

10

**EXCESSES OVER VOTED GRANTS
AND CHARGED APPROPRIATIONS
(2002-2003)**

**PUBLIC ACCOUNTS COMMITTEE
2004-2005**

TENTH REPORT

FOURTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

TENTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(2004-2005)

(FOURTEENTH LOK SABHA)

EXCESSES OVER VOTED GRANTS AND
CHARGED APPROPRIATIONS (2002-2003)



Presented to Lok Sabha on.....
Laid in Rajya Sabha on.....

LOK SABHA SECRETARIAT
NEW DELHI

April, 2005/Baisakha, 1927 (Saka)

PAC No. 1773

Price: Rs. 30.00

© 2005 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eleventh Edition) and Printed by the Manager, Government of India Press, Minto Road, New Delhi.

server1\reports\41LSENG Raw Text folder/file name 41lspre.p65

CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE 2004-2005	(iii)
INTRODUCTION	(v)
REPORT	1

APPENDICES

I-III. Explanatory Notes furnished by the concerned Ministries/ Departments on the excess expenditure incurred under various Grants/Appropriations during 2002-2003.....	31—47
IV. Statement of Observations and Recommendations	48

PART-II

Minutes of the sitting of Public Accounts Committee held on 1st April, 2005.	62
--	----

COMPOSITION OF PUBLIC ACCOUNTS COMMITTEE (2004-2005)

Prof. Vijay Kumar Malhotra — Chairman

Lok Sabha

2. Shri Ramesh Bais
3. Shri Khagen Das
4. Dr. M. Jagannath
5. Shri Raghunath Jha
- *6. Shri Naveen Jindal
7. Shri Ashok Kumar Rawat
8. Shri Magunta Sreenivasulu Reddy
9. Dr. R. Senthil
10. Shri Madan Lal Sharma
11. Shri Brij Bhushan Sharan Singh
12. Dr. Ram Lakhan Singh
13. Kunwar Revati Raman Singh
14. Shri K.V. Thangka Balu
15. Shri Tarit Baran Topdar

Rajya Sabha

16. Shri Prasanta Chatterjee
17. Shri R.K. Dhawan
18. Dr. K. Malaisamy
19. Shri V. Narayanasamy
20. Shri C. Ramachandraiah
21. Shri Jairam Ramesh
22. Prof. R.B.S. Varma

Secretariat

- | | | |
|------------------------|---|------------------------|
| 1. Shri P.D.T. Achary | — | <i>Secretary</i> |
| 2. Shri Ashok Sarin | — | <i>Director</i> |
| 3. Smt. Anita B. Panda | — | <i>Under Secretary</i> |

*Shri Naveen Jindal, MP has been elected a Member of the Committee on 16th December, 2004 *vice* Shri A.R. Antulay, MP who resigned from the membership of the Committee *w.e.f.* 27th August, 2004.

(iii)

INTRODUCTION

I, the Chairman, Public Accounts Committee having been authorised by the Committee to present the Report on their behalf, do present this Tenth Report (Fourteenth Lok Sabha) on "Excesses over Voted Grants and Charged Appropriations (2002-2003)".

2. The Committee examined the cases of excess expenditure incurred by various Ministries/Departments of Union Government in 2002-2003 on the basis of relevant Appropriation Accounts, observations of Audit as contained in the Reports of the C&AG for the year ended 31 March, 2003, the explanatory notes and other information furnished by the various Ministries/Departments concerned. The Committee considered and finalised this Report at their sitting held on 1st April, 2005. Minutes of the sitting form Part II of the Report.

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

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

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

NEW DELHI;
2 April, 2005

12 Chaitra, 1927 (Saka)

PROF. VIJAY KUMAR MALHOTRA,
Chairman,
Public Accounts Committee.

REPORT

EXCESS EXPENDITURE OVER VOTED GRANTS AND CHARGED APPROPRIATIONS (2002-2003)

Introductory

I. Annual Appropriation Accounts of the Union Government

Appropriation Accounts are annual statements detailing grant-wise the sums expended by the Government in the reporting year compared with the several sums specified in the schedule appended to the Appropriation Acts passed under Articles 114 and 115 of the Constitution of India and also indicate unspent provisions/excess expenditure under each Voted Grant and Charged Appropriation as a whole during that financial year.

2. Presently, four Appropriation Accounts are presented to Parliament *viz.* Civil, Defence Services, Postal Services and Railways. The Appropriation Accounts in respect of Grants/Appropriations covered under Civil Sector are prepared by the Controller General of Accounts in the Ministry of Finance and the Non-Civil Ministries/Departments of Defence, Posts and Railways prepare their own annual Appropriation Accounts. These Appropriation Accounts are audited and certified by the Comptroller and Auditor General of India who also submits separate Audit Report thereon to the President who, in turn, causes them to be laid before each House of Parliament in terms of Article 151 of the Constitution of India.

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

II. Union Government Appropriation Accounts for 2002-03

4. The table given below indicates the dates on which the Appropriation Accounts of the Union Government for the year 2002-03 were laid on the Table of the House, number of demands for Grants/Appropriations obtained by various Ministries/Departments during that year and the Chapter/Paragraph of Audit Reports in which audit findings are highlighted:—

*This Rule defines the functions of the Public Accounts Committee

Appropriation Accounts	Date on which laid on the Table of the Appropriations House	No. of demands for Grants/	Chapter/Paragraph in which audit findings are highlighted
1	2	3	4
Civil	13-07-2004	96	Chapter-6 and 7 of Audit Report No. 1 of 2004
Defence Services	13-07-2004	05	Chapter-I of Audit Reports No. 6 & 7 of 2004
Postal Services	13-07-2004	01	Paragraph 1.5 of Chapter-I of Audit Report No. 2 of 2004
Railways	16-07-2004	16	Paragraph 1.9 of Chapter-I of Audit Report No. 8 of 2004

III. Excess Expenditure over voted Grants and Charged Appropriations

(a) Excess disbursements over Grants/Appropriations

5. In cases, where expenditure in individual segment of Grant/Appropriation, i.e. Revenue (Charged), Revenue (Voted), Capital (Charged) and Capital (Voted) exceeds the authorisation as such is termed as excess expenditure.

(b) Constitutional provisions for control of excess disbursement

- (i) Article 114(3) of the Constitution provides that subject to the provisions of Articles 115 and 116, no money shall be withdrawn from the Consolidated Fund of India (CFI) except under appropriations made by law passed in accordance with the provisions of this Article.
- (ii) Further, General Financial Rules (GFR) 71 stipulates that no disbursements be made which might have the effect of exceeding the total grant or appropriation authorised by Parliament for a financial year except after obtaining a supplementary grant or an advance from the Contingency Fund.
- (iii) Article 115(1)(b) of the Constitution stipulates that if any money had been spent on any service during a financial year in excess of the amount granted for that service and for that year, the President should cause to be presented to the House of People a demand for such excess.
- (iv) Annexure "A" to Rules 66 and 75 of the General Financial Rules lays down the detailed procedure to be followed by the Pay and Accounts Offices (PAOs) regarding check against provision of funds. This procedure prescribes that where a payment would lead to excess over the provision under any "unit of appropriation", the payment may be made by PAO only on receipt of an assurance in writing from the Ministry/Head of Department controlling the grant that necessary funds to accommodate the expenditure will be provided for in time by issue of re-appropriation order etc. In cases of inevitable payments towards the close of the financial year where the

grant as a whole is likely to get exceeded, the orders of the Financial Adviser on behalf of the Chief Accounting Authority would have to be sought.

- (v) Indian Railway Financial Code, Volume-I also addresses the issue of excesses over grants in so far as Railway finances are concerned. According to paragraph 371 of this code, the Railway administration shall be responsible to ensure that no expenditure is incurred in excess of the Budget allotments made to them. Similar provisions also exist under paragraphs 782 and 783 of P&T Manual, Volume-II which, *inter-alia* prescribe that control in relation to budget allotments must secure that expenditure is not incurred under any head in excess of the funds allotted to that head.

IV. Procedure for Regularisation of Excess Expenditure

6. According to the procedure laid down for the regularisation of excess expenditure, the Ministries and Departments of Government of India are required to furnish to the Public Accounts Committee explanatory notes containing the reasons for or circumstances leading to the excesses under each excess registering Grant/Appropriation along with the relevant Appropriation Accounts. Thereafter, the Public Accounts Committee proceed to examine, in the light of explanatory notes/evidence furnished by the Ministries, the circumstances leading to such excesses and present a Report thereon to Parliament recommending regularisation of the excesses subject to such observations/recommendations as they may choose to make. Pursuant to the, Report of the Committee, Government initiate necessary action to have the excesses regularised by Parliament, under Article 115(1)(b) of the Constitution, either in the same Session in which the Committee present their Report or in the following Session.

(a) Summary of excess disbursements over Grants/Appropriations

7. A scrutiny of the Union Government Appropriation Accounts for the year 2002-03 revealed the following position about the number of excess registering Grants/Appropriations and the break-up of excess expenditure during the year under review:—

(in unit of Rs.)				
Sl. No.	Appropriation Accounts	No. of excess registering Grants/Appropriations	No. of cases	Amount of excess expenditure
1.	Civil	8	9	18,64,46,59,135
2.	Defence Services	—	—	—
3.	Postal Services	—	—	—
4.	Railways	10	11	3,24,65,13,385
	Total	18	20	21,89,11,72,520

(b) Excess disbursements under Indian Railways Appropriation Accounts

8. The explanatory note furnished by the Ministry of Railways for regularisation of excess expenditure incurred by them over Voted Grants/Charged Appropriations

during 2002-03 has revealed that there was a misclassification of expenditure of Rs. (+) 20,048 under Appropriation No. 9—Working Expenses—Operating Expenses—Traffic, (+) Rs. 54,07,440 under Appropriation No. 16—Assets—Acquisition, Construction and Replacement—Capital and (-) Rs. 1,54,46,306 under Grant No. 16—Assets-Acquisition, Construction and Replacement—Special Railway Safety Fund. **Taking into account the effect of these cases of misclassification, the actual excess expenditure relating to Ministry of Railways worked out to Rs. 323,64,94,567 instead of Rs. 324,65,13,385 as indicated in the relevant Appropriation Accounts....**

(c) Total excess expenditure requiring regularisation under Article 115(1)(b) of the Constitution

9. Thus, the amount of actual excess expenditure during the year 2002-03 requiring regularisation by the Parliament under Article **115(1)(b) of the Constitution is of the order of Rs. 2188,11,53,702 incurred in 20 cases of 18 excess registering Grants/Appropriations.**

(d) Details of excess disbursement over Voted Grants/Charged Appropriations

10. The details of Voted Grants/Charged Appropriations under which the actual expenditure had exceeded the sanctioned provisions during the year 2002-03 are given below:—

(in unit of Rs.)

Sl. No.	No. & Name of Grant/Appropriation	Administrative Ministry/ Department	Final Grant	Actual Expenditure	Excess Expenditure
1	2	3	4	5	6
I. APPROPRIATION ACCOUNTS (CIVIL)					
Revenue (Voted)					
1.	30-Transfers to State and Union Territory govts.	Finance	21887,53,00,000	21887,89,08,987	36,08,987
2.	80-Department of Culture	Culture	487,46,00,000	540,15,77,626	52,69,77,626
Revenue (Charged)					
3.	29-Interest Payments	Finance	1230,94,18,00,000	1248,87,08,36,029	1792,90,36,029
4.	45-Ministry of Home Affairs	Home Affairs	10,00,000	12,91,971	2,91,971
5.	47-Police	Home Affairs	201,00,000	232,37,504	31,37,504
6.	99-Chandigarh	Home Affairs	23,31,00,000	23,69,82,732	38,82,732
Capital (Voted)					
7.	13-Department of Telecommunication	Telecommunications	754,16,00,000	770,04,92,479	15,88,92,479

1	2	3	4	5	6
Capital (Charged)					
8.	23-Department of Development of North Eastern Region	Development of North Eastern Region	78,97,00,000	80,67,43,400	1,70,43,400
9.	99-Chandigarh	Home Affairs	10,00,00,000	10,17,88,407	17,88,407
II. RAILWAYS					
Revenue (Voted)					
10.	14-Appropriation to Funds DRF,DF. Pension and CF	Railways	9858,16,46,000	10069,31,83,616	211,15,37,616
11.	15-Dividend to General Revenues	Railways	2696,53,54,000	2714,83,32,566	18,29,78,566
Revenue (Charged)					
12.	3-General Superintendence and Services	Railways	2,97,000	3,39,583	42,583
13.	4-Repairs and maintenance of Permanent Way and Works	Railways	65,14,000	122,05,681	56,91,681
14.	6-Repairs & maintenance of Carriages & Wagons	Railways	Nil	4,87,252	4,87,252
15.	7-Repairs and maintenance of Plant & Equipment	Railways	1,32,000	5,55,077	4,23,077
16.	8-Operating Expenses Rolling Stock and Equipment	Railways	3,25,000	5,32,459	2,07,459
17.	9-Operating Expenses-Traffic	Railways	10,00,000	24,80,779	15,00,827*
18.	11-Staff Welfare and Amenities	Railways	1,37,000	1,51,231	14,231
Capital (Voted)					
19.	16-Assets-Acquisition, Construction & Replacement special Railway Safety Fund	Railways	2745,33,34,000	2836,84,41,948	89,96,61,642**

1	2	3	4	5	6
Capital (Charged)					
20.	16-Assets-Acquisition, Construction & Replacement Capital	Railways	10,99,67,000	13,85,09,193	3,39,49,633***

* There was an excess expenditure of Rs. 14,80,779 under this appropriation. However, after taking into account the misclassification of expenditure of Rs. 20,048 the real excess expenditure under this appropriation requiring regularisation worked out to Rs. 15,00,827.

** There was an excess expenditure of Rs. 91,51,07,948 under this Grant. However, after taking into account the misclassification of expenditure of Rs. (-1,54,46,306), the real excess expenditure under this grant requiring regularisation worked out to Rs. 89,96,61,642.

*** There was an excess expenditure of Rs. 285,42,193 under this appropriation. However, after taking into account the misclassification of expenditure of Rs. (54,07,440) the real excess expenditure under this appropriation requiring regularisation worked out to Rs. 339,49,633.

11. It reveals from the above statement that out of 20 cases of excess expenditure over Voted Grants/Charged Appropriations, the excess expenditure in eight cases was over rupees one crore each. In the case of Appropriation Accounts Civil, the excess expenditure over Rs. one crore had occurred in four out of nine cases i.e. Grant No. 13-Department of Telecommunication (Rs. 15.89 crore) Grant No. 23-Department of Development of North Eastern Region (Rs. 1.70 crore), Appropriation No. 29-Interest payments (Rs. 17,92.90 crore) and Grant No. 80-Department of Culture (Rs. 52.70 crore). It would, also be seen from the Appropriation Accounts (Civil) that Appropriation No. 29-Interest Payments alone accounted for over 83.30 percent of the total excess expenditure incurred by the various Ministries/Departments of the Union Government during 2002-03. Similarly, in the case of Grants/Appropriations administered by the Ministry of Railways, the excess expenditure of rupees one crore each was recorded in four out of 11 cases with their Grant No. 14-Appropriation to Funds-DRF, DF, Pension and CF taking a lead with huge excess of Rs. 211.15 crore followed by excess of Rs. 89.97 crore under Grant No.-16-Assets-Acquisition, Construction and Replacement Special Railway Safety Fund.

(e) Recurring Phenomenon of excess expenditure

12. There has been a recurring trend in the incurrence of excess expenditure by various Ministries/Departments of Union Government. The table given below indicates the position regarding excess expenditure incurred during the preceding five years.

(Rs. in crore)

Year	No. of Excess registering grants/ appropriations	Excess Expenditure incurred
1998-99	55	12,758.63
1999-2000	11	57.36
2000-2001	07	230.45
2001-2002	14	1089.54
2002-2003	18	2188.12
(Year under review)		

13. It is evident from the above table that despite the oft-repeated concern of the Committee for observing greater financial discipline and the instructions issued by the Ministry of Finance in pursuant thereto, the excess expenditure incurred by various Ministries/Departments as well as the no. of excess registering Grants/Appropriations is showing a rising trend since the year 2000-2001, though it was considerably reduced during the year 1999-2000.

