to devote thought in due course to ways and means of providing facilities for training for entrants to the profession.
- (iii) In order that Government Servants who have completed the Examinations of the Institute of Cost and Works Accountants may have opportunity for practical training

so as to become fullfledged Cost Accountants we have requested all State Governments and Central Ministries to transfer such persons to establishments or Government Companies which are under their administrative control and which can provide training in Cost Accountancy. Some of the Ministries have already indicated their willingness to accept such transfers for the purpose in Companies under their charge. The response from the other Ministries having large scale industrial undertakings under their control is expected to be favourable.

2. It will, therefore, be seen from the above that this Department has already taken certain major steps for adequate recognition of the importance of Cost Accountancy as a profession and for imparting training to Government personnel.

Statement showing the number of candidates trained in various batches under this scheme

	<i>Course</i>	<i>Course</i>	<i>Course</i>	<i>Total</i>
	<i>A</i>	<i>B</i>	<i>C</i>	
First Batch . . .	6	10	12	28
Second Batch . . .	5	20	24	49
Third Batch . . .	10	34	30	74
Fourth Batch . . .	12	43	20	75
Fifth Batch (under training)	11	40	21	72
TOTAL . . .	44	147	107	298

APPENDIX VIII

Analysis of the Action taken by Government on recommendations contained in the Fifty-fifth Report of the Estimates Committee (Second Lok Sabha)

I.	Total number of recommendations made	33
II.	Recommendations accepted fully by Government (<i>Vide</i> recommendations in Chapter II).	
	Number	8
	Percentage to total	24·2%
III.	Recommendations accepted by the Government partly or with modifications (<i>Vide</i> recommendations Nos. 4, 8, 16, 17, 18, 19, 25 and 30).	
	Number	8
	Percentage to total	24·2%
IV.	Recommendations not accepted by Government but replies in respect of which have been accepted by the Committee (<i>Vide</i> recommendations 1, 7, 9, 12, 13, 14, 15, 23 and 29).	
	Number	9
	Percentage to total	27·4%
V.	Recommendations in respect of which replies of Government have not been accepted by the Com- mittee (<i>Vide</i> recommendations in Chapter IV).	
	Number	8
	Percentage to total	24·2%