(f) Excess expenditure despite having Supplementary Grant

14. According to the prescribed financial rules, no expenditure should be incurred which might have the effect of exceeding the total Grant or Appropriation authorised by Parliament by law for a financial year except after obtaining a Supplementary Grant or Appropriation or an advance from the Contingency Fund. A scrutiny of relevant Appropriation Accounts however, revealed that excess expenditure during 2002-2003 had occurred even after obtaining Supplementary Grant of Rs. 1764.19 crore in 12 out of 20 cases where excess expenditure had been incurred. In this context, Appropriation Accounts-wise details are given below:

(i) Appropriation Accounts (Civil)

15. A scrutiny of Appropriation Accounts (Civil) reveals that the excess expenditure during 2002-2003 had occurred even after obtaining Supplementary Grant of Rs. 1563.67 crore in five out of nine Grants/Appropriations those registered excesses.

(Rs. in crore)

Sl. No.	No. & Name of Grant/ Appropriation	Amount of Supplementary Grant/Appropriation	Amount of Excess Expenditure
1.	13-Deptt. of Telecommunications	753.16	15.89
2.	23-Department of Development of North Eastern Region	55.00	1.70
3.	30-Transfers to State and Union Territory Governments	802.53	0.36
4.	80-Department of Culture	1.01	52.70
5.	99-Chandigarh (R-C)	1.47	0.39
	Total	1613.17	71.04

The above statement indicates that under Grant No. -80- Department of Culture the excess expenditure incurred is much higher than the amount obtained as Supplementary Grant.

(ii) Indian Railways Appropriation Accounts

16. A scrutiny of Indian Railways Appropriation Accounts also revealed that the excess expenditure during 2002-2003 had been incurred even after obtaining Supplementary Grant of Rs. 151.02 crore in seven out of eleven cases of excess registering Grants/Appropriations. Relevant details in this regard are tabulated below:—

(Rs. in lakh)

Sl. No.	No. & Name of Grant/ Appropriation	Amount of Supplementary Grant/Appropriation	Amount of Excess Expenditure
1.	3-Working Expenses- General Superintendence & Services	2.97	0.43
2.	4-Working Expenses- Repairs & Maintenance of Permanent Way and Works	65.14	56.92
3.	7-Working Expenses- Repairs & Maintenance of Plant & Equipment	1.32	4.23
4.	8-Working Expenses- Operating Expenses-Rolling Stock and Equipment	3.25	2.07
5.	11-Working Expenses-Staff Welfare and Amenities	1.37	0.14
6.	16-Assets-Acquisition, Construction and Replacement- Capital	424.67	339.50
7.	16-Assets-Acquisition, Construction and Replacement- Special Railways Safety Fund	14603.34	8996.62
Total:		15102.06	9399.91

17. It would be seen from the above statement that under Appropriation No. 7 Working Expenses-Repairs and Maintenance of Plant and Equipment, the excess expenditure was even higher than the Supplementary Appropriation that had been sought.

V. Delay in Furnishing Explanatory Notes

18. As per the prescribed time schedule, the Ministries/Departments of Government of India are required to submit to Public Accounts Committee the explanatory notes in respect of excess registering Grants/Appropriations immediately after the presentation of relevant Appropriation Accounts to the House. Accordingly, the explanatory notes in respect of excess registering Grants/Appropriations during 2002-2003 pertaining to Appropriation Accounts Civil and Railways became due for submission on 13.07.2004 and 16.07.2004 respectively.

19. However, the dates on which the explanatory notes in respect of excess registering Grants/Appropriations were actually furnished to the Committee are mentioned below:

Appropriation Accounts	Date on which laid on the Table of the House	No. & Name of excess registering grant/Appropriation	Date of explanatory notes furnished to the Committee	Delay
1	2	3	4	5
Civil	13.07.2004	13-Department of Telecommunications	26.12.2003	—
		23-Department of Development of North Eastern Region.	22.07.2004	9 days
		29-Interest Payments	Not received	
		30-Transfers to State and Union Territory Govts.	7.12.2004	More than four months
		45-Ministry of Home Affairs	25.08.2004	More than one month
		47-Police	18.11.2004	More than four months
		80-Department of Culture	17.09.2004	More than two months
Railways	16.07.2004	99-Chandigarh Grant/Appropriation Nos. 3, 4, 6, 7, 8, 9, 11, 14, 15 and 16 (Both Special Railway Safety Fund and Capital)	15.06.2004 16.07.2004	— —

20. The explanatory notes furnished by the Ministries/Department for the regularisation of the excess expenditure incurred under various Grants/Appropriations operated by them during the year 2002-2003 have been reproduced in Appendices I to II of this Report.

VI. Examination of Select Cases of Excess Expenditure

21. In the succeeding sections of this Report, the Committee have dealt with a few prominent cases of excess expenditure during 2002-03 in the light of the facts brought out in the relevant Appropriation. Accounts, Audit observations thereon and the explanatory notes furnished by the Ministries/Departments concerned.

(a) Appropriation Accounts (Civil)

22. During 2002-03, there was an excess disbursement of Rs. 1864.47 crore in 9 segments of 8 Grants/Appropriations in Civil Ministries. The Grant/Appropriation-wise details and the contributory reasons as stated by Government are detailed below:

(In unit of Rs.)

Sl. No.	Grant/ Appropriation	Amount of excess Expenditure	Contributory reasons as stated by concerned Ministries/Departments
1	2	3	4
Civil: Revenue (Voted)			
1.	30-Transfers to State and Union Territory Governments	36,08,987	Due to providing grants-in-aid to States for Railway Safety Works
2.	80-Department of Culture	52,69,77,626	Due to requirement of more funds for 50th Anniversary, assistance for organising National Theatre Festival etc., development of GSDS complex, special drive to restore, conserve and improve conditions of hundreds of monuments which are in deplorable conditions and funds for projects in North Eastern Region.
Revenue (Charged)			
3.	29-Interest Payments	17,92,90,36,029	Due to conversion of special securities worth Rs. 400 crore, higher collections and investments of net small savings.
4.	45-Ministry of Home Affairs	2,91,971	Due to wrong booking of expenditure and payment of compensation in satisfaction of court decrees.
5.	47-Police	31,37,504	Due to payment of MACT cases where payments were ordered by courts.
6.	99-Chandigarh	38,82,732	Due to payments of salary and arrears of 'Assured Career Progressive Scheme' to High Court Staff.
Capital (Voted)			
7.	13-Department of Telecommunications	15,88,92,479	Due to clearance of unadjusted transactions that had occurred over several previous years under Suspense and Remittances by transferring to MH 5225 in order to reconcile Assets and Liabilities of Bharat Sanchar Nigam Limited
Capital (Charged)			
8.1	23-Department of Development of North Eastern Region	1,70,43,400	Due to clearance of last years' liabilities of loan component of State Governments
9.	99-Chandigarh	17,88,407	Due to payment deposited in court on enhancement of various awards in land acquisition cases.

It is evident from the above table that Appropriation No. 29-Interest Payments took a lead in excess expenditure aggregating to Rs. 1792.90 crore.

(b) Recurring excess expenditure in Civil Ministries/Departments

23. The table given below indicates the position regarding excess expenditure incurred by the Civil Ministries/Departments over the Voted Grants/Charged Appropriations during the preceding five years:

(Rs. in crore)

Year	No. of excess registering Grant/Appropriations	Amount of excess expenditure incurred
1998-99	56	11112.77
1999-2000	2	0.57
2000-2001	1	0.44
2001-2002	5	878.67
2002-2003	8	1864.47
(year under review)		

24. It is evident from the above table that the excess expenditure under Civil Ministries/Departments, which was reduced to a considerable extent during the years 1999-2000 & 2000-2001, has shown a substantial increase in excess expenditure as well as the number of excess registering Grants/Appropriations during the year under review.

(c) Recurring excess expenditure under particular Grants/Appropriations of Civil Ministries/Departments

25. The scrutiny of Appropriation Accounts (Civil) indicates that the following Grants/Appropriations have incurred excess expenditure recurringly for the past two years:

(in crore of Rs.)

Sl. No.	No. & Name of Grant/Appropriation	Years	Amount of Excess expenditure
1.	13-Department of Telecommunications	2001-02	114.36
		2002-03	15.89
2.	29-Interest Payments	2001-02	28.39
		2002-03	1792.90

26. It is observed from the above table that while the excess expenditure under Grant No. 13-Department of Telecommunications is reduced during the year 2002-03, in case of Appropriation No. 29-Interest Payments, it has shown a sharp rise.

27. It is further observed that in pursuance of the recommendation made by the Committee in their 6th Report 13th Lok Sabha) commenting on excess expenditure incurred under Grant No.-13-Department of Telecommunications during the year 1997-98, the Department of Telecommunications informed the Committee that they took steps to frame the estimates more realistically and with the formation of Bharat

Sanchar Nigam Ltd., the budgetary and accounting system have now been completely revamped. The scrutiny of this Grant for the year 2001-02 also revealed that excess expenditure of Rs. 114.36 crore had again incurred under this Grant despite revamping of the budgetary and accounting system by the Department of Telecommunications. While dealing with the excess expenditure incurred under this grant during 2001-02, the Committee in their 58th Report (13th Lok Sabha) had desired to watch the impact of the steps taken by the Department of Telecommunications in this regard in future Appropriation Accounts.

(d) Excess expenditure under the Grants operated by the Ministry of Home Affairs

28. During the year under review the Ministry of Home Affairs incurred the excess expenditure under four sections of three Grants namely Grant No.-45-Ministry of Home Affairs (Revenue-Charged), 47-Police (Revenue-Charged) and 99-Chandigarh (Revenue-Charged and Capital-Charged). Details of these Grants are given below:

(In unit of Rs.)

Sl. No.	No. & Name of Grant	Excess Expenditure	Contributory reasons as stated by the Ministry of Home Affairs
1.	45-Ministry of Home Affairs (Revenue-Charged)	02,91,971	Due to wrong booking of expenditure and payment of compensation in satisfaction of court decrees.
2.	47-Police (Revenue-Charged)	31,37,504	Due to payment of MACT cases where payments were ordered by courts.
3.	99-Chandigarh (Revenue-Charged)	38,82,732	Due to payments of salary and arrears of 'Assured Career Progressive Scheme' to High Court Staff
4.	99-Chandigarh (Capital-Charged)	17,88,407	Due to payment deposited in court on enhancement of various awards in land acquisition cases.

29. The Committees' scrutiny also reveals that Grant No. 99-Chandigarh also registered excess expenditure during the year 1999-2000. Expressing their concern over this, the Committee in paragraph 7.2.2 of their 30th Report (13th Lok Sabha) has recommended the need for strictly adhering to the principles of financial propriety and discipline.

30. Regarding remedial action taken to avoid excess, the Ministry of Home Affairs in their explanatory note have stated:—

"Instructions have been issued from time to time to restrict the expenditure upto budget provision. The latest instructions have been issued in the month of August 2002 by the then Home Secretary.

Instructions have also been issued by the then Home Secretary to CCA (Home) that the provision of GFRs enabling PAOs to release payment in

excess of budgetary provision, based on the undertaking from Head of Department, be used very sparingly and that both CCA and the concerned PAO will be personally responsible for excess expenditure beyond budgetary provision. CCA (Home) has also directed the PAOs, not to make any payment without receipt of formal re-appropriation orders. Director (Fin-Home) has also invited the attention of all Joint Secretaries in the Ministry of Home Affairs to the provisions contained in Rule 53, 54 & 55 of GFR emphasizing on the need for making realistic assessment of funds and proper scrutiny of estimates not only at the BE stage, but also at Supplementary Grants so that the occurrence of excess could be fully avoided."

(e) Grant No. 13-Department of Telecommunications (Capital Section-voted)

31. Under Capital Section (Voted) of Grant No.-13 Department of Telecommunications, the original provision was Rs. 1.00 crore, which was augmented to Rs. 754.16 crore through a Supplementary Grant of Rs. 753.16 crore. As against this, the Department of Telecommunications incurred an actual expenditure of Rs. 770.05 crore resulting in an excess expenditure of Rs. 15.89 crore during 2002-03.

32. The complete text of the reasons for excess expenditure incurred under various sub-heads of this Grant, as furnished by the Ministry of Communications and Information Technology (Department of Telecommunications), is reproduced at Appendix-I.

33. According to the explanatory note furnished by the Ministry, the excess of Rs. 15.89 crore was the net effect of the total excesses of Rs. 15.89 crore and the total savings of Rs. nil under various sub-heads of the Grant. The bulk of the excess expenditure was incurred under two sub-heads, namely, Telephone Exchange (Automatic) (Rs. 10.64 crore) and Civil Engineering Suspense (Rs. 5.25 crore).

34. Explaining the reasons for the excess expenditure under this Grant, the Department of Telecommunications in their explanatory note have stated as follows:

"The reason for the excess expenditure was the clearance of unadjusted transactions that had occurred over several previous years under the Major Heads 8662-Suspense and 8782-Remittance under the Public Account and their transfer to the Major Head 5225-Capital Outlay on Telecom Services under the/Consolidated Fund of India. This action was necessitated for transferring the reconciled assets and liabilities to the Bharat Sanchar Nigam Limited, which was created on 1-10-2000. Thus the excess did not involve any cash outgo in the year 2002-03 but was merely a book adjustment whereby transactions/expenditure from past years was passed on Capital."

35. It has further been observed that the excess expenditure to the tune of Rs. 114.36 crore had also been incurred on the same grounds during the year 2001-2002 under this Grant. Expressing their concern over this, the Committee in paragraph 17.5 of 58th Report (13th Lok Sabha) had recommended:

"The Committee are not convinced with these reasons attributed to incurring of excess expenditure under this Grant as none of the reasons mentioned

by the Department of Telecom fall in the category of "Unforeseen" or "unanticipated" expenditure. The Committee would like to know as to why the effect of the increase in the expenditure could not be anticipated at least at the time of preparation of revised estimates and adequate funds provided for in the Supplementary Budgets. In pursuance of their earlier recommendations, the Committee have been informed that the Department of Telecom took steps to frame the estimates more realistically and with the formation of Bharat Sanchar Nigam Ltd. the budgetary and accounting systems have now been completely revamped. The Committee would like to watch the impact of the steps taken by the Department of Telecom in this regard in future Appropriation Accounts".

36. In their Action Taken Note to the above recommendation, the Department of Telecommunications have stated that they were going through massive structural changes with the formation of Bharat Sanchar Nigam Limited. After corporation of the DTS/DTO the budgeting system of DoT has been completely revamped. It has been stated that efforts are made to contain the expenditure within the Budget Allocation.

(f) Appropriation No. 29-(Revenue Section-Charged)-Interest Payments

37. Under Revenue-Charged Section of Appropriation No.-29-Interest Payments for the year 2002-2003, against the total appropriation of Rs.123094.18 crore, the actual expenditure was Rs.124887.08 crore resulting in excess expenditure of Rs.1792.90 crore.

38. The Heads under which the excess of more than Rs.100 crore was incurred and the reasons therefor are as under:

I. "Major Head "2048"—Appropriation for reduction or Avoidance of Debt"

(A) "Prepayment Premium on loans from Asian Development Bank (Rs.167.02 crore)"

(B) "Prepayment Premium on loans from I.B.R.D.-(Rs.125.88 crore)"

39. Excess under the above two Heads was due to pre-payment of premium paid to avoid high cost loans, which was reported to Parliament while obtaining Supplementary appropriation in March, 2003 under Appropriation No. 32-Repayment of Debt.

II. Major Head "2049"—Interest Payments"

A. "Interest on Internal Debt"

(a) "Interest on marketable securities issued in conversion of Special Securities" (Rs. 946.40 crore)—Conversion of Special securities worth Rs. 40000 crore and also on account of full year payment made in respect of two securities instead of half years payment.

(b) "Interest on Investment in Special Government of India Securities issued against net collections of small savings from 1999-2000" (Rs. 808.40 crore)—Due to higher

collections and investment of the net small savings in the special securities than anticipated.

(c) "Management of Debt" (Rs. 116.42 crore)–Due to receipt of more claims from R.B.I. on account of higher Government borrowings than anticipated and also due to spill over payment of previous year.

(d) "Other Expenditure–Premium on repayment of 6% Capital Index Bonds, 2002" (Rs. 190.05 crore)–Due to finalisation of premium payable to the investors at the time of redemption.

(B) "Interest on Small Savings, Provident Funds etc."

- (i) "General Provident Fund" (Rs. 379.21 crore)
- (ii) "Other State Provident Funds" (Rs. 186.44 crore)
- (iii) "State Railway Provident Funds" (Rs. 230.36 crore)

Excess under above three heads was mainly due to receipt of more funds than anticipated in the funds.

(C) "Interest on Special Deposits and Accounts"

"Special Deposits of Provident Superannuation Gratuity Fund" (Rs. 463.59 crore)–Due to Payment of interest on the differential opening balance between Ministry of Finance and RBI.

(D) "Interest on Other Obligations"

- (i) "Deposits of Public Sector Undertakings" (Rs.112.27 crore)–Due to more deposits by the Public Sector Undertakings.
- (ii) "Interest on Special Bonds to Oil Companies against OCC liabilities–Interest on 6.96% Oil Companies GOI Special Bonds, 2009" (Rs.626.19 crore)–Due to issuance of 6.96% Oil Companies GOI Special Bonds, 2009 on 30.3.2002.

40. It has further been observed that the excess expenditure of Rs. 2882.39 crore and Rs. 28.39 crore was also incurred under this Appropriation during the years 1998-99 and 2001-2002 respectively. In response to the recommendation made by the Public Accounts Committee in their 23rd Report (13th Lok Sabha) on excess expenditure of Rs. 2882.39 crore incurred under this Appropriation during the year 1998-99, the Department of Economic Affairs had issued instructions to the various estimating authorities to put in place effective coordination between estimating and disbursing authorities with the help of sound database and other IT facilities so that excess expenditure could be avoided altogether.

41. While dealing with the excess expenditure of Rs. 28.39 crore incurred under this Appropriation during the year 2001-2002, the Committee had also recommended:

"It seems that the instructions issued in the past have had little effect on the estimating and disbursing authorities. The Committee apprehend that fresh

instructions are also likely to meet the same fate unless earnest measures are taken to curb this tendency. The Committee are of the considered view that the anticipated expenditure on the above counts should have been ascertained more precisely. The Committee expect that in future the Ministry of Finance (Department of Economic Affairs) will display better sense of financial discipline."

(g) Grant No.-80-(Revenue Section-Voted)-Department of Culture

42. The original provision of Rs. 486.45 crore under this Grant augmented to Rs. 487.46 crore by obtaining Supplementary Grant of Rs. 1.01 crore. Against this, the expenditure of Rs. 540.16 crore was incurred resulting in excess of Rs. 52.70 crore in Revenue Section (Voted) of the Grant during 2002-03.

43. The explanatory notes furnished by the Department of Culture on the excess expenditure under this Grant are reproduced at Appendix-II.

44. According to the said explanatory note, the excess expenditure had occurred mainly under the following sub-heads:

<i>(Rs. in crore)</i>		
Sl. No.	Sub-Head	Amount of excess Expenditure incurred
1.	2205.00.102.03- Grants to other Cultural Institutions	5.95
2.	2205.00.102.04-Other Schemes	29.16
3.	2205.00.105.02 Grants to other Libraries	2.45
4.	2205.00.106.02-Conservation of Ancient Monuments	37.38
5.	2205.00.106.04-Works	1.32
6.	2205.00.107.09-Indian Museum, Kolkata	1.18
7.	2205.00.107.10-National Council of Science Museums, Kolkata	3.20
8.	2205.00.108.01-Anthropological Survey of India	1.62

45. Explaining the reasons for excess expenditure, the Department of Culture in their explanatory note stated:

"The above excess expenditure of Rs. 52.70 crore was not due to lack of pre-check system or any misclarification but it was due to the fact that an additionality of Rs. 63 crore which was obtained from Ministry of Finance, at the time of RE-2002-03 *vide* Ministry of Finance's letter No. 2(86)/B/(CDN) 2002 dated 01.01.03, was not reflected in the 3rd Supplementary Demand for Grants during that year to get the approval as an additionality by the Parliament."

46. Regarding remedial steps taken by them to avoid excess expenditure, the Department of Culture in their explanatory note have informed that they have ensured

that no such technical lapse is committed in future. In this regard, they have issued instructions to all attached/Subordinate Officers/Autonomous Organisations and all the Divisional Heads of the Department of Culture to maintain strict financial discipline.

VII. Appropriation Accounts (Railways)

(a) General Analysis

47. A scrutiny of Indian Railways Appropriation Accounts for the year 2002-2003 revealed that there was an overall excess expenditure of Rs. 323.65 crore incurred under three Grants [14, 15 (Revenue), 16-Special Railway Safety Fund (Capital)] and eight Appropriations [3, 4, 6, 7, 8, 9, 11 (Revenue) and 16-Capital (Capital)]. Details of which are given below:

(in unit of Rs.)

Sl. No.	No. & Name of Grant/Appropriation	Excess Expenditure
1.	14-Appropriation to Funds-DRF, DF, Pension and CF	211,15,37,616
2.	15-Dividend to General Revenues	18,29,78,566
3.	3-General Superintendence and Services	42,583
4.	4-Repairs and Maintenance of Permanent Way and Works	56,91,681
5.	6-Repairs & Maintenance of Carriages & Wagons	4,87,252
6.	7-Repairs and maintenance of Plant & Equipment	4, 23, 077
7.	8-Operating Expenses-Rolling Stock and Equipment	2,07,459
8.	9-Operating Expenses-Traffic	15,00,827
9.	11-Staff Welfare and Amenities	14,231
10.	16-Assets-Acquisition, Construction and Replacement-Special Railway Safety Fund	89,96,61,642
11.	16-Assets-Acquisition, Construction and Replacement-Capital	3,39,49,633

48. It would be seen from the above table that Grant No.-14-Appropriation to Funds-DRF, DF, Pension and CF was the major contributor to the excess expenditure incurred by Ministry of Railways during 2002-2003 having an excess of Rs. 211.15 crore, which is 65% of the total excess expenditure incurred by the Ministry of Railways. This was followed by Grant No.-16-Assets-Acquisition, Construction and Replacement - Special Railway Safety Fund having excesses of Rs. 89.97 crore.

49. The complete text of the reasons for excess expenditure incurred under aforesaid appropriations, as furnished by the Ministry of Railways is reproduced at Appendix-III.

(b) Reasons for excess expenditure incurred under the Grants/Appropriations operated by the Ministry of Railways during 2002-2003

50. It would also be seen from the explanatory notes furnished by the Ministry of Railways explaining the reasons for excess expenditure that excess expenditure under most of the above-mentioned cases was due to unanticipated decretal payments at the fag end of the year.

51. Further examination also reveals that the Ministry of Railways had cited same reasons for incurrence of excess expenditure during the year 2001-2002. Commencing on this, the Committee in Para 17.9 of their 58th Report (13th Lok Sabha) had recommended as under:

"The Committee note that during the year 2001-02 the actual expenditure under the Grants/Appropriations administered by the Ministry of Railways exceeded the sanctioned provision by Rs. 210.71 crore in two Grants (No. 12 and 15) and six appropriations (Nos. 3,4,7,9,11 and three segment of Appropriation No. 16 i.e. Capital, RSF and SRSF) out of which Grant no. 15 Dividend to General Revenues-Repayment of loans taken from General Revenues and Amortisation of over-capitalisation alone accounted for higher excess expenditure of Rs. 209.59 crore which is 99.47 percent of the total excess expenditure incurred by the Ministry of Railways during 2001-02. The Committee observe that under Appropriation No. 16-Assets-Acquisition construction and Replacement-Railways Safety Fund and Special Railway Safety Fund neither original budget provision has been sanctioned nor the supplementary Appropriation obtained for this purpose. The excess expenditure of Rs. 210.71 crore was incurred by the Ministry of Railways during 2001-02 despite having supplementary provisions in eight out of ten cases of excess registering grants/appropriations. In their explanatory notes, the Ministry of Railways have attributed the excess expenditure incurred under almost all the grants/appropriations during 2001-02 to more decretal payments than anticipated materialised at the fag end of the year. The Committee would like to know when exactly was the decretal payments made in all the cases and whether these payments could have been provided for at the time of revised budget allocation. It, however, appears that no attempt was made to provide for them in a supplementary appropriation for authorisation by Parliament during the year itself. The Committee would, therefore, expect the Ministry of Railways to ensure that in future, prompt action is taken to make the decretal payments and provide for it in the budget/supplementary budget".

(c) Excess expenditure despite having Supplementary Provisions under the Grants/Appropriations operated by the Ministry of Railways

52. It reveals from the scrutiny of Indian Railways Appropriation Accounts for the year 2002-2003 that the excess expenditure was incurred by the Ministry of Railways despite having Supplementary provisions of Rs. 151.02 crore in seven out of eleven cases of excess registering Grants/Appropriations.

53. The following table indicates that under the following excess registering/ Appropriations, no original provisions were available to spent and thus, only Supplementary provisions were obtained for meeting the expenses. The excess expenditure has been incurred under these Appropriations despite having Supplementary provisions.

(In unit of Rs.)

Sl. No.	No. & Name of Appropriation	Supplementary provisions obtained	Actual excess requiring regularisation	Percentage of Excess
1.	3-Working Expenses-General Superintendence and Services	2,97,000	42,583	14.34
2.	4-Working Expenses-Repairs & Maintenance of Permanent Way & Works	65,14,000	56,91,681	87.38
3.	7-Working Expenses-Repairs & Maintenance of Plant & Equipment	1,32,000	4,23,077	320.51
4.	8-Working Expenses-operating Expenses - Rolling Stock & Equipment	3,25,000	2,07,459	63.83
5.	11-Working Expenses-Staff Welfare and Amenities	1,37,000	14,231	10.39

54. It would be seen from the above table that under Appropriation No. 7-Working Expenses-Repairs and Maintenance of Plant and Equipment, the excess expenditure is 320.51 percent of the Supplementary provisions obtained.

(d) Persistent excess expenditure in Ministry of Railways

55. The excess expenditure by the Ministry of Railways has been a recurring phenomenon in the past. The table given below indicates the position of excess expenditure during the past five years:

(Rs. in crore)

Financial Year	No. of excess registering Grants/Appropriations	Actual Excess Expenditure
1998-1999	9	349.40
1999-2000	8	56.79
2000-2001	5	0.14
2001-2002	8	210.71
2002-2003	11	323.65
(Year under review)		

56. It would be seen from the above table that the excess expenditure which showed decreasing trend during the years 1999-2000 (Rs. 56.79 crore) and 2000-2001 (Rs. 0.14 crore) reversed showing rise during 2001-2002 (Rs. 210.71 crore) and 2002-2003 (Rs. 323.65 crore).

(c) Persistent Excess Expenditure under Grants/Appropriations operated by Ministry of Railways

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

57. The following table indicates that Appropriation No. 3 - Working Expenses—General Superintendence and Services has been incurring excess expenditure since the year 1996-97:

(In unit of Rs.)

Year	Amount of Exces Expenditure
1996-97	5,59,900
1997-98	17,943
1998-99	25,520
1999-2000	1,37,852
2000-2001	4,942
2001-2002	6,55,479
2002-2003	42,583

58. While commenting on the recurrent excess expenditure under this Appropriation during the period 1996-97 to 2001-2002, the Committee in thier 58th Report had desired that the existing procedures in the Ministry of Railways should be critically re-examined and suitably revised on an urgent footing so as to eliminate recurrent excesses under this appropriation.

59. In response to the above recommendation, the Ministry of Railways in their Action taken Note have merely stated that the trend of excess expenditure during this period was followed on three or four Railways. As a remedial action, these Railways have been instructed to arrest the trend of excess expenditure particularly in Appropriation No. 3.

(ii) Appropriation No. 7—Repairs & Maintenance of Plant and Equipments

60. Similarly, the Appropriation No. 7 incurred excess expenditure persistently for the past four years as indicated below:—

(In unit of Rs.)

Year	Amount of Excess Expenditure
1999-2000	72,277
2000-2001	33,182
2001-2002	3,83,181
2002-2003	4,23,077

(iii) Appropriation No. 16 Assets—Acquisition, Construction and Replacement—Capital

61. Appropriation No. 16 — had been showing recurring trend of excess expenditure during the past three years as seen below:—

(In unit of Rs.)

Year	Amount of Excess Expenditure
2000-2001	13,27,548
2001-2002	33,84,815
2002-2003	339,49,633

It would be seen from above table that excess expenditure under this Appropriation is steadily increasing.

(f) Misclassification of Expenditure under excess registering Grants/ Appropriations

62. The scrutiny of Indian Railways Appropriation Accounts for the year 2002-2003 reveals that misclassification of expenditure under excess registering Grants/ Appropriation had again occurred even during the year 2002-03. Details of the cases are given below:—

(In Unit of Rs.)

Sl. No.	No. & Name of Grant/Appropriation	Excess Expenditure	Misclassification of expenditure	Excess requiring regularisation
1.	9-Working Expenses Operating Expenses — Traffic	14,80,779	20,048	15,00,827
2.	16-Assets — Acquisition, construction and Replacement Capital	2,85,42,193	54,07,440	339,49,633
3.	16-Assets—Acquisition, Construction and Replacement—Special Railway Safety Fund	91,51,07,948	(-1,54,46,306)	89,96,61,642

63. The successive PACs have been raising serious concern over the misclassification of expenditure in the Grants/Appropriations operated by Ministry of

Railways. Only last year, the Committee in Para 17.12 of their 58th Report (13th Lok Sabha) had desired to fix the responsibility for the lapses particularly at the supervisory level. They had also expected that greater care would be exercised in future to avoid serious mistakes in the proper upkeep and maintenance of book of accounts so that misclassification/wrong booking of expenditure, if any, were detected well in time and rectified.

64. The Ministry of Railways in their Action Taken Note have stated:

"It has always been the endeavour of Ministry of Railways to minimize the incidence of Misclassifications. This Ministry have already conveyed serious concern for the Misclassification of expenditure occurred during 2001-02 to the zonal Railways concerned and have called for their Action Taken Reports against the incidence of individual item. As a result of review of the Action Taken Reports received from the Zonal Railways, it has been noticed that the cases of misclassifications are resulting due to lack of adequate attention being given at the time of preparation of vouchers. This has been viewed seriously and the Zonal Railways have fixed responsibility and taken up the concerned staff for lapses.

The instructions to the various levels will once again be reiterated so that the rules are correctly understood and followed by all concerned. As desired by the Committee, zonal Railways shall also be instructed to take up the staff at supervisory level more stringently. It is hoped, that, with the above measures, the incidence of misclassification will come down."

Observations/Recommendations

65. The Committee's examination of the Appropriation Accounts of Union Government for 2002-2003 has revealed that during the year under review, the excess expenditure of an unprecedented magnitude amounting to Rs. 2188.12 crore was incurred under 20 cases of 18 excess registering Grants/Appropriations as against Rs. 1089.54 crore during the last year *i.e.* 2001-2002. The excess during the year is prominently noticeable in the Grants administered by the Ministry of Finance, Ministry of Home Affairs, Department of Culture, Department of Telecommunications & Ministry of Railways. The Committee note that the bulk of the excess expenditure *i.e.* Rs. 1864.47 crore is on the civil side as was the case last year also. This is mainly contributed by one Appropriation alone *viz.*, Appropriation No. 29—Interest Payments showing an excess of Rs. 1792.90 crore, which is 83 per cent of the total excess expenditure incurred by the various Ministries/Departments of the Union Government during 2002-2003. Further, 10 Grants/Appropriations operated by the Ministry of Railways contributed to an excess expenditure of Rs. 323.65 crore. The explanations tendered by the concerned Ministries/Departments has revealed that defective estimation of requirement of funds, lack of a continuous watch over the flow of expenditure as well as timely review of financial requirements and failure to assess the additional fund requirement etc. have largely contributed to the excess expenditure. The fact that similar reasons persist year after year leads the Committee to believe that the

matter has not been viewed by the Ministries/Departments with ample seriousness. The Committee have been repeatedly pointing out in their reports that the system of estimation of and control over expenditure is faulty and year after year, Parliament is being presented with a *fait accompli* of unremitting excess phenomenon. From the foregoing, it is clear that the Committee's oft-repeated recommendations had little impact on the concerned Ministries. The Committee, therefore, once again urge the Ministries/Departments of Government of India to chalk out a definite policy in order to observe greater financial discipline and ensure that expenditure does not exceed its prescribed limits

66. What is further disquieting to observe is that despite the oft-repeated concerns expressed by the Committee on the lack of financial discipline by the Ministries/Departments and issue of necessary instructions from time to time by the Ministry of finance to strengthen their procedure, the excess expenditure incurred by various Ministries/Departments as well as the number of excess registering Grants/Appropriations is constantly on the rise since the year 2000-2001. Expressing their concern over this state of affairs, the Committee in Paragraph 17.1 of their 58th Report (13th Lok Sabha) had desired that a detailed review of the existing system be undertaken, particularly by the Ministry of finance and Railways, to devise suitable and effective measures targetting inherent defects in the existing system. The Committee would like the Government to take this issue with utmost seriousness so that excess expenditure as well as the excess registering Grants/Appropriations are reduced to the barest minimum, if not altogether eliminated.

67. The Committee regret to observe that excess expenditure of Rs. 2188.12 crore was incurred during the year 2002-2003 despite having Supplementary Grant of Rs. 1764.19 crore in 12 out of 20 cases of excess expenditure. In case of Appropriation Accounts (Civil), the excess expenditure of Rs. 1864.47 crore has occurred even after obtaining Supplementary Grant of Rs. 1613.17 crore in five out of nine excess registering Grants/Appropriations. The Committee also note that under Grant No 8 — Department of Culture, the excess expenditure incurred is higher than the Supplementary Grant obtained. In case of Indian Railways Appropriation Accounts, the excess expenditure of Rs. 323.65 crore was incurred despite having Supplementary Grant of Rs. 151.02 crore in seven out of 11 such cases. Further, the original provision was not sanctioned under Grant/Appropriation Nos. 3, 4, 7, 8 and 11. Here only supplementary provisions were obtained and the excess expenditure has occurred despite obtaining Supplementary Grants. The Committee note that under Grant No. 16 — Assets, Acquisition, Construction and Replacement—special Railway Safety Fund, the excess expenditure has occurred despite having both Original and Supplementary provisions. the Committee's examination further reveal that under Appropriation No. 7—Working Expenses—Repairs and Maintenance of Plant and Equipment, excess expenditure was even higher than the Supplementary Appropriation that had been sought. The Committee are inclined to conclude that Supplementary Grants in most of these cases were obtained without proper assessment with the result that even the additional provisions proved inadequate to meet that actual requirement of funds of the concerned Ministries/Departments. The Committee, therefore, desire the concerned Ministries/

Departments to impress upon their budget controlling authorities to thoroughly examine their proposals for additional funds with due farsightedness and ensure proper review and scrutiny of the requests for Supplementary demands before presenting the same to Parliament for approval.

68. The Ministries/Departments are required to submit to the Committee explanatory notes in respect of the excess registering Grants/Appropriations immediately after the presentation of relevant Appropriation Accounts to the House. The Committee observe that while the explanatory note on Grant No. 13—Department of Telecommunications, Grant No. 99—Chandigarh and Grants/Appropriations operated by the Ministry of Railways were received within time, the delay in furnishing the explanatory notes in respect of remaining six Grants/Appropriations ranged from nine days to more than four months. The explanatory note on Appropriation No. 29—Interest Payments has not been received till the finalisation of the Report. The Committee owe an explanation from the Ministry regarding this inordinate delay. The Committee take a serious view of such delays on the part of the Ministries concerned in furnishing the explanatory notes and desire that responsibility be fixed for the laxity shown in this regard. The Committee, however, would like the Ministry of Finance, who is the coordinating Ministry in this regard, to look into the matter and take suitable measures to ensure timely submission of explanatory notes in future.

The Committee would further like to point out that whenever the excess expenditure is noticed under any Grant/Appropriation, no time should be lost by the concerned Ministry/Department in preparing and forwarding the explanatory notes to Audit for vetting. The objections, if any, raised by Audit should be resolved on top priority basis. The Committee desire that a time schedule should be laid down for taking action at various stages involving finalisation/vetting of these explanatory notes, which would result in eliminating delay on this account. The Committee trust that necessary steps would be taken in this direction.

69. From the scrutiny of Appropriation Accounts (Civil) the Committee note that there was an excess disbursement of Rs. 1864.47 crore in 9 segments of 8 Grants/Appropriations in Civil Ministries. The excess expenditure over Rs. One crore had occurred in four out of nine cases. The Committee find that Appropriation No. 29—Interest Payment has shown the maximum excess expenditure aggregating Rs. 1792.90 crore followed by excess expenditure of Rs. 52.70 crore under Grant No. 80—Department of Culture and Rs. 15.89 crore under Grant No. 13—Department of Telecommunications. The excess expenditure Under the Grants/Appropriations operated by Civil Ministries/Departments was mainly on account of provision of Grant-in-aid to States for Railway Safety Works, Special drive to restore, conserve and improve conditions of monuments, conversion of special securities, wrong booking of expenditure, payments ordered by Court, clearance of unadjusted transactions etc. In the opinion of the Committee, these reasons could have been anticipated well in advance and provided for at budgetary or Supplementary Grants stage. The fact that this was not done is regrettable. The Committee desire

that in future adequate care may be taken by the concerned Ministries/Departments in this regard.

70. The Committee are constrained to point out that excess expenditure under Grants/Appropriations operated by the Civil Ministries/Departments has become a somewhat recurring phenomenon. The comparative figures of the past five years *i.e.* from 1998-99 to 2002-2003 (year under review) indicates that the excess expenditure under Civil Ministries/Departments had gone upto Rs. 1864.47 crore in sharp contrast to the years 1999-2000 and 2000-2001 when the excess expenditure showed a nominal decline from Rs. 0.57 to Rs. 0.44 crore respectively. The Grants showing excess expenditure have also increased from 5 in 2001-2002 to 8 in 2002-2003. Detailed analysis of the Appropriation Accounts (Civil) for the preceding two years *i.e.* 2001-2002 and 2002-2003 by the Committee has revealed that Grant No. 13—Department of Telecommunications and Appropriation No. 29—Interest Payment recurringly registered excess expenditure during these years. It has further been observed that while the excess expenditure under Grant No. 13—Department of Telecommunications is reduced during the year 2002-2003 (from Rs. 114.36 crore in 2001-2002 to Rs. 15.89 crore in 2002-2003), it has shown a steep rise in case of Appropriation No. 29—Interest Payments (Rs. 28.39 crore in 2001-2002 to Rs. 1792.90 crore in 2002-2003). Apparently no efforts have been made by the concerned Ministries/Departments to examine the factors contributing to such a dismal state of affairs and take corrective action. The Committee desire that every Ministry/Department, particularly those concerned with grants mentioned above, should carefully review their mechanism for framing of budget estimates and take corrective measures, wherever required, to make it more balanced and realistic.

71. The Committee are distressed to find that during the year under review the Ministry of Home Affairs incurred the excess expenditure of Rs. 91.00 lakh under four sections of three Grants *i.e.* (i) Grant No. 45—Ministry of Home Affairs (Revenue-Charged), 47—Police (Revenue-Charged) and 99—Chandigarh (Revenue-Charged and Capital-Charged). According to the Ministry of Home Affairs, this was mainly due to wrong booking of expenditure, payment of compensation as per court decrees, payment of MACT cases, salary and arrears of 'Assured Career Progressive Scheme' to High Court staff and payment deposited in Court on enhancement of various awards in land acquisition cases. The Committee are of the view that many of these could have been foreseen and provided for at least at the Supplementary Grant stage before the close of the financial year. This has happened despite the issuance of the instructions by the Ministry from time to time to restrict the expenditure as per the budgetary provision. Director (Finance-Home) has also stated to invite the attention of all Joint Secretaries to the provisions contained in Rule 53,54 and 55 of GFR emphasising upon the need for making realistic assessment of funds and proper scrutiny of estimates not only at the Budget Estimate stage, but also at Supplementary Grants so that the occurrence of excess could be fully avoided. The Committee need hardly emphasise that mere issue of instructions is not sufficient unless these

instructions are strictly complied with. They, therefore, desire the Ministry of Home Affairs to take suitable effective steps to ensure compliance of those instructions in their right earnest apart from tightening their control over expenditure.

Further scrutiny of the Grants operated by the Ministry of Home Affairs has revealed that there was wrong booking of expenditure of Rs. 2.13 lakh under Major head "2052". Secretariat-General Services of Grant No. 45—Ministry of Home Affairs. The Committee would like to know reasons for the same. They would also like to have the details of the said wrong booking of expenditure which vitiated the estimate of final requirements of funds. The Committee would urge the Ministry to examine the matter for appropriate action in case any serious negligence on the part of supervisory officials is noticed.

72. The Committee note that an excess expenditure of Rs. 15.89 crore occurred under Capital Section (Voted) of Grant No. 13—Department of Telecommunications. This was despite an augmentation of the Original provision of Rs. 1.00 crore by Rs. 754.16 crore through a Supplementary Grant of Rs. 753.16 crore for this purpose. The Committee feel that obtaining of Supplementary provisions of Rs. 753.16 crore as compared to original provision of Rs. 1 crore shows gross under-estimation of funds at the Supplementary Grant stage. Further they find that the Ministry have not explained in their note the precise reasons for their failure to make provisions at the time of preparing the original budget or at the time of seeking Supplementary Grants. Regarding excess, the Committee opine that the Ministry have furnished an oft-repeated explanation that this was on account of clearance of unadjusted transactions that had occurred over several previous years. The Committee have been informed that the excess did not involve any cash outgo but was merely a book adjustment whereby transactions/expenditure from past year was passed on to Capital. nevertheless, the Committee are inclined to conclude that the Ministry have woefully failed to take appropriate measures as they present the same *fait accompli* year after year. The Committee recall that only last year, they had desired in paragraph 17.5 of their 58th Report (13th Lok Sabha), to watch the impact of the steps taken by the Department of Telecommunications in this regard, in future Appropriation Accounts. The Committee have now been informed that after corporation of the DTS/DTO, the budgeting system of Department of Telecommunications has been completely revamped and efforts are being made to contain the expenditure within the Budget Allocation. The Committee hope that the Department of Telecommunications will be consistent in their efforts so that no expenditure is incurred in excess of the authorised limits under this Grant in future.

73. The Committee find that there was an overall excess expenditure of Rs. 1792.90 crore under the Revenue Section (Charged) of Appropriation No. 29—Interest Payments. The excess was mainly due to conversion of Special Securities worth Rs. 400 crore, higher collections and investments of net small savings. The Committee would like to know the reasons as to why these factors could not be considered at least at the time of Supplementary Budget as no

Supplementary provisions were obtained in this case. The Committee feel that the requirements for these factors could have been realistically assessed and forecast and timely additional provisions should have been made in the Revised Estimates. In the Committee's view this is not the first occasion when excess under this Appropriation has come to their notice. The Committee have further noted that an excess of Rs. 2882.39 crore and Rs. 28.39 crore was also reflected during the years 1998-99 and 2001-02 respectively. The Committee have been informed that pursuant to their earlier recommendations [1998-99—23rd Report (13th Lok Sabha), the Department of Economic Affairs had issued instructions to the various estimating authorities to put in place effective coordination between estimating and disbursing authorities with the help of a sound data base to avoid excess expenditure. While dealing with the excess expenditure of Rs. 28.39 crore under this Appropriation during the year 2001-02, the Committee had also expected the Ministry of Finance to display better sense of financial discipline in future. Recurrence of excess expenditure to the tune of Rs. 1792.90 crore during the year 2002-2003 under this appropriation clearly indicate that instructions issued in the past had hardly any effect in improving the budgetary procedures and controls in the Ministry. The Committee would like to express their displeasure over the fact that instructions pursuant to their recommendations remain effective for a very short span of time and the deficiencies surface again thereafter. The Committee emphasise that repeated issuance of instructions would not serve the purpose unless these instructions are strictly enforced and monitored timely and properly. They would, therefore, urge the Ministry to examine critically the specific steps taken towards implementation of the instructions issued by them in order to identify any further steps required to contain the recurring phenomenon of excess expenditure under this Appropriation.

74. Under Revenue section (voted) of Grant No. 80—Department of Culture, the Department incurred an overall excess expenditure of Rs. 52.70 crore against the total sanctioned provision of Rs. 487.46 crore during 2002-03. The excess expenditure had mainly occurred under the sub-heads "Grants to other Cultural Institutions" (Rs. 5.95 crore), "Other Schemes" (Rs. 29.16 crore), "Grants to other Libraries" (Rs. 2.45 crore) "Conservation of Ancient Monuments" (Rs. 37.38 crore) and "National Council of Science Museums, Kolkata" (Rs. 3.20 crore) etc. According to the Department of Culture, this excess was due to the fact that an additionality of Rs. 63 crore which was obtained from Ministry of Finance, at the time of Revised Estimate 2002-03 was not reflected in the 3rd Supplementary Demand for Grants during that year to get the approval as an additionality by the Parliament. The Committee view this as a case of avoidable excess expenditure showing lethargy on the part of dealing officers. Had the Departmental officers initiated timely action in this case, the additionalities could have been reflected in the 3rd Supplementary Demands for Grants. The Committee have been informed that instructions have been issued to all attached/Subordinate Officers/Autonomous Organisations and all the Divisional Heads of the Department of Culture to maintain strict financial

discipline. The Committee trust that the extant instructions would be strictly observed.

75. The Committee's examination of Indian Railways Appropriation Accounts for the year 2002-2003 revealed that there was an overall excess expenditure of Rs. 323.65 crore incurred under three Grants and eight Appropriations. Out of this excess expenditure, Grant No. 14—Appropriation to Funds—DRF, DF, Pension and CF was the main contributor having an excess of Rs. 211.15 crore, which is 65% of the total excess expenditure incurred by the Ministry of Railways. This was followed by Grant No. 16—Assets—Acquisition, Construction and Replacement—Special Railway Safety Fund having excesses of Rs. 89.97 crore. An analysis of the reasons causing the excess expenditure indicates that the excess under Grant No. 14 was mainly due to strengthening the fund balances in view of overall better financial performance of Indian Railways. Under Grant No. 16, it was mainly due to slow progress of works and lesser activities than anticipated. Furthermore, under Appropriation Nos. 3, 4, 6, 7, 8, 9, 11 and 16—Capital, the excess expenditure was due to unanticipated decretal payments at the fag end of the year. Deploring this tendency, the Committee had, in Paragraph 17.9 of their 58th Report (13th Lok Sabha) expected the Ministry of Railways to ensure that in future, prompt action is taken to make the decretal payments and provide for it in the original/Supplementary Budget. The fact that the Ministry has not taken due care despite the Committee's directive is regrettable. The Committee would, therefore, again like to emphasise that through proper control over expenditure and with more accurate estimation of liabilities, much of the excess expenditure can be avoided. If at all the requirement of more funds is felt after the budget estimates, additional provisions at the revised estimates should be made with more precision.

76. Yet another area where inherent shortcomings were observed by the Committee related to the manner in which Supplementary Grants had been obtained by the Ministry of Railways. The Committee's examination of the relevant Appropriation Accounts has revealed that supplementary provisions of Rs. 151.02 crore were obtained in seven out of eleven cases of excess registering Grants/Appropriations as against the original provision of Rs. 2606.05 crore obtained in two out of seven such cases. The Committee's scrutiny has also revealed that under Appropriation Nos. 3, 4, 7, 8 and 11, the original provisions were not available and only Supplementary Grants were obtained for this purpose. Under Appropriation No. 7, the Supplementary provisions of Rs. 1.32 lakh, as obtained, proved to be inadequate as the actual expenditure under this Appropriation exceeded the provision by Rs. 4.23 lakh, which is 320.51 per cent of the Supplementary provisions obtained. Further, under Grant No. 14, no Supplementary Grant was obtained although there was excess expenditure subsequently to the tune of Rs. 211.15 crore. In fact that Supplementary provision in all these cases were too meagre as compared to excesses noticed subsequently which goes to prove that Supplementary Grants were ill conceived without conducting a proper and close scrutiny of the expenditure incurred or likely to be incurred by them during the financial year. The Committee are concerned over such a state of affairs and would like to express their unhappiness in this regard. They, therefore,

recommend that the Ministry of Railways should evolve a mechanism to access and project realistic requirement of funds both at Budgetary and Supplementary stages so that timely action is taken to ensure that the excess expenditure could be avoided as far as possible.

77. Whereas the excess expenditure incurred by the Ministry of Railways had shown decreasing trend during the year 1999-2000 (Rs. 56.79 crore) and 2000-01 (Rs. 0.14 crores), it has again started showing increasing trend subsequently, which is evident from the fact that during the years 2001-02 and 2002-03, the excess expenditure was Rs. 210.71 crore and Rs. 323.65 crore respectively. The Committee are concerned to note that excess expenditure has become a recurring phenomenon in respect of Appropriation Nos. 3, 7 and 16. The Committee's detailed analysis of these Grants/Appropriations revealed that under Appropriation No. 3—Working Expenses—General Superintendence and Services the excess expenditure has occurred recurrently for the past seven years *i.e.* from 1996-97 to 2002-03, under Appropriation No. 7—Repairs and Maintenance of Plant and Equipments for the past four years *i.e.* from 1999-2000 to 2002-2003 and under Appropriation No. 16—assets—Acquisition, Construction and Replacement—Capital for the past three years *i.e.* from 2000-01 to 2002-03. The excess expenditure under Appropriation No. 16 is also showing an increasing trend *i.e.* Rs. 0.13 crore in 2000-2001 to Rs. 3.39 crore in 2002-2003. While commenting on the recurrent excesses under Appropriation No. 3, the Committee, in their 58th Report, had desired the Ministry of Railways to critically re-examine and suitably revise the existing procedures. According to the Action Taken Note, the Ministry of Railways are stated to have issued instructions to the concerned Railways to arrest the trend of excess expenditure particularly in Appropriation No. 3 which however, has shown the excess expenditure this year also. Obviously these instructions have failed to yield desired results. The Committee would urge the Ministry to look into the matter and take suitable steps apart from monitoring the instructions issued with a view to tightening their budgetary control so as to leave little scope for excess expenditure being incurred under various Grants/Appropriations operated by them.

78. The Committee are distressed to find that misclassification of expenditure in Railways has become almost a regular feature. During the year under review, there have been misclassification of expenditure in as many as three Grants/Appropriations which have recorded excess expenditure. The Ministry of Railways have attributed these cases of misclassifications to lack of adequate attention being given at the time of preparation of vouchers. The Committee feel that these reasons are not enough to justify the regular failure of misclassifications on the part of Ministry of Railways. Obviously the Committee are led to the inescapable conclusion that the Ministry of Railways have not taken effective steps to tackle the problem of misclassification of expenditure between various Grants/Appropriations and to devise fool-proof measures to obviate recurrence of misclassification that vitiates sound budgetary control. The Committee would also like the Ministry to identify and fix responsibility for such patent errors, as soon as they occur.

79. Subject to the Observations made in the preceding Paragraphs, the Committee recommend that the expenditure referred to in Para 10 of this Report be regularised in the manner prescribed in Article 115 (1) (b) of the Constitution of India.

NEW DELHI;
2 April, 2005

12 Chaitra, 1927 (Saka)

PROF. VIJAY KUMAR MALHOTRA,
Chairman,
Public Accounts Committee.

APPENDIX I

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS & INFORMATION TECHNOLOGY
DEPARTMENT OF TELECOMMUNICATIONS

Excess Note:

Note for Public Accounts Committee for regularization of excess expenditure in respect of excess occurred under CAPITAL SECTION (Voted) of Grant No. 13—Ministry of Communications & Information Technology, Department of Telecommunications—as disclosed in the Union Government Appropriation Accounts (Civil) for 2002-03.

Capital Section (Voted)

(Rupees in lakhs)

Original Grant	1,00
Supplementary Grant	753,16
Total Grant	754,16
Actual Expenditure	770,05
Excess	15,89

2. Under the Capital Section (Voted) of Grant No. 13 —Ministry of Communications & Information Technology, Department of Telecommunications, for 2002-03, the total provision was Rs. 1,00,00 thousands. This was augmented to Rs. 754,16,00 thousands by obtaining a Supplementary Grant of Rs. 753,16,00 thousands. Against this, the expenditure of Rs. 770,04,93 thousands was incurred, resulting in an excess of Rs. 15,88,93 thousands.

3. The excess of Rs. 15,88,93 thousands was the net effect of the total excesses of Rs. 15,88,93 thousands and the total savings of Rs. nil thousands under various sub-heads of the Grant. The sub-heads under which the excess of Rs. five lakhs and above occurred are mentioned in the Annexure.

4. The reason for the excess expenditure was the clearance of unadjusted transactions that had occurred over several previous years under the Major Heads 8662—Suspense and 8782—Remittance under the Public Account and their transfer to the Major Head 5225—Capital Outlay on Telecom Services under the Consolidated Fund of India. This action was necessitated for transferring the reconciled assets and liabilities to the Bharat Sanchar Nigam Limited, which was created on 1-10-2000. Thus the excess did not involve any cash outgo in the year 2002-03 but was merely a book adjustment

whereby transactions/expenditure from past years was passed on to Capital.

5. This has been vetted by Director General of Audit (P&T) *vide* their U.O. No. RRIII/1(b)400 App.A/cs/2002-03/595 dated 8-12-2003.

Enclosure: 1

Sd/-

(N. Parthasarthy)
Member (Finance)

File No. 1-16/2003-B

Dated 17.12.2003.

Annexure

List of cases of involving excess of Rs. Five lakhs or above under each sub-head under Capital Section in Grant No. 13—Department of Telecommunications for the year 2002-2003.

(Rs. in lakhs)

Sl. No.	Sub-head	Original Grant	Supplementary Grant	Total Grant	Actual expenditure	Excess
1.	5225 02 201 00 Telephone Exchange (Automatic)	0	525.79	525.79	1589.78	1063.99
2.	5225 80 201 00 Civil Engineering Suspense	0	296.88	296.88	821.82	524.94

APPENDIX II
MINISTRY OF CULTURE

Excess Note

Note for Public Accounts Committee in respect of excess occurred under Revenue Section (Voted) of Grant No. 80, Ministry of Tourism and Culture (Department of Culture) as disclosed in the Union Government Appropriation Accounts (Civil) for the year, 2002-03.

Revenue Section (Voted)	(Rupees in thousands)
Original Grant	486,45,00
Supplementary Grant	1,01,00
Total Grant	487,46,00
Actual Expenditure	540,15,78
Excess	52,69,78

2. Under Revenue Section (Voted) of Grant No. 80, Ministry of Tourism & Culture, Department of Culture for the year 2002-03, the total provision was Rs. 486,45,00 thousands (Rupees Four hundred eighty six crores and forty five lakhs only). This was augmented to Rs. 487,46,00 thousands (Rupees Four hundred eighty seven crores and forty six lakhs only) by obtaining Supplementary Grant of Rs. 1,01,00 thousands (Rupees One crore and one lakh only.) Against this, the expenditure of Rs. 5,40,15,78 thousands (Rupees Five hundred forty crores and fifteen lakh seventy eight thousand only) were incurred resulting in excess of Rs. 52,69,78 thousands (Rupees Fifty two crores and sixty nine lakhs seventy eight thousand only).

3. Total excess of Rs. 52,69,78 thousands (Rupees Fifty two crores and sixty nine lakhs seventy eight thousand only) was net effect of total savings of Rs. 328185 thousands and total excess of Rs. 85,51,63 thousands only under various sub-heads of the Grant. The sub-heads under which excess of Rs. 5 lakh and above occurred and reasons, therefor, are furnished below:

Revenue Section (Voted)

(1) 2251.00.090.07—Secretariat

	<i>Rs. (in lakh)</i>
Original Grant	825.00
Actual Expenditure	920.04
Excess	95.04

Reasons for Excess—Given in the last paragraph

(2) 2205.00.102.03-Grants to other Cultural Institutions

	<i>Rs. (in lakh)</i>
Original Grant	5522.00
Actual Expenditure	6116.58
Excess	594.58

Reasons for Excess-Givern in the last paragraph

(3) 2205.00.102.04—Other Schemes

	<i>Rs. (in lakh)</i>
Original Grant	11243.00
Supplementary Grant	101.00
Actual Expenditure	14259.54
Excess	2915.54

Reasons for Excess—Given in the last paragraph

(4) 2205.00.105.02—Grants to other Libraries

	<i>Rs. (in lakh)</i>
Original Grant	2012.00
Actual Expenditure	2257.46
Excess	245.46

Reasons for Excess—Given in the last paragraph

(5) 2205.00.106.02—Conservation of Ancient Monuments

	<i>Rs. (in lakh)</i>
Original Grant	4353.00
Actual Expenditure	8090.57
Excess	3737.57

Reasons for Excess—Given in the last paragraph

(6) 2205.00.106.03—Archacological Exploration and Excavations

	<i>Rs. (in lakh)</i>
Original Grant	360.00
Actual Expenditure	450.18
Excess	90.18

Reasons for Excess—Given in the last paragraph

(7) 2205.00.106.04 Works

	<i>Rs. (in lakh)</i>
Original Grant	355.00
Actual Expenditure	486.80
Excess	131.80

Reasons for Excess—Given in the last paragraph

(8) 2205.00.107.02- National Museum

	<i>Rs. (in lakh)</i>
Original Grant	1100.00
Actual Expenditure	1151.69
Excess	51.69

Reasons for Excess—Given in the last paragraph

(9) 2205.00.107.05—Victoria Memorial Hall

	<i>Rs. (in lakh)</i>
Original Grant	350.00
Actual Expenditure	362.60
Excess	12.60

(10) 2205.00.107.06—Indira Gandhi Rashtriya Manav Sangrahalaya, Bhopal

	<i>Rs. (in lakh)</i>
Original Grant	560.00
Actual Expenditure	589.34
Excess	29.34

(11) 2205.00.107.08—Nehru Memorial Museum & Library, New Delhi

	<i>Rs. (in lakh)</i>
Original Grant	585.00
Actual Expenditure	631.50
Excess	46.50

(12) 2205.00.107.09—Indian Museum, Kolkata

	<i>Rs. (in lakh)</i>
Original Grant	755.00
Actual Expenditure	873.21
Excess	118.21

Reasons for Excess—Given in the last paragraph

(13) 2205.00.107.10—National Council of Science Museums, Kolkata

	<i>Rs. (in lakh)</i>
Original Grant	1735.00
Actual Expenditure	2055.00
Excess	320.00

Reasons for Excess—Given in the last paragraph

(14) 2205.00.108.01—Anthropological Survey of India

	<i>Rs. (in lakh)</i>
Original Grant	1010.00
Actual Expenditure	1171.59
Excess	161.59

Reasons for Excess—Given in the last paragraph

Reasons for excess expenditure

The above excess expenditure of Rs. 52.70 crore was not due to lack of pre-check system or any misclarification but it was due to the fact that an additionality of Rs. 63 crore which was obtained from Ministry of Finance, at the time of RE-2002-03 *vide* Ministry of Finance's letter No. 2 (86)\B\ (CDN) 2002 dated 01-01-03,) (copy enclosed) was not reflected in the 3rd Supplementary Demand for Grants during that year to get the approval as an additionality by the Parliament.

Remedial Action

It will now be ensured that no such technical lapse is committed in futrue. In this regard, instructions have been issued to all Attached/Subordinate Offices/ Autonomous Organizations and all the Divisional Heads of the Department of Culture *vide* letter No. 9-5\2003—P&B dated 16-07-04 to maintain strict financial discipline (Copy enclosed).

This has been vetted by Office of Director General of Audit Central Revenue, New Delhi, *vide* U.O. No. 22/3-15/2003-04/755 dated 18.08.04.

Sd/-

(K. Jayakumar)

Joint Secretary (Culture)

(Ministry's File No. 9-5/2003—P&B)

CONFIDENTIAL

MOST IMMEDIATE

BUDGET MATTER



D. Swarup
Additional Secretary (Budget)

Tel: Off.: 23092804
Fax: 23094052

Ministry of Finance & Company Affairs
Department of Economic Affairs
North Block
New Delhi - 110001
January 1, 2003

D.O.F.No.2 (86)-B(CDN)/2002

Dear Shri Subramanian,

A review of the trend and pace of expenditure as also assessment of likely expenditure in the remaining months of the current financial year in accordance with rules and procedures has been carried out during pre-budget discussions. Accordingly, the ceilings of Non-plan expenditure in RE 2002-2003 and BE 2003-2004 and Plan expenditure in RE 2002-2003 in respect of the Demand(s) with which you are concerned have been fixed as follows:

(Rs. in crore)

Demand(s)	RE 2002-2003	RE 2002-2003	BE 2003-2004
	(Plan)	(Non-Plan)	(Non-Plan)
80-Department of Culture	230.00	319.45	318.52
79-Department of Tourism	225.00	63.63	41.30

2. The Planning Commission will be separately communicating the ceilings of Plan expenditure in BE 2003-2004.

3. I shall be grateful if you will please have the required Statement of Budget Estimates (SBEs) prepared as per the above ceilings and furnish to us along with the details of recoveries taken in reduction of expenditure and the receipts netted against expenditure and supporting notes on a floppies in addition to printed hard copy as already requested for *vide* MOF&CA, DEA OM No. F.2(30)-B(D)/2002 dated 24th September, 2002, **latest by January 8, 2003**. It may please be noted that the Estimates are required to be submitted according to the revised structure for Demands for Grants although the ceilings indicated above are with reference to the current year's estimates.

4. The Minister of Finance and Company Affairs has desired that Plan funds should be earmarked in respect of on-going projects especially last mile projects, in preference to new schemes and programmes. He has also desired that when Ministries/ Departments request allocation of funds from Planning Commission, physical progress made in earlier years should specifically be kept in view so that allocations for Plan funds are not based on ambitious and unrealistic targets. In this connection my D.O. letter dated 24th October, 2002 is enclosed.

5. Instructions regarding budgeting for/expenditure from the lump-sum provision for North Eastern Region and Sikkim have been issued by the Ministry of Finance &

Company Affairs from time to time, latest being OMF No.2 (66)-B(CDN)/2001(Vol.II) dated 13th September, 2002. It may please be ensured that a lump-sum provision of 10% of the RE Central Plan allocation for the projects/schemes in the North Eastern Region is made unless your Ministry/Department has specifically been exempted by the Department of Development of North Eastern Region/Planning Commission for doing so.

6. It may please be ensured that the expenditure is so regulated that it does not exceed the above mentioned ceilings. Savings, if any, may please be identified and reported immediately even after the Statement of Budget Estimates have been furnished to us. In particular, the releases to States, CPSUs and Autonomous Bodies etc., may be regulated strictly in accordance with the laid down conditionalities for release of funds like furnishing of utilisation certificates for previous releases, utilisation of unspent balances, matching contribution by others, adjustment of defaults in interest/repayment of Government loans etc. In this context, you may refer to the detailed guidelines contained in the D.O. circular No.F 2 (6)-B(CDN)/97 dated January 28, 1997 regarding observance of some general conditions while releasing funds. In addition, there are specific conditionalities built into Plan schemes under which the releases are to be regulated. In case of any release in relaxation from these guidelines/conditionalities, prior approval of Secretary (Expenditure) must be obtained.

7. It may please be noted that the above ceilings do not *per se* authorize any reappropriation or supplementary grant. Individual proposals seeking secretary (Expenditure)'s approval to re-appropriations, wherever required under extant Rules and Instructions [*vide* Rule 10 of Delegation of financial Powers Rules (DFPR) and orders issued thereunder], should be sent to us separately on file. Likewise, proposals involving New Service or New Instrument of Service should be sent to us for seeking appropriate Supplementary Grant. It should also now be possible for you to finalize the proposals for Supplementary Demands for Grants to be sought in the final batch for 2002-2003 in the Budget session of the Parliament. Public accounts Committee has been adversely commenting upon cases where funds were released ignoring the restrictions of New Service/New Instrument of Service limits prescribed in orders issued under Rule 10 of DFPR. Particular attention is also invited to cases relating to release of loans/equity to PSUs and grants-in-aid, where the breach of orders has been frequently noticed.

With regards,

Yours sincerely,

Sd/-

(D. Swarup)

Shri V. Subramanian,
Financial Adviser,
Ministry of Tourism and Culture,
New Delhi.

F.No. 9-5/2003-P&B
GOVERNMENT OF INDIA
MINISTRY OF CULTURE
P&B DIVISION

Dated: 16.7.04

OFFICE ORDER

*SUBJECT: Head-wise Appropriation of Accounts in respect of Demand No. 80-Department of Culture-Excess/Savings of Expenditure—
Reiteration of instructions on strict financial discipline*

It has been generally observed that the Department of Culture has to submit Explanatory Note in respect of excess over the savings expenditure incurred during the financial year by the Attached/Subordinate Offices/Autonomous Organizations. Time and again Office of the DG (ACR) has pointed out such lapses on the part of the Department.

In case of emergency/circumstance beyond your control, prior approval of the Ministry may be sought well in advance, in case of savings, if any, so that savings can be re-appropriated to certain other schemes. Under no circumstance excess expenditure may be incurred.

It has further observed that the most of expenditure generally is made in the last three months of the financial year, which results in either savings/excess expenditure. It is, therefore, requested that expenditure should be evenly made through out the financial year.

In order to ensure that there is no such financial indiscipline in future by any of the Attached/Subordinate Offices and other Organizations, all the heads of the Offices including all Divisional Heads are requested to ensure that the proper planning and estimation may please be made at the time of preparing Budget proposals for their Offices in order to avoid any such explanations at the end of the financial year.

Sd/-
(K. Jayakumar)
Joint Secretary (Culture)

All Divisional Heads

All Heads of the Attached/Subordinate Offices & Autonomous Organizations

APPENDIX-III**MINISTRY OF RAILWAYS**

Explanatory Note For Public Accounts Committee for Regularisation of Excess over voted/charged portion of Grants/appropriation during the year 2002-03

During the year 2002-03, there was an overall net saving of Rs. 2731.91 crore under all Grants and Appropriations, which constitutes 3.78 percent of the total provision of Rs. 72281.88 crore.

The net saving was the result of gross saving of Rs. 3056.56 crore under 14 Voted Grants (*i.e.* 13 Revenue and 4 segments of Works Grant No. 16 *i.e.* Capital, Railway Funds, RSF and OLWR) and 4 Charged Appropriations (*i.e.* 3 Revenue and 3 segments of Works Appropriation No. 16 *i.e.* Railway funds, SRSF and OLWR) and an excess of Rs. 324.65 crore under 3 Voted Grants (*i.e.* 2 Revenue and one segment of Works Grant No. 16 *i.e.* SRSF) and 8 Charged Appropriations (*i.e.* 7 Revenue and one segment of Works Appropriation No. 16 *i.e.* Capital). The gross saving of Rs. 3056.56 crore was made up of Rs. 3051.13 crore under Voted Grants and Rs. 5.43 crore under Charged Appropriations constituting 5.24 per cent of the total provision of Rs. 58320.01 crore under those Grants/Appropriations where saving occurred. The gross excess amounting to Rs. 324.65 crore was made up of Rs. 320.96 crore under Voted Grants and Rs. 3.69 crore under Charged Appropriations constituted 2.33 per cent of the total provision of Rs. 13961.87 crore under the excess registering Grants/Appropriations. (Reference Para. 26 to 29 - Excess/Saving over Voted Grants and Charged Appropriations of the Appropriation Accounts of Indian Railways for the year 2002-2003—Part-I—Review).

All savings involving Rs. 100 crore and above under each Grant and all excesses grant-wise, is being explained in detail in the ensuing paras.

1.2 Excess under Charged Appropriations & Voted Grants

There is an excess under eight Charged Appropriations (3,4,6,7,8,9,11 and one segment of Appropriation No. 16 *i.e.* Capital) and three Grants (14,15 and one segment of Grant No. 16 *i.e.* SRSF). These Appropriations/Grants are explained as under:—

(a) Charged Appropriations**(i) Appropriation No. 3 — Working Expenses-General Superintendence and Services.**

	Rupees
Original Appropriation	-
Supplementary Appropriation	2,97,000
Total Sanctioned Appropriation	2,97,000
Actual Expenditure	3,39,583
Excess	42,583
Misclassification	-
Excess requiring regularisation	42,583
Percentage of Excess	14.34

A Supplementary Charged Appropriation of Rs. 2.97 lakhs as obtained for payments towards satisfaction of court decrees, proved to be inadequate. The actual payment exceeded the provision by Rs. 42,583/- to satisfy the court decree.

The excess requiring regularisation is Rs. 42,583/-, which is the same as disclosed in the Appropriation Accounts.

(ii) Appropriation No. 4 — Working Expenses-Repairs & Maintenance of Permanent Way & Works.

	Rupees
Original Appropriation	-
Supplementary Appropriation	65,14,000
Total Sanctioned Appropriation	65,14,000
Actual Expenditure	122,05,681
Excess	56,91,681
Misclassification	-
Excess requiring regularisation	56,91,681
Percentage of Excess	87.38

A Supplementary Charged Appropriation of Rs. 65.14 lakhs as obtained for payments towards satisfaction of court decrees, proved to be inadequate. The actual payment exceeded the provision by Rs. 56,91,681/- due to unanticipated decretal payments at the fag end of the year.

The excess requiring regularisation is Rs. 56,91,681/-, which is the same as disclosed in the Appropriation Accounts.

(iii) Appropriation No. 6— Working Expenses—Repairs & Maintenance of Carriages & Wagons.

	Rupees
Original Appropriation	—
Supplementary Appropriation	—
Total Sanctioned Appropriation	—
Actual Expenditure	4,87,252
Excess	4,87,252
Misclassification	—
Excess requiring regularisation	4,87,252
Percentage of Excess	—

The actual expenditure of Rs 4,87,252/-incurred without any budget provision towards unanticipated decretal payments.

This excess of Rs. 4,87,252/- requiring regularisation, is the same as disclosed in the Appropriation Accounts.

(iv) Appropriation No. 7— Working Expenses—Repairs & Maintenance of Plant & Equipment.

	Rupees
Original Appropriation	—
Supplementary Appropriation	1,32,000
Total Sanctioned Appropriation	1,3,2000
Actual Expenditure	5,55,077
Excess	4,23,077
Misclassification	—
Excess requiring regularisation	4,23,077
Percentage of Excess	320.51

A Supplementary Charged Appropriation of Rs. 1.32 lakh as obtained for payments towards satisfaction of court decrees, proved to be inadequate. The actual expenditure exceeded the provision by Rs. 4,23,077/- due to unanticipated decretal payments at the fag end of the year.

The excess requiring regularisation is Rs. 4, 23, 077/- which is the same as disclosed in the Appropriation Accounts.

(v) **Appropriation No. 8 — Working Expenses—Operating Expenses-Rolling Stock & Equipment.**

	Rupees
Original Appropriation	—
Supplementary Appropriation	3,25,000
Total Sanctioned Appropriation	3,25,000
Actual Expenditure	5,32,459
Excess	2,07,459
Misclassification	—
Excess requiring regularisation	2,07,459
Percentage of Excess	63.83

A Supplementary Charged Appropriation of Rs. 3.25 lakhs as obtained for payments towards satisfaction of court decrees, proved to be inadequate. The actual expenditure exceeded the provision by Rs. 2,07,459/- due to unanticipated decretal payments at the fag end of the year.

The excess requiring regularisation is Rs. 2,07,459/- which is the same as disclosed in the Appropriation Accounts.

(vi) **Appropriation No. 9 - Working Expenses—Operating Expenses-Traffic.**

	Rupees
Original Appropriation	10,00,000
Supplementary Appropriation	--
Total Sanctioned Appropriation	10,00,000
Actual Expenditure	24,80,779
Excess	14,80,779
Misclassification	20,048
Excess requiring regularisation	15,00,827
Percentage of Excess	150.08

Charged Appropriation of Rs. 10.00 lakhs was obtained at the Budget Estimate Stage, which proved to be inadequate and the actual expenditure having exceeded the provision as more decretal payments materialised at the fag end of the year.

There was a misclassification of Rs. 20,048/- on account of expenditure relating to Charged Appropriation having been wrongly booked as Voted. Thus taking into account the effect of misclassification the real excess requiring regularisation works out to Rs. 15,00,827/-

(vii) Appropriation No. 11—Working Expenses—Staff Welfare and Amenities.

	Rupees
Original Appropriation	—
Supplementary Appropriation	1,37,000
Total Sanctioned Appropriation	1,37,000
Actual Expenditure	1,51,231
Excess	14,231
Misclassification	—
Excess requiring regularisation	14,231
Percentage of Excess	10.39

A Supplementary Charged Appropriation of Rs. 1.37 lakh as obtained for payments towards satisfaction of court decrees, proved to be inadequate. The actual expenditure exceeded the provision by Rs. 14,231/- due to unanticipated decretal payments at the fag end of the year.

The excess requiring regularisation is Rs. 14,231/- which is the same as disclosed in the Appropriation Accounts.

(viii) Appropriation No. 16—Assets—Acquisition, Construction and Replacement-Capital.

	Rupees
Original Appropriation	675,00,000
Supplementary Appropriation	424,67,000
Total Sanctioned Appropriation	1099,67,000
Actual Expenditure	1385,09,193
Excess	285,42,193
Misclassification	54,07,440
Excess requiring regularisation	339,49,633
Percentage of Excess	30.87

Charged Appropriation of Rs. 675.00 lakhs was obtained at the Budget Estimate Stage. A Supplementary Appropriation of Rs. 424.67 lakhs was sanctioned for additional payments towards satisfaction of court decrees.

The Charged Appropriation, however, proved to be inadequate, the actual expenditure having exceeded the provision as more decretal payments materialised at the fag end of the year.

There was a misclassification of Rs. 54,07,440/- on account of expenditure relating to Charged Appropriation having been wrongly booked as Voted. Thus taking into account the effect of misclassification the real excess requiring regularisation works out to Rs. 339,49,633/-

(b) Voted Grants

(i) Grant No. 14—Working Expenses—Appropriation to Funds

	Rupees
Original Grant	9858,16,46,000
Supplementary Grant	—
Total Sanctioned Grant	9858,16,46,000
Actual Expenditure Appropriation	10069,31,83,616
Excess	211,15,37,616
Misclassification	—
Excess requiring regularisation	211,15,37,616
Percentage of Excess	2.14

This Grant deals with appropriation to all Reserve Funds. A Grant of Rs. 9858.17 crore was obtained at the Budget Estimate stage. The actual (expenditure) appropriation of Rs. 10069.32 crore having exceeded the total sanctioned provision by Rs. 211.15 crore for the Grant as a whole, which is 2.14% of the total sanctioned provision.

Excess occurred mainly under the following funds:—

(a) Appropriation to Depreciation Reserve Fund, (Rs. 423.41 crore), mainly due to strengthening the fund balances in view of overall better financial performance of Indian Railways, **(b) Appropriation to Special Railway Safety Fund (Rs. 307.91 crore)**, as the higher appropriation to this fund was made from the "Excess" due to less collection of safety surcharge to meet with plan requirements.

This **excess** was partly offset by the savings under the following funds:—

(a) Appropriation to Pension Fund, (Rs. 50.00 crore) mainly due to decrease in pension requirements from Pension Fund than projected in the budget estimate, **(b) Appropriation to Railway Safety Fund, (Rs. 452.74 crore)** the entire provision remained unutilised due to revision in the system of booking upto 2002-03 (BE), the Railways share of Central Road Fund (CRF) used to be transferred to the Railways Safety Fund by accounting it through the Railways Revenues *via* Demand No. 14. Accordingly, an appropriation of Rs. 452.73 crore was made to the RSF in B.E. 2002-03. As in course of the year 2002-03 it was decided to transfer the Railway share of Central Road Fund (CRF) to Railway Safety Fund directly, the appropriation *via* Demand No. 14 has not been made in Final allotment, **(c) Appropriation to Railway Capital Fund (Rs. 17.43 crore)**, the entire provision remained unutilised as the interest

accrued against the loan of Rs. 249.00 crore during 2001-02 has fully been paid in the same year *i.e.* 2001-02 and the appropriation of Rs. 17.43 crore as proposed in the Budget Estimate-2002-03 was reduced to 'Nil' in the Final allotment and in the Actuals.

Therefore, the excess of Rs. 211,15,37,616/-requiring regularisation, which is the same as disclosed in the Appropriation Accounts.

(ii) Grant No. 15—Dividend to General Revenues—Repayment of Loans taken from General Revenues and Amortisation of over-capitalisation.

	Rupees
Original Grant	2696,53,54,000
Supplementary Grant	—
Total Sanctioned Grant	2696,53,54,000
Actual Expenditure	2714,83,32,566
Excess	18,29,78,566
Misclassification	—
Excess requiring regularisation	18,29,78,566
Percentage of Excess	0.68

A Grant of Rs. 2696.54 crore was obtained at the Budget Estimate stage. The actual expenditure having exceeded the total sanctioned provision by Rs. 18.30 crore for the Grant as a whole, which is just 0.68% of the total sanctioned provision.

The excess was mainly on account of payment of deferred dividend on New Lines under moratorium and clearance of Rs. 50 crore from deferred dividend liability account, which could not be anticipated earlier.

The excess of Rs. 18,29,78,566/- requiring regularisation, which is the same as disclosed in the Appropriation Accounts.

(iii) Grant No. 16—Assets—Acquisition, Construction and Replacement—Special Railway Safety Fund.

	Rupees
Original Grant	2599,30,00,000*
Supplementary Grant	146,03,34,000
Total Sanctioned Grant	2745,33,34,000*
Actual Expenditure	2836,84,41,948*
Excess	91,51,07,948
Misclassification	(-) 1,54,46,306
Excess requiring regularisation	89,96,61,642
Percentage of Excess	3.28

* (Budget and Actual Expenditure includes Rs. 1350 crore which has been transferred from Capital to Special Railway Safety Fund)

A Grant of Rs. 2599.30 crore was obtained at the Budget Estimate stage and a Supplementary Grant of Rs. 146.03 crore was obtained to meet with the requirement under Track Renewals due to better progress. The actual expenditure of Rs. 2836.84 crore was Rs. 91.51 crore more than the total sanctioned provision of Rs. 2745.33 crore. There was a misclassification of Rs. (-) 1.54 crore. The excess thus worked out to Rs. 89.97 crore.

This excess was mainly under the following Plan heads (Minor heads) due to better progress of works; Rolling Stock (Rs. 41.95 crore), Track Renewals (Rs. 199.64 crore) and Bridge Works (Rs. 8.31 crore); partly offset by savings under the Plan heads (Minor heads); Signalling and Telecommunication Works (Rs. 151.60 crore), Other Electrical Works (Rs. 0.47 crore), Machinery and Plant (Rs. 5.82 crore) and Other Specified Works (Rs. 0.50 crore) mainly due to slow progress of works and lesser activities, than anticipated.

The excess requiring regularisation from Parliament works out to Rs. 89,96,61,642/- (*i.e.* 3.28% of the total sanctioned provision).

2. The Grant-wise excesses are relatively small, considering the total volume of transactions spread over the entire Railway System. As a result, on overall basis there is a net saving of Rs. 2731.91 crore, consisting 3.78 percent of the total provision of Rs. 72281.88 crore. It is submitted that every care has been taken (a) to assess the expenditure under various Appropriation/Grants as precisely as possible and (b) to obtain supplementary allotments where necessary so that excess is avoided to maximum extent possible.

3. The excess over the Appropriation/Grant as brought out in Para 1.2 (a) & (b) may kindly be recommended for regularisation by Parliament under Article 115 (1) (b) of the Constitution of India.

4. This has been seen by the Audit.

Sd/-
(S.C. Gupta)
Addl. Member (Finance),
Railway Board.

The Chairman & Members of the
 Public Accounts Committee,
 New Delhi.

APPENDIX-IV

STATEMENT OF OBSERVATIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Ministry/Department	Observations/Recommendations
1	2	3	4
1.	65	Finance, (Economic Affairs) Home Affairs, Culture, Telecommunications & Railways	The Committee's examination of the Appropriation Accounts of Union Government for 2002-2003 has revealed that during the year under review, the excess expenditure of an unprecedented magnitude amounting to Rs. 2188.12 crore was incurred under 20 cases of 18 excess registering Grants/Appropriations as against Rs. 1089.54 crore during the last year <i>i.e.</i> 2001-2002. The excess during the year is prominently noticeable in the Grants administered by the Ministry of Finance, Ministry of Home Affairs, Department of Culture. Department of Telecom-munications & Ministry of Railways. The Committee note that the bulk of the excess expenditure <i>i.e.</i> Rs. 1864.47 crore is on the Civil side as was the case last year also. This is mainly contributed by one Appropriation alone <i>viz.</i> , Appropriation No. 29—Interest Payments showing an excess of Rs. 1792.90 crore, which is 83 percent of the total excess expenditure incurred by the various Ministries/Departments of the Union Government during 2002-2003. Further, 10 Grants/Appropriations operated by the Ministry of Railways contributed to an excess expenditure of Rs. 323.65 crore. The explanations tendered by the concerned Ministries/Departments has revealed that defective estimation of requirement of funds, lack of a continuous watch over the flow of expenditure as well as timely review of financial requirements and failure to assess the additional fund requirement etc. have largely contributed to the excess expenditure.

1	2	3	4
			<p>The fact that similar reasons persist year after year leads the Committee to believe that the matter has not been viewed by the Ministries/ Departments with ample seriousness. The Committee have been repeatedly pointing out in their reports that the system of estimation of and control over expenditure is faulty and year after year, Parliament is being presented with a <i>fait accompli</i> of unremitting excess phenomenon. From the foregoing, it is clear that the Committee's oft-repeated recommendations had little impact on the concerned Ministries. The Committee, therefore, once again urge the Ministries/ Departments of Government of India to chalk out a definite policy in order to observe greater financial discipline and ensure that expenditure does not exceed its prescribed limits.</p>
2.	66	Finance (Economic Affairs)	<p>What is further disquieting to observe is that despite the oft-repeated concerns expressed by the Committee on the lack of financial discipline by the Ministries/ Departments and issue of necessary instructions from time to time by the Ministry of Finance to strengthen their procedure, the excess expenditure incurred by various Ministries/Departments as well as the number of excess registering Grants/ Appropriations is constantly on the rise since the year 2000-2001. Expressing their concern over this state of affairs, the Committee in Paragraph 17.1 of their 58th Report (13th Lok Sabha) had desired that a detailed review of the existing system be undertaken, particularly by the Ministry of Finance and Railways, to devise suitable and effective measures targetting inherent defects in the existing system. The Committee would like the Government to take this issue with utmost seriousness so that excess expenditure as well as the excess registering Grants/ Appropriations are reduced to the barest minimum, if not altogether eliminated.</p>

1	2	3	4
3.	67	Finance (Economic Affairs), Culture, Home Affairs, Tele-communications & Railways	<p>The Committee regret to observe that excess expenditure of Rs. 2188.12 crore was incurred during the year 2002-2003 despite having Supplementary Grant of Rs. 1764.19 crore in 12 out of 20 cases of excess expenditure. In case of Appropriation Accounts (Civil), the excess expenditure of Rs. 1864.47 crore has occurred even after obtaining Supplementary Grant of Rs. 1613.17 crore in five out of nine excess registering Grants/Appropriations. The Committee also note that under Grant No. 8 — Department of Culture, the excess expenditure incurred is higher than the Supplementary Grant obtained. In case of Indian Railways Appropriation Accounts, the excess expenditure of Rs. 323.65 crore was incurred despite having Supplementary Grant of Rs. 151.02 crore in seven out of 11 such cases. Further, the original provision was not sanctioned under Grant/Appropriation Nos. 3, 4, 7, 8 and 11. Here only supplementary provisions were obtained and the excess expenditure has occurred despite obtaining Supplementary Grants. The Committee note that under Grant No. 16 — Assets, Acquisition, Construction and Replacement—Special Railway Safty Fund, the excess expenditure has occurred despite having both Original and Supplementary provisions. The Committee's examination further reveal that under Appropriation No. 7— Working Expenses— Repairs and Maintenance of Plant and Equipment, excess expenditure was even higher than the Supplementary Appropriation that had been sought. The Committee are inclined to conclude that Supplementary Grants in most of these cases were obtained without proper assessment with the result that even the additional provisions proved inadequate to meet the actual requirement of funds of the concerned Ministries/ Departments. The Committee, therefore, desire the concerned Ministries/Departments</p>

1	2	3	4
			to impress upon their budget controlling authorities to thoroughly examine their proposals for additional funds with due farsightedness and ensure proper review and scrutiny of the requests for Supplementary demands before presenting the same to Parliament for approval
4.	68	Finance (Expenditure & Economic Affairs)	<p>The Ministries/Departments are required to submit to the Committee explanatory notes in respect of the excess registering Grants/Appropriations immediately after the presentation of relevant Appropriation Accounts to the House. The Committee observe that while the explanatory note on Grant No. 13—Department of Telecommunications, Grant No. 99 — Chandigarh and Grants/Appropriations operated by the Ministry of Railways were received within time, the delay in furnishing the explanatory notes in respect of remaining six Grants/Appropriations ranged from nine days to more than four months. The explanatory note on Appropriation No. 29 — Interest Payments has not been received till the finalisation of the Report. The Committee owe an explanation from the Ministry regarding this inordinate delay. The Committee take a serious view of such delays on the part of the Ministries concerned in furnishing the explanatory notes and desire that responsibility be fixed for the laxity shown in this regard. The Committee, however, would like the Ministry of Finance, who is the coordinating Ministry in this regard, to look into the matter and take suitable measures to ensure timely submission of explanatory notes in future.</p> <p>The Committee would further like to point out that whenever the excess expenditure is noticed under any Grant/Appropriation, no time should be lost by the concerned Ministry/Department in preparing and forwarding the explanatory notes to Audit for vetting. The objections, if any, raised by Audit should be resolved on</p>

1	2	3	4
			<p>top priority basis. The Committee desire that a time schedule should be laid down for taking action at various stages involving finalisation/ vetting of these explanatory notes, which would result in eliminating delay on this account. The Committee trust that necessary steps would be taken in this direction.</p>
5.	69	Finance (Economic Affairs), Culture & Telecommunications	<p>From the scrutiny of Appropriation Accounts (Civil) the Committee note that there was an excess disbursement of Rs. 1864.47 crore in 9 segments of 8 Grants/ Appropriations in Civil Ministries. The excess expenditure over Rs. one crore had occurred in four out of nine cases. The Committee find that Appropriation No. 29— Interest Payments has shown the maximum excess expenditure aggregating Rs. 1792.90 crore followed by excess expenditure of Rs. 52.70 crore under Grant No. 80 — Department of Culture and Rs. 15.89 crore under Grant No. 13— Department of Telecommunications. The excess expenditure under the Grants/ Appropriations operated by Civil Ministries/ Departments was mainly on account of provision of Grant-in-aid to States for Railway Safety Works, Special drive to restore, conserve and improve conditions of monuments, conversion of special securities, wrong booking of expenditure, payments ordered by Court, clearance of unadjusted transactions etc. In the opinion of the Committee, these reasons could have been anticipated well in advance and provided for at budgetary or Supplementary Grants stage. The fact that this was not done is regrettable. The Committee desire that in future adequate care may be taken by the concerned Ministries/ Departments in this regard.</p>
6.	70	Finance (Economic Affairs), & Telecommunications	<p>The Committee are constrained to point out that excess expenditure under Grants/ Appropriations operated by the Civil Ministries/Departments has become a somewhat recurring phenomenon. The</p>

1	2	3	4
			<p>comparative figures of the past five years <i>i.e.</i> from 1998-99 to 2002-2003 (year under review) indicates that the excess expenditure under Civil Ministries/Departments had gone upto Rs. 1864.47 crore in sharp contrast to the years 1999-2000 and 2000-2001 when the excess expenditure showed a nominal decline from Rs. 0.57 to Rs. 0.44 crore respectively. The Grants showing excess expenditure have also increased from 5 in 2001-2002 to 8 in 2002-2003. Detailed analysis of the Appropriation Accounts (Civil) for the preceding two years <i>i.e.</i> 2001-2002 and 2002-2003 by the Committee has revealed that Grant No. 13 — Department of Telecommunications and Appropriation No. 29 — Interest Payments recurringly registered excess expenditure during these years. It has further been observed that while the excess expenditure under Grant No. 13—Department of Telecommunications is reduced during the year 2002-2003 (from Rs. 114.36 crore in 2001-2002 to Rs. 15.89 crore in 2002-2003), it has shown a steep rise in case of Appropriation No. 29—Interest Payments (Rs. 28.39 crore in 2001-2002 to Rs. 1792.90 crore in 2002-2003). Apparently no efforts have been made by the concerned Ministries/Departments to examine the factors contributing to such a dismal state of affairs and take corrective action. The Committee desire that every Ministry/ Department, particularly those concerned with grants mentioned above, should carefully review their mechanism for framing of budget estimates and take corrective measures, wherever required, to make it more balanced and realistic.</p>
7.	71	Home Affairs	<p>The Committee are distressed to find that during the year under review the Ministry of Home Affairs incurred the excess expenditure of Rs. 91.00 lakh under four sections of three Grants <i>i.e.</i> (i) Grant No. 45 — Ministry of Home Affairs (Revenue-Charged), 47—Police (Revenue-Charged) and 99—Chandigarh (Revenue-Charged and</p>

1	2	3	4
			<p>Capital-Charged). According to the Ministry of Home Affairs, this was mainly due to wrong booking of expenditure, payment of compensation as per court decrees, payment of MACT cases, salary and arrears of 'Assured Career Progressive Scheme' to High Court staff and payment deposited in Court on enhancement of various awards in land acquisition cases. The Committee are of the view that many of these could have been foreseen and provided for at least at the Supplementary Grant stage before the close of the financial year. This has happened despite the issuance of the instructions by the Ministry from time to time to restrict the expenditure as per the budgetary provision. Director (Finance-Home) has also stated to invite the attention of all Joint Secretaries to the provisions contained in Rule 53, 54 and 55 of GFR emphasising upon the need for making realistic assessment of funds and proper scrutiny of estimates not only at the Budget Estimate stage, but also at Supplementary Grants so that the occurrence of excess could be fully avoided. The Committee need hardly emphasise that mere issue of instructions is not sufficient unless these instructions are strictly complied with. They, therefore, desire the Ministry of Home Affairs to take suitable effective steps to ensure compliance of those instructions in their right earnest apart from tightening their control over expenditure.</p> <p>Further scrutiny of the Grants operated by the Ministry of Home Affairs has revealed that there was wrong booking of expenditure of Rs. 2.13 lakh under Major head "2052" Secretariat-General Services of Grant No. 45—Ministry of Home Affairs. The Committee would like to know reasons for the same. They would also like to have the details of the said wrong booking of expenditure which vitiated the estimate of final requirements of funds. The Committee would urge the Ministry to examine the matter for appropriate action in case any</p>

1	2	3	4
			serious negligence on the part of supervisory officials is noticed.
8.	72	Telecommunications	<p>The Committee note that an excess expenditure of Rs. 15.89 crore occurred under Capital Section (Voted) of Grant No.13 — Department of Telecommunications. This was despite an augmentation of the Original provision of Rs. 1.00 crore by Rs. 754.16 crore through a Supplementary Grant of Rs. 753.16 crore for this purpose. The Committee feel that obtaining of Supplementary provisions of Rs. 753.16 crore as compared to original provision of Rs. 1 crore shows gross under-estimation of funds at the Supplementary Grant stage. Further they find that the Ministry have not explained in their note the precise reasons for their failure to make provisions at the time of preparing the original budget or at the time of seeking Supplementary Grants. Regarding excess, the Committee opine that the Ministry have furnished an oft-repeated explanation that this was on account of clearance of unadjusted transactions that had occurred over several previous years. The Committee have been informed that the excess did not involve any cash outgo but was merely a book adjustment whereby transactions/expenditure from past year was passed on to Capital. Nevertheless, the Committee are inclined to conclude that the Ministry have woefully failed to take appropriate measures as they present the same fait accompli year after year. The Committee recall that only last year, they had desired in Paragraph 17.5 of their 58th report (13th Lok Sabha), to watch the impact of the steps taken by the Department of Telecommunications in this regard, in future Appropriation Accounts. The Committee have now been informed that after incorporation of the DTS/DTO, the budgeting system of Department of Telecommunications has been completely revamped and efforts are being made to contain the expenditure within the Budget</p>

1	2	3	4
9.	73	Finance (Economic Affairs)	<p>Allocation. The Committee hope that the Department of Telecommunications will be consistent in their efforts so that no expenditure is incurred in excess of the authorised limits under this Grant in future.</p> <p>The Committee find that there was an overall excess expenditure of Rs. 1792.90 crore under the Revenue Section (Charged) of Appropriation No. 29—Interest Payments. The excess was mainly due to conversion of Special Securities worth Rs. 400 crore, higher collections and investments of net small savings. The Committee would like to know the reasons as to why these factors could not be considered at least at the time of Supplementary Budget as no Supplementary provisions were obtained in this case. The Committee feel that the requirements for these factors could have been realistically assessed and forecast and timely additional provisions should have been made in the Revised Estimates. In the Committee's view this is not the first occasion when excess under this Appropriation has come to their notice. The Committee have further noted that an excess of Rs. 2882.39 crore and Rs. 28.39 crore was also reflected during the years 1998-99 and 2001-2002 respectively. The Committee have been informed that pursuant to their earlier recommendations [1998-99—23rd Report (13th Lok Sabha)], the Department of Economic Affairs had issued instructions to the various estimating authorities to put in place effective coordination between estimating and disbursing authorities with the help of a sound data base to avoid excess expenditure. While dealing with the excess expenditure of Rs. 28.39 crore under this Appropriation during the year 2001-2002, the Committee had also expected the Ministry of Finance to display better sense of financial discipline in future. Recurrence of excess expenditure to the tune of Rs. 1792.90 crore during the year 2002-2003 under this appropriation clearly indicate that instructions</p>

1	2	3	4
			<p>issued in the past had hardly any effect in improving the budgetary procedures and controls in the Ministry. The Committee would like to express their displeasure over the fact that instructions pursuant to their recommendations remain effective for a very short span of time and the deficiencies surface again thereafter. The Committee emphasise that repeated issuance of instructions would not serve the purpose unless these instructions are strictly enforced and monitored timely and properly. They would, therefore, urge the Ministry to examine critically the specific steps taken towards implementation of the instructions issued by them in order to identify any further steps required to contain the recurring phenomenon of excess expenditure under this Appropriation.</p>
10.	74	Culture	<p>Under Revenue section (voted) of Grant No. 80—Department of Culture, the Department incurred an overall excess expenditure of Rs. 52.70 crore against the total sanctioned provision of Rs. 487.46 crore during 2002-2003. The excess expenditure had mainly occurred under the sub-heads "Grants to other Cultural Institutions" (Rs. 5.95 crore), "Other Schemes" (Rs. 29.16 crore), "Grants to other Libraries (Rs. 2.45 crore)" Conservation of Ancient Monuments (Rs. 37.38 crore) and National Council of Science Museums, Kolkata (Rs. 3.20 crore) etc. According to the Department of Culture, this excess was due to the fact that an additionality of Rs. 63 crore which was obtained from Ministry of Finance, at the time of Revised Estimate 2002-2003 was not reflected in the 3rd Supplementary Demand for Grants during that year to get the approval as an additionality by the Parliament. The Committee view this as a case of avoidable excess expenditure showing lethargy on the part of dealing officers. Had the Departmental officers/ initiated timely action in this case, the additionalities could have been reflected in the 3rd Supplementary Demands for Grants. The</p>

1	2	3	4
11.	75	Railways	<p>Committee have been informed that instructions have been issued to all attached/Subordinate Officers Autonomous Organisations and all the Divisional Heads of the Department of Culture to maintain strict financial discipline. The Committee trust that the extant instructions would be strictly observed.</p> <p>The Committee's examination of Indian Railways Appropriation Accounts for the year 2002-2003 revealed that there was an overall excess expenditure of Rs. 323.65 crore incurred under three Grants and eight Appropriations. Out of this excess expenditure, Grant No. 14—Appropriation to Funds—DRF, DF, Pension and CF was the main contributor having an excess of Rs. 211.15 crore, which is 65% of the total excess expenditure incurred by the Ministry of Railways. This was followed by Grant No. 16—Assets—Acquisition, Construction and Replacement—Special Railway Safety Fund having excesses of Rs. 89.97 crore. An analysis of the reasons causing the excess expenditure indicates that the excess under Grant No. 14 was mainly due to strengthening the fund balances in view of overall better financial performance of Indian Railways. Under Grant No. 16, it was mainly due to slow progress of works and lesser activities than anticipated. Furthermore, under Appropriation Nos. 3, 4, 6, 7, 8, 9, 11 and 16—Capital, the excess expenditure was due to unanticipated decretal payments at the fag end of the year. Deploring this tendency, the Committee had, in Paragraph 17.9 of their 58th Report (13th Lok Sabha) expected the Ministry of Railways to ensure that in future, prompt action is taken to make the decretal payments and provide for it in the Original/Supplementary Budget. The fact that the Ministry has not taken due care despite the Committee's directive is regrettable. The Committee would, therefore, again like to emphasise that through proper control over expenditure and with more accurate estimation</p>

1	2	3	4
12.	76	Railways	<p>of liabilities, much of the excess expenditure can be avoided. If at all the requirement of more funds is felt after the budget estimates, additional provisions at the revised estimates should be made with more precision.</p> <p>Yet another area where inherent shortcomings were observed by the Committee related to the manner in which Supplementary Grants had been obtained by the Ministry of Railways. The Committee's examination of the relevant Appropriation Accounts has revealed that supplementary provisions of Rs. 151.02 crore were obtained in seven out of eleven cases of excess registering Grants/Appropriations as against the original provision of Rs. 2606.05 crore obtained in two out of seven such cases. The Committee's scrutiny has also revealed that under Appropriation Nos. 3,4,7,8 and 11, the original provisions were not available and only supplementary Grants were obtained for this purpose. Under Appropriation No. 7, the Supplementary provisions of Rs. 1.32 lakh, as obtained, proved to be inadequate as the actual expenditure under this Appropriation exceeded the provision by Rs. 4.23 lakh, which is 320.51 per cent of the Supplementary provisions obtained. Further, under Grant No. 14, no Supplementary Grant was obtained although there was excess expenditure subsequently to the tune of Rs. 211.15 crore. In fact that Supplementary provision in all these cases were too meagre as compared to excesses noticed subsequently which goes to prove that Supplementary Grants were ill conceived without conducting a proper and close scrutiny of the expenditure incurred or likely to be incurred by them during the financial year. The Committee are concerned over such a state of affairs and would like to express their unhappiness in this regard. They, therefore, recommend that the Ministry of Railways should evolve a mechanism to assess and project realistic requirement of funds both at Budgetary and Supplementary stages so that</p>

1	2	3	4
			timely action is taken to ensure that the excess expenditure could be avoided as far as possible.
13.	77	Railways	<p>Whereas the excess expenditure incurred by the Ministry of Railways had shown decreasing trend during the year 1999-2000 (Rs. 56.79 crore) and 2000-2001 (Rs. 0.14 crore), it has again started showing increasing trend subsequently, which is evident from the fact that during the years 2001-2002 and 2002-2003, the excess expenditure was Rs. 210.71 crore and Rs. 323.65 crore respectively. The Committee are concerned to note that excess expenditure has become a recurring phenomenon in respect of Appropriation Nos. 3, 7 and 16. The Committee's detailed analysis of these Grants/Appropriations revealed that under Appropriation No. 3—Working Expenses—General Superintendent and Services the excess expenditure has occurred recurringly for the past seven years <i>i.e.</i> from 1996-97 to 2002-2003, under Appropriation No. 7—Repairs and Maintenance of Plant and Equipments for the past four years <i>i.e.</i> from 1999-2000 to 2002-2003 and under Grant No. 16 — assets — Acquisition, Construction and Replacement—Capital for the past three years <i>i.e.</i> from 2000-2001 to 2002-2003. The excess expenditure under Grant No. 16 is also showing an increasing trend <i>i.e.</i> Rs. 0.13 crore in 2000-2001 to Rs. 3.39 crore in 2002-2003. While commenting on the recurrent excesses under Grant No. 3, the Committee, in their 58th Report, had desired the Ministry of Railways to critically re-examine and suitably revise the existing procedures. According to the Action Taken Note, the Ministry of Railways are stated to have issued instructions to the concerned Railways to arrest the trend of excess expenditure particularly in Appropriation No. 3 which however, has shown the excess expenditure this year also. Obviously these instructions have failed to yield desired results. The Committee would urge the Ministry to look</p>

1	2	3	4
			into the matter and take suitable steps apart from monitoring the instructions issued with a view to tightening their budgetary control so as to leave little scope for excess expenditure being incurred under various Grants/Appropriations operated by them.
14.	78	Railways	The Committee are distressed to find that misclassification of expenditure in Railways has become almost a regular feature. During the year under review, there have been misclassification of expenditure in as many as three Grants/Appropriations which have recorded excess expenditure. The Ministry of Railways have attributed these cases of misclassifications to lack of adequate attention being given at the time of preparation of vouchers. The Committee feel that these reasons are not enough to justify the regular failure of misclassifications on the part of Ministry of Railways. Obviously the Committee are led to the inescapable conclusion that the Ministry of Railways have not taken effective steps to tackle the problem of misclassification of expenditure between various Grants/Appropriations and to devise fool-proof measures to obviate recurrence of misclassification that vitiates sound budgetary control. The committee would also like the Ministry to identify and fix responsibility for such patent errors as soon as they occur.
15.	79	Finance, Telecommunications, Home Affairs, Culture Deptt. of Development of North-Eastern Region & Railways	Subject to the Observations made in the preceding Paragraphs, the Committee recommend that the expenditure referred to in Para 10 of this Report be regularised in the manner prescribed in Article 115 (1)(b) of the Constitution of India.

PART-II

MINUTES OF THE NINETEENTH SITTING OF THE PUBLIC
ACCOUNTS COMMITTEE (2004-2005) HELD ON 1ST APRIL, 2005

The Committee sat from 1130 hrs. to 1200 hrs. on 1st April, 2005 in Room No. "51"
(Chairman's Chamber), Parliament House, New Delhi.

PRESENT

Prof. Vijay Kumar Malhotra — *Chairman*

MEMBERS

Lok Sabha

2. Shri Khagen Das
3. Shri Ashok Kumar Rawat
4. Dr. R. Senthil
5. Shri Brij Bhushan Sharan Singh
6. Dr. Ram Lakhan Singh
7. Shri Tarit Baran Topdar

Rajya Sabha

8. Shri R.K. Dhawan
9. Shri C. Ramachandraiah
10. Shri Jairam Ramesh
11. Prof. R.B.S. Verma

SECRETARIAT

1. Shri Ashok Sarin — *Director*
2. Smt. Anita B. Panda — *Under Secretary*
3. Shri J.M. Baisakh — *Under Secretary*

Officers of the Office of the Comptroller and Auditor General of India

1. Shri V.N. Kaul — *Comptroller and Auditor General*
2. Ms. Anusua Basu — *Addl. Dy. Comptroller and Auditor General*
3. Dr. A.K. Banerjee — *Director General of Audit (CR)*
4. Shri P. Sesh Kumar — *Pr. Director*

2. At the outset, the Chairman referred to the sad and untimely demise of Shri Surender Singh, a former Member of Public Accounts Committee (1989-90) and Shri O.P. Jindal, a noted industrialist and father of Shri Navin Jindal, a serving Member of present Public Accounts Committee in a helicopter crash. As a tribute to the statesman, the Committee passed the resolution expressing their deep condolences. The Committee stood in silence for a while as a mark of respect.

3. The Committee then took up for consideration the following draft Reports and adopted the same:—

- (i) "Excesses over Voted Grants and Charged Appropriations (2002-2003)".
- (ii) Action Taken on the recommendations contained in 51st Report of PAC (13th Lok Sabha) relating to "Allotment of PAN".

4. The Committee authorised the Chairman to finalise these Reports in the light of verbal and consequential changes arising out of factual verification by audit or otherwise and present the same to the House.

5. The Committee then decided to hold the next sitting on 15th April, 2005 for consideration and adoption of two more draft Reports.

The Committee then adjourned

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

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH		20.	The International Book Service, Deccan Gymkhana, Pune-4.
1.	M/s Vijay Book Agency, 11-1-477, Mylargadda, Secundrabad-500361	21.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400001.
2.	M/s Booklinks Cooperation, 3-4-423/5 & 6, Narayanguda, Hyderabad-500029.	22.	M/s Usha Book Depot, "Law Book Sellers and Publishers" Agents Govt. Publications, 585, Chira Bazar, Khar House, Bombay-400002.
3.	M/s Ashok Book Centre, Benz Circle, Vasavya Nagar, Vijayawada-520006. (A.P.)	23.	M & J Services, Publishers Representative Accounts & Law Book Seller, Mohan Kunj, Ground Floor 68, Jyotiba Fule Road, Nalgaum-Dadar, Bombay-400014.
4.	M/s Labour Law Publications, 873, Kothi Bus Stand, Hyderabad-500001.	24.	The Marathwada Book Distributors, Parmimal Khadkeshwar, Aurangabad-431001.
5.	M/s Law Publico Pvt. Ltd., opp. Telegraph Office, 5-1-873, Kothi, Hyderabad-500195.	25.	M/s Pragati Jer Mahal, 432, Kalbadevi, Road, Bombay-400002.
6.	Shri V.A.N. Raju, Newspaper Agent, H.No 1-2-58, Rahamath Nagar, Kazipet-506003. (A.P.)	26.	M/s Jaina Book Agency (India), 649-A, Girgaum Road, Dhobi Talao, Bombay-400002.
7.	M/s Vivekananda Law Publishers, Shop No.8, opp. Secundrabad Courts, Secundrabad-500010, Hyderabad.	27.	M/s Thosar Granihagar Shabu Lsmi, 201, Samrath Nagar, Aurangabad-431009.
BIHAR		MANIPUR	
8.	Departmental Publications Sales Centre, Vikash Bhavan, New-Secretariat, Patna (Bihar).	28.	M/s P.C. Jain & Co. Thangal Bazar, Imphal-795001.
9.	M/s Progressive Book Centre, Zila School, Pani Tanki Chowk, Ramma, Muzaffarpur-842002 (Bihar).	MEGHALAYA	
GUJARAT		29.	M/s Paul's Agency & Distributors, R.K. Mission Road, Laitumkharh, Shillong-793003.
10.	M/s Vijay Magazines Agency, Station Road, Anand-388001 (Gujarat).	PONDICHERRY	
11.	The New Order Book Company, Ellis Bridge, Ahmedabad-380006. (T.No. 79065).	30.	Editor of Debates, Legislative Assembly, Department, Pondicherry-605001.
HARYANA		PUNJAB	
12.	M/s Indian Documentation Service, Patel Nagar, Post Box No. 13, Gurgaon-122001 (Haryana)	31.	M/s Lyall Book Depot, Chaura Bazar, Ludhiana-141008.
13.	M/s Prabhu Book Service, Sadar Bazar, Gurgaon-122001.	RAJASTHAN	
14.	M/s Maharishi Dayanand University Book Shop, Rohtak-124001. (Haryana)	32.	M/s Pitaliya Pustak Bhandar, Jaipur-302001.
JAMMU		TAMILNADU	
15.	M/s Haldia Publishers (India), 128-A, Gandhi Nagar, Jammu-180004.	33.	M/s C. Sitaraman & Co., 37, Royappettah High Road Madras-600014.
KARNATAKA		34.	Shri I. Gopalkrishnan, Principal, Salem Sowdeswari College, Salem-636010
16.	M/s People's Book Houses, J.M. Palace Road, Mysore-570024.	35.	M/s M.M. Subscription Agencies, 123, Third Street, Tatabad, Coimbatore-641012.
17.	M/s Geetha Book House, K.R. Circle, Mysore-570001.	UTTAR PRADESH	
18.	The Editor, Youth Gazette No. 154, Jyoti Niwas, 4th Cross, 4th Main, 2nd Phase, Marjinath Nagar-560010 (Karnataka).	36.	Law Publishers, Sardar Patel Marg, P.B. No. 70, Allahabad, (U.P.)
MAHARASHTRA		37.	M/s International Publicity Service, GPO Box No. 1114, Varanasi-211001 (U.P.)
19.	M/s Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400002.	38.	The Law Book Company (P) Ltd., Sardar Patel Marg, P.B. No. 1004, Allahabad-211001. (U.P.)

Sl. No.	Name of Agent	Sl. No.	Name of Agent
39.	M/s S. Kumar & Associates, Marketing & Sales Division, Information Group, 32, Sarojini Devi Lane, Guru Govind Singh Marg, GPO Box No. 251, Lucknow-226001.	56.	M/s Grover Book & Stationery Co., 58/109, Sahyog Building, Nehru Place, New Delhi-110019. (T.Nos. 26419877, 26419651, 26440902).
40.	M/s Ram Advani Bookseller, Hazrat Ganj, GPO Box No. 154, Lucknow-226001.	57.	M/s Biblia Impex Pvt. Ltd., 2/18, Ansari Road, New Delhi-110001.
WEST BENGAL		58.	M/s Universal Book Traders, 80 Gokhale Market, Opp. New Courts, Delhi-110054.
41.	M/s Manimala Buys & Sells, 123, Bow Bazar Street, Kolkata-700001.	59.	M/s Eastern Book Co. (Sales), Kashmere Gate, Delhi-110006.
42.	M/s Bankura News Paper Agency, Machantola, P.O. & Distt. Bankura-722101.	60.	M/s International Publicity Service, GPO Box No. 1114.
43.	M/s Book Corporation, 4, R.N. Mukherjee Road, Kolkata-700001.	61.	M/s Jain Book Agency (South End) 1, Aurobindo Place, Hauz Khas, New Delhi-110016.
44.	M/s Bolpur Pustakalaya, Rabindra Sarani (Shantiniketan) P.O. Bolpur (W.B.)	62.	M/s Seth & Co., Room No. 31-D, Block B, Delhi High Court, Sher Shah Road, New Delhi-110003.
DELHI		63.	M/s Dhaowantra Medical & Law House, 592, Lajpat Rai Market, Delhi-110006.
45.	M/s Jain Book Agency, C-9, Connaught Place, New Delhi-110001 (T.Nos. 23321663 & 23320806)	64.	M/s Oxford Subscription Agency, A-13, Green Park, Extension, Delhi-110016.
46.	M/s J.M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006. (T. Nos. 291564 & 230936)	65.	M/s K.L. Seth, B-55, Shakarpur, Delhi-110092.
47.	M/s Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001. (T. Nos. 23315308 & 23315896)	66.	M/s Jaina Book Depot, Chowk Chhapparwala., Bank Street, Karol Bagh, New Delhi-110005.
48.	M/s Bookwell, 2/72 Sant Nirankari Colony, Kingsway Camp, Delhi-110009 (T. Nos. 27112309 & 23268786)	67.	M/s Kamal & Co., 27, DDA Shopping Centre, Arjun Nagar, Safdarjung Enclave, New Delhi-110029.
49.	M/s Rajendra Book Agency, IV-DR-59, Lajpat Nagar Old, Double Storey, New Delhi-110024. (T. Nos. 26412362 & 26412131).	68.	M/s Standard Book Co., 125, Municipal Market, Connaught Place, P.B. No. 708, New Delhi-110001. (T. Nos. 23712828, 23313899)
50.	M/s Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.	69.	M/s Jayale(W) Agency, I-196, Naraina Vihar, New Delhi-110028.
51.	M/s Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.	70.	M/s Sat Narain & Sons. 40-A, Municipal Market, Babar Road, Behind Modern School, Barakhamba Road, New Delhi-110001.
52.	M/s Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110001. (T. Nos. 23364448, 23364478)	71.	M/s R.K. Books, 40/21-A, Gautam Nagar, New Delhi-110049.
53.	M/s Amrit Book Co., N-21, Connaught Circus, New Delhi-110001. (T. No. 23310398)	72.	M/s D.K. Agencies (P) Ltd., A/15-17, Mohan Garden, Najafgarh Road, New Delhi-110059.
54.	M/s Books India Corporation, Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110002. (T. Nos. 269631 & 714465).	73.	M/s Ishwar Chandra Co., Baldev Bhawan, 9986, Ram Behari Road, Sarai Rohella, New Delhi-110005.
55.	M/s Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110002.	74.	M/s Vijay Book Service C/D/123/C Pitampura, New Delhi-110034